



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 June 18, 2013 – 7:30 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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Est. Time	Item	Subject
7:30 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , June 4, 2013
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit)
		This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	STAFF/DIRECTORS REPORTS
	5.	PUBLIC HEARING/ADOPT
		<ul style="list-style-type: none"> a. Proposed FY14 Equipment Budget b. FY14 & FY15 Novato Capital Improvement Projects Budget c. FY14 Proposed Novato Water Operations Budget d. FY14 Proposed Recycled Water System Budget
	6.	MONTHLY PROGRESS REPORT
	<p>CONSENT CALENDAR</p> <p>The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.</p>	
	7.	Consent – Approve Adopted Revised Policy Numbers 41, 43 & 44
	ACTION CALENDAR	
	8.	Approve: Oceana Marin Sewer Service Charge Increase Ordinance - First Reading
	9.	Approve: Annexation No. 11 to Improvement District OM-3 Resolution
	10.	Approve: Supporting Participation in the Water Bond Coalition Resolution
8:30 p.m.	INFORMATION ITEMS	
	11.	Additional Review – FY14 West Marin Water and Oceana Marin Sewer Budgets
	12.	Recycled Water Expansion Project – Update on Covello Construction Management Contract

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
	13.	MSN B1 (AEEP Reach E) Project – Progress Report No. 1 (Harris & Associates)
	14.	Russian River Compact
	15.	MISCELLANEOUS Disbursements Challenges of Changing Banks Water Supply Permit Amendment Letter (New Point Reyes Station Well) ACWA's Membership in National Water Resources Association <u>News Articles:</u> Dry Winter prompts call for conservation Healdsburg calls for voluntary water conservation Meeting Slated to Discuss Dry Creek Construction this Summer Supervisors tap veteran lawyer as Marin counsel
9:00 p.m.	16.	ADJOURNMENT

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NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 4, 2013

CALL TO ORDER

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

District employee Doug Moore (Construction/Maintenance Superintendent) was in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Marin County Open Space

Mr. DeGabriele informed the Board that he attended the Marin County Open Space meeting in May where there was a brief discussion on Measure A. He noted that Measure A is to collect an additional \$10M in tax revenue for the next 9 years and to give \$6.5M to open space and \$1.5M to city and town special district and \$2M to farm land preservation.

Non-Conforming Use Policy

Mr. DeGabriele informed the Board that he met with the Marin County Open Space staff to discuss his comments on the Non-Conforming Use Policy. He noted that it was a productive meeting and that their staff was supportive of the District's two pipeline projects proposed to cross open space area.

California Department of Public Health

Mr. DeGabriele informed the Board that the District received good news from the California Department of Public Health who approved the water supply permit for the Pt. Reyes Well.

Director Baker asked how soon the well would be operating. Mr. DeGabriele stated that it is fully operational.

1 Grand Jury Response

2 Mr. DeGabriele informed the Board that today's Marin Independent Journal includes an
3 article about the Marin Civil Grand Jury's investigation on post employment health benefits. He
4 noted that the District has been requested to respond within 90 days to the Grand Jury and staff will
5 be preparing a response to share with the Board.

6 **OPEN TIME**

7 President Fraites asked if anyone in the audience wished to bring up an item not on the
8 agenda and there was no response.

9 **STAFF / DIRECTORS' REPORTS**

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

12 **CONSENT CALENDAR**

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

15 **QUITCLAIM UNUSED 12 WENTWORTH EASEMENT (RESOLUTION 13-7)**

16 The owner at 12 Wentworth Lane submitted an application on May 21, 2013 to request
17 quitclaim of an obsolete pipeline easement. Staff has reviewed this request and recommends
18 approval of the quitclaim.

19 The Board authorized the General Manager to execute a quitclaim for an obsolete pipeline
20 easement at 12 Wentworth Lane and Resolution No. 13 – 07 "Authorization of Execution of
21 Quitclaim Deed to Arnal Family Trust."

22 **TEXT FOR WEST MARIN WATER LINE, VOLUME 11**

23 Text for West Marin's Spring 2013 "*Water Line*", Volume 11 was given to the Board for
24 review and approval. It is expected that the "*Water Line*" will be mailed in early June 2013 in
25 combination with the Consumer Confidence Report in effort to save postage costs.

26 The Board authorized the General Manager to approve text and design for West Marin's
27 Spring 2013 "*Water Line*", Volume 11.

1 **TEXT FOR NOVATO WATER LINE, VOLUME 14, ISSUE 29**

2 Text for Novato's Spring 2013 "Water Line", Volume 14, Issue 29 was given to the Board for
3 review and approval. It is expected that the "Water Line" will be mailed in early June 2013 in
4 combination with the Consumer Confidence Report in effort to save postage costs.

5 Mr. DeGabriele advised the Board that since the "Water Line" was originally drafted, Stafford
6 Lake storage levels have fallen and will be about 77% full when the newsletter is mailed out.

7 The Board authorized the General Manager to approve text and design for Novato's Spring
8 2013 "Water Line", Volume 14, Issue 29.

9 **2012 CONSUMER CONFIDENCE REPORT – NOVATO**

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

15 The Board was provided the 2012 Consumer Confidence Report for Novato for review and
16 approval and is scheduled to be mailed with the "Water Line" in June.

17 The Board authorized the General Manager to approve final text and design for the 2012
18 Consumer Confidence Report for Novato.

19 **2012 CONSUMER CONFIDENCE REPORT – POINT REYES**

20 The Board was provided the 2012 Consumer Confidence Report for Point Reyes for review
21 and approval and is scheduled to be mailed with the "Water Line" in June.

22 The Board authorized the General Manager to approve final text and design for the 2012
23 Consumer Confidence Report for Point Reyes.

24 **LAFCO ALTERNATE SPECIAL DISTRICT MEMBER CALL FOR NOMINATIONS**

25 Marin LAFCO is calling for nominations for an Alternate Special District Member.
26 Nominations can be received up to July 24, 2013. Director Baker is interested in the position.

27 The Board nominated Director Baker as a candidate for Marin LAFCO Alternate Special
28 District Member.

1 **ADOPT REVISED DISTRICT POLICIES NUMBER 37, 38, 39 & 40**

2 The Board was provided District policies number 37, 38, 39 & 40 to review and revise at the
3 prior Board meeting on May 21, 2013.

4 The Board had no changes to policy number 39 – Grand Jury Response.

5 The Board adopted the following revised policies: number 37 – Outside Employment Policy,
6 number 38 – Use of NMWD Meeting Room Policy/Conditions of Use, number 40 – NMWD
7 Computer Use Policy.

8 **ACTION CALENDAR**

9 **REQUEST TO WAIVE TURN-ON CHARGE – 13 SYLVIA COURT**

10 Mr. Bentley reminded the Board of the request from Ms. Kappel regarding the turn on charge
11 and fees for her water bill. He stated that staff investigated the issue and found that a bill for \$37
12 was mailed to Ms. Kappel on February 28 for January and February water use. He noted that Ms.
13 Kappel stated that she called the District on March 7 to advise that she would be away for two
14 months and requested that her water service not be shut-off in her absence. Mr. Bentley stated that
15 staff has no record of her call. He informed the Board that a reminder notice was mailed on April 2nd
16 and a late notice was mailed on April 17th. He noted on May 1st another letter was mailed and finally
17 the water was shut off on May 8th. Mr. Bentley informed the Board that when Ms. Kappel returned
18 from her trip she came into the office and staff waived \$30 of the \$60 charges at that time and Ms.
19 Kappel is requesting the additional \$30 be waived. Mr. Bentley stated that staff recommends not to
20 waive the remaining \$30 since there is no evidence of a call.

21 Director Petterle suggested that staff waive the \$30 charge and ask Ms. Kappel to go on an
22 automatic payment service so this does not occur again.

23 Director Rodoni stated that with the District's service charge being higher, that the District
24 could consider postponing shut-off or late charges for people whose bills are less than the service
25 charge.

26 Mr. Bentley stated that staff was against changing the policy due to people that struggle now
27 to pay will have more of an issue deferring payments.

28 On motion of Director Baker, seconded by Director Schoonover and carried by the following
29 vote the Board denied the request to waive the remaining half (\$30) of the Trip Charge/Turn-on
30 Charge for Ms. Kappel:

31 AYES: Director Baker, Fraites, Schoonover

1 NOES: Director Petterle, Rodoni

2 ABSTAIN: None

3 ABSENT: None

4 **UPDATE TO COUNTY OF MARIN RE: SEWER SERVICE TO INDIVIDUAL PROPERTIES IN OLD**
5 **DILLON BEACH**

6 Mr. DeGabriele reminded the Board that at the April 16th Board meeting, the Board
7 suggested the District update its 1995 letter to the County regarding sewer service to individual
8 properties in Old Dillon Beach, specifically to address the remaining properties to be served from the
9 existing sewer main on Ocean View Avenue and how the District would respond to serving
10 consolidated parcels which front both Ocean View Avenue and Park Avenue.

11 The Board had a discussion regarding the updated letter and requested Mr. DeGabriele
12 further clarify the letter. The Board requested any action on this item be deferred to a future meeting.

13 **KTA-TATOR INC. – CONSULTING SERVICES AGREEMENT**

14 Mr. McIntyre informed the Board that staff is requesting a consulting services agreement with
15 KTA-TATOR Inc, to provide on-going professional consultation for coating/corrosion engineering
16 and inspection. He stated that the first task order to be funded under the agreement will be an
17 updated review of NMWD tank coating specifications to ensure they meet current industry standards
18 and regulatory requirements. Mr. McIntyre informed the Board that additional task orders include
19 coating evaluation and structural assessment services for the Atherton Tank Recoat project.

20 Director Baker asked when the last time the Atherton Tank was recoated. Mr. McIntyre
21 stated that it has its original coating.

22 Director Rodoni asked when it was built and Mr. McIntyre answered in the early 1960's.

23 On motion of Director Schoonover, seconded by Director Rodoni and unanimously carried
24 the Board authorized the General Manager to execute a new General Services Agreement for
25 Consulting Services between NMWD and KTA-TATOR, Inc. with a not-to-exceed limit of \$15,000.

26 **INFORMATION ITEMS**

27 **PRESENTATION OF GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN**
28 **FINANCIAL REPORTING**

29 Mr. Bentley informed the Board that for the 4th consecutive year the District received a
30 Certificate of Achievement for Excellence in Financial Reporting. He noted that the District team

1 was comprised of Dianne Landeros, Nancy Holton and Nancy Williamson. Mr. Bentley advised the
2 Board that there is a draft press release that will be sent to the local newspapers along with a
3 picture.

4 **INITIAL REVIEW – WEST MARIN WATER AND OCEANA MARIN SEWER BUDGET**

5 David Bentley provided the Board with the initial review of the West Marin and Ocean Marin
6 Sewer Budget. He advised the Board that at the next meeting on June 18th there will be the second
7 review and that there is a hearing set for June 25th in Point Reyes to adopt the budgets. Mr. Bentley
8 stated that there is an 8% rate increase, (5% commodity rate increase and a 20% service charge
9 increase) recommended for West Marin Water, and for Oceana Marin Sewer a 12% rate increase is
10 recommended. He noted that the sewer service charge is to be adopted by ordinance and has to be
11 read twice, once on the 18th and the second reading on the 25th, where it is proposed to be adopted.
12 He informed the Board that the District sent a press release to the Point Reyes Light inviting
13 residents to come to the meeting in Point Reyes on the 25th.

14 Mr. Bentley informed the Board that \$200K is budgeted for continued work on the Solids
15 Handling Facilities adjacent to the water treatment plant, and \$100K to upgrade the Olema Pump
16 Station for flood protection and to upgrade its SCADA remote terminal units for the water system.
17 He stated that there will be \$35K for installation of a SCADA remote terminal unit upgrade in the
18 sewer system. Mr. Bentley advised the Board that the proposed West Marin Water System Budget
19 projects a deficit next year of \$102K, representing the planned drawdown of the Bank of Marin loan
20 funds borrowed to construct the Solids Handling Facility.

21 Mr. Bentley informed the Board that the survey of the West Marin Coastal Area Annual
22 Water Cost Comparison shows that, even with the proposed rate increase, the water cost for the
23 District's West Marin customers remains below that paid by customers of the other seven coastal
24 agencies surveyed.

25 Mr. Bentley advised the Board that the proposed Oceana Marin Sewer budget includes a
26 \$7/month increase in the sewer service charge. He stated that the budget projects operating
27 expenditures to increase 16% from the current year budget and that two new connections are
28 budgeted for next fiscal year with the anticipation of the Brown annexation. Mr. Bentley advised the
29 Board that the budget for Phillips and Associates to provide operations and maintenance for the
30 Oceana Marin system is projected at \$67K. He noted that the agreement with Phillips and
31 Associates expires at end of the month and that District staff is renegotiating the renewal and will
32 have more information at the Board meeting in Point Reyes.

1 Director Baker asked how long Phillips and Associates have been working for the District.
2 Mr. Bentley responded five years.

3 Mr. Bentley stated that on the survey completed for the 2013 sewer cost comparison,
4 Oceana Marin is ranked 3rd out of four agencies.

5 Mr. DeGabriele informed the Board that he will be attending the Oceana Marin homeowner's
6 association meeting on July 20th.

7 **BOARD REVIEW OF DISTRICT POLICIES # 41, 43 & 44**

8 Mr. DeGabriele advised the Board that three more policies were included for review: policy
9 numbers 41 – Vehicle Replacement, 43 – Wireless Communication Facilities Lease Policy, and 44 –
10 Integrated/Multi-Benefit Water Resource Projects. Mr. DeGabriele stated that staff made minor
11 changes to policy number 44 referencing North Bay Water Reuse Authority. He requested that the
12 Board review the policies and let him know of any changes. He stated that staff will bring the revised
13 policies back to the next meeting for approval.

14 **NBWA MEETING – JUNE 7, 2013**

15 President Fraites informed the Board that he will be attending the North Bay Watershed
16 Association Meeting on June 7, 2013.

17 **TAC MEETING – JUNE 3, 2013**

18 Mr. DeGabriele provided the Board with a summary of the Technical Advisory Committee
19 Meeting on June 3rd. He stated that the meeting was well attended by TAC members and the
20 general public. He informed the Board that a Fluoridation Consultant with the California Dental
21 Association Foundation reviewed the current status of water fluoridation in California and the recent
22 trend wherein fluoridation increased from 16% of the population in 1995 to 62% in 2010. Mr.
23 DeGabriele said that Dr. Lynn Silver from the County of Sonoma Department of Health Services
24 made a similar presentation to the one before the Fluoridation Advisory Committee regarding the
25 status of dental health in Sonoma County. He noted that the TAC members along with the general
26 public had numerous questions and he reminded the public and TAC members that the decision to
27 fluoridate the water is made by the Sonoma County Board of Supervisors and that they will need to
28 find funding from somewhere other than the retail rate payers or tax payers.

29 Mr. DeGabriele informed the Board since the State Board issued the Temporary Urgency
30 Change Order, authorizing lower in-stream Russian River flows that storage in Lake Mendocino has
31 leveled out. He advised the Board that Sonoma County Water Agency is promoting two ways to

1 conserve water this summer. He stated that the “20-gallon Challenge” was introduced to encourage
2 water users to reduce their usage by 20 gallons per day. He informed the Board that customers can
3 go online to 20gallonchallenge.org to find an interactive checklist to help reduce water use and sign
4 a pledge. Mr. DeGabriele said the second approach to reduce water usage was to have a “Beat the
5 Heat” campaign to reduce peak water demand during summer heat waves. He noted that there
6 would be radio ads requesting water users to reduce irrigation during heat spells.

7 Mr. DeGabriele informed the Board that the TAC will be meeting on an ad-hoc basis two
8 times per month to determine status of water supply and Lake Mendocino storage levels. He stated
9 that the National Weather Service will be making a presentation and allowing access to a
10 forecasting tool so that tanks can be filled prior to predicted heat waves and attempt to utilize local
11 supply and storage as much as possible to de-peak the demand.

12 Mr. DeGabriele reminded the Board that the water contractors are just one component of
13 Russian River water users and that Lake Mendocino storage is most affected by urban and
14 agricultural water users north of Healdsburg.

15 **MISCELLANEOUS**

16 The Board received the following miscellaneous information: Disbursements and, City of
17 Novato- Clean & Green Thank You letter.

18 The Board also received the following news articles: KRCB - Russian River Flows, North
19 Marin Water District board president defends raises, State appeals court backs Marin desalination
20 environmental analysis, Novato’s new fire chief ‘one of our own’, 20-Gallon Challenge Public
21 Awareness Effort Debuts to Help Save Water this Summer, Farm Official: Marin Faces drought
22 ‘emergency’, and Changes at NOAA Fisheries.

23 **ADJOURNMENT**

24 President Fraites adjourned the meeting at 8:34 p.m.

25 Submitted by

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Katie Young
District Secretary

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MEMORANDUM

To: Board of Directors

June 14, 2013

From: David L. Bentley, Auditor-Controller 

Subj: Public Hearing/Approve - Proposed FY14 Equipment Budget
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RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$231,000

Presented for your third and final review, public hearing and approval is the proposed FY 2013/14 (FY14) Equipment Budget. There have been no changes since the Board's last review of the Equipment Budget on May 21.

FY13 estimated actual expenditures are forecast at \$199,000. The proposed FY14 budgeted equipment expenditures is \$231,000. The 5-Year Financial Plan includes \$255,000 for FY14 Equipment purchases.

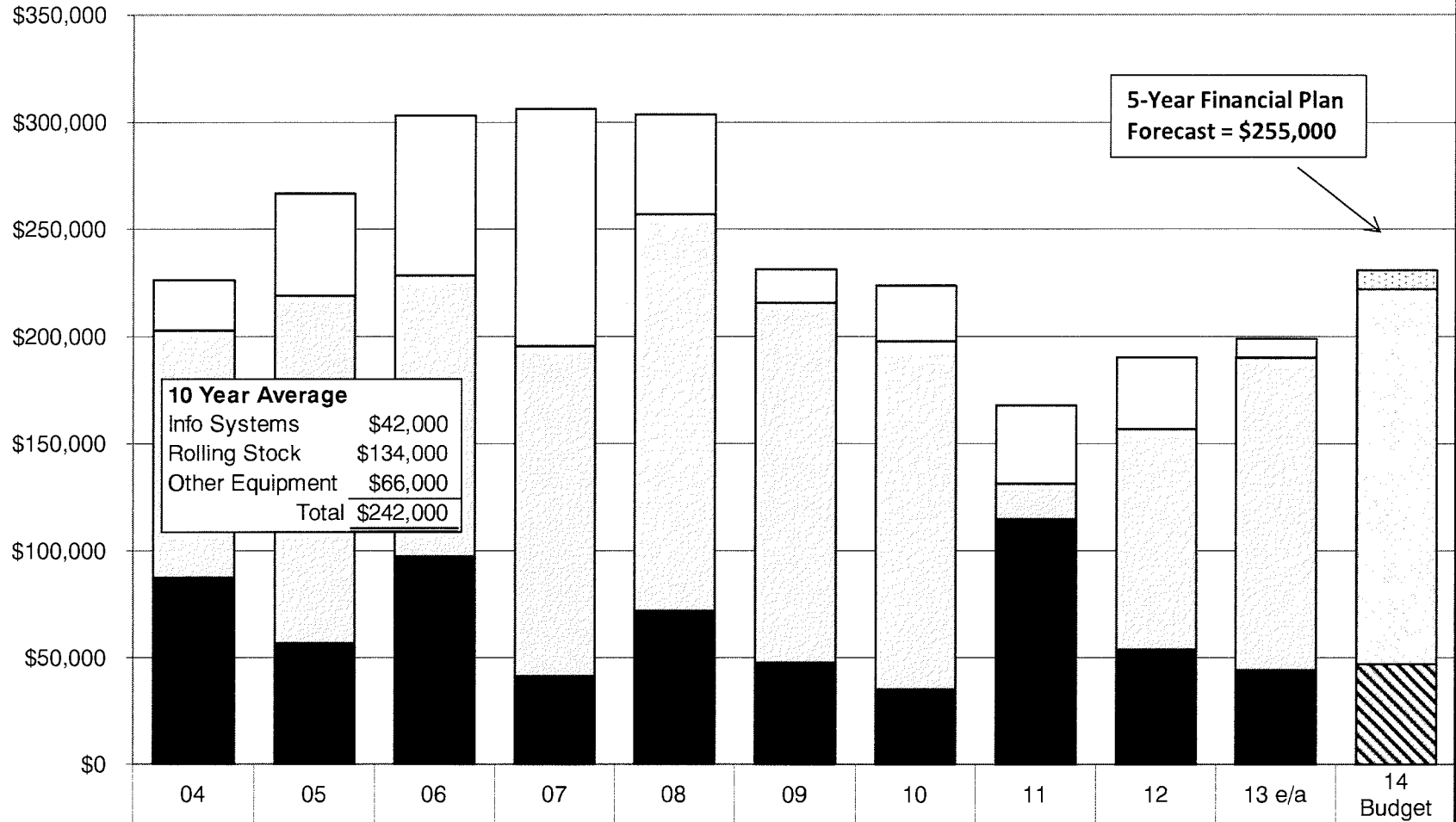
Purchase of rolling stock (two ½-ton hybrid pickups, two ¾-ton pickups and a propane powered forklift) comprise 76% of the Proposed FY14 Equipment Budget.

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

Recommendation:

Approve the FY14 Equipment Budget as presented.

History of Equipment Purchases



	04	05	06	07	08	09	10	11	12	13 e/a	14 Budget
□ Info Systems	\$23,440	\$47,650	\$74,666	\$110,726	\$46,572	\$15,761	\$25,925	\$36,375	\$33,346	\$9,000	\$9,000
□ Rolling Stock	\$115,407	\$162,234	\$131,185	\$154,281	\$185,181	\$168,055	\$162,696	\$16,671	\$103,057	\$146,000	\$175,000
■ Other Equipment	\$87,445	\$56,715	\$97,287	\$41,238	\$71,888	\$47,520	\$35,082	\$114,612	\$53,724	\$44,000	\$47,000
Total	\$226,292	\$266,599	\$303,138	\$306,245	\$303,641	\$231,336	\$223,703	\$167,658	\$190,127	\$199,000e	\$231,000

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

6/10/13

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

	Adopted Budget	Estimated Actual	Proposed Budget
RECAP	2012/13	2012/13	2013/14
Equipment	\$78,000	\$53,000	\$56,000
Rolling Stock	\$155,000	\$146,000	\$175,000
	\$233,000	\$199,000	\$231,000

5-Year Vehicle and Equipment Replacement Plan

Updated 3/1/13

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

Note: The 2 hybrids will replace 58, 59 and #30 & 40 to be auctioned.

FY14/15	New Item Description	Replacement Item Description	Cost
1	Forklift	#902B 1989 Kalmar	\$30,000
2	1/2 Ton Pickup, Tool Box, Radio & Light Bar	#51 2003 Chevy Pick Up	\$25,000
3	4X4 Loader	#62 1993 Case 4X4 Loader	\$65,000
4	1/2 Ton Pickup w/Tool Box and Radio	#42 2001 Dodge Dakota pick-Up	\$25,000
5	HD 3/4 Ton 4x4 pickup, Alt fuel, radio, LED light	#506 Ford F250 4x4, bad fuel/engine	\$30,000
Total			\$175,000

Note: 902B, 54, 42 and 62 will be auctioned.

FY15/16	New Item Description	Replacement Item Description	Cost
1	Backhoe 4X4 Diesel	#77 2004 John Deere 310 SG	\$115,000
2	1/2 Ton 4X4, alt fuel w/Tool Box & Radio	#501 2006 Chevy Colorado 4X4	\$25,000
3	Hybrid Car	#56 2005 Honda Civic	\$25,000
Total			\$165,000

05 Honda replacement due to the expected high cost of battery & electronic control repairs.

FY16/17	New Item Description	Replacement Item Description	Cost
1	Hybrid 4X4 SUV	#57 2005 Honda Civic	\$30,000
2	5 Yard Diesel Dump truck	#55 1999 International Dump	\$120,000
3	Bar	#53 2004 Chevy Pick Up	\$25,000
Total			\$175,000

05 Honda replacement due to the expected high cost of battery & electronic control repairs.

FY17/18	New Item Description	Replacement Item Description	Cost
1	5 Yard Diesel Dump truck	#52 1996 Ford Super Duty Dump	\$125,000
2	1 Ton Flat Bed, Radio and Emergency Light	#19 1999 Ford F350	\$30,000
3	Light	#502 2002 Chevy 2500 4X4	\$30,000
Total			\$185,000

Note: Truck 19 & 52 be auctioned.

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

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

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MEMORANDUM

To: Board of Directors

June 14, 2013

From: David L. Bentley, Auditor-Controller

Subj: Public Hearing/Approve - FY14 & FY15 Novato Capital Improvement Projects Budget
t:\ac\word\budget\13\cip hearing.docx**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** \$7.7M FY14 & \$14.3M FY15 Gross Expenditure Budget

Presented for your final review, public hearing and approval is the proposed Novato Service Area FY2013/2014 (FY14) and FY2014/2015 (FY15) Capital Improvement Projects Budget. There has been no change to the recommended budget since the Board's last review on May 14.

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

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

Novato's Five-Year CIP Expenditure Plan averages \$2.5 million annually in internally funded projects, up from the \$2.1 million average expended over the past 5 years. During February's 5-Year Financial Plan review, staff discussed the need to increase Novato's average annual CIP outlay from \$2.0 million to \$2.5 million in response to the 2013 Master Plan finding that increased pipeline replacement work is required. However, in addition to increased pipeline replacement work, Novato's proposed CIP plan is front-loaded with the \$1.7 million Atherton Tank Recoating project, which pushes the average to \$3.4 million over the next two years, and which will require budgetary discipline in the out years to achieve the \$2.5 million average over the next five years.

RECOMMENDATION:

Approve the FY13 & FY14 Capital Improvement Projects Budget as presented.

¹ The AEEP is funded with a \$7 million 3.5% Bank loan and \$8.8 million in Caltrans contributions.

Novato Water Capital Improvement Project Expenditures

Thousands

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

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

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

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

Proposed Capital Improvement Projects

6/10/13

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

Proposed Capital Improvement Projects

6/10/13

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		FY14 Budget	FY15 Budget	FY14 Project Description
2. SYSTEM IMPROVEMENTS				
a.	RTU Upgrades	\$10,000	\$10,000	Replace aging and unreliable RTUs
b.	Flushing Taps at Dead-Ends (12 biennially)	\$50,000		Install flushing taps at dead-end zone valves to improve water quality
c.	DCA Repair/Replace (~14/yr)	\$150,000	\$150,000	Detector Check Assembly replacements
d.	Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper laterals for corrosion protection
e.	Radio Telemetry	\$25,000	\$25,000	Install radio transmitters to replace leased lines
f.	Sampling Stations (6 biennially)		\$50,000	
g.	Inaccurate Meter Replacement	\$10,000		Replacement of inaccurate meters based on recommendations in the FY06 meter testing study.
h.	Facilities Security Enhancements		\$25,000	
i.	Backflow Device Upgrade - BMK (15 Srvcs/yr)	\$30,000	\$30,000	Replace DCVs with above grade RPP devices
j.	Tank Access Hatch/Level Alarms (10 Sites)	\$35,000	\$35,000	Enhance tank security by adding remote alarm notification of unauthorized entry.
		<u>\$340,000</u>	<u>\$355,000</u>	
3. BUILDING, YARD, STP. IMPROVEMENTS				
a.	Administration Building			
1	Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiry.
2	Admin Office/Lab/Yard Remodel Plan	\$50,000		Move from conceptual to preliminary design phase.
		\$200,000	\$0	
b.	Corp. Yard/Warehouse/Construction Office			
1	SMART Crossing Upgrade (Golden Gate PI)	\$58,000		Shared Cost with Golden Gate Transit.
		\$58,000	\$0	
c.	Stafford Treatment Plant			
1	Watershed Erosion Control	\$25,000	\$25,000	STRAW Project (\$9K) & Dairy Nutrient Control
2	Dam Concrete Apron Repair		\$50,000	
3	Start-up Flushing Connection	\$225,000		To allow flushing the Novato Blvd main from Sutro back to STP with Zone 2 water.
4	Lake Aeration Upgrade	\$25,000		Injection of diffused air into lake for improved water quality.
5	STP Emergency Power Generator		\$120,000	
		<u>\$275,000</u>	<u>\$195,000</u>	
		<u>\$533,000</u>	<u>\$195,000</u>	

Proposed Capital Improvement Projects

6/10/13

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


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

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MEMORANDUM

To: Board of Directors

June 14, 2013

From: David L. Bentley, Auditor-Controller Subj: Public Hearing/Approve – FY14 Proposed Novato Water Operations Budget
t:\actword\budget\14\ops review 14 hearing.docx**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** \$24.7 Million Budget for FY13/14

The Public Hearing to consider the FY2013/2014 (FY14) 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 21, the projected FY14 Novato Operating Income increased by \$52,000, to \$2,302,000, due primarily to the resignation of a Water Treatment Plant Operator which position will not be replaced. Instead, an additional Laborer for the Construction/Maintenance crew has been budgeted, leaving the total employee count unchanged at 50.5 full-time equivalent (FTE). Several other minor adjustments make up the balance of the \$52,000 increase. The projected cash increase went up by \$884,000, as we now anticipate repayment to Novato Water of funds loaned to the Recycled Water System will be received in FY14, rather than FY13 as previously anticipated.

Budget Summary

The FY14 budget proposed herein projects a net cash increase of \$2,259,000. A rate increase of 11% is factored into the budget effective June 1, 2013. The 11% increase adds \$1.6 million to budgeted revenue during FY14. The \$2,259,000 budgeted cash increase compares to a FY 2012/13 (FY13) budgeted cash increase of \$940,000 and projected actual FY13 cash increase of \$1.1 million. \$4.3 million in funds loaned to the Recycled Water System is anticipated to be repaid to the Novato Water System in FY14.

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

Looking simply at operating revenue (water sales) less operating expenditures, the FY14 budget projects an operating net income of \$2.3 million, which is comparable to this year's

estimated actual operating net income, and an increase of \$1 million from the current year budget. Total outlay, which includes capital expenditures and excludes depreciation expense, is budgeted at \$22.5 million, up 29% from the \$17.4 million budgeted for the current fiscal year.

On a standardized accounting basis, the budget projects a Net Income of \$2,011,000.

Budget Detail

Water Sales - Water sales volume is budgeted at 2.7BG, which is 1% below the current fiscal year 3.0BG estimated actual and 16% below the 10-year average. The chart on page 6 of the budget document shows a 10-year history of billed consumption.

The 11% rate increase is structured as a 20% increase in the fixed service charge and an 8% increase in the commodity rate. For customers with a 5/8" meter, which is 70% of the customer base, the service charge will increase from \$25 bimonthly to \$30 bimonthly (\$2.50 per month). At 2.7 BG of consumption, the rate increase will generate \$1.6 million in additional revenue next fiscal year.

Other Revenue – Connection Fee revenue is budgeted at \$860,000, or 30 equivalent dwelling units, consistent with the District's 5-Year Financial Plan. The budget projection compares with \$871,000 in Connection Fee revenue estimated for the current fiscal year.

The wheeling charge to Marin Municipal Water District is budgeted at \$322,000 (\$14/AF for 5,500AF, or 1.8BG, plus the annual fixed payment of \$245,000), consistent with the terms of the MMWD Interconnection Agreement originally anticipated to be concluded by June 30. This is almost a 6-fold increase over the current annual wheeling charge revenue, and represents NMWD's beneficial enjoyment of the Aqueduct Energy Efficiency Project.

Funds in the District's treasury are budgeted to earn an average interest rate of 0.4%. Miscellaneous Revenue includes income from the Little Mountain cell phone tower lease (\$16,400), Indian Valley Golf Club lease (\$10,000), two grazing leases (\$2,800), rental of the District's security apartment (\$10,600), rental of the Point Reyes home (\$26,400 – which amount includes in-lieu labor), and rental of the Pacheco Valle tennis courts (\$2,050).

At June 30, 2013, \$4.3 million of funds advanced by the Novato Water System to the Recycled Water System is projected to remain outstanding. The entire \$4.3 million balance is budgeted to be repaid to Novato Water in FY14. The money was loaned to expand the recycled water distribution system pending receipt of grant and SRF loan funds. Novato Connection Fee

reserve funds totaling \$536,000 are budgeted to be transferred to the Recycled Water System in FY14 primarily to pay the debt service on the State Revolving Fund loan used to expand the Recycled Water distribution system.

Operating Expenditures

Total Operating Expenditures are projected to increase 3% (\$460,000) from the FY13 budget and are up 1% from the FY13 estimated actual operating expense. Increased labor cost and increased expenditures for materials, services and supplies are the primary cause of the budget increase. Details of some of the individual components of the Operating Expenditure Budget follow.

Source of Supply is budgeted to increase 1% (\$33,000) 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 0.6% to \$2,217 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 5% (\$93,000) from this year's budget. Power cost is budgeted at 17.5¢/kWh, up 3%/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 5% (\$137,000) from this year's budget. An additional \$81,000 (to \$458,000) is budgeted for repair of failed polybutylene services lines, which cost over the past three years has significantly exceeded budgeted projections.

Water Conservation expense is budgeted to remain flat at \$400,000 in accordance with the 5-Year Financial Plan.

General Administration is budgeted to increase 6% (\$80,000) from this year's budget. FY14 is an election year, and \$73,000 is included for County Election Department expense. An increase of \$56,000 is budgeted for Engineering Studies. Two studies are budgeted for FY14: \$70,000

for the Stafford Dam Emergency Action Plan and \$30,000 to update the 1973 Dam Failure Inundation Map. An additional \$18,000 is budgeted for Training and Conference Expense, which amount includes \$14,000 for an eleven day leadership training program at the University of North Carolina for the Chief Engineer.

Staffing - The proposed budget includes a staffing level of 50.5 full-time equivalent (FTE) employees, down 1.0 FTE (2%) from the current year budget. Two Administration Department employees retired during the current fiscal year (they were budgeted as one FTE because of their planned mid-year retirement), and have not been replaced. A Water Treatment Plant Operator has resigned and the position will not be filled at this time. An additional Laborer has been budgeted for the Construction/Maintenance Department. The current staffing level of 50.5 FTE is down 8.6 FTE (15%) from the level adopted in the FY08 budget.

<u>FTE Staffing</u>	<u>FY14</u>	<u>FY13</u>
Administration	6.8	7.6
Customer Accounting	6.0	6.2
Construction/Maintenance	11.0	10.0
Engineering	8.7	8.7
Maintenance	8.0	8.0
Operations	5.0	6.0
Water Quality	<u>5.0</u>	<u>5.0</u>
	<u>50.5</u>	<u>51.5</u>

Temporary staffing has been increased by 570 hours (11%), to 5,830 hours, budgeted as follows:

<u>Temporary Staffing Hours</u>	<u>FY14</u>	<u>FY13</u>	<u>Reason for Change</u>
Administration	0	0	
Customer Accounting	2,000	1,750	Add'l Lunch & Vacation phone coverage
Construction/Maintenance	750	750	
Engineering	2,500	2,500	
Maintenance	580	260	Assist w/Backflow & Landscape Maint
Operations	0	0	
Water Quality	<u>0</u>	<u>0</u>	
	<u>5,830</u>	<u>5,260</u>	

For budgeting purposes, a 3% cost-of-living salary increase has been factored into the budget effective October 1, 2013, as well as a 1.6% salary increase to offset the negotiated

requirement that employees pay an additional 1.6% of salary toward their retirement benefit. The 3% COLA and 1.6% CalPERS offset adjustments would increase total salaries by \$141,000, pushing up the total overheaded cost of payroll by \$196,000 (2.9%).

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

Total budgeted operating expenditures are up \$460,000 compared to the adopted FY13 budget. An analysis of the significant differences between the FY13 budget and the proposed FY14 operating budget follows, listed in decreasing order of magnitude.

Component	Increase/ (Decrease) vs. FY13 Budget	FY14 % Change
Labor	\$312,000	6%
Materials, Services & Supplies	182,000	7%
Purchased Water Cost	30,000	1%
Depreciation	40,000	2%
Distributed Overhead Charges	27,000	-4%
Self-Insured Workers' Comp Savings	-131,000	262%
Net Increase	<u>\$460,000</u>	<u>3%</u>

Staff Recommendation:

- 1) Approve the FY13/14 Novato Operating Budget as presented;
- 2) Authorize the General Manager to pay demands arising from execution of the budgeted expenditure plan.

Novato Advance 6/12/13

LOCAL BRIEFS

Water District talks numbers

A public hearing will be held to consider adoption of the Fiscal Year 2013-2014 North Marin Water District Budgets for the Novato Service Area on Tuesday, June 18, at 7:30 p.m. at District Headquarters, located at 999 Rush Creek Place in Novato.

The proposed Novato Water budgets total \$24 million and reflect the water rate increases approved at a special meeting of the District Board of Directors, held on May 24, 2011.

For more information, call 415-897-4133.

Proposed
BUDGET

Final Review/Public Hearing

Novato
Operating Budget

FISCAL YEAR

2013-14

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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NORTH MARIN WATER DISTRICT
PROPOSED 2013/14 OPERATING BUDGET

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Operating Budget Detail 2

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Novato Water - Operating Expense History 7

NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2013/14

	Proposed Budget 2013/14	Estimated Actual 2012/13	Adopted Budget 2012/13	
OPERATING INCOME				
1	Water Sales	\$16,498,000	\$16,193,000	\$15,150,000
2	Wheeling & Misc Service Charges	564,000	761,000	443,000
3	Total Operating Income	\$17,062,000	\$16,954,000	\$15,593,000
OPERATING EXPENDITURES				
4	Source of Supply	\$4,494,000	\$5,329,000	\$4,461,000
5	Pumping	337,000	286,000	337,000
6	Operations	604,000	613,000	523,000
7	Water Treatment	1,825,000	1,711,000	1,732,000
8	Transmission & Distribution	2,673,000	2,188,000	2,536,000
9	Consumer Accounting	538,000	528,000	542,000
10	Water Conservation	400,000	247,000	400,000
11	General Administration	1,489,000	1,315,000	1,409,000
12	Depreciation Expense	2,400,000	2,360,000	2,360,000
13	Total Operating Expenditures	\$14,760,000	\$14,577,000	\$14,300,000
14	NET OPERATING INCOME (LOSS)	\$2,302,000	\$2,377,000	\$1,293,000
NON-OPERATING INCOME/(EXPENSE)				
15	Interest Revenue	\$150,000	\$212,000	\$60,000
16	Interest Expense	(550,000)	(577,000)	(582,000)
17	Other Misc Revenue/(Expense)	109,000	139,000	113,000
18	Total Non-Operating Income/(Expense)	(\$291,000)	(\$226,000)	(\$409,000)
19	NET INCOME/(LOSS)	\$2,011,000	\$2,151,000	\$884,000
OTHER SOURCES/(USES) OF CASH				
20	Add Depreciation Expense	\$2,400,000	\$2,360,000	\$2,360,000
21	Connection Fees	860,000	871,000	860,000
22	Caltrans AEEP Reimbursement	2,200,000	0	0
23	Capital Equipment Expenditures	(231,000)	(199,000)	(233,000)
24	Capital Improvement Projects	(7,693,000)	(1,577,000)	(3,107,000)
25	Debt Principal Payments	(1,099,000)	(1,072,000)	(1,069,000)
26	Loan (To)/Repayment From RWS	4,347,000	(1,060,000)	1,712,000
27	Connection Fee Transfer to RWS	(536,000)	(419,000)	(467,000)
28	Total Other Sources/(Uses)	\$248,000	(\$1,096,000)	\$56,000
29	CASH INCREASE/(DECREASE)	\$2,259,000	\$1,055,000	\$940,000

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2013/14

	Proposed Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08
STATISTICS								
1 Active Meters	20,550	20,500	20,550	20,490	20,464	20,438	20,416	20,366
2 Avg Commodity Rate/1,000 Gal (Net)	\$4.58	\$4.25	\$4.31	\$4.05	\$3.82			
3 Potable Consumption (BG)	2.70	2.99	2.70	2.82	2.79	2.87	3.29	3.29
OPERATING INCOME								
4 Water Sales	\$16,650,000	\$16,330,000	\$15,150,000	\$14,220,429	\$12,727,649	\$11,251,832	\$11,067,484	\$10,384,740
5 Bill Adjustments	(152,000)	(137,000)	0	(58,770)	(66,248)			
6 Sales to MMWD	0	0	0	0	0	0	351,154	0
7 Wheeling Charges-MMWD	322,000	535,000	252,000	58,802	53,662	67,180	75,090	76,588
8 SCWA Water Conservation Reimb	0	0	0	0	0	21,450	0	359,748
9 Miscellaneous Service Revenue	242,000	226,000	191,000	197,752	145,787	140,796	145,663	161,238
10 TOTAL OPERATING INCOME	\$17,062,000	\$16,954,000	\$15,593,000	\$14,418,213	\$12,860,850	\$11,481,258	\$11,639,391	\$10,982,314
OPERATING EXPENSE								
SOURCE OF SUPPLY								
11 Supervision & Engineering	\$15,000	\$9,000	\$15,000	\$9,064	\$8,965	\$2,007	\$2,120	\$2,391
12 Operating Expense - Source	7,000	6,000	11,000	11,488	5,927	5,745	4,702	3,109
13 Maintenance/Monitoring of Dam	34,000	44,000	28,000	25,716	8,290	8,741	7,583	6,078
14 Maintenance of Lake & Intakes	16,000	15,000	16,000	10,377	8,619	8,072	7,990	3,063
15 Maintenance of Watershed	39,000	22,000	39,000	8,188	2,152	7,352	28,126	9,177
16 Water Purchased for Resale to MMWD	0	0	0	0	0	0	171,447	0
17 Water Quality Surveillance	13,000	13,000	12,000	16,385	12,377	13,138	8,448	9,272
18 Contract Water - SCWA	4,370,000	5,220,000	4,340,000	5,047,469	3,790,789	3,441,147	3,728,052	3,738,218
19 TOTAL SOURCE OF SUPPLY	\$4,494,000	\$5,329,000	\$4,461,000	\$5,128,687	\$3,837,119	\$3,486,202	\$3,958,468	\$3,771,308
PUMPING								
20 Operating Expense	\$5,000	\$0	\$7,000	\$0	\$641	\$8,367	\$8,567	\$13,333
21 Maintenance of Structures/Grounds	37,000	25,000	37,000	29,042	17,153	18,600	23,080	15,909
22 Maintenance of Pumping Equipment	71,000	36,000	62,000	50,797	17,354	10,751	8,807	61,907
23 Electric Power - Pumping	224,000	225,000	231,000	204,927	233,222	200,318	249,190	227,916
24 TOTAL PUMPING	\$337,000	\$286,000	\$337,000	\$284,766	\$268,370	\$238,036	\$289,644	\$319,065
OPERATIONS								
25 Supervision & Engineering	\$236,000	\$189,000	\$143,000	\$185,838	\$185,361	\$176,082	\$168,202	\$188,926
26 Operating Expense	191,000	268,000	199,000	255,272	191,713	212,126	235,230	127,350
27 Maintenance Expense	85,000	102,000	92,000	105,545	94,633	84,121	89,775	112,461
28 Telemetry Equipment/Controls Maint	71,000	37,000	68,000	67,936	83,047	67,051	39,201	37,610
29 Leased Line Expense	21,000	17,000	21,000	18,930	20,841	20,547	20,342	19,601
30 TOTAL OPERATIONS	\$604,000	\$613,000	\$523,000	\$633,521	\$575,595	\$559,927	\$552,750	\$485,948

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2013/14

	Proposed Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08
WATER TREATMENT								
31	\$137,000	\$113,000	\$69,000	\$100,916	\$121,459	\$122,312	\$113,175	\$99,218
32	252,000	302,000	273,000	206,957	320,882	365,305	247,309	357,877
33	425,000	305,000	425,000	253,797	464,140	415,486	293,888	221,597
34	90,000	100,000	83,000	100,861	84,618	69,209	40,163	49,299
35	81,000	48,000	82,000	82,839	71,772	83,411	115,686	91,550
36	125,000	135,000	132,000	136,782	105,217	157,642	204,217	203,622
37	109,000	109,000	108,000	114,184	128,913	129,930	99,184	113,732
38	606,000	599,000	560,000	568,124	517,044	495,239	479,970	398,173
39	\$1,825,000	\$1,711,000	\$1,732,000	\$1,564,460	\$1,814,045	\$1,838,534	\$1,593,592	\$1,535,068
TRANSMISSION & DISTRIBUTION								
40	\$587,000	\$428,000	\$490,000	\$423,813	\$466,110	\$528,659	\$560,968	\$524,345
41	125,000	102,000	131,000	96,058	74,154	98,187	74,786	105,509
42	490,000	468,000	411,000	478,959	422,375	448,650	420,639	439,348
43	139,000	84,000	155,000	140,564	158,247	164,316	149,759	129,944
44	167,000	126,000	256,000	132,239	190,866	190,255	131,094	107,354
45	120,000	94,000	154,000	49,922	146,814	102,633	108,752	143,525
46	120,000	100,000	88,000	84,714	124,121	93,754	86,630	108,835
47	206,000	175,000	202,000	190,698	164,388	199,807	211,630	181,161
48	458,000	481,000	377,000	443,509	347,802	263,714	250,024	287,813
49	149,000	92,000	158,000	135,900	146,170	143,691	148,112	135,370
50	55,000	8,000	54,000	38,361	36,509	41,557	30,488	26,483
51	57,000	30,000	60,000	33,980	50,354	77,038	62,794	74,700
52	\$2,673,000	\$2,188,000	\$2,536,000	\$2,248,717	\$2,327,910	\$2,352,261	\$2,235,676	\$2,264,387
CONSUMER ACCOUNTING								
53	\$181,000	\$180,000	\$167,000	\$170,589	\$142,581	\$142,956	\$140,851	\$132,653
54	248,000	250,000	270,000	282,702	282,046	260,428	236,740	225,062
55	19,000	18,000	19,000	18,231	18,285	18,590	18,504	18,513
56	67,000	61,000	67,000	63,359	70,347	64,698	58,062	51,960
57	23,000	24,000	28,000	26,685	32,723	35,190	28,022	13,507
58	15,000	8,000	6,000	8,690	9,835	5,048	14,471	14,585
59	(15,000)	(13,000)	(15,000)	(15,726)	(15,762)	(15,694)	(15,147)	(14,205)
60	\$538,000	\$528,000	\$542,000	\$554,530	\$540,055	\$511,216	\$481,503	\$442,075

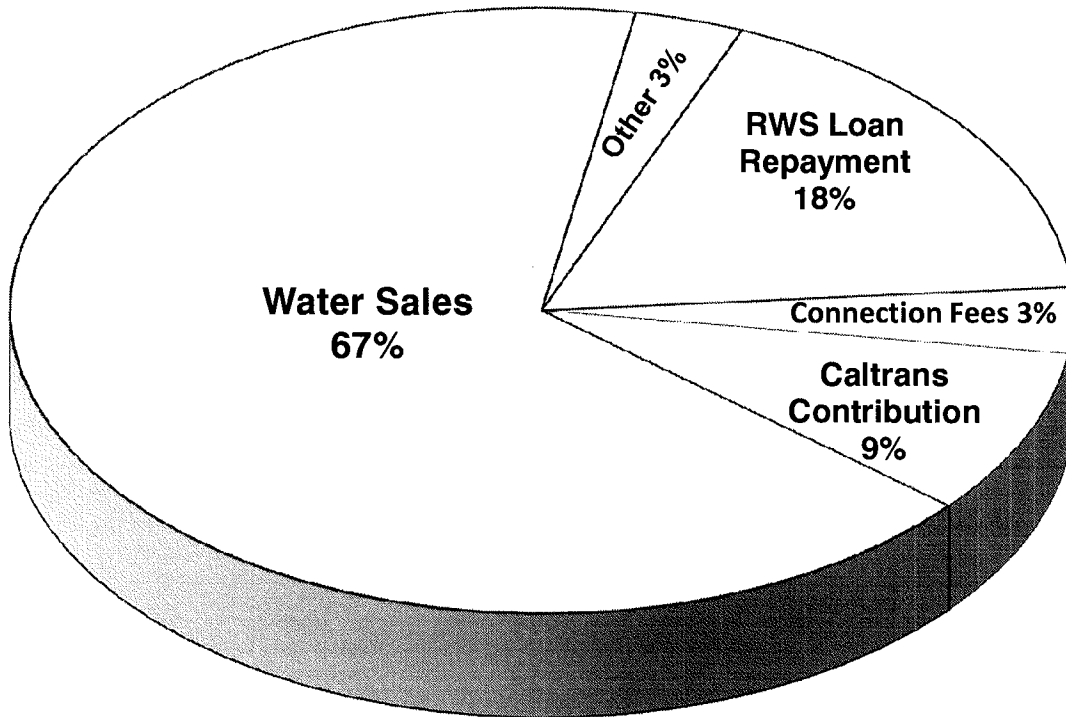
NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2013/14

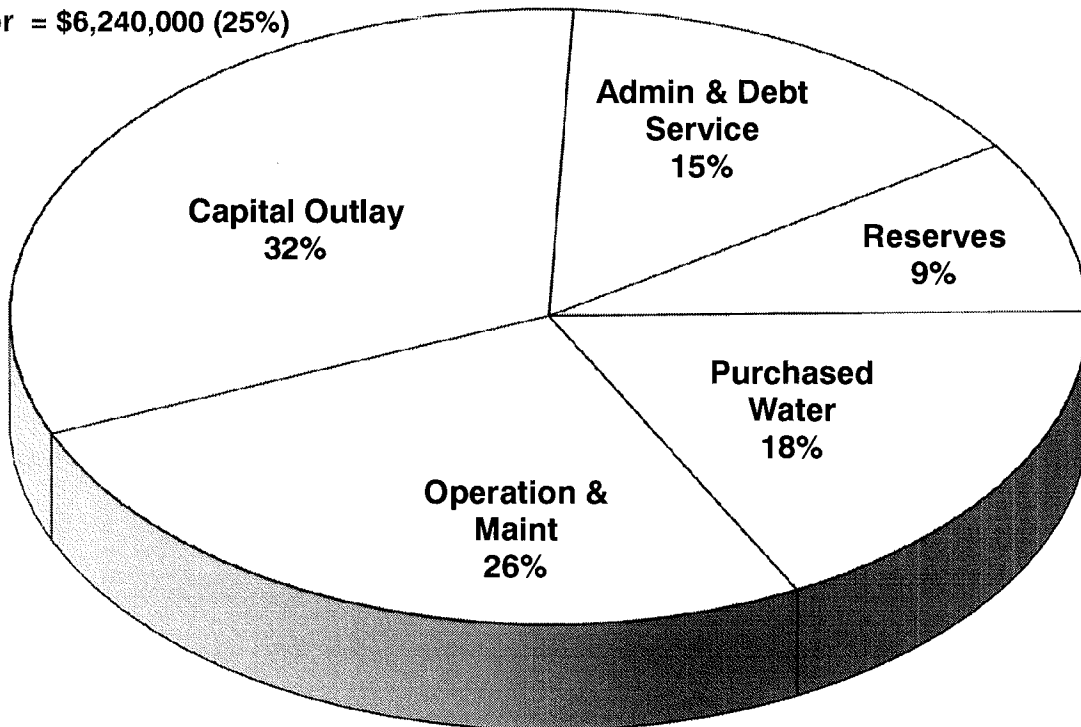
	Proposed Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08
WATER CONSERVATION								
61 Residential	\$298,000	\$205,000	\$298,000	\$213,883	\$338,093	\$438,668	\$438,588	\$457,600
62 Commercial	25,000	1,000	25,000	1,414	15,423	2,707	28,344	9,415
63 Public Outreach/Information	50,000	27,000	50,000	41,251	19,047	26,548	20,679	27,483
64 Large Landscape	27,000	14,000	27,000	13,780	10,337	10,695	19,649	26,120
TOTAL WATER CONSERVATION	\$400,000	\$247,000	\$400,000	\$270,328	\$382,900	\$478,618	\$507,260	\$520,618
GENERAL & ADMINISTRATION								
65 Director's Expense	\$15,000	\$14,000	\$15,000	\$15,000	\$15,100	\$16,200	\$15,000	\$14,600
66 Legal Fees	11,000	7,000	11,000	7,098	8,572	59,818	9,933	7,824
67 Auditing Services	21,000	21,000	21,000	28,900	27,800	31,100	30,000	22,000
68 Human Resources	32,000	35,000	31,000	21,860	32,112	33,080	31,848	26,923
69 Consulting Services/Studies	100,000	51,000	44,000	34,731				
70 General Office Salaries	1,215,000	1,225,000	1,196,000	1,252,684	1,177,170	1,166,410	1,125,232	1,020,823
71 Office Supplies	57,000	39,000	50,000	22,743	38,870	47,363	56,621	32,193
72 Employee Events	10,000	7,000	8,000	5,931	4,469	11,366	3,881	4,585
73 Other Administrative Expense	18,000	19,000	16,000	17,254	17,414	20,090	21,313	20,246
74 Election Cost	73,000	0	0	250	0	250	0	51,262
75 Dues & Subscriptions	52,000	50,000	50,000	49,260	47,775	49,208	42,004	40,738
76 Vehicle Expense	8,000	8,000	8,000	8,118	8,112	8,112	8,112	8,193
77 Meetings, Conf & Training	171,000	108,000	154,000	97,626	101,472	114,985	112,985	107,411
78 Telephone, Water, Gas & Electricity	26,000	22,000	31,000	26,172	29,012	27,203	29,595	30,018
79 Building & Grounds Maintenance	45,000	41,000	34,000	36,438	35,902	53,907	44,268	47,389
80 Office Equipment Expense	99,000	79,000	87,000	89,291	74,325	85,550	91,052	78,962
81 Insurance Premiums & Claims	98,000	77,000	101,000	113,556	118,451	117,023	132,928	198,297
82 Retiree Medical Benefits	157,000	170,000	172,000	160,725	147,084	138,105	182,220	182,003
83 G&A Applied to Construction Projects	(362,000)	(392,000)	(331,000)	(327,881)	(269,439)	(153,213)	(224,590)	(212,502)
84 G&A Distributed to Other Operations	(92,000)	(79,000)	(89,000)	(101,630)	(104,515)	(100,811)	(92,969)	(86,742)
85 Expensed Improvement Projects	0	0	0	0	122,785	1,220,617	1,277,995	959,475
86 Expensed Equipment Purchases	0	0	0	3,383	29,993	31,266	34,204	8,531
87 (Gain)/Loss on Overhead Charges	(265,000)	(187,000)	(200,000)	(297,783)	(172,628)	(214,770)	(157,888)	(277,413)
TOTAL GENERAL & ADMINISTRATION	\$1,489,000	\$1,315,000	\$1,409,000	\$1,263,726	\$1,489,836	\$2,762,859	\$2,773,744	\$2,284,816
88 Depreciation Expense	\$2,400,000	\$2,360,000	\$2,360,000	\$2,372,380	\$2,309,166	\$2,312,339	\$2,087,598	\$1,530,000
89 TOTAL OPERATING EXPENSE	\$14,760,000	\$14,577,000	\$14,300,000	\$14,321,115	\$13,544,996	\$14,539,992	\$14,480,235	\$13,153,285
90 NET OPERATING INCOME/(LOSS)	\$2,302,000	\$2,377,000	\$1,293,000	\$97,098	(\$684,146)	(\$3,058,734)	(\$2,840,844)	(\$2,170,971)

4

**NORTH MARIN WATER DISTRICT - NOVATO WATER
FISCAL YEAR 2013-14
SOURCE OF FUNDS = \$24,728,000**



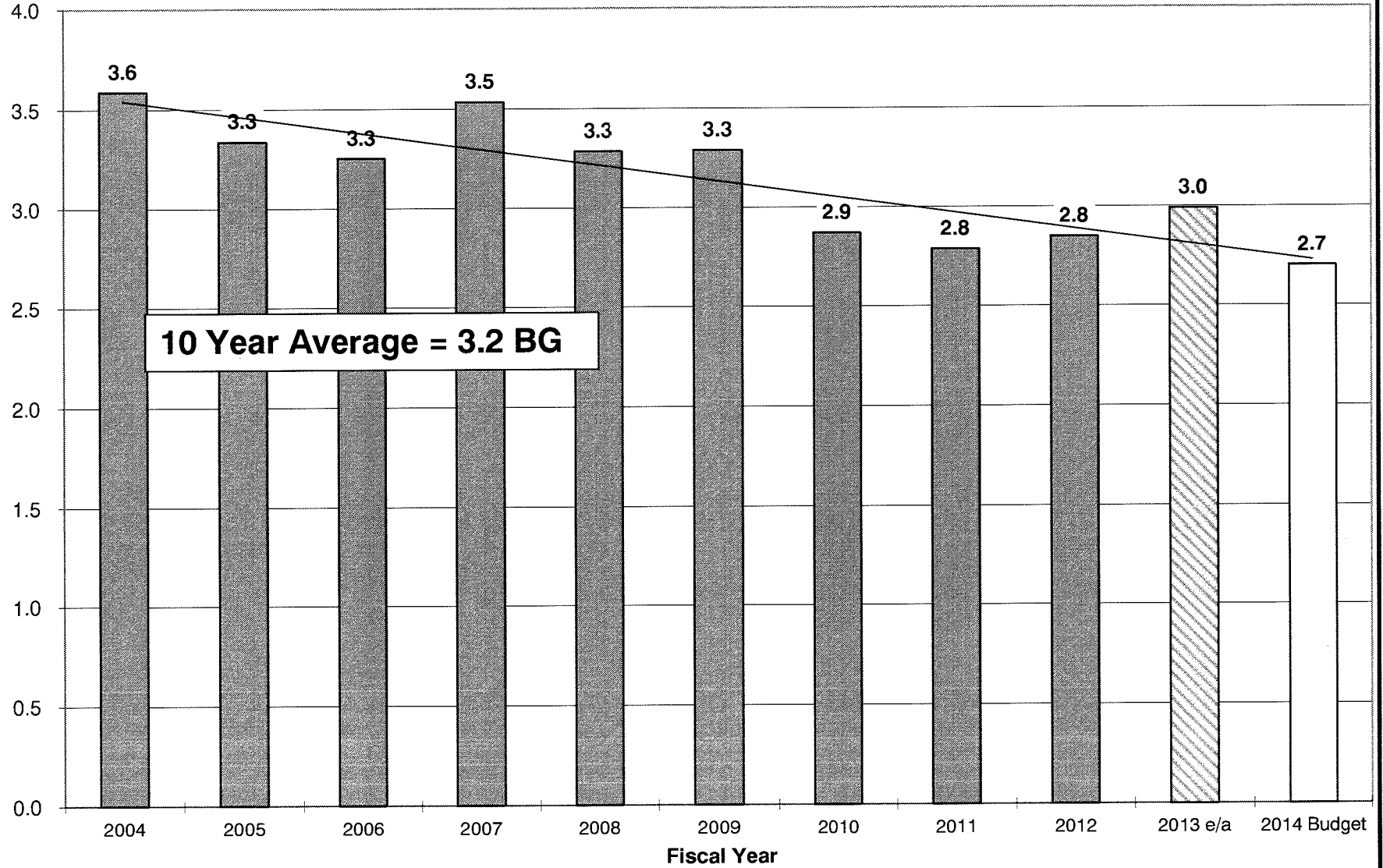
Labor = \$6,240,000 (25%)



USE OF FUNDS = \$24,728,000

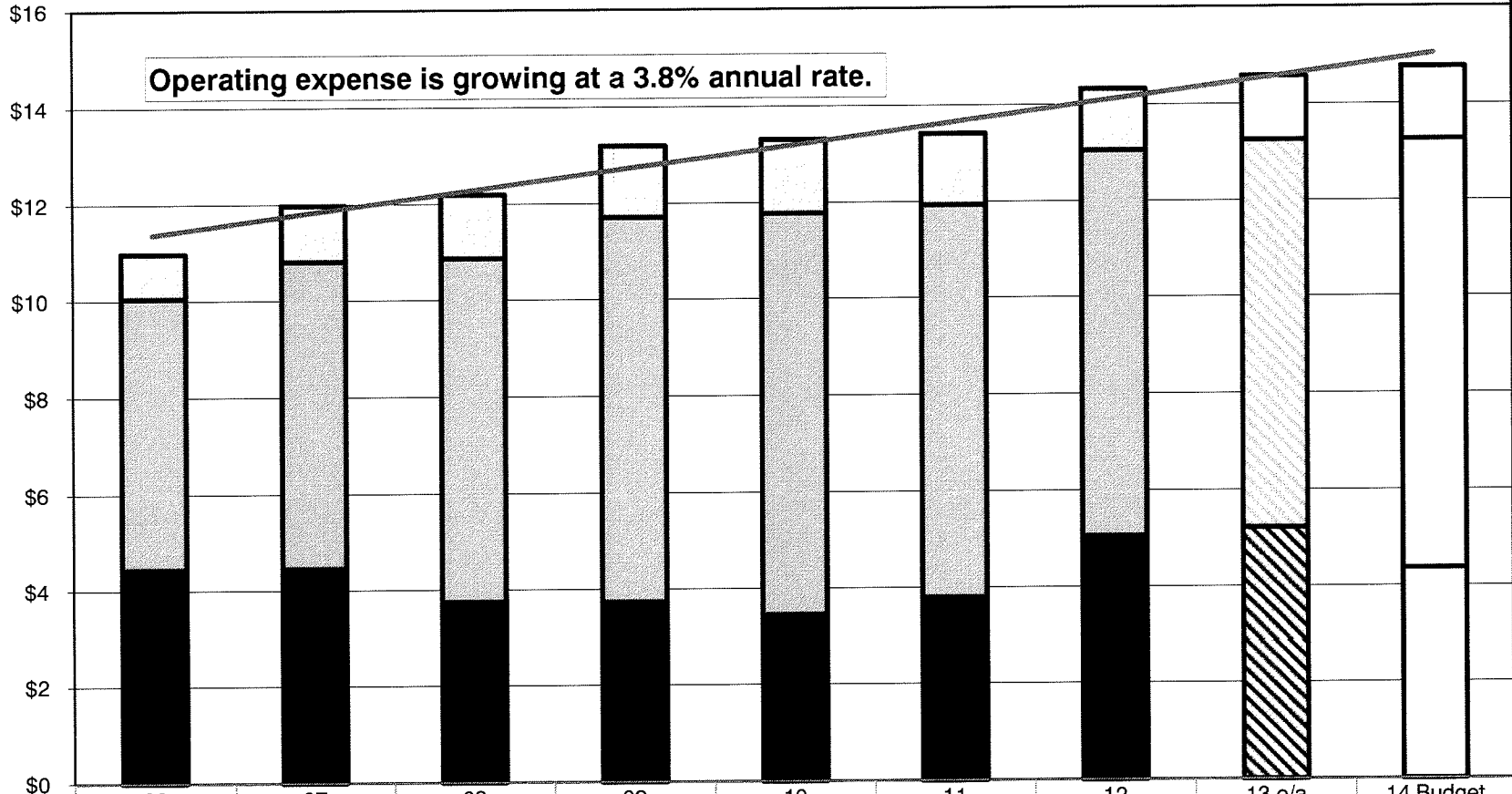
Novato Water Billed Consumption 10 Year History

Billion
Gal
4.0



Novato Water Operating Expense History

Million \$




	06	07	08	09	10	11	12	13 e/a	14 Budget
Admin	\$0.9	\$1.2	\$1.3	\$1.5	\$1.5	\$1.5	\$1.3	\$1.3	\$1.5
O&M	\$5.6	\$6.4	\$7.1	\$8.0	\$8.3	\$8.1	\$8.0	\$8.0	\$8.9
Purch Wtr	\$4.4	\$4.5	\$3.7	\$3.7	\$3.4	\$3.8	\$5.0	\$5.2	\$4.4
Total	\$11.0	\$12.0	\$12.2	\$13.2	\$13.3	\$13.4	\$14.3	\$14.6	\$14.8

Fiscal Year

D

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: Public Hearing/Approve – FY14 Novato Recycled Water System Budget
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June 14, 2013

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$5.6 Million FY14 Expenditure Plan

Changes Since the Last Review

An increase in SRF Loan entitlement will increase the cash surplus to be generated next fiscal year by \$252,000. Accordingly, the net surplus (cash increase) now budgeted for next fiscal year has increased to \$331,000.

Budget Detail

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

Operating expenses (excluding depreciation) are budgeted to increase 58% (\$122,000) from the FY13 budget due to higher purchased water cost as sale of recycled water doubles. The budget projects purchase of 89MG (\$114,000) of tertiary treated water from Novato Sanitary District and 41MG (\$68,000) from Las Gallinas Valley Sanitary District at \$1,400/MG. The Deer Island Treatment Plant will serve as a backup facility.

Seventy-seven percent of the proposed \$5.6 million expenditure plan is reimbursement to Novato Water for money borrowed to complete the \$14.3 million North & South Service Area Expansion. The expansion project is funded by Federal and State grant funds (25%), a 20-year 2.6% SRF loan (69%), and an \$850,000 (6%) District contribution.

After fully repaying Novato Water, the proposed FY14 RWS budget projects a cash surplus of \$331,000 at June 30, 2014. However, there remain too many unknowns in this initial year of operation with new customers and the new NSD and LGVSD treatment plants to make financial projections with any degree of certainty.

Staff Recommendation:

- 1) Approve the FY13/14 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 2013/14

	<i>Proposed Budget 2013/14</i>	<i>Estimated Actual 2012/13</i>	<i>Adopted Budget 2012/13</i>	
OPERATING INCOME				
1	Recycled Water Sales	\$577,000	\$265,000	\$255,000
2	Bimonthly Service Charge	10,000	7,000	6,000
3	Total Operating Income	\$587,000	\$272,000	\$261,000
OPERATING EXPENDITURES				
4	Purchased Water - NSD	\$114,000	\$11,000	\$41,000
5	Purchased Water - LGVSD	68,000	10,000	18,000
6	Pumping	2,000	0	2,000
7	Operations	38,000	63,000	22,000
8	Water Treatment	50,000	62,000	81,000
9	Transmission & Distribution	33,000	38,000	27,000
10	General Administration	26,000	16,000	18,000
11	Depreciation	280,000	164,000	165,000
12	Total Operating Expenditures	\$611,000	\$364,000	\$374,000
13	NET OPERATING INCOME (LOSS)	(\$24,000)	(\$92,000)	(\$113,000)
NON-OPERATING INCOME/(EXPENSE)				
14	Interest Revenue	\$0	\$0	\$0
15	Stone Tree Golf Interest Payments	54,000	59,000	59,000
16	Interest Exp - Advance from Novato	(49,000)	(221,000)	0
17	RWF SRF Loan Interest Expense	(73,000)	(82,000)	(82,000)
18	RW Expansion SRF Loan Interest Exp	(248,000)	(72,000)	(120,000)
19	Total Non-Operating Income/(Expense)	(\$316,000)	(\$316,000)	(\$143,000)
20	NET INCOME/(LOSS)	(\$340,000)	(\$408,000)	(\$256,000)
OTHER SOURCES/(USES) OF FUNDS				
21	Add Depreciation Expense	\$280,000	\$164,000	\$165,000
22	Fed Grant/SRF Loan - RWS Expansion	4,571,000	5,289,000	6,860,000
23	Connection Fees Trsf'd from Novato	536,000	419,000	467,000
24	Stone Tree Golf Principal Repayment	197,000	192,000	192,000
25	Capital Improvement Projects	(200,000)	(6,525,000)	(5,525,000)
26	RWF SRF Loan Principal Payments	(200,000)	(191,000)	(191,000)
27	SRF Expansion Loan Principal Payments	(166,000)	0	0
28	Loan From/(Repayment to) Novato	(4,347,000)	1,060,000	(1,712,000)
29	Total Other Sources/(Uses)	\$671,000	\$408,000	\$256,000
30	NET SURPLUS/(DEFICIT)	\$331,000	\$0	\$0

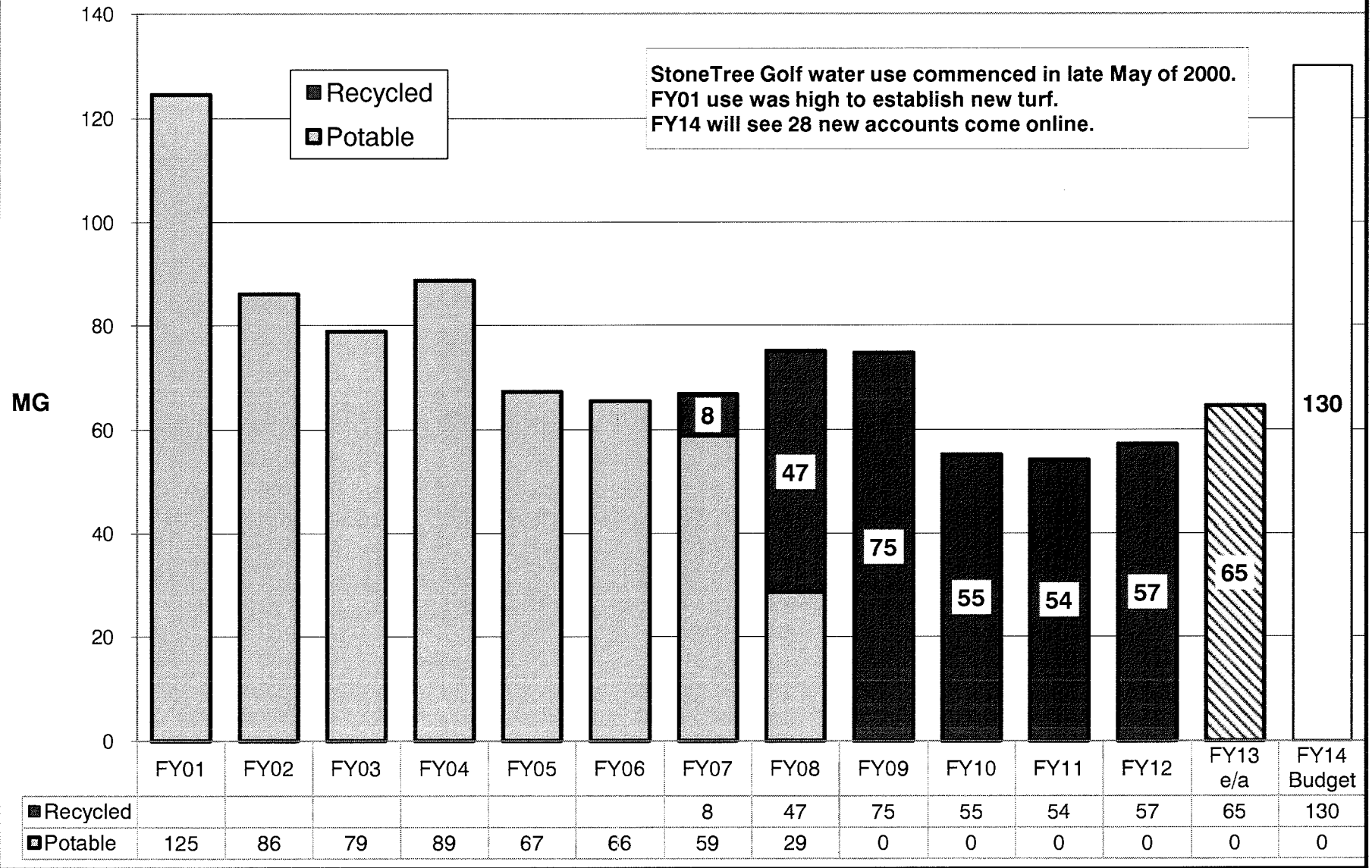
Proposed Capital Improvement Projects

6/12/13

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

Recycled Water Use History



6

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR May 2013
 June 18, 2013

1.

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	389	371	379	360	419	5%
August	396	373	368	367	417	6%
September	346	347	358	335	393	0%
October	283	249	278	233	313	14%
November	166	183	164	176	173	-10%
December	146	156	141	149	143	-6%
January	151	178	146	140	107*	-15%
February	148	147	134	124	136	1%
March	211	156	151	152	150	35%
April	240	171	194	164	227	40%
May	346	311	291	228	303	11%
FYTD Total	2,822	2,642	2,605	2,428	2,781	7%

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

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	9.8	9.2	9.9	10.0	11.8	6%
August	9.7	9.4	9.9	10.6	11.9	3%
September	8.3	8.7	9.2	9.6	10.2	-5%
October	7.4	6.5	7.8	6.9	9.8	14%
November	5.2	5.1	4.9	5.6	7.2	1%
December	4.5	4.9	4.8	4.5	6.9	-9%
January	5.0*	4.8	4.3	4.2	6.4	4%
February	4.4	4.5	3.9	3.9	5.5	-2%
March	5.4	4.4	5.6	5.7	5.6	23%
April	6.0	5.4	4.9	4.3	6.4	11%
May	8.5	7.1	6.9	5.9	7.5	21%
FYTD Total	74.2	70.1	72.2	71.1	89.2	6%

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

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	49	115	109	152	131	-58%
August	83	126	108	150	128	-34%
September	72	77	112	155	117	-6%
October	88	113	111	80	81	-22%
November	64	106	95	0	0	-40%
December	0	49	0	0	0	-
January	21	0	0	0	0	-
February	57	0	0	0	0	-
March	61	0	52	32	0	-
April	67	0	98	36	0	-
May	105	0	97	94	12	-
FYTD Total	665	586	783	698	470	14%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	11.2	11.0	11.9	12.0	13.6	2%
August	10.5	12.2	11.2	12.9	13.6	-14%
September	8.5	9.6	9.5	10.2	10.9	-11%
October	0.0	0.0	2.6	2.6	6.4	-
November	0.0	0.0	0.0	0.0	0.0	-
December	0.0	0.0	0.0	0.0	0.0	-
January	0.0	0.0	0.0	0.0	0.0	-
February	0.0	0.0	0.0	0.0	0.0	-
March	1.4	0.0	0.0	0.0	0.0	-
April	8.8	2.5	0.0	0.0	8.8	256%
May	17.3	10.8	11.2	6.0	9.5	60%
FYTD Total	57.6	46.1	46.4	43.8	62.8	25%

2. Stafford Lake Data

	May Average	May 2012	May 2013
Rainfall this month	0.6 Inches	0.0 Inches	0.0 Inches
Rainfall this FY to date	28.1 Inches	17.1 Inches	19.3 Inches
Lake elevation*	192.8 Feet	188.9 Feet	191.8 Feet
Lake storage**	1,165 MG	913 MG	1,097 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
May 2012 (Novato)	41	100	65
May 2013 (Novato)	48	108	69

3. Number of Services

May 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY13	FY12	Incr %	FY13	FY12	Incr %	FY13	FY12	Incr %	FY13	FY12	Incr %
Total meters	20,754	20,746	0.0%	20	2	900%	819	820	-0.1%	-	-	-
Total meters active	20,496	20,489	0.0%	15	2	650%	776	776	0.0%	-	-	-
Active dwelling units	23,939	23,941	0.0%	0	0	-	811	810	0.1%	227	227	0.0%

4. Oceana Marin Monthly Status Report (May)

Description	May 2012	May 2013
Effluent Flow Volume (MG)	0.416	0.414
Irrigation Field Discharge (MG)	0	0.529
Treatment Pond Freeboard (ft)	3.1	3.2
Storage Pond Freeboard (ft)	3.0	8.0

5. Developer Projects Status Report (May)

Job No.	Project	% Complete	% This month
2670	Canyon Green	25	20

District Projects Status Report - Const Dept (May)

Job No.	Project	% Complete	% This month
7138.00	Sunset Pkwy 12" C.I. Replacements	95	5
7139.00	PB Replacement- City Measure A, Group 5	70	0
1723.22	PB Replacement – H Lane	75	75

Employee Hours to Date, FY 12/13

As of Pay Period Ending May 31, 2013
Percent of Fiscal Year Passed = 92%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	927	1,694	56	Construction	3,976	3,815	104
Engineering	527	1,313	38	Engineering	5,193	3,855	135

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 13	0	0	0	2	4,430
FY through May 12	17	1	1	2	3,994

Days without a lost time accident through May 31, 2013= 504 days

7. Energy Cost

FYE	Kwh	May		Fiscal Year-to-Date thru May		
		¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2013 Stafford TP	90,296	14.9¢	\$448	544,205	17.0¢	\$253
Pumping	160,837	15.6¢	\$864	1,388,236	14.8¢	\$599
Other*	42,251	21.1¢	\$307	409,315	18.7¢	\$219
	293,384	16.2¢	\$1,634	2,341,756	16.0¢	\$1,078
2012 Stafford TP	n/a	n/a	n/a	698,268	15.9¢	\$331
Pumping	35,850	13.9¢	\$994	1,130,028	14.8¢	\$553
Other*	22,233	18.9¢	\$162	405,105	19.2¢	\$246
	58,083	15.8¢	\$834	2,233,401	15.9¢	\$1,096
2011 Stafford TP	90,029	12.8¢	\$384	797,608	15.3¢	\$364
Pumping	138,908	14.6¢	\$653	1,273,996	14.9¢	\$542
Other*	38,202	18.5¢	\$236	441,774	19.1¢	\$252
	267,139	14.5¢	\$1,252	2,513,378	15.8¢	\$1,156

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of May 2013	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$100 each)	11	225	2,611
Retrofit Certificates Filed	37	295	4,749
Cash for Grass Rebates Paid Out	4	32	520
Washing Machine Rebates	11	227	6,126
Water Smart Home Survey	20	157	1,397

9. Utility Performance Metric

CUSTOMER SERVICE INTERRUPTIONS	May No. of Customers Impacted
PLANNED	
Duration Between 0.5 and 4 hours	2
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	
UNPLANNED	
Duration Between 0.5 and 4 hours	3
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	
SERVICE LINES REPLACED	May
Polybutylene	4
Copper (Replaced or Repaired)	1

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order May 2013

6/7/2013

<u>Type</u>	<u>May-13</u>	<u>May-12</u>	<u>Action Taken May 2013</u>
<u>Consumers' System Problems</u>			
Service Line Leaks	18	23	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	7	7	Turned Back On
Nothing Found	17	15	Notified Consumer
Low Pressure	0	1	~
High Pressure	0	1	~
Water Waster Complaints	0	0	~
Total	42	47	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	3	0	Replaced
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	2	3	Replaced
Water Off/On Due To Repairs	7	8	Notified Consumer
Misc. Field Investigation	5	5	Notified Consumer
Total	17	16	
<u>Leak NMWD Facilities</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	13	3	Repaired
Services-Nothing Found	4	7	Notified Consumer
Service-Damaged	0	0	~
Fire Hydrant-Leak	3	0	Repaired
Fire Hydrants-Nothing Found	0	0	~
Fire Hydrants-Damaged	1	1	Repaired
Meter Replacement	0	0	~
Meters-Leak	4	0	Repaired
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	7	7	Replaced
Total	32	18	
<u>High Bill Complaints</u>			
Consumer Leaks	4	2	Notified Consumer
Meter Testing	0	0	~
Meter Misread	0	1	~
Nothing Found	11	16	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	1	2	Notified Consumer
Total	16	21	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order May 2013

6/7/2013

Type	May-13	May-12	Action Taken May 2013
<u>Low Bill Reports</u>			
Meter Misread	0	0	~
Stuck Meter	0	0	~
Nothing Found	0	0	~
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	0	0	
<u>Water Quality Complaints</u>			
Taste and Odor	0	1	~
Color	0	2	~
Turbidity	0	0	~
Suspended Solids	0	0	~
Other	0	1	~
Total	0	4	
<u>TOTAL FOR MONTH:</u>	<u>107</u>	<u>106</u>	<u>1%</u>
<u>Fiscal YTD Summary</u>			
Consumer's System Problems	380	386	-2%
Service Repair Report	137	104	32%
Leak Complaints	256	270	-5%
High Bill Complaints	449	348	29%
Low Bills	4	8	-50%
Water Quality Complaints	32	48	-33%
Total	<u>1,258</u>	<u>1,164</u>	<u>8%</u>
<u>Change Primarily Due To</u>			
			Decrease In Consumer Service Leak
			Increase In Meter Replacement
			Decrease In Mains Damage
			Increase In Nothing Found
			Decrease In Stuck Meter
			Decrease In Other

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order May 2013

6/7/13

<u>Type</u>	<u>May-13</u>	<u>May-12</u>	<u>Action Taken May 2013</u>
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	156	196	
<u>Change Meter:</u> leaks, hard to read	10	16	
<u>Possible Stuck Meter</u>	3	2	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	6	5	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	87	98	
<u>Dig Outs</u>	38	72	
<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	
	<u>300</u>	<u>389</u>	

Bill Adjustments Under Board Policy:

May 13 vs. May 12

May-13	12	\$2,718
May-12	15	\$2,070

Fiscal Year to Date vs. Prior FYTD

12/13 FYTD	324	\$116,419
11/12 FYTD	260	\$62,360

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MEMORANDUM

To: Board of Directors

June 14, 2013

From: David L. Bentley, Auditor-Controller

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

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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$10,366,506 and a market value of \$10,372,802. During May the cash balance increased by \$1,685,422. For the fiscal year, the cash balance decreased \$142,886. The market value of securities held decreased by \$5,150 during the month. The ratio of total cash to budgeted annual operating expense stood at 82%, up 14% from the prior month. This compares to the District's target ratio of 90%, or \$11.4 million. To date, \$4,931,040 has been advanced for the recycled water expansion project pending reimbursement via grant and SRF Loan funds.

At May 31, 2013, 59% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 17% in Time Certificate of Deposits, and 19% in Corporate Medium Term Notes. The weighted average maturity for the portfolio was 201 days, compared to 139 days at the end of last month. The LAIF interest rate for the month was 0.25%, compared to 0.26% the previous month. The weighted average Portfolio rate was 0.42%, the same as the previous month. Including interest paid by Black Point Partners on the StoneTree Golf Club Recycled Water Facilities Loan, the District earned \$7,583 in interest revenue during May, with 33% earned by Novato Water, 62% earned by Recycled Water (by virtue of the Black Point Partners loan) and the balance distributed to the other improvement districts.

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

"California continues to show strong signs of recovery. May's higher revenues reflect growing employment, increased consumer spending, and a resurgent housing market. However, this good news should be tempered by nagging questions regarding its sustainability and by the need to repay years of accumulated debt." The State ended the last fiscal year with a cash deficit of \$9.6 billion, and by May 31, 2013, that cash deficit narrowed to \$3.2 billion. That deficit is being covered by external borrowing.

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
May 31, 2013**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	5/31/2013 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	A	Various	Open	\$6,141,971	\$6,148,227	0.25% ³	59%
Time Certificate of Deposit								
TCD	Bank of Marin	n/a	6/3/11	6/3/13	\$1,000,000	\$1,000,000	1.00%	10%
TCD	Ally Bank	n/a	9/28/12	10/1/14	248,000	248,000	0.85%	2%
TCD	Goldman Sachs	n/a	12/5/12	12/5/14	248,000	248,000	0.75%	2%
TCD	Discover Bank	n/a	5/1/13	5/1/15	248,000	248,000	0.50%	2%
					\$1,744,000	\$1,744,000	0.87%	17%
Corporate Medium Term Note								
MTN	General Electric	AA+	1/29/13	10/9/15	\$1,003,495	\$1,002,344	0.70%	10%
MTN	Toyota Motor Credit	AA-	5/14/13	7/17/15	\$1,007,927	\$1,004,537	0.50%	10%
					\$2,011,421	\$2,006,881	0.60%	19%
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$371,983	\$371,983	0.22%	4%
Bond	Olema G.O. Bond	A+	5/31/91	1/1/15	7,661	12,242	5.00%	0%
Other	Various	n/a	Various	Open	89,469	89,469	0.00%	1%
TOTAL IN PORTFOLIO					\$10,366,506	\$10,372,802	0.42%	100%

Weighted Avg. Maturity = **201 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, 2013.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Black Point Partners-BPGL	6/30/06	2/28/24	\$3,612,640	\$2,366,281	2.40%
Employee Housing Loans (8)	Various	Various	1,441,785	1,441,785	Contingent
Employee Computer Loans (3)	Various	Various	7,837	2,425	1.56% (avg)
TOTAL INTEREST BEARING LOANS			\$5,062,262	\$3,810,491	

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

7

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager *CD*
Subject: Adopt Revised District Policies Numbers 41, 43 & 44
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June 14, 2013

RECOMMENDED ACTION: Adopt Revised District Policies
FINANCIAL IMPACT: None

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

- Policy Number 41 – Vehicle Replacements
- Policy Number 43 – Wireless Communication Facilities Lease Policy
- Policy Number 44 – Integrated/Multi-Benefit Water Resource Projects

RECOMMENDATION:

Board adopt the revised District policies:

- Policy Number 41 – Vehicle Replacements
- Policy Number 43 – Wireless Communication Facilities Lease Policy
- Policy Number 44 – Integrated/Multi-Benefit Water Resource Projects

Approved by GM *CD*

Date *6/14/2013*

NORTH MARIN WATER DISTRICT

POLICY: VEHICLE REPLACEMENT
POLICY NUMBER: 41

Original Date: May 6, 1997
Revision Adopted: May 20, 2008

The District will replace its 3/4-ton and under vehicles when they reach 110,000 miles. If exceptional circumstances warrant deviation from this policy, i.e., the need for early disposal of a "lemon," staff will obtain approval from the Board.

Revisions: 05/06/98, 05/20/08

NORTH MARIN WATER DISTRICT

POLICY: WIRELESS COMMUNICATION FACILITIES LEASE

POLICY NUMBER: 43

Original Date: May 1, 2007

Revision Adopted: 05/01/07

Policy Statement

North Marin Water District Operations/Maintenance Department is responsible for the technical management of all wireless / airwave services and facilities (such as fixed and mobile wireless, satellite dishes, radio installations and ancillary emergency power) on District property.

Background Issues

Management of all ~~types of wireless / airwave services and vendors~~ are included in this responsibility. All requests for facility space to support wireless / airwave services, including internal uses, external vendor and service provider site requests, and proposed contracts, must be reviewed by the District. The District has established a protocol for the design, installation and maintenance of all ~~approved wireless~~ facilities. All vendor requests for facility space for these ~~types of wireless~~ services should be directed to North Marin Water District's ~~Facilities~~ Operations/Maintenance Superintendent.

Revisions: 05/07,

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- 1.00 Definitions
 - 2.00 Background
 - 3.00 Purpose
 - 4.00 Consideration for Evaluation of Requests
 - 5.00 Requests from Applications
 - 6.00 Unauthorized Installations
-

1.00 Definitions

- 1.01 Antenna: Any apparatus that broadcasts and/or receives voice, data and video information or communications through the atmosphere, from either earthbound or orbital sources.
- 1.02 Electronics Enclosure: A building, hut, vault, or other freestanding, buried, or wall-mounted enclosure used to house electronic equipment association with an antenna installation.
- 1.03 Facilities: Any water storage tanks, buildings, fixtures, equipment, or property including streets, sidewalks, landscaping elements and grounds, which are owned and/or operated by North Marin Water District.
- 1.05 Licensee: The entity that is proposing and may be granted the right to install a communications antenna on North Marin Water District facilities pursuant to an executed Wireless Telecommunications Antenna Site License Agreement.
- 1.06 Owner: North Marin Water District.
- 1.07 Towers: Structures proposed for use by Licensee for mounting of antenna equipment to broadcast and/or receive data, information or communications through the atmosphere, from either earthbound or orbital sources.

2.00 Background

- 2.01 The North Marin Water District periodically receives requests for permission from commercial-vendors to mount various types of antennas, towers, electronic and ancillary equipment on District facilities for wireless / airwave services.
- 2.02 The North Marin Water District recognizes that the aesthetic appearance of its facilities significantly impacts the District's ability to maintain a low impact to its customers, and the District is committed to developing and maintaining the aesthetic appeal of its facilities.
- 2.03 The North Marin Water District recognizes that the general public has a concern with a potential for harmful electromagnetic health effects that may exist in certain wireless communications devices.
- 2.04 The District facilities are public assets and requests for the right to site antennas, towers, electronic enclosures and ancillary equipment on District facilities is a decision that shall be made by the District Board of the Directors. Any value that may be gained by the District through licenses with commercial vendors shall be District resources that will be allocated on a case by case basis as directed by the Board of Directors.

3.00 Purpose

- 3.01 This policy outlines a consistent application, review and approval process for the siting and installation of antennas, towers, electronic enclosures and ancillary equipment, including the procedures for approval of such projects and the guidelines for evaluation of requests, with respect to technical, aesthetic, legal and District parameters.
- 3.02 This policy will direct the activities of the District in its consideration of requests made by commercial vendors to install antennas, towers, electronic enclosures, and ancillary equipment on District facilities.
- 3.03 This policy will direct the activities of the District to ensure all proposed structures are designed, built and maintained without interference with existing and future District facilities.

4.00 Considerations for Evaluation of Requests

- 4.01 Aesthetic: All proposed installations ~~should~~will be evaluated with respect to their site location and their potential aesthetic impacts to the surrounding environment.
- 4.02 Technical: North Marin Water District maintains crucial data and communications assets that support substantial investments in operational activities. All proposed installations shall be evaluated with respect to potential interference with existing and possible future data and communications operations. Evaluations will be conducted by applicant and presented to the District. The technical evaluation shall address any potential impact to, or potential for, interference with District broadcast facilities such as radio and with other existing communications equipment used by or planned by Marin County Emergency Radio Agency, Novato Police Department, Novato Fire Protection District and other existing transmitter and receivers. Each applicant must address the risk of interference with the other existing users.
- 4.03 Permitting: Prior to recommending approval to the Board of Directors, applicants must provide all necessary permits from the federal, state, county, local city and other building authorities as required.
- 4.04 Legal: Prior to recommending approval to the Board of Directors, District legal counsel will evaluate requests to assure they are consistent with District regulations and policies. A license agreement is required to perfect a proposed installation. The Facilities Operations/Maintenance Superintendent will negotiate on behalf of the District a proposed license for consideration by the Board of Directors.
- 4.05 Environmental: Environmental review pursuant to the California Environmental Quality Act for the proposed installation must be completed by the licensee prior to Board of Directors' consideration of the proposed license.
- 4.06 Philosophical: The District will evaluate proposed installations with respect to aesthetic, technical, environmental, legal and District parameters, and in accordance with emerging District philosophies such as preferred use, benefit analysis, compensation, etc.
- 4.07 Other Considerations: Single-line telecommunications antenna/towers that stretch from one facility or structure to another present special hazards and are not likely to be approved.

4.08 Existing Systems: All those who currently have telecommunications antenna/towers located on the proposed facility and nearby facilities must review configuration, location and anticipated frequencies of proposed installations.

5.00 Requests from Applicants

5.01 Any entity desiring to install antennas, towers, electronic enclosures, and ancillary equipment on District facilities in accordance with requirements set forth in this policy must outline how it will comply with the provisions of the Wireless Telecommunications Antenna Site License Agreement template used by the District and attached hereto as Exhibit A.

5.02 The ~~Facilities Operations/Maintenance~~ Superintendent will organize the application and, review ~~and it approve~~ processes with input from other departments. The District Secretary will be the central repository for all agreements resulting from the execution of this policy.

5.03 The locale and elevation of the District's ~~major property~~ may be include technically suitable locations for commercial vendors' antennas, towers, equipment enclosures, and ancillary equipment ~~on District facilities that require the use of telecommunications antenna/towers in the delivery of their services.~~ The District will not endorse installations that support the commercial activities of ~~commercial~~ vendors without value accruing to the District.

5.04 Installations proposed by ~~commercial~~ vendors shall not conflict with the overall mission of the District. All proposals must provide fair market value to the District. Factors that may be considered in valuing proposals are improvements to existing District infrastructure that provide emergency communications services (voice/data) to the District.

5.05 Vendors must provide assurance that the installation will not negatively impact District facilities including building space, roof/building conditions and sites adjacent thereto, and other District resources, including personnel.

5.06 An installation will not be approved if it will interfere with or intrude upon existing voice, data, radio and video communications, or other systems ~~or~~ equipment or District programs.

- 5.07 Access into or onto District facilities for operations, maintenance or repairs of vendor-installed equipment must be arranged through the Operations/Maintenance Department.
- 5.08 All licensee personnel will be required to comply with District policies including parking regulations.
- 5.09 All vendors must execute and comply with a Wireless Telecommunications Facilities License Agreement. See Exhibit A.
- 5.10 North Marin Water District desires to work with other public agencies to enhance public safety and public agency communication in the surrounding community. Requests for installation of any public agency antennas, towers, equipment enclosures and ancillary equipment will be consistent with this policy.
- 5.11 License agreements will have a two-phase process: Phase 1 will provide a general description in Section 1, Grant of License, with specific term limits in Section 2 and specific payment terms in Section 5. Phase 2 will be the final approval after applicant has met all North Marin Water District ~~Board of Directors~~ requirements.
- 5.12 All License agreements are subject to approval by the Board of Directors who may reject any proposal at any time.

6. Unauthorized Installations

- 6.01 If any unauthorized installations are discovered, the District will remove installed equipment immediately. The District will notify the entity responsible for the installation of the required action. The entity responsible for the ~~Unauthorized users~~ installation will be responsible for the full cost of removal.

NORTH MARIN WATER DISTRICT

POLICY: INTEGRATED / MULTI-BENEFIT WATER RESOURCE PROJECTS

POLICY NUMBER: 44

Original Date: 11/4/2008

Revisions Adopted: 11/04/2008

Background:

The North Bay Watershed Association (NBWA) is a group of 15 regional and local public agencies (including North Marin Water District) located throughout Marin, Sonoma and Napa counties.

The NBWA was created to help regulated local and regional public agencies work cooperatively on water resources issues that impact areas beyond traditional boundaries in order to promote stewardship of the North Bay watershed. Agencies participate in the NBWA in order to discuss issues of common interest, explore ways to work collaboratively on water resources projects of regional concern and share information about projects, regulations and technical issues. NBWA has endorsed and encouraged member agencies to adopt a policy on Integrated / Multi-Benefit Water Resource Projects.

Policy:

It is the ~~intent~~policy of North Marin Water District to plan and implement water resource projects to have multiple benefits where reasonably feasible and to coordinate said projects with other agencies (including NBWA and North Bay Water Reuse Authority members) to achieve greater benefit in the affected watersheds when possible.

Revisions: 11/04/2008

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MEMORANDUM

To: Board of Directors

June 14, 2013

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 18 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 25 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 \$65 per month is proposed to be effective July 1, 2013. The fiscal year 2013/2014 fee would total \$780 (\$65 x 12) per dwelling unit.

Recommended Action:

Board approve reading of proposed Ordinance No. 26 – (read title only).

ORDINANCE NO. 26

**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 2013-14**

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 \$780 per equivalent unit for fiscal year 2013-14;

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 25, 2013 to consider said report and rate increase effective July 1, 2013.
- b. The District prepared and filed a sewer service charge report with the District Secretary.
- c. On June 6, 2013 and June 20, 2013, 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 25, 2013, 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 2013-14, a sewer service rate of \$780 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, 2013, 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 2013-2014.

* * * * *

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 25th day of June 2013 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Katie Young, Secretary
North Marin Water District

(SEAL)

t:\acl\word\budget\wm\14\ordinance 26 om tax roll 2013.docx

**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 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, the District shall calculate the number of equivalent 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, a sewer service rate of \$780 per equivalent unit per year shall be paid by the owner of the land served. Effective August 1, 2011 a sewer service rate of \$58 per month, \$696 per equivalent unit per year shall be paid by the owner of the land served. For Fiscal Year 2011-12, an annual sewer rate of \$693 per equivalent dwelling unit (\$55 for July 2011 and \$58 per month for each month thereafter) per year shall be paid by the owner of the land served shall be in effect. In the case of new construction, said rate shall commence when the structure is connected-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.~~

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MEMORANDUM

To: Board of Directors

June 14, 2013

From: Drew McIntyre, Chief Engineer



Subject: Annexation No. 11 to Improvement District OM-3 (Subsequent to Annexation No. 24 to North Marin Water District Service Territory)

APN: 100-152-28 – 33 Ocean Avenue, Dillon Beach

R:\Folders by Job No\2700 jobs\2770\33 Ocean View Annex Memo_May 2013.doc

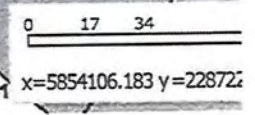
RECOMMENDED ACTION: The Board approve Annexation No. 11 to OM-3

FINANCIAL IMPACT: None - Developer Funded

Samuel Brown, (Applicant), co-owner of the above parcel, has requested annexation of the above parcel at 33 Ocean Avenue in Oceana Marin to North Marin Water District (NMWD) territorial boundaries and Improvement District OM-3 (see attached map). At the April 16, 2013 Board meeting, the NMWD Board of Directors declared their intent to proceed with the above annexation subject to Local Agency Formation Commission (LAFCo) approval. On May 9, 2013, LAFCo approved annexation of the above parcel to the District service territory (Attachment 1). The owner has signed the Annexation Application and Consent form for annexation to Improvement District OM-3 (Exhibit B of Attachment 2), and the Applicant has paid all required fees for annexation. Adoption of the enclosed resolution (Attachment 2) will finalize the Improvement District annexation.

RECOMMENDATION:

That the Board approve Annexation No. 11 to OM-3.



Proposed Annexation

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 13-06

**RESOLUTION MAKING DETERMINATIONS AND APPROVING ANNEXATION
TO HOMESTEAD VALLEY SANITARY DISTRICT
WITH WAIVER OF NOTICE, HEARING AND ELECTION**

Annexation of the Lands of Brown to North Marin Water District
(File #1315)

WHEREAS, a proposal for the annexation of certain territory to the North Marin Water District in the County of Marin has been filed with the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, said proposal was made in the form of a petition filed by the property owner; and

WHEREAS, pursuant to Government Code Section 56663, when a resolution is accompanied by written consent signed by all owners of land within the territory proposed to be annexed, this Commission may make determinations with respect to said annexation without notice and hearing; and

WHEREAS, pursuant to Government Code Section 56663(c), the affected territory is uninhabited; all the owners of land within the affected territory have given their written consent; and the affected local agency that will gain territory, North Marin Water District, has consented in writing to a waiver of protest proceedings, this Commission may make determinations with respect to said application with waiver of protest proceedings; and

WHEREAS, the Executive Officer has reviewed the application and prepared a report, including a recommendation thereon, the application and report having been presented to and considered by this Commission.

**NOW THEREFORE, the Marin Local Agency Formation DOES HEREBY
RESOLVE, DETERMINE AND ORDER as follows:**

Section 1. The sphere of influence of North Marin Water District is hereby amended to include the Lands of Brown as described in Exhibits A and B.

Section 2. The boundaries, as set forth in the proposal, are hereby approved as submitted and are as described in Exhibits "A" and "B" attached hereto subject to the following condition:

1. An approved map and legal description meeting the standards of the State Board of Equalization shall be provided by the applicant.

Section 3. The territory includes .13 acre, is found to be uninhabited, and is assigned the following distinctive short form designation: "Annexation of the Lands of Brown to North Marin Water District (File #1315)".

Section 4. The proposal is consistent with the adopted sphere of influence for North Marin Water District.

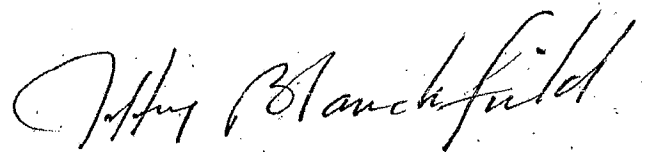
Section 5. The Executive Officer is hereby authorized to complete reorganization proceedings in the manner prescribed by Section 57000 of the Government Code.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission on this 9th day of May 2013 by the following vote:

AYES: Commissioners Asbo, Blanchfield, Condon, Heller & Redoni

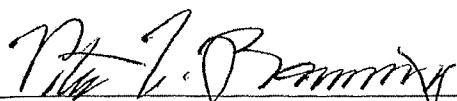
NOES: None.

ABSENT: Commissioners Adams & Arnold



JEFFERY BLANCHFIELD, Chairperson

ATTEST:


PETER V. BANNING, Executive Officer

RESOLUTION 13-

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
ORDERING THE ANNEXATION OF TERRITORY WITHIN SAID DISTRICT TO
IMPROVEMENT DISTRICT NO. OM-3 OF NORTH MARIN WATER DISTRICT**

BE IT RESOLVED by the Board of Directors of North Marin Water District as follows:

Section 1. This Board of Directors hereby finds, determines and declares:

- a) The territory to be annexed lies within the boundaries of the North Marin Water District as said boundaries are set forth in Local Agency Formation Commission Resolution No. 13-06, Annexation of the Lands of Brown to the North Marin Water District (File 1315)". Said territory is further described in Exhibit A, attached.
- b) The owners of the land comprising the territory hereinafter described, which territory is within the North Marin Water District, have given their written consent to the annexation of said territory to Improvement District No. OM-3 of the North Marin Water District, a copy of which consent is attached hereto and marked Exhibit B.
- c) The proposed annexation of the territory hereinafter described will be for the interest of the landowners and present and future inhabitants within Improvement District No. OM-3.

Section 2. It is hereby ordered that the territory within North Marin Water District as described in Exhibit A, attached hereto, incorporated herein and made a part hereof, hereby is annexed to Improvement District No. OM-3 of North Marin Water District without notice or hearing by this Board and without an election.

Section 3. The Secretary of this District is hereby authorized and directed to forward a certified copy of this resolution to the State Board of Equalization, the Assessor of the County of Marin, Marin County Elections Department and the Tax Collector of the County of Marin.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 18th day of June, 2013 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Katie Young, Secretary
North Marin Water District

(SEAL)

ANNEXATION NO. 24
TO
NORTH MARIN WATER DISTRICT
AND

ANNEXATION NO. 11
TO
IMPROVEMENT DISTRICT NO. OM-3
OF
NORTH MARIN WATER DISTRICT
ASSESSOR'S PARCEL NUMBER 100-152-28

All that certain Real Property situate in the County of Marin, State of California, described as follows:

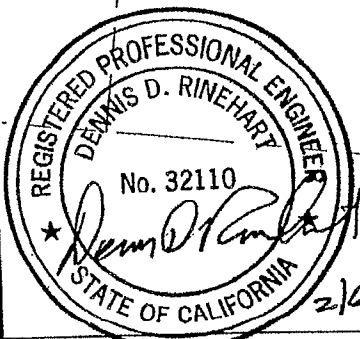
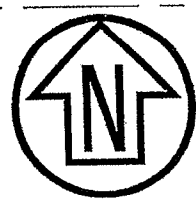
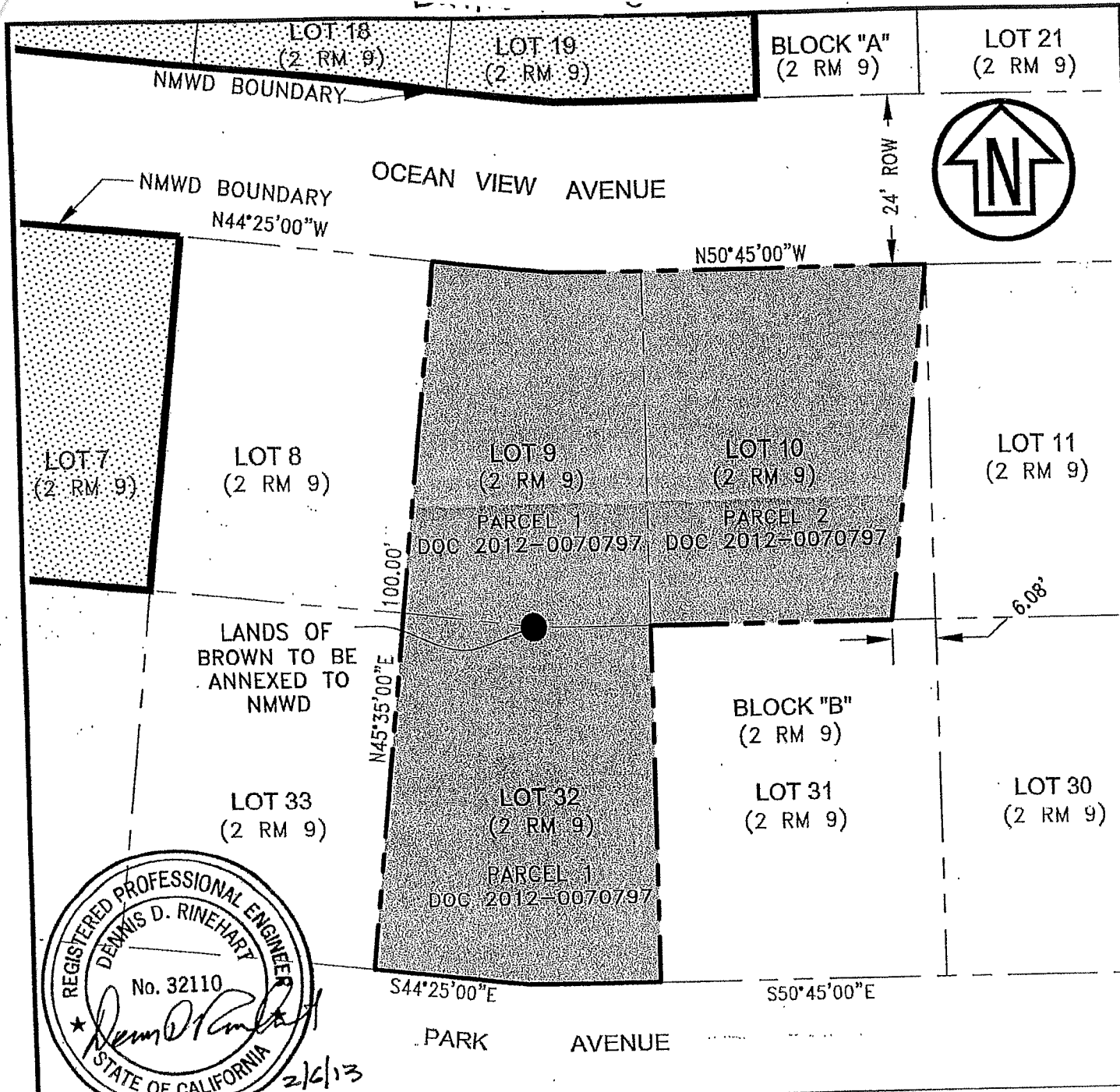
PARCEL ONE

LOTS 9 and 32, in Block "B", as shown upon that certain map entitled, "Map of the Subdivision of Dillon's Beach", filed for record October 26, 1904 in Book 2 of Maps, at Page 9, Marin County Records.

PARCEL TWO

BEGINNING at the easterly corner of LOT 10 (2 RM 9), running thence southwesterly in a direct line to a point on the southwesterly line of said lot distance 6.08 feet northwesterly from the most southerly corner of said lot; running thence northwesterly to the westerly corner of said lot; running thence northwesterly to the northerly corner of said lot; running thence along Ocean View Avenue to point of beginning, all as shown upon that certain map entitled, "Map of the Subdivision of Dillon's Beach", filed for record October 26, 1904 in Book 2 of Maps, at Page 9, Marin County Records.

See Exhibit "B" attached and made a part thereof.

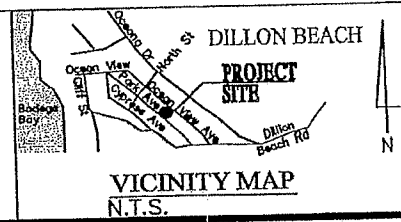


LEGEND:

- NMWD BOUNDARY
- PROPOSED ANNEXATION
- PROPERTY LINE

EXHIBIT "B"

MAPPING NO. _____



CSW ST2

CSW/Stuber-Stroeh Engineering Group, Inc.
 Civil & Structural Engineers | Surveying & Mapping | Environmental Planning
 Land Planning | Construction Management

45 Leveroni Court
 Novato, CA 94949

tel: 415.883.9850
 fax: 415.883.9035

http://www.cswst2.com

©2012

Rev.	Date: February 5, 2013
Job No. 6.668.28	Scale: 1 inch = 20 ft.

**ANNEXATION OF
THE LANDS OF BROWN**

TO NORTH MARIN WATER DISTRICT (FILE # _____)

DILLON BEACH MARIN COUNTY CALIFORNIA

NORTH MARIN WATER DISTRICT
999 RUSH CREEK PLACE P. O. BOX 146
NOVATO, CALIFORNIA 94948-0146
TELEPHONE: (415) 897-4133

ANNEXATION APPLICATION AND CONSENT

1. The undersigned hereby makes application for annexation of the following described property situated in the County of Marin, State of California, to Improvement District No. OM-3 of North Marin Water District.

PARCEL NO.	PROPERTY OWNER	ADDRESS
100-152-28	Linda J. Fitz 2005 Trust, Linda J. Fitz, Trustee;	135 Graystone Terrace, San Francisco, CA 94114
<i>sf</i> <i>SAMUEL BROWN V</i>	Brown Family Trust, Samuel V. Brown and Virginia C. Brown, Trustees	3175 Montecito Meadow Dr., Santa Rosa, CA 95404

The total area to be annexed, hereinafter referred to as the "territory" is further described by the boundary description of said annexation attached hereto and marked Exhibit "A".

2. In accordance with District rules and regulations, property owner(s) has submitted an annexation fee in the amount of \$19,249.36 to cover the District's estimated cost of processing said annexation.

3. The undersigned understands that the purpose of this application is to consent to said annexation of the above described property into said improvement district and that the District may combine this property with other properties to be annexed.

4. The undersigned being all of the owners of all the lands described above proposed to be annexed, hereby gives, his, her, its or their written consent to the annexation of said land to Improvement District No. OM-3 of North Marin Water District, Marin County, California, on the following terms and conditions:

Upon and after the effective date of said annexation, the territory, all inhabitants within such territory, and all persons entitled to vote by reason of residing or owning land within the territory shall be subject to the jurisdictions of Improvement District No. OM-3; shall have the same rights and duties as if the territory had been a part of Improvement District No. OM-3 upon their original formations; shall be subject to the levying or fixing the collection of any and all taxes, assessments, service charges, connection charges, or rates as may be necessary to provide sewer service and/or availability of sewer service; and shall

be subject to all of the rates, rules, regulations and ordinances of the North Marin Water District and Improvement District No. OM-3 of the North Marin Water District, as now or hereinafter amended.

The undersigned hereby consents to the approval of such annexation without notice or hearing by the Board of Directors of North Marin Water District of Marin County, California and without an election, all in accordance with Section 32552 of the Water Code of the State of California.

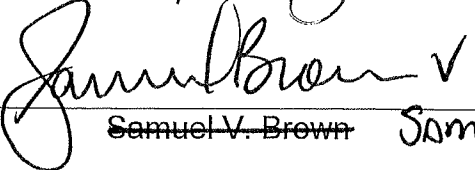
DATE OF SIGNING

PROPERTY OWNER'S SIGNATURES

6/4/2013


Linda J. Fitz

June 4, 2013

86 
~~Samuel V. Brown~~ Samuel Brown V

June 5, 2013



Virginia C. Brown

10

MEMORANDUM

To: Board of Directors

June 14, 2013

From: Chris DeGabriele, General Manager 

Subject: Resolution Supporting Participation in the Water Bond Coalition
t:\gmbod misc 2013\water bond coalition memo.doc

RECOMMENDED ACTION: Approve a Resolution supporting the Water Bond Coalition to include funding for local and regional water projects in future statewide water bonds; direct the General Manager to represent NMWD on the Water Bond Coalition.

FINANCIAL IMPACT: None

In 2002 NMWD participated in the Water Bond Coalition. The purpose of the coalition was to achieve an equitable distribution of statewide water bond dollars to projects across the state. (Water bonds prior to 2002 explicitly directed a majority of funds to southern California interests). Some 220 public agencies from 34 counties participated in the coalition and adopted resolutions in support of the coalition's objectives. In part due to this effort, subsequent water bonds, Proposition 50 (2002) and Proposition 84 (2006), directed substantial funding toward Integrated Regional Water Management programs from which NMWD has benefitted. The bonds provided funding for coastal salmon restoration, water reuse, water quality, and conservation programs statewide. A list of participants in the coalition is attached.

The California legislature had developed a new water bond for the 2010 ballot. Concerns regarding the economy and financial restrictions the state was facing caused the bond to be delayed twice and it is now scheduled for the November 2014 General Election ballot. Now known as the Safe, Clean, and Reliable Drinking Water Supply Act the bond, as originally crafted, provides \$11.1 for water-related needs statewide. Included in the bond are:

- \$455 million drought relief projects, wastewater improvements, safe drinking water
- \$1.40 billion integrated regional water management projects
- \$2.25 billion delta sustainability options
- \$3.00 billion water storage projects
- \$1.70 billion ecosystem and watershed protection
- \$1.00 billion groundwater protection and cleanup
- \$1.25 billion water recycling and advanced treatment projects.

Due to lingering concerns about the large size of the proposed 2014 bond the California legislature is expected to take action over the next four months to substantially revise

the proposed water bond with the goal of making the bond smaller and eliminating programs with unproven public benefit. Various interest groups around the state are now engaging in the development of new water bond terms.

NMWD has been in discussions with members of the initial Water Bond Coalition regarding water bond policy and how best to engage in development of new water bond language in the months to come in order to make sure that projects in our region remain eligible for funding from this source. Coalition members recognize the important work to be done to restore Delta ecosystems and make improvements to the State Water Project. However, coalition members also support allocation of future water bond funds on a fair and equitable basis to local and regional entities across all of California for water related needs such as water reuse, groundwater planning, groundwater remediation, improved storm water management, replacement of failing infrastructure, fishery restoration, and completion of upgrades necessary to meet water quality standards and improve water use efficiency.

Engaging with the Water Bond Coalition will likely offer the only opportunity for NMWD to have any influence on the development of the 2014 water bond and support language that could protect local interests in this funding program.

RECOMMENDATION:

Approve the attached resolution supporting the Water Bond Coalition, and designate the General Manager to represent NMWD on the Water Bond Coalition.

RESOLUTION NO. 13-XX

RESOLUTION OF THE NORTH MARIN WATER DISTRICT AGREEING TO PARTICIPATE IN THE WATER BOND COALITION, AND ENDORSING EFFORTS OF THE COALITION TO DEVELOP THE FAIR AND EQUITABLE DISTRIBUTION OF STATE WATER BOND FUNDS FOR PROJECTS THAT WILL BENEFIT THE NORTH MARIN WATER DISTRICT AND OTHER ENTITIES THROUGHOUT NORTHERN AND COASTAL CALIFORNIA, AND DESIGNATING THE GENERAL MANAGER AS THE OFFICIAL REPRESENTATIVE FOR THE NORTH MARIN WATER DISTRICT TO THE WATER BOND COALITION.

WHEREAS, in the past 10 years, the California electorate has approved Propositions 50, 84 and 1E that have provided more than \$12 billion for water-related projects in California; and

WHEREAS, an additional water bond measure is now being developed and if approved by the voters, would provide additional funding for the planning and implementation of water-related programs and projects in California; and

WHEREAS, North Marin Water District took an active role in the creation of the Northern and Coastal California Water Bond Coalition in 2002, a diverse network of 220 cities, counties and special districts from 34 counties that worked to support the equitable distribution of state bond funds and secure grant funds for drinking water, wastewater, fisheries, wetlands, water reuse, non-point source and flood protection projects that benefited the North Marin Water District; and

WHEREAS, the development of a regional coalition to organize and promote local and regional projects for funding has proven to be effective in obtaining funding from these bond measures for North Marin Water District and has assisted in the expansion of Recycled Water projects in Novato; and

WHEREAS, there is a tremendous need for improvements in California's diverse water system and cities, counties, and local and regional water supply, flood control and sanitation agencies across the state are facing significant challenges including aging infrastructure, more challenging regulatory compliance standards, changes in climate that impact public safety and water supply reliability, and environmental impacts that could increase costs or reduce water availability; and

WHEREAS, existing state water infrastructure bond funds meant to help address these challenges will soon be fully appropriated and a new commitment of significant state funding to assist local and regional water management projects is necessary to assure future water supply reliability; and

WHEREAS, the Water Bond Coalition supports new investment in regional competitive grant programs that distribute funds equitably across the state – in acknowledgement of the importance of source watersheds as well as population centers – to achieve any of the following objectives:

- Integrated, multi-agency approaches to water management
- Improved protection of wildlife, fisheries and watersheds to reduce conflicts with water management efforts
- Improved water supply reliability
- Water systems that are diversified, resilient, and reliable in the face of natural disasters and a changing climate
- Funding for planning, implementation and sustaining projects in the following

categories: integrated regional water management, water reuse and recycled water, flood protection, stormwater management, upgrades and enhancements to aging infrastructure, groundwater management, groundwater cleanup, water use efficiency, and water quality compliance

NOW, THEREFORE, BE IT RESOLVED that the North Marin Water District will participate in the Water Bond Coalition and support efforts by the Coalition to promote the principles above; and be it

FURTHER RESOLVED, that the North Marin Water District now designates its' General Manager to serve as the official representative on the Water Bond Coalition, and be it

FURTHER RESOLVED, that the General Manager is authorized to sign letters and speak of behalf of North Marin Water District in support of legislation that furthers the principles identified above.

PASSED, APPROVED AND ADOPTED this 18th day of June 2013 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Katie Young
District Secretary

(SEAL)

COALITION PARTICIPANTS

As of March 2004



CITY

City of American Canyon
City of Arcata
City of Blue Lake
City of Burlingame
City of Calistoga
City of Camarillo
City of Cloverdale
City of Cotati
City of Crescent City
City of Dublin
City of Emeryville
City of Etna
City of Eureka
City of Ferndale
City of Fillmore
City of Fort Bragg
City of Fortuna
City of Hayward
City of Healdsburg
City of Livermore
City of Napa
City of Novato
City of Oakland
City of Ojai
City of Orinda
City of Oxnard
City of Petaluma
City of Pleasanton
City of Point Arena
City of Port Hueneme
City of Redding
City of Redwood City
City of Rio Dell
City of Rohnert Park
City of San Buenaventura
City of San Luis Obispo
City of Santa Barbara
City of Santa Cruz
City of Santa Paula
City of Santa Rosa
City of Scotts Valley
City of Seaside
City of Sebastopol
City of Shasta Lake
City of Simi Valley
City of Sonoma
City of St. Helena
City of Thousand Oaks
City of Trinidad
City of Ukiah
City of Watsonville
City of Willits
City of Willows
City of Yuba City
Town of Atherton
Town of Windsor
Town of Yountville

COUNTY

City & County of San Francisco
County of Alameda
County of Alpine
County of Butte

County of Contra Costa
County of Glenn
County of Humboldt
County of Lake
County of Marin
County of Mendocino
County of Monterey
County of Napa
County of Nevada
County of Placer
County of San Luis Obispo
County of San Mateo
County of Santa Barbara
County of Santa Cruz
County of Shasta
County of Siskiyou
County of Sonoma
County of Sutter
County of Tehama
County of Trinity
County of Ventura
County of Yolo

SPECIAL DISTRICT

Alameda County Flood Control and Water Conservation District
Alameda County Water District
Alderpoint County Water District
Anderson-Cottonwood Irrigation District
Bella Vista Water District
Brooktrails Township Community Services District
Brown's Valley Irrigation District
Butte Water District
Cachuma Conservation Release Board
Cachuma Operation and Maintenance Board
Cambria Community Services District
Carpinteria Sanitary District
Carpinteria Valley Water District
Casmalia Community Services District
Castroville Water District
Coastside County Water District
Contra Costa Flood Control and Water Conservation District
Contra Costa Water District
County of San Luis Obispo Flood Control and Water Conservation District, Zone 3
County Services District #41
Covelo Community Services District
Cuyama Community Services District
Davenport County Sanitation District
Dublin-San Ramon Services District
East Bay Municipal Utility District
Fox Canyon Groundwater Management Agency
Freedom County Sanitation District
Glenn-Colusa Irrigation District
Goleta Water District
Gridley Water District
Gualala Community Services District
Heritage Ranch Community Services District
Hidden Valley Lake Community Services District
Humboldt Bay Municipal Water District
Humboldt Community Services District
Hydesville County Water District

Inverness Public Utility District
Jacoby Creek County Water District
Laguna County Sanitation District
Lake Berryessa Resort Improvement District
Lake County Flood Control and Water Conservation Department
Lake County Special Districts
Las Gallinas Valley Sanitation District
Laytonville County Water District
Los Osos Community Services District
Marin County Flood Control and Water Conservation District
Marin Municipal Water District
Marina Coast Water District
Maxwell Irrigation District
McCloud Community Services District
McKinleyville Community Services District
Mendocino City Community Services District
Mendocino County Resource Conservation District
Mendocino County Water Agency
Mendocino County Water Works District #2
Mendocino Inland Water and Power Commission
Millview County Water District
Montara Sanitary District
Montecito Water District
Monterey County Water Resources Agency
Napa County Flood Control and Water Conservation District
Napa Sanitation District
North Coast County Water District
North Marin Water District
Novato Sanitary District
Occidental County Services District
Orick Community Services District
Orland-Artois Water District
Pajaro Valley Water Management Agency
Paradise Irrigation District
Potter Valley Irrigation District
Rains Creek Water District
Reclamation District No. 108
Reclamation District No. 1500
Reclamation District No. 2068
Redway Community Services District
Redwood Valley County Water District
Richvale Irrigation District
San Miguel Community Services District
San Simeon Community Services District
Santa Barbara County Parks
Santa Barbara County Water Agency
Santa Clara Valley Water District
Santa Cruz County Flood Control and Water Conservation District
Santa Cruz County Resource Conservation District
Santa Cruz County Sanitation District
Santa Ynez River Water Conservation District, Improvement District #1
Saticoy Sanitary District
Shasta County Water Agency
Solano County Water Agency
Sonoma County Water Agency
Sonoma Valley County Sanitation District
Soquel Creek Water District
South County Regional Wastewater Authority

Stinson Beach County Water District
Sutter Extension Water District
Sutter Mutual Water Company
Sweetwater Springs Water District
Tehama-Colusa Canal Authority
Trinity County Resource Conservation District
Tomales Village Community Services District
Triunfo Sanitation District
Ukiah Valley Sanitation District
Union Sanitary District
Valley of the Moon Water District
Vandenberg Village Community Services District
Ventura County Watershed Protection District
Ventura County Waterworks District No. 1
Ventura County Waterworks District No. 16
Ventura County Waterworks District No. 19
Ventura Regional Sanitation District
Weott Community Services District
Western Canal Water District
Westport County Water District
Willow Creek Community Services District
Yolo County Flood Control and Water Conservation District
Yolo-Zamora Water District
Yuba County Water Agency
Zone 7 Water Agency

ORGANIZATION

American River Conservancy
Association of Bay Area Governments
Association of Monterey Bay Area Governments
California Rural Water Association
Camp Meeker Recreation and Park District
Contra Costa Clean Water Program
Del Oro Water Company
Ducks Unlimited
Friends of Orinda Creeks
La Cumbre Mutual Water Company
Morro Estuary Greenbelt Alliance
Nevada County Land Trust
North Bay Watershed Association
Northern California Water Association
Orland Unit Water Users Association
Russian River Watershed Association
San Jose Water Company
South Yuba River Citizens League
The Sierra Fund
Truckee River Watershed Council
Truckee-Donner Land Trust
Trust for Public Land
Wildlands Inc.
Yuba River Conservancy
Yuba Watershed Foundation

11

MEMORANDUM

To: Board of Directors

June 14, 2013

From: David L. Bentley, Auditor-Controller

Subj: Additional Review – FY14 West Marin Water and Oceana Marin Sewer Budgets

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RECOMMENDED ACTION: Additional Review & Provide Direction to Staff

FINANCIAL IMPACT: None at this time. Upon adoption, the FY14 Budgets would see:

West Marin Water System Rate Increase	\$57,000
West Marin Water System Expenditure Plan	\$949,000
Oceana Marin Sewer System Rate Increase	\$19,000
Oceana Marin Sewer System Expenditure Plan.....	\$200,000

Following for your second review are the budgets for the West Marin Water System and the Oceana Marin Sewer System proposed for FY 2013/14 (FY14). Proposed for the West Marin Water System customers is a rate increase averaging 8%. Proposed for the Oceana Marin Sewer System is a 12% rate increase.

INCREASE PROPOSAL DETAIL

Water Rates

A 9% commodity rate increase was implemented in each of the past eight years, and this year a rate increase averaging 8%, comprised of a 5% commodity rate increase and a 20% service charge increase (to \$30 bimonthly for the typical customer with a 5/8" meter) is recommended, with the exception that a 12% increase (to \$46 bimonthly) is proposed for the service charge paid by Paradise Ranch Estates customers. The proposed \$46 PRE bimonthly service charge includes the cost of amortizing the \$14,000 annual revenue bond debt service applicable exclusively to customers residing within the PRE subdivision. The proposed West Marin Water increase would total \$51 annually (\$4.25 per month) for the typical residential customer.

A letter was mailed to all West Marin Water customers on May 8, 2013 advising of the proposed rate increase and extending an invitation to attend the public hearing and/or exercise their right to protest the proposed increase.

If enacted, the proposed increase will generate \$57,000 in additional revenue next fiscal year.

Commodity Rate Increase	\$29,000
Service Charge Increase	<u>\$28,000</u>
Total	<u>\$57,000</u>

Annual 5% increases are included in the 5-year financial plan for FY15 and beyond (see page 4) to help pay for the \$1.6 million Gallagher Pipeline, designed to mitigate the salinity intrusion experienced during high-tide and low creek flow conditions at the existing well site located adjacent to Lagunitas Creek near the Coast Guard housing facility.

Sewer Rates

Oceana Marin Sewer fully repaid its loan from Novato Water in March of 2005, rendering this small improvement district debt free for the first time since 1989. The system held a cash balance of \$189,000 at April 30, 2013. The Five-Year Financial Plan includes a \$400,000 project to clean and line the settling and treatment ponds. A 12% (\$7/month) increase is proposed for FY14, which will generate an additional \$19,000 per year. Annual 5% increases are included in the 5-year financial plan (\$3 per month) for FY15 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 was published in the Point Reyes Light on June 6 and will be published again on June 20, inviting customers to attend the June 25 meeting in Point Reyes Station.

Connection Fees

Connection fees for West Marin Water and Oceana Marin Sewer were increased in August 2009. The West Marin Water increase was phased over two years. Two new connections are budgeted for both West Marin Water and Oceana Marin Sewer next fiscal year. Staff anticipates reviewing the West Marin Water connection fee calculation again following the FY14 West Marin Water Master Plan update. The Oceana Marin Sewer connection fee calculation will be reviewed following the FY15 Oceana Marin Sewer Master Plan update.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

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

Water

- \$200,000 for continued work on the \$800,000 project to design and construct a 60,000 gallon solids-handling facility adjacent to the water treatment plant.
- \$100,000 to upgrade the Olema Pump Station for flood protection and to upgrade its SCADA remote terminal units.

Sewer

- \$35,000 for installation of a SCADA remote terminal unit upgrade.

Future Projects

The West Marin Water System Five-Year Financial Plan shows the \$500,000 PRE Tank 4A replacement will commence in FY16. The \$1.6 million Gallagher Pipeline project is scheduled to commence in 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 FY15, for design and installation of an 8th disposal trench. Finally, \$400,000 is included for lining the settling and treatment ponds in FY18.

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 deficit next fiscal year of \$95,000. The projected FY14 deficit represents the planned drawdown of the Bank of Marin loan funds borrowed to construct the Solids Handling Facility. West Marin Water customers pay \$71,000 annually for their share of the loan.

The proposed budget projects two new services to be added to the system each year into the future, which is the average over the last five years.

FY14 water sales revenue is budgeted to increase 4% compared with the current year estimated actual. The West Marin system is projected to consume 75 million gallons (MG) next year, which is the average over the past 4 years, but only 90% of the average¹ consumption

¹ Average potable use calculated net of the discontinued Giacomini Dairy operation consumption.

over the past ten years. 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 are budgeted to remain consistent with the FY13 adopted budget. A graphical history of operating expenditures is shown on page 7. The 2013 update of the Coastal Area Annual Water Cost Comparison shows that, even with the proposed rate increase, the water cost for NMWD's West Marin customers remains below that paid by the customers of the other seven coastal agencies surveyed.

OCEANA MARIN SEWER OPERATING BUDGET

The proposed Oceana Marin Sewer budget shown on page 8 includes a \$7/month (12% - to \$65) increase in the sewer service charge. Three years ago the sewer service charge was placed on the County property tax rolls, eliminating the monthly billing and collection cost. Two new connections are budgeted for next fiscal year with the anticipated Brown annexation, and one new connection each year thereafter, 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 3% from the current year estimated actual.

The District's agreement with Phillips and Associates to provide for Operation and Maintenance of the Oceana Marin system expires June 30, and a new agreement for Board consideration will be presented at the June 25 meeting in Point Reyes Station. The FY14 budget for Phillips is projected at \$67,000. An additional \$1,000 is included as a contingency for major equipment repair or replacement.

A graphical history of Oceana Marin operating expenditures is shown on page 11. The 2013 update of the Coastal Area Annual Sewer Cost Comparison shows that, even when the County 1% allocation of AB8 tax revenue is included as a ratepayer cost, Oceana Marin sewer service cost continues to rank third among the six coastal agencies surveyed.

A final review and public hearing to consider enactment of the proposed water and sewer rate increases and to adopt the water and sewer budgets is scheduled for June 25, 2013 in Point Reyes Station.

Proposed

BUDGET

Second Review

**West Marin Water
&
Oceana Marin Sewer**

FISCAL YEAR

2013-14

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

6/12/13

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		FY13 Budget	FY13 Est Actual	FY14 Budget	FY15 Budget	FY16 Budget	FY17	FY18
6. WEST MARIN WATER SYSTEM								
1.6601.32	a. TP Solids Handling (Note 3)	\$400,000	\$100,000	\$200,000	\$500,000			
	b. TP RTU Upgrade		\$25,000					
	c. Point Reyes Well #3 Replace	\$165,000	\$175,000					
1.6601.35	d. Treatment Plant Control Valve Replacement	\$75,000	\$50,000	\$25,000				
1.6604.20	e. Gallagher Auxiliary Stream Gauge	\$30,000		\$30,000				
	f. PB Replace in Sync w/ County Paving		\$80,000			\$50,000		
	g. Replace PRE 2" Galvanized Steel Pipe				\$120,000			\$120,000
1.6130.21	h. Olema PS Flood Protection & RTU Upgrade			\$100,000				
1.7147.00	i. Emergency Generator Connections			\$15,000				
1.6257.20	j. Pt Reyes Tank #2 & #3 Seismic Piping Upgrade		\$20,000	\$65,000				
	k. Replace PRE Tank #4A (25,000 gal w/82,000 gal Tank)					\$250,000	\$250,000	
	l. Gallagher Pipeline (Note 4)		\$25,000				\$1,600,000	
		\$670,000	\$475,000	\$435,000	\$620,000	\$300,000	\$1,850,000	\$120,000
7. OCEANA MARIN SEWER SYSTEM								
1.8672.27	a. Infiltration Repair	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
	b. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)	\$20,000	\$16,000				\$20,000	\$20,000
	c. Cross Country Sewer Line Rehab (3,150')	\$275,000	\$210,000					
	d. Treatment Pond Algae Control Device	\$10,000						
1.7148.00	e. SCADA RTU Upgrade and Install			\$35,000				
	f. Design/Install 8th Disposal Trench (300')				\$50,000	\$50,000		
	g. Pond Cleaning & Lining							\$400,000
		\$320,000	\$241,000	\$50,000	\$65,000	\$65,000	\$35,000	\$435,000

Proposed Capital Improvement Projects

6/12/13

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	FY13 Budget	FY13 Est Actual	FY14 Budget	FY15 Budget	FY16 Budget	FY17	FY18
<u>SUMMARY - GROSS PROJECT OUTLAY</u>							
West Marin Water	\$670,000	\$475,000	\$435,000	\$620,000	\$300,000	\$1,850,000	\$120,000
Oceana Marin Sewer	\$320,000	\$241,000	\$50,000	\$65,000	\$65,000	\$35,000	\$435,000
GROSS PROJECT OUTLAY	\$990,000	\$716,000	\$485,000	\$685,000	\$365,000	\$1,885,000	\$555,000
LESS FUNDED BY LOANS/GRANTS/OTHER							
e. WM Treatment Plant Solids Handling (Note 3)	(\$400,000)	(\$100,000)	(\$200,000)	(\$500,000)	\$0	\$0	\$0
f. Gallagher Pipeline (Note 4)	\$0	\$0	\$0	\$0	\$0	(\$1,600,000)	\$0
	(\$400,000)	(\$100,000)	(\$200,000)	(\$500,000)	\$0	(\$1,600,000)	\$0
<u>SUMMARY - NET PROJECT OUTLAY</u>							
West Marin Water	\$270,000	\$375,000	\$235,000	\$120,000	\$300,000	\$250,000	\$120,000
Oceana Marin Sewer	\$320,000	\$241,000	\$50,000	\$65,000	\$65,000	\$35,000	\$435,000
NET (INTERNALLY FUNDED) PROJECT OUTLAY	\$590,000	\$616,000	\$285,000	\$185,000	\$365,000	\$285,000	\$555,000
Total Number of Projects	8	10	8	4	4	4	4

Note 3 - \$800,000 West Marin Water Treatment Plant Solids Handling Facility Funded by Bank Loan

Note 4 - \$1.6M Gallagher Pipeline Funded by Loan

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2013/14

	<i>Proposed Budget 2013/14</i>	<i>Estimated Actual 2012/13</i>	<i>Adopted Budget 2012/13</i>
OPERATING INCOME			
1	Water Sales	\$724,000	\$661,000
2	Misc Service Charges	5,000	5,000
3	Total Operating Income	\$729,000	\$666,000
OPERATING EXPENDITURES			
4	Source of Supply	\$24,000	\$37,000
5	Pumping	28,000	39,000
6	Operations	32,000	30,000
7	Water Treatment	104,000	112,000
8	Transmission & Distribution	125,000	105,000
9	Consumer Accounting	21,000	26,000
10	Water Conservation	4,000	4,000
11	General Administration	45,000	51,000
12	Depreciation Expense	149,000	153,000
13	Total Operating Expenditures	\$532,000	\$557,000
14	NET OPERATING INCOME (LOSS)	\$197,000	\$109,000
NON-OPERATING REVENUE/(EXPENSE)			
15	PR-2 County Tax Allocation	\$45,000	\$45,000
16	OL-2 Bond Tax	4,000	4,000
17	Interest Revenue	3,000	6,000
18	Bond & Loan Interest Expense	(44,000)	(44,000)
19	Miscellaneous Revenue/(Expense)	6,000	3,000
20	Total Non-Operating Income/(Expense)	\$14,000	\$14,000
21	NET INCOME/(LOSS)	\$211,000	\$123,000
OTHER SOURCES/(USES) OF FUNDS			
22	Add Depreciation Expense	\$149,000	\$153,000
23	Connection Fees	5,000	46,000
24	Capital Improvement Projects	(475,000)	(670,000)
25	Bond & Loan Principal Payments	(77,000)	(74,000)
26	Total Other Sources/(Uses)	(\$398,000)	(\$545,000)
27	NET SURPLUS/(DEFICIT)	(\$187,000)	(\$422,000)

WEST MARIN WATER

5-Year Financial Forecast

#		Actual 2010/11	Actual 2011/12	Estimated 2012/13	Proposed 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18
BASIC DATA									
1	Active Meters	770	777	776	778	780	782	784	786
2	Avg Commodity Rate/1,000 Gal	\$6.59	\$6.97	\$7.60	\$7.79	\$8.17	\$8.57	\$9.00	\$9.45
3	Potable Consumption (MG)	74	74	77	75	75	75	75	75
INCOME									
4	Commodity Charge	\$489,493	\$518,217	\$585,000	\$584,000	\$613,000	\$643,000	\$675,000	\$709,000
5	Minimum Service Charge	94,214	115,584	139,000	168,000	177,000	186,000	196,000	206,000
6	Connection Fee	16,150	36,600	5,000	46,000	46,000	46,000	46,000	46,000
7	PR-2 County Tax Allocation	38,446	40,598	45,000	43,000	44,000	45,000	46,000	47,000
8	PR-3 G.O. Bond Tax	13,803	13,938	0	0	0	0	0	0
9	OL-2 G.O. Bond Tax	3,528	3,757	4,000	4,000	0	0	0	0
10	Interest	0	0	3,000	3,000	2,000	1,000	2,000	2,000
11	Miscellaneous	(18,491)	4,921	11,000	11,000	11,000	11,000	11,000	11,000
12	TOTAL INCOME	\$637,143	\$733,615	\$792,000	\$859,000	\$893,000	\$932,000	\$976,000	\$1,021,000
EXPENDITURES									
13	Operating Expenditures	\$381,224	\$382,948	\$383,000	\$414,000	\$416,000	\$428,000	\$441,000	\$454,000
14	Bond & Loan Debt Service	48,105	55,597	121,000	105,000	106,000	101,000	225,000	223,000
15	Interdistrict Loan Interest	4,969	5,918	0	0	0	0	0	0
16	TOTAL EXPENDITURES	\$434,298	\$444,463	\$504,000	\$519,000	\$522,000	\$529,000	\$666,000	\$677,000
NET INCOME		\$202,845	\$289,152	\$288,000	\$340,000	\$371,000	\$403,000	\$310,000	\$344,000
OTHER SOURCES/(USES)									
17	Capital Improvement Projects	(136,485)	(145,027)	(475,000)	(435,000)	(620,000)	(300,000)	(1,850,000)	(120,000)
18	Loan Proceeds	0	1,000,000	0	0	0	0	1,600,000	0
19	Loan from (Repayment to) Novato	(63,332)	(356,968)	0	0	0	0	0	0
20	Net Change in Working Capital	(13,013)	(4,575)	0	0	0	0	0	0
21	INCREASE (DECREASE) IN CASH	(\$9,985)	\$782,582	(\$187,000)	(\$95,000)	(\$249,000)	\$103,000	\$60,000	\$224,000
CASH BALANCE									
22	Operating Reserve	\$0	\$0	\$0	\$238,000	\$173,000	\$276,000	\$336,000	\$560,000
23	System Expansion Reserve	0	700,680	514,000	181,000	0	0	0	0
24	Liability Contingency Reserve	0	98,885	99,000	99,000	99,000	99,000	99,000	99,000
25	Bond Redemption Reserve	50,313	33,330	33,000	33,000	30,000	30,000	30,000	30,000
26	TOTAL CASH BALANCE	\$50,313	\$832,895	\$646,000	\$551,000	\$302,000	\$405,000	\$465,000	\$689,000
27	Amount Due to Novato Water	\$356,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Depreciation Expense	\$147,002	\$150,169	\$149,000	\$150,000	\$157,000	\$167,000	\$172,000	\$203,000

WEST MARIN WATER NOTES

KEY

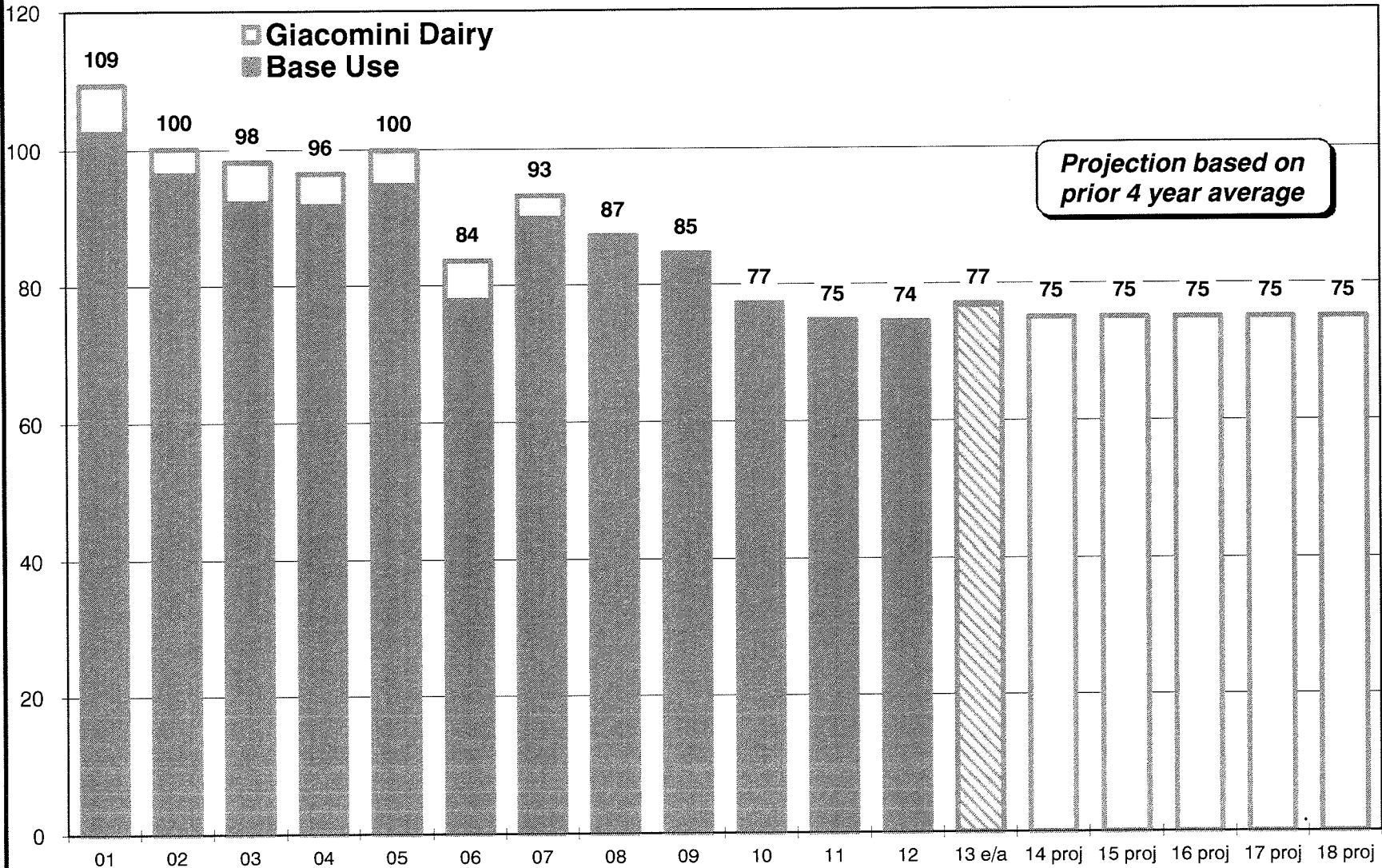
West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).

- 1 Assumes annual increase of 2 connections per year.
- 2 A commodity rate increase of 5% is proposed effective 7/1/13.
- 3 Projection based on FY13 estimated actual.
- 5 A 20% increase in the Bimonthly Service Charge consistent with Novato Water is proposed effective 7/1/13. Thereafter a 5% annual increase is proposed.
- 6 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 In July 2009 the State Legislature "borrowed" 8% (approximately \$3,500) of Point Reyes tax revenue. The Legislature promised to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. Said repayment is incorporated into the FY13 budget. PR2 County Tax allocation is projected to increase 3% per year.
- 8, 9 GO Bond Taxes are Proposition 13 Exempt property tax levies that fund general obligation bond debt service. See Note 27 regarding the PR-3 GO Bond.
- 10 Projected available funds invested at 0.40%
- 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 13 3% annual increase assumed after FY14.
- 14 Comprised of four 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1973 \$250,000 PR-3 GO bond maturing 2013; 2) 1975 OL-2 \$70,000 GO bond due 2015; 3) 1980 PRE-1 \$240,000 revenue bond due 2020; 4) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan in 2017. On 6/1/91 the OL-2 bond was repurchased by Novato Water upon demand by FmHA. In July 2012 WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility. Commencing FY13 includes repayment of the \$1 million Bank of Marin loan; commencing FY17 includes repayment of a Gallagher Pipeline loan.
- 15 Interest on interdistrict Loan to fund the LRIPP. Debt was fully repaid in June 2012 with Bank of Marin loan.
- 16 Excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
- 18 \$1 million loan from Bank of Marin in June 2012. Assumes Gallagher Pipeline loan proceeds offset the \$1.6 million installation cost.
- 19 Interdistrict loan repayment to fund the West Marin Long Range Improvement Project Plan (LRIPP). Fully repaid in June 2012.
- 22 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors. This reserve should have a balance of \$128,000 at June 30, 2013, however the funds have been used to subsidize operating deficits resulting from financing capital improvement projects. Future cash generated will accrue to the emergency operating reserve fund until it is whole.
- 23 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 24 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.
- 25 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 \$15K County Reserve.
- 27 Amount Due to Novato Water at fiscal year end.

5

West Marin Potable Water Billed Consumption

MG

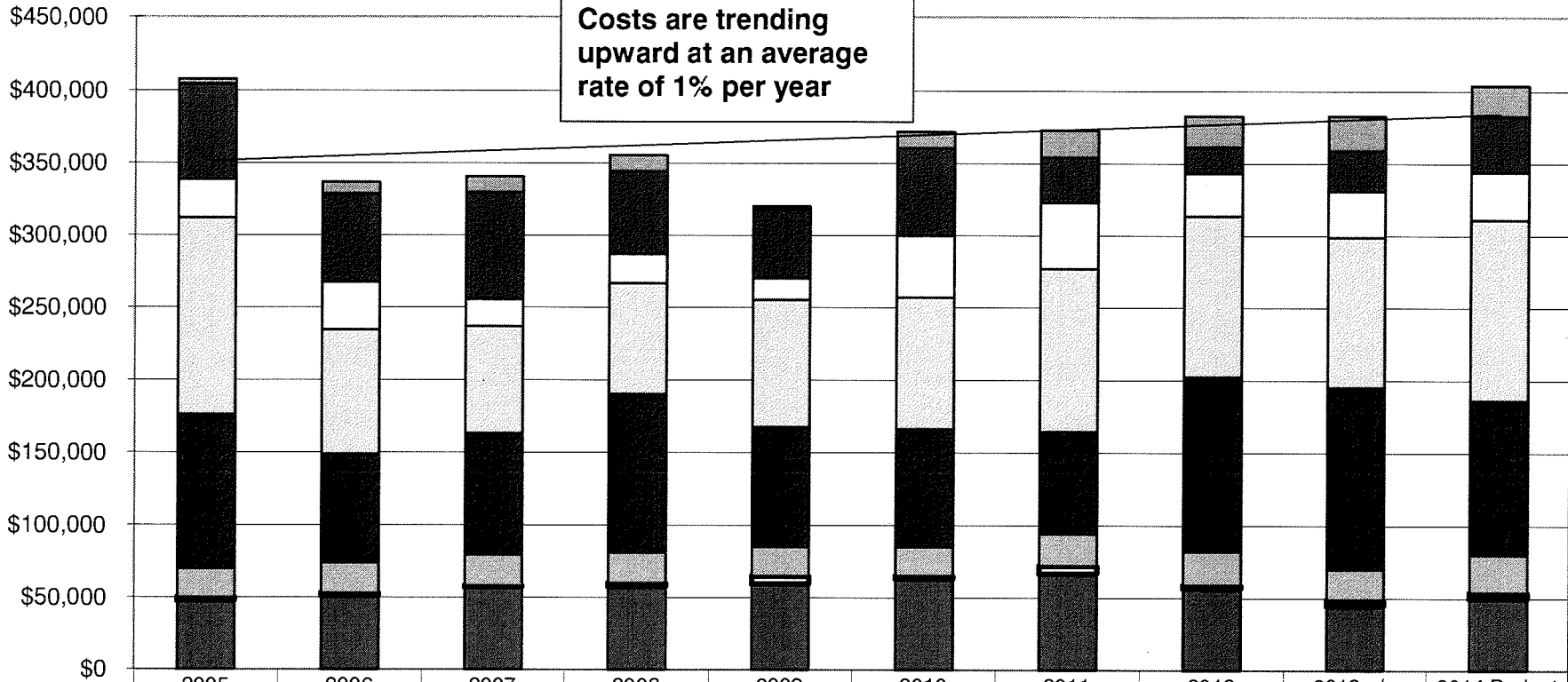


Projection based on prior 4 year average

Giacomini Dairy discontinued operation in FY07

FISCAL YEAR ENDING

West Marin Water Operating Expenditures



Costs are trending upward at an average rate of 1% per year

	2005	2006	2007	2008	2009	2010	2011	2012	2013 e/a	2014 Budget
■ Source	\$3,322	\$8,049	\$11,085	\$11,106	\$2,319	\$11,364	\$18,907	\$21,495	\$24,000	\$21,000
■ Pumping	\$65,592	\$61,001	\$74,108	\$57,375	\$47,801	\$60,516	\$31,092	\$18,226	\$28,000	\$39,000
□ Operations	\$26,753	\$33,329	\$18,925	\$20,340	\$14,970	\$42,962	\$45,965	\$29,609	\$32,000	\$33,000
□ Treatment	\$136,191	\$85,643	\$73,627	\$76,588	\$87,871	\$90,739	\$112,531	\$111,205	\$104,000	\$125,000
■ T & D	\$106,132	\$74,790	\$83,545	\$109,186	\$82,386	\$81,052	\$70,274	\$120,093	\$125,000	\$106,000
■ Cons Acctg	\$19,850	\$21,119	\$21,504	\$21,045	\$20,285	\$20,232	\$22,108	\$23,367	\$21,000	\$26,000
■ Wtr Cons	\$2,213	\$1,700	\$900	\$2,177	\$5,338	\$1,783	\$5,266	\$2,008	\$4,000	\$4,000
■ G & A	\$47,665	\$51,065	\$57,133	\$57,828	\$59,500	\$63,234	\$66,880	\$56,945	\$45,000	\$50,000
Total	\$407,718	\$336,696	\$340,827	\$355,645	\$320,470	\$371,882	\$373,023	\$382,948	\$383,000	\$404,000

**OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2013/14**

	<i>Proposed Budget 2013/14</i>	<i>Estimated Actual 2012/13</i>	<i>Adopted Budget 2012/13</i>
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$178,000	\$158,000	\$158,000
2 Misc Service Charges	0	0	0
3 Total Operating Income	\$178,000	\$158,000	\$158,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$29,000	\$30,000	\$21,000
5 Sewage Treatment	27,000	26,000	20,000
6 Sewage Disposal	7,000	8,000	2,000
7 Contract Operations	67,000	62,000	65,000
8 Customer Accounting	2,000	2,000	2,000
9 General & Administration	19,000	18,000	21,000
10 Depreciation Expense	49,000	43,000	41,000
11 Total Operating Expenditures	\$200,000	\$189,000	\$172,000
12 NET OPERATING INCOME (LOSS)	(\$22,000)	(\$31,000)	(\$14,000)
NON-OPERATING REVENUE/(EXPENSE)			
13 OM-1/OM-3 Tax Allocation	\$46,000	\$48,000	\$46,000
14 Interest Revenue	1,000	1,000	3,000
15 Miscellaneous Revenue/(Expense)	1,000	0	1,000
16 Total Non-Op Income/(Expense)	\$48,000	\$49,000	\$50,000
	NET INCOME/(LOSS)	\$26,000	\$36,000
OTHER SOURCES/(USES) OF FUNDS			
17 Add Depreciation Expense	\$49,000	\$43,000	\$41,000
18 Connection Fees	30,000	19,000	15,000
19 Capital Improvement Projects	(50,000)	(241,000)	(320,000)
20 Total Other Sources/(Uses)	\$29,000	(\$179,000)	(\$264,000)
21 NET SURPLUS/(DEFICIT)	\$55,000	(\$161,000)	(\$228,000)

OCEANA MARIN SEWER

5-Year Financial Forecast

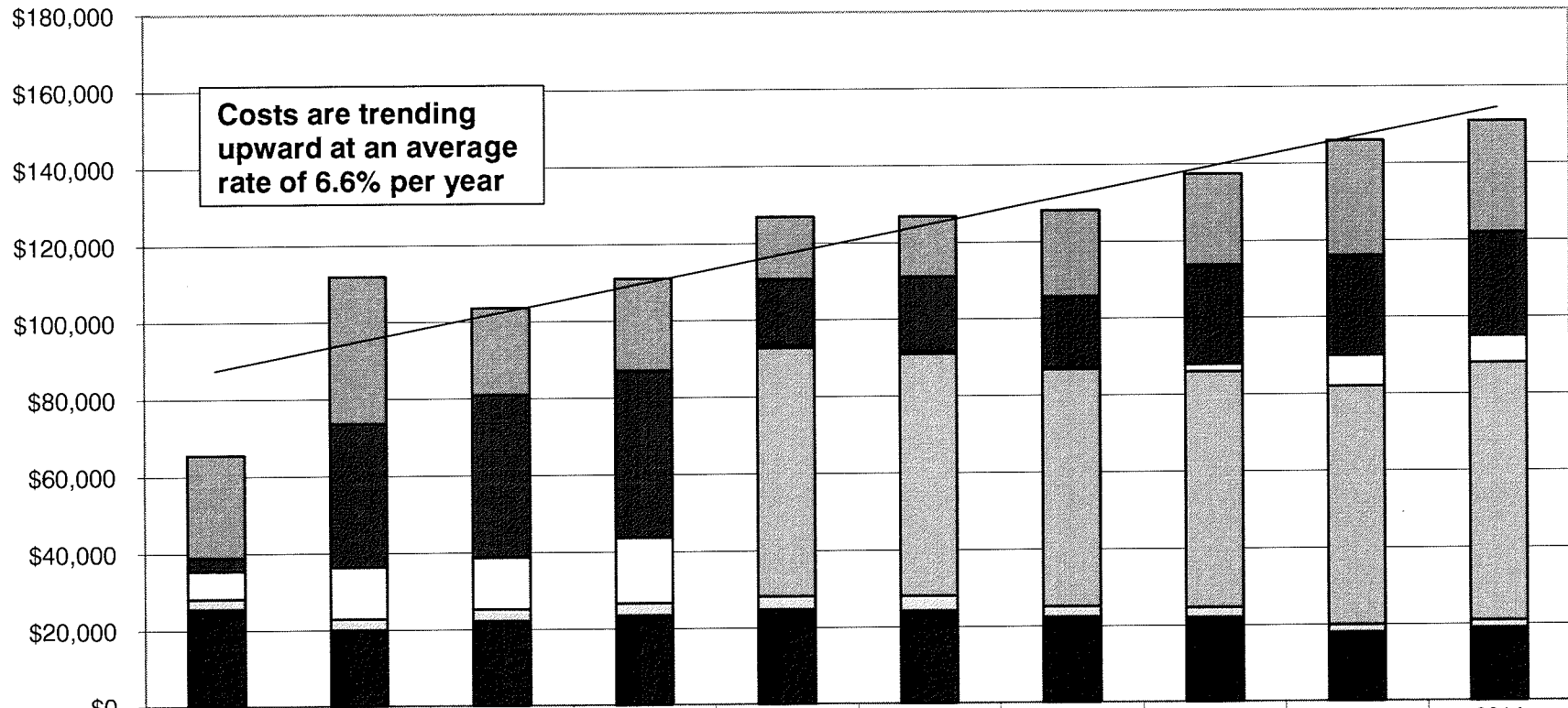
#		Actual 2010/11	Actual 2011/12	Estimated 2012/13	Proposed 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18
# BASIC DATA									
1	Number of Connections	227	227	227	229	230	231	232	233
2	Monthly Service Charge	\$55.00	\$58.00	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00
INCOME									
3	Monthly Service Charge	\$149,820	\$157,311	\$158,000	\$178,000	\$187,000	\$196,000	\$208,000	\$220,000
4	OM-1/OM-3 Tax Allocation	40,992	43,266	48,000	46,000	47,000	48,000	49,000	50,000
5	Connection Fees	0	0	19,000	30,000	15,000	15,000	15,000	15,000
6	Interest Revenue	2,555	1,387	1,000	1,000	1,000	1,000	1,000	1,000
7	Miscellaneous Revenue/(Expense)	(156)	10	0	1,000	1,000	1,000	1,000	1,000
8	TOTAL INCOME	\$193,211	\$201,974	\$226,000	\$256,000	\$251,000	\$261,000	\$274,000	\$287,000
9	OPERATING EXPENDITURES	\$128,191	\$137,490	\$146,000	\$151,000	\$156,000	\$161,000	\$166,000	\$171,000
OTHER EXPENDITURES									
10	Capital Imprvmnt Projects/Other	\$26,360	\$58,694	\$241,000	\$50,000	\$95,000	\$65,000	\$35,000	\$435,000
11	TOTAL EXPENDITURES	\$154,551	\$196,184	\$387,000	\$201,000	\$251,000	\$226,000	\$201,000	\$606,000
12	Net Change in Working Capital	\$9,603	\$21,639						
13	INCREASE (DECREASE) IN CASH	\$48,263	\$27,429	(\$161,000)	\$55,000	\$0	\$35,000	\$73,000	(\$319,000)
CASH BALANCE									
14	Operating Reserve	\$238,651	\$293,416	\$182,000	\$232,000	\$237,000	\$272,000	\$345,000	\$26,000
15	Connection Fee Reserve	77,292	49,956	0	5,000	0	0	0	0
16	TOTAL CASH BALANCE	\$315,943	\$343,372	\$182,000	\$237,000	\$237,000	\$272,000	\$345,000	\$26,000
17	Depreciation Expense	\$41,084	\$41,084	\$43,000	\$49,000	\$50,000	\$52,000	\$54,000	\$55,000

OCEANA MARIN SEWER**NOTES**

KEY

- 1 Assumes increase of 2 connection in FY14 with Brown annexation, then 1 per year thereafter, which is the average over the last 5 years.
Capacity is estimated at 308 dwelling units.
- 2 Proposed 12% (\$7/mo) increase commencing 7/1/13, followed by 5% annual increases thereafter to build cash to fund the FY18 \$400,000 Pond Relining Project.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. In July 2009 the State Legislature "borrowed" 8% (approximately \$3,500) of Oceana Marin tax revenue. California promised to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. Said repayment is incorporated into the FY13 budget. 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 0.40%
- 9 3% annual increase assumed after FY14.
- 10 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
- 11 Excludes depreciation.
- 16 Cash available for operation, maintenance and improvements

Oceana Marin Operating Expenditures



	2005	2006	2007	2008	2009	2010	2011	2012	2013 e/a	2014 Budget
■ Collection	\$26,572	\$38,373	\$22,658	\$24,088	\$16,309	\$15,748	\$22,503	\$23,687	\$30,000	\$29,000
■ Treatment	\$3,423	\$37,086	\$42,187	\$43,307	\$17,142	\$19,474	\$18,470	\$25,928	\$26,000	\$27,000
□ Disposal	\$7,310	\$13,540	\$13,483	\$17,024	\$797	\$719	\$489	\$1,972	\$8,000	\$7,000
■ Contract Ops					\$64,467	\$62,745	\$61,592	\$61,215	\$62,000	\$67,000
□ Cons Acctg	\$2,690	\$2,874	\$3,087	\$3,179	\$3,429	\$3,952	\$2,778	\$2,636	\$2,000	\$2,000
■ G & A	\$25,549	\$20,023	\$22,197	\$23,491	\$24,801	\$24,228	\$22,359	\$22,052	\$18,000	\$19,000
Total	\$65,544	\$111,896	\$103,612	\$111,089	\$126,945	\$126,866	\$128,191	\$137,490	\$146,000	\$151,000

12

MEMORANDUM

To: Board of Directors

Date: June 14, 2013

From: Drew McIntyre, Chief Engineer



Subject: Recycled Water Expansion Project – Update on The Covello Group’s Construction Management Contract

R:\Folders by Job No\6000 jobs\6056\Construction Management\Covello\6056 Covello Contract Update BOD Memo 6-13.doc

RECOMMENDATION: Information only

FINANCIAL IMPACT: None at this time

At the December 4, 2011 meeting, the Board approved Amendment No. 1 between The Covello Group (Covello) and the District primarily to add additional construction management services for the South Service Area Phase 2 construction project. With approval of Amendment No. 1, Covello’s budget is \$889,919. On June 13, 2013, the District received a letter from Covello (Attachment 1) informing the District that they have exceeded approximately 75% of the total budget. Covello continues to state that the remaining balance of \$73,354 appears to be sufficient budget to complete the work required for closeout of the South Service Area Phase 2 project (with Argonaut Constructors). District staff has tentatively scheduled a presentation by Covello on completion of the Phase 2 project by Argonaut at the July 16, 2013 Board meeting. The purpose of this memo is to inform the Board that District staff intends to continue to utilize Covello for assistance in closing out the Recycled Water South Phase 1b project with Disney Construction. Although sufficient funds remain at present, Covello’s level of effort related to the Phase 1b close-out may increase over time necessitating a second Amendment to Covello’s agreement.

On a related note, District staff has also requested that Covello provide a review of NMWD’s front-end specifications at a cost below \$15,000 that will most likely be able to be performed with remaining funds in Amendment No. 1. This review is in anticipation of issuance of bid documents for NMWD’s AEEP Reach A-D (MSN B3) project this fall.



June 12, 2013

Mr. Drew McIntyre, PE
Chief Engineer
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

PROJECT: Recycled Water South Area Projects
SUBJECT: The Covello Group Budget Notification

Dear Drew:

Change Order No. 3 to our Recycled Water North Service Area Contract was issued in December 2012 for \$285,000. After our invoice for work in May we have \$73,354.76 remaining in our budget, approximately 25%. There appears to be sufficient budget remaining to complete the field work on Task 6.1, South Area Phase 2 CM. Work on the Disney claim and the District's standard specifications may require additional budget.

As required by Article 12 of our Agreement for Consulting Services, we are hereby providing notification that additional budget may be required for the additional work on the Disney claim and to update the District's standard specifications.

Please contact me if you have any questions or comments.

Sincerely,

The COVELLO GROUP, Inc.

Edward A. O'Brien
Construction Manager

CC: Bruce Presser, Gary Skrel

13

MEMORANDUM

To: Board of Directors

Date: June 14, 2013

From: Drew McIntyre, Chief Engineer



Subject: MSN B1 (AEEP Reach E) Project – Progress Report No. 1 (Harris & Associates)

R:\Folders by Job No\7000 jobs\7118\Reach E\BOD Memos\7118.07 B1_Reach E Harris Progress Report No 1 BOD Memo.doc

RECOMMENDED ACTION: Information only

FINANCIAL IMPACT: None, information only

An oral presentation will be provided by Mr. Craig Pyle, Pipeline Inspector, with Harris & Associates, regarding current pipeline installation as part of Caltrans' progress on the Marin Sonoma Narrows (MSN) B1 project. Attached is the May/June Construction Manager's Monthly Report for Board review in preparation of the presentation provided by Harris & Associates.

CONSTRUCTION MANAGER'S MONTHLY REPORT

NORTH MARIN WATER DISTRICT

MSN – B1 PROJECT

Monthly Report No.	1	Period Covered:	5/13/13 thru 6/13/13
Contractor:	Ghilotti Const. Co.	Monthly Progress:	\$986,654
Total Progress To Date	\$986,654		

Construction Manager:	Harris & Associates	Total Budget:	\$301,093
Percent Complete (Cost):	7.21%	Monthly Progress:	\$21,711
Total Cost to Date:	\$21,711	Budget Remaining:	\$279,382

Bid Item 610 Cathodic Protection:

GCC is currently just cad welding the Cathodic Test Station leads to the 42" Welded Steel Pipe and leaving the leads wires loose on top of the backfilled trench.

Bid Item 630 Water Service Connections:

GCC has not yet started work on any of the water services.

Bid Item 690 Telemetry System Wire and Conduit:

GCC is currently just installing the 2" conduit and warning/ID tape that is located in the upper pipe zone of the trench.

Bid Item 740 42" Cement-Mortar Lined and Tape Wrapped Steel Pipe (0.188"):

GCC installed a total of 3,495 LF of the total 8,933 LF on the W2 pipeline.

Prepared By: Craig Pyle, Senior Inspector

HARRIS & ASSOCIATES



Pipe Delivery From Ameron's Plant in Tracy, CA



Staging 42" WSP on Earth Berms, Note Nylon Straps



Prepared Excavated Trench w/6" Sand Bedding



Spark Testing the Tape Wrapped Coating Using 36,000 Volts



Installing a Piece of 42" WSP that Contains a Manway



First Section of Installed Pipeline



Compacting the Import Sand Pipe Zone



Testing the Imported Sand Compacted Pipe Zone



Lap Welding 42" Pipe Joint



Magnetic Particle Testing of the Lap Welded Pipe Joint



Tape Wrapping a Field Weld Pipe Joint



Installing the 2" PVC Telemetry Conduit on Top of the Pipe Zone Along with the Warning/ID Caution Tape



Backfill/Compaction Operation for the Trench Zone

14

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager
Subject: Russian River Compact
t:\gm\scwa\2013\russian river compact.doc

June 14, 2013

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Attached is a recent Press Democrat article and staff report from the Sonoma County Water Agency, outlining a Russian River Compact and identifying principles which the signatories will agree to adhere when working on projects within the Russian River watershed. While it remains to be seen whether the compact will have any tangible benefit, it certainly is a positive step as the Mendocino and Sonoma County interests are signatory and will continue to communicate on Russian River issues.

Agreement on future of Russian River projects signed

By *BRETT WILKISON*
THE PRESS DEMOCRAT

Published: Tuesday, June 4, 2013 at 3:17 p.m.

The Sonoma County Board of Supervisors Tuesday signed an agreement intended to bring together a broad array of government, farming and environmental interests on science and stream restoration projects in the Russian River watershed.

The pact, which officials are calling the Russian River Compact, is largely a set of principles spelling out how public agencies and private groups with a stake in the river can best collaborate to improve it for wildlife while maintaining its supply for drinking water and farms and preventing damaging floods.

Supporters called it a rare attempt at crafting a unified approach to dealing with the river's key issues, including the crash of its once plentiful salmon and steelhead trout runs.

"This is a really rare opportunity where you have entities that are often on opposite sides coming together to help the health of the Russian River watershed," said Supervisor Mike McGuire, who represents northern Sonoma County.

Mendocino County, which covers the upper Russian River watershed, signed onto the agreement last month.

Unlike other river compacts that divvy up water in the western United States, the Russian River agreement sidesteps the issue of water use to focus largely on science and restoration projects in the watershed.

It envisions a comprehensive look at habitat enhancement work currently being done along the river and tributaries, with an eye on what's being overlooked. That analysis could then feed into a shared plan and funding pitch for future projects, officials said.

Such an approach is needed as competition stiffens for conservation dollars, with many funding sources now drying up, supporters said.

"This compact helps put a stamp on continued engagement" in the Russian River's future, said Supervisor Efren Carrillo.

The document was developed last year in planning work with a federal agency, the Natural Resource Conservation Service, which supports stream projects on the North Coast. It was written by Tom Roth, environmental consultant for state Sen. Noreen Evans, D-Santa Rosa.

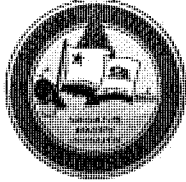
Roth on Tuesday evoked past battles over the Russian River while voicing hope for a "new era" of collaboration.

"This creates an overarching structure that people can work within," he said. "Now that we have something on paper, the hard work is really going to begin."

The deal next goes to local resource conservation districts, water suppliers and farming and environmental groups in the region.

Contact Staff Writer Brett Wilkison at 521-5295 or brett.wilkison@pressdemocrat.com.





**County of Sonoma
Agenda Item
Summary Report**

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number: 45
(This Section for use by Clerk of the Board Only.)

To: Board of Directors, Sonoma County Water Agency
Board of Supervisors, County of Sonoma

Board Agenda Date: June 4, 2013

Vote Requirement: Majority

Department or Agency Name(s): Sonoma County Water Agency and County of Sonoma

Staff Name and Phone Number:

Brad Sherwood / 547-1927

Supervisorial District(s):

All Districts

Title: Russian River Compact Signatory Request

Recommended Actions:

Adopt a resolution of the Board of Directors of the Sonoma County Water Agency and the Board Of Supervisors of the County of Sonoma, State of California, approving the Russian River Compact (Compact); and authorizing and directing the chair to sign the Compact.

Executive Summary:

Staff recommends that the Sonoma County Water Agency (Water Agency) and County of Sonoma (County) become signatories to the Russian River Compact (Compact). The Compact is statement of principles that will be used by a coalition of Russian River Watershed (Watershed) governmental and non-governmental entities to collaborate on science-based restoration and enhancement projects to restore and enhance the entire Watershed so that it can support thriving bio-diverse populations, be resilient in the face of changing climate conditions, withstand damaging floods, provide clean water, and support a sustainable economy.

BACKGROUND

The Compact was developed in the fall of 2012 after several strategic planning meetings were held with the Natural Resources Conservation Service and other governmental and non-governmental entities representing the upper and lower Watershed. From these meetings, an Executive Committee was formed to draft the Compact and develop a strategic work plan. Members of the Executive Committee include Sonoma County Supervisors and Water Agency Directors Efren Carrillo and Mike McGuire; Mendocino County Supervisors Carre Brown and Dan Hamburg; Representatives from Congressmen Jared Huffman and Mike Thompson’s Offices; Representatives from Assemblyman Wesley Chesbro and State Senator Noreen Evans’ Offices; Representatives from Watershed resource conservation districts; agricultural interests including private landowners; and representatives from Watershed non-profit organizations.

The Water Agency entered into an agreement with California State University's Center for Collaborative Policy to coordinate the Executive Committee, finalize the Compact, and develop a strategic work plan. The Compact is now finalized and Executive Committee members are seeking signatories. Other signatories to the Compact will include the County of Mendocino and Executive Committee members.

The Compact does not require the funding or approval of any particular project or program by the County or Water Agency. The Compact outlines the following seven major principles which signatories will agree to adhere to when working on projects within the Russian River watershed. These principles include:

1. **Cooperation and Coordination** – Sharing combined knowledge and resources to develop projects that have the best lasting long-term impacts, add value to major recovery goals, reduce duplication, and cut costs.
2. **Good Science** – Using science to prioritize, develop, implement, and monitor policies and projects to ensure long term success.
3. **Gap Analysis and Prioritization** – Endeavoring to determine both what needs to be done to maximize natural and public benefits, and when it should be done.
4. **Stakeholder Involvement** – Working to involve property owners, public and non-profit agencies, environmental advocates and residents in the support design and implementation of projects.
5. **Public Review and Transparency** – Providing the public with information and avenues for input on proposed projects.
6. **Adaptation** – Projects will serve the present but always look to the future. Projects will be monitored and be revisited in response to unanticipated consequences or dramatic shifts in the watershed's environment.
7. **Multi-Agency Cooperation** – Striving to bridge cultural differences between public agencies and coordinate permitting and oversight in order to ensure that projects fit within Water Agency goals, recovery plans, legal mandates, and regulations - and to ensure that they are completed in a timely manner.

The Compact identifies multiple benefits that will come from following these principles:

1. **Comprehensive approach** – Arrive at a more comprehensive approach to watershed restoration and management by setting science-based restoration and enhancement priorities and ensuring that projects do not have conflicting goals;
2. **Set priorities** – Ensure that more urgent restoration projects get priority status;
3. **Information sharing** – Exchange data, expertise, cost-saving strategies, resources and local lore to ensure better projects are delivered quickly;
4. **Building trust** – Build trust between landowners, regulators and funding agencies so that differences can be expeditiously resolved without expensive litigation;
5. **Leverage funding** – Take advantage of federal, state and private grant programs that encourage or require cooperative partnerships to encourage economic benefits and leverage funding;
6. **Share expertise** – Combine individual strengths of Compact partners to achieve restoration goals, i.e. Resource Conservation District landowner communication and restoration

experience; public agency familiarity with political and bureaucratic processes; land trusts' conservation easement and funding expertise; environmental groups' knowledge and advocacy skills;

7. **Better communication** – Increase communication between diverse Russian River stakeholders so that all share a basic understanding of others intentions, policies and issues;
8. **Legislative outreach** – Provide a common front to approach elected representatives to champion legislation and policies that support restoration goals;
9. **Regulatory interaction** – Provide ongoing communication with regulators to achieve better projects, reduce chances for surprises and result in quicker permit approvals;
10. **National and state awareness** – Increase the chances, through good organization, effective outreach and a strong track record, that Watershed projects will be able to attract funders on state-wide and national levels.

The strategic work plan is currently being developed and will be finalized once signatories to the Compact have been secured. The strategic work plan will include working groups to develop a gap analysis map of habitat restoration projects within the Watershed and principles for developing regulatory reform/streamlining opportunities.

Prior Board Actions:

None.

Strategic Plan Alignment Goal 2: Economic and Environmental Stewardship

This supports Goal 2 because the Russian River Compact is a pledge to work cooperatively to restore and enhance the 1500 square mile Russian River watershed. The County and Water Agency are working to restore and enhance habitat for endangered species of fish in the Russian River Watershed through the Russian River Biological Opinion.

Water Agency Organizational Goals and Strategies, Goal 3: Increase outreach to community and employees.

Fiscal Summary - FY 12-13

Expenditures		Funding Source(s)	
Budgeted Amount	\$ -0-		\$ -0-
Add Appropriations Req'd.	\$ -0-	State/Federal	\$ -0-
	\$	Fees/Other	\$ -0-
	\$	Use of Fund Balance	\$ -0-
	\$	Contingencies	\$ -0-
	\$		\$
Total Expenditure	\$ -0-	Total Sources	\$ -0-

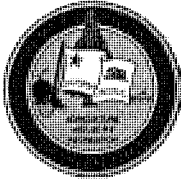
Narrative Explanation of Fiscal Impacts (If Required):

None.

Staffing Impacts			
Position Title (Payroll Classification)	Monthly Salary Range (A – I Step)	Additions (Number)	Deletions (Number)
Narrative Explanation of Staffing Impacts (If Required):			
None.			
Attachments:			
Resolution (R1); Russian River Compact (A1)			
Related Items "On File" with the Clerk of the Board:			
Russian River Compact (4 Copies)			

DT: \\FILESERVER\DATA\CL\AGENDA\MISC\06-04-2013 WA RUSSIAN RIVER
COMPACT_SUMM.DOCM

CF/45-11-21 AMONG PARTIES (RUSSIAN RIVER COMPACT) TW No (ID 4677



County of Sonoma
State of California

Date: June 4, 2013

Item Number: _____

Resolution Number: _____

Santa Rosa, California

4/5 Vote Required

Concurrent Resolution Of The Board of Directors Of The Sonoma County Water Agency And The Board Of Supervisors Of The County Of Sonoma, State Of California, Approving The Russian River Compact And Authorizing And Directing The Chair to Sign the Compact

Whereas, the Russian River Compact was developed in the fall of 2012 with the Natural Resources Conservation Service and other governmental and non-governmental entities representing the upper and lower Russian River Watershed and is a pledge to work cooperatively to restore and enhance creeks, streams, and rivers within the 1500 square mile Russian River Watershed; and

Whereas, members of the Executive Committee include Sonoma County Supervisors and Water Agency Directors Efren Carrillo and Mike McGuire; Mendocino County Supervisors Carre Brown and Dan Hamburg; Representatives from Congressmen Jared Huffman and Mike Thompson's Offices; Representatives from Assemblyman Wesley Chesbro and State Senator Noreen Evans' Offices; Representatives from Russian River Watershed resource conservation districts; agricultural interests including private landowners; and representatives from Russian River Watershed non-profit organizations; and

Whereas, the Water Agency entered into an agreement with California State University's Center for Collaborative Policy to coordinate the Executive Committee, finalize the Compact, and develop a strategic work plan; and

Whereas, the Compact is now finalized and Executive Committee members are seeking signatories; and

Whereas, the Compact represents a statement of principles and does not obligate County of Sonoma or the Sonoma County Water Agency to take any specific action, or to fund, support, or approve any particular project or program.

Now, Therefore, Be It Resolved, that the Board of Directors of the Sonoma County Water Agency and the Board of Supervisors of the County of Sonoma hereby approve the Russian River Compact; and

Resolution #
Date: June 4, 2013
Page 2

Be it Further Resolved, that the Chair of the Board of Directors of the Sonoma County Water Agency and the Board of Supervisors of the County of Sonoma is authorized and directed to execute the Russian River Compact; and

Be It Further Resolved, that as signatories, the Water Agency and County agree to follow the principles outlined within the Compact when developing and implementing Watershed restoration or enhancement projects in the Russian River Watershed.

Directors:

Gorin:	Zane:	McGuire:	Carrillo:	Rabbitt:
Ayes:	Noes:	Absent:	Abstain:	

So Ordered.

Supervisors:

Gorin:	Zane:	McGuire:	Carrillo:	Rabbitt:
Ayes:	Noes:	Absent:	Abstain:	

So Ordered.

FINAL
4/24/13

Russian River Compact

The health of the Russian River and its tributaries is vital to all that live within the watershed's boundaries, and untold others who benefit from its waters.

The Russian River watershed system is a living ecosystem that binds the natural and human communities of the North Bay providing fresh water for 600,000 people; irrigation for the region's diverse agriculture (including our world class wine industry and growing organic sector); recreation and inspiration for residents and visitors; and habitat for a multitude of species.

The Russian River is a microcosm of California's rivers: Its natural flows have been harnessed; its waters diverted, impounded and drained; its tributaries obstructed; its riverbed and banks altered. Over the years, innumerable projects have sometimes provided benefits, but taken together have resulted in extensive degradation of the river system. Today three salmon species – prime indicators of the River's health – are threatened or endangered.

In these difficult economic times, one of the few certainties is that major accomplishments can only be reached through partnerships. We have a mutual interest in the restoration and enhancement of the Russian River Watershed so that it can support thriving bio-diverse populations, be resilient in the face of changing climate conditions, withstand damaging floods, provide clean water and support a sustainable economy. The Russian River Compact sets forth the principles we will use to develop science-based restoration and enhancement projects to reach that goal.

Those seven major principles are:

- **Cooperation and Coordination.** We will share our knowledge and resources to develop projects that have the best lasting long-term impacts, add value to major recovery goals, reduce duplication, and cut costs.

- **Good Science.** We will use science to prioritize, develop, implement and monitor projects to ensure long term success.
- **Gap Analysis and Prioritization.** We will endeavor to determine both what needs to be done to maximize natural and public benefits, and when it should be done.
- **Stakeholder Involvement.** We will cooperate with landowners, public and non-profit agencies, environmental advocates and residents in the support, design and implementation of projects.
- **Public Review and Transparency.** We will provide the public with information and avenues for input on proposed projects.
- **Adaptation.** Our projects will serve the present but always look to the future. Projects will be monitored and be revisited in response to unanticipated consequences or dramatic shifts in the watershed's environment.
- **Multi-Agency Cooperation.** We will strive to bridge cultural differences between public agencies in order to ensure that projects fit within agencies' goals, recovery plans, legal mandates, and regulations, and will coordinate with the regulatory agencies to develop a streamlined permitting program to overcome permitting barriers.

We recognize that our goals are ambitious and challenging, and require the sustained efforts of many individuals and organizations over many years. We join together as stakeholders and advocates, experts and professionals, and simply as people who share a love of our place on Earth.

Signatories to the Russian River Compact

MENDOCINO COUNTY BOARD OF SUPERVISORS DATE

SONOMA COUNTY BOARD OF SUPERVISORS DATE
SONOMA COUNTY WATER AGENCY
SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT

CALIFORNIA LAND STEWARDSHIP INSTITUTE DATE

GOLD RIDGE RESOURCE CONSERVATION DISTRICT DATE

MENDOCINO COUNTY RUSSIAN RIVER FLOOD DATE
CONTROL AND WATER CONSERVATION IMPROVEMENT DISTRICT

MENDOCINO RESOURCE CONSERVATION DISTRICT DATE

POTTER VALLEY IRRIGATION DISTRICT DATE

REDWOOD VALLEY COUNTY WATER DISTRICT DATE

RUSSIAN RIVERKEEPER

DATE

RUSSIAN RIVER WATERSHED ASSOCIATION

DATE

SOTOYOME RESOURCE CONSERVATION DISTRICT

DATE

UNITED WINEGROWERS FOR SONOMA COUNTY

DATE

Russian River Compact Benefits

The Russian River Compact is a pledge to work cooperatively and be guided by seven major principles when developing programs and projects to restore and enhance creeks, streams, and rivers in the 1500 square mile Russian River watershed. Working together, signatories of the Compact will benefit the watershed, themselves, partners and the public as they:

1. **Comprehensive approach:** Arrive at a more comprehensive approach to watershed restoration and management by setting science-based restoration and enhancement priorities and ensuring that projects do not have conflicting goals
2. **Set priorities:** Ensure that more urgent restoration projects get priority status.
3. **Information sharing:** Exchange data, expertise, cost-saving strategies, resources and local knowledge to ensure better projects are delivered quickly.
4. **Building trust:** Build trust between landowners, regulators and resource agencies so that differences can be expeditiously resolved without expensive litigation.
5. **Leverage funding:** Take advantage of federal, state, local and private grant programs that encourage or require cooperative partnerships to encourage economic benefits and leverage funding.
6. **Share expertise:** Combine individual strengths of Compact partners to achieve restoration goals, i.e. RCD landowner communication and restoration experience; public agency familiarity with political and bureaucratic processes; land trusts' conservation easement and funding expertise; environmental groups' knowledge and advocacy skills.
7. **Better communication:** Increase communication between diverse Russian River stakeholders so that all share a basic understanding of others intentions, policies and issues.
8. **Legislative outreach:** Provide a common front to approach elected representatives to champion legislation and policies that support restoration goals.
9. **Regulatory interaction:** Provide ongoing communication with regulators to achieve better projects, reduce chances for surprises and result in quicker permit approvals.
10. **National and state awareness:** Increase the chances, through good organization, effective outreach and a strong track record, that Russian River watershed projects will be able to attract funders on state-wide and national levels.

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DISBURSEMENTS - DATED JUNE 6, 2013

Date Prepared: 6/4/13

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

Seq	Payable To	For	Amount
1	Aminifard, Diana & M	Refund Overpayment on Closed Account	\$2,517.32
2	AT&T	Telephone Charges: Leased Lines	605.25
3	Automation Direct	Memory Sticks (2) (\$71), Cable & Analog Input Card for RTU (\$115)	186.00
4	Baker, Jack	May Director's Fee (\$200) & North Bay Watershed Assoc Meeting on 5/3/13 (\$100)	300.00
5	Works of Bart	Design & Oversee Mechanical Production of 15' X 40' Vinyl Water Conservation Banner	2,476.50
6	Bold & Polisner	April Legal Services: AEEP -B1 (\$167), Brown Act (\$254), Gustafson Ct. Acquisition (\$74), Leveroni Looping (\$222), Misc (\$74), MMWD Intertie Agreement (\$351), Prop 218 Letter (\$227), Reimb Entitlement (\$74) & RW Exp So Phs 1B (\$666)	2,108.50
7	Business Card	Cake for Clean-up Day (\$58), Case for Back-up Drives (\$215), Calibration on Thermometer Equipment (\$234), Internet Payment Fee (\$138), Field Books (10) (\$92) (Moore) & Memory Card for Tablet PC (\$74) (Moore)	811.00
8	Calpico	T-Caps (20) (\$60) & Insulation Kit for Pipe Flange	113.25
9	CDW-Government	Firewall for PRTP DSL (\$452) & Speakers (5) (Mello-1, Back-up-4)	510.19
10	Cilia, Joseph	Exp Reimb: Tool Fuel	28.00


Seq	Payable To	For	Amount
11	Covello Group	Prog Pymt #24: Recycled Water Pipeline Expansion (Bal Remaining on Contract \$109,777)	41,260.34
12	Cranston, Brad	Refund Overpayment on Closed Account	529.71
13	Erigero, Dana & Greg	Claim Settlement: Reimbursement for 1/2 Cost Incurred to Replace PRV Based Upon Allegedly Faulty Advice from District Employee	200.00
14	Fisher Scientific	Nitrite Standard	40.50
15	Fraites, Rick	May Director's Fee	200.00
16	Golden Gate Petroleum	Gasoline (\$3.89/gal) & Diesel (\$3.72/gal)	3,425.12
17		Cafeteria Plan: Uninsured Medical Reimbursement	40.63
18	Grainger	Safety Chain Hooks (2) (\$117), Heat Shrink Tubes (\$104), Plastic Wire Ties (300) & Suction Hose Fittings for Trash Pump (\$218)	447.12
19	Hodge, Chris	Novato "Washer Rebate" Program	50.00
20	Irish & Son Welding	Weld Spools, 6" Off-Set & 4" Tie (\$440)	880.00
21	Jennison, Marco	Exp Reimb: Registration for Wine County Water Works Trade Show & Training Symposium (6/26/13)	45.00
22		Cafeteria Plan: Uninsured Medical Reimbursement	64.85
23	Maltby Electric	Wire (\$444) (Stock), Panel Wire for RTU (\$75), Mounting Channel & Flex Conduit (\$60)	615.21
24	McMaster-Carr Supply	Concrete Anchors & Plastic Wire Ties (1,000)	48.54
25		Wage Assignment Order	284.00
26	Novato Builders Supply	Pipe, Elbows (3), Lumber (\$112), Nails, Concrete (\$390) (1 yd), Concrete Dye, Meter Stakes (48), Spikes (3), Flag Tape, Rebar (7) (\$61), Concrete (2 yd) (\$390), Grout Sponge, Paint Brush, Rubber Float & Concrete Forms (4)	1,091.94

Seq	Payable To	For	Amount
27	Pace Supply	Couplings (2) (\$183), Bushings (2), Hub Adaptor (\$244), 8" Tee (\$276) & Watertight Pipe 12" & 36" (60) (\$861)	1,579.21
28	Pacific Land Surveys	Perform Land Surveys for Gallagher Well Pipeline Project (Total Project Cost \$10,500)	9,450.00
29	PERS Health Benefits	June Health Insurance Premium (Employees \$48,464, Retirees \$11,054 & Employee Contribution \$10,212)	69,729.81
30	Peterson Trucks	Fan Belts (\$70), Air, Oil & Fuel Filters (\$139) ('99 Intl Dump Truck)	208.48
31	Petterle, Stephen	May Director's Fee	200.00
32		Cafeteria Plan: Childcare Reimbursement	208.33
33	Rice Lake Weighing Systems	Calibration for Weight Standards (Lab)	354.26
34	Rodoni, Dennis	May Director's Fee (\$200), WAC TAC Coordination Meeting on 4/29/13 (\$100) & 5/6/13 (\$100)	400.00
35	Schoonover, John	May Director's Fee Less Deferred (\$150) & NBWRA Meeting on 5/20/13 (\$100)	250.00
36	Sierra Chemical	Chlorine (2 tons)	1,013.32
37		Cafeteria Plan: Uninsured Medical Reimbursement	20.00
38	Stompe, Brad	Exp Reimb: Application Fee for Stafford Lake Fish Stocking Permit with CA Fish & Wildlife	59.23
39	Strahm Communications	Postage for Spring 2013 Waterline (\$2,902) & West Marin Water Line (\$123)	3,024.98
40	Teeters & Schact	Windshield Replacement ('93 F250)	248.88
41	Thomas Scientific	Safety Gloves (10,000)	95.10
42	Univar	Ferric Chloride (18,400 lbs)	6,999.51
43	Verizon California	Telephone Charges: Leased Lines	44.00

Seq	Payable To	For	Amount
44	Verizon Wireless	April CIMIS Station Data Transfer Fee	22.62
45	Wagner, Douglas	Novato "Toilet Rebate" Program	100.00
TOTAL DISBURSEMENTS			<u>\$152,886.70</u>

The foregoing payroll and accounts payable vouchers totaling \$152,886.70 are hereby approved and authorized for payment.

 6/4/13
 Auditor-Controller Date

 6/4/2013
 General Manager Date

DISBURSEMENTS - DATED JUNE 13, 2013

Date Prepared: 6/11/13

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

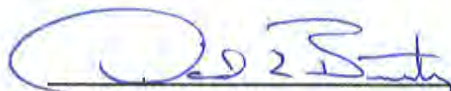
<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
P/R	Employees	Net Payroll PPE 5/31/13	\$121,954.58
EFT	Bank of the West	Federal & FICA Taxes PPE 5/31/13	52,303.23
EFT	State of California	State Tax & SDI PPE 5/31/13	9,400.98
1	Able Tire & Brake	Tires (6) ('05 Water Tank w/Trailer-\$410 & '09 JD Backhoe-\$1,436)	1,846.35
2	Ahmadieh, Walid	Novato "Washer Rebate" Program	50.00
3	All Star Rents	Propane (26 gal) (STP)	106.30
4	Arieta, James	Novato "Washer Rebate" Program	50.00
5	AT&T	Internet Access at Pt. Reyes TP (Connect to SCADA)	194.84
6	Benitez, Hector	Novato "Washer Rebate" Program	50.00
7	Bentley, David	March & April Mileage	24.87
8		Vision Reimbursement	143.96
9	Binetti, Maureen	Novato "Toilet Rebate" Program	100.00
10	Building Supply Center	Lumber, Electrical Supplies (\$229) & Hardware	278.82
11	California State Disbursement	Wage Assignment Order	1,143.00
12	Carne, Nadine	Novato "Toilet Rebate" Program	200.00
13	Cilia, Joseph	Exp Reimb: Fuel for Tools	28.00
14	DeGabriele, Chris	Exp Reimb: May Mileage	262.73
15	Dowd, Molly	Novato "Cash for Grass" Program	325.00
16	ECOLAB Equipment Care	Service on Autoclave (Lab)	284.40
17	Electrical Supply of Santa Rosa	RTU Fuse Holders (41)	243.04

Seq	Payable To	For	Amount
18	Fisher Scientific	Buffer & Sulfuric Acid (\$45) (Lab)	87.54
19	Grainger	Heat Shrink Wire Wrap, Saw Blades (2), Screw Driver Set, Light Bulbs (3) (\$49), Electrical Tape (10 rolls), Push Brooms (6), Broom Handles (12), Staples (2500), Lantern Battery, HVAC Filters (96) (\$857), Electrical Supplies (\$98), Wire Labels for RTU (\$68), Suction Strainers for Portable Pumps (\$93), Nipple, Wire Markers (\$72) & Light Bulbs (72) (\$272)	1,697.83
20	Groeniger	DCDA Fire Check Assembly (\$2,070), Bolts (1,204) (\$3,705), Nuts (204) (\$244), Adaptor, Flanges (18) (\$353), Pipe (4" 63'-\$408, 8" 600'-\$5,729 & 12" 760'-\$15,441), Tapping Sleeve (\$1,025), Tees (3) (\$932), Valves (5) (\$3,366), 8" & 12" Elbows (6) (\$1,255) & Couplings (17) (\$1,024)	35,570.05
21	Hach	Online pH Probe for Monitoring STP Process Water	915.59
22	Hardy Diagnostics	Bacteria Growth Media (Lab)	133.94
23	Horan, Michael	Novato "Washer Rebate" Program	50.00
24	Interstate Battery	Battery ('01 Dodge Dakota)	108.72
25	Journey Ford/Lincoln	Front Brake Rotors & Brake Pad Kit (\$276) & Weather Stripping ('08 F250)	435.08
26		Cafeteria Plan: Uninsured Medical Reimbursement	135.00
27	Landeros, Dianne	Exp Reimb: GFOA Conference 6/3-6/5/13. Mileage (\$111), Parking (\$66), Tolls (\$18) & Lunch (\$7)	202.37
28	Lincoln Life	Deferred Compensation PPE 6/15/13	10,192.06
29		Cafeteria Plan: Childcare Reimbursement	416.66
30	Maltby Electric	Signal Wire for RTU Input (\$371), Copper Wire (500'), End Caps for Electrical Box (PRTP), Measuring String for Conduit (\$79), Electrical Wire for Bolling Circle Booster (\$2,177) & Mounting Channel	2,717.11
31	Marin Landscape Materials	Concrete (9 yds)	385.37

Seq	Payable To	For	Amount
32	McAghon, Andrew	April Sludge Removal (8 yds)	2,240.00
33	McMaster-Carr Supply	Coupling (2) (\$118) & Winch Cable (150') (\$298)	416.28
34	Microtech Scientific	Lauryl Sulfate Broth (Lab)	167.21
35	MSC Industrial Supply	Check Valve for STP	184.49
36	Nationwide Retirement Solution	Deferred Compensation PPE 6/15/13	1,025.00
37	North Marin Auto Parts	Grommet, Oil Filters (5) (\$41), Air Filters (6) (\$129), Motor Oil (18 qts) (\$83), Gloves (600) (\$104), Pipe for Vac Hose, Wiper Blades (3) (\$54), Booster Cable (\$191), Battery Cable, Light bulbs (10), Trailer Plug Wire, Radiator Clamps (50), Band Clamps (20) (\$66), Propane, Hose Clamps (12) (\$40) & Spark Plugs (4)	899.99
38	North Bay Gas	Nitrogen (STP) (\$458) & May Cylinder Rental (\$104)	562.30
39	Opperman & Son	Exhaust Clamp	36.54
40	O'Reilly Auto Parts	Car Wash (2 gal) (\$35) & Degreaser (40 oz)	44.82
41	Pace Supply	2" Meter Flange Gaskets (40) (\$83), Bolts (8) & 1" Comp Nuts (20) (\$192)	300.73
42	PERS Retirement System	Pension Contribution PPE 5/31/13	46,786.62
43	Pini Hardware	Electrical Supplies (\$153), Vac Filter, Conduits (4) (\$151), Garden Hose, Pad Locks, Hardware, Couplings (2), Anchor Bolts for Concrete, Plant Food, Hose Clamps (35) (\$57) & Ground Clamps	378.19
44	ProVantage	Additional Software Licenses for dtSearch (4)	675.77
45	Rubio, Eric	Novato "Washer Rebate" Program	50.00
46	Sequoia Safety Supply	Safety Glasses (12) (\$40), Safety Gloves (200) (\$46), Antibiotic Ointment (70) & Coveralls (75) (\$415)	517.47
47	Shirrell Consulting Services	June Dental Insurance Admin Fee & Dental	2,505.80
48	Soiland	Asphalt Recycling (18 tons)	60.00

Seq	Payable To	For	Amount
49	SPG Solar	Energy Delivered Under Solar Services Agreement (4/1/13-4/30/13)	12,525.09
50	Spinosa, Michelle	Novato "Cash for Grass" Program	200.00
51	Stafford, Vernon	Expense Reimbursement: Registration for Annual Wine County Water Works Association	45.00
52	State Water Resources Control	State Revolving Fund Loan Principal & Interest Recycled Water South-Phase 1A	273,366.91
53	Syar Industries	Asphalt (7 tons)	851.37
54	Torrey, Kathy	Novato "Washer Rebate" Program	50.00
55	Tran, Hoang	Novato "Washer Rebate" Program	50.00
56	United Parcel Service	Delivery Services: Sent Tester in for Calibration & Disbursement Request for RWS Phs 1A	15.74
57	Verizon Wireless	Cellular Charges: Data (\$121), Airtime (\$141) & Hardware (\$665) (PC Tablet-Moore)	927.60
58	Wine Country Water Works Association	Reg Fee: W.C.W.W.A. Annual Trade Show & Training Symposium (Includes Annual Dues for Moore, Arendall, Lemos, Latanyzsyn & Ortiz) (7/1-6/30/14) (Budget \$120)	250.00
59	Zona, Marji	Novato "Washer Rebate" Program	50.00
		TOTAL DISBURSEMENTS	<u>\$587,220.34</u>

The foregoing payroll and accounts payable vouchers totaling \$587,220.34 are hereby approved and authorized for payment.



Auditor-Controller

6/11/13

Date



General Manager

6/11/2013

Date

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Dianne Landeros, Accounting/HR Supervisor
Subj: Challenges of Changing Banks
t:\finance\memos\bod bank change.docx



June 14, 2013

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

In June 2011, after receiving proposals from seven local banks, the District changed its provider of banking services to US Bank. Bank of the West had served the District for the prior eleven years, and its June 2011 pricing proposal was just \$16 per month higher than US Bank's. At that time, Director Rodoni suggested that the District solicit pricing every couple of years as banking services are very competitive. Two years have now elapsed. However, staff recommends deferring requests for new proposals for another two years.

This era of electronic transactions has made the process of changing banks more complicated and time consuming. The District receives water bill payments from multiple sources as customers pay online. We make ACH payments to vendors and employees. We employ a direct debit service (Automatic Payment Service) for customers and process swiped and internet credit card payments. US Bank maintains a safekeeping account for District investment securities, and they manage the positive pay security program to protect against counterfeit checks.

The 2011 Request for Proposal (RFP) listed 75 services for pricing. Despite the District's request to provide the information in a standard format, each bank proposal was unique in pricing structure and terminology. Analyzing the proposals was complicated and time-consuming.

Attached is US Bank's proposed Implementation Plan which details some of the tasks that were required over a three month span to go live August 2011. These are just the tasks required by the bank for their setup. The District had additional tasks to configure existing Utility Billing and accounting software systems, train users, and revise procedures and documentation. The implementation, training, and learning curve for the new bank system required six months after the selection of the bank.

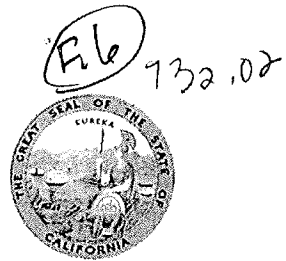
The District is pleased with the service provided by US Bank. Their pricing is less than originally proposed, and they have guaranteed it for another two years. Staff will revisit the selection of a banking services provider again two years from now.



Ron Chapman, MD, MPH
Director & State Health Officer

State of California—Health and Human Services Agency
California Department of Public Health

DRINKING WATER FIELD OPERATIONS BRANCH
50 D STREET, SUITE 200, SANTA ROSA, CA 95404
PHONE: (707) 576-2145 / FAX: (707) 576-2722
INTERNET ADDRESS: www.cdph.ca.gov



EDMUND G. BROWN JR.
Governor

May 31, 2013

Water System No. 2110006

Chris DeGabriele
North Marin Water District – Pt. Reyes
P.O. Box 146
Novato, CA 94948

RECEIVED
JUN 03 2013
North Marin Water District

WATER SUPPLY PERMIT AMENDMENT

The California Department of Public Health (Department) has received a permit amendment application from the North Marin Water District – Pt. Reyes (District) for the addition of Point Reyes – Well 04 (**Source Code 2110006-010**). The permit fee check has been sent to our Sacramento headquarters. The application has been approved by the Department and the District's permit amendment is enclosed.

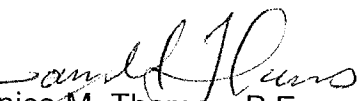
Please respond in writing by **July 1, 2013** indicating receipt of the permit amendment and your willingness to comply with the amendment provisions.

The Small Water System Bacteriological Sampling Plan (Plan) for your water system has been approved and is enclosed.

The specific sample location must be noted on each sample and the source sample should be clearly labeled as "raw water" (e.g. Well 01 raw water). All routine and repeat bacteriological sampling must adhere to this approved Plan.

If you have any questions regarding this water supply permit amendment, please contact Waldon Wong at (707) 576-2764.

Sincerely,


Janice M. Thomas, P.E.
Sonoma District Engineer
Drinking Water Field Operations Branch

Enclosures: Water Supply Permit Amendment
Engineering Report
Approved Small Water System Bacteriological Sampling Plan

BOD MISC

Chris DeGabriele

From: Randy Record [RandyRecord@acwa.com]
Sent: Thursday, June 06, 2013 1:27 PM
To: ACWAAgencyGeneralManagers@acwa.com
Cc: Christine Chapman; Cindy Tuck; Donna Pangborn; Jennifer Persike; Tim Quinn; David Reynolds
Subject: ACWA's Membership in NWRA

Dear ACWA member,

I wanted to inform you of a recent action by the ACWA Board of Directors regarding membership in NWRA.

As you may know, ACWA has been a member of NWRA for many decades. We have supported the organization and its activities along with many of ACWA's members who also have been active individually.

In recent years, however, the ACWA Board of Directors had begun to question the value of continued membership in NWRA. We made considerable efforts to seek constructive change through all of the appropriate NWRA channels to improve its effectiveness by, among other things, broadening its portfolio of issues and updating its direction and leadership.

Regrettably, it became clear in recent months that the changes we believe are necessary have little chance of occurring in a timeframe acceptable to the ACWA Board.

Additionally, participation by ACWA members in NWRA has steadily declined over the years.

After an in-depth discussion at its May 31, 2013, meeting, the ACWA Board voted unanimously to end ACWA's participation in NWRA effective immediately. The decision, which capped a deliberative and thoughtful process over the past two years to assess whether NWRA continued to meet California's needs, reflected the Board's conclusion that our association is not getting value for the dues we pay annually.

It is important to note the decision was not made for financial reasons. It was made solely on the Board's assessment of the effectiveness of NWRA in representing Western water issues of concern to ACWA.

The Board intends to use the funds that have supported our NWRA membership for activities that are more productive for ACWA and its members.

As members of the statewide ACWA Board, my fellow Board members and I take our responsibility seriously. It's important to us that ACWA members understand the thought processes and consideration behind our decisions.

We encourage you to share this information with your boards of directors. Members with questions regarding the Board's action are welcome to contact me or ACWA Executive Director Timothy Quinn.

Randy Record
President
Association of California Water Agencies



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Ryan
BDD Misc

Dry winter prompts call for conservation

By **MARY CALLAHAN**
THE PRESS DEMOCRAT

Published: Tuesday, June 4, 2013 at 4:59 p.m.

North Bay water officials are afraid that residents may not be worried enough about the state of the region's water supply after two consecutive years of below-normal rainfall.

Results from an April survey of 600 Sonoma County voters bolster that fear, with 43 percent expressing limited or no concern about water availability despite below-capacity storage in Lakes Sonoma and Mendocino as the summer looms.

But rather than dwell on the negative, the Sonoma County Water Agency and partnering Marin and Sonoma County water utilities are posing a challenge for local consumers: Save 20 gallons a day to help conserve summer water supplies and help bridge the gap until the next rainy season.

The 20 Gallon Challenge is designed not only to inspire conservation but to help people figure out how much water they use during day-to-day activities through a handy, online checklist they can use to identify specific ways to save.

For those who remember the summer of 2009, when three years of dry conditions prompted a state order mandating a 25 percent cut in water use by the water agency's 600,000 customers, the current state of things might raise the specter of similar measure.

But Sonoma County Water Agency spokesman Brad Sherwood said there's been no word of mandatory rationing so far, though "I can't say what they're going to do in the future."

"As of right now, we're hoping to deal with this on a local basis," Sherwood said. "Part of the 20 Gallon Challenge means we're illustrating to the state and others that we can reduce our water use without mandatory rationing. We feel that we can achieve the same goals by the cooperation of our water retailers and our community."

Shave two minutes off a shower and consume 5 gallons less, the Water Agency checklist says. Water outdoor plants before 6 a.m. or after 8 p.m. and stop 20 gallons from being lost to evaporation. Use a pool cover to reduce evaporation and save 30 gallons. Mulch plants and trees, save another 25.

"The aim is the fact that we're coming out of one of the driest springs on record," Sonoma County Water Agency spokesman Brad Sherwood said. "It's dry out there, and now more than ever is the time to increase awareness about how to use water wisely."

Santa Rosa has had about 27½ inches of rain to date in the rainfall season that runs July 1 to June 30.

The 30-year-average is 36.28 inches, the National Weather Service said.

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The 2011-12 season saw even less rain — 23.23 inches — though nearly a quarter of it fell in the month of March, raising storage levels before the driest months arrived.

This year, there's been just five inches of rainfall since the deluge that was December, after which the Army Corps of Engineers, anticipating the potential need for additional flood control capacity, released water into the Russian River that was never recouped, Sherwood said.

The water supply pool at Lake Sonoma is now at 91.3 percent of capacity, while smaller Lake Mendocino, which is key to the water level of the Russian River from Ukiah to Healdsburg, is at 53.8 percent of capacity.

In a telephone survey of randomly selected Sonoma County voters conducted in late April, nearly a quarter acknowledged a “very serious problem” with the water supply. Another 31 percent considered the problem “somewhat serious.”

Comparing those results with those from a similar poll in 2009 — a dry season when awareness of water scarcity was high — suggests “we have to re-educate and make people aware again,” Sherwood said.

In the 2009 survey, 51 percent saw water supply as a “very serious” problem, and 31 percent viewed it as “somewhat serious.”

Water officials also have seen per capita water use creep up since the low in 2011 of 113 gallons per person per day to 119 per capita per day last year. Per capita figures aren't available for 2013, but overall demand does not reflect the realities of a short water supply, agency personnel said.

“We are currently seeing summer-like water demands on our system right now,” Sherwood said last week. “That means we are pumping 63 million gallons of water from the Russian River water supply system every day. Folks are obviously watering and using lots of water.”

But the survey indicated people are, or think they are, doing a lot to conserve water and are willing to do more.

That mirrors what local retailers say about customers coming in for drought-tolerant plants, drip irrigation systems and timers and the like.

“We are booming in that category,” said Jerry Nelson, a plumbing salesman at Friedman's Home Improvement in Santa Rosa. “It's a big part of what we do every day. People would rather do drip irrigation. That's what our specialty is here.”

“A lot more people are asking for drought-tolerant planting,” said Patty Hamilton, sales manager at Harmony Farm Supply and Nursery in Graton.

Steve Chase, manager of the Bennett Valley Ace Hardware store on Yulupa Avenue, said widespread resolve to conserve water outdoors contrasts with many folks' general frustration with low-flow plumbing devices like faucets, showers and toilets, however.

“I think people are more frustrated with the lack of pressure than the shortage of water, unfortunately,” he said.

But Carrie Pollard, water use efficiency manager at the Water Agency, said design improvements and new standards testing since 2006, through which federal WaterSense labels are awarded to high-performing, water saving products, permits consumers to feel confident they are getting devices that will work for them.

There also are direct-install, rebate and discount incentive programs available for water conservation measures in different communities.

One of the easiest ways to reduce consumption is to cut back slightly on outdoor irrigation, which accounts for the biggest use of water in most households, Pollard said.

Cutting two minutes off routine watering times — even in the warmest weather — shouldn't affect plants or lawn much, but can save 100 gallons a day, she said.

The Water Agency hopes a large-scale campaign to raise awareness and give folks tools to use toward conserving could make the difference between having enough water in the coming months and coming up short.

“If everyone conserves 20 gallons a day per person we can ensure we have ample water supplies for all uses, including the fish,” Sherwood said.

Information on the 20 Gallon Challenge is available at savingwaterpartnership.org/20gallons. There's also a link to report wasteful water practices at <http://www.savingwaterpartnership.org/water-waste/>.

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Healdsburg calls for voluntary water conservation

By *CLARK MASON*
THE PRESS DEMOCRAT

Published: Tuesday, June 4, 2013 at 5:13 p.m.

Healdsburg residents are being asked to voluntarily reduce water use.

In response to reduced flows in the Russian River, the Healdsburg City Council on Monday night unanimously agreed to implement "Stage 1" water conservation measures.

Residents and businesses are asked to reduce water consumption by 20 percent below last year.

Healdsburg draws all of its water from wells along the Russian River. The state Water Resources Control Board last month approved minimum in-stream flows in the river as result of scarce rainfall this year.

Under Stage 1, Healdsburg water customers are asked to irrigate outdoors only during evening and early morning hours. Even-numbered addresses can irrigate on Tuesday, Thursday and Saturday. Odd addresses are asked to do so on Wednesday, Friday and Sunday. Customers are asked to refrain from irrigating on Monday.

Utility customers also are asked not to wash their vehicles, trailers and boats, except with a bucket or a hose equipped with a shut-off nozzle.

While the first stage of conservation is voluntary, the city also has the option of implementing more aggressive and mandatory Stage 2 and Stage 3 limits.

Outgoing Public Works Director Mike Kirn said depending on what happens this summer, the city may need to go to the next stage.

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BDD Misc

Chris DeGabriele

From: Ann DuBay [Ann.DuBay@scwa.ca.gov]
Sent: Friday, June 07, 2013 11:01 AM
Subject: Dry Creek habitat project construction this summer



**US Army Corps
of Engineers**

PRESS RELEASE

For Immediate Release
June 7, 2013

CONTACT:

Ann DuBay
707.524.8378 (Office)
707.322.8185 (Cell)
ann.dubay@scwa.ca.gov
Brandon Beach
415.503.6958 (office)
415.420.9593 (cell)
Brandon.A.Beach@usace.army.mil

Meeting Slated to Discuss Dry Creek Construction this Summer

Healdsburg, CA— Major construction will be happening in the Lambert Bridge area of Dry Creek this summer on the first mile of habitat enhancement for endangered coho salmon and threatened steelhead and Chinook.

An annual community meeting hosted by Supervisor Mike McGuire, the Dry Creek Valley Association, Winegrowers of Dry Creek Valley, the U.S. Army Corps of Engineers (Corps) and the Sonoma County Water Agency (Water Agency) will be held on Thursday, June 27th, 6-8 pm at the Lake Sonoma Visitors Center to provide information on the planned construction. In addition, there will be information on plans for the second and third miles of habitat enhancement.

The first mile of habitat enhancement is divided into two major components:

Corps Project -- The Corps is enhancing 1,400-feet of property it owns directly below the bridge at Warm Springs Dam. Construction has begun and is being conducted by Contractor Services Group.

Dry Creek Demonstration Project -- The Water Agency is working with willing landowners (Amista Vineyards, Dry Creek Vineyard, Doug Lipton & Cindy Daniel, Carole & Geno Mascherini, Quivira Vineyards and Winery, Rued Winery, Seghesio Family Vineyards, Peter & Marian Van Alyea, Ron Wolmer, Yellow Dog Vineyard) to construct about one mile of habitat enhancements near Lambert Bridge. Construction will begin approximately June 15 and continue into the fall. Local company Hanford Applied Restoration & Conservation will be completing the construction of multiple habitat enhancement features on about 3,500 feet of Dry Creek.

Elements of the projects include bank stabilization to reduce erosion, anchored boulders to create small rapids, anchored log jams, and side channels to provide refuge for young fish and native plants to reduce erosion and create shade. The majority of the construction on both projects will be happening in the creek and won't be visible to residents and visitors. More than 1,700 logs and root wads will be used to create refuge for the young fish that live in Dry Creek, so the most obvious sign of the project will be trucks carrying material to the habitat enhancement sites.

“There will be a lot of activity in and around Dry Creek this summer and we invite all of the neighbors to join the conversation on June 27,” said Water Agency Director Mike McGuire. “This is an exciting project whose success is due to the incredible partnership with local landowners.”

“The Corps is excited to be building enhancements that will provide habitat for the young coho and steelhead that are raised at the Don Clausen Fish Hatchery,” said Mike Dillabough, Chief of Operations, San Francisco District. “We value our partnership with Sonoma County Water Agency as we jointly focus on environmental restoration and sustainability.”

This project will contribute to the six miles required in National Marine Fisheries Service’ Russian River Biological Opinion. The Biological Opinion was issued in 2008, and requires the Water Agency and the U.S. Army Corps of Engineers to improve habitat for juvenile coho and steelhead in Dry Creek as an alternative to reducing summertime flows in the creek. (The high velocity of water flowing in Dry Creek in the summer was found by NMFS’ biologists to be detrimental to the survival of young coho and steelhead.)

“It has been my life’s wish to provide for a more environmentally friendly future for the next generation, said Don Wallace, partner, Dry Creek Vineyard, which is one of the project sites. “I believe that this project does exactly that and at the same time, it shines a light to a better way for citizens and government to work together for the common good.”

Since nearly all of the 14-mile Dry Creek is privately owned, the required six miles of habitat enhancement is dependent on partnerships with landowners. Access to the creek will be necessary for several years to maintain, repair and monitor the enhancements, which include side channels and backwaters, large wood features, riffles, and revegetation to control erosion and provide shade.

“The habitat enhancement project will benefit the community, watershed and endangered species,” said McGuire. “We are committed to protecting and enhancing Dry Creek’s natural and agricultural value for the benefit of residents, farmers and generations to come.”

Dry Creek carries water from Lake Sonoma to the Russian River and is a critical component of the Water Agency’s water transmission system serving 600,000 people. To learn more about NMFS’ Biological Opinion and Dry Creek requirements go to <http://www.scwa.ca.gov/drycreek/>.

Event Details

Date: Thursday, June 27

Time: 6-8 pm

Location: Lake Sonoma Visitors Center 3333 Skaggs Springs Road, Geyserville, CA

###

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.

Ann DuBay
Principal Program Specialist
Community & Governmental Affairs
Sonoma County Water Agency

Phone: 707.524.8378
Mobile: 707-322-8185

Marin IJ
06/13/13

MARIN

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COUNTY

Supervisors tap veteran lawyer as Marin counsel

By Nels Johnson
Marin Independent Journal

Steven Woodside of Santa Rosa, who has served as top lawyer for Sonoma and Santa Clara counties, got the top legal job at Marin Civic Center this week as supervisors gave him a four-year contract to be county counsel.

Woodside, initially hired to fill an interim role pending a national search following the retirement of Patrick Faulkner last year, said he likes the job, the staff and county leaders too much to leave.

"Little did I know when I started what a great place this is to work," he

told county supervisors, adding they "epitomize leadership."

Woodside also had high praise for County Administrator Matthew Hymel, calling him "the real deal when it comes to county administration."



Woodside

"We are so lucky," said Supervisor Susan Adams, noting Woodside has been a leader in legal associations advocating on behalf of local government in Sacramento.

Woodside will be paid about \$16,000 a month,

plus 8.5 percent in lieu of any pension benefit, a \$9,000 car allowance, health benefits, four weeks of paid vacation a year, and related perks.

Woodside retired as Sonoma County's top lawyer in 2010 after 12 years of service. Before that he headed the Santa Clara County Counsel's Office.

Woodside, who holds a law degree from the University of California at Berkeley, has served as counsel to public agencies for 35 years.

Contact Nels Johnson via email at ij.civiccenter@gmail.com. Follow him at twitter.com/nelsjohnsonnews

All births at Marin General Hospital

June 3

- ▶ A girl to Cozbi Mazriegos and Ezequiel Cavich of Sausalito
- ▶ A girl to Joan Yanabo and

June 5

- ▶ A boy to Stephanie Bednar and Neil Bednar of San Rafael
- ▶ A girl to Michal Walters and Edward Walters of San Rafael

June 8

and Estlin Alvarado Diaz of San Rafael

- ▶ A girl to Kelly and Richard Foster of Novato
- ▶ A boy to Dusti Puliz and Nicolas Puliz of Corte Madera