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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 7, 2011

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CALL TO ORDER

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President Schoonover 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, Rick Fraites, Steve Petterle and Dennis Rodoni. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

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Novato residents Bob Koch and Donald LaMont and District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent) and David Jackson (Associate Engineer) were in the audience.

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MINUTES

On motion of Director Rodoni, seconded by Director Baker and unanimously carried the Board approved the minutes from the May 17th regular meeting as presented.

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Director Petterle moved to approve the minutes of the May 24th special meeting and Director Baker provided the second. Director Fraites stated that the minutes did not correctly reflect his comments made during the rate increase discussion. On motion of Director Petterle and seconded by Director Baker, the Board unanimously approved the minutes of the special meeting as amended. Director Fraites stated that he misread the minutes and that the minutes as originally approved, did, in fact, accurately reflect his comments. On motion of Director Petterle and seconded by Director Baker, the Board unanimously approved the minutes of the May 24th special meeting as presented.

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GENERAL MANAGER'S REPORT

Meeting with Marin County Parks and Open Space District

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Mr. DeGabriele advised that he and Drew McIntyre will be meeting with representatives from the Marin County Parks and Open Space District to discuss projects going forward.

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Washer Rebate Program

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Mr. DeGabriele advised that the District participates in the regional Sonoma-Marín Saving Water Partnership; and under that partnership, the City of Santa Rosa administers the washer rebate program. He stated that the District needs to decide on the washer rebate level so that

1 printed material can be produced. Mr. DeGabriele informed the Board that the current rebate level
2 is \$75; however, the budget that the Board will consider on June 21st reduces the rebates by
3 approximately 50% and the washer rebate will be reduced to \$50. He said it is necessary to make
4 that determination and notify Santa Rosa of the rebate amount before the Board adopts the budget.
5 He stated that the water conservation program rebate levels will be on the next agenda for Board
6 approval.

7 **OPEN TIME**

8 President Schoonover asked if anyone in the audience wished to bring up an item not on the
9 agenda and the following items were discussed:

10 **Fixed Rate Increase**

11 Novato resident Bob Koch addressed the Board with his concerns about the increase in the
12 fixed rate that was approved by the Board at the public hearing on May 24th. He stated that because
13 he uses less water than the typical Novato customer, his bill will increase more than someone who
14 uses more water because of the fixed rate increase. He said he felt penalized for using little water.

15 Director Rodoni responded that all Novato customers' fixed rate will be increased, but
16 because of his extremely low water use, there is an inequity in the increase percentage. Director
17 Rodoni briefly explained the reasoning for the rate increase and suggested that if Mr. Koch has
18 further questions, he should call the Auditor-Controller. He also advised Mr. Koch that staff's
19 presentation on the rate increase was heard at the public hearing on May 24th.

20 **STAFF / DIRECTORS' REPORTS**

21 President Schoonover asked if staff or Directors wished to bring up an item not on the
22 agenda and the following items were discussed:

23 **Director's Absence at July 5th Board Meeting**

24 Director Baker advised that he is unable to attend the July 5th meeting in Point Reyes
25 Station.

26 **Directors' Comments on Rate Increase Public Comments**

27 Director Petterle commented that after listening to Mr. Koch and reading customers' letters
28 and comments in the newspaper, it is evident that customers still do not understand the reasons for
29 the rate increase. He stated that it is very important that the District continue to educate the public

1 on water supply issues and reasons for the rate increases and to encourage attendance at Board
2 meetings.

3 Director Rodoni said that he would like to review the fixed charges for fire service required
4 by the Novato Fire District that may put a burden on District customers. He said the Fire District, at
5 times, requires a 1 ½-meter meter when a one-inch meter is typically installed; consequently, the
6 customer incurs a higher fixed cost for the 1 ½-inch meter.

7 Director Rodoni stated that he wants assurance that if there is a customer who cannot pay
8 their bimonthly service charge increase that their water will not be turned off.

9 Director Schoonover said that his concern is that some people may take advantage.

10 Director Rodoni said that it would be apparent if the customer has a \$7 or \$10 delinquent bill
11 that it is mostly because of the fixed charge increase. He said that he encourages staff to be
12 sensitive that some people may have difficulty paying their bill; District policy is clear - water will be
13 shut off. Director Rodoni opined that it would not be appropriate to turn off a customer's water
14 based on inability to pay the fixed cost increase.

15 The General Manager said that staff will review these issues and stated that all inequities in
16 the rate structure will not be resolved because of the number of customers and various levels of use
17 throughout the system. Mr. DeGabriele stated that staff will strive to address these issues in the
18 future.

19 **CONSENT CALENDAR**

20 At the request of Director Baker, Item 11, Banking Services, was removed from the consent
21 calendar for further discussion.

22 On the motion of Director Petterle, seconded by Director Fraites and unanimously carried
23 the following items were approved on the consent calendar:

24 **PERRY'S DELI FIRE SERVICE**

25 This project includes remodel of the existing delicatessen including addition of a disabled
26 accessible restroom, replacement of existing kitchen facilities and addition of fire sprinkling. The
27 building layout modifications are within the existing building footprint. New water facilities required
28 include one four-inch fire service assembly installed on Vallejo Avenue to supply the new fire
29 sprinklers. District records indicate that paid connection fees is two Equivalent Dwelling Units
30 (EDUs) and current water usage equates to 1.4 EDUs. The District agreement contains a

1 requirement that additional fees are due at such a time when water usage at this site exceeds two
2 EDUs.

3 The Board approved Resolution No. 11-12 entitled, "Authorization of Execution of High
4 Pressure Water Service Facilities Construction Agreement with Daniel R. Thompson."

5 **HAMILTON NURSERY, US ARMY COE**

6 The Hamilton Nursery project provides commercial water service and a new fire hydrant for
7 a plant nursery with office space at the currently decommissioned water treatment plant on Hamilton
8 Air Base property. New water facilities required 410 feet of pipe, one commercial fire hydrant and
9 one one-inch meter. New water demand is two equivalent dwelling units.

10 The Board approved Resolution No. 11-13 entitled, "Authorization of Execution of Water
11 Service Facilities Construction Agreement with U.S. Army Corps of Engineers."

12 **TEMPORARY WATER SERVICE REQUEST – CITY OF NOVATO HAMILTON FIELD BUILDING**
13 **#816**

14 The City of Novato has requested a renewal of the temporary water service for another three
15 years for the Hamilton Field Building #816. This building houses the Marin County Sheriff
16 Department's Search and Rescue Operations' emergency response equipment and vehicles.

17 **MILLER PACIFIC ENGINEERING - GENERAL ENGINEERING SERVICES AGREEMENT**

18 The Board authorized the General Manager to execute a new General Engineering Services
19 agreement with Miller Pacific Engineering Group for miscellaneous geotechnical services with a not-
20 to-exceed limit of \$20,000.

21 **ENGINEERING SERVICES CONTRACT – EDITH ROBBINS**

22 The Board authorized the General Manager to execute a new agreement with Edith Robbins
23 for miscellaneous engineering services with a not-to-exceed limit of \$20,000 to help staff meet short-
24 term workload demands.

25 **CHANGE ORDER – THIRD PARTY COATING INSPECTION FOR CREST TANK NO. 2 PROJECT**
26 **- D.B. GAYA CONSULTING**

27 The Board authorized the General Manager to execute a change order with D.B. Gaya
28 Consulting for additional coating inspection services at Crest Water Tank No. 2 on a time and
29 expense basis with a not-to-exceed limit of \$8,000. The coating work was delayed due to unusual
30 and prolonged inclement weather and delays in coordination and transfer of antennas of other
31 agencies that used to be mounted on Tank No. 1 to the new Tank No. 2

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1 **BANKING SERVICES**

2 At the request of Director Baker, this item was removed from the consent calendar.

3 Director Baker said that he had no quarrel with staff's logic for recommending to move the
4 District's banking services to US Bank; however, because of personal experience, he would not
5 support staff's recommendation.

6 Director Rodoni opined that it is important to solicit pricing every couple of years as banking
7 services are very competitive.

8 On motion of Director Petterle and seconded by Director Rodoni, the Board authorized staff
9 to move its banking services to US Bank by the following vote:

10 Ayes: Directors Fraites, Petterle, Rodoni, Schoonover

11 Noes: None

12 Abstain: Director Baker

13 Absent: None

14 **ACTION CALENDAR**

15 **CONSIDER – REQUEST FOR BILL ADJUSTMENT**

16 Mr. Bentley informed the Board that Donald LaMont is present to appeal staff's denial of a
17 bill adjustment request for water use charged while the house was unoccupied last December and
18 January. He summarized the billing records and stated that District staff responded to leak
19 complaints several times from 2009 to 2010. He said that no leaks were found at that time, and Mr.
20 LaMont's water use did not qualify for a bill adjustment. Mr. Bentley stated that Mr. LaMont called to
21 report a leak in March 2011, and a leak in the Polybutylene pipe on the consumer side of the meter
22 was located by District staff. He further stated that as a courtesy to Mr. LaMont, District crews
23 replaced the section of the pipe at no charge, and since Mr. LaMont's March water use was normal,
24 no adjustment was granted.

25 Mr. LaMont addressed the Board and gave a detailed explanation of the high water use at
26 the residence. He opined that there has been an intermittent leak in his pipe since 2009 and stated
27 that a bill adjustment for approximately \$300 would be fair.

28 President Schoonover stated that he would like to hear staff's explanation. Mr. Bentley
29 reviewed the District's Bill Adjustment Policy for the Board. Doug Moore said that each complaint
30 call was documented and that no leaks were found until March 2011 when a leak was found in the

1 pipe between Mr. LaMont's meter and his service lateral at the compression joint of the Polybutylene
2 pipe. Mr. Moore said that the Polybutylene pipe was installed by the District in 1977 when the meter
3 was relocated to accommodate a county paving project.

4 Director Petterle asked if Mr. LaMont is contesting his current bill and requesting an
5 adjustment. Mr. Bentley responded that Mr. LaMont is seeking an adjustment for water use over
6 several years.

7 The Board asked staff questions about pressure in the area of the leak, the estimated cost
8 of the repair performed by District staff and if staff had ever seen an intermittent leak.

9 On motion of Director Fraites, seconded by Director Baker, the Board unanimously voted to
10 uphold staff's recommendation to not grant a bill adjustment to Mr. LaMont.

11 Mr. LaMont requested that his turn-off charge be waived and he was advised to call Mr.
12 Bentley to discuss. Mr. LaMont left the meeting.

13 **APPROVE - STAFFORD TREATMENT PLANT GAC REPLACEMENT**

14 Robert Clark informed the Board that staff is requesting a budget augmentation in the
15 amount of \$92,000 to purchase coal-based carbon for two filters at Stafford Treatment Plant. He
16 provided the Board with background on the Granular Activated Carbon (GAC) filters at the plant and
17 advised that the GAC filters remove total organic carbons (TOC) and tastes and odors before the
18 water is sent into the distribution system. He stated that between 2006 and 2010, the attempt to
19 maximize filter run times and cure problems with the chlorine dioxide generator placed stress on the
20 GAC filters and there has been taste and odor break-through over the past five years. Mr. Clark
21 said that a different type of carbon (coconut shell) was tried but it proved to be not as robust as coal-
22 based carbon. He explained that the funds that were budgeted to replace the GAC this fiscal year
23 were used to offset the 18% increase in chemical costs. He said that staff had hoped that the GAC
24 would last through the end of the fiscal year without a taste and odor breakthrough, but after a
25 recent algae bloom in Stafford Lake, staff believes that it would be unwise to delay replacing the
26 GAC before another taste and odor breakthrough event occurs. Mr. Clark stated that staff is
27 requesting a budget augmentation in the amount of \$92,000 to purchase and install new coal-based
28 carbon for two filter beds.

29 Director Rodoni asked if there are funds elsewhere in this fiscal year's budget to cover the
30 amount of the budget augmentation request.

31 Mr. DeGabriele stated that the District is expending all revenue being collected.

1 On motion of Director Baker and seconded by Director Petterle, the Board approved a
2 budget augmentation to purchase and install new coal-based carbon for two filter beds at a cost of
3 \$92,000 not in the current fiscal year budget.

4 Director Petterle requested Mr. Bentley to periodically provide a tally of budget
5 augmentations made by the Board.

6 **CHANGE ORDER – NUTE ENGINEERING CONTRACT FOR RECYCLED WATER NORTH**
7 **SERVICE AREA SMART CROSSING AT OLIVE AVE.**

8 Drew McIntyre stated that as part of the Recycled Water North Service Area project, a
9 design for extending the new recycled water line west on Olive Avenue and under the Sonoma
10 Marin Area Rail Transit (SMART) tracks at Railroad Avenue is underway. He advised that this
11 intersection is very congested with existing utilities. Mr. McIntyre stated that Nute Engineering
12 recently finished a project for Novato Sanitary District at the same location and staff believes that it
13 would make sense to request that Nute perform the engineering services for this area of the project.
14 He advised that Nute Engineering has an existing agreement with the District to perform engineering
15 services for the Recycled Water Novato South Service area project in a not-to-exceed amount of
16 \$450,000, plus a contingency of \$45,000. He stated that he is requesting a change order in the
17 amount of \$22,000 to Nute's agreement to provide engineering services related to the 12-inch
18 recycled water pipeline crossing SMART tracks at Olive and Railroad Avenues. Mr. McIntyre
19 advised that the project cost is included in the budget for the North Service Area and that soil
20 borings (by Miller Pacific Engineering Group) and potholing by District crews will be necessary for
21 this project area.

22 Director Rodoni moved staff's recommendation and Director Baker provided the second.
23 Director Petterle asked for and received confirmation from staff that the amount of the change order
24 is not a budget augmentation.

25 The Board unanimously voted to authorize the General Manager to execute Change Order
26 No. 4 to Nute Engineering to perform recycled water design-related tasks for the Novato North
27 Service Area project in the amount of \$22,000.

28 **APPROVE – RECYCLED WATER NORTH SERVICE AREA EXPANSION – SEGMENT 1:**
29 **AWARD CONSTRUCTION CONTRACT**

30 Drew McIntyre stated that the Board had authorized the bid advertisement on March 1 for
31 construction of Segment 1 of the Recycled Water Novato North Service Area Expansion and that
32 staff received four bids. He advised that the first low bidder withdrew their bid due to a clerical error,

1 and the second low bidder was disqualified because they did not attend the mandatory pre-bid
2 meeting. Mr. McIntyre further advised that the third and fourth bid spread was very close and that
3 staff asked The Covello Group (Construction Manager for the project) to analyze the two bids. He
4 said that The Covello Group analysis showed that the two remaining contractors complied with the
5 bidding requirements in all areas.

6 On motion of Director Baker, seconded by Director Rodoni, the Board unanimously voted to:

7 1. Allow W.R. Forde to withdraw their bid;

8 2. Reject Platinum Pipeline's bid as non-responsive;

9 3. Award the Construction Contract to Ghilotti Construction and authorize the General
10 Manager to execute an agreement with said company in the amount of \$582,225 plus a \$30,000
11 contingency.

12 **INFORMATION ITEMS**

13 **INITIAL REVIEW – FY 12 WEST MARIN BUDGETS**

14 David Bentley presented the Fiscal Year 2012 West Marin Budgets for the Board's initial
15 review. He advised that for West Marin Water, a 6% commodity rate increase and a 33% increase
16 (to \$20) for the minimum service charge is proposed which will generate an extra \$54,000 per year.
17 He said that in Oceana Marin, a 5% increase (\$58 per month charge) is proposed, that the annual
18 charge will appear on the customer's property tax bill, and that \$8,000 in revenue will be raised
19 annually. Mr. Bentley advised that a letter was mailed to all customers notifying them of the
20 proposed rate increases and of the public hearing scheduled for July 5th at the Dance Palace in
21 Point Reyes Station.

22 Mr. Bentley reviewed the projects included in the proposed budget and informed the Board
23 that the major project for West Marin Water is the Treatment Plant Solids Handling Facility totaling
24 \$720,000 for the next two years. He said that the Paradise Ranch Estates (PRE) Tank No. 4 project
25 and the seismic work for the Point Reyes Station Tank have been deferred to pay for the Solids
26 Handling Facility project. Mr. Bentley advised that updated cost estimates are expected later this
27 month, and he will provide that information at the next budget review. He informed the Board that
28 staff is struggling with how to afford the Solids Handling Facility project and that more discussion by
29 the Board about this project will be necessary. He further informed the Board of future projects:
30 Replacement of PRE Tank #4A, the Gallagher Pipeline and Replacement of the Water Treatment
31 Plant. He stated that the costs for these projects cannot be funded solely by ratepayers and that
32 financing and grant funding will be necessary.

1 Mr. Bentley said that in Oceana Marin, the major project is the replacement of 4,000 feet of
2 cross country sewer line at \$100 per foot that will be done in four phases. He stated that \$80,000 is
3 included in the FY11 budget to complete Phase I replacement (1,000 feet) of the project. He said
4 that \$100,000 is budgeted every other year for replacement of the high-risk cross-country sewer line.

5 Mr. Bentley stated that operating expenditures for West Marin Water is budgeted to increase
6 5% in FY 11 and 7% for Oceana Marin. He said the department heads met with the Manager and
7 scaled back cost increases to make budgets more in line with where they were this fiscal year. He
8 said the West Marin budgets will be reviewed again at the June 21st meeting and the public hearing
9 is scheduled for July 5th in Point Reyes Station.

10 Director Rodoni commented that PRE rates are increasing 6% and the remainder of Point
11 Reyes customers will see a 9% increase. He stated that it his understanding that the reason for the
12 rate increase which includes fixed costs, is to raise more revenue. He opined that PRE rates should
13 be increased the same amount as Point Reyes customers (9%).

14 Mr. Bentley explained that the typical West Marin meter charge will be \$20 bimonthly and
15 presumably, if there was not a revenue bond charge for PRE customers, they would also be paying
16 \$20. He said that the revenue bond amount works out to about \$16 per customer, and when added
17 to the \$20, they would pay \$36; however, PRE customers are currently paying \$37. He said that his
18 reasoning is that PRE customers are already paying \$20, and next year, when the fixed rate is
19 increased to \$25, they will need to have equity to have a \$5 increase. He advised that when the
20 revenue bond is paid off, it is presumed the PRE rate would drop to \$20 and will be at the same rate
21 as Point Reyes customers.

22 Director Rodoni asked Mr. Bentley to clarify that PRE customers have been paying more
23 than everyone else all along.

24 Mr. Bentley replied yes, because increases have been on a percentage basis, even though
25 the revenue bond section has been fixed; next fiscal year PRE customers will see an increase.

26 Director Rodoni thanked Mr. Bentley for the explanation.

27 **UPDATE FOR STAFFORD TREATMENT PLANT BACKFLOW METER & CHECK VALVE**
28 **PROJECT**

29 Drew McIntyre said that Dave Jackson, District Associate Engineer, will provide a recap of
30 the Stafford Treatment Plant Backflow Meter & Check Valve Project. He said that the \$118,000
31 project was 98% funded by the American Recovery and Reinvestment Act and the District's portion
32 of the job was \$3,000.

1 Dave Jackson said that the purpose of this project was to install a check valve and flow
2 meter to the existing Stafford Treatment Plant piping to be used when backfeeding Stafford Lake.
3 He referred to drawings on display and explained the project. He explained that the purpose of the
4 check valve is to prevent any lake water to be backfed into the distribution system should there be a
5 main break on the transmission line.

6 Mr. Jackson said that the project went well; however, the Buy American requirements under
7 the ARRA contract, stated that less than 5% of the materials can be foreign made. He stated that
8 the flow meter, for which the system was originally designed, was foreign made and the only
9 American-made flow meter meeting the requirements was ten inches longer than the design and he
10 had to redo the design. He also said that foreign-made bolts were purchased and installed and staff
11 had to remove the foreign-made bolts and install the American-made bolts. He said the foreign-
12 made bolts were returned to the District warehouse to be used for future projects.

13 **NBWRA BOARD MEETING MINUTES – MAY 23, 2011**

14 Mr. McIntyre provided a recap of the North Bay Water Reuse Authority Board meeting. He
15 reported that the District was successful in securing a supplemental grant from the Bureau of
16 Reclamation needed to complete the Recycled Water Expansion in the Novato South Service Area
17 with Las Gallinas Valley Sanitary District, and that work on the application for low interest rate loan is
18 continuing. He said that the California Department of Water Resources has recommended a grant
19 award to the Bay Area Integrated Regional Water Management Plan which includes \$500,000 for
20 the joint project with Novato Sanitary District in the Novato North Service Area and \$500,000 for the
21 joint project with Las Gallinas Valley Sanitary District in the Novato South Service Area.

22 Mr. DeGabriele stated that it is a testament to Mr. McIntyre's good work with NBWRA and
23 the NBWRA consultant in managing to secure federal grant money.

24 **DRAFT 2010 URBAN WATER MANAGEMENT PLAN**

25 Mr. DeGabriele presented the draft of the 2010 Urban Water Management Plan (UWMP).
26 He said that this is his fourth opportunity to prepare the UWMP and that the Plan requirements
27 continue to get more complex and involved. He said that the District participated with all other
28 SCWA water contractors in hiring Maddaus Water Management (Maddaus) to do the basic data
29 analysis and David Bentley, along with Ryan Grisso, developed the data for Maddaus. He stated
30 that based on District projections of population and jobs and historical water use, Maddaus made
31 the projections of water demand and water conservation and that information will be incorporated
32 into the Department of Water Resources (DWR) Guidelines for preparing the UWMP. The

1 Guidelines include 38 tables that are included in the Plan and will be electronically submitted to
2 DWR once the plan is adopted. Mr. DeGabriele said that a public hearing is scheduled for June 21
3 and draft copies of the Plan are available at the District office front counter and at the Novato Public
4 Library.

5 Mr. DeGabriele highlighted the following items in the Plan: Table 2-5 - population projections
6 are calculated by averaging ABAG data from 2005, 2007 and 2009; Table 3-2 - compliance with
7 SBx7-7, calculation of historical per capita water use and the baseline used for the 20% reduction;
8 Table 3-14 - Sonoma County water supply contracted volume pursuant to the Restructured
9 Agreement is 14,100 acre feet, however, it is predicted at less than 11,000 acre feet in 2035 to
10 meet overall demand; and Table 4-11 summarizes in five year increments (from 2010 to 2035) the
11 current and projected water supplies (Russian River supply, local supply, recycled water and raw
12 water supplies) that will be needed to meet demand. He said that this information will be used to
13 compare the predicted demand and predicted supplies and to determine that the supply will meet
14 the predicted demand. He said that Table 5-5 shows that NMWD will have enough water supply in
15 normal and multiple dry years; and will be approximately 11% short in a single dry year.

16 He complimented Renee Roberts for her work in pulling the document together and said it
17 was an administrative challenge.

18 **TAC MEETING – JUNE 6, 2011**

19 Mr. DeGabriele reported on the TAC meetings and noted that the Water Agency received
20 the Temporary Urgency Change Order for this year and that the provisions from the State Board are
21 very similar to the prior year. He said that the District will be able to comply with the order; there is
22 plenty of water in the Russian River system and there will be no need to reduce water deliveries this
23 year. Mr. DeGabriele also reported on activities outside of the TAC including a review of the
24 Agency's long-range financial plan that will be available for the WAC review at the August WAC
25 meeting; how to true-up past Local Supply, Recycled Water and Tier 2 Conservation funding that all
26 contractors did not receive.

27 **SMART PROPOSED APPLICATION AND LICENSE FEES FOR PRIVATE AT-GRADE**
28 **CROSSINGS**

29 Mr. DeGabriele advised that he received a letter last week from SMART regarding private at-
30 grade crossings and that he addressed the SMART Real Estate Committee on June 1. His
31 comments are included in the Board packet. He expressed his disappointment that the Chair of the
32 committee limited public comments to three minutes despite the informal meeting and the small

1 group in attendance. Mr. DeGabriele said he did not have time to fully explain the District's
2 concerns and he opined it was important for elected officials to hear the concerns. He advised that
3 he had already scheduled a meeting with SMART staff on Friday, June 10th.

4 **NORTH BAY WATERSHED ASSOCIATION MEETING – JUNE 3, 2011**

5 Director Baker gave a brief report on the North Bay Watershed Association meeting held on
6 June 3, 2011.

7 **MISCELLANEOUS**

8 The Board received the following miscellaneous information: Disbursements and Direct
9 Deposit for Disbursements.

10 The Board also received the following news articles: Lucas donation allows MALT protection
11 of Corda Ranch, Water district votes increases for next 3 years and North Marin District seeks water
12 rate hike of more than 33 percent over three years.

13 **ADJOURNMENT**

14 President Schoonover adjourned the meeting at 9:37 p.m.

15 Submitted by

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Renee Roberts
District Secretary

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
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MEMORANDUM

To: Board of Directors

June 17, 2011

From: Chris DeGabriele, General Manager 

Subject: 2010 Urban Water Management Plan

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RECOMMENDED ACTION: Board hold a public hearing and adopt a resolution approving the 2010 North Marin Water District Urban Water Management Plan

FINANCIAL IMPACT: None

Attached is the 2010 Urban Water Management Plan prepared by District staff in conjunction with analysis performed by Maddaus Water Management (MWM). The Plan has been prepared consistent with Department of Water Resources Guidebook, and the Draft Plan has been made available to the public for review both at the District Administration Building and the Novato Public Library since June 3, 2011. The Draft Plan has also been available on the District's website. The notice of tonight's public hearing was published in the Novato Advance on June 8th and June 15th. One comment was received from Sonoma County Water Agency on the Draft Plan and the Plan has been revised to address the Agency's comment.

The Plan's development has been supported by an analysis prepared by MWM quantifying both future water demand and water conservation efforts. The MWM analysis relied on the Decision Support System Model, an industry recognized standard, in determining water demand and water conservation savings. The MWM analysis was prepared not only for North Marin but all of the other water contractors receiving wholesale supply from Sonoma County Water Agency providing SCWA with a consistent analysis for inclusion in their wholesale 2010 Urban Water Management Plan.

Highlights of the NMWD 2010 UWMP include:

1. **Population projections identified in Table 2-5.** The population projections are based on ABAG projections averaged from years 2005, 2007 and 2009. At year 2035, the NMWD Novato service area population is projected to be 67,808 people, 861 less than estimated at year 2030 in the NMWD 2005 UWMP.
2. **SBx7-7.** The 2010 UWMP requires an analysis of per capita water use including development of a baseline and targets for a 20% reduction in gallons per capita per day (gpcd) by year 2020. For NMWD, the baseline calculated at 178 gpcd is shown in Table 3-2 with a 20% reduction calculated at 143 gpcd. NMWD and the other water contractors receiving wholesale water from SCWA have decided to utilize a regional approach to comply with SBx7-7 and the regional target for 2020 is 129 gpcd.
3. **Lower Income Households.** Another new requirement in the 2010 UWMP is identifying water demands for lower income households. A lower income household,

defined under California Health and Safety Code, is one with 80% of median income. For the Novato Service Area, the 80% median income figure is \$64,738, and the lower income households are estimated to comprise approximately 40.2% of the total households. Table 3-13 in the NMWD 2010 UWMP identifies both single family and multi-family residential water demand for lower income households (approximately 40.2% of total households).

4. **Projected Water Supplies.** The projected water supplies required to meet demand are shown on Table 4-11. At 2035 the total water supply is 12,803 acre feet, 3,167 acre feet less than that projected in the NMWD 2005 UWMP at year 2030. The reduction reflects additional water conservation, the SBx7-7 gpcd requirement and a reduction in demand pursuant to reduced population.
5. **Reliability of Supply.** Table 5-5 shows that NMWD will have sufficient water supplies in normal and multiple dry water years. In a single dry water year, the NMWD would require some mandatory water conservation to meet the available supply as it's projected that Lake Sonoma will fall below a 100,000 acre feet storage threshold before July 15 of that year, requiring a 30% reduction in deliveries pursuant to the SCWA water rights.

RECOMMENDATION

1. Board hold a public hearing to receive any comments from the general public on the NMWD 2010 UWMP;
2. Board adopt the NMWD 2010 Urban Water Management Plan pursuant to the attached resolution.

**DRAFT
RESOLUTION 11-XX**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
ADOPTING THE 2010 URBAN WATER MANAGEMENT PLAN**

WHEREAS, the Urban Water Management Planning Act, which is codified at California Water Code Section 10610 *et seq.*, requires that every urban water supplier which provides 3,000 acre feet or more of water annually, or which directly or indirectly supplies water for municipal purposes to more than 3,000 customers, shall prepare an Urban Water Management Plan (UWMP), the primary objective of which is to plan for the conservation and efficient use of water; and

WHEREAS, on February 24, 2011 a notice that the NMWD 2010 UWMP was being prepared was circulated to other appropriate public agencies in the Marin and Sonoma County area; and

WHEREAS, the NMWD 2010 UWMP must be adopted after public review and a public hearing by the District, and after adoption by the District's Board of Directors must be filed with the California Department of Water Resources; and

WHEREAS, the District has heretofore prepared the plan, and commencing on June 3, 2011, circulated for public review the draft NMWD 2010 UWMP, in compliance with the requirements of the Act, and a duly noticed public hearing was held on June 21, 2011 by the Board of Directors in accordance with said notice, and no objections have been raised, and said NMWD 2010 UWMP was adopted as prepared;

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

1. The Board of Directors does hereby find, determine and declare that:
 - a. This District has prepared said Plan dated June 2011.
 - b. A copy of the proposed Plan has been made available for public inspection at the principal office of the District, at the Novato Public Library and on the District website continuously since June 3, 2011.
 - c. On June 21, 2011, this Board of Directors held a public hearing on the proposed Plan. Notice of the time and place of said hearing was published in the Novato Advance, a newspaper of general circulation on June 8 and June 15, 2011.
2. The 2010 Urban Water Management Plan, dated June 2011 was hereby approved and

adopted by the NMWD Board of Directors on June 21, 2011.

* * * * *

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 June 21, 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Renee Roberts, Secretary
North Marin Water District

(SEAL)

6

MEMORANDUM

To: Board of Directors

June 17, 2011

From: David L. Bentley, Auditor-Controller 

Subj: Public Hearing/Approve - Proposed FY11/12 Equipment Budget
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RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$188,000

Presented for your third and final review, public hearing and approval is the proposed FY 2011/12 (FY12) Equipment Budget. There have been no changes since the Board's last review on Equipment Budget on May 17. The proposed budget totals \$188,000, the same as the FY11 adopted budget, and 80% of the past 10 years average spent on budgeted equipment. Following the proposed budget is a chart showing a ten year History of Equipment Purchases (Attachment A), the Purchase and Distribution Plan for new computers (Attachment B) and the 5-Year Vehicle & Equipment Replacement Plan (Attachment C).

Recommendation:

Approve the FY11/12 Equipment Budget as presented.

**Equipment Expenditures
Fiscal Year 2011/2012 Budget**

	Proposed	Notes	Description
1 INFORMATION SYSTEMS			
Administration			
59603.01.11	\$25,000		To keep District current on MS Office Suite, MS Server and other software licenses
59603.01.11	2,000	1,e	Field Service Rep/Meter Reading Device & Account Cr Clerk II PCs were rebuilt in 3/07 and will now be retired.
Engineering			
59603.01.21	2,000	1,e	2nd PC able to run AutoCAD Version 10
Operations			
	1,000	1,e	Will trade-down and surplus the 3/06 Lab Staff PC.
Maintenance			
59603.01.51	1,000	1,e	Will trade-down and surplus the 11/01 STP Dedicated Particle Counter
	\$31,000		
2 CONSTRUCTION			
59603.01.41	48,000		Used for tapping pipe to inspect valves without service interruptions to customers. Can be used for flushing as well as sample testing.
	\$48,000		
3 MAINTENANCE			
12101.01.00	6,000	1	Replaces a Coats 340 which cannot be used for the larger 16-17 inch rims found on the newer trucks without damaging the tire pressure sensors.
	\$6,000		

Proposed

**Equipment Expenditures
Fiscal Year 2011/2012 Budget**

6/8/11

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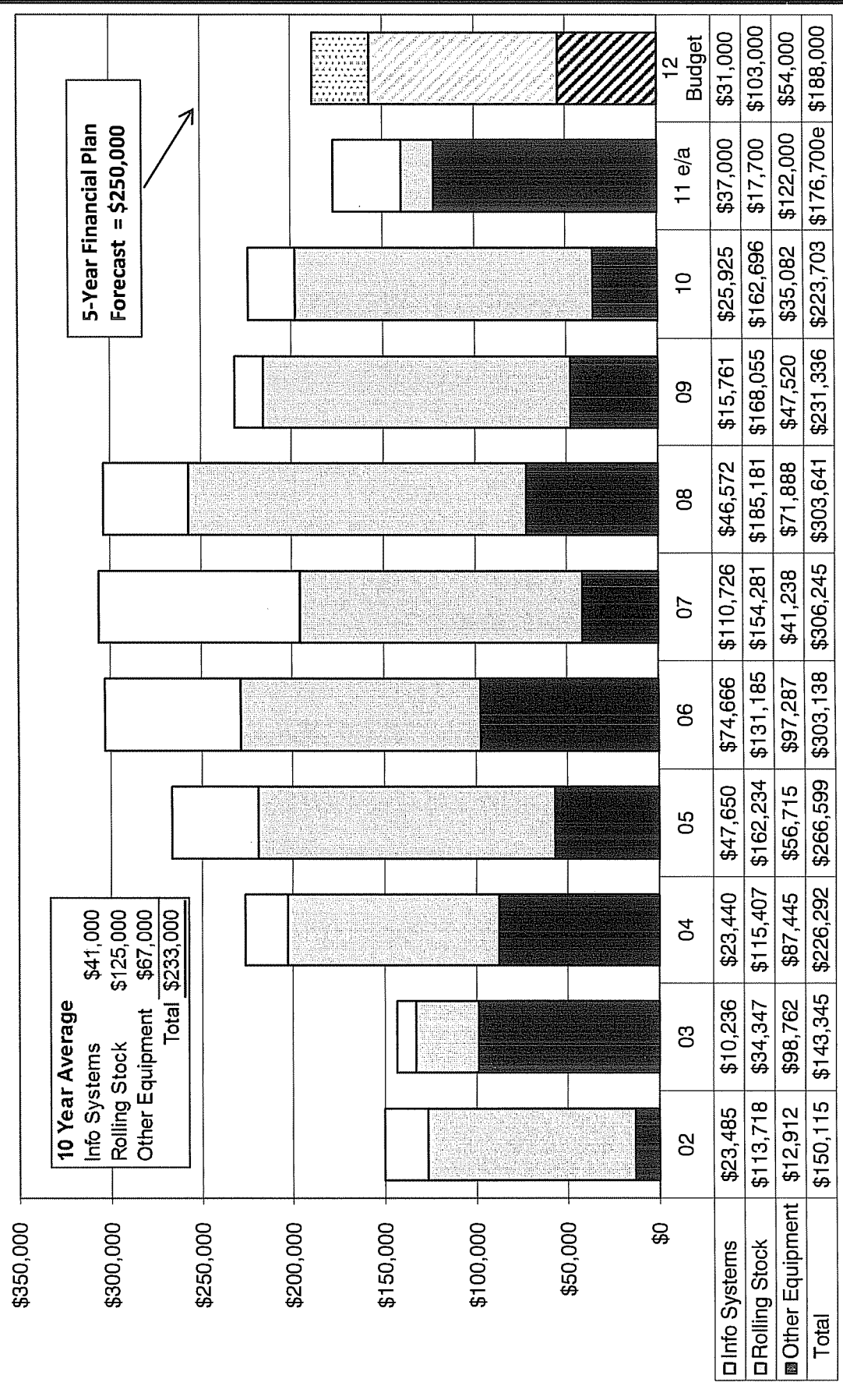
	Proposed	Notes	Description
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12104.01.00 a.	\$78,000	1	To replace a '91 International 5-yard dump not compliant with 12/3/10 CARB on-road diesel emission rule. Would cost est \$50K to repower and add an exhaust filter to make compliant. Up to \$10K/day fine.
12104.01.00 b.	25,000	1	To replace a '99 F250 with 170,000 miles that is worn out and was due for replacement last fiscal year.
	\$103,000		
	\$188,000		Total

Notes:

c: Capital; e: Expense
1 Replacement item.

	RECAP	Adopted	Estimated	Proposed
	Budget	Actual	20010/12	Budget
	20010/11	20010/12	20011/12	20011/12
Equipment	\$166,000	\$17,671	\$85,000	
Vehicles	22,000	158,329	103,000	
	\$188,000	\$176,000	\$188,000	\$188,000

History of Equipment Purchases



PC Purchase/Distribution Plan - FY12

6/8/11

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Division	New Computer	Existing Go To	Existing Go To	Existing Go To
1 Admin	Price: \$1,000 Type: Dual Core/4GB RAM Go To: Auditor-Controller	Core2Duo 3.33 Ghz/4GB RAM Accounting Clerk	Pentium 4 2.8 Ghz/1GB RAM Account Cr Clerk II	Pentium 4 3.2 Ghz/896MB RAM Surplus
2 Admin	Price: \$1,000 Type: Dual Core/4GB RAM Go To: Admin Secretary	Pentium 4 3.4 Ghz/2 GB RAM FSR/Mtr Read Devices	Pentium 4 2 Ghz/512MB RAM Surplus	
3 Engr	Price: \$2,000 Type: Core i7/8GB Go To: Assoc Engr	Core2 Duo 3 Ghz/2GB RAM Engr Tech IV	Pentium 4 3.2 Ghz/1GB RAM Constr Supt	Pentium 4 1.8 Ghz/512 MB RAM Surplus
4 Oper	Price: \$1,000 Type: Dual Core/4GB RAM Go To: TP Sprvsr	Pentium 4 3.2 Ghz/1GB RAM Pipe Worker	Pentium 4 2 Ghz/1GB RAM Surplus	
5 Maint	Price: \$1,000 Type: Dual Core/4GB RAM Go To: Assist Wtr Dstrb/TP Op	Pentium 4 2.8 Ghz/1GB RAM STP Particle Counter	AMD Duron 1 Ghz/248MB RAM Surplus	

5-Year Vehicle and Equipment Replacement Plan

6/8/11

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11-12		New Item Description	Replacement Item Description	
1	5 Yard Diesel Dump Truck		#5 1991 International 5 Yard Dump	\$78,000
2	3/4 Ton 4X2 Pickup with service body, Radio and Emergency Light		#36 1999 Ford F250 W/155k mi	\$25,000
Total				\$103,000

Truck 5 & #36 will go to auction. We will need to add 1 DPf to 503 this year to meet CARB regulations budgeted in the 15220-01-51 MSS

12-13		New Item Description	Replacement Item Description	
1	3/4 Ton 4X4 Pickup w/Tool Box, Radio & Light Bar		#29 1993 Ford F250 4X4	\$25,000
2	5 Yard Diesel Dump Truck		#52 1999 Ford Super Duty 3-Yard Dump.	\$85,000
3	1 Ton Utility Van		#46 2002 Chevy 4500	\$40,000
Total				\$150,000

Vehicles 29, 46 and 52 will go to auction. We will need to add 1 DPf to 86 to meet carb regulations budgeted in the 15220-01-51 MSS

13-14		New Item Description	Replacement Item Description	
1	Hybrid Van		#41 2001 Dodge Ram	\$30,000
2	Forklift		#902C 1997 Hyster, Needs more lift capacity (STP)	\$30,000
3	Hybrid Pick Up 2WD		#58 into pool and #40 2000 Dodge Dakota to auction	\$40,000
4	Hybrid Pick Up 2WD		#59 into pool, #45 into pool and #30 to auction	\$40,000
Total				\$140,000

The 2 hybrids will replace 58, 59 and 45 will be replace 30. Vehicles 40 and 30 will go to auction.

14-15		New Item Description	Replacement Item Description	
1	Forklift		#902B 1989 Kalmar	\$30,000
2	1/2 Ton 4X2 Ex Cab Pick Up with Tool Box, Radio and Light Bar		#54 2004 Chevy Pick Up	\$25,000
3	4X4 Loader		1993 Case 4X4 Loader	\$65,000
4	1/2 Ton Pickup w/Tool Box and Radio		#42 2001 Dodge Dakota pick-Up	\$25,000
Total				\$145,000

15-16		New Item Description	Replacement Item Description	
1	Backhoe 4X4 Diesel		#77 2004 John Deere 310 SG	\$100,000
2	1/2 Ton 4X4 w/Tool Box & Radio		#501 2006 Chevy Colorado 4X4	\$25,000
3	Hybrid Car		#56 2005 Honda Civic	\$25,000
Total				\$150,000

Item 3 is due to the expected high cost of battery and electronic control repairs / replacement.

MEMORANDUM

To: Board of Directors

June 17, 2011

From: David L. Bentley, Auditor-Controller

Subj: Public Hearing/Approve - FY12 & FY13 Novato Capital Improvement Projects Budget
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RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$4.3 million FY12 & \$4.3 million FY13 Expenditure Budget

Presented for your final review, public hearing and approval is the proposed Novato Service Area FY11/12 and FY12/13 Capital Improvement Projects Budget. Since the Board's last review on May 17, minor fine-tuning has been performed, but there is no change in the total amount budgeted. The changes proposed are:

	Project	FY12	FY13
1.a.3	FY11 Carryover: South Novato Blvd Main Break Repair	\$120,000	
1.b.1	Defer: 12" Extension to Aqueduct at Novato Builders	(\$90,000)	\$100,000
1.b.4	Reduce: Other Main and Pipeline Additions		(\$100,000)
1.d.2	Reduce: Other Relocations in Sync with City CIP	(\$30,000)	
	Net Change	\$0	\$0

The only significant project (\$500,000 or more) planned over the next two fiscal years is the Aqueduct Energy Efficiency Project (AEEP), an \$8 million project with \$5.3 million budgeted over the next two years, and which will be financed with a 20-year loan.

A description of each FY12 project is incorporated into the detailed listing attached. The net District outlay for FY12, after deducting \$2.7 million in loan funding for the AEEP Project, stands at \$1.6 million, compared to \$2.2 million approved in FY11, a 27% reduction.

Project	FY12	FY13
Aqueduct Energy Efficiency Project	\$2,700,000	\$2,600,000
Other Projects	\$1,586,000	\$1,709,000
Gross Project Outlay	\$4,286,000	\$4,309,000
* Less Loan Funding	(\$2,700,000)	(\$2,600,000)
Net Project Outlay (Internally Financed)	\$1,586,000	\$1,709,000

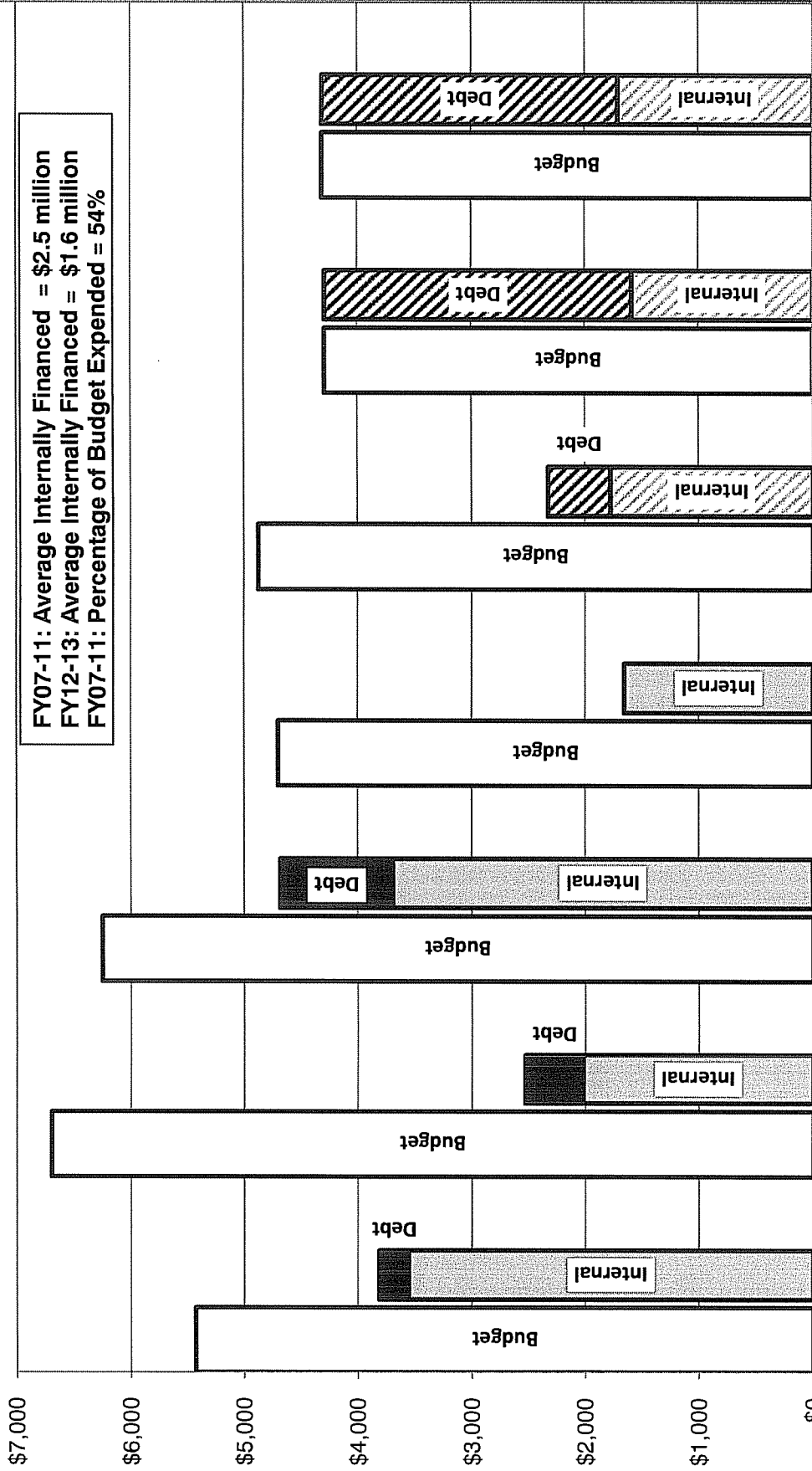
The \$1.6 million and \$1.7 million Net Project Outlay proposed to be funded internally is less than the \$2 million per year incorporated into the District's 5-Year Financial Plan.

Recommendation:

Approve the FY11/12 & FY12/13 Capital Improvement Projects Budget as presented.

NMWD Improvement Project Expenditures Novato

Thousands



FY07-11: Average Internally Financed = \$2.5 million
 FY12-13: Average Internally Financed = \$1.6 million
 FY07-11: Percentage of Budget Expended = 54%

	FY07	FY08	FY09	FY10	FY11 e/a	FY12 Budget	FY13 Budget
<input checked="" type="checkbox"/> Budget	\$5,429	\$6,694	\$6,251	\$4,699	\$4,872	\$4,286	\$4,309
Financing							
<input checked="" type="checkbox"/> Debt	\$256	\$511	\$990	\$0	\$550	\$2,700	\$2,600
<input checked="" type="checkbox"/> Internal	\$3,555	\$2,020	\$3,690	\$1,654	\$1,776	\$1,586	\$1,709
Actual	\$3,811	\$2,531	\$4,680	\$1,654	\$2,326	\$4,286	\$4,309

Proposed Improvement Projects

			FY12	FY13	FY12 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS					
a.	Main/Pipeline Replacements				
1	STP 18" Transmission Line Assess/Repair (13,200')		\$160,000		Assess condition & spot repairs to the 18-inch concrete cylinder pipe
2	Center Rd Pipeline in Conflict w/Priv Prop (8"@800')		\$60,000		Abandon pipe in private side yards
3	South Novato Main Break Repair		\$120,000		Carryover - Repair 12" cast iron main that failed last October
			\$340,000	\$0	
b.	Main/Pipeline Additions				
1	12" Extension to Aqueduct @ Novato Builders			\$100,000	
2	Indian Valley to IVC 2nd Zone Extension			\$350,000	
3	Bel Marin Keys Looping (12"@900')			\$150,000	
			\$0	\$600,000	
c.	PB Service Line Replacements				
1	Cavalla Cay (18 Services)		\$36,000		Ongoing program to replace polybutylene services
2	Del Orro (26 Services)		\$52,000		Ongoing program to replace polybutylene services
3	PB in Sync w/City Paving (45 Services)			\$90,000	
4	Other PB Replacements			\$85,000	
			\$88,000	\$175,000	
d.	Relocations to Sync w/City & County C.I.P.				
1	City Paving Coordination (Measure B)		\$20,000	\$20,000	Locate and raise street valves in coordination with City paving
2	Other Relocations		\$50,000	\$80,000	Relocate facilities for as yet unidentified City/County Projects
			\$70,000	\$100,000	
e.	Aqueduct Replacements/Enhancements				
1	Aqueduct Energy Efficiency Proj - Hwy 101 Widening		\$2,700,000	\$2,600,000	North Marin Aqueduct upsizing/relocation
			\$3,198,000	\$3,475,000	

Proposed Improvement Projects

6/8/11

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			FY12	FY13	FY12 Project Description
2. SYSTEM IMPROVEMENTS					
a.	Facility Map Database		\$20,000	\$20,000	Staff & consultant time to expand development of a Novato Water System Geographic Information System to improve information management contained within the facility maps and improve access to important asset management information
b.	System & Tank Cathodic Protection Maint/Upgrade		\$25,000	\$25,000	Miscellaneous cathodic upgrades to protect steel water mains, tanks, & aqueduct (from Atherton to Rowland) from corrosion
c.	RTU Upgrades (Cabro Ct, Davies PS, Sunset Tank)		\$15,000		Replace aging and unreliable RTUs at Cabro Court, Davies PS & Sunset Tank
d.	Flushing Taps at DCVs or Zone Valves (12 biennially)		\$50,000		Install flushing taps at dead-end zone valves to improve water quality
e.	Detector Check Assembly Upgrade/Replace (7 biennially)		\$75,000		Detector Check Assembly replacements
f.	Anode Installations (150/yr)		\$30,000	\$30,000	Place anodes on copper service laterals for corrosion protection
g.	Radio Expansion Telemetry Upgrades		\$25,000		Install radio transmitters to replace leased lines
h.	Sampling Stations (6 biennially)			\$24,000	
i.	Inaccurate Meter Replacement			\$16,000	
j.	Local Water Supply Enhancement			\$100,000	
k.	Facilities Security Enhancements			\$25,000	
l.	Other System Improvements			\$30,000	
			<u>\$240,000</u>	<u>\$270,000</u>	

Proposed Improvement Projects

6/8/11

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	FY12	FY13	FY12 Project Description
3. BUILDING, YARD, STP. IMPROVEMENTS			
a. Administration Building			
1	\$25,000		ADA Compliance Plan
2	\$25,000	\$25,000	Repairs/enhancements identified throughout the year
	\$50,000	\$25,000	
b. Corp. Yard/Warehouse/Construction Office			
1	\$15,000	\$15,000	Repairs/enhancements identified throughout the year
	\$15,000	\$15,000	
c. Stafford Treatment Plant			
1	\$34,000	\$9,000	Build catchment basin to trap and divert watershed runoff to control lake nutrients & STRAW Project
2	\$130,000		Creek bank erosion control/restoration
3	\$25,000		Replace inefficient & unreliable T1 line with radio system that has proven reliable and has more bandwidth for data transfer
4	\$10,000		Misc concrete patch repairs to existing upstream face of dam
5	\$47,000		Discharge or reuse the STP wastewater
6	\$25,000		Enhance spillway security
7	\$40,000		To remove old STP electrical service no longer used
8	\$122,000		100 KW emergency power generator at the treatment plant
9		\$165,000	
10		\$300,000	
11		\$50,000	
	\$433,000	\$524,000	
	<u>\$498,000</u>	<u>\$564,000</u>	

Proposed Improvement Projects

6/8/11

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	FY12	FY13	FY12 Project Description
4. STORAGE TANKS/PUMP STATIONS			
a.	\$275,000		Move motor controls above-ground.
b.	\$75,000		Design/install pump mixing and chlorine injection system
	<u>\$350,000</u>	<u>\$0</u>	
	GROSS PROJECT OUTLAY	\$4,286,000	\$4,309,000
8. LESS FUNDED BY LOANS/GRANTS			
a.	(\$2,700,000)	(\$2,600,000)	Aqueduct relocation funded by bank loan or sale of Certificates of Participation
	<u>(\$2,700,000)</u>	<u>(\$2,600,000)</u>	
	NET PROJECT OUTLAY	\$1,586,000	\$1,709,000
Total Number of Projects	28	22	

MEMORANDUM

To: Board of Directors

June 17, 2011

From: David L. Bentley, Auditor-Controller

Subj: Final Review/Public Hearing – FY11/12 Proposed Novato Water Operations Budget
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RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$17.7 Million Expenditure Plan for FY11/12

The Public Hearing to consider the FY11/12 Novato Water budgets was advertised in the June 15 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 17, the Novato operating budget has increased by \$56,000. The increase arises from reallocating \$39,000 of labor cost from West Marin Water and Oceana Marin Sewer operations to Novato, and the balance reflects the increased cost of workers' compensation expense based on proposals just received. Consistent with past practice, the market value of workers' compensation insurance is reflected in the budget, with any savings or cost incurred through self-insurance set-aside in a reserve.

Budget Summary

With the changes noted above, the fiscal year 11/12 budget proposed herein projects a net "bottom line" deficit of \$343,000. This compares to a current year budgeted deficit of \$700,000 and a projected actual deficit of \$1 million.

The recently approved rate increase is incorporated into the budget. Residential customers will see a water cost increase of 11%, which equates to \$60 annually for the median single-family-detached residential customer (\$5.00 per month, or \$10.00 per bimonthly bill). The median non-residential customer, who has a larger meter and consumes more water than the typical residential customer, will see a 14% increase, equating to \$99 annually (\$8 per month). Customers using less water than the median will pay less, and who use more will pay more. The rate increase generates \$1.4 million in additional revenue next fiscal year, compared with leaving rates unchanged.

Looking simply at operating revenue (water sales) less operating expenditures, the budget projects a \$2.4 million operating surplus (before \$2.3 million depreciation expense) next fiscal year. Total budgeted expenditures, at \$17.7 million, are down 6% from the \$18.8 million budgeted in FY10/11.

Budget Detail

Water Sales - Water sales volume is budgeted at 2.7 billion gallons, on par with the current fiscal year estimated actual, but 18% below the 10-year average. See the chart on page 6 of the budget document for a history of billed consumption.

Other Revenue – Connection Fee revenue is budgeted at \$570,000, consistent with the District's Financial Plan forecast of 20 equivalent dwelling units coming online next fiscal year. Assuming the May 2011 renewal of the Warner Creek Senior Housing project with 27 EDUs of demand goes forward, the District will attain its budgeted Connection Fee forecast in that one project alone. The FY12 connection fee revenue projection compares with \$370,000 estimated revenue for the current fiscal year.

Wheeling charges to Marin Municipal Water District are budgeted at \$70,000 (\$10/AF for 7,000AF, or 2.3 billion gallons). Historically, about 75% of the Russian River water wheeled to MMWD is taken off-season (November through May).

Funds in the District's treasury are budgeted to earn an average interest rate of 0.75%. Miscellaneous Revenue includes income from the lease with Verizon Wireless (\$15,450), Indian Valley Golf Club lease (\$9,500), three grazing leases (\$2,400), rental of the District's security apartment (\$10,100), rental of the Point Reyes home (\$24,800 – includes in-lieu labor), and rental of the Pacheco Valle tennis courts (\$1,950).

Finally, loan funds of \$2.7 million are budgeted to finance the proposed FY12 Aqueduct Energy Efficiency Project work.

Operating Expenditures

Total Operating Expenditures are projected to decrease 5% (\$650,000) from the FY10/11 budget and increase 6% over the FY10/11 estimated actual operating expense. Details of some of the individual components of the Operating Expenditure Budget follow.

Source of Supply is budgeted to decrease 14% (\$632,000) from this year's budget. Volume purchased from SCWA will remain consistent with this year's estimated actual at 1,900 MG. Sonoma County Water Agency's wholesale water rate will increase 5.4% to \$2,119 per MG. The rate increase will add \$210,000 to the District's cost of purchased water. Stafford production, budgeted at 800 MG (2,450 acre-feet), will make up the balance of demand, resulting in a total

budgeted potable production of 2,700 MG.

Water Treatment is budgeted to increase 16% (\$265,000) from this year's budget. Chemical cost will increase by \$100,000 (30%) and sludge disposal by \$20,000 (42%). When compared to the FY10/11 estimated actual, expenses will increase 10%. Power cost is budgeted at 17¢/kWh consistent with the Photovoltaic Power Purchase Agreement recently executed. With Stafford Lake full going into summer, production of 800 MG is budgeted.

Transmission & Distribution is budgeted to decrease 6% (\$143,000) from this year's budget, due primarily to reduced Construction Department staffing. Construction is budgeted at 10 regular employees supplemented with 3,000 hours of seasonal help (11.7 full-time equivalent) compared to 12 regular employees and 1,000 hours of seasonal help in the current budget (12.6 FTE). Man-hours allocated to maintenance tasks are reduced by 1 FTE in the proposed budget, and the average hourly labor cost is reduced by 3% due to the additional seasonal help.

Water Conservation expense is budgeted to decrease 20% (\$100,000) as budgeted rebates are cut in half in accordance with the 5-Year Financial Plan.

General Administration is budgeted to increase 10% (\$194,000) from this year's budget. FY12 includes \$60,000 for County Election Department expense, \$80,000 for updating the District Master Plan (updated every five years), and \$15,000 for preparation of a Greenhouse Gas Emissions Action Plan. Retiree health expense is budgeted to increase \$19,000 next year as two new retirees are added (33 annuitants now receive subsidy) and an 8% group medical insurance cost increase is projected effective January 1. Insurance expense (Property, liability, self-insured liability claims expense, etc.) is included with the increase 8% (\$10,000) based on insurance proposals just received.

Other Operating Expense is comprised primarily of recovered overhead and is budgeted to reduce total operating expense by \$479,000, an increase of \$184,000 from the current budget. Other Operating Expense primarily captures the General and Administrative (G&A) expense that is capitalized as a component of developer and District projects. At the recommendation of the District's financial advisor, projects exceeding \$5,000 in cost with a useful life of at least 2

years are now being capitalized. The G&A cost distributed to these projects is also capitalized, thereby reducing operating expense, and increasing net income.

Staffing - The proposed budget includes a staffing level of 52.5 full-time equivalent (FTE) employees, down 2.8 FTE (5%) from the current year budget. This brings total staffing down 6.6 FTE (11%) from the adopted FY08 budget.

<u>FTE Staffing</u>	<u>FY12</u>	<u>FY11</u>	<u>Position Impacted</u>
Administration	7.6	8.6	Storekeeper
Customer Accounting	7.2	7.2	
Construction/Maintenance	10.0	12.0	Pipe Worker (2)
Engineering	8.7	8.7	
Maintenance	8.0	9.0	Pipeworker (DCV program)
Operations	6.0	5.0	Distribution/TP Operator
Water Quality	5.0	4.8	Part-time Lab Tech to Fulltime
	<u>52.5</u>	<u>55.3</u>	

Temporary staffing has been increased by 2,000 hours to 9,190 hours. Temporary hours are budgeted as follows:

<u>Temporary Staffing Hours</u>	<u>FY11</u>	<u>FY10</u>	<u>Reason for Change</u>
Administration	0	0	
Customer Accounting	1,000	1,000	
Construction/Maintenance	3,000	1,000	Add'l Seasonal Labor
Engineering	2,500	2,500	
Maintenance	1,190	1,190	
Operations	1,500	1,500	
Water Quality	<u>0</u>	<u>0</u>	
	<u>9,190</u>	<u>7,190</u>	

For budgeting purposes, a 2% cost-of-living salary increase has been factored into the budget. The labor agreement with employees expires September 30 1, 2011. A 2% adjustment would increase total salaries by \$80,000, pushing up the total overheaded cost of payroll by \$109,000 (1.6%).

The CalPERS retirement contribution rate will increase 2.8% (to 26.2%), adding \$116,000 to the payroll. The CalPERS Board has yet to approve group health insurance rates for 2012. For budgeting purposes an 8% increase effective January 1, 2012 is assumed, which is the average rate of increase over the past 5 years, and which increases budgeted labor cost

by \$28,000. The cost for worker's compensation insurance is included at \$159,000 based on the proposal just received. If the District elects to self-insure its workers' compensation liability, any savings or loss would accrue to a reserve fund to accumulate over time.

Total budgeted operating expenditures are down \$651,000 compared to the adopted FY11 budget. An analysis of the significant differences between the FY11 budget and the proposed FY12 operating budget follows, listed in decreasing order of magnitude.

Component	Increase/ (Decrease) vs. FY11 Budget	% Change
Materials, Services & Supplies	\$102,000	4%
Labor	14,000	0%
Vehicle Expense	4,000	2%
Distributed G&A	(141,000)	19%
Purchased Water Cost	(630,000)	-14%
Net Decrease	<u>(\$651,000)</u>	<u>-5%</u>

Staff Recommendation:

- 1) Approve the FY11/12 Novato Operating Budget as presented;
- 2) Authorize the General Manger to pay demands arising from execution of the budgeted expenditure plan.

Novato Advance
June 15, 2011

**NOTICE OF PUBLIC
HEARING**

A Public Hearing will be held to consider adoption of the Fiscal Year 2011/2012 North Marin Water District Budgets for the Novato Service Area on Tuesday, June 21 at 7:30 p.m. at District Headquarters, 999 Rush Creek Place, Novato, CA.

The proposed Novato Water budget totals \$17.6 million and reflects the water rate increase approved at a Special Meeting of the District Board of Directors held on May 24, 2011.

INVITATION / INFORMATION:

You are cordially invited to attend the hearing or mail your written comments. Should you have any questions or wish more detailed information, please call 897-4133 and ask for Renee Roberts.

NOVATO ADVANCE
June 15, 2011

#18212

Proposed
BUDGET

Final Review/Public Hearing

Novato
Operating Budget
FISCAL YEAR
2011-12

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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NORTH MARIN WATER DISTRICT
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NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2011/12

	Proposed Budget 2011/12	Estimated Actual 2010/11	Adopted Budget 2010/11
OPERATING INCOME			
1	Water Sales	\$12,470,000	\$13,940,000
2	Wheeling & Misc Service Charges	216,000	217,000
3	Total Operating Income	\$12,686,000	\$14,157,000
OPERATING EXPENDITURES			
4	Source of Supply	\$3,642,000	\$4,544,000
5	Pumping	249,000	347,000
6	Operations	569,000	571,000
7	Water Treatment	1,739,000	1,640,000
8	Transmission & Distribution	2,338,000	2,425,000
9	Consumer Accounting	540,000	530,000
10	Water Conservation	364,000	500,000
11	General Administration	1,802,000	1,932,000
12	Other Operating Expense	(343,000)	(295,000)
13	Total Operating Expenditures	\$10,900,000	\$12,194,000
14	NET OPERATING INCOME (LOSS)	\$1,786,000	\$1,963,000
OTHER SOURCES OF FUNDS			
15	Interest Revenue	\$71,000	\$118,000
16	Connection Fees	370,000	1,140,000
17	Loan Funds	550,000	2,522,000
18	Miscellaneous	76,000	148,000
19	Total Other Sources	\$1,067,000	\$3,928,000
OTHER USES OF FUNDS			
20	Capital Equipment Expenditures	\$133,000	\$155,000
21	Capital Improvement Projects	2,326,000	4,931,000
22	Bond & Loan Debt Service	1,392,000	1,527,000
23	Miscellaneous	10,000	20,000
24	Total Other Uses	\$3,861,000	\$6,633,000
25	NET SURPLUS/(DEFICIT)*	(\$1,008,000)	(\$742,000)
26	Depreciation (not included above)	\$2,320,000	\$2,312,339

* Line 14+19-24

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2011/12

	Proposed Budget 11/12	Estimated Actual 10/11	Adopted Budget 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07	Actual 05/06
STATISTICS								
1 Total Meters	20,590	20,750	20,760	20,709	20,693	20,638	20,571	20,485
2 Active Meters	20,520	20,470	20,500	20,438	20,416	20,366	20,325	20,193
3 Active Dwelling Units	20,920	20,860	23,920	23,871	23,848	23,702	23,698	23,522
OPERATING INCOME								
4 Water Sales	\$13,660,000	\$12,470,000	\$13,940,000	\$11,251,832	\$11,067,484	\$10,384,740	\$10,601,455	\$9,351,911
5 Sales to MMWD	0	0	0	0	351,154	0	0	0
6 Wheeling Charges-MMWD	70,000	70,000	75,000	67,180	75,090	76,588	74,962	71,292
7 SCWA Water Conservation Reimb	0	0	0	21,450	0	359,748	283,242	198,976
8 Miscellaneous Service Revenue	168,000	146,000	142,000	140,796	145,663	161,238	234,539	103,104
9 TOTAL OPERATING INCOME	\$13,898,000	\$12,686,000	\$14,157,000	\$11,481,258	\$11,639,391	\$10,982,314	\$11,194,198	\$9,725,283
OPERATING EXPENSE								
SOURCE OF SUPPLY								
10 Supervision & Engineering	\$6,000	\$6,000	\$5,000	\$2,007	\$2,120	\$2,391	\$15,420	\$20,736
11 Operating Expense - Source	6,000	7,000	4,000	5,745	4,702	3,109	6,709	11,695
12 Maintenance/Monitoring of Dam	28,000	11,000	20,000	8,741	7,583	6,078	5,768	7,816
13 Maintenance of Lake & Intakes	16,000	11,000	14,000	8,072	7,990	0	28	975
14 Maintenance of Watershed	38,000	1,000	42,000	7,352	28,126	9,177	12,506	12,213
15 Water Purchased for Resale to MMWD	0	0	0	0	171,447	0	0	0
16 Water Quality Surveillance	13,000	11,000	16,000	13,138	8,448	9,272	9,659	7,955
17 Contract Water - SCWA	4,030,000	3,820,000	4,660,000	3,630,416	3,838,298	3,852,900	4,453,758	4,546,147
18 Reserve Fund Contribution	(225,000)	(225,000)	(217,000)	(189,269)	(110,246)	(114,682)	(1,567)	(107,123)
19 TOTAL SOURCE OF SUPPLY	\$3,912,000	\$3,642,000	\$4,544,000	\$3,486,202	\$3,958,468	\$3,768,245	\$4,502,281	\$4,500,414
PUMPING								
20 Operating Expense	\$7,000	\$1,000	\$10,000	\$8,367	\$8,567	\$13,333	\$27,117	\$24,516
21 Maintenance of Structures/Grounds	38,000	16,000	41,000	18,600	23,080	15,909	17,736	25,120
22 Maintenance of Pumping Equipment	59,000	22,000	32,000	10,751	8,807	61,907	16,966	33,072
23 Electric Power - Pumping	231,000	210,000	264,000	200,318	249,190	227,916	245,797	215,135
24 TOTAL PUMPING	\$335,000	\$249,000	\$347,000	\$238,036	\$289,644	\$319,065	\$307,616	\$297,843
OPERATIONS								
25 Supervision & Engineering	\$149,000	\$191,000	\$138,000	\$176,082	\$168,202	\$188,926	\$155,660	\$146,525
26 Operating Expense	187,000	167,000	280,000	212,126	235,230	127,350	172,985	170,162
27 Maintenance Expense	87,000	98,000	81,000	84,121	89,775	112,461	108,197	83,182
28 Leased Line Expense	21,000	20,000	21,000	20,547	20,342	19,601	41,809	51,094
29 Telemetry Equipment/Controls Maint	62,000	93,000	51,000	67,051	39,201	37,610	19,979	20,201
30 TOTAL OPERATIONS	\$506,000	\$569,000	\$571,000	\$559,927	\$552,750	\$485,948	\$498,630	\$471,164

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2011/12

		Proposed Budget 11/12	Estimated Actual 10/11	Adopted Budget 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07	Actual 05/06
WATER TREATMENT									
31	Supervision & Engineering	\$105,000	\$124,000	\$102,000	\$122,312	\$113,175	\$99,218	\$101,646	\$105,468
32	Operating Expense	351,000	297,000	267,000	365,305	247,309	357,877	363,204	278,396
33	Purification Chemicals	425,000	417,000	325,000	415,486	293,888	221,597	63,179	61,336
34	Sludge Disposal	74,000	81,000	48,000	69,209	40,163	49,299	34,844	2,713
35	Maintenance of Structures/Grounds	108,000	83,000	96,000	83,411	115,686	91,550	79,359	96,146
36	Purification Equipment Maintenance	172,000	111,000	168,000	157,642	204,217	203,622	90,608	115,003
37	Electric Power - Treatment	108,000	128,000	80,000	129,930	99,184	113,732	88,596	43,077
38	Laboratory Expense (net)	562,000	498,000	554,000	495,239	479,970	398,173	401,520	417,745
39	TOTAL WATER TREATMENT	\$1,905,000	\$1,739,000	\$1,640,000	\$1,838,534	\$1,593,592	\$1,535,068	\$1,222,956	\$1,119,884
TRANSMISSION & DISTRIBUTION									
40	Supervision & Engineering	\$355,000	\$469,000	\$519,000	\$528,659	\$560,968	\$524,345	\$522,663	\$490,471
41	Maps & Records	99,000	80,000	102,000	98,187	74,786	105,509	48,957	53,594
42	Operation of T&D System	450,000	429,000	466,000	448,650	420,639	439,348	395,866	401,962
43	Storage Facilities Expense	181,000	164,000	168,000	164,316	149,759	129,944	115,457	122,069
44	Maintenance of Valves & Regulators	180,000	172,000	149,000	190,255	131,094	107,354	165,842	131,770
45	Maintenance of Mains	120,000	150,000	102,000	102,633	108,752	143,525	119,713	158,048
46	Backflow Prevention Program	101,000	138,000	72,000	93,754	86,630	108,835	76,174	64,245
47	Maintenance of Copper Services	217,000	172,000	244,000	199,807	211,630	181,161	233,355	223,527
48	Maintenance of PB Service Lines	306,000	336,000	310,000	263,714	250,024	287,813	258,788	164,930
49	Detector Check Assembly Maint	41,000	23,000	33,000	41,557	30,488	26,483	34,177	16,798
50	Maintenance of Meters	171,000	147,000	166,000	143,691	148,112	135,370	125,337	113,891
51	Maintenance of Hydrants	61,000	58,000	94,000	77,038	62,794	74,700	42,474	42,936
52	TOTAL TRANSMISSION & DISTRIB	\$2,282,000	\$2,338,000	\$2,425,000	\$2,352,261	\$2,235,676	\$2,264,387	\$2,138,803	\$1,984,241
CONSUMER ACCOUNTING									
53	Meter Reading & Collection	\$160,000	\$148,000	\$162,000	\$142,956	\$140,851	\$132,653	\$146,286	\$133,744
54	Billing & Accounting	292,000	284,000	262,000	260,428	236,740	225,062	221,764	219,236
55	Contract Billing	19,000	18,000	19,000	18,590	18,504	18,513	18,292	17,649
56	Postage & Supplies	65,000	71,000	65,000	64,698	58,062	51,960	49,729	44,136
57	Uncollectible Accounts	29,000	28,000	30,000	35,190	28,022	13,507	10,412	16,280
58	Office Equipment Expense	7,000	9,000	8,000	5,048	14,471	14,585	17,208	8,459
59	Distributed to West Marin	(16,000)	(18,000)	(16,000)	(15,694)	(15,147)	(14,205)	(14,200)	(13,218)
60	TOTAL CONSUMER ACCOUNTING	\$556,000	\$540,000	\$530,000	\$511,216	\$481,503	\$442,075	\$449,491	\$426,286

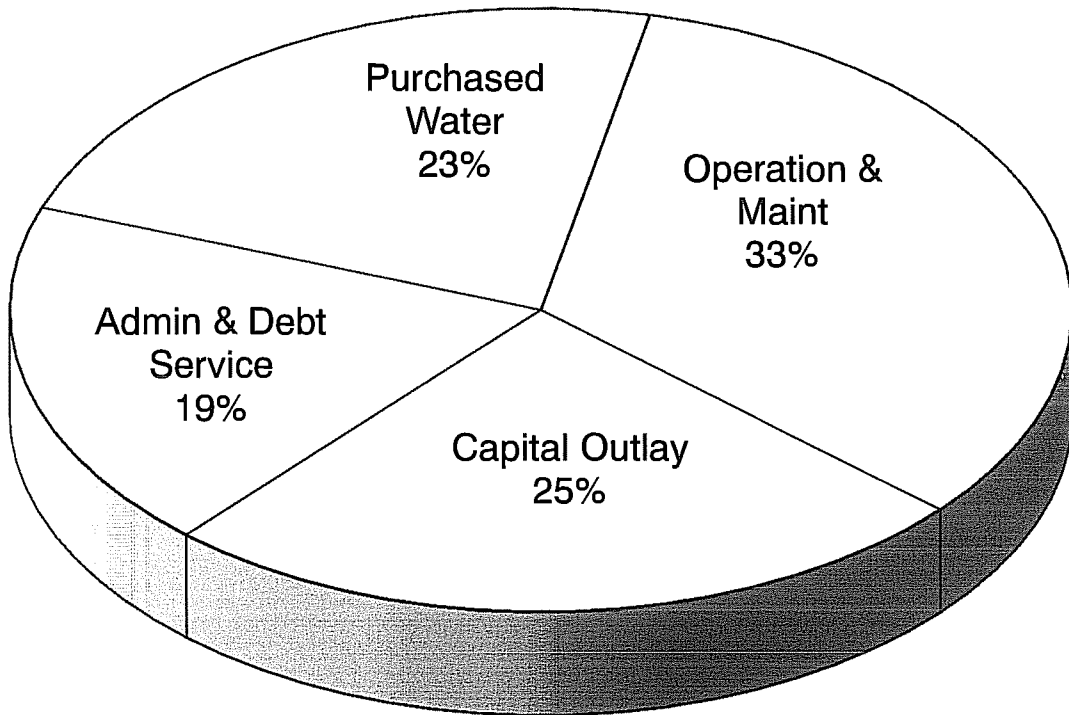
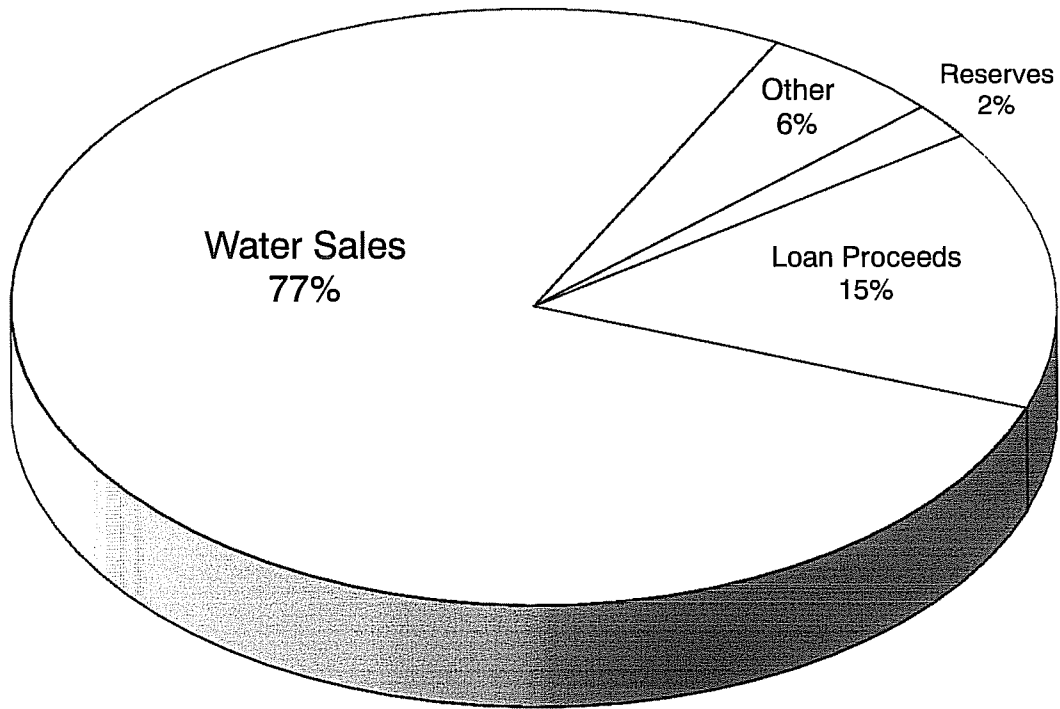
NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2011/12

	Proposed Budget 11/12	Estimated Actual 10/11	Adopted Budget 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07	Actual 05/06
WATER CONSERVATION								
61 Residential	\$298,000	\$326,000	\$382,000	\$438,668	\$438,588	\$457,600	\$253,540	\$176,965
62 Commercial	18,000	16,000	28,000	2,707	28,344	9,415	11,454	1,232
63 Public Outreach/Information	63,000	15,000	63,000	26,548	20,679	27,483	24,515	17,571
64 Large Landscape	21,000	7,000	27,000	10,695	19,649	26,120	16,751	81,200
TOTAL WATER CONSERVATION	\$400,000	\$364,000	\$500,000	\$478,618	\$507,260	\$520,618	\$306,260	\$276,968
GENERAL & ADMINISTRATION								
65 Director's Expense	\$15,000	\$15,000	\$15,000	\$16,200	\$15,000	\$14,600	\$14,300	\$17,400
66 Legal Fees	11,000	8,000	11,000	59,818	9,933	7,824	34,013	15,395
67 Auditing Services	29,000	28,000	28,000	31,100	30,000	22,000	15,250	15,250
68 Human Resources	31,000	29,000	30,000	33,080	31,848	26,923	37,051	12,970
69 Consulting Services/Studies	96,000	40,000	40,000					
70 General Office Salaries	1,236,000	1,155,000	1,197,000	1,166,410	1,125,232	1,020,823	980,772	940,318
71 Office Supplies	49,000	36,000	50,000	47,363	56,621	32,193	37,525	29,941
72 Employee Events	10,000	5,000	8,000	11,366	3,881	4,585		
73 Other Administrative Expense	22,000	17,000	20,000	20,090	21,313	20,246	23,149	19,675
74 Election Cost	60,000	0	0	250	0	51,262	0	250
75 Dues & Subscriptions	49,000	49,000	49,000	49,208	42,004	40,738	32,203	29,357
76 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,193	8,112	8,112
77 Meetings, Conf & Training	153,000	109,000	138,000	114,985	112,985	107,411	108,228	109,126
78 Telephone, Water, Gas & Electricity	31,000	29,000	33,000	27,203	29,595	30,018	35,324	29,073
79 Building & Grounds Maintenance	35,000	32,000	47,000	53,907	44,268	47,389	41,312	44,193
80 Office Equipment Expense	96,000	76,000	101,000	85,550	91,052	78,962	98,577	83,557
81 Insurance Premiums & Claims	133,000	116,000	123,000	117,023	132,928	198,297	182,754	113,664
82 Retiree Medical Benefits	173,000	156,000	154,000	138,105	182,220	182,003	180,771	158,631
83 G&A Distributed to Other Operations	(111,000)	(106,000)	(120,000)	(100,811)	(92,969)	(86,742)	(73,004)	(65,249)
TOTAL GENERAL & ADMINISTRATION	\$2,126,000	\$1,802,000	\$1,932,000	\$1,878,959	\$1,844,023	\$1,806,725	\$1,756,337	\$1,561,663
OTHER OPERATING EXPENSE								
84 Expensed Improvement Projects	\$0	\$0	\$0	\$1,699,235	\$1,785,255	\$1,480,093	\$1,607,599	\$1,067,410
85 Expensed Equipment Purchases	6,000	43,000	33,000	31,266	34,204	8,531	2,427	11,922
86 G&A Applied to Construction Projects	(345,000)	(250,000)	(199,000)	(153,213)	(224,590)	(212,502)	(172,336)	(202,956)
87 (Gain)/Loss on Overhead Charges	(140,000)	(136,000)	(129,000)	(214,770)	(157,888)	(277,413)	(414,082)	(443,118)
TOTAL OTHER OPERATING EXPENSE	(\$479,000)	(\$343,000)	(\$295,000)	\$1,362,518	\$1,436,981	\$998,709	\$1,023,608	\$433,258
89 TOTAL OPERATING EXPENSE	\$11,543,000	\$10,900,000	\$12,194,000	\$12,706,271	\$12,899,897	\$12,140,840	\$12,205,982	\$11,071,721
90 OPERATING INCOME/(LOSS)	\$2,355,000	\$1,786,000	\$1,963,000	(\$1,225,013)	(\$1,260,506)	(\$1,158,526)	(\$1,011,784)	(\$1,346,438)
91 Non-budgeted Depreciation	2,300,000	\$2,320,000	\$2,400,000	\$2,312,339	\$2,087,598	\$1,530,000	\$1,377,612	\$968,939

**NORTH MARIN WATER DISTRICT - NOVATO WATER
FISCAL YEAR 2011-12**

SOURCE OF FUNDS = \$17,702,000



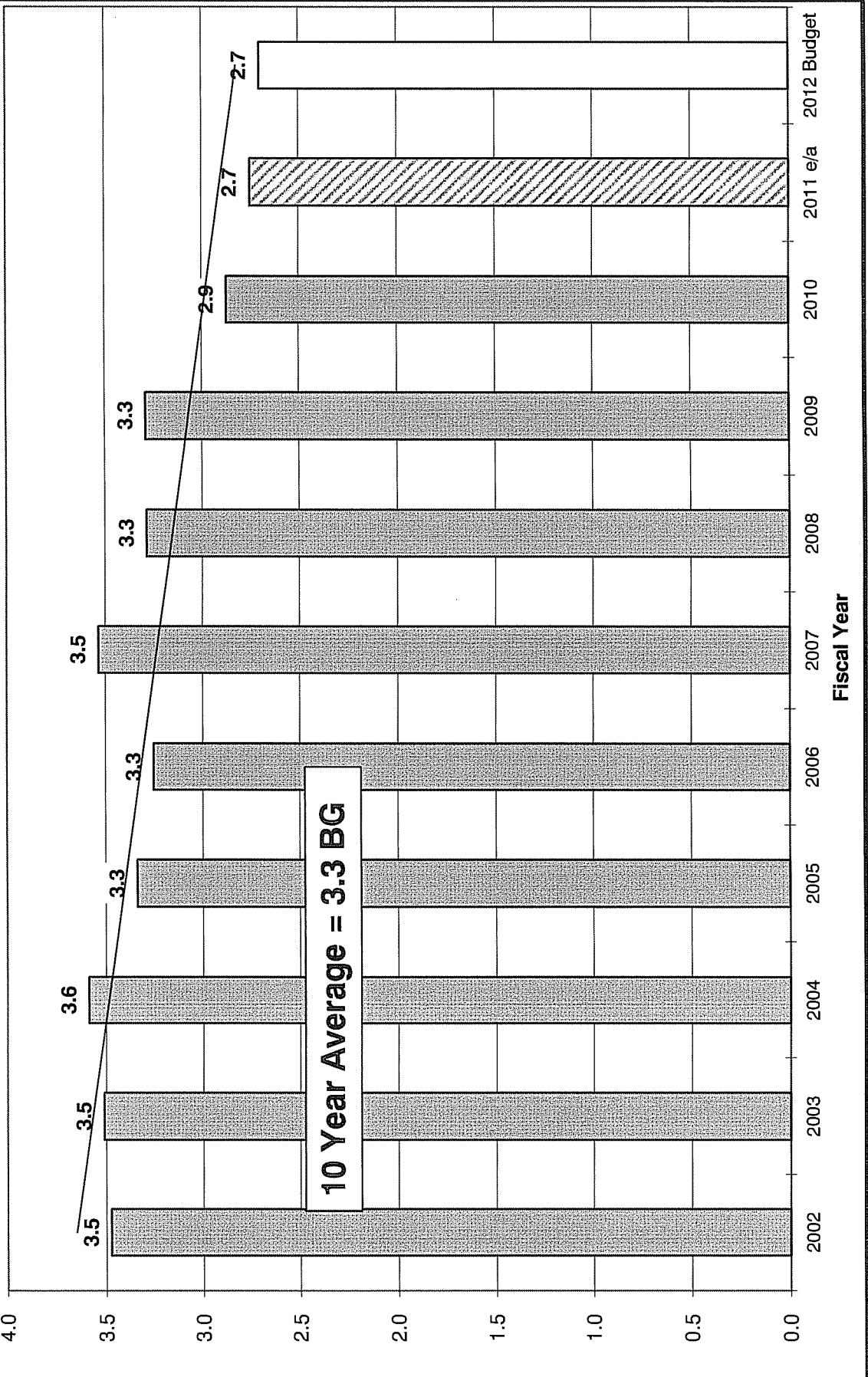
TOTAL BUDGET = \$17,702,000

4/19/11

**Billion
Gal**
4.0

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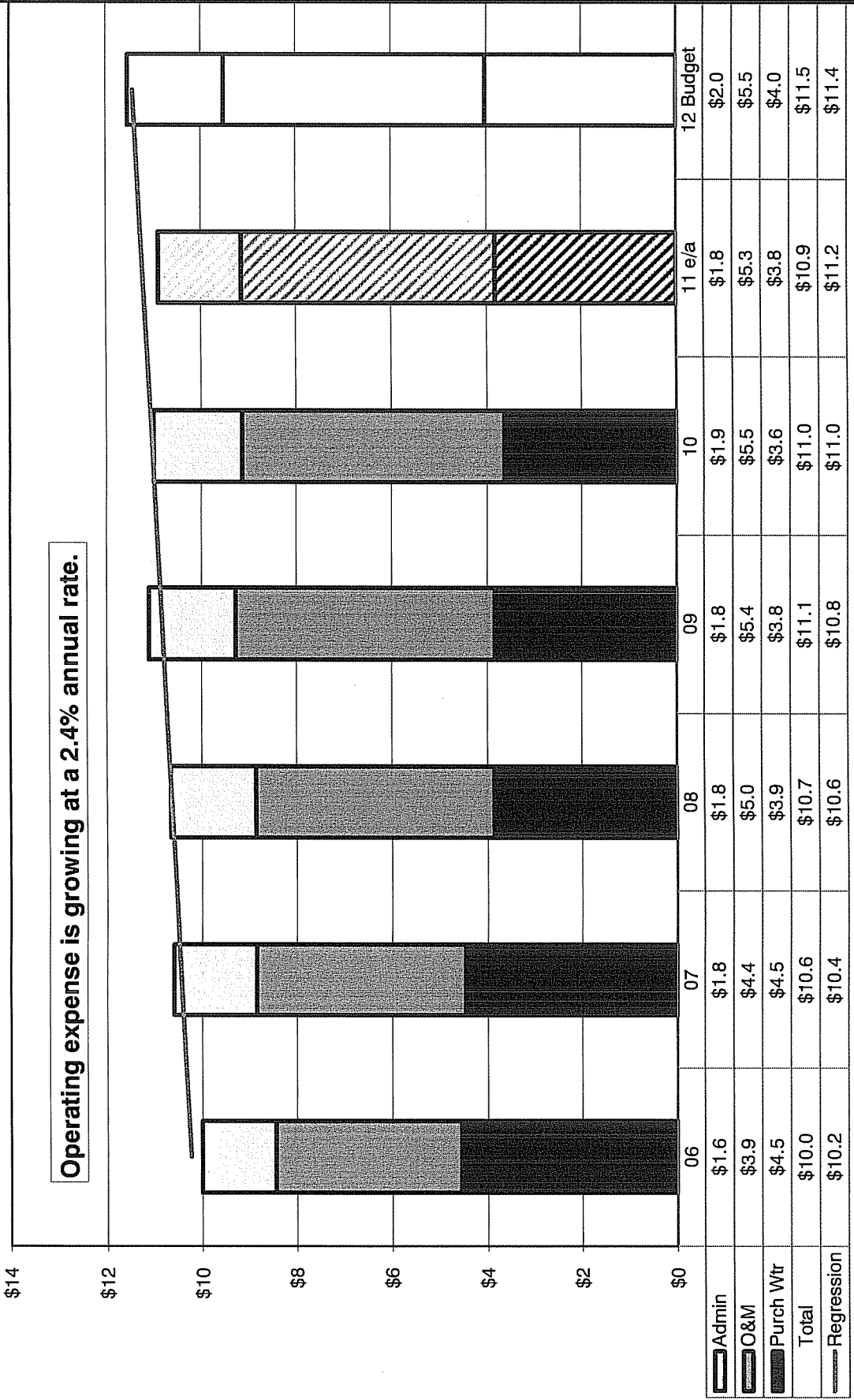
Novato Water Billed Consumption 10 Year History



Novato Water Operating Expense History

Operating expense is growing at a 2.4% annual rate.

Million \$



Fiscal Year

MEMORANDUM

To: Board of Directors

June 17, 2011

From: David L. Bentley, Auditor-Controller

Subj: Final Review/Public Hearing – FY11/12 Proposed Recycled Water Facilities Budget

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RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$5.6 Million FY12 Expenditure Plan

The FY 2011/12 Recycled Water System (RWS) budget projects demand of 60MG next fiscal year (see chart of historical water use attached), down 10% from the average over the past five years. Consistent with the potable water rate increase, a 6% commodity rate increase was enacted effective June 1, 2011. The proposed increase adds \$13,000 to annual revenue.

Operating expenses are budgeted to decrease 6% from the existing budget, but are 13% above the current year estimated actual. The budget includes \$5 million for the first phase of the North & South Area Expansion. This project will be funded by Federal and State grant funds (25%) and, we anticipate, a low-interest rate SRF loan.

The proposed FY12 RWS budget projects a small surplus for the fiscal year. The RWS fund carried a cash balance of \$349,000 at April 30, 2011. The annual State Revolving Fund debt service payment of \$273,000 is due on June 19. Through April, \$732,000 of Novato FRC funds have been advanced to the RWS Fund to pay for the North and South Expansion Project cost while we await grant and SRF funding.

Staff Recommendation:

- 1) Approve the FY11/12 Novato Recycled Water Facilities Budget as presented;
- 2) Authorize the General Manger to pay demands arising from execution of the budgeted expenditure plan.

NOVATO WATER - RECYCLED WATER SYSTEM
BUDGET SUMMARY
Fiscal Year 2011/12

	Proposed Budget 2011/12	Estimated Actual 2010/11	Adopted Budget 2010/11
OPERATING INCOME			
1 Recycled Water Sales	\$234,000	\$186,000	\$202,000
2 Total Operating Income	\$234,000	\$186,000	\$202,000
OPERATING EXPENDITURES			
3 Pumping	\$2,000	\$0	\$3,000
4 Operations	6,000	23,000	16,000
5 Treatment	84,000	72,000	83,000
6 Transmission & Distribution	17,000	3,000	16,000
7 General Administration	22,000	18,000	21,000
8 Total Operating Expenditures	\$131,000	\$116,000	\$139,000
9 NET OPERATING INCOME (LOSS)	\$103,000	\$70,000	\$63,000
OTHER SOURCES OF FUNDS			
10 Interest Revenue	\$1,000	\$1,000	\$0
11 IRWMP Grant	0	55,000	55,000
12 Fed Grant/SRF Loan	5,000,000	650,000	613,000
13 Connection Fees Transferred In	125,000	150,000	0
14 Black Point Partners Contribution	251,000	251,000	251,000
15 Total Other Sources	\$5,377,000	\$1,107,000	\$919,000
OTHER USES OF FUNDS			
Replacement Fund Contribution	\$0	\$0	\$0
16 Capital Improvement Projects	5,125,000	800,000	653,000
17 Loan Repayment to Novato	0	45,000	56,000
18 SRF Loan I Debt Service	273,000	273,000	273,000
19 SRF Loan II Debt Service	45,000	0	0
20 Total Other Uses	\$5,443,000	\$1,118,000	\$982,000
21 NET SURPLUS/(DEFICIT)*	\$37,000	\$59,000	\$0
22 Depreciation (not included above)	\$165,000	\$163,000	\$165,000

* Line 9+15-20

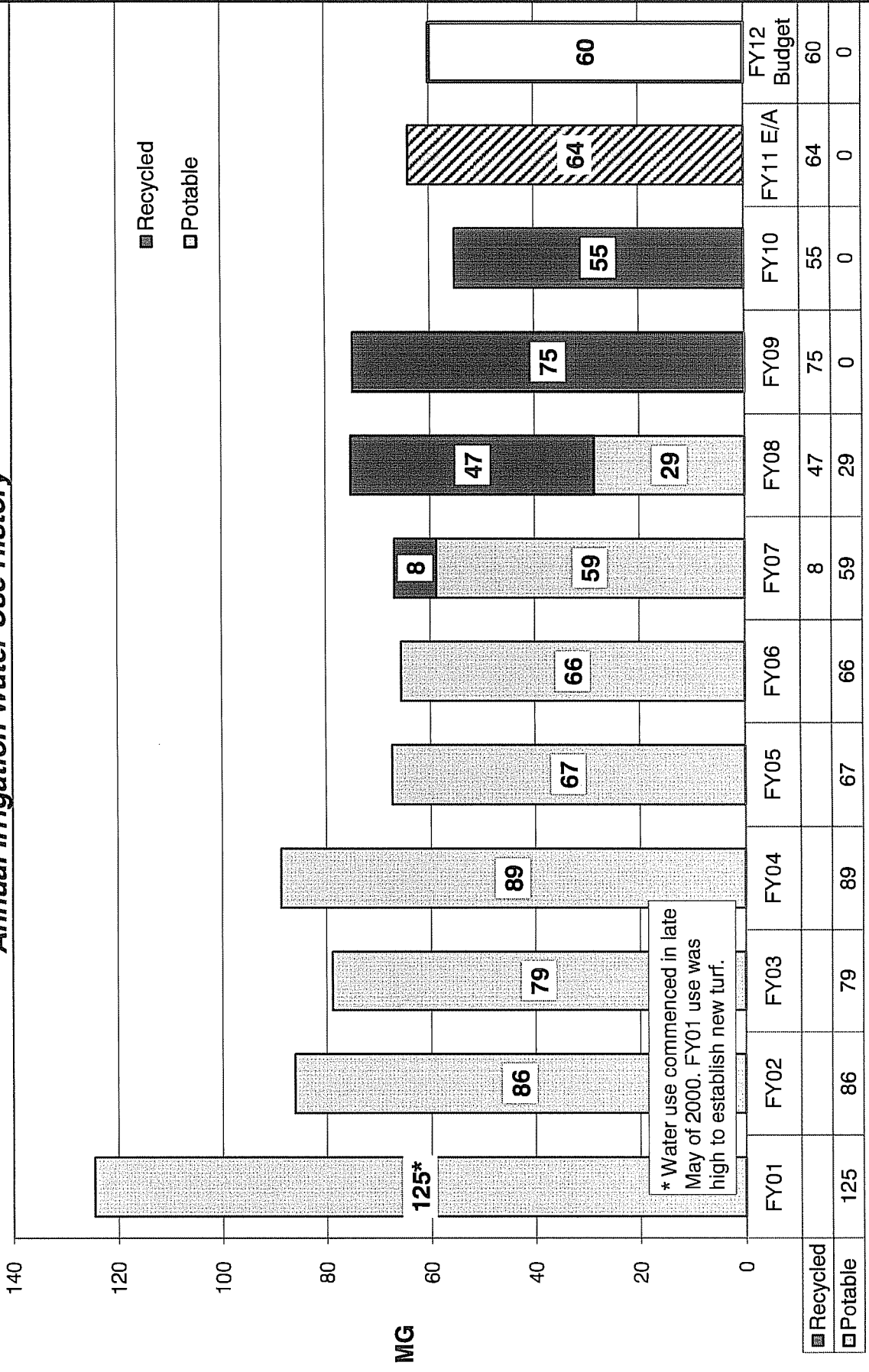
Proposed Improvement Projects

6/8/11

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	FY12	FY13	FY12 Project Description
5. RECYCLED WATER			
a. NBWRA Grant Program Administration	\$125,000	\$125,000	Continued support of North Bay Water Reuse Authority to obtain/administer recycled water project Federal/State grants.
b. Expansion to North Area (Note 6)	\$3,000,000	\$1,700,000	Pipeline additions and storage improvements to increase recycled water use by 186 AF.
c. Expansion to South Area (Note 7)	\$2,000,000	\$2,000,000	Pipeline additions and storage improvements to increase recycled water use by 220 AF.
d. Other Recycled Water Expenditures		\$20,000	
	<u>\$5,125,000</u>	<u>\$3,845,000</u>	
	<u>\$5,125,000</u>	<u>\$3,845,000</u>	
GROSS PROJECT OUTLAY			
8. LESS FUNDED BY LOANS/GRANTS			
b. Recycled Water System Expansion - North Area	(\$3,000,000)	(\$1,700,000)	RW North funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan
c. Recycled Water System Expansion - South Area	(\$2,000,000)	(\$2,000,000)	RW South funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan
	<u>(\$5,000,000)</u>	<u>(\$3,700,000)</u>	
NET PROJECT OUTLAY	<u>\$125,000</u>	<u>\$145,000</u>	
Total Number of Projects	3	4	

Stone Tree Golf Course Annual Irrigation Water Use History



7

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR May 2011

June 21, 2011

1.

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

Month	FY10/11	FY09/10	FY08/09	FY07/08	FY06/07	11 vs 10 %
July	379	360	419	417	484	5%
August	368	367	417	416	481	0%
September	358	335	393	374	415	7%
October	278	233	313	268	333	19%
November	164	176	173	208	190	-7%
December	141	149	143	164	171	-5%
January	146	140	107*	156	173	5%
February	134	124	136	142	143	8%
March	151	152	150	206	211	-1%
April	194	164	227	309	270	18%
May	291	228	303	382	355	28%
FYTD Total	2,605	2,428	2,781	3,041	3,226	7%

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

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

Month	FY10/11	FY09/10	FY08/09	FY07/08	FY06/07	11 vs 10 %
July	9.9	10.0	11.8	11.5	14.7	-1%
August	9.9	10.6	11.9	11.5	13.9	-6%
September	9.2	9.6	10.2	9.8	12.2	-4%
October	7.8	6.9	9.8	7.4	9.7	14%
November	4.9	5.6	7.2	6.9	6.9	-11%
December	4.8	4.5	6.9	5.8	6.4	6%
January	4.3	4.2	6.4	7.1	7.0	3%
February	3.9	3.9	5.5	4.6	6.5	1%
March	5.6	5.7	5.6	6.1	7.5	-1%
April	4.9	4.3	6.4	7.9	7.7	13%
May	6.9	5.9	7.5	9.7	9.9	17%
FYTD Total	72.2	71.1	89.2	88.2	102.6	2%

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

Month	FY10/11	FY09/10	FY08/09	FY07/08	FY06/07	11 vs 10 %
July	109	152	131	131	0	-28%
August	108	150	128	121	8	-28%
September	112	155	117	106	28	-27%
October	111	80	81	75	24	38%
November	95	0	0	30	0	-
December	0	0	0	11	0	-
January	0	0	0	0	0	-
February	0	0	0	0	19	-
March	52	32	0	0	56	64%
April	98	36	0	64	59	175%
May	97	94	12	92	75	4%
FYTD Total	783	698	470	628	269	12%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY10/11	FY09/10	FY08/09	FY07/08	FY06/07	11 vs 10 %
July	11.1	12.0	13.6	13.4	-	-7%
August	11.9	12.9	13.6	12.7	-	-8%
September	11.2	10.2	10.9	9.4	-	10%
October	9.5	2.6	6.4	2.7	-	262%
November	2.6	0.0	0.0	0.0	-	-
December	0.0	0.0	0.0	0.0	-	-
January	0.0	0.0	0.0	0.0	-	-
February	0.0	0.0	0.0	0.0	-	-
March	0.0	0.0	0.0	0.1	-	-
April	0.7	0.0	8.8	2.1	-	-
May	11.2	6.0	9.5	0.6	-	85%
FYTD Total	58.3	43.8	62.8	41.0	0.0	33%

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2. Stafford Lake Data

	May Normal		May 2010		May 2011	
Rainfall this month	0.6	Inches	1.0	Inches	1.1	Inches
Rainfall this FY to date	28.4	Inches	29.3	Inches	30.5	Inches
Lake elevation*	193.5	Feet	194.7	Feet	193.9	Feet
Lake storage**	1213	MG	1298	MG	1259	MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
May 2010	36	88	56
May 2011	42	102	61

3.

May 31	Novato Water			Recycled Water			West Marin Wtr			Oceana Marin Swr		
	FY11	FY10	Incr %	FY11	FY10	Incr %	FY11	FY10	Incr %	FY11	FY10	Incr %
Total meters	20,737	20,704	0.2%	3	3	0.0%	816	816	0.0%	-	-	-
Total meters active	20,464	20,433	0.2%	3	3	0.0%	769	770	-0.1%	-	-	-
Active dwelling units	23,858	23,865	0.0%	0	0	-	802	801	0.1%	227	225	0.9%

4. Oceana Marin Monthly Status Report (May)

Description	FY 09-10	FY 10-11
Effluent Flow Volume (MG)	488,951	459,248
Irrigation Field Discharge (MG)	782,000	459,000
Treatment Pond Freeboard (ft)	3.5	4.6
Storage Pond Freeboard (ft)	5.3	4.0

5. Developer Projects Status Report (May)

Job No.	Project	% Complete	% This month
2732	College of Marin Phase 2	100	1
2704	100 Toby Lane, Ritchey Residence	95	5
2793	Novato Sanitary District- Lea Drive	75	75

District Projects Status Report - Const Dept (May)

Job No.	Project	% Complete	% This month
7067	So. Novato Blvd/Rowland Main Break Repair	5	5
8716.07	City Paving Coordination	92	8
7123.02	PB Replacements Sanchez Way	90	20
8650	WQ Sample Stations	100	25
8650	WQ Sample Stations	100	25
7123	PB Replacements- San Blas/Spinosa	50	50

Employee Hours to Date, FY 10/11

As of Pay Period Ending May 31, 2011

Percent of Fiscal Year Passed = 92%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	2,082	1,800	116	Construction	2,368	4,315	55
Engineering	1,004	2,180	46	Engineering	6,968	4,858	143

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 11	8	3,024	2	2	5	15,245
FY through May 10	78	32,448	1	0	7	16,696

Days without a lost time accident through May 31, 2011 = 51 days

7. Energy Cost

FYE		Kwh	April		Fiscal Year-to-Date thru April		
			¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2011	Stafford TP	90,029	12.8¢	\$384	717,508	15.4¢	\$364
	Pumping	138,908	14.6¢	\$653	1,199,788	14.6¢	\$546
	Other*	38,202	18.5¢	\$235	392,534	19.0¢	\$245
		267,139	14.5¢	\$1,252	2,309,830	15.6¢	\$1,155
2010	Stafford TP	41,404	14.9¢	\$193	609,375	15.8¢	\$311
	Pumping	71,548	15.1¢	\$417	1,032,366	15.0¢	\$507
	Other*	34,082	18.6¢	\$211	391,136	18.4¢	\$239
		147,034	15.9¢	\$934	2,032,877	15.9¢	\$1,055
2009	Stafford TP	15,907	14.5¢	\$72	569,198	14.6¢	\$271
	Pumping	132,385	13.7¢	\$696	1,415,299	13.8¢	\$634
	Other*	37,543	17.2¢	\$215	423,813	16.5¢	\$232
		185,835	14.4¢	\$959	2,408,310	14.5¢	\$1,128

*Other includes West Marin Facilities

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8. Water Conservation Update (May)

	Month of May 2011	FY 2010/2011 to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$150 each)	43	498	2116
Retrofit Certificates Filed	25	257	4160
Cash for Grass Rebates Paid Out	7	40	440
Washing Machine Rebates	34	435	5504
Water Smart Home Survey	25	314	1326

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order May 2011

Prepared: 06/10/11

Type	May-11	May-10	Action Taken May 2011
<u>Consumers' System Problems</u>			
Consumer Service Line Leaks	24	0	Notified Customer
Meter Leak Consumer's Side	0	12	~
House Plumbing	0	0	~
Noisy Plumbing	0	2	~
Seepage or Other	0	0	~
House Valve / Meter Off	4	5	Turned Back On
Nothing Found	6	5	Notified Customer
Low Pressure	0	1	~
High Pressure	1	0	PRV failing. Customer Notified.
Water Waster Complaints	0	0	~
Total	35	25	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	1	0	Replaced
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	0	2	~
Water Off/On Due To Repairs	12	4	Notified Customer
Misc. Field Investigation	4	1	Notified Customer
Total	17	7	
<u>Leak Complaints</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	11	12	Repaired
Services-Nothing Found	2	5	Notified Customer
Service-Damaged	0	0	~
Fire Hydrant-Leak	3	1	Repaired
Fire Hydrants-Nothing Found	0	1	~
Fire Hydrants-Damaged	0	0	~
Meter Replacement	0	2	~
Meters-Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	6	7	Replaced
Total	22	28	
<u>High Bill Complaints</u>			
Consumer Leaks	7	5	Notified Customer
Meter Testing	0	0	~
Meter Misread	4	3	Notified Customer
Nothing Found	15	12	Notified Customer
Projected Consumption	0	0	~
Excessive Irrigation	0	0	~
Total	26	20	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order May 2011

Prepared: 06/10/11

<u>Type</u>	<u>May-11</u>	<u>May-10</u>	<u>Action Taken May 2011</u>
<u>Low Bill Reports</u>			
Meter Misread	0	0	~
Stuck Meter	1	0	Notified Customer
Nothing Found	0	2	~
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	1	2	
<u>Water Quality Complaints</u>			
Taste and Odor	20	1	<p><i>Customer reported bad taste in water. (4th Street)</i> Bad taste & odor due to Stafford algae bloom. Customer was notified.</p> <p><i>Customer reported bad taste in water. (Novato Blvd)</i> Taste & odor of chlorine & sulfur possibly due to STP supply. Customer was notified.</p> <p><i>Customer reported bad taste & odor in water. (Reichert Ct)</i> Customer service is off a dead end. Flushed line. Customer notified.</p> <p><i>Customer reported bad taste & odor in water. (Ranch Dr)</i> Chlorine level normal and at the top of the range for Novato. Customer was notified.</p> <p><i>Customer reported bad taste & odor in water. (So Novato Blvd)</i> Bad taste & odor due to Stafford algae bloom. Customer was notified.</p> <p><i>Customer reported bad taste & odor in water. (So Novato Blvd)</i> Bad taste & odor due to Stafford algae bloom. Customer was notified.</p> <p><i>Customer reported bad taste & odor in water. (DeLong Ave)</i> Adverse taste & odor caused by backflow from garden hose. All results normal & typical. Customer was notified.</p> <p>* Thirteen calls to NMWD reported bad taste in water. Customers were notified of the STP algae bloom.</p>
Color	0	0	~
Turbidity	0	0	~
Suspended Solids	0	1	~

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order May 2011

Prepared: 06/10/11

Type	May-11	May-10	Action Taken May 2011
Other	2	0	Customer concerned about air in the water. (San Marin Dr) Air in the water is typical for this time of year. Customer was notified. Customer reported black spots left on counter wherever water dries. (Plata Ct) No cause found for black residue. Filter water contained no residue & metals were not detected. Customer was notified.
Total	22	2	
TOTAL FOR MONTH:	123	84	46%

Fiscal YTD Summary

Consumer's System Problems	315	261	21%	Change Primarily Due To
Service Repair Report	157	87	80%	Increase In Consumer Line Leaks
Leak Complaints	263	268	-2%	Increase In Replace Box & Lids
High Bill Complaints	461	379	22%	Decrease In "Nothing Found"
Low Bills	9	24	-63%	Increase In "Nothing Found"
Water Quality Complaints	77	126	-39%	Decrease In "Nothing Found"
Total	1,282	1,145	12%	Decrease In Taste and Odor

"In House" Generated and Completed Work Orders

Check Meter: possible consumer/District leak, high bill, flooded, need read, etc.	242	176
Change Meter: leaks, hard to read	8	11
Possible Stuck Meter	8	10
Repair Meter: registers, shut offs	0	0
Replace Boxes/Lids	23	19
Hydrant Leaks	0	1
Trims	131	104
Dig Outs	83	86
Letters to Consumer: meter obstruction, trims, bees, gate access, etc.	0	25
Misc: locate meter, get meter number, cross connection follow ups, kill service, etc.	0	0
	495	432

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order May 2011

Prepared: 06/10/11

<u>Type</u>	<u>May-11</u>	<u>May-10</u>	<u>Action Taken May 2011</u>
-------------	---------------	---------------	------------------------------

Bill Adjustments Under Board Policy:

May 11 vs. May 10

May-11	37	\$9,692
May-10	7	\$863

Fiscal Year to Date vs. Prior FYTD

10/11 FYTD	279	\$82,663
09/10 FYTD	188	\$54,132

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MEMORANDUM

To: Board of Directors

June 17, 2011

From: David L. Bentley, Auditor-Controller

Subj: Auditor-Controller's Monthly Report of Investments for May 2011

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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 \$5,627,227 and a market value of \$5,632,779. During May the cash balance decreased by \$30,643. For the FY, the cash balance decreased by \$895,815. The market value of securities held decreased by \$1,922 during the month. The ratio of total cash to budgeted annual operating expense stands at 43%, down 1% from the prior month. This compares to the District's target ratio of 90%, or \$11.7 million.

At May 31, 2011, 61% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), and 36% in Time Certificates of Deposit placed in Novato banks. The weighted average maturity for the portfolio was 24 days, compared to 35 days at the end of last month. The LAIF interest rate for the month was 0.41%, compared to 0.59% in the previous month. The weighted average Portfolio rate was 0.64%, compared to 0.76% in the previous month. The District earned \$8,818 in interest revenue during May with 34% earned by Novato Water and the balance distributed to the other improvement districts.

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
May 31, 2011**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	5/31/2011 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	A	Various	Open	\$3,435,993	\$3,440,330	0.41% ³	61%
Time Certificate of Deposit								
TCD	Bank of Marin	n/a	6/3/10	6/3/11	\$1,000,000	\$1,000,000	1.15%	18%
TCD	Westamerica Bank	n/a	9/20/10	9/20/11	1,000,000	1,000,000	0.95%	18%
					<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>1.05%</u>	<u>36%</u>
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$178,355	\$178,355	0.00%	3%
Bond	Olema G.O. Bond	A+	5/31/91	1/1/15	14,594	15,809	5.00%	0%
Other	Various	n/a	Various	Open	(1,715)	(1,715)	0.00%	0%
TOTAL IN PORTFOLIO					<u>\$5,627,227</u>	<u>\$5,632,779</u>	<u>0.64%</u>	<u>100%</u>

Weighted Avg. Maturity = **24 Days**

LAIF: State of California Local Agency Investment Fund.

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. Bank of the West Operating Account, Bank of the West STP SRF Loan Account, Union Bank Securities Custodial 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, 2011.

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	\$2,743,952	2.39%
Employee Housing Loans (8)	Various	Various	1,441,785	1,441,785	Contingent
Employee Computer Loans (7)	Various	Various	10,931	7,680	1.51% (avg)
Novato Charter School	7/31/09	10/23/11	5,946	126	3.00%
TOTAL INTEREST BEARING LOANS			<u>\$5,071,302</u>	<u>\$4,193,543</u>	

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

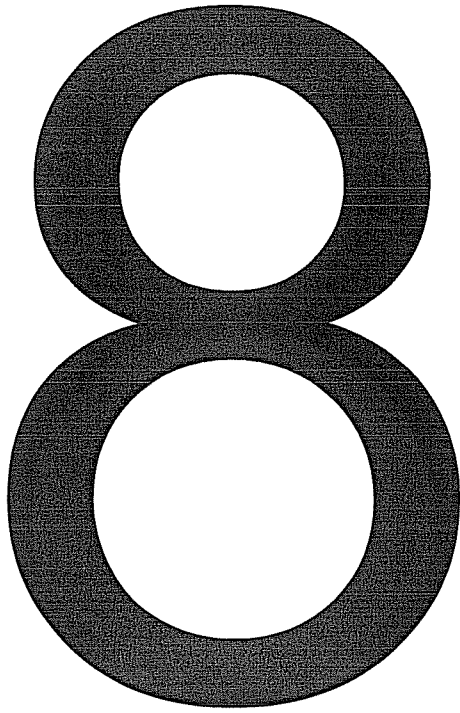
**NORTH MARIN WATER DISTRICT
COMPARATIVE FINANCIAL RESERVE SUMMARY
May 31, 2011**

	May 31, 2011	May 31, 2010	May 31, 2009
Reserves Restricted by Law			
Connection Fee Fund	\$908,515	\$2,630,769	\$1,452,159
Wohler Pipeline Financing Fund	473,040	529,660	574,341
Collector #6 Financing Fund	1,921,019	2,042,853	2,113,656
Revenue Bond Redemption Fund	30,000	30,000	30,000
Tax Proceeds-County Treasury	21,032	22,155	23,722
STP SRF Loan Fund-County of Marin	157,323	52,305	0
Retiree Medical Benefit Fund ¹	1,817,718	2,052,378	2,598,547
RWF Replacement Fund	0	85,209	58,677
Total Legally Restricted Reserves	\$5,328,647	\$7,445,329	\$6,851,102
Reserves Designated by Board			
Maintenance Accrual Fund ¹	\$0	\$0	\$0
Liability Contingency Fund ¹	0	0	0
Conservation Incentive Rate Fund ¹	0	0	119,630
Drought Contingency Fund	0	0	147,147
Operating Reserve ²	107,088	108,000	60,000
Total Board Designated Reserves	\$107,088	\$108,000	\$326,778
Unrestricted /Undesignated Cash ³	\$191,492	\$152,287	\$102,723
Total Reserves on Hand	\$5,627,227	\$7,705,616	\$7,280,603
Due to/(Due from) Analysis			
	May 31, 2011	May 31, 2010	May 31, 2009
Novato	\$351,724	\$411,529	\$439,603
West Marin Water	(351,724)	(411,529)	(439,603)
	\$0	\$0	\$0

1 Funds were borrowed from the Maintenance Accrual Fund to offset the shortfall in the Novato unrestricted/undesignated cash account in the following amounts: at 5/31/11 \$91,666.65, at 5/31/10 \$3,607,348, and at 5/31/09 \$3,507,043. In addition, funds were borrowed from the Liability Contingency Fund in the following amounts: at 5/31/11 \$414,700, at 5/31/10 \$ 659,700 at 5/31/09 \$659,700; the Conservation Incentive Rate fund in the following amounts: at 5/31/11 \$52,705, at 5/31/10 \$195,820 at 5/31/09 \$353,300; and the Retiree Medical Benefits Fund in the following amounts: at 5/31/11 \$1,121,364, at 5/31/10 \$680,084

2 Cash shown in the Operating Reserve belongs to Oceana Marin Sewer in FY09,10,and 11 and Recycled Water in FY10 & FY11.

3 Cash shown in the Unrestricted/Undesignated accounts belongs to Oceana Marin Sewer in FY09,10,and 11.



MEMORANDUM

To: Board of Directors
From: Ryan Grisso, Water Conservation Coordinator
Subject: Resolution Setting Water Conservation Rebate Amounts
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June 17, 2011

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

FINANCIAL IMPACT: None at this time

Staff is requesting Board approval of revisions to Resolution 06-01 and Resolution 06-02 (Attachments 1 and 2) setting rebate amounts for the various water conservation programs. Due to budget constraints, the Board directed staff to reduce water conservation rebate values. The attached draft resolutions reflect a cut in rebate amounts aimed at reducing the overall water conservation rebate budget expenditures by 50%.

Table of Water Conservation Rebates

Rebate	Current	Proposed
Residential HET	\$150 ea	\$75 ea
Commercial HET	\$200 ea	\$100 ea
HE Washing Machine	\$75 ea	\$50 ea
Weather Based Irrigation Controller	\$200 ea	\$100 ea
Landscape Water Efficient Rebates	\$200 ea	\$100 ea
Cash for Grass	\$100/sf	\$50/sf

RECOMMENDATION

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

Approved by GM CD

Date 6/17/2011

DRAFT
REVISED RESOLUTION 06-01

OF THE NORTH MARIN WATER DISTRICT
BOARD OF DIRECTORS
SETTING WATER CONSERVATION REBATE AMOUNTS
FOR NOVATO SERVICE AREA

BE IT RESOLVED by the Board of Directors of North Marin Water District that following rebate amounts are available to customers of the Novato Service Area of the North Marin Water District effective ~~January 1, 2010~~ July 1, 2011:

- Residential High Efficiency Toilet (HET) rebate amount to be set at up to ~~\$150~~ 75 for District approved HETs.
- Commercial High Efficiency Toilet (HET) rebate amount to be set at up to ~~\$200~~ 100 for District approved HETs.
- High Efficiency washing machine rebate set at up to ~~\$75~~ 50.
- ~~• Qualified pool cover rebate set at 25% of the purchase price up to \$50.~~
- Residential and Commercial Weather-Based Irrigation Controller (Smart Control) rebate amount to be set at ~~\$200~~ 100 or \$25 per active station up to \$1,000 on qualified controller purchase. Rebate amount not-to-exceed cost of controller.
- Landscape Water Efficient Rebates shall cover up to 50% of the actual cost of District specified items up to a maximum of ~~\$200~~ 100 for residential customers and up to a maximum of ~~\$2,000~~ 1,000 for non-residential customers.
- Cash for Grass Rebates (in accordance with Regulation 15, Section H) are available at the rate of up to ~~\$100~~ 50 per 100 square feet of formal lawn area(s) removed and replaced with eligible replacement plant materials but shall not exceed the following values:
 - Single family detached residences and duplexes, each dwelling unit - ~~\$1,000~~ 400
 - Townhouses, condominiums, triplexes and fourplexes, each dwelling unit - ~~\$200~~ 100
 - Apartments (5 unites or more), each dwelling unit - ~~\$100~~ 50
 - Senior citizen unit or second unit with kitchen, each unit - ~~\$80~~ 40

* * * * *

Date Approved: January 17, 2006

Date of Revision: June 20, 2006

Date of Revision: July 15, 2008

Date of Revision: December 1, 2009

Date of Revision: June 21, 2011

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 ~~1st~~21st day of ~~December 2009~~June, 2011, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

(SEAL)

Renee Roberts, District Secretary
North Marin Water District

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

BE IT RESOLVED by the Board of Directors of North Marin Water District that following rebate amounts are available to customers of the West Marin Service Area of the North Marin Water District effective ~~January 1, 2010~~ July 1, 2011:

- Residential High Efficiency Toilet (HET) rebate amount to be set at up to ~~\$150~~ 75 for District approved HETs.
- Commercial High Efficiency Toilet (HET) rebate amount to be set at up to ~~\$200~~ 100 for District approved HETs.
- High Efficiency washing machine rebate set at up to ~~\$75~~ 50.
- ~~Qualified pool cover rebate set at 25% of the purchase price up to \$50.~~
- Residential and Commercial Weather-Based Irrigation Controller (Smart Control) rebate amount to be set at ~~\$200~~ 100 or \$25 per active station up to \$1,000 on qualified controller purchase. Rebate amount not-to-exceed cost of controller.
- Landscape Water Efficient Rebates shall cover up to 50% of the actual cost of District specified items up to a maximum of ~~\$200~~ 100 for residential customers and up to a maximum of ~~\$2,000~~ 500 for non-residential customers.
- Cash for Grass Rebates (in accordance with Regulation 15, Section H) are available at the rate of up to ~~\$400~~ 50 per 100 square feet of formal lawn area(s) removed and replaced with eligible replacement plant materials but shall not exceed the following values:
 - Single family detached residences and duplexes, each dwelling unit - ~~\$1,000~~ 400
 - Townhouses, condominiums, triplexes and fourplexes, each dwelling unit - ~~\$200~~ 100
 - Apartments (5 unites or more), each dwelling unit - ~~\$400~~ 50
 - Senior citizen unit or second unit with kitchen, each unit - ~~\$80~~ 40

* * * * *

Date Approved: January 17, 2006
Date of Revision: July 27, 2006
Date of Revision: July 15, 2008
Date of Revision: December 1, 2009

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 ~~1st~~ 21st day of ~~December 2009~~ June 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Renee Roberts, District Secretary
North Marin Water District

(SEAL)

9

MEMORANDUM

To: Board of Directors

June 17, 2011

From: Robert Clark, Operations / Maintenance Superintendent

Subj: Contracting Backflow Device Testing for the Novato Service Area

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RECOMMENDED ACTION: Authorize Staff To Reject All Proposals For Backflow Device Testing Services in the Novato Service Area and Continue To Perform These Activities In-House

FINANCIAL IMPACT: None

As part of the review process of the District's Cross-Connection program, staff solicited proposals to perform the inspection and testing of the 2,116 District-owned backflow devices. Proposals were sent to six contractors, and another four replied to the notice posted on the District website. Of those ten contractors, only two replied with proposals, one at \$97,807 and the other at \$91,450.

Over the past five years, inspection and testing of these devices has been performed by both District regular and temporary staff. Our staff has averaged 1,200 hours completing these activities, at an average cost of \$56,000 per year. With recent staff changes, these costs are expected to be reduced to \$47,000 for the next fiscal year.

From a water quality perspective, staff believes that keeping these inspection and test activities in-house is preferred, as these devices are considered a "front-line" water quality protection of the distribution system, not just a maintenance task to complete.

Staff will implement various changes to how the Cross-Connection Program is carried out with Eric Kurfirst taking on the responsibilities for inspections, testing, repairs and surveys with assistance from temporary summer staff, Sue Kessler taking on the administrative and record keeping tasks and Pablo Ramudo taking the lead on regulation compliance.

RECOMMENDATION

Authorize staff to reject all proposals for backflow device testing services within the Novato Service Area and continue to perform these activities in-house.

Approved by GM CD

Date 6/17/2011

10

MEMORANDUM

To: Board of Directors

June 17, 2011

From: David L. Bentley, Auditor-Controller

Subj: Approve: Authorize Signatories on District Accounts
t:\financial\investments\treasury signatories june 2011.doc

RECOMMENDED ACTION: Approve Signatories on District Accounts

FINANCIAL IMPACT: None

The General Manager, Auditor-Controller, Chief Engineer, Senior Accountant Nancy Holton and Accounting Supervisor are the personnel presently authorized to perform purchase and sale of financial securities for the District's investment portfolio. They are also authorized to transfer and disburse funds to accommodate ongoing operational needs. We propose using these same personnel as signatories for the new US Bank accounts.

Local Account

US Bank

Purpose of the Account

Operating Account
SRF Loans Account

Trustee Account

Union Bank of CA

Safeguarding of District Investment Securities

Brokers

Vining-Sparks
Gilford Securities
Legg Mason

Purchase/Sale of Securities
Purchase/Sale of Securities
Purchase/Sale of Securities

State Treasurer

Local Agency Investment Fund

Demand Deposit Account

Recommendation:

Authorize the following personnel to transact business with the institutions shown above:

- 1) General Manager Chris DeGabriele
- 2) Auditor-Controller David L. Bentley
- 3) Chief Engineer Drew McIntyre
- 4) Senior Accountant Nancy Holton
- 5) Accounting Supervisor Dianne Landeros

Approved by GM CD

Date 6/17/2011

1

1

MEMORANDUM

To: Board of Directors

June 17, 2011

From: Drew McIntyre, Chief Engineer



Subject: Revised State Revolving Fund Loan Resolution - Application for Recycled Water Phase 2 North Service Area Project

Z:\Folders by Job No\6000 jobs\6055\SRF Application\outstanding items\6055 RW North 2nd Revised Ded Source Resolution BOD MEMO 6-17-11.doc

RECOMMENDED ACTION: Adopt the revised Revenue Source Authorization Resolution

FINANCIAL IMPACT: None at this time

During the January 5, 2010 Board meeting, the Board approved submittal of a revised financial assistance application to the State Water Resources Control Board (SWRCB) for the planning, design and construction of the North Marin Water District Recycled Water Phase 2 North Service Area Project and adopted two resolutions: 1) authorize the General Manager to act as Authorized Representative, and 2) authorize dedication of a revenue source. Staff submitted the application on January 7, 2010. During the March 15, 2011 Board meeting, the Board approved a revised Revenue Source Authorization Resolution based on comments received from SWRCB staff to simplify the project description and name. At the April 17, 2011 meeting the Board approved another revision of this Resolution based on comments from SWRCB. Since that time SWRCB has again come back and asked that the Revenue Source Authorization resolution be further revised to include all of their job numbers in the Resolution in order to clarify what is being covered.

RECOMMENDATION

That the Board adopt the following revised Resolution:

Approve Revenue Source Authorization Resolution (Attachment 1)

Approved by GM CD

Date 6/17/2011

REVENUE SOURCE AUTHORIZATION RESOLUTION

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT TO APPROVE AND AUTHORIZE DEDICATION OF A REVENUE SOURCE FOR THE NORTH MARIN WATER DISTRICT REPAYMENT OF STATE REVOLVING FUND FINANCING (CWSRF PROJECT NO. 5211-110) (CWSRF PROJECT NOS. 5211-110, 5211-120, 5211-130 and 5211-140)

WHEREAS, the Board of Directors of the North Marin Water District (the "District") has authorized the General Manager, or his designee, to apply for State Revolving Fund (SRF) financing to fund all or a portion of the cost of planning, design and construction of the NMWD Recycled Water Phase 2 North Service Area Project (the Project); and

WHEREAS, the District has authorized an application for said financing from the California State Water Resources Control Board's Water Recycling Construction Program, State Revolving Fund Program, for the purpose of financing the Project; and

WHEREAS, prior to issuing a contract or contracts for said financing, the District as the financing recipient is required to adopt a resolution dedicating a source of funds to remain in effect throughout the term of said financing;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT as follows:

That the District hereby dedicates the District's gross revenues of the Novato Water Fund to repayment of any and all State Revolving Fund financing on the Project. This dedicated source of revenue shall remain in effect throughout the term of said financing unless modification or change of such dedication is approved in writing by the State Water Resources Control Board.

* * *

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 21st day of June 2011, by the following vote:

AYES: _____

AYES: _____ Directors Baker, Fraitas, Petterle, Redoni, Schoonover

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Renee Roberts, Secretary
North Marin Water District

REVENUE SOURCE AUTHORIZATION RESOLUTION

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT TO APPROVE AND AUTHORIZE DEDICATION OF A REVENUE SOURCE FOR THE NORTH MARIN WATER DISTRICT REPAYMENT OF STATE REVOLVING FUND FINANCING
(CWSRF PROJECT NOs. 5211-110, 5211-120, 5211-130 and 5211-140)**

WHEREAS, the Board of Directors of the North Marin Water District (the "District") has authorized the General Manager, or his designee, to apply for State Revolving Fund (SRF) financing to fund all or a portion of the cost of planning, design and construction of the NMWD Recycled Water Phase 2 North Service Area Project (the Project); and

WHEREAS, the District has authorized an application for said financing from the California State Water Resources Control Board's Water Recycling Construction Program, State Revolving Fund Program, for the purpose of financing the Project; and

WHEREAS, prior to issuing a contract or contracts for said financing, the District as the financing recipient is required to adopt a resolution dedicating a source of funds to remain in effect throughout the term of said financing;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT as follows:

That the District hereby dedicates the District's gross revenues of the Novato Water Fund to repayment of any and all State Revolving Fund financing on the Project. This dedicated source of revenue shall remain in effect throughout the term of said financing unless modification or change of such dedication is approved in writing by the State Water Resources Control Board.

* * *

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 21st day of June 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Renee Roberts, Secretary
North Marin Water District

12

MEMORANDUM

To: Board of Directors

June 17, 2011

From: David L. Bentley, Auditor-Controller

Subj: Approve – Agreement Renewal with Risk Consultant
t:\ac\word\memo\11\db claims agreement renewal 11.docx

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: Typically less than \$1,000 annually

DB Claims Services Group has served as the District's risk consultant since 1985, when the District first self-insured its general liability insurance coverage. Their agreement was last renewed in 2008. The District uses the risk consultant to review insurance contract language when questions arise, to serve as an adjustor for claims when appropriate, and for special projects such as the \$7,500 Risk Management Review conducted in 2009. In addition to the Risk Management Review, over the past three years the District has paid the consultant \$1,583 pertaining to adjustment of an auto claim, a water damage claim, and review of two insurance contracts. The District has also received advice several times on insurance matters at no charge. The proposed 5-year agreement renewal incorporates a rate increase to \$80 per hour (10%) for claims administration (i.e., adjustment) and \$120 per hour (26%) for consulting services, with 5% escalators allowed in years 3, 4 and 5. Note that DB Claims standard hourly consulting rate is \$250 per hour.

RECOMMENDATION:

Authorize the Auditor-Controller to renew the agreement with DB Claims Services Group for a five-year period commencing July 1, 2011.

Approved by GM CD

Date 6/17/2011

**SELF-INSURED CLAIMS MANAGEMENT
AND GENERAL RISK MANAGEMENT
CONSULTING CONTRACT**

THIS CONTRACT is made and entered into this 1st day of July 2011, by and between the NORTH MARIN WATER DISTRICT, hereinafter referred to as the DISTRICT, and DB CLAIMS SERVICES GROUP, INC., a division of JOHN GLENN ADJUSTERS & ADMINISTRATORS, INC., hereinafter referred to as the CLAIMS ADMINISTRATOR.

DB CLAIMS SERVICES GROUP, INC., a division of JOHN GLENN ADJUSTERS & ADMINISTRATORS, INC., is licensed in California to provide independent adjusting services. Its State License number is 2D89819. It is a California Corporation with Home Office located at 6050 Commerce Blvd., Suite 211, Rohnert Park, California 94954; telephone number: (707) 588-8215. The president is Daniel A. Blanquie.

IT IS HEREBY AGREED by and between the parties signing this Contract, as follows:

I. GENERAL

The DISTRICT desires to have unified claims management and risk management consulting services. DB CLAIMS SERVICES GROUP, INC., a division of JOHN GLENN ADJUSTERS & ADMINISTRATORS, INC., is a Claims Management and Consulting firm experienced in providing the requested services and is ready and capable to perform such services for the DISTRICT.

II. SERVICES

The CLAIMS ADMINISTRATOR will assist the DISTRICT in the management of the DISTRICT's liability claims program. The DISTRICT will transmit promptly to the CLAIMS ADMINISTRATOR all verified claims which it receives and will notify the CLAIMS ADMINISTRATOR through Incident Reports of circumstances which it believes may give rise to future claims. The CLAIMS ADMINISTRATOR will perform no investigation of Incident Reports without the express request of the DISTRICT. Upon request by the DISTRICT, it will initiate prompt investigations and attempt to secure the cooperation and confidence of claimants and their attorneys. It will provide reports to the DISTRICT with respect to issues of fact, damages, and liability. It will provide recommendations with respect to courses of action regarding settlement and/or defense. Utilizing settlement authority as provided by the DISTRICT, it will negotiate with claimants and their attorneys with the goal of securing a mutually-acceptable resolution to any claim. It will attempt to resolve cases without litigation. If assignment of a case to defense counsel is necessary, it will make the assignment on behalf of the DISTRICT utilizing counsel specified and approved in advance by the DISTRICT. Upon request by the DISTRICT, it will receive and review all expense billings related to pending cases and,

before approving such billings for payment, will secure any necessary supportive documentation. Absent direction from the DISTRICT to the contrary, it will attempt to secure open or limited extensions of time on cases which it believes are likely to be resolved more quickly, efficiently, and economically in that manner. Releases of All Claims will be obtained from all claimants receiving settlements from the DISTRICT through the CLAIMS ADMINISTRATOR. The CLAIMS ADMINISTRATOR will provide timely and appropriate reporting to the excess insurers of the DISTRICT in a manner consistent with the reporting guidelines of the carriers. It will make itself available to the Board of Directors for discussion of pending cases. Consistent with the expressed wishes of the DISTRICT, it will make itself available for scheduled claim reviews with the DISTRICT. If requested, it will provide to the DISTRICT a monthly computerized Loss Run of pending and closed cases sorted in a format to be approved by the DISTRICT. The CLAIMS ADMINISTRATOR will perform loss control analysis and consulting services for the DISTRICT and will assist the DISTRICT with risk management services in a manner and to an extent agreed upon. It will encourage cooperative activity amongst the various other firms providing administration or consulting services to the DISTRICT.

III. DEFENSE, COMPROMISE OR SETTLEMENT OF CLAIMS

Settlement authority will be obtained by the CLAIMS ADMINISTRATOR from the DISTRICT or, in the event of an exposure piercing the DISTRICT's self-insured retention, jointly from the DISTRICT and its Excess Insurer. Upon instruction from the DISTRICT, the CLAIMS ADMINISTRATOR is authorized to incur on behalf of the DISTRICT defense costs including, but not limited to attorney fees, court costs, charges for court reporters, experts, technical analyses and reviews, medical examinations, and related items as are necessary or appropriate in the judgment of the CLAIMS ADMINISTRATOR or defense counsel for the proper defense of any case.

IV. PROFESSIONAL SERVICES

All activities related to the handling of specific claims and to the providing of consulting services will be billed on a Time & Expense basis. The rates applicable to years 1 and 2 of this Contract are as follows:

A. Claims Administration: \$ 80.00

Hourly rate for claims investigative, supervisory and management personnel.

B. Corporate Officer, Risk Management and Loss Control Consulting: \$120.00

Although \$250.00 per hour is presently the current fee, this amount shall be reduced to \$120.00 per hour if claims administration is performed by CLAIMS ADMINISTRATOR.

Based on mutual agreement in years 3, 4 and 5 of this Contract, hourly rates for claims administration and consulting can be increased up to 5%.

C. Allocated Costs:

Travel	\$.60 /mile
Photocopies	No charge
Color photography (35 mm)	\$ 2.00 /print
Recording cassettes for statements	\$ 2.50 /each
Video recording of evidence	Incurred cost
Long distance telephone	Incurred cost
FAX charges	No charge
Statement transcriptions	\$ 5.00 /page
Report acquisition	Incurred cost
Necessarily incurred expenses	Incurred cost

Expert and/or litigation related testimony such as depositions, court testimony, etc. shall be billed on a per diem basis for each scheduled date. Per Diem shall consist of an eight (8) hour day, minimum, at the prevailing hourly rate.

The CLAIMS ADMINISTRATOR shall submit statements on a monthly basis showing an itemized breakdown by claim or by consulting activity. Billings are payable within 30 days of presentation and are subject to a late charge of 1% per month imposed on the next billing cycle.

V. TERM

The term of this Contract shall be for a period of five (5) years beginning July 1, 2011, and terminating at midnight, June 30, 2016. This contract may be terminated by either party for any reason upon thirty (30) days written notice. The Contract may be renewed subject to renegotiation of terms and conditions by the parties hereto.

For the purpose of maintaining the continuity of claims administration for the DISTRICT, the CLAIMS ADMINISTRATOR may continue to perform services on a month-to-month basis, at the rates set forth within Section III, above, subsequent to the termination of this contract unless 30 days' notice is given by the DISTRICT to terminate.

VI. INDEPENDENT CONTRACTOR

It is expressly agreed that the CLAIMS ADMINISTRATOR shall have the status of an Independent Contractor and shall not be deemed to be an officer, employee, or agent of the DISTRICT.

VII. MUTUAL HOLD HARMLESS AND INDEMNIFICATION

Each party hereto agrees to indemnify, hold harmless and defend the other, its officers, agents, and employees from and against any and all claims, demands, liability, costs and expenses of whatever nature, including court costs and counsel fees arising out of injury, death, or loss to any person or persons, or loss of, or physical damage to, any property resulting in any manner from

the sole negligence or willful acts of the responsibly party, its agents, employees, licensees, or guests in the making or arising out of the performance of this agreement.

In the event it is determined by settlement or litigation that there is a joint liability and/or responsibility of the parties for the settlement of judgment, the parties hereto agree that the responsibility for payment of such settlement or judgment shall be borne by the parties in proportion to the share of fault as determined by the court or jury in case of a judgment, and by agreement, or arbitration in the event that agreement cannot be reached, in the case of a settlement. The parties further agree hereunder that in those cases described under this paragraph, each party shall bear its own costs and attorney fees.

VIII. RESPONSIBILITY FOR CLAIMS ADMINISTRATION FEES

It is agreed that the DISTRICT is liable for payment for all services rendered in accord with this Contract. Should the self-insured retention, the deductible, or the annual aggregate applicable to a particular claim or policy year be exceeded, the CLAIMS ADMINISTRATOR's billings remain the responsibility of the DISTRICT, and the CLAIMS ADMINISTRATOR is expressly authorized to continue all claims management activities which it deems to be appropriate until it receives from the DISTRICT express written instructions to terminate any involvement in the claim or grouping of claims.

IX. OWNERSHIP OF FILES

It is agreed that the claim files maintained in the CLAIMS ADMINISTRATOR's offices are the property of the DISTRICT and may be reviewed upon reasonable notice. Upon termination of this Contract, possession of the files will be transferred to the DISTRICT which will pay the reasonable costs of any activity associated with the transfer including, but not limited to, the cost of photocopying in whole or in part any and all claims files are required for the CLAIMS ADMINISTRATOR to be in compliance with any law pertaining to the maintenance of records by a licensed adjusting firm. The CLAIMS ADMINISTRATOR is authorized to forward to the DISTRICT any claim file after seven years following the date of file closure.

X. INSURANCE

Without limiting the CLAIMS ADMINISTRATOR's obligation to indemnify the DISTRICT hereunder, the CLAIMS ADMINISTRATOR shall maintain and keep in force during the term of this Agreement the following insurance.

A. Bodily Injury and Property Insurance for all activities of CLAIMS ADMINISTRATOR (and its subcontractors) arising out of or in connection with this Agreement, written on a Comprehensive General Liability form including, but not limited to, premises and operations, independent contractors, products and completed operations, contractual liability and personal injury, in an amount no less than \$1,000,000 combined single limit for each occurrence and aggregate.

B. Non-owned automobile liability insurance covering bodily injury and property damage for all activities of the CLAIMS ADMINISTRATOR arising out of or in connection with this Agreement in an amount no less than \$1,000,000 combined single limit for each occurrence.

C. Workers' Compensation Insurance to cover CLAIMS ADMINISTRATOR's employees (and as required by the Labor Code of the State of California.) The CLAIMS ADMINISTRATOR shall require all subcontractors to provide Workers' Compensation Insurance for all of their employees.

D. Professional Malpractice Insurance for all activities of the CLAIMS ADMINISTRATOR (and its subcontractors) arising out of or in connection with this Agreement in an amount no less than \$1,000,000 combined single limit for each occurrence. Said insurance policy shall be written on an occurrence form or shall remain in full force and effect for no less than one year following the completion of work under this Agreement.

E. CLAIMS ADMINISTRATOR shall provide the DISTRICT a Certificate of Insurance evidencing such coverage as required above. CLAIMS ADMINISTRATOR shall also add the DISTRICT as additional insured for General Liability and Professional Malpractice Insurance.

XI. LIMITATION OF LIABILITY

It is agreed that the CLAIMS ADMINISTRATOR will provide services utilizing good faith efforts based upon its experience in claims management and consulting. The CLAIMS ADMINISTRATOR provides no warranty, express nor implied, that its services will result in any specific outcome for any case nor any reduction in the frequency, severity, or cost of any liability claims(s) nor any incidents giving rise to claims, no matter how caused.

XII. ATTORNEYS FEES

In the event of any claims between the parties hereto arising out of the terms and conditions of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs as determined by a court of competent jurisdiction.

XIII. TERMINATION OF SERVICES

The responsibility of the CLAIMS ADMINISTRATOR to provide any services terminates on the date that this Contract is terminated, whether or not that date is the scheduled date provided herein or is earlier or later. Should this Contract be terminated for any reason and should the parties agree that the CLAIMS ADMINISTRATOR will continue to handle any aspect of any claims or grouping of claims, charges for services so rendered will be billed at the rates then in effect as established by the CLAIMS ADMINISTRATOR.

XIV. NONDISCRIMINATION

During the performance of this Contract, the CLAIMS ADMINISTRATOR and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40), gender, or sexual orientation. The CLAIMS ADMINISTRATOR and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Sections 12900, et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this Contract by reference and made a part hereof as if set forth in full. The CLAIMS ADMINISTRATOR and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

NORTH MARIN WATER DISTRICT

Date

By: _____
Authorized Signature

DB CLAIMS SERVICES GROUP, INC.

Date

By: _____
Daniel A. Blanquie, President

13

MEMORANDUM

To: Board of Directors

June 17, 2011

From: Drew McIntyre, Chief Engineer



Subject: Black Point Golf Links Assignment Agreement

Z:\Folders by Job No\2400 jobs\2493\Assignment\2493 Assignment Memo 6.2011.docx

RECOMMENDED ACTION: That the Board authorize the General Manager to execute the Assignment Agreement subject to payment of District costs associated with processing this request and confirmation that the new owner is the authorized representative for StoneTree Golf LLC.

FINANCIAL IMPACT: None, information only

Black Point Partnership LP, signatories of the executed agreement and amendment for Black Point Golf Links (aka StoneTree Golf Course) have indicated that Black Point Partnership (Assignor) is transferring all of their real property to a new entity called StoneTree Golf, LLC (see letter in Attachment 1). The Agreement Assignment is provided as Attachment 2. District legal counsel has reviewed all pertinent documentation and prepared the Assignment Agreement.

The Assignor is comprised of four partners: Warren E. Spieker, Jr., Dennis Singleton, William Bunce and Ann Mulroy. Ms. Mulroy is buying the other partners out and StoneTree Golf, LLC (Assignee) will be the new entity formed to hold the property. The Assignor and District entered into the original Recycled Water Service Agreement on October 4, 2005. The District and the Assignor subsequently entered into a written amendment to the agreement on July 18, 2006.

All of the obligations under the existing Recycled Water Service Agreement run with the property and are secured by the Deed of Trust that was executed in November 8, 2005 with Assignor as the Trustor in favor of the District as the beneficiary. As such, said obligations and guarantees remain unchanged.

RECOMMENDATION

That the Board authorize the General Manager to execute the Assignment Agreement subject to payment of District costs associated with processing this request and confirmation that the new owner is the authorized representative for StoneTree Golf LLC.

RESOLUTION NO. 11-
AUTHORIZATION OF EXECUTION
OF
ASSIGNMENT
OF
RECYCLED WATER SERVICE AGREEMENT
WITH
BLACK POINT PARTNERSHIP, LP
AND
STONETREE GOLF, LLC

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain Assignment of Recycled Water Service Agreement between this District and BLACK POINT PARTNERSHIP, LP, a California Limited Partnership, and STONETREE GOLF, LLC, a California Limited Liability Company, to provide recycled water service to that certain real property known as BLACK POINT GOLF LINKS (ALSO KNOWN AS STONE TREE GOLF COURSE), Marin County Assessor's Parcel Numbers 157-470-20 AND 157-470-22, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 21st day of June, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Renee Roberts, Secretary
North Marin Water District



STONE TREE
GOLF CLUB

May 17, 2011

Mr. Drew McIntyre
North Marin Water District
999 Rush Creek Place
Novato, California 94948

Dear Drew,

Please be advised that StoneTree Golf Club is being transferred to a new entity controlled by Ann Mulroy. Ann is the widow of Vince Mulroy and as such, she is one of the four existing partners that currently own the property.

Pursuant to the Agreement for Recycled Water Service for Black Point Golf Links, the purpose of this letter is to formally request the assignment of the above-referenced Agreement from Black Point Partnership, L.P. to StoneTree Golf, LLC. StoneTree Golf, LLC is the new entity created and controlled by Ms. Mulroy for the purpose of this transaction.

Please contact me should you have any questions.

Sincerely,

Bill Bunce

ASSIGNMENT
OF
AGREEMENT FOR RECYCLED WATER SERVICE
TO
BLACK POINT GOLF LINKS

THIS ASSIGNMENT is made and entered into as of _____, 2011, among NORTH MARIN WATER DISTRICT ("District"), BLACKPOINT PROPERTY PARTNERS L.P., a California limited partnership aka BLACK POINT PARTNERSHIP, L.P., a California limited partnership ("Assignor"), and STONETREE GOLF, LLC, a California limited liability company ("Assignee").

WHEREAS, District and Assignor entered into that certain Agreement for Recycled Water Service To Black Point Golf Links dated October 4, 2005 (the "Recycled Water Service Agreement"), providing for construction of water facilities to serve that certain project known as Black Point Golf Links (also known as StoneTree Golf Course), Marin County Assessor's Parcel Numbers 157-470-20 and 157-470-22 (the "Golf Course"); and

WHEREAS, the District and Assignor entered into a written amendment to the Recycled Water Service Agreement dated July 18, 2006. Any references herein to the "Recycled Water Service Agreement" shall mean and refer to the original agreement until July 18, 2006, and the agreement as amended thereafter.

WHEREAS, as security for its obligations under the Recycled Water Service Agreement, Assignor executed that certain Deed of Trust dated November 8, 2005 with Assignor as Trustor, in favor of District, as Beneficiary ("Deed of Trust"). The Deed of Trust was recorded as Document Number 2005-0087455 in the Official Records of the County of Marin.

WHEREAS, Assignor is transferring all its right, title and interest in and to the Golf Course to Assignee; and

WHEREAS, pursuant to Section 14 of the Recycled Water Service Agreement, Assignor desires to assign all of its rights and obligations thereunder to Assignee, together with all rights and obligations under that certain application for water service dated November 30, 1998, on file with the District (the "Water Service Application"), and together with all obligations under the Deed of Trust;

WHEREAS, Assignee accepts the assignment of the Recycled Water Service Agreement, the Water Service Application, and the Deed of Trust, and agrees to assume all obligations of Assignor under such documents. District consents to these assignments, subject to the terms and conditions set forth herein.

NOW THEREFORE, the parties hereto agree as follows:

1. Assignor assigns to Assignee all of its rights and obligations under the Recycled Water Service Agreement, the Water Service Application, and the Deed of Trust, and Assignee accepts such assignment and assumes all obligations of such documents as though the original signator thereto. District consents to such assignments, subject to full execution of this Assignment.

2. Effective upon full execution of this Assignment, Assignor transfers to the fullest extent possible, all interest and entitlement to funds advanced to the District by Assignor under the Recycled Water Service Agreement and Water Service Application to the credit of Assignee.

3. This Assignment shall inure to the benefit of, and be binding on, the successors and assigns of the parties.

4. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original. The counterparts shall together constitute but one agreement

IN WITNESS WHEREOF, upon the date and year first hereinabove written, the respective parties hereto have executed this Assignment.

NORTH MARIN WATER DISTRICT
"District"

John Schoonover, President

ATTEST:

Renee Roberts, Secretary

(SEAL)

BLACKPOINT PROPERTY PARTNERS
L.P., a California limited partnership aka
BLACK POINT PARTNERSHIP, L.P., a
California limited partnership
"Assignor"

By: BUNCE BLACK POINT, LLC, a
Delaware limited liability company
Its: General Partner

(SEAL)

Bill Bunce, Manager

STONETREE GOLF, LLC
A California limited liability corporation
"Assignee"

Ann Mulroy, Manager

(SEAL)

NOTES: *If the Assignor executing this assignment is a corporation, a certified copy of the bylaws or resolutions of the Board of Directors of said corporation authorizing designated officers to execute this agreement shall be provided. If the Assignee executing this assignment is a limited liability company, a certified copy of the operating agreement or resolutions of the Board of Directors, if applicable, of said limited liability company authorizing designated managers or other persons to execute this agreement shall be provided.*

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

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

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MEMORANDUM

To: Board of Directors

June 17, 2011

From: Drew McIntyre, Chief Engineer
Carmela Chandrasekera, Associate Engineer



Subject: Approve Environmental Monitoring Services Contract (for Recycled Water North Service Area) – Environmental Services Associates (ESA)

Z:\Folders by Job No\7000 jobs\7127\ESA RW CEQA Work\7127 Approve ESA Env Mon Servs BOD memo 6-11.doc

RECOMMENDED ACTION: That the Board:

1. Approve a contract with ESA to perform environmental monitoring services for the Recycled Water North Service Area project and authorize the General Manager to execute said agreement.
2. Authorize the General Manager to execute the Treatment Plan Agreement between Federated Indians of Graton Rancheria and North Marin Water District.

FINANCIAL IMPACT: \$37,965 (plus \$4,000 contingency (already included in FY11-12 Improvement Project Recycled Water Budget))

Background

At the July 20, 2010 Board meeting, staff provided updates on the North Bay Water Reuse Authority (NBWRA) and State Revolving Fund (SRF) loan project status. At that time the Board was advised that the District was entering into an agreement with Environmental Services Associates (ESA) to prepare an addendum to ESA's original NBWRA EIR/EIS for the North Service Area SRF loan application. At the December 7, 2010 meeting, the Board authorized a change order to ESA's original contract to perform additional CEQA and permit-related tasks for the North Service Area and also move forward with preparation of an addendum (and site-specific cross country recycled water transmission pipeline permitting tasks) related to the South Service Area project. Note: Staff will be returning to the Board at a subsequent meeting to request a budget increase for the latter work (~\$30,000) to cover additional wetland delineation and federal permitting tasks (Section 106) associated with selection of the final Recycled Water South Service Area pipeline alignment.

North Service Area Environmental Monitoring Services

At the June 7, 2011 meeting, the Board approved award of the Segment 1 pipeline project to Ghilotti Construction, kicking off the construction phase for recycled water expansion to the North Service Area (see map in Attachment 1). In accordance with the NBWRA EIR, North Marin Water District is responsible to ensure proper implementation of the various mitigation measures during the construction phase of the project. Since ESA prepared the EIR and has also worked with various permitting and regulatory agencies in the development of the Mitigation Monitoring Plan, staff recommends that a contract be awarded to ESA for

environmental compliance monitoring services. The attached scope of work (Attachment 2) has been developed by ESA based upon their understanding of the project, review of permit conditions and understanding of biological and cultural monitoring requirements. The primary focus of ESA's work will be monitoring the construction for approximately 4,650 feet of pipeline along portions of Lea Drive and Olive Avenue (see Figure 1 in Attachment 2). This area was identified as potential California Red Legged Frog (CRLF) habitat. In addition, approximately 1,000 lineal feet along Olive Avenue has been identified as a potential cultural and archeological resource. Accordingly, this corridor will also require monitoring during construction including the presence of a representative from the Federated Indians of Graton Rancheria (FIGR).

In summary, ESA's scope of work estimates five weeks of spot check construction monitoring for biological resources (for 4,650 feet) and approximately one week of construction monitoring for cultural resources (for 1,000 feet). The attached scope of work also includes ESA hiring FIGR as a subconsultant at a cost of \$2,999 for an on-site Native American monitor. Although FIGR will be working as a subconsultant to ESA, the Tribe is also requesting an agreement between FIGR and North Marin Water District to outline a treatment plan to formalize procedures for the protection and treatment of Native American human remains should they be found (Attachment 3).

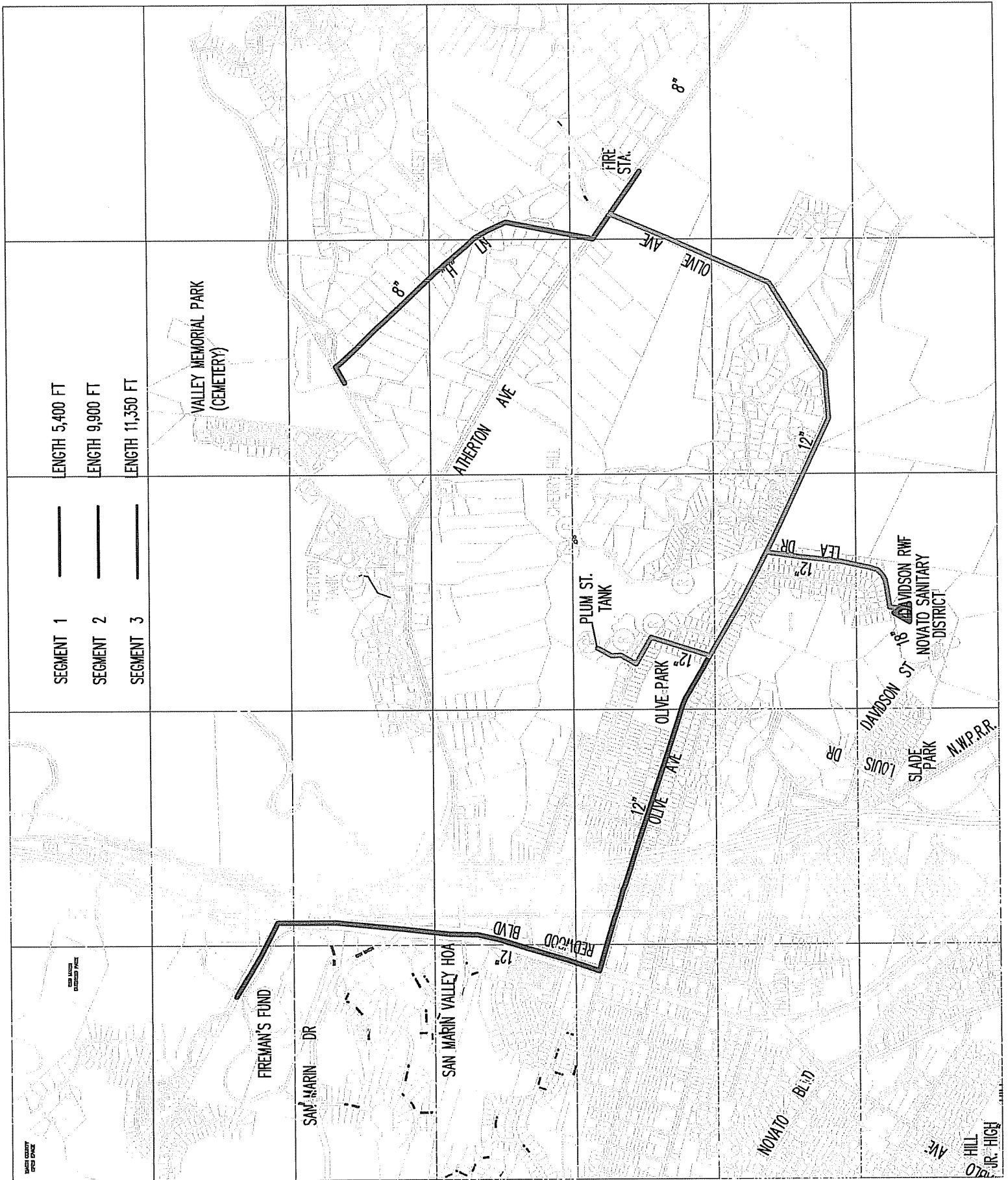
Financial Impact

The project cost of \$37,965 is already included in the proposed FY11-12 Improvement Projects Budget for Recycled Water slated for approval on this same date.

RECOMMENDATION

That the Board:

1. Approve a contract with ESA for \$37,965 plus a contingency of \$4,000 to perform environmental monitoring services for the Recycled Water North Service Area project and authorize the General Manager to execute said agreement.
2. Authorize the General Manager to execute the Treatment Plan Agreement between Federated Indians of Graton Rancheria and North Marin Water District.





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Suite 200
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www.esassoc.com

May 31, 2011

Drew McIntyre
North Marin Water District
999 Rush Creek Place
Novato, California 94945

Subject: Proposal to Provide Environmental Monitoring Services: North Marin Water District North Bay Water Recycling Program (NBWRP) Phase I Projects

Dear Drew:

Environmental Science Associates (ESA) is pleased to submit this letter proposal to NMWD for compliance monitoring services for the Recycled Water Expansion Project Novato North Service Area, a subset of the NBWRA Phase 1 project. Our scope of work has been developed based on our understanding of the project, review of permit conditions, and understanding of biological and cultural resource monitoring requirements.

Based upon our understanding of the pipeline route and monitoring requirement established in the USFWS Biological Opinion and Cultural Resources Monitoring Plan, our monitoring effort is focused on biological resources monitoring of approximately 4,650 linear feet of pipeline along portions of Lea Drive, Olive Avenue, and Atherton Avenue. Monitoring for cultural and archaeological resources is also required, pursuant to the Cultural Resources Monitoring Plan. The previously submitted scope determined an area of 2 linear miles for monitoring; however, the Monitoring Plan was designed to allow modification to the frequency and location of required monitoring, therefore, the footprint was reduced from a two linear mile corridor to the a 1,000 linear foot corridor, along the Olive Avenue, pursuant to communication with a representative of the Federated Indians of Graton Rancheria. The actual level of monitoring required during construction will depend upon several variables, including: contractor performance, presence of sensitive species, and construction schedule. As such, our scope of work represents an order of magnitude cost estimate based upon an installation rate of 200 feet per day, resulting in an estimated 5 weeks (25 days) of spot check construction monitoring for biological resources, and 1 week (5 days) of construction monitoring for cultural resources. ESA is available to work with the NWWD to refine our level of effort through out project implementation to maximize available resources.

ESA is looking forward to continuing our outstanding working relationship with NMWD and the NBWRA. If you have any questions, please contact either myself at 707-795-0904, or Jennifer Garrison at (916) 201-6910.

Sincerely,

James E. O'Toole
Director, North Bay Water Group



April 22, 2011
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Project Understanding

NMWD proposes a 5,400-foot extension of the 8-inch diameter transmission main from Fire Station No. 2 on Atherton Avenue to the Valley Memorial Park Cemetery along H Lane and Bugeia Lane. The project would also include pipeline installation from the Novato SD Davidson WWTP to Plum Street Tank via Lea Drive/ Olive Avenue (2,500 feet; 12-inch diameter), and from Plum Street Tank to Atherton Avenue via Olive Avenue (9,250 feet; 12-inch diameter). The pipeline would also extend to 777 San Marin Drive (Fireman's Fund site) along Olive Avenue, Redwood Boulevard, and Wood Hollow Drive (9,500 feet 12-inch diameter). The total alignment would consist of approximately 5 miles (26,650 linear feet) of pipeline. Construction is assumed to progress at a rate of 200 linear feet per day.

The proposed construction activities would potentially disturb approximately 4,646 linear feet (1.60 acres) of California red-legged frog (CRLF) habitat, consisting of upland habitat along roadway pavement (see map in Figure 1). This scope of work has been developed assuming that the contractor will be limited to the roadway, allowing ESA to spot check construction and conformance with minimization measures, rather than full time construction monitoring. ESA will train and designate NMWD on-site inspectors regarding minimization measures, including species identification, installation and maintenance of silt fencing, as appropriate, construction vehicle speed limits, covering open trenches, holes, and pipes, and daily inspections to avoid species entrapment in open areas, and litter removal. Our scope of work assumes installation within potential habitat areas within a 5 week period, and provides 10 hours per week for daily pre-construction survey and spot check by a USFWS approved qualified biologist.

Similarly, there are sensitive archaeological areas that require monitoring along approximately 1,000 linear feet (0.19 miles) of the Olive Avenue corridor (see map in Figure 1). This scope of work has been developed assuming a construction monitoring period of approximately 5 days (1 week) to monitor ground disturbing activities (including open trench and bore and jack activities), staffed with a cultural resources archaeologist and a Native American Monitor. ESA shall provide daily monitoring of the construction site(s) within or adjacent to sensitive areas as defined in the Cultural Resources Monitoring Plan.

Scope of Work and Staffing Plan

ESA is prepared to provide the services described above within 30 days of Notice to Proceed. As shown in the attached cost estimate, ESA is prepared to perform the proposed services for a total of **\$37,965** on a time and materials basis, with invoices submitted monthly. Additional services not included in this proposal would be performed as requested on a time-and-materials basis. Refer to Table 1.

ESA's Project Director, **Jim O'Toole**, will provide project oversight and assist the project team in maintaining consistency with CEQA, NEPA and permitting requirements. Our Project Manager, **Jennifer Garrison**, will provide scope of work and billing oversight, review of the monitoring documentation and Project deliverables,



April 22, 2011
Page 3

and provide technical oversight of the monitoring staff, as necessary. ESA's construction monitoring staff meet the "qualified biologist" requirements identified in regulatory permits for the project, and will conduct the daily sweeps and inspections to meet permit requirements. **Rachel Danielson** will review the daily monitoring logs and draft the monthly report for submission to NMWD. Additional biological support tasks are scoped to resolve onsite presence of special status species, as appropriate (see contingency items). The costs associated with contingency tasks are not included in the total for this cost estimate.

ESA's Registered Professional Archaeologist, **Heidi Koenig**, will work with culturally-affiliated Native American monitor to conduct daily cultural resource monitoring in conformance with the Cultural Resources Monitoring Plan, and to address any potential inadvertent discoveries and associated reporting actions.

Task 1: Production of Training Materials

To facilitate environmental training related to sensitive species identification and avoidance, ESA will prepare training materials, including: species cards, hardhat stickers, and training tri-fold. Our scope of work assumes 8 hours to create and produce training materials.

Task 2: Contractor Training

ESA will provide an initial contractor training. Our scope of work assumes 8 hours for pre-construction meeting preparation, attendance and initial training. Initial training will be scheduled with NMWD, ESA, and the contractor prior to construction activities, and will include biological resource and cultural resource training. Additional training (up to two hours in the field) will be provided onsite as part of the daily sweeps.

Task 3: Pre-Construction Surveys: Sensitive Species

ESA will conduct pre-construction nesting bird surveys along the proposed construction corridor. Our scope of work assumes 16 hours for site review/coordination and 8 hours for survey write up. Surveys to be completed within 14 days prior to the start of construction related activities (including site mobilization), and then again 48 hours prior to construction activities. These surveys shall be conducted concurrently with the CRLF preconstruction surveys. Additional nesting bird surveys (if necessary) throughout construction period shall be conducted as part of the daily site sweeps by onsite biologist.

Task 4: Biological Monitoring

Our scope of work assumes a single monitor performing "spot" monitoring over for an 8 hour construction day, and a project schedule of 5 weeks. Actual monitoring effort and staff requirements may be increased or decreased, and will depend upon several factors, including contractor performance and schedule. Therefore, our scope of work provides an order of magnitude cost estimate based upon project understanding. In the event that additional monitoring resources are necessary, ESA will provide a scope modification for consideration by NMWD in advance of the additional work. Our scope of work also provides for senior oversight of construction monitoring.



Task 6: Cultural Resource Monitoring

ESA's archaeological consultant will provide oversight, and a culturally-affiliated Native American monitor will be on-site during ground-disturbing activities within a 200-foot radius of locations determined to be archaeologically sensitive. Our scope of work assumes an ESA qualified archaeologist and Native American monitor for an 8 hour construction monitoring day, and a project schedule of 5 days (1 week), with 4 hours of oversight by ESA.

Task 6: Project Management

Assumes 4 hours per month to provide technical oversight and QA/QC of documentation.

Task 7: Reporting (Project Completion Report)

Includes preparation of project completion report summarizing daily logs and identifying project compliance status at end of project. Our scope of work assumes one round of comments by the project team, including NMWD.

Contingency Items

The following table identifies activities that may be encountered or required based upon our experience on projects. These contingency items would be modified as appropriate to address specific conditions as they occur on the proposed Project. These contingency items represent actions which will be required if a sensitive species is located onsite and need to be relocated and biological monitoring of any sensitive species, including nest raptors. For all contingencies, the Project Team would be briefed on approach prior to implementation or agency consultation. ESA has estimated 15% (or \$5,694.75) of the overall cost to address the items listed below. This additional cost is provided as reference only and is not included in this overall cost estimate.

Contingency Item	Actions
Extended Contractor Schedule	Construction schedule is delayed or extended beyond the anticipated construction schedule.
Presence of Sensitive Species within the Work Area (Nesting Birds or California red-legged frog) -Each Occurrence	Consultation with USFWS, CDFG, Monitoring, Prepare Report, Documentation submission to CDFG and United States Fish and Wildlife Service
Contractor Non-Compliance	Contractor violation(s) of MMRP, Permits, NCR preparation, project management meetings, and documentation of corrective action and success.



SOURCE: ESA

North Bay Water Reuse Authority . 206088.02

Figure 1
Monitoring Locations in
Novato North Service Area

**TABLE 1: NMWD North Service Area Construction Monitoring Cost Estimate
ESA Labor Detail and Expense Summary**

Task Number / Description	Administrative Staff Hours							Total Hours	Total Labor Price
	O'Toole	Garrison	Koenig	Danielson	Subtotal	Sr Adm/Grph	Subtotal		
Hourly Billing Rate	\$185	\$150	\$135	\$100		\$	95		
Task 1 Environmental Workbook and Environmental Training Development		8	8	8	\$ 800		2	\$ 190	10 \$ 990
Task 2 Contractor Training (Initial and ongoing)		8	4	8	\$ 2,540			\$ -	20 \$ 2,540
Task 3 Pre-Construction Surveys		8		24	\$ 2,400			\$ -	24 \$ 2,400
Task 4 Biological Resource Monitoring	8	8		50	\$ 7,680			\$ -	66 \$ 7,680
Task 5 Cultural Resource Monitoring		8	44		\$ 5,940			\$ -	44 \$ 5,940
Task 6 Project Management	8	8			\$ 2,680			\$ -	16 \$ 2,680
Task 7 Reporting (Post Project Report)	8	16	16	40	\$ 10,040		3	\$ 285	83 \$ 10,325
Total Hours	24	40	64	130			5		263
Subtotals - Labor Hours	\$ 4,440	\$ 6,000	\$ 8,640	\$ 13,000	\$ 32,080	\$	475	\$	\$ 32,555
Percent of Effort - Labor Hours Only	9.1%	15.2%	24.3%	49.4%			1.9%		100.0%
Percent of Effort - Total Project Cost	11.7%	15.8%	22.8%	34.2%			1.3%		85.8%

ESA Labor Costs \$ 32,555

ESA Non-Labor Expenses
 Reimbursable Expenses (see Attachment A for detail) \$ 2,420
 ESA Equipment usage (see Attachment A for detail) \$ -
Subtotal ESA Non-Labor Expenses **\$ 2,420**

Subconsultant Costs (see Attachment B for detail) \$ 2,990

TOTAL PROJECT PRICE **\$ 37,965**

**Cost Proposal Template
Subconsultant Detail**

		Subconsultant Costs			
		Subconsultant 1	Subtotal Subconsultant Cost	Fee @ 15%	Total Subconsultant Project Cost
Task 5.0					
Hours	Rate				
40.0	65.0	Federated Indians of Graton Rancheria	\$ 2,600	\$ 390	\$ 2,990.00
			\$ -	\$ -	\$ -
Subconsultant Total		\$ -	\$ 2,600	\$ 390	\$ 2,990

Treatment Plan

AN AGREEMENT BETWEEN THE Federated Indians of Graton Rancheria and North Marin Water District

I. PARTIES

The PARTIES to this Agreement are the Federated Indians of Graton Rancheria (FIGR), a sovereign government and federally recognized Indian Tribe (“Tribe”) and the North Marin Water District (“District”), as a responsible agency.

The Tribe will implement all monitoring services, and receive associated compensation, in accordance with a Subcontractor Agreement with Environmental Science Associates (“ESA”).

II. PROJECT

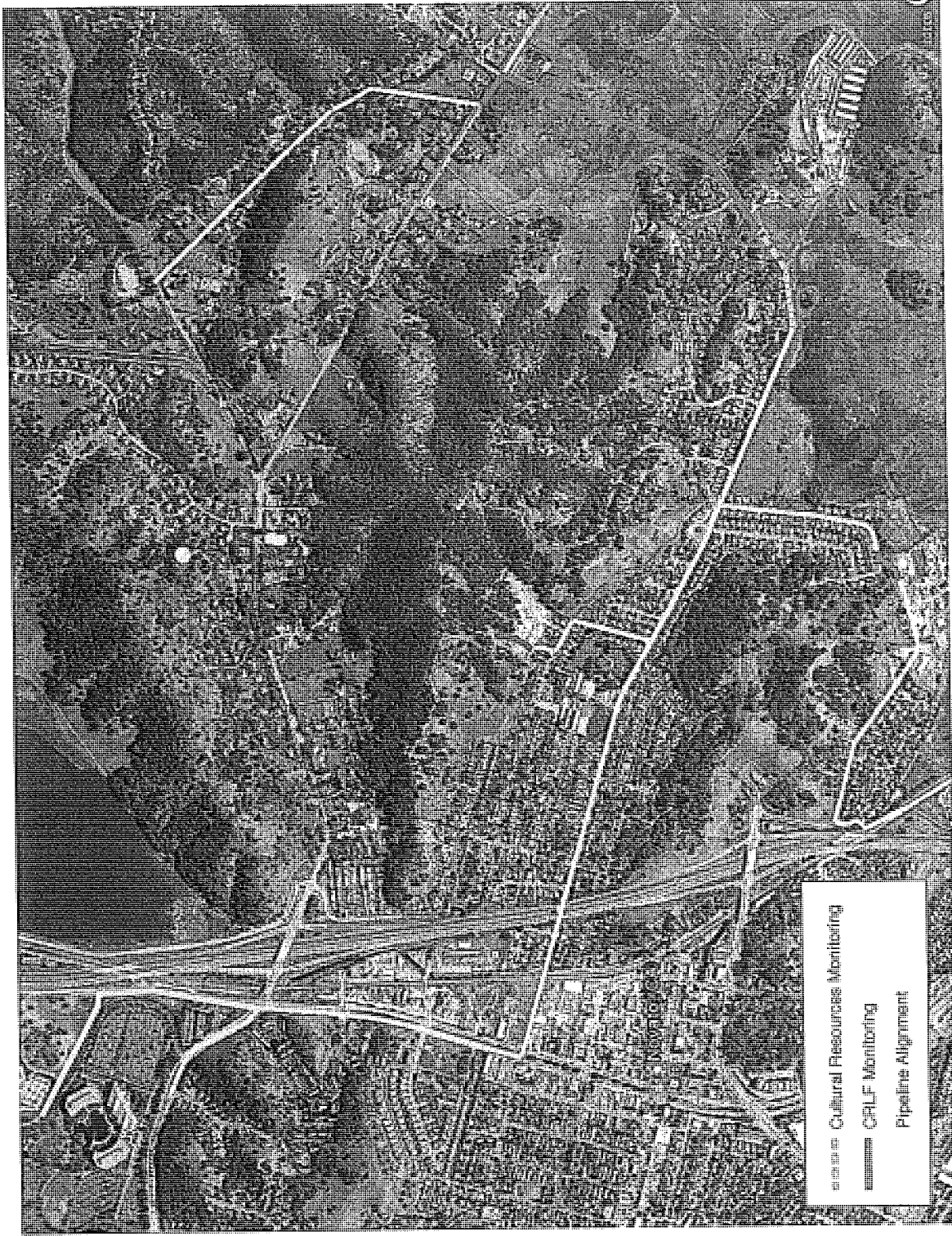
This Agreement concerns a specific project in the Novato Sanitary District/ North Marin Water District Novato North Service Area Project.
The project is assigned FIGR # 20110607.

III. PURPOSE

The purpose of this Agreement is to formalize procedures for the protection and treatment of Native American human remains, funerary objects, cultural and religious landscapes, ceremonial items, and cultural items, in the event that any are discovered in conjunction with the Project’s development and use, including archaeological studies, excavation, geotechnical investigations, grading, and all ground-disturbing activity. This Agreement is effective as of the date provided for in Section XVI. Procedures for Tribal monitoring during archaeological studies, grading, and ground disturbing activities for the Project are provided in additional detail in a separate formal Subcontractor Agreement between the Tribe and ESA.

IV. CULTURAL AFFILIATION

The PARTIES agree that the Project area, identified as “cultural resource monitoring” in Figure 1, consists of land which has been traced to and traditionally occupied by the Southern Pomo and Coast Miwok people of the Tribe. The Tribe has designated its Sacred Sites Protection Committee to act on the Tribe’s behalf with respect to the provisions of this Agreement. Any human remains which are found in conjunction with the development of this Project shall be treated in accordance with Section VII of this Agreement. Any other cultural resources shall be treated in accordance with Section IX of this Agreement.



North Bay Water Reuse Authority . 206088.02
Figure 1
 Monitoring Locations in
 Novato North Service Area

SOURCE: ESA

V. COORDINATION WITH COUNTY CORONER

The site archaeologist and/or the District shall immediately contact the Coroner in the event that any human remains are discovered at the project site. The Coroner shall ensure that notification is provided to the Native American Heritage Commission ("NAHC") as required by California Public Resources Code Section 5097.98(a).

VI. MOST LIKELY DESCENDANT (MLD)

In the event that Native American human remains are found at the project site, the PARTIES understand that the determination of Most Likely Descendant ("MLD") under California Public Resources Code Section 5097.98 will be made by the NAHC upon notification to the NAHC of the discovery of said remains at the Project site. Given the location of the site and the history and prehistory of the area, the NAHC has made a determination in previous incidents of the discovery that the human remains are ancestors of the Federated Indians of Graton Rancheria, who have been designated as the MLD.

VII. TREATMENT OF NATIVE AMERICAN HUMAN REMAINS

In the event that Native American human remains are found on the property at any time the following provisions shall apply.

The Coroner shall immediately be notified, ground disturbing activities within 50 feet shall cease and the Tribe shall be allowed, pursuant to California Public Resources Code Section 5097.98(a), to: (1) inspect the site of the discovery; and, (2) make determinations as to how the human remains and grave goods should be treated and re-interred with appropriate dignity.

The Tribe shall complete its inspection and make its written MLD recommendation within forty-eight (48) hours of being granted access to the site. The PARTIES agree to discuss in good faith what constitutes "appropriate dignity", as that term is used in the applicable statutes and in the Tribe's customs and traditions. The Tribe shall have the final determination as to the disposition and treatment of human remains and grave goods.

The PARTIES acknowledge that FIGR's highest priority is to avoid disturbing human remains through consultation and appropriate avoidance and mitigation measures. It is understood by the PARTIES that avoidance of the human remains and grave goods may require changes to the Project plans and activities.

When there is an inadvertent discovery of human remains, the PARTIES acknowledge the Tribe's desire for the human remains to be left "in situ" and without further and future disturbance. A "good faith" effort will be made by the developer or responsible agency to accommodate FIGR's cultural practices.

No pictures may be taken of the remains, except by written authorization from the Coroner and the Tribe. The archaeologist may draw the remains for cataloging purposes.

In the case of inadvertent discoveries of human remains the PARTIES agree the reburial of the remains and their associated funerary objects will be in an area as close as possible to that location or if soil has been moved, to the original location. The human remains should not be subject to any future disturbances and the PARTIES will take appropriate measures to record this information with the appropriate authorities and keep it confidential. Reburial of human remains shall be accomplished in compliance with the California Public Resources Code Section 5097.98(a) and (b). The exact reburial location will be determined after consultation with the Tribe and the location designated will be recorded in a manner to protect it and to notify future users on its location, see Section VIII. North Marin Water District shall be responsible for reburial costs up to a maximum of \$500.00 per discovery.

The term "human remains" encompasses more than human bones. The Tribe's traditions call for the burial of associated cultural resources (funerary objects) with the deceased, the ceremonial burning of Native American human remains, funerary objects, grave goods and animals. Ashes and other remnants of these burning ceremonies, as well as, funerary objects associated with or buried with the Native American remains are to be treated in the same manner as bones or bone fragments that remain intact.

The Tribe requests all human remains and associated funerary objects remain at the site until arrangements are made for a location to rebury. The parties shall provide an appropriate, locked and secure location on the site to store the human remains until final reburial plans have been made by the Tribe's MLD. If this is not possible, the MLD shall determine the appropriate storage location, which may include the Tribal representative taking possession of the remains.

VIII. NON-DISCLOSURE OF LOCATION OF REBURIALS

It is understood by the PARTIES that, unless otherwise required by law, the site of any reburial of Native American human remains shall not be disclosed and will not be governed by public disclosure requirements of the California Public Records Act, California Government Code § 6250 et seq. The Coroner shall withhold public disclosure of information related to such reburial pursuant to the specific exemption set forth in California Government Code Section 62554(r).

IX. TREATMENT OF CULTURAL RESOURCES

The ceremonial and cultural items left by our ancestors reflect the religious beliefs, rituals, customs, and practices of the Tribe. This location is part of a sacred, religious or cultural landscape where these items may remain today. They were left in this place for a specific reason and purpose.

Therefore, North Marin Water District agrees to consult with the Tribe on the curation or disposition of all cultural items, including ceremonial items and cultural items, which may be found at the property to the Tribe for appropriate treatment, unless North Marin Water District is otherwise ordered by a court or agency of competent jurisdiction (Public resources Code 5020.5(b)). The District may waive any and all claims to ownership of Tribal ceremonial and cultural items, including archaeological items which may be found on the site in favor of the Tribe. If the

District curates the materials in an institution meeting State guidelines, the location must be within FIGR's ancestral territory (as defined by Congress in the restoration of the Tribe).

If temporary possession of cultural items by an entity or individual other than the Tribe is necessary, said entity or individual shall not possess those items for longer than is reasonably necessary for cataloging. This shall not exceed one calendar year. The Tribe will receive two copies of the archaeological report from North Marin Water District or developer.

It is especially important that non human cultural resources and artifacts be left "in situ" to the greatest degree possible. If the Tribal monitor determines the resources are in danger of being damaged or stolen if left "in situ", the Tribe, through the MLD will work with the District to determine an appropriate location to rebury for their preservation. If the articles are to be studied, their treatment and disposition must be defined in an addendum to the Treatment Plan.

In the event native plants at the property may have been used to make ceremonial items, such as baskets, and for other religious rituals or healing, North Marin Water District and the Tribe agree to develop a plan to protect, preserve and restore these plants to the greatest extent possible for the use of current and future Native Americans. The parties may agree to discuss gathering and harvesting of the plant materials for Tribal use in the future.

The District also agrees that the treatment procedures for any discovery, planned or inadvertent, and the disposition of any cultural resources shall be determined by the Tribe. The Tribe shall make these treatment procedures available to the District and its contractors as guidance in complying with the provisions of this Agreement prior to the implementation of any project activities. The District and its contractors agree to consult with and immediately advise the Tribe of any discoveries of cultural resources associated with this Project.

X. UNRECORDED SIGNIFICANT SITES IMPACTED BY PROJECT

The PARTIES agree that if additional significant sites or sites not identified in the original environmental review process will be subjected to further archaeological and cultural significance evaluation by the District and the Tribe to determine if additional mitigation measures are necessary to treat sites in a culturally appropriate manner consistent with Tribal policies, this Treatment Plan and CEQA requirements for mitigation of impacts to cultural resources.

XI. TRIBAL MONITORS

The description of responsibilities and authority for Tribal monitors operations at the site shall be in accordance with a Subcontractor Agreement with ESA, as provided, in draft form, in Attachment1.

XII. ENVIRONMENTAL COMPLIANCE

Nothing in this Agreement shall excuse North Marin Water District from their obligations under any applicable state or federal laws or regulations, including but

not limited to the California Environmental Quality Act CEQA; California Public Resources Code § 21000 et seq., the California Civil Code § 815.3; the California Government Code § 65040.2, 65092, 65351, 65352, 65560, 65352.3, 65352.4, 65562.5, the National Historic Preservation Act (“NHPA”) 16 United States Code (“U.S.C.”) § 470 et seq.; California Public Resources Code 5097.98, 5097.98(c), and 5097.99; California Health and Safety Code Sections 7050.5(c); California Government Code Section 6254; the Native American Graves Protection and Repatriation Act, 25 U.S.C. § 3001 et seq.; the California Native American Graves Protection and Repatriation Act of 2001, California Health and Safety Code § 8010 et seq.; the Native American Free Practice of Religion Act, 16 U.S.C. § 1996, et seq.; and the First Amendment to the United States Constitution. Nothing in this Agreement is intended to make any of the above-referenced laws applicable where such laws would otherwise be inapplicable.

XIII. INDEMNITY

Indemnification and legal obligations of FIGR is provided in Exhibit A, Article v, Indemnification of the Subcontractor Agreement with ESA.

XIV. SEVERABILITY

Should any part of this Agreement be found by any court or agency of competent jurisdiction to be to any extent invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

XV. LIMITATION ON SCOPE

This Agreement is unique to this Project only and does not set a precedent for other projects.

XVI. AUTHORITY TO EXECUTE

Each of the persons executing the Agreement expressly warrants that he or she is authorized to do so. Each party to this Agreement represents and warrants that this Agreement is executed voluntarily, with full knowledge of its content and significance. This completed document must signed prior to work commencing.

Signatures

For the Sacred Sites Protection Committee: _____

Date: _____

North Marin Water District: _____

Date: _____

15

MEMORANDUM

To: Board of Directors

Date: June 17, 2011

From: Drew McIntyre, Chief Engineer



Subject: Approve Engineering Contract for Preparation of Title 22 Engineer's Report and Notice of Intent (RMC Environmental)

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RECOMMENDATION: Board authorize the General Manager to execute an agreement between RMC Environmental and the District for Consulting Engineering Services.

FINANCIAL IMPACT: \$36,450 plus a \$4,000 contingency

On May 5, 2011, staff issued a request for proposal (RFP) to prepare the Title 22 Engineer's Report and Notice of Intent documents in compliance with California Department of Public Health (DPH) and Regional Water Quality Control Board (RWQCB) permit requirements related to Expansion to the North, Central and South Service Areas. The RFP was sent to eight (8) bay area firms. Three (3) firms submitted proposals to the District for this project. The three firms were: Lee & Ro, RMC Environmental (RMC) and HydroScience Engineers (HSE).

Selection Process

Proposals were received by the District on May 27, 2011. A selection committee including myself, Carmela Chandrasekera and Dave Jackson evaluated the proposals. The qualifications of each firm were ranked separately by each panel member against the following selection criteria.

- Qualifications and experience
- Project approach
- Project schedule
- Project labor hours and standard rate schedule, and
- Ability to comply with NMWD contract language.

The greatest weight (i.e., 60 out of 100 points) was given to the project approach and experience of the proposed project team. Upon completion of the ranking, RMC was ranked highest. The primary factors were the experience of RMC's project team and the comprehensive project approach. Overall, RMC's project team experience was more extensive and relevant to this project than that of the other two firms. It should be noted that RMC successfully prepared similar documents for the District's Deer Island Recycled Water Facility in 2003 and is also under contract with Novato Sanitary District to prepare similar documents necessary as the "Producer" of recycled water for the North Service Area project. Note: Las Gallinas Valley Sanitary District has not yet selected a consultant for similar "Producer" permitting requirements.

The proposed scope of work and fee schedule is provided as Attachment 1. Project billing is structured on a time and expense (T&E) basis with a not to exceed limit (without prior authorization). Most of the expenses for this contract will be incurred in the FY11-12 budget year.

Financial Impact

The project cost of \$36,450 is already included in the proposed FY11-12 Improvement Projects Budget for Recycled Water slated for approval on this same date.

RECOMMENDATION

Board authorize the General Manager to execute an agreement between RMC Environmental and the District for Consulting Engineering Services for \$36,450 plus a \$4,000 contingency.

Scope of Services

BACKGROUND

RMC will perform engineering services for the North Marin Water District (NMWD or District) Recycled Water Program. The services include preparation of the distribution and use area chapters of the Title 22 Engineer's Report for the Regional Water Quality Control Board (RWQCB). The Production chapter of the Title 22 Engineer's Report has been developed concurrently by RMC through a separate contract authorization from Novato Sanitary District (NSD). The Production Title 22 Report and the Distribution and Use Area Title 22 Report will be separate documents that are submitted to the RWQCB individually. The NMWD is assumed to be the lead in coordinating and working with the RWQCB and Department of Public Health (DPH) to secure the distribution and use area reclamation permit.

The Title 22 Engineers Report chapters shall be developed in accordance with the DPH *Guidelines for the Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water* (March 2001) and with the Water Reuse Program technical report requirements from the San Francisco Bay RWQCB General Water Reuse Order (Order 96-011).

RMC's responsibilities, work requirements, and schedule shall be as described herein.

TASK 1 Title 22 Engineer's Report – Distribution and Use Area Elements

This task includes the development of a two-chapter Engineer's Report for recycled water use – one chapter on distribution and a second chapter on use areas. Both chapter shall be developed in accordance with the DPH *Guidelines for the Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water* (March 2001) and with the requirements of the San Francisco Bay Regional Water Quality Control Board (RWQCB) General Water Reuse Order (Order 96-011). For the purposes of this scope, the development of the Recycled Water Program to support recycled water Users (Customers) is assumed to be completed and that any updates to the Recycled Water Program would be completed by NMWD staff.

1.1 Distribution System Chapter

RMC will develop a draft Distribution System Chapter that covers the North, Central, and South service areas. Preliminary information for the Central area shall be included in this Title 22 report to avoid the future need for further coordination with DPH and the RWQCB. Information for the report will come from interviews with District staff, the existing EIR for the North Bay Water Reclamation Authority North San Pablo Bay Restoration and Reuse Project, and the Recycled Water Infrastructure Implementation Plan (Nute Engineering, May 2006).

1.2 Use Areas Chapter

The Use Area chapter will describe a range of proposed use types (categories of uses in both the North, Central, and South service areas) to avoid submitting future Title 22 report amendments to DPH. RMC will confirm with the RWQCB that the existing self-permit based system for Users (developed by NMWD for the Deer Island RWF) includes all the necessary elements to allow the District to add future Users to

their program on case-by-case basis, without having to further coordinate with DPH or the RWQCB for authorization. With the exception of dual-plumbed sites, the District will be able to self-issue permits as additional water users are added to the system. Dual plumbed sites will require NMWD to submit to DPH for review and approval documentation of the proper installation of backflow prevention devices and the absence of cross connections.

This chapter will also include a list of North and South service area Users receiving or proposed to receive recycled water (include proposed uses), estimated amount of recycled water flows to each User, and descriptions/maps of designated use areas. [This level of detail will not be provided for Central service area users]. This scope assumes the District will be the point of contact for coordination with Users and will provide information to RMC for inclusion in the report.

TASK 2 **Coordination with California DHS Comments**

RMC will maintain contact with the local DPH District Engineer leading up to the submittal of the Title 22 Report for Distribution and Use. RMC will also respond to questions during DPH review of the report and will prepare a formal response to comments when they are received. RMC will prepare a final Title 22 Report for Distribution and Use Areas for final approval by DPH.

TASK 3 **Notice of Intent and Coordination with RWQCB**

To serve recycled water under the General Water Reuse Order issued by the San Francisco RWQCB (Order No. 96-011), the District must file a Notice of Intent indicating the intention to be regulated under the General Water Reuse Order's provisions and requesting an authorization from the RWQCB. The Notice of Intent package includes a Water Reuse Program technical report, which will be the Final Title 22 Report developed in Task 2. RMC will maintain contact with the San Francisco Bay RWQCB leading up to the submittal of the Notice of Intent package. RMC will respond to questions during RWQCB review of the Notice of Intent package and will prepare a formal response to comments when they are received. RMC shall prepare a final Notice of Intent package for approval by the RWQCB.

TASK 4 **Deliverables**

RMC will compile the chapters prepared by RMC (with the NMWD self-permit based system developed by NMWD as an appendix) in a complete Title 22 Engineer's report covering recycled water distribution and use for the North, Central and South service areas. The deliverables include:




- Draft Title 22 Engineer's Report for Distribution and Use of Recycled Water
- Final Title 22 Engineer's Report for Distribution and Use of Recycled Water
- Draft Notice of Intent Package for RWQCB
- Final Notice of Intent Package for RWQCB



TASK 5 **Project Management**




To ensure efficient and on schedule completion of the project, RMC will provide progress, budget, and schedule tracking of this project. RMC will prepare a monthly progress report that provides a summary of the project status, and an update on the project budget/expenditures and schedule. The report shall also identify issues requiring District action and response. RMC will participate in a single coordination meeting with the District, with two RMC staff members in attendance.

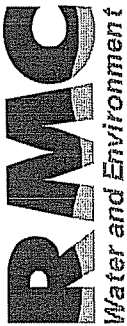
ID	Task Name	Duration	Start	Finish	July	August	September
1	NMWD Title 22 Engineer's Report and NOI Application	51 days	Fri 7/1/11	Fri 9/9/11	6/26 7/3 7/10 7/17 7/24 7/31 8/7 8/14 8/21 8/28 9/4 9/11		
2	Notice to Proceed	1 day	Fri 7/1/11	Fri 7/1/11	7/1		
3	Prepare Draft Title 22 Report	10 days	Mon 7/4/11	Fri 7/15/11		7/18	
4	Submit Title 22 Engineer's Report to DPH	1 day	Mon 7/18/11	Mon 7/18/11			
5	California DPH Review	15 days	Tue 7/19/11	Mon 8/8/11			
6	Prepare Notice of Intent Application	10 days	Tue 7/19/11	Mon 8/1/11			
7	Prepare Final Title 22 Report	5 days	Tue 8/9/11	Mon 8/15/11			
8	Submit Final Title 22 Engineer's Report and Draft NOI Application	1 day	Tue 8/16/11	Tue 8/16/11			
9	RWQCB Review of NOI Application	10 days	Wed 8/17/11	Tue 8/30/11		8/16	
10	Respond to NOI Comments / Finalize NOI Application	7 days	Wed 8/31/11	Thu 9/8/11			
11	Receive Authorization under RWQCB General Water Reuse Order	1 day	Fri 9/9/11	Fri 9/9/11			9/9

Project: Schedule_06132011
Date: Mon 6/13/11

Task:  Milestone:  External Tasks: 

Split:  External Milestone: 

Progress:  Project Summary:  Deadline: 



**North Marin Water District
Recycled Water Projects - Title 22 Engineer's Report and Notice of Intent**

E. Labor Estimate

Tasks	Labor						Total Hours	Total Labor Costs (f)	ODCs	Total ODCs (2)	Total Fee
	Steve Clay	Mark Takemoto	Ganesh Del Beccolo	PE	CAD/ Graphics	Support					
Task 1: Title 22 Engineer's Report	PIC	PM	PE								
Distribution Chapter	\$255	\$205	\$185								
Use Area Chapter	1	4	30				36	\$6,720	\$0	\$6,720	
	1	4	24		6		35	\$6,360	\$0	\$6,360	
	2	8	54		6		72	\$13,080	\$0	\$13,080	
Subtotal Task 1:											
Task 2: Coordination with Department of Public Health											
Coordination with Dept of Public Health	1	8	24				33	\$6,335	\$0	\$6,335	
	1	8	24		0		33	\$6,335	\$0	\$6,335	
Subtotal Task 2:											
Task 3: Notice of Intent and Coordination with RWQCB											
Notice of Intent and Coordination with RWQCB	1	4	12				17	\$3,295	\$0	\$3,295	
	1	4	12		0		17	\$3,295	\$0	\$3,295	
Subtotal Task 3:											
Task 4: Deliverables											
Title 22 Engineer's Report	1	6	16				25	\$4,635	\$100	\$4,745	
Notice of Intent Application	1	4	12				19	\$3,485	\$100	\$3,595	
	2	10	28		4		44	\$8,120	\$200	\$8,340	
Subtotal Task 4:											
Task 5: Project Management											
Project Controls	2	8	2				14	\$2,710	\$0	\$2,710	
Coordination Meeting	4	4	4				12	\$2,580	\$100	\$2,690	
	6	12	6		0		26	\$5,290	\$100	\$5,400	
Subtotal Task 5:											
TOTAL	12	42	124		5	3	192	\$66,120	\$300	\$66,450	

1. The individual hourly rates include salary, overhead and profit.
2. Other direct costs (ODCs) such as reproduction, delivery.
3. RMC reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.

16

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Approve - Purchase of FY12 Insurance
t:\ac\word\insurance\12\fy12 ins mmo.docx

June 17, 2011

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$107,659 included in FY2011/12 Operations Budget

The District requested proposals for insurance coverage for the coming fiscal year. This year we again solicited proposals from broker SST Fenner Insurance in Novato (SST), who won the District's business three years ago from long-time broker Marsh Risk Services. The Marsh team that previously served the District moved in-mass about two years ago to Gallagher Insurance Services in San Francisco. They also made a proposal this year, but were not able to obtain a competitive proposal, except for a workers' compensation excess policy discussed in another agenda item.

SST solicited proposals from Travelers Insurance, Insurance Co of Pennsylvania, Philadelphia Insurance, Scottsdale and Glatfelter. Philadelphia, Scottsdale and Glatfelter could not compete with the Travelers Package and refused to provide a quotation. For the past three years the District has purchased a package policy from Travelers Insurance that includes all coverage except for the \$10 million Umbrella Liability policy. Insurance Co of Pennsylvania agreed to renew their umbrella policy for the same premium amount.

The recommended purchase package presented for your consideration herein reflects a cost increase of \$6,294 (6%) over last year's amount.

PROPOSAL SUMMARY

Insurance Proposal	FY10/11	FY11/12	% Δ
Property	\$43,746	\$43,802	0%
Property – Vehicles	\$1,277	\$1,317	3%
Errors/Omissions	\$11,332	\$14,706	30%
Umbrella Liability ¹	\$43,153	\$45,959	7%
Employee Fidelity Bond	\$1,857	\$1,875	1%
	\$101,365	\$107,659	6%

PROPERTY INSURANCE

Property insurance protects the District against loss or damage that occurs to the

¹ Amount shown is NMWD's cost after MCWCFCD's \$28,611 contribution

District's buildings, equipment and storage tanks. Structures and tanks are insured in an amount up to the value of the asset as shown on the attached schedule. Equipment coverage is provided on a replacement cost basis. The coverage includes a \$1 million "Cybercrime" policy to protect the District from electronic fraud. The insured value of the District's property, including mobile equipment (backhoes, generators, etc.) rose 3% from the prior year, to \$53 million.

<u>CARRIER</u>	<u>TYPE</u>	<u>2010-11 Actual</u>		<u>PREMIUM</u>	<u>RATE/\$1,000</u>
		<u>COVERAGE</u>	<u>DEDUCTIBLE</u>		
Travelers	Property	\$51,593,000	\$10,000	\$43,746	\$0.85
<u>2011-12 Proposal</u>					
Travelers	Property	\$53,070,000	\$10,000	\$43,802	\$0.83 ←

VEHICLE PHYSICAL DAMAGE INSURANCE

Comprehensive & collision insurance for District autos and trucks protects the District against physical damage occurring due to collision, fire, theft, etc. The insured value of the District's insured vehicle fleet decreased 14% from the prior year to \$435,000.

<u>CARRIER</u>	<u>TYPE</u>	<u>2010-11 Actual</u>		<u>PREMIUM</u>	<u>RATE/\$1,000</u>
		<u>COVERAGE</u>	<u>DEDUCTIBLE</u>		
Travelers	Auto PD	\$505,000	\$3,000	\$1,277	\$2.53
<u>2011-12 Proposal</u>					
Travelers	Auto PD	\$435,000	\$3,000	\$1,317	\$3.03 ←

PUBLIC OFFICIALS ERRORS & OMISSIONS AND EMPLOYMENT PRACTICES LIABILITY

Errors and Omissions is a form of liability coverage that insures the District Board and Officers against claims made for "breach of duty" occurring through negligence, error or unintentional omission. It also includes Directors and Officers' Employment Practice Liability Insurance, covering claims for wrongful termination, discrimination, harassment, etc. The recent claim by a terminated employee resulted in an increase in the deductible to \$25,000 (from \$10,000).

<u>CARRIER</u>	<u>COVERAGE</u>	<u>2010-11 Actual</u>		<u>PREMIUM</u>
		<u>DEDUCTIBLE</u>		
Travelers	\$3,000,000	\$10,000		\$11,332
<u>2011-12 Proposal</u>				
Travelers	\$3,000,000	\$25,000		\$14,706 ←

GENERAL AND AUTO LIABILITY UMBRELLA INSURANCE

General and auto liability umbrella coverage provides a backstop in the event of a large liability claim (bodily injury, property damage, personal injury) where the damage exceeds the District's \$1 million self-insured retention (SIR). The umbrella includes dam failure coverage, which is increasingly difficult to procure. A 1985 agreement with the Marin County Flood Control and Water Conservation District (MCFCWCD) requires North Marin to maintain a minimum \$10 million liability policy and obligates MCFCWCD to pay the incremental cost of increasing the limit from \$5 million to \$10 million.

The District self-insures the first \$1 million in liability. The Travelers package insures the next million dollar layer, and Insurance Company of Pennsylvania provides the next \$9 million, rendering total coverage of \$10 million. MCFCWCD's share of the cost remains unchanged from last year at \$28,611 for the \$5 million in additional coverage required under the agreement.

		<u>2010-11 Actual</u>		
<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>	
Travelers/Ins Co PA	\$10,000,000	\$1,000,000	\$43,153 ²	
		<u>2011-12 Proposal</u>		
Travelers/Ins Co PA	\$10,000,000	\$1,000,000	\$45,959³	↔

EMPLOYEE FIDELITY INSURANCE

The employee blanket fidelity bond insures the District against loss occurring through dishonesty (fraud) on the part of District employees. The policy includes an endorsement to include the District Treasurer. Losses are covered up to \$500,000.

		<u>2010-11 Actual</u>		
<u>CARRIER</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	
Travelers	\$500,000	\$10,000	\$1,857	
		<u>2011-12 Proposal</u>		
Travelers	\$500,000	\$10,000	\$1,875	↔

² NMWD cost shown. Total premium was \$71,764, of which MCFCWCD paid \$28,611 for the incremental \$5 million coverage.

³ NMWD cost shown. Total premium is \$74,570, of which MCFCWCD will pay \$28,611 for the incremental \$5 million coverage.

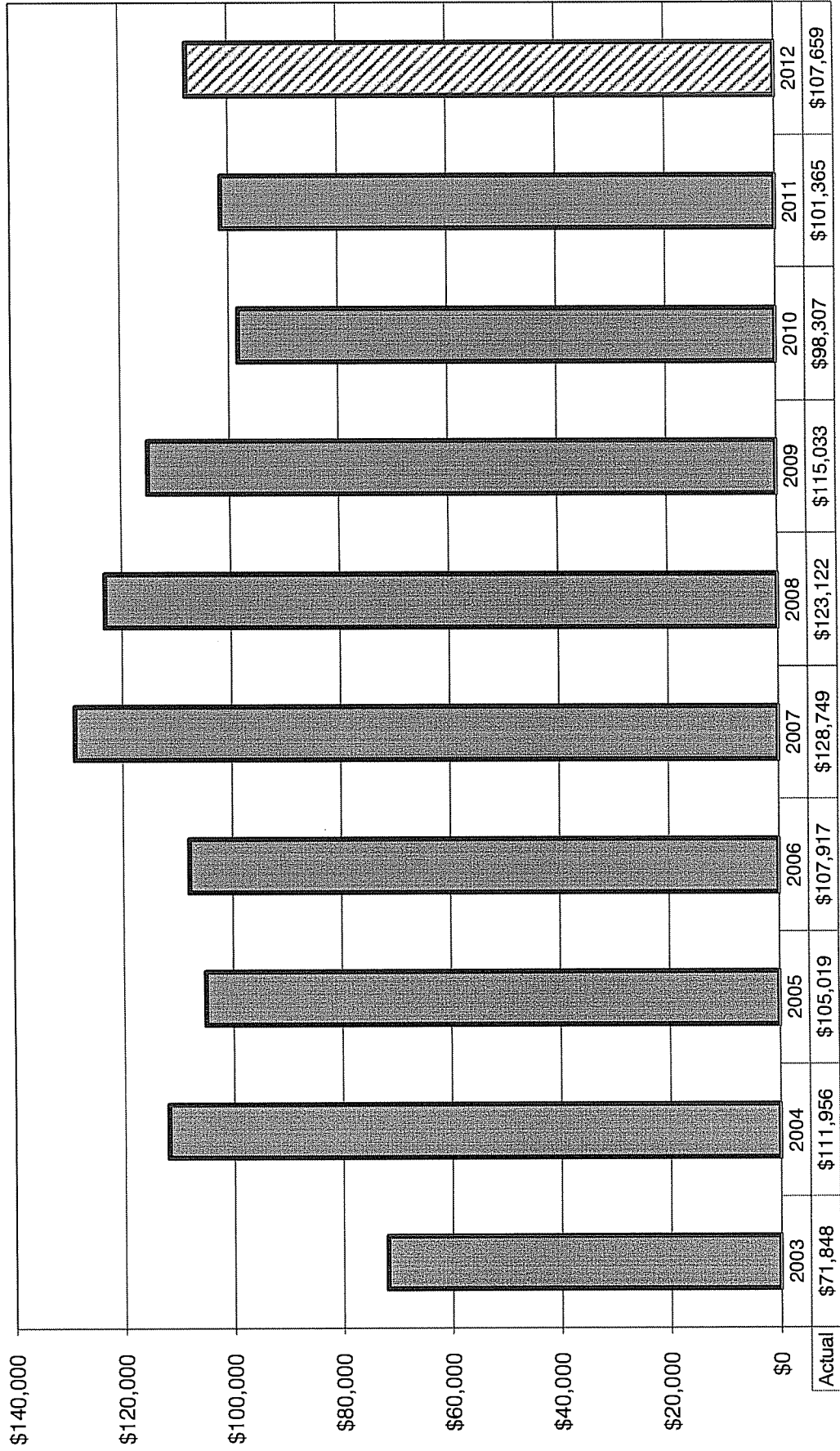
Last year's comparable insurance purchase totaled \$101,365.

STAFF RECOMMENDATION:

<u>TYPE</u>	<u>CARRIER</u>	<u>RATING</u>	<u>COVERAGE</u>	<u>PREMIUM</u>
Property	Travelers	A+ XV	\$53,070,000	\$43,802
Property - Vehicles	Travelers	A+ XV	\$435,000	\$1,317
Errors/Omissions	Travelers	A+ XV	\$3,000,000	\$14,706
Umbrella Liability	Ins Co PA	A XV	\$10,000,000	\$45,959 ⁴
Fidelity Bond	Travelers	A+ XV	\$500,000	\$1,875
				<u>\$107,659</u>

NMWD Insurance Premium Expense 10-Year History (Excludes Workers Compensation Insurance)

6/7/11



Fiscal Year Ending

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 4/21/2011

LOC.	DESCRIPTION		2011-12 INSURED VALUE	
			STRUCTURE	CONTENTS
Buildings				
1	Administration Office 999 Rush Creek Pl. - Constructed 1966 Wood Frame w/Concrete Slab Foundation	8,340 Ft ²	\$1,942,000	\$1,905,000
2	Warehouse, Shop & Yard Buildings (4) 999 Rush Creek Pl. - Constructed 1966 Steel Frame w/Non-Reinforced Concrete Slab	16,380 Ft ²	\$3,761,000	\$1,190,000
3	Waterworks & Misc Supplies/Inventory on Ground and in Cargo Containers (3)		\$13,000	\$812,000
4	Single-Family Residence- 3-bedroom 2-bath 25 Giacomini Road, Pt Reyes Station	1,196 Ft ²	\$395,000	\$40,000
Treatment Plants - Water				
5	Stafford TP 3015 Novato Blvd - Renovated 2005 Steel Frame & Reinforced Concrete on/Reinforced Concrete Slab	33,200 Ft ²	\$7,538,000	\$5,970,000
6	Point Reyes TP - Constructed 1971 Includes Well #1, #2, Downey and Gallagher Well	200 Ft ²	\$163,000	\$316,000
Treatment Plants - Sewage				
7	Oceana Marin TP - Constructed 1990	96 Ft ²	\$15,000	\$28,000
8	Oceana Marin Treatment Lagoons & Piping		\$61,000	\$0
Treatment Plants - Recycled				
9	Recycled Water Facility - Constructed 2007	825 Ft ²	\$681,000	\$2,112,000
Pump Stations, Pressure Systems & PRS (note 1)				
(A - Above Ground; B - Below Ground)				
10	B - Bahia Pump Station (concrete)		\$9,000	\$40,000
11	A - Bear Valley Pump Station (wood frame)		\$50,000	\$40,000
12	B - Buck Center Pump Station (steel)		\$9,000	\$62,000
13	A - Cabro Court PS & 5,500 Gal Concrete Tank (wood frame)		\$50,000	\$47,000
14	A - Eagle Drive Pump Station (wood frame)		\$17,000	\$76,000

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 4/21/2011

<u>LOC.</u>	<u>DESCRIPTION</u>	2011-12	
		<u>INSURED VALUE</u>	<u>INSURED VALUE</u>
		<u>STRUCTURE</u>	<u>CONTENTS</u>
<u>Pump Station and Pressure Systems (continued)</u>			
15	A - Inverness Park Pump Station (wood frame)	\$50,000	\$40,000
16	B - Lynwood Pump Station (concrete)	\$387,000	\$287,000
17	B - Nunes Pump Station (wood frame)	\$50,000	\$76,000
18	B - Oceana Marin Lift Station & Generator (concrete)	\$118,000	\$215,000
19	B - Old Ranch Road (Davies) Pump Station (wood shed)	\$9,000	\$33,000
20	A - Olema Pump Station (wood frame)	\$50,000	\$40,000
21	B - Paradise Ranch Estates (3 pump stations) (wood shed)	\$27,000	\$199,000
22	B - Ponti Pump Station (wood shed)	\$9,000	\$77,000
23	B - Ridge Road Pump Station (wood shed)	\$9,000	\$47,000
24	B - Robin Hood Drive (Cherry Hill) Pump Station (metal box)	\$9,000	\$110,000
25	B - San Andreas Pump Station (wood shed)	\$9,000	\$62,000
26	A - San Marin Drive Pump Station (brick & concrete)	\$451,000	\$264,000
27	B - School Road Pump Station (wood shed)	\$9,000	\$78,000
28	A - Truman Pump Station (wood shed)	\$9,000	\$78,000
29	B - Trumbull Pump Station (wood shed)	\$9,000	\$78,000
30	B - Wild Horse Valley Pump Station (wood shed)	\$9,000	\$78,000
31	B - Windhaven Pump Station (small wood frame)	\$15,000	\$13,000
32	A - Winged Foot Drive Pump Station (metal box)	\$9,000	\$65,000
33	B - Woodland Heights Pump Station (wood shed)	\$9,000	\$78,000
34	B - World College West Pump Station (wood shed)	\$9,000	\$62,000
35	B - Diablo Hill Pressure System (wood shed)	\$9,000	\$47,000
36	B - Garner Pressure System (wood shed)	\$9,000	\$52,000
37	A - Hayden Drive Pressure System (wood frame)	\$50,000	\$52,000
38	B - Indian Hills Pressure System (wood shed)	\$9,000	\$93,000

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 4/21/2011

LOC.	DESCRIPTION	2011-12 INSURED VALUE	
		STRUCTURE	CONTENTS
<u>Pump Station and Pressure Systems (continued)</u>			
39	B - Rockrose Pressure System (wood shed)	\$9,000	\$91,000
40	B - Atherton Avenue Regulator Station (concrete vault)	\$5,000	\$22,000
41	B - Black Point Regulator Sta No.1 (Harbor @ Hwy 37) (vault)	\$5,000	\$22,000
42	B - Black Point Regulator Sta No.2 (Harbor @ Grandview) (vault)	\$5,000	\$22,000
43	B - Black Point Reg Station No. 3 (Iolanthus) (vault)	\$5,000	\$22,000
44	B - Calle De La Mesa Regulator Station (vault)	\$3,000	\$22,000
45	B - Hamilton (Main Gate Rd) Regulator Station (vault)	\$5,000	\$22,000
46	B - Robin Hood Drive Regulator System (at PS) (vault)	\$4,000	\$22,000
47	B - Robin Hood Drive Regulator System (Uphill) (vault)	\$4,000	\$22,000
48	B - San Marin Reg Sta Aqueduct Control Valve (metal box)	\$10,000	\$22,000
49	B - San Marin East Regulator Station (vault)	\$5,000	\$22,000
50	B - Sunset Regulator Station (vault)	\$5,000	\$22,000
51	B - Captain Nurse Circle Regulator Station (vault)	\$5,000	\$22,000
52	B - Western Avenue Regulator Station (vault)	\$3,000	\$15,000
<u>Other</u>			
53	Hamilton (Main Gate Rd) Master Meter	\$5,000	\$15,000
54	Pt Reyes (NPS) Master Meter.	\$5,000	\$15,000
55	Cherry Hill Chlorination Station	\$5,000	\$31,000
56	Crest Radio Building	\$52,000	\$62,000
57	Highway 37 Automated Valve	\$33,000	\$52,000
		<u>\$16,210,000</u>	<u>\$15,407,000</u>

notes

- 1 Pressure systems include pump station and enclosure plus, included in contents, buried tanks with 1,200 to 6,000 gallon capacity.
- 2 All pump stations are within the greater Novato area except loc #11, 15, 20, and 21 which are located in the greater Point Reyes Station area, and loc #18, which is Dillon Beach.

SCHEDULE OF TANKS
NORTH MARIN WATER DISTRICT
Revised 4/21/2011

<u>Loc.</u>	<u>Tank</u>	<u>Total Gallons Capacity</u>	<u>Above Ground</u>	<u>Below Ground</u>	<u>Steel</u>	<u>Concrete</u>	<u>Wood</u>	<u>2011-12 Agreed Value</u>
58	Air Base Tank	1,000,000	X		X			\$706,000
59	Amaroli Tank	4,500,000		X		X		\$1,826,000
60	Atherton	5,000,000	X		X			\$2,068,000
61	Bear Valley (3)	30,000	X			X		\$21,000
62	Black Point	300,000	X		X			\$228,000
63	Buck	500,000	X		X			\$372,000
64	Cabro Court	5,500		X		X		\$4,000
65	Center Road	500,000	X		X			\$372,000
66	Cherry Hill #1	250,000	X		X			\$190,000
67	Cherry Hill #2	200,000	X		X			\$154,000
68	Crest	500,000	X		X			\$372,000
69	Crest #2	500,000	X		X			\$372,000
70	Dickson	250,000	X		X			\$190,000
71	Garner	100,000	X		X			\$77,000
72	Half Moon	100,000	X		X			\$77,000
73	Inverness Park #1	30,000	X			X		\$21,000
74	Inverness Park #2	100,000	X		X			\$77,000
75	Loma Verde*	200,000	X		X			\$154,000
76	Lynwood #1	500,000	X		X			\$372,000
77	Lynwood #2	850,000	X		X			\$611,000
78	Norman	500,000	X		X			\$372,000
79	Nunes Tank	120,000	X		X			\$93,000
80	Old Ranch Road	50,000	X				X	\$162,000
81	Olema	150,000	X			X		\$104,000
82	Pacheco Valley	5,000,000	½	½		X		\$1,850,000
83	Palmer Drive	3,000,000	X		X			\$1,678,000
84	Paradise Ranch #1	25,000	X				X	\$81,000

SCHEDULE OF TANKS
NORTH MARIN WATER DISTRICT
 Revised 4/21/2011

Loc.	Tank	Total Gallons Capacity	Above Ground	Below Ground	Steel	Concrete	Wood	2011-12 Agreed Value
85	Paradise Ranch #2	25,000	X				X	\$81,000
86	Paradise Ranch #3	38,000	X			X		\$27,000
87	Paradise Ranch #4A ***	-	-				-	\$0
88	Paradise Ranch #4B	50,000	X				X	\$162,000
89	Plum Street*	500,000	X		X			\$372,000
90	Point Reyes #1	180,000	X			X		\$124,000
91	Point Reyes #2	100,000	X		X			\$77,000
92	Point Reyes #3	300,000	X		X			\$228,000
93	Ponti	500,000	X		X			\$372,000
94	Reservoir Hill (Recycled Wtr)	492,000		X		X		\$330,000
95	San Andreas	250,000	X		X			\$190,000
96	San Mateo Way	5,000,000	X		X			\$2,068,000
97	Sunset	5,000,000	X		X			\$2,068,000
98	Trumbull	1,500,000	X		X			\$1,005,000
99	Wild Horse Valley - 3rd Zone	500,000	X		X			\$372,000
100	Wild Horse Valley - 4th Zone	44,000	X		X			\$33,000
101	Windhaven	8,000	X			X		\$6,000
102	Winged Foot Drive	600,000	X		X			\$441,000
103	Woodland Heights*	120,000	X		X			\$93,000
104	World College West	200,000	X		X			\$154,000
		<u>39,667,500</u>						
							Tanks	\$20,807,000
							Structures	16,210,000
							Total Real Property	\$37,017,000
							Contents/Personal Property	\$15,407,000
							Rolling Stock	\$435,000
							Contractor's Equipment	\$346,000
							Total District Property	\$53,205,000
							Accounts Receivable	\$100,000
							Valuable Papers	\$100,000
							Extra Expense	\$100,000
							Total Insured Value	\$53,505,000

All storage tanks are located within the greater Novato area except locations #61, 72, 73, 80, 83-87 & 89-91 which are located within the greater Point Reyes Station area.

*
 ** Disconnected from the system
 *** Not a system tank
 Destroyed by fire

Supplemental Property Insurance Schedule

\\nmwdrv1\administration\ac\excel\insurance\asset11.xls]insured rollstk

North Marin Water District

Revised 4/21/11

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

Unit	Year	Description (Make and Model)	GVW	Serial Number	License Number	Loc	2011-12 Insured Value
5	1991	International 5 Yard Dump Diesel	13,860	1HTSDNWN7MH366772	E-290092	Yard	\$10,000
19	1998	Ford 1 Ton Pickup w/Service Body	5,573	1FDWF37S9XEB96840	1010971	Yard	\$5,000
36	1999	Ford 3/4 Ton PU	5,755	1FTNF20L4XEE43372	1028472	Yard	\$3,000
44	2002	International 5 Yd Dump Truck	13,906	1HTMMAAN72H521889	1052721	Yard	\$22,000
46	2002	Chevrolet 1-ton Truck	8,705	4KBB4B1R22J802654	1110442	Yard	\$5,000
47	2002	Chevrolet K-1500 Pickup	4,491	1GCEK14V22Z330183	1132089	Yard	\$4,000
49	2003	Dodge Dakota Quad Cab 4X4	4,412	1D7HG48N33S338786	1145362	Home	\$7,000
51	2003	Chevrolet 1/2 Ton Pickup	4,294	1GCEC14V23Z346527	1145361	Yard	\$6,000
52	1999	Ford F550 3 Yd Dump	9,240	1FDAF56F3XED84442	6X04936	Yard	\$6,000
53	2004	Chevrolet Silverado 1/2 Ton Pickup	4,239	1GCEC14V54Z330209	1171166	Yard	\$7,000
54	2004	Chevrolet Silverado XT Cab Pickup	4,557	1GCEC19V44Z339282	1171165	Yard	\$7,000
55	1999	Intl 5-yd Dump Truck	12,760	1HTSCAAL2YH286268	7D00578	Yard	\$14,000
56	2005	Honda Civic Hybrid 4-dr Sedan	2,875	JHMES966X5S021528	1206931	Yard	\$9,000
57	2005	Honda Civic Hybrid 4-dr Sedan	2,875	JHMES96615S020932	1206930	Yard	\$9,000
58	2005	Ford Ranger Pickup	3,090	1FTYR10U35PA83164	1206907	Yard	\$5,000
59	2005	Ford Ranger Pickup	3,090	1FTYR10U05PA95188	1206933	Yard	\$5,000
501	2006	Chevy Pickup	3,978	1GCDT136568298361	1184992	Home	\$9,000
502	2007	Chevy Silverado Pickup	5,340	1GCHK24U37E150266	1185032	Home	\$10,000
503	2007	International 4300	15,001	1HTMNAAL57H534840	1234101	Yard	\$55,000
504	2007	Chevy Colorado Pickup	3,548	1GCCS19E678182931	1185037	Yard	\$7,000
505	2008	Ford F250 4x4 Pickup	6,827	1FTSF21R28ED28423	1222920	Home	\$20,000
506	2008	Ford F250 4x4 Pickup	6,827	1FTSF21R48ED28424	1222919	STP	\$20,000
507	2008	Ford F350 4x4 Pickup	9,400	1FDWF37RX8ED33587	1222925	Yard	\$27,000
508	2009	Peterbilt 335 Crew	26,000	2NPLHM6XX9M792524	1269125	Yard	\$90,000
509	2008	Chevrolet Colorado 4x4	3,843	1GCDT19E088189310	1222930	Home	\$13,000
510	2009	Toyota Prius Hybrid	3,795	JTDKB20U697834280	1269111	Home	\$15,000
511	2010	Ford F150 4X4	6,650	1FTMF1EW2AKA38225	1269133	STP	\$17,000
512	2010	Ford F150	6,450	1FTMF1CW7AKA38224	1269132	Home	\$14,000
513	2010	Ford F150	6,450	1FTMF1CW6AKA89942	1269134	Home	\$14,000
Total Auto/Truck Count = 29						Total Autos/Trucks	<u>\$435,000</u>

Contractor's Equipment

5A	2007	Trailmax Trailer	7,880	5UCPB31227A000080	1260065	Yard	\$13,000
44A	2007	Trailmax Trailer TD-40-T	8,820	5UCPT32277A000751	1273817	Yard	\$15,000
73	2001	230 Kw Trailer Mounted Generator		1C9F016281C28164	1100104	Yard	\$25,000
75	1996	1500 gpm Water Pump & Utility Trailer		16MG1061XTD021147	950075	Yard	\$13,000
76	2003	Vac-Tec Vacuum Excavator		1V9PT19253C112019		Yard	\$16,000
77	2004	John Deere Backhoe (diesel)		T031058941154		Yard	\$40,000
80	2006	Hose Reel Trailer		1H9BU15216N500606	1184987	Yard	\$45,000
82	2008	Magnum Generator & Trailer		5AJGS13128B000892	1222934	Yard	\$30,000
84	2008	Whisperwatt 36Kw Generator		4GNFU12288B024152		Yard	\$22,000
85	2009	Airman Compressor - Diesel		5UAACUC279V000277	SE78026	Yard	\$12,000
86	2009	JD Backhoe - Diesel 4x4		T0310SJ178270		Yard	\$85,000
902D	2000	JCB 930 Forklift - Yard		664599		Yard	\$12,000
X	2011	185 CFM Portable Air Compressor		Not Yet Purchased		Yard	\$18,000
Total Contractor's Equipment Count = 13						Total Contractor's Equipment	<u>\$346,000</u>

Night-time Location

999 Rush Creek Place	32	\$642,000
3015 Novato Blvd	2	\$37,000
Employee Residence	8	\$102,000
	<u>42</u>	<u>\$781,000</u>

17

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Self-Insuring Workers' Compensation Insurance
t:\ac\word\personnel\wc\self ins recommendation 0611.docx

June 17, 2011

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: Anticipated Savings Averaging \$13,000 per Year¹

At the April 5, 2011 meeting the Board approved a resolution authorizing the Director of the California Department of Industrial Relations to issue to NMWD a Certificate of Consent to Self-Insure workers' compensation liabilities. This action was taken as a precaution in the event the proposals received for FY12 workers' compensation insurance increased significantly. They did – Travelers has requested a 20% increase.

Background

In July 2004, after extensive review and actuarial analysis, the District commenced self-insuring its workers' compensation liability. The District self-insured for four years, and saved \$704,000 compared to the commercial insurance premiums it would have paid. By 2008 the market softened and the District received a proposal from Travelers Insurance for workers' compensation coverage for an annual premium of \$98,000, which the District purchased effective July 1, 2008.

The \$98,000 FY09 premium increased to \$110,000 after Travelers performed a year-end payroll audit. The FY10 premium was \$116,000, the FY11 premium is \$132,000 (pre-audit), and the proposed FY12 Travelers premium just came in at \$159,000. An alternative proposal was received from Chartis Insurance for \$218,000.

As shown on the attached chart, claims incurred in FY10 and FY11-to-date were less than 10% of the Travelers insurance cost.

Self-Insurance

To self-insure, the District would need to employ a third-party administrator (TPA) and purchase an excess (stop-loss) policy to limit the District's liability in the event of a catastrophic claim to \$750,000. The District's prior TPA (Athens Administrators) has agreed to administer District claims for a flat fee of \$12,000 per year for the next three years, and we received a proposal from New York Marine & General for excess coverage at \$46,002. With miscellaneous fees, the cost to self-insure would total about \$60,000 per year.

¹ Anticipated Savings based on Travelers requested premium less self-insurance cost and assuming claims expense is \$86,000, which is the District average over the past 10 years.

The options to consider are:

- 1) Purchase Travelers 1st dollar coverage for \$159,000; or,
- 2) Self-insure for \$60,000 plus claims expense.

The difference between the Travelers premium and self-insurance cost is \$99,000 (\$159,000 - \$60,000). The unknown risk is what the claims expense amount will be. Over the past 10 years claims expense has averaged \$86,000, and over the past 5 years \$32,000. If claims expense in FY12 comes in less than \$99,000, the District will be money ahead. If FY12 claims expense exceeds \$99,000, the District would have been better served with the Travelers coverage.

Staff believes the 20% increase requested by Travelers puts the FY12 premium for 1st dollar coverage over the edge of affordability, and that self-insuring is a viable alternative. Athens Administrators reports that both Marin Municipal and East Bay MUD are self-insured customers. The alternative to self-insurance, should the Board deem appropriate, is to instruct the Auditor-Controller to purchase the Travelers workers' compensation insurance policy for \$159,331.

Recommended Action:

Authorize the Auditor-Controller to:

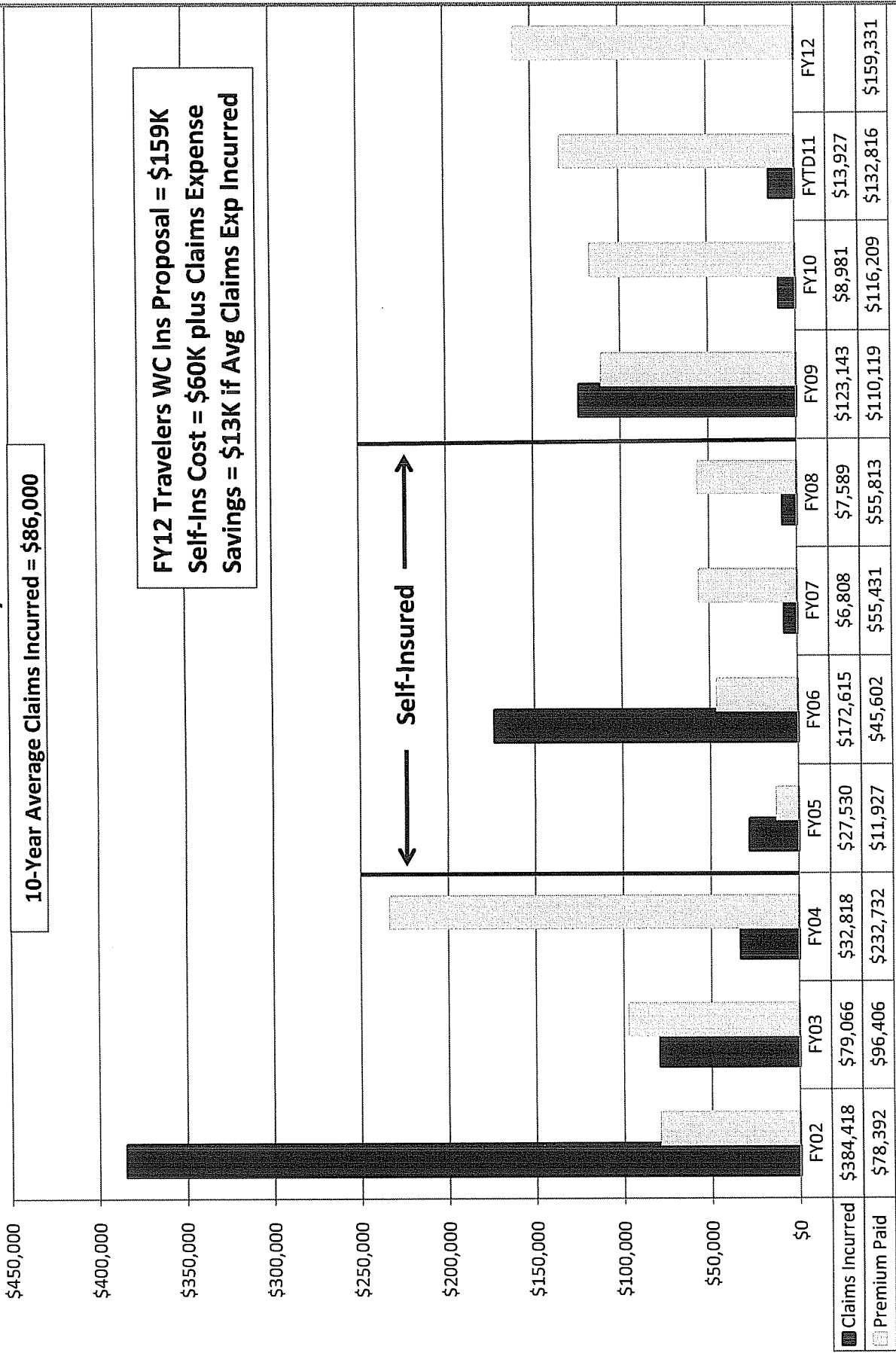
- 1) Enter into an agreement with Athens Administrators to provide TPA services; and,
- 2) Purchase the excess policy from New York Marine for \$46,002; and,
- 3) Commence self-insuring workers' compensation liabilities effective July 1, 2011.

Workers' Comp Claims Incurred & Insurance Premium Paid

10 Year History

10-Year Average Claims Incurred = \$86,000

FY12 Travelers WC Ins Proposal = \$159K
Self-Ins Cost = \$60K plus Claims Expense
Savings = \$13K if Avg Claims Exp Incurred



18

MEMORANDUM

To: Board of Directors

June 17, 2011

From: David L. Bentley, Auditor-Controller

Subj: Oceana Marin Sewer Service Charge Increase
Ordinance – First Reading (Introduction of Ordinance and Waive Reading of Ordinance)
t:\acl\word\budget\wm\12\om ordinance 1st reading.docx

RECOMMENDED ACTION: Approve Reading of Proposed Ordinance – (Read title only)

FINANCIAL IMPACT: None at this time

Pursuant to Health and Safety Code Section 5471(a), collecting the Oceana Marin Sewer Service Charge on the property tax roll requires action by ordinance rather than resolution. The ordinance must be read at 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 21 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 July 5 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 \$58 per month is proposed to be effective August 1, 2011. The fiscal year 2011/2012 fee would total \$693. It is derived by adding the \$55 fee for July sewer service to the \$58 per month fee for August through June 2012 ($\$55 \times 1 + \58×11).

In addition to the \$693 charge, staff will post an additional amount to seven accounts which have delinquent balances remaining from prior years and for which liens on the seven properties has been recorded. The total amount delinquent is \$3,445 plus interest accrued since the recording date. This one-time action will clear up these delinquencies, some of which go back for years. The alternative is to wait until the property transfers ownership.

Recommended Action:

Board approve reading of proposed ordinance – (read title only).

✓

**NORTH MARIN WATER DISTRICT
NOTICE OF HEARING**

Purpose:	Consider Fiscal Year 2011-2012 Oceana Marin Sewer District Budget
Date and Time:	Tuesday, July 5, 2011 at 7:30 p.m.
Place:	Dance Palace 503 B Street Point Reyes Station, CA

PROPOSED INCREASE: An increase in the sewer service charge of 5% (\$3 per month - \$36 annually) is proposed.

Oceana Marin sewer services charges are collected on the Marin County property tax bill. The proposed sewer service charge increase will result in a total annual charge for Fiscal Year 2011/12 of \$693. (\$55 for July plus \$58 per month for August through June 2012).

Need More Information? Call Renee Roberts at 1-800-464-6693 x 8500

**DRAFT
ORDINANCE NO. 25**

**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 2011-12**

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 annual sewer service charge should be \$693 per equivalent unit for fiscal year 2011-12;

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 the Oceana Marin Improvement District at least 45 days prior to the Public Hearing conducted on July 5, 2011 to consider said increase effective August 1, 2011.
- b. 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 at the Public Hearing conducted on July 5, 2011, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.
- c. 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 imposed only on those properties actually receiving service or for those to which service is immediately available.
- d. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1-4) of the 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 to date, and attached as Exhibit 1 hereto,

is hereby amended to read as follows and is hereby adopted:

"c. Sewer Service Rate

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 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 to date, collected on the tax roll of the County of Marin, State of California, in the manner authorized by and pursuant to Sections 5471 through 5473.11 of the Health and Safety Code of the State of California.

Section 5. This ordinance shall be in full force and effect immediately upon adoption, and the Secretary shall cause this ordinance to be published in the manner described in Section 31105 of the Water Code.

* * * * *

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 5th day of July 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Renee Roberts, Secretary
North Marin Water District

(SEAL)

NORTH MARIN WATER DISTRICT

REGULATION 109

OCEANA MARIN SEWER SERVICE - RATES AND CHARGES

a. Applicability.

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

b. Sewage Facilities Connection Charge

A sewage facilities connection charge of \$15,200 for each equivalent 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

Effective August 1, 2004 a sewer service rate of \$660 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 the structure is connected 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.

DRAFT
NORTH MARIN WATER DISTRICT
REGULATION 109

OCEANA MARIN SEWER SERVICE - RATES AND CHARGES

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c. Sewer Service Rate

Effective August 1, ~~2004-2011~~ a sewer service rate of ~~\$660~~\$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 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 17, 2011

From: David L. Bentley, Auditor-Controller 

Subj: Additional Review – FY11/12 West Marin Budgets

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RECOMMENDED ACTION: Review & Provide Direction to Staff

FINANCIAL IMPACT: None at this time. Upon adoption in July, the FY12 Budgets would see:

West Marin Water System Rate Increase	\$54,000
WM Water System Expenditure Plan	\$866,000
Oceana Marin Sewer System Rate Increase	\$8,000
Oceana Marin Sewer System Expenditure Plan	\$250,000

Following for your second review are the budgets for the West Marin Water System and the Oceana Marin Sewer System proposed for FY 2011/12. At the direction of the General Manager, Department Heads have reviewed the West Marin Budgets and reduced the operating budget for the West Marin Water System by \$25,000 and the operating expense for the Oceana Marin Sewer System by \$11,000. The reductions reflect a reallocation of labor from West Marin back to Novato. The initial West Marin budget draft incorporated an increase in labor allocation that would be financially difficult for these small systems to absorb.

Proposed for West Marin Water System customers is a rate increase averaging 9%. A 5% increase is proposed for the Oceana Marin monthly sewer service charge.

INCREASE PROPOSAL DETAIL

Water Rates

A 9% commodity rate increase was implemented in each of the past six years, and this year a rate increase averaging 9% (6% commodity rate increase plus a 33% minimum service charge increase (to \$20 bimonthly for the typical customer with a 5/8" meter) is recommended, with the exception that no increase in the minimum service charge is proposed for Paradise Ranch Estates customers. The \$37 bimonthly service charge paid by all PRE customers is adequate to recover the cost of reading, billing and maintaining the meter, plus the cost of amortizing the \$14,000 annual revenue bond debt service applicable to customers within the PRE subdivision. The proposed increase would total \$55 annually (\$9 bimonthly) for the typical residential customer.

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 now has a cash balance of \$344,000. The Five-Year Financial Plan shows that the \$400,000 project to replace 4,000' of 6" asbestos cement pipe with PVC in steep high-risk areas will draw down the reserve balance. Therefore, a 5% increase (\$3 per month) in the sewer service charge is recommended to help stem falling cash reserves. This will be the first rate increase since August 2004.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

Significant Improvement Projects budgeted for the coming year, from pages 1 and 2 of the budget package, include:

Water

- \$360,000 for the first phase of a \$720,000 project to design and construct a solids-handling facility adjacent to the water treatment plant. A design and cost estimate for the proposed facility will be received this month to refine the construction cost estimate.

Note that the \$450,000 project to construct an 82,000 gallon concrete storage tank to replace the 25,000 gallon redwood tank atop PRE and the \$60,000 project to complete seismic work on the Point Reyes Station storage tanks have both been deferred, as the Solids Handling Facility is deemed to have higher priority.

Sewer

- \$80,000 to complete replacement of 1,000' of 6" of cross-country sewer line – phase 1 of four 1,000' replacement projects.

WEST MARIN WATER SYSTEM

You will note from page 3 of the budget that the proposed West Marin Water System Financial Plan projects a net surplus next fiscal year of zero. This is because the projected \$130,000 cash deficit required to move forward with construction of the Solids Handling Facility will be covered by a loan from Novato water. The West Marin Water System exhausted its cash reserves in May 2005, requiring it to borrow funds from Novato. In accordance with the interdistrict loan policy, West Marin is repaying Novato at the interest rate earned on the District treasury (budgeted at 0.75% for FY12) plus \$50 per month.

The Five-Year Financial Plan on page 4 shows that the total debt to Novato will be fully repaid in FY15, assuming enactment of this year's proposed rate increase and one additional 9% increase in FY13. The repayment plan is predicated upon federal and/or state funds coming available to construct the Gallagher pipeline and rebuild the water treatment plant.

The proposed budget projects no new services to be added to the system next fiscal year, and five per year thereafter, which is the average over the last ten years.

FY11 water sales revenue is budgeted to increase 11% compared with the current year estimated actual, as next fiscal year's sales volume is forecast to rise about 1%. Total income is forecast to increase 7%. The West Marin system is projected to consume 80 million gallons next year, up 1% from FY11 estimated actual, but only 92% of the average¹ over the past ten years. The forecast assumes water sales volume will remain flat thereafter at 82MG as conservation programs (including water rate increases) continue to induce more efficient use of water. Historical consumption data is shown on page 6.

Operating expenditures before improvement projects are budgeted to decrease 1% from the FY11 adopted budget. A graphical history of operating expenditures is shown on page 7. The 2012 update of the Coastal Area Annual Water Cost Comparison will be available at the meeting. It 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 other coastal agencies.

OCEANA MARIN SEWER

The proposed Oceana Marin Sewer budget shown on page 8 includes a \$3 per month increase (5%) in the sewer service charge to \$58 per month. Beginning last July the sewer service charge was placed on the County property tax rolls, eliminating the monthly billing and collection cost. No new connections are budgeted for next fiscal year. Thereafter, two new connections per year are forecast, which is Oceana Marin's average over the past five years.. Next year's budget projects operating expenditures to decrease 1% from the current year budget. The District entered into a five year agreement with Phillips and Associates to provide for Operation and Maintenance of the Oceana Marin system commencing July 1, 2008. The agreement allows for a 2% annual fee escalation. The FY12 budget for Phillips services is \$62,000. An additional \$5,000 is included as a contingency for major equipment repair or

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

replacement as stipulated in the agreement.

A graphical history of Oceana Marin operating expenditures is shown on page 11. The 2011 update of the Coastal Area Annual Sewer Cost Comparison will be available at the meeting. It shows that, when the County 1% allocation of AB8 tax revenue is included as a ratepayer cost, Oceana Marin sewer service cost remains third highest of the six agencies surveyed.

Immediately following this memorandum is Regulation 54 pertaining to Water Rates showing the proposed changes in strike-out mode.

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 July 5, 2011 in Point Reyes Station.

**NORTH MARIN WATER DISTRICT
REGULATION 54
WATER RATES**

a. Rates for Domestic, Commercial and Industrial Users, Novato Service Area

(1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

A BI-MONTHLY SERVICE CHARGE OF:

	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
Standard 5/8 inch meter	\$20.00	\$25.00	\$30.00
For 1-inch meter (see paragraph F)	\$40.00	\$50.00	\$60.00
1.5-inch meter	\$49.00	\$61.00	\$73.00
2-inch meter	\$76.00	\$95.00	\$114.00
3-inch meter	\$151.00	\$189.00	\$227.00
4-inch meter	\$242.00	\$303.00	\$364.00
6-inch meter	\$507.00	\$634.00	\$761.00
8-inch meter	\$756.00	\$945.00	\$1,134.00

PLUS A QUANTITY CHARGE OF:

	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
<u>Residential Rate for Each 1,000 Gallons</u>			
First 615 gallons per day (gpd)	\$3.49	\$3.73	\$4.03
616 up to 1,845 gpd.....	\$5.55	\$5.94	\$6.42
Use in excess of 1,845 gpd.....	\$9.66	\$10.34	\$11.17

Rate for 1,000 Gal for All Other Potable Water Accounts

Commercial, Institutional & Irrigation Accounts - Nov 1 – May 31	\$3.84	\$4.11	\$4.44
Commercial, Institutional & Irrigation Accounts - June 1 – Oct 31	\$4.13	\$4.42	\$4.77
<u>Rate for 1,000 Gallons for non-potable water</u>			
Recycled Water	\$3.84	\$4.11	\$4.44
Raw (Untreated) Water from Stafford Lake	\$1.58	\$1.69	\$1.83

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Elevation</u>	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
A	0 through 60 feet.....	\$0.00	\$0.00	\$0.00
B	60 feet – 200 feet.....	\$0.41	\$0.44	\$0.48
C	200 feet – 400 feet.....	\$1.34	\$1.43	\$1.54
D*	400 feet +	\$2.05	\$1.81	\$1.54

*Any consumer receiving water through a District owned and maintained hydro-pneumatic system shall be assigned to Zone D irrespective of said consumer's actual elevation.

(2) Consumers outside the Improvement District boundary shall pay the Elevation Zone C Rate.

b. Rates for Service to Privately Owned Fire Protection Systems, All Service Areas

The rates for service through detector check assemblies owned by the District to privately owned and maintained systems supplying sprinklers, hydrants or other facilities exclusively for fire fighting shall be paid once every two months as follows:

Size of Detector Assembly

	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
2 inches or less.....	\$10.00	\$12.50	\$15.00
4 inches.....	\$18.00	\$23.00	\$28.00
6 inches.....	\$36.00	\$45.00	\$54.00
8 inches.....	\$55.00	\$69.00	\$83.00
10 inches.....	\$73.00	\$91.00	\$109.00

c. Rates for Domestic, Commercial and Industrial Users, West Marin Service Area:

(1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

MINIMUM SERVICE CHARGE

	<u>Effective 8/1/10</u>	<u>Effective 8/1/11</u>
For 5/8 x 3/4-inch meter.....	\$15.00	\$20.00
For 1-inch meter (see paragraph f).....	\$30.00	\$40.00
For 1 1/2-inch meter	\$36.75	\$49.00
For 2-inch meter	\$57.25	\$76.00
For 3-inch meter	\$113.00	\$151.00
For 4-inch meter	\$181.25	\$242.00
For all meters in Paradise Ranch Estates	\$37.00	\$37.00

PLUS A QUANTITY CHARGE

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	<u>Effective 8/1/10</u>	<u>Effective 8/1/11</u>
First 400 gallons per day (gpd)	\$5.66	\$6.00
401 up to 900 gpd	\$7.84	\$8.31
Use in excess of 900 gpd.....	\$12.58	\$13.33

Rate Per 1,000 Gallons for All Other Accounts

Commercial, Industrial and Irrigation Accounts Nov 1 – May 31	\$5.66	\$6.00
Commercial, Industrial and Irrigation Accounts June 1 – Oct 31	\$7.84	\$8.31

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Hydraulic Zone</u>	<u>Effective 8/1/10</u>	<u>Effective 8/1/11</u>
1	Point Reyes Station	\$0.00	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' – 365')	\$0.15	\$0.16
3	Lower Paradise Ranch Estates (Elevation 0' – 365')	\$0.15	
43	Olema	\$0.56	\$0.59
54	Upper Paradise Ranch Estates (Elevation 365' +)	\$3.78	\$4.01

(2) Effective August 1, 2011, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of \$0.34-33 per 1,000 gallons.

(3) Effective August 1, 2010-2011 consumers outside the Improvement District boundary shall pay an additional \$2.26-\$2.40 per 1,000 gallons.

d. Rates for Water Service from Hydrants or Other Temporary Service

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for uses other than fire fighting or fire prevention through a fire service meter:!

Novato Service Area

	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
For each 1,000 gallons	\$6.18	\$6.23	\$6.31

West Marin Service Area

	<u>Effective 8/1/10</u>	<u>Effective 8/1/11</u>
Zone 1, 2, 3, 4 for each 1,000 gallons For each 1,000 gallons.....	\$10.66	\$12.32
West Marin Service Area Zone 5 for each 1,000 gallons	\$13.88	

The quantity of water delivered as aforesaid shall be determined by the District.

e. Service Arrangements Requiring Assessment of Additional Minimum Service Charges, All Service Areas

A minimum service charge established by this regulation, equal to \$15.00 bi-monthly shall be paid for each dwelling unit which includes a kitchen and which is metered pursuant to Regulation 4.b.(5).

f. Minimum Service Charge for Residential Connections with Fire Fighting Equipment

Where a 1-inch meter is installed solely to provide capacity for private fire sprinklers or other fire-fighting equipment in residential connections, the minimum bi-monthly service charge shall be:

Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
\$22.00	\$28.00	\$34.00

g. Charges for Testing & Maintenance of Backflow Preventers Performed by District

- (1) Each consumer having a backflow prevention device serviced by the District shall pay a bimonthly fee for servicing the device as shown below.

District Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
Testing, Repair, Replacement	3/4" + 1"	\$8.00	\$10.00	\$12.00
Testing, Repair, Replacement	1 1/2"	\$10.00	\$13.00	\$16.00

Privately Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
Testing	3/4" + 1"	\$5.00	\$6.00	\$7.00
Testing	1 1/2"	\$8.00	\$10.00	\$12.00
Testing	2"	\$13.00	\$16.00	\$19.00
Testing	3" + 4"	\$18.00	\$23.00	\$28.00

District Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
Testing, Repair, Replacement	3/4" + 1"	\$22.00	\$28.00	\$34.00
Testing, Repair, Replacement	1 1/2" + 2"	\$32.00	\$40.00	\$48.00
Testing, Repair, Replacement	3" + 4"	\$76.00	\$95.00	\$114.00
Testing, Repair, Replacement	6" + 8"	\$165.00	\$206.00	\$247.00

Regulation 54, adopted 1/65

Privately Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
Testing	3/4" + 1"	\$9.00	\$11.00	13.00
Testing	1 1/2" + 2"	\$17.00	\$21.00	\$25.00
Testing	3" + 4"	\$34.00	\$43.00	\$52.00
Testing	6" + 8"	\$67.00	\$84.00	\$101.00

If any customer requires that testing or maintenance be performed outside of normal work hours of the District an additional charge equivalent to the overtime charges incurred by the District will be assessed.

(2) Exemptions

Exemptions from the testing program are permitted on a case-by-case basis as may be approved by the District and the California Department of Public Health, Office of Drinking Water, District Sanitary Engineer. All such exemptions are conditioned on periodic inspection to ensure that exemption criteria are still being met. Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of:

Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
\$1.80	\$2.30	\$2.80

Proposed
BUDGET

Additional Review

**West Marin Water
Operating &
Improvement Project
Budgets**
FISCAL YEAR
2011-12

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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**WEST MARIN WATER
&
OCEANA MARIN SEWER**

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West Marin Water

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5-Year Financial Plan 4
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Oceana Marin Sewer

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Proposed Improvement Projects

6/8/11

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	FY11 Budget	FY11 E/A	FY12	FY13	FY14	FY15	FY16
6 WEST MARIN WATER SYSTEM							
<u>System Improvements:</u>							
a. Tank Seismic Upgrades	\$60,000	\$10,000					
b. TP Solids Handling	\$100,000	\$65,000	\$360,000	\$360,000			
c. Cable Connection to TP	\$13,000	\$0					
d. Replace PRE Tank #4A (25,000 gal w/82,000 gal Tank)	\$55,000	\$25,000				\$200,000	\$200,000
e. Replace Retaining Wall at PRE 2	\$30,000	\$30,000					
f. TP RTU Upgrade			\$20,000				
g. Gallagher Pipeline (Note 8)						\$1,000,000	\$1,600,000
h. Treatment Plant Modifications Design/Construct (Note 9)					\$120,000		
i. Replace PRE 2" Galvanized Steel Pipe					\$75,000		
j. Olema Pump Station Flood Protection Improvements							
k. Point Reyes Well Rehab	\$0	\$15,000	\$15,000				
<u>Special Projects/Studies:</u>							
a. Water System Master Plan Update (every 5 years)	\$10,000	\$0			\$10,000		
	\$268,000	\$145,000	\$395,000	\$360,000	\$205,000	\$1,200,000	\$3,600,000
→ 8. LESS FUNDED BY LOANS/GRANTS							
e. Gallagher Pipeline (Note 8)	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,600,000)
f. WM TP Modifications Design/Construct (Note 9)	\$0	\$0	\$0	\$0	\$0	(\$1,000,000)	(\$1,800,000)
	\$0	\$0	\$0	\$0	\$0	(\$1,000,000)	(\$3,400,000)
NET PROJECT OUTLAY	\$268,000	\$145,000	\$395,000	\$360,000	\$205,000	\$200,000	\$200,000
Total Number of Projects	7	7	3	1	3	2	3

Note 8 - Gallagher Pipeline funded by Federal/State loan/grant funding

Note 9 - WM TP Project funded by debt and /or grant funding

Proposed Improvement Projects

6/8/11

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	FY11 Budget	FY11 E/A	FY12	FY13	FY14	FY15	FY16
7 OCEANA MARIN SEWER SYSTEM							
a. Infiltration Study & Repair	\$15,000	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
b. Tahiti Way Lift Pumps Rebuild (1/year)			\$20,000	\$20,000			
c. Oceana Marin Remote Alarms	\$15,000	\$8,000					
d. Replace Siphon Dosage Tank	\$11,000	\$5,000					
e. Cross Country Sewer Line Rehab (1,000')	\$100,000	\$15,000	\$80,000	\$100,000		\$40,000	\$100,000
f. Disposal Capacity Engineering Design						\$30,000	\$30,000
g. Install 8th Disposal Trench (300')						\$30,000	
h. Long Range Master Plan Update (every 10 years)	\$141,000	\$28,000	\$115,000	\$35,000	\$115,000	\$115,000	\$145,000

Total Number of Projects 4 4 3 2 2 4 3

**WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2011/12**

	Proposed Budget 2011/12	Estimated Actual 2010/11	Adopted Budget 2010/11	
OPERATING INCOME				
1	Water Sales	\$669,000	\$605,000	\$687,000
2	Misc Service Charges	3,000	3,000	3,000
3	Total Operating Income	\$672,000	\$608,000	\$690,000
OPERATING EXPENDITURES				
4	Source of Supply	\$13,000	\$15,000	\$13,000
5	Pumping	50,000	33,000	37,000
6	Operations	30,000	49,000	28,000
7	Water Treatment	117,000	106,000	106,000
8	Transmission & Distribution	114,000	75,000	123,000
9	Consumer Accounting	26,000	22,000	25,000
10	Water Conservation	4,000	5,000	6,000
11	General Administration	66,000	64,000	76,000
12	Other Operating Expense	0	10,000	10,000
13	Total Operating Expenditures	\$420,000	\$379,000	\$424,000
14	NET OPERATING INCOME (LOSS)	\$252,000	\$229,000	\$266,000
OTHER SOURCES OF FUNDS				
15	PR-2 County Tax Allocation	\$41,000	\$40,000	\$44,000
16	PR-3 Tax - Bond Service	15,000	14,000	15,000
17	OL-2 Tax - Bond Service	4,000	4,000	4,000
18	Interest Revenue	0	0	1,000
19	Connection Fees	0	16,000	46,000
20	Miscellaneous	4,000	4,000	4,000
21	Loan from (repayment to) Novato	130,000	(108,000)	(66,000)
22	Total Other Sources	\$194,000	(\$30,000)	\$48,000
OTHER USES OF FUNDS				
23	Revenue Bond Debt Service	\$27,000	\$27,000	\$27,000
24	G.O. Bond Debt Service	18,000	19,000	19,000
25	EDA Drought Loan Amortization	3,000	3,000	3,000
26	Interdistrict Loan Interest	3,000	5,000	7,000
27	Capital Improvement Projects	395,000	145,000	258,000
28	Total Other Uses	\$446,000	\$199,000	\$314,000
29	NET SURPLUS/(DEFICIT)*	\$0	\$0	\$0
30	Depreciation (not included above)	\$149,000	\$147,000	\$147,000

* Line 14+22-28

WEST MARIN WATER 5-Year Financial Plan

#	BASIC DATA	Actual 2008/09	Actual 2009/10	Estimated 2010/11	Proposed 2011/12	Projected 2012/13	Projected 2013/14	Projected 2014/15	Projected 2015/16
1	Active Services	761	769	769	769	774	779	784	789
2	Avg Commodity Rate/1,000 Gal	\$5.21	\$5.95	\$6.49	\$6.87	\$7.29	\$7.29	\$7.29	\$7.29
3	Potable Consumption (MG)	85	77	79	80	82	82	82	82
INCOME									
4	Commodity Charge	\$440,818	\$459,606	\$511,000	\$552,000	\$597,000	\$597,000	\$597,000	\$597,000
5	Minimum Service Charge	76,120	92,766	94,000	117,000	146,000	175,000	176,000	177,000
6	Connection Fee	74,730	31,350	16,000	0	114,000	114,000	114,000	114,000
7	PR-2 County Tax Allocation	41,843	40,024	40,000	41,000	46,000	47,000	48,000	49,000
8	PR-3 G.O. Bond Tax	12,589	13,631	14,000	15,000	0	0	0	0
9	OL-2 G.O. Bond Tax	4,605	3,910	4,000	4,000	4,000	4,000	0	0
10	Interest	1,338	365	0	0	0	0	0	1,000
11	Miscellaneous	8,846	6,998	7,000	7,000	7,000	7,000	7,000	7,000
12	TOTAL INCOME	\$660,889	\$648,650	\$686,000	\$736,000	\$914,000	\$944,000	\$942,000	\$945,000
EXPENDITURES									
13	Operating Expenditures	\$315,133	\$370,787	\$379,000	\$420,000	\$433,000	\$446,000	\$459,000	\$473,000
14	Replacement/Enhancement Projects	72,251	84,195	0	0	0	0	0	0
15	Bond & Loan Debt Service	48,943	47,500	49,000	48,000	49,000	33,000	34,000	29,000
16	Interdistrict Loan Interest	14,250	7,074	5,000	3,000	4,000	3,000	1,000	0
17	TOTAL EXPENDITURES	\$450,577	\$509,556	\$433,000	\$471,000	\$486,000	\$482,000	\$494,000	\$502,000
NET INCOME BEFORE PROJECTS									
		\$210,312	\$139,094	\$253,000	\$265,000	\$428,000	\$462,000	\$448,000	\$443,000
OTHER SOURCES/(USES)									
18	Capital Improvement Projects	(159,619)	(27,581)	(145,000)	(395,000)	(360,000)	(195,000)	(1,200,000)	(3,600,000)
19	Gallagher Pipeline & TP Grant/Loan							1,000,000	3,400,000
20	Loan from (repayment to) Novato	(132,685)	(38,522)	(108,000)	130,000	(83,000)	(267,000)	(92,000)	0
21	Net Change in Working Capital	80,143	(73,858)	0	0	0	0	0	0
22	INCREASE (DECREASE) IN CASH	(\$1,849)	(\$867)	\$0	\$0	(\$15,000)	\$0	\$156,000	\$243,000
CASH BALANCE									
24	Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	System Expansion Reserve	0	0	0	0	0	0	61,000	308,000
26	Liability Contingency Reserve	0	0	0	0	0	0	99,000	99,000
27	Bond Redemption Reserve	52,964	52,097	52,000	52,000	37,000	37,000	33,000	29,000
28	TOTAL CASH BALANCE	\$52,964	\$52,097	\$52,000	\$52,000	\$37,000	\$37,000	\$193,000	\$436,000
29	Amount Due to Novato Water	\$458,822	\$420,300	\$312,000	\$442,000	\$359,000	\$92,000	\$0	\$0
30	Non-Budgeted Depreciation	\$142,310	\$145,913	\$147,000	\$149,000	\$156,000	\$162,000	\$165,000	\$185,000

WEST MARIN WATER NOTES

KEY

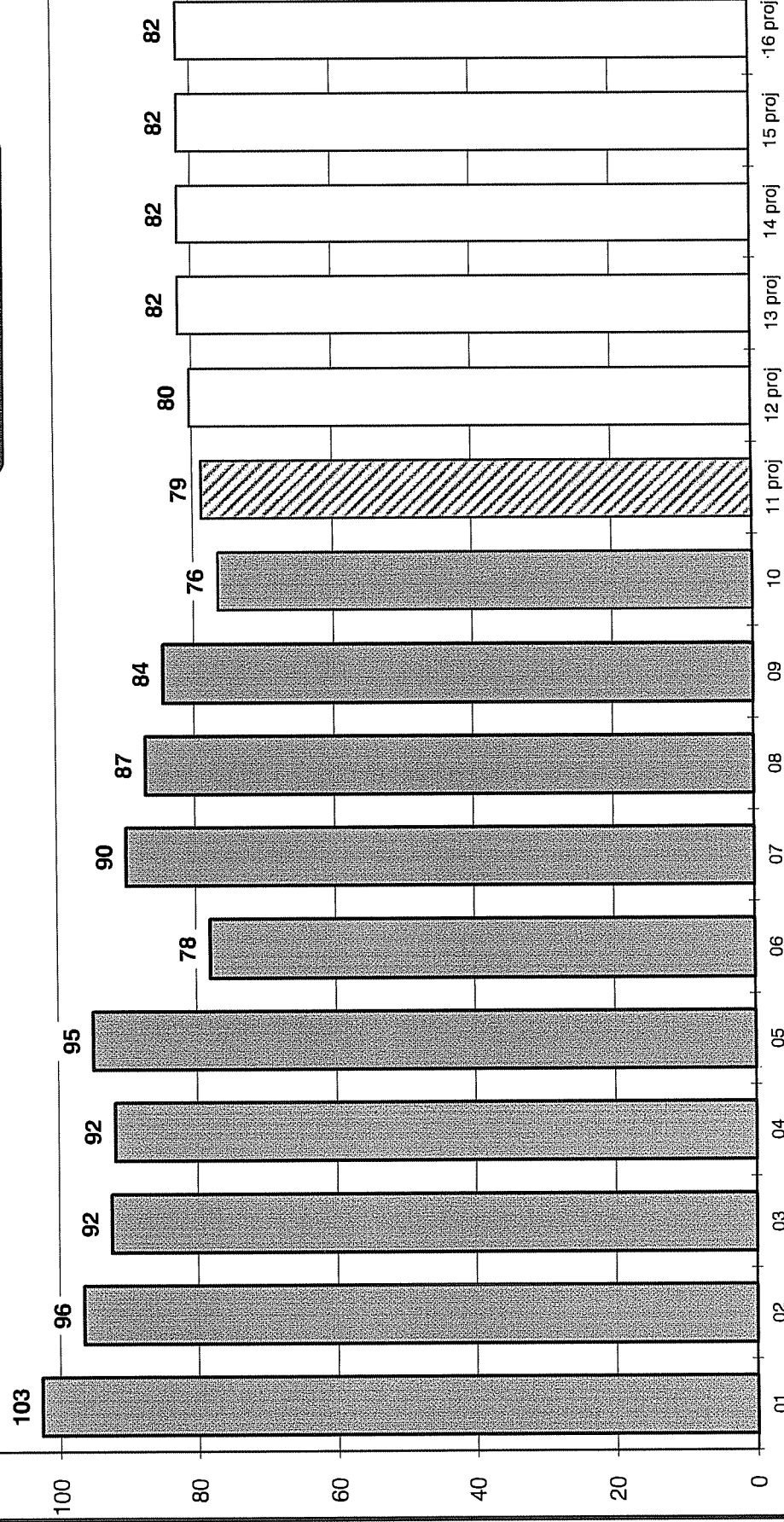
- West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).
- 1 After FY12 assumes annual increase of 5 connections/year, which is the 10 year average.
- 2 A commodity rate increase of 6% is proposed effective 8/1/11.
- 3 FY12 Projection based on prior 3 year average.
- 5 A 33% increase in the Bimonthly Minimum Service Charge is proposed to \$20 for the typical 5/8" X 3/4" residential meter. No increase is proposed for the existing PRE \$37 bimonthly Minimum Service Charge as it is adequate to cover the cost of reading, billing and maintaining the meter, plus the cost of amortizing the \$14,500 annual revenue bond debt service applicable to customers within the PRE subdivision.
- 6 The connection fee was increased to \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 In July 2009 the State Legislature voted to "borrow" 8% (approximately \$3,500) of Point Reyes tax revenue. California promises to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. 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.
- 10 Projected available funds invested at 0.75%
- 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 13 3% annual increase assumed after FY12.
- 14 Replacement/Enhancement Projects are comprised of non-capitalized projects.
- 15 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.
- 16 Interdistrict Loan Amortization commencing 2005 to fund the LRIPP. Projection assumes interest payments at 0.75% + \$50 per month.
- 17 Excludes depreciation.
- 18 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
- 19 Gallagher Pipeline & Treatment Plant Rehab grant or loan proceeds offset the \$4.4 million cost of installation.
- 20 Interdistrict loan proceeds & repayment to fund the West Marin Long Range Improvement Project Plan (LRIPP).
- 24 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 \$152,000 at June 30, 2011, however the funds have been used to subsidize operating deficits resulting from financing the LRIPP. Future cash generated will accrue to the emergency operating reserve fund until it is whole.
- 25 System Expansion Reserve is composed of connection fee revenue, the \$94,860 Adam's contribution, \$33,500 in Mt. Vision Fire insurance proceeds, and \$8,000 in PRE Improvement Project Reserve Funds. The System Expansion Reserve was exhausted during FY04/05 to fund the LRIPP.
- 26 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. This reserve was exhausted during FY04/05 to fund the LRIPP. \$8,885 derived from sale of 2 surplus parcels in Inverness Park was added to the fund in Dec 2006. Future cash generated will accrue to this reserve until it is whole.
- 27 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury.
- 29 Amount Due to Novato Water at fiscal year end.

West Marin Potable Water Billed Consumption Net of Giacomini Dairy

MG

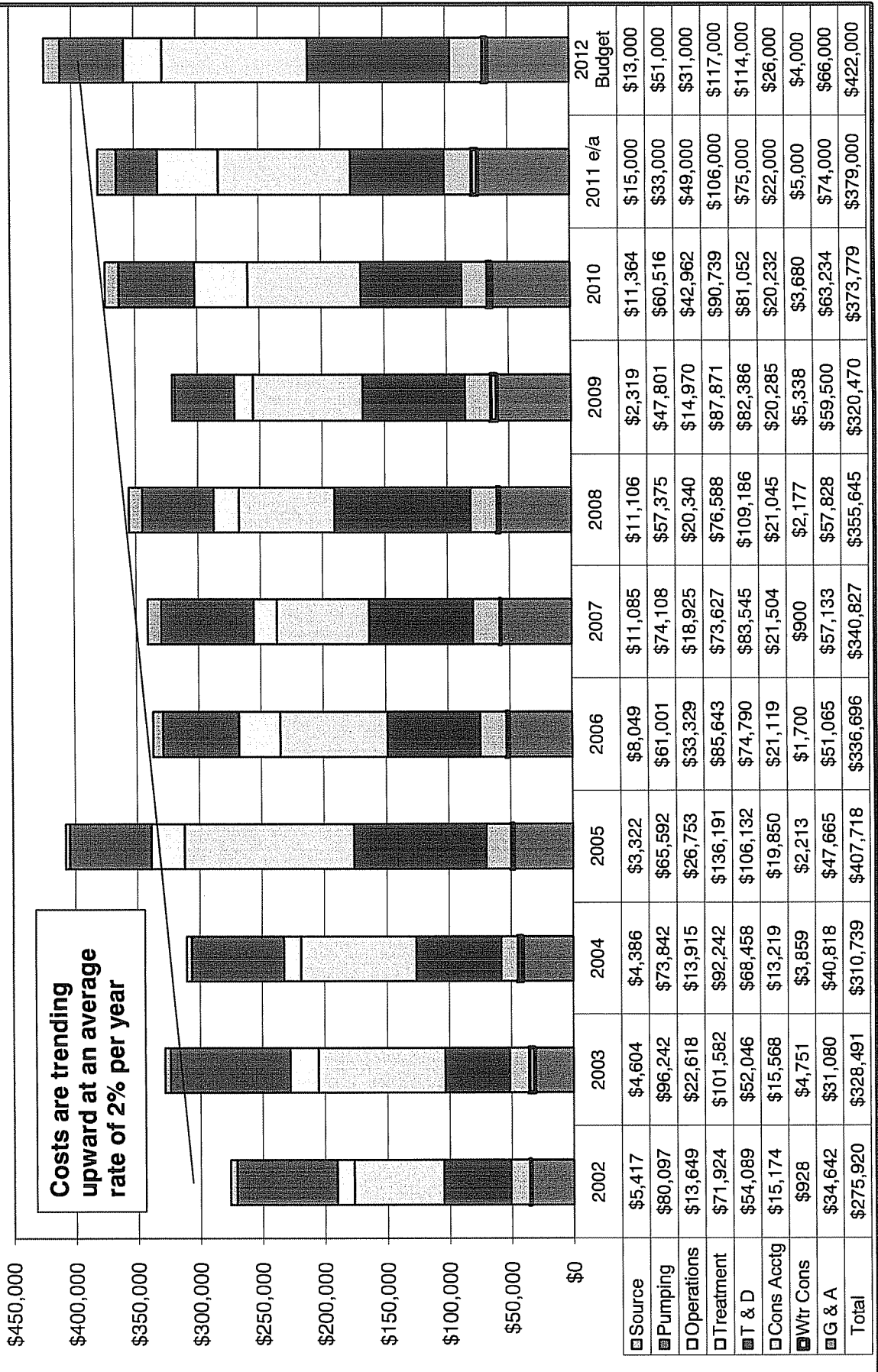
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**FY12 Projection based
on prior 3 year average**



FISCAL YEAR ENDING

West Marin Water Operating Expenditures



Costs are trending upward at an average rate of 2% per year

**OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2011/12**

	Proposed Budget 2011/12	Estimated Actual 2010/11	Adopted Budget 2010/11
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$157,000	\$150,000	\$150,000
2 Misc Service Charges	0	0	0
3 Total Operating Income	\$157,000	\$150,000	\$150,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$21,000	\$22,000	\$18,000
5 Sewage Treatment	19,000	20,000	18,000
6 Sewage Disposal	1,000	1,000	1,000
7 Contract Operations	67,000	62,000	71,000
8 Customer Accounting	2,000	2,000	4,000
9 General & Administration	25,000	23,000	25,000
10 Total Operating Expenditures	\$135,000	\$130,000	\$137,000
11 NET OPERATING INCOME (LOSS)	\$22,000	\$20,000	\$13,000
OTHER SOURCES OF FUNDS			
12 OM-1/OM-3 Tax Allocation	\$41,000	\$41,000	\$46,000
13 Interest Revenue	3,000	3,000	3,000
14 Connection Fees	0	0	30,000
15 Other Misc Revenue	1,000	1,000	1,000
16 Working Capital - 6/10 Srvc Chrg	0	12,000	0
17 Total Other Sources	\$45,000	\$57,000	\$80,000
OTHER USES OF FUNDS			
18 Capital Improvement Projects	\$115,000	\$28,000	\$141,000
19 Total Other Uses	\$115,000	\$28,000	\$141,000
20 NET SURPLUS/(DEFICIT)*	(\$48,000)	\$49,000	(\$48,000)
21 Depreciation (not included above)	\$43,000	\$42,000	\$42,000

* Line 11+17-19

OCEANA MARIN SEWER

5-Year Financial Plan

#	Actual 2008/09	Actual 2009/10	Estimated 2010/11	Proposed 2011/12	Projected 2012/13	Projected 2013/14	Projected 2014/15	Projected 2015/16
1	225	225	227	227	229	231	233	235
2	\$55,000	\$55,000	\$55,000	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000
INCOME								
3	\$147,918	\$148,427	\$150,000	\$157,000	\$159,000	\$160,000	\$161,000	\$163,000
4	44,594	42,654	41,000	42,000	47,000	48,000	49,000	50,000
5	9,000	9,000	0	0	30,000	30,000	30,000	30,000
6	4,496	2,919	3,000	2,000	2,000	2,000	2,000	2,000
7	3,365	798	1,000	1,000	1,000	1,000	1,000	1,000
8	\$209,373	\$203,798	\$195,000	\$202,000	\$239,000	\$241,000	\$243,000	\$246,000
9	\$126,945	\$123,296	\$130,000	\$135,000	\$139,000	\$143,000	\$147,000	\$151,000
OTHER EXPENDITURES								
10	\$35,251	\$40,159	\$28,000	\$115,000	\$35,000	\$115,000	\$115,000	\$145,000
11	\$162,196	\$163,455	\$158,000	\$250,000	\$174,000	\$258,000	\$262,000	\$296,000
12	\$46,000	(\$2,028)	\$12,000					
13	\$93,177	\$38,315	\$49,000	(\$48,000)	\$65,000	(\$17,000)	(\$19,000)	(\$50,000)
CASH BALANCE								
14	\$163,036	\$191,225	\$201,000	\$210,000	\$262,000	\$272,000	\$259,000	\$209,000
15	66,329	76,455	77,000	20,000	33,000	6,000	0	0
16	\$229,365	\$267,680	\$278,000	\$230,000	\$295,000	\$278,000	\$259,000	\$209,000
17	\$36,355	\$41,084	\$42,000	\$43,000	\$46,000	\$47,000	\$50,000	\$53,000

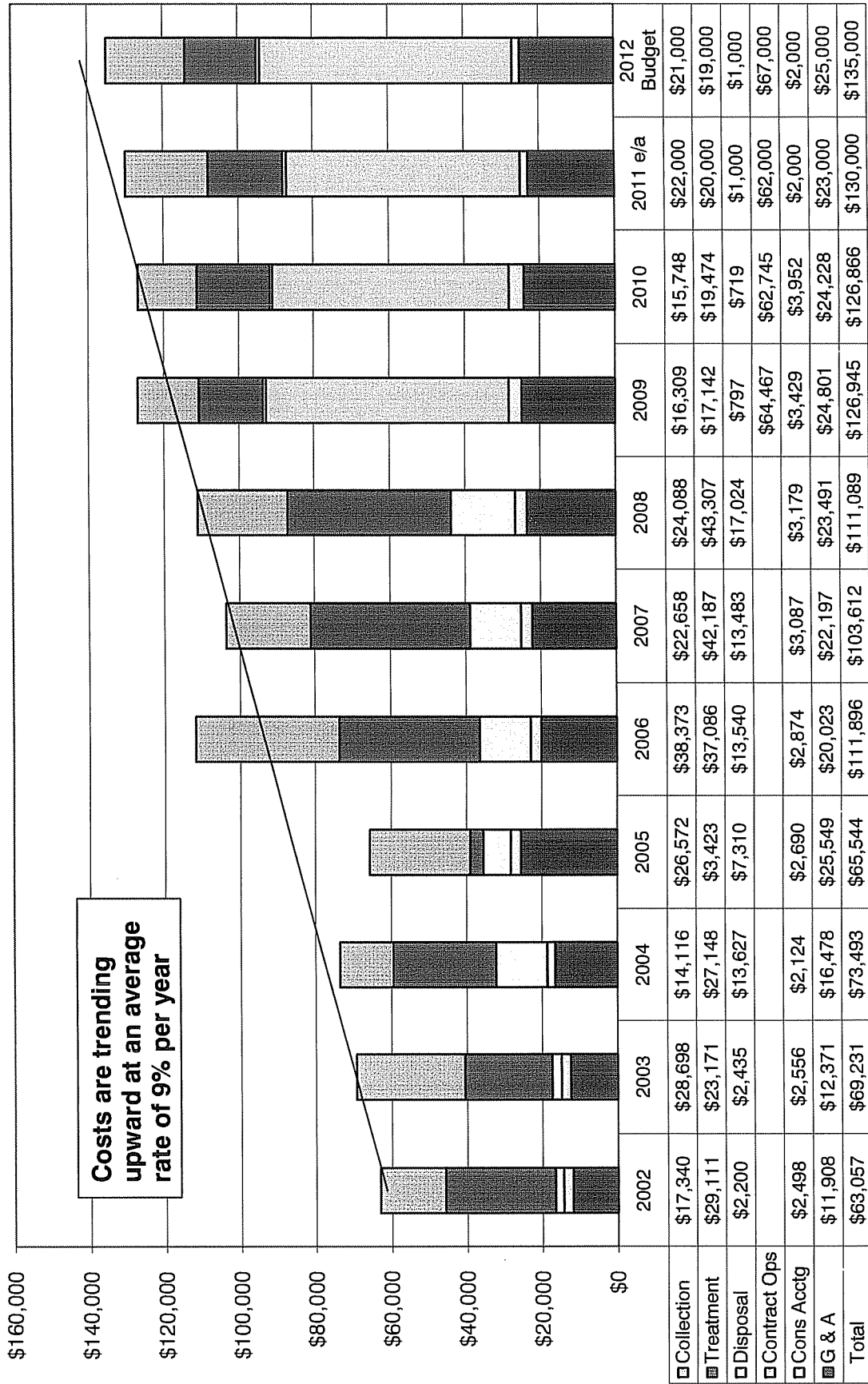
OCEANA MARIN SEWER

NOTES

KEY

- 1 Assumes increase of 2 connections/year after FY12, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Service charge proposed to increase \$3 to \$58/month effective 8/1/11. Last increased \$5 to \$55 per month 8/1/04.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. In July 2009 the State Legislature voted to "borrow" 8% (approximately \$3,500) of Oceana Marin tax revenue. California promises to repay the borrowed money plus plus 2% interest per annum no later than June 30, 2013. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Assumes the new connections occur in OM-3 (Units 1 or 5) which are subject to the connection fee.
- 9 3% annual increase assumed after FY12.
- 10 Capital Improvements & Special Projects. See 5-year Improvement Projects Forecast.
- 11 Excludes depreciation.
- 12 The FY09 working capital pertains to \$50K of insurance proceeds received as reimbursement for costs incurred in response to the February 2008 effluent spill. The FY11 increase is derived from the June 2010 sewer service charge billed and collected in FY11.
- 16 Cash available for operation, maintenance and improvements

Oceana Marin Operating Expenditures



20

DISBURSEMENTS - DATED JUNE 8, 2011

Date Prepared: 6/7/11

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


Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 5/31	\$118,061.72
EFT*	Bank of the West	Federal & FICA Taxes PPE 5/31	44,270.85
1	Aberegg, Michael	Drafting Services: Plum Street Tank Recycled Water Exp (\$110), Hamilton Nursery (\$495) & Pacheco Tank Mixing (\$1,540) (Bal Remaining on Contract \$19,977)	2,145.00
2	Advanced Reproduction Center	Plans & Specs - Plum St Recycled Water Tank (6 sets)	232.58
3	Alpha Analytical Labs	Lab Testing (Novato & Pt Reyes)	1,670.00
4	American Family Life Ins	May Employee Contrib for Accident, Disability & Cancer Ins	3,499.40
5	AT&T	Telephone Charges: Leased Lines (\$284), Local (\$5) & Minimum (\$683)	972.60
6	Badger Meter	5/8" (150) & 1 1/2" Water Meters (5)	9,666.01
7	Basic Chemical Solutions	Sodium Hypochlorite (970 gals)	3,499.02
8		Cafeteria Plan - Uninsured Medical Reimbursement	121.00
9	Brichetto, Nannette	Novato "Washer Rebate" Program	75.00
10	Business Card	Publication: Out of Water: From Abundance to Scarcity & How to Solve the World's Water Problems (\$23) (DeGabriele), Display Ads: Novato Water Rate Hearings (\$1,130), Parking (\$25) (DeGabriele), Birthday Breakfasts (\$34), Lodging-Cross-Connection Control Class (Kurfirst) (\$223), Facebook Ads-Water Conservation (\$562), Display Port to VGA Adapter (\$38), Plastic Ware (\$11), Salad for Diggs Retirement Party (\$44), & Internet	2,187.25


Seq	Payable To	For	Amount
11	Calif Public Health Services	Application Fee for Water Distribution Operator Certification Grade 3 (Jeff Corda)	90.00
12	State of California	State Tax & SDI PPE 5/31	9,130.96
13	CDW-Government	Keyboards (4) (\$53) (Stock) & Replacement Drive (\$68) (Blue)	121.03
14	Chen, Wen	Novato "Washer Rebate" Program	75.00
15	Cole-Parmer Instrument	Membranes (Lab)	77.54
16	HSBC Business Solutions	Flash Cards (2), Memory Cards (2) (Kauwe), Hamburger Patties, Cake, Hot Dogs, Buns & Sodas (Jim Diggs Retirement Party) (\$156) & Coffee (\$85)	320.05
17	Cretti, Robert & Mary Jo	Novato "Toilet Rebate" Program	150.00
18	De Gabriele, Chris	Exp Reimb: May Mileage	328.95
19	Deluxe	Cash Receipts Forms (2,000)	287.22
20	Cashier Dept of Pesticide Regu	Reg Fee: Qualified Applicator Certificate Exam (\$50) & Pesticide Applicator Fee (1/11-12/12 (\$30) (Cilia) (Budget \$0)	80.00
21	Devereaux, Richard	Novato "Cash for Grass" Program	245.00
22	Digital Prints & Imaging	24" X 36" Vellum (40) (\$126) (Lab) & Digitize Maps to Auto Cad (\$131) (San Marin Hills Unit	257.98
23	Dionex	Parts to Rebuild Pump (STP)	367.23
24	Fisher Scientific	Standards (12) (\$52), Potassium Iodide (\$150), Buffer Delusion Water (\$142) & Tubing for Metrohn Autosampler Standards (12) (\$56)	400.42
25	Garcia, Robert	Novato "Toilet Rebate" Program	150.00
26	Golden Gate Petroleum	Gasoline (\$3.83/gal) & Diesel (\$4.07/gal)	4,074.18
27	Groeniger	3/4" & 1 1/2" Corp Stops (12)	492.70
28	Kaszpurenko, Marilyn	Novato "Washer Rebate" Program	75.00
29	Kizirian, James	Novato "Toilet Rebate" Program	150.00

Seq	Payable To	For	Amount
30	Labozzetta, Chris	Novato "Toilet Rebate" Program (\$450) & Refund Alternative Compliance Reg 15 Deposit (\$945)	1,395.00
31	Marin County	Moving Antennae From Old Tank to Crest Tank Location	680.00
32	Marin Landscape Materials	Concrete (\$518) & Top Soil (\$54)	572.15
33	Marinscope	Display Ad: Water Rate Hearing	214.00
34	Marin Reprographics	Ink Jet (4 - 3' X 12.5') (\$82) & Laser Bond Paper (3 - 3' X 42') (\$117)	199.07
35	McMaster-Carr Supply	Replacement V-Belt for Motorized Gate Operators (8)	45.80
36	North Marin Auto Parts	Emergency Flashing Light (\$132) ('97 Hyster Forklift), Washers (24), Light Socket, Grease Gun Fitting, Air Filters (3) (\$177), Oil Filters (5) (\$72), Motor Oil (23 qts) (\$118), Wiper Blades, Buffing Pads (4), Terry Cloth Towels (60 lbs) & 2-Cycle Oil	520.85
37	Novato Builders Supply	Lumber & Duct Tape (2)	20.49
38	Pace Supply	Connection Rings (80) (\$196), Couplings (32) (\$263), Flange (\$69), Ells (12) (\$56), Tee (\$392), Butterfly Valve (\$1,030), Ball Valves (2), Bushings (17) (\$45), Caps (5), Hyd Extension (\$94), Nipples (24), Reducers (2) (\$65) & Tape Bushings (17) (\$159)	2,469.00
39	PERS Retirement System	Pension Contribution PPE 5/31	37,815.22
40	Pini Hardware	Ball Valves (4) (\$54), Weed Killer (\$21), Lock, Clasp, Copper Tubing for Sensor Lines, Pliers, Flapper w/Chain, Caulking, Wax, Bolt Set, 3' Tubing for Sprayer, Vinegar (3 gal) (STP & RWF), Light Switch w/Motion Detector (\$27), Plant Food (\$74) (48lbs), Tarp for Dig-Outs, Tape, Bolts, Pruner, 5 gal Buckets (3), Toilet Flush Valve & Fitting	307.11
41	Red Wing Shoe Store	Safety Boots (Baccei)	200.00
42	Rey Service	Service on HP 800 Plotter (Eng)	365.66

Seq	Payable To	For	Amount
43	Sebastopol Bearing & Hydraulic	"O" Rings, Trailer Hitch Coupling (\$38) & Valve Turner (\$107)	146.36
44	Sequoia Safety Supply	Disposable Gloves (300) (\$62) & Safety Glasses (24) (\$86) (Construction)	148.72
45	Shirrell Consulting Services	June Dental Ins Adm Fee	293.80
46	Spencer, Hunter	Refund Security Deposit on Hyd Meter Less Final Bill	371.90
47		Vision Reimbursement	184.00
48	United Rentals	Mufflers (2) (Chop Saw)	175.05
49	United Parcel Service	Delivery Service: Recycled Water System Expansion SRF Loan Documents	8.03
50	Verizon California	Telephone Charges: Leased Lines (\$1,154) & Minimum (\$70)	1,224.94
51	Verizon Wireless	May CIMIS Station Data Transfer Fee (2)	19.14
52	VWR International	Petri Dishes (500)	218.85
53	Wiley Price & Radulovich	Reg Fee: Breakfast Briefing: "Managing in a New Era-Social Networking, Tweeting and Other Technology Use & Abuse" (Landeros & Young)	85.00
54	Wilson Bohannan	Brass Padlocks (50)	434.32
55		Vision Reimbursement	40.00
		TOTAL DISBURSEMENTS	<u>\$251,428.15</u>

The foregoing payroll and accounts payable vouchers totaling \$251,428.15 are hereby approved and authorized for payment.

 _____
 Auditor-Controller Date 6/7/11

 _____
 General Manager Date 6/7/2011

DISBURSEMENTS - DATED JUNE 15, 2011

Date Prepared: 6/14/11

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	Able Tire & Brake	Tire Repair ('10 F150)	\$26.75
2	Ackerman, Gerald	Retiree Exp Reimb (June Health Ins)	90.69
3	Badger Meter	2" Water Meters (3)	1,364.63
4	Bayshore International	Engine Dipsticks (2) ('07 Intl 4300 & '99 Intl Dump Truck)	59.49
5		Vision Reimbursement	133.97
6	BioVir Laboratories	Lab Testing (Novato)	815.92
7	Bold & Polisner	April Legal Services: Aqueduct Reloc-Non-Reimb (\$836), Aqueduct Reloc-Litigation (\$370), Baker NSD Appointment (\$251), Prop 218 Letter (\$315), RW Expansion North (\$725), RW Exp North-Non-Grant Eligible (\$627), RW Ordinance (\$122), SB34 (\$195) & Temp Employees (\$39)	3,480.73
8	Bosch, Mark	Novato "Toilet Rebate" Program	150.00
9	Bradbery, Ronald	Retiree Exp Reimb (June Health Ins)	90.69
10	Bundesen, Gerald	Retiree Exp Reimb (June Health Ins)	704.96
11	Butti, Lou	Retiree Exp Reimb (June Health Ins)	704.96
12	Calif Public Health Services	Water System Fees (7/1/10-12/31/10)	396.80
13	California State Disbursement	Wage Assignment Order (3)	1,478.50
14	Chakkalakeel, Jose	Novato "Washer Rebate" Program	75.00
15	Chaput, Nicole	Refund Overpayment on Closed Account	14.40

Seq	Payable To	For	Amount
16	Chasen, Joel	Novato "Washer Rebate" Program	75.00
17	Cole-Parmer Instrument	Phenylarsine Oxide (STP)	243.89
18	Cook Paging	June Pager Rental (STP) (2)	16.50
19	Cotton, Yvonne	Novato "Toilet Rebate" Program	150.00
20		Cafeteria Plan - Uninsured Medical (\$903) & Vision Reimbursement	1,087.02
21	Derby, Richard	Retiree Exp Reimb (June Health Ins)	90.69
22	Diggs, James	Retiree Exp Reimb (June Health Ins)	704.96
23		Cafeteria Plan - Uninsured Medical Reimbursement	30.00
24	Duhig	S.S. Tubing Connectors (5) & Ells (5) (\$48)	77.82
25	Environmental Express	Vials w/Filtering Cap for Dionex (250) (Lab)	101.49
26	Eyler, John	Retiree Exp Reimb (June Health Ins)	90.69
27	Farwest Corrosion Control Comp	Cathodic Protection Test Wire (250')	182.74
28	FedEx Freight West	Delivery Services for Geotech Report & SRF Application Items	34.92
29	Fremouw Environmental Svc	Hazardous Waste Disposal	357.49
30	Geno, Robert	Novato "Toilet Rebate" Program	276.00
31	Grainger	Measuring Tape (4), Ratchet Drive Lopper (\$48) & Street Brooms (4) (\$61)	147.94
32		Cafeteria Plan - Child Care Reimbursement	152.87
33	Hach	Replacement pH Probe @ Thorrson Bridge	761.84
34	Hamilton Park HOA	"Smart Irrigation Controller Rebate" Program	800.00
35	Industrial Vacuum Equipment	Vac Trailer Suction Hose Clamp ('03 Vac Tec Excavator)	59.25
36	Irish & Son's Welding	Weld Hydrant & Spools for Check Valve @ Sanitary District	630.00

Seq	Payable To	For	Amount
37	Johnstone, Daniel	Retire Exp Reimb (June Health Ins)	90.69
38	Journey Ford/Lincoln	Window Handle ('99 Ford F350)	14.17
39	Laborie, Michelle	Novato "Washer Rebate" Program	75.00
40	Larsengines	Air Filter for Back Pack Blower	11.97
41	Lincoln Life	Deferred Compensation PPE 6/15	9,384.83
42	Mahrat, Abdul	Refund Overpayment on Closed Account	36.55
43	Marin County Fair	Sponsorship of the Water Conservation Professional Gardens	100.00
44	Maselli & Sons	Rubber Bumper for Shop Crane	13.06
45	Matchette, Tim	Retiree Exp Reimb (June Health Ins)	192.87
46	McAghon, Andrew	Sludge Removal (50 yds)	2,800.00
47	MCC Control Systems	Programming Modifications for STP PLC's (Balance Remaining on Contract \$2,226)	1,382.50
48	McLellan, WK	Misc Paving: Novato Area (2,753 S.F.)	14,328.63
49	Murphy, Lindsay	Novato "Toilet Rebate" Program	148.00
50	National Notary Association	Membership Dues (Kehoe) (9/11-9/15) (Budget \$90)	129.00
51	National Deferred	Deferred Compensation PPE 6/15	750.00
52	Needham, Mary	"Rainwater Harvesting Rebate" Program	125.00
53	Nelson, John O.	Retiree Exp Reimb (June Health Ins)	90.69
54	North Bay Gas	Nitrogen (\$762) & May Cylinder Rental (\$307)	1,069.30
55	Novato Sanitary District	Participation in NBWRA 2010-11	70,267.12
56	NTU Technologies	Polymer (1,800 lbs)	2,628.00
57	O'Conner, Brian	Novato "Cash for Grass" Program	1,000.00

Seq	Payable To	For	Amount
58	Office Depot	Clasp Envelopes (100), Chairmat (DeGabriele) (\$34), Copy Paper (50 reams) (\$180) & Document Holder	244.19
59	Pace Supply	3/4" Couplings (2)	63.02
60	Petersen, Kathleen	Refund Overpayment on Closed Account	41.47
61	Phillips & Associates	June O & M of O.M. Wastewater Treatment System	5,049.02
62	Poiani, Pete	Retiree Exp Reimb (June Health Ins)	90.69
63	Sequoia Safety Supply	Antiseptic Wipes (180), Safety Visors (12) & Brief Relief Urine Bags (100) (\$214)	242.67
64	Shirrell Consulting Services	May Dental Expense	4,895.00
65	Smail, Catherine	Retiree Exp Reimb (June Health Ins)	90.69
66	Solar, Rosalia	Exp Reimb: Mileage	34.17
67	Sonosky, Norma	Retiree Exp Reimb (June Health Ins)	90.69
68	Spring Works	Parts & Labor to Repair 2 Rear Leaf Spring Packs ('07 International 4300)	1,572.47
69	Stompe, Brad	Exp Reimb: Reg Fee: Trade Show & Symposium- 6/8	43.00
70	Taylor Made Plastics	Plugs to Prevent Contamination in Pipes During Construction	230.00
71	United Rentals	Air Filters for Cut-off Saws (2)	90.64
72	United Parcel Service	Delivery Service: Sent Drawing for RW Expansion South & Chlorine Scrubber Media Tool for Testing	14.99
73	USA BlueBook	pH Buffers (3) (\$284) & Polymer Dispenser & Funnel (\$217) (STP)	501.13
74	Velloza, Richard	Retiree Exp Reimb (June Health Ins)	90.69

Seq	Payable To	For	Amount
75	Westcoast Business Forms	Operating Checks (500)	131.59
76	Wise, Lori	Novato "Washer Rebate" Program	75.00
77	Wolfe, Rex and Diane	Refund Overpayment on Closed Account	59.74
TOTAL DISBURSEMENTS			<u>\$133,946.84</u>

The foregoing payroll and accounts payable vouchers totaling \$133,946.84 are hereby approved and authorized for payment.

James Landino _____
 Auditor-Controller Date 6/13/11

Chris DiFabio _____
 General Manager Date 6/13/2011

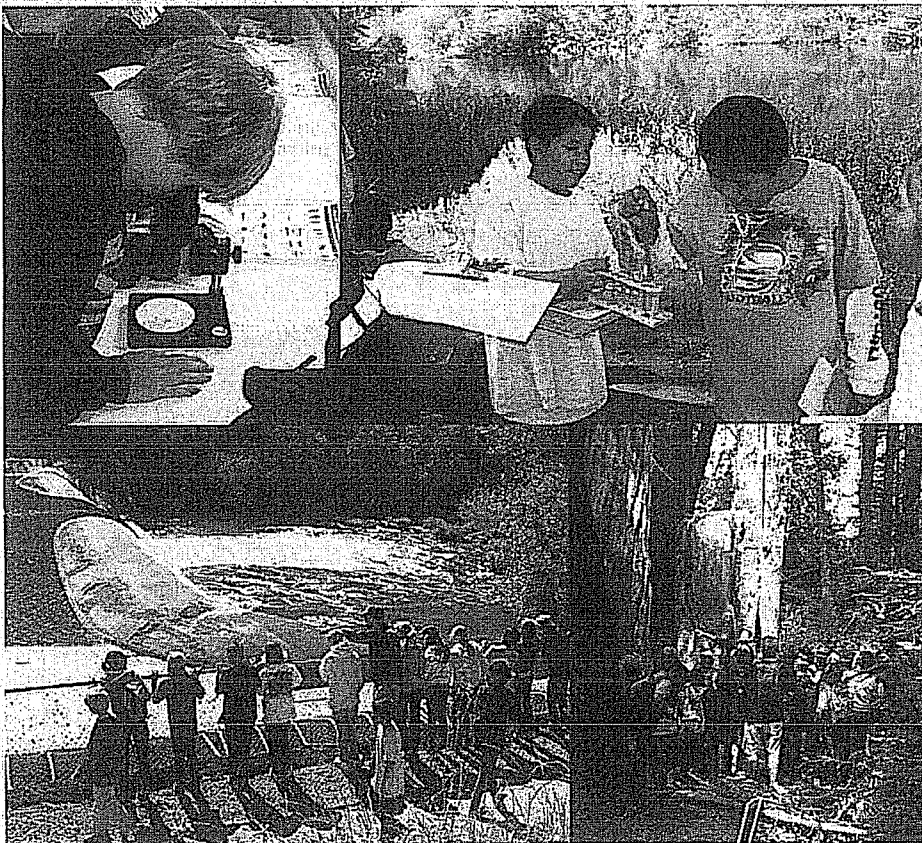
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“An ounce of prevention is worth a pound of cure.”
— Benjamin Franklin

By Caitlin Cunningham

Investing in public outreach now to realize savings later

Nearly 300 years after Franklin made these words famous, their message rings true in various contexts, including in the realm of water/wastewater public outreach. Savvy utilities are investing time and money in developing a sense of water-consciousness in their communities. When residents are armed with water knowledge—where the resource comes from, how it is treated, the parties and equipment involved, etc.—they are more likely to act as water stewards.



Thanks to the Sonoma County Water Agency's Water Education Program, area schoolchildren participate in a variety of activities that combine classroom learning with field studies devoted to water awareness.

Here we examine the targeted outreach efforts of two public water authorities: a school education program in California and an anti-illegal dumping campaign in Texas. In these cases, proactive measures ranging from field trips to bench ads have saved the utilities countless pounds in the equipment, chemicals, trash cleanups and payroll dollars that comprise water quality cures.

Early Education

Since 1983, California's Sonoma County Water Agency (SCWA) has instilled in area schoolchildren an appreciation for and understanding of the value of water via its Water Education Program (WEP). In an effort to promote wise water use and a sustainable water future, the program connects its service area's teachers with student materials and programs. These engaging resources are provided free of charge; SCWA and local water providers cover the costs, with SCWA contributions funded primarily through retailers' water purchases.

During the 2009-2010 academic year, more than 4,700 students received direct instruction and 11,200-plus students curriculum materials through the WEP. All 220 public and private schools in the agency's service area are issued an annual program packet with presentation/materials request forms. A lottery system is used to determine which applicant classes will participate in special programs, including those outlined here.

Grade 3 classroom series. Tailored to meet California Science Standards, this series brings SCWA staff into a third-grade classroom for two 60-minute lessons. An instructor leads the class in discussion of and hands-on experiments demonstrating the water cycle and water conservation topics.

Grade 5 field study program. Following an

El Paso Water Utilities' campaign against illegal dumping in its storm water system used a variety of media channels to get its message across.

hour-long introductory classroom visit, SCWA staff members lead fifth-graders on a field trip to the Russian River and groundwater pumping facilities. Students explore their drinking water conveyance system, learn about fish that live in the local watershed and collect and study water samples. This program, too, supports California Science Standards.

High school video contest. In coordination with the Russian River Watershed Assn., SCWA invites area high school students to create water education videos to be posted on the agency's website and screened at local movie theaters. Each year a new theme is assigned. The top three entries are awarded cash prizes that are split between the student producer and his or her school.

ZunZun musical assembly program. ZunZun assemblies get students out of the classroom and onto a stage—singing, dancing and playing instruments with a professional performance group in the name of water awareness. Each assembly is 45 minutes long, with segments focusing on sustainability, water pollution, water recycling, watershed ecology, storm water runoff, sanitary sewer systems and water conservation.

Additional WEP offerings include:

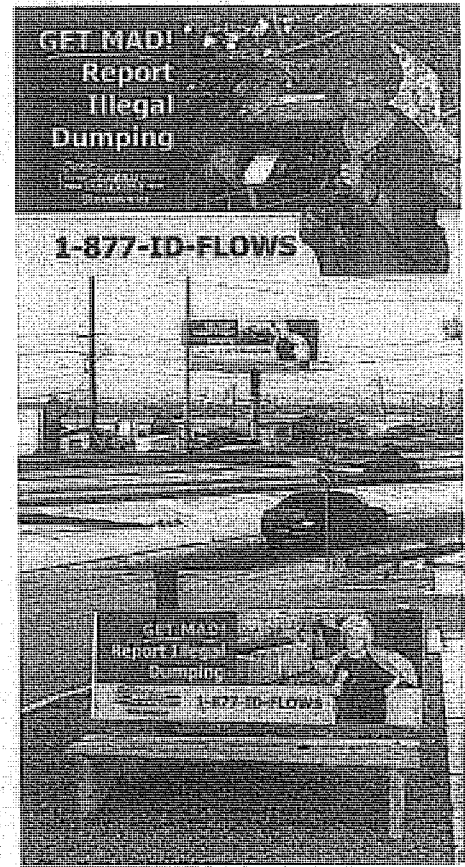
- A lending library comprised of print materials, videos and interactive models;

- A poster contest for elementary school students;
- The *Hydro Herald*, a newsletter for teachers; and
- Teacher trainings and workshops.

"This is an award-winning program that is well received by the community," said Cary Olin, SCWA's water education program specialist. "Over the last 10 years, direct instruction has been provided to over 32,000 students and 3,030 adult chaperones, and we have conducted 44 teacher workshops, with over 600 teachers attending—all focused on water, storm water pollution prevention, wetlands and sanitation."

Teachers' evaluations of the WEP are consistently positive, according to SCWA. Based on pre- and post-program assessments, the agency has found that students answer 20% to 25% more water-related questions correctly after participating. It is SCWA's hope that these young people will carry their newfound knowledge home and into the future.

SCWA's advice for establishing or improving public water education efforts is twofold: design programs that will appeal to their target audience, and look to other successful operations for ideas and advice. "By networking with like programs, you can find out what has worked for them and what ideas they tried



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chat didn't work," Olin said. "There is no reason to reinvent a program if there is an existing model that can be altered to meet your specific agenda."

For more information on SCWA's WEP, visit www.sonomacountywater.org.

Dumping Deterrent

From April to August 2010, Texas' El Paso Water Utilities (EPWU) carried out an extensive—and successful—campaign against illegal dumping in its storm water system.

This was not the utility's first public outreach rodeo: In 2009, EPWU and third-party support created and executed a comprehensive community engagement program to address user-fee protests. Using various communication vehicles, EPWU established itself as an important, transparent and accessible utility and won voter support.

This time around, EPWU set out to remedy its community's illegal dumping problem. Over the course of the 2009-2010 fiscal year, storm water workers hauled nearly 70,000 tons of trash and debris—including 4,300 tires—from the drains, channels, dams, ponds and culverts comprising El Paso's storm water system. These materials were overwhelming the storm water infrastructure, causing widespread flooding. Recognizing the correlation,

EPWU prioritized illegal dumping public outreach efforts and earmarked budget dollars.

"The campaign was designed not only to encourage people to report illegal dumping when they see it, but also to educate them on what our storm water system is and why it is crucial to keep it clear of debris to ensure public safety," said Christina Montoya, vice president of communications and marketing for EPWU.

Montoya's department devised a campaign that encourages El Pasoans to "get mad" about illegal dumping and to report instances via a designated hotline (800.ID.FLOWS). The utility reached out to residents through various channels:

- Newspaper, television, radio and movie theater public service announcements;
- Bench ads;
- Public transit placards;
- Billboards;
- A children's video; and
- Litter bags and pamphlet distribution at community meetings and local car washes.

"There are so many mediums you can take advantage of to get your message out today," Montoya said. "Those opportunities are out there; you just have to look for them."

By keeping the creative work in house and

negotiating directly with local media outlets, EPWU avoided incurring agency fees. Ultimately, it spent about \$39,000 on the illegal dumping campaign—an investment that has yielded significant results.

When comparing post-campaign numbers with those from one year prior, EPWU saw a 55% reduction in the number of tires dumped in its storm water system, a 19% decrease in the amount of debris removed and double the amount of calls to 800.ID.FLOWS.

"This campaign was successful in improving public safety and keeping costs down for the utility," said EPWU Vice President Nick Costanzo.


Illegal dumping has meant a reduction in the time and resources EPWU spends on reactive maintenance. With less trash and debris to remove, and alleviated flooding, storm water staff can spend more time on proactive maintenance and addressing other utility needs.

While the heart of the campaign has run through, EPWU continues to provide residents with illegal dumping education and resources via its website (www.epwu.org).

Caitlin Cunningham is managing editor of *Water & Wastes Digest*. Cunningham can be reached at ccunningham@sgcmail.com or 847.391.1025.

For more information, write in 1105 on this Issue's Reader Service Card or visit www.wwdmag.com/lm.cfm/wd051105.

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she said. "I haven't had any complaints in a very long time."

Superintendent Dr. Stephen Rosenthal was also surprised that there were complaints. "This is news to me. I've never heard this complaint before. The process is pretty simple" he said. "Can anyone just walk in at any time and have a game? No."

Rosenthal said that many community organizations use the gym. "The place is always used. It is very, very busy. If people have concerns, I would love for them to contact Anne Harris or myself," he said. "We understand that we're a public school that has an incredible facility that should be shared with the community. We do that. We try to take care of it for the community good."

But Kathy Tyson, an organizer for CYO basketball, has also found difficulty using the gym. "It's so frustrating. Every year I try to get the kids to play, there is some kind of wall. It's such a simple thing, but every year it's a big deal," she said. "This year was particularly bad, and I quit. I can't handle it any more."

For every home game, CYO pays the school \$30. At the end of this academic year, CYO paid the school \$600, which was turned away by the administration. Instead, the school charged CYO \$150, and then charged Tyson's Sacred Heart Church account \$380. "They told me I had to get more," she said. "I think the school is overwhelmed. They don't know how to take care of it, so they're just blindly going forward."

She added that "They should call it 'West Marin Community Gym,' but with a line through 'Community.'" —*Kyle Cashulin*

The rising cost of clean drinking water in Marin

Water provided to customers by the Marin Municipal Water District surpasses all state and federal health regulations, according to the utility agency's 2011 annual Water Quality Report, which was released this week. The report describes findings from water quality assessments conducted last year in the district's primary water supplies, including five reservoirs on Mount Tamalpais, the Nicasio Reservoir and the Soulajule Reservoir, in Chileno Valley, which supplied 75 percent of the potable water distributed by the agency in 2010. The assessments found no major contaminants. The 2011 report is available in English and in Spanish both online on MMWD's website and in print.

The news comes as MMWD and its northern counterpart, the North Marin Water District (NMWD), began swiftly approving a series of future monthly rate increases to many of their customers. Approximately two weeks ago, MMWD's Board of Directors approved a four-percent rate increase that will go into effect for water used as of June 1, 2011, raising the average customer's bill by \$3.72 per two-month billing period.

The NMWD board of directors recently voted unanimously to enact three annual water rate increases, averaging 11 percent each year, on its Novato customers, and is currently proposing a

nine percent increase to its customers residing in West Marin. The agency will hold a public forum at 7:30 p.m. on July 5, at the Dance Palace, in Point Reyes Station, to discuss the likely rate hike.

Chris DeGabriel, NMWD's general manager, said that the causes of impending rate increases are varied. "Our water sales revenue is down and conservation certainly played a role in that, as did the weather," he said. "The cool, wetter summers, as witnessed last year and is likely to repeat again this year, means people aren't using as much water during the time when typically the most outdoor water is being used." DeGabriel added that his agency has already made significant budget and staff reductions in order to stave off rate hikes for as long as possible.

Meanwhile, customers who purchase their water from the Inverness Public Utility District will not likely see rates increase anytime in the near future, according to agency representative Scott McMorrow. "We live in a really cool town," McMorrow said. "I can walk over to the post office and tape up an eight and a half by eleven-inch piece of paper that asks residents to cut back on water on any given weekend in order to save water prices, and people will actually do it." —*Jeremy Blackman*



NOTICE OF PUBLIC HEARING

The Board of Directors of the North Marin Water District will hold a public hearing on Tuesday, June 21, 2011 at 7:30 p.m. at District Headquarters, 999 Rush Creek Place, Novato, CA for the purpose of receiving comments on the 2010 Urban Water Management Plan (UWMP).

The UWMP is required to be prepared pursuant to the Urban Water Management Planning Act, sections 10610 through 10656 of the California Water Code. Only those water suppliers who provide water to more than 3,000 customers or supply more than 3,000 acre feet of water annually are required under the Act to prepare such an UWMP. The purpose of the UWMP is to consolidate regional information regarding water supply and demand, provide public information, and improve statewide water planning. The Draft 2010 UWMP may be reviewed at District Headquarters, at the Novato Public Library or on the District's website: HYPER-LINK "http://www.nmwd.com" www.nmwd.com.

INVITATION / INFORMATION: You are cordially invited to attend the hearing or mail your written comments. Should you have any questions or wish more detailed information, please call 897-4133 and ask for District Secretary Renee Roberts.

NOVATO ADVANCE

June 08, 15, 2011

#18165

NOTICE OF PUBLIC HEARING

The Board of Directors of the North Marin Water District will hold a public hearing on Tuesday, June 21, 2011 at 7:30 p.m. at District Headquarters, 999 Rush Creek Place, Novato, CA for the purpose of receiving comments on the 2010 Urban Water Management Plan (UWMP).

The UWMP is required to be prepared pursuant to the Urban Water Management Planning Act, sections 10610 through 10656 of the California Water Code. Only those water suppliers who provide water to more than 3,000 customers or supply more than 3,000 acre feet of water annually are required under the Act to prepare such an UWMP. The purpose of the UWMP is to consolidate regional information regarding water supply and demand, provide public information, and improve statewide water planning. The Draft 2010 UWMP may be reviewed at District Headquarters, at the Novato Public Library or on the District's website: HYPER-LINK "http://www.nmwd.com" www.nmwd.com.

INVITATION / INFORMATION: You are cordially

invited to attend the hearing or mail your written comments. Should you have any questions or wish more detailed information, please call 897-4133 and ask for District Secretary Renee Roberts.

NOVATO ADVANCE

June 08, 15, 2011

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NBWRA receives federal grant

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By Staff

Published: Wednesday, June 8, 2011 1:38 PM PDT

The North Bay Water Reuse Authority was one of eight construction projects in California to receive federal funding under the Bureau of Reclamation’s WaterSMART Title XVI Water Reclamation and Reuse Program. The Bureau of Reclamation anticipates NBWRA will be awarded \$1.29 million, earned in part because of the high benefits to the community expected to result from the project.

The grant funding will be used to complete work in the Novato South Service Area, a portion of the North Bay Water Reuse Program in Marin County, which is jointly being carried out by the Las Gallinas Valley Sanitary District and the North Marin Water District. The project includes construction of a new tertiary treatment plant, rehabilitation of an existing storage tank and 5.9 miles of new pipeline to expand service to new customers for landscape irrigation. The project will offset approximately 200 acre-feet, or approximately 65 million gallons, of potable water used for landscape irrigation annually.

“The North Bay faces long-term challenges in providing reliable regional water supplies, and this funding will assist with the completion of a project that will help to conserve potable supplies and protect against drought by utilizing recycled water,” said NBWRA Chairman Bill Long. “We are extremely proud to have been chosen to receive the grant, and it is a great boost to the local economy. We would also like to once again thank Sen. Barbara Boxer, Sen. Diane Feinstein, Congressman Mike Thompson and Congresswoman Lynn Woolsey for their long-standing support for this program. Without their efforts none of these projects would have been possible.”

WaterSMART is a program of the U.S. Department of the Interior that focuses on improving water conservation and sustainability, and helping water resource managers make sound decisions about water use. SMART stands for “Sustain and Manage America’s Resources for Tomorrow.”

NBWRA is a regional group consisting of seven public agencies in Napa, Marin and Sonoma counties, with a goal of expanding the use of recycled water in the region. The program has obtained federal authorization, paving the way for \$25 million in grant funding. To date, more than \$8 million in funds has been secured for planning and to begin construction.

More information on the North Bay Water Reuse Program is available online at nbwra.org, by e-mailing info@nbwra.org or by calling 707-547-1923. For more information on the WaterSMART program, visit usbr.gov/WaterSMART.

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Big Fish: The cost of Russian River salmon

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By Rachel Dovey

Published: Wednesday, June 8, 2011 1:38 PM PDT

Visit any beach or bridge along the Russian River and you'll see a turquoise sign emblazoned with bright red letters. "If mouth has black, put it back!" it mandates, forbidding the fishing of coho salmon, chinook salmon and steelhead trout, all registered endangered species.

Novato water users may feel disconnected from the fish disappearing a county away, but they could be footing part of the creatures' rehabilitation bill.

North Marin Water District's 11 percent rate hike, effective this month, is partly due to its reliance on water from the Sonoma County Water Agency, which recently raised its wholesale rates by 5 percent. NMWD relies on the Sonoma agency for 80 percent of its water. Though both suppliers need the money to offset diminishing sales, SCWA also faces \$3 million in federally mandated biological-protection costs during the 2011-12 fiscal year, to go mainly to the fish.

But as the agency works to counteract years of damage — from damming, logging, mining and agriculture, among other things — environmental activists claim their efforts are compromised by allegiances to the very activities that endangered the fish in the first place.

Biological opinion

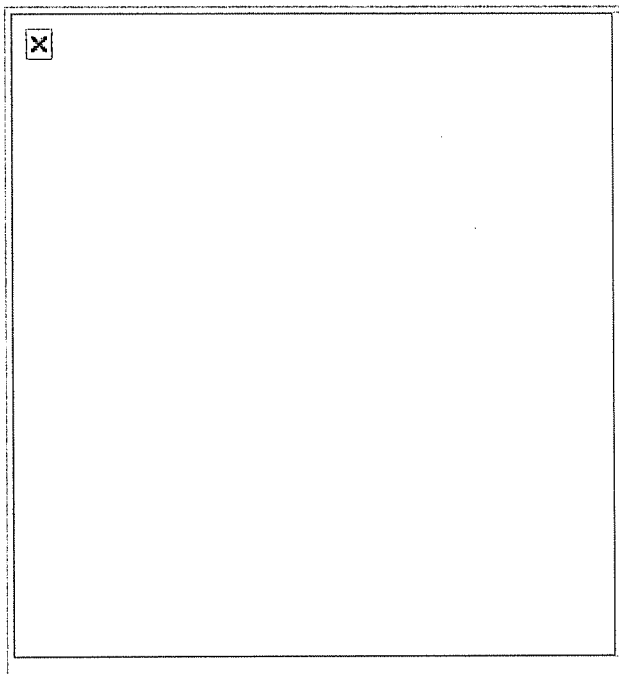
The 110-mile river that meanders through Mendocino and Sonoma was once a collection of cold, deep pools where coho thrived, but that's changed with damming and diversions, according to SCWA's principal environmental specialist David Manning.

"The issue is that there is really too much flow on the river in summertime," he said, from Lakes Sonoma and Mendocino. Coho have difficulty surviving in water that is shallow, rapid and warm.

In compliance with a federally mandated biological opinion released in 2008, the agency is currently working — and paying — to reverse stressors on the endangered fish. Ongoing projects include restoring fish habitat in Dry Creek, which runs through vineyards from Lake Sonoma to the river, and constructing a lagoon in Jenner to encourage freshwater pooling. The company has budgeted roughly \$3 million for opinion projects in the coming fiscal year.

Complete health won't be restored to the fish on the agency's efforts alone, Manning said, but that doesn't lessen their impact.

"The opinion doesn't address issues elsewhere in the watershed, like sedimentation and land development that affect the survival of the fish population," he said.



"The efforts of the water agency have an important effect on steelhead, chinook and coho, but that does not mean that we are addressing or could address all of the other issues that could depress fish. I don't think that in any way lessens our effort. This is the best-planned and coordinated plan to address fish population in central and Northern California and though it will not, and does not, stand alone, it will do a tremendous amount."

Conflict of interest?

David Keller, Bay Area director of Friends of the Eel River, thinks SCWA has a significant conflict of interest that could lessen its willingness to more fully aid the endangered species: Its governing board is also the Sonoma County Board of Supervisors.

The board also oversees the Agricultural Preservation and Open Space District and the Community Development Commission. In 2010, it unanimously approved a mining operation that will extract 350,000 tons of gravel a year from a 6.5-mile stretch of river near Geyserville.

Environmental stewardship organizations Russian Riverkeeper and the Redwood Empire chapter of Trout Unlimited filed a lawsuit in January against the decision to allow the Syar Alexander Valley Instream Mining Project, claiming it seeks to extract more than double the peer-reviewed estimate of natural gravel recharge.

A draft environmental impact report on the project states: "Mining activities can impact special-status and other fish species from fish stranding on mined bars, the loss or degradation of riffle and pool habitats, and loss or degradation of overhead cover and instream woody material from skimming and excavation activities." It proposes mitigations like creating alcoves and oxbows, and planting to reduce erosion.

"The likely significant loss in high-quality rearing and spawning habitat for salmon and steelhead in the mainstem channel will more than offset any habitat gain provided by the alcove construction proposed," said Dr. Bill Trush, fisheries biologist and Humboldt State University fisheries professor, in a statement for Russian Riverkeeper's website.

A recent visit to the Geyserville bridge — one of the only public vantage points along the river between Healdsburg and Cloverdale — revealed waters flowing rapidly downstream and an expanse of gray gravel beach. Newly planted trees grew on one shore, while bushes and saplings dangled precariously from an eroded bank opposite. Though the Syar project's "skim" mining — scraping the surface from gravel bars — has not yet begun on that beach, pit-mining was historically practiced along the river. An old pit-mining edifice can be seen rusting in the distance.

Agriculture

Pat Higgins, a consulting fisheries biologist, thinks salmon are also fighting an upstream battle with lax agricultural regulations.

There are 1,771 illegal dams in the watersheds of Sonoma, Mendocino, Napa and Marin, Higgins reports in a published commentary on Draft Policy for Maintaining Instream Flows in Northern California Coastal Streams. These impoundments negatively affect salmon by reducing flow rates downstream from the dams and providing a breeding ground for warm-water game fish that prey on salmonids, he said.

"[The state] can require a permit for the use of groundwater that is directly connected to surface water, but unless a plaintiff raises the question and basically supplies proof, they won't do anything about it," he said. "This creates a need for counties to look closely at groundwater use associated with new proposed land use."

It's not SCWA's duty to enforce development policies. In Higgins' opinion that lies with the Sonoma County supervisors, composed of the same five people. "The supervisors have a permissive development policy that leads to unsustainable water use and impacts to salmon and steelhead streams due to the cumulative effects of all the development allowed. This in turn increases pressure from regulators that is more likely to fall on the SCWA as opposed to smaller independent water users."

Though Manning declined to comment on the mining and agricultural projects, he said he hasn't felt any conflict with the agency's supervisory role in his work with the biological opinion.

The real cost of water

Whatever the SCWA's problems, Keller said that all users of Russian River water should chip in for the \$3 million in biological opinion charges.

The real cost of water, he said, is tied to damage that has been done in the past.

"Underpriced water is an issue worldwide. It's a commodity that is perceived as being free and cheap, but as human abuse of the systems increase, the cost will increase," he said, adding that current policies need to be changed as well.

"When ratepayers understand the damages that have been done and the cost of repairing those damages, they will make decisions to change policy," he said. "What we need to do is prevent future damages from happening."

Higgins sees hope for the Russian River, especially for chinook and steelhead.

"It still has a lot of resilience," he said. "Whenever I've acted like God and said it's over, it's done, nature can turn around and have this amazing rebound."

Contact Rachel Dovey at rdovey@marinscope.com.

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