



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 June 21, 2016 – 7:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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Est. Time	Item	Subject
7:00 p.m.	CALL TO ORDER	
	1. APPROVE MINUTES FROM REGULAR MEETING , June 7, 2016	
	2. GENERAL MANAGER'S REPORT	
	3. OPEN TIME: (Please observe a three-minute time limit)	
	This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.	
	4. STAFF/DIRECTORS REPORTS	
	5. PUBLIC HEARING/ADOPT	
	a. Proposed FY17 Equipment Budget	
	b. FY17 & FY18 Novato Capital Improvement Projects Budget	
	c. FY17 Proposed Novato Water Operations Budget	
	d. FY17 Proposed Recycled Water System Budget	
	6. PUBLIC HEARING/ADOPT	
	2015 Urban Water Management Plan	
	7. MONTHLY PROGRESS REPORT	
	ACTION CALENDAR	
	8. Approve: Agreements with Sonoma County Water Agency for the North Marin Water District Water Conservation Program	
	9. Approve: Granular Activated Carbon Replacement Purchase	
	10. Approve: FY17 Insurance Purchase	
	11. Approve: Oceana Marin Sewer Service Charge Increase Ordinance - First Reading	
	INFORMATION ITEMS	
	12. Second Review – FY17 West Marin Water and Oceana Marin Sewer Budgets	

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
	13.	MISCELLANEOUS Disbursements AMI Detected Leak ACWA Draft Itinerary for Region 1 Russian River Water Supply Tour Marin/Sonoma Mosquito & Vector Control District PEIR SB 163 (Hertzberg): Recycled Water Mandate for Ocean and Bay Discharges – OPPOSE letter <u>News Articles:</u> Santa Rosa water restrictions end of city residents North Bay Water Reuse Authority awarded over \$4.7M in federal funding to expand local water projects
	14.	CLOSED SESSION: In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager
8:30 p.m.	15.	ADJOURNMENT

1

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 7, 2016

CALL TO ORDER

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

Novato Resident Mike Jolly, District Legal Counsel Robert Maddow and Attorney Ed Bernard, District employees Pablo Ramudo (Water Quality Supervisor), Robert Clark, (Maintenance/Operations Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

CLOSED SESSION

President Schoonover adjourned the Board into closed session at 7:01 p.m. in accordance with Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager.

OPEN SESSION

Upon returning to regular session at 7:51 p.m., President Schoonover stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

MINUTES

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

AYES: Director Baker, Fraites, and Schoonover

NOES: None

ABSENT: Director Petterle and Rodoni

GENERAL MANAGER'S REPORT

Capital Improvement Projects Budget

Mr. DeGabriele advised the Board that he checked with District legal counsel about Director Fraites' concern regarding approval of the FY2016/17 Capital Improvement Projects budget. He

1 reminded the Board that the proposed budget includes a project to replace 1,400 linear feet of AC
2 pipe on Ridge Road, part of which fronts Director Fraites property and Director Fraites is also
3 President of the Novato Heights Association, property owners in that vicinity. He advised the Board
4 that legal counsel advises that Director Fraites does not have to recuse himself from budget
5 consideration but will have to recuse himself when that specific project comes back to the Board for
6 contract award/approval.

7 Las Gallinas Valley Sanitary District (LGVSD) Recycled Water Interagency Agreement

8 Mr. DeGabriele informed the Board that staff has started conversations with LGVSD on
9 updating its Recycled Water Interagency Agreement. He noted that LGVSD is expanding their
10 Recycled Water Treatment Facility to produce Recycled Water for Marin Municipal Water District
11 and the District's point of connection may change. He stated that staff is hopeful that the production
12 costs will also go down.

13 AMI Meeting

14 Mr. DeGabriele advised the Board that he and Mr. Bentley are meeting with Assemblyman
15 Levine and a representative from Aclara (an Automatic Meters Information vendor) to discuss
16 financing for the AMI project.

17 WaterLine Newsletter

18 Mr. DeGabriele informed the Board that *WaterLine* newsletters went in the mail today and
19 should be in mailboxes this Friday or Saturday. He noted that staff waited to mail the newsletters
20 until after the June election mail season had ended.

21 OPEN TIME

22 President Schoonover asked if anyone in the audience wished to bring up an item not on
23 the agenda and there was no response.

24 STAFF/DIRECTORS REPORTS

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

27 Mr. McIntyre reported that Team Ghilloti is working under the On-Call Services Contract at
28 the Stafford Dam Spillway repair, and Ghilloti Construction is working under the On-Call Services
29 Contract at the Zone A Pressure Improvements at Frosty Acres in Ignacio.

30 Mr. McIntyre reminded the Board that at the next meeting a public hearing will be held to
31 approve the 2015 Urban Water Management Plan. He advised that a notice will be in the Marin IJ

tomorrow and the following Wednesday for advance notification and the Library has copy of the plan which is also provided on the District website.

CONSENT CALENDAR

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

AYES: Director Baker, Fraites, and Schoonover

NOES: None

ABSENT: Director Petterle and Rodoni

RESCINDING RESOLUTION 16-14 ENTITLED: "RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT ENACTING REGULATION 54 A(3) – WATER DROUGHT SURCHARGE"

The Board rescinded Resolution 16-14 Entitled: "Resolution Of The Board Of Directors Of North Marin Water District Enacting Regulation 54 A(3) – Water Drought Surcharge" enacting a Water Drought Surcharge. State Water Resources Control Board adopted a Revised Regulation allowing for self-certification of water supplies and the District will certify that an adequate water supply exists, no mandated water conservation is required and the drought surcharge is not needed. Instead the District will adjust the proposed Fiscal Year 2017 Novato Water Operations Budget to reflect an increase in water sales to 2.5BG.

RENEW AGREEMENT WITH DISTRICT RISK CONSULTANT DB CLAIMS

The Board approved an agreement with DB Claims Services Group, the District's risk consultant. The District's risk consultant reviews insurance contract language, serves as an adjuster for claims and is used for special projects such as the Risk Management Review conducted in 2009. Cost of the work typically averages about \$1,000 per year.

2015 CONSUMER CONFIDENCE REPORT – NOVATO

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

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

1 The Board authorized the General Manager to approve final text and design for the 2015
2 Consumer Confidence Report for Novato and related bill insert.

3 **2015 CONSUMER CONFIDENCE REPORT – POINT REYES**

4 The Safe Drinking Water Act requires water suppliers to publish and distribute a report of
5 water quality information to customers annually. The report contains details and results of monitoring
6 for various contaminants throughout the previous year, a description of the District's sources of
7 water and treatment regimes in Point Reyes, as well as general information about water and its
8 constituents.

9 Customers will receive a bill insert informing them that the report is available on our website
10 and that a paper copy will be mailed to them upon request.

11 The Board authorized the General Manager to approve final text and design for the 2015
12 Consumer Confidence Report for Point Reyes and related bill insert.

13 **ACTION CALENDAR**

14 **PROPOSED INCREASE IN OCEANA MARIN SEWER CONNECTION FEE**

15 Mr. Bentley asked that the Board approve a letter to be sent to owners of vacant property in
16 Oceana Marin and to the Oceana Marin Associations, local builder's associations and Marin
17 Association of Realtors, advising that a connection fee increase is proposed for Oceana Marin and
18 to set June 28th as the date for a public hearing to consider adoption. He advised the Board that the
19 current Oceana Marin sewer connection fee is \$15,200 and it's proposed to increase to \$30,000 per
20 dwelling unit. He informed the Board that the recent updated Master Plan for Oceana Marin
21 recommends substantial improvements to accommodate new growth. He noted that the projects
22 allocated to new growth include expanding the subsurface effluent disposal system and ¼ of the
23 cost to improve other elements including a redundant force main from the Tahiti Way lift station to
24 the storage/treatment ponds. Mr. Bentley stated that capital costs attributed to new growth totals of
25 \$1.14M.

26 Director Baker asked that staff explore opportunities for Grant Funding to help pay for the
27 Oceana Marin improvements.

28 Director Fraites asked if Mr. DeGabriele advised the residents that this increase was going
29 to occur. Mr. DeGabriele responded that Mr. McIntyre and he attended the Oceana Marin
30 Association meeting in January but the majority of the people who attend the meeting are current
31 customers. He stated that the future customers would most likely not attend the meeting and that it
32 is why staff is asking the board to approve the letter.

1 Mr. DeGabriele suggested that the Board hold a public hearing on June 28th, along with the
2 Oceana Marin rate increase hearing and that the Board may want to consider phasing the
3 connection fee increase in stages and take into consideration that if the connection fee increase
4 were to go into effect July 1st, there is not much time in-between the meeting and the effective date
5 for future customers to request new sewer connections.

6 On motion of Director Fraites, seconded by Director Baker the Board authorized staff to mail
7 the letter to owners of the vacant lots in Oceana Marin subject to the connection fee, as well as the
8 Oceana Marin Association, local builder's associations and the Marin Association of Realtors,
9 advising that a connection fee increase is proposed, and; set a public hearing for June 28, 2016, in
10 Point Reyes Station to consider adoption of the proposed increase by the following vote:

11 AYES: Director Baker, Fraites, and Schoonover

12 NOES: None

13 ABSENT: Director Petterle and Rodoni

14 **INFORMATION ITEMS**

15 **PT. REYES SYSTEM OVERVIEW – FOCUS ON WATER QUALITY**

16 Pablo Ramudo provided the Board with a presentation on the West Marin water system
17 identifying well locations, treatment facilities and distribution system methods to monitor and improve
18 water quality. He advised that salinity at the West Marin Coast Guard Wells has increased by 3
19 times what was experienced approximately 10 years ago.

20 Director Baker asked that security be improved at the Point Reyes Treatment Plant since
21 there is less United States Coast Guard security and activity in the treatment plant area now.

22 **INITIAL REVIEW – FY17 WEST MARIN WATER AND OCEANA MARIN SEWER BUDGET**

23 Mr. Bentley provided the Board with its first review of the West Marin water and Oceana
24 Marin sewer budgets. He stated that for West Marin water a 7% commodity rate increase is
25 proposed and no increase in the bi-monthly fixed service charge. He noted that this amounts to
26 \$2.67/month for the typical West Marin single family residential customer. Mr. Bentley stated that at
27 Oceana Marin, a 10% increase is proposed (\$7 per month) raising the annual sewer service charge
28 to \$936 per year. He reminded the Board that the Oceana Marin sewer service charge is collected
29 on the Property Tax bill and the ordinance change will also appear in the Pt. Reyes Light on two
30 separate occasions to notice customers of the proposed increase.

31 Mr. Bentley advised the Board that the significant Improvement Projects budgeted for the
32 coming year in Pt. Reyes include: \$450k to complete the bulk of the work on the \$525k replacement

1 of the PRE Tank burned in the Vision Fire, \$75k to replace the green-sand filter media in one of the
2 two treatment plant filters, and \$100k to permit and commence construction of the \$300k project to
3 install a second well on the Gallagher site.

4 Mr. Bentley informed the Board that the significant Improvement Projects budgeted for the
5 coming year in Oceana Marin include: \$40k for continued infiltration repair work to prevent rainwater
6 from leaking into the collection system, \$50k as the first half of the cost to design and install an
7 additional trench in the disposal field, and \$50k to commence the \$300k project to reline 3,000' of 6"
8 AC pipe.

9 Mr. Bentley advised the Board that there will be an additional review at the June 21st
10 meeting and then the budgets will be considered at the June 28th public hearing in Point Reyes
11 Station.

12 **AMI PROJECT STATUS REPORT**

13 David Bentley updated the Board on the Advanced Meter Information (AMI) system project
14 status. He stated that a District's consultant has completed its assessment and recommends
15 including a 5% contingency which brings the estimated total cost to \$5.25M. He informed the Board
16 that bids are being solicited by the consultant to conduct a pilot study which involves retrofitting
17 about 200 meters in various locations throughout Novato to confirm that AMI will work within
18 Novato's rolling topography. He noted that it's likely more than one AMI vendor will be used to
19 undertake the pilot program.

20 **NBWA MEETING – JUNE 3, 2016**

21 Director Baker stated that he attended the North Bay Watershed Association meeting on
22 held on June 3rd. Mr. DeGabriele advised that the budget for NBWA was approved and the District's
23 Budget obligation remains the same as last year at \$6,216.

24 **TAC MEETING – JUNE 6, 2016**

25 Mr. DeGabriele provided the Board with a summary of the Technical Advisory Committee
26 Meeting agenda held on June 6th. He noted that Lake Sonoma currently holds 98.4% of capacity
27 (238,000AF) and Lake Mendocino 98% capacity at 86,000AF. He stated that a Temporary Urgency
28 Change Order has been approved by the State Board reducing minimum instream flows to meet the
29 Biological Opinion requirements and there remains a lot of natural runoff in the watershed so little
30 water is being released from storage for instream flow purposes at this time. Mr. DeGabriele
31 informed the Board that the Sonoma-Marin Saving Water Partnership members have reduced water
32 production by 24% during the period of June 2015 through April 2016 compared to a cumulative
33 standard of 19%; and the Extended Emergency Urban Water Conservation Regulations enable self-

1 certification and the Water Conservation Standard going forward beginning in June 2016 should be
2 zero.

3 **MISCELLANEOUS**

4 The Board received the following miscellaneous items: Disbursements, Take it From the
5 TAP! Program encourages Sonoma and Marin to choose tap water first, CA-NV AWWA
6 Organizational Chart, AWWA Trustees, and AWWA Water Quality Lab Analyst Certification.

7 Mr. DeGabriele advised the Board that the agenda included CA-NV AWWA information is
8 included since Drew McIntyre is an AWWA Trustee and Stacie Goodpaster (Senior Chemist) is
9 Chairperson of on the Laboratory Analyst Committee.

10 The Board also received the following news articles: MacLeamy joins IJ editorial board, PD
11 Editorial: Hopkins for 5th District Supervisor, Yorba Linda legal fight turns nasty as residents seek to
12 overturn water rate hike, and Marin water agencies likely to ease mandates as state issues new
13 rules.

14 The Board received the following miscellaneous item at the Board meeting: TAC meeting
15 update – June 6, 2016.

16 Director Baker stated that the ACWA “Meet the President” event was appreciated.

17 **ADJOURNMENT**

18 President Schoonover adjourned the meeting at 8:44 p.m.

19 Submitted by

20
21
22
23 Katie Young
24 District Secretary
25

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5a.

MEMORANDUM

To: Board of Directors

June 17, 2016

From: David L. Bentley, Auditor-Controller 

Subj: Public Hearing/Approve - Proposed FY17 Equipment Budget

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RECOMMENDED ACTION: Approve**FINANCIAL IMPACT: \$245,000 Outlay**

Presented for your third and final review, public hearing and approval is the proposed FY 2016/17 (FY17) Equipment Budget. There have been no changes since the Board's last review of the Equipment Budget on May 17.

The proposed budget totals \$245,000, up \$46,000 from the adopted FY16 Equipment Budget (\$199,000). FY16 estimated actual expenditures are forecast to come in at \$65,000.

Significant purchases include a \$70,000 upgrade to the Lab Information Systems Software. The current software is 10-years-old and lacks compatibility with current PC operating system software. Purchase of rolling stock includes \$90,000 for a replacement a compact track loader and \$58,000 for two pickup trucks.

Not included in the Equipment Budget is \$105,000 for replacement of Lab's 18-year-old metals analyzer. The analyzer is no longer supported by the manufacturer and repair components are becoming impossible to find. Purchase of a replacement unit has been postponed for now, though if the analyzer fails staff will come back to the Board for additional purchase authorization.

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

Recommendation:

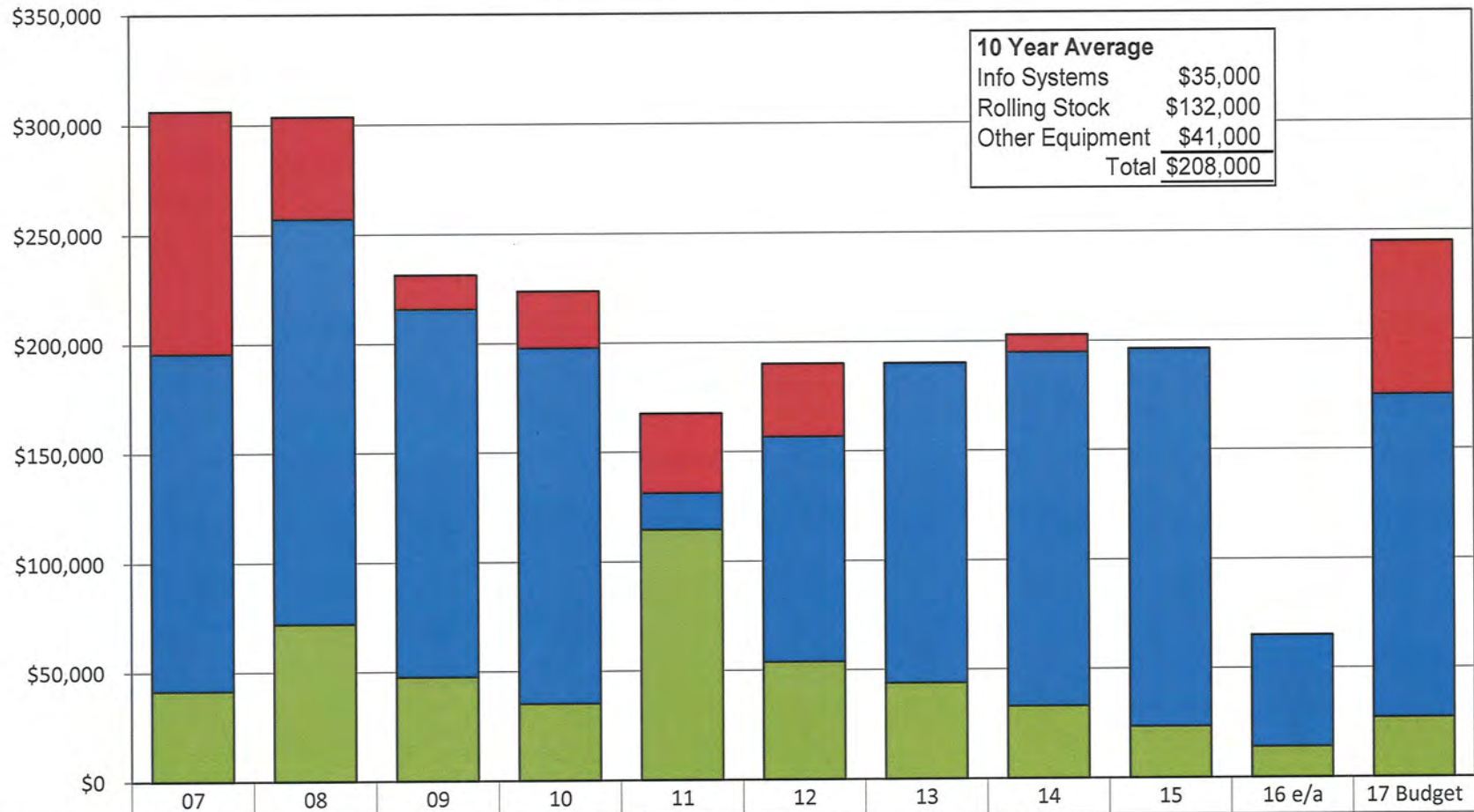
Approve the FY17 Equipment Budget as presented.

EQUIPMENT EXPENDITURES**Fiscal Year 2016/2017 Budget**

		Proposed	Description
1 CONSTRUCTION/MAINTENANCE			
a.	Leak Detector	\$8,000	Replace 12-year--old unit that requires frequent repair.
b.	Fittings & Hose for Emergency Hose Trailer	6,000	Additional Fittings & Hose (1"-6") for Hose Trailer
		\$14,000	
2 OPERATIONS/MAINTENANCE			
a.	STP Manganese Analyzer	\$13,000	Existing analyzer creates cyanide waste, requires several reagents to operate, and performs a single sample analyses at a time. The new analyzer will be plumbed with a multi-sample port input to allow testing of the various online process water stream points and will not produce hazardous waste nor require excess reagents.
b.	Lab Info Management Sys Software Upgrade	70,000	Replaces 2006 software to allow compatibility with current PC operating system software.
		\$83,000	
3 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
			<u>To Replace</u>
a.	Compact Track Loader w/Attachments	\$90,000	'00 Bobcat 763G w/1,600 hours has an electrical controller failure affecting the hydraulic system that costs more then the unit is worth. Will be auctioned
b.	1/2 Ton 4x4 Pickup w/Tool Box & Radio	30,000	'02 Chev K1500 4x4 w/117,000 miles that will be auctioned
c.	1/2 Ton Pickup w/Tool Box & Radio	28,000	'04 Chev C1500 w/119,000 miles that will be auctioned
		\$148,000	
Total		\$245,000	

	Adopted Budget 2015/16	Estimated Actual 2015/16	Proposed Budget 2016/17
RECAP			
Equipment	\$24,000	\$14,000	\$97,000
Rolling Stock	\$175,000	\$51,000	\$148,000
	\$199,000	\$65,000	\$245,000

10 Year History of Equipment Purchases



	07	08	09	10	11	12	13	14	15	16 e/a	17 Budget
Info Systems	\$110,726	\$46,572	\$15,761	\$25,925	\$36,375	\$33,346	\$0	\$8,050	\$0	\$0	\$70,000
Rolling Stock	\$154,281	\$185,181	\$168,055	\$162,696	\$16,671	\$103,057	\$146,305	\$161,834	\$172,989	\$51,000	\$148,000
Other Equipment	\$41,238	\$71,888	\$47,520	\$35,082	\$114,612	\$53,724	\$43,764	\$32,884	\$23,231	\$14,000	\$27,000
Total	\$306,245	\$303,641	\$231,336	\$223,703	\$167,658	\$190,127	\$190,069	\$202,768	\$196,220	\$65,000e	\$245,000

5-Year Vehicle and Equipment Replacement Plan

Updated 4/14/2016

Note:

FY16/17	New Item Description	Replacement Item Description	Cost
1	Compact track Loader W attachments	#78 2000 Bobcat 763G	\$90,000
2	1/2 Ton 4x4 Pickup w/Tool Box and Radio	#47 2002 Chevy 4x4	\$30,000
3	1/2 Ton Pickup w/Tool Box and Radio	#53 2004 Chevy PU	\$28,000
4			
		Total	\$148,000

Note: #53 and #78 (2000 Bobcat with bad hydraulics) will be auctioned.

FY17/18	New Item Description	Replacement Item Description	Cost
1	5 Yard Diesel Dump truck	#52 1999 Ford F450 3 YD Dump	\$120,000
2	3/4 Ton 4x4 Service Body & Radio	#507 2008 F350 w/Service Body	\$45,000
3	1/2 Ton Pickup w/Tool Box and Radio	#51 Chevy C1500 PU	\$28,000
4			
		Total	\$193,000

Note: #19, #51 & #52 will be auctioned.

FY18/19	New Item Description	Replacement Item Description	Cost
1	1/2 Ton Pickup w/Tool Box and Radio	#58 Ford Ranger	\$25,000
2	Hybrid 4X4 SUV	#54 2004 Chevy Xcab	\$35,000
3	5 Yard Diesel Dump truck	#44 2002 International Dump	\$125,000
4			
		Total	\$185,000

Note: #44, #54 & #58 will be auctioned

FY19/20	New Item Description	Replacement Item Description	Cost
1	1/2 Ton Pickup w/Tool Box and Radio	#59 Ford Ranger	\$25,000
2	Bachhoe 4X4 diesel W Enclosed Cab	#77 2004 John Deere Backhoe	\$125,000
3	Hybrid Car w/ Radio	#510 2009 Toyota Prius	\$30,000
4			
		Total	\$180,000

Note: #59, #77 & #510 will be auctioned

FY20/21	New Item Description	Replacement Item Description	Cost
1	1/2 ton V6 2WD w/Tool Box and Radio	#505 2008 Ford 3/4 ton 4X4	\$25,000
2	Hybrid 4X4 SUV	#512 2010 Ford 1/2 ton move to pool	\$65,000
3	Hybrid Car w/ Radio	#56 2005 Honda Civic	\$30,000
4	Hybrid Car w/ Radio	#57 2005 Honda Civic	\$30,000
5			
		Total	\$150,000


Note: #505, #56 & #57 will be auctioned

5b.

MEMORANDUM

To: Board of Directors

June 17, 2016

From: David L. Bentley, Auditor-Controller 

Subj: Public Hearing/Approve – FY17 & FY18 Novato Water CIP Budget

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RECOMMENDED ACTION: Approve**FINANCIAL IMPACT:** \$9.9 million FY17 & \$7.0 million FY18 Gross Expenditure
Budget Proposed for Consideration

Presented for your final review, public hearing and approval is the proposed Fiscal Year 2016-17 (FY17) and FY2017-18 (FY18) Capital Improvement Projects (CIP) budget. There have been no changes to the proposed budget since the Board's last review on May 17.

The net internally funded, or "pay-go" expenditure over the coming two fiscal years remains at \$6.75M. Below is a summary identifying the significant projects (\$500,000 or more) proposed to be undertaken over the next two fiscal years. An explanation of each FY17 project is incorporated into the detail listing attached.

<u>Project</u>	<u>FY17</u>	<u>FY18</u>
San Mateo 24" Inlet/Outlet Pipe (2,200')	\$150,000	\$850,000
San Mateo Tank Recoat	120,000	1,900,000
Radio Read Meter Retrofit (Installation) ¹	3,000,000	1,900,000
Office/Yard Building Refurbish ²	3,000,000	0
SCWA CIP	1,603,000	648,000
Other Projects	2,071,000	1,655,000
Gross Project Outlay	\$9,944,000	\$6,953,000
Less Loan/Grant/SCWA Rate Funding	(7,603,000)	(2,548,000)
Net Project Outlay (internally funded)	\$2,341,000	\$4,405,000

Novato Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$2.4 million annually in internally funded projects, which is below the \$2.5M cap approved by the Board in February 2013 in response to the updated 2012 Novato Water Master Plan.

Finally, the proposed FY17 Novato CIP budget includes 25 projects, down from 26 approved for FY16.

RECOMMENDATION:

Approve the FY17 & FY18 Capital Improvement Projects Budget as presented.

¹ \$5M Radio Read Meter Retrofit to be funded by an SRF or bank loan.

² \$3M Office/Yard Building Refurbish to be funded by a bank loan.

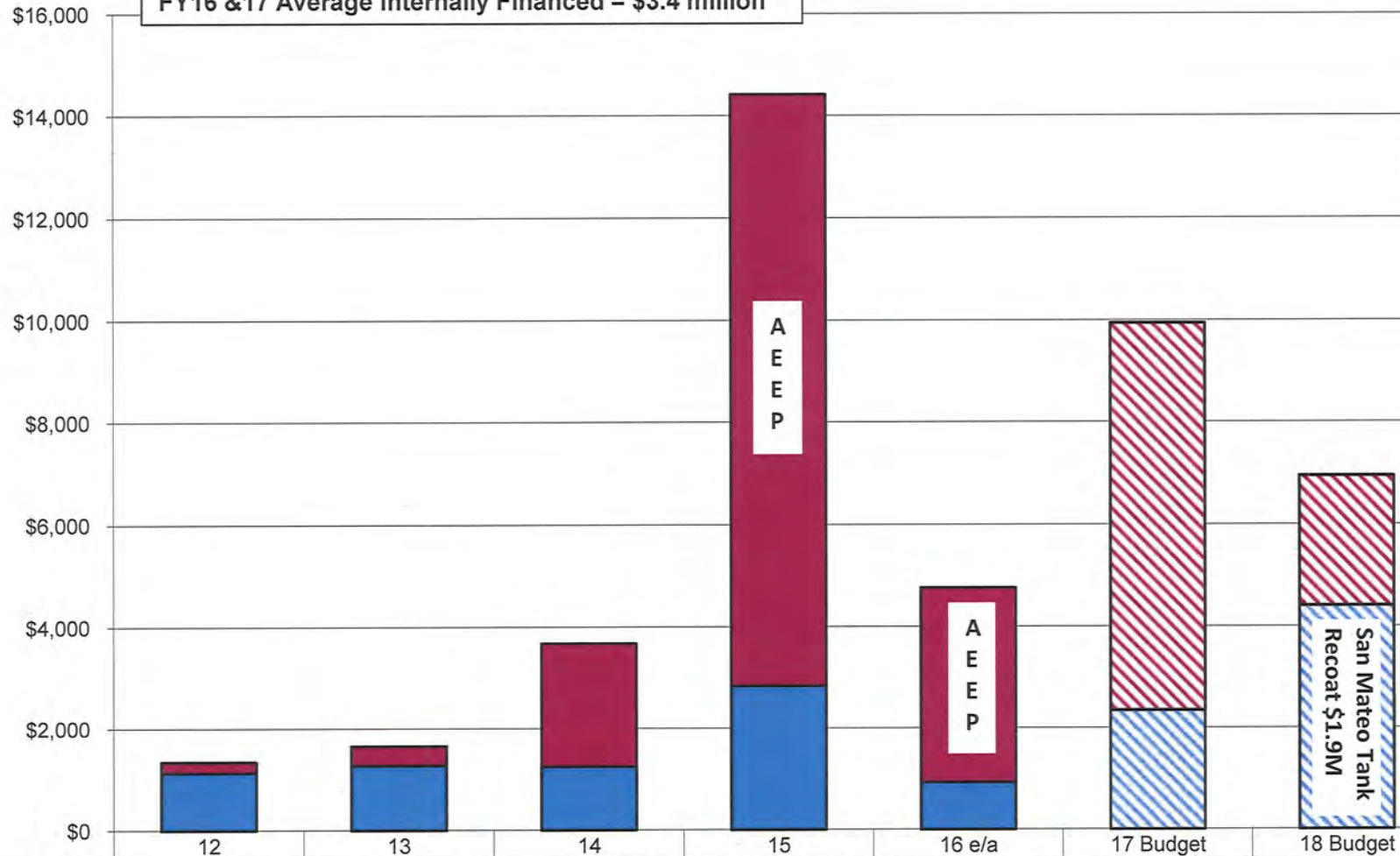
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Novato Water Capital Improvement Project Expenditures

Thousands

FY12-16 Average Internally Financed = \$1.5 million
 FY16 & 17 Average Internally Financed = \$3.4 million



	12	13	14	15	16 e/a	17 Budget	18 Budget
■ Debt/Grant Financed	\$215	\$377	\$2,424	\$11,590	\$3,830	\$7,603	\$2,548
■ Internally Financed	\$1,132	\$1,277	\$1,253	\$2,827	\$928	\$2,341	\$4,405
Total	\$1,347	\$1,653	\$3,677	\$14,418	\$4,758	\$9,944	\$6,953

PROPOSED CAPITAL IMPROVEMENT PROJECTS
Novato Service Area Recycled Water

6/15/16

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		FY17	FY18	FY17 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS				
	a. Main/Pipeline Replacements			
	1 Ridge Road 6" ACP (8"@1,400')	\$315,000		Install 1,400' of 8" water main from Ridge Rd PS to Forest Rd to replace 6" ACP that shows a high level of degradation.
	2 Other Main Replacements (60+ years old)		\$100,000	
		\$315,000	\$100,000	
	b. Main/Pipeline Additions			
1.7150.00	1 San Mateo 24" Inlet/Outlet Pipe (2,200')	\$150,000	\$850,000	Multiyear project to install 2,000' of 24" pipe from San Mateo Tank to the end of Palmo Way to improve northern Zone 2 fire flow.
	2 Other Main/Pipeline Additions		\$150,000	
		\$150,000	\$1,000,000	
	c. Polybutylene Service Line Replacements			
	1 Replace PB in Sync w/City Paving (30 Srvcs)	\$70,000	\$70,000	PB service replacement coordinated with City Overlay Program.
	2 Other PB Replacements (85 Services)	\$200,000	\$200,000	PB replacement for yet-to-be identified locations.
		\$270,000	\$270,000	
	d. Relocations to Sync w/City & County CIP			
1.8737.xx	1 Other Relocations	\$80,000	\$80,000	Relocate facilities for yet to be identified City/County Projects.
		\$80,000	\$80,000	
		<u>\$815,000</u>	<u>\$1,450,000</u>	

PROPOSED CAPITAL IMPROVEMENT PROJECTS**Novato Service Area Recycled Water**

6/15/16

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		FY17	FY18	FY17 Project Description
2. SYSTEM IMPROVEMENTS				
1.7008.13	a.	RTU Upgrades	\$15,000	FY17 will complete the replacement of aging and unreliable RTUs.
1.8677.20	b.	Flushing Taps at Dead-Ends (12 biennially)	\$50,000	
1.7007.10	c.	DCA Repair/Replace (~14/yr)	\$190,000	\$190,000 Detector Check Assembly replacements.
1.7090.02	d.	Anode Installations (150/yr)	\$30,000	\$30,000 Place anodes on copper laterals for corrosion protection.
1.7132.02	e.	Radio Telemetry	\$25,000	\$25,000 Install radio transmitters to replace leased lines.
1.7146.00	f.	Tank Access Hatch/Level Alarms (15 Sites)	\$40,000	Remote alarm notification of unauthorized entry at tank sites.
1.7157.00	g.	Automate Zone Valve (Slowdown Ct)	\$100,000	To provide real-time operation of Zone 2 pressure and flow when STP goes on & off.
1.7158.00	h.	Advanced Meter Information Retrofit (Note 1)	\$3,000,000	\$1,900,000 Pilot Program/Install -AMI System.
1.7136.00	i.	Facilities Security Enhancements	\$25,000	Ongoing program - FY17 focus on expansion of electronic card security access at various entry locations.
	j.	25 Giacomini Exterior Paint	\$8,000	10-year-old home needs paint.
			<u>\$3,433,000</u>	<u>\$2,195,000</u>

PROPOSED CAPITAL IMPROVEMENT PROJECTS
Novato Service Area Recycled Water

6/15/16

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		FY17	FY18	FY17 Project Description
3. BUILDING, YARD, STP. IMPROVEMENTS				
	a. Administration Building			
1.6501.43	1 Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiration.
1.6501.46	2 Office Emergency Generator	\$150,000		Customer service, lab and operations equipment requires an emergency power supply when primary power is interrupted.
1.6501.44	3 Office/Yard Building Refurbish (Note 2)	\$3,000,000		50-year-old building requires significant upgrading.
	4 Other Admin Building Improvements		\$50,000	
		\$3,300,000	\$50,000	
	Corp Yard/Warehouse/Construction Office			
	1 SMART Crossing Upgrade (Golden Gate Pl)	\$58,000		Shared Cost with Golden Gate Transit.
	2 Other Yard Improvements		\$30,000	
		\$58,000	\$30,000	
	b. Stafford Treatment Plant			
	1 Dam Concrete Repair	\$70,000	\$50,000	Repair west face of Stafford dam
1.6600.82	2 STP Emergency Power Generator	\$150,000		Power for the chlorine gas scrubber in the event primary power is interrupted. Recommended by County Health and Safety Dept.
	3 Coat Concrete Clearwells (Both Units)		\$490,000	
	4 Lake Backfeed De-Chlorination System	\$50,000		Backfeeding to Stafford Lake is regulated by NPDES permit which requires dechlorination.
	5 Other Treatment Plant Improvements		\$75,000	
		\$270,000	\$615,000	
		<u>\$3,628,000</u>	<u>\$695,000</u>	

PROPOSED CAPITAL IMPROVEMENT PROJECTS**Novato Service Area Recycled Water**

6/15/16

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		FY17	FY18	FY17 Project Description
4. STORAGE TANKS/PUMP STATIONS				
	a. Clear Tank Sites			
	1 Woodland Heights (120,000 gal, 1974)		\$65,000	
		\$0	\$65,000	
	b. Tank Rehabilitation			
	1 San Mateo Recoat (5 MG)	\$120,000	\$1,900,000	Tank recoat and chlorine mixing system.
		\$120,000	\$1,900,000	
1.6112.24	c. Lynwood P.S. Motor Control Center	\$165,000		Move motor controls above-ground.
	d. San Marin & Lynwood PS Can Rehab	\$60,000		Inspection and rehab of pump barrels.
1.6141.00	e. Crest PS (Design/Const) /Reloc School Rd PS	\$120,000		Design phase of Crest zone pump station.
		<u>\$465,000</u>	<u>\$1,965,000</u>	

PROPOSED CAPITAL IMPROVEMENT PROJECTS
Novato Service Area Recycled Water

6/15/16

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	FY17	FY18	FY17 Project Description
5. SONOMA COUNTY WATER AGENCY (NMWD Share of CIP Program) (Note 3)			
a. Local Hazard Mitigation Prog Plan/Design	\$3,000		Funding Source: Common Facilities Fund
b. System-wide Meter Replacements	\$12,000	\$12,000	Funding Source: Common Facilities Fund
c. Isolation Valve Seismic Hazard Mitigation	\$34,000		Funding Source: Common Facilities Fund
d. Mirabel Chlorine Lines Replacements	\$13,000		Funding Source: Common Facilities Fund
e. Caisson 5 Motor & Discharge Head Replace	\$62,000		Funding Source: Common Facilities Fund
f. Mark West Creek Crossing Seismic Mitigation	\$597,000	\$72,000	Funding Source: Common Facilities Fund
g. Mirabel Chlorine Building Water Supply	\$19,000	\$12,000	Funding Source: Common Facilities Fund
h. pH Pump Replacement		\$13,000	Funding Source: Common Facilities Fund
i. Russian River Crossing Seismic Mitigation	\$756,000	\$39,000	Funding Source: Common Facilities Fund
j. Wohler Motor Replacements	\$3,000	\$46,000	Funding Source: Common Facilities Fund
k. Wohler Road Fiber Optic Cable	\$2,000	\$48,000	Funding Source: Common Facilities Fund
l. Caisson 6 Valve Replacement & Vault		\$7,000	Funding Source: Common Facilities Fund
m. Mirabel Maintenance Building		\$36,000	Funding Source: Common Facilities Fund
n. Replace River Diversion Structure MCC	\$10,000	\$45,000	Funding Source: Common Facilities Fund
o. Wohler Power Delivery Substation 1 & 2 Upgrade		\$15,000	Funding Source: Common Facilities Fund
p. Collectors 3 & 5 Liquefaction Mitigation		\$27,000	Funding Source: Common Facilities Fund
q. River Diversion Structure Seismic Mitigation	\$34,000	\$31,000	Funding Source: Common Facilities Fund
r. Mirabel Surge Tanks		\$12,000	Funding Source: Common Facilities Fund
s. Collector 6 Liquefaction Mitigation		\$40,000	Funding Source: Common Facilities Fund
t. Mirabel Dam Bladder Replacement	\$50,000	\$186,000	Funding Source: Common Facilities Fund
u. Hwy 101 HOV Lane (Lakeville to Old Redwood Hwy)	\$5,000		Funding Source: Pipeline Fund
v. Ely BPS Flood Control & Electrical Upgrade		\$3,000	Funding Source: Pipeline Fund
w. Local Hazard Mitigation Prog Plan/Design	\$3,000	\$4,000	Funding Source: Pipeline Fund
	<u>\$1,603,000</u>	<u>\$648,000</u>	
GROSS PROJECT OUTLAY	<u>\$9,944,000</u>	<u>\$6,953,000</u>	

PROPOSED CAPITAL IMPROVEMENT PROJECTS
Novato Service Area Recycled Water

6/15/16

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	FY17	FY18	FY17 Project Description
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. Advanced Meter Information Retrofit (Note 1)	(\$3,000,000)	(\$1,900,000)	Funded by SRF or Bank Loan
b. Office/Yard Building Refurbish (Note 2)	(\$3,000,000)	\$0	Funded by Bank Loan
c. Sonoma County Water Agency CIP (Note 3)	(\$1,603,000)	(\$648,000)	Funded by Wholesale Water Rate or Bond Issue
	(\$7,603,000)	(\$2,548,000)	
NET PROJECT OUTLAY	\$2,341,000	\$4,405,000	
Total Number of District Projects	25	18	
DEBT SERVICE			
Novato			
a. EDA Loan	\$18,000	\$18,000	
b. STP SRF Loan	\$1,044,000	\$1,044,000	
c. AEEP Bank Loan	\$482,000	\$482,000	
d. Admin Building Renovation Loan		\$211,000	
e. Advanced Meter Information Loan		\$291,000	
TOTAL DEBT SERVICE	\$1,544,000	\$2,046,000	
NET PROJECT & DEBT SERVICE OUTLAY	\$3,885,000	\$6,451,000	
Novato Studies carried under General Administrative Expense			
a. Stafford Lake Sanitary Survey	\$40,000		
b. Local Water Supply Enhancement Study	\$100,000	\$100,000	
c. Novato Water Master Plan Update (every 5 yrs)	\$85,000		
d. Cost of Service Study Peer Review	\$30,000		
e. Stafford Lake Water Rights Update	\$50,000	\$50,000	
f. STP Efficiency Improvements	\$150,000		
	\$455,000	\$150,000	

Note 1 - Radio Read Meter Retrofit to be funded by SRF or Bank Loan

Note 2 - Office/Yard Refurbish to be funded by Bank Loan


Note 3 - SCWA CIP Projects to be funded by SCWA Wholesale water rate or NMWD Bank Loan.

5c.

MEMORANDUM

To: Board of Directors

June 17, 2016

From: David L. Bentley, Auditor-Controller Subj: Public Hearing/Approve – FY17 Proposed Novato Water Operations Budget
t:\aclword\budget\16\ops review fy16 hearing.docx**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** \$25 Million Expenditure Plan for FY17

The Public Hearing to consider the FY2016/2017 (FY17) Novato Potable Water budget was advertised in the June 15 edition of the Novato Advance (Attachment A).

Budget Changes since the Last Review

1. As discussed with the Board at its May 17 meeting, the Drought Revenue Recovery Surcharge has been removed from the proposed budget, and projected water sales and purchases have been increased by 300MG, to 2.5BG & 1.75BG respectively. This revision adds \$105,000 to budgeted net income.
2. The 48-unit Novato Village Senior Apartment Project in Hamilton was granted an extension until August to make financial arrangements, thus their \$679,000 connection fee payment was moved into FY17.
3. The vacant Electrical/Mechanical Technician position was filled by the Auto/Equipment Mechanic. The Mechanic position will now be filled at a lower salary, saving \$38,000.
4. Several other minor changes netted together to reduce expenses by \$7,000.

Budget Summary

The FY17 budget proposed herein projects a net "bottom line" cash surplus of \$115,000. The 5% rate increase effective June 1, 2016 will add \$880,000 to FY17 budgeted revenue.

The \$115,000 budgeted surplus compares to a projected \$1,080,000 FY16 cash decrease. FY17 water sales volume is budgeted at 2.5BG, an increase of 300MG from FY16 projected sales volume, but significantly below the 2.9BG average sales volume over the past 10 years. FY16 water consumption is projected to be the lowest since 1979.

Looking simply at operating revenue (water sales) less operating expenditures, the proposed FY17 budget projects a net operating income of \$1,072,000. FY16 projected net operating income is \$975,000. Total budgeted outlay, which includes capital improvement projects and debt service, is budgeted at \$25.0 million, down 1% from the FY16 budget.

Budget Detail

Water Sales - Water sales volume is budgeted at 2.5BG, which is 14% above the current fiscal year estimated actual, but 14% below the 10-year average. The chart on page 6 of the budget document shows a 10-year history of billed consumption.

Other Revenue – Connection Fee revenue is budgeted at \$779,000, the bulk of which will be derived from the Novato Village Project. \$255,000 in Connection Fee revenue was collected during the current fiscal year.

The wheeling charge to Marin Municipal Water District is budgeted at \$88,000 (\$17.55/AF for 5,000AF, or 1.6BG). In addition, MMWD will pay the annual fixed AEEP capital contribution of \$245,000 in accord with the terms of the 2014 Interconnection Agreement. The combination of these two payments is almost a 7-fold increase over the prior annual wheeling charge, and represents compensation for MMWD's beneficial enjoyment of the AEEP. Funds in the District's treasury are budgeted to earn an average interest rate of 0.5%. Miscellaneous Revenue includes income from the rental of the Point Reyes home (\$35,000), the Little Mountain cell phone tower lease (\$18,000), Indian Valley Golf Club lease (\$11,000), two grazing leases (\$3,600), rental of the District's security apartment (\$11,000), and rental of the Pacheco Valle tennis courts (\$2,650).

Operating Expenditures

Total Operating Expenditures are projected to increase 2% (\$409,000) from the FY16 budget. Purchased Water is budgeted to decrease \$230,000 (5%) due to reduced sales volume, while increases in the cost for labor (including the addition of 2 apprentice E/M Techs) and increased purchases of materials, services and supplies offset the savings in purchased water cost.

General Administration again includes a series of studies. Six are included in the FY17 Budget, totaling \$455,000, an increase of \$165,000 from the FY16 budget, as follows:

	Project	Cost	Description
1	Local Water Supply Enhancement Study	\$100,000	Increase local yield (\$100k/yr for 2 years)
2	Novato Master Plan Update	\$85,000	5 Year Update
3	Cost of Service Study Peer Review	\$30,000	Outside Review of Water Rate Structure
4	Stafford Lake Water Rights Update	\$50,000	Legal Review and update of entitlements
5	STP Efficiency Improvements	\$150,000	Increase finished water throughput
6	Stafford Lake Sanitary Survey	\$40,000	Watershed Survey
		<u>\$455,000</u>	

Staffing - The proposed budget includes a staffing level of 55.7 full-time equivalent (FTE) employees, up 3.0 FTE (6%) from the current year budget. Two Apprentice Treatment Plant Operators were hired earlier this year after a Senior Treatment Plant Operator retired, and two Apprentice Electrical/Mechanical Techs are budgeted to be hired in FY17 in anticipation of the pending retirements of the Senior E/M Tech and the Maintenance Supervisor. A 5% spot adjustment is included for the Auditor-Controller and the Water Quality Supervisor. A Maintenance Foreman position has been created to be filled, on a competitive basis, by an existing employee, and promotion of the Cross Connection Control Technician I to CCC Tech II is proposed. The proposed staffing level of 55.7 FTE is down 3.4 FTE (6%) from the level adopted in the FY08 budget.

<u>FTE Staffing</u>	<u>FY17</u>	<u>FY16</u>	<u>Reason for Change</u>
Administration	9.0	9.0	
Consumer Services	6.0	6.0	
Construction/Maintenance	12.0	12.0	
Engineering	7.7	7.7	
Maintenance	10.0	8.0	2 Apprentice E/M Techs in anticipation of pending retirements
Operations	6.0	5.0	2 Apprentices replace Sr TP Operator
Water Quality	<u>5.0</u>	<u>5.0</u>	
	<u>55.7</u>	<u>52.7</u>	

Temporary staffing is proposed to decrease by 144 hours (2%), to 8,786 hours, budgeted as follows:

<u>Temporary Staffing Hours</u>	<u>FY17</u>	<u>FY16</u>
Administration	416	450
Customer Accounting	1,750	2,000
Construction/Maintenance	1,760	1,760
Engineering	1,000	1,000
Maintenance	1,220	1,020
Operations	700	1,200
Water Conservation	1,440	1,500
Water Quality	<u>500</u>	<u>0</u>
	<u>8,786</u>	<u>8,930</u>

For budgeting purposes, a 2.7% cost-of-living salary increase has been factored into the budget effective October 1, 2016, as well as a 1.6% salary increase to offset the negotiated requirement that employees pay an additional 1.6% of salary toward their retirement benefit.

The COLA and CalPERS offset adjustments would increase total salaries by \$153,000, pushing up the total overheaded cost of payroll by \$200,000 (2.6%).

The District's average CalPERS retirement contribution rate will decrease 0.5% (to 20.2%) from the amount budgeted last year. Over the past four years employees have annually contributed a larger share of the retirement obligation, and beginning October 1, 2016, employees will pay 100% of the CalPERS employee contribution. The CalPERS Board is scheduled to approve 2017 group health insurance rates in late June. For budgeting purposes, a 6.7% increase in group health insurance rates effective January 1, 2017 is assumed, which is the average rate of increase over the past 10 years, and which would increase budgeted labor cost by \$59,000. The cost for first dollar worker's compensation insurance increased \$7,000 (4%). While the District intends to continue self-insuring this coverage, this market value provides a current calculation of savings (or loss) accrued through self-insuring this coverage.

Total budgeted operating expenditures are up \$409,000 (2%) compared to the adopted FY16 budget. An analysis of the significant differences between the FY16 budget and the proposed FY17 operating budget follows, listed in decreasing order of magnitude.

Component	Increase/ (Decrease) vs. FY16 Budget	FY17 % Change
Labor	\$348,000	6%
Materials, Services & Supplies	209,000	6%
Depreciation	100,000	4%
Vehicle Expense	20,000	8%
Distributed G&A & Overheads	-38,000	-6%
Purchased Water Cost	-230,000	-5%
Net Increase	<u>\$409,000</u>	<u>2%</u>

Staff Recommendation:

- 1) Approve the FY16/17 Novato Operating Budget as presented;
- 2) Authorize the General Manager to pay demands arising from execution of the budgeted expenditure plan.

ATTACHMENT A

1. The license expires on 6/8/2021. A new FBR statement must be filed no more than 40 days from expiration. This filing does not of itself authorize the use of the name in violation of the rights of another under federal, state or common law. B&B Code 14400 et seq. No. 705 June 8, 15, 2016

FICTITIOUS BUSINESS
NAME STATEMENT
COUNTY OF MARIN
FILE No. 2015-13815
BUSINESS OR CHANGE
STARTING FROM

The following person is (are) doing business as:
The Seams Clinic
 688 Miller Avenue
 Mill Valley, CA 94041
Special Veterinary
Surgery-Orthopedic
Neurologic
Endoscopic A Professional Corporation
 County of San Francisco
 place of business.
 This business is conducted by a corporation
 /s/ Andrew E. Seams
 FILED: May 10, 2015
 RICHARD BERSON
 Marin County Clerk
 By: Elvia Debuty
 NOTICE: This statement expires on 5/10/2021. A new Filing statement must be filed no more than 40 days from expiration. This filing does not of itself authorize the use of this name in violation of the rights of another under federal, state or common law. (RSP Code 14490) W. No. 634 May 15, 2015
 JAM 5 14 2015

SEABIN COUNTY SUPERIOR COURT
BY: R Smith Deputy
JAN 707 JUNE 15, 2012 2015

NOTICE OF PUBLIC HEARING

A Public Hearing will be held to consider adoption of the Fiscal Year 2016-2017 North Santa Ana Water District Budgets for the Novato Service Area on Tuesday, June 21, 2016 at 7:00 p.m. at District Headquarters, 399 Rush Creek Place, Novato, Ca.

The proposed Nevada Water Budgets total \$32.1 million and reflect the water rate increases approved at the District Board of Directors meeting held on May 17, 2016.

For more information, call 415-897-4133
MD 691 JUN 15, 2016

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date set for his opening thereof.
Any Bid protest must be submitted in writing
to the Senior Blvd., San Rafael, Ca 94901, 4:00 p.m. or
before the opening of bids. The intra-bid protest does
not constitute a complete statement of protest,
but with reference to any portion of the bid documents
which may be objected to, it shall be the basis of the bid
protest. The requirements are mandatory, and failure to
comply constitutes a waiver of any further right to pursue
the matter. Any government claim or demand shall be
acted upon by the District's Board.
The successful Contractor's action securities shall be
required retention in accordance with the provisions of
Section 3300 of the California Public Contract Code.
In accordance with the provisions of California
Public Contract Code Section 3300, the District has determined that it
is a valid Class A - General Engineering Items.
No contractor or subcontractor may be listed as
a public works project unless registered with the
Industrial Relations pursuant to Labor Code Sections 1721
and 1721.6. No contractor or subcontractor who
conducts public work or a public works project
with the Department of Industrial Relations pursuant
to Labor Code Section 1721.6. This Project is subject to completion
in accordance with the Department of Industrial Relations
Contract Code Section 7028.15. A bid submitted by a
contractor who is not licensed in accordance with the
Business and Professions Code shall be considered
invalid and shall be rejected by the District.

Greg Nobby, P.E., General Manager
Sanitary District No. 1 of Martin Co.

NO. 673 JUN 1 15 2015

Date: June 1, 2015

KEEP INFORMED

**Read
Public Notice**

Your Right To Know

Proposed
BUDGET

Public Hearing/Approve

**Novato Potable Water
Operating Budget**

FISCAL YEAR

2016-17

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
NOVATO POTABLE WATER
PROPOSED 2016/17 OPERATING BUDGET

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NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2016/17

	<i>Proposed Budget 2016/17</i>	<i>Estimated Actual 2015/16</i>	<i>Adopted Budget 2015/16</i>
OPERATING INCOME			
1 Water Sales	\$17,550,000	\$15,163,000	\$17,768,000
2 Wheeling & Misc Service Charges	340,000	335,000	380,000
3 Total Operating Income	\$17,890,000	\$15,498,000	\$18,148,000
OPERATING EXPENDITURES			
4 Source of Supply	\$4,658,000	\$3,916,000	\$4,869,000
5 Pumping	323,000	241,000	367,000
6 Operations	744,000	667,000	609,000
7 Water Treatment	2,051,000	1,642,000	1,975,000
8 Transmission & Distribution	3,100,000	2,727,000	2,698,000
9 Consumer Accounting	627,000	603,000	592,000
10 Water Conservation	460,000	393,000	450,000
11 General Administration	2,055,000	1,754,000	2,149,000
12 Depreciation Expense	2,800,000	2,580,000	2,700,000
13 Total Operating Expenditures	\$16,818,000	\$14,523,000	\$16,409,000
14 NET OPERATING INCOME (LOSS)	\$1,072,000	\$975,000	\$1,739,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$52,000	\$56,000	\$64,000
16 Miscellaneous Revenue	132,000	104,000	83,000
17 Interest Expense	(481,000)	(494,000)	(510,000)
18 Miscellaneous Expense	(20,000)	\$0	(20,000)
19 Total Non-Operating Income/(Expense)	(\$317,000)	(\$334,000)	(\$383,000)
20 NET INCOME/(LOSS)	\$755,000	\$641,000	\$1,356,000
OTHER SOURCES/(USES) OF CASH			
21 Add Depreciation Expense	\$2,800,000	\$2,580,000	\$2,700,000
22 Connection Fees	779,000	255,000	538,000
23 Caltrans AEEP Capital Contribution	0	2,600,000	2,740,000
24 MMWD AEEP Capital Contribution	245,000	245,000	245,000
25 Loans	6,000,000	100,000	2,000,000
26 Capital Equipment Expenditures	(245,000)	(65,000)	(199,000)
27 Capital Improvement Projects	(8,341,000)	(4,928,000)	(9,040,000)
28 Debt Principal Payments	(1,063,000)	(1,050,000)	(1,035,000)
29 Connection Fee Transfer to RWS	(815,000)	(708,000)	(717,000)
30 Working Capital Increase/(Decrease)	0	(750,000)	0
31 Total Other Sources/(Uses)	(\$640,000)	(\$1,721,000)	(\$2,768,000)
32 CASH INCREASE/(DECREASE)	\$115,000	(\$1,080,000)	(\$1,412,000)

North Marin Water District

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2016/17

	Proposed Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
STATISTICS								
1 Active Meters	20,525	20,525	20,525	20,498	20,505	20,492	20,490	20,464
2 Avg Commodity Rate/1,000 Gal (Net)	\$5.36	\$5.04	\$5.05	\$4.87	\$4.81	\$4.32	\$4.05	\$3.82
3 Potable Consumption (BG)	2.50	2.20	2.70	2.44	2.95	3.02	2.82	2.79
OPERATING INCOME								
4 Water Sales	\$17,620,000	\$15,230,000	\$17,620,000	\$16,101,706	\$18,385,017	\$16,626,526	\$14,220,429	\$12,727,649
5 Bill Adjustments	(70,000)	(67,000)	(92,000)	(82,790)	(95,470)	(104,567)	(58,770)	(66,248)
6 Sales to MMWD	0	0	0	0	432,294	0	0	0
7 Wheeling Charges-MMWD	88,000	66,000	120,000	119,144	100,527	251,980	58,802	53,662
8 Miscellaneous Service Revenue	252,000	269,000	260,000	276,388	265,496	223,619	197,752	145,787
9 TOTAL OPERATING INCOME	\$17,890,000	\$15,498,000	\$17,908,000	\$16,414,448	\$19,087,864	\$16,997,558	\$14,418,213	\$12,860,850
OPERATING EXPENSE								
SOURCE OF SUPPLY								
11 Supervision & Engineering	\$18,000	\$9,000	\$19,000	\$11,641	\$9,698	\$9,103	\$9,064	\$8,965
12 Operating Expense - Source	10,000	13,000	11,000	11,044	10,497	6,821	11,488	5,927
13 Maintenance/Monitoring of Dam	63,000	17,000	50,000	11,635	19,438	38,295	25,716	8,290
14 Maintenance of Lake & Intakes	18,000	7,000	21,000	511	11,701	14,481	10,377	8,619
15 Maintenance of Watershed	43,000	17,000	41,000	15,151	17,015	23,405	8,188	2,152
16 Water Purchased for Resale to MMWD	0	0	0	0	253,539	0	0	0
17 Water Quality Surveillance	26,000	3,000	17,000	7,467	13,713	12,776	16,385	12,377
18 Contract Water - SCWA	4,480,000	3,850,000	4,710,000	4,333,100	5,698,211	5,135,330	5,047,469	3,790,789
19 TOTAL SOURCE OF SUPPLY	\$4,658,000	\$3,916,000	\$4,869,000	\$4,390,549	\$6,033,812	\$5,240,211	\$5,128,687	\$3,837,119
PUMPING								
20 Operating Expense	\$3,000	\$0	\$3,000	\$237	\$0	\$0	\$0	\$641
21 Maintenance of Structures/Grounds	34,000	30,000	39,000	51,544	46,502	24,115	29,042	17,153
22 Maintenance of Pumping Equipment	66,000	16,000	70,000	51,013	27,696	35,637	50,797	17,354
23 Electric Power - Pumping	220,000	195,000	255,000	213,909	255,711	263,471	204,927	233,222
24 TOTAL PUMPING	\$323,000	\$241,000	\$367,000	\$316,703	\$329,909	\$323,223	\$284,766	\$268,370
OPERATIONS								
25 Supervision & Engineering	\$164,000	\$252,000	\$182,000	\$241,264	\$219,520	\$187,986	\$185,838	\$185,361
26 Operating Expense	401,000	304,000	255,000	244,900	274,893	264,400	255,272	191,713
27 Maintenance Expense	79,000	26,000	84,000	37,667	79,906	101,036	105,545	94,633
28 Telemetry Equipment/Controls Maint	83,000	67,000	71,000	86,544	62,223	44,349	67,936	83,047
29 Leased Line Expense	17,000	18,000	17,000	17,986	17,675	17,921	18,930	20,841
30 TOTAL OPERATIONS	\$744,000	\$667,000	\$609,000	\$628,361	\$654,217	\$615,692	\$633,521	\$575,595

North Marin Water District

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2016/17

	Proposed Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
WATER TREATMENT								
31 Supervision & Engineering	\$92,000	\$118,000	\$97,000	\$112,433	\$111,096	\$112,612	\$100,916	\$121,459
32 Operating Expense	296,000	256,000	288,000	333,020	285,050	308,301	206,957	320,882
33 Purification Chemicals	425,000	166,000	425,000	358,907	316,762	400,627	253,797	464,140
34 Sludge Disposal	84,000	88,000	87,000	72,720	66,085	103,196	100,861	84,618
35 Maintenance of Structures/Grounds	88,000	60,000	80,000	79,728	60,148	52,242	82,839	71,772
36 Purification Equipment Maintenance	159,000	152,000	140,000	104,290	137,838	137,793	136,782	105,217
37 Electric Power - Treatment	134,000	120,000	134,000	120,592	135,637	112,767	114,184	128,913
38 Laboratory Expense (net)	773,000	682,000	724,000	691,990	655,315	602,901	568,124	517,044
39 TOTAL WATER TREATMENT	\$2,051,000	\$1,642,000	\$1,975,000	\$1,873,680	\$1,767,931	\$1,830,439	\$1,564,460	\$1,814,045
TRANSMISSION & DISTRIBUTION								
40 Supervision & Engineering	\$749,000	\$551,000	\$485,000	\$562,934	\$486,544	\$427,430	\$423,813	\$466,110
41 Maps & Records	141,000	105,000	138,000	108,956	77,995	106,669	96,058	74,154
42 Operation of T&D System	629,000	498,000	556,000	404,243	511,708	460,489	478,959	422,375
43 Storage Facilities Expense	158,000	139,000	147,000	167,362	134,352	87,843	140,564	158,247
44 Maintenance of Valves & Regulators	220,000	153,000	208,000	151,691	91,709	117,299	132,239	190,866
45 Maintenance of Mains	133,000	215,000	126,000	149,898	72,176	86,906	49,922	146,814
46 Backflow Prevention Program	170,000	150,000	131,000	156,590	147,878	102,338	84,714	124,121
47 Maintenance of Copper Services	182,000	148,000	183,000	202,193	141,987	175,880	190,698	164,388
48 Maintenance of PB Service Lines	458,000	568,000	443,000	432,820	411,357	483,006	443,509	347,802
49 Maintenance of Meters	106,000	97,000	132,000	100,401	94,418	93,360	135,900	146,170
50 Detector Check Assembly Maint	73,000	66,000	71,000	65,749	52,369	7,581	38,361	36,509
51 Maintenance of Hydrants	81,000	37,000	78,000	25,655	22,154	28,531	33,980	50,354
52 TOTAL TRANSMISSION & DISTRIB	\$3,100,000	\$2,727,000	\$2,698,000	\$2,528,492	\$2,244,647	\$2,177,332	\$2,248,717	\$2,327,910
CONSUMER ACCOUNTING								
53 Meter Reading & Collection	\$222,000	\$187,000	\$209,000	\$166,919	\$182,216	\$180,030	\$170,589	\$142,581
54 Billing & Accounting	265,000	274,000	256,000	269,054	256,653	247,897	282,702	282,046
55 Contract Billing	18,000	17,000	19,000	16,946	17,561	18,110	18,231	18,285
56 Postage & Supplies	63,000	60,000	53,000	60,032	61,791	64,497	63,359	70,347
57 Credit Card Fees	25,000	26,000	23,000	23,893	14,149			
58 Lock Box Service	11,000	11,000	11,000	10,080				
59 Uncollectible Accounts	17,000	17,000	15,000	14,818	19,500	23,230	26,685	32,723
60 Office Equipment Expense	22,000	28,000	21,000	16,743	23,905	8,290	8,690	9,835
61 Distributed to Other Operations	(16,000)	(17,000)	(15,000)	(16,233)	(15,276)	(13,961)	(15,726)	(15,762)
62 TOTAL CONSUMER ACCOUNTING	\$627,000	\$603,000	\$592,000	\$562,252	\$560,499	\$528,093	\$554,530	\$540,055

North Marin Water District

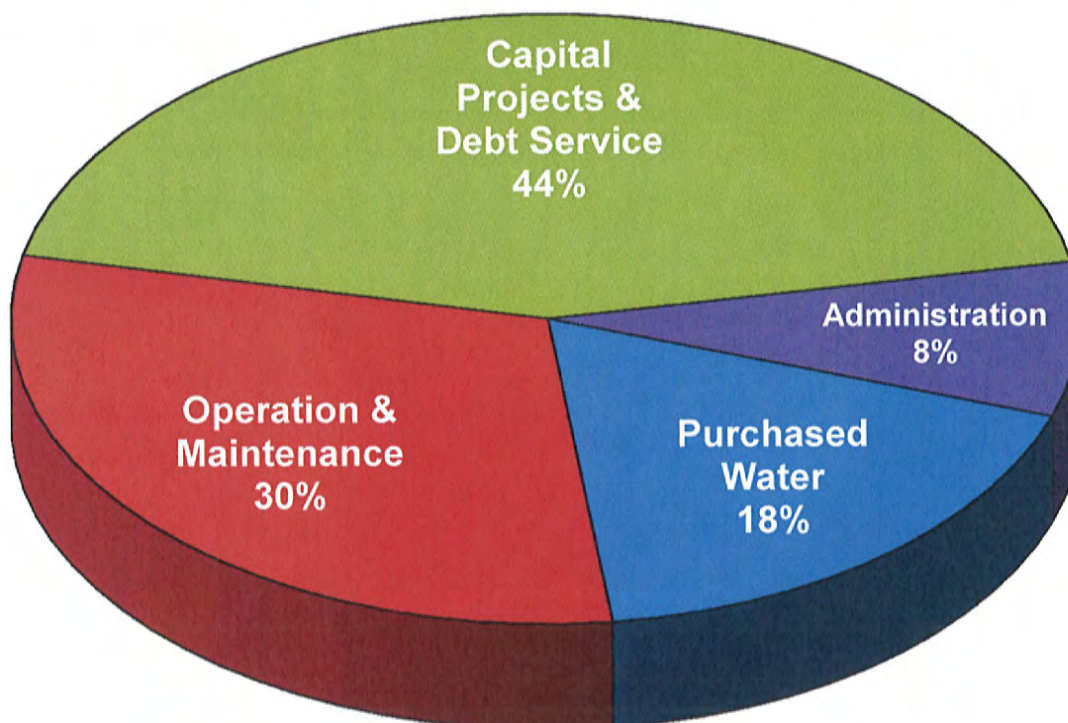
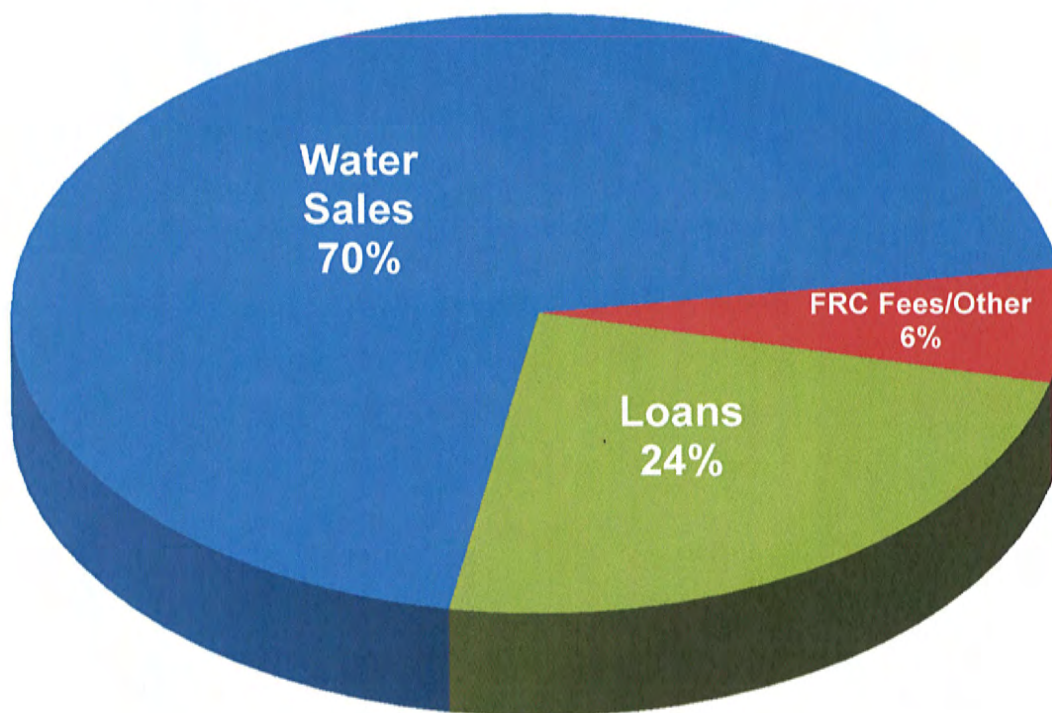
NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2016/17

	Proposed Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
WATER CONSERVATION								
63 Residential	\$381,000	\$340,000	\$345,000	\$410,154	\$362,499	\$222,637	\$213,883	\$338,093
64 Commercial	19,000	5,000	25,000	5,352	2,605	1,169	1,414	15,423
65 Public Outreach/Information	40,000	26,000	50,000	34,148	51,638	28,477	41,251	19,047
66 Large Landscape	20,000	22,000	30,000	10,747	12,702	13,966	13,780	10,337
TOTAL WATER CONSERVATION	\$460,000	\$393,000	\$450,000	\$460,401	\$429,444	\$266,249	\$270,328	\$382,900
GENERAL & ADMINISTRATION								
67 Director's Expense	\$33,000	\$34,000	\$32,000	\$30,400	\$25,300	\$14,400	\$15,000	\$15,100
68 Legal Fees	13,000	13,000	12,000	9,956	20,906	10,112	7,098	8,572
69 Human Resources	30,000	24,000	34,000	33,977	28,386	35,917	21,860	32,112
70 Auditing Services	17,000	19,000	21,000	18,380	21,050	20,600	28,900	27,800
71 Consulting Services/Studies	455,000	138,000	290,000	107,015	0	53,327	34,731	
72 General Office Salaries	1,337,000	1,279,000	1,533,000	1,191,792	1,184,164	1,214,210	1,252,684	1,177,170
73 Office Supplies	47,000	22,000	47,000	36,877	46,174	37,232	22,743	38,870
74 Employee Events	12,000	13,000	12,000	7,379	7,227	6,204	5,931	4,469
75 Other Administrative Expense	13,000	10,000	16,000	13,390	13,240	18,150	17,254	17,414
76 Election Cost	0	0	70,000	0	250	0	250	0
77 Dues & Subscriptions	60,000	56,000	57,000	53,296	47,842	45,607	49,260	47,775
78 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,112	8,118	8,112
79 Meetings, Conf & Training	205,000	147,000	184,000	136,863	117,425	112,402	97,626	101,472
80 Telephone, Water, Gas & Electricity	41,000	41,000	39,000	38,580	33,328	32,995	26,172	29,012
81 Building & Grounds Maintenance	54,000	69,000	51,000	48,891	35,642	41,194	36,438	35,902
82 Office Equipment Expense	95,000	96,000	90,000	97,868	90,231	82,349	89,291	74,325
83 Insurance Premiums & Claims	118,000	157,000	103,000	102,073	72,192	76,473	113,556	118,451
84 Retiree Medical Benefits	173,000	172,000	174,000	175,580	159,691	166,699	160,725	147,084
85 (Gain)/Loss on Overhead Charges	(122,000)	(49,000)	(70,000)	(85,682)	(222,710)	(136,354)	(297,783)	(172,628)
86 G&A Distributed to Other Operations	(155,000)	(130,000)	(169,000)	(113,218)	(76,538)	(77,443)	(101,630)	(104,515)
87 G&A Applied to Construction Projects	(379,000)	(365,000)	(385,000)	(353,998)	(389,569)	(392,205)	(327,881)	(269,439)
88 Expensed Improvement Projects								122,785
89 Expensed Equipment Purchases							3,383	29,993
TOTAL GENERAL & ADMINISTRATION	\$2,055,000	\$1,754,000	\$2,149,000	\$1,557,531	\$1,222,343	\$1,369,981	\$1,263,726	\$1,489,836
90 Depreciation Expense	\$2,800,000	\$2,580,000	\$2,700,000	\$2,507,124	\$2,445,634	\$2,417,032	\$2,372,380	\$2,309,166
91 TOTAL OPERATING EXPENSE	\$16,818,000	\$14,523,000	\$16,409,000	\$14,825,093	\$15,688,436	\$14,768,252	\$14,321,115	\$13,544,996
92 NET OPERATING INCOME/(LOSS)	\$1,072,000	\$975,000	\$1,499,000	\$1,589,355	\$3,399,428	\$2,229,306	\$97,098	(\$684,146)

**NOVATO POTABLE WATER
FISCAL YEAR 2016-17**

SOURCE OF FUNDS = \$25.1 MILLION



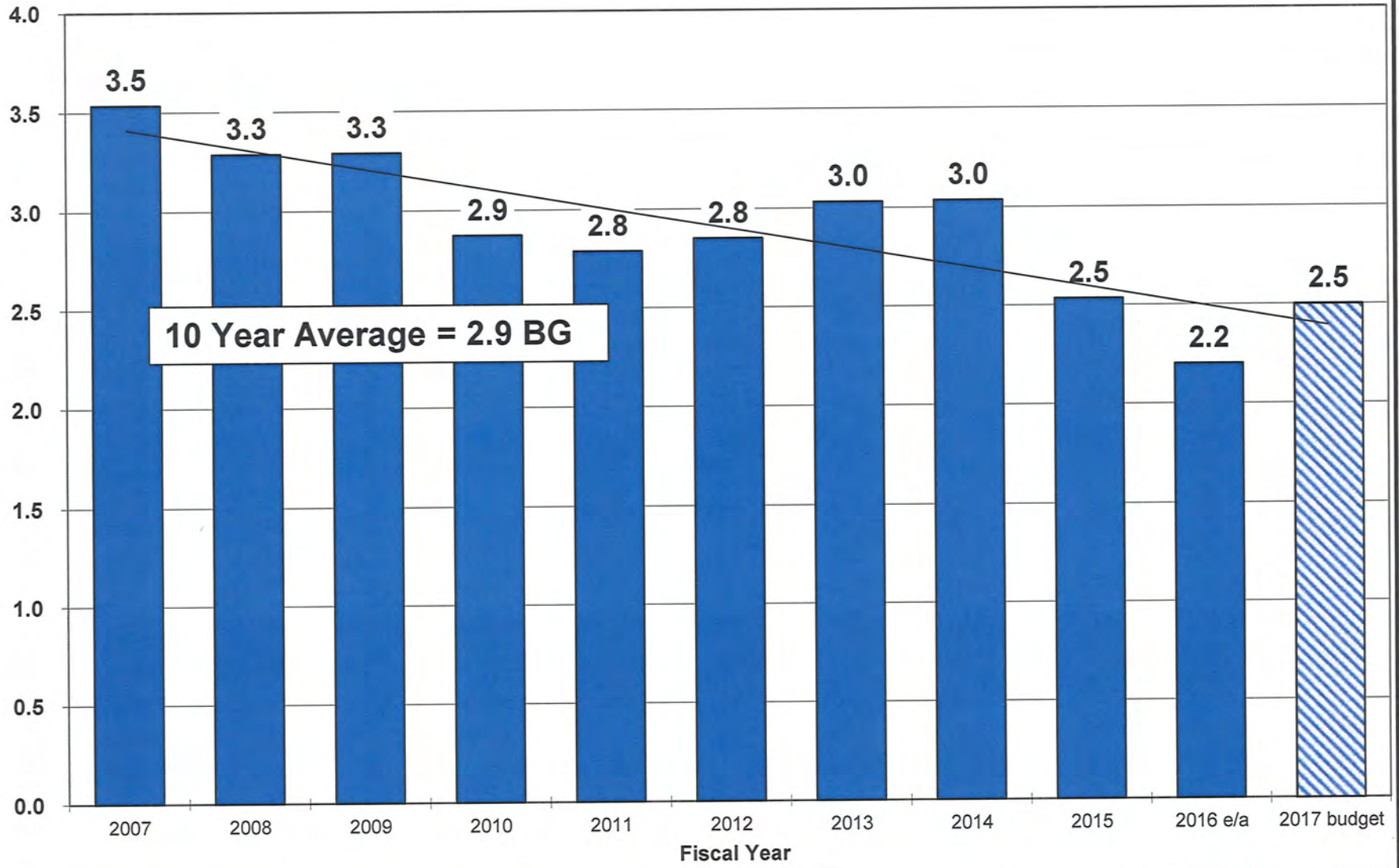
USE OF FUNDS = \$25.1 MILLION

6/15/16

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Novato Water Billed Consumption 10 Year History

Billion
Gallons



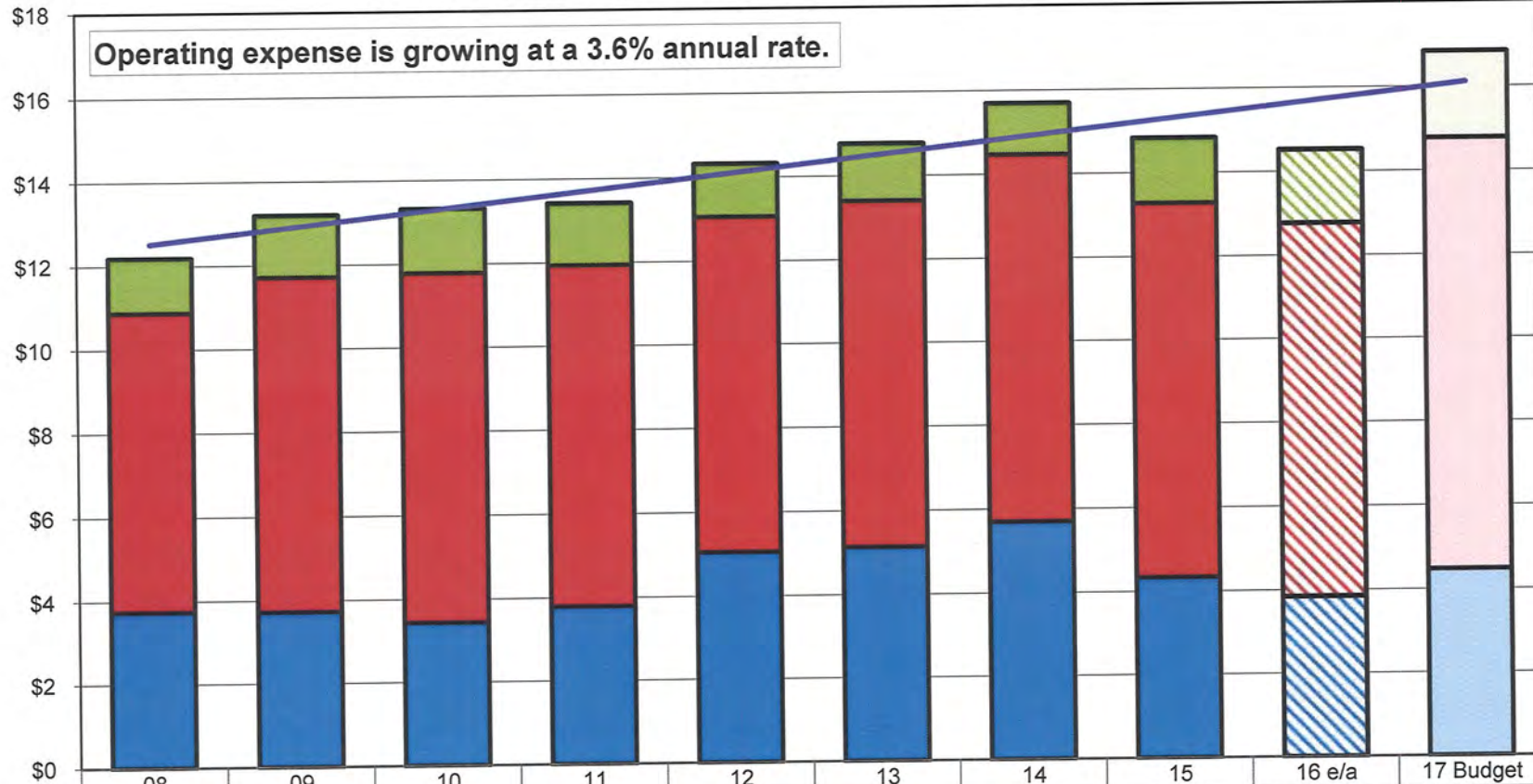
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Million \$

Novato Water Operating Expense History

Operating expense is growing at a 3.6% annual rate.



Fiscal Year

5d.

MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Public Hearing/Approve – FY17 Novato Recycled Water System Budget
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June 17, 2016

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$8.9 Million FY17 Expenditure Plan

There were no significant changes in the FY 2016/17 (FY17) Novato Recycled Water System (RWS) Budget since the Board's last review on May 17.

The FY17 RWS budget projects demand of 140MG (see chart of historical water use attached), consistent with the current year estimated actual demand. Current fiscal year demand is down in concert with the drought news. The 7% commodity rate increase effective June 1, 2016 is projected to generate \$48,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to decrease 2% (\$8,000) from the existing FY16 budget. The FY17 budget projects purchase of 90MG (\$126,000) of tertiary treated water from Novato Sanitary District and 45MG (\$63,000) from Las Gallinas Valley Sanitary District, at an average cost of \$1,400/MG. The Deer Island Plant is budgeted to produce 5MG during the summer to keep it in good running order, and will continue to serve as a backup facility.

The \$11.7 million project to expand recycled water distribution facilities to central Novato will break ground next fiscal year, with \$7.5 million anticipated to be expended over the 12-month period. The District expects to receive final approval for a 1% State Revolving Fund loan (with potential Prop 1 grant funds) to construct the facilities, along with a Bureau of Reclamation Title 16 Federal Grant of at least \$1.5 million. The budget also includes a \$2.25 million contribution from Marin Country Club paid over time as their share of the expansion.

The RWS is budgeted to receive \$1,328,000 in Connection Fee monies from the Novato potable water system in FY17 to pay for the expansion loan debt service, the \$80,000 cost of the NBWRA's grant administration, and the local share of the expansion project. With the Connection Fee monies, the proposed budget projects a cash surplus next fiscal year of \$405,000.

The RWS construction is premised on the assumption that it will be financed via Connection Fees paid by new development. Since FY07, the Novato potable system has paid \$4.9 to the RWS for 1) debt service (\$2.3M); 2) the grant funding local share obligation (\$1.6M); and 3) NBWRA grant procurement fees (\$1M). During this same period, all of the \$3.0 million in

Connection Fee receipts have been utilized to fund Novato Potable Water System projects. The Connection Fee Reserve is now \$4.9 million in arrears, as Novato Potable Water general funds have been transferred to the RWS in anticipation of future Connection Fee receipts. The proposed FY17 Novato Potable Water System Budget projects receipt of \$779,000 in Connection Fee revenue, and a transfer of \$1,328,000 to the RWS. Thus the FY17 Novato Potable Water Budget projects an increase in the arrearage. When the RWS Central Expansion is complete, annual RWS debt service will require an average of 44 equivalent dwelling units of new development annually (\$1.3M). Clearly, future development in Novato is key to successful long-term funding of the RWS.

Staff Recommendation:

- 1) Approve the FY17 Novato Recycled Water System Budget as presented;
- 2) Authorize the General Manager to pay demands arising from execution of the budgeted expenditure plan.

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2016/17

	<i>Proposed Budget 2016/17</i>	<i>Estimated Actual 2015/16</i>	<i>Adopted Budget 2015/16</i>
# BASIC DATA			
1 Active Meters	44	44	44
2 Average Commodity Rate	\$5.26	\$4.92	\$4.92
3 Consumption (MG)	140	140	155
OPERATING INCOME			
4 Recycled Water Sales	\$737,000	\$689,000	\$762,000
5 Bimonthly Service Charge	29,000	29,000	28,000
6 Total Operating Income	\$766,000	\$718,000	\$790,000
OPERATING EXPENDITURES			
7 Purchased Water - NSD	\$126,000	\$110,000	\$140,000
8 Purchased Water - LGVSD	63,000	\$60,000	77,000
9 Pumping	6,000	3,000	8,000
10 Operations	57,000	71,000	40,000
11 Water Treatment	25,000	7,000	21,000
12 Transmission & Distribution	32,000	13,000	32,000
13 Consumer Accounting	1,000	1,000	1,000
14 General Administration	57,000	47,000	58,000
15 Depreciation	480,000	472,000	472,000
16 Total Operating Expenditures	\$847,000	\$784,000	\$849,000
17 NET OPERATING INCOME (LOSS)	(\$81,000)	(\$66,000)	(\$59,000)
NON-OPERATING INCOME/(EXPENSE)			
18 Interest Revenue	\$6,000	\$5,000	\$10,000
19 Stone Tree Golf Interest Payments	39,000	45,000	44,000
20 Deer Island SRF Loan Interest Expense	(63,000)	(68,000)	(68,000)
21 Distrib System SRF Loans Interest Exp	(201,000)	(210,000)	(212,000)
22 Consulting Services/Studies	0	(48,000)	(30,000)
23 Total Non-Operating Income/(Expense)	(\$219,000)	(\$276,000)	(\$256,000)
24 NET INCOME/(LOSS)	(\$300,000)	(\$342,000)	(\$315,000)
OTHER SOURCES/(USES) OF FUNDS			
25 Add Depreciation Expense	\$480,000	\$472,000	\$472,000
26 Fed Grant/SRF Loan - Central Expansion	6,987,000	0	3,500,000
27 Connection Fees Transferred from Novato	1,328,000	711,000	717,000
28 Stone Tree Golf Principal Repayment	212,000	206,000	206,000
29 Capital Improvement Projects	(7,680,000)	(875,000)	(3,680,000)
30 Deer Island SRF Loan Principal Payments	(210,000)	(205,000)	(205,000)
31 Distrib System SRF Loan Principal Pmts	(412,000)	(404,000)	(402,000)
32 Total Other Sources/(Uses)	\$705,000	(\$95,000)	\$608,000
33 CASH INCREASE/(DECREASE)	\$405,000	(\$437,000)	\$293,000

PROPOSED CAPITAL IMPROVEMENT PROJECTS**Novato Service Area Recycled Water**

6/15/16

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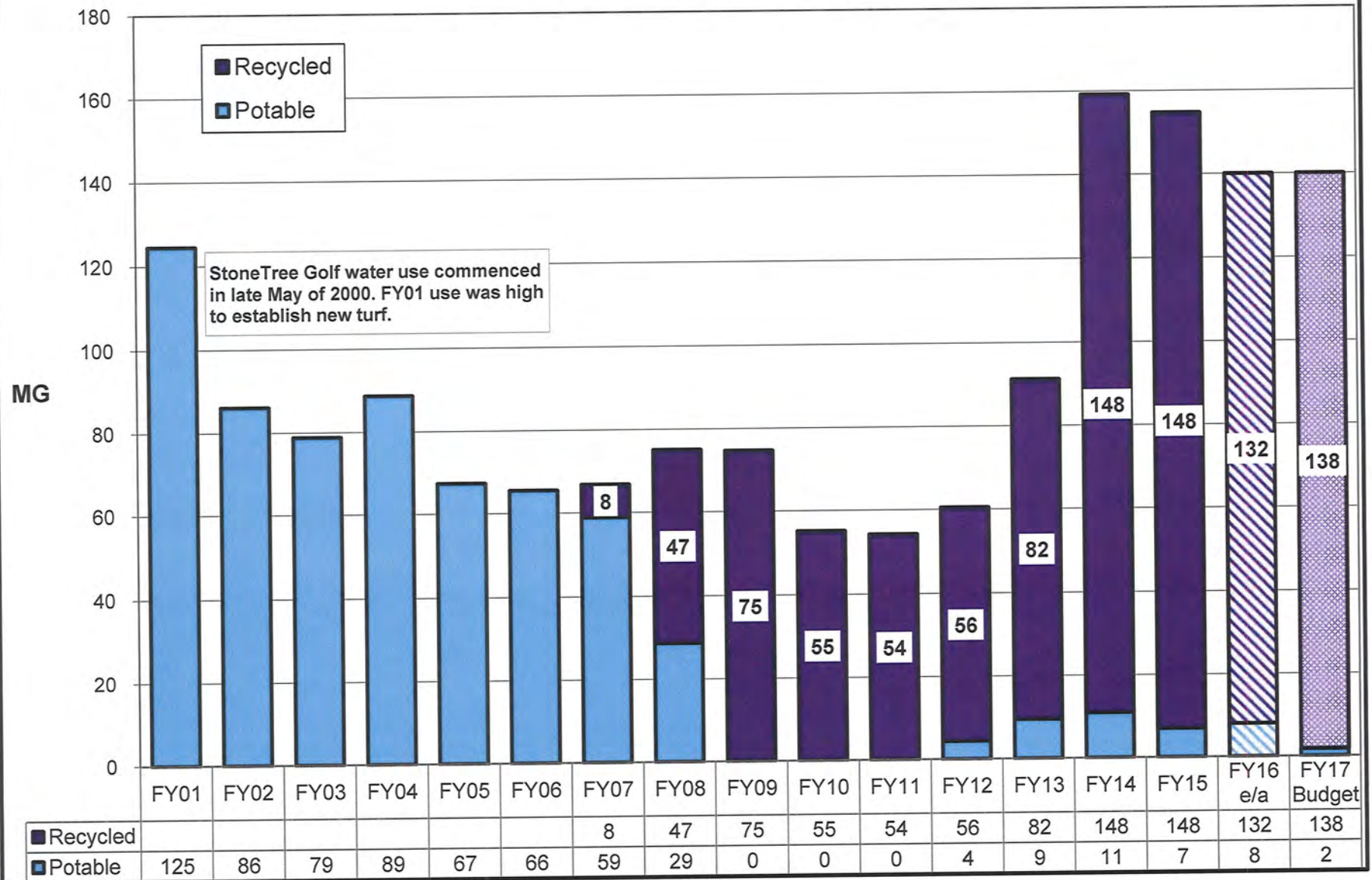
	FY16 Budget	FY16 Est Actual	FY17	FY18	FY19	FY20	FY21
6. RECYCLED WATER							
5.7127.00 a. NBWRA Grant Program Administration	\$80,000	\$75,000	\$80,000	\$80,000	\$10,000	\$10,000	\$10,000
5.6058.10 b. Expansion to Central Area (Note 4)	\$3,500,000	\$700,000	\$7,500,000	\$3,500,000			
c. Other Recycled Water Expenditures	\$100,000	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
	\$3,680,000	\$775,000	\$7,680,000	\$3,680,000	\$110,000	\$110,000	\$110,000
LESS FUNDED BY LOANS/GRANTS/OTHER							
e. RW Sys Expansion (Note 4)	(\$3,500,000)	(\$700,000)	(\$7,500,000)	(\$3,500,000)	\$0	\$0	\$0
DEBT SERVICE							
g. Deer Island Facility SRF Loan	\$273,367	\$273,367	\$273,367	\$273,367	\$273,367	\$273,367	\$273,367
h. RW North Expansion SRF Loan	\$279,840	\$279,840	\$281,892	\$281,892	\$281,892	\$281,892	\$281,892
i. RW South Expansion SRF Loan	\$333,632	\$333,632	\$332,407	\$332,407	\$332,407	\$332,407	\$332,407
j. RW Central Expansion SRF Loan				\$364,232	\$364,232	\$364,232	\$364,232
TOTAL DEBT SERVICE	\$886,839	\$886,839	\$887,666	\$1,251,898	\$1,251,898	\$1,251,898	\$1,251,898
NET PROJECT & DEBT SERVICE OUTLAY	\$1,066,839	\$961,839	\$1,067,666	\$1,431,898	\$1,361,898	\$1,361,898	\$1,361,898
STUDIES							
g. NMWD/NSD Central Svc Area Expansion	\$30,000	\$25,000					
h. Recycled Water Engineering Report Update	\$0	\$23,000					
	\$30,000	\$48,000	\$0	\$0	\$0	\$0	\$0

Note 4 - \$11.7M RW Central Expansion funded by \$1.5M Federal Grant, \$9.4M SRF loan, \$800K local contribution & \$2.25M Marin Country Club contribution. Debt service paid from FRC funds.

6/15/16

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Recycled Water Use History



6

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, Assist. General Manager/Chief Engineer
Subject: 2015 Urban Water Management Plan

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June 17, 2016



RECOMMENDED ACTION: Board hold a public hearing and adopt a resolution approving the 2015 North Marin Water District Urban Water Management Plan

FINANCIAL IMPACT: FY16 \$12,932 (vs \$10,000 budget)

The 2015 Urban Water Management Plan (Plan) prepared by District staff in conjunction with analysis performed by Maddaus Water Management (MWM) is available for review at www.nmwd.com. The District's first individual Plan was prepared in 2005 with a second UWMP prepared in 2010 (revised in 2011). The 2015 Plan has been prepared consistent with Department of Water Resources Guidebook (January 2016), 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 8, 2016. The Draft Plan has also been available on the District's website. The notice of tonight's public hearing was published in the Marin Independent Journal on June 8th and June 15th. No comments have been received to-date on the Draft Plan.

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 2015 Urban Water Management Plan.

Highlights of the NMWD 2015 UWMP include:

1. **Population Projections.** The population projections identified in Table 3-5 (Attachment 1) are based on ABAG projections averaged from years 2007 through 2013. At year 2040, the NMWD Novato service area population is projected to be 67,482 people, 326 less than estimated at year 2035 in the NMWD 2010 UWMP.
2. **Distribution System Water Losses.** The 2015 UWMP requires NMWD to calculate distribution system water losses using standardized methodology developed by the American Water Works Association. The resulting 2015 calculated water loss was 238 acre-feet (or 3% of total supplied water) as shown in Table 4-4 (Attachment 2).

3. **SBx7-7.** As initiated in the 2010 UWMP, the 2015 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 173 gpcd is shown in Table 5-2 (Attachment 3) with a 20% reduction target calculated at 139 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 as shown in Table 5-13 (Attachment 4).
4. **Projected Water Supplies.** The projected water supplies required to meet demand are shown on Table 6-11. At 2040 the total water supply is 11,046 acre feet, 1,757 acre feet less than that projected in the NMWD 2010 UWMP at year 2035. The reduction reflects additional water conservation, the SBx7-7 gpcd requirement and a reduction in demand pursuant to reduced population and job projections.
5. **Reliability of Supply.** Table 7-5 (Attachment 6) 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. This single dry year 30% reduction is similar to that reported in the 2010 UWMP.
6. **Revenue Impacts during Mandatory Reductions.** At the April 19, 2016 meeting, the Board adopted an updated Water Shortage Contingency Plan that included a Drought Revenue Recovery Surcharge to help generate revenue sufficient to cover cost of water system operations and maintenance when mandatory drought regulations are in effect.

RECOMMENDATION

1. Board hold a public hearing to receive any comments from the general public on the NMWD 2015 UWMP;
2. Board adopt the NMWD 2015 Urban Water Management Plan pursuant to the attached resolution (Attachment 7).

Table 3-5 (DWR Table 3-1) Retail: Population - Current and Projected

Population Served	2015	2020	2025	2030	2035	2040(<i>opt</i>)
	61,381	62,656	63,929	65,099	66,139	67,482
NOTES: 2015 from SBX7-7 Table 3 in Appendix B, all other projections from Table 3-1, Pg 20 of July 1 2015 Maddaus Report (Appendix B)						

Table 4-4 (DWR Table 4-4) Retail: 12 Month Water Loss Audit Reporting

Reporting Period Start Date (mm/yyyy)	Volume of Water Loss*
07/2014	238
<i>* Taken from the field "Water Losses" (a combination of apparent losses and real losses) from the AWWA worksheet.</i>	
NOTES:	

Table 5-2 (DWR Table 5-1) Baselines and Targets Summary Retail Agency or Regional Alliance Only					
Baseline Period	Start Year	End Year	Average Baseline GPCD*	2015 Interim Target *	Confirmed 2020 Target*
10-15 year	1995	2004	173	156	139
5 Year	2003	2007	162		
*All values are in Gallons per Capita per Day (GPCD)					
NOTES: Refer to R Grisso memo and separate SBX 7-7 analysis in Appendix B					

Table 5-13 (SB X7-7 RA1 - Weighted 2020 Target)

Participating Member Agency Name	2020 Target GPCD*	2015 Population	(Target) X (Population)	Regional Alliance Weighted Average 2020 Target
City of Cotati	130	7,288	947,440	
Marin Municipal Water District	124	189,000	23,436,000	
North Marin Water District	139	61,381	8,531,959	
City of Petaluma	141	61,798	8,713,518	
City of Rohnert Park	119	41,675	4,959,325	
City of Santa Rosa	126	173,071	21,806,946	
City of Sonoma	180	11,147	2,006,460	
Valley of the Moon Water District	124	23,478	2,911,272	
Town of Windsor	130	27,486	3,573,180	
Regional Alliance Total	1,213	596,324	76,886,100	129
<i>*All participating agencies must submit individual SB X7-7 Tables, as applicable, showing the individual agency's calculations. These tables are: SB X7-7 Tables 0 through Table 7, any required supporting tables (as stated in SB X7-7 Table 7), and SB X7-7 Table 9, as applicable. These individual agency tables will be submitted with the individual or Regional Urban Water Management Plan.</i>				
NOTES				

Table 6-11 (DWR Table 6-9) Retail: Water Supplies — Projected

Water Supply	Additional Detail on Water Supply	Projected Water Supply Report To the Extent Practicable									
Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool		2020		2025		2030		2035		2040 (opt)	
		Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)
		Add additional rows as needed									
Purchased or Imported Water	Sonoma County Water Agency	8,699		8,835		8,913		9,028		9,178	
Surface water	Stafford Lake	2,500		2,125		1,750		1,375		1,000	
Recycled Water	North, South and Central	650		650		650		650		650	
Other	Raw Water	218		218		218		218		218	
Total		12,067	0	11,828	0	11,531	0	11,271	0	11,046	0

NOTES: For SCWA purchased water refer to Dec 9 2015 email from D McIntyre to D Seymour with SCWA

**Table 7-5
2040 Water Supply Reliability**

Water Supply Sources	Avg/Normal Water Year	Single Dry Water Year	Multiple Dry Water Years			
			Year 1	Year 2	Year 3	Year 4
Sonoma County Water Agency	9178	7471	9178	9178	9178	
Local Surface Water	1000	1000	1000	1000	1000	
Recycled Water	650	650	650	650	650	
Raw Water	218	218	218	218	218	
Total	11,046	9,339	11,046	11,046	11,046	
Percent of Average/Normal Year:	100%	84%	100%	100%	100%	

RESOLUTION 16-

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT ADOPTING THE 2015 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 4, 2016 a notice that the NMWD 2015 UWMP was being prepared was circulated to other appropriate public agencies in the Marin and Sonoma County area; and

WHEREAS, the NMWD 2015 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 8, 2016, circulated for public review the draft NMWD 2015 UWMP, in compliance with the requirements of the Act, and a duly noticed public hearing was held on June 21, 2016 by the Board of Directors in accordance with said notice, and no objections have been raised, and said NMWD 2015 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 2016.
 - 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 8, 2016.
 - c. On June 21, 2016, 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 Marin Independent Journal, a newspaper of general circulation on June 8 and June 15, 2016.

2. The 2015 Urban Water Management Plan, dated June 2016 was hereby approved and adopted by the NMWD Board of Directors on June 21, 2016.

* * * * *

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, 2016 by the following vote:

AYES: Directors
NOES:
ABSENT:
ABSTAINED:

Katie Young, Secretary
North Marin Water District

(SEAL)

7

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR May 2016
June 21, 2016

1.

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

Month	FY15/16	FY14/15	FY13/14	FY12/13	FY11/12	16 vs 15 %
July	252	319	385	389	371	-21%
August	274	301	360	396	373	-9%
September	213	276	332	346	347	-23%
October	243	221	313	283	249	10%
November	167	173	229	166	183	-3%
December	130	129	182	146	156	1%
January	55	137	168	151	178	-60%
February	72	121	119	148	147	-40%
March	159	195	154	211	156	-19%
April	192	217	177	240	171	-12%
May	280	185	283	346	311	51%
FYTD Total	2,039	2,275	2,702	2,822	2,642	-10%

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

Month	FY15/16	FY14/15	FY13/14	FY12/13	FY11/12	16 vs 15 %
July	6.6	8.6	9.3	9.8	9.2	-23%
August	7.0	8.5	9.3	9.7	9.4	-18%
September	6.4	7.8	8.5	8.3	8.7	-18%
October	6.5	5.4	8.0	7.4	6.5	21%
November	4.7	4.6	6.8	5.2	5.1	4%
December	3.9	4.7	6.4	4.5	4.9	-16%
January	3.7	4.4	5.9	5.0	4.8	-16%
February	3.8	3.9	4.4	4.4	4.5	-4%
March	4.2	5.2	5.0	5.4	4.4	-19%
April	4.9	4.7	5.0	6.0	5.4	3%
May	6.5	5.7	7.3	8.5	7.1	14%
FYTD Total	58.2	63.5	75.8	74.2	70.1	-8%

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

Month	FY15/16	FY14/15	FY13/14	FY12/13	FY11/12	16 vs 15 %
July	108	83	98	49	115	30%
August	79	61	83	83	126	29%
September	38	26	56	72	77	46%
October	50	0	82	88	113	-
November	58	8	5	64	106	672%
December	0	0	2	0	49	-
January	0	0	0	21	0	-
February	0	24	0	57	0	-
March	0	95	0	61	0	-
April	49	104	0	67	0	-53%
May	111	82	75	105	0	36%
FYTD Total	493	482	401	665	586	2%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY15/16	FY14/15	FY13/14	FY12/13	FY11/12	16 vs 15 %
July	21.3	21.8	27.6	11.2	11.0	-2%
August	26.2	26.0	26.2	10.5	12.2	1%
September	15.7	19.2	18.6	8.5	9.6	-18%
October	15.8	9.4	15.8	0.0	0.0	69%
November	3.2	3.7	6.4	0.0	0.0	-14%
December	0.8	1.6	1.6	0.0	0.0	-51%
January	0.2	0.8	1.2	0.0	0.0	-76%
February	0.3	0.8	1.8	0.0	0.0	-61%
March	0.3	9.5	1.2	1.4	0.0	-97%
April	11.0	14.1	8.3	8.8	2.5	-22%
May	20.2	21.1	23.0	17.3	10.8	-4%
FYTD Total*	115.0	127.9	131.6	57.6	46.1	-10%

*Excludes potable water input into the RW system: FYTD16 = 8.0MG; FYTD15 = 6.9MG; FYTD14 = 10.6MG.

2. Stafford Lake Data

	May Average	May 2015	May 2016
Rainfall this month	0.56 Inches	0 Inches	0.40 Inches
Rainfall this FY to date	26.8 Inches	24.1 Inches	22.5 Inches
Lake elevation*	192.2 Feet	191.6 Feet	193.5 Feet
Lake storage**	1,124 MG	1,087 MG	1,216 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
May 2015 (Novato)	46	86	59
May 2016 (Novato)	51	96	64

3. Number of Services

May 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY16	FY15	Incr %	FY16	FY15	Incr %	FY16	FY15	Incr %	FY16	FY15	Incr %
Total meters	20,765	20,746	0.1%	48	48	0.0%	786	782	0.5%	-	-	-
Total meters active	20,529	20,494	0.2%	44	44	0.0%	779	776	0.4%	-	-	-
Active dwelling units	23,976	23,942	0.1%	0	0	-	824	824	0.0%	230	229	0.4%

4. Oceana Marin Monthly Status Report (May)

Description	May 2015	May 2016
Effluent Flow Volume (MG)	0.349	0.329
Irrigation Field Discharge (MG)	0	0
Treatment Pond Freeboard (ft)	3.0	3.4
Storage Pond Freeboard (ft)	8.0	6.0

5. Developer Projects Status Report (May)

Job No.	Project	% Complete	% This month
1.2774.00	Mt. Burdell Place	85	5

District Projects Status Report - Const Dept (May)

Job No.	Project	% Complete	% This month
1.6112.24	Lynwood PS Motor Control	10	0
1.7090.02	Anode Installations	100	5
1.6222.23	Sunset Tank Chlorine Mixing System	95	15
1.8677.20	Flushing Taps At Dead Ends	95	45
2.6257.20	Pt. Reyes Tanks 2 & 3 Seismic Piping Upgrade	95	10
1.7145.00	Zone A Pressure Improvements	30	10
1.7054.05	Inaccurate Meter Replacement	95	55

Employee Hours to Date, FY 15/16

As of Pay Period Ending May 31, 2016

Percent of Fiscal Year Passed = 92%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	1,747	1,400	125	Construction	3,607	4,949	73
Engineering	857	1,480	58	Engineering	4,415	4,980	89

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) (\$)
17	6,416	3	3	5	57,635
165	83,160	1	0	5	4,855

Days without a lost time accident through May 31, 2016 = 40 days

7. Energy Cost

FYE	Kwh	May		Fiscal Year-to-Date thru May		
		¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2016 Stafford TP	64,786	18.6¢	\$389	555,790	18.5¢	\$306
Pumping	107,943	21.1¢	\$784	1,011,647	18.4¢	\$558
Other*	39,196	28.6¢	\$386	426,317	22.8¢	\$292
	211,925	21.7¢	\$1,534	1,993,754	19.4¢	\$1,154
2015 Stafford TP	70,644	18.1¢	\$412	625,824	17.9¢	\$335
Pumping	103,765	18.0¢	\$623	1,167,147	16.5¢	\$574
Other*	38,148	27.4¢	\$348	433,390	21.1¢	\$273
	212,558	19.7¢	\$1,397	2,226,361	17.8¢	\$1,180
2014 Stafford TP	82,266	17.6¢	\$466	659,814	17.2¢	\$338
Pumping	139,076	16.6¢	\$721	1,496,185	15.5¢	\$688
Other*	42,092	26.2¢	\$344	467,930	20.0¢	\$278
	263,433	18.4¢	\$1,566	2,623,929	16.7¢	\$1,304

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of May 2016	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$100 each)	16	245	3,516
Retrofit Certificates Filed	26	210	5,527
Cash for Grass Rebates Paid Out	6	127	821
Washing Machine Rebates	9	95	6,694
Water Smart Home Survey	11	207	2,327

9. Utility Performance Metric

SERVICE DISRUPTIONS (No. of Customers Impacted)	May 2016	May 2015	Fiscal Year to Date 2016	Fiscal Year to Date 2015
PLANNED				
Duration Between 0.5 and 4 hours	6	1	162	128
Duration Between 4 and 12 hours			73**	12
Duration Greater than 12 hours			1	1
UNPLANNED				
Duration Between 0.5 and 4 hours	74*	5	163*	234
Duration Between 4 and 12 hours			32	69
Duration Greater than 12 hours			1	56
SERVICE LINES REPLACED				
Polybutylene	5	5	129	119
Copper (Replaced or Repaired)	1		15	34

*69 customers affected due to maintenance of valves

**66 customers affected due to maintenance of valves

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2016

6/15/2016

Type	May-16	May-15	Action Taken May 2016
<u>Consumers' System Problem</u>			
Service Line Leaks	34	17	Notified Consumer
Meter Leak Consumer's Side	0	0	~
House Plumbing	0	0	~
Noisy Plumbing	0	0	~
Seepage or Other	0	0	~
House Valve / Meter Off	2	5	Notified Consumer
Nothing Found	7	0	Notified Consumer
Low Pressure	1	1	Pressure low after PRV. Customer was notified.
High Pressure	0	1	~
Water Waster Complaints	0	0	~
Total	44	24	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	4	7	Notified Consumer
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	1	0	Replaced
Water Off/On Due To Repairs	10	6	Notified Consumer
Misc. Field Investigation	2	0	Notified Consumer
Total	17	13	
<u>Leak NMWD Facilities</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	8	9	Repaired
Services-Nothing Found	3	5	Notified Consumer
Service-Damaged	0	0	~
Fire Hydrant-Leak	2	1	Repaired
Fire Hydrants-Nothing Found	0	0	~
Fire Hydrants-Damaged	0	2	~
Meter Replacement	0	0	~
Meters-Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	3	6	Replaced
Total	16	23	
<u>High Bill Complaints</u>			
Consumer Leaks	6	10	Notified Consumer
Meter Testing	0	0	~
Meter Misread	5	7	Notified Consumer
Nothing Found	10	9	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	0	1	~
Total	21	27	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2016

6/15/2016

Type	May-16	May-15	Action Taken May 2016
<u>Low Bill Reports</u>			
Meter Misread	0	0	~
Stuck Meter	0	0	~
Nothing Found	0	0	~
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	0	0	
<u>Water Quality Complaints</u>			
Taste and Odor	2	0	<i>Customer reported bad taste in water. (Novato Blvd)</i> Customer was notified with results. All results normal for NMWD water. <i>Customer reported bad taste in water. (Simmons Ln)</i> Customer was notified with results. All results normal for NMWD water.
Color	1	1	<i>Customer reported brown water. (Redwood Blvd)</i> NMWD had flushed line the previous day. The water was clear upon our arrival. Customer was notified.
Turbidity	0	0	~
Suspended Solids	1	0	<i>Customer reported increase in mineral content & buildup of black material. (Rowe Ranch Way)</i> Material appears to be deteriorated aluminum anode from the customers water heater. Customer was notified.
Other	3	0	<i>Customer complained of gastrointestinal illness after cooking with the water. (Diablo Ave)</i> All results were clean & normal for NMWD water. Customer was notified of results. <i>Customer requested water tested for quality. (Buchanan St)</i> All results were clean & normal for NMWD water. Customer was notified of results. <i>Customer requested water tested for quality. (Shady Ln)</i> All results were clean & normal for NMWD water. Customer was notified of results.
Total	7	1	
TOTAL FOR MONTH:	105	88	19%

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2016

6/15/2016

Type	May-16	May-15	Action Taken May 2016	
<u>Fiscal YTD Summary</u>				<u>Change Primarily Due To</u>
Consumer's System Problems	379	310	22%	Increase In Consumer Service Leaks
Service Repair Report	111	116	-4%	Decrease In Water On/Off For Repairs
Leak NMWD Facilities	241	327	-26%	Decrease In Service Line Leaks
High Bill Complaints	275	299	-8%	Decrease In Nothing Found
Low Bills	1	9	-89%	Decrease In Stuck Meter
Water Quality Complaints	44	31	42%	Increase In Discolored Water
Total	<u>1,051</u>	<u>1,092</u>	<u>-4%</u>	

"In House" Generated and Completed Work Orders

<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	214	192
<u>Change Meter:</u> leaks, hard to read	5	4
<u>Possible Stuck Meter</u>	0	0
<u>Repair Meter:</u> registers, shut offs	0	0
<u>Replace Boxes/Lids</u>	2	5
<u>Hydrant Leaks</u>	0	0
<u>Trims</u>	49	54
<u>Dig Outs</u>	59	84
<u>Letters to Consumer:</u> meter obstruction, trims, bees, gate access, etc. get meter number, kill service, etc.	0	0
	<u>329</u>	<u>339</u>

Bill Adjustments Under Board Policy:

May 16 vs. May 15

May-16	17	\$6,052
May-15	16	\$8,973

Fiscal Year to Date vs. Prior FYTD

15/16 FYTD	217	\$70,010
14/15 FYTD	236	\$97,551

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MEMORANDUM

To: Board of Directors

June 17, 2016

From: David L. Bentley, Auditor-Controller

Subj: Auditor-Controller's Monthly Report of Investments for May 2016

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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 \$13,068,458 and a market value of \$13,068,087. During May the cash balance decreased by \$195,278. The market value of securities held decreased \$370 during the month. The ratio of total cash to budgeted annual operating expense stood at 89%, down 1% from the prior month.

At May 31, 2016, 27% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 29% in Time Certificate of Deposit, 15% in US Treasury Notes, 15% in Federal Agency Securities, and 5% in Corporate Medium Term Notes. The weighted average maturity of the portfolio was 182 days, compared to 200 days at the end of April. The LAIF interest rate for the month was 0.55%, compared to 0.53% the previous month. The weighted average Portfolio rate was 0.69%, compared to 0.68% the previous month. Including interest paid by The Bay Club on the StoneTree Golf Recycled Water Facilities Loan, the District earned \$10,769 in interest revenue during May, with 51% earned by Novato Water, 37% earned by Recycled Water (by virtue of the StoneTree Golf Loan) and the balance distributed to the two West Marin districts.

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
May 31, 2016**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	5/31/2016 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	\$3,545,860	\$3,546,644	0.55% ³	27%
Time Certificate of Deposit								
TCD	Enerbank	n/a	6/30/14	6/30/16	249,000	249,000	0.65%	2%
TCD	Investors Bank	n/a	7/21/14	7/21/16	249,000	249,000	0.70%	2%
TCD	Comenity Capital Bank	n/a	8/18/14	8/18/16	249,000	249,000	0.80%	2%
TCD	Ally Bank	n/a	10/2/14	10/3/16	248,000	248,000	0.95%	2%
TCD	Cardinal Bank	n/a	11/12/14	11/14/16	249,000	249,000	0.80%	2%
TCD	Goldman Sachs	n/a	12/10/14	12/12/16	248,000	248,000	1.00%	2%
TCD	First Niagara Bank	n/a	4/30/15	5/1/17	249,000	249,000	0.75%	2%
TCD	Discover Bank	n/a	5/6/15	5/8/17	248,000	248,000	0.85%	2%
TCD	Capital One Bank	n/a	6/10/15	6/12/17	248,000	248,000	0.90%	2%
TCD	Flagship Cmnty Bank	n/a	6/24/15	6/24/17	249,000	249,000	0.75%	2%
TCD	American Express Bank	n/a	7/8/15	7/10/17	248,000	248,000	1.15%	2%
TCD	Capital One National Assoc	n/a	8/5/15	8/7/17	248,000	248,000	1.20%	2%
TCD	American Express Centurion	n/a	10/7/15	10/10/17	248,000	248,000	1.20%	2%
TCD	BMW Bank	n/a	12/14/15	12/11/17	248,000	248,000	1.20%	2%
TCD	Wells Fargo Bank	n/a	3/23/16	3/23/18	248,000	248,000	1.10%	2%
					\$3,726,000	\$3,726,000	0.92%	29%
US Treasury Notes								
Treas	1,000 - 0.50%	n/a	3/26/14	6/15/16	\$999,979	\$1,000,131	0.55%	8%
Treas	1,000 - 1.00%	n/a	8/4/14	9/30/16	1,001,191	1,001,895	0.65%	8%
					\$2,001,170	\$2,002,026	0.60%	15%
Federal Agency Securities								
FFCB	1.70% MTN	n/a	9/15/14	10/28/16	\$502,107	\$502,473	0.69%	4%
FHLB	0.58% MTN	n/a	11/7/14	11/14/16	499,852	499,998	0.64%	4%
FICO	0.86% MTN	n/a	4/22/16	5/11/18	1,000,166	997,097	0.86%	8%
					\$2,002,124	\$1,999,568	0.76%	15%
Corporate Medium Term Notes								
MTN	General Electric Capital	AA+	3/18/16	5/15/17	\$641,510	\$642,054	0.75%	5%
					\$641,510	\$642,054	0.75%	5%
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$683,265	\$683,266	0.32%	5%
Other	Various	n/a	Various	Open	468,528	468,529	0.50%	4%
TOTAL IN PORTFOLIO					\$13,068,458	\$13,068,087	0.69%	100%

Weighted Average Maturity = **182 Days**

LAIF: State of California Local Agency Investment Fund.

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

FFCB: Federal Farm Credit Bank, FHLB: Federal Home Loan Bank, FICO: Financing Corporation

Agency: STP State Revolving Fund Loan Reserve.

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

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

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

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

3 Earnings are calculated daily - this represents the average yield for the month ending May 31, 2016.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
StoneTree Golf Loan	6/30/06	2/28/24	\$3,612,640	\$1,764,744	2.40%
Employee Housing Loans (5)	Various	Various	934,200	934,200	Contingent
TOTAL INTEREST BEARING LOANS			\$4,546,840	\$2,698,944	

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

8

MEMORANDUM

To: Board of Directors June 17, 2016

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Agreements with Sonoma County Water Agency for the North Marin Water District Water Conservation Program
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RECOMMENDED ACTION: Board approve and authorize the General Manager to execute the Reimbursement Agreement and Funding Agreement with Sonoma County Water Agency for the North Marin Water District Water Use Efficiency Program.

FINANCIAL IMPACT: Reimbursement Agreement: \$210,000 (Included in FY2016/17, FY2017/18 and FY2018/19 Budgets)
Funding Agreement: \$94,200 (Included in FY15/16, FY16/17 and FY17/18 Budgets)

Reimbursement Agreement:

The Sonoma County Water Agency (Agency) has assisted North Marin Water District (District) staff in water conservation program implementation for the past four years through a reimbursement agreement, primarily with administration of the Water Smart Home Survey Program and public outreach assistance. This partnership has been successful and District staff has requested continued assistance from the Agency with water conservation program implementation. Attached is an Agreement between the Agency and District authorizing District reimbursement to Agency for select water conservation programs administered for the District by the Agency (Attachment 1). District programs appropriate for Agency assistance could include, but are not limited to, the Water Smart Home Survey Program (Residential Audits), Large Landscape and Commercial Audit Program, and general water conservation assistance to District staff. \$70,000 has been identified for reimbursement to the Agency for program assistance for each of the next three fiscal years and will be funded from the FY17, FY18 and FY19 Water Conservation Budgets. The proposed agreement is consistent with the prior similar agreement executed in 2014. The agreement can be terminated by either party upon 30 days written notice.

Funding Agreement:

The Agency was awarded another Bay Area Prop 84 Integrated Regional Water Management (IRWM) Grant to implement water conservation programs in the amount of \$535,050, with \$94,200 of this amount identified for District programs. Attached is an

Agreement between the Agency and District authorizing Prop 84 Grant reimbursement funding for eligible District administered programs (Attachment 2). Programs identified in the Prop 84 Grant Funding include Cash for Grass (identified in the Prop 84 Grant as Water Efficient Landscape Rebate Program), High Efficiency Toilet Rebate Program and High Efficiency Washer Rebate Program. The Prop 84 Grant funded rebate programs are currently included in the FY16, FY17, and FY18 Water Conservation Budgets with a maximum of \$94,200 identified in reimbursement to the District. The Agency will reimburse to the levels identified in the agreement in an amount not to exceed \$94,200 over the three year period.

RECOMMENDATION

Board approve and authorize the General Manager to execute the Reimbursement Agreement and Funding Agreement with Sonoma County Water Agency for the North Marin Water District Water Use Efficiency Program.

**Reimbursement Agreement for the
North Marin Water District Water Use Efficiency Program
Fiscal Years 2016/2017, 2017/2018, and 2018/2019**

This agreement ("Agreement") is between the **Sonoma County Water Agency**, a body corporate and politic of the State of California (hereinafter "Water Agency"), and **North Marin Water District** (hereinafter "NMWD").

RECITALS

- A. NMWD and Water Agency share the goal of promoting increased water use efficiency in order to reduce operating costs, avoid or defer capital improvement costs associated with expansion of water supply and wastewater disposal systems, minimize associated environmental impacts, and meet the criteria and standards of state and federal regulatory agencies.
- B. NMWD and Water Agency are parties to the Restructured Agreement for Water Supply ("Restructured Agreement"), which authorizes Water Agency to implement and fund water conservation measures that are cost-effective and will reduce water demands on Water Agency's water transmission system.
- C. NMWD and Water Agency are signatories to the Memorandum of Understanding Regarding Urban Water Conservation in California (MOU) as governed by the California Urban Water Conservation Council (CUWCC).
- D. The MOU identifies water conservation Best Management Practices ("BMPs") that achieve long-term reductions in per-capita water demand to improve supply reliability, reduce the impact of short-term water shortage conditions, and provide a more accurate basis for future water management planning efforts.
- E. In addition, NMWD and Water Agency are members of the Sonoma-Marín Saving Water Partnership whose intent is to provide regional solutions for water use efficiency.
- F. Water Agency and NMWD have cooperated to develop, implement, and fund a water use efficiency program ("Program") and NMWD desires Water Agency's continued assistance in developing and implementing NMWD's water conservation measures as described in Exhibit A, which is an integral part of this Agreement.
- G. NMWD is requesting services and materials from Water Agency for implementation and administration of NMWD's Program, and will reimburse Water Agency for its costs.
- H. Water Agency and NMWD do mutually desire to cooperate in the implementation of NMWD's Program.

AGREEMENT

NMWD and Water Agency agree as follows:

1. RECITALS

A. The above recitals are true and correct.

2. DEFINITIONS

A. For the purposes of this Agreement the following terms and definitions shall be used:

- 1) Measures: Components of the Program are identified in Exhibit A.
- 2) Participants: NMWD-approved water customers who apply to participate in individual Measures as described in Exhibit A.
- 3) Program: Collectively, the water use efficiency Measures described in Exhibit A, and related activities Water Agency has agreed to perform that may be reimbursed by NMWD under this Agreement.
- 4) Water Agency-run Program: Water use efficiency Measures described in Exhibit A and implemented for NMWD by Water Agency.

3. COORDINATION

A. NMWD shall coordinate work with Water Agency's Representative. Contact information:

Water Agency	NMWD
Water Agency Representative: Claire Nordlie, Senior Water Programs Specialist, or assigned personnel	NMWD Representative: Ryan Grisso, or assigned personnel
404 Aviation Boulevard	999 Rush Creek Place
Santa Rosa, CA 95403-9019	Novato, CA 94945
Phone: 707-524-1165	Phone: 415-897-4133 ext. 8421
Email: Claire.Nordlie@scwa.ca.gov	Email: Rgrisso@nmwd.com

4. NMWD'S RESPONSIBILITIES

Assist Water Agency with administration of Program as follows:

- A. Direction: Provide Water Agency Representative with requested policy and/or direction during Program.
- B. Meeting Facilities: Provide meeting facilities as necessary.
- C. Marketing Data: Provide Water Agency Representative with access to water customer billing data to be used for marketing various water use efficiency Measures.
- D. Applicant Review: Review the Water Agency-submitted list of applicants requesting Program rebates or incentives to determine if applicant is a qualified Participant to receive a rebate or incentive.
- E. CUWCC Online BMP Report: Enter BMP data on CUWCC online forms, as required by CUWCC.
- F. Record Keeping: Maintain complete and accurate records of all transactions in compliance with generally accepted accounting principles for enterprise accounting as promulgated by

the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board. Such records shall be available to Water Agency at all reasonable times for inspection and analysis.

G. Payment: Make payment to Water Agency as specified in Paragraph 6.

5. WATER AGENCY'S RESPONSIBILITIES

- A. Coordination: Coordinate, document, and report on the Measures that Water Agency performs, including management, administration, budget, and follow-up of Measures described in Exhibit A, and provide staff to respond to incoming water use efficiency calls from NMWD customers as needed.
- B. Collateral Materials: Design and produce Program brochures and applications, as applicable and approved by NMWD.
- C. Quarterly Reports: Prepare quarterly reports summarizing status of Measures completed by Water Agency and submit the report to NMWD.
- D. CUWCC Online Reporting: Annually enter BMP data on CUWCC online forms for Water Agency-run Measures.
- E. Record Keeping: Water Agency will maintain complete and accurate records of all Water Agency costs and transactions associated with performance of Water Agency's responsibilities under this Agreement in compliance with generally accepted accounting principles for enterprise accounting as promulgated by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board. Such records will be available to NMWD at all reasonable times for inspection and analysis.

6. FUNDING

A. Payment to Water Agency:

- 1) Amount: NMWD shall pay Water Agency for services and materials authorized and incurred under this Agreement. Total amount paid to Water Agency shall not exceed \$210,000. Reimbursement amount shall be determined based on current weighted labor rates, including overhead, for Water Agency Representative listed in Paragraph 3.A and assigned support staff, plus actual costs of applicable materials.
- 2) Invoices: Water Agency shall invoice NMWD quarterly for reimbursement of expenses incurred by Water Agency for Program. Invoices submitted to NMWD by Water Agency shall include a complete cost accounting by Measure and be clearly marked with Water Agency's invoice number and "Reimbursement Agreement for the North Marin Water District, Water Use Efficiency Program Funded in Fiscal Year 2016/2017, 2017/2018, 2018/2019, TW 15/16-113." Upon receipt, review, and approval of invoice and Quarterly Status Report, NMWD will pay Water Agency for Program costs as authorized herein and itemized in said invoice(s).

7. MUTUAL INDEMNIFICATION

- A. Each party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any act, omission, or negligence of

such indemnifying party or its agents, employees, contractors, subcontractors, or invitees. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party or its agents, employees, contractors, subcontractors, or invitees under workers' compensation acts, disability benefit acts, or other employee benefit acts.

8. TERM OF AGREEMENT

- A. This Agreement shall remain in effect until depletion of the not-to-exceed amount listed in Paragraph 6, or until December 31, 2019, whichever occurs first, unless terminated earlier in accordance with the provisions of Paragraph 9.

9. TERMINATION OF AGREEMENT

- A. This Agreement may be terminated by either party for any reason upon thirty calendar days' written notice by either party. Water Agency's right to terminate may be exercised by Water Agency's General Manager.

10. ADDITIONAL REQUIREMENTS

- A. Authority to Amend Agreement: Changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes, which do not increase the amount paid under the Agreement, and which do not significantly change the Agreement or significantly lengthen time schedules, may be executed by the Water Agency's General Manager in a form approved by County Counsel. Notwithstanding this authority, neither Water Agency nor NMWD is under any obligation to approve such amendments.
- B. No Waiver of Breach: The waiver by either party of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or promise or any subsequent breach of the same or any other term or promise contained in this Agreement.
- C. Construction: To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

NMWD and Water Agency acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. NMWD and Water Agency acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.
- D. No Third-Party Beneficiaries: Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.
- E. Applicable Law and Forum: This Agreement shall be construed and interpreted according to the substantive law of California excluding the law of conflicts. Any action to enforce the

terms of this Agreement or for the breach thereof shall be brought and tried in the County of Sonoma.

- F. Captions: The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.
- G. Merger: This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.
- H. Survival of Terms: All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- I. Time of Essence: Time is and shall be of the essence of this Agreement and every provision hereof.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

Reviewed as to funds:

TW 15/16-113

By: _____
Water Agency Division Manager -
Administrative Services

Approved as to form:

By: _____
Adam Brand, Deputy County Counsel

Sonoma County Water Agency

North Marin Water District, a public agency

By: _____
Grant Davis
Water Agency General Manager
Authorized per Water Agency's Board of
Directors Action on _____

By: _____

(Please print name here)

Date: _____

Title: _____

Date: _____

EXHIBIT A

Water Use Efficiency Program Summary

Water Agency will assist NMWD with Program management including, but not limited to, verifying eligibility, processing rebates, tracking participation, developing marketing or outreach materials, and scheduling Program-related appointments. Measures may include, but are not limited to:

Water Smart Home Survey

NMWD will participate in, and Water Agency will coordinate, the Water Smart Home Surveys. Water Agency will perform a site evaluation of indoor and outdoor water-using fixtures and then provide a report with a list of water savings recommendations to the customer. Water Agency will provide NMWD with copies of the customer reports, as requested. Water Agency will send a weekly summary of bill adjustment surveys, including date of survey, address, whether the leak was fixed, if a full survey was performed and any applicable notes.

NMWD will provide Water Agency with water use data from customers who request a Water Smart Home Survey.

Residential and Commercial, Industrial and Institutional High Efficiency Toilet (HET) Rebate

Water Agency will assist with the implementation of HET rebates including developing marketing pieces, verifying customer eligibility and scheduling appointments for customers. The HET rebates offer an incentive to customers to replace inefficient toilets with a more efficient models.

Water Smart Landscape Rebate

Water Agency will assist NMWD with administering the landscape equipment rebates. Water Agency will qualify customers through a Water Smart Home Survey, issue the customer a rebate application, and discuss what equipment is eligible for the rebate.

Cash-for-Grass Turf Replacement Rebate and Lawn Be Gone

Water Agency will assist NMWD with administering the Cash-for-Grass Turf Replacement rebates and Lawn Be Gone incentives. Water Agency will qualify customers through a Water Smart Home Survey and issue the customer a rebate application. The Cash-for-Grass Turf Replacement rebate encourages customers to replace lawn with either low water use plants or synthetic turf.

Water Agency will assist NMWD with Cash-for-Grass Turf Replacement Incentive landscape plan review at NMWD offices as needed.

Water Agency will assist NMWD with Lawn Be Gone incentive program as needed. Water Agency will qualify customers through a Water Smart Home Survey and communicate customer interest to NMWD to further facilitate the incentive program.

Weather Based Irrigation Controller Rebate

Water Agency will assist NMWD in administering the Weather Based Irrigation Controller Rebate, which encourages customers to install this type of controller to better manage water use. Water Agency will qualify customers through a Water Smart Home Survey, issue the customer a rebate application, and discuss what equipment is eligible for the rebate.

Residential Clothes Washer Rebate

Water Agency will assist NMWD in administering the Residential Clothes Washer Rebate which encourages customers to replace existing washing machines with high-efficiency clothes washers that use less water. Water Agency will qualify customers through a Water Smart Home Survey, issue the customer a rebate application, and discuss what equipment is eligible for the rebate.

Funding Agreement for the North Marin Water District Water Use Efficiency Program

This Agreement is between the **Sonoma County Water Agency**, a body corporate and politic of the State of California (hereinafter "Water Agency"), and **North Marin Water District** (hereinafter "District").

RECITALS

- A. District and Water Agency share the goal of promoting increased water use efficiency in order to reduce operating costs, avoid or defer capital improvement costs associated with expansion of water supply and wastewater disposal systems, minimize associated environmental impacts, and meet the criteria and standards of state and federal regulatory agencies.
- B. The Restructured Agreement for Water Supply ("Restructured Agreement") authorizes Water Agency to implement and fund water conservation measures that are cost-effective and will reduce water demands on Water Agency's water transmission system.
- C. District and Water Agency are signatories to the Memorandum of Understanding Regarding Urban Water Conservation in California (MOU) as governed by the California Urban Water Conservation Council (CUWCC).
- D. The MOU identifies water conservation Best Management Practices (BMPs) that achieve long-term reductions in per-capita water demand to improve supply reliability, reduce the impact of short-term water shortage conditions, and provide a more accurate basis for future water management planning efforts.
- E. On July 20, 2015, Department of Water Resources executed a grant agreement with Association of Bay Area Governments, to implement the Bay Area Drought Relief Program.
- F. The Association of Bay Area Governments, acting as the Lead Applicant, executed an agreement with Alameda County Waste Management Authority ("StopWaste") to implement the Bay Area Regional Drought Relief and Water Conservation Project ("Project"), a component of the Bay Area Drought Relief Program.
- G. The Water Agency is one of 12 agencies participating in the Project, which is governed by the Bay Area Proposition 84 Integrated Regional Water Management 2014 Drought Grant Memorandum of Understanding (Prop 84 MOU).
- H. Under the Prop 84 MOU Water Agency was awarded \$535,050 funding ("Grant") to implement water use efficiency programs. Water Agency will distribute Grant funding for water use efficiency programs to City of Sonoma, North Marin Water District, City of Petaluma, Sonoma Valley County Sanitation District and Penngrove Sanitation Zone.
- I. Water Agency and District have cooperated to develop and fund Water Use Efficiency Programs (Program).
- J. Water Agency and District do mutually desire to cooperate in the implementation of District's Program.

AGREEMENT

District and Water Agency agree as follows:

1. RECITALS

A. The above recitals are true and correct.

2. LIST OF EXHIBITS

A. The following exhibits are attached hereto and incorporated herein:

- 1) Exhibit A: Program Summary
- 2) Exhibit B: Grant Reporting Form
- 3) Exhibit C: Grant Reporting Schedule

3. DEFINITIONS

A. For the purposes of this Agreement the following terms and definitions shall be used:

- 1) Program. The Water Use Efficiency Programs described in Exhibit A.
- 2) Measures. Components of the Program as identified in Exhibit A.
- 3) Participants. District-approved water customers who apply to participate in Measures as described in Exhibit A.
- 4) Grant-Funded Measures. Water Use Efficiency incentives described in Exhibit A that are funded by Department of Water Resources Proposition 84 grant.
- 5) Water Agency Representative. Water Agency staff assigned to perform Water Agency's responsibilities.
- 6) District Representative. District staff assigned to perform District's responsibilities.

4. COORDINATION

A. District shall coordinate work with Water Agency's Representative. Contact information:

Water Agency	District
Water Agency Representative: Carrie Pollard, Water Agency Principal Programs Specialist, or assigned personnel	District Representative: Ryan Grisso
Grant Manager: Lynne Rosselli	
Phone: (707) 524-3771	
Email: lynne.rosselli@scwa.ca.gov	
Sonoma County Water Agency	North Marin Water District
404 Aviation Boulevard	999 Rush Creek Dr.
Santa Rosa, CA 95403-9019	Novato, CA 94945
Phone: 707-547-1968	Phone: 415-761-8933
Email: carrie.pollard@scwa.ca.gov	Email: rgrisso@nmwd.com

5. DISTRICT'S RESPONSIBILITIES

Assist Water Agency with administration of Program as follows:

- A. Applicant Review. Review list of applicants requesting Program incentives to determine if applicant is a qualified Participant to receive an incentive.
- B. Communication. Provide regular communication via email or phone with Water Agency Representative on incentives awarded, budget tracking, and other issues as required.
- C. Quarterly Reports. Complete the Grant Reporting Form (Exhibit B) for Program activities and submit before deadline on schedule (Exhibit C).
- D. Matching Funds. District shall ensure that a minimum of 25% of total grant award in matching funds are available for Program implementation as required by the Grant. Matching funds shall be reported by District on Grant Reporting Form (Exhibit B).
- E. CUWCC Online BMP Report. Enter BMP data on CUWCC online forms, as required by CUWCC.
- F. Record Keeping. Maintain complete and accurate records of all transactions in compliance with generally accepted accounting principles for enterprise accounting as promulgated by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board. Such records shall be available to Water Agency at all reasonable times for inspection and analysis.

6. WATER AGENCY'S RESPONSIBILITIES

- A. Prop 84 MOU. Water Agency shall be a participating agency under the Prop 84 MOU.
- B. Coordination. Coordinate, document, and report on the Measures that Water Agency performs, including management, administration, budget, and follow-up of Measures described in Exhibit A.

- C. Quarterly Reports. Prepare quarterly reports summarizing status of Measures completed by Water Agency and District. Submit the report to StopWaste.
- D. CUWCC Online Reporting. Annually enter BMP data on CUWCC online forms for Water Agency-run Measures.
- E. Record Keeping. Water Agency will maintain complete and accurate records of all Water Agency costs and transactions associated with performance of Water Agency's responsibilities under this Agreement in compliance with generally accepted accounting principles for enterprise accounting as promulgated by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board. Such records will be available to District at all reasonable times for inspection and analysis.

7. FUNDING

- A. Grant Funding:
 - 1) Water Agency will submit invoices and receive funds from StopWaste under the Prop 84 MOU based on activities reported by District per Paragraph 5 of this Agreement.
 - 2) District may receive \$94,200 from the Prop 84 MOU for activities per Exhibit A. Actual payments to District will be based on the Measures actually implemented by District for each component of the Program.
- B. Grant Distribution. District shall report Program activities quarterly on Grant Reporting Form (Exhibit B) to the Water Agency per Grant Reporting Schedule (Exhibit C). Water Agency will distribute payments to District based upon the Prop. 84 grant guidelines for District's activities upon receipt of funding under Prop 84 MOU.

8. MUTUAL INDEMNIFICATION

- A. District agrees to defend, indemnify and hold Water Agency, its officers, employees and agents harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of District.
- B. Water Agency agrees to defend, indemnify and hold District, its officers, employees and agents harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Water Agency.

9. TERM OF AGREEMENT

- A. This Agreement shall remain in effect until June 30, 2018, unless terminated earlier in accordance with the provisions of Paragraph 10 of this Agreement.

10. TERMINATION OF AGREEMENT

- A. This Agreement may be terminated by either party for any reason upon thirty calendar days' written notice by either party. Water Agency's right to terminate may be exercised by Water Agency's General Manager.

11. ADDITIONAL REQUIREMENTS

- A. Authority to Amend Agreement. Changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes, which do not increase the amount paid under the Agreement, and which do not significantly change the Agreement or significantly lengthen time schedules may be executed by the Water Agency's General Manager in a form approved by County Counsel. Notwithstanding this authority, neither Water Agency nor District is under any obligation to approve such amendments.
- B. No Waiver of Breach. The waiver by Water Agency of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or promise or any subsequent breach of the same or any other term or promise contained in this Agreement.
- C. Construction:
 - 1) To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.
 - 2) District and Water Agency acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. District and Water Agency acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.
- D. No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.
- E. Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California excluding the law of conflicts. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in the County of Sonoma.
- F. Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.
- G. Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

TW 15/16-061

Reviewed as to funds:

By: _____
Water Agency Division Manager - Administrative
Services

Approved as to form:

By: _____
Cory O'Donnell, Deputy County Counsel

Sonoma County Water Agency

North Marin Water District

By: _____
Grant Davis
Water Agency General Manager
Authorized per Water Agency's Board of Directors
Action on March 1, 2016

By: _____

(Please print name here)

Title: _____

Date: _____

EXHIBIT A

Program Summary

1. GRANT FUNDED MEASURES

- A. District will implement a turf conversion program providing incentives for converting turf. The program will follow the guidelines below:
 - 1. District will offer Participants a minimum of \$0.50/sq. ft. rebate for removing high water use turf.
 - 2. Grant will fund \$0.375/sq. ft. per square foot removed. Approximately \$9,375 will be available from Grant funds for this program.
- B. High Efficiency Toilet Rebate: District will implement a high efficiency toilet rebate program.
 - 1) District will offer Participants a minimum of \$100 rebate for installing a high efficiency toilet.
 - 2) Grant will fund \$75/toilet rebate. Approximately \$33,525 will be available from Grant funds for this program.
- C. High Efficiency Clothes Washer Rebate: District will implement a high efficiency clothes washer rebate program.
 - 1) District will offer Participants a minimum of \$50 rebate for installing a high efficiency clothes washer.
 - 2) Grant will fund \$75/ washer rebate or 75 percent of District rebate, whichever is less. Approximately \$51,300 will be available from grant funds for this program.

EXHIBIT B
Grant Reporting Form

Water Use Efficiency Program

Funded by Proposition 84 2015 Round

Report Period: _____

High-Efficiency Toilets Rebate Program																
This Quarter	Participating Agency	Number of Rebates Provided at < \$100	Cost of Rebates Provided at < \$100	Number of Rebates Provided at ≥ \$100	Cost of Rebates Provided at ≥ \$100	Total Number of Rebates (C+E)	Total Cost of all Rebates (D+F)	DWR Portion for Rebates Provided at < \$100 @75%, max 75\$	DWR Portion for Rebates Provided at ≥ \$100 @75%, max 75\$	Total DWR Portion for Rebates (I+J)	Agency Portion (Match) of Rebates (H-K)	Other Agency Costs	Total Agency Cost (L+M)	Est. Water Savings per Unit (gal/yr)	Total Est. water savings (gal/yr) (G x O)	Total Est. Water Savings (AFY)
	City of Sonoma					0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	5,661	0	0.00
	North Marin Water District					0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	5,661	0	0.00
	City of Petaluma					0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	5,661	0	0.00
	Total		0	0	0	0	0	0	0	0	0	0	0	0	n/a	0

High-Efficiency Washers Rebate Program																
This Quarter	Participating Agency	Number of Rebates Provided at < \$100	Cost of Rebates Provided at < \$100	Number of Rebates Provided at ≥ \$100	Cost of Rebates Provided at ≥ \$100	Total Number of Rebates (C+E)	Total Cost of all Rebates (D+F)	DWR Portion for Rebates Provided at < \$100 @75%, max 75\$	DWR Portion for Rebates Provided at ≥ \$100 @75%, max 75\$	Total DWR Portion for Rebates (I+J)	Agency Portion (Match) of Rebates (H-K)	Other Agency Costs	Total Agency Cost (L+M)	Est. Water Savings per Unit (gal/yr)	Total Est. water savings (gal/yr) (G x O)	Total Est. Water Savings (AFY)
	City of Sonoma					0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	7,978	0	0.00
	North Marin Water District					0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	7,978	0	0.00
	City of Petaluma					0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	7,978	0	0.00
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	n/a	0

Water-Efficient Landscape Rebate Program																
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
This Quarter	Participating Agency	Number of Rebates	Total Square Feet Rebated		Unit Rebate Cost (Cost per Square Foot)*	Total Square Feet Converted	Total Cost of Rebates (D x F)			DWR Portion @ 75% of Rebate up to \$.75 per sq. ft. (H x 0.75)	Agency Portion (Match) of Rebates (H-K)	Other Agency Costs	Total Agency Cost (L+M)	Est. Water Savings per Unit (gal/yr)	Total Est. water savings (gal/yr) (G x O)	Total Est. Water Savings (AFY)
	City of Sonoma				\$0.00		\$0.00			\$0.00	\$0.00		\$0.00	25	0	0.00
	North Marin Water District				\$0.00		\$0.00			\$0.00	\$0.00		\$0.00	25	0	0.00
	City of Petaluma				\$0.00		\$0.00			\$0.00	\$0.00		\$0.00	25	0	0.00
	Total	0	0		0	0	0			0	0	0	0	n/a	0	0

EXHIBIT C

Grant Reporting Schedule

Water Use Efficiency Program

Reporting Schedule

Reporting Period	Quarterly Reporting Form and Documentation Due
1/1/2014 to 12/31/2015	1/15/2015
1/1/2016 to 3/31/2016	4/15/2015
4/1/2016 to 6/30/2016	7/15/2015
7/1/2016 to 9/30/2016	10/14/2015
10/1/2016 to 12/31/2016	1/14/2016
1/1/2017 to 3/31/2017	4/14/2016
4/1/2017 to 6/30/2017	7/14/2016
7/1/2017 to 9/30/2017	10/13/2016
10/1/2017 to 12/31/2017	1/15/2017
1/1/2018 to 3/31/2018	4/14/2017
4/1/2018 to 6/30/2018	7/13/2017

9

MEMORANDUM

June 17, 2016

To: Board of Directors
 From: Robert Clark, Operations / Maintenance Superintendent *rac*
 Subject: Granular Activated Carbon Replacement Purchase
X:\MAINT SUP\2016\BOD GAC replacement.doc

RECOMMENDED ACTION: Approve staff recommendation to purchase replacement GAC from the Calgon Carbon Corporation.

FINANCIAL IMPACT: \$165,571 (including tax) as identified in our approved 2015/16 operations budget.

Staff completed a bid process for replacement of the Stafford Water Treatment Plant granular activated carbon (GAC) for the finished water filter beds. These beds consist of four 1,225 cubic foot filters for a total of 4,900 cubic feet of carbon. Five companies were identified to have the ability to provide the required GAC to meet specified treatment needs. Proposals were received from two of the vendors with no responses from the others.

Vendor	Quantity	GAC Price per Cu. Ft.	Total Delivered Cost	Disposal Cost
Calgon Carbon Township, PA	4,900 Cu. Ft.	\$31.00	\$151,900	\$23,712
Jacobi the Carbon Co. Columbus, OH	4,900 Cu. Ft.	\$35.67	\$174,783	\$30,624
TIGG Carbon Oakdale, PA	No bid received			
General Carbon Paterson, NJ	No bid received			
Carbon Activated Compton, CA	No bid received			

The costs above do not include tax which will increase the cost by 8.75% or \$13,292 for a total cost of \$165,192 which included in the current fiscal year operations budget. The disposal cost was requested to compare to our costs for the current disposal contract with a local vendor which is less than \$2,000. Attached is a copy of our Bid specification and the responses from the two bidders.

As a result of the recent Taste and Odor evaluation by the SRT Consultants, staff reviewed our optimization work as well as examined Stafford Lake and various influences on water quality and with their recommendation have continued to plan to replace all the GAC during mid treatment season in the June-July time frame.

RECOMMENDATION:

Approve staff recommendation to purchase replacement GAC from the Calgon Carbon Corporation.



*Good Water
Good Service
Good Value
Safe Place to Work*

North Marin Water District Stafford Lake Water Treatment Plant

Request for Quotes for the Supply of Granular Activated Carbon

To Whom It May Concern:

The North Marin Water District (NMWD) is requesting bids from qualified vendors for 4,900 cubic feet of Virgin Granular Activated Carbon (GAC), to be used in a surface water treatment plant for the production of potable water. It will replace the GAC in the four absorber filter units at the NMWD's Stafford Lake Water Treatment Plant, located at 3015 Novato Blvd. Novato, California. Note: each unit contains approximately 175 square feet by 7 feet deep of carbon (1,225cf).

The GAC must meet **ANSI/NSF Standard 61**, be stable and of a grade suitable for use in a potable water supply. Transport shall be in contaminant-free containers suitable for such products. The product shall be manufactured in the United States, unless the vendor submits acceptable data and references to document that the product meets all specifications and quality requirements as determined by NMWD.

Product Specifications

- Minimum iodine number of 900 mg/g.
- Total ash weight shall not exceed 8%,
- Moisture by weight shall not exceed 2%,
- Abrasion Number shall be a minimum of 78.
- The effective size in mm. shall be between 0.8 and 1.0, with a maximum uniformity coefficient of less than 2.1.
- Sieve size (US. Sieve series) shall not be more than 15% by weight greater than #8 and not more than 4% smaller than #30.
- Apparent density shall be a minimum of 0.48 g/cc.
- Bulk density shall be approximately 28-31 lbs/cu. ft.
- The GAC shall contain no impurities capable of causing injury or illness to those consuming the treated and filtered water.

GAC Removal and Installation

North Marin Water District will remove old GAC and install the new GAC.

Samples, testing and references

At least two (2) pounds of the GAC intended for delivery shall be provided with submission of the proposal. NMWD will have the product independently analyzed prior to awarding the bid. NMWD will pay for this initial analysis, but any further analysis will be the responsibility of the vendor.

Three references are required. References should be customers in California or other Western States. Other support services to be provided shall include annual carbon analysis and appropriate technical services to assist in any water quality issues related to the GAC, organics reduction in water and the adsorption process.

General Scope of Work

The North Marin Water District is interested in receiving bids for the following scope of work:

1. Supply 4,900 cubic feet of GAC delivered to the North Marin Water District's Stafford Water Treatment Plant @ 3015 Novato Blvd in super sacks on pallets.
2. NMWD will dispose of used GAC locally unless an acceptable offer is made to haul it away.

General Requirements

Disposal of Spent GAC

Spent GAC shall be disposed of legally, either by regeneration or disposal in a licensed and approved landfill. The vendor shall provide NMWD with a copy of the disposal receipt and/or chain of custody manifest. All work will be done between the hours of 7:00 AM and 3:30 PM unless arranged with Plant Operations staff before hand.

Delivery

All deliveries shall be scheduled between the hours of 7:00 AM and 1:00 PM Monday through Friday (none holiday) at the Stafford Water Treatment Plant. Vendor should be able to supply GAC within three (3) weeks after the official acceptance of the bid and upon request for that supply by the District. Bids shall remain in effect for at least four (4) months from the acceptance of the bid. Drivers shall present proper shipping orders, weight slips and bill of lading for NMWD operator's inspection prior to unloading. A copy shall be returned to NMWD with the invoice.

Late deliveries can cause substantial inconvenience and expense to NMWD. Penalties for late delivery shall include a \$100 per day monetary deduction from final invoice. Cancellation of contract may also occur. Vendor shall schedule work such that no delay is incurred.

Requests for Bids for the Supply of Granular Activated Carbon
North Marin Water District
Stafford Lake Water Treatment Plant

Proposals

Specific costing for the proposal shall be made on the form furnished with these specifications. Additional sheets may be attached to the form to provide more detailed information on product specifications, and benefits. Questions on these specifications or related topics may be addressed to:

Brad Stompe, Operations Supervisor

North Marin Water District

Phone number: 415-761-8902

E-mail at bstompe@nmwd.com

or in writing to:

North Marin Water District

P.O. Box 0146

Novato, CA 94948-0146

Calgon

**North Marin Water District
Proposal Form
Page One**

Product	Quantity	Price per Cu/Ft	Total Cost Delivered
Granular Activated Carbon and removal of old carbon <u>Option A:</u>	4,900 Cu. Ft.	\$31.00	\$151,900
Service bid for the disposal and of Carbon	4,800 Cu Ft.	\$4.94	\$23,712

Three References:

City of Fresno 2600 Fresno Street Fresno, CA 93721 Manny Diaz 707-439-7300

**City of West Sacramento 400 N. Harbor Blvd. West Sacramento CA 95605 Brian Frank
916-617-4863**

**Stockton East Water District 6767 East Main Street Stockton, CA 95205 Mark Wellsfry
209-444-3120**

**North Marin Water District
Proposal Form
Page Two**

Please include any other specification data which would assist in our decision making. Specifically: Certificate of analysis detailing specifications, 2 lbs. sample for independent analysis.

NMWD may choose to not accept or reject any or all proposals as best suits the District. Vendor proposes to furnish and deliver the product in the amount stated in accordance with the specifications for the prices shown above. If the vendor cannot supply the product at the agreed-upon price, then the contract may be canceled or amended at the sole discretion of the North Marin Water District.

Proposals shall be submitted no later than noon (Pacific time) on June 3, 2016 to:

North Marin Water District

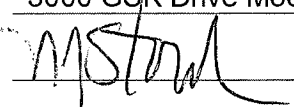
Attn. Robert Clark

PO Box 146

Novato, California 94948-0146

After laboratory analysis and verification of references, the proposals will be formally accepted by the North Marin Water District Board of Directors. All proposals will be public. All bids shall remain valid for four (4) months from Board Approval.

Company name and address: Calgon Carbon Corporation
3000 GSK Drive Moon Township, PA 15108

Authorized bidder representative: 
Nora Stockhausen/ V.P. Municipal

Phone number of representative: 412-787-6702

Date: 6/3/16

Jacobi

North Marin Water District
 Proposal Form
 Page One

Product	Quantity	Price per Cu/Ft	Total Cost Delivered
Granular Activated Carbon and removal of old carbon Option A:	4,900 Cu. Ft.	\$35.67	\$174,783 *
Service bid for the disposal and of Carbon	4,800 Cu Ft.	\$6.38	\$30,624.00 *

Carbon price

Disposal charge

* Taxes not included in prices

Three References:

Board of Water Supply Honolulu, HI Kevin Ihu (808) 748-5061

FJ Horgan WTP (veolia) Toronto, ON Wayne Elliott (519) 525-244

Tampa Bay Water Tampa, FL Ken Enlow (813) 626-8708

**North Marin Water District
Proposal Form
Page Two**

Please include any other specification data which would assist in our decision making. Specifically: Certificate of analysis detailing specifications, 2 lbs. sample for independent analysis.

NMWD may choose to not accept or reject any or all proposals as best suits the District. Vendor proposes to furnish and deliver the product in the amount stated in accordance with the specifications for the prices shown above. If the vendor cannot supply the product at the agreed-upon price, then the contract may be canceled or amended at the sole discretion of the North Marin Water District.

Proposals shall be submitted no later than noon (Pacific time) on June 3, 2016 to:

North Marin Water District
Attn. Robert Clark
PO Box 146
Novato, California 94948-0146

After laboratory analysis and verification of references, the proposals will be formally accepted by the North Marin Water District Board of Directors. All proposals will be public. All bids shall remain valid for four (4) months from Board Approval.

Company name and address: Jacobi Carbons, Inc.
432 McCormick Blvd; Columbus, OH 43213

Authorized bidder representative: Linda Norris

Phone number of representative: 215-546-3900 x213 412-260-1012

Date: 6-2-16

10

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subject: FY17 Insurance Purchase
t:\actword\insurance\17fy17 ins mmo.docx

June 17, 2016

RECOMMENDED ACTION: Approve**FINANCIAL IMPACT:** \$137,116 - Included in FY2016/17 Operations Budget

The District requested proposals for insurance coverage for the coming fiscal year from three brokers: 1) Gallagher Insurance Services in San Francisco, who has won our business for the past four years; 2) Pacific Horizon Insurance Services of Alameda, who advised that after assessing the market they could not be competitive with the District's existing pricing, and; 3) Heffernan Insurance Brokers of Petaluma, who also could not be competitive with current pricing.

This year Gallagher received two proposals, one from incumbent carrier Argonaut and another from Allied World Assurance Company (AWAC). The AWAC proposal would replace Argonaut's \$1 million self-insured retention (SIR) for liability coverage with a \$100,000 deductible. The net premium cost to the District would be \$9,920 more than the incumbent carrier Argonaut's premium. The question to consider is whether the District should pay an additional \$9,920 to replace the \$1M SIR with a \$100,000 deductible policy.

A benefit of the SIR, in addition to the lower premium, is that the District controls the claims handling process. Over the years the District has followed a policy of settling quickly and fairly with claimants when we are at fault, which generally avoids attorneys joining into the settlement process. Conversely, the District fights vigorously when it is not at fault, thereby maintaining a reputation in the community of not being an easy mark. Consequently the District's average annual claims cost over the years is less than \$20,000, which is extremely low for a public agency of the District's size and scope of responsibility. Moving to a deductible policy requires turning the claims handling process over to the insurance carrier, with their attendant bureaucratic procedures. Staff worked to persuade AWAC to allow the District to continue handling claims that were well within the \$100,000 deductible, but to no avail.

A review of the District's claims history over the past 34 years (since we began tracking claims) shows that only one general liability claim exceeded \$100,000. In 1997 a claim for business interruption was filed by three oyster companies on Tomales Bay and settled cumulatively for \$100,500. Approximately \$9,000 was expended on legal and risk management fees to negotiate the settlement, bringing the total claim cost to just under \$110,000. Other than

that one instance, no general or auto liability claim has ever even approached \$100,000. Given the District's history, Staff recommends that the District save the \$9,920 in additional premium cost and stay with the \$1 million SIR for general and auto liability policy offered by the incumbent Argonaut.

A supplementary coverage under the general liability package is Employment Practices Liability. The District has experienced two employment practices claims within the past decade. The deductible for both the incumbent carrier Argonaut's and AWAC's employment practices liability deductible is \$50,000, an increase of \$25,000 from the current year policy.

The recommended purchase package presented for your consideration reflects a cost increase of \$903 (0.7%) from the current year premium.

PROPOSAL SUMMARY

Insurance Proposal	FY15/16	FY16/17	% Δ
Property	\$52,185	\$55,831	7%
Liability ¹	\$21,884	\$20,646	-6%
Excess Workers' Comp	\$53,629	\$55,387	3%
Cyber Liability	\$8,515	\$5,252	-38%
	\$136,213	\$137,116	0.7%

MARKETING RECAP

Gallagher approached four carriers to underwrite the property and liability coverage, which is generally sold as a package. One carrier declined to quote based on the existing pricing, one declined to quote based on underwriting guidelines and the other two, incumbent Argonaut and AWAC, are discussed above. Two carriers were approached for Cyber Liability coverage, and both provided proposals with varying amounts of coverage and deductibles. Gallagher approached three carriers for Excess Workers' Compensation coverage. None could compete with the incumbent's pricing, which maintained the same rate per \$1,000 of payroll. Finally, three carriers (Alaska National, Allied World and State Compensation Fund) were approached by Gallagher to obtain a proposal for 1st dollar (e.g., no deductible) workers' compensation coverage. The 1st dollar workers' comp insurance quote was requested to determine if continuing to self-insure workers' compensation risk is appropriate, and to ascertain the current market value of the coverage which the District self-insures.

¹ Liability amounts shown are NMWD's net cost after MCWCFCFCD's contribution (\$12,193 in FY16 & \$12,026 in FY17).

PROPERTY INSURANCE

Property insurance protects the District against loss or damage that occurs to the District's buildings, equipment and water storage tanks. Structures and tanks are insured in an amount up to the value of the asset as shown on the attached schedule. Equipment coverage is provided on an agreed value basis. In December 2015 the District obtained a certified appraisal of its buildings, pump stations and water storage tanks to minimize negotiation in the event of a property loss. The appraisal found that the District was under-insuring its assets by \$900,000 (2%). Accordingly the insured value of the District's property, excluding fleet vehicles and mobile equipment (backhoes, compressors, etc.) increased 2% from the prior year, to \$58.8 million.

2015-16 Actual

<u>CARRIER</u>	<u>TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	<u>RATE/\$1,000</u>
Argonaut	Property	\$57,906,000	\$25,000	\$52,185	\$0.90

2016-17 Proposal

Argonaut	Property	\$58,776,000	\$25,000	\$55,831	\$0.95 ⇐
AWAC	Property	\$58,776,000	\$10,000	\$31,060	\$0.53

GENERAL AND AUTO LIABILITY UMBRELLA INSURANCE

General and Auto liability umbrella coverage provides a backstop in the event of a large liability claim (bodily injury, property damage, personal injury) where the damage exceeds the District's \$1 million SIR. The umbrella covers subsidence, failure to supply, inverse condemnation, eminent domain and dam failure. In addition, the umbrella covers the \$1 million Public Officials and Employment Practices Liability policy.

A 1985 agreement with the Marin County Flood Control and Water Conservation District (MCFCWCD) requires North Marin to maintain a minimum \$10 million liability policy and obligates MCFCWCD to pay the incremental cost of increasing the limit from \$5 million to \$10 million. The District has self-insured the first \$1 million in liability since 1986. The Argonaut package insures the next \$9 million, rendering total coverage of \$10 million. Under Argonaut's proposed policy, MCFCWCD's share of the cost will be \$12,025 next fiscal year for the \$5 million in additional coverage required under the agreement.

<u>2015-16 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
Argonaut	\$10,000,000	\$1,000,000	\$21,884 ²
<u>2016-17 Proposal</u>			
Argonaut	\$10,000,000	\$1,000,000	\$20,646³ ⇐
AWAC	\$10,000,000	\$100,000	\$53,989 ⁴

VEHICLE PHYSICAL DAMAGE INSURANCE

Comprehensive & Collision insurance for District autos and trucks protects the District against physical damage occurring due to collision, fire, theft, etc, on an agreed value basis. The insured value of the District's vehicle fleet remained virtually unchanged at \$526,000.

<u>2015-16 Actual</u>					
<u>CARRIER</u>	<u>TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	<u>RATE/\$1,000</u>
Argonaut	Auto PD	\$519,000	\$3,000	Included	-
<u>2016-17 Proposal</u>					
Argonaut	Auto PD	\$526,000	\$3,000	Included	- ⇐
AWAC	Auto PD	\$526,000	\$3,000		

PUBLIC OFFICIALS ERRORS & OMISSIONS AND EMPLOYEMENT PRACTICES LIABILITY

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

<u>2015-16 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>
Argonaut	\$1,000,000	\$25,000	Included
<u>2016-17 Proposal</u>			
Argonaut	\$1,000,000	\$50,000	Included ⇐
AWAC	\$1,000,000	\$50,000	Included

EMPLOYEE FIDELITY (CRIME) INSURANCE

² Net cost shown. FY16 total premium is \$34,077. MCFCWCD paid \$12,193 for the incremental \$5M coverage.

³ Net cost shown. FY17 total premium is \$32,671. MCFCWCD will pay \$12,025 for the incremental \$5M coverage.

⁴ Net cost shown. FY17 total premium is \$67,362. MCFCWCD would pay \$13,373 for the incremental \$5M coverage.

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

2015-16 Actual

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

2016-17 Proposals

Argonaut	\$500,000	\$25,000	Included	↔
AWAC	\$5,000 to 1,000,000	\$25,000	Included	

EXCESS WORKERS' COMPENSATION INSURANCE

The District reinstated its certification to self-insure workers' compensation liability effective July 1, 2011, employed a third-party administrator (TPA), and purchased an excess workers' compensation policy that protects the District against a catastrophic loss exceeding \$750,000, which is the SIR. The current year cost for the TPA and excess insurance is \$65,630. The District has incurred four claims this fiscal year-to-date with an estimated total medical and indemnity cost of \$19,000. This \$84,630 cost (\$65,630 + \$19,000) compares to New York Marine's FY16 proposal for 1st dollar workers' comp coverage of \$212,000. Based on the District's very moderate injury record, Allied World Assurance has proposed a FY17 1st dollar coverage policy at a cost of \$191,000. Staff recommends the District continue to self-insure its Workers' Compensation liability. The New York Marine and General Insurance Company proposal for Excess Workers' Compensation coverage for FY17 increased 3%, commensurate with the increase in payroll, to \$55,387.

2015-16 Actual

<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PAYROLL</u>	<u>PREMIUM</u>	<u>RATE/\$1,000</u>
NY Marine	Statutory (unlimited)	\$750,000	\$4,600,000	\$53,629	\$11.66

2016-17 Proposal

NY Marine	Statutory (unlimited)	\$750,000	\$4,740,000	\$55,387	\$11.68	↔
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CYBER LIABILITY INSURANCE

The District first purchased a Cyber Liability policy in FY15. Cyber Liability coverage insures against loss of sensitive or personally identifiable information (such as social security numbers, credit card numbers, etc.) and third-party claims.

A major benefit of Cyber Liability insurance is coverage for the costs associated with notification & data breach response. The amount of sensitive information being stored and transmitted electronically continues to increase. The District holds a significant volume of private customer and employee information. In addition to hacking, theft or loss of laptops, flash drives or smart phones can render any business vulnerable to a data breach. There are substantial financial costs involved in finding and remedying a breach, including the cost of notifying customers, now legally mandated in California, as well as possible fines and legal expenses. A data breach would harm the District's reputation and could interrupt its ability to render bills. A Cyber Liability policy provides funds to employ experts to mitigate losses.

Two carriers proposed Cyber Liability coverage, with multiple options for various levels of coverage and self-insured retention. The proposal from BCS offers better coverage, a lower SIR and a lower Premium than incumbent Illinois Union. BCS is therefore recommended carrier.

<u>2015-16 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
Illinois Union	\$1,000,000	\$25,000	\$8,515
<u>2016-17 Proposal</u>			
BCS	\$1,000,000	\$5,000	\$5,252 ⇐
Illinois Union	\$1,000,000	\$25,000	\$8,267

Last year's insurance purchase totaled \$136,213.

STAFF RECOMMENDATION:

<u>TYPE</u>	<u>CARRIER</u>	<u>RATING</u>	<u>COVERAGE</u>	<u>PREMIUM</u>
Property	Argonaut	A XII	\$58,776,000	\$55,831
Liability	Argonaut	A XII	\$10,000,000	\$20,646 ³
Excess Worker's Comp	NY Marine	A IX	Unlimited	\$55,387
Cyber Liability	BCS	A++ XV	\$1,000,000	<u>\$5,252</u>
				<u>\$137,116</u>

11

MEMORANDUM

To: Board of Directors

June 17, 2016

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:\aclword\budget\wm\17\om ordinance 1st reading.docx

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

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

To provide adequate time for the County to post the sewer service charge on the property tax bills before they are mailed in late July, the first reading of the Ordinance should occur at the Board's June 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 June 28 meeting, and the Board will be asked to approve changes to Regulation 109c, Oceana Marin Sewer Service – Rates and Charges, at that time (draft revisions to Regulation 109 are shown on Attachment 2).

The sewer service fee increase to \$78 per month is proposed to be effective July 1, 2016. The fiscal year 2016/2017 fee would total \$936 (\$78 x 12) per dwelling unit.

Regulation 109 also establishes the Oceana Marin Sewage Facilities Connection Fee, which is proposed to increase to \$30,000 for each dwelling unit (Regulation 109b.) and will be considered at the Point Reyes Station public hearing. To accommodate property owners already in the development approval process, staff proposes that application for sewer service received by September 1, 2016 and which applications have also filed for a building permit with the County of Marin be eligible to pay the existing Sewage Facilities Connection Fee (\$15,200).

Recommended Action:

Board approve reading of proposed Ordinance No. 34– (read title only).

**DRAFT
ORDINANCE NO. 34**

**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 2016-17**

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

- a. The District has previously developed and instituted a Sewer Service Charge Program to finance the services and facilities furnished by the District in its Improvement Districts No. OM-1 and OM-3 which are herein referred to as Oceana Marin; and
- b. The Board of Directors has reviewed the present sewer service charge and has determined that the sewer service rate should be \$936 per equivalent dwelling unit for fiscal year 2016-17;

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

- a. Written notices of the proposed increase in the sewer service charge were sent by first class U.S. mail to every customer in Improvement Districts No. OM-1 and OM-3 prior to the Public Hearing conducted on June 28, 2016 to consider said report and rate increase effective July 1, 2016.
- b. The District prepared and filed a sewer service charge report with the District Secretary.
- c. On June 16, 2016 and June 23, 2016, the District Secretary published a notice of Public Hearing and of the filing of said report in the Point Reyes Light, a newspaper of general circulation printed and published in the County.
- d. At the Public Hearing conducted on June 28, 2016, all written protests against the proposed increase in the sewer service charge, including those provided in person, by facsimile, email and U.S. mail, were considered and tallied, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.
- e. The amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only

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

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

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

"c. Sewer Service Rate

For Fiscal Year 2016-17, a sewer service rate of \$936 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner."

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

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

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

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

enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2016-2017.

* * * * *

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 28th day of June 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Katie Young, Secretary
North Marin Water District

(SEAL)

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

a. Applicability

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

b. Sewage Facilities Connection Charge

A sewage facilities connection charge of ~~\$15,200~~30,000 for each dwelling unit shall be paid prior to the commencement of sewer service. For connection of service to structures projected to generate flows in excess of that generated by a typical single family home in Oceana Marin, the District shall calculate the number of equivalent dwelling units and resulting connection charge. In no event shall connection charge be less than ~~\$15,200~~30,000. All revenues derived by the District from said sewage facilities connection charge shall be used only for the construction and reconstruction (including, without limitation, enlargement, modification and replacement) and operation and maintenance of the sewage facilities serving said lots or for other purposes authorized by Section 5474.9 of the Health & Safety Code, but shall not be used for acquisition or construction of new local street sewer or laterals. With the exception of property annexed after April 17, 1973, said charge shall not be payable for any lot in Units 3 or 4 of Oceana Marin Subdivision heretofore or hereafter connected to said facilities by reason of the substantial payment for said facilities heretofore made by the owners of said lots.

c. Sewer Service Rate


For Fiscal Year ~~2015-16~~2016-17, a sewer service rate of ~~\$852~~936 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner.

12

MEMORANDUM

To: Board of Directors

June 17, 2016

From: David L. Bentley, Auditor-Controller Subj: Second Review – FY17 West Marin Water and Oceana Marin Sewer Budgets
t:\aclword\budget\wm\16\wm16 2nd review.docx**RECOMMENDED ACTION:** Additional Review & Provide Direction to Staff**FINANCIAL IMPACT:** None at this time. Upon adoption, the FY17 Budgets would see:

West Marin Water System Rate Increase Additional Revenue	\$39,000
West Marin Water System Expenditure Plan	\$1,265,000
Oceana Marin Sewer System Rate Increase Additional Revenue	\$18,000
Oceana Marin Sewer System Expenditure Plan	\$380,000
Oceana Marin Sewer Connection Fee Increase Additional Revenue	\$14,800

Following for your second review are the budgets for the West Marin Water and Oceana Marin Sewer proposed for FY 2016/17 (FY17). Proposed for the West Marin Water customers is a rate increase averaging 5%. Proposed for the Oceana Marin Sewer customers is a 10% rate increase, and a \$14,800 (97%) increase in the connection fee.

CHANGES SINCE THE INITIAL REVIEW

West Marin Water - Adjustments to both projected revenue and expenditures combined to add \$15,000 to total cash generated, reducing the projected cash deficit next fiscal year to \$376,000.

Oceana Marin Sewer – No changes.

INCREASE PROPOSAL DETAIL**Water Rates**

A 5% increase for the typical residential customer is recommended, comprised of a 7% commodity rate increase and no increase in the bimonthly service charge, consistent with the increase adopted in Novato. The proposed increase would total \$32 annually (\$2.67 per month) for the typical residential customer. If enacted, the proposed increase is expected to generate \$39,000 in additional revenue next fiscal year.

Annual 5% increases are included in the 5-year financial plan for FY18 and beyond (see page 4 of the budget document) to help pay for \$5.7 million in Capital Improvement Projects scheduled over the next five years. The financial plan anticipates that \$4 million will be borrowed to construct these projects.

Sewer Rates

The Oceana Marin Sewer System held a cash balance of \$467,000 at May 31, 2016. The Nute master plan update presented to the Board in January identified \$3.1 million in needed improvements to the system. The Five-Year Financial Plan includes \$1.2 million of these improvements over the 5-year period. A 10% (\$7/month) increase is proposed for FY17, which will generate an additional \$20,000 per year. Annual 10% increases are included in the 5-year financial plan for FY18 and beyond to help pay for CIP program.

The Sewer Service Charge is collected on the Property Tax roll and must be adopted by ordinance, which requires readings at two Board meetings and publication twice. The Oceana Marin letter noticing and inviting customers to the public hearing was mailed on May 31, 2016.

Connection Fees

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

An increase of \$14,200, to \$30,000 per dwelling unit, is recommended for the Oceana Marin connection fee based on the Nute Master-Plan update. To accommodate property owners already in the development approval process, staff proposes that sewer service applications received by September 1, 2016, that substantiate the applicant has also filed for a Marin County building permit, be eligible to pay the existing Sewage Facilities Connection Fee (\$15,200).

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

BUDGETED SYSTEM IMPROVEMENT PROJECTS

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

Water

- \$450,000 to complete the bulk of the work on the \$525,000 replacement of the PRE Tank burned in the Vision Fire.
- \$75,000 to replace the green-sand filter media in one of the two treatment plant filters (another \$75,000 will be expended in FY18 to replace the media in the second filter).
- \$100,000 to permit and commence construction of the \$300,000 project to install a second well on the Gallagher site.

Sewer

- \$40,000 is included for continued infiltration repair work to prevent rainwater from leaking into the collection system.
- \$50,000 is included as the first half of the cost to design and install an 8th trench in the disposal field.
- \$50,000 is included to commence the \$300,000 project to reline 3,000' of 6" AC pipe.

Future Projects

The West Marin Water System Five-Year Financial Plan shows the \$525,000 PRE Tank 4A replacement will be completed in FY18. The \$1.25 million construction of the treatment plant Solids Handling Facility is also scheduled to commence in FY18. \$2.8 million to design and construct Treatment Plant Improvements is scheduled for FY20.

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

WEST MARIN WATER SYSTEM OPERATING BUDGET

You will note from page 3 of the budget that the proposed West Marin Water System Budget projects a cash deficit next fiscal year of \$376,000. This deficit assumes 100% of the \$625,000 Capital Improvement Project Budget is expended, which does not typically occur. The proposed budget projects one new service to be added to the system each year into the future, in line with the slow growth we have seen recently.

FY17 water sales volume is budgeted to increase 3% compared with the current year estimated actual, to 62MG. Unlike the current fiscal year, FY17 will not include mandatory water use restrictions, and normal rainfall is assumed. Average annual consumption over the past decade is 78MG. The forecast assumes water sales volume will rise to 65MG in FY19 and remain static into the future as conservation programs (including water rate increases) continue to induce more efficient use of water. Consumption history is shown on page 6.

Operating expenditures, before depreciation, are budgeted to increase 3% from the FY16 adopted budget, an increase of \$14,000. A graphical history of operating expenditures is included on page 7.

OCEANA MARIN SEWER OPERATING BUDGET

The proposed Oceana Marin Sewer budget shown on page 8 includes a \$7/month (10% - to \$78/month) increase in the sewer service charge. One new connection is budgeted for next fiscal year, which is Oceana Marin's average over the past five years. Next year's budget projects operating expenditures, before depreciation, to increase less than 1% from the current year budget.

A graphical history of Oceana Marin operating expenditures is shown on page 11.

A public hearing to consider the proposed water and sewer rate increases, the proposed Oceana Marin Connection Fee increase, and to adopt the budgets, is scheduled for June 28 in Point Reyes Station.

**Proposed
BUDGET**

Second Review

**West Marin Water
&
Oceana Marin Sewer**
FISCAL YEAR
2016-17

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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WEST MARIN WATER & OCEANA MARIN SEWER

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PROPOSED CAPITAL IMPROVEMENT PROJECTS

6/16/16

West Marin Water & Oceana Marin Sewer

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		FY16 Budget	FY16 Est Actual	FY17	FY18	FY19	FY20	FY21
7. WEST MARIN WATER SYSTEM								
2.7153.00	a. Upsize 4" Pipe from Bear Valley Tanks (8"@900')	\$100,000	\$110,000					
2.6602.23	b. Replace Pump in Well #2							
2.6257.20	c. Tanks #2 & #3 Seismic Piping Upgrade	\$30,000	\$30,000					
2.6263.20	d. Replace PRE Tank #4A (25K gal w/82K gal)	\$50,000	\$25,000	\$450,000	\$50,000			
2.8850.xx	e. PB Replace in Sync w/ County Paving	\$50,000	\$0		\$50,000		\$50,000	
2.7160.00	f. Green Sand Filter Media Replace	\$75,000	\$0	\$75,000	\$75,000			
2.6601.32	g. TP Solids Handling				\$625,000	\$620,000		
2.6605.23	h. Abandon Downey Well				\$50,000	\$50,000		
	i. Rehab Coast Guard Well #2					\$275,000		
	j. New Gallagher Well #2			\$100,000			\$200,000	
	k. Treatment Plant Modifications Design/Construct (Note 6)						\$2,800,000	
	l. PRE Tank #1 Replacement							\$250,000
	m. Other West Marin Water System Expenditures		\$55,000					
		\$305,000	\$220,000	\$625,000	\$850,000	\$945,000	\$3,050,000	\$250,000

8. OCEANA MARIN SEWER SYSTEM								
8.8672.28	a. Infiltration Repair	\$40,000	\$10,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
	b. Design/Install 8th Disposal Trench (300')			\$50,000	\$50,000			
	c. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)			\$20,000	\$20,000			
	d. Tahiti Way Power Relocation			\$20,000				
	e. North St Lift Station Comm Upgrade			\$30,000				
	f. Parallel Force Main (1st of 3 Segments)		\$30,000				\$100,000	\$400,000
	g. ACP Sewer Reline (6"@ 3,000')			\$50,000	\$250,000			
		\$40,000	\$40,000	\$210,000	\$360,000	\$40,000	\$140,000	\$440,000

SUMMARY - GROSS PROJECT OUTLAY

West Marin Water	\$305,000	\$220,000	\$625,000	\$850,000	\$945,000	\$3,050,000	\$250,000
Oceana Marin Sewer	\$40,000	\$40,000	\$210,000	\$360,000	\$40,000	\$140,000	\$440,000
GROSS PROJECT OUTLAY	\$345,000	\$260,000	\$835,000	\$1,210,000	\$985,000	\$3,190,000	\$690,000

PROPOSED CAPITAL IMPROVEMENT PROJECTS**West Marin Water & Oceana Marin Sewer**

6/16/16

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	FY16 Budget	FY16 Est Actual	FY17	FY18	FY19	FY20	FY21
LESS FUNDED BY LOANS/GRANTS/OTHER							
f. WM Treatment Plant Solids Handling (Note 5)	\$0	\$0	\$0	(\$625,000)	(\$600,000)	\$0	\$0
g. WM TP Modific Design/Construct (Note 6)	\$0	\$0	\$0	\$0	\$0	(\$2,800,000)	\$0
	\$0	\$0	\$0	(\$625,000)	(\$600,000)	(\$2,800,000)	\$0
SUMMARY - NET PROJECT OUTLAY							
West Marin Water	\$305,000	\$220,000	\$625,000	\$225,000	\$345,000	\$250,000	\$250,000
Oceana Marin Sewer	\$40,000	\$40,000	\$210,000	\$360,000	\$40,000	\$140,000	\$440,000
NET PROJECT OUTLAY	\$345,000	\$260,000	\$835,000	\$585,000	\$385,000	\$390,000	\$690,000
Total Number of District Projects	6	8	9	9	4	5	3
DEBT SERVICE							
k. EDA Loan	\$2,585	\$2,585	\$2,703	\$2,026	\$0	\$0	\$0
l. PRE-1 Revenue Bond	\$14,113	\$14,113	\$14,500	\$13,900	\$14,300	\$13,650	\$0
m. PR-6 Revenue Bond	\$12,300	\$12,300	\$13,050	\$12,550	\$13,025	\$12,475	\$12,900
n. TP Solids Handling Bank Loan	\$70,764	\$70,764	\$70,764	\$70,764	\$70,764	\$70,764	\$70,764
o. TP Solids Handling Add'l Bank Loan					\$42,217	\$42,217	\$42,217
p. TP Modifications Loan						\$197,011	\$197,011
TOTAL DEBT SERVICE	\$99,762	\$99,762	\$101,017	\$99,240	\$140,306	\$336,117	\$322,892
NET PROJECT & DEBT SERVICE OUTLAY	\$445,000	\$360,000	\$936,000	\$684,000	\$525,000	\$726,000	\$1,013,000
STUDIES							
i. Gallagher Well #2 Hydrogeologic Study	\$58,000	\$28,000					
q. Digitize West Marin Water Facility Maps			\$35,000				
	\$58,000	\$28,000	\$35,000	\$0	\$0	\$0	\$0

Note 5 - West Marin Water Treatment Plant Solids Handling Facility partially funded by bank loan. Additional \$600K to be borrowed in FY18 to complete project.

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

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2015/16

	Proposed Budget 2016/17	Estimated Actual 2015/16	Adopted Budget 2015/16
OPERATING INCOME			
1 Water Sales	\$801,000	\$706,000	\$777,000
2 Misc Service Charges	7,000	7,000	7,000
3 Total Operating Income	\$808,000	\$713,000	\$784,000
OPERATING EXPENDITURES			
4 Source of Supply	\$22,000	\$20,000	\$24,000
5 Pumping	37,000	26,000	38,000
6 Operations	42,000	43,000	46,000
7 Water Treatment	147,000	144,000	134,000
8 Transmission & Distribution	140,000	108,000	120,000
9 Consumer Accounting	23,000	24,000	26,000
10 Water Conservation	20,000	7,000	21,000
11 General Administration	73,000	61,000	81,000
12 Depreciation Expense	190,000	190,000	180,000
13 Total Operating Expenditures	\$694,000	\$623,000	\$670,000
14 NET OPERATING INCOME (LOSS)	\$114,000	\$90,000	\$114,000
NON-OPERATING REVENUE/(EXPENSE)			
15 PR-2 County Tax Allocation	\$48,000	\$47,000	\$45,000
16 Miscellaneous Revenue	4,000	4,000	4,000
17 Interest Revenue	6,000	9,000	5,000
18 Bond & Loan Interest Expense	(34,000)	(37,000)	(36,000)
19 Studies/Miscellaneous Expense	(35,000)	(28,000)	(58,000)
20 Total Non-Operating Income/(Expense)	(\$11,000)	(\$5,000)	(\$40,000)
21 NET INCOME/(LOSS)	\$103,000	\$85,000	\$74,000
OTHER SOURCES/(USES) OF FUNDS			
22 Add Depreciation Expense	\$190,000	\$190,000	\$180,000
23 Connection Fees	23,000	0	23,000
24 Capital Improvement Projects	(625,000)	(220,000)	(305,000)
25 Bond & Loan Principal Payments	(67,000)	(63,000)	(64,000)
26 Total Other Sources/(Uses)	(\$479,000)	(\$93,000)	(\$166,000)
27 CASH INCREASE/(DECREASE)	(\$376,000)	(\$8,000)	(\$92,000)

WEST MARIN WATER

5-Year Financial Forecast

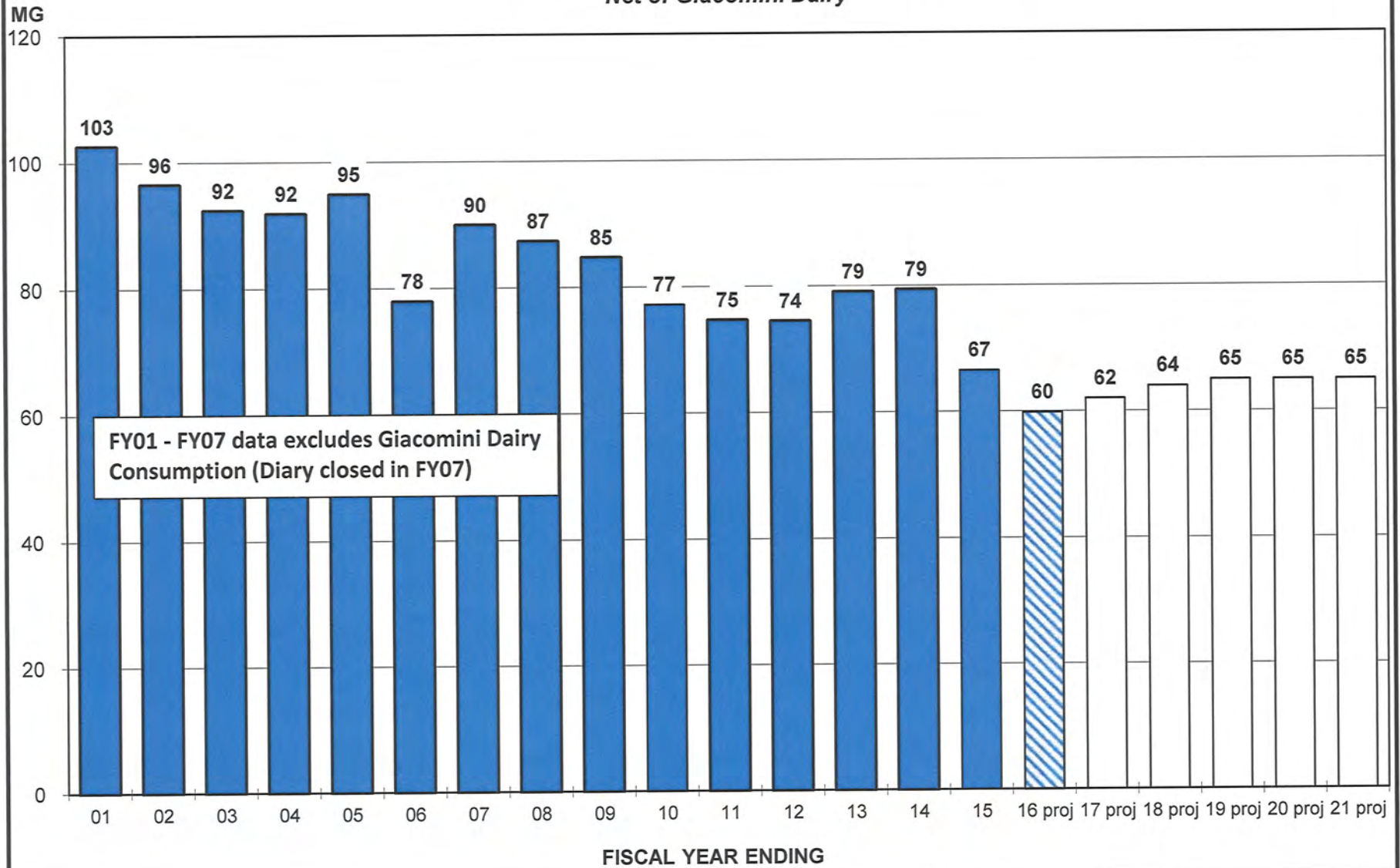
#		Actual 2013/14	Actual 2014/15	Est Actual 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21
1	Active Meters	776	778	779	780	781	782	783	784
2	Avg Commodity Rate/1,000 Gal	\$8.12	\$8.74	\$9.00	\$9.64	\$10.12	\$10.62	\$11.16	\$11.71
3	Potable Consumption (MG)	78	64	60	62	64	65	65	65
INCOME									
4	Commodity Charge	\$633,904	\$562,195	\$539,000	\$634,000	\$648,000	\$691,000	\$725,000	\$761,000
5	Bimonthly Service Charge	169,038	166,938	167,000	167,000	175,000	184,000	193,000	203,000
6	Connection Fee	22,800	22,800	0	23,000	23,000	23,000	23,000	23,000
7	PR-2 County Tax Allocation	42,119	45,378	47,000	48,000	49,000	50,000	52,000	54,000
8	OL-2 G.O. Bond Tax	3,064	661	0	0	0	0	0	0
9	Interest	3,292	5,027	9,000	6,000	4,000	4,000	4,000	17,000
10	Miscellaneous	10,453	10,572	11,000	11,000	11,000	11,000	11,000	11,000
11	TOTAL INCOME	\$884,670	\$813,571	\$773,000	\$889,000	\$910,000	\$963,000	\$1,008,000	\$1,069,000
EXPENDITURES									
12	Operating Expenditures	\$474,270	\$469,147	\$433,000	\$504,000	\$519,000	\$535,000	\$551,000	\$568,000
13	Water Purchased from MMWD	0	6,651	0	0	0	0	0	0
14	Miscellaneous	35,525	3,363	28,000	35,000	5,000	5,000	5,000	5,000
15	Bond & Loan Debt Service	103,222	104,576	100,000	101,000	99,000	140,000	336,000	323,000
16	TOTAL EXPENDITURES	\$613,017	\$583,737	\$561,000	\$640,000	\$623,000	\$680,000	\$892,000	\$896,000
NET INCOME		\$271,653	\$229,834	\$212,000	\$249,000	\$287,000	\$283,000	\$116,000	\$173,000
OTHER SOURCES/(USES)									
17	Capital Improvement Projects	(\$277,492)	(\$1,279,605)	(\$220,000)	(\$625,000)	(\$850,000)	(\$945,000)	(\$3,050,000)	(\$250,000)
18	Grant/Loan Proceeds	266,060	1,177,912	0	0	625,000	600,000	5,600,000	0
19	Net Change in Working Capital	(46,404)	99,793	0	0	0	0	0	0
20	INCREASE (DECREASE) IN CASH	\$213,817	\$227,934	(\$8,000)	(\$376,000)	\$62,000	(\$62,000)	\$2,666,000	(\$77,000)
CASH BALANCE									
21	Operating Reserve	\$0	\$188,241	\$400,000	\$626,000	\$689,000	\$627,000	\$3,293,000	\$3,231,000
22	System Expansion Reserve	808,832	823,221	603,000	1,000	0	0	0	0
23	Liability Contingency Reserve	73,696	99,000	99,000	99,000	99,000	99,000	99,000	99,000
24	Bond Redemption Reserve	30,000	30,000	30,000	30,000	30,000	30,000	30,000	15,000
25	TOTAL CASH BALANCE	\$912,528	\$1,140,462	\$1,132,000	\$756,000	\$818,000	\$756,000	\$3,422,000	\$3,345,000
26	Depreciation Expense	\$154,749	\$157,937	\$190,000	\$190,000	\$200,000	\$214,000	\$230,000	\$281,000

KEY

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

- 1 Assumes annual increase of 1 connection per year.
- 2 Commodity rate increase of 5% is proposed effective 7/1/16. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 62MG in FY16 and FY17, and 65MG annually thereafter.
- 4 FY17 commodity charge revenue includes \$37,000 in drought surcharge revenue generated from the temporary drought surcharge.
- 5 Bimonthly service charge shown to increase 5% annually after FY17. Details of the rate increase structure to be determined at annual budget hearings.
- 6 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. PR-2 County Tax allocation is projected to increase 3% per year.
- 8 Olema GO Bond Tax terminated with payoff of Olema Bond January 1, 2015.
- 9 Projected available funds invested at 0.50%
- 10 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 12 3% annual increase in Operating Expenditures assumed after FY16.
- 14 FY16 Includes \$58K for Gallagher Well#2 Hydrologic Study.
- 15 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond paid off in 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. On June 30, 2012, WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility, with repayment commencing FY13. FY19 includes debt service on \$600K loan to finance completion of Solids Handling Facility.
- 16 Total Expenditures excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 18 FY14 & FY15 Gallagher Pipeline grant of \$1.4 million; FY19 \$600,000 loan to complete the Solids Handling and PRE Storage projects.
- 21 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 22 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 23 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. \$8,885 was added in Dec 2006 from sale of 2 surplus parcels in Inverness Park.
- 24 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service (\$30K) for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury.

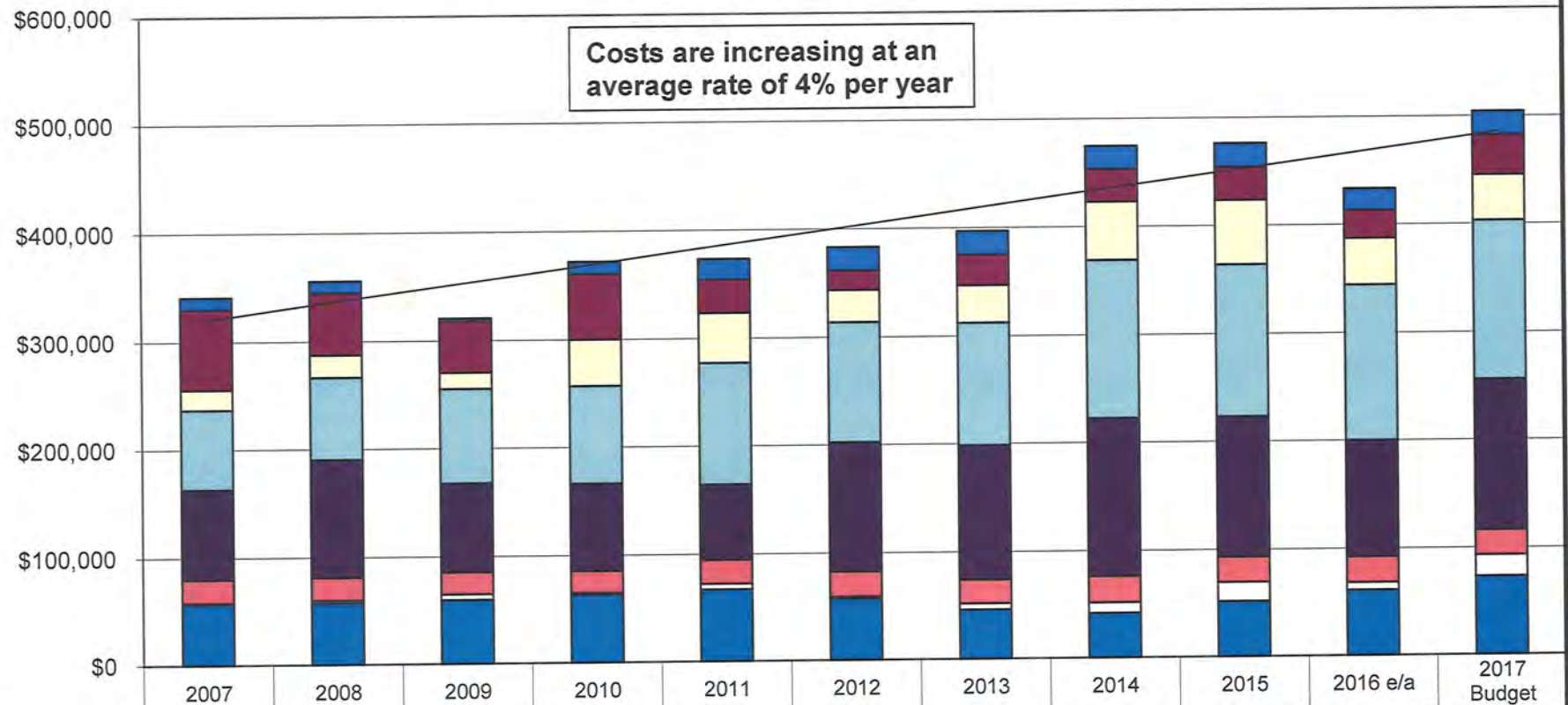
West Marin Potable Water Billed Consumption Net of Giacomini Dairy



6/16/16

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West Marin Water Operating Expenditures



OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2016/17

	Proposed Budget 2016/17	Estimated Actual 2015/16	Adopted Budget 2015/16
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$214,000	\$196,000	\$196,000
2 Misc Service Charges	0	0	0
3 Total Operating Income	\$214,000	\$196,000	\$196,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$50,000	\$58,000	\$49,000
5 Sewage Treatment	58,000	50,000	56,000
6 Sewage Disposal	33,000	33,000	31,000
7 Consumer Accounting	2,000	2,000	2,000
8 General Administration	27,000	23,000	31,000
9 Depreciation Expense	47,000	49,000	52,000
10 Total Operating Expenditures	\$217,000	\$215,000	\$221,000
11 NET OPERATING INCOME (LOSS)	(\$3,000)	(\$19,000)	(\$25,000)
NON-OPERATING REVENUE/(EXPENSE)			
12 OM-1/OM-3 Tax Allocation	\$52,000	\$50,000	\$47,000
13 Interest Revenue	2,000	2,000	2,000
14 Miscellaneous Revenue/(Expense)	0	(1,000)	(15,000)
15 Total Non-Op Income/(Expense)	\$54,000	\$51,000	\$34,000
NET INCOME/(LOSS)	\$51,000	\$32,000	\$9,000
OTHER SOURCES/(USES) OF FUNDS			
16 Add Depreciation Expense	\$47,000	\$49,000	\$52,000
17 Connection Fees	30,000	24,000	15,000
18 Capital Improvement Projects	(210,000)	(40,000)	(40,000)
19 Total Other Sources/(Uses)	(\$133,000)	\$33,000	\$27,000
20 CASH INCREASE/(DECREASE)	(\$82,000)	\$65,000	\$36,000

OCEANA MARIN SEWER

5-Year Financial Forecast

#		Actual 2013/14	Actual 2014/15	Est Actual 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21
# BASIC DATA									
1	Number of Connections	229	229	230	231	232	233	234	235
2	Monthly Service Charge	\$65.00	\$68.00	\$71.00	\$78.00	\$86.00	\$95.00	\$105.00	\$116.00
	INCOME								
3	Monthly Service Charge	\$177,970	\$186,864	\$196,000	\$214,000	\$239,000	\$265,000	\$294,000	\$326,000
4	OM-1/OM-3 Tax Allocation	44,887	48,360	50,000	52,000	54,000	56,000	58,000	60,000
5	Connection Fees	30,400	15,200	24,000	30,000	30,000	30,000	30,000	30,000
6	Interest Revenue	1,051	2,323	2,000	2,000	2,000	1,000	1,000	2,000
7	Miscellaneous Revenue/(Expense)	(248)	203	(1,000)	0	0	0	0	0
8	TOTAL INCOME	\$254,060	\$252,950	\$271,000	\$298,000	\$325,000	\$352,000	\$383,000	\$418,000
9	OPERATING EXPENDITURES	\$138,518	\$132,624	\$166,000	\$170,000	\$175,000	\$180,000	\$185,000	\$191,000
	OTHER SOURCES (USES)								
10	Capital Improvement Projects/Other	(19,655)	(63,023)	(40,000)	(210,000)	(360,000)	(40,000)	(140,000)	(440,000)
11	Net Change in Working Capital	(5,034)	4,004						
12	INCREASE (DECREASE) IN CASH	\$90,853	\$61,307	\$65,000	(\$82,000)	(\$210,000)	\$132,000	\$58,000	(\$213,000)
13	TOTAL CASH BALANCE	\$282,895	\$344,202	\$409,000	\$327,000	\$117,000	\$249,000	\$307,000	\$94,000
14	Depreciation Expense	\$57,024	\$49,860	\$49,000	\$47,000	\$58,000	\$76,000	\$78,000	\$85,000

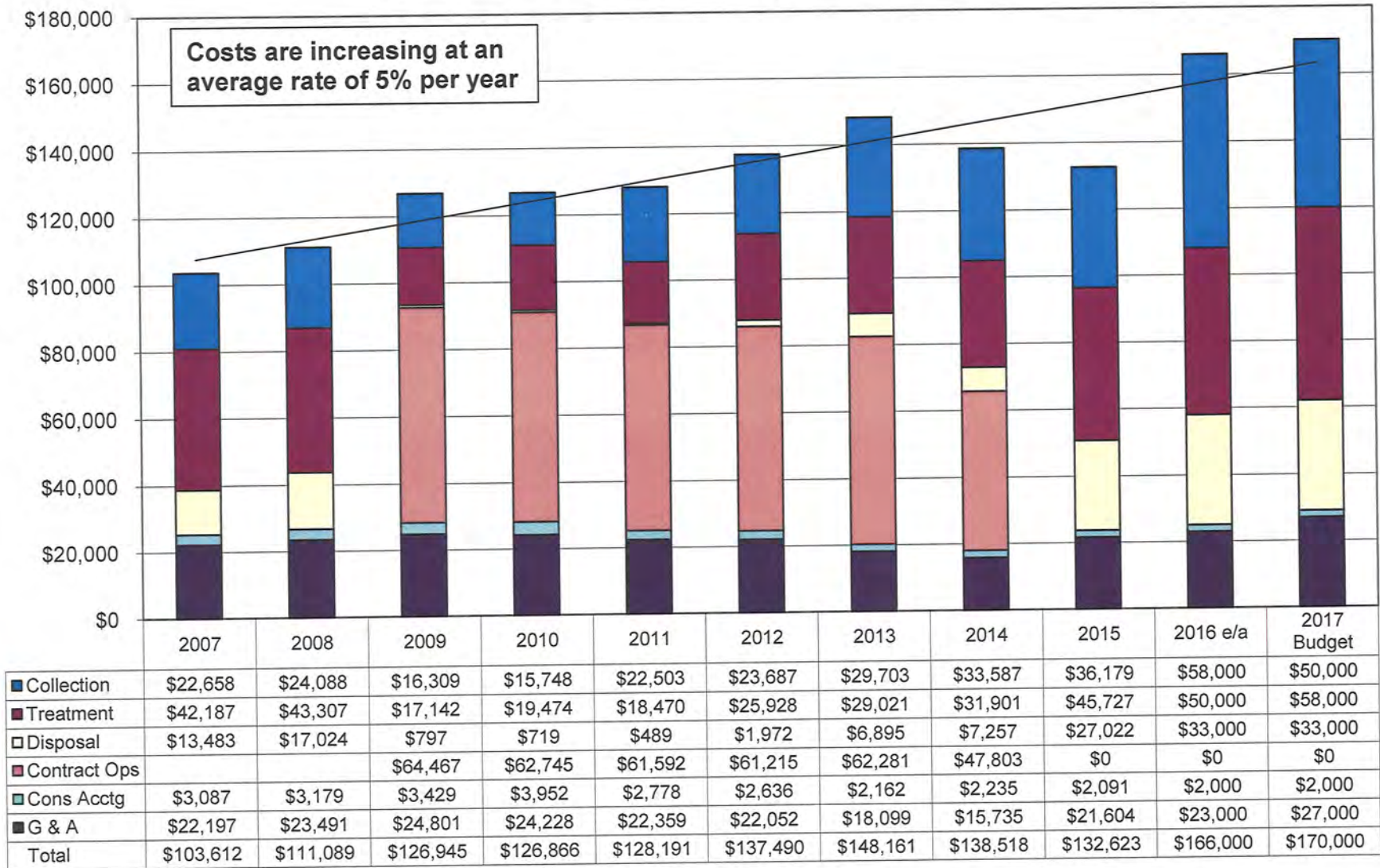
OCEANA MARIN SEWER

NOTES

KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Proposed 10% annual increases to build cash to fund Phase 1 of the FY20 & FY21 \$500,000 Parallel Force Main project. The \$350,000 Pond Relining Project is outside of the 5-year window.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Proposed doubling the connection fee to \$30,000. Assumes new connections occur in OM-3 (Units 1 or 5) which are subject to the connection fee.
- 6 Projected available funds invested at 0.50%
- 9 Operating expenditures projected to increase 3% annually. Excludes depreciation expense.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 14 Cash available for operation, maintenance and improvements

Oceana Marin Operating Expenditures



13

DISBURSEMENTS - DATED JUNE 16, 2016

Date Prepared 6/14/16

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 Rotation & Alignment Check ('08 F350)	\$60.00
2	AT&T	Voice & Data Lines	56.29
3	Attell, Tim	Novato "Toilet" Rebate Program	1,000.00
4	AWWA CA-NV SEC	Water Use Efficiency Practitioner Renewal (Grisso) (1/15-12/16) (Budget \$70)	50.00
5	Bennett Trenchless Engineers	Prog Pymt#4: Norman Tank Pipeline Design (Balance Remaining on Contract \$17,714)	6,480.00
6		Vision Reimbursement	143.97
7	Bold & Polisner	March/April Legal Services: Contractor's On-Call Agreement (\$861), Director's Compensation (\$1,029), Marin CC Golf (\$378), Misc (\$105), Prevailing Wage (\$252), Prop 218 (\$777), Public Rec Act (\$315), RW Exp Central (\$1,722) & Sonoma Co Water Agency (\$693)	6,132.00
8	California State Lands Commission	Application for Amendment to Lease from California Lands Commission Held by City of Novato (RW Exp Central Area)	2,373.47
9	California State Disbursement	Wage Assignment Order	1,015.25
10	CDW-Government	PLC Battery, Backup for STP RTU	118.76
11		Vision Reimbursement	368.00
12	Comcast	June Office Internet Connection	151.16
13	Cook Concrete Products	Concrete Sump 24" x 24" w/ Grate (Zone A Pressure Improvements)	696.00
14	Costco Wholesale	Employee Lunch for Annual Clean-up Day	227.28
15	Creighton, Sheri	Novato "Pool Cover" Rebate Program	31.25

Seq	Payable To	For	Amount
16	CSW/Stuber-Stroeh Engineering	Final Pymt: Marin Sonoma Narrows AEEP Project (Total Project Cost \$47,615) & Progress Pymt#6: RW Central Service Area Hwy 101 (\$3,741) (Balance Remaining on Contract \$19,608)	19,961.75
17	Diggs, James	Retiree Exp Reimb (June Health Ins)	306.09
18	Dotto Glass	Furnish & Install 6 Double Pane Windows (2nd Story Construction/Maint Building)	7,890.00
19	Empire Safety and Supply	Fine Dust Masks (4) & Filters (STP)	186.51
20	Environmental Express	Sample Bottles (66) (Lab)	105.36
21	Milton Frank Equipment	STP Mixer Clamp	436.68
22	Garret Medeiros Construction	Mow Leach Field @ Ocean Marin	1,350.00
23	Grainger	Thread Sealant (24-8oz tubes) (\$333), Socket Wrench Set (32 pc) (\$231), Socket Rails (2), Tarps (2) (\$129), Torque Wrench (\$143), Nut Drivers (2), Bolt Protectant Spray (4-8oz cans) (\$80), Screw Extractor Set (4 pc) & Calibration Gas for Atmosphere Monitor (\$174)	1,159.65
24	Hach	Reagents (STP)	410.49
25	Irish & Son Welding	Welding Services (Smart Hamilton Station Train Depot)	720.00
26	Jays Kustom Exhaust & Muffler	Exhaust Pipe Replacement ('07 Chevy K2500 4X4)	140.00
27	Kessler, Sue	Retiree Exp Reimb (June Health Ins)	315.28
28	Kinney, Steve & Hilary	Novato "Cash for Grass" Rebate Program	400.00
29	KMD Properties	Refund Overpayment on Final Billing (Novato Dermatology Remodel)	4,456.40
30		Vision Reimbursement	367.00
31	Maltby Electric	Main Breaker for San Andreas P/S	128.72
32	Marin Landscape Materials	Landscape Bark (5 yds) (\$147), Shredded Bark for Entrance to Construction Building (2 yds) & Quik Mix (\$228) (42 bags)	433.46

Seq	Payable To	For	Amount
33	Mello, John	Retiree Exp Reimb (June Health Ins)	949.78
34	Miller, Todd	Novato "Washer" Rebate Program	50.00
35	Moore, Doug	Retiree Exp Reimb (June Health Ins)	949.78
36	North Marin Auto Parts	LED Tail Lights for Trailer (4) (\$104), Flashlight, Headlamps (2) & Exhaust Pipe Gaskets (2)	155.56
37	North Marin Water District SRF	STP State Revolving Fund Loan Principal & Interest (Pymt 14 of 40)	574,460.90
38	North Bay Gas	Nitrogen (\$467) (STP) & May Cylinder Rental	622.13
39	NMWD Employee Association	Dues (4/15-5/31/16)	955.00
40	Novato Builders Supply	Water Stop Cement (10 lbs) (\$16) & Lumber	23.83
41	Pacchetti, John	Novato "Cash for Grass" Rebate Program	400.00
42	Pace Supply	Nipples (3) (\$244), Meter Gaskets (20), Couplings (40) (\$119) & Meter Lids (40) (\$871)	1,268.23
43	NMWD Petty Cash	Petty Cash Reimbursement: Business Lunch (DeGabriele), Bridge Toll, Plumbing Supplies (Const Office) (\$25) & Safety Snacks (\$25)	74.77
44	Pini Hardware	Welding Compound (20 oz), Misc Hardware, Door Lock Set, Paint (\$34) (Warehouse), Paint Scraper, Putty Knife, Electrical Supplies (\$36) & Washer	146.89
45	Pollard Water	Valve Box Cleaner	381.30
46		Cafeteria Plan: Childcare Reimbursement	208.33
47	Sequoia Safety Supply	Earplugs (400) (\$64), Safety Glasses (33), Hand Cleanser (12-5oz tubes) (\$52), Insect Repellent (12-2 oz Packets), Safety Gloves (24) (\$56), Leather Driving Gloves (36) (\$225) & Poison Oak Repellent Toilettes (50)	602.10
48	Shirrell Consulting Services	May Dental Insurance	5,168.20
49	Stafford, Vernon	Retiree Exp Reimb (June Health Ins)	315.28
50	Staples Advantage	Coffee-Mate (5-51 oz bottles) (\$89), Sugar (2), Laundry Detergent (4-95oz) (\$72), Dishwasher Detergent, Coffee (7-31oz) (\$157) & Copy Paper (Letter) (50 reams) (\$185)	515.03

Seq	Payable To	For	Amount
51	TelePacific Communications	May Telephone Charges	616.74
52	USA BlueBook	Underground Service Alert Marking Flags (20) (\$433), Phosphoric Acid & Sample Tests (700) (\$156) (STP)	738.83
53	US Bank	May Safekeeping Fee - Treasury Securities (5/1-5/31/16)	82.00
54	US Department of Commerce	Annual Drought Loan Principal & Interest (West Marin - \$2,703 & Novato - \$18,424)	21,127.15
55	Verizon Wireless	Cellular Charges: Data (\$159) & Airtime (\$86) (19)	245.23
56	Winzer	Insert Nuts (2)	54.88
TOTAL DISBURSEMENTS			<u>\$667,782.76</u>

The foregoing payroll and accounts payable vouchers totaling \$667,782.76 are hereby approved and authorized for payment.



Auditor-Controller

6/13/16

Date



General Manager

6/13/2016

Date

DISBURSEMENTS - DATED JUNE 9, 2016

Date Prepared 6/7/16

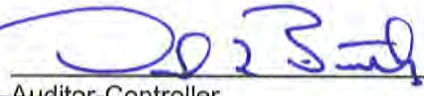
The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:


Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 5/31/16	\$125,493.05
EFT*	Bank of the West	Federal & FICA Taxes	56,522.84
EFT*	State of California	State Taxes & SDI PPE 5/31/16	9,907.19
EFT*	CalPERS	Pension Contribution PPE 5/31/16	32,662.63
1	101 Office Products	Ink Cartridges (3)	317.96
2	Allera, Zachary	Novato "Washer Rebate"	50.00
3	Alpha Analytical Labs	Lab Testing	131.00
4	AT&T	Internet Service @ PRTP (4/20-5/19)	80.00
5	AT&T	Leased Lines	435.00
6	Automation Direct	Analog Input Cards (2)	166.00
7	Backflow Distributors	Valves (17) (\$4,323), Freeze Protection Covers (15) (\$1,093) & Ball Valve Handles (10)	5,697.56
8	Badger Meter	Cellular Meter Monthly Charge (19)	16.72
9	Brenntag Pacific	Sodium Hydroxide (48,000 lbs)	4,796.78
10	Calpico	14" Insulating Kit (Sunset Tank)	59.43
11	CDW-Government	PLC Battery Backup for Truman P/S	129.04
12	Cel Analytical	Cyrtosporidium Testing & Additional Slides (Lab)	473.00
13	CT Promotions	Water Bottles (260), Screen Set Up Charge & 3-day Rush Charge	483.99
14	DeGabriele, Chris	Exp Reimb: May Mileage	189.00
15	Eurofins Eaton Analytical	Lab Testing	200.00

Seq	Payable To	For	Amount
16	Fairway Design & Construction	Refund Excess Advance for Const Over Actual Job Cost-1214 Cambridge St. Upsize to 1" Meter	127.34
17	Fisher Scientific	Pipet Tips (969) (Lab)	53.71
18	Frontier Communications	Leased Lines	92.38
19	Golden Gate Petroleum	Diesel Fuel (\$2.17/gal)	615.02
20	Grainger	Reciprocating Saw Blades (130) (\$428), Atmosphere Monitor Filters (4), Impact Socket, Safety Knives (6), 2" Nipples (2) & Face Shield	555.08
21	Hach	Aluminum Test Reagents	156.99
22	Hardy Diagnostics	Standards (2)	126.53
23	Irish & Son Welding	Welding Services	720.00
24	Kodama, Ernest	Novato "Washer Rebate"	50.00
25	Kriletich, Maureen	Novato "Toilet Rebate"	100.00
26	Landeros, Dianne	Novato "Washer Rebate"	50.00
27	Marin County Treasurer	Semi-Annual Bond Service-PR6 Revenue Bond	11,650.00
28	Martrano Enterprises	Automatic Gate Radio Receivers (3)	389.63
29	McCloskey, Richard	Novato "Toilet Rebate"	200.00
30	Moreno, Antonia	Novato "Washer Rebate"	50.00
31	NTU Technologies	Polymer (2,200 lbs)	6,468.00
32	Pace Supply	All Thread Rods (12) (\$235), Bolt Set (12), Meter Gaskets (400), Corp Stops (3), Hand Pumps (10) (\$357), Reducer, Threadolet Outlets (23) (\$155), Coupling, & 1 1/4" Elbow Flange (\$160)	1,151.16
33	Pape Machinery	Parking Brake Switch ('09 JD Backhoe), Seat Safety Switches ('09 JD Backhoe) (\$411)	468.36
34	Rice Lake Weighing Systems	Calibration for Weight Standards	54.38
35	Sequoia Safety Supply	Ibuprofen (500)	35.53
36	Shamrock Materials	Asphalt (2 yds)	371.78

Seq	Payable To	For	Amount
37	Sides, Jim	Novato "Washer Rebate"	50.00
38	Sonoma County Water Agency	April Contract Water (Excludes \$273,907 Adjustment)	44,224.08
39	State Water Resources Control	Deer Island RWF SRF Loan Principal & Interest	273,366.91
40	Streakwave Wireless	Radios (3)	262.93
41	Syar Industries	Asphalt (6 tons)	758.94
42	Thatcher	Ferric Chloride (4,800 lbs)	4,871.17
43	Thomas Scientific	Phosphate Buffer (Lab)	142.65
44	Tom Pope Electric	Labor & Material to Install 2 Electrical Outlets (25 Giacomini)	825.00
45	Villa Entrada Homeowners Assoc	Payment for the Appraised Value of 15' x 220' Recycled Waterline Easement	14,375.00
46	WaterReuse	Conference in Santa Rosa on 3/14/16 (McIntyre)	250.00
47	Winzer	Nuts, Bolts, Washers, Butt Connectors & Insert Nuts	125.26
TOTAL DISBURSEMENTS			<u>\$600,549.02</u>

The foregoing payroll and accounts payable vouchers totaling \$600,549.02 are hereby approved and authorized for payment.

 6/8/16
 Auditor-Controller Date

 6/8/2016
 General Manager Date

BOD MISC

Chris DeGabriele

From: David Bentley
Sent: Thursday, June 09, 2016 5:15 PM
To: Chris DeGabriele; Drew McIntyre; Robert Clark; Tony Arendell
Cc: Rich Roberto
Subject: FW: AMI detected leak

Rich discovered a significant leak this morning via the daily report provided by our cellular meter software that, because it commenced only the day before we would have traditionally read the meter, could have gone undetected for a full 2 months. Rich alerted the customer and worked with him for an hour today to isolate the leak.

We have only 18 cell meters in the system, and this is the second leak revealed by the system that we were able to alert our customer to, the first being a toilet leak on Jan 7. These are great examples of proactive customer service that AMI technology can provide.

From: Rich Roberto
Sent: June 09, 2016 4:02 PM
To: David Bentley
Subject: AMI detected leak

David,

This is another perfect example of the usefulness of the AMI project. This morning I logged into the program that we are currently using for the few AMI meters that we have. The home at 4680 Redwood Hwy. South was showing a leak at a rate of 31 Gallons per hour. The leak appears to have started in the 3:00 hour on June 7th. As soon as it hit 24 hours of continues use, we were alerted to the possible leak. Since this leak started just a day before we would have read the meter it hadn't used enough water to red flag the use to check for a leak if it would have been read the traditional way. If it would have continued we would not have known for 2 months and at the rate of the leak approximately 44,640 gallons would have been lost.

Rich Roberto
Field Service Representative
rroberto@nmwd.com

ACWA Region 1 Russian River Water Supply Tour

Friday, August 5

DRAFT ITINERARY

Start/End Location: Lake Mendocino - There is a parking lot area at the dam/south side of the lake that should be sufficient for the tour needs, both participant parking and bus workings...

8:00 a.m. Check-in – **(Tamara)** *Maybe inside the fish hatchery?* If we could coordinate the tour kick-off there, it would be great to fit this piece into the mix, but I don't yet know details necessary for this to happen... USACE may have something else too... We've got time to figure this out.

8:30 a.m. Begin program at Lake Mendocino

- Welcome
- Presentation (RRFC/SCWA/Bureau?) **(Tamara)** - I can definitely help put this part together
- Tour – bus/walking/boat (it might be cool to get on the lake – can army corp help us with a boat tour?) **(Tamara)** - will contact Mike Dillabough and see what they have or have done and get back to group on this. **(Brad)** – reached out to Chris Schooley, Army Corp to see if he could help us get into the hatchery or tour lake.

10:00 a.m. Board bus

11:00 a.m. Stop at/tour _____ & Lunch break **(Tamara)** - Probably in Ukiah or Hopland?

12:30 p.m. Board Bus

1:00 p.m. Lake Sonoma / Dry Creek Habitat Enhancement Project

2:00 p.m. Board Bus, return to Lake Mendocino – video on coho salmon recovery efforts at lake Sonoma (SCWA to provide)

4:00 p.m. Return to Lake Mendocino / Conclude Tour



595 Helman Lane
Cotati, CA 94931
1.800.231.3236 or 707.285.2200
707.285.2210 fax
www.msmosquito.com

Philip D. Smith
District Manager

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Belvedere

Shaun McCaffery, Vice President
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Marin County At Large

Nancy Barnard
Corte Madera

Laura Fennema
Tiburon

Sandra Ross
Mill Valley

Frank Egger
Fairfax

Pamela Harlem
San Rafael

June 3, 2016

To: State Responsible Agencies and Other Agencies, Organizations and Individuals who commented on Draft Programmatic Environmental Impact Report for the Marin/Sonoma Mosquito and Vector Control District's Integrated Vector Management Program (SCH# 2012052066)

Dear Sir or Madam:

Enclosed is District's written response to your comments received by October 2, 2015, the close of the public comment period on the Draft PEIR, or shortly thereafter. Section 21092.5 of the Public Resources Code requires that the lead agency provide the "written proposed response" to any public agencies that commented on the EIR at least 10 days before the lead agency certifies the document. Although not required, we are also providing responses to the other organizations and individuals who provided written and/or oral comments as well.

The Final PEIR is comprised of the Draft PEIR and a Responses to Comments/Text Revisions document containing your letters/comments and our responses and those comments along with minor revisions to the text of the Draft PEIR. On or about June 3, 2016, the Responses to Comments/Text Revisions document will be posted to District's website: (www.msmosquito.com). The Board of Trustees will consider your comments and our responses prior to certification of the Final PEIR at its special meeting on Wednesday, June 15, 2016, at 7:00 pm, in the Board Room at 595 Helman Lane, Cotati, CA 94931. If you have any questions, feel free to contact me.

Sincerely,

Philip D. Smith

RECEIVED
JUN 07 2016
North Marin Water District


**NORTH MARIN
WATER DISTRICT**

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

PHONE
415.897.4133

FAX
415.892.8043

EMAIL
info@nmwd.com

WEB
www.nmwd.com

Philip D. Smith
595 Helman Lane
Cotati, CA 94931

RE: Comments on the Marin/Sonoma Mosquito and Vector Control District Draft
Program Environmental Impact Report

Dear Mr. Smith:

North Marin Water District (NMWD) has reviewed the draft PEIR. The water resources section addresses the use of pesticides and herbicides used to control breeding areas for mosquitos. Although the PEIR is thorough in its description of applying these chemicals according to label requirements and applicable state and federal requirements, NMWD does not believe that these measures are sufficient when chemicals with potentially negative impacts on human health could be used where contamination of drinking water sources is possible. Many of the chemicals used by the Marin Sonoma Mosquito and Vector Control District (MSMAVCD) as outlined in the document are regulated contaminants in drinking water.

North Marin Water District's goal towards protection of our drinking water sources is to lower the risk of contamination to zero. This goal translates to prohibiting the use of herbicides and pesticides that are regulated in drinking water on lands within the Stafford Lake Watershed. We request that the following conditions be adopted by MSMAVCD for the use of pesticides and herbicides on the Stafford Lake Watershed.

1. To completely eliminate the potential for surface water contamination due to runoff or incidental discharge, no pesticides, herbicide, adjuvants, or other chemicals that are regulated contaminants in drinking water shall be used on any part of the Stafford Lake Watershed.
2. When application of any biological or chemical control is indicated by the program and scheduled to take place on the Stafford Lake Watershed, MSMAVCD shall consult with NMWD 5 working days prior to application in order to provide notification and to investigate alternatives.
3. A report of any chemical or biological controls used on the Stafford Lake watershed shall be provided to NMWD at the end of each calendar year. The report should include types of control used, including any biological or chemical components, amounts of chemicals used, and locations of application.

Sincerely,

Chris DeGabriele
General Manager

Cc:

Supervisor Kinsey, 3501 Civic Center Drive Room 329 San Rafael, CA 94903
Supervisor Arnold, 3501 Civic Center Drive Room 329 San Rafael, CA 94903
Krishna Kumar, MMWD GM, 220 Nellen Ave, Corte Madera, CA 94925
Janice Thomas, SWRCB DDW, 50 D Street, Suite 200 Santa Rosa CA 95404

DIRECTORS: JACK BAKER • RICK FRATES • STEPHEN PETERLE • DENNIS RODONI • JOHN C. SCHOONOVER
OFFICERS: CHRIS DEGABRIELE, General Manager • KATIE YOUNG, Secretary • DAVID L. BENTLEY, Auditor-Controller • DREW MCINTYRE, Chief Engineer

Comment Letter L-NMWD**North Marin Water District**

Chris DeGabriele, General Manager
October 2, 2015

Response 1

The NMWD's concern is with the potential for use of pesticides, herbicides, and adjuvants to impact drinking water supply in Stafford Lake because the commenter believes that product label requirements and applicable state and federal requirements are not sufficient to protect human health from possible contamination from vector control activities. According to the NMWD website (http://www.nmwd.com/about_history_novato.php), Stafford Lake provides approximately 20 percent of the City of Novato's water, lies 4 miles west of downtown Novato, and collects runoff from 8.3 square miles of watershed property located upstream at the upper tributary reaches of Novato Creek. The primary water quality issue from testing conducted by NMWD is contamination from animal feedlots and dairies in the watershed. Water from Stafford Lake is drawn by the intake tower and fed by gravity or by pumping (depending on the lake level) into the treatment plant located just below the dam.

The District has, for at least the past 2 decades, taken an integrated systems approach to mosquito and vector control, utilizing a suite of tools that consists of public education, surveillance, source reduction (e.g., physical control, vegetation management, water management), biological controls, and chemical controls. As stated in PEIR Section 2.3, three core tenets are essential to the success of a sound Integrated Vector Management Program (IVMP).

- > First, a proactive approach is necessary to minimize impacts and maximize successful vector management. Elements such as thorough surveillance and a strong public education program make all the difference in reducing potential human vector interactions.
- > Second, long-term environmentally based solutions (e.g., water management, reduction of harborage and food resources, exclusion, and enhancement of predators and parasites) are optimal as they reduce the potential pesticide load in the environment as well as other potential long- and short-term impacts.
- > Lastly, utilizing the full array of options and tools (public education, surveillance, physical control, biological control, and when necessary chemical control) in an informed and coordinated approach supports the overall goal of an environmentally sensitive vector management program.

Historically, the District has focused on mosquito surveillance, with occasional larvicide treatment (with VectoMax FG) and mosquitofish stocking in cattle troughs and areas of open space in the Stafford Lake watershed. The District has sampled mosquito larvae from the lake associated with undesirable vegetation in the lake. However, no adulticides or herbicides were used in this area.

VectoMax FG is a larvicide mixture of the microbial pesticides Bti and Bs. (Bti and Bs are naturally occurring soil bacteria that produce chemicals that bind to receptor cells present in insects, but not mammals.) The USEPA has determined that these microbial pesticides are essentially nontoxic to humans and do not pose risks to wildlife, nontarget species, or the environment when they are used according to label directions (SWRCB 2014).

Additional surveillance, larvicide treatment, mosquitofish stocking, and occasional yellow jacket control have been needed in areas downstream of Stafford Lake. Previous adulticide applications have not occurred in the vicinity of Stafford Lake or the immediate downstream area. Adulticides have been used in heavily populated areas in Novato and near the Hwy 101 corridor, more than 4 miles downstream of the Stafford Lake area, when needed, such as when West Nile virus activity was identified in the Novato area (e.g., dead birds, positive mosquito pools, and a human case). Because of the distance and downstream location, these adulticide applications had little to no potential to affect the Stafford Lake area.

The District's current or future vector control activities in the Stafford Lake watershed are highly unlikely to result in potential impacts to water quality (see Chapter 9, Water Resources) and human health (see Chapter 7, Human Health), as discussed in the PEIR where potential impacts from all of the chemical treatment methods the District uses (or proposes to use in the future) were evaluated. With the exception of the herbicide glyphosate, none of the active ingredients that the District uses (or proposes to use in the future) are regulated by drinking water standards adopted by the EPA or by California (see SWRCB 2016).

As discussed in the PEIR, impacts to water quality and to human health from vector control activities would be less than significant for the following reasons:

- > Most of the vector control activity is for surveillance of mosquito populations within the watershed where District technicians take water samples to look for the number of mosquito larvae present, determine if the numbers are high enough to require intervention, and then determine which alternative treatment method is most appropriate. The specific actions taken in response to current or potential vector activity at a specific place and time depend on factors of vector and pathogen biology, physical and biotic environment, human settlement patterns, local standards, available control methods, and institutional and legal constraints. Surveillance activities are not harmful to the environment, because minimal disruption to habitat and to air quality/greenhouse gas emissions from equipment use occurs as explained in the PEIR (Sections 10.2.3 and 11.2.3).
- > The District also responds to occasional service requests from residents within the developed portions of the watershed for biting mosquito or yellow jacket wasp problems. When responding to a service request, technicians engage in educating the property owner on measures to avoid the problem focusing on source control measures and the use of mosquitofish in isolated fountains and ponds. Chemical methods to reduce mosquito breeding habitat or mosquito larvae/adults are a final method to resolve problems with septic tanks and drain fields, waste ponds, and other problem areas where stagnant water accumulates including seasonal wetlands.
- > The District's Proposed Program is an IVMP. District policy is to identify those species that are currently vectors, to recommend techniques for their prevention and control, and to anticipate and minimize any new interactions between vectors and humans and domestic animals. The District's IVMP employs integrated pest management (IPM) principles by first determining the species and abundance of mosquitoes/vectors through evaluation of public service requests and field surveys of immature and adult mosquito/vector populations and, then, if the populations exceed treatment guidelines, using the most efficient, effective, and environmentally sensitive means of control. This approach minimizes the need for chemical use.
- > Treatment of the lake would not occur unless there was an imminent threat to public health from vector-borne disease. The District does not directly treat drinking water supplies because these supplies do not usually include stagnant areas that encourage algal blooms and mosquito breeding. If such a situation occurred, NMWD would be notified immediately of the problem. No chemical treatment of drinking water supplies would be done without consulting with CDPH.
- > The District does not normally engage in vegetation management involving herbicides in the Stafford Lake watershed. Herbicides are used only when physical methods involving vegetation clearance by hand tools or trimmers are not appropriate given site conditions or if assistance in removing invasive plants/noxious weeds is requested of the District by another agency. For example, vegetation control at winery or other wastewater ponds can involve the use of herbicides. The District will not use herbicides at the margins of a drinking water supply including Stafford Lake.
- > The evaluations of the impacts to human health from all chemical treatment active ingredients and key adjuvants are contained in Chapter 7, Human Health, and were conducted by technical staff with the appropriate qualifications in toxicology and environmental health. These evaluations are based not only on the assessments of the chemical's toxicity and physical fate and transport contained in the scientific literature, included in the PEIR's Appendix B, Ecological and Human Health Assessment

Report (and supplemented in the PEIR chapters with additional material), but also in consideration of the District's application methods including not just the product label requirements but also the context in which the product is used (i.e., field conditions that impact product persistence or "breakdown" in the environment). Most of the chemicals used by the District break down into nonhazardous materials relatively quickly which minimizes the potential for them to be carried by runoff into the lake. Furthermore, the ultra low volume (ULV) method of fogging or aerosol application for adulticiding assists in this degradation of the active ingredient. For example, Section 9.2.7.2.1 contains the following discussion (page 9-36):

"Pyrethrins and pyrethroids quickly adsorb to suspended solids in the water column and partition into the sediment. They adsorb strongly to soil surfaces, and are generally considered immobile in soils and, therefore, are unlikely to leach to groundwater (USEPA 2006c). These materials are relatively nontoxic to mammals and birds, but are highly toxic to fish and invertebrates. The major route of degradation is through photolysis in both water and soil. Pyrethrins and pyrethroids may be persistent in environments free of light, and pyrethroids as a class have been implicated in 303(d) listings of sediment toxicity in urban creeks (BASMAA 2013). However, the ULV applications common to mosquito control and the limited use at ground-dwelling yellow jacket wasp nests (that pose an imminent threat to people or to pets) encourage dissipation rather than persistence in the environment."

Another example of how the District has gone beyond the product label requirements to minimize and avoid possible impacts to the environment and human and ecological health are the use of best management practices (BMPs) developed from permit requirements and the experience of other vector control districts. In Chapter 9, Water Resources, the District is using several BMPs as control measures to avoid and minimize impacts to water resources. See Table 9-3 (pages 9-19 – 9-22), a subset of practices in Table 2-6 in Chapter 2). For example, BMP H2 states: "The District will avoid use of surfactants when possible in sites with aquatic nontargets or natural enemies of mosquitoes present such as nymphal damselflies and dragonflies, dytiscids, hydrophilids, corixids, notonectids, and ephydriids. Surfactants are the only tool that can be used with pupae to prevent adult mosquito emergence. The District will use a microbial larvicide (e.g., Bti, Bs), insect growth regulator (e.g., methoprene) instead, or another alternative when possible."

Further support for the conclusions of less-than-significant impacts, and the likelihood of no impact to drinking water supplies consistent with NMWD's policy of zero contamination, is provided in a 2-year monitoring study conducted for the State Water Resources Control Board by the Mosquito and Vector Control Association of California (MVCAC) monitoring coalition to determine whether vector control activities were contributing contaminants to State waters.

The MVCAC monitoring coalition conducted chemical monitoring for adulticides at 61 locations during 19 application events in 2011 to 2012 and coordinated physical monitoring for 136 larvicide application events in 2012. Samples were collected from agricultural, urban, and wetland environmental settings in both northern and southern California. The adulticides evaluated included pyrethrin, permethrin, sumithrin, prallethrin, etofenprox, naled, malathion, and the synergist piperonyl butoxide. This monitoring study (MVCAC 2013) was conducted in accordance with the Statewide NPDES Vector Control Permit and had the following results:

- > 1 out of 136 visual observations showed a difference between background and post-event samples;
- > 108 physical monitoring samples showed no difference between background and post-event samples; and
- > 6 out of 112 samples exceeded the receiving water monitoring limitation or triggers.

The report concluded that there was no significant impact to beneficial uses of receiving waters due to application of vector control pesticides in accordance with approved application rates. This is consistent with the primary mandate for vector control districts of protecting public health by reducing vector-borne diseases from mosquitoes and other vectors.

The State Water Resources Control Board evaluated the results of this study (MVCAC 2013) and a concurrent toxicity study conducted by researchers from UC Davis (Philips et al. 2013) and concluded that based on the monitoring data, the application of pesticides in accordance with approved application rates does not impact beneficial uses of receiving waters (SWRCB 2014). Therefore, the monitoring and reporting program for the Vector Control Permit was amended in March 2014 to limit the required monitoring to visual observations, monitoring and reporting of pesticide application rates, and reporting of noncompliant applications (SWRCB 2014).

Response 2

The comment states that the NMWD has a goal of lowering the risk of contamination to drinking water sources to zero and that the use of herbicides and pesticides that are regulated in drinking water are prohibited by NMWD on lands within the Stafford Lake Watershed in order to prevent runoff or incidental discharge. NMWD requests that the District to consult with NMWD 5 working days prior to an application of any biological or chemical control product. Furthermore, NMWD asks that a report each year of materials used in the watershed be provided.

The concern about pesticides' active ingredients reaching the lake from runoff or incidental discharge is addressed in Response 1 above. The District does not directly treat Stafford Lake, but if chemical treatment were needed in the event of a severe threat to public health, both NMWD and CDPH would be notified of the severity of the problem and the proposed chemical to be used. Most of the District's work in the watershed is to conduct surveillance and to respond to public service requests from farmers and residents within the watershed. Between surveillance activity and requests for service, when a vector problem is identified that requires a chemical treatment method, consistent with the District's IVM policies and procedures explained in Response 1, then the District must respond quickly depending on the stage of vector development. The 5 working day notification requirement described in the comment does not reflect the breeding cycle of several mosquito species and the environmental conditions that may speed up this life cycle. The public education and physical control activities to minimize mosquito-breeding habitat are the best methods to minimize the development of a mosquito population density that then requires chemical control, but chemical control cannot be eliminated from the District's IVMP in order to protect the public from vector-borne disease.

NMWD is directed to review PEIR Section 1.1.3, Legislative and Regulatory Actions (pages 1-5 through 1-8), for regulations governing the District's vector control activities. The Legislature granted the District broad powers to address the threat to public health and the economy posed by vectors. State law charges the District with the authority and responsibility to take all necessary or proper steps for the control of mosquitoes and other vectors in the District and specified its duties pursuant to California Health and Safety Code Sections 2040-2045. In accordance with California Health and Safety Code Section 2053, the District may:

- “(b) Subject to the limitations of the United States Constitution and the California Constitution, employees of a district may enter any property, either within the district or property that is located outside the district from which vectors may enter the district, without hindrance or notice for any of the following purposes:
 - (1) Inspect the property to determine the presence of vectors or public nuisances.
 - (2) Abate public nuisances pursuant to this chapter, either directly or by giving notice to the property owner to abate the public nuisance.

- (3) Determine if a notice to abate public nuisance has been complied with.
- (4) Control vectors and treat property with appropriate physical, chemical, or biological control measures.” (page 1-7)

As explained in PEIR Section 1.1.3.1.1:

“Due to their public health mission, the California Department of Pesticide Regulation’s (CDPR’s) Pesticide Regulatory Program provides special procedures for vector control agencies that operate under a Cooperative Agreement with the CDPH. The application of pesticides by vector control agencies is regulated by a special and unique arrangement among the CDPH, CDPR, and County Agricultural Commissioners. CDPR does not directly regulate vector control agencies. CDPH provides regulatory oversight for vector control agencies that are signatory to the Cooperative Agreement. Signatories to the agreement use only pesticides listed by CDPH, maintain pesticide use reports, and ensure that pesticide use does not result in harmful residues on agricultural products. The District maintains a cooperative agreement with CDPH (CDPH and MSMVCD 2014). Its employees are certified by CDPH as vector control technicians, which help to ensure that employees are adequately trained regarding safe and proper vector control techniques including the handling and use of pesticides and compliance with laws and regulations relating to vector control and environmental protection.” (page 1-7)

Concerning the District’s cooperative agreement with CDPH: Section 3CCR 6620 Vector Control Exemption exempts cooperating agencies from 3CCR 6614 (b)(1) (Protection of Persons, Animals, and Property), 6616 (Consent to Apply), and 6618 (Notice). Therefore, cooperating agencies may apply pesticides registered for the purpose of vector control in residential areas even though there may be a reasonable possibility of contamination to nontarget persons or property. In addition, cooperating agencies are not required to get property owner consent or provide notification to a property operator prior to a pesticide application. These exemptions are a most important benefit provided to vector control agencies that are bound by the cooperative agreement. They reflect the general understanding that vector control operations protect public health and that **rapid control or suppression of vectors over wide geographic areas is essential to achieve this protection**. Cooperating agencies have neither the time nor the resources to provide notice or acquire consent prior to the application of a public health pesticide except for the District’s public notification decision on noise generating applications affecting residential areas, as provided in BMP A12, which are most often aerial applications using helicopters. This type of application has occurred in relation to the wildlife refuges at San Pablo Bay and along the Petaluma River in southern Sonoma County, but not at Stafford Lake.

However, to further IVMP principles and use of nonchemical methods first, the District recommends a meeting with NMWD staff to review the lake and potential problem areas within the watershed and discuss source control measures and the other nonchemical alternatives under the IVMP. There is some undesirable vegetation fostering mosquito breeding at the lake, and we recommend that nonchemical vegetation management be performed. The District is ready to inform a designated staff person of the types of vector habitat problems that require proactive nonchemical treatment. For areas that require chemical treatment, the District will advise NMWD about what products are determined appropriate for use based on the mosquito’s stage of development.

Reports of chemical use are provided monthly to the County Agricultural Commissioners. The problem is creating a database that allows for aggregating the daily reports to the Stafford Lake watershed. We can discuss the most feasible method for giving NMWD pertinent information at the meeting with your staff. It should be recognized that there are developed areas within the watershed where private property owners may use pesticides, and these uses could not feasibly be quantified. However, the District’s public education activities and materials on how to avoid vector problems are consistent with the NMWD’s efforts to protect water supplies from improper use of insecticides and herbicides available for private use.

Additional References

- California State Water Resources Control Board (SWRCB). 2014. State Water Resources Control Board Order WQ 2014-0106-DWQ Amending State Water Resources Control Board Water Quality Order 2011-0002-DWQ (as Amended By Orders 2012-0003-DWQ and 2014-0038-EXEC), General Permit No. Cag 990004, Statewide National Pollutant Discharge Elimination System (NPDES) Permit For Biological And Residual Pesticide Discharges To Waters Of The United States From Vector Control Applications. July 2. Available online at http://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2014/wqo2014_0106_dwq_redline.pdf.
- California State Water Resources Control Board (SWRCB). 2016. MCL Review in Response to PHGs. Available online at http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/MCLReview2016.shtml.
- Mosquito and Vector Control Association of California NPDES Permit Coalition. 2013. MVCAC NPDES Permit Coalition 2011/2012 Annual Report, NPDES Vector Control Permit (Order No. 2012-0003-DWQ). February 22. Available online at http://www.waterboards.ca.gov/water_issues/programs/npdes/pesticides/docs/vectorcontrol/mvcac_2012.pdf.
- Phillips, B.M, B.S. Anderson, J.P. Voorhees, K. Siegler, L. Jennings, M. Peterson, R.S. Tjeerdema, D. Denton, P. TenBrook, K. Larsen, and P. Isorena. 2013. General Pesticide Permit Toxicity Study: Monitoring Aquatic Toxicity of Spray Pesticides to Freshwater Organisms. Draft Final Report. Prepared by University of California, Davis, Department of Environmental Toxicology, United States Environmental Protection Agency, and California State Water Resources Control Board for California State Water Resources Control Board, Agreement Number 10-102-270. July. Available online at http://www.waterboards.ca.gov/water_issues/programs/npdes/pesticides/docs/vectorcontrol/vcp_tox_study_draft_final_july2013.pdf.

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June 13, 2016

The Honorable Assembly Member Luis Alejo, Chair
Assembly Environmental Safety & Toxic Materials Committee
Legislative Office Building
1020 N Street, Room 171
Sacramento, CA 95814

**RE: SB 163 (Hertzberg): Recycled Water Mandate for Ocean and Bay
Dischargers — OPPOSE**

Dear Assembly Member Hertzberg

On behalf of North Marin Water District (NMWD), I am writing to express our strong opposition to SB 163 (Hertzberg), which would require ocean and bay dischargers to achieve a 50% beneficial reuse of discharge by 2033 and 100% beneficial reuse by 2036; and require water agencies to develop expansive additional distribution and storage infrastructure to deliver the reused water.

This bill also seeks to amend the California Constitution by drastically redefining "waste and unreasonable use" to include any ocean discharge as well as the failure of local water suppliers to accept treated wastewater made available to that supplier for specified uses. This approach fails to consider the dramatic variances among watersheds and regions or operational realities. This mandate would constrain local agency decision-making authority and force agencies to prioritize resources for water reuse over public health, environmental preservation, and other local priorities and negatively impact existing water reuse efforts.

NMWD has expended over \$21M to date on a local recycled water system to offset potable water used for landscape irrigation in Novato and expects to expend another \$11M in expanding that system. These costs are above those expended by Novato Sanitary District and Las Gallinas Valley Sanitary District on necessary recycled water treatment facilities. These facilities were developed pursuant to a local comprehensive recycled water master plan. While NMWD supports the robust development of water reuse projects as part of a comprehensive framework to secure California's water reliability, SB 163 is a fundamentally flawed, top down approach. The cost of implementing this bill in the NMWD service area has not yet

been estimated but would ultimately be borne by local ratepayers as the bill provides no financial mechanism to assist agencies with compliance.

For these reasons, NMWD opposes SB 163 and respectfully urges you to vote "NO" on the bill when it is heard by the Assembly Environmental Safety & Toxic Materials Committee.

Sincerely,



Chris DeGabriele
General Manager
North Marin Water District

Cc:

Senator Robert Hertzberg
Assembly Member Marc Levine
Assembly Member Brian Dahle
Assembly Member James Gallagher
Assembly Member Lorena Gonzales
Assembly Member Adam Gray
Assembly Member Kevin McCarty
Assembly Member Philp Ting
Wendy Ridderbusch, ACWA Director of State Relations

Santa Rosa water restrictions end for city residents

GUY KOVNER

THE PRESS DEMOCRAT | June 15, 2016, 9:07PM

Santa Rosa residents are out from under local water-saving mandates imposed two years ago in the grip of a nagging drought, thanks to an abundant water supply behind Warm Springs Dam at Lake Sonoma, officials said Wednesday.

Based on assurances that the reservoir behind the taxpayer-funded, \$360 million dam west of Healdsburg can sustain 600,000 Sonoma and Marin county residents for three more potentially dry years, the City Council rescinded, effective immediately, the mandatory curbs on outdoor water use adopted in August 2014.

The council's action followed last month's ruling by the State Water Resources Control Board that local agencies with a three-year water supply could be exempted from state water conservation targets. Santa Rosa and five other Sonoma County water providers met that requirement, the Sonoma County Water Agency said at the time.

On Wednesday, the water agency confirmed in a forecast to the state water board that Lake Sonoma would hold a healthy 178,398 acre feet of water at the end of September in 2019, after three rain-poor years comparable to 2013 through 2015.

Brad Sherwood, the water agency's spokesman, said the report "illustrates our region's ability to meet water supply demands" over a three-year drought.

Gone are the city conservation target of reducing water use by 20 percent and the state goal of 16 percent reduction, the latter with civil liabilities of up to \$10,000 a day for failing to meet the mark.

But while the city of Santa Rosa canceled all of its water-use restrictions, state water regulations still prohibit runoff from outdoor irrigation, use of free-flowing hoses for washing cars and several other targeted uses.

Jennifer Burke, the deputy director of water resources for Santa Rosa, said the city's 53,000 residential and commercial water customers had reduced water consumption by 25 percent since June 2015 by embracing a host of conservation measures.

By tearing out 25 football fields' worth of lawns, installing 5,500 ultra-efficient toilets and other drought-fighting tactics, Santa Rosans saved enough water to cover 4,500 football fields with a foot of water each year.

"We have to be incredibly grateful to our community," Burke said, expressing hope that the community's water-wise ways have become habitual. "We would always ask our customers to do everything they can to eliminate water waste."

The city "cash for grass" program, which offers a 50-cent-per-square-foot rebate for residents who replace their lawns with low-water-use landscaping, is still in effect, she said. State rebates of up to \$1.50 per square foot are available as well, she said.

Since 2014, the city rebate program has replaced nearly 1.2 million square feet of lawn, and dating back to the pre-drought year of 2009, when the program was started, the total exceeds 3.2 million square feet.

But the water savings also comes with a hit to residents' wallets, amounting to an additional \$1 on monthly water bills for the average customer, starting July 1, officials said.

The bump is due to the city's passing on to customers part of a nearly 6 percent increase in the wholesale cost of water charged by the Sonoma County Water Agency. Santa Rosa water customers, as well as those in Petaluma, Rohnert Park, Windsor, Sonoma, Cotati and those served by the Valley of the Moon Water District, are seeing rate increases of up to \$2 due to the wholesale price increase.

Wholesale rates are rising 6 percent to 7 percent due to a loss in revenue from water conservation, water agency officials said. The system's costs remain fixed in the face of reduced consumption, they said.

Santa Rosa water customers are also getting hit with the first in a five-year schedule of water rate increases approved by the council in December and intended to cover system costs, with no relation to the drought or water conservation.

That increase, also effective July 1, will add 54 cents to the average resident's monthly water and sewer bill, bumping the total — including sewer rate hikes — from \$125.26 to \$128.31, a 2.4 percent increase.

You can reach Staff Writer Guy Kovner at 521-5457 or guy.kovner@pressdemocrat.com.

North Bay Water Reuse Authority awarded over \$4.7 million in federal funding to expand local water projects

Funding will support efforts to address critical water supply shortages with recycled water in the North Bay region

Santa Rosa, CA. >>> The North Bay Water Reuse Authority (NBWRA/Program) has been awarded a grant from the Department of Interior's Bureau of Reclamation, who announced today they would invest \$30 million from their *WaterSMART* program for seven projects that will provide recycled water to California communities and promote water and energy efficiency.

The NBWRA is an organization of water and wastewater agencies working together on regional water recycling projects in the North Bay region of Napa, Sonoma and Marin counties. The NBWRA Program will receive over \$4.7 million to provide recycled water for agricultural, environmental, industrial, and landscape uses throughout the three counties. The Program reduces both reliance on local and imported surface water and groundwater supplies, and reduces the amount of treated effluent released to San Pablo Bay and its tributaries.

Agencies and projects being funded include:

- Novato Sanitary District and North Marin Water District to complete the Novato Central Service Area Treatment Plant Expansion and Distribution Project.
- The Las Gallinas Valley Sanitary District and Marin Municipal Water District (MMWD) to replace an aging MMWD facility and provide a resilient water supply.
- Sonoma Valley County Sanitation District to provide improvements and efficiency of the treatment facilities and distribution system in Sonoma County.

"The North Bay Water Reuse Authority is leading the way when it comes to finding the long-term, science-based solutions we need to address our ongoing drought," said Rep. Thompson. "By recycling and reusing our water supply, we can help offset our drought-induced water shortages in a big way. I'm proud to have been able to help secure the federal funds needed to move these important projects forward."

"Even after El Nino, we still have plenty of work to do to improve regional water resilience, and the North Bay Water Reuse Authority's work is a proven way for us to improve our water reliability," said Rep. Huffman. "Making sure these investments get the federal support they need is vital to our ability to respond to the challenges of drought and climate change."

"We're excited to receive this Title XVI grant and grateful for the continued support of Congressman Thompson and Congressman Huffman," said Supervisor David Rabbitt, Chair of the North Bay Water Reuse Authority. "The North Bay Water Reuse Program leverages funds and has been successful through the ongoing cooperation and collaboration at the federal, state, and local level by taking a unique watershed approach to recycled water that builds resiliency and strengthens our overall water supply."

The Bureau of Reclamation news release about *WaterSMART* awards can be found at <http://www.usbr.gov/newsroom/newsrelease/detail.cfm?RecordID=55029>

For more information about the North Bay Water Reuse Authority, visit <http://www.nbwra.org/>

To learn more about *WaterSMART*, please visit <http://www.usbr.gov/WaterSMART>.