



**NORTH MARIN
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
June 28, 2016 – 7:00 p.m.
Dance Palace
503 B Street
Point Reyes Station, California**

Information about and copies of supporting materials on agenda items are available for public review at 999 Rush Creek Place, Novato, at the Reception Desk, or by calling the District Secretary at (415) 897-4133. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.

| Est. Time | Item | Subject |
|----------------------|---|-----------------------------------|
| 7:00 p.m. | CALL TO ORDER | |
| | 1. GENERAL MANAGER'S REPORT | |
| | 2. 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. | |
| | 3. STAFF/DIRECTORS REPORTS | |
| | 4. PUBLIC HEARING/APPROVE: | |
| | 1. West Marin Water Rate Increase | |
| | 2. West Marin Water FY 2016/2017 Budget | Resolution |
| | 5. PUBLIC HEARING/APPROVE: | |
| | 1. Ocean Marin Sewer Service Charge Increase | |
| | 2. Oceana Marin Sewer Connection Fee Increase | |
| | 3. Oceana Marin Sewer FY17 Budget | Ordinance/Resolution |
| | INFORMATION - WEST MARIN | |
| | 6. West Marin Capital Improvements Projects - FY15-16 Preliminary Year-End Progress Report | |
| | 7. Pt. Reyes System Overview – Focus on Water Quality | |
| | CONSENT CALENDAR | |
| | The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person. | |
| | | <u>Type</u> <u>DU</u> <u>EU</u> |
| | 8. Consent – Approve Shell Station Remodel – 7473 Redwood Blvd | Comm. - 4 Resolution |
| | 9. Consent – Approve: Redwood Landfill Gas to Energy Project | Comm. - 0 Resolution |
| | 10. Consent – Approve: Contract for Drafting Services – Aberegg | |
| | 11. MISCELLANEOUS | |
| | Disbursements | |
| | <u>News Articles:</u> | |
| | Ultrasonic meters help Stinson save water | |
| 8:15 p.m. | 12. ADJOURNMENT | |

All times are approximate and for reference only.

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

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MEMORANDUM

To: Board of Directors

June 24, 2016

From: David L. Bentley, Auditor-Controller

Subj: Public Hearing/Approve – West Marin Water FY 2016/2017 Budget

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RECOMMENDED ACTION: 1) Approve the Proposed Rate Increase;
2) Approve the Proposed FY17 Budget

FINANCIAL IMPACT: 1) Rate Increase Would Generate \$40,000 in Annual Revenue;
2) FY17 Budgeted Expenditure Plan of \$1,265,000

Following for your third review, public hearing and approval is the proposed FY2016/2017 (FY17) Budget for the West Marin Water System.

WATER RATE INCREASE: A public hearing to consider adoption of a proposed increase in the cost of water which averages 5% for both the typical residential and non-residential customer, effective July 1, 2016, is scheduled for June 28 at 7:00 PM. Customers were notified individually of the proposed rate increase by letter dated May 13, 2016 (included on page 10 of the budget document) and a notice of the Public Hearing was published in the June 23 edition of the Point Reyes Light (Attachment A), extending an invitation to attend the hearing and/or exercise the right to protest the proposed increase. A customer protest of 50% plus one would invalidate the proposed increase.

The outreach to customers generated one phone call and one letter. The caller expressed confusion about the 7% commodity rate increase, and the 5% increase in the total cost of water. Staff explained that the water bill includes a fixed service charge component that is not proposed to increase. The customer letter follows this memorandum.

After Staff's presentation on the proposed water rate increase and budget, public comment can be taken. Attachment B is a draft of Regulation 54 incorporating the proposed changes in strike-out mode for easy reference.

FY17 BUDGET: Since the Board's June 21 review, the FY17 revenue projection was reviewed, fine-tuned, and reduced \$30,000. No other changes to the proposed budget were made.

RATE INCREASE PROPOSAL DETAIL

A 5% increase for the typical residential customer is recommended, comprised of a 7% commodity rate increase and no increase in the bimonthly service charge, which stands at \$30 bimonthly for the typical customer with a 5/8" meter (with the exception that Paradise Ranch Estates customers pay \$46 as their service charge includes the cost of amortizing the \$14,000

annual revenue bond debt service applicable exclusively to customers residing within the PRE subdivision). The proposed West Marin Water increase would total \$32 annually (\$2.67 per month) for the typical residential customer. If enacted, the proposed increase is budgeted to generate \$40,000 in additional in revenue next fiscal year (see Rate Increase Analysis on page 6 of the budget document).

| | |
|-----------------------------------|-----------------|
| Commodity Rate Increase | \$40,000 |
| Bimonthly Service Charge Increase | 0 |
| Total | <u>\$40,000</u> |

Annual 5% increases are included in the 5-year financial plan for FY18 and beyond (see page 4) to help pay for \$5.7 million in capital improvement projects scheduled to be constructed over the next five years.

CONNECTION FEES

The \$22,800 connection fee for West Marin Water was increased in August 2009 and phased-in over two years. One new connection is budgeted for West Marin Water next fiscal year. In November 2014 the Board reviewed this charge based on the updated West Marin Water Master Plan, and found the existing connection fee adequate.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

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

- \$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.

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.

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 \$406,000. 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. A history of West Marin Water system growth is shown graphically on page 7.

FY17 water sales volume is budgeted to increase 3% compared with the current year estimated actual. Unlike the current fiscal year, FY17 will not include mandatory water use restrictions, and normal rainfall is assumed. The West Marin system is projected to consume 62 million gallons (MG) next year, compared to 60MG estimated for the current fiscal year. 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. Historical consumption data is shown on page 8.

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 9. The 2016 update of the Coastal Area Annual Water Cost Comparison (page 13) shows that, even with the proposed 5% rate increase, the water cost for NMWD's West Marin customers remains below that paid by the customers of the other seven coastal agencies surveyed.

STAFF RECOMMENDATION

After closing the public hearing:

1. Approve Resolution 16-XX (Attachment C) amending Regulation 54 pertaining to Water Rates and Charges to reflect an increase averaging 5% for the typical residential customer in the West Marin Water Service Area effective July 1 of 2016;
2. Adopt the FY17 West Marin Water System Budget as presented;
3. Authorize the General Manager to pay demands arising from execution of the budgeted FY17 West Marin Water expenditure plan.

RECEIVED

MAY 19, 2016

MAY 27 2016

North Marin Water District

RE: WRITTEN protest to WEST MARIN WATER
RATES INCREASES SET FOR 7/1/2016

c/o District SECRETARY

PLEASE FILE/RECORD the ABOVE protest ON
BEHALF OF:

JOSEPH & CAROL WATT
9940-9960-9980 STATE ROUTE ONE
A/C # 2034901

REGARDS,

Joseph A. Watt

**PROOF OF PUBLICATION
(2015.5 CCP)**

This space is for the County Clerk's Filing Stamp

**STATE OF CALIFORNIA
County of Marin**

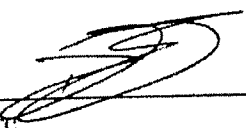
I am a citizen of the United States and a resident of the county aforesaid. I am over the age of eighteen years, and not a party to or interest in the above-entitled matter. I am the publisher of the Point Reyes Light, a newspaper of general circulation, printed and published in the town of Point Reyes Station, County of Marin and which newspaper has been adjudged a newspaper for general circulation by the Superior Court of the County of Marin, State of California, under the date April 26, 1949, Case Number 183007; that the notice of which annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates to wit:

6/23/16

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date at Inverness, California, this

6/23/16



Signature

Proof of Publication

See Attached

**PUBLIC HEARING NOTICE
PROPOSED NORTH MARIN WATER DISTRICT WATER RATE INCREASE**

Purpose: Consider FY 2016/17 Budget and Proposed Rate Increase
Impact Area: West Marin Water Service Area
Date and Time: Tuesday, June 28, 2016 at 7:00 p.m.
Place: Dance Palace, 503 B Street, Point Reyes Station, CA

BACKGROUND: Water meters are read and customers receive a bill bimonthly. The bill is comprised of 1) a "Water Use Charge" that is determined by multiplying a commodity rate times water use measured in thousand gallon units; and 2) a bimonthly "Service Charge" -- currently \$30 for the typical residential water meter. The West Marin water service area is comprised of 779 metered services distributed over five rate zones based upon elevation and tax rate area. Customers residing within a higher elevation zone pay a correspondingly higher commodity rate, or "Hydraulic Zone Charge," designed to recover the incremental cost of energy and maintenance for pumping water into each elevation zone.

| PROPOSED | | | |
|---|-----------------|-----------------|-------------------|
| West Marin Water System Rate Changes | | | |
| EFFECTIVE JULY 1, 2016 | | | |
| BIMONTHLY MINIMUM SERVICE CHARGE | Existing | Proposed | % Increase |
| For 5/8 x 3/4-inch meter..... | \$30.00 | \$30.00 | 0% |
| For 1-inch residential meter for fire service..... | \$34.00 | \$34.00 | 0% |
| For 1-inch meter..... | \$60.00 | \$60.00 | 0% |
| For all meters in Paradise Ranch Estates..... | \$46.00 | \$46.00 | 0% |
| QUANTITY CHARGE | | | |
| <u>Residential Rate Per Dwelling Unit</u> | | | |
| First 400 gallons per day..... | \$7.61 | \$8.14 | 7% |
| From 401 to 900 gallons per day..... | \$10.54 | \$11.28 | 7% |
| From 901+ gallons per day..... | \$16.91 | \$18.09 | 7% |
| <u>Commercial, Institutional & Irrigation Rate</u> | | | |
| November 1 through May 31..... | \$7.69 | \$8.23 | 7% |
| June 1 through October 31..... | \$10.64 | \$11.38 | 7% |
| PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL | | | |
| <u>Zone</u> | | | |
| 1 Point Reyes Station..... | \$0.00 | \$0.00 | 0% |
| 2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365')..... | \$0.20 | \$0.21 | 7% |
| 3 Olema..... | \$0.75 | \$0.80 | 7% |
| 4 Upper Paradise Ranch Estates (Elevation 365'+)..... | \$5.08 | \$5.44 | 7% |
| Additional Commodity Rate for Consumers Outside the Improvement District Boundary..... | \$3.05 | \$3.26 | 7% |

EFFECTIVE DATE: The increases are proposed to be effective July 1, 2016.

IMPACT: The proposed increases would add \$2.67 per month (\$32 annually) to the cost of water for the typical (median) residential customer who consumes 55,400 gallons of water annually. Those using less than the median will see an increase less than \$32 annually, and those using more will pay more.

WHY ARE RATES BEING INCREASED?

The District's mission is to provide an adequate supply of safe, reliable and high-quality water at reasonable cost consistent with good conservation practices and minimum environmental impact. Maintaining and renovating the infrastructure of the 95-year-old rural West Marin Water System is expensive. Today the system includes 25 miles of pipeline, over 1 million gallons of finished water storage distributed across 13 tanks, 7 pump stations, 168 fire hydrants, a multitude of valves, 3 wells, and a water treatment plant, all designed to serve 779 customers. Sufficient revenue to finance the ongoing system operation and renovation must be generated.

HOW TO PARTICIPATE: You are cordially invited to attend the hearing and present oral or written testimony on the proposal. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners or customers, the proposed increases will not be imposed. Your written protest must be received prior to the close of the June 28, 2016 public hearing. Written protests must be signed by the property owner or customer of record and must include the parcel number or NMWD account number. Send or deliver written protests to: District Secretary, North Marin Water District, PO Box 146, Novato, CA 94948.

ADDITIONAL INFORMATION: For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (800) 464-6693.

DRAFT

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

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

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

| <u>A BI-MONTHLY SERVICE CHARGE OF:</u> | Rate Effective <u>6/1/13</u> |
|---|---------------------------------|
| Standard 5/8 inch meter | \$30.00 |
| For 1-inch meter* | \$60.00 |
| 1.5-inch meter* | \$73.00 |
| 2-inch meter | \$114.00 |
| 3-inch meter | \$227.00 |
| 4-inch meter | \$364.00 |
| 6-inch meter | \$761.00 |
| 8-inch meter | \$1,134.00 |
| *(see paragraph f) | |

| <u>PLUS A QUANTITY CHARGE OF:</u> | Rate Effective <u>6/1/16</u> |
|--|---------------------------------|
| <u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u> | |
| First 615 gallons per day (gpd) | \$4.77 |
| 616 up to 1,845 gpd..... | \$7.61 |
| Use in excess of 1,845 gpd | \$13.25 |

| | |
|--|--------|
| <u>Rate for 1,000 Gal for All Other Potable Water Accounts</u> | |
| Commercial, Institutional & Irrigation Accounts - 11/1 – 5/31 | \$5.26 |
| Commercial, Institutional & Irrigation Accounts - 6/1 – 10/31 | \$5.65 |

| | |
|---|--------|
| <u>Rate For 1,000 Gallons For Non-Potable Water</u> | |
| Recycled Water | \$5.26 |
| Raw (Untreated) Water from Stafford Lake..... | \$2.17 |

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

| <u>Zone</u> | <u>Elevation</u> | Rate Effective <u>6/1/16</u> |
|-------------|--------------------------|---------------------------------|
| A | 0 through 60 feet | \$0.00 |
| B | 60 feet – 200 feet | \$0.57 |
| C* | 200 feet + | \$1.83 |

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

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

NMWD Regulation 54, adopted 1/65
 Revised: 1/67, 6/67, 1/71, 3/72, 2/74, 5/74, 6/74, 8/75, 3/75, 4/76, 5/77, 7/77, 6/78, 7/78, 7/78, 7/79, 3/80, 7/7/81, 7/21/81, 11/81, 12/82, 4/84, 2/87, 5/88, 7/89, 9/89, 7/90, 8/90, 3/91, 4/92, 6/92, 7/92, 9/92, 10/92, 3/93, 7/93, 7/94, 8/94, 11/94, 3/95, 4/95, 7/95, 2/96, 5/96, 6/96, 2/97, 6/97, 2/98, 6/98, 7/99, 6/00, 7/00, 12/00, 06/01, 07/01, 1/02, 06/02, 7/02, 06/03, 01/04, 06/04, 07/04, 6/05, 7/05, 06/06, 07/06, 07/07, 6/08, 7/08, 7/09, 6/10, 7/10, 6/11, 7/11, 9/11, 7/12, 6/13, 7/14, 5/15, 5/15, 5/16

- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the Greater Novato Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the liquidated damages assessed by the Sonoma County Water Agency pursuant to the water shortage and apportionment provisions of the Restructured Agreement for Water Supply. The Drought Surcharge shall be a quantity charge for each 1,000 gallons of potable water use as follows:

Residential Accounts: Use in excess of 300 gallons per day \$1.00

Commercial, Institutional and Irrigation Accounts: All Use \$1.00

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

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

Size of Detector Assembly

| | Rate Effective <u>6/1/13</u> |
|-----------------------|---------------------------------|
| 2 inches or less..... | \$15.00 |
| 4 inches | \$28.00 |
| 6 inches | \$54.00 |
| 8 inches | \$83.00 |
| 10 inches | \$109.00 |

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

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

| <u>BI-MONTHLY SERVICE CHARGE</u> | Rate Effective <u>7/1/13</u> |
|--|---------------------------------|
| For 5/8 x 3/4-inch meter | \$30.00 |
| For 1-inch meter*..... | \$60.00 |
| For 1 1/2-inch meter*..... | \$73.00 |
| For 2-inch meter | \$114.00 |
| For 3-inch meter | \$227.00 |
| For 4-inch meter | \$364.00 |
| For all meters in Paradise Ranch Estates | \$46.00 |
| *(see paragraph f) | |

PLUS A QUANTITY CHARGE OF:

| <u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u> | Rate Effective <u>7/1/15</u> |
|--|---------------------------------|
| First 400 gallons per day (gpd)..... | \$7.618.14 |
| 401 up to 900 gpd..... | \$10.5411.28 |
| Use in excess of 900 gpd..... | \$16.9418.09 |

Rate Per 1,000 Gallons for All Other Accounts

| | |
|--|--------------|
| Commercial, Industrial and Irrigation Accounts Nov 1 – May 31 | \$7.698.23 |
| Commercial, Industrial and Irrigation Accounts June 1 – Oct 31 | \$10.6411.38 |

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

| <u>Zone</u> | <u>Hydraulic Zone</u> | <u>Rate Effective</u> <u>7/1/1516</u> |
|-------------|---|--|
| 1 | Point Reyes Station | \$0.00 |
| 2 | Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0'-365')..... | \$0.20 \$0.2021 |
| 3 | Olema | \$0.75 \$0.7580 |
| 4 | Upper Paradise Ranch Estates (Elevation 365'+) | \$5.08 \$5.44 |

- (2) Effective July 1, 2015-2016, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of \$0.43-46 per 1,000 gallons.
- (3) Effective July 1, 2015-2016 consumers outside the Improvement District boundary shall pay an additional \$3.053.26 per 1,000 gallons.
- (4) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek, pursuant to the Interconnection Agreement between Marin Municipal and NMWD. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:

Residential Accounts: Use in excess of 200 gallons per day\$2.50
 Commercial, Institutional and Irrigation Accounts: All Use\$2.50

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

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for use through a fire service meter.

| <u>Novato Service Area</u> | <u>Rate Effective</u> <u>6/1/16</u> |
|------------------------------|--|
| For each 1,000 gallons | \$7.48 |

| <u>West Marin Service Area</u> | <u>Rate Effective</u> <u>7/1/1516</u> |
|--------------------------------|--|
| For each 1,000 gallons | \$15.72 \$16.82 |

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

e. Service Arrangements Requiring Assessment of Additional Service Charge, All Service Areas

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

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

| | <u>Rate Effective</u> <u>6/1/13</u> |
|--|--|
| Where a meter larger than is otherwise required is installed solely to provide capacity for private fire sprinklers or other firefighting equipment in single-family residential connections the minimum bi-monthly service charge shall be: | \$34.00 |

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

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

District Owned DCV Devices:

| Services Performed by District | Size | Rate Effective <u>6/1/13</u> |
|--------------------------------|-----------------|---------------------------------|
| Testing, Repair, Replacement | 3/4" + 1" | \$12.00 |
| Testing, Repair, Replacement | 1 1/2" | \$16.00 |

Privately Owned DCV Devices:

| Services Performed by District | Size | Rate Effective <u>6/1/13</u> |
|--------------------------------|-----------------|---------------------------------|
| Testing | 3/4" + 1" | \$7.00 |
| Testing | 1 1/2" | \$12.00 |
| Testing | 2" | \$19.00 |
| Testing | 3" + 4" | \$28.00 |

District Owned RPP Devices:

| Services Performed by District | Size | Rate Effective <u>6/1/13</u> |
|--------------------------------|-------------------|---------------------------------|
| Testing, Repair, Replacement | 3/4" + 1" | \$34.00 |
| Testing, Repair, Replacement | 1 1/2" + 2" | \$48.00 |
| Testing, Repair, Replacement | 3" + 4" | \$114.00 |
| Testing, Repair, Replacement | 6" + 8" | \$247.00 |

Privately Owned RPP Devices:

| Services Performed by District | Size | Rate Effective <u>6/1/13</u> |
|--------------------------------|-------------------|---------------------------------|
| Testing | 3/4" + 1" | \$13.00 |
| Testing | 1 1/2" + 2" | \$25.00 |
| Testing | 3" + 4" | \$52.00 |
| Testing | 6" + 8" | \$101.00 |

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

(2) Exemptions

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

| | Rate Effective <u>6/1/13</u> |
|---|---------------------------------|
| Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of: | \$2.80 |

RESOLUTION 16-XX

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
AMENDING REGULATION 54 – WATER RATES**

WHEREAS, the Board of Directors hereby finds and determines that certain of the water rates and charges adjusted herein or previously adopted by the Board are imposed based on the supply of water to be used or consumed by the customer. The Board of Directors also finds and determines that these rates and charges are not imposed upon real property or upon a person as an incident of property ownership, and such rates or charges may be reduced or avoided by a customer by reducing or discontinuing water use; and

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 54 of the North Marin Water District is adopted as follows, effective July 1, 2016:

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

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

| <u>BI-MONTHLY SERVICE CHARGE</u> | Rate Effective <u>7/1/13</u> |
|--|---------------------------------|
| For 5/8 x 3/4-inch meter | \$30.00 |
| For 1-inch meter*..... | \$60.00 |
| For 1 1/2-inch meter*..... | \$73.00 |
| For 2-inch meter | \$114.00 |
| For 3-inch meter | \$227.00 |
| For 4-inch meter | \$364.00 |
| For all meters in Paradise Ranch Estates | \$46.00 |

*(see paragraph f)

PLUS A QUANTITY CHARGE OF:

| <u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u> | Rate Effective <u>7/1/16</u> |
|--|---------------------------------|
| First 400 gallons per day (gpd)..... | \$8.14 |
| 401 up to 900 gpd..... | \$11.28 |
| Use in excess of 900 gpd..... | \$18.09 |

Rate Per 1,000 Gallons for All Other Accounts

| | |
|--|---------|
| Commercial, Industrial and Irrigation Accounts Nov 1 – May 31 | \$8.23 |
| Commercial, Industrial and Irrigation Accounts June 1 – Oct 31 | \$11.38 |

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

| <u>Zone</u> | <u>Hydraulic Zone</u> | Rate Effective <u>7/1/16</u> |
|-------------|--|---------------------------------|
| 1 | Point Reyes Station | \$0.00 |
| 2 | Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0'–365')..... | \$0.21 |

| | | |
|---|---|--------|
| 3 | Olema..... | \$0.80 |
| 4 | Upper Paradise Ranch Estates (Elevation 365'+)..... | \$5.44 |

- (2) Effective July 1, 2016, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of \$0.46 per 1,000 gallons.
- (3) Effective July 1, 2016 consumers outside the Improvement District boundary shall pay an additional \$3.26 per 1,000 gallons.
- (4) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek, pursuant to the Interconnection Agreement between Marin Municipal and NMWD. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:
 - Residential Accounts: Use in excess of 200 gallons per day\$2.50
 - Commercial, Institutional and Irrigation Accounts: All Use\$2.50

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

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for use through a fire service meter.

| | |
|--------------------------------|----------------|
| <u>West Marin Service Area</u> | Rate Effective |
| | <u>7/1/16</u> |
| For each 1,000 gallons | \$16.82 |

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

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the twenty-eighth of June 2016, by the following vote:

AYES: Directors
 NOES:
 ABSENT:
 ABSTAINED:

Katie Young, District Secretary
 North Marin Water District

(SEAL)

Proposed

BUDGET

Final Review/Public Hearing

West Marin Water

FISCAL YEAR

2016-17

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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WEST MARIN WATER

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PROPOSED CAPITAL IMPROVEMENT PROJECTS
West Marin Water

6/23/16

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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 |
| 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 |
| NET PROJECT OUTLAY | \$305,000 | \$220,000 | \$625,000 | \$225,000 | \$345,000 | \$250,000 | \$250,000 |
| Total Number of District Projects | 5 | 6 | 3 | 5 | 3 | 3 | 1 |

PROPOSED CAPITAL IMPROVEMENT PROJECTS
West Marin Water

6/23/16

t:\a\excel\budget17\5 yr cip fy17.xlsx]5 yr ip

| | FY16 Budget | FY16 Est Actual | FY17 | FY18 | FY19 | FY20 | FY21 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 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 | \$405,000 | \$320,000 | \$726,000 | \$324,000 | \$485,000 | \$586,000 | \$573,000 |
| 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 FY19 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 | \$771,000 | \$712,000 | \$777,000 |
| 2 | 7,000 | 7,000 | 7,000 |
| 3 | \$778,000 | \$719,000 | \$784,000 |
| OPERATING EXPENDITURES | | | |
| 4 | \$22,000 | \$20,000 | \$24,000 |
| 5 | 37,000 | 26,000 | 38,000 |
| 6 | 42,000 | 43,000 | 46,000 |
| 7 | 147,000 | 144,000 | 134,000 |
| 8 | 140,000 | 108,000 | 120,000 |
| 9 | 23,000 | 24,000 | 26,000 |
| 10 | 20,000 | 7,000 | 21,000 |
| 11 | 73,000 | 61,000 | 81,000 |
| 12 | 190,000 | 190,000 | 180,000 |
| 13 | \$694,000 | \$623,000 | \$670,000 |
| 14 | \$84,000 | \$96,000 | \$114,000 |
| NON-OPERATING REVENUE/(EXPENSE) | | | |
| 15 | \$48,000 | \$47,000 | \$45,000 |
| 16 | 4,000 | 4,000 | 4,000 |
| 17 | 6,000 | 9,000 | 5,000 |
| 18 | (34,000) | (37,000) | (36,000) |
| 19 | (35,000) | (28,000) | (58,000) |
| 20 | (\$11,000) | (\$5,000) | (\$40,000) |
| 21 | \$73,000 | \$91,000 | \$74,000 |
| OTHER SOURCES/(USES) OF FUNDS | | | |
| 22 | \$190,000 | \$190,000 | \$180,000 |
| 23 | 23,000 | 0 | 23,000 |
| 24 | (625,000) | (220,000) | (305,000) |
| 25 | (67,000) | (63,000) | (64,000) |
| 26 | (\$479,000) | (\$93,000) | (\$166,000) |
| 27 | (\$406,000) | (\$2,000) | (\$92,000) |

WEST MARIN WATER

5-Year Financial Forecast

| # | BASIC DATA | 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 | \$9.10 | \$9.74 | \$10.42 | \$11.15 | \$11.93 | \$12.77 |
| 3 | Potable Consumption (MG) | 78 | 64 | 60 | 62 | 64 | 65 | 65 | 65 |
| INCOME | | | | | | | | | |
| 4 | Commodity Charge | \$633,904 | \$562,195 | \$545,000 | \$604,000 | \$667,000 | \$725,000 | \$776,000 | \$830,000 |
| 5 | Bimonthly Service Charge | 169,038 | 166,938 | 167,000 | 167,000 | 179,000 | 192,000 | 206,000 | 221,000 |
| 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 | 1,000 | 1,000 | 0 |
| 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 | \$779,000 | \$859,000 | \$933,000 | \$1,002,000 | \$1,069,000 | \$1,139,000 |
| 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 | \$218,000 | \$219,000 | \$310,000 | \$322,000 | \$177,000 | \$243,000 |
| 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 | 0 | 600,000 | 2,800,000 | 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 | (\$2,000) | (\$406,000) | (\$540,000) | (\$23,000) | (\$73,000) | (\$7,000) |
| CASH BALANCE | | | | | | | | | |
| 21 | Operating Reserve | \$0 | \$188,241 | \$406,000 | \$602,000 | \$63,000 | \$40,000 | \$0 | \$0 |
| 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 | 66,000 | 74,000 |
| 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 | \$1,138,000 | \$732,000 | \$192,000 | \$169,000 | \$96,000 | \$89,000 |
| 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 7% is proposed effective 7/1/16. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 62MG in FY16, 64MG in FY17, and 65MG annually thereafter.
- 4 Average Commodity Rate multiplied by Potable Consumption.
- 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 FY17.
- 14 FY16 Includes \$28K for Gallagher Well #2 Hydrologic Study. FY17 includes \$35K to Digitize the WM Water Facility Maps.
- 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. FY13 incorporates repayment of a \$1 million bank loan to finance construction of a Solids Handling Facility. FY19 includes debt service on \$600K loan to finance completion of Solids Handling Facility, and FY20 includes debt service on \$2.8M to finance the TP Rehab.
- 16 Total Expenditures excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 18 FY14 & FY15 \$1.4M Gallagher Pipeline grant; FY19 \$600,000 loan to complete the Solids Handling and PRE Storage projects; FY20 \$2.8M for TP Rehab.
- 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.

5

West Marin Water Rate Increase Analysis

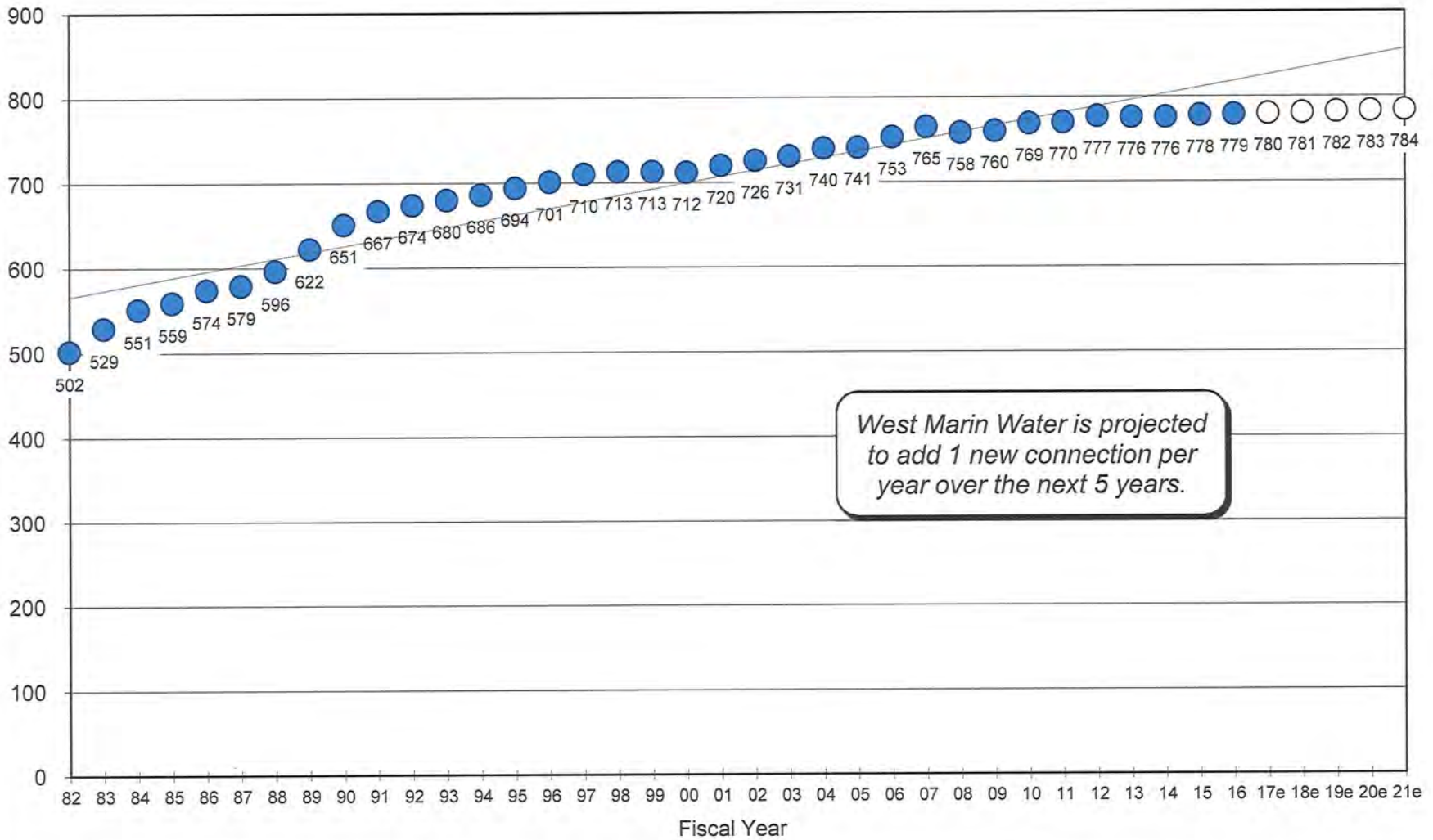
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4/22/16

Annual Residential Impact (based on 55,400 gallons water use)

| | | Commodity Rate | Annual Use | + | Annual Service | + | Annual Tax | = | Total Annual | Annual Increase | |
|--|----------|-------------------|---------------|---|-------------------|---|---------------|---|-----------------|-----------------|------|
| | | | | | | | | | | \$ | % |
| Point Reyes Station | Current | \$7.61 | \$422 | + | \$180 | + | \$57 | = | \$658 | | |
| | Proposed | \$8.14 | \$451 | + | \$180 | + | \$57 | = | \$688 | \$29 | 4.5% |
| Inverness Park, Bear Valley, Silver Hills | Current | \$7.81 | \$433 | + | \$180 | + | \$57 | = | \$669 | | |
| | Proposed | \$8.35 | \$463 | + | \$180 | + | \$57 | = | \$699 | \$30 | 4.5% |
| Olema | Current | \$8.36 | \$463 | + | \$180 | + | \$0 | = | \$643 | | |
| | Proposed | \$8.94 | \$495 | + | \$180 | + | \$0 | = | \$675 | \$32 | 5.0% |
| PRE Zone A | Current | \$7.81 | \$433 | + | \$276 | + | \$0 | = | \$709 | | |
| | Proposed | \$8.35 | \$463 | + | \$276 | + | \$0 | = | \$739 | \$30 | 4.2% |
| PRE Zone B | Current | \$12.69 | \$703 | + | \$276 | + | \$0 | = | \$979 | | |
| | Proposed | \$13.58 | \$752 | + | \$276 | + | \$0 | = | \$1,028 | \$49 | 5.0% |
| Outside Services | Current | \$10.66 | \$591 | + | \$180 | + | \$0 | = | \$771 | | |
| | Proposed | \$11.40 | \$632 | + | \$180 | + | \$0 | = | \$812 | \$41 | 5.3% |
| Weighted Average | Current | \$8.38 | | | | | | | \$701 | | |
| | Proposed | \$8.96 | | | | | | | \$733 | \$32 | 4.6% |

West Marin Water Active Service Connections @ June 30

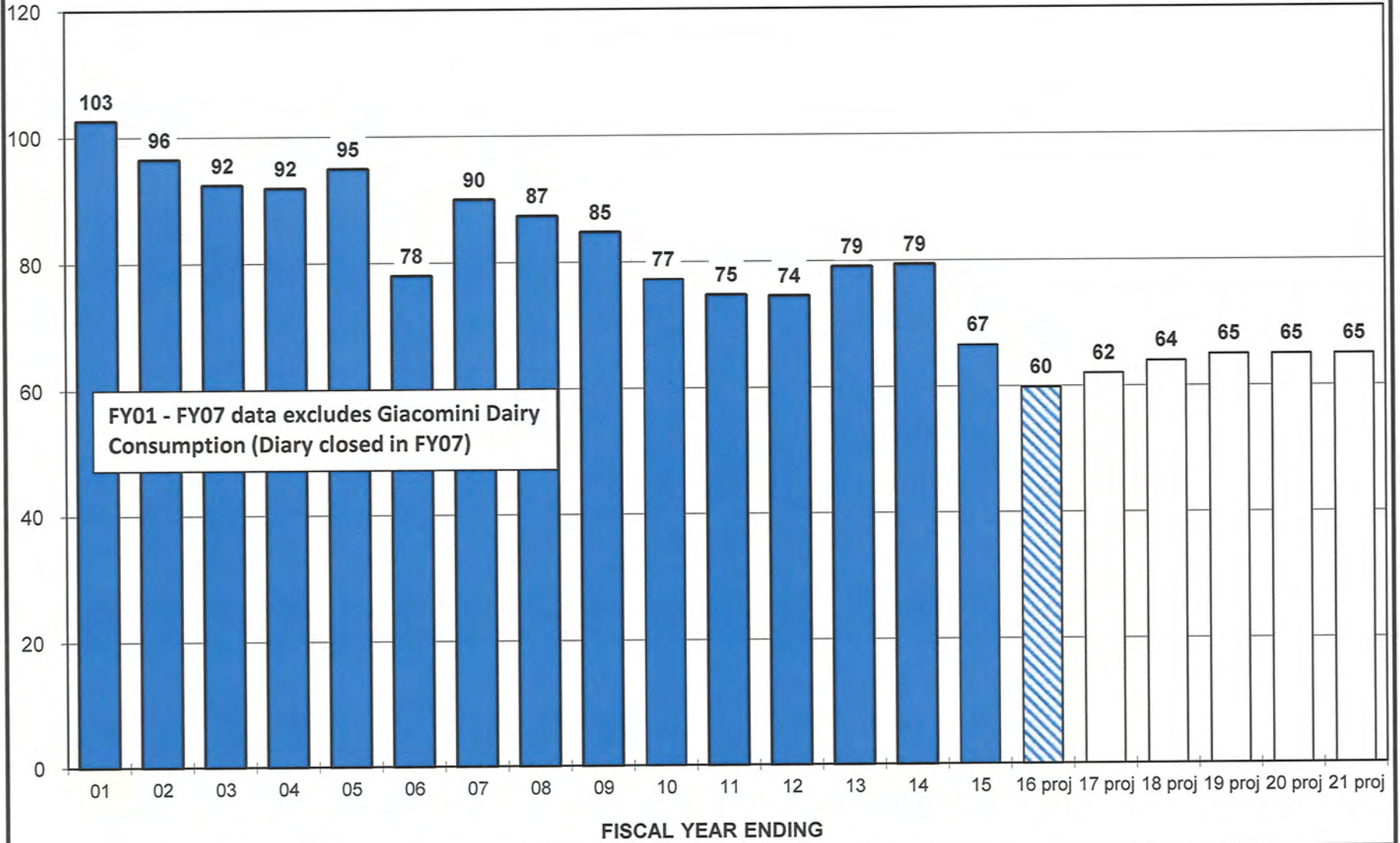


7

West Marin Potable Water Billed Consumption Net of Giacomini Dairy

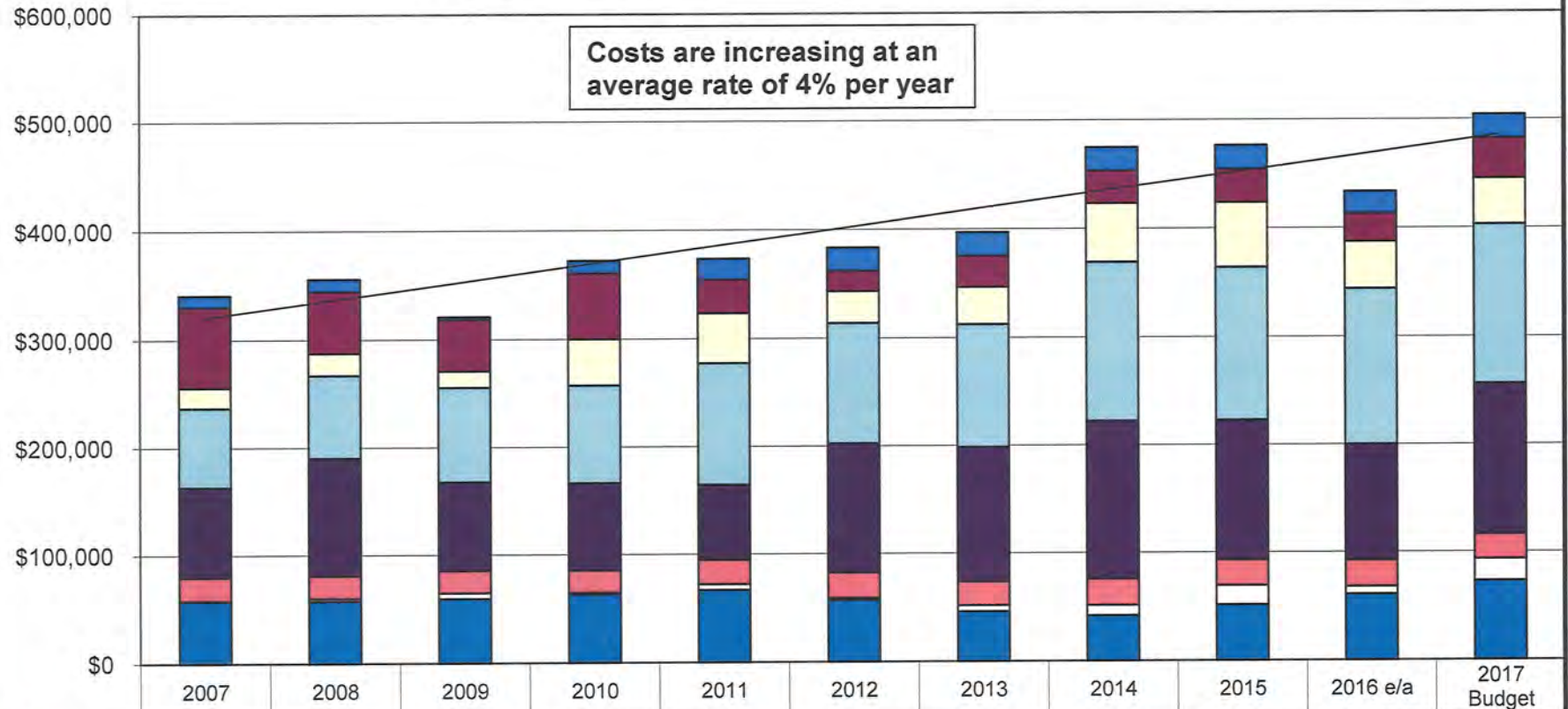
MG

8



FY01 - FY07 data excludes Giacomini Dairy Consumption (Diary closed in FY07)

West Marin Water Operating Expenditures



| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 e/a | 2017 Budget |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| ■ Source | \$11,085 | \$11,106 | \$2,319 | \$11,364 | \$18,907 | \$21,495 | \$22,161 | \$21,173 | \$21,862 | \$20,000 | \$22,000 |
| ■ Pumping | \$74,108 | \$57,375 | \$47,801 | \$60,516 | \$31,092 | \$18,226 | \$28,195 | \$30,514 | \$30,657 | \$26,000 | \$37,000 |
| □ Operations | \$18,925 | \$20,340 | \$14,970 | \$42,962 | \$45,965 | \$29,609 | \$34,466 | \$53,916 | \$59,531 | \$43,000 | \$42,000 |
| ■ Treatment | \$73,627 | \$76,588 | \$87,871 | \$90,739 | \$112,531 | \$111,205 | \$113,619 | \$146,415 | \$141,132 | \$144,000 | \$147,000 |
| ■ T & D | \$83,545 | \$109,186 | \$82,386 | \$81,052 | \$70,274 | \$120,093 | \$124,721 | \$146,566 | \$129,737 | \$108,000 | \$140,000 |
| ■ Cons Acctg | \$21,504 | \$21,045 | \$20,285 | \$20,232 | \$22,108 | \$23,367 | \$21,947 | \$24,334 | \$23,457 | \$24,000 | \$23,000 |
| □ Wtr Consvr | \$900 | \$2,177 | \$5,338 | \$1,783 | \$5,266 | \$2,008 | \$5,857 | \$9,791 | \$17,960 | \$7,000 | \$20,000 |
| ■ G & A | \$57,133 | \$57,828 | \$59,500 | \$63,234 | \$66,880 | \$56,945 | \$45,861 | \$41,561 | \$51,463 | \$61,000 | \$73,000 |
| Total | \$340,827 | \$355,645 | \$320,470 | \$371,882 | \$373,023 | \$382,948 | \$396,827 | \$474,270 | \$475,799 | \$433,000 | \$504,000 |

May 13, 2016

RE: Notice of Proposed Water Cost Increase – West Marin Service Area

Dear Customer:

This letter is to advise you of **proposed increases to West Marin water rates** that would take effect on July 1, 2016. It also provides information about a **Public Hearing scheduled on June 28, 2016**, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

HOW MUCH IS THE PROPOSED RATE INCREASE?

A 5% increase in the cost of water is proposed, which would result in an average increase of \$2.67 per month (\$32 annually) for the typical (median) single-family residential customer who consumes 55,400 gallons of water annually. Those using less than the median would see an increase less than \$32 annually, and those using more would pay more. The increase for non-residential customers (commercial, institutional and irrigation accounts) would vary based on water use and meter size. The median non-residential account would also see an average annual 5% cost increase. No increase in the bimonthly service charge is proposed. A detailed description of the proposed water rate increases is included on page 3.

You can determine the increase in your annual water cost based on your water use over the past year from our website. Insert your NMWD account number and the name on your account into the Rate-Increase Model on NMWD's website at <http://www.nmwd.com/accountbalance.php>.

REASON FOR THE PROPOSED INCREASE

The District's mission is to provide an adequate supply of safe, reliable and high-quality water at reasonable cost consistent with good conservation practices and minimum environmental impact. Maintaining and renovating the infrastructure of the 95-year-old rural West Marin Water System is expensive. Today the system includes 25 miles of pipeline, over 1 million gallons of finished water storage distributed across 13 tanks, 7 pump stations, 168 fire hydrants, a multitude of valves, 3 wells, and a water treatment plant, all designed to serve 778 customers. Sufficient revenue to finance the ongoing system operation and renovation must be generated.

ADDITIONAL INFORMATION

Greater detail of the various rates and customer categories is provided on page 3.

A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 7:00 pm, Tuesday, June 28, 2016, at the Dance Palace (503 B Street) in Point Reyes Station.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners or customers, the proposed increases will not be adopted.

Your written protest must be received prior to the close of the June 28, 2016 public hearing. Written protests must be signed by the property owner or customer of record and must include a description of the parcel (parcel number) or NMWD account number. Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information about the North Marin Water District, including the history of the West Marin Water System, or to view the most recent Coastal Area Water Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,



Chris DeGabriele
General Manager

| West Marin Water Recent Capital Improvement Projects – Status Report | | |
|---|--------------------------------------|---------------|
| <u>Project</u> | <u>Expenditures thru 3/31/16</u> | <u>Status</u> |
| 1 Replace PRE Tank #3 - 25,000 gal..... | \$91,759 | Complete |
| 2 Install 3 Standby Booster Pumps & Controls @ PRE..... | 159,990 | Complete |
| 3 Bear Valley Pump Station Upgrade..... | 88,132 | Complete |
| 4 Replace Pt. Reyes 100,000 gal tank w/180,000 gal..... | 399,707 | Complete |
| 5 Replace Olema 80,000 gal tank w/150,000 gal..... | 561,742 | Complete |
| 6 Install Parallel 8" Main on Hwy 1..... | 180,000 | Complete |
| 7 Upgrade Inverness Park PS w/2 150 gpm pumps..... | 157,888 | Complete |
| 8 Install Pressure Reducing Valve @ Inverness Park PS..... | 13,046 | Complete |
| 9 Replace 30,000 gal Inverness Park Bolted Steel Tank..... | 164,262 | Complete |
| 10 Point Reyes Well Replacement..... | 262,968 | Complete |
| 11 Olema Pump Station Flood Protection & RTU Upgrade..... | 39,262 | Complete |
| 12 Gallagher Pipeline & Stream Gauge..... | 1,579,583 | Complete |
| 13 Upsize Pipeline from Bear Valley Tanks..... | 142,972 | Complete |
| 14 Replace PRE Tank #4A - 82,000 gallon..... | 24,181 | In Progress |
| 15 Tank & Pipeline Seismic Upgrades..... | 153,881 | In Progress |
| 16 Water Treatment Plant Enhancements..... | <u>190,918</u> | In Progress |
| | <u>\$4,210,291</u> | |

| PROPOSED West Marin Water System Rate Changes | | | |
|--|-----------------|-----------------|-------------------|
| EFFECTIVE JULY 1, 2016 | | | |
| BIMONTHLY SERVICE CHARGE | <u>Existing</u> | <u>Proposed</u> | <u>% Increase</u> |
| For STANDARD 5/8 x 3/4-INCH METER..... | \$30.00 | \$30.00 | 0% |
| For 1-inch residential meter for fire service..... | \$34.00 | \$34.00 | 0% |
| For 1-inch meter..... | \$60.00 | \$60.00 | 0% |
| For all meters in Paradise Ranch Estates..... | \$46.00 | \$46.00 | 0% |
| QUANTITY CHARGE | | | |
| <u>Residential Rate Per Dwelling Unit</u> | | | |
| First 400 gallons per day..... | \$7.61 | \$8.14 | 7% |
| From 401 to 900 gallons per day..... | \$10.54 | \$11.28 | 7% |
| From 901+ gallons per day..... | \$16.91 | \$18.09 | 7% |
| <u>Commercial, Institutional & Irrigation Rate</u> | | | |
| November 1 through May 31..... | \$7.69 | \$8.23 | 7% |
| June 1 through October 31..... | \$10.64 | \$11.38 | 7% |
| PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL | | | |
| <u>Zone</u> | | | |
| 1 Point Reyes Station..... | \$0.00 | \$0.00 | 0% |
| 2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365')..... | \$0.20 | \$0.21 | 7% |
| 3 Olema..... | \$0.75 | \$0.80 | 7% |
| 4 Upper Paradise Ranch Estates (Elevation 365'+)..... | \$5.08 | \$5.44 | 7% |
| Additional Commodity Rate for Consumers Outside the Improvement District Boundary..... | \$3.05 | \$3.26 | 7% |

2016 COASTAL AREA WATER COST COMPARISON

6/1/16

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 6/1/16

"Typical" Single Family Residence (5/8" x 3/4" Meter) Using 55,400 Gallons Annually

| Agency | No. of Water Services | Bimonthly Service Charge | Commodity Rate per 1,000 Gallons | | Annual Water Cost ¹ | Water Bond Tax Rate per \$100/AV | Annual Tax Cost ² | Total Annual Cost |
|---------------------------------------|-----------------------|--------------------------|----------------------------------|-----------------|--------------------------------|----------------------------------|------------------------------|-------------------|
| California Water Coast Springs | 255 | \$157.74 | \$30.27 | | \$2,624 ⁽³⁾ | - | - | \$2,627 |
| Bolinas Community PUD | 587 | \$186.67 | \$1.34/\$2.01/\$4.01 | ⁽⁴⁾ | \$1,210 | \$0.003 | \$452 ⁽⁵⁾ | \$1,662 |
| Estero Mutual Water District | 141 | \$197.90 | \$7.86/\$11.56/\$75.76 | ⁽⁶⁾ | \$1,589 | - | - | \$1,589 |
| Stinson Beach Co Water | 729 | \$77.10 | \$2.61/\$6.26 | ⁽⁷⁾ | \$636 | \$0.004 | \$602 ⁽⁸⁾ | \$1,238 |
| Bodega Bay PUD | 1,054 | \$61.82 | \$7.73 | ⁽⁹⁾ | \$541 | - | \$346 ⁽¹⁰⁾ | \$886 |
| Muir Beach Community Services | 151 | \$49.92 | \$9.20 | ⁽¹¹⁾ | \$579 ⁽¹²⁾ | - | \$300 ⁽¹³⁾ | \$879 |
| Inverness PUD | 510 | \$100.00 | \$3.07/\$4.61 | ⁽¹⁴⁾ | \$783 | - | - | \$783 |
| → NMWD West Marin Service Area | 779 | \$30.00 | \$8.96 | ⁽¹⁵⁾ | \$676 | - | \$59 ⁽¹⁶⁾ | \$735 |

Notes:

- (1) Median annual consumption for West Marin Service Area single-family detached home is 55,400 gallons. Use will differ in other areas and microclimates.
- (2) Includes taxes for debt service on outstanding water bonds and loans plus any applicable apportionment of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (3) CA Water Coast Springs reports that their average single family residential consumption is 22,440 gallons per year, which would result in a significantly lower total annual water cost than shown here.
- (4) 1st 15 Ccf quarterly @ \$1.00/Ccf, 16 to 21 Ccf @ \$1.50, 22 - 28 @ \$3.00, 29 - 40 @ \$6.00, 41 - 60 @ \$10, 61 - 75 @ \$15 and 76+ Ccf @ \$18/Ccf (billed quarterly).
- (5) Based on home with net AV of \$464,411 (average 2015/16 AV on 545 single family homes in Bolinas) and tax rate of \$0.0026/\$100 AV. 100% of this tax is allocated to water. Also shares in 1% County levy. This "allocation" is projected by the County of Marin at \$258,277 for Bolinas in 2015/16 of which 100% is credited to the water fund amounting to \$440 per service.
- (6) First 25 cubic meters bimonthly @ \$2.075/cm; next 15 cm @ \$3.051/cm. Drought surcharge of \$20.00/cm for use in excess of 40 cm.
- (7) First 6 Ccf monthly @ \$1.95/Ccf; 6 to 10 Ccf @ \$4.68/Ccf; 10 to 16 Ccf @ \$7.88/Ccf; 16 to 20 Ccf @ \$10.80/Ccf; 20 to 30 Ccf @ \$16.97/Ccf; 30 to 40 Ccf @ \$21.20/Ccf; 40 and above Ccf @ \$27.54/Ccf.
- (8) Based on weighted average tax rate of \$0.0038/\$100 AV and home with net AV of \$1,189,172 (average 2015/16 AV on 655 single family homes in Stinson Beach less \$7,000 homeowner exemption). Stinson Beach also shares in 1% County levy. This "allocation" is projected at \$579,485 in 2015/16 of which 70% is credited to the water fund amounting to \$556 per service.
- (9) \$61.82 bi-monthly water svc charge for 0-800 cubic feet, then \$6.51/100 cubic feet for 801-2,500 cubic feet, then \$7.43/100 cubic feet over 2,500 cubic feet.
- (10) Based on share of 1% County levy. This "allocation" by the County of Sonoma was \$364,219 for 14/15, of which 100% was allocated to water amounting to \$346 per service. FY16 allocation is not available until June.
- (11) \$49.92/bimonthly flat rate for first 4,500 gallons, plus \$0.92/100 gallons for 4,500 to 10,000, plus \$1.29/100 gallons for 10,000 to 30,000, plus \$1.62/100 gallons for 30,000+ gallons.
- (12) 25% of revenue is allocated to capital improvements.
- (13) The annual \$300 charge is collected via water billings and is allocated to capital improvements.
- (14) First 12 Ccf bimonthly @ \$2.30/Ccf; 13 to 36 Ccf @ \$3.45/Ccf; 37 to 48 @ \$4.90/Ccf; 49 to 60 @ \$6.75/Ccf, and 61+ @ \$20.15/Ccf.
- (15) Rate shown is weighted average of Point Reyes Station, Olema, Bear Valley/Inverness Park & Paradise Ranch Estates and includes a Proposed 7% commodity rate increase. Tier rate charges do not apply to the typical residential customer as median use does not exceed the 400 gpd tier rate threshold.
- (16) West Marin Service Area receives allocation of the 1% County levy projected at \$46,000 in 2015/16, amounting to \$59 per service.

5

MEMORANDUM

To: Board of Directors

June 24, 2016

From: David L. Bentley, Auditor-Controller

Subj: Public Hearing/Approve: Oceana Marin Sewer FY 2016/2017 Budget
t:\actword\budget\wm\16\om16_swr_hearing.docx

RECOMMENDED ACTION: 1) Approve Sewer Service Charge Increase;
2) Approve Sewer Connection Fee Increase
3) Approve FY17 Budget as Proposed

FINANCIAL IMPACT: 1) Service Charge Increase would generate \$20,000 annually;
2) Connection Fee Increase would generate \$14,800/connection
3) FY17 Budgeted Expenditure Plan of \$380,000

Presented for your final review and public hearing is the proposed FY2016/2017 (FY17) budget for the Oceana Marin Sewer System.

SEWER RATES

The Oceana Marin Sewer System held a cash balance of \$467,000 at May 31, 2016. The Nute Engineering 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 incorporates \$1.2 million of the needed 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.

An increase in the Sewer Service Charge, which is collected on the Property Tax roll, must be adopted by ordinance, which requires readings at two Board meetings and publication twice. A summary of the ordinance was published in the Point Reyes Light on June 9 and June 23 (page 9).

A letter was mailed to all Oceana Marin Sewer customers on May 31, 2016, advising of the proposed sewer service cost increase and extending an invitation to attend the June 28 public hearing and/or exercise their right to protest the proposed increase (page 7 of the budget document). No letters or phone calls on the proposed sewer service charge increase were received.

CONNECTION FEE

The connection fee for Oceana Marin Sewer was last increased to \$15,200 on August 1 2009. Staff incorporated the Capital Improvement Projects (CIP) recommended in the January 2016 Nute Engineering Oceana Marin Master-Plan Update and, accordingly, recommends an increase in the connection fee to \$30,000.

Anticipated CIP cost and projected growth for Oceana Marin Sewer were reviewed and updated as shown in the Connection Fee Calculation (page 11 of the budget package). Twenty-five percent of the projects identified in the Master Plan Update are allocated to new development, as well as 100% of the cost of upgrading/expanding the Effluent Disposal System. The remaining 75% of the CIP cost will be paid by existing customers through the sewer service charge and, hopefully, some grant funding. The connection fee would be effective July 1, 2016, and would apply to new connectors on the remaining 38 lots in OM-3 (Units 1 or 5) as the owners in OM-1 Units 3 & 4 paid a tax to cover their share of improvements. To accommodate property owners already in the development approval process, staff proposes that application for sewer service received by September 1, 2016, and for 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). The proposed increase would generate \$14,800 annually in additional revenue $(\$30,000 - \$15,200) \times 1$ new equivalent dwelling unit annually.

The June 8 letter to the owners of the vacant lots in Oceana Marin subject to the connection fee, as well as the Oceana Marin Association, local builder's associations, and the Marin Association of Realtors, advising that a connection fee increase is proposed, is included on page 10. A Public Hearing Notice was filed in the Point Reyes Light on June 16 and June 3 inviting comments and or attendance at the Public Hearing (page 12).

Staff received four calls from property owners who said they are in some stage of the development process and would desire to be eligible to receive the existing charge (201, 438, and 447 Oceana Drive, plus one unknown address).

BUDGETED SYSTEM IMPROVEMENT PROJECTS

FY17 Projects

- \$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

\$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.

OCEANA MARIN SEWER OPERATING BUDGET

The proposed Oceana Marin Sewer budget shown on page 2 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, as shown in the chart on page 5. 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 6. The 2016 update of the Coastal Area Annual Sewer Cost Comparison (page 10) shows that, when the County 1% allocation of AB8 tax revenue is included as a ratepayer cost, and assuming approval of the recommended 10% sewer service charge increase, Oceana Marin sewer service cost will rank highest among the six coastal sewer agencies surveyed.

STAFF RECOMMENDATION:

- 1) Approve Ordinance No. 34 (Attachment A) electing to have the Oceana Marin Sewer Service Charges be collected on the tax roll of the County of Marin;
- 2) Approve Resolution No. 16-XX (Attachment B) amending Regulation 109, effective July 1, 2016, to:
 - a) Increase the Oceana Marin Sewer Service Rate to \$936 per dwelling unit per year;
 - b) Increase the Oceana Marin Sewage Facilities Connection Charge to \$30,000 per dwelling unit, with the exception that property owners who file an application for sewer service and a County building permit by September 1, 2016, are eligible to pay the existing \$15,200 Sewage Facilities Connection Fee.
- 3) Adopt the FY17 Oceana Marin Sewer System Budget as proposed;
- 4) Authorize the General Manger to pay demands arising from execution of the budgeted FY17 Oceana Marin expenditure plan.

**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)

t:\ordinances\ordinance 34 on tax roll 2016 draft.docx

RESOLUTION 16-XX

**REVISION OF NORTH MARIN WATER DISTRICT
REGULATION 109
OCEANA MARIN SEWER SERVICE - RATES AND CHARGES**

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 109 of the North Marin Water District is adopted as follows, effective forthwith:

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 \$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 \$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 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.

* * * * *

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 twenty-eighth of June, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Katie Young, District Secretary
North Marin Water District

(SEAL)

Proposed

BUDGET

Final Review/Public Hearing

Oceana Marin Sewer

FISCAL YEAR

2016-17

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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OCEANA MARIN SEWER

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PROPOSED CAPITAL IMPROVEMENT PROJECTS

6/23/16

Oceana Marin Sewer

t:\acl\excel\budget17\5 yr cip fy17.xlsx\5 yr ip

| | FY16 Budget | FY16 Est Actual | FY17 | FY18 | FY19 | FY20 | FY21 |
|--|-------------|-----------------|-----------|-----------|----------|-----------|-----------|
| 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 |

| | | | | | | | |
|-----------------------------------|---|---|---|---|---|---|---|
| Total Number of District Projects | 1 | 2 | 6 | 4 | 1 | 2 | 2 |
|-----------------------------------|---|---|---|---|---|---|---|

→

**OCEANA MARIN SEWER
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 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 |
| 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 Souces/(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

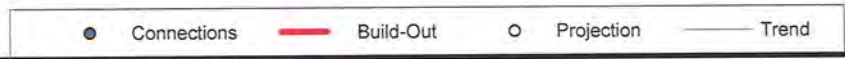
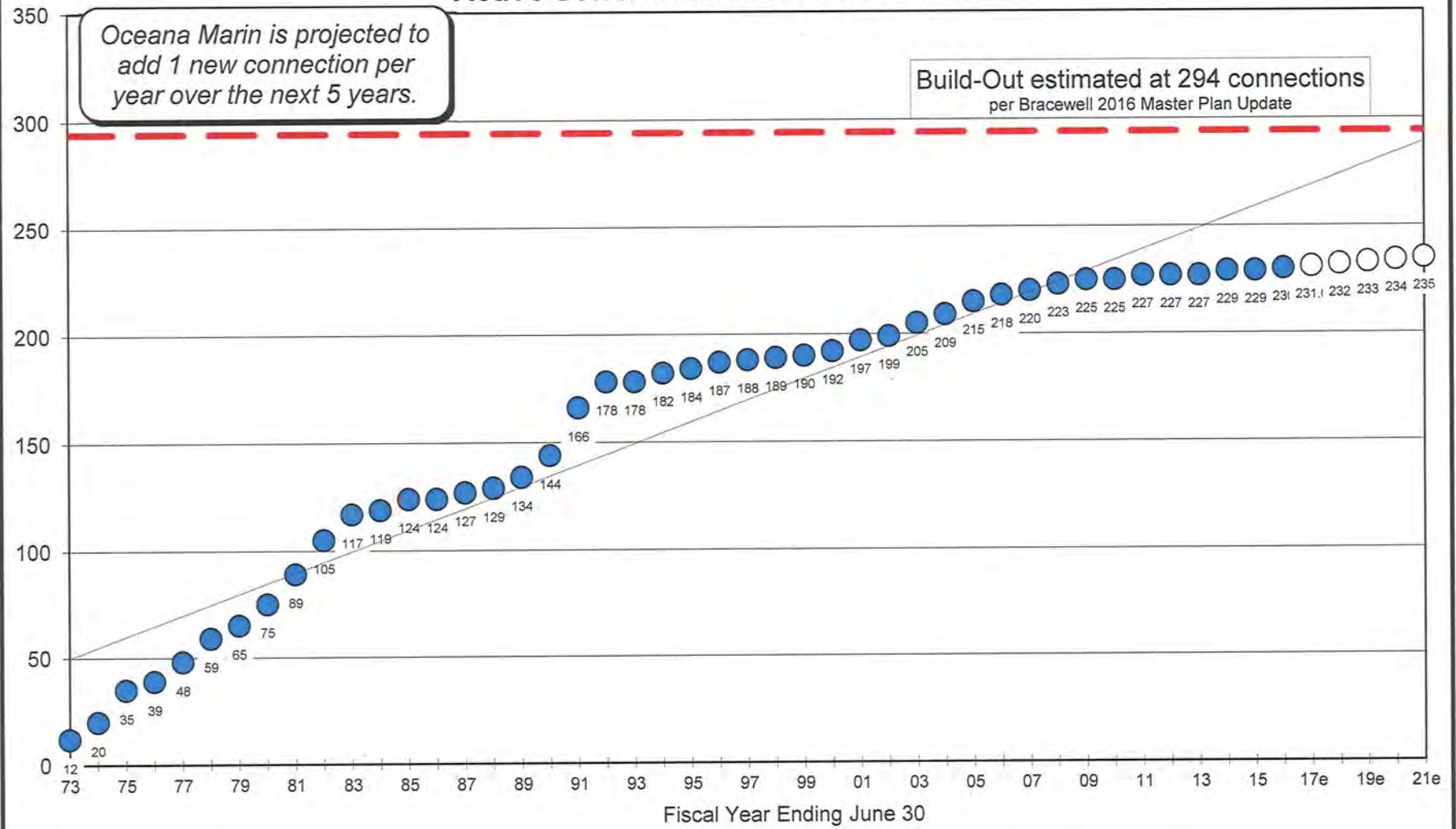
KEY

- 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 increase in the connection fee to \$30,000. Assumes 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 after FY17. Excludes depreciation expense.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 14 Cash available for operation, maintenance and improvements

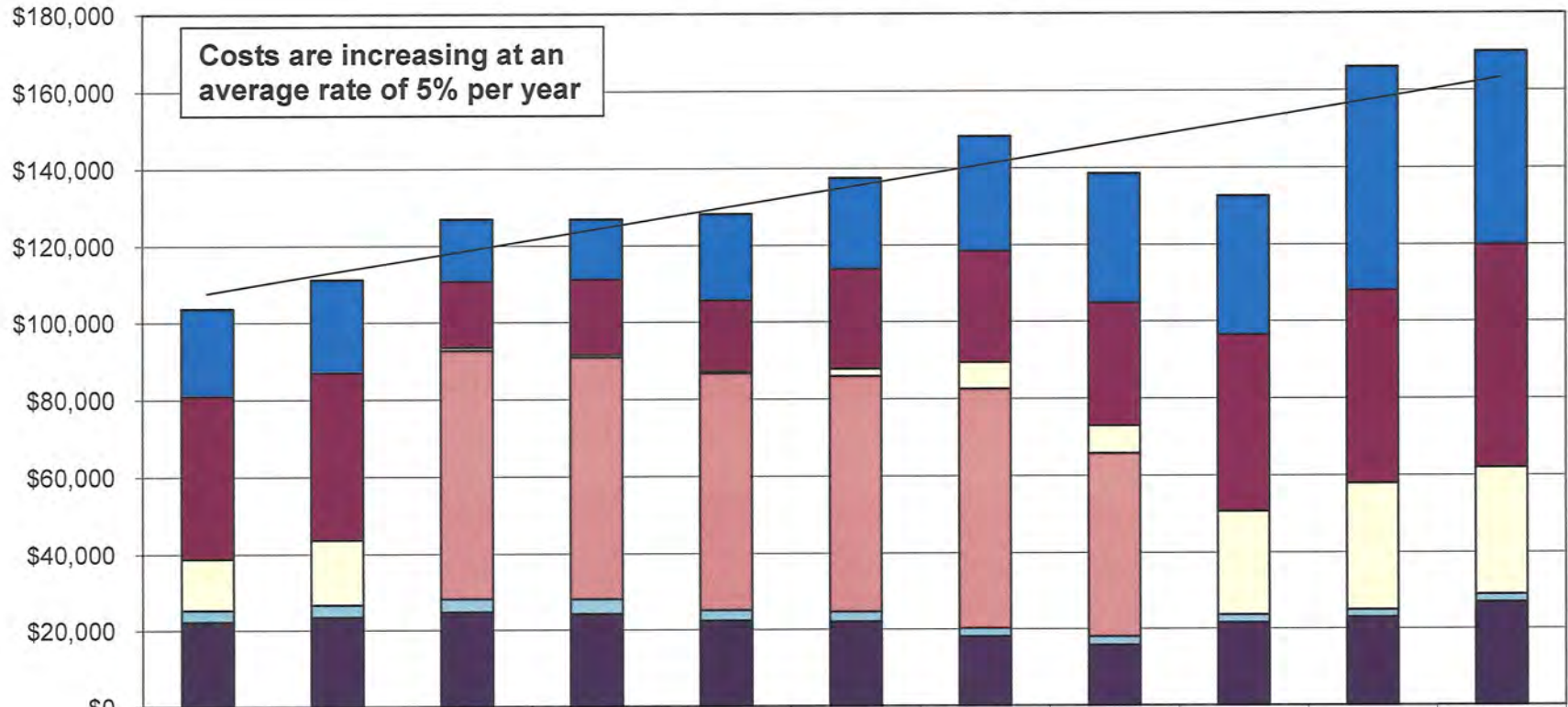
Oceana Marin Growth Active Sewer Connections at June 30

Oceana Marin is projected to add 1 new connection per year over the next 5 years.

Build-Out estimated at 294 connections
per Bracewell 2016 Master Plan Update



Oceana Marin Operating Expenditures



Costs are increasing at an average rate of 5% per year

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 e/a | 2017 Budget |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Collection | \$22,658 | \$24,088 | \$16,309 | \$15,748 | \$22,503 | \$23,687 | \$29,703 | \$33,587 | \$36,179 | \$58,000 | \$50,000 |
| Treatment | \$42,187 | \$43,307 | \$17,142 | \$19,474 | \$18,470 | \$25,928 | \$29,021 | \$31,901 | \$45,727 | \$50,000 | \$58,000 |
| Disposal | \$13,483 | \$17,024 | \$797 | \$719 | \$489 | \$1,972 | \$6,895 | \$7,257 | \$27,022 | \$33,000 | \$33,000 |
| Contract Ops | | | \$64,467 | \$62,745 | \$61,592 | \$61,215 | \$62,281 | \$47,803 | \$0 | \$0 | \$0 |
| Cons Acctg | \$3,087 | \$3,179 | \$3,429 | \$3,952 | \$2,778 | \$2,636 | \$2,162 | \$2,235 | \$2,091 | \$2,000 | \$2,000 |
| G & A | \$22,197 | \$23,491 | \$24,801 | \$24,228 | \$22,359 | \$22,052 | \$18,099 | \$15,735 | \$21,604 | \$23,000 | \$27,000 |
| Total | \$103,612 | \$111,089 | \$126,945 | \$126,866 | \$128,191 | \$137,490 | \$148,161 | \$138,518 | \$132,623 | \$166,000 | \$170,000 |

May 31, 2016

RE: Notice of Proposed Oceana Marin Sewer Service Cost Increase

Dear Customer:

This letter is to advise you of a **proposed increase to the Oceana Marin sewer service charge** that would take effect on July 1, 2016. It also provides information about a **Public Hearing scheduled on June 28, 2016**, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

How much is the proposed rate increase?

Current Oceana Marin sewer service charges are \$71/month (\$852/year). A **10% increase** is proposed equaling \$7/month (\$84/year).

How will the proposed increase affect my sewer bill?

Oceana Marin sewer service charges are collected on the Marin County property tax bill, which is rendered annually for the fiscal year period July 1 through June 30. The proposed sewer service charge increase would add \$7 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for the 2016/17 fiscal year of \$936 (\$78 per month for July 2016 through June 2017).

Why are rates being increased?

In January 2016 the District concluded a Master Plan Update that identified over \$3 million in projects necessary to improve the reliability and redundancy of the Oceana Marin Wastewater System. Constructing these improvements will be financially challenging for the 229 customers of the Oceana Marin utility. Even if the projects are constructed over a 20-year period, the cost would still average \$150,000 annually. The Oceana Marin system held a cash balance of \$389,000 at March 31, 2016. The proposed rate increase, if enacted, would generate \$19,236 of additional revenue annually (\$84/year X 229 customers). As you can likely surmise, additional rate increases will be necessary in future years as the District continues to improve the reliability of the existing facilities and to construct redundant facilities in order to protect against potential system failure and sewage spills. The entire Master Plan Update is available for review at: <http://www.nmwd.com/pdfs/agenda/011916.pdf>.

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 7:00 pm, Tuesday, June 28, 2016, at the Dance Palace (503 B Street) in Point Reyes Station.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners the proposed increase will not be imposed.

Your written protest must be received prior to the close of the June 28, 2016 public hearing. Written protests must be signed by the property owner and must include a description of the parcel (parcel number or service address). Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information about the North Marin Water District, including a history of the Oceana Marin Sewer System, or to view the most recent Coastal Area Sewer Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,



Chris DeGabriele
General Manager

**PROOF OF PUBLICATION
(2015.5 CCP)**

This space is for the County Clerk's Filing Stamp

**STATE OF CALIFORNIA
County of Marin**

I am a citizen of the United States and a resident of the county aforesaid. I am over the age of eighteen years, and not a party to or interest in the above-entitled matter. I am the publisher of the Point Reyes Light, a newspaper of general circulation, printed and published in the town of Point Reyes Station, County of Marin and which newspaper has been adjudged a newspaper for general circulation by the Superior Court of the County of Marin, State of California, under the date April 26, 1949, Case Number 183007; that the notice of which annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates to wit:

6/16/16; 6/23/16

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date at Inverness, California, this

6/23/16


Signature

Proof of Publication

NORTH MARIN WATER DISTRICT
NOTICE OF PUBLIC HEARING
OCEANA MARIN SEWER SERVICE CHARGES
FISCAL YEAR 2016-2017
AND INTENT TO COLLECT ON TAX ROLL
NOTICE IS HEREBY GIVEN that pursuant to Section 5471 et seq. of the California Health and Safety Code and Section 31101 et seq. of the California Water Code, the Board of Directors of North Marin Water District (NMWD), intends to amend NMWD Regulation 109, Oceana Marin Sewer Service - Rates and Charges, through the adoption of Ordinance No. 34 on June 28, 2016, fixing its charges for sewerage services for the fiscal year 2016-2017 in the amount of \$78 per month (\$936 per year) per parcel (a proposed increase of \$7 per month - \$84 annually), and further intends to elect to collect such charges on the tax roll as it did for fiscal year 2015-2016 in the same manner as general taxes. NMWD has caused to be filed with its Secretary a written report containing a description of each parcel of real property receiving sanitary sewerage service from said District and the anticipated

amount of charges on each such parcel.
NOTICE IS HEREBY GIVEN THAT ON Tuesday, June 28, 2016 at 7:00 p.m. at a regular Board Meeting of NMWD held at The Dance Palace, 503 B Street, Point Reyes Station, California, said Board will hear and consider all protests and objections to the proposed increase in charges for sewerage services set for in said report. Dated: May 31, 2016. . Published in the Point Reyes Light June 16, 23, 2016.

June 8, 2016

Re: Oceana Marin Sewer Connection Fee Increase

Ladies and Gentlemen:

In order to meet the planned wastewater treatment and disposal needs of the Oceana Marin subdivision in Dillon Beach, the North Marin Water District must invest in new facilities. The District traditionally allocates the incremental cost of expansion to "new" growth in the form of a sewage facilities connection charge. The current sewage facilities connection charge for a typical single-family residence, or equivalent unit, is \$15,200. An Updated Master Plan of the Oceana Marin Sewer System indicates that an increase in the connection fee is required. You can view the Master Plan Update on the NMWD website www.nmwd.com (click on Agenda, January 19, 2016 Supporting Documents, Item #10). On June 28, 2016, the Board of Directors will hold a public hearing to consider an increase in the sewage facilities connection charge to \$30,000 per equivalent unit. The fee was last increased in 2009.

The District believes the connection fee increase is essential in order to keep up with necessary capital investments to meet Oceana Marin's wastewater treatment and disposal capacity requirements. The need for improvements to the 3,890' force main and expansion of the subsurface disposal field are major projects on the horizon for this small system (230 existing customers). It is important that new growth pay its fair share of this and other planned improvements. The Connection Fee Calculation is included on the back side of this letter.

The proposed effective date for the new sewage facilities connection charge is July 1, 2016. All complete applications for new service that are received, processed and approved by the Board of Directors (as applicable) prior to July 1, 2016, will be processed at the current sewage facilities connection charge.

The public hearing is being advertised in the June 15 and June 22 edition of the Point Reyes Light. You are cordially invited to comment or come to the hearing and voice your views.

Date: June 28, 2016

Time: 7:00 PM

**Place: Point Reyes Dance Palace
503 B Street, Point Reyes Station, CA**

Should you need additional information, please call 415.897.4133

Sincerely,

Chris DeGabriele
General Manager

**Oceana Marin Sewer System
Connection Fee Calculation**

t:\acexcel\budget\wm17\wm17.xlsxjom conn fee (2)

6/1/16

| Nute Engineering 1/13/16 Oceana Marin Wastewater Master Plan Update | |
|--|--------------------|
| Sewer collection system improvements primarily to reduce I/I | \$466,300 |
| Main pump station improvements to improve reliability | \$263,000 |
| Force main improvements to improve redundancy | \$1,270,000 |
| Pond dredging | \$352,000 |
| Pond berm repair with riprap | \$670,000 |
| Pond electrical system upgrade | \$68,000 |
| Additional studies of different aspects of the wastewater system | \$31,300 |
| Total Estimated Capital Improvement Program | <u>\$3,120,600</u> |
| Connection Fee Calculation | |
| % of CIP Attributable to Growth | 25% |
| \$ Attributable to Growth (CIP X 25%) | \$780,150 |
| Effluent Disposal System Upgrade | \$360,000 |
| Total Attributable to Growth | <u>\$1,140,150</u> |
| Remaining Parcels Subject to Connection Fee | 38 |
| Calculated Connection Fee/Dwelling Unit | <u>\$30,004</u> |
| Existing Connection Fee | \$15,200 |
| % Increase | 97% |

**PROOF OF PUBLICATION
(2015.5 CCP)**

This space is for the County Clerk's Filing Stamp

**STATE OF CALIFORNIA
County of Marin**


I am a citizen of the United States and a resident of the county aforesaid. I am over the age of eighteen years, and not a party to or interest in the above-entitled matter. I am the publisher of the Point Reyes Light, a newspaper of general circulation, printed and published in the town of Point Reyes Station, County of Marin and which newspaper has been adjudged a newspaper for general circulation by the Superior Court of the County of Marin, State of California, under the date April 26, 1949, Case Number 183007; that the notice of which annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates to wit:

6/16/16; 6/23/16

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date at Inverness, California, this

6/23/16



Signature

Proof of Publication

NOTICE OF PUBLIC HEARING
On June 28, 2016, the Board of Directors will hold a public hearing to consider an increase in the Oceana Marin Sewage Facilities Connection Charge to \$30,000 per equivalent unit. The fee was last increased in 2009. The current sewage facilities connection charge for a typical single-family residence, or equivalent unit, is \$15,200. An Updated Master Plan of the Oceana Marin Sewer System indicates that an increase in the connection fee is required. The District believes the connection fee increase is essential in order to keep up with necessary capital investments to meet Oceana Marin's wastewater treatment and disposal capacity requirements. The need for improvements to the 3,890' force main and expansion of the subsurface disposal field are major projects on the horizon for this small system (230 existing customers). It is important that new growth pay for other planned improvements to service additional capacity therefrom.
INVITATION / INFORMATION: You are cordially invited to comment or come to the hearing and voice your views.
Date: June 28, 2016
Time: 7:00 PM
Place: Point Reyes Dance Palace
503 B Street, Point Reyes Station, CA.
Published in the Point Reyes Light
June 16, 23, 2016.

2016 COASTAL AREA SEWER COST COMPARISON

6/8/16

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 6/1/16

| Agency | No. of Sewer Services | Monthly Service Charge | Annual Tax Revenue ⁽¹⁾ | Annual Total |
|--|-----------------------|-------------------------------|-----------------------------------|------------------|
| > NMWD Oceana Marin | 230 | \$78.00 ⁽²⁾ | \$211 ⁽³⁾ | \$1,147 < |
| Marshall Community Wastewater System | 52 | \$90.13 ⁽⁴⁾ | \$0 | \$1,082 |
| Bolinas Community PUD | 163 | \$89.42 | \$0 ⁽⁵⁾ | \$1,073 |
| Tomales Village CSD | 107 | \$63.00 | \$68 ⁽⁶⁾ | \$824 |
| Stinson Beach Co Water - Inspection Only | 703 | \$39.65 ⁽⁷⁾ | \$247 ⁽⁸⁾ | \$723 |
| Bodega Bay PUD | 1,010 | \$57.82 | \$0 ⁽⁹⁾ | \$694 |

Notes:

- (1) Includes taxes for debt service on outstanding sewer bonds and loans plus any applicable allocation of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (2) Includes proposed increase of \$7/month.
- (3) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$49,000 for 2015/16 which equates to \$211 per service.
- (4) Community wastewater step-system commenced October 2008. Each parcel has own septic tank, pumped to a community collection tank, then pumped into a community leach field.
- (5) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$49,000 for 2015/16 which equates to \$211 per service.
- (6) Based on home with net AV of \$464,411 (average 2015/16 AV on 545 single family homes in Bolinas) and tax rate of 0.0026¢/\$100 AV none of which is allocated to Sewer. Also shares in 1% County levy. This "allocation" is projected by the County of Marin at \$258,277 for Bolinas in 2015/16 of which 100% is credited to the water fund.
- (7) Based on home with net AV of \$342,066 (average 2015/16 AV on 107 single family homes in Tomales) and tax rate of 2¢/\$100 AV.
- (8) On-Site Wastewater System - no sewer system. Services provided include septic inspections, ground and surface water monitoring and other inspections required by the State Water Quality Control Board. In addition to the cost paid to Stinson Beach Water Co., each customer must purchase and install their own on-site wastewater system.
- (9) Based on allocation of 1% County levy. This "allocation" was projected by the County of Marin at \$579,485 for 2015/16 of which 30% was allocated to sewer amounting to \$247 per service.
- (9) Based on share of 1% County levy. This "allocation" by the County of Sonoma was \$364,219 for 2014/15 of which 100% was allocated to water (0% to sewer). FY15/16 information is not available until June.

6

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, AGM/Chief Engineer 
Subject: West Marin Capital Improvement Projects – FY15-16 Preliminary Year-End Progress Report
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June 24, 2016

RECOMMENDED ACTION: Information Only
FINANCIAL IMPACT: None

The purpose of this memo is to provide a preliminary year-end status report to the Board on the District's performance in completing budgeted FY15-16 Capital Improvement Projects (CIPs) in the West Marin (including Oceana Marin) service territories. A final fiscal year-end report will be presented to the Board at a later meeting once the FY15-16 financial information is complete. This preliminary progress report is being presented to take advantage of the fact that the June 28th meeting is being held in our West Marin service territory.

Performance Status for Capital Improvement Projects

A total of five CIPs were originally budgeted in FY15-16 for the West Marin water and Oceana Marin sewer service areas (Attachment 1). During the year, one project was added, one was carried over and two were deferred. Out of the resulting five, three projects have been completed. Overall earned value progress in completing West Marin CIPs was 86%. All but two FY15-16 West Marin project expenditures were at or below the original budget (Attachment 2). Based on a review of total project expenditures for all West Marin CIPs, the combined West Marin Water projects are estimated to be below the initial budget by approximately \$82,000 and the sole Oceana Marin project expense of \$5,000 results in a remaining Oceana Marin CIP balance of \$35,000.

FY 15-16
IMPROVEMENTS PROJECTS

| PROJECTS BUDGETED | WEST MARIN/ OCEANA MARIN |
|--------------------|-----------------------------|
| Original Budget | 5 |
| Added | 1 |
| FY 14-15 Carryover | 1 |
| Deferred/Dropped | 2 |
| Adjusted Budget | 5 |

| FISCAL YEAR COMPLETION STATUS | WEST MARIN/ OCEANA MARIN |
|---|-----------------------------|
| No. of Projects Fully Completed | 3 |
| No. of Projects Partially Completed | 2 |
| Year-End Earned Value Completion Percentage | 86% |

FY14-15 CARRYOVER

Replace Pump in Well #2

Date Brought to Board

First Quarter Report

DEFERRED/DROPPED

Green Sand Filter Media Replacement
Infiltration Study and Repairs

First Quarter Report
Second Quarter Report

PROJECTS ADDED

OM Force Main Isolation Valve Design

Second Quarter Report



**WEST MARIN CAPITAL IMPROVEMENT PROJECT SUMMARY FY15-16
AS OF JUNE 30, 2016**

| STATUS | DEPT | ITEM # | PROJECT NO. | DESCRIPTION | PROJECT COSTS | | % COMPLETE | | EARNED VALUE | |
|---|------|--------|-------------|--|------------------|------------------|------------|-----------|------------------|------------------|
| | | | | | Budget | Actual | Baseline | Actual | Planned | Actual |
| 6. West Marin Water System System Improvements | | | | | | | | | | |
| C | Eng | 1 | 6.a | Upsize 4" Pipe from Bear Valley Tanks | \$100,000 | \$113,000 | 100 | 100 | \$100,000 | \$113,000 |
| C | Eng | 2 | 6.b | Tanks #2 & #3 Seismic Piping Upgrade | \$30,000 | \$40,000 | 100 | 100 | \$30,000 | \$40,000 |
| PC | Eng | 3 | 6.c | Replace PRE Tank #4A | \$50,000 | \$15,000 | 100 | 30 | \$50,000 | \$15,000 |
| | | | 6.d | PB in Sync w/County Paving | \$50,000 | \$0 | | | | |
| | | | 6.e | Green Sand Filter Media Replace - DEFER | \$75,000 | \$0 | | | | |
| C | Ops | 4 | 6.f | <Replace Pump in Well #2> | \$0 | \$55,000 | 100 | 100 | \$55,000 | \$55,000 |
| | | | | | \$305,000 | \$223,000 | | | | |
| 7. Oceana Marin Sewer System | | | | | | | | | | |
| | | | 7.a | Infiltration Study & Repair - DEFER | \$40,000 | \$0 | | | | |
| PC | Eng | 5 | 7.b | Force Main Isolation Valve Design | \$0 | \$5,000 | 100 | 100 | \$3,000 | \$3,000 |
| | | | | SubTotal | \$40,000 | \$5,000 | | | | |
| | | | | TOTAL WEST MARIN | \$345,000 | \$228,000 | 100 | 86 | \$238,000 | \$226,000 |
| C - Completed | | | | PROJECT FORECAST REVISED | | | | | | |
| PC - Partially completed | | | | Baseline projects with revised forecast budget increases (indicated by shaded box) | | | | | | |
| | | | | Baselined projects to be deferred (indicated in strikeout) | | | | | | |
| | | | | New projects added (indicated in bold) | | | | | | |
| | | | | Prior year projects carried over indicated in italics | | | | | | |

7

MEMORANDUM

To: Board of Directors

From: Pablo Ramudo, Water Quality Supervisor 
Chris DeGabriele, GM 

Subject: Point Reyes System Overview- Focus on Water Quality
p:\lab\wq supv\2016\memo pr system overview wm.doc

June 24, 2016

RECOMMENDED ACTION: Information only.

FINANCIAL IMPACT: None at this time

The NMWD Point Reyes potable water system delivers water that meets or exceeds state and federal standards for quality. Pablo Ramudo provided this presentation as an overview of the system's components (source wells, treatment plant, and distribution system) at the Boards June 7th meeting with a focus on how they are operated to maximize water quality and protect public health.

Hard copies of the presentation materials are included herein for West Marin Water customers information.

Point Reyes System Overview

Focus on Water Quality

- Coast Guard Wells
 - Well 2
 - Originally constructed in 1973
 - Rehabbed 2015-2016
 - Well 4
 - Completed 2012
- Gallagher Well
 - Built in 1996
 - Pipeline completed 2015

Sources of Potable Water



Water Sources



Coast Guard Wells



Gallagher Well

- Source assessments conclude that NMWD wells sources are not prone to contamination from pollutants associated with commercial or industrial activity.
- Primary contaminants are iron and manganese (in moderate concentrations, no health effects).
- Coast Guard wells are vulnerable to sea water intrusion.
- The levels of salinity are 3x what they were ten years ago.
- Sea level rise of 0.2 cm per year (more than 3 inches since construction of well 2) and accelerating.

Raw Water

- Most familiar components sodium and chloride.
- Other metals: Calcium, magnesium.
- Bromide is a small component by weight but has the largest impact with health concerns.
 - Increases disinfection byproducts (trihalomethanes).

Salinity Intrusion

- Treatment and filtration at PRTP
 - Removal of iron and manganese
 - Potassium permanganate catalyzed removal by green sand filtration
 - Disinfection
 - Free chlorine
- Treatment in the distribution system
 - Boost chlorine to maintain disinfection
 - Remove disinfection byproducts through formation of aerosols and venting inside storage tanks
 - Inverness Park tanks and PRE #2

Treatment

- Components of Treatment

- Contact tank

- Completed in 2007

- Sized to maximize oxidation of metals and provide disinfectant contact time similar to requirements for surface waters.

- Groundwater rule promulgated in 2009 allows for a waiver of triggered source monitoring requirement if 4 log removal (0.9999%) of viruses can be maintained.

- Pressurized filter vessels

- Green sand for iron and manganese removal.

- In-Tank Sprayers for reduction of disinfection by-products.

Treatment



Chemical Contact Tank



Filters



Treatment Plant



In-Tank Sprayers

- Iron and Manganese

- Raw water

- Iron = 0.11 mg/L to 0.54 mg/L
 - Manganese = 0.051 mg/L to 0.45 mg/L

- After oxidation and filtration

- Not Detectable

- Disinfection-

- No coliform bacteria in distribution system.
 - Waiver from triggered source monitoring.

- Disinfection byproducts

- Total trihalomethanes reduced by 30% to 50%.


Performance

- NMWD investments in infrastructure improve water quality
 - To Protection of public health.
 - To meet or exceed all regulatory requirements.

conclusions

8

MEMORANDUM

To: Board of Directors
 From: Drew McIntyre, Chief Engineer 
 Subject: Water Service Agreement – Shell Station Remodel- 7473 Redwood Blvd.
 (APN: 141-244-16)

June 24, 2016

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RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: None: Developer Funded

The Shell Station Remodel project consists of construction of new 3,027 square foot convenience store, 1,129 square foot self-service drive-through car wash, new fuel canopy shelter with 4 fuel stations and installation of two 20,000 gallon underground storage tanks by replacing all the existing structures. The Novato Fire Marshall has required that the convenience store and gas station be fire sprinkled with a dedicated 6-inch fire service. The project is located at 7473 Redwood Blvd., at the intersection with Olive Avenue (see map in attachment A).

The existing recycled water 12-inch main will be extended and a new 1.5-inch recycled water service will be installed to serve irrigation and the car wash (after state permit approval). The District has requested State Department of Drinking Water (DDW) and Regional Water Quality Control Board (RWQCB) to allow the District to permit use of recycled water for the nearby 7474 Redwood Blvd. (Chevron) car wash project (including future car wash projects) and the request is still in review by the State. The Shell Station car wash building will be dual plumbed for car washing with recycled water and fire sprinkling with domestic water. The existing one inch potable meter will serve as the temporary car wash and irrigation service and a new 1-inch meter with a reduced pressure backflow preventer assembly (RPP) will be installed to serve the domestic water use. The existing (temporary) meter will be killed once the recycled water use permit approval is received at which time the car wash and irrigation will be connected to the new 1.5-inch recycled water meter. The property owner has been instructed to make provisions for future recycled water connection to the car wash facilities once NMWD receives permit approval.

New Zone 1 potable and recycled water facilities include 80 feet of 12-inch, 30 feet of 8-inch, 40 feet of 6-inch PVC main, 5 feet of 6-inch steel main, 170 feet of 2-inch copper lateral, one 1-inch domestic water service, one 1.5-inch recycled water service, one commercial fire hydrant and a 6-inch fire service with 5/8-inch bypass meter. The 1.5-inch recycled water service will be served from the Novato North service area recycled water system (Plum Street Tank).

Initial service to this property was established in 1949 with two 5/8-inch meters which were later replaced in 1967 by one 1-inch meter. The entitlement established by the first 10 year use is 2 Equivalent Dwelling Units (EDUs). A review of the water use history has shown that average water

Approved by GM CDDate 6/24/2016

use in the last ten years has been 6 EDUs. The proposed project is estimated to have a demand of 1.5 EDUs for domestic, 0.5 EDUs for irrigation, and 4 EDUs for car wash for a total of 6 EDUs. With a 2 EDU credit given for existing paid connection fees, the additional water demand associated with this project is 4 EDUs.

Sanitary sewer service will continue to be provided by Novato Sanitary District.

Environmental Document Review

This project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15302, Replacement or Reconstruction.

RECOMMENDATION:

That the Board approve authorization of this agreement.



| | | | |
|----------------------------|--------|---------|----------|
| SHELL STATION REDWOOD BLVD | | | |
| APN: 141-244-16 | | | |
| DATE | SCALE | JOB NO. | DWG. NO. |
| 6/20/16 | N.T.S. | 2798 | MAP |

RESOLUTION NO. 16-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
AU ENERGY LLC

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and AU Energy LLC, a Limited Liability Corporation, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 7473 REDWOOD BLVD., Marin County Assessor's Parcel Number 141-244-16, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 28th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
SHELL STATION REMODEL – 7473 REDWOOD BLVD.

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2016, by and between NORTH MARIN WATER DISTRICT, herein called "District," and AU ENERGY, LLC, A Limited Liability Corporation, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 141-244-16 and the project known as SHELL STATION REMODEL – 7473 REDWOOD BLVD consisting of one (1) lot for commercial development; and

WHEREAS, prior to final approval by the City or County of a Subdivision Map, Precise Development Plan, Parcel Map or other land use application and recording of a final map for the project, the Applicant shall enter into an agreement with the District and complete financial arrangements for water service to each lot, unit or parcel of the project;

WHEREAS, the Applicant is the owner of real property in the District commonly known as 7473 Redwood Blvd., Novato (Marin County Assessor's Parcel 141-244-16): and

WHEREAS, the District established water service to 7473 Redwood Blvd., (APN: 141-244-16) in 1949 with two 5/8-inch meters; and

WHEREAS, the two 5/8-inch meters were replaced by one 1-inch meter in 1967; and

WHEREAS, the historical water use for the parcel is calculated to be 2 EDUs; and

WHEREAS, the most recent 10 year average day peak month consumption of the parcel is six (6) EDUs; and

WHEREAS, the proposed project's estimated average day peak month water demand is six (6) EDUs resulting in a net increased water use of four (4) EDUs; and

NOW THEREFORE, the parties hereto agree as follows:

1. The Applicant hereby applies to the District for water service to said real property and project and shall comply with and be bound by all terms and conditions of this agreement, the District's regulations, standards and specifications and shall construct or cause to be constructed the water facilities required by the District to provide water service to the real property and project. Upon acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 6 of this agreement.

3. Prior to release or delivery of any materials by the District or scheduling of either construction inspection or installation of the facilities by the District, the Applicant shall:

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2798.001, entitled, " SHELL STATION REMODEL – 7473 REDWOOD BLVD ", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

b. grant or cause to be granted to the District without cost and in form satisfactory to the District all easements and rights of way shown on Exhibit "A" or otherwise required by the District for the facilities.

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 6 hereof.

4. Except for fire service, new water service shall be limited to the number and size of services for which Initial Charges are paid pursuant to this agreement. Initial Charges for new services, estimated District costs and estimated applicant installation costs are as follows:

Initial Charges

| | | | | | |
|---|--------------------|----|-------------|----|-------------|
| Meter Charges (Domestic) (Included in Estimated District Costs) |One 1-inch @ | \$ | 0.00 | \$ | 0.00 |
| Meter Charges (FS Bypass Mtr) (Included in Estimated District Costs). |One 5/8-inch @ | \$ | 0.00 | \$ | 0.00 |
| Meter Charges (Recycled Water) (Included in Estimated District Costs) |One 1.5-inch @ | \$ | 0.00 | \$ | 0.00 |
| Reimbursement Fund Charges |One @ | \$ | 1,055.00 | \$ | 1,055.00 |
| Reimbursement Fund Charges (RW car wash & irrg.) | @ | \$ | 0.00 | \$ | 0.00 |
| Facilities Reserve Charges..... |Six @ | \$ | 28,600.00 | \$ | 171,600.00 |
| Credit for Existing Services | | | | | |
| (\$120 Mtr, \$1,055 RFC & \$57,200 for 2 | @ | \$ | <58,375.00> | \$ | <58,375.00> |
| EDUs)..... | | | | | |

Subtotal - Initial Charges..... \$ 114,280.00

Estimated District Costs

Pipe, Fittings & Appurtenances..... \$ 18,264.00
District Construction Labor..... \$ 26,692.00
Engineering & Inspection..... \$ 7,826.00
Bulk Materials..... \$ 3,827.00

Subtotal –Estimated District Costs..... \$ 56,609.00

Estimated Applicant Installation Costs

Installation Labor..... \$ 57,600.00
Contractor Furnished – Pipe Fittings & Appurtenances..... \$ 5,674.00
Bulk Materials..... \$ 39,398.00

Subtotal- Estimated Applicant Installation Costs..... \$ 102,672.00

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$ 273,561.00

(Bulk materials are such items as crushed rock, imported backfill, concrete, reinforcing steel, paving materials, and the like, which are to be furnished by the contractor performing the work.)

5. In addition to the Initial Charges, Estimated District costs and Contributions, and Estimated Applicant Installation costs set forth in Section 4 above, the Applicant shall furnish at no cost to the District all PVC pipe (4-inch diameter and larger), valves and water line fittings shown on Exhibit "A" or otherwise required by the District. The quantities, type and quality of said materials shall be approved by the District prior to purchase by the Applicant and shall conform to District standards as stated and shown on Specifications (15100 Valves, 15056 Pipeline Fittings, 15064 Polyvinyl Chloride (PVC) Pressure Pipe) marked as Exhibit "B" attached hereto and made a part hereof and as otherwise may be required. (For purposes of recording, Exhibit "B" is not attached but is on file in the office of the District.) The cost of said materials is estimated to be **\$5,674**. The District reserves the right to reject and prohibit installation of all nonconforming materials furnished by the Applicant.

6. Financial Arrangements to be made by the Applicant shall consist of the following:

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$ 170,889**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the

letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$ 102,672** conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$ 25,668** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$ 102,672** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

Whenever an irrevocable letter of credit is required by this agreement, the Applicant may substitute a certificate of deposit at a financial institution in the Novato area provided the certificate may be cashed at sight by the District at any time.

7. Water service through the facilities to be installed pursuant to this agreement will not be furnished to any building unless the building is connected to a public sewer system or to a waste water disposal system approved by all governmental agencies having regulatory jurisdiction. This restriction shall not apply to temporary water service during construction.

8. New construction in the District's Novato service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 15 sections e. and f.

9. The District has determined that recycled water will be supplied for irrigation and car wash in the near future and requires that the Applicant's car wash and irrigation systems be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for connection of Applicant's irrigation system and car wash to the recycled distribution main upon state permit approval. In the interim, potable water shall be supplied through a potable irrigation and car wash water meter with a reduced pressure principle backflow device. When recycled water becomes available, the irrigation system and car wash will be connected to the recycled water distribution main per District requirements at the time the connection is made.

10. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 6 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

11. All extensions of time granted by the City of Novato or the County of Marin for the Applicant to comply with conditions of land use approval or to construct improvements pursuant to a subdivision improvement agreement shall require concurrent extensions of this agreement and shall be cause for review and revision of all Initial Charges and estimated costs set forth in Section 4 hereof. The Applicant shall apply to the District for extension of this agreement prior to approval of the Applicant's requests for such extensions by either the City of Novato or the County of Marin.

12. This agreement shall bind and benefit the successors and assigns of the parties hereto; however, this agreement shall not be assigned by the Applicant without the prior written consent of the District. Assignment shall be made only by a separate document prepared by the District at the Applicant's written request.

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

John Schoonover, President

Katie Young, Secretary

(SEAL)

AU ENERGY, LLC
A Limited Liability Corporation
"Applicant"

(SEAL)

Naresh K. Goyal, Managing Member

NOTES: *If the Applicant executing this agreement is a corporation, a certified copy of the bylaws or resolutions of the Board of Directors of said corporation authorizing designated officers to execute this agreement shall be provided.*

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

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

9

MEMORANDUM

To: Board of Directors June 24, 2016
From: Drew McIntyre, Chief Engineer 
Subject: Water Service Agreement – Redwood Landfill Gas to Energy Project, APN 125-160-13
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RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: None: Developer Funded

The Redwood Landfill is located at 8950 Redwood Highway, Novato, APN 125-160-13. The proposed Gas to Energy facility is located approximately 600 feet north of the existing Scale House facility (see attached map). This facility will condition the landfill gas that is currently being flared and burn it in two engine generator sets to generate electrical power. An office trailer will also be provided. This agreement will add a 6-inch fire service for the new facilities and install an additional fire hydrant. Domestic water for the office trailer kitchen and bathroom will be provided by an existing meter via a private water line extension from the existing scale house.

New Zone 1 water facilities required include 225 feet of 8-inch PVC main, 20 feet of 6-inch main, one 6-inch Fire Service Assembly, and one commercial fire hydrant. These facilities will receive high pressure water from the aqueduct. This project has an expected water demand of one EDU. Redwood Landfill is currently utilizing only 10 EDUs of the 44 EDUs of historical connection fees previously paid. Therefore no additional connection fees are required.

Sewer service is provided by an on-site sewage holding system. The Building permit for this project was issued by the County of Marin.

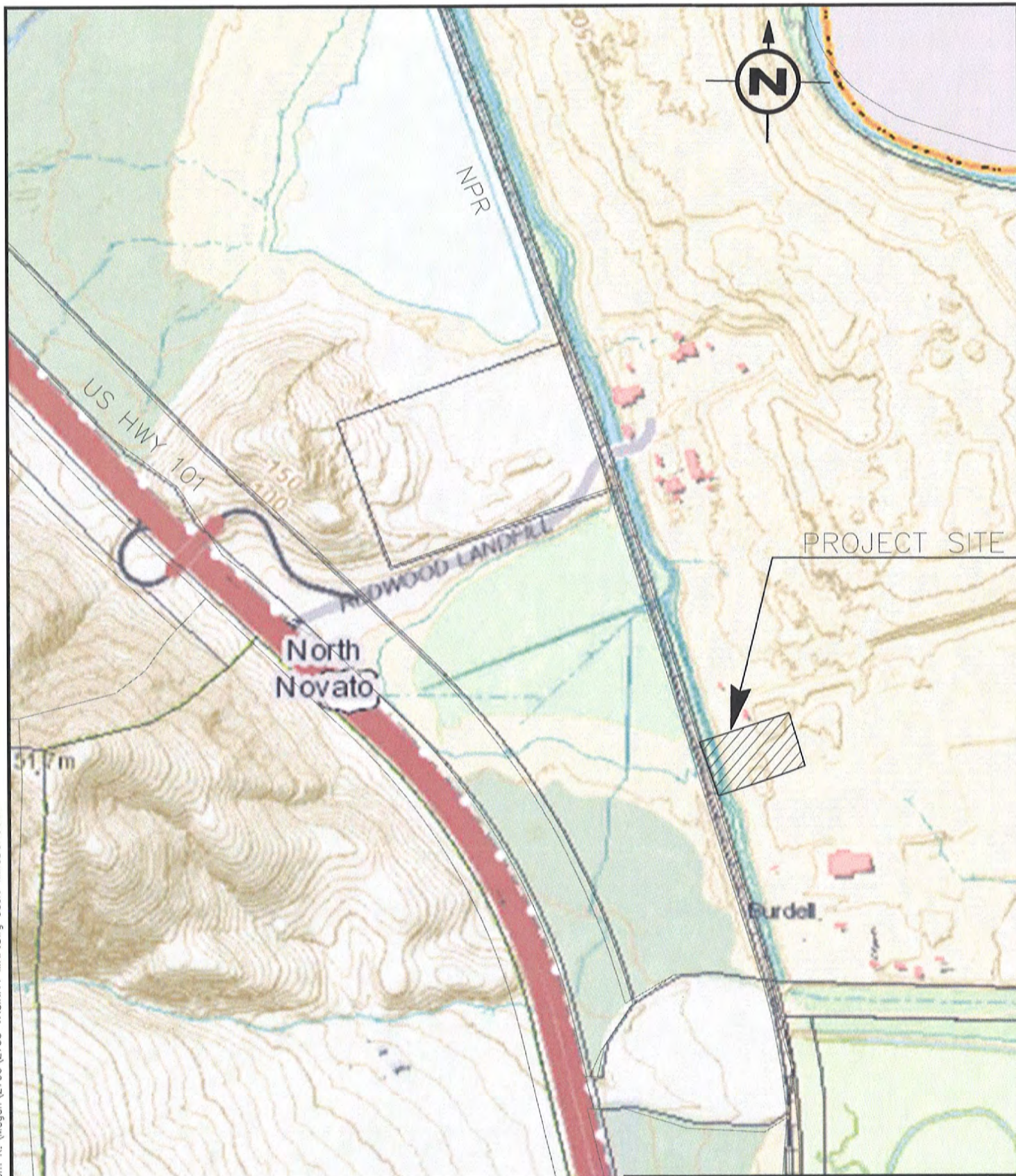
Environmental Document Review

On December 24, 2008, the Final EIR was Certified for the Redwood Landfill Solid Waste Facilities Permit Revision.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Jun 21, 2016 - 2:10pm R:\Wegon\2796\2796 VACINITY MAP.dwg User: MMCDONOUGH



REDWOOD LANDFILL GAS TO ENERGY
FIRE SERVICE
APN: 125-160-13

| DATE | SCALE | JOB.NO. | DWG.NO. |
|---------|-------|---------|---------|
| 6/20/16 | NTS | 2796 | MAP |

RESOLUTION NO. 16-
AUTHORIZATION OF EXECUTION
OF
HIGH PRESSURE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
REDWOOD LANDFILL, INC.

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Redwood Landfill, Inc., a Delaware Corporation, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 8950 REDWOOD HIGHWAY, Marin County Assessor's Parcel Number 125-160-13, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 28th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

PART ONE
HIGH PRESSURE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
REDWOOD LANDFILL GAS TO ENERGY PROJECT

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2016, by and between NORTH MARIN WATER DISTRICT, herein called "District," and REDWOOD LANDFILL, INC., A Delaware Corporation, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 125-160-13 and the project known as REDWOOD LANDFILL GAS TO ENERGY, consisting of one (1) lot for commercial development; and

WHEREAS, prior to final occupancy approval by the County, the Applicant shall enter into an agreement with the District and complete financial arrangements for water service to said project;

WHEREAS, the Applicant is the owner of real property in the District commonly known as 8950 Redwood Highway, Novato (Marin County Assessor's Parcel 125-130-13); and

WHEREAS, an agreement for Redwood Landfill, Inc was executed in 1992 (NMWD Job-1.2033) in which fees were paid for 40 EDUs;

WHEREAS, an agreement for Redwood Landfill - Cascade Forrest Products Facility was executed in 1997 (NMWD Job-1.2441) and fees were paid for an additional 4 EDUs (for a total of 44 EDUs);

WHEREAS, an agreement for Redwood Landfill-Scale House Facility was executed in 2009 (NMWD Job 1.2741) and no additional connection fees were paid;

WHEREAS, although the project has an estimated water demand of 1 EDU, no additional Facility Reserve Charge fees are due since the combined average historical usage for this property over the last ten (10) years equates to an average day peak month consumption of 10 EDUs, compared to a total of 44 EDUs for which Facilities Reserve Charges have previously been paid (leaving a balance of 33 EDUs in reserve); and

NOW THEREFORE, the parties hereto agree as follows:

1. The Applicant hereby applies to the District for water service to said real property and project and shall comply with and be bound by all terms and conditions of this agreement, the District's regulations, standards and specifications and shall construct or cause to be constructed the water facilities required by the District to provide water service to the real property and project. Upon acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 6 of this agreement.

3. Prior to release or delivery of any materials by the District or scheduling of either construction inspection or installation of the facilities by the District, the Applicant shall:

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2796.001, entitled, "REDWOOD LANDFILL GAS TO ENERGY", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

b. grant or cause to be granted to the District without cost and in form satisfactory to the District all easements and rights of way shown on Exhibit "A" or otherwise required by the District for the facilities.

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 6 hereof.

4. Except for fire service, new water service shall be limited to the number and size of services for which Initial Charges are paid pursuant to this agreement. Initial Charges for new services, estimated District costs and estimated applicant installation costs are as follows:

Initial Charges

| | | | | | |
|--|--------------------|----|-----------|----|----------------|
| Meter Charges (Fire Service) (Included in Estimated District Costs) ... |One 5/8-inch @ | \$ | 0.00 | \$ | 0.00 |
| Reimbursement Fund Charges-Fire Service..... |1-inch @ | \$ | 0.00 | \$ | 0.00 |
| Facilities Reserve Charges (44 EDUs)..... |Forty Four @ | \$ | 28,600.00 | \$ | 1,258,400.00 |
| Credit for Existing Services (\$28,000x44 EDUs for exist svc.).... |Forty Four @ | \$ | 28,600.00 | \$ | <1,258,400.00> |

Subtotal - Initial Charges..... \$ 0.00

Estimated District Costs

Pipe, Fittings & Appurtenances..... \$ 11,042.00
 District Construction Labor..... \$ 17,136.00
 Engineering & Inspection..... \$ 6,676.00
 Bulk Materials..... \$ 393.00

Subtotal –Estimated District Costs..... \$ 35,247.00

Estimated Applicant Installation Costs

Installation Labor..... \$ 22,080.00
 Contractor Furnished – Pipe Fittings & Appurtenances..... \$ 3,938.00
 Bulk Materials..... \$ 2,956.00

Subtotal- Estimated Applicant Installation Costs..... \$28,974.00

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$64,221.00

(Bulk materials are such items as crushed rock, imported backfill, concrete, reinforcing steel, paving materials, and the like, which are to be furnished by the contractor performing the work.)

5. In addition to the Initial Charges, Estimated District costs and Contributions, and Estimated Applicant Installation costs set forth in Section 4 above, the Applicant shall furnish at no cost to the District all PVC pipe (4-inch diameter and larger), valves and water line fittings shown on Exhibit “A” or otherwise required by the District. The quantities, type and quality of said materials shall be approved by the District prior to purchase by the Applicant and shall conform to District standards as stated and shown on Specifications (15100 Valves, 15056 Pipeline Fittings, 15064 Polyvinyl Chloride (PVC) Pressure Pipe) marked as Exhibit “B” attached hereto and made a part hereof and as otherwise may be required. (For purposes of recording, Exhibit “B” is not attached but is on file in the office of the District.) The cost of said materials is estimated to be **\$3,938**. The District reserves the right to reject and prohibit installation of all nonconforming materials furnished by the Applicant.

6. Financial Arrangements to be made by the Applicant shall consist of the following:

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$ 35,247**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the

letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$ 28,974** conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$ 7,244** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$28,974** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

Whenever an irrevocable letter of credit is required by this agreement, the Applicant may substitute a certificate of deposit at a financial institution in the Novato area provided the certificate may be cashed at sight by the District at any time.

7. High pressure water service will be rendered to the Redwood Landfill Gas to Energy Project Water Facilities in accordance with District Regulation 12 entitled "High Pressure Service". The Applicant shall install a private pressure regulating device for each service to said lots as required by local ordinances and plumbing codes prior to occupancy of any structures, shall inform the buyer or buyers of said lots of the water service conditions herein described, and shall provide each buyer a copy of this agreement prior to any final sales transaction. Said private pressure regulating devices

shall be in accordance with District Standard 28 but shall not be a part of the District's water system. The maintenance and operation of said devices shall be the responsibility of the property owners.

8. Water service through the facilities to be installed pursuant to this agreement will not be furnished to any building unless the building is connected to a public sewer system or to a waste water disposal system approved by all governmental agencies having regulatory jurisdiction. This restriction shall not apply to temporary water service during construction.

9. New construction in the District's Novato service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 15 sections e. and f.

10. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 6 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

11. All extensions of time granted by the City of Novato or the County of Marin for the Applicant to comply with conditions of land use approval or to construct improvements pursuant to a subdivision improvement agreement shall require concurrent extensions of this agreement and shall be cause for review and revision of all Initial Charges and estimated costs set forth in Section 4 hereof. The Applicant shall apply to the District for extension of this agreement prior to approval of the Applicant's requests for such extensions by either the City of Novato or the County of Marin.

12. This agreement shall bind and benefit the successors and assigns of the parties hereto; however, this agreement shall not be assigned by the Applicant without the prior written consent of the District. Assignment shall be made only by a separate document prepared by the District at the Applicant's written request.

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

John Schoonover, President

Katie Young, Secretary

REDWOOD LANDFILL, INC.
A Delaware Corporation
"Applicant"

(SEAL)

Barry Skolnick, Area Vice President

NOTES: *If the Applicant executing this agreement is a corporation, a certified copy of the bylaws or resolutions of the Board of Directors of said corporation authorizing designated officers to execute this agreement shall be provided.*

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


ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

10

MEMORANDUM

To: Board of Directors

Date: June 24, 2016

From: Drew McIntyre, AGM/Chief Engineer 

Subject: Contract for Drafting Services - Aberegg

R:\NON JOB No ISSUES\Consultants\Aberegg\FY16-17\Agmts_BOD Memos\Aberegg FY16_17 genl servs contract agmt 6_28_16 BOD memo.doc

RECOMMENDED ACTION: Authorize General Manager to execute a new agreement for drafting services between NMWD and Michael Aberegg for miscellaneous drafting services

FINANCIAL IMPACT: \$30,000

Attached is a new agreement for drafting services from Michael Aberegg, an independent job shopper that the District has used since 2000 to provide miscellaneous drafting services to help staff meet short-term workload demands with a not-to-exceed limit of \$30,000. The last contract was approved by the Board at the September 1, 2015 meeting for \$30,000. Since that time, Mr. Aberegg has performed periodic drafting services on an as-needed basis. The determination of whether to use Mr. Aberegg is based upon actual drafting backlog. Since September 2015, Mr. Aberegg has worked on one District project (Recycled Water Central Service Area) and three developer projects.

A summation of contract billings for Mr. Aberegg for the last five years is provided as follows:

TABLE I


| Contract Issuance Year | Billing Year | Total Billings |
|------------------------|--------------|----------------|
| FY16 | FY 15 & 16 | \$30,833 |
| FY14 | FY 14 & 15 | \$19,443 |
| FY12 | FY12 & 13 | \$15,540 |

A cost breakdown for the \$30,000 FY15-16 contract by task is summarized as follows:

TABLE 2

| | |
|--|------------|
| Starting Contract Amount | \$30,000 |
| Carryover Balance from previous Purchase Order | \$1,082 |
| Adjust Contract Balance | \$31,082 |
| Projects (billings to date) | |
| Recycled Water Central Service Area | <\$29,255> |
| Novato Dermatology | <\$913> |
| Valley Memorial Park Office Expansion | <\$500> |
| Dr. Dang Dental Office | <\$165> |
| Remaining Balance on Contract | \$249 |

The total billings under the FY15-16 contract are \$30,833 leaving a balance of \$249 the contract.

Approved by GM Date 6/24/2016

Mr. Aberegg has consistently produced a good work product in an efficient manner. Mr. Aberegg would continue to be used on an as-needed basis for either developer and/or District projects. His hourly rate of \$55/hour remains unchanged since 2004. Mr. Aberegg would proceed on work only after a specific work scope task, schedule and estimate of services costs are discussed.

RECOMMENDATION

Authorize General Manager to execute a new agreement for drafting services between NMWD and Mr. Aberegg for miscellaneous drafting services with a not-to-exceed limit of \$30,000.

AGREEMENT FOR CONSULTING SERVICES

The following is an agreement between **North Marin Water District**, hereinafter "**NMWD**", and **Michael Aberegg**, hereinafter, "**Consultant**".

WHEREAS, Consultant is a duly qualified consulting firm, experienced in drafting services and CAD documentation.

WHEREAS, in the judgement of the Board of Directors of the NMWD, it is necessary and desirable to employ the services of the Consultant to provide miscellaneous drafting services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

PART A -- SPECIFIC PROVISIONS:

1. DESCRIPTION OF SERVICES AND PAYMENT: Except as modified in this agreement, the services to be provided and the payment schedule are:

- a. The scope of work and fee amount covered by this agreement shall include miscellaneous drafting assistance under District staff supervision. Specific work scope tasks, schedules and estimate of services cost shall be discussed, agreed upon and documented between NMWD and the Consultant prior to beginning any work under this agreement.
- b. The fee for the work shall be \$55 per hour and will include travel time. The hourly rate shall include all other incidental costs such as mileage, supplies, etc., Agreement cost shall not exceed \$30,000 in total without additional Board of Directors' authorization.

PART B -- GENERAL PROVISIONS

1. ASSIGNMENT/DELEGATION: Except as above, neither party hereto shall assign, sublet or transfer any interest in or duty under this agreement without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

2. STATUS OF CONSULTANT: The parties intend that the Consultant, in performing the services hereinafter specified, shall act as an independent contractor and shall have the control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of NMWD, and is not entitled to participate in any pension plan, insurance, bonus or similar benefits NMWD provides its employees.

3. INDEMNIFICATION: NMWD is relying on the professional ability and training of the Consultant as a material inducement to enter into this agreement. The Consultant hereby warrants that all its work will be performed in accordance with generally accepted professional practices and standards, as well as the requirements of applicable federal, state and local laws, it being understood that neither acceptance of the Consultant's work by NMWD nor Consultant's failure to perform shall operate as a waiver or release.

- a. With respect to professional services under this agreement, Consultant shall assume the defense of and defend NMWD, its directors, officers, agents, and employees in any action at law or in equity in which liability is claimed or alleged to arise out of, pertain to, or relate to, either directly or indirectly, the intentional or willful misconduct, recklessness, or negligent act, error, or omission of Consultant (or any person or organization for whom Consultant is legally liable) in the performance of the activities necessary to perform the services for District and complete the task provided for herein. In addition, Consultant shall indemnify, hold harmless, and release NMWD, its directors, officers, agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs, that may be asserted by any person or entity including the Consultant, arising out of, pertaining to, or relating to, the negligent acts, errors or omissions, recklessness, or intentional or willful misconduct of the Consultant (or any consultant or subcontractor of Consultant) in connection with the activities necessary to perform the services and complete the task provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.
- b. With respect to all other than professional services under this agreement, Consultant shall indemnify, hold harmless, release and defend NMWD, its agents and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that may be asserted by any person or entity, including the Consultant, arising out of or in connection with the activities necessary to perform those services and complete the tasks provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

This indemnification is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the NMWD or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

4. PROSECUTION OF WORK: The execution of this agreement shall constitute the Consultant's authority to proceed immediately with the performance of this contract. Performance of the services hereunder shall be completed by June 30 2018, provided, however, that if the performance is delayed by earthquake, flood, high water or other Act of God or by strike, lockout or similar labor disturbance, the time for the Consultant's performance of this contract shall be extended by a number of days equal to the number of days the Consultant has been delayed.

5. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS: All notices, bills and payment shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

North Marin Water District
P.O. Box 146
Novato, CA 94948
Attention: Drew McIntyre

Consultant:
Michael Aberegg
P.O Box 6865
Albany, CA 94706

and when so addressed, shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this paragraph.

6. MERGER: This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms of the agreement, pursuant to California Code of Civil Procedure Section 1856 and as a complete and exclusive statement of the terms of the agreement. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

7. SEVERABILITY: Each provision of this agreement is intended to be severable. If any term of any provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this agreement and shall not affect the validity of the remainder of the agreement.

8. TERMINATION: At any time and without cause the NMWD shall have the right in its sole discretion, to terminate this agreement by giving written notice to the Consultant. In the event of such termination, NMWD shall pay the Consultant for services rendered to such date.

9. TRANSFER OF RIGHTS/OWNERSHIP OF DATA: The Consultant assigns to NMWD all rights throughout the work in perpetuity in the nature of copyright, trademark, patent, and right to ideas, in and to all versions of any plans and specifications, reports and document now or later prepared by the Consultant in connection with this contract.

The Consultant agrees to take such actions as are necessary to protect the rights assigned to NMWD in this agreement, and to refrain from taking any action which would impair those rights. The Consultant's responsibilities under this contract will include, but not be limited to, placing proper notice of copyright on all versions of any plans and specifications, reports and documents as NMWD may direct, and refraining from disclosing any versions of the reports and documents to any third party without first obtaining written permission of NMWD. The Consultant will not use, or permit another to use, any plans and specifications, reports and document in connection with this or any other project without first obtaining written permission of NMWD.

All materials resulting from the efforts of NMWD and/or the Consultant in connection with this project, including documents, reports, calculations, maps, photographs, computer programs, computer printouts, digital data, notes and any other pertinent data are the exclusive property of NMWD. Re-use of these materials by the Consultant in any manner other than in conjunction with activities authorized by NMWD is prohibited without written permission of NMWD.

Consultant shall deliver requested materials to NMWD in electronic format including but not limited to engineering calculations, plans (AutoCad, current edition) and specifications (MS Word, current edition).

10. COST DISCLOSURE: In accordance with Government Code Section 7550, the Consultant agrees to state in a separate portion of any report provided NMWD, the numbers and amounts of all contracts and subcontractors relating to the preparation of the report.

11. NONDISCRIMINATION: The Consultant shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition or physical handicap.

12. EXTRA (CHANGED) WORK: Extra work may be required. The Consultant shall not proceed nor be entitled to reimbursement for extra work unless it has been authorized, in writing, in advance, by NMWD. The Consultant shall inform the District as soon as it determines work beyond the scope of this agreement may be necessary and/or that the work under this agreement cannot be completed for the amount specified in this agreement. Said review shall occur before consultant incurs 75% of the total fee approved for any phase of the work. Failure to notify the District shall constitute waiver of the Consultant's right to reimbursement.

13. CONFLICT OF INTEREST: The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Consultant further covenants that in the performance of this contract no person having any such interest shall be employed.

14. INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the consultant, his agents, representatives, employees or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Commercial General Liability coverage
2. Automobile Liability
3. Workers' Compensation insurance as required by the State of California.
4. Professional Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability (including operations, products and completed operations.): **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation Insurance: as required by the State of California.
4. Professional Liability, **\$1,000,000** per occurrence.

Verification of Coverage

Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require at any time complete and certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Subcontractors

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the District for review and approval. All coverage for subcontractors shall be subject to all of the requirements stated herein.

Self-Insured Retentions

Any self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District (such as a surety bond) guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

15. DISPUTE RESOLUTION: Any dispute or claim in law or equity between District and Consultant arising out of this agreement, if not resolved by informal negotiation between the parties, shall be mediated by referring it to the nearest office of Judicial Arbitration and Mediation Services, Inc. (JAMS) for mediation. Mediation shall consist of an informal, non-binding conference or conferences between the parties and the judge-mediator jointly, then in separate caucuses wherein the judge will seek to guide the parties to a resolution of the case. If the parties cannot agree to mutually acceptable member from the JAMS panel of retired judges, a list and resumes of available mediators numbering one more than there are parties will be sent to the parties, each of whom will strike one name leaving the remaining as the mediator. If more than one name remains, JAMS arbitrations administrator will choose a mediator from the remaining names. The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution.

At the sole election of the District, any dispute or claim in law or equity between District and Consultant arising out of this agreement which is not settled through mediation shall be decided by neutral binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of Judicial Arbitration Mediation Services, Inc. (JAMS). The parties to an arbitration may agree in writing to use different rules and/or arbitrators.

16. BILLING AND DOCUMENTATION: The Consultant shall invoice NMWD for work performed on a monthly basis and shall include a summary of work for which payment is requested. The invoice shall state the authorized contract limit, the amount of invoice and total amount billed to date. The summary shall include time and hourly rate of each individual, a narrative description of work accomplished, and an estimate of work completed to date.

17. REASONABLE ASSURANCES: Each party to this agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise, with respect to performance of either party, the other may, in writing, demand adequate assurance of due performance and until the requesting party receives such assurance may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of the party with respect to performance under this agreement but also conduct with respect to other agreements with parties to this agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, not to exceed 30 days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

**NORTH MARIN WATER DISTRICT
"NMWD"**

Dated: _____

Chris DeGabriele, General Manager

"CONSULTANT"

Dated: _____

Michael Aberegg

11

DISBURSEMENTS - DATED JUNE 23, 2016

ITEM #11

Date Prepared 6/21/16

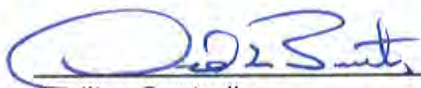
The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:


| Seq | Payable To | For | Amount |
|--------|---------------------------|--|------------|
| *EFT | | June Bank Analysis Charge (Lockbox \$912, Credit Card Processing \$738 & Other \$699) (Less Interest Credit of \$171) | \$2,152.93 |
| *51582 | Xu, Amy | Refund Overpayment on Open Account | 123.41 |
| 1 | Allied Fluid Products | 12" Flanges (4) (\$1,937) & 12" Couplings (6) (\$1,429) | 3,366.14 |
| 2 | Alpha Analytical Labs | Lab Testing | 144.00 |
| 3 | Athens Administrators | April Bill Review Fees | 18.53 |
| 4 | AT&T | Leased Lines | 66.58 |
| 5 | Bank of Marin | Bank of Marin Loan Principal & Interest (Pymt 56 of 240) | 46,066.67 |
| 6 | Berringer, Alice | Novato "Cash for Grass" Rebate | 200.00 |
| 7 | Bevan, Mark | Novato "Toilet" Rebate Program | 100.00 |
| 8 | Buck's Saw Service | Premixed Gas (8 gal) | 56.46 |
| 9 | Camilleri, Vincent | Refund Overpayment on Closed Account | 24.26 |
| 10 | Clipper Direct | Commuter Benefit Program (1) | 173.00 |
| 11 | | Vision Reimbursement | 170.00 |
| 12 | Echo, Shy | Refund Overpayment on Open Account | 1,051.00 |
| 13 | Evoqua Water Technologies | Service on Deionization System (Lab) | 222.50 |
| 14 | Fedak & Brown | Progress Pymt#1: Financial Statement Audit FY16 (Balance Remaining on Contract \$13,220) | 3,000.00 |
| 15 | Fisher Scientific | Measuring Device for Lab | 48.59 |
| 16 | Fluke | Calibration Repair of PLC Voltage Tester | 1,057.00 |
| 17 | Frontier Communications | Leased Lines (10) | 870.32 |

| Seq | Payable To | For | Amount |
|-----|--------------------------------|--|-----------|
| 18 | GFS Chemicals | Turbidity Standard (1 gal) (STP) | 345.57 |
| 19 | Goelet, Rio | West Marin "Toilet Rebate Program" | 100.00 |
| 20 | Golden Gate Petroleum | Gas (\$2.44/gal) & Diesel (\$2.33/gal) | 850.20 |
| 21 | Grainger | Work Headlamps (2) (\$71), 18" Pipe Wrench (\$45), Reciprocating Saw Blade & Screwdrivers (2) | 169.83 |
| 22 | Idexx Laboratories | Bacteria Count Tray & Coliform Test Vessels (100) (Lab) (\$230) | 257.80 |
| 23 | | Cafeteria Plan: Uninsured Medical Reimbursement | 349.21 |
| 24 | Krause, Arlene | Refund Overpayment on Closed Account | 21.25 |
| 25 | Lincoln Life | Deferred Compensation PPE 6/15/16 | 14,486.74 |
| 26 | Maltby Electric | Electrical Conduits (4) (\$72) & Clamps (12) | 85.40 |
| 27 | Marin County Recorder | March & April Official Record Copy (7) | 57.00 |
| 28 | McLellan, WK | Misc Paving | 8,712.23 |
| 29 | McClary, Arthur | WM "Toilet Rebate" Program Commercial | 50.00 |
| 30 | | Cafeteria Plan: Uninsured Medical Reimbursement | 390.00 |
| 31 | Meehan, Thomas | Novato "Washer" Rebate Program | 50.00 |
| 32 | Nationwide Retirement Solution | Deferred Compensation PPE 6/15/16 | 1,400.00 |
| 33 | Novak, Jeffrey | Novato "Cash for Grass" Rebate Program | 400.00 |
| 34 | Pace Supply | Mega Lug Set (2) | 93.79 |
| 35 | Pebbles, Lawrence | Novato "Toilet Rebate" Program | 100.00 |
| 36 | Peterson Trucks | Fan Belt ('06 Int'l 4300) | 44.57 |
| 37 | PG&E | Power: Bldgs/Yard (\$4,418), Rectifier/Controls (\$2,094), Pumping (\$27,774), Treatment (\$112) & Other (\$105) | 34,503.11 |
| 38 | Sequoia Safety Supply | Poison Oak Relief Cream (12-4oz tubes) | 115.75 |

| Seq | Payable To | For | Amount |
|-----|--------------------------------|---|----------------------------|
| 39 | Shoemaker Structural | Welding Services | 760.00 |
| 40 | State Water Resources Control | D2 Exam Fee (Steele) | 65.00 |
| 41 | State Water Resources Control | Clean Drinking Water SRF Loan Principal & Interest- RW N Seg 3 | 96,153.16 |
| 42 | Stericycle Transportation Svcs | Hazardous Waste Disposal for WQ Lab | 272.50 |
| 43 | Streakwave Wireless | Spare Radio | 94.40 |
| 44 | Thatcher of California | Ferric Chloride (10 tons) (STP) | 4,725.73 |
| 45 | Tyler, Bill | Novato "Water Smart Landscape Efficiency" Rebate Program Residential | 100.00 |
| 46 | U.S. Bank Credit Card | Parking (SWRCB Meeting) (\$20) (DeGabriele), Easy-up Canopies (2) (\$326) (Const), Business Lunch (\$40) (DeGabriele), Facebook Ads for Maint Positions (\$23), Marin IJ-Public Hearing Budgets (\$46), Registration for HR Certification @ SSU (\$790), Recycled Water Project (\$414), Urban Water Management Plan (\$129), Temp Gauge (Lab) (\$183), Craigslist Ads for Maintenance Positions (\$150) & Desk Key for Cons Billing (\$22) | 2,142.60 |
| 47 | Winter, Denise | Novato "Washer" Rebate Program | 50.00 |
| | | TOTAL DISBURSEMENTS | <u>\$223,580.89</u> |

The foregoing payroll and accounts payable vouchers totaling \$223,580.89 are hereby approved and authorized for payment.

 6/21/16
 Auditor-Controller Date

 6/21/2016
 General Manager Date

A horizontal banner with a blue-tinted background showing a line of trees. The text "NORTH COASTER" is in a large, white, serif font, and "New Issue" is in a smaller, white, serif font below it.

NORTH COASTER New Issue

POINT REYES LIGHT

Ultrasonic meters help Stinson save water

By Beau Evans
06/23/2016

New water meters equipped with ultrasonic transmitters that the Stinson Beach County Water District began installing in two of the town's neighborhoods have helped the district spot and fix several leaks, saving an estimated 100,000 gallons of water from being wasted. The district received a \$300,000 grant from the California Department of Water Resources to install 730 advanced-technology meters for all homes and businesses in Stinson Beach. Since installation began six weeks ago, 120 meters are online in the Seadrift and Dipsea neighborhoods, with the remainder scheduled to be active by Thanksgiving. Equipped with Orion ultrasonic transmitters, the new meters record amounts of water passing through pipes in far more specific measurements than current meters, which calculate water volumes by means of a propeller. That precision has alerted the district to 10 small leaks that otherwise would have been missed, saving homeowners thousands of dollars. Aside from saving money, the district's general manager, Ed Schmidt, said the meters will help reduce a meter he calls "lost water," which represents the difference between the amount of water the district processes through its treatment plant and the amount sold to customers. Historically, Stinson Beach averages an 18-percent difference between water treated and water sold, up from the state average of 12 percent. The meters arrive at an opportune time for the district, which hopes to further reduce the town's consumption from the 25-percent reduction it has seen since 2013 as California's drought continues. "We're going to find every leak possible," Mr. Schmidt said. "It's amazing how much water has been going through [the current meters] without getting measured." The new meters also feature 24-hour electronic updates to the district and to home and business owners via text message. That feature, Mr. Schmidt said, would help homeowners who live in Stinson Beach only a few months out of the year catch leaks that could run up a hefty bill.