


**NORTH MARIN  
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT  
AGENDA - REGULAR MEETING  
June 30, 2015 – 7:00 p.m.  
Dance Palace  
503 B Street  
Point Reyes Station, California**

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<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>			
<b>7:00 p.m.</b>	<b>CALL TO ORDER</b>				
	1. <b>APPROVE MINUTES FROM REGULAR MEETING, June 16, 2015</b>				
	2. <b>GENERAL MANAGER'S REPORT</b>				
	3. <b>OPEN TIME: (Please observe a three-minute time limit)</b>				
	This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.				
	4. <b>STAFF/DIRECTORS REPORTS</b>				
	5. <b>PUBLIC HEARING/APPROVE: West Marin Water FY 2015/2016 Budget</b>	<b>Resolutions</b>			
	6. <b>PUBLIC HEARING/APPROVE: Oceana Marin Sewer FY 2015/2016 Budget</b>	<b>Resolution</b>			
	<b>ACTION CALENDAR – WEST MARIN</b>				
	7. <b>Approve:</b> Increase Oceana Marin Sewer Connection Inspection Fee	<b>Resolution</b>			
	8. <b>Approve:</b> PES Environmental Consulting Services Agreement – Exploration for Potential Groundwater Supply Well Locations				
	<b>INFORMATION - WEST MARIN</b>				
	9. Overview of the Spring 2015 West Marin Water Line and Water Use Prohibitions				
	10. Point Reyes Well #2 Pump Replacements and Rehabilitation				
	11. West Marin Capital Improvements Projects - FY14-15 Preliminary Year-End Progress Report				
<b>8:30 p.m.</b>	<b>CONSENT CALENDAR</b>				
	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.				
	Water Services Agreement	<table> <tr> <th><u>Type</u></th><th><u>DU</u></th><th><u>EU</u></th></tr> </table>	<u>Type</u>	<u>DU</u>	<u>EU</u>
<u>Type</u>	<u>DU</u>	<u>EU</u>			
12.	<b>Consent – Approve:</b> Dr. Dang Dental Office (5404 Nave Dr)	Comm.      0      0			
13.	<b>Consent – Approve:</b> Application for 2645 Petaluma Blvd. South Self Storage				
14.	<b>Consent – Approve:</b> Group Life Insurance Renewal				
15.	<b>Consent – Approve:</b> Submission of LAFCo Application to Normalize Irregular Water Service to Yee and Fontes				

All times are approximate and for reference only.

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

(Continued)

**INFORMATION ITEMS**

16. 2014/15 Marin County Civil Grand Jury Report: The Need for Labor Negotiation  
Transparency Part II

17. **MISCELLANEOUS**

Disbursements

Ltr. From City of Novato re: JADU's

News Articles:

State regulators approve water restrictions to aid Sonoma County salmon streams

Appeal court gives CDFW more power over water diversions

School District changes water plans

18. **Closed Session:** Conference with Legal Counsel- Venegas EEOC Complaint (Case 550-2015-00479) in accordance with Government Code Sections 54954.5 and 54956.9(a) – Existing Litigation

19. **Closed Session:** In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager

- 9:00 p.m. 20. **ADJOURNMENT**

1

DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
June 16, 2015

**CALL TO ORDER**

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

Vali Cooper & Associates employee Ken Sinclair was in the audience.

**MINUTES**

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

AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover

NOES: None

**GENERAL MANAGER'S REPORT**

Mr. DeGabriele introduced Eileen Blue who was filling in for Katie Young as District Secretary.

**Nicasio Customers Requesting Water**

Mr. DeGabriele advised the Board that he had received a verbal request from Nicasio customers for water to be trucked in. He stated that it has been a normal water year on Lagunitas Creek and he authorized a hydrant meter to Pardini Trucking in Point Reyes Station. He noted that Pardini will be hauling water to 10-12 Nicasio residences once a week and will be drawing from the meter twice a week. Mr. DeGabriele also received a verbal request from an agricultural property outside Petaluma and he told them to contact the County Ag Commissioner. He noted that Ag customers may need water this year but they must go through the Ag Commissioner first and that he will keep the Board informed as the situation progresses.



1 Novato Unified School District

2 Mr. DeGabriele informed the Board that he will be speaking to Novato Unified School District  
3 next Tuesday to update them on water supply, the drought restrictions and the recycled water  
4 expansion.

5 West Marin Board Meeting

6 Mr. DeGabriele reminded the Board that the West Marin Board meeting is scheduled for  
7 June 30<sup>th</sup> at the Dance Palace in Point Reyes Station and that there will only be one Board meeting  
8 in July, on the 21<sup>st</sup>.

9 Customer Call Regarding Personal Water Use

10 Mr. DeGabriele informed the Board that Lyle Lewis, retired Marin County soils engineer,  
11 called regarding personal water use at his home. He wanted to inform the District that his wife is ill  
12 with ALS and now has lung cancer and their water needs during this time will be much higher than  
13 usual. Mr. DeGabriele informed Mr. Lewis that high water use targets are assigned by the state are  
14 intended to be met community wide, not for specific homes.

15 **OPEN TIME**

16 President Baker asked if anyone in the audience wished to bring up an item not on the  
17 agenda and there was no response.

18 **STAFF / DIRECTORS' REPORTS**

19 President Baker asked if staff or Directors wished to bring up an item not on the agenda and  
20 the following items were discussed:

21 Mr. McIntyre advised the Board that the recycled water fill station program is close to permit  
22 approval. He stated that a press release is ready to issue and the District hopes to start by the first  
23 of July. He informed the Board that approximately 80 people who heard about the program through  
24 the *Waterline* have expressed interest and that all users will be trained. He stated that the hours of  
25 operation are currently projected to be Thursday and Friday from 4 to 7 pm and Saturday 8 am to  
26 noon but the hours will be adjusted, if the demand necessitates it.

27 Director Rodoni informed the Board that he and the Mr. DeGabriele had lunch with the  
28 Community Land Trust Association representatives in West Marin who will likely take over the Coast  
29 Guard housing and he made sure they heard the District's concerns. He advised the Board that the  
30 same concerns were made to Congressman Huffman and the County of Marin. Director Rodoni has

1 also talked to Supervisor Kinsey on the issue and informed the Board that there was an enthusiastic  
2 response. He stated that the County will have to purchase the Coast Guarding Housing property  
3 through a federal process and it was a good discussion and helped open the lines of  
4 communication.

5 **PUBLIC HEARING/ADOPT PROPOSED FY16 EQUIPMENT BUDGET**

6 Mr. Bentley provided the Board with the third and final review of the FY16 Equipment  
7 Budget. He stated that there have been no changes since the Board's last review and the proposed  
8 FY16 budgeted equipment expenditures is \$199,000 and staff's recommendation is to approve the  
9 budget.

10 President Baker opened the public hearing at 7:12 p.m. and hearing no comment, closed  
11 the public hearing at 7:13 p.m.

12 On motion of Director Petterle, seconded by Director Rodoni the Board approved the FY16  
13 Equipment Budget by the following vote:

14 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover

15 NOES: None

16 **FY16 & FY17 NOVATO CAPITAL IMPROVEMENT PROJECTS BUDGET**

17 Mr. Bentley provided the Board with the third and final review of the FY16 &17 Capital  
18 Improvement Projects Budget. He informed the Board that the budget is \$15M for the next two fiscal  
19 years but advised the Board that it is principally due to expenditures for the Aqueduct Energy  
20 Efficiency Project (\$11M). Mr. Bentley stated that other significant projects are the Office/Yard  
21 Build/Refurbishment (\$3M over the next two fiscal years), the Radio Read Meter Retrofit Pilot  
22 Program and the San Mateo Tank Inlet/Outlet Project.

23 President Baker opened the public hearing at 7:15 p.m. and hearing no comment, closed the  
24 public hearing at 7:16 p.m.

25 On motion of Director Fraites, seconded by Director Petterle the Board approved the FY 16  
26 & 17 Capital Improvement Projects Budget by the following vote:

27 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover

28 NOES: None

1 **FY16 PROPOSED NOVATO WATER OPERATIONS BUDGET**

2 Mr. Bentley provided the Board with the final review of the FY16 Novato Operations Budget.  
3 It incorporates the Capital and Equipment budgets. There is a \$9M increase compared to FY15 and  
4 totals \$29.9M. Looking at bottom line, there is a net cash deficit of \$1.4M due principally to the  
5 Aqueduct Energy Efficiency Project. Water sales have been re-budgeted 13% below the 10 year  
6 average. The total operations budget is to increase 7% next year.

7 President Baker opened the public hearing at 7:18 p.m. and hearing no comment, closed the  
8 public hearing at 7:19 p.m.

9 On motion of Director Fraites, seconded by Director Schoonover, the Board approved the  
10 FY16 Novato Operating Budget and authorized the General Manager to pay demands arising from  
11 execution of the budgeted expenditure plan by the following vote:

12 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover

13 NOES: None

14 **FY16 PROPOSED RECYCLED WATER SYSTEM BUDGET**

15 Mr. Bentley provided the Board with the final review for the FY16 Recycled Water Budget.  
16 He stated that the Recycled Water budget includes \$3.5M for the Recycled Water Expansion to the  
17 Central Service Area. With completion of the Central Service Area \$21M is budgeted in debt for the  
18 recycled water system. Connection fees to potable water will have to offset this requiring 36 EDUs  
19 each year to fund the recycled water system debt service.

20 President Rodoni opened the public hearing at 7:21 p.m. and hearing no comment, closed  
21 the public hearing at 7:22 p.m.

22 On motion of Director Petterle, seconded by Director Fraites the Board approved the FY16  
23 Recycled Water System Budget and authorized the General Manager to pay demands arising from  
24 execution of the budgeted expenditure plan by the following vote:

25 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover

26 NOES: None

27 **MONTHLY PROGRESS REPORT**

28 Mr. DeGabriele provided the Board with the Monthly Progress Report for May. He informed  
29 the Board that in May 2015 water production was reduced 37% compared to last year and down  
30 48% from May 2013. He stated that West Marin was down 22% from last year and 67% from May

1 2013. Mr. DeGabriele advised the Board that there have been significant reductions in water use  
2 and it is anticipated to continue during the summer months. Mr. DeGabriele advised the Board that  
3 production at Stafford Treatment Plant was up for the year and for the month of May but production  
4 was reduced in April due to water quality challenges. He noted that Recycled water was on par with  
5 last year, and should be better in June. Mr. DeGabriele informed the Board that the District had 366  
6 days without a lost time accident; however on June 1 a pipe worker injured his wrist.

7 Mr. DeGabriele informed the Board that the data shows that Stafford Lake is below average  
8 for rainfall and the lake elevation in May was at 73% capacity. He noted that as of today Stafford  
9 Lake was at 3,330 acre feet. He stated that Lake Mendocino holds just under 56,000 acre feet due  
10 to reduced deliveries from the Potter Valley project and Lake Sonoma storage is at 83% and there is  
11 plenty of water in Lake Sonoma.

12 Mr. DeGabriele informed the Board that the Summary of Complaints and Service Orders are  
13 down 4% and the District's in-house generated work orders are up significantly.

14 Mr. Bentley provided the Board with the Monthly Report of Investments stating that during  
15 May the cash balance went down due to the final payment for the Gallagher Pipeline project which is  
16 98% covered by outside grant funding. Mr. Bentley informed the Board that interest rates are slowly  
17 going up.

#### 18 **CONSENT CALENDAR**

19 On the motion of Director Fraites, seconded by Director Petterle and the following items  
20 were approved on the consent calendar by the following vote:

21 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

22 NOES None

#### 23 **APPROVE CONSOLIDATION OF DISTRICT ELECTION AND FILING INFORMATION**

24 The District is requesting consolidation of the District's election on November 3, 2015 with  
25 the County of Marin General Election and requesting election services by the County Clerk. The  
26 Board approved Resolution 15-10 entitled: "Resolution of the Governing Body of the North Marin  
27 Water District Proposing an Election be held in Marin County; Requesting the Board of Supervisors  
28 to Consolidate with any Other Election Conducted on said Date, and Requesting Election Services  
29 by the Registrar of Voters."

1 **NOMINATION OF DAVID BENTLEY TO SERVE AS BOARD MEMBER OF THE ACWA REGION 1**

2 Mr. Bentley is an active board member of ACWA Region 1 and he is willing to continue  
3 serving as a Board member, and as he already attends the meetings, there would be no additional  
4 cost to the District. The Board approved Resolution 15-11 entitled: "A Resolution of the Board of  
5 Directors of the North Marin Water District Placing in Nomination David Bentley as a Member of the  
6 Association of California Water Agencies Region 1 Board."

7 **ACTION CALENDAR**

8 **RESOLUTION OF APPRECIATION FOR JOHN MELLO**

9 Mr. DeGabriele advised the Board of John Mello's retirement at the end of June. He said  
10 the District will be sorry to see him go and is happy that he has made it and hope he will continue to  
11 remain in good health.

12 On motion of Director Petterle, seconded by Director Fraites the Board approved Resolution  
13 15-12 entitled: "North Marin Water District Resolution of Appreciation To John Mello" by the  
14 following vote:

15 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover

16 NOES: None

17 **PURCHASE OF FY16 INSURANCE**

18 Mr. Bentley informed the Board that since 1986, the District has been self-insured for liability  
19 coverage in excess of \$1M. He noted that to date, the District has not had many claims. He  
20 advised the Board that the proposal was received to reduce the self-insured retention coverage to  
21 \$100K which would increase the premiums. Mr. Bentley stated that staff recommends that the  
22 District not reduce the retention and to keep it at \$1M.

23 On motion of Director Petterle, seconded by Director Schoonover the Board approved the  
24 purchase of FY16 Insurance in the amount of \$136,213, a 3% increase over FY15 insurance  
25 coverage costs by the following vote:

26 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover

27 NOES: None

28 **OCEANA MARIN SEWER SERVICE CHARGE INCREASE ORDINANCE – FIRST READING**

29 Mr. Bentley provided the Board with the first reading of the Oceana Marin Sewer Service  
30 Charge Increase Ordinance. He advised the Board that the reading of the ordinance must be done

1 at two consecutive meetings. He noted that the next reading will be done at the Board meeting on  
2 June 30<sup>th</sup> at the Dance Palace in Point Reyes Station.

3 On motion of Director Rodoni, seconded by Director Fraites the Board approved the first  
4 reading of Oceana Marin Sewer Service Charge Increase Ordinance by the following vote:

5 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover

6 NOES: None

7 **INFORMATION ITEMS**

8 **MSN B3 REPORT NO. 4 (VALI COOPER & ASSOCIATES)**

9 Ken Sinclair, Vali Cooper & Associates provided the Board with Progress Report No. 4 for  
10 the Aqueduct Energy Efficiency Project. He stated that the main issue was the delay from the wet  
11 weather which will postpone the project completion to possibly November but he anticipates it to be  
12 most likely in September. He advised the Board that no additional contingency for change orders  
13 from Ghilotti Brothers or for Vali Cooper & Associates is anticipated. He noted that a change order  
14 for grading at the northern end of Reach B may be \$120,000 - \$150,000.

15 Mr. Sinclair provided photos of the project for the Board.

16 **SECOND REVIEW – FY16 WEST MARIN WATER AND OCEANA MARIN SEWER BUDGETS**

17 Mr. Bentley provided the Board with the second review of the FY16 West Marin Water and  
18 Oceana Marin Sewer Budgets. He informed the Board that a 5% increase for the typical West Marin  
19 Water residential customer is recommended. He stated that the proposed West Marin Water  
20 budget projects a cash deficit of \$92,000. Mr. Bentley advised the Board that in West Marin the  
21 biggest improvement project is a study for Well #2 at Gallagher. He advised the Board that there is  
22 little change in the \$200,000 Oceana Marin budget and there are few capital improvements  
23 scheduled next year.

24 Mr. Bentley advised the Board that a public hearing to consider the proposed water rate  
25 increase and to adopt the water and sewer budgets is scheduled for June 30<sup>th</sup> in Point Reyes  
26 Station.

27 **LETTER TO MARIN COUNTRY CLUB RE DEED OF TRUST AND FINANCIAL REVIEW**

28 Mr. DeGabriele reminded the Board that at the last meeting, the Board requested assurance  
29 that Marin County Club (MCC) could pay costs necessary for the Ignacio Area Extension of the  
30 Central Service Rea Recycled Water project. He advised the Board that a letter was sent to MCC

1 similar to the letter sent to Black Point Golf Links requesting proof of clear title and review of their  
2 financial capability. He advised the Board that District's Legal counsel will perform the review.

3 **DROUGHT RELIEF PRIVATE-PUBLIC PARTNERSHIP**

4 Mr. DeGabriele informed the Board that the partnership has had the opportunity to  
5 communicate with the Sonoma County Board of Supervisors/SCWA Board of Director to participate  
6 in water savings in work and at home and to inform them what we are doing and explore ways to go  
7 forward.

8 **NOTICE OF PROPOSED SWRCB EMERGENCY REGULATION FOR ENHANCED**  
9 **CONSERVATION MEASURES AND INFORMATION IN KEY RUSSIAN RIVER TRIBUTARIES**

10 Mr. DeGabriele informed the Board that the Department of Fish and Wildlife wants to know  
11 who is diverting water from the Russian River tributaries. He stated that the State Board meeting  
12 will decide how to proceed and that he will bring more information to the Board at a future date.

13 **MISCELLANEOUS**

14 The Board received the following miscellaneous information: Disbursements, High Pressure  
15 at Indian Hills Hydro, Board Policy #13 – Directors Compensation and Procedure, and Revised Sea  
16 Level Rise Policy Guidance.

17 Director Rodoni stated that he feels the Board should review the Board of Directors  
18 Compensation Policy once a year. He suggested that no changes be made presently.

19 The Board received the following news articles: Water boss says Marin must cut back,  
20 Vegas Water Chief Preached Conservation While Gambling on Growth, In Your Town: Workshop  
21 scheduled on saving water, Grand Jury: Marin taxpayers have right to know about public employee  
22 pay deals, Thirsty valley east of Lake County could become massive reservoir, 24 percent water rate  
23 hike approved for East Bay, Riverside sues over California water restrictions, Marin Municipal Water  
24 District faces lawsuit over tiered rate structure and Humid tropical weather front brings sprinkling of  
25 rain to Marin.

26 **ADJOURNMENT**

27 President Baker adjourned the meeting at 8:15 p.m.

28 Submitted by  
29  
30

31  
32 Eileen Blue  
33 Acting District Secretary

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## MEMORANDUM

To: Board of Directors

June 26, 2015

From: David L. Bentley, Auditor-Controller

Subj: Public Hearing/Approve – West Marin Water FY 2015/2016 Budget  
t:\actword\budget\wm\16\wm16 wtr public hearing.docx

**RECOMMENDED ACTION:** 1) Approve Proposed Rate Increase;  
2) Approve Proposed FY16 Budget

**FINANCIAL IMPACT:** 1) Rate Increase Would Generate \$37,000 in Annual Revenue;  
2) FY16 Budgeted Expenditure Plan Of \$983,000

Following for your third review, public hearing and approval is the proposed FY2015/2016 (FY16) 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, 2015, is scheduled for June 30 at 7:00 PM. Customers were notified individually of the proposed rate increase by letter dated May 15, 2015 (included on page 10 of the budget document) and a notice of the Public Hearing was published in the June 25 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 no phone calls or letters.

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.

**FY16 BUDGET:** Since the Board's last review on June 16, no changes to the proposed budget have been made.

**RATE INCREASE PROPOSAL DETAIL**

A 5% increase for the typical residential customer is recommended, comprised of a 6.5% 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 \$31 annually (\$2.58 per month) for the typical residential customer. If enacted, the proposed increase is budgeted to

generate \$37,000 in additional in revenue next fiscal year (see Rate Increase Analysis on page 6 of the budget document).

Commodity Rate Increase	\$37,000
Bimonthly Service Charge Increase	0
Total	<u>\$37,000</u>

Annual 5% increases are included in the 5-year financial plan for FY17 and beyond (see page 4) to help pay for \$1.25 million in water treatment plant improvements scheduled for FY17. This cost may change if more readily accessible property at the Coast Guard Housing Site becomes available. In addition, the District will move forward with replacement of the 25,000 gallon redwood tank that was destroyed in the Vision fire. An 82,000 gallon concrete replacement tank is estimated to cost \$500,000, and approximately \$600,000 necessary to complete the water treatment and Paradise Ranch Estates storage project will need to be borrowed and repaid with interest.

### **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:

- \$100,000 to continue work on upsizing 900 feet of 4-inch pipeline to 8-inch from Bear Valley Tanks to Fox Dr/McCarthy Ct to improve water delivery and fire flow to the Bear Valley Service Area.
- \$75,000 to replace the green-sand filter media in one of the two treatment plant filters (another \$75,000 will be expended in FY17 to replace the media in the second filter).
- \$50,000 to commence work on the \$500,000 replacement of the PRE Tank burned in the Vision Fire.

The West Marin Water System Five-Year Financial Plan shows that planning for the \$500,000 PRE Tank 4A replacement will commence in FY16 and construction will occur in FY17. The \$1.25 million upgrade of the treatment plant is also scheduled for FY17.

## **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 \$92,000. This deficit assumes 100% of the Capital Improvement Project Budget is expended, which typically does not 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.

FY16 water sales volume is budgeted to increase 6% compared with the current year estimated actual. Unlike the current fiscal year, FY16 will not include mandatory water use restrictions, and normal rainfall is assumed next winter. The West Marin system is projected to consume 70 million gallons (MG) next year, compared to 66MG estimated for the current fiscal year. Average annual consumption over the past decade is 80MG. The forecast assumes water sales volume will remain flat at 70MG 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 1% from the FY15 adopted budget, an increase of \$7,000, and 3%, (\$15,000) from the current year estimated actual. A graphical history of operating expenditures is shown on page 9. The 2015 update of the Coastal Area Annual Water Cost Comparison (page 13) shows that, even with the proposed rate increase, the water cost for NMWD's West Marin customers remains below that paid by the customers of the other seven coastal agencies surveyed.

## **STAFF RECOMMENDATION**

After closing the public hearing:

1. Approve Resolution 15-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 2015;
2. Adopt the FY15 West Marin Water System Budget as presented;
3. Authorize the General Manager to pay demands arising from execution of the budgeted FY16 West Marin Water expenditure plan.

## Legal Notice

### PUBLIC HEARING NOTICE

#### PROPOSED NORTH MARIN WATER DISTRICT WATER RATE INCREASE

Purpose: Consider FY 2015/16 Budget and Proposed Rate Increase

Impact Area: West Marin Water Service Area

Date and Time: Tuesday, June 30, 2015 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 approximately 770 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, 2015

#### 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

Residential Rate Per Dwelling Unit			
First 400 gallons per day	\$7.15	\$7.61	6.5%
From 401 to 900 gallons per day	\$9.90	\$10.54	6.5%
From 901+ gallons per day	\$15.88	\$16.91	6.5%

#### Commercial, Institutional & Irrigation Rate

November 1 through May 31	\$7.22	\$7.69	6.5%
June 1 through October 31	\$9.99	\$10.64	6.5%

#### PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL

Point Reyes Station	\$0.00	\$0.00	0%
Bear Valley, Silver Hills, Inverness Park & Lower	\$0.19	\$0.20	6.5%
Paradise Ranch Estates (Elevation 0' - 365')	\$0.71	\$0.75	6.5%
Olema	\$4.77	\$5.08	6.5%
Upper Paradise Ranch Estates (Elevation 365'+)	\$2.86	\$3.05	6.5%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary			

**EFFECTIVE DATE:** The increases are proposed to be effective July 1, 2015.

**IMPACT:** The proposed increases would add \$2.56 per month (\$31 annually) to the cost of water for the typical (median) residential customer who consumes 59,100 gallons of water annually. Those using less than the median will see an increase less than \$31 annually, and those using more will pay more.

#### WHY ARE RATES BEING INCREASED?

Over the next two fiscal years \$1.2 million will be expended to complete construction of water treatment plant improvements. In addition, the 25,000 gallon redwood tank that was destroyed in the Mount Vision fire will be replaced with an 82,000 gallon concrete tank estimated to cost \$500,000. The funds to complete these projects will need to be borrowed and repaid with interest.

On a positive note, the District is pleased to report that construction of the \$1.5 million pipeline from NMWD's Gallagher well, located adjacent to Lagunitas Creek approximately one mile upstream from the water treatment plant, is now complete and was 80% funded from a California Proposition 50 grant. Water from the Gallagher Well is expected to mitigate the salinity intrusion now experienced at the existing Point Reyes wells during high tide and low creek flow conditions.

**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 30, 2015 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](http://www.nmwd.com) or call the District Secretary at (800) 464-6693.

**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 approximately 770 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.

*Published in the Point Reyes Light June 25, 2015.*

**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:

6/25/15

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

Date at Inverness, California, this

6/25/15

Signature



Proof of Publication

See Attached  
Pg. 2.



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

**Rates for Domestic, Commercial and Industrial Users, Novato Service Area**

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

**A BI-MONTHLY SERVICE CHARGE OF:**

	Rate Effective 6/1/13
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)

**PLUS A QUANTITY CHARGE OF:**

	Rate Effective 6/1/15
<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	
First 615 gallons per day (gpd) .....	\$4.46
616 up to 1,845 gpd .....	\$7.11
Use in excess of 1,845 gpd .....	\$12.38

<u>Rate for 1,000 Gal for All Other Potable Water Accounts</u>	
Commercial, Institutional & Irrigation Accounts - 11/1 – 5/31	\$4.92
Commercial, Institutional & Irrigation Accounts - 6/1 – 10/31	\$5.28

<u>Rate For 1,000 Gallons For Non-Potable Water</u>	
Recycled Water .....	\$4.92
Raw (Untreated) Water from Stafford Lake .....	\$2.03

**PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS**

<u>Zone</u>	<u>Elevation</u>	Rate Effective 6/1/15
A	0 through 60 feet .....	\$0.00
B	60 feet – 200 feet .....	\$0.53
C*	200 feet + .....	\$1.71

\*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.

(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 fire fighting shall be paid once every two months as follows:

Size of Detector Assembly

	Rate Effective 6/1/13
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:

BI-MONTHLY SERVICE CHARGE

Effective 7/1/13

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

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>
First 400 gallons per day (gpd) .....
401 up to 900 gpd .....
Use in excess of 900 gpd.....

Effective 7/1/1415

~~\$7.15~~7.61  
~~\$9.90~~10.54  
~~\$15.88~~16.91

Rate Per 1,000 Gallons for All Other Accounts

Commercial, Industrial and Irrigation Accounts Nov 1 – May 31	\$7.227.69
Commercial, Industrial and Irrigation Accounts June 1 – Oct 31	\$9.9910.64

**PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS**

<u>Zone</u>	<u>Hydraulic Zone</u>	<u>Effective 7/1/1415</u>
1	Point Reyes Station .....	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' – 365')	\$0.4920
3	Olema .....	\$0.7175
4	Upper Paradise Ranch Estates (Elevation 365' +) .....	\$4.775.08

- (2) Effective July 1, 2014~~2015~~, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of \$0.40~~43~~ per 1,000 gallons.
- (3) Effective July 1, 2014~~2015~~ consumers outside the Improvement District boundary shall pay an additional \$2.863.05 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</u> <u>Effective</u> <u>6/1/15</u>
For each 1,000 gallons .....	\$6.99
<u>West Marin Service Area</u>	<u>Effective</u> <u>7/1/1415</u>
For each 1,000 gallons .....	\$14.7615.72

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

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

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

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

Where a meter larger than is otherwise required is installed solely to provide capacity for private fire sprinklers or other fire-fighting equipment in single-family residential connections, the minimum bi-monthly service charge shall be:

Rate  
Effective  
6/1/13  
\$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. Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of:

Rate  
Effective  
6/1/13  
\$2.80

## RESOLUTION 15-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, 2015:

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>	<u>Effective 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

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	<u>Effective 7/1/15</u>
First 400 gallons per day (gpd) .....	\$7.61
401 up to 900 gpd .....	\$10.54
Use in excess of 900 gpd.....	\$16.91

#### Rate Per 1,000 Gallons for All Other Accounts

Commercial, Industrial and Irrigation Accounts Nov 1 – May 31	\$7.69
Commercial, Industrial and Irrigation Accounts June 1 – Oct 31	\$10.64

#### PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Hydraulic Zone</u>	<u>Effective 7/1/15</u>
1	Point Reyes Station .....	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' – 365')	\$0.20
3	Olema .....	\$0.75

- 4 Upper Paradise Ranch Estates (Elevation 365' +) ..... \$5.08
- (2) Effective July 1, 2015, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of \$0.43 per 1,000 gallons.
- (3) Effective July 1, 2015 consumers outside the Improvement District boundary shall pay an additional \$3.05 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>	Rate Effective 6/1/15
For each 1,000 gallons .....	\$6.99
 <u>West Marin Service Area</u>	 Effective 7/1/15
For each 1,000 gallons .....	\$15.72

\* \* \* \* \*

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 thirtieth of June 2015, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

---

Katie Young, District Secretary  
North Marin Water District

(SEAL)

Proposed  
**BUDGET**

*Final Review/Public Hearing*

# **West Marin Water**

FISCAL YEAR

## **2015-16**

***NORTH MARIN WATER DISTRICT***

***999 RUSH CREEK PLACE, NOVATO, CA***



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# **Proposed Capital Improvement Projects** **West Marin Water**

6/22/15

t:\ac\excel\budget\16\5 yr cip fy16.xlsx\5 yr ip

		FY15 Budget	FY15 Est Actual	FY16	FY17	FY18	FY19	FY20
<b>6. WEST MARIN WATER SYSTEM</b>								
2.6601.32	a.	TP Solids Handling (Note 5)	\$2,000		\$1,245,000			
2.6130.21	b.	Olema PS Flood Protection & RTU Upgrade	\$100,000	\$25,000				
2.7147.00	c.	Emergency Generator Connections	\$15,000	\$8,000				
2.7087.03	d.	Gallagher Pipeline (Note 6)	\$1,286,000	\$1,286,000				
2.7152.00	e.	THM Spray Systems (3 tanks)	\$10,000	\$10,000				
2.7153.00	f.	Upsize 4" Pipe from Bear Valley Tanks (8"@900')	\$120,000	\$30,000	\$100,000			
2.6602.23	g.	Replace Pump in Well #2	\$18,000	\$18,000				
2.6605.23	h.	Abandon Downey Well	\$50,000	\$0		\$50,000	\$50,000	
	i.	Tanks #2 & #3 Seismic Piping Upgrade			\$30,000			
	j.	Replace PRE Tank #4A (25K gal w/82K gal)			\$50,000	\$450,000		
	k.	PB Replace in Sync w/ County Paving			\$50,000		\$50,000	\$50,000
	l.	Green Sand Filter Media Replace			\$75,000	\$75,000		
	m.	Rehab Coast Guard Well #2					\$275,000	
	n.	Other West Marin Water System Expenditures		\$5,000				
			<b>\$1,599,000</b>	<b>\$1,384,000</b>	<b>\$305,000</b>	<b>\$1,820,000</b>	<b>\$100,000</b>	<b>\$275,000</b>
								<b>\$3,150,000</b>

**LESS FUNDED BY LOANS/GRANTS/OTHER**

e.	WM Treatment Plant Solids Handling (Note 5)	\$0	(\$2,000)	\$0	(\$1,245,000)	\$0	\$0	\$0
f.	Gallagher Pipeline (Note 6)	(\$1,286,000)	(\$1,192,000)	\$0	\$0	\$0	\$0	\$0
		<b>(\$1,286,000)</b>	<b>(\$1,194,000)</b>	<b>\$0</b>	<b>(\$1,245,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**SUMMARY - NET PROJECT OUTLAY**

<b>NET PROJECT OUTLAY</b>	<b>\$313,000</b>	<b>\$190,000</b>	<b>\$305,000</b>	<b>\$575,000</b>	<b>\$100,000</b>	<b>\$275,000</b>	<b>\$3,150,000</b>
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<b>Total Number of Projects</b>	<b>7</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>
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Note 5 - West Marin Water Treatment Plant Solids Handling Facility partially funded by \$782,000 bank loan. Additional \$500K to be borrowed in FY17 to complete project.

Note 6 - Gallagher Pipeline Funded by \$1.4M Prop 50 Grant

**Studies carried under Non-Operating Expense**

k.	Gallagher Well #2 Hydrogeologic Study			\$58,000				
		<b>\$0</b>	<b>\$0</b>	<b>\$58,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**WEST MARIN WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2015/16**

	<b>Proposed Budget 2015/16</b>	<b>Estimated Actual 2014/15</b>	<b>Adopted Budget 2014/15</b>
<b>OPERATING INCOME</b>			
1 Water Sales	\$777,000	\$740,000	\$825,000
2 Misc Service Charges	7,000	7,000	6,000
3 <b>Total Operating Income</b>	<b>\$784,000</b>	<b>\$747,000</b>	<b>\$831,000</b>
<b>OPERATING EXPENDITURES</b>			
4 Source of Supply	\$24,000	\$21,000	\$59,000
5 Pumping	38,000	28,000	39,000
6 Operations	46,000	64,000	39,000
7 Water Treatment	134,000	143,000	131,000
8 Transmission & Distribution	120,000	126,000	111,000
9 Consumer Accounting	26,000	24,000	27,000
10 Water Conservation	21,000	18,000	22,000
11 General Administration	81,000	51,000	55,000
12 Depreciation Expense	180,000	157,000	160,000
13 <b>Total Operating Expenditures</b>	<b>\$670,000</b>	<b>\$632,000</b>	<b>\$643,000</b>
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$114,000</b>	<b>\$115,000</b>	<b>\$188,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
15 PR-2 County Tax Allocation	\$45,000	\$44,000	\$41,000
16 Miscellaneous Revenue	4,000	4,000	4,000
17 Interest Revenue	5,000	5,000	3,000
18 Bond & Loan Interest Expense	(36,000)	(39,000)	(40,000)
19 Miscellaneous Expense	(58,000)	(1,000)	0
20 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$40,000)</b>	<b>\$13,000</b>	<b>\$8,000</b>
21 <b>NET INCOME/(LOSS)</b>	<b>\$74,000</b>	<b>\$128,000</b>	<b>\$196,000</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
22 Add Depreciation Expense	\$180,000	\$157,000	\$160,000
23 Connection Fees	23,000	23,000	23,000
24 Prop 50 Grant (Gallagher Well Pipeline)	0	1,194,000	1,286,000
25 Capital Improvement Projects	(305,000)	(1,384,000)	(1,599,000)
26 Bond & Loan Principal Payments	(64,000)	(66,000)	(65,000)
27 <b>Total Other Sources/(Uses)</b>	<b>(\$166,000)</b>	<b>(\$76,000)</b>	<b>(\$195,000)</b>
28 <b>NET SURPLUS/(DEFICIT)</b>	<b>(\$92,000)</b>	<b>\$52,000</b>	<b>\$1,000</b>

## WEST MARIN WATER

### 5-Year Financial Forecast

		Actual 2012/13	Actual 2013/14	Estimated 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
<b># BASIC DATA</b>									
1	Active Meters	776	776	776	777	778	779	780	781
2	Avg Commodity Rate/1,000 Gal	\$7.61	\$8.12	\$8.74	\$9.30	\$9.77	\$10.26	\$10.77	\$11.31
3	Potable Consumption (MG)	81	78	66	70	70	70	70	70
<b>INCOME</b>									
4	Commodity Charge	\$614,880	\$633,904	\$573,000	\$610,000	\$684,000	\$718,000	\$754,000	\$792,000
5	Bimonthly Service Charge	138,684	169,038	167,000	167,000	175,000	184,000	193,000	203,000
6	Connection Fee	4,900	22,800	23,000	23,000	23,000	23,000	23,000	23,000
7	PR-2 County Tax Allocation	40,443	42,119	44,000	45,000	46,000	47,000	48,000	49,000
8	OL-2 G.O. Bond Tax	4,205	3,064	0	0	0	0	0	0
9	Interest	3,251	3,292	5,000	5,000	4,000	0	1,000	1,000
10	Miscellaneous	11,321	10,453	11,000	11,000	11,000	11,000	11,000	11,000
11	<b>TOTAL INCOME</b>	<b>\$817,684</b>	<b>\$884,670</b>	<b>\$823,000</b>	<b>\$861,000</b>	<b>\$943,000</b>	<b>\$983,000</b>	<b>\$1,030,000</b>	<b>\$1,079,000</b>
<b>EXPENDITURES</b>									
12	Operating Expenditures	\$396,828	\$474,270	\$468,000	\$490,000	\$505,000	\$520,000	\$536,000	\$552,000
13	Water Purchased from MMWD		0	7,000	0	0	0	0	0
14	Miscellaneous	11,964	35,525	1,000	58,000	0	0	0	0
15	Bond & Loan Debt Service	110,799	103,222	105,000	100,000	101,000	145,000	144,000	143,000
16	<b>TOTAL EXPENDITURES</b>	<b>\$519,591</b>	<b>\$613,017</b>	<b>\$581,000</b>	<b>\$648,000</b>	<b>\$606,000</b>	<b>\$665,000</b>	<b>\$680,000</b>	<b>\$695,000</b>
<b>NET INCOME</b>		<b>\$298,093</b>	<b>\$271,653</b>	<b>\$242,000</b>	<b>\$213,000</b>	<b>\$337,000</b>	<b>\$318,000</b>	<b>\$350,000</b>	<b>\$384,000</b>
<b>OTHER SOURCES/(USES)</b>									
17	Capital Improvement Projects	(\$380,323)	(\$277,492)	(\$1,384,000)	(\$305,000)	(\$1,820,000)	(\$100,000)	(\$275,000)	(\$3,150,000)
18	Grant/Loan Proceeds	0	266,060	1,194,000	0	600,000	0	0	2,800,000
19	Net Change in Working Capital	(51,956)	(46,404)	0	0	0	0	0	0
20	<b>INCREASE (DECREASE) IN CASH</b>	<b>(\$134,186)</b>	<b>\$213,817</b>	<b>\$52,000</b>	<b>(\$92,000)</b>	<b>(\$883,000)</b>	<b>\$218,000</b>	<b>\$75,000</b>	<b>\$34,000</b>
<b>CASH BALANCE</b>									
21	Operating Reserve	\$0	\$0	\$102,000	\$292,000	\$0	\$79,000	\$154,000	\$188,000
22	System Expansion Reserve	556,710	808,832	734,000	452,000	0	0	0	0
23	Liability Contingency Reserve	99,000	73,696	99,000	99,000	(40,000)	99,000	99,000	99,000
24	Bond Redemption Reserve	33,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
25	<b>TOTAL CASH BALANCE</b>	<b>\$698,710</b>	<b>\$912,528</b>	<b>\$965,000</b>	<b>\$873,000</b>	<b>(\$10,000)</b>	<b>\$208,000</b>	<b>\$283,000</b>	<b>\$317,000</b>
26	Depreciation Expense	\$148,654	\$154,749	\$157,000	\$180,000	\$185,000	\$215,000	\$217,000	\$222,000

## # 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 6.5% is proposed effective 7/1/15. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 70MG annually in FY16 and thereafter which is 12.5% below the average use prior to FY15.
- 4 FY15 commodity charge revenue includes \$37,000 in drought surcharge revenue generated from the temporary drought surcharge.
- 5 Bimonthly service charge shown to increase 5% annually after FY16. 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 FY15.
- 13 Purchase of 33.66AF from MMWD for release into Lagunitas Creek in October 2014 \$197.60/AF to address salinity intrusion.
- 14 FY14 includes \$20K for Master Plan update & \$13K in prior year work on Well #3 Rehab abandoned in FY14.
- 15 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond due 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. On June 30, 2012, WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility, with repayment commencing FY13. FY18 includes debt service on \$500K loan to finance completion of Solids Handling Facility.
- 16 Total Expenditures excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 18 FY14 & FY15 Gallagher Pipeline grant of \$1.2 million; FY17 \$600,000 loan to complete the Solids Handling and PRE Storage projects.
- 21 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 22 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 23 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. \$8,885 was added in Dec 2006 from sale of 2 surplus parcels in Inverness Park.
- 24 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service (\$30K) for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury.

# West Marin Water Rate Increase Analysis

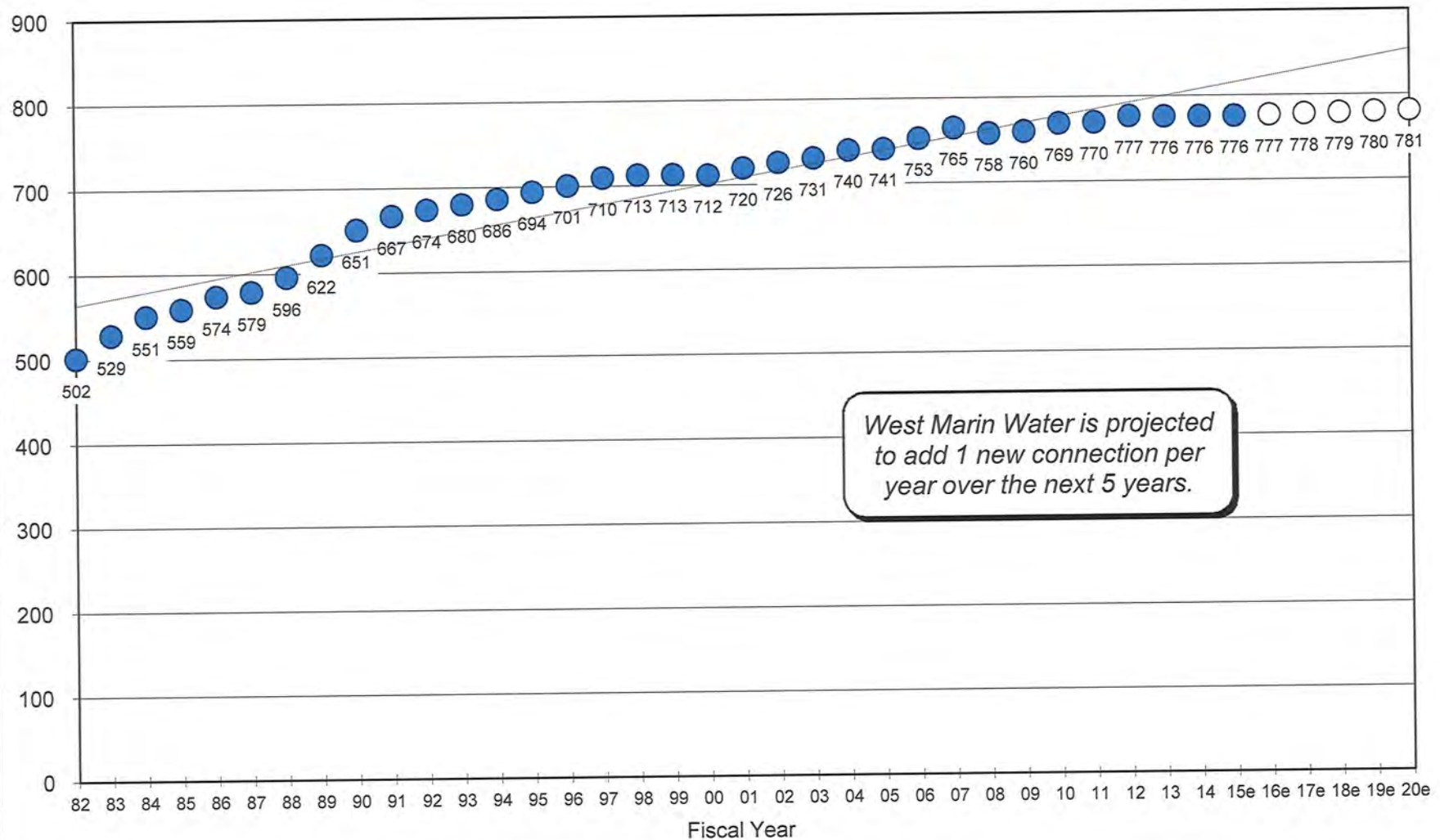
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5/27/15

## Annual Residential Impact (based on 59,100 gallons water use

		Commodity	Annual	Annual	Annual	Total	Annual Increase				
		Rate	Use	Service	Tax	Annual	\$	%			
Point Reyes Station	Current	\$7.15	\$423	+	\$180	+	\$57	=	\$659		
	Proposed	\$7.61	\$450	+	\$180	+	\$57	=	\$686	\$27	4.1%
Inverness Park, Bear Valley, Silver Hills	Current	\$7.34	\$434	+	\$180	+	\$57	=	\$670		
	Proposed	\$7.81	\$462	+	\$180	+	\$57	=	\$698	\$28	4.1%
Olema	Current	\$7.86	\$465	+	\$180	+	\$0	=	\$645		
	Proposed	\$8.36	\$494	+	\$180	+	\$0	=	\$674	\$30	4.6%
PRE Zone A	Current	\$7.34	\$434	+	\$276	+	\$0	=	\$710		
	Proposed	\$7.81	\$462	+	\$276	+	\$0	=	\$738	\$28	3.9%
PRE Zone B	Current	\$11.92	\$704	+	\$276	+	\$0	=	\$980		
	Proposed	\$12.69	\$750	+	\$276	+	\$0	=	\$1,026	\$46	4.6%
Outside Services	Current	\$10.01	\$592	+	\$180	+	\$0	=	\$772		
	Proposed	\$10.66	\$630	+	\$180	+	\$0	=	\$810	\$38	5.0%
Weighted Average	Current	\$7.95							\$706		
	Proposed	\$8.47							\$737	\$31	4.4%

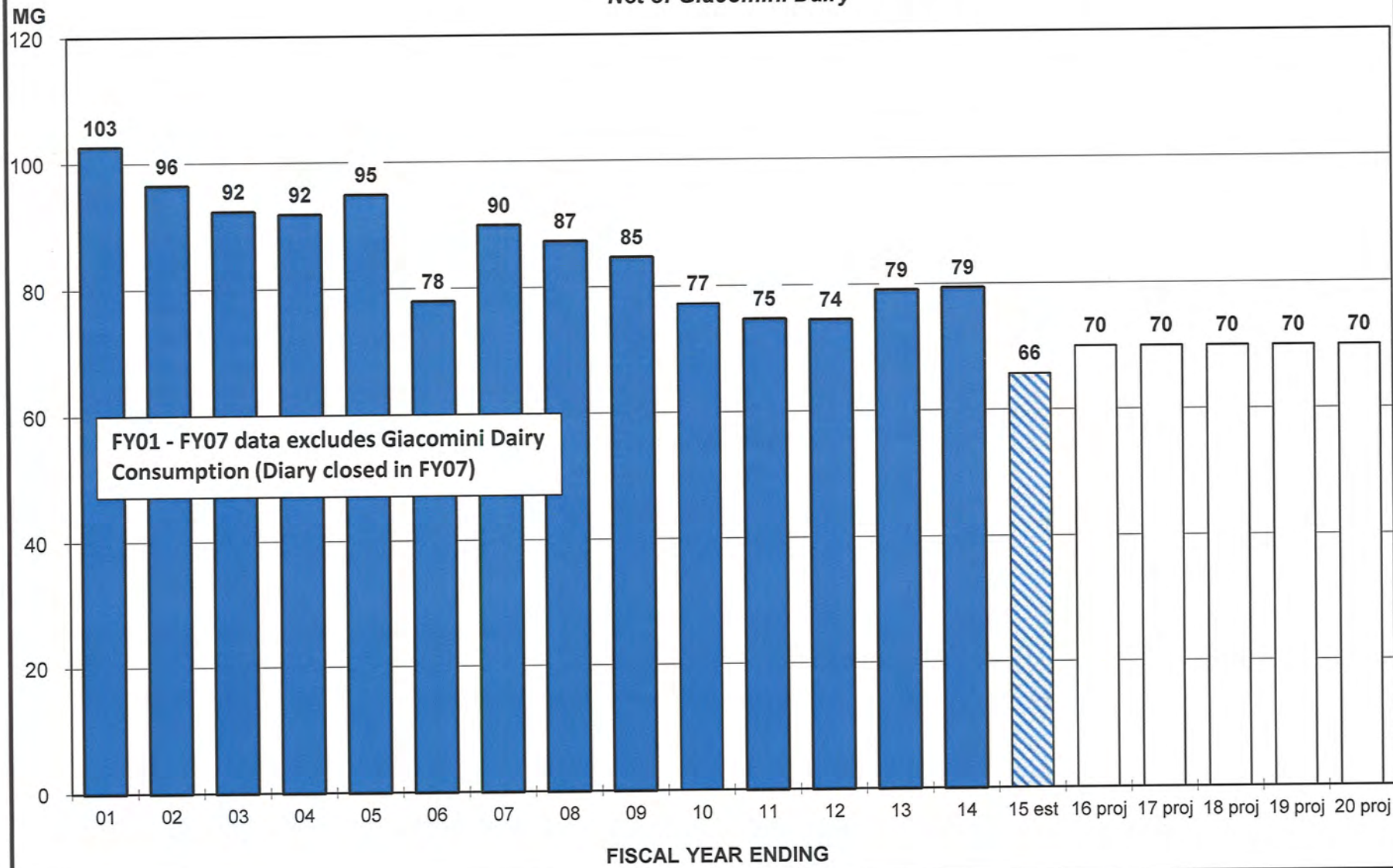
### West Marin Water Active Service Connections @ June 30



6/22/15

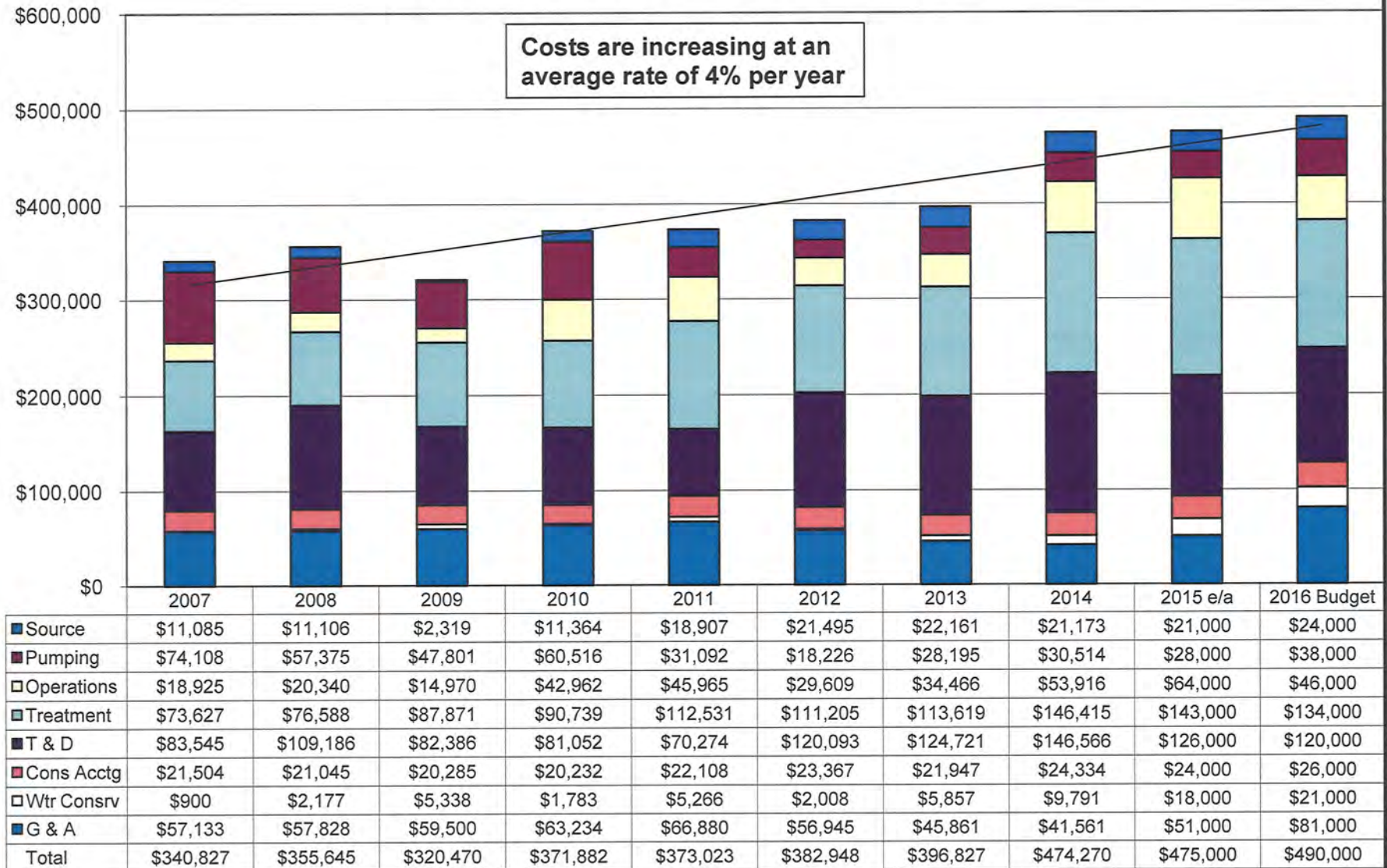
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# West Marin Potable Water Billed Consumption Net of Giacomini Dairy





## West Marin Water Operating Expenditures



May 15, 2015

**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 and charges** that would take effect on July 1, 2015. It also provides information about a **Public Hearing scheduled on June 30, 2015**, 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 ARE THE PROPOSED RATE INCREASES?**

An increase in rates and charges resulting in an average increase of 5% in the annual cost of water service is recommended.

The increase for non-residential customers (commercial, institutional and irrigation accounts) will vary based on water use and meter size. The median non-residential account would also see an average annual 5% cost increase commencing July 1, 2015.

No increase in the bimonthly service charge is proposed.

See Attachment A for a detailed description of the proposed rate increases.

**HOW WILL THE PROPOSED INCREASE AFFECT MY WATER BILL?**

The proposed increase in the commodity rate would add \$2.56 per month (\$31 annually) to the cost of water for the typical (median) single-family residential customer who consumes 59,100 gallons of water annually. Those using less than the median will see an increase less than \$31 annually, and those using more would pay more.

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>.

**WHY ARE RATES BEING INCREASED?**

Over the next two fiscal years \$1.2 million will be expended to complete construction of water treatment plant improvements. In addition, the 25,000 gallon redwood tank that was destroyed in the Mount Vision fire will be replaced with an 82,000 gallon concrete tank estimated to cost \$500,000. The funds to complete these projects will need to be borrowed and repaid with interest.

On a positive note, the District is pleased to report that construction of the \$1.5 million pipeline from NMWD's Gallagher well, located adjacent to Lagunitas Creek approximately one mile upstream from the water treatment plant, is now complete and was 80% funded from a California Proposition 50 grant. Water from the Gallagher Well is expected to mitigate the salinity intrusion now experienced at the existing Point Reyes wells during high tide and low creek flow conditions.

#### **ADDITIONAL INFORMATION**

Attachment A provides greater detail of the various rates and customer categories. We realize that no one likes to see rates increase. However, we need to be able to adequately finance West Marin operations in order to continue to provide a clean and reliable water supply.

**A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 7:00 pm, Tuesday, June 30, 2015, 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 30, 2015 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](http://www.nmwd.com) or call the District Secretary at (415) 897-4133.

Sincerely,



Chris DeGabriele  
General Manager

<b>West Marin Water Recent Capital Improvement Projects – Status Report</b>		
<b>Project</b>	<b>Expenditures thru 4/30/15</b>	<b>Status</b>
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.....	1,464,129	Complete
13 Replace PRE Tank #4A - 82,000 gallon.....	22,328	In Progress
14 Tank Seismic Upgrades.....	115,531	In Progress
15 Water Treatment Plant Enhancements.....	190,918	In Progress
	<u>\$3,911,662</u>	

<b>PROPOSED</b>			
<b>West Marin Water System Rate Changes</b>			
<b>EFFECTIVE JULY 1, 2015</b>			
<b>BIMONTHLY MINIMUM SERVICE CHARGE</b>	<b>Existing</b>	<b>Proposed</b>	<b>% Increase</b>
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%
<b>QUANTITY CHARGE</b>			
<b><u>Residential Rate Per Dwelling Unit</u></b>			
First 400 gallons per day.....	\$7.15	\$7.61	6.5%
From 401 to 900 gallons per day.....	\$9.90	\$10.54	6.5%
From 901+ gallons per day.....	\$15.88	\$16.91	6.5%
<b><u>Commercial, Institutional &amp; Irrigation Rate</u></b>			
November 1 through May 31.....	\$7.22	\$7.69	6.5%
June 1 through October 31.....	\$9.99	\$10.64	6.5%
<b>PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL</b>			
<b><u>Zone</u></b>			
1 Point Reyes Station.....	\$0.00	\$0.00	0%
2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365').....	\$0.19	\$0.20	6.5%
3 Olema.....	\$0.71	\$0.75	6.5%
4 Upper Paradise Ranch Estates (Elevation 365'+).....	\$4.77	\$5.08	6.5%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary.....	\$2.86	\$3.05	6.5%

## 2015 COASTAL AREA WATER COST COMPARISON

5/28/15

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 6/1/15

"Typical" Single Family Residence (5/8" x 3/4" Meter) Using 59,100 Gallons Annually

Agency	No. of Water Services	Bimonthly Service Charge	Commodity Rate per 1,000 Gallons		Annual Water Cost <sup>1</sup>	Water Bond Tax Rate per \$100/AV	Annual Tax Cost <sup>2</sup>	Total Annual Cost
California Water Coast Springs	255	\$157.74	\$30.27		\$2,736 <sup>(3)</sup>	-	-	\$2,739
Estero Mutual Water District	141	\$192.90	\$7.86/\$11.56/\$75.76	(4)	\$1,678	-	-	\$1,678
Bolinas Community PUD	587	\$169.67	\$1.34/\$2.01/\$4.01	(5)	\$1,117	\$0.002	\$417 <sup>(6)</sup>	\$1,534
Stinson Beach Co Water	729	\$77.10	\$2.61/\$6.26	(7)	\$654	\$0.004	\$576 <sup>(8)</sup>	\$1,230
Muir Beach Community Services	151	\$49.92	\$9.20	(9)	\$622 <sup>(10)</sup>	-	\$300 <sup>(11)</sup>	\$922
Bodega Bay PUD	1,054	\$54.90	\$7.73	(12)	\$484	-	\$319 <sup>(13)</sup>	\$803
Inverness PUD	510	\$100.00	\$3.07/\$4.61	(14)	\$798	-	-	\$798
→ <b>NMWD West Marin Service Area</b>	<b>777</b>	<b>\$30.00</b>	<b>\$8.47</b>	(15)	<b>\$681</b>	-	<b>\$57<sup>(16)</sup></b>	<b>\$737</b>

### Notes:

- (1) Median annual consumption for West Marin Service Area single-family detached home is 59,100 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) 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.
- (5) 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).
- (6) Based on home with net AV of \$431,023 (average 2014/15 AV on 546 single family homes in Bolinas) and tax rate of 0.02¢/\$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 \$240,040 for Bolinas in 2014/15 of which 100% is credited to the water fund amounting to \$409 per service.
- (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 0.038¢/\$100 AV and home with net AV of \$1,118,698 (average 2014/15 AV on 652 single family homes in Stinson Beach less \$7,000 homeowner exemption). Stinson Beach also shares in 1% County levy. This "allocation" is projected at \$555,288 in 2014/15 of which 70% is credited to the water fund amounting to \$533 per service.
- (9) \$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.
- (10) 25% of revenue is allocated to capital improvements.
- (11) The annual \$300 charge is now collected via water billings rather than a parcel tax and is allocated to capital improvements.
- (12) \$54.90 bi-monthly water svc charge for 0-800 cubic feet, then \$5.78/100 cubic feet for 801-2,500 cubic feet, then \$6.60/100 cubic feet over 2,500 cubic feet.
- (13) Based on share of 1% County levy. This "allocation" by the County of Sonoma was \$335,982 for 13/14, of which 100% was allocated to water amounting to \$319 per service. FY15 allocation is not available until June.
- (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 \$44,000 in 2014/15, amounting to \$57 per service.

6



## MEMORANDUM

To: Board of Directors

June 26, 2015

From: David L. Bentley, Auditor-Controller

Subj: Public Hearing/Approve: Oceana Marin Sewer FY 2015/2016 Budget  
t:\aclword\budget\wm\16\om16 swr hearing.docx**RECOMMENDED ACTION:** 1) Approve Sewer Service Charge Increase;  
2) Approve FY16 Budget as Proposed**FINANCIAL IMPACT:** 1) Service Charge Increase would Generate \$9,000 Annually;  
2) FY16 Budgeted Expenditure Plan of \$224,000

Presented for your final review and public hearing is the proposed FY2015/2016 (FY16) budget for the Oceana Marin Sewer System.

**SEWER RATES**

The Oceana Marin Sewer system held a cash balance of \$359,000 at May 31, 2015. The Five-Year Financial Plan includes a \$340,000 project to clean and line the settling and treatment ponds in FY19. A 5% (\$3/month) increase is proposed for FY16, which will generate an additional \$9,000 per year. Annual 5% increases are included in the 5-year financial plan (\$4 per month) for FY17 and beyond to help pay for the pond relining project.

An increase in the Sewer Service Charge, which is collected on the Property Tax roll, must be adopted by ordinance, which requires readings at two Board meetings and publication twice. A summary of the ordinance will be published in the Point Reyes Light on June 11 and June 25, and customers have been invited to attend the June 30 meeting in Point Reyes Station. The ordinance summary is included on page 8.

A letter was mailed to all Oceana Marin Sewer customers on May 8, 2015, advising of the proposed sewer service cost increase and extending an invitation to attend the public hearing and/or exercise their right to protest the proposed increase (see page 7 of the budget document). One response was received - a customer expressed concern that the rate increase is funding employee pensions (see Attachment A)

**CONNECTION FEES**

The connection fee for Oceana Marin Sewer was increased to \$15,200 in August 2009. Staff anticipates revisiting the Oceana Marin connection fee calculation later this year following adoption of the Oceana Marin Master Plan Update. One new connection is budgeted for the Oceana Marin Sewer system next fiscal year.

## **BUDGETED SYSTEM IMPROVEMENT PROJECTS**

### **FY16 Projects**

- \$40,000 is included for continued infiltration repair work to prevent rainwater from leaking into the collection system.

### **Future Projects**

The 5-Year Financial Plan includes \$40,000 in continued work on infiltration repair each year into the future. \$100,000 is included, commencing in FY17, for design and installation of an 8th disposal trench. Finally, \$340,000 is included for lining the settling and treatment ponds in FY19.

## **OCEANA MARIN SEWER OPERATING BUDGET**

The proposed Oceana Marin Sewer budget shown on page 2 includes a \$3/month (5% - to \$71/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 decrease 3% from the current year budget, but increase 25% from the current year estimated actual. Incorporated into next year's budget is \$15,000 to complete the update the Oceana Marin Master Plan, last updated in 2006.

A graphical history of Oceana Marin operating expenditures is shown on page 6. The 2015 update of the Coastal Area Annual Sewer Cost Comparison (page 9) shows that, when the County 1% allocation of AB8 tax revenue is included as a ratepayer cost, and assuming approval of the recommended 5% sewer service charge increase, Oceana Marin sewer service cost will continue to rank second among the six coastal agencies surveyed.

### **STAFF RECOMMENDATION:**

- 1) Approve Ordinance No. 32 (Attachment B) electing to have the Oceana Marin Sewer Service Charges be collected on the tax roll of the County of Marin;
- 2) Approve Resolution No. 15-XX (Attachment C) amending Regulation 109 (shown in highlight/strikeout mode on Attachment D), effective July 1, 2015, to increase the Oceana Marin sewer service charge by 5% to \$852 per dwelling unit per year;
- 3) Adopt the FY16 Oceana Marin Sewer System Budget as proposed;
- 4) Authorize the General Manager to pay demands arising from execution of the budgeted FY16 Oceana Marin expenditure plan.



**From:** Chris DeGabriele  
**Sent:** Monday, June 08, 2015 1:30 PM  
**To:** 'jaak1943@sonic.net'  
**Cc:** David Bentley; Dianne Landeros  
**Subject:** FW: NMWD increase in rates

Thanks Jaak,

I'll decline your offer to join Nextdoor Dillon Beach.

FYI administrative costs to operate all NMWD Improvement Districts, including Ocean Marin, are prorated based on the # of customers. The proposed OM budget for next year includes \$33,000 for General Administrative expense out of the total \$223,000 proposed operating budget. OM has 229 customers and a pretty high cost of service for each customer at \$1,053/year (see attached). It is a challenge to provide good service at low cost with such few customers and so far away from our Novato base of operation. Note that cost of water service in Dillon Beach/OM is also very high and NMWD doesn't have anything to do with that service.

Chris

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**From:** Jaak Saame [<mailto:jaak1943@sonic.net>]  
**Sent:** Monday, June 08, 2015 12:09 PM  
**To:** Info NMWD  
**Subject:** FW: NMWD increase in rates

To: Chris DeGabriele

I thought you should know about this e-mail and be ready to respond if needed.

Do you want me to invite you join Nextdoor Dillon Beach?

I do not use it but it does tell me what is going on with some people.

Best regards,

Jaak Saame

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-----Original Message-----

**From:** Nextdoor Dillon Beach [<mailto:reply@rs.email.nextdoor.com>]  
**Sent:** Monday, June 08, 2015 10:19 AM  
**To:** [jaak1943@sonic.net](mailto:jaak1943@sonic.net)  
**Subject:** NMWD increase in rates

Barbara Sloat, Dillon Beach

In reading through the recent notice from NMWD about, yet again, another rate increase, which refers to a pond lining project. This project date keeps being pushed out, and in every letter in the past few years about the increase, they say there will be further rate increases. I decided to look over the financials of NMWD, specifically the salary and benefits of the General Manager. What I am wondering is, are we really funding infrastructure in OMA with the rate increase, or supporting pensions and the like of the employees and executives. NMWD has given us a deadline to write to them about our concerns for the rate increase. This is a reminder to do so, if the proposed rate increase is a concern to you. I will copy the email I received at the end of the post. Barbara Sloat

Barbara,

Chris DeGabriele's base salary is \$194,220. His salary including employer paid benefits and taxes is \$260,463.

Dianne Landeros  
Accounting/Human Resources Supervisor  
North Marin Water District  
999 Rush Creek Place  
P.O. Box 146  
Novato, CA 94948  
PH: 415-761-8911  
[dlanderos@nmwd.com](mailto:dlanderos@nmwd.com)  
[www.nmwd.com](http://www.nmwd.com)

ATTACHMENT A

DRAFT  
ORDINANCE NO. 32

**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 2015-16**

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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 \$852 per equivalent unit for fiscal year 2015-16;

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

- a. Written notices of the proposed increase in the sewer service charge were sent by first class U.S. mail to every customer in Improvement Districts No. OM-1 and OM-3 at least 45 days prior to the Public Hearing conducted on June 30, 2015 to consider said report and rate increase effective July 1, 2015.
- b. The District prepared and filed a sewer service charge report with the District Secretary.
- c. On June 11, 2015 and June 25, 2015, 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 30, 2015, 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 2015-16, a sewer service rate of \$852 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 2015-2016.

\* \* \* \* \*

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 30th day of June 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Katie Young, Secretary  
North Marin Water District

(SEAL)

t:\ordinances\ordinance 32 om tax roll 2015 draft.docx

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

c. Sewer Service Rate

For Fiscal Year 2015-16, a sewer service rate of \$852 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 thirtieth day of June, 2015, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

---

Katie Young, District Secretary  
North Marin Water District

(SEAL)

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

a. **Applicability**

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

b. **Sewage Facilities Connection Charge**

A sewage facilities connection charge of \$15,200 for each dwelling unit shall be paid prior to the commencement of sewer service. For connection of service to structures projected to generate flows in excess of that generated by a typical single family home in Oceana Marin, the District shall calculate the number of equivalent dwelling units and resulting connection charge. In no event shall connection charge be less than \$15,200. 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 ~~2014-2015~~2015-16, a sewer service rate of ~~\$816~~852 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.

Proposed  
**BUDGET**

*Final Review/Public Hearing*

# **Oceana Marin Sewer**

FISCAL YEAR

## **2015-16**

***NORTH MARIN WATER DISTRICT***

*999 RUSH CREEK PLACE, NOVATO, CA*



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**Proposed Capital Improvement Projects**  
**Oceana Marin Sewer**

6/22/15

t:\acexcel\budget\16\5 yr cip fy16.xlsx\5 yr ip

		FY15 Budget	FY15 Est Actual	FY16	FY17	FY18	FY19	FY20
<b>7. OCEANA MARIN SEWER SYSTEM</b>								
8.8672.28	a.	Infiltration Repair	\$15,000	\$10,000	\$40,000	\$40,000	\$40,000	\$40,000
	b.	Design/Install 8th Disposal Trench (300')			\$50,000	\$50,000		
8.7154.00	c.	Pond Power Relocation	\$15,000	\$15,000				
8.6606.23	d.	Disposal Field Fencing Upgrade	\$40,000	\$30,000				
	e.	Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)			\$20,000	\$20,000		
	f.	Tahiti Way Power Relocation			\$20,000			
	g.	Dillon Beach Lift Station Rehab			\$30,000			
	h.	Pond Cleaning & Lining					\$340,000	
	i.	Other Sewer System Expenditures		\$13,000				
			<b>\$70,000</b>	<b>\$68,000</b>	<b>\$40,000</b>	<b>\$160,000</b>	<b>\$110,000</b>	<b>\$380,000</b>
								<b>\$40,000</b>
<b>SUMMARY - GROSS PROJECT OUTLAY</b>								
		GROSS PROJECT OUTLAY	\$70,000	\$68,000	\$40,000	\$160,000	\$110,000	\$380,000
		NET PROJECT OUTLAY	\$70,000	\$68,000	\$40,000	\$160,000	\$110,000	\$380,000
		Total Number of Projects	3	4	1	5	3	2
								1
<b>Studies carried under Non-Operating Expense</b>								
	n.	OM Sewer Master Plan Update (every 10 yrs)	\$30,000	\$15,000	\$15,000			
			\$30,000	\$15,000	\$15,000	\$0	\$0	\$0

**OCEANA MARIN SEWER**  
**BUDGET SUMMARY**  
**Fiscal Year 2015/16**

	<i><b>Proposed Budget 2015/16</b></i>	<i><b>Estimated Actual 2014/15</b></i>	<i><b>Adopted Budget 2014/15</b></i>
<b>OPERATING INCOME</b>			
1 Monthly Sewer Service Charge	<b>\$196,000</b>	\$187,000	\$187,000
2 Misc Service Charges	<b>0</b>	0	0
3 <b>Total Operating Income</b>	<b>\$196,000</b>	\$187,000	\$187,000
<b>OPERATING EXPENDITURES</b>			
4 Sewage Collection	<b>\$49,000</b>	\$37,000	\$55,000
5 Sewage Treatment	<b>56,000</b>	52,000	63,000
6 Sewage Disposal	<b>31,000</b>	23,000	31,000
7 Consumer Accounting	<b>2,000</b>	2,000	2,000
8 General Administration	<b>31,000</b>	21,000	23,000
9 Depreciation Expense	<b>52,000</b>	50,000	58,000
10 <b>Total Operating Expenditures</b>	<b>\$221,000</b>	\$185,000	\$232,000
11 <b>NET OPERATING INCOME (LOSS)</b>	<b>(\$25,000)</b>	\$2,000	(\$45,000)
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
12 OM-1/OM-3 Tax Allocation	<b>\$47,000</b>	\$46,000	\$44,000
13 Interest Revenue	<b>2,000</b>	2,000	1,000
14 Master Plan Update	<b>(15,000)</b>	(15,000)	(30,000)
15 <b>Total Non-Op Income/(Expense)</b>	<b>\$34,000</b>	\$33,000	\$15,000
<b>NET INCOME/(LOSS)</b>	<b>\$9,000</b>	\$35,000	(\$30,000)
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
16 Add Depreciation Expense	<b>\$52,000</b>	\$50,000	\$58,000
17 Connection Fees	<b>15,000</b>	15,000	15,000
18 Capital Improvement Projects	<b>(40,000)</b>	(68,000)	(70,000)
19 <b>Total Other Souces/(Uses)</b>	<b>\$27,000</b>	(\$3,000)	\$3,000
20 <b>NET SURPLUS/(DEFICIT)</b>	<b>\$36,000</b>	\$32,000	(\$27,000)

# **OCEANA MARIN SEWER**

## **5-Year Financial Forecast**

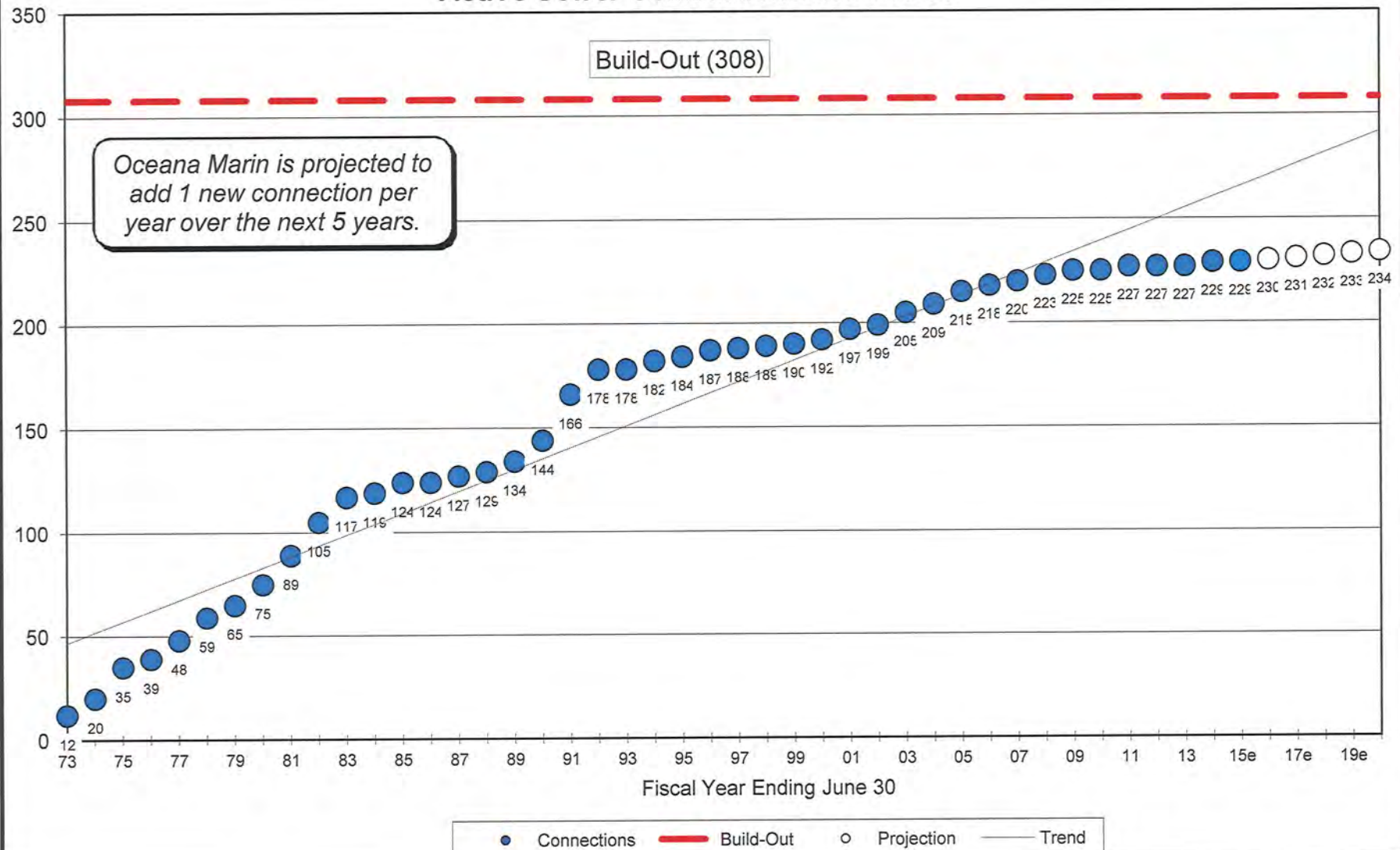
#		<b>Actual 2012/13</b>	<b>Actual 2013/14</b>	<b>Estimated 2014/15</b>	<b>Projected 2015/16</b>	<b>Projected 2016/17</b>	<b>Projected 2017/18</b>	<b>Projected 2018/19</b>	<b>Projected 2019/20</b>
<b># BASIC DATA</b>									
1	Number of Connections	227	229	229	230	231	232	233	234
2	Monthly Service Charge	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00	\$83.00	\$87.00
<b>INCOME</b>									
3	Monthly Service Charge	\$157,992	\$177,970	\$187,000	\$196,000	\$207,000	\$219,000	\$232,000	\$244,000
4	OM-1/OM-3 Tax Allocation	43,101	44,887	46,000	47,000	48,000	49,000	50,000	52,000
5	Connection Fees	0	30,400	15,000	15,000	15,000	15,000	15,000	15,000
6	Interest Revenue	724	1,051	2,000	2,000	2,000	1,000	1,000	0
7	Miscellaneous Revenue/(Expense)	19,127	(248)	0	0	0	0	0	0
8	<b>TOTAL INCOME</b>	<b>\$220,944</b>	<b>\$254,060</b>	<b>\$250,000</b>	<b>\$260,000</b>	<b>\$272,000</b>	<b>\$284,000</b>	<b>\$298,000</b>	<b>\$311,000</b>
9	<b>OPERATING EXPENDITURES</b>	<b>\$148,164</b>	<b>\$138,518</b>	<b>\$135,000</b>	<b>\$169,000</b>	<b>\$174,000</b>	<b>\$179,000</b>	<b>\$184,000</b>	<b>\$190,000</b>
<b>OTHER EXPENDITURES</b>									
10	Capital Improvement Projects/Other	\$221,835	\$19,655	\$83,000	\$55,000	\$160,000	\$110,000	\$380,000	\$40,000
11	<b>TOTAL EXPENDITURES</b>	<b>\$369,999</b>	<b>\$158,173</b>	<b>\$218,000</b>	<b>\$224,000</b>	<b>\$334,000</b>	<b>\$289,000</b>	<b>\$564,000</b>	<b>\$230,000</b>
12	Net Change in Working Capital	(\$2,275)	(\$5,035)						
13	<b>INCREASE (DECREASE) IN CASH</b>	<b>(\$151,330)</b>	<b>\$90,852</b>	<b>\$32,000</b>	<b>\$36,000</b>	<b>(\$62,000)</b>	<b>(\$5,000)</b>	<b>(\$266,000)</b>	<b>\$81,000</b>
<b>CASH BALANCE</b>									
14	Operating Reserve	\$192,042	\$282,894	\$315,000	\$351,000	\$289,000	\$284,000	\$18,000	\$99,000
15	Connection Fee Reserve	0	0	0	0	0	0	0	0
16	<b>TOTAL CASH BALANCE</b>	<b>\$192,042</b>	<b>\$282,894</b>	<b>\$315,000</b>	<b>\$351,000</b>	<b>\$289,000</b>	<b>\$284,000</b>	<b>\$18,000</b>	<b>\$99,000</b>
17	Depreciation Expense	\$44,720	\$57,024	\$50,000	\$52,000	\$53,000	\$57,000	\$60,000	\$70,000

**OCEANA MARIN SEWER****NOTES**

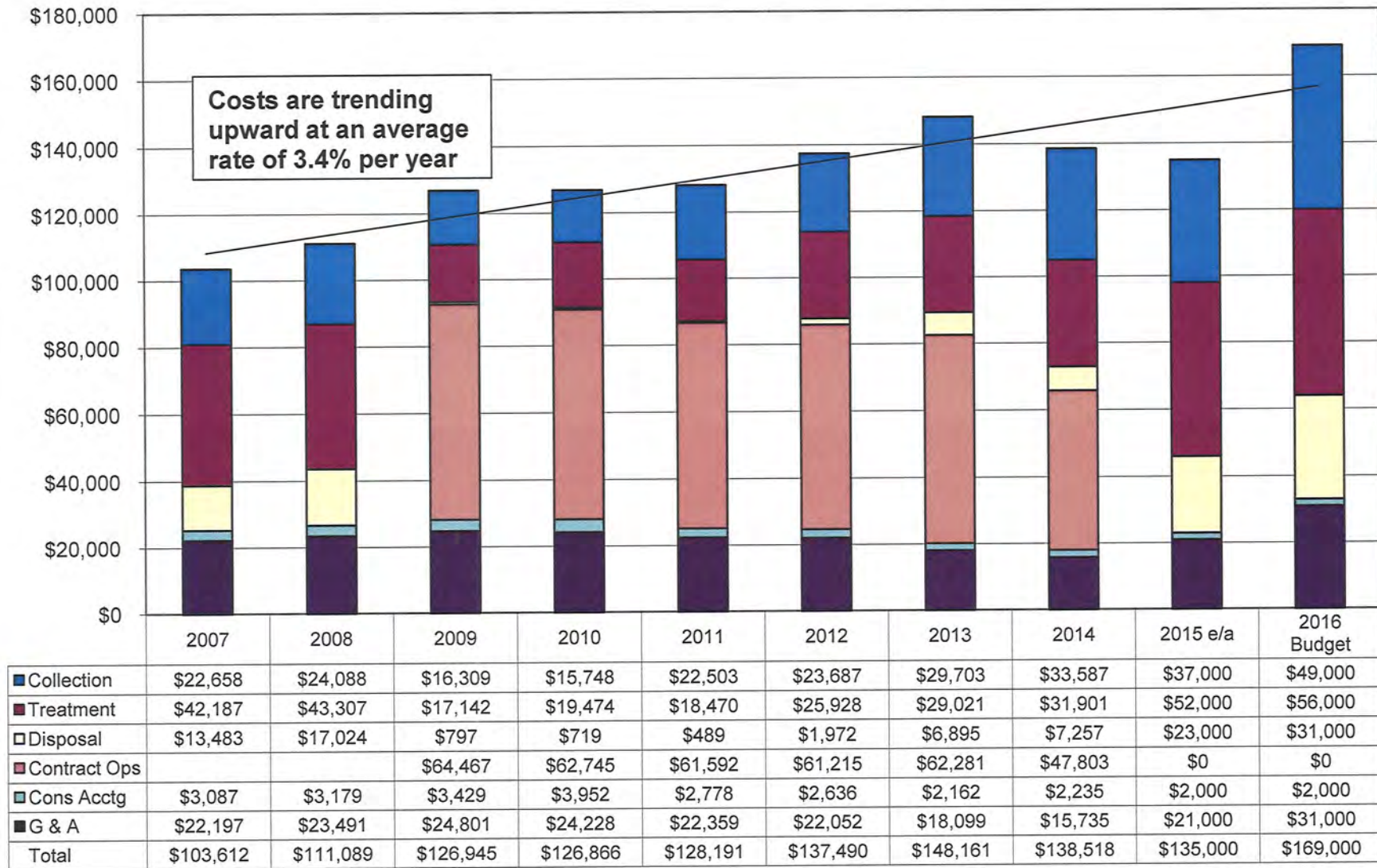
## # KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Proposed 5% annual increases to build cash to fund the FY19 \$350,000 Pond Relining Project. A \$700K parallel force main is also projected outside the 5-year window.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Assumes new connections occur in OM-3 (Units 1 or 5) which are subject to the \$15,200 connection fee.
- 6 Projected available funds invested at 0.50%
- 9 Operating expenditures return to normal after FY15 deferred maintenance projects completed, then increase 3% annually thereafter.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 11 Total Expenditures excludes depreciation.
- 14 Cash available for operation, maintenance and improvements

### Oceana Marin Growth Active Sewer Connections at June 30



## Oceana Marin Operating Expenditures



May 8, 2015

**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, 2015. It also provides information about a **Public Hearing scheduled on June 30, 2015**, 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 \$68/month (\$816/year). A **5% increase** is proposed equaling \$3/month (\$36/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 \$3 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for the 2015/16 fiscal year of \$852 (\$71 per month for July 2015 through June 2016).

**Why are rates being increased?**

If approved, the proposed increase would be the fourth increase in the Oceana Marin sewer service charge since 2004. On March 31, 2015, Oceana Marin's cash reserve balance stood at \$306,000. Two years ago the District relined 3,100 feet of aging cross-country pipeline at a cost of \$230,000. The next major improvement project, budgeted for 2018, is cleaning and lining the settling and treatment ponds, projected to cost \$350,000. The proposed rate increase is needed to help pay for the Pond Lining project. If enacted, the rate increase would generate \$8,200 of additional revenue annually. However, this 5% rate increase by itself will not provide enough cash to construct the Pond Lining project in 2018. Additional rate increases will be necessary in future years.

**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 30, 2015, 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 30, 2015 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](http://www.nmwd.com) or call the District Secretary at (415) 897-4133.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris DeGabriele". The signature is fluid and cursive, with the first name "Chris" and last name "DeGabriele" clearly distinguishable.

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:

6/11/15, 6/25/15

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

Date at Inverness, California, this

6/25/15

Signature



### Proof of Publication

NORTH MARIN WATER DISTRICT NOTICE OF PUBLIC HEARING  
OCEANA MARIN SEWER SERVICE CHARGES  
FISCAL YEAR 2015-2016  
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. 32 on June 30, 2015, fixing its charges for sewerage services for the fiscal year 2015-2016 in the amount of \$71 per month (\$852 per year) per parcel (a proposed increase of \$3 per month - \$36 annually), and further intends to elect to collect such charges on the tax roll as it did for fiscal year 2014-2015 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 30, 2015 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 said report.  
Dated: May 29, 2015. Published in the Point Reyes Light June 11, 25, 2015.

## 2015 COASTAL AREA SEWER COST COMPARISON

5/27/15

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 6/1/15

Agency	No. of Sewer Services	Monthly Service Charge	Annual Tax Revenue <sup>(1)</sup>	Annual Total
Marshall Community Wastewater System	32	\$108.41 <sup>(2)</sup>	\$0	\$1,301
<b>&gt; NMWD Oceana Marin</b>	<b>229</b>	<b>\$71.00 <sup>(3)</sup></b>	<b>\$201 <sup>(4)</sup></b>	<b>\$1,053 &lt;</b>
Bolinas Community PUD	163	\$81.33	\$0 <sup>(5)</sup>	\$976
Tomales Village CSD	107	\$63.00	\$65 <sup>(6)</sup>	\$821
Stinson Beach Co Water - Inspection Only	703	\$39.65 <sup>(7)</sup>	\$237 <sup>(8)</sup>	\$713
Bodega Bay PUD	1,010	\$56.68	\$0 <sup>(9)</sup>	\$680


### 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) 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.
- (3) Includes proposed increase of \$3/month.
- (4) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$46,000 for 2014/15 which equates to \$201 per service.
- (5) Based on home with net AV of \$431,023 (average 2014/15 AV on 546 single family homes in Bolinas) and tax rate of 0.02¢/\$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 \$240,040 for Bolinas in 2014/15 of which 100% is credited to the water fund.
- (6) Based on home with net AV of \$325,691 (average 2014/15 AV on 107 single family homes in Tomales) and tax rate of 2¢/\$100 AV.
- (7) 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.
- (8) Based on allocation of 1% County levy. This "allocation" was projected by the County of Marin at \$555,288 for 2014/15 of which 30% was allocated to sewer amounting to \$236.97 per service.
- (9) Based on share of 1% County levy. This "allocation" by the County of Sonoma was \$335,982 for 2013/14 of which 100% was allocated to water (0% to sewer). FY14/15 information is not available until June.

7

## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: Increase Oceana Marin Sewer Connection Inspection Fee  
t:\aclword\regs\reg 106f.docx



June 26, 2015

**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: Approximately \$100/Year Additional Revenue on Average**

The flat fee to inspect a new sewer connection in Oceana Marin has been \$140 since July 1989, when it was increased from \$50. The purpose of the fee is to recover the District's administrative and inspection cost associated with a new connection. There are few new connections in Oceana Marin - only four inspection fees have been collected in the past seven years. However, as good housekeeping, it is appropriate to periodically increase these infrequently levied fees. Looking at the District's labor cost, a fee of \$300 is appropriate, and is in-line with the change in the Consumer Price Index over the period since the fee was last increased.

**Staff Recommendation:**

Approve Resolution 15-XX revising Regulation 106.f. to increase the sewer inspection fee to \$300.

**DRAFT  
RESOLUTION 15-XX**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
NORTH MARIN WATER DISTRICT  
AMENDING REGULATION 106 f – INSPECTION FEE**

---

WHEREAS: The Board of Directors hereby finds and determines that in order to fully recover the District's cost, the Sewer Inspection Fee should be \$300.

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 106 f – Inspection Fee of the North Marin Water District is adopted as follows, effective July 1, 2015:

f. Inspection Fee

A fee of ~~\$140.00~~\$300.00 shall be paid as a condition of performing a sewer inspection.

\* \* \* \* \*

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 thirtieth of June 2015 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

---

Katie Young, District Secretary  
North Marin Water District


(SEAL)

8

## MEMORANDUM

To: Board of Directors

June 26, 2015

From: Chris DeGabriele, General Manager Subj: PES Environmental, Inc. Consulting Services Agreement-Exploration for Potential Groundwater Supply Well Locations  
\\gmtwest\marin\gallagher well\groundwater supply well locations.docx

**RECOMMENDED ACTION:** Board Approve a Consulting Services Agreement with PES Environmental for Exploration of Potential Groundwater Supply Well Locations

**FINANCIAL IMPACT:** \$57,400

The fiscal year 2015/16 West Marin Water Budget includes \$58,000 for a hydrogeological study for a second well at Gallagher. PES Environmental, Inc. provided the proposal and cost estimate to conduct soil test borings and piezometer wells in the flood plan terrace adjacent to Lagunitas Creek within the Gallagher Ranch and recommends a similar evaluation at the Nobmann/Osborn Black Mountain Ranch (see map included with the PES proposal attached).

Eight soil test borings are proposed at each property along with construction of one temporary piezometer at each property for measuring groundwater levels. PES will prepare a report to present the results of the field investigation and recommendation for suitability of constructing a groundwater supply well on the Gallagher Ranch and/or Nobmann/Osborn Ranch.

Estimated costs for the work are \$29,200 at the Gallagher site and \$28,200 at the Nobmann/Osborn site. District staff has made preliminary outreach to the property owners at both the ranches and has informed Marin Agricultural Land Trust of our interest in conducting the work and need for additional water supply upstream of the existing Pt. Reyes Station Coast Guard wells.

**RECOMMENDATION:**

Board authorize the General Manager to enter into a Consulting Services Agreement with PES Environmental, Inc. to conduct exploration for potential groundwater supply well locations.





April 13, 2015

872.002.01.P004

Mr. Chris DeGabriele  
General Manager  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94948

RECEIVED  
APR 17 2015  
North Marin Water District

**Re: Proposal**

**Exploration for Potential Groundwater Supply Well Locations  
Gallagher Ranch and Nobmann/Osborn Properties  
Gallagher Wells Project  
Point Reyes Station, California**

Dear Mr. DeGabriele:

PES Environmental, Inc. (PES) appreciates the opportunity to present this proposal to the North Marin Water District (NMWD) in response to your request to evaluate locations for a potential groundwater supply well along the floodplain terrace adjacent to the Gallagher Ranch and Nobmann/Osborn (parcel 119-050-014) properties. The floodplain terrace adjacent to Lagunitas Creek at these properties is selected for further subsurface exploration as the Quaternary alluvial (Qal) deposits represent the principal source of groundwater in the area (e.g., similar to the existing groundwater supply wells at the Gallagher Ranch property). The proposed scope of work and estimated planning costs to perform these evaluations are described in the following sections of our proposal.

**PROPOSED SCOPE OF WORK**

The proposed method for subsurface exploration and characterization of the alluvial deposits and groundwater conditions will rely upon soil test borings located within mapped areas of the Qal deposits along selected areas of the floodplain terrace as shown on Plate 1. Although the scope of work could also include an integrated approach commencing with geophysical methods to assist in approximating the spatial distribution of the Qal deposits in contrast to the underlying consolidated rock of the Franciscan Complex that outcrop along the floodplain deposits and surrounding hills (i.e., in an attempt to facilitate the selection of soil test boring locations), the results from a basic geophysical survey (i.e., at a minimum cost of approximately \$15,000 at each property) are unlikely to yield data in sufficient detail to outweigh the cost-benefit in comparison to performing additional soil test borings.

Additionally, as shown on Plate 1, the accessible areas (i.e., reasonably accessible with all-terrain drilling equipment and suitable setback distance from Lagunitas Creek) to the mapped Qal deposits along the floodplain terrace of the two properties are limited in extent and further constrain locations for a potential groundwater supply well(s).

It is anticipated that subcontractor drilling services for completion of the soil test borings will be provided by either (based upon schedule and availability) Clear Heart Drilling, Inc. or Weeks Drilling and Pump Company (Sonoma County, California). All field activities will be completed under the supervision of a PES California professional geologist or engineer. Additionally, all drilling services will be performed by a licensed contractor possessing a valid C-57 water well contractors licenses issued by the State of California in accordance with standards specified in the California Department of Water Resources Bulletin 74-81 and 74-90. The details of the proposed scope of work and estimated planning costs related to each of the two properties are described below.

### **Gallagher Ranch Property**

The proposed scope of work at the Gallagher Ranch property includes: (1) performing a site reconnaissance visit prior to scheduling field work; (2) submitting a Well Drilling Permit application (with permit fee) to the Marin County Community Development Agency, Environmental Health Services (MCEHS); (3) completing eight soil test borings to an approximate depth of 40 to 50 feet below ground surface (ft bgs) which is the estimated maximum depth of the Qal deposits; (4) constructing a temporary piezometer (i.e., for measuring groundwater levels) of 2-inch diameter PVC well casing and screen in one of the soil test borings; (5) assisting NMWD in the implementation and interpretation of a test designed to measure groundwater levels in the temporary piezometer while the Gallagher Test Well is temporarily operated; and (6) preparing a report to present the results of the field investigation and recommendations for suitability of constructing a groundwater supply test well in the subject area of the Gallagher Ranch property.

The soil test borings will be completed using hollow stem auger drilling equipment. Relatively undisturbed soil samples will be collected from each boring with a split-barrel sampler at approximate 5-foot intervals, or as deemed appropriate by the PES geologist or engineer. A PES geologist or engineer will prepare a Field Lithologic Log for the borings and describe the soils for lithologic classification, color, and relative moisture in accordance with the ASTM Standard Practice for Description and Identification of Soils (Visual-Manual Procedure), the Unified Soil Classification System, and Munsell Color Index. Following completion, the boreholes will be sealed to the surface with use of a tremie pipe and sand-cement/bentonite grout. It is assumed that all drilling cuttings and soil samples will remain at the site.

The temporary piezometer will be constructed by installing the well casing and screen through the center of the hollow-stem augers. The piezometer will be constructed with 2-inch diameter, flush threaded PVC well casing and factory slotted 0.010-inch well screen, and a

flush threaded end cap. Final design specifications for construction of the temporary piezometer (i.e., depth of piezometer and well screen interval) will be based on hydrogeologic data obtained during drilling of the borehole. Following use of the temporary piezometer, the casing and well screen will be removed from the borehole, and the borehole will be sealed to the surface with a sand-cement/bentonite grout.

The purpose of the temporary piezometer is to facilitate the collection of supplemental water level drawdown data resulting from operation of the Gallagher Test Well. Groundwater levels at the piezometer location would be measured (with one of the NMWD owned electronic transducers) while the Gallagher Test Well is operated at full pumping capacity. In the event that groundwater levels at the piezometer location decline notably, it would be inferred that the Gallagher Test Well would be competing in relation to further development of groundwater resources at the temporary piezometer location. In the event that no significant water level drawdown is measured at the piezometer location (i.e., eliminating only a direct response due to pumping from the Gallagher Test Well with no inference to stream-aquifer dynamics or hydraulic properties of the aquifer at the piezometer location), and results from the soil test borings suggest the hydrogeologic conditions are favorable for potential further development of groundwater resources, the subject area would be a candidate location for construction of a groundwater supply test well (i.e., and further aquifer testing).

### **Nobmann/Osborn Property**

Similar to the above described scope of work (at the Gallagher Ranch property), the proposed scope of work at the Nobmann/Osborn property includes: (1) performing a site reconnaissance visit prior to scheduling field work; (2) submitting a Well Drilling Permit application (with permit fee) to the Marin County Community Development Agency, MCEHS; (3) completing eight soil test borings to an approximate depth of 40 to 50 ft bgs which is an estimated maximum depth of the Qal deposits in the subject area; and (4) preparing a report to present the results of the field investigation and recommendations for suitability of constructing a groundwater supply test well in the subject area of the Nobmann/Osborn property. The procedures and details for completing and sealing the soil test borings would be the same as described above for the Gallagher Ranch property.

### **ESTIMATED PLANNING COSTS**

The detailed planning costs to provide the aforementioned scope of work on a time and materials basis are summarized in the attached Tables 1 and 2 for the Gallagher Ranch and Nobmann/Osborn properties, respectively. The cost estimates have been developed based on PES' 2011 Schedule of Charges that was previously discounted for NMWD and remains in effect. For the purpose of preparing our cost estimates, it is assumed that NMWD will arrange for site access to each of the properties.

Mr. Chris DeGabriele

April 13, 2015

Page 4 of 4

PES Environmental, Inc.

As summarized in Tables 1 and 2, the total estimated planning costs to complete the proposed scopes of work are approximately \$29,200 for the Gallagher Ranch property, and \$28,200 for the Nobmann/Osborn property (i.e., a total of approximately \$57,400).

PES appreciates the opportunity to assist NMWD in further evaluating groundwater resources to enhance the Gallagher Wells Project and Point Reyes Station community water supply. Should you have questions regarding this information, please contact me at (415) 899-1600.

Very truly yours,

**PES ENVIRONMENTAL, INC.**



Nicholas C. Pogoncheff, P.G.  
Principal Hydrogeologist

Attachments: Plate 1 – Proposed Areas for Soil Test Borings  
Table 1 – Estimated Planning Costs, Gallagher Ranch Property  
Table 2 – Estimated Planning Costs, Nobmann/Osborn Property





**Explanation**

Point Reyes Gage ▲ USGS Stream Gage

TW-1 ⊕ Well Location

**Geologic Units (Blake, 2000)**

**Qal** Alluvium (Quaternary)

**Qoal** Older Alluvium (Quaternary)

**Jfgs** Franciscan Complex Greenstone (Jurassic)

**fsr** Franciscan Complex Mélange

**Kfs** Franciscan Complex Sandstone and Shale (Cretaceous)

0 400  
SCALE IN FEET

Basemap: 2013 Aerial Photo with Surficial Geologic Overlay  
All locations and geologic contacts are approximate

**PES Environmental, Inc.**  
Engineering & Environmental Services

**Proposed Areas for Soil Test Borings**  
Gallagher Ranch and Nobmann/Osborn Properties  
Gallagher Wells Project  
Northeast of Point Reyes Station, California

872.002.01.001 87200201001\_OV\_1 PDG 4/15  
JOB NUMBER DRAWING NUMBER REVIEWED BY DATE

PLATE  
**1**



**Table 1. Estimated Planning Costs**  
**Exploration for Potential Groundwater Supply Test Well Location**  
**Gallagher Ranch Property**

Scope of Work			Site Reconnaissance		Well Drilling Permit Application		Soil Test Borings and Temporary Piezometer		Water Level Drawdown Test Gallagher Test Well/Temporary Piezometer		Report Preparation		Totals	
			Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost
<b>PES LABOR</b>														
Principal Hydrogeologist	hr	\$175	3	\$525	0	\$0	8	\$1,400	2	\$350	12	\$2,100	25	\$4,375
Associate Hydrogeologist	hr	\$150	3	\$450	2.5	\$375	8	\$1,200	8	\$1,200	8	\$1,200	29.5	\$4,425
Staff Hydrogeologist/Engineer	hr	\$90	0	\$0	0	\$0	48	\$4,320	0	\$0	0	\$0	48	\$4,320
CADD	hr	\$80	0	\$0	0.5	\$40	0	\$0	0	\$0	1	\$80	1.5	\$120
Word Processing & Clerical	hr	\$60	0	\$0	0	\$0	0	\$0	0	\$0	1	\$60	1	\$60
<b>TOTAL PES LABOR COSTS</b>				\$980		\$420		\$6,920		\$1,550		\$3,440		\$13,300
<b>PES EQUIPMENT</b>														
Vehicle/Fuel	dy	\$100	0.5	\$50	0	\$0	4	\$400	1	\$100	0	\$0	5.5	\$550
PES Equipment/Supplies	unit	\$100	0	\$0	0	\$0	4	\$400	1	\$100	0	\$0	5	\$500
Report Production/Distribution	ls	\$130	0	\$0	0.5	\$65	0	\$0	0	\$0	1	\$130	1.5	\$195
<b>TOTAL PES EQUIPMENT COSTS</b>				\$50		\$70		\$800		\$200		\$130		\$1,250
<b>PERMIT FEES &amp; SUBCONTRACTOR SERVICES</b>														
Marin County EHS Well Drilling Permit	ls				1	\$1,200								\$1,200
Drilling Services (Clear Heart or Weeks Drilling)	ls						1	\$12,500						\$12,500
<b>TOTAL SUBCONTRACTOR COSTS (w/ 7% Markup)</b>				\$0		\$1,280		\$13,380		\$0		\$0		\$14,660
<b>TOTAL ESTIMATED PLANNING COSTS</b>				\$1,030		\$1,770		\$21,100		\$1,750		\$3,570		\$29,210

For the purpose of preparing cost estimate, it is assumed that NMWD will arrange for site access

**Table 2. Estimated Planning Costs**  
**Exploration for Potential Groundwater Supply Test Well Location**  
**Nobmann/Osborn Property**

Scope of Work			Site Reconnaissance		Well Drilling Permit Application		Soil Test Borings		Report Preparation		Totals	
			Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost
<b>PES LABOR</b>												
Principal Hydrogeologist	hr	\$175	3	\$525	0	\$0	8	\$1,400	10	\$1,750	21	\$3,675
Associate Hydrogeologist	hr	\$150	3	\$450	2.5	\$375	8	\$1,200	8	\$1,200	21.5	\$3,225
Staff Hydrogeologist/Engineer	hr	\$90	0	\$0	0	\$0	48	\$4,320	0	\$0	48	\$4,320
CADD	hr	\$80	0	\$0	0.5	\$40	0	\$0	1	\$80	1.5	\$120
Word Processing & Clerical	hr	\$60	0	\$0	0	\$0	0	\$0	1	\$60	1	\$60
<b>TOTAL PES LABOR COSTS</b>				\$980		\$420		\$6,920		\$3,090		\$11,400
<b>PES EQUIPMENT</b>												
Vehicle/Fuel	dy	\$100	0.5	\$50	0	\$0	4	\$400	0	\$0	4.5	\$450
PES Equipment/Supplies	unit	\$100	0	\$0	0	\$0	4	\$400	0	\$0	4	\$400
Report Production/Distribution	ls	\$130	0	\$0	0.5	\$65	0	\$0	1	\$130	1.5	\$195
<b>TOTAL PES EQUIPMENT COSTS</b>				\$50		\$70		\$800		\$130		\$1,050
<b>PERMIT FEES &amp; SUBCONTRACTOR SERVICES</b>												
Marin County EHS Well Drilling Permit	ls				1	\$1,200						\$1,200
Drilling Services (Clear Heart or Weeks Drilling)	ls						1	\$13,500				\$13,500
<b>TOTAL SUBCONTRACTOR COSTS (w/ 7% Markup)</b>				\$0		\$1,280		\$14,450		\$0		\$15,730
<b>TOTAL ESTIMATED PLANNING COSTS</b>				\$1,030		\$1,770		\$22,170		\$3,220		\$28,180

For the purpose of preparing cost estimate, it is assumed that NMWD will arrange for site access

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**NORTH MARIN  
WATER DISTRICT**

# THE WATER LINE

WEST MARIN'S WATER CONSERVATION NEWSLETTER • VOLUME 12 • SPRING 2015

## State Order Limits Irrigation to Two Days Per Week

**N**MWD's water supply for West Marin customers is diverted from shallow wells adjacent to Lagunitas Creek near the U.S. Coast Guard Housing Facility in Point Reyes Station. Last summer flows in Lagunitas Creek were reduced 25% below normal and a mandatory 25% reduction in water use was in place from July 1st through October 31st.

This year's rainfall levels reached normal year status (a normal year is declared when total precipitation from October 1 to April 1 exceeds 28 inches measured at the Marin Municipal's Kent Lake). However, the statewide drought still continues and in early May, the State

Water Resources Control Board (SWRCB) adopted Emergency Water Conservation Regulations for all California water suppliers. The West Marin Service Area falls into the category of a "smaller water supplier", serving fewer than 3,000 connections. The SWRCB requires smaller water suppliers to choose between a water use cut back of 25% compared to same period in 2013 or to restrict outdoor irrigation to no more than two days per week. On May 19, 2015, the NMWD Board approved a resolution restricting outdoor irrigation in the West Marin service area to no more than two days per week effective June 1, 2015.

We appreciate your help in preserving West Marin water supply! Please pay attention to water use, especially outside and limit outdoor irrigation to no more than two days per week. Any possible reduction in water use is appreciated. There's not a drop to waste!



### Gallagher Pipeline Project

**N**orth Marin Water District (NMWD) has completed the long planned Gallagher Well Pipeline project to improve water quality for West Marin customers. The NMWD West Marin Water Service Area wells are subject to periodic salinity intrusion from the adjacent Tomales Bay. NMWD developed an additional well, on the Gallagher Ranch, upstream of any tidal influence and potential salinity

intrusion. A \$1.4M State grant (equivalent to an amount of \$2,000 per customer) made it possible to move forward with this important project.

The Gallagher Well Pipeline Project is approximately 1-mile in length and connects the Gallagher Well to the existing Point Reyes water treatment plant.

**Brown is the  
new green**

**There's  
Never Enough  
to waste  
Turn the  
Water Off.**



**NORTH MARIN  
WATER DISTRICT**



# Water Smart Savings Program

Call (415) 761-8944 for program details or visit [www.nmwd.com](http://www.nmwd.com)

North Marin Water District wants to help customers use water efficiently. That's why we've put all of our water saving promotions under one umbrella. The *Water Smart Savings Program* encompasses all you need to get started on saving water and saving money. Call (415) 761-8944 for program details or visit [www.nmwd.com](http://www.nmwd.com).



## High-Efficiency Toilet Rebate

Don't flush money away. Now you can get a rebate when you replace your non-water-conserving toilets with a High-Efficiency Toilet (HET). HETs use 20% less water than standard ultra-low flush toilets, so not only will you save water, but you'll save money, too. HETs eligible for rebate must be EPA WaterSense models. Call for rebate values and participation details or visit [www.nmwd.com](http://www.nmwd.com).



## High-Efficiency Clothes Washer Rebate Program

High Efficiency clothes washers can save up to 50% of the water used and 65% of the energy used compared to conventional top-loading clothes washers. NMWD currently offers a rebate to customers when they purchase a qualifying high-efficiency clothes washer. Call for rebate value and participation details, or visit [www.nmwd.com](http://www.nmwd.com).



999 Rush Creek Place  
PO Box 146  
Novato, CA 94948  
(415) 897-4133

**NORTH MARIN  
WATER DISTRICT**

[www.nmwd.com](http://www.nmwd.com)

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## Water Smart Landscape Efficiency Rebate

Water efficient landscapes can be achieved through a number of strategies including efficient irrigation devices and equipment, and soil maintenance.

You may be eligible for rebates (call for rebate amounts and participation details or visit [www.nmwd.com](http://www.nmwd.com)) when you install District-qualified water-efficient landscape equipment including:

- Spray to drip irrigation conversions
- Weather Based Irrigation Controllers
- Multi-stream rotating sprinkler nozzles (for lawn areas only)
- Rain shut-off devices
- Mulch



## Cash for Grass



As part of the Water Smart Savings Program, you can get cash back when you remove your regularly mowed and irrigated lawn and re-landscape with California native low-water use plants or District approved synthetic turf. Pre-inspection and re-landscaping plan approval required. Call for rebate values and complete program participation details or visit [www.nmwd.com](http://www.nmwd.com).

## Rainwater Harvesting and Graywater Rebate



Install a rainwater harvesting system, and District rebates may be available. Rainwater harvesting is the collection and storage of rainwater for reuse in landscape irrigation. Systems can range from simple catchment devices, such as rain barrels, to more complex systems, such as cisterns or storage tanks. Rebates are also available for greywater system installations. Pre-inspection and plan approval required. Call for participation details and rebate values.

***Summary***  
**North Marin Water District**  
***Water Use Prohibitions for 2015***  
**(West Marin Service Area)**

**All prohibitions and requirements are summarized below.**

**Water Waste Prohibitions**

- Gutter flooding (unreasonable irrigation overspray or irrigation run-off onto pavement, down a gutter, ditch or other drain).
- Failure to repair a controllable leak of water within a reasonable time.
- Using water for non-recycling decorative fountains or single-pass cooling systems.
- Washing down exterior paved areas.
- Washing privately-owned motor vehicles, trailers and boats, except from a bucket and hose equipped with an automatic shut-off nozzle for a quick rinse.
- Serving drinking water only on request in eating or drinking establishments.
- Operators of hotels/motels provide guests with the option to not have towel/linens laundered daily.

**Landscape Irrigation Requirements**

- Watering of ornamental landscape and turf areas is limited to no more than 2 days per week.
- Landscape irrigation is prohibited during or within 48 hours of measurable rainfall.

**Violation Procedure**

- 1) Customers in violation will receive a written or verbal warning and order that the violation be corrected immediately or within a specified time determined to be reasonable. Water service may be disconnected due to non-compliance with the order.
- 2) If water service is disconnected, a reconnection fee of \$50 shall be paid. A reconnection fee of \$200 shall be paid for a customer disconnected for unauthorized filling of a swimming pool.
- 3) If that violation reoccurs water service may be disconnected again with a reconnection fee of \$75. Any water service that is disconnected twice shall be reconnected with a flow-restricting device and additional reconnection fee of \$100.

**Variance Procedure**

Applications for variance for any of the above may be made to the General Manager. The General Manager may grant a variance if reasonably necessary.

**Questions or Comments**

All customer questions and comments regarding the water use prohibitions for 2015 should be referred to the Water Conservation Hotline (415) 761-8944 or email at [waterconserve@nmwd.com](mailto:waterconserve@nmwd.com).

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## MEMORANDUM

To: Board of Directors June 26, 2015  
From: Robert Clark, Operations / Maintenance Superintendent *RC*  
Subject: Point Reyes Well #2 Pump Replacements and Rehabilitation  
X:\MAINT SUP\2015\BOD\BOD Memo re WM Wells.doc

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** \$18,000 included in FY14/15 Budget and another \$30,000 in the FY 15/16 Budget

As part of the FY 2014/15 capital improvement project plan staff inspected the Point Reyes Well #2 and planned to replace the old inefficient pump. When staff inspected the well it was determined that silt and sand had built-up in the bottom 15' of the well and would not allow for the pump replacement. During initial inspection, a television video was taken of the upper 45' of the existing well casing. While there is clear evidence of rust and iron scale on the casing, only a few small through holes were identified with nothing large enough to allow the large amount of silt and sand intrusion. It was determined from the material samples taken in the lower 15' of the well that much larger intrusion points must exist below this point.

Staff consulted GHD, Inc. (formerly Winzler & Kelly) used in 2012 to develop the Well #3 replacement plan, and have now developed a plan and scope of work for Well #2 to be rehabilitated. Week's Drilling and Pump will perform the physical Well #2 rehabilitation work. Before starting Well #2 rehabilitation our plan is to have the Gallagher Well on line for production operations. Thursday June 25<sup>th</sup> we received final approval from the Division of Drinking Water for use of the Gallagher Well. Attached is a copy of the permit amendment approval. On Monday June 29<sup>th</sup> Gallagher Well startup testing will be performed to have the well operation ready for use when the permit is issued.

Week's work on well #2 will include:

- Removing the sand and silt from the casing using a bucket lift process that will have less impact on the surrounding aquifer and less impact on the use of Well #4;
- Another television inspection to determine the casing condition in the lower 15' of the well;

- If the existing 12" casing is in suitable condition, a new 8" casing will be placed inside the existing casing and a sand pack placed between the two casings;
- The well will then be redeveloped to produce water anticipated at a rate of 200 gpm vs. the historical 300 gpm.

This plan will allow the use of Well #2 to be extended for a few more years and allow time for planning of future well development at the Coast Guard site, the Gallagher site or both. As experienced with the Well #3 failure, at this point it is still undetermined whether or not we will be able to complete the rehabilitation of Well #2 as planned. Staff has identified capital improvement projects in the next FY to begin the new well planning process. For reference a map of the Point Reyes Coast Guard Wells in attached figure A.



EDMUND G. BROWN JR.  
GOVERNOR

MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

## State Water Resources Control Board

Division of Drinking Water

June 25, 2015

Water System No. 2110006

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

### WATER SUPPLY PERMIT AMENDMENT

The State Water Resources Control Board Division of Drinking Water (Division) has received a permit amendment application from the North Marin Water District – Pt. Reyes (District) for the addition of the Gallagher Well (**Source Code 2110006-004**). The permit fee check has been sent to our Sacramento headquarters. The application has been approved by the Division and the District's permit amendment is enclosed.

Please respond in writing by **July 24, 2015** indicating receipt of the permit amendment and your willingness to comply with the amendment provisions.

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

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

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

Sincerely,

Janice M. Thomas, P.E., Senior Sanitary Engineer  
Division of Drinking Water  
STATE WATER RESOURCES CONTROL BOARD

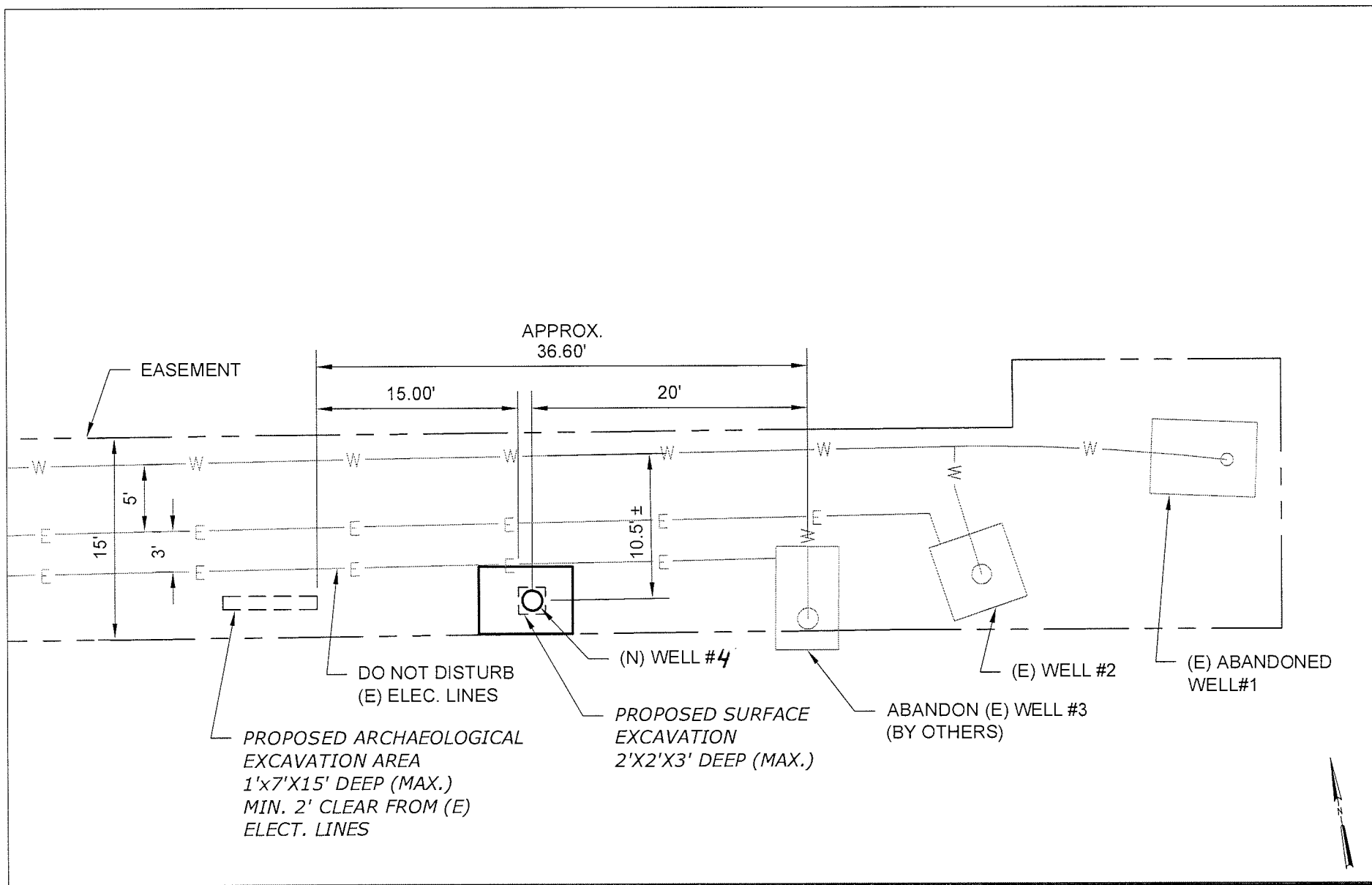
Enclosures: Water Supply Permit Amendment  
Engineering Report  
Approved Small Water System Bacteriological Sampling Plan

CC (w/enclosures): Pablo Ramudo, P.O. Box 146, Novato, CA 94948

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

2110006/Permit  
150625 - Amended Permit Letter.docx/WWW

50 D Street, Suite 200, Santa Rosa, CA 95404 | [www.waterboards.ca.gov](http://www.waterboards.ca.gov)



NORTH MARIN WATER DISTRICT  
PT. REYES WELL NO.3 REPLACEMENT

ARCHAEOLOGICAL EXCAVATION

Job Number 0254907000  
Revision -  
Date JUNE 2012

Figure A



11

## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, Chief Engineer   
Subject: West Marin Capital Improvement Projects – FY14-15 Preliminary Year-End Progress Report

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**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 FY14-15 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 FY14-15 financial information is complete. This preliminary progress report is being presented to take advantage of the fact that the June 30<sup>th</sup> meeting is being held in our West Marin service territory.

Performance Status for Capital Improvement Projects

A total of ten CIPs were originally budgeted in FY14-15 for the West Marin and Oceana Marin service areas (Attachment 1). During the year, none were added, three were carried over and one was dropped. Out of the resulting twelve, nine projects have been completed. Overall progress in completing West Marin CIPs (i.e., 75%) is below the mid-year projected completion percentage of 83%. All FY14-15 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 \$215,000 and the combined Oceana Marin projects are estimated to be approximately \$2,000 below the initial budget.

Point Reyes Treatment Plant Solids Handling Facilities

This project was originally put on hold in FY12-13 pending changes to the Marin County Local Coastal Program (LCP). Since that time Marin County received approval of an amended LCP from the California Coastal Commission that gives the county more flexibility to approve projects that fall within the 50-100 foot wetlands buffer (which is the case for NMWD's Point Reyes Treatment Plant Solids Handling Project). This project has now been pushed to FY16-17 in the hopes that pending property transfer discussions between the federal government and Marin County for the Point Reyes Coast Guard Housing property will be successful. Should this occur, NMWD will be in a better position to potentially reduce overall project costs through acquisition of additional property for better site access and constructability.

#### Upsize 4" Pipe from Bear Valley Tanks

The construction phase of this project has been carried over into FY15-16 due to competing work load demands. All design work and material procurement is complete and staff is waiting for County encroachment permit approval before start of construction. This work is planned to be complete by fall of this year.

#### Gallagher Well Pipeline

NMWD has historically served its West Marin water service area from wells adjacent to Lagunitas Creek (in Point Reyes Station) which are subject to periodic salinity intrusion from the adjacent Tomales Bay. NMWD developed an additional well, upstream of any tidal influence and potential salinity intrusion from Tomales Bay on the Gallagher Ranch, also adjacent to Lagunitas Creek. In early 2014, NMWD was awarded a \$1,486,000 state grant for the Gallagher Pipeline Project to improve water quality for West Marin customers. To help publicize this significant achievement for its customers, a press release was issued in February 2014 resulting in a Point Reyes Light Article on February 27, 2014. The approximate 1-mile Gallagher Pipeline Project finished construction in December 2014 and now connects NMWD's Gallagher Well to the existing Point Reyes water treatment plant. A complete final project report was provided to the Board at the November 18, 2014 meeting. The project is now closed with final grant reimbursements totaling \$1,458,000 (which represents ~98% of the total project cost).

#### Replace Pump in Well #2

< see the separate Board Item for an update on this project >

FY 14-15  
IMPROVEMENTS PROJECTS

	WEST MARIN/ OCEANA MARIN
PROJECTS BUDGETED	
Original Budget	10
Added	0
FY 13-14 Carryover	3
Deferred/Dropped	1
Adjusted Budget	12

	WEST MARIN/ OCEANA MARIN
FISCAL YEAR COMPLETION STATUS	
No. of Projects Completed	9
Mid-Year Projected Completion Performance	83%
Year-End Completion Performance	75%

**FY13-14 CARRYOVER**

PRTP Solids Handling  
Gallagher Stream Gauge  
SCADA RTU Upgrade and Install

**Date Brought to Board**

First Quarter Report  
First Quarter Report  
First Quarter Report

**DEFERRED/DROPPED**

Abandon Downey Well


**PROJECTS ADDED**

None

WEST MARIN CAPITAL IMPROVEMENT PROJECT SUMMARY FY14-15 AS OF JUNE 30, 2015 (ESTIMATED)										
STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Actual	Baseline	Actual	Planned	Actual
				<b>6. West Marin Water System</b>						
				<b>System Improvements</b>						
C	Eng	1	6.a	Olema PS Flood Protection & RTU Upgrade	\$100,000	\$25,000	100	100	\$100,000	\$25,000
C	Maint	2	6.b	Emergency Generator Connections	\$15,000	\$8,000	100	100	\$15,000	\$8,000
C	Eng	3	6.c	Gallagher Well Pipeline	\$1,286,000	\$1,286,000	100	100	\$1,286,000	\$1,286,000
C	Maint	4	6.d	THM Spray Systems (3 tanks)	\$10,000	\$10,000	100	100	\$10,000	\$10,000
PC	Eng	5	6.e	Upsize 4" Pipe from Bear Valley Tanks	\$120,000	\$30,000	89	10	\$106,800	\$3,000
PC	Eng	6	6.f	Replace Pump in Well #2	\$18,000	\$18,000	92	20	\$16,560	\$3,600
			6.g	Abandon Downey Well - DROP	\$50,000	\$0	0	0	\$0	\$0
C	Eng	7	6.h	<TP Solids Handling>	\$0	\$2,000	100	100	\$0	\$2,000
C	Eng	8	6.k	<Gallagher Stream Gauge>	\$0	\$5,000	100	100	\$0	\$5,000
					\$1,599,000	\$1,384,000				
				<b>7. Oceana Marin Sewer System</b>						
PC	Ops	9	7.a	Infiltration Study & Repair	\$15,000	\$10,000	89	70	\$13,350	\$7,000
C	Maint	10	7.b	Pond Power Relocation	\$15,000	\$15,000	100	100	\$15,000	\$15,000
C	Maint	11	7.c	Disposal Field Fencing Upgrade	\$40,000	\$30,000	100	100	\$40,000	\$30,000
C	Ops	12	7.d	<SCADA RTU Upgrade and Install>	\$0	\$13,000	100	100	\$0	\$13,000
				SubTotal	\$70,000	\$68,000				
				TOTAL WEST MARIN	\$1,669,000	\$1,452,000	98	83	\$1,602,710	\$1,407,600
1C - 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 and brackets <>						

12

## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, Chief Engineer   
Subject: Water Service Agreement – Dr. Dang Dental Office,  
A.P.N. 155-020-51 (5404 Nave Drive)  
r:\folders by job no\2700 jobs\2780\2780 board memo.doc

June 26, 2015

**RECOMMENDED ACTION:** The Board approve authorization of this agreement.

**FINANCIAL IMPACT:** None: Developer Funded

Dr. Dang Dental Office project is a tenant improvement to an existing 1350 Sq Ft office building, on a 13,000 sq ft lot located at 5404 Nave Drive (see attached map). This agreement will provide water service to a new dental office and irrigation for landscaping. The parcel is served by an existing 5/8-inch meter and 1-inch service lateral, which will remain in service. A new 4-inch fire service will be installed by this agreement. This water service was transferred from MMWD to NMWD in 1969.

New water facilities required include 20 feet of 4-inch PVC main, 20 ft. of steel main, and one 4-inch fire service. The lot will receive normal pressure regulated zone 2 water service from the Captain Nurse Regulator Station. Water demand is 1 equivalent dwelling unit (dental office and irrigation). This water service was established by MMWD in 1953 to serve a Chevron Service Station. Review of the historical water use for this service has established an entitlement of 1 EDU based on the first ten years of service, per Regulation 1. This project will have no new water demand.


Sewer service is provided by the Novato Sanitary District.

Environmental Document Review

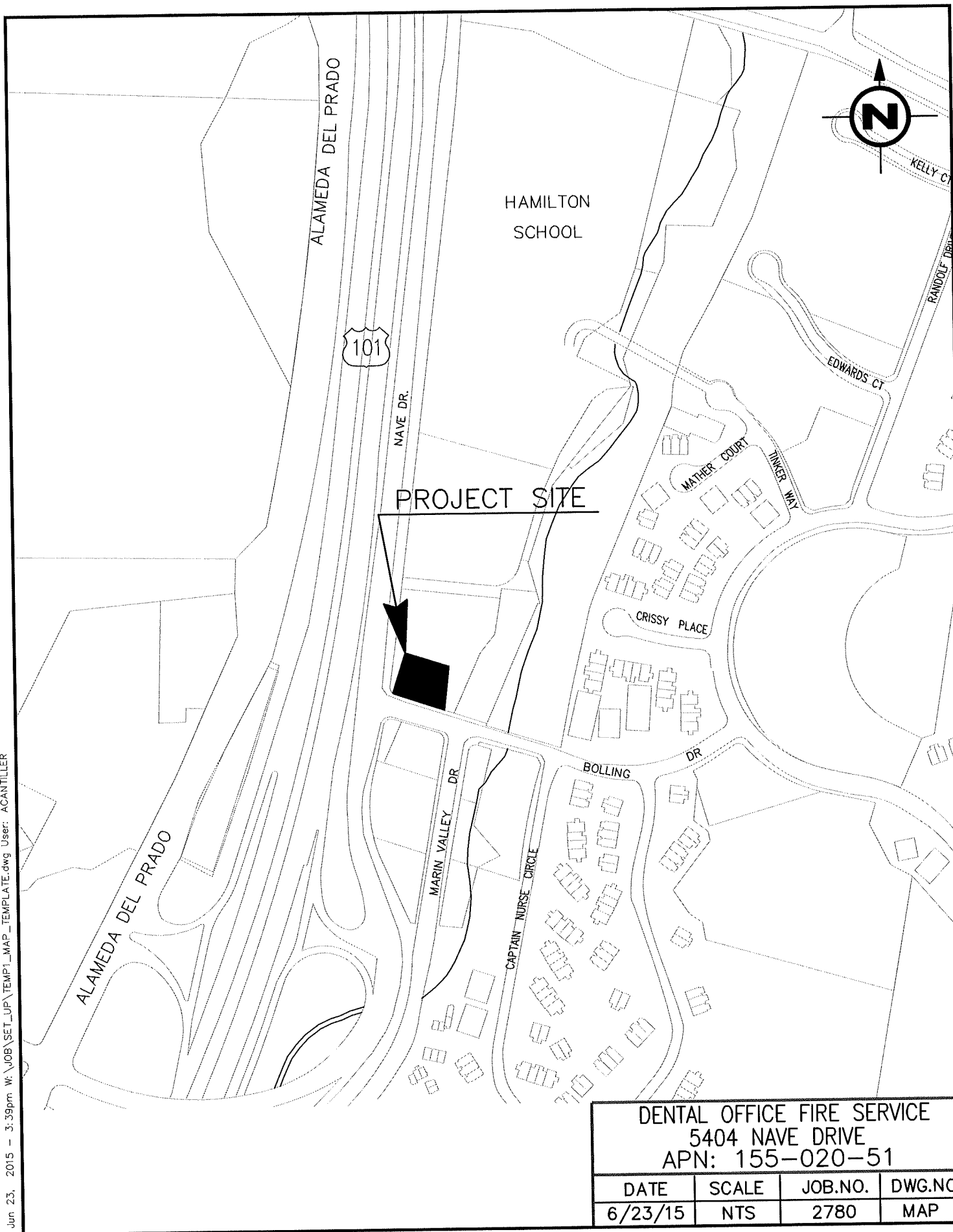
The Dr. Dang Dental Office project was determined to be categorically exempt by the City of Novato per Section 15301, Class 1 (additions to existing structures).

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM Date 6/26/2015





DENTAL OFFICE FIRE SERVICE  
5404 NAVE DRIVE  
APN: 155-020-51

DATE	SCALE	JOB.NO.	DWG.NO.
6/23/15	NTS	2780	MAP



RESOLUTION NO. 15-  
AUTHORIZATION OF EXECUTION  
OF  
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT  
WITH  
HIEU NGOC DANG AND LAN HONG NGUYEN

---

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 Hieu Ngoc Dang and Lan Hong Nguyen, individuals, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 5404 Nave Drive, Marin County Assessor's Parcel Number 155-020-51, 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 30th day of June, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

---

Katie Young, Secretary  
North Marin Water District

PART ONE  
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT  
FOR  
DR. DANG DENTAL OFFICE  
5404 NAVE DRIVE

---

*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 \_\_\_\_\_, 2015, by and between NORTH MARIN WATER DISTRICT, herein called "District," and Hieu Ngoc Dang and Lan Hong Nguyen, Individuals, herein called "Applicants."

*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 155-020-51 and the project known as DR. DANG DENTAL OFFICE, 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 5404 Nave Drive, Novato (Marin County Assessor's Parcel 155-020-51); and

*WHEREAS*, service to this parcel was established in 1953 by Marin Municipal Water District, and;

*WHEREAS*, the ten year average historical use establishes entitlement of one EDU per Regulation 1, and;

*WHEREAS*, the service was transferred to North Marin Water District in 1969, as part of the Hamilton Air Force Base reorganization, and;

*WHEREAS*, future water use is estimated to not exceed one EDU, 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 5 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 2780.001, entitled, "DR. DANG DENTAL OFFICE", 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 5 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 5/8-inch @	\$ 0.00	\$ 0.00
Meter Charges- Fire Service (Included in Estimated District Costs).....	...One 5/8-inch @	\$ 0.00	\$ 0.00
Reimbursement Fund Charges .....	...One 5/8-inch @	\$ 420.00	\$ 420.00
Facilities Reserve Charges.....	.....One @	\$ 28,600.00	\$ 28,600.00
Credit for Existing Service (One 5/8" w/one EDU (\$420+\$28,600)....	.....@	\$ <29,020.00>	\$ <29,020.00>
<b>Subtotal - Initial Charges.....</b>			<b>\$ 0.00</b>

#### **Estimated District Costs**

Pipe, Fittings & Appurtenances.....	\$ 9,350.00
District Construction Labor.....	\$ 23,874.00
Engineering & Inspection.....	\$ 2,851.00
Bulk Materials.....	\$ 2,545.00

**Subtotal –Estimated District Costs..... \$ 38,620.00**

**Estimated Applicant Installation Costs**

Installation Labor.....	\$ 0.00
Contractor Furnished – Pipe Fittings & Appurtenances.....	\$ 0.00
Bulk Materials.....	\$ 0.00

**Subtotal- Estimated Applicant Installation Costs..... \$ 0.00**

**TOTAL ESTIMATED WATER FACILITIES COSTS..... \$ 38,620.00**

(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. 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 **\$ 38,620**. 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**

**Installation By District:** Due to the proprietary nature of construction required to install said facilities, the District reserves the right to install the facilities utilizing District construction forces. The Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$38,620** 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.

6. The applicant shall not resell any water furnished pursuant to this agreement. If multiple services from a single connection to the District's system through a master meter are allowed pursuant to District Regulation 4(b) the Applicant shall not submeter the individual services. The District's bills for water measured by a master meter shall be paid by the Applicant or a responsible homeowner's association. If a rental unit served through a master meter is converted into a separately owned unit the District may require the installation of a separate connecting main and meter for water service to the unit at the cost of the owner of the unit.

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. Applicant shall install front loading, horizontal axis washing machines with a modified water factor of 5.5 or less. Dishwashers shall be energy star rated and use no more than 5 gallons per load. Toilets shall be District approved High Efficiency Toilets that meet the EPA water sense specification. Applicant shall install District approved weather-based irrigation controllers, drip irrigation on non-turf areas, and is subject to turf limitations. Refer to the aforementioned water conservation regulation for a complete listing of all requirements.

9. 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 5 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.

10. 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.

11. 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:**

\_\_\_\_\_  
Jack Baker, President

\_\_\_\_\_  
Katie Young, Secretary

(SEAL)

**Hieu Ngoc Dang and Lan Hong Nguyen**  
Individuals  
"Applicants"

(SEAL)

\_\_\_\_\_  
Hieu Ngoc Dang

\_\_\_\_\_  
Lan Hong Nguyen

**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.**


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## MEMORANDUM

To: Board of Directors

June 26, 2015

From: Drew McIntyre, Chief Engineer, Subject: Application for Water Service Agreement – 2645 Petaluma Blvd South Self Storage  
(aka Royal Petroleum - Cardlock) APN 019-220-06

R:\Folders by Job No\2700 Jobs\2785\2785 Intent Board Memo 6-15.docx

**RECOMMENDED ACTION:** That the Board declare intent to approve a change in water service to the subject parcel.**FINANCIAL IMPACT:** None: Developer FundedBackground

Water service to the above referenced parcel in the amount of one Equivalent Dwelling Unit (EDU) was approved by the Board on December 6, 1983 as part of an Outside District Boundary Water Service Facilities Construction Agreement for the following nine (9) South Petaluma Industrial Area parcels:

<u>Parcel No.</u>	<u>Owner</u>
019-220-04, 07 and 08	Henris
019-220-06	Miller, Battaglia, et. al.
019-220-09	Cunha
019-220-10	Zedrik
019-220-15, 16	Shorter
019-220-28	McCaffrey

The initial one EDU allocation for said parcel was for a truck stop and restaurant. This 1.9 acre parcel is on the east side of Petaluma Blvd South and just outside the Petaluma city limits (see map in Attachment 1). The 1983 agreement also states that any change in land use requiring discretionary approval by the County of Sonoma will also require approval by North Marin Water District as a condition of continuation water service.

At the May 16, 2006 Meeting, staff advised the Board of a change in water service use for said parcel to install fire protection (i.e., fire hydrants) as part of a proposed Rinehart Truck Stop Fueling Facility remodel. The Board approved staff moving forward with a new water service agreement for this retrofit project with the understanding that under no circumstances would an expansion of water service to the property be allowed beyond the limited historical entitlement of one EDU with the exception of new water facilities for fire protection services.

Approved by GM CD  
Date 6/26/2015

The Rinehart Truck Stop Fueling Facility retrofit project was never constructed and the water service agreement was canceled.

Proposed Self-Storage Project

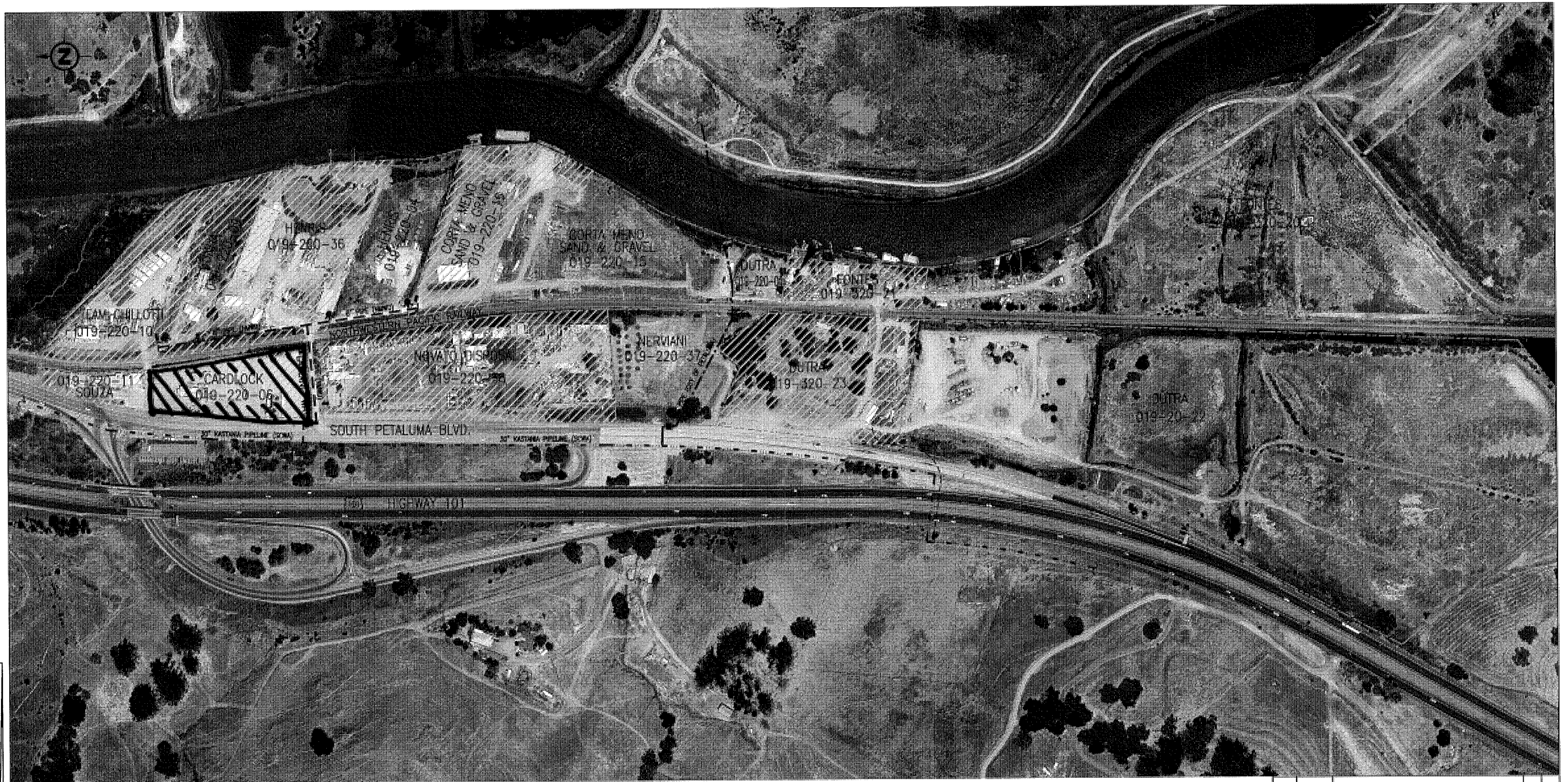
The District has recently received another application for revised water service to 2645 Petaluma Blvd South. The proposed project is a self storage facility with an office and total building area of approximately 103,000 sq ft. NMWD still provides water service to this parcel through the 1-inch meter set in 1984 for the truck stop and restaurant facility. The meter is installed on Landing Way (a private lane) and receives water downstream from a 10" master meter for the vicinity fed by SCWA's aqueduct along Petaluma Blvd South.

The applicant understands that future water demand of the proposed project must be at or below the existing entitlement of one EDU. Therefore this application will not increase the number of services and will not increase water demands and meets the requirements of District Policy Number 24 and Resolution 1230, "Service from North Marin Aqueduct" (provided in Attachment 2). Furthermore, no action would be taken on this proposal until all affected agencies per paragraph 4 of Resolution 1230 have been notified and provided the opportunity to comment.

RECOMMENDATION:

That the Board declare its intent to provide water service to the subject parcel pursuant to District regulations including land use approval from County of Sonoma, no objections from nearby affected agencies and receipt of payment of all charges.





**LEGEND:**

SERVED BY NORTH MARIN WATER DISTRICT

SCWA KASTANIA PIPELINE

CITY OF PETALUMA PIPELINE

NMWD PIPELINES

FIRE HYDRANT

MASTER METER

SINGLE SERVICE METER



NO.	DATE	REVISION	BY	APP.
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA				
SOUTH PETALUMA BOULEVARD NMWD OUTSIDE DISTRICT CUSTOMER				
DES	ER	CH	SCALE	: 1"=1'-0"
	AC	EM	DATE	: 10/31/11
APPROVED: CHIEF ENGINEER			SHEET NO.	: 1 OF 1 SHEETS
R.E. C40936			SERVICE AREA	: 1
			ADDL. NO.	: 0000
			NO.	: 001

## NORTH MARIN WATER DISTRICT

POLICY: SERVICE FROM NORTH MARIN AQUEDUCT

Original Date: May 17, 1977

POLICY NUMBER: 24

Last Revised: June 6, 2006

Last Reviewed: 05/07/13

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### SERVICE FROM NORTH MARIN AQUEDUCT

This policy affects lands in Sonoma County which lie outside of the North Marin Water District (North Marin) Service Area Boundary and are located within or immediately adjacent to the Highway 101 Corridor which parallels the North Marin Aqueduct from the Petaluma Veterans Hall to the North at McNear Avenue in Petaluma (North Marin Aqueduct Station 0 Mile) to the old Sweeney Ranch near San Antonio Creek to the South (North Marin Aqueduct Station 4.5 Miles).

The nearest public water source to said lands is the North Marin Aqueduct. Historically North Marin, with the concurrence of Petaluma and/or the County of Sonoma, has allowed connections to its Aqueduct in the South Petaluma Industrial Area. North Marin, by Agreement dated April 13, 1999, conveyed and transferred to Sonoma County Water Agency sufficient rights, title and interest in the Northerly portion of the Aqueduct from the Veterans Hall to the North end of Kastania Road (North Marin Aqueduct Station 2.0 Miles; said section of Aqueduct is also known as Kastania Pipeline) to transport water to and from the Sonoma County Water Agency's Kastania Tank and to Petaluma's 16-inch transmission main located just south of Rinehart's Truck Stop and Restaurant (North Marin Aqueduct Station 1.6 Miles). The said Agreement makes the conveyance of those rights, title and interest and the use of the Aqueduct subject to the prior needs of North Marin's customers located in its Novato service area.

North Marin is vitally concerned about possible future limitations in the water supply available from the Agency, and is further concerned that the utility of its Aqueduct, the main function of which is to import water to Novato for customers within the North Marin service area, not be diminished by the demands of additional development along the Highway 101 Corridor. The North Marin Water District Board of Directors has therefore decided that requests for connections to the North Marin Aqueduct to serve new development located in the Highway 101 Corridor and outside of the District's boundary shall be denied. Subject to hydraulics constraints as determined solely by the District, and subject to the provisions of District Resolution 1230, the only water service exceptions to this policy that will be considered are:

Lands within the South Petaluma Specific Plan area or along the Highway 101 Corridor which receive land use approval from the County of Sonoma and/or City of Petaluma, and which currently receive water service from the District, provided however, that no expansion of water service (including both the amount of water historically provided and the number of service connections) on said lands will be allowed beyond that which the District has historically provided to said lands, as determined solely by the District.

**NORTH MARIN WATER DISTRICT**

**POLICY: NOVATO- PETALUMA CORRIDOR COOPERATIVE PLANNING FOR NEW WATER  
SERVICE CONNECTIONS**

**POLICY NUMBER: 25**

Original Date: July 1, 1975

Last Revised: June 6, 2006

Last Reviewed: May 2013

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**REVISED RESOLUTION 1230**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF NORTH MARIN WATER DISTRICT INDICATING SUPPORT OF  
COOPERATIVE PLANNING EFFORT FOR NOVATO-PETALUMA CORRIDOR  
AND INTENT TO COMMUNICATE WITH ALL AFFECTED AGENCIES REGARDING ANY  
PROPOSED NEW WATER SERVICE CONNECTIONS IN THE CORRIDOR**

---

WHEREAS, it is the common goal of the Counties of Marin and Sonoma, and the Cities of Novato and Petaluma, to protect and maintain the agricultural open space nature and use of the lands located adjacent to Highway 101 on both sides of the Sonoma-Marin County line between the Cities of Novato and Petaluma and known as the Novato-Petaluma Corridor; and

WHEREAS, in 1975 the Cities of Novato and Petaluma adopted agreements in support of cooperative planning between the two cities; and

WHEREAS, the adopted general plans of the Counties of Marin and Sonoma, and the Cities of Novato and Petaluma, encourage the preservation of the agricultural open space character of the Novato-Petaluma Corridor; and

WHEREAS, the efforts of Marin and Sonoma Counties and the Cities of Novato and Petaluma to preserve and maintain the agricultural open space nature of the Petaluma-Novato corridor are of importance to and deserve the support of other public agencies also having jurisdiction over or other interests in the Novato-Petaluma Corridor; and

WHEREAS, it is in the mutual interest of all affected agencies to monitor land use activities within the Novato-Petaluma Corridor and communicate with each other relative to any proposed changes in land use, services or facilities regarding same; and,

WHEREAS, the North Marin Water District owns, operates and maintains a major water aqueduct traversing the length of the Novato-Petaluma Corridor.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND FIND AS FOLLOWS:

1. This District does hereby endorse and support the joint efforts of the Counties of Marin and Sonoma and the Cities of Novato and Petaluma in developing and implementing cooperative land use policies and regulations concerning the Novato-Petaluma Corridor.
2. This District does hereby declare its intention to cooperate in this bi-County effort.

3. This District in recognition of its support and cooperation does hereby declare its intention to advise all affected agencies, particularly the Counties of Marin and Sonoma, their respective Local Agency Formation Commissions, and the Cities of Novato and Petaluma, of any proposed new water service connections or proposed changes in use for existing water service connections to the North Marin Aqueduct within said Novato-Petaluma Corridor; and will refrain from taking any action upon any such proposal until all affected agencies have been notified thereof and given the opportunity to comment thereon; except that requests for new water service connections and requests for expansion of existing water service within said Novato-Petaluma corridor and outside the District Service Area boundary shall be denied pursuant to the District Policy Statement on Service From North Marin Aqueduct.

4. This District finds that the specific affected agencies referred to in this Resolution include: The County of Marin (Planning Department); the County of Sonoma (Planning Department and Fire Chief); the City of Novato; the City of Petaluma; the Sonoma County Local Agency Formation Commission; the Marin County Local Agency Formation Commission; the Sonoma County Water Agency; the Novato Sanitary District, the Marin County Open Space District; the Marin County Flood Control and Water Conservation District; and the Novato Fire Protection District.

\* \* \* \* \*

Originally Adopted: July 1, 1975

Date of First Revision: January 21, 1992

Date of Second Revision: June 6, 2006

I hereby certify that the foregoing is a true and complete copy of a revised 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 6th day of June, 2006 by the following vote:

AYES:	Directors Baker, Fraites, Petterle, Rodoni, Schoonover
NOES:	None
ABSENT:	None
ABSTAINED:	None

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Renee Roberts, Secretary  
North Marin Water District

(SEAL)


**14**



## MEMORANDUM

To: Board of Directors

June 26, 2015

From: David L. Bentley, Auditor-Controller Subj: Approve: Group Life Insurance Renewal  
t:\ac\word\personnel\life ins\15 renewal.docx**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: \$10,260 Annually**

The District's benefit package includes a life insurance policy for regular employees with a benefit equal to their annual salary. The group life benefit also includes an accidental death and dismemberment policy (AD&D) that offers double indemnity in the event of accidental death and defined lump sum payments if there is loss of sight or appendage. The District's current provider is Mutual of Omaha, at \$2.04/\$1,000 of payroll, which policy expires July 31, 2015.

Staff asked McNeil Benefits Insurance Services in Novato, the broker for our group life policy since 1957, to survey the current market pricing for renewal. Seven insurers provided a response, and two declined to quote. Their proposals are below. Mutual of Omaha and Lincoln National tied with the lowest cost at \$2.28/\$1,000, which is a 12% increase over the expiring Mutual of Omaha policy. Given the tie, staff recommends staying with the existing carrier. Mutual of Omaha remains one of the strongest companies in the industry, with a Best's Rating of A+15 (Superior financial strength with policyholder surplus over \$2 billion). Their proposal includes a two-year rate guarantee.

Carrier	Life & AD&D Rate (% of Base Payroll)	Annual Premium <sup>1</sup>
Mutual of Omaha	0.2280%	\$10,260
Lincoln Financial	0.2280%	\$10,260
UNUM	0.2520%	\$11,340
Met Life	0.2652%	\$11,934
Principal Life	0.2664%	\$11,988
Guardian	0.3120%	\$14,040
Hartford Life	0.3204%	\$14,418
Reliance Standard	Declined to Quote	-
Sun Life	Declined to Quote	-

**Recommendation:** Authorize the Auditor-Controller to enter into a contract with Mutual of Omaha for the District's Group Life and Accidental Death and Dismemberment Insurance at a rate of \$2.28 per \$1,000 of payroll for a two-year period commencing August 1, 2015.

<sup>1</sup> Based on the current annual base payroll of \$4,500,000

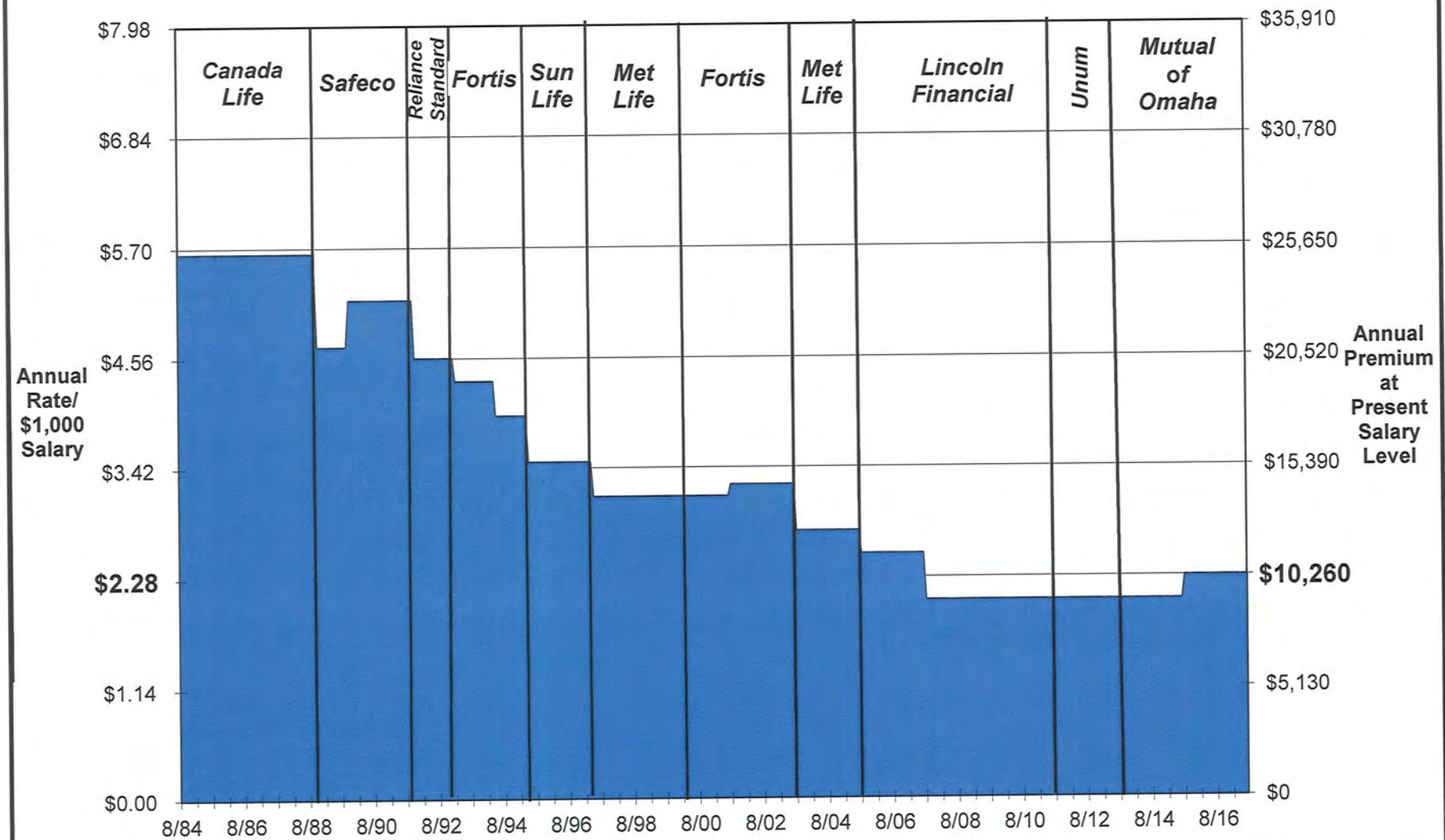
Approved by GM CDDate 6/26/2015



6/24/15

t:\ac\excel\personellifeins\lifehist.xls chart1

# **NMWD Group Life & AD&D Insurance Premium History<sup>1</sup>**

<sup>1</sup> Based on current annual base salary of \$4,500,000

**15**

## MEMORANDUM

To: Board of Directors

Date: June 26, 2015

From: Drew McIntyre, Chief Engineer

Subject: Approve Submission of LAFCo Application to Normalize Irregular Water Service to Yee (APN 019-320-010, 3350 Petaluma Blvd. South) and Fontes (APN 019-320-021, 3357 Petaluma Blvd. South)

r:\folders by job not\2700 jobs\2736\yee\_fontes 6.2015 bod memo.doc

**RECOMMENDED ACTION:** Approve Submission of LAFCo Application**FINANCIAL IMPACT:** None, Developer FundedBackground

On March 7, 2006, the Board was first apprised of the proposed Dutra Haystack Landing Asphalt and Recycling Facility (Dutra) project via a Sonoma County Notice of Preparation of Draft Environmental Impact Report. At the March 16 2007 meeting, staff advised the Board that Dutra's one-inch water meter (set in 1966 to serve a dairy operation) was also being used to provide water service to two adjacent parcels (Mr. Yee and Mr. Fontes as shown in Attachment 1). Staff subsequently contacted Mr. Yee (APN 019-320-010) who reported that both his parcel and the Fontes parcel (APN 019-320-021) had been receiving water from the Dutra meter since it was originally installed in 1966 (and prior to that date via spring water from the Dutra parcel). At the December 16, 2008 meeting, the Board approved moving forward with normalizing said two services subject to: (1) payment of required District fees, (2) acquiring necessary private water line easements for continued service from new meters (to be located on the east side of the railroad tracks at the end of NMWD's existing pipeline as shown in Attachment 1), (3) Local Agency Formation Commission (LAFCo) approval, and (4) execution of new Outside Water Service Agreements.

Easements

Easement acquisition has been delayed for many years due to Sonoma Marin Rail Transit's (SMART) legal proceedings with nearby property owners. In May of this year, NMWD was able to confirm with SMART that the necessary private utility easements have now been obtained allowing the Yee and Fontes LAFCo application to proceed.

Approved by GM CDDate 6/26/2015

#### LAFCo Approval

As reviewed with the Board in the past, staff communicated with both Marin LAFCo and Sonoma LAFCo regarding service to both the Yee and Fontes parcels. Generally, LAFCo approval would not be required as the service was initiated prior to 1994 (the effective date for LAFCo oversight), however, as service to these parcels has never been authorized by NMWD, it was confirmed that LAFCo approval (from Marin not Sonoma) would be required for normalizing water service to the Yee and Fontes parcels. The subject Marin LAFCo application is provided as Attachment 2. Although the application is being submitted by the property owners, California Government Code Section 56133 requires that NMWD submit a letter supporting the request and agreeing to serve as a "co-applicant".

#### RECOMMENDATION

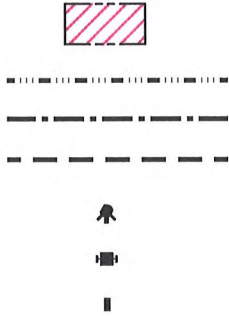
Board approve submission of LAFCo application for normalizing extended water service outside of District boundaries for the Yee and Fontes parcels and authorize the General Manager to submit a letter in support of said application.





LEGEND:

- SERVED BY NORTH MARIN WATER DISTRICT
- SCWA KASTANIA PIPELINE
- CITY OF PETALUMA PIPELINE
- NMWD PIPELINES
- FIRE HYDRANT
- MASTER METER
- SINGLE SERVICE METER



NO.	DATE	REVISION			BY APP.
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA					
SOUTH PETALUMA BOULEVARD NMWD OUTSIDE DISTRICT CUSTOMER					
DES	DR	CH	SCALE : 1"=1'-0"		
	AC	DM	DATE : 10/31/11		
APPROVED: CHIEF ENGINEER			SHEET NO. : 1 OF 1 SHEETS		
R.E. C40936			SEP ARI		



**PETITION FOR PROCEEDING  
PURSUANT TO  
THE CORTESE-KNOX-HERTZBERG  
LOCAL GOVERNMENT REORGANIZATION ACT OF 2000**

The undersigned hereby petition(s) the Marin Local Agency Formation Commission for approval of a proposed change of organization or reorganization and stipulate(s) as follows:

1. This proposal is made pursuant to Part 3, Division 3, and Title 5 of the California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000).
2. The specific change(s) of organization proposed (i.e., annexation, detachment, reorganization, etc.) is/are: \_\_\_\_\_  
Outside service agreement
3. The boundaries of the territory(ies) included in the proposal are as described in Exhibit(s) A and B attached hereto and by this reference incorporated herein.
4. The territory(ies) included in the proposal is/are:  
☐ inhabited (12 or more registered voters) or  
☒ uninhabited.
5. This proposal ☒ is ☐ is not consistent with the sphere(s) of influence of the affected city and/or district(s).
6. The reason(s) for the proposed Agreement (annexation, detachment, reorganization, etc.) is/are: \_\_\_\_\_  
To continue to provide water service for these two parcels
7. The proposal is requested to be made subject to the following terms and conditions: None
8. The persons signing this petition have signed as:  
☐ Registered voters or  
☒ Owners of the land.

Chief Petitioners (not to exceed three):

<u>DATE</u>	<u>PRINTED NAME</u>	<u>SIGNATURE</u>	<u>RESIDENCE ADDRESS</u>
1. <u>Lee Yee</u>			
2. <u>Mike Fontes</u>			
3. _____			

**MARIN LAFCO**  
**APPLICATION QUESTIONNAIRE**

Save Form Print

Reset Form

In accordance with requirements set forth in the California Government Code, the Commission must review specific factors in its consideration of this proposal. In order to facilitate the Commission's review, please respond to the following questions:

**I. GENERAL INFORMATION**

1. Please check the method by which this application was initiated:

- ☐ Resolution of Application  
☒ Petition

2. Does the application possess 100% written consent of each property owner in the subject territory? Yes ☒ No ☐

3. A. Application is submitted for the following boundary change:  
(BE SPECIFIC; i.e., "annexation," "reorganization".)

Outside Service agreement to allow the North Marin Water District to serve these two parcels.

B. The reason the proposed action(s) has been requested:  
(BE SPECIFIC; i.e., "annexation to sewer district for construction of three homes")

Outside Service agreement to provide water service to these two parcels.

4. State general location of proposal:

1600 feet southeasterly of Landing Way near Petaluma.

5. Is the proposal within a city's boundaries?

Yes ☐. Which city? \_\_\_\_\_  
No ☒. If the proposal is adjacent to a city, provide city name: \_\_\_\_\_

6. Is the subject territory located within an island of unincorporated territory? Yes ☐ No ☒  
Indicate city, if applicable: \_\_\_\_\_

7. Would this proposal create an island of unincorporated territory? Yes ☐ No ☒. If yes, please justify proposed boundary change: \_\_\_\_\_

8. Provide the following information regarding the area proposed for annexation:  
(Attach list if necessary.)

A. Assessor's Parcel Number(s)

19-320-10

19-320-21

Site Address(es)

Unknown

Unknown

B. Total number of parcels: 2

9. Total land area: 1.27 Acres

## II. LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns: \_\_\_\_\_

None

2. Indicate current land use:

(i.e., number of dwellings, permits currently held, etc.)

One dwelling exists on each parcel

3. Indicate the current zoning (either city or county) title and densities permitted:

LC - Limited Commercial for both parcels

There are no density restrictions because the zoning is commercial.

4. Has the area been rezoned? No ☒ N/A ☐ Yes ☐

What is the rezoning classification, title and densities permitted? \_\_\_\_\_

5. Describe the specific development potential of the property:

(Number of units allowed in zoning.)

One dwelling allowed on each parcel



### III. ENVIRONMENT

1. Is the site presently zoned or, designated for, or engaged in agricultural use?

Yes ☐ No ☒

If yes, explain: \_\_\_\_\_

2. Will the proposal result in a reduction of public or private open space?

Yes ☐ No ☒

If yes, explain: \_\_\_\_\_

3. Will service extension accomplished by this proposal induce growth in:

A. This site?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	N/A <input type="radio"/>
B. Adjacent sites?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	N/A <input type="radio"/>
C. Unincorporated?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	
D. Incorporated?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	

4. State general description of site topography: \_\_\_\_\_

Both parcels are slightly sloping toward the Petaluma River.

5. Indicated Lead Agency for this project: \_\_\_\_\_

NA

6. Indicate Environmental Determination by Lead Agency: None  
with respect to (indicate project) \_\_\_\_\_  
dated \_\_\_\_\_

**(COPY OF ENVIRONMENTAL DOCUMENTS MUST BE SUBMITTED WITH APPLICATION.)**

Please provide the names and addresses of persons who are to be furnished copies of the Agenda, Executive Officer's Report, and Notice of Hearing:

<u>Name</u>	<u>Address</u>
Lee Yee	P.O. Box 2006 Petaluma, CA 94953
Mike Fontes	533 Easterby Avenue, Sausalito, CA 94965
Dale White, White & Prescott	1620 Grant Avenue, Novato, CA 94945

Name and Address of Applicant: Lee Yee (above) Mike Fontes (above)

Telephone Number: H ( 707 ) 326-6935 W ( 707 ) 763-2372

Mike Fontes  
Signature

JUNE 16, 2015  
Date

Lee Yee  
Signature

JUNE 16, 2015  
Date

**Exhibit A**

**Outside Service Agreement  
for the  
North Marin Water District**

**File # xxxx  
Mapping No. xxxx**

Beginning at the westerly corner of that certain parcel of land conveyed to Leang S. Yee, Trustee, by Grant Deed recorded June 1, 2000, as Recorder's Document No. 2000-054288, Sonoma County Records;

- 1.) thence, along the northwesterly line of said parcel, North 40° 31' 00" East 113.0 feet, more or less, to the high water line on the southwesterly side of Petaluma Creek;
- 2.) thence, along the southwesterly high water line of said creek, South 56° 13' 21" East 197.8 feet, more or less, to an angle point in the boundary of that certain parcel of land conveyed to Mary L. Fontes, Trustee, by Grant Deed recorded August 9, 2004 as Recorder's Document No. 2004-122731, Sonoma County Records;
- 3.) thence, along the boundary of said Fontes parcel, South 55° 33' 00" East 66.0 feet;
- 4.) thence South 37° 07' 00" East 106.0 feet;
- 5.) thence East 23.1 feet;
- 6.) thence South 85.9 feet, more or less;
- 7.) thence, leaving the boundary of said Fontes parcel, South 40° 31' 00" West 70.2 feet, more or less, to the northeasterly line of the Northwestern Pacific Railroad;
- 8.) thence, along said northeasterly railroad line, North 49° 29' West 439.0 feet, more or less, to the point of beginning.

Containing approximately 1.27 acres.

d:\deeds and descriptions\Fontes-Yee\_LAFCO\_agreement

Fontes and Yee  
Outside Service Agreement

## Calculations

### Report Area

```

=====
Lot Area (Square Feet):      55290.02
Lot Area (Acres):           1.27
Lot Perimeter                1101.08
=====

```

### Course Data

```

-----
Node ID      Northing      Easting      Direction      Distance
-----
N/A          5747.97      3300.47      N40°31'00"E     113.00
N/A          5833.88      3373.88      S56°13'21"E     197.82
18           5723.90      3538.30      S55°33'00"E      66.00
Description:  cor
17           5686.56      3592.73      S37°07'00"E     106.04
Description:  cor
16           5602.01      3656.72      N90°00'00"E      23.10
Description:  cor
13           5602.01      3679.82      S00°00'00"W      85.92
Description:  cor
N/A          5516.09      3679.82      S40°31'00"W      70.17
N/A          5462.74      3634.23      N49°29'00"W     439.04
N/A          5747.97      3300.47
-----

```



16



## Marin County Civil Grand Jury

RECEIVED

JUN 16 2015

North Marin Water District

Date: June 12, 2015

Mr. Jack Baker, President  
The Board of Directors  
North Marin Water District  
PO Box 146  
Novato, CA 94948-0146

Re: Grand Jury Report: The Need for Labor Negotiation Transparency – Part II  
Report Date: June 12, 2015

Dear Mr. Baker:

Enclosed please find an *advance copy* of the above report. Please note that Penal Code Section 933.05(f) specifically prohibits any disclosure of the contents of this report by a public agency or its officers or governing body prior to its release to the public, **which will occur on June 17, 2015.**

The Grand Jury requests that you respond in writing to the Findings and Recommendations contained in the report pursuant to Penal Code Section 933.05 (copy enclosed). The Penal Code is specific as to the format of responses. The enclosed *Response to Grand Jury Report Form* is provided for your use.

Governing bodies should be aware that the comment or response from the governing body must be conducted in accordance with Penal Code section 933 (c) and is subject to the notice, agenda, and open meeting requirements of the Ralph M. Brown Act. The Brown Act requires that any action of a public entity governing board occur only at a noticed meeting for which an agenda has been provided.

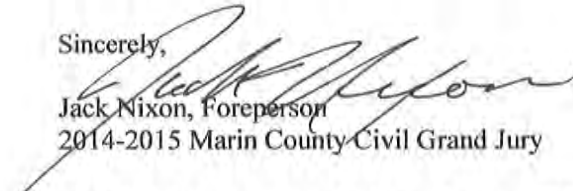
The Penal Code is also specific about the deadline for responses. You are required to submit your response to the following recipients within 90 days of the report date:

1 hard copy to:      The Honorable Judge Faye D'Opal  
Marin County Superior Court  
P.O. Box 4988  
San Rafael, CA 94913-4988

1 hard copy to:      Foreperson  
Marin County Grand Jury  
3501 Civic Center Drive, Room #275  
San Rafael, CA 94903

Responses are public records. The clerk of the public agency affected must maintain a copy of your response. Should you have any questions, please contact me as 415 518-3183(c), [nixongrand@gmail.com](mailto:nixongrand@gmail.com), or at the above address.

Sincerely,

  
Jack Nixon, Foreperson

2014-2015 Marin County Civil Grand Jury

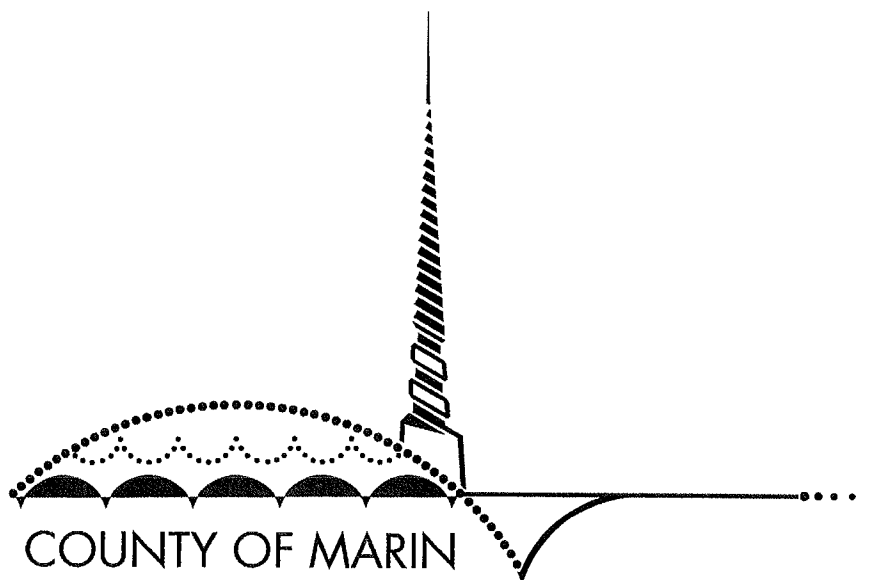
3501 Civic Center Drive, Room 275, San Rafael, CA 94903 Tel. 415-499-6132

**2014/2015 MARIN COUNTY CIVIL GRAND JURY**

**The Need for Labor Negotiation Transparency – Part II**

Report Date: June 12, 2015

Public Release Date: June 17, 2015







# Marin County Civil Grand Jury

## **The Need for Labor Negotiation Transparency – Part II**

### **SUMMARY**

During the 2014-2015 Marin County Grand Jury investigation leading to its 2015 report, *Pension Enhancements: A Case of Government Code Violations and A Lack of Transparency*, the Grand Jury learned that negotiations between Marin County, the cities and towns therein, Special Districts and their respective unions (hereafter collectively referred to as the “Parties”) are conducted in private, without transparency, and removed from the scrutiny of the Marin community. Although Marin County residents pay taxes to support decisions made by the Marin County Board of Supervisors (BOS) and the City and Town Councils and Special Districts, (hereafter collectively referred to as “Employer(s)”), there are numerous times when no transparency into the background of those decisions is made to the public.

The Grand Jury learned that the public is notified of a negotiated tentative labor agreement only when the agenda, which schedules consideration of the agreement, is posted—some three to four days prior to the Employers' public meetings. This is also the meeting at which the Employers vote to approve or disapprove the agreement. Prior to the agenda posting, little or no detailed information is made public about the terms of the tentative agreement or what it will cost. Without this information, there is no full public disclosure of the terms and cost of an agreement during the negotiation process and prior to its being voted upon. With no transparency, the public is excluded from input until it is too late for a reasoned public dialogue.

During its investigation, the Grand Jury also learned that various California cities and Orange County adopted a formal negotiation process, Civic Openness In Negotiations (COIN), which allows for community review of not only what is being negotiated, but also what a tentative agreement will cost to implement. One key element of the COIN process is the stipulation that the Employer hire an experienced, independent Lead Negotiator for all negotiations. This requirement precludes any city or county employee from negotiating terms that may benefit that employee, thus avoiding any conflict of interest.

The common elements of the COIN process are as follows:

1. The Employer hire an experienced, independent Lead Negotiator for all negotiation of wages, hours, and terms and conditions of employment.

2. The Employer hire an independent auditor to assess the fiscal impacts of each provision in the current labor contract. This fiscal impact is made available for public study.
3. After each proposal is accepted or rejected by either of the Parties, it is publicly disclosed (generally on the Employer's website). The costs for the implementation of the proposal are verified by an independent auditor and also publicly disclosed.
4. Seven days prior to the Employer's public meeting, the final tentative agreement is made public (generally on the Employer's website), including all associated costs, which are independently verified.
5. After seven days, the final tentative agreement is placed on two consecutive Employer's public meeting agendas: at the first meeting, the agreement is a discussion item; at the second meeting, the Employer votes on the agreement.

The Grand Jury recommends that the Employers adopt an ordinance implementing the COIN process to ensure transparency and prior public review of all proposals and final tentative labor agreements.

## BACKGROUND

During the 2014-2015 Marin County Grand Jury investigation leading to the 2015 Grand Jury report, *Pension Enhancements: A Case of Government Code Violations and A Lack of Transparency*, the Grand Jury learned that labor negotiations in Marin County and the cities and towns therein are conducted without transparency, and are thereby removed from the scrutiny of the community. During this time, the Grand Jury also learned that various California cities and Orange County had adopted a transparent negotiation process, Civic Openness in Negotiations (COIN), which allows for community review of tentative proposals being negotiated and also what those proposals will cost if accepted or rejected. As a result, the Grand Jury decided to investigate whether a more transparent negotiation process might be appropriate for Marin County and its cities and towns.

## APPROACH

The Grand Jury interviewed representatives of the Orange County Management of Government Affairs, various Marin County officials directly involved with labor contract negotiations, and officials from Costa Mesa who are engaged in the implementation of COIN. Orange County and Costa Mesa COIN ordinances were reviewed along with numerous websites of various cities and counties involved in the use of COIN. Additionally, Grand Jury members attended multiple Marin County Board of Supervisors meetings at which the public brought COIN to the attention of the Board of Supervisors. Grand Jury members also attended the April 28, 2015, BOS meeting where COIN was agendized for discussion; they later viewed the video of the meeting and read the staff report relating to COIN as presented at that meeting.

1 **DISCUSSION**

2  
3 **The Need for Civic Openness in Labor Contract Negotiations (COIN)**

4  
5 Although Marin County residents pay taxes to fund decisions made by the Marin County  
6 Board of Supervisors and the City and Town Councils and Special Districts, often there is  
7 no transparency into the background of those decisions. One specific area that lacks  
8 transparency is labor negotiations between the Parties. In general, the public is notified  
9 of the Parties' tentative agreements only three to four days prior to the Employers' public  
10 vote; it is only then that the meeting agenda is posted for public view. Prior to the agenda  
11 posting, little or no detailed information is made public about the terms of the tentative  
12 agreement or what it will cost. In sum, there is no transparency before the vote on the  
13 tentative agreement.  
14

15 This short time period (three to four days) gives the residents of Marin little time to  
16 review the tentative agreement in order to provide input at an Employers' public  
17 meeting—the meeting at which the tentative agreement is presented for approval.  
18 Furthermore, the public receives no information regarding any proposal made by either  
19 Party or the associated costs of those proposals, which leads to the question: *What should*  
20 *be disclosed to the residents of Marin and when?*

21 **COIN Started In Costa Mesa**

22 The Grand Jury learned that a newly elected Costa Mesa City Council had discovered the  
23 financial strain placed on their city by their unfunded pension liabilities. This discovery,  
24 coupled with the realization that opaque labor negotiations had created an environment  
25 devoid of public oversight, review or input, motivated the Council to adopt a more  
26 transparent process for all labor negotiations. Accordingly, the City of Costa Mesa  
27 adopted a COIN ordinance in September of 2012, the first municipality in California to  
28 do so.

29 Subsequently, Beverly Hills, Fullerton and Rancho Palos Verdes also adopted variations  
30 of COIN, as did Orange County (Appendix A)<sup>1</sup>. For all these entities, the principal  
31 objective of the COIN process is to allow the public to review and to provide input during  
32 negotiations. One person interviewed stated, "...it occurred to the Council that the  
33 public's full understanding of what they are being asked to pay for is good governance."

34 Learning this, the Grand Jury investigated various existing COIN ordinances and  
35 procedures to determine what the COIN process might mean for Marin County and its  
36 cities and towns.

---

37  
<sup>1</sup> Orange County Employee Association has made an unfair practice charge to the Public Employment Relations Board concerning how COIN was adopted, not the implementation of COIN. This is not yet resolved.

1 **What COIN Is: Key Components**

2 The common elements of the COIN process are as follows:

- 3 1. The Employer hire an experienced, independent Lead Negotiator for all  
4 negotiation on wages, hours, and terms and conditions of employment. This  
5 requirement precludes having a city or county employee negotiate terms of an  
6 agreement that could directly benefit such employee.
- 7 2. The Employer hire an independent auditor to assess the fiscal impacts of each  
8 provision in the current labor contract. This fiscal impact is made available for  
9 public study.
- 10 3. Labor contract negotiations begin.
- 11 4. After each proposal is accepted or rejected by either Party to the negotiation,  
12 the proposal is publicly disclosed (generally on the Employer's website). The  
13 long-term and short-term costs of the proposal are verified by an independent  
14 auditor and also publicly disclosed.
- 15 5. Negotiations conclude with a final tentative agreement.
- 16 6. Seven days prior to the Employer's public meeting, the final tentative  
17 agreement is made public (generally on the Employers' website), including all  
18 associated costs that are independently verified.
- 19 7. Following these seven days, the final tentative agreement is placed on the  
20 following two consecutive Employer's public meeting agendas: at the first  
21 meeting, the tentative agreement is a discussion item; at the second meeting,  
22 the Employer(s) vote on the tentative agreement.

23 The above process is used in a number of municipalities. For more details see Appendix  
24 A.

25 **What COIN Is Not: Misconceptions**

26 The Grand Jury learned that there are many misconceptions about the COIN process, as  
27 follows:

28 *Misconception #1: The public negotiates.*

29 COIN does NOT involve the public in actual negotiations, nor does it disclose what  
30 occurs at the negotiation table. Fair-minded taxpayers recognize that such an attempt  
31 would lead to an unproductive bargaining environment at best and would likely evolve  
32 into intractable positions by both sides that would prevent a constructive outcome.

33

1 *Misconception #2: Negotiations are held open for public observation.*

2 In none of the cities or Orange County are COIN negotiations open for public view or  
3 public participation. Negotiations occur in private, but the decisions on proposals are  
4 made available for public review.

5 *Misconception #3: COIN slows down the negotiation process.*

6 The Grand Jury has learned that, during the first round of negotiations using the COIN  
7 process, there is a learning curve, since COIN provides a new framework within which to  
8 operate. However, after learning the new process, those interviewed noted that  
9 negotiations proceeded in a timeframe similar to prior negotiations.

10 *Misconception #4: Not all types of negotiation methods can adapt to the COIN*  
11 *processes.*

12 The COIN process is about transparency and not about the negotiation method.  
13 Commonly used negotiation practices, such as interest-based or adversarial, can still be  
14 the norm while using the COIN process.

15 The COIN process is about the transparency of decisions made during negotiations that  
16 lead to a tentative agreement – the agreement that is recommended to the Employer for  
17 approval. It is through the COIN process that the public is made aware of the terms and  
18 associated costs of tentative agreements well before they are adopted, thereby giving  
19 taxpayers opportunity to provide timely public review and input.

## 20 **FINDINGS**

21 F1. The residents of Marin County pay taxes to support decisions made by the Board of  
22 Directors of Special Districts; however these residents have minimal opportunity to  
23 provide input into labor negotiations.

24 F2. The COIN process can be implemented without affecting the manner in which  
25 tentative agreements are negotiated but which nevertheless will ensure public  
26 awareness of the terms and cost of those agreements in advance of their being  
27 adopted.

28 F3. The COIN process mandates transparency in government decision-making,  
29 allowing residents to be informed and to participate in public discussion of how  
30 their tax dollars are spent.

31

## 32 **RECOMMENDATIONS**

33 R1. The Special Districts listed as Respondents adopt and implement a COIN  
34 ordinance prior to June 1, 2016, or prior to the next round of negotiations,  
35 whichever comes earlier.

- 1 R2. The Special Districts listed as Respondents adopt and implement a COIN  
2 ordinance which includes, but is not limited to the following:
- 3 1. Hire an independent, experienced Lead Negotiator to negotiate all labor  
4 agreements.
  - 5 2. Hire an independent auditor to determine the fiscal impact of each provision in  
6 the current contract, and make this analysis available for public review.
  - 7 3. Make public each proposal, after it is accepted or rejected by either Party, and  
8 publicly verify the costs of that accepted or rejected proposal by an independent  
9 auditor.
  - 10 4. Make public seven days prior to a Board or Council meeting the negotiated  
11 tentative agreement and the fiscal analysis thereof, which are to be independently  
12 verified.
  - 13 5. After seven days, place the final tentative agreement on the following two  
14 consecutive Employer's public meeting agendas: the first meeting is for  
15 discussion of the tentative agreement; the second meeting is for a vote by the  
16 Employer to approve or disapprove the tentative agreement.  
17

## 18 REQUEST FOR RESPONSES

19 Pursuant to Penal Code section 933.05, the Grand Jury requests responses as follows:

20 From the following governing bodies:

- 21 ■ Golden Gate Bridge, Highway and Transportation District: All Findings and  
22 Recommendations.
- 23 ■ Marin Municipal Water District: All Findings and Recommendations.
- 24 ■ North Marin Water District: All Findings and Recommendations.
- 25 ■ Novato Fire Protection District: All Findings and Recommendations.
- 26 ■ Southern Marin Fire Protection District: All Findings and Recommendations.  
27

28 The governing bodies indicated above should be aware that the comment or  
29 response of the governing body must be conducted subject to the notice, agenda  
30 and open meeting requirements of the Ralph M. Brown Act.  
31  
32  
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Requirement	Costa Mesa	Beverly Hills	Fullerton	Rancho Palos Verdes	Orange County
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20 **APPENDIX A**

21 **Summary of “COIN” Requirements Adopted by City/ County**



## The Need For Labor Negotiation Transparency

Applies to all negotiations between the Parties.	Yes	Yes	Must include Salary Changes	Yes	Yes
Independent Negotiator	Yes	Yes	May be Waived by Council	Yes	Yes
Executive Employee Involved in Bargaining	Yes	Yes	Yes	Yes	Yes
Pre-Negotiation Economic Analysis (Baseline)	Yes	Yes	Yes	Yes	Yes
Each Accepted or Rejected Proposal plus the Economic Analysis made public	Yes	Yes	Yes	Yes	Yes
Proposals Verified Independently	Yes	Yes	Yes	May be Waived by Council	Yes
Tentative Agreement an Agenda Item on 2 Meetings Prior to Adoption	Yes	Yes	Yes	Meetings must be 2 Weeks Apart	Yes

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### APPENDIX B

June

After each proposal is accepted or rejected by either Party it is publically disclosed (generally on the Employers' website).

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After seven days, the final tentative agreement is placed on the following two consecutive Employers public meeting agendas: meeting one is a discussion item;

## THE COIN PROCESS

The Employer hires an experienced, independent, Lead Negotiator for all negotiation on wages, hours, and terms and conditions of employment.

15

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- 24

## FORM FOR RESPONDING TO GRAND JURY REPORT

**Report Title:** The Need for Labor Negotiation Transparency – Part II

**Report Date:** June 12, 2015

**Public Release Date:** June 17, 2015

**Response by:** September 17, 2015

### FINDINGS

- I (we) agree with the findings numbered: \_\_\_\_\_
- I (we) disagree wholly or partially with the findings numbered: \_\_\_\_\_  
**(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)**

### RECOMMENDATIONS

- Recommendations numbered \_\_\_\_\_ have been implemented.  
**(Attach a summary describing the implemented actions.)**
- Recommendations numbered \_\_\_\_\_ have not yet been implemented, but will be implemented in the future.  
**(Attach a timeframe for the implementation.)**
- Recommendations numbered \_\_\_\_\_ require further analysis.  
**(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)**
- Recommendations numbered \_\_\_\_\_ will not be implemented because they are not warranted or are not reasonable.  
**(Attach an explanation.)**

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

Number of pages attached \_\_\_\_\_

## California Penal Code Sections

### **Penal Code 933 (c) [in part]**

No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls.

### **Penal Code 933.05**

- (a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:
  - (1) The respondent agrees with the finding.
  - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.
- (b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:
  - (1) The recommendation has been implemented, with a summary regarding the implemented action.
  - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
  - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
  - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.
- (c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.
- (d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.
- (e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.
- (f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two (2) working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

## RESPONSES TO GRAND JURY REPORTS

### SUMMARY OF PENAL CODE 933.05

Penal Code 933.05(F) states the grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two (2) working days prior to its public release and after the approval of the presiding judge.

Penal Code 933.05 also provides for only two (2) acceptable responses with which agencies and/or departments (respondents) may respond with respect to the **findings** of a Grand Jury report:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the findings, *in which case the respondent shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.*

Penal Code 933.05 provides for only four (4) acceptable responses with which agencies and/or departments (respondents) may respond with in respect to the **recommendations** of the Grand Jury.

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be in the future with a timeframe for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis, with a timeframe for the matter to be prepared for discussion by the officer or head of the agency/department being investigated or reviewed, including the governing body of the public agency when applicable. *This timeframe shall not exceed six (6) months from the date of publication of the Grand Jury Report.*
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with a detailed explanation therefore.

However, if a finding and/or recommendation of the Grand Jury addresses **budgetary** or **personnel** matters of a county agency/department head, the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency/department.

Penal Code 933 states that the governing body of the public agency shall respond to the presiding judge within 90 days, and that an elected county officer or agency head shall respond to the presiding judge within 60 days.

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**DISBURSEMENTS - DATED JUNE 25, 2015****ITEM #17**

Date Prepared 6/23/15

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 6/15/15	\$128,684.40
EFT*	Bank of the West	Federal & FICA Taxes PPE 6/15/15	55,357.51
EFT*	State of California	State Taxes & SDI PPE 6/15/15	9,725.72
EFT*	Clipper Direct	Commuter Benefit Program (2)	186.00
1	All Star Rents	Propane (STP) (20 gal) & Concrete Saw Rental (\$92) (1 Day)	164.35
2	Alpha Analytical Labs	Lab Testing (W.M.)	544.00
3	American Family Life Ins	June Employee Contribution for Accident, Disability & Cancer Insurance	4,193.21
4	Bastogne	Refund Overpayment on Closed Account (2)	137.01
5	Laura Beven	Novato "Cash for Grass Rebate" Program	200.00
6	Blastco	Progress Pymt#7: Atherton Tank Rehabilitation Project (Balance Remaining on Contract \$15,576)	185,377.78
7	Loyd Bonfante	Novato "Pool Cover" Rebate Program	50.00
8	Robert Buckwalter	Novato "Hot Water Recirculation System" Rebate Program	75.00
9	Calgon Carbon	Activated Carbon (80,000 lbs) (STP)	91,389.26
10	Calif Dept of Wtr Resources	FY16 Annual Dam Fee	8,778.00
11	CalPERS Retirement System	Pension Contribution PPE 6/15/15	43,396.38
12	CalPERS	Health Insurance Premium (Employees \$52,320, Retirees \$9,865 & Employee Contrib \$12,359)	74,543.30

Seq	Payable To	For	Amount
13		Vision Reimbursement	66.89
14	Comcast	June Office Internet Connection	149.02
15	Contractor Compliance & Monitoring	Final Pymt: Monitor Labor Compliance for Atherton Tank Rehab Project (Total Project Cost \$19,500)	3,250.00
16	Cronin, Elise	Novato "Toilet" Rebate Program	100.00
17	DeGabriele, Chris	Exp Reimbursement: Lunch & Ferry to SF	26.00
18	Dell Marketing	Replacement PC (Kauwe)	649.20
19	Roger Dell'era	Novato "Washer" Rebate Program	50.00
20	Downtown Ford	'15 F150 4x4 (\$22,089) & '15 Ford Escape 4x4 (\$28,828) (Budget \$51,000)	50,916.56
21	Electrical Equipment	Intrusion Alarm Switches (2)	101.93
22	Evoqua Water Technologies	Service on Deionization System (Lab)	373.89
23	Fedak & Brown	Prog Pmt #2: on Audit of FY15 Financial Statement (Balance Remaining on Contract \$9,470)	7,500.00
24	Fisher Scientific	Pipettes (600) (\$120) & pH Strips (100) (Lab)	240.00
25	Gaya, DB	Final Pymt: Tank Coating Inspection for Atherton Tank Rehab Project (Total Project Cost \$39,070)	2,700.00
26	Golden Gate Petroleum	Gasoline (\$3.21/gal) & Diesel (\$3.01/gal)	2,788.16
27	Grainger	Screwdrivers (2), High Pressure Hose Fittings (10) (\$290), Sump Pump (\$165), 2" Flange (2) (\$69) & Nipples (STP)	546.65
28	Wenchi Gu	Novato "Toilet" Rebate Program & Refund Alternative Compliance Reg 15 Deposit (\$945)	1,245.00

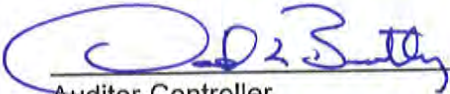
Seq	Payable To	For	Amount
29	Hardy Diagnostics	Brilliant Green Broth (12L) (Lab)	336.59
30	Doris Holzinger	Novato "Toilet Rebate" Program	100.00
31	Paul Horre	Novato "Toilet Rebate" Program	100.00
32	Wilfrid Hyppolite	Novato "Toilet" Rebate Program	88.00
33	IDI-Dupont	Sodium Chlorite for Generation of Chlorine Dioxide (STP)	28,392.00
34	InfoSend	May Processing Fee for Water Bills (\$1,453) & Postage (\$4,166)	5,619.46
35	Jackson, David	Exp Reimb: Geographical Info Systems Course & Textbook	310.14
36	Jeffco Painting & Coating	Clean, Repair & Repaint Barrel of San Marin Pump Station Pump#3	5,980.00
37	Marie Kennedy	Novato "Water Smart Landscape Efficiency Rebate" (Residential) & "Cash for Grass Rebate" Program (\$400)	500.00
38	Kjellgren, Anthony	Novato "Cash For Grass" Rebate Program	180.00
39	La Star Latina	Refund Overpayment on Open Account	1,500.00
40	James Lemos	Exp Reimb: Exam Fee for Backflow Testing (\$180) & Hotel for D1 exam and pre exam class (Lemos & Ochoa)	273.39
41	Brit Lesnett	Novato "Toilet Rebate" Program	200.00
42	Macdonald Architects	Prog Pymt#7: Engineering Services for Lynwood P/S (Bal Rem on Contract \$3,272)	2,063.01
43	Marin Color Service	Paint (2-gal) (RW Filling Station)	116.63
44	Ariadile Goes Mariano	West Marin "Washer Rebate" Program	50.00
45	MCC Control Systems	Programming Modifications @ STP for RWF, PLC's & SCADA	1,187.50


Seq	Payable To	For	Amount
46	Drew McIntyre	Exp Reimb: AWWA Conference Expenses. Mileage (\$230), Hotel (\$407) & Meals (\$69)	706.80
47	Metrohm USA	Parts to Rebuild IC Instrument Pump (Lab)	2,117.96
48	George Metz	Novato "Toilet Rebate" Program	100.00
49	Miller Pacific Engineering	Prog Pmt #6: Geotechnical Services: Atherton Tank Pavement (Balance Remaining on Contract \$44,788)	4,333.40
50	Bill Miller	Novato "Hot Water Recirculation System Rebate" Program	75.00
51	MSI Litho	Printing #10 (10,000) & #10 Window Envelopes (10,000) (\$750)	1,486.76
52	National Meter & Automation	Registers for 1" Meters (9)	704.10
53	New Pig	Disposable Gloves (20-4ml pairs) (\$257), Chemical Spill Containment Socks (2) (\$193) & Mat	651.98
54	N Dorje Nordrup	Novato "Toilet Rebate" Program	100.00
55	North Marin Water District SRF	Semi-Annual STP State Revolving Fund Loan Principal & Interest (Pymt 12 of 40)	574,460.90
56	Novato Sanitary District	Reimbursement for Hamilton Parkway Emergency Repair	12,076.68
57	NTU Technologies	Polymer Emulsion (9,200 lbs) (STP)	13,340.00
58	Pace Supply	Steel Pipe (40') (\$682), Bushings (6), 8" Flanges (6) (\$319) & Fire Hydrant Extensions (2) (\$155)	1,180.74
59	Pacific Surfacing	Refund Recycled Water Load Deposit Less Usage Charge for 2 Water Loads	90.00
60	Pacific Coast Cutters	Cut Asphalt @ Novato Shell Station	393.96
61	Pape Machinery	16" Hydraulic Hose	67.03

Seq	Payable To	For	Amount
62	Parkinson Accounting Systems	May Accounting Support	243.75
63	Leo Pfeifer	Novato "Toilet Rebate" Program	300.00
64	Point Reyes Light	Display Ads (5)	258.00
65	Point Reyes Prop Mgmt Assn	June HOA Dues (25 Giacomini Rd)	75.05
66	Postmaster Novato	Semi-Annual P.O. Box Fee	416.00
67	Robinette, Carl	Novato "Toilet" Rebate Program	169.98
68	Romero, Jennifer	Novato "Cash for Grass" Rebate Program	400.00
69	Sebastopol Bearing & Hydraulic	Hub Cover for Trailer Bearing	48.06
70	Sequoia Safety Supply	Sunscreen Towelettes (100) (\$57), Anti-Fog Wipes (300), Ibuprofen (500) & Safety Vests (8) (\$69)	173.14
71	Sonoma County Water Agency	May Contract Water	214,327.02
72	SPG Solar	May Energy Delivered Under Solar Services Agreement	12,738.04
73	SRT Consultants	Prog Pmt #3: Consultation for Taste & Odor Control for Stafford Lake (\$26,981 Remaining on Contract)	5,093.96
74	Staples Advantage	7" Time Card Rack (25 Pocket) (Const) (\$84), Stick-on Counter Pens (10), Copy Paper (60-Letter Size Reams) (\$224), Expandable Files (21), Shipping Tape (6 rolls), 2" Binder & Pens (12)	388.38
75	Tamagno Green Products	Sludge Removal (STP) (115 yds)	2,300.00
76	TelePacific Communications	May Telephone Charges	565.79
77	Township Building Services	May Janitorial Services	1,822.84
78	Hal Wahlborg	West Marin "Washer Rebate" Program	50.00
79	Wendt Construction	Refund Security Deposit on Hyd Meter Less Final Bill	774.33
80	White & Prescott	Review Water Line Easement - 33 Commercial Blvd	135.00

Seq	Payable To	For	Amount
81	Wiley Price & Radulovich	May Professional Services: Venegas & SDI Integration	1,463.00
82		Vision Reimbursement	41.40
83	Zenith Instant Printing	Notice of Violation Forms (100) (Water Conservation)	59.95
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$1,574,230.94</u></b>

The foregoing payroll and accounts payable vouchers totaling \$1,574,230.94 are hereby approved and authorized for payment.

 6/23/15  
Auditor-Controller Date

 6/23/2015  
General Manager Date

# **DISBURSEMENTS - DATED JUNE 18, 2015**

Date Prepared 6/16/15

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

Seq	Payable To	For	Amount
1	Alimongohan, Darwin	Refund Overpayment on Open Account	\$71.72
2	Alpha Analytical Labs	Lab Testing	134.00
3	Asbestos Control Center	Chemical Tank Insulation Testing (STP)	60.00
4	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 44 of 240)	46,066.67
5	Barrilleaux, Nick	Exp Reimb Temp Employee: Safety Boots	200.00
6	BKF Engineers	Progress Pymt#1: Provide Topographic & Utility Survey for RW Central Service Area Expansion Project (Balance Remaining on Contract \$47,986)	1,224.00
7	Bourne, Edward	Novato "Toilet Rebate" Program	100.00
8	California State Disbursement	Wage Assignment Order	1,053.37
9	Cantiller, Arthur	Cafeteria Plan: Uninsured Medical Reimbursement	65.00
10	Damazio, Rob	Refund Security Deposit on Hydrant Meter Less Final Bill	700.02
11	Dell Computers	Replacement Laptop PC for District Secretary	807.54
12	Diggs, James	Retiree Exp Reimb (June Health Ins)	966.79
13	Fisher Scientific	Test Tube Racks (8) (Lab)	167.87
14	Grainger	HVAC Filters (6) (\$162), Lockout Lock (\$88) & Heavy Duty Hand-Held Tape Dispenser	291.74
15	Hall Dump Truck Service	Remove Dirt Spoils from District Yard (144 yds)	2,160.00
16	Interstate Battery	Electrical Batteries (8) (STP)	253.64
17		Cafeteria Plan: Uninsured Medical Reimbursement	15.00



Seq	Payable To	For	Amount
18	Kemira Water Solutions	Ferric Chloride (9 tons) (STP)	5,124.60
19	Lester, Marie & Tom	Novato "Washer Rebate" Program	50.00
20	Lester, Marie	Novato "Pool Cover Rebate" Program	26.50
21	Lincoln Life	Deferred Compensation PPE 6/15/15	11,111.35
22	Louie, Calvin	Novato "Cash for Grass Rebate" Program	200.00
23	Marin County Treasurer	Semi-Annual Bond Service - PR6 Revenue Bond	10,875.00
24	Marin County Ford	Front & Rear Brake Rotors & Pads (\$354) ('12 F250)	667.47
25	McDuffee, Mike & Angela	Novato "Washer Rebate" Program	50.00
26	McMaster-Carr Supply	Replacement Mail Drop Box Lock Cylinder	12.35
27	Michael Baker International	Progress Pymt#2: Prepare Stafford Dam Emergency Action Plan (Balance Remaining on Contract \$61,356)	20,034.02
28	Moore, Doug	Retiree Exp Reimb (June Health Ins)	895.35
29	Musgrove, Sean	Novato "Washer Rebate" Program	50.00
30	Nationwide Retirement Solution	Deferred Compensation PPE 6/15/15	1,825.00
31	New Resources Group	Dye Tabs for Toilets (8,000)	459.18
32	Nguyen, Andre	Novato "Washer Rebate" Program	50.00
33	NMWD Employee Association	Employee Dues 4/15 Through 5/31/15	925.00
34	Novato Builders Supply	Concrete Nails (3 lbs), Lumber & Concrete (2 yds) (\$445)	469.11
35	Novato Sanitary District	March Recycle Water	7,031.63
36	Novato Chevrolet	Oil Filter, Air Filter, Motor Oil (6 qts) & Wiper Blades ('07 Chevy Colorado)	72.93
37	Ochs, Dan	Novato "Toilet Rebate" Program	200.00

Seq	Payable To	For	Amount
38	Pace Supply	4" Polyurethane Foam Swab (10) (\$138), Hex Nuts (455) (\$243), Plugs (4), Couplings (2), Nipples (8), Elbows (5) (\$466), Break-off Check Valves (2) (\$2,083) & 8" PVC Pipe (940') (\$8,686)	11,717.20
39	Pierce, Donald	Novato "Cash for Grass" Program	290.00
40	Protection Engineering	Zinc Anodes (200)	5,559.00
41		Cafeteria Plan: Childcare & Uninsured Medical Reimbursement	263.75
42	Shamrock Materials	Water Plug Cement (5 gal)	103.80
43	Skidmore, Jim	Novato "Cash for Grass Rebate" Program	250.00
44	State Water Resources Control	Clean Drinking Water SRF Loan Principal & Interest RW N Seg 3	96,153.16
45	Strain, James	Novato "Toilet Rebate" Program	300.00
46	Syar Industries	Asphalt (6 tons)	962.86
47	Teicher, Penelope	Novato "Toilet Rebate" Program	200.00
48	Timmer, Richard	Novato "Toilet Rebate" Program (4)	704.00
49	Todd, George	Novato "Toilet Rebate" Commercial Program	196.00
50	Tube Service	6" Aluminum Pipe (200')	1,305.20
51	United Parcel Service	Delivery Services: Sent VFD in for Repair	42.55
52	Univar	Sodium Hypochlorite (200 gal)	381.50
53	USA BlueBook	Thermo Electrode Fill Solution, Potassium Iodide (3) (\$167), Starch Indicator Solution & Liquid Tests (4)	350.35
54	US Bank	May Safekeeping Fee Treasury Securities	120.00
55	U S Department of Commerce	Annual Drought Loan Principal & Interest (West Marin-\$2,703 & Novato \$18,424)	21,127.15
56	Vali Cooper & Associates	Progress Pymt# 14: Construction Management Services for AEEP Reaches A-D MSN-B3 Project (Balance Remaining on Contract \$380,568)	69,309.79

Seq	Payable To	For	Amount
57	Verizon California	Leased Line	97.20
58	VWR International	Sulfuric Acid (\$61) & Potassium Chloride (STP)	102.11
59	West Coast Well Logging Serv.	TV Pt. Reyes Well #2 & Provide Digital Copy	775.00
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$324,777.47</u></b>

The foregoing payroll and accounts payable vouchers totaling \$324,777.47 are hereby approved and authorized for payment.

 6/16/15  
 Auditor-Controller Date

 6/16/2015  
 General Manager Date



THE CITY OF  
**NOVATO**  
CALIFORNIA

922 Machin Avenue  
Novato, CA 94945  
415/899-8900  
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[www.novato.org](http://www.novato.org)

Mayor  
Jeanne MacLeamy  
Mayor Pro Tem  
Pat Eklund  
Councilmembers  
Denise Athas  
Madeline Kellner  
Eric Lucan

City Manager  
Michael S. Frank

June 22, 2015

Board of Directors  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945

Dear President Baker and Directors:

Thank you for your Board action on April 7, 2015 reducing fees for creation of Junior Accessory Dwelling Units (JADUs). With the cooperation of the Water District, Novato Sanitary District, Novato Fire Protection District and the City we have reduced the permit fees for JADUs from approximately \$31,000 to \$550, creating a very affordable alternative housing option for our residents.

In your letter dated April 22, 2015 you made two requests, which I would like to respond to.

The Board suggested that Junior Accessory Dwelling Units "be retitled as 'Junior Family Units' and to limit the number of occupants to avoid substantial additional demand on utility and other community services, including water service by NMWD." The City was careful in selecting the term "Junior Accessory Dwelling Unit" in conjunction with our City Attorney since it is a comparable title to "Accessory Dwelling Unit" which is defined and regulated term in our Zoning Code. Our attorneys have also been clear that limitations on the number of occupants would not be legal. California courts have repeatedly struck down attempts by cities to establish housing occupancy limits that are more restrictive than those contained in the California Building Code. The courts have viewed such occupancy limits as unfairly restricting housing choice which runs afoul of both state and federal Fair Housing laws. However, we believe that the small size of the unit and the allowed kitchen components will practically restrict the level of occupancy of the JADUs.

The Board also requested "that the City add the requirement for NMWD sign-off prior to final approval of any new construction and provide all pertinent information to NMWD including address, size and number of occupants for all approved JADUs." The City will be happy to continue our current application processing protocols and refer building permit applications for JADUs to NMWD for review and sign-off. As discussed above, the City cannot restrict occupancy levels for JADUs, so will not ask applicants for an estimate of the number of occupants, which, even if provided, would be speculative and likely to change over time.

On behalf of the City Council, I again thank you for your favorable consideration of this innovative housing option

Sincerely,

Robert M. Brown, AICP  
Community Development Director

BOD MISC



## State regulators approve water restrictions to aid Sonoma County salmon streams

BY GUY KOVNER THE PRESS DEMOCRAT on June 17, 2015, 4:15PM06/17/2015

SACRAMENTO — With fish perishing in drought-diminished Sonoma County streams, state regulators said Wednesday they felt pressed to approve sweeping new limits on water use affecting thousands of rural landowners.

But farm representatives attending the State Water Resources Control Board meeting said part of the measure was regulatory overreach, while some west county residents said it didn't go far enough. Others said the whole thing was rushed.

Water board members said they appreciated some of the complaints, but voted unanimously to establish the new restrictions affecting outdoor water use, and a requirement that all landowners submit reports starting next month that detail their use of stream and well water.

"This is a very extreme situation. There are already fish dying in the streams," Corinne Gray, a state Department of Fish and Wildlife official, told the five-member State Water Resources Control Board. All coho salmon and steelhead trout need is a "trickle of water" between pools on the four creeks to survive the summer, she said.

The emergency regulation will apply, starting July 3, to about 10,000 landowners on 130 square miles across four watersheds: Dutch Bill and Green Valley creeks in the west county, Mark West Creek north of Santa Rosa and Mill Creek west of Healdsburg. About 13,000 properties will be covered by the rules.

Residents and businesses, including wineries, will be prohibited from using water drawn from creeks or wells for sprinkling lawns or washing cars, while irrigation of other landscaping, such as trees and plants, will be limited as it is in many cities.

Irrigation for commercial agriculture is exempt from the water conservation rules, an issue that prompted harsh criticism from several county residents attending the meeting and was acknowledged by Felicia Marcus, the water board's chairwoman.

Farm Bureau representatives also objected to the requirement that all landowners submit detailed water use reports to the state. The water board, sensitive to those complaints, agreed to postpone that part of the order until a series of public meetings is completed in Sonoma County in early July.

Marcus acknowledged complaints that the action — announced as a proposal last Tuesday — had been rushed and that questions remain about some details. "I'm torn; I'm uncomfortable," Marcus said, "But I'm not so uncomfortable I want to condemn the fish."

Kimberly Burr, a Forestville resident who said she has volunteered on Green Valley Creek restoration projects, gave the regulation a hearty endorsement. "I'm here to urge you to go full speed ahead," she said, suggesting the board expand the reach of its rules.

Ann Maurice, a west county water activist, asserted that the dramatic decline in Russian River coho salmon that began in the 1990s coincided with the advent of drip irrigation in Sonoma County vineyards.

"The apples didn't do that," Maurice said, referring to the many acres of Gravenstein apple orchards in the county that have largely been replaced by vineyards.

Albert Woicicki of Occidental fumed over the timing of the action, saying he had received a notification letter Friday from the state and that public comments on the proposed regulation closed Monday, two days before the water board's vote.

"This is not a fascist country, this is America," Woicicki said. "We work together."

He asked the board to postpone its vote and "allow us to find ways to solve this. I know we can help the fish out."

The irrigation exemption for agriculture drew some of the sharpest public comments on the day.

Woicicki accused the state of turning a "blind eye" as "grape growers have been sucking water out of our aquifer." The apple grower said his well water level has dropped 20 feet in the last seven years as grapes were planted near his property.

Larry Hanson of Forestville displayed a map indicating that vineyards had displaced forests at the top of the Mark West Creek watershed. "We do think you're missing the mark," he said, of the exemption for commercial agriculture.

Farming interests strongly protested the mandatory reporting of water use, a step that state officials have acknowledged could serve as the foundation for tighter restrictions.

Tito Sasaki, a Sonoma Valley grape grower and chairman of the Sonoma County Farm Bureau's Water Committee, said there was "no way" he could submit a water-use report within the required 30 days.

"What good is it to pull a figure from thin air?" he asked, referring to officials' assurances that residents and grape growers would be allowed to estimate their water use, based on information the board said it will provide.

Landowners will not be required to install water meters, officials said.

Danny Merkley, director of water resources for the California Farm Bureau Federation, said he was not clear on the intent of the regulation. He also questioned the accuracy of the state's population estimates for coho salmon in the Russian River.

Merkley called the determination that groundwater pumping lowers stream levels — the conclusion at the heart of the state regulators call for action — was "extremely problematic."

Erin Ragazzi, environmental program manager for the water board, said the water use reports, including the location of wells, would help define which diversions are connected to streams.

"We have a dearth of information," she said.

Water curtailments could be the next step if the new regulations fail to preserve summer stream flows, officials said. Ragazzi said the curtailments could be determined on a “quick and dirty basis,” using well locations, water-use logs and geology.

Eric Larson, regional environmental program manager for the Department of Fish and Wildlife, explained that coho salmon live in the streams where they hatched for the first year of their three-year lifespan.

Nearly 200 adult coho returned to the Russian River basin during the winter of 2014-15, according to agency estimates, down from about 300 the previous winter, Larson said. About 550 coho returned in the winter of 2012-13, the largest number since 2000-01.

In 2009-10, about 20 fish returned, he said.

Nearly \$10 million has been spent on habitat restoration projects in the four watersheds in the past 10 years, Larson said.

A map-based tool for landowners and water users to determine if they are in one of the watersheds is available at [www.waterboards.ca.gov/waterrights/water\\_issues/programs/drought/docs/russian\\_river/#lookup](http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/docs/russian_river/#lookup).

Information on the water use regulation is available by calling 916-322-8422.

Community meetings on the rules are planned in Occidental, Healdsburg, Forestville and Santa Rosa the second week of July.

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BOD MISC  
FileTHE SISKIYOU  
DAILY NEWSBy Amanda Hinds Doyle  
@SDNHindsDoyle

June 16, 2015 10:51AM

Print Page

**Appeals court gives CDFW more power over water diversions**

The Third District Court of Appeals reversed a 2005 Siskiyou County Superior Court's injunction on June 4 against the California Department of Fish and Wildlife, holding that the state's streambed alteration program extends to existing water right diversions even if they do not physically alter streambeds.

Last year, the Superior Court ruled in favor of the Siskiyou County Farm Bureau, a decision that essentially prohibited CDFW from enforcing regulations against long-time agricultural water users for diverting surface water from within the county without obtaining a streambed alteration agreement, a requirement put into place under section 1602 of the Fish and Game code.

"The Farm Bureau and every farmer in California is extremely disappointed that they didn't look at all the merits of our case," stated Siskiyou County Farm Bureau President Brandon Fawaz.

The Karuk Tribe, meanwhile, views the ruling as a major victory for endangered salmon populations.

Karuk Tribal Chairman Russell 'Buster' Attebery recently said, "This ruling is a strong affirmation of the state's obligation to ensure that our rivers are not completely dewatered by agricultural diversions."

**Background**

In 2005, following the coho salmon's listing under the California Endangered Species Act, CDFW turned the tables from their historical enforcement approach, establishing under Fish and Game code 1602 enforcement criteria recognizing any and all diversions pursuant to a water right to be "substantial," subjecting rights holders to notification requirements.

Previously, CDFW had generally targeted new or modified diversions that altered the bed of the water course.

Letters were sent out to all diverters in Siskiyou County, and even pre-1914 water rights holders – who enjoy some of the strongest protections on their water rights – were subjected to the agreement.

Shortly thereafter, the Siskiyou County Farm Bureau filed a declaratory relief action for agricultural water users, challenging CDFW's interpretation of section 1602.

The Farm Bureau noted that this agreement would fundamentally alter the administration of water rights in California and impose burdens and uncertainties on longtime water users.

The trial court ruled in favor of the Farm Bureau, agreeing that section 1602 was intended to require notice for activities that physically alter the water source.

The court continued, stating that it is the State Water Resources Control Board, not CDFW, that exercises the state's authority over water rights in California.

**The decision and implications**

The recent appeals court decision to extend the 1602 program to existing water rights stated that CDFW's enforcement of section 1602 in no way conflicts with State Board's authority over appropriative water rights. The court ruled that 1602 seeks to determine whether a diversion is substantial enough to harm fish.

A recent Karuk Tribe press release stated that if the case was not overturned, it would have dramatically undermined a key means to protect fisheries from water diversion.

While some in the county already hold CDFW permits, many do not, stated Scott Valley rancher Doug Jenner.

With fees and rounds of endless review, small ranchers could be subjected to increased hardships, according to Jenner.

Fawaz estimated that permits and reviews could end up costing farmers \$20,000-30,000.

As of June 10, Farm Bureau board member Jim Morris stated that the bureau was considering their options, including appealing the appellate court's decision to the supreme court.

Curt Babcock of CDFW said water diverters do not need to immediately apply for 1602 agreements because they do not have the staff to process yet.

There is potential for thousands of permit applications, so priorities will need to be set about who should apply and at what time, Babcock said.

Fawaz said that nearly 30,000 California water rights holders are having their deeded property rights taken away.

"They (the courts) don't realize what they just did to these family farms," stated Fawaz.

Further information was requested from CDFW, but they did not respond in time for publication.

## NOVATO

**School district changes water plan**

The Novato Unified School District is making changes to conserve water during the drought, district officials said this week.

The district is reducing water use for irrigation 25 percent since April by adjusting its smart water controllers to reduce water flow, according to Karen Maloney, the district's assistant superintendent for business and operations.

Both fields within the tracks at San Jose and Sinaloa Middle School will be retrofitted with new sod and recycled water will be used to irrigate both of the new fields. For the past three years, Olive Elementary School and Hamilton School have been using recycled water to irrigate fields.

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