

**NORTH MARIN
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
July 3, 2012 – 7:30 p.m.
Dance Palace
503 B Street
Point Reyes Station, California**

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

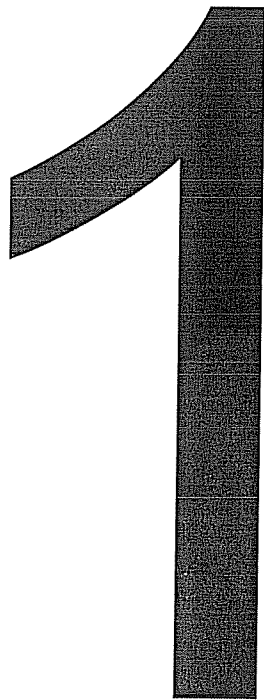
Est. Time	Item	Subject
7:30 p.m.	CALL TO ORDER	
	1. APPROVE MINUTES FROM REGULAR MEETING , June 19, 2012	
	2. GENERAL MANAGER'S REPORT	
	3. OPEN TIME: (Please observe a three-minute time limit)	
	This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.	
	4. STAFF/DIRECTORS REPORTS	
	5. PUBLIC HEARING/APPROVE: West Marin Water FY 2012/2013 Budget	<i>Resolution</i>
	6. PUBLIC HEARING/APPROVE: Oceana Marin Sewer FY 2012/2013 Budget	<i>Resolution</i>
	INFORMATION - WEST MARIN	
	7. Short-Term Water Shortage Contingency Measures	
	8. West Marin Capital Improvements Projects - FY11-12 Preliminary Year-End Progress Report	
	CONSENT CALENDAR	
	The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.	
	Consent - Approve Water Agreement	<u>Type DU EU</u>
	9. 7370 Redwood Blvd - Retail Building	Comm'l 0 0 <i>Resolution</i>
	ACTION CALENDAR	
	10. Approve: Response to Marin County Civil Grand Jury Report - Pre-Schoolers Learn to Share - Can Local Governments?	
8:30 p.m.	INFORMATION ITEMS	
	11. NBWA Meeting - July 6, 2012	
	12. MISCELLANEOUS	
	Disbursements	

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
		<u>News Articles:</u> North Marin Water District to meet at the Dance Palace
	13.	CLOSED SESSION: In accordance with Government Code Section 54957.6; Conference with Labor Negotiators; District's Designated Representatives – Chris DeGabriele and David Bentley; Employee Organization – North Marin Water District Employee Association.
9:00 p.m.	14.	ADJOURNMENT



1
2
3
4
5

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 19, 2012

6 **CALL TO ORDER**

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

12 District employees Robert Clark (Operations/Maintenance Superintendent) and Doug Moore
13 (Construction/Maintenance Superintendent) were in the audience.

14 **MINUTES**

15 On motion of Director Schoonover, seconded by Director Rodoni and unanimously carried
16 the Board approved the minutes from the previous meeting as presented.

17 **GENERAL MANAGER'S REPORT**

18 **Meeting with Marin Municipal Water District**

19 The General Manager reported that he and Drew McIntyre met with Marin Municipal Water
20 District staff on June 13 to re-open discussions on the Interconnection Agreement. He said that this
21 is the first meeting with the MMWD staff on this subject since the departure of former General
22 Manager Paul Helliker.

23 **Meeting with City of Petaluma Staff**

24 Mr. DeGabriele advised that he met with the Petaluma City Manager and Public Works
25 Director on June 18 to discuss water service to the South Petaluma Boulevard Industrial Park. He
26 said that as a result of that meeting, he will conduct a rate analysis for customers in that area.

27 **General Manager Out of Office**

28 Mr. DeGabriele informed the Board that he will be on vacation June 27 through July 2 and
29 that Drew McIntyre will be Acting General Manager during his absence.

30 **OPEN TIME:**

31 President Petterle asked if anyone in the audience wished to bring up an item not on the
32 agenda and there was no response.

33

1 **STAFF/DIRECTORS REPORTS**

2 President Petterle asked if staff or Directors wished to bring up an item not on the agenda
3 and the following items were discussed:

4 Solar Energy Project Update

5 Robert Clark gave an update on the Solar Energy project. He said that trenching and boring
6 under the golf course access road has begun and the project may take a week longer than
7 anticipated. He reported that there have been problems with traffic control on the road leading to
8 the golf course and he has directed the contractor to have two flaggers onsite at all times to direct
9 traffic. He said that work is progressing on the array field and at Stafford Treatment Plant.

10 Recycled Water Pipeline Installation

11 Director Baker reported that Drew McIntyre took him to the recycled water pipeline
12 installation wherein he observed the recycled water pipe fusing being performed by Ranger
13 Pipelines.

14 Recycled Water Sub-Committee Meeting

15 Director Baker stated that he, Director Schoonover, Mr. DeGabriele and Mr. McIntyre
16 attended the Recycled Water Sub-Committee meeting today, June 19.

17 **HEARING/APPROVE: PROPOSED FY13 CAPITAL EQUIPMENT BUDGET**

18 David Bentley presented the proposed FY13 Capital Equipment Budget for final review,
19 public hearing and approval, and advised that there have been no changes since the last review.
20 He said that the District five-year financial plan includes \$250,000 for FY13 equipment expenditures
21 and the proposed FY13 equipment cost is budgeted for \$233,000.

22 President Petterle opened the public hearing and hearing no comment, closed the public
23 hearing.

24 On motion of Director Schoonover, seconded by Director Fraites and unanimously carried,
25 the Board approved the FY13 Capital Equipment Budget as presented.

26 **HEARING/APPROVE: FY13 & 14 NOVATO CAPITAL IMPROVEMENT PROJECTS BUDGET**

27 Mr. Bentley presented the two-year Novato Capital Improvement Projects Budget for final
28 review, public hearing and approval and stated that there have been no changes since the last
29 review. He advised that the proposed FY13 budget (\$1.8M) and proposed FY14 budget (\$1.9M)
30 are less than the \$2M per year incorporated into the District's Five-Year Financial Plan.

1 President Petterle opened the public hearing and hearing no comment, closed the public
2 hearing.

3 On motion of Director Fraites, seconded by Director Schoonover and unanimously carried,
4 the Board approved the FY13 and FY14 Novato Capital Improvement Projects Budget as presented.

5 **HEARING/APPROVE: FY 12/13 PROPOSED NOVATO WATER OPERATIONS BUDGET**

6 Mr. Bentley presented the proposed FY12/13 Novato Water Operations Budget for the
7 Board's final review, public hearing and approval and advised that there have been changes since
8 the last review decreasing the proposed budget by \$177,000. He briefly discussed the changes to
9 the budget since the last review. Mr. Bentley stated that the proposed FY13 budget projects a cash
10 increase of \$940,000; the 11% rate increase effective June 1 adds \$1.5M to budgeted revenue and
11 the total budgeted outlay, at \$17.4 M, is down 3% from the current year. He stated that water sales
12 is conservatively budgeted at 2.7 billion gallons, which is 3.5% below the current fiscal year
13 estimated actual. Mr. Bentley said that on a standardized accounting basis \$884,000 is the
14 budgeted net income for the year. He said that the connection fee revenue is budgeted at 30
15 equivalent dwelling units, the wheeling charge for Marin Municipal is budgeted to quadruple, and the
16 recycled water system is budgeted to payback \$1.7M to Novato water as its grants and loan monies
17 come in this fiscal year.

18 President Petterle opened the public hearing and hearing no comment, closed the public
19 hearing.

20 On motion of Director Fraites, seconded by Director Schoonover and unanimously carried,
21 the Board approved the FY12/13 Novato Operations Budget as presented and authorized the
22 General Manager to pay demands arising from execution of the budgeted expenditure plan.

23 **HEARING/APPROVE: FY13 PROPOSED RECYCLED WATER SYSTEM BUDGET**

24 Mr. Bentley stated that fourteen new recycled water accounts are projected to come online
25 in FY13; a 7% commodity rate increase was enacted June 1 that will add \$17,000 to annual
26 revenue. He said that it is anticipated that the Deer Island Recycled Water Facility will operate
27 through September; thereafter, recycled water will be purchased from Novato Sanitary District and
28 Las Gallinas Valley Sanitary District. He said the major assumption is that pricing will be
29 \$1,500/MG. Mr. Bentley stated that the proposed FY13 budget includes \$5.5M for continued
30 expansion of the North and South Service Areas within the next 12 months; 25% funded by grants
31 and 75% funded by a 20-year SRF loan. He said that as grant and loan monies are received, \$1.7M
32 is budgeted to be repaid to Novato.

1 President Petterle opened the public hearing and hearing no comment, closed the public
2 hearing.

3 On motion of Director Baker, seconded by Director Fraites and unanimously carried, the
4 Board approved the FY13 Novato Recycled Water System Budget as presented and authorized the
5 General Manager to pay demands arising from execution of the budgeted expenditure plan.

6 **MONTHLY PROGRESS REPORT**

7 Mr. DeGabriele reported that for May, water production in Novato is up 7% compared to last
8 year. He noted that June production will be up considerably as the average production is
9 approximately 11.2 mgd, up 1.5 mgd from last June. He stated that May water production in West
10 Marin was up 2%, and down 3% for the year, and that Stafford Treatment Plant is scheduled to
11 start-up July 1. Mr. DeGabriele advised Stafford Lake storage is down due to the limited rainfall
12 received this winter and elevation is currently 188.3 feet. He stated that recycled water production is
13 similar to the prior year. He noted that in Safety and Liability, staff worked 139 days without a lost
14 time accident or injury, and there was one incident this fiscal year to date. He further noted that the
15 Summary of Complaints and Service Orders shows a decrease in complaints compared to last May
16 and down 9% from one year ago.

17 Mr. Bentley reported that in May the District had a cash balance of \$11.6M and the cash
18 balance fell over \$800,000 primarily due to payments for the Recycled Water Expansion. The
19 weighted average portfolio rate is 0.42% for the month of May.

20 President Petterle requested that staff consider a more graphic way to identify the
21 correlation between amount of rainfall, temperatures and water use.

22 **CONSENT CALENDAR**

23 On motion of Director Schoonover, seconded by Director Fraites and unanimously carried,
24 the following items were approved on the Consent Calendar:

25 **CANYON GREEN SUBDIVISION**

26 The Canyon Green Subdivision project subdivides a 7.47 acre parcel into 25 lots for 25
27 single family homes with normal and high pressure water service and an irrigation service for
28 common area landscaping on the location of the former Novato Community Hospital. New water
29 facilities include 1,580 feet of pipe, three new residential fire hydrants, 25 one-inch meters and one
30 one-inch meter with one-inch RPP backflow device. A six-inch fire service and one two-inch meter
31 and one 5/8-inch meter installed in the 1960s will be killed.

1 The Board approved Resolution No. 12-14 entitled, "Authorization of Execution of High
2 Pressure Water Services Facilities Construction Agreement with Green Valley Corporation."

3 **REVISED RESOLUTIONS SETTING WATER CONSERVATION REBATE AMOUNTS**

4 The District was awarded a Prop 84 Grant in the amount of \$183,750 which will help fund
5 future HET rebates, Cash for Grass rebates, Smart Controller rebates, Clothes Washer rebates and
6 a Commercial Direct Install High-Efficiency Toilet (HET) program. The Prop 84 Grant has minimum
7 rebate amount requirements, and the District's current rebate levels for the Residential HET Rebate
8 and the Weather Based Irrigation Controller Rebate Program must be raised to meet the minimum
9 amounts.

10 The Board approved Revised Resolution 06-01 of the North Marin Water District Board of
11 Directors Setting Water Conservation Rebate Amounts for Novato Service Area and Revised
12 Resolution 06-02 of the North Marin Water District Board of Directors Setting Water Conservation
13 Rebate Amounts for West Marin Service Area.

14 **ACTION CALENDAR**

15 **APPROVE: RECYCLED WATER NORTH SERVICE AREA - ONSITE RETROFIT**
16 **CONSTRUCTION PROJECT (GROUP 1) AWARD CONSTRUCTION CONTRACT**

17 Mr. McIntyre advised that this is the first group of retrofit projects for existing customers who
18 are converting to recycled water in the North Service Area. He said that the project was advertised
19 and eight contractors expressed interest, six contractors attended the mandatory pre-bid meeting
20 and three bids were received. He said the engineer's estimate was \$190,000 and the low bid, from
21 Ashlin Pacific Construction Inc. of Petaluma, was for \$160,000. He said an evaluation of all bids
22 were performed, references for Ashlin Pacific were checked and no complaints were filed with the
23 State License Board against Ashlin Pacific. Mr. McIntyre said that the variance between the first and
24 second low bidder was 51% and that Ashlin Pacific stated during a post-bid discussion that they are
25 comfortable with their bid.

26 Director Baker stated that the engineer's estimate is \$190,000; and that the second and third
27 bids were significantly over the engineer's estimate. He stated he is concerned that Ashlin Pacific's
28 bid is so much lower than the engineer's estimate. He asked for reassurance from Mr. McIntyre that
29 the low bidder's references have been checked thoroughly.

30 Mr. McIntyre stated that he had discussions with Ashlin Pacific and they stated that they did
31 not make any mistakes on their bid. He further stated that there have been no claims filed against
32 their license and references from local agencies were good. Mr. McIntyre said that if the low

1 bidder's references check out and the bid is deemed responsive and responsible, the contract must
2 be awarded to the contractor or all bids rejected.

3 On motion of Director Rodoni, seconded by Director Baker and unanimously carried, the
4 Board approved award of the Recycled Water North Service Area On-site Retrofit Construction
5 Project (Group 1) contract to Ashlin Pacific Construction, Inc. and authorized the General Manager
6 to execute an agreement with Ashlin Pacific Construction, Inc.

7 **APPROVE: WEST MARIN LOAN AND REPAYMENT**

8 Mr. Bentley advised that West Marin Water System generates six figures of income in cash
9 every year, and the question is how to finance its \$200,000 debt to Novato Water and the \$700,000
10 Point Reyes Treatment Plant Solids Handling Facility project. He said that in the past, inter-district
11 loans have been used to fund West Marin projects. Mr. Bentley stated that staff is proposing to
12 allocate \$1M of the \$8M Bank of Marin loan for the Aqueduct Energy Efficiency Project (AEEP) to
13 finance the Solids Handling Facility and allow West Marin water to repay Novato water in full. He
14 stated that because this is a long-term commitment, staff proposes a resolution be approved that will
15 document the terms of repayment.

16 Director Schoonover asked if staff sees any problems or pitfalls with this reallocation. Mr.
17 Bentley responded no. He said that this would avoid paying a 1% fee for a separate \$1M loan.

18 Director Schoonover moved staff's recommendation.

19 Director Baker expressed his concern to tap money from the AEEP loan for West Marin
20 projects.

21 Mr. DeGabriele stated that the District took the \$8M loan in anticipation that AEEP would
22 move along more quickly than it has. He advised that the AEEP has been delayed as a result of
23 Caltrans moving their Marin-Sonoma Project forward and will now be phased, the first phase to
24 begin next fall (2013). He said that the District took advantage of a low interest rate; however, it is
25 now having to make monthly payments on the loan. He said that the loan to West Marin will help
26 with payments for the Bank of Marin loan. Mr. DeGabriele commented that trends are going in the
27 right direction for the District's 5-year financial plan, costs are being held down and reserves will
28 increase as Novato is paid back for the Recycled Water Expansion project. He stated that Mr.
29 Bentley's recommend approach will help the District fully utilize money now rather than wait to use it.

30 Director Baker asked if the District would be in a bind further down the line as the AEEP
31 project proceeds.

1 Mr. DeGabriele responded that it is possible that the project will come in over the estimate,
2 but there will be a much better indication as bids come in for the first phase of the project. He said
3 that that would give staff time to make a determination whether additional funding for the second
4 phase of the AEEP would need to be secured. He said that right now he doesn't anticipate that.

5 Director Rodoni stated that it's a win-win situation for West Marin and Novato. He pointed
6 out that West Marin needs money for its projects and will pay \$70,000 of the interest on the loan to
7 Novato.

8 Director Rodoni provided the second to the motion. The Board voted unanimously to
9 approve Resolution No. 12-15 entitled, "Resolution of the Board of Directors of North Marin Water
10 District Authorizing The Transfer of \$1 Million in Loan Funds and the Associated Repayment
11 Obligation from Novato Water to West Marin Water Effective June 30, 2012."

12 ***INFORMATION ITEMS***

13 **ADDITIONAL REVIEW – FY 13 WEST MARIN BUDGETS**

14 Mr. Bentley stated that since the last review, \$30,000 has been added to the West Marin
15 Capital Improvement Projects budget for construction of a streamgage on Lagunitas Creek to
16 monitor the impact of the Gallagher Well. He said that \$23,000 has been added for maintenance of
17 the streamgage and it will be an ongoing cost.

18 Director Rodoni asked if the other parties (National Park Service and Marin Municipal Water
19 District) who may benefit from the new streamgage will be asked to contribute to the maintenance.

20 Mr. DeGabriele said that the District is obligated to develop a plan that the Department of
21 Fish and Game will accept to determine what the effect the Gallagher Well will have on the
22 streamflow between the existing gage and the downstream gage. He said that the benefit to the
23 National Parks Service (NPS) and Marin Municipal Water District (MMWD) would be difficult to
24 identify and that hopefully the gage will not have to be in too long. Mr. DeGabriele opined that the
25 District would be better off to have the USGS install the gage so that it's an independent third-party
26 gage.

27 Director Rodoni suggested that the information collected may be of value to the other parties
28 especially in drought years.

29 Mr. DeGabriele responded that staff will approach NPS and MMWD.

30 Mr. Bentley stated that this is the only change to the budget, and he reviewed the highlights
31 of the proposed budget as previously presented and said that the final review and public hearing is
32 scheduled for July 3 in Point Reyes.

1 **NORTH BAY WATER REUSE AUTHORITY BOARD MEETING - MAY 21, 2012**

2 Mr. McIntyre presented a summary of the North Bay Water Reuse Authority (NBWRA) Board
3 meeting held on May 21, 2012 and informed the Board about the reconciliation and reassessment of
4 costs for Phase 1 for the period FY 2005-06 to FY 2010-11. He stated that the Second Amended
5 MOU stipulates that a reconciliation (or "true up") for all agencies is based upon actual grant monies
6 received during the past five years. Mr. McIntyre further stated that actual grant allocations have
7 changed based upon which agencies were ready to proceed with their projects. He said that a
8 reconciliation table was developed that shows some agencies have overpaid and some have
9 underpaid. Mr. McIntyre advised that the table shows that the District is required to pay Sonoma
10 County Water Agency (the NBWRA Administrator) \$602,072 because payments made to Novato
11 Sanitary District (\$280,440) and to Las Gallinas Valley Sanitary District (\$115,597) were not taken
12 into account towards NMWD's participation in the NBWRA. He further advised that the District
13 actually owes SCWA \$206,036 which is included in the FY13 Recycled Water budget. He said that
14 the District will invoice both NSD and LGVSD for reimbursement and upon receipt of said payments,
15 the District will issue a check to SCWA for a total of \$602,073.

16 **POINT REYES WELL #3 REPLACEMENT PROJECT - CALIFORNIA COASTAL COMMISSION**
17 **CONSIDERATION**

18 Mr. DeGabriele informed the Board that last Friday the California Coastal Commission did
19 adopt the waiver from a Coastal Development Permit that was recommended by the commission's
20 deputy director. He advised that he attended the meeting in Huntington Beach in the event the
21 commission had any questions. He further advised that well construction should begin soon.

22 **MISCELLANEOUS**

23 The Board received the following miscellaneous items: Disbursements, Water Bill
24 Terminology - "Service Charge", April 2012 Vehicle/Equipment Auction Sale Report, Recycled
25 Water Sub-Committee Meeting Agenda (6/19/12).

26 The Board also received the following news articles: State fish and game fines help finance
27 variety of Marin nature programs and Marin Voice: Keeping our drinking water safe.

28 **CLOSED SESSION**

29 President Petterle adjourned the Board into closed session in accordance with California
30 Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General
31 Manager.

2

3

4

5

MEMORANDUM

To: Board of Directors

June 29, 2012

From: David L. Bentley, Auditor-Controller 

Subj: Final Review/Public Hearing – West Marin Water FY 2012/2013 Budget
t:\ac\word\budget\wm\13\wm13 wtr public hearing.docx

RECOMMENDED ACTION: 1) Approve Rate & Charge Increases;
2) Approve FY13 Budget as Proposed

FINANCIAL IMPACT: 1) Rate Increase would generate \$60,000 annually;
2) FY13 Budgeted Expenditure Plan of \$1,192,000

Following for your third review, public hearing and approval is the proposed FY2012/2013 (FY13) Budget for the West Marin Water System.

Since the Board's last review of this budget on June 19, \$25,000 has been added to the Well #3 Replacement Project to incorporate costs related to destruction of the old well per County standards and to cover additional construction costs by District crews related to electrical line relocation work and other miscellaneous on-site improvements.

Proposed for West Marin Water System customers is a rate increase averaging 9%.

A letter was mailed to all West Marin Water customers on May 18, 2012 advising of the proposed rate increase and extending an invitation to attend the public hearing and/or exercise their right to protest the proposed increase (see page 9 of the budget document).

The letter to customers generated two protest letters:

1. An Olema customer (Attachment A) protests the increase, asserting that spending on the West Marin improvements was excessive;
2. An Inverness Park customer (Attachment B) who is an absentee owner objects to the service charge increase. She uses very little water and believes the increase should be based upon use.

RATE INCREASE PROPOSAL DETAIL

A 9% commodity rate increase was implemented in each of the past seven years, and this year a rate increase averaging 9% (6% commodity rate increase for residential and 7% for non-residential use) plus a 25% service charge increase (to \$25 bimonthly for the typical customer with a 5/8" meter) is recommended, with the exception that an 11% service charge increase (to \$41 bimonthly) is proposed for Paradise Ranch Estates (PRE) customers. A \$41 bimonthly service charge paid by PRE customers is adequate to recover the cost of reading, billing and maintaining the meter, plus the cost of amortizing the \$14,000 annual revenue bond

debt service applicable to customers within the PRE subdivision. The proposed commodity and service charge increases would total \$54 annually (\$9 bimonthly) for the typical residential customer (see Rate Increase Analysis on page 5).

If enacted, the proposed increases will generate \$60,000 in additional revenue next fiscal year.

Commodity Rate Increase	\$31,000
Service Charge Increase	<u>\$29,000</u>
Total	<u>\$60,000</u>

One more 9% increase is included in the 5-year financial plan for FY14 (see page 3) to help pay for the \$69,000 annual debt service increase undertaken to fund the Treatment Plant Solids Handling Project.

Connection Fees

The \$22,800 connection fee for West Marin Water was increased in August 2009 and phased over two years. Two new connections are budgeted for West Marin Water next fiscal year. Staff anticipates reviewing the connection fee calculation again following the West Marin Water System Master Plan update scheduled for FY14.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

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

- \$400,000 for the first phase of a \$730,000 project to design and construct a 60,000 gallon solids-handling facility adjacent to the water treatment plant.
- \$165,000 to complete the \$250,000 project to replace Point Reyes Well #3.

The Five-Year Financial Plan shows the \$400,000 PRE Tank 4A replacement, the final project in Phase I of the Long Range Improvement Project Plan, will commence in FY15. The \$3.2 million Gallagher Pipeline project, split over two years, will commence in FY17. Construction of the pipeline project is predicated upon funding assistance from the federal and/or state government.

WEST MARIN WATER SYSTEM OPERATING BUDGET

You will note on page 2 of the budget document that the proposed West Marin Water System Financial Plan projects a net deficit next fiscal year of \$422,000. The budget

incorporates the \$1 million Bank of Marin loan to West Marin Water at the end of June 2012 that will be used to fully repay the balance of funds due Novato Water (\$248,000 at May 31, 2012) and finance construction of the \$730,000 Solids Handling Facility. The projected FY13 \$422,000 deficit represents the planned drawdown of West Marin Water cash reserves (loan funds) to construct the first phase of the Solids Handling Facility. West Marin Water customers will be responsible paying \$69,000 in annual debt service to Bank of Marin.

The proposed budget projects two new services to be added to the system each year into the future, which is the average over the last five years. A history of West Marin Water system growth is presented graphically on page 6.

FY13 water sales revenue is budgeted to increase 9% compared with the current year estimated actual. West Marin Water customers are projected to consume 73 million gallons (MG) next year, consistent the current year, but only 84% of the average¹ consumption over the past ten years. The forecast assumes water sales volume will remain flat thereafter at 73MG as conservation programs (including water rate increases) continue to induce more efficient use of water. Historical consumption data is shown on page 7.

Operating expenditures are budgeted to increase 5% from the FY12 adopted budget, due principally to the addition of \$23,000 for maintenance of the new Gallagher stream gauge. A graphical history of operating expenditures is shown on page 8. The 2012 update of the Coastal Area Annual Water Cost Comparison (page 12) 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 eight coastal agencies surveyed.

RECOMMENDATION:

1. Approve Resolution 12-XX (Attachment C) amending Regulation 54 (Attachment D) effective August 1, 2012 to increase the West Marin Water commodity rates (6% for residential and 7% for non-residential water use) and the service charge by 25%;
2. Adopt the FY13 West Marin Water System Budget as presented;
3. Authorize the General Manager to pay demands arising from execution of the budgeted FY13 West Marin Water expenditure plan.

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

Proposed
BUDGET

Final Review/Public Hearing

West Marin Water

FISCAL YEAR

2012-13

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

TABLE OF CONTENTS

WEST MARIN WATER

PROPOSED 2012/13 BUDGET

Capital Improvement Projects

West Marin Water 5-Year Plan 1

West Marin Water

Proposed FY13 Budget 2

5-Year Financial Plan 3

Supplementary Charts and Schedules

Rate Increase Analysis 5

Active Service Connections 6

Historical Water Consumption 7

Historical Operating Expenditures 8

Customer Letter Noticing the Proposed Increase 9

2012 Coastal Area Water Cost Comparison 12

Proposed Capital Improvement Projects

	FY13 Budget	FY14 Budget	FY15	FY16	FY17	FY13 Project Description
6 WEST MARIN WATER SYSTEM						
a. TP Solids Handling	\$400,000	\$300,000				Design & construct a 60,000 gal solids handling facility.
b. Point Reyes Well #3 Rehab	\$165,000					Replace failed well
c. Treatment Plant Control Valve Replacement	\$75,000					Replace 9 Point Reyes Treatment Plant control valves
d. Gallagher Auxiliary Stream Gauge	\$30,000					To record the Gallagher Well impact on Lagunitas Creek flow
e. Replace PRE 2" Galvanized Steel Pipe		\$120,000			\$120,000	
f. Olema PS Flood Protection & RTU Upgrade		\$100,000				
g. Tank Seismic Upgrades		\$70,000				
h. Replace PRE Tank #4A (25,000 gal w/82,000 gal Tank)		\$200,000		\$200,000		
i. Gallagher Pipeline (Note 8)			\$1,600,000			
	<u>\$670,000</u>	<u>\$520,000</u>	<u>\$270,000</u>	<u>\$200,000</u>	<u>\$1,720,000</u>	

Total Number of Projects 4 3 2 1 2

Note 8 - \$3.2M Gallagher Pipeline funded by Federal/State loan/grant funding

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2012/13

	Proposed Budget 2012/13	Estimated Actual 2011/12	Adopted Budget 2011/12
OPERATING INCOME			
1 Water Sales	\$661,000	\$630,000	\$657,000
2 Misc Service Charges	5,000	4,000	3,000
3 Total Operating Income	\$666,000	\$634,000	\$660,000
OPERATING EXPENDITURES			
4 Source of Supply	\$37,000	\$23,000	\$13,000
5 Pumping	39,000	19,000	45,000
6 Operations	30,000	31,000	31,000
7 Water Treatment	112,000	118,000	107,000
8 Transmission & Distribution	105,000	120,000	89,000
9 Consumer Accounting	26,000	22,000	24,000
10 Water Conservation	4,000	2,000	4,000
11 General Administration	51,000	57,000	66,000
12 Depreciation Expense	153,000	151,000	149,000
13 Total Operating Expenditures	\$557,000	\$543,000	\$528,000
14 NET OPERATING INCOME (LOSS)	\$109,000	\$91,000	\$132,000
NON-OPERATING REVENUE/(EXPENSE)			
15 PR-2 County Tax Allocation	\$45,000	\$40,000	\$38,000
16 PR-3 / OL-2 Bond Tax	4,000	18,000	19,000
17 Interest Revenue	6,000	0	0
18 Interdistrict Loan Interest	0	(5,000)	(3,000)
19 Bond & Loan Interest Expense	(44,000)	(13,000)	(13,000)
20 Miscellaneous Revenue/(Expense)	3,000	3,000	4,000
21 Total Non-Operating Income/(Expense)	\$14,000	\$43,000	\$45,000
	NET INCOME/(LOSS)	\$134,000	\$177,000
OTHER SOURCES/(USES) OF FUNDS			
22 Add Depreciation Expense	\$153,000	\$151,000	\$149,000
23 Connection Fees	46,000	37,000	0
24 Loan Proceeds	0	1,000,000	0
25 Capital Improvement Projects	(670,000)	(138,000)	(416,000)
26 Bond & Loan Principal Payments	(74,000)	(35,000)	(35,000)
27 Loan from (repayment to) Novato	0	(357,000)	125,000
28 Total Other Sources/(Uses)	(\$545,000)	\$658,000	(\$177,000)
29 NET SURPLUS/(DEFICIT)	(\$422,000)	\$792,000	\$0

WEST MARIN WATER

5-Year Financial Plan

#	BASIC DATA	Actual 2009/10	Actual 2010/11	Estimated 2011/12	Projected 2012/13	Projected 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17
1	Active Meters	769	770	776	778	780	782	784	786
2	Avg Commodity Rate/1,000 Gal	\$5.95	\$6.56	\$7.07	\$7.49	\$7.95	\$7.95	\$7.95	\$7.95
3	Potable Consumption (MG)	77	75	73	73	73	73	73	73
INCOME									
4	Commodity Charge	\$459,606	\$489,493	\$516,000	\$547,000	\$580,000	\$580,000	\$580,000	\$580,000
5	Minimum Service Charge	92,766	94,214	114,000	114,000	137,000	137,000	137,000	137,000
6	Connection Fee	31,350	16,150	37,000	46,000	46,000	46,000	46,000	46,000
7	PR-2 County Tax Allocation	40,024	38,446	40,000	45,000	43,000	44,000	45,000	46,000
8	PR-3 G.O. Bond Tax	13,631	13,803	14,000	0	0	0	0	0
9	OL-2 G.O. Bond Tax	3,910	3,528	4,000	4,000	4,000	0	0	0
10	Interest	365	0	0	6,000	3,000	2,000	2,000	2,000
11	Miscellaneous	6,998	(10,290)	7,000	8,000	8,000	8,000	8,000	8,000
12	TOTAL INCOME	\$648,650	\$645,344	\$732,000	\$770,000	\$821,000	\$817,000	\$818,000	\$819,000
EXPENDITURES									
13	Operating Expenditures	\$370,787	\$373,023	\$392,000	\$404,000	\$416,000	\$428,000	\$441,000	\$454,000
14	Replacement/Enhancement Projects	84,195	8,201	0	0	0	0	0	0
15	Bond & Loan Debt Service	47,500	48,105	48,000	49,000	33,000	34,000	29,000	30,000
16	New Loan Debt Service	0	0	0	69,000	69,000	69,000	69,000	177,000
17	Interdistrict Loan Interest	7,074	4,969	5,000	0	0	0	0	0
18	TOTAL EXPENDITURES	\$509,556	\$434,298	\$445,000	\$522,000	\$518,000	\$531,000	\$539,000	\$661,000
NET INCOME BEFORE PROJECTS									
		\$139,094	\$211,046	\$287,000	\$248,000	\$303,000	\$286,000	\$279,000	\$158,000
OTHER SOURCES/(USES)									
19	Capital Improvement Projects	(27,581)	(136,485)	(138,000)	(670,000)	(520,000)	(270,000)	(200,000)	(1,720,000)
20	Loan/Grant Proceeds	0	0	1,000,000	0	0	0	0	1,600,000
21	Loan from (repayment to) Novato	(38,522)	(63,332)	(357,000)	0	0	0	0	0
22	Net Change in Working Capital	(73,858)	(13,013)	0	0	0	0	0	0
23	INCREASE (DECREASE) IN CASH	(\$867)	(\$1,784)	\$792,000	(\$422,000)	(\$217,000)	\$16,000	\$79,000	\$38,000
CASH BALANCE									
24	Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$56,000	\$206,000
25	System Expansion Reserve	0	0	693,000	286,000	69,000	89,000	112,000	0
26	Liability Contingency Reserve	0	0	99,000	99,000	99,000	99,000	99,000	99,000
27	Bond Redemption Reserve	52,097	50,313	50,000	35,000	35,000	31,000	31,000	31,000
28	TOTAL CASH BALANCE	\$52,097	\$50,313	\$842,000	\$420,000	\$203,000	\$219,000	\$298,000	\$336,000
29	Amount Due to Novato Water	\$420,300	\$356,968	\$0	\$0	\$0	\$0	\$0	\$0
30	Depreciation Expense	\$145,913	\$147,002	\$151,000	\$153,000	\$164,000	\$173,000	\$178,000	\$181,000

North Marin Water District

WEST MARIN WATER NOTES**# KEY**

- West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).
- 1 Assumes annual increase of 2 connections per year, which is the 5 year average.
 - 2 A commodity rate increase of 6% for residential, and 7% for non-residential, is proposed effective 8/1/12.
 - 3 Projection based on FY12 estimated actual.
 - 5 A 25% increase in the Bimonthly Minimum Service Charge to \$25 for the typical 5/8" X 3/4" residential meter is proposed effective 8/1/12. An 11% increase is proposed for the PRE bimonthly Minimum Service Charge (to \$41 per month) which is adequate to cover the cost of reading, billing and maintaining the meter, plus the cost of amortizing the \$14,000 annual revenue bond debt service applicable to customers within the PRE subdivision.
 - 6 The connection fee was increased to \$22,800 per equivalent dwelling unit effective August 1, 2010.
 - 7 In July 2009 the State Legislature "borrowed" 8% (approximately \$3,500) of Point Reyes tax revenue. California promised to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. Said repayment is incorporated into the FY13 budget. PR2 County Tax allocation is projected to increase 3% per year.
 - 8, 9 GO Bond Taxes are Proposition 13 Exempt property tax levies that fund general obligation bond debt service.
 - 10 Projected available funds invested at 0.75%
 - 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
 - 13 3% annual increase assumed after FY13.
 - 14 Replacement/Enhancement Projects are comprised of non-capitalized projects.
 - 15 Comprised of four 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1973 \$250,000 PR-3 GO bond maturing 2013; 2) 1975 OL-2 \$70,000 GO bond due 2015; 3) 1980 PRE-1 \$240,000 revenue bond due 2020; 4) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan in 2017. On 6/1/91 the OL-2 bond was repurchased by Novato Water upon demand by FmHA.
 - 16 FY13-FY16 is interest and principal payment on \$1 million loan from Bank of Marin; FY17 includes debt service on loan for Gallagher Pipeline.
 - 17 Interest on interdistrict loan to fund the LRIPP. Projection assumes interdistrict debt will be fully repaid in June 2012 with Bank of Marin loan.
 - 18 Excludes depreciation.
 - 19 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
 - 20 Assumes \$1 million loan from Bank of Marin in June 2012. Gallagher Pipeline grant or loan proceeds offset the \$1.6 million cost of installation.
 - 21 Interdistrict loan repayment to fund the West Marin Long Range Improvement Project Plan (LRIPP).
 - 24 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors. This reserve should have a balance of \$152,000 at June 30, 2012, however the funds have been used to subsidize operating deficits resulting from financing the LRIPP. Future cash generated will accrue to the emergency operating reserve fund until it is whole.
 - 25 System Expansion Reserve is composed of connection fee revenue and the Bank of Marin loan funds.
 - 26 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. This reserve was exhausted during FY04/05 to fund the LRIPP. \$8,885 derived from sale of 2 surplus parcels in Inverness Park was added to the fund in Dec 2006.
 - 27 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury. The PR-6 Revenue Bond will be fully repaid in January 2013, eliminating the need for the \$15K Reserve.
 - 29 Amount Due to Novato Water at fiscal year end.

West Marin Water Rate Increase Analysis

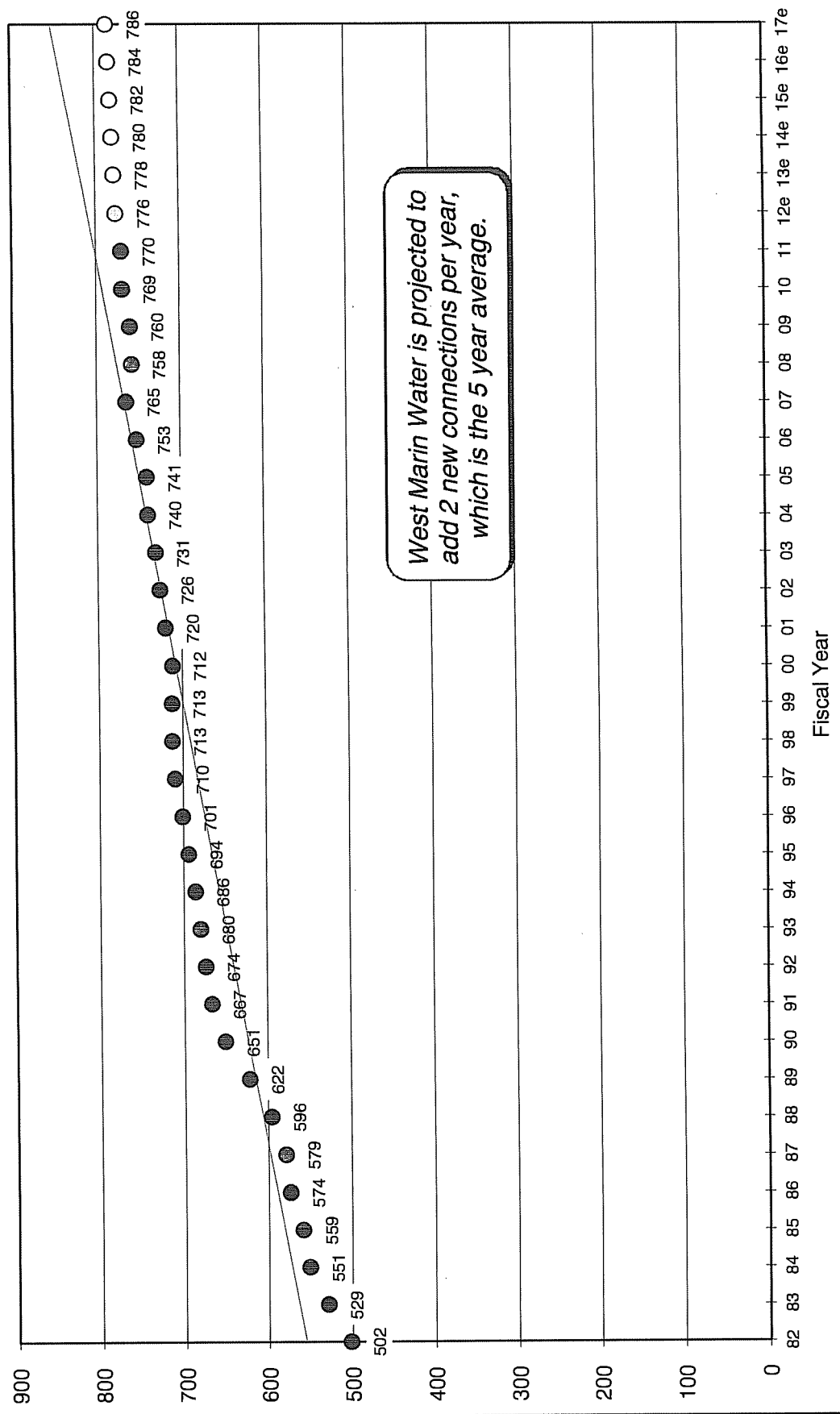
t:\ac\excel\budget\wm\rate increase analysis.xls\fy13 (1)

6/13/12

Annual Impact (based on 60,200 gallons annual residential water use)

		Commodity	Annual	Annual	Annual	Total	Annual Increase	
		Rate	Use	Service	Tax	Annual	\$	%
Point Reyes Station	Current	\$6.00	\$361	+ \$120	+ \$80	= \$562		
	Proposed	\$6.36	\$383	+ \$150	+ \$80	= \$613	\$52	9%
Inverness Park, Bear Valley, Silver Hills	Current	\$6.16	\$371	+ \$120	+ \$80	= \$571		
	Proposed	\$6.53	\$393	+ \$150	+ \$80	= \$624	\$52	9%
Olema	Current	\$6.59	\$397	+ \$120	+ \$56	= \$573		
	Proposed	\$6.99	\$421	+ \$150	+ \$56	= \$627	\$54	9%
PRE Zone A	Current	\$6.16	\$371	+ \$222	+ \$0	= \$593		
	Proposed	\$6.53	\$393	+ \$246	+ \$0	= \$639	\$46	8%
PRE Zone B	Current	\$10.01	\$603	+ \$222	+ \$0	= \$825		
	Proposed	\$10.61	\$639	+ \$246	+ \$0	= \$885	\$60	7%
Outside Services	Current	\$8.40	\$506	+ \$120	+ \$0	= \$626		
	Proposed	\$8.90	\$536	+ \$150	+ \$0	= \$686	\$60	10%
Weighted Average	Current	\$6.68				\$602		
	Proposed	\$7.08				\$657	<u>\$54</u>	9%

West Marin Water Active Service Connections @ June 30



West Marin Water is projected to add 2 new connections per year, which is the 5 year average.

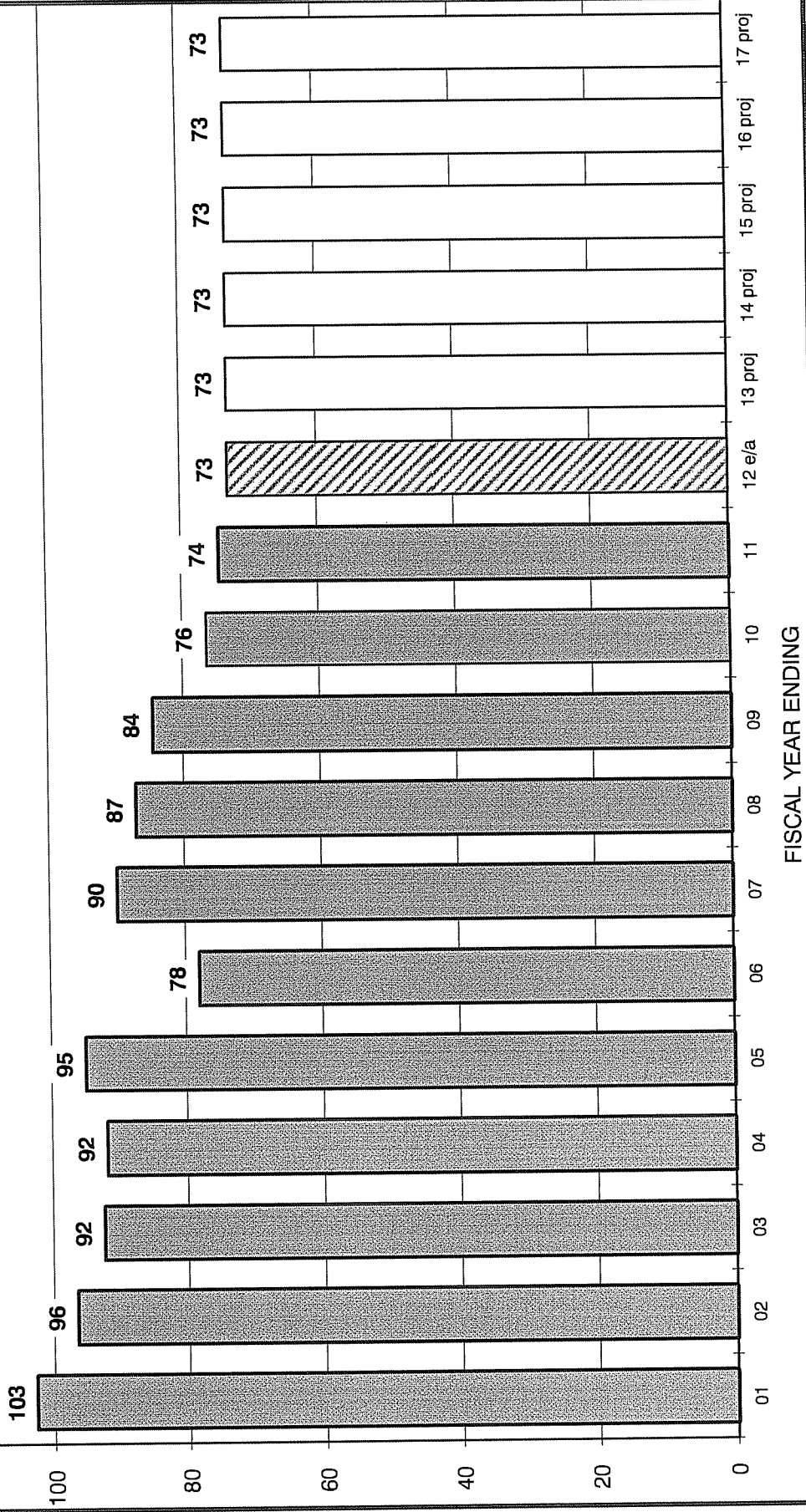
West Marin Potable Water Billed Consumption Net of Giacomini Dairy

5/29/12

MG

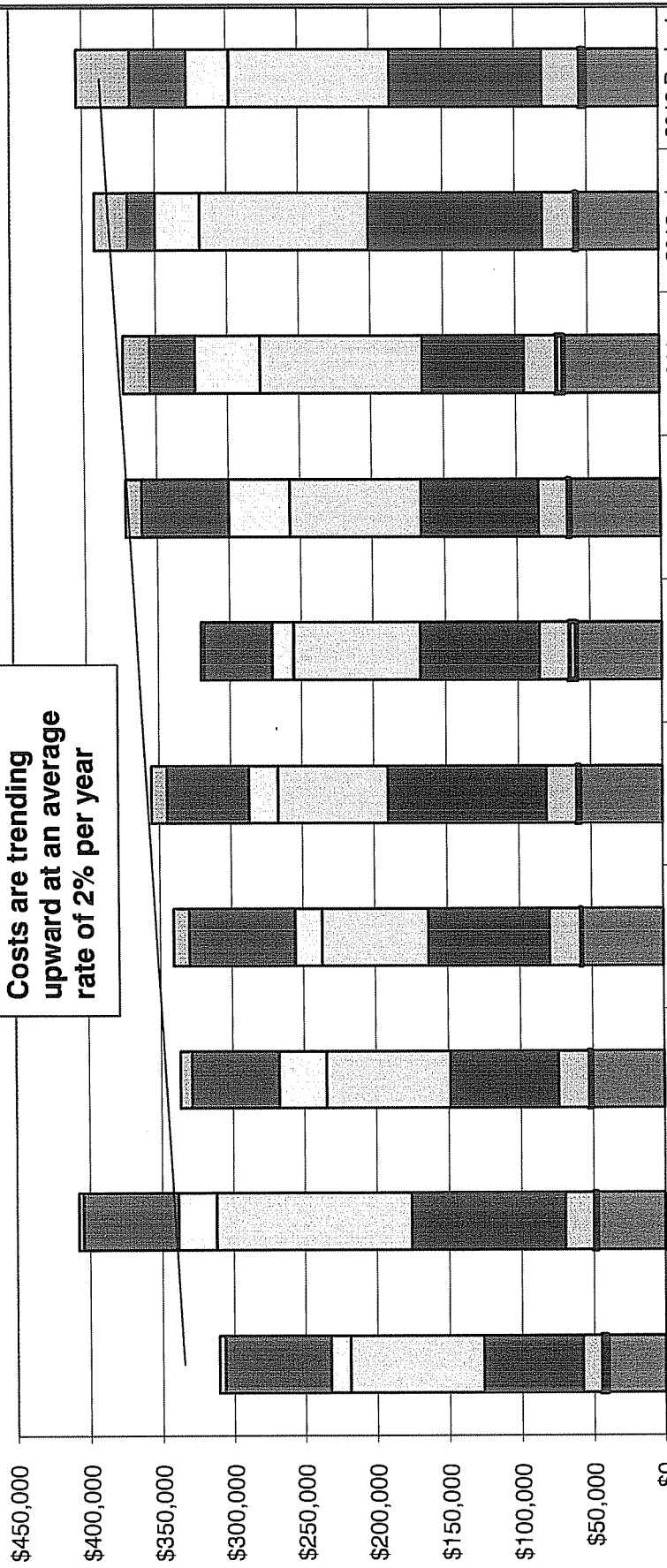
120

**FY13 Projection based on
FY12 estimated actual**



West Marin Water Operating Expenditures

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



	2004	2005	2006	2007	2008	2009	2010	2011	2012 e/a	2013 Budget
Source	\$4,386	\$3,322	\$8,049	\$11,085	\$11,106	\$2,319	\$11,364	\$18,907	\$23,000	\$37,000
Pumping	\$73,842	\$65,592	\$61,001	\$74,108	\$57,375	\$47,801	\$60,516	\$31,092	\$19,000	\$39,000
Operations	\$13,915	\$26,753	\$33,329	\$18,925	\$20,340	\$14,970	\$42,962	\$45,965	\$31,000	\$30,000
Treatment	\$92,242	\$136,191	\$85,643	\$73,627	\$76,588	\$87,871	\$90,739	\$112,531	\$118,000	\$112,000
T & D	\$68,458	\$106,132	\$74,790	\$83,545	\$109,186	\$82,386	\$81,052	\$70,274	\$120,000	\$105,000
Cons Acctg	\$13,219	\$19,850	\$21,119	\$21,504	\$21,045	\$20,285	\$20,232	\$22,108	\$22,000	\$26,000
Wtr Cons	\$3,859	\$2,213	\$1,700	\$900	\$2,177	\$5,338	\$1,783	\$5,266	\$2,000	\$4,000
G & A	\$40,818	\$47,665	\$51,065	\$57,133	\$57,828	\$59,500	\$63,234	\$66,880	\$57,000	\$51,000
Total	\$310,739	\$407,718	\$336,696	\$340,827	\$355,645	\$320,470	\$371,882	\$373,023	\$392,000	\$404,000



**NORTH MARIN
WATER DISTRICT**

May 18, 2012

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

PHONE
415.897.4133

FAX
415.892.8043

EMAIL
info@nmwd.com

WEB
www.nmwd.com

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 August 1, 2012. It also provides information about a **Public Hearing on July 3, 2012**, 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 averaging 9% 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 a 9% increase commencing August 1, 2012.

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 and service charge would add \$4.50 per month (\$54 annually) to the cost of water for the typical (median) single-family residential customer who consumes 60,000 gallons of water annually. Those using less than the median will see an increase less than \$54 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 (shown above) into the Rate-Increase Model on NMWD's website at <http://www.nmwd.com/accountbalance.php>.

Why are rates being increased?

The West Marin Water System exhausted its cash reserves in May 2005 to pay for the Long Range Improvement Project Plan which was developed with community support in 2001. Money has been borrowed from the Novato Water System to continue work on the Improvement Projects and bridge the funding shortfall. The loan

from Novato stood at \$204,000 at April 30, 2012, and is projected to be repaid in 2013. Long Range Improvement Projects completed to date are shown on Attachment A.

In addition to the Long Range Improvement Projects, water treatment plant improvements and the need to refurbish wells that serve the West Marin community will require expenditure of approximately \$800,000 over the next two fiscal years. Funding for these two projects will require financing from an outside source that will require repayment over time.

Additional Information

Attachment A also 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. We appreciate the opportunity to serve you.

A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 7:30 pm, Tuesday, July 3, 2012, 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 July 3, 2012 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 visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,



Chris DeGabriele
General Manager

West Marin Water Long Range Improvement Project Plan – Status Report

<u>Project</u>	<u>4/30/12</u>	<u>Status</u>
1 Replace PRE Tank #3 - 25,000 gal.....	\$91,759	Complete
2 Install 3 Standby Booster Pumps & Controls @ PRE...	159,990	Complete
3 Bear Valley Pump Station Upgrade.....	88,132	Complete
4 Replace Pt. Reyes 100,000 gal tank w/180,000 gal.....	399,707	Complete
5 Replace Olema 80,000 gal tank w/150,000 gal.....	561,742	Complete
6 Install Parallel 8" Main on Hwy 1.....	180,000	Complete
7 Upgrade Inverness Park PS w/2 150 gpm pumps.....	157,888	Complete
8 Install Pressure Reducing Valve @ Inverness Park PS	13,046	Complete
9 Replace 30,000 gal Inverness Park Bolted Steel Tank..	164,262	Complete
10 Tank Seismic Upgrades.....	86,319	In Progress
11 Replace PRE Tank #4A - 82,000 gallon.....	<u>22,328</u>	In Progress
	<u>\$1,925,173</u>	

PROPOSED

West Marin Water System Rate Changes

EFFECTIVE AUGUST 1, 2012

	<u>Existing</u>	<u>Proposed</u>	<u>% Increase</u>
BIMONTHLY MINIMUM SERVICE CHARGE			
For 5/8 x 3/4-inch meter.....	\$20.00	\$25.00	25%
For 1-inch residential meter for fire service.....	\$22.00	\$28.00	27%
For 1-inch meter.....	\$40.00	\$50.00	25%
For all meters in Paradise Ranch Estates.....	\$37.00	\$41.00	11%
QUANTITY CHARGE			
<u>Residential Rate Per Dwelling Unit</u>			
First 400 gallons per day.....	\$6.00	\$6.36	6%
From 401 to 900 gallons per day.....	\$8.31	\$8.81	6%
From 901+ gallons per day.....	\$13.33	\$14.13	6%
<u>Commercial, Institutional & Irrigation Rate</u>			
November 1 through May 31.....	\$6.00	\$6.42	7%
June 1 through October 31.....	\$8.31	\$8.89	7%
PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL			
<u>Zone</u>			
1 Point Reyes Station.....	\$0.00	\$0.00	0%
2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365').....	\$0.16	\$0.17	6%
3 Olema.....	\$0.59	\$0.63	6%
4 Upper Paradise Ranch Estates (Elevation 365'+).....	\$4.01	\$4.25	6%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary.....	\$2.40	\$2.54	6%

ATTACHMENT A

2012 COASTAL AREA WATER COST COMPARISON

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 6/1/12
 "Typical" Single Family Residence (5/8" x 3/4" Meter) Using 60,200 Gallons Annually

Agency	No. of Water Services	Bimonthly Service Charge	Commodity Rate per 1,000 Gallons	Annual Water Cost ¹	Water Bond Tax Rate per \$100/AV	Annual Tax Cost ²	Total Annual Cost
California Water Service Co.	255	\$143.36	\$43.31	\$3,468	-	-	\$3,468
Bolinas Community PUD	580	\$158.50	1.34/\$2.01/\$4.01	\$1,053	\$0.008	\$423 (4)	\$1,476
Estero Mutual Water District	141	\$147.90	\$7.86/\$11.56/\$15.49	\$1,291	-	-	\$1,291
Stinson Beach Co Water	725	\$77.10	\$2.61/\$6.26	\$659	\$0.004	\$523 (7)	\$1,181
Muir Beach Community Services	151	\$49.92	\$9.20/\$12.90	\$793 (9)	-	\$300 (10)	\$1,102
Inverness PUD	508	\$100.00	\$3.07/\$4.61	\$802	-	-	\$802
Bodega Bay PUD	1,058	\$37.20	\$5.24	\$351	-	\$309 (13)	\$660
→ NMWD West Marin Service Area	776	\$25.00	\$7.05	\$574	\$0.006	\$73 (15)	\$647

Notes:

- (1) Median annual consumption for West Marin Service Area single-family detached home is 60,200 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) 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).
- (4) Based on home with net AV of \$386,330 (average 2011/12 AV on 542 single family homes in Bolinas) and tax rate of 0.80¢/\$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 \$227,217 for Bolinas in 2011/12 of which 100% is credited to the water fund amounting to \$391.75 per service.
- (5) First 25 cubic meters bimonthly @ \$2.075/cm; next 25 cm @ \$3.051/cm; 51+ cm @ \$4.089/cm.
- (6) 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.
- (7) Based on weighted average tax rate of 0.47¢/\$100 AV and home with net AV of \$944,688 (average 2011/12 AV on 648 single family homes in Stinson Beach less \$7,000 homeowner exemption). Stinson Beach also shares in 1% County levy. This "allocation" is projected at \$495,267 in 2011/12 of which 70% is credited to the water fund amounting to \$478.19 per service.
- (8) \$24.96/month flat rate for first 2,250 gallons bimonthly, plus \$0.92/100 gallons for 2,251 to 5,000, plus \$1.29/100 gallons for 5,001 to 15,000, plus \$1.62/100 gallons for 15,000+ gallons.
- (9) Includes a 25% surcharge based on consumption for capital improvements.
- (10) \$300 Special Tax for capital improvements.
- (11) 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.
- (12) \$37.20 bi-monthly water svc charge for 0-800 cubic feet, then \$3.92/100 cubic feet for 801-2,500 cubic feet, then \$4.48/100 cubic feet over 2,500 cubic feet.
- (13) Based on share of 1% County levy. This "allocation" was projected by the County of Sonoma at \$327,155 for 10/11 which 100% was allocated to water amounting to \$309 per service. FY 11/12 allocation is not available until June.
- (14) Rate shown is weighted average of Point Reyes Station, Olema, Bear Valley/Inverness Park & Paradise Ranch Estates and includes a Proposed 6% commodity & 25% bimonthly service charge increase. Tier rate charges do not apply to the typical residential customer as median use does not exceed the 400 gpd tier rate threshold.
- (15) Based on tax rate of 0.6¢/\$100 AV and home with net AV of \$376,595 (average 2011/12 AV of 776 single-family homes in Pt. Reyes Station/Inverness Park & Olema less \$7,000 homeowner exemption). West Marin Service Area also receives allocation of the 1% County levy projected at \$38,495 in 2011/12, amounting to \$49.99 per service.

MAY 28, 2012

RECEIVED

MAY 30 2012

North Marin Water District

NORTH MARIN WATER DIST.

REF: NMMWD A/C #2034901

"WRITTEN PROTEST TO WATER COST INCREASE"

CUT BACK STAFF - PROJECT PLANS AND SPENDING OF OUR MONEY. YOU GOT YOURSELF INTO A BAD PLACE BY EXCESSIVE SPENDING ON INFRASTRUCTURE NEEDED OR NOT. MAKE THE CUTS DON'T ASK US TO BAIL YOU OUT - CHANGE THE AGENDA. GO LONG TERM ON A BUDGET AND SCALE BACK

WEST MARIN IS NOT A GROWTH AREA SO GET OFF THE GROWTH AGENDA AND GET OUT OF OUR POCKET BOOK. WE WENT THROUGH THE SAME PROCESS LAST YEAR AND WE WROTE THE SAME LETTER IN OPPOSITION.

YOU MAY READ THIS LETTER TO THE AUDIENCE AT THE JULY 3, 2012 DANCE PALACE MEETING.

Sincerely

Joseph & Carol Watt

P.O. Box 93

Del Mar

ATTACHMENT A

RECEIVED

Ted Edlin
1112 Shattuck Ave.
berkeley, CA 94707
510 527-3510

JUN 04 2012

North Marin Water District

JUNE 1, 2012

Re: 58 Balboa Ave
Inverness Park
aCCT # 2024604

North Marin Water District
999 Rush Creek Place
p.o. Box 146
Novato, CA 94948

NOTICE OF PROPOSED WATER INCREASE

I am in receipt of the above notice and would like to protest the portion relating to the base meter charge. In the last year or two it doubled from \$10-\$20 dollars and now you want to increase it to \$25.

I would suggest that what you are selling is the water and not the meter connection for continuing customers. It seems much fairer to adjust usage rates above some basic amount. This would encourage conservation and would be fairer to those who consume minimum water amounts.

In the late '70's when I purchased the property the water rate was a flat \$7.00 and all the water you could drink. This isn't the '70's but maybe you should consider a senior rate!

Thank you for your consideration.

Theodore R. Edlin



invrns/water

ATTACHMENT B

**DRAFT
RESOLUTION 12-**

**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

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

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

A BI-MONTHLY SERVICE CHARGE OF:

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

*(see paragraph f)

PLUS A QUANTITY CHARGE OF:

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

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

Commercial, Institutional & Irrigation Accounts - 11/1 – 5/31	\$3.84	\$4.11	\$4.44
Commercial, Institutional & Irrigation Accounts - 6/1 – 10/31	\$4.13	\$4.42	\$4.77

Rate For 1,000 Gallons For Non-Potable Water

Recycled Water	\$3.84	\$4.11	\$4.44
Raw (Untreated) Water from Stafford Lake	\$1.58	\$1.69	\$1.83

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

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

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

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

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

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

Size of Detector Assembly

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

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

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

MINIMUM SERVICE CHARGE

Effective 8/1/12

For 5/8 x 3/4-inch meter	\$25.00
For 1-inch meter*	\$50.00
For 1 1/2-inch meter*	\$61.00
For 2-inch meter	\$95.00
For 3-inch meter	\$189.00
For 4-inch meter	\$303.00
For all meters in Paradise Ranch Estates	\$41.00

*(see paragraph f)

PLUS A QUANTITY CHARGE

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	<u>Effective 8/1/12</u>
First 400 gallons per day (gpd)	\$6.36
401 up to 900 gpd	\$8.81
Use in excess of 900 gpd	\$14.13
<u>Rate Per 1,000 Gallons for All Other Accounts</u>	
Commercial, Industrial and Irrigation Accounts Nov 1 – May 31	\$6.42
Commercial, Industrial and Irrigation Accounts June 1 – Oct 31	\$8.89

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Hydraulic Zone</u>	<u>Effective 8/1/12</u>
1	Point Reyes Station	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' – 365')	\$0.17
3	Olema	\$0.63
4	Upper Paradise Ranch Estates (Elevation 365' +)	\$4.25

- (2) Effective August 1, 2012, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of \$0.35 per 1,000 gallons.
- (3) Effective August 1, 2012 consumers outside the Improvement District boundary shall pay an additional \$2.54 per 1,000 gallons.

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

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

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

<u>West Marin Service Area</u>	<u>Effective 8/1/12</u>
For each 1,000 gallons.....	\$13.14

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 detached residential connections, the minimum bi-monthly service charge shall be:

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

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

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

District Owned DCV Devices:

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

Privately Owned DCV Devices:

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

District Owned RPP Devices:

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

Privately Owned RPP Devices:

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

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

(2) Exemptions

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

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

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 3rd day of July 2012 by the following vote:

AYES: Directors
NOES:
ABSENT:
ABSTAINED:

Renee Roberts, Secretary
North Marin Water District

(SEAL)

t:\regulations\part c\resolutions and memos\reg 54 resolution wm 2012.doc

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

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

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

A BI-MONTHLY SERVICE CHARGE OF:

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

*(see paragraph f)

PLUS A QUANTITY CHARGE OF:

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

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

Commercial, Institutional & Irrigation Accounts - 11/1 – 5/31	\$3.84	\$4.11	\$4.44
Commercial, Institutional & Irrigation Accounts - 6/1 – 10/31	\$4.13	\$4.42	\$4.77

Rate For 1,000 Gallons For Non-Potable Water

Recycled Water	\$3.84	\$4.11	\$4.44
Raw (Untreated) Water from Stafford Lake	\$1.58	\$1.69	\$1.83

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

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

NMWD Regulation 54, adopted 1/65

Revised: 1/67, 6/67, 1/71, 3/72, 2/74, 5/74, 6/74, 8/75, 3/75, 4/76, 5/77, 7/77, 6/78, 7/78, 7/78, 7/79, 3/80, 7/78/81, 7/2118 11/81, 12/82, 4/84, 2/87, 5/88, 7/89, 9/89, 7/90, 8/90, 3/91, 4/92, 6/92, 7/92, 9/92, 10/92, 3/93, 7/93, 7/94, 8/94, 11/94, 3/95, 4/95, 7/95, 2/96, 5/96, 6/96, 2/97, 6/97, 2/98, 6/98, 7/99, 6/00, 7/00, 12/00, 06/01, 07/01, 1/02, 06/02, 7/02, 06/03, 01/04, 06/04, 07/04, 07/05, 06/06, 07/06 12/06, 07/07, 6/08, 7/08, 7/09, 6/10, 7/10 6/11, 7/11, 9/11, 7/12

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

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

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

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

Size of Detector Assembly

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

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

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

<u>MINIMUM SERVICE CHARGE</u>	<u>Effective 8/1/118/1/12</u>
For 5/8 x 3/4-inch meter	\$20.00 <u>25.00</u>
For 1-inch meter*	\$40.00 <u>50.00</u>
For 1 1/2-inch meter*	\$49.00 <u>61.00</u>
For 2-inch meter	\$76.00 <u>95.00</u>
For 3-inch meter	\$151.00 <u>189.00</u>
For 4-inch meter	\$242.00 <u>303.00</u>
For all meters in Paradise Ranch Estates.....	\$37.00 <u>41.00</u>

*(see paragraph f)

PLUS A QUANTITY CHARGE

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	<u>Effective 8/1/118/1/12</u>
First 400 gallons per day (gpd).....	\$6.00 <u>6.36</u>
401 up to 900 gpd	\$8.31 <u>8.81</u>
Use in excess of 900 gpd.....	\$13.33 <u>14.13</u>
<u>Rate Per 1,000 Gallons for All Other Accounts</u>	
Commercial, Industrial and Irrigation Accounts Nov 1 – May 31	\$6.00 <u>6.42</u>
Commercial, Industrial and Irrigation Accounts June 1 – Oct 31	\$8.31 <u>8.89</u>

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Hydraulic Zone</u>	<u>Effective 8/1/118/1/12</u>
1	Point Reyes Station.....	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' – 365')	\$0.46 <u>17</u>
3	Olema	\$0.59 <u>63</u>
4	Upper Paradise Ranch Estates (Elevation 365' +).....	\$4.04 <u>4.25</u>

(2) Effective August 1, 2011~~2012~~, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of ~~\$0.33~~ 35 per 1,000 gallons.

(3) Effective August 1, 2011~~2012~~ consumers outside the Improvement District boundary shall pay

an additional ~~\$2.40~~ \$2.54 per 1,000 gallons.

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

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

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

| West Marin Service Area

Effective 8/1/11-8/1/12

For each 1,000 gallons.....	\$12.32 <u>\$13.14</u>
-----------------------------	-----------------------------------

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 detached residential connections, the minimum bi-monthly service charge shall be:

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

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

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

District Owned DCV Devices:

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

Privately Owned DCV Devices:

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

District Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>6/1/11</u>	Rate Effective <u>6/1/12</u>	Rate Effective <u>6/1/13</u>
Testing, Repair, Replacement	3/4" + 1"	\$22.00	\$28.00	\$34.00

Regulation 54, adopted 1/65

Testing, Repair, Replacement	1 1/2" + 2".....	\$32.00	\$40.00	\$48.00
Testing, Repair, Replacement	3" + 4".....	\$76.00	\$95.00	\$114.00
Testing, Repair, Replacement	6" + 8".....	\$165.00	\$206.00	\$247.00

Privately Owned RPP Devices:

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

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

(2) Exemptions

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

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

6

MEMORANDUM

To: Board of Directors

June 29, 2012

From: David L. Bentley, Auditor-Controller 

Subj: Final Review/Public Hearing: Oceana Marin Sewer FY 2012/2013 Budget
t:\acl\word\budget\wm\12\wm12 swr hearing.docx

RECOMMENDED ACTION: Approve FY13 Budget as Proposed

FINANCIAL IMPACT: FY13 Budgeted Expenditure Plan of \$451,000

Following for your final review and public hearing is the proposed FY2012/2013 (FY13) budget for the Oceana Marin Sewer System.

SEWER RATES

Oceana Marin Sewer fully repaid its loan from Novato Water in March of 2005, rendering this small improvement district debt free for the first time since 1989. The system had a cash balance of \$364,000 at May 31, 2012. The Five-Year Financial Plan shows that the FY13 \$275,000 project to line 3,150' of 6" & 8" bell and spigot pipe with a continuous resin lining in steep high-risk areas will draw down the reserve balance. A 5% increase (\$3 per month) in the sewer service charge was enacted August 1, 2011. No increase is recommended for FY13.

A Public Hearing Notice was published in the Point Reyes Light on June 14 and June 21 inviting interested customers to attend the July 3 meeting in Point Reyes Station (see page 7 of the budget package).

CONNECTION FEES

The connection fee for Oceana Marin Sewer was increased to \$15,200 in August 2009. One new connection is budgeted next fiscal year, and each year thereafter, which is the average over the past 5 years. Staff anticipates reviewing the connection fee calculation again following the FY15 Oceana Marin Sewer System Master Plan update.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

FY13 Projects

The significant Capital Improvement Project budgeted for the coming year, from page 1 of the budget document, is \$275,000 to line 3,150' of cross-country sewer line in three areas of the Oceana Marin subdivision. One of these lines ruptured in February 2008 spilling approximately 250 gallons of effluent that cost \$61,000 to clean-up (\$50,000 of which was covered by insurance).

Future Projects

\$15,000 in continued work on infiltration repair is forecast each year into the future, and \$100,000 is included commencing in FY15 for design and installation of an 8th disposal trench.

OCEANA MARIN SEWER OPERATING BUDGET

The proposed Oceana Marin Sewer budget shown on page 2 maintains the existing \$58 per month sewer service charge. Two years ago the sewer service charge was placed on the County property tax rolls, eliminating the monthly billing and collection cost. Next year's budget projects operating expenditures to decrease 1% from the current year budget.

The District entered into a five year agreement with Phillips and Associates (Phillips) to provide for Operation and Maintenance of the Oceana Marin system commencing July 1, 2008. The agreement allows for a 2% annual fee escalation. The FY13 budget for Phillips services is \$64,000. An additional \$1,000 is included as a contingency for major equipment repair or replacement.

A graphical history of Oceana Marin operating expenditures is shown on page 6. The 2012 update of the Coastal Area Annual Sewer Cost Comparison on page 8 shows that, when the County 1% allocation of AB8 tax revenue is included as a ratepayer cost, Oceana Marin sewer service cost remains above the median of the agencies surveyed.

Pursuant to Health and Safety Code Section 5473, collection of the Oceana Marin Sewer Service Charge on the property tax roll requires Board action by resolution to find that a properly noticed public hearing has been held to hear and consider all objections or protests to the written report to be filed with the County, which contains a description of each parcel of real property receiving sewer service and the amount of the charge for each parcel for the year, which is \$696 (\$58 X 12 months).

RECOMMENDATION:

- 1) Approve Resolution 12-XX (Attachment A) placing the proposed FY13 Oceana Marin sewer service charge on the tax roll of the County of Marin;
- 2) Adopt the FY13 Oceana Marin Sewer System Budget as proposed;
- 3) Authorize the General Manger to pay demands arising from execution of the budgeted FY13 Oceana Marin expenditure plan.

**DRAFT
RESOLUTION 12-**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
ELECTING TO HAVE OCEANA MARIN SEWER SERVICE CHARGES COLLECTED ON THE
TAX ROLL OF THE COUNTY OF MARIN, STATE OF CALIFORNIA
COMMENCING FISCAL YEAR 2012-2013**

WHEREAS: North Marin Water District does hereby elect, pursuant to Section 5473 of the Health and Safety Code of the State of California, to have the sewer service charges for the fiscal year 2012-2013, as established by said District effective August 1, 2011, collected on the tax roll of the County of Marin, State of California, in the manner provided pursuant to Section 5471 through 5473.11 of the Health and Safety Code of the State of California.

WHEREAS: Tuesday, July 3, 2012, 7:30 p.m., at the Dance Palace, 503 B Street, Point Reyes Station, California, was fixed as the time and place for a public hearing on the sewer service charge report filed with the Secretary of this District, pursuant to law, and the Secretary published a notice of said hearing and of the filing of said report, once a week for two successive weeks with at least five days intervening between the respective publication dates, with the first publication being at least fourteen days prior to the date set for said hearing, in the Point Reyes Light, a newspaper of general circulation printed and published in the County.

WHEREAS, notice was given of the time therein stated in the manner provided by law as appears by the affidavits of publication on file in the office of the Secretary of said District;

WHEREAS, all written protests and other written communications, if any, were publicly read at said hearing and all persons desiring to be heard were fully heard;

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

- 1) No objections to, or protests against, said report were made at the hearing; and
- 2) That said report be, and is hereby, adopted in full as revised, changed, reduced or modified by the Board, and that said charges shall be collected on the tax roll of the County of Marin, in the manner provided by law; and
- 3) That the Secretary of North Marin Water District be, and is hereby, directed to file a copy of said report with the Treasurer-Tax Collector of Marin County on or before July 31, 2012, 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; and

4) 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 2012-2013; and

5) For all premises connected to the sewer system of the District, the sewer service rate per Service Unit for fiscal year 2012-2013 shall be SIX HUNDRED AND NINETY SIX DOLLARS (\$696) PER YEAR (FIFTY-EIGHT DOLLARS PER MONTH (\$58)), as established by North Marin Water District Regulation 109, Oceana Marin Sewer Service - Rates and Charges, amended as set forth in Exhibit 1 to Ordinance No. 25 adopted on July 5, 2011, effective August 1, 2011.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 3rd day of July 2012 by the following vote:

AYES: Directors
NOES:
ABSENT:
ABSTAINED:

Renee Roberts, Secretary
North Marin Water District

(SEAL)

t:\bod\resolutions\2012\om sewer report fy12-13 final draft.doc

Proposed
BUDGET

Final Review/Public Hearing

Oceana Marin Sewer

FISCAL YEAR

2012-13

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

TABLE OF CONTENTS

OCEANA MARIN SEWER

PROPOSED 2012/13 BUDGET

Capital Improvement Projects
Oceana Marin Sewer 5-Year Plan 1

Oceana Marin Sewer
Proposed FY13 Budget 2
5-Year Financial Plan 3
Supplementary Charts and Schedules
Active Sewer Connections 5
Historical Operating Expenditures 6
Public Hearing Notice 7
2012 Coastal Area Sewer Cost Comparison 8

Proposed Capital Improvement Projects

	FY13 Budget	FY14 Budget	FY15	FY16	FY17	FY13 Project Description
7 OCEANA MARIN SEWER SYSTEM						
a. Infiltration Repair	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system
b. Tahiti Way Lift Pumps Rebuild (1/year)	\$20,000				\$20,000	Rebuild the two lift pumps in 5-year cycles.
c. Cross Country Sewer Line Rehab (3,150')	\$275,000					Line 3,150' of 6"-8" pipe in high-risk areas
d. Treatment Pond Algae Control Device	\$10,000					Design, Procure and install Ultrasonic Irradiation Device
e. SCADA RTU Upgrade and Install		\$35,000				
f. Design/Install 8th Disposal Trench (300')		\$50,000	\$50,000	\$50,000		
	<u>\$320,000</u>	<u>\$50,000</u>	<u>\$65,000</u>	<u>\$65,000</u>	<u>\$35,000</u>	

SUMMARY - GROSS PROJECT OUTLAY

Total Number of Projects 4 2 2 2 2

**OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2012/13**

	<i>Proposed Budget 2012/13</i>	<i>Estimated Actual 2011/12</i>	<i>Adopted Budget 2011/12</i>
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$158,000	\$157,000	\$157,000
2 Misc Service Charges	0	0	0
3 Total Operating Income	\$158,000	\$157,000	\$157,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$21,000	\$20,000	\$20,000
5 Sewage Treatment	20,000	27,000	19,000
6 Sewage Disposal	2,000	2,000	1,000
7 Contract Operations	65,000	61,000	63,000
8 Customer Accounting	2,000	2,000	2,000
9 General & Administration	21,000	22,000	25,000
10 Depreciation Expense	41,000	41,000	43,000
11 Total Operating Expenditures	\$172,000	\$175,000	\$173,000
12 NET OPERATING INCOME (LOSS)	(\$14,000)	(\$18,000)	(\$16,000)
NON-OPERATING REVENUE/(EXPENSE)			
13 OM-1/OM-3 Tax Allocation	\$46,000	\$41,000	\$41,000
14 Interest Revenue	3,000	2,000	3,000
15 Miscellaneous Revenue/(Expense)	1,000	0	1,000
16 Total Non-Op Income/(Expense)	\$50,000	\$43,000	\$45,000
	NET INCOME/(LOSS)	\$36,000	\$29,000
OTHER SOURCES/(USES) OF FUNDS			
17 Add Depreciation Expense	\$41,000	\$41,000	\$43,000
18 Connection Fees	15,000	0	0
19 Capital Improvement Projects	(320,000)	(46,000)	(115,000)
20 Total Other Souces/(Uses)	(\$264,000)	(\$5,000)	(\$72,000)
21 NET SURPLUS/(DEFICIT)	(\$228,000)	\$20,000	(\$43,000)

North Marin Water District

OCEANA MARIN SEWER

5-Year Financial Plan

#	Actual 2009/10	Actual 2010/11	Estimated 2011/12	Projected 2012/13	Projected 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17
BASIC DATA								
1	225	227	227	228	229	230	231	232
2	\$55.00	\$55.00	\$58.00	\$58.00	\$58.00	\$58.00	\$58.00	\$58.00
INCOME								
3	\$148,427	\$149,820	\$157,000	\$158,000	\$159,000	\$160,000	\$160,000	\$161,000
4	42,654	40,992	41,000	46,000	44,000	45,000	46,000	47,000
5	9,000	0	0	15,000	15,000	15,000	15,000	15,000
6	2,919	2,555	2,000	3,000	1,000	1,000	1,000	1,000
7	798	(156)	0	1,000	1,000	1,000	1,000	1,000
8	\$203,798	\$193,211	\$200,000	\$223,000	\$220,000	\$222,000	\$223,000	\$225,000
9	\$123,296	\$128,191	\$134,000	\$131,000	\$135,000	\$139,000	\$143,000	\$147,000
OPERATING EXPENDITURES								
OTHER EXPENDITURES								
10	\$40,159	\$26,360	\$46,000	\$320,000	\$50,000	\$65,000	\$65,000	\$35,000
11	\$163,455	\$154,551	\$180,000	\$451,000	\$185,000	\$204,000	\$208,000	\$182,000
12	(\$2,028)	\$9,603						
13	\$38,315	\$48,263	\$20,000	(\$228,000)	\$35,000	\$18,000	\$15,000	\$43,000
CASH BALANCE								
14	\$191,225	\$238,651	\$258,000	\$108,000	\$143,000	\$161,000	\$176,000	\$219,000
15	76,455	77,292	78,000	0	0	0	0	0
16	\$267,680	\$315,943	\$336,000	\$108,000	\$143,000	\$161,000	\$176,000	\$219,000
17	\$41,084	\$41,084	\$41,000	\$42,000	\$50,000	\$51,000	\$53,000	\$55,000

North Marin Water District

OCEANA MARIN SEWER

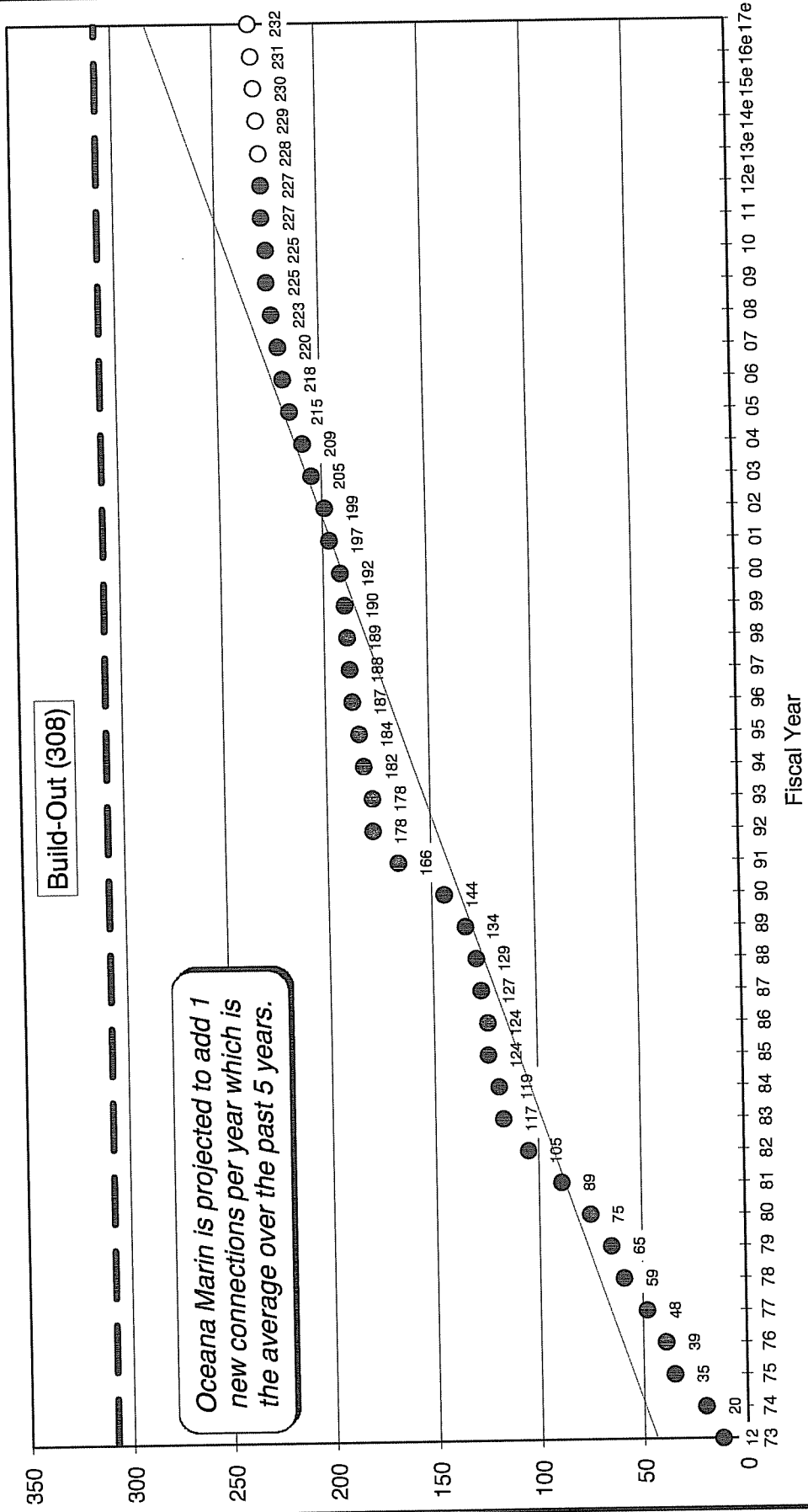
NOTES

KEY

- 1 Assumes increase of 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Service charge of \$58/month effective 8/1/11.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. In July 2009 the State Legislature "borrowed" 8% (approximately \$3,500) of Oceana Marin tax revenue. California promised to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. Said repayment is incorporated into the FY13 budget. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Assumes the new connections occur in OM-3 (Units 1 or 5) which are subject to the connection fee.
- 9 3% annual increase assumed after FY13.
- 10 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
- 11 Excludes depreciation.
- 16 Cash available for operation, maintenance and improvements

5/30/12

Oceana Marin Growth Active Sewer Connections at June 30

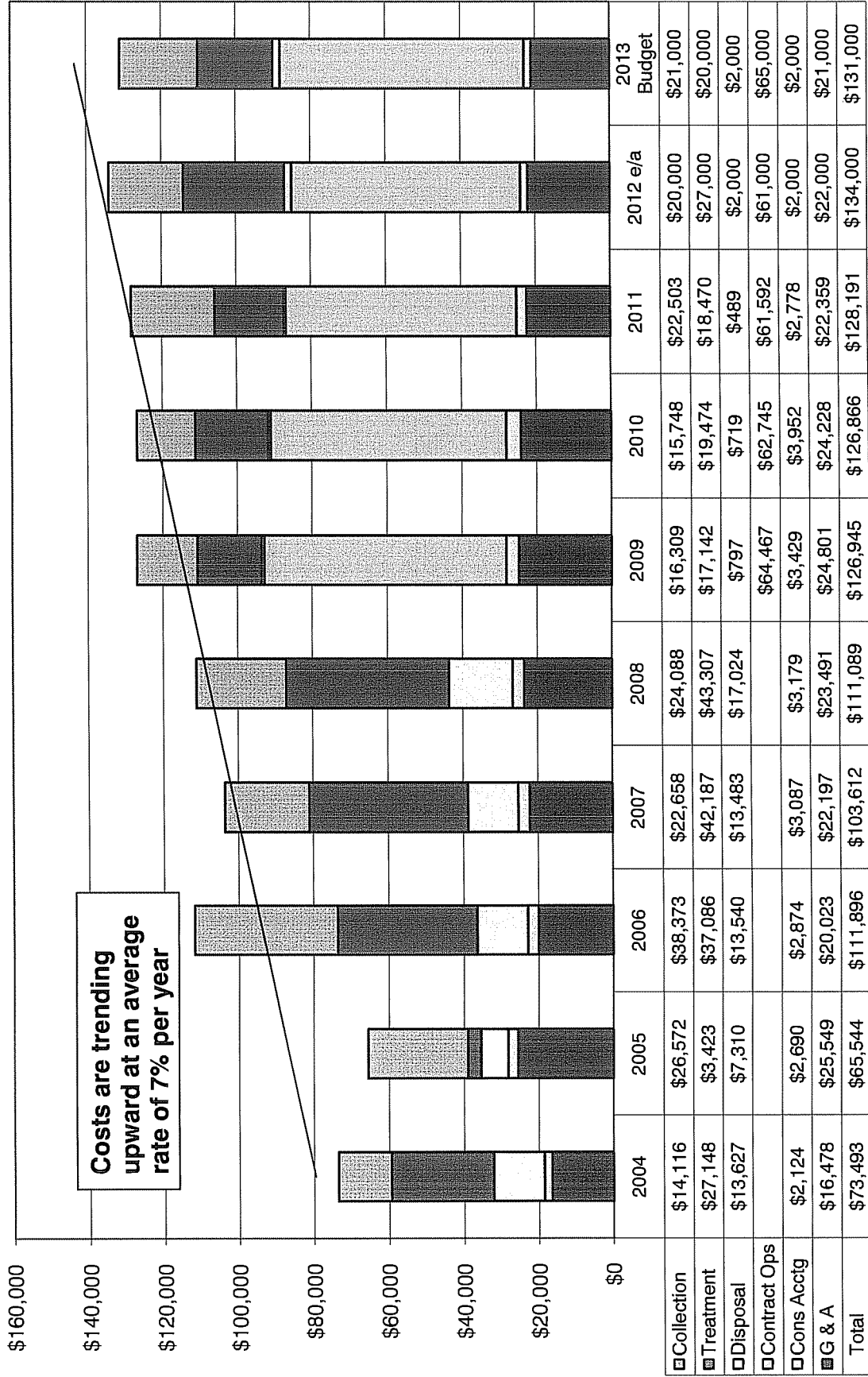


Build-Out (308)

Oceana Marin is projected to add 1 new connections per year which is the average over the past 5 years.

● Connections - - - Build-Out ○ Projection — Trend

Oceana Marin Operating Expenditures



Costs are trending upward at an average rate of 7% per year

**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:

6/14/12, 6/21/12

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

Date at Pt. Reyes Station, California, this

25 day of June,
2012.

Signature



RECEIVED

JUN 26 2012

North Marin Water District

Proof of Publication

NORTH MARIN WATER DISTRICT NOTICE OF PUBLIC HEARING OCEANA MARIN SEWER SERVICE CHARGES FISCAL YEAR 2012-2013 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), having amended NMWD Regulation 109, Oceana Marin Sewer Service - Rates and Charges, through the adoption of Ordinance No. 25 on July 5, 2011, has fixed its charges for sewerage services for the fiscal year 2012-2013 in the amount of \$58 per month (\$696 per year) per parcel (no increase in the sewerage service charge is proposed), and further intends to elect to collect such charges on the tax roll as it did for fiscal year 2011-2012 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, July 3, 2012 at 7:30 p.m. at a regular Board Meeting of NMWD held at The Danice Palace, 503 B Street, Point Reyes Station, California said Board will hear and consider all protests and objections to said report. Published in the Point Reyes Light June 14, 21, 2012.

2012 COASTAL AREA SEWER COST COMPARISON

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 6/1/12

Agency	No. of Sewer Services	Monthly Service Charge	Annual Tax Revenue (1)	Annual Total
Marshall Community Wastewater System	32	\$100.57 (2)	\$0	\$1,207
Bolinas Community PUD	163	\$79.33	\$0 (3)	\$952
> NMWD Oceana Marin	227	\$58.00	\$181 (4)	\$877 <
Tomales Village CSD	107	\$63.00	\$59 (5)	\$815
Stinson Beach Co Water - Inspection Only	703	\$39.65 (6)	\$211 (7)	\$687
Bodega Bay PUD	1,010	\$44.90	\$0 (8)	\$539

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. Rates shown will be effective on July 1, 2012.
- (3) Based on home with net AV of \$386,330 (average 2011/12 AV on 542 single family homes in Bolinas) and tax rate of 0.80¢/\$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 \$227,217 for Bolinas in 2011/12 of which 100% is credited to the water fund.
- (4) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$41,025 for 2011/12 which equates to \$180.73 per service.
- (5) Based on home with net AV of \$294,534 (average 2011/12 AV on 107 single family homes in Tomales) and tax rate of 2¢/\$100 AV.
- (6) 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.
- (7) Based on allocation of 1% County levy. This "allocation" was projected by the County of Marin at \$495,267 for 2011/12 of which 30% was allocated to sewer amounting to \$211.35 per service.
- (8) Based on share of 1% County levy. This "allocation" was projected by the County of Sonoma at \$327,155 for 2010/11 which 100% was allocated to water (0% to sewer). FY11/12 information is not available until June.

7

MEMORANDUM

To: Board of Directors

June 29, 2012

From: Chris DeGabriele, General Manager 

Subject: Short-Term Water Shortage Contingency Measures

T:\GMBOD Misc 2012\wm water shortage plan.doc

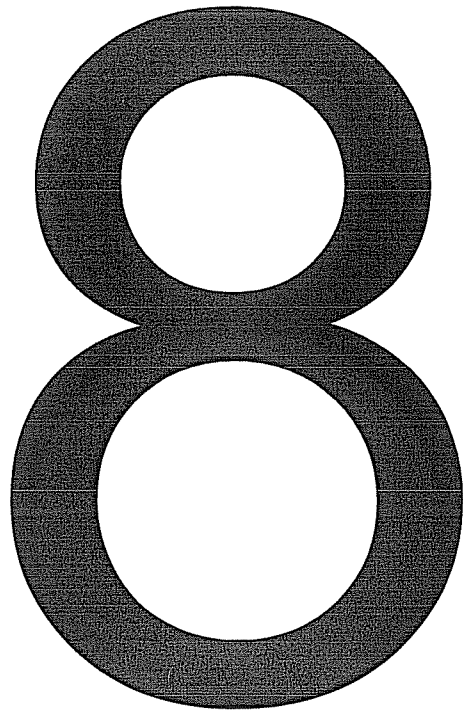
RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

District staff has taken the steps to plan for an incident that will hopefully not occur; a short-term inability to meet water demand during hot weather since only one of two Point Reyes wells is in full production. When those circumstances occur, the plan will be to (1) contact the top 30 West Marin water users by telephone and request that they voluntarily reduce demand, and (2) to place a radio announcement on KWMR stating:

"One of the two NMWD Point Reyes water supply wells is failing. A replacement well is scheduled to be constructed in mid-August. Recent hot weather has resulted in increased water use and has made it difficult for the NMWD well supply to keep up with water demand. NMWD requests West Marin customers to temporarily conserve water until the hot weather subsides, at which time NMWD expects to advise that normal water use can resume."

Should the Board have any comments on this plan, staff is happy to address them.



MEMORANDUM

To: Board of Directors

June 29, 2012

From: Drew McIntyre, Chief Engineer



Subject: West Marin Capital Improvement Projects – FY11-12 Preliminary Year-End Progress Report

Z:\CHIEF ENGM\CINTYRE\BUDGETS\FY11-12 Budget\WM 11_12 project status BOD Memo.doc

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 FY11-12 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 FY11-12 financial information is complete. This preliminary progress report is being presented to take advantage of the fact that the July 3rd meeting is being held in our West Marin service territory.

Performance Status for Capital Improvement Projects

A total of seven CIPs were originally budgeted in FY11-12 for the West Marin and Oceana Marin service areas (Attachment 1). During the year, two were added and out of the resulting nine, six projects have been completed (Attachment 2). Overall progress in completing West Marin CIPs (i.e., 69%) is below the mid-year projected completion percentage of 93%. With the exception of two projects, PRE Well #3 Replacement and Infiltration Study & Repair, the FY11-12 remaining West Marin completed projects were within the original budget. Based on a review of total project expenditures for all West Marin CIPs, the combined West Marin Water projects are estimated to be below budget by approximately \$292,000 and the combined Oceana Marin budgets are estimated to be approximately \$67,000 below budget.

Point Reyes Treatment Plant Solids Handling Facilities

Over the last few years the District has budgeted \$250,000 for both land acquisition and design of a solids handling facility to achieve zero discharge at the facility. Significant savings occurred during the land acquisition phase when the District successfully acquired 1.3 acres of former railroad property adjoining the treatment plant which is located on a small easement within the larger parcel owned by the US government (Coast Guard). These savings (estimated at approximately \$100,000) combined with postponing completion of the PRE Tank 4A Replacement (\$455,000) and the PRS Tank Seismic Upgrade (\$50,000) projects will substantially offset the Point Reyes Treatment Plant Solids Handling Facility construction phase. The recently completed Solids Handling Facility Initial Study is out for public comment and the Board will consider approval of the Mitigated Negative Declaration at the August 7, 2012 meeting.

Point Reyes Well #3 Replacement

As identified in the FY12-13 budget (Agenda Item #5) costs related to replacing the Pt. Reyes Well #3 have increased from \$140,000 to \$165,000. This updated cost includes not only construction of a replacement well but also the destruction of the existing well in conformance with local and state standards. All environmental permits are now complete including the Coastal Development Permit (CDP) Waiver issued by the California Coastal Commission. In addition, approval from Federated Indians of Graton Rancheria (FIGR) has been obtained based upon additional archeological investigative work recently performed by Leonard Charles and Associates' archeological subconsultant (on June 20, 2012). The Board approved a contract with NorCal Pump and Well Drilling (NorCal) at the June 5, 2012 meeting and a Notice to Proceed was issued to NorCal on June 28, 2012 after receipt of the CDP Waiver and FIGR's approval. Construction of the new well is estimated to be complete by mid-August. Staff will continue to utilize GHD for design support services during construction under the existing General Services Agreement approved by the Board on September 20, 2011.

West Marin Water System Master Plan

The last West Marin Water Master Plan was prepared in October 2001. Since that time the District has completed nine Capital Improvement Projects contained within the 2001 Master Plan at a cost of approximately \$1,900,000. Since all of the 2001 Master Plan priority projects have been completed, with the exception of PRE Tank #4A and a final tank seismic improvements at Pt. Reyes Station Tank #3, it is time to update the West Marin Water System Master Plan. This update is budgeted for completion in FY13-14. In the interim, staff will continue to focus their attention on the currently approved Pt. Reyes Water Treatment Plant Solids Handling project. Once this project is complete, staff will complete the PRE Tank #4A replacement project as well as additional projects identified as part of the future FY13-14 Water System Master Plan update.

FY 11-12
IMPROVEMENTS PROJECTS

PROJECTS BUDGETED	WEST MARIN/ OCEANA MARIN
Original Budget	7
Added	2
FY 10-11 Carryover	0
Deferred/Dropped	0
Adjusted Budget	9

FISCAL YEAR COMPLETION STATUS	WEST MARIN/ OCEANA MARIN
No. of Projects Completed	6
Mid-Year Projected Completion Performance	93
Year-End Completion Performance	69%

FY10-11 CARRYOVER

None

Date Brought to Board

DEFERRED/DROPPED

West Marin

None

PROJECTS ADDED

West Marin

Retaining Wall Repair PRE Tank #2

PRE #3 THM Reduction Measures

Second Quarter Report

Fourth Quarter Report

West Marin Water Long Range Improvement Project Plan – Status Report

<u>Project</u>	<u>4/30/12</u>	<u>Status</u>
1 Replace PRE Tank #3 - 25,000 gal.....	\$91,759	Complete
2 Install 3 Standby Booster Pumps & Controls @ PRE...	159,990	Complete
3 Bear Valley Pump Station Upgrade.....	88,132	Complete
4 Replace Pt. Reyes 100,000 gal tank w/180,000 gal.....	399,707	Complete
5 Replace Olema 80,000 gal tank w/150,000 gal.....	561,742	Complete
6 Install Parallel 8" Main on Hwy 1.....	180,000	Complete
7 Upgrade Inverness Park PS w/2 150 gpm pumps.....	157,888	Complete
8 Install Pressure Reducing Valve @ Inverness Park PS	13,046	Complete
9 Replace 30,000 gal Inverness Park Bolted Steel Tank	164,262	Complete
10 Tank Seismic Upgrades.....	86,319	In Progress
11 Replace PRE Tank #4A - 82,000 gallon.....	<u>22,328</u>	In Progress
	<u>\$1,925,173</u>	

9

MEMORANDUM

To: Board of Directors

June 29, 2012

From: Drew McIntyre, Chief Engineer



Subject: Water Service Agreement – 7370 Redwood Blvd – Retail Building, Novato, APN 153-061-16

R:\Folders by Job No\2700 jobs\2766\2766 BOD Memo.docx

RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: \$50,491 (Developer funded)

The 7370 Redwood Blvd - Retail Building Project (see attached vicinity map) proposes to remove the existing building, most recently Mill's Restaurant and construct a new retail building. The new building provides 8,233 sq. ft of floor area and will be divided into three units. Suite A will be 1,800 sq. ft., a proposed coffee shop. Suite B will be 2,353 sq. ft., a proposed restaurant. And Suite C will be 4,035 sq. ft. of retail space.

New Zone 1 water facilities required include 10 feet of 6-inch steel pipe for a fire service lateral, one 6-inch fire service assembly, three 1-inch domestic water services with 1-inch reduced pressure principal(RPP) back flow preventers and one 5/8-inch meter for irrigation service with a 3/4-inch RPP backflow preventer. The existing 1-1/2-inch meter installed in 1968 will be killed. The aforementioned facilities will receive normal Zone 1 pressure water from the Atherton Tank. The total water demand for the project is eleven (11) equivalent dwelling units (EDUs). The Applicant is credited eleven (11) EDUs for the existing service, based on historical water use during the first ten years of service (per regulation 1.c).

Sewer service is provided by the Novato Sanitary District. The building Permit for this project was approved by the City of Novato on January 10, 2012.

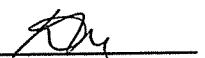
Environmental Document Review

The City of Novato has determined that this project is categorically exempt from requirements of the California Environmental Quality Act, Section 15303(c).

RECOMMENDATION:

That the Board approve authorization of this agreement.

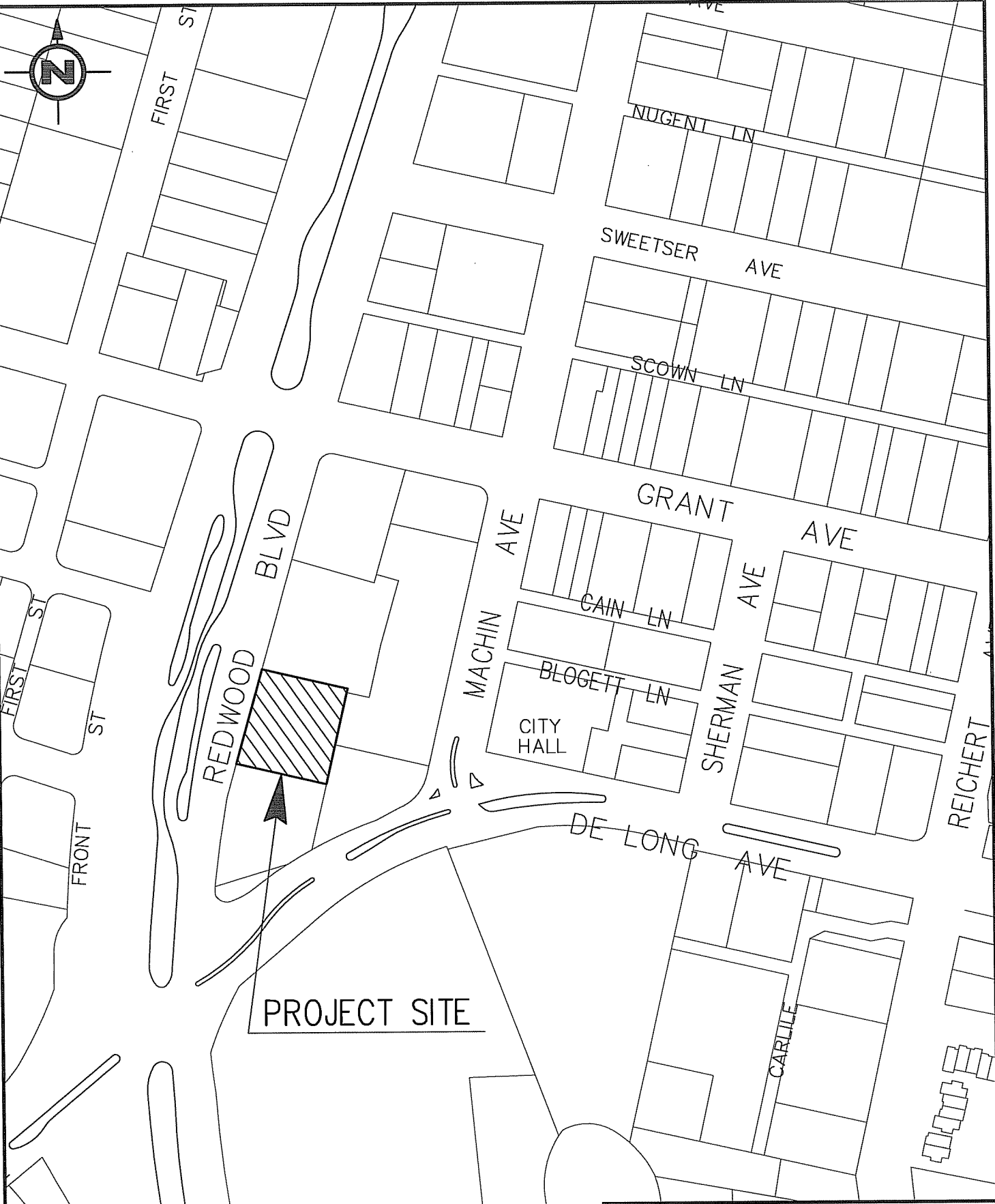
Approved by GM



Date

6/29/12

Jun 27, 2012 - 11:48am W:\JOB\1_NOVATO\2766\3_ISSUED\A\2766-VICINITY-MAP.dwg User: ACANTILLER



**7370 REDWOOD BLVD.
WATER FACILITIES**

DATE	SCALE	JOB NO.	DWG. NO.
05/07/12	N.T.S.	2766	MAP

RESOLUTION NO. 12-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
NOVATO REALTY PARTNERS, LLC

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Novato Realty Partners, LLC, a Limited Liability Company, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 7370 Redwood Blvd, Marin County Assessor's Parcel Number 151-061-16, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 3rd day of July, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

(SEAL)

Renee Roberts, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
7370 REDWOOD BOULEVARD RETAIL BUILDING

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 _____, 2012, by and between NORTH MARIN WATER DISTRICT, herein called "District," and NOVATO REALTY PARTNERS, LLC, A LIMITED LIABILITY COMPANY, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 153-061-16 and the project known as 7370 REDWOOD BOULEVARD RETAIL BUILDING, 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 7370 Redwood Blvd., Novato (Marin County Assessor's Parcel 151- 061-16): and

WHEREAS, metered water service of the parcel began on August 1, 1968 and the District installed a 1-1/2" meter, of which the first ten year historical use entitlement is eleven (11) equivalent dwelling units (EDUs); and

WHEREAS, the total demand for the project is eleven (11) EDUs and there is no new water demand, since the Applicant is credited for eleven (11) EDUs for the existing service; 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 2766.001, entitled, "7370 REDWOOD BLVD. WATER FACILITIES", 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) ...	Three 1-inch @	\$ 0.00	\$ 0.00
Meter Charges (irrigation)	One 5/8-inch @	\$ 0.00	\$ 0.00
Fire Service Bypass Meter	One 5/8-inch @	\$ 0.00	\$ 0.00
Reimbursement Fund Charges (domestic meter)	Three 1-inch @	\$ 1,055.00	\$ 3,165.00
Reimbursement Fund Charges (irrigation meter)	One 5/8-inch @	\$ 420.00	\$ 420.00
Facilities Reserve Charges (10 EDUs (all domestic)Ten @	\$ 28,600.00	\$ 286,000.00
Facilities Reserve Charges (1 EDU (all irrigation)	One @	\$ 28,600.00	\$ 28,600.00
Credit for Existing Services To Be Removed 11 EDUsOne @	\$ <314,600.00>	\$ <314,600.00>

Subtotal - Initial Charges..... \$ 3,585.00

Estimated District Costs

Pipe, Fittings & Appurtenances.....	\$ 13,458.00
District Construction Labor.....	\$ 26,933.00
Engineering & Inspection.....	\$ 3,067.00
Bulk Materials.....	\$ 3,449.00
Subtotal –Estimated District Costs.....	\$ 46,906.00

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..... \$50,491.00

(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 **\$50,491**. 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 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 **\$50,491** 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. The District has determined that recycled water may be supplied for irrigation in the future and requires that the Applicant's irrigation system be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for connection of Applicant's irrigation system to the recycled distribution main when it becomes available. In the interim, potable water shall be supplied through a potable irrigation water meter with a reduced pressure principle backflow device. When recycled water becomes available, the irrigation system will be connected to the recycled water distribution main per District requirements at the time the connection is made.

10. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 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.

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

12. In the event of sale of this parcel, the Applicant shall provide to the buyer(s) a copy of this Agreement so that there is complete disclosure of the limited nature of the water service. In addition, upon execution of this Agreement, District shall have it recorded.

13. 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:

Steve Petterle, President

Renee Roberts, Secretary

(SEAL)

NOVATO REALTY PARTNERS, LLC
A Limited Liability Company
"Applicant"

(SEAL)

Robert P. Gates

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

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

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

10

MEMORANDUM

To: Board of Directors

June 29, 2012

From: David L. Bentley, Auditor-Controller

Subj: Response to Marin County Civil Grand Jury Report

t:\aclword\grand jury\cover memo - response to june 2012 cgj report.docx

RECOMMENDED ACTION: Approve Response

FINANCIAL IMPACT: None

On June 1 the Marin County Civil Grand Jury issued a report entitled: ***Pre-Schoolers Learn to Share - Can Local Governments?***

The report notes that the cost of government is escalating, and offers that one of the most promising strategies for cost savings is sharing services. The Civil Grand Jury invites responses from Marin's independent special districts to three of the report's seven recommendations. A letter with NMWD's proposed responses is attached.

Recommendation:

Approve the proposed response to the Marin County Civil Grand Jury's recommendations.

DRAFT

July 5, 2012

Michael Chernock, Foreman
Marin County Civil Grand Jury
3501 Civic Center Drive, Room 275
San Rafael, CA 94903

Re: Preschoolers Learn to Share - Can Local Governments?

Dear Mr. Chernock:

Following are North Marin Water District's responses to the three recommendations NMWD was invited to respond to in the referenced Civil Grand Jury report.

1. Recommendation 3: Every local government entity, when facing major capital expenditures (e.g., new facilities, equipment, vehicles or computer systems) seek out other entities to share the use and costs of the items.

The North Marin Water District agrees with this recommendation. NMWD has a long history of seeking out other entities to share the use and costs of major capital expenditures. For example, in 2007 NMWD, the City of Novato, and the Novato Unified School District together explored the possibility of acquiring a building together as a consolidated headquarters site for the three entities. While the idea did not ultimately come to fruition, it is a good example of local public agencies creatively working together to benefit their constituencies.

A project that did come to fruition is formation of the North Bay Water Reuse Authority (NBWRA), a coordinated effort among eight water and sanitation agencies in Sonoma, Marin and Napa Counties to offset potable water demand by promoting recycled water for irrigation use. This collaboration created economies of scale allowing the sharing of planning and engineering costs, and created the leverage to bring over \$15 million to date in state and federal grant funding to the North Bay. As part of the NBWRA program, NMWD is working collaboratively with both Novato Sanitary District (NSD) and Las Gallinas Valley Sanitary District (LGVSD). NMWD will distribute the highly treated recycled water produced by NSD to customers in north Novato and distribute highly treated recycled water produced by LGVSD in south Novato (Hamilton Field), both which will offset potable water supply now used for landscape irrigation.

2. Recommendation 4: All government officials make it a priority to identify institutional duplication within their sphere of influence and then bring leadership, vision and openness to new, more cost-effective alternatives.

The North Marin Water District agrees with this recommendation. NMWD is a leader in bringing cost-effective solutions to benefit the citizens living within its sphere of influence. For example:

- In 2001 an agreement was reached with Marin Municipal Water District (MMWD) to reorganize boundaries at Hamilton Air Force Base coincident with the Novato City limits, eliminating an inefficient island of service provided by MMWD within Novato. NMWD now serves all areas within Novato.
 - In 2009 NMWD joined with the City of Novato, the Novato Fire Protection District, the Novato Unified School District and Novato Sanitary District (NSD) to explore areas of cooperation where the agencies could work together to share resources. This exercise fostered closer working relationships on a staff level between all of the local agencies serving primarily the same customer base.
 - In 2010 NMWD entered into a Mutual Aid Agreement with NSD which allows either agency to request personnel, equipment or supplies from the other. Both NSD and NMWD have called upon one-another for assistance under the agreement, most notably in the area of laboratory services for water testing.
 - In 2010 NMWD lead the way in forming the Sonoma-Marín Saving Water Partnership. The Partnership includes ten water utilities in Sonoma and Marin counties who have joined together to provide a regional approach to water use efficiency. The utilities are the Cities of Santa Rosa, Rohnert Park, Petaluma, Sonoma, Cotati; North Marin, Valley of the Moon and Marin Municipal Water Districts, Town of Windsor and Sonoma County Water Agency. Establishing Water conservation projects across jurisdictional boundaries is more cost effective than it would otherwise be on an individual agency-by-agency basis.
3. Recommendation 5: Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.

North Marin Water District believes that Independent Special Districts are the most cost-effective form of government. Independent Special Districts are focused, largely single-purpose agencies, available to the public, and transparent. By focusing on a specific service, whether it be water delivery, fire protection, or sanitation service, special districts pay greater attention to both long-term planning and everyday customer and rate-payer feedback, than do agencies with multiple responsibilities and constituencies.

Each special district's specific focus allows it to perform its services without the distractions faced by larger, multi-purpose agencies. This focus leads to innovation as well as prudent long-term planning.

Michael Chernock, Foreman

July 5, 2012

Page 3

Special districts are open and transparent. All are welcome to attend their meetings and are encouraged to share their thoughts and concerns. Every Independent Special District annually undergoes an independent financial audit and provides an annual compensation report to the State Controller. Every special district board is required to comply with FPPC regulations, the Public Records Act, and all open meeting requirements in the Brown Act.

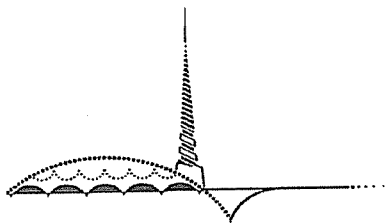
Voters created each of the Independent Special Districts in Marin to serve their needs. Ultimately, the power to reorganize local service delivery should rest with the local citizens who established them and depend on them.

Sincerely,

Chris DeGabriele
General Manager

Cc: Steve Kinsey, Supervisor, Marin County Board of Supervisors
Judy Arnold, Supervisor, Marin County Board of Supervisors
Michael Frank, City Manager, City of Novato
Beverly James, General Manager/Engineer, Novato Sanitary District
Mark Williams, General Manager, Las Gallinas Valley Sanitary District

t:\aclword\grand jury\response to 2012 rpt re sharing public services.docx



Marin County Civil Grand Jury

RECEIVED

MAY 30 2012

May 29, 2012

North Marin Water District

North Marin Water District
C/o Chris DeGabriele – General Manager
PO Box 146
999 Rush Creek Place
Novato, CA 94948

Dear Mr. DeGabriele:

Re: **PRE-SCHOOLERS LEARN TO SHARE – CAN LOCAL GOVERNMENTS?**
Report Date: June 1, 2012

Enclosed please find a 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 seven days after the date of this letter.

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 should be used. In addition, a disk is enclosed for your use in providing your response and associated statements (please use Microsoft Word).

The Penal Code is also specific about the deadline for responses. You are required to submit your response to the Grand Jury within 90 days as follows:

1 hard copy to: The Honorable James Ritchie
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

2 hard copies to:

Foreperson
Marin County Civil 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 at 415-897-0907 or at the above address.

Sincerely,

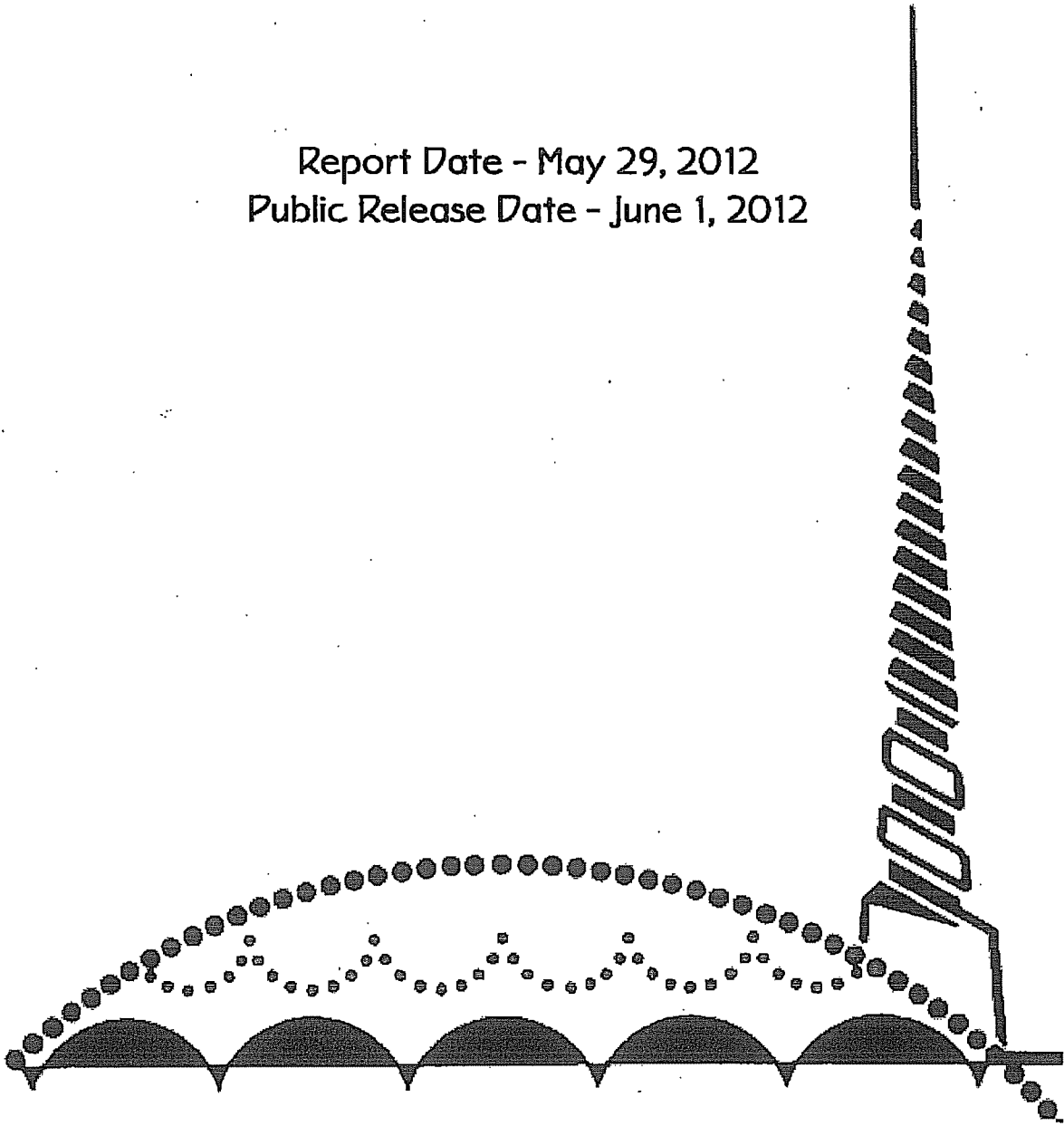
Michael Chernock
Michael Chernock, Foreperson
2011-2012 Marin County Civil Grand Jury

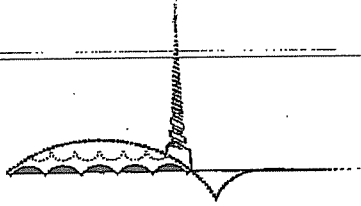
Enclosures: Penal Code Sec. 933.05; Response Form; Disk

2011/2012 MARIN COUNTY CIVIL GRAND JURY

PRE-SCHOOLERS LEARN TO SHARE
Can Local Governments?

Report Date - May 29, 2012
Public Release Date - June 1, 2012





PRE-SCHOOLERS LEARN TO SHARE Can Local Governments?

SUMMARY

Who knows how many local government agencies exist in Marin County?

Certainly not the average citizen.

The Government section of the 2012 phone book lists the 11 towns and cities of Marin County and the 30 or so main departments of the County government. Not listed is what the Marin County Civil Grand Jury suspects are more than 50 special districts or Joint Powers Authorities, not including 19 school districts. The County Tax Collector's office does not know how many special districts there are, although they do know they support 153 taxing entities who add charges to our tax bills.

Certainly not the Local Agency Formation Commission.

Since this agency is charged with monitoring the boundaries and governmental organization of cities and special districts in our county, the Jury thought they would have the definitive list, but they have no jurisdiction over the county's school districts and their website lists only a subset of the total number of entities:

- 11 Cities or Towns
- County of Marin
- 6 Community Service Districts
- 8 Fire Protection Districts
- 3 Water Districts
- 11 Sanitary and Sanitation Districts
- 2 Public Utility Districts
- 3 Joint Power Agencies
- 3 County-governed Special Districts (for transit, open space and flood control), and
- 16 County Services Areas.

At the website lafco.marin.org, there is an 85-page 2011 Directory of Marin County governmental agencies. The director of the Local Agency Formation Commission stated that its list is not definitive and that it is nearly impossible to know all the special districts that operate in Marin. While the agency has identified 30 independently governed special districts in Marin, it also pointed out that there is State enabling legislation for 28 different kinds of special districts. The Local Agency Formation Commission does not list special districts that are governed by the boards or councils of municipalities or the County of Marin. It is not the Local Agency Formation Commission's charge, nor anyone else's, to track this information.

Certainly not the Marin County Civil Grand Jury.

The Jury has been both bewildered that no one knows how many government agencies there are and shocked at the huge number of suspected governmental entities. No matter the exact number, the Jury's investigation points out that there are too many organizations, most with staff, management and a board of directors, that offer the same public services. These public entities must all be financed, whether by property taxes, fees, parcel taxes, user rate schedules, sales taxes or state monies. The bottom line is that all of them are funded primarily by the citizens of Marin County.

The number of government entities in Marin County has grown over the past 50 years. While other more populous counties have simplified by forming one school district, one fire department and one police department, Marin County has allowed these entities to proliferate. Although Marin County has its own history and needs, the mandate to provide cost-effective public services should be universal. Do we need all these governing entities? Are Marin's residents best served by such a fragmented and costly system of governance?

In today's environment when government is trying to **do more with less**, "consolidation" seems like the obvious way to eliminate governmental duplication. But remember: H.L. Mencken wrote, "*For every complex problem, there is one solution that is simple, neat.....and wrong.*" The Jury has learned there are inherent complexities in any formal government consolidation that make that kind of merger very difficult and/or take decades to complete. Fortunately, while consolidation can be the end game, interim and long-term cost-effective governance can be achieved by taking incremental steps, over time. Consequently, this report focuses on the interim strategy that some government managers have found increasingly useful in these challenging times: sharing services.

Sharing of services, personnel, equipment or even insurance policies is a less threatening first step in what may eventually become a partnership and, ultimately a merger or consolidation once the benefits have been verified and the trust between key players has been established. Building relationships, whether personal or organizational, is a step-by-step process. One purpose of this report is to focus on the steps and conditions that can lead to successful collaboration. The Marin County Civil Grand Jury hopes more of our Marin County governmental entities will recognize and seize opportunities to cooperate, or in kindergarten parlance, *to share*.

The challenge governing bodies face is to recognize mutual needs and plan to jointly meet them. The result can be much more efficient governance and often reduced cost for cities and citizens. A case study about the Twin Cities/San Anselmo Police Departments in this report shows that about one half million dollars can be saved by cities who collaborate. On the other hand, the failure or refusal to consider sharing services can result in unnecessary and even exorbitant cost increases for Marin residents. A Sausalito Fire Department/Southern Marin Fire Protection District case study herein sheds light on this risk. Carried out thoughtfully, sharing services can allow governing entities to realize significant cost savings while maintaining or even improving the service levels expected by each community.

The Marin County Civil Grand Jury recommends that:

- The County immediately publishes on its website a list of all of the special districts and Joint Powers Authorities and their contact information, to improve the public's awareness of and access to all those taxing entities.
- City/Town Councils and the Marin County Board of Supervisors require annual reports from their respective city managers or the County Administrator identifying opportunities for sharing or consolidating services.
- Every local governmental entity, when facing major capital expenditures (e.g., facilities, equipment, vehicles, or computer systems) seek other entities to share the use and cost of the items.
- All government officials make it a priority to identify institutional duplication within their sphere of influence and bring leadership, vision and openness to new, more cost-effective alternatives.
- Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.

BACKGROUND

The towns of Marin County have grown from hamlets to sprawling developed areas. Originally separated by ridges, waterways or sheer distance, the more populous municipalities have all but merged along Highway 101, creating a "City-Centered Corridor", as defined in the Marin County General Plan. Over time, to ensure the health, safety and general welfare of its citizens, each city's array of public services has expanded to include at least fire, police, planning/zoning, parks/recreation, libraries and public works/engineering services. These services were provided by creating new municipal departments or by the formation of special districts or Joint Powers Authorities ("JPAs"), as defined below. Hereafter, the term "city" shall apply to towns as well.

While most citizens are familiar with municipal and county governments, few keep tab on special districts and JPA's. As defined by the *Marin.org* website, special districts are usually single-purpose units of government. The most common are school districts; other special districts handle fire protection, sewers, water or wastewater treatment, or combinations of services. The State Government Code offers this definition: *'Special district' means an agency of the state, formed pursuant to general law or a special act, for the performance of governmental or proprietary functions, with limited geographic boundaries, including, but not limited to, a school district and a community college district.*" (California Government Code Section 50075.5) Special districts are a form of local government, governed by an elected board of directors, usually with five members from the areas served. They are employed when neither the county nor local cities are willing or able to provide a service. Examples of special districts are the Marin Municipal Water District and Bel Marin Keys Community Service District.

Joint Power Authorities are created through Joint Power Agreements. *"If authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties...a joint powers agreement provides for the creation of an agency or entity that is separate from the parties to the agreement and is responsible for the administration of the agreement..."* (California Government Code

Section 6500). JPAs are groups of public agencies working together to administer a shared service over an area that exceeds their individual jurisdictional boundaries. They may add another layer of government but they can streamline the provision of extraordinary services such as light rail service. Typical Marin JPAs include the Central Marin Sanitation Agency, Ross Valley Fire Service, and the Sewerage Agency of Southern Marin.

COSTS OF GOVERNMENT ESCALATE WHILE REVENUES STAGNATE

Along with the growth in the number and types of Marin governmental entities, the costs of governing have grown as well. Every government agency must deal with, at least:

- Escalating pay scales
- Increasing pension costs
- Demands of organized labor
- Sharp increases in the number of retirees
- Bond and stock markets' volatility
- Growing equipment replacement costs, and
- Aging infrastructure maintenance costs.

Meanwhile, numerous forces have reduced property tax revenues that municipalities and the County depend upon:

- Since 1978, Proposition 13 has limited the increase in assessed value of real property to 2% per year, regardless of increasing market value, except with a change of ownership or after major construction. The pace of home sales and construction has slowed dramatically in recent years.
- The recession has led to an overall dampening of home values, the basis for property taxes, which reduces revenues.
- The County allows a homeowner whose home's market value has diminished to petition the County for a reassessment (downwards) of their home's value.
- The County and cities also obtain revenue from permit fees for new development and new construction, both of which have dropped due to recessionary caution.
- There has been a reduction of the kinds and amounts of federal and state money being handed down to local agencies.

DOING MORE WITH LESS

All levels of government share a seemingly impossible goal: to continue to provide services with less revenue. At the same time, the economic downturn has increased the need for public services, especially welfare-related services. Confronted with this dilemma, necessary yet painful staff reductions have been implemented in most cities, placing added demands on the remaining workforce. Some cities such as Vallejo, California, have been forced to declare bankruptcy to avoid untenable fiscal obligations. Cost saving measures have been the primary focus of city councils and boards of supervisors when approving budgets in recent years.

The same budgetary dilemma is shared by special districts and JPAs, although to a lesser extent. Revenue sources for these entities are not exclusively tied to property taxes. In addition to taxes, most rely on user fees collected from their constituents for the service provided. These entities control their rate structure and the County applies their user fee to

our tax bills. With few limitations or requirements, the special districts and JPAs can decide to increase their rates. Nonetheless, special districts and JPAs do struggle with rising costs for personnel, equipment, etc., and they have to balance assessing higher rates with public tolerance for such increases. They too need cost saving strategies.

SHARING SERVICES: ACHIEVING ECONOMIES OF SCALE

One of the most promising strategies for governmental cost savings, sharing services, is the subject of this report. Sharing services involves an evaluation by two or more governing bodies of their common needs, goals and ways to jointly economize on service provision. This may involve sharing equipment, personnel and/or workplaces and more. Sharing may be best accomplished on a step-by-step basis, beginning informally or with a Memorandum of Understanding¹, and without wholesale changes or overhauls of any department. It can be initiated on a trial basis and tailored over time to meet the changing needs of each of the jurisdictions involved.

Sharing is a less threatening first step in what may eventually become a partnership and, ultimately, a merger or consolidation once the benefits have been verified and trust between key players has been established. Arranged marriages are foreign to our culture. Courtship and serious dating are the accepted steps to our formal unions. Building relationships, whether personal or organizational, is a step-by-step process. One of the purposes of this report is to define those steps and how to recognize when they are most likely to be successfully undertaken.

This report looks at both the obstacles and the opportunities for effective sharing of services. Failing or refusing to consider sharing services can result in unnecessary and even exorbitant cost increases for Marin residents. Carried out thoughtfully, sharing services can allow governmental agencies to realize significant costs savings while continuing or even improving service levels expected by each community.

METHODOLOGY

There is a wealth of literature on the proper organization of local governments. Public policy think tanks, public administration departments of universities, and government entities themselves are but a few who have produced studies on various types of governmental consolidation or cooperation. The Marin County Civil Grand Jury reviewed major studies by the states of New Jersey, New York and California.² The Jury then concentrated on researching the variety of governmental entities in Marin County.

¹ A memorandum of understanding (MOU) is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action. It is often used in cases where parties either do not imply a legal commitment or in situations where the parties cannot create a legally enforceable agreement. It is a more formal alternative to a gentlemen's agreement.

² New Jersey Government Consolidation and Shared Services Final Report, December, 2006; 21st Century Local Government, Report of the New York State Commission on Local Government Efficiency & *(continued on next page)*

The Jury met with the Local Agency Formation Commission (“LAFCO”) to understand the technical meaning and practice of “consolidation” and “annexation”. The Jury learned ways that governments can share services and reviewed successes and failures to do so. The Jury interviewed the managers of several county and city agencies to learn what their problems have been and where they see opportunities. The Jury performed archival research regarding regulations governing consolidation. In addition, the Jury tracked ongoing, unresolved efforts of Marin County agencies to either consolidate or share services.

DISCUSSION

When budgetary crises arise, cities, counties, special districts and JPAs face hard choices. They must raise taxes or levy fees, eliminate or reduce services, reduce their workforce or face bankruptcy. Since the 2008 recession, most government agencies have cut discretionary spending to the barest of bones. The shared services scenario has become an option: figure out how, with decreasing funds, to seamlessly continue to provide services by sharing services with other jurisdictions. “*Easier said than done.*”

OBSTACLES TO THE SHARING OF COSTS AND SERVICES

The obstacles to sharing services and/or consolidation are real and numerous. There are employment issues; good government “mission” issues; jurisdictional control issues; differing institutional cultural issues, and, perhaps the biggest obstacle of all: differing funding sources and differing fiscal health. Following is a summary of the range of issues faced when governments consider sharing personnel, equipment, operations and their goals for governance.

Employment Contracts

Government employees are ranked within a personnel or civil service system which governs every phase of employment: their selection, employment, classification, advancement, suspension, discharge and retirement. (State Government Code Section 45001) These stipulations are combined with union contracts that have defined standards (in addition to those in the State Government Code, Title 3) for things like wages, cost of living adjustments, workload, overtime, seniority/promotion, health, safety and retirement packages. Each governing agency must periodically re-negotiate these standards with the unions. When two such entities consider merging their workforces, they have to synchronize cost of living assumptions, job classifications and retirement requirements. A resulting pay cut for one set of workers, or pay increase for the others, can be met with a great deal of opposition.

As budgets tighten even further, personnel cuts loom after the more obvious cutbacks have been made. Often an obstacle, such as two mid-career city fire chiefs, can become an opportunity through attrition. For example, the managers of two separate departments providing the same service might not want to merge if it would cost one of the managers

footnote 2 cont'd: Competitiveness, April 2008; State of California Growth Within Bounds, Report of the Commission on Local governance for the 21st Century, January 2000.

his/her job. However, if one of those managers were to retire or move on, role-sharing between cities or the merger of two departments could be much easier.

Maintaining the Mission

Good government or “mission” issues stem from the expectations of decision-makers and citizens. The mission or charter of each city is based on State Government Code that creates a city and invests it with the obligation to look after the health, safety and general welfare of its citizens. “*Health, safety and general welfare*” can and has been interpreted in a wide variety of ways by the County Board of Supervisors, city councils and citizens themselves. For example, one police force may use catching a speeding teenager as a teachable opportunity (for the offender); another department may stress ticketing as the best way to modify offender behavior. Differing service emphases often depend upon the unique needs and nature of the locality. For example, in Sausalito marine health and safety issues in Richardson Bay are a priority but police and fire staff in Fairfax have different needs.

Some expectations about the scope of government are historical. Many citizens want to be assisted by police cars bearing their city logo because they have been able to rely on that support in the past. Cities and, by extension, special districts and JPAs, as a rule are reluctant to relinquish control over the services and facilities serving their citizens. Citizens hold their key decision-makers accountable for their welfare. Public decision-makers do not want to be taken to task at public meetings for matters they do not directly control. Small towns are reluctant to ask or expect a neighboring city to look after them. Only when a city cannot readily solve a problem by itself, or the costs of meeting the public’s needs exceed available funds, have cities sought to jointly solve their problems.

Local Control

Some expectations are emotional. Big government is categorically feared and local control is categorically revered. Some citizens find that having the ear of a friend on the City Council is comforting; it makes them feel important. Some council members believe they alone possess the wisdom to decide how municipal services should be provided to their citizens. School districts epitomize this preference. However well planned or fiscally warranted, for some people change in long-standing practices equates to uncertainty, fear and loss of control over matters that concern them. Opting to share services means opting to share control, a bitter pill for some.

Some expectations are personal. Decision-makers who have contributed to their communities and enjoyed years in the public limelight, as well as certain perks, are reluctant to disband the board on which they sit. Their status as city fathers would be diminished. When it comes to merging of departments, differing pecking orders at the staff level can also cause difficulties.

Some expectations are fiscal. A city that has frugally managed its resources is rarely inclined to partner with a counterpart with fewer reserves. Similarly, an entity with large or looming infrastructure improvements does not make an attractive partner.

EXAMPLES OF GOOD GOVERNMENT

The citizens of each Marin County community have come to expect certain levels of service. *"Turn the tap on and the water flows. On Thursday, the garbage gets collected. When it gets dark, the street lights come on."* (The Little Hoover Commission report entitled "Special Districts: Relics of the Past or Resources for the Future?", Report #155, May 2000) The primary goal of every governmental entity is to maintain or improve those levels of service. Despite the obstacles outlined above, this mandate has prompted consideration of more creative, cost-effective ways of delivering services.

Since 1912, when Marin Municipal Water District began acquiring and incorporating into its system 26 small private water companies, there have been a series of successful mergers, consolidations and various contractual arrangements for sharing services. Most of them were not one-step, wholesale mergers. The list below demonstrates that despite how hard it can be for autonomous governments to relinquish absolute control, sharing is possible. Granted that great effort went into the arrangements shown below, the Marin County Civil Grand Jury believes that the list represents the low-hanging fruit; many more opportunities exist.

Each effort listed has to some degree reduced redundancies, improved service capacity, unified authority, increased flexibility in staffing, enhanced coordination and/or reduced costs. Cost savings have included substantial reductions in: special tax rates for residential and commercial users, retirement costs, workers' compensation insurance costs, fire/liability insurance costs, management personnel and/or duplicated equipment.

1979: The Sewerage Agency of Southern Marin ("SASM") was formed as a JPA to combine the wastewater collection, treatment, water reclamation and disposal needs for Mill Valley, Tamalpais Community Services District, Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District and Richardson Bay Sanitary District.

1980: The Town of Corte Madera and the City of Larkspur formed the Twin Cities Police Authority under a joint powers agreement that merged their police departments. Two members from each council form the Twin Cities Police Council which develops Police Authority policy.

1982: The creation of the Ross Valley Fire Authority led to the merger of the Fairfax Fire Department, San Anselmo Fire Department, and Sleepy Hollow Fire Protection District into the Ross Valley Fire Department in an effort to improve and expand fire service while reducing the cost of providing service. Its board includes representatives from each entity.

1999: The Southern Marin Fire Protection District ("SMFPD") was established by the Marin County Board of Supervisors as an independent special district, merging the Alto-Richardson Fire Protection District and the Tamalpais Fire Protection District. The fire district encompasses Tamalpais Valley, Almonte, Homestead Valley, Alto, Strawberry, part of the town of Tiburon, Fort Baker and the Marin Headlands.

2005: Annexation of the City of Belvedere to the Tiburon Sanitary District transferred responsibility for sewage collection from the City to the District. Belvedere residents vote in elections for the Tiburon Sanitary District.

2006: The City of Sausalito Fire Department contracted with the Southern Marin Fire Protection District for services that included providing a Chief and Battalion Chief to Sausalito.

2008: The Marin Energy Authority was formed by the Marin Energy Authority Joint Powers Agreement signed by the County of Marin, the Town of Fairfax and the Town of Tiburon to offer greener electricity. As of 2012, all Marin towns, cities and the County belong to MEA and have seats on its Board of Directors.

2008: The county offices of the Auditor, Controller, Tax Collector and Treasurer were combined into one Finance Department.

2009: The County undertook a Long-Term Restructuring Plan (dated January 2010) to address serious, growing budget shortfalls through (among other things) consolidating government services. Since then, the County Mediation Service Program was eliminated and its services were transferred to the District Attorney's Office, at a savings of about \$186,000. The County Coroner and the Sheriff's Office were also combined, with a \$400,000 annual cost savings.

2011-2012: Merger discussions were held between the Ross Fire Department (serving Ross) and the Ross Valley Fire Protection Department (serving San Anselmo, Fairfax and the Sleepy Hollow neighborhood) to improve staffing of fire trucks and for cost savings to San Anselmo of \$20,000-100,000 per year. This agreement to merge was reached in May 2012.

2012: A new Twin Cities Police Station opens to provide full police services for Larkspur and Corte Madera. The station serves as the communications center for San Anselmo as well.

February 2012: Joint Powers Agreement approved for job-sharing between Corte Madera and the Southern Marin Fire Protection District. Estimated savings are \$135,000 for Corte Madera and \$60,000 for the District.

There are other concerted efforts underway in some sectors. Three proposals are in the offing:

2011-2012: The City of Sausalito and LAFCO Boards voted to endorse the annexation of the City's Fire Department to the Southern Marin Fire Protection District. This proposal is going to a vote of the Sausalito citizens in June 2012. (See case study that follows.)

2012: LAFCO voted to initiate proceedings to merge the Alto, Almonte, Homestead Valley and Richardson Bay sanitary districts that would realize costs savings (est. \$200,000 per year).

February 2012: County Director of Health and Human Services launched an effort to consolidate the County's Alcohol, Drug and Tobacco, Mental Health and Public Health divisions into one Community Health Services division.

Also, in March 2011, the Marin County School Districts published a report from their county-wide Efficiency and Effectiveness Task Force that begins with this Charles Darwin quote: "*It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.*" In that report, they recognized that "*School district consolidation requires grassroots efforts, significant community planning and coordination, and local voter approval. Such efforts can take a decade or more to implement successfully.*" Nonetheless, they supported more on-going collaborative efforts among local school districts, and recommended this approach:

- Develop shared services goals and accountability measures for ongoing countywide educational committees.
- Include goals for shared services in district strategic plans.

- Institute collaborative purchasing programs.
- Develop and refine consistent financial analysis reports.

HOW MUCH SHARING MAKES SENSE?

At one end of the continuum is complete consolidation, annexation or a merger of departments. At the other end of the continuum is a simple act such as a fire department and a public works department agreeing to jointly own a bulldozer. Neither department needs one often but, in certain circumstances, it is the essential tool. In between, there are numerous mid-way solutions as evidenced from the examples above and the case studies that follow. As contrasted below, consolidations or mergers tend to be permanent whereas the simpler acts of jointly using resources can be based on a contractual agreement between two departments, overseen by the cities' administrators. Once adopted, they usually have built-in time horizons and escape clauses.

Formal annexation changes a jurisdiction's geographic territory, and therefore, its scope of governance. Formal consolidation changes the scope of governance. Both involve complex and different sets of public approval mechanisms overseen by the LAFCO. The role of LAFCO is "*discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances*" (California Government Code Section 56300). Pursuant to Sections 56300 et seq., LAFCO may either respond to or initiate a proposed annexation or consolidation. The state has delegated to each LAFCO the power to review and approve, or disapprove with or without amendment, proposed annexations, reorganizations, and incorporations. A city cannot adopt a local ordinance which would allow its city voters to pass sole judgment on proposed annexation proceedings.

Consolidation and annexation proposals require the support of the governing bodies involved and, when contentious, a vote of the affected citizens. A simple majority of the voters in one of the affected jurisdictions can terminate the consolidation, even if the majority of the voters in the other jurisdictions are in favor of the proposal. The case study below about the proposed annexation of the Sausalito Fire Department to the Southern Marin Fire Protection District illustrates some of the complexities of such an annexation process.

In contrast, sharing or cooperation is simpler. Two governing councils can each vote to cooperate for a service such as police protection, beginning with simple steps such as the more cost effective joint purchase of squad cars and related radio dispatch equipment. Both retain a share of the control over that service or resource allocation. This can be done on a trial basis with a contract that must be reviewed and renewed as often as once a year. Additional means of collaborating can be introduced once the two police forces get accustomed to working together, and the details of staffing needs and hierarchies become clearly understood. Also, the growing understanding of the strengths and needs of one's counterpart allows for informed decisions about sharing.

CASE STUDIES: WHAT WORKS, WHAT DOES NOT WORK, AND WHY

The Marin County Civil Grand Jury has outlined many of the obstacles that make any sort of merger of governmental bodies difficult. In addition, the Jury has presented the recent history of various successful prior Marin mergers. Nonetheless, Marin County's history illustrates the conclusion reached by the State of California's year 2000 report of the Commission on Local Governance for the 21st Century: "*California agencies and institutions generally are not inclined toward extreme or precipitous change*"³ when it comes to any sort of consolidation. That said, the sheer number of duplicate government entities providing similar services in Marin is still mindboggling and offers extensive opportunities for creative service sharing. As shown in the case studies below, government officials at all levels need to first identify institutional duplication and then bring leadership, vision, creativity and openness to new alternatives for sharing services.

While other governmental bodies in Marin County also have experience with cooperative efforts, the report focuses on just three examples. The fire or police departments examined represent distinct efforts to consolidate entities, share services, or share a department. The case studies show similar but unique problems, with different but similar solutions. All the examples are driven by the governments' common challenge of doing more with less.

One case study deals with the difficult process of formal annexation. Another study shows how taking many small steps with multiple other agencies made sustaining a high level of service possible on a reduced budget. The third demonstrates how sharing personnel and facilities improved services for both departments and reduced cost for all parties.

Southern Marin Fire Protection District Annexation of Sausalito Fire Department: Local Control vs. Cost Savings

Discussion of this formal annexation started over seven years ago. Operationally, the Southern Marin Fire Protection District (SMFPD), which covers Tamalpais Valley, Homestead Valley, Strawberry, Fort Baker and part of Tiburon, has managed and operated the Sausalito Fire Department since 2006. In a contract that calls for sharing services and costs, SMFPD provides a Chief and Battalion Chiefs for the Sausalito Fire Department. Firefighters from the SMFPD and Sausalito departments train together and provide mutual assistance. They now see each other as complementary not rival forces. Under consideration this year is the formal annexation of the Sausalito Fire Department by the SMFPD.

Clarifying the Funding Sources

Central to this annexation proposal is whether it is fiscally sound for SMFPD and Sausalito to allow the annexation to occur. The special district and the city fund their operations differently. As a special district, the SMFPD funds fire services through parcel taxes from the structures within the geographic area it serves. The city funds the Sausalito Fire Department from its general fund.

³ State of California, Growth Within Bounds, Report of the Commission on Local Governance for the 21st Century, page 7.

Initially, instead of using general fund monies, Sausalito considered paying for its share of the fire services annexation by imposing a new \$90 parcel tax on its citizens. Fearing public opposition to a new parcel tax, Sausalito realized it was paying 55% of its general fund monies for fire protection under its current contract with SMFPD. By contrast, under the proposed annexation plan, the new cost for service would only require about 45% of their general fund. It then became obvious that by continuing to use the general fund to finance the annexation, the net effect for the City would be an approximate \$600,000 annual savings. As a result, the \$90 parcel tax approach was abandoned.

The other alternative would be for Sausalito to re-create its own independent fire department. However, the consultants brought in by both the City of Sausalito and the SMFPD pointed out that reconstituting a fully staffed and equipped department with no support from the SMFPD would cost the city \$1.4 million more annually. The additional monies would have to come from either cutting existing services or establishing a new \$400 a year parcel tax on Sausalito's citizens.

Momentum Stopped by the Fear of Losing Local Control

Three years ago, during hearings before the Sausalito City Council and the SMFPD board, the vice president of the SMFPD board stated that continuing with the current arrangement would not be an option because they believed that Sausalito had not been paying its fair share for services rendered. At that time, the consulting firm told city officials that, given the choice between starting their own fire department and annexation to the SMFPD, the merger would be the better financial choice. In July 2011, the SMFPD board stated in a letter to Sausalito officials that they would be willing to support the annexation but if the process fails, *"the district is not interested in continuing a contract for service, nor are we interested in entering into a Joint Powers Agreement of any type."*

In September, 2011, the Sausalito City Council approved the annexation by a 3-2 vote. In December 2011, the seven member board of LAFCO unanimously approved the annexation. Both the City and LAFCO noted that, with annexation, Sausalito taxpayers' obligations for fire protection would drop from 55% to 45% of their tax bills. The firefighters themselves welcomed the official merger as the next logical step.

During that time period, opponents to the annexation who were not working closely with city-hired financial consultants expressed their fear of losing local control. They claimed the consultants' findings were tainted by a conflict of interest because both the City of Sausalito and the SMFPD hired the same firm. Opponents further identified the possibility that some firefighters might be able to double dip from SMFPD and Sausalito pension funds; a topic they believed had not been thoroughly vetted. A spokesman for the opposition group claimed that there are other alternatives to annexation or restarting a stand-alone department, although they have not spelled out what those alternatives are.

Fueled by publicly expressed concern on the part of two city council members, a group of concerned citizens of the City of Sausalito exercised their right to call for a public vote on the proposed annexation, in June 2012. If it passes, it would overrule the Sausalito City Council and LAFCO approvals and kill the annexation. In February of this year, these citizens gathered 94 more than the 1,276 signatures needed to insure that this decision will be made by Sausalito citizens. The Council then voted 3-2 to pay between \$7,600 and \$12,700 to

place the issue on the June 5, 2012 ballot. This lively political debate is about the cost of local control and, after seven years of effort, the outcome will be decided by the voters of Sausalito. They will decide if they want to pay the price for local control.

This process exists because the state government places a high value on the autonomy of established government entities. It is with purpose that the state created LAFCO which implements procedures as safeguards to protect against what in the business world is called a “hostile takeover”. What can be learned from this Sausalito tale is that building a sound fiscal case is not always enough. It is equally important to build a consensus among all parties involved. Communication among all the major players is necessary every step of the way: discussion, planning and justification. If the staff or management of the departments involved, or the governing boards involved, or the public can ask “*Why didn’t anyone tell me about this?*” the proposed change then becomes a political football.

Larkspur Fire Department: Foregoing Consolidation in Favor of Shared Services

Not only are there 13 fire agencies in Marin County, there are four types of fire agencies: municipal, special district, joint power authorities and county. Most fire departments began as volunteer organizations. As cities grew, they formed their own municipal departments. Where there was no town yet established, a (special) fire district was formed to take care of a specific local area. Some small adjacent communities likewise created a joint powers authority to meet their mutual needs. For all other unincorporated areas, the County of Marin retains the responsibility for fire service.

It has been said that, in the NIMBY (Not In My Back Yard) world of Marin, the two most difficult political decisions to make are: to open a new fire station or to close an old fire station. Behind this claim lie the obstacles that have crushed many a consolidation effort. Since 1980, hardly a year has gone by without a fire agency doing an internal evaluation or seeking an outside study on the feasibility of consolidating with a neighboring agency.

The operational concerns of having distinct agencies came into clear focus with the Oakland Hills fire of 1991. Trucks from outside agencies rolled in for mutual assistance, but discovered their pumps did not hook up to the hydrants. Some of the responding fire-fighting vehicles were not able to navigate the narrow roads. Communication between agencies was difficult because they used different radio systems and frequencies. Some fire-fighters were better trained at urban blazes than the wild fire they were facing.

In 1980, Larkspur and the 12 other fire agencies in Marin were separate stand-alone entities. There were 13 separate fire dispatch systems. Each agency had to provide an on-duty chief or battalion chief 24/7. Ongoing training fell to individual departments. Each agency did its own purchasing. All they shared was the belief that “*we can take care of our own.*” Gradually, however, the price of Marin’s image as the land of local control started to bump into the hard realities of local budget constraints.

Not for Lack of Trying

Since 1980, budget constraints and operational concerns have spurred multiple consolidation efforts by the Larkspur Fire Department. These attempts at formal consolidation have failed. In 1993, Larkspur, along with all of the other Southern Marin fire departments, discussed

consolidation but, one by one, the fire agencies dropped out of the talks. Subsequently, Corte Madera, Larkspur, Kentfield, Ross, plus the rest of Ross Valley studied consolidation. Marin LAFCO's evaluation deemed the proposal impractical since there were different kinds of fire agencies (municipal, special districts, and JPAs) with different kinds of funding (general fund, parcel taxes, set fees) that could not be readily reconciled. When Larkspur was forced by budget cuts to trim personnel in the late 1990's, it once again looked into merging with Ross only to run into political reality. Why would Ross, a town that was doing fine financially, want to associate with Larkspur, a fiscally struggling city?

A Growing Variety of Shared Services

Larkspur's 2011-12 budget of \$3.8 million cuts fire department staff to 17 employees, a pre-1980 level. There is one Administrative Chief Officer and 16 Engine Company personnel to operate 24/7, with no support staff. Despite failing to enact a consolidation with other fire departments, the Larkspur Fire Department still provides a high level of service because over the years it has created a shared services approach to fire services, as described below:

- Today, there are two dispatch systems. Larkspur participates in one system with 10 other fire agencies located along Highway 101 and the Sir Francis Drake Boulevard corridor. The other dispatch system operates out of the Marin County Civic Center. The southern Marin regional dispatch system has reduced redundant personnel costs and increased service levels. It began as mutual aid dispatch and has become a more robust system called "Automatic Aid". The computer system tracks where all agencies' emergency equipment and personnel are at any given time. When a call comes in, the agencies act as one to provide an emergency response. With Automatic Aid, resources from other agencies are automatically dispatched along with local services. For example, if there is a Larkspur call and a Larkspur truck is being used in a training exercise, a Corte Madera unit is dispatched.
- Seventy percent (70%) of the 1,500 emergency calls a year to which the Larkspur Fire Department responds are for medical rescue. In 1980, the Ross Valley Paramedic Authority ("RVPA"), an eight-agency coalition that includes Larkspur, was formed to share paramedical resources. In addition, through a JPA, Larkspur shares the Corte Madera ambulance to provide the fastest response capability within pre-identified areas of Larkspur.
- A Battalion Chief is necessary to provide 24/7 operational supervision. To save personnel costs, Larkspur by contract shares the cost and services of the San Rafael battalion chiefs, at a fraction of the cost of staffing a full time position itself.
- The Central Marin Training Consortium ("CMTTC") was jointly developed over the last few years by Kentfield, San Rafael and Larkspur to reduce ongoing training costs. This cooperation has not only increased the quality of training but has standardized it, so mutual aid is seamless.
- Taking a lesson from the Oakland Hills fire, a working committee of North Bay Regional Fire Agencies, of which Larkspur is a part, now selects fire engine design and equipment such as air packs and fire hoses. Costs are reduced through group purchases and equipment is standardized so that it is interchangeable.
- Technology is being harnessed to offer even more shared services for cities like Larkspur. A good example is the countywide Mobile Data Terminal Coalition. This group of Marin

fire professionals has been responsible for the installation of mobile data terminals that enables information to be shared among various fire agencies.

- The Larkspur Fire Department functions on an extremely lean operating budget yet provides the high level of services its citizens have come to expect. With a mix of necessity, willingness and vision, Larkspur Fire Department management has made this possible by sharing many essential services with other agencies.

Twin Cities Police Authority and San Anselmo Police: Taking Small Steps for Large Savings

To the best of the Jury's knowledge, the Twin Cities Police Authority of Larkspur and Corte Madera is the only example of a consolidation of two municipal police departments in the State of California. Building on that merger, the Twin Cities Police Authority has begun to share services with the San Anselmo Police Department as well. Like all police departments, the leaders of these two police agencies were committed to maintaining or improving a high level of service for their citizens. In addition, the city council of each jurisdiction instructed its chief to explore regional approaches that might reduce costs. With lean-running departments, the threat was that any future cuts would of necessity involve personnel cuts.

Fortunately, the Twin Cities Police Authority and the San Anselmo Police Department found a happy mix of necessity meeting opportunity at just the right time. The results have been robust and measurable. By sharing services and personnel, both departments have improved response time, maintained local service priorities and contained or reduced costs.

While recognizing that not every set of neighboring police departments has the same circumstances, the sharing of policing services by these two agencies is a useful example of what can be done when the time and opportunity are right. This did not occur all at once. Through years of thoughtful communication, a series of incremental and cautious steps were taken. In addition, the Twin Cities Police Authority seized new funding opportunities, for example, applying for and receiving a federal grant expressly designated for regional approaches to governing. These grant funds were used to purchase the computer equipment for their new dispatch center.

A New Police Station

The Twin Cities Police Authority ("TCPA") had long since outgrown its police station in Larkspur. Finally, in November of 2008, the Larkspur and Corte Madera voters approved a bond to build a new state-of-the-art facility. Over the previous years, the San Anselmo Police Department ("SAPD") and the TCPA had discussed an informal shared approach to policing and had collaborated under several contracts. The new building project offered the opportunity to try more substantial service sharing. For a trial period, while the new TCPA headquarters was being built, San Anselmo would house the dispatch center for both departments. In turn, the TCPA would share their detectives with the SAPD. Key to the acceptance of this proposal was that, during the planning stage, the chiefs of each department had been informing and seeking the opinions, approval and support of their own personnel. The buy-in they received from the sworn officers of each department was critical to the trial's success.

As a result, the TCPA moved into the San Anselmo dispatch center in January 2010. As anticipated, many of the processes and systems were very similar or duplicated. Dispatch employees of both departments were cross trained enabling them to work for either TCPA or SAPD. With only one center to staff, SAPD recognized they could reduce their staff from four to three, while TCPA could go from five to four. Fortunately this reduction could be realized by attrition rather than personnel cuts. Immediate savings were achieved by reducing the need for overtime since now there were more personnel available than either department had before. Additionally, the single center required only one division captain and one dispatch supervisor.

A SAPD captain with experience in the construction and relocation of communication centers was chosen to be the project consultant on the new TCPA dispatch center. Benefitting from advances in technology, a state-of-the-art center was built. Utilizing mobile communication units, GPS systems, and Wi-Fi equipped vehicles, the new command center tracks and directs in real time both departments' personnel and equipment. This regional solution justified the federal grant funds used to purchase the computer equipment for their dispatch center.

The initial trial of a joint dispatch center in San Anselmo ran so successfully that by July 2011, the chiefs of the SAPD and TCPA were able to put together memoranda of understanding (MOUs) for each of their respective city councils. These MOUs asked for approval to formalize the sharing of services with each other.

Clear-Cut Savings

In the San Anselmo MOU, the San Anselmo City Council approved combining the SAPD and TCPA support services divisions into one division. The reorganization enables the two entities to share services and costs in the following ways:

- Relocate the dispatch center to TCPA's new center.
- Share the cost of a division captain and a dispatch supervisor.
- Relocate evidence to the new TCPA facility's evidence department.
- SAPD/TCPA community service officers would work together as evidence and crime scene investigation technicians.
- Combine the TCPA sergeant and three detectives with the two SAPD detectives. Both departments improved their detective capability at no additional cost.
- Pool the reserve police officer units of both organizations enabling them to work patrol shifts for both agencies to minimize overtime cost.

The fiscal impact for San Anselmo as listed in its MOU is:

- \$51,619 saved by sharing the employee cost associated with one police captain and one dispatch supervisor.
- \$113,313 saved by reducing the number of SAPD dispatchers from four to three by attrition over 12-24 months.
- \$25,000 saved over ten years in equipment and ancillary costs associated with running the dispatch center.
- \$50,000 saved in projected annual overtime costs.

For their part, the TCPA submitted a similar MOU to the Larkspur and Corte Madera City Councils in July, 2011. Outlining the same proposed shared services, the TCPA projected in their MOU annual savings at \$282,177:

- \$61,177 saved from sharing the employee cost associated with one dispatch supervisor.
- \$112,000 saved by sharing the employee cost associated with one support service captain.
- \$79,000 saved by sharing a part-time administrative assistant with SAPD.
- \$40,000 saved by reducing the number of TCPA dispatcher from five to four.
- \$10,000 cost (approximate) of eliminating a sergeant position but adding a new support lieutenant position.

The MOUs were approved by all three city councils. The new TCPA building opened in early 2012, ahead of schedule and under budget. The two police departments provide 24/7 collaborative service to their communities. Each department keeps a station open to the public from 8:00-5:00 pm, Monday through Friday for administrative services (e.g., records, permits). The departments are saving significant dollars while offering improved response time, better operational control and dispatch, more robust detective capabilities and more flexible scheduling for employees.

FINDINGS

- F1:** There is no single source that can confirm the total number of government entities that exist in Marin County. Even without an exact count, with over 30 departments in County government, 11 municipalities, 19 school districts and countless specials districts and JPAs, there are ample opportunities for sharing services, cooperation, collaboration or consolidation.
- F2:** When it comes to defining the role of government entities, human nature and state law favor the status quo. There are no easy mergers.
- F3:** The successful examples of shared services are the result of proactive, bottom-up rather than top-down efforts by government employees to identify and evaluate services that can be shared.
- F4:** It is sometimes easier to find the financial justification for sharing services than to find the political will to do it.
- F5:** The various ways of sharing services can result in a wide spectrum of benefits from maintaining services with a reduced budget, to improving service with the same budget, or improving services and saving money. All are worth the effort.
- F6:** The case studies suggest that each situation is unique, and each arrangement for sharing services has to be tailored to meet the specific needs of the sharing entities.
- F7:** Certain conditions dictate when an alliance will work. Sharing services is more feasible when some or all of the following conditions exist:
- Buy-in has been agreed to at the staff level, so that mutual respect can aid the transition
 - Governing boards or councils are proactively involved in seeking regional approaches

- Management positions open up due to retirement or attrition, so that consolidation will not cost a leader a job
- Construction or remodeling of any government facility is contemplated
- Two or more entities are confronted with common major capital needs such as a modern dispatch center, so the costs and efficiencies can be shared and,
- Incremental or small steps, such as cooperation, can be taken on a contractual, trial basis.

F8: Rather than bringing in consultants to advise them how to share, similar departments can often agree upon some ideas worth trying, evaluating and measuring their results.

F9: Federal grants are now available to support regional approaches.

RECOMMENDATIONS

The Marin County Civil Grand Jury recommends that:

- R1:** The County immediately publishes on its website a list of all of the special districts and Joint Powers Authorities and their contact information, to improve the public's awareness of and access to all of those taxing entities.
- R2:** City Councils and the Marin County Board of Supervisors require annual reports from their city managers or county administrator that identify any and all opportunities for a regional approach of sharing public services.
- R3:** Every local governmental entity, when facing major capital expenditures (e.g., new facilities, equipment, vehicles, or computer systems) seek out other entities to share the use and costs of the items.
- R4:** All government officials make it a priority to identify institutional duplication within their sphere of influence and then bring leadership, vision and openness to new, more cost-effective alternatives.
- R5:** Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.
- R6:** The Marin County Board of Supervisors requests that LAFCO presents a report to them in November of each year (during budget preparation season) that (a) itemizes the mergers, consolidations and additional MOU's for shared services enacted the previous year within the County and (b) suggests other opportunities for cooperative governance.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses from the following governing body:

- The Marin County Board of Supervisors: **R1, R3, R4, R6**
- All Marin City Councils: City of Belvedere, Town of Corte Madera, Town of Fairfax, City of Larkspur, City of Mill Valley, City of Novato, Town of Ross, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon: **R2, R3, R4, R5**

- Local Agency Formation Commission: R6

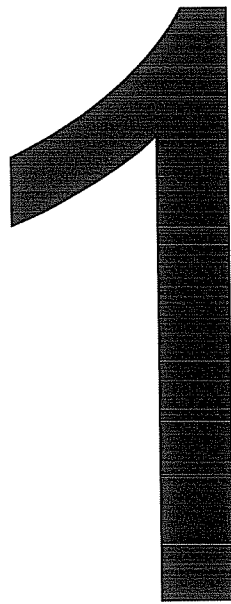
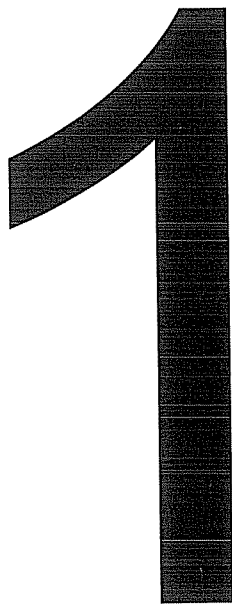
The Marin County Civil Grand Jury invites responses from:

- Independently Governed Special District Boards: Bel Marin Keys Community Services District, Marin City Community Services District, Marinwood Community Services District, Muir Beach Community Services District, Tamalpais Community Services District, Tomales Village Community Services District, Bolinas Fire Protection District, Novato Fire Protection District, Sleepy Hollow Fire Protection District, Southern Marin Fire Protection District, Stinson Beach Fire Protection District, Tiburon Fire Protection District, Marin Municipal Water District, North Marin Water District, Stinson Beach County Water District, Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District, Novato Sanitary District, Richardson Bay Sanitary District, San Rafael Sanitation District, Ross Valley Sanitary District #1, Corte Madera Sanitary District #2, Sausalito-Marín City Sanitary District, Tiburon Sanitary District, Bolinas Community Public Utility District, Inverness Public Utility District, Marin/Sonoma Mosquito & Vector Control District: R3, R4, R5

The governing body or bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code Section 933 (c) and subject to the notice, agenda and open meeting requirements of the Ralph M. Brown Act.

California Penal Code Section 933 (c) states that “...*the governing body of the public agency shall comment to the presiding judge on the findings and recommendations pertaining to matters under the control of the governing body.*” Further, the Ralph M. Brown Act requires that any action of a public entity governing board occur only at a noticed and agendized public meeting.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person, or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Civil Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury.



**NOTICE OF MEETING OF
NORTH BAY WATERSHED ASSOCIATION**

Notice is hereby given that a meeting of the North Bay Watershed Association will be held as follows:

Date: Friday, July 6, 2012
Time: 9:30 a.m. – 11:30 a.m.
Location: Marin Community Foundation
5 Hamilton Landing, Suite 200
Redwood Room
Novato, CA 94949

AGENDA

<u>Item</u>	<u>Recommendation</u>
1. Call to Order (Jack Gibson, Chair)	
2. Public Comment	
3. Approval of the Agenda (1 min.)	Approve
4. Approval of Minutes	Approve
5. Treasurer's Report (1 min.)	Accept
6. Update on Phase II Stormwater Permit (60 min.) Guest Speakers: Terri Fashing, MCSTOPPP Wendy Atkins, City of Sonoma	Action
7. BAIRWMP Update (30 min.) Harry Seraydarian	Information
8. Items of Interest	
9. Items for Next Agenda	

Next Meeting Information:

Next Meeting: September 7, 2012
Novato Sanitary District
500 Davidson Street
Novato, CA 94945



NORTH BAY WATERSHED ASSOCIATION

Minutes for the meeting of the North Bay Watershed Association (NBWA) Board of Directors.

Date: Friday, June 1, 2012
Time: 9:30 a.m.
Location: Novato Sanitary District
500 Davidson Street
Novato, CA 94945

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Judy Arnold	County of Marin	Rick Fraites	North Marin Water District
Darcy Aston	Napa Sanitation District	Jack Gibson	Marin Municipal Water District
Megan Clark	Las Gallinas Valley Sanitary District	Kathy Hartzell	Central Marin Sanitation Agency
Mike DiGiorgio	Novato Sanitary District	Madeline Thomas	Bel Marin Keys Community Services District

Directors present represented 8 out of the 16 agencies signatory to the Association MOU and Jeanne MacLeamy, represented the City of Novato, Associate Member.

Board Actions

1. Call to Order. Jack Gibson, Chair, called the meeting to order at 9:40 a.m.
2. Public Comment. There was no public comment.
3. Approval of the Agenda. (See Handout) The Board unanimously approved the agenda.
4. Approval of Minutes of the Board Meeting held May 4, 2012. (See Handout) The Minutes of the Board Meeting held on May 4, 2012 were unanimously approved.
5. Treasurer's Report. (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. Sustainable Localized Water Management in California, Elizabeth Dougherty, Ph.D., Executive Director of Wholly H₂O, www.whollyh2o.org, presented a PowerPoint on "The Role of Water Conservation and Reuse in Sustainable Watershed Management." Dr. Dougherty summarized her background, leading to the founding of the research and education non-profit, Wholly H₂O. Elizabeth then described the extensive Wholly H₂O website and noted they avoid using the term "wastewater" to influence thinking on water management. Dr. Dougherty posed the following questions: How does water conservation and reuse support watershed health? Where does our water come from? How much water do we use? Where does our water go when it goes "away"? What is the role of water budgeting? How do we match water end use with the most appropriate source? Dr. Dougherty also provided a list of water supply security issues and a list of watershed issues. She highlighted the potential benefits of Integrated Water Management: preserve natural site characteristics; reduce stormwater runoff; improve the quality of surface runoff; increase groundwater recharge; reduce misuse of potable water; and reduce graywater and blackwater released to sewers. Dr. Dougherty then displayed slides of the water cycle, maps of California precipitation and delivery systems, use of groundwater, the Bay Delta, Russian River system, and MMWD supply categories. Dr. Dougherty noted that overdraft of groundwater can reduce aquifer capacity. A Board member asked if aquifers are shrinking to the point of not being able to store water, is groundwater recharge a wasted effort? (No, we need aquifer recharge, only lose capacity if over drafted.) Dr. Dougherty then presented a chart on California urban water use and a Board Member asked about agricultural use? (80% of water in California is used for agriculture.) Elizabeth noted that lawns are the largest irrigated crop in the United States and then highlighted urban per capita water use in specific California cities. A Board Member asked if Sacramento metered their water. (New connections are metered and starting to meter old connections.) Dr. Dougherty included her own water bill in the presentation and noted where she could save water and energy. She provided a chart showing water related energy use in the average home. Dr. Dougherty displayed various slides from Australia, China and other U.S. states showing examples of water efficiency, water reuse, and rainwater capture. The slides showed positive innovations such as building rain gardens, Santa Monica's urban runoff recycling facility, Tucson's rainwater harvesting ordinance and examples of permeable pavement, berms, and bioswales that allow for stormwater infiltration. She explained the limitations in using rain barrels for stormwater capture. Dr. Dougherty emphasized the importance of water budgeting by water agencies and the significance of stormwater quality as a major water quality issue. She then highlighted the uses of graywater and provided a number of examples of residential and commercial reuse. Dr. Dougherty then described what the future could hold: moving away from a heavy industrialized approach; new low impact and high impact technologies; widespread available knowledge of water issues (climate change, organics, renewable energy); water smart development;

localized water use and reuse; gathering available data to support approaches to management; studies to evaluate the potential for alternative sources of supply; and high-priority conservation and efficiency incentive, rebate and efficiency programs leading to demand reduction.

7. Tomales Bay Watershed Council Update – Rob Carson, Tomales Bay Watershed Council presented a PowerPoint that began with background on the Council which was created in 1999 after a contaminated shellfish outbreak prompted action. He noted its mission: working collaboratively to protect and restore the waters and lands of the Tomales Bay Watershed; and also noted its purpose and participants. Rob highlighted the attributes of the Tomales Bay Watershed using slides and displaying various maps: very diverse and rich ecosystems; 11,000 residents and 2.5 million annual visitors to PRNS; rural communities and large agricultural presence historically and today; provides about 75% of the drinking water for central and southern Marin County; significant portions under protection (Federal NPS lands, state and county park lands, MMWD lands); Lagunitas Creek (and its tributaries) which are still home to significant runs of Coho salmon and steelhead trout; important for wildlife habitat, agricultural production (beef and dairy), mariculture and recreation. Rob then explained that Tomales Bay is a relatively healthy watershed with some water quality impairment (pathogens, nutrients, and sediment and mercury) that requires watershed planning and management. Rob then described TBWC's current programs: provide a framework for collaboration and a forum for networking (need to strike the appropriate balance between voluntary and regulatory efforts); a Water Quality Monitoring Program for watershed-wide trend monitoring and source area monitoring; perform public outreach and education for septic education and distribution of newsletters and continuing partnerships with schools; and continue the work on the Chicken Ranch Beach Restoration Project. Rob then went into detail explaining the Chicken Ranch Beach Restoration Project. TBWC is completing a feasibility study for the restoration of Chicken Ranch Beach that involves the participation of the County (POSD), State Lands Commission and private landowners with the TBWC that seeks to address existing water quality problems and improve wetland habitat. Rob mentioned that the State Coastal Conservancy has budgeted \$350k to help with implementation. Rob described the approach to the Chicken Ranch project and highlighted the preferred alternative and next steps. Rob then moved on to the Water Quality Monitoring Program that began in 2007 and will continue to be funded through September 2012. He pointed out the fixed site monitoring locations throughout the watershed and explained the funding link to the 550-acre wetland restoration by NPS (Giacomini Wetland Restoration). Rob explained why the monitoring is done and provided a map of the sampling sites. He then presented the monitoring parameters: Physical: air and water temperature; dissolved oxygen; sediment (turbidity and total suspended solids); discharge; Chemical: pH; conductivity and salinity; nutrients (ammonia, nitrate, TKN, total phosphorus); trace-level nutrients (phosphate, ammonia; nitrate/nitrite); and Biological: total and fecal coliform bacteria; *E. coli*. Rob described the goals and objectives of the program and the successes so far in the first 5 years. (For results see the website: www.tomalesbaywatershed.org/waterquality.html.) Rob expressed his hope for a 10 year program and then explained the results so far (no downward trends but persistent problems in sub-watersheds). He then presented the cost for the Water Quality Trends Monitoring Program – presently \$122,000 per year (plus \$30,000 for organizational support) and mentioned that the Council has collected \$20,000 in local funding and is seeking additional funding for the program. Rob concluded the presentation by describing the TBWC role in Watershed Management Planning. TBWC developed an Integrated Coastal Watershed Management Plan (ICWMP) and released it in 2007 (unsuccessful in the funding request for implementation). The TBWC is participating in the Bay Area IRWMP process to integrate Tomales Bay ICWMP projects (included 74 projects by 14 entities) and priorities. Rob noted that TBWC now holds quarterly meetings at the Red Barn Classroom, Point Reyes National Seashore and provided the TBWC website: www.tomalesbaywatershed.org. Questions from the Board included: Why no mention of STRAW (Students and Teachers Restoring a Watershed)? (Yes, STRAW is doing work on the Walker Creek Watershed and also RCDs are active on ag lands.) Do the by-products of de-chlorination have an impact on gardens and runoff? (No aquatic toxicity or problem for plants, just problem for human health. Another Board Member added only a problem for pregnant women and those whose immune systems have been compromised.) How do you coordinate TBWC monitoring with the self-monitoring in ranch management plans? (Ranch plans do not require monitoring, simple BMPs can mitigate grazing impacts.) Does the new Farm Bill provide any funding? (Possibly working on a shellfish harvesting proposal – revisit threshold trigger for closure – and looking for USDA funding.)

8. Items of Interest.

* Jack Gibson's book, "Mount Tamalpais and The Marin Municipal Water District" has been published by Arcadia Publishing as part of their Images of America series.

9. Items for Next Agenda.

* Update on Phase II Stormwater Permit by Terry Fashing, MCSTOPPP and Wendy Atkins, City of Sonoma.
* IRWMP Update by Harry Seraydarian.

Jack Gibson, Chair, adjourned the meeting at 11:21 a.m.

SUBJECT TO APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla

NEXT MEETING INFORMATION

July 6 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Redwood Room, Novato, CA 94949
No August Meeting

12

DISBURSEMENTS - DATED JUNE 20, 2012

Date Prepared: 6/19/12

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

Seq	Payable To	For	Amount
1	Able Tire & Brake	Tires (8) ('91 Dakota Trailer-\$400 & '05 Honda Civic-\$883)	\$1,283.53
2	Ackerman, Gerald	Retiree Exp Reimb (Monthly Health Ins)	90.69
3	Alpha Analytical Labs	Lab Testing (Novato & Pt Reyes)	1,588.00
4	AT&T	Telephone Charges: Leased Lines	62.86
5	AT&T	Telephone Charges: Local (\$86) & Minimum (\$140)	226.39
6	Bank of Marin	AEEP Loan Principal & Interest (Pymt 8 of 240)	46,066.67
7	Basquez, Mario	Refund Overpayment on Closed Account	96.76
8		Cafeteria Plan - Uninsured Medical Reimbursement	25.93
9	Bertolucci, Vivian	Refund Overpayment on Account	61.55
10	Blastco	Release of Retention - Recycled Water North Plum Tank (\$39,915) & Crest Tank (\$16,359)	\$56,274.05
11	Bradbery, Ronald	Retiree Exp Reimb (Monthly Health Ins)	90.69
12	Buck's Saw Service	Weed Eater Line (450')	42.26
13	Bundesen, Gerald	Retiree Exp Reimb (Monthly Health Ins)	779.57
14	Butti, Lou	Retiree Exp Reimb (Monthly Health Ins)	779.57
15	CDW-Government	Wireless Mouse	18.79
16	Cubley, Robert	Novato "Toilet Rebate" Program	75.00
17		Vision Reimbursement	53.00
18	Derby, Richard	Retiree Exp Reimb (Monthly Health Ins)	90.69
19	Diggs, James	Retiree Exp Reimb (Monthly Health Ins)	779.57

Seq	Payable To	For	Amount
20		Cafeteria Plan - Uninsured Medical Reimbursement	50.00
21	Eyler, John	Retiree Exp Reimb (Monthly Health Ins)	90.69
22	Fisher Scientific	Manganese Ref Standard & Iron Standard (Lab)	49.06
23	GHD	Engineering Services: Pt Reyes Well #3 (Balance Remaining on Contract \$5,759)	911.00
24	Golden Gate Petroleum	Gasoline (\$4.08/gal) & Diesel (\$3.77/gal)	2,952.50
25	Groeniger	Vault (Marked NMWD Tank Drain)	480.70
26	Hellmold, Steffen	Novato "Toilet Rebate" Program	225.00
27	Interstate Battery	Batteries (2) ('08 F350)	211.09
28	Irish & Son's Welding	Weld 4" & 6" Off-Set & Spool @ Hamilton Elementary School	840.00
29	Jennison, Marco	Exp Reimb: Reg Fee-Wine Country Water Works Trade Show & Training Symposium	45.00
30	Johnstone, Daniel	Retiree Exp Reimb (Monthly Health Ins)	90.69
31	JRL Machine & Driveline	Repair & Resurface Flange	467.26
32	Keane, Michelle	Novato "Washer Rebate" Program	50.00
33		Cafeteria Plan - Uninsured Medical Reimbursement	38.35
34		Cafeteria Plan - Child Care Reimbursement	208.33
35	Lynch, Deborah	Novato "Washer Rebate" Program	50.00
36	MacDonneil, Dennis	Novato "Washer Rebate" Program	50.00
37	Madrugá Iron Works	Detector Check Assembly Frame & Cover Assembly	4,606.25
38	Mann, James	Novato "Washer Rebate" Program	50.00
39	Marin County Treasurer	Semi-Annual Bond Service-PR-6 Revenue Bond	7,147.65
40	Marin, County of	Pt Reyes Well #3 Destruction Permit Fee (\$956) & Replacement Permit Fee (\$1,124)	2,080.00

Seq	Payable To	For	Amount
41	Marin Reprographics	Full Size Drawings - R W So Phase 1A (1 set)	20.33
42	Matchette, Tim	Retiree Exp Reimb (Monthly Health Ins)	230.18
43	MegaPath	DSL Internet Service (6/12/12 - 7/12/12)	142.30
44	Mitchell, Russ & Associates	Recycled Water Expansion North - Private Retrofit @ Fireman's Fund Irrigation Design (\$2,000) & Perform Recycled Water Onsite Retrofit Design Work (\$30,500)	32,500.00
45	Nelson, John O.	Retiree Exp Reimb (Monthly Health Ins)	90.69
46	North Marin Water District	Employee Assoc Dues - May	940.00
47	On Line Resource	Refund Overpayment on Closed Account	50.00
48	Pace Supply	Tracer Wire (4,000') (\$681), 4",6" & 8" Victaulic Couplings (3) (\$759), All Thread Rods (24) (\$115), Double Check Valve (\$450), Nipples (23) (\$555), Plugs (4), Ells (14), Brass Unions (4) (\$128), Couplings (11) (\$54) & Pressure Reg Valve (\$88)	2,865.02
49	Painter, Kathleen W.	Novato "Washer Rebate" Program	50.00
50	PDM Steel Service Centers	Steel for Recycled Water Line (Marker Posts)	231.53
51	Phillips & Associates	June O & M of O.M. Wastewater Treatment System	5,101.24
52	Poiani, Pete	Retiree Exp Reimb (Monthly Health Ins)	90.69
53	PVS Minibulk	Sodium Hypochlorite (766.422 gals)	1,184.30
54	Roberts & Brune	Couplings (4) (\$1,237) & Drill Holders (2) (\$183)	1,420.27
55		Cafeteria Plan - Uninsured Medical Reimbursement	275.00
56	Roman, Richard	Novato "Washer Rebate" Program	50.00
57	Sampair, Nick	Novato "Washer Rebate" Program	50.00
58	Shankel, Mark	Novato "Washer Rebate" Program	50.00
59	Smail, John	Retiree Exp Reimb (Monthly Health Ins)	90.69
60	Sonosky, Norma	Retiree Exp Reimb (Monthly Health Ins)	90.69

Seq	Payable To	For	Amount
61	Stafford, Vernon	Exp Reimb: Reg Fee-Wine Country Water Works Trade Show & Training Symposium	45.00
62	Staples	Printer (\$256) (Roberts) & Laminating Pouches	316.71
63	Stawowy, Margaret	Novato "Toilet Rebate" Program	150.00
64	SuperMedia	Quarterly Telephone Directory Charge	47.50
65	Terryberry	Service Awards (7)	1,026.53
66	United Parcel Service	Delivery Services: Returned Loaned Turbidimeter (Lab)	29.31
67	Uyesugi, Brian	Novato "Toilet Rebate" Program	150.00
68	Velloza, Richard	Retiree Exp Reimb (Monthly Health Ins)	90.69
69	Verizon California	Telephone Charges: Leased Lines	1,113.93
70	Wine Country Water Works Asso	2012 Membership Dues (Arendell, Garrett, Jennison, Latanyszyn, Lemos & Moore)	150.00
		TOTAL DISBURSEMENTS	<u>150.00</u> <u>\$177,821.74</u>

The foregoing payroll and accounts payable vouchers totaling \$177,821.74 are hereby approved and authorized for payment.


Auditor-Controller

6/19/12
Date


General Manager

6/19/2012
Date

DISBURSEMENTS - DATED JUNE 27, 2012

Date Prepared: 6/26/12

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


Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 6/15	\$120,155.72
EFT*	Bank of the West	Federal & FICA Taxes PPE 6/15	46,013.77
1	Alliance for Water Efficiency	Membership Dues (Grisso) (7/8/12-7/7/13) (Budget \$230)	214.41
2	Anderson, John	Novato "Cash for Grass" Program	163.75
3	Athens Administrators	June Workers' Comp Admin Fee	1,000.00
4	BioVir Laboratories	Lab Testing (Novato)	816.30
5	BPG Novato	Refund Overpayment on Closed Account	23.49
6	Calif Dept of Wtr Resources	FY 12/13 Annual Dam Fee	7,757.00
7	State of California	State Tax & SDI PPE 6/15	8,731.97
8	Calif Dept of Toxic Substance	Annual Fee for EPA Verification & Manifest Fees	165.00
9	Chandrasekera, Carmela	Exp Reimb: Safety Boots	156.23
10	Chase Card Services	Publication: Financial Management for Water Utilities (Landeros) (\$130), Website Security Certification (\$170) & Annual Membership Fee (\$69)	369.05
11	Covello Group	Prog Pymt #13: Recycled Water Pipeline Expansion (Balance Remaining on Contract \$137,360)	40,254.69
12	Cummings Trucking	Rock & Sand (50 yds ea)	4,145.59
13	Droubay, Pat	Refund Overpayment on Closed Account	20.00
14	Drust, Jeffrey	Refund Alternative Compliance Reg 15 Deposit (\$1,260) & Novato "Toilet Rebate" Program (\$150)	1,410.00
15	Eden Housing	Return Performance Portion (75%) of Cash Bond for Warner Creek Senior Housing Project	40,124.00


Seq	Payable To	For	Amount
16	Engineering Supply	Survey Software (Eng)	436.60
17	Faroqi, Mohammad	Novato "Washer Rebate" Program	50.00
18	Grainger	Electric Powered Door Operator for Front Office Door (\$3,273) (ADA Access), Replacement A/C Unit for the Crest Radio Building (\$899), Replace 5 gal Cooler (\$66) (Crew Truck) & Measuring Tape (25') (5)	4,278.52
19		Cafeteria Plan - Child Care Reimbursement	1,206.94
20	Harrington Industrial Plastics	2" Adapter Tank (\$106) (Pacheco Tank CL 2 Mixing System), 1/2" Cone Check Valve, Injector & Flowmeter (\$199)	305.21
21	Harrington, James	Novato "Washer Rebate" Program	50.00
22	Hewitt, Cormac	Novato "Toilet Rebate" Program	150.00
23	InfoSend	May Processing Fee for Water Bills (\$1,567) & Postage (\$3,968)	5,534.63
24	Jordan, Pensri	Refund Overpayment on Closed Account	54.66
25		Cafeteria Plan - Uninsured Medical Reimbursement	176.15
26		Vision Reimbursement	265.57
27	Khakha, Parvinder	Refund Overpayment on Closed Account	18.26
28	Lavaysse, Robert	Novato "Washer Rebate" Program	50.00
29	Leighton Stone	Solenoid Valve Coil Spacers (6)	19.54
30	Lincoln Life	Deferred Compensation PPE 6/30	10,363.33
31		Cafeteria Plan - Child Care Reimbursement	208.33
32	Mackey, Thomas	Novato "Toilet Rebate" Program (\$150) & Refund Alternative Compliance Reg 15 Deposit (\$630)	780.00
33	Marin Reprographics	Bond Paper (4) (36" x 150')	82.25
34	McLellan, WK	Misc Paving: Novato Area (223 S.F.)	1,614.00
35	MSC Industrial Supply	Misc Parts for STP (\$59) & Flange Bolt for Chlorine Line Repair	88.63

Seq	Payable To	For	Amount
36	National Deferred	Deferred Compensation PPE 6/30	1,025.00
37	Neopost USA	June Postal Meter Rental	65.10
38	Novato Disposal Service	May Trash Removal	413.20
39	Novato Fire District	Site Inspection Regarding Upsize of Detector Check Assembly at Fireman's Fund Complex	100.00
40	On Line Resource	Refund Pymt - Can't Locate Account	67.24
41	Pace Supply	Adapters (8) (\$1,773), Couplings (65) (\$1,976), Ells (10) (\$1,858), Hydrant (\$673), Hydrant Bury (\$1,675), Nipples (66) (\$450), Angle Meter Stops (140) (\$6,594), Bolts (500) (\$1,196), Tees (7) (\$168), Bushings (2), Unions (4), Splices (79) (\$1,302), Nuts (800) (\$783), Cap, Boxes (2) (\$136), Lids (2) & Gate Valves (\$1,398)	20,379.11
42	ParcelQuest	Parcel Data Informative CD w/Semi-Annual Update-Sonoma & Marin Counties (7/1/12- 6/30/13) (Budget \$720)	752.10
43	Parkinson Accounting Systems	Timesheet Entry Program Progress Payment (\$1,000) & Accounting Software Support (\$885)	1,885.00
44	PERS Retirement System	Pension Contribution PPE 6/15	43,373.18
45	PERS Health Benefits	July Health Ins Premium (Employees \$50,079, Retirees \$10,440 & Employee Contrib \$6,708)	67,227.89
46	Point Reyes Prop Mgmt Assn	June HOA Dues (25 Giacomini Rd)	75.05
47	Richardson, Zoila	Refund Overpayment on Closed Account	43.49
48		Cafeteria Plan - Uninsured Medical Reimbursement	95.00
49	Sauter, Daniel	Novato "Toilet Rebate" Program	150.00
50	Sequoia Safety Supply	Retainer Cords (20), Ibuprofen (200), Ear Plugs (600) (\$83) & Drivers Gloves (24) (\$123)	260.07
51	Siemens Water Technologies	Service on Lab Deionized Water System	215.48
52	Sonoma County Water Agency	May Contract Water	704,906.18
53	Soroptimist International of Novato	Annual Dues (Roberts) (7/1/12-12/31/12) (Budget \$180)	87.50

Seq	Payable To	For	Amount
54	Synectic Technologies	Replace Failed Phone System Module	801.50
55	Township Building Services	May Janitorial Services	1,754.84
56	Ultra Scientific	Mineral Samples (2) (Lab)	139.80
57	United Parcel Service	Delivery Services: Sent Chlorine Scrubber Media Sample for Testing, Air Gas Monitor for Repair, Plans & Specs for OM Sewer Lining, Pt Reyes Water Solids Handling Project & RW So. Onsite Retrofit	104.30
58	USA BlueBook	200 gal Storage Tank (Pacheco Tank Chlorine Mixing)	1,354.57
59	U S Department of Commerce	Annual Drought Loan Principal & Interest (Novato-\$18,424 & West Marin-\$2,703)	21,127.17
60	Weir Floway	Replace Worn Pump End & Refurbish Pump Head (San Marin P.S.)	17,685.51
61	White & Prescott	Engineering Services: Pt Reyes Annexation (Balance Remaining on Contract \$4,965)	320.00
62	Willis-Shore, Jason	Novato "Washer Rebate" Program	50.00
63	Yamagata, Korey	Novato "Toilet Rebate" Program	75.00
		TOTAL DISBURSEMENTS	<u>\$1,181,786.87</u>

The foregoing payroll and accounts payable vouchers totaling \$1,181,786.87 are hereby approved and authorized for payment.

 6/26/12
 Auditor-Controller Date

 6/26/2012
 General Manager Date

West Marin Citizen

June 28, 2012

✓ PUBLIC UTILITY

North Marin Water District to meet at the Dance Palace

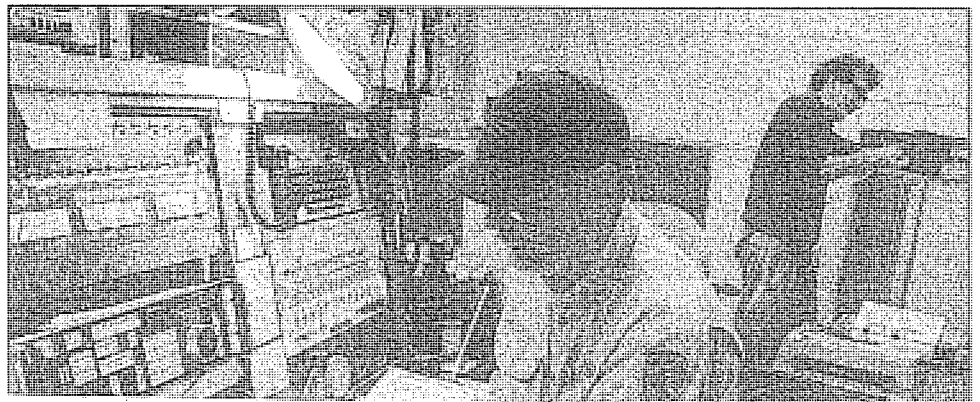
North Marin Water District (NMWD) will hold its semi-monthly board meeting at the Dance Palace in Point Reyes Station, on Tuesday July 3 at 7:30 pm. NMWD is based in Novato but also operates the water system that serves Point Reyes Station, Olema, and Inverness Park. One board meeting a year is normally scheduled in West Marin.

On the agenda for this meeting will be approval of the annual budget for NMWD's West Marin operations. The budget includes two capital projects--drilling a replacement for Well #3, which became unusable earlier this year, and constructing a new facility for handling

mineral solids that are removed as part of the water treatment process. Both projects are located behind the Coast Guard housing in Point Reyes Station. Additional information about the projects is available on the home page of the NMWD website. A 9% rate increase is also included in the budget.

Also on the agenda will be approval of a sewer budget for Oceana Marin.

There will be an opportunity for public comment at the meeting. Members of the public are asked to observe a three minute time limit when making a comment.



rical
egan
larin
nous
first
I but
gain
om-
hese
ope,
ame

13