

**NORTH MARIN
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
July 5, 2011 – 7:30 p.m.
Dance Palace
503 B Street
Point Reyes Station, California**

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| Est. Time | Item | Subject | | | | | | | | | | | | | | | | | | |
|--|---|---|-------------------------------------|-------------------|---------------------------------------|------------------|----|-------|----|------------------------------|--------|----|---|-------------------|----|---|--|--|--|--|
| 7:30 p.m. | CALL TO ORDER | | | | | | | | | | | | | | | | | | | |
| | 1. | APPROVE MINUTES FROM REGULAR MEETING , June 21, 2011 | | | | | | | | | | | | | | | | | | |
| | 2. | GENERAL MANAGER'S REPORT | | | | | | | | | | | | | | | | | | |
| | 3. | OPEN TIME: (Please observe a three-minute time limit) | | | | | | | | | | | | | | | | | | |
| | | This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration. | | | | | | | | | | | | | | | | | | |
| | 4. | STAFF/DIRECTORS REPORTS | | | | | | | | | | | | | | | | | | |
| | 5. | PUBLIC HEARING/ADOPT | | | | | | | | | | | | | | | | | | |
| | | <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">a. FY 11/12 West Marin Water Budget</td> <td style="text-align: right;">Resolution</td> </tr> <tr> <td>b. FY 11/12 Oceana Marin Sewer Budget</td> <td style="text-align: right;">Ordinance</td> </tr> </table> | a. FY 11/12 West Marin Water Budget | Resolution | b. FY 11/12 Oceana Marin Sewer Budget | Ordinance | | | | | | | | | | | | | | |
| a. FY 11/12 West Marin Water Budget | Resolution | | | | | | | | | | | | | | | | | | | |
| b. FY 11/12 Oceana Marin Sewer Budget | Ordinance | | | | | | | | | | | | | | | | | | | |
| 8:00 | INFORMATION ITEMS – WEST MARIN | | | | | | | | | | | | | | | | | | | |
| | 6. | Petition for Change – North Marin Water District Lagunitas Creek Water Rights | | | | | | | | | | | | | | | | | | |
| | 7. | West Marin Improvements Projects - Fiscal Year Progress Report (Preliminary) | | | | | | | | | | | | | | | | | | |
| <p>CONSENT CALENDAR</p> <p>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.</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;">Consent - Approve</th> <th style="text-align: left;">Water Agreement</th> <th style="text-align: left;"><u>Type</u></th> <th style="text-align: left;">DU</th> <th style="text-align: left;">EU</th> <th style="text-align: left;">_____</th> </tr> </thead> <tbody> <tr> <td>8.</td> <td>Heidrun Meadery Fire Service</td> <td>Comm'l</td> <td>--</td> <td>0</td> <td>Resolution</td> </tr> <tr> <td>9.</td> <td colspan="5">Consent - Approve –Recycled Water Expansion to North Service Area – Segment 3 Construction Project - Bid Advertisement</td> </tr> </tbody> </table> | | | Consent - Approve | Water Agreement | <u>Type</u> | DU | EU | _____ | 8. | Heidrun Meadery Fire Service | Comm'l | -- | 0 | Resolution | 9. | Consent - Approve –Recycled Water Expansion to North Service Area – Segment 3 Construction Project - Bid Advertisement | | | | |
| Consent - Approve | Water Agreement | <u>Type</u> | DU | EU | _____ | | | | | | | | | | | | | | | |
| 8. | Heidrun Meadery Fire Service | Comm'l | -- | 0 | Resolution | | | | | | | | | | | | | | | |
| 9. | Consent - Approve –Recycled Water Expansion to North Service Area – Segment 3 Construction Project - Bid Advertisement | | | | | | | | | | | | | | | | | | | |
| ACTION CALENDAR | | | | | | | | | | | | | | | | | | | | |
| | 10. | Approve Amendment to the Water Quality Control Plan for the San Francisco Bay Basin to Add Surface Water Bodies and Designate Beneficial Uses (Comment Letter) | | | | | | | | | | | | | | | | | | |

All times are approximate and for reference only.
The Board of Directors may consider an item at a different time than set forth herein.

| Est. Time | Item | Subject |
|----------------------|-------------|--|
| 8:30 p.m. | | <i>INFORMATION ITEMS</i> |
| | 11. | TAC Meeting – July 11, 2011 |
| | 12. | North Bay Watershed Association Meeting – July 8, 2011 |
| | 13. | <i>MISCELLANEOUS</i> |
| | | Disbursements |
| | | 2012 Medical Plan Cost Increase |
| | | SB 931 Comment Letter |
| | | <u>News Articles:</u> |
| | | Movers & Shakers – YouTube video |
| | | Board appoints seven members to revamped Marin parks panel |
| | | PD Editorial: Healthy signs of a growing salmon fishery |
| | | Algebra Academies inspired by chamber leader are expanding |
| | | 'Phenomenal' start to Russian River salmon restoration project |
| 9:00 p.m. | 14. | <i>ADJOURNMENT</i> |

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NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 21, 2011

CALL TO ORDER

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

Novato resident Ed Grundstrom, Ann Mulroy and Mark Flynn (StoneTree Golf Club), Katie Blank (Environmental Services Associates), and District employees Robert Clark (Operations/Maintenance Superintendent) and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

MINUTES

On motion of Director Baker, seconded by Director Petterle and unanimously carried the Board approved the minutes from the previous meeting as presented.

GENERAL MANAGER'S REPORT

Meeting with Marin County Parks and Open Space District

The General Manager reported that he and Drew McIntyre met with Linda Dahl, Ron Miska and Stephen Petterle from the Marin County Parks and Open Space District to discuss common properties and projects, specifically two pipeline projects listed in the District's Five-Year Capital Plan – Indian Valley College to Indian Valley Road pipeline and Inlet/Outlet Pipeline to San Mateo Tank.

Meeting with SMART and GGBHTD

Mr. DeGabriele stated that on Friday, June 17th he met with SMART staff and Golden Gate Bridge District regarding the railroad crossing at Golden Gate Place. He opined that the SMART staff isn't sure what they want to do in regards to the private crossings; they have received "push back" from property owners at private crossings. He said he suggested that SMART use the Districts as a "test case" to go through the process. He added that the District has an executed and recorded license agreement to use the private roadway across the railroad tracks at Golden Gate Place.

1 **OPEN TIME:**

2 President Schoonover asked if anyone in the audience wished to bring up an item not on
3 the agenda and the following item was discussed:

4 **Agreement with Marin Municipal Water District**

5 Ed Grundstrom addressed the Board and said that the intertie agreement with Marin
6 Municipal Water District is quite old and he is not aware of the agreement being revised. He said he
7 noticed that the wheeling charges to MMWD for aqueduct water have decreased; in the meantime,
8 the District costs have gone up 20%. Additionally, Mr. Grundstrom suggested that the first tier in the
9 rate structure include more water usage as a means to increase revenue since, in his opinion, the
10 increase in rates will decrease sales.

11 **STAFF/DIRECTORS REPORTS**

12 President Schoonover asked if staff or Directors wished to bring up an item not on the
13 agenda and there were no comments.

14 **PUBLIC HEARING – 2010 URBAN WATER MANAGEMENT PLAN**

15 Mr. DeGabriele presented the 2010 Urban Water Management Plan (UWMP). He began
16 his presentation by explaining that the Comprehensive Water Bond Act passed in 2009, adding
17 several new elements to the Urban Water Management Planning Act, provided that retail and
18 wholesale water providers were given an extra six months to complete the Plan. He advised that the
19 UWMP is on track for submittal to the State Department of Water Resources by July 1 and is
20 consistent with the DWR Guidebook. Mr. DeGabriele further advised that the UWMP was made
21 available to the public at the District Administrative office and the Novato Public Library; and the
22 Notice of Public Hearing was published two times in the Novato Advance. He said that one
23 comment was received from Sonoma County Water Agency (SCWA) regarding entitlement
24 deliveries for SCWA, and that their comment has been addressed in the final document. Mr.
25 DeGabriele said that the UWMP was prepared by staff, saving consultant dollars, and was
26 supported by an analysis prepared by Maddaus Water Management (MWM) which quantified both
27 future water demand and water conservation efforts. He explained the MWM computer model used
28 for calculations and advised that all retail water contractors receiving Russian River water used
29 MWM for consistent analysis. He said that once demand projections were developed, the District
30 worked with the SCWA to determine how to meet demands using Russian River water, local supply,
31 conserved water and recycled water and that this is reflected in the UWMP.

32 Mr. DeGabriele summarized highlights of the UWMP:

1 1) Population projections for North Marin used an average of 2005, 2007 and 2009 ABAG
2 population projections.

3 2) Includes an analysis of per capita water use (requirement of Comprehensive Water Bond
4 Act of 2009) whereby all retail water agencies shall develop a 20% reduction in per capita water use
5 by 2020. The UWMP calculates a District baseline of 178 gallons per capita per day (gcpd) and with
6 the 20% reduction, calculated to be 143 gcpd. Projections indicate that the District would not meet
7 that goal; therefore, a regional alliance was formed to develop a regional target for 2020.

8 3) A new element of the UWMP is to identify water needed for lower income households;
9 and for Novato, that would be a household with an 80% of median income (\$64,738). It was
10 estimated that 40% of total households in Novato fall into that category and water needed for single
11 family and multi-family lower income housing is reflected in the UWMP.

12 Director Rodoni inquired if there is an assumption that lower income housing uses less
13 water. Mr. DeGabriele responded that that is not the case; the UWMP's intent is to confirm that
14 there is sufficient water supply to meet the lower income housing needs.

15 4) Projected water supplies at year 2035 for the District is 12,803 acre feet, 3,167 acre feet
16 less than the last UWMP; and in order to meet the projected demand, the District will rely on Agency
17 Russian River water, Stafford Lake, recycled water and conserved water.

18 5) The UWMP requires an analysis of water supply and demand in an average year, a
19 single dry year and a multiple dry year. The analysis shows that the demand can be met in average
20 and multiple dry years but a single dry year water use restrictions would be necessary to keep water
21 demand within the available supply.

22 Mr. DeGabriele informed the Board that the UWMP does not address conditions to protect
23 fisheries on the Russian River.

24 President Schoonover opened the public hearing at 7:46 p.m. and hearing no comment,
25 closed the public hearing.

26 Director Fraites moved that the Board adopt the NMWD 2010 Urban Water Management
27 Plan pursuant to Resolution No. 11-15 entitled, " Resolution of the Board of Directors of North Marin
28 Water District Adopting the 2010 Urban Water Management Plan" and the motion was seconded by
29 Director Petterle.

30 Director Rodoni commented that the Regional Alliance Agreement with the other water
31 contractors is subject to review in 2015 and that each entity may withdraw from the alliance at any
32 time which may have an effect on the District complying with SBx7-7. Mr. DeGabriele responded

1 that the UWMP must be updated every five years and the current projections will be reviewed and
2 recalculated if necessary.

3 The Board voted unanimously to adopt the 2010 Urban Water Management Plan.

4 **PUBLIC HEARING/ADOPT FY 11/12 NOVATO WATER & RECYCLED WATER BUDGETS**

5 David Bentley stated that the Novato Water Budget is divided into the Equipment, Capital
6 Improvement Projects Budgets and Operations Budget which incorporates both the Equipment and
7 Capital Improvement Projects Budgets; the Recycled Water System Budget is separate from the
8 Novato Water Budget. He advised that the public hearing notice was published in the June 15th
9 edition of the Novato Advance and that no comments were received from the public.

10 **Novato Water FY 2011-12 Equipment Budget**

11 Mr. Bentley presented the FY 2011-12 Equipment Budget and stated that the Equipment
12 Budget totals \$188,000, the same budget amount as the FY 2011 Equipment Budget and 20% less
13 than budgets on average adopted over the past ten years. He said the Equipment Budget includes
14 a dump truck (\$78,000) and valve tapping system (\$48,000).

15 President Schoonover opened the public hearing and hearing no comment, closed the
16 public hearing.

17 On motion of Director Petterle, seconded by Director Baker, the Board unanimously
18 approved the Novato Water FY 2011-12 Equipment Budget.

19 **Novato Water FY 2012 & FY 2013 Capital Improvement Projects Budget**

20 Mr. Bentley stated that staff is requesting that the Board adopt two fiscal year Capital
21 Improvement Projects Budgets – Fiscal Year 2012 and Fiscal Year 2013. He said that the budget
22 amount for both fiscal years is \$4.3M; and since the Board's last review, there was one change. He
23 advised that the South Novato Main Break Repair project will be carried over to FY 11/12, and
24 \$120,000 has been added to the FY12 budget to complete the project. He further advised that one
25 project was deferred and another project reduced so that the budget total for FY12 remains the
26 same as previously presented. Mr. Bentley informed the Board that the significant project planned
27 for the next two years is the Aqueduct Energy Efficiency Project - \$2.7M budgeted for FY12, \$2.6M
28 budgeted for FY13 and \$2.6M for FY14. He said the District will borrow approximately \$8M and the
29 terms of the loan are currently being negotiated with Bank of Marin. He stated that the net project
30 outlay proposed to be funded internally (\$1.6M for FY 12 and \$1.7M for FY13) is less than the \$2M
31 per year incorporated into the District's five-year financial plan.

32 President Schoonover opened the public hearing at 7:53 p.m.

1 Ed Grundstrom, Hatch Road, Novato, addressed the Board. He said that the District should
2 reduce the number of projects to avoid having to borrow money, exhaust District reserves and
3 increase rates. He said it would be better to issue bonds than to undertake commercial lending.

4 Hearing no further comments, President Schoonover closed the public hearing at 7:55 p.m.

5 On motion of Director Baker, seconded by Director Fraites, the Board unanimously approved
6 the FY11/12 and FY 12/13 Capital Improvement Projects Budget as presented.

7 **Novato Water FY 2011-12 Operations Budget**

8 Mr. Bentley presented the FY 2011-12 Operations Budget which incorporates the \$188,000
9 Equipment Budget and \$4.3M Capital Improvements Projects Budgets. He informed the Board that
10 with operations and debt service, a total of \$17.7M expenditure plan is proposed for next fiscal year.
11 He noted that this amount is a 6% decrease from last fiscal year's budget. Mr. Bentley advised that
12 since the last review, expense amounts have increased \$56,000 due to reallocating West Marin
13 labor back to Novato Operations and higher than anticipated workers' compensation expense.

14 Director Baker asked Mr. Bentley to explain the reallocation of West Marin labor.

15 Mr. Bentley stated that labor hours are distributed between the different operations of the
16 District. He said that the first draft of the West Marin budget increased labor hours needed for
17 projects; however, the General Manager directed staff to reduce the West Marin budgets which
18 require labor hours to be reallocated from West Marin back into Novato which equate to \$39,000.
19 He advised that West Marin budgets are small and it is important to make sure that there is enough
20 money to accomplish necessary projects.

21 Mr. Bentley continued his presentation and advised that bids for workers' compensation
22 insurance came in higher than anticipated which added \$17,000 to the operating expense since the
23 Board's last review. He summarized the budget and stated that next fiscal year the bottom line
24 deficit is \$343,000, a cash decrease that is in accordance with the five-year financial plan. He said
25 that the budget incorporates the rate increases approved by the Board on May 24th that will generate
26 \$1.4M in revenue and water sales are conservatively budgeted at 2.7 billion gallons, 18% below the
27 ten-year average. He advised that connection fee projections are conservative in the proposed
28 budget, total operating expenditures are projected to decrease by 5%, staff levels are down 5% from
29 the current year's budget and CalPERS health insurance will increase 7.3%.

30 President Schoonover opened the public hearing at 8:03 p.m. and hearing no comment,
31 closed the public hearing.

1 On motion of Director Baker, seconded by Director Rodoni, the Board unanimously
2 approved the FY 11/12 Novato Operating Budget as presented and authorized the General Manager
3 to pay demands arising from execution of the budgeted expenditure plan.

4 **Recycled Water FY 2011-12 Facilities Budget**

5 Mr. Bentley presented the proposed \$5.6M Recycled Water System Budget and stated that
6 the projected demand is 60 million gallons for next fiscal year, down 10% from the five-year average.
7 He said that consistent with the potable water rate increase enacted June 1, the recycled water
8 commodity rate increased 6%. He said that operating expenses are budgeted to decrease 6% from
9 the existing budget, and the proposed budget includes \$5M for the Novato North and Novato South
10 Recycled Water Expansion project. Mr. Bentley said this project will be 25% funded by grant funds
11 and the remainder by a low-interest rate State Revolving Fund loan. He said a small surplus of
12 \$37,000 is projected for the next fiscal year.

13 President Schoonover opened the public hearing at 8:05 p.m.

14 Ed Grundstrom, Hatch Road, Novato, stated that the Recycled Water Expansion is a
15 "wrong-headed" approach and is one area that should be slowed down. He said that converting
16 commercial customers to recycled water will double up on capital expenses and costs and that the
17 biggest users, the City of Novato and School District, are not included on the list of recycled water
18 users.

19 Hearing nothing further, President Schoonover closed the public hearing at 8:08 p.m.

20 On motion of Director Petterle, seconded by Director Fraites, the Board unanimously
21 approved the FY 11/12 Novato Recycled Water Facilities Budget as presented and authorized the
22 General Manager to pay demands arising from execution of the budgeted expenditure plan.

23 Mr. DeGabriele commented that the City of Novato and Novato Unified School District are
24 lined up to be customers for recycled water. He said that the 25% grant funds from the federal
25 government should not be turned down; and with that money, the District is under obligation to
26 perform. He identified other potential recycled water users in the North and South service areas for
27 the Board's information.

28 **MONTHLY PROGRESS REPORT**

29 The General Manager provided the Monthly Progress Report for May. He said that water
30 production in Novato is up 7% from last year but when compared to FY 06/07 and 07/08, are down
31 considerably. He said West Marin production is up by 2% from a year ago and recycled water
32 production up from one year ago. He reported that staff got an early start with production at Stafford

1 Treatment Plant and got some relief from the sanitary sewer discharge limitation which enabled
2 production to increase considerably from last year. Mr. DeGabriele said that lake storage is about
3 10 inches lower than last year and is in good shape going into the summer. He advised that the
4 treatment and storage ponds in Oceana Marin are in good shape. He said that staff has worked 51
5 days without a lost time accident or injury, and the increase in water quality complaints reflect taste
6 and odor complaints due to the algae bloom occurring in May.

7 Mr. Bentley reported on the monthly investments and said that in May 2011 there was \$5.6M
8 in the bank, down \$30,000 from the April report, a decrease of \$896,000 since July 1, 2010. He said
9 that at the end of May \$3.5M was invested in the Local Agency Investment Fund, and \$2M in
10 Certificates of Deposit at local banks.

11 **CONSENT CALENDAR**

12 The following items were removed from the consent calendar for further discussion:

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

14 This item was removed from the Consent Calendar by Director Petterle who advised that
15 this item was not included in his Board agenda packet and that he would abstain from voting.

16 Staff requested Board approval of revisions to Resolution 06-01 and Resolution 06-02
17 setting rebate amount for the various water conservation programs. Due to budget constraints, staff
18 recommends that the water conservation rebate values be reduced.

19 On motion of Director Baker, seconded by Director Fraites, the Board approved changes to
20 Resolution 06-01 entitled, "Revised Resolution of the North Marin Water District Board of Directors
21 Setting Water Conservation Rebate Amounts for Novato Service Area" and Resolution 06-02,
22 entitled, "Revised Resolution of the North Marin Water District Board of Directors Setting Water
23 Conservation Rebate Amounts for West Marin Service Area" by the following vote:

24 AYES: Directors Baker, Fraites, Rodoni, Schoonover

25 NOES: None

26 ABSENT: None

27 ABSTAIN: Director Petterle

28 **CONTRACTING BACKFLOW DEVICE TESTING FOR THE NOVATO SERVICE AREA**

29 Director Baker requested that this item be removed from the consent calendar for further
30 discussion.

1 Staff solicited proposals to perform the inspection and testing of District owned backflow
2 devices; and after receiving two proposals in the amounts of \$97,807 and \$91,450, staff
3 recommends rejecting all proposals and to continue to perform these activities in-house.

4 Director Baker stated that staff had some misgivings about requesting proposals for the
5 backflow device testing and that after receiving two proposals, staff decided to reject the proposals.
6 He stated that he agreed with staff; however, he expressed concern about the District's credibility
7 and that contractors would be reluctant to provide proposals to the District in the future.

8 Mr. Clark responded that the proposals were twice as much as the cost to perform the
9 backflow testing in-house. He stated that he conversed with six contractors who said they did not
10 have sufficient staff to provide the service. Mr. DeGabriele stated that he believes it was the right
11 thing to "test the water" and determine if backflow device testing could be done cost-effectively by
12 outside contractors, thereby freeing up time for District employees to perform other work.

13 Director Rodoni stated that it was a good idea to test the market and compare costs.

14 On motion of Director Baker, seconded by Director Petterle, the Board unanimously
15 authorized staff to reject all proposals for backflow device testing services within the Novato Service
16 Area and continue to perform these activities in-house.

17 **AUTHORIZE SIGNATORIES ON DISTRICT ACCOUNTS**

18 At the request of Director Baker, this item was removed from the consent calendar for
19 further discussion.

20 At the June 7, 2011 Board meeting, the Board authorized District staff to move its banking
21 services to US Bank. This item identifies the five District personnel currently authorized to transact
22 business with financial institutions with which the District currently does business.

23 Director Baker asked Mr. Bentley to explain the reason for having the Senior Accountant
24 and Accounting Supervisor as authorized personnel to transact business on behalf of the District.

25 Mr. Bentley responded that the two accountants would sign checks in the absence of District
26 officers and have the authority to transfer funds as appropriate. He advised that if funds were to be
27 transferred to institutions other than to LAIF and the District operating account, two signatures would
28 be required to avoid collusion. He said that this is an internal control recommended by the auditor.

29 Director Baker said that he felt uncomfortable authorizing the Senior Accountant and would
30 abstain.

1 On motion of Director Petterle, seconded by Director Rodoni the Board authorized the
2 General Manager, Auditor-Controller, Chief Engineer, Senior Accountant (Nancy Holton) and
3 Accounting Supervisor to transact business with District financial institutions by the following vote:

4 AYES: Directors Fraites, Petterle, Rodoni, Schoonover

5 NOES: None

6 ABSENT: None

7 ABSTAIN: Director Baker

8 On motion of Director Petterle, seconded by Director Baker and unanimously carried, the
9 following items were approved on the Consent Calendar:

10 **REVISED STATE REVOLVING FUND LOAN RESOLUTION- APPLICATION FOR RECYCLED**
11 **WATER PHASE 2 NORTH SERVICE AREA**

12 The State Water Resources Control Board has requested that the Revised Revenue Source
13 Authorization Resolution (No. 11-08), be revised for a third time to include all job numbers in order to
14 clarify what projects are being covered in the State Revolving Fund financing.

15 The Board unanimously adopted Resolution 11-16 entitled, "Revenue Source Authorization
16 Resolution."

17 **AGREEMENT RENEWAL WITH RISK CONSULTANT SP/JB**

18 The Board authorized the Auditor-Controller to renew the Self-Insured Claims Management
19 and General Risk Management Consulting Contract with DB Claims Services Group for a five-year
20 period commencing July 1, 2011. The District uses DB Claims to review insurance contract
21 language, serve as an adjustor for claims and for special projects.

22 **ACTION CALENDAR**

23 **BLACK POINT GOLF LINKS AGREEMENT ASSIGNMENT**

24 Drew McIntyre stated Ann Mulroy, CEO, and Mark Flynn, President of StoneTree Golf Club
25 are present tonight. He stated that staff received a letter from Bill Bunce, Managing Partner of Black
26 Point Partnership, advising that StoneTree Golf Club is being transferred to a new entity controlled
27 by Ann Mulroy and formally requests assignment of the Agreement for Recycled Water Service for
28 Black Point Golf Links to the newly formed StoneTree Golf, LLC. He said that District legal counsel
29 has reviewed the standard language in the agreement that incorporates the original recycled water
30 agreement executed in 2004 and also the 2006 amendment. Mr. McIntyre informed the Board that
31 the Deed of Trust surety remains the same. He said that there were additional conditions
32 addressing staff costs and confirmation that Ann Mulroy is the proper signatory to the StoneTree

1 Golf, LLC, and advised that staff has received all necessary information to insure that this is a
2 proper assignment of the agreement.

3 On motion of Director Petterle, seconded by Director Fraites, the Board unanimously
4 approved Resolution No. 11-17 entitled, "Authorization of Execution of Assignment of Recycled
5 Water Service Agreement with Black Point Partnership, LP and StoneTree Golf, LLC."

6 **ENVIRONMENTAL MONITORING SERVICES CONTRACT (FOR RECYCLED WATER NORTH**
7 **SERVICE AREA) – ENVIRONMENTAL SERVICES ASSOCIATES (ESA)**

8 Mr. McIntyre stated that at the June 7th Board meeting, the Board approved the contract
9 award for Segment 1 of the Recycled Water Expansion to Ghilotti Construction for pipeline
10 extension. He said that in accordance with the North Bay Water Reuse Authority Environmental
11 Impact Report for the North Service Area, the District is responsible for various mitigation and
12 environmental monitoring. Mr. McIntyre advised that Environmental Services Associates (ESA)
13 prepared the EIR, ESA is familiar with the requirements of the EIR and it makes sense to hire ESA
14 to perform the environmental monitoring services. He said that staff recommends that a contract be
15 awarded to ESA to perform environmental monitoring services.

16 Mr. McIntyre explained that the scope of work is divided into two areas and the primary focus
17 of ESA's work will be five weeks of spot monitoring during the construction of approximately 4,650
18 feet of the pipeline route in an area that has been identified as California red-legged frog habitat. He
19 said that in addition, approximately 1,000 lineal feet of the pipeline route has been identified as
20 potential Native American burial interest and will require approximately one week of full-time
21 monitoring. He advised that the Federated Indians of Graton Rancheria (FIGR) will also be onsite.
22 Mr. McIntyre stated that although FIGR will be working as a sub-consultant to ESA, the Tribe is
23 requesting an agreement with the District to outline a treatment plan to formalize procedures for the
24 protection and treatment of Native American human remains should they be found. He said the
25 project cost of \$38,000 is included in the FY 11/12 Improvement Projects Budget for Recycled
26 Water and he advised that Katie Blank of ESA is in the audience to answer any questions the Board
27 may have.

28 Director Baker moved to approve staff's recommendation.

29 Director Rodoni asked if District legal counsel reviewed the Treatment Plan with FIGR since
30 it requires action from other entities which the District has no jurisdiction over.

31 Katie Blank of ESA responded that the plan contains standard language that assigns a
32 chain of notification in case something is discovered and demonstrates that FIGR would need to be
33 contacted in that event.

1 Director Fraites provided the second to the motion.

2 The Board unanimously approved 1) a contract with ESA for \$37,965 plus a contingency of
3 \$4,000 to perform environmental monitoring services for the Recycled Water North Service Area
4 project and authorized the General Manager to execute said agreement; 2) authorized the General
5 Manager to execute the Treatment Plan Agreement between the Federated Indians of Graton
6 Rancheria and North Marin Water District.

7 **ENGINEERING CONTRACT FOR PREPARATION OF TITLE 22 ENGINEER'S REPORT AND**
8 **NOTICE OF INTENT (RMC ENVIRONMENTAL)**

9 Mr. McIntyre said that additional permitting work for the expansion of the North and South
10 Service Area for Recycled Water Expansion is necessary to meet California Department of Public
11 Health (DPH) and Regional Water Quality Control Board (RWQCB) requirements. He said that the
12 District currently operates the Deer Island Recycled Water Facility and distributes the water under a
13 Title 22 Engineer's Report and Notice of Intent that was prepared for the Deer Island Facility. He
14 said all DPH and RWQCB requirements are being met for the existing facility. Mr. McIntyre advised
15 that the scope of work will include preparation of a new Title 22 Engineer's Report for DPH
16 identifying NMWD's role as distributor of water, including handling of the pipeline and storage for
17 Recycled Water Expansion in the North and South Service Areas and filing a Notice of Intent with
18 the RWQCB. He advised that Novato Sanitary District (North) and Las Gallinas Valley Sanitary
19 District (South) are also preparing the same documents for their respective service areas as
20 producers of the recycled water; these three separate documents will satisfy all requirements for the
21 recycled water expansion.

22 Mr. McIntyre advised that staff issued a request for proposal to prepare the Title 22
23 Engineer's Report and Notice of Intent documents and three firms responded. Mr. McIntyre stated
24 that the qualifications of each firm were ranked separately by each member of the selection
25 committee on specific criteria. He said that upon completion of the ranking, RMC Environmental
26 scored the highest. He said that RMC's project team has local experience and is preparing similar
27 documents for Novato Sanitary District and has a good project approach. He said the project is
28 included in the proposed FY 11/12 Recycled Water Improvement Projects Budget and total project
29 cost is \$36,450 plus a \$4,000 contingency.

30 On motion of Director Baker, seconded by Director Fraites, the Board unanimously
31 authorized the General Manager to execute an agreement between RMC Environmental and the
32 District for Consulting Engineering Services for \$36,450 plus a \$4,000 contingency.

33

1 **PURCHASE OF FY 12 INSURANCE**

2 David Bentley reported that staff solicited proposals for insurance coverage and received a
3 proposal from broker SST Fenner Insurance, who has provided insurance coverage to the District
4 for the past three years. He said that SST solicited proposals from four insurance companies; two
5 companies said they could not compete with the existing Travelers package and did not provide a
6 quotation. He said that the District purchases different kinds of insurance: Property, Vehicles,
7 Errors/ Omissions, Employee Fidelity Bond and Umbrella Liability, and the overall total package of
8 \$108,000 is included in the FY 11/12 Operations Budget just approved.

9 On motion of Director Petterle, seconded by Director Rodoni, the Board unanimously
10 approved purchase of insurance as recommended by staff that includes Property, Vehicles,
11 Errors/Omissions and Fidelity Bond with Travelers and Umbrella Liability with Insurance Company of
12 Philadelphia.

13 **SELF-INSURING WORKERS' COMPENSATION INSURANCE**

14 Mr. Bentley reminded the Board that in 2003, workers' compensation insurance premiums
15 rose significantly, and the District self-insured its workers' compensation liability at that time. He
16 said that after four years of self-insuring, premiums began to drop and in 2008, the District
17 contracted with Travelers Insurance to provide workers' compensation coverage for the next three
18 years. He stated that as a precaution, in the event that proposals for worker's compensation
19 insurance for FY12 increased significantly, on April 5, 2011, the Board approved a resolution
20 authorizing the Director of the California Department of Industrial Relations to issue to the District a
21 Certificate of Consent to Self-Insure workers' compensation liabilities. Mr. Bentley advised that
22 Travelers proposed premium for FY12 increased 20% to 159,000. He further advised that to self-
23 insure, the District will need to employ a third-party administrator for \$1,000 per month and purchase
24 an excess (stop-loss) policy (\$46,000) to limit the District's liability in the event of a catastrophic
25 claim to \$750,000. He said that there is always a risk to self-insure; however, the projected savings
26 for self-insuring workers' compensation is projected to average \$13,000 per year if average claims
27 expenses occur.

28 Mr. Bentley informed the Board that the alternative to self-insuring is to instruct the Auditor-
29 Controller to purchase the Travelers workers' compensation insurance at a cost of \$159,000.

30 On motion of Director Rodoni and seconded by Director Baker, the Board unanimously
31 authorized the Auditor Controller to 1) enter into an agreement with Athens Administrators to provide
32 Third Party Administration services; 2) purchase the excess coverage policy from New York Marine
33 for \$46,002; and 3) commence self-insuring workers' compensation liabilities effective July 1, 2011.

1 **INTRODUCTION OF OCEANA MARIN SEWER SERVICE CHARGE INCREASE ORDINANCE**
2 **FIRST READING**

3 Mr. Bentley presented the draft ordinance authorizing the Oceana Marin Sewer service
4 charge be collected on the Marin County Property tax bill and enactment of the proposed charge.
5 He said the ordinance must be read at two consecutive Board meetings, the first tonight and the
6 second reading at the July 5, 2011 Board meeting wherein the ordinance will be adopted at the
7 conclusion of the public hearing in Point Reyes Station. He said that Regulation 109 will be revised
8 to include changes to the Sewer Service rate – an increase to \$58 per month effective August 1,
9 2011. Mr. Bentley advised that in addition to the annual charge of \$693, staff will post an additional
10 amount to seven accounts which have delinquent balances remaining from prior years (\$3,445 plus
11 interest) and for which liens on the seven properties have been recorded.

12 On motion of Director Baker, seconded by Director Petterle, the Board unanimously
13 approved reading of the proposed ordinance (title only), "Ordinance 25 – Ordinance of the Board of
14 Directors of North Marin Water District electing to have Oceana Marin Sewer Charges be Collected
15 on the Tax Roll of the County of Marin, State of California Commencing Fiscal Year 2011-12."

16 **INFORMATION ITEMS**

17 **ADDITIONAL REVIEW – FY 2011-12 WEST MARIN BUDGETS**

18 Mr. Bentley presented the FY 2011-12 West Marin Budgets for the Board's second review.
19 He said that Department Heads met after the last review to reduce the West Marin budgets to meet
20 this year's estimated actual budget. He said that another \$43,000 will be cut out of the West Marin
21 Water Budget and an additional \$5,000 out of the Oceana Marin Sewer Budget. He stated that a
22 9% increase in West Marin water rates (6% on the commodity rate, 33% on the minimum charge) is
23 proposed for the FY 2011-12. Mr. Bentley advised that the Coastal Area Water Cost Comparison
24 table shows that the District has the lowest bimonthly service charge of all West Marin coastal water
25 providers and with the proposed increase, the District's West Marin service area will still be the low-
26 cost provider in the coastal area. He said the big project for West Marin Water will be the Solids
27 Handling Facility at the Point Reyes Treatment Plant.

28 Mr. Bentley said that Oceana Marin Sewer service rates are proposed to increase \$3 to \$58
29 effective August 1, 2011. He said the big project in Oceana Marin will be the completion of the
30 replacement of 1,000 feet of cross country pipe for \$80,000.

31 **MISCELLANEOUS**

32 The Board received the following miscellaneous items: Disbursements and H2O know-how.

2

3

4

5

MEMORANDUM

To: Board of Directors

July 1, 2011

From: David L. Bentley, Auditor-Controller

Subj: Public Hearing/Approve – FY12 West Marin Water Budget
t:\ac\word\budget\wm\12\wm12 wtr public hearing.docx

RECOMMENDED ACTION: 1) Approve Rate & Charge Increases;
2) Approve FY12 Budget as Proposed

FINANCIAL IMPACT: 1) Rate Increase would generate \$54,000 annually;
2) FY12 Expenditure Plan of \$825,000

Following for your third review, public hearing and approval is the proposed FY2011/12 Budget for the West Marin Water System.

Since the Board's last review of this budget on June 21, at the Manager's direction Staff has reduced budgeted operating expense by \$41,000 (10%) to make it equal to the estimated actual total for the fiscal year just ended. In addition, a \$21,000 project was added to the Capital Improvement Projects budget for upsizing 360' of waterline from 6" to 8" in conjunction with the Meadery project.

Proposed for West Marin Water System customers is a 6% increase in the commodity rate (base, tier, seasonal and zone rates), and a 33% increase in the service and backflow device charges, rendering an average increase of 9% for the typical residential customer.

A letter (Attachment A) was mailed to all West Marin Water customers on May 20, 2011 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.

In addition, a notice was published in the June 30 edition of the Point Reyes Light (Attachment B), inviting interested parties to attend the public hearing.

The letter to customers generated one phone call and one protest letter:

1. An Inverness Park customer (Attachment C) 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;
2. An Olema customer (Attachment D) protests the increase, asserting that the West Marin improvements undertaken "were too ambitious for the existing budget."

RATE INCREASE PROPOSAL DETAIL

A 9% increase was implemented in each of the past six years, and this year a rate

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

The proposed rate and charge increase is projected to generate an additional \$54,000 annually.

An additional increases of 9% is included in the 5-year financial plan for next fiscal year, (FY13 - see page 4). Thereafter, assuming federal funds via the National Park Service and state funds via Proposition 84 or future water bond funding is received for the \$1.6 million Gallagher Pipeline and the \$2.8 million water treatment plant modifications, the financial plan shows that West Marin Water will fully repay Novato Water by FY15.

Connection Fees

Connection fees for West Marin Water were increased in August 2009 and phased over two years. No new connections are budgeted for 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

The significant Capital Improvement Project budgeted for the coming year, from page 1 of the budget package, is \$360,000 for the first phase of a \$720,000 project to design and construct a solids-handling facility adjacent to the water treatment plant.

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

The Five-Year Financial Plan shows the \$450,000 PRE Tank replacement, the final project in Phase I of the Long Range Improvement Project Plan (LRIPP), will commence in

FY15. \$1.6 million is included for the Gallagher Pipeline commencing in FY16, and \$2.8 million is forecast for design, modification and rehabilitation of the water treatment plant commencing in FY15. Both the pipeline and treatment plant projects assume funding assistance from the federal and state government.

WEST MARIN WATER SYSTEM OPERATING BUDGET

You will note from page 2 of the budget that the proposed West Marin Water System Financial Plan projects a net surplus next fiscal year of zero. This is because the projected \$125,000 cash deficit required to move forward with construction of the Solids Handling Facility will be covered by a loan from Novato water. The West Marin Water System exhausted its cash reserves in May 2005, requiring it to borrow funds from Novato. In accordance with the interdistrict loan policy, West Marin is repaying Novato at the interest rate earned on the District treasury (budgeted at 0.75% for FY12) plus \$50 per month.

The Five-Year Financial Plan on page 3 shows that the total debt to Novato will be fully repaid in FY15, assuming enactment of this year's proposed rate increase and one additional 9% increase in FY13. The repayment plan is predicated upon federal and/or state funds coming available to construct the Gallagher pipeline and rebuild the water treatment plant.

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

FY11 water sales revenue is budgeted to increase 11% compared with the current year estimated actual, as next fiscal year's sales volume is forecast to rise about 3%. Total income is forecast to increase 8%. The West Marin system is projected to consume 76 million gallons next year, up 3% from FY11 estimated actual, but only 88% of the average¹ over the past ten years. The forecast assumes water sales volume will remain flat thereafter at 78MG 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 equal the FY11 estimated actual expenditures, a decrease of 11% from the FY11 adopted budget. A graphical history of operating expenditures is shown on page 7. The 2012 update of the Coastal Area Annual Water Cost Comparison on page 9 shows that even with the proposed rate increase, the water cost for

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

NMWD's West Marin customers' remains below that paid by the customers of other coastal agencies

RECOMMENDATION:

1. Approve Resolution 11-XX (Attachment E) amending Regulation 54 (Attachment F) effective August 1, 2011 to increase the West Marin Water commodity rates by 6% and the service charges by 33%;
2. Adopt the FY12 West Marin Water System Budget as presented;
3. Authorize the General Manager to pay demands arising from execution of the budgeted West Marin Water expenditure plan.

May 20, 2011

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, 2011. It also provides information about a **Public Hearing on July 5, 2011**, 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. The median non-residential account would see a 10% increase commencing August 1, 2011.

See Attachment A for details of proposed rate increase.

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 65,000 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 \$352,000 at April 30, 2011. Long Range Improvement Projects completed to date are shown on Attachment A.

Additional Information

Attachment A also provides 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 5, 2011, 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 5, 2011 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

Encl: as stated
t:\ac\word\budget\wm\12\increase ltr to customers 2011 pg 1 & 2.docx

West Marin Long Range Improvement Project Plan – Status Report

| <u>Project</u> | <u>4/30/11</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, 2011

| | <u>Existing</u> | <u>Proposed</u> | <u>% Increase</u> |
|--|-----------------|-----------------|-------------------|
| BIMONTHLY MINIMUM SERVICE CHARGE | | | |
| For 5/8 x 3/4-inch meter..... | \$15.00 | \$20.00 | 33% |
| For 1-inch residential meter for fire service..... | \$15.70 | \$22.00 | 40% |
| For 1-inch meter..... | \$30.00 | \$40.00 | 33% |
| For all meters in Paradise Ranch Estates..... | \$37.00 | \$37.00 | 0% |
| QUANTITY CHARGE | | | |
| <u>Residential Rate Per Dwelling Unit</u> | | | |
| First 400 gallons per day..... | \$5.66 | \$6.00 | 6% |
| From 401 to 900 gallons per day..... | \$7.84 | \$8.31 | 6% |
| From 901+ gallons per day..... | \$12.58 | \$13.33 | 6% |
| <u>Commercial, Institutional & Irrigation Rate</u> | | | |
| November 1 through May 31..... | \$5.66 | \$6.00 | 6% |
| June 1 through October 31..... | \$7.84 | \$8.31 | 6% |
| PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL | | | |
| <u>Zone</u> <u>Hydraulic 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')..... | \$0.15 | \$0.16 | 6% |
| 3 Olema..... | \$0.56 | \$0.59 | 6% |
| 4 Upper Paradise Ranch Estates (Elevation 365'+)..... | \$3.78 | \$4.01 | 6% |
| Additional Commodity Rate for Consumers Outside the Improvement District Boundary..... | \$2.26 | \$2.40 | 6% |

Note:

The Point Reyes Light was not delivered on Friday. This is a faxed copy of the hearing notice from PRL. A more readable copy will be available at the meeting on Tuesday.

PUBLIC HEARING NOTICE

PROPOSED NORTH MARIN WATER DISTRICT WATER RATE INCREASE

Proposed Consider FY 2011/12 Budget and Proposed Rate Increase
 Impact Area: West Marin Water Service Area
 Date and Time: Tuesday, July 5, 2011 at 7:00 p.m.
 Place: Dancer Palace, 402 B Street, Point Reyes Station, CA

BACKGROUND: Water rates are read and customers receive a bill monthly. The bill is composed of 1) a "Water Use Charge" that is determined by multiplying a commonly run home water meter measured in the amount of gallons and 2) a "Service Charge" - currently \$13 for an typical residential water meter. The West Marin Water Service Area is comprised of approximately 770 metered service distributed over five rate zones based upon elevation and the resulting water pressure. A higher elevation zone may correspondingly higher commodity rate, or "Hydraulic Zone Charge" designed to recover the incremental cost of energy and maintenance for pumping water into each elevation zone.

| Category | Current | Proposed |
|--|---|----------|
| West Marin Water System Rate | | |
| Monthly Service Charge | \$13.00 | \$20.00 |
| For 1-inch residential meter for fire | \$15.70 | \$22.00 |
| For 1-inch residential meter for fire | \$15.70 | \$22.00 |
| For all meters in Paradise Ranch | \$17.00 | \$27.00 |
| Water Use Charge | | |
| Residential Rate For 400 Gallons per day | \$4.76 | \$6.00 |
| From 401 to 900 gallons per day | \$7.84 | \$9.31 |
| From 901 to 1400 gallons per day | \$17.50 | \$21.73 |
| Commercial/Institutional & Irrigation Rate | | |
| November 1 through May | \$3.66 | \$6.00 |
| June 1 through October | \$7.84 | \$9.31 |
| PLUS A HYDRAULIC ZONE CHARGE PER DAY | | |
| Zone | Hydraulic Zone | |
| 1 | Point Reyes Station | \$0.00 |
| 2 | Bear Valley, Silver Mills, Inverness Park, & Lower Paradise Ranch (Elevation 0' - 365') | \$0.15 |
| 3 | Upper Paradise Ranch | \$0.25 |

415 0038

PL Reyes Light 11 10 48

David Bentley

Subject: WM Rate Increase Letter
Entry Type: Phone call
Company: Inverness Park Customer

Start: Thu 6/2/11 2:17 PM
End: Thu 6/2/11 2:25 PM
Duration: 8 minutes

Contacts: Barbara Steinberg
Categories: R

Located in Inverness Park – calling from East Coast – could save energy, money if we would send the rate increase letter with the bimonthly bill, rather than mailing it separately. The increase that she is objecting to – scheduled for day after Independence Day, is not good – strongly objects to increase – been customer since 1975 – no one lives in the home regularly, increase from \$15 to \$20 for service charge – has no objection to paying for water use – appreciates the good letter we sent – 33% increase in minimum service charge is unwarranted – charge should reflect use – NMWD really has to look at the fairness of the charge when the customer uses no water. Barbara got another call and had to go before reviewing her annual cost impact. Per annual water cost calculator her annual increase = \$30.

RECEIVED

JUN 14 2011

J. WATT
Box 95
Olena, Ca

North Marin Water District NMWD #2034901

RENEE ROBERTS
District Secretary

RE: WRITTEN PROTEST OF WATER RATE INCREASE

THE ABOVE CUSTOMER WISHES TO BE PUT ON RECORD
PROTESTING WATER COST INCREASES.

IN SHORT THE W.M.W.D. IMPROVEMENTS WERE TOO
AMBITIOUS FOR THE EXISTING BUDGET. THE
DIRECTORS SHOULD NOT BE REWARDED FOR
SPENDING EXCESSES NOW OUTSTANDING.

THERE ARE LIMITS ON WHAT CONSUMERS CAN
PAY ESPECIALLY IN THE FACE OF THIS MASSIVE
RECESSION.

Sincerely,
J. Watt
Olena, Ca.

6/10/2011

ATTACHMENT D

DRAFT

RESOLUTION 11-XX

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

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

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

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

A BI-MONTHLY SERVICE CHARGE OF:

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

PLUS A QUANTITY CHARGE OF:

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

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

| | | | |
|---|--------|--------|--------|
| Commercial, Institutional & Irrigation Accounts - Nov 1 – May 31 | \$3.84 | \$4.11 | \$4.44 |
| Commercial, Institutional & Irrigation Accounts - June 1 – Oct 31 | \$4.13 | \$4.42 | \$4.77 |

| | | | |
|---|--------|--------|--------|
| 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

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

PLUS A QUANTITY CHARGE

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

Rate Per 1,000 Gallons for All Other Accounts

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

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

| <u>Zone</u> | <u>Hydraulic Zone</u> | <u>Effective 8/1/11</u> |
|-------------|--|-------------------------|
| 1 | Point Reyes Station | \$0.00 |
| 2 | Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' – 365') | \$0.16 |
| 3 | Olema | \$0.59 |
| 4 | Upper Paradise Ranch Estates (Elevation 365' +) | \$4.01 |

- (2) Effective August 1, 2011, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of \$0.33 per 1,000 gallons.
- (3) Effective August 1, 2011 consumers outside the Improvement District boundary shall pay an additional \$2.40 per 1,000 gallons.

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

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

West Marin Service Area Effective 8/1/11

For each 1,000 gallons \$12.32

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

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

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

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

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

| <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 5th day of July, 2011, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Renee Roberts, District Secretary
North Marin Water District

(SEAL)

H:\REGULATIONS\Regulation History\Part C\Resolutions and Memos\Res Reg 54 0611 WM draft.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 (see paragraph F) | \$40.00 | \$50.00 | \$60.00 |
| 1.5-inch meter..... | \$49.00 | \$61.00 | \$73.00 |
| 2-inch meter..... | \$76.00 | \$95.00 | \$114.00 |
| 3-inch meter..... | \$151.00 | \$189.00 | \$227.00 |
| 4-inch meter..... | \$242.00 | \$303.00 | \$364.00 |
| 6-inch meter..... | \$507.00 | \$634.00 | \$761.00 |
| 8-inch meter..... | \$756.00 | \$945.00 | \$1,134.00 |

PLUS A QUANTITY CHARGE OF:

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

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

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

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

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

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

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, 7/78/1, 7/21/81, 11/81, 12/82, 4/84, 2/87, 5/88, 7/89, 9/89, 7/90, 8/90, 3/91, 4/92, 6/92, 7/92, 9/92, 10/92, 3/93, 7/93, 7/94, 8/94, 11/94, 3/95, 4/95, 7/95, 2/96, 5/96, 6/96, 2/97, 6/97, 2/98, 6/98, 7/99, 6/00, 7/00, 12/00, 06/01, 07/01, 1/02, 06/02, 7/02, 06/03, 01/04, 06/04, 07/04, 6/05, 7/05, 06/06, 07/06 12/06, 07/07, 6/08, 7/08, 7/09, 6/10, 7/10

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

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

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

Size of Detector Assembly

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

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

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

MINIMUM SERVICE CHARGE

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

PLUS A QUANTITY CHARGE

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

Rate Per 1,000 Gallons for All Other Accounts

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

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

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

(2) Effective August 1, 2010, charge for raw water delivered from Lagunitas Creek shall be paid once every two months at the rate of \$0.31-33 per 1,000 gallons.

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

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

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

Novato Service Area

| | Rate Effective 6/1/11 | Rate Effective 6/1/12 | Rate Effective 6/1/13 |
|------------------------------|-----------------------|-----------------------|-----------------------|
| For each 1,000 gallons | \$6.18 | \$6.23 | \$6.31 |

West Marin Service Area

| | Effective 8/1/10 | Effective 8/1/11 |
|---|------------------|------------------|
| Zone 1, 2, 3, 4 for each 1,000 gallons..... | \$40.66 | \$12.32 |
| West Marin Service Area Zone 5 for each 1,000 gallons | \$13.88 | |

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

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

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

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

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

| | Rate Effective 6/1/11 | Rate Effective 6/1/12 | Rate Effective 6/1/13 |
|--|-----------------------|-----------------------|-----------------------|
| | \$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 6/1/11 | Rate Effective 6/1/12 | Rate Effective 6/1/13 |
|--------------------------------|-----------------|-----------------------|-----------------------|-----------------------|
| 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 |

Regulation 54, adopted 1/65

Privately Owned RPP Devices:

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

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

(2) Exemptions

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

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

Proposed
BUDGET

Final Review/Public Hearing

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

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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WEST MARIN WATER

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Proposed Improvement Projects

\\nmwdsrv1\administration\laxexcel\budget\12\15 yr cip fy12.xls;5 yr ip

| | FY11 Budget | FY11 E/A | FY12 | FY13 | FY14 | FY15 | FY16 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 6 WEST MARIN WATER SYSTEM | | | | | | | |
| <u>System Improvements:</u> | | | | | | | |
| 2.6601.32 a. Tank Seismic Upgrades | \$60,000 | \$10,000 | | | | | |
| b. TP Solids Handling | \$100,000 | \$65,000 | \$360,000 | \$360,000 | | | |
| c. Cable Connection to TP | \$13,000 | \$0 | | | | | |
| d. Replace PRE Tank #4A (25,000 gal w/82,000 gal Tank) | \$55,000 | \$25,000 | | | | \$200,000 | \$200,000 |
| e. Replace Retaining Wall at PRE 2 | \$30,000 | \$30,000 | | | | | |
| f. TP RTU Upgrade | | | \$20,000 | | | | |
| g. Viento Way Upsizing | | | \$21,000 | | | | |
| h. Point Reyes Well #3 Rehab | \$0 | \$15,000 | \$15,000 | | | | \$1,600,000 |
| i. Gallagher Pipeline (Note 8) | | | | | | \$1,000,000 | \$1,800,000 |
| j. Treatment Plant Modifications Design/Construct (Note 9) | | | | | \$120,000 | | |
| k. Replace PRE 2" Galvanized Steel Pipe | | | | | \$75,000 | | |
| l. Olema Pump Station Flood Protection Improvements | | | | | | | |
| <u>Special Projects/Studies:</u> | | | | | | | |
| a. Water System Master Plan Update (every 5 years) | \$10,000 | \$0 | | | \$10,000 | | |
| | \$268,000 | \$145,000 | \$416,000 | \$360,000 | \$205,000 | \$1,200,000 | \$3,600,000 |
| 8 LESS FUNDED BY LOANS/GRANTS | | | | | | | |
| e. Gallagher Pipeline (Note 8) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$1,600,000) |
| f. WM TP Modifications Design/Construct (Note 9) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$1,800,000) |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$3,400,000) |
| NET PROJECT OUTLAY | \$268,000 | \$145,000 | \$416,000 | \$360,000 | \$205,000 | \$200,000 | \$200,000 |
| Total Number of Projects | 7 | 7 | 4 | 1 | 3 | 2 | 3 |

Note 8 - Gallagher Pipeline funded by Federal/State loan/grant funding
 Note 9 - WM TP Project funded by debt and /or grant funding

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2011/12

| | <i>Proposed Budget 2011/12</i> | <i>Estimated Actual 2010/11</i> | <i>Adopted Budget 2010/11</i> |
|-------------------------------|--|---|---------------------------------------|
| OPERATING INCOME | | | |
| 1 | \$657,000 | \$590,000 | \$687,000 |
| 2 | 3,000 | 3,000 | 3,000 |
| 3 | \$660,000 | \$593,000 | \$690,000 |
| OPERATING EXPENDITURES | | | |
| 4 | \$13,000 | \$15,000 | \$13,000 |
| 5 | 45,000 | 33,000 | 37,000 |
| 6 | 31,000 | 49,000 | 28,000 |
| 7 | 107,000 | 106,000 | 106,000 |
| 8 | 89,000 | 75,000 | 123,000 |
| 9 | 24,000 | 22,000 | 25,000 |
| 10 | 4,000 | 5,000 | 6,000 |
| 11 | 66,000 | 64,000 | 76,000 |
| 12 | 0 | 10,000 | 10,000 |
| 13 | \$379,000 | \$379,000 | \$424,000 |
| 14 | NET OPERATING INCOME (LOSS) \$281,000 | \$214,000 | \$266,000 |
| OTHER SOURCES OF FUNDS | | | |
| 15 | \$38,000 | \$37,000 | \$44,000 |
| 16 | 15,000 | 14,000 | 15,000 |
| 17 | 4,000 | 4,000 | 4,000 |
| 18 | 0 | 0 | 1,000 |
| 19 | 0 | 16,000 | 46,000 |
| 20 | 4,000 | 4,000 | 4,000 |
| 21 | 125,000 | (90,000) | (66,000) |
| 22 | \$186,000 | (\$15,000) | \$48,000 |
| OTHER USES OF FUNDS | | | |
| 23 | \$27,000 | \$27,000 | \$27,000 |
| 24 | 18,000 | 19,000 | 19,000 |
| 25 | 3,000 | 3,000 | 3,000 |
| 26 | 3,000 | 5,000 | 7,000 |
| 27 | 416,000 | 145,000 | 258,000 |
| 28 | \$467,000 | \$199,000 | \$314,000 |
| 29 | NET SURPLUS/(DEFICIT)* \$0 | \$0 | \$0 |
| 30 | \$149,000 | \$147,000 | \$147,000 |

* Line 14+22-28

North Marin Water District

WEST MARIN WATER

5-Year Financial Plan

| # | BASIC DATA | Actual 2008/09 | Actual 2009/10 | Estimated 2010/11 | Proposed 2011/12 | Projected 2012/13 | Projected 2013/14 | Projected 2014/15 | Projected 2015/16 |
|-----------------------------------|------------------------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | Active Services | 761 | 769 | 769 | 769 | 774 | 779 | 784 | 789 |
| 2 | Avg Commodity Rate/1,000 Gal | \$5.21 | \$5.95 | \$6.70 | \$7.11 | \$7.53 | \$7.53 | \$7.53 | \$7.53 |
| 3 | Potable Consumption (MG) | 85 | 77 | 74 | 76 | 78 | 78 | 78 | 78 |
| INCOME | | | | | | | | | |
| 4 | Commodity Charge | \$440,818 | \$459,606 | \$496,000 | \$540,000 | \$587,000 | \$587,000 | \$587,000 | \$587,000 |
| 5 | Minimum Service Charge | 76,120 | 92,766 | 94,000 | 117,000 | 146,000 | 175,000 | 176,000 | 177,000 |
| 6 | Connection Fee | 74,730 | 31,350 | 16,000 | 0 | 114,000 | 114,000 | 114,000 | 114,000 |
| 7 | PR-2 County Tax Allocation | 41,843 | 40,024 | 37,000 | 38,000 | 43,000 | 44,000 | 45,000 | 46,000 |
| 8 | PR-3 G.O. Bond Tax | 12,589 | 13,631 | 14,000 | 15,000 | 0 | 0 | 0 | 0 |
| 9 | OL-2 G.O. Bond Tax | 4,605 | 3,910 | 4,000 | 4,000 | 4,000 | 4,000 | 0 | 0 |
| 10 | Interest | 1,338 | 365 | 0 | 0 | 0 | 0 | 0 | 2,000 |
| 11 | Miscellaneous | 8,846 | 6,998 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| 12 | TOTAL INCOME | \$660,889 | \$648,650 | \$668,000 | \$721,000 | \$901,000 | \$931,000 | \$929,000 | \$933,000 |
| EXPENDITURES | | | | | | | | | |
| 13 | Operating Expenditures | \$315,133 | \$370,787 | \$379,000 | \$379,000 | \$390,000 | \$402,000 | \$414,000 | \$426,000 |
| 14 | Replacement/Enhancement Projects | 72,251 | 84,195 | 0 | 0 | 0 | 10,000 | 0 | 0 |
| 15 | Bond & Loan Debt Service | 48,943 | 47,500 | 49,000 | 48,000 | 49,000 | 33,000 | 34,000 | 29,000 |
| 16 | Interdistrict Loan Interest | 14,250 | 7,074 | 5,000 | 3,000 | 4,000 | 3,000 | 1,000 | 0 |
| 17 | TOTAL EXPENDITURES | \$450,577 | \$509,556 | \$433,000 | \$430,000 | \$443,000 | \$448,000 | \$449,000 | \$455,000 |
| NET INCOME BEFORE PROJECTS | | | | | | | | | |
| | | \$210,312 | \$139,094 | \$235,000 | \$291,000 | \$458,000 | \$483,000 | \$480,000 | \$478,000 |
| OTHER SOURCES/(USES) | | | | | | | | | |
| 18 | Capital Improvement Projects | (159,619) | (27,581) | (145,000) | (416,000) | (360,000) | (195,000) | (1,200,000) | (3,600,000) |
| 19 | Gallagher Pipeline & TP Grant/Loan | | | | | | | 1,000,000 | 3,400,000 |
| 20 | Loan from (repayment to) Novato | (132,685) | (38,522) | (90,000) | 125,000 | (113,000) | (288,000) | (54,000) | 0 |
| 21 | Net Change in Working Capital | 80,143 | (73,858) | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | INCREASE (DECREASE) IN CASH | (\$1,849) | (\$867) | \$0 | \$0 | (\$15,000) | \$0 | \$226,000 | \$278,000 |
| CASH BALANCE | | | | | | | | | |
| 24 | Operating Reserve | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$55,000 |
| 25 | System Expansion Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 131,000 | 358,000 |
| 26 | Liability Contingency Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 99,000 | 99,000 |
| 27 | Bond Redemption Reserve | 52,964 | 52,097 | 52,000 | 52,000 | 37,000 | 37,000 | 33,000 | 29,000 |
| 28 | TOTAL CASH BALANCE | \$52,964 | \$52,097 | \$52,000 | \$52,000 | \$37,000 | \$37,000 | \$263,000 | \$541,000 |
| 29 | Amount Due to Novato Water | \$458,822 | \$420,300 | \$330,000 | \$455,000 | \$342,000 | \$54,000 | \$0 | \$0 |
| 30 | Non-Budgeted Depreciation | \$142,310 | \$145,913 | \$147,000 | \$149,000 | \$156,000 | \$162,000 | \$165,000 | \$185,000 |

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 After FY12 assumes annual increase of 5 connections/year, which is the 10 year average.
 - 2 A commodity rate increase of 6% is proposed effective 8/1/11.
 - 3 FY12 Projection based on prior 3 year average.
 - 5 A 33% increase in the Bimonthly Minimum Service Charge is proposed to \$20 for the typical 5/8" X 3/4" residential meter. No increase is proposed for the existing PRE \$37 bimonthly Minimum Service Charge as it is adequate to cover the cost of reading, billing and maintaining the meter, plus the cost of amortizing the \$14,500 annual revenue bond debt service applicable to customers within the PRE subdivision.
 - 6 The connection fee was increased to \$22,800 per equivalent dwelling unit effective August 1, 2010.
 - 7 In July 2009 the State Legislature voted to "borrow" 8% (approximately \$3,500) of Point Reyes tax revenue. California promises to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. PR2 County Tax allocation is projected to increase 3% per year.
 - 8, 9 GO Bond Taxes are Proposition 13 Exempt property tax levies that fund general obligation bond debt service.
 - 10 Projected available funds invested at 0.75%
 - 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
 - 13 3% annual increase assumed after FY12.
 - 14 Replacement/Enhancement Projects are comprised of non-capitalized projects.
 - 15 Comprised of four 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1973 \$250,000 PR-3 GO bond maturing 2013; 2) 1975 OL-2 \$70,000 GO bond due 2015; 3) 1980 PRE-1 \$240,000 revenue bond due 2020; 4) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan in 2017. On 6/1/91 the OL-2 bond was repurchased by Novato Water upon demand by FmHA.
 - 16 Interdistrict Loan Amortization commencing 2005 to fund the LRIPP. Projection assumes interest payments at 0.75% + \$50 per month.
 - 17 Excludes depreciation.
 - 18 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
 - 19 Gallagher Pipeline & Treatment Plant Rehab grant or loan proceeds offset the \$4.4 million cost of installation.
 - 20 Interdistrict loan proceeds & repayment to fund the West Marin Long Range Improvement Project Plan (LRIPP).
 - 24 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors. This reserve should have a balance of \$152,000 at June 30, 2011, however the funds have been used to subsidize operating deficits resulting from financing the LRIPP. Future cash generated will accrue to the emergency operating reserve fund until it is whole.
 - 25 System Expansion Reserve is composed of connection fee revenue, the \$94,860 Adam's contribution, \$33,500 in Mt. Vision Fire insurance proceeds, and \$8,000 in PRE Improvement Project Reserve Funds. The System Expansion Reserve was exhausted during FY04/05 to fund the LRIPP.
 - 26 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. This reserve was exhausted during FY04/05 to fund the LRIPP. \$8,885 derived from sale of 2 surplus parcels in Inverness Park was added to the fund in Dec 2006. Future cash generated will accrue to this reserve until it is whole.
 - 27 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury.
 - 29 Amount Due to Novato Water at fiscal year end.

West Marin Water Rate Increase Analysis

\\nmwdsrv1\administration\ac\excel\budget\wm\rate increase analysis.xls\fy12 (1)

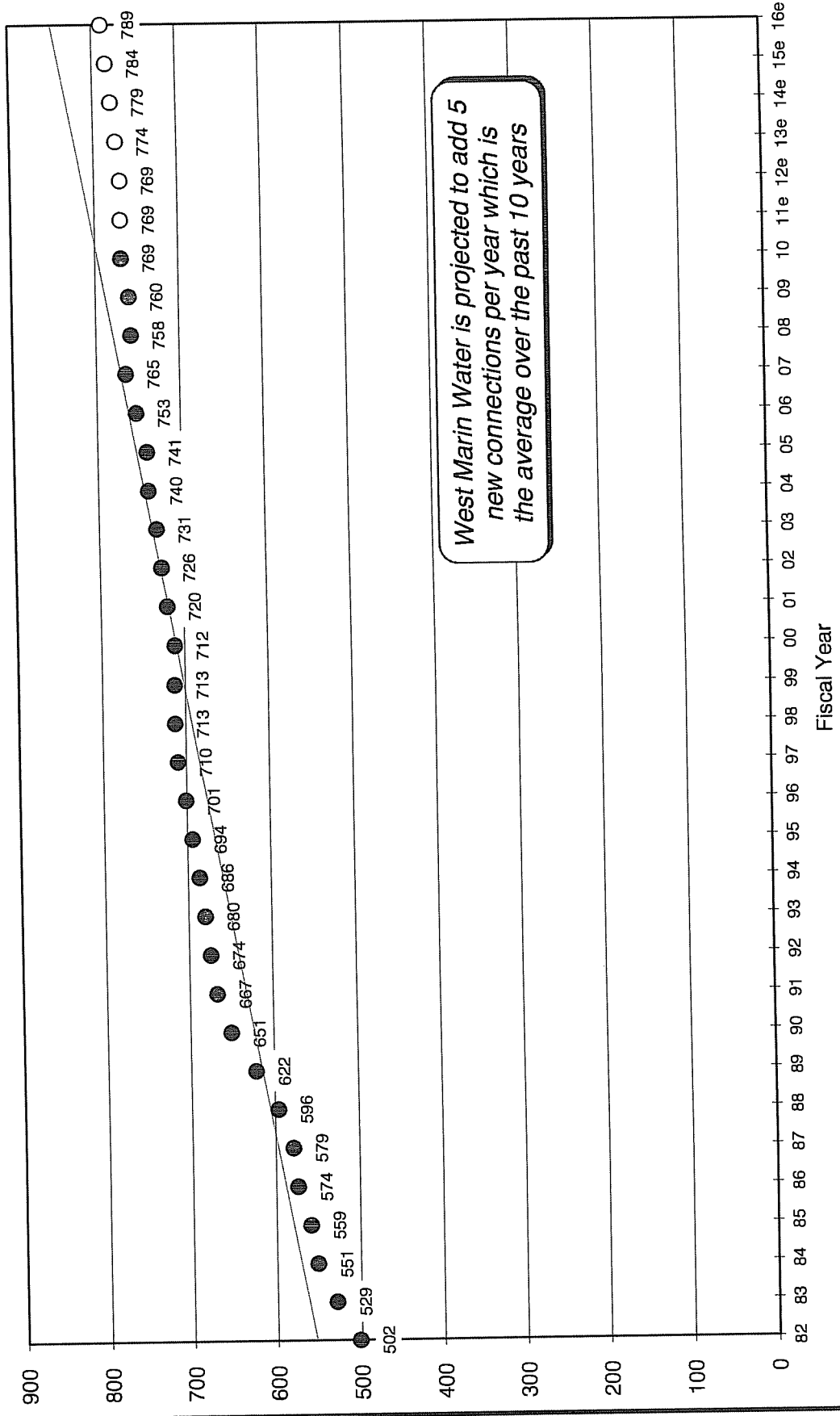
6/2/11

Annual Impact (based on 65,100 gallons annual water use)

| | | Commodity Rate | Annual Use | + | Annual Service | + | Annual Tax | = | Total Annual | Annual Increase | |
|--|----------|-------------------|---------------|---|-------------------|---|---------------|---|-----------------|-----------------|-----|
| | | | | | | | | | | \$ | % |
| Point Reyes Station | Current | \$5.66 | \$368 | + | \$90 | + | \$75 | = | \$534 | | |
| | Proposed | \$6.00 | \$391 | + | \$120 | + | \$75 | = | \$586 | \$52 | 10% |
| Inverness Park, Bear Valley, Silver Hills | Current | \$5.81 | \$378 | + | \$90 | + | \$75 | = | \$544 | | |
| | Proposed | \$6.16 | \$401 | + | \$120 | + | \$75 | = | \$596 | \$53 | 10% |
| Olema | Current | \$6.22 | \$405 | + | \$90 | + | \$55 | = | \$550 | | |
| | Proposed | \$6.59 | \$429 | + | \$120 | + | \$55 | = | \$604 | \$54 | 10% |
| PRE Zone A | Current | \$5.81 | \$378 | + | \$222 | + | \$0 | = | \$600 | | |
| | Proposed | \$6.16 | \$401 | + | \$222 | + | \$0 | = | \$623 | \$23 | 4% |
| PRE Zone B | Current | \$9.44 | \$615 | + | \$222 | + | \$0 | = | \$837 | | |
| | Proposed | \$10.01 | \$652 | + | \$222 | + | \$0 | = | \$874 | \$37 | 4% |
| Outside Services | Current | \$7.92 | \$516 | + | \$90 | + | \$0 | = | \$606 | | |
| | Proposed | \$8.40 | \$547 | + | \$120 | + | \$0 | = | \$667 | \$61 | 10% |
| Weighted Average | Current | \$6.30 | | | | | | | \$575 | | |
| | Proposed | \$6.68 | | | | | | | \$630 | <u>\$55</u> | 9% |

West Marin Water Active Service Connections @ June 30

6/29/11



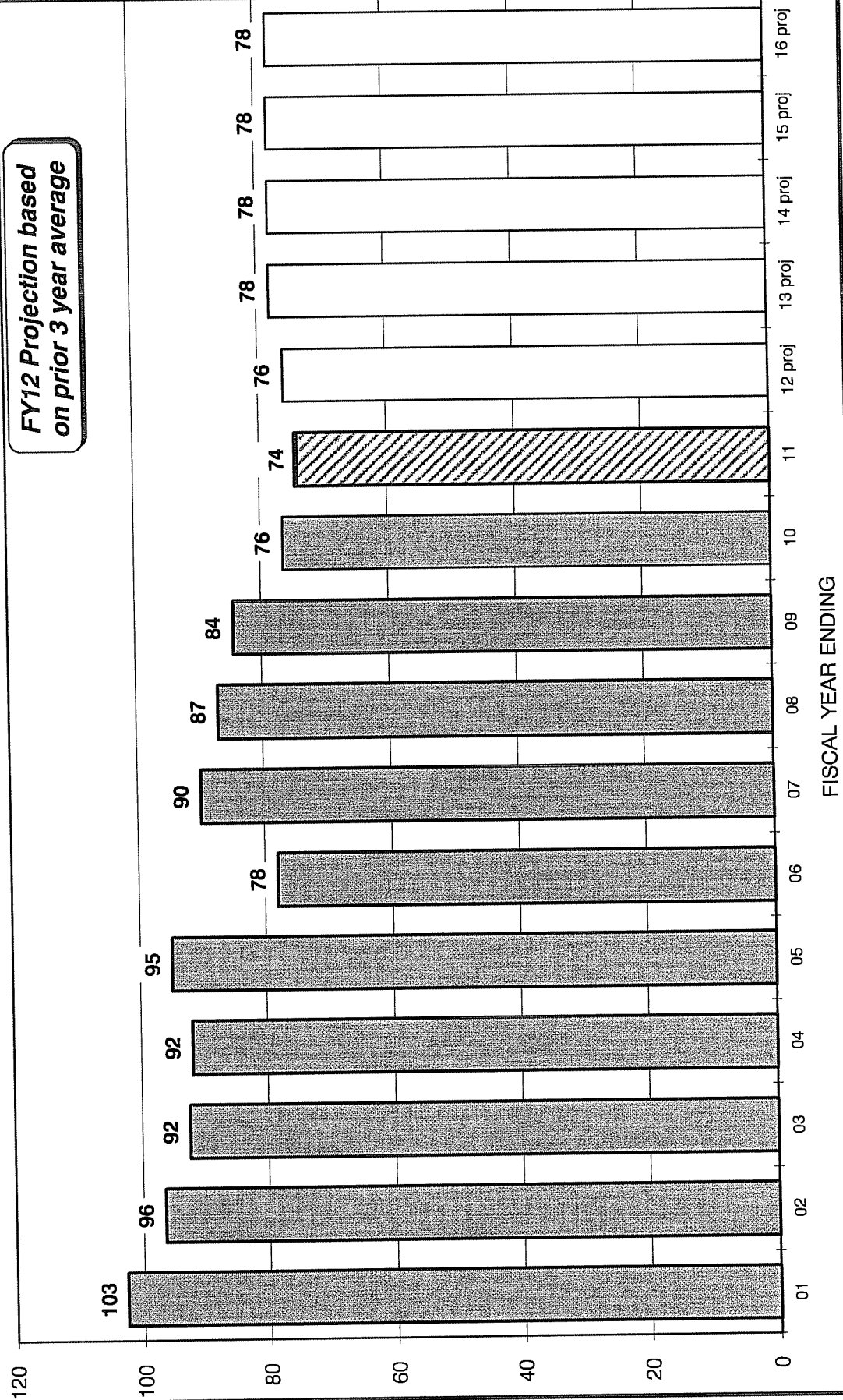
West Marin Water is projected to add 5 new connections per year which is the average over the past 10 years

West Marin Potable Water Billed Consumption Net of Giacomini Dairy

6/23/11

MG

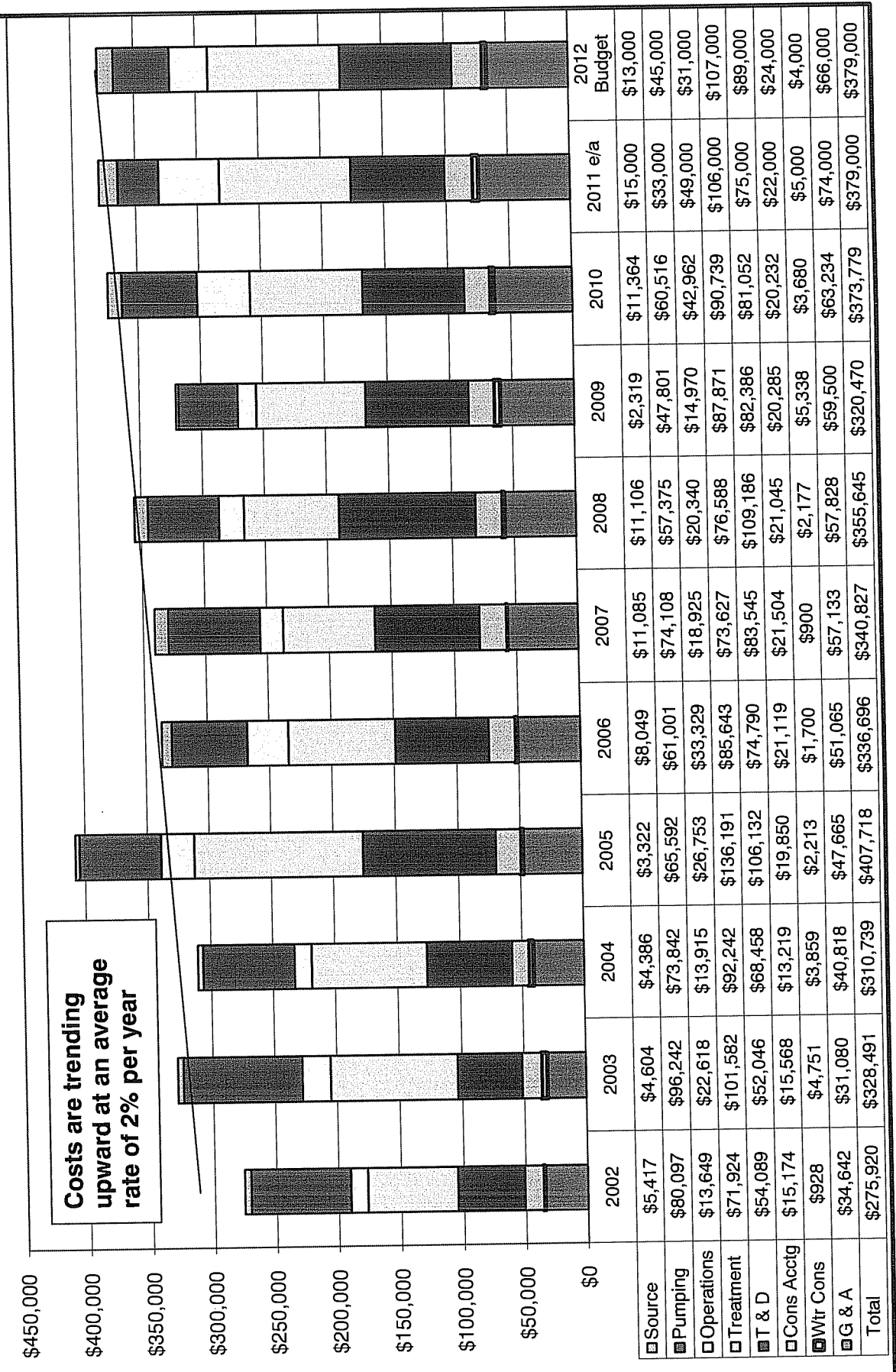
**FY12 Projection based
on prior 3 year average**



FISCAL YEAR ENDING

West Marin Water Operating Expenditures

6/29/11



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

2011 COASTAL AREA WATER COST COMPARISON

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 6/1/11
 "Typical" Single Family Residence (5/8" x 3/4" Meter) Using 65,076 Gallons Annually

| Agency | No. of Water Services | Bimonthly | | Commodity | | Annual Water Cost ¹ | Water Bond Tax Rate per \$100/AV | Annual Tax Cost ² | Total Annual Cost |
|---------------------------------------|-----------------------|----------------|------------------------|------------------------|--------------------------|--------------------------------|----------------------------------|------------------------------|-------------------|
| | | Service Charge | Rate per 1,000 Gallons | Rate per 1,000 Gallons | Annual Cost ³ | | | | |
| California Water Service Co. | 255 | \$122.27 | \$34.12 | | \$2,954 | - | - | - | \$2,954 |
| Bolinas Community PUD | 580 | \$158.50 | \$1.34 | (3) | \$1,038 | \$0.008 | \$407 | (4) | \$1,445 |
| Estero Mutual Water District | 139 | \$138.59 | \$7.86 | (5) | \$1,437 | - | - | - | \$1,437 |
| Stinson Beach Co Water | 725 | \$77.10 | \$2.61 | (6) | \$858 | \$0.004 | \$500 | (7) | \$1,358 |
| Muir Beach Community Services | 151 | \$49.92 | \$9.20 | (8) | \$669 | - | \$300 | (10) | \$978 |
| Inverness PUD | 506 | \$100.00 | \$3.07 | (11) | \$817 | - | - | - | \$817 |
| Bodega Bay PUD | 1,058 | \$33.67 | \$4.75 | (12) | \$340 | - | \$309 | (13) | \$650 |
| → NMWD West Marin Service Area | 770 | \$20.00 | \$6.59 | (14) | \$549 | \$0.006 | \$70 | (15) | \$619 |

Notes:

- Median annual consumption for West Marin Service Area single-family detached home is 65,076 gallons. Use will differ in other areas and microclimates.
- 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.
- 1st 15 Ccf @ \$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).
- Based on home with net AV of \$382,270 (average 2010/11 AV on 547 single family homes in Bolinas) and tax rate of 0.83¢/\$100 AV. 100% of this tax is allocated to Water. Also shares in 1% County levy. This "allocation" is estimated by the County of Marin at \$217,562 for Bolinas in 2010/11 of which 100% is credited to the water fund amounting to \$375.11 per service.
- First 25 cubic meters @ \$2.075/cm; next 25 cm @ \$3.051/cm; 51+ cm @ \$4.089/cm.
- First 6 Ccf @ \$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 @ \$21.20Ccf; 40 and above Ccf @ \$27.54/Ccf.
- Based on weighted average tax rate of 0.43¢/\$100 AV and home with net AV of \$925,602 (average 2010/11 AV on 646 single family homes in Stinson Beach less \$7,000 homeowner exemption). Stinson Beach also shares in 1% County levy. This "allocation" is estimated at \$476,608 in 2010/11 of which 70% is credited to the water fund amounting to \$460.17 per service.
- \$24.96/month flat rate for first 2,250 gallons (this makes up the bimonthly charge), 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.
- Includes a 25% monthly consumption surcharge for capital improvements.
- \$300 Special Tax for capital improvements.
- First 12 Ccf @ \$2.30/Ccf; 13 to 36 Ccf @ \$3.45/Ccf; 37 to 48 @ \$4.90/Ccf; 49 to 60 @ \$6.70/Ccf, and 61+ @ \$20.15/Ccf.
- \$33.67 bi-monthly water svc charge for 0-800 cubic feet, then \$3.55/100 cubic feet for 801-2,500 cubic feet, then \$4.05/100 cubic feet over 2,500 cubic feet.
- Based on share of 1% County levy. This "allocation" was estimated by the County of Sonoma at \$327,155 for 10/11 which 100% was allocated to water amounting to \$309 per service.
- Rate shown is weighted average of Point Reyes Station, Olema, Bear Valley/Inverness Park & Paradise Ranch Estates and includes a Proposed 6% commodity & 33% 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.
- Based on tax rate of 0.6¢/\$100 AV and home with net AV of \$367,391 (average 2010/11 AV of 770 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 estimated at \$37,247 in 2010/11, amounting to \$48.37 per service.

MEMORANDUM

To: Board of Directors

July 1, 2011

From: David L. Bentley, Auditor-Controller 

Subj: Final Review/Public Hearing – FY12 Oceana Marin Sewer Budget
t:\ac\word\budget\wm\12\wm12 swr hearing.docx

RECOMMENDED ACTION: 1) Approve 5% (\$3/month) Sewer Service Charge Increase;
2) Approve FY12 Budget as Proposed

FINANCIAL IMPACT: 1) Service Charge Increase would generate \$8,000 annually;
2) FY12 Budgeted Expenditure Plan of \$245,000

Following for your final review and public hearing is the proposed FY2011/12 budget for the Oceana Marin Sewer System.

SEWER RATES

The system had a cash balance of \$336,000 at May 31, 2011. The Five-Year Financial Plan shows that the \$400,000 project to replace 4,000' of 6" asbestos cement pipe with PVC in steep high-risk areas will draw down the reserve balance. Therefore, a 5% increase (\$3 per month) in the sewer service charge is recommended to help stem falling cash reserves. This will be the first rate increase since 2004, and will generate approximately \$8,000 per year.

Individual letters were mailed to all 227 Oceana Marin property owners on May 20 advising them of the proposed increase and extending an invitation to attend the public hearing and/or exercise their right to protest the proposed increase. The letter is included as Attachment A. In addition, a notice was published in the June 16 and June 23 editions of the Point Reyes Light advising of the public hearing (Attachment B). To date we have received no letters or phone calls regarding the proposed increase.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

FY12 Projects

The significant Capital Improvement Project budgeted for the coming year, from page 1 of the budget document, is \$80,000 to complete replacement of 1,000' of 6" of cross-country sewer line – the first phase of four 1,000' replacement projects.

Future Projects

Infiltration repair is forecast at \$15,000 each year for the next five years. \$100,000 is included every other year (as reserve balances permit) for replacement of a total of 4,000 feet of 6" diameter ductile-iron pipeline that runs cross-country in four 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).

Connection Fees

Connection fees for Oceana Marin Water were increased in August 2009. No new connections are budgeted for next fiscal year. Staff anticipates reviewing the connection fee calculation again following the Oceana Marin Sewer System Master Plan update scheduled for FY15.

OCEANA MARIN SEWER OPERATING BUDGET

The proposed Oceana Marin Sewer budget shown on page 2 of the budget document includes a \$3 per month increase (5%) in the sewer service charge to \$58 per month. Beginning last July the sewer service charge was placed on the County property tax rolls, eliminating the monthly billing and collection cost. No new connections are budgeted for next fiscal year. Thereafter, two new connections per year are forecast, which is Oceana Marin's average over the past five years, as shown in the chart on page 5. Next year's budget projects operating expenditures to come in equal to this year's estimated actual operating expense total, a decrease of 5% from the FY11 budget.

The District entered into a five-year agreement with Phillips and Associates to provide for Operation and Maintenance of the Oceana Marin system commencing July 1, 2008. The agreement allows for a 2% annual fee escalation. The FY12 budget for Phillips services is \$62,000. An additional \$1,000 is included as a contingency for major equipment repair or replacement outside the scope of Phillip's agreement.

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 7 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 5471(a), collecting the Oceana Marin Sewer Service Charge on the property tax roll requires Board action by ordinance rather than resolution. The first reading of the Ordinance 25 (Attachment C) occurred at the Board's June 21 meeting. The second reading of the ordinance, authorizing enactment of the proposed charge and changes to Regulation 109, Oceana Marin Sewer Service – Rates and Charges (Attachment D), can be adopted at the conclusion of the public hearing.

The sewer service fee increase to \$58 per month is proposed to be effective August 1, 2011. The fiscal year 2011/2012 fee would total \$693, derived by adding the \$55 fee for July

sewer service to the \$58 per month fee for August through June 2012 ($\$55 \times 1 + \58×11).

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

RECOMMENDATION:

- 1) Approve Ordinance 25 (Attachment C) placing the proposed FY12 Oceana Marin sewer service charge on the tax roll of the County of Marin;
- 2) Adopt the FY12 Oceana Marin Sewer System Budget as proposed;
- 3) Authorize the General Manger to pay demands arising from execution of the budgeted Oceana Marin expenditure plan.

May 20, 2011

RE: Notice of Proposed 5% Sewer Service Cost Increase – Oceana Marin

Dear Customer:

This letter is to advise you of a **proposed increase to the Oceana Marin sewer service charge** effective August 1, 2011. It also provides information about a **Public Hearing on July 5, 2011**, at which written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

How much is the proposed rate increase?

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

How will the proposed increase affect my sewer bill?

Oceana Marin sewer service charges are collected on the Marin County property tax bill, which is rendered annually for the fiscal year period July 1 through June 30. The proposed sewer service charge increase would add \$3 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for the 2011/12 fiscal year of \$693 (\$55 for July plus \$58 per month for August through June 2012).

Why are rates being increased?

The sewer service charge in Oceana Marin has remained unchanged since 2004. The cost to replace several thousand feet of aging 6" asbestos-cement pipe with PVC (at \$100/ft.) in areas where the pipe runs cross-country will draw-down Oceana Marin's \$344,000 reserve balance. The proposed 5% increase would generate an additional \$8,000 annually to assist in paying for the pipeline replacement.

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 7:30 pm, Tuesday, July 5, 2011, at the Dance Palace (503 B Street) in Point Reyes Station.

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

Your written protest must be received prior to the close of the July 5, 2011 public hearing. Written protests must be signed by the property owner and must include a description of the parcel (parcel number or service address). Send or deliver written protests to:

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

For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,



Chris DeGabriele
General Manager

✓

**NORTH MARIN WATER DISTRICT
NOTICE OF HEARING**

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

PROPOSED INCREASE: An increase in the sewer service charge of 5% (\$3 per month - \$36 annually) is proposed. Oceana Marin sewer services charges are collected on the Marin County property tax bill. The proposed sewer service charge increase will result in a total annual charge for Fiscal Year 2011/12 of \$693. (\$55 for July plus \$58 per month for August through June 2012).

Need More Information? Call Renee Roberts at 1-800-464-6693 x 8500
Published in the Point Reyes Light June 16 & 23

**DRAFT
ORDINANCE NO. 25**

**ORDINANCE OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
ELECTING TO HAVE OCEANA MARIN SEWER CHARGES BE COLLECTED ON THE TAX
ROLL OF THE COUNTY OF MARIN, STATE OF CALIFORNIA
COMMENCING FISCAL YEAR 2011-12**

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

- a. The District has previously developed and instituted a Sewer Service Charge Program to finance the services and facilities furnished by the District in its Improvement Districts No. OM-1 and OM-3 which are herein referred to as Oceana Marin; and
- b. The Board of Directors has reviewed the present sewer service charge and has determined that the sewer service rate should be \$693 per equivalent unit for fiscal year 2011-12;

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

- a. Written notices of the proposed increase in the sewer service charge were sent by first class U.S. mail to every customer in the District at least 45 days prior to the Public Hearing conducted on July 5, 2011 to consider said increase effective August 1, 2011.
- b. All written protests against the proposed increase in the sewer service charge, including those provided in person, by facsimile, email and U.S. mail, were considered and tallied at the Public Hearing conducted on July 5, 2011, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.
- c. The amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only imposed on those properties actually receiving service or for those which service is immediately available.
- d. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1-4) of the District CEQA Guidelines.

Section 3. Section c. of that certain Regulation entitled "Regulation 109 – Oceana Marin Sewer Service – Rates and Charges," passed by the Board of Directors of the North Marin

Water District on June 21, 1977, as amended, and attached as Exhibit 1 hereto, is hereby amended to read as follows and is hereby adopted:

"c. Sewer Service Rate

For Fiscal Year 2011-12, a sewer service rate of \$693 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when the structure is connected to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner."

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

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

* * * * *

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 5th day of July 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Renee Roberts, Secretary
North Marin Water District

(SEAL)

T:\ORDINANCES\IOM charge on tax roll ordinance 2011 draft.doc

DRAFT
NORTH MARIN WATER DISTRICT
REGULATION 109

OCEANA MARIN SEWER SERVICE - RATES AND CHARGES

a. Applicability

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

b. Sewage Facilities Connection Charge

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

c. Sewer Service Rate

Effective August 1, 2004-2011 a sewer service rate of ~~\$660~~\$58 per month, \$696 per equivalent unit per year shall be paid by the owner of the land served. For Fiscal Year 2011-12, an annual sewer rate of \$693 per equivalent dwelling unit (\$55 for July 2011 and \$58 per month for each month thereafter) per year shall be paid by the owner of the land served shall be in effect. In the case of new construction, said rate shall commence when the structure is connected to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner.

Proposed

BUDGET

Final Review/Public Hearing

Oceana Marin Sewer Operating & Improvement Project Budgets

FISCAL YEAR

2011-12

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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OCEANA MARIN SEWER

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Oceana Marin Sewer
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5-Year Financial Plan 3

Supplementary Charts and Schedules
Active Sewer Connections 5
Historical Operating Expenditures 6
2011 Coastal Area Annual Sewer Cost Comparison 7

Proposed Improvement Projects

\\nmwdsrv1\administration\acct\excel\budget12\15 yr cip fy12.xlsx\15 yr rws ip

| | FY11 Budget | FY11 E/A | FY12 | FY13 | FY14 | FY15 | FY16 |
|--|------------------|-----------------|------------------|-----------------|------------------|------------------|------------------|
| 7 OCEANA MARIN SEWER SYSTEM | | | | | | | |
| 8,8672.25 a. Infiltration Study & Repair | \$15,000 | \$0 | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| b. Tahiti Way Lift Pumps Rebuild (1/year) | | | \$20,000 | \$20,000 | | | |
| c. Oceana Marin Remote Alarms | \$15,000 | \$8,000 | | | | | |
| d. Replace Siphon Dosage Tank | \$11,000 | \$5,000 | | | | | |
| 8,6001.20 e. Cross Country Sewer Line Rehab (1,000') | \$100,000 | \$15,000 | \$80,000 | | \$100,000 | | \$100,000 |
| f. Disposal Capacity Engineering Design | | | | | | \$40,000 | |
| g. Install 8th Disposal Trench (300') | | | | | | \$30,000 | \$30,000 |
| h. Long Range Master Plan Update (every 10 years) | | | | | | \$30,000 | |
| | <u>\$141,000</u> | <u>\$28,000</u> | <u>\$115,000</u> | <u>\$35,000</u> | <u>\$115,000</u> | <u>\$115,000</u> | <u>\$145,000</u> |

Total Number of Projects

4

4

2

2

3

4

4

2

3

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

| | Proposed Budget 2011/12 | Estimated Actual 2010/11 | Adopted Budget 2010/11 |
|--|--|---|---------------------------------------|
| OPERATING INCOME | | | |
| 1 Monthly Sewer Service Charge | \$157,000 | \$150,000 | \$150,000 |
| 2 Misc Service Charges | 0 | 0 | 0 |
| 3 Total Operating Income | \$157,000 | \$150,000 | \$150,000 |
| OPERATING EXPENDITURES | | | |
| 4 Sewage Collection | \$20,000 | \$22,000 | \$18,000 |
| 5 Sewage Treatment | 19,000 | 20,000 | 18,000 |
| 6 Sewage Disposal | 1,000 | 1,000 | 1,000 |
| 7 Contract Operations | 63,000 | 62,000 | 71,000 |
| 8 Customer Accounting | 2,000 | 2,000 | 4,000 |
| 9 General & Administration | 25,000 | 23,000 | 25,000 |
| 10 Total Operating Expenditures | \$130,000 | \$130,000 | \$137,000 |
| 11 NET OPERATING INCOME (LOSS) | \$27,000 | \$20,000 | \$13,000 |
| OTHER SOURCES OF FUNDS | | | |
| 12 OM-1/OM-3 Tax Allocation | \$41,000 | \$41,000 | \$46,000 |
| 13 Interest Revenue | 3,000 | 3,000 | 3,000 |
| 14 Connection Fees | 0 | 0 | 30,000 |
| 15 Other Misc Revenue | 1,000 | 1,000 | 1,000 |
| 16 Working Capital - 6/10 Srvc Chrg | 0 | 12,000 | 0 |
| 17 Total Other Sources | \$45,000 | \$57,000 | \$80,000 |
| OTHER USES OF FUNDS | | | |
| 18 Capital Improvement Projects | \$115,000 | \$28,000 | \$141,000 |
| 19 Total Other Uses | \$115,000 | \$28,000 | \$141,000 |
| 20 NET SURPLUS/(DEFICIT)* | (\$43,000) | \$49,000 | (\$48,000) |
| 21 Depreciation (not included above) | \$43,000 | \$42,000 | \$42,000 |

* Line 11+17-19

North Marin Water District

OCEANA MARIN SEWER

5-Year Financial Plan

| # | BASIC DATA | Actual 2008/09 | Actual 2009/10 | Estimated 2010/11 | Proposed 2011/12 | Projected 2012/13 | Projected 2013/14 | Projected 2014/15 | Projected 2015/16 |
|---------------------------|------------------------------------|-------------------|-------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| 1 | Number of Connections | 225 | 225 | 227 | 227 | 229 | 231 | 233 | 235 |
| 2 | Monthly Service Charge | \$55.00 | \$55.00 | \$55.00 | \$58.00 | \$58.00 | \$58.00 | \$58.00 | \$58.00 |
| INCOME | | | | | | | | | |
| 3 | Monthly Service Charge | \$147,918 | \$148,427 | \$150,000 | \$157,000 | \$159,000 | \$160,000 | \$161,000 | \$163,000 |
| 4 | OM-1/OM-3 Tax Allocation | 44,594 | 42,654 | 41,000 | 42,000 | 47,000 | 48,000 | 49,000 | 50,000 |
| 5 | Connection Fees | 9,000 | 9,000 | 0 | 0 | 30,000 | 30,000 | 30,000 | 30,000 |
| 6 | Interest Revenue | 4,496 | 2,919 | 3,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| 7 | Miscellaneous Revenue | 3,365 | 798 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 8 | TOTAL INCOME | \$209,373 | \$203,798 | \$195,000 | \$202,000 | \$239,000 | \$241,000 | \$243,000 | \$246,000 |
| 9 | OPERATING EXPENDITURES | \$126,945 | \$123,296 | \$130,000 | \$130,000 | \$134,000 | \$138,000 | \$142,000 | \$146,000 |
| OTHER EXPENDITURES | | | | | | | | | |
| 10 | System Improvements/Other | \$35,251 | \$40,159 | \$28,000 | \$115,000 | \$35,000 | \$115,000 | \$115,000 | \$145,000 |
| 11 | TOTAL EXPENDITURES | \$162,196 | \$163,455 | \$158,000 | \$245,000 | \$169,000 | \$253,000 | \$257,000 | \$291,000 |
| 12 | Net Change in Working Capital | \$46,000 | (\$2,028) | \$12,000 | (\$43,000) | \$70,000 | (\$12,000) | (\$14,000) | (\$45,000) |
| 13 | INCREASE (DECREASE) IN CASH | \$93,177 | \$38,315 | \$49,000 | (\$43,000) | \$70,000 | (\$12,000) | (\$14,000) | (\$45,000) |
| CASH BALANCE | | | | | | | | | |
| 14 | Operating Reserve | \$163,036 | \$191,225 | \$201,000 | \$215,000 | \$272,000 | \$287,000 | \$279,000 | \$234,000 |
| 15 | Connection Fee Reserve | 66,329 | 76,455 | 77,000 | 20,000 | 33,000 | 6,000 | 0 | 0 |
| 16 | TOTAL CASH BALANCE | \$229,365 | \$267,680 | \$278,000 | \$235,000 | \$305,000 | \$293,000 | \$279,000 | \$234,000 |
| 17 | Non-Budgeted Depreciation | \$36,355 | \$41,084 | \$42,000 | \$43,000 | \$46,000 | \$47,000 | \$50,000 | \$53,000 |

North Marin Water District

OCEANA MARIN SEWER

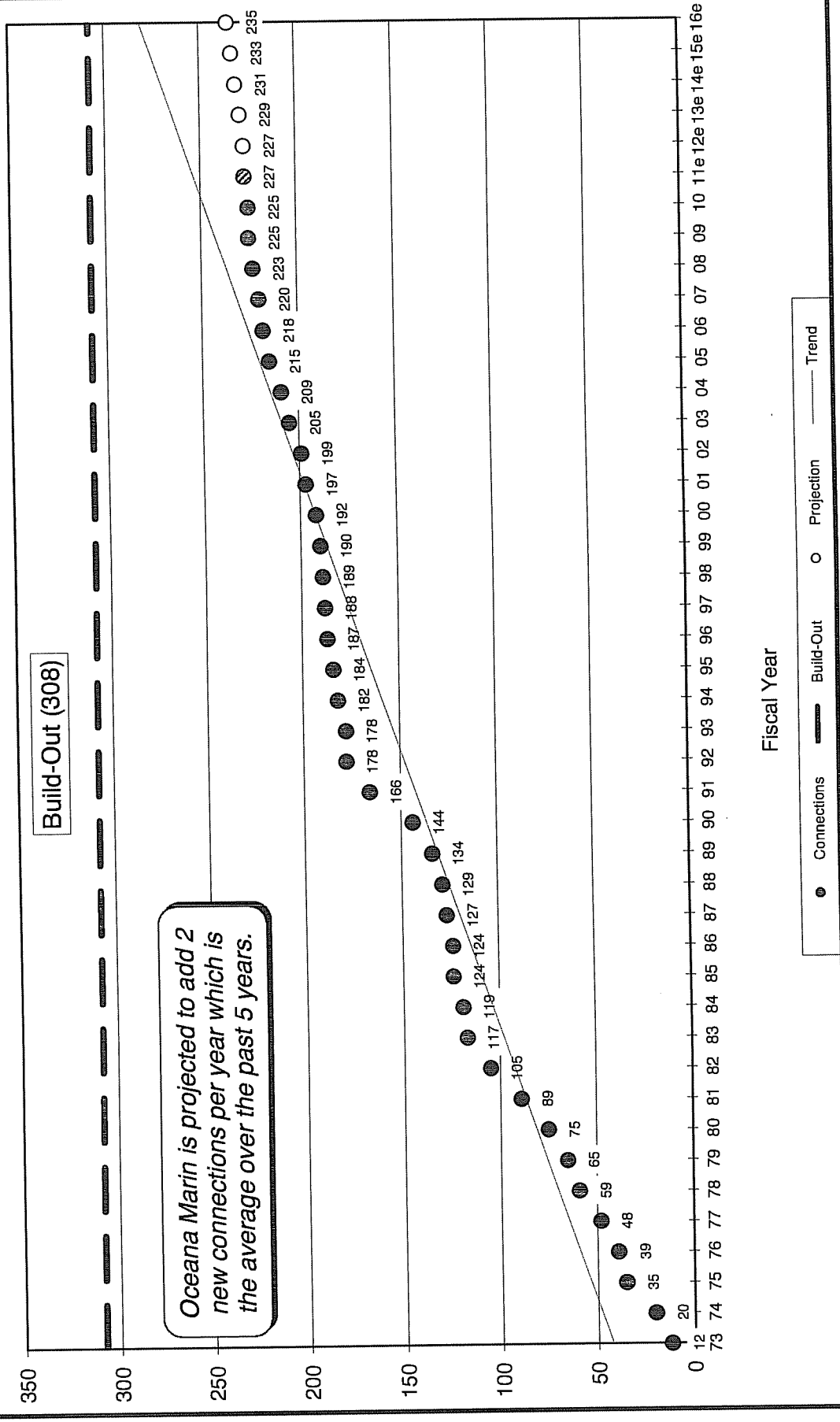
NOTES

KEY

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

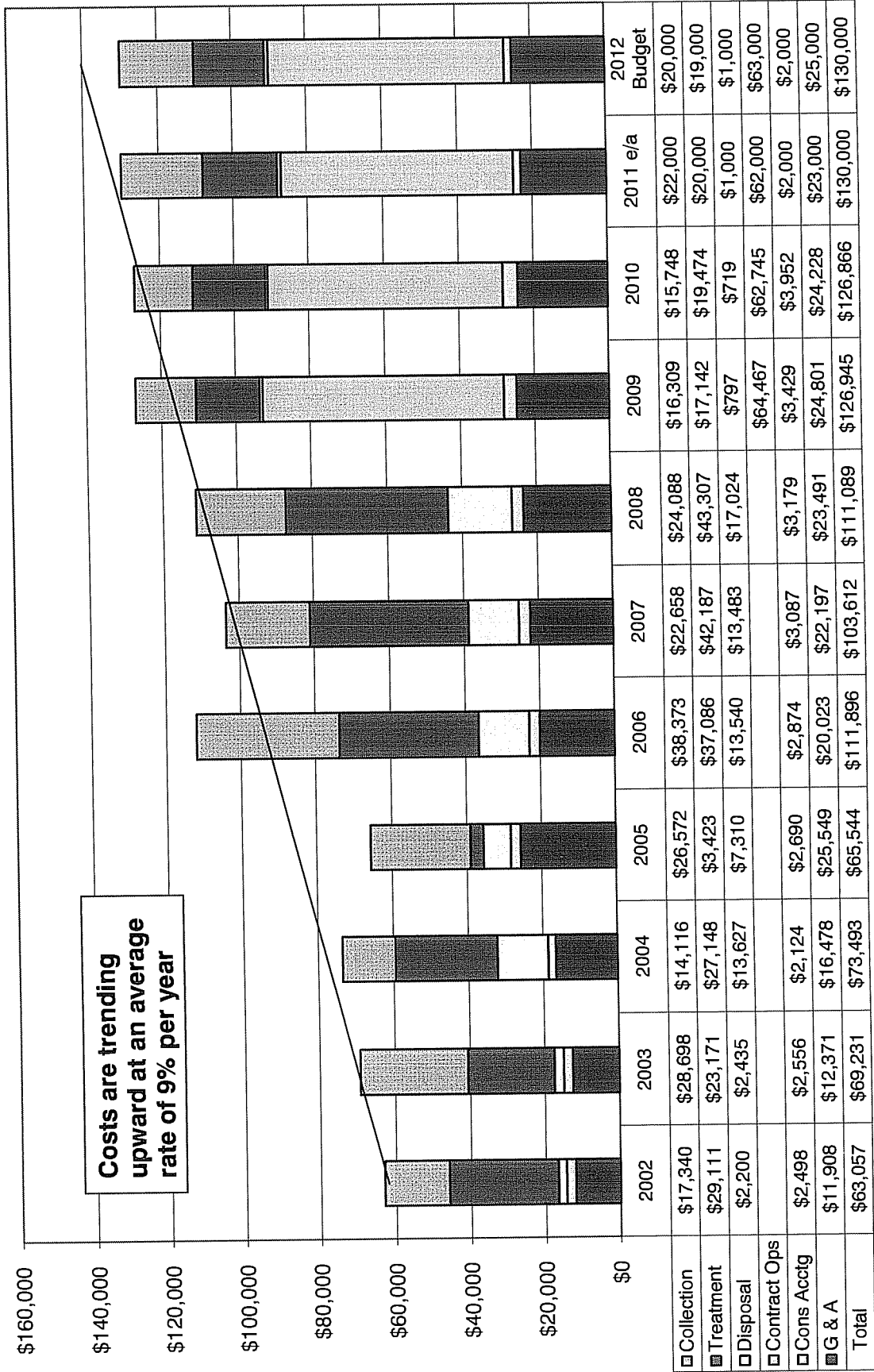
6/29/11

Oceana Marin Growth Active Sewer Connections at June 30



Oceana Marin Operating Expenditures

6/29/11



Costs are trending upward at an average rate of 9% per year

2011 COASTAL AREA SEWER COST COMPARISON

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 6/1/11

| Agency | No. of Sewer Services | Monthly Service Charge | Annual Tax Revenue ⁽¹⁾ | Annual Total |
|--|-----------------------|------------------------------|-----------------------------------|-------------------|
| Marshall Community Wastewater System | 32 | \$98.31 ⁽²⁾ | \$0 | \$1,180 |
| Bolinas Community PUD | 163 | \$79.33 | \$0 ⁽³⁾ | \$952 |
| > NMWD Oceana Marin | 227 | \$58.00⁽⁴⁾ | \$175⁽⁵⁾ | \$871 < |
| Tomales Village CSD | 107 | \$63.00 | \$58 ⁽⁶⁾ | \$814 |
| Stinson Beach Co Water - Inspection Only | 703 | \$39.65 ⁽⁷⁾ | \$203 ⁽⁸⁾ | \$679 |
| Bodega Bay PUD | 1,010 | \$39.66 | \$0 ⁽⁹⁾ | \$476 |

Notes:

- (1) Includes taxes for debt service on outstanding sewer bonds and loans plus any applicable allocation of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (2) Community wastewater step-system commenced October 2008. Each parcel has own septic tank, pumped to a community collection tank, then pumped into a community leach field.
- (3) Based on home with net AV of \$382,270 (average 2010/11 AV on 547 single family homes in Bolinas) and tax rate of 0.83¢/\$100 AV. none of which is allocated to sewer. Also shares in 1% County levy. This "allocation" is estimated by the County of Marin at \$217,562 for Bolinas in 2010/11 of which 100% is credited to the water fund.
- (4) Includes Proposed 5% (\$3/month) Increase.
- (5) Based on share of 1% County levy. This "allocation" is estimated by the County of Marin at \$39,695 for 2010/11 which equates to \$174.87 per service.
- (6) Based on home with net AV of \$290,628 (average 2010/11 AV on 107 single family homes in Tomales) and tax rate of 2¢/\$100 AV.
- (7) On-Site Wastewater System - no sewer system. Services provided include septic inspections, ground and surface water monitoring and other inspections required by the State Water Quality Control Board. In addition to the cost paid to Stinson Beach Water Co., each customer must purchase and install their own on-site wastewater system.
- (8) Based on allocation of 1% County levy. This "allocation" was estimated by Stinson Beach at \$476,608 for 2010/11 of which 30% was allocated to sewer amounting to \$203.39 per service.
- (9) Based on share of 1% County levy. This "allocation" was estimated by the County of Sonoma at \$327,155 for 2010/11 which 100% was allocated to water (0% to sewer)

6

MEMORANDUM

To: Board of Directors July 1, 2011
From: Chris DeGabriele, General Manager 
Subject: Petition for Change – North Marin Water District Lagunitas Creek Water Rights
T:\GM\West Marin\Gallagher Well\BOD memo re change petition status.doc

RECOMMENDED ACTION: Information only

FINANCIAL IMPACT: None at this time

On December 28, 2010 District staff submitted Petitions for Change to the State Water Resources Control Board (SWRCB) for Water Right License 4324B and Permits 19724 and 19725 on Lagunitas Creek. Petitions were filed to propose a physical solution and avoid water quality impacts due to salinity intrusion by adding a point of diversion for License 4324B and Permit 19725 at the Gallagher Well and dedicating Permit 19724 to instream uses pursuant to a settlement agreement with environmental groups circa 2005. SWRCB staff replied on February 2 that the Petitions for Change had been reviewed and found that they met the requirements of the Water Code and that a public notice was in preparation.

In following up during late May, SWRCB staff indicated that a notice may not be required and the Division Chief may be able to issue an order. SWRCB staff requested information that there is no intervening water right holder between the new point of diversion and the existing point of diversion. District legal counsel reviewed the letter to the SWRCB staff (attached) and accompanying letter to DFG to provide the information requested by SWRCB staff at this time.

At this point we've not received any further information regards the status for Petitions for Change but will keep the Board apprised as new information becomes available.



**NORTH MARIN
WATER DISTRICT**

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

PHONE
415.897.4133

FAX
415.892.8043

EMAIL
info@nmwd.com

WEB
www.nmwd.com

June 9, 2011

Katherine Mrowka, Chief
Inland Stream Unit
State Water Resources Control Board
Division of Water Rights
PO Box 2000
Sacramento, CA 95812-2000

Re: Petition for Change – NMWD Lagunitas Creek Water Rights (A13965B, A25079 & A25062)

Dear Ms. Mrowka:

Pursuant to our conversation on June 6, 2011, you advised that the subject minor petitions for change may be acted upon administratively by the Division Chief and without public notice, pursuant to Section 795 of the SWRCB Regulations (23 Cal. Code of Regs 795) provided that the change will not operate to the injury of any legal user of water. Please be advised that there is no active water right diversion between the existing POD's authorized under the subject applications and the proposed new POD at the NMWD Gallagher Well Site on Lagunitas Creek. This has been confirmed by searching the SWRCB eWRIMS database. Additionally, over the past 20 years, NMWD staff, which are regularly present at least weekly in that area, have not observed any diversion of water from Lagunitas Creek in the area between the above mentioned POD's.

The U.S. National Park Service – Point Reyes National Seashore (PRNS) does hold license 4324A (Application 13965A) with approved POD's coincident with NMWD license 4324B. Diversion of water pursuant to License 4324A ceased in August 2007; and on October 13, 2010 PRNS petitioned the SWRCB to change the place and purpose of use of license 4324A to instream purposes for "enhancement of fish and wildlife habitat pursuant to Section 1707."

In 2008 during the environmental review for this project and the change petitions, NMWD notified the California Department of Fish and Game (Bill Cox, retired) to learn the DFG requirements for the project. Those recommended DFG requirements have been included as mitigation measures incorporated into the project as identified in the Mitigated Negative Declaration Notice of Determination filed September 11, 2009. The PRNs petitions also indicate DFG has been notified.

Pursuant to your February 2, 2011 letter, NMWD is requesting a refund of the overpayment to DFG and is including a copy of the change petitions with that request (copy attached).



**NORTH MARIN
WATER DISTRICT**

June 9, 2011

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

PHONE

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info@nmwd.com

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Carl Wilcox, Regional Manager
California Department of Fish and Game
7329 Silverado Trail
Napa, CA 94558

Re: Petition for Change – North Marin Water District Lagunitas Creek Water Rights

Dear Mr. Wilcox:

North Marin Water District has petitioned the State Water Resources Control Board to change the point of diversion for Water Rights License 4324B and Permit 19724, (Applications 13965B and 25079). In 2008, the NMWD environmental review consultant contacted Bill Cox to learn the DFG requirements for the project and mitigation which measures have now been incorporated into the project as identified in the Mitigated Negative declaration Notice of Determination filed on September 11, 2009 (attached).

State Water Resources Control Board has reviewed the petitions for change and found that the petitions meet the requirements of Water Code Section 1701.2. The State Water Board has also advised that NMWD overpaid the DFG fee and we are requesting a refund of the \$850 overpayment. A copy of the change petition and the letter from the State Board is included for your information.

Please contact me at your earliest convenience regards the refund and any additional concern you may have regarding the petitions.

Sincerely,

Chris DeGabriele
General Manager

Enclosures

Cc: Robert B. Maddow
Katherine Mrowka

CD/rr

T:\GM\West Marin\Water Rights\dfg ltr re petition for change_refund.doc

7

MEMORANDUM

To: Board of Directors

July 1, 2011

From: Drew McIntyre, Chief Engineer



Subject: West Marin Improvement Projects - Fiscal Year Progress Report (Preliminary)

Z:\CHIEF ENGIN\MCINTYRE\BUDGETS\FY10 11 Budget\WM 10_11 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 FY10-11 Improvement Projects 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 FY10-11 financial information is complete. This preliminary progress report is being presented to take advantage of the fact that the July 5th meeting is being held in our West Marin service territory.

Performance Status for Improvement Projects

A total of eleven Improvement Projects were originally budgeted in FY10-11 for the West Marin and Oceana Marin service areas (Attachment 1). At year-end, three were deferred, two were added and out of the resulting ten, seven projects have been completed (Attachment 2). Overall progress in completing West Marin IPs (i.e., 72%) is below the mid-year projected completion percentage of 92%. All the FY10-11 West Marin completed projects were within the original budget. Based on a review of total project expenditures for all West Marin Improvement Projects, the combined West Marin projects were below budget by approximately \$110,000 and the combined Oceana Marin budgets were approximately \$122,000 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 fund the Point Reyes Treatment Plant Solids Handling Facility construction phase. The recently submitted Pre-Design Report (prepared by HydroScience Engineers) for this project identifies an estimated construction cost of \$600,000. Staff will be working with the design consultant to provide cost savings wherever possible in an effort to keep construction costs as low as possible without jeopardizing the success of the project.

FY 10-11

WEST MARIN IMPROVEMENTS PROJECTS

| | WEST MARIN/ OCEANA MARIN |
|--------------------------|-----------------------------|
| PROJECTS BUDGETED | |
| Original Budget | 11 |
| Added | 2 |
| FY 09-10 Carryover | 0 |
| Deferred/Dropped | (3) |
| Adjusted Budget | 10 |

| | WEST MARIN/ OCEANA MARIN |
|---|-----------------------------|
| FISCAL YEAR COMPLETION STATUS | |
| No. of Projects Completed | 7 |
| Mid-Year Projected Completion Performance | 92 |
| Year-End Completion Performance | 72% |

FY09-10 CARRYOVER
None

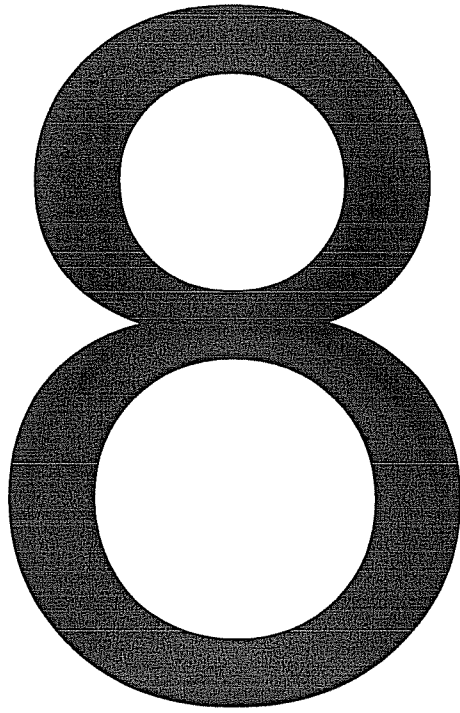
Date Brought to Board

DEFERRED/DROPPED

| | |
|---------------------------------|-------------------------|
| Cable Connection to TP | 2 nd Quarter |
| Replace PRE Tank #4A | 2 nd Quarter |
| Water System Master Plan Update | 2 nd Quarter |

PROJECTS ADDED


| | |
|-------------------------------|-------------------------|
| Pt. Reyes Well #3 Rehab | 2 nd Quarter |
| Water Rights/Legal Staff Time | 2 nd Quarter |



MEMORANDUM

To: Board of Directors

July 1, 2011

From: Drew McIntyre, Chief Engineer 

Subject: Water Service Agreement – Heidrun Meadery Fire Service, 11925 State Route 1, Point Reyes, CA (APN: 119-140-49)

R:\Folders by Job No\2700 jobs\2757\2757 BOD Memo.doc

RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: \$20,722 for Upsizing

The Heidrun Meadery Fire Service project consists of installing an 8-inch water main, one fire hydrant, and a 4-inch fire service for an existing milking barn (about 6200 sq ft) to be remodeled into a meadery (i.e., a winery that produces honey wine). In addition, the existing on-site greenhouse will be converted into a tasting and sales room. The project address is 11925 State Route 1 and the new water facilities will connect to an existing 6" pipeline at the north end of Viento Way (see attachment A). The Marin County Fire Marshall has required that the meadery building be fire sprinkled with a dedicated fire service. The prior owners of the subject property granted the District an easement for future looping of the District's water distribution system to improve fire flows in the Mesa area. As a part of this project, the new water main will be upsized from 6-inch to 8-inch in anticipation of a future looping project. As such, a credit will be issued by the District for the extra costs incurred for the upsizing per District Regulation 22. A future project will be required to complete the looping from State Route 1 to the water facilities installed by this project. The remaining distance is approximately 750 feet (see attachment B).

New Point Reyes Zone water facilities include 360 feet of 8-inch PVC main, 20 feet of 6-inch PVC main, one commercial fire hydrant, and a 4-inch fire service with 5/8-inch bypass meter.

Service to this property was established in 1971 and the water service was upgraded to a one-inch meter in 2001. Based on a review of water use history over the first ten years, this service is credited with four (4) EDU's as per District Regulation 1.c. The proposed new use is estimated to have a demand of less than four (4) EDU's. Therefore, no additional water demand is associated with this project and the one-inch meter is of sufficient size.

Sewer service is currently provided by an existing on-site sewage disposal system.

Environmental Document Review

The Heidrun Meadery project was determined to be Categorically Exempt by the County of Marin per Section 15301, Class 1 and the project was approved by the County of Marin on December 17, 2009.

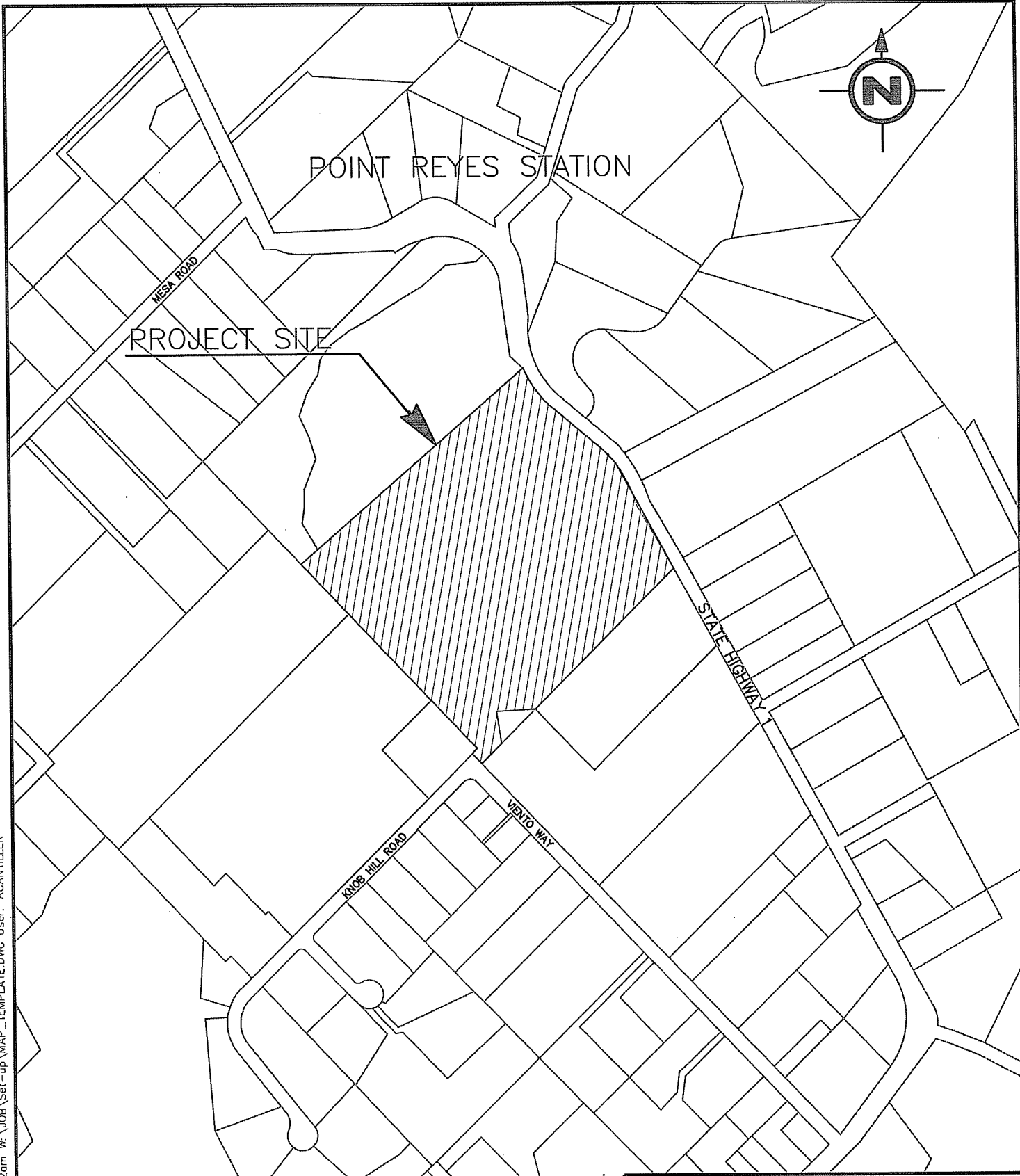
RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM CD

Date 7/1/2011

Jun 29, 2011 - 10:32am W:\JOB\Set-up\MAP_TEMPLATE.DWG User: ACANTILLER



| | | | |
|-----------------|-------|---------|---------|
| HEIDRUN MEADERY | | | |
| APN: 119-140-49 | | | |
| DATE | SCALE | JOB.NO. | DWG.NO. |
| 6/29/11 | NTS | 2757 | MAP |

Jun 30, 2011 - 4:24pm W:\JOB\2_PT_REV\2757\3_ISSUED\A\2757MAP.dwg User: ACANTILLER

LANDS OF POINT REYES FARM
APN: 119-140-49

STATE HIGHWAY 1

EXISTING SYSTEM

8" ACP J-1936

20292
11925

FUTURE LOOPING

HEIDRUN MEADERY PROJECT

VIENTO WAY 6" ACP

KNOB HILL RD

EXISTING SYSTEM

ATTACHMENT B

HEIDRUN MEADERY
APN: 119-140-49

| DATE | SCALE | JOB.NO. | DWG.NO. |
|---------|-------|---------|---------|
| 6/29/11 | NTS | 2757 | MAP |

RESOLUTION NO. 11-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
POINT REYES FARM 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 Point Reyes Farm LLC, a California Limited Liability Company, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 11925 STATE ROUTE ONE, Marin County Assessor's Parcel Number 119-140-49, 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 5th day of July, 2011, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

(SEAL)

Renee Roberts, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
HEIDRUN MEADERY

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 _____, 2011, by and between NORTH MARIN WATER DISTRICT, herein called "District," and POINT REYES FARM LLC, A California 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 119-140-49 and the project known as HEIDRUN MEADERY, 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 11925 State Route One, Point Reyes (Marin County Assessor's Parcel 119-140-49); and

WHEREAS, metered water service of the parcel began on August 17, 1971 and the District installed a 5/8" meter at 11925 State Route One, of which the first ten year historical use entitlement is four (4) EDUs; and

WHEREAS, on September 4, 2001, at the owner's request the service was upsized to a 1-inch meter (Job 2.1254.00); and

WHEREAS, the current change of use to include a meadery is not projected to increase water usage beyond historical entitlement of four (4) EDUs, however if water usage exceeds the historical entitlement of four (4) EDUs, additional fees will be due; and

WHEREAS, every two (2) years following the date of execution of this agreement the District shall review water use by the applicant; and

WHEREAS, the applicant is entitled to a credit (pursuant to Regulation 22) for over sizing the water main extension from 6" to 8" so as to enable a future planned District improvement project.

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. 2 2757.001, entitled, "HEIDRUN MEADERY", 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

| | | | |
|--|-------------------|--------------|----------------|
| Fire Service Bypass Meter Charges <small>(Included in Est. District Costs)</small> | ...One 5/8-inch @ | \$ 0.00 | \$ 0.00 |
| Reimbursement Fund Charges |One @ | \$ 4,950.00 | \$ 4,950.00 |
| Facilities Reserve Charges..... |Four @ | \$ 22,800.00 | \$ 91,200.00 |
| Credit for Existing Service Entitlement <small>(FRC's & RFC's)</small> ... |Four@ | \$ 27,750.00 | \$ <96,150.00> |

| | | |
|--|-----------|--------------------------|
| Subtotal - Initial Charges..... | \$ | 0.00 |
| <u>Estimated District Costs</u> | | |
| Pipe, Fittings & Appurtenances..... | \$ | 14,230.00 |
| District Construction Labor..... | \$ | 11,581.00 |
| Engineering & Inspection..... | \$ | 4,223.00 |
| Bulk Materials..... | \$ | 2,833.00 |
| Subtotal –Estimated District Costs..... | \$ | 32,867.00 |
| <u>Estimated Applicant Installation Costs</u> | | |
| Installation Labor..... | \$ | 13,886.00 |
| Contractor Furnished – Pipe Fittings & Appurtenances..... | \$ | 0.00 |
| Bulk Materials..... | \$ | 5,655.00 |
| Subtotal- Estimated Applicant Installation Costs..... | \$ | 19,541.00 |
| Credit for Upsizing | \$ | <20,722.00> |
| TOTAL ESTIMATED WATER FACILITIES COSTS..... | \$ | 31,686.00 |

(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 **\$ 12,145**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$ 19,541** conditioned

upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$ 4,886** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$ 19,541** 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 West Marin service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 17 sections e. and f. Applicant shall install front loading, horizontal axis washing machines with a modified water factor of 5.5 or less. Dishwashers shall be energy star rated and use no more than 5 gallons per load.

Toilets shall be District approved High Efficiency Toilets that meet the EPA water sense specification. Applicant shall install District approved weather-based irrigation controllers, drip irrigation on non-turf areas, and is subject to turf limitations. Refer to the aforementioned water conservation regulation for a complete listing of all requirements.

9. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 5 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

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

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

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

John Schoonover, President

Renee Roberts, Secretary

Point Reyes Farm LLC
A California Limited Liability Company
"Applicant"

(SEAL)

Gordon Hull, Manager

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

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

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

9

MEMORANDUM

To: Board of Directors July 1, 2011
From: Drew McIntyre, Chief Engineer *DM*
Carmela Chandrasekera, Associate Engineer *CC*
Re: Recycled Water Expansion to the North Service Area – Segment 3 Construction Project – Approve Bid Advertisement
R:\Folders by Job No\6000 jobs\6055\BOD memos\6055 Segment 3 memo re approval for bid advertisement 7-1-2011.doc

RECOMMENDED ACTION: Board Authorize Bid Advertisement of the Recycled Water Expansion to the North Service Area – Segment 3 Project

FINANCIAL IMPACT: \$1,750,000

Background

Recycled Water Expansion to North Service Area project (see Attachment 1) consists of installation of three pipeline segments (totaling 5 miles in length) and rehabilitation of the 0.5 MG out of service Plum Street tank for recycled water storage. The aforementioned projects are to be performed under four separate contracts. At the June 7, 2011 meeting, the Board approved construction contract award of the Segment 1 pipeline project to Ghilotti Construction. The Plum Street Tank Rehabilitation project bids were opened on June 14, 2011 and the staff is currently analyzing the bids. The design of the Segment 3 pipeline project has been completed by the District staff and is ready to move forward to the bid phase.

The following project schedule identifies key dates including the proposed bid advertising date.

SCHEDULE

| | |
|--|------------------|
| Advertise Project | July 8, 2011 |
| Plans & Specs available | July 11, 2011 |
| Pre-Bid Meeting | July 28, 2011 |
| Bid Opening | August 16, 2011 |
| Board Authorization of Award (tentative) | October 4, 2011 |
| Notice of Award (tentative) | October 7, 2011 |
| Notice to Proceed | November 1, 2011 |
| Construction Complete (240 days) | June 30, 2012 |

Project Description and Costs

The segment 3 project includes installation of 10,300 feet of new 12-inch pipeline along Summers Avenue and portions of Olive Avenue and Lea Drive. An additional 1,050 ft of

Approved by GM *CD*

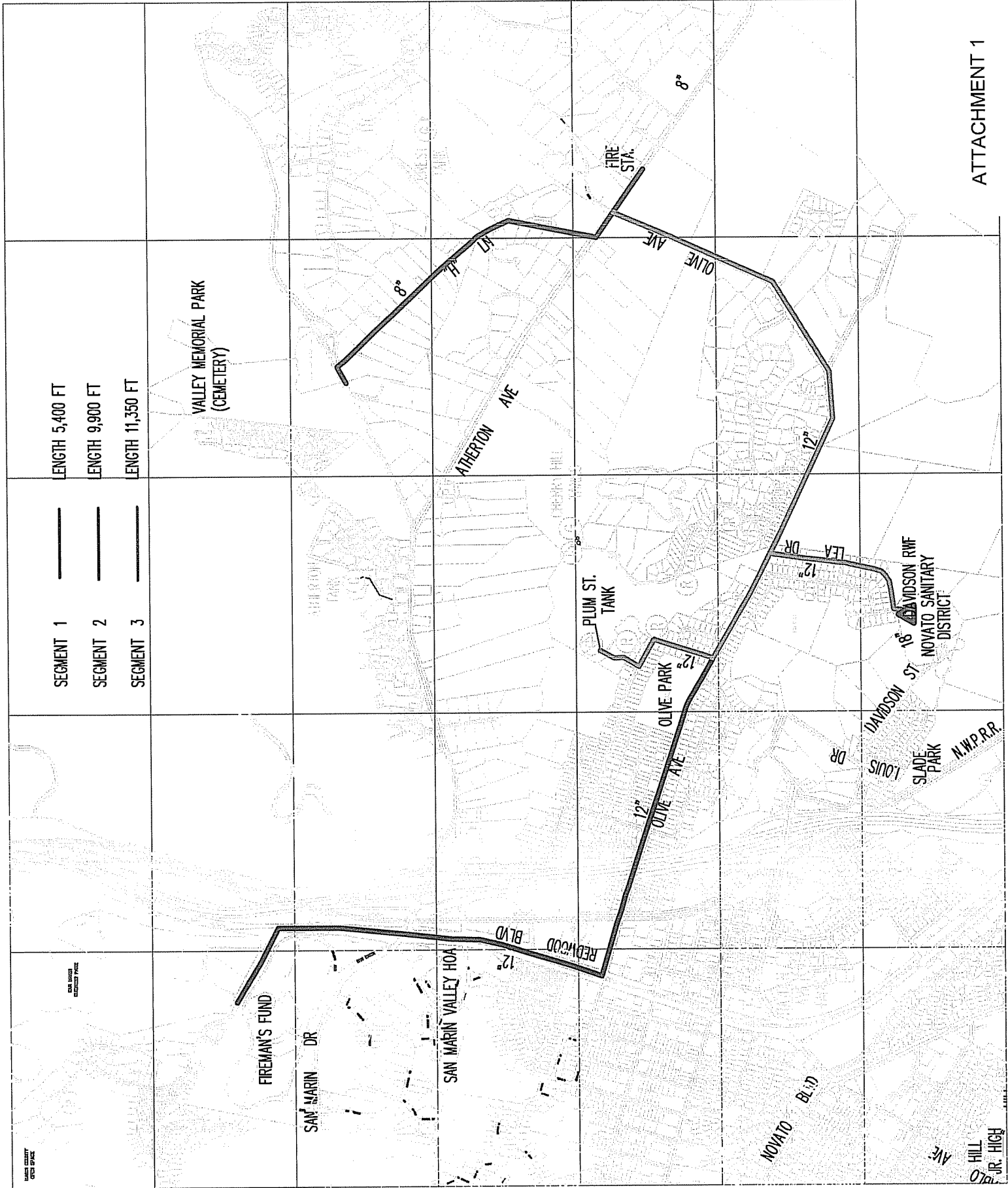
Date 7/1/2011

Segment 3 pipeline was installed under a separate job. The contractor will be given the option to construct using open cut trench method or by horizontal directional method. The project receives 25% federal grant funding from the American Recovery and Reinvestment Act of 2009 via Bureau of Reclamation awarded to the North Bay Water Reuse Authority. The project will also receive a State Revolving Fund loan to finance the balance cost of the project.

The engineering construction cost estimate is \$1,750,000. This estimate will be updated again as soon as bids are received.

RECOMMENDATION

Board authorize bid advertisement of the Recycled Water Expansion North Service Area – Segment 3 construction project.



SEGMENT 1
 SEGMENT 2
 SEGMENT 3

LENGTH 5,400 FT
 LENGTH 9,900 FT
 LENGTH 11,350 FT


VALLEY MEMORIAL PARK
 (CEMETERY)

10

MEMORANDUM

To: Board of Directors

July 1, 2011

From: Chris DeGabriele, General Manager 

Subject: Amendment to the Water Quality Control Plan for the San Francisco Bay Basin to Add Surface Water Bodies and Designate Beneficial Uses

t:\gmbod misc 2011\sfbay basin plan amendment bod memo.doc

RECOMMENDED ACTION: Board authorize General Manager to comment on the proposed Basin Plan Amendment

FINANCIAL IMPACT: None at this time

Attached is a Notice of Opportunity to Comment on the subject proposed Basin Plan Amendment. Also included is the amended Basin Plan language pertaining to Beneficial Uses (Chapter 2) and excerpts from Table 2-1, Existing and Potential Beneficial Uses of Water Bodies in the San Francisco Bay Region. In reviewing the proposed amendment, it has come to my attention that Stafford Lake is not classified accurately or consistent with Marin Municipal reservoir beneficial uses. I believe this to be an error in the Basin Plan. In discussion with the Regional Water Quality Control Board staff, I was advised that since no one objected at the time the original Basin Plan was prepared in 1976, that the designations can be changed only with request of a Basin Plan Amendment. Rather than preparing and pursuing a Basin Plan Amendment, which I believe would be costly and time consuming, I recommend that the District send a letter to the State Board pointing out the error and going on record that we believe the Stafford Lake potential and existing beneficial uses should be classified appropriately.

RECOMMENDATION

Board authorize the General Manager to send a letter to the State Water Resources Control Board on the San Francisco Bay Basin Plan Amendment.



State Water Resources Control Board



Linda S. Adams
Acting Secretary for
Environmental Protection

Charles R. Hoppin, Chairman
1001 I Street • Sacramento, California 95814 • (916) 341-5603
Mailing Address: P.O. Box 100 • Sacramento, California 95812-0100
FAX (916) 341-5621 • <http://www.waterboards.ca.gov>

Edmund G. Brown Jr.
Governor

RECEIVED
RECEIVED
JUN 24 2011

NOTICE OF OPPORTUNITY TO COMMENT

PROPOSED APPROVAL OF AN AMENDMENT TO THE WATER QUALITY CONTROL PLAN FOR THE SAN FRANCISCO BAY BASIN TO ADD SURFACE WATER BODIES AND DESIGNATE BENEFICIAL USES

NOTICE IS HEREBY GIVEN THAT the State Water Resources Control Board (State Water Board) will accept comments on the proposed approval of an amendment adding unnamed surface water bodies and designated beneficial uses for the San Francisco Bay Region. The amendment's resolution and attachments are available on the San Francisco Bay Regional Water Board's (San Francisco Bay Water Board's) Web site at:

http://www.waterboards.ca.gov/sanfranciscobay/basin_planning.shtml#BPupdate

The amendment was adopted by the San Francisco Bay Water Board on July 14, 2010. The amendment can also be received via mail by contacting Jan O' Hara at (510) 622-5681. The State Water Board will separately publish the agenda item, draft resolution and a notice of the meeting at which it will consider the proposed approval of the amendment.

SUBMISSION OF WRITTEN COMMENTS

Interested persons are encouraged to submit comments electronically. In order to be fully considered, **written comments must be received by 12:00 noon on Thursday, July 28, 2011.** After the deadline, staff will not accept additional written comments unless the State Water Board determines that such comments should be accepted. Comment letters can be submitted by email to commentletters@waterboards.ca.gov (if less than 15 megabytes in total size) or by fax at (916) 341-5620 with the subject "**Comment Letter - SF Bay Region Beneficial Uses/Waterbodies Update.**" Written comments may also be delivered by via-mail or hand-delivered to the following address:

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
P.O. Box 100, Sacramento, CA 95812-2000 (by mail)
1001 I Street, 24th Floor, Sacramento, CA 95814 (by hand delivery)

Incorporation of Comments by Reference: Comments must specifically address the version of the amendment that is currently being considered for approval by the State Water Board. If the San Francisco Bay Water Board previously responded to the comment, the commenter must explain why it believes that the San Francisco Bay Water Board's response was inadequate. The commenter must include either a statement that each of the comments was timely raised before the San Francisco Bay Water Board, or an explanation of why the commenter was unable to raise the specific comment before the San Francisco Bay Water Board. The State Water Board may refuse to accept any comments that do not include such a statement.

Please direct questions about this notice to Jan O' Hara, Water Resources Control Engineer, at (510) 622-5681 (johara@waterboards.ca.gov), or Dorothy Dickey, Senior Staff Council, at (510) 622-2490 (ddickey@waterboards.ca.gov).

Date June 14, 2011

Jeanine Townsend

Jeanine Townsend
Clerk to the Board

Amend the language of Chapter 2 as follows. Underline indicates new text, strikethrough indicates deleted text. Section 2.2.2, entitled Groundwater, and Tables 2-2 and 2-3 are not shown because there are no changes. Replace Figures 2-3 through 2-9 with revised Figures 2-3 through 2-9b.

CHAPTER 2: BENEFICIAL USES

State policy for water quality control in California is directed toward achieving the highest water quality consistent with maximum benefit to the people of the state. Aquatic ecosystems and underground aquifers provide many different benefits to the people of the state. The beneficial uses described in detail in this chapter define the resources, services, and qualities of these aquatic systems that are the ultimate goals of protecting and achieving high water quality. The ~~Regional Water~~ Board is charged with protecting all these uses from pollution and nuisance that may occur as a result of waste discharges in the region. Beneficial uses of waters of the State ~~surface waters, groundwaters, marshes, and mudflats wetlands~~ presented here serve as a basis for establishing water quality objectives and discharge prohibitions to attain these goals.

Beneficial use designations for any given water body do not rule out the possibility that other beneficial uses exist or have the potential to exist. Existing beneficial uses that have not been formally designated in this Basin Plan are protected whether or not they are identified. While the tables in this Chapter list a large, representative portion of the water bodies in our region, it is not practical to list each and every water body.

2.1 DEFINITIONS OF BENEFICIAL USES

The following definitions (in italic) for beneficial uses are applicable throughout the entire state. A brief description of the most important water quality requirements for each beneficial use follows each definition (in alphabetical order by abbreviation).

2.1.1 AGRICULTURAL SUPPLY (AGR)

Uses of water for farming, horticulture, or ranching, including, but not limited to, irrigation, stock watering, or support of vegetation for range grazing.

The criteria discussed under municipal and domestic water supply (MUN) also effectively protect farmstead uses. To establish water quality criteria for livestock water supply, the ~~Regional Water~~ Board must consider the relationship of water to the total diet, including water freely drunk, moisture content of feed, and interactions between irrigation water quality and feed quality. The University of California Cooperative Extension has developed threshold and limiting concentrations for livestock and irrigation water. Continued irrigation often leads to one or more of four types of hazards related to water quality and the nature of soils and crops. These hazards are (1) soluble salt accumulations, (2) chemical changes in the soil, (3) toxicity to crops, and (4) potential disease transmission to humans through reclaimed water use. Irrigation water classification systems, arable soil classification systems, and public health criteria related to reuse of wastewater have been developed with consideration given to these hazards.

2.1.2 AREAS OF SPECIAL BIOLOGICAL SIGNIFICANCE (ASBS)

Areas designated by the State Water Board.

These include marine life refuges, ecological reserves, and designated areas where the preservation and enhancement of natural resources requires special protection. In these areas, alteration of natural water quality is undesirable. The areas that have been designated as ASBS in this Region are Bird Rock, Point Reyes Headland Reserve and Extension, Double Point, Duxbury Reef Reserve and Extension, Farallon Islands, and James V. Fitzgerald Marine Reserve, depicted in Figure 2-1. The 2001 California Ocean Plan (see Chapter 5) prohibits waste discharges into, and requires wastes to be discharged at a sufficient distance from, these areas to assure maintenance of natural water quality conditions. These areas have been designated as a subset of State Water Quality Protection Areas as per the Public Resources Code.

2.1.3 COLD FRESHWATER HABITAT (COLD)

Uses of water that support cold water ecosystems, including, but not limited to, preservation or enhancement of aquatic habitats, vegetation, fish, or wildlife, including invertebrates.

Cold freshwater habitats generally support trout and may support the anadromous salmon and steelhead fisheries as well. Cold water habitats are commonly well-oxygenated. Life within these waters is relatively intolerant to environmental stresses. Often, soft waters feed cold water habitats. These waters render fish more susceptible to toxic metals, such as copper, because of their lower buffering capacity.

2.1.4 OCEAN, COMMERCIAL AND SPORT FISHING (COMM)

Uses of water for commercial or recreational collection of fish, shellfish, or other organisms in oceans, bays, and estuaries, including, but not limited to, uses involving organisms intended for human consumption or bait purposes.

To maintain ocean fishing, the aquatic life habitats where fish reproduce and seek their food must be protected. Habitat protection is under descriptions of other beneficial uses.

2.1.5 ESTUARINE HABITAT (EST)

Uses of water that support estuarine ecosystems, including, but not limited to, preservation or enhancement of estuarine habitats, vegetation, fish, shellfish, or wildlife (e.g., estuarine mammals, waterfowl, shorebirds), and the propagation, sustenance, and migration of estuarine organisms.

Estuarine habitat provides an essential and unique habitat that serves to acclimate anadromous fishes (e.g., salmon, striped bass) migrating into fresh or marine water conditions. The protection of estuarine habitat is contingent upon (1) the maintenance of adequate Delta outflow to provide mixing and salinity control; and (2) provisions to protect wildlife habitat associated with marshlands and the Bay periphery (i.e., prevention of fill activities). Estuarine habitat is generally associated with moderate seasonal fluctuations in dissolved oxygen, pH, and temperature and with a wide range in turbidity.

2.1.6 FRESHWATER REPLENISHMENT (FRESH)

Uses of water for natural or artificial maintenance of surface water quantity or quality.

Fresh water inputs are important for maintaining salinity balance, flow, and/or water quantity for such surface water bodies as marshes, wetlands, and lakes.

2.1.7 GROUNDWATER RECHARGE (GWR)

Uses of water for natural or artificial recharge of groundwater for purposes of future extraction, maintenance of water quality, or halting saltwater intrusion into freshwater aquifers.

The requirements for groundwater recharge operations generally reflect the future use to be made of the water stored underground. In some cases, recharge operations may be conducted to prevent seawater intrusion. In these cases, the quality of recharged waters may not directly affect quality at the wellfield being protected. Recharge operations are often limited by excessive suspended sediment or turbidity that can clog the surface of recharge pits, basins, or wells.

Under the state Antidegradation Policy, the quality of some of the waters of the state is higher than established by adopted policies. It is the intent of this policy to maintain that existing higher water quality to the maximum extent possible.

Requirements for groundwater recharge, therefore, shall impose the Best Available Technology (BAT) or Best Management Practices (BMPs) for control of the discharge as necessary to assure the highest quality consistent with maximum benefit to the people of the state. Additionally, it must be recognized that groundwater recharge occurs naturally in many areas from streams and reservoirs. This recharge may have little impact on the quality of groundwaters under normal circumstances, but it may act to transport pollutants from the recharging water body to the groundwater. Therefore, groundwater recharge must be considered when requirements are established.

2.1.8 INDUSTRIAL SERVICE SUPPLY (IND)

Uses of water for industrial activities that do not depend primarily on water quality, including, but not limited to, mining, cooling water supply, hydraulic conveyance, gravel washing, fire protection, and oil well repressurization.

Most industrial service supplies have essentially no water quality limitations except for gross constraints, such as freedom from unusual debris.

2.1.9 MARINE HABITAT (MAR)

Uses of water that support marine ecosystems, including, but not limited to, preservation or enhancement of marine habitats, vegetation such as kelp, fish, shellfish, or wildlife (e.g., marine mammals, shorebirds).

In many cases, the protection of marine habitat will be accomplished by measures that protect wildlife habitat generally, but more stringent criteria may be necessary for waterfowl marshes and other habitats, such as those for shellfish and marine fishes. Some marine habitats, such as important intertidal zones and kelp beds, may require special protection.

2.1.10 FISH MIGRATION (MIGR)

Uses of water that support habitats necessary for migration, acclimatization between fresh water and salt water, and protection of aquatic organisms that are temporary inhabitants of waters within the region.

The water quality provisions acceptable to cold water fish generally protect anadromous fish as well. However, particular attention must be paid to maintaining zones of passage. Any barrier to migration or free movement of migratory fish is harmful. Natural tidal movement in estuaries and unimpeded river flows are necessary to sustain migratory fish and their offspring. A water quality barrier, whether thermal, physical, or chemical, can destroy the integrity of the migration route and lead to the rapid decline of dependent fisheries.

Water quality may vary through a zone of passage as a result of natural or human-induced activities. Fresh water entering estuaries may float on the surface of the denser salt water or hug one shore as a result of density differences related to water temperature, salinity, or suspended matter.

2.1.11 MUNICIPAL AND DOMESTIC SUPPLY (MUN)

Uses of water for community, military, or individual water supply systems, including, but not limited to, drinking water supply.

The principal issues involving municipal water supply quality are (1) protection of public health; (2) aesthetic acceptability of the water; and (3) the economic impacts associated with treatment- or quality-related damages.

The health aspects broadly relate to: direct disease transmission, such as the possibility of contracting typhoid fever or cholera from contaminated water; toxic effects, such as links between nitrate and methemoglobinemia (blue babies); and increased susceptibility to disease, such as links between halogenated organic compounds and cancer.

Aesthetic acceptance varies widely depending on the nature of the supply source to which people have become accustomed. However, the parameters of general concern are excessive hardness, unpleasant odor or taste, turbidity, and color. In each case, treatment can improve acceptability although its cost may not be economically justified when alternative water supply sources of suitable quality are available.

Published water quality objectives give limits for known health-related constituents and most properties affecting public acceptance. These objectives for drinking water include the U.S. Environmental Protection Agency Drinking Water Standards and the California State Department of Health Services criteria.

2.1.12 NAVIGATION (NAV)

Uses of water for shipping, travel, or other transportation by private, military, or commercial vessels.

Navigation is a designated use where water is used for shipping, travel, or other transportation by private, military, or commercial vessels.

2.1.13 INDUSTRIAL PROCESS SUPPLY (PROC)

Uses of water for industrial activities that depend primarily on water quality.

Water quality requirements differ widely for the many industrial processes in use today. So many specific industrial processes exist with differing water quality requirements that no meaningful criteria can be

established generally for quality of raw water supplies. Fortunately, this is not a serious shortcoming, since current water treatment technology can create desired product waters tailored for specific uses.

2.1.14 PRESERVATION OF RARE AND ENDANGERED SPECIES (RARE)

Uses of waters that support habitats necessary for the survival and successful maintenance of plant or animal species established under state and/or federal law as rare, threatened, or endangered.

The water quality criteria to be achieved that would encourage development and protection of rare and endangered species should be the same as those for protection of fish and wildlife habitats generally. However, where rare or endangered species exist, special control requirements may be necessary to assure attainment and maintenance of particular quality criteria, which may vary slightly with the environmental needs of each particular species. Criteria for species using areas of special biological significance should likewise be derived from the general criteria for the habitat types involved, with special management diligence given where required.

2.1.15 WATER CONTACT RECREATION (REC1)

Uses of water for recreational activities involving body contact with water where ingestion of water is reasonably possible. These uses include, but are not limited to, swimming, wading, water-skiing, skin and scuba diving, surfing, whitewater activities, fishing, and uses of natural hot springs.

Water contact implies a risk of waterborne disease transmission and involves human health; accordingly, criteria required to protect this use are more stringent than those for more casual water-oriented recreation.

Excessive algal growth has reduced the value of shoreline recreation areas in some cases, particularly for swimming. Where algal growths exist in nuisance proportions, particularly bluegreen algae, all recreational water uses, including fishing, tend to suffer.

One criterion to protect the aesthetic quality of waters used for recreation from excessive algal growth is based on chlorophyll a.

Public access to drinking water reservoirs is limited or prohibited by reservoir owner/operators for purposes of protecting drinking water quality and public health. In some cases, access to reservoir tributaries is also prohibited. For these water bodies, REC-1 is designated as E*, for the purpose of protecting water quality. No right to public access is intended by this designation.

2.1.16 NONCONTACT WATER RECREATION (REC2)

Uses of water for recreational activities involving proximity to water, but not normally involving contact with water where water ingestion is reasonably possible. These uses include, but are not limited to, picnicking, sunbathing, hiking, beachcombing, camping, boating, tide pool and marine life study, hunting, sightseeing, or aesthetic enjoyment in conjunction with the above activities.

Water quality considerations relevant to noncontact water recreation, such as hiking, camping, or boating, and those activities related to tide pool or other nature studies require protection of habitats and

aesthetic features. In some cases, preservation of a natural wilderness condition is justified, particularly when nature study is a major dedicated use.

One criterion to protect the aesthetic quality of waters used for recreation from excessive algal growth is based on chlorophyll a.

2.1.17 SHELLFISH HARVESTING (SHELL)

Uses of water that support habitats suitable for the collection of crustaceans and filter-feeding shellfish (e.g., clams, oysters, and mussels) for human consumption, commercial, or sport purposes.

Shellfish harvesting areas require protection and management to preserve the resource and protect public health. The potential for disease transmission and direct poisoning of humans is of considerable concern in shellfish regulation. The bacteriological criteria for the open ocean, bays, and estuarine waters where shellfish cultivation and harvesting occur should conform with the standards described in the National Shellfish Sanitation Program, Manual of Operation.

Toxic metals can accumulate in shellfish. Mercury and cadmium are two metals known to have caused extremely disabling effects in humans who consumed shellfish that concentrated these elements from industrial waste discharges. Other elements, radioactive isotopes, and certain toxins produced by particular plankton species also concentrate in shellfish tissue. Documented cases of paralytic shellfish poisoning are not uncommon in California.

2.1.18 FISH SPAWNING (SPWN)

Uses of water that support high quality aquatic habitats suitable for reproduction and early development of fish.

Dissolved oxygen levels in spawning areas should ideally approach saturation levels. Free movement of water is essential to maintain well-oxygenated conditions around eggs deposited in sediments. Water temperature, size distribution and organic content of sediments, water depth, and current velocity are also important determinants of spawning area adequacy.

2.1.19 WARM FRESHWATER HABITAT (WARM)

Uses of water that support warm water ecosystems including, but not limited to, preservation or enhancement of aquatic habitats, vegetation, fish, or wildlife, including invertebrates.

The warm freshwater habitats supporting bass, bluegill, perch, and other panfish are generally lakes and reservoirs, although some minor streams will serve this purpose where stream flow is sufficient to sustain the fishery. The habitat is also important to a variety of nonfish species, such as frogs, crayfish, and insects, which provide food for fish and small mammals. This habitat is less sensitive to environmental changes, but more diverse than the cold freshwater habitat, and natural fluctuations in temperature, dissolved oxygen, pH, and turbidity are usually greater.

2.1.20 WILDLIFE HABITAT (WILD)

Uses of waters that support wildlife habitats, including, but not limited to, the preservation and enhancement of vegetation and prey species used by wildlife, such as waterfowl.

The two most important types of wildlife habitat are riparian and wetland habitats. These habitats can be threatened by development, erosion, and sedimentation, as well as by poor water quality.

The water quality requirements of wildlife pertain to the water directly ingested, the aquatic habitat itself, and the effect of water quality on the production of food materials. Waterfowl habitat is particularly sensitive to changes in water quality. Dissolved oxygen, pH, alkalinity, salinity, turbidity, settleable matter, oil, toxicants, and specific disease organisms are water quality characteristics particularly important to waterfowl habitat. Dissolved oxygen is needed in waterfowl habitats to suppress development of botulism organisms; botulism has killed millions of waterfowl. It is particularly important to maintain adequate circulation and aerobic conditions in shallow fringe areas of ponds or reservoirs where botulism has caused problems.

2.2 PRESENT EXISTING AND POTENTIAL BENEFICIAL USES

2.2.1 SURFACE WATERS

Surface waters in the Region consist of non-tidal wetlands, rivers, streams, and lakes (collectively described as inland surface waters), estuarine wetlands known as baylands, estuarine waters, and coastal waters. In this Region, estuarine waters consist of the Bay system including intertidal, tidal, and subtidal habitats from the Golden Gate to the Region's boundary near Pittsburg and the lower portions of streams that are affected by tidal hydrology, such as the Napa and Petaluma rivers in the north and Coyote and San Francisquito creeks in the south.

Inland surface waters support or could support most of the beneficial uses described above. The specific beneficial uses for inland streams include municipal and domestic supply (MUN), agricultural supply (AGR), commercial and sport fishing (COMM), freshwater replenishment (FRESH), industrial process supply (PRO), groundwater recharge (GWR), preservation of rare and endangered species (RARE), water contact recreation (REC1), noncontact water recreation (REC2), wildlife habitat (WILD), cold freshwater habitat (COLD), warm freshwater habitat (WARM), fish migration (MIGR), and fish spawning (SPWN).

The San Francisco Bay Estuary supports estuarine habitat (EST), industrial service supply (IND), and navigation (NAV) in addition to ~~all of the uses supported by streams~~ COMM, RARE, REC1, REC2, WILD, MIGR, and SPWN.

Coastal waters' beneficial uses include water contact recreation (REC1); noncontact water recreation (REC2); industrial service supply (IND); navigation (NAV); marine habitat (MAR); shellfish harvesting (SHELL); ocean, commercial and sport fishing (COMM); wildlife habitat (WILD), fish migration (MIGR), fish spawning (SPWN), and preservation of rare and endangered species (RARE). In addition, the California coastline within the Region is endowed with exceptional scenic beauty.

The beneficial uses of any specifically identified waterbody generally apply to all its tributaries. In some cases a beneficial use may not be applicable to the entire body of water, such as navigation in Richardson Bay or shellfish harvesting in the Pacific Ocean. In these cases, the Water Board's judgment regarding water quality control measures necessary to protect beneficial uses will be applied.

Beneficial uses of streams that have intermittent flows, as is typical of many streams in the region, must be protected throughout the year and are designated as "existing."

Beneficial uses of each significant water body have been identified and are organized according to the seven major Hydrologic Planning Areas within the Region (Figure 2-2). Table 2-1 contains the beneficial uses for water bodies that have been designated in the Region. The maps locating each water body (Figures 2-3 through 2-9b) were produced using a geographical information system (GIS) at the Water Board. The maps use the hydrologic basin information compiled by the California Interagency Watershed map, with supplemental information from the Oakland Museum of California Creek and Watershed Map series, the Contra Costa County Watershed Atlas, and the San Francisco Estuary Institute EcoAtlas. More detailed representations of each location can be created using this GIS version.

Table 2-1 contains the beneficial uses for many surface water bodies in the Region, organized geographically by the Region's seven Hydrologic Planning Areas. Within each Hydrologic Planning Area, water bodies are listed geographically, with tributaries indented below their receiving water body. In cases where a water body shares the same name with another water body (e.g., Redwood Creek), the location of the water body (county and/or other identifier) is given in parentheses. An alternative name for a water body, where known, is also shown in parentheses. In Table 2-1, beneficial uses are indicated as follows:

E – indicates the beneficial use exists in the water body.

E* – indicates public access to the water body is limited or prohibited for purposes of protecting drinking water quality and public health. REC-1 is designated as E* for the purpose of protecting water quality. No right to public access is intended by this designation.

P – indicates the water body could potentially support the beneficial use.

2.2.3 WETLANDS

Table 2-3 shows how beneficial uses are associated with different wetland types. Table 2-4 lists and specifies beneficial uses for 34 significant wetland areas within the Region; generalized locations of these wetlands are shown in Figure 2-11. It should be noted that most of the wetlands listed in Table 2-4 are saltwater marshes, and that the list is not comprehensive.

FIGURES

Figure 2-1: Areas of Special Biological Significance

Figure 2-2: Hydrologic Planning Areas

Figure 2-3: Marin Coastal Basin

Legend for Figures 2-3 through 2-9b

Figures 2-3 through 2-3b: Marin Coastal Basin

Figures 2-4 through 2-4b: San Mateo Coastal Basin

Figure 2-5: Central Basin

Figures 2-6 through 2-6b: South Bay Basin

Figures 2-7 through 2-7b: Santa Clara Basin

Figures 2-8 through 2-8b: San Pablo Basin

Figures 2-9 through 2-9b: Suisun Basin

TABLES

Table 2-1: Existing and Potential Beneficial Uses of Water Bodies in the San Francisco Bay Region

Table 2-2: Existing and Potential Beneficial Uses of Groundwater in Identified Basins

Table 2-3: Examples of Existing and Potential Beneficial Uses of Selected Wetlands

Table 2-4: ~~Examples of~~ Beneficial Uses of Wetland Areas

Table 2-1: Existing and Potential Beneficial Uses of Water Bodies in the San Francisco Bay Region



| COUNTY | Waterbody | AGR | MUN | FRSH | GWR | IND | PROC | COMM | SHELL | GOLD | EST | MAR | MGR | RARE | SPWN | WARM | WILD | REC-1 | REC-2 | NAV |
|---------------------|---------------------------|-----|-----|------|-----|-----|------|------|-------|------|-----|-----|-----|------|------|------|------|-------|-------|-----|
| MARIN COUNTY | | | | | | | | | | | | | | | | | | | | |
| | Pacific Ocean (Marin) | | | | E | | | E | E | | E | E | E | E | E | | E | E | E | E |
| | Abbotts Lagoon | | | | | | | E | | | E | E | | | | | E | E | E | E |
| | Drakes Estero | | | | | | | E | E | | E | E | E | E | E | | E | E | E | E |
| | East Schooner Creek | | | | | | | E | E | E | E | | E | E | E | E | E | PE | E | E |
| | Home Ranch Creek | | | | | | | E | E | E | E | | E | E | E | E | E | E | E | E |
| | Limantour Estero | | | | | | | E | E | | E | | E | E | E | E | E | E | E | E |
| | Glenbrook Creek | | | | | | | E | E | E | E | | E | E | E | E | E | E | E | E |
| | Muddy Hollow Creek | | | | | | | E | E | E | E | | E | E | E | E | E | E | E | E |
| | Santa Maria Creek (Marin) | | | | | | | E | E | E | E | | E | E | E | E | E | E | E | E |
| | Coast Creek | | | | | | | E | E | E | E | | E | E | E | E | E | E | E | E |
| | Alamere Creek | | | | | | | E | | E | | | | | | | E | PE | E | E |
| | Wildcat Lake | | | | | | | | | | | | | | | | E | E | E | E |
| | Crystal Lake | | | | | | | | | | | | | | | | E | E | PE | PE |
| | Bass Lake | | | | | | | E | | | | | | | | | E | E | E | E |
| | Pelican Lake | | | | | | | | | | | | | | | | E | E | E | E |
| | Arroyo Hondo (Marin) | | E | | | | | E | | | | | | | | | E | E | E | E |
| | Bolinas Lagoon | | | | | | | E | E | | E | E | E | E | E | | E | E | E | E |
| | Pine Gulch Creek | | E | | | | | E | | E | | | | | | | E | E | E | E |
| | Copper Mine Gulch Creek | | | | | | | E | | | | | | | | | E | E | E | E |
| | Wilkins Gulch Creek | | | | | | | E | | | | | | | | | E | E | E | E |

MARIN COASTAL BASIN

| COUNTY Waterbody | AGR | MUN | FRSH | GWR | IND | PROC | COMM | SHELL | COLD | EST | MAR | MIGR | RARE | SPWN | WARM | WILD | REC-1 | REC-2 | NAV |
|--------------------------------|-----|-----|------|-----|-----|------|------|-------|------|-----|-----|------|------|------|------|------|-------|-------|-----|
| <i>MARIN COUNTY, continued</i> | | | | | | | | | | | | | | | | | | | |
| Lagunitas Creek | E | E | E | | | | | E | E | | | E | E | E | E | E | E | E | |
| Haggerty Gulch Creek | | | E | | | | | E | E | | | E | E | E | E | E | E | E | |
| Bear Valley Creek | | | E | | | | | E | E | | | E | E | E | E | E | E | E | |
| Olema Creek | | | E | | | | | E | E | | | E | E | E | E | E | E | E | |
| Nicasio Creek | | E | E | | | | | E | E | | | E | E | E | E | E | E | E | |
| Nicasio Reservoir | | E | E | | | | E | P | | | | | E | E | E | E | E* | E | |
| Halleck Creek | | | E | | | | | E | E | | | | E | E | E | E | E | E | |
| Devils Gulch Creek | | | | | | | | E | E | | | E | E | E | E | E | E | E | |
| San Geronimo Creek | | | | | | | | E | E | | | E | E | E | E | E | E | E | |
| Woodacre Creek | | | | | | | | E | E | | | E | E | E | E | E | E | E | |
| Kent Lake | | E | | | | | E | E | E | | | | E | E | E | E | E* | E | |
| Big Carson Creek | | | E | | | | | E | E | | | | E | E | E | E | E | E | |
| Alpine Lake | | E | | | | | E | E | E | | | | E | E | E | E | E* | E | |
| Cataract Creek | | | E | | | | | E | E | | | | E | E | E | E | E* | E | |
| Bon Tempe Lake | | E | | | | | | E | E | | | | E | E | E | E | E* | E | |
| Lake Lagunitas | | E | | | | | E | E | E | | | | E | E | E | E | E* | E | |

E: Existing beneficial use L: Limited beneficial use P: Potential beneficial use

SAN PABLO BASIN

| COUNTY | Human Consumptive Uses | | | | | | | | | | Aquatic Life Uses | | | | | Wildlife Use | | | |
|----------------------------|------------------------|-----|------|-----|-----|------|------|-------|------|-----|-------------------|-----|------|------|------|--------------|-------|-------|-----|
| | AGR | MUN | FRSH | GWR | IND | PROC | COMM | SHELL | GOLD | EST | MAR | MGR | RARE | SPWN | WARM | WILD | REC-1 | REC-2 | NAV |
| Waterbody | | | | | | | | | | | | | | | | | | | |
| San Pablo Bay | | | | E | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| SOLANO COUNTY | | | | | | | | | | | | | | | | | | | |
| Mare Island Strait | | | | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| White Slough | | | | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| South Slough | | | | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| Dutchman Slough | | | | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| Lake Chabot (Solano) | E | E | | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| Rindler Creek | | | E | | | | | | | | | | | | | | | | |
| Blue Rock Springs Creek | | | E | | | | | | | | | | | | | | | | |
| Dalwick Lake/Lake Dalwigk | | | E | | | | | | | | | | | | | | | | |
| CONTRA COSTA COUNTY | | | | | | | | | | | | | | | | | | | |
| Rodeo Creek | | | | | | | E | E | E | E | E | E | E | E | E | E | PE | PE | E |
| Refugio Creek | | | | | | | E | E | E | E | E | E | E | E | E | E | PE | PE | E |
| Pinole Creek | | | | | | | E | E | E | E | E | E | E | E | E | E | PE | PE | E |
| Garrity Creek | | | | | | | | | | | | | | | | | E | E | E |
| Rheem Creek | | | | | | | | | | | | | | | | | E | E | E |
| San Pablo Creek | | | E | | | | E | E | E | E | E | E | E | E | E | E | E* | E* | E |
| San Pablo Reservoir | | E | | | | | E | E | E | E | E | E | E | E | E | E | E* | E* | E |
| Lauterwasser Creek | | E | | | | | E | E | E | E | E | E | E | E | E | E | E* | E* | E |
| Briones Reservoir | | E | | | | | E | E | E | E | E | E | E | E | E | E | EE* | EE* | P |
| Bear Creek (Contra Costa) | | | E | | | | | | | | | | | | | | E | E | E |
| Wildcat Creek | | | E | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| Jewel Lake | | | E | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| Lake Anza | | | E | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |
| MARIN COUNTY | | | | | | | | | | | | | | | | | | | |
| Black John Slough | | | | | | | | | | | | | | | | | E | E | E |
| Rush Creek | | | | | | | | | | | | | | | | | E | E | E |
| Bahia Lagoon | | | | | | | | | | | | | | | | | E | E | E |
| Novato Creek | | E | | | | | PE | PE | PE | PE | PE | PE | PE | PE | PE | PE | PE | PE | PE |
| Stafford Lake | | E | | | | | PE | PE | PE | PE | PE | PE | PE | PE | PE | PE | PE | PE | PE |
| Bowman Canyon Creek | | E | | | | | E | E | E | E | E | E | E | E | E | E | E | E | E |

E: Existing beneficial use E*: Water quality objectives apply; water contact recreation is prohibited or limited to protect public health P: Potential beneficial use 16

DRAFT

July 6, 2011

Jeannine Townsend, Clerk to the Board
State Water Resources Control Board
PO Box 100
Sacramento CA 95812-2000

Re: Comment Letter – SF Bay Region Beneficial Uses/Water Bodies Update

Dear Chair Hoppin and SWRCB Members:

North Marin Water District (NMWD) is sending this comment letter to address an error in the classification of Stafford Lake beneficial uses listed in the San Francisco Bay Basin Plan. Stafford Dam and Lake on Novato Creek were constructed by NMWD in 1952 to meet water supply needs of the growing Novato community in northern Marin County, California. It is a relatively small surface water reservoir (~4,300 acre feet capacity) used for municipal water supply purposes and providing some incidental flood protection. It has a healthy bass and bluegill population for recreational fishing. Since the Stafford Lake Reservoir is used for municipal water supply, there is no contact recreation or boating permitted on the lake. Table 2-1 of the Basin Plan, Existing and Potential Beneficial Uses of Water Bodies in the San Francisco Bay Region, lists Stafford Lake as having existing cold fresh water habitat (COLD) and existing water contact recreation (REC 1). Both of these are in error and in need of correction.

In discussion with the San Francisco Bay Regional Water Quality Control Board staff, we understand that these beneficial use designations for Stafford Lake were established in 1976; and since no one objected at that time, the designations cannot be changed without a request for a Basin Plan amendment. We believe the time and

expense to process such a change, both at NMWD and at the SFRWQCB and SWRCB could be better used elsewhere; thus, we are not planning to request a Basin Plan amendment but wish to document on record that Stafford Lake does not support cold-water ecosystem fisheries nor is body contact recreation permitted in Stafford Lake.

We note that all of the Marin Municipal Water District reservoirs listed in Table 2-1 identify that water contact recreation is prohibited or limited to protect public health. Additionally, we see that Nicasio Reservoir, Marin Municipal's reservoir which also supports a warm water recreational fishery, is listed as a potential beneficial use for cold-water habitat.

Should you choose to make the changes to Table 2-1 along with this amendment, we are appreciative. In the alternative, please accept this letter in the record documenting current status of Stafford Lake beneficial uses.

Sincerely,

Chris DeGabriele
General Manager

Cc: Robert Maddow, Bold Polisner Maddow Nelson Judson

CD/rr

T:\GM\2011 misc\hoppin ltr re comment sf bay region beneficial uses water bodies update.doc

1

1

FOR ACCESSIBLE
MEETING INFORMATION
CALL: (707) 543-3350
ADD: (707) 543-3031



**DRAFT
TECHNICAL ADVISORY COMMITTEE**

MONDAY: JULY 11, 2011

Utilities Field Operations Training Center
35 Stony Point Road, Santa Rosa, CA

9:00 a.m. (Note Location)

1. Check In
2. Public Comment
3. Recap from June 6, 2011 TAC Meeting and Approval of Minutes
4. L/R/T2 Program Update (Chris DeGabriele)
5. SCWA Water Supply/Transmission System Operations Status (Mike Thompson)
6. 2011 TUCP Status (Pam Jeane)
7. Biological Opinion Status Update (Pam Jeane)
8. Items for next agenda
9. Check Out

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**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 8, 2011
Time: 9:30 a.m. – 11:30 a.m.
Location: Marin Community Foundation
5 Hamilton Landing, Suite 200
Novato, CA 94949

**REVISED
AGENDA**

Item

Recommendation

- | | |
|---|-------------|
| 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. Phase II Stormwater Permit (60 min.) Guest Speakers: Terri Fashing, Marin County Stormwater Pollution Prevention Program; and Wendy Atkins, City of Sonoma | Action |
| 7. Wetland Restoration and Land Acquisition (45 min.) Guest Speakers: Wendy Eliot and Julian Meisler, Sonoma Land Trust | Information |
| 8. Items of Interest | |
| 9. Items for Next Agenda | |

Next Meeting Information:

Next Meeting: September 9, 2011
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 3, 2011
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> |
|---------------------|--|---------------------|---|
| Jack Baker | North Marin Water District | Jack Gibson | Marin Municipal Water District |
| Steve Barbose | City of Sonoma and Sonoma Valley County Sanitation District | Mark Luce | Napa Sanitation District |
| Megan Clark | Las Gallinas Valley Sanitary District | Mike McGuire | Sonoma County and Sonoma County Water Agency |
| Mike DiGiorgio | Novato Sanitary District | Madeline Thomas | Bel Marin Keys Community Services District |

Directors present represented 10 out of the 16 agencies signatory to the Association MOU. Carole Dillon-Knutson attended representing Associate Member, City of Novato.

Board Actions

1. **Call to Order**. Jack Gibson, Chair, called the meeting to order at 9:38 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 6, 2011**. (See Handout) The Minutes of the Board Meeting held on May 6, 2011 were unanimously approved.
5. **Treasurer's Report**. (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. **San Francisco Bay Regional Sediment Management**. Brenda Goeden, San Francisco Bay Conservation and Development Commission, presented a PowerPoint, "It's All About the Sediment." She first provided background on the bay comparing maps from 1849 and 2100 illustrating that sea level rise may take us back to 1849 conditions (without levees). Brenda then described the "sediment deficit" identified in 1998 by USGS and the importance of sediment to marshes especially with sea level rise. She described the changes in the system (historic marshes diked off, watersheds channelized and clogged with fine grain sediment, less delta outflow, etc.) and how sediment supply has shifted from the delta to local tributaries. Brenda summarized the characteristics of the main embayments: San Pablo (mudflats), Central Bay (erosional) and South Bay (depositional) and some of the factors affecting the bay: ebb-tide erosion, sand mining, and dredging. The biggest area in which BCDC can manage sediment is in dredging projects. Dredging projects in the Bay, include 17 federal navigation channels, ports, refineries and marinas (110 small projects). The In-Bay Disposal Sites are Alcatraz, San Pablo Bay, the Carquinez Strait, and Suisun Channel. Brenda then described the alternatives for dredge disposal identified in the "Long Term Management Strategy": in bay dredge disposal sites (disperse material except for Alcatraz); ocean disposal (removes sediment from bay), and beneficial reuse (Montezuma, Hamilton, Bel Marin Keys, Sonoma Baylands). Through a number of studies and completion of an EIS/EIR, the LTMS strategy focused on reusing as much dredged sediment as possible, targeting a maximum of 20% of in Bay disposal, a minimum of 40% beneficial reuse and the remaining 40% or less disposed of at the deep ocean disposal site. Brenda then presented the "new issues" for sediment management in a changing world and a new more integrated approach to address these issues. "Regional Sediment Management" recognizes sediment as a resource and that sediment processes are important components of coastal and riverine systems that are integral to environmental and economic vitality. New areas to consider are flood protection, aggregate mining, dredging, wetland restoration, beach nourishment, and shoreline protection. This also includes addressing the need for sediment to address sea level rise and the impact on marshes and managing flooding in a way that supports supplying sediment to wetlands and the bay. Brenda also described sediment flow analysis on local tributaries and the Corte Madera Creek study which includes wave attenuation and resilience of marshes. She ended by

emphasizing the importance of modeling and the relationship between Flood Districts and watersheds. The Board Members had a number of questions. Is turbidity bad if needed for delta smelt? (No – complicated since goal is not a clear bay, turbidity needed for long fin also.) How do you plan to bring in mud for Bel Marin Keys? (Used expensive off loader for Hamilton – now considering an “Aquatic Transfer Facility” in bay.) Won't this new facility spread dredge material? (Studies show 3-5% over edge of facility – less than received from disposal sites 9 & 10 which would no longer be used.) How often do you have issues with dredge material? (Material generally clean, have some spots with PCBs, PAHs, mercury, pesticides, and tributyltin.) Which size particles are most important? (Most of bay is fine grain silt and clay – varies in different parts of the bay.) How will you decide who gets material to build up levees? (BCDC authority limited to 100 feet, now promoting wetlands as part of adaptation strategy including protection and retreat.)

7. **San Francisco Bay Subtidal Habitat Goals Report.** Marilyn Latta, Project Manager, State Coastal Conservancy used a PowerPoint presentation to summarize the report. Marilyn first presented the objectives of the report and the concept of ecosystem services – the benefits people derive from ecosystem functions that are not directly extractive or destructive of habitat. She then presented the project vision and guiding principles and described the main habitats (submerged aquatic vegetation, rock habitats, micro-algal beds, soft substrates, shellfish beds and artificial structures). Marilyn then explained some of the consultant projects completed and the GIS maps being produced (more information can be found at <http://www.sfbaysubtidal.org/>). She presented examples of goals for science, protection, and restoration and then introduced the concept of cross habitat goals (climate change, invasive species, oil spill response, marine debris, and public education) and integration for sub-tidal wetland design (transition zones on both edges) and living shorelines (soft bioengineering approach). The Board Members had several questions. Doesn't any material placed in bay settle eventually? (Key question – need pilots to evaluate settling.) Do oysters need a hard substrate? (Prefer hard but can attach to rip rap and start on flats for example when sand mixes with shell fragments.) Is there a detailed study on invasive species? (98% of biomass is invasive in the bay, high level regional goals in report are identified to give natives a boost so they can compete successfully.)

8. **Enviro-Leaders Program.** Sandi Funke, from Sonoma Ecology Center's education department, provided an overview of the Enviro-Leaders program, using PowerPoint, and highlighted the following: there have been over 100 internships since 2006; with diverse participants; ¾ of the participants seek additional environmental education; and 30% of the participants report further employment related to the internship. Sandi then explained the components of the environmental restoration efforts and described the typical work day, educational enhancement and career awareness efforts. Vidya Quigley, Supervisor, then outlined her role in recruitment, hiring, and weekly site visits and discussed field trips and the types of questions presented to interns. Bianca Rose, intern, remarked on her work with a restoration team on creeks and what she learned about job skills, science, irrigation and organic farming. Ryan Barmore, intern, gave his input summarizing his experience with organic farming, removing non-native plants, learning about bee sanctuaries, and working with AmeriCorps. An NBWA Board Member noted that the City of Sonoma leases the Sonoma Garden Park to the Sonoma Ecology Center for this program.

9. **Items of Interest.**

- * Bay Area IRWMP Grant Funding – Paul Helliker – the \$866k planning grant award has been delayed due to state budget delays, the Committee will use the time to incorporate more effort on Climate Change Adaptation into the workplan. DWR announced a proposed Implementation Grant for the Bay area of \$30 million, the Committee needs to address the budget issue and two projects in East Contra Costa by the June 10 comment date.

10. **Items for Next Agenda.**

- * Phase II Stormwater Permit Presentation – MCSTOPP, Napa, and Sonoma stormwater programs.
- * Wetland Restoration and Land Acquisition – Wendy Elliott and Julian Meisler, Sonoma Land Trust

Jack Gibson, Chair, adjourned the meeting at 11:27 a.m.

SUBJECT TO APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla

NEXT MEETING INFORMATION

July 8 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

No August

September 9 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

October 7 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954— Conf. Rm. 2

November 4 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

December 2 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954— Conf. Rm. 2

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DISBURSEMENTS - DATED JUNE 22, 2011

Date Prepared: 6/21/11

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

| Seq | Payable To | For | Amount |
|------|------------------------------|---|--------------|
| P/R* | Employees | Net Payroll PPE 6/15 | \$116,746.08 |
| EFT* | Bank of the West | Federal & FICA Taxes PPE 6/15 | 43,067.02 |
| 1* | Partner Invarion | Software: Traffic Plans for So Novato Blvd & Rowland | 995.00 |
| 2 | Alpha Analytical Labs | Lab Testing (Novato-\$680 & Pt Reyes-\$375) | 1,055.75 |
| 3 | Basic Chemical Solutions | Sodium Hypochlorite (1,000 gals) | 3,605.69 |
| 4 | Bastogne | Refund Pymt on Account - Invalid Account Number | 56.24 |
| 5 | Bay Area Barricade Service | 28" Cones w/Stencil (10) | 202.58 |
| 6 | Bernt, Elisa | Novato "Toilet Rebate" Program | 450.00 |
| 7 | Bourne, Edward & Nancy | Novato "Cash for Grass" Program | 300.00 |
| 8 | Brannigan, Joan | Novato "Toilet Rebate" Program | 150.00 |
| 9 | Calif Public Health Services | Reg Fee: Water Distribution Operator Exam (Grade D2) (Reed) | 65.00 |
| 10 | State of California | State Tax & SDI PPE 6/15 | 8,720.38 |
| 11 | | Vision Reimbursement | 547.00 |
| 12 | Cook, William | Novato "Washer Rebate" Program | 75.00 |
| 13 | Coronel, Wayne | Novato "Toilet Rebate" Program | 128.00 |
| 14 | Covad Communications | DSL Internet Service (6/12/11 - 7/11/11) | 142.30 |
| 15 | Covello Group | Prog Pymt #1: Recycled Water Pipeline Expansion (Balance Remaining on Contract \$544,685) | 4,847.88 |

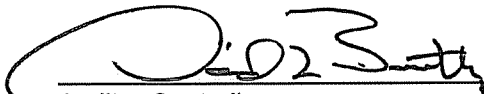
| Seq | Payable To | For | Amount |
|-----|-------------------------------|--|-----------|
| 16 | CRWA | Reg Fee: Distribution System Monitoring Class (Bena) | 175.00 |
| 17 | CSW/Stuber-Stroeh Engineering | Prog Pymt #3: Reservoir Hill Tank Rehabilitation (Balance Remaining on Contract \$18,436) | 20,000.52 |
| 18 | Cummings Trucking | Rock (\$1,432) & Sand (\$1,346) | 2,778.09 |
| 19 | Durham, Gary | Novato "Washer Rebate" Program | 75.00 |
| 20 | Charles Z. Fedak | Prog Pymt#1: Financial Statement Audit FY11 (Balance Remaining on Contract \$25,660) | 3,240.00 |
| 21 | Fisher Scientific | Chlorine Reagent (6) (Lab) | 76.36 |
| 22 | Frid, Ilya | Novato "Washer Rebate" Program | 75.00 |
| 23 | Garcia, Jose | Novato "Toilet Rebate" Program | 196.00 |
| 24 | Gaya, DB | Prog Pymt #5: Third-Party Tank Coating Inspection on Crest Tank No 2 (Bal Remaining on Contract \$237) | 10,426.80 |
| 25 | Giusti, Heather | Novato "Washer Rebate" Program | 75.00 |
| 26 | Goheen, Ann | Novato "Washer Rebate" Program | 75.00 |
| 27 | Golden Gate Petroleum | Gasoline (\$3.83/gal) & Diesel (\$4.07/gal) | 2,504.06 |
| 28 | Gonzales, Saul | "Water Smart Landscape Efficiency" Program | 200.00 |
| 29 | Grainger | Adjustable Hydrant Wrench (6) (\$139), Hose Clamps (20) & Air Filters for HVAC System (4) (\$163) | 313.43 |
| 30 | Groeniger | Ells (6) & Corp Stops (2) (\$52) | 66.42 |
| 31 | HSC Electronics Supply | Radio Antenna Cable Parts & Ends for Warehouse Scanners | 29.27 |
| 32 | InfoSend | May Processing Fee for Water Bills (\$1,616) & Postage (\$3,927) | 5,543.79 |
| 33 | Jacamo, Ronald | Novato "Washer Rebate" Program | 75.00 |
| 34 | Johnson, Richard | Novato "Toilet Rebate" Program | 150.00 |
| 35 | Kaplove, Judy | Novato "Toilet Rebate" Program | 150.00 |


| Seq | Payable To | For | Amount |
|-----|--------------------------------|--|------------|
| 36 | Kemira Water Solutions | Ferric Chloride (9.83 tons) | 7,270.07 |
| 37 | Landeros, Dianne | Exp Reimb: Mileage & Bridge Toll (Parkinson Client Conf) | 38.15 |
| 38 | Magnin, Donald I. | Refund Excess Advance for Const Over Actual Job Cost (249 Crest-Relocate Meter/Repair Shut-off) | 37.79 |
| 39 | Mani, Carl | Novato "Toilet Rebate" Program | 150.00 |
| 40 | Marin County Treasurer | Semi-Annual Bond Service - PR6 Revenue Bond | 10,700.00 |
| 41 | McGrath, Patricia | Novato "Washer Rebate" Program | 75.00 |
| 42 | North Marin Water District SRF | STP Semi-Annual SRF Loan Payment | 574,460.90 |
| 43 | North Marin Water District | NMWD Employee Assoc Dues - May | 920.00 |
| 44 | Novato Disposal Service | May Trash Removal | 403.40 |
| 45 | Novato Unified School District | Refund Excess Advance for Construction (C Street Water Main Extension) | 4,426.83 |
| 46 | Novato Sanitary District | Reimbursement for Employee Hrs Under NSD Mutual Aid Agreement | 12,724.98 |
| 47 | Novato Disposal Service | Refund Excess Advance for Const Over Actual Job Cost (Novato Disposal Facilities Fire Service) | 9,691.51 |
| 48 | NTU Technologies | Polymer (1,800 lbs) (STP) | 2,628.00 |
| 49 | Office Depot | Self-Inking Stamps (2) | 41.59 |
| 50 | Okamoto, Sascha | Novato "Toilet Rebate" Program | 276.00 |
| 51 | Pace Supply | Couplings (28) (\$1,029), 6" Clamp Pipe Reliner (3) (\$138), Tee, Manhole Adapter Ring, 18" Dismantling Joint (San Marin Valve Replacement) (\$3,151), Connection Rings (20) (\$48), Ells (5) (\$265), 2" Double Check Valve (\$304), Hex Nuts (80), Meter Flanges (6) (\$408), Gaskets (35) (\$111), Tapping Sleeve (\$789) & Angle Meter Stop (22) (\$791) | 9,467.38 |
| 52 | Parkinson Accounting Systems | May Accounting Software Support | 828.75 |

| Seq | Payable To | For | Amount |
|-----|----------------------------|--|------------|
| 53 | Paso Robles Tank | Prog Pymt #11: Crest Tank #2 Project (Balance Remaining on Contract \$11,586) | 101,072.78 |
| 54 | PERS Retirement System | Pension Contribution PPE 6/15 | 37,581.53 |
| 55 | Piazza, Joe | Novato "Toilet Rebate" Program | 150.00 |
| 56 | Point Reyes Prop Mgmt Assn | June HOA Dues (25 Giacomini Rd) | 118.91 |
| 57 | Pollard Water | Hoses for Flushing (2 - 5"x10') | 915.14 |
| 58 | Reed, Corey | Exp Reimb: Water Distribution Sys Operation & Maintenance Course & Manual | 113.04 |
| 59 | Reed, Donna | Novato "Toilet Rebate" Program | 300.00 |
| 60 | Edith Robbins | Engineering Services: Perry's Deli - Pt Reyes (Balance Remaining on Contract \$21,184) | 4,506.00 |
| 61 | | Cafeteria Plan - Uninsured Medical Reimbursement | 140.00 |
| 62 | | Cafeteria Plan - Uninsured Medical Reimbursement | 513.98 |
| 63 | Roddie, Steve | Novato "Toilet Rebate" Program | 150.00 |
| 64 | Sacramento Flow Control | Double Check Detector Assembly Testing Supplies | 324.10 |
| 65 | Smith, Lori | Novato "Cash for Grass" Program | 500.00 |
| 66 | Spargur, Lara & Patrick | Novato "Washer Rebate" Program | 75.00 |
| 67 | Spinosa, Michelle | Novato "Toilet Rebate" Program | 300.00 |
| 68 | Strahm Communications | Printing & Mailing of Water Line & Water Quality Reports (Novato-\$6,114 & West Marin-\$2,653) | 8,767.87 |
| 69 | SuperMedia | Quarterly Telephone Directory Charge | 46.50 |
| 70 | Township Building Services | May Janitorial Services | 1,571.00 |
| 71 | U S Department of Commerce | Annual Drought Loan Principal & Interest (Novato & West Marin) | 21,127.17 |
| 72 | Vishniakoff, Maria | Novato "Washer Rebate" Program | 75.00 |

| Seq | Payable To | For | Amount |
|----------------------------|-------------------|--------------------------------|------------------------------|
| 73 | VWR International | Bottles (60) (Lab) | 139.52 |
| 74 | Young, Barry | Novato "Washer Rebate" Program | 75.00 |
| TOTAL DISBURSEMENTS | | | <u>75.00</u> |
| | | | <u>\$1,040,081.55</u> |

The foregoing payroll and accounts payable vouchers totaling \$1,040,081.55 are hereby approved and authorized for payment.

 6/21/11
 Auditor-Controller Date

 6/21/2011
 General Manager Date

DISBURSEMENTS - DATED JUNE 29, 2011

Date Prepared: 6/28/11

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

| Seq | Payable To | For | Amount |
|-----|-------------------------------|--|----------|
| 1 | AT&T Mobility | May Cellular Charges: Monthly (\$449) & Airtime (\$41) (15) | \$490.52 |
| 2 | AT&T | Telephone Charges: Leased Lines | 62.76 |
| 3 | AT&T | Telephone Charges: Local (\$95) & Minimum (\$273) | 368.15 |
| 4 | Belichick, Robert | Novato "Cash for Grass" Program | 550.00 |
| 5 | Business Card | Reg Fee: PAS Client Conf-Holton & Landeros (\$98), 4.25 oz /Replacement Cups (4,000) (\$250) (Const), Blinds for Lab Windows (\$132), Round Shovel (\$26), Study Guide-Aquatic Pest Control (Cilia) (\$36), Internet Pymt Fee (\$98), Adobe Dream Weaver Software for Website (\$383) (Young), Parking (\$12), Birthday Breakfasts (\$117) & Ferry Fare (\$16) | 1,170.50 |
| 6 | Buzzella, Joseph | Refund Overpayment on Closed Account | 506.74 |
| 7 | Calif Public Health Services | Reg Fee: Water Distribution Operator Grade D2 Exam (Castellucci) | 65.00 |
| 8 | Calif Dept of Wtr Resources | FY 11/12 Annual Dam Fee | 7,757.00 |
| 9 | Calif Dept of Toxic Substance | Annual Fee for EPA I.D. Number Verification - Hazardous Materials Disposal | 187.50 |
| 10 | California State Disbursement | Wage Assignment Order (3) | 1,478.50 |
| 11 | Core Utilities | May Consulting Services (\$5,000), STP (\$1,725), Rate Increase Model (\$1,075), Billing (\$400), Website (\$275) & Utility Billing (\$750) | 9,225.00 |
| 12 | Crouse, Tom | Novato "Washer Rebate" Program | 75.00 |
| 13 | Cummings Trucking | Sand (23 tons) | 656.38 |

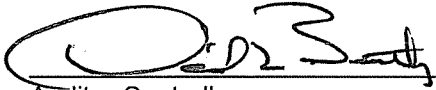
| Seq | Payable To | For | Amount |
|-----|-------------------------------|---|-----------|
| 14 | Daigger & Company | pH Electrode (Lab) | 73.67 |
| 15 | Dell Computers | Replacement Laptop PC (Bentley) | 973.48 |
| 16 | Ferguson Enterprises | Valves for Rowland/Novato Blvd Main Break (3) | 13,427.06 |
| 17 | Fesler, Daria | Novato "Toilet Rebate" Program | 150.00 |
| 18 | Freemantle, Vince | Novato "Washer Rebate" Program | 75.00 |
| 19 | GFS Chemicals | Turbidity Standard (2 gals) (STP) | 421.04 |
| 20 | Gonzales, Saul | Novato "Cash for Grass" Program | 285.00 |
| 21 | Groeniger | Caps (2) & Service Saddles (2) | 61.27 |
| 22 | Gunn, Lawrence | Novato "Washer Rebate" Program | 75.00 |
| 23 | Hach | Alkaline Cyanide Reagent (\$75), Pan Indicator Solution (\$61), Chlorine Reagent & Sodium Persulfate Solution (\$201) (STP) | 379.12 |
| 24 | Heller, Richard | Novato "Toilet Rebate" Program | 150.00 |
| 25 | HydroScience Engineers | Engineering Services: Design & Prepare Specifications for Pt Reyes TP Solids Handling Addition Project (Balance Remaining on Contract \$24,450) | 6,460.00 |
| 26 | Jefferson Pilot Financial Ins | July Group Life Ins Premium | 665.72 |
| 27 | The Knox | Locking Hydrant Caps (6) | 1,338.09 |
| 28 | | Cafeteria Plan - Uninsured Medical Reimbursement | 576.50 |
| 29 | Lane, Janine | Novato "Washer Rebate" Program | 75.00 |
| 30 | Lanzaro, Joy | Novato "Toilet Rebate" Program | 300.00 |
| 31 | | Vision Reimbursement | 507.20 |
| 32 | Lemos, James | Exp Reimb: Safety Boots | 186.14 |
| 33 | Lincoln Life | Deferred Compensation PPE 6/30 | 9,384.83 |
| 34 | Malet, Lisa | Novato "Toilet Rebate" Program | 150.00 |

| Seq | Payable To | For | Amount |
|-----|----------------------------|---|-----------|
| 35 | Maltby Electric | Wire, Conduit & Fittings to Connect Transfer Switches to Pump Panels (\$1,897) (Emergency Power Connections) (Budget \$2,000), Transfer Switch for Generator Connections to Pump Stations (\$1,006) (Budget \$3,500) & Copper Wire (1,500') (\$415) | 3,318.30 |
| 36 | | Vision Reimbursement | 126.95 |
| 37 | Marengo, Darcell | Novato "Washer Rebate" Program | 75.00 |
| 38 | Marinscope | Display Ad: Notice of Public Hearing - UWMP & FY 11/12 Budgets | 193.00 |
| 39 | McCallum, Michael | Novato "Toilet Rebate" Program | 150.00 |
| 40 | McEntee, Timothy | Novato "Washer Rebate" Program | 75.00 |
| 41 | Miller Pacific Engineering | Geotechnical Services: Lynwood P.S. Addition (\$2,900) (Balance Remaining on Contract \$28,131) & So Novato/Rowland Main Break (\$1,149) (Balance Remaining on Contract \$26,981) | 4,049.90 |
| 42 | Mizer, Martha | Novato "Washer Rebate" Program | 75.00 |
| 43 | National Seminars Group | Reg Fee: Facebook Marketing Seminar (Young) | 199.00 |
| 44 | National Deferred | Deferred Compensation PPE 6/30 | 750.00 |
| 45 | Newark InOne | Switches for Automatic Valves (4) | 46.71 |
| 46 | Novato Sanitary District | Electric Power for Deer Island RWF Facility (FY 2010-2011) | 8,000.00 |
| 47 | Office Depot | Document Holder & Foot Rests (2) (\$33) | 56.58 |
| 48 | Pace Supply | Nuts (820) | 639.34 |
| 49 | PERS Health Benefits | July Health Insurance Premium (Employees \$46,532, Retirees \$10,462 & Employee Contrib \$6,897) | 63,891.46 |
| 50 | Personnel Concepts | Labor Law Posters (24) | 153.04 |

| Seq | Payable To | For | Amount |
|-----|---------------------------------|--|------------|
| 51 | PG & E | Power: Bldgs/Yard (\$2,723), Rectifier/Controls (\$269), Pumping (\$24,601), Treatment (\$11,590) & Other (\$93) | 39,276.24 |
| 52 | Pollard Water | Hand Pumps to Pump Out Meter Boxes (10) | 455.74 |
| 53 | Rae, Thu-Ha | Novato "Toilet Rebate" Program | 150.00 |
| 54 | Ridout, George | Novato "Washer Rebate" Program | 75.00 |
| 55 | Roberts & Brune | 3/4" Couplings (36) | 450.05 |
| 56 | R & S Erection of San Francisco | Surge Suppressor for Automatic Gate Operator (STP) | 88.31 |
| 57 | Schmieder, Larry | Novato "Washer Rebate" Program | 75.00 |
| 58 | Siemens Water Technologies | Service on Lab Deionized Water System | 294.82 |
| 59 | Silverado Avionics | Spare Radio for Fleet (Budget \$1,500) | 1,418.72 |
| 60 | Sonoma County Water Agency | May Contract Water | 433,521.41 |
| 61 | SPH Associates | Engineering Services: Waste Stream Disposal Study @ STP (Balance Remaining on Contract \$1,077) | 2,657.85 |
| 62 | Spilman, James | Novato "Toilet Rebate" Program | 300.00 |
| 63 | Tedford, Bette | "Water Smart Landscape Efficiency Rebate" | 200.00 |
| 64 | Trebron | Iprism Internet Filter Annual Installment Pymt for 50 Workstations (Budget \$1,316) | 1,315.88 |
| 65 | US Concrete Precast Group | 48" Sewer Manhole (Plum Street Recycle Tank) (\$1,968) & Waterproof Coating (60 lbs) (\$71) (Less Credit for (\$131) | 1,908.79 |
| 66 | Vargas, Hector | Novato "Washer Rebate" Program | 75.00 |
| 67 | Verizon California | Telephone Charges: Leased Lines (\$713) & Minimum (\$28) | 740.66 |
| 68 | VWR International | Pipette Tips (1,000) (Lab) | 42.16 |

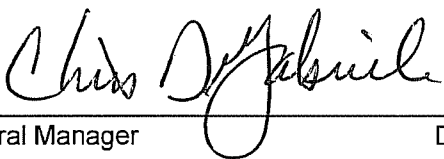
| Seq | Payable To | For | Amount |
|-----|------------------|--|--|
| 69 | Wales, David | "Water Smart Landscape Efficiency Rebate" Program | 118.48 |
| 70 | Williams, Joshua | Exp Reimb: Safety Boots | 155.46 |
| | | TOTAL DISBURSEMENTS | <u>155.46</u> <u>\$623,426.02</u> |

The foregoing payroll and accounts payable vouchers totaling \$623,426.02 are hereby approved and authorized for payment.

 _____ Date 6/28/11

Auditor-Controller

Date

 _____ Date 6/28/2011

General Manager

Date

MEMORANDUM

To: Board of Directors

July 1, 2011

From: Dianne Landeros, HR Supervisor

Subj: Information - 2012 Medical Plan Cost Increase

t:\aclword\memo\11\health ins cost increase 2011.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$52,000 Increase in 2012 Group Medical Insurance Contribution

CalPERS released the 2012 medical insurance premiums it negotiated with its providers. The District's contribution toward employee medical insurance is 90% plus \$137/year of the Kaiser premium amount, based upon each employee's family status.¹ The District contributes \$3,830 annually for each full-time-equivalent employee to CalPERS, and contributes the balance of its medical insurance obligation into each employee's cafeteria plan account. Effective January 1, 2012, the Kaiser premium for those under age 65 will increase 7.3%. This increase compares to the 11% average seen over the past 10 years. The District's 2012 obligation toward employee medical insurance will be \$705,947, an increase of \$49,377 (7.5%).²

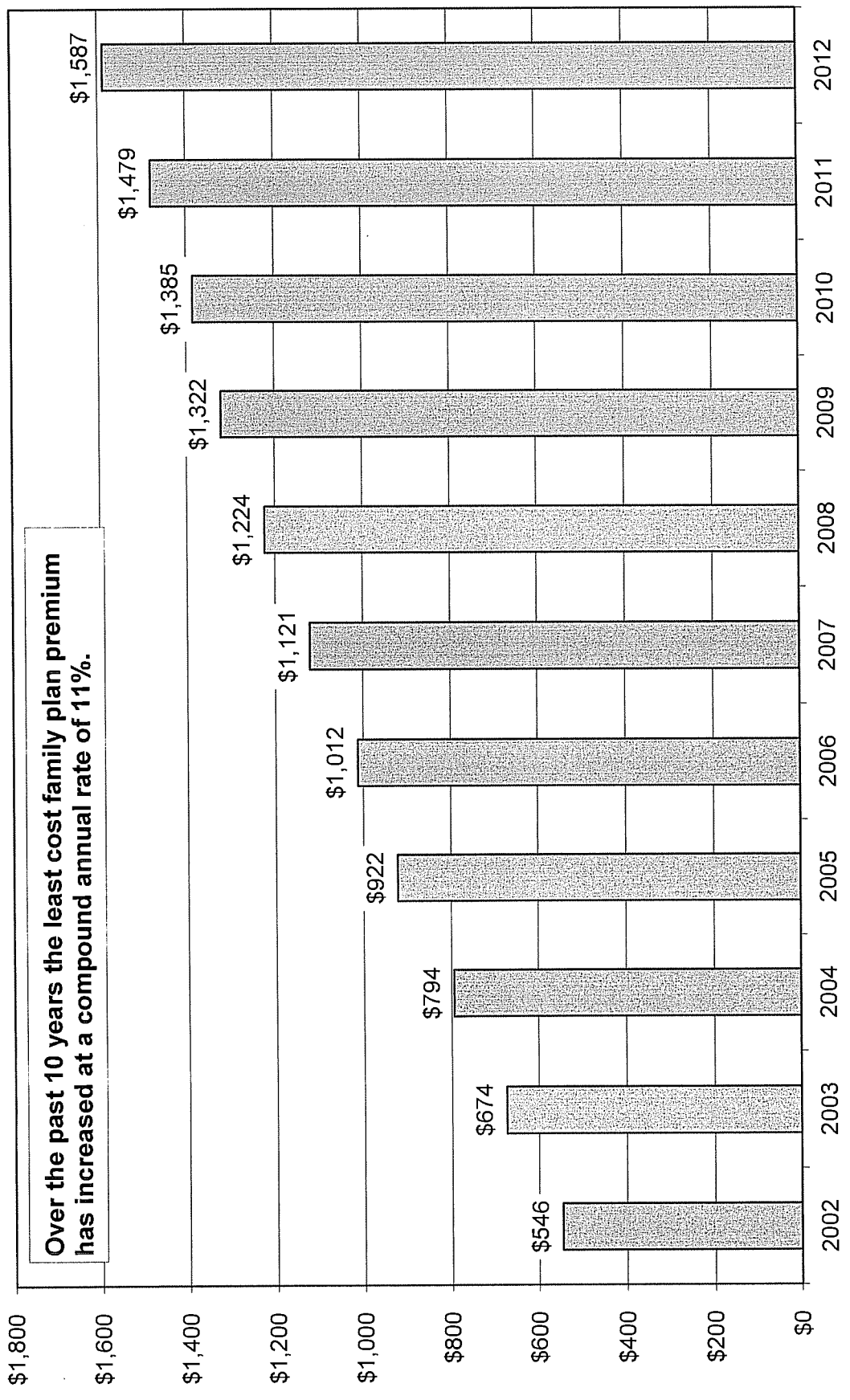
The District's labor agreement also provides a contribution toward retiree medical insurance. Retirees between the age of 55 and 65 with more than twelve years of service receive up to 90% of the Kaiser 2-party premium amount. All other annuitants receive up to the amount contributed on behalf of employees (\$3,830). There are 33 annuitants participating in the District's group medical plan, up from 32 one year ago. Twenty-three of the annuitants retired prior to the 2005 labor agreement that enhanced the retirement plan (to 2.5%@55) and capped the retiree medical benefit. The District continues to honor the higher medical benefit amount promised to the twenty-three pre-2005 annuitants who do not benefit from the enhanced retirement plan. The District's 2012 cash outlay to retiree medical insurance will be \$170,541, an increase of \$3,103 (1.8%).³ This increase is down significantly from the compound annual rate of 10% experienced over the past ten years.

¹ Per the Employee Association Agreement adopted in 2010 and expiring September 30, 2011

² Based on the current employee demographic

³ Based on the current retiree population

CaIPERS Least Cost Health Plan Family Premium





**NORTH MARIN
WATER DISTRICT**

July 1, 2011

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

The Honorable Jared Huffman
California State Assembly
State Capitol, Room 3120
Sacramento, CA 95814

Re: Senate Bill 931 - OPPOSE

Dear Assembly Member Huffman:

I am writing on behalf of North Marin Water District (District) to express our opposition to SB 931 (Vargas).

The Meyers-Milias Brown Act protects the rights of public employees to "form, join and participate in the activities of employee organizations of their own choosing" as well as the right to "refuse to join or participate in the activities of employee organizations." Given these existing protections, it is not clear what SB 931 is attempting to remedy.

We believe the changes proposed in SB 931 would weaken the attorney-client privilege and the District's right to counsel since, in order for a violation to be found under SB 931, the discussion between the District and an "outside consultant or legal advisor" would have to be disclosed to the challenging party. Such a practice would have a negative effect on the District and any public agency business that requires legal confidentiality.

We would also like to point out that the District and most public agency employers who consult for services from an employment attorney are not seeking to curtail employee rights or the right of its workers to unionize, but to ensure that the District is exercising its rights and responsibilities within the boundaries of the law. As you know, we are a small public agency which strives to act in good faith, but we do not have expertise on staff to negotiate on employment issues, which include unionization, without guidance from outside counsel.

For these reasons, we urge a "NO" vote on SB 931 (Vargas) when it comes before you for consideration on the Assembly Floor.

Sincerely,

Chris DeGabriele
General Manager

cc: Senator Juan Vargas
Association of California Water Agencies

T:\GMP\Political\2011\931 oppose vargas.doc

Note:

To view video, go to: www.youtube.com

And in the Search Box type: Case of the leaking laterals

movers & shakers

Zan Media, a Novato-based digital video production company run by **Don, Christine, Niki** and **Alex Scioli**, has been awarded an honorable mention by the California Water Environment Association for its film festival entry, "The Case of the Leaking Laterals."

Produced for the North Bay Watershed Association, the film is a spoof on "The Maltese Falcon" with Detective Sam Spade being replaced by Detective Sam Spill, who uncovers leaking lateral pipes throughout the North Bay and informs homeowners on how to fix them.



Board appoints seven members to revamped Marin parks panel

By Nels Johnson
Marin Independent Journal

Posted: 06/28/2011 02:42:09 PM PDT

Completing its shake-up of a key advisory panel, the Board of Supervisors appointed a seven-member Parks and Open Space Commission it hopes will play a more effective role in Marin County government.

After gutting the nine-member commission when terms of most panelists had ended several months ago, the county board called for applicants, drawing 26 people who were pared to 14 contenders. After interviewing finalists in two public sessions, the board on Tuesday reappointed incumbents Dennis Scremin, a psychotherapist, and Cleveland Justis, former chief of the Headlands Institute. Two other incumbents, Al Baumann and Bill Long, fell short in the voting.

Others appointed were Fernando Agudelo-Silva, a College of Marin professor; Gretchen Le Buhn, San Francisco State University biologist; Shelly Scott, a county appraiser, Novato school trustee and human rights commissioner; Greg Zitney, an environmental planning consultant; and Brant Olson, campaign director, Rainforest Action Network.

The new commission will represent the public "at large" rather than individual supervisorial districts. Members serving two-year terms will meet every other month.

The overhaul was aimed at creating a commission with experts in various

disciplines of value to the Department of Parks and Open Space, such as education, resource preservation, recreation, health, fundraising and financial management. Previously, the only qualification a commission candidate

needed was the ability to submit an application.

"The department and the board worked really hard to select the commission," Scremin said after the supervisors appointed seven members, taking several votes to determine who among the finalists were favored by the majority.

Supervisors think that appointing experts will result in better public education and outreach, brightening prospects for passage of new taxes that officials say are needed to help finance future parks and open space projects. In the final voting, though, the county board appeared to drop expertise as the key criteria, instead focusing on geographic diversity. "I think there should be at least one from each of our districts," said Supervisor Susan Adams.

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BOD misc

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PD Editorial: Healthy signs of a growing salmon fishery

Published: Friday, June 24, 2011 at 7:00 p.m.

Sonoma County has witnessed pitched political battles over vineyard and stream management, mostly in the name of preserving endangered salmon.

So it's been gratifying to read some success stories over the past several months.

In the fall, the Sonoma County Water Agency reported the largest chinook salmon run on the Russian River in four years. Meanwhile, the state Department of Fish and Game was counting more returning salmon at Van Arsdale dam on the Eel River than in any year since tracking began back in 1945. There also was an excellent return on the Sacramento River, some twentyfold better than 2009's record low.

As a result, it wasn't a big surprise in May when the National Marine Fisheries Service approved the first, full commercial salmon fishing season for Northern California since 2007.

Yet another success story comes from Devil Creek, a stream in northwestern Sonoma County where biologists have been working to restore a historic coho salmon run.

As Staff Writer Clark Mason reported on Wednesday, scientists took some of the last remaining wild coho from Russian River tributaries about a decade ago to start a breeding program at the hatchery at Warm Springs Dam.

The fish were bred, and their offspring were tagged and released into a dozen creeks that flow to the Russian River.

Salmon mature in fresh water before going to sea, then they complete their life cycle by returning to spawn in fresh water. About 200 returning coho were counted last winter in the Russian River, and scientists say 89 returned to spawn naturally in Devil Creek, where biologists released about 4,000 juvenile salmon from the hatchery this week.

"We're trying to get enough wild population out here so we don't have to stock the fish," Peter LaCivita, a fishery biologist with the Army Corps of Engineers, told Mason.

The corps is being assisted by the California Conservation Corps and Nancy Summers and her husband, Peter Gruchawka, of Kenwood, who own the land along Devil Creek and have created the nation's first conservation bank for coho salmon.

From small creek restoration projects such as this one to the removal of hydroelectric dams that have cut off spawning grounds, steps are being taken to restore West Coast salmon fisheries. The results are encouraging, but much work remains to be done.

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North Bay Business Journal

JUNE 13, 2011

MISC

SONOMA, NAPA AI

EDUCATION

Algebra academies inspired by chamber leader are expanding

BY JENNA V. LOCEFF

BUSINESS JOURNAL STAFF REPORTER

SANTA ROSA – The Santa Rosa Chamber of Commerce is kicking off another session of the Mike Hauser Algebra Academy – and is helping other cities have their own programs.

"Mike's dream was always not just to expand the academy locally but to have other programs elsewhere," said Kelly Bass, director of workforce development for the Santa Rosa chamber.

The academy is for English Language Learners going into eighth and ninth grades. The Santa Rosa academy will once again have 60 students and will be hosted by Agilent, Medtronic, JDSU and PG&E.

Cynthia Murray, president and chief executive officer of the North Bay Leadership Council, has been following the program since its inception.

"It is our hope to bring this to all the cities in the North Bay," she said.

Novato is launching a program in the fall, which the leadership council is helping to fund.

"We raise the money to pay for the teachers and incidentals and the partner companies provide the space as well as the context," she said. "It helps connect the dots as to why it is important to learn algebra."

Business partners for the Novato program are Infineon Raceway, North Marin

Water District, Novato Sanitary District and the Buck Institute for Age Research.

In both programs the students go to one of the places of business every day.

"Not only do the students not necessarily realize that these companies exist, but in one company you see people in varied levels of education and skill sets," said Ms. Bass. "This is really answering the question of 'why am I never going to need to know this?'"

Sonoma Valley's school district is looking into starting a program in the fall also, said Ms. Bass.

"But theirs will be coordinated through the school district. We are able to provide them with not just advice, but also materials and our best practices and act as an answer center," she said.

The next Santa Rosa academy is launching June 13 and will have 60 students from four districts: Santa Rosa, Roseland, Piner-Olivet and Wright districts.

The Novato and Sonoma Valley programs will be in the fall.

Wheel... continued from page 13
directly related to language skills.

The courses cost \$2,000 for 32 hours of instruction, which includes assessment, teacher curriculum prep and graduation ceremony.

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'Phenomenal' start to Russian River salmon restoration project

By *CLARK MASON*

THE PRESS DEMOCRAT

Published: Tuesday, June 21, 2011 at 6:39 p.m.

Biologists with special water-filled, aerated backpacks trudged up a remote creek in Northwest Sonoma County on Tuesday, carrying their precious cargo of hatchery-raised coho salmon to release into the wild.

Within a couple hours, they had put 4,000 juvenile fish into Devil Creek, part of an ongoing program to re-populate the Russian River with the endangered coho.

"They're really beautiful," Ken Leister, an Army Corps of Engineers animal care specialist, said as he used a small net to scoop up and examine batches of writhing fingerlings.

"You get the gold and the green color and some blues," he said, pointing out the subtle hues of the fish before they were placed strategically along a half-mile of the creek.

The coho salmon re-stocking program began a decade ago when scientists took some of the last remaining wild juvenile coho from Russian River tributaries and raised them in special tanks at the hatchery at Warm Springs Dam.

The captured fish were spawned, and their offspring tagged and released into a dozen creeks in northern Sonoma County that flow to the Russian River.

Coho mature in fresh water and go to sea before returning to spawn and die, all in about a three-year life cycle.

In a promising sign of their recovery, the fish have been coming back to the tributaries to reproduce and hatch in the wild.

"It was definitely a good thing to document," said Jeff Jahn, a biologist with the National Marine Fisheries Service. "Last year an estimated 200 Coho returned to the Russian River — a record return in over a decade."

Scientists counted 89 juvenile coho this winter that spawned naturally in Devil Creek, which flows into East Austin Creek and the Russian River.

"They're very healthy, very happy fish," said Ben White, a biologist with the Pacific States Marine Fisheries Commission.

The biologists are among the federal, state and county officials overseeing the coho restoration on the North and Central California coast.

On Tuesday, they were part of the caravan of fish and scientists who made their way over four-wheel drive roads, criss-crossing streams to the 440-acre property designated as the East Austin Creek Conservation Bank.

In addition, they brought dead adult salmon to place into the creek to serve as nutrients for the juvenile fish and other critters. Doing so mimics the die-offs of fish that used to occur naturally when the population was thriving.

Owned by Nancy Summers and her husband Peter Gruchawka of Kenwood, the rugged land with a deep shaded canyon is considered ideal for the coho as well as steelhead population.

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The couple said they initially set out to restore the habitat but last year it became the nation's first conservation bank for coho. That means they can sell conservation credits to developers and government agencies whose projects impact salmon habitat.

The logging last century on the property had a devastating effect on the fish.

"The easiest way to log was to drag the trees down the creek. It denuded the area. There was no tree cover and the water was too warm," Gruchawka said as he stood in the shade of the revitalized tree canopy.

With the help of the California Conservation Corps, the couple augmented the natural growth by planting hundreds of trees and placed large remnants of redwoods and woody debris in the creek to create fish shelter.

Gruchawka said there hadn't been any coho seen in the stream in more than a half-century.

But last year, fish were spotted reproducing. They included a male wild salmon and a female with a clipped fin, indicating a hatchery fish.

"To have fish breed in the first year is pretty phenomenal. We weren't expecting that quick a result," said Peter LaCivita, an Army Corps fishery biologist.

If successful longterm, the effort eventually could help commercial and sport-fishing.

"We're trying to get enough wild population out here so we don't have to stock the fish," said LaCivita.

"It would be nice to recover the fish so you could rod and reel them on the Russian River. You can't do that now," he said.