



**NORTH MARIN WATER DISTRICT**  
**AGENDA - REGULAR MEETING**  
 September 6, 2016 – 7:00 p.m.  
 District Headquarters  
 999 Rush Creek Place  
 Novato, California

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Est. Time	Item	Subject
7:00 p.m.		<b>CALL TO ORDER</b>
	1.	<b>APPROVE MINUTES FROM REGULAR MEETING</b> , August 16, 2016
	2.	<b>APPROVE AMENDMENT TO THE MINUTES FROM</b> July 19, 2016
	3.	<b>GENERAL MANAGER'S REPORT</b>
	4.	<b>OPEN TIME: (Please observe a three-minute time limit)</b>  This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	5.	<b>STAFF/DIRECTORS REPORTS</b>
		<p><b>CONSENT CALENDAR</b></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>
	6.	<b>Approve:</b> Employer Assisted Housing Program – Board Policy #42
	7.	<b>Approve:</b> AMI Project CEQA
	8.	<b>Approve:</b> Consulting Services for ICF – Habitat Survey in Upper Novato Creek
		<b>ACTION CALENDAR</b>
	9.	<b>Consider:</b> Request for Bill Adjustment
	10.	<b>Approve:</b> Recycled Water Expansion Central Service Area - Reject Bid Protest and Award Construction Contract (Ghilotti Construction Co.)
		<b>INFORMATION ITEMS</b>
	11.	Water Conservation Year End Report (July 2015 through June 2016)
	12.	Year End Progress Report - Engineering Department
	13.	FY16 Residential Consumption Status Report
	14.	AMI Project Status Update

All times are approximate and for reference only.

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

(Continued)

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
	15.	Sustainable Groundwater Management Act in Sonoma County
	16.	Pacific Gas and Electric Company's Application for Temporary Variance of Minimum Flows in the Eel River and East Branch Russian River
	17.	NBWRA Update – August 22, 2016
	18.	NBWA Meeting – September 9, 2016
	19.	<b>MISCELLANEOUS</b> Disbursements 2017 Medical Plan Cost Increase STP Solar Power Facility – 4th Year Status Report Marin County Fish and Wildlife Commission Praise from Vendor re: NMWD Treatment Plant Staff  <u>News Articles:</u> Sonoma City Council tables climate action Project Proposes Changes in Russian River Flows to Benefit Endangered Coho, Steelhead ACWA Region 1 Host Russian River Water Supply System Tour Drought's on, but Mandatory Cuts off for Most in California Santa Rosa among local cities exempted from state's mandatory water-saving targets Nicasio's water future up for discussion
	20.	<b>CLOSED SESSION:</b> In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager, (Chris DeGabriele & Drew McIntyre)
9:30 p.m.	21.	<b>ADJOURNMENT</b>

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**DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
August 16, 2016**

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**CALL TO ORDER**

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

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Novato Resident, Mike Jolly, District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

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**MINUTES**

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

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

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NOES: None

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**GENERAL MANAGER'S REPORT**

**"Baker's Dozen"**

Mr. DeGabriele stated that Director Fraites and he attended the "Bakers Dozen" meeting on August 4th. He advised the Board that it's an ad hoc group previously convened by the Sonoma County Water Agency (SCWA) General Manager and Gary Giacomini, now being convened by Cynthia Murray of the North Bay Leadership Council. He noted that attendees included Cynthia Murray, Gary Giacomini, Diet Stroeh (CSWst2), Steve Kinsey (County of Marin), David Rabbitt (County of Sonoma), Director Fraites, Cynthia Koehler (MMWD), Mike Healy (City of Petaluma), Grant Davis (SCWA), and Krishna Kumar (MMWD). Mr. DeGabriele informed the Board that the topics were relatively high level: North Bay Water Reuse Authority (NBWRA), Sustainable Groundwater Management Act (SGMA), Bay Area Regional Reliability Program (BARRP), Potter Valley Project (PVP) and Impact Investing. He noted that Mr. Kinsey proposed a joint SCWA/MMWD drought plan.

1 Director Fraites expressed concern that well owners within Sonoma County Groundwater  
2 Sustainability Agency's pursuant to SGMA and pumping more than two acre feet per year may have  
3 to pay a groundwater extraction fee which will likely heighten awareness and concern among those  
4 parties of water delivery from SCWA to Marin County.

5 Marin LAFCo

6 Mr. DeGabriele advised the Board that last Thursday, Marin LAFCo held a public hearing on  
7 the Sphere of Influence update for Marin Municipal Water District (MMWD) and advised that the  
8 sphere of influence in the Hamilton Area had not been revised subsequent to the reorganization of  
9 MMWD/NMWD boundary revision in that area circa 2002. He stated that there were some  
10 inaccuracies in the Marin LAFCo report that he verbally corrected and also verbally informed the  
11 commission of the history behind the long standing dispute regarding service in the area and the  
12 resulting resolution.

13 Next Board Meeting

14 Mr. DeGabriele reminded the Board the next meeting will be on September 6<sup>th</sup>.

15 OPEN TIME

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

18 Mike Jolly commented on Director Fraites concern regarding potential SGMA consequences  
19 that aquifer integrity in California is a hot issue, but he sees water delivery to Marin County as  
20 entirely separate as the Sonoma County Water Agency water supply is surface water principally  
21 from Lake Sonoma and the groundwater in question related to domestic and agricultural well  
22 owners.

23 STAFF / DIRECTORS' REPORTS

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

26 Mr. McIntyre advised that engineering staff are discussing the PRE Tank 4A siting and  
27 property issues with the adjacent landowner since the new tank will be 80,000 gallons vs the  
28 previous 25,000 gallon tank which was destroyed in the Mt. Vision fire.

29 Mr. McIntyre also reported on recent discussions with Novato Unified School District (NUSD)  
30 and College of Marin's (COM) interest to extend Recycled Water up Ignacio Blvd to serve  
31 landscaping at San Jose Middle School and Indian Valley Collage. He advised that NUSD and

1 COM have been asked to formally state their interest in a letter to the District and jointly fund a  
2 feasibility study to determine needed facilities and costs.

3 Mrs. Young informed the Board that beginning in September she will be taking classes at  
4 Sonoma State on Tuesday nights to obtain training and certification in Human Resources  
5 Management and that Engineering Secretary Eileen Mulliner will fill in at the Board meetings she will  
6 miss.

7 Director Fraites stated that at the last meeting there was an informal discussion about  
8 Grossi Ranch and he asked if every rancher has cattle issues dealing with spreading animal waste  
9 over the property and asked if spreading is the only method a rancher has to eliminate or reduce a  
10 load of manure on the ranch periodically.

11 Director Schoonover stated that ranchers can have the manure hauled away, but its  
12 expensive.

13 Mr. DeGabriele stated that the cattle grazing versus the dairy operations are different and  
14 staff is trying to determine with Grossi what else can be done to address the issue with nutrient/  
15 runoff into reservoir. Mr. DeGabriele stated it's just a matter of time until Grossi begins spreading  
16 manure again.

17 **MONTHLY PROGRESS REPORT**

18 Mr. DeGabriele reviewed the Monthly Progress Report for July. He stated that water  
19 production in Novato was up 36% compared to a year ago but is still 11% below July 2013 (the State  
20 Board's metric for water conservation). He informed the Board that in West Marin, water production  
21 is up 20% from July one year ago and down 15% from July 2013. Recycled Water production is up  
22 27% from one year ago and on par with July 2013. Mr. DeGabriele advised the Board that Stafford  
23 Lake holds 2,616AF (61% of capacity), Lake Mendocino holds 71,490AF (95% of target storage),  
24 Lake Sonoma 22,952AF (91% of capacity). He informed the Board that the District's cost of  
25 pumping this year has increased substantially over the last two years due to increased water  
26 consumption and that the PG&E unit rate for electricity has increased significantly. He noted that  
27 District staff is investigating a move to Marin Clean Energy for the remaining PG&E accounts to  
28 evaluate potential cost savings. Mr. DeGabriele provided the Board with the Summary of Complaints  
29 and Service Orders. The Board was apprised that high bill complaints are up significantly, likely due  
30 to increased consumption compared to last year when water use restrictions were in place.

31 Mr. Bentley reported on the July 2016 Investments, where the District's portfolio holds  
32 \$12.9M earning a 0.76% rate of return. Mr. DeGabriele complimented Mr. Bentley and his staffs  
33 investment strategy which includes nearly \$4M invested in laddered certificates of deposit's

1 returning just under 1%, much better performance than the multi-billion dollar CalPers fund is  
2 earning at this point.

3 **ACTION CALENDAR**

4 **GENERAL SERVICES CONTRACT (OCEANA MARIN DISPOSAL SYSTEM ) – AYS**  
5 **ENGINEERING GROUP**

6 Mr. McIntyre requested the Board approve Consulting Services Agreement with AYS  
7 Engineering Group from Petaluma for analysis of the Oceana Marin trench disposal system in an  
8 amount not to exceed \$25,200. He stated that AYS will monitor the system, conduct soil profile  
9 testing and develop an initial design (likely an additional trench). He noted that the monitoring will  
10 occur over a minimum of two months and the soil investigation assumes that the District will provide  
11 an operator and backhoe. Mr. McIntyre stated that the Oceana Marin Master Plan completed by  
12 Nute Engineering recommended additional studies on the subsurface disposal system.

13 On motion of Director Petterle, seconded by Director Fraites, the Board authorized the  
14 General Manager to execute a General Consulting Services Agreement between AYS with a not-to-  
15 exceed limit of \$25,200 with a contingency of \$4,800 by the following vote:

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

17 NOES: None

18 **BENNETT TRENCHLESS ENGINEERS CONTRACT AMEDEMMENT NO. 1 (RW CENTRAL)**

19 Mr. McIntyre requested that the Board approve a contract amendment with Bennett  
20 Trenchless Engineers in the amount of \$28,200 to design the Central Service Area Recycled Water  
21 Project Highway 101 Horizontal Directional Drilling segment. He advised the Board that the  
22 proposed crossing is from Vintage Way in the vicinity of In & Out Burger to Redwood Blvd just south  
23 of Scottsdale Pond. He stated that this work had been designed by CSW/Stuber-Stroeh however,  
24 during the bid phase, questions were raised about potential settlement problems due to the complex  
25 subsurface geology in the area. Mr. McIntyre informed the Board that Bennett Trenchless Engineers  
26 will review and modify the Highway 101 segment crossing design using their specialized expertise in  
27 this technology.

28 On motion of Director Fraites, seconded by Director Petterle, the Board authorized the  
29 General Manager to execute a contract amendment with Bennett Trenchless Engineers in the  
30 amount of \$28,200 by the following vote:

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

32 NOES: None

1 **INFORMATION ITEMS**

2 **AEEP / MSN B1 & B3 FINAL COST SUMMARY**

3 Mr. McIntyre updated the Board on the Aqueduct Energy Efficiency Project final cost  
4 summary. He stated that the total project cost was \$23.4M and the District's share was just over  
5 \$7M, a 30% obligation. He advised the Board that the remainder, paid by CalTrans was required to  
6 relocate out of the new highway and frontage roads right of way. Mr. McIntyre stated that the \$7M  
7 District cost is for upsizing and for the parallel pipeline segments or "betterment".

8 The Board applauded Mr. McIntyre, Mr. Bentley and all District staff associated with the  
9 project, which eliminates any necessary pumping on the aqueduct from Sonoma County into Marin  
10 County.

11 **COMMENTS ON PG&E APPLICATION FOR TEMPORARY VARIANCE OF MINIMUM FLOW**  
12 **REQUIREMENTS**

13 Mr. DeGabriele provided the Board a copy of the comment letter prepared by District legal  
14 counsel Bob Maddow on PG&E's request for a Temporary Variance of Minimum Flow Requirements  
15 through the Potter Valley Project. He stated that PG&E has requested that flows be reduced to 5  
16 cubic feet per second should storage in Lake Pillsbury fall to critical levels. Mr. DeGabriele advised  
17 the Board that the District's comments reflect that inflow to Lake Pillsbury this year is nearly  
18 450,000AF or three times the normal year criteria yet the Lake currently holds less than 40,000AF  
19 indicating that it hasn't been managed well at all.

20 Director Rodoni asked if any of the other water contractors sent similar letters. Mr.  
21 DeGabriele responded no and advised the Board that he did send the District's letter to all the other  
22 water contractors.

23 **MISCELLANEOUS**

24 The Board received the following miscellaneous information: Disbursements, ACWA  
25 Comments Regarding SWRCB Revised Draft Drinking Water Fee Regulations, California Water  
26 Commission Water Storage Investment Program Technical Reference Document Public Briefings,  
27 and SCWA Press Release: Workshop Slated to Update Petaluma Valley Well Owners on Local  
28 Compliance with Groundwater Act.

29 Director Rodoni inquired about the large SCWA bill on the Disbursements. Mr. Bentley  
30 stated that the bill includes a disputed adjustment for under reported deliveries in January and  
31 February and that staff is expecting a revised bill in September and that the District is still holding  
32 money back until staff receives the misread bill.





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**NORTH MARIN WATER DISTRICT**  
AMENDMENT TO THE MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
July 19, 2016

(Amendments shown in underlined)

**STAFF / DIRECTORS' REPORTS**

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

Director Fraites and Director Baker reported that the Grossi Dairy is again spreading manure near Stafford Lake which will negatively affect water quality and asked what staff can do to prevent such practice.

Robert Clark talked to Mr. Grossi today when he noticed he was spreading on a field that he said he wasn't spreading manure on anymore. He stated that it wasn't Mr. Grossi actually spreading the manure but one of his workers.

Director Fraites asked what the District's options are. Mr. DeGabriele replied that a complaint to the San Francisco Bay Area Regional Water Quality Control Board will be pursued.

Director Schoonover stated that Mr. Grossi is responsible for what his workers do.

Ms. Young advised that she will be on vacation when the next Board meeting occurs and that Engineering Secretary Eileen Mulliner will attend in her absence.

Mr. McIntyre asked that item #8 on tonight's agenda, Novato Chevrolet Fire Service Water Agreement, be pulled from the consent calendar as the agreement included with the agenda packet references only one APN yet the property encompasses two parcels and should reflect that fact. A revised agreement has been prepared and is available for the Board to consider on the regular Action Calendar.

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## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: Employer Assisted Housing Program Revision  
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September 2, 2016

**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: None at this time**

At the August 2 meeting the Board approved a revision to the Employer Assisted Housing Program, setting the minimum down-payment requirement based on a sliding scale, subject to legal review. That revision has been incorporated into the policy (see Section 5.D on page 3) and reviewed and accepted by legal counsel.

At that meeting the Board also inquired about which positions are eligible to participate in the program. Table 1, which is referenced in Section 7, details the "ideal integrated emergency response force" that comprises the Program's goal. The table has been updated to show the current census of positions residing within the service territory and is included on the final page.

**Recommendation:**

Approve revision of the Employer Assisted Housing Program minimum down-payment requirement as shown in Section 5.D.

Approved by GM CDDate 9/2/2016



## NORTH MARIN WATER DISTRICT

### POLICY: EMPLOYER ASSISTED HOUSING PROGRAM FOR EMPLOYEES OF NORTH MARIN WATER DISTRICT

BOARD POLICY NUMBER: 42

Original Date: 1992  
Last Revised: 8/5/08  
Last Reviewed: 06/18/13

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1. Objective of Program. NMWD may make loans to full-time regular employees for the purpose of purchase of a home located within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District.

2. Source of Funding. Loans granted under this program will be funded from the District's Liability Contingency Reserve Fund. The cumulative principal amount of all outstanding loans may not exceed One Million Five Hundred Thousand Dollars.

3. District Control of Assistance. Whether to provide financial assistance in any specific home purchase and the amount, terms and conditions of loans are within the discretion of the Board of Directors. Such assistance is voluntary on the part of the District, is not a matter of right of any employee and is at all times subject to the availability and allocation of District funds. If the District determines at any time that it is not beneficial to the District to continue this program, it may be terminated. In the event the program is revised or terminated, existing loans outstanding will remain in effect in accordance with the terms and conditions of the promissory note previously executed.

4. Loan Conditions.

A. Loans shall be made for the sole purpose of paying a part of the purchase price of the fee title to a dwelling with-in the District service territory. "Dwelling," means a single-family residence or condominium unit that shall be the principal residence of the employee.

B. For market rate housing, the loan shall be evidenced by the promissory note of the employee secured by a second deed of trust on the property. For below market rate "workforce" housing such as Meadow Park in Novato, the loan shall be evidenced by the promissory note of the employee secured by a deed of trust on the property that will be subordinate to the interests of the primary lender and of the Redevelopment Agency of the City of Novato or the City of Novato. The District's interest under the deed of trust shall be insured by a title company acceptable to the District at the expense of the employee.

C. The employee shall enter into an agreement with the District to participate when requested by the District in the District's standby duty, and when within ten miles of the District headquarters, carry a pager or cellular phone at all times and be available to respond to emergencies upon call.

5. Terms of Note, Market Rate Housing.

A. Amount. The principal amount of the loan shall be determined by the District and shall not exceed any of the following:

- (1) \$300,000;
- (2) 50% of the purchase price or appraised value of the property as the District shall elect, appraisals to be made at the employee's expense by an appraiser approved by the District;
- (3) The difference between the purchase price (or appraised value as the District shall elect) less the employee's down payment and the amount owing on the first deed of trust.

B. Interest. The interest owed on the note may be calculated using either of the two following methods at the employee's discretion:

- (1) The interest owed on the note shall be contingent upon and directly proportional to the appreciation in value occurring on the property. In the event there is no appreciation, no interest will be due. Appreciation is defined as the difference between the purchase price and the sale price (net of broker's commission and County transfer tax, if any) of the property. The District may, at its option, use the appraised value of the property to calculate the appreciation. Said appraisal shall be made at the employee's expense by an appraiser approved by the District.
- (2) The interest owed on the note shall be the amount of interest revenue foregone by the District on the note amount over the period of the loan based on the District's investment portfolio yield as reported in the Auditor-Controller's Monthly Report of Investments. Said amount of interest revenue foregone shall be solely determined by the District.

C. Maturity. The principal amount of the note and interest thereon shall be due and payable in full upon the first of the following events to occur:

- (1) The sale or rental of the property secured thereby.
- (2) One hundred sixty (160) days after the employee ceases to be a full-time resident of the property.
- (3) One hundred sixty (160) days after receipt of notice of, and failure to cure, breach of any provisions of the promissory note.
- (4) One hundred sixty (160) days after the date of termination of the employee's full-time employment.
- (5) The employee, in the judgment of the District, fails to satisfactorily carry out the terms of the agreement noted in Section 4(c).
- (6) Refinancing of the first deed of trust with cash out.
- (7) Fifteen years from the date of the note.

D. Employee Down Payment. The employee shall make a minimum down payment equal to a minimum of 5% of based upon the purchase price of the property in accordance with the following schedule:-

<u>Home Purchase Price</u>	<u>Minimum Down Payment</u>
<u>&lt; = \$600,000</u>	<u>5%</u>
<u>\$600,001 - \$700,000</u>	<u>6%</u>
<u>\$700,001 - \$800,000</u>	<u>7%</u>
<u>\$800,001 - \$900,000</u>	<u>8%</u>
<u>\$900,001 - \$1,000,000</u>	<u>9%</u>
<u>\$1,000,001 +</u>	<u>10%</u>

E. Sale or Refinancing. Upon sale or refinancing of the property the District shall be entitled to the return of its original loan amount plus interest calculated using either of the two following methods at the employee's discretion.

- (1) Fifty percent of the appreciation, less one percent of the appreciation for each percent that the employee's down-payment exceeds five percent. In no event shall the District be entitled to less than 25% of the appreciation.

- (2) The amount of interest revenue foregone by the District on the note amount over the period of the loan based on the District's investment portfolio yield as reported in the Auditor-Controller's Monthly Report of Investments. Said amount of interest revenue foregone shall be solely determined by the District.

6. Terms of Note, Below Market Rate Workforce Housing

A. Amount. The principal amount of the loan shall be determined by the District and shall not exceed any of the following:

- (1) \$150,000
- (2) 40% of the purchase price of the property;

B. Interest. The interest owed on the note shall be contingent upon and directly proportional to the appreciation in value occurring on the property. In the event there is no appreciation, no interest will be due. Appreciation is defined as the difference between the purchase price and the sale price (net of broker's commission and County transfer tax, if any) of the property. The District may, at its option, use the value of the property at maturity for Below Market Rate Workforce Housing set by the Redevelopment Agency of the City of Novato, the City of Novato, or County of Marin to calculate said appreciation.

- (1) The obligation to pay contingent deferred interest is subject to a superior right of the employee, upon termination of the loan, to receive repayment of money paid by the employee for purchase of the security property, including down payment, installment payment of mortgage principal, escrow fees, transfer taxes, recording fees, brokerage commissions, and similar costs of acquisition actually paid by the employee, and money paid by the employee for capital improvements to the security property, plus not less than the legal rate of interest on those cash payments.
- (2) The amount of contingent deferred interest shall not exceed that percentage of the appreciation in appraised fair market value of the security property that equals the District's proportionate share of the total initial equity in the security property. The amount of the total initial equity and of the District's share of the initial equity shall be agreed upon by the employee and the District at the time

of executing the shared appreciation loan, and shall include the District's cash investment, the amount of fees waived by the District (if any), and the value of in-kind contributions made by or on behalf of the District (if any). Funds borrowed by the employee, the repayment of which is secured by the security property, shall not be included in the calculation of total initial equity of the employee.

C. Maturity. The principal amount of the note and interest thereon shall be due and payable in full upon the first of the following events to occur:

- (1) The sale or rental of the property secured thereby.
- (2) Thirty (30) days after the employee ceases to be a full-time resident of the property.
- (3) Thirty (30) days after receipt of notice of, and failure to cure, breach of any provisions of the promissory note.
- (4) Thirty (30) days after the date of termination of the employee's full-time employment.
- (5) The employee, in the judgment of the District, fails to satisfactorily carry out the terms of the agreement noted in Section 4(c).
- (6) Refinancing of the first or second deed of trust with cash out.
- (7) Fifteen years from the date of the note.

D. Appreciation Distribution. Upon sale or refinancing of the property, due to the subordinate position of the District loan, the District's right to share in the appreciation is subject to the superior right of the superior public agency lender (i.e., the Redevelopment Agency of the City of Novato or the City of Novato in the case of Meadow Park) and the borrower, as defined in the loan documents for the said superior public agency loan. Subject to these limitations, the District shall be entitled to the return of its original loan amount plus a percentage of the appreciation, proportionate to the share of the original loan amount pursuant to 6. B. above to the original purchase price of the property.

7. Application for Loans. Employees and prospective employees may request loans for housing assistance. Loans may be made to the applicants who the District determines to be the most valuable for meeting typical emergencies experienced by the District in operating its

water and wastewater systems. In making final selections for employee housing loans it shall be the goal of ultimately achieving assemblage of the ideal integrated emergency response force comprised of the skills and/or positions shown in Table 1. It is planned that an initial goal be achieved within five years of the date this revised program is first adopted and the ultimate goal within fifteen to twenty years.

8. Capital Improvements by Employee. If the employee wishes to make capital improvements to the property costing in excess of five thousand dollars, written approval by the District's General Manager must be obtained in advance. Capital improvements for Below Market Rate Workforce Housing at Meadow Park must be pre-approved by the Redevelopment Agency of the City of Novato or the City of Novato. If the District approves the capital improvement, the amount expended by the employee, evidenced by receipts, will be reimbursed to the employee at the time the note is repaid in full to the District. Said reimbursement amount shall be deducted from the appreciation amount prior to the distribution of appreciation as specified in Sections 5.E and 6.D.

**TABLE 1**

t:\acl\word\personnel\housing assistance\employee housing table august 2016.docx

<b>Staff Residing within the District Service Area</b>			
Classification	Existing 8/31/16	Ultimate Goal	Initial Goal
General Manager	1	1	1
Chief Engineer	1	1	1
Operations/Maintenance Superintendent		1	1
Construction/Maintenance Superintendent		1	1
Auditor/Controller	1	1	1
Distribution & Treatment Plant Supervisor	1	1	1
Heavy Equipment Operator (Expertise)	1	1	1
Pipeline Foreman	1	1	1
Pipeworker, Pipeworker Apprentice, Laborer or other employees who are trained for and <u>regularly</u> perform standby duty	2	4	2
Any Electrical/Mechanical Classification	1	2	1
Any Certified Treatment Plant Operator Classification	2	2	1
Any Professional Engineer	1	1	1
Any Engineering Tech Position		2	1
Any Chemist or Lab Tech Classification	1	1	1
Any Clerical Position	5	1	1
<b>TOTAL</b>	<b>18</b>	<b>21</b>	<b>16</b>

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## MEMORANDUM

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: AMI Project CEQA  
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September 2, 2016

**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: \$25,000**

The District plans to use 2% State Revolving Fund (SRF) Loan money to finance the Advanced Metering Information (AMI) Project. The State Water Resources Control Board (SWRCB) requires CEQA documentation prior to approving the project SRF funding. SWRCB staff have indicated by phone that they will require the CEQA report to include a photo of each of the 25 water storage tank sites where placement of a small antenna is proposed, as well as example photos of water meter retrofits and replacements. In the event there is ground disturbance required to install an antenna (at this time we anticipate fastening each antenna atop a tank), the report will also need to include archaeological, hazardous material and biological reports pertaining to that site. In addition, the SWRCB has asked that customers adjacent to each of the 25 tank sites where an antenna is to be placed be notified of the proposed project, and given an opportunity to comment.

GHD (formerly Winzler and Kelly) recently performed the CEQA work for Santa Rosa's AMI project and is familiar with the SRF CEQA requirements. Their proposal includes a visit to Sacramento to meet face-to-face with SWRCB staff to confirm exactly what will be required to meet the CEQA requirements for the project funding. GHD anticipates their work will take about two months to complete, and believes that the project will most likely qualify for categorical exemption.

The Board approved a \$30,000 General Services Agreement with GHD in June 2015, of which approximately \$28,000 remains. GHD estimates their cost will be approximately \$25,000. While there is adequate funding already approved under the General Services Agreement, this project will consume bulk of the remaining balance. Therefore, Staff requests authorization to expend \$25,000 of the remaining GHD authorization on the AMI CEQA requirements.

**RECOMMENDATION:**

Authorize staff to employ GHD to perform the CEQA work required to obtain SRF loan funding for the District's AMI project.

Approved by GM

CD

Date

9/2/2016

8

## MEMORANDUM

To: Board of Directors  
From: Chris DeGabriele, General Manager *CD*  
Subj: Steelhead Habitat Survey in Upper Novato Creek  
document2

September 2, 2016

**RECOMMENDED ACTION:** Authorize Staff to Enter to an Agreement with ICF International to Perform Steelhead Habitat Survey in Upper Novato Creek

**FINANCIAL IMPACT:** \$21,000

In October 2015, the Board authorized the General Manager to enter into a Consulting Services Agreement to support resolution of comments on the National Marine Fisheries Service (NMFS) Coastal Multi-Species Recovery Plan. The District engaged Cardno Associates who in mid-December performed a field reconnaissance evaluation of the Novato Creek main stem both upstream and downstream of the Stafford Dam to make a preliminary assessment of the steelhead habitat.

That reconnaissance investigation was reported in our comments to NMFS on the Coastal Multi-Species Recovery Plan submitted January 8, 2016. The reconnaissance investigation identified that Novato Creek primarily provides highly degraded steelhead spawning and rearing habitat both upstream and downstream of Stafford Dam. Upstream of Stafford Dam the biologists determined that available juvenile rearing habitat is probably negligible in most years during summer and fall months and that there is probably no surface flow in this segment during most summers. Therefore benefits of a fish passage facility at Stafford Dam would be negligible unless the habitat features of the creek upstream of the dam were very greatly enhanced during summer and fall months. Moreover even if the segment upstream of the dam supported high quality spawning and summer rearing habitat throughout areas identified as intrinsic potential habitat, the production of steelhead in this upper segment would not approach the target numbers required to establish a potentially independent population of steelhead in Novato Creek.

In conversation with NMFS staff during April 2016, we again reiterated these comments, requested that upper Novato Creek be removed from the intrinsic potential area, and lower the target for Novato Creek steelhead recovery. NMFS responded that we request the NMFS Southwest Fisheries Science Center to evaluate the intrinsic potential base model to address the target and coordinate with their staff in further evaluation of the habitat potential above Stafford Dam.

Approved by GM *CD*Date *9/2/2016*

District staff proposes to solicit other agencies that have streams identified in the San Francisco Bay Coastal Diversity Stratum in evaluating the intrinsic potential base model. With regard to evaluation of habitat potential above Stafford Dam, consultants from Cardno Associates have now moved on to ICF International and HDR and District staff believes it's important to continue to use the same eyes that have previously assisted us on the reconnaissance level evaluation. Thus a proposal has been solicited from ICF International, which includes sub consultant HDR on their biology team. The ICF proposal is attached, with a total estimated cost not to exceed \$20,803.

**RECOMMENDED ACTION:**

Board authorize the General Manager to enter into a Consulting Services Agreement with ICF for up to \$21,000 to perform steelhead Habitat Survey in Upper Novato Creek.



September 1, 2016

Chris DeGabriele  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945

**Subject: Proposal to Perform Steelhead Habitat Survey in Upper Novato Creek**

Dear Mr. DeGabriele:

ICF Jones & Stokes, Inc. (an ICF International company hereafter "ICF") is pleased to submit our proposal to North Marin Water District (NMWD) to perform a stream survey to assess steelhead habitat in Novato Creek upstream of Stafford Lake, and preparation of a technical memorandum describing survey results.

NMWD has worked closely and collaboratively with NMFS in preparation of the Recovery Strategy for the Central California Coast Steelhead Distinct Population Segment (DPS). In review of the Coastal Multispecies Draft Recovery Plan for California Coastal Chinook Salmon, Northern California Steelhead, & Central California Coast Steelhead (Draft Recovery Plan), it became evident that NMWD could provide additional information to NMFS that may assist them in refining their conclusions and potential proposed actions. Several questions have surfaced regarding the value of the habitat in Novato Creek above Stafford Lake and the feasibility and desirability of passing fish over the Stafford Dam to access this additional habitat. Since site-specific information was not available to determine habitat quality, NMFS assumed that it could support steelhead and would make a significant contribution to the local population. The value of the available stream habitat and the feasibility and practicality of providing passage at Stafford Dam need to be examined, more closely. There is some concern that the habitat upstream of Stafford Lake is not sufficient to support a robust population of steelhead that would contribute to recovery due to limited summer/fall flows. The quality and quantity of steelhead habitat in the upper Novato Creek is best determined by a habitat survey conducted in fall, when flows are low and habitat is most limiting.

The purpose of this scope of work is to provide NMWD with specialized technical assistance in creating additional information to provide to NMFS. ICF proposes to conduct a survey of Novato Creek upstream of Stafford Lake using habitat metrics adapted from CDFW's stream habitat assessment process. Based on our discussions with NMWD staff, we have outlined four tasks below with a total estimated cost not to exceed \$20,803.

**Task 1 – Review of Available Information and Planning Habitat Assessment Survey**

Available information (including the Draft Recovery Plan, a previous CDFW stream survey of lower Novato Creek, aerial imagery, and topographic maps) will be reviewed to assess the current understanding of potentially available steelhead habitat in Novato Creek (upstream of Stafford Lake). CDFW's stream habitat assessment process will be reviewed and modified as-needed to assess habitat quality and availability within upper Novato Creek.

**Task 2 – Habitat Assessment – Stream Survey**

A survey to assess steelhead habitat availability and quality will be performed in Novato Creek upstream of Stafford Lake, with emphasis placed on examining juvenile rearing habitat. Two qualified biologists with previous experience assessing steelhead habitat will perform the survey where access is available to NMWD (on NMWD property and on

private property with landowner permission). The survey will be visual and include walking the banks and wading the stream. Data collected will include photographs, GPS locations of notable habitat features, types and estimated availability of habitat units, and water temperature. No collection or take of steelhead will be required. The stream survey is anticipated to last 10 hours.

Prior to the survey effort, NMWD and ICF staff will meet with NMFS staff to discuss the goals of the habitat assessment. To minimize costs associated with travel, this scope of work assumes the meeting will occur at the NMFS Santa Rosa office on the day before the survey effort. A follow-up half day survey following a substantial rain event will be performed by one qualified biologist to check changes in habitat conditions.

The cost estimate includes travel required to attend the meeting with NMFS, travel to access the field location, and additional time for staff to mobilize and demobilize from the field efforts.

### **Task 3 – Reporting of Results**

A Draft Technical Memorandum describing available information, the survey methodology, and survey results will be prepared for review by NMWD. This scope of work assumes one round of edits will be needed to incorporate comments received from NMWD. The Technical Memorandum will be finalized after incorporation of NMWD's comments and will be delivered electronically.

### **Task 4 – Project Management**

As part of this task, ICF will coordinate internal project management processes of schedule and budget control, including cost tracking and scheduling and communication with NMWD.

### **Schedule**

Stream Surveys – 1 day for habitat assessment requiring 2 biologists, 0.5 days for follow-up check after rainfall requiring 1 biologist, with associated travel time

Draft Survey Report – to be submitted within 8 business days of survey completion

Final Survey Report – to be submitted within 5 business days of receipt of comments from NMWD

### **Cost Estimate**

The attached spreadsheet shows our estimated cost for the above scope by task. ICF proposes to invoice costs monthly, on a time and materials basis.

ICF looks forward to negotiating mutually acceptable terms and conditions. Thank you for considering ICF for this opportunity. If you have any questions or need additional information, please call Project Director Jean Baldrige at (925) 899-8112.

Sincerely,



Trina L. Prince

### **Enclosure/Attachment:**

Cost Estimate

9

## MEMORANDUM

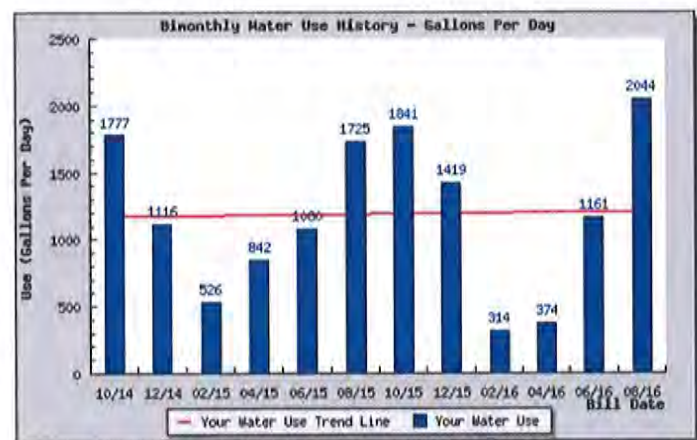
To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: Request for Bill Adjustment  
t:\aclword\memo\17\hoylet bill adjustment.docx

September 2, 2016

**RECOMMENDED ACTION: Deny****FINANCIAL IMPACT: \$0 - \$754**

Ms. Lisa Hoytt, 136 Windwalker Way, received a \$1,079 bill in August based on June/July water use of 2,044 gallons per day. This compares with 1,725 gpd used during the same period in 2015. The 18% year-over-year increase ( $(2,044/1,725 - 1 = 18\%)$ ) does not meet the 50% threshold required for a bill adjustment.

Ms. Hoytt explains (see letter attached) that although she signed-in for service in April 2014, she did not own the home until February 2016, and therefore argues that it is not appropriate to use a base period prior to her ownership of the home to calculate the 50% threshold, because as a renter she "had no control over correcting any irrigation problems."



Staff considered using Ms. Hoytt's June/July 2014 use as the base period, but that was even higher at 2,581 gpd. Prior to Ms. Hoytt, the home was owned since 2002 by Hoytt Enterprises. Ms. Hoytt advised that she is too busy to attend a District Board meeting, and that her attorney advised her that her letter would be adequate to consider her appeal.

Options for the Board to consider:

1. Base a bill adjustment on the prior bill Ms. Hoytt received, which was for the April/May period, showing use of 1,161 gpd, thereby granting a credit of \$366;
2. Base an adjustment on the average of the first two bills rendered since Ms. Hoytt purchased the property, the February through May period, with use of 748 gpd, thereby granting a credit of \$508.
3. Render a bill based on the District's wholesale cost of water, granting a credit of \$754.
4. Deny a bill adjustment.

**Recommendation:**

Option 4. Ms. Hoytt signed-in as the party responsible for water use in April 2014, and water use has exceeded 4X the median Novato single-family home use throughout the entire period of her responsibility.



**To: Board Of Directors**

**North Marin Water District**

**P.O. Box 146, Novato, California 94948**

**August 30, 2016**

**RE: 136 Windwalker Way, Novato, California 94945**

**Account number: 4016504**

**RECEIVED**  
SEP 01 2016  
North Marin Water District

**My water invoice for the period:**

**06/03/2016 to 7/29/2016 was an astonishing  
\$1,079.28.**

**I purchased this house and have been an "owner" since  
Feb. 3, 2016. Prior to that date, I was a "renter". I had  
no control over correcting any irrigation problems, as a  
management company was in full control.**

**I have repaired many irrigation issues since being in  
control of my invoices.**

**My 02/02/2016 to 04/06/2016 was \$181.69.**

**My 04/06/2016 to 06/03/2016 was \$535.04. I had my  
landscapers investigate, and a broken irrigation pipe**

**was found and repaired in the front right side facing side of the property.**

**This latest invoice was shocking. On Monday, August 22, I had my landscapers try to locate the source of a water leak, as I knew we did not use so much water. I also called to have a representative from the North Marin Water District come out and check my water meter. He noticed that half way into the new billing cycle, I was on the way to a huge bill, again.**

**He said he would come back in one week, on August 29<sup>th</sup>, and re-check the meter.**

**In the meantime, it took a huge amount of time to decipher where the problem could be.**

**Finally, a completely broken main irrigation pipe was found beneath the walkway, in the front. This was found by Ospital Landscaping, Inc., going through the system. That area was turned off. The one area was repaired, however, another connecting pipe is leaking beneath the plants. The water will be turned off until all is repaired.**

**A rep from North Marin Water District returned on August 29<sup>th</sup> and left a card that “The meter was read again, and found to be in order!”**


**The meter reading went from 9202 to 9220 from the previous one week ago.**

**I am determined to have all of the irrigation checked and repaired if necessary. I now have the authority to have any necessary corrections done immediately.**

**As I mentioned, I was not in control of the property until Feb., 2016.**

**Please credit me for the loss of water resulting in a high water invoice that was beyond my control. The area is completely opened and dug up if a rep from the North Marin Water District would like to inspect.**

**Thank you,**

**Lisa Hoytt**   
**415-898-2653**



# NORTH MARIN WATER DISTRICT

Date 8/29/2016 Time 1:20  
Service Address 136 Windward

The NORTH MARIN WATER DISTRICT  
Calls your attention to the following matter:

Today we saw that the dial on the water meter was moving, leading us to suspect a possible leak in your water system.

Any repair past the meter is the responsibility of the consumer. Please check faucets, bathroom fixtures, and your irrigation system. All water passing through your meter will be billed to you.

We determined your leak is located:

Today your meter was read again, and found to be in order. Investigation indicated no leak.

Most meters have a built in leak detector, usually a red triangle or blue disc shape. If you have successfully repaired the leak, the leak detector will not be turning.

Records indicate you have not signed in for water service. Please call our office or service will be discontinued on \_\_\_\_\_

Your water has been turned off because our records indicate you have not signed in for water service.

Please call our business office at the number listed below. Water billing for this address has been returned by the post office marked "undeliverable."

Today we performed routine maintenance around your meter box.

Other: METER READING 8/22/2016  
was 7202

IF YOU NEED ASSISTANCE PLEASE CALL (415) 897-4133

METER READING  
8/29/2016 9220

10

## MEMORANDUM

To: Board of Directors September 2, 2016

From: Drew McIntyre, Assistant General Manager/Chief Engineer  
Carmela Chandrasekera, Associate Engineer  

Subject: Recycled Water Expansion Central Service Area – West: Reject Bid Protest and Award Construction Contract (Ghilotti Construction Co.)

R:\Folders by Job No\6000 jobs\6058\BOD Memos\6058-40 RWC West Contract Award to Ghilotti Const BOD Memo 9-16.doc

**RECOMMENDED ACTION:**

1. Reject Mountain Cascade's bid protest of Ghilotti Construction.
2. Approve award of the contract to Ghilotti Construction and authorize the General Manager to execute an agreement with Ghilotti Construction

**FINANCIAL IMPACT:** \$5,878,611.50 plus \$400,000 contingency (7%)

Background

The West project includes construction of 3.8 miles of recycled water pipeline including approximately 450 ft of 8-inch PVC pipe, 18,750 ft of 12-inch PVC (or FPVC) pipe, and approximately 500 ft of 16-inch HDPE pipe from Entrada Drive to Norman Tank by Horizontal Directional Drill method, together with all appurtenances thereto and all restorations. The Board authorized advertisement for bids on the above referenced project on May 17, 2016. The advertisement date for this project was June 3, 2016 with a bid opening on July 26, 2016. The District advertised the project in the Marin IJ and posted the project on [www.ebidboard.com](http://www.ebidboard.com). Thirteen (13) contractors, including nine (9) prime contractors, attended the mandatory pre-bid meeting on June 28, 2016. The bid period was for approximately seven (7) weeks and included two addenda. Six bids were received, ranging from a low of \$5,878,611.50 to a high of \$6,994,841.50.

	CONTRACTOR	BID
1.	Ghilotti Construction Co., Santa Rosa	\$5,878,611.50
2.	Mountain Cascade, Inc., Livermore	\$6,393,511.50
3.	Argonaut Constructors, Santa Rosa	\$6,491,011.50
4.	TerraCon Constructors, Healdsburg	\$6,530,836.00
5.	Sanco Pipelines, Campbell	\$6,891,011.50
6.	Ranger Pipelines, San Francisco	\$6,994,841.50

The Engineer's Estimate was \$6,270,000<sup>1</sup>. The bid variance between the Number 1 and Number 2 low bidders (Ghilotti Construction Co. and Mountain Cascade, Inc.) was \$514,900 (for a variance of 9%). The next four bids were within 10% of the second low bidder.

<sup>1</sup> Initial Engineer's Estimate of \$6,500,000 included 400 ft of 16-inch PVC carrier pipe within a 24-inch PVC restrained joint casing under Highway 101 which was removed from the contract by addendum during the bid phase.

### Bid Evaluation

Ghilotti Construction Company (GCC) of Santa Rosa, California, submitted the lowest responsive bid of \$5,878,611.50 which is ~\$391,400 (7%) below the Engineer's construction cost estimate of \$6,270,000. A bid evaluation (Attachment 1) was performed by The Covello Group (Covello), the District's recently hired construction manager for the Central Service Area recycled water projects. The attached analysis shows that GCC and the next lowest bidder, Mountain Cascade Inc. (MCI), complied with the bidding requirements.

The bids of GCC and MCI were reviewed for compliance with SRF Disadvantaged Business Enterprises (DBE) requirements. Both contractors met those requirements (Attachment 2).

### Bid Protest by Mountain Cascade, Inc.

The second low bidder, MCI, submitted a bid protest letter on August 2, 2016 (included in Attachment 1), within five (5) business days of the July 26 bid opening as required by the Contract Documents. The letter asserted that GCC's bid was non-responsive on various grounds, and that MCI was therefore the lowest responsive bidder.

MCI's bid protest letter was sent to the three lowest apparent bidders as specified in the Contract Documents. NMWD received one response from GCC, dated August 8, 2016 (included in Attachment 1). GCC's August 8, 2016 letter asserted that its bid was responsive. A second response letter from MCI was received on August 11, 2016 (included in Attachment 1).

District legal counsel, Mr. Carl Nelson, was asked to review MCI's bid protest letters and GCC's response and render an opinion on whether GCC's bid is non-responsive. Mr. Nelson's letter (included in Attachment 1) concludes that GCC's bid is responsive and recommends rejecting MCI's protest in its entirety.

### Project Financing

The project receives Water SMART grant funds via Bureau of Reclamation (BOR) awards and grant/loan funds from the State SRF program as summarized with the Board at the July 19, 2016 meeting when the Construction Management contract was approved. An updated summary of grants/loans will be provided to the Board at a subsequent meeting after receipt of the final BOR grant split between affected NBWRA Phase I participating agencies.

### RECOMMENDATION

That the Board:

1. Reject Mountain Cascade Inc.'s protest of Ghilotti Construction Co.'s bid.
2. Approve award of the contract to Ghilotti Construction Co. and authorize the General Manager to execute an agreement with Ghilotti Construction Co.



September 1, 2016

Mr. Drew McIntyre  
Chief Engineer  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94948

Subject: Bid Review  
Project: Recycled Water Expansion — Central Service Area West Project  
Project No: 5 6058.40

Dear Mr. McIntyre:

Sealed bids for the Project were received and opened on July 26, 2016, at 3:00pm. Six (6) bids were received, ranging from \$5,878,611.50 to \$6,994,841.50. The three lowest bids are listed below:

<u>Contractor</u>	<u>Bid Amount</u>
Ghilotti Construction	\$5,878,611.50
Mountain Cascade, Inc.	\$6,393,511.50
Argonaut Constructors	\$6,491,011.50

All of these bids were below the Engineer's Estimate of \$6,500,000, however the Engineer's Estimate included the Highway 101 Work that was deleted from the bid documents via Addendum.

A Bid Protest was submitted by Mountain Cascade, Inc. (MCI) based on the assertion that Ghilotti Construction (GC) submitted a non-responsive bid. The formal Bid Protest letter, GC's response letter and MCI's further letter addressing GC's response are attached. The District's Legal Counsel has reviewed and analyzed the Bid Protest in an August 19, 2016, letter (also attached) and recommends that it be rejected in its entirety.

The three low bids were reviewed for general conformance with bidding requirements. The bid of the apparent low bidder, GC, has been reviewed in detail. The second low bid from MCI has also been reviewed; the MCI bid review also relied on our previous efforts from the Recycled Water Expansion — Central Service Area — East Project, for which MCI was the low bidder.

**Number of Bids Submitted:** The number of bids submitted is considered adequate, especially considering the current activity in the underground pipeline industry. As examples, recent projects bid by the County of Marin, Ross Valley Sanitary District and the City of Sausalito received only one (1) bid.



**Prices for Base Bid Items:** The base bid schedule consisted of 20 bid items; 16 were lump sum, three (3) of which were prescribed allowances. Four (4) bid items were unit price. The lump sum bid items had noticeable variations: As an example, Bid Item 2, *Trenching, sheeting, shoring, etc.*; GC, as the low bidder included a lump sum amount of \$65,000 as compared to MCI's bid of \$400,000. The next low bidder had \$83,000 in its bid. The combination of Bid Items 2, 3, 7 and 9 represents the majority of the general contractors' respective direct bid costs for the open cut installations, which totaled between \$3.81 million and \$4.12 million. This variance is considered within the normal range of variances in the construction industry. In regards to the unit price bid items, Bid Item 12, *Rock Excavation*, GC bid was \$10 per cubic yard, as compared to the next two bidders at \$110 and \$150 per cubic yard. This is one of the issues presented in the MCI Bid Protest. Similarly, Bid Item 15, *Paving Restoration*, GC bid was \$95 per ton, as compared to the next two bidders at \$190 and \$180 per ton.

**Bid Forms:** As verified by District staff and presented in the attached spreadsheet, GC and MCI submitted all required bid forms at the time of bid. MCI's bid protest asserts that GC improperly submitted the bid forms. The three (3) low bidders each provided the required post bid information.

**SRF Documentation:** As verified by District staff, GC provided the required EPA DBE Subcontractor Utilization Forms and Good Faith Documentation. No exceptions were noted.

**Bidder Experience:** GC submitted documents that substantiate that they have the necessary experience and qualifications to perform the Work. Two of the references listed by GC are well known to the District and Covello. One is the for their work on the District's Aqueduct Relocation AEEP Reaches A-D Project, listing Drew McIntyre as the contact. The second is the Novato Sanitary District's Ignacio Conveyance Force Main Project, listing Covello's Construction Manager, Steve Wrightson, as the contact. Both the District and Covello are of the opinion that GC has the necessary experience and capabilities to perform the Work.

GC's contractor's license, 644515, is active and in good standing. GC's Public Works Contractor Registration, Number 1000003044, is current.

GC provided their past three (3) years (2103, 2014 and 2015) Experience Modification Rate (EMR), Lost Time Incident Rate (LTIR) and Recordable Incident Rate (RIR) to demonstrate their Safety Qualifications. GC's three (3) year average EMR is 0.89, which is less than the 1.00 maximum specified by the Contract. Thus, GC meets the minimum safety requirements for the Project.

In regards to Financial Qualifications, which is required to be submitted within five (5) days of the bid opening, GC provided the required financial information, the majority of which is

September 1, 2016

Central Service Area — East Project — Bid Review

considered confidential. In summary, GC provided their Consolidated Financial Statement for the year ending March 31, 2015, which included an independent Auditor's Report by Gallina, LLP. Their Report concluded they were not aware of any material modifications that should be made to GC's financial statements in order for them to be in accordance with accounting principles generally accepted in the United States. Additionally, GC provided documentation related to their financial standing from the Bank of Marin and their Surety, Liberty Mutual Insurance.

The Financial Qualifications, Section 00420 D. C., also required the contractors to provide information related to claims filed against the bidder and claims filed by the bidder within the last five (5) years. GC noted on the bid form that the requested claim information is not applicable at this point in time. The District could consider asking its Legal Counsel to review claim related databases to which they may have access, to verify GC's claims history over the past five (5) years.

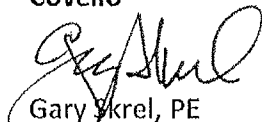
**Subcontractors:** The three (3) low bidders identified subcontractors that they will use to perform work valued at more than one-half of one percent (0.5%), as required by the Public Contract Code. GC listed six (6) subcontractors, five (5) of which have current and active contractor licenses. GC's listed subcontractor, R&S Trucking from Fulton, CA, does not have an active contractor's license. R&S Trucking is the trade name for the legal entity known as Cutler Trucking. Cutler Trucking is a Women Owned Business Enterprise, with Sharon Cutler listed as the President, CEO, Secretary and Treasurer. Haulers and operators are not required to have contractor's licenses. All six (6) listed subcontractors are currently registered with the Department of Industrial Relations as Public Works Contractors.

**Material Suppliers:** GC listed various material manufacturers and suppliers. It has not been verified that GC's listed manufacturers comply with District requirements and it is suggested that the District confirm their acceptability.

**Conclusion:** Based on our review, GC is a responsible bidder and has submitted a responsive bid. Accordingly, it is recommended that the District award the Contract to GC.

Sincerely,

Covello

  
Gary Skrel, PE  
Project Manager

**BUSBY & ZAPPALA LLP**  
251 LAFAYETTE CIRCLE, SUITE 350  
LAFAYETTE, CALIFORNIA 94549  
Tel (925) 299-9600  
Fax (925) 299-9608

August 2, 2016

*Via Hand Delivery*

North Marin Water District  
Attention: Drew McIntyre  
For RECYCLED WATER CENTRAL SERVICE AREA – WEST PROJECT, 5 6058.40  
999 Rush Creek Place  
Novato, CA 94945

Re: Recycled Water Central Service Area – West Project  
Bid Protest of Mountain Cascade, Inc.

Dear Mr. McIntyre:

This office represents Mountain Cascade, Inc. (“MCI”) in its protest of any award of the contract to Ghilotti Construction (“Ghilotti”). Ghilotti has submitted a nonresponsive bid and as the lowest responsive and responsible bidder, MCI should be the recipient of the contract award for this project and hereby demands such on the following grounds:

1. Ghilotti failed to submit the Contractor Experience/Key Personnel Experience referenced in Item 4 of the Pre-Bid Conference Agenda on June 28, 2016 which is a binding document
2. Ghilotti listed a pipe, pipe fittings, and valve supplier rather than a manufacturer
3. Ghilotti’s bid is unbalanced

First, Ghilotti failed to include the required Contractor Experience/Key Personnel Experience referenced in Item 4 of the Pre-Bid Conference Agenda on June 28, 2016. Ghilotti was in attendance at the June 28, 2016 pre-bid meeting as is evidenced by the Pre-Bid Meeting Attendee List. MCI confirmed with the District prior to bid on July 26, 2016 that that information was indeed *required* to be submitted as part of the bid. The Recycled Water Central Service Area – West Project Specification Section 00100.10.0 – Bid Irregularities provides that “Changes in or additions to the Bid Form, recapitulations of the Work bid upon, alternative bids, *omissions* or any other modifications of the bid form which are not specifically called for in the Contract Documents may result in rejection of the bid by the District, as not being responsive to the Invitation to Bid.” Section 00100.26.0 provides that “The District reserves the right, at its sole discretion, *to reject any and all bids and further reserves the right to reject any bids which are a) non-responsive* (e.g. bids which are incomplete, obscure, or irregular; bids which omit a bid on any one or more item on which the bids are required; bids which are unbalanced . . .” The purpose of the District’s requirement that Contractor Experience/Key Personnel Experience be included with the bid submission is to ensure the contractor and its personnel that will be supervising the project has the experience, skill and training to successfully complete the project for the District. MCI submitted a bid in full conformance with the specifications and bid instructions and therefore should be awarded the contract as the lowest

responsive bidder.

Next, Ghilotti's bid is non-responsive because Ghilotti made a fatal mistake when it listed a supplier, Pace Supply, for the Pipe, Pipe Fittings, and Valves (Specifications Sections 15056, 15057, 15064, 15074, 15099, 15100, 15102, 15102, 15108 and 15300) rather than a manufacturer. Listing a supplier only, rather than a supplier and manufacturer, gives Ghilotti the opportunity to shop, through its supplier, for cheaper prices than the manufacturer/prices used at the time of bid. "The central purpose of the [Subletting and Subcontracting Fair Practices Act] is to protect both the public and subcontractors from the practices of bid shopping and bid peddling in connection with public works projects." (*Valley Crest Landscape, Inc. v. City Council of the City of Davis* (1996) 41, Cal.App.4th 1432, 1439 (Citations omitted).) That is to prevent a prime contractor from using a subcontractor's bid to prepare its bid, and then shopping that bid to get a lower price. (*Id.* at 1439-1440.) The same concern is at issue here.

There is case law that establishes that "a bid which substantially conforms to a call for bids may, though not strictly responsive, be accepted if the variance cannot have affected the amount of the bid or given a bidder an advantage or benefit not allowed other bidders or, in other words if the variance is inconsequential." (*Konica Business Machines U.S.A., Inc. v. The Regents of the University of California* (1988) 206 Cal.App.3d 449, 454.) However, "a deviation is substantial unless it is so inconsequential that it could not affect the amount of the bid." (*Id.*)

Ghilotti's failure to list a pipe/pipe fitting/valve manufacturer is consequential and it gives Ghilotti an advantage and monetary benefit not allowed to the other bidders. By allowing Ghilotti to substitute manufacturers after the opening of the bids the District allowed Ghilotti the opportunity to bid shop in direct violation of the Act. Thus, providing Ghilotti with an unfair monetary advantage not allowed to the other bidders.

"The central purpose of the Act is to protect both the public and subcontractors from the practices of bid shopping and bid peddling in connection with public works projects." (*Valley Crest Landscape, Inc. v. City Council of the City of Davis* (1996) 41 Cal.App.4th 1432,1439 (Citations omitted).) That is, to prevent a prime contractor from using a subcontractor's bid [or in this case a supplier's price] to prepare its bid, and then shopping that bid to get a lower price. (*Id.* at 1439-1440.) This is accomplished by requiring a prime contractor to list a subcontractor [and a supplier *and* manufacturer] and state the portion of work the subcontractor is to perform and the type of work it will perform. (*Id.* at 1440.)

Ghilotti's actions violate the Act and the District condoning such actions defeats the purpose of the competitive bidding laws which are passed for the benefit and protection of the taxpaying public, not for the benefit and enrichment of bidders. Their purposes, among others, are to guard against favoritism, improvidence, extravagance, fraud and corruption; to prevent the waste of public funds; and to obtain the best economic result for the public." (*M&B Construction v. Yuba County Water Agency* (1999) 68 Cal.App.4th 1353, 1360.)

Finally, Ghilotti's bid is significantly unbalanced. Specification Section 00100.26.0 provides

that Section 00100.26.0 provides that "The District reserves the right, at its sole discretion, to reject any and all bids and further reserves the right to reject any bids which are a) non-responsive (e.g. bids which are incomplete, obscure, or irregular; bids which omit a bid on any one or more item on which the bids are required; *bids which are unbalanced* . . ." (Emphasis added.) An unbalanced bid is one having nominal prices for some work items and enhanced prices for other work items. Under the State of California Department of Transportation Standard Specifications 2006 Section 2-1.10 "proposals in which the prices obviously are unbalanced may be rejected." Although not controlling, the California Department of Transportation Standard Specifications are highly regarded in the public contract community.

For purposes of analysis the Federal Government defines an unbalanced bid as follows:

Materially unbalanced bid means a bid which generates a reasonable doubt that award to the bidder submitting a mathematically unbalanced bid will result in the lowest ultimate cost to the Federal Government.

Mathematically unbalanced bid means a bid containing lump sum or unit bid items which do not reflect reasonable actual costs plus a reasonable proportionate share of the bidder's anticipated project, overhead costs, and other indirect costs.

(23 CFR 635.102.)

Ghilotti's bid amount for Bid Item No. 12, excavation and disposal of 750 cubic yards of hard rock is \$10.00 per cubic yard. This amount for excavation and disposal is unrealistic and there is no feasible way Ghilotti could complete the work set forth in Bid item No. 12 at \$10.00 per cubic yard. This bid amount is commercially unreasonable and so unrealistic as to generate a reasonable doubt that awarding the contract to Ghilotti would result in the lowest ultimate cost to the District. Due the unreasonable and unrealistic bid amount Ghilotti's bid is non-responsive.

Ghilotti's bid is mathematically unbalanced. "A bid is mathematically unbalanced if the bid is structured on the basis of nominal prices for some work and inflated prices for other work; that is, each element of the bid must carry its proportionate share of the total costs of the work plus profits." (U.S. Department of Transportation, Federal Highway Administration Memorandum "Bid Analysis and Unbalanced Bids" (May 16, 1988) (available at <<http://www.fhwa.dot.gov/programadmin/contracts/051688.cfm>>). It is readily apparent that Ghilotti has put nominal prices for some of the work and inflated prices for the other work. Ghilotti's Bid Item No. 12 is for only \$10.00 per cubic yard whereas MCI's bid price was for \$110.00 per cubic yard, a price in line with the actual cost of the work. Ghilotti's bid does not meet the requirement that each element of the bid carry its proportionate share of the total costs of work plus profits. Nor does the bid fairly represent reasonable and proper compensation for the unit of work bid. Therefore, Ghilotti's bid is unbalanced and as a result non-responsive.

As well as being mathematically unbalanced, Ghilotti's bid is arguably materially unbalanced as well. "A bid is materially unbalanced if there is reasonable doubt that award to the bidder submitting the mathematically unbalanced bid will result in the lowest ultimate cost." (U.S. Department of Transportation, Federal Highway Administration Memorandum "Bid Analysis and Unbalanced Bids" (May 16, 1988) (available at <<http://www.fhwa.dot.gov/programadmin/contracts/051688.cfm>>). There is reasonable doubt that the award of the contract to Ghilotti will not result in the lowest ultimate cost to the District.

There is the possibility that Ghilotti has submitted an unbalanced bid to maximize its profits. In the United States Supreme Court Case *Moffett, Hodgkins and Clarke Company v. Rochester* (1900)178 U.S. 373, an unbalanced bid is where the contractor will give a low price for one kind of work or materials in the same contract with the hope that the quantity of work and materials for which a low price is bid will be reduced, while the quantity of materials or work for which a high price is bid will be increased, thus sufficiently making up on the high price bid to give the contractor a large profit upon the whole work. As such an award of the contract to Ghilotti would not be in the best interest of the District.

Ghilotti's bid is unbalanced and therefore non-responsive and should be rejected. Section 00100.26.0 Rejection of Bids specifies submitting an unbalanced bid as grounds for rejection for non-responsiveness. "A basic rule of competitive bidding is that bids must conform to specifications, and if a bid does not so conform, it may not be accepted." (*Konica Business Machines U.S.A., Inc. v. The Regents of the University of California* (1988) 206 Cal.App.3d 449, 454 (Citations omitted).)

The bid irregularities contained in Ghilotti's bid are not inconsequential irregularities that may be waived by the City. A basic rule of competitive bidding for public contracts "is that bids must conform to specifications, and that if a bid does not so conform, it may not be accepted. However, it is further well established that a bid which substantially conforms to a call for bids may, though it is not strictly responsive, be accepted if the variance cannot have affected the amount of the bid **or given a bidder an advantage or benefit not allowed other bidders** or, in other words, if the variance is inconsequential." (*Ghilotti Construction Co., v. City of Richmond* (1996) 45 Cal.App.4th 897, 904. Emphasis added.) The guiding criterion is whether waiver of the irregularity would constitute favoritism and would give an advantage to the irregular bidder. (*MCM Construction, Inc. v. City & County of San Francisco* (1998) 66 Cal.App.4th 359.) Furthermore, whether in any given case a bid varies substantially or only inconsequentially from the call for bids is a question of fact. (*Ghilloti, supra*, 45 Cal.App.4th at 906.) The factual issue to be resolved is whether the variation resulted in an unfair competitive advantage in the bidding process. (*Id.*) Factors to determine whether a deviation is a minor irregularity or substantial departure include whether the deviation could be a vehicle for favoritism, affect the amount of the bid, influence potential bidders to refrain from bidding, or affect the ability to make bid comparisons. (*Id.*)

Using the reasoning contained in *Valley Crest Landscape, Inc. v. City Council of Davis* (1996) 41 Cal.App.4th 1432, as well as the *Ghilotti* and *MCM Construction* cases, the omissions contained in Ghilotti's bid are a material irregularity because (1) by not submitting the required Contractor Experience/Key Personnel Experience, the qualifications, skills, and experience of Ghilotti and its key

personnel are not subject to the scrutiny that would be required of any other low bidder; (2) Ghilotti failed to list a manufacturer in conjunction with a supplier which essentially allows Ghilotti to bid shop, therefore giving Ghilotti an unfair economic advantage not allowed to other bidder; and (3) Ghilotti submitted an unbalanced bid that is commercially unreasonable and so unrealistic as to generate a reasonable doubt that awarding the contract to Ghilotti would result in the lowest ultimate cost to the District. Therefore, these mistakes cannot be waived as an immaterial irregularity.

An agency must determine whether a bid is responsive to the call of bids, that is, whether the bid promises to do what the bidding instructions demand. (*D.H. Williams Construction, Inc. v. Clovis Unified School District* (2007) 146 Cal.App.4th 757, 764.) A determination that a bid is nonresponsive is not based on disputed facts, does not involve an exercise of agency discretion, and does not require a hearing for the excluded bidder. (*Id.*)

Furthermore, a determination of nonresponsiveness is less complex than a determination for nonresponsibility because,

the district or agency has, before soliciting bids, exercised its business and governmental judgment in defining a set of requirements for the work to be done. ***Responsiveness can be determined from the face of the bid and the bidder at least has some clue at the time of submission that problems might exist.*** In most cases, the determination of nonresponsiveness will not depend on outside investigation or information and a determination of nonresponsiveness will not affect the reputation of the bidder. Given the predetermination of bid specifications, and given the more apparent and less external nature of the factors demonstrating nonresponsiveness, less due process is reasonably required with that determination than when nonresponsibility is declared.

(*Taylor Bus Service, Inc. v. San Diego Board of Education* (1987) 195 Cal.App.3d 1331, 1342. Emphasis added.)

California law requires the project be awarded to the lowest responsive responsible bidder. "A bidder is responsible if it can perform the contract as promised...[and] a bid is responsive if it promises to do what the bidding instructions require." (*MCM Construction Inc., v. City and County of San Francisco* (1998) 66 Cal.App.4th 359, 368.) Because Ghilotti's bid is non-responsive, pursuant to California law and the Contract Documents it must be rejected. As the lowest responsive bidder MCI should be awarded the contract.

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North Marin Water District  
August 2, 2016  
Page 6 of 6

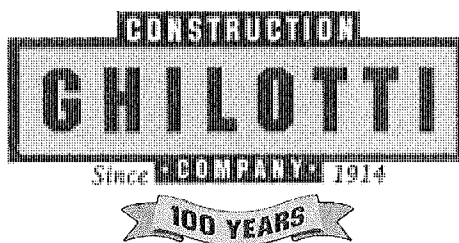
Please direct all future correspondence regarding this matter to my attention. Please also ensure that copies of this correspondence are provided to those bidders potentially affected by the outcome of the protest pursuant to Specification Section 00100.13.0A.

Very truly yours,

  
Erin S. Sanchez

cc: Mountain Cascade, Inc.





August 8, 2016

North Marin Water District  
999 Rush Creek Place  
Novato, Ca 94948

Re: Recycled Water Expansion to Central Service Area - West  
NMWD File: 5.6058.40  
Bid Protest Response

Dear Mr. McIntyre,

Ghilotti Construction Company, Inc (GCC) is in receipt of the Mountain Cascade, Inc (MCI) protest letter dated August 2, 2016. GCC's response is as follows:

- 1) GCC failed to submit Key Personnel Experience.

**Response:** The bid documents contain a Table of Contents (TOC) which lists the various documents associated with the Bidding Requirements (TOC-1). This list of documents does include Form 00420 - Certification of Bidder's Experience and Qualifications. GCC complied with the requirement to show its experience on this form. Section 00100 – Instruction to Bidders contains no requirement to list Key Personnel Experience.

Form 00300-1 of the bid documents contains a Checklist showing the information necessary to be submitted with the bid. While Form 00420 - Certification of Bidder's Experience and Qualifications is included in this checklist, Key Personnel Experience is not.

Paragraph 00100 – 17.0 Qualification of Bidder states the following:

*Each bidder shall complete and submit with their bid Section 00420, **CERTIFICATION OF BIDDER'S EXPERIENCE AND QUALIFICATIONS**.*

*Upon the request of District, any bidder whose bid is under consideration for the award of the Contract shall promptly submit satisfactory evidence showing the bidder's financial resources, its construction experience, and its organization's availability for the performance of the Contract.*

*The bidder may be required to establish to the satisfaction of the District the reliability and responsibility of the persons or entities proposed to furnish and perform the Work described in the Documents.*

— Engineering Contractor —

Per this paragraph, the District could request from GCC evidence showing its “construction experience” and “reliability and responsibility of the persons to perform the Work”.

GCC would comply if such a request was made.

Additionally, two addenda were issued for this contract, neither added a requirement to list Key Personnel Experience.

Lastly, GCC has very recently completed two large projects with the NMWD. As such, the District certainly would have knowledge of GCC personnel’s ability to perform the work described in this contract.

2) GCC listed a pipe and valve supplier rather than a manufacturer.

**Response:** The instructions for Form 00450-2 – Schedule of Major Equipment and Materials states the following: “The following named items of equipment and materials will be supplied by the manufactures or suppliers as indicated by the bidder.”

3) GCC’s bid is unbalanced.

**Response:** As directed per the specification, GCC included the cost of excavation for the pipeline in the various items of work containing pipe. As an example Section 01025 – Price and Payment paragraph 1.05 states the following:

*“BID ITEM 3: RECYCLED WATER 8-INCH and 12-INCH PIPELINES –SOUTH NOVATO BLVD, ROWLAND BLVD, AND REDWOOD BLVD– Lump Sum*

*B. Includes all costs for construction of 8-inch and 12-inch PVC or FPVC pipe installed by the open-cut or HDD method, as shown on drawings WC001 to WC019 from STA 0-20 to STA 94+93, including all utility potholing, pipe materials, special fabrications, valves, pipe elbows, pipe tees, pipe reducers, flanges, blind flanges, painting, all site clearing, existing improvement protection, excavation, joint and pipe restraints, bedding foundation support materials, thrust blocks, backfill, compaction, dewatering including disposal, warning tapes, tracer wires, tracer wire boxes, telemetering conduit and boxes, cathodic protection, filter fabrics, backfilling the same day in streets, placement of temporary asphalt or steel plates, temporary fences, approved support of existing utilities, repair of existing utilities damaged by Contractor, removal and disposal of existing pipes and structures as shown on the Drawings, removal and disposal of trench spoils, surface restoration including but not limited to survey monuments, curbs and gutters, trench restoration, all traffic control including all necessary delineators and*

*flaggers, raising all castings to grade, temporary pavement markers, final restriping, signs, top soil, landscaping, tree replacement, irrigation systems, fences, drainage ways, pavement, etc., together with all cleanup, testing of new pipe, testing of backfill, paving restoration material and concrete, all labor, equipment, materials and incidentals, and all work as necessary for completion of this work, complete-in-place, as specified in the Contract Documents, and as directed by the Construction Manager.”*

Both Excavation and Hard Rock are defined in Section 02200 – EARTHWORK.

Section 02200 – EARTHWORK states the following:

*The work of this Section includes all earthwork required for construction of the project. Such earthwork shall include, but not be limited to, all clearing and grubbing, removal of water, excavation of all classes of material of any nature which interfere with the construction work,*

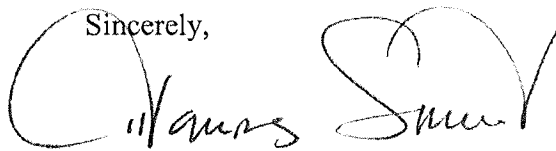
Section 02200 – 3.03 also part of the EARTHWORK section, contains the definition of Hard Rock.

As such, GCC included the costs associated with Hard Rock in the various items of pipeline work.

**Summary:** None of the statements made by MCI – even if they were accurate – gave Ghilotti Construction Company a competitive advantage. 1) The District has first-hand knowledge of GCC key personnel’s ability to perform the work. 2) GCC is obligated to use equipment and materials required by the contract. 3) GCC’s bid is not unbalanced – as required per the specification, it included the cost for excavation and hard rock in the various items for pipeline.

If you have additional questions or wish to discuss this matter please contact me at (707) 484-8292.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Smith". The signature is written in a cursive, flowing style with a large initial "T".

Thomas Smith  
Estimating Manager

**From:** Ronda Borden [mailto:RBorden@mountaincascade.com]  
**Sent:** Friday, August 12, 2016 10:19 AM  
**To:** Drew McIntyre  
**Cc:** David Hicks; Andrew Eldridge; Raquel Flores; Erin Sanchez  
**Subject:** Recycled Water Central Service Area - West Project

**BUSBY & ZAPPALA LLP**  
251 LAFAYETTE CIRCLE, SUITE 350  
LAFAYETTE, CALIFORNIA 94549  
Tel (925) 299-9600  
Fax (925) 299-9608

August 11, 2016

***Via Email***

North Marin Water District  
Attention: Drew McIntyre  
For RECYCLED WATER CENTRAL SERVICE AREA – WEST PROJECT, 5 6058.40  
999 Rush Creek Place  
Novato, CA 94945

**Re: Recycled Water Central Service Area – West Project  
Bid Protest of Mountain Cascade, Inc.**

Dear Mr. McIntyre:

We are in receipt of Ghilotti Construction's ("Ghilotti") response to Mountain Cascade, Inc.'s ("MCI") bid protest dated August 2, 2016. MCI reiterates that Ghilotti has submitted a nonresponsive bid and as the lowest responsive and responsible bidder, MCI should be the recipient of the contract award for this project and hereby demands such.

- 1. Ghilotti failed to submit the Contractor Experience/Key Personnel Experience referenced in Item 4 of the Mandatory Pre-Bid Conference Agenda on June 28, 2016 which is a binding document.**

While Ghilotti states that the Specifications do not require a listing of Key Personnel Experience, Ghilotti did, in fact, fail to include the **required** Contractor Experience/Key Personnel Experience referenced in Item 4 of the Pre-Bid Conference Agenda on June 28, 2016. It is immaterial that Ghilotti submitted the Certification of Bidder's Experience and Qualifications pursuant to Paragraph 00100-17.0; MCI submitted this as well. However, this is not a replacement for the required information per the Pre-Bid Conference Agenda. .

Additionally, Ghilotti argues that two addenda were issued, neither of which added a requirement to include Contractor Experience/Key Personnel Experience. Not so. Addendum Number 1 included the Mandatory Pre-Bid Meeting Attendee List; Ghilotti was in attendance at the June 28, 2016

pre-bid meeting which called out it was “Necessary to include Key Personnel Experience with the bid”. Ghilotti must not be excused from complying with this requirement.

Finally, it is completely irrelevant and improper to suggest that Ghilotti may be excused from this requirement because “GCC has very recently completed two large projects with the NMWD . . . as such, the District certainly would have knowledge of GCC personnel’s ability to perform the work described in this contract.” Ghilotti implies that it should be given special treatment by the District because of its previous contractual relationships. “Competitive bidding laws are passed for the benefit and protection of the taxpaying public, not for the benefit and enrichment of bidders. Their purposes, among others, are to guard against favoritism, improvidence, extravagance, fraud and corruption; to prevent the waste of public funds; and to obtain the best economic result for the public.” (*M&B Construction v. Yuba County Water Agency* (1999) 68 Cal.App.4th 1353, 1360.)

**2. Ghilotti listed a pipe, pipe fittings, and valve supplier rather than a manufacturer.**

Ghilotti’s response ignores Paragraph 1 of the instructions of Form 00450-2 – Schedule of Major Equipment and Materials. It provides: “The bidder *shall* name a *manufacturer* for each item and the supplier if the supplier is not the manufacturer.” (Emphasis added.) Listing a supplier only, rather than a supplier and manufacturer, gives Ghilotti the opportunity to shop, through its supplier, for cheaper prices than the manufacturer/prices used at the time of bid. Ghilotti’s failure to list a pipe/pipe fitting/valve manufacturer is consequential and it gives Ghilotti an advantage and monetary benefit not allowed to the other bidders. By allowing Ghilotti to substitute manufacturers after the opening of the bids the District allowed Ghilotti the opportunity to bid shop in direct violation of the Act. This provides Ghilotti with an unfair monetary advantage not allowed to the other bidders.

**3. Ghilotti’s bid is unbalanced.**

In its response, Ghilotti directs the District’s attention to Bid Item 3, when MCI’s protest is directed at Bid Item 12. It can be reasonably assumed that Bid Item 3 includes non-rock excavation while Bid Item 12 is included to encompass situations where rock is encountered. Otherwise there would be no reason to include Bid Item 12. Ghilotti specifically mentions Section 02200 – EARTHWORK, and subsection 3.03 regarding Hard Rock. However, the description of Bid Item 12 amends Section 02200.3.03 and sets forth that this bid item is for Hard Rock excavation and “proper” disposal” of which Ghilotti’s \$10 per cubic yard is substantially inadequate.

The fact remains that Ghilotti’s bid is significantly unbalanced and there is no feasible way Ghilotti could complete the work set forth in Bid item No. 12 at \$10.00 per cubic yard. The District has reserved the right “to reject any and all bids and further reserves the right to reject any bids which are a) non-responsive (e.g. bids which are incomplete, obscure, or irregular; bids which omit a bid on any one or more item on which the bids are required; *bids which are unbalanced* . . .” (Emphasis added.) Ghilotti’s bid for Bid Item 12 is commercially unreasonable and so unrealistic as to generate a reasonable doubt that awarding the contract to Ghilotti would result in the lowest ultimate cost to the District. Due to the unreasonable and unrealistic bid unit price amount, Ghilotti’s bid is non-responsive.

The bid irregularities contained in Ghilotti’s bid are not inconsequential irregularities that may be waived by the City. The guiding criterion is whether waiver of the irregularity would constitute favoritism and would give an advantage to the irregular bidder. (*MCM Construction, Inc. v. City &*

*County of San Francisco (1998) 66 Cal.App.4th 359.*) Because Ghilotti's bid is non-responsive, pursuant to California law and the Contract Documents it must be rejected. Ghilotti must not be given special treatment because it has a contractual history with the District. Likewise, Ghilotti is obligated to complete its bid correctly and be in conformance with all requirements, just as all other bidders are. Finally, as per Ghilotti's response letter Ghilotti did not bid Bid Item 12 per the Specifications, resulting in an unbalanced bid. As the lowest responsive bidder MCI should be awarded the contract.

Very truly yours,

*ESanchez*

Erin S. Sanchez

cc: Mountain Cascade, Inc.

**BOLD, POLISNER, MADDOW, NELSON & JUDSON**

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SHARON M. NAGLE  
DOUGLAS E. COTY  
TIMOTHY J. RYAN

FREDERICK BOLD, JR.  
(1913-2003)

August 19, 2016

Erin Sanchez  
Busby & Zappala LLP  
251 Lafayette Circle, Suite 350  
Lafayette, CA 94549

**COPY SENT BY E-MAIL TO**  
[esanchez@bzlawllp.com](mailto:esanchez@bzlawllp.com)

Re: Recycled Water Expansion to Central Service Area – West Project  
North Marin Water District Project No. 5-6058.40

Dear Ms. Sanchez:

As you may know, my office serves as General Counsel for the North Marin Water District. In this capacity, I have been asked to respond to the Bid Protest set forth in your August 2, 2016 letter in connection with the above project on behalf of the apparent second low bidder, Mountain Cascade, Inc., and to your August 11, 2016 response (received by e-mail the following day) to the submission by the apparent low bidder, Ghilotti Construction Company (Ghilotti), responding to your protest letter.

For the reasons that follow, the grounds for your client's protest as set forth in your letters are not well taken, and I have accordingly recommended that the protest be rejected in its entirety.

1. ***Failure to submit Key Personnel Experience***

In your August 2, 2016 letter, you correctly note that "Ghilotti failed to include the ... Contractor Experience/Key Personnel Experience referenced in Item 4 of the Pre-Bid Conference Agenda on June 28, 2016." However, because personnel experience was not required by the Contract Documents to be submitted with the bids, this "failure" is of no consequence, and does not provide a basis for the District to reject the Ghilotti bid.

Paragraph 00020-3.0 states "Bidding procedures are prescribed in the Contract Documents." There is no basis for a conclusion that "the Pre-Bid Conference Agenda on June 28, 2016" comprises any part of the Contract Documents. In fact, Paragraph 00020-2.0 states unequivocally that "The Contract Documents for this project consist of Volume 1 - Contract Documents and plans for the RECYCLED WATER EXPANSION CENTRAL SERVICE AREA — WEST Project."

Of course, as specified in Paragraph 00100-14.0, "Addenda issued during the time of bidding shall become a part of the documents furnished bidders for the preparation of bids, shall be covered in the bids, and shall be made a part of the Contract [Documents]." However, the Pre-Bid Conference Agenda upon which you rely as a "binding document" was neither added by nor even referenced in either of the two Addenda. Nor is such an Agenda referenced in Paragraph 00700-1.2, which establishes the order of precedence among the Contract Documents.

Paragraph 00020-2.0 goes on to state, "The Bidder's attention is directed to the Instructions to Bidders for complete instructions regarding submission of a bid." Paragraph 00100-7.0 (within the Instructions to Bidders) states "Bid shall be made on the separately bound bid forms in the Contract Documents and must be submitted at the time and place stated in the Invitation to Bid." Thus, if there was a requirement of submitting the experience of a bidder's personnel, it would be contained in the portion of the Contract Documents comprising the bid forms. Paragraph 00100-17.0 defines what is required to be submitted as part of the bid with regard to the bidder's respective qualifications: "Each bidder shall complete and submit with their bid Section 00420,

August 19, 2016

Erin Sanchez

Page 2

**CERTIFICATION OF BIDDER'S EXPERIENCE AND QUALIFICATIONS.**" Nothing in Section 00420, **CERTIFICATION OF BIDDER'S EXPERIENCE AND QUALIFICATIONS**, calls for bidders to submit with their bids the experience of their personnel.<sup>1</sup>

In your letter, you assert that your client "confirmed with the District prior to bid on July 26, 2016 that that information was indeed required to be submitted as part of the bid." However, Paragraph 000100-4.0 flatly prohibits such oral confirmations: "No oral representations or interpretations will be made to any bidder as to the meaning of the Contract Documents." Moreover, Paragraph 000100-4.0 goes on to state, "Requests to clarify possible ambiguous or incomplete statements or designs require issuance of an addendum by the District for the interpretation to become effective." Nothing in the questions and answers included in the Addenda even mention qualifications of bidders' personnel. Finally, had the District intended to add such a requirement, it would have attached a replacement Section 00420, **CERTIFICATION OF BIDDER'S EXPERIENCE AND QUALIFICATIONS**, in much the same way that it included a replacement Bid Schedule in each Addendum.

2. ***Failure to list manufacturers of pipe, pipe fittings, and valves***

Your August 2, 2016 letter asserts that "Ghilotti made a fatal mistake when it listed a supplier, Pace Supply, for the Pipe, Pipe Fittings, and Valves (Specifications Sections 15056, 15057, 15064, 15074, 15099, 15100, 15102, 15102, 15108 and 15300) rather than a manufacturer."<sup>2</sup> In response, Ghilotti's estimator references the penultimate paragraph of Section 00450, which provides:

The following named items of major equipment and materials will be supplied by the manufacturers *or suppliers* as indicated by the Bidder, where no manufacturer or brand name is specified or as specified by the District. By so indicating, *the Bidder warrants that the equipment and material manufactured and/or supplied by the named manufacturer or supplier will be provided* on the project unless review of submittal information or performance under tests reveals that the equipment or material does not meet the Contract requirements.

The language quoted by Ghilotti's estimator makes clear that it is *not* a fatal flaw to list only a supplier, and it can be inferred that a Bidder who has listed only a supplier would be committing to obtain the materials from that supplier, just as a Bidder who lists only a manufacturer would be committing to obtain the materials from that manufacturer. Beyond that, nothing commits a

---

1. The remaining subparagraphs of Paragraph 00100-17.0 reference additional information that may be required to be submitted *after the bid opening*; this includes information about "the reliability and responsibility of the persons ... proposed to ... perform the Work." Thus, under Paragraph 02340-1.04 B, the "Contractor" (i.e., the successful bidder) must submit "Minimum Qualifications and Experience of Key Personnel" with respect to certain horizontal directional drilling activities.

2. According to your letter received by e-mail on August 12, 2016, this argument is based on the second sentence of the first paragraph of Section 00450 ("The bidder shall name a manufacturer for each item and the supplier if the supplier is not the manufacturer"). However, the sentence immediately preceding the sentence upon which you rely, clarifies the scope of what the "Bidders must designate": "the manufacturer/supplier of each item of equipment, materials or system *included on the attached list.*" Since the referenced list, beginning on page 00450-2 and continuing on page 00450-3, as it appears in the Contract Documents provided to Bidders is entirely blank, the Contract Documents did not require bidders to fill out Section 00450, and thus the District cannot reject the Ghilotti bid on this basis.



**BOLD, POLISNER, MADDOW, NELSON & JUDSON**

August 19, 2016

Erin Sanchez

Page 3

Bidder to stop shopping for a better price for materials or equipment; thus, your client could “shop” suppliers to seek better prices for the materials that it listed in Section 00450 in much the same way that Ghilotti could “shop” manufacturers to seek better prices for the materials that *it* listed in Section 00450. No unfair competitive advantage could result.

The further assertion in your August 2, 2016 letter that the listing of suppliers rather than manufacturers violates the Subcontracting Fair Practices Act is belied by the very definition of “subcontractor” in Public Contract Code section 4113: “As used in this chapter, the word ‘subcontractor’ shall mean a contractor, within the meaning of the provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, who contracts directly with the prime contractor.” As such, the Subcontracting Fair Practices Act and cases decided under it do not preclude bidders from seeking lower prices for materials or equipment.

Finally, the District is fully protected with respect to the quality of the materials to be supplied by the sections of the specifications that you referenced, which either specify a manufacturer<sup>3</sup> or refer to Appendix 3, the Approved Materials List,<sup>4</sup> where required manufacturers are identified. Moreover, the specifications also contain robust testing and other quality assurance requirements, including post-bid submittal requirements.<sup>5</sup>

It bears repeating that the text of Section 00450 requires bidders to identify only those suppliers or manufacturers for “equipment, materials or system[s]” specified *by the District* within the table beginning on page 00450-2 of the Contract Documents. No “equipment, materials or system[s]” were so specified, so there were no “equipment, materials or system[s]” for which the Bidders were required to identify manufacturers or suppliers.<sup>6</sup> Accordingly, any asserted deficiencies in Ghilotti’s entries on pages 00450-2 could not render the bid nonresponsive.

Thus, there is no basis for the District to reject Ghilotti’s bid for not listing manufacturers.

**3. *Unbalanced bid***

In your August 2, 2016 letter, you correctly note that in Paragraph 00100-26.0, “[t]he District reserves the right, at its sole discretion, to reject any and all ... bids which are unbalanced.” You also correctly note that the unit price for removal of a cubic yard of hard rock as set forth in Item 12 of the Bid Schedule submitted by Ghilotti is \$10, well below the corresponding unit prices listed by the other bidders. That, however, falls far short of being the basis for a conclusion that the Ghilotti bid is unbalanced. Indeed, the reason that the District reserved the right – but not the obligation – to reject a bid as unbalanced is for the protection of its ratepayers, to prevent bidders from “gaming” a bid schedule, by contriving to indirectly increase the price of the completed project upon the happening of certain contingencies. There is no conceivable way that the

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3. E.g., p. 15065-2.

4. E.g., pp. 15056-4 & -5; 15057-2; 15064-4; 15074-1; 15099-2 & -3; 15100-3 & -4; 15102-3; 15108-4; 15300-2.

5. Among the potential post-bid submittals is “[c]omplete information for products proposed as equals,” to be submitted on the fifth day following the bid opening, as specified in Paragraph 00020-3.0. This sentence is the only reference to Section 00450 in either the Invitation to Bid or the Instructions to Bidders.

6. As noted above, paragraph 000100-4.0 states that clarifications – whether written or oral – “require issuance of an addendum by the District for the interpretation to become effective.”

**BOLD, POLISNER, MADDOW, NELSON & JUDSON**

August 19, 2016

Erin Sanchez

Page 4

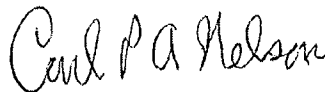
unduly low price for hard rock removal could result in a greater project cost to the District.<sup>7</sup> Accordingly, there is no reason for the District to exercise its discretion to reject Ghilotti's bid, even if it were truly unbalanced.

Your August 12, 2016 letter closes by asserting that the waiver of the "irregularities" would constitute favoritism, citing *MCM Construction, Inc. v. City & County of San Francisco* (1998) 66 Cal.App.4th 359. However, it is instructive that in *MCM Construction, Inc.*, the court made clear that favoritism could not be shown simply by the fact that a public agency determined to waive irregularities that it found to be inconsequential. (*Id.*, at 377.) Moreover, the court emphasized that the significance of irregularities "must be evaluated from a practical rather than a hypothetical standpoint, with reference to the factual circumstances of the case. They must also be viewed in light of the public interest, rather than the private interest of a disappointed bidder." (*Id.*, at 370.) None of the matters discussed above would give Ghilotti any advantage not enjoyed by any other bidder.

In closing, it is well settled that "[t]he provisions of statutes, charters and ordinances requiring competitive bidding ... are enacted for the benefit of property holders and taxpayers, and not for the benefit or enrichment of bidders, and should be so construed and administered to accomplish such purpose fairly and reasonably with sole reference to the public interest. These provisions are strictly construed by the courts, and will not be extended beyond their reasonable purpose." (*Domar Electric, Inc. v. City of Los Angeles* (1994) 9 Cal.4th 161, 173; see *Associated Building Contractors v. Contra Costa Water District* (1995) 37 Cal. App. 4th 466, 471 (no statute requires county water districts to award public works contracts under competitive bidding principles).)

Accordingly, it is my recommendation that the protest be rejected in its entirety.

Yours very truly,



Carl P. A. Nelson

cc: Drew McIntyre, North Marin Water District (by e-mail)  
Thomas Smith, Ghilotti Construction Company (by e-mail)

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7. Moreover, Ghilotti's estimator provided a sensible explanation for the low unit price: most of the actual costs of rock removal were include in lump sum bid items where the work included excavation activities. It is therefore unnecessary to address the inapplicable federal materials mentioned in your letter.



**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

July 28, 2016

Thomas Smith  
Ghilotti Construction Company  
246 Ghilotti Ave  
Santa Rosa, CA 95407

RE: Recycled Water Expansion to Central Service Area - West  
NMWD File: 5 6058.40

Dear Mr. Smith:

This letter is regarding the Bid Schedule submitted by Ghilotti Construction Company (GCC) for the North Marin Water District's (NMWD) *Recycled Water Expansion to Novato Central Service Area - West Project*. Bid Item 15, Paving Restoration, included in GCC's bid has a unit cost of \$95/ton. The second and third low bidders submitted unit costs of \$190/ton and \$180/ton for Bid Item 15. As a relevant comparison, in the three low bids on the NMWD's *Recycled Water Expansion to Novato Central Service Area - East Project*, unit pricing for Paving Restoration were \$200/ton, \$210/ton and \$225/ton. GCC's Paving Restoration unit price bid for the *East Project* was \$200/ton.

As a result of this unit price variance, the District is requesting the following information and response from GCC no later than August 1, 2016:

1. An explanation of the \$95/ton unit price for Paving Restoration as it relates to the other bidders' unit prices and GCC's East Project bid unit price of \$200/ton.
2. GCC's assurance that they understand the Scope of Work associated with Bid Item 15 and that GCC will provide all paving restoration as required by plans, specs and applicable standards at no additional cost or claim to the District.
3. GCC's assurance that this bid item variance will not adversely affect the performance of other Contract work.

If you have any questions please contact me at 415-761-8912.

Sincerely,

Carmela Chandrasekera for

Drew McIntyre  
Chief Engineer

DM:redm  
R:\Folders by Job No\6000 jobs\6058\WEST OF 101 HWY\Bid Phase\6058.40 ltr to GCC re Bid Item 15.docx



August 1, 2016

North Marin Water District  
999 Rush Creek Place  
Novato, Ca 94948

Re: Recycled Water Expansion to Central Service Area - West  
NMWD File: 5 6058.40

Dear Mr. McIntyre,

Ghilotti Construction Company, Inc (GCC) is in receipt of the District's letter dated July 28, 2016. This letter is intended to serve as the requested response.

GCC assures the district that we familiarized ourselves with the plans and specs in the preparation of our bid for this project. GCC stands ready, willing and able to perform the contract work as called for in the bid documents and per our submitted pricing.

If you have additional questions or wish to discuss this matter please contact me at (707) 484-8292.

Sincerely,

Thomas Smith  
Estimating Manager

— Engineering Contractor —

Bid Items From Bid Schedule (00310)				Engineer's Estimate		Gillotti Construction		Mt. Cascade		Argonaut Constructors	
Item No.	Qty.	Unit	Description of Items	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	LS		Mobilization/demobilization allowance (not to exceed 5% of total bid amount).			NA	\$250,000	NA	\$200,000	NA	\$300,000
2	LS		Trenching, sheeting, shoring, and bracing or equivalent method of protection of works in accordance with Section 0700-0708 of the California Labor Code.			NA	\$65,000	NA	\$400,000	NA	\$83,000
3	LS		All work to construct the 8-inch and 12-inch recycled water pipelines, recycled water services and RW hydrant laterals and appurtenances in S. Novato Blvd., Rowland Blvd. and Redwood Blvd., from approximately STA 0+20 to STA 94+93 as shown on drawings WC001 through WC019 and CD-01 & CD-02 except work related to Bid Items 1, 2, 4, 5, 6, 12, 14, 15, 16, 17, 19 & 20.			NA	\$2,200,000	NA	\$1,035,300	NA	\$2,050,000
4	LS		All work to construct portion of the 12-inch FPVC recycled water pipeline in Rowland Blvd by HDD method and all appurtenances approximately between STA 7+50 to STA 10+00 as shown on drawing WC002 except work related to Bid Items 1, 2, 3, 15, 16, 17, 19 & 20.			NA	\$60,000	NA	\$65,000	NA	\$105,000
5	LS		All work to construct portion of the 12-inch FPVC recycled water pipeline in Redwood Blvd by HDD method and all appurtenances approximately between STA 21+50 to STA 25+00 as shown on drawing WC005 except work related to Bid Items 1, 2, 3, 15, 16, 17, 19 & 20.			NA	\$75,000	NA	\$78,000	NA	\$135,000
6	LS		All work to construct portion of the 12-inch FPVC recycled water pipeline in Redwood Blvd by HDD method and all appurtenances approximately between STA 79+25 to STA 81+00 as shown on drawing WC016 and WC017 except work related to Bid Items 1, 2, 3, 15, 16, 17, 19 & 20.			NA	\$55,000	NA	\$59,000	NA	\$85,000
7	LS		All work to construct the 12-inch recycled water pipeline and appurtenances in S. Novato Bike Path, from approximately STA 0+62 to STA 37+00 as shown on drawings WC020 through WC026 and CD-01, CD-02 and providing shuttle service per drawing D601 except work related to Bid Items 1, 2, 12, 15, 16, 17, 19, 19 & 20.			NA	\$710,000	NA	\$690,000	NA	\$765,000
8	35 Loops		All work to construct the 12-inch FPVC recycled water pipeline within Inn Marin property by HDD method and all appurtenances approximately between STA 37+00 to STA 43+95 as shown on drawings WC026 - WC028 except work related to Bid Items 1, 2, 15, 16, 17, 19 & 20.			NA	\$150,000	NA	\$160,000	NA	\$230,000
9	LS		All work to construct the 12-inch recycled water pipeline, recycled water services and RW hydrant laterals and appurtenances in Entrada Drive, and Ignacio Blvd. from approximately STA 43+95 to STA 97+07 as shown on drawings WC029 through WC038 and CD-01, CD-02, except work related to Bid Items 1, 2, 12, 14, 15, 16, 17, 19 & 20.			NA	\$1,150,000	NA	\$888,000	NA	\$920,000
10	LS		All work to construct the 16-inch O.D. HDPE recycled water pipeline installed by HDD method and 12-inch PVC pipe and all appurtenances from Entrada Drive to Norman Tank approximately between STA 0+00 to STA 5+12 as shown on drawing WC039 and WC040 except work related to Bid Items 1, 2, 15, 16, 19 & 20.			NA	\$280,000	NA	\$300,000	NA	\$350,000
11	LS		All work to construct the 16-inch recycled water pipeline and 2-inch schedule 40 conduit inside an 24-inch FPVC casing installed by HDD method and all appurtenances under Highway 101 approximately between STA 1+75 to STA 5+75 as shown on drawing WC041 except work related to Bid Items 1, 2, 15, 16, 17, 19 & 20.			NA	\$0	NA	\$0	NA	\$0
12	750 CY		Excavation of hard rock together with proper disposal of rock as defined in spec section 02200.3.03. The unit price set forth herein shall remain fixed regardless of the actual quantity of hard rock excavated compared to the estimated bid volume.			\$10 /cy	\$7,500	\$110/cy	\$82,500	\$150/cy	\$112,500
13	LS		Onsite retrofit for recycled water for irrigation use. All sites listed on Dwg. R31.			NA	\$225,000	NA	\$280,000	NA	\$175,000
14	28 Loops		Traffic Loop replacement per Caltrans Std. Type 2 loop wire with hot melt sealant and associated paving			\$500 /loop	\$14,000	\$550/loop	\$15,400	\$3000/loop	\$84,000
15	5,000 tons		Paving Restoration, except for areas covered by Bid Item 14 Traffic Loop Replacement.			\$95/ ton	\$475,000	\$100/ton	\$950,000	\$180/ton	\$900,000
16	LS		Re-striping of all street markings damaged or disturbed by work under this contract, including damage by			NA	\$30,000	NA	\$45,000	NA	\$40,000
17	88 crossings		Street light conduit crossings			\$450 /crossing	\$39,600	\$600/crossing	\$52,800	\$500/crossing	\$44,000
18	2 permits		Caltrans Encroachment Permit Fees			NA	\$1,500	NA	\$1,500	NA	\$1,500
19	LS		City of Novato Encroachment Permit Fees			NA	\$101,011.50	NA	\$101,011.50	NA	\$101,011.50
20	LS		As-Built Drawings			NA	\$10,000	NA	\$10,000	NA	\$10,000
<b>Total Base Bid :</b>					\$6,600,000		\$5,878,611.50		\$6,393,511.50		\$6,491,011.50

Bid Items From Bid Schedule (00310)	Engineer's Estimate	Giulotti Construction	Mt. Cascade	Argonaut Constructors
<b>Bid Forms:</b>				
"N" Stamped before bid closing (00310)		Yes	Yes	Yes
Bid multiples out and sums correctly		Yes	Yes	Yes
Bid value in word entries with numerals		Yes	Yes	Yes
License Checks Out (00300) Possesses Class A License		Yes	Yes	Yes
Bid Form (00300-1) Addenda 1 & 2 acknowledged		Yes	Yes	Yes
Bid Form - Contractor's Licensing Statement (00300-2)		Yes	Yes	Yes
Bid Form - Signed by Authorized Individual (00300-5)		Yes	Yes	Yes
Bid Form - Board Authorization Resolution (00300)		Yes	Not provided	Not provided
Bid Form - Iran Contracting Act Cert (00400)		Yes	Yes	Yes
Bid Form - Bid Guaranty Bond (00410)		Yes	Yes	Yes
Bid Form - Cert. of Bidders Experience and Qualifications (00420)		Yes	Yes	Yes
Bid Form - List of Subcontractors (00430)		Yes	Yes	Yes
Bid Form - Site Visit Affidavit (00440)		Yes	Yes	Yes
Bid Form - Sched of Major Equipment & Material Supplier, Projects Identified (00460)		Yes	Yes	Yes
Bidders Affidavit of Non-Collusion (00480)		Yes	Yes	Yes
Escrow Agreement (00490)		NA	NA	NA
DBE Forms (00495)		Yes	Yes	Yes
<b>Subcontractors:</b>		Listed	Listed	Listed
Grinding		ABSI Construction		
HDD		Cross Country HDI	Cross Country HDI	Downing Diversified
Landscape		Main Landscaping	Main Landscaping	
Shipping		Centerline Shipping	Chrisp Co.	Chrisp Co.
Trucking		R & S Trucking		
Electric		Mike Brown Electric		Mike Brown Electric

Material & Equipment Manufacturers:	Specified	Bid	Comply	Bid	Comply	Bid	Comply
15056 Fittings, Ductile Iron				Tyler		Tyler Star/Pace	
15057 Copper Tubing/Brass & Bronze Pipe Fittings						Mueller/Pace	
15064 Pipe PVC				Vinyltech		Plastics/Pace	
15065 Fusible PVC		Underground Solutions		Underground Solutions			
15100 Valve, Gate RW				Clow		Clow/Pace	
15102 Valve Butterfly						Valmatic/Pack	
15108 Air Valve				Vent O Mat		Crispin/Pace	
02223 Bedding & Backfill		BoDean Co.					
02591 HDPE Pipe				Performance			
02700 Asphalt Concrete		BoDean Co.					
15056, 15057, 15084 15074, 15099, 15100, 15102, 15109, 15300		Pace Supply					
03300 Ready Mix Concrete		Shamrock					

## Drew McIntyre

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**From:** August, Barbara@Waterboards <Barbara.August@waterboards.ca.gov>  
**Sent:** Thursday, August 04, 2016 1:53 PM  
**To:** Drew McIntyre  
**Cc:** Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera  
**Subject:** RE: RWC West Plans\_Specs - DBE GFE Confirmation

Drew,

I've reviewed the bid packages. Ghilotti and Mountain Cascade are DBE compliant. For Argonaut, I just need to see the proof of DBE certification for Downing Diversified. Otherwise, it all looks good.

Thanks,  
Barbara

---

**From:** Drew McIntyre [<mailto:dmcintyre@nmwd.com>]  
**Sent:** Monday, August 01, 2016 2:01 PM  
**To:** August, Barbara@Waterboards  
**Cc:** Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera  
**Subject:** RE: RWC West Plans\_Specs - DBE GFE Confirmation

Hello Barbara,

This is for the second (called West Project) of what we expect will be four separate bid packages for Central Expansion Project. We are attaching the bids from the three lowest bidders for the West Project. Can you confirm they are all GFE compliant?

Thanks,

Drew

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**From:** Drew McIntyre  
**Sent:** Tuesday, July 12, 2016 10:09 AM  
**To:** 'August, Barbara@Waterboards'  
**Cc:** Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera  
**Subject:** RE: RWC East Plans\_Specs - DBE GFE Confirmation

Hello Barbara,

We are attaching the bids from the three lowest bidders for the above project. Can you confirm they are all GFE compliant?

Thanks,

Drew

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**From:** August, Barbara@Waterboards [<mailto:Barbara.August@waterboards.ca.gov>]  
**Sent:** Wednesday, May 18, 2016 7:47 AM

11



## MEMORANDUM

To: Board of Directors

September 2, 2016

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: FY 16 Water Conservation Year End Report

V:\Memos to Board\Quarterly Reports\Year End Report 15\_16\Water Conservation FY 2015\_2016 Year End Report.docx

**RECOMMENDED ACTION:** Information**FINANCIAL IMPACT:** None**Water Conservation and Public Outreach Summary**

This memo provides an update on all water conservation and public outreach activities implemented during Fiscal Year 2015/2016 (FY 16). Water Conservation participation numbers for FY 16 and previous two fiscal years are summarized in Table 1 below.

**Table 1: Year End Water Conservation Program Participation (July through June: 2014 - 2016)**

<b>Program</b>	<b>FY 16</b>	<b>FY 15</b>	<b>FY 14</b>
Water Smart Home Surveys	224	364	366
Water Smart Commercial Surveys	5	7	5
High Efficiency Toilet Replacements (Residential)	354	352	348
High Efficiency Toilet Replacements (Commercial)	4	17	1
Retrofit on Resale (Dwellings Certified)	236	288	293
High Efficiency Washing Machine Rebates	103	155	308
Cash for Grass Rebates	132 <sup>(1)</sup>	133	52
Water Smart Landscape Rebates	7	8	9
Water Smart Irrigation Controller Rebates	7	8	18
New Development Approvals (Residential)	28	27	18
New Development Approvals (Commercial)	21	22	14
Large Landscape Audits (measured by number of accounts)	8	0	5
Large Landscape Budgets (measured by number of accounts)	438	438	437

(1) Cash for Grass participants removed 132,226 square feet of turf versus 114,341 in FY 15 and 46,485 in FY 14.

**Water Conservation Programs**

Water Smart Home Survey (WSHS) Program: This program provides the customer with an in-depth analysis of both their indoor and outdoor water use with water efficient recommendations for customers to implement. The WSHS Program also provides staff with an opportunity to present applicable rebate programs to which the participating customer may be eligible. WSHS participation dropped to 224 WSHS' completed during FY 16 compared to 364 in the previous year. Currently the WSHS program is implemented by Sonoma County Water Agency through the Sonoma Marin Saving Water Partnership, with the District having

administrative oversight.

In addition to the WSHS program, the District has worked with Rising Sun Energy Center to implement the Green House Call program since 2007. The Green House Call Program, jointly funded by the energy and water providers, is offered to homeowners and renters. The service checks homes for energy and water efficiency and provides personalized recommendations for further savings (focusing mainly on indoor conservation). In FY 16, 200 Green House Calls were performed in the Novato Service Area.

Water Conservation Fixture Distribution: The District continues to distribute water conserving fixtures at the front counter of the District Administration Building, on service calls and WSHS, and at various public outreach events. Fixtures include 1.5 to 2.0 gallon per minute (GPM) showerheads, 1.0 and 0.5 GPM sink aerators, hose nozzles (when available) and other related items. We also offer commercial establishments installation of 0.5 GPM sink aerators on all hand-washing sinks when conducting a Water Smart Commercial Survey.

High Efficiency Toilet (HET) Replacement Program: The District provides \$100 rebates for residential and commercial customers, for purchase and installation of qualified HETs (1.28 gallons per flush) and \$150 rebates for customers installing Ultra High Efficiency Toilets (1.1 gallons per flush or less). During FY 16, the District replaced 354 residential toilets through rebates and free distributions.

Retrofit on Resale: The District currently requires toilets (1.6 gallons per flush or less), showerheads (2.0 gallons per minute) and bathroom sink aerators (1.5 gallons per minute) to be certified by the seller before the close of escrow of any property sold in the District service area. In FY 16, the District received water conservation certificates for 236 properties sold in Novato.

High Efficiency Clothes Washer Rebate Program: The District currently offers rebates for qualified high efficiency clothes washing machines through the Sonoma-Marín High Efficiency Clothes Washer Program, with rebates paid directly by the District (\$50 rebate). In FY 16, the District rebated 103 clothes washing machines. This dip in participation level is likely due to the criteria for rebate eligibility being reduced to even more efficient models.

Cash for Grass Rebate Program: The District rebated 132 Cash for Grass projects, removing a total of 132,226 square feet of automatically irrigated turf in FY 16, resulting in the second best year ever for program participation and the highest square footage year for lawn area removal. Cash for Grass program participation levels remained significantly high this year due to the drought and increased program marketing. In addition to the Cash for Grass participation, the District also had 5 customers participate in the "Lawn be Gone" sheet mulching

program which eliminated another 3,500 square feet of irrigated turf.

Water Smart Landscape Rebate Program: The District rebates customers for improving landscape water use efficiency. Rebates are provided for drip irrigation installations, multi-stream/low volume sprinkler retrofits, mulch, rain sensors and other efficient retrofits. In FY 16, the District rebated 7 projects.

Water Smart Irrigation Controller Rebate Program: Rebates are available for purchase, installation and activation of District approved Smart Irrigation Controllers (Smart Controllers) at a minimum level of \$200, or \$30 per active station, up to \$1,200. This rebate also extends to large landscape customers on a per meter basis. In FY 16 the District rebated 7 qualified controllers.

Large Landscape Water Conservation Program: The Large Landscape Water Conservation Program consists of the Large Landscape Audit Program, the Large Landscape Budget Program, Water Smart Controller Rebate Program (previously covered in the Water Smart Irrigation Controller Rebate Program section) and the Large Landscape Water Smart Landscape Efficiency Rebate Program. All programs are aimed at assisting large landscape accounts (dedicated irrigation and large mixed use meters) to become more water use efficient in their landscape water management practices. In FY 16, staff completed 8 audits although most efforts were focused on water use restrictions and water waste prevention due to mandated drought restrictions.

In addition to the District Large Landscape conservation efforts, the Sonoma Marin Saving Water Partnership implements the Qualified Water Efficient Landscaper (QWEL) trainings throughout the year.

Commercial Water Conservation Program: The Commercial Water Conservation Program currently offers the HET Rebate Program (previously covered in the High Efficiency Toilet Replacement Program), Water Smart Commercial Survey (WSCS), and a High Efficiency Clothes Washing Machine Rebate. In FY 16, staff completed 5 WSCS and rebated 4 HETs.

New Development Requirements: The District's New Development Requirements specify innovative and "state of the art" water efficiency measures for all new construction in both service areas. These requirements are enforced through water service agreements and the District's signature requirement for all applicable final occupancy permits with the City of Novato Building Department and Marin County Planning. In FY 16, staff inspected and approved 28 residential projects and 21 commercial projects.

New Conservation Programs: The District has added new programs over the last few

fiscal years including the Rainwater Catchment Rebate, Greywater Rebate, Pool Cover Rebate, Hot Water Recirculation System Rebate, and Lawn be Gone (previously mentioned in the Cash for Grass section of the report). In FY 16, the District rebated 4 rainwater catchment projects, 1 greywater project, 27 pool covers, 3 hot water recirculation systems, and provided materials to 5 lawn removal projects as a part of the "Lawn be Gone" Sheet Mulching Program.

## **Public Outreach and Conservation Marketing**

The Fall 2015 issue of "*Water Line*" was mailed out to Novato and West Marin service areas in November 2015 and focused on the continuing drought and State mandated water use regulations. The Spring 2016 issue of "*Water Line*" was mailed out to customers in early June 2016 and focused on the revised State Water Conservation Regulations for 2016. These newsletters continue to be the main source for information distribution to the customers in each service area.

The District also actively maintains a Facebook page with regular updates on water use efficiency, construction projects and other District activities. A very well attended "Drought Drive-Up Day" was held in July 2015 at the Novato Farmer's Market, where over 200 people came by to receive a free drought kit which included a bucket, showerhead, hose nozzle, sink aerator and leak detection dye tablet. Also in September 2015, the District participated in the Sonoma Marin Saving Water Partnership organized "Drought Drive-Up Day", to distribute similar water saving materials and fixtures. This event was held at the front entrance to the District office and was very well attended. The Residential Recycled Water Fill Station was rolled out to customers in July 2015 and operated through October 2015. The District also placed newspaper advertisements, and staffed outreach events, such as the Novato Farmer's Market, Eco Friendly Garden Tour, and Tour of Novato during FY 16.

In addition to the public information and outreach efforts directly implemented by the District, the Sonoma Marin Saving Water Partnership conducted many outreach efforts including the 2015 and 2016 Drought campaign which resulted in extensive advertising and press coverage in the Novato service area.

## **Water Conservation Budget and Staffing**

Table 2 summarizes and compares the year end budget expenditures between the last three fiscal years (FY 14, FY 15 and FY 16). The FY 16 budget was reduced to \$410,000 in response to reduced water sales in the first half of the fiscal year. FY 16 expenditures were still well below adjusted budget level.

**Table 2: Water Conservation and Public Outreach Expenditures (July 2014-June 2016)**

	<b>FY 16</b>	<b>FY 15</b>	<b>FY14</b>
Total Budget	\$410,000	\$445,000	\$400,000
Actual Expenditures	\$379,938	\$461,127	\$429,444

Staffing: Water Conservation is currently staffed by one full time Water Conservation Coordinator and one half-time Water Conservation Technician. The District has also partnered with Sonoma County Water Agency through the Sonoma-Marin Saving Water Partnership to implement some of the District Water Conservation Programs including the WSHS program.

Prop 84 Grant Funding: The District was awarded a Prop 84 Round 1 Grant (\$183,750 allocated to the District) back in 2013, in cooperation with the Sonoma County Water Agency (SCWA) and other Bay Area Agencies, which helped fund HET rebates, Cash for Grass rebates, Smart Controllers, and Clothes Washer rebates. The Grant period ended June 30, 2015, and the District will receive a cumulative total of \$187,000 when all payments are issued. The slight increase from our original allocation was due to other participants not fully expending their allocation. The Prop 84 Round 2 Grant (\$33,000 allocated to the District) started July 1, 2015; however, this round only funded Cash for Grass rebates. The continued increase in Cash for Grass participation helped push the grant refund amount to \$31,000 for FY 16, with the remainder to be received once the first quarter of FY 17 is invoiced. Prop 84 Round 3 Grant (\$94,000 allocated to the District) starts as soon as Round 2 allocations are fully depleted. Round 3 funds Cash for Grass, High Efficiency Toilet and Clothes Washer rebates.

12

MEMORANDUM

ITEM #12

To: Board of Directors

Date: September 2, 2016

From: Drew McIntyre, AGM/Chief Engineer



Subject: FY16 – Engineering Department Year End Report

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The purpose of this memo is to provide a year-end status report to the Board on the District’s performance in completing budgeted FY15-16 Capital Improvements Projects (CIP). The following information is being provided to supplement the progress report summary provided to the Board each month.

SUMMARY

Service Areas	Project Costs (\$)		% Complete @ 6/30/16		Earned Value (\$) @ 6/30/16	
	Budget (\$)	Actual (\$)	Planned	Actual	Planned	Actual
Novato Water	9,040,000	4,480,300	100	80	6,530,000	4,480,300
Novato Recycled	3,680,000	923,000	100	75	3,580,000	923,000
West Marin	345,000	231,000	100	86	241,000	231,000
TOTAL	13,065,000	5,634,300	100	80	10,351,000	5,634,000

The above project costs show that actual respective CIP expenditures for Novato Water and Recycled Water Service Areas were 50% and 25% of the approved FY15-16 budgets (versus respective mid-year forecasts of 61% and 24%). With respect to West Marin (including Oceana Marin), CIP expenditures were 67% of the approved FY15-16 budget value (versus a mid-year forecast of 90%).

Performance Status for Capital Improvement Projects

The attached tables and figures summarize the District’s year-end performance in completing FY15-16 Capital Improvements Projects. This review encompasses all District CIP’s in both Novato and West Marin.

A total of 31 projects were originally budgeted in FY15-16 for the Novato, West Marin and Oceana Marin service areas (see Attachments A and B). Three projects were added, one was carried over and nine projects<sup>(1)</sup> were deferred or dropped resulting in an adjusted budget total of 26 projects (versus 49 projects in the prior fiscal year). Of these 26 Capital Improvement Projects, 16 are under the lead responsibility of the Engineering Department for completion (12 in Novato and 4 in West Marin). The remaining projects are under the responsibility of the other departments: Maintenance (6), Operations (3) and Administration (1). A detailed project milestone schedule is provided in Attachment C.

At year end, 19 of the 22 projects scheduled for completion in FY15-16 have been completed by all departments. When broken down by service areas, 15 of the Novato CIPs have been completed and 4 West Marin CIPs have also been finished.

1 Six of the nine projects were deferred in an effort to address the financial impact resulting from reduced water sales as reported to the Board at the September 1, 2015 Board meeting.

### Novato Service Area Project Costs Variances

Of the 21 FY15-16 Novato Water CIPs, all but five projects (i.e., 76% were completed at or below original budget. From a strictly CIP expenditure standpoint, cost savings from the Aqueduct Energy Efficiency Project (~\$1.3M); postponement of the Office Refurbishment project (\$1.5M); and six intentionally deferred projects (~\$0.7M) represents ~\$3.5M of the shortfall in expenditures. If the aforementioned shortfalls were removed from the analysis, overall actual Novato Water CIP expenditures would have been 81% of approved budget (versus the year end percentage of 50%). When reviewing total project expenditures for all Novato Water Capital Improvements, it is apparent that no budget augmentation was needed during this fiscal year.

### Novato Recycled Water Service Area Project Costs Variances

As shown in Attachment B, all but one of the Novato Recycle Water projects were completed at or below the original budget and no budget augmentation was required during this fiscal year.

### West Marin Service Area (including Oceana Marin) Project Costs Variances

All but two of the FY15-16 West Marin projects were completed at or below the original budget and no budget augmentation was required during this fiscal year.

### Engineering Department Labor Hours

The Engineering Department provides a multitude of functions supporting overall operation, maintenance and expansion of water facilities. The major work classifications are: (1) General Engineering, (2) Developer Projects and (3) District (i.e., CIP) Projects. Out of the approximately 14,900 engineering labor hours available annually (excluding Conservation), the FY15-16 labor budget for Developer Projects and District Projects is 1,480 (10% of total) and 4,980 (33% of total), respectively. A chart of actual hours expended versus budgeted hours for both Developer and District projects during FY15-16 is provided in Attachment C. At the end of the fourth quarter, actual engineering labor hours expended for Developer work was 989 hours (versus 598 in FY14-15). With respect to District Projects, 4,640 engineering labor hours have been expended (versus 4,703 in FY14-15) on Capital Improvement Projects.



FY 15-16  
 CAPITAL IMPROVEMENTS PROJECTS

PROJECTS BUDGETED	NOVATO SERVICE AREA	WEST MARIN/ OCEANA MARIN	TOTAL
Original Budget	26	5	31
Added	2	1	3
FY 14-15 Carryover	0	1	1
Deferred/Dropped	7	2	9
Adjusted Budget	21	5	26

**FY14-15 CARRYOVER**

**Date Brought to Board**

Novato

None

West Marin

Replace Pump in Well #2

First Quarter Report

**DEFERRED/DROPPED**

Novato

San Mateo 24" Inlet/Outlet Pipe

First Quarter Report

DCDA Repair/Replace

Fourth Quarter Report

Electronic Document Management System

First Quarter Report

Office/Yard Building Refurbish

First Quarter Report

Office Emergency Generator

First Quarter Report

STP Emergency Power Generator

First Quarter Report

Crest PS/Reloc School Rd PS

First Quarter Report

West Marin

Green Sand Filter Media Replacement

Fourth Quarter Report

Infiltration Repair

Fourth Quarter Report

**PROJECTS ADDED**

Novato

PB Replacements: Grandview (14)

First Quarter Report

Office HVAC

Third Quarter Report

West Marin

Oceana Marin Force Main Isolation Valve Design

Second Quarter Report

**NOVATO SYSTEM CAPITAL IMPROVEMENT PROJECTS SUMMARY FY15-16  
AS OF JUNE 30, 2016**

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Actual	Baseline	Actual	Planned	Actual
<b>1. PIPELINE REPLACEMENTS/ADDITIONS</b>										
C	Eng	1	1.a.1	So. Novato Blvd - Rowland to Sunset	\$400,000	\$215,000	100	100	\$400,000	\$215,000
PC	Eng	2	1.b.1	Zone A Pressure Improvements	\$150,000	\$206,000	100	90	\$150,000	\$206,000
			1.b.2	San Mateo 24" Inlet/Outlet Pipe DEFER	\$150,000	\$0				
			1.c.1	Repl PB in Sync w/City Paving	\$70,000	\$0				
C	Eng	3	1.c.2	<b>PB Repl: Grandview (14)</b>	\$0	\$40,000	100	100	\$0	\$40,000
			1.d.1	Other Relocations	\$80,000	\$0				
C	Eng	4	1.e.1	AEEP - Hwy 101 Widening	\$4,890,000	\$3,568,300	100	100	\$4,890,000	\$3,568,300
				SubTotal	\$5,740,000	\$4,029,300				
<b>2. SYSTEM IMPROVEMENTS</b>										
C	Maint	5	2.a	RTU Upgrades	\$15,000	\$16,000	100	100	\$15,000	\$16,000
C	Eng	6	2.b	Flushing Taps at Dead Ends	\$50,000	\$35,000	100	100	\$50,000	\$35,000
			2.c	DCDA Repair/Replace DEFER	\$190,000	\$0				
C	Eng	7	2.d	Anode Installations	\$30,000	\$21,000	100	100	\$30,000	\$21,000
C	Maint	8	2.e	Radio Telemetry	\$25,000	\$24,000	100	100	\$25,000	\$24,000
C	Eng	9	2.f	Inaccurate Meter Replacement	\$10,000	\$10,000	100	100	\$10,000	\$10,000
C	Maint	10	2.g	Backflow Device Upgrade - BMK (15)	\$30,000	\$15,000	100	100	\$30,000	\$15,000
C	Maint	11	2.h	Tank Access Hatch/Level Alarms (10)	\$35,000	\$45,000	100	100	\$35,000	\$45,000
PC	Eng	12	2.i	Automate Zone Valve (Slowdown Ct)	\$50,000	\$5,000	100	5	\$50,000	\$5,000
PC	Admin	13	2.j	Radio Read Meter Retrofit (Pilot Study)	\$500,000	\$89,000	100	18	\$500,000	\$89,000
				SubTotal	\$935,000	\$260,000				
<b>3. BUILDINGS, YARD, &amp; S.T.P. IMPROVEMENTS</b>										
			3.a.1	Electronic Document Management System DEFER	\$150,000	\$0				
			3.a.2	Office/Yard Building Refurbish DEFER	\$1,500,000	\$0				
C	Maint	14	3.a.3	<b>Office HVAC</b>	\$0	\$25,000	100	100	\$0	\$25,000
			3.a.4	Office Emergency Generator DEFER	\$150,000	\$0				
C	Eng	15	3.b.1	Dam Concrete Repair	\$50,000	\$58,000	100	100	\$50,000	\$58,000
C	Ops	16	3.b.2	Watershed Erosion Control	\$25,000	\$13,000	100	100	\$25,000	\$13,000
			3.b.3	STP Emergency Power Generator DEFER	\$150,000	\$0				
				SubTotal	\$2,025,000	\$96,000				
<b>4. STORAGE TANKS &amp; PUMP STATIONS</b>										
PC	Ops	17	4.a	Hydropneumatic Tank Repairs	\$60,000	\$0	100	0	\$60,000	\$0
PC	Maint	18	4.b	Lynwood PS Motor Control Center	\$120,000	\$0	100	0	\$120,000	\$0
C	Eng	19	4.c	Sunset Tank Cl2 Mixing System	\$90,000	\$95,000	100	100	\$90,000	\$95,000
			4.d	Crest PS (design/const)/Reloc School Rd PS DEFER	\$70,000	\$0				
				SubTotal	\$340,000	\$95,000				
				Novato Water Total	9,040,000	\$4,480,300	100	80	\$6,530,000	\$4,480,300
<b>5. RECYCLED WATER FACILITY</b>										
C	Eng	20	5.a	NBWRA Grant Program Administration	\$80,000	\$103,000	100	100	\$80,000	\$103,000
PC	Eng	21	5.b-e	Recycled Water Central Service Area	\$3,500,000	\$820,000	100	50	\$3,500,000	\$820,000
			5.f	Other Recycled Water Expenditures	\$100,000	\$0				
				Novato Recycled Total	\$3,680,000	\$923,000	100	75	\$3,580,000	\$923,000
				Total Novato	\$12,720,000	\$5,403,300	100	77	\$10,110,000	\$5,403,300
<b>PROJECT FORECAST REVISED</b>										
C - Completed										
PC - Partially completed										
Baseline projects with revised forecast budget increases (indicated by shaded box)										
Baselined projects to be deferred (indicated in strikeout)										
New projects added (indicated in bold)										
Prior year projects carried over indicated in italics and brackets <>										

ATTACHMENT A

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

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Actual	Baseline	Actual	Planned	Actual
<b>6. West Marin Water System</b>										
<b>System Improvements</b>										
C	Eng	22	6.a	Upsize 4" Pipe from Bear Valley Tanks	\$100,000	\$113,000	100	100	\$100,000	\$113,000
C	Eng	23	6.b	Tanks #2 & #3 Seismic Piping Upgrade	\$30,000	\$40,000	100	100	\$30,000	\$40,000
PC	Eng	24	6.c	Replace PRE Tank #4A	\$50,000	\$17,000	100	30	\$50,000	\$17,000
			6.d	PB in Sync w/County Paving	\$50,000	\$0				
			6.e	Green Sand Filter Media Replace - DEFER	\$75,000	\$0				
C	Ops	25	6.f	<Replace Pump in Well #2>	\$0	\$55,000	100	100	\$55,000	\$55,000
					\$305,000	\$225,000				
<b>7. Oceana Marin Sewer System</b>										
			7.a	Infiltration Study & Repair - DEFER	\$40,000	\$0				
C	Eng	26	7.b	OM Force Main Siphon Repairs - Design	\$0	\$6,000	100	100	\$6,000	\$6,000
				SubTotal	\$40,000	\$6,000				
				Total West Marin	\$345,000	\$231,000	100	86	\$241,000	\$231,000
				FY15-16 TOTAL	\$13,065,000	\$5,634,300	100	80	\$10,351,000	\$5,634,300
<b>1C - Completed</b>										
<b>PC - Partially completed</b>										
				PROJECT FORECAST REVISED						
				Baseline projects with revised forecast budget increases (indicated by shaded box)						
				Baselined projects to be deferred (indicated in strikeout)						
				New projects added (indicated in bold)						
				Prior year projects carried over indicated in italics						
<b>CONSULTING SERVICES/STUDIES</b>					<b>PROJECT COSTS</b>					
					<b>BUDGET</b>	<b>ACTUAL</b>				
		1 7140.00	a.	Stafford Dam Emergency Action Plan	\$40,000	\$32,664				
		1 6600.81	b.	STP Taste and Odor Consultant	\$15,000	\$27,471				
		1 4048.00	c.	Hydropneumatic Tank Inspections	\$50,000	\$0				
		1 4050.00	d.	2015 Urban Water Management Plan	\$10,000	\$28,486				
		1 4054.00	e.	Insured Property Valuation Assessment	\$40,000	\$40,167				
		1 7126.00	f.	Local Water Supply Enhancement Study - DEFER	\$100,000	\$0				
		1 7060.00	g.	Retiree Health Liability Actuarial Update	\$5,000	\$4,000				
		1 4055.00	h.	Stafford Lake Sanitary Survey	\$30,000	\$118				
		1 4056.00	i.	Novato Creek Steelhead Recovery	\$0	\$5,829				
		1 4055.00	j.	Stafford Lake Watershed Sanitary Survey	\$0	\$0				
		5 4053.00	k.	NMWD/NSD Central Srvc Area Expansion Study	\$30,000	\$17,116				
		5 4045.00	l.	Recycled Water Engineering Report Update	\$0	\$20,295				
		2 4051.00	m.	Gallagher Well #2 Hydrogeologic Study	\$58,000	\$29,018				
		8 4046.00	n.	Oceana Marin Master Plan Update - Finished in FY15	\$15,000	\$0				
					\$393,000	\$205,164				

**FY15\_16 CAPITAL IMPROVEMENT PROJECTS**

ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2016			Qtr 2, 2016			Qtr 3, 2016			Qtr 4, 2016		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	<b>1 A PIPELINE REPLACEMENTS/ADDITIONS</b>	Wed 7/1/15	Thu 6/30/16	100%													
2	1A1 So. Novato Blvd - Rowland to Sunset (12"CI@1,000')	Wed 7/1/15	Thu 12/31/15	100%	ENG / CC												
3	<b>1B MAIN/PIPELINE ADDITIONS</b>	Wed 7/1/15	Thu 6/30/16	45%													
4	1B1 Zone A Pressure Improvements	Wed 7/1/15	Thu 6/30/16	90%	ENG / DJ												
5	1B2 San Mateo 24" Inlet/Outlet DEFER	Wed 7/1/15	Thu 6/30/16	0%	ENG / DJ												
6	<b>1E AQUEDUCT REPLACEMENTS/ENHANCEMENTS</b>	Wed 7/1/15	Thu 6/30/16	100%													
7	1E1 Aqueduct Energy Efficiency Project	Wed 7/1/15	Thu 6/30/16	100%	ENG / DM												
8	<b>2 SYSTEM IMPROVEMENTS</b>	Wed 7/1/15	Thu 6/30/16	61%													
9	2A RTU Upgrades	Mon 2/1/16	Sat 4/30/16	100%	MAINT/RC												
10	2B Flushing Taps at Dead-Ends	Fri 1/1/16	Thu 6/30/16	100%	ENG / CC												
11	2C DCA Repair/Replace (14/yr) DEFEER	Tue 12/1/15	Thu 6/30/16	0%	ENG / DJ												
12	2D Anode Installations (150/yr)	Fri 1/1/16	Thu 6/30/16	100%	ENG / CC												
13	2E Radio Telemetry	Wed 7/1/15	Thu 6/30/16	100%	MAINT/RC												
14	2F Inaccurate Meter Replacement	Tue 12/1/15	Thu 6/30/16	100%	ENG / DJ												
15	2G Backflow Device Upgrade - BMK (14)	Mon 2/1/16	Thu 6/30/16	100%	MAINT/RC												
16	2H Tank Access Hatch/Level Alarms	Wed 7/1/15	Thu 3/31/16	100%	MAINT/RC												
17	2I Automate Zone Valve (Slowdown Ct)	Tue 12/1/15	Thu 6/30/16	5%	ENG / DJ												
18	2J Radio Read Meter Retrofit (Pilot Study)	Sun 11/1/15	Thu 6/30/16	18%	ADMIN / DB												
19	2J Local Water Supply Enhancement Study DEFER	Wed 7/1/15	Thu 6/30/16	0%	ENG / DM												
20	<b>3 BUILDING, YARD, STP IMPROVEMENTS</b>	Wed 7/1/15	Thu 6/30/16	31%													
21	<b>3A ADMIN BUILDING</b>	Wed 7/1/15	Thu 6/30/16	0%													
22	3A1 Electronic Document Management System DEFER	Wed 7/1/15	Thu 6/30/16	0%	ADMIN												

ATTACHMENT B



Current		Inactive Summary		Start-only	
Baseline		Manual Task		Finish-only	
Inactive Task		Duration-only		Progress	
Inactive Task		Manual Summary Rollup			
Inactive Milestone		Manual Summary			

**FY15\_16 CAPITAL IMPROVEMENT PROJECTS**

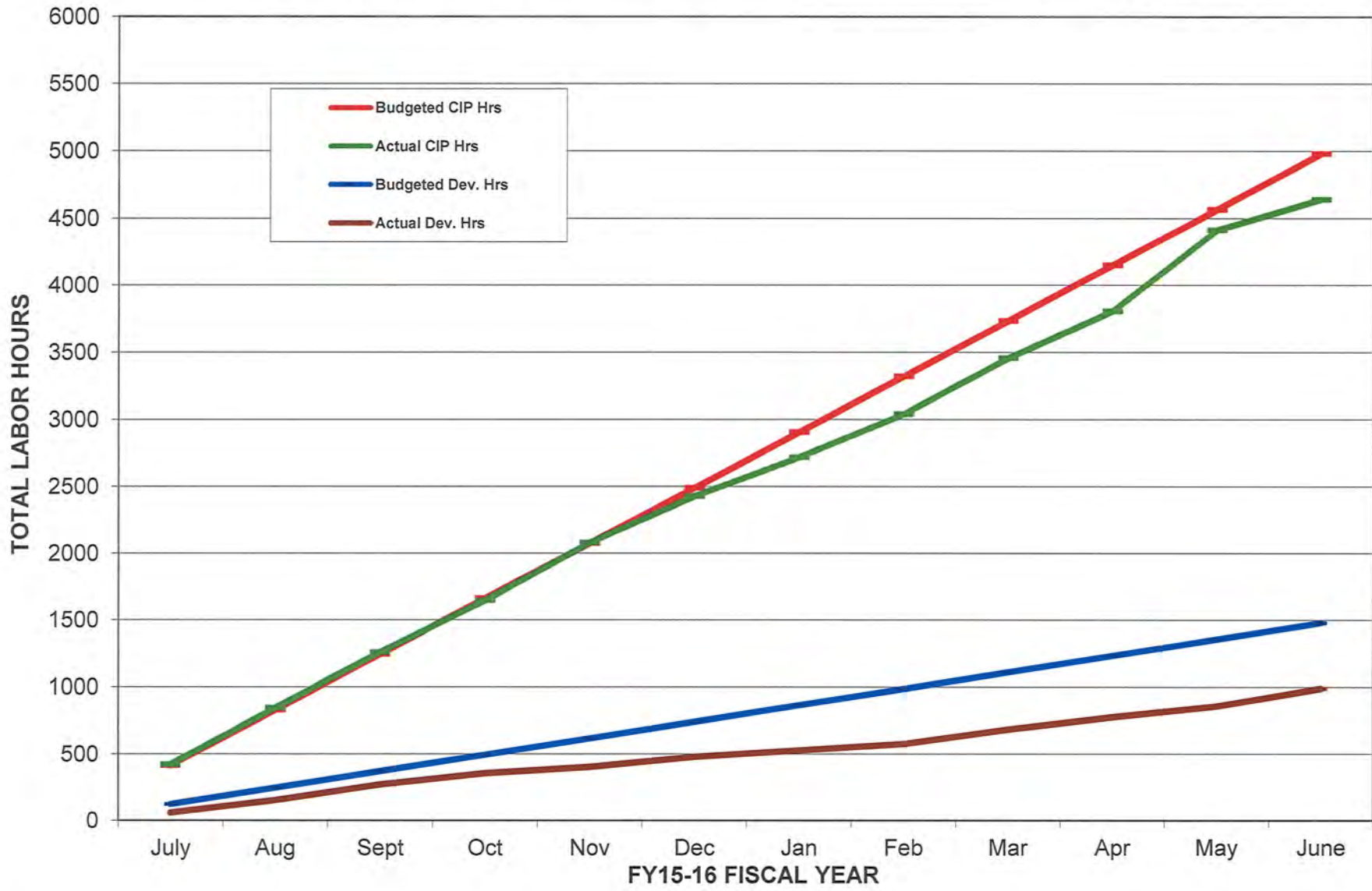
ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2016			Qtr 2, 2016			Qtr 3, 2016			Qtr 4, 2016		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
23	3A2 Office Emergency Generator DEFER	Wed 7/1/15	Thu 6/30/16	0%	MAINT/RC												
24	3A3 Office/Yard Building Refurbish DEFER	Wed 7/1/15	Thu 6/30/16	0%	ADMIN / CD												
25	<b>3B STAFFORD TREATMENT PLANT</b>	Wed 7/1/15	Thu 6/30/16	64%													
26	3B1 Dam Concrete Spillway Repair	Wed 7/1/15	Thu 6/30/16	100%	ENG / DM												
27	3B2 STP Emergency Power Generator DEFER	Wed 7/1/15	Thu 6/30/16	0%	OPS / RC												
28	3B3 Watershed Erosion Control	Mon 11/2/15	Fri 4/1/16	100%	OPS / RC												
29	3C Stafford Dam Emergency Action Plan	Wed 7/1/15	Thu 6/30/16	100%	ENG / DM												
30	<b>4 STORAGE TANKS/PUMP STATIONS</b>	Wed 7/1/15	Thu 6/30/16	38%													
31	4A Hydropneumatic Tank Inspections	Mon 2/1/16	Thu 6/30/16	0%	ENG / DJ												
32	4B Lynwood Pump Station Motor Control Center	Fri 4/15/16	Thu 6/30/16	0%	MAINT/RC												
33	4C Sunset Tank C2 Mixing System	Wed 7/1/15	Thu 6/30/16	100%	ENG / DJ												
34	4D Crest PS (Design/Const)/Reloc School Rd PS DEFER	Wed 7/1/15	Thu 6/30/16	0%	ENG / DJ												
35	<b>5 RECYCLED WATER</b>	Wed 7/1/15	Thu 6/30/16	75%													
36	5A NBWRA Grant Program Admin	Wed 7/1/15	Thu 6/30/16	100%	ENG / DM												
37	5B Expansion to Central Area	Wed 7/1/15	Thu 6/30/16	50%	ENG / DM												
38	<b>6 WEST MARIN WATER SYSTEM IMPROVEMENTS</b>	Wed 7/1/15	Thu 6/30/16	54%													
39	6A Upsize 4" Pipe fom Bear Valley Tanks	Wed 7/1/15	Thu 12/31/15	100%	ENG / CC												
40	6B Tanks #2 & #3 Seismic Piping Upgrade	Fri 1/1/16	Thu 6/30/16	100%	ENG / JK												
41	6C Replace PRE Tank #4A	Tue 9/1/15	Thu 6/30/16	30%	ENG / CC												
42	6E Green Sand Filter Media Replace DEFER	Fri 1/1/16	Thu 6/30/16	0%	OPS / RC												
43	<b>7 OCEANA MARIN SEWER SYSTEM</b>	Wed 7/1/15	Thu 6/30/16	0%													
44	7A Infiltration Study & Repair DEFER	Mon 2/1/16	Fri 4/1/16	0%	OPS / RC												



- Current Inactive Summary
- Baseline Manual Task
- Inactive Task Duration-only
- Inactive Task Manual Summary Rollup
- Inactive Milestone Manual Summary
- Start-only
- Finish-only
- Progress



### ENGR. DEPT DEVELOPER & DISTRICT CAPITAL IMPROVEMENT PROJECTS (CIPs)



ATTACHMENT C

13

## MEMORANDUM

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: FY16 Residential Consumption Status Report  
t:\aclword\memo\17\s\fy16 residential consumption.docx

September 2, 2016

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** Declining Consumption Reduces Water Revenue

**Total Residential Consumption**

Residential consumption billed in FY16 was 1,625 MG, down 15% from FY15, and down 40% from the peak year (FY04) (see Attachment A). FY16 saw the lowest residential consumption since FY78, when the Novato population served was 30% less than it is today.

**Median Residential Consumption**

The Novato median single-family home consumption fell to 72,000 gallons last fiscal year, down 15,000 gallons from FY15. The average over the past 20 years is 117,000 gallons, with a high of 137,000 gallons registered in FY97, and the low of 72,000 registered last year. Of interest, the spread between mean and median consumption is trending downward about 2% annually, down from 22,000 gallons in FY03 (the year before the Conservation Incentive Rate was enacted) to 13,000 gallons last fiscal year (Attachment B). The decrease in the spread between the mean and median reflects the success of the District's rate structure and water conservation programs in reducing demand among high-use residential customers. FY16 median single-family home demand is down 47% from its FY97 peak.

Staff uses the median consumption volume to calculate total annual water cost used in the annual Urban Area Water Cost Comparison. The volume is used for both North Marin and the comparison agencies. For smoothing purposes, the exponential moving average<sup>1</sup> of the past five years median consumption is used to calculate "typical" single-family residential consumption. For Novato, "typical" consumption is now 90,900 gallons, down 9,600 gallons from one year ago. This decrease in water use effectively decreases the annual water cost, as calculated in the Water Cost Comparison for the typical Novato customer, by \$50 per year, using current commodity rates.

**Conservation Incentive Rate**

The Conservation Incentive Rate (CIR) is the surcharge applicable to residential water

<sup>1</sup> An exponential moving average is similar to a simple moving average, except that more weight is given to the latest data to reduce the lag. The exponential moving average is also known as "exponentially weighted moving average".



use that first appeared on bills rendered in May 2004. The surcharge adds \$8.48/1,000 gallons (178% to the Zone A base rate) to use exceeding 1,845 gallons per day (gpd). In FY03 (the year before the CIR implementation) 510 customers used more than 1,845 gpd in at least one billing period. In FY16 only 30 customers exceeded the CIR threshold – a 94% reduction. As shown graphically on Attachment C, total water use subject to the CIR fell from 60 MG in FY03 to 7 MG in FY16 – an 88% reduction.

To adjust for the reduction in overall water use and variations in weather, use above 1,845 gpd is also measured as a percentage of total residential water demand. Attachment D shows that FY16 use subject to the CIR has fallen 72% since implementation. The CIR has clearly been an effective tool in reducing water demand among very high-use residential customers.

### **Conservation Incentive Tier Rate**

The Conservation Incentive Tier Rate (CITR) first appeared on water bills rendered in March 2007. The CITR adds \$2.84/1,000 gallons (60% to the Zone A base rate) for use between 615 and 1,845 gpd. Note that the CITR price signal (\$2.84) is one third of the CIR price signal (\$8.48), therefore a reduced customer response is anticipated, and that is what we see. In FY06 (the year before the CITR implementation) 6,479 residential customers (32%) used water within the CITR range in at least one billing period. In FY16, 734 residential customers (4%) were subject to the CITR surcharge – an 89% reduction. Shown graphically on Attachment E, total water use subject to the CITR fell from 278 MG in FY06 (the year before implementation) to 71 MG in FY16 – a 74% reduction.

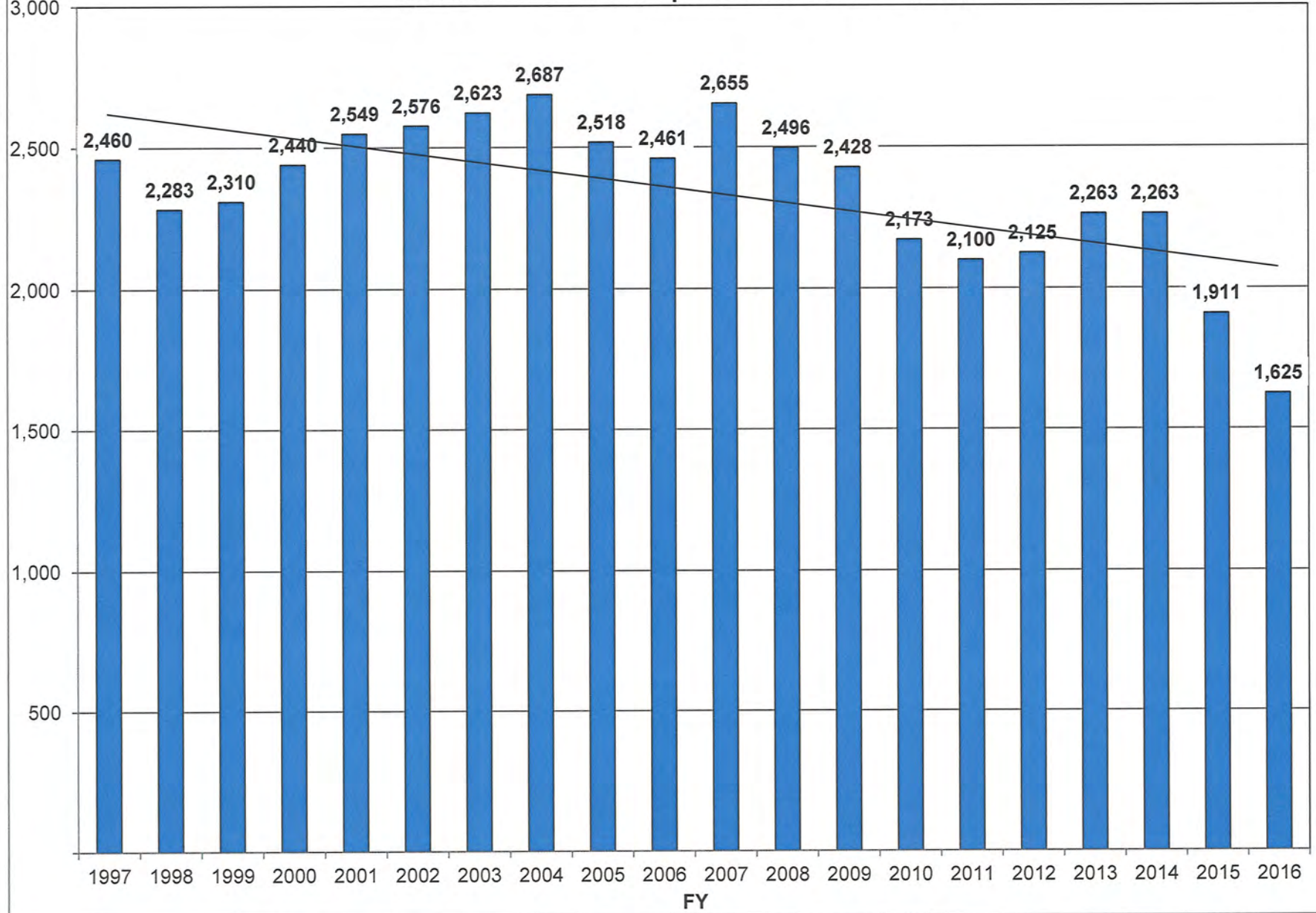
FY16 water use between 615 and 1,845 gpd as a percentage of total residential water demand has fallen 42% since implementation of the CITR (Attachment F). The CITR has also proven to be an effective tool in reducing water demand among high-use residential customers.

### **Demand Distribution**

Finally, how has peak summer demand changed over the past decade? Attachment G shows that the District's conservation efforts have pushed the FY16 peak residential demand down appreciably. In FY06, 33% of customers peaked between 616 and 1845 gpd. In FY16, that number fell to 4%. Similarly, in FY06 2% of customers peaked at over 1,845 gpd. In FY16, only 0.2% of customers (30) peaked at over 1,845 gpd. While some of the recent consumption data is undoubtedly weather and drought-related, the trend is clearly in the right direction.

### Total Novato Residential Water Use Based on Billed Consumption within the Fiscal Year

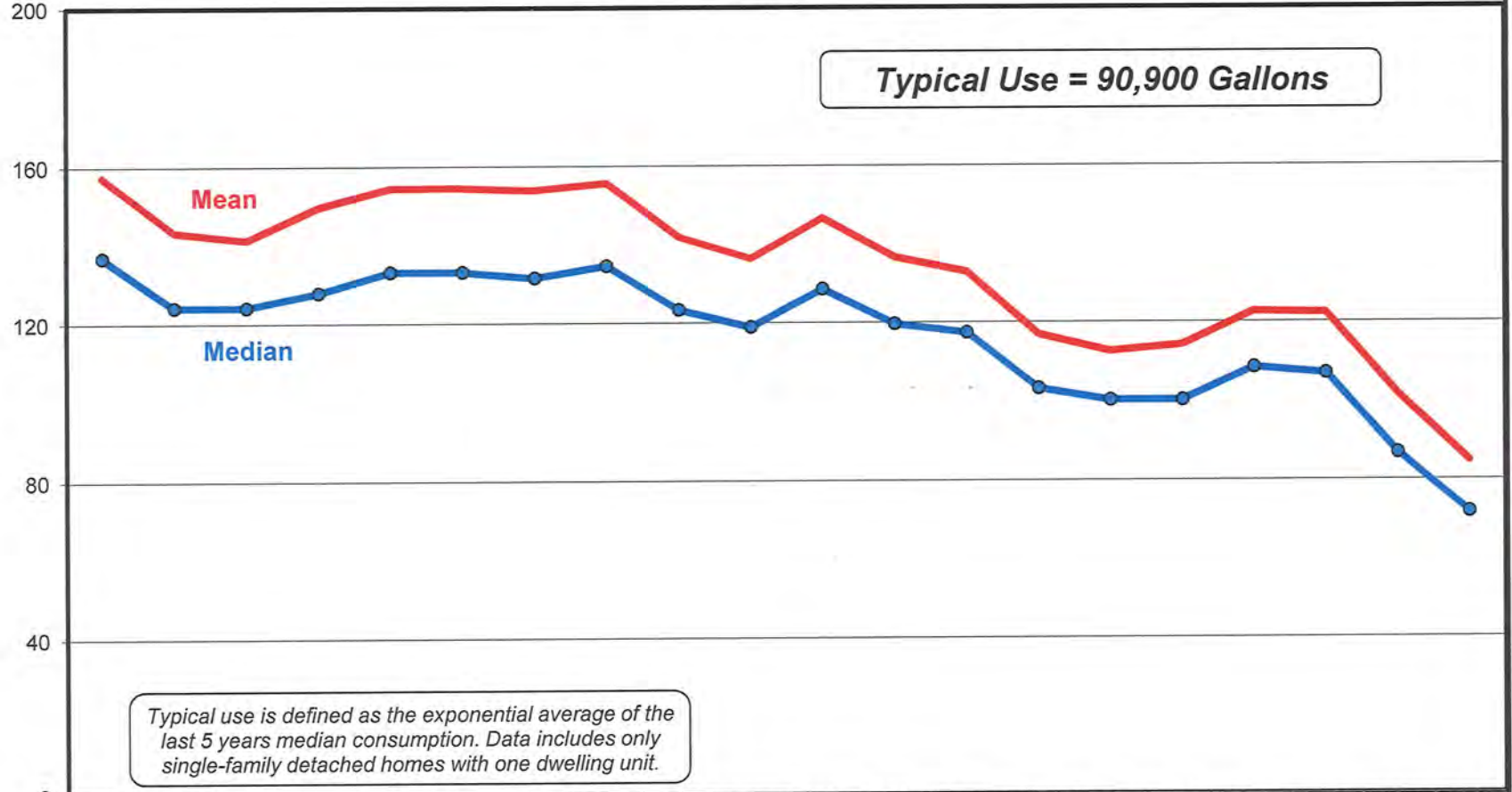
MG  
3,000



ATTACHMENT A

### Novato Residential Consumption Mean & Median Annual Water Use 20-Year History

1,000  
Gallons

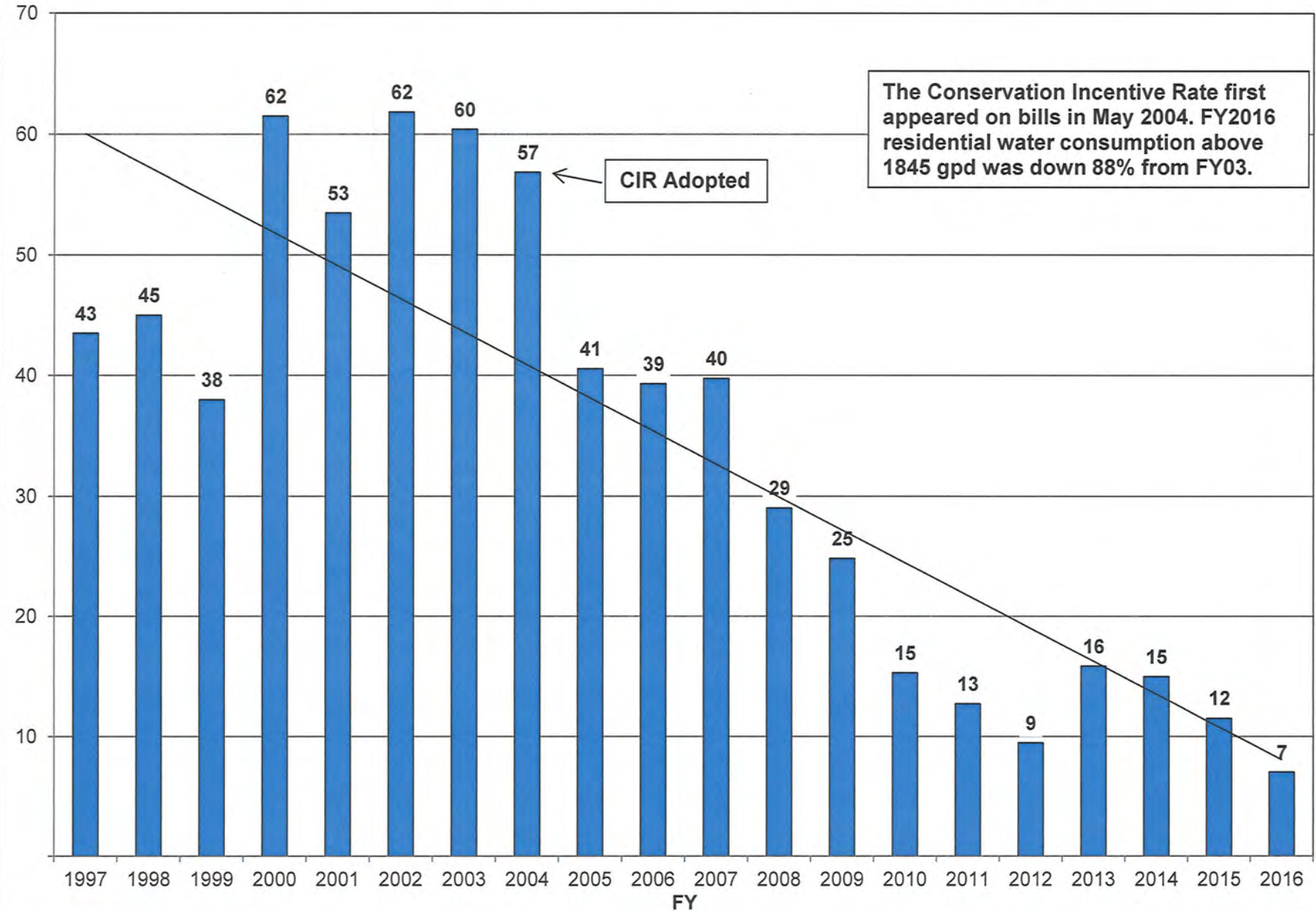


	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mean	157	143	141	150	155	155	154	156	142	136	147	137	133	117	113	114	123	122	102	85
Median	137	124	124	128	133	133	132	135	123	119	129	120	117	103	100	100	108	107	87	72

Fiscal Year Ending

### Novato Residential Use Exceeding 1,845 Gallons per Day

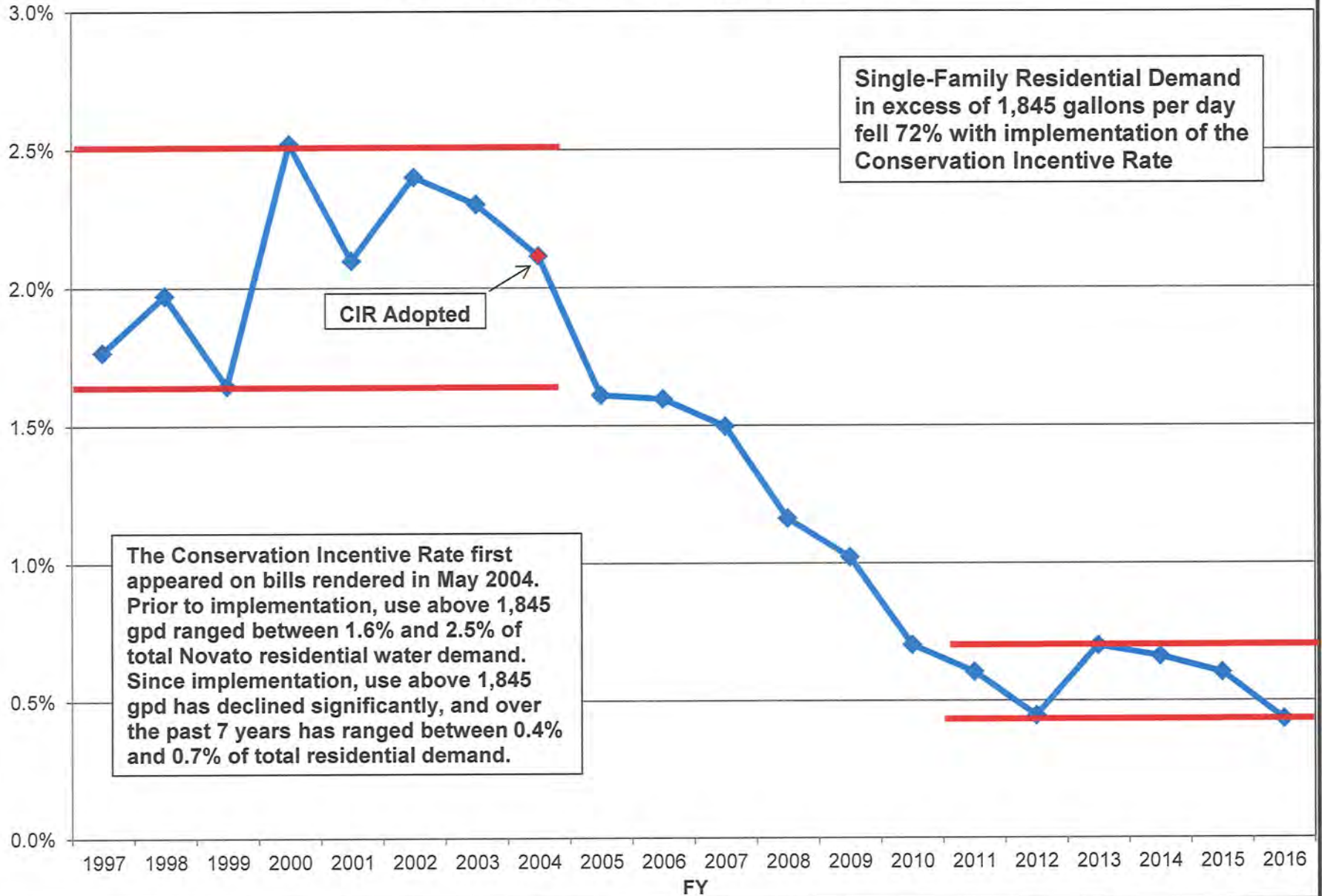
MG



CIR Adopted

The Conservation Incentive Rate first appeared on bills in May 2004. FY2016 residential water consumption above 1845 gpd was down 88% from FY03.

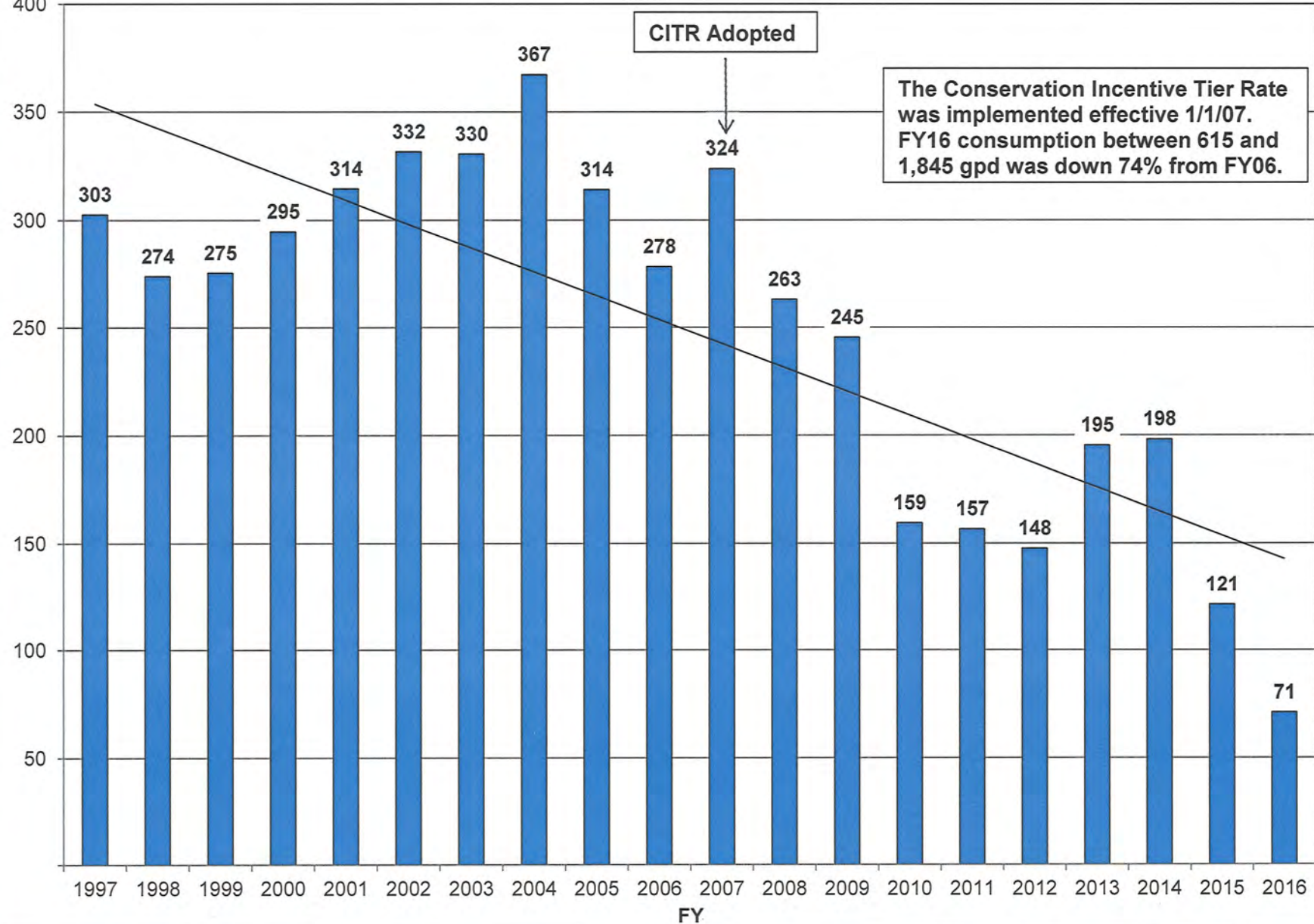
### Novato Residential Use in Excess of 1,845 Gallons per Day as a Percentage of Total Residential Use



### Novato Residential Use Between 615 and 1,845 Gallons per Day

MG

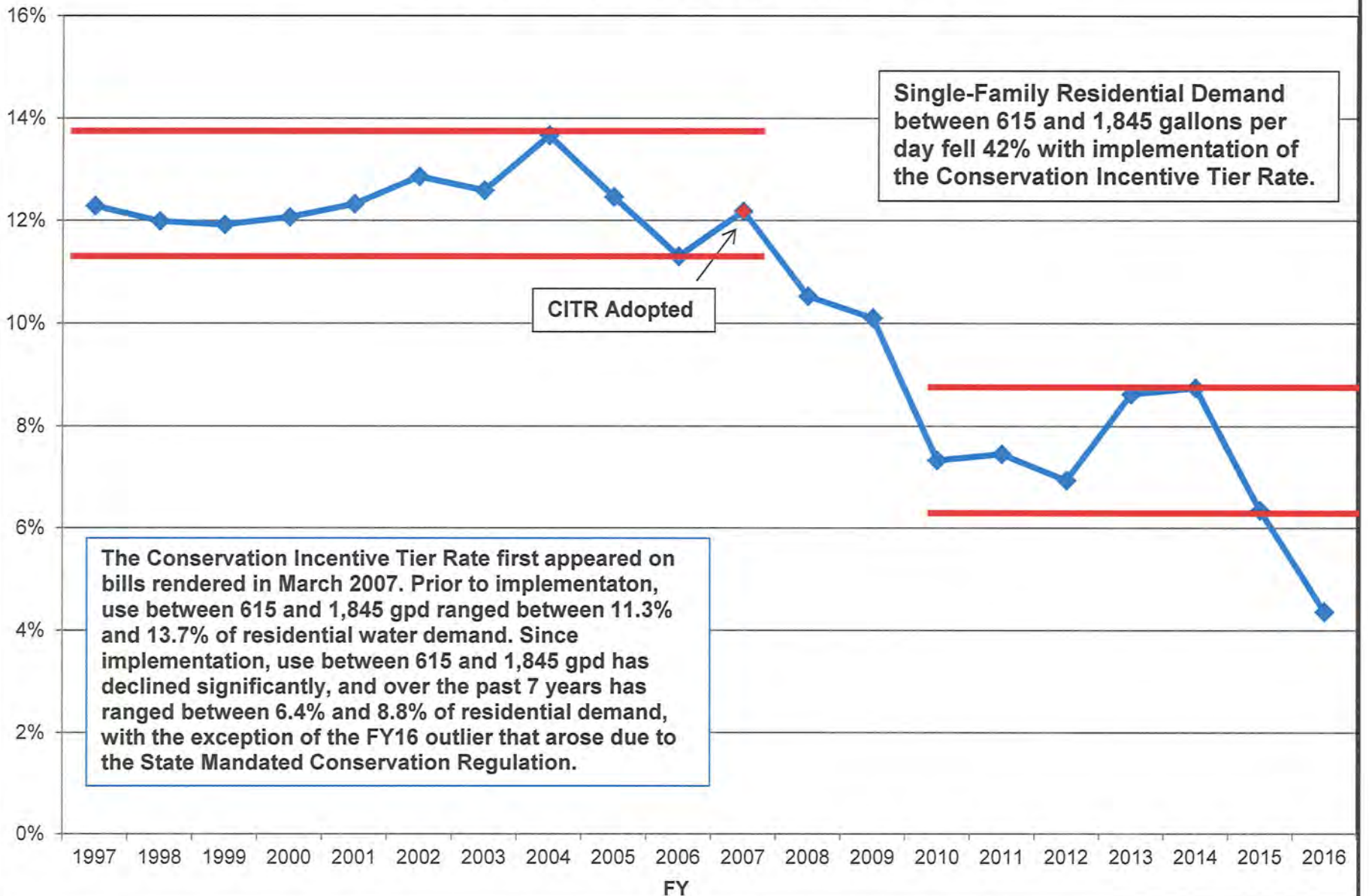
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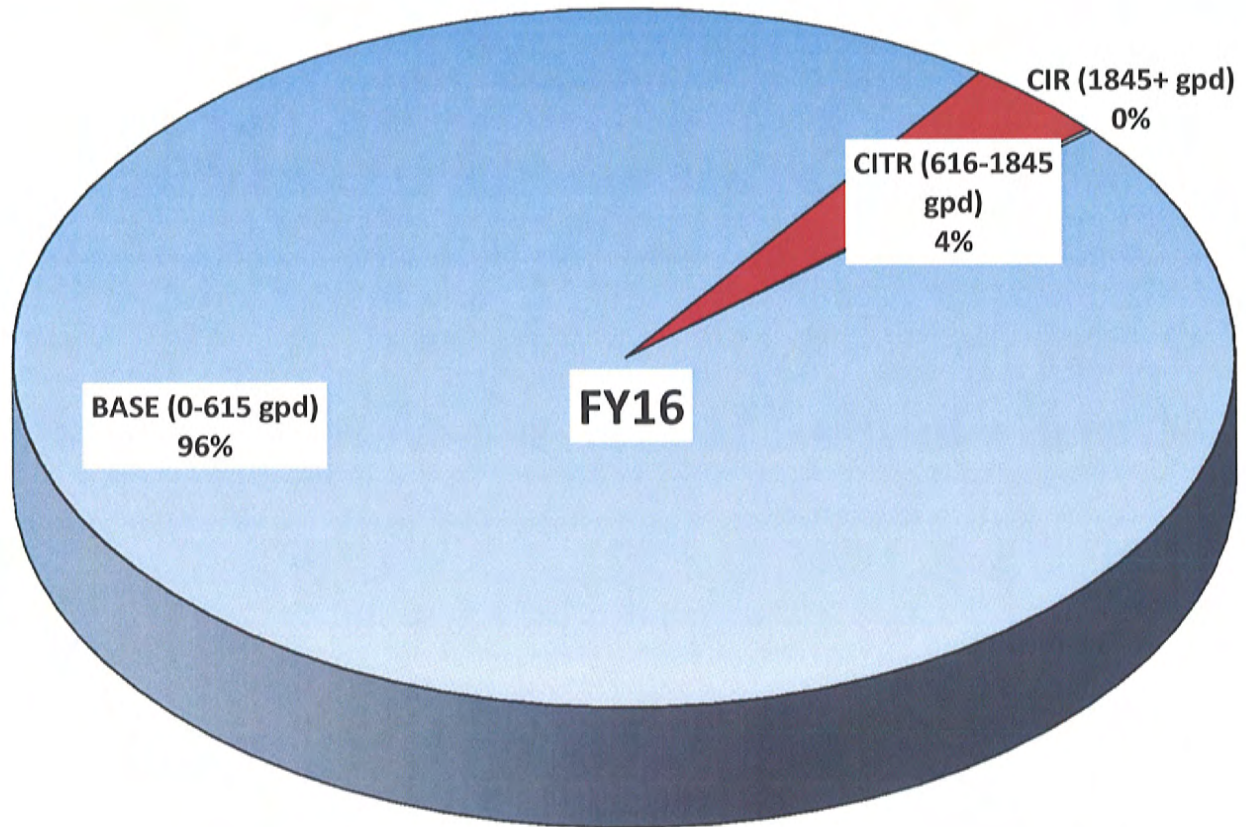
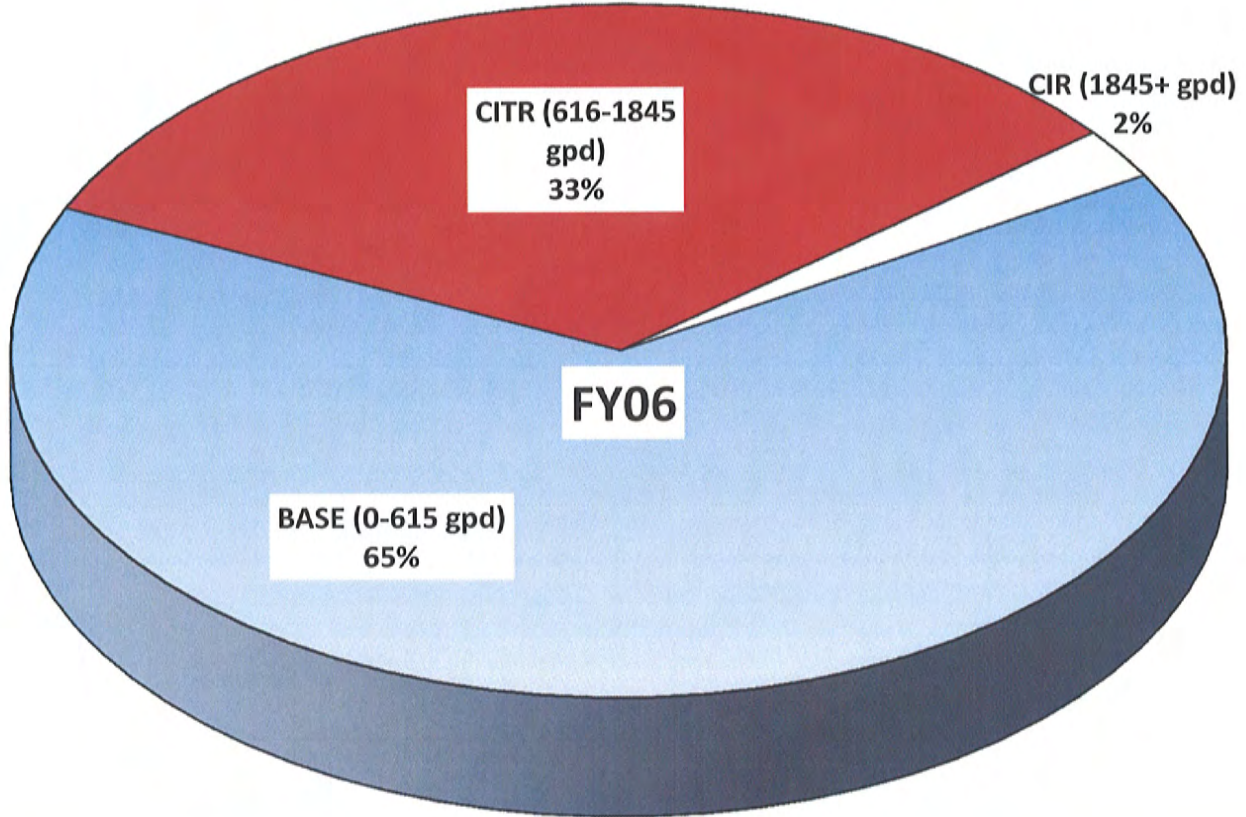
CITR Adopted

The Conservation Incentive Tier Rate was implemented effective 1/1/07. FY16 consumption between 615 and 1,845 gpd was down 74% from FY06.

### Novato Residential Use Between 615 and 1,845 Gallons per Day as a Percentage of Total Residential Use



### % of Residential Customer Demand by Tier FY06 vs FY16





**14**

## MEMORANDUM

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: AMI Project Status Update  
I:\aclword\ami\ami status rpt 090216.docx

September 2, 2016

**RECOMMENDED ACTION: Information Only****FINANCIAL IMPACT: None at this Time**

Last February the Board authorized the District to conduct an Advanced Meter Information (AMI) Pilot Project with the assistance of Utiliworks Consulting. Staff estimated \$5 million for the project. Utiliworks found Staff's estimate reasonable, but added a 5% contingency, bringing the total to \$5.25 million. Bid proposals were solicited and received in July. A 2% interest rate State Revolving Fund loan application has been started.

Four proposals were received that included all of the project components. Two vendors proposed to provide the customer portal only<sup>i</sup> (that is the software the customer views that shows their individual hourly, daily and monthly water use, among other features) and two vendors proposed to perform the meter retrofit work only<sup>ii</sup>. Proposals from the four vendors who made a comprehensive proposal came in as follows:

Vendor	Local Office Location	Capital Outlay	1 <sup>st</sup> 5-Years Operating Expense	Total 5-Year Cost
Ferguson	Hayward & Sacramento	\$4,983,875	\$197,300	\$5,181,175
Sensus	El Dorado Hills, CA	\$5,155,033	\$203,871	\$5,358,904
National Meter	Santa Rosa, CA	\$5,559,929	\$390,571	\$5,950,500
Aclara	St. Louis, MO	\$5,042,232	\$914,540	\$5,956,772

Each of the four vendors made a 3-hour presentation to a District panel comprised of the General Manager, Auditor Controller, Chief Engineer, Operations/Maintenance Superintendent, Consumer Services Supervisor, the District's Information Technology Consultant and two representatives of the Utiliworks Consulting team. The District panel, after discussion and evaluation, settled on Ferguson as best able to serve the District's needs. Staff then visited Valley of the Moon and City of Cotati, who both selected National Meter for their AMI projects, and Rio Linda Water, who selected Ferguson. We then spoke by phone with City of Sacramento staff, who also selected Ferguson. Based on this review and confirmation, Staff will direct Utiliworks to commence contract negotiation with Ferguson.

Included in Utiliworks scope is contract negotiation with the District's selected vendor, a precursor to the pilot project phase. The contract negotiation will refine the proposed pricing,

hardware and software details, and set performance and acceptance standards for the pilot project. The pilot project will involve retrofitting about 200 meters in various locations throughout Novato to confirm that AMI will achieve a minimum 98.5% read-rate success within Novato's rolling topography, and that the AMI software will successfully integrate with the District's billing system and the 3<sup>rd</sup> party customer portal software.

Confirmation of State Revolving Fund Loan project funding and tying-down the cost of the pilot project are next steps. Staff continues to be enthusiastic about the increase in customer service that AMI will provide, including reduced customer water loss, the ability to provide customers with near real-time engagement in their water use, the opportunity to move to monthly billing, the redirection of meter reading labor to customer service, and the capturing of hourly consumption data to increase customer confidence in billed water volumes.

---

i Customer Portal / Meter Data Management System Software Only Proposals were submitted by:


<b>Vendor</b>	<b>Capital Cost</b>	<b>5-Year Operating Expense</b>	<b>Total 5-Year Cost</b>
AquaHawk	\$53,220	\$138,600	\$191,850
Harris Utilities	\$279,000	\$191,129	\$470,129

ii Meter Retrofit Only Proposals were submitted by:

<b>Vendor</b>	<b>Cost</b>
Corix	\$1,017,837
Professional Meters	\$1,226,176

**15**

## MEMORANDUM

To: Board of Directors  
From: Chris DeGabriele, General Manager   
Subj: Sustainable Groundwater Management Act in Sonoma County  
L:\gm\groundwater sustainability management\081716 update.docx

September 2, 2016

**RECOMMENDED ACTION:** Information Only  
**FINANCIAL IMPACT:** None at this time

The Board received information on the Sustainable Groundwater Management Act in Sonoma County previously at their October 20<sup>th</sup> and November 17, 2015 meetings. I recently attended the Sustainable Groundwater Management Workshop for the Petaluma Valley held on August 17<sup>th</sup>. The format was similar to the meetings held in the Sonoma Valley and the Santa Rosa Plain workshops in June and July respectively. A copy of the agenda for the meeting and the presentation slides are attached. The information on the workshops for all three groundwater basins can be found at [www.sonomacountygroundwater.org](http://www.sonomacountygroundwater.org).

Approximately 30 people attended the workshop and by my estimation 1/3<sup>rd</sup> were staff members from the Petaluma Valley Basin eligible agencies (City of Petaluma, North Bay Water District, Sonoma County, Sonoma County Water Agency and Sonoma Resource Conservation District). There was little new technical information on the ongoing USGS Groundwater Study. It is currently in year two of a three year schedule. Another request for volunteers to authorize well monitoring at private well locations was made.

The majority of the meeting was dedicated to discussion and soliciting information from the meeting attendees on governance issues. It was noted that the County of Sonoma has established a Groundwater Ad hoc subcommittee consisting of Supervisors Rabbit and Gorin and that the Groundwater Sustainability Agency will be formed under joint powers authority among the eligible agencies as previously mentioned.

The staff proposal for a Petaluma Valley Advisory body includes at large members appointed by each GSA Agency and five interest based members, as listed on the slide on page 6. It was reported that a public hearing will be held in March 2017 to consider the Petaluma Valley GSA proposed governance structure and that the GSA must be formed by June 30, 2017 to avoid the state taking over the process.

The majority of comments were centered around the advisory body where it was suggested that a watershed member should be added, that advisory body appointees should live in the basin and be well users, and that there should be an application process for interest

base members. Sonoma County Water Agency staff reported that the estimated costs for developing a Groundwater Sustainability Plan in each basin is currently \$750,000 to \$2.5M. The cost would be paid with fees, taxes, and grants and contributions as defined by each GSA board. The USGS study in Petaluma Basin cost approximately \$1M and is funded jointly by USGS, Sonoma County Water Agency and the City of Petaluma.

# AGENDA

## PETALUMA VALLEY SUSTAINABLE GROUNDWATER MANAGEMENT WORKSHOP

**Date/Time:** Wednesday, August 17, 6-8 p.m.

**Location:** Petaluma Community Center  
320 N. McDowell Blvd.

**Objective:** To update stakeholders on progress in implementing SGMA and to solicit input on governance issues.

**Facilitator:** Gina Bartlett, Consensus Building Institute

- **Welcome**  
*Sonoma County Supervisor and Water Agency Director David Rabbitt*  
*Petaluma Mayor David Glass*
  
- **Background/Overview**  
*Jay Jasperse, Sonoma County Water Agency*
  
- **Update on Governance Issues**  
*Leah Walker, City of Petaluma*
  
- **What's Next/Timeframe**  
*Gina Bartlett, CBI*
  
- **What do YOU think?**

## Update on Sustainable Groundwater Management Act in Sonoma County



**Petaluma Valley Workshop**  
**August 17, 2016**

## Presentation Overview

- **Brief Summary:** Sustainable Groundwater Management Act Requirements
- **Implementation in Sonoma County**
  - Petaluma Valley conditions
  - Forming Groundwater Sustainability Agencies
  - Public/Stakeholder Involvement
- **What do You Think?**
- **Next Steps/Timeline**



## SGMA Brief Summary

Became law on 1/1/2015

Applies statewide to medium and high priority basins

In Sonoma County, affects Santa Rosa Plain, Sonoma Valley, Petaluma Valley



## Required Steps to Groundwater Sustainability



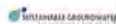
\* DWR may grant up to two, five-year extensions on implementation upon showing of good cause and progress





### Form Groundwater Sustainability Agencies (GSAs) by June 2017

- Local agency or combination of local agencies
- “Local agency” is any public agency that has responsibilities for at least one of the following:
  - Supplies water
  - Manages water
  - Controls land use
- Counties are the default GSA in “unmanaged” areas
- Can be more than one GSA in basin



### Management Authorities under SGMA

Groundwater Sustainability Agencies have authority to:

- Conduct studies
- Register & monitor wells
- Set well spacing requirements
- Require extraction reporting
- Regulate extractions
- Implement capital projects
- Assess fees to cover costs

Required to Develop Groundwater Sustainability Plan by 2022



### Domestic Wells and SGMA

Source: State Water Resources Control Board

Referred to as “de minimis” users in SGMA

- Use 2 acre-feet per year or less for domestic purposes (equivalent to 1,785 gallons per day – or enough water for about six urban families)

De minimis users are subject to SGMA, depending on local needs

- GSAs will decide how de minimis users are incorporated
- GSAs can decide to exclude or include
- GSAs can decide on fees
- GSAs cannot require metering
- May be subject to reporting and fees to state if intervention occurs

Domestic wells can also be regulated by authorities (counties and cities, etc.) outside the scope of SGMA



### SGMA-Required Interested Parties

GSA must consider “all interests of all beneficial uses and users of groundwater” including:

- |   |  |
|---|--|
| ▪ All categories of Groundwater Users               | ▪ Local Landowners   |
| ▪ Agriculture                                       | ▪ Disadvantaged Communities  |
| ▪ Domestic Well Users                               | ▪ Business   |
| ▪ Municipal Well Operators and Public Water Systems | ▪ Federal Government   |
| ▪ Native American Tribes                            | ▪ Environmental Uses   |
| ▪ County  | ▪ Surface Water Users (if connection between surface and ground water) |
| ▪ Planning Departments / Land Use                   |  |



### Local Implementation: GSA-Eligible Agencies

SANTA ROSA PLAIN BASIN	PETALUMA VALLEY BASIN	SONOMA VALLEY BASIN
City of Cotati	City of Petaluma	City of Sonoma
City of Rohnert Park	North Bay Water District	North Bay Water District
City of Santa Rosa	Sonoma County	Valley of the Moon Water District
City of Sebastopol	Sonoma County Water Agency	Sonoma County
Town of Windsor	Sonoma Resource Conservation District	Sonoma County Water Agency
Sonoma County		Sonoma Resource Conservation District
Sonoma County Water Agency		
Sonoma Resource Conservation District		


SUSTAINABLE GROUNDWATER  
MANAGEMENT CENTER

## Petaluma Valley LOCAL BASIN CONDITIONS

10

### Petaluma Valley Groundwater Basin

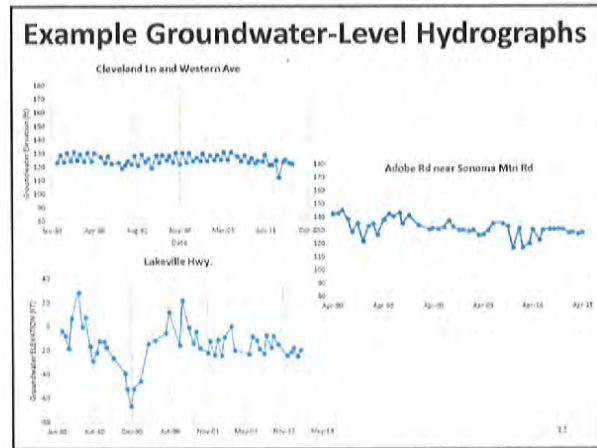
- Petaluma Valley Basin – 46,000 acres
- Stratigraphy - faulted, discontinuous



- Many aquifers with high clay content
- Well capacities relatively low
- Variable trends in groundwater levels

*Digital geologic map from California Geological Survey*


SUSTAINABLE GROUNDWATER  
MANAGEMENT CENTER



### Groundwater Quality Issues


Water quality inadequate for drinking water / potable standards in some areas

- Northwestern Area – Nitrates
- Southeastern Area – Salinity
  - Seawater intrusion
- Elevated Iron/Manganese in some areas



### U.S. Geological Survey Groundwater Study


- 3-Year Study scheduled for completion Fall 2017
  - Compiling & evaluating existing data
  - Collecting new data (geologic data, groundwater levels, groundwater quality and streamflows)
  - Developing groundwater flow model
- Will form technical foundation for developing **Groundwater Sustainability Plan** (required by SGMA)



### Help with Groundwater Study! Volunteers needed for Well-Level Measurements

- Measure only **groundwater depth, not usage**. Trained personnel measure groundwater **level** in your well.
- **FREE** – there is no cost to you!
- You will be informed of the water level below your property
- Help ensure that **localized conditions** of you and your neighbors are **included in the study**
- Participation is **confidential**

Contact  
**Leah Walker**  
 City of Petaluma  
 lWalker@ci.Petaluma.ca.us  
 (707) 778-4583



### What's Happening Locally?

2015, getting started


- **Stakeholder Assessment completed**
- **Staff Working Group created** (of 12 countywide GSA-eligible agencies)
- **Facilitation services received** from state
- **Principles adopted** by GSA-eligible entities to commit to working together and with the public



### Striving to Engage, Keep Everyone Informed, and Garner Funding


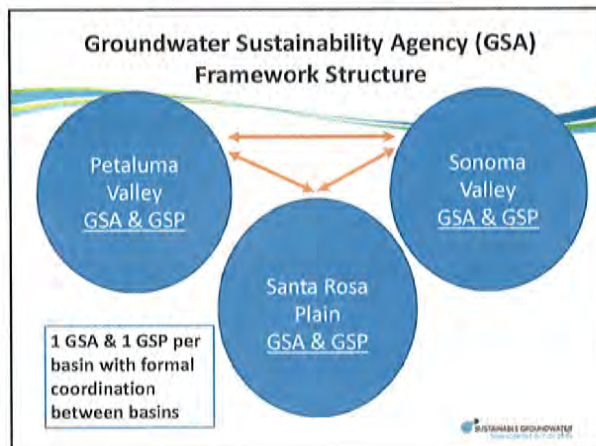
2016

- Basin Advisory Panel providing periodic input
- Public Workshops (Fall 2015 + Summer 2016 + Fall 2016)
- Website: [www.sonomacountygroundwater.org](http://www.sonomacountygroundwater.org)
- Monthly email updates on SGMA activities
- Formal comments on California's GW sustainability plan **draft regulations** (Spring 2016)
- Received \$250,000 Proposition 1 grant for managing/sharing data across basins and with public
- USGS study ongoing



Forming a Groundwater Sustainability Agency

## CURRENT THINKING IN PETALUMA VALLEY

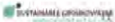
### Adopted Principles for Developing GSA Governance Options

- Build upon existing cooperation and successful water management efforts in Sonoma County
- Reinforce "local management" principles in SGMA
- Share resources and identify cohesive approach
- Costs should be equitably shared
- Represent community stakeholders through advisory committees
- Conduct robust and transparent outreach




### Petaluma Valley GSA Proposed Governance (Staff Proposal)

- **GSA Eligibility** (determined by State)
- **GSA Board:** One representative from each GSA-eligible entity
- **Representation:** Primary representative must be elected or appointed board/council member
- **Voting:** One vote per entity
- **Advisory body:** Created for stakeholder input
- **Funding/staffing:** Still under consideration



### Petaluma Valley Advisory Body Concepts (Staff Proposal)

- **Purpose:** Advise GSA Board on plan development & implementation
- **Appointments:** Formal application process
- **Terms:** Two-year terms
- **Transparency:** Public process, Brown Act meetings
- **Decision-making:** Protocols




### Petaluma Valley Advisory Body Concepts (Staff Proposal)

- Advise GSA Board on:
  - Development and implementation of Groundwater Sustainability plan
  - Regulations
  - Fees
  - Capital projects
  - Programs




### Petaluma Valley Advisory Body Membership (Staff Proposal)

- **Five at-large members appointed by each GSA-eligible agency:**
  - Petaluma City Council
  - NBWD Board
  - Board of Supervisors
  - SCWA Board of Directors
  - Sonoma RCD Board of Directors
- **Five interest-based members:**
  - Environmental representative
  - Rural residential well owner
  - Business community
  - Agricultural interest (surface water or GW user)
  - At-large community representative




### Final Decision Making on GSA Formation

- **Decision-makers:** Boards and Councils of GSA-eligible agencies make the ultimate decision on GSA formation.
- **Public Input:** Public officials and staff will listen and consider public input when evaluating options and making decisions
- **When?** Boards and Councils will consider recommendations in Fall/Winter 2016 (tentatively Oct. 3 for Petaluma City Council)
- **How?** Legal documents will be developed in Winter and Spring of 2016/2017




### What's Next: How Public Input will be Used for GSA Formation

- **Local public officials and staff are committed to keeping the public informed**, providing the public with balanced and objective information to assist the public in understanding SGMA, the governance options, and recommendations
- **Local public officials and staff will listen and consider public input** when evaluating options and making decisions




### What's Next

- Summer: Public input on GSA structures
- Summer/Fall: Continue development of GSAs
- Fall/Winter: Proposals Considered by Councils/Boards
- Winter/Spring: Legal documents developed



Outreach on SGMA	Fall 2015
Basin boundaries (req'd by DWR)	Dec 2015
Outreach on GSAs options	Spring /Summer 2016
Finalize GSAs Structure	Winter 2016
Public hearings	March 2017
Deadline: GSA Formation	June 30, 2017



### Resources & Email List

[www.sonomacountygroundwater.org](http://www.sonomacountygroundwater.org)

Ann DuBay  
[ann.dubay@scwa.ca.gov](mailto:ann.dubay@scwa.ca.gov) or 707-524-8378

Share Contact Info Today to Join Email List  
**Name – email – phone**



### What do you think?

- 10-Minute Table Top Conversations
- Large Group Discussion



### What do you think? Discussion Topics

What are your thoughts on GSA governance related to:

- GSA board representation, composition and voting?
- Advisory body representation and role?
- Other concerns?



# New water regulations to impact well users

**ERIC GNECKOW**

ARGUS-COURIER STAFF | August 30, 2016, 8:56AM | Updated 2 hours ago.

Petaluma resident Ray Peterson put the stakes in stark terms last week during a meeting over new regulations for well users in the Petaluma Valley basin.

"I don't know if you've lived where that's the only thing you've got, but it's quite different," said Peterson, whose Peterson's Farm off Gossage Avenue relies on well water. "You can't just turn on the tap."

With the deadline less than a year away, water and land use authorities are soliciting another round of public feedback before finalizing the governance structure that will implement the Sustainable Groundwater Management Act in the Petaluma Valley, part of a statewide mandate to manage underground water supplies across California.

The law will regulate groundwater for the first time in California when it goes into effect in 2022, and will give newly formed local boards the authority to assess fees, require monitoring on wells, set new standards, implement capital projects and other measures in order to maintain the health of their regional groundwater supplies.

During the meeting of stakeholders in Petaluma last week, Supervisor David Rabbitt, who serves on a county subcommittee focused on the law, emphasized that the governance structure taking shape would be one that represented the interests of the region. Local authorities, including city and county governments, water agencies and special districts, have until June 30, 2017 to set up a regulatory authority to implement the law.

"This is something new to California, something new to us, and something that is, quite frankly, being imposed on us, so we're trying to do our best to ensure we have local control," said Rabbitt, whose district includes the areas around Petaluma.

Signed into law under Gov. Jerry Brown in September 2014, the law, known by the acronym SGMA or "Sigma," came as a devastating drought put huge stresses on groundwater supplies in areas like the Central Valley. Ground began to sink in some areas as water extractions exceeded recharge, causing damage on the surface while threatening to permanently close off the underground pockets that hold water like a porous sponge.

The law identified three basins out of 14 in Sonoma County that would require a management plan, including the 46,000-acre basin spanning roughly along the valley floor between Railroad Avenue in the north and San Pablo Bay in the south. The other basins are the Sonoma Valley and the Santa Rosa Plain.

A 2014 report by the California Department of Water Resources found approximately 930 domestic wells and 470 irrigation or municipal wells in the basin, based on well completion reports submitted to the state, according to Ann Dubay of the Sonoma County Water Agency.



The vast majority of residents in Petaluma city limits receive their drinkable water from the Russian River, through a pipeline traversing the Cotati grade. Yet 14 municipal wells exist to bolster that supply in the event of an emergency, which Mayor David Glass said gives urban residents a stake in the regulations.

"We want to leave it in the ground to the extent that we can," he said.

Authorities eligible to be a part of the so-called groundwater management agency in the Petaluma basin are the city of Petaluma, Sonoma County, the Sonoma County Water Agency, the Sonoma Resource Conservation District and what was until recently a little-known entity known as the North Bay Water District, according to information from the Water Agency.

Encompassing a 27,000-acre, San Pablo Bay-fronting swath of land between Petaluma and Sonoma valleys, the long-dormant North Bay Water District recently assumed new life as an entity to represent the agricultural well users in both regions for the purposes of the new law, said Tito Sasaki, a Sonoma Valley grape grower who is representing the district during the process.

While the district's efforts in the 1960s to build a pipeline from Napa County's Lake Berryessa never materialized, Sasaki said the entity has now given agriculture interests a reliable seat at the table during the deliberations. Vineyards and other rural agricultural operations in the unincorporated areas of both basins largely rely on well water for irrigation and other activities fundamental to their operations, he said.

"In the case of a prolonged drought, I can see there could be restrictions on groundwater extraction," said Sasaki, who is also on the board of the Sonoma County Farm Bureau. "If everybody has to cut groundwater by 90 percent, the cities can survive. But the farmers, if we have to cut 90 percent, we're all dead. It's belly-up."

Exactly what measures will satisfy the state's mandate that the Petaluma basin and others achieve sustainability within 20 years is unknown, but a current study involving the United States Geological Survey is anticipated to provide greater understanding when completed in 2017, said Jay Jasperse, chief engineer and director of groundwater management at the Water Agency.

The forthcoming model, similar to ones already completed in Santa Rosa and the Sonoma Valley, will show the interaction of surface and underground water and the impact of extraction or recharge in particular areas.

"Relative to the other basins, we don't know as much," he said of the Petaluma basin. "What we do know is, similar to other basins, it is a very complex geology."

Possible issues in Petaluma include saltwater intrusion from San Pablo Bay, nitrates in well water in the northwest, concentrations of iron and manganese in some areas and the complexity of groundwater behavior due to deeply faulted, clay-rich soils, he said.

In addition to a governing board comprised of representatives from each eligible authority in the Petaluma Valley, presenters suggested that the entity also have an advisory committee representing a variety of stakeholders in the area, according to information from the meeting.

The 10-member board would include five appointees from the governing board and five interest-based members representing environmental concerns, a rural residential well user, a business member, an agricultural member and an at-large community representative.

“They will be an important advisory group with broad representation,” said Leah Walker, Petaluma’s environmental services manager.

The Petaluma City Council is tentatively scheduled to hear a presentation on the emerging governance structure in October, but a vote to approve the proposal won’t come until 2017, Walker said.

As the process moves along, Peterson, the latest in several generations of Sonoma County residents, said the Petaluma Valley was rife with well users who could see an impact from the law.

“Pretty much if you are outside of city limits, you’re on a well,” he said.


(Contact Eric Gneckow at [eric.gneckow@arguscourier.com](mailto:eric.gneckow@arguscourier.com). On Twitter @Eric\_Reports.)

16

MEMORANDUM

To: Board of Directors

September 2, 2016

From: Chris DeGabriele, General Manager 

Subj: Pacific Gas and Electric Company's Application for Temporary Variance of Minimum Flows in the Eel River and East Branch Russian River

t:\gmt\2016 misc\update on pge variance 082516.doc

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** None at this time

At the August 2<sup>nd</sup> Board meeting, the Board authorized staff to submit comments to the Federal Energy Regulatory Commission on the subject PG&E proposal to reduce minimum flows in the East Branch Russian River. District legal counsel, Robert Maddow, filed the comments on behalf of the District on August 10, 2016, which were included with the August 16<sup>th</sup> Board agenda (Attachment 1).

FERC has now granted the extension of the temporary variance and ordered that it remain in effect until such time as Lake Pillsbury storage levels exceed 27,000 acre feet following October 1, 2016. The FERC order granting the extension (Attachment 2) references NMWD's comments acknowledging support for a revision to PG&E's water management practices at the project but making no provision for North Marin or another drinking water entity to participate in the drought working group as had been requested.

ROBERT B. MADDOW  
CARL P. A. NELSON  
CRAIG L. JUDSON

**BOLD, POLISNER, MADDOW, NELSON & JUDSON**

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DOUGLAS E. COTY  
TIMOTHY J. R. YAN

JEFFERY D. POLISNER  
(RETIRED)

FREDERICK BOI.D, JR.  
(1913-2003)

August 10, 2016

Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Subject: Project No. 77-282 – COMMENTS of North Marin Water District on Application by Pacific Gas and Electric Company for Temporary Variance of Minimum Flow Requirements

Dear Madame Secretary:

This law firm serves as General Counsel to the North Marin Water District (“NMWD”), and in that capacity we are hereby submitting NMWD’s COMMENTS on the Application for Temporary Variance of Minimum Flow Requirements submitted by Pacific Gas and Electric Company (PG&E”), the owner and operator of the Potter Valley Project, FERC Project No. 77-282 (“Project”).

NMWD is a retail water utility which serves a suburban population of approximately 61,000 people in or near the city of Novato, California. Approximately 80% of the water NMWD serves to its customers is purchased from the Sonoma County Water Agency (“SCWA”) and supplied from the Russian River. One important component of the SCWA water supply is the water that is released into the East Branch of the Russian River from the Project, and the proposed reductions in those releases are the subject of the instant Application. From the perspective of NMWD, and probably also that of the other retailer water entities that buy water from the SCWA, there has been a significant reduction in the reliability of Upper Russian River water supplies available to the SCWA since Project operations were changed approximately a decade ago. That reduction adversely impacts the availability of water to meet minimum flow requirements in the Russian River, and adversely affects the reliability to meet the needs of NMWD and the many other entities that are reliant on Russian River supplies.

Historical data shows that diversions into the Russian River from the Project averaged over 160,000 acre-feet annually (“AFA”) from 1922 through 1983, declined to an average of about 135,000 AFA from 1984 through 2006, and then dropped to an average of about 72,000 AFA between 2006 and 2014. NMWD is also aware of studies by SCWA which demonstrate that if Project releases into the Russian River system are eliminated, Lake Mendocino would go dry for some period during 60% of the hydrologic years included within their simulation studies.

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NMWD believes that insufficient attention is paid to drinking water supply as one of the many beneficial uses made of water that is released through the Project, and that water management decisions are being made by PG&E in an inconsistent manner. In the recent series of dry years, for example, Lake Pillsbury, the Project's key storage facility was operated as follows:

-In 2013, inflow to Lake Pillsbury from Oct. 1, 2012 to July 21, 2013 was 255,122 acre-feet ("AF"), and as of July 21, 2013; 15.1% of the inflow, or 38,622 AF, remained in storage;

-In 2014, for the comparable time period, inflow was 113,101 AF, but 46.2% of the inflow, or 52,209 AF, remained in storage.

-In 2015, for the comparable time period, inflow was 178,659, and 14.6% of the inflow, or 26,058 AF, remained in storage.

-2016 saw more substantial precipitation, and the inflow for the comparable time period rose to 448,678 AF, but as of July 21, a mere 8.3%, or 37,435 of that total, remained in storage.


The reduced amount of water in Lake Pillsbury has a cascading effect, because it results in reduced water in Lake Mendocino, a key SCWA reservoir that is especially important for water releases into the Upper Russian River for protection of threatened and endangered species, to say nothing of the water available to other entities that have water rights or contractual entitlements to Russian River water for a variety of consumptive beneficial uses. For many years, Russian River water users have made consistent and significant strides in water conservation and water use efficiency, but even continuation of those efforts may not be sufficient if there are further reductions of flows from the Project into the East Branch of the Russian and into Lake Mendocino. A reduction of minimum flows in the East Branch Russian River to "possibly the 5 cfs critical year requirement" as proposed by PG&E cannot be substantiated as reasonable given Lake Pillsbury's inflow this water year to-date is nearly 3 times the normal year criteria (160,000 AF).

NMWD's comments are intended to demonstrate to the FERC that serious attention needs to be paid to all consumptive uses of water released from the Project. With all due respect to the FERC regulators, PG&E, and the SCWA, NMWD submits that the Potter Valley Drought Working Group that PG&E has proposed should be expanded to include one or more informed voices from the drinking water entities that are impacted by Project operations. NMWD respectfully suggests that there are several ways in which this could be accomplished – e.g., the Chairs of the Water Advisory Committee (made up of elected officials from the public entities that buy water from SCWA) and/or the Technical Advisory Committee (made up of General Managers of those entities) could be added to the Group, and/or perhaps one or more representatives from that group of entities could be named. NMWD's General Manager is willing to serve in such a capacity.

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On behalf of NMWD, the opportunity to submit these comments is greatly appreciated. Persons who should be contacted in regard to these COMMENTS are the undersigned, whose phone number appears in the letterhead and whose e-mail address is [rmaddow@bpmnj.com](mailto:rmaddow@bpmnj.com), and Chris DeGabriele, NMWD's General Manager, who may be reached at (410) 761-8905.

Respectfully submitted,

  
Robert B. Maddow

cc: Applicant's Contact  
Service List  
North Marin Water District

156 FERC ¶ 62,126  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Pacific Gas and Electric Company

Project No. 77-282

ORDER GRANTING EXTENSION OF TEMPORARY VARIANCE OF MINIMUM  
FLOW REQUIREMENTS UNDER APPENDIX A OF THE JANUARY 28, 2004  
ORDER AMENDING LICENSE

(Issued August 18, 2016)

1. On July 6, 2016, Pacific Gas and Electric Company (licensee) filed a request with the Federal Energy Regulatory Commission (Commission) for a temporary variance of the minimum flow requirements of its license for the Potter Valley Project No. 77. The project is located on the Eel River and East Fork Russian River in Lake and Mendocino counties, California.

BACKGROUND AND LICENSE REQUIREMENTS

2. Ordering paragraph (C) of the Commission's January 28, 2004 Order Amending License<sup>1</sup> requires the licensee to implement a complex minimum flow regime contained in the National Marine Fisheries Service's (NMFS) November 29, 2002 Reasonable and Prudent Alternative (RPA), and found in the Appendix A of the order. Among the requirements of the RPA, the license is required to meet minimum flow requirements at three locations, based on water year types. Specifically, the licensee is required to meet minimum flows at: the Eel River below Cape Horn Dam; the Eel River below Scott Dam; and the East Branch of the Russian River.

3. On July 15, 2016, the Commission issued an Order Granting Temporary Variance of Minimum Flow Requirements under Appendix A of the January 28, 2004 Order Amending License.<sup>2</sup> The order granted the licensee's request to operate the project under critical year flow requirements in the Eel River below Scott Dam and under the dry year flow requirements in the East Branch Russian River. In order to conserve limited water resources, the order immediately approved the temporary flow variance until August 19,

<sup>1</sup> See 106 FERC ¶ 61,065. Order Amending License (issued January 28, 2004).

<sup>2</sup> 156 FERC ¶ 62,042

Project No. 77-282

2

2016, while concurrently allowing a 30-day public notice period for an extended flow variance.

LICENSEE'S REQUEST

4. The licensee requests a continuation of the variance from the minimum flow requirements of the RPA at two minimum flow compliance points and a modified compliance criteria at all three minimum flow compliance locations. The licensee explains that due to dry conditions during the spring; Lake Pillsbury did not fill after the spillway gates were closed on April 1, 2016, as part of its California Department of Water Resources Division of Safety of Dams (DSOD) operating requirements. Normally, the licensee requests an early gate closure from DSOD prior to April 1 to allow for additional storage. However, based on high levels of expected precipitation in April and May, the licensee did not request an early gate closure, and precipitation levels during these months were below normal water year conditions, thus resulting in storage levels peaking at 80 percent. The lower storage levels, along with: a 2,500 acre foot block water release requested by the resource agencies under the RPA; additional releases in June for five days to bring the project powerhouse on-line; and minimum flow releases all contributed to lake levels reaching 56 percent of capacity on July 1, 2016. The licensee projects that under current conditions, the lake would reach a critical operating level of 10,000 acre-feet (13 percent storage) in October 2016, when the reservoir is subject to bank sloughing, causing turbidity downstream and the possibility of blocking the low level outlet.

5. In order to conserve water and prolong the timeline for reaching critical operating levels, the licensee proposes to operate under critical year flow requirements in the Eel River below Scott Dam and under the dry year flow requirements in the East Branch Russian River, with additional flexibility based on watershed conditions, and in consultation with a Drought Working Group,<sup>3</sup> which would meet bi-monthly during the variance to determine appropriate releases within the framework of the proposed variance. Specifically, the licensee would reduce flows at Scott Dam from the 60 cubic feet per second (cfs) normal year requirement to the 20 cfs critical year requirement. The licensee would also reduce flows in the East Branch Russian River from the 75 cfs normal year requirement to the 25 cfs dry year requirement, with an allowable reduction

<sup>3</sup> The Drought Working Group would consist of representatives from the California Department of Fish and Wildlife (CDFW), California Trout, Friends of the Eel River, National Marine Fisheries Service (NMFS), Potter Valley Irrigation District (PVID), Round Valley Indian Tribes (Tribes), Sonoma County Water Agency (SCWA), and the California State Water Resources Control Board (State Water Board).



to the critically dry year 5 cfs requirement in consultation with the Drought Working Group. In addition, the licensee requests that all three proposed actions determine compliance using a 24-hour average, instead of an instantaneous value for minimum flow. In conjunction with the proposed variance, the licensee proposes to provide no more than 50 cfs to the Potter Valley Irrigation District (PVID) through the East Branch Russian River. The licensee would also provide a fall migration pulse flow below Cape Horn Dam after October 31, 2016 to encourage Chinook salmon upstream migration. Finally, the licensee proposes to file monthly compliance reports with the Commission and provide bi-monthly email reports to the Drought Working Group. The licensee requests the above temporary variance until Lake Pillsbury storage exceeds 27,000-acre feet, following October 1, 2016.

6. The license provided an analysis of potential effects to aquatic resources from the proposed variance. The licensee states that due to the unchanged flows in the Eel River below Cape Horn Dam, it does not anticipate any impact to juvenile salmon or steelhead in this reach. The licensee further states that its proposed fall pulse release would encourage upstream salmon migration and that the overall variance would ensure essential flow releases in the Eel River through the end of the year. Finally, the licensee states that the reduction in flows in the East Branch Russian River is likely to reduce habitat for stocked rainbow trout and other aquatic species in this reach, resulting in reduced angling opportunities.

#### AGENCY CONSULTATION

7. The licensee developed its proposal in conjunction with the aforementioned Drought Working Group. By emails dated July 5, 2016, the CDFW, PVID, NMFS, and State Water Board concurred with the proposed variance. On the same date, SCWA and the Tribes stated that they did not oppose the variance. PVID further stated that the licensee consider all water rights holders in its future variance discussions. The State Water Board also reiterated its request for additional information on low level operation constraints, and recommendations to improve low reservoir level operations. In response, the licensee stated that it would conduct a more detailed analysis to determine if 10,000 acre-feet is the appropriate minimum elevation.

#### DISCUSSION AND CONCLUSIONS

8. The licensee is requesting an extension of the July 15, 2016 variance to the minimum flow requirements at the project, due to low water storage conditions in Lake Pillsbury. Due to strong public interest in this project and multiple stakeholders affected by this proposal, the Commission issued a public notice on the initial variance request on July 15, 2016. In response to the public notice, we received intervention requests from the Potter Valley Irrigation District (PVID), Mendocino County Inland Water and Power

Commission (MCIWP), and Friends of the Eel River (Friends) on August 9, 12, and 15, 2016, respectively. We also received comments from North Marin Water District (NMWD) on August 11, 2016 and the Round Valley Indian Tribes (Tribes) and Lake Pillsbury Homesite Association on August 12, 2016. By letter dated August 17, 2016, the licensee provided a response to the comments filed with the Commission. PVID and MCIWP support the proposed variance, but state that more assertive water management this past spring could have negated the need for a temporary variance, but also believes that the current minimum flow conditions require reevaluation. PVID and MCIWP also request that junior water rights holders are included in future water management negotiations. Friends states that it does not object to the proposed variance, but remains concerned about current water management practices at the project and requests that the licensee conduct an analysis on the effects of allowing Lake Pillsbury to drain below 10,000 acre-feet and develop a safety protocol in the event that the low level outlet became clogged. NMWD highlights the importance of water diverted from the Eel River to the East Branch Russian River for consumptive water uses and requests that the aforementioned Drought Working Group include one or more members from the drinking water entities affected by project operations. The Tribes support the extension of the minimum flow variance, and request that the licensee further analyze current water management practices and the effects of reducing Lake Pillsbury storage below 10,000 acre-feet. Finally, the Lake Pillsbury Homesite Association supports the proposed flow variance, but is concerned that current reservoir management practices are having a negative impact on recreational resources at Lake Pillsbury. In response to the above comments, the licensee states that it recognizes the need to evaluate project operations to avoid similar future variance requests. It also states that it is working to collect and analyze the information requested in the Commission's July 15, 2016 order.

9. Review of the public comments indicates a consistent support for a revision to water management practices at the project. Multiple entities also requested an analysis of reducing the Lake Pillsbury storage levels below 10,000 acre-feet and its potential effects to water release infrastructure. We requested that the licensee conduct a feasibility analysis of modifying its water management practices and its low storage level release capabilities in our July 15, 2016 order. This information should aid in the determination as to whether project operations can be modified to preserve water storage and avoid future variance requests. Regarding the NMWD's request for a water agency to participate in the Drought Working Group, we note that Sonoma County Water Agency (a major local water supplier) is currently a member of the group. Nonetheless, we encourage the licensee to coordinate any water management decisions with applicable stakeholders, to the extent possible.

10. As discussed in the July 15, 2016 order, the variance would result in temporary reduction in water and available habitat for aquatic organisms in the Eel River between

Scott Dam and Cape Horn Dam. There would likely also be a potential increase in water temperatures throughout the Eel River (including below Cape Horn Dam) through decreased flows. Similar negative impacts would be expected to occur in East Branch Russian River through reduced flows and possible increased water temperatures. While the proposed flow reductions would be within the previously established flow regimes of the RPA and preserve an adequate supply of water for release later in the season, the licensee is reminded that it should continue to be vigilant of any adverse effects to aquatic resources during the temporary variance and to alert the resource agencies and the Commission of any adverse impacts observed or reported to the licensee. The licensee should also be required to continue to file monthly reports of its flow releases during the temporary variance period. An extension of the previous flow variance would ensure that adequate storage is available to maintain flows in the Eel and East Branch Russian Rivers and meet water commitments, while avoiding potential negative impacts to the Lake Pillsbury outlet works and reservoir bed, and should be approved until such a time as Lake Pillsbury storage levels exceed 27,000 acre-feet, following October 1, 2016.

The Director orders:

(A) Pacific Gas and Electric Company's (licensee) request for a temporary variance of the minimum flow requirements of Appendix A of the Commission's January 28, 2004 Order Amending License for the Potter Valley Project No. 77, filed with the Federal Energy Regulatory Commission (Commission) on July 6, 2016, as modified in ordering paragraph (B), is approved until such a time as Lake Pillsbury storage levels exceed 27,000 acre-feet, following October 1, 2016.

(B) The licensee must continue to file a monthly report of all interim flow monitoring conducted during the temporary flow variance period. The report must include all data necessary to determine compliance with the interim minimum flow requirement. The report must be filed with the Commission by the 15th of the month following each monthly monitoring period.

(C) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 8251 (2006), and the Commission's regulations at 18 C.F.R. § 385.713 (2015). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

Thomas J. LoVullo  
Chief, Aquatic Resources Branch  
Division of Hydropower Administration  
and Compliance

17

## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, Assistant General Manager/Chief Engineer  
Subject: North Bay Water Reuse Authority Board Meeting – August 22, 2016  
September 2, 2016  
R:\Folders by Job No\7000 Jobs\7127\Board Memos\7127 NBRWA Update 8\_22\_16.doc

**RECOMMENDED ACTION:** Information Only  
**FINANCIAL IMPACT:** None

Supplemental information is provided as follows using item numbers referenced in the attached meeting agenda and draft minutes (Attachment 1). A complete agenda packet is available via [www.nbwra.org](http://www.nbwra.org).

**2. Roll Call**

NMWD Board was represented by Director Baker.

**7. Financial Report for the Period Ending June 30 and July 31, 2016**

The financial reports were not yet available and will be presented at the next meeting.

**8. Program Development, Federal, and State Advocacy Reports**

As reported previously, the Hertzberg Bill (SB 163) has been pulled from this year's senate session due to water and wastewater agency opposition. It was noted however, that since many agencies appear to be able to meet the 50% reduction requirement opposition may not be as united next year when SB 163 is expected to be reintroduced. The next trip to Washington DC will be September 20-22 of this year.

**12. Follow Up on Recommendations from Governance Task Force**

Chair Rabbitt provided an overview of the recent outcome from the Governance Task Force meetings. He stated that NBWRA should be Board driven not consultant driven and discussed the general budget and scope management flowchart (included as Attachment 2). Chair Rabbitt stated that some of the key objectives of the governance changes are to: restructure the organization to maintain NBWRA viability; provide more transparency to NBWRA decision makers; and focus on regional reliability perspectives over independent utility interest. In summary, there will be more program direction and budget oversight by the Board. A new meeting sequence and process for decision making is outlined in Attachment 3. Near term milestones are to finalize the FY16/17 budget at the September 19 meeting and approve said budget at the October 24 meeting. At both of these meetings, member agency obligations will continue to be discussed.

**North Bay Water Reuse Authority  
Board of Directors Meeting  
Minutes  
August 22, 2016**

**1. Call to Order**

Chair Rabbitt called the meeting to order at 9:42 a.m. on Monday, August 22, 2016 at the Novato City Hall Council Chambers. Consultants and others who were unable to attend participated via telephone, 1 (602) 567-4030, passcode 2231; <https://conferencing.brwnncald.com/conference/2231>.

**2. Roll Call**

<b>PRESENT:</b>	David Rabbitt, Chair	Sonoma County Water Agency
	Bill Long, Vice Chair	Novato Sanitary District
	Jack Baker	North Marin Water District
	Keith Caldwell	Napa County
	Rabi Elias	Las Gallinas Valley Sanitary District
	Susan Gorin	Sonoma Valley County Sanitation District
	Larry Russell	Marin Municipal Water District (by telephone)
	Dan St. John (TAC)	City of Petaluma
	Jeff Tucker (TAC)	Napa Sanitation District

**ABSENT:** City of American Canyon, Marin County

**OTHERS**

<b>PRESENT:</b>	Chuck Weir, Program Manager	Weir Technical Services
	Kevin Booker	Sonoma County Water Agency
	Ginger Bryant	Bryant & Associates
	Jill Chamberlain	Brown and Caldwell
	Grant Davis	Sonoma County water Agency
	Pam Jeane	Sonoma Valley County Sanitation District
	Sandeep Karkal	Novato Sanitary District
	Susan McGuire	Las Gallinas Valley Sanitary District
	Drew McIntyre	North Marin Water District
	Mark Millan	Data Instincts
	Phil Miller	Napa County
	Pilar Oñate-Quintana	The Oñate Group (by telephone)
	Mike Savage	Brown and Caldwell (by telephone)
	Paul Sellier	Marin Municipal Water District
	Brad Sherwood	Sonoma County Water Agency
	Jake Spaulding	Sonoma County Water Agency
	Dawn Taffler	Kennedy Jenks Consultants (by telephone)
	Leah Walker	City of Petaluma

**3. Public Comments**

There were no comments from the public

#### **4. Introductions**

Introductions were not made.

#### **5. Board Meeting Minutes of July 26, 2016.**

A motion by Director Long, seconded by Director Baker to approve the July 26, 2016 minutes was unanimously approved.

#### **6. Report from the Program Manager**

The Board reviewed the consultant progress reports for July 2016. The Program Manager highlighted the remaining agenda items.

##### **a. Consultant Progress Reports**

The Board reviewed the consultant progress reports for July 2016.

#### **7. Financial Reports for the Period Ending June 30, 2016 and July 31, 2016**

Sonoma County is still in the process of completing all financial tasks for FY2015/16. As a consequence the usual financial reports were not available and will be presented at the next meeting. The Board reviewed the consultant cost tracking for the period ending July 31, 2016.

#### **8. FY2016/17 Budget Update**

This item was combined with Agenda Item No. 12.

#### **9. Program Development, Federal, and State Advocacy Update**

The following items were discussed: State Advocacy, Program Development and Federal Advocacy and related outreach efforts.

Pilar Oñate-Quintana discussed State Advocacy and noted that SB163 Hertzberg has been pulled from this session due to water and wastewater agency opposition. The author has indicated that it will be reintroduced in the next session. Since many agencies appear to be able to meet the 50% reduction requirement, opposition may not be as united as in the past. She also discussed SB1328, which is related to stormwater and greenhouse gases. There is grant funding for water projects including water recycling.

Ginger Bryant provided an update on Program Development and Federal Advocacy, including the status of water related legislation that will include funding through Title XVI and other venues. She noted that the next trip to Washington D.C. will be in September.

#### **10. Outreach Program Update.**

Mark Millan noted the new set up for the room, which has the Board members sitting at the head of the room. He also noted that the WateReuse report on Direct Potable Reuse will be presented on September 29, 2016 at Santa Clara Valley Water District in San Jose. The report is at the request of the Legislature and has been managed by the State Water Resources Control Board.

#### **11. Engineering, Environmental, and Public Involvement Services Report**

There was no specific report on this item as it is currently on hold. There will be a report at the October meeting.

**12. Follow Up on Recommendations from Governance Task Force**

Chair Rabbitt gave a report based on the information in the Agenda packet. The goal of the recommendations is to improve the decision making process. He outlined how consultant agreements would be managed and how the revised meeting structure would work. Beginning in 2017, the Board will meet every other month. Information will be presented at one meeting and decisions will be made at the next meeting. The time in between is to allow Board members and their staffs to discuss issues with their individual Boards and Councils.

Jake Spaulding provided an overview of the current budget, consultant funding status, and amendments that will be requested for FY2016/17. There are a total of \$51,872 in amendments for federal lobbying, state lobbying, and engineering services. A revised budget will be presented at the September 19, 2016 meeting for discussion and the Board will consider approval at the October 24, 2016 meeting. Until such time as cost sharing modifications are resolved, the current cost sharing will be used.

Director Long requested information on the grant funding that has been received from all sources by fiscal year to assist in showing the benefit of participating in the program. He also suggested that the Board consider forming a joint powers agency with a General Manager with executive authority.

**13. Comments from Chair and Board Members**

There were no additional comments from the Chair and Board Members.

**14. Adjournment**

Chair Rabbitt adjourned the meeting at 10:53 a.m. The next meeting will be Monday, September 19, 2016 at 9:30 a.m. at Novato Sanitary District.

Minutes approved by the Board \_\_\_\_\_.

Charles V. Weir  
Program Manager

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# Budget & Scope Management Process Remains the Same Item No. 12

**Board Approves Budgets/SCWA Approves Contracts**

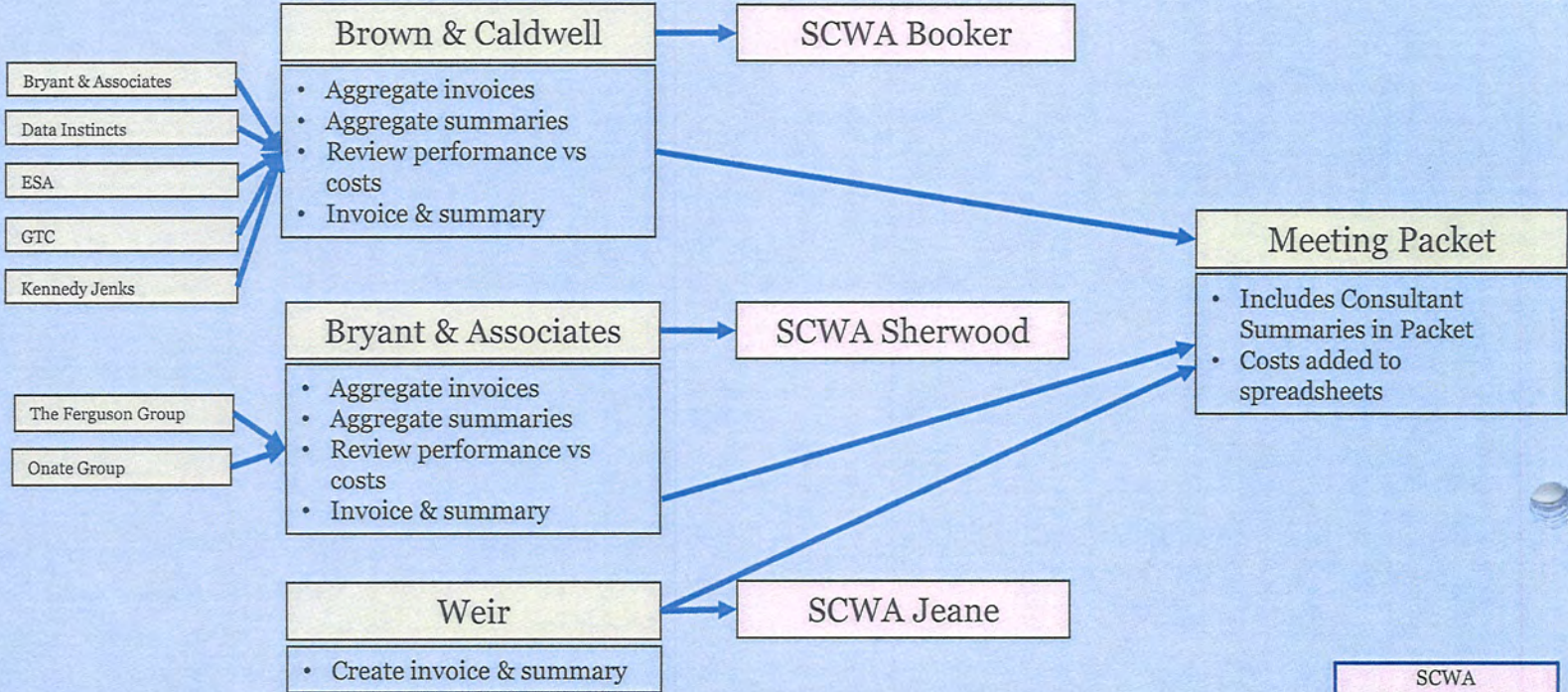
**Prime Consultant Invoices & Monthly Summaries**

**SCWA Reviews & Approves Monthly Invoices & Summaries**

**Monthly Summaries & Summary of Costs in Meeting Packets**

**NBWRA Board of Directors**

- Approved contracts in 2014 that included FY14/15 budget
- Subsequent year budgets contingent upon approval of funds
- FY15/16 budget approved in April 2015
- FY16/17 budget approved in May 2016: proceed for 6 months until amendments can be approved in October

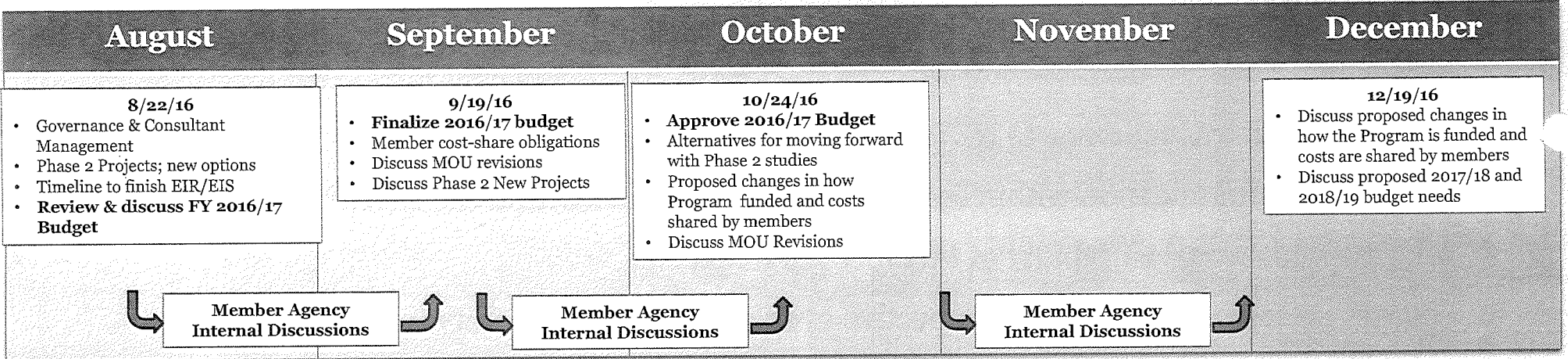


Legend:

- SCWA Administrative Agency Action
- 65 of 94
- Consultant Action

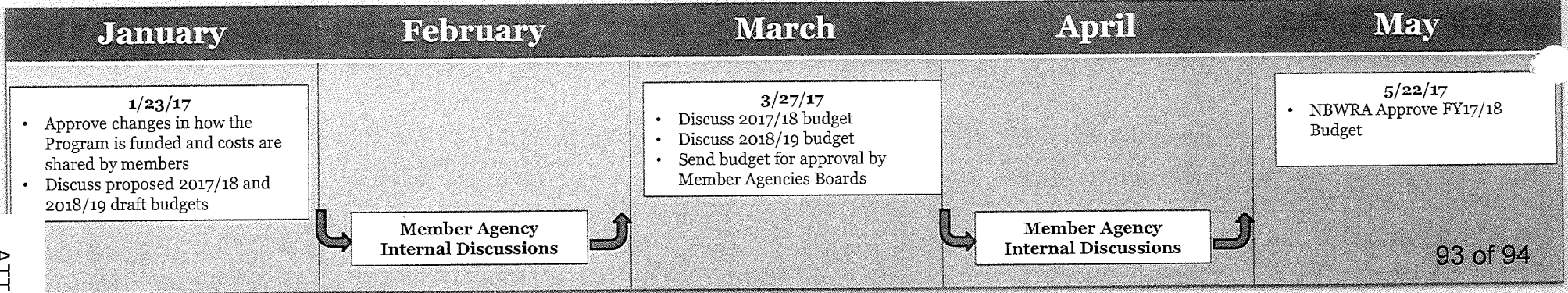


# New Meeting Sequence and Process for Decisions 2016



Source: NBWRA Meeting July 26, 2016

# 2017



18

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

**ITEM #18**

A meeting of the North Bay Watershed Association will be held as follows:

Date: Friday, September 9th, 2016, Time: 9:30 a.m. – 11:30 a.m.

Location: Novato Sanitary District, 500 Davidson Street, Novato Ca. 94945

**AGENDA Item and Recommendation**

- |   |       |
|---|-------|
| 1. Call to Order (Jack Gibson, Chair)   | 9:30  |
| 2. Public Comment   |       |
| 3. Approval of the Agenda (1 min.) <i>Approve</i>   |       |
| 4. Approval of Minutes (5 min) <i>Approve</i>   |       |
| 5. Treasurer's Report <i>handout</i> (1 min.) <i>Accept</i>   |       |
| 6. Director's Report <i>information/questions</i>   |       |
| <br>  |       |
| 7. <b>The 2015 State of the Estuary Report:<br/>what is the health of San Francisco Bay?</b> <i>Information</i>                       | 9:45  |
| Dr. Letitia Grenier, San Francisco Estuary Institute  |       |
| <br>  |       |
| 8. Board Survey Follow-up, <i>Recommendation/Action</i><br>Communications Committee   | 10:25 |
| <br>  |       |
| 9. <b>The NEW Action Plan for Improving the Health of the Estuary and what it suggests<br/>for the North Bay – <i>Information</i></b> |       |
| Caitlin Sweeney, Director, San Francisco Estuary Partnership  | 10:40 |
| <br>  |       |
| 10. <b>Items of Interest</b>  | 11:15 |
| <br>  |       |
| 11. Items for next agenda   | 11:25 |
| * Project Funding Request: North Bay Shoreline Access Maps  |       |
| * Leigh Sharp, Napa RCD, Landsmart and STRAW presentation   |       |
| * Going to the Dogs: Demo of how trained dogs are helping keep lakes safe   |       |

**Next Meeting Information:** October 7<sup>th</sup>, Petaluma Community Center, 320 N. McDowell Blvd., Petaluma, CA 94954- Conference Room 2

NORTH BAY WATERSHED ASSOCIATION

Summary of the meeting of the North Bay Watershed Association (NBWA) Board of Directors

Date: July 8, 2016  
Time: 9:30 a.m.  
Location: Marin Community Foundation  
5 Hamilton Landing, Suite 200  
Novato, CA 94949

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	Chris Choo	County of Marin
Keith Caldwell	Napa Sanitation District	Brad Sherwood	County of Sonoma
Judy Schriebman	Las Gallinas Valley Sanitary District	Paul Jensen	City of San Rafael
Mike Healy	City of Petaluma	Madolyn Agrimonti	City of Sonoma
Jack Gibson	Marin Municipal Water District	Pam Meigs	Ross Valley Sanitary District
Diane Furst	Central Marin Sanitation Agency	Brant Miller	Novato Sanitary District
Pam Drew	City of Novato	Grant Davis	Sonoma County and Sonoma County Water Agency
Bob Bundy	Corte Madera Flood Board		

Directors present represented 15 out of the 18 agencies signatory to the Association MOU.

Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:35 a.m.
2. **Public Comment.** None.
3. **Approval of the Agenda.** (See Handout) The Board unanimously approved the agenda.
4. **Approval of the Minutes of the Board Meeting held June 3, 2016.** (See Handout) The Minutes of the Board Meeting held on June 3, 2016 were unanimously approved.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report was accepted as presented by Judy Kelly.
6. **Director's Report.** Judy Kelly, Executive Director of NBWA, presented the Director's report for July 2016. Feedback from the Board was that these new reports are helpful and informative and should remain a regular agenda item moving forward.
7. **Climate Project Update.** Caitlin Corwall with the Sonoma Ecology Center presented a PowerPoint discussing the NBWA-funded Climate Project. In 2012 NBWA funded the North Bay Climate Adaptation Initiative Project. The project's timeline: Climate Ready North Bay Phase One → 2014-2016. Climate ready North Bay Phase Two → 2016. *Challenge:* To connect existing climate data and tools with users, and answer new questions. Take home messages from Phase One: There will be drier soils, whether or not there is more or less rain. We will see more extremes of excess and shortage, and less predictability. Design models for the extremes need to account for the worst case scenarios. Climate change brings separate agencies and organizations together with a common cause: public health, land use, and business. A key issue is how to deal with uncertainty: precautionary approach is to plan for worst case, or preponderance of evidence. But for water managers, there is a need to create triggers and thresholds for management decisions or policy change. Climate hazards are creating allies. The big question is How to deal with equally likely climate models? It makes sense to plan around models depicting your personal [agency] worst-case scenario (e.g, too much water – flood protection agency, not enough water – water district). Go with the preponderance of evidence. Phase One has been completed – serving natural resource agencies in Marin, Sonoma, Napa, and Mendocino Counties, [larger area than NBWA]. Results from Phase One: temperature increases, depending on the model, +3.8, +4.2, +7.0 degrees for mid-century, and up to +11 degrees in end of century. The model also projected rainfall – no matter what model you use, there are more extreme years, and many fewer moderate years. It also projected groundwater recharge 2040-2069, and recharge is less volatile than runoff. Phase One created a new term: climactic water deficit: whether we're looking at a

wetter or a drier future, there will a deficit because the future is warmer either way. Dryer soils also create vegetation shifts. More information and detailed models can be found at <http://Climate.calcommons.org/crnw/home>. Questions/comments: Biggest threat to many watersheds is fire. Is there a program that would help the watersheds address this? [Yes, the models look at that] What would be a potential public health issue? [high heat days and heat stroke potential] Please provide granular data and can you present next time on the operational decisions that have been made based on the results of the models and studies? Caitlin notes that there will be regional meetings in September in each county in the North Bay and we can go into those issues at the meetings. Details can be found on the presentation now posted on the July 7<sup>th</sup> Board meeting page on the NBWA website.

8. **The North Bay Watershed Association.** Judy Kelly, Executive Director of NBWA presented the results of the 2016 Board Member Survey and discussed priorities and the overall direction of NBWA in the coming year. Survey results found that most NBWA members are satisfied or highly satisfied with the organization and meetings; support all the organization goals but believe working cooperatively and seeking funding together are top issues; see challenges in terms of water quality/supply, habitat restoration, needed policy updates, better public awareness, salt intrusion, research needs and improved coordination. Members recommended continued sharing of funding information, regional planning efforts, focused attention on flood risk, regulatory change readiness, and would like to see more local organization speakers and learn more about new research and endangered species issues. After discussion, the Board recommended stronger coordination between the Board and JTC/project ideas and options; supported ideas for stronger internal communications and Brad Sherwood's offer to help craft an NBWA Outreach Plan (perhaps an Outreach Committee? and to proceed cautiously on advocacy-type actions at the Board level. Bringing in possible new members was also recommended and to possibly aid that effort- review current meeting sites and possibly find a more eastern site.

9. **The Bay Area Reliability Report.** Carl Gowan with the Marin Municipal Water District presented a PowerPoint discussing Bay Area Regional Reliability (BARR). The BARR is being funded by a grant from the Bureau of Reclamation and is intended to explore ideas about how the water agencies around the Bay Area can prepare for drought and work toward planning and building projects that could provide mutual support in a drought situation. The presentation elicited many questions from meeting attendees and Board members: Q: Are the member agencies committed to implementing the recommendations? A: All funding needs to be approved by the individual agency boards. Funding is not currently in place for all proposed projects. Comments: BARR is a great idea because it fosters partnerships in the region and the opportunity for funding. Q: What is the status of regional desalinization? [It is still on the table as an option]. Q: Would regional interties be bi-directional? [Most of them would be one-directional, due to water availability and contract restrictions]. Q: Are agencies discussing standardized water quality? [It hasn't been discussed yet, but could be in the future]. Q: What is the schedule for the 2040 plan? [July 2018 is the scheduled publish date]. Comment: Make sure to look at the region and ensure the North Bay's supply is protected.

10. **Items of Interest.** There were no items of interest discussed.

11. **Items for Next Agenda.**

- \*The Health of San Francisco Bay: Dr. Letitia Grenier, San Francisco Estuary Institute
- \* Issues and what is needed; potential actions in the North Bay presented by Caitlin Sweeney, Director, San Francisco Estuary Partnership

Jack Gibson, Chair, adjourned the meeting at 11:20 a.m.

SUBJECT TO BOARD APPROVAL  
Submitted By: Judy Kelly,  
Executive Director

**NEXT MEETING INFORMATION**

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



September 2016 - Director's Report

#### NBWA Business

- I am extremely pleased to welcome and introduce Sophie Hallam-Eames as the new Administrative support for NBWA. Sophie is working jointly for the NBWA and Sonoma County Water Agency and comes to us as a recent graduate in Geography and Environmental Studies at the University of Colorado. I know you will make Sophie welcome at her first meeting with us on September 9<sup>th</sup>.
- Progress is nearly complete on NBWA website revision – I hope the new site is ready in demo by our meeting in September.
- Our financial support folks at MMWD completed agreements for two already-approved NBWA project: North Bay support for stormwater permit readiness tasks in the EOA/BASMAA contract, and the Rural Road assessment project. We will hear more about these projects as they progress.
- An NBWA Watershed Council Meeting was held at the Point Blue offices in Petaluma on July 21<sup>st</sup>. The agenda covered an update of the status of North Bay efforts on the Prop 1 Disadvantaged Community outreach funding [Information on this fund source can be found at <https://www.epa.gov/sfbay-delta/sf-bay-water-quality-improvement-fund-2016-request-proposals>] and our speaker from the Coastal Conservancy explained what the process will be now that Measure AA has passed. A meeting summary is attached -- information about the new funding from Measure AA can be found here on the Documents page of the RA website. [www.sfbayrestore.org](http://www.sfbayrestore.org)
- In a phone meeting of the NBWA Administrative Steering Committee on July 21<sup>st</sup> the Committee agreed to offer an introductory dues level of \$1,500 to entities interested in joining the NBWA. This offer was made to both Valley of the Moon Water District and the City of American Canyon.
- Advance planning: In October the Board will hear from Leigh Sharp, Ex. Officer of the Napa RCD about the NBWA-funded project, in partnership with Point Blue Science, which has been focused on youth environmental education. As an added attraction – you will not want to miss the innovative demonstration of how SCWA is working to stop the spread of invasive aquatic species.

## Funding News

- Integrated Regional Water Management Plan [IRWMP] Letters have recently been sent to NGOs and North Bay agencies to determine level of interest and the capacity of organizations to work with the IRWMP program in the North Bay efforts on outreach to Disadvantaged Communities [DACs] regarding DWR's newest funding round. Recall that current efforts are focused on finding partners and defining appropriate processes. This work is for an initial regional amount of \$6.5 million [no match requirement] focused on outreach and project development in DACs. FYI-This funding source is a point of discussion at almost every NBWA Joint Technical Committee meeting; See <http://www.bairwmp.org> for news and update on this funding.

## Other News and Notes

- Website of the month. From our local partner, the San Francisco Estuary Institute, the excellent Regional Monitoring Program website holds a wealth of information about current water quality monitoring efforts in San Francisco Bay. Special reports on nutrients, micorplastics, PBDEs and other issues of concern are available as downloads. Access this great source of information here: <http://www.sfei.org/rmp>
- Not-to-miss Publications. In keeping with the presentations planned for the September 9<sup>th</sup> meeting, you can have your own copy of both the information-loaded and visually impressive 2105 State of the Estuary Report in hard copy by downloading your own copy at <http://www.sfestuary.org/about-the-estuary/soter> and for more information about the new Comprehensive Conservation and Management Plan see [http://www.sfestuary.org/wp-content/uploads/2013/10/CCMP\\_FinalDraft\\_051216.pdf](http://www.sfestuary.org/wp-content/uploads/2013/10/CCMP_FinalDraft_051216.pdf)
- How About 5 Days in New Orleans talking Bay and Coastal Issues? Then don't miss the 2016 Restore America's Estuaries Summit in New Orleans on December 10<sup>th</sup> till the 15<sup>th</sup>. This is the nations largest summit on coastal and estuarine restoration, science and management practices. See the details here <https://www.estuaries.org/Summit>
- For Something Closer to Home: The 2016 Biennial Bay-Delta Science Conference will be held in Sacramento November 15-17<sup>th</sup> covering technical analyses and results relevant to the community of scientist, engineers, resource managers and stakeholders working on Bay-Delta issues. <http://scienceconf2016.deltacouncil.ca.gov>

**NBWA Watershed Council Meeting**  
July 21, 2016

**I. Introductions**

Members of the various represented organizations introduced themselves, the agenda was agreed upon and Kelly Malinowski of the California Coastal Conservancy was introduced.

**II. Kelly Malinowski, Staff, Coastal Conservancy: Measure AA money.** New funding is expected under the recently passed Measure AA directed by the SF Bay Restoration Authority (RA). Authority staffing is provided by Coastal Conservancy, ABAG; now developing a Citizens Oversight Committee; also have an Advisory Board of agencies and stakeholders; the current Board remains the same. \$25M/year in funds is anticipated for the next 20 years. Eligible entities: public and private; nonprofits; owners of shoreline parcels. The mission of the RA is to **Restore, protect, enhance natural habitats [primary]** however funds can be for flood management but must incorporate natural habitat protection, etc.

Kelly reviewed the grant program guidelines developed for Measure AA. There are 4 priority programs: pollution/habitat/flood protection/public access. Projects incorporating more than one will rank higher for funding. 5% of overall funding will go to staff administration. 50% will be allocated **geographically** based on population; approximately 9% of that is expected to go to North Bay. Kelly noted that 9% is not a per year figure, but over the life of the million for a total of \$45M to North Bay (Sonoma, Marin, Napa, Solano) projects over 20 years of grant. The remaining 45% is not based on geography but is expected to be allocated out in a geographically fair way.

There is a draft Project List but plenty of time to get project in list; every funded projects must be on that list to get funded. All projects go will through the grant process. There are guidelines. Haven't adopted DAC criteria yet, climate change criteria may be included; yet TBD. Can be on email list for public comment. Board meets 5x/year or so. Meeting July 29, Oct. 2016 and Feb. 2017. Board materials posted the Friday prior to each meeting. Staff will soon post a draft timeline for 2017, meetings are held in downtown Oakland (12th St BART station) on Broadway at CCC offices.

Kelly expects there will be an annual round of grant funding; still working out the details. All projects submitted so far have been by the restoration community; funding may go up and down; RA may hold funds back one year if a big project is coming up.

Kelly showed the project list map of Marin, Sonoma, and Napa Counties and talked through a few of the specific projects. Example: Tolay Creek project hits all four RA priority programs. She noted that funds can be used for feasibility, long-term



planning, design, etc. not just shovel ready projects. Edgerley Island Project is another example. Coastal clean up sites can be funded. Community-based restoration and stewardship (STRAW; SR clean up site) is eligible. Invasive Spartina would be eligible. The current schedule calls for new **project proposals to be due Sept. 2017; the first grant awards made Jan 2018**. Will then update the list of all the proposed projects. An RFP will be developed in 2017 for 2018 grants.

Kelly explained that upper watershed work can also apply, if the work helps improve water quality, trash capture, etc. Intent of the legislation was to benefit the Bay proper, so has to have *strong* nexus with Bay issues and there are legal boundaries as well for where projects can be funded. For example, Measure AA funding is not eligible for project in parts of the Delta. Asked about possible phasing of projects; Kelly replied that multi-year funding has not yet been discussed. Project proponents are encouraged to seek early proposal consultation with Coastal Conservancy to answer questions about eligibility.

Kelly noted that Keith Caldwell is the RA rep for the North Bay. The RA is currently drafting staffing plans. She explained that one early cost for the RA will be to repay ballot costs [the money will need to come from the 5% administrative funds] for the first 3 years so that ½ of the admin money will go to ballot costs – it took \$2M to get it on the ballot in all 9 counties and that cost was funded with loans. The RA expects to use \$700K to pay back those loans for the first few years.

Kelly showed a diagram of a Grant Program Process flow chart [also online]. Next year staff and the Board will be developing policies and procedures and will be asking for new members for Advisory committee and an Independent Citizen Oversight committee [to be completely separate from staff, etc] which will act as a watchdog committee; reviewing procedures, auditing, etc.

Kelly Malinowski [Kelly.malinowski@scc.ca.gov](mailto:Kelly.malinowski@scc.ca.gov) 510-286- 5203 RA All materials are available on the web: [www.sfbayrestore.org](http://www.sfbayrestore.org)

### **III. Chris Choo: New Prop 1 Funding report (IRWMP)**

Next up, Chris Choo brought the group up to speed on IRWM [Integrated Regional Water Management Plan] noting the regional committee managing this work is voluntarily staffed. [See [bairwmp.org](http://bairwmp.org)—sign up for listserve to get info directly]. IRWMP is a statewide grant program of DWR to encourage an integrated approach to regional water planning. Bay Area as a whole submits one big application to the State. Participants send projects to Bay Area Coordinating Committee for review, selection and bundling so there is one application, single applicant, manager, and set of reports. The region gets a set amount of money through a non-competitive (which guarantees success; managed cooperatively) process - \$65M for the Bay Area for Prop 1. The region includes all of Marin County; and the bay draining portions of

North Bay counties: Sonoma and Petaluma and Napa creek watersheds and parts of Solano.

Have regional subcommittees to review projects, set up criteria, stakeholder engagement, etc. Interested folks should look at the Bay Area Regional water management plan document—it's very useful and has huge project list (developed in 2013) of projects the region would like to pursue. We can also add projects each time we apply for grants with State, Regional and Federal project priorities for the projects to meet. Funding target allocations exist for subregions in the Bay Area based on population and land area (North Bay should get 25% over time of the Bay Area allocation; competing with East and South Bay). Projects funds can be used for work related to wastewater and recycled water; habitat; water quality, etc.

Traditionally IRWM only funds shovel-ready projects (wetland restoration, flood management, etc). IRWMP will also fund planning work, but planning funds focus on the region's Integrated Regional Water Management Plan. This time, Round 1, Disadvantaged Communities (DACs) outreach is the focus and this is not an area we are used to working in. "80% of state mean household income" is the DWR definition of a DAC. DWR has not yet finalized their guidance for this round of funding and it's now overdue. But the Bay Area has asked for a new definition of 80% (DAC)/85% (EDC) of our REGION's mean income vs. the state's mean. **URC is as yet undefined** (Under-represented Community). Project has to benefit that community. Still fairly open-ended. State has maps on IRWM website of state-determined DACs; the map is not complete but what we've got.

The Bay Area IRWMP team recently sent two letters, sent out by coordinating committee; one for agencies and one for non-profits to glean more information about needs and desires of possible DAC communities and those groups working with DACs. Includes one page submittal form. For nonprofits, submission to survey (DAC outreach), nonprofits are focus of outreach. June IRWMP coordinating committee report on website has letters. The deadline for response is August 31 at 5:00 pm.

The process is more vague this year as guidelines for how to approach this work are still not out there. Will make available to this group after the meeting. There is \$6.5M for DAC outreach in this round with 0 match needed.

Grant package will be submitted in fall 2016. DWR approvals winter 2016. Chris underscored that these are **reimbursable** grants with a long payback period; typically 5 years to spend the money but the State is slow to reimburse the funds back and it can take over 1 year to be reimbursed. Excludes a lot of small nonprofits. She reminded the group that contracts with the state are tedious. Contract process takes 1 year, typically. The Grant manager will be the Environmental Justice Coalition for Water this time – a statewide and local group. EJCW is asking state for all the money up front for them to dole out; unlikely to get that.

Getting the money from state is very hard and participants must track everything in very fine detail. North Bay may need a larger agency to cover smaller groups – a local funder to carry the balance. EJCW working with California Indian Environmental Alliance. Have approached SF Foundation and other private fund sources to be funding cover agency. (Q: have they spoken to Sonoma Foundation; Marin Community Foundation?)

EJCW wants to be very pro-active with small community groups. Not clear yet on how they will manage this grant.

Eligible outreach activities: tech assistance, needs assessments, project development, site assessments, engagement/facilitation support, governance structure support, outreach, education, facilitation, IRWM Plan support. Can do design, scoping, etc.

The homeless are considered a DAC and URC.

Suggestion: Get into the community and find those projects that are desired by residents. Submit a traditional project with the DAC/URC piece attached; small groups should partner with larger agencies for funding stability. In past, what was funded tended to be big constructions projects (under \$1M is too small) and wanted 10-25 projects max w/in a proposal. This time we may have a lot more projects with many more smaller groups.

Suggest proposing project with budget w/staffing based on some outreach to DAC. One page proposal submittal form—use that. Available in letter to agencies.

**Q&A:**

IRWM seen as a pay-to-play grant program and it takes a long time to figure out the process. Chris responded that committee meetings are open to all and that sub-committee meetings are by phone and also open but acknowledged that this is a very challenging grant. However, good meeting summaries available for those who want to get involved. A DAC can be as small as a neighborhood; but project has to directly benefit that community.

EJCW: How were they selected? EJCW volunteered and no one else did. Have to have staffing and capacity to manage these grants with multiple subgroups. Have office in Bay Area.

Bay Area Coordinating Committee tracks the projects for us and is still managing all 5 rounds of Prop 84 funding. For project examples, look at Harry's old IRWM presentation to NBWA Board on the NBWA website. Tracking spreadsheets available from Chris Choo.

How to use the one page project sheet: Can submit more than one project. If project falls under a single CEQA doc, it's one project. There will be an attempt to spread the \$ around fairly. Describe measurable outcomes: Number of people reached? PR generated outreach outcomes? First information gathering attempts are like a net going out into the water to see what projects are out there.

## **VI. RoundTable Discussion**

Matt, MMWD: 2 projects to implement; China Camp State Park Watershed Restoration (on Measure AA list). To revive the plan to run recycled waterline to Peacock Gap Golf Course. DAC issue: watershed's biggest DAC customer is San Quentin Prison; hope to run recycled water to prison, to help have sanitary function. Recent Legionnaires outbreak there showed issues. DAC funding would really help.

Leigh, Napa: RCD integrated water mgt group. Calistoga is DAC; number of different stormwater/wastewater/recycled water issues they are working on. Fish barrier removal project; need spanning bridge as replacement. Need permitting, CEQA, etc. to be ready for implementation. Run LandSmart for kids; work within several DAC youth on projects. Youth seen as URC.

City of American Canyon: First time here. Have project on list for Measure AA. Used sales tax to relocate old WWTP away from wetlands in 2002. Still have corp yard and pump station there. Looking at making it info center; restoring wetlands. More public access.

Sonoma, Daily Acts: Work with households re: greywater, growing food, keeping rainwater onsite. Transforming lawns. Public ed. Stormwater Ed w/Cotati and Petaluma. Working with schools for LID onsite. Rainwater collection, gardens, etc. Working w/low income schools and DAC; funding looks interesting; may need to form mini-agencies w/bigger agency as funding partner.

Sonoma Ecology Center: Sonoma Valley. IRWM DAC round—program partially funded called “NeWTs”—Neighborhood Water Teams. Do outreach to all homeowners. To support local leadership to improve stormwater mgt and groundwater recharge in their neighborhood. Small project. More \$ means more outreach. Looking at Glen Ellen and properties along creeks. Some outreach in Springs area in Sonoma. More tree planting working with private properties in Urban area. Larsen County Park: two trailer parks in flood plain there with flooding issues. Rogers creek: flood mgmt./habitat restoration project.

US EPA: competitive grant program; have RFP for watersheds draining to Bay. Announcing soon the recipients for this year's money. Will have RFP next year, depending on Congressional action. State funds can be match for these Fed funds. Website: San Francisco Bay Water Quality Improvement Fund is on EPA website. OK to come in early to EPA with your ideas before the RFP.

Chris Callaway, Damon Connolly's aide: happy to get info

Russian River Association rep (for Andy Rogers): AA may have some funding for project; IRWM may have some smaller projects involving outreach and trash. Working on regional flood mgmt. Smaller scale projects for smaller watersheds.

Molly w/SCWater Agency: here to listen and learn. To support our partners, Sonoma Creek, flood control, wetland restoration, future Bay Trail education support or bathrooms/signage.

Judy, LGVSD: McInnis marsh project w/horizontal levee for SLR and brine dispersal. Peacock Gap. DPR. Miller Creek sediment issue. Gallinas Creek restoration. "DAC is all of us who have to live along a trapezoidal concrete channel instead of a real creek".

Jared, EPA: Environmental Justice Grant programs—Project in Tucson for stormwater capture/reuse. \$30K or \$50K: Google EPA environmental Justice—does fast payments. Urban Waters program—reconnecting DACs to their watersheds. About to announce awardees. Free Training in Arlington VA for these grants; next one coming up soon. Grant to Sonoma RCD through wetlands program—Petaluma River Historical Ecology project with SFEI. Update in Jan 2017.

Friends of Petaluma River: Measure AA; part of project on lower river. Want upriver project at Steamer Landing Park; restoration to channel there. Interested in learning more about DAC. Do a lot of youth engagement; some are DAC schools. Doing work with COTS; Trash is coming from homeless, who are DAC.

Chris Choo: IRWM; looking at outreach targeting the Canal and Marin City; two of the DACs in Marin. Climate Change. Flooding. Partnering with San Rafael, Sausalito, and Shore Up Marin nonprofit. To develop community based plans. 2 Education programs - Two high school projects. To do work in wetlands areas. Another project: Community WWP in Woodacre where they want a community septic system. Doing a local income survey to see if they qualify as DAC.

Suggestion: Make the argument that small nonprofits are underrepresented in the process- make the case for your group being underrepresented--any group or organization that isn't typically funded.

Tito, North Bay AA: Interested in new state groundwater [GW] law and which agency will become the GW Sustainability Agency [GSA] in compliance with Sustainable GW mgt act. Plans due by June 30, 2017. Sonoma has 3 medium priority GW basins. Sonoma City water agency, RCD, cities, etc all working together to make GSAs for county. Financing an issue. Have to have a plan; have power to assess fees and taxes but time gap exists between money coming in and activities that have to be done beforehand. No benefactor to front money like ABAG [grant manager for many IRWMP grants] yet.

Vanessa, STRAW: Hopeful we'll be written into one of the bigger groups getting a project done. RCD, Friends of Petaluma River, MMWD? Work with a lot of schools/youth. DAC/URC groups. Education is outreach.

#### Attendees

Chole Cheok	Russian River Watershed Assoc.
Erica Yelensky	US EPA
Chris Choo	Marin Co.
Minona Heaviland	Sonoma Ecology Center
Jared Vollmer	US EPA
Leigh Sharp	Napa RCD
Jason Holley	City of American Canyon
Mollie Asay	Sonoma County Water Agency
Jake Spalding	Sonoma County Water Agency
Vanessa Wyant	Point Blue/STRAW
Tito Sasaki	NBAA
Matt Sagues	Marin Municipal Water District
Judy Schriebman	LGVWD, GWC
Gretchen Schubeck	Daily Acts
Stepanie Bastianon	Friends of Petaluma River
Chris Callaway	Office of Supervisor Connolley
Judy Kelly	NBWA

19

**DISBURSEMENTS - DATED SEPTEMBER 1, 2016**

Date Prepared 8/30/16

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

Seq	Payable To	For	Amount
1	Allen, William	Novato "Toilet Rebate" Program	\$200.00
2	Alpha Analytical Labs	Lab Testing	424.00
3	American Family Life Ins	Employee Contribution for Accident, Disability & Cancer Insurance	3,631.86
4	Borijjian, Jim	Novato "Cash for Grass Rebate" Program	350.00
5	Brumley, Ryan	Novato "Toilet Rebate" Program	100.00
6	CalPERS	September Health Insurance Premium (Employees \$46,843, Retirees \$10,510 & Employee Contrib \$12,076)	69,429.32
7	CDW-Government	P/C Battery Back-ups (2) (Wildhorse & San Marin P/S)	237.51
8	Cel Analytical	Cryptosporidium Testing & Additional Slides (Lab)	473.00
9	Core Utilities	Consulting Services: July IT Support (\$5,000), Set up New Servers for NMWD SCADA (\$200), Website Revisions (\$375), AMI Project (\$100)	5,675.00
10	Cummings Trucking	Sand (64 yds) (\$3,512) & Rock (65 yds) (\$1,931)	5,443.38
11	F.N. Cuthbert	Pressure Gauge (Zone A Pressure Improvements)	29.55
12	Digital Prints & Imaging	Vellum (40-24"x36" Sheets) (Lab)	130.07
13	Fortin De Vasquez, Jacqueline	Novato "Toilet Rebate" Program	300.00
14	Friedman's Home Improvement	U Bolts (2), Steel Cover & Handy Box	13.82
15	Gallenson, Jayme	Novato "Washer Rebate" Program	50.00



Seq	Payable To	For	Amount
16	Genterra Consultants	Progress Pymt#3: Stafford Dam Maintenance Plan Consulting (Balance Remaining on Contract \$21,241)	3,835.50
17	Goelet, Rip	West Marin "Toilet Rebate" Commercial	400.00
18	Golden Gate Petroleum	Gasoline (\$2.01/gal) & Diesel (\$1.99/gal)	1,567.88
19		Cafeteria Plan: Uninsured Medical Reimbursement	1,439.37
20	Grainger	Threaded Caps (4), Hard Hat, Duct Tape (10 rolls) (\$122) & PVC Primer (12-8oz cans) (\$73)	227.92
21	Greenspan, Burt	Novato "Cash for Grass Rebate" Program	400.00
22	Hach	Reagents (4) (STP)	191.51
23	Hartnett, Kendra	Novato "Toilet Rebate" Program	200.00
24	Haumer, Deborah	Novato "Cash for Grass" Rebate Program	350.00
25	Home Depot	GFI Circuit Breakers & Rapid Set Concrete (50-60lb bags) (\$561)	607.88
26	Howard, Jennifer	Novato "Toilet" Rebate Program	100.00
27	Kaiser Foundation Health Plan	DMV/DOT (Barrilleaux & J. Lemos) (\$230) & Pre-Employment Physicals (Watkins) (\$125)	355.00
28		Cafeteria Plan: Uninsured Medical & Vision Reimbursement	317.73
29	LGVSD	Recycled Water Deliveries (4/1-6/30/16)	11,171.84
30	Lincoln Life	Deferred Compensation PPE 8/31/16	13,202.78
31		Cafeteria Plan: Childcare Reimbursement	416.66
32	Maltby Electric	Screw Anchor Kit (100 pcs) & 100' 1/2" EMT Conduit	48.97
33	Manzoni, Alicia	Exp Reimb: Venegas Deposition in S.F. on 8/25/16. Parking (\$22) & Lunch	33.34
34	Marin IJ Processing Center	Subscription Renewal (9/16-9/17) (DeGabriele) (Budget \$470)	452.40

Seq	Payable To	For	Amount
35	Mutual of Omaha	September Group Life Insurance Premium	855.94
36	National Meter & Automation	5/8" (120) (\$7,164) & 1" Meters (60) (\$9,307)	16,471.71
37	Nationwide Retirement Solution	Deferred Compensation PPE 8/31/16	1,250.00
38	Novato, City of	Reimbursement for Use of Traffic Video Detection System for Novato Blvd/Diablo Avenue Project	9,325.00
39	Novato Sanitary District	April Recycled Water Operating Expense	111.00
40	Office Depot	Folders (48)	22.84
41	Pace Supply	Double Check Valves (3) (\$337), 6" Garlock Gaskets (4) (\$81) & Spools (6" x 5") (2) (\$500) (Redwood Landfill)	918.68
42	Pape Machinery	Ignition Switch ('04 Backhoe)	73.25
43	Parker, Ralph	Novato "Cash for Grass" Rebate Program	225.00
44	NMWD Petty Cash	Lab Sample, Bridge Toll, Lunch Meeting (\$19), Mileage & Safety Snacks	62.15
45	Pickrel, Rita	Novato "Cash for Grass" Rebate Program	200.00
46	Preferred Alliance	Pre-Employment Physical (Ielmorini)	42.00
47	Ramudo, Pablo	Exp Reimb: ACWA Conference in L.A. on 8/10. Airfare & Hotel (\$564), Rental Car (\$50), Parking (\$95), Mileage (\$154) & Meals (\$71)	934.82
48		Cafeteria Plan: Childcare Reimbursement	208.33
49	Sierra Chemical	Chlorine (2,000 lbs) (STP)	1,181.69
50	State Water Resources Control	Exam Fee T2 (Steele)	65.00
51	Tamagno Green Products	Sludge Removal (79 yds) (STP)	1,975.00
52	Thatcher of California	Ferric Chloride (10 tons) (STP)	4,223.82
53	Unity In Marin	Novato "Water Smart Landscape Efficiency" Rebate Program Commercial	147.12
54	USA BlueBook	Spigot Adaptor, Dispensers (8) (\$178) & Phenylarsine Oxide (\$133)	384.03



## DISBURSEMENTS - DATED AUGUST 25, 2016

Date Prepared 8/23/16

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


Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 8/15/16	\$131,255.90
EFT*	US Bank	Federal & FICA Taxes PPE 8/15/16	56,423.11
EFT*	State of California	State Taxes & SDI PPE 8/15/16	10,112.34
EFT*	CalPERS	Pension Contribution PPE 8/15/16	33,603.20
EFT*	US Bank	July Bank Analysis Charge (Lockbox \$912, Credit Card Processing \$667 & Other \$540) (Less Interest of \$149)	\$1,969.47
1	101 Office Products	Quarterly Office Supply Order: Toner Cartridges (8 Black)	750.26
2	All Star Rents	Portable Compressor Rental for Servicing Hydropneumatic Tanks	165.75
3	Asbury Environmental Services	Used Oil Recycled (100 gal)	120.00
4	Athens Administrators	June Bill Review Fees	360.81
5	AT&T	Leased Lines	66.73
6	AT&T	Leased & Data Lines	547.35
7	Backflow Distributors	Wilkins 350 Detector Check Repair Kits	146.70
8	Badger Meter	Cellular Meter Monthly Charge (19)	16.72
9	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 58 of 240)	46,066.67
10	Betette, Bob	Novato "Toilet" Rebate Program	300.00
11	The Bilco	Valve Ladder Extension Safety Handle	579.68
12	CalPERS Retirement System	Fee for FY16 GASB-68 Report & Schedule	1,300.00
13	Coast Counties Peterbilt	Air, Fuel, Oil Filters, Engine Oil (10 gal) (\$158) & Mirror Glass ('09 Peterbilt 335 Crew)	274.74
14	Cobblestone Homes	Replacement Check - Wrong Vendor Address	658.63

Seq	Payable To	For	Amount
15	Comcast	August Office Internet Connection	151.16
16	DeGabriele, Chris	Exp Reimb: Rotary Dues (7/16-6/17) (Budget \$180)	175.00
17	Edelson, Noah	Novato "Toilet" Rebate Program	200.00
18	Fedak & Brown	Progress Pymt#2: FY16 Financial Statement Audit (Balance Remaining on Contract \$9,720)	3,500.00
19	Goodpaster, Stacie	Exp Reimb: AWWA Membership Dues (9/16-8/17) (Budget \$260)	255.00
20	Grainger	Diamond Saw Blade (\$249), 2" Cargo Tie-Down Strap, Laser Portable Tachometer (\$196), Wire Stripper, Carrying Case for Optical Tachometer, P/C Electrical Parts (\$138) & Hand Ratchet (\$108)	780.65
21	IDI-Dupont	Sodium Chlorite (42,000 lbs)	28,019.40
22	InfoSend	July Processing Fee for Water Bills (\$1,493) & Postage (\$4,017)	5,509.91
23	Landeros, Dianne	Exp Reimb: Venegas Deposition in S.F. Mileage (\$32), Toll (\$7) & Parking (\$18)	56.40
24	Marin County Tax Collector	FY17 Possessory Interest Tax (Apartment)	441.71
25	Drew McIntyre	Exp Reimb: March-July Mileage	240.84
26	McMaster-Carr Supply	Angle Brackets (6)	24.25
27	Microtech Scientific	Sulfate Broth (Lab)	186.61
28	National Meter & Automation	Replacement Encoder Transmitters for West Marin Radio Read Meters (50)	4,078.13
29	Neopost USA	August Postage Meter Rental	85.73
30	New Pig	Disposable HazMat Sheets (700-10" x 13") (STP)	471.17
31	Nissan	Oil Filter & Oil Drain Plug Gasket ('16 Frontier)	10.31
32	Novato, City of	No Parking Signs (200)	300.00
33	Novato Chamber of Commerce	Leadership Novato Program-Nancy Holton 10/16-5/17	795.00

Seq	Payable To	For	Amount
34	NSI Solutions	Lab Testing	49.25
35	Pace Supply	3/4" Angle Meter Stops (30)	751.36
36	Pape Machinery	Air Filters (6) (\$189), Oil Filters (3) (\$48), Fuel Filters (5) (\$138) & Motor Oil (10 gal) (\$184)	560.57
37	Parkinson Accounting Systems	July Professional Services: Modify Expenditure Report, Installed Sage Workstation & Modify PERS Report (8/1-10/31/16)	1,890.00
38	Point Reyes Prop Mgmt Assn	July HOA Fees (25 Giacomini Rd)	75.05
39	Pollard Water	Blue Tracing Wire (1,000 ft)	271.34
40	Protection Engineering	Coal Tar Tape (32 rolls) (\$1,109) & Zinc Anodes (150) (\$4,463)	5,572.87
41	Reed, Corey	Drinking Water Treatment Operator Certification Renewal T-2 (Budget \$0) (1/1/17-12/31/19)	60.00
42	Sebastopol Bearing & Hydraulic	Polymer Mixer Bearing	19.56
43	Society of HR Management	Membership Dues (9/16-8/17) (Landeros) (Budget \$200)	190.00
44	Sonoma County Water Agency	July Contract Water, FY16 Balance Due for NMWD Share of Revenue Bond Charge (\$117,601)	740,146.73
45	Sonoma Boot	Safety Boots (Bynum)	205.66
46	SPG Solar	July Energy Delivered Under Solar Services Agreement	13,793.61
47	State Water Resources Control	Water Treatment Certification Renewal T2 (Foster) (1/17-1/20) (Budget \$60)	60.00
48	TelePacific Communications	July Telephone Charges	613.80
49	Township Building Services	July Janitorial Services	1,822.84
50	Triantafyllos, Laura	Novato "Washer" Rebate Program	50.00
51	USA BlueBook	Injection Quill (Used for Chemical Feed Applications) (STP)	354.82

Seq	Payable To	For	Amount
52	U.S. Bank Card	Replacement Switches to Boost Network Speeds (\$555), Replacement Microwave Admin Bldg (\$125), Business Lunch (DeGabriele)(\$24), Replacement Printer (Cons Svcs) (\$504), Replacement Monitors (Bentley & K. Lemos) (\$371), iPhone Cases (4) (STP) (\$126), Sympathy Flowers for Employee (\$66), Soda for Employee Meeting (\$25), Supplies for Lab (\$78), Ladder Traction Rung Covers (9) (\$144) & Registration for ACWA Event on 8/5 (Ramudo) (\$25)	2,057.41
53	Utiliworks Consulting	Prog Pymt#4: AMI Consulting (7/1-7/31/16) (Balance Remaining on Contract \$134,708)	12,617.50
54	White & Prescott	Progress Pymt#14: Inn Marin Easement (\$1,520), Prog Pymt#15: Novato Open Space WLE (\$1,320), Progress Pymt#16: Novato Redwood-101 WLE (\$1,640) & Prog Pymt#17: Norman Tank WLE (\$1,640) (Balance Remaining on Contract \$28,300)	6,120.00
55	Wiley Price & Radulovich	Residency Requirement	59.00
56	Wong, Chi	Novato "Washer" Rebate Program	50.00
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$1,117,390.70</u></b>

The foregoing payroll and accounts payable vouchers totaling \$1,117,390.70 are hereby approved and authorized for payment.


8/25/16  
 Auditor-Controller Date


8/23/2016  
 General Manager Date

## DISBURSEMENTS - DATED AUGUST 18, 2016

Date Prepared 8/16/16

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

Seq	Payable To	For	Amount
1	Able Tire & Brake	Tire Alignment ('08 Ford F250 4x4) (\$90), Hose Reel Trailer Tire (\$429) & Disposal Fee	\$520.85
2	AICPA	Subscription Renewal (9/16-8/17) (Budget \$70) (Landeros)	69.00
3	Alliance for Water Efficiency	Membership Renewal (Grisso) (8/8-9/7/17) (Budget \$520)	500.00
4	All Star Rents	Propane (STP) (6 gal)	53.77
5	Bennett Trenchless Engineers	Prog Pymt#6: Norman Tank Pipeline Design (Balance Remaining on Contract \$7,334)	630.00
6	Buck's Saw Service	2-Cycle Fuel (8 gal)	60.81
7	Caramucci, Kevin	Refund Overpayment on Closed Account	11.86
8	Cel Analytical	Lab Testing	588.00
9	Clipper Director	Commuter Benefit Program (1)	173.00
10	Cummings Trucking	Rock (83 yds)	3,243.05
11		Cafeteria Plan: Uninsured Medical Reimbursement	141.49
12	Diggs, James	Retiree Exp Reimb (August Health Ins)	306.09
13	Fabbri, Denise	Refund Overpayment on Closed Account	118.84
14	Frontier Communications	Leased Lines (9)	1,468.06
15	GFOA	Registration for "Advanced Treasury Management" Class on 8/31-9/1 in Sacramento (Holton) (\$580) & Membership Renewal (Landeros) (9/1-8/31/17) (Budget \$160)	740.00
16	GFS Chemicals	Standards (STP)	345.65
17	Golden Gate Petroleum	Gas (\$2.10/gal) & Diesel (\$2.11/gal)	1,579.39




Seq	Payable To	For	Amount
18	Grainger	Disposable Wipes (\$10) (80), HVAC Thermostats for Const/Maint Office & Construction Lunch Room (2) (\$185), Hose Clamps (7), Junction Boxes (5), Light Switches (2), Covers (2), Receptacle, Thread locker (3 oz), Cable Connectors (6), Brass Hose Adaptors (2), Caps (2), 1/4" Chain (To Lock Gates @ P/S, F/S) (\$392), PVC Pipe Bushings (2) & Hatch Intrusion Switches for Lynwood Tanks (2) (\$125)	986.30
19	Groeniger	Elbows (2) (\$3), Bolts (50) (\$318), Nuts (80) (\$96), Bushings (8), Clamps (10) (\$761), Couplings (5) (\$84), Corp Stop (2) (\$70) & Valves (2) (\$16) & Service Saddle (\$59)	1,420.88
20	Harrington Industrial Plastics	1/2" Pressure Relief Valve (STP)	279.53
21	Hopkins Technical Products	Diaphragm (STP)	323.05
22	Irish & Son Welding	Welding Services (Zone A Pressure Improvements)	2,400.00
23	Kaiser Foundation Health Plan	DMV/DOT Physicals (Bergstrom, Davenport & LeBrun) (\$355) & Pre-Employment Physical (Watkins) (\$125)	480.00
24	Kessler, Sue	Retiree Exp Reimb (August Health Ins)	315.28
25	Lincoln Life	Deferred Compensation PPE 8/15/16	13,227.78
26	Mann, Laurie	Refund Overpayment on Closed Account	61.64
27	Marin Color Service	Paint (1 gal)	37.78
28	Marin Landscape Materials	Quik Mix (42 sacks)	248.93
29	Marin County Ford	Oil (20 qts) (\$89), Transmission Fluid (5 qts), Oil Filter, Air Filters, Brake Pad Set ('05 Ford Ranger) (\$63), Exhaust Manifold Gasket, Bolts (5) & Stud ('05 Ford Ranger) (\$156), Steering Wheel ('05 Ford Ranger) (\$321), Tailgate Latch Handle, Pinion Seal & Locknut (\$45) & Real Axle Locknut	680.13
30	Mello, John	Retiree Exp Reimb (August Health Ins)	949.78
31	Moore, Doug	Retiree Exp Reimb (August Health Ins)	949.78

Seq	Payable To	For	Amount
32	National Notary Association	2-Year Membership (9/1-8/31/18) (Budget \$60) (Young)	99.00
33	Nationwide Retirement Solution	Deferred Compensation PPE 8/15/16	1,250.00
34	NeoGOV	Recruitment Software for Open Positions at the District	8,803.00
35	North Bay Gas	Mig Welder Wire (33 lbs) (\$56) & July Cylinder Rental (\$609)	665.67
36	NMWD Employee Association	Dues (6/15-7/31/16)	935.00
37	Novato Disposal Service	July Trash Removal	438.29
38	O'Reilly Auto Parts	Heavy Duty Truck Jack Stands (\$73), Chain Saw Bar Oil (3 gal) & Brake Cleaner (12-14oz cans) (\$208)	319.53
39	Pace Supply	Couplings (18) (\$332), Steel Cover (\$240), Nipples (15), Reducers (4) (\$401) & Valves (4)	2,240.47
40	Peterson Trucks	Diesel Engine Oil (10 gal) (\$130), Air Filters (2) (\$158), Fuel Filter & Oil Filter	506.03
41	PG&E	Power: Bldgs/Yard (\$5,217), Rectifier/Controls (\$487), Pumping (\$40,313) & Other (\$102)	46,249.64
42	Pini Hardware	Valves (2), 2 Cycle Oil (6), Dish Soap, Screws (60 lbs), Garden Hose (75 ft) (\$50) & Shovels (8) (\$237)	321.80
43	PipeMan Products	Cold Shot Freeze Heads (3) (\$113), Injector, Grip, Seal, Filters (2) & 'O' Rings (2)	250.98
44		Cafeteria Plan: Childcare Reimbursement	208.33
45	Sebastopol Bearing & Hydraulic	4" Lever Sliding Gate Valves for Vac Trailer (2)	385.80
46	Shirrell Consulting Services	Aug Dental Insurance Administrative Fee	299.45
47	Stafford, Vernon	Retiree Exp Reimb (August Health Ins)	315.28
48	Staples Advantage	Copy Paper (80 reams) (\$314), Coffee Mate (6-51oz) (\$107), Coffee (8-31 oz) (\$87), Sugar (60 oz), Calculator, Correction Tape (20), File Folders, Business Card Holder & Ink Stamp Refill	634.88

Seq	Payable To	For	Amount
49	Tamagno Green Products	Sludge Removal (210 Yds of GAC)	5,250.00
50	Thatcher of California	Ferric Chloride (10 tons) (STP)	4,185.39
51	Underground Service Alert	Annual Membership (Arendell) (Budget \$970 ) (7/16-6/17)	1,465.16
52	US Bank	July Safekeeping Treasury Securities (7/1- 7/31/16)	168.50
53	Verizon Wireless	Cellular Charges: Data (\$160), Airtime (\$94) (19) & iPhone Latanyzsyn & Replacement iPhone Stompe & STP (2) (\$317)	571.09
54	VWR International	Replacement Bulbs for Spectrophotometer (2)	93.81
55	Wine Country Water Works Association	Tradeshaw Registration (\$405) & Memberships (\$200) (C. Kehoe, Breit, Reed, Kane, Rupp, Castellucci, Kurfirst, LeBrun, Ielmorini)	605.00
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$109,172.82</u></b>

The foregoing payroll and accounts payable vouchers totaling \$109,172.82 are hereby approved and authorized for payment.

 8/15/16  
 Auditor-Controller Date

 8/15/2016  
 General Manager Date

## MEMORANDUM

To: Board of Directors

September 2, 2016

From: David L. Bentley, Auditor-Controller

Subj: Information - 2017 Medical Plan Cost Increase

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**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** \$15,300 (1.6%) Decrease in 2017 Group Medical Insurance Contribution

CalPERS has released the 2017 medical insurance premium amounts negotiated with its providers. The NMWD Employee Association MOU provides for a District contribution of up to \$3,830 per year<sup>1</sup> to the CalPERS Health Plan. In addition, the District contributes \$137 plus 85% of the Kaiser Basic Medical Plan premium amount, based upon each employee's family status (single, couple, or two or more dependents), less \$3,830<sup>1</sup>, into each employee's cafeteria plan account. Effective January 1, 2017, the Kaiser premium amount will decrease 1.8%.

Eighteen employees have alternative medical insurance<sup>2</sup> coverage for their family and have opted-out of the District's group medical plan, saving the District \$119,500 in foregone medical insurance contributions to CalPERS. These employees will see a 2.2% decrease in the District contribution to their cafeteria plan, which all have elected to receive as taxable income.

The District's 2017 employee medical insurance obligation will be \$784,400, a decrease of \$15,100 (1.9%) from the current year<sup>3</sup>. The FY17 budget projected a 6.7% increase.

The District's 2012 labor agreement provides for a contribution toward retiree medical insurance. Retirees between age 55 and 65 with more than twelve years of service receive up to 85% of the Kaiser 2-party premium amount<sup>4</sup>. 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. Nineteen of the annuitants retired prior to the 2005 labor agreement that enhanced the retirement plan to 2.5% at age 55 and capped the retiree medical benefit at \$3,830 per year. The District continues to honor the higher medical benefit amount promised to the nineteen pre-2005 annuitants who do not benefit from the enhanced retirement plan. The District's 2017 cash outlay for retiree medical insurance will be \$171,200, a decrease of \$200 (0.1%)<sup>5</sup>, and the total outlay (employee plus retiree) will decrease \$15,300 (1.6%).

<sup>1</sup> Proportionate to the employee's full-time equivalent (FTE) status.

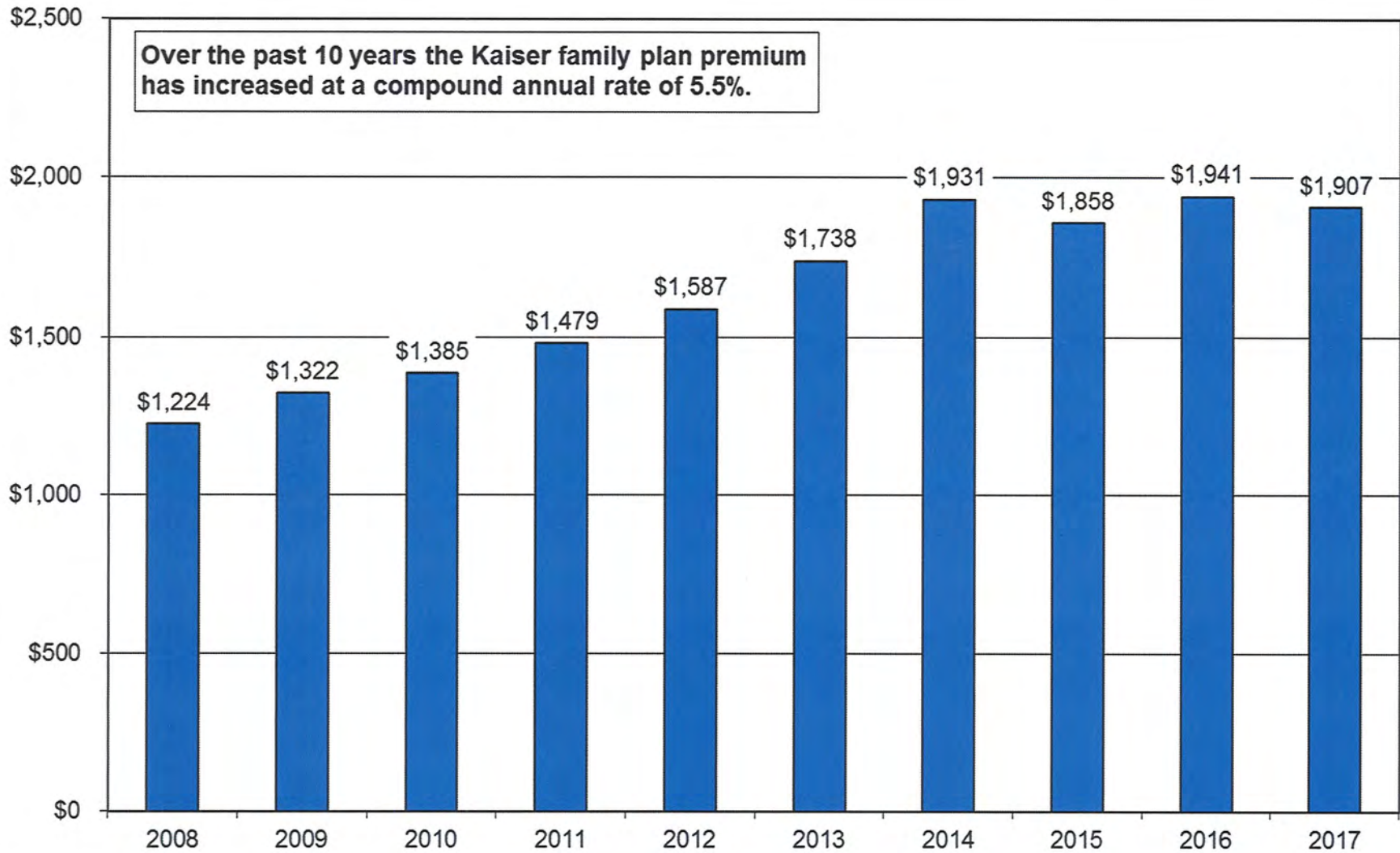
<sup>2</sup> Employees who provide acceptable proof of alternative insurance for themselves and all dependents may use the Cafeteria Plan contribution for purposes other than supplemental medical insurance.

<sup>3</sup> Based on the current employee demographic.

<sup>4</sup> One under age 65 annuitant who retired prior to the 2012 MOU receives 90% of the Kaiser premium amount.

<sup>5</sup> Based on the current retiree population, and assumes those enrolled in the discontinued Blue Shield Medicare Supplement Plan will enroll in the PERS Choice plan.

### CalPERS Kaiser Health Plan Monthly Family Premium



**MEMORANDUM**

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Robert Clark, Operations/Maintenance Superintendent

September 2, 2016

Subj: STP Solar Power Facility – 4th Year Status Report  
I:\aclword\stp solar proj\status rpt - 4th year.docx

**RECOMMENDED ACTION: None**

**FINANCIAL IMPACT: Approximately \$6,000 Savings in Power Cost**

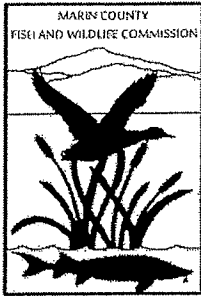
The Stafford Treatment Plant Solar Power Facility commenced operation on August 9, 2012. During the 15/16 net metering year (August through July) the facility produced 623,000 kWh of electricity, slightly exceeding the 607,000 kWh design capacity. Under the terms of the Power Purchase Agreement, the District paid 18.58¢/kWh produced. STP produced 563 MG, which required 646,000 kWh to produce. The 23,000 kWh differential (646,000 required less 623,000 produced) was provided by PG&E at no cost because the District sold solar power into the grid during peak demand periods and purchased it back at off-peak periods, creating a net credit. Consequently, operation of the solar facility resulted in a net power savings of \$6,000 to the District during the 15/16 net metering year.

REC Solar, the contractor that maintains the facility, mowed the grass in early May and washed the panels within the field enclosure in July 2016. The system was 100% operational with 43 days of reduced production (less then 600kWh) due to cloudy skies. In a typical rainfall year the facility may experience twice that number of reduced production days.

The 20-year solar facility financing agreement stipulates a 3% annual rate increase. Since startup, the applicable weighted-average PG&E time-of-use rates have increased 4.5% annually, and, when demand, service and tax charges are included, are now equivalent to the solar power rate. Cost effective operation of the solar facility will continue to be enhanced by the ability of STP to produce the budgeted 750 MG of water annually.

Net Metering Year	STP MG Produced	STP mWh Consumed	Solar mWh Produced	Savings/(Loss) <sup>1</sup>
12/13	804	788	677	(\$1,000)
13/14	464	600	738	(\$16,000)
14/15	598	642	701	(\$12,000)
15/16	563	646	623	\$6,000

<sup>1</sup> Savings/(Loss) derived from operating the solar facility is calculated using the TOU rates in effect from the PG&E A10 rate table plus 23% for PG&E demand, service and tax charges.



# MARIN COUNTY FISH AND WILDLIFE COMMISSION

*From The Commission.....*

*This newsletter is an annual publication of the Marin County Fish and Wildlife Commission.*

*Volunteer members are appointed by the Board of Supervisors for three year terms.*

*The Commission serves to advise the Board and administer the annual grant program.*

*Meetings are held on the second Tuesday of the month.*



*Members:  
Gary Frugoli  
Brooke Halsey  
Al Nichelini  
Susan Ristow  
Laurette Rogers  
Ed Schulze  
Brad Stompe*

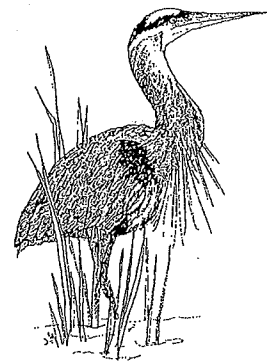
This year the Commission was pleased to receive proposals for many wonderful and educational projects. The following grant proposals for the 2016 - 2017 year, from non-profit organizations to provide equipment and supplies to directly benefit habitat, wildlife, and fishing populations in Marin, have been reviewed and approved for funding by the Marin County Board of Supervisors.

### ***Friends of Willow Miller Creek***

Founded in 2011 to restore a fragment of above ground creek in Sausalito involving teachers, students, and parents by replacing non-native plants with natives. The grant funding is for educational material and restoration items. Information: (415) 730-0089 or (415) 332-1658.

### ***Gallinas Watershed Council & Miller Creek Watershed Stewards***

Combined organizations to protect and enhance the environment of these twin creeks. The grant is to support the Dixie Elementary Outdoor Classroom Education Project by providing tools, materials, and plants. Information: (415) 479-9127.



### ***Friends of Corte Madera Creek Watershed***

Founded in 1995, "Friends" work on habitat enhancement, fish passage, flood management, public outreach, education and watershed condition. The grant funding is for 5 temperature monitors and solution membrane units to be placed in various locations in the Corte Madera Creek Watershed. Info: (415) 456-5052.

*...Continued next page*

### ***The Dance Palace Community Center***

The Community Center serves West Marin by providing classes, meeting space, concerts, cultural events, afterschool programs as well as a summer camp. The grant funding is for materials for nature study classes during the annual summer camp and elementary school afterschool science education. Information: (415) 663-1075.

### ***California Department of Fish & Wildlife***

The CDFW has primary responsibility to enforce fish and game regulations in Marin County. The grant funding is for heavy duty vests for carrying safety and duty equipment. Information: P.O. Box 47, Yountville CA 94599.

### ***Audubon Canyon Ranch (ACR)***

ACR was founded in 1962 to protect one of the largest heronries on the west coast. ACR's mission is to protect nature through land preservation, nature-based education and conservation science. The grant funding is for educational supplies for teachers and docents at the Martin Griffin Preserve. Info: (415) 868-9244.

### ***Watershed Alliance of Marin***

The W.A.M. documents and determines the condition of the many watersheds in Marin. The grant funding is to provide a map and "report card" for Marin's bayside eastern creeks. Info: (415) 234-9007.

### ***Marin Audubon Society***

Marin Audubon Society (MAS) was established more than 50 years ago to protect the environment. Marin Audubon's educational activities focus on birds and other wildlife as well as wildlife habitats. The grant funding is for the repair/replacement of the Simmons Slough fence along Atherton and Olive Avenues near Novato. Information: [www.marinaudubon.org](http://www.marinaudubon.org).

### ***North Bay Trout Unlimited***

The N.B.T.U. "first cast" program started in 2001 to engender T.U.'s values of conserving, protecting, and restoring coldwater fishing into youthful stewards of our environment. The grant is for coaching, tackle and fly tying equipment for youths 8-10 years old. Information: (415) 307-5363.



### ***Wildcare***

Wildcare/Terwilliger Nature Education and Wildlife Rehabilitation operate a wildlife rehabilitation center for injured animals. In addition, Terwilliger nature vans travel off-site to dozens of schools throughout the area each year to provide hands on nature education. The grant funding is for material, literature and support items for Nature Discovery Programs, Terwilliger Nature Camps, and Wildlife Ambassador Programs. Information: (415) 572-2530 or [www.wildcare.org](http://www.wildcare.org).

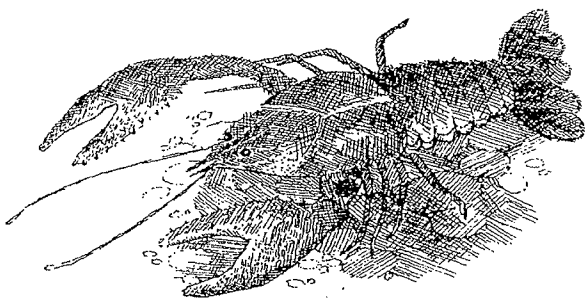


### ***S.T.R.A.W.***

Students and Teachers Restoring a Watershed (STRAW) started in 1992, to respond to the problem of an endangered species. Today STRAW is a wing of Point Blue (formerly PRBO Conservation Science) that sustains a network of teachers, students and restoration specialists who plan and implement watershed and riparian corridor restoration projects. The grant funding is for tools and materials to support new installation and maintenance of recent project sites. Information: [lrogers@pointblue.org](mailto:lrogers@pointblue.org).

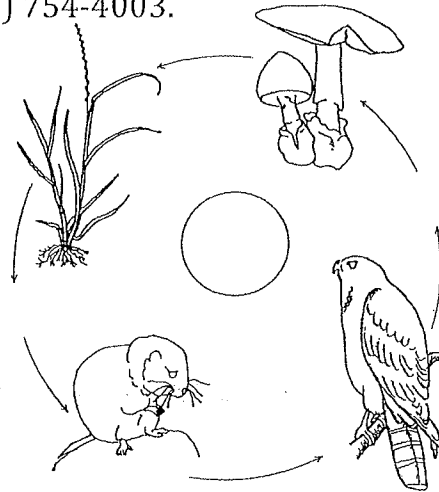
### ***All One Ocean***

This group, founded in 2010, is working to protect ocean and marine life from the dangers posed by marine debris, especially plastic trash. They have established "Beach Clean-Up Stations" (B'CUS) at various West Marin beaches. They also have an educational program for local Bay Area schools about the dangers of marine debris to ocean ecosystem and human health. The grant funding is for material for on-site beach clean up stations. Information: (510) 859-9198 or [Lauren@alloneocean.org](mailto:Lauren@alloneocean.org).



### ***The Marine Mammal Center***

Located in the Marin Headlands, they rescue and rehabilitate over 600 injured or orphaned marine mammals every year. It is a state of the art marine mammal research and education facility. The grant funding is for replacement of heavily used chairs in the Marine Science Discovery Classroom. Information: (415) 754-4003.



## ***Mark Your Calendars! Annual Barbecue***

Thursday, September 15, 2016  
4:30 pm -7:30 pm

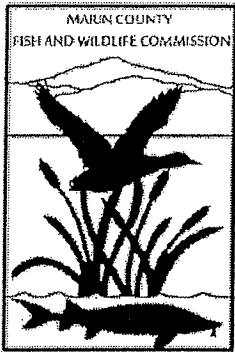
Lagoon Park  
(next to jury parking)

Marin County's Fish and Wildlife Commission Annual Barbecue. Meet Commission members, grantees, wardens and others associated with Commission activities. Learn more about the Commission grant projects to enhance the fish and wildlife habitat and populations of Marin County.



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Marin County Fish and Wildlife Commission  
 c/o U.C. Cooperative Extension  
 1682 Novato Blvd., Ste. 150B  
 Novato, California 94947-7021

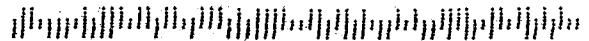
North Marin Water District

AUG 25 2016

RECEIVED

Director of the  
 North Marin Water District  
 PO Box 146  
 Novato, CA 94948

9494702146 8002



*Marin County Fish and Wildlife Commission*

The Fish and Wildlife Commission advises the Board of Supervisors on expenditures of funds obtained through fines levied for fish and wildlife violations in Marin County. The funds are designated to enhance fish and wildlife resources in the county and for public education. Grant proposals submitted to the Commission Chair are reviewed during the first quarter of any calendar year and recommended on a competitive basis and availability of funds. If approved by the Board of Supervisors, funding becomes available by fall of the same year. The commission can also provide letters of endorsement for projects seeking alternative sources of funding. The commission sponsors an annual barbecue (September 15, 2016) for grantees and community groups.

For applications and deadline information, contact: Marin County Fish and Wildlife Commission, U.C. Cooperative Extension, 1682 Novato Boulevard, Suite 150 B, Novato, CA 94947-7021, (415) 473-4204, <http://cemarin.ucdavis.edu>



**Marin County Fish  
& Wildlife  
Commission invite  
you and your  
family to our . . .**

## **~ Annual Barbecue ~**

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Food & Drinks Provided  
Social begins at 4:30 pm with oysters followed by barbecue  
(including vegetarian selections)

**Thursday, September 15, 2016**  
**4:30 – 7:30 pm**  
(Civic Center lawn – next to playground)



*Meet the committee and our grant recipients to  
hear about their projects  
Families Welcome*

*RSVP, Vicki Jimenez, 415-473-4221 or [vjimenez@marincounty.org](mailto:vjimenez@marincounty.org)*

**Chris DeGabriele**

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**From:** Robert Clark  
**Sent:** Friday, September 02, 2016 8:16 AM  
**To:** Chris DeGabriele; Drew McIntyre  
**Subject:** FW: Nice work

Thought you would like to see this. We can give our folks all the praise they deserve but when it comes from a vendor or colleague it means that much more.

*Robert Clark*

Operations / Maintenance Superintendent  
North Marin Water District  
[rclark@nmwd.com](mailto:rclark@nmwd.com)  
(415) 761-8931

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**From:** Jeff Corda  
**Sent:** Friday, September 02, 2016 5:18 AM  
**To:** Treatment Plant Group  
**Subject:** Nice work

Gentlemen,

Yesterday I was running around the plant doing the daily crap and I came into the lab and Deskin (hach Tech) was in the middle of his work, he looked up to me and said, " jeff, yesterday I was trying to think of a plant where the operators do as much work as you guys and I cant. You guys are always running around doing something, checking equipment fixing things. Every other plant has crews that do the manual work and the operators just monitor scada, it is crazy the work you guys do."

This is a guy that has been to hundreds of plants all over the United States from Alaska to New York so he has seen a lot of different operations. I thought it was pretty cool to hear that, I have always thought that we do a pretty damn good job with the heavy work load that we carry. I'm just passing this along because personally this is the time of year that the plant starts to wear on me and I am ready to shut this thing down, but having him say that gave me a little pep in my step. It is nice to have someone realize the amount that we do and acknowledge us for it, even if he is from outside the district.

**Keep Dominating.**

Jeff Corda  
North Marin Water District  
D4/T3 Operater

# Sonoma City Council tables climate action

**JASON WALSH**

INDEX-TRIBUNE EDITOR | August 18, 2016, 5:41PM | Updated 6 minutes ago.

The City of Sonoma's battle against climate change has reached a stalemate.

That's the way things were left Aug. 15 when the Sonoma City Council tabled discussion of its plan to curb greenhouse gas emissions in light of a lawsuit filed last week by environmentalists against the Sonoma County Regional Climate Protection Authority. The lawsuit was filed by a Sebastopol-based group called California River Watch which alleges that the County's "Climate Action Plan" (CAP), a program partnered with the City of Sonoma to meet state mandated greenhouse gas levels, is woefully undercounting the amount of greenhouse gases produced by what the group describes as the County's fuel-driven wine and tourism industry.

The eco brouhaha stems from countywide efforts launched back in 2008 to meet state-required targets of reducing greenhouse gas levels to 25 percent below 1990 levels by the year 2020, with a longer-term goal of reaching 80 percent below that level by 2050. In 2013, the City of Sonoma joined what the county's Regional Climate Protection Authority (RCPA) now calls its Climate Action 2020 program, a collaborative effort among the County and all nine of its cities to take measurable steps to reach those GHG targets.

At its Monday meeting, the City Council was set to consider eight Sonoma-specific steps to add to the Climate Action Plan – most of them incentives to encourage Sonomans to lower their carbon footprints. Those measures include ways to encourage solar installations, water conservation methods and restrictions on idling cars. But in the River Watch lawsuit, which challenges the EIR findings in support of the climate action plan, attorneys Jack Silver and Jerry Bernhaut charge that many of those and other similar CAP measures would have shaky implementation rates, are unenforceable and fail to provide evidence that they would set the County on a path to meet its GHG goals.

In a statement about the lawsuit, Bernhaut claims the climate action plan “substantially” understates greenhouse gas emissions from “vehicle miles traveled in the global distribution of wine produced in Sonoma County and from vehicle miles traveled to and from tourist destinations.”

“The CAP was designed to promote the illusion that the County and cities can continue to approve permits for new vineyards, wineries, hotels and other tourist destinations while reduc(ing) GHG emissions, by adopting green building codes... some of which are defined in terms that raise questions about their implementation and real effects,” says Bernhaut.

The California River Watch lawsuit specifically challenges the County’s environmental impact report for the CAP program which, according to the suit filed with Sonoma County Superior Court July 9, contains a “systematic underestimation of CHG emissions” from on-road transportation.

According to a City staff report, Sonoma’s Climate Action 2020 plan, if updated with the eight new measures, would improve the town’s GHG reductions by 54 percent over the next five years.

But in light of the lawsuit, and on the advice of City Attorney Jeffrey Walter, the council on Monday unanimously voted to pull the item from discussion.

Caitlin Cornwall, program manager for the Sonoma Ecology Center who was in attendance in support of Climate Action 2020, said the lawsuit only slows the pressing need to decrease GHGs.

“For the last five years we’ve been researching the hazards of climate change – it’s terrifying,” said Cornwall. “Every delay is a harm against our future.”

Bernhaut, however, denied at the meeting that California River Watch’s legal action is preventing the City from enacting green legislation. “However our lawsuit turns out,” said Bernhaut, “there is nothing stopping the city with going forward with green-use issues.”

Sonoma resident Chris Petlock wasn’t so sure. “Talk about a nickel holding up a dollar,” was his turn of phrase – though River Watch critics would argue it’s the other way around, and that dollars are really what’s holding things up.

Founded in 1996 by attorney Jack Silver, California River Watch is, according to its website, an environmental group with a mission to “protect water quality” in the state’s various watersheds.

The group’s critics see it a different way, with opponents alleging that River Watch takes advantage of environmental laws to file lawsuits and reach monetary settlements.

According to a Santa Rosa Press Democrat story from 2002, “the law allows Silver and River Watch to collect attorney’s and other fees if they prevail in court or persuade those being sued to reach out-of-court settlements.” The PD reported that Silver, as of 2002, had collected “at least \$310,000 in attorney’s fees since 2000, often for environmental violations that were already in the process of being remedied.”

According to its website, criverwatch.org, the group has settled 40 lawsuits, alleging violations of the Clean Water Act, the Endangered Species Act and other environmental legislation. Currently CRW has five active lawsuits listed on its website, one of them also against the County of Sonoma in opposition of water agency plans to fluoridate water.

Bernhaut, however, brushes off any allegations that River Watch misuses environmental law for financial gain.

“That’s a standard line people can say about environmental lawsuits,” Bernhaut, a Sonoma Valley resident, said by phone this week. “I don’t think it’s true. It’s a solid environmental organization; a small local environmental group - it does not have money to pay attorneys’ fees.”

Bernhaut said the group’s primary issue is that the conclusions of the CAP EIR “are not supported by substantial evidence in the record.”

“If we keep on building more hotels and have people getting on more planes, the mitigation they’re including in those programs, even if they work well, are not going to offset all those additional (climate) impacts,” said Bernhaut.

And will River Watch be seeking a settlement?

“Part of what will happen under CEQA is a mandatory settlement conference,” said Bernhaut. “We’re demanding certain changes, if the RCPA is willing to make them we’ll

reach a settlement.”

Added Bernhaut: “If money was the issue, I wouldn’t be working on this case.”

Email Jason at [jason.walsh@sonomanews.com](mailto:jason.walsh@sonomanews.com).



Chris DeGabriele

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**From:** Ann DuBay <Ann.DuBay@scwa.ca.gov>  
**Sent:** Friday, August 19, 2016 11:05 AM  
**Subject:** Russian River "Fish Flow" project and draft environmental document released today  
**Attachments:** 8-19-16 Fish Flow Project Environmental Document Released FINAL.docx



## PRESS RELEASE

**For Immediate Release**  
**August 19, 2016**

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# Project Proposes Changes in Russian River Flows to Benefit Endangered Coho, Steelhead

(Santa Rosa, CA) – On Friday, August 19, the Sonoma County Water Agency (Water Agency) released the Fish Habitat Flows and Water Rights Project (Fish Flow Project) Draft Environmental Impact Report (DEIR) for public review. This project would lower minimum flows in the Russian River to benefit threatened and endangered juvenile fish, change the hydrologic index to better reflect watershed conditions and secure the existing rights to 75,000 acre feet of water used to provide drinking water to 600,000 residents in portions of Sonoma and Marin counties. The document describes the proposed Fish Flow Project, the purpose of the project, why it is necessary and the potential environmental impacts of the project.

Public workshops are slated for Monday, August 22, in Cloverdale and Wednesday, August 24, in Monte Rio (see below for full details). The two public workshops provide an opportunity for people to learn from staff about the project and the DEIR. No verbal public comments will be taken during the workshops, although comment cards will be available for people to provide written comments.

A public hearing on the project will be held on Tuesday, September 13, 3 p.m., at the Sonoma County Board of Supervisors Chambers, 575 Administration Drive, Santa Rosa.

**Need for the Proposed Project**

Coho and Chinook salmon and steelhead were once abundant in the Russian River watershed. Today, coho are on the brink of extinction (and are listed as endangered on state and federal endangered species lists) and Chinook and steelhead are listed as threatened in the Russian River watershed.

lower minimum instream flow requirements, flows will rarely reach the minimums because Water Agency operators manage flows with a buffer of about 15 cfs to account for water loss along the river and in Dry Creek.

### **Determining Hydrologic Conditions**

Currently, minimum instream flows are set depending on hydrologic conditions as measured at Lake Pillsbury, which is part of PG&E's Potter Valley Project. Lake Pillsbury is located in Lake County, outside the Russian River watershed. Since 2006, there has been a 60 percent reduction in the amount of water annually diverted from the Eel River to the East Branch Russian River (and eventually Lake Mendocino) via the Potter Valley Project. The Fish Flow Project proposes changing the hydrologic index to the Russian River watershed to more accurately reflect conditions in Lake Mendocino and the Russian River.

Currently, minimum instream flows are set depending on whether hydrologic conditions as measured at Lake Pillsbury are "normal," "dry" or "critical." While this three-step schedule is easy to understand, it may not accurately depict watershed conditions, nor does it allow the Water Agency to quickly adjust to changing conditions. For example, the hydrologic condition may be "normal" for several rainless winter months, until it finally drops to the "dry" schedule using the current hydrologic index.

The Fish Flow Project includes a one through five index naming system (a practice commonly used in other watersheds). Schedule 1 refers to the wettest conditions; Schedule 5 is the driest. The proposed naming system is a one through five index (a practice commonly used in other watersheds). Schedule 1 refers to the wettest conditions; Schedule 5 is the driest.

Adding two more steps in the schedule will allow for more responsive management of water storage. This is particularly true for Lake Mendocino during the summer and fall months when it's important to preserve cold water for later releases to benefit rearing steelhead and the fall-run Chinook salmon migration. The proposed five schedules will allow for additional, smaller reductions in minimum instream flows, particularly in the Upper Russian River – benefiting fish and habitat and water supply reliability.

### **Public Workshops, Hearing and Comments**

The DEIR is available by going to [www.sonomacountywater.org/fish-flow](http://www.sonomacountywater.org/fish-flow), at Sonoma and Mendocino County libraries and by purchase (flash drive or hard copy) from the Sonoma County Water Agency. Public informational workshops will be held on:

**August 22, 4-8 p.m.** Cloverdale Veterans Hall  
205 West 1<sup>st</sup> Street

**August 24, 4-8 p.m.** Monte Rio Community Center  
20488 Highway 116

A public hearing will be held before the Water Agency's Board of Directors on **September 13, 2016**, at 3 p.m. at the Sonoma County Board of Supervisors Chambers, 575 Administrative Drive, Santa Rosa.

The 60-day public review period begins on August 19. All written comments are due by 5 p.m., October 17, 2016 and can be sent to [fishflow-eir@scwa.ca.gov](mailto:fishflow-eir@scwa.ca.gov) or to Sonoma County Water Agency, Attn: Fish Flow DEIR., 404 Aviation Boulevard, Santa Rosa, CA 95403.

For more information, please go to [www.sonomacountywater.org/fish-flow](http://www.sonomacountywater.org/fish-flow).

###

*The Sonoma County Water Agency is working to secure our future by investing in our water resources, community and environment. The Water Agency provides water supply, flood protection and sanitation services for portions of Sonoma and Marin counties. Visit us on the Web at [www.sonomacountywater.org](http://www.sonomacountywater.org).*

In 2008, a federal agency (National Marine Fisheries Service) determined in its Russian River Biological Opinion that by lowering the minimum amount and reducing the velocity of stream flows, the Water Agency can create better habitat for coho and steelhead. When these fish are young, the velocity of the water in Dry Creek and the Russian River makes it difficult for them to thrive. A state agency (California Department of Fish and Wildlife) agreed with the federal government (it issued a Consistency Determination on the Russian River Biological Opinion) as coho salmon are also listed as endangered under the California Endangered Species Act.

In order to avoid jeopardizing these species, comply with the Endangered Species Act, and continue to operate its system of supplying water to 600,000 people, the Water Agency is asking the state (the State Water Resources Control Board (State Water Board)) to modify its existing water right permits to comply with this federal determination.

Starting in 2010, the Water Agency was required by the Biological Opinion to request temporary changes to minimum instream flow requirements on the Russian River during the summer months to improve conditions for young salmon. Once the State Water Board approves the proposed changes, the Water Agency will no longer have to ask for changes on an annual basis.

### Primary Components of the Proposed Project

The Fish Flow Project includes proposed changes to State Water Board Decision 1610 in 1986, plus other technical and clarifying amendments to the Water Agency's water rights.

The Fish Flow Project has five purposes:

1. Comply with National Marine Fisheries Service's Russian River Biological Opinion, which requires the Water Agency to ask the State Water Board to lower minimum instream flow requirements in the Russian River and Dry Creek in order to improve conditions for coho and steelhead.
2. Improve conditions for threatened Chinook salmon, by better preserving cold water in Lake Mendocino, which can be released for the fall Chinook migration.
3. Replace a measuring requirement in the Water Agency's water right permits, called the "hydrologic index," to better reflect conditions in the Russian River watershed.
4. Extend to 2040 the Water Agency's right to divert and re-divert 75,000 acre feet of water annually, in order to ensure a reliable water supply for more than 600,000 people.
5. Add existing points of diversion for Occidental Community Service District and the Town of Windsor as authorized points of diversion in the Water Agency's water right permits.

### Proposed Flows

After extensive modeling by Water Agency staff and consultants, and consultation with National Marine Fisheries Service and California Department of Fish and Wildlife, the Fish Flow Project proposes a five-step flow schedule, based on hydrologic conditions (explained below). The five-step schedule, with Schedule 1 being the wettest years and Schedule 5, the driest, results in five different schedules of flows.

- **In the upper river (above the confluence of Dry Creek and the river):** For the wettest years (Schedule 1), minimum proposed flows would be 105 cubic feet per second (cfs) year round. In the driest years (Schedule 5), minimum instream flows are proposed to be 25 cfs.
- **In the lower river (below the confluence of Dry Creek and the river):** For the wettest years (Schedule 1), minimum proposed flows would be 135 cfs October 16 through April and 70 cfs from May through October 15. In the driest years (Schedule 5), minimum instream flows are proposed to be 35 cfs year round.
- **In Dry Creek:** For the wettest years (Schedule 1), minimum proposed flows would be 75 cfs January through April, 50 cfs May through October 15 and between October 16 and December 31, 105 cfs. In the driest years (Schedule 5), minimum instream flows are proposed to be 75 cfs October 16 through March and between April and October 15, 50 cfs.

Modeling finds that 68 percent of the time, Schedule 1 would likely be used. In only 1 percent of the time -- during drought -- would Schedule 5 likely be used. Of the remaining years, Schedule 2 would likely be used 20 percent of the time; Schedule 3, 6 percent; and Schedule 4, 4 percent. While the Water Agency is requesting that the State Water Board

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## ACWA Region 1 Hosts Russian River Water Supply System Tour



Submitted by Dennis Mayo on Thu, 08/18/2016 - 12:32pm in ALL

By ACWA Region 1 Chair Dennis Mayo

ACWA Region 1 hosted a Russian River Water System Supply Tour on August 5. The tour, which included visits at Lake Mendocino and the Lake Sonoma area, attracted a group of nearly 50 participants.

Participants began the day at the U.S. Army Corps of Engineers Facility at Lake Mendocino. After some welcoming remarks and briefing for the day, Sonoma County Water Agency Chief Engineer and Director of Groundwater Management Jay Jasperse got the day started with his presentation, "Forecast Informed Reservoir Operations – An Opportunity to Improve the Resiliency of Our Water Supply." Jasperse explained that Lake Mendocino's water supply is not reliable and provided an overview of several initiatives in play to improve its reliability, including reduced summer releases, modification of the hydrologic index, raising Coyote Valley Dam, and Forecast Information Reservoir Operations.

Next, participants boarded the bus for the Lake Mendocino tour stops. The first stop was the Coyote Valley Dam Egg Collection Facility. Once there, U.S. Army Corps of Engineers Park Ranger Poppy Lozoff explained that eggs are collected from Steelhead Trout and fertilized at Lake Mendocino, then sent to the hatchery at Lake Sonoma to Hatch. Eventually, they're brought back to Lake Mendocino to imprint and then released into the Russian River. The tour then wound across Coyote Dam and participants enjoyed a gorgeous view of Lake Mendocino from the elevated view on the bus, while learning more about managing the lake and discussions to raise the dam.

After leaving the Lake Mendocino area, the tour traveled south through the Ukiah Valley. While on the bus, Upper Russian River Water Agency General Manager Bill Koehler spoke about small drinking water system consolidation in the Ukiah Basin. Koehler explained that several county water districts have formed a joint powers authority, named Upper Russian River Water Agency, in hopes to eventually consolidate their operations into one entity. He explained how the districts are preparing for consolidation, such as cross-training staff and sharing resources.

At the next stop, Warm Springs Fish Hatchery, participants first gathered in the visitor center to watch a video presentation on the Coho Salmon recovery efforts at Lake Sonoma. Then, Sonoma County Water Agency Environmental Resources Manager David Manning led the group on a tour of the hatchery to get a closer looks at its operations.

Next up was a break for lunch at a nearby picnic spot at the Warm Springs Recreation area. During lunch, the group enjoyed a demonstration from Freddie Deshon and his "Mussel Dog." Deshon explained that Mussel Dogs protect waterways from invasive species by providing a cost-effective method to detect, or sniff out, Quagga and Zebra Mussels. Later, ACWA President Kathy Tiegs and Vice President Brent Hastey provided updates on ACWA activities and initiatives.

After lunch, the tour stopped at Dry Creek Winery to learn about Sonoma County Water Agency's Dry Creek Enhancement Project. David Manning met the tour out in front of the winery and provided an overview of the project, which is a piece of the solution to high flow levels in Dry Creek that make it difficult for juvenile fish to survive. After explaining the project, Manning led the group to Dry Creek at the back of the winery property to get a first-hand look at the project, which included using logs and boulders to redirect water flow.

After wrapping up an entertaining day of interesting and educational visits and presentations, participants boarded the bus one last time and headed back to Lake Mendocino to conclude the tour. I would like to thank ACWA Region 1 Board Member and Sonoma County Water Agency Community & Government Affairs Manager Brad Sherwood and U.S. Army Corps of Engineers Supervising Park Ranger Christopher Schooley for arranging all of the tour visits serving as tour guides throughout the day.

I would also like to thank our event sponsors – **RMC Water & Technology** and **West Yost Associates**. Their support continues to provide opportunities for agencies to come together and learn from each other at a regional level – *thank you!*

For upcoming information about ACWA Region 1 activities, please visit [www.acwa.com](http://www.acwa.com).

Dennis Mayo  
Chair, ACWA Region 1

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# Drought's on, but Mandatory Cuts off for Most in California

By ELLEN KNICKMEYER, ASSOCIATED PRESS  
SAN FRANCISCO — Aug 17, 2016, 4:08 PM ET

The orange-and-black automated signs lining state highways still warn that California is in severe drought, but Californians this summer are getting a second chance to show whether they can save water without the state ordering them.

After lifting nine months of mandatory state water conservation for families and non-farm businesses, authorities caution that they could impose state limits again as soon as this winter should the state's 39 million people return to water-wasting, drought-oblivious ways.

"We've been clear at a state level we're still in a drought, there's still a need for conservation," Max Gomberg, conservation manager for the state Water Resources Control Board. But "we don't need people to go to extraordinary measures like they did last year."

While an El Nino system brought some rain and snow to Northern California last winter, nearly two-thirds of the state remains in severe drought or worse for a fifth year. But citing the slightly improved precipitation, California by June lifted a 25-percent mandatory conservation order in effect for cities and towns statewide for most of a year.

On Tuesday, the state announced that all but 68 of the 411 larger water districts had gotten out from under the threat of localized conservation orders from the state. The water agencies did that by declaring they had enough water to get by even if the drought lasts another three years.

Environmental groups are skeptical all the water districts have as robust a water supply as they claim, and say lifting of mandatory conservation sends the wrong message to ordinary Californians as the drought persists.

"Moving to zero percent mandatory conservation - it's a confusing message to be sending to California. We're in the midst of the hottest summer on record and fighting raging wildfires," said Tracy Quinn, senior water policy analyst at the Natural Resources Defense Council environmental group.

Water agencies, however, say they have built water-conservation into their operations now.

Most water districts had to raise rates last year, which gives consumers an incentive to save, said Tim Quinn, executive director of the Association of California Water Agencies trade group. Most water districts also offered water-saving incentives, such as paying customers to remove thirsty lawns.

What the lifting of mandatory conservation means is that this summer, unlike last, Californians don't have to do things like keep a bucket in the shower to catch water for reuse, the water-industry representative said.

"It is the end of inconvenience, but it is not the end of conservation," Tim Quinn said.

Californians didn't do well the last time someone asked them to voluntarily save water. In 2014, requested by Gov. Jerry Brown to cut water use 20 percent given the drought, Californians managed less than half of that.

Brown made 25 percent conservation mandatory for cities and towns in spring 2015.

This time around, state officials will be happy if Californians manage around 20 percent water savings, compared to the benchmark water-use year of 2013, said Gomberg, the state water official. If people manage just 10 percent conservation or less now, that would be cause for concern for state water officials when they revisit the matter after January, Gomberg said.

In Palm Springs, water-agency spokeswoman Ashley Metzger said Wednesday that local water officials were still pushing hard on conservation programs, including kicking off a new rebate program promoting lawn removing at noon that day.

"Oh, my goodness, yes," Metzger said, when asked if she expected strong demand for the lawn-removal rebates.

Metzger's district, the Desert Water Agency, is now asking customers to keep water use down by 10- to 13 percent, voluntarily, she said.

The Palm Springs message to water users in summer 2016? "We have a strong local supply but there's a still a statewide issue" with water, Metzger said. "I think it's definitely a nuanced message."

# Santa Rosa among local cities exempted from state's mandatory water-saving targets

**GUY KOVNER**

THE PRESS DEMOCRAT | August 16, 2016, 8:09PM | Updated 22 minutes ago.

Santa Rosa and seven other North Bay water suppliers were officially exempted Tuesday from state-mandated water conservation targets after showing that Lake Sonoma holds enough supply to sustain the region for three more drought years.

The local water retailers were among 343 agencies statewide that qualified for a zero percent water-saving standard, the State Water Resources Control Board said Tuesday, ending the state mandates imposed last year.

"It's a testament to our community's ability to save water," said Brad Sherwood, spokesman for the Sonoma County Water Agency, which delivers water to the eight local suppliers.

Jennifer Burke, deputy director of water resources for Santa Rosa, said the exemption was "great news for our community" and urged city water customers to "continue to use water wisely."

The news was a bit anticlimactic, however, because the Water Agency had reported in June that Lake Sonoma would hold a healthy 178,398 acre feet of water at the end of September in 2019, following three dry years comparable to 2013 through 2015.

That finding met the so-called "stress test" established by the state water board to acknowledge local water supplies and give local providers more autonomy to set their own conservation targets.

As a result, the Santa Rosa City Council in June rescinded the mandatory curbs on outdoor water use adopted in August 2014. The action eliminated both a city conservation target of reducing water use by 20 percent and the state mandate for a 16 percent reduction, the latter with civil liabilities of up to \$10,000 a day for water wasters.



Felicia Marcus, the state water board chairwoman, said in a press release Tuesday the “stress test” approach was adopted “so that local agencies could demonstrate their ability to supply water under extended drought conditions.”

But, she added, Californians should not abandon their water-stingy habits.

The shift, she said, “is not a license to abandon conservation because one thing we know is we can’t know what next year or the next will bring.”

Two weeks ago, the state reported that local water suppliers had saved 1.75 million acre feet of water — enough to supply 8.8 million people for a year — in the 13 months since mandatory conservation goals were established.

On Tuesday, the board made it official that 343 local water suppliers had qualified for exemption from the state mandates. Thirty-six suppliers fell short of the three-year water supply standard and accepted conservation goals of 2 percent to 34 percent, and 32 suppliers retained their existing standard.

Santa Rosa, Windsor, Rohnert Park and Petaluma were officially relieved of their 16 percent state mandates. Valley of the Moon Water District and Marin Municipal Water District shed 20 percent mandates. North Marin Water District dropped a 24 percent mandate and Sonoma a 28 percent mandate.

The absence of mandates only runs through January, and the state board said it will renew conservation orders in February if drought conditions persist and statewide conservation levels “falter significantly.”

Meanwhile, some state water prohibitions remain, including bans on hosing off sidewalks and driveways, washing cars with hoses that lack a shut-off nozzle and lawn watering that causes runoff.

You can reach Staff Writer Guy Kovner at 707-521-5457 or [guy.kovner@pressdemocrat.com](mailto:guy.kovner@pressdemocrat.com). On Twitter @guykovner.



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# POINT REYES LIGHT

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## Nicasio's water future up for discussion

By Samantha Kimmey  
09/01/2016

Should Nicasio, where all homes source water from wells vulnerable to drought, be able to tap into Marin's largest water supplier? It's a discussion the county's Local Agency Formation Commission, or LAFCO, is trying to jumpstart.

A draft report released this month, which is now open for public comment, suggests that it may be advisable for Marin Municipal Water District to someday fold 23,000 acres of Nicasio into its "sphere of influence"—or the area that a government or special district serves or could likely serve in the future.

Though residents would likely eschew a new pipeline, they may be interested in a firm agreement to secure trucked water in difficult times, which Nicasio attempted with Marin Municipal during past dry times, without success.

"This report is the first signal that, hey, there's a process under state law as to how to provide potable water. We want to look into this. What say you?" said Keene Simonds, LAFCO's executive director.

One of LAFCO's duties is to report on local agencies' spheres of influence every five years, each time offering a "10-year horizon" on likely boundary changes. According to LAFCO, governments and special districts should only offer routine municipal services in areas within those spheres of influences, whether that means an actual pipeline or an agreement to truck water.

In its new report, the commission is not suggesting an immediate change; instead, it says the conversation could start now, with the potential to make changes in five years, the next time it provides an update on the sphere. The time lag gives the commission an opportunity for a more thorough analysis.

The commission's interest in Nicasio, which has about 300 homes, first arose during a county water study it completed earlier this year, Mr. Simonds said. The new reports says there is "growing interest" from landowners in receiving water assistance because of problems with wells.

A small number of people always struggle with water because soil conditions in some areas of town are not ideal for holding groundwater.

During the recent drought, more people than usual started trucking in water, said Eric Blantz, a board member of the Nicasio Landowners Association, in 2014. At that time, locals discussed communal purchases of water from Marin Municipal, but those conversations stalled, in part because the drought was also taxing that district's own water sources; Marin Municipal said agreements outside its service area were contingent on it having a "surplus" of water.

After discussions with M.M.W.D. were put on hold, North Marin Water District agreed to sell the town trucked water, Mr. Blantz said. But, he added, N.M.W.D. did not believe it was its responsibility for routinely supplying Nicasio with extra water.

LAFCO says an agreement between Nicasio and M.M.W.D. for regular water deliveries would need the commission's approval, which the report said would be "difficult to enact without conforming to the agency's sphere of influence."

The commission also notes that, until this year, Nicasio was considered a "disadvantaged unincorporated community," defined as a community whose median income is less than 80 percent of the state median income. The commission is charged with improving these communities' access to water, sewer and fire protection services.

That may come as a surprise to some, given that properties in Nicasio sell for millions of dollars. The designation was made three or four years ago by the Department of Water Resources, Mr. Simonds said, based on 2010 census data.

More current data shows Nicasio's median income is \$69,000 a year—substantially above the state median of \$61,000.

But Mr. Simonds said the commission could theoretically come up with its own definition based on local incomes. Nicasio still sits well below Marin's median income of \$91,000, he said.

A review over the next five years would help the commission determine whether interest is broad or limited to just a few landowners. That information is critical, because though the state will bear the cost of analyzing the town's options, securing service from Marin Municipal would likely take a serious financial commitment from the village.

Mr. Simonds also said there may be concerns about whether regular water service could be "growth inducing," an issue the commission will examine. "That's certainly a sensitive topic to LAFCO," he said.

Yet he also noted that it is becoming "harder, not easier, to rely on groundwater. So in the long term, what should government do? That is what we are tasked with addressing."

Eventually, LAFCO could draft a few water service options, including different geographic boundaries and conduits for service, as well as the costs, infrastructure requirements and other consequences for each.

Mr. Blantz, the landowner association board member, said he had not known of the report before being alerted by the Light, but he welcomed it. "My reading of it currently is, essentially, that it increases the likelihood of us being able to advance conversations with M.M.W.D." to secure trucked water. He said locals hope to meet with the commission "to talk directly about the report and time frames and what this means."

Today, the situation is better because of the recent wet season, and some of the concerns have quieted, Mr. Blantz said. Still, the town would probably like the security of an agreement of some kind. And though the impacts of climate change are unclear, some worry that if rainfall patterns change—particularly if steady rains decline and bigger storms become the norm—groundwater reserves may suffer.

"People here have no desire or appetite for what would be involved in piping water into Nicasio. I don't think that's in the cards. But if the sphere of influence or an 'annex' includes an obligation to provide water without plumbing, those conversations would all be worth having," he said. "Hopefully we now have the political space and the meteorological space to work something out."

The draft report is available at [marinlafco.com/PDF/staff-reports/2016/8-11-16\\_AgendaItem10\\_MMWD-SOI.pdf](http://marinlafco.com/PDF/staff-reports/2016/8-11-16_AgendaItem10_MMWD-SOI.pdf). Comments can be emailed to [ksimonds@marinlafco.org](mailto:ksimonds@marinlafco.org) (<mailto:ksimonds@marinlafco.org>) by Sept. 30.

20