



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 October 6, 2015 – 7:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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

Est. Time	Item	Subject																														
7:00 p.m.		CALL TO ORDER																														
	1.	APPROVE MINUTES FROM REGULAR MEETING , September 15, 2015																														
	2.	GENERAL MANAGER’S REPORT																														
	3.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.																														
	4.	STAFF/DIRECTORS REPORTS																														
		<div>CONSENT CALENDAR The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person. <table><tr><td>Water Service Agreement</td><td><u>Type</u></td><td><u>DU</u></td><td><u>EU</u></td><td></td></tr><tr><td>5. Consent-Approve: Carwash – 7474 Redwood Blvd.</td><td>Comm.</td><td>0</td><td>5</td><td>Resolution</td></tr><tr><td>6. Consent-Approve: Novato Village Senior Apartments 801 State Access Road</td><td>Apt.</td><td>48</td><td>24</td><td>Resolution</td></tr><tr><td>7. Consent-Approve: Text for Fall 2015 Novato “Water Line,” Volume 16, Issue 35</td><td></td><td></td><td></td><td></td></tr><tr><td>8. Consent-Approve: Contract Award for NMWD Trench Restoration Paving</td><td></td><td></td><td></td><td></td></tr><tr><td>9. Consent-Approve: Auditor-Controller Statement of Investment Policy</td><td></td><td></td><td></td><td></td></tr></table></div>	Water Service Agreement	<u>Type</u>	<u>DU</u>	<u>EU</u>		5. Consent-Approve: Carwash – 7474 Redwood Blvd.	Comm.	0	5	Resolution	6. Consent-Approve: Novato Village Senior Apartments 801 State Access Road	Apt.	48	24	Resolution	7. Consent-Approve: Text for Fall 2015 Novato “Water Line,” Volume 16, Issue 35					8. Consent-Approve: Contract Award for NMWD Trench Restoration Paving					9. Consent-Approve: Auditor-Controller Statement of Investment Policy				
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		ACTION CALENDAR																														
	10.	Approve: Salary Schedule Revision																														
	11.	Approve: Updated Retiree Medical Actuarial Valuation																														
	12.	Approve: Review of District Property as part of the Novato General Plan Update																														
8:00 p.m.		INFORMATION ITEMS																														
	13.	NBWRA BOD Meeting – September 21, 2015																														

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
	14.	NBWA Meeting – October 2, 2015
	15.	TAC Meeting - October 5, 2015
	16.	MISCELLANEOUS Disbursements Employee Praise – Rich Roberto The Amante Family Tomales Village Community Services and Stinson Beach Fire District position BAIRWMP Prop 84 Funding Totals NFPD Station 64 Grand Opening Atherton Tank Rehabilitation Project – Pavement Condition Evaluation <u>News Articles:</u> Novato Officials celebrate bigger, greener pipeline No Petaluma casino until 2025 under deal with the Dry Creek Rancheria Band of Pomo Indians No Petaluma casino until 2025 in new county agreement with tribe White House launches American Business Act on Climate Pledge Study: Tiny plastic litter widespread in SF Bay From Marin to South Bay, officials in region reap sweetheart housing deals Novato Advance: 85 Years Ago
	17.	CLOSED SESSION: Conference with Real Property Negotiator (David Bentley) regarding 25 Giacomini, Point Reyes, CA (Government Code Section 54956.8)
9:00 p.m.	18.	ADJOURNMENT

1

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
September 15, 2015

CALL TO ORDER

Vice 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 Rick Fraites, Stephen Petterle, and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre. Director Jack Baker arrived at 7:25 p.m. and Director Dennis Rodoni was absent.

Dinah Sims, Mike Jolly, Rob Shurgis and District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

AYES: Directors Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Directors Baker and Rodoni

GENERAL MANAGER'S REPORT

Director Rodoni absence

Mr. DeGabriele advised the Board that Director Rodoni informed him that he will not be attending the meeting due to illness.

SCWA Meeting

Mr. DeGabriele informed the Board that he, Mr. McIntyre and the District's legal counsel Bob Maddow, will be meeting with Sonoma County Water Agency next Thursday to discuss how the District can assist with the Potter Valley Project relicensing.

NFPD Station 64

Mr. DeGabriele advised the Board that he will be attending the Novato Fire Protection District Station 64 grand opening next Saturday, on 9/26.

1 AEEP Dedication

2 Mr. DeGabriele reminded the Board that the Aqueduct Energy Efficiency Project Dedication
3 is scheduled for 10 a.m. on October 1st at Olompali State Park.

4 Valley Fire

5 Mr. DeGabriele informed the Board that he reached out to Hidden Valley Lake Water
6 Community Services District during the Valley Fire and stated that they did have some damage done
7 to their water treatment plant and were requesting generators. He stated that he did also reach out
8 to Sonoma County Water Agency who has employees who live in Lake County but they did not lose
9 their homes. He advised the Board that he will keep offering assistance.

10 OPEN TIME

11 Vice President Schoonover asked if anyone in the audience wished to bring up an item not
12 on the agenda there was no response.

13 STAFF / DIRECTORS' REPORTS

14 Vice President Schoonover asked if staff or Directors wished to bring up an item not on the
15 agenda and the following item was discussed:

16 Mr. McIntyre advised the Board that Ken Sinclair is leaving Vali Cooper & Associates to join
17 Carollo Engineering. He stated that the two firms have created a sub-consulting arrangement
18 wherein Ken Sinclair can be loaned back to Vali Cooper to complete his normal duties on the
19 District's Aqueduct Energy Efficiency Project. Mr. McIntyre advised that there will be some yet-to-be
20 determined cost increase for Ken Sinclair's time under this arrangement and that District staff will try
21 to minimize those cost impacts but are pleased to maintain continuity in the construction
22 management of the project.

23 MONTHLY PROGRESS REPORT

24 Mr. DeGabriele provided the August Monthly Progress Report to the Board, stating that
25 water production was down 24% in Novato and 25% in West Marin compared to August 2013. He
26 stated that Stafford Treatment Plant continues with good performance producing 187MG this fiscal
27 year. He advised the Board that recycled water has produced the exact same amount as last
28 August. Mr. DeGabriele advised the Board that Stafford Lake currently is at 44% capacity
29 (1,868AF), Lake Mendocino is at 57% of target storage (38,965AF), and Lake Sonoma is at 74% of
30 water supply pool (181,787AF). Mr. DeGabriele informed the Board that the Summary of
31 Complaints and Service Order complaints decreased both monthly and year to date even with a
32 substantial increase in consumer leaks.

1 Mr. Bentley provided the Monthly Report of Investments for August. He stated that at the end
2 of August the District had just over \$12M in the bank and the cash balance went up by \$150K. He
3 noted that the average weighted portfolio was earning 0.59% interest.

4 **CONSENT CALENDAR**

5 On the motion of Director Petterle, seconded by Director Fraites the Board approved the
6 following item on the consent calendar by the following vote:

7 AYES: Directors Fraites, Petterle, and Schoonover

8 NOES: None

9 ABSENT: Directors Baker and Rodoni

10 **CALPERS RESOLUTION TO REDUCE DISTRICT CONTRIBUTION**

11 The Board approved Resolution 15-19 entitled "Resolution of the Board of Directors of North
12 Marin Water District For Employee Paid Member Contributions", which reduced the District's
13 CalPERS contribution to 1.6% for Classic members and 0.0% for PEPRAs members effective
14 October 1, 2015.

15 **ACTION CALENDAR**

16 **1955 INDIAN VALLEY ROAD**

17 Mr. McIntyre advised the Board that Ms. Shroyer from 1955 Indian Valley Road is requesting
18 to pay the Facilities Reserve Charge (FRC) for an accessory dwelling unit being constructed on her
19 property over time (5 equal bi-monthly payments). He informed the Board that the new service order
20 identifies charges to upsize the existing 1-inch meter to a 1-1/2 inch meter for fire sprinkling and also
21 payment of the accessory dwelling unit. He noted that the FRC for an accessory dwelling unit is
22 \$10,000. Mr. McIntyre provided the Board with two options: 1) require all payment upfront; or 2)
23 require payment of the meter upsizing charge and water conservation deposit and allow payment of
24 the \$10,000 FRC in five equal bi-monthly installments on the owner's water bill.

25 Director Fraites asked if the Board approves this request, would it set a precedent. Mr.
26 McIntyre stated that the District has considered previous requests but believes that this request is a
27 short interval to pay the fee resulting in little cost impact. He noted that it would set a precedents but
28 the District would look at each request on a case-by-case basis.

29 Mr. DeGabriele advised the Board that un-beknownst to the District when this project began,
30 most homes in Novato are now within the Wildlife Urban Interface requiring increased fire sprinkling
31 requirements. He stated that the service lateral to the property must be upgraded from a 1" to 2" for

1 a 1 ½" meter to meet the fire sprinkling requirement, adding another \$4,800 to the cost of the
2 project.

3 Director Fraites stated that he agreed with the options as it would give property owners a
4 financial break instead of having to pay the full \$10K up front.

5 Director Petterle requested that the motion made to approve staff recommendation enabling
6 the applicant at 1955 Indian Valley Rd to pay the FRC charge for an additional dwelling unit in five
7 equal bi-monthly payments be modified to include: "Based on the fact that the applicant is an
8 existing customer, the FRC amount and resulting interest foregone is a relatively small amount, and
9 that the FRC charge will be fully paid in 1 year."

10 On motion of Director Fraites, seconded by Director Petterle, the Board approved the option
11 for 1955 Indian Valley Rd to pay the Facility Reserve Charge in five equal bi-monthly payments with
12 the modified terms by the following vote:

13 AYES: Directors Fraites, Petterle, and Schoonover

14 NOES: None

15 ABSENT: Directors Baker and Rodoni

16 **REVISE BOARD POLICY #26 – ON-CALL AND STAND-BY DUTY**

17 Mr. DeGabriele reminded the Board of the service leak that occurred on July 3rd in Black
18 Point on Grandview Ave. He stated the customer damage claim had been resolved but the issue
19 was there were not enough standby duty personnel available. He stated that staff is requesting that
20 the Board change Board Policy #26 – On-Call and Stand-By Duty to require mandatory standby duty
21 for all departments when necessary pursuant to the policy. He noted that additionally, all employees
22 will receive \$77 per weekday and \$115 per weekend or holiday day for performing the on-call or
23 standby duty obligation.

24 On motion of Director Petterle, seconded by Director Fraites, the Board approved a revision
25 to Policy #26 – On-Call and Stand-by Duty and compensation revisions effective September 1,
26 2015 by the following vote:

27 AYES: Directors Fraites, Petterle, and Schoonover

28 NOES: None

29 ABSENT: Directors Baker and Rodoni

1 **RECYCLED WATER EXPANSION TO CENTRAL SERVICE AREA PROJECT – CLEAN WATER**
2 **STATE REVOLVING FUND LOAN CEQA PROJECT APPROVAL**

3 President Baker arrived at the meeting.

4 Mr. McIntyre advised the Board that similar to the previous Recycled Water Expansion
5 projects, the Board must take action on the Environmental Assessment (EA) for the Central Service
6 Area Recycled Water Expansion Project. He stated that the EA covers changes to the approved
7 pipeline distribution system in the original EIR/EIS, including: rerouting the pipeline from Novato
8 Sanitary District Recycled Water Facility to the Vintage Oaks Shopping Center; moving the Highway
9 101 Recycled Water Pipeline Crossing; extending the Distribution Pipeline to connect the existing
10 surplus Norman Tank; serving existing customers on Ignacio Blvd; and eliminating the 18" Recycled
11 Water trunk line to serve Novato High School.

12 On motion of Director Petterle, seconded by Director Fraites, the Board approved the EA
13 and adoption of Resolution 15-20 entitled "Resolution Of The Board Of Directors Of North Marin
14 Water District Approval Of The Central Service Area Supplemental Environmental
15 Assessment/Addendum To The North Bay Water Recycling Program EIR/EIS Prepared For The
16 United States Bureau Of Reclamation and State Water Resources Control Board As Part Of
17 Consideration Of Issuance Of Funding Under Public Law Title XVI And The Clean Water State
18 Revolving Fund Program, and Finding That Addendum Is Consistent With The Aforementioned
19 EIR/EIS", Authorized the General Manager or his assignee to file the attached Notice of
20 Determination with the Marin County Clerk and State Clearinghouse, and established the Board as
21 custodian of the documents by the following vote:

22 AYES: Directors Baker Fraites, Petterle, and Schoonover

23 NOES: None

24 ABSENT: Director Rodoni

25 **MARIN LAFCO COUNTYWIDE WATER SERVICE STUDY – NMWD COMMENTS**

26 Mr. DeGabriele reminded the Board of the Marin LAFCO Countywide Water Service Study
27 Executive Summary that they received at the August 4th meeting. He stated that District staff has
28 had an opportunity to comment on the study draft and provided data as requested to Marin LAFCO
29 to support the study; however, the LAFCO study reflects their independent projections of population,
30 water demand, and water supply and does not match data provided by or calculated by the District.
31 He advised the Board that the District's comments support a joint Water Reliability Report prepared
32 by the West Marin Water Agencies assessing each systems available supplies under different
33 hydrologic scenarios based on shared planning assumptions (normal year, single dry year, multiple

dry year); supports a boundary change to detach approximately 7,770 acres of unincorporated land from the District that includes the Marshall Area east of Tomales Bay; and expresses interest in Marin LAFCO's consideration to expand the District's sphere of influence to account for existing outside service agreements.

The Board had much discussion on this topic, expressing concern about expanding the District's sphere of influence along the US 101 Corridor in Sonoma County.

Mr. DeGabriele stated that the District's comments also recognized that Marin LAFCO may undertake a study considering consolidation of the District and Marin Municipal wherein the District would participate but has no desire to pay for such a study since our ratepayers have not indicated any interest in such a consolidation. He noted that the District's comments object to a recommendation proposed to explore community wastewater systems within the West Marin Area.

After much explanation and discussion regarding Marin LAFCO's interest in expanding the District's sphere of influence in the US Hwy 101 corridor in Sonoma County, Director Schoonover recommended that the comment on Recommendation 11 in the letter to Marin LAFCO be modified to say: "NMWD is interested in but cautious of Marin LAFCO's consideration to expand our sphere of influence to account for existing NMWD outside service agreements."

On motion of Director Petterle, seconded by Director Schoonover the Board approved sending the letter to Marin LAFCO as proposed with modification noted above by the following vote:

AYES: Directors Baker, Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Rodoni

INFORMATION ITEMS

FY15 RESIDENTIAL CONSUMPTION STATUS REPORT

Mr. Bentley provided the Board with its annual review of Residential Consumption Status, indicating that FY15 saw the lowest residential consumption since FY83, when the Novato service population was 20% less than it is today. He reviewed charts in his report showing the effectiveness of the District's conservation incentive tier rate and conservation incentive rate to reduce water use among customers typically inclined to use more water.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Mandated Cost Reimbursement, and Technical Advisory Committee Regular Meeting Notice of Cancellation.

1 The Board received the following news articles: Why proposed COIN law is bad for
2 taxpayers, Water agency hosts free efficiency giveaway, IPUD bans outdoor watering systems,
3 Marin hits water saving goals for August, Water added to Camp Meeker's Dutch Bill Creek a
4 'lifesaver' for young fish, and Marin IJ Editorial: Marin water-users meet state's drought mandate.

5 The Board also received the following miscellaneous items at the meeting: Notice of Public
6 Review and Comment Draft Staff Report on Countywide Municipal Service Review on Public Water
7 Services and Golden Gate Bridge, Highway and Transportation District's Response to Marin County
8 Civil Grand Jury's findings and Recommendations Regarding Civil Openness in Negotiations
9 Ordinances and revision from ESA regarding the Response to Comments on the EA/Addendum for
10 the NMWD Recycled Water Expansion Project- Central Service Area.

11 **ADJOURNMENT**

12 President Baker adjourned the meeting at 8:04 p.m.

13 Submitted by
14
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16 Katie Young
17 District Secretary
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MEMORANDUM

To: Board of Directors
From: Drew McIntyre, Chief Engineer
Subject: Water Service Agreement – Carwash and Propane Fill Station- 7474 Redwood Blvd.
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October 2, 2015

RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: None: Developer Funded

The Carwash and Propane Fill Station project – 7474 Redwood Blvd., consists of construction of a new 1,375 square foot car wash on a 0.49 acre parcel. The Novato Fire Marshall has required that the convenience store and gas station be fire sprinkled with a dedicated 4-inch fire service. The project is located at 7474 Redwood Blvd., at the intersection with Olive Avenue (see map in attachment A).

A new 1.5-inch recycled water service will be installed to serve irrigation and the car wash (in the future). State permits will be sought for use of recycled water in the car wash building which will be dual plumbed for recycled water and fire sprinkling with domestic water. The project's domestic and temporary car wash water will be served by a new 1-inch domestic meter and the existing 5/8-inch water service will be killed. A new reduced pressure backflow preventer assembly (RPP) will be installed on the domestic service. The property owner has been instructed to make provisions for future recycled water connection to the car wash facilities once NMWD receives permit approval. New Zone 1 water facilities include 50 feet of 6-inch and 20 feet of 4-inch steel main, one 1-inch domestic service, and a 4-inch fire service with 5/8-inch bypass meter. The 1.5-inch recycled water service will be served from the Novato North service area recycled water system (Plum Street Tank).

Service to this property was established in 1967 with a 5/8-inch meter. The entitlement established by the first 10 year use is 2 Equivalent Dwelling Units (EDUs). A review of the water use history has shown that water use since 2005 has been within 1 EDU. The proposed project is estimated to have a demand of 1 EDU for domestic, 1 EDU for irrigation, and 5 EDUs for car wash for a total of 7 EDUs. With a 2 EDU credit given for existing paid connection fees, the additional water demand associated with this project is 5 EDUs.

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

Environmental Document Review

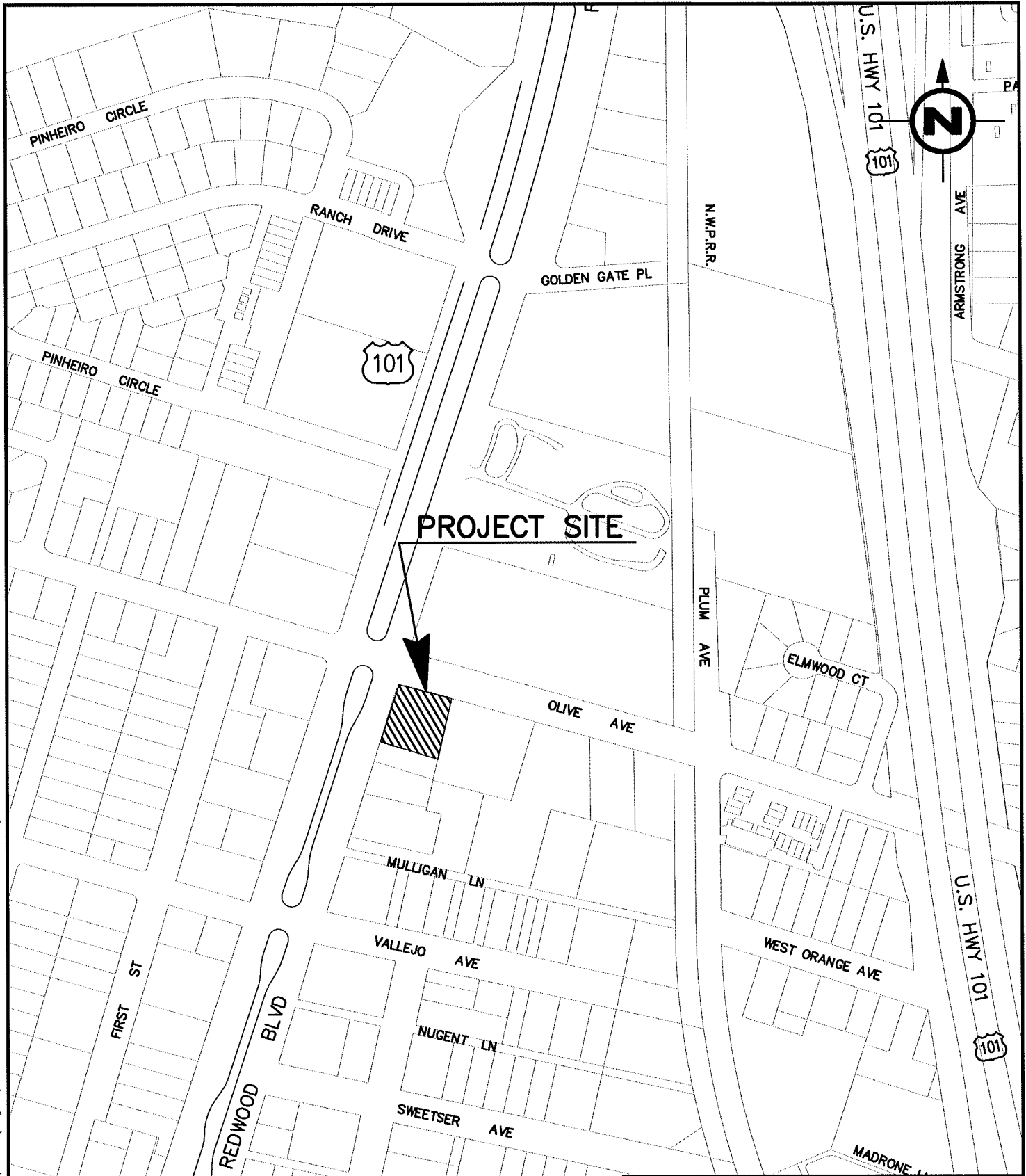
This project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15303.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM CD

Date 10/2/2015



CAR WASH PROPANE FILL STATION
7474 REDWOOD BLVD
APN: 153-011-33

DATE	SCALE	JOB.NO.	DWG.NO.
9/8/15	NTS	1.2783.00	MAP

RESOLUTION NO. 15-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
ALI AND FATEMEH SALKHI

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Ali and Fatemeh Salkhi, individuals, providing for the installation of water distribution facilities to provide domestic and recycled water service to that certain real property known as 7474 REDWOOD BOULEVARD, Marin County Assessor's Parcel Number 153-011-33, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 6th day of October, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
CAR WASH AND PROPANE FILL STATION – 7474 REDWOOD BLVD.

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2015, by and between NORTH MARIN WATER DISTRICT, herein called "District," and Ali and Fatemeh Salkhi, Individuals, herein called "Applicants."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 153-011-33 and the project known as CARWASH AND PROPANE FILL STATION – 7474 REDWOOD BLVD., consisting of one (1) lot for commercial development; and

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

WHEREAS, the Applicant is the owner of real property in the District commonly known as 7474 Redwood Blvd., Novato (Marin County Assessor's Parcel 153-011-33); and

WHEREAS, the District established water service to 7474 Redwood Blvd., (APN: 153-011-33) on April 27, 1967 for one 5/8-inch meter; and

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

WHEREAS, the said parcel is now calculated to have an average day peak month consumption of seven (7) EDUs resulting in a net increased water use of five (5) EDUs; and

NOW THEREFORE, the parties hereto agree as follows:

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

acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 5 of this agreement.

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

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2783.001, entitled, "CARWASH AND PROPANE FILL STATION -7474 REDWOOD BLVD.", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

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

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 5 hereof.

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

Initial Charges

Meter Charges (Domestic) (Included in Estimated District Costs).....	.....One 1-inch @	\$ 0.00	\$ 0.00
Fire Sprinkler Connection Bypass Meter .....	...One 5/8-inch @	\$ 0.00	\$ 0.00
Meter Charges (Recycled Water) (Included in Estimated District Costs) .....	...One 1.5-inch @	\$ 0.00	\$ 0.00
Reimbursement Fund Charges .....	.....One 1-inch @	\$ 1,055.00	\$ 1,055.00
Facilities Reserve Charges (1 domestic, 1 RW Irrig, 5 RW carwash) .....	.....Seven @	\$ 28,600.00	\$200,200.00
Credit for Existing Services (\$28,600*2 FRC+\$420 RFC) .....	.....@	\$ 0.00	\$<57,620.00>

Subtotal - Initial Charges..... \$ 143,635.00

Estimated District Costs

Pipe, Fittings & Appurtenances.....	\$ 13,766.00
District Construction Labor.....	\$ 44,083.00
Engineering & Inspection.....	\$ 2,581.00
Bulk Materials.....	\$ 6,775.00

Subtotal –Estimated District Costs..... \$ 67,205.00

Estimated Applicant Installation Costs

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

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

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$210,840.00

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

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

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$ 210,840**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Installation By District: Due to the proprietary nature of construction required to install said facilities, the District reserves the right to install the facilities utilizing District construction forces. The Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$210,840** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

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

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

7. New construction in the District's Novato service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 15 sections e. and f. Applicant shall install front loading, horizontal axis washing machines with a modified water factor of 5.5 or less. Dishwashers shall be energy star rated and use no more than 5 gallons per load. Toilets shall be District approved High Efficiency Toilets that meet the EPA water sense specification. Applicant shall install District approved weather-based irrigation controllers, drip irrigation on non-turf areas, and is subject to turf limitations. Refer to the aforementioned water conservation regulation for a complete listing of all requirements.

8. The District has determined that recycled water will be supplied immediately for irrigation and car wash in the future and requires that the Applicant's irrigation system and car wash be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for immediate connection of Applicant's irrigation system and future connection of Applicant's car wash system to the recycled distribution main. The use of Recycled Water for the car wash operation is pending state approval. In the interim, potable water shall be supplied to car wash through a potable water meter with a reduced pressure principle backflow device. When recycled water permits become available, the car wash system shall be connected to the recycled water distribution main at Applicant's expense per District requirements at the time the connection is made.

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

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

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

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

Jack Backer, President

Katie Young, Secretary

(SEAL)

ALI AND FATEMEH SALKHI
Individuals
"Applicants"

Ali Salkhi

Fatemeh Salkhi

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

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


ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

6

MEMORANDUM

To: Board of Directors

October 2, 2015

From: Drew McIntyre, Chief Engineer Subject: Water Service Agreement – Novato Village Senior Apartments, 801 State Access Road,
Novato
APN 157-970-04

R:\Folders by Job No\2700 jobs\27B4\27B4 BOD Memo.doc

RECOMMENDED ACTION: The Board approve authorization of this agreement.**FINANCIAL IMPACT: None (Developer funded)**

The Novato Village Senior Apartments project involves building a two-story 48-unit apartment complex for senior aged residents on a 1.65 acre parcel. An existing World War II era warehouse building will be demolished to accommodate the senior apartment building. Nine apartment units would be reserved for residents in the low (4-units) and very low (5-units) income categories. The project is located at 801 State Access Road (see attached map). In addition to providing potable water service to new apartments and common use building spaces, recycled water will be provided for common area landscaping.

New Zone 1 water facilities required include 100 feet of 6-inch PVC main, one new commercial fire hydrant, one 6-inch fire service, one 1-inch domestic meter with a 2-inch lateral and one 1-inch recycled water irrigation meter. The existing 1-inch service with 1.5-inch lateral will supplement domestic water for this project.

The lot will receive normal pressure Zone 1 water service. Water demand is 25 equivalent dwelling units (48 apartments @ 0.39 EDU each, 2 EDUs for common spaces, plus 4 EDUs for irrigation). Total new water demand is 24 EDUs since one EDU will be credited to the project for the existing service. Since this project includes housing units affordable to lower income households, payment of initial charges for up to nine (9) units may be eligible to be deferred pursuant to Regulation 1.c. (5).


Sewer service will be provided by the Novato Sanitary District.

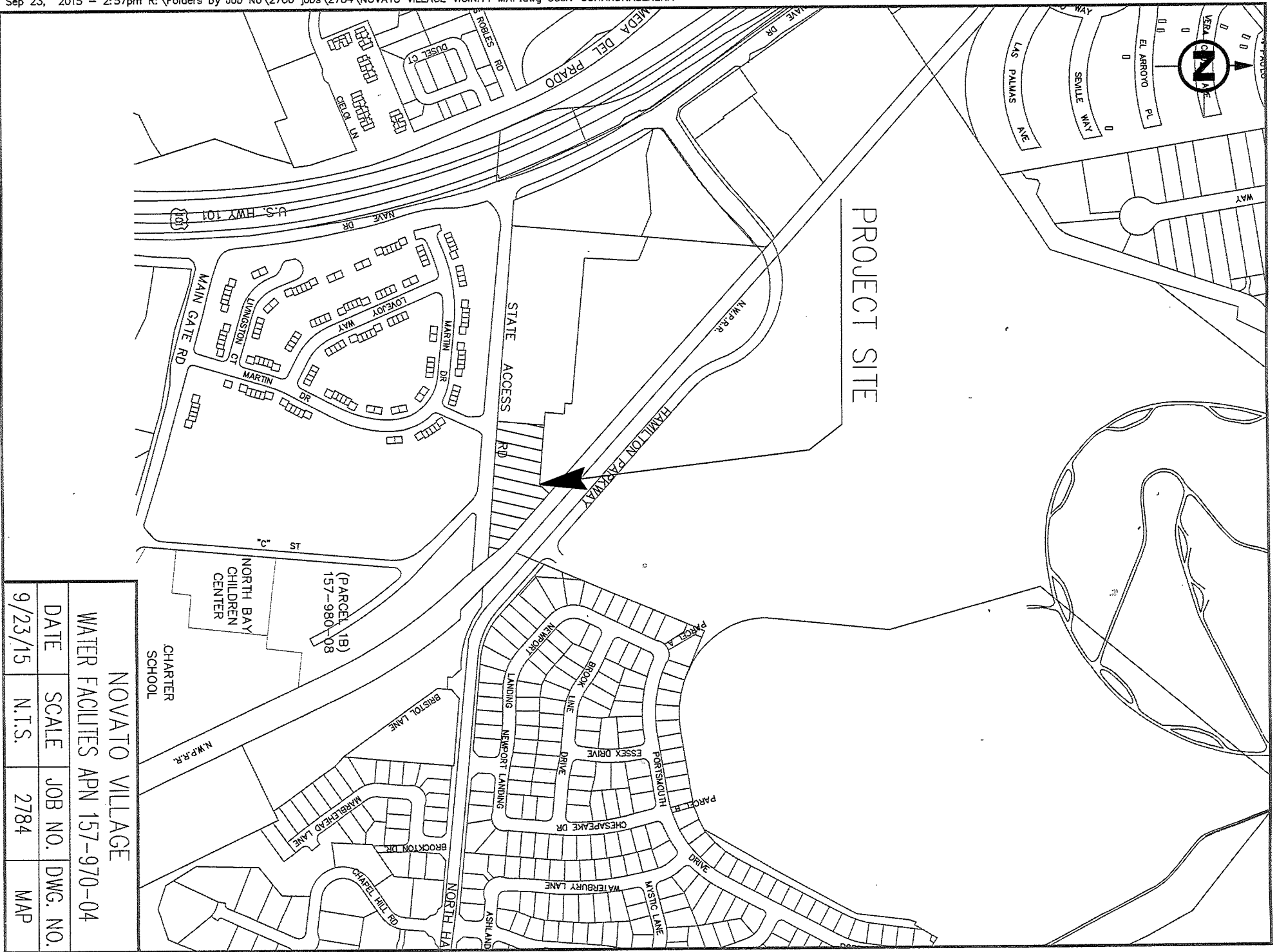
Environmental Document Review

On July 31, 2013, the City of Novato approved a Negative Declaration for the Novato Village Senior Apartment project.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM Date 10/2/2015



RESOLUTION NO. 15-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
NOVATO VILLAGE L.P.

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Novato Village L.P., a limited partnership, providing for the installation of water distribution facilities to provide domestic and recycled water service to that certain real property known as 801 STATE ACCESS RD, Marin County Assessor's Parcel Number 157-970-04, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 6th day of October, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
NOVATO VILLAGE – 801 STATE ACCESS RD.

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2015, by and between NORTH MARIN WATER DISTRICT, herein called "District," and NOVATO VILLAGE, L.P., A Limited Partnership, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 157-970-04 and the project known as NOVATO VILLAGE – 801 STATE ACCESS ROAD, consisting of one (1) lot for residential development; and

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

WHEREAS, the Applicant is the owner of real property in the District commonly known as 801 State Access Road, Novato (Marin County Assessor's Parcel 157-970-04); and

WHEREAS, the District established water service to 801 State Access Road, (APN 157-970-04) on April 16, 2008 for one 1-inch meter; and

WHEREAS, the historical water use for the parcel is calculated to be 1 EDU; and

WHEREAS, the said parcel is now calculated to have an average day peak month consumption of 25 EDUs resulting in a net increased water use of 24 EDUs; and

NOW THEREFORE, the parties hereto agree as follows:

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

acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 5 of this agreement.

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

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2784.001, entitled, "NOVATO VILLAGE – 801 STATE ACCESS ROAD", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

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

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 5 hereof.

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

Initial Charges

Meter Charges (Domestic) (Included in Estimated District Costs) .....	.....Two 1-inch @	\$ 0.00	\$ 0.00
Meter Charges (RW Irrigation) (Included in Estimated District Costs) ..	.....One 1-inch @	\$ 0.00	\$ 0.00
Fire Service Bypass Meter (Included in Estimated District Costs)	...One 5/8-inch @	\$ 0.00	\$ 0.00
Reimbursement Fund Charges (Domestic) .....	.....Two 1-inch @	\$ 1,055.00	\$ 2,110.00
Reimbursement Fund Charges (Irrigation RW).....	.....One 1-inch @	\$ 0.00	\$ 0.00
Facilities Reserve Charges (Domestic, Apts) .....	.....Forty eight @	\$ 11,200.00	\$ 537,600.00
Facilities Reserve Charges (Domestic, Common Area).....	.....Two @	\$ 28,600.00	\$ 57,200.00
Facilities Reserve Charges (Irrigation) .....	.....Four @	\$ 28,600.00	\$ 114,400.00
Credit for Existing Services (\$1,055 RFC and \$28,600 EDU)...	.....@	\$ <29,655.00>	\$ <29,655.00>

Subtotal - Initial Charges..... \$ 681,655.00

Estimated District Costs

Pipe, Fittings & Appurtenances.....	\$ 17,399.00
District Construction Labor.....	\$ 49,003.00
Engineering & Inspection.....	\$ 2,383.00

Bulk Materials.....	\$ 6,454.00
Subtotal –Estimated District Costs.....	\$ 75,239.00

Estimated Applicant Installation Costs

Installation Labor.....	\$ 0.00
Contractor Furnished – Pipe Fittings & Appurtenances.....	\$ 0.00
Bulk Materials.....	\$ 0.00
Subtotal- Estimated Applicant Installation Costs.....	\$ 0.00

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$756,894.00

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

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

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$ 756,894**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Installation By District: Due to the proprietary nature of construction required to install said facilities, the District reserves the right to install the facilities utilizing District construction forces. The Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$756,894** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

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

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

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

8. New construction in the District's Novato service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 15 sections e. and f. Applicant shall install front loading, horizontal axis washing machines with a modified water factor of 5.5 or less. Dishwashers shall be energy star rated and use no more than 5 gallons per load. Toilets shall be District approved High Efficiency Toilets that meet the EPA water sense specification. Applicant shall install District approved weather-based irrigation controllers, drip irrigation on non-turf areas, and is subject to turf limitations. Refer to the aforementioned water conservation regulation for a complete listing of all requirements.

9. The District has determined that recycled water shall be supplied for irrigation and requires that the Applicant's irrigation system be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for connection of Applicant's irrigation system to the recycled distribution main.

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

costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

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

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

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

Jack Backer, President

Katie Young, Secretary

(SEAL)

NOVATO VILLAGE, L.P.
A Limited Partnership
"Applicant"

(SEAL)

Russell Khouri, Senior Vice President
Investments Concepts, Inc., Novato Village, L.P.

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

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

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

7

MEMORANDUM

To: Board of Directors

October 2, 2015

From: Ryan Grisso, Water Conservation Coordinator *RG*Subject: Approve Text for Fall 2015 Novato "*Water Line*", Volume 16, Issue 35V:\Memos to Board\Fall 2015 WaterLine Text 1015.doc**RECOMMENDED ACTION:** Approve Fall 2015 Novato "*Water Line*" Text**FINANCIAL IMPACT:** \$8,000 (Included in FY 2015/2016 Budget)

Draft text and design for the Fall 2015 Novato "*Water Line*", Volume 16, Issue 35 is attached for your review. Should any Board member have individual comments please provide them to the General Manager at the Board meeting on October 6, 2015. It is expected the "*Water Line*" will be mailed in mid to late October 2015.

RECOMMENDATION

Board authorize General Manager to approve final text and design of Fall 2015 Novato "*Water Line*", Volume 16, Issue 35.

Approved by GM *CD*Date *10/2/2015*



NORTH MARIN
WATER DISTRICT

THE WATER LINE

NOVATO'S WATER CONSERVATION NEWSLETTER • VOLUME 16 ISSUE 35 WINTER 2015

The California Drought Is Still On

State Emergency Water Conservation Regulations

To date, Novato water customers have done a great job conserving during the State imposed mandatory water use restrictions. Water production to date since June 2015 is down 31% compared to the same period in 2013, while the State target for Novato is 24%. Thanks for doing your part. NMWD asks that you remain diligent in conserving water as the current State restrictions continue through February 2016.

If you have let your landscape go brown, now is a good time to give your trees a big drink as they ready for the winter dormant season. If you have not let your landscape brown, please check your irrigation system for leaks and fix them promptly, and scale back on irrigation run times as plants now need less water with shorter days and cooler temperatures.

The State Emergency Water Conservation Regulations include mandatory restrictions on outdoor irrigation. In Novato watering of any lawn, garden, landscaped area, tree, shrub or other plant is prohibited except when using a handheld hose equipped with an automatic shut-off nozzle, a container or drip irrigation system. **Overhead sprinkler irrigation can be used if you maintain an overall 24% reduction in your water use compared to the same billing period in 2013. Additionally, irrigation systems must operate between the hours of 7 p.m. and 9 a.m. and only 3 days per week (M, W, F for odd numbered addresses and T, TH, Sa for even numbered addresses).** If irrigation with a sprinkler system results in waste of water, the irrigation system must be repaired to eliminate such waste or the customer will be prohibited from using the overhead sprinkler system. For questions on the water use prohibitions call 415-761-8944 or email waterconserve@nmwd.com

You can see your water use history and the water use reduction target for your account at www.nmwd.com. Select the "Your Account" tab and click on "Account Balance & Consumption". Once you determine your water use reduction target, visit www.wateroff.org and access the Water Savings Calculator link under the "Tips" button to explore water saving measures that you can undertake to reach your target. This water use reduction target is for your information and individual customer rationing is not projected at this time.

We appreciate your help in preserving our water supply! Please pay attention to water use especially outside.

Water Smart Savings Program

Call (415) 761-8944 for program details or visit www.nmwd.com

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

Water Smart Home Survey:

This free service includes thorough indoor and outdoor water efficiency checks.

Water Conserving Fixtures:

Free showerheads, faucet aerators and self-closing hose nozzles are available upon request.

Rainwater Catchment Rebate:

Rebate for collection and storage of rainwater.

High Efficiency Clothes Washer Rebate:

NMWD offers a rebate to customers when they purchase a qualifying high efficiency clothes washer.

Cash for Grass Rebate:

Get Cash for removing irrigated and maintained lawn and replacing it with low water use plants or synthetic lawn: Pre-qualification required.

Water Smart Landscape Rebate:

Rebates available for water efficient landscape equipment, like a new drip irrigation system replacing a spray system or a rain shut off device

Smart Controller Rebate:

A Smart Controller uses weather data and site specific information to automatically adjust run times.

High Efficiency Toilet Rebate:

Customers who replace an old water-guzzling toilet with a high efficiency toilet may be eligible for a rebate.

Greywater Rebate:

Rebate for the reuse of water from washing machine, shower or bathroom sink to water landscape plants.

Other Programs:

Other programs include pool cover rebate, hot water recirculation system rebate and "Lawn Be Gone" sheet mulching program.

California's drought is still here and severe Participate in NMWD's Water Conservation Programs

Cash for Grass

NMWD offers a cash incentive for removing regularly maintained and automatically irrigated lawn areas and replacing them with low water use plantings on drip irrigation or with synthetic turf. The incentive will pay you up to \$50 per 100 square feet of lawn area (maximum \$400 per single family dwelling). Pre-qualification site visit required prior to participation.



OR

Lawn be Gone

This program is for "do-it-yourselfers" who want to replace lawn areas by covering and composting in place - a process known as "sheet-mulching". NMWD offers delivery of free compost, cardboard and mulch for eligible sheet-mulching projects. Pre-qualification site visit and landscape plan approval required prior to participation. Delivery will be performed by NMWD's designated contractor.



See www.nmwd.com for rules and application forms, and then call 415-761-8944 to schedule an appointment.



**NORTH MARIN
WATER DISTRICT**

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www.nmwd.com

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There's a Drought On. Turn the Water Off.

Residential Recycled Water Fill Station



Recycled water available for residential customers this summer has been popular. The residential recycled water fill station allowed residential customers to fill up approved containers (between 5 and 300 gallons) with recycled water during specified hours. Approximately 40-50 customers visited each open day. The fill station will close October 31 and will re-open late Spring or Summer 2016. If you are interested in receiving future updates send an email to waterconserve@nmwd.com.

8

MEMORANDUM

To: Board of Directors
 From: Tony Arendell, Construction Superintendent *TA*
 Subject: Contract Award for NMWD Trench Restoration Paving
K:\CONST SUP\2015\BOD Memos\2015-16 Paving Contract Award BOD Memo 10-6-15.doc

October 2, 2015

RECOMMENDED ACTION: The Board authorize award of the paving contract to W.K. McLellan Company

FINANCIAL IMPACT: Estimated at \$300,000

W.K. McLellan Company has been the District's contractor for trench restoration work since 1997. The work was last bid in 2007 when McLellan was the only contractor (out of eight solicited firms) to submit a bid. Based on previous discussions with other prospective bidders it appears that the District's patch paving projects are too small to elicit interest from many contractors. Annual costs for this work over the last three years is summarized below in Table 1. McLellan has not raised their unit pricing for paving work since the 2007 bid proposal. Recently, McLellan informed the District that their fees needed to be raised due to increasing labor and material costs. Table 2 compares McLellan's 2007 unit bid price, escalated 2007 unit price (with 19% CPI inflation) and McLellan's proposed new unit pricing.

The new McLellan pricing is 2% less than the pricing they submitted on a recent successful low bid for a similar paving contract with Marin Municipal Water District. There were two bidders for the MMWD project and McLellan was successful low bidder. Note that the last column in Table 2 shows that paving costs are increasing higher than the rate of inflation using the Consumer Price Index (CPI). The most significant increase is for projects with deep lift asphalt paving. McLellan reports that the primary reason for this increase is that new encroachment permit requirements necessitate that asphalt cool down to 160 degrees before the next lift is placed. This is very time consuming and therefore expensive. Also, asphalt oil specifications have changed oftentimes requiring up to eight passes with a heavy diesel tamper per lift in order to achieve 95% compaction.

Annual billings to McLellan for FY15-16 are estimated to be approximately \$300,000. McLellan is already working on a \$62,540 paving restoration for the So. Novato Blvd Pipeline Replacement project. As is typically the case, McLellan was the low bidder for the recent So. Novato Blvd Pipeline Replacement paving restoration project. The District has budgeted \$100,000 for paving restoration at Atherton Tank Access Site and Access Roadway. Staff will obtain at least one additional bid for the Atherton Tank paving project.

TABLE 1

YEAR	BILLINGS
FY12-13	\$143,299
FY13-14	\$149,221
FY14-15	\$234,723

Approved by GM *CD*Date *10/2/2015*

TABLE 2

ITEM	BID DESCRIPTION	2007 PRICING	2007 PRICING ESCALATED 19% FOR INFLATION	PROPOSED NEW MCLELLAN PRICING	CHANGE IN PRICING ABOVE CPI \$/ %
1.	<u>EXCAVATE, PRIME AND RESURFACE 2-INCH GRIND AND PAVE</u>				
	a) 0-1000 square feet	NA	NA	\$7.00	NA
	b) 1000-2500 square feet	NA	NA	\$6.00	NA
	c) 2500-5000 square feet	NA	NA	\$5.00	NA
2.	<u>EXCAVATE, PRIME AND RESURFACE WITH 4-INCH ASPHALT CONCRETE</u>				
	a) 0-29 square feet	\$7.25	\$8.63	\$8.82	\$0.91 / 2%
	b) 30-99 square feet	\$6.75	\$8.03	\$8.82	\$0.79 / 10%
	c) 100-499 square feet	\$6.25	\$7.43	\$8.59	41.15 / 16%
	d) Excess of 500 square feet	\$5.75	\$6.84	\$8.39	\$1.55 / 23%
3.	<u>EXCAVATE, PRIME AND RESURFACE WITH 6-INCH ASPHALT CONCRETE</u>				
	a) 0-29 square feet	\$8.75	\$10.41	\$10.53	\$0.12 / 1%
	b) 30-99 square feet	\$8.25	\$9.82	\$10.29	\$0.47 / 5%
	c) 100-499 square feet	\$7.75	\$9.22	\$10.04	\$0.82 / 9%
	d) Excess of 500 square feet	\$7.25	\$8.63	\$9.80	\$1.17 / 14%
4.	<u>EXCAVATE, PRIME AND RESURFACE WITH 8-INCH ASPHALT CONCRETE</u>				
	a) 0-29 square feet	\$10.00	\$11.90	\$13.72	\$1.82 / 15%
	b) 30-99 square feet	\$9.50	\$11.31	\$13.72	\$2.42 / 21%
	c) 100-499 square feet	\$9.00	\$10.71	\$13.72	\$3.01 / 28%
	d) Excess of 500 square feet	\$8.50	\$10.12	\$13.72	\$3.61 / 36%
5.	<u>EXCAVATE, PRIME AND RESURFACE WITH 12-INCH ASPHALT CONCRETE</u>				
	a) 0-100 square feet	\$11.50	\$13.69	\$17.64	\$3.96 / 29%
	c) 100-499 square feet	\$11.00	\$13.09	\$17.64	\$4.55 / 35%
	d) Excess of 500 square feet	\$10.50	\$12.50	\$17.64	\$5.15 / 41%
6.	<u>VALVES</u> Includes a 3'x3' patch Installing of aluminum ring in valve riser Rising to grade	NA	NA	\$75.00	NA
7.	<u>CONCRETE RESTORATION PRICING</u>				
	a) 4" square feet	\$14.00	\$15.67	\$13.25	<2.42>
	b) 6" square feet	\$16.00	\$17.90	\$16.00	<1.90>
	c) Dowels each	\$8.00	\$8.95	\$8.00	<0.95>
	d) Wash square feet	\$2.00	\$2.24	\$2.00	<0.24>
	e) Curb & Gutter linear feet	\$1.55	\$1.73	\$1.55	<0.18>
8.	<u>MOBILIZATION TO WEST MARIN</u> 4 Man Crew LS	NA	NA	\$750	NA

Note: Striping will be billed separately with no mark up.
Compaction tests will be billed separately with no mark up.

To prosecute the work, purchase orders will be issued monthly for trench areas to be paved at unit pricing submitted with the approved contract. Unit pricing is to remain in effect through December 31, 2016. The District reserves the right to extend the contract beyond FY15-16, subject to agreement by both parties.

District staff wants to advise the Board that McLellan has had an excellent working relationship with NMWD and they go out of their way to ensure that District paving needs are met. Quality of McLellan work has been excellent and there have been infrequent complaints from City or County staff or customers on the workmanship or longevity of trench restoration paving.

RECOMMENDATION

Board authorize the General Manger to execute a trench restoration paving contract with W.K. McLellan Company based on unit prices provided.

AGREEMENT FOR CONSULTING SERVICES

The following is an agreement between **North Marin Water District**, hereinafter "**NMWD**", and **W.K. McLellan Company, Inc.**, hereinafter, "**Contractor**".

WHEREAS, Contractor is a duly qualified consulting firm, experienced in asphalt patching and paving.

WHEREAS, in the judgment of the Board of Directors of the NMWD, it is necessary and desirable to employ the services of the Contractor for the Trench Restoration Paving project.

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

PART A -- SPECIFIC PROVISIONS:

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

- a. All work covered by this agreement must conform with NMWD Technical Specification C-9 (asphalt paving).
- b. The work covered by the agreement will be scheduled monthly based on issuance of purchase orders.
- c. The fee for the work shall be on a square foot basis utilizing the fee schedule included in Exhibit A of this agreement and shall not commence without prior purchase order authorization by NMWD.

PART B -- GENERAL PROVISIONS

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

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

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

- a. With respect to professional services under this agreement, Contractor shall assume the defense of and defend NMWD, its directors, officers, agents, and employees in any action at law or in equity in which liability is claimed or alleged to arise out of,

pertain to, or relate to, either directly or indirectly, the intentional or willful misconduct, recklessness, or negligent act, error, or omission of Contractor (or any person or organization for whom Contractor is legally liable) in the performance of the activities necessary to perform the services for District and complete the task provided for herein. In addition, Contractor shall indemnify, hold harmless, and release NMWD, its directors, officers, agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs, that may be asserted by any person or entity including the Contractor, arising out of, pertaining to, or relating to, the negligent acts, errors or omissions, recklessness, or intentional or willful misconduct of the Contractor (or any Contractor or subcontractor of Contractor) in connection with the activities necessary to perform the services and complete the task provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

- b. With respect to all other than professional services under this agreement, Contractor shall indemnify, hold harmless, release and defend NMWD, its agents and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that may be asserted by any person or entity, including the Contractor, arising out of or in connection with the activities necessary to perform those services and complete the tasks provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

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

4. PROSECUTION OF WORK: The execution of this agreement shall constitute the Contractor's authority to proceed immediately with the performance of this contract. Performance of the services hereunder shall be completed by December 31, 2016, provided, however, that if the performance is delayed by earthquake, flood, high water or other Act of God or by strike, lockout or similar labor disturbance, the time for the Contractor's performance of this contract shall be extended by a number of days equal to the number of days the Contractor has been delayed.

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

North Marin Water District
P.O. Box 146
Novato, CA 94948
Attention: Tony Arendell

Contractor:
W.K. McLellan Company
254 Sear Point Rd.
Petaluma, CA 94954

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

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

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

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

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

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

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

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

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

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

12. EXTRA (CHANGED) WORK: Extra work may be required. The Contractor shall not proceed nor be entitled to reimbursement for extra work unless it has been authorized, in writing, in advance, by NMWD. The Contractor shall inform the District as soon as it determines work beyond

the scope of this agreement may be necessary and/or that the work under this agreement cannot be completed for the amount specified in this agreement. Said review shall occur before Contractor incurs 75% of the total fee approved for any phase of the work. Failure to notify the District shall constitute waiver of the Contractor's right to reimbursement.

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

14. INSURANCE REQUIREMENTS FOR CONTRACTORS

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

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Commercial General Liability coverage
2. Automobile Liability
3. Workers' Compensation insurance as required by the State of California.
4. Course of Construction insurance covering all risks of loss.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1. General Liability (including operations, products and completed operations.): **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation Insurance: as required by the State of California.
4. Course of Construction – completed value of the project with no coinsurance penalty provisions.

Verification of Coverage

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

Subcontractors

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

Self-Insured Retentions

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

Other Insurance Provisions

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

1. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor.
2. For any claims related to this project, the Contractor coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District.
4. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of the work or operations performed by the Contractor including materials, parts or equipment furnished in connection with such work or operations.
5. Course of Construction policies shall contain the following provisions:
 1. The District shall be named as loss payee.
 2. The insurer shall waive all rights of subrogation against the District.

Acceptability of Insurers

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

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

At the sole election of the District, any dispute or claim in law or equity between District and Contractor arising out of this agreement which is not settled through mediation shall be decided by neutral binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with

the rules of Judicial Arbitration Mediation Services, Inc. (JAMS). The parties to an arbitration may agree in writing to use different rules and/or arbitrators.

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

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

18. PREVAILING WAGE REQUIREMENTS: Prevailing Wage Rates apply to all Contractor personnel performing work under the Agreement for which wage determinations have been made by the Director of Industrial Relations pursuant to California Labor Code Sections 1770-1782,. Contractor shall comply with all applicable prevailing wage labor code requirements

**NORTH MARIN WATER DISTRICT
"NMWD"**

Dated: _____

Chris DeGabriele, General Manager

**"CONTRACTOR"
"W.K. McLELLAN COMPANY, INC."**

Dated: _____

9

MEMORANDUM

To: Board of Directors

October 2, 2015

From: David L. Bentley, Auditor-Controller

Subj: Approve Auditor-Controller's Statement of Investment Policy

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RECOMMENDED ACTION: Approve the Investment Policy as Presented.**FINANCIAL IMPACT:** None

Following is the District's Statement of Investment Policy which is presented to the Board annually for review. There are two changes proposed in the Investment Policy from that approved by the Board last year:

1. In Item 2, pertaining to allowable investments, the reference to Government Code Section 53635 is expanded to clarify that 53635 allows investment in pooled investment funds of other government agencies, such as the Counties of Marin or Sonoma. NMWD has no such investments at this time, but may in the future.
2. In Item 5, pertaining to investment in futures and option contracts, the exception allowing investment in "covered calls" has been removed. While allowable under the Government Code, the sale of options against securities owned by the District (aka covered call options) has not been done in almost 20 years, and will not be an investment practice in the foreseeable future. Thus removing the exception simplifies the Investment Policy.

North Marin Water District Statement of Investment Policy

1) Investment of sinking fund or reserve money of the North Marin Water District shall be made in securities in which North Marin Water District is legally empowered to invest such funds in accordance with Section 53601 of the Government Code, taking into consideration the probable income as well as the probable safety of said funds, exercising the judgment and care, under the circumstances then prevailing, which individuals of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of said funds.

2) As far as possible, all money shall be deposited for safekeeping in financial institutions insured by the Federal Deposit Insurance Corporation or may be invested as provided in Section 53635 of the Government Code, pertaining to local agency pooled money investments.

3) Money may be invested in the Local Agency Investment Fund in accordance with Section 16429.1 of the Government Code.

4) A minimum of 20% of the District's investment portfolio shall remain liquid (i.e., in demand deposit accounts or equivalent) at all times. In addition, the weighted average life of the portfolio shall not exceed 2½ years.

Approved by GM

CD

Date

10/2/2015

5) No investments shall be made in financial futures or financial option contracts that are otherwise allowed pursuant to Section 53601.1 of the Government Code ~~except that the District may sell option contracts against securities owned or positions owned by the District.~~

6) Interest earned through investment of the pooled District treasury shall be credited to the various water, sewer, and reserve account funds in direct proportion to their percentage of the total District treasury.

7) Accounts shall be maintained in North Marin Water District accounting records to record the reserve and inactive funds invested at all times in accordance with the State Controller's chart of accounts as authorized by Section 53891 of the Government Code.

8) Reserve fund account balances shall be maintained separately and shall reflect at all times the balance in each reserve fund in a manner consistent with generally accepted accounting practices.

9) Depositories having custody of North Marin Water District funds shall be directed to forward copies of all correspondence concerning North Marin Water District funds to the Auditor-Controller of North Marin Water District. In the Auditor-Controller's absence, the General Manager of the District shall serve as Treasurer. In addition to the Auditor-Controller, the General Manager and a Senior Accountant shall be signatories on all investment accounts maintained by the District. Banking Institutions shall require authorization from two signatories to execute any non-recurring wire transfer.

10) Verification that moneys have been on deposit at all times and collateralized in amounts equal to or in excess of funds designated by the Board of Directors as reserve funds shall be made in the annual audit of records.

11) The Auditor-Controller shall render a monthly investment report to the Board.

12) Criteria for selecting investments and the absolute order of priority shall be: (a) safety, (b) liquidity, (c) yield.

13) No more than two-thirds of District deposits in a depository shall be collateralized by mortgage backed securities, with the remainder to be backed by non-mortgage backed securities.

14) The Auditor-Controller shall maintain a list of authorized broker/dealers who are approved for investment purposes. All authorized broker/dealers must certify that they have received and read the District's Investment Policy and will follow the guidelines therein, and must submit a copy of their firm's most recent audited financial statement annually. Staff shall investigate broker/dealers who wish to do business with the District to verify their experience with California public sector agencies, verify that they are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission or other applicable self-regulatory organizations.

RECOMMENDATION

Approve the Investment Policy as presented.

10

MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Salary Schedule Revision

October 2, 2015

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RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: 3.93% Salary Increase
2.16% (\$149,000) Labor Cost Increase

The San Francisco Bay Area All Urban Consumers Price Index (CPI-U) increased 2.59% over the twelve months ending August 31, 2015. In accordance with the Memorandum of Understanding with the North Marin Water District Employee Association (MOU), effective each October 1 through 2017, as approved by the Board on December 18, 2012, employees will receive a cost of living adjustment equal to the percentage change in the CPI-U, less 0.3%. In addition, effective each October 1 through 2016, employees will receive a 1.6% salary increase as an offset to the additional 1.6% employees will contribute toward the cost of CalPERS retirement benefits each October 1. Accordingly, the total salary increase effective October 1, 2015, calculates to 3.93%.¹

Title 2 of the California Code of Regulations, section 570.5, requires that the pay schedule of every CalPERS agency be approved and adopted by the agency's governing body pursuant to public meeting laws. The District's Salary Schedule, revised per the MOU, is attached for your review and approval.

Salaries for unrepresented employees, which include the Auditor-Controller, Assistant General Manager, District Secretary, and Accounting/HR Supervisor, but excluding the General Manager, are also proposed to be increased consistent with the terms of the Employee Association MOU by the same 3.93% rate, consistent with the action of the Board on December 18, 2012, when the MOU was originally approved, and said increases are incorporated in the attached salary schedule.

The 1.6% CalPERS retirement contribution shifted from the District to employees serves to offset the 3.93% salary increase, thereby rendering a total labor cost increase of 2.16%.² A labor cost increase projected at 2.6% was incorporated into the adopted budget, so no budget augmentation is required.

RECOMMENDATION:

Approve the updated District Salary Schedule to be effective October 1, 2015.

¹ SF Bay Area All Urban Consumers Index at 8/31/15 = 259.917; at 8/31/14 = 253.354. $259.917 / 253.354 = 2.59\%$. $(0.0259 - 0.003) \times 1.016 = 1.0393 - 1 = 3.93\%$.

² \$167,000 salary increase offset by a net \$18,000 decrease in benefit cost divided by \$6.89M labor cost = 2.16%.

NORTH MARIN WATER DISTRICT

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Employee Monthly Salary Ranges and Job Classifications

Revised 9/17/2015

Effective October 1, 2015

JOB CLASSIFICATION	Beg	6 Mo	18 Mo	24 Mo	Merit
<u>ADMINISTRATION DEPARTMENT</u>					
Receptionist/Cashier	4,151	4,359	4,577	4,806	5,046
Account/Credit Clerk II	4,582	4,811	5,052	5,305	5,570
Accounting Clerk II	4,582	4,811	5,052	5,305	5,570
Field Service Representative	4,617	4,848	5,090	5,344	5,611
Storekeeper/Safety Coordinator	5,109	5,364	5,632	5,914	6,210
Consumer Services Supervisor	6,475	6,799	7,139	7,496	7,871
Senior Accountant	6,762	7,100	7,455	7,828	8,219
District Secretary	6,838	7,180	7,539	7,916	8,312
Accounting/HR Supervisor	8,392	8,812	9,253	9,716	10,202
Auditor-Controller	10,665	11,198	11,758	12,346	12,963
<u>CONSTRUCTION / MAINTENANCE DEPARTMENT</u>					
Laborer	3,878	4,072	4,276	4,490	4,715
Pipe Worker Assistant	4,410	4,631	4,863	5,106	5,361
Pipe Worker	5,109	5,364	5,632	5,914	6,210
Heavy Equipment Operator	5,199	5,459	5,732	6,019	6,320
Pipeline Foreman	6,080	6,384	6,703	7,038	7,390
Construction/Maintenance Superintendent	8,565	8,993	9,443	9,915	10,411
<u>ENGINEERING DEPARTMENT</u>					
Engineering Secretary	4,771	5,010	5,260	5,523	5,799
Engineering Services Rep	5,220	5,481	5,755	6,043	6,345
Engineering Technician III	5,552	5,830	6,122	6,428	6,749
Engineering Technician IV	6,213	6,524	6,850	7,192	7,552
Water Conservation Coordinator	7,847	8,239	8,651	9,084	9,538
Associate Civil Engineer	8,335	8,752	9,190	9,650	10,133
Chief Engineer	10,332	10,849	11,391	11,961	12,559
Assistant General Manager/Chief Engineer	11,817	12,408	13,028	13,679	14,363

NORTH MARIN WATER DISTRICT

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Employee Monthly Salary Ranges and Job Classifications

Revised 9/17/2015

Effective October 1, 2015

JOB CLASSIFICATION	Beg	6 Mo	18 Mo	24 Mo	Merit
<u>OPERATIONS / MAINTENANCE DEPARTMENT</u>					
Program Assistant I	4,188	4,397	4,617	4,848	5,090
Building & Grounds Maintenance Tech I	4,491	4,716	4,952	5,200	5,460
Cross Connection Control Tech I	4,491	4,716	4,952	5,200	5,460
Assistant Water Distrib & TP Operator	4,684	4,918	5,164	5,422	5,693
Program Assistant II	5,090	5,344	5,611	5,892	6,187
Auto/Equipment Mechanic	5,109	5,364	5,632	5,914	6,210
Technical Assistant II	5,290	5,554	5,832	6,124	6,430
Chemist I	5,317	5,583	5,862	6,155	6,463
Electrical/Mechanical Technician	5,612	5,893	6,188	6,497	6,822
Treatment Plant Operator	5,828	6,119	6,425	6,746	7,083
Water Distrib & TP Operator	5,828	6,119	6,425	6,746	7,083
Sr. Electrical/Mechanical Tech	6,080	6,384	6,703	7,038	7,390
Senior Treatment Plant Operator	6,266	6,579	6,908	7,253	7,616
Sr. Water Distrib & TP Operator	6,266	6,579	6,908	7,253	7,616
Chemist II	6,487	6,811	7,152	7,510	7,885
Senior Chemist	7,134	7,491	7,866	8,259	8,672
Maintenance Supervisor	7,231	7,593	7,973	8,372	8,791
Distrib & Treatment Plant Supervisor	7,847	8,239	8,651	9,084	9,538
Water Quality Supervisor	8,112	8,518	8,944	9,391	9,861
Operations/Maintenance Superintendent	9,300	9,765	10,253	10,766	11,304

11

MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Updated Retiree Medical Actuarial Valuation
 t:\ac\word\personnel\gasb 45\16\memo re filliger report 2016.docx

October 2, 2015

RECOMMENDED ACTION: Accept Report

FINANCIAL IMPACT: None

The District requested and received an updated actuarial valuation of its retiree health care liability (commonly referred to as Other Post-Employment Benefits, or OPEB) prepared by certified actuary Lou Filliger¹ in accordance with Standard 45 issued by the Governmental Accounting Standards Board. GASB 45 requires each government agency to calculate and disclose its retiree health care liability in the notes to its financial statement, and to update the calculation every three years. In summary, the updated actuarial report, compared to the valuations presented six years ago and three years ago, shows:

Retiree Medical Liability Actuarial Analysis				2015 v 2012
<u>Present Value of Future Benefits</u>	7/1/09	7/1/12	7/1/15	Increase
Active Employees	\$1,889,127	\$2,482,927	\$3,622,361	
Retirees	\$1,581,707	\$1,699,509	\$1,961,866	
Total <u>Actuarial</u> Liability ²	\$3,470,834	\$4,182,436	\$5,584,227	\$1,402,291
<u>Accrued Liability</u>				
Active Employees	\$1,019,849	\$1,431,119	\$2,123,509	
Retirees	\$1,581,707	\$1,699,509	\$1,961,866	
Total <u>Accrued</u> Liability ³	\$2,601,556	\$3,130,628	\$4,085,375	\$954,747
Retiree Medical Reserve Fund Balance	\$2,614,991	\$3,065,753	\$3,436,173	\$370,420
Cash Reserve as a % of Actuarial Liability	75%	73%	62%	
Cash Reserve as a % of Accrued Liability	101%	98%	84%	

The table above shows that over the past three year period the District's Actuarial Liability² increased \$1,402,291 to \$5.6 million. The Accrued Liability³ grew \$954,747 to \$4.1 million, while the District's Retiree Medical Reserve Fund grew by \$370,420, to \$3.4 million.

The growth in the retiree medical liability is primarily attributable to a new Actuarial Standard requiring recognition of an "implicit subsidy" available through CalPERS, the District's health insurance provider. The Actuarial Standards Board has ruled that actuaries should not

¹ Lou Filliger of Demsey, Filliger and Associates of Chatsworth, CA updated the valuation for a fee of \$4,000.

² Present value of health insurance benefits to be paid to current and future retirees. If this amount were placed in a fund earning 4% interest, the fund would have exactly enough to pay all expected benefits.

³ The present value of health insurance benefits earned to date.

use unadjusted CalPERS premiums for GASB 45 purposes. This is due to CalPERS practice of blending the health premium of active employees with early retirees (those retiring before age 65) which results in a premium that is the same for both groups. The Actuarial Standards Board posits that, on average, the medical claim costs of an early retiree, with an average age of 60, is greater than the utilization of the typical 40-year-old active employee. Therefore, given that the premiums are uniform, early retirees are being subsidized by active employees. Since CalPERS blends the utilization of the two groups, the Actuarial Standards Board directs actuaries to impute the "implicit subsidy" early retirees receive and add that subsidy amount to the OPEB liability, which for North Marin's Actuarial Liability is calculated at \$1,150,000, and for its Accrued Liability at \$771,000. The addition of this implicit subsidy to the liability explains over 80% of the liability increase seen in this year's valuation.

Actuary Lou Filliger believes that while the measurement of the implicit subsidy may be appropriate for GASB 45 (expensing) purposes, it is not necessary to pre-fund for the implicit subsidy. Your Auditor-Controller concurs. In his report, Mr. Filliger points out that if CalPERS were to increase the premium for early retirees to the full actuarial cost of their benefits, the premium for active employees could be reduced, thereby offsetting the implicit subsidy amount. For this reason, Mr. Filliger does not recommend that the District fund the implicit subsidy. He states: "We believe that pre-funding of the full GASB liability would be redundant."

That said, the good news is that, absent application of the new implicit subsidy standard, the District's cash reserve designated to fund this obligation now stands at 104% of the Accrued Liability (i.e., it is fully funded), and further, given the District's current funding course, the Actuarial Liability will be fully funded within 4 years. Note that in this year's report, for the first time, our actuary has recognized the District's designated reserves in calculating the amortization schedule of the District's OPEB liability.

The District merits credit when the Board designated funds in 2003 to be set-aside for this liability, and again in 2007 when the Board authorized setting aside an additional \$1,500 per employee (approximately \$75,000 annually) to accelerate amortization of the unfunded liability. The attached chart graphically displays the liability and reserve over time.

The policy question that arises every three years as the District reviews this liability is whether or not to deposit the designated cash reserve, now \$3.4 million, into an irrevocable trust, outside of the District's control. Depositing the funds into an irrevocable trust is a GASB 45

prerequisite to showing the \$3.4M as an offset to the retiree medical liability in the District's financial statement. Failure to deposit the money into an irrevocable trust increases the District's required annual expense calculated under GASB 45 as if there were no money set-aside to pay the liability, and similarly the liability shown in the financial statement notes is not reduced by the amount in the designated reserve. GASB's concern is that the District could elect to use the designated funds for another purpose, then enter bankruptcy and thereby potentially defraud retirees. In addition, those who make a cursory review of the District's financial statement can come away with the mistaken impression that the District has done nothing to address this liability.

In 2007 CalPERS established a subsidiary to accept GASB 45 monies (through which the funds can be invested in equities) and many investment houses have sprung up that covet GASB 45 assets. Recall that public agencies that moved their money into an irrevocable trust in 2007 immediately lost 30% in the market downturn that occurred shortly thereafter.

Staff continues to believe that placing the money in an irrevocable trust is not in the best interest of the District's customers at this time. The District has historically met its obligations to its retirees, and the loss of control of \$3.4 million in reserve funds could hamper the District's flexibility in dealing with financial events that may arise in the future.

Filliger estimates that no more than 20% of California public agencies have established an irrevocable trust to date. He points out this year that interest in using an irrevocable trust may increase with the coming GASB 75, set to replace GASB 45, which will require the OPEB liability be placed on each agency's financial statement, rather than simply in the financial statement notes. This closely mirrors GASB 68 pension accounting requirements being implemented for the first time this year. Also, some California school districts have shown interest in using an irrevocable trust because of the newly imposed state revenue caps. Amounts placed into a trust get around the caps.

Maintaining the cash reserve outside of a dedicated irrevocable trust will mean that the District's audited financial statement will continue to indicate that the District's post-employment health care benefit is an unfunded liability.

Recommendation:

Accept the Updated Retiree Medical Liability GASB 45 Report.

Retiree Health Insurance Actuarial Liability Funding Progress

Millions

\$7

\$6

\$5

\$4

\$3

\$2

\$1

\$0

Liability

Reserve

July 1, 2006

Liability

Reserve

July 1, 2009

Liability

Reserve

July 1, 2012

Liability

Reserve

July 1, 2015

Liability

Reserve

July 1, 2015

Total Liability
\$3.3

Future Liability,
\$0.7

Current Liability,
\$2.6

Unfunded Liability
\$0.9

Funded Reserve
\$2.4

Total Liability
\$3.5

Future Liability
\$0.9

Current Liability
\$2.6

Unfunded Liability
\$0.9

Funded Reserve
\$2.6

Total Liability
\$4.2

Future Liability
\$1.1

Current Liability
\$3.1

Unfunded Liability
\$1.1

Funded Reserve
\$3.1

Total Liability
\$5.6

Future Liability
\$1.5

Current Liability
\$4.1

Unfunded Liability
\$2.1

Funded Reserve
\$3.4

Total Liability
\$4.4

Future Liability
\$1.1

Current Liability
\$3.3

Unfunded Liability
\$1.0

Funded Reserve
\$3.4

*Absent
Implicit
Subsidy*





*Rec'd via Email
9/3/15*

September 2, 2015

Mr. David L. Bentley
Auditor-Controller
North Marin Water District
P.O. Box 146
Novato, CA 94945

Re: North Marin Water District ("District")
GASB 45 Valuation as of July 1, 2015

Dear Mr. Bentley:

This report sets forth the results of our GASB 45 actuarial valuation of the District's retiree health insurance program as of July 1, 2015.

In June, 2004 the Governmental Accounting Standards Board (GASB) issued accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the District to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. The District must obtain actuarial valuations of its retiree health insurance program under GASB 43/45 not less frequently than once every three years.

To accomplish these objectives the District selected Demsey, Filliger and Associates (DF&A) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2015. This report may be compared with the valuation performed by DF&A as of July 1, 2012, to see how the liabilities have changed since the last valuation. We are available to answer any questions the District may have concerning the report.

Financial Results

3357.0 INCREASE

We have determined that the amount of actuarial liability for District-paid retiree benefits is \$5,584,227 as of July 1, 2015. This represents the present value of all benefits expected to be paid by the District for its current and future retirees. If the District were to place this amount in a fund earning interest at the rate of 4.0% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

OPEB 1051 OPEB 1051

This includes benefits for 32 retirees as well as 52 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

30.57%
FICA

When we apportion the \$5,584,227 into past service and future service components under the Projected Unit Credit Cost Method, the past service liability (or "Accrued Liability") component is \$4,085,375 as of July 1, 2015. This represents the present value of all benefits earned to date assuming that an employee earns retiree healthcare benefits ratably over his or her career. The \$4,085,375 is comprised of liabilities of \$2,123,509 for active employees and \$1,961,866 for retirees. Because the District has not established an irrevocable trust for the pre-funding of retiree healthcare benefits, the Unfunded Accrued Liability (called the UAL, equal to the AL less Assets) is also \$4,085,375.

We have determined that North Marin Water District's "Annual Required Contributions", or "ARC", for the fiscal year 2015-16, is \$384,395.^{34.17%} The \$384,395 is comprised of the present value of benefits accruing in the current year, called the "Service Cost",^{48.37%} and a 30-year amortization of the UAL.^{15.47%} We estimate that the District will pay approximately \$170,607 for the 2015-16 fiscal year in healthcare costs for its retirees, so the difference between the accrual accounting expense (ARC) and pay-as-you-go is an increase of \$213,788.^{2.07%} 797%

There are two adjustments to the ARC that are required in order to determine the District's Annual OPEB Cost (AOC) for the 2015-16 fiscal year. We have calculated these adjustments based on an estimated Net OPEB Obligation of \$792,339 as of June 30, 2015, resulting in an AOC for 2015-16 of \$370,268.^{67%} 337%

We show these numbers in the table on the next page and in Exhibit II. All amounts are net of expected future retiree contributions, if any.

North Marin Water District
Annual Liabilities and Expense under
GASB 45 Accrual Accounting Standard
Projected Unit Credit Cost Method

Item	Amounts for Fiscal 2015-16
Present Value of Future Benefits (PVFB)	
Active	\$3,622,361
Retired	<u>1,961,866</u>
Total: PVFB	\$5,584,227
Accrued Liability (AL)	
Actives	\$2,123,509
Retired	<u>1,961,866</u>
Total: AL	\$4,085,375
Assets	<u>(0)</u>
Total: Unfunded AL	\$4,085,375
Annual Required Contributions (ARC)	
Service Cost At Year-End	\$148,137
30-year Amortization of Unfunded AL	<u>236,258</u>
Total: ARC	\$384,395
Adjustments to ARC	
Interest on Net OPEB Obligation*	31,694
Adjustment to ARC*	<u>(45,821)</u>
Total: Annual OPEB Cost (AOC) for 2015-16	\$370,268

*Amounts based on estimated June 30, 2015 Net OPEB Obligation of \$792,339.

The ARC of \$384,395, shown above, should be used for the 2015-16, 2016-17 and 2017-18 fiscal years, but the Annual OPEB Cost for all years must include an adjustment based on the Net OPEB Obligation as reported in the preceding year's financial statement, which is not known precisely in advance.

When the District begins preparation of the June 30, 2016 government-wide financial statements, DF&A will provide the District and its auditors with complimentary assistance in preparation of footnotes and required supplemental information for compliance with GASB 45 (and GASB 43, if applicable).

Differences from Prior Valuation

The most recent prior valuation was completed as of July 1, 2012 by DF&A. The AL (Accrued Liability) as of that date was \$3,130,628 (see page 3 of the prior report), compared to \$4,085,375 as of July 1, 2015. In this section, we provide a reconciliation between the two numbers so that it is possible to trace the AL from one actuarial report to the next.

Several factors have caused the AL to change since 2012. The passage of time increases the AL as the employees accrue more service and get closer to receiving benefits. There are actuarial gains/losses from one valuation to the next, and changes in actuarial assumptions and methodology for the current valuation. To summarize, the most important changes were as follows:

- ✓ 1. There was a gain of \$83,342 (a decrease in the AL) due to increases in healthcare premiums less than expected.
- ✓ 2. The PERS Health administration fee changed from 0.25% of premium to 0.34% of premium. This caused an increase in the AL of \$966.
- 3. ^{RP 2014} We changed to more up-to-date mortality tables. This change increased the AL by \$119,681.
- 4. We increased the initial healthcare trend rate from 5% to 8% to better reflect our expectations of average premium increases over the next several years. This change increased the AL by \$55,061.
- ★ 5. We included the "implicit subsidy" as required by Actuarial Standard of Practice Number 6 (ASOP 6). Please see page 8 for further details. This change increased the AL by \$771,080.
- 6. There was a net census gain (a decrease in the AL) of \$94,091.

The estimated changes to the AL from July 1, 2012 to July 1, 2015 may be summarized as follows:

Changes to AL	AL
AL as of 7/1/12	\$3,130,628
Passage of time	185,392
Premium increases < expected	(83,342)
Change in PERS Health admin. fee	966
Change in mortality tables	119,681
Change in trend rates	55,061
Valuation of implicit subsidy	771,080
Census (gain)	(94,091)
AL as of 7/1/15	\$4,085,375

307a

Funding Schedules

There are many ways to approach the pre-funding of retiree healthcare benefits. In the *Financial Results* section, we determined the annual expense for all District-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. However, the GASB 45 expense has no direct relation to amounts the District may set aside to pre-fund healthcare benefits.

The table on the next page provides the District with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree fund earns, or is otherwise credited with, 4.0% per annum on its investments, a starting payable and reserve fund value of \$3,415,000 as of July 1, 2015, and that contributions and benefits are paid mid-year.

The schedules are:

1. A level contribution amount for the next 20 years.
2. A level percent of the Unfunded Accrued Liability.
3. An amount equal to \$1,500/year per active employee plus pay-as-you-go costs until fully funded. Because of the \$3,415,000 starting balance, full funding is now projected to occur within 4 years. + ARC

We provide these funding schedules to give the District a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the District may choose to spread its costs.

By comparing the schedules, you can see the effect that early pre-funding has on the total amount the District will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the District will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the "pay-as-you-go" costs; therefore, the amount of pre-funding is the excess over the "pay-as-you-go" amount.**

We use unadjusted premiums for these funding schedules because we do not recommend that the District pre-fund for the full age-adjusted costs reflected in the GASB 45 liabilities shown in the first section of this report. If the District's premium structure changes in the future to explicitly charge under-age 65 retirees for the full actuarial cost of their benefits, this change will be offset by a lowering of the active employee rates (all else remaining equal), resulting in a direct reduction in District operating expenses on behalf of active employees from that point forward. For this reason among others, we believe that pre-funding of the full GASB liability would be redundant.

North Marin Water District

Sample Funding Schedules (Closed Group)

Starting Payable & Reserve Fund Values of \$3,415,000 as of July 1, 2015

Fiscal Year Beginning	Pay-as-you-go	Level Contribution for 20 years	Level % of Unfunded Liability	\$1,500/yr per employee + PAYG
2015	\$170,607 \$78K	\$66,500	\$0	✓ \$248,607
2016	175,908 ✓	66,500	0	✓ 253,908
2017	201,800 ✓	66,500	8,188	✓ 279,800
2018	228,812	66,500	22,374	211,225
2019	232,231	66,500	35,007	0
2020	244,981	66,500	45,259	0
2021	274,215	66,500	53,867	0
2022	290,814	66,500	61,650	0
2023	306,271	66,500	68,151	0
2024	304,805	66,500	73,456	0
2025	275,334	66,500	77,126	0
2026	255,642	66,500	78,552	0
2027	214,364	66,500	78,518	0
2028	211,092	66,500	76,738	0
2029	203,977	66,500	74,697	0
2030	191,634	66,500	72,348	0
2031	195,434	66,500	69,649	0
2032	203,381	66,500	67,064	0
2033	213,310	66,500	64,637	0
2034	213,203	66,500	62,337	0
2035	227,962	0	59,918	0
2036	245,359	0	57,628	0
2037	194,343	0	55,409	0
2038	209,445	0	52,279	0
2039	225,686	0	49,365	0
2040	227,152	0	46,567	0
2041	208,250	0	43,658	0
2042	225,816	0	40,503	0
2043	210,642	0	37,412	0
2044	183,743	0	34,161	0
2045	161,039	0	30,811	0
2046	138,730	0	27,497	0
2047	114,647	0	23,572	0
2048	103,854	0	19,711	0
2049	104,391	0	16,482	0
2050	92,740	0	13,783	0
2055	49,630	0	5,637	0
2060	25,452	0	2,308	0
2065	15,568	0	945	0
2070	8,592	0	388	0

\$994K
 3415
 \$4,409
 Ties to ?
 \$4,335K
 is full funding
 without implicit
 subsidy

Note to auditor: when calculating the employer OPEB contribution for the year ending on the statement date, we recommend multiplying the actual District-paid premiums on behalf of retirees by a factor of 1.2176 to adjust for the implicit subsidy.

Actuarial Assumptions

In order to perform the valuation, the actuary must make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions we have used for similar valuations, modified as appropriate for the District. For example, turnover rates are taken from a standard actuarial table, T-5, increased by 25% at all ages. This matches the District's historic turnover patterns. Retirement rates were also based on recent District retirement patterns. Both assumptions should be reviewed in the next valuation to see if they are tracking well with experience.

Why increase by 25%?
What is impact?
When Aug RATE 32

The discount rate of 4.0% is based on our best estimate of expected long-term plan experience. It is in accordance with our understanding of the guidelines for selection of this rate under GASB 45 for unfunded plans such as the District's. The healthcare trend rates are based on our analysis of recent District experience and our knowledge of the general healthcare environment.

A complete description of the actuarial assumptions used in the valuation is set forth in the "Actuarial Assumptions" section.

Projected Annual Pay-as-you go Costs

As part of the valuation, we prepared a projection of the expected annual cost to the District to pay benefits on behalf of its retirees on a pay-as-you-go basis. These numbers are computed on a closed group basis, assuming no new entrants, and are net of retiree contributions. Projected pay-as-you-go costs for selected years are as follows:

FYB	Pay-as-you-go
2015	\$170,607
2016	175,908
2017	201,800
2018	228,812
2019	232,231
2020	244,981
2025	275,334
2030	191,634
2035	227,962
2040	227,152
2045	161,039
2050	92,740
2055	49,630
2060	25,452
2065	15,568
2070	8,592

*Premium for Active Employees & Retirees < 65 is same
What is new new assumption for rate difference?*
Valuation of Implicit Subsidy *What is assumption on Age & Retirement*

Since the District's implementation of GASB 45, we have availed ourselves of the "community rating" exception to PERS Health (PEMHCA). This exception has permitted an actuary to ignore the effects of the use of a blended premium for active employees and early retirees (those under age 65) as is the case for PEMHCA. This unique treatment of PEMHCA resulted in actuarial estimates for PEMHCA agencies that were significantly lower than for most other insurance providers, and has been prevailing practice among California-based actuarial firms. The Actuarial Standards Board has amended Actuarial Standard of Practice Number 6 (ASOP 6) to virtually eliminate this practice for valuations beginning with the July 1, 2015 fiscal year. As shown on page 4 of this report, the implicit subsidy for the District is approximately \$771,000. The new GASB OPEB standards, expected to take effect in 2017, contain guidance that will require actuaries to continue to include this subsidy, where applicable, for all future OPEB valuations. Please feel free to call us at (818) 718-1266 if you would like further explanation of this change.

Assumption that Active Employee Rates Subsidize < 65 Retiree Rates
Breakdown by Employee/Retiree Group

Exhibit I, attached at the end of the report, shows a breakdown of the GASB 45 components (ARC, AL, Service Cost, and PVFB) by represented versus unrepresented employment, and separately by active employees (future retirees) and current retirees.

Net OPEB Obligation and Annual OPEB Cost (AOC)

Exhibit II, attached at the end of this report, shows a development of the District's Net OPEB Obligation ("NOO") as of June 30, 2007 through June 30, 2015, and the Annual OPEB Cost ("AOC") for the fiscal years ending June 30, 2008 through June 30, 2016. The NOO as of June 30, 2015 and the AOC for 2015-16 are estimates as of the date this report is being published.

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the "Actuarial Certification" section at the end of the report.

We have enjoyed working with the District on this report, and are available to answer any questions you may have concerning any information contained herein.

Sincerely,
DEMSEY, FILLIGER AND ASSOCIATES

DRAFT

T. Louis Filliger, FSA, EA, MAAA
Partner & Actuary

Benefit Plan Provisions

This report analyzes the actuarially projected costs of the District's retiree health insurance program. Our findings and assumptions are based on census data as of July, 2015 and PERS Health premiums for 2015, projected to the valuation year at the assumed healthcare trend rate. The postretirement medical plans are basically continuations of the plans for active employees, so that the active employee plans will be described first.

Active Employee Coverage

The District sponsors the California PERS Health Plan, referred to here as "PEMHCA". The program provides comprehensive health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. The above plans are provided by the District through a Section 125 Plan, with contributions made to PEMHCA at the employee's option, in addition to the flat \$319.22/month that the District has contributed directly to PEMHCA pursuant to a contractual agreement between the District and PEMHCA effective June 1, 2005. The \$319.22/mo will not increase unless the agreement is explicitly amended at the District's request.

Post-retirement Coverage

The District also offers PEMHCA to its retirees. The District contributes up to \$319.22 to PEMHCA on behalf of each retiree eligible for PEMHCA, pursuant to the unequal contribution method (which has evolved to the point where the same amount is now contributed on behalf of retirees and active employees). Furthermore, the District will make supplemental contributions towards certain retirees' PEMHCA premiums according to provisions of the District MOUs with its various represented and unrepresented employee and retiree groups, as described below.

A retiree is eligible for supplemental District contributions towards retiree health benefits if the retiree has attained age 55 and has completed at least 12 years of service with the District at the time of retirement. The District's contribution varies by group and retirement date, as follows:

(1) Retiring on or after January 1, 2013, all groups: Up to 85% of the Kaiser 2-party rate each year, offset by the District's basic contribution of \$319.22/month to PEMHCA. If there is no covered spouse, or once the spouse has attained age 65, this changes to 85% of the Kaiser 1-party rate. The supplement ends upon the retiree's attainment of age 65.¹

(1) Note that the District policy reads: Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare.

<p align="center">Benefit Plan Provisions (Continued)</p>
--

Supplemental District contributions, continued:

(2) Retiring on or after June 1, 2005, but before January 1, 2013, all groups: Up to 90% of the Kaiser 2-party rate each year, offset by the District's basic contribution of \$319.22/month to PEMHCA. If there is no covered spouse, or once the spouse has attained age 65, this changes to 90% of the Kaiser 1-party rate. The supplement ends upon the retiree's attainment of age 65.¹

(3) Retiring before June 1, 2005:

Represented: Up to 100% of the Kaiser 2-party rate (or 1-party rate if single or if spouse has attained age 65) until retiree's age 65; after age 65, the dollar amount is capped at a flat \$409.91/month. All amounts are offset by the District's basic \$319.22/month to PEMHCA.

Unrepresented: Up to 90% of the Kaiser 2-party rate (or 1-party rate if single or if spouse has attained age 65) until retiree's age 65; after age 65, the dollar amount is capped at a flat \$364.87/month. All amounts are offset by the District's basic \$319.22/month to PEMHCA.

The following table shows January 1, 2015 monthly PERS Health (PEMHCA) premiums for retirees within the Bay Area:

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO
<u>Basic Plan</u>				
Retiree	\$928.87	\$714.45	\$700.84	\$775.08
Retiree + 1	1,857.74	1,428.90	1,401.68	1,550.16
Family	2,415.06	1,857.57	1,822.18	2,015.21
<u>Medicare Supplement</u>				
Retiree	\$352.63	\$295.51	\$339.47	\$368.76
Retiree + 1	705.26	591.02	678.94	737.52
Family	1,057.89	886.53	1,018.41	1,106.28

Dental Benefits

The District also offers a self-insured dental plan to its employees and retirees. Retirees may elect to be covered under the dental plan by self-paying a tiered premium. We reviewed these premiums in 2006 and found that the premiums appear to be approximately sufficient to pay expected benefits under the Plan's benefit schedule, and in our opinion do not constitute an implicit subsidy as discussed in GASB 45; therefore, retiree dental benefits have been excluded from the scope of this report.

(1) Note that the District policy reads: Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare.

Valuation Data

Active and Retiree Census

Age distribution of retirees and surviving spouses included in the valuation

Age	Retirees	Surviving Spouses	Total
Under 50	0	0	0
50-54	0	0	0
55-59	0	0	0
60-64	4	0	4
65-69	4	0	4
70-74	12	1	13
75-79	2	0	2
80-84	2	1	3
85-89	2	1	3
90-94	1	1	2
95+	<u>1</u>	<u>0</u>	<u>1</u>
All Ages	28	4	32
Average Age	73.32	82.75	74.50

Age/Years of service distribution of active employees included in the valuation

Years→	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
<u>Age</u>									
20-24	2								2
25-29	2	1							3
30-34	0	3	3						6
35-39	0	1	6	2					9
40-44	1	1	2	1	0				5
45-49	0	1	0	0	0	0			1
50-54	0	0	4	2	1	3	0		10
55-59	0	0	3	3	1	3	0	0	10
60-64	0	0	0	1	2	2	0	1	6
65+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
All Ages	5	7	18	9	4	8	0	1	52

Average Age: 45.62
Average Service 14.52

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date:	July 1, 2015
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30-year level dollar, open period
Discount Rate:	4.0% per annum
Return on Assets:	4.0% per annum
Pre-retirement Turnover:	According to Crocker-Sarason Table T-5 less mortality, increased by 25% at all ages. Sample rates are as follows:

Age	Turnover (%)
25	9.7%
30	9.1
35	7.8
40	6.5
45	5.0
50	3.2
55	1.1

Pre-retirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000 employees are as follows:

Age	Males	Females
25	0.48	0.17
30	0.45	0.22
35	0.52	0.29
40	0.63	0.40
45	0.97	0.66
50	1.69	1.10
55	2.79	1.67
60	4.69	2.44

Post-retirement Mortality: RP-2014 Healthy Annuitant Mortality, without projection. Sample deaths per 1,000 retirees are as follows:

Age	Males	Females
55	5.74	3.62
60	7.78	5.19
65	11.01	8.05
70	16.77	12.87
75	26.83	20.94
80	44.72	34.84
85	77.50	60.50
90	135.91	107.13

Actuarial Assumptions (Continued)

Claim Cost per Retiree or Spouse:

Annual

Age	Medical/Rx
50	> \$9,280
55	10,758
60	12,472
64	14,037
65+	4,050

Increases by 1.035

Theoretical Cost Retiree medicine

Retirement Rates:

Age	Percent Retiring*
50-54	3.0%
55	10.0
56-58	7.0
59	15.0
60	18.0
61	20.0
62	22.0
63	25.0
64	30.0
65	100.0

* Of those having met eligibility to receive supplemental retirement benefits. The percentage refers to the probability that an active employee who has reached the stated age will retire within the following year.

Trend Rates:

Healthcare costs were assumed to increase according to the following schedule:

FYB	Medical/Rx
2015	8.0%
2016	7.0
2017	6.0
2018+	5.0

Percent Waiving Coverage: 9% of future retirees.

Percent of Retirees with Spouses: Future Retirees: 60% of future retirees were assumed to have spouses at the time of retirement. Female spouses assumed three years younger than male spouses. Current Retirees: Based on actual spousal data.

Changes in dollar caps: Grandfathered caps assumed frozen for all future years.

Administrative Fees: District pays 0.34% of total premium to PEMHCA for all future years.

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the North Marin Water District ("District") as of July 1, 2015.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District in July, 2015. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 43 and GASB 45, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits. We have assumed no post-valuation mortality improvements, consistent with our belief that there will be no further significant, sustained increases in life expectancy in the United States over the projection period covered by the valuation.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

DRAFT

T. Louis Filliger, FSA, EA, MAAA Date: _____
Partner & Actuary

North Marin Water District**Exhibit I****GASB 45 Valuation Split by Represented and Unrepresented**

	7/1/2015 Valuation Results <u>Represented</u>	7/1/2015 Valuation Results <u>Unrepresented</u>	7/1/2015 Valuation Results <u>Total</u>
Present Value of Benefits			
Actives	\$ 3,422,626	\$ 199,735	\$ 3,622,361
Retirees	<u>1,455,145</u>	<u>506,721</u>	<u>1,961,866</u>
Total Present Value of Benefits (PVB):	\$ 4,877,771	\$ 706,456	\$ 5,584,227
Accrued Liability:			
Actives	\$ 1,948,147	\$ 175,362	\$ 2,123,509
Retirees	<u>1,455,145</u>	<u>506,721</u>	<u>1,961,866</u>
Total Accrued Liability (AL):	\$ 3,403,292	\$ 682,083	\$ 4,085,375
Assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Accrued Liability ("UAL")	\$ 3,403,292	\$ 682,083	\$ 4,085,375
<u>GASB 45 ARC ("Annual Required Contributions")</u>			
Service Cost at Year-end	\$ 139,780	\$ 8,357	\$ 148,137
30-year amortization of UAL	<u>196,813</u>	<u>39,445</u>	<u>236,258</u>
Total ARC for 2015-16	\$ 336,593	\$ 47,802	\$ 384,395

	Amount
Net OPEB Obligation 6/30/2007	-
ARC for 2007-8	272,806
Interest on Net OPEB Obligation	-
Amortization adjustment to ARC	(615)
Annual OPEB Cost 2007-8	272,191
Employer Contribution	(182,003)
Net OPEB Obligation 6/30/2008	90,188
ARC for 2008-9	272,806
Interest on Net OPEB Obligation	-
Amortization adjustment to ARC	615
Annual OPEB Cost 2008-9	273,421
Employer Contribution	(182,220)
Change in Net OPEB Obligation 2008-9	91,201
Net OPEB Obligation 6/30/2008	90,188
Net OPEB Obligation 6/30/2009	181,389
ARC for 2009-10	250,776
Interest on Net OPEB Obligation	9,069
Amortization adjustment to ARC	(11,800)
Annual OPEB Cost 2009-10	248,045
Employer Contribution	(138,105)
Change in Net OPEB Obligation 2009-10	109,940
Net OPEB Obligation 6/30/2009	181,389
Net OPEB Obligation 6/30/2010	291,329
ARC for 2010-11	250,776
Interest on Net OPEB Obligation	14,566
Amortization adjustment to ARC	(18,951)
Annual OPEB Cost 2010-11	246,391
Employer Contribution	(147,084)
Change in Net OPEB Obligation 2010-11	99,307
Net OPEB Obligation 6/30/2010	291,329
Net OPEB Obligation 6/30/2011	390,636
ARC for 2011-12	250,776
Interest on Net OPEB Obligation	19,532
Amortization adjustment to ARC	(25,486)
Annual OPEB Cost 2011-12	244,822
Employer Contribution	(160,725)
Change in Net OPEB Obligation 2011-12	84,097
Net OPEB Obligation 6/30/2011	390,636
Net OPEB Obligation 6/30/2012	474,733
ARC for 2012-13	286,640
Interest on Net OPEB Obligation	18,989
Amortization adjustment to ARC	(27,454)
Annual OPEB Cost 2012-13	278,175
Employer Contribution	(166,609)
Change in Net OPEB Obligation 2012-13	111,476
Net OPEB Obligation 6/30/2012	474,733
Net OPEB Obligation 6/30/2013	586,209
ARC for 2013-14	286,640
Interest on Net OPEB Obligation	23,448
Amortization adjustment to ARC	(33,900)
Annual OPEB Cost 2013-14	276,188
Employer Contribution	(168,750)
Change in Net OPEB Obligation 2013-14	107,438
Net OPEB Obligation 6/30/2013	586,209
Net OPEB Obligation 6/30/2014	693,647
ARC for 2014-15	286,640
Interest on Net OPEB Obligation	27,746
Amortization adjustment to ARC	(40,114)
Annual OPEB Cost 2014-15	274,272
Employer Contribution	(175,580)
Change in Net OPEB Obligation 2014-15	98,692
Net OPEB Obligation 6/30/2014 *	702,706
Net OPEB Obligation 6/30/2015	792,339
ARC for 2015-16	384,395
Interest on Net OPEB Obligation	31,694
Amortization adjustment to ARC	(45,821)
Annual OPEB Cost 2015-16	370,268

*Beginning balance adjusted for Medicare Part D reimbursement of \$9,059 paid in August 2013 but not applied against employer contribution for FYE 6/30/14


← ADJ by implicit subsidy

12

MEMORANDUM

To: Board of Directors

October 2, 2015

From: Chris DeGabriele, General Manager 

Subj: Review of District Property as Part of the Novato General Plan Update

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RECOMMENDED ACTION: Provide direction to staff regarding comments on Potential Rezoning of selected properties as part of the Novato General Plan Update

FINANCIAL IMPACT: None

The District received a notice of Public Workshops from the City of Novato wherein the planning commission and Novato City Council will consider potential rezoning of selected properties in Novato as part of the update to the Novato General Plan. A copy of that notice is included as Attachment 1. With that notice is a map of one of the properties considered by city staff for potential rezoning (#14 End of DeLong Ave.) which is owned by the District and currently zoned BPO (Business and Professional Office). This property is one of three contiguous parcels owned by the District in this vicinity which we commonly call the Rosalia Tank site and which were declared surplus in 2001 by the Board (APN 153-111-10, 15 and APN 153-182-44, 6.02 Acres in total). While these properties have been surplus for the past 14 years, there has been little interest from prospective buyers.

I addressed the Novato Planning Commission on Monday, September 21st, and sent a letter to city staff advising I would recommend the District request that zoning for the subject properties be revised to very low density residential (RVL) consistent with the current zoning of adjacent properties in this vicinity (See letter Attachment 2). The rezoning could result in some additional interest from residential developers who have expressed interest in the past for other properties in this Rosalia Hill area.

While this is ongoing, NMWD staff believe it's an opportune time to look at other vacant or underutilized District properties in the Novato area. Recall that in 2001 the District declared not only the Rosalia tank site surplus, but also the Woodland Heights tank site, the Woodland Heights pressure tank site and the Plum Street tank site as surplus property. The Plum Street tank site was subsequently removed from the surplus list in 2002 and is now being fully utilized as a Recycled Water tank facility.

Other vacant or underutilized properties in Novato are shown in the below table along with their current zoning, size and suggested rezoning if any. A map showing the site numbers listed in the table will be available at the meeting.

NORTH MARIN WATER DISTRICT VACANT/UNDERUTILIZED PROPERTY ZONING

	Site Name	APN #	Size	Current Zoning	Recommended Zoning	Notes
1	Rosalia Tank Site	153-110-10	4.74 Ac	PD	RVL	Vacant
		153-110-15	1.0 Ac	BPO	RVL	Vacant
		153-182-44	0.28 Ac	PD	RVL	Vacant
2	Hayden Cistern	153-064-07	10000 SF	R1	R1	Buried conc structure
3	San Marin (Spinosa) Tank Site	141-110-06	0.98 Ac	CF	R1	Vacant
		141-110-07	0.52 Ac	CF	R1	Vacant
4	Woodland Heights Tank	150-581-26	6000 SF	PD	PD	Tank in place
5	Woodland Pressure Tank	150-542-01	2800 SF	R1	R1	Vacant
6	Loma Verde Tank Site	160-020-07	0.2 Ac	CF	OS	Tank in place

Legend:

PD	Planned Development
RVL	Very Low Density Residential
BPO	Business and Professional Office
R1	Low Density Residential
CF	Community Facilities
OS	Open Space

RECOMMENDED ACTION:

Board review the above table and provide direction to staff to request the City of Novato rezone properties as part of the General Plan Update.

CITY OF NOVATO
NOTICE OF PUBLIC WORKSHOPS
TO DISCUSS POTENTIAL REZONING OF SELECTED PROPERTIES
AS PART OF THE UPDATE OF THE GENERAL PLAN

As part of the update of the General Plan, the City Council has asked that the Planning Commission and City Council have an opportunity to review and discuss whether the existing zoning designations of vacant commercial and multi-family properties are appropriate. Notice is hereby given that the Planning Commission will hold a workshop on Monday, **September 21, 2015**, at 7:00 p.m. at City Hall, 901 Sherman Avenue, Novato, California to consider providing a recommendation to the City Council regarding possible rezonings to evaluate and initiate in conjunction with adoption of a new General Plan. The City Council will consider this matter at a workshop on Tuesday, **October 13, 2015** at 6:30 p.m. at City Hall, 901 Sherman Avenue, Novato, California.

Please note that *the Planning Division is not recommending a rezoning of your property*, but is providing information to the Planning Commission and City Council for their evaluation and consideration. An attachment to this notice contains information on the current zoning and development potential of your property that will be provided to the Planning Commission and City Council as part of their deliberations.

Comments received on or before the public workshop dates will be considered by the Planning Commission and City Council.

If anyone wishes to challenge this project in court, they may be limited to raising only those issues they or anyone else raised at the public hearing described in this notice or in written correspondence delivered to the Community Development Department at, or prior to, the public hearing.

Information on the above proposal is available at the City of Novato Community Development Department, 922 Machin Avenue, Novato, CA 94945. All inquiries should be directed to Bob Brown, Community Development Director, at (415) 899-8938, or via e-mail: bbrown@novato.org, weekdays from 9 a.m. to 5 p.m. at the Community Development Department. It is recommended that an appointment be made with the staff member noted above, prior to visiting the City offices. Please note the City of Novato offices are closed every other Friday including September 25, 2015 and October 9, 2015.

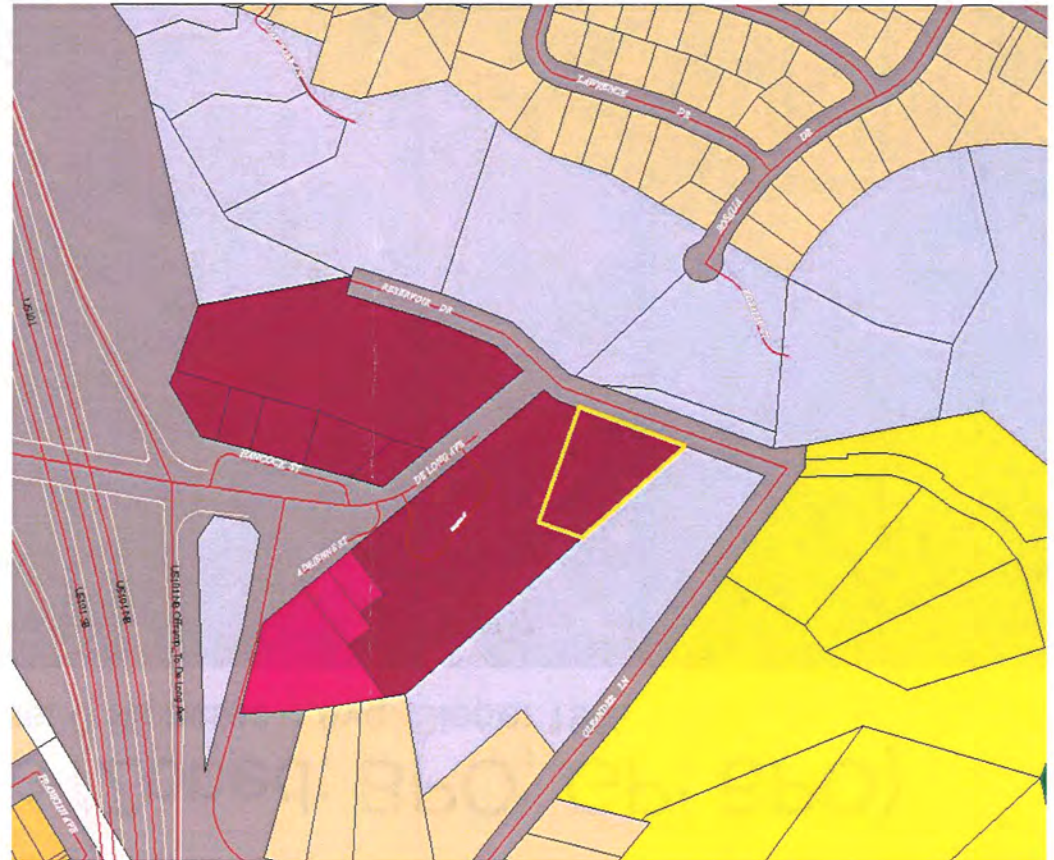
COMMUNITY DEVELOPMENT DIRECTOR

RECEIVED
SEP 14 2015
North Marin Water District

14. End of DeLong Ave (Zoned: BPO, GP: BPO)

APN: 153-111-15 Lot Size: 0.99 acres Avg. Slope: 19%

- Zoning
- Agriculture (AG)
 - Business and Professional Office (BPO)
 - Downtown Core Business (CDB)
 - Downtown Core Retail (CDR)
 - Community Facilities (CF)
 - General Commercial (CG)
 - Commercial/Industrial (CI)
 - Neighborhood Commercial (CN)
 - Conservation (CON)
 - Light Industrial/Office (LIO)
 - Mixed Use (MU)
 - Open Space (OS)
 - Planned District (PD)
 - Parkland (PL)
 - Low Density Residential (R1)
 - Medium Density Multiple Family Residential (R10)
 - High Density Multiple Family Residential (R20)
 - Medium Density Detached Residential (R4)
 - Medium Density Residential (R5)
 - Research/Education-Institutional (REI)
 - Restricted Open Space (ROS)
 - Rural Residential (RR)
 - Very Low Density Residential (RVL)
 - Undesignated



14. End of DeLong Ave (Zoned: BPO, GP: BPO)

APN: 153-111-15 Lot Size: 0.99 acres Avg. Slope: 19%

- Owned by North Marin Water District
- Surrounding Land Uses:
 - N – Reservoir Drive paper street
 - S – Undeveloped, Zoned PD
 - E – Oleander Lane paper street
 - W – Offices, Zoned BPO
- Approximate Developable Area:
 - 6,100 SF
 - 0.02 FAR





**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

September 21, 2015

Bob Brown
Community Development Director
City of Novato
922 Machin Avenue
Novato, CA 94945

Re: City of Novato General Plan Update 2015
Potential Rezoning of Selected Properties
APN 153-111-10, 15 and APN 153-182-44

Dear Mr. Brown:

On September 14, 2015, North Marin Water District (NMWD) received the Notice of Public Workshops to Discuss Potential Rezoning of Selected Properties as part of the Update of the General Plan. The workshop before the Novato Planning Commission is to be held today, September 21, 2015.

The NMWD Board of Directors has not had an opportunity to review the staff comments included herein and these staff comments are limited at this time to those properties listed in the subject line of this letter (the property identified in the accompanying Notice of Public Workshops and adjacent NMWD properties).

NMWD staff will recommend to the Board of Directors that zoning for the subject properties be revised to Very Low Density Residential (RVL) consistent with current zoning of adjacent properties in this vicinity. NMWD staff will also review current zoning of other NMWD property and make necessary requests for change as may be desired prior to the City Council Workshop scheduled October 13, 2015.

Sincerely,

Chris DeGabriele
General Manager

CD/kly

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13

MEMORANDUM

To: Board of Directors

October 2, 2015

From: Drew McIntyre, Chief Engineer



Subject: North Bay Water Reuse Authority Board Meeting – September 21, 2015

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

Supplemental information is provided as follows using item numbers referenced in the attached meeting agenda. Draft minutes are also included.

2. Roll Call

NMWD Board was represented by Director Schoonover.

7. Financial Report for the Period Ending June 30, 2015

The program manager, Mr. Chuck Weir, reports that all budget items are tracking normally for the start of the FY15/16 and that all expenses for FY14/15 were well within budget. Note that NMWD's participation with NBWRA has increased slightly from a cost of \$61,076 in FY14/15 to \$62,649 in FY15/16.

8. Program Development, Federal, and State Advocacy Update

There was a general discussion that some environmental organizations in Southern California appear to be supporting funding for direct potable water reuse projects over purple pipe recycled water projects (i.e., landscape irrigation projects) and that said support, if it gains momentum, could have a negative impact on the availability of funding for future in NBWRA projects.

Pilar Onate-Quintana also stated that there will be a tour for state legislative staff (similar to the recent congressional tour) on October 8. NMWD Board member John Schoonover and Chief Engineer Drew McIntyre will be participating at the Novato tour stop (at Novato Creek near Rowland Way).

Ginger Bryant spoke on federal advocacy and reported that the recent congressional staff tour on August 20, 2015 was very successful and that they are concentrating now on RE-Act legislation and that recent outreach efforts also include a new website www.westernwaterpriorities.org. This outreach effort focuses on all Western states as a region. Ms. Bryant also noted that they are planning for the next trip to Washington DC this fall.

9. Outreach Program Update

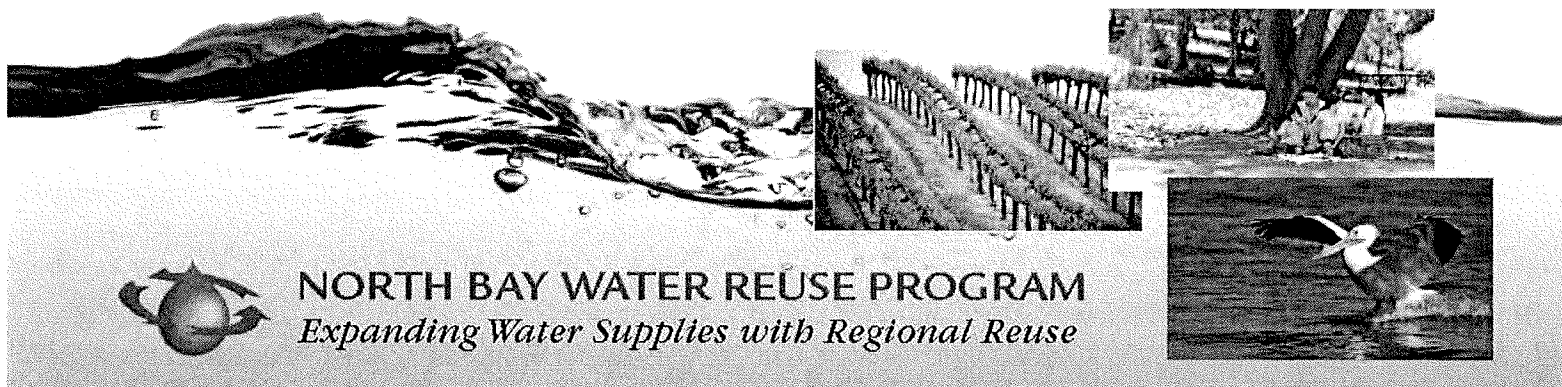
Mark Millan provided a demonstration of the new western water priorities.org website and distributed flyers and business cards for same. This new outreach effort is costing an additional \$25,000 and is paid for out of the Phase 2 unused Triple Bottom Line (TBL) funding.

10. Workshop – North Bay Water Reuse Program Phase 2

The consultants presented a summary of the Extended Storage Study prepared for Napa Sanitation District, Sonoma Valley County Sanitation District, City of Petaluma and Novato Sanitary District. It was also noted that some Phase 2 projects will be eligible for Title XVI funding while others will need to be funded through other sources that are currently in development.

11. Direction from the Board Regarding Communication, Regional Participation and Related Issues

There was a general discussion on how to develop a unified approach for water management and recycling projects for the greater North Bay region in order to capitalize both on the strength of the organization and be inclusive for new members. Vice Chair Bill Long suggested a workshop to discuss these issues. There was also discussion by the Board about increasing communication by holding joint Board/TAC meetings in the future. There was a general consensus by the Board that joint meetings are desirable.



NORTH BAY WATER REUSE PROGRAM *Expanding Water Supplies with Regional Reuse*

BOARD OF DIRECTORS MEETING

AGENDA

Monday, September 21, 2015
9:30 A.M.

Novato Sanitary District
500 Davidson Street, Novato, CA 94945

Consultants and others unable to attend in person may call in: 1-866-906-7447 Pass Code: 2428170#

1. Call to Order (1 minute)

2. Roll Call (1 minutes)

3. Public Comment (3 minutes)

(Any member of the public may address the Board at the commencement of the meeting on any matter within the jurisdiction of the Board. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Board limit their presentation to three minutes. Any member of the public desiring to provide comments to the Board on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)

4. Introductions (2 minutes)

Action
Pages 3 - 5

5. Board Meeting Minutes of July 27, 2015 (1 minute)

(The Board will consider approving the minutes from the July 27, 2015 Board meeting.)

Information
Pages 6 - 13

6. Report from the Program Manager (2 minutes)

6.a Consultant Progress Reports

(The Board will review the Report from the Program Manager and Consultant Progress Reports.)

Information
Pages 14 - 31

7. Financial Reports for the Periods Ending June 30, 2015 and August 31, 2015 (5 minutes)

(The Board will review the financial reports for the periods ending June 30, 2015 and August 31, 2015.)

North Bay Water Reuse Authority • c/o Sonoma County Water Agency • 404 Aviation Boulevard, Santa Rosa, CA 95403
707-235-8965 • NBWRA.org

Las Gallinas Valley Sanitary District • Napa County • Napa Sanitation District • North Marin Water District • City of Petaluma • Marin County
 Novato Sanitary District • Sonoma County Water Agency • Sonoma Valley County Sanitation District • Marin Municipal Water District • City of American Canyon

- Information** **8. Program Development, Federal, and State Advocacy Status Reports (30 minutes)**
(The Board will be updated on the status of Program Development, Federal Advocacy, and State Advocacy.)
- Information** **9. Outreach Program Update (5 minutes)**
(The Board will be updated on the Outreach Program.)
- Information** **10. Status Report – North Bay Water Reuse Program Phase 2 (30 minutes)**
Pages 32 – 69
- Extended Storage Study Scope and Approach
 - Overview of Findings
 - Napa Sanitation District
 - Sonoma Valley County Sanitation District
 - City of Petaluma
 - Novato Sanitary District
 - Other Insights
- Discussion** **11. Direction from Board Regarding Communication, Regional Participation, and Related Issues (15 minutes)**
(The Board will discuss and provide direction regarding communication, regional participation, and related issues.)
- 12. Adjournment (1 minute)**

Next Board Meeting
Monday, October 26, 2015, 9:30 A. M.

(In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a Board meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Program Manager at (510) 410-5923. Notification of at least 48 hours prior to the meeting or time when services are needed will assist in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. A copy of all the documents constituting the agenda packet is available for public inspection prior to the meeting at 500 Davidson Street, Novato, CA 94945. Any person may request that a copy of the agenda or the agenda packet be mailed to them for a fee of \$.10 per page plus actual mailing costs. If you wish to request such a mailing, please contact Chuck Weir, Weir Technical Services, 3026 Ferndale Court, Pleasanton, CA 94588, 510-410-5923, chuckweir@sbcglobal.net. The agenda for each meeting is also available on-line at www.nbwra.org and will be available at the meeting.)

North Bay Water Reuse Authority • c/o Sonoma County Water Agency • 404 Aviation Boulevard, Santa Rosa, CA 95403
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Novato Sanitary District • Sonoma County Water Agency • Sonoma Valley County Sanitation District • Marin Municipal Water District • City of American Canyon

**North Bay Water Reuse Authority
Board of Directors Meeting
Minutes
September 21, 2015**

1. Call to Order

Chair Rabbitt called the meeting to order at 9:37 a.m. on Monday, September 21, 2015 at the Novato Sanitary District, 500 Davidson Street, Novato, CA 94945. Consultants and others who were unable to attend participated via telephone, 1-866-906-7447, passcode 2428170#.

2. Roll Call

PRESENT:	David Rabbitt, Chair	Sonoma County Water Agency
	Bill Long, Vice Chair	Novato Sanitary District
	Keith Caldwell	Napa County
	Rabi Elias	Las Gallinas Valley Sanitary District
	Jack Gibson	Marin Municipal Water District
	Mike Healy	City of Petaluma
	Tim Healy	Napa Sanitation District
	Jason Holley	City of American Canyon (by telephone)
	Pam Jeane	Sonoma Valley County Sanitation District
	John Schoonover	North Marin Water District

ABSENT: Steve Kinsey, Marin County

OTHERS

PRESENT:	Chuck Weir, Program Manager	Weir Technical Services
	Kevin Booker	Sonoma County Water Agency
	Erik Brown	Novato Sanitary District
	Ginger Bryant	Bryant & Associates
	Grant Davis	Sonoma County Water District
	Sandeep Karkal	Novato Sanitary District
	Drew McIntyre	North Marin Water District
	Mark Millan	Data Instincts
	Phillip Miller	Napa County
	Pilar Oñate-Quintana	The Oñate Group
	Larry Russell	Marin Municipal Water District
	Mike Savage	Brown & Caldwell
	Jake Spaulding	Sonoma County Water Agency
	Dawn Taffler	Kennedy Jenks Consultants
	Leah Walker	City of Petaluma
	Mark Williams	Las Gallinas Valley Sanitary District

3. Public Comments

There were no comments from the public

4. Introductions

Introductions were made as there were several new people in attendance.

5. Board Meeting Minutes of July 27, 2015.

A motion by Director Schoonover, seconded by Director Caldwell to approve the July 27, 2015 minutes was unanimously approved.

6. Report from the Program Manager

a. Consultant Progress Reports

The Board reviewed the consultant progress reports for June 2015. The Program Manager highlighted the remaining agenda items.

7. Financial Reports for the Period Ending June 30, 2105 and August 31, 2015

The Board reviewed the Financial Reports and noted that all expenses for Fiscal Year 2014/15 were well within budget. Expenses for Fiscal Year 2015/16 are also tracking within budget.

8. Program Development, Federal, and State Advocacy Update

Pilar Oñate-Quintana discussed state issues including a summary of this session's bills approved and supported by NBWRA. She discussed a possible emerging issue that environmental non-governmental organizations in southern California seem to be supporting Direct Potable Reuse projects over purple pipe projects and that could, if this issue gains momentum, have a negative impact on future state funding for some NBWRA projects. She also discussed plans for a tour for state legislative staff.

Ginger Bryant discussed program development and federal issues, including the very successful Congressional tour, Phase 2 authorization issues, Re-Act legislation, and new outreach efforts. Outreach efforts including a new website, www.westernwaterpriorities.org, and social media presences on Facebook and Twitter. The outreach efforts are West-wide and are intended to support the provisions in Re-Act: RIFIA loans, expanded WaterSMART grants for storage, water recycling and management projects and Transfer of Title provisions. In addition the outreach efforts support Title XVI reform to allow non-authorized projects to compete for grants. She also discussed plans for the next trip to Washington D.C. in the fall.

9. Outreach Program Update.

Mark Millan provided an update for the Board. He provided a demonstration of the new westernwaterpriorities.org website and distributed flyers and business cards that can be used to publicize the efforts. Chair Rabbitt noted that this is a new effort that he discussed with other Board members and approved. A total of \$25,000 was added to Data Instincts budget from unused triple bottom line funding and although this increases Data Instincts budget by \$25,000, this is a reallocation of existing financial resources and resulted in no changes to the total budget or member agency costs.

10. Workshop – North Bay Water Reuse Program Phase 2

Mike Savage and Dawn Taffler discussed the following topics: Extended storage study scope and approach; overview of findings for Napa Sanitation District, Sonoma Valley County Sanitation District, City of Petaluma, and Novato Sanitary District; and insights gained through the process. They discuss the creation of specific fact sheets for each agency that summarize their options and are intended to be used to assist their boards in finalizing projects for the EIR/EIS. It was noted that some projects will be eligible for Title XVI funding and others will need to be funded through other sources that are currently in development.

11. Direction from Board Regarding Communication, Regional Participation and Related Issues

Chair Rabbitt let a discussion on these issues. The goal would be a unified approach for water management and recycling projects for the North Bay Region in order to capitalize on both the strength of the organization, be inclusive of new members, and position for future funding opportunities. Vice Chair Long suggested a workshop to discuss these issues, in addition to how to incorporate current and future projects in studies and potential impacts on the budget for the Phase 2 EIR/EIS. Director Elias asked how agencies not currently participating in Phase 2 could ultimately participate. That topic would also be included in the workshop discussion.

There was also discussion regarding increasing communications and the possibility of holding Board meetings concurrent with TAC meetings. Currently, the Board meets four times per year in January, April, July, and October. The TAC meets immediately after the Board meetings to summarize action items. The TAC also meets the month before Board meetings to develop items for action by the Board. Following discussion, the Board members supported the idea of holding joint Board/TAC meetings for planning purposes in the months prior to the four regular Board meetings. The Program Manager noted that adding these additional meetings for the Board would not have any impact on the budget.

It was agreed that the consultants would develop framework alternatives in support of the direction provided by the Board and be prepared to discuss them at the October 26, 2015 Board meeting. It was also agreed that the December 14, 2015 TAC meeting would be modified to include the Board.

As action items, for the October 26, 2015 meeting the consultant team will develop alternatives for consideration in a possible workshop to be held before the end of 2015; and the December 14 meeting will be a combined Board/TAC meeting.

12. Adjournment

Chair Rabbitt adjourned the meeting at 12:10 p.m. The next meeting will be Monday, October 26, 2015 at 9:30 a.m. at Novato City Hall Council Chambers.

Minutes approved by the Board _____.

Charles V. Weir
Program Manager

14

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

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

Date: Friday, October 2, 2015

Time: 9:30 a.m. – 11:30 a.m.

Location: Petaluma (Lucchesi) Community Center
320 N. McDowell Boulevard
Conference Room 2
Petaluma, CA 94954

AGENDA

<u>Item</u>	<u>Recommendation</u>
1. Call to Order (Jack Gibson, Chair)	
2. Public Comment	
3. Approval of the Agenda (1 min.)	Approve
4. Approval of Minutes	Approve
5. Treasurer's Report (1 min.)	Accept
6. Petaluma – Watershed Classroom (30 min.) Guest Speaker: Stephanie Bastianon, Friends of the Petaluma River	Information
7. CA Dept. Fish & Wildlife Programs and Grants (45 min.) Guest Speaker: Matt Erickson, CA Dept. Fish & Wildlife	Information
8. 2016 Conference Update (15 min.)	Information
9. Items of Interest	
10. Items for Next Agenda	

Next Meeting Information:

Next Meeting: November 6, 2015
Novato Sanitary District
500 Davidson Street
Novato, CA 94945

NORTH BAY WATERSHED ASSOCIATION

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

Date: September 11, 2015
Time: 9:30 a.m.
Location: Novato Sanitary District
500 Davidson Street
Novato, CA 94945

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Madolyn Agrimonti	City of Sonoma and Sonoma Valley County Sanitation District	Paul Jensen	City of San Rafael
Jack Baker	North Marin Water District	Liz Lewis	County of Marin
Keith Caldwell	Napa Sanitation District	Eric Lucan	City of Novato
Megan Clark	Las Gallinas Valley Sanitary District	Pamela Meigs	Ross Valley Sanitary District
Jack Gibson	Marin Municipal Water District	Brant Miller	Novato Sanitary District
Kathy Hartzell	Central Marin Sanitation Agency	Brad Sherwood	Sonoma County and Sonoma County Water Agency

Directors present represented 14 out of the 16 agencies signatory to the Association MOU.

Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:39 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 July 10, 2015.** (See Handout) The Minutes of the Board Meeting held on July 10, 2015 were unanimously approved.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. **The Hamilton Field Levee FEMA Accreditation.** Tony Williams, City of Novato, provided a PowerPoint entitled "Hamilton Field Levee System FEMA Accreditation Process" and began with an overview of the levee system. Using a 1950's aerial and graphics, Tony highlighted the system components – levee embankment, flood (splash) wall, seepage collection system, and interior drainage (pump stations and drainage). He then provided a long list of Geotechnical studies completed for Hamilton before quoting FEMA requirements for mapping and levee systems which link to FEMA criteria for "level of protection" (1% annual chance of flooding). Tony then walked through FEMA design criteria which included freeboard, closure, embankment protection, embankment and foundation stability, settlement analysis and interior drainage analysis. Tony presented some USACE technical resources but noted there is no "national standard" and suggested DWR materials as reference especially for seismic concerns. Tony then described the original O&M Plan for Hamilton which was only 8 pages and compared that to the new Plan which is several hundred pages. The Operations Plan includes: a flood warning system, plan of operations, closures, and interior drainage, in addition to the maintenance plan and inspection program. Tony displayed a visual showing the Hamilton submittal and emphasized the owner/operator first certifies the plan and then FEMA provides accreditation. Tony identified some additional resources and then presented the time and cost to develop and submit the plan to FEMA. Tony concluded with a quote emphasizing that levees reduce risk, they do not eliminate it. The NBWA Board Members had a number of questions. What is the city process to assign maintenance? (Community Facilities District [CFD] staff assumes day to day responsibility.) Are maintenance tasks tracked on a computer system? (In development now.) What area does CFD cover? (The CFD boundary matches the land area protected by the levee.) Who protects the downstream neighbors? (No one agency, all levees around the city levee are USACE levees.) Does anyone monitor wildlife in restored areas? (Yes.) Why should the city get accreditation? (541 protected buildings not required to buy insurance.) Will sea level rise require any changes? (Already have sea level rise in the manual – the flood wall provides additional protection.)
7. **Implementing the Sustainable Groundwater Management Act in Sonoma County.** Jay Jasperse, SCWA, provided a PowerPoint and began with a map showing the four largest groundwater basins in Sonoma County and highlighted the two in the NBWA area: Sonoma Valley (groundwater management plan since 2007) and Petaluma (study initiated in 2014). He noted that SCWA would like to recharge groundwater basins in wet years and use groundwater in dry years. Jay explained the existing groundwater plans are voluntary, qualitative and provide a good foundation for the

Sustainable Groundwater Management Act (SGMA). He emphasized how this will change under SGMA: no longer voluntary; must include measurable objectives; new authorities to Groundwater Sustainability Agencies (GSAs); state review of Groundwater Sustainability Plans (GSPs); and state intervention if necessary. Jay then described where SGMA applies – medium priority basins or higher as designated by DWR which include Santa Rosa, Sonoma Valley and Petaluma. Jay indicated he expects clarification to SGMA though three main steps should remain: (1) form GSA by 6/30/17, (2) complete GSP by 1/31/2022, and (3) achieve sustainability 20 years after plan adopted. He then explained what local agencies could be a GSA and described the public process requirements to include all interests. Jay presented a visual defining sustainable groundwater management as preventing undesirable results such as lowering of groundwater levels, depletion of surface water, etc. He also highlighted the components of GSPs and new management authorities under SGMA. Jay also noted that “water rights” should be preserved “to the greatest extent possible consistent with the sustainable management of groundwater”. Jay then explained the relationship with land use agencies and the opportunities for integration. He also explained the state role: DWR reviews plans; SWRCB is the enforcer and can take over a basin. Jay identified issues that would need to be addressed in moving from existing plans to SGMA compliance and also summarized efforts of workgroups to date and outreach plans. He identified GSA eligible agencies in each basin and presented governance options being considered (separate GSAs for each basin, centralized, hybrid) and the general principles that would be applied. Jay ended with a summary of current and near term activities for GSA formation. The NBWA Board Members had a number of questions. Can you monitor wells? (Mandatory in priority basins.) Will resource agencies have input on minimum stream flows? (First form GSA, then look at interface of ground and surface waters and consult with resource agencies.) How is the Sonoma process going? (Some agriculture concerns, too early to tell.) Can you control water taken out of tributaries? (Outside SGMA, County controls.) How do you prioritize uses? (Not done now, GSA will have to resolve; focus on projects first then regulatory cutback if needed.) Do you have maps of recharge areas? (Yes, but projects require verification.) Do you have water rights issues? (Yes.)

8. **Items of Interest.** None,

9. **Items for Next Agenda.**

- * Petaluma – Watershed Classroom, Stephanie Bastianon, Friends of Petaluma River
- * CDFW Programs and Grants – Matt Erickson, CDFW
- * 2016 Conference Update

Jack Gibson, Chair, adjourned the meeting at 11:22 a.m.

SUBJECT TO BOARD APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla
Assistant to the Executive Director

NEXT MEETING INFORMATION:

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

November 6 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

December 4 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954-Conf. Rm. 2

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



TECHNICAL ADVISORY COMMITTEE

MONDAY, OCTOBER 5, 2015

9:00AM

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

1. Check In
2. Public Comment
3. Water Supply Conditions and Temporary Urgency Change Order
4. Sonoma Marin Saving Water Partnership –
 - i. Water Use Relative to 2013 Benchmark
 - ii. Recent Outreach
5. 2015 UWMP Progress Update
6. Biological Opinion Status Update
7. Items for next agenda
8. Check Out

SWRCB GPCD Tracking

Table 1: Current Month - Water Use Relative to 2013 Benchmark

Water Retailer	August 2015	2013 Benchmark	Relative to 2013 Benchmark	Conservation Standard	GPCD
Cal Am	24,194,000	33,715,000	28%	25%	87
Cotati	24,103,802	30,238,973	20%	20%	107
Marin Municipal	771,914,951	964,520,224	20%	20%	132
North Marin	235,246,631	360,000,000	35%	24%	124
Petaluma	252,387,892	345,146,680	27%	16%	133
Rohnert Park	157,972,565	160,000,000	1%	16%	117
Santa Rosa	536,280,447	701,906,695	24%	16%	102
Sonoma	60,249,850	76,998,692	22%	28%	168
Valley of the Moon	74,215,824	110,600,491	33%	20%	106
Windsor	108,262,365	141,056,847	23%	16%	127
SMSWP Total	2,220,634,326	2,890,468,602	23%	19%	121

Table 2: Aggregate June 2015 to Date Relative to 2013 Benchmark

Water Retailer	Aggregate June 2015 to Date	2013 Benchmark	Relative to 2013 Benchmark	Conservation Standard	GPCD
Cal Am	70,399,672	99,261,000	29%	25%	85
Cotati	72,461,013	100,687,959	28%	20%	108
Marin Municipal	2,203,860,653	2,858,697,828	23%	20%	127
North Marin	715,503,039	1,102,000,000	35%	24%	127
Petaluma	732,105,734	1,014,665,891	28%	16%	130
Rohnert Park	407,554,880	505,000,000	19%	16%	102
Santa Rosa	1,599,364,846	2,221,965,180	28%	16%	102
Sonoma	164,668,966	251,664,833	35%	28%	155
Valley of the Moon	232,318,729	340,827,559	32%	20%	112
Windsor	314,755,448	425,144,874	26%	16%	125
SMSWP Total	6,442,593,308	8,820,654,122	27%	19%	118



Russian River Biological Opinion Update – October 2015

The Sonoma County Water Agency is continually planning and implementing the Russian River Biological Opinion requirements. The following project updates provide a brief synopsis of current work. For more detailed information about these activities, please visit www.sonomacountywater.org.

Dry Creek Habitat Enhancement Project

- Water Agency Staff are performing the implementation and effectiveness monitoring of habitat features constructed for the Dry Creek Mile 1 Demonstration Project
- The draft Environmental Impact Report for miles two through six of habitat enhancement was released on July 11. A public hearing was held on August 11. Comments were due by 5 p.m. August 24, and were received from Caltrans, the Russian River Watershed Protection Committee, and one landowner in the project area. It is anticipated that the final EIR will go to Water Agency Board of Directors for approval on November 10, 2015.
- Site identification, environmental studies and topographic surveys are nearly complete for the second and third miles of habitat enhancement. Two firms, Interfluve and ESA, are designing the second and third miles of habitat enhancement, respectively.
- The Water Agency and Regulatory Agencies have provided comments on the Mile 2 60% designs, and Inter-Fluve is incorporating them into the 90% design. The Water Agency and Regulatory Agencies are currently reviewing the Mile 3 60% designs. Water Agency staff are in the process of meeting with landowners to receive input on the 60% designs.
- Three firms were selected for design of miles four through six of habitat enhancement: Interfluve, ESA and Cardno. The Water Agency is currently identifying potential project sites and negotiating design contracts with each firm.

Fish Monitoring

In March, downstream migrant traps were installed at Austin Creek, Dutch Bill Creek, Mark West Creek, and at Dry Creek. All traps have now been removed. Regular beach seining at multiple locations throughout the Russian River estuary is nearing completion for the season.

Mirabel Screen and Fish Ladder Replacement

Construction of the Mirabel Fish Passage Improvement Project is proceeding, with construction anticipated to be complete by the end of the year. A temporary (coffer) dam was installed at Wohler Bridge to create a backwater pool in order to meet projected summer water demands. The dam will be removed before the end of October.

Russian River Estuary Management Project

- The 2015 Lagoon Management Period ends on October 15. The barrier beach closed again on September 8 and remains closed as of September 30. The beach north of the jetty cannot be accessed by heavy equipment due to the low beach height adjacent to the jetty, so the Water Agency is unable to implement an outlet channel or artificially breach the barrier beach. Baseline pinned monitoring is

conducted regularly. Water quality monitoring is ongoing, including weekly sampling for nutrients and bacteria, as well as algae monitoring at incremental changes in water surface elevations within the closed estuary/lagoon. Fisheries seining and invertebrate sampling is also continuing through the end of the management season.

- Field investigations of the jetty are complete. In 2014, monitoring wells were installed and other tests were conducted. The purpose of the studies is to determine if and how the jetty impacts the formation of the barrier beach and lagoon water surface elevation. Consultants are currently analyzing data and preparing a report, which is expected to be released this fall.

Fish Flow Project

Work is occurring internally on the preparation of the draft Environmental Impact Report for the Fish Habitat Flows and Water Rights Project. The EIR is being prepared by Water Agency staff, with assistance from consultants on some areas of impact analysis. A draft EIR is anticipated to be released Winter 2015-16.

Interim Flow Changes

On May 1, the State Water Resources Quality Control Board issued a Temporary Urgency Change Order for Russian River flows. The change was requested by the Water Agency to preserve water in Lake Mendocino. Within a few days of the order being issued, the Water Agency was informed by PG&E of its pending request to reduce diversions from the Eel River through its Potter Valley Project, as a result of the drought. The reduction represents a loss of about 30-100 acre-feet of water per day. To preserve water in the lake, the Water Agency went back to the State Water Board to request additional reductions in releases from Lake Mendocino; on June 17, the State Water Board issued an amendment to the TUC. As a result, the minimum flow requirement in the upper river is 25 cfs and 50 cfs in the lower river.

Public Outreach, Reporting & Legislation

- Several WAC and TAC members viewed construction of the fishway improvement project on Wednesday, August 26.
- The annual Dry Creek Community meeting will be held on January 14 at 6:00 p.m.
- In October an informational flyer will be sent to Dry Creek residents updating them on the project.



Russian River estuary, September 29. The jetty prevents equipment from accessing the northern section of the beach to create an outlet channel.

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DISBURSEMENTS - DATED SEPTEMBER 17, 2015

Date Prepared 9/15/15

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

Seq	Payable To	For	Amount
1	Alpha Analytical Labs	Lab Testing	\$2,075.00
2	AT&T	August Internet Service at PRTP	75.00
3	AWWA CA-NV SEC	AWWA Conference Registration Oct 26-29 in Las Vegas (McIntyre)	445.00
4		Vision Reimbursement	232.00
5	BKF Engineers	Progress Pymt#4: Land Surveying Services for RW Exp Central Services (Balance Remaining on Contract \$41)	240.00
6	Black Box	Cat 5 Cable Ends (100)	31.75
7	Building Supply Center	Small Spray Containers for Disinfection of Pipe (4), Concrete (80lbs), Grease (42oz) & Grease Gun	79.22
8	California State Disbursement	Wage Assignment Order	1,053.37
9	Clean Waste	Urine Bags (300)	306.00
10	California Water Environment Assoc.	Annual Membership (Bena) (10/15-9/16) (Budget \$160)	164.00
11	Diggs, James	Retiree Exp Reimb (Sept Health Ins)	966.79
12	Arthur J. Gallagher	FY15 Excess Workers' Comp Ins Final Policy Premium	1,379.00
13	GHD	NMWD General Services Agreement (Bal Remaining on Contract \$28,907)	2,065.00
14	Golden Gate Petroleum	Gas (\$2.84/gal) & Diesel (\$2.52/gal)	1,367.83
15		Cafeteria Plan: Uninsured Medical Reimbursement	83.16
16	Grainger	Carbide Hole Saw (3) (\$86) & Instrumentation Signal Wire (\$306) (5,500')	391.95
17	Groeniger	1/4" Nipple & 16" x 16" x 12" Tee (\$812)	813.58

Seq	Payable To	For	Amount
18	Hach	Ascorbic Acid Pillows, Reagents & Solution Pan (\$84) (STP)	259.76
19	High-Purity Standards	Standards (Lab)	236.07
20	Lincoln Life Employer Serv	Deferred Compensation PPE 9/15/15	13,320.85
21	Marin Landscape Materials	Quik Mix (42 bags) (\$228) & Concrete (84 bags) (\$457)	685.10
22	Marin County Treasurer	PRE-1 Semi Annual Revenue Bond Interest	1,525.00
23	Marin County Ford	Heater Fan Motor & Speed Control (\$130) & Heater Fan Blade ('05 Ford Ranger)	148.34
24	McLellan, WK	Misc Paving	3,389.93
25	McMaster-Carr Supply	Stainless Steel Lock Nuts & Bolts	65.77
26	Mello, John	Retiree Exp Reimb (Sept Health Ins)	895.35
27	Moore, Doug	Retiree Exp Reimb (Sept Health Ins)	895.35
28	Nationwide Retirement Solution	Deferred Compensation PPE 9/15/15	1,825.00
29	North Marin Auto Parts	Shop Rags (480) (\$120), Tail/Stop Light Wiring, Throttle Cable (\$105), Grease (10-14oz Tubes), Oil Filter, Air Filter, Engine Oil (4 gal) (\$57), Wiper Blade (2) ('08 Ford Truck F350), Spray Paint (3-15oz cans), Wire Loom (16') & Interior Trim Panel Clips	472.67
30	North Bay Gas	Mig Welder Gas (\$157), Carbon Dioxide, Nitrogen (\$98) & Aug Cylinder Rental	334.32
31	Novato Builders Supply	Concrete (2yd) (\$299), 6' Steel Posts (15) (\$122) (O.M.), Rebar (20) (\$76), Lumber & Hasp	345.92
32	O'Reilly Auto Parts	Diesel Motor Oil (6 gal) (\$118) & Window Washer Fluid	151.53
33	Pace Supply	Air Release Valve (\$184), Corp Stops (10) (\$331) & Flange (\$144)	659.76
34	Peterson Trucks	Air (\$82), Cabin, Fuel & Oil Filters ('15 Intl Dump Truck)	222.47
35	Pini Hardware	Telescoping Mirror	8.71

Seq	Payable To	For	Amount
36		Cafeteria Plan: Childcare Reimbursement	208.33
37	Regional Water Quality Control	Registration - Financing Sustainable Water Workshop in Sacramento 9/30 - Bentley	75.00
38	Rieger, Gordon	Overpayment on Closed Account	34.64
39		Cafeteria Plan: Childcare Reimbursement	118.75
40	Staples Advantage	Copy Paper (100-Letter Size Reams \$432, 10-Tabloid Size Reams \$98), Key Case (\$48) (Accounting), Push Pins (500), Portfolio, Classification Folders (20) (\$52) (Engin), Office Chair (STP), File Folders (100) (\$69), Correction Tape (20), Tabs, Post-it Flags (8) & File Folder Fasteners (500) (\$102) (Less Credit	977.30
41	United Rentals	Fuel Tank for Trench Compactor	471.72
42	United Site Services	Porta-Potty Rental (1 month) (Bear Valley Tanks)	185.25
43	US Bank	August Safekeeping Fee-Treasury Securities	133.00
44	Vali Cooper & Associates	Progress Pymt#17: Construction Management Services for AEEP Reaches A-D MSN B3 Project (Balance Remaining on Contract \$205,874)	56,893.67
45	Verizon California	Leased Lines	90.88
46	Waste Management	Fiberglass Lid Disposal (STP)	173.78
47	Wharton, Patricia	Refund Overpayment on Closed Account	88.85
		TOTAL DISBURSEMENTS	<u>\$96,661.72</u>

The foregoing payroll and accounts payable vouchers totaling \$96,661.72 are hereby approved and authorized for payment.



Auditor-Controller

9/15/15

Date



General Manager

9/15/2015

Date

DISBURSEMENTS - DATED SEPTEMBER 24, 2015

Date Prepared 9/22/15

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

<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
P/R*	Employees	Net Payroll PPE 9/15/15	\$127,902.76
EFT*	US Bank	Aug Bank Analysis Charge (Lockbox \$912, Credit Card Processing \$677 & Other \$587) (Less Interest Credit of \$131)	2,044.91
EFT*	US Bank	Federal & FICA Taxes PPE 9/15/15	55,442.34
EFT*	State of California	State Taxes & SDI PPE 9/15/15	9,671.59
50084*	Ameron International	Freight for 42" Pipe (AEEP Dedication)	650.00
1	Aberegg, Michael	Progress Pymt #1: Engineering Services: RW Central Service Area & Plot Easement for Dental Office Service (Balance Remaining on Contract \$25,985)	4,015.00
2	Anderson, Ann	Refund Overpayment on Closed Account	73.50
3	Automation Direct	PLC Parts	1,518.00
4	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 47 of 240)	46,066.67
5	Baskind, Les	Novato "Toilet" Rebate Program	100.00
6	Buck's Saw Service	Air Filters (8) (\$101) & Weed Eater Line (3lbs)	143.91
7	California Water Service	July-Sept Oceana Marin Water Service (3 Ccf)	194.11
8	Calkins, Susan	Refund Overpayment on Closed Account	63.93
9	CalPERS Retirement System	Pension Contribution PPE 9/15/15	32,051.19
10	Centeno, Sanjuana	Novato "Washer" Rebate Program	50.00
11	Clipper Direct	Commuter Benefit Program (2)	186.00
12	Coleman, John	Novato "Cash for Grass" Rebate Program	200.00
13	Comcast	Sept Office Internet Connection	149.02

Seq	Payable To	For	Amount
14	CPI International	Reagent for Metal Test (Lab)	120.18
15	Culver, Jill	Refund Overpayment on Closed Account	44.81
16	Cummings Trucking	Rock (30 yds)	1,190.88
17	DB Claims Services Group	Adjusting Service for 329 Grandview Water Damage Claim	1,388.90
18	Fedak & Brown	Progress Pymt#4: Financial Statement Audit FY15	4,000.00
19	Ferini, Steve	Novato "Toilet" Rebate Program	200.00
20	Fisher Scientific	Chlorine Reagent (120mL), Phosphate, Sterile Dilution Water (72) (\$125), Manganese (100ml), Sodium (100ml), Nitrate (120ml), Chlorine (600ml) & Graduated Cylinder (2-250mL) (\$90) (Lab)	511.74
21	Fong, Victoria	Novato "Cash for Grass" Rebate Program	200.00
22	Frey, Denise	Novato "Hot Water Recirculation System" Rebate Program	75.00
23	GHD	Progress Pymt#23: NMWD General Services Agreement (Balance Remaining on Contract \$28,234)	673.00
24	Golden Gate Petroleum	Gas (\$2.59/gal) & Diesel (\$2.26/gal)	2,308.57
25	Grady, Ken	Novato "Cash for Grass" Rebate Program	400.00
26	Grainger	Framing Hammer (2) (\$75), Mattock, Broken Bolt Extractor Set (\$99), Hole Saw (\$77), Ground Bar Kits & Disposable Respirators (40)	370.67
27	Grogan, Michael	Novato "Toilet" Rebate Program	100.00
28	Hach	Ampule Kit (STP)	225.64
29	Hale, Bernard	Novato "Cash for Grass" Rebate Program	400.00
30	Hertz Equipment Rentals	Excavator Rental (7/16-7/23/15) (So. Novato Blvd Project)	910.15
31	Ho, Sharon	Refund Overpayment on Closed Account	442.07

Seq	Payable To	For	Amount
32	InfoSend	Print & Insert Water Quality Report (21,000) (\$726) & Aug Processing Fee for Water Bills (\$1,340) & Postage (\$3,943)	6,009.31
33	Johnson, Paul	Refund Overpayment on Closed Account	33.71
34	Kamikawa, Melanie	Novato "Cash for Grass" Rebate Program	400.00
35		Cafeteria Plan: Uninsured Medical Reimbursement	268.15
36	Lemos, James	Exp Reimb: Safety Boots	172.35
37	Lutz, Mark	Novato "Washer" Rebate Program	50.00
38	Maltby Electric	Uni-strut Clamps (24)	32.53
39	McLellan, WK	Rehab Concrete Work (5th & Grant Avenue) (\$7,870) & Paving Service (4 Hector Lane) (\$9,786)	17,656.70
40	Metrohm USA	Parts for IC Instrument (Lab)	2,231.70
41	Michael Baker International	Progress Pymt#5: Prepare Stafford Dam Emergency Action Plan (Balance Remaining on Contract \$5,177)	6,952.54
42	Miller Pacific Engineering	Grandview Water Damage Claim Geotechnical Investigation & Develop & Oversee Repair Plan	3,848.50
43	Nelson, Mary	Novato "Cash for Grass" Rebate Program	212.50
44	New Pig	Spill Kits (2)	386.37
45	Norlab	Toilet Leak Detection Packets (800)	274.00
46	Novato Chevrolet	Air, Oil Filter, Spark Plugs (5) (\$41) & Motor Oil	137.37
47	Ortiz, Luis	Payroll Advance	500.00
48	Parkinson Accounting Systems	August Accounting Software Support	292.50
49	Parr, Linda	Novato "Washer" Rebate Program	50.00
50	PDM Steel Service Centers	Shop Steel (Construction Supplies)	641.53
51	NMWD Petty Cash	Petty Cash Reimbursement	56.67

Seq	Payable To	For	Amount
52	PG&E	Power: Bldgs/Yard (\$4,791), Rectifier/Controls (\$455), Pumping (\$29,921), Treatment (\$88) & Other (\$121)	35,377.43
53	Preferred Alliance	Pre-Employment Physical (Schinske)	42.00
54	Redig, Tracy Bell	Novato "Toilet" Rebate Program	300.00
55	Richards, Brian	Refund Overpayment on Closed Account	102.28
56	City of Santa Rosa	Progress Pymt#2: NMWD Share of UMMP Technical Work (Total Project Cost \$23,729)	12,932.00
57	Schuler's Welding	Welding Services (AEEP)	5,760.25
58	Schultz, Ron & Michelle	Novato "Toilet" Rebate Program	100.00
59	Shamrock Materials	Back Fill (5 yds)	888.77
60	Sierra Chemical	Chlorine (2 tons)	1,013.33
61	Sonoma County Water Agency	August Contract Water (\$372,388) & District Allocation of FY16 North Bay Water Reuse Authority Budget	435,037.33
62	SPG Solar Facility XII	Aug Energy Delivered Under Solar Services Agreement	13,226.75
63	SRT Consultants	Progress Pymt #6: Taste & Odor Control Strategy (STP) (Bal Rem on Contract \$10,147)	2,224.40
64	Stalie, Todd	Novato "Toilet" Rebate Program	100.00
65	State Water Resources Control	Clean Drinking Water State Revolving Fund Loan Principal & Interest: RW N-Segment 2	116,128.88
66		Cafeteria Plan: Uninsured Medical Reimbursement	157.80
67	TelePacific Communications	Telephone Charges (8/10 -9/8)	565.20
68	Tindad, Connie	Novato "Cash for Grass" Rebate Program	370.00
69	Univar	Sodium Hypochlorite (8-53 gal drums) (STP)	1,487.84
70	Vattuone, Don	Novato "Cash for Grass" Rebate Program	200.00
71	Verizon California	Leased Lines	254.27

Seq	Payable To	For	Amount
72	Volvo Construction Equipment	Trailer Jack	140.14
73	Waller, Craig	Novato "Cash for Grass" Rebate Program	400.00
74	Wiley Price & Radulovich	Disability Leave & Venegas vs NMWD (\$5,081)	5,199.20
75	Woo, David	Novato "Cash for Grass" Rebate Program	295.00
TOTAL DISBURSEMENTS			<u>\$966,593.84</u>

The foregoing payroll and accounts payable vouchers totaling \$966,593.84 are hereby approved and authorized for payment.



Auditor-Controller

9/22/15
Date



General Manager

9/22/2015
Date

DISBURSEMENTS - DATED OCTOBER 1, 2015

Date Prepared 9/29/15

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

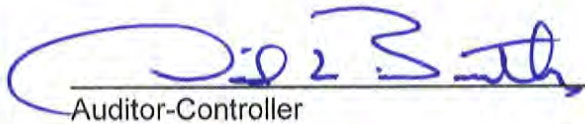
<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
1	Adkisson, Anne	Novato "Washer" Rebate Program	\$50.00
2	American Family Life Ins	Sept Employee Contribution for Accident, Disability & Cancer Insurance	3,996.19
3	AT&T	Leased Lines (2)	99.20
4	Baker, Jack	September Director's Fee (\$410) & North Bay Watershed Assoc Meeting on 9/11/15 (\$205)	615.00
5	Bena, Jessica	Exp Reimb: Registration for CWEA Test Prep Class & Contact Hours	35.00
6	Bogert, Peter	Refund Overpayment on Closed Account	35.00
7	California State Disbursement	Wage Assignment Order	1,053.37
8	CalPERS	Oct Health Insurance Premium (Employees \$52,493, Retirees \$10,185 & Employee Contrib \$12,172)	74,850.47
9	Caltest Analytical Laboratory	Lab Testing	35.00
10	Chan, Marie	Refund Overpayment on Closed Account	53.19
11	Core Utilities	Consulting Services: Aug IT Support (\$5,000), Correct SCADA & Wonderware Error (\$100), RWF Reporting (\$275), Checkfree Import Modification (\$175), Automated Email Response Message to Customers Submitting E-Bill & APS Requests (\$500), Website Maintenance (\$50), Internet Tracking Program (\$975), Revise E-Bill Coding (\$1,350) & Create Form to Allow Water Service Sign-in & Sign-Outs Over the Internet (\$800)	9,225.00
12	CSW/Stuber-Stroeh Engineering	Prog Pymt#31: Marin Sonoma Narrows NMWD AEEP (Balance Remaining on Contract \$31,340)	11,784.15
13	Dell Computers	Replacement PC's (T. Kehoe, Manzoni, Pecunia & SpectorSoft Server)	2,611.12


Seq	Payable To	For	Amount
14	Demsey, Filliger & Associates	OPEB Actuarial Valuation (Budget \$4,000)	4,000.00
15	Fisher Scientific	Chlorate Standard, Chlorine Test Reagents (\$102), Test Vials, Lens Tissues (625), Weigh Boats & Sterile Swabs (1,000) (\$106)	423.33
16	Fraites, Rick	Sept Director's Fee	410.00
17	Golden Gate Petroleum	Gas (\$2.65/gal) & Diesel (\$2.61/gal)	1,679.05
18	Grainger	Disinfecting Wipes (450), Float Switches (6) (\$361), Switch Intrusion (6) (\$279) & 9" & 12" Saw Blades (14) (\$472)	1,156.26
19	Gray, Lynn	Novato "Cash for Grass" Rebate Program	200.00
20	Hardy Diagnostics	Control Organisms (\$240) & Bacteria Growth Media (\$350) (Lab) (Less Credit of \$46)	544.08
21	Kehoe, Chris	Exp Reimb: D2 Certification Renewal	180.00
22	KP Promotions	Annual Uniform Order: Shirts (41-\$791), Sweatshirts (15-\$404), T-Shirts (66-\$490), Jackets (7-\$375), Coveralls (2) (\$67), Baseball Caps (72-\$746) & Embroidery (\$1,123)	3,996.50
23	Larsengines	Chain Saw Chains (4)	112.90
24	Lincoln Life	Deferred Compensation PPE 9/30/15	13,320.85
25	Lock-N-Lift	Traffic Plate Lifters (2)	314.25
26	Maltby Electric	Light Ballasts (6) (\$232), Cat 5 Cable (200') & TM Cable Splices (400') (\$120)	401.23
27	Miller Pacific Engineering	Prog Pymt#3: Engineering Services: RW Central Service Area (Balance Remaining on Contract \$16,196)	5,400.00
28	Minuteman Press	Yard Signs: "Irrigated with Recycled Water" (50)	417.12
29	National Meter & Automation	LCD Register Programming Kit for Cellular Meters	140.29
30	Nationwide Retirement Solution	Deferred Compensation PPE 9/30/15	1,825.00
31	New Pig	Forklift Attachment for Drums (STP)	383.50
32	Office Depot	Printing Calculator (Solar) & Label Tape	72.44
33	Parkhurst, Janet & Lee	Novato "Cash for Grass" Rebate Program	400.00

Seq	Payable To	For	Amount
34	Petterle, Stephen	Sept Director's Fee	410.00
35	Point Reyes Prop Mgmt Assn	Sept HOA Dues (25 Giacomini Rd)	75.05
36	Red Wing Shoe Store	Safety Boots (Breit, Castellucci, Kane, Bynum & Ortiz)	956.67
37		Cafeteria Plan: Uninsured Medical Reimbursement	215.85
38	Rodoni, Dennis	Sept Director's Fee (\$205) & SCWA Education Center Dedication as WAC Chair on 8/26/15 (\$205)	410.00
39	Schoonover, John	Sept Director's Fee Less Deferred	360.00
40	Scott Technology Group	Staples for Admin Copier	84.48
41	Sequoia Safety Supply	Leather Driver Gloves (24) (\$300), Sweat Bands (24), Earplugs (400) (\$65), Lens Wipes (200), Ibuprofen (400), Brief Relief Urine Bags (100) (\$109), Poison Oak Cleanser (12-12 oz) (\$107) & Poison Oak Repellent (5-4 oz Tubes)	716.40
42	Shamrock Materials	Weldcrete Bonding Emulsion (1 gal)	34.89
43	Shell	Tool Fuel	21.83
44		Cafeteria Plan: Uninsured Medical Reimbursement	1,895.00
45	Tamagno Green Products	Sludge Removal (STP) (135 yds)	3,375.00
46	Thomas Scientific	Disposable Gloves (10)	98.20
47	Township Building Services	August Janitorial Services	1,822.84
48	U.S. Bank Credit Card	Facebook Conservation Messages (\$40), Postcards for AEEP Dedication (\$83), Replacement PC Monitor (Kehoe) (\$125), Birthday Breakfasts (\$340), Craigslist Ad for O/M Dept Position (\$75) & Pest Seminar Registration (\$75) (Cilia)	738.69
49	US Postal Service	Meter Postage	1,000.00
50	Verizon California	Leased Line	45.44
51	Verizon Wireless	Sept CIMIS Station Data Transfer Fee (2)	66.01

Seq	Payable To	For	Amount
52	VWR International	Filters (200) & Electrode (STP)	430.71
53	Wieser Sr, Ray	Novato "Cash for Grass" Rebate Program	400.00
54	Young, Katie	Exp Reimb: Leadership Seminar in Oakland on 9/21 & 9/22. Bridge Toll: (\$10), Parking (\$14), Mileage (\$78) & Food (\$33)	134.98
TOTAL DISBURSEMENTS			<u>\$153,111.53</u>

The foregoing payroll and accounts payable vouchers totaling \$153,111.53 are hereby approved and authorized for payment.

 9/29/15
 Auditor-Controller Date


 9/29/2015
 General Manager Date

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE JACK BAKER	
425 Corte Norte	DATE <u>9, 15, 15</u> (TODAY'S DATE)
Novato, CA 94949	AMOUNT: \$205.00

I attended the NORTH BAY WATERSHED ASSOC. on 9, 11, 15
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

and wish to be compensated as provided under the Board Compensation Policy.



 SIGNATURE


CHARGE TO: 56001-01-11

DISPOSITION OF CHECK

- ☐ MAIL TO PAYEE
☐ HOLD FOR _____
☒ OTHER:
ACH PAYMENT

APPROVED TO PAY BY _____

T:\FORMS\CHECK REQUEST FOR BOARD.DOC
REV. 0815

Prepared By	Accounting Review	POST DATE	Vendor No.	 NORTH MARIN WATER DISTRICT
C.F.		9/15	BAKE01	

Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount
CKRQ 091515	9/15/15	\$205.00

NMWD Comment

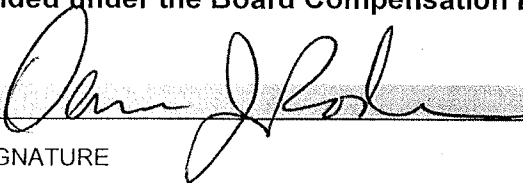
Job Number	GL Account	Amount
	56001-01-11	\$205.00
TOTAL		\$205.00

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE DENNIS RODONI	
P.O. Box 872	DATE <u>8/31/15</u> (TODAY'S DATE)
Pt. Reyes Station, CA 94956	AMOUNT: \$205.00

I attended the SCWA 2d Center dedication as WAC Chair on 8/26/15
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

and wish to be compensated as provided under the Board Compensation Policy.


 SIGNATURE

CHARGE TO: 56001-01-11

DISPOSITION OF CHECK

☐ MAIL TO PAYEE
☐ HOLD FOR _____
☒ OTHER:
ACH PAYMENT

APPROVED TO PAY BY _____

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REV. 0815

Prepared By <u>C.R.</u>	Accounting Review	POST DATE <u>8/31</u>	Vendor No. RODO01
----------------------------	-------------------	--------------------------	----------------------



Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount
CKRQ <u>083115</u>	<u>8/31/15</u>	\$205.00

NMWD Comment

Job Number	GL Account	Amount
	56001-01-11	\$205.00
TOTAL		\$205.00

Katie Young

From: David Bentley
Sent: Tuesday, September 22, 2015 10:07 AM
To: Katie Young
Subject: FW: Rich Roberto--wonderful NMWD representative!

Katie
For Board packet and Rich's Personnel File.....David

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

From: Lynn Allen [<mailto:lynnellenallen@yahoo.com>]
Sent: September 22, 2015 8:29 AM
To: David Bentley
Subject: Rich Roberto--wonderful NMWD representative!

Good morning Mr.Bentley,

Yesterday morning I had the pleasure of meeting NMWD's Field Service Representative Rich Roberto. My concern was I couldn't locate at the meter site the turn off valve. He showed me where my shut off valve is outside my front door. He took the time to look at my area of concern (my swimming pool) that seems to be at a very high water level for the last week. Although there was no reason for this high water level, Mr. Roberto took the time to discuss possible changes I could make in my water shut off near my pool. This turn off valve in the past, has been left on in error which causes a trickle of water to continue to empty into the pool.

We also discussed my landscape irrigation situation. I told Mr. Roberto that my gardener was having difficulty re-programming my sprinkler system to do alternate days. Well, Mr. Roberto jumped at the opportunity to show me how easy it is to re-program my watering system.

I was singing Mr. Roberto's praises all day yesterday—blame me if you get a lot of customer service inquiries!

Thank you NMWD for hiring good people like Rich Roberto!

Sincerely,
Lynn Allen

18 Caddy Ct.
Novato

The Amante Family

NMWD Employees and friends - Please Help the Valley Fire Victims!

The Amante's (Tina, Frank and sons) lost everything in the Valley Fire.

Tina grew up on the Genazzi Ranch in Point Reyes Station and is now a realtor in Lake County. Husband Frank does maintenance work and two sons are in Junior College and the third (not pictured below) in High School. The Amante's lost their home and all their worldly possessions in the fire (tools, books, you name it). Dennis and Judy Rodoni are letting them use their home in Hidden Valley Lake until they get things together.

Even if you've already donated to fire victims through an organized charitable campaign **please consider a monetary gift or donate an unused gift card** to this family in need. **Terrie Kehoe** has volunteered to collect proceeds. **Any amount is appreciated**, but I hope we can raise **\$1500 by mid October**. **Thanks!**

CD 9/29/2015



Point Reyes Light
Sept. 17, 2015

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eyes Station

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pert supervision of Barry Linder, a dedi-
cated group rolled up their sleeves and
spiffed up the building for the benefit of
the whole community. Come by and visit
the rejuvenated Dance Palace.

Alison Marks
Executive Director, Dance Palace
Community and Cultural Center More

The county is seeking applications to
appoint two people to the Tomales
Village Community Services District
and one person to the Stinson Beach
Fire District, as no one sought to run for
the seats during the official filing period,
which ended last month. Applications for
the appointments are due Oct. 9.




Bay Area Integrated Regional Water Management Plan
Prop 84 Funding Totals by Subregion and Functional Area

Prop 84 Functional Area Allocation

	WS/WQ	WW/RW	FC/SW	Hab/WShd	Planning/Adm	MISSING (from ECCC RD 1 overlap projects)	Total for Round
2012 Round 1	\$9,191,685	\$11,150,000	\$5,435,191	\$5,476,716	\$1,432,556	\$25,000	\$32,711,148
2013 Round 2	\$6,770,000	\$5,300,000	\$3,960,000	\$3,650,000	\$750,000		\$20,430,000
2014 Drought Round (Round 3)	\$17,778,423	\$12,750,000			\$1,650,000		\$32,178,423
2015 Round 4 (as proposed)	\$7,777,613	\$0	\$19,000,000	\$12,669,077	\$1,858,745		\$41,305,435
TOTALS	\$41,517,721	\$29,200,000	\$28,395,191	\$21,795,793	\$5,691,301	Total Funding Received:	\$126,625,006
Percent of Total	34.33%	24.15%	23.48%	18.02%			
Variance	9.33%	-0.85%	-1.52%	-6.98%			

Prop 84 Subregional Allocation

	North	West	East	South	Regional (incl. Admin)	Total for Round
2012 Round 1	\$7,069,351	\$5,554,398	\$10,621,478	\$6,610,625	\$2,855,296	\$32,711,148
2013 Round 2	\$5,569,375	\$3,714,300	\$6,556,011	\$2,990,314	\$1,600,000	\$20,430,000
2014 Drought Round (Round 3)	\$8,385,452	\$6,975,401	\$9,204,200	\$5,632,400	\$1,980,971	\$32,178,424
2015 Round 4 (as proposed)	\$8,583,127	\$9,207,614	\$7,507,601	\$14,148,348	\$1,858,745	\$41,305,434
TOTALS	\$29,607,305	\$25,451,713	\$33,889,290	\$29,381,687	\$8,295,012	\$126,625,006
Actual Subregional Percent	25.02%	21.51%	28.64%	24.83%		
Subregional Allocation Target	25.021%	21.503%	28.646%	24.830%		


 Note to BOD:
 This is the amount distributed to various entities in the North Bay and in my viewpoint is a direct reflection of the NBWA Executive Officers excellent advocacy on our behalf.

PROJECT TEAM

OWNER

NOVATO FIRE DISTRICT

Mark Heine, Fire Chief
Bill Tyler, Battalion Chief

ARCHITECT

GLASS ARCHITECTS

Eric Glass
Charlie Sikes

CONSTRUCTION MANAGER

KITCHELL CEM, INC.

Bill Johal & Jason Yi

GENERAL CONTRACTOR

D.L. FALK CONSTRUCTION, INC.

Greg Schmidt & Lee Smith



GRAND OPENING
CEREMONY

FIRE STATION NO. 64

GRAND OPENING

319 ENFRENTA ROAD
NOVATO, CA

**SEPTEMBER 26TH, 2015
10:00 AM**

EVENT PROGRAM

10 AM **BILL TYLER, BATTALION CHIEF**
Event Program Welcome & Introductions

JEFF LEMELIN, FIREFIGHTER/PARAMEDIC
Invocation

MARK HEINE, FIRE CHIEF
Remarks

BILL JOHAL, KITCHELL PROJECT MANAGER
Remarks

BILL TYLER, BATTALION CHIEF
Closing Comments

RIBBON CUTTING CEREMONY
All

STATION TOUR AND REFRESHMENTS
All

SPECIAL THANK YOU

NOVATO FIRE PROTECTION DISTRICT BOARD OF DIRECTORS



LJ Silverman



Thomas Kaselionis



Skip Fenner, Jr.



Jim Galli

NOVATO FIRE DISTRICT STATION NO. 64 DESIGN TEAM

- Captain Doug Fernandez
- Captain Scott Freedman
- Captain Don Fletcher
- Engineer Don Wehr
- Firefighter/Paramedic Aaron Hakenan
- Firefighter/Paramedic Marc Teldesdchi

NOVATO FIRE CHIEF OFFICER'S ASSOCIATION

NOVATO PROFESSIONAL FIREFIGHTER'S ASSOCIATION

NOVATO NON-SWORN ADMINISTRATIVE STAFF ASSOCIATION

THANK YOU TO OUR COMMUNITY
FOR YOUR CONTINUED SUPPORT!



"The rebuilding of the fire station represents our strong commitment to ensuring a consistent high level of protection and service to residents served by Station 64."

Fire Chief Mark Heine



**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

October 1, 2015

Mark and Janice Darlington
10 Morning Star Ct
Novato, CA 94945

Re: Atherton Tank Rehabilitation Project - Pavement Condition Evaluation -
Morning Star Ct Private Access Road
NMWD Job 1 6201.21

Dear Mr. and Ms. Darlington:

In response to Mr. Kenneth DeConde's letter dated September 16, 2015, we were pleased to meet with some of the homeowners of Morning Star Ct on September 25, 2015. I also would like to take this opportunity to thank you for your patience and cooperation during the Atherton Tank Rehabilitation project.

NMWD is agreeable to the residents' request to participate in sharing paving cost of the common private road at the end of Morning Star Ct leading to the two parcels owned by NMWD along with the other homeowners fronting this roadway. At District's expense, we will have a third party engineering firm, Miller Pacific Engineering Group, evaluate the condition of this shared road and develop a letter report identifying paving rehabilitation recommendations. Once this report is complete it will be shared with all affected homeowners as we continue to work toward a paving rehabilitation project along the shared roadway. In the interim, the District plans to move forward with some of the necessary paving around the perimeter of the Atherton Tank site and also perform some patch paving along NMWD's private access road in advance of potential early rainfall. However, the District will defer any additional pavement restoration of NMWD's private access road until we have final resolution on paving rehabilitation of the shared private road.

Should you have comments or questions please contact the Project Engineer, Carmela Chandrasekera at (415)-761-8903, cchandra@nmwd.com.

Sincerely,

Drew McIntyre
Chief Engineer

DM:edm
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RECEIVED

SEP 19 2015

North Marin Water District

Kenneth DeConde
35 Morning Star Court
Novato, CA 94945

September 16, 2015

Mr. Drew McIntyre
Chief Engineer
North Marin Water District
999 Rush Creek Place
P.O. Box 146
Novato, CA 94948

Dear Mr. McIntyre:

Thank you for your letter dated June 29, 2015 to Property Owner's and Residents of Rush Creek updating us on the status of the Atherton Tank Rehabilitation Project (ATRP).

I was disappointed to learn through my neighbors that the planned access road repaving mentioned in your letter does not include the full portion of the access road utilized by NMWD in completing the ATRP. NMWD plans to re-pave only that portion exclusively owned and used by NMWD; not recognizing and taking responsibility for the increased wear and tear it has imposed on the privately owned and shared Morning Star Court Access Road (MSCAR) right of way used in completing its ATRP; even though the shared portion of the access right of way received the same additional amount of use wear and tear as NMWD's exclusively owned access road in completing the ATRP.

After discussion with neighboring property owners and notwithstanding NMWD's plans to re-pave only the non-common portion of the Morning Star Court Access Road (MSCAR) as part of the ATRP, the shared portions of MSCAR are in need of re-paving. In the interest of completing this added re-paving in the most cost effective manner, we would like to take advantage of sunken mobilization and shared overhead costs of the ATRP and piggyback on the completion of your project. To this end, please provide the name and contact information for your ATRP paving contractor so that we may timely request a re-paving proposal for the common portions of MSCAR from them.

Further, it is our understanding that NMWD has two property interests in MSCAR, that portion occupied by the Atherton Tank as well as one additional undeveloped

plot accessed by MSCAR; and that NMWD will participate according to these interests and proportional use of the needed additional repaving costs.

As NMWD has an interest in completing this additional re-paving work in the most cost efficient manner and NMWD has certain expertise in successfully managing and completing these types of projects we would look favorably on any advice, input or assistance the NMWD may be able to provide in this regard.

We look forward to your timely response and thank you in advance for your assistance.

Sincerely,



Kenneth DeConde

CC:

NMWD

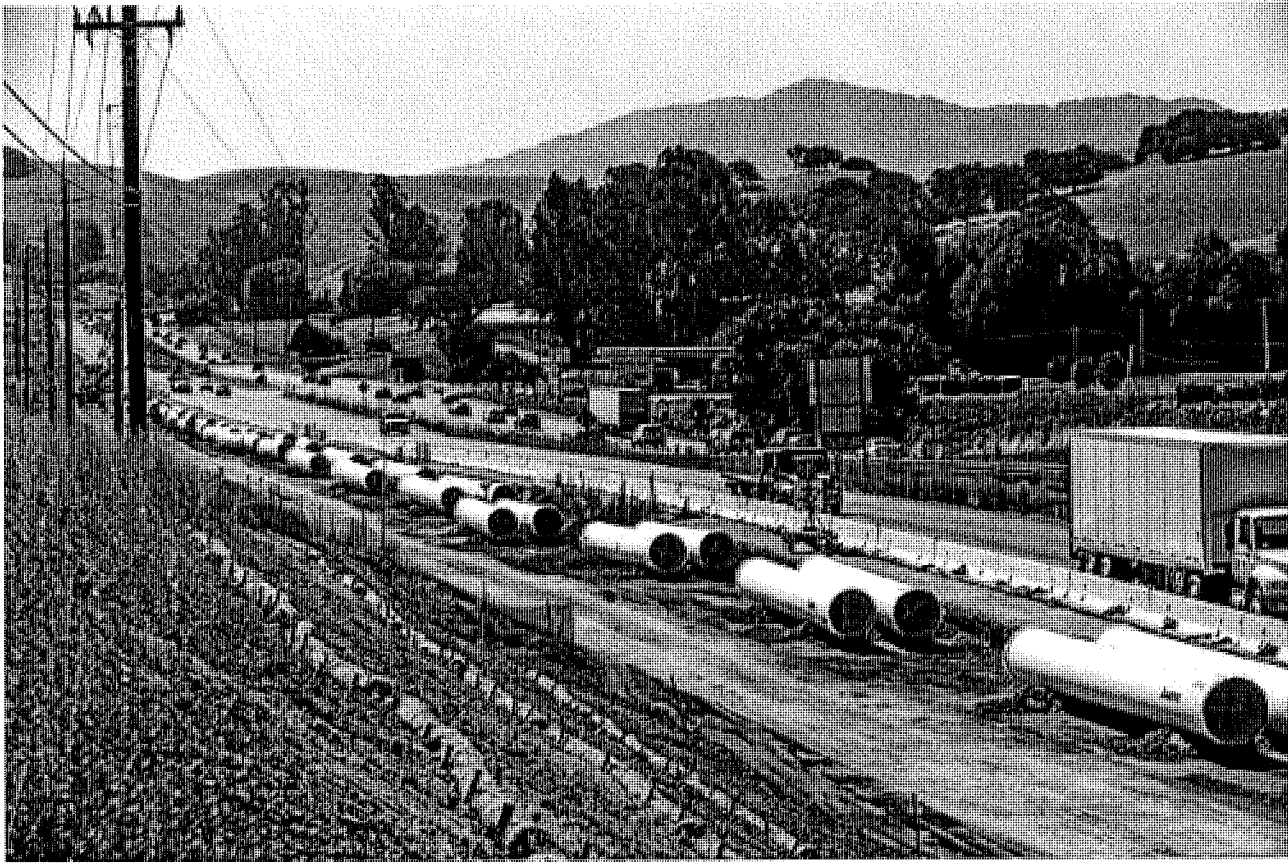
NMWD Directors: Jack Baker, Rick Fraites, Stephen Petterle, Dennis Rodini,
John C. Schoonover

Chris De Gabriele, General Manager
Carmela Chandrasekera, Project Engineer

Morning Star Court Property Owners

Mark and Janice Darlington, 10 Morning Star Court
Thomas and Carolyn Lai, 15 Morning Star Court
Howard and Jeanne Rodgers, 20 Morning Star Court
Christopher and Kim Stephens, 25 Morning Star Court
Raymond and Claire Savona, 30 Morning Star Court
Ronald and Tia Pezzolo, 40 Morning Star Court

Novato officials celebrate bigger, greener pipeline



It's all underground now, but last year workers laid out sections of 42-inch-diameter pipe for installation along the east side of Highway 101 near Kastania Road. Construction of the new \$21.9 million pipeline, which delivers water from the Russian River to Novato, took three years. Photo by Jak Wonderly

By Stephanie Weldy, Marin Independent Journal

POSTED: 10/01/15, 5:37 PM PDT | UPDATED: 2 HRS AGO 4 COMMENTS

Novato city officials gathered Thursday to celebrate a pipe — but not just any pipe.

It's a \$21.9 million, 5-mile-long underground line from south Sonoma County to Novato that will deliver Russian River water more efficiently, with less energy and associated greenhouse gases, officials said.

"It's one of those projects you don't see because it's underground, but it makes a significant difference obviously to Novato," said Novato Mayor Jeanne MacLeamy.

She was among city leaders who gathered at Olompali State Park near the endpoint of the North Marin Water District's Aqueduct Energy Efficiency Project, an effort that has been under construction the past three years and in the works for the past six.

A stretch of the North Marin Aqueduct that runs from Petaluma to Novato to deliver water from the Russian River to Marin has been replaced with a pipe that is more than 220 percent larger than the original artery,

installed in 1961.

The larger pipe, ranging in diameter from 8 to 42 inches, means the elimination of the 400-horsepower motor-driven Kastania Pump Station. The station, south of Petaluma, is no longer necessary thanks to the pipe's improved hydraulic capacity.

"Most of Novato's water is delivered from the Russian River under a contract with Sonoma County Water Agency, and this project improves the reliability of the aqueduct that delivers that water to Marin's aqueduct and to Novato," said Chris DeGabriele, general manager of North Marin Water District. "It improves reliability because you no longer have to rely on pumping. Also, by eliminating pumping, (we) no longer have the costs of electricity or greenhouse gases created by using that electricity."

Elimination of the pump station saves money for all of the agencies that have relied on it for water, said Drew McIntyre, project manager and chief engineer for the North Marin Water District. That savings eventually trickles down to the customer, he said.

"Whatever we don't have to pay to Sonoma County Water Agency for delivery of water results in a savings to our end users," McIntyre said.

With replacement of the 54-year-old pipe, repair and replacement costs also will be lower along the 5-mile stretch, he said.

The project piggybacked off Caltrans' widening project along Highway 101, which aims to expand the freeway north of Novato from four lanes to six. North Marin Water District's original pipe was at the edge of Caltrans' right of way, prompting the transportation agency to relocate much of the water district's piping, some of it up to 100 feet from where it originally lay.

North Marin officials decided it was the right time to put in a larger pipe.

"The water district had the opportunity to go bigger or go small and we went bigger," McIntyre said. "We could've just done a relocation and kept it at this size, and in my mind, that would've been going small. ... I really think it paid off."

The project's \$21.9 million cost was funded by Caltrans, which contributed \$14.4 million, and the North Marin district, which provided \$7.5 million. Marin Municipal Water District, which receives 25 percent of its supply from the aqueduct, is paying 51 percent of North Marin Water District's share over time.

North Marin receives 80 percent of its water supply from the aqueduct, and the rest from Stafford Lake.

The project is expected to be finished by the end of the month. The abandoned pipeline is being removed in some areas and some stretches of the pipe are being filled with cement, McIntyre said.

Advertisement

No Petaluma casino until 2025 under deal with the Dry Creek Rancheria Band of Pomo Indians

BY CLARK MASON THE PRESS DEMOCRAT on September 22, 2015, 10:51PM09/22/2015
Updated 18 minutes ago.

The Dry Creek Rancheria Band of Pomo Indians, whose River Rock Casino in Alexander Valley has suffered a precipitous drop in revenue, has struck a new agreement that reduces the money it is required to pay to Sonoma County by at least \$33 million in exchange for extending a gambling moratorium on property the tribe owns south of Petaluma.

The Sonoma County Board of Supervisors on Tuesday approved the agreement, which precludes the tribe from building a casino in the Petaluma area until early 2025, or nine years beyond the existing moratorium that was in effect until mid-March 2016.

At the same time, the deal cuts annual tribal payments to the county from \$3.5 million to a minimum of \$750,000, while also reducing the overall amount the tribe was to pay the county to cover the cost of off-reservation impacts from the casino and an unbuilt resort project anticipated in the original deal.

Under the previous deal, that amount, by 2020, was to be \$75 million, at least \$22 million of which the tribe has paid, according to the county. Under the new deal, which extends to 2030 and focuses only on casino impacts, the maximum the tribe will pay going forward is \$19.2 million.

Yet while the new agreement diminishes the payments to offset taxpayer costs, it extends the moratorium on a new Dry Creek Rancheria gaming operation — a key priority in negotiations, local government officials said.

“The county looks at any opportunity to completely prohibit or stave off more gaming,” said 4th District Supervisor James Gore. “Now was the right time to do it.”

“It buys some time,” Petaluma Mayor David Glass said of the amended agreement the county approved with the Dry Creek Pomos.

The restructured agreement comes amid intense scrutiny and criticism of other “government-to-government” agreements with tribes, almost all arrived at through closed-door negotiation. A recent example is the deal struck between the Lytton Band of Pomos, the county and the town of Windsor, which seeks an iron-clad guarantee of no casino in exchange for not opposing a federal trust application to create a tribal housing project and potentially add a resort hotel and winery.

In addition to concerns of casino proliferation, there are a host of other issues that tend to arise with such tribal projects, including how to mitigate the loss of local property taxes once the land goes into trust, addressing environmental impacts, and the fact that local land-use guidelines no longer apply.

County officials say they don’t want to see a checkerboard map of sovereign tribal lands.

“The county doesn’t support the fragmentation of tribal land where noncontiguous land is almost annexed from the (county) general plan,” Gore said.

“We have five federally recognized tribes in Sonoma County. We have to come to good agreements and

protect the integrity of Sonoma County and open space,” he said.

In the approved agreement, the Dry Creek tribe agreed it won’t seek to gain federal trust status for its Petaluma property prior to March 18, 2025. In addition, it agreed not to pursue gaming on any other additional lands before then.

The tribe also agreed to limit gambling to a single location in Sonoma County through 2030, which in theory means the tribe could close River Rock in 2025 and open another casino then, according to Deputy County Counsel Jennifer Klein.

Despite the Dry Creek Pomos’ insistence that they have no plans to pursue a casino on their land in Petaluma, local elected officials won’t discount that at some point the tribe may want to “leapfrog” past the new Graton Casino and Resort outside Rohnert Park to get closer to the lucrative Bay Area market.

Dry Creek Chairman Chris Wright did not return phone messages requesting comment Tuesday, but in June he ruled out a casino on the Petaluma land.

“It’s not in the cards,” he told the Petaluma Argus-Courier at the time, adding that it is too difficult to obtain approval for an off-reservation casino.

Dry Creek’s River Rock Casino experienced an approximate 50 percent drop in revenue that it hasn’t recovered from since the much larger, \$800 million Graton casino opened in late 2013. The casino’s last publicly reported annual revenue figure, in 2010, was \$124 million.

The 277-acre parcel off Kastania Road, south of Petaluma, was identified as a potential casino site by the Dry Creek Pomos 10 years ago, before the tribe agreed not to pursue a casino there and instead concentrate on building a Tuscan-themed hotel resort and permanent casino structure overlooking Alexander Valley. River Rock opened in 2002.

But the tribe was forced to put off a planned \$300 million expansion.

“The economy declined, it didn’t build a hotel, and Graton came online. It created a trifecta of circumstances that really affected Dry Creek’s business,” Klein said.

The result was that Dry Creek defaulted on more than \$150 million in bond indebtedness — which it has yet to restructure — and missed two separate \$3.5 million payments to the county in 2014 and this year.

The \$75 million in tribal payments called for in the previous agreement includes money used to pay for 24-hour sheriff’s coverage in and around River Rock, along with road maintenance, trash removal and general criminal-justice impacts, according to Rebecca Wachsberg, deputy county administrator.

When the tribe missed its payments, she said, the county backfilled the revenue loss with payments from the general fund.

The previous county agreement with the tribe provided for a reopening of the contract, or renegotiating of various terms in the event of certain triggers, including if the timing and opening of the resort and future revenues of the tribe did not materialize as expected.

Under the restructured agreement approved Tuesday, the tribe will pay the county \$4.2 million by November to make up for the \$7 million total it missed the past two years.

Going forward, the tribe will make \$750,000 annual payments with the potential to increase to as much

as \$1 million annually if the casino earnings improve.

Klein said the restructured agreement provides more certainty for the county and the tribe, as well, as in its negotiations with the bondholders.

And, she said, the county is “getting something rather than nothing.”

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No Petaluma casino until 2025 in new county agreement with tribe

BY MATT BROWN ARGUS-COURIER STAFF on September 22, 2015, 1:56PM09/22/2015

The Sonoma County Board of Supervisors on Tuesday passed an extension to its agreement with the Dry Creek Rancheria Band of Pomo Indians that will prohibit the tribe from pursuing a casino on a parcel of land just south of Petaluma for at least 10 years.

The county's original deal with the tribe that owns the River Rock Casino in Geyserville included a moratorium on gaming at the tribe's Petaluma land until March 2016. The new agreement would also require the tribe to refrain from taking the land into federal trust until 2025. Taking the land into trust would allow the tribe to bypass county zoning regulations and build virtually anything on the 277-acre parcel off Kastania Road.

"I think it's pretty huge," said Supervisor David Rabbitt, whose district includes Petaluma. "By not having the land go into trust, it gives us more time to work with the tribe and understand what they want to see on the land."

The Dry Creek Tribe in 2002 opened River Rock Casino, at the time the first casino in Sonoma County. In 2013, the Federated Indians of the Graton Rancheria, a rival tribe, opened the \$800 million Graton Resort and Casino in Rohnert Park, a development that severely undercut River Rock's profits.

The tribe missed guaranteed payments to the county and sought to restructure its debt. Meanwhile officials worried that the tribe would attempt to build a casino or other revenue-generating development on the Petaluma land it acquired in 2004. Harvey Hopkins, the former chairman of the Dry Creek tribe had previously said the tribe had submitted an application for federal trust with the Bureau of Indian Affairs. Petaluma voters in 2006 overwhelmingly passed an advisory measure to oppose a casino.

"This is good news," said Petaluma City Councilman Mike Healy, who has fought against casinos in Petaluma and Rohnert Park. "The fact that the tribe agreed not to take land into trust for any purposes is a big deal. It gives us more breathing room."

Chris Wright, who ousted Hopkins as tribal chairman last November, said in a June interview the tribe was not pursuing federal trust for the land and had no plans to build a casino. He remained open to building a commercial development on the land. Wright did not immediately return a phone call seeking comment on the recent agreement.

Healy said that the city would be open to working with the tribe to extend a recycled water pipe to the land if the tribe wanted to develop a vineyard or other agricultural project in accordance with current county zoning.

In exchange for agreeing to refrain from taking the Petaluma land into trust, the county agreed to waive some of the tribe's missed payments and reduce its annual payment from \$3.5 million to \$750,000.

(Matt Brown can be reached at matt.brown@arguscourier.com. On Twitter @MattBrownAC.)

WHITE HOUSE LAUNCHES AMERICAN BUSINESS ACT ON CLIMATE PLEDGE

On July 27, 2015, the White House announced the launch of the "American Business Act on Climate" pledge, which includes pledges from 13 of the country's largest companies to reduce their carbon footprints in an effort to help combat climate change. While some suggest the pledge is merely a symbolic gesture, the White House touted the pledge as a significant step forward in the fight against climate change. Among other expected benefits, the pledge is intended to boost support from the U.S. business community for President Obama's Climate Action Plan and to generate momentum for a positive outcome at the upcoming global climate negotiations scheduled to take place in Paris later this year.

Background

With the climate negotiations in Paris on the horizon, the White House acknowledged that no sector of the global economy will remain unaffected by climate change in the years ahead and recognized that American leadership at all levels will be essential to a strong outcome in Paris. The White House therefore conceived the American Business Act on Climate Pledge as a way to boost support for the Paris negotiations and to demonstrate to the world that the U.S. business community is committed to tackling climate change.

The American Business Act on Climate Pledge

The American Business Act on Climate Pledge includes a general pledge recognizing the severity of climate change impacts and the need for continued action to reduce those impacts, as well as business-specific pledges committing the companies to take various actions to help contribute to the fight against climate change.

The 13 companies that joined in the pledge are: Alcoa, Apple, Bank of America, Berkshire Hathaway Energy, Cargill, Coca-Cola, General Motors, Goldman Sachs, Google, Microsoft, PepsiCo, UPS, and Walmart. These companies are major players in the global economy and represent more than \$1.3 trillion in revenue in 2014 and a combined market capitalization of at least \$2.5 trillion.

Under the pledge, the companies made a common pledge applauding the growing number of countries that have already set ambitious targets for climate action. The common pledge also recognized that delaying action on climate change will be costly in economic and human terms.

In addition, each participating company announced new company-specific pledges to reduce greenhouse gas emissions, increase low-carbon investments, deploy more clean energy, and take other actions to build more sustainable businesses. The individual pledges include a wide variety of actions and the commitments range from general objectives to very specific targets.

ALCOA

For example, in making its pledge, ALCOA—the world's third largest producer of aluminum—vowed to reduce absolute greenhouse gas emissions by 50 percent in the U.S. by 2025. ALCOA also pledged that, by 2025, it will demonstrate a net reduction in greenhouse gas emissions from the use of its products equal to three times the emissions created from their production.

Apple

Apple stated that it will bring an estimated 280 megawatts of clean power generation online by the

end of 2016 alone through investments in several U.S. states and China. Apple also noted that it already runs all of its U.S. operations on 100 percent renewable energy.

Berkshire Hathaway Energy

Berkshire Hathaway Energy included a laundry list of actions in its pledge, including a commitment to increase investments in wind and solar energy. Notably, it pledged to pursue the construction of an additional 552 megawatts of new wind generation in Iowa and to add more than 1,000 megawatts of incremental solar and wind capacity through long-term power purchase agreements. The company also stated it would invest in transmission infrastructure in the West and Midwest to support the integration of renewable energy into the grid.

Coca-Cola

Coca-Cola pledged to reduce the carbon footprint of “the drink in your hand” by 20 percent by 2020. Although not specific, the company stated that it intends make significant, comprehensive changes, investments and technology advancements to reduce its greenhouse gas emissions in order to achieve its 2020 target.

Google

Google pledged a goal of powering its operations with 100 percent renewable energy and committed to tripling its purchase of renewable energy by 2025. Google further committed to expanding its investments in transformative global clean energy products and to reducing its transportation-related impacts and water consumption.

Microsoft

Microsoft noted that it is committed to driving environmentally sustainable business practices and catalyzing technology innovations that will help ensure a sustainable future. It pledged to maintain carbon-neutral operations for its offices, facilities, and its business air travel by purchasing 100 percent renewable energy for its offices and facilities and by offsetting its air travel emissions through supporting carbon offset projects that also drive social benefits in emerging nations.

PepsiCo

PepsiCo pledged to reduce its carbon footprint by expanding the use of sustainable farming practices in its agricultural supply chain. The company also stated it would continue to reduce the greenhouse gas emissions from its global fleet and would strive for zero deforestation in its business operations and global supply chain.

Others

The other participating companies made similar pledges to reduce their contributions to climate change. According to the White House, the pledges totaled at least \$140 billion in new low-carbon investments and more than 1,600 megawatts of new renewable energy.

The White House also stated that, by signing the pledge, the companies collectively voiced support for a strong outcome in the Paris climate negotiations and demonstrated an ongoing commitment to climate action. The White House also hopes the pledge will set an example for other U.S. businesses. A second round of pledges will be released this fall, with the goal of mobilizing even more companies to join the American Business Act on Climate Pledge in the future.

Conclusion and Implications

Regardless of whether the commitments made by these companies come to fruition, the American Business Act on Climate Pledge is a step in the right direction for the U.S. business community. At a minimum, the pledge shows that the participating companies are taking climate change seriously and are committed to changing their business practices to become more sustainable. Further, by bringing corporate voices to the forefront and demonstrating corporate support for climate action, the pledge is an important signal of American leadership on climate change. With the Paris negotiations fast approaching, the pledge comes at an opportune time and will hopefully set a strong example for other businesses both in the U.S. and worldwide.

The White House's full press release can be viewed at: <https://www.whitehouse.gov/the-press-office/2015/07/27/fact-sheet-white-house-launches-american-business-act-climate-pledge>

(Chris Stiles)

Study: Tiny plastic litter widespread in SF Bay

Levels found to be higher than in Great Lakes, other US bodies of water

By PAUL ROGERS

SAN JOSE MERCURY NEWS

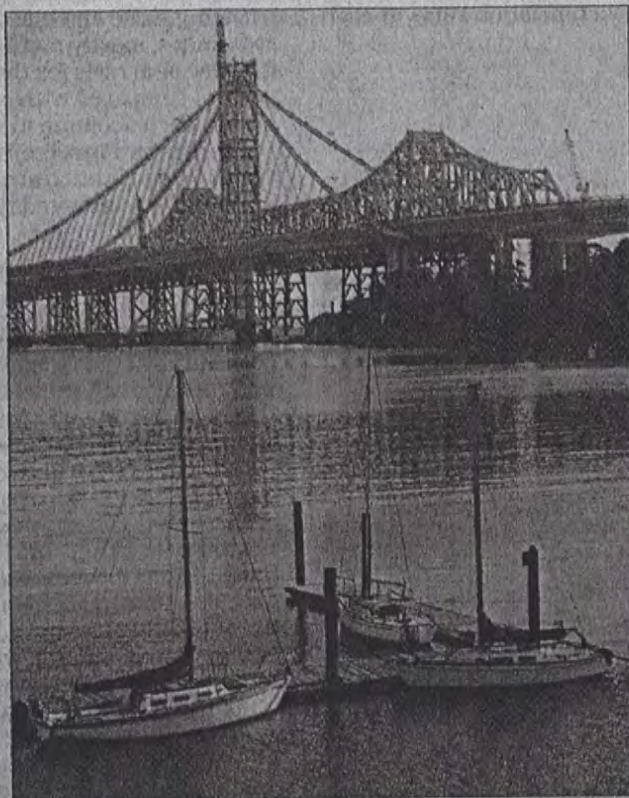
SAN JOSE — San Francisco Bay is contaminated with widespread pollution from billions of tiny pieces of plastic in greater concentrations than the Great Lakes, Chesapeake Bay and other major U.S. bodies of water, according to a groundbreaking new study.

At least 3.9 million pieces of plastic pour into the bay every day from eight large sewage treatment plants — a relentless torrent of litter that ranges from tiny “microbeads” found in cosmetics, facial scrubs and toothpastes, to bits of synthetic fabric from fleece jackets, pants and other clothes, which break down as they are washed.

“We’re concerned about these high levels. This was unexpected,” said Rebecca Sutton, a senior scientist at the San Francisco Estuary Institute, a non-profit research center based in Richmond.

Not only does the plastic contaminate the bay and wildlife, experts say, it is working its way up the food chain, binding to chemicals in the water and posing a potential health risk to people eating fish caught in the bay.

In the study, the first of its kind to broadly document pollution from “microplastic” in the bay, researchers dragged tight-meshed nets along the surface of the water in nine areas of the bay, from Oakland and Treasure Island to locations near San Jose. They found on average 1



BEN MARGOT / Associated Press, 2013

Boats are docked in Clipper Cove on Treasure Island within view of the Bay Bridge. A new study has found a high concentration of tiny pieces of plastic are contaminating the San Francisco Bay.

million pieces of tiny plastic per square kilometer — an area of about 250 acres — at the water’s surface or a few inches below it in the South Bay, a concentration nine times higher than levels of similar plastics found in Lake Erie.

Further north, off Oakland and San Francisco, they found 310,000 pieces per square kilometer, still double the highest levels in Chesapeake Bay and triple the levels in Lake Erie, the most polluted of the Great Lakes.

Sutton, a lead author of the study who has a doctorate in environmental chemistry from the University of California, Berkeley, said that researchers

also accidentally captured nine small fish while taking their water samples. Inside each fish they found an average of six pieces of plastic.

Sutton said Monday that more research is needed to measure the health effects, and also to pinpoint exactly how much plastic is getting into the bay and from what sources. As part of the study, which began last fall, researchers also sampled the treated wastewater coming from some of the bay’s largest sewage treatment plants, including San Jose, the East Bay Municipal Utility District, the Central Contra Costa Sanitary District and Palo Alto.

From Marin to South Bay, officials in region reap sweetheart housing deals

Big housing perks for Bay Area government officials

A Bay Area News Group survey found at least 33 government agencies in the region provide some type of housing aid to top executives — at taxpayers' expense. The deals, ranging from zero-interest loans to equity shares, can top \$1 million. Here's a look at some of the beneficiaries:

	Title	2014 compensation, including benefits	Special housing deal
Glenn "Max" McGee	Palo Alto schools superintendent	\$140,085*	\$1.5 million zero-interest loan, no monthly payments, equity-share agreement
Peggy Curran	Tiburon town manager	\$265,138	\$800,000 interest-only loan, variable interest rate
Michael S. Frank	Novato city manager	\$308,057	\$700,000 interest-only loan, variable interest rate
E.J. Shalaby	West County Wastewater G.M.	\$316,094	\$409,500 district payment toward house, equity-share agreement
Alex D. McIntyre	Menlo Park city manager	\$270,351	\$1.35 million in loans at 3 percent interest
Michael K. Meehan	Berkeley police chief	\$354,952	\$500,000 loan at 3 percent interest
Christopher Gray	San Rafael fire chief	\$336,287	\$600,000 loan, variable interest rate
Clayton Holstine	Brisbane city manager	\$291,501	\$300,000 loan at 2.25 percent interest, equity-share agreement
Chris Magnus	Richmond police chief	\$340,065	\$150,000 interest-only loan, variable interest rate
Bryan Montgomery	Oakley city manager	\$307,102	\$620,000 at 2.5 percent interest

*Worked five months in 2014. Also received \$221,742 public pension

Source: Bay Area News Group research through public records

BAY AREA NEWS GROUP

Bay Area News Group

By Thomas Peele, Bay Area News Group

POSTED: 09/30/15, 7:43 PM PDT | UPDATED: 2 HRS AGO 7 COMMENTS

Amid a Bay Area real estate market famous for its mind-boggling home prices, taxpayers are funding a little-known special perk for a very select group of house hunters: low- and sometimes no-interest loans for top local government employees.

While most of us are stuck turning to Bank of America or Wells Fargo for market-rate mortgages, an exclusive group of the region's public-pay elite — made up of mostly city managers, a few school superintendents and even the head of a sewer district — are tapping public funds for sweetheart housing-assistance deals that in some cases exceed \$1 million.

At least 33 government agencies in the Bay Area provide some type of housing aid to their top executives — with sweeteners, enabled by special IRS regulations, that are virtually unheard of in other parts of the country or the private sector. Four cities — Walnut Creek, San Bruno, Union City and Morgan Hill — even have provided housing aid to rank-and-file employees.

This is not an entirely new phenomenon. The Great Recession had barely ended in 2010 when the Ross Valley Sanitary District board boosted the size of the down payment assistance loan it was extending to their general manager, Brett Richards, from \$125,000 to \$350,000. Richards, however, never used the money to buy a home and is currently standing trial in Marin County Superior Court on charges that he misspent the money.

As real estate prices have gone up in the ensuing years so has the generosity of housing perks.

\$1.5M IN PALO ALTO

For example, Palo Alto Unified School Superintendent Glenn “Max” McGee said he couldn’t manage to buy a condo with the \$1 million interest-free loan the district gave him when he moved here from Illinois last year. So the school board voted to increase the loan another \$500,000 — enough money to employ about 16 Palo Alto teachers for a year, compensation data shows.

The school board is scheduled to finalize the deal Tuesday.

“We don’t give public officials a food subsidy because food costs more in the Bay Area,” said Atherton resident Peter Carpenter, a vocal critic of housing assistance, especially below-market-rate loans. At least, he said, the loans “have to be pegged to the going mortgage rate.”

However, they’re usually not. McGee’s loan is interest-free — a huge money-saver, even though his salary and out-of-state pension total \$530,000 a year.

In Marin, Tiburon Town Manager Peggy Curran paid only 0.26 percent interest — \$2,080 — on her taxpayer-funded \$800,000 mortgage for the past 12 months. Her variable interest rate just rose to 0.33 percent.

In the East Bay, Richmond’s tiny West County Wastewater District paid more than \$400,000 into the house of General Manager E.J. Shalaby, whose pay and benefits last year topped \$317,000.

But Palo Alto is the focus of the biggest dose of housing-perk envy in the Bay Area. Aside from McGee, City Manager James Keene has the Windsor Castle of housing deals. The city agreed to loan Keene \$500,000 at a variable interest rate — as well as put up \$1.5 million for his home purchase, with an agreement to share in equity. In 2013, the city also agreed to loan Keene as much as \$125,000 for home improvements, provided he puts up

Advertisement

an equal amount.

Today, Zillow estimates that Keene’s house on Webster Street would sell for \$2.8 million. He already was one of the region’s highest paid officials in 2014 with salary and benefits topping \$433,000. He did not respond to requests for an interview.

‘MAKES NO SENSE’

Do these deals seem fair? They don’t to government watchdogs.

“The whole thing makes no sense,” said Thomas Schatz, president of the Washington, D.C.-based advocacy group Citizens Against Government Waste. He said he knows of no other part of the country that so generously doles out housing assistance to government employees. “People are going to be surprised by this and say this is just another example of municipal governments wasting money.”

Local Bay Area agencies provide housing assistance to 19 city managers, as well as police chiefs in Atherton, Berkeley and Richmond, San Rafael’s fire chief, department heads in Sunnyvale, a government lawyer in San

Mateo, a recreation director in Cupertino and others.

At least two cities — Belvedere and Albany — offer their top managers assistance only if they move to town, but both have so far declined. Redwood City recently paid \$16,000 in housing costs so its outgoing city manager would stay two additional months.

No one in the elite club has a better deal than McGee, who said in an interview that the Palo Alto school board offered him a \$1 million, zero-interest housing loan without him even needing to ask when he first took the job. However, he said, it wasn't enough to buy a house in a city where the median home price tops \$2.4 million, according to Zillow, and has shot up 19 percent in the past year.

"I couldn't afford the down payment" required with commercial mortgages, said McGee, who then asked for another \$500,000 from the district — and got it. "We looked at two condos for \$1 million, but they needed a lot of work."

Why, given his high income, did McGee need so much help? "I am not going to get into my personal finances. We help care for a large extended family."

TIBURON'S LOAN

No-interest loans, however, are rare. More common are low-interest loans tied to government investment funds. That's how Curran, the Tiburon town manager, ended up paying only 0.26 percent for the past year on \$800,000 she borrowed from the town for a house just outside the municipal limits.

The rate equals the return on a fund managed by the state treasurer's office and is capped at 5.5 percent, but it doesn't have a bottom. In fact, it has been below 1 percent since mid-2009.

"I have benefited from this," Curran said. "The worse the fund does, the better I do."

But when she retires next year, she will owe Tiburon a lot of money. "I have to cough up \$800,000 to pay that puppy off" by either selling the house or borrowing the money elsewhere.

1930: Chamber meets in fire h

COMPILED BY MIKE READ
Novato History Museum

85 Years Ago
September 1930

The membership committee of the Novato Chamber of Commerce met in the fire house and talked over matters of interest and benefit to this whole section, culminating in the formation of a plan of action to be submitted to the Chamber of Commerce. It is proposed to hold a membership drive during the week of October 4-11, and to inform the public on the purpose of building up a large Chamber of Commerce, a special edition of the Novato Advance will be issued on October 4.

This edition will contain



a great deal of information regarding the bombing base and other activities which necessitates the active participation of a united community if we hope to enjoy our rightful place in the new era of prosperity that is sure to follow the establishment of the government unit. Novato and surrounding district must awake to the possibilities before us, and unless we unite much will be lost.

J. W. Cain, operating under the name of The Utilities Company of Novato, has been authorized by the Rail-

road Commission to sell to A. J. Cain all of the water and telephone properties serving the town of Novato.

75 Years Ago
September 1940

Refusing to salute the flag at opening of school yesterday morning at Ignacio were two small boys, sons of an employee of an Ignacio ranch. The boys after telling the teacher, Miss Olivia Pacheco, that they were members of Jehovah's Witnesses and it was against their religious principles to salute any flag, were sent home. Jehovah's Witnesses recently fought a similar test case through the United States Supreme Court which in a definite ruling held that public school authorities had the right to exclude from

school the flag tained for sal as are of the even not b God.

E. Mar pany west

Novato
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