

**NORTH MARIN
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
November 6, 2012 – 7:30 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
7:30 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , October 16, 2012 and APPROVE MINUTES FROM SPECIAL MEETING , October 11, 2012
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	STAFF/DIRECTORS REPORTS
	5.	QUARTERLY FINANCIAL STATEMENT
	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.	
	6.	Consent – Approve Text for Fall <i>Water Line</i> , Volume 13, Issue 28
	7.	Consent – Approve Outside Auditor's 2012 Report & Management Letter
	8.	Consent – Approve Final Annual Report Fiscal Year 2011-2012
	9.	Consent – Approve MOU for North Coast Mussel Consortium
	ACTION CALENDAR	
	10.	Consider: Claim - Robert Jonsen
	11.	Approve: Recycled Water Expansion South Service Area - Phase 2: Award Construction Contract
	12.	Approve: Recycled Water Expansion North Service Area Segment 2 Project - Ranger Pipeline Inc. Change Order Numbers 11 and 14 to 22

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
8:00 p.m.		INFORMATION ITEMS
	13.	First Quarter FY 12/13 – Water Quality Report w/ Bacteriological Monitoring Report
	14.	Quarterly Progress Report – Operations/Maintenance
	15.	Quarterly Progress Report - Engineering Department
	16.	Water Conservation Quarterly Update (July-September 2012)
	17.	Grossi Creek Erosion Control Clean-Out
	18.	Recycled Water South Service Area Construction Contract - Phase 1b and Impact on Meadow Park Hamilton Community Update
	19.	WAC/TAC Meeting
	20.	NBWA Meeting
	21.	MISCELLANEOUS Disbursements Purchase of Replacement Meter Reading Devices Comments Honoring Congresswoman Lynn Woolsey Upon her retirement from Congress- October 23, 2012 Marin County Winter & Spring Storm Preparedness 2012/2013 Season Press Release - Water For People <u>News Articles:</u> MMWD seeks applicants for seat Mill Valley man tapped for state regional water board Novato Sanitary District reaches \$344,000 settlement over spills Novato Creek work to be funded by EPA fund Novato bike park fund grows Dry Creek 'fishway' project aims to restore salmon habitat Novato Advance- 25 Years Ago October 1987 David Behar resigns from MMWD board
	22.	CLOSED SESSION: In accordance with Government Code Section 54957.6; Conference with Labor Negotiators; District's Designated Representatives – Chris DeGabriele and David Bentley; Employee Organization – North Marin Water District Employee Association.
9:30 p.m.	23.	ADJOURNMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
October 16, 2012

CALL TO ORDER

President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 7:30 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites (7:35 p.m.), Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Acting District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Paul Kaymark (Charles Z. Fedak & Company), Brad Sherwood (Sonoma County Water District), Janis Mara (Marin Independent Journal), Meadow Park Residents, Janis West, Sherry Sweet, Anne Sommer, Anne Marie Kambly and Susan Derana, along with District employees Robert Clark (Operations/Maintenance Superintendent) and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

AYES: Directors Baker, Rodoni, Petterle, Schoonover

NOES: None

ABSTAIN: None

ABSENT: Director Fraites

GENERAL MANAGER'S REPORT

Fluoridation

Mr. DeGabriele informed the Board that he and Pam Jeane from Sonoma County Water Agency met with the Department of Public Health (DPH) regarding the Sonoma County Board of Supervisors desire to fluoridate the Russian River Water Supply. He stated that the Sonoma County health officer will make a presentation to the Board of Supervisors on December 6th summarizing the Draft Fluoridation Assessment completed by the California Dental Association. Mr. DeGabriele said that the meeting with DPH was informative and that he contacted the District's legal counsel

1 regarding the cost of fluoridation and was advised that the District's customers cannot be required to
2 pay for fluoridation. He stated that the District is informally asking the Water Advisory Committee
3 and Technical Advisory Committee members to advocate not paying for the fluoridation and that the
4 Sonoma County Board of Supervisors should find money from grant funding or other sources.

5 Congresswoman Lynn Woolsey's retirement

6 Mr. DeGabriele informed the Board that he received an email last week from Marin County
7 Supervisor Kinsey's aide regarding the retirement of Congresswoman Lynn Woolsey and inviting the
8 District to attend the October 23rd Board of Supervisors meeting to recognize the District and
9 Congresswoman Woolsey's relationship. He asked if there was any interest from Board members to
10 attend and represent the District. The Board suggested the General Manager attend.

11 OPEN TIME

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

14 STAFF / DIRECTORS' REPORTS

15 President Petterle asked if staff or Directors wished to bring up an item not on the agenda
16 and there was no response.

17 MONTHLY PROGRESS REPORT w/ Customer Service Questionnaire

18 Mr. DeGabriele advised the Board that in September, water production in Novato and West
19 Marin was up slightly from one year ago and that Recycled Water was down 8% from last year. He
20 said that Stafford Treatment Plant production was down considerably from one year ago, as is the
21 lake level, (180 ft elevation), at the end of September. He further stated that Oceana Marin
22 treatment and storage ponds are in good condition going into the winter season.

23 Mr. DeGabriele noted that the District staff has worked 261 days without loss time accident
24 or injury. He informed the Board that the Summary of Complaints for September was up 16%
25 compared to one year ago, due to pressure reducing valve problems on customer lines and water
26 quality complaints resulting from higher than normal chlorine levels and elevated turbidity at Stafford
27 Treatment Plant. Mr. DeGabriele said that the District received only 9% of the Customer Service
28 Questionnaires mailed; however 99% of those returned said the District was doing a good job.

29 David Bentley informed the Board that the Monthly Report of Investments showed that the
30 District investment portfolio has a cash balance of \$7.6M and that \$6.2M has been advanced to fund
31 the Recycled Water Expansion, and the District is waiting for SRF loan receipts. Mr. Bentley stated

1 that the District's investment portfolio is earning 0.44% interest.

2 **PRESENTATION: SCWA - Zebra and Quagga Mussels**

3 Brad Sherwood, from Sonoma County Water Agency (SCWA), gave an informative
4 presentation regarding the effects of Zebra and Quagga Mussels in North Coast waterways. He said
5 that one mussel can produce one million eggs and studies show that they thrive in calcium rich lakes
6 such as Lake Sonoma, Lake Berryessa, and Lake Mendocino. He stated that currently there are no
7 regional prevention programs in place, only local programs. He informed the Board that boats are
8 the primary vectors to spread the mussels and the only way to prevent infested waters is a boat
9 inspection program. He noted that Marin Municipal Water District has signed on to work with a North
10 Coast Consortium including Sonoma, Humboldt, and Mendocino Counties, Mendocino County
11 Russian River Flood Control and Water Conservation Improvement District and SCWA to develop
12 an inspection program and make sure the waters stay mussel free. Mr. Sherwood stated that the
13 goal of the water agencies would be to advocate, educate and prevent these mussels from being
14 introduced into the water.

15 Mr. Sherwood said that local funding would be needed to get the boat inspection program up
16 and running. He stated that with AB2443 in place there is \$9M state funding available as well as
17 Department of Fish and Game charging a fee of \$10 per year on boat registrations.

18 Director Schoonover asked what the mussels' enemies were and Mr. Sherwood answered
19 Gobi fish. He stated that Gobi fish are not native to the environment and do not do well in calcium
20 rich water.

21 Mr. DeGabriele asked what the risk is to the Russian River diversion facilities. Mr. Sherwood
22 answered that it is highly unlikely for the mussels to be in the fast-moving water near the diversion
23 facilities because they cannot survive in swift-moving water and prefer calm environments.

24 Director Rodoni opined that there is no reason for the District not to participate although
25 there is low risk at the Stafford Lake.

26 President Petterle asked that the MOU be brought back to the Board to vote on at the next
27 Board meeting. Mr. DeGabriele agreed and stated that that he would bring the MOU back at the
28 next meeting for Board approval.

29 Mr. Sherwood thanked the Board for their time and left the meeting.

30 **CONSENT CALENDAR**

31 On the motion of Director Fraites, seconded by Director Schoonover and unanimously
32 carried, the following items were approved on the consent calendar:

1 **LAGUNITAS CREEK STREAMGAGING STATION COST SHARING**

2 The Lagunitas Creek streamgaging station is located at the Gallagher Ranch bridge near
3 Point Reyes Station and is owned, operated and maintained by the U.S. Geological Survey (USGS).
4 The station is funded by North Marin Water District, the National Park Service and Marin Municipal
5 Water District. The USGS has requested that the District agree to the Joint Funding Agreement to
6 be in place November 1, 2012 to October 31, 2013, sharing the same cost as last year.

7 The Joint Funding Agreement includes installation and operation of an auxiliary gage
8 downstream of the existing Gallagher Gage for use by NMWD to satisfy California Department of
9 Fish and Game requirements pursuant to the adopted Mitigated Negative Declaration for the
10 Gallagher Well and Pipeline Project.

11 The Board approved the funding request and the District share in the amount of \$18,030
12 and authorized the General Manager to enter into the agreement with U.S. Geological Survey.

13 **RENEWAL GRAZING LEASES - GROSSI & LEVERONI**

14 The Board approved the renewal for a two-year period of the George Grossi lease
15 agreement totaling 119 acres on 2 District parcels and the David and Paul Leveroni lease
16 agreement totaling 27 acres on 1 parcel.

17 **RENEW AGREEMENT FOR BILL PRINT SERVICES**

18 InfoSend has been providing bill printing and mailing services for the District since 2004.
19 InfoSend has agreed to a 3% reduction in their charge, to 12.7¢ per bill.

20 The Board authorized the Auditor-Controller to renew the agreement with InfoSend to
21 provide document processing services for a three-year period commencing January 1, 2013.

22 **CONTRACT FOR ENGINEERING SERVICES FY12/13- WHITE AND PRESCOTT**

23 The District is requesting a miscellaneous Engineering Services Agreement with White and
24 Prescott to help staff meet workload demands.

25 The Board authorized the General Manager to execute a new agreement for engineering
26 services between NMWD and White and Prescott with a not-to-exceed limit of \$10,000.

27 **ACTION CALENDAR**

28 **APPROVE: EXTENSION OF HORIZON CATV LICENSE AGREEMENT**

29 Robert Clark informed the Board that Horizon Cable Television (CATV) license agreement
30 with the District in West Marin has expired and that Horizon is requesting an extension of the

1 agreement. He noted that since 1995, Horizon has utilized a 40ft antenna and a small equipment
2 shed located at the District's PRE #4 tank site. He stated that Horizon has requested to extend the
3 contract for another two years and that staff has granted the request. He further stated that the
4 agreement's annual fee has been recalculated based upon the current number of customers
5 resulting in the new annual fee of \$3,917; \$300 more than last year.

6 On motion of Director Schoonover, seconded by Director Fraites and unanimously carried,
7 the Board authorized the General Manager to execute an extension of the Horizon CATV two-year
8 license agreement.

9 **INFORMATION ITEMS**

10 **RECYCLED WATER SOUTH SERVICE AREA CONSTRUCTION CONTRACT - PHASE 1B AND**
11 **IMPACT ON MEADOW PARK HAMILTON COMMUNITY**

12 Mr. DeGabriele informed the Board that over a week ago there was a major accident in
13 Hamilton Meadow Park community, where Disney Construction, the District's Recycled Water Phase
14 1b contractor, punctured a 4-inch gas main. He stated that the Novato Police and Novato Fire
15 Protection District responded appropriately and took precautionary measures to ensure the safety of
16 the community. He advised that this accident was the "final straw" breaking the patience of the
17 residents in the Meadow Park community dealing with the construction impacts. He noted that one
18 of the customers, Anne Sommers, made an outreach to the Novato City Council, which was
19 forwarded to him. Mr. DeGabriele said that he received the email and responded to Ms. Sommers
20 immediately with a telephone call.

21 Mr. DeGabriele informed the Board that the community members desired to address the
22 Board and voice their concerns about the contractor's work that has disrupted their community. He
23 stated that he takes full responsibility for the issues at hand and that the District will do everything it
24 can to correct the damages done. He expressed his apologies and informed the residents that he
25 was happy that they came in to talk to the Board.

26 Anne Sommer informed the Board that she contacted the City Council and wanted to thank
27 Mr. DeGabriele for the quick response and willingness to resolve the issues. She stated that the
28 residents in the audience were here to let the Board know what they have gone through and the
29 issues that need to be resolved. Ms. Sommer expressed her concern regarding the condition of the
30 work that Disney Construction has done underground, worrying about the work quality and whether it
31 will hold up for years to come. She stated that because Disney Construction's damaged irrigation
32 water lines, the community's landscaping has been impacted and is dying. She continued to state

1 that there is standing water on Tinker Way and Marin County Mosquito & Vector Control is worried
2 about the West Nile Virus. She stated that Doug Gordon of Cagwin & Dorward, the Meadow Park
3 landscaping contractor, has been called on by Disney Construction, the District and the City of
4 Novato to test irrigation lines and turn on booster pumps multiple times and would like to know who
5 will be paying for Mr. Gordon's time. Ms. Sommer opined that the District's quick response was a
6 positive and hopes the District can resolve the issues as soon as possible.

7 Sherry Sweet, resident of Meadow Park, reminded the Board that there were four water
8 main breaks, PG&E power and telephone lines cut and the gas main break, which was the last
9 straw. She opined that the residents do not have any confidence in Disney Construction. Ms. Sweet
10 informed the Board that the biggest concern was the work done underground, and asked for
11 assurance that there was someone inspecting the work before Disney Construction finished. She
12 continued to state that traffic control was nonexistent, and the biggest concern was that there was
13 no dust control. Ms. Sweet stated that someone should be responsible for all the lines cut and that
14 should be Disney Construction. She expressed her concern again to the Board about the quality of
15 the work, the contractor's behavior and the lack of concern for the residents. She asked that Disney
16 Construction not be allowed in the community again and that public safety must be their priority.

17 Ann Marie Kambly, resident of Meadow Park informed the Board that she was attending the
18 board meeting on behalf of her neighbor. She stated that the neighbor had to take her son to the
19 emergency room with respiratory issues due to the dust created by all the construction.

20 Janice West, resident of Meadow Park stated that she was at the Board meeting to support
21 her neighbors and informed the Board that she was a first-time homeowner and always felt proud
22 when she came home from work, but not anymore. She continued to state that now there is dust
23 and dirt on the houses. She said that it is a hardship on everyone when looking at everything that
24 has happened.

25 Susan Derana, the Chair of Meadow Park Homeowners Association Landscape Committee
26 and resident on Bolling Circle, stated that she is unhappy with the work by Disney Construction, that
27 the streets look torn up and that the construction workers have almost killed the sycamore trees
28 around her parking lot. Ms. Derana informed the Board that she was excited about the Recycled
29 Water Project and was very pleased with the quick response from Mr. DeGabriele. She stated that
30 after speaking with the Cagwin and Dorward landscape contractor, Doug Gordon, Disney
31 Construction had cut four irrigation mains which damaged controller wires to the landscaping and
32 Disney Construction asked Mr. Gordon to come back out and check the wires. Ms. Derana stated
33 that recently Disney's trucks have removed the company's name from the side of their vehicles.

1 President Petterle thanked the residents of Meadow Park for attending the meeting and let
2 them know that they have been heard and that the residents' concerns are important to the Board.
3 He stated that the District does not typically do business this way and generally provides outstanding
4 customer service. Mr. Petterle requested more background on the issues from Mr. DeGabriele with
5 an outline of what happen, how it happened, why it happened, and prevention measures.

6 Director Rodoni thanked everyone for coming and requested more background information,
7 particularly with the project management. Director Rodoni also requested that staff look into not
8 paying all outstanding invoices to Disney until everything gets straighten out. He asked that the
9 residents continue to communicate with Mr. DeGabriele.

10 Director Baker agreed with the other Board members and noted that the District apologizes
11 for the residents' distress and asked that they give the District a chance to make amends.

12 Director Schoonover stated that he would like to hear Disney Construction's side of the
13 story and was happy to have the residents at the meeting expressing their concerns.

14 Director Fraites also thanked the residents for coming and said that he was embarrassed by
15 this behavior and that the Directors are proud of the District's employees. He apologized to the
16 residents.

17 Mr. DeGabriele informed the residents that all materials purchased and installed on the
18 project were reviewed and inspected by District staff or District inspector so the District knows the
19 materials are good and the construction inspector made sure they were installed properly. He
20 continued to state that subsequent tests have been done to make sure no leaks are occurring and
21 the District is confident from the quality perspective that the work completed meets District
22 requirements. Mr. DeGabriele said that if something should fail in the future, District staff would
23 repair it. He stated that the District's Construction Superintendent has been at the District for 40
24 years maintaining and repairing underground facilities and has an excellent relationship with other
25 utilities. He further stated that he is very confident in the abilities of District staff going forward.

26 Mr. DeGabriele noted that another phase of this project will begin soon with a different
27 contractor and that the District will strive to communicate better with the residents. He stated that
28 there would be more oversight from the District staff on a regular basis so that not only the
29 contractor knows the District is looking, but the construction manager as well.

30 Mr. DeGabriele asked that the residents work together with the District to address missteps
31 and that he will be scheduling a walkthrough of the project with District staff, Susan Derana, Anne
32 Sommer and Doug Gordon so the District can identify problems and a find a solution.

1 President Petterle stated that District staff has direction to prepare an outline of what
2 happened, how to prevent it, and what the District is going to do about it. He informed the audience
3 that Mr. DeGabriele will make sure to notify the residents of the ongoing progress and thanked the
4 residents for attending.

5 All of the residents from Meadow Park left the meeting.

6 **REVIEW - OUTSIDE AUDITOR'S 2012 REPORT, SINGLE-AUDIT REPORT AND MANAGEMENT**
7 **REPORT**

8 Mr. Bentley informed the Board that the District solicited new proposals for financial audit
9 services this year which resulted in renewing Mr. Kaymark's contract for the next four years. He
10 asked the Board to provide any comments on the audit to the General Manager by next Friday and
11 that the report will be on the agenda for Board approval at the November 6th meeting.

12 Mr. Kaymark distributed a summary of the 2012 Financial Audit and described the audit
13 process and reviewed the financial highlights. He encouraged the Board to ask questions during his
14 presentation.

15 During his financial highlights presentation, Mr. Kaymark informed the Board that the
16 District's finances are moving in the right direction.

17 Mr. Kaymark informed the Board that the Novato Water System Balance Sheet shows the
18 District has over \$92M in assets overall at the end of FY12; he said that there is \$26M in liabilities,
19 net investment and in capital assets of \$54M, and \$7.1M in spendable reserves.

20 Mr. Kaymark noted that the Unrestricted Net Assets page shows that the District's non-
21 spendable assets: materials and supplies inventory, prepaid expenses, notes receivable, employee
22 housing loans, and deferred charges total \$1.8M. He then discussed the Statement of Revenue &
23 Expenses, stating that the total FY12 operating revenue was \$14.4M and total operating
24 expenditures before depreciation totaled \$11.8M, resulting in a \$2.4M operating income. He stated
25 that the operating income was adequate to cover depreciation expense allowing the District to put
26 \$2.3m back into capital replacement.

27 Mr. Kaymark stated that the Variable Revenue increased approximately \$700,000 during the
28 fiscal year. He stated that the cost of purchased water increased \$1.3M which off-set the District's
29 rate increase. Mr. Kaymark noted that the District's Variable Revenue Coverage has gone from
30 \$1.6M last year to \$1.5M this year, still adequate coverage.

1 Mr. Kaymark informed the Board that a new Government Accounting Standards Board
2 (GASB) requirement, effective in 2015, will challenge all public agencies as pension liabilities must
3 be fully reported on the Statement of Net Assets.

4 Mr. DeGabriele stated that several public agencies in the past have sold pension obligation
5 bonds and asked how they will comply with the new GASB rule. Mr. Kaymark answered the pension
6 obligation bonds were issued to buy-down their current PERS contribution rate.

7 Mr. DeGabriele asked why the District would want to give the State of California \$2.2M. Mr.
8 Kaymark answered that the District's CalPERS rate is 19% and the District would see an immediate
9 drop in its PERS contribution rate and it will curtail the District interest expense of the \$2.2M.

10 David Bentley stated that in June 2011 the District enacted three annual 11% increases with
11 one more to go, and the District financial situation is improving. He asked Mr. Kaymark if the third
12 increase was needed. Mr. Kaymark answered yes, that it is going to be definitely necessary.

13 Mr. Kaymark complimented the District staff for their efficiency in preparation for the audit
14 and said that the District has a "top notch financial team".

15 Mr. Kaymark left the meeting.

16 **PRESS RELEASE AND PUBLIC INFORMATION - POINT REYES WELL #3**

17 Mr. DeGabriele informed the Board that the District reached out to customers regarding the
18 rehabilitation of Point Reyes Well #3. He stated that the information was reported in the West Marin
19 Citizen and the Marin Independent Journal. He informed the Board that the first phase of the project
20 went well and the project will be finished by the end of October.

21 **DRAFT ANNUAL REPORT**

22 Mr. DeGabriele requested that the Board review the draft Annual Report and submit any
23 comments to Katie Young by the end of the week. He stated that the final Annual Report will be
24 approved at the next Board meeting and the final document will be handed out at the November 20th
25 meeting.

26 **NBWA MEETING - OCTOBER 12, 2012**

27 Director Fraites informed the Board that at the North Bay Watershed Association meeting
28 Mark Holmes gave a presentation regarding greenhouse gasses in the Bay Area and how
29 communities around the Bay would cope with sea level rise.

30

1 **MISCELLANEOUS**

2 The Board received the following miscellaneous information: Disbursements, Self Insured,
3 Workers Compensation Update, and Scrap Metal Receipts. The Board also received the following
4 news articles: Marin Wants to Keep Invasive Mussels Out of Water Supply, New Novato Water
5 recycling plant makes a splash, Berg Sworn in as New Novato Chief of Police, Novato Hires
6 Economic Development Manager, Settlement OK'd Ending Lawsuit Over Russian River Gravel
7 Mining, Water Costs Getting More Expensive, and Are We Better Off Privatizing Water?

8 **CLOSED SESSION**

9 President Petterle adjourned the Board into closed session for: Conference with Real
10 Property Negotiator (Chris DeGabriele & Drew McIntyre) regarding terms of Interconnection
11 Agreement between North Marin Water District and Marin Municipal Water District in accordance
12 with Government Code Section 54956.8.

13 **OPEN SESSION**

14 Upon returning to regular session at 9:50 p.m., President Petterle stated that during the
15 closed session the Board had discussed the issues and no reportable action had been taken.

16 **ADJOURNMENT**

17 President Petterle adjourned the meeting at 9:51 p.m.

18
19
20
21
22
23

Submitted by

Katie Young
Acting District Secretary

1 **DRAFT**
2 **MINUTES OF SPECIAL MEETING**
3 **OF THE BOARDS OF DIRECTORS OF**
4 **NORTH MARIN WATER DISTRICT**
5 **AND**
6 **NOVATO SANITARY DISTRICT**
7 **October 11, 2012**

8 **CALL TO ORDER**

9 Novato Sanitary District President Di Giorgio called the Special Meeting of the Boards of
10 Directors of North Marin Water District and Novato Sanitary District to order at 1:30 p.m. at the
11 Novato Sanitary District headquarters and the agenda was accepted as presented. Present were
12 North Marin Water District President Stephen Petterle and Directors Jack Baker, Rick Frites,
13 Dennis Rodoni and John Schoonover and Novato Sanitary District President Mike Di Giorgio and
14 Directors Jean Mariani, William C. Long, Jerry Peters and Dennis Welsh. Also present were North
15 Marin Water District General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-
16 Controller David Bentley and Chief Engineer Drew McIntyre, and Novato Sanitary District Manager-
17 Engineer Beverly James and Deputy Manager-Engineer Sandeep Karkal.

18 There were several people in the audience including Clay Kuzmo from the Covello Group.

19 **OPEN TIME**

20 President Di Giorgio asked if anyone in the audience wished to bring up an item not on the
21 agenda and there was no response.

22 **REVIEW COOPERATIVE EFFORTS BETWEEN NOVATO SANITARY DISTRICT AND NORTH**
23 **MARIN WATER DISTRICT**

24 Chris DeGabriele stated that it had been at least ten years since the two Boards of Directors
25 met and he asked that the Directors introduce themselves.

26 After introductions were completed, Mr. DeGabriele stated that the purpose of the Special
27 Joint Board of Directors meeting was to review the cooperative efforts between the Novato Sanitary
28 District (NSD) and North Marin Water District (NMWD). He said that the two districts have a long
29 history of cooperation most recently with the Mutual Aid and Assistance Agreement executed in
30 2010 and the Third Revised Inter-Agency Agreement for Recycled Water executed in 2011. He said
31 that the Mutual Aid Agreement enables the two districts to share resources (laboratory, labor and
32 equipment) as necessary. Mr. DeGabriele stated that NSD and NMWD have worked together in the
33 development, construction and operation of recycled water beginning in 1991 when the two districts
34 jointly funded a reconnaissance level study performed by Nute Engineering of recycled water
35 potential in the Novato area to irrigate several proposed golf courses. He stated that StoneTree

1 Golf Course was a project coordinated by both districts; the treatment facility was constructed on
2 NSD property and has been in operation for five years. He said that today is the dedication of the
3 Recycled Water Treatment Facility at NSD's Davidson Street Treatment Plant which will be the
4 principal treatment facility for recycled water in the Novato North Area. Mr. DeGabriele informed
5 both boards that he and Ms. James were able to work together because they understand that the
6 customers served are one and the same for both districts. He asked the Directors if there are areas
7 of future cooperation between the districts that they feel should be considered.

8 Beverly James stated that both agencies are conscious of providing value to its customers
9 and take its fiduciary responsibility seriously. She said that one of the motivating forces for the
10 cooperation between the two agencies is to look for those opportunities where they can provide
11 good utility services to customers in recognition of the cost as infrastructure is a big investment for
12 the community. Ms. James said that both she and Mr. DeGabriele are open to look for opportunities
13 to continue to share resources and joint projects in a sustainable way.

14 Director Schoonover commented that both agencies have done much in areas of
15 cooperation and should not shut the door on anything and continue to work together.

16 Director Rodoni asked, in regard to isolation in an emergency, if there is an opportunity for
17 cross-training to ensure that the two district staffs become familiar with and knowledgeable of each
18 other's system.

19 Ms. James said that there has been some discussion about that and it is a good idea to
20 move ahead with cross-training.

21 Mr. DeGabriele advised that Director Rodoni sits on the Local Agency Formation
22 Commission (LAFCO) and that LAFCO's municipal service reviews have not identified any reason
23 that the two agencies should consolidate and have not identified any underlying service need or cost
24 benefit in that regard. He mentioned that those issues have come up in the public discussion and
25 added that the Marin County Civil Grand Jury recently released a report on special district
26 cooperation to which both NMWD and NSD responded. Ms. James commented that she did not
27 want to imply that there would be any objection on NSD's part if the Boards of Directors felt they
28 wanted to explore consolidation. She said that staff would approach that professionally at the
29 Boards' direction.

30

1 Director Long congratulated both General Managers for their good working relationship.

2 Director Welsh suggested that operators become certified in both wastewater and potable
3 systems.

4 Mr. DeGabriele stated that it has been difficult for NMWD treatment plant operators to
5 become certified in its wastewater operations because of the small size and remote location of the
6 Oceana Marin wastewater system. He said that this is an area of cooperation to explore further.
7 Ms. James commented that there may be more opportunity in the distribution and collection system
8 and that there are NSD staff that are certified in both.

9 President Di Giorgio stated that treating water uses approximately 20% of energy in the
10 state and asked if it were possible for energy cooperation for pumping water since pumping is a
11 major cost of energy for both agencies. There was a discussion on digester gas energy production.

12 Director Long asked if there were any concerns or opportunities for closer coordination or
13 issues with respect to other government agencies such as the County of Marin or Novato Fire
14 Protection District.

15 Ms. James stated that both districts are participating in the Novato Creek Watershed study
16 which offers an excellent opportunity to work closely with the county and city of Novato. She
17 advised that Novato city managers meet quarterly primarily focused on emergency operations and
18 issues impacting city streets, utilities and planning.

19 Mr. DeGabriele summarized other cooperative opportunities that both districts are involved
20 in. He stated that the North Bay Watershed Association (NBWA) is a good networking group for
21 public agencies, environmental groups and regulators to share ideas and projects. He said that
22 both districts benefited from the Integrated Regional Water Management Plan (IRWMP) and that the
23 NBWA was an advocate in that process resulting in grant funding from the IRWMP. Mr. DeGabriele
24 stated that the North Bay Water Reuse Authority (NBWRA) is another area of cooperation where
25 directors of NMWD and NSD sit on its Board of Directors along with their counterparts in Sonoma
26 and Napa Counties.

27 There was a discussion on the city permitting process and high connection fees for
28 developers who desire to connect to NSD and/or NMWD, a discussion on the districts' boundaries
29 and the pros and cons of de-annexation of areas within county open space.

30

1 **REVIEW RECYCLED WATER - NORTH SERVICE AREA - THE COVELLO GROUP**

2 Beverly James introduced Clay Kuzma of The Covello Group, the Project Engineer, for the
3 Recycled Water North Service Area Project. Ms. James complimented The Covello Group on the
4 fine job they have done for both districts in managing the complicated project.

5 Mr. Kuzma's PowerPoint presentation summarized the Recycled Water Treatment Plant
6 and Distribution Pipelines, Treatment Facilities Project components and provided a status and cost
7 summary of the project. He noted that the project met the American Recovery and Reinvestment
8 Act (ARRA) funding obligations and delivered water on September 18, 2012. His presentation
9 summarized distribution system Segments 1, 2 and 3, and the Plum Street Tank Rehabilitation, and
10 provided the Pipeline Project Cost Summary.

11 Mr. Kuzma thanked Drew McIntyre and Carmela Chandrasekera of NMWD and Sandeep
12 Karkal and Craig Deasy of NSD for their hard work in getting the projects finished despite
13 challenges and setbacks.

14 Director Petterle asked Mr. DeGabriele to explain how the Deer Island Recycled Water
15 Treatment facility fits in with the Recycled Water North Service Area Project.

16 Mr. DeGabriele explained that the Deer Island facility was built in 2006 and was designed to
17 meet the StoneTree Golf Course requirements and that that facility will remain on standby status so
18 that if for any reason the Davidson Street recycled water treatment plant is not available to produce
19 recycled water for the Novato North system, then the Deer Island facility will be able to provide some
20 recycled water so that potable water will not have to be used to serve the golf course and other
21 customers.

22 Director Long asked Mr. DeGabriele to explain how the money received or any surplus
23 generated would be accounted for.

24 Mr. DeGabriele stated that this is identified in the Inter-Agency Agreement; NMWD is
25 charging the end user the equivalent cost of potable water, NMWD will then pay NSD for
26 operation/maintenance costs of the Recycled Water Treatment Facility and those costs will be
27 invoiced. He said that the remaining marginal costs will be deposited in NMWD's Recycled Water
28 Treatment Facility fund held by NMWD to pay for capital replacements and expansion.

29 Ms. James added that an addendum to the NSD contract with Veolia has been negotiated
30 and they will be operating the facility for the first year and detailed records on time spent and
31 expenses will be kept so that actual costs of operation will be known.

32

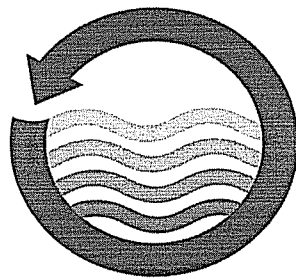
1 **ADJOURNMENT**

2 President Di Giorgio adjourned the meeting at 2:40 p.m.

3 Submitted by

4
5
6
7 Renee Roberts, Secretary
8 North Marin Water District

NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2012-13

September 2012

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
TABLE OF CONTENTS**

Memo

Financial Statement Memo..... 1

Basic Financial Statements

Statement of Net Assets - All Districts..... 4

Sources and Uses of Funds Statement..... 8

Income Statement & Cash Flow - By Service Area..... 9

Supplementary Information

Detail Income Statement - Novato Water..... 10

Detail Income Statement - Recycled Water..... 14

Detail Income Statement - West Marin Water..... 16

Detail Income Statement - Oceana Marin Sewer..... 19

Equipment Expenditures..... 21

Connection Fee, Workers' Comp & Conservation Incentive Rate Analysis..... 22

Overhead Analysis..... 23

Expenditures by Category..... 24

Vehicle Fleet Analysis..... 25

Water Conservation Expenditures..... 26

Capital Improvement Project Expenditures 27

Notes to Financial Statements 31

MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Information – FY12/13 September Financial Statement
t:\accountants\financials\stmtfy13\md&a0912.doc

November 2, 2012

FISCAL YEAR-TO-DATE PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY

Actual vs. Budget	Sep-12	FY12/13 YTD Actual	FY12/13 Budget	FYTD / Budget %
Operating Revenue	\$1,939,772	\$5,900,522	\$16,678,000	35%
Operating Expense	\$1,421,785	\$4,726,930	\$15,403,000	31%
Non-Operating Revenue/(Expense)	(\$47,693)	(\$132,654)	(\$488,000)	27%
Net Income/(Loss)	\$470,294	\$1,040,939	\$787,000	132%
Other Sources/(Uses) ¹	(\$1,147,941)	(\$3,971,338)	(\$497,000)	799%
Cash Increase/(Decrease)	(\$677,647)	(\$2,930,400)	\$290,000	-

¹ See Page 8.

For the first three months of the fiscal year the District generated a net income of \$1,040,939 and saw a net cash decrease of \$2,930,400. Operating Revenue, at 35%, came in on budget, and Operating Expense, at 31%, came in 2% more than budget, seasonally adjusted. 32% of the Capital Improvement Projects Budget was expended this fiscal year-to-date. The District's total cash balance decreased \$677,647 during the month. The September cash decrease was due primarily to payments for the Recycled Water Expansion project (\$828,292).

**SUMMARY INCOME STATEMENTS BY SERVICE AREA
 PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS**

NOVATO WATER

Year over Year Comparison	Sep-12	FYTD 12/13	FYTD 11/12	FY13 vs 12 Up/(Down)
Operating Revenue	\$1,803,519	\$5,489,045	\$4,928,779	11%
Operating Expense	\$1,338,156	\$4,438,659	\$4,030,668	10%
Other Income / (Expense)	(\$23,558)	(\$34,643)	(\$40,732)	(15%)
Net Income / (Loss)	\$441,804	\$1,015,742	\$857,379	18%
Active Accounts	20,493	20,493	20,476	0%
Consumption (MG)	344	1,059	999	6%
Average Commodity Rate/1,000 gal	\$4.41	\$4.38	\$4.20	4%
Income / (Loss) / Active Account	\$21.56	\$49.57	\$41.87	18%
Income / (Loss) / 1,000 Gal	\$1.28	\$0.96	\$0.86	12%
Connection Fee Revenue	\$28,600	\$28,600	\$769,000	(96%)
Developer 'In-Kind' Contributions	\$48,774	\$108,037	\$64,699	67%

Consumption for the period was 6% more than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 11% (\$560,266) primarily due to the 11% rate increase commencing June 1, 2012. Total operating expense was 10% (\$407,991) more than last year same period, primarily due to increase in purchased water cost (\$438,636).

The Stafford Treatment Plant commenced operation on July 3 and produced 204 MG this fiscal year at a cost of \$2,655/MG¹ versus \$2,203/MG³ from SCWA. The budget for Stafford is 750 MG at a cost of \$2,717/MG.

Salary and benefit cost charged to Novato operations was 2% less than last year. Staff time (hours) charged to Novato operations was 9% less than last year. Salary and benefit cost is \$1,276,084 this year-to-date, which is 24% of the \$5,336,000 budget for Novato operations.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$1,015,742 compares to a budgeted net income for the year of \$787,000 and to a net income of \$857,379 for the prior year same period. \$276,139 (9%) of the Novato Water Capital Improvement Project Budget was spent versus \$321,982 (8%) for the prior year. \$28,600 in connection fees have been collected this fiscal year-to-date. The Novato cash balance decreased \$620,912 during the month, and stood at \$6,440,460 at month end, compared to a budgeted projection of \$10,400,000 at June 30, 2013.

NOVATO RECYCLED		FYTD	FYTD	FY13 vs 12
Year over Year Comparison	<u>Sep-12</u>	<u>12/13</u>	<u>11/12</u>	<u>Up/(Down)</u>
Operating Revenue	\$36,412	\$128,005	\$131,891	(3%)
Operating Expense	\$38,671	\$116,805	\$103,438	13%
Other Income / (Expense)	(\$20,757)	(\$91,644)	(\$15,558)	489%
Net Income / (Loss)	<u>(\$23,016)</u>	<u>(\$80,445)</u>	<u>\$22,235</u>	-
Active Accounts	2	2	2	0%
Consumption (MG)	8.9	31.0	34.2	(9%)
Average Commodity Rate/1,000 gal	\$4.11	\$4.11	\$3.84	7%

The 0.5 MGD Deer Island Recycled Water Facility delivered 31.0 MG to the Stone Tree Golf Course and the Fire District this fiscal year-to-date. Operating revenue was down 3% due primarily to the 9% consumption decrease. Total operating expense was 13% more than last year. The recycled water was produced at a cost of \$4,367/MG² versus \$2,203/MG³ from SCWA. The budgeted production cost of recycled water is \$6,981/MG.

The fiscal year-to-date net loss of \$80,445 compares to a budgeted net loss for the year of \$256,000 and a net income of \$22,235 for the prior year same period. \$2,706,728 (49%) of the Improvement Project Budget was expended this fiscal year-to-date.

To date, \$11,130,506 has been expended on the North/South Area Expansion Projects. \$6,173,950 has been borrowed from Novato Water pending receipt of Grant (\$1,082,744 in ARRA Funds received to date) & SRF Loan funds (\$2,105,041 received to date).

¹ Cost of Stafford production = operating expense (\$324,293) + SRF loan interest (\$87,479) + plant depreciation (\$129,830) / 204 MG produced

² Cost of Recycled Water production = operating expense (\$75,771) + SRF loan interest (\$20,644) + plant depreciaton (\$35,461) / 30.2 MG produced

³ Cost of SCWA production per MG is comprised of O&M charge (\$1,727) + debt service charge (\$194) + Russian River conservation charge (\$221) + Russian River projects charge (\$61)

WEST MARIN WATER

Year over Year Comparison

	Sep-12	FYTD 12/13	FYTD 11/12	FY13 vs 12 Up/(Down)
Operating Revenue	\$86,675	\$243,975	\$216,446	13%
Operating Expense	\$29,988	\$126,669	\$150,810	(16%)
Other Income / (Expense)	(\$3,476)	(\$7,385)	(\$3,372)	119%
Net Income / (Loss)	\$53,211	\$109,921	\$62,264	77%
Active Accounts	776	776	772	1%
Consumption (MG)	9.8	27.1	25.5	6%
Average Commodity Rate/1,000 gal	\$7.25	\$7.60	\$7.26	5%
Income/ (Loss) / Active Account	\$68.57	\$141.65	\$80.65	76%
Income / (Loss) / 1,000 Gal (Potable)	\$5.43	\$4.05	\$2.44	66%
Connection Fee Revenue	\$4,900	\$4,900	\$8,900	(45%)
Developer 'In-Kind' Contributions	\$0	\$2,357	\$821	-

Potable water consumption was 27.1 MG this fiscal year, up 6% from the previous year same period. Operating revenue of \$243,975 was \$27,529 (13%) more than last year due to the consumption increase combined with the 9% rate increase effective 8/1/12. West Marin water was produced at a marginal cost of \$455/MG.⁴ The budgeted cost is \$1,082.

Operating expenditures were \$126,669, down \$24,141 (16%) compared to the prior year same period. The fiscal year-to-date net income of \$109,921 compares to a budgeted annual income of \$123,000 and to a net income of \$62,264 for the prior year same period. \$45,923 (7%) of the Capital Improvement Project Budget was spent this fiscal year. \$4,900 in connection fees were collected this fiscal year (\$46,000 is budgeted). The Solids Handling Facilities project is funded by a \$1M Bank of Marin loan (\$134,274 expended to-date). West Marin Water ended the period with a cash balance of \$848,890, compared to a budgeted projection of \$420,000 at June 30, 2013.

OCEANA MARIN SEWER

Year over Year Comparison

	Sep-12	FYTD 12/13	FYTD 11/12	FY13 vs 12 Up/(Down)
Operating Revenue	\$13,166	\$39,498	\$39,332	0%
Operating Expense	\$14,970	\$44,797	\$40,474	11%
Other Income / (Expense)	\$99	\$1,019	\$1,302	(22%)
Net Income / (Loss)	(\$1,705)	(\$4,280)	\$159	-
Active Accounts	227	227	227	0%
Monthly Sewer Service Charge	\$58	\$58	\$58	0%
Income / (Loss) / Active Account	(\$7.51)	(\$18.85)	\$0.70	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$39,498 was about the same as the previous year same period. Operating expenditures were 11% more than last year same period due to replacement of the disposal field flow meter (\$4,239). The fiscal year-to-date net loss of \$4,280 compares to a budgeted annual income of \$36,000 and to a net income of \$159 for the prior year same period. \$18,662 (6%) of the Capital Improvement Project Budget was expended.

No connection fees have been collected fiscal year-to-date. Oceana Marin ended the period with a cash balance of \$289,643, compared to a budgeted projection of \$108,000 for June 30, 2013.

⁴ Marginal Cost of West Marin production = water treatment expense (\$11,132) + debt service charge (\$140) + plant depreciation (\$1431) / 27.9 MG produced

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET ASSETS
FOR THE PERIOD ENDING SEPTEMBER 30, 2012**

	TOTAL	NOVATO			OCEANA	
		WATER	RECYCLED	WEST MARIN WATER	MARIN SEWER	
Cash & Investments						
Unrestricted/Undesignated Cash	\$177,746	\$0	\$0	\$0	\$177,746	
Restricted Cash (Note 1)						
Connection Fee Fund	\$363,003	\$312,991	\$0	\$0	\$50,013	
Wohler Pipeline Financing Fund	369,746	369,746	0	0	0	
Collector #6 Financing Fund	1,654,040	1,654,040	0	0	0	
Revenue Bond Redemption Fund	30,000	0	0	30,000	0	
Bank of Marin Project Fund	1,499,159	700,467	0	798,692	0	
Retiree Medical Benefits Fund	3,088,527	3,088,527	0	0	0	
RWF Replacement Fund	0	0	0	0	0	
Tax Receipts Held in Marin Co Treasury	19,017	0	0	19,016	1	
STP SRF Loan Fund-Marín Co Treasury	314,688	314,688	0	0	0	
Designated Cash (Note 2)						
Liability Contingency Fund	0	0	0	0	0	
Self-Insured Workers' Compensation Fund	1,884	0	0	0	1,884	
Drought Contingency Fund	0	0	0	0	0	
Maintenance Accrual Fund	0	0	0	0	0	
Conservation Incentive Rate Fund	1,182	0	0	1,182	0	
Operating Reserve Fund	60,000	0	0	0	60,000	
Total Cash	\$7,578,993	\$6,440,459	\$0	\$848,890	\$289,644	
Gain/(Loss) on MV of Investments	8,078	8,078	0	0	0	
Market Value of Cash & Investments	\$7,587,071	\$6,448,537	\$0	\$848,890	\$289,644	
Current Assets						
Net Receivables - Consumers	\$3,517,608	\$3,220,065	\$83,212	\$174,832	\$39,498	
Accounts Receivable - Other	1,539,214	166,349	1,246,532	3,795	122,538	
State Revolving Fund Receivable	5,087,359	0	5,087,359	0	0	
Provision for Pension Related Debt (Note 13)	2,221,577	2,221,577	0	0	0	
Prepaid Expense	98,119	97,444	0	0	676	
Interest Receivable	15,532	10,543	4,989	0	0	
Inventories	574,599	574,599	0	0	0	
Loan Origination Fee	87,727	76,498	0	11,229	0	
Deposits Receivable	24,000	24,000	0	0	0	
Total Current Assets	\$13,166,346	\$6,391,687	\$6,422,091	\$189,856	\$162,712	

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET ASSETS
FOR THE PERIOD ENDING SEPTEMBER 30, 2012**

	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
TOTAL				
LIABILITIES AND NET ASSETS				
Current Liabilities				
Trade Accounts Payable	\$1,308,951	\$202,239	\$1,800	\$11,524
Reimbursement Prog. Unclaimed Funds	5,060	0	1,950	0
Bond Debt Principal Payable-Current	0	0	35,553	0
Loan Debt Principal Payable-Current	363,146	191,534	2,145	0
Bank of Marin Principal Payable-Current	255,212	0	37,462	0
Bond/Loan Debt Interest Payable-Current	996	0	2,231	0
Accrued Interest Payable-SRF Loan	87,479	49,781	0	0
Deposits/Performance Bonds	127,853	0	22,388	1,500
Unemployment Insurance Reserve (Note 8)	23,452	0	0	0
Workers' Comp Future Claims Payable	18,830	219	616	219
Payroll Benefits (Note 9)	719,830	8,390	24,967	8,859
Due To Other Funds	0	7,319,270	0	0
Deferred Revenue	0	0	0	118,494
Total Current Liabilities	\$2,912,211	\$7,771,433	\$129,113	\$140,596
Restricted Liabilities				
Construction Advances	\$73,685	\$0	\$1,191	\$0
Total Restricted Liabilities	\$73,685	\$0	\$1,191	\$0
Long Term Liabilities (Note 7)				
Bonds Outstanding - PR6 (FmHA)	\$0	\$0	\$84,000	\$0
Bonds Outstanding - OL2 (NMWD)	0	0	7,650	0
Bonds Outstanding - PRE1 (FmHA)	0	0	82,000	0
Drought Loan (EDA)	65,435	0	9,056	0
STP Rehab SRF Loan	14,172,698	0	0	0
RWF SRF Loan	0	3,218,157	0	0
RWS North/South Expansion SRF Loan	0	7,192,400	0	0
Bank of Marin Loan	6,494,309	0	953,370	0
Pension Related Debt (Note 13)	2,221,577	0	0	0
Retiree Health Benefits Payable	494,608	0	0	0
Total Long Term Liabilities	\$23,448,626	\$10,410,557	\$1,136,076	\$0
TOTAL LIABILITIES	\$46,023,488	\$18,181,990	\$1,266,380	\$140,596

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET ASSETS
FOR THE PERIOD ENDING SEPTEMBER 30, 2012**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$62,074,491	\$55,199,670	\$4,104,370	\$2,100,776	\$669,676
Grants in Aid of Construction	3,908,459	114,420	2,410,824	1,383,215	0
Connection Fees (Note 15)	28,138,473	25,119,887	1,611,846	1,043,605	363,135
Total Investment	\$94,121,423	\$80,433,976	\$8,127,040	\$4,527,596	\$1,032,810
Restricted Reserves					
Connection Fee Fund	\$625,442	\$312,991	\$0	\$262,438	\$50,013
Wohler Pipeline Financing Fund	369,746	369,746	0	0	0
Collector #6 Financing Fund	1,654,040	1,654,040	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	6,932,240	6,153,147	0	779,093	0
Retiree Medical Insurance Fund	2,593,919	2,593,919	0	0	0
RWF Replacement Fund	161,661	0	161,661	0	0
Designated Reserves					
Liability Contingency Fund	414,700	331,815	0	82,885	0
Maintenance Accrual Fund	3,840,681	3,840,681	0	0	0
Self-Insured Workers' Compensation Fund	137,454	129,243	1,671	4,875	1,665
Conservation Incentive Rate Fund	57,774	0	0	57,774	0
Operating Reserve Fund	120,000	0	60,000	0	60,000
Earned Surplus - Prior Yrs	(34,546,400)	(30,301,499)	(2,358,751)	(1,784,342)	(101,809)
Net Income/(Loss)	1,040,939	1,015,742	(80,445)	109,921	(4,280)
Transfer (To)/From Reserves (see below)	92,953	408,117	(311,848)	(1,595)	(1,722)
Total Restricted & Designated	(\$16,474,851)	(\$13,492,057)	(\$2,527,711)	(\$458,951)	\$3,868
TOTAL NET ASSETS	\$77,646,571	\$66,941,920	\$5,599,329	\$4,068,645	\$1,036,678
Transfer (To)/From Reserves					
Wohler Pipeline Financing	\$29,530	\$29,530	\$0	\$0	\$0
Collector #6 Financing	77,649	77,649	0	0	0
Connection Fee	(3,685)	306,549	(310,177)	0	(57)
Maintenance Reserve	(25,000)	(25,000)	0	0	0
RWF Replacement Fund	0	0	0	0	0
Retiree Medical Insurance Fund	(2,899)	(2,899)	0	0	0
(Gain)/Loss Self-Insured WC Fund	(30,987)	(22,776)	(1,671)	(4,875)	(1,665)
Bank of Marin Project Fund	50,492	45,065	0	5,427	0
Conservation Incentive Rate Fund	(2,147)	0	0	(2,147)	0
Total Transfer	\$92,953	\$408,117	(\$311,848)	(\$1,595)	(\$1,722)

**NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$4,967,242	\$12,442,000	40%	\$4,507,832
Bimonthly Service Charge	825,407	3,630,000	23%	716,731
Sewer Service Charge	39,498	158,000	25%	39,332
Wheeling & Misc Service Charges	68,375	448,000	15%	52,552
TOTAL OPERATING REVENUE	\$5,900,522	\$16,678,000	35%	\$5,316,447
OPERATING EXPENDITURES				
Source of Supply	\$2,076,841	\$4,557,000	46%	\$1,559,614
Pumping	101,555	378,000	27%	93,978
Operations	167,435	575,000	29%	196,486
Water Treatment	520,229	1,925,000	27%	550,707
Sewer Service	29,173	108,000	27%	24,173
Transmission & Distribution	587,746	2,668,000	22%	616,004
Consumer Accounting	134,052	570,000	24%	143,056
Water Conservation	64,704	404,000	16%	71,939
General & Administrative	371,653	1,499,000	25%	312,291
Depreciation Expense	673,542	2,719,000	25%	672,666
TOTAL OPERATING EXPENDITURES	\$4,726,930	\$15,403,000	31%	\$4,240,916
NET OPERATING INCOME (LOSS)	\$1,173,592	\$1,275,000	92%	\$1,075,531
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$1,562	\$95,000	2%	\$834
Interest Revenue	60,458	128,000	47%	26,422
Miscellaneous Revenue	70,594	137,000	52%	43,501
Bond & Loan Interest Expense	(189,734)	(828,000)	23%	(118,499)
Miscellaneous Expense	(75,534)	(20,000)	378%	(1,278)
TOTAL NON-OP REV/(EXP)	(\$132,654)	(\$488,000)	27%	(\$49,021)
NET INCOME/(LOSS)	\$1,040,939	\$787,000	132%	\$1,026,510
OTHER SOURCES/(USES) OF FUNDS				
Connection Fees	\$33,500	\$921,000	4%	\$777,900
Loan Proceeds	(0)	4,819,000	0%	451,151
Grant Proceeds	400,348	2,041,000	20%	193,701
Stone Tree RWF Loan Principal	31,659	192,000	16%	30,909
Add Depreciation Expense	673,542	2,719,000	25%	672,666
Capital Equipment Expenditures	(8,533)	(233,000)	4%	(67,898)
Capital Improvement Projects	(3,047,452)	(9,622,000)	32%	(1,254,257)
Bond & Loan Principal Payments	(87,405)	(1,334,000)	7%	(23,041)
Change in Working Capital	(1,966,997)	0	-	(1,280,728)
TOTAL OTHER SOURCES/(USES)	(\$3,971,338)	(\$497,000)	799%	(\$499,596)
CASH INCREASE/(DECREASE)	(\$2,930,400)	\$290,000	-	\$526,914

**NORTH MARIN WATER DISTRICT
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA
FOR PERIOD ENDING SEPTEMBER 30, 2012**

<u>SUMMARY INCOME STATEMENT</u>		NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
	TOTAL				
Operating Revenue	\$5,900,522	\$5,489,045	\$128,005	\$243,975	\$39,498
Operating Expense	4,726,930	4,438,659	116,805	126,669	44,797
OPERATING INCOME/(LOSS)	<u>\$1,173,592</u>	<u>\$1,050,386</u>	<u>\$11,200</u>	<u>\$117,306</u>	<u>(\$5,299)</u>
Non-Operating Revenue/(Expense)	(\$132,654)	(\$34,643)	(\$91,644)	(\$7,385)	\$1,019
NET INCOME/(LOSS)	<u>\$1,040,939</u>	<u>\$1,015,742</u>	<u>(\$80,445)</u>	<u>\$109,921</u>	<u>(\$4,280)</u>
CAPITAL CONTRIBUTIONS					
Developer In-Kind Contributions	\$110,395	\$108,037	\$0	\$2,357	\$0
Connection Fees	33,500	28,600	0	4,900	0
Capital Grants	59,337	0	59,337	0	0
CAPITAL CONTRIBUTIONS	<u>\$203,231</u>	<u>\$136,637</u>	<u>\$59,337</u>	<u>\$7,257</u>	<u>\$0</u>
CHANGE IN NET ASSETS	<u>\$1,244,170</u>	<u>\$1,152,380</u>	<u>(\$21,108)</u>	<u>\$117,178</u>	<u>(\$4,280)</u>
Net Assets July 1, 2012	73,293,456	64,702,653	3,857,870	3,715,376	1,017,557
Net Assets September 30, 2012	<u><u>\$74,537,626</u></u>	<u><u>\$65,855,033</u></u>	<u><u>\$3,836,762</u></u>	<u><u>\$3,832,554</u></u>	<u><u>\$1,013,277</u></u>

CASH FLOW STATEMENT

Net Income/(Loss)	\$1,040,939	\$1,015,742	(\$80,445)	\$109,921	(\$4,280)
Add Depreciation	673,542	585,212	41,034	36,979	10,318
Cash Generated From Operations	<u>\$1,714,481</u>	<u>\$1,600,954</u>	<u>(\$39,410)</u>	<u>\$146,899</u>	<u>\$6,038</u>
Other Sources (Uses) of Funds					
Consumer Receivables Decr (Incr)	(\$438,085)	(\$394,190)	\$53,808	(\$60,959)	(\$36,745)
Capital Assets Acquisition	(3,055,986)	(284,673)	(2,706,728)	(45,923)	(18,662)
Construction Advances (Decr) Incr	(6,121)	8,882	0	(15,003)	0
Other Assets/Liabilities Decr (Incr)	109,101	484,579	(372,109)	(2,711)	(658)
Trade Accounts Payable (Decr) Incr	(1,631,892)	(228,420)	(1,399,770)	0	(3,702)
Loan Proceeds	0	0	0	0	0
Grant Proceeds	400,348	0	400,348	0	0
Connection Fee Revenue	33,500	28,600	0	4,900	0
Stone Tree RWF Loan Principal Pmts	31,659	0	31,659	0	0
Principal Paid on Debt	(87,405)	(76,196)	0	(11,208)	0
Interdistrict Loan Due To (From)	0	(4,032,201)	4,032,201	0	0
Total Other Sources (Uses)	<u>(\$4,644,881)</u>	<u>(\$4,493,619)</u>	<u>\$39,410</u>	<u>(\$130,905)</u>	<u>(\$59,767)</u>
Net Cash Provided (Used)	<u>(\$2,930,399)</u>	<u>(\$2,892,665)</u>	<u>\$0</u>	<u>\$15,994</u>	<u>(\$53,729)</u>
Cash Balance July 1, 2012	<u>10,509,392</u>	<u>9,333,125</u>	<u>0</u>	<u>832,895</u>	<u>343,372</u>
Cash Balance September 30, 2012	<u><u>\$7,578,993</u></u>	<u><u>\$6,440,460</u></u>	<u><u>\$0</u></u>	<u><u>\$848,890</u></u>	<u><u>\$289,643</u></u>

**NOVATO WATER
 DETAIL INCOME STATEMENT
 FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$1,530,480	\$4,661,667	40%	\$4,206,816
Bill Adjustments	(12,298)	(27,816)	-	(15,332)
Bimonthly Service Charges	262,500	787,500	22%	685,425
Account Turn-on Charges	5,691	17,640	24%	17,186
New Account Charges	955	2,635	29%	2,610
Returned Check Charges	162	468	23%	396
Hydrant Meter Up/Down Charges	400	1,500	38%	1,900
Backflow Service Charges	8,859	25,371	26%	18,763
Lab Service-Outside Clients	3,399	9,457	-	0
Wheeling Charges - MMWD	3,371	10,622	4%	11,015
Reg 15 Forfeiture	0	0	0%	0
TOTAL OPERATING REVENUE	\$1,803,519	\$5,489,045	35%	\$4,928,779
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$384	\$1,986	13%	\$2,416
Operating Expense - Source	708	1,175	11%	2,884
Maint/Monitoring of Dam	0	7,862	28%	9,436
Maint of Lake & Intakes	0	658	5%	10
Maint of Structures	0	0	0%	0
Maint of Watershed	0	0	0%	0
Water Quality Surveillance	763	4,740	39%	6,401
Fishery Maint	0	0	0%	644
Erosion Control	0	0	0%	0
Purchased Water (Note 4)	603,432	2,050,417	47%	1,611,781
SOURCE OF SUPPLY	\$605,287	\$2,066,838	46%	\$1,633,572
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	980	4,557	12%	5,272
Maint of Pumping Equipment	2,239	4,380	7%	3,435
Electric Power	28,389	85,799	37%	78,418
PUMPING	\$31,607	\$94,736	28%	\$87,125
OPERATIONS				
Supervision & Engineering	\$12,355	\$43,075	30%	\$42,335
Operating Expense - Operations	19,735	68,784	35%	66,868
Maintenance Expense	6,302	24,007	26%	24,804
Telemetry Equipment/Controls Maint	991	8,342	12%	28,707
Leased Lines	1,513	4,494	21%	5,181
OPERATIONS	\$40,896	\$148,701	28%	\$167,895

**NOVATO WATER
 DETAIL INCOME STATEMENT
 FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$6,122	\$21,885	32%	\$25,848
Operating Expense - Water Treatment	23,321	77,167	28%	97,082
Purification Chemicals	16,861	150,579	35%	117,930
Sludge Disposal	3,958	14,049	17%	28,626
Maint of Structures & Grounds	4,268	10,602	13%	20,456
Maint of Purification Equipment	8,790	32,330	24%	17,760
Electric Power	7,406	17,681	16%	47,515
Water Quality Programs	7,014	22,087	51%	21,782
Laboratory Direct Labor	23,064	70,297	22%	74,276
Lab Service-Outside Clients	3,098	7,867	56%	0
Water Quality Supervision	3,822	14,751	18%	16,914
Laboratory Supplies & Expense	4,789	16,451	28%	10,480
Customer Water Quality	2,906	10,273	17%	10,858
Lab Cost Distributed	(3,231)	(10,534)	46%	(8,081)
WATER TREATMENT	\$112,188	\$455,484	26%	\$481,446
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$30,907	\$100,870	21%	\$105,522
Maps & Records	6,665	25,620	20%	18,617
Operation of T&D System	16,095	36,574	28%	32,296
Facilities Location	5,085	19,684	56%	20,208
Safety: Construction & Engineering	2,139	2,503	4%	11,413
Customer Service Expense	12,150	45,376	28%	43,088
Flushing	0	313	2%	662
Storage Facilities Expense	6,666	16,918	12%	30,659
Cathodic Protection	469	1,186	8%	4,102
Maint of Valves/Regulators	6,365	19,748	8%	12,440
Maint of Mains	18,822	27,923	18%	19,707
Backflow Prevention Program	3,186	29,183	33%	26,229
Maint of Copper Services	4,406	33,121	16%	54,039
Maint of PB Service Lines	46,753	164,334	44%	158,253
Single Service Installations	(6,709)	(5,908)	-	6,182
Maint of Meters	2,821	22,531	14%	25,891
Detector Check Assembly Maint	394	1,245	2%	6,379
Maint of Hydrants	(449)	1,097	2%	2,225
TRANSMISSION & DISTRIBUTION	\$155,763	\$542,321	21%	\$577,911
CONSUMER ACCOUNTING				
Meter Reading	\$14,056	\$36,971	27%	\$33,897
Collection Expense - Labor	2,163	7,507	25%	6,992
Collection Expense - Agency	109	743	37%	476
Billing & Consumer Accounting	18,690	61,898	23%	73,690
Contract Billing	0	5,247	28%	4,574
Stationery, Supplies & Postage	806	14,592	22%	17,884
Uncollectable Accounts	740	4,213	15%	2,733
Office Equipment Expense	78	1,294	22%	1,124
Distributed to West Marin (4.2%)	(908)	(3,809)	25%	(4,514)
CONSUMER ACCOUNTING	\$35,734	\$128,656	24%	\$136,854

**NOVATO WATER
 DETAIL INCOME STATEMENT
 FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER CONSERVATION				
Residential	\$20,970	\$60,209	20%	\$60,375
Commercial	87	87	0%	668
Public Outreach/Information	696	2,330	5%	5,535
Large Landscape	458	1,970	7%	5,102
TOTAL WATER CONSERVATION	\$22,211	\$64,596	16%	\$71,679
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$1,300	\$3,500	23%	\$3,200
Legal Fees	0	590	5%	798
Human Resources	1,408	5,434	19%	5,597
Auditing Fees	1,500	9,000	43%	13,583
Consultants - Master Plan Update	2,519	8,701	20%	704
General Office Salaries	98,959	316,536	27%	281,664
Safety: General District Wide	683	2,224	16%	1,007
Office Supplies	258	3,200	6%	5,526
Employee Events	848	1,593	20%	714
Other Administrative Expense	1,423	4,265	27%	4,293
Dues & Subscriptions	0	17,477	35%	18,120
Vehicle Expense	676	2,077	26%	2,252
Meetings, Conferences & Training	5,989	15,563	10%	18,593
Recruitment Expense	140	337	17%	379
Gas & Electricity	3,050	7,440	29%	6,314
Telephone	310	842	21%	644
Water	0	247	25%	249
Buildings & Grounds Maint	1,843	7,011	21%	11,449
Office Equipment Expense	208	21,409	25%	23,726
Insurance Premiums & Claims	6,058	18,174	18%	26,915
Retiree Medical Benefits	13,782	41,591	24%	30,561
(Gain)/Loss on Self-Ins Workers' Comp	(9,334)	(31,238)	62%	(27,308)
Distributed to Other Operations (6.3%)	(5,896)	(20,610)	23%	(22,883)
G&A Applied to Construction	(28,431)	(93,606)	28%	(84,498)
(Gain)/Loss on Overhead Charges	42,132	10,360	-7%	(32,648)
GENERAL & ADMINISTRATIVE	\$139,425	\$352,116	25%	\$290,436
Depreciation (Note 5)	195,043	585,212	25%	583,749
TOTAL OPERATING EXPENSE	\$1,338,156	\$4,438,659	31%	\$4,030,668
OPERATING INCOME/(LOSS)	\$465,362	\$1,050,386	81%	\$898,110

**NOVATO WATER
 DETAIL INCOME STATEMENT
 FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$1,346	135%	\$730
Facility Reserve Charge Fund	246	658	16%	1,489
Wohler Pipeline Financing Fund	145	369	18%	990
Collector #6 Financing Fund	644	1,612	23%	4,097
Retiree Medical Insurance Fund	1,185	2,899	24%	2,262
Self-Insured Workers' Comp Fund	1	0	-	0
Aqueduct Energy Efficiency Project Fund	375	2,051	9%	0
Recycled Water Advance (Note 10)	14,898	35,423	443%	0
West Marin Water Advance (Note 10)	0	0	0%	752
Total Interest Revenue	\$17,494	\$44,358	74%	\$10,320
Rents & Leases	3,812	27,371	41%	26,592
Other Non-Operating Revenue	4,837	44,620	67%	13,834
Gain/(Loss) on MV of Investments	(1,216)	(3,883)	-	2,483
NON-OPERATING REVENUE	\$24,927	\$112,466	58%	\$53,229
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$19,627	\$56,571	25%	\$0
STP SRF Loan Interest Expense	28,526	87,479	25%	91,606
Drought Loan Interest Expense	332	996	20%	1,168
Other Non-Operating Expense	0	2,064	10%	1,187
NON-OPERATING EXPENSE	\$48,485	\$147,109	24%	\$93,961
NET INCOME/(LOSS)	\$441,804	\$1,015,742	115%	\$857,379
BEGINNING FUND EQUITY		\$65,789,541		\$65,458,806
NET INCOME/(LOSS)	441,804	1,015,742		857,379
CONTRIBUTED CAPITAL				
Developer 'In-Kind' Contributions	48,774	108,037	-	64,699
Connection Fees	28,600	28,600	5%	769,000
ENDING FUND EQUITY		\$66,941,921		\$67,149,884

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$36,412	\$127,226	50%	\$131,268
Bimonthly Service Charges	0	695	12%	556
Backflow Service Charges	0	84	-	67
TOTAL OPERATING REVENUE	\$36,412	\$128,005	49%	\$131,891
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$0	\$0	0%	\$0
Purchased Water - LGVSD	0	0	0%	0
SOURCE OF SUPPLY	\$0	\$0	0%	\$0
PUMPING				
Maint of Structures & Grounds	\$0	\$0	-	\$555
Maint of Pumping Equipment	0	99	5%	0
PUMPING	\$0	\$99	5%	\$555
OPERATIONS				
Supervision & Engineering	\$5,320	\$9,788	245%	\$3,152
Operating Expense - Operations	1,994	4,491	75%	4,824
Potable Water Consumed	0	866	-	9,570
Maintenance Expense	0	0	0%	272
Telemetry Equipment/Controls Maint	0	0	0%	3,290
OPERATIONS	\$7,314	\$15,145	69%	\$21,108
WATER TREATMENT				
Operating Expense - Water Treatment	\$0	\$0	-	\$10
Purification Chemicals	\$3,194	\$18,611	62%	\$13,381
Maint of Purification Equipment	0	83	2%	0
Electric Power	1,275	4,530	113%	4,920
Laboratory Direct Labor	3,294	11,975	40%	13,938
Lab Expense Distributed from Novato	1,628	6,807	52%	4,445
WATER TREATMENT	\$9,391	\$42,006	52%	\$36,693
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$210	\$1,397	9%	\$0
Operation of T&D System	7,000	5,700	570%	47
Storage Facilities Expense	0	7,568	-	0
Backflow Prevention Program	0	0	0%	0
TRANSMISSION & DISTRIBUTION	\$7,210	\$14,665	54%	\$47
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.1%)	(\$109)	\$4,219	23%	\$4,634
(Gain)/Loss on Self-Ins Workers' Comp	\$1,207	(\$363)	-	(\$341)
GENERAL & ADMINISTRATIVE	\$1,098	\$3,856	21%	\$4,293
Depreciation (Note 5)	13,658	41,034	25%	40,741
TOTAL OPERATING EXPENSE	\$38,671	\$116,805	31%	\$103,438
OPERATING INCOME/(LOSS)	(\$2,260)	\$11,200	10%	\$28,453

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
RWF Replacement Fund	\$0	\$0	-	\$90
Stone Tree RWF Loan	4,989	15,092	26%	15,468
NON-OPERATING REVENUE	\$4,989	\$15,092	26%	\$15,558
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$6,732	\$20,644	25%	\$21,776
Expansion SRF Loan Interest Expense	4,116	12,621	11%	0
Other Non-Operating Expense	0	38,047	-	0
Interest-Advance from Novato (Note 10)	14,898	35,423	-	0
NON-OPERATING EXPENSE	\$25,745	\$106,736	53%	\$21,776
NET INCOME/(LOSS)	(\$23,016)	(\$80,445)	(31%)	\$22,235
BEGINNING FUND EQUITY		\$5,279,424		\$5,051,917
NET INCOME/(LOSS)	(23,016)	(80,445)		22,235
State Prop 50 Grant	0	0	0%	0
IRWMP Prop 84 Grant	3,497	338,454	174%	0
Water Smart Grant	432	2,558	0%	0
Federal ARRA Grant	0	59,337	5%	193,701
ENDING FUND EQUITY		\$5,599,328		\$5,267,852

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$71,216	\$207,699	38%	\$188,057
Bill Adjustments	(167)	(1,535)	-	(2,977)
Bimonthly Service Charges	15,626	37,212	33%	30,750
Account Turn-on Charges	0	38	4%	134
New Account Charges	0	50	25%	15
Returned Check Charges	0	9	-	0
Backflow Service Charges	0	501	13%	466
TOTAL OPERATING REVENUE	\$86,675	\$243,975	37%	\$216,446
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Operating Expense	\$1,417	\$2,477	50%	\$3,238
Operating Supplies & Expense	0	0	-	468
Maint of Structures	0	7,525	24%	7,475
SOURCE OF SUPPLY	\$1,417	\$10,002	28%	\$11,181
PUMPING				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	211	1,217	11%	388
Maint of Pumping Equip	356	625	5%	979
Electric Power	1,333	4,879	33%	4,931
PUMPING	\$1,901	\$6,720	17%	\$6,298
OPERATIONS				
Supervision & Engineering	\$270	\$900	30%	\$534
Operating Expense	0	1,494	25%	2,042
Maint of Telemetry Equipment	0	0	0%	3,818
Leased Lines	380	1,196	24%	1,090
OPERATIONS	\$650	\$3,589	12%	\$7,484
WATER TREATMENT				
Supervision & Engineering	\$270	\$1,080	18%	\$1,429
Operating Expense	104	605	5%	2,474
Purification Chemicals	0	100	2%	3,916
Maint of Structures & Grounds	0	0	0%	0
Maint of Purification Equipment	0	810	5%	969
Electric Power	2,528	8,537	33%	7,368
Laboratory Direct Labor	2,996	6,692	30%	7,034
Laboratory Services	0	453	11%	1,760
Water Quality Supervision	91	455	15%	1,530
Customer Water Quality	52	281	6%	2,599
Lab Expense Distributed from Novato	1,603	3,727	37%	3,488
WATER TREATMENT	\$7,643	\$22,738	20%	\$32,567

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$1,015	\$5,287	38%	\$3,290
Maps & Records	0	2,790	93%	61
Operating Expense	0	0	-	186
Facilities Location - USA	311	794	20%	762
Customer Service Expense	592	2,584	14%	3,506
Flushing	0	0	0%	0
Storage Facilities Expense	113	2,242	14%	16,203
Cathodic Protection	0	0	-	1,140
Maint of Valves	0	0	0%	657
Valve Operation Program	0	115	2%	0
Maint of Mains	0	0	0%	0
Water Quality Maintenance	0	0	-	99
Maint of Backflow Devices	0	0	0%	0
Backflow Dev Inspection/Survey	0	503	8%	1,285
Maint of Copper Services	0	308	6%	0
Maint of PB Service Lines	251	13,706	125%	6,152
Maint of Meters	771	771	39%	180
Detector Check Assembly Maint	0	0	0%	245
Maint of Hydrants	0	0	0%	0
Hydrant Operation	0	0	0%	0
Single Service Installation	(1,415)	1,660	-	3,539
TRANSMISSION & DISTRIBUTION	\$1,638	\$30,760	29%	\$37,303
CONSUMER ACCOUNTING				
Meter Reading	\$367	\$1,342	12%	\$1,322
Collection Expense - Labor	78	246	12%	239
Uncollectable Accounts	0	0	-	127
Distributed from Novato (3.6%)	708	3,003	23%	3,485
CONSUMER ACCOUNTING	\$1,153	\$4,590	18%	\$5,173
WATER CONSERVATION				
Water Conservation Program	\$0	\$108	3%	\$260
TOTAL WATER CONSERVATION	\$0	\$108	3%	\$260
Distributed from Novato (3.1%)	\$3,492	\$12,205	23%	\$13,642
(Gain)/Loss on Self-Ins Workers' Comp	(\$306)	(\$1,023)	-	(\$1,004)
GENERAL & ADMINISTRATIVE	\$3,186	\$11,182	21%	\$12,638
Depreciation (Note 5)	12,399	36,979	24%	37,905
TOTAL OPERATING EXPENSE	\$29,988	\$126,669	23%	\$150,810
OPERATING INCOME/(LOSS)	\$56,688	\$117,306	109%	\$65,636

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	<u>SEPTEMBER 2012</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
NON-OPERATING REVENUE				
Interest - Bank of Marin Project Fund	\$321	\$756	13%	\$0
Rents & Leases	0	0	0%	0
Tax Proceeds - PR-3 G.O. Bond	0	0	-	17
Tax Proceeds - OL-2 G.O. Bond	0	1,052	26%	319
Tax Proceeds - PR-2 Tax Allocation	2	247	1%	241
Other Non-Operating Revenue	0	1,984	-	0
NON-OPERATING REVENUE	<u>\$323</u>	<u>\$4,038</u>	7%	<u>\$577</u>
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$2,881	\$8,669	26%	\$0
PR-3 G.O. Bond Interest Expense	58	175	25%	338
OL-2 G.O. Bond Interest Expense	47	140	28%	182
PRE-1 Revenue Bond Interest Exp	383	1,149	26%	1,262
PR-6 Revenue Bond Interest Exp	383	1,150	24%	1,250
Drought Loan Interest Expense	47	140	23%	165
Interest-Advance from Novato (Note 10)	0	0	-	752
Other Non-Operating Expense	0	0	0%	0
NON-OPERATING EXPENSE	<u>\$3,799</u>	<u>\$11,423</u>	25%	<u>\$3,949</u>
NET INCOME/(LOSS)	<u>\$53,211</u>	<u>\$109,921</u>	90%	<u>\$62,264</u>
BEGINNING FUND EQUITY				
NET INCOME/(LOSS)	53,211	109,921		62,264
CONTRIBUTED CAPITAL				
Developer 'In-Kind' Contributions	0	2,357		821
Connection Fees	4,900	4,900	11%	8,900
PRIOR YEAR ADJUSTMENTS (Note 11c)	0	0		0
ENDING FUND EQUITY		<u>\$4,068,644</u>		<u>\$4,008,153</u>

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	SEPTEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$13,166	\$39,498	25%	\$39,332
TOTAL OPERATING REVENUE	\$13,166	\$39,498	25%	\$39,332
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$788	\$1,891	27%	\$1,157
Operating Expense	70	351	18%	507
Facilities Location	0	211	21%	0
Maint of Lift Stations	0	30	3%	122
Electric Power	822	2,513	25%	2,907
SEWAGE COLLECTION	\$1,679	\$4,996	24%	\$4,692
SEWAGE TREATMENT				
Operating Expense	\$839	\$839	6%	\$707
Treatment Supplies & Expense	0	0	-	0
Maint of Structures	0	277	-	570
Maint of Equipment	1,294	1,294	-	314
Laboratory Direct Labor	0	0	-	300
Lab Expense Distributed from Novato	0	0	-	149
Electric Power	986	1,964	33%	1,790
SEWAGE TREATMENT	\$3,119	\$4,375	22%	\$3,830
SEWAGE DISPOSAL				
Maint of Pump Stations	0	4,239	212%	348
SEWAGE DISPOSAL	\$0	\$4,239	212%	\$348
CONTRACT OPERATIONS				
Contract Operations	\$5,188	\$15,564	24%	\$15,304
CONTRACT OPERATIONS	\$5,188	\$15,564	24%	\$15,304
CONSUMER ACCOUNTING				
Distributed from Novato (1.1%)	\$200	\$806	40%	\$1,029
CONSUMER ACCOUNTING	\$200	\$806	40%	\$1,029
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.1%)	\$1,198	\$4,186	23%	\$4,608
Liability Insurance	225	676	23%	733
(Gain)/Loss on Self-Ins Workers' Comp	(109)	(363)	-	(340)
GENERAL AND ADMINISTRATIVE	\$1,314	\$4,499	21%	\$5,001
Depreciation (Note 5)	3,470	10,318	25%	10,271
TOTAL OPERATING EXPENSE	\$14,970	\$44,797	26%	\$40,474
OPERATING INCOME/(LOSS)	(\$1,804)	(\$5,299)	41%	(\$1,142)

**OCEANA MARIN SEWER
 DETAIL INCOME STATEMENT
 FOR PERIOD ENDING SEPTEMBER 30, 2012**

	<u>SEPTEMBER 2012</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<u>NON-OPERATING REVENUE</u>				
Rents & Leases	\$0	\$500	50%	\$500
Interest - Connection Fee Reserve	19	57	-	170
Interest - General Funds	77	194	6%	374
Interest - Self Insured WC Fund	0	2	-	1
Tax Proceeds - OM-1/OM-3 Tax Alloc	2	263	1%	257
Other Non-Operating Revenue	0	4	-	91
NON-OPERATING REVENUE	\$99	\$1,019	2%	\$1,393
<u>NON-OPERATING EXPENSE</u>				
Other Non-Operating Expense	\$0	\$0	-	\$91
NON-OPERATING EXPENSE	\$0	\$0	-	\$91
NET INCOME/(LOSS)	(\$1,705)	(\$4,280)	(12%)	\$159
BEGINNING FUND EQUITY		\$1,040,958		\$1,039,762
NET INCOME/(LOSS)	(1,705)	(4,280)		159
CONTRIBUTED CAPITAL				
Connection Fees	0	0	0%	0
ENDING FUND EQUITY		\$1,036,678		\$1,039,921

**NORTH MARIN WATER DISTRICT
EQUIPMENT EXPENDITURES
PERIOD ENDING AUGUST 31, 2012**

t:\accountants\financials\stmtfy13\cpm0912.xls] equip

	AUGUST 2012	FYTD TOTAL	FY 12/13 BUDGET	(OVER) UNDER	Notes
1 INFORMATION SYSTEMS					
Administration					
a. Server Software Upgrade		\$0	\$8,900	\$8,900	c,1
	\$0	\$0	\$8,900	\$8,900	
2 ADMINISTRATION					
a. Photocopier		\$0	\$25,000	\$25,000	c,1
b. Meter Reading Devices & Software		0	20,000	20,000	c,1
	\$0	\$0	\$45,000	\$45,000	
3 ENGINEERING					
a. Multi-Function Wide-Carriage Copier (Used)		\$0	\$9,000	\$9,000	c,1
	\$0	\$0	\$9,000	\$9,000	
4 CONSTRUCTION					
a. 1" Potable Water Hose & Fittings (300')	\$5,377	\$5,377	\$8,600	\$3,223	c
	\$5,377	\$5,377	\$8,600	\$3,223	
5 CONSTRUCTION					
a. Chlorine Dioxide Analyzer		\$0	\$6,500	\$6,500	c,1
	\$0	\$0	\$6,500	\$6,500	
6 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. Portable Air Compressor		\$0	\$20,000	\$20,000	c,1
b. 800 Gallon Portable Vac Trailer		0	65,000	65,000	c,1
c. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body		1,578	35,000	33,422	c,1
d. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body		1,578	35,000	33,422	c,1
	\$0	\$3,156	\$155,000	\$151,844	
TOTAL EQUIPMENT EXPENDITURES	\$5,377	\$8,533	\$233,000	\$224,467	

Notes:

- (c) Capitalized
(1) Replacement item.

**NORTH MARIN WATER DISTRICT
ANALYSIS OF WORKER'S COMP, CONNECTION FEE AND CIR FUNDS
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	TOTAL	NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
<u>WORKERS' COMPENSATION FUND</u>					
WC Cash Balance 7/1/12	\$1,593	\$0	\$0	\$1,593	\$0
Less: Projected Prior FY Claims Liability	21,783	20,440	800	271	272
Add: Funds borrowed to subsidize operations	126,657	120,341	4,714	0	1,602
WC Reserve Balance 7/1/12	\$106,467	\$99,901	\$3,914	\$1,322	\$1,330
Add: WC Expense Charged to Operations FYTD	46,406	43,946	1,439	510	510
Interest Earned	2	0	0	2	0
Subtotal	\$152,875	\$143,847	\$5,353	\$1,834	\$1,840
Less: Claims Expense Paid	481	456	15	5	5
Excess Insurance Premium	11,940	11,308	370	131	131
Administration Fees	3,000	2,841	93	33	33
WC Reserve Balance 9/30/12	\$137,453	\$129,243	\$4,875	\$1,665	\$1,671
Add: Projected Claims Liability	19,883	18,830	616	219	219
Funds borrowed to subsidize operations	(155,454)	(148,073)	(5,491)	0	(1,890)
WC CASH BALANCE 9/30/12	\$1,885	\$0	\$0	\$1,884	\$0
<u>CONNECTION FEE FUND</u>					
Connection Fee Cash Balance 7/1/12	\$807,417	\$757,461	\$0	\$49,956	
Add: funds borrowed to subsidize operations	255,365	0	255,365	0	
Connection Fee Reserve Balance 7/1/12	\$1,062,782	\$757,461	\$255,365	\$49,956	
Add: Connection Fees Collected FYTD	33,500	28,600	4,900	0	
Repayment Prior Year Loan from RWF	0	0	0	0	
Interest Earned	715	658	0	57	
Subtotal	\$1,096,997	\$786,719	\$260,265	\$50,013	
Less: Fees Expended FYTD	161,378	163,551	(2,173)	0	
Fees transferred to RWS FYTD (Note 15)	310,177	310,177	0	0	
Connection Fee Reserve Balance 9/30/12	\$625,442	\$312,991	\$262,438	\$50,013	
Less: Funds borrowed to subsidize operations	262,438	0	262,438	0	
CONNECTION FEE CASH BALANCE 9/30/12	\$363,004	\$312,991	\$0	\$50,013	
<u>CONSERVATION INCENTIVE RATE FUND</u>					
CIR Cash Balance 7/1/12	\$0	\$0	\$0		
Add funds borrowed to subsidize operations	\$55,627	0	55,627		
CIR Reserve Balance 7/1/12	\$55,627	\$0	\$55,627		
Add: CIR Charges Billed FYTD	34,441	31,711	2,731		
Regulation 15 Forfeitures	0	0	0		
Interest Earned	0	0	0		
Subtotal	\$90,068	\$31,711	\$58,358		
Less: CIR Funds Expended FYTD ¹	17,794	17,686	108		
Bill Adjustments	4,332	4,332	0		
CIR Reserve Balance 9/30/12	48,557	(\$9,692)	\$58,250		
Less funds borrowed to subsidize operations	48,557	(9,692)	58,250		
CIR CASH BALANCE 9/30/12	\$0	\$0	\$0		

¹ On September 1, 2009 the Board authorized water conservation expenditures to be charged against the Conservation Incentive Rate Fund

**NORTH MARIN WATER DISTRICT
OVERHEAD ACCOUNT ANALYSIS
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	YEAR TO DATE ACTUAL	ANNUAL BUDGET	YTD/ BUDGET %
<u>Material Handling</u>			
Material Overhead Recovered (15%)	\$25,546	\$125,000	20%
Labor	\$20,856	\$114,000	18%
Materials, Supplies & Expense	387	6,000	6%
Correction to Inventory Counts	2,341	0	-
Depr on Warehouse Equipment	1,198	5,000	24%
	<u>\$24,781</u>	<u>\$125,000</u>	20%
Net Gain / (Loss)	<u>\$765</u>	<u>\$0</u>	-
<u>Construction Supplies</u>			
Const Supplies Overhead Recovered (10%)	\$59,204	\$348,000	17%
Labor	\$15,030	\$76,000	20%
Materials, Supplies & Expense	19,197	72,000	27%
Small Tools	3,324	19,000	17%
Depreciation	1,119	4,000	28%
	<u>\$38,671</u>	<u>\$171,000</u>	23%
Net Gain / (Loss)	<u>\$20,533</u>	<u>\$177,000</u>	12%
<u>Vehicle & Equipment</u>			
Vehicle & Equipment Recovered	\$95,245	\$332,000	29%
Labor	\$18,227	\$97,000	19%
Materials, Supplies & Expense	10,528	61,000	17%
Fuel	28,664	120,000	24%
Depreciation	25,930	118,000	22%
	<u>\$83,349</u>	<u>\$396,000</u>	21%
Net Gain / (Loss)	<u>\$11,896</u>	<u>(\$64,000)</u>	-

**NORTH MARIN WATER DISTRICT
EXPENDITURES BY CATEGORY
FOR PERIOD ENDING SEPTEMBER 30, 2012**

	Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
OPERATING EXPENSE									
1 Salaries & Benefits	\$1,276,084	\$26,369	\$36,893	\$4,523	\$1,343,870	\$5,571,000	24%	\$1,372,809	-2%
2 Water Purchases	2,050,417	0	0	0	2,050,417	4,399,000	47%	1,611,781	27%
3 Depreciation	585,212	41,034	36,979	10,318	673,542	2,719,000	25%	672,666	0%
4 Materials, Services & Supplies	231,197	14,171	14,021	19,607	278,995	1,413,000	20%	242,215	15%
5 Chemicals	150,579	18,611	100	0	169,290	460,000	37%	135,227	25%
6 Electric Power	103,480	4,530	13,416	4,477	125,903	399,000	32%	147,850	-15%
7 Tools & Supplies (Distrib)	38,182	1,051	3,024	274	42,531	255,000	19%	55,561	-23%
8 Vehicles and Equipment (Distrib)	57,104	376	4,325	292	62,097	231,000	27%	61,861	0%
9 Retiree Medical Expenses	41,591	0	0	0	41,591	172,000	24%	30,561	36%
10 Office Supplies & Postage	17,791	0	0	0	17,791	109,000	16%	23,410	-24%
11 Water Conservation Rebates	18,285	0	0	0	18,285	104,000	18%	15,989	14%
12 Insurance & Claims	18,174	0	0	676	18,850	104,000	18%	27,648	-32%
13 Overhead Charges (Gain)/Loss	(20,878)	(363)	(1,023)	(363)	(22,627)	(202,000)	11%	(59,956)	-62%
14 Distributed Costs	(128,560)	11,026	18,935	4,993	(93,606)	(331,000)	28%	(84,647)	11%
15 Total Operating Expense	\$4,438,659	\$116,805	\$126,669	\$44,797	\$4,726,930	\$15,403,000	1%	\$4,242,479	11%
16 Interest Expense & Other	147,109	106,736	11,423	0	265,267	848,000	31%	204,448	30%
17 Total Expense	\$4,585,768	\$223,541	\$138,092	\$44,797	\$4,992,197	\$16,251,000	31%	\$4,446,927	12%
Warehouse, Shop & Yard									
18 Salaries & Benefits	\$56,514	\$0	\$0	\$0	\$56,514	\$286,000	20%	\$53,516	6%
19 Materials, Services & Supplies	99,793	409	0	0	100,203	281,000	36%	106,583	-6%
20 Distributed Costs	(156,307)	(409)	0	0	(156,717)	(567,000)	28%	(160,099)	-2%
21 Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
District Capital Outlay									
22 Salaries & Benefits	\$66,337	\$119,896	\$10,805	\$12,012	\$209,049	\$665,000	31%	\$220,751	-5%
23 Equipment	8,533	0	0	0	8,533	233,000	4%	67,898	-87%
24 Debt Principal Payments	76,196	0	11,208	0	87,405	1,334,000	7%	23,041	279%
25 Materials, Services & Supplies	208,030	2,586,832	35,118	6,651	2,836,632	8,957,000	32%	1,225,271	132%
26 Total District Capital Outlay	\$359,097	\$2,706,728	\$57,131	\$18,662	\$3,141,619	\$11,189,000	28%	\$1,536,961	104%
Developer Funded Projects									
27 Salaries & Benefits	\$50,716	\$0	\$(625)	\$0	\$50,091	\$265,000	19%	\$27,214	84%
28 Materials, Services & Supplies	71,079	0	2,982	0	74,062	355,000	21%	46,664	59%
29 Total Developer Projects	\$121,796	\$0	\$2,357	\$0	\$124,153	\$620,000	20%	\$73,878	68%
30 Total	\$5,066,660	\$2,930,269	\$197,580	\$63,459	\$8,257,969	\$28,060,000	29%	\$6,057,767	36%

**NORTH MARIN WATER DISTRICT
VEHICLE FLEET ANALYSIS**

FOR PERIOD ENDING SEPTEMBER 30, 2012

Year	Description	Veh#	Assigned	Fiscal Year to Date			Mileage	Life to Date	Vehicle Cost per Mile		
				Expense ¹	Recovery ²	Gain/(Loss)			FYTD	FY12	FY11
1	1993 Ford F250 4x4	29	Cilia	\$2,450	\$1,344	(\$1,106)	1,030	\$0.57	\$2.38	\$0.79	\$1.42
2	1994 GMC C1500	30	Pool	\$266	\$222	(\$44)	37	\$0.31	\$7.19	\$0.94	\$0.81
3	1999 Dodge Ram 1500	32	Pool	\$913	\$1,674	\$761	2,601	\$0.42	\$0.35	\$0.54	\$0.49
4	1999 Ford F250	36	Ortiz	\$979	\$1,932	\$953	1,955	\$0.48	\$0.50	\$0.90	\$0.97
5	2000 Dodge Dakota	40	Pool	\$288	\$537	\$249	864	\$0.46	\$0.33	\$0.98	\$0.70
6	2001 Dodge Ram 1500	41	On-Call	\$1,549	\$1,452	(\$97)	3,097	\$0.53	\$0.50	\$0.55	\$0.62
7	2001 Dodge Dakota	42	Pool	\$2,264	\$2,547	\$283	2,331	\$0.33	\$0.97	\$0.45	\$0.95
8	2002 Dodge Dakota	45	Bynum	\$50	\$0	(\$50)	0	\$0.46	\$0.00	\$0.83	\$0.79
9	2002 Dodge Dakota	47	Engineering	\$992	\$806	(\$187)	1,551	\$0.34	\$0.64	\$0.56	\$0.72
10	2003 Chev K1500 4x4	49	Stompe	\$669	\$822	\$153	1,538	\$0.40	\$0.43	\$0.74	\$0.46
11	2003 Chev C1500	51	Pool	\$471	\$378	(\$93)	1,159	\$0.35	\$0.41	\$0.56	\$0.52
12	2004 Chev C1500	53	Kurfirst	\$1,274	\$2,532	\$1,258	1,910	\$0.40	\$0.67	\$0.69	\$0.45
13	2004 Chev C1500 Xtra Cab	54	Mello	\$994	\$498	(\$496)	1,094	\$0.38	\$0.91	\$0.80	\$0.46
14	2005 Honda Civic Hybrid	56	Lab	\$344	\$1,303	\$959	3,047	\$0.22	\$0.11	\$0.30	\$0.26
15	2005 Honda Civic Hybrid	57	Engineering	\$141	\$718	\$576	949	\$0.21	\$0.15	\$0.36	\$0.41
16	2005 Ford Ranger	58	Roberto	\$1,105	\$2,249	\$1,143	2,230	\$0.41	\$0.50	\$0.64	\$0.52
17	2005 Ford Ranger	59	Venegas	\$1,681	\$2,484	\$803	2,996	\$0.42	\$0.56	\$0.49	\$0.46
18	2006 Chev Colorado	501	Moore	\$1,753	\$3,070	\$1,318	4,127	\$0.36	\$0.42	\$0.39	\$0.52
19	2007 Chev K2500 4x4	502	Corda, Joe	\$979	\$4,692	\$3,713	2,294	\$0.53	\$0.43	\$0.85	\$0.53
20	2007 Chev Colorado	504	Grisso	\$205	\$1,188	\$983	679	\$0.41	\$0.30	\$0.39	\$0.58
21	2008 Ford F250 4x4	505	Arendell	\$1,721	\$4,281	\$2,560	2,444	\$0.67	\$0.70	\$0.69	\$0.63
22	2008 Ford F250 4x4	506	STP	\$787	\$979	\$192	878	\$0.87	\$0.90	\$0.90	\$0.58
23	2008 Chev Colorado 4x4	509	Lemos	\$1,011	\$1,303	\$292	3,303	\$0.32	\$0.31	\$0.30	\$0.36
24	2009 Toyota Pius Hybrid	510	Clark	\$394	\$1,687	\$1,293	4,010	\$0.16	\$0.10	\$0.18	\$0.21
25	2010 Ford F150 4x4	511	STP	\$704	\$1,265	\$561	999	\$0.46	\$0.71	\$0.40	\$0.58
26	2010 Ford F150	512	Ortiz	\$961	\$1,095	\$134	3,072	\$0.45	\$0.31	\$0.58	\$0.37
27	2010 Ford F150	513	LeBrun	(\$1,635)	\$1,232	\$2,867	1,155	\$0.36	(\$1.42)	\$0.46	\$0.48
Total 3/4 Ton & Under				\$23,310	\$42,287	\$18,977	51,350	\$0.42	\$0.45	\$0.55	\$0.54
1	1999 Ford F350 W/Svc Body	19	Pool	\$418	\$616	\$198	261	\$0.71	\$1.60	\$1.40	\$2.58
2	2002 Int'l 5 Yd Dump	44	Rupp	\$2,786	\$4,290	\$1,504	1,953	\$1.58	\$1.43	\$2.02	\$1.83
3	2002 Chev 1 Ton Crew	46	Castellucci	\$1,882	\$4,609	\$2,727	2,387	\$0.90	\$0.79	\$0.73	\$1.02
4	1999 Ford F550 3-Yd Dump ³	52	Crew	\$1,968	\$2,175	\$207	977	\$0.93	\$2.01	\$5.46	\$1.41
5	1999 Int'l 5 Yd Dump ⁴	55	Crew	\$2,301	\$3,872	\$1,571	1,425	\$1.27	\$1.61	\$2.20	\$1.52
6	2006 Int'l 4300 Crew	503	Reed	\$1,295	\$5,099	\$3,804	1,212	\$2.05	\$1.07	\$1.82	\$2.32
7	2008 Ford F350 4x4	507	Latanszyn	\$2,540	\$3,522	\$982	2,446	\$0.87	\$1.04	\$1.15	\$0.82
8	2009 Peterbilt 335 Crew	508	Kahoe	\$619	\$6,034	\$5,415	858	\$2.03	\$0.72	\$2.81	\$1.88
9	2012 Int'l 5 Yd Dump	514	Sjoblom	\$2,127	\$4,631	\$2,504	1,504	\$2.09	\$1.41	\$2.50	-
Total 1 Ton & Over				\$15,934	\$34,847	\$18,913	13,023	\$1.07	\$1.22	\$1.84	\$1.35

¹ Expense amount shown excludes depreciation (approximately \$75,000 for FY13).

² Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/07 the recovery rate for vehicles 3/4-ton and under is \$6/hr and the recovery rate for vehicles 1-ton and over is \$11/hr. An additional 50% is charged to developer projects to reflect the fair market value of the vehicle being used.

³ Purchased used in 2004 with 33,500 miles. Mileage shown is total incurred since District purchase.

⁴ Purchased used in 2008 with 30,708 miles. Mileage shown is total incurred since District purchase.

**NORTH MARIN WATER DISTRICT
WATER CONSERVATION PROGRAM DETAIL
FOR PERIOD ENDING SEPTEMBER 30, 2012**

t:\accountants\financials\lstm\fy13\lcpm0912.xls\water conservation

Description	COST THRU		SEPTEMBER	FYTD	FY 12/13	(OVER)		TOTAL
	JUNE 2012	2012	2012	TOTAL	BUDGET	UNDER	UNDER	COST
NOVATO								
a. Residential								
1-7700-01	1	Cash for Grass	\$216,961	\$1,230	\$3,201	\$24,000	\$20,800	\$220,162
1-7700-02	2	Landscape Efficiency Rebates	25,693	2,000	2,655	7,500	4,845	28,348
1-7700-03	3	Fixtures Purchases	32,086	0	0	5,000	5,000	32,086
1-7700-06	4	Washing Machine Rebates	290,692	960	3,861	20,000	16,139	294,553
1-7700-07	5	Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11	6	Toilet Rebate SF	839,411	1,709	6,795	34,000	27,205	846,206
1-7700-12	7	Toilet Rebate MF	18,081	0	0	4,000	4,000	18,081
1-7700-13	8	Residential Audits	168,585	4,257	13,288	40,000	26,712	181,873
1-7700-16	9	Water Waste Ordinance Monitoring	29,922	0	0	20,000	20,000	29,922
1-7700-17	10	Swimming Pool Cover Rebate	226	0	0	0	0	226
1-7700-19	11	ET Controller Rebate	15,185	3,240	3,240	5,000	1,760	18,425
1-7700-08	12	Administration	821,727	7,169	25,376	125,000	99,624	847,103
1-7700-20	13	New Development Wtr Cons Program	31,340	309	1,593	8,000	6,407	32,933
1-7700-21	14	Demand Offset Rebate Program	978	96	201	5,000	4,800	1,179
b. Commercial								
1-7701-02	1	Toilet Rebate Program	64,027	0	0	10,000	10,000	64,027
1-7701-03	2	Commercial Audits	5,987	87	87	15,000	14,913	6,074
c. Public Outreach/Information								
1-8672-16	1	Fall Newsletter	31,788	0	0	8,000	8,000	31,788
1-8672-17	2	Spring Newsletter	44,421	0	0	12,000	12,000	44,421
1-8672-18	3	Summer Newsletter	5,139	0	0	4,000	4,000	5,139
1-7700-04	4	Public Outreach / H ₂ O Fair	84,000	0	0	10,000	10,000	84,000
1-7700-05	5	Marketing	101,566	696	2,330	16,000	13,670	103,896
1-7700-22	6	Public Outreach/Leadership Novato	9,309	0	0	0	0	9,309
d. Large Landscape								
1-8653-02	1	Large Landscape Audits	70,618	0	11	10,000	9,989	70,629
1-7702-01	2	Large Landscape Budgets	22,586	0	288	3,000	2,712	22,874
1-7702-02	3	Large Landscape Irrig Efficiency Rebates	11,376	0	0	5,000	5,000	11,376
1-8653-01	4	CIMIS Station Maintenance	18,653	23	61	2,000	1,939	18,714
1-7702-03	6	Administration-Large Landscape	14,180	435	1,610	7,000	5,391	15,790
TOTAL NOVATO WATER CONSERVATION			\$3,028,915	\$22,211	\$64,596	\$400,000	\$335,404	\$3,093,510
WEST MARIN								
2-5166-00	a.	Water Conservation Program	\$37,391	\$0	\$108	\$4,000	\$3,892	\$37,499
TOTAL WATER CONSERVATION EXPENDITURES			\$3,066,306	\$22,211	\$64,704	\$404,000	\$339,296	\$3,131,009

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING SEPTEMBER 30, 2012**

t:\accountants\financials\lmf\m13\lcpm0912.xls\projects

Description	COST THRU		SEPTEMBER		FYTD	FY12/13	(OVER)/UNDER		TOTAL
	JUNE 2012	2012	2012	TOTAL			BUDGET	BUDGET	
1 PIPELINE REPLACEMENTS/ADDITIONS									
a. Main/Pipeline Replacements									
1-7130-00	1	STP 18" Transmission Line Assess/Repair (13,200')	\$0	\$0	\$0	\$160,000	\$160,000	\$0	\$0
1-7131-00	2	Center Rd Pipeline-Conflict with Private Property	44,221	0	559	0	(559)	44,780	44,780
b. Main/Pipeline Additions									
1-7134-00	1	Digital to Leveroni Looping (12"@600')	0	422	543	130,000	129,458	543	543
1-7135-00	2	DeLong to Cain Looping (8"@400')	0	0	0	100,000	100,000	0	0
c. PB Service Line Replacements									
1-7123-10	1	Center Rd/Garner/Oak Forest/Simmons/3rd St	32,966	0	20,983	0	(20,983)	53,948	53,948
1-7123-11	2	Pacheco Valle (42 Svcs)	0	0	2,833	84,000	81,167	2,833	2,833
1-7123-12	3	Loma Verde (78 Svcs)	0	248	2,375	0	(2,375)	2,375	2,375
	4	Repl PB in Sync w/City Paving (45 Svcs)	0	0	0	90,000	90,000	0	0
c. Relocations to Sync w/City & County C.I.P.									
	1	Other Relocations	0	0	0	80,000	0	80,000	80,000
d. Aqueduct Replacements & Enhancements									
1-7118-01	1	MSN Aqueduct Caltrans Reimb-Segment B1	118,166	0	588	0	(588)	118,754	118,754
1-7118-02	2	MSN Aqueduct Caltrans Reimb-Segment B2	24,587	788	2,418	0	(2,418)	27,005	27,005
1-7118-03	3	MSN Aqueduct Caltrans Reimb-Segment B3	86,625	4,990	5,144	0	(5,144)	91,769	91,769
1-7118-04	4	AEEP Permitting & Design	582,748	13,754	34,788	1,300,000	1,265,212	617,536	617,536
1-7118-05	5	AEEP Legal Challenge/Litigation	10,679	0	0	0	0	10,679	10,679
1-7118-06	6	AEEP Loan Procurement	0	0	0	0	0	0	0
1-7118-07	7	AEEP- B1 Construction	98	0	0	0	0	98	98
1-7118-08	8	AEEP- B2 Construction	0	0	0	0	0	0	0
1-7118-09	9	AEEP- B3 Construction	0	0	0	0	0	0	0
TOTAL PIPELINE REPLACEMENTS/ADDITIONS			\$900,089	\$20,202	\$70,231	\$1,944,000	\$1,793,771	\$970,320	\$970,320
2 SYSTEM IMPROVEMENTS									
1-7008-09	a.	RTU Upgrades	\$0	\$72	\$72	\$10,000	\$9,928	\$72	\$72
1-7007-07	b.	Detector Check Assembly Upgrade/Rep(~14/yr)	0	1,247	2,462	150,000	147,538	2,462	2,462
1-7090-03	c.	Anode Installations (150/yr)	0	0	0	30,000	30,000	0	0
1-7132-00	d.	Radio Expansion Telemetry Upgrades	14,046	0	4,145	15,000	10,855	18,191	18,191
1-8650-19	e.	Sampling Stations (6 biennially)	0	0	0	24,000	24,000	0	0
1-7054-03	f.	Inaccurate Meter Replacement	0	0	0	16,000	16,000	0	0
1-7136-00	g.	Facilities Security Enhancements	0	0	0	25,000	25,000	0	0
1-7137-00	h.	Backflow Device Upgrade-BMK (14 Svcs)	0	0	0	30,000	30,000	0	0
TOTAL SYSTEM IMPROVEMENTS			\$14,046	\$1,320	\$6,680	\$300,000	\$293,320	\$20,726	\$20,726

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING SEPTEMBER 30, 2012**

t:\accountants\financials\mfmfy13\cpm0912.xls\projects

Description	COST THRU		SEPTEMBER	FYTD	FY 12/13	(OVER)/UNDER	TOTAL
	JUNE 2012	2012	2012	TOTAL	BUDGET	BUDGET	COST
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS							
a. Administration Building							
1-6501-43 1 Electronic Document Management System	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0
2 Other Admin Bldg Improvements	0	0	0	0	25,000	25,000	0
1-6501-35 3 ADA Access Phase I	27,048	0	0	2,767	0	(2,767)	29,815
1-4040-00 4 Gustafson Ct House Acquisition	0	0	0	1,772	0	(1,772)	1,772
b. Corp Yard/Warehouse/Construction Office							
1-6502-46 1 SMART Crossing Upgrade(@ Golden Gate Pl)	0	0	0	223	58,000	57,777	223
2 Other Yard Improvements	0	0	0	0	15,000	15,000	0
1-6502-44 3 Yard Paving	6,710	693	693	60,886	0	(60,886)	67,596
c. Stafford Treatment Plant							
1-6600-70 1 Watershed Erosion Control	9,000	0	0	0	25,000	25,000	9,000
1-6600-60 2 Leveroni Creek Bank Repair	50,684	80,690	80,690	85,555	145,000	59,445	136,239
1-6600-69 3 Dam Concrete Apron Repairs	87,397	0	0	0	50,000	50,000	87,397
1-6600-54 4 Start-Up Flushing Connection	8,165	0	0	0	200,000	200,000	8,165
1-6600-77 5 Solar Panel Build	13,602	0	0	13,956	0	(13,956)	27,558
1-6600-78 6 STP Portable Generator Connection	3,173	253	253	6,550	0	(6,550)	9,723
1-6600-79 7 STP Potable Water Feed Pipeline Rehab	11,448	(1,124)	(1,124)	12,633	0	(12,633)	24,082
TOTAL BUILDING, YARD, & STP IMPROVEMENTS	\$217,228	\$80,511	\$80,511	\$184,341	\$568,000	\$383,659	\$401,569
4 STORAGE TANKS & PUMP STATIONS							
1-6112-24 a. Lynwood Pump Station Motor Control Center	\$36,416	\$0	\$0	\$0	\$265,000	\$265,000	\$36,416
1-6217-20 b. Pacheco Tank C12 Mixing System	70,691	0	0	14,887	30,000	15,113	85,578
TOTAL STORAGE TANKS & PUMP STATIONS	\$107,107	\$0	\$0	\$14,887	\$295,000	\$280,113	\$121,994
5 RECYCLED WATER							
5-7127-00 a. NBWRA Grant Program Administration	\$556,658	\$102,541	\$102,541	\$308,576	\$325,000	\$16,424	\$865,234
5-6055-01 b. Expansion to North Svc Area-Non ARRA	66,918	997	997	28,753	0	(\$28,753)	95,671
5-6055-11 c. Expansion to North Svc Area-Seg 1 ^{1,2}	817,769	606	606	1,852	1,000,000	998,148	819,621
5-6055-12 d. Expansion to North Svc Area-Seg 2 ^{1,2}	1,587,533	108,035	108,035	526,062	0	(526,062)	2,113,595
5-6055-13 e. Expansion to North Svc Area-Seg 3 ^{1,2}	1,972,813	1,286	1,286	2,284	0	(2,284)	1,975,098
5-6055-14 f. Expan to N Svc Area-Plum St Storage ^{1,2}	599,264	2,935	2,935	12,023	0	(12,023)	611,287
5-6055-20 g. RW Expansion N Svc Area-Retrofit-Private Property ²	111,482	(11,741)	(11,741)	(9,859)	0	9,859	101,623
5-6055-21 h. RW Expansion N Svc Area-Retrofit-Gov't Property ²	32,397	301	301	627	0	(627)	33,024
5-6055-22 i. RW Expansion N Svc Area-Onsite Retrofit-Const	8,692	9,656	9,656	97,790	0	(97,790)	106,482
5-6056-01 j. Expansion to South Svc Area-Non ARRA	1,309	0	0	364	0	(364)	1,673
5-6056-11 k. Expansion to South Svc Area-Seg 1A ^{1,2}	855,728	190,617	190,617	415,156	4,200,000	3,784,844	1,270,885
5-6056-12 l. Expansion to South Svc Area-Seg 1B ^{1,2}	1,481,933	616,941	616,941	1,215,422	0	(1,215,422)	2,697,355
5-6056-13 m. Expansion to South Svc Area-Seg 2 ^{1,3}	172,450	2,961	2,961	10,703	0	(10,703)	183,154

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING SEPTEMBER 30, 2012**

t:\accountants\financials\smf13\cpm0912.xls\projects

Description	COST THRU		SEPTEMBER	FYTD	FY 12/13	(OVER)/UNDER	TOTAL
	JUNE 2012	2012	2012	TOTAL	BUDGET	BUDGET	COST
5-6056-20 n. RW Expansion S Svc Area-Retrofit-Private Property ^{2,4}	107,325	4,296		50,275	0	(50,275)	157,600
5-6056-21 o. RW Expansion S Svc Area-Retrofit-Gov't Property ²	51,507	33,627		46,699	0	(46,699)	98,206
TOTAL RECYCLED WATER	\$8,423,778	\$1,063,058		\$2,706,728	\$5,525,000	\$2,818,272	\$11,130,506

6 WEST MARIN WATER SYSTEM

System Improvements:

2-6601-32 a. TP Solids Handling & Land Acquisition	\$109,655	\$20,324		\$24,619	\$400,000	\$375,381	\$134,274
2-6603-20 b. Pt. Reyes Well #3 Replacement	77,657	8,005		14,760	165,000	150,240	92,417
2-5156-00 e. Water Rights-Legal/Staff Time	128,554	0		0	0	0	128,554
2-6603-21 c. Pt. Reyes Well #3 Rehab	15,415	0		0	0	0	15,415
2-6603-22 d. Pt. Reyes Well #3 Destruction	956	251		251	0	(251)	1,207
2-6601-35 e. Treatment Plant Control Valve Replacement	0	0		0	75,000	75,000	0
2-6604-20 f. Gallagher Auxiliary Stream Gauge	0	0		0	30,000	30,000	0
2-6257-20 g. Tank Seismic Upgrades	6,647	0		3,921	0	(3,921)	10,568
2-6601-34 h. TP RTU Upgrade	0	2,372		2,372	0	(2,372)	2,372
TOTAL WEST MARIN WATER SYSTEM	\$338,884	\$30,951		\$45,923	\$670,000	\$624,077	\$384,807

7 OCEANA MARIN SEWER SYSTEM

8-6672-26 a. Infiltration Repair-FY13	\$0	\$0		\$982	\$15,000	\$14,018	\$982
8-7085-01 b. Tahiti Way Lift Pumps Rebuild	15,691	0		0	20,000	20,000	15,691
8-6001-20 c. Cross Country Sewer Line Rehab	33,181	11,916		16,715	275,000	258,285	49,896
8-6607-21 d. Treatment Pond Algae Control Device	0	48		966	10,000	9,034	966
TOTAL OCEANA MARIN SEWER SYSTEM	\$48,873	\$11,964		\$18,662	\$320,000	\$301,338	\$67,535

TOTAL PROJECT EXPENDITURES \$10,050,006 \$1,208,006 \$3,047,452 \$9,622,000 \$6,494,549 \$13,097,458

8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS

(Accrued)/Deferred

a. RW Expansion - North Service Area Grant ²	(\$377,574)	\$0		(\$344,098)	\$479,000	\$823,098	(\$721,672)
b. RW - North Service Area Loan ¹	(1,625,949)	(80,442)		(401,869)	1,438,000	1,839,869	(2,027,818)
c. RW Expansion - South Service Area Grant ^{2,3,4}	(309,088)	(3,929)		(56,252)	(64,000)	(7,748)	(365,340)
d. RW - South Service Area Loan ¹	(1,882,584)	(559,308)		(1,176,536)	(193,000)	983,536	(3,059,120)
e. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ⁵	(229,378)	(5,778)		(8,067)	0	8,067	(237,445)
f. AEEP Segment B1-B3 ⁵	6,406,573	(13,754)		(33,835)	(1,300,000)	(1,266,165)	6,372,738
g. TP Solids Handling & Land Acquisition ⁶	667,467	(20,324)		(24,619)	(400,000)	(375,381)	642,848
FUNDING BY OTHERS (ACCRUED)/DEFERRED	\$2,649,467	(\$683,534)		(\$2,045,276)	(\$40,000)	\$2,005,276	\$604,191

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING SEPTEMBER 30, 2012**

t:\accountants\financials\lstmfy13\cpm0912.xls\projects

Description	COST THRU		FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER		TOTAL COST
	JUNE 2012	SEPTEMBER 2012			BUDGET	BUDGET	
Received							
g. RW Expansion - North Service Area Grant ²	(\$838,088)	\$0	\$0	(\$735,000)	(\$735,000)	(\$838,088)	
h. RW - North Service Area Loan ¹	(2,105,041)	0	0	(2,182,000)	(2,182,000)	(2,105,041)	
i. RW Expansion - South Service Area Grant ^{2,3,4}	(244,656)	0	0	(1,306,000)	(1,306,000)	(244,656)	
j. RW - South Service Area Loan ¹	0	0	0	(2,637,000)	(2,637,000)	0	
k. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ⁵	0	0	0	0	0	0	
l. AEEP Segment B1-B3 ⁵	(7,000,000)	0	0	0	0	(7,000,000)	
m. TP Solids Handling & Land Acquisition ⁶	(777,122)	0	0	0	0	(777,122)	
FUNDING BY OTHERS RECEIVED	(\$10,964,907)	\$0	\$0	(\$6,860,000)	(\$6,860,000)	(\$10,964,907)	
NET PROJECT EXPENDITURES	\$1,734,566	\$524,472	\$1,002,175	\$2,722,000	\$1,639,826	\$2,736,741	

CIP SUMMARY-GROSS EXPENDITURES:	Current		FYTD Total	FY 12/13		FYTD/ Budget%
	Month	Month		Budget	Budget	
Novato Water Capital Projects	\$102,032	\$276,139	\$3,107,000		9%	
Novato Recycled Water Capital Projects	1,063,058	2,706,728	5,525,000		49%	
West Marin Water Capital Projects	30,951	45,923	670,000		7%	
Oceana Marin Sewer Capital Projects	11,964	18,662	320,000		6%	
Gross Capital Improvement Project Outlays	\$1,208,006	\$3,047,452	\$9,622,000		32%	

CIP SUMMARY-NET EXPENDITURES:	Current		FYTD Total	FY 12/13		FYTD/ Budget%
	Month	Month		Budget	Budget	
Novato Water Capital Projects	\$82,501	\$234,236	\$1,807,000		13%	
Novato Recycled Water Capital Projects	419,379	727,974	325,000		224%	
West Marin Water Capital Projects	10,628	21,304	300,000		7%	
Oceana Marin Sewer Capital Projects	11,964	18,662	320,000		6%	
Net Capital Improvement Project Outlays	\$524,472	\$1,002,176	\$2,752,000		36%	

Notes to Improvement Projects Schedule:

- (1) Non-Grant Funded RWS Expansion Costs will be funded by a low-interest rate State Revolving Fund Loan equal to 75% of the project cost, less 25% of the overhead.
- (2) The District will receive ARRA Federal Grant Funding equal to 25% of the project cost less overhead.
- (3) The District will receive Watersmart Federal Grant Funding equal to 25% of the project cost, less overhead.
- (4) The District will receive State Prop 84 Grant Funding equal to project cost less overhead.
- (5) The District anticipates receiving reimbursement from Caltrans.
- (6) Funding provided by Loan from Bank of Marin.

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

Connection Fee Fund: Cash available from collection of Connection Fees. The fee is charged to developers based upon the estimate of cost necessary to construct capacity to serve the new development. These funds are restricted by law for expansion of the water or sewer facilities within the service area where the development occurs. Funds are disbursed from the Connection Fee Reserve as expenditures are incurred to increase system capacity to serve new development. The fund balance accrues interest monthly.

Wohler Pipeline Financing Fund: In December 2002 the Sonoma County Water Agency sold \$6.8 million (par) of 30-year revenue bonds to finance the Wohler to Forestville Pipeline. NMWD's share of the debt is \$844,050 ($\$6,800,000 \times 11.2 / 90.4$). In January 2003 the District established this designated cash and corresponding reserve account and transferred \$844,050 of FRC money into the fund. The Wohler Pipeline Financing Fund is credited with interest monthly, and is used to pay the revenue bond debt component of the monthly SCWA invoice for water delivery commencing July 2003.

Collector #6 Financing Fund: The Sonoma County Water Agency received a \$15.8 million State Revolving Fund loan commitment at an interest rate of 2.8% repayable over 20 years for construction of Collector #6. NMWD's share of Collector #6 is \$1,950,000 ($\$15,800,000 \times 11.2 / 90.4$). In January 2003 the District established this designated cash and corresponding reserve account and transferred \$1,950,000 of FRC money into the fund. The Collector #6 Financing Fund is credited with interest monthly, and is used to pay the revenue bond debt component of the monthly SCWA invoice for water delivery commencing July 2003.

Revenue Bond Redemption Fund: Comprised of one year of debt service as required by West Marin revenue bond covenants. These funds are restricted for payment of bond principal, interest and administration fees. The fund balance does not accrue interest.

Bank of Marin Project Fund: The District received an \$8 million loan from the Bank of Marin in October 2011 to fund the Aqueduct Energy Efficiency Project. The 20-year, 3.54% annual percentage rate loan requires monthly payments of \$46,067 and will be fully amortized on 10/27/31. In June 2012 the Board authorized reallocating \$1 million of this loan to West Marin Water to repay Novato Water \$223,000 owed for previous loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. The unexpended fund balance accrues interest monthly.

Retiree Medical Benefits Fund: The District pays the cost of health insurance for retiree (age 55 to 65) and spouse under any group plan offered by PERS. The District's contribution toward the chosen plan is capped in the same manner as all other District employees in the same class. Coverage terminates when the retiree or spouse becomes eligible for Medicare. The retiree must be at least 55 and have a minimum of 12 years of service at the date of retirement. When the retiree or spouse becomes eligible for Medicare, the District pays up to the couple annuitant rate for the rest of the retiree and spouse's lives. In August 2003 the Board directed staff to transfer \$2.55M (\$2.3M for current retirees plus \$250,000 for future retirees) from unrestricted cash to fund this liability. In 2010 an Actuarial Analysis calculated the District's liability at \$3.5 million. At that time the Board directed staff to add \$1,500 per employee annually as a payroll cost overhead to be accrued to amortize this liability. This reserve fund accrues interest monthly. Accounting Standards require that the \$3.5M reserve be fully funded in 20 years.

RWF Replacement Fund: The State Revolving Fund (SRF) loan agreement required the District to agree to establish and maintain a Water Recycling Capital Reserve Fund (WRCRF) for the expansion, major repair, or replacement of the water recycling facilities. The WRCRF is maintained in compliance with the "Policy for Implementing the State Revolving fund for Construction of Wastewater Treatment Facilities" in effect at the time the agreement was signed by the District. The September 2003 Recycled Water Master Plan prepared by Nute Engineering recommended limiting the reserve to fund replacement of the RWF electrical and mechanical equipment (including transmission pumps) as they wear out. The cost of said equipment was \$1,483,000 which, at Nute's recommended 6% interest rate factor and 25-year life, renders an annual funding requirement \$115,000. The fund balance accrues interest monthly.

West Marin Tax Proceeds – Marin County Treasury: Balance of tax proceeds collected and disbursed by the County of Marin for repayment of the Olema (OL-2) and Point Reyes (PR-3) general obligation bond debt. The County credits interest to these funds quarterly.

STP SRF Loan Fund – Marin County Treasury: The Stafford Treatment Plant State Revolving Fund (SRF) loan agreement requires the District to build a Reserve Fund equal to one year of payments (\$1,044,474) in the Marin County Treasury during the first ten years of the 20-year repayment period. Every January 1 and July 1 the District deposits with the County 10% of the semi-annual SRF payment. The County credits the fund with interest quarterly, and will use the Reserve to pay the last 2 semi-annual SRF loan payments.

Note 2 - Designated Cash

Liability Contingency Fund: Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is rented to an employee who provides after-hours presence in the community to respond to emergencies. In 2006, \$8,885 was added from the sale of surplus property in West Marin. In August 2008 \$500,000 was transferred to this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. The fund balance does not accrue interest

Self-Insured Workers' Compensation Fund: Commencing July 2011, the District began self-insuring its workers' compensation liability. The savings accrued through self-insuring the liability is reserved in this fund for possible future claims expense. The District carries a workers' compensation excess policy for claims that exceed \$750,000. See schedule on page 22.

Drought Contingency (Rate Stabilization) Fund: In August 2008, the Board directed staff to establish this reserve with \$135,000 from the Self-Insured Workers' Compensation Fund for the Novato district to draw upon during dry years. A threshold of 3.2 billion gallons of potable consumption was established as a benchmark for 'normal' years. During any fiscal year that water sales volume exceeds 3.2BG, the incremental revenue generated is deposited into the Drought Contingency Reserve. In those years when sales volume falls below the benchmark, funds are withdrawn from the reserve to maintain the budgeted revenue forecast. The goal is to build a reserve equal to 20% (currently \$2,000,000) of budgeted annual water sales. In FY09 \$50,335 was added to the reserve. The fund balance accrues interest monthly. The fund was fully depleted in FY10.

Maintenance Accrual Fund: Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY 93. In FY 94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$6.8M. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

Conservation Incentive Rate Fund: In 2004 and 2005, a Conservation Incentive Tier Rate was enacted in Novato and West Marin respectively. Monies derived from this tier-rate charge are set aside in the Conservation Incentive Rate Reserve, and used for conservation programs designated by the Board. The fund balance accrues interest monthly.

Operating Reserve: This reserve, comprised of four months of budgeted operating expenditures as recommended by the District's financial advisors, serves to ensure adequate working capital for operating, capital, and unanticipated cash flow needs that arise during the year. The fund balance does not accrue interest.

Note 3 – Employee Loans

Housing Loans: The District's Employer Assisted Housing Program allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District. Repayment is due upon sale, termination of employment, or other event as described in the Program. Interest on the loan is contingent upon and directly proportional to the appreciation in value occurring on the purchased property. There are eight employee-housing loans currently outstanding totaling \$1,441,785: a \$250,000 loan dated August 2004, a \$39,200 loan dated September 2004, a \$300,000 loan dated October 2006, a \$140,000 loan dated September 2007, a \$150,000 loan dated November 2007, a \$125,000 loan dated July 2008, a \$192,585 loan dated October 2008, and a \$245,000 loan dated June 2010.

Housing Loan Impairment: The Employer Assisted Housing Loans outstanding were written down by \$390,000 at June 30, 2012, representing the impairment in value of the second deeds of trust due to the decline in market value of the homes financed since the purchase date.

Personal Computer Loans: Up to \$3,500 may be loaned to an employee for a period of up to 36 months under the District's Personal Computer Loan Program. Loans are repaid with interest at the rate earned on the District's investment portfolio at the time of the loan plus one percent. Currently there are 7 employee loans outstanding totaling \$4,718.

Note 4 – Purchased Water Capital Component

In 2003 the Sonoma County Water Agency issued \$6.8 million in 30-year 4.75% revenue bonds to finance the Wohler to Forestville pipeline. That same year the Agency received a \$15.8 million 2.8% 20-year State Revolving Fund loan to finance construction of Collector #6. For these two projects the District pays the Agency a debt amortization surcharge incorporated into its purchased water cost. The FY13 Purchased Water Capital Cost Component is \$225,000, which is the District's share of the annual debt service for these projects, and is paid as a \$114.83/MG surcharge, based on budgeted water deliveries. The Purchased Water Capital Component is funded from Restricted Cash Reserves established to amortize this debt (see Note 1 - Wohler Pipeline and Collector #6 Financing Funds).

Note 5 – Depreciation

Assets are assigned a useful life based on consultations with the District Chief Engineer and a survey of other water agencies. Depreciation is computed on a straight-line basis over the estimated useful life of the various classes of property as follows:

<u>Facility</u>	<u>Life (Years)</u>
Aqueduct.....	150
Dam.....	100
STP & RWS Structures.....	40
STP & RWS Mains.....	50
STP & RWS Pumping Equipment.....	25
STP & RWS Water Treatment Equipment.....	20
Storage & Transmission Facilities.....	50
Distribution Facilities.....	50
Buildings.....	35
Office, Laboratory, Construction & Shop Tools & Equipment.....	10
Vehicles 1 ton or greater.....	10
All other vehicles.....	5
Sewer Mains.....	40
Sewer Pumps.....	10

Note 6 - Capitalization Policy

The Government Finance Officers Association *Guide for State and Local Governments* recommends that a capitalization policy incorporate a minimum threshold of \$5,000 and an estimated useful life of at least two years. It also cautions that federal grant and loan requirements prevent the use of capitalization thresholds in excess of \$5,000. Thus NMWD's capitalization threshold is \$5,000.

Note 7 – Bond & Loan Servicing Schedule for Fiscal Year 2012-2013

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY13		6/30/13 Outstanding Balance
							Interest	Principal	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$4,672	\$13,752	\$80,340
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$342,985	\$701,580	\$13,819,824
3 Novato	Bank of Marin Loan	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$228,999	\$253,043	\$6,521,787
							<u>\$576,656</u>	<u>\$968,375</u>	<u>\$20,421,951</u>
4 RWF	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$81,833	\$191,534	\$3,218,157
5 Point Reyes	PR-3 GO	1973	5.0%	\$250,000	1/1	1/1/13	\$700	\$14,000	\$0
6 Olema	OL-2 GO	1975	5.0%	\$70,000	1/1	1/1/15	\$560	\$3,553	\$7,819
7 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$661	\$2,042	\$11,272
8 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$4,600	\$10,000	\$83,000
9 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$4,800	\$8,000	\$92,000
10 West Marin	Bank of Marin Loan	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$33,614	\$37,144	\$962,856
							<u>\$44,935</u>	<u>\$74,739</u>	<u>\$1,156,947</u>
						Total	<u>\$703,424</u>	<u>\$1,234,648</u>	<u>\$24,797,055</u>

1. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$351,770 to assist in the funding emergency Novato Water system projects in response to the drought.
2. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges.
3. In October 2011 Bank of Marin made a 20-year 3.54%(APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 16, and note to loan 10 below.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. The project was completed in June 2007, and the first payment was made June 19, 2008.
5. In November of 1970, by a 70% "yes" vote, voters approved the formation of the PR-3 improvement district and a bonded indebtedness of \$250,000 to acquire and improve the Inverness Park and Point

Reyes Water Companies. On 9/5/73 the bond issue was purchased in its entirety by the U.S. Department of Agriculture, Farmers Home Administration Rural Development Administration, on a 5%, 40-year payback basis. System upgrades included replacement of a major portion of the distribution facilities, installation of a treatment plant, addition of a 100,000-gallon storage tank in Point Reyes Station and connection of the Inverness Park System to the Point Reyes Station water source (Lagunitas Creek).

6. In June 1973, after petition and creation of an improvement district (OL-1) for the investigation of water service to Olema and the Point Reyes National Seashore Headquarters, Olema voters, by a 92% "yes" vote, approved formation of an improvement district (OL-2) and a bonded debt of \$70,000 to acquire and improve the Olema Water Company owned by W. Robert Phillips and others and to service that area. The Farmers Home Administration purchased the 1975 bond issue in its entirety. On 6/1/91, at the demand of the FHA, the Novato Water District repurchased the remaining \$56,760 balance in the Olema bond debt. The interest rate paid to Novato Water on the OL-2 bond was thereafter reset to the higher of the rate earned by the District treasury or the stated rate of 5%.
7. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$46,000 to assist in the funding emergency West Marin Water system projects, including temporary diversions from Bear Valley Creek and Lagunitas Creek in response to the drought.
8. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
9. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.
10. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 3 above.

Note 8 – Unemployment Insurance Reserve

NMWD uses the "Reimbursable Method" of paying for Unemployment Costs. Under this method, the District reimburses the State Employment Development Department for all unemployment benefits paid on our behalf. The reserve is maintained at an amount equal to the higher of the average claim amount paid over the last 5 years or 52 times the maximum weekly benefit amount (currently $\$450 \times 52 = \$23,400$).

Note 9 – Payroll Benefits

Payroll Benefits payable includes payroll taxes; vacation, sick, and holiday leave; Section 125 payments; cancer, long term care and disability insurance premiums; union dues; and employee benefit fund.

Note 10 - Interest Policy on Inter-District Loans

In the event an improvement district expends all of its Undesignated Funds, it shall borrow funds from that improvement district's Board Designated Fund reserves to meet ongoing requirements. In the event an

improvement district expends all of its Board Designated Fund reserves, it may receive a loan from the Novato Improvement District in an amount sufficient to meet its ongoing requirements. Restricted Funds shall not be used to finance ongoing normal operating expenses.

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the higher of: 1. The weighted average interest rate of Novato improvement district debt (2.8% at 6/30/12); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

Note 11 – Budget Augmentations

Note 12 – Prior Period Adjustment

Note 13 – Provision for Pension Related Debt (Side Fund)

NMWD is one of 164 agencies assigned in 2003 by CalPERS to a pooled-risk group of agencies having less than 100 employees that participate in the 2.5% at 55 benefit plan. The funded ratio for this pool was 63.9% at June 30, 2010 (the most recent data available). The unfunded liability for the combined 164 agencies was \$369M. Based on NMWD's payroll as a percent of total payroll of the 164 agencies, NMWD's share of the unfunded liability was about \$4.2M.

At the time the District was assigned to the risk pool, a "side fund" was created to account for the difference between the funded status of the pool and the funded status of the District's plan. The side fund (\$2.2M of the \$4.2M unfunded liability at June 30, 2012) is credited on an annual basis with the actuarial investment return assumption, currently 7.75%. The side fund is amortized on a schedule to be paid off in 2025.

Note 14 – Explanation of Financial Statement Components

The District's financial statement is comprised of four components: 1) Statement of Net Assets, 2) Sources and Uses of Funds Statement – All Service Areas Combined, 3) Income Statement and Cash Flow by Service Area, and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Assets (page 4) reports the District's assets and liabilities and provides information about the nature and amount of investments in resources (assets) and the obligations to the District's creditors (liabilities). The difference between assets and liabilities is reported as *net assets*. Over time, increases or decreases in the fund balance may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Sources and Uses of Funds Statement – All Service Areas Combined (page 8) compares fiscal year-to-date performance against the Board approved annual budget – presented in the adopted budget format. This Sources and Uses of Funds Statement varies from the income statement in that it includes capital expenditures, debt principal repayment, connection fee revenue, and cash infusions from debt issuance.

The Income Statement and Cash Flow by Service Area (page 9) presents the net income (loss) for the fiscal year-to-date (FYTD) period for each of the District's four service areas. The income and expenses on this report are presented in conformity with Generally Accepted Accounting Principles (GAAP) and comply with Governmental Accounting Standards Board pronouncements. Accordingly, all income and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement measures the success of each service area's operations and can be used to determine whether the service area has successfully recovered all costs through user fees and other charges.

North Marin Water District
Financial Statement Notes

Also included at the bottom of page 9 is a statement of Cash Flow by Service Area. The primary purpose of this statement is to reconcile in an informative manner the difference between the net income/(loss) for the period of each service area with the resultant change in cash balance that occurred over the same period.

Notes to the Financial Statements (page 31) provide a summary of significant accounting policies and assumptions and other information of value to the financial statement reader.

Other Supplementary Information includes Detail Income Statements presented in accordance with GAAP for each of the four service areas (pages 10, 14, 16, 19). These statements present income and expenditures in close detail for further analysis. Other supplementary schedules of note include the Vehicle Fleet Analysis (page 25), Equipment Expenditures (page 21) and Capital Improvement Project Expenditures (page 27), which show outlays to date, compared with budget authority.

Note 15 –Connection Fee Transfers from Novato Water To Recycled Water

The following Connection Fee (FRC) amounts have been transferred to the Recycled Water fund:

	<u>Expansion Local Share</u>		NBWRA	SRF RWF	TOTAL	Transfer Executed
	North	South		Loan		
FY07			\$29,725		\$29,725	
FY08			\$50,478	\$22,795	\$73,273	
FY09			\$150,455	\$22,795	\$173,250	
FY10	\$133,659		\$75,198	\$22,795	\$231,652	\$133,659
FY11			\$133,319	\$22,795	\$156,114	
FY12	\$233,478	\$265,500	\$117,484	\$22,795	\$639,257	\$1,168,010
FY13			\$308,576		\$308,576	\$310,177
	\$367,137	\$265,500	\$865,235	\$113,975	\$1,611,846	\$1,611,846

Note 16 –Debt Service Coverage Ratio

Debt Service Coverage Ratio shall mean the ratio of net income/(loss) plus interest expense, depreciation, and connection fee revenue for the fiscal year to the sum of the fiscal year's principal and interest payments on the District's total debt.

	FY10	FY11	FY12	FY13 Budgeted
Net Income/(Loss)	(\$3,616,979)	(\$1,156,582)	(\$217,163)	\$787,000
Depreciation	\$2,659,884	\$2,660,418	\$2,726,598	\$2,719,000
Interest Expense	\$694,044	\$710,416	\$654,484	\$828,000
Connection Fees	\$1,796,028	\$387,610	\$1,005,680	\$921,000
Total Available For Debt Service	\$1,532,977	\$2,601,862	\$4,169,599	\$5,255,000
Annual Debt Service	\$1,384,506	\$1,385,156	\$1,770,894	\$2,162,000
Debt Service Coverage Ratio	1.11	1.88	2.35	2.43

	FYTD13	FY13 Budgeted
Bank of Marin Debt Service Coverage Calculation¹		
Change in Net Assets ²	\$1,242,421	\$3,749,000
Interest Expense	\$189,734	\$828,000
Depreciation & Amortization	\$673,542	\$2,719,000
Total Available for Debt Service	\$2,105,697	\$7,296,000
Bank of Marin Annual Debt Service	\$552,800	\$552,800
Bank of Marin Coverage Ratio	3.81	13.20

¹Per the October 27, 2011 Bank of Marin loan agreement, each June 30, beginning June 30, 2012, the Debt Service Coverage Ratio shall not be less than 1.2 to 1.

"Debt Service Coverage Ratio" shall mean the ratio of (i) Borrower's change in net assets plus interest, depreciation, and amortization during the fiscal-year period ending on the Determination Date to the sum of the scheduled principal and interest payments on the Loan during the twelve-month period following the Determination Date.

² See page 9

MEMORANDUM

To: Board of Directors

November 2, 2012

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Approve Text for *Water Line*, Volume 13, Issue 28

\\Nmwdsvr1\water conservation\Memos to Board\Fall 2012 WaterLine Text 1012.doc

RECOMMENDED ACTION: Approve Fall 2012 Novato "*Water Line*" Text and Layout

FINANCIAL IMPACT: \$6,500 (Included in FY 2012/2013 Budget)

Draft text and design for the Fall 2012 "*Water Line*", Volume 13, Issue 28 is attached for your review. The Fall "*Water Line*" traditionally focuses on water conservation program advertisements with a brief General Manager message regarding water supply. This year, staff added an update on the Recycled Water Expansion Program, an article on a new Demonstration Garden and also included Water Conservation Program advertising.

Should any Board member have individual comments please provide them to the General Manager at the Board meeting on November 6, 2012. It is expected that the Fall 2012 Novato "*Water Line*" will be mailed in November 2012.

RECOMMENDATION

Board authorize General Manager to approve final text and design of Fall 2012 Novato "*Water Line*", Volume 13, Issue 28.

Approved by GM *CD*
Date *11/2/2012*

MEMORANDUM

To: Board of Directors

November 2, 2012

From: David Bentley, Auditor-Controller

Subject: Accept – Outside Auditor’s 2012 Report and Management Letter
t:\finance\audit\audit12\bod accept outside auditor's 2012 report.doc

RECOMMENDED ACTION: Accept FY2011/2012 Audit Report and Management Letter

FINANCIAL IMPACT: Annual Audit Cost is \$20,600.

The Outside Auditor’s Annual Audit Report and Management Letter were presented as a draft at the October 16th meeting. One change on the Organization Chart (the addition of a footnote) was requested by the Board.

RECOMMENDATION

Accept the Outside Auditor’s FY11/12 Financial Report and Management Letter.

Approved by GM DB
Date 11/2/2012

MEMORANDUM

To: Board of Directors
From: Katie Young, Administrative Assistant *KY*
Subject: Final Annual Report Fiscal Year 2011-2012
t:\gm\admin asst\annual report\11-12\bod memo re final.doc

November 2, 2012

RECOMMENDED ACTION: Approve Fiscal Year 2011-2012 Annual Report

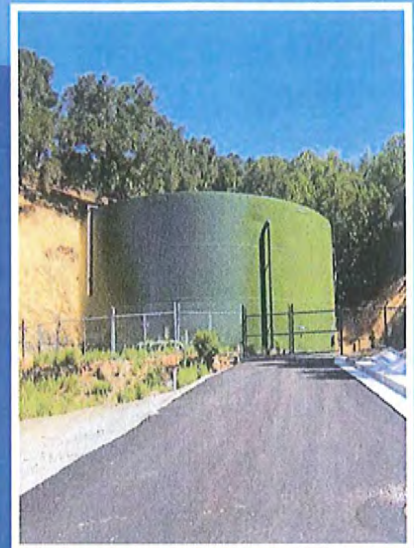
FINANCIAL IMPACT: None

Attached is the Final Annual Report for Fiscal Year 2011-2012. There were only a few minor changes made by the Board and staff.

RECOMMENDATION

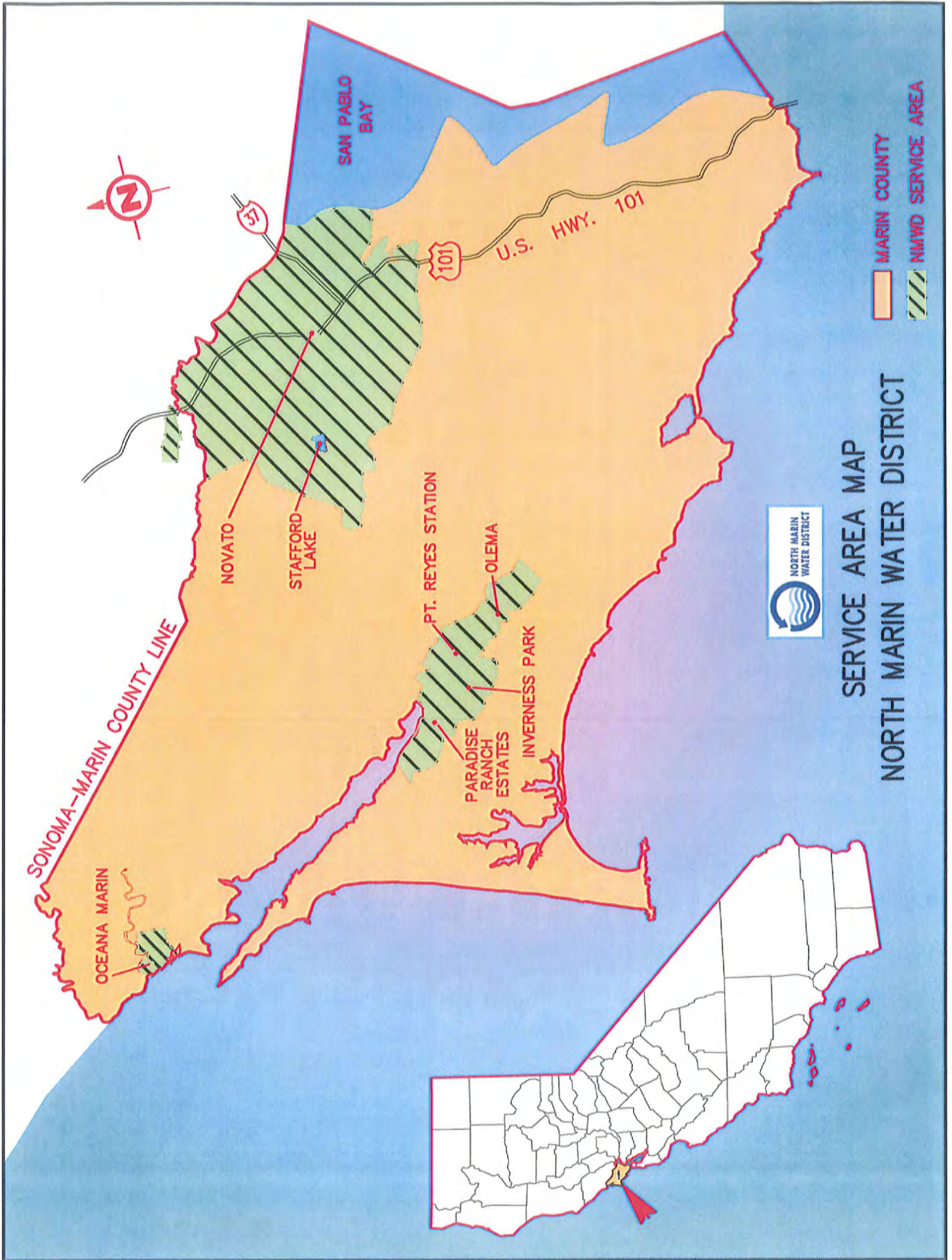
Board Approve Fiscal Year 2011-2012 Annual Report.

Approved by GM *CO*
Date *11/2/2012*



NORTH MARIN WATER DISTRICT

Annual Report
FY 2011-2012



SERVICE AREA MAP
NORTH MARIN WATER DISTRICT



NORTH MARIN WATER DISTRICT

BOARD OF DIRECTORS

Jack Baker, served since 1983
Rick Fraitcs, served since 2003
Steve Petterle, served since 2001
Dennis Rodoni, served since 1995
John Schoonover, served since 1984

OFFICERS

Chris DeGabriele, General Manager, appointed 1995
Renee Roberts, District Secretary, appointed 2005
David L. Bentley, Auditor-Controller, appointed 1987
Drew McIntyre, Chief Engineer, appointed 1998

DEPARTMENT MANAGERS

Administration & Finance	David L. Bentley
Construction/Maintenance	Doug Moore
Engineering	Drew McIntyre
Operations/Maintenance	Robert Clark

MISSION STATEMENT

We provide an adequate supply of safe, reliable and high quality water and deliver reliable and continuous sewer service to our customers at reasonable cost consistent with good conservation practices and minimum environmental impact.

BOARD MEETINGS

Regular Board meetings are held on the first and third Tuesday of each month at 7:30 p.m. Meetings are normally held at North Marin Water District headquarters, 999 Rush Creek Place, Novato. For meeting agendas, contact the District Secretary at 415-897-4133 or visit the website at www.nmwd.com

HISTORICAL HIGHLIGHTS

- 1948** The Novato community approves formation of the North Marin Water District and purchase of Novato Water Company.
- 1949** Novato voters impose a significant tax upon themselves (77¢/\$100 assessed value) to finance a \$2 million bond issue to purchase and upgrade the private water system and to construct a dam at Stafford Lake and build a water treatment plant.
- 1951** Contractor T.E. Connolly of San Francisco constructs Stafford Lake Dam, designed by Kennedy Engineers, to impound 560 million gallons (MG) of water.
- 1952** Stafford Water Treatment Plant, designed by Kennedy Engineers and built by C. Norman Peterson, goes into operation. It has a capacity of 3.75 million gallons per day (mgd).
- 1954** The spillway at Stafford Lake is raised to increase the reservoir capacity to 1.45 billion gallons, boosting the annual safe yield of Stafford Lake to 620MG.
- 1960** Voters approve a \$3.79 million bond issue to finance system improvements, most notably construction of an aqueduct connecting Novato to the Russian River.
- 1961** The North Marin Aqueduct, a 9.4-mile, 30" pipeline from southern Petaluma to Novato is constructed. The aqueduct is capable of supplying 6.5 mgd.
- 1963-66** Multiple water storage tanks are constructed, increasing storage from 2MG to 16MG.
- 1970s** Five small West Marin improvement districts are annexed into NMWD at the request of West Marin citizens: Oceana Marin Sewer in 1969; Point Reyes Station/Inverness Park Water in 1970; Olema Water in 1973; Tomales Sewer in 1975; and Paradise Ranch Estates Water in 1979.
- 1973-75** System storage capacity is increased to 26MG with construction of the Atherton (5MG welded steel) and Pacheco (5MG concrete) Tanks.
- 1974** Stafford Treatment Plant is modified to increase production capacity to 6.3 mgd.
- 1980s** North Marin assumes a leadership role in the water conservation field, pioneering programs such as connection fee discounts for installation of xeriscapes in new residential construction and "Cash-For-Grass" rebates for existing customers who replace irrigated turf with xerophytic plants.
- 1983** The US Army Corps of Engineers completes the construction of the Warm Springs Dam, creating a water supply pool in Lake Sonoma of 69 billion gallons.
- 1990s** Marin United Taxpayers twice touts NMWD as the Best Managed Public Agency in Marin County.
- 1998** The District celebrated 50 Golden Years of Quality, Excellent Service and Tradition.
- 2001** Marin Municipal Water District agrees to reorganize boundaries at Hamilton AFB to be coincident with Novato city limits, enabling NMWD to serve areas within Novato formerly served by MMWD.
- 2002** Amaroli Tank, a 4.5MG buried concrete tank adjacent to Highway 101 on Ammo Hill, is completed and increases total Novato area storage capacity to 33MG.
- 2003** Reconstruction of the Stafford Water Treatment Plant commences.
- 2005** A 180,000-gallon concrete storage tank is constructed in Point Reyes Station to replace a 36-year-old 100,000-gallon redwood tank serving the West Marin community.
- 2006** The Restructured Agreement for Water Supply with Sonoma County Water Agency (SCWA) is executed, authorizing SCWA to construct facilities to increase North Marin's water delivery entitlement to meet Novato's future needs consistent with the community general plan.
- 2006** The Stafford Water Treatment Plant \$16 million reconstruction project concludes, enabling Stafford Lake water to meet anticipated future water quality standards.
- 2006** A 150,000-gallon concrete storage tank is constructed on Sir Francis Drake Road, ½ mile east of Olema, to replace a 43-year-old 80,000-gallon bolted-steel tank.
- 2007** The 0.5 mgd Deer Island Recycled Water Facility, located adjacent to Highway 37 immediately south of Deer Island, commenced operation in June 2007 serving Stone Tree Golf Course.
- 2008** The 500,000-gallon Center Road Tank, constructed to mitigate fire-storage deficiencies in west Novato, is completed.
- 2009** Palmer Drive Tank is completed adding 3MG of first-zone storage in southern Novato, and increasing total Novato area storage capacity to 37MG.
- 2012** Construction of the recycled water distribution system continued. Utilizing federal grant and loan funds and working in conjunction with Novato & Las Gallinas Valley Sanitary Districts, the project will provide 130MG annually to large-landscape customers in north and south Novato.

For a narrative description of North Marin Water District history of formation and expansion in Novato and West Marin, please visit our website at www.nmwd.com and click on Service Area.

MESSAGE FROM THE GENERAL MANAGER ... *Chris DeGabriele*

The North Marin Water District (North Marin) carries out its Mission with a highly-motivated and competent staff empowered to conduct the District's business by placing customer needs and welfare first. Each day, District employees strive to carry out their work mindful of these basic principles: Good Water, Good Service, Good Value, and A Safe Place to Work. This annual report updates customers on the North Marin accomplishments in Fiscal Year 2012 and provides a snapshot of our current efforts and financial performance.

The Russian River water delivery system from Sonoma County Water Agency (SCWA) typically provides 80% of Novato's water supply, but continues to have limited capacity in summer months. Rainfall in FY 2012 totaled 17.15 inches, well below the historical average. Sufficient water was available in the Russian River system for fish, agriculture and urban deliveries. North Marin's Stafford Lake water treatment plant was utilized to augment Russian River supplies with local water supply; the Deer Island Recycled Water Treatment Facility (a joint project between North Marin and Novato Sanitary District) was also utilized to deliver highly-treated recycled wastewater to irrigate Stone Tree Golf Course.

SCWA has abandoned its effort to construct previously contemplated necessary Russian River water production and delivery facilities (pumps and pipelines) to fulfill the new Restructured Agreement contract requirement for increased deliveries of supply from the Russian River. Competing environmental and fishery-related interests delayed the expanded Russian River water facility development. SCWA is now focused on completing the Biological Opinion requirements for water supply in the Russian River watershed issued by the National Marine Fisheries Service to preserve, protect and restore the fisheries over the next 15 years and maintain the existing Russian River water supply. Additionally, state legislation passed in November 2009 (SB7X-7) will force a 20% reduction in per capita water use by 2020. North Marin must achieve more water conservation and development of recycled water to further stretch our local source of supply in future years.

Weather patterns in FY 2012 were dry and, until mid March/April rainfall occurred, it appeared the region might repeat the 1976/77 drought of record. The dry winter weather patterns resulted in a slight up-tick in water sales for the fiscal year. In

June 2012, the second in a series of three annual 11% water rate increases became effective.

In West Marin, even though it was a relatively dry year, normal year water supply conditions on Lagunitas Creek prevailed and customers experienced no water restrictions. Work on long-range improvements continued and preliminary design work on the treatment plant solids handling facility was completed. In summer 2011, Pt. Reyes Well #3 began failing and District staff spent the winter months planning and obtaining regulatory permits, including California Coastal Commission approval, to construct a replacement well.

At \$544 per year, the cost of water service for a typical Novato single family home using 110,700 gallons of water annually is the sixth-lowest of urban area water purveyors (see chart page 19). Water remains a good value for Novato customers.

WATER SUPPLY

STAFFORD LAKE – Local Source Provides 20% of North Marin's Supply

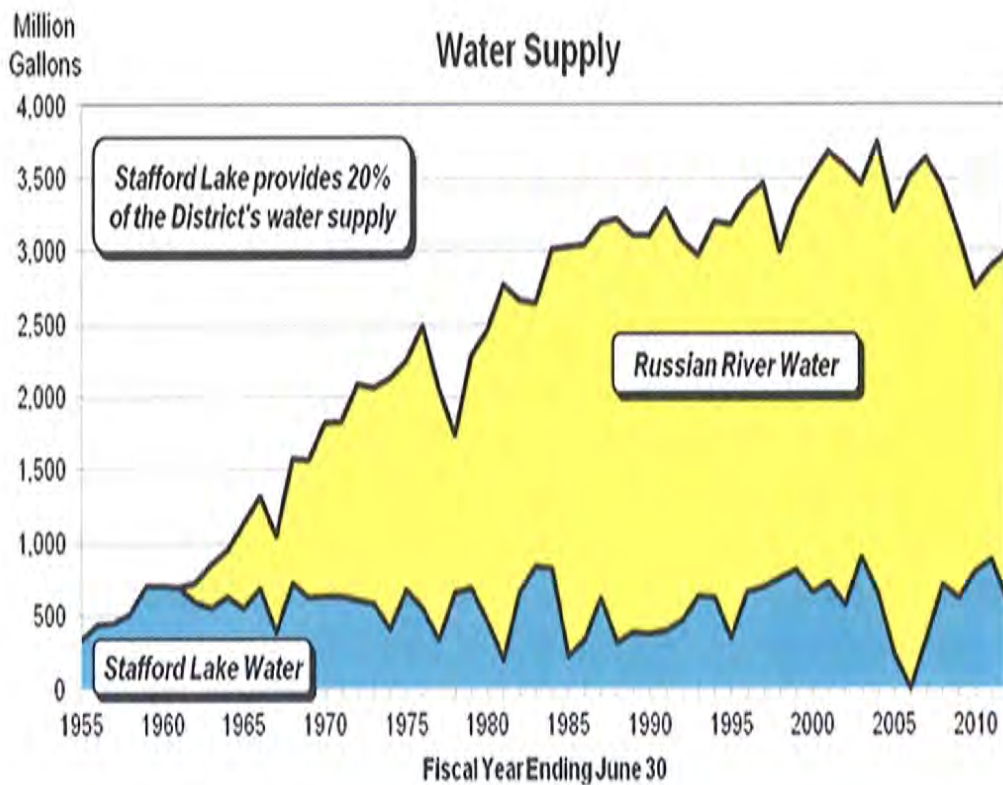
Stafford Lake lies four miles west of downtown Novato and collects the runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450 acre-feet (1,450 MG) of water. Water from Stafford Lake is fed into the 6 million gallons per day (mgd) treatment plant located just below the dam. In FY 2012, 1,798 acre feet (586MG) of water was produced from the new Stafford Lake Water Treatment Plant, well below prior year totals due to limited rainfall and lake storage.

RUSSIAN RIVER – Provides 80% of North Marin's Annual Supply

Russian River water originates from both the Eel River and the Russian River watersheds northeast of the City of Ukiah (Lake Mendocino) and west of Healdsburg (Lake Sonoma). The Coyote Dam and Lake Mendocino impounds the Eel River diversions and winter runoff from the local watershed. Warm Springs Dam and Lake Sonoma impound winter runoff from the Dry Creek and Warm Springs local watersheds. Lakes Mendocino and Sonoma combined can store 367,500 acre feet to meet the regions' water supply needs. Releases from the lakes flow to a point about 10 miles upstream of Guerneville (see map on page 18 of this report), where six deep Ranney Collector wells draw river water that has been filtered through 60 to 90 feet of natural sand and gravel to perforated pipes located at the bottom of each well. The thick layer of sand and gravel through which the water must pass before reaching the intake pipes

provides a highly-efficient, natural filtration process which, with chlorination treatment, produces a clear, potable, bacteria-free water. This water is then fed directly into the SCWA aqueduct system.

In FY 2012, North Marin received 7,401 AF (2,411 MG) of Russian River water. North Marin has an agreement in place with SCWA to provide sufficient supply and meet Novato's current and future water supply needs. There continues to be competing interests for Russian River water, principally to protect steelhead and salmon listed as threatened or endangered species under the Endangered Species Act.



ADMINISTRATION

The Administration Department is comprised of the Administrative Services, Consumer Services, Finance, Human Resources and Information Systems divisions.

Consumer Services is responsible for the accurate and timely meter reading (pictured at the right) and billing, rendering and accounting for 142,000 bills annually. During the year, field staff responded to 1,257 customer calls for water service assistance and received a 96% positive response from customers pertaining to the service rendered.



- The "Conservation Incentive Rate" (CIR), enacted in Novato in June 2004 and focused on residential water use exceeding 1,845 gallons per day, continued to prove successful in reducing water demand. Residential consumption in the targeted tier was down 84% in FY12 compared to FY03. In addition to reducing consumption, the CIR has generated \$661,000 in additional revenue, which funds are dedicated to further promote water conservation measures in Novato.
- In January 2007 a Conservation Incentive Tier Rate (CITR) was implemented in Novato. The new tier rate is applicable to residential water use between 615 and 1,845 gallons per day. About 20% of residential customers use in excess of 615 gpd sometime during the year (75% of residential customers never use more than 615 gallons per day). The CITR is designed to further encourage high-use residential customers to review and tighten-up their landscape irrigation practices. FY12 water use within the CITR range declined 47% compared to FY06.
- In February, the District's 2012 Urban Area Water Cost Comparison showed that North Marin's cost of water service remains below the median of the seventeen urban agencies serving the greater San Francisco Bay Area. The annual cost for water service to a typical single-family home in Novato remained at \$544/yr.

The **Finance Department** is responsible for general accounting and budgeting, payroll, purchasing, treasury management, risk management, materials inventory and

human resources. The accounting staff renders a full financial statement monthly with extensive cost-accounting detail allowing District managers and Directors to closely monitor revenue and expenditures relative to the adopted budget.

Fiscal Year 2012 financial highlights include:

- The District, on a consolidated basis, received 103% of budgeted operating revenue and expended 103% of budgeted operating expenditures, resulting in a net loss of \$217,000, which compares to a budgeted net loss of \$468,000. During this period \$8.5 million (86%) of the Capital Improvement Project Budget was expended. Also during the year the District received \$10.1 million in loan proceeds to finance its capital improvement project program, and ended the year with a cash balance of \$10.5 million, an increase of \$6.1 million from the prior year.
- Novato potable water consumption increased 1% from the prior year. Stafford Treatment Plant produced 586 MG (1,798 AF), down 34% from the prior year as low rainfall did not allow the lake to fill. The net loss of \$217,000 was less than the \$545,000 budgeted loss, and compares to a loss of \$1.1 million the prior year.
- The 0.5 MGD Deer Island Recycled Water Facility delivered 56 MG to the Stone Tree Golf Course, up 4% from the prior year. The fiscal year net loss of \$126,000 just under the \$129,000 budgeted loss.
- West Marin Water consumption increased by 1% from the prior year. The \$146,000 net income compares to a budgeted net income of \$177,000 and to net income of \$82,000 the prior year. A \$1 million Bank of Marin loan allowed West Marin Water to end the fiscal year with \$833,000 in the bank.
- Oceana Marin Sewer's net income of \$23,000 compares to a budgeted income of \$29,000 and to net income of \$24,000 the prior year. Oceana Marin ended the year with a \$343,000 cash balance.
- During the year the second of three annual water rate increases averaging 11% was enacted in Novato as approved on May 24, 2011, effective June 1 of 2011, 2012, and 2013.
- A 9% increase applicable to West Marin water customers was approved effective August 1, 2011.

ENGINEERING

The Engineering Department consists of professional and technical staff which are responsible for planning, permitting, design, construction and project management of water supply, treatment, transmission and distribution facilities necessary to serve North Marin's customers in Novato and West Marin. The Engineering Department also supports activities involving North Marin's wastewater collection, treatment and disposal system in Oceana Marin. Property owners or developers desiring new water service or an upgrade to their existing service are assisted by the Engineering Department pursuant to District regulations.



Recycled Water Segment 1 & 3

In the Novato service area, the Engineering Department oversaw forty-three projects with a combined fiscal year total expenditure of approximately \$8.3 million. Of



these forty-three projects, thirty-two were completed within the budget year. Some of the significant projects included completion of 105 PB Replacements, approximately 600 feet of 12" cast iron "pipe bursting" with new 12" fusible PVC along Novato Blvd. at the Rowland Blvd. intersection (pictured left) Crest Tank No. 1 and Plum Street Tank Recoats,

and Segments 1 and 3 of the Recycled Water RW Expansion project (North Service Area).

In the West Marin service area, including Oceana Marin, the Engineering Department oversaw four of the eight projects with combined fiscal year total expenditures of \$204,000. The most significant projects in West Marin were the replacement of the Retaining Wall at PRE Tank No. 2 (pictured to the right) and the design



and permitting for Pt. Reyes Well No. 3 Replacement.

WATER CONSERVATION

North Marin Water District maintains a comprehensive and innovative Water Conservation Program aimed at both residential and non-residential (commercial and large landscape) customers. Each program element is analyzed to assure that it will efficiently produce long-lasting water savings mutually worthwhile to the customer and North Marin. The District's water use efficiency programs saved approximately 352 million gallons of water during FY 2012.

Residential activities included residential water use surveys (283 completed), high-efficiency washing machine (HEW) rebates (312 paid), high-efficiency toilet (HET)



Water Conservation Technician performs Water Smart Home Survey

replacements (230 rebates paid), a Cash-for-Grass Program (turf removal rebate - 39 rebates paid), Conservation Incentive Tier Rates, flapper rebates, weather-based irrigation controller rebates, landscape efficiency rebates, and a plumbing retrofit-on-resale program (toilets, showerheads, and bathroom sink faucets). Water conservation programs for non-residential customers include HET

rebates, high-efficiency washing machine rebates, and free water audits/surveys. Large landscape customers are provided landscape water budgets comparing actual use to calculated use based on local weather data and landscape area. Large landscape audits and landscape efficiency upgrade rebates are also offered to mixed-use accounts and dedicated metered sites.

The public outreach program includes a School Education Program in cooperation with SCWA, direct mail newsletters every spring and fall, bill stuffers, bill text, newspaper advertisements and articles, and a variety of other customer outreach events and campaigns. The District also maintains an interactive website where customers can look at a everything from a graph of their water use history, to water use efficiency rebate information and can even pay their water bill. The outreach program is designed to increase customer participation in the various conservation programs offered by North Marin and to increase customer awareness and stewardship of the water resource.

Finally, North Marin requires new development to meet some of the most stringent water-use efficiency standards in the nation, including: installation of a high-efficiency washing machines, high-efficiency toilets, weather-based irrigation controllers, a maximum of 800 square feet of turf for residential development and no turf for commercial development, soil amendment and mulching requirements, drip or other subsurface irrigation for all irrigated non-turf areas, and other landscape irrigation

efficiency measures consistent with the CA model Water Efficient Landscape Ordinance.

MAINTENANCE

The Maintenance Department is comprised of Electrical/Mechanical, Fleet, Building/Grounds and Distribution Cross Connection and Control staff. The Maintenance Department is responsible for all maintenance tasks throughout the Novato, West Marin and Oceana Marin service areas.



The Maintenance Department works closely with the Operations Department to ensure proper operation of Treatment and Distribution equipment for continuous service to our customers. This equipment includes the Stafford Treatment plant, 27 pump stations, 35 tanks, 13 pressure regulators, and 2,400 cross connection devices, 2,600

hydrants and 3,900 valves.

In West Marin, the Maintenance Department maintains the Lagunitas Creek Wells, Point Reyes Treatment Plant, 13 tanks and 8 pump stations located in Point Reyes Station, Olema, Inverness Park, Paradise Ranch Estates, and Bear Valley. Additionally, the Department maintains the collection and wastewater treatment operations in Oceana Marin.

Maintenance Department accomplishments during FY 2011-2012 include: 25 facilities improvement projects and over 400 routine maintenance tasks. Staff continued to execute the day-to-day activities while performing projects on the remote telemetry unit upgrades at Upper Wild Horse, Paradise Ranch Estates pump stations 1, 2 & 3, radio communication links to the Sunset, Pacheco and Airbase tank sites and replaced rectifiers at Cherry Hill, Buck, Atherton, and San Mateo Tanks.

Fleet Mechanic Kent LeBrun received re-certification for nine of the seventeen areas in the Automotive Service Excellence (ASE) certification program. The California Highway Patrol performed an audit of the Biennial Inspection of Terminals (BIT)

Program, inspecting the past three years of the District's 90-day inspection and maintenance records and passed the program with excellent results and no negative findings. The Environmental Protection Agency performed a field audit of the District's heavy duty diesel vehicle emissions smoke testing program. They reviewed the past three years of tests and maintenance records and passed the District with satisfactory findings.

OPERATIONS

The Operations Department is comprised of the Operations and Water Quality Departments. The Operations and Water Quality Departments share the responsibility of monitoring the Stafford Lake watershed and working cooperatively with landowners, the Indian Valley Golf Course and the Marin County Parks and Open Space District.

The Operations Department manages the water supply and distribution for Novato and West Marin communities. In Novato, this department balances the tasks of treating and distributing water from Stafford Lake and imported Russian River water while maintaining appropriate water storage levels to reliably meet all water system demands and fire protection requirements. These requirements include California Department of Health Services regulations. In Novato, the department managed storage of 28 million gallons (MG) of finished water in 35 tanks through four hydraulic pressure zones and 27 pump stations.

Operations Department's activities and accomplishments during 2012 include 4 capital improvement projects, 22 major maintenance tasks during the winter shut down and 740 routine maintenance tasks throughout the year. An additional chlorine injection and carbon dioxide point was added for improved raw water



treatment. This will allow for a reduction in the more costly chemicals being used in the coagulation chamber. Staff also performed an electroshock fish count in the lake that revealed a healthy fishery. (pictured above)

In West Marin, the Operations Department operates the Lagunitas Creek wells and Point Reyes treatment plant that produced 78.9 MG of finished water supplying water to Point Reyes Station, Olema, Inverness Park, Paradise Ranch Estates, and Bear Valley. Additionally, the department operates the collection and wastewater treatment operations at Oceana Marin.

Chlorine emergency response training was conducted with Marin County Hazardous Materials Team and all Novato fire stations. Nearly fifty responders were trained on the system response plan. Staff participated in a Stafford Treatment Plant safety system inspection conducted by Cal-OSHA and several improvements were made as part of the follow-up. The final five-year update revisions to the Stafford Treatment Plant Chemical Risk Management Plan were completed and delivered to the US Environmental Protection Agency.



The Water Quality Department provides oversight to all aspects of North Marin operations to ensure that water quality is protected using a multi-barrier approach. Surveillance and monitoring is performed at multiple points from source to tap. North Marin's

laboratory performs thousands of water quality tests each year as required under state and federal drinking water regulations to support the work performed by other District departments. Annually, a water quality report is sent to all District customers in both Novato and West Marin. In addition, Water Quality Department staff respond to customer calls with specific information on water quality.

Water Quality Accomplishments during the 2011-2012 fiscal year include taking on contract work for the Novato Sanitary District Lab with sampling analysis efforts. Environmental Laboratory Accreditation Program (ELAP) re-certification took place for the Lab and Staff to continue to perform testing analysis for microbiology and inorganic chemistry on both drinking and wastewater. During the year the Lab also hosted interns over a semester as part of the Sonoma State Water Programs. The interns were

introduced to Lab operations, field sampling and quality control measures.

CONSTRUCTION/MAINTENANCE

The Construction/Maintenance Department installs, repairs and replaces water main pipelines and their appurtenances (valves, hydrants, services and meters, etc.) in upgrading and maintaining our facilities. The Construction/Maintenance Department may



be contracted by developers to install new water mains, services, fire hydrants and fire services. In addition, staff upgrades $\frac{3}{4}$ " service lines to 1" to comply with the Novato Fire Protection District's requirement for sprinklers in new building construction. Staff is on

call at all times and may be the first to respond to emergencies such as service leaks, main breaks, or knocked-over hydrants. Construction/Maintenance staff work hand-in-hand with the public and developers to install high-quality and reliable facilities to serve North Marin customers.

This year, Construction/Maintenance crews replaced and lowered services for Indian Valley Road City Improvements along with several Novato streets designated for



paving reconstruction. These included: Cavalla Cay (18 services), Del Oro Lagoon (28 services), Lea Drive (13 services), Center Road, Garner Ct, Oak Forest, Simmons Lane, 3rd Street and 5th Street.

NMWD's crew installed six new flushing taps at the zone valves and upgraded six detector check valves. Construction/Maintenance crews reconstructed the 18" steel pipeline running along Nave Drive for the installation of the

new fire hydrants, fire services and meters for Hamilton Elementary School. Other projects included installing hot taps to Circle Bank, Bank of Marin, Hamilton Nursery, and Perry's Deli and Heidrun Meadery in West Marin, as well as tie-in's which included a 12" recycled water line at Summers Ave and Plum Street, and at Hamilton Elementary School. In addition, crews also worked on the Stafford Dam concrete apron repairs which consisted of repairing a 520 ft horizontal crack (pictures below).



**THIS PAGE
INTENTIONALLY
LEFT BLANK**



WATER TRANSMISSION PROJECT - WATER SYSTEM - 2005-04-15 10:00 AM

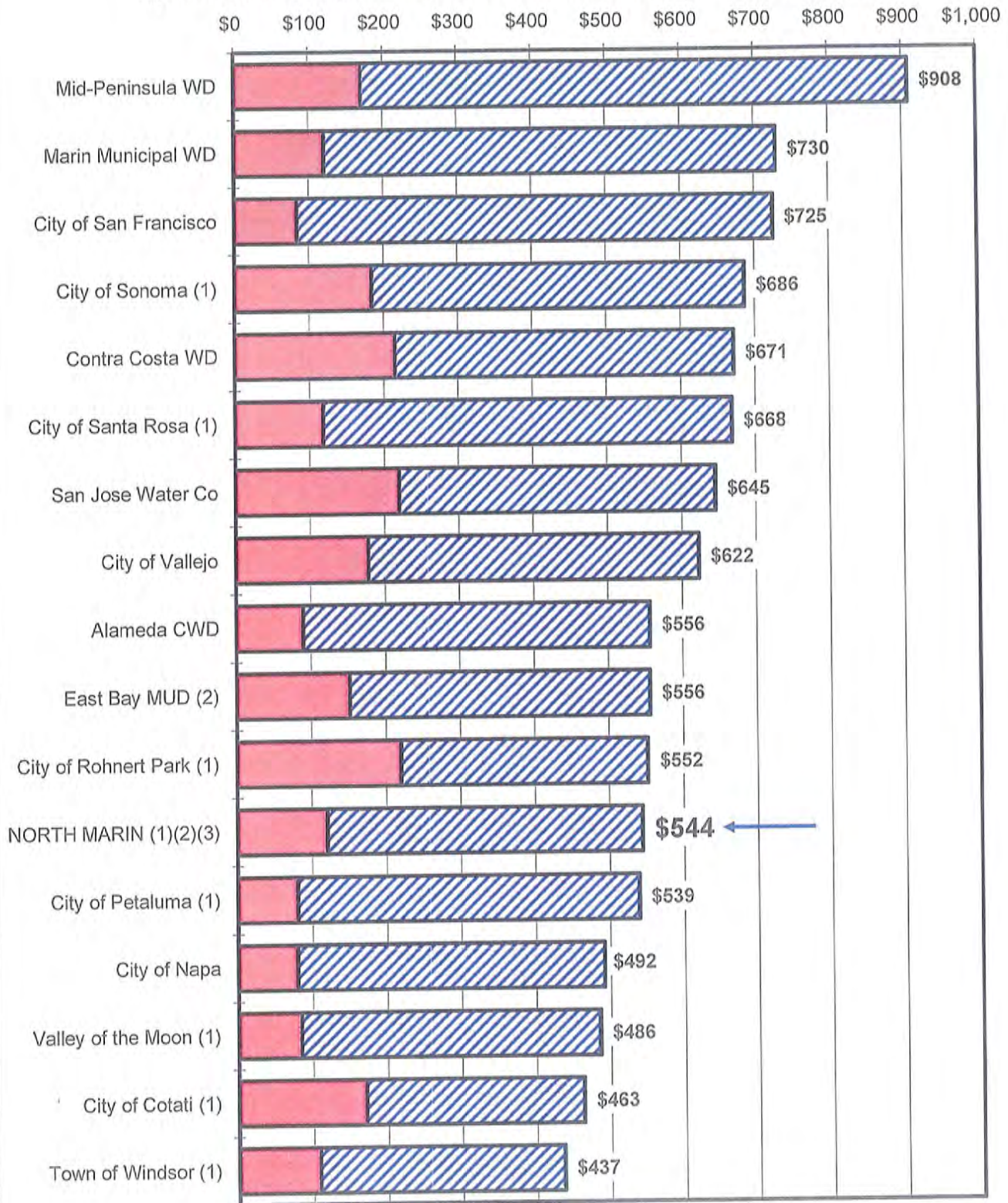


Disclaimer
This map document and associated data are distributed for informational purposes only "AS IS" at the published scale and provided without warranty of any kind expressed or implied. The positional accuracy of the data is approximate and not intended to represent survey map accuracy. The Sonoma County Water Agency assumes no responsibility arising from use of this information.

Russian River Water System

2012 URBAN AREA TOTAL ANNUAL WATER COST COMPARISON

Typical Detached Single-Family Home Annual Consumption = 110,700 Gallons



LEGEND
■ Service Commodity

(1) Sonoma County Water Agency Prime Contractor.
 (2) Based on weighted average commodity charge - all zones.
 (3) Excludes West Marin rates and charges.

SUMMARY FINANCIAL INFORMATION

June 30, 2012

NET ASSETS		Novato	Novato	West Marin	Oceana
Assets	Total	Water	Recycled	Water	Marin Sewer
Unrestricted Cash & Investments	\$231,913	-	-	-	\$231,913
Restricted & Designated Cash	10,289,438	9,345,085	-	832,895	111,458
Receivables & Other Assets	17,722,233	10,726,975	6,857,379	129,671	8,208
Construction-in-Progress	11,210,782	2,682,606	8,117,923	325,199	85,054
Property, Plant & Equipment (net)	78,492,244	69,659,317	4,241,629	3,959,779	631,519
Total Assets	\$117,946,610	\$92,413,983	\$19,216,931	\$5,247,544	\$1,068,152
Liabilities					
Current Liabilities	\$8,316,971	\$3,051,825	\$5,105,774	\$132,177	\$27,195
Other Liabilities	80,997	64,803	-	16,194	-
Long-Term Debt	33,487,252	23,507,814	8,831,731	1,147,706	-
Total Liabilities	\$41,885,220	\$26,624,442	\$13,937,505	\$1,296,077	\$27,195
Net Assets					
Invested in Capital Assets	\$93,139,124	\$80,162,387	\$7,416,515	\$4,527,412	\$1,032,810
Restricted & Designated Reserves	10,470,490	9,711,128	228,659	421,186	109,517
Earned Surplus	(27,548,224)	(24,083,974)	(2,365,749)	(997,131)	(101,370)
Net Assets	\$76,061,390	\$65,789,541	\$5,279,425	\$3,951,467	\$1,040,957

REVENUE & EXPENSE

Operating Revenue	\$15,435,734	\$14,418,213	\$222,337	\$637,872	\$157,311
Operating Expense	15,337,461	14,321,116	304,654	533,117	178,574
Operating Income/(Loss)	\$98,273	\$97,097	(\$82,317)	\$104,755	(\$21,263)
Non-Operating Revenue/(Expense)	(315,436)	(356,903)	(44,129)	40,933	44,663
Net Income/(Loss)	(\$217,163)	(\$259,806)	(\$126,446)	\$145,688	\$23,400

CASH FLOW

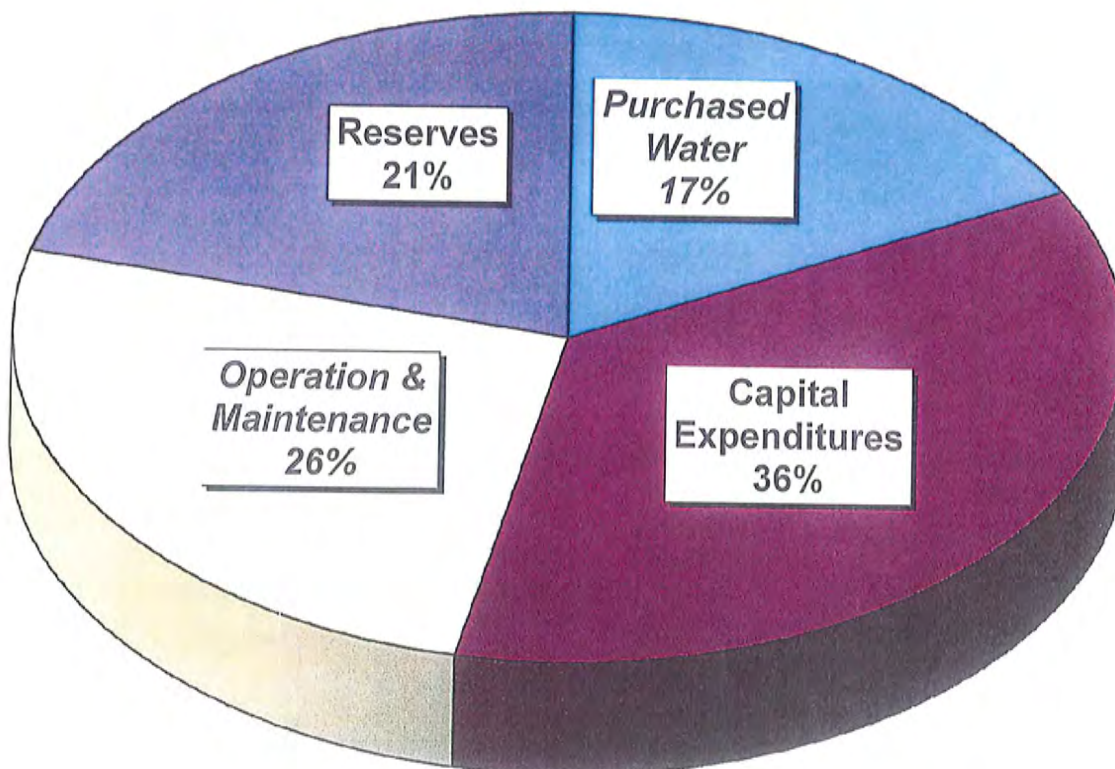
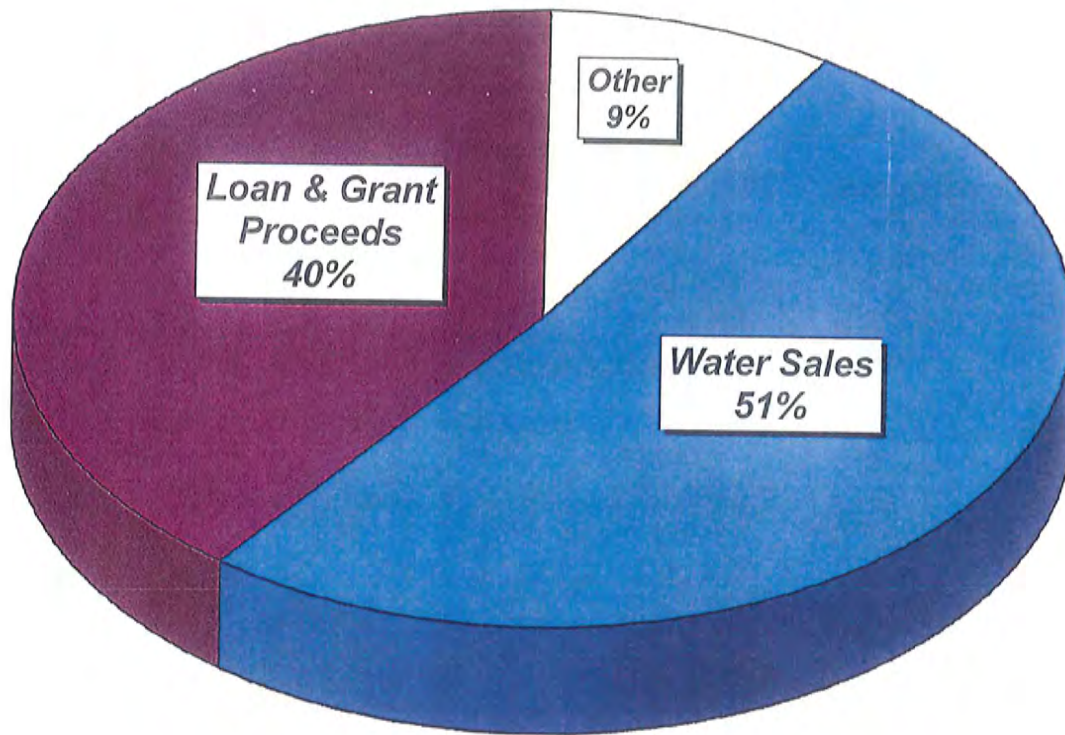
Net Income/(Loss)	(\$217,163)	(\$259,806)	(\$126,446)	\$145,688	\$23,400
Add Back Depreciation	2,726,598	2,372,380	162,965	150,169	41,084
Cash Generated	\$2,509,435	\$2,112,574	\$36,519	\$295,857	\$64,484

Other Sources/(Uses)

Connection Fees	\$1,005,680	\$969,080	-	\$36,600	-
Capital Asset Acquisition	(8,706,654)	(1,533,895)	(6,969,039)	(145,026)	(58,694)
Principal Paid on Debt	(1,116,409)	(886,059)	(187,045)	(43,305)	-
Grant Proceeds	1,548,002	-	1,548,002	-	-
Loan Proceeds	10,105,041	7,000,000	2,105,041	1,000,000	-
Interdistrict Loans	-	(1,755,004)	2,111,972	(356,968)	-
Working Capital & Miscellaneous	790,327	(548,070)	1,321,332	(4,574)	21,639
Total Other Sources/(Uses)	\$3,625,987	\$3,246,052	(\$69,737)	\$486,727	(\$37,055)
Net Cash Generated/(Used)	\$6,135,421	\$5,358,626	(\$33,218)	\$782,584	\$27,429

North Marin Water District - Fiscal Year 2011-12

Source of Funds: \$29,200,000



Use of Funds: \$29,200,000

CHARACTERISTICS OF SERVICE AREAS

8/9/2012

<u>Statistics</u> (at June 30, 2012)	Water		Sewer	Total
	Novato Potable & RW	West Marin Service Area	Oceana Marin	
Service Area (Square Miles)	75	24	1	100
Active Connections	20,492	777	227	21,496
Dwelling Units	23,942	811	227	24,980
Estimated Population	61,000	1,700	400	63,100
Average Household Size (People)	2.6	2.1	1.9	2.5
FTE Employees	52.5	-	-	52.5
Fire Hydrants	2,618	167	-	2,785
Miles of Pipeline	319	24	5	348
Storage (million gallons)	37.4	1.0	-	38.4

Annual Water Volumes (MG) (FY2011-12)

Russian River Water Purchases	2,411			2,411
Stafford Water Treatment Plant	586			586
Deer Island Recycled Water Facility	57			57
Point Reyes Water Treatment Plant		78		78
Oceana Marin Wastewater Treatment			7	7
Total Water Production	3,054	78	7	3,139
RR Water Wheeled to MMWD	1,916			1,916

Annual Budget - FY2012-13

Operating Revenue	\$15,854,000	\$666,000	\$158,000	\$16,678,000
Connection Fees/Misc	1,304,000	104,000	65,000	1,473,000
Grant/Debt Proceeds	6,860,000	0	0	6,860,000
Total Sources	\$24,018,000	\$770,000	\$223,000	\$25,011,000
Operating Labor	\$5,401,000	\$160,000	\$10,000	\$5,571,000
Other Operating Expense (less Deprec)	6,748,000	244,000	121,000	7,113,000
Capital Expenditures	8,865,000	670,000	320,000	9,855,000
Debt Service & Other Expenditures	2,064,000	118,000	0	2,182,000
Contribution To/(From) Reserves	940,000	(422,000)	(228,000)	290,000
Total Outlays	\$24,018,000	\$770,000	\$223,000	\$25,011,000

Annual Water/Sewer Cost (FY2012-13)

to Typical Single-Family Detached Residence				
Service Charge	\$25.00/2 mo.	\$25.00/2 mo.	\$58.00/mo.	
Annual Consumption (Typical)	107,100 gal	59,100 gal		
Wt'd Avg Water Rate / 1,000 gal ¹	\$4.10	\$6.97		
Typical Annual Cost:				
Service Charge	\$150	\$150	\$696	
Commodity Charge	\$439	\$412	\$0	
Allocated Tax ²	\$0	\$52	\$188	
G.O. Bond Tax ³	\$0	\$22	\$0	
Total Annual Cost	\$589	\$636	\$884	

Notes

- 1 FY13 weighted average commodity rate. Rates vary by elevation zone to reflect different energy, pumping and storage costs. Novato rates range from \$3.73 to \$5.54 per 1,000 gallons, and in West Marin from \$6.36 to \$10.61. Average excludes tier rate charges as typical residential consumption is below tier threshold.
- 2 Allocated share of FY12 Marin County 1% ad valorem tax per active connection. Tax is collected by the County and allocated by formula to the West Marin districts.
- 3 Based on FY12 average assessed value of \$376,595 less \$7,000 Homeowner Property Tax Exemption for single-family detached homes in West Marin Service Area and FY12 PR-3 General Obligation tax rate of \$0.6¢/\$100 AV. This voter-approved tax is assessed and collected by the County of Marin.

HISTORICAL STATISTICS

10/10/2012

(\\ncc\excel\annual report\historical statistics.xls)\ district#

Fiscal Year Ending June 30:		2012	2010	2008	2006
Active Services	-Novato Water	20,490	20,435	20,366	20,193
	-Novato Recycled	2	3	1	
	-West Marin Water	777	769	758	753
	-Oceana Marin Sewer	227	225	223	218
	Total Active Services	21,496	21,432	21,348	21,164
	Full-Time Equivalent (FTE) Employees	52.5	54.3	58.5	55.0
	FTE Employees per 1,000 Active Services	2.4	2.5	2.7	2.6
	FTE Employees per \$1M Capital Assets	0.4	0.5	0.5	0.6
	Long Term Debt per Active Service	\$1,558	\$924	\$947	\$742
	Miles of Pipeline	348	345	341	324
	Storage (MG)	38.4	37.9	34.8	34.4

Water Production (MG)

Point Reyes Treatment Plant	78	79	99	106
Stafford Treatment Plant	586	800	712	0
Deer Island Recycled Water Facility	57	55	47	-
Russian River Water Purchases	2,411	1,954	2,736	3,518
Total Water Production	3,132	2,888	3,594	3,623
Wheeled to Marin Municipal WD	1,916	2,189	2,496	2,323

Novato Service Area Average Day Potable Water Production (MG)

Annual	8.2	7.5	9.4	9.6
Peak Month	12.0	11.8	13.6	15.6
Peak Week	12.5	12.3	14.2	16.5
Peak Day	15.4	13.4	15.8	17.8

Financial History

Source of Funds

Water Sales	\$15,017,396	\$11,999,270	\$11,032,118	\$9,770,743
Investment Earnings	109,194	205,905	681,724	537,229
Tax Revenue	101,559	100,220	110,129	82,138
Grant Proceeds	1,548,002	289,400	0	0
Connection Fees	1,005,680	1,796,028	1,515,606	639,702
Loan Proceeds	10,105,041	0	876,819	4,213,268
Other Sources	1,346,244	690,776	870,253	1,081,309
Reserves	(6,135,421)	1,012,187	1,827,611	1,305,404
	\$23,097,695	\$16,093,786	\$16,914,260	\$17,629,793

Use of Funds

Purchased Water	\$5,047,469	\$3,630,416	\$3,852,900	\$4,546,147
Operation & Maintenance	7,563,393	9,452,956	8,686,092	7,182,723
Debt Service	1,770,894	1,576,525	865,593	552,391
Capital Expenditures	8,706,655	724,948	2,217,669	4,788,655
Other Uses	9,284	708,941	1,292,006	559,877
	\$23,097,695	\$16,093,786	\$16,914,260	\$17,629,793

Where We Stand

Assets	\$117,946,610	\$95,473,061	\$104,831,135	\$92,625,685
Liabilities	41,885,220	22,808,499	24,511,345	21,310,895
Net Assets	\$76,061,390	\$72,664,562	\$80,319,790	\$71,314,790

MEMORANDUM

To: Board of Directors

November 2, 2012

From: Robert Clark, Operations / Maintenance Superintendent

Subj: MOU for North Coast Mussel Consortium

x:\maint sup\2013\bod\bod mussel mou memo.doc

RECOMMENDED ACTION: Staff requests authorizing the General Manager to sign the North Coast Zebra and Quagga Mussel Consortium MOU.

FINANCIAL IMPACT: None at this time

The North Coast Consortium Zebra and Quagga Mussel briefing, as presented to the Board at the October 16, 2012 regular meeting by SCWA's Brad Sherwood, outlined a coordinated plan for North Coast counties, water districts and other water management organizations to participate in helping to prevent the spread of these invasive species.

Zebra and quagga mussels are among the most devastating invasive species to invade North American fresh waters. The mussels first arrived from Europe in the 1980s and spread to many water bodies in the eastern and midwestern United States. They are found in several of the western states, including California and Nevada. In California, the mussels have been found within San Diego County, Riverside County, San Bernardino County, San Benito County and Orange County.

The arrival of zebra/quagga mussels in a region creates severe water supply, economic, recreational, and ecological impacts because, once established, these mussels can clog water intake and delivery pipes, infest hydro power infrastructure, adhere to boats and pilings, foul shorelines, alter aquatic food chains, and forever damage native fisheries. Mussel infestations in the Mississippi River and Great Lakes systems added millions of dollars in annual operating costs to regional power and water utilities. Mussel infestations have also contributed to the collapse of major fisheries throughout the upper Midwest. Eradication methods have yet to be identified: once invasive mussels appear in a water supply system, there are few options other than draining the lake, containment and continual management. San Diego County now spends in excess of \$1,000,000 per year to keep water transmission lines and intake valves unclogged.

Zebra and quagga mussels infest new water bodies when they are inadvertently transported from infected waters to uninfected waters. Adult mussels can survive out of water on boat hulls and trails for days or even weeks. Microscopic larvae can survive in bilge water or water saturated equipment for several days. They can also come in on unsterilized equipment including anchors, fishing lines, traps, pumps, and wiring.

In December 2010, the NMWD operations staff hosted the California Department of Fish and Game (DFG) as they conducted a workshop about the zebra and quagga mussel. In

Approved by GM RD

Date 11/2/2012

attendance were STP staff, Marin Municipal Water District staff and other NMWD staff, as the DFG presented a history of the invasive mussel species, their effects to watersheds and provided ideas on how to protect Stafford Lake. NMWD staff was also trained on performing inspections of boats and equipment.

Stafford Lake is at relatively low risk of infestation. Nonetheless, the risk to NMWD is not zero: water craft and equipment operated by contractors do occasionally enter the lake. Therefore, NMWD has instituted a number of practices to prevent zebra and quagga mussels from entering Stafford Lake. These include:

- Training staff on the risks as well as water craft inspections and equipment sterilization;
- Sterilizing and dry docking NMWD water craft and equipment that enter non-NMWD waters before returning to Stafford Lake;
- Minimizing the number of non-district water craft and equipment to enter Stafford lake
- Requiring contractors to use NMWD water craft or to provide verification that their water craft have been sanitized and certified as clean and dry before launching in Stafford lake;
- Continuing the prohibition on use of live baits and wading in Stafford lake;
- Supporting California Department of Fish and Game early detection efforts.

As an additional measure, staff recommends NMWD join the Consortium of North Coast Counties by signing the Memorandum of Understanding Regarding the Zebra and Quagga Mussel Consortium (MOU) to implement a regional approach to the prevention of quagga and zebra mussels. Spearheaded by the Sonoma County Water Agency, the North Coast Regional Consortium and accompanying Zebra and Quagga Mussel Prevention Plan <http://dontmoveamussel.com/wp-content/uploads/consortium-preventionplan.pdf> are designed to provide guidance to water district and recreation managers participating in the North Coast Consortium to promote the mutual goal of preventing the introduction and spread of mussels in the region and throughout the State.

No funding requests are attached to this item. The MOU is written as to establish that each party to the MOU shall use their best efforts to comply with those portions of the prevention plan that are applicable to their agency's operations. The prevention plan is consistent with measures currently in place at NMWD and not place any additional obligations on NMWD staff or operations. Joining the Consortium will benefit NMWD by improving our communications with agencies with a shared interest in this matter, and by increasing

NMWDaccess to improved educational materials, certified inspection stations, prevention practices, and early detection notifications as they become available.

RECOMMENDED ACTION: Authorize the General Manager to sign the North Coast Zebra and Quagga Mussel Consortium MOU.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COUNTIES OF SONOMA, MENDOCINO, AND HUMBOLDT
AND THE
SONOMA COUNTY WATER AGENCY, MARIN MUNICIPAL
WATER DISTRICT, AND MENDOCINO COUNTY RUSSIAN
RIVER FLOOD CONTROL AND WATER CONSERVATION
IMPROVEMENT DISTRICT REGARDING THE NORTH COAST
ZEBRA AND QUAGGA MUSSEL CONSORTIUM**

WHEREAS, zebra and quagga mussels are an exotic nuisance species with the potential to compromise water delivery and water based utilities, and can permanently alter the composition and functioning of freshwater ecosystems; and

WHEREAS, zebra and quagga mussels are not readily detected and spread easily by attaching themselves to boats, personal watercraft and related equipment; and

WHEREAS, once zebra and quagga mussels are introduced into a water body, they cause great expenditure of public funds to clean and remove colonies from water delivery systems; and

WHEREAS, Sonoma County, Mendocino County, Humboldt County and Sonoma County Water Agency, Marin Municipal Water District and the Mendocino County Russian River Flood Control and Water Conservation Improvement District are members of the North Coast Regional Consortium (“Consortium”); and

WHEREAS, the Consortium desires to minimize the risk of mussel infestation while simultaneously maintaining public access to recreational boating and has determined that these goals can be accomplished by a coordinated regional approach to prevent the boating-related spread of zebra and quagga mussels; and

WHEREAS, the Consortium has produced the draft of the Zebra and Quagga Mussel Coordinated Prevention Plan (“Plan”);

NOW, THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. Best Efforts

The purpose of this Memorandum of Understanding (MOU) is to establish that each party to this MOU shall use their best efforts to comply with those portions of the “Plan” applicable to their respective operations.

2. Term

This MOU shall be effective following approval by all parties.

3. Termination for Convenience

Any party may terminate their participation in this MOU at any time by providing thirty (30) days written notice to all other parties.

In witness whereof, the parties hereto have executed this MOU as of the dates written below.

SONOMA COUNTY

DATE

MENDOCINO COUNTY

DATE

HUMBOLDT COUNTY

DATE

MARIN MUNICIPAL WATER DISTRICT

DATE

MENDOCINO COUNTY RUSSIAN RIVER
FLOOD CONTROL AND WATER
CONSERVATION IMPROVEMENT DISTRICT

DATE

SONOMA COUNTY WATER AGENCY

DATE

NORTH MARIN WATER DISTRICT

DATE

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Claim for Damages
t:\acl\word\insurance\13\jensen claim deny.docx

November 2, 2012

RECOMMENDED ACTION: Deny Claim for Damages - Jonsen

FINANCIAL IMPACT: None

Robert C. Jonsen, 5 Sutton Lane (off Crest Road), has made a claim against the District for \$14,000 - \$16,000 to replace damaged wood along the upper front retaining wall foundation of his home. After receiving a report of water in the street at 5 Sutton Lane on September 13, 2012, the District replaced the 1" copper service line to Mr. Jonsen's meter on September 14. Mr. Jonsen opines that a slow leak from the failed copper service line flowed onto his property over a long period of time resulting in damage to the front wall foundation of the home.

The District's Risk Consultant, Dan Blanquie of DB Claims Services Group, employed an experienced remodeling contractor to assist in the investigation. They found that the exterior seal that protects the foundation from water intrusion is compromised, allowing water from the previous night's rain to penetrate into the foundation, and that dry rot is evident in other areas of the foundation outside the claimed loss area. They also note that there is drain and sprinkler valves on the property adjacent to and in direct line with the reported water damage area.

Construction Superintendent Doug Moore advises that, in his 38 years of experience, water leaks arising from a failed service line typically occur abruptly, i.e., a blowout, rather than by a long, gradual process.

Based on the recommendation of the District's Risk Consultant and Construction Superintendent, staff recommends that the Board deny the claim, which will start the clock allowing Mr. Jonsen 6 months to file in civil court, should he wish to pursue this claim.

Recommended Action:

Deny Mr. Jonsen's claim for damages.

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE
NOVATO, CALIFORNIA 94948

PHONE: (415) 897-4133
FAX: (415) 892-8043

RECEIVED

OCT 11 2012

North Marin Water District

CLAIM FOR DAMAGES

The undersigned hereby presents the following claim against the North Marin Water District pursuant to the provisions of California Government Code Section 910.

NAME OF CLAIMANT: Robert e. Jansen

ADDRESS: #5 Sutton Lane

Novato Calif. 94945

PHONE: 415-302-6754

Address to which notices, correspondence, etc., are to be sent:

Same as listed

Description of claim:

Date: 9-14-2012 Time: 10am Location: # 5 Sutton Lane Novato, Cal

Describe circumstances of claim, including your reasons for believing that the North Marin Water District is liable for your damages:

Claimant Listed, Notified No Marin Water Department that There
water Main in front of the Listed Property was broken and that a
large amount of water was pumping out of the ground in our
front yard

Description of all damages which you believe you incurred as a result of the incident:

wood directly in line of water flow has wroted and must be
replaced

The dollar amount of all damages that you are claiming (please attach all available estimates and supporting documentation):

\$14,000.00- \$16,000.00

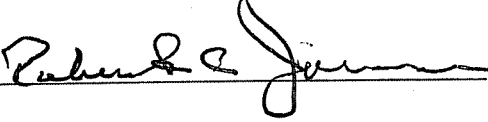
(Continued on reverse side.)

North Marin Water District
Claim for Damages
Page Two

If this is a claim for indemnity, on what date were you served with the underlying lawsuit?

N/A

Name(s) of any NMWD employee(s) involved: Doug Moore / Tom Andersen

Claimant Signature:  Date: 10-9-2012

The original of the completed form should be sent to the following:

David L. Bentley
Auditor / Controller
North Marin Water District
999 Rush Creek Place
Novato, California 94948

WARNING

Please be advised that, pursuant to Sections 128.5 and 1038 of the California Code of Civil Procedures, the District will seek to recover all costs of defense in the event an action is filed in the matter and it is determined that the act was not brought in good faith and with reasonable cause.

Note: North Marin Water District Checked the Line 3 times before they acknowledged that there was a leak, Since leaks start as same pinholes and graduate to large openings, NO ONE know's when or how long the water was leaking. The only damage to the front wall is directly in line with the water flow. I notified the water department after the repair that the ground is still damp and that I suspect water is still leaking and flowing to the low point, directly in front of the water flow on my property, They refuse to open and inspect the low spot of there main trench on Sutton Lane, So until we have fact that there main is not leaking we cannot repair the wood damage which we feel is directly related to there leaks.

Proposal

BOB JONSEN BUILDER, INC.
 5 Sutton Lane
 NOVATO, CALIFORNIA 94945
 (415) 897-5923

PROPOSAL SUBMITTED TO Robert C & Cecile C Jonsen		PHONE 415-302-6754	DATE 10-5-2012
STREET # 5 Sutton Lane		JOB NAME Jonsen	
CITY, STATE AND ZIP CODE Novato Calif. 94945		JOB LOCATION # 5 Sutton Lane, Novato. Cal. 94945	
ARCHITECT	DATE OF PLANS	JOB PHONE	

We hereby submit specifications and estimates for:
Replacement and waterproofing of damaged wood found along upper front retaining wall foundation.
Removal of all plant and trees necessary for opening area directly in front of foundation
(approximately 3' wide and 24' long with an average depth of 4' = removal of 10 sq yards of soil

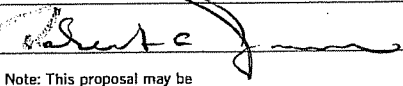
Removal of 10 yards of material @ \$320.00 per yard	= \$ 3,200.00
Add supports for areas to be replaced:	= \$ 620.00
Removal of all destroyed wood: (3men,8hours @ \$120.00)	= \$ 2,880.00
Replacement of needed wood members (3men,8 hours @ \$120.00)	= \$ 2,880.00
Materials	= \$ 685.00
Replace and compact soils(New Soils) (3men,8 hours @ \$120.00)	= \$ 2,880.00
New Soils (10 yds @ \$70.00)	= \$ 700.00
Replace vegetation	= \$ 650.00
Total Cost	\$14,495.00

Fourteen Thousand Four Hundred Ninty Five Hundred and no/cent **14,495.00**
10% @ start, 35% completion of first dig, 30% completion of Framing, Remainder on completion

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:
dollars (\$ 14,495⁰⁰).

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature: 

Note: This proposal may be withdrawn by us if not accepted within _____ days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: _____

Signature: _____

Signature: _____

MEMORANDUM

To: Board of Directors

November 2, 2012

From: Drew McIntyre, Chief Engineer
David Jackson, Associate Engineer



Subject: Recycled Water Expansion South Service Area – Phase 2: Award Construction Contract

R:\Folders by Job No\6000 jobs\6056\Board Memos\6056 Ph 2 Contract Award to Argonaut 11-2-12.docx

- RECOMMENDED ACTION:**
1. Allow Bay Pacific Pipelines to withdraw their bid.
 2. Subject to SRF staff approval, award of the contract to Argonaut Constructors and authorize the General Manager to execute an agreement with Argonaut Constructors.

FINANCIAL IMPACT: \$1,441,750 plus \$75,000 contingency (5%)

Background

The Phase 2 project includes construction of 1.7 miles of recycled water pipeline and the retrofitting of irrigation systems at 11 City of Novato and Novato Unified School District sites for recycled water (see map in Attachment 1). Included pipelines: 2,010 LF 12" PVC pipeline, 6,230 LF 8" PVC pipeline on Bolling Drive, Hamilton Parkway, Hangar Avenue, Lanham Drive, Main Gate Road, Martin Drive, North Hamilton Parkway, South Palm Drive and State Access Road, total 8,240 LF recycled water line. The Board authorized bid advertisement for the above referenced project on July 17, 2012. The advertisement date for this project was August 8, 2012 with a bid opening on September 6, 2012. The District advertised the project in the Marin IJ and mailed contract documents to twenty-three (23) interested contractors and builders exchanges in the greater bay area. Twelve (12) prime contractors and a union representative attended the mandatory pre-bid meeting on August 15, 2012. The bid period was for approximately four (4) weeks and included one addendum. Six bids were received ranging from a low of \$1,043,000 to a high of \$1,692,255.

	CONTRACTOR	BID
1.	Bay Pacific Pipelines	\$1,043,000
2.	Argonaut Constructors	\$1,441,750
3.	Ghilotti Construction	\$1,473,700
4.	Michael Paul Company	\$1,504,000
5.	Maggiora & Ghilotti	\$1,565,656
6.	Ranger Pipeline	\$1,692,255

The Engineer's Estimate was \$1,300,000. The bid span between the Number 1 and Number 2 low bidders (Bay Pacific Pipelines and Argonaut Constructors) was substantial at \$398,750 (for a variance of 28%). The next two bids were within 5% of the second low bidder.

Bid Withdrawal

Five days after the bid opening the District received a letter from Bay Pacific Pipelines (Attachment 2) stating that they had made a clerical error in preparing their bid by not including the cost of materials in their bid price and requesting that the District allow Bay Pacific Pipelines to withdraw its bid without forfeiting its bid bond. The clerical error amounted to about a \$262,000 reduction in Bay Pacific Pipelines' bid amount. Said request letter was forwarded to District legal counsel with supporting background information. District legal counsel subsequently provided an opinion that Bay Pacific Pipelines should be granted relief under Public Contract Code Section 5103 which governs whether a bidder is appropriately relieved from its bid.

Bid Evaluation

Subject to the withdrawal of Bay Pacific Pipelines' bid, Argonaut Constructors of Santa Rosa, California, submitted the lowest responsive bid of \$1,441,750 which is \$141,750 (11%) above the Engineer's construction cost estimate of \$1,300,000. Argonaut Constructors' bid is \$31,950 (2%) below the next lowest bidder (Ghilotti Construction). A bid evaluation (Attachment 3) was performed by URS, the District's construction manager for the south area recycled water projects. The attached analysis shows that Argonaut Constructors and the next lowest bidder, Ghilotti Construction, complied with the bidding requirements.

The Covello Group, the District's Construction Manager for the North Service area projects, reviewed the bid of Argonaut Constructors for compliance with SRF bid documentation requirements. Argonaut Constructors appears to have met those requirements but we are still waiting for final approval from SRF staff (Attachment 4).

District staff and the construction manager, URS, reviewed Argonaut Constructors' work experience and determined that they meet the experience requirements for this phase of the project. Note that Argonaut has installed NMWD watermains in the past for developer projects (e.g. Tamalpais Hill – 2004, Atherton Ranch – 2003 and Meadow Park Ph II – 2003).

Project Financing

The project will receive 25% federal grant funding from Water SMART Grant funds via Bureau of Reclamation awards. No American Recovery and Reinvestment Act grant funds will be used for this project.

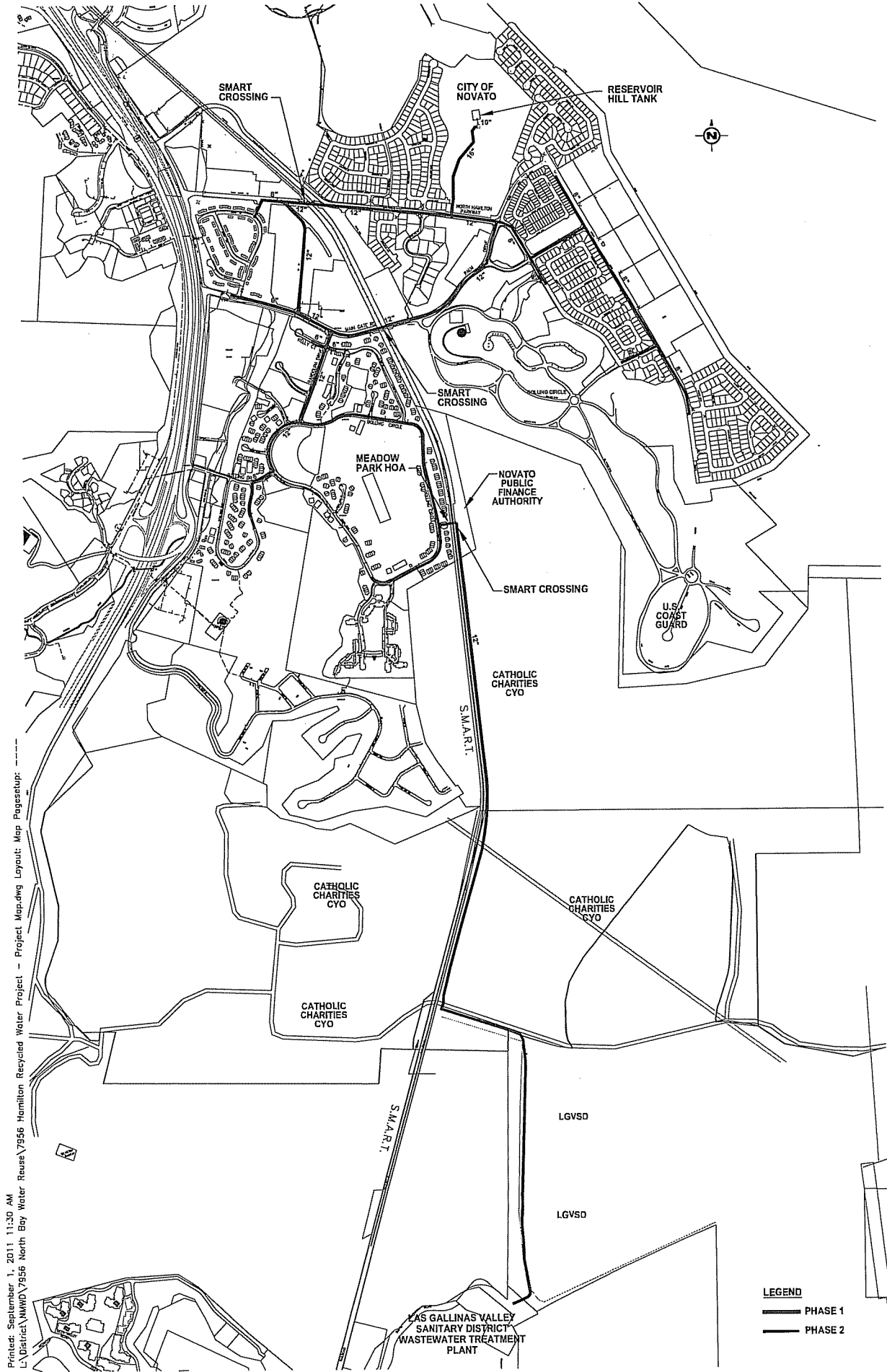
As reported previously, SRF loan approval for the District's South Novato Area Recycled Water Projects was obtained on March 7, 2012.

The updated total Recycled Water South Service Area estimated project cost is ~\$7.7M (Attachment 5) representing an increase of \$200,000 (or ~3%) from the last update presented to the Board.

RECOMMENDATION

That the Board:

1. Allow Bay Pacific Pipelines to withdraw their bid.
2. Subject to SRF staff approval, award of the contract to Argonaut Constructors and authorize the General Manager to execute an agreement with Argonaut Constructors.



Printed: September 1, 2011 11:30 AM
 L:\District\NMWD\79556 North Bay Water Reuse\79556 Hamilton Recycled Water Project - Project Map.dwg Layout: Map Pagesetup: -----

NMWD HAMILTON AREA RECYCLED WATER PROJECT

SEPTEMBER 1, 2011

LEGEND
 ——— PHASE 1
 ——— PHASE 2

BAY PACIFIC PIPELINES INC.

P.O. BOX 1162, NOVATO, CA 94948-1162 TEL:415 897-6958 FAX: 415 897-1409
CONTRACTORS LICENSE NO. 524020
E-mail: baypacpipelines@yahoo.com

September 11, 2012

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

**Ref: North Marin Water District Recycled Water Expansion
South Service Area Phase 2 NMWD
Project No. 5.6056.13 - Bid Date: September 6, 2012
Attn: Dave Jackson**

Dear Mr. Jackson:

After a thorough review of our bid schedule submitted to NMWD on September 6, 2012, we discovered that we did not include cost of material in the summation of our bid. We respectfully request that we be relieved of our bid and that our bid bond be returned to us.

Please accept our apologies for any inconvenience caused to you or the District.

Thank you.

Sincerely,

Catherine Carew
**Catherine Carew, President
Bay Pacific Pipelines Inc.**



October 5, 2012

Mr. Dave Jackson, Associate Engineer
North Marin Water District
999 Rush Creek Place
Novato, CA 94948

Project: NMWD Recycled Water Expansion, South Service Area Phase 2, Job No. 5.6056.13
Subject: URS Bid Review and Evaluation

Dear Mr. Jackson:

Six (6) bid packages were received for the South Area Phase 2 work. All bids were opened on Thursday September 6, 2012. The apparent low bidder was Bay Pacific Pipelines Inc. (BPPI). BPPI's base bid was \$1,043,500. Their base bid was \$398,750 less or 27.6% lower than the second low bid. On September 11, 2012, BPPI submitted a letter requesting to be relieved of their bid claiming that an error had been made when preparing their bid. On October 1, BPPI sent another letter which included a copy of their bid details and a more detailed explanation of their bid error. It appears that Bay Pacific Pipelines will be allowed to withdraw their bid. Therefore this bid review and evaluation focuses mainly on the second and third lowest bidders.

The second apparent low bidder is Argonaut Constructors (Argonaut) with a base bid of \$1,441,750. This is \$31,950 (2.17%) less than the third lowest bidder, Ghilotti Construction (Ghilotti). Based on our review and evaluation, URS finds Argonaut to be the lowest responsive responsible bidder and it is recommended that NMWD award the contract to Argonaut Construction. A more detailed description of our review findings is as follows:

General Requirements: Two general requirements for all bidders were to: 1) Attend a mandatory pre-bid conference and 2) Submit a complete bid package. A mandatory pre-bid conference and site meeting for the referenced project was held on August 15, 2012. Names and signatures of representatives from both Argonaut and Ghilotti appear on the Pre-Bid Site Meeting Attendee List (see attached) sign-in sheet. Both firms met this requirement. Based on a review of the bid packages received on September 6th, both bidders have submitted a complete bid package including all required forms and documents.

Bid Schedule and Base Bid Amounts: The base bid schedule consisted of seven (7) lump sum bid items. Items 1 – 5 make up the bulk of the required field work. These activities include Mobilization/Demobilization, Trenching, Pipe Lines, Rock Excavation and Retrofits. Item 6 is a lump sum

URS Corporation
Post Montgomery Center
One Montgomery Street, Suite 900
San Francisco, CA 94104-4538
Tel: 415.896-5858

amount for Permitting Compliance. Item 7 is a fixed lump sum amount of \$5000 to be used by all bidders for As-Built Drawings.

Argonaut's bid is \$31,950 less than Ghilotti's amount and their prices for each of the seven (7) lump sum bid items are all very close. The largest price difference in bid items is for Permit Compliance. Ghilotti's price for Item 6 (Permit Compliance) is \$47,000 versus Argonaut's price of \$33,000. One possible reason for this \$14,000 price difference is Ghilotti may have a better understanding of what will be required for compliance based on their recent experience as the contractor on a couple of similar NMWD recycled water projects in this area.

A spreadsheet showing bid results is included as an attachment.

Engineer's Cost Estimate: The Engineer's cost estimate for the Phase 2 work is \$1,300,000. This amount is \$141,750 dollars less than Argonaut's bid. Argonaut's bid is 10.9% and Ghilotti's bid is 13.4% higher than the Engineer's estimate. The Engineer's estimate is incomplete in so far as it did not include the cost of increased paving restorations required by the City of Novato in their encroachment permit that were added via Addendum No. 1. Had the additional cost been included in the Engineer's Estimate it would have been slightly higher and closer to Argonaut's bid.

Bay Pacific's bid was \$1,043,000 which is 80.2% of the Engineer's Estimate. In their October 1st letter they indicate that \$262,000 in material cost had been left out of their bid. Had this amount been included Bay Pacific would still have been the low bidder at a price of \$1,304,800 or 100.4% of the Engineer's Estimate.

In any case, the fact that Bay Pacific's (corrected bid), Argonaut, Ghilotti's and the next two lowest bidders price are so close to each other and within 15% of the Engineer's estimate is a fairly good indication that the scope of work for the project was clearly defined and well understood and that the bidding was competitive.

List of Material and Equipment Manufactures: All bidders were required to provide the name of their PVC pipe supplier. Both bidders identified VinylTech as their supplier for the PVC Pipe product listed on Bid Form Page 00300-8. VinylTech is listed on the District's Approved Materials list as an approved manufacturer for the specified PVC C900 pipe.

List of Subcontractors & DBE Forms: Both bidders provided information regarding their proposed subcontractors and DBE usage on the forms provided. Both Argonaut and Ghilotti listed the same two subcontractors; Striping Graphics (striping and marking) and Pacific Boring (bore & jack).

Argonaut's bid package includes signed copies of the mandatory DBE forms. Since no firms are listed on the forms it appears that they do not intend to utilize any DBE firms. Ghilotti's package identifies two DBE trucking firms.

Even though it is not possible to determine the total value of the work either contractor intends to subcontract out, based on the description of the work to be subcontracted it appears reasonably certain that they would meet the requirement for the prime contractor to perform at least 50% of the work.

California State Revolving Fund (SRF): Argonaut and Ghilotti bids are being reviewed by The Covello Group for compliance with SRF requirements.

Contractor Licensing: A check with the California State Licensing Board confirmed that both Argonaut and Ghilotti have valid Class A contractor licenses. It has also been confirmed that Pacific Boring and Striping Graphics, the two subcontractors listed by both bidders, are properly licensed for the type of work they would be performing.

Contractor Equipment: Both bidders provided an extensive listing of company owned construction equipment that is presumably available for use on this project. Both listings include equipment such as excavators, loaders, backhoes and pavers which would be considered essential for a project of this type. Bore and jack equipment would be provided by the subcontractor listed for this type of work.

Bid Security: Both contractors elected to provide a Bid Guaranty Bond instead of a check. Bonds for both bidders are issued by nationally recognized insurance companies. The bonds are for 10% of their bid and the form provided in the bid documents is used. No attempt has been made to determine the validity of the bonds.

Section 004600 - Certification of Bidders Experience and Qualifications: This section addresses essential requirements, company experience, safety qualifications and financial qualifications. Both Argonaut and Ghilotti meet the minimum requirements. A more detailed discussion is provided below.

Section A (Essential Requirements) is a set of seven (7) yes or no questions related to licensing, insurance, bonding, and criminal history. Responses provided by both bidders meet the requirements for eligibility.

Section B (Company Experience) specifies minimum bidder experience requirements. The 3 basic requirements are: 1) Bidder list not less than three (3) and not more than five (5) projects of a similar nature completed within the last five (5) years with at least \$2 million in construction volume, 2) listed projects should include water/recycled water pressurized pipeline construction of lengths 0.5 miles or longer with a pipe diameter of at least 12-inches, 3) bidder should have self-performed at least 50% of the

work on each listed project, and 4) at least two of the projects listed involve pipeline bore and jack installation at least 50' in length.

Argonaut's bid package provided the names and specified information of five (5) projects as required. Since Argonaut did not provide additional information regarding the scope of work for those projects, URS contacted some of the owner representatives for those projects to discuss the scope of the work performed. URS has confirmed that Argonaut's bid package satisfied all 4 of the above mentioned experience requirements.

Bidders were specifically directed to identify 3 or more but not more than 5 projects, Ghilotti provided the names of 11 projects under Company Experience. URS has confirmed that the first 5 projects listed by Ghilotti satisfied all 4 of the above mentioned experience requirements. Two of those projects were recently completed recycled water line projects for NMWD.

Additional documentation supporting URS findings regarding both Argonaut and Ghilotti's experience is available upon request.

Section C (Safety Qualification Criteria) Both Argonaut and Ghilotti provided the specified information showing that they satisfied the District's safety criteria. Argonaut's 3-year average Workers Compensation Experience Modification (EMR) is 88% which is less than the 100% minimum so they meet the safety requirements for this project. Similarly, Ghilotti's 3-year average EMR is 95% so they also meet the minimum safety requirements.

Section D (Financial Qualifications) asks bidders to provide information on financial condition, bonding capacity and construction claims filed. Bidder's financial condition and bonding capacity is not part of this evaluation. Both bidders claims information form were reviewed. Argonaut submitted an unsigned blank form. A follow up telephone conversation with Argonaut's Contract Administrator on this issue confirmed that they had not filed a claim and that a claim had not been filed against them in the past five (5) years. It appears they had inadvertently forgotten to return the signed and dated form with their bid package. The following day a copy of Page 00460-8 signed by a company vice president was emailed to the District. Ghilotti's signed form indicates that they had neither filed any claims nor had any claim filed against them during the past five (5) years.

Conclusion: The low bidder of the original three apparent lowest bidders was Bay Pacific Pipelines Inc. It appears that Bay Pacific's request to have their bid withdrawn will be accepted. Our technical review of the bidders (Argonaut and Ghilotti) submitting the next two lowest bids finds them both to be responsive, responsible bidders. Argonaut Constructors submitted the lowest bid and we did not find any reason for rejecting them.



If you have any questions please contact me at (415) 596-4163

Yours truly,

URS CORPORATION

A handwritten signature in cursive script that reads 'K. Canada'.

Kevin Canada
Construction Manager

Enclosure
cc: MRF

**Recycled Water South Phase 2
NMWD Job No. 5 6056.13**

Pre-Bid Site Meeting Attendee List

Wednesday, August 15, 2012, 2:00 p.m.

8/15/12
JH
RF
CNC
①
②
③
④
⑤
⑥
⑦
⑧
⑨
⑩
⑪
⑫
⑬
⑭

ATTENDEE NAME	COMPANY	PRIME/ SUB	PHONE	FAX	EMAIL
1. JOHN HANSEN	Michael Paul Co	Prime	707-769-1006	707-769-0650	MPC-Melissa @ SBC Global.net
2. Felipe Lirio	California Translores	Prime	925-361-7046	925-266-1543	MJardun @ California Translores.com
3. Catherine Chan	Bay Pacific Pipelines	Prime	(415) 877-6558	(415) 877-1401	bcypacpipelines@yahoo.com
4. Amir Davoodi	Valentine Corp.	Prime	415-453-3732	415-457-5820	adavoodi@Valentinecorp.com
5. DAVE STANFORD	AIR GONNANT CONSTRUCTORS	P	707-542-4862	707-542-4897	DAVUS @ AIR GONNANT CONSTRUCTORS.COM
6. Kevin Bechtel	Maggiorn & Ghilotti	P	415-459-8640	415-459-2065	Kevin@Maggiorn-Ghilotti.com
7. Ignacio Castillo	laborers L-26		415-826-4550		icastillo.Local26@gmail.com
8.					
9.					
10.					
11.					
12.					
13.					
14.					

ATTENDEE NAME	COMPANY	PRIME/ SUB	PHONE	FAX	EMAIL
15. Larry Filmore	Platinum Pipeline	Prime	925-829-6565	925-829-7575	Larry@PlatinumPipeline.com
16. Steve HanaK	Ghiotti Construction	P	707-585-1723	707-585-1601	Steve@ghiotticons.com
17. Brent Allison	Mountain Cascade	P	925-373-8370	925-373-0940	ESTIMATING @ MOUNTAINCASCADE.COM
18. EVA PAPERMAN-ANDERSON	W.R. Forde Associates	Prime	510-215-9338	510-215-9867	eva@wrforde.net, dave@wrforde.net
19. SHIRLEY LYONS	RANGER PIPELINES	Prime	415-822-3700	415-822-3703	dairre@rangerpipelines.com
20. JOEL PIRZZA	PIRZZA. CONSL.	P	(707) 876-3110	(707) 876-3256	PIRZZA@GMAIL.COM
21.					
22.					
23.					
24.					
25.					

JF
 SH
 SL
 JF



October 1, 2012

Mr. Dave Jackson
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

PROJECT: NMWD – Recycled Water Expansion South Service Area
SUBJECT: Phase 2 Review of Bidder's SRF/GFE Documentation

Dear Dave:

As requested by the District, Covello has reviewed SRF-required bid documentation submitted by the apparent low bidder, Argonaut Constructors. The results of this review are summarized below.

SRF EPA Forms: EPA forms 6100-4 & -3 and the Bidders List are required to be submitted with the bid. This was done; however, no entries were made to form 6100-4 or the bidders list.

The instructions for form 6100-4 (see Section 00820 pages 21 & 22) state that all subcontractors, DBE and non-DBE, that the prime contractor will be using are to be listed. The instructions for the Bidder's List (Section 00820-22) state that all firms that bid or quote on subcontracts are to be listed. Since two subcontractors are listed in Argonaut's bid (Section 00300-6) it was apparent that the EPA form 6100-4 and the Bidder's List were incomplete. Argonaut was contacted and they subsequently submitted the completed forms; copy attached.

Because of the rather limited and/or confusing instructions provided for these forms the required clarifications are common. In our opinion, obtaining clarification and supplemental information after the bid is not a material issue, in which case, the required EPA forms appear to meet the requirements.

SRF Good Faith Effort (GFE): The Good Faith Effort documentation submitted by Argonaut was reviewed and it appears that a genuine good faith effort was made.

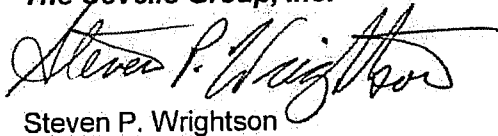
While in our opinion the GFE requirements appear to have been fulfilled, ultimately the SRF officer must determine the acceptability of the Good Faith Effort.

SRF Certifications: The NON-COLLUSION AFFIDAVIT was submitted with the bid as required. The following are to be submitted within two weeks of contract award: 1) certification of NONDISCRIMINATION CLAUSE; 2) CERTIFICATION OF NON-SEGREGATED FACILITIES, and; 3) DRUG-FREE WORKPLACE CERTIFICATION. These certifications were also submitted with the bid.

Conclusion: It appears that Argonaut has complied with the SRF bidding and documentation requirements.

Please contact me if you have any questions regarding this matter.

Sincerely,
The Covello Group, Inc.

A handwritten signature in black ink, appearing to read "Steven P. Wrightson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steven P. Wrightson

cc:



Steve Wrightson

From: Dave Stanford <daves@argonautconstructors.com>
Sent: Monday, October 01, 2012 3:11 PM
To: Steve Wrightson
Subject: NMWD EPA Forms
Attachments: J-17 EPA Forms.pdf

Here you go Steve

Dave Stanford
Contract Administrator
Argonaut Constructors
P.O. Box 639
Santa Rosa, CA 95402
Phone-707-542-4862
Fax-707-542-4897
e-mail: daves@argonautconstructors.com



Environmental
Protection Agency

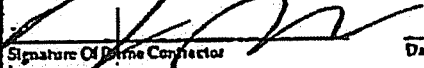
Disadvantaged Business Enterprise Program
DBE Subcontractor Utilization Form

BID/PROPOSAL NO.	PROJECT NAME recycled water south phase 2
NAME OF PRIME BIDDER/PROPOSER Argonaut Constructors	E-MAIL ADDRESS
ADDRESS P.O. Box 639 Santa Rosa, CA 95402	
TELEPHONE NO. 7075424862	FAX NO. 7075424897

The following subcontractors will be used on this project:

COMPANY NAME, ADDRESS, PHONE NUMBER, AND E-MAIL ADDRESS	TYPE OF WORK TO BE PERFORMED	ESTIMATED DOLLAR AMOUNT	CURRENTLY CERTIFIED AS AN MBE OR WBE?
PACIFIC BORING PO Box 727 CARUTHERS, CA 559-8649444	FURNISH/INSTALL CASING 93609	30666	NO

I certify under penalty of perjury that the foregoing statements are true and correct. In the event of a replacement of a subcontractor, I will adhere to the replacement requirements set forth in 40 CFR Part 33 Section 33.501(a).


Signature Of Prime Contractor Date 09/06/12
Michael A. Smith Vice President
Print Name Title

Subcontractor is defined as a company, firm, job, venture, or individual who enters into an agreement with a contractor to provide services pursuant to an EPA award of financial assistance.

EPA FORM 00495-2 (DBE Subcontractor Utilization Form)



Environmental
Protection Agency

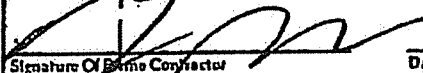
Disadvantaged Business Enterprise Program
DBE Subcontractor Utilization Form

BID/PROPOSAL NO.	PROJECT NAME recycled water south phase 2
NAME OF PRIME BIDDER/PROPOSER Argonait Constructors	E-MAIL ADDRESS
ADDRESS P.O. Box 639 Santa Rosa, CA 95402	
TELEPHONE NO. 7075424862	FAX NO. 7075424897

The following subcontractors^a will be used on this project:

COMPANY NAME, ADDRESS, PHONE NUMBER, AND E-MAIL ADDRESS	TYPE OF WORK TO BE PERFORMED	ESTIMATED DOLLAR AMOUNT	CURRENTLY CERTIFIED AS AN MBE OR WBE?
STRIPING GRAPHICS 501 AARON ST COTATI CA 94981 707-793-9425 EMAIL ?	STRIPING & MARKING	9980	NO

I certify under penalty of perjury that the foregoing statements are true and correct. In the event of a replacement of a subcontractor, I will adhere to the replacement requirements set forth in 40 CFR Part 33 Section 33.307(d).

	09/06/12
Signature Of Prime Contractor	Date
Michael A. Smith	Vice President
Print Name	Title

^aSubcontractor is defined as a company, firm, joint venture, or individual who enters into an agreement with a contractor to provide services pursuant to an EPA award of financial assistance.

EPA FORM 6100-4 (DBE Subcontractor Utilization Form)

Bidders List

Contractor/ Subcontractor	Address	Contact Name	Phone Number	email	Procurement Category *	Date of Bid/ Quote	MBE/WBE Certification
COBEPRO	277 MILLER ST SANTA ROSA, CA 95401	LINDA RODRIGUES	5106148000		CATHODIC	9/6/12	NO
BAYSIDE STRIPE N SEAL	CA 94577 PO BOX 703 PETALUMA, CA	RAMY 94953	7077652871		STRIPING	✓	NO
CIVILITE & PASSARILLO	1360 N DUTTON AVE SANTA ROSA CA 95401	TONY	7075426268		SURVEY	✓	NO
FARWEST CORPORAL COUNTY CO	1480 W ARTESIA RD GARDENIA, CA 90248	DUMARIE	3105329524		CATHODIC	✓	NO
F3 ASSOC TOIGA ST		GENE	7072484300		SURVEY	✓	NO
BENICIA CA PACIFIC MOUNTAIN SURVEY	94510 1505 W TEXAS ST PACIFIC, CA 94533	PETER	7074256234		SURVEY	✓	NO
BKF	325 TESCOMBI CIR SANTA ROSA, CA 95401	JASON	7075388500		SURVEY	✓	NO
Pacific Boring	PO Box 727 Caruthers, CA 93609	John	559-864-9444		Boring	x	No

* Construction, Supplies, Equipment, and Services

ARGONAUT CONSTRUCTORS
A CALIFORNIA CORPORATION
P.O. BOX 639 • 1236 Central Avenue
Santa Rosa, California 95402

NORTH MARIN WATER DISTRICT
WATER SYSTEM IMPROVEMENTS/SPECIAL PROJECTS
PROJECT SUMMARY
AS OF October 1, 2012

Job No.	Title:		
5.6056.00	Recycled Water Expansion - South Service Area		
Facility No.	Facility Type (Pipelines, Pump Stations, etc.) Pipelines, Tank Improvements		

Description

Provides about 192 AF/Yr of recycled water for irrigation use. Construction of 5.4 miles of recycled water pipeline and the rehabilitation of the Reservoir Hill Water Storage Tank. Phase 1a - 12-inch pipe from Las Galinas Valley Sanitary District Treatment Plant to Bolling Circle (9,800 ft). Phase 1b - 12-inch and 8-inch pipes Bolling Circle, Randolph Drive, Main Gate Road, Palm Drive, North Hamilton Parkway, and the tank Inlet/Outlet line. (10,000 ft). Phase 2 - Extends distribution 12-inch and 8-inch lines in Main Gate Road, South Palm Drive, Hanger Ave, Captain Nurse Circle, Hamilton Parkway, State Access Road to Martin Drive(8,900 ft).

Project Justification



The recycled water expansion project is per NMWD Recycled Water Implementation Plan and is also part of NBWRA regional project Phase 1.

	Baseline Cost Estimate	2010 Estimate(1)	Funding Est. Sept 2011	Jan 2012 Estimate	Oct 2012 Estimate		Start	Finish (Est.)	Finish (Actual)
1	Development/Admin	\$48,000	\$95,000	\$90,000	\$90,000	Project Dev.	Jul-10	Aug-11	Aug-11
2	Prelim Design		\$30,000	\$30,000	\$30,000	Prelim. Design	Sep-10	Sep-11	
3	Permitting and Fees	\$24,000	\$30,000	\$24,300	\$24,300		Jun-10	Dec-10	
4	Environmental Consultant	\$408,050	\$68,000	\$70,000	\$70,000		Jun-10	Dec-10	
5	Eng. Design - Nute (Pipelines)		\$585,000	\$585,000	\$585,000	Permitting	Jun-10	Apr-11	Jul-12
6	Eng. Design - CSW Stuber/Stroeh (Tank)		\$60,000	\$50,000	\$50,000	Final Design	Sep-10	Sep-11	Nov-11
7	Staff Cost During Construction		\$57,000	60000	70000	Construction			
8	Construction Ph 1a	\$3,600,000	\$900,000	\$914,000	\$884,488	Phase 1a	Apr-12	Sep-12	
	Construction Ph 1b		\$2,408,700	\$2,540,000	\$2,665,000	Phase 1b	Feb-12	Nov-12	
	Construction Ph 2		\$1,168,000	\$1,168,000	\$1,441,750	Phase 2	Nov-12	Apr-13	
9	On-site Retrofits		\$911,000	\$820,000	\$943,000				
10	Eng. Servs. During Const.	\$720,100	\$30,000	\$30,000	\$30,000				
12	Const. Inspection/ Mat Testing		\$575,000	\$572,000	\$672,000				
13	Project Closeout		\$10,000	\$10,000	\$10,000	Project Closeout	Aug-13	Sep-13	
15	Project Subtotal	\$4,800,150	\$6,927,700	\$6,963,300	\$7,565,538				
16	Project Contingency	\$1,244,600	\$559,400	\$523,800	\$100,000				
	Total	\$6,044,750	\$7,487,100	\$7,487,100	\$7,665,538				

NOTES:

- (1) Did not include allowance for on-site retrofits, pipeline cost estimated at \$99/ft.
- (2) Tank Rehabilitation estimated at \$376k
- (3) ~~9-15-11: North Hamilton Parkway delayed due to cost creep-~~
- (4) revised to include all pipelines, except G3 and lowered contingency to 8%
- (5) 10-11 Revised phase costs to match no alternates (1b)
- (6) 1-12 Revised with Ph 1b bid
- (7) 10-12 Revised with Ph 1a and Ph 2 bids and expected contract CO for phases 1a and 1b
- (8) Current Estimated Increase over Sept 2011 Budget = \$178,438

MEMORANDUM

To: Board of Directors Date: November 2, 2012
From: Drew McIntyre, Chief Engineer 
Carmela Chandrasekera, Associate Engineer 
Re: Recycled Water Expansion North Service Area Segment 2 Project –
Ranger Pipeline Inc. Change Order Numbers 11 and 14 to 22
R:\Folders by Job No\6000 jobs\6055\BOD memos\6055 Segment 2 Change Orders Board memo 11-2-12.doc

RECOMMENDED ACTION: Authorize the General Manager to Execute Change Order Nos. 11 and 14 to 22 to Ranger Pipelines Inc.

FINANCIAL IMPACT: \$70,789.57

The purpose of this memo is to request Board approval to execute Change Order Nos. 11 and 14 - 22 to Ranger Pipelines, Inc. (Attachment A). In keeping with established engineering policy, all cumulative change orders that exceed the Board approved contingency limit are brought to the Board for approval. Execution of the aforementioned Change Orders will exceed the Board approved 5% contingency of \$78,000 for the Segment 2 pipeline construction project. The District staff and the construction manager (The Covello Group) have reviewed, negotiated and recommend payment of the above change orders. A detailed description of the changes and reasons for the subject change orders is provided as follows:

Change Order No. 11 -Contaminated Material

At the busy Redwood Blvd./Olive Avenue intersection, pipes were installed by night work to relieve impact to traffic. During excavation, soil and groundwater contaminated with gasoline were encountered. The contractor claims for delays and standby time, preparation and implementation of a site specific Industrial Hygiene Health and Safety Plan, delivery, set up and rental cost of a 20,000 gallon water storage tank for onsite storage of contaminated water, handling, pumping and standby time due to excessive water in the area of contaminated material excavation, additional time spent excavating and installing pipe due to unforeseen utilities in the contaminated soil area. The total cost of this change order is \$31,356.37.

Change Order No. 14 - Excessive Groundwater

Excessive amounts of groundwater were encountered during excavation, installation and backfill of the new recycled water line at several locations. More specifically, excessive groundwater was encountered at shallow trench elevations on Olive Avenue from the Olive / Redwood Blvd. intersection to the Trader Joes parking lot entrance on Olive Avenue during night work, west of Elmwood Ct. on Olive Avenue and near Olive Elementary School during installation of a service lateral. Groundwater was found at shallow elevations resulted in production impacts, delays and additional time and material costs for disposal. This change order constitutes compensation for all impacts related to dealing with groundwater on the project amounting to \$10,762.02.

Change Order No. 15 -Unforeseen Utilities

Utilities were encountered in several different locations throughout the project that were either not shown on the drawings, not marked by utility companies after requested mark and locate via Underground Service Alert, or found to be at elevations that had impacts on pipeline installation. This change order constitutes full compensation for all impacts to the contractor due to these unforeseen utilities. The total cost of Change Order No. 15 is \$12,041.24.

Change Order No. 16 -City Inspection Costs

The City of Novato billed the contractor a total of \$5,423.04 for overtime inspection costs on the project. The contract documents call for an allotment of \$600 towards overtime inspection. The overtime inspection was needed on Fridays when the city office was closed but the contractor was working and city inspection during night work. This change order compensates for the difference in cost \$4,823.04 (i.e. \$5,423.04 - \$600).

Change Order No. 17 -Credit to City of Novato for Striping and Gouges (Deductive)

This deductive change order to the contract was agreed to by the contractor because the City accepted standard paint striping in lieu of more expensive thermoplastic striping on Olive Avenue. The City also has agreed to allow the contractor to forego the repair of several equipment scars / gouges on Olive Avenue due to the planned re-pavement of Olive Avenue in the future. NMWD will contribute this credit of \$3,000 towards the City's Olive Avenue paving fund. (Note: An additional estimated NMWD contribution of \$15,000 to the City's Olive Avenue paving fund will occur for extra paving restoration required by the city but not in Ranger's contract.)

Change Order No. 18 -Compensation for Vehicle Damage

A vehicle owned by an Olive Avenue resident suffered minor damage when the resident was driving over a hose protection ramp provided to the contractor by NMWD. This change order for \$593.45 will reimburse Ranger for compensating this resident for the damages.

Change Order No. 19 -Balancing Change Order (Deductive)

Deduct Item 1- Hard Rock as defined by Specification Section 01200 - 1.07 was not encountered during the project. Bid Item 5 of the project included 490 cubic yards of hard rock which the contractor bid at \$10/cy unit price. Therefore, \$4,900 estimated for excavation of hard rock will be deducted.

Deduct Item 2 - Contract Change Order No. 3 was issued to the contractor to install four 45 degree ductile iron elbows with mechanical joint restraints to route the 12-inch recycled water line over existing gas lines and under an existing Storm Drain on Wood Hollow Drive. It was determined that the four elbows were not needed and that Controlled Density Fill (CDF) could be placed instead. This change resulted in a savings of \$2,538.06.

Therefore the total Deductive Change Order No. 19 is \$7,438.06 (\$4,900 + \$2,538.06).

Change Order No. 20 - 12-inch Repair Coupling Reimbursement

When the project was initiated, the contractor supplied and installed twelve 12-inch repair couplings that are typically supplied by the District. This change reimburses the contractor for those couplings at the District purchase rate. The amount of this Change Order is \$2,239.44.

Change Order No. 21 - Traffic Signal Conduit Conflict and Hard Rock during Horizontal Directional Drilling

During the Horizontal Direction Drilling (HDD) operation underneath the San Marin Drive /Redwood Blvd. intersection, a 3-inch rigid steel conduit was exposed in a pressure relief pit. This conduit was in direct conflict with the planned depth of the new 12-inch recycled water main and appeared to be the carrier for the traffic signal control wires and was not shown on the drawings nor marked or located by Caltrans / City of Novato. Special techniques were required to protect the signal control wires and to complete the HDD operation. In addition, between stations 17+60 and 27+63 (approximately 1,000 ft length) hard rock was encountered during the drilling process lowering the production rate. This change order includes impacts due to hard rock on production rate and additional work due to encountering traffic signal control wires. The cost of this Change Order is \$16,285.65. Hard rock defined by the contract specifications was for open trenching and therefore the unit pricing described in Change Order No. 19 was not applicable for HDD.

Change Order No. 22 - Storm Drain Conflict at Station 71+60

The bottom of the 36-inch storm drain at Station 71+60 on Olive Avenue was found to be deeper than shown on the plans. Two additional ductile iron fittings were required to cross underneath the storm drain with the 12-inch recycled water main encased in an 18-inch casing to prevent undermining pea and sand backfill around the storm drain. The cost of this change order is \$3,126.42.

A complete list of change orders for the project are summarized below:

Change Order Description	Original Requested	Final Amount	Status
Approved (within Contingency)	\$	\$	
001 - Davis Bacon Wage Determination	-	-	Executed
002 -SMART ROE Permit Costs	\$4,800.00	\$4,800.00	Executed
003 -Gas/SD crossing on Wood Hollow Drive	\$7,561.00	\$4,382.60	Executed
004 -Additional Tracer Wire	\$1,350.00	\$1,350.00	Executed
005 - Additional Pot Holing	\$6,279.00	\$6,162.22	Executed
006- Tie-in at Summers	\$3,497.00	\$3,035.78	Executed
007- Service /SD conflict STA 0+87	\$1,767.97	\$1,767.97	Executed
008 - Additional Potholing Rd 2	\$6,340.08	\$6,340.08	Executed
009- Additional RW Service Laterals	\$26,383.00	\$22,662.51	Executed
010- Disposal Contaminated Soil	\$12,070.00	\$4,674.54	Executed
012 - Additional AC Thickness	\$12,926.81	\$12,926.81	Executed
013- 8" Utility Crossing Sta 35+00	\$8,494.41	\$8,494.41	Executed
Subtotal (already approved)		\$76,596.92	
Board Approval sought			
011 - Contaminated Material	\$32,466.00	\$31,356.37	ABA*
014- Excessive Groundwater	\$12,306.00	\$10,762.02	ABA*
015 - Unforeseen Utilities	\$12,041.24	\$12,041.24	ABA*
016- City Inspection Costs	\$7,140.00	\$4,823.04	ABA*
017 - Striping / Gouge Credit to City	(\$3,000.00)	(\$3,000.00)	ABA*
018 -Vehicle Damage	\$593.45	\$593.45	ABA*
019 - Balancing CCO (Rock Excavation and CCO3)	(\$7,438.06)	(\$7,438.06)	ABA*
020- 12" Repair Coupling Reimbursement	\$3,094.00	\$2,239.44	ABA*
021- Traffic Signal Conduit Conflict	\$17,336.00	\$16,285.65	ABA*
022 - SD/HDD Conflict Sta 71+55	\$3,126.42	\$3,126.42	ABA*
Subtotal (request for approval)		\$70,789.57	
Total	\$169,134.32	\$147,386.49	

Note: ABA* - Awaiting Board Approval

The General Manager has already approved change orders 1-11 and 13 for a total of \$76,596.92 within the board approved contingency (\$78,000). An updated Recycled Water North project cost summary is attached (Attachment B). Estimated overall project costs have increased ~\$300,000 (or 7%) since the November 2011 estimate.

RECOMMENDATION

That the Board authorize the General Manager to execute Change Order Nos. 11 and 14 to 22.

CONTRACT CHANGE ORDER No. 011

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00**

Item: Contaminated Material

DESCRIPTION OF CHANGE:

This Change Order shall constitute final compensation for all work related to the impacts and handling of contaminated soil and groundwater at the Redwood/Olive Intersection, including but not limited to:

- Delay/Standby time when material encountered
- Preparation and implementation of Acumen Industrial Hygiene Health and Safety Plan
- Delivery, set-up assistance, rental cost and pick-up of Denbeste water storage tank
- Handling, pumping and standby time due to excessive water in area of contaminated material excavation
- Additional time spent excavating and installing pipe due to unforeseen utilities in the contaminated soils area

REFERENCES: Ranger Pipelines PCO No. 08

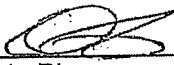
COST OF CHANGE: Add \$31,356.37

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

Ranger Pipelines Inc.
Project Manager:

By: 
Dustin Rieger

Date: 10-9-12

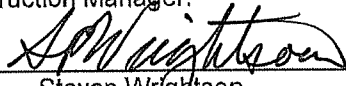
North Marin Water District
Chief Engineer

By: _____
Drew McIntyre

Date: _____

RECOMMENDED FOR ACCEPTANCE:

The Covello Group, Inc.
Construction Manager:

By: 
Steven Wrightson

Date: 10-10-12

CONTRACT CHANGE ORDER No. 014

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00 12**

Item: Excessive Groundwater

DESCRIPTION OF CHANGE:

Excessive amounts of groundwater were encountered during the excavation, installation and backfill of the new recycled water line throughout the project. This groundwater was found at shallow elevations and resulted in production impacts, delays and additional time and materials to dispose of. This change order shall constitute compensation for all impacts related to dealing with groundwater on the project.

REFERENCES: Ranger Pipelines PCO No. 09

COST OF CHANGE: Add \$10,762.02

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

**Ranger Pipelines Inc.
Project Manager:**

By: 
Dustin Rieger

Date: 10-3-12

RECOMMENDED FOR ACCEPTANCE:

**The Covello Group, Inc.
Construction Manager:**

By: 
Steven Wrightson

Date: 10-3-12

**North Marin Water District
Chief Engineer**

By: _____
Drew McIntyre

Date: _____

CONTRACT CHANGE ORDER No. 015

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00**

Item: Unforeseen Utilities

DESCRIPTION OF CHANGE:

Utilities were encountered in several different locations throughout the project that were either not shown on the drawings, not marked by Underground Service Alert, or found to be a elevations that had impacts on pipeline installation. This change order shall constitute full compensation for all impacts to the Contractor due to these unforeseen utilities. These utilities shall be shown on the Pothole Log and Project Record Documents.

REFERENCES: Ranger Pipelines PCO No. 07

COST OF CHANGE: Add \$12,041.24

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

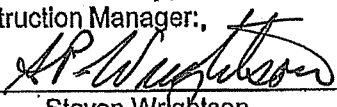
Ranger Pipelines Inc.
Project Manager:

By: 
Dustin Rieger

Date: 10-3-12

RECOMMENDED FOR ACCEPTANCE:

The Covello Group, Inc.
Construction Manager:

By: 
Steven Wrightson

Date: 10-3-12

North Marin Water District
Chief Engineer

By: _____
Drew McIntyre

Date: _____

CONTRACT CHANGE ORDER No. 016

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00**

Item: City Inspection Costs

DESCRIPTION OF CHANGE:

The City of Novato billed Ranger Pipelines a total of \$5,423.04 for overtime inspection costs on the project. The Contract documents call for an allotment of \$600 on the Contractor's behalf towards overtime inspection. This change order shall compensate Ranger Pipelines for the difference in cost.

REFERENCES: Ranger Pipelines email dated 9/27/12

COST OF CHANGE: Add \$4,823.04

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:


Ranger Pipelines Inc.
Project Manager:

By: 
Dustin Rieger

Date: 10-12-12

RECOMMENDED FOR ACCEPTANCE:

The Covello Group, Inc.
Construction Manager:

By: 
for Steven Wrightson

Date: 10/12/12

North Marin Water District
Chief Engineer

By: _____
Drew McIntyre

Date: _____

CONTRACT CHANGE ORDER No. 017

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00¹²**

Item: Credit to City for Striping and Gouges

DESCRIPTION OF CHANGE:

This deductive change order has been agreed to by the Contractor In lieu of the City of Novato accepting standard paint striping instead of thermoplastic striping on Olive Ave. In addition, the City has agreed to allow the Contractor to forego the repair of several equipment scars/gouges on Olive Ave due to the planned re-pavement of Olive Avenue in the future. NMWD will contribute this amount towards the City's Olive paving fund.

REFERENCES: Ranger Pipelines email dated 9/27/12

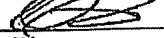
COST OF CHANGE: Delete \$3,000

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

**Ranger Pipelines Inc.
Project Manager:**

By: 
Dustin Rieger

Date: 10-3-12

RECOMMENDED FOR ACCEPTANCE:

**The Covello Group, Inc.
Construction Manager:**

By: 
Steven Wightson

Date: 10-17-12

**North Marin Water District
Chief Engineer**

By: _____
Drew McIntyre

Date: _____

CONTRACT CHANGE ORDER No. 018

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00**

12

Item: Compensation for Vehicle Damage

DESCRIPTION OF CHANGE:

An Olive Ave resident's vehicle suffered minor damage driving over a District supplied hose protection ramp. This change order shall be reimbursement to the Contractor for compensating this resident for the damages.

REFERENCES: Ranger Pipelines PCO 019

COST OF CHANGE: Add \$593.45

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

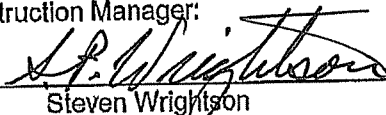
**Ranger Pipelines Inc.
Project Manager:**

By: 
Dustin Rieger

Date: 10-3-12

RECOMMENDED FOR ACCEPTANCE:

**The Covello Group, Inc.
Construction Manager:**

By: 
Steven Wrightson

Date: 10-3-12

**North Marin Water District
Chief Engineer**

By: _____
Drew McIntyre

Date: _____

CONTRACT CHANGE ORDER No. 019

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00**

Item: Balancing Change Order

DESCRIPTION OF CHANGE:

DEDUCT ITEM #1

Hard Rock, as defined by Spec Section 01200-1.08, was not encountered during the project. Bid Item 5, Excavation of Hard Rock (Unit Price by Cubic Yard), shall be deducted from the Contract Amount.

Bid Item	Description	Qty	Unit Price	Total Amount
05	Excavation of Hard Rock	(490) CY	\$10.00	(\$4,900.00)

DEDUCT ITEM #2

Contract Change Order No. 03 was issued to the Contractor to install (4) ea. 45 deg Ductile Iron Fittings with Series 2000PV Mechanical Joint Restraints to route the 12" RW line over (E) Gas Lines and Under an (E) Storm Drain on Wood Hollow Drive. It was determined that the (4) fittings were not needed and that CDF could be poured instead. Impacts from this conflict resulted in a total of \$1,844.54, which is less than the original Change Order amount of \$4,382.60. Contract shall be reduced by \$2,538.06.

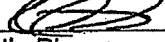
COST OF CHANGE: Delete \$7,438.06

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

Ranger Pipelines Inc.
Project Manager:

By: 
Dustin Rieger

Date: 10-3-12

RECOMMENDED FOR ACCEPTANCE:

The Covello Group, Inc.
Construction Manager:

By: 
Steven Wrightson

Date: 10-3-12

North Marin Water District
Chief Engineer

By: _____
Drew McIntyre

Date: _____

CONTRACT CHANGE ORDER No. 020

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00**

Item: 12" Repair Coupling Reimbursement

DESCRIPTION OF CHANGE: When the job was initiated Ranger supplied and installed 12 ea. repair couplings for the 12" pipe. It was subsequently determined that it was intended that the District supply those couplings. This change reimburses the Contractor for those couplings.

COST OF CHANGE: Add \$2,239.44

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

Ranger Pipelines Inc.
Project Manager:

By: 
Dustin Rieger

Date: 10-4-12

RECOMMENDED FOR ACCEPTANCE:

The Covello Group, Inc.
Construction Manager:

By: 
Steven Wrightson

Date: 10-4-12

North Marin Water District
Chief Engineer

By: _____
Drew McIntyre

Date: _____

CONTRACT CHANGE ORDER No. 021

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00**

Item: Traffic Signal Conduit and Hard Rock during HDD

DESCRIPTION OF CHANGE:

During the 18" ream during HDD operations for the 12" PVC line underneath the Atherton/Redwood intersection, a 3" rigid steel conduit was exposed in the southern edge of the relief pit at ~sta 26+90. This conduit is in direct conflict with the planned depth of the new pipe and appeared to be the carrier for the signal control wires running for the Southeast to Southwest corners of the intersection.

To avoid the conduit and complete the boring for this section, complete the following:

1. Extend the length of the (E) relief pit @ STA 26+90 ~10' to the South (or as needed). Contractor shall be cautious of the adjacent signal loop in the northbound lane, and sawcut next to the loop so that it is not damaged by the excavator during digging.
2. Excavate the entire relief pit 1-2' deeper than its current depth (or as needed), which will allow RPI to sweep the 12" RW pipe underneath the conflicting conduit.
3. Protect the exposed 3" signal conduit from damage while completing the reaming and pulling process by wrapping it in a larger conduit.
4. Closely monitor the ~~monitor~~ the conduit so that it is not damaged during reaming and pulling.

This change order shall also compensate the Contractor for all cost impacts associated with encountering hard rock during horizontal directional drilling operations between stations 17+60 and 27+63.

REFERENCES: Field Order No. 02

COST OF CHANGE: Add \$16,285.65

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

Ranger Pipelines Inc.
Project Manager:

By: _____

Dustin Rieger

Date: 10-9-12

2011.010-2.57.021

2011.010-2.56.12,11

RECOMMENDED FOR ACCEPTANCE:

The Coyello Group, Inc.
Construction Manager:

By: _____

Steven Wrightson

Date: 10-10-12

North Marin Water District
Chief Engineer

By: _____
Drew McIntyre

Date: _____

CONTRACT CHANGE ORDER No. 022

**North Marin Water District
Recycled Water Expansion
North Service Area Segment 2 Project
Project No. 5 6055.00**

Item: Storm Drain Conflict at STA 71+60

DESCRIPTION OF CHANGE:

The bottom of the 36" storm drain pipe at STA 71+60 was found to be several feet deeper than shown on the plans. Due to other adjacent utilities, the RW pipeline had to be installed at a shallower depth throughout this area, resulting in a conflict with the RCP storm drain and new RW line. Per Clarification Letter No. 08, install (2) additional 12" DI Fittings to deepen the RW line and achieve ~9" clearance between pipes. Install 18" FPVC casing underneath the (E) storm drain through which the new 12" RW line shall be installed to avoid undermining the pea gravel storm drain backfill.

REFERENCES: Clarification Letter No. 8

COST OF CHANGE: Add \$3,126.42

CONTRACT TIME ADJUSTMENT: 0 Calendar Days

This change order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment required to perform the above described change.

ACCEPTED:

Ranger Pipelines Inc.
Project Manager:

By: 
Dustin Rieger

Date: 10-9-12

RECOMMENDED FOR ACCEPTANCE:

The Covello Group, Inc.
Construction Manager:

By: 
Steven Wrightson

Date: 10-10-12

North Marin Water District
Chief Engineer


By: _____
Drew McIntyre

Date: _____

NORTH MARIN WATER DISTRICT
 WATER SYSTEM IMPROVEMENTS/SPECIAL PROJECTS
 PROJECT SUMMARY
 AS OF October 30, 2012

Job No. 5.6055 . . .	Title: Recycled Water Expansion - North Service Area -								
Facility No.							Facility Type (Pipelines, Pump Stations, etc.) Pipelines, Tank Improvements		
Description Installation of 4.7 miles of 8-inch and 12-inch pipeline and Rehabilitation of Plum Street Tank for storage of recycled water - and on-site retrofits in the North Service Area									
Project Justification The recycled water expansion project is per NMWD Recycled Water Implementation Plan and is also part of NBWRA regional project Phase 1.									
	Baseline Cost Estimate	2010 Estimate	Aug 2011 Estimate	Nov 2011 Estimate*	October 2012 Estimate*		Start	Finish (Est.)	Finish (Actual)
1	Development/Admin				\$43,603	Project Dev.	Jul-10	Aug-11	Oct-10
2	Prelim. Design				\$87,986	Design	Sep-10	Sep-11	Dec-10
3	Fees and Permitting				\$64		Jun-10	Sep-11	
4	Environmental Consultant			\$63,000	\$84,690		Jun-10	Sep-12	
5	Eng. Design - In-house			\$400,000	\$400,000	Permitting	Jun-10	Oct-11	Feb-11
6	Staff Admin/Bid Phase			\$40,000	\$35,665	Final Design	Jul-10	Jun-11	May-11
7	Construction-NMWD			\$110,000	\$130,000				
8	Rehab. Plum Tank			\$380,380	\$421,791		Aug-11	Dec-12	Mar-12
9	Communication				\$5,000				
	Const. Segment 1			\$582,225	\$570,552				Jan-12
	Const. Segment 2			\$1,559,900	\$1,707,286			Sep-12	Sep-12
	Const. Segment 3			\$1,553,100	\$1,609,069				Mar-12
10	On-site Retrofits			\$435,450	\$370,509				
11	Eng. Servs. During Const.			\$60,000	\$129,000				
12	Dist. Provided Material				\$133,321				
13	Const. Inspection/ Mat Testing			\$604,533	\$621,543				
14	Project Closeout			\$5,000	\$15,000	Project Closeout	Apr-12	Nov-12	Nov-12
15	Project Subtotal			\$5,793,588	\$6,365,079				
16	Project Contingency			\$289,679	\$35,000				
	Sub-Total								
	Grand Total	\$5,100,000	\$6,545,372	\$6,083,267	\$6,400,079				
*Estimate includes all pipe segments (1, 2 and 3) Plum Tank Rehabilitation on-site retrofit costs and Non-ARRA costs									
1. Includes legal costs, RMC, NBWRA, Rauch and Straum payments									
2. Includes Survey, Geotech and CSW Easement Survey									
3. Permit application									
4. ESA									
5. In-house design cost includes Engineering time pre- construction									
6. Printing and Bid related costs									
7. District Construction costs (for Misc work)									
8. Includes \$20,000 for NMWD work									
9. Communication and solar by NMWD - Labor Estimate \$5,000.									
11. Engineering time during construction									
12. District provided material									
13. Payments to Covello Group									
14. Includes estimated Olive Paving contribution to the city									

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor 
Subject: First Quarter FY 12/13 – Water Quality Report
P:\LAB\WQ Supv\WQ Reports\2013\1st Qtr FY13 WQ Rpt.doc

November 2, 2012

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: \$0

The water served to the communities of Novato and Point Reyes met federal and state primary and secondary water quality standards during the first quarter of fiscal year 2012-2013.

Following is a review of the activities and water quality issues in regards to:

- Source Water
- Treatment Performance
- Distribution System Water Quality
- Novato Recycled Water

NOVATO SYSTEM

Source Water: Stafford Lake

Stafford Lake water was used as a source of drinking water for the quarter beginning on July 2nd. Water quality was monitored on a weekly basis for chemical and mineral components as well as microbiological activity.

Algae from the raw water intake were identified and enumerated. Diversity of algal species recorded was very high. Fourteen species of algae were present throughout the quarter in high numbers including several species of cyanobacteria, green algae and diatoms. Many of these dominant algae that were present in Stafford Lake are capable of causing taste and odor problems.

Total organic carbon was very high in September. At 10.3 mg/L this is around 30 to 40% higher than normal for September.

Treatment Performance: Stafford Treatment Plant

Total organic carbon (TOC) removal remained above the 35 % requirement of the Enhanced Surface Water Treatment Rule. Operators were able to achieve from 67-72% removal throughout the quarter. Finished water TOC concentration was at or near the districts goal of 2.0 mg/L, ranging between 2.0 and 3.2 mg/L. The majority of TOC removal was accomplished through optimized coagulation and filtration.

Distribution System: Novato

Of the 243 samples collected for compliance with the Total Coliform Rule- there were no coliform positive samples this quarter. Chlorine residual concentrations throughout our distribution system were good.

Disinfection byproducts were at their lowest average level since sampling under the Stage 2 Disinfection By-Product Rule began in April 2009.

There were several taste and odor complaints in the first several weeks of production from Stafford Lake Treatment Plant. This was due to the diminished capacity of the GAC filters in being able to remove compounds produced by algae in the lake. The water quality vastly improved once the GAC in two of the filter cells was replaced.

POINT REYES SYSTEM

Source Water: Coast Guard Wells

Raw water quality was good throughout the quarter. Although the present situation with the Point Reyes wells does not make it possible to operate under our tide avoidance practices, there was no salinity intrusion during the third quarter. Water quality parameters affected by salt water intrusion decreased throughout the quarter. The sodium concentration ranged from 33-42 mg/L, chloride ranged from 19-38 mg/L, hardness ranged from 65-95 mg/L, and bromide ranged from 0.074-0.14 mg/L.

Construction of new production well in the vicinity of the existing well field is nearly complete. We have been advised by the department of public health that we will need to determine if water produced by the new well is under the direct influence of surface water. If we produce water for distribution from this new well prior to making the determination we will need to comply with surface water treatment standards which will require increased chlorine and may result in higher DBP concentrations.

Treatment Performance: Point Reyes Treatment Plant

Treatment was optimal throughout the quarter and water quality in general was good. Iron and manganese were not detected in treated water.

Distribution System: Point Reyes

Of 23 routine samples collected there were no coliform positive samples this quarter. Chlorine residual concentrations throughout our distribution system were good.

As a part of our monitoring for disinfection byproducts, each year we take one sample from each of two locations during the month of August. August is the month which we have projected to have the highest concentrations of disinfection byproducts. During this quarter disinfection byproducts were at their lowest levels for our August samples since we began monitoring in 2004.

Distribution System: Point Reyes (continued)

This can be attributed to the treatment systems installed in Paradise Ranch Estates Tank #2 and Inverness Park tanks.

We continue to be under an accelerated monitoring schedule for disinfection byproducts due to two samples with concentrations of DBPs above the maximum contaminant limit, August 2009 and February 2010). This schedule can return from two samples every quarter back to two samples during spring and summer quarters once we have three years without an exceedance.

NOVATO RECYCLED WATER

Deer Island Recycled Water Facility

The Deer Island plant produced water throughout the quarter. There were no coliform bacteria present in any samples.



**NORTH MARIN
WATER DISTRICT**

North Marin Water District- 1st Quarter FY2012/2013

Bacteriological Quality Monitoring

Novato: 243 Samples Analyzed. No samples positive for coliform bacteria
 Point Reyes: 23 Samples analyzed. No samples positive for coliform bacteria.

Chemical Quality Monitoring

Constituent	Units	Maximum Contaminant level	SCWA North Marin Aqueduct	Stafford Treatment Plant	Point Reyes Treatment Plant
Conductivity	umhos/cm	900 *	283	348	296
TDS	mg/L	500 *	153	220	166
Hardness	mg/L	-	109	107	65.3
Alkalinity	mg/L	-	121	77.3	103
Calcium	mg/L	-	23.5	22.6	9.12
Magnesium	mg/L	-	12.1	12.9	9.95
Copper	mg/L	1.0*	ND	ND	ND
Iron	mg/L	0.3*	ND	ND	ND
Manganese	mg/L	0.05 *	ND	0.0234	ND
Zinc	mg/L	5.0 *	ND	ND	ND
Sodium	mg/L	-	16.9	31.9	35.0
Chloride	mg/L	250 *	6.02	64.4	20.6
Sulfate	mg/L	250 *	11.0	9.57	7.44
Fluoride	mg/L	2.0 (1.4-2.4)	0.117	0.140	0.111
Nitrite as N	mg/L	1.0	ND	ND	ND
Nitrate as N	mg/L	10	0.107	0.151	0.072
pH	pH units	8.5 *	8.59	8.18	7.38
Turbidity	NTU	5	0.28	0.19	0.08
Color	PCU	15	<2.5	<2.5	<2.5
Free Chlorine	mg/L	4.0	0.78	1.53	0.71
Total Chlorine	mg/L	4.0	0.89	1.68	0.76
Temperature	° C	-	19.7	19.8	16
Odor	TON	3	<1	<1	<1

*Indicates secondary drinking water standard

ND = Not Detected
 NA = Not Analyzed

MEMORANDUM

To: Board of Directors
From: Robert Clark, Operations / Maintenance Superintendent
Subject: First Quarter 2012/13 Update
X:\MAINT SUP\2013\BOD\Q1 12-13 O&M Update.doc

November 2, 2012



RECOMMENDED ACTION: Information
FINANCIAL IMPACT: None

Operations Summary

As part of our staffing balance efforts Dan Garrett and Mike Connolly were temporarily transferred to the Construction / Maintenance group to provide assistance in the valve and hydrant maintenance program. Dan also provided some assistance in the cross-connection control program. This meant that the other three operators were left to operate Stafford, Point Reyes and Deer Island water treatment facilities.

Stafford Production

- The Stafford Treatment Plant started production at the beginning of the quarter due to the low storage level in the lake. The plant averaged 2.3 MGD with three treatment plant operators working rotating shifts M-F to cover 14-hours per day operation.
- Stafford water production was 1.2 MGD less than last year's average for the period;

Novato Water System Flows

- Novato water production was up approximately 4% from a year ago. Average production has been 12.3 MGD, with a peak day of 14.8 MG.
- Recycled water production for the period was down only slightly from the previous year (30.2 MG, from 32.8 MG), averaging 338,090 gallons per day, meeting the needs of the Stone Tree Golf Course as well as Novato Fire Station #62 on Atherton Avenue.
- As of September 30th the Novato Sanitary and Las Gallinas Valley Sanitary Districts recycled water plants each produced recycled water. We completed start-up testing and turned on two new customers for each of the systems, Green Point Nursery and Tranquility HOA in the North and two Meadow Park HOA facilities at 100 Moffett Ct. and 369 Bolling Circle in the South.

Point Reyes Treatment Plant

- During the first quarter, staff continued to monitor production as the new well had not yet been installed. With longer run times on the existing wells, water supply demands were met through the period.

West Marin System Flows, Demands and Storage

- West Marin water production was up for the first time in four years during the period, at 2% higher than one year ago as a result of warmer weather. Average production has been 303,043 gallons per day with a peak day of 399,110 gallons; primarily due to limited pumping supply the two well pumps ran continuous for 72 hours during this period.

Oceana Marin

- During this period, force main pump flow averaged 18,515 gallons per day with a peak of 34,961 gallons on Labor Day. The total discharge to the irrigation field is consistent with the previous year leaving a freeboard of 7.4 feet at the end of September.
- The pilot test of an ultrasonic algae control device in the storage pond was completed during the period with less than good results. Because of operational issues with the emitting lens the algae was not reduced. Phillips and Associates applied the typical copper sulfate control and the algae were removed.

Maintenance Summary

Staff kept up with the routine maintenance tasks, completing 38 unplanned work orders. Phillips and Associates continues to perform the daily operations and maintenance tasks in Oceana Marin. The Stafford Lake Solar System was completed, tested and brought on-line, producing 79,665kwh with a peak of 331kw.

Electrical Mechanical

- The North Recycled Water storage tank at Plum Street and the Pacheco tank mixing controls were installed, tested and brought on-line; both systems included a small solar panel for power.
- Performed a flow test at the Gallagher well and found decreased flow with an increase in drawdown. Next summer staff will contract a well service to TV inspection and clean the screen prior to retest.

Cross Connection Control

- Recycled Water site inspections and start-up testing have been the primary focus for the staff this period. Ten percent (8 of 77) of the sites were tested and four brought on-line during the period.
- Inspection, testing and repairs of backflow protection devices were partially completed and will be completed during the second quarter.

Building and Grounds

- Completed the modification to the office building entry access with relocation of hand rails and installation of automated door operator.
- Staff installed the irrigation system for the Leveroni Creek Bank Stabilization Project. The remainder of the project plantings will be completed during the second quarter.
- Abandoned tank maintenance was completed with minor graffiti and landscape clean up and minor fence repairs; otherwise, the three tanks sites, Loma Verde, Norman and Woodland Heights, are in reasonable condition.

Fleet Operations

- Serviced and ran the emergency water pump to flush a new water line in Hamilton area. The large emergency power generators will be tested in the second quarter.

MEMORANDUM

To: Board of Directors

Date: November 2, 2012

From: Drew McIntyre, Chief Engineer



Subject: Quarterly Progress Report – Engineering Department

R:\CHIEF ENGINCINTYRE\BUDGETS\FY12-13 Budget\eng dept perf recap-1st Qtr 12-13.doc

The purpose of this memo is to provide a first quarter status report to the Board on the District's performance in completing budgeted FY12-13 Capital Improvements Projects (CIP) with a primary emphasis on planned (i.e., baseline) versus actual performance. The following information supplements the progress report summary provided to the Board each month.

SUMMARY

<u>Service Areas</u>	<u>Project Costs (\$)</u>		<u>% Complete</u>		<u>Earned Value (\$)</u>	
	Budget (\$)	Forecast (\$)	Planned	Actual	Planned	Actual
Novato Water	1,944,000	1,820,983	27	24	608,950	325,193
Novato Recycled	5,525,000	6,425,000	33	37	1,631,250	2,396,250
West Marin	990,000	766,000	32	26	361,750	240,250
TOTAL	9,622,000	10,003,820	31	29	2,601,950	2,961,693

The above table summarizes the detailed tabulation of CIPs for both Novato and West Marin (including Oceana Marin) systems provided in Attachment A. In summary, CIP expenditures for Novato Water and West Marin service areas is not forecast to exceed approved FY12-13 budget level. However, CIP expenditures for the Novato Recycled Water system are forecast to exceed the approved FY12-13 budget. With respect to planned versus actual completion for the first quarter, both Novato Water and West Marin service areas (including Oceana Marin) are slightly trailing planned progress somewhat but it is hoped that this gap can be narrowed in subsequent months. Novato Recycled Water is ahead of schedule in planned versus actual completion.

Performance Status for Improvement Projects

A detailed milestone schedule update is provided in Attachment B. As shown on the following table (Page 3), a total of 34 projects (versus 37 in FY 11-12) were originally budgeted in FY 12-13 for the Novato, West Marin and Oceana Marin service areas. Three projects have been added, six have been carried over from FY11-12, and none have been deferred resulting in a new total of 43 projects. Of the 43 Capital Improvement Projects budgeted, 26 (versus 18 in FY 11-12) are under the lead responsibility of the Engineering Department for completion (21 in Novato and 5 in West Marin). The remaining 17 (versus 21 in FY 11-12) CIP projects are under the responsibility of the other departments (i.e., 7 – Maintenance, 7 – Operations, 1 – Construction and 2 – Administration) (Refer to the tabulation in Attachment A for a complete line item listing).

Novato Service Area Project Costs Variances

As shown in Attachment A, the vast majority of FY12-13 Novato CIPs are currently projected to be completed at or below original budget. Note that three project overruns are being predicted, two of which are for the already discussed Recycled Water North and South Service Area projects. It is important to note that the FY11-12 "Carry-Over" projects, (1) PB Replacement - Center Rd/Garner/Oak Forest/Simmons/3rd St., Solar Panel Build, STP Portable Generator Connection and STP Potable Water Feed Pipeline Rehab represent a combined addition of \$80,166 to the current Novato IP budget.

Three new projects have been added to date: Loma Verde PB Replacements (78 services), Sunset Parkway & Cambridge Old Cast Iron Replacement (12" @600') and PB Replacement: City Measure A, Group 5 (83 services).

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

All of the FY12-13 West Marin project expenditures are currently projected to be within the original budget. Two projects were carried over from FY11-12: Tank Seismic Upgrades and Pt. Reyes Treatment Plant RTU Upgrade. No new projects have been added.

Engineering Department Labor Hours

The Engineering Department provides a multitude of functions supporting overall operation, maintenance and expansion of water facilities. The major work classifications are: (1) General Engineering, (2) Developer Projects and (3) District (i.e., CIP) Projects. Out of the approximately 14,900 engineering labor hours available annually (less Conservation), the FY12-13 labor budget for Developer Projects and District Projects is 1,313 (9% of total) and 3,855 (26% of total), respectively. A chart of actual hours expended versus budgeted hours for both Developer and District projects during FY12-13 is provided in Attachment C. At the end of the first quarter, actual engineering labor hours expended for Developer work was 11% (140 hours) versus 25% (328 hours) budgeted. With respect to District Projects, 1,264 engineering labor hours (33% of budget) has been expended on Capital Improvement Projects when compared against a first quarter estimate of 964 hours (25% of budget). The higher rate is primarily attributed to in-house work on recycled water projects accelerated by the American Recovery and Reinvestment Act grant award.

FY 12-13
 CAPITAL IMPROVEMENTS PROJECTS

PROJECTS BUDGETED	NOVATO SERVICE AREA	WEST MARIN/ OCEANA MARIN	TOTAL
Original Budget	26	8	34
Added	3	0	3
FY 11-12 Carryover	4	2	6
Deferred/Dropped	0	0	0
Adjusted Budget	33	10	43

FY11-12 CARRYOVER

Date Brought to Board

Novato

PB Replacement – Center Rd/Garner/Oak Forest/Simmons/3rd St
 Solar Panel Build
 STP Portable Generator Connection
 STP Potable Water Feed Pipeline Rehab

First Quarter Report
 First Quarter Report
 First Quarter Report
 First Quarter Report

West Marin

Tank Seismic Upgrades
 PRTP RTU Upgrade

First Quarter Report
 First Quarter Report

DEFERRED/DROPPED

None

PROJECTS ADDED

Novato

Loma Verde PB Replacements (78 services)
 Sunset Parkway & Cambridge (12" @ 600')
 PB Replacement: City Measure A, Group 5 (83 services)

First Quarter Report
 First Quarter Report
 First Quarter Report

West Marin


None

NOVATO SYSTEM CAPITAL IMPROVEMENT PROJECTS SUMMARY FY12-13
AS OF SEPTEMBER 30, 2012

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				1. PIPELINE REPLACEMENTS/ADDITIONS						
	Eng	1	1.a.1	STP 18" Transmission Line Assess/Repair	\$160,000	\$160,000	0	1	\$0	\$1,600
	Eng	2	1.b.1	Digital to Leveroni Looping (12"@600')	\$130,000	\$130,000	0	1	\$0	\$1,300
	Eng	3	1.b.2	Delong to Cain Looping (8"@400')	\$100,000	\$100,000	10	10	\$10,000	\$10,000
C	Eng	4	1.c.1	PB Repl - Center Rd/Gamer/Oak Forest/Simmons/3rd St	\$0	\$20,983	100	100	\$0	\$20,983
	Eng	5	1.c.2	PB Repl - Pacheco Valle (42)	\$84,000	\$84,000	5	5	\$4,200	\$4,200
	Eng	6	1.c.3	PB Repl - Loma Verde (78)	\$0	\$156,000	0	0	\$0	\$0
	Eng	7	1.c.4	Repl PB in Sync w/City Paving	\$80,000	\$80,000	0	0	\$0	\$0
	Eng	8	1.d.1	Other Relocations	\$90,000	\$90,000	0	0	\$0	\$0
	Eng	9	1.e.1	AEEP - Hwy 101 Widening	\$1,300,000	\$600,000	25	10	\$325,000	\$60,000
	Eng	10		Sunset Parkway & Cambridge (12"@600')	\$0	\$180,000	0	0	\$0	\$0
	Eng	11		PB Repl City Meas. A, Group 5 (83)	\$0	\$220,000	0	0	\$0	\$0
				SubTotal	\$1,944,000	\$1,820,983				
				2. SYSTEM IMPROVEMENTS						
	Maint	12	2.a	RTU Upgrades	\$10,000	\$10,000	25	0	\$2,500	\$0
	Eng	13	2.c	DCA Repair/Replace	\$150,000	\$150,000	15	0	\$22,500	\$0
	Eng	14	2.d	Anode Installations	\$30,000	\$30,000	0	0	\$0	\$0
	Maint	15	2.e	Radio Telemetry	\$15,000	\$15,000	25	25	\$3,750	\$3,750
	Eng	16	2.f	Sampling Stations	\$24,000	\$24,000	0	0	\$0	\$0
	Eng	17	2.g	Inaccurate Meter Replacement	\$16,000	\$16,000	0	0	\$0	\$0
	Maint	18	2.h	Facilities Security Enhancements	\$25,000	\$25,000	25	0	\$6,250	\$0
	Maint	19	2.i	Backflow Device Upgrade - BMK (14)	\$30,000	\$30,000	25	0	\$7,500	\$0
				SubTotal	\$300,000	\$300,000				
				3. BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
	Admin	20	3.a.1	Electronic Document Management System	\$50,000	\$50,000	25	0	\$12,500	\$0
	Maint	21	3.a.2	Other Admin Bldg Improvements	\$25,000	\$25,000	0	0	\$0	\$0
C	Maint	22	3.a.3	ADA Access Phase 1	\$0	\$2,767	25	100	\$0	\$2,767
	GM	23	3.b.1	SMART Crossing Upgrade	\$58,000	\$58,000	0	0	\$0	\$0
C	Eng	24	3.b.2	Corp Yard Paving	\$15,000	\$62,000	100	100	\$15,000	\$62,000
	Ops	25	3.c.1	Watershed Erosion Control	\$25,000	\$25,000	10	10	\$2,500	\$2,500
	Eng	26	3.c.2	Leveroni Creek Bank Repair	\$145,000	\$145,000	60	60	\$87,000	\$87,000
	Const	27	3.c.3	Dam Concrete Apron Repairs	\$50,000	\$50,000	0	0	\$0	\$0
	Eng	28	3.c.4	Start Up Flushing Connection	\$200,000	\$200,000	10	0	\$20,000	\$0
	Ops	29	3.c.5	Solar Panel Build	\$0	\$40,000	100	95	\$0	\$38,000
C	Ops	30	3.c.6	STP Potable Generator Connection	\$0	\$6,550	100	100	\$0	\$6,550
C	Eng	31	3.c.7	STP Potable Water Feed Pipeline Rehab	\$0	\$12,633	100	100	\$0	\$12,633
				SubTotal	\$568,000	\$676,950				
				4. STORAGE TANKS & PUMP STATIONS						
	Maint	32	4.a	Lynwood PS Motor Control Center	\$265,000	\$0	25	0	\$66,250	\$0
	Eng	33	4.b	Pacheco Tank C12 Mixing System (1st Yr)	\$30,000	\$14,887	80	80	\$24,000	\$11,910
				SubTotal	\$295,000	\$14,887				
				Novato Water Total	\$3,107,000	\$2,812,820	27	24	\$608,950	\$325,193
				5. RECYCLED WATER FACILITY						
	Eng	34	5.a	NBWPRA Grant Program Administration	\$325,000	\$325,000	25	25	\$81,250	\$81,250
	Eng	35	5.b	Expansion to North Service Area	\$1,000,000	\$1,200,000	50	50	\$500,000	\$600,000
	Eng	36	5.c	Expansion to South Service Area	\$4,200,000	\$4,900,000	25	35	\$1,050,000	\$1,715,000
				Novato Recycled Total	\$5,525,000	\$6,425,000	33	37	\$1,631,250	\$2,396,250
				Total Novato	\$8,632,000	\$9,237,820	30	30	\$2,240,200	\$2,721,443
				PROJECT FORECAST REVISED						
	PC - Completed			Baseline projects with revised forecast budget increases (indicated by shaded box)						
				Baselined projects to be deferred (indicated in strikethru)						
				New projects added (indicated in bold)						
				Prior year projects carried over (indicated in italics)						

FY12_13 CAPITAL IMPROVEMENT PROJECTS


ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2013			Qtr 2, 2013			Qtr 3, 2013			Qtr 4, 2013		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	1A PIPELINE REPLACEMENTS/ADDITIONS	Mon 7/2/12	Fri 6/28/13	0%													
2	1A1 STP 18" Transmission Line Repair (Inspection)	Mon 7/2/12	Fri 6/28/13	1%	ENG / DJ												
3	1B MAIN/PIPELINE ADDITIONS	Sun 7/1/12	Fri 6/28/13	5%													
4	1B1 Digital to Leveroni Looping (12" @600')	Mon 7/2/12	Fri 6/28/13	1%	ENG / CC												
5	1B2 DeLong to Cain Looping (8" @400')	Mon 7/2/12	Fri 6/28/13	10%	ENG / CC												
6	1C PB SERVICE LINE REPLACEMENTS	Mon 7/2/12	Fri 6/28/13	0%													
7	1C1 Center Rd/Gamer/Oak Forest/Simmons/3rd St ()	Mon 7/2/12	Fri 6/28/13	100%	ENG / JK												
8	1C4 Pechecco Valle (42)	Mon 7/2/12	Fri 6/28/13	5%	ENG / JK												
9	1E AQUEDUCT REPLACEMENTS/ENHANCEMENTS	Mon 7/2/12	Fri 6/28/13	0%													
10	1E1 Aqueduct Energy Efficiency Project	Mon 7/2/12	Fri 6/28/13	10%	ENG / DM												
11	2 SYSTEM IMPROVEMENTS	Mon 7/2/12	Fri 6/28/13	0%													
12	2A RTU Upgrades	Mon 7/2/12	Fri 6/28/13	0%	MAINT/RC												
13	2C DCA Repair/Replace (14/yr)	Mon 7/2/12	Fri 6/28/13	0%	ENG / JK												
14	2D Anode Installations (150/yr)	Mon 7/2/12	Fri 6/28/13	0%	ENG / JK												
15	2E Radio Telemetry	Mon 7/2/12	Fri 6/28/13	25%	MAINT/RC												
16	2F Sampling Stations	Mon 7/2/12	Fri 6/28/13	0%	ENG / JM												
17	2G Inaccurate Meter Replacement	Mon 7/2/12	Fri 6/28/13	0%	ENG / CC												
18	2H Facilities Security Enhancements	Mon 7/2/12	Fri 6/28/13	0%	MAINT/RC												
19	2I Backflow Device Upgrade - BMK (14)	Mon 7/2/12	Fri 6/28/13	0%	MAINT/RC												
20	3 BUILDING, YARD, STP IMPROVEMENTS	Mon 7/2/12	Fri 6/28/13	8%													
21	3A ADMIN BUILDING	Mon 7/2/12	Fri 6/28/13	0%													
22	3A1 Electronic Document Management System	Mon 7/2/12	Fri 6/28/13	0%	ACCT/DB												
23	3A3 ADA Access Phase 1	Mon 7/2/12	Sun 6/30/13	100%	OPS / RC												
24	3B CORP YARD/WAREHOUSE/CONSTRUCTION OFFICE	Mon 7/2/12	Fri 6/28/13	0%													
25	3B1 SMART Crossing Upgrade (@Golden Gate Pl)	Mon 7/2/12	Fri 6/28/13	0%	GM												
26	3B3 Yard Paving	Mon 7/2/12	Sun 6/30/13	100%	ENG / JK												
27	3C STAFFORD TREATMENT PLANT	Mon 7/2/12	Fri 6/28/13	16%													



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

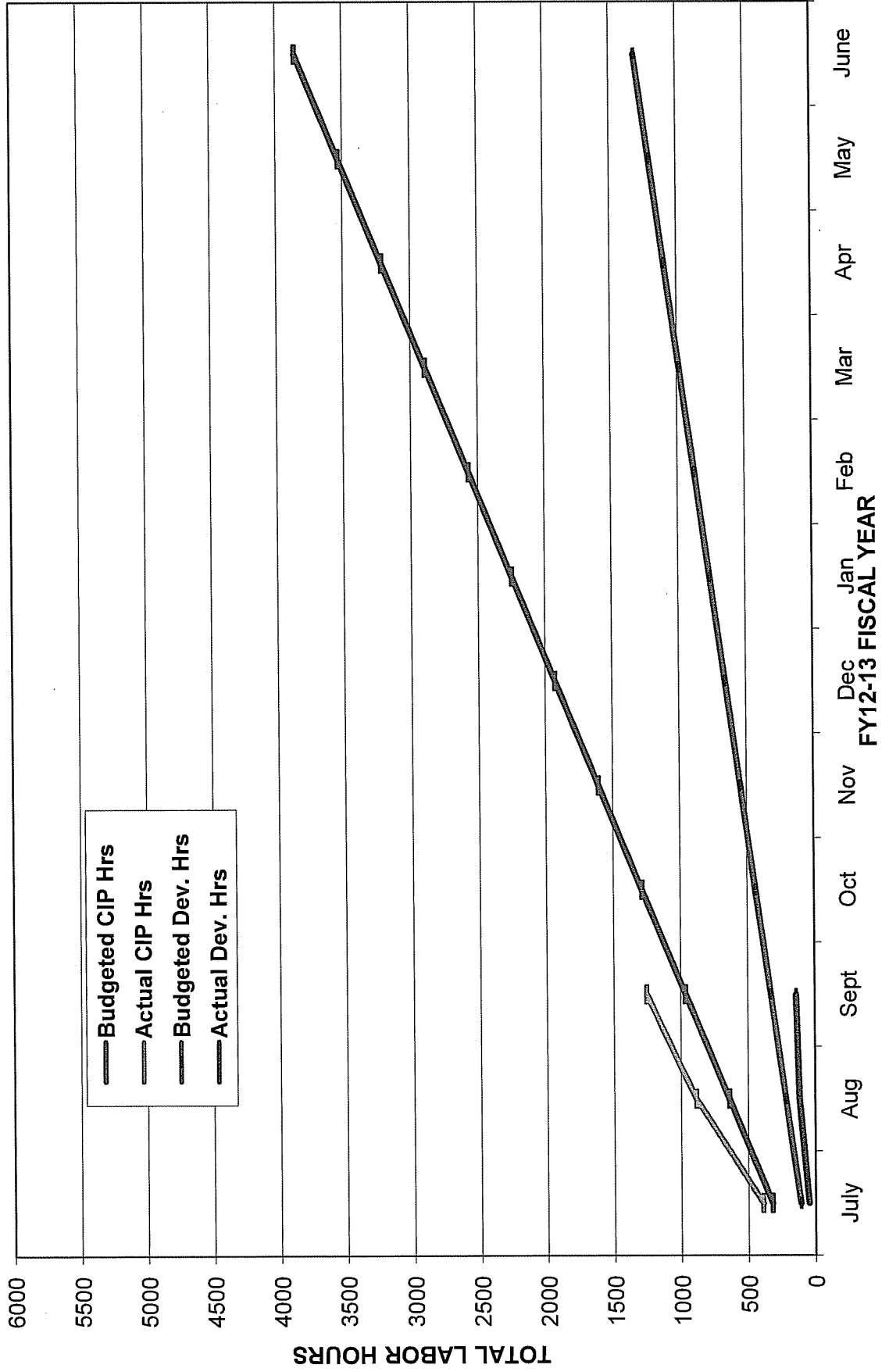
FY12_13 CAPITAL IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2013			Qtr 2, 2013			Qtr 3, 2013			Qtr 4, 2013		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
28	3C1 Watershed Erosion Control	Mon 7/2/12	Fri 6/28/13	10%	OPS / RC												
29	3C2 Leveroni Creek Bank Repair	Mon 7/2/12	Fri 6/28/13	10%	ENG / CC												
30	3C4 Dam Concrete Apron Repairs	Mon 7/2/12	Fri 6/28/13	0%	CONST/ DM												
31	3C4 Start Up Flushing Connection	Mon 7/2/12	Fri 6/28/13	0%	ENG / CC												
32	3C5 Solar Panel Build	Mon 7/2/12	Fri 6/28/13	95%	MAINT / RC												
33	3C6 STP Portable Generator Connection	Mon 7/2/12	Fri 6/28/13	100%	MAINT / RC												
34	3C7 STP Potable Water Feed Pipeline Rehab	Mon 7/2/12	Fri 6/28/13	100%	MAINT / RC												
35	4 STORAGE TANKS/PUMP STATIONS	Mon 7/2/12	Fri 6/28/13	16%													
36	4D Lynwood Pump Station Motor Control Center	Mon 7/2/12	Fri 6/28/13	0%	MAINT/RC												
37	4E Pacheco Tank C12 Mixing System	Mon 7/2/12	Fri 6/28/13	80%	ENG / DJ												
38	5 RECYCLED WATER	Mon 7/2/12	Fri 6/28/13	30%													
39	5A NBWRA Grant Program Administration	Mon 7/2/12	Fri 6/28/13	25%	ENG / DM												
40	5B RW Expansion to North Service Area	Mon 7/2/12	Fri 6/28/13	50%	ENG / CC												
41	5C RW Expansion to South Service Area	Mon 7/2/12	Fri 6/28/13	50%	ENG / DJ												
42	6 WEST MARIN WATER SYSTEM IMPROVEMENTS	Mon 7/2/12	Fri 6/28/13	4%													
43	SYSTEM IMPROVEMENTS	Mon 7/2/12	Fri 6/28/13	4%													
44	6A PRTP Solids Handling	Mon 7/2/12	Fri 6/28/13	5%	ENG / DJ												
45	6B PR Well #3 Repl/Destruction/Construction	Mon 7/2/12	Fri 6/28/13	10%	ENG / DM												
46	6E PRTP Control Valve Replacement	Mon 7/2/12	Fri 6/28/13	0%	OPS / RC												
47	6F Gallagher Auxiliary Stream Gauge	Mon 7/2/12	Fri 6/28/13	10%	GM												
48	6G Tank Seismic Upgrades	Mon 7/2/12	Fri 6/28/13	5%	ENG / JK												
49	6H TP RTU Upgrade	Mon 7/2/12	Fri 6/28/13	10%	MAINT / RC												
50	7 OCEANA MARIN SEWER SYSTEM	Mon 7/2/12	Fri 6/28/13	0%													
51	7A Infiltration Study & Repair	Mon 7/2/12	Fri 6/28/13	5%	OPS / RC												
52	7B Tahiti Way Lift Pumps Rebuild	Mon 7/2/12	Fri 6/28/13	0%	MAINT/RC												
53	7C Cross Country Sewer Line Rehab	Mon 7/2/12	Fri 6/28/13	50%	ENG / JK												
54	7E Treatment Pond Algae Control Device	Mon 7/2/12	Fri 6/28/13	100%	OPS / RC												



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

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



MEMORANDUM

To: Board of Directors

November 2, 2012

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Water Conservation Quarterly Update (July-September 2012)

\\Nmwdsvr1\water conservation\Memos to Board\Quarterly Reports\Water Conservation FY 2012_2013 QTR1 Summary Report.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Water Conservation:

This memo provides an update on all water conservation activities implemented during the first quarter of Fiscal Year 2012/2013 (FY 13). The District Water Conservation and Public Outreach Programs are operating according to the current Water Conservation Master Plan, and Urban Water Management Plan 2010. Water Conservation participation numbers for the first quarter of the current and previous two fiscal years are summarized in Table 1 below.

Table 1: Water Conservation Program Participation (July through September)

Program	FY 13	FY 12	FY 11
Water Smart Home Surveys	98	115	88
Water Smart Commercial Surveys	0	1	13
High Efficiency Toilet Rebates (Residential)	66	64	163
High Efficiency Toilet Rebates (Commercial)	0	2	7
Retrofit on Resale (Dwellings Certified)	103	69	60
High Efficiency Washing Machine Rebates	57	76	105
Cash for Grass Rebates	13	18	17
Water Smart Landscape Rebates	2	4	8
Smart Irrigation Controller Rebates (Residential)	0	0	0
Smart Irrigation Controller Replacement (Commercial)	6	0	0
New Development Sign-offs (Residential)	8	3	8
New Development Sign-offs (Commercial)	5	6	6
Large Landscape Audits (measured by number of meters)	0	0	0
Large Landscape Budgets (measured by number of accounts)	435	430	430

Water Conservation program participation has remained consistent this year compared to last fiscal year, with gains in the number of homes certified through the Retrofit on Resale program. Detailed Water Conservation Program summaries on each of the programs will be provided to the Board in the Water Conservation Mid-Year Report.

The District was awarded a Prop 84 Grant (\$183,750 allocated to the District), in cooperation with the Sonoma County Water Agency (SCWA) and other Bay Area Agencies, which will help fund

HET rebates, Cash for Grass rebates, Smart Controllers, Clothes Washer rebates, and a Commercial Direct Install HET Program. The District is in the process of entering into a funding agreement with SCWA to receive these funds; however, all rebate activity for applicable programs will be funded retroactively from July 1, 2012. Rebate levels for High Efficiency Toilets were increased, effective July 1, 2012, to be compliant with the Prop 84 minimum rebate levels. All other applicable programs previously met the rebate level requirement of the grant.

Public Outreach and Conservation Marketing

In the current Water Conservation Master Plan, the District has committed to continuing a comprehensive outreach program aimed at alerting customers to water supply issues and water conservation programs. In the first quarter of FY 13, the District staffed a booth at the Novato Farmer's Market and worked on content for the Fall 2012 "Water Line". District staff has also implemented direct outreach to future recycled water users in both the North and South Service Areas.

Budget

Table 2 summarizes the first quarter expenditures between the three fiscal years for (July-September).

Table 2: Water Conservation and Public Outreach Expenditures (July-September)

	FY 13	FY 12	FY 11
Total Budget	\$400,000	\$400,000	\$500,000
July-September Expenditures	\$64,596	\$71,679	\$97,227

MEMORANDUM

To: Board of Directors

November 2, 2012

From: Doug Moore, Construction Superintendent *DM*

Subj: Grossi Creek Erosion Control Clean-Out

k:\const sup\2012\memo to bod re grossi creek 102312.doc

RECOMMENDED ACTION: Information Only


FINANCIAL IMPACT: None

This year, Construction crews worked in Grossi Creek and in the creek area behind Indian Valley Golf Course (IVGC). For the IVGC area, working conditions were favorable. A two-man crew, with two pieces of large equipment (a backhoe and a loader) were able to clean out the creek in a total of eight (8) hours, not including equipment transportation time of 2 to 2-1/2 hours.

For the Grossi Creek area, crews rented two pieces of large equipment from Hertz Equipment: a 6-yard dump truck and an excavator. Rental of the dump truck was necessary to avoid possible damage to District vehicle #55 while climbing in and out of the creek. Total rental charges came to \$1,365 for the week. 157.5 total man hours were spent on both projects.

A total of 134 loads of material was removed (670-804 cubic yards) from Grossi Creek, and approximately 15 cubic yards from the golf course area.

MEMORANDUM

To: Board of Directors November 2, 2012
From: Chris DeGabriele, General Manager 
Subject: Recycled Water South Service Area Construction Contract - Phase 1b and Impact on Meadow Park Hamilton Community
t:\gml\bod misc 2012\meadow park hoa impacts update.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$5,000

On Friday, October 26, Chief Engineer Drew McIntyre and I met with representatives from the Meadow Park Homeowners Association and physically walked the Meadow Park area streets where Phase 1b construction has taken place. The Meadow Park Homeowners were represented by Taylor Sharp (Homeowners Association Manager), Douglas Gordon (Cagwin and Dorward, Homeowners Association landscape contractor), Anne Sommer and Sue Derana (Homeowners Association Landscape Committee members).

The walk-through was completed in just over one hour. NMWD staff noted on a drawing set the areas of the project pointed out by the Homeowners Association representatives they believe were negatively impacted. These areas were principally where physical damage occurred to landscape and where landscape irrigation had been interrupted for a significant period of time resulting in stressed or dead plantings. NMWD staff were informed that main irrigation pipelines and control wiring were broken in four areas. Staff offered that NMWD pay for a complete field verification of the affected controllers resulting from these broken irrigation lines and control wiring. Eleven controllers are affected. It is expected that the field verification will take one week at a cost of approximately \$5,000. After that field verification, a more detailed determination of responsibility for the damaged landscape can be determined. The Board will be kept apprised of progress on this issue.

At the November 6 meeting, staff will recommend award of the Novato South Service Area Project Expansion Phase 2 construction contract. Staff will return at a subsequent meeting requesting the Board consider a contract for public outreach to support the Phase 2 construction so that there will be a central location for customers to contact should similar problems arise on the Phase 2 work; but more importantly to make customer outreach prior to the construction start so that customers are aware of the scheduled work and where to find appropriate information as the work proceeds.

Finally, staff is considering a change in the construction manager for the work with the intent to avoid a repeat of the impact on Hamilton area residents resulting from the Phase 1b contract construction.

Novato residents sound off about damage from pipeline installation

Posted:

marinij.com

Flooded streets, electrical and telephone outages and a gas leak caused by a broken gas pipe during the installation of underground water pipes over the last five months were blasted by residents of Novato's Hamilton neighborhood at a water board meeting Wednesday night.

"They broke four water mains, Pacific Gas and Electric lines and telephone lines. There is no irrigation now. We see the landscaping dying," said Anne Sommer, who lives in Hamilton's Meadow Park development. She was referring to Disney Construction, the Burlingame-based company hired by North Marin Water District to install water pipes at a cost of \$2,542,500, a job that is now almost completed.

During the construction, a gas leak occurred around 2:45 p.m. Oct. 5. Firefighters evacuated several buildings and three Pacific Gas and Electric customers were without service until 10:30 p.m., spokeswoman Brittany McKannay said. Hamilton Elementary School was preparing to send its 700 students home for the day, and the students were kept in the building until around 3:15 p.m.

The July 10 water main break interrupted service for 81 customers between noon and 8 p.m. On another occasion, residents' phone and electric service were interrupted for 14 hours.

"If they (Disney) exhibited this lack of care above ground, what did they do underground?" asked resident Sherry Sweet. "I would like to be assured there was somebody there checking their work, and if not I would like those places reopened and examined," a sentiment echoed by Sommer.

"I take full responsibility for everything that has gone on," said Chris DeGabriele, the district's general manager. Looking directly at the residents in the audience, he said, "We will do everything to make sure the community is made whole. If there is damage, we will be sure it is corrected."

In an interview earlier Wednesday, DeGabriele said, "We have a construction manager who inspected all the pipeline installation to make sure it was done to our specifications and performed pressure testing to make sure it holds pressure and doesn't leak. The facilities themselves are satisfactory and will perform fine."

Sommer and other speakers at the meeting commended DeGabriele for his swift response to their concerns.

Disney was installing pipelines that will help get recycled water from the Las Gallinas Valley Sanitary District's water recycling facility in San Rafael to north Novato.

In an interview Wednesday, Rick Disney, president of Disney, acknowledged that his company broke the gas line, water mains, telephone line and electric line. Disney said it happened because they were unmarked.

"We did hit them, there's no denying that, but they were not identified. If they are not identified, it's impossible for us to know they're in the ground," the CEO said.

"There's a phone number you call before you dig and that agency contacts all the potential utilities in the area, PG&E, the water company, telephone, and those companies identify where they (the lines) are located and we are required to hand-dig in those areas," Disney said.

Asked if this meant that PG&E, North Marin Water District and AT&T all failed to identify the locations of their lines, Disney said, "Somehow there was a breakdown in communication. I am not certain what happened in this case.

"I am empathetic with the residents. I wish this didn't happen. I wish the lines of communication had been better. The good news is the project is done and there shouldn't be any further interruptions."

DeGabriele said the district, the contractor, the construction manager and the city of Novato will do a walk-through to identify any damage in the area and Disney will repair it.

Sommer said, "I think they (the district) are being very cooperative and it's going to turn out OK. They are stepping up to the plate. It's impressive."

Contact Janis Mara via email at jmara@marinij.com. Follow her at [Twitter.com/jmara](https://twitter.com/jmara).

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



**WATER ADVISORY COMMITTEE
AND
TECHNICAL ADVISORY COMMITTEE**

MONDAY, NOVEMBER 5, 2012

9:00AM

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

This is a combined WAC and TAC meeting.

1. Check In
2. Public Comment
3. Recap from the August 6, 2012 WAC/TAC Meeting and Approval of Minutes
4. Recap from the October 1, 2012 TAC Meeting and Approval of Minutes
5. Water Supply Coordination Council
6. SCWA Proposed Strategic Plan
7. Local Hazard Mitigation Plan Update
8. Water Supply Strategies Action Plan Update
9. Draft Potential Projects for Future Evaluation
10. Santa Rosa Groundwater Master Plan
11. Biological Opinion Status Update
12. Items for Next Agenda
13. Check Out

Draft Minutes of Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
October 1, 2012

Attendees: Miles Ferris, City of Santa Rosa
Glen Wright, City of Santa Rosa
Jennifer Burke, City of Santa Rosa
Linda Hall, City of Santa Rosa
Elise Howard, City of Santa Rosa
Milenka Bates, City of Sonoma
Toni Bertolero, City of Sonoma
Damien O'Bid, City of Cotati
Richard Burt, Town of Windsor
Remleh Scherzinger, City of Petaluma
Darrin Jenkins, City of Rohnert Park
Krishna Kumar, Valley of the Moon Water District
Chris DeGabriele, North Marin Water District
Drew McIntyre, North Marin Water District
Mike Ban, Marin Municipal Water District
Grant Davis, SCWA
Jay Jasperse, SCWA
Pam Jeanne, SCWA
Kent Gylfe, SCWA
Steve Koldis, SCWA
Mike Thompson, SCWA

Public Attendees: Richard Dowd, City of Santa Rosa BPU
Brenda Adelman, RRWPC
David Keller, FOER
Dietrich Stroeh
Dawna Gallagher
Paul Helliker
Bob Anderson, United Wine Growers

1. Check-in
Chair Chris DeGabriele called the meeting to order at 9:04a.m.
2. Public Comment
None
3. Recap from September 10, 2012 TAC Meeting and Approval of Minutes
Moved by Richard Burt, Town of Windsor, to approve the minutes as presented;
seconded by Remleh Scherzinger, City of Petaluma; unanimously passed.
4. Local Hazard Mitigation Plan Update
Steve Koldis, SCWA, made the PowerPoint presentation explaining the mitigation plan and clarifying points made in the last meeting. The plan is being updated to meet the requirements by FEMA. An updated list of projects included in the plan was distributed. There will be an updated draft presented at the November 5 WAC/TAC meeting. The anticipated submittal of the plan to FEMA is January 2013. Questions from the committee followed.

5. SCWA Water Supply/Transmission System Operations Status

Mike Thompson, SCWA, gave a verbal update of the Santa Rosa aqueduct valve replacement near the Hyatt in downtown Santa Rosa. Questions followed from the committee.

6. SCWA Proposed Strategic Plan

Mike Thompson, SCWA, made a PowerPoint presentation on the five-year update to the SCWA Proposed Strategic Plan. Questions followed from the committee and the public.

7. Water Supply Strategies Action Plan Update

Jay Jasperse, SCWA, gave a verbal report on the strategies update for this year. No dramatic changes from the previous plan are anticipated. Summary of accomplishments for the year will be included. He asked for input from the TAC members. He will come back to TAC in December with an update. The plan will be present to the SCWA Board for approval in February.

8. Draft Potential Projects for Future Evaluation

Chris DeGabriele, NMWD, made the PowerPoint presentation to update the committee on the process to determine future projects. Comments and questions followed from the committee and the public.

9. Biological Opinion Status Update

Pam Jeanne, SCWA, gave the Biological Opinion Status October 2012 Update which was distributed at the meeting. A visit to the restoration project on Dry Creek will be planned when more of the project has been completed. Questions and comments followed from the committee.

10. Items for Next Agenda

November 5 WAC/TAC

IRWM report

Water Supply Coordination Council

Local Hazard Mitigation Plan Update

SCWA Proposed Strategic Plan

Water Supply Strategies Action Plan Update

Draft Potential Projects for Future Evaluation

Biological Opinion Status Update

December 3 TAC

Biological Opinion Status Update

11. Check Out

Next WAC/TAC meeting is November 5

Next TAC meeting is December 3

Chair Chris DeGabriele adjourned the meeting at 10:28a.m.

Draft Minutes of Water Advisory Committee and Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
August 6, 2012

Attendees: Susan Gorin, City of Santa Rosa
Linda Reed, City of Santa Rosa
Jennifer Burke, City of Santa Rosa
Linda Hall, City of Santa Rosa
Jake Mackenzie, City of Rohnert Park
Laurie Gallian, City of Sonoma
Milenka Bates, City of Sonoma
Toni Bertolero, City of Sonoma
Mark Landman, City of Cotati
Damien O'Bid, City of Cotati
Dennis Rodoni, North Marin Water District
Chris DeGabriele, North Marin Water District
Mike Healy, City of Petaluma
Dan St. John, City of Petaluma
Robin Goble, Town of Windsor
Richard Burt, Town of Windsor
Mark Bramfitt, Valley of the Moon Water District
Krishna Kumar, Valley of the Moon Water District
Jack Gibson, Marin Municipal Water District
Larry Russell, Marin Municipal Water District
Mike Ban, Marin Municipal Water District
Efren Carrillo, SCWA
Shirlee Zane, SCWA
Jay Jasperse, SCWA
Jessica Martini Lamb, SCWA
Spencer Bader, SCWA
Carrie Pollard, SCWA
Lynne Rosselli, SCWA
Carly Cabrera, SCWA
Scott Carpenter, SCWA
Scott Wilkens, SCWA
Konrad Naber, SCWA

Public Attendees: Richard Dowd, City of Santa Rosa BPU
Brenda Adelman, RRWPC
David Keller, FOER
Dietrich Stroeh
Dawna Gallagher
Bob Anderson, United Wine Growers
Peter Yolles, WaterSmart Software
Jim Downey, Penngrove/Kenwood Water District
Chip Worthington

1. Check-in

Chair Susan Gorin called the meeting to order at 9:04a.m.

2. Public Comment

Brenda Adelman expressed her concern regarding potential endocrine-disrupting chemicals in recycled water.

David Keller spoke on the drought announcement for Marin County. Chris DeGabriele stated the declaration was to address the impact on hay and grazing during early spring and that there is no water supply impact.

Chip Worthington expressed his concern regarding the lack of communication between agencies and the public, especially about the Federated Indians of Graton Rancheria casino.

3. Recap from the May 7, 2012 WAC/TAC Meeting and Approval of Minutes
Moved by Laurie Gallian, City of Sonoma, seconded by Robin Goble, Town of Windsor, to approve the minutes of the May 7, 2012 WAC/TAC meeting as published; unanimously approved.
4. Water Supply Coordination Council
Summary of the July 27, 2012 meeting was emailed to the committee.
5. Water Contractor Presentation: City of Cotati – “Water Smart” Program
Damien O’Bid made a PowerPoint presentation on the Water Smart program Cotati has had in place for almost one year. They have seen improvements and have achieved a 5% reduction in water use with 50% of their residential water customers participating. Questions from the group and public were answered.
6. FY 2011/12 Water Sales vs. Budget
Spencer Bader, SCWA, reviewed the report which was emailed to the members. Comments and questions followed.
7. SCWA Water Supply/Transmission System Operations Status
 - a. Sonoma Booster Station Pipeline Repair
Scott Carpenter, SCWA, presented on three projects: 1) Sonoma Booster Station leak repair which is completed; 2) Spring lake 27” Sonoma Aqueduct valve repair; 3) Santa Rosa Aqueduct mainline valve replacement at the Hyatt Hotel is in process.
 - b. Santa Rosa Plain Groundwater Management Process Update
Jay Jasperse, SCWA, gave a brief update on the Santa Rosa Plain Groundwater Management Process. The Basin Advisory Panel has been working on a variety of activities. A Resolution of Intent to prepare a groundwater management plan will be considered by the board in September or early October, describing details of a governance structure, roles and responsibilities of the lead agency (SCWA), Basin Advisory Panel and TAC. The plan will be developing over the next two years. Business and other municipalities and environmental groups, general public and other water agencies are participating on the Basin Advisory Panel. Questions and comments followed from the committee. Supervisor Shirlee Zane stated her concern that Santa Rosa may be acting independently in the development of its own Groundwater Management Plan. Jennifer Burke spoke to the work that Santa Rosa is doing on a Groundwater Master Plan which should be concluded next year. Chair Susan Gorin clarified the interaction between the City of Santa Rosa and the SCWA regarding the groundwater work. Dick Dowd, BPU Chair explained that Santa Rosa works closely with other agencies. Research is taking place for analyzing the condition of SR groundwater and determining water supply during an emergency.

8. Biological Opinion Status Update

Jessica Martini Lamb, SCWA, reviewed the Biological Opinion Status Update emailed to the members. Questions and comments followed.

9. Integrated Regional Water Management Plan(s) Update

Jake Mackenzie, Rohnert Park, reported on the last North Coast IRWM meeting in Yreka. New officers will be elected in October. The use of Prop 84 funding is being planned.

Paul Helliker reported for the Bay Area IRWM. Any projects need to be submitted by September 1. Plan update will be complete by the middle of 2013.

10. Items for Next Agenda

September 10 TAC

Sustainable Energy Bond Program
Agency Video Contest Winners
LRT2
Future Projects for evaluation
Biological Opinion Status Update

November 5 WAC/TAC

Biological Opinion Status Update
IRWM report
Water Supply Coordination Council

11. Check Out

Next TAC meeting is September 10
Next WAC/TAC meeting is November 5.

Chair Susan Gorin adjourned the meeting at 11:03a.m.

Summary
October 25, 2012
Water Supply Coordination Council Meeting

The WSCC is intended to coordinate activities of the Agency, WAC/TAC and other parties as necessary and to report on same pursuant to the Sonoma County Water Agency's September 15, 2009 Resolution #09-0871 to commence and continue development of new water supply projects, plans and strategies to meet the reasonably expected future water demands for the agency's water contractors. The WSCC makes no policy decisions. This WSCC summary is intended to disclose WSCC discussions with the WAC/TAC and other interested parties.

Attendees: Efren Carrillo, Grant Davis, Jay Jasperse, Susan Gorin, Jake Mackenzie, Krishna Kumar, Chris DeGabriele

1. Review Draft Summary of Last Meeting (July 27, 2012)

A summary of the July 27, 2012 WSCC meeting was reviewed.

2. November 5th WAC/TAC Meeting

A draft agenda for the Water Advisory Committee and Technical Advisory Committee Meeting scheduled for November 5, 2012 was reviewed. The parties agreed upon a WAC/TAC agenda to be distributed.

3. Santa Rosa Plain Groundwater Management Plan Update

Jay Jasperse advised that the proposed resolution and notice of intent to prepare a Groundwater Management Plan was adopted by the Agency Board of Directors at their October 23rd meeting.

4. Public Policy Facilitating Committee Meeting- December 20, 2012

Grant Davis advised that a PPFC meeting will be held on December 20th, providing an update of Biological Opinion progress for the parties signatory to the MOU on a Section 7 consultation of the Endangered Species Act with the US Army Corps of Engineers, National Marine Fishery Service, Sonoma County Water Agency and Mendocino County Flood Control and Water Conservation District. PPFC committee members include: Sonoma County Board of Supervisors, Mendocino County Board of Supervisors, National Marine Fishery Service, US Army Corps of Engineers, California Department of Fish and Game, North Coast Regional Water Quality Control Board, Mendocino County Russian River Flood Control and Water Conservation Improvement District and Sonoma County Water Agency.

5. Schedule next meeting

The next WSCC meeting is tentatively scheduled for Thursday, January 24, 2013 prior to the February 4th WAC/TAC meeting.

6. Other

Krishna Kumar announced that he has been appointed as the General Manager of Marin Municipal Water District beginning in December, and will no longer be able to serve as vice-chair of Technical Advisory Committee. It was also reported that Mark Bramfit, has resigned from the Valley of the Moon Water District Board of Directors and will no longer be able to serve in the WAC vice-chair role. It was recommended that the TAC hold an election for a vice-chair at either the December or January TAC meeting and that election for the WAC chair and vice-chair be held at the February WAC/TAC meeting.

MEMORANDUM

To: Board of Directors

November 6, 2012

From: Chris DeGabriele, General Manager

Subject: Water Advisory/Technical Advisory Committee – November 5, 2012

t:\gm\scwa\tac minutes and agenda\2012\meeting notes\110512 tac cd notes.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Agenda included in your agenda packet.

1. Check in

Krishna Kumar reported that Mark Bramfitt has resigned from the Valley of the Moon Water District Board of Directors and can no longer serve as the WAC Vice-Chair. Chair Gorin advised that elections for the WAC Chair and Vice-Chair positions will be held at the February WAC Meeting. Mark Henneveld was introduced as the VOMWD new WAC representative.

Krishna announced to the WAC/TAC that he will be the new Marin Municipal Water District General Manager and is resigning from the TAC Vice-Chair position. Election of a TAC Vice-Chair will be held at the December TAC meeting.

3. Recap from August 6, 2012 WAC/TAC Meeting and Approval of Minutes

The minutes were approved as mailed and included in your agenda packet.

4. Recap from the October 1, 2012 TAC Meeting and Approval of Minutes

The minutes were approved as mailed and included in your agenda packet.

5. Water Supply Coordination Council

The summary of the October 25, 2012 Water Supply Coordination Council meeting was included in the agenda. There was no comment.

6. SCWA Proposed Strategic Plan

Grant Davis made a brief verbal presentation on the proposed Strategic Plan, (an abbreviated presentation to that made to the SCWA Board on September 25th). This proposed strategic plan is a five year update of the 2007 Strategic Plan. Two public workshops are planned; one prior to the end of this calendar year on organizational issues at SCWA, and one subsequent to December 31st on the core services including energy, water supply, sanitation and flood control to be held in Petaluma. A copy of the hand-outs provided at the September 25th presentation to the SCWA Board was attached to the NMWD Board Summary at the October 2 meeting.

7. Local Hazard Mitigation Plan Update

Steve Koldis from Sonoma County Water Agency made a presentation on the update of the Agency's Local Hazard Mitigation Plan. Currently \$1.37M in FEMA funding has been secured for the Santa Rosa Aqueduct Rodgers Creek Fault Crossing Retrofit. A 25% local match is required for the project. Additionally, \$7.69M in FEMA funding is pending for the Russian River-Cotati Aqueduct crossing of the Russian River and Mark West Creek and for isolation valves to be added within the transmission system. Koldis advised that fault rupture and liquefaction/ground-spreading are the biggest threats to Agency facilities. The

Agency identified the projects included in the plan and the budget categories. All current projects shown on the attached sheet are included in the Long-Range Financial Plan. Comments from the WAC are due by November 14. The SCWA Board will consider adopting the update at their December 11 meeting.

8. Water Supply Strategies Action Plan Update

Jay Jasperse made a verbal report that the second update to the Water Supply Strategies Action Plan is starting. This update will be similar to that conducted last year where progress will be summarized, and actions will be re-prioritized, dropped or added. Jay indicated that he expects that a draft will be available in December and that a workshop will be held early next calendar year in Petaluma coincident with the Strategic Plan Workshop.

9. Draft Potential Projects for Future Evaluation

I made a presentation to the WAC/TAC on an initiative being undertaken to identify potential water supply projects for future evaluation. The TAC working in an ad hoc committee has done much of this work already. It is intended that a recommended list of projects to be evaluated in the future will be considered by the WAC at their February 2013 meeting.

10. Santa Rosa Groundwater Master Plan

Jennifer Burke from the City of Santa Rosa made a presentation on their Groundwater Master Plan covering the history of groundwater use in Santa Rosa, groundwater analysis and current status of the plan. Santa Rosa is looking to have groundwater available as an emergency source of supply should the SCWA supply be interrupted. Duration of emergency supply would be from 2 to 14 days and require 2.4 to 8.7 MGD in 7 separate pressure zones to meet the need. Santa Rosa consultants are currently evaluating data to determine if there is available groundwater resources to meet this need in those zones. Santa Rosa is also requesting their consultant opine whether aquifer storage and recovery would be possible.

11. Biological Opinion Status Update

Pam Jeane reviewed the Biological Opinion update for November 2012 (attached). She advised that the Dry Creek demonstration project at Quivira Vineyards is completed. It's likely that a tour will be held sometime later in the year for WAC and TAC representatives. She also advised that the Corps of Engineer Enhancement Project just downstream of Warm Springs Dam has broken ground but construction won't start in earnest until spring 2013. It was also noted that the Fish Flow DEIR has been delayed as an additional alternative is under consideration. Grant Davis advised that Assemblyman Huffman and DFG Director Bonham unveiled a Russian River Compact (see a draft attached) and SCWA desires all contractors to become signatory.

12. Items for Next Agenda

WAC Officer Election
Water Supply Strategies Action Plan Update
Potential Projects for Future Evaluation
Draft SCWA FY 2013/14 Budget

13. Check Out

It was announced that Miles Ferris is retiring on December 12 after 27 years of service with the City of Santa Rosa. All members of the WAC and TAC acknowledged Mr. Ferris' contributions and wished him well in his retirement.

**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, November 2, 2012
Time: 9:30 a.m. – 11:30 a.m.
Location: Novato Sanitary District
500 Davidson Street
Novato, CA 94945

AGENDA

Item

Recommendation

- | | |
|--|-------------|
| 1. Call to Order (Jack Gibson, Chair) | |
| 2. Public Comment | |
| 3. Approval of the Agenda (1 min.) | Approve |
| 4. Approval of Minutes | Approve |
| 5. Treasurer's Report (1 min.) | Accept |
| 6. Novato Creek History (1 hr.)
Guest Speaker: Laurel Collins, Watershed Sciences | Information |
| 7. BAIRWMP Update (30 min.)
Harry Seraydarian | Information |
| 8. Items of Interest | |
| 9. Items for Next Agenda | |

Next Meeting Information:

Next Meeting: December 7, 2012

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

NORTH BAY WATERSHED ASSOCIATION

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

Date: October 12, 2012
Time: 9:30 a.m.
Location: Petaluma (Lucchesi) Community Center
320 N. McDowell Boulevard
Conference Room 2
Petaluma, CA 94954

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Steve Barbose	City of Sonoma and Sonoma Valley County Sanitation District	Rick Fraites	North Marin Water District
Megan Clark	Las Gallinas Valley Sanitary District	Jack Gibson	Marin Municipal Water District
Mike DiGiorgio	Novato Sanitary District	Kathy Hartzell	Central Marin Sanitation Agency
		Brad Sherwood	Sonoma County and Sonoma County Water Agency

Directors present represented 9 out of the 16 agencies signatory to the Association MOU and Jeanne MacLeamy represented the City of Novato, Associate Member.

Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:48 a.m.
2. **Public Comment.** Jack Gibson announces that Krishna Kumar will be the new General Manager at the Marin Municipal Water District beginning in December.
3. **Approval of the Agenda.** (See Handout) The Board unanimously approved the agenda.
4. **Approval of the Minutes of the Board Meeting held September 7, 2012.** (See Handout) The Minutes of the Board Meeting held on September 7, 2012 were unanimously approved.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. **Marin Creek Mouth Assessment Pilot Project.** Guest speaker Adrien Baudrimont, San Francisco Estuary Partnership intern provided a PowerPoint presentation. Adrien first summarized the SFEP Watershed Program and the 4 major goals in the SFEP Comprehensive Conservation Management Plan: support community-based watershed stewardship; increase local government capacity; assess and compare watershed health; and increase resiliency with regard to climate change. He then presented a "project pyramid" that would use qualitative (narrative) and quantitative information with a GIS Dataset to provide a general creek mouth assessment, which could lead to identifying creek mouth restoration opportunities. Adrien then described how he collected data for the area from creek mouth to first barrier for the Marin County creeks. He illustrated a county level query chart for such items as length and width of the creek mouth, invasive plants, presence of steelhead, local stakeholders, contamination/trash, and public versus private land ownership. Adrien then explained a creek mouth query chart looking in more detail at locations for land ownership, restoration projects, levees, and historic ecology. Adrien ended with a summary of the Marin County pilot completed on 10 creeks from Coyote Creek to Novato Creek and the plan to complete all 85 creeks in the Bay Area from the North Bay to the South Bay, including San Pablo Bay and Suisun Bay, in the next year and then move on to Phase 2, which would be to create an on line tool that everyone can access to pose a variety of queries, to determine the priority areas for restoration projects and status of existing projects. The Board Members and participants had a number of questions: Does land ownership indicate who has authority? (State agencies may have authority over certain actions on the land even if they do not own the land.) When will Phase 2 be started? (2013.) Will just Marin or the whole bay be completed in one year? (Whole bay.) What is ultimate purpose? (To develop a tool to help with restoration decisions on use of funds.) What is delineation of land ownership? (Includes buffer zone of 100 meters.) How do we establish a protocol that all data collected goes to a central repository? (Plan is to put everything on the internet.) Was San Antonio Creek included in the pilot? (No, just up to the Marin County boundary.) What did you use for levee data given generally poor quality of the data? (Used the best available data from a recent UC Berkeley study.)

7. San Francisco Bay Restoration Act and Economic Value of Bay Tidal Marshes. Marc Holmes of The Bay Institute provided a PowerPoint presentation entitled Planning for Rising Sea Levels. Marc began by refreshing the Board's memory on his previous presentation (July 9, 2010) regarding federal legislation and the attempt to get federal geographic funding for the San Francisco Bay Area similar to line item funding for the Chesapeake Bay, the Great Lakes, Puget Sound, etc. He noted that now the Bay Area must compete for funding and usually gets a maximum of \$8 million for projects and in a good year SFEP receives \$1 million. The prior proposed legislation would target \$100 million/year for 10 years for the Bay Area. Marc indicated that the legislation will be revisited next year and he will ask NBWA and members to provide endorsements. Marc has recently focused on sea level rise impacts as a way to highlight innovative approaches to wetland restoration. He referred to a presentation by Jeremy Lowe to the NBWA Board (November 5, 2010) on the Hayward Shoreline and used the same visuals. Marc first described the potential inundation and the functions that needed to be protected: urban, habitat, storm drainage, landfill, sewage treatment, utility corridors, and trails. Marc then explained the optional approaches to adaptation 1) Hold the Line-raise the levee; 2) Realign-move levee inland; and 3) Ecotone Slope-landward levee plus sediment and freshwater to create a gradual steepening brackish marsh. He then elaborated on the elements of the Ecotone Slope option which included a freshwater swale behind the brackish marsh and in front of the new levee. Marc then presented a preliminary cost table that compared levee only, levee plus tidal marsh, and the Ecotone Slope option for different marsh widths which indicated the cost per mile for the Ecotone Slope option could be considerably cheaper than the levee only. Marc expects the final report, which will include aggregate costs, to be completed by mid-January 2013. The Board Members and participants had a number of questions. Is this kind of study being done in the Chesapeake Bay? (Nobody else is doing this kind of study.) Since the Ecotone Slope option requires going landward, do costs include land acquisition? (This needs further analysis; this approach will not work in certain areas like airports.) Why do we have deprivation of freshwater for brackish marshes? (Streams redirected through channelization.) Has this been presented to Senator Feinstein yet? (No, will do that after peer review.) Has Senator Boxer been contacted? (Yes, she is co-author of legislation.) How wide is an Ecotone Slope? (depends on height of levee-up to 300 feet.) Any pilots proposed? (Yes, USFWS is including an Ecotone Slope pilot in the South Bay and a new proposal is in. IRWMP update for Hayward-Oro Loma.) Is funding for acquiring facilities included in analysis? (Not yet, USACE has performed analysis on "valuable places" at risk.)

8. Items of Interest.

* North Coast Zebra/Quagga Mussel Consortium – MMWD latest signatory; briefing for NMWD on October 16.
<http://dontmoveamusel.com/>

9. Items for Next Agenda.

* Laurel Collins, Watershed Sciences – Novato Creek History
* Harry Seraydarian – Update on the Bay Area IRWMP
* Watershed Videos (KRCB project)

Jack Gibson, Chair, adjourned the meeting at 11:25 a.m.

SUBJECT TO BOARD APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla

NEXT MEETING INFORMATION:

November 2 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

December 7 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Conference Room 2, Petaluma, CA 94954

DISBURSEMENTS - DATED OCTOBER 18, 2012

Date Prepared: 10/16/12

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


Seq	Payable To	For	Amount
1	Ackerman, Gerald	Retiree Exp Reimb (Oct Health Ins)	\$90.69
2	Allied Packing & Supply	Potable Water Hose (\$1,498) & Fittings for Emergencies (\$3,040) (Budget \$8,600)	4,537.58
3	All Star Rents	Mini Tractor & Auger Rental (1 Day) (Leveroni Creek Bank Repair)	649.61
4	Alpha Analytical Labs	Lab Testing (Novato)	375.00
5	American Asphalt	Refund Security Deposit on Hyd Meter Less Final Bill	801.30
6	Balliet, Ann	Refund Alternative Compliance Reg 15 Deposit	630.00
7	Bena, Jessica	Exp Reimbursement: CWEA Membership (10/2/12-10/1/13)	140.00
8	Borges & Mahoney	3/4" Injector Repair (STP)	219.71
9	Bradbery, Ronald	Retiree Exp Reimb (Oct Health Ins)	90.69
10	Brydges, Alice	Refund Overpayment on Closed Account	45.02
11	Bundesen, Gerald	Retiree Exp Reimb (Oct Health Ins)	779.57
12	Buscaglia, David	Novato "Washer Rebate" Program	50.00
13	Butti, Lou	Retiree Exp Reimb (Oct Health Ins)	779.57
14	California State Disbursement	Wage Assignment Order	1,518.50
15	Chawla, Balbir & Jasmer	Novato "Washer Rebate" Program	50.00
16	Clarke, Vincent	Novato "Toilet Rebate" Program	100.00
17	Lawrence Coyne	Novato "Washer Rebate" Program	50.00
18	Dasovich, Stephen	Novato "Toilet Rebate" Program	100.00
19	Dempsey, Filliger & Associates	Consulting Services: Retiree Health Insurance Cost Analysis	500.00

Seq	Payable To	For	Amount
20	Derby, Richard	Retiree Exp Reimb (Oct Health Ins)	90.69
21	Diggs, James	Retiree Exp Reimb (Oct Health Ins)	779.57
22	Donat, Peter and Maria	Refund Excess Advance Donat Annexation	1,191.34
23	Dubyak, Jane	Novato "Cash for Grass" Program	66.00
24	Electrical Equipment	Single Phase Soft Starters for Bay Vista RW Booster Relocation (2) (\$1,138) & Electrical Switch for Vac Trailer	1,154.12
25	Eyler, John	Retiree Exp Reimb (Oct Health Ins)	90.69
26	Fireman's Fund	Reimbursement for Gardner's Guild to Perform Irrigation Site Shutdown Test (RW North)	1,500.00
27	Fisher Scientific	Petri Dishes (1,100) (Lab)	309.90
28	Forsyth, Robert	Novato "Washer Rebate" Program	50.00
29	Freeman, Dianna	Novato "Cash for Grass" Program	400.00
30	Grainger	Electrical Cable Splices (3) (\$251), 3" U-Bolts (2) for Reservoir Hill Tank Solar Panel Maintenance (\$56) & Retractable Utility Knives (6) & Threaded Pipe (\$31)	356.95
31	Hallstrom, James	Novato "Washer Rebate" Program	50.00
32	Harms, Vicki	Novato "Toilet Rebate" Program	300.00
33	Jays Kustom Exhaust & Muffler	Replacement Catalytic Converter ('92 F250)	600.00
34	Johnstone, Daniel	Retiree Exp Reimb (Oct Health Ins)	90.69
35		Cafeteria Plan - Uninsured Medical Reimbursement	152.62
36	Landeros, Dianne	Expense Reimbursement: Chicken for Dowden Retirement Party	47.41
37	Lincoln Life	Deferred Compensation PPE 10/15/12	11,043.33
38	Love, Jim	Refund Credit Overpaid Account	1,650.00
39	Maher, Patricia	Novato "Washer Rebate" Program	50.00
40	Maltby Electric	Wire & Conduit for New Well Site (\$979)	992.07
41		Vision Reimbursement	43.07

Seq	Payable To	For	Amount
42	Marin Landscape Materials	Cement (0.5 yds)	92.22
43	Marlow, Elaine	Novato "Washer Rebate" Program	50.00
44	Matchette, Tim	Retiree Exp Reimb (Oct Health Ins)	230.18
45	MCC Control Systems	Programming Modifications for STP PLC's	1,120.00
46	Mundy, Jim	Novato "Washer Rebate" Program	50.00
47	Nationwide Retirement Solution	Deferred Compensation PPE 10/15/12	1,025.00
48	Nelson, John O.	Retiree Exp Reimb (Monthly Health Ins)	90.69
49	Newark InOne	Multi-Meter Fuses (6)	13.52
50	North Marin Water District	Employee Assoc Dues - September	930.00
51	Novato, City of	Annual Encroachment Permit Renewal	2,770.00
52	Novato FF Property	Refund Excess Advance - The Commons at Mt Burdell	9,560.48
53	Pace Supply	Ells (13) (\$129) & Nipples (4) (\$67)	196.18
54	Parc Services	Refund Security Deposit on Hyd Meter Less Final Bill	288.69
55	Pedlar, Debra	Novato "Washer Rebate" Program	50.00
56	Radio Shack	Batteries for Pressure Data Loggers	43.38
57	Ramirez, Socorro	Novato "Toilet Rebate" Program	200.00
58	Randall Bros. Automotive	Smog Inspections (3)	150.00
59		Cafeteria Plan - Uninsured Medical Reimbursement	60.00
60	San Rafael Chamber of Commerce	2012 Forecasting the Future Conference (Bentley) (10/30/12)	45.00
61	Sherwood, Donald	Novato "Washer Rebate" Program	50.00
62	Siemens Water Technologies	Service on Lab Deionized Water System	213.48
63	Smail, John	Retiree Exp Reimb (Oct Health Ins)	90.69
64	Sonosky, Norma	Retiree Exp Reimb (Oct Health Ins)	90.69

Seq	Payable To	For	Amount
65	United Parcel Service	Delivery Services: RW So Phs 1a & 1b GFE Documents & PR Well #3 Replacement Construction Drawings	12.86
66	UNUM Life Insurance	Oct Group Life Ins Premium	685.73
67	Velloza, Richard	Retiree Exp Reimb (Oct Health Ins)	90.69
68	Weir, Dennis & Danita	Novato "Washer Rebate" Program	50.00
69	Wormood, Eric	Refund of Deposit/New Development/Water Conservation Restriction (\$1,000) & Novato "Toilet Rebate" Program (\$200)	1,200.00
70		Cafeteria Plan - Childcare Reimbursement	416.66
		TOTAL DISBURSEMENTS	<u>52,381.83</u>

The foregoing payroll and accounts payable vouchers totaling \$52,381.83 are hereby approved and authorized for payment.

 10/16/12
 Auditor-Controller Date

 10/16/2012
 General Manager Date

DISBURSEMENTS - DATED OCTOBER 25, 2012

Date Prepared: 10/24/12

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

Seq	Payable To	For	Amount
P/R	Employees	Net Payroll P/E	\$121,533.09
EFT*	US Bank	Federal & FICA Taxes PPE 10/15/12	45,436.45
EFT*	US Bank	State Tax & SDI PPE 10/15/12	8,709.12
1	AirGas NCN	Carbon Dioxide Cylinder Rental (STP)	23.85
2	AshLin Pacific Const.	Progress Pymt #2: Recycled Water North Onsite Retrofit Project (Bal Remaining on Contract \$46,934)	52,461.85
3	Bacons Auto Service	Repairs & Smog Test ('93 F250)	626.48
4	Badger Meter	Meter Register, Plastic Shroud Assy & Seal Screw	67.03
5	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt #12 of 240)	46,066.67
6	Bay Area Air Quality Mgmt Dist	Annual Permit Renewal (To Operate Fuel Tanks)	258.00
7	Borges & Mahoney	Replacement Check (Original Check had NSF)	274.14
8	Clark, Robert E.	Exp Reimbursement (Lunch for RW On-Site Retrofit @ FF)	66.48
9		Vision Reimbursement	593.95
10	The Climate Registry	Annual Membership Dues (Clark) (1/13-12/13) (Budget \$780)	750.00
11	Cook Paging	Oct Pager Rental (2)	8.75
12	Environmental Science Assoc	Prog Pymt# 18 & 19: NMWD - SRF Environmental Support Services-Recycled Water Exp Project (Bal Remaining on Contract \$15,956.53)	28,272.90

Seq	Payable To	For	Amount
13	Charles Z. Fedak	Prog Pymet#5: Financial Statement Audit FY12 (Bal Remaining on Contract \$4,500)	1,500.00
14	FedEx Freight West	Delivery Service: Sent Audit Binder to Auditors	62.10
15	Fish, Sandra	Novato "Cash for Grass" Program	157.50
16	Gerencser, Akos	Refund Alternative Compliance Reg 15 Deposit	315.00
17	Golden Gate Petroleum	Motor Oil (100 gals) (\$1,332), Gasoline \$4.13/gal) & Diesel (\$4.10/gal)	5,182.34
18		Cafeteria Plan: Uninsured Medical Reimbursement	192.35
19	Grainger	PVC Connector for PT Reyes Temp Power (\$251) & Flush Valve for Maint Office Toilet (\$119)	369.87
20		Cafeteria Plan: Childcare Reimbursement	545.78
21	Hall Dump Truck Service	Remove Dirt Spoils From District Yard (190 cu yds)	3,230.00
22	Helbing, Robert	Novato "Washer Rebate" Program	50.00
23	Hydec	Repair Parts for 2" Pressure Reducing Valve	501.48
24	Industrial Control Resources	Replacement Variable Frequency Drive for Reclaim Water Pump (M502) @ STP	1,754.85
25	InfoSend	September Processing Fee for Water Bills (\$1,590) & Postage (\$4,014)	5,603.64
26	Jacob, Moses	Novato "Cash for Grass" Program	400.00
27	Johnson, Warren	Novato "Washer Rebate" Program	50.00
28	Keehn, Jessica	Novato "Washer Rebate" Program	50.00
29	Kemira Water Solutions	Ferric Chloride (10.33 tons)	7,639.86
30		Cafeteria Plan: Uninsured Medical Reimbursement	10.66
31	Malouf, Sarah	Novato "Toilet Rebate" Program (\$100) & Refund Alternative Compliance Reg 15 Deposit	415.00
32		Vision Reimbursement	32.53

Seq	Payable To	For	Amount
33	McAghon, Andrew	September Sludge Removal (9 yds)	2,520.00
34	Drew McIntyre	Exp Reimbursement: Lodging, Travel, Food & Transit for CA-NV AWWA Conference	515.19
35	MegaPath	PSL Internet Service (10/12/12-11/11/13)	142.88
36	Metrohm USA	Vials w/Caps (1,000) (\$257) & Replacement Filters (20) (\$46)	303.66
37	Micro Technology	Certification of Exhaust/Fume Hoods in Lab	270.63
38	Microtech Scientific	Tryptic Soy Broth	57.99
39	Neopost USA	October Postal Meter Rental	65.10
40	Pace Supply	Tube Nuts (6)	148.33
41	PERS Retirement System	Pension Contribution PPE 10/15/12	44,419.95
42	PG&E	Bldgs/Yard (\$4,818), Rectifier/Controls (\$250), Pumping (\$28,114), Treatment (\$7,461) & Other (\$90)	40,733.97
43	Phelps, James	Novato "Toilet Rebate" Program	100.00
44	Phillips & Associates	October O & M of O.M. Wastewater Treatment System	5,187.96
45	Pinpoint	Handle for Leak Detector Machine	48.26
46	Point Reyes Prop Mgmt Assn	October HOA Dues (25 Giacomini Rd)	75.05
47	Preferred Alliance	Pre-Employment Physical (Kantock)	42.00
48	Protection Engineering	Zinc Anodes (120)	4,889.01
49	PVS Minibulk	Sodium Hypochlorite (970.38 gal)	1,486.16
50	Red Wing Shoe Store	Safety Boots (Kurfurst & Castellucci)	380.64
51	Rising Sun Energy Center	Water Audits (97 Water Smart Home Surveys)	2,134.00
52		Cafeteria Plan: Uninsured Medical Reimbursement	7.85
53	State of California	Payment for Accrued Depreciation of Exist 30" Aqueduct (\$62,000) & Initial Deposit for Caltrans Related Costs for AEEP Reach E Segment	98,533.00

Seq	Payable To	For	Amount
54	Stompe, Brad	Exp Reimbursement: Heavy Duty Cell Phone Cases for STP	259.84
55	Stripe 'n' Seal	Restripe Parking Lot @ Yard	555.00
56	Tanner, Ryan	Refund Overpayment on Closed Account	41.74
57	Thomas Scientific	Beakers (24), Temp Verifications (7), Pipet Tips (2,000), Chlorine Tests (1,000) & Sulfanilamide (Lab)	368.08
58	Township Building Services	September Janitorial Services	1,754.84
59	Univar	Sodium Hydroxide (26,431 lbs)	9,316.93
60	VWR International	Reagent for Chlorine Test Kits	157.06
61	Waibel, Richard	Novato "Washer Rebate" Program	50.00
62	White, Daniel	Reimbursement for \$10 Return Check Fee	10.00
63	Wiley Price & Radulovich	Consulting Services: "Employee Negotiations"	81.00
TOTAL DISBURSEMENTS			<u>\$547,867.84</u>

The foregoing payroll and accounts payable vouchers totaling \$547,867.84 are hereby approved and authorized for payment.

for Alicia Mazi 10/23/12
 Auditor-Controller Date

DREW McINTIRE 10/23/12
 General Manager Date

DISBURSEMENTS - DATED NOVEMBER 1, 2012

Date Prepared: 10/31/12

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

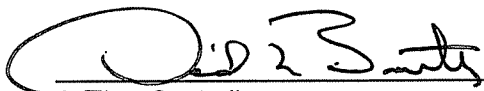
Seq	Payable To	For	Amount
1*	Lunny Grading & Paving	Misc Paving: West Marin (357 S.F.)	\$4,607.00
2	Allied Packing & Supply	Fittings (2)	40.57
3	Alpha Analytical Labs	Lab Testing (Novato-\$1,202 & West Marin-\$1,203)	2,405.00
4	Autoworld	Brake Pad Kit (\$55) & Rotors (\$237) ('03 Dodge Dakota)	291.35
5	AWWA CA-NV SEC	Membership Renewal (DeGabriele) (1/13-12/13) (Budget \$3,600)	3,487.00
6	Baker, Jack	October Director's Fee (\$200) & Joint Meeting with Novato Sanitary District - Oct 11 (\$100)	300.00
7	Barnes, Lisa & Kent	Refund Overpayment on Closed Account	502.14
8	Best Best & Krieger, LLP	Solar Power Project Financing Agreement Assignment (to be Reimbursed by SPG Solar)	10,823.68
9	Black & Veatch	Refund Security Dep on Hyd Meter Less Final Bill	437.63
10	California State Disbursement	Wage Assignment Order (3)	1,518.50
11	Cascade Fire Equipment	Fire Hose Gaskets (30)	208.26
12	CDW-Government	Anti-Virus Software Subscription (11/12-11/13) (Budget \$1,080)	1,080.00
13	Chase Card Services	Birthday Breakfasts (\$110), Lunch Mtgs (\$58), Polypropylene Cupsink - Lab (\$117), Lateral File w/Lock (\$720) (Accounting), Reg Fee-AWWA Fall Conf & Air Fare - Goodpaster (\$537) & Network Card for LIMS Server (\$255) (Lab)	1,766.91
14		Cafeteria Plan: Uninsured Medical Reimbursement	770.35

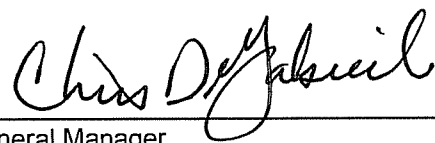
Seq	Payable To	For	Amount
15	Core Utilities	Consulting Services: September IT Support (\$5,000), PRTP RTU Programming Review (\$650), Utility Billing (\$50) & Annual Water Cost Calculator Modifications (\$950)	6,650.00
17	Coyne, James	Novato "Toilet Rebate" Program	100.00
18	CSW/Stuber-Stroeh Engineering	Prog Pymt #10: Reservoir Hill Tank Rehabilitation (Balance Remaining on Contract \$90)	1,757.34
19	Curtis & Tompkins Analytical	Lab Testing (Novato)	698.00
20	Environmental Resource Assoc	Annual Performance Testing Study (for Lab Certification)	1,074.65
21	Fisher Scientific	Pipettes (200)	56.58
22	Fraites, Rick	October Director's Fee (\$100), North Bay Watershed Assoc Mtg -Oct 2 (\$100) & Joint Meeting with Novato Sanitary District-Oct 11 (\$100)	300.00
23	Franc, Terrie	Novato "Washer Rebate" Program	50.00
24	Grainger	Light Bulbs (6) (\$87), "AA" Batteries (48), Water Hoses (2) (\$102) & Hose Couplings (20) (\$91)	291.50
25	Hach	Reagent Set (\$266), Solution Pan, Manganese (\$53) & Flasks (2) (\$70) (STP)	441.26
26	Irish & Son Welding	Weld 6" Dog Leg for Pete's Coffee Building (\$315) & Weld 4" Off-Set Behind Fireman's Fund Building (\$420)	735.00
27	Kehoe, Chris	Exp Reimb: Distribution Operator Certification Renewal (1/13-1/15) (Budget \$80)	80.00
28		Cafeteria Plan - Uninsured Medical Reimbursement	50.00
29	Lacore, Amber	Novato "Washer Rebate" Program	50.00
30	Lincoln Life	Deferred Compensation PPE 10/31	11,068.33
31	Maggiora & Ghilotti	Refund Hydrant Meter Rental Cost (Recycled Water Project)	1,942.97
32	McLellan Co, WK	Paving (Pt Reyes \$7,397 & Novato \$2,571)	9,967.47

Seq	Payable To	For	Amount
33		Wage Assignment Order	284.00
34	Nationwide Retirement Solution	Deferred Compensation PPE 10/31	1,025.00
35	Nave Motors	Collision Repair ('10 F150) (Reimbursed by Insurance)	2,051.16
36	Novato Chamber of Commerce	Membership Dues (11/1/12-10/31/13) (Bentley) (Budget \$820)	815.00
37	Novato Police Dept	Telephone Answering Service (Aug-Oct)	600.00
38	Nute Engineering	Engineering Services: OM Sewer Rehabilitation Project (Bal Remaining on Contract \$6,254)	3,746.00
39	Pace Supply	Saddles (2), Couplings (62) (\$2,161), Reducer, Gaskets (40) (\$191), Ell, Valves (2), Service Saddles (2) (\$170), Valves (5) (\$1,749), Plugs (6) & Fire Check Assembly (\$2,015)	6,854.94
40	Paganini Enterprises	Orange T-shirts (18) (Temp Employees)	119.15
41	Peterson Trucks	Air Filters (2) (\$131), Oil Filter & Fuel Filter Kit	248.58
42	Petterle, Stephen	October Director's Fee (\$200) & Joint Meeting with Novato Sanitary District-Oct 11 (\$100)	300.00
43	Prunuske Chatham	Engineering Services: Leveroni Creek Bank Repair Project (Bal Remaining on Contract \$899)	7,104.50
44	Ramirez, Socorro	Novato "Toilet Rebate" Program	88.00
45	Red Wing Shoe Store	Safety Boots (Cilia)	180.64
46	Rodoni, Dennis	October Director's Fee (\$200) & Joint Meeting with Novato Sanitary District-Oct 11 (\$100)	300.00
47	S and H Construction	Refund Overpayment on Closed Account	516.98
48	Schoonover, John	October Director's Fee Less Deferred (\$150) & Joint Meeting with Novato Sanitary District-Oct 11 (\$100)	250.00
49	Seeman, Sonia	Novato "Washer Rebate" Program	50.00
50	Sequoia Safety Supply	Ibuprofen (100), Nitrile Gloves (400) (\$36), Safety Glasses (23) (\$72), Leather Work Gloves (24) (\$123) & Respirators (60) (\$36)	274.72

Seq	Payable To	For	Amount
51	Shirrell Consulting Services	November Dental Ins Adm Fee	299.45
52	Siemens Industry	Service on Lab Deionized Water System	298.76
53	Sonoma County Water Agency	September Contract Water	564,431.89
54	Sonoma County	Reg Fee: Pest Control Seminar (Stafford)	75.00
55	Staples	Rubber Stamp, Stamp Pad, Copy Paper (150 reams) (\$456), Report Covers & Binders	519.37
56	Stenberg, Karen	Novato "Toilet Rebate" Program	300.00
57	Tenez	W-2 & 1099 Forms	56.74
58	Terryberry	Service Awards (4)	593.40
59	Verizon	Telephone Charges: Leased Lines (\$639) & Minimum (\$48)	686.60
60	Vermeer Pacific	Cylinder Head Gasket ('03 Vac-Tec Excavator)	109.78
61	Weir, William	Novato "Washer Rebate" Program	50.00
62	West County Trans Agency	Annual Smoke Testing on Diesel Trucks	189.00
52	Wildcat Engineering	Prog Pymt# 2: Perform Onsite Retrofit for Recycled Water South Project (Bal Remaining on Contract \$67,976)	55,465.75
53		Vision Reimbursement	16.26
		TOTAL DISBURSEMENTS	<u>\$711,452.16</u>

The foregoing payroll and accounts payable vouchers totaling \$711,452.16 are hereby approved and authorized for payment.

 10/30/12
 Auditor-Controller Date

 10/30/2012
 General Manager Date

MEMORANDUM

To: Board of Directors

November 2, 2012

From: David L. Bentley, Auditor-Controller
Alicia Manzoni, Consumer Services Supervisor 

Subj: Purchase of Replacement Meter Reading Devices
t:\cons srvc\memo\meter reading device ltron bod memo.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$18,855

The current budget includes \$20,000 for replacement of the District's 8-year-old handheld electronic meter reading devices. Itron, the manufacturer, does not support the current devices any longer and one of the three units is no longer functional. We solicited quotes for replacement devices from three vendors. Datamatic, a vendor that supplied NMWD with Telxon brand devices in the 1990s, does not support the District's existing radio-read meters. Below are price comparisons for the other two vendors. Staff has used Itron devices for the past 8 years and is happy with the equipment and service and will purchase new Itron units. Itron's pricing includes a one-year warranty on hardware and software.

Purchase Price	<u>DataZeo</u>	<u>Itron</u>
Hand-held Devices (3)	\$14,385	\$13,770
Desktop Dock (3)	0	885
Interface Software	3,995	2,254
Sales Tax (8.5%)	1,223	1,246
Shipping	74	0
Training	2,750	700
Total Initial Cost	\$22,427	\$18,855

October 23, 2012

**Comments Honoring Congresswoman Lynn Woolsey
Upon her retirement from Congress- October 23, 2012**

- On behalf of the North Marin Water District, we would like to congratulate Congresswoman Woolsey on her pending retirement after representing North Bay citizens for the past 20 years in Washington D.C.
- North Marin Water District wants to thank you specifically for the opportunity to have an open dialogue, to be able to call on you and your staff at any time for assistance, especially where that assistance has paid off, such as our recently expanded Recycled Water System in the Novato area.
- Your interest in serving our constituents in Novato and West Marin has never wavered and we are always appreciative of your efforts to further the reliability and quality of water service for North Marin Water District.

Bob Mize



Marin County Sheriff Office of Emergency Services

3501 Civic Center Drive #266, San Rafael, CA 94903-4189
(415) 499-6584 FAX (415) 499-7450
www.co.marin.ca.us/disaster
oes@co.marin.ca.us

*Robert Clark
is attending.*

MARIN COUNTY

WINTER & SPRING STORM PREPAREDNESS SEMINAR

2012 / 2013 SEASON

Sponsored by Marin County Sheriff's Office of Emergency Services

&

NOAA National Weather Service - Monterey Bay

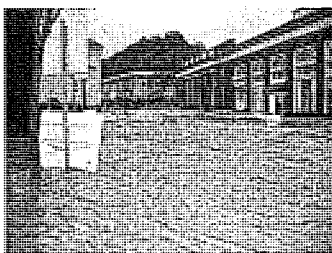
When: November 6, 2012 - Tuesday

Where: Marin County EOC

3501 Civic Center Drive, Room #266

Time: 1 PM – 3 PM

This seminar will be presented by our local National Weather Service - Monterey Bay, who will help attendees understand the differences between the types of weather related warning, watch or advisory bulletins. The Winter Storm Preparedness Seminar provides the opportunity for the National Weather Service to present its seasonal forecast and allows response agencies and others the opportunity to coordinate relevant response plans and identify potential threats requiring additional attention. Learn how to find out about a potential change in weather so you can make an informed decision about altering work-related plans and other activities.



FAX: Novato Advance 897-0940
FAX: Marin IJ - 883-5458
Novato Patch

November 2, 2012

Contact: Carmela Chandrasekera at 415-897-4133 ext. 8670

PRESS RELEASE

North Marin Water District

NMWD Employees Donate \$530 to Water for People

North Marin Water District employees raised \$530 for Water for People at what has become an annual potluck lunch fundraiser for the international organization whose goal is to bring locally sustainable safe-drinking water and sanitation facilities to all people in developing countries. NMWD Associate Engineer, Carmela Chandrasekera, a native of Sri Lanka, who knows firsthand the importance of safe-drinking water in her homeland, organized the event. Since 2008, NMWD employees have donated over \$2,600 to Water for People raised during the potluck lunches. For more information about Water for People, visit their website at www.waterforpeople.org.

Marin IS

11/2/12

THE COUNTY

MMWD seeks applicants for seat

The Marin Municipal Water District is seeking applicants for its Division 3 seat.

Candidates must live within the division, which includes the San Geronimo Valley, Canon Village, Village West, Fairfax, Hawthorne Hills, San Anselmo, Ross, portions of Larkspur, Greenbrae and Kentfield north of Corte Madera Creek, and watershed land north of Fairfax-Bolinas Road.

Applications are available online at marinwater.org and at the district office at 220 Nellen Ave., Corte Madera and must be received by 4:30 p.m. Nov. 13. Candidate interviews with current board members are scheduled for December with an appointment that same month. The appointment will be effective until Dec. 31, 2014.

David Behar, 53, of San Anselmo, will resign effective Nov. 10. Behar is moving to Corte Madera, where both his children are attending school, and will no longer live within the boundaries of MMWD Division 3, which he represents.

Board
misc

Mill Valley man tapped for state regional water board

Posted:

marinij.com

Gov. Jerry Brown has appointed a Mill Valley man to the San Francisco Regional Water Quality Control Board.

William Kissinger, 51, will join the five-member board that reviews water quality issues in the Bay Area.

He has been a partner at the Bingham McCutchen law firm in San Francisco since 2003 and was an associate and then a partner at the legacy McCutchen Doyle Brown and Enersen firm from 1989 to 1997. He was senior deputy legal affairs secretary for Gov. Gray Davis from 2001 to 2003.

Kissinger served as senior adviser for international economic policy for the National Economic Council at the White House from 2000 to 2001 and was special assistant to the legal adviser in the State Department from 1997 to 2000.

Kissinger received his law degree from the University of California at Berkeley School of Law.

Novato Sanitary District reaches \$344,000 settlement over spills

Posted:

marinij.com

The Novato Sanitary District has reached a \$344,000 settlement with regulators over 30 sewage spills and overflows totaling more than 500,000 gallons that occurred from 2007 to 2010, officials announced Wednesday.

The settlement was reached with the San Francisco Regional Water Quality Control Board on all outstanding sanitary sewer regulatory issues during that time span, the district said. It also settles allegations that led to a U.S. Environmental Protection Agency raid of the district's office and a 15-month federal investigation.

The spills and overflows occurred before the district's new plant was opened in 2010, said Beverly James, the district's manager-engineer. Many of the problems can be attributed to aging equipment, she said.

"We've done a lot since the events that led to this. We have a brand new treatment plant, we have improved the capacity of the sewer pipeline system and repaired pipes, and we're going to keep working at it," James said.

The district is rebuilding the more than 200 miles of sewage collection pipes in its 1960s-era sewer system as part of a \$200 million, 15-year program expected to be finished by 2015.

The settlement mostly covers a group of spills from 2007 to 2010 previously addressed in a September 2010 complaint by the water quality board. It also addresses allegations by the EPA that led to the raid of the district office and a 15-month Department of Justice investigation. That investigation ended without criminal penalties being sought for alleged 2007 spills, James said.

Contact Janis Mara via email at jmara@marinij.com. Follow her at [Twitter.com/jmara](https://twitter.com/jmara).

Novato Creek work to be funded by EPA fund

Marin Independent Journal Marin Independent Journal

Posted:

marinij.com

A Novato Creek wetlands project will benefit from a U.S. Environmental Protection Agency award of \$6.5 million to state and local agencies and nonprofit organizations to restore water quality and wetlands throughout the San Francisco Bay watershed.

Of the money, \$1.6 million will go toward restoring wetlands at Bay Area creek mouths, including at the lower end of Novato Creek. The work will redesign flood control channels to restore wetlands habitat, water quality and the shoreline.

The projects are funded under the EPA's San Francisco Bay Water Quality Improvement Fund.

, which has financed \$28 million in 48 projects across the bay region since 2008. Since the fund's inception, EPA's investments have been matched with another \$100 million from 69 partner agencies and organizations.

Novato bike park fund grows

Posted:

marinij.com

More than \$33,000 has been raised in the campaign to finance a bicycle park at Novato's Stafford Lake and officials hope to reel in another \$50,000 from a corporate donor.

Stephen Petterle, the county's principal park planner, said the bike park fund is growing and could more than double if a donation from "a patron in the bicycle industry" comes through. He declined to elaborate because details are under discussion.

The \$33,000 raised so far is on target to match a \$50,000 challenge grant promised by county supervisors.

In addition, the county has applied for a \$275,000 land and water conservation grant under a federal program administered by the state parks department. The program finances programs that develop parks and recreation facilities and has helped finance improvements at both McInnis and McNear's Beach parks.

"Marin County Parks has been pursuing a series of grant and donation opportunities to fund Stafford Lake Bike Park," Petterle noted. "In addition to collecting more than \$33,000 from potential bike park users ... the department has submitted letters of interest to a variety of foundations, including the Foundation for Youth Investment, Bechtel, and Clif."

Petterle said that while progress is slow, fundraising is moving forward. "I'm confident that we will have enough money from grants and donations to begin bike park construction," he added, noting construction drawings are underway. County supervisors have provided \$182,000 for design development and construction drawing work by consultants Hilride Progression Development Group.

The master plan calls for a sophisticated network of trails, configurations, challenges, riding zones and stations that can accommodate cyclists of all skill levels.

The facility would be created on a 17-acre northwestern segment of 139-acre Stafford Lake Park. It would include a kids' learn-to-ride area; "pump" tracks for beginning, intermediate and expert riders; table-top jumps and hip jumps; elevated ladder bridges; a dual slalom track; skill stations and practice areas; a perimeter trail and shaded viewing areas.

A learn-to-ride area would be near the entrance to the park, along with nearby beginner and intermediate zones. An advanced zone would provide riders with "the most technically demanding riding features and would include an advanced pump track with pumps, rollers and berm turns; advanced dirt jumps and include wood ramp takeoffs with dirt landings linked to curved wall rides," according to the plan.

Those interested in becoming a donor may call Petterle at 473-6394.

Contact Nels Johnson via email at ij.civiccenter@gmail.com. Follow him at twitter.com/nelsjohnsonnews

BOD MISC

pressdemocrat.com

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers [here](#) or use the "Reprints" tool that appears above any article. [Order a reprint of this article now.](#)

Dry Creek 'fishway' project aims to restore salmon habitat

By CLARK MASON
THE PRESS DEMOCRAT

Published: Friday, October 19, 2012 at 5:14 p.m.

An ambitious effort to save fish in the Russian River watershed took another step forward this week with ground-breaking of a habitat restoration project along Dry Creek.

The work just below Warm Springs Dam on the Russian River tributary is intended to provide refuge for endangered Coho salmon and threatened Steelhead, native fish that require pockets of slow-moving water to survive.

"We hope to keep the species from extinction," said Michael Dillabough, U.S. Army Corps acting park manager at Lake Sonoma.

Army Corps Lt. Colonel John Baker described the \$1.8 million project along 1,600 feet of Dry Creek as a milestone in the ongoing collaborative effort to restore the fish population.

He said it will be a pilot for the eventual habitat enhancement of six miles of Dry Creek, a project that is estimated to cost from \$36 million to \$48 million by the time it is completed in 2020.

"It should get us well on the way to recovering this species," said Dick Butler, a supervisor in the National Marine Fisheries Service.

The environmental work is intended to offset the loss of fish habitat created by the construction of Warm Springs Dam three decades ago. The dam helps with flood control and also provides the bulk of water for 600,000 Sonoma County Water Agency customers in Sonoma and parts of Marin counties.

A significant portion of the habitat restoration funding will come from an ongoing tax assessment levied on property owners in Sonoma County that paid for the dam.

Representatives from federal, state, county and Dry Creek Rancheria tribal officials gathered Wednesday to laud the environmental work.

The Army Corps portion involves building a secondary side channel for fish spawning and rearing to mitigate the wide range of flow releases from the dam.


More than 70 logs, 250 large boulders and 320 cubic yards of spawning gravel and cobble will be installed in the side channel to help create the desirable fish refuge.

A similar amount of spawning gravel will be strategically placed in the main Dry Creek channel.


Coho and steelhead thrive in cooler, slow moving water where they can spend a year or two before migrating to the ocean. The project helps create shade, as well as places for fish to hide from birds of prey.

"Dry Creek is ground zero for species recovery within the Russian River watershed," said county Supervisor Mike McGuire, who was also present at the ground-breaking ceremony.

Come Enjoy
the Taste of Success



**9 Great
Wineries
in One
Great Place**



**Saturday, Oct. 27
11am-4pm**
\$10 for logo glass & tasting
43 Harvest Fair Medals!

Bluensee Vines	Sapphire Hill Winery
Harl's Desire Vines	Shippay Vineyards
J. Keverson Winery	Skewis Vines
Kelley & Yocum	Willowbrook Cellars
Pezzi King Vineyards	

MORE INFO >

Copyright © 2012 PressDemocrat.com — All rights reserved. Restricted use only.

He said the work will also involve bank stabilization and the removal of invasive species, replacing them with native plants.

The environmental restoration is within Dry Creek Pomo ancestral lands, and close to a cultural and ceremonial center the tribe is planning near the base of the dam.

It is also the site of the some of the sedge used in native basket-making. Officials are working in tandem with the tribe to preserve the unique vegetation.

“What’s accomplished here today, you can’t put a price tag on. The loss of a species is a tragedy,” said Gus Pina, Dry Creek tribal administrator. “The fact this community has learned the value of a species of fish speaks volumes.”

Biologists say there are thousands of threatened Chinook salmon and even tens of thousands of Steelhead in a good year in the Russian River watershed. But only about 380 adult Cohos returned last year.

The habitat enhancement resulted from a 2008 requirement by the National Marine Fisheries Service, which also mandated reduced flows in the Russian River in the summertime and enhancement of the Jenner estuary.

The in-stream improvements are seen as a way to help the fish without having to reduce the flow of Dry Creek, or as a last resort build an additional pipeline to Lake Sonoma that could cost \$141 million.

Meanwhile, several miles downstream from the dam, the Sonoma County Water Agency is putting finishing touches on a similar restoration project it launched last month.

It includes a fish-friendly passage constructed under a West Dry Creek Road bridge, near Quivira Winery.

Instead of having to negotiate a cement slab with shallow water during low flows, fish will have a series of pools and weirs with deeper water, said David Manning, a Water Agency environmental specialist.

So far, the results have been encouraging. Last month after placing rocks and logs in a side stream area, biologists discovered a wild young Coho salmon taking refuge among a newly placed “root wad.”

“It was very exciting,” said Manning.

He said there are small numbers of Coho along the 14-mile length of Dry Creek.

“It gives us hope as we create habitat those numbers will increase,” he said.

Novato
Advance

10/24/12

Slippery into train, rider hurt

25 YEARS AGO
OCTOBER 1987

Several generations of Novatans gathered in the warm morning sun for the dedication of Stafford Grove Park. More than 120 people gathered at the tiny park at Seventh Street and Marion Avenue to pay tribute to the late Dr. Charles Dougherty Stafford. Novato Park and Recreation director Larry Ditto, city engineer Tom Nolan, and City employee Bob Weil designed the "turn of the century park" which offers a gazebo, benches and playground equipment. Marie Stafford, the widow of Stafford, shared her memories of old-time Novato with her husband.

Stafford lived in Novato for 19 years. He was a well-known Novato veterinarian. He was very active in the Novato community. He helped organize the Novato Rotary Club. He also was a member of the Novato Lions Club, Druids and Novato Horsemen's Club. He served as a fire commissioner from 1952-1955. He was chairman of the North Marin Water District board of directors at the time of his death in 1955. Stafford Lake was named for him by the North Marin Water District.

50 YEARS AGO
OCTOBER 1962

When wreckers just recently tore down the old Food Fair building on Front Street, it gave many Novato citizens a little chill to think of how fast things change nowadays. When the Food Fair building was first built in 1952, it was the first tilt-up building in Novato and made with walls of solid concrete. It was easily the most solid modern building in town. For instance, when the Food Fair building first went in, it was the first building with a real parking lot in Novato.

My, how Novato has grown. The town grew so fast after the Food Fair building was built that it took several years for commercial development to catch up. It was during this period that cars used to wait out in the street in order to get parking space that would be empty.

any reduction on the San Francisco-Oakland Bay Bridge soon after the big span was opened to traffic, charged that "extortionate tolls" on the Carquinez Bridge are contrary to public interest and welfare and have retarded development in Northern California counties.

Both d his other itate's came native years b as a by his lveria; . Dolo- : sons, sh and atfield, Bridge v. Mer- erators lge are sonable ructure, proceed : a State arrier of now ex- overnor, gh a toll

David Behar resigns from MMWD board

Posted:

marinij.com

The Ross Valley representative on the Marin Municipal Water District Board of Directors has announced he is resigning after six years on the panel.

David Behar, 53, of San Anselmo, will resign effective Nov. 10. Behar is moving to Corte Madera, where both his children are attending school, and will no longer live within the boundaries of MMWD Division 3, which he represents.

"It's very hard to leave," Behar said. "I feel like I have added value in the area of finances and there is more to do. I still hope to contribute as a member of the community."

Behar was first elected to the board in November 2006. He was re-elected in November 2010 and his term runs through December 2014.

Behar served as chairman of the district's Communications Committee, the Lagunitas Creek Technical Advisory Committee and the Pine Mountain Tunnel Citizens Advisory Committee. In 2008 and again over the past two years, he served as chairman of the Finance Committee.

Division 3 encompasses the San Geronimo Valley, Canon Village, Village West, Fairfax, Hawthorne Hills, San Anselmo, Ross, portions of Larkspur, Greenbrae and Kentfield north of Corte Madera Creek, and watershed land north of Fairfax-Bolinas Road.

The board has up to 60 days to appoint a new director to represent Division 3 for the remainder of Behar's current term once his resignation is official. The board plans to begin that process when it meets Nov. 7.

Contact Mark Prado via email at mprado@marinij.com

Item # 21

North Marin Water District employees raise \$530 for clean water worldwide

Posted:

marinij.com

NoVATO

North Marin Water District employees raised \$530 for Water for People at the district's annual potluck lunch fundraiser for the organization, the district said.

Water for People is an international organization with the goal of bringing locally sustainable, safe drinking water and sanitation facilities to people in developing countries.

Carmela Chandrasekera, a native of Sri Lanka and an associate engineer with the district, organized the fundraiser.

Send us your news: We want more news items from Marin's cities and towns. Email them to our City Desk at localnews@marinij.com, mail them to City Desk, Marin Independent Journal, 4000 Civic Center Drive, San Rafael, CA 94903, or fax them to 415-382-7209. For more information about towns in Marin, visit the IJ's website at marinij.com.

Item #21

Recent rains pump up Marin reservoir levels

Posted:

marinij.com

Recent rainstorms have not only been good for Marin's gardens; the county's largest water agency is reporting that reservoirs are stocked with above-average water supplies for this time of year.

The seven Marin Municipal Water District reservoirs are at 79 percent of capacity, well above the average 63 percent typical for early November, officials said.

"This is the third straight year we are entering the rainy season above average," said Libby Pischel, water district spokeswoman. "It's a combination of people conserving water, but rainfall as well."

Since July 1 the water district has measured 3.42 inches of rain at Lake Lagunitas, just below the average of 3.55 inches seen at this time of the year. The district serves 190,000 customers between Sausalito and San Rafael.

About 80 percent of its water supply comes from Mount Tamalpais reservoirs, with 20 percent piped in from the Sonoma County Water Agency.

Things are a little drier in the main reservoir in the north part of the county. Stafford Lake in Novato is about 30 percent full. Typically it is 40 percent full this time of year, said Chris DeGabriele, general manager of the North Marin Water District.

"It usually takes about 6 or 7 inches of rain before the ground becomes saturated so that we see runoff into the lake," he said.

So far the district — which serves about 50,000 people in Novato and West Marin — has recorded 2.04 inches of rain since July 1. The average is 1.41 inches for this time of year. The district gets about 20 percent of its supply from Stafford Lake, with the balance coming from the Sonoma County Water Agency.

The Sonoma County Water Agency's primary reservoirs — Lake Mendocino and Lake Sonoma — are healthy and stand at 87.7 and 84.9 percent full respectively.

Rains may come again to Marin and the region at the end of next week, according to the National Weather Service. Before that, temperatures will begin to warm over the weekend, with highs inland in the 70s, and by Monday and Election Day temperatures could get into the 80s.

"It will be much warmer than normal at the beginning of the week," said Bob Benjamin, meteorologist with the weather service. "We will see a cool-down Wednesday and a chance of rain later on and maybe carrying into the weekend."

Contact Mark Prado via email at mprado@marinij.com