



**NORTH MARIN WATER DISTRICT**  
**AGENDA - REGULAR MEETING**  
 December 3, 2013 – 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.	<b>CALL TO ORDER</b>	
	1.	<b>REORGANIZATION OF BOARD:</b> <ol style="list-style-type: none"> <li>1. Election of President</li> <li>2. Election of Vice President</li> <li>3. Establishment of Meeting Times and Place</li> <li>4. Establishes the Manner of Calling Special Meetings</li> <li>5. Appointment of District Officers</li> <li>6. Confirm Board Meeting Schedule for 2014</li> <li>7. Committee Appointments</li> </ol>
	2.	<b>APPROVE MINUTES FROM REGULAR MEETING</b> , November 19, 2013
	3.	<b>GENERAL MANAGER'S REPORT</b>
	4.	<b>OPEN TIME: (Please observe a three-minute time limit)</b>  This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	5.	<b>STAFF/DIRECTORS REPORTS</b>
	<b>CONSENT CALENDAR</b>  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.	<b>Consent – Approve:</b> Final Annual Report Fiscal Year 2012-2013
8:00 p.m.	<b>ACTION CALENDAR</b>	
	7.	<b>Approve:</b> Dutra Water Service Agreement
	8.	<b>Approve:</b> Approve Aqueduct Energy Efficiency Project Reach A-D/MSN B3 Bid Advertisement – 1. Pipeline Contract and 2. Advance Tree Removal Contract
	9.	<b>Approve:</b> Consider Reduction in Facilities Reserve Charge for New Accessory Dwelling Units
	10.	<b>Approve:</b> Acquisition of Gustafson Court 1st Deed of Trust

All times are approximate and for reference only.

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

(Continued)

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>	
	11.	<b>Approve:</b> Resolution of Appreciation for Doug Moore	Resolution
		<b>INFORMATION ITEMS</b>	
	12.	TAC Meeting – December 2, 2013	
	13.	NBWA Meeting – December 6, 2013	
	14.	NBWRA BOD Meeting – November 18, 2013	
	15.	<b>MISCELLANEOUS</b>	
		Disbursements	
		Formal Announcement of Retirement	
		Letter from City of Cotati re: fluoridation	
		<u>News Articles:</u>	
		Distrust brewing over tribe's land	
		George Quesada Jr.	
		JM Eagle Loses Whistleblower Case Over PVC Pipe, Vows Appeal	
9:00 p.m.	16.	<b>ADJOURNMENT</b>	

1

**MEMORANDUM**

To: Board of Directors  
From: Katie Young, District Secretary *KY*  
Subj: Reorganization of Board of Directors in an Election Year  
t:\bod\annual reorg\reorganization election 2013.doc

November 27, 2013

Following is an outline of procedures that may be followed at the December 3, 2013 meeting to meet the requirements of the County Water District Law and the California Election Code concerning organization of the Board of Directors after the election of Directors.

The current President calls the meeting to order. He may conduct the nominations or may instruct the Secretary to assume the Chair.

The Secretary states that the Oaths of Office have been administered to Directors Fraites and Schoonover and will be filed with the Marin County Clerk in accordance with Section 30510 of the Water Code and Section 23556 of the Elections Code.

1. Election of President. Nominations are received for the office of President of the Board. Directors vote on nominated candidates for President.
2. Election of Vice President. The elected President assumes the Chair and presides over the election of Vice President. Nominations are received for the office of Vice President of the Board. Directors vote on the nominated candidates for Vice President.
3. Establishment of Meeting Times and Place. By motion, the Board establishes the time and place of holding its regular meetings: first and third Tuesdays of each month at 7:30 p.m. at District office, with one meeting to be held in West Marin at a place to be determined.
4. Establishing the Manner of Calling Special Meetings. By motion, the Board establishes the manner of calling special meetings (under provisions of Section 54956 of the Government Code).
5. Appointment of District Officers. By motion, the Board appoints a General Manager, Secretary, Auditor, and Chief Engineer and any other officers necessary and convenient to the District.
6. Confirmation of Board Meeting Schedule for 2014. By motion, the Board accepts the proposed meeting dates for the upcoming calendar year with the understanding that the calendar may be adjusted as needed.
7. Committee Appointments. Board review committee appointments recommended by the President.

NMWD BOARD OF DIRECTORS  
OFFICER ROTATION

<b>Year</b>	<b>President</b>	<b>Vice President</b>
2014	Dennis Rodoni	Jack Baker
2015	Jack Baker	John Schoonover
2016	John Schoonover	Steve Petterle
2017	Steve Petterle	Rick Fraites
2018	Rick Fraites	Dennis Rodoni

**2014 SCHEDULE**  
**NORTH MARIN WATER DISTRICT**  
**BOARD OF DIRECTORS MEETINGS**

MONTH	DATE	TIME
January	7	7:30 p.m.
	14 (Special Meeting)	6:00 p.m.
	21	7:30 p.m.
February	4	7:30 p.m.
	18	7:30 p.m.
March	4	7:30 p.m.
	18	7:30 p.m.
April	1	7:30 p.m.
	15	7:30 p.m.
May	6	7:30 p.m.
	20	7:30 p.m.
June	3	7:30 p.m.
	17	7:30 p.m.
	24 (Point Reyes)	7:30 p.m.
July	15	7:30 p.m.
August	5	7:30 p.m.
	19	7:30 p.m.
September	2	7:30 p.m.
	16	7:30 p.m.
October	7	7:30 p.m.
	21	7:30 p.m.
November	4	7:30 p.m.
	18	7:30 p.m.
December	2	7:30 p.m.
	16	7:30 p.m.

All Board meetings are typically held the first and third Tuesday of the month at the District's headquarters, 999 Rush Creek Place, Novato, except one meeting to be scheduled in West Marin (and any others on an 'as-needed' basis).

If you would like information regarding agenda items, please contact District Secretary Katie Young at (415) 897-4133.

**NORTH MARIN WATER DISTRICT  
BOARD OF DIRECTORS  
COMMITTEES/ASSOCIATION ASSIGNMENTS  
2014**

**Committee**

**NMWD Representative/Alternate**

**North Bay Watershed Association**

1 meeting per month – Friday  
9:30 a.m. – 11:30 a.m.  
Petaluma / Novato

**Rick Frites /Jack Baker**

**Public Policy Facilitating Committee**

(Russian River Biological Assessment/Opinion)

1 meeting per quarter – Friday  
9:00 a.m. – Noon  
Santa Rosa/Ukiah

**Steve Petterle/Dennis Rodoni**

**Water Advisory Committee**

1 meeting per quarter – Monday  
9:00 a.m. – Noon  
Santa Rosa

**Dennis Rodoni/Jack Baker**

**Novato Watershed Program Policy  
Advisory Committee**

To be determined

**Jack Baker/Rick Frites**

**North Bay Water Reuse Authority**

1 meeting per quarter – Monday  
9:30 a.m.  
Novato Sanitary District

**John Schoonover/Jack Baker**

Monday, 1/27  
Monday, 3/17  
Monday, 5/19  
TBD

**Recycled Water Subcommittee**

As needed

**John Schoonover/Jack Baker**

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1 **OPEN TIME**

2 President Fraites asked if anyone in the audience wished to bring up an item not on the  
3 agenda and there was no response.

4 **STAFF / DIRECTORS' REPORTS**

5 President Fraites asked if staff or Directors wished to bring up an item not on the agenda  
6 and the following item was discussed:

7 Drew McIntyre advised the Board that staff will be coming back to the Board at the next  
8 Board meeting to get approval for bid advertisements for the Aqueduct Energy Efficiency/MSN B3  
9 Project.

10 **MONTHLY PROGRESS REPORT**

11 Mr. DeGabriele provided the Board with the October Monthly Progress Report. He stated  
12 that water production was down 2% for last year in both Novato and West Marin, although Recycled  
13 Water was up 187% from a year ago. He stated that Stafford Treatment Plant continues to operate  
14 and water production is up 9% from a year ago. Mr. DeGabriele advised the Board that in Oceana  
15 Marin the ponds are really low and in good shape. He noted that staff has worked over 143 days  
16 without lost time or an accident. Mr. DeGabriele advised the Board that a meter reader had a wrist  
17 injury and had surgery to repair it and has returned back to work. Mr. DeGabriele stated that the  
18 construction staff replaced 14 service lines in October. He informed the Board that the Summary of  
19 Complaints and Service Orders were down for the month and year to date.

20 David Bentley provided the Board with the Monthly Report of Investments stating that the  
21 District ended the month with \$16.7M in the bank. He noted that of the \$16.7M, \$6.3M was from the  
22 Bank of Marin loan. Mr. Bentley informed the Board that the District is still owed \$800K in grant and  
23 loan money for the Recycled Water Expansion project and Marin Municipal owes the District \$250K  
24 for the wheeling charge. Mr. Bentley stated that the portfolio earnings was averaging 0.34%.

25 **CONSENT CALENDAR**

26 On the motion of Director Schoonover, seconded by Director Rodoni and unanimously  
27 carried, the following items were approved on the consent calendar:

28 **CONSULTING SERVICES AGREEMENT WITH RENEE ROBERTS**

29 The Board authorized the General Manager to enter into a consulting services agreement  
30 with Renee Roberts to provide District/Administrative secretarial services to assist Katie Young as  
31 District Secretary since there is limited internal backup to perform District Secretary duties. It is  
32 anticipated that any service required from Mrs. Roberts would end by December 31, 2014.

1 **REVISIONS TO POLICY #9 – PURCHASING POLICY AND #12 – ATTORNEY'S ATTENDANCE**

2 The Board was provided District policy numbers 9 and 12 to review and revise at the prior  
3 Board meeting on November 5, 2013.

4 The Board adopted the following revised District policies, Policy Number 9 – Purchasing  
5 Policy, and Policy Number 12 – Attorney Attendance.

6 **ACTION CALENDAR**

7 **QUITCLAIM OBSOLETE MMWD DEED 698 FOR NUSD (APN 157-180-23)**

8 Drew McIntyre informed the Board that the District acquired a portion of Marin Municipal  
9 Water District pipelines and easements as part of the Hamilton Boundary Reorganization. He stated  
10 that as a result of the Hamilton Elementary school's new pipeline easements two quitclaim deeds  
11 are needed for the old 1,100 feet of 18-diameter main that runs parallel to Nave Drive.

12 Mr. McIntyre requested that the Board approve the quitclaim deed and authorize the General  
13 Manager to execute said quitclaim for an obsolete pipeline easement for APN 157-180-23.

14 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried,  
15 the Board approved the quitclaim deed and authorized the General Manager to execute said  
16 quitclaim for an obsolete pipeline easement for APN 157-180-23 and approved resolution 13-14  
17 "Authorization of Execution of Quitclaim Deed to Novato Unified School District."

18 **QUITCLAIM OBSOLETE MMWD DEED 729 FOR NUSD (APN 155-020-16)**

19 Drew McIntyre informed the Board that the District acquired a portion of Marin Municipal  
20 Water District pipelines and easements as part of the Hamilton Boundary Reorganization. He stated  
21 that as a result of the Hamilton Elementary school's new pipeline easements two quitclaim deeds  
22 are needed for 400 feet of old 18-inch diameter main that runs parallel to Nave Drive.

23 Mr. McIntyre requested that the Board approve the quitclaim deed and authorize the General  
24 Manager to execute said quitclaim for an obsolete pipeline easement for APN 155-020-16.

25 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried,  
26 the Board approved the quitclaim deed and authorized the General Manager to execute said  
27 quitclaim for an obsolete pipeline easement for APN 155-020-16 and approved resolution 13-15  
28 "Authorization of Execution of Quitclaim Deed to Novato Unified School District."

1 **INFORMATION ITEMS**  
2 **FIRST QUARTER FY 13/14 – WATER QUALITY REPORT W/ BACTERIOLOGICAL**  
3 **MONITORING REPORT**

4 Pablo Ramudo provided the Board with the first quarter FY 13/14 Water Quality Report. He  
5 stated that water served to Novato and Point Reyes met federal and state primary and secondary  
6 water quality standards during the first quarter. He stated that there were three distinct Stafford Lake  
7 algae blooms and diversity of algae species were high. He noted that this caused a lot of taste and  
8 odor issues. Mr. Ramudo informed the Board that the flow was slowed through the Stafford  
9 Treatment Plant in order to maximize the contact time in the granular activated carbon filters in an  
10 attempt to remove all of the taste and odor but this effort was unsuccessful and the plant was shut  
11 down and did not produce any water between August 26<sup>th</sup> and September 5<sup>th</sup>. He noted that the  
12 taste and odor came under control once the granular activated carbon was fully replaced in mid-  
13 September.

14 Mr. Ramudo informed the Board that the District received over 30 complaints from  
15 customers. Director Petterle asked beside rates, if taste and odor was the number one complaint.  
16 Mr. Ramudo responded yes.

17 President Fraites asked why the bloom is much higher this year. Mr. Ramudo stated that only  
18 the change from prior years was activation of the aeration system at the bottom of the lake and the  
19 system is very effective in stirring up the water from the bottom which could be helping the algae  
20 bloom.

21 Mr. DeGabriele stated that it was an extremely dry spring and in his conversations with Marin  
22 Municipal there have been similar issues with algae in Kent Lake as well.

23 Mr. Ramudo assured the Board that District staff is embarking on a study to determine  
24 additional physical and operational measure that can be taken to address the Stafford Treatment  
25 Plant taste and odor problems.

26 Mr. Ramudo advised the Board that out of 251 samples collected for compliance with the  
27 Total Coliform Rule there were no positive samples and the disinfection byproducts were moderate  
28 for the quarter. He stated that the water in Pt. Reyes was good although there were two separate  
29 salinity intrusion events corresponding to high tides in Tomales bay. Mr. Ramudo informed the  
30 Board that the disinfection byproducts were high in this quarter but were in compliance with the  
31 Stage 2 Disinfection By-Product Rule wherein the District must run annual averages for each  
32 sample location and the disinfection by-product level was below the maximum containment level.

1 He informed the Board that the Deer Island plant produced water from August 9<sup>th</sup> through August  
2 14<sup>th</sup> and there were coliform bacteria present in one sample but the plant remained in compliance  
3 with the standards.

4 Mr. Ramudo informed the Board that he would keep them updated on the status of the  
5 monitoring and the taste and odor issues.

6 **QUARTERLY PROGRESS REPORT – OPERATIONS/MAINTENANCE**

7 Robert Clark provided the Board with the quarterly progress report for the  
8 Operations/Maintenance Department. He informed the Board of the threatening phone call from a  
9 customer which required the District to call the Novato Police Department. He stated that all staff  
10 participates in safety training throughout the year and the District participated in the “Great Shake  
11 Out” in October. He stated that all staff dropped to protect themselves and took note of what items  
12 may need to be secured during an earthquake. Mr. Clark stated that staff evacuated the building and  
13 then discussed strategies in order to prepare for an actual earthquake event.

14 Director Petterle asked Mr. Clark to elaborate more on the threat.

15 Mr. Clark stated that in early August a disgruntled customer called the front office on shut-off  
16 day and was yelling at the customer service employees, making a threat that he was going to come  
17 to the District and shoot all of the employees. Mr. Clark stated that staff tried to calm the customer  
18 down and couldn't so they locked the front door and called 911 to get the police involved. Mr. Clark  
19 informed the Board that the Novato Police Department went to the customer's house with a field  
20 representative to turn the water back on. He informed the Board that in September the Novato  
21 Police came to the District and gave a presentation on active shooter training to all employees.

22 Director Petterle commended staff on a job well done and suggested that he and other  
23 Board members be informed when such a threat occurs.

24 Mr. Clark informed the Board that Alicia Manzoni (Consumer Service Supervisor) and Jenny  
25 Pecunia (Account Credit Clerk II) received a safety bravo for their actions taken during the threat.

26 Mr. Clark advised the Board that maintenance staff stayed on schedule with routine  
27 maintenance tasks, completed 17 unplanned work orders, mostly related to the Aqueduct Energy  
28 Efficiency Project damaging telemetry lines. He noted that staff started up 26 new recycled water  
29 customers, performing cross connection test, customer training and monthly reporting tracking.

30 Mr. Clark stated that staff worked with the Grossi Dairy on a waste management plan to help  
31 reduce the amount of nutrients being spread on the Stafford Lake Watershed in close proximity to  
32 the Lake.

1 President Fraites asked if the Mr. Clark new the percentage of reduction in nutrients. Mr.  
2 Clark stated that last year Grossi reduced application by 50% and this year he was able to further  
3 reduce application in close proximity to the Lake and District cost to assist this efforts were reduced  
4 from \$16K last year to \$12K this year.

5 **REVIEW OF DRAFT REVISION FOR REGULATION 6**

6 Robert Clark provided the Board with a draft revision for Regulation 6 – Cross Connection  
7 and Backflow Protection for Potable Water Service. He stated that the proposed updates reference  
8 Title 17 for the California Department of Public Health Code of Regulations and are intended to  
9 strengthen the District's regulation and better convey requirement to District customers who may  
10 require backflow protection. He informed the Board that staff has created a manual to help  
11 standarize the repairs and replacements of backflow devices.

12 Director Rodoni stated that the District needs to find a better way to take care of the backflow  
13 devices. Mr. Clark informed the Board that every backflow is tested by the District. He noted that  
14 single family homes with backflow devices are district owned and repaired by the District and  
15 commercial backflow devices are owned by the customer and repaired by certified contractors. Mr.  
16 Clark informed the Board that staff is going to hold a class for all of the contractors that repair  
17 backflows in Novato to go over the District's new manual along with the standards and specifications  
18 for repairing backflows.

19 Director Rodoni asked how many backflows there were. Mr. Clark said about 3,500 in  
20 Novato and 80 in West Marin.

21 Director Baker asked if the owner is inclined to fix the backflow device themselves. Mr. Clark  
22 responded that according to Title 17, the repair has to be done by a certified person.

23 **COMPARISON OF WATER ACTION PLANS FOR CALIFORNIA**

24 Mr. DeGabriele shared information with the Board comparing three different Water Action  
25 Plans for California, being prepared by (1) Department of Water Resources (DWR), (2) Association  
26 of California Water Agencies and (3) a Multi-Agency working group comprised of the California  
27 Natural Resources Agency, Cal EPA, and California Department of Food and Agriculture. He  
28 compared all three plans and stated that the DWR plan has a long history and is more in-depth and  
29 addresses current conditions and plans for twelve California hydrologic regions. He noted that the  
30 District is addressed in the North Coast hydrologic region report in the DWR plan.

31 Mr. DeGabriele informed the Board that ACWA is likely to ask for a Resolution from the  
32 District in support of the action plan and that the Board will have to decide whether or not to support

1 the plan. He suggested that the Board support the plan as it includes not just surface water storage  
2 in the Delta but groundwater storage as well and that is important for California water supply.

3 President Fraites asked about the pipeline under the Delta. Mr. DeGabriele said that tunnels  
4 are part of the Delta plan but have not yet been included into the Action Plans due to concern about  
5 cost and how many tunnels there may be.

6 **MISCELLANEOUS**

7 The Board received the following miscellaneous information: Disbursements, Update- Bill  
8 Payment Options, North Bay Workshop on Wheels, and SMSWP Letter from Congress.

9 The Board also received the following news articles: North Coast reservoirs in need of rain,  
10 IJ takes its show on the road, Mendocino County board says no to Pinches' latest water idea,  
11 Solution to Highway 101's biggest bottleneck at least seven years away, When water flows uphill,  
12 Nicasio Creek, and Supervisors submit LCP update.

13 Mr. DeGabriele informed the Board that Lake Mendocino has about 3400AF of water stored  
14 right now but Lake Pillsbury has dropped below 15000 AF. He noted that he has spoken with Ryan  
15 Grisso, Water Conservation Coordinator, about preparing for customer outreach in early spring of  
16 2014.

17 **ADJOURNMENT**

18 President Fraites adjourned the meeting at 8:35 p.m.

19 Submitted by

20  
21  
22  
23 Katie Young  
24 District Secretary

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**4**

**5**

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MEMORANDUM

To: Board of Directors  
From: Katie Young, District Secretary *KY*  
Subject: Final Annual Report Fiscal Year 2012-2013  
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November 27, 2013

**RECOMMENDED ACTION:** Approve Fiscal Year 2012-2013 Annual Report

**FINANCIAL IMPACT:** None

Attached is the Final Annual Report for Fiscal Year 2012-2013. There were only a few minor changes made by the Board and staff. You will receive the final hard copy at the December 17<sup>th</sup> meeting.

RECOMMENDATION

Board Approve Fiscal Year 2012-2013 Annual Report.

Approved by GM LD  
Date 11/27/2013

# Annual Report



## 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 Petaluma to Novato is completed.
- 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.
- 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 is completed 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, 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.
- 2013** Expansion of the recycled water distribution system is completed. 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.
- 2013** Construction on the Aqueduct Energy Efficiency project begins. A new 42" diameter pipeline will replace the existing 30" North Marin Aqueduct from S. Petaluma to Redwood Landfill.

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](http://www.nmwd.com) and click on Service Area.

# **NORTH MARIN WATER DISTRICT**

## **BOARD OF DIRECTORS**

Jack Baker, served since 1983  
Rick Fraites, 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  
Katie Young, District Secretary, appointed 2012  
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**

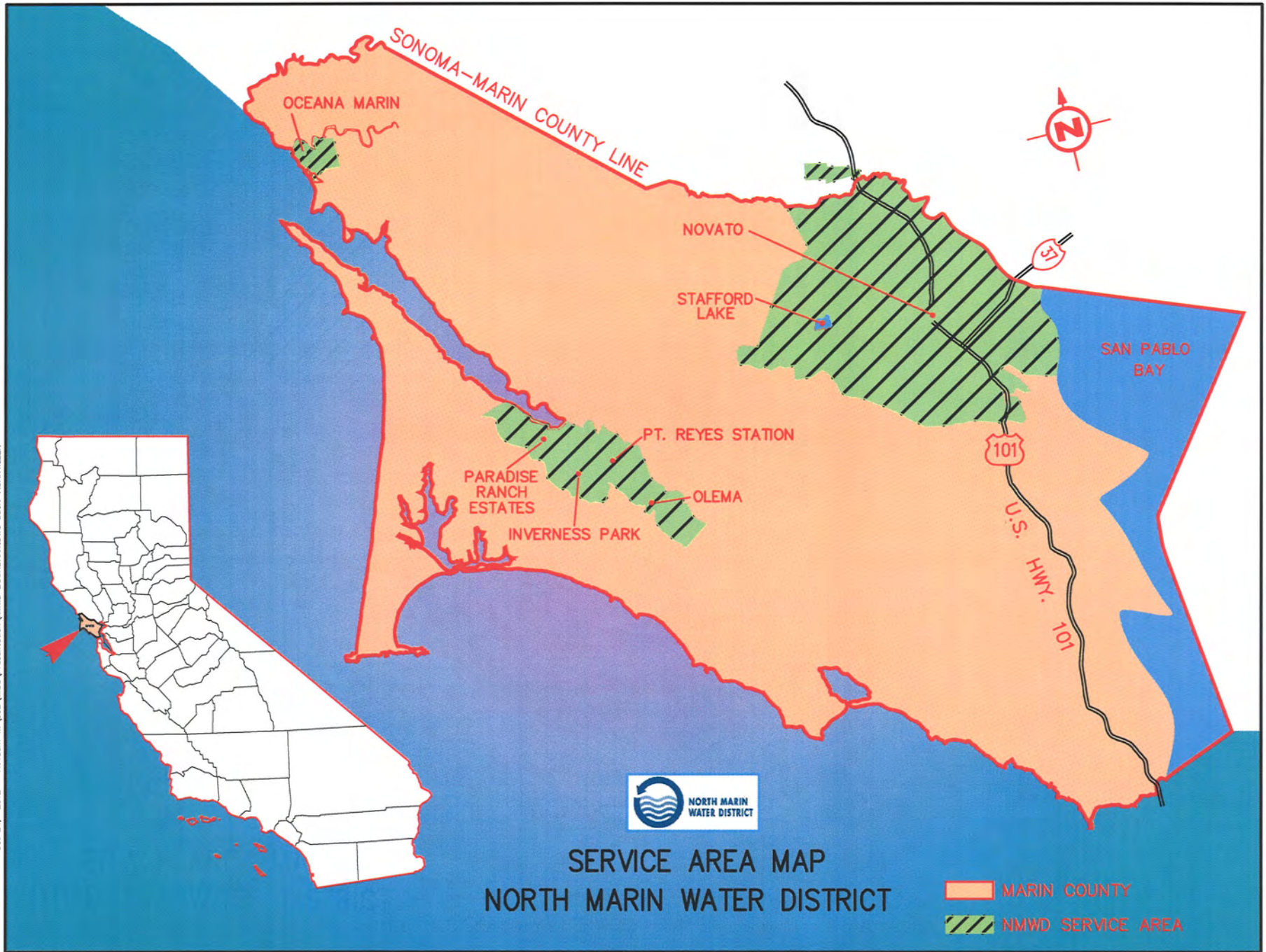
We provide an adequate supply of safe, reliable and high quality water and deliver reliable and continuous sewer service to our customers at reasonable cost consistent with good conservation practices and minimum environmental impact.

## **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](http://www.nmwd.com)

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(Front cover photo: New Banner at NMWD)



**SERVICE AREA MAP**  
**NORTH MARIN WATER DISTRICT**

- MARIN COUNTY
- NMWD 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 (FY) 2013 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 2013 totaled 19.38", well below the historical average and the second consecutive low rainfall year. Ample 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 and the Deer Island recycled water treatment facility (a joint project between North Marin and Novato Sanitary District) delivered highly-treated recycled wastewater to irrigate Stone Tree Golf Course. Additionally new recycled water treatment facilities at Las Gallinas and Novato Sanitary Districts were completed and North Marin's recycled water distribution system was expanded in north and south Novato.

SCWA has deferred its plan to construct previously contemplated necessary Russian River water production and delivery facilities (pumps and pipelines) to fulfill the new Restructured Agreement contract requirements for increased Russian River water. Competing environmental and fishery-related interests delayed the expanded Russian River water facility development. SCWA is now focused on completing the Biological Opinion for water supply in the Russian River watershed issued by the National Marine Fisheries Service laying out the requirements 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 expansion of recycled water to further stretch our local source of supply in future years.

Weather patterns in FY 2013 were dry but sufficient rain fell in early winter to fill Stafford Lake.

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. A replacement well was constructed in Pt. Reyes Station and was placed on-line in June 2013.

In June 2013, the third in a series of three annual 11% water rate increases became effective. At \$589 per year, the cost of water service for a typical Novato single family home using 107,100 gallons of water a year is below the median of urban area water purveyors (see chart page 20). Water remains a good value for Novato customers.

## **WATER SUPPLY**

### **STAFFORD LAKE – Local Source Provides 20% of North Marin’s Supply**

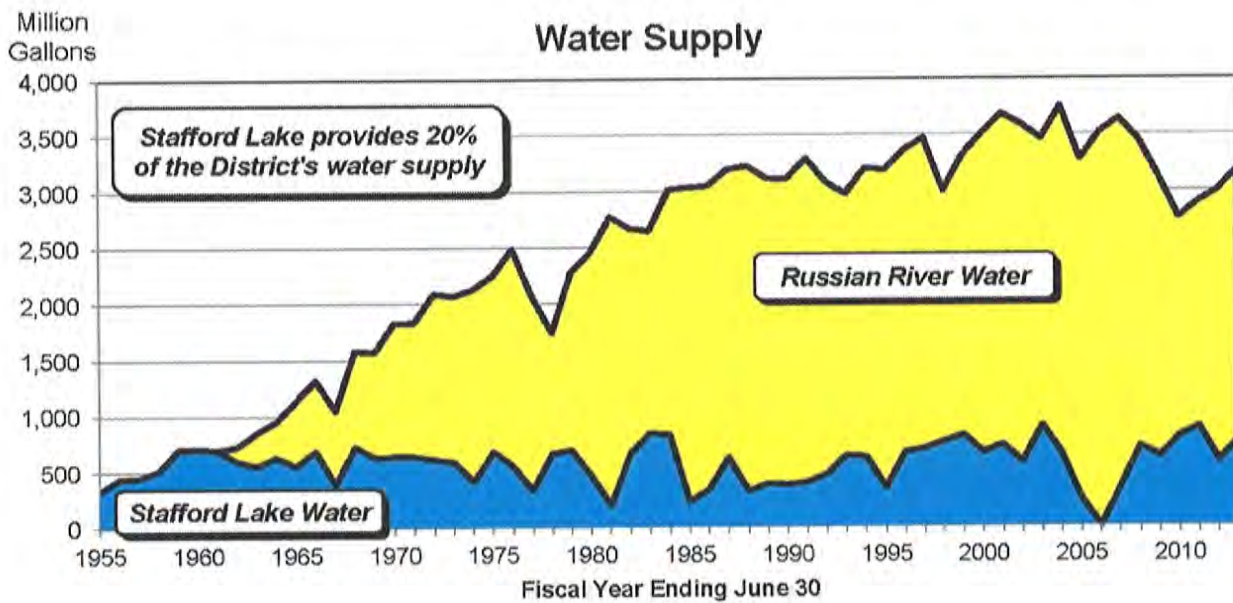
Stafford Lake lies four miles west of downtown Novato and collects the runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450 acre-feet or 1,450 million gallons (MG) of water. Water from Stafford Lake is fed into the 6 million gallons per day (MGD) treatment plant located just below the dam. In FY 2013, 2,316 acre feet (755 MG) of water was produced from the new Stafford Lake Water Treatment Plant.

### **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, which totaled 54,244 acre feet in FY 2013. 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 2013, North Marin received 7,439 AF (2,424 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 left) and billing, rendering and accounting for 149,000 bills annually. During the year, field staff responded to 1,338 customer calls for water service assistance and received a 92% positive response from customers pertaining to the service rendered.

- The Conservation Incentive Rate, 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 74% in FY 2013 compared to FY 2003. About 1% of residential customers used in excess of 1,845 GPD sometime during the fiscal year. In addition to reducing consumption, the incentive rate has generated \$665,000 in additional revenue since inception, 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 23% of residential customers use in excess of 615 GPD sometime during the year (72% 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. FY2013 water use within the CITR range declined 30% compared to FY 2005.

- In February, the District's 2013 Urban Area Water Cost Comparison (see chart on page 20) 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 was \$589/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 to closely monitor revenue and expenditures relative to the adopted budget.
- The Government Finance Officers Association (GFOA) has awarded the District a Certificate of Achievement for Excellence in Financial Reporting for our comprehensive annual financial report (CAFR) for fiscal year ended June 30, 2012. This is the fourth consecutive year the District has received this award. The GFOA states that this Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The following staff members made significant contributions to this CAFR: Chris DeGabriele, David Bentley, Dianne Landeros, Nancy Holton, and Nancy Williamson. (see picture above)

Fiscal Year 2013 financial highlights include:

- The District, on a consolidated basis, received 109% of budgeted operating revenue and expended 103% of budgeted operating expenditures, resulting in a net income of \$2,037,000. \$8.7 million (91%) of the Improvement Project Budget was expended. During the year the District received \$6.1 million in grant and loan proceeds to finance its capital improvement project program,

and ended the year with a cash balance of \$10.0 million, a decrease of \$0.5 million from the prior year.

- Novato potable water consumption increased 7% from the prior year. Stafford Treatment Plant produced 755 MG (2,316 AF), up 29% from the prior year. The net income of \$2.2 million exceeded the \$787,000 budgeted net income, and compares to a loss of \$260,000 the prior year.
- The 0.5 MGD Deer Island Recycled Water Facility combined with Novato Sanitary District and Las Gallinas Valley Sanitary District to produce 81.8MG of Recycled Water, up 46% from the prior year. Fifteen new customers were added during the year. The fiscal year net loss of \$393,000 exceeded the \$256,000 budgeted loss.
- West Marin Water consumption was up 9% from the prior year. The \$211,000 net income compares to a budgeted net income of \$123,000 and to net income of \$146,000 the prior year. West Marin Water ended the fiscal year with a cash balance of \$699,000. An 8% increase applicable to West Marin water customers was approved effective July 1, 2013.
- Oceana Marin Sewer's net income of \$28,000 compares to a budgeted income of \$36,000 and to net income of \$23,000 the prior year. Oceana Marin ended the year with a \$192,000 cash balance.

## ENGINEERING DEPARTMENT



**Aqueduct Energy Efficiency Project**

Department pursuant to North Marin regulations.

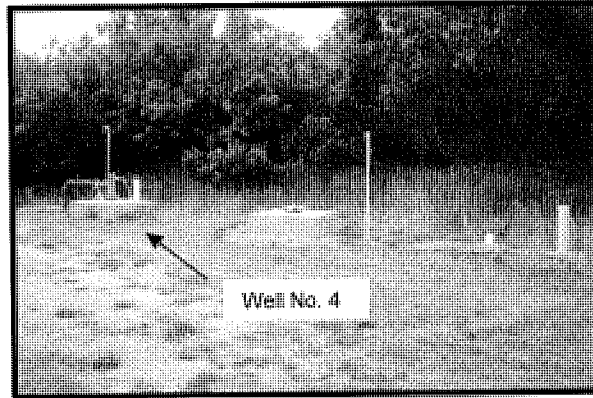
The Engineering Department consists of professional and technical staff that oversee the planning, permitting, design, construction and project management of water supply, treatment, transmission and distribution facilities necessary to serve North Marin's customers in Novato and West Marin. Engineering functions for wastewater-related facilities are also provided by the Engineering Department to support 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

In the Novato service area, the Engineering Department oversaw the majority of thirty-three projects with a combined fiscal year total expenditure of approximately \$8,100,000. Of these thirty-three projects, twenty-five were completed within the budget year. Some of the significant projects included start of the North Marin Aqueduct Upsizing as part of the Aqueduct Energy Efficiency Project, Leveroni Creek Bank Repair and completion of the Recycled Water North and South Phase 2 Expansion project



**(North and South Service Areas, above)**

In the West Marin service area, including Oceana Marin, the Engineering Department oversaw six improvement projects with combined fiscal year total expenditures of \$548,681. The most significant projects in West Marin were the Oceana Marin Cross County Sewer Line Rehabilitation and the Pt. Reyes Well No. 3 Replacement (aka Well No. 4)



**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 customers (commercial and large landscape). Each program element is analyzed to assure that it will efficiently produce long-lasting water savings mutually worthwhile to the customer and the District. The District's water use efficiency programs saved approximately 370 million gallons of water during FY 2013.

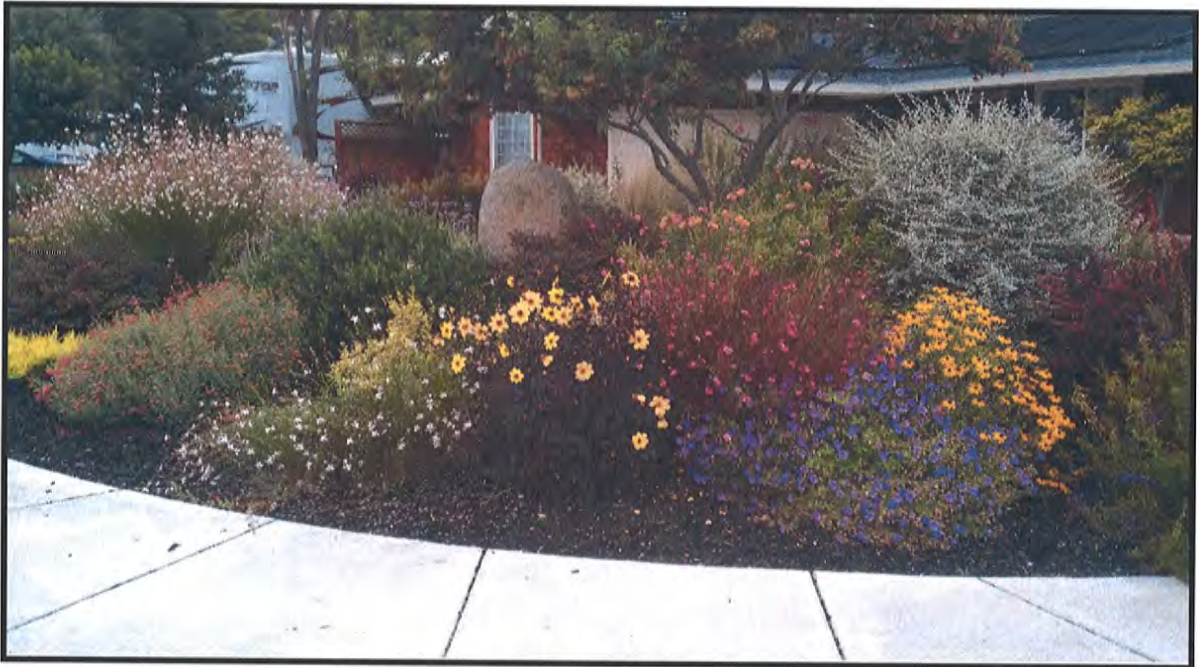


Residential activities include residential water use surveys (177 completed), high-efficiency washing machine (HEW) rebates (252 paid), high-efficiency toilet (HET) replacements (238 rebates paid), a Cash-for-Grass Program (turf removal rebate - 33 rebates paid), Conservation Incentive Tier Rates, flapper 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, HEW 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), the "WaterLine" newsletter (sent in spring and fall), bill inserts and messages, newspaper advertisements and articles, and a variety of other customer outreach events and campaigns. The District maintains an interactive website where

customers can look at everything from a graph of their water use history, to water use efficiency rebate information and can even pay their water bill. The District has also embarked into social media and maintains Facebook and YouTube pages. The outreach program is designed to increase customer participation in the various conservation programs offered by the District and to increase customer awareness and stewardship of the water resource.

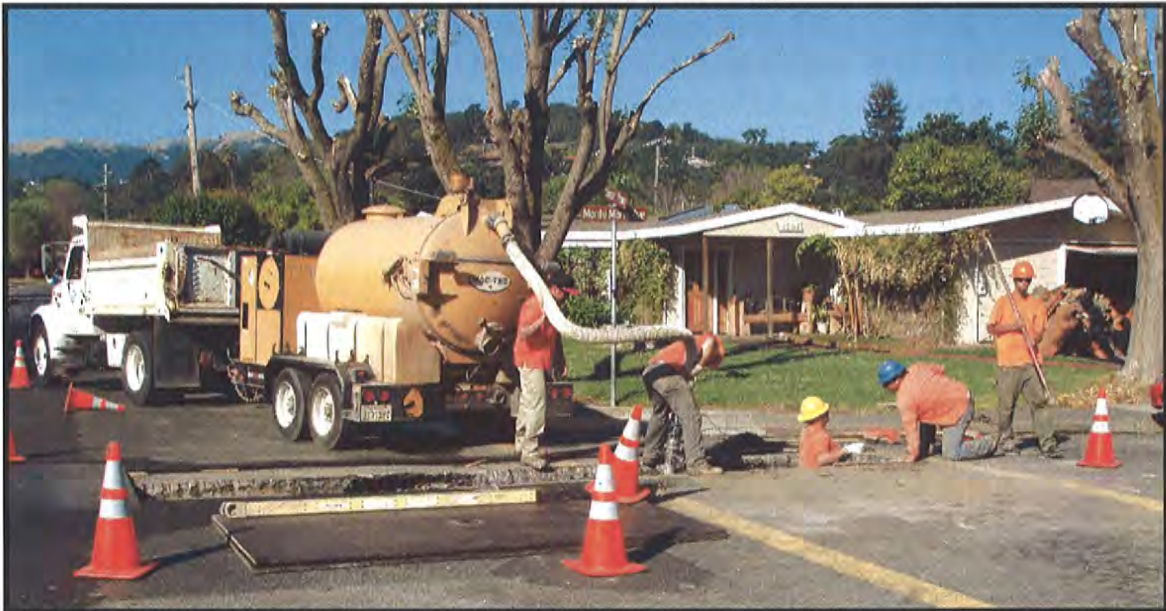
Finally, the District requires new development to meet some of the most stringent water-use efficiency standards in the nation, including: installation of a HEW, HETs, weather-based irrigation controllers, a maximum of 800 square feet of turf for residential development and no turf for commercial development, 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 state model Water Efficient Landscape Ordinance.



**Low Water Use Landscape**

## CONSTRUCTION/MAINTENANCE DEPARTMENT

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 ¾" 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.

During FY 2013, North Marin Water District's Construction crews have replaced water service laterals prior to both City of Novato and Marin County paving projects, on Calle de la Mesa, Calle de la Loma, H Lane, and several in the Pt. Reyes area. (see above picture)

Crews performed work for the new Canyon Green housing project, including pipeline taps and service relocations, and removed valves that were used for the old Novato Hospital on Hill Rd.

The Sunset Parkway installation was the crews' biggest job this year. Crews installed approximately 600 feet of new 12" water main to replace the aging 12" cast iron pipe between South Novato Blvd. and Cambridge Street.



### **Sunset Parkway installation**

Crews also worked on the new Pt. Reyes Well, installing piping to connect the well.

Crews installed pipe on Center Road to replace an 8" pipeline which was in conflict with private property along Center Road and Holstrom Circle.

## **OPERATIONS/MAINTENANCE DEPARTMENT**

The Operations/Maintenance Department is comprised of three groups – Operations, Maintenance and the Water Quality. Along with these groups, the O/M Technical Assistant provides document control for the Cross Connection Control, Maintenance Management and Asset Management programs, as well as managing the monthly Self-Monitoring Report submittals from the District's recycled water customers. This year, staff revised the 2012 Novato Water System Master Plan Update that included an outline for Asset Management focus for the next five years.

### **OPERATIONS**

The Operations Group is comprised of five Distribution and Treatment Operations staff who work closely with Water Quality Group, sharing the responsibility of monitoring the Stafford Lake watershed and working cooperatively with nearby landowners, the Indian Valley Golf Course and the Marin County Parks and Open Space District.

The Operations Group manages the water supply and distribution systems 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 and pressure levels to reliably meet all water system demands and fire protection requirements.

In Novato, the group managed storage of 28 million gallons (MG) of potable finished water in 35 tanks through four hydraulic pressure zones and 27 pump stations. Also this year, two 500,000-gallon water storage facilities have been added, along with 8 miles of distribution main, to provide 34 customer sites with 81.8 MG of recycled water from the Novato and the Las Gallinas Valley Sanitary Districts.

In West Marin, the group operates the Lagunitas Creek wells and Point Reyes Treatment Plant which produced 82.8 MG of potable finished water. This water supplied six pump stations and thirteen storage tanks for distributing water supply to Point Reyes Station, Olema, Inverness Park, Paradise Ranch Estates, and Bear Valley. Additionally, the department oversees the wastewater collection and contract treatment operations in Oceana Marin.



**Pt. Reyes Automation Controller**



**New Stafford Lake Aeration Pump**

Operations activities and accomplishments during FY 2013 include 23 improvement projects, 15 major maintenance tasks during the winter shutdown and over 800 routine maintenance tasks throughout the year. Work performed to complete the Pacheco Tank chlorination and mixing system, Stafford Lake aeration system and, Point Reyes Well and Treatment Plant controls replacement were key to the continued high quality of water that the group provides.

## **MAINTENANCE**

The Maintenance Group is comprised of Electrical/Mechanical, Building/Grounds, Fleet, and Distribution Cross Connection and Control staff and 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. In Novato, this equipment includes the Stafford Treatment Plant, 27 pump stations, 35 tanks, 13 pressure regulators, 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 at 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 2013 include 27 facilities improvement projects and over 500 routine maintenance tasks. Staff continued to execute the day-to-day activities while performing projects on the remote telemetry unit upgrades and radio communication links at STP, Plum, Reservoir Hill, Nunes and Half Moon pump stations and the Point Reyes Treatment Plant. Improvement projects also included Stafford Lake Aeration, Stafford Lake Solar, Stafford Generator Connection, Point Reyes Well, the Bolling Circle Recycled Water Booster Station, and access modification for the main office entry.



**Office Entry Access Remodel**



**Stafford Lake Solar Power Installation**

The District's fleet mechanic received his Distribution Operator II certification and has assisted E/M staff with a major overhaul of the Stafford Treatment Plant high service pump station and the Point Reyes well pump power re-alignment. He also received and outfitted two new  $\frac{3}{4}$ -ton service trucks and a vacuum excavator for the Construction / Maintenance Department.

## **WATER QUALITY**

The Water Quality Group is comprised of chemists and lab technicians providing 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 staff responds to customer calls with specific information on water quality and investigates complaints.

Water Quality accomplishments during the 2013 fiscal year include:

- Expanding contract lab services for both Marin Municipal Water District and Las Gallinas Valley Sanitary District recycled water testing;
- Continued liaison with Department of Public Health staff for approval of on-site retrofits for new recycled water services throughout Novato; and
- Submitting detailed permit request and water quality data for timely approval of the new Point Reyes Well #4.





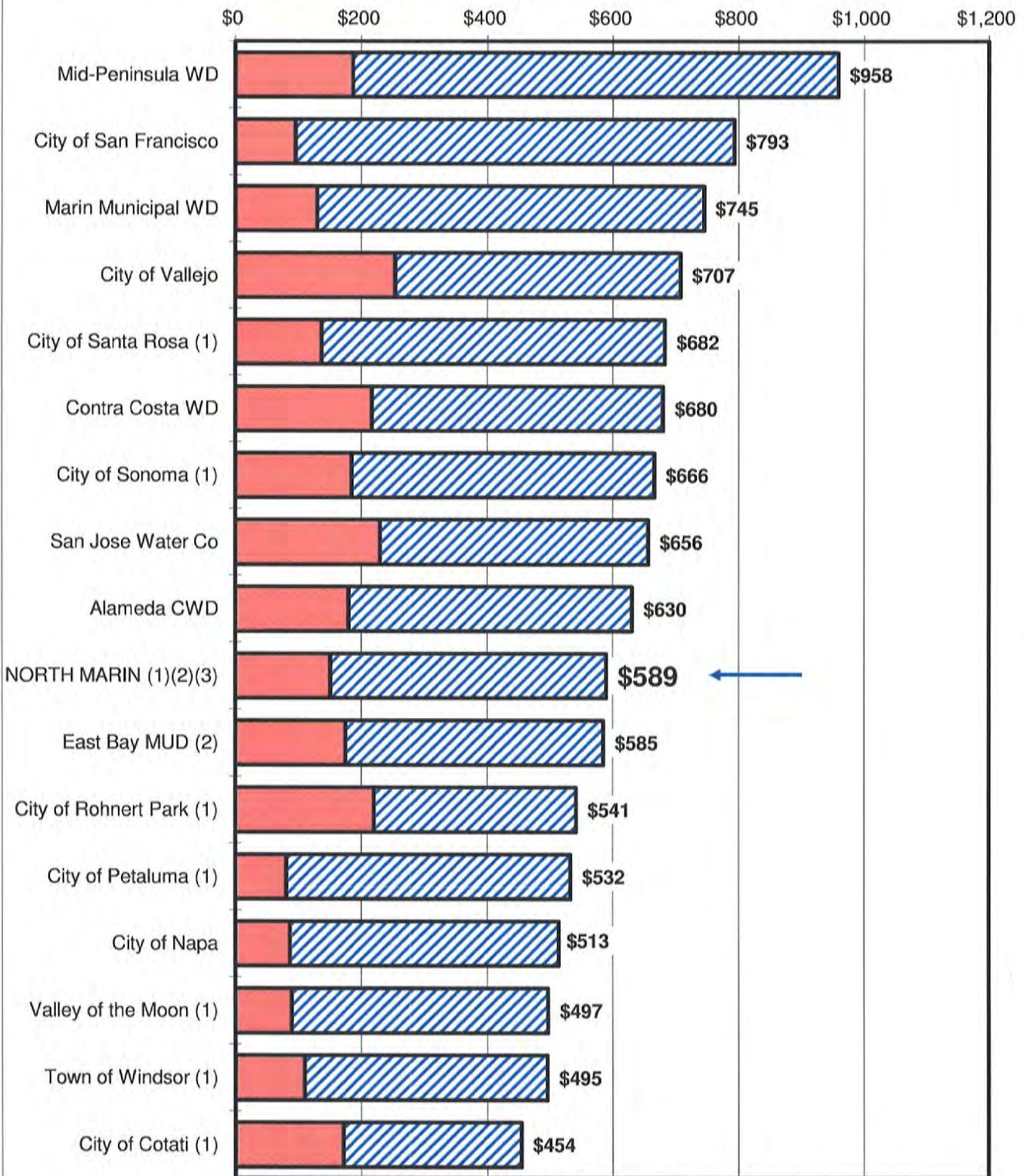
**Disclaimer**  
This map document and associated data are distributed for informational purposes only "AS-IS" at the published scale and provided without warranty of any kind expressed or implied. The positional accuracy of the data is approximate and not intended to represent survey map accuracy. The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

**Russian River Water System**

WATER TRANSMISSION PROJECTS WATER PROJECTS/RUSSIAN RIVER - WATER SYSTEM - 2008.mxd NOVEMBER 18, 2008

## 2013 URBAN AREA TOTAL ANNUAL WATER COST COMPARISON

Typical Detached Single-Family Home Annual Consumption = 107,100 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.

## CHARACTERISTICS OF SERVICE AREAS

<b>Statistics</b> (at June 30, 2013)	<b>Water</b>		<b>Sewer</b>	<b>Total</b>
	<b>Novato Potable &amp; RW</b>	<b>West Marin Service Area</b>	<b>Oceana Marin</b>	
Service Area (Square Miles)	75	24	1	100
Active Connections	20,509	776	227	21,512
Dwelling Units	23,940	811	227	24,978
Estimated Population	61,000	1,700	400	63,100
Average Household Size (People)	2.6	2.1	1.9	2.5
FTE Employees	50.5	-	-	50.5
Fire Hydrants	2,630	167	-	2,797
Miles of Pipeline	321	24	5	350
Storage (million gallons)	38.4	1.0	-	39.4

### **Annual Water Volumes (MG) (FY2012-13)**

Russian River Water Purchases	2,423			2,423
Stafford Water Treatment Plant	755			755
Recycled Water	58			58
Point Reyes Water Treatment Plant		83		83
Oceana Marin Wastewater Treatment			7	7
Total Water Production	3,236	83	7	3,326
RR Water Wheeled to MMWD	1,919			1,919

### **Annual Budget - FY2013-14**

Operating Revenue	\$17,649,000	\$758,000	\$178,000	\$18,585,000
Connection Fees/Misc	1,278,000	101,000	78,000	1,457,000
Grant/Debt Proceeds	6,771,000	0	0	6,771,000
Total Sources	\$25,698,000	\$859,000	\$256,000	\$26,813,000
Operating Labor	\$5,710,000	\$181,000	\$15,000	\$5,906,000
Other Operating Expense (less Deprec)	6,907,000	219,000	135,000	7,261,000
Capital Expenditures	8,124,000	435,000	50,000	8,609,000
Debt Service & Other Expenditures	2,356,000	115,000	0	2,471,000
Contribution To/(From) Reserves	2,601,000	(91,000)	56,000	2,566,000
Total Outlays	\$25,698,000	\$859,000	\$256,000	\$26,813,000

### **Annual Water/Sewer Cost (FY2013-14)**

to Typical Single-Family Detached Residence

Service Charge	\$30.00/2 mo.	\$30.00/2 mo.	\$65.00/mo.
Annual Consumption (Typical)	107,600 gal	59,500 gal	
Wt'd Avg Water Rate / 1,000 gal <sup>1</sup>	\$4.43	\$7.36	

Typical Annual Cost:

Service Charge	\$180	\$180	\$780
Commodity Charge	\$477	\$438	\$0
Allocated Tax <sup>2</sup>	\$0	\$54	\$195
Total Annual Cost	\$657	\$671	\$975

### **Notes**

1 FY14 weighted average commodity rate. Rates vary by elevation zone to reflect different energy, pumping and storage costs. Novato rates range from \$4.03 to \$5.57 per 1,000 gallons, and in West Marin from \$6.68 to \$11.14. Average excludes tier rate charges as typical residential consumption is below tier threshold.

2 FY13 allocated share of Marin County 1% ad valorem tax per active connection. Tax is collected by the County and allocated by formula to the West Marin districts.

## SUMMARY FINANCIAL INFORMATION

June 30, 2013

### NET ASSETS

	Total	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer
<b>Assets</b>					
Cash & Investments	10,032,985	8,514,935	622,735	702,112	193,203
Receivables & Other Assets	19,596,579	12,693,258	6,741,537	158,029	3,755
Construction-in-Progress	12,280,510	2,662,112	8,804,787	576,537	237,074
Property, Plant & Equipment (net)	84,001,258	69,175,882	10,229,217	3,938,658	657,501
<b>Total Assets</b>	<b>\$125,911,332</b>	<b>\$93,046,187</b>	<b>\$26,398,276</b>	<b>\$5,375,336</b>	<b>\$1,091,533</b>
<b>Liabilities</b>					
Current Liabilities	\$8,493,385	\$3,174,303	\$5,199,433	\$103,284	\$16,365
Long-Term Debt	36,302,525	22,565,100	12,644,027	1,093,398	-
<b>Total Liabilities</b>	<b>\$44,795,910</b>	<b>\$25,739,403</b>	<b>\$17,843,460</b>	<b>\$1,196,682</b>	<b>\$16,365</b>
<b>Net Assets</b>					
Invested in Capital Assets	\$97,089,675	\$81,348,224	\$9,980,355	\$4,620,492	\$1,140,604
Restricted & Designated Reserves	16,680,600	14,879,904	786,684	1,004,471	9,541
Earned Surplus	(32,654,855)	(28,921,344)	(2,212,224)	(1,446,309)	(74,978)
<b>Net Assets</b>	<b>\$81,115,420</b>	<b>\$67,306,784</b>	<b>\$8,554,815</b>	<b>\$4,178,654</b>	<b>\$1,075,167</b>

### REVENUE & EXPENSE

Operating Revenue	\$18,182,691	\$16,997,558	\$268,498	\$758,642	\$157,992
Operating Expense	15,931,016	14,784,202	408,448	545,482	192,884
Operating Income/(Loss)	\$2,251,675	\$2,213,356	(\$139,950)	\$213,161	(\$34,892)
Non-Operating Revenue/(Expense)	(196,589)	45,242	(316,510)	10,578	64,101
<b>Net Income/(Loss)</b>	<b>\$2,055,086</b>	<b>\$2,258,598</b>	<b>(\$456,460)</b>	<b>\$223,739</b>	<b>\$29,209</b>

### CASH FLOW

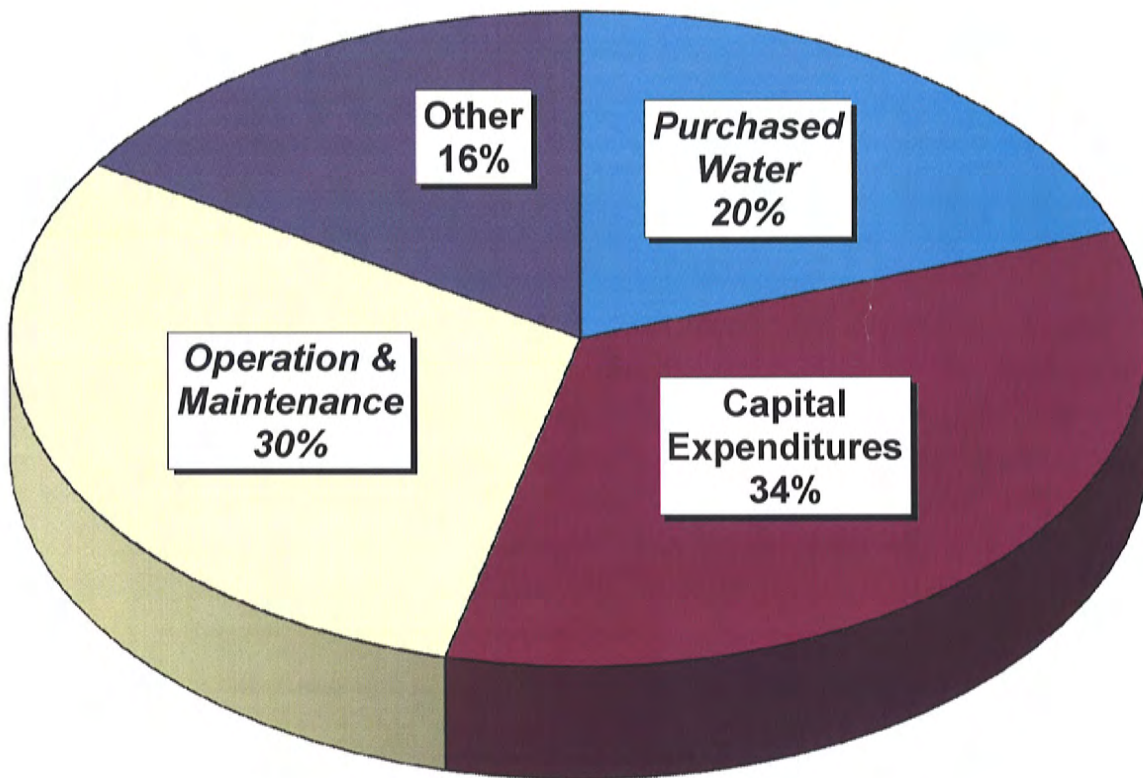
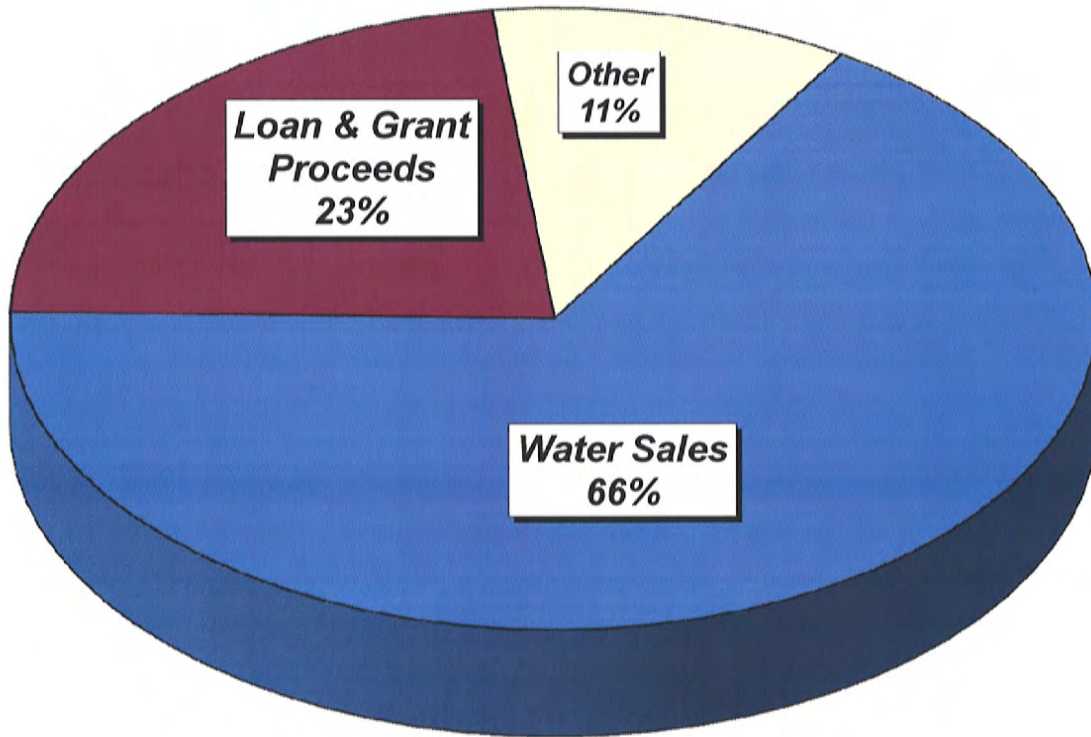
Net Income/(Loss)	\$2,055,086	\$2,258,598	(\$456,460)	\$223,739	\$29,209
Add Back Depreciation	2,784,670	2,417,054	174,242	148,654	44,720
<b>Cash Generated</b>	<b>\$4,839,756</b>	<b>\$4,675,652</b>	<b>(\$282,218)</b>	<b>\$372,393</b>	<b>\$73,929</b>

### Other Sources/(Uses)

Connection Fees	\$876,350	\$871,450	-	\$4,900	-
Capital Asset Acquisition	(9,005,788)	(1,556,132)	(6,847,498)	(380,323)	(221,835)
Principal Paid on Debt	(1,339,418)	(968,366)	(296,315)	(74,737)	-
Grant Proceeds	1,761,450	-	1,761,450	-	-
Loan Proceeds	4,265,184	-	4,265,184	-	-
Interdistrict Loans	-	(1,468,340)	1,468,340	-	-
Working Capital & Miscellaneous	(1,876,408)	(2,374,921)	553,792	(53,016)	(2,263)
<b>Total Other Sources/(Uses)</b>	<b>(\$5,318,630)</b>	<b>(\$5,496,309)</b>	<b>\$904,953</b>	<b>(\$503,176)</b>	<b>(\$224,098)</b>
<b>Net Cash Generated/(Used)</b>	<b>(\$478,875)</b>	<b>(\$820,657)</b>	<b>\$622,735</b>	<b>(\$130,783)</b>	<b>(\$150,169)</b>

**North Marin Water District - Fiscal Year 2012-13**

**Source of Funds: \$26.4 Million**



**Use of Funds: \$26.4 Million**

## HISTORICAL STATISTICS

8/7/2013

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<b>Fiscal Year Ending June 30:</b>		<b>2013</b>	<b>2011</b>	<b>2009</b>	<b>2007</b>
Active Services	-Novato Water	20,492	20,464	20,416	20,325
	-Novato Recycled	17	3	3	1
	-West Marin Water	776	770	760	765
	-Oceana Marin Sewer	227	227	225	220
	<b>Total Active Services</b>	<b>21,512</b>	<b>21,464</b>	<b>21,404</b>	<b>21,311</b>
	Full-Time Equivalent (FTE) Employees	50.5	50.5	58.3	57.1
	FTE Employees per 1,000 Active Services	2.3	2.4	2.7	2.7
	FTE Employees per \$1M Capital Assets	0.4	0.4	0.5	0.6
	Long Term Debt per Active Service	\$1,688	\$900	\$962	\$942
	Miles of Pipeline	350	346	343	337
	Storage (MG)	39.4	37.9	37.9	34.8

### **Water Production (MG)**

Point Reyes Treatment Plant	83	79	99	115
Stafford Treatment Plant	755	884	623	349
Recycled Water	58	55	75	-
Russian River Water Purchases	2,423	2,013	2,731	3,292
<b>Total Water Production</b>	<b>3,319</b>	<b>3,031</b>	<b>3,528</b>	<b>3,756</b>
Wheeled to Marin Municipal WD	1,919	1,748	2,447	2,443

### **Novato Service Area Average Day Potable Water Production (MG)**

Annual	8.7	7.9	8.5	9.0
Peak Month	12.8	12.2	13.6	15.6
Peak Week	13.7	12.7	15.7	16.5
Peak Day	14.4	14.2	17.4	17.1

### **Financial History**

<b>Source of Funds</b>				
Water Sales	\$17,543,511	\$13,443,983	\$12,154,775	\$11,105,532
Investment Earnings	96,683	143,278	353,392	672,676
Tax Revenue	90,336	96,768	103,631	97,919
Grant Proceeds	1,761,450	287,494	0	0
Connection Fees	876,350	387,610	945,914	428,166
Loan Proceeds	4,265,184	335,811	844,545	4,533,253
Other Sources	1,281,102	594,656	903,800	1,903,275
Reserves	478,875	2,149,073	2,993,758	2,876,334
	<b>\$26,393,491</b>	<b>\$17,438,673</b>	<b>\$18,299,815</b>	<b>\$21,617,155</b>
<b>Use of Funds</b>				
Purchased Water	\$5,205,519	\$4,015,679	\$3,838,298	\$4,452,190
Operation & Maintenance	7,940,826	7,862,934	9,418,827	8,517,360
Debt Service	2,118,314	1,613,712	832,562	637,967
Capital Expenditures	9,005,790	3,649,953	3,853,883	6,945,550
Other Uses	2,123,042	296,395	356,245	1,064,088
	<b>\$26,393,491</b>	<b>\$17,438,673</b>	<b>\$18,299,815</b>	<b>\$21,617,155</b>
<b>Where We Stand</b>				
Assets	\$125,911,331	\$96,881,570	\$99,279,913	\$100,247,421
Liabilities	44,795,910	23,588,114	24,996,737	24,783,459
Net Assets	<b>\$81,115,421</b>	<b>\$73,293,456</b>	<b>\$74,283,176</b>	<b>\$75,463,962</b>

**7**

## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, Chief Engineer  
Subject: Dutra Haystack Landing Water Facilities  
r:\folders by job no\2600 jobs\2694\dutra haystack bod memo 2013.doc

November 27, 2013

**RECOMMENDED ACTION:** The Board approve authorization of this agreement.

**FINANCIAL IMPACT:** None: Developer Funded

Background

The project is located on two parcels (APN 019-320-022 and 023) totaling 37 acres at 3355 Petaluma Blvd. South on the east side of Petaluma Blvd. South just outside the Petaluma city limits (see maps in Attachment 1). North Marin Water District currently provides water service to one of these parcels outside the District's Novato Service Area boundary, (APN 019-320-022) at 3355 Petaluma Blvd. South through a 1-inch meter set in 1966 to serve a dairy operation. The meter is installed off of SCWA's aqueduct along the west side of Highway 101 and a private lateral runs eastward in a culvert under the highway to serve said parcel.

At the June 19, 2007 Board meeting, staff provided the history of the Dutra service and other outside services in the Petaluma Blvd. South industrial area and Dutra Haystack Landing request for a water main extension and improved fire service (see Attachment 2). Dutra Group plans to improve APN 019-320-022 and 023 (3355 Petaluma Blvd. South) with an asphalt production facility including offices, manufacturing equipment and accessory structures, and a volunteer fire fighting training facility. At the aforementioned meeting, staff requested direction from the Board and offered two options: 1) Maintain existing historical service from the existing 1-inch water meter west of Hwy 101 – no additional fire protection provided; or 2) Relocate the existing 1-inch water service to the east side of Hwy. 101 and extend a fire service main south on Petaluma Blvd. South to provide fire protection. The Board concurred with staff's recommendation to offer a water service agreement to Dutra as outlined in the draft water service agreement presented to the Board at that time (Option 2).

The main extension plan discussed in the June 2007 memo was to extend the NMWD main south on Petaluma Blvd. South from the Sonoma County Water Agency (SCWA) meter at Landing Way. The service extension plan has changed due to SCWA's recent Aqueduct Relocation to the east side of Hwy 101 to Petaluma Blvd. South as part of the Caltrans Marin Sonoma Narrows (MSN) B2 project. The proposed services will now be provided from SCWA's new 18-inch turnout from the 30-inch Aqueduct and new 16-inch master meter fronting the access to Dutra property. NMWD water facilities installation will include the SCWA provided 16-inch master meter (SCWA ownership) in the already installed meter vault by MSN B-2 project,



installation of approximately 20 feet of 12-inch WSP lowering, 20 feet of 12-inch PVC pipe, 400 feet of 8-inch PVC main, two (2) commercial fire hydrants, one (1) 1-inch domestic service with a 1-inch RPP backflow prevention device and one (1) 1-inch irrigation service with a 1-inch RPP backflow prevention device. All facilities would receive high pressure water from SCWA. Sewage disposal is by an onsite septic system.

The project water demand of 5 EDUs is within the existing 7 Equivalent Dwelling Units (EDU) entitlement. Therefore there will be no increase in water demand (see agreement in Attachment 3). Dutra Group has provided written approval to allocate the additional 2 EDUs to the adjacent Yee and Fontes parcels. Dutra's meter, located outside of the District boundaries, has also historically been used to provide water service to these two adjacent parcels owned by Mr. Yee and Mr. Fontes and which will be now be regularized and provided by separate 1-inch meters with new service via Landing Way near parcel 019-220-016.

Sonoma County Board of Supervisors approved the project on December 14, 2010 as a use permit, general plan amendment, land use amendment and other land use issues.

On November 27<sup>th</sup>, the General Manager received a letter from the Petaluma City Manager (Attachment 4) requesting the NMWD Board not take action at this time and wait until the Court of Appeals rules on a lawsuit related to the Dutra project siting. NMWD legal counsel is reviewing the letter, and that information will be available at the meeting.

#### Environmental Document Review

This project EIR was approved on December 14, 2010.

#### RECOMMENDATION:

That the Board approve authorization of this agreement.

RESOLUTION NO. 13-XX  
AUTHORIZATION OF EXECUTION  
OF  
HIGH PRESSURE OUTSIDE DISTRICT BOUNDARIES  
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT  
WITH  
DUTRA GROUP

---

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Dutra Group, A California Corporation, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 3355 Petaluma Blvd. South, Sonoma County Assessor's Parcel Numbers 019-320-022 and 019-320-023, PETALUMA, CALIFORNIA.

\* \* \*

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 3rd day of December, 2013, by the following vote:

AYES:

NOES:

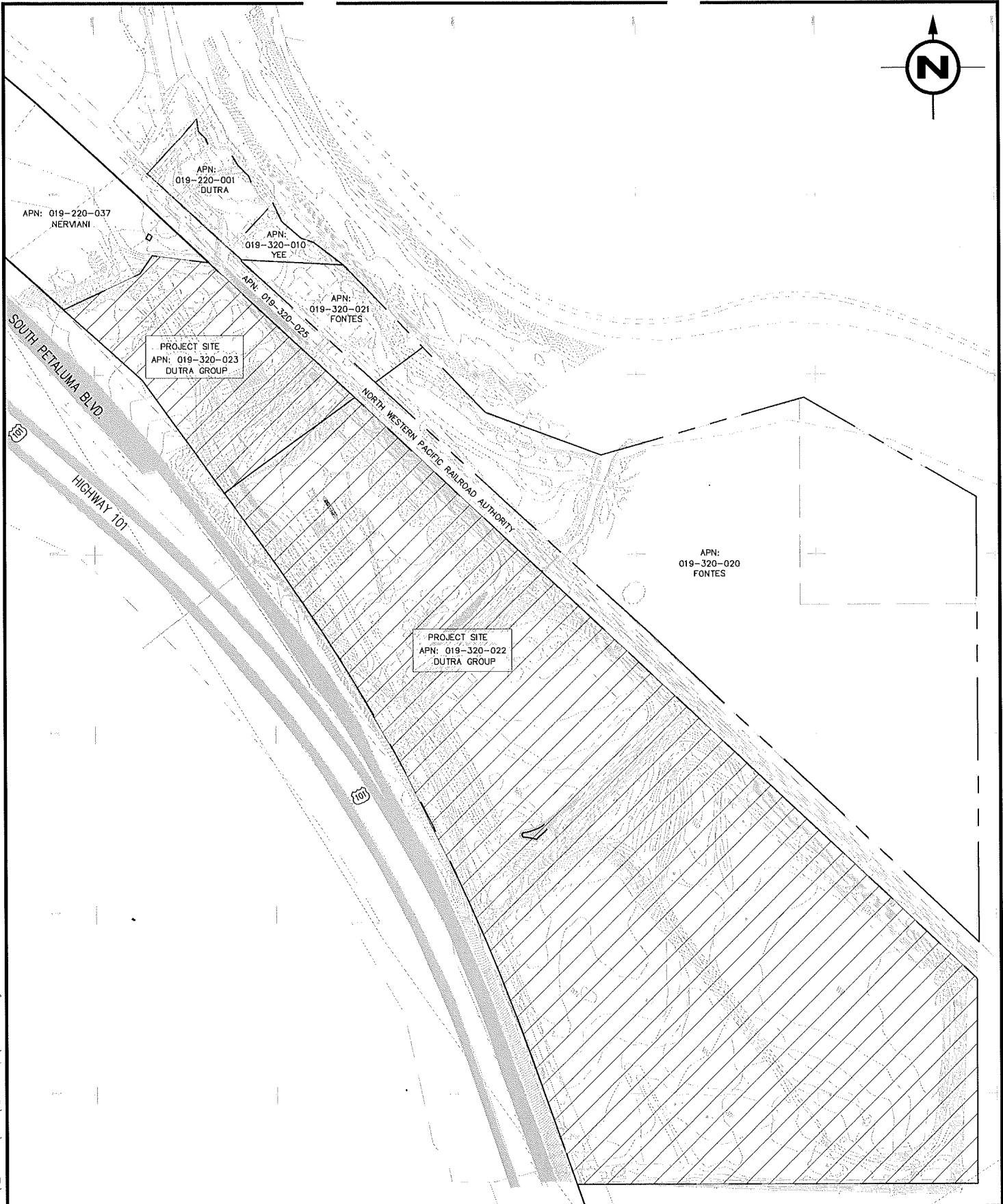
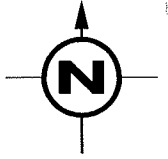
ABSENT:

ABSTAINED:

(SEAL)

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Katie Young, Secretary  
North Marin Water District



Oct 31, 2013 - 1:36pm W:\JOB\1\_NOVATO\2694\3\_ISSUED\A\VIC\_MAP.dwg User: ACANTILLER



ATTACHMENT 1

DUTRA HAYSTACK LANDING			
APN: 019-320-022 & 23			
DATE	SCALE	JOB NO.	DWG. NO.
10/30/13	N.T.S.	2694	MAP

Oct 31, 2013 1:30pm W:\JOB\1\_NOVATO\2595\3\_ISSUED\A\2595VICINITY.dwg User: ACANTILLER



**LEGEND:**

- SCWA PIPELINE 
- CITY OF PETALUMA PIPELINE 
- NMWD PIPELINE 
- FIRE HYDRANT 
- MASTER METER 
- SINGLE SERVICE METER 

NO.		DATE		REVISION		BY		APP.	
<b>NORTH MARIN WATER DISTRICT</b> NOVATO, CALIFORNIA <b>OUTSIDE CUSTOMERS</b> <b>SOUTH PETALUMA BLVD. AREA</b>									
DES	DR	CH	SCALE	: 1"=1'-0"					
LJ	AC	DM	DATE	: 07/10/08					
APPROVED: CHIEF ENGINEER			SHEET NO.	: 1		OF		1 SHEETS	
R.E. C38938			SERVICE AREA	1		JOB.NO.		2694 NO.001	

ATTACHMENT 1

## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, Chief Engineer  
Subject: Dutra Haystack Landing Asphalt and Recycling Facility Update  
R:\FOLDERS BY JOB #\12600 jobs\2694\Dutra Haystack BOD Memo 6-19-07.doc

June 15, 2007

**RECOMMENDED ACTION: Information only**

**FINANCIAL IMPACT: None**

### Background

At the March 7, 2006 Board meeting, the Board was provided with the District's response to the Notice of Preparation of a Draft Environmental Impact Report for the above referenced project. The project is located on three parcels totaling 38 acres at 3357 Petaluma Blvd. So. on the east side of Petaluma Blvd. So. just outside the City of Petaluma (see map in Attachment 1). North Marin Water District currently provides water service to one of the parcels (APN 019-320-022) at 3355 Petaluma Blvd. South through a 1-inch meter set in 1966 to serve a dairy operation. The meter is installed off of SCWA's aqueduct along the west side of Highway 101 and a private lateral runs eastward in a culvert under the highway to serve said parcel. As this service is outside the District's territorial boundaries, we concluded that under no circumstances would an expansion of water service be allowed beyond the limited historical entitlement as determined at the sole discretion of the District.

At the May 16, 2006 Board meeting, the Board was provided with a request for water service from Cardlock Development (APN 019-220-06) for fire protection at a retrofit of the Rhinehart Truck Stop fueling facility. Staff responded to this request in essentially the same manner, informing the applicant that under no circumstances would an expansion of water service to the property be allowed beyond the limited historical entitlement as determined at the sole discretion of the District with the exception of fire protection services. Staff received an application from Cardlock Development for fire service on June 20, 2006 and the water facilities for this project are currently in the design phase. Staff also received an application for fire service from Novato Disposal (APN 019-220-38) on January 17, 2007. Novato Disposal is located south of Cardlock Development and closer to the proposed Dutra Haystack Landing project. As with the Cardlock Development project, staff is also working on the Novato Disposal fire service application and the water facilities design for this project is expected to be brought to the Board for approval at the July 17, 2007 meeting.

Irregular Water Service to Adjacent Parcels (Yee, APN 019-320-10 and Fontes, APN 019-320-21)

When the Dutra Haystack fire service application was discussed at the March 20, 2007 meeting, staff apprised the Board that water entitlement for this parcel had been established to be seven Equivalent Dwelling Units (EDUs) based on a review of historical water usage in accordance with District Regulation 1(c). Furthermore, staff also reviewed the fact that the Dutra meter has also historically been used to provide water service to two adjacent individually owned parcels (Mr. Yee, APN 019-320-10, and Mr. Fontes, APN 019-320-21). Mr. Yee reports that they have been receiving water from the Dutra meter since it was originally installed in 1966 (and prior to that date via spring water). Since the District had no prior knowledge of this irregular service, a letter was written to Sonoma County requesting land use status for said parcel (Attachment 2). The District received a response on May 10, 2007 (Attachment 3) that has determined both parcels to be legal, non-conforming parcels since construction of the dwellings occurred prior to building permits being required in 1962.

LAFCo Approval

Staff has been communication with both Marin LAFCo and Sonoma County LAFCo regarding service to not only the Dutra, but also Yee and Fontes parcels. Sonoma County LAFCo (Ms. Carole Cooper) has confirmed that since District service to the Dutra parcel was initiated in 1966, that LAFCo approval for fire service (or continued domestic water service) is not required since service to the Dutra parcel was initiated prior to 1994 (the effective date requiring LAFCo oversight). Ms. Cooper did, however, state that LAFCo approval will be required for normalizing service to the Yee and Fontes parcels since service to these parcels has not yet been officially approved by the District. Although somewhat related to the Dutra application, normalized service to these adjacent parcels is beyond the scope of this Board item and will be addressed at a later Board meeting.

Proposed Water Service Agreement for Fire Protection

There are two options that the Board can consider regarding the proposed Dutra Haystack project. Both options would limit water use to historical entitlement and are summarized as follows:

Option 1: Maintain existing historical service from the existing 1-inch water meter west of Hwy. 101 – no additional fire protection provided.

Option 2: Relocate the existing 1-inch water service to the east side of Hwy. 101 and extend a fire service main (south on So. Petaluma Blvd) to provide fire protection).

### Option 1

Under Option 1, the District will continue to supply water to the Dutra parcel based upon historical entitlement however, no water main extension for fire protection would be provided nor would the current irregular water meter location be corrected.

### Option 2

Option 2 is similar to Option 1 in that it limits entitlement to historical water use but also provides for a water main extension for fire protection purposes. The extension of this water main would also allow for a new meter to be installed on the Dutra parcel to eliminate the irregular meter (i.e., not fronting the applicants property) on the west side of Hwy. 101. While water delivery to the Yee and Fontes parcels will be addressed by a separate memorandum to the Board, Option 2 has the advantage of also being well suited to allow for the installation of new water meters to serve these adjacent parcels (should normalized service to said parcels be approved by both the District and LAFCo).

### Water Entitlement Issues

Staff has reviewed the proposed potable, non-potable water demand tabulation for the Dutra project. The estimated total potable water demand, including potential temporary landscape irrigation, is approximately 3.5 EDUs. At the March 20, 2007 meeting, Director Rodoni raised the question of possibly reducing the entitlement to what the current anticipated water use would be rather than the historical entitlement allotment per Regulation 1(c) (since the Applicant is an outside District customer). It is possible that this reduction in entitlement could be required by the District for either Option 1 or 2 however, a case could be made that the District's legal position is on more solid footing for reducing entitlement in Option 2 where the District is proposing to give something to the Applicant (i.e., a new fire service) and in return is requesting that the Applicant accept a reduced entitlement allotment.

### Direction to Staff

Staff is requesting that the Board provide direction as to the preferred option for continued water service to the Dutra parcel. It is staff's position that Option 2 is consistent with the District's pending fire service expansion for both the Cardlock and Novato Disposal parcels. To better understand Option 2, a draft water service agreement has been prepared (Attachment 4) highlighting some of the key agreement language that would be incorporated into a new water service agreement for a fire line extension to the Dutra Haystack Landing parcel. New facilities required would include approximately 1,800 feet of 12-inch PVC water main, 200 feet of 8-inch of PVC main, 40 feet of 6-inch PVC main and two commercial fire hydrants, an 8-inch fire service and one 1-1/2" meter. All facilities would receive high pressure water from the Sonoma

Dutra Haystack Update BOD Memo  
June 15, 2007  
Page 4 of 4

County Water Agency (SCWA) aqueduct and the new main would tie-in into the existing NMWD facilities in Landing Way downstream of the SCWA master meter.



PART ONE  
HIGH PRESSURE  
OUTSIDE DISTRICT BOUNDARIES  
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT  
FOR  
DUTRA GROUP

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*THIS AGREEMENT*, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of \_\_\_\_\_, 2013, by and between NORTH MARIN WATER DISTRICT, herein called "District," and DUTRA GROUP, A California Corporation, herein called "Applicant."

*WHEREAS*, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Petaluma and/or the County of Sonoma, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Sonoma County Assessor's Parcel Number 019-320-022 and 019-320-023 and the project known as HAYSTACK LANDING, consisting of two (2) lots for commercial development; and

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

*WHEREAS*, the Applicant warrants that he is the sole owner of real property commonly known as 3355 Petaluma Boulevard South with respective Sonoma County Assessor's Parcel Numbers 119-320-022 and 119-320-023, located in Sonoma County, California, but outside of the District's Novato Service Area boundary, and that said property is to be improved with an asphalt production facility including offices, manufacturing equipment and accessory structures, and a volunteer fire fighting training facility; and

*WHEREAS*, the Applicant acknowledges that since the property is outside the District's service area, the District provides water to said property on an "outside service" basis,

*WHEREAS*, the Applicant acknowledges and agrees that the structures on his property include an asphalt processing plant with an office and other accessory buildings and a single building to be used as a training facility for the local volunteer fire fighters. The Applicant acknowledges that said outside service may be curtailed at any time and is less reliable than the service provided to regular customers within the District's Novato Service Area. Should dry year conditions occur, the District's

Water Shortage Contingency Plan for Novato Service Area will be activated and will trigger implementation of voluntary or mandatory water shortage contingency measures. The Applicant acknowledges that mandatory water reduction requirements may limit deliveries of water to outside service area customers to that amount needed for human consumption, sanitation and public safety. The Applicant acknowledges that the District has determined that this amount is approximately equal to the amount normally used for indoor consumption, which is estimated at 1,000 gallons per day for all dwelling units on the Applicant's property;

*WHEREAS*, the existing outside service to Applicant has historically been provided initially in May, 1966 from a water service tapped off of the aqueduct blow-off at Station 67+10; and

*WHEREAS*, the Applicant desires to receive such continued outside service as the sole potable water service Applicant receives from the District for said property, and agrees that it is necessary and appropriate to enter into an agreement with the District for said service; and

*WHEREAS*, the Applicant acknowledges and agrees that the potable water to be provided by the District will serve domestic purposes for both the asphalt plant and fire training facility, fire suppression, and landscape irrigation purposes. Said water will not be used as process water for any part of the asphalt manufacturing process nor for dust control as water for these purposes will be pumped from the Petaluma River in compliance with California Law; and

*WHEREAS*, this service has also been providing water service to adjacent parcels 019-320-010 and 019-320-021; and

*WHEREAS*, the District has established the historical entitlement to be 7 EDUs, or 4,452 gpd, based on the Average Day Peak month use in the first 10 years of service; and

*WHEREAS*, the Applicant in written communication dated June 15, 2007, acknowledges that 1 EDU of historical water use will be allocated to each of the aforementioned parcels 019-320-010 and APN 019-320-021.

*NOW THEREFORE*, the parties hereto agree as follows:

1. The Applicant hereby applies to the District for water service that will be outside the District's Novato Service Area to the aforementioned property, and agrees that he shall comply with and be bound by all terms and conditions of this Agreement, including the Recitals set forth above, and by the District's regulations, standards and specifications, for the limited uses herein designated.

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

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

3. The Applicant acknowledges and agrees that execution of this Agreement represents an outside water service commitment by the District, and that said commitment is subject to the following conditions:

a. In the event a water shortage emergency should be declared by the District in the District's Novato Service Areas, the District shall have the right to restrict or interrupt water service to the Applicant's said property for uses other than human consumption, sanitation and public safety.

b. The Applicant shall pay for water delivered at such rates as may be established by the District from time to time for water service outside District boundaries.

c. The Applicant shall not resell water to another party or connect any additional structures, customers or properties to the private lines and facilities.

4. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 8 of this agreement.

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

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2694.001 and .002 entitled, " DUTRA HAYSTACK LANDING WATER FACILITIES", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

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

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 8 hereof.

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

**Initial Charges**

Meter Charges (Domestic) (Included in Estimated District Costs) ...	.....One 1-inch@	\$ 0.00	\$ 0.00
Meter Charges (Irrigation) (Included in Estimated District Costs) ...	.....One 1-inch@	\$ 0.00	\$ 0.00
Reimbursement Fund Charges .....	.....Two @	\$ 1,055.00	\$ 2,110.00
Reimbursement Fund Charges (credit for ex. 5/8" service)	...One 5/8-inch @	\$ <420.00>	\$ <420.00>
Facilities Reserve Charges.....	.....Five @	\$ 28,600.00	\$ 143,000.00
FRC Credits (5 EDU's existing entitlement).....	.....Five@	\$<28,600.00>	\$<143,000.00>
<b>Subtotal - Initial Charges.....</b>			<b>\$ 1,690.00</b>

**Estimated District Costs**

Pipe, Fittings & Appurtenances.....	\$ 11,306.00
District Construction Labor.....	\$ 20,427.00
Engineering & Inspection.....	\$ 7,567.00
Bulk Materials.....	\$ 2,098.00
<b>Subtotal –Estimated District Costs.....</b>	<b>\$ 41,398.00</b>

**Estimated Applicant Installation Costs**

Installation Labor.....	\$ 35,219.00
Contractor Furnished – Pipe Fittings & Appurtenances.....	\$ 9,457.00
Bulk Materials.....	\$ 4,071.00
<b>Subtotal- Estimated Applicant Installation Costs.....</b>	<b>\$ 48,747.00</b>

**TOTAL ESTIMATED WATER FACILITIES COSTS..... \$ 91,835.00**

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

7. In addition to the Initial Charges, Estimated District costs and Contributions, and Estimated Applicant Installation costs set forth in Section 6 above, the Applicant shall furnish at no cost to the District all PVC pipe (4-inch diameter and larger), valves and water line fittings shown on Exhibit "A" or otherwise required by the District. The quantities, type and quality of said materials shall be approved by the district prior to purchase by the Applicant and shall conform to District standards as stated and shown on Specifications (15100 Valves, 15056 Pipeline Fittings, 15064 Polyvinyl Chloride (PVC) Pressure Pipe) marked as Exhibit "B" attached hereto and made a part hereof and as otherwise may be required. (For purposes of recording, Exhibit "B" is not attached but is on file in the office of the District.) The cost of said materials is estimated to be \$ 9,457. The District reserves the right to reject and prohibit installation of all nonconforming materials furnished by the Applicant.

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

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 6 hereof in the amount of **\$43,088**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$ 48,747**. conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$ 12,187** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 6 hereof in the amount of **\$ 48,747**. or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

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

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

10. High pressure water service will be rendered to 3355 Petaluma Boulevard South Water Facilities in accordance with District Regulation 12 entitled "High Pressure Service". The Applicant shall install a private pressure regulating device for each service to said lots as required by local ordinances and plumbing codes prior to occupancy of any structures, shall inform the buyer or buyers of said lots of the water service conditions herein described, and shall provide each buyer a copy of this agreement prior to any final sales transaction. Said private pressure regulating devices shall be in accordance with District Standard 28 but shall not be a part of the District's water system. The maintenance and operation of said devices shall be the responsibility of the property owners.

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

12. New construction in the District's service area is required to be equipped with high efficiency water conserving equipment specified in Regulation 15 sections e. and f. Applicant shall install front loading, horizontal axis washing machines with a modified water factor of 5.5 or less in all dwelling and commercial units. Dishwashers shall be energy star rated and use no more than 5 gallons per load. Toilets shall be District approved High Efficiency Toilets that average no more than 1.28 gallons per flush. Applicant shall install District approved weather based irrigation controllers, drip irrigation on non-turf areas, and is subject to turf limitations. Refer to the aforementioned water conservation regulation for a complete listing of all requirements.

13. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 8 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 6 hereof

shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Petaluma or County of Sonoma, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

14. All extensions of time granted by the City of Petaluma or the County of Sonoma for the Applicant to comply with conditions of land use approval or to construct improvements pursuant to a subdivision improvement agreement shall require concurrent extensions of this agreement and shall be cause for review and revision of all Initial Charges and estimated costs set forth in Section 6 hereof. The Applicant shall apply to the District for extension of this agreement prior to approval of the Applicant's requests for such extensions by either the City of Petaluma or the County of Sonoma.

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

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

**NORTH MARIN WATER DISTRICT**  
"District"

**ATTEST:**

\_\_\_\_\_  
Rick Fraites, President

\_\_\_\_\_  
Katie Young, Secretary

(SEAL)

**DUTRA GROUP**  
A California Corporation

"Applicant"

(SEAL)

---

Bill Dutra, Chief Executive Officer

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

*This agreement must be executed by the Applicant and delivered to the District within thirty (30) days after it is authorized by the District's Board of Directors. If this agreement is not signed and returned within thirty days, it shall automatically be withdrawn and void. If thereafter a new agreement is requested, it shall*

*incorporate the Initial Charges (connection fees) and cost estimates then in effect.*

**ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.**





# CITY OF PETALUMA

POST OFFICE BOX 61  
PETALUMA, CA 94953-0061

David Glass  
*Mayor*

Chris Albertson  
Teresa Barrett  
Mike Harris  
Mike Healy  
Gabe Kearney  
Kathy Miller  
*Councilmembers*

November 26, 2013

Mr. Chris DeGabriele  
General Manager  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945

RECEIVED

NOV 27 2013

North Marin Water District

RE: Dutra Haystack Landing Water Facilities

Dear Mr. DeGabriele:

Thank you for the courtesy you and your Board of Directors extended to the City of Petaluma by continuing the referenced item to your December 3, 2013 agenda. The City appreciates the opportunity that continuance provided us to evaluate how your proposed action may affect the City's acceptance of that part of your system into our system and to prepare these comments for your Board's consideration.

*City Manager's Office*  
11 English Street  
Petaluma, CA 94952

Phone (707) 778-4345  
Fax (707) 778-4419

E-Mail:  
citymgr@ci.petaluma.ca.us

*Economic Development*  
Phone (707) 778-4549  
Fax (707) 778-4586

*Housing Division*  
Phone (707) 778-4555  
Fax (707) 778-4586

*Human Resources Division*  
Phone (707) 778-4534  
Fax (707) 778-4539

*Information Technology Division*  
Phone (707) 778-4417  
Fax (707) 776-3623

*Risk Management Division*  
Phone (707) 776-3695  
Fax (707) 776-3697

The Petaluma City Council opposed the siting of the Dutra Asphalt Plant at Haystack Landing, prior to the County Board's approval of the project. We are now party to a lawsuit to stop the siting of the asphalt plant, which would negatively impact the City's gateway and Shollenberger Park. As such, the City would prefer your Board take no action on the service to the property at this time, but wait instead until the suit has been decided and need for water at the site has been established. Oral arguments are scheduled for January 14, 2014, the decision of the Court of Appeals is expected shortly thereafter. We are aware of no need for your Board to act before that time, and would ask that they do not.

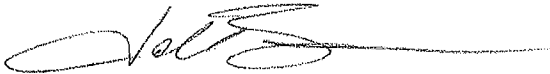
As well, one of the Dutra parcels is located within the City's urban growth boundary (UGB). It appears that parcel is the one on which the main portion of the Dutra project is proposed to be built, and it appears that it is another parcel, outside the City's UGB which is currently served by North Marin Water District. We have some questions as to whether swapping service between these two parcels might not need LAFCO approval. Regardless, extending new service lines to the Yee and Fontes properties does require LAFCO approval, as it appears you acknowledged in your Board report. We believe LAFCO approval of the proposed changes, particularly normalizing the Yee and Fontes properties should be obtained before your Board takes action, but certainly before any transfer of the system in that area occurs between the City and North Marin Water District.



In that regard, in November 2011 you proposed to convey that portion of your system to the City which includes the Dutra parcel and nine other services. The City underwent a change of Public Works and Utilities Administration since that time, has been short-staffed, and has been slow to respond to your proposal. The proposal, however, is receiving attention on our part. While no decisions have been made at the City Council level, there is likelihood that the City will respond positively to your proposal in the next several months. Ideally, the City would appreciate that no changes be made to the present system, save for life-extending replacements and upgrades, and that no new or further service commitments be made so that the City Council can exercise its full discretion in these matters when/if it agrees to take that portion of your system into ours.

Again, thank you for the courtesy you have extended to us. We look forward to your favorable response. In the meanwhile, if you have any questions, please feel free to contact me at (707) 778-4345.

Sincerely,

A handwritten signature in black ink, appearing to read 'John C. Brown', with a long horizontal flourish extending to the right.

John C. Brown  
City Manager

cc: City Council  
Dan St. John, Director

8

MEMORANDUM

To: Board of Directors

Date: November 27, 2013

From: Drew McIntyre, Chief Engineer 

Re: Approve Aqueduct Energy Efficiency Project Reach A-D/MSN B3 Bid Advertisement –  
1. Pipeline Contract and 2. Advance Tree Removal Contract

R:\Folders by Job No\7000 jobs\7118\VAEEP B3 Advance Tree Removal 7118.20\7118.20 BOD memo re approval for bid advertisement.doc

**RECOMMENDED ACTION:** Board authorize bid advertisement on the following two AEE Reach A-D/MSN B3 Projects:  
1. Advance Tree Removal contract, and  
2. Pipeline Contract.

**FINANCIAL IMPACT:**

Background

The North Marin Water District (NMWD) Aqueduct Energy Efficiency (AEE) Project eliminates energy use, greenhouse gas emissions, ongoing costs of operation and maintenance of the Kastania Pump Station and improves water delivery reliability (see map in Attachment 1). The AEE Project increases the diameter of the relocated North Marin aqueduct from 30 inches to 42 inches for a portion of its length and is considered to be a separate action from Caltrans' Marin Sonoma Narrows (MSN) Project. The AEE Project includes construction of a parallel pipeline in three locations where Caltrans is not relocating the existing aqueduct. As stated previously, the project has been designed such that the aqueduct's rated flow of capacity will not increase compared to existing conditions. On July 19, 2011, the Board certified the final EIR for the AEE Project and adopted the findings required by CEQA.

An overview of the Caltrans MSN and AEE Project segments was provided to the Board at the September 17, 2013 meeting. Caltrans and NMWD are now ready to move forward with the second and final phase of the aqueduct relocation project, aka AEE Reaches A-D, MSN B3 Project. Staff apprised the Board at the November 5, 2013 meeting that all design work was expected to be finished for the AEE Reaches A-D/MSN B3 Project by December and on November 26, 2013 the District received a Notice to Owner and Encroachment Permit for relocation of NMWD's 30-inch aqueduct within this Reach (Attachment 2).

CSW/Stuber-Stroeh has now completed the AEE Reach A-D/MSN B3 Project detailed design and has prepared 100% plans and specifications for the project. The pipeline construction duration is projected to be approximately 1.5 years and has an anticipated start of actual field construction in late Spring 2014. To minimize the likelihood of any delays due to nesting birds, Caltrans is also requesting that NMWD perform an advance tree removal contract so that the trees along the pipeline corridor can be removed prior to the February 14, 2014

deadline set by California Department of Fish and Wildlife. The following project schedule identifies key milestone dates for both the tree removal and pipeline contracts for the AEE Project.

SCHEDULE		
	Tree Removal Contract	Pipeline Contract
Advertise Project	12/9/13	12/9/13
Pre-Bid Meeting	12/19/13	1/6/14
Bid Opening	12/30/13	1/31/14
Board Authorization of Award (tentative)	1/7/14	2/18/14
Notice to Proceed	1/15/14	3/4/14
Construction Complete	2/14/14	7/7/15

Project Description and Costs

As discussed on previous occasions, the second phase of the AEE Project is divided into four Reaches, A, B, C and D. The limits of Reach B are coincident with the limits of Caltrans' MSN B3 project and the bulk of the construction costs for Reach B are reimbursed by Caltrans' as part of a NMWD-Caltrans Utility Agreement (currently being finalized). Reaches A, C and D are essentially gap closure segments required by the District's AEE Project and are solely funded by NMWD with a few exceptions. A breakdown of the four Reaches, including distance and cost contributions, is provided as follows:

Segment	Description	Cost Share	
		Caltrans	NMWD
Reach A	1,990 feet of 42" pipe and 1,540 feet of 8" pipe	9.4%	99.06%
Reach B	12,500 feet of 42" pipe	86%	14%
Reach C+D	1,935 feet of 42" pipe	1%	99%
Total	16,425 of 42" pipe	69%	31%

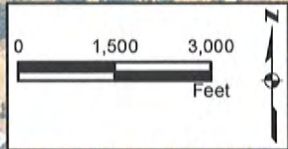
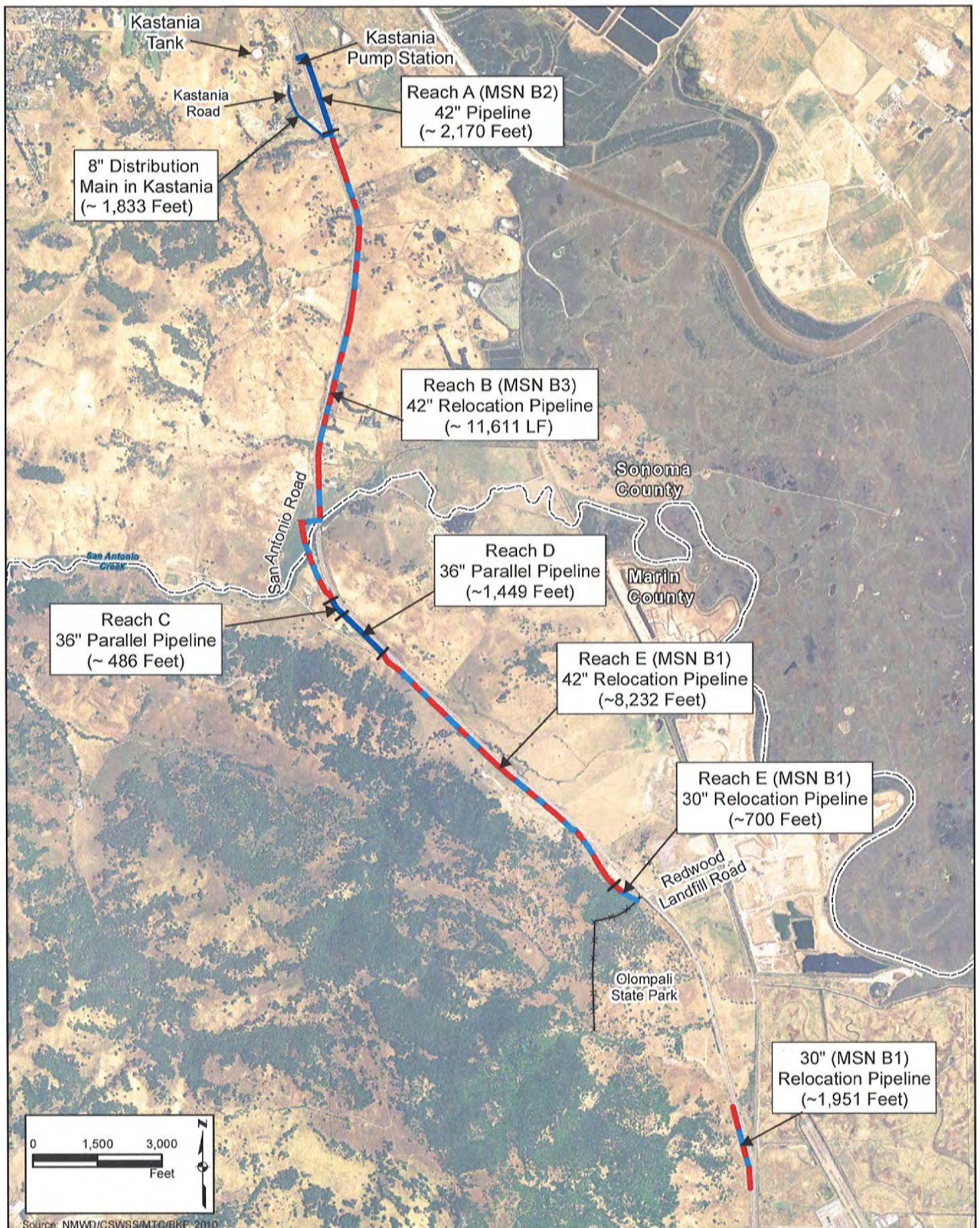
Contrary to the first phase of the aqueduct relocation project (i.e., AEE Reach E/MSN B1 Project), the District will take the lead in constructing the project and will be hiring a third party construction management firm. The current construction cost estimate is ~ \$110,000 for the tree removal contract and \$14,500,000 for the pipeline contract. An updated total project cost estimate for NMWD responsible expenses is now ~\$7.3 million (see Attachment 3). Total NMWD project costs are still estimated to be less than what was initially brought to the Board in

January 2011. Staff will be soliciting a request for proposals for construction manager in January 2014 and will bring back the Utility Agreement for Board consideration for approval prior to award of the pipeline contract.

RECOMMENDATION

Board authorize bid advertisement on the following two AEE Reach A-D/MSN B3 Projects:

1. Advance Tree Removal contract, and
2. Pipeline Contract.



Source: NMWD/CSWSS/MTG/BKF, 2010

**Legend**

- Relocation Pipeline
- Distribution Pipeline
- Parallel Pipeline
- ×××× Olompali State Park Property Line

**Project Location**

North Marin Water District  
 Aqueduct Energy  
 Efficiency Project

**DEPARTMENT OF TRANSPORTATION**

DISTRICT 4  
ATTN.: EDGAR VELEZ  
P.O. BOX 23440  
OAKLAND, CA 94623-0440  
PHONE: (510) 286-5432  
FAX: (510) 286-5366



November 22, 2013

North Marin Water District  
Attn : Mr. Chris DeGabriele, General Manager  
999 Rush Creek Place  
P.O. Box 146  
Novato, Ca 94928

Dist./Co./Rt.: 04-Son-101  
04-Mrn-101  
PM:27.0/27.6,0.0/1.9  
EA : 264099  
UT. No.: 1780.1-B3  
( 30" Aqueduct)


Dear Mr. DeGabriele,

Enclosed is Notice to Owner No. 1780.1, dated November 18, 2013 covering the relocation of approximately 11,611 feet of North Marin Water District's 30 inch aqueduct. As you are aware, the relocation is necessary in order to accommodate the reconstruction and re-alignment, on US Route 101 at the San Antonio Road curve in Marin and Sonoma Counties.

This Notice to Owner was prepared in accordance with your job number 1.7118.09 for the relocation of the 30 inch water line affected by the State's road reconstruction and re-alignment project. The Department of Transportation requests that all necessary preparation work for the proposed relocation commence as soon as possible and that North Marin Water District's relocation work be completed prior to April 30, 2015.

If you have any further questions please call me at 510-286-5432. Your attention to this matter is greatly appreciated.

Sincerely,

  
EDGAR E. VELEZ  
Associate Right of Way Agent  
Utility Services



**NOTICE TO OWNER**

RW 13-4 (1/2012)

**No. 1780.1**

DIST.	COUNTY	ROUTE	P.M.	E.A.
4	Mrn / Son	101	27.0 / 27.6 0.0 / 1.9	264099
Federal Aid No. N/A				
Owner's File No. 1.7118.09				
Date: November 18, 2013			Freeway Yes [X] No [ ]	

North Marin Water District  
 Mr. Drew McIntyre, P.E.  
 999 Rush Creek Place, P.O. Box 146  
 Novato, Ca 94948

**Because of the State Highway construction project:** Reconstruct and re-align, US Route 101 at the San Antonio Road curve in Marin and Sonoma Counties (PM 27.0/27.6, 0.0/1.9).

**Which affects your facilities:** Approximately 11,611 feet of 30 inch aqueduct, along north-bound US Route 101 from engineer's station "A" line 6520+100 to 6665+100, in Marin and Sonoma Counties.

**You are hereby ordered to:** Relocate your 30 inch aqueduct and make all necessary preparations for said relocation as shown on your plan no. 1.7118.09 dated August 8, 2013.

**Your work schedule shall be as follows:** Commence your preparation work for said relocation by January 15, 2014 or as soon as possible and have it completed prior to April 30, 2015, or as directed by the State's Resident Engineer, whichever is later.

**Notify:** Nasr Faraq the Utility Construction Coordinator at (510) 376-8115 and Christopher Blunk the Resident Engineer at 510 385-6886, Unless otherwise approved by State's Engineer a minimum of one week prior to initial start of work under this permit, and 24 hours prior to subsequent restart when the work schedule is interrupted.

**Liability for the cost of work is:** 100% State's expense in accordance with Section 703 of the Street and Highway code.


**BJAN SARTIPI**

District Director

**MARK L. WEAVER**

Deputy District Director

cc: Utility Construction Coordinator  
 Permits

By:   
**JOHN O. CARLSTON**  
 District Branch Chief

**THIS NOTICE DOES NOT CONSTITUTE A PERMIT. OBTAIN AN ENCROACHMENT PERMIT BEFORE STARTING WOR**



9

MEMORANDUM

To: Board of Directors November 27, 2013  
From: Chris DeGabriele, General Manager *CD*  
Subject: Consider Reduction in Facilities Reserve Charge (FRC) for New Accessory Dwelling Units  
t:\gm\bod misc 2013\adu memo 112713.doc

**Recommended Action:** Board Approve Revision to Regulation 1, Reducing FRC for Accessory Dwelling Units and Authorize the Board President to Sign a Letter to the City Acknowledging the FRC Reduction

**Financial Impact:** None at this time

Attachment 1 is a letter from Novato's Mayor requesting NMWD consider reduction in fees for new accessory dwelling units (ADU's). The letter states: "...one area of community consensus is to encourage the construction of new accessory dwelling units over the construction of new apartment or condominium complexes." This letter request was discussed at the October 1, 2013 meeting (minutes included as Attachment 2).

The Board had a discussion on auxiliary dwelling unit connection fees at the July 16, 2013 meeting. The memorandum and attached information (including minutes) from that meeting are included for your reference (Attachment 3). The July memo did not recommend any change in the FRC, though it did indicate that there are likely so few new ADU's that reducing the FRC to the amount equivalent for a mobile home will not have a significant financial impact on the District. Note that the current ADU FRC is \$11,200, the same as that charged for Apartments, and 40% of the amount charged for Single Family Detached dwelling units (SFD). Mobile Homes have a lower FRC of \$10,000 (35% of the SFD FRC).

Director Rodoni informed the Board that he attended a meeting with Novato Mayor Pat Eklund and Novato Sanitary District Board members Bill Long and Mike DiGiorgio to discuss affordable housing in Novato and to consider the City's request to reduce fees for accessory dwelling units. Director Rodoni stated that he recommended the City look into deed restricting the ADU's for affordable housing, limit ADUs to one per parcel and consider an amnesty program. He informed the Board that it was a good meeting and that the Board should consider the mayor's request to reduce FRC's.

A draft revision to Regulation 1 is included (Attachment 4), which reduces the FRC for Novato ADU's to \$10,000 and in West Marin to \$8,000. A draft letter to the City of Novato is

enclosed (Attachment 5) acknowledging the proposed action and recommending the City deed restrict properties with second units so that they remain affordable (and not converted to commercial purposes such as a bed and breakfast), limit second units to one per parcel, and establish an amnesty program.

**RECOMMENDATION**

1. Board adopt the revised Regulation 1 reducing Facilities Reserve Charges for Accessory Dwelling Units in Novato to \$10,000 and in West Marin to \$8,000.
2. Board authorize the President to sign a letter to the City of Novato recommending the City deed restrict ADU's so that they remain affordable, limit ADU's to one per parcel and establish an amnesty program for existing ADU's not now permitted.



THE CITY OF  
NOVATO  
CALIFORNIA

75 Rowland Way #200  
Novato, CA 94945-3232  
415/899-8900  
FAX 415/899-8213  
[www.novato.org](http://www.novato.org)

Mayor  
Pat Eklund  
Mayor Pro Tem  
Eric Lucan  
Councilmembers  
Denise Athas  
Madeline Kellner  
Jeanne MacLeamy

City Manager  
Michael S. Frank

August 29, 2013

Rick Fraites, President  
North Marin Water District Board of Directors  
P.O. Box 146  
Novato, CA 94948-0146

**Re: Request to Consider Reduction in Fees for New Accessory Dwelling Units**

Dear President Fraites and Directors:

The City Council will soon be considering adoption of our new Housing Element which has been the result of almost three years of discussions with our community members. While many issues related to the provision of new affordable housing units have been controversial, one area of community consensus is to encourage the construction of new accessory dwelling units over the construction of new apartment or condominium complexes. Accessory dwelling units are perceived as having reduced community impacts due to their small size and distributed nature. In addition, the need to address our community's aging population in extended family settings is a community interest.

Accessory dwelling units are limited in size by the Novato Zoning Code to a maximum of 750 square feet, although parcels exceeding 10,000 square feet in size may propose a unit up to 1,000 square feet in size based on a sliding scale. Staff has surveyed owners of accessory dwelling units in Novato and has determined that two-thirds of such units are rented at rates affordable to very-low income households and one-third to low-income households.

Despite the public interest in encouraging the creation of new accessory dwelling units, we find few property owners interested in pursuing the remodeling or new construction associated with establishing a new unit. In discussions with potential applicants we find that the cost of permits is a major disincentive. Average city and special district fees for creation of a new 750 square foot accessory unit is approximately \$46,000. The Water District connection fee for any size accessory unit is \$11,200.

RECEIVED

SEP 13 2013

North Marin Water District

The City's Draft Housing Element includes a program which encourages fee reductions for accessory dwelling units. The City is responding by reducing our planning application and development impact fee by 50 percent, reducing these fees from \$15,629 to \$7,814. We understand that the District Board has had an initial discussion regarding a potential fee reduction. We encourage the Board to pursue this issue further in order to assist in promoting this citywide policy objective.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat Eklund". The signature is written in a cursive style with a large, looping initial "P".

Pat Eklund  
Mayor

**INFORMATION ITEMS**

**CITY OF NOVATO REQUEST TO CONSIDER REDUCTION IN FEES FOR NEW ACCESSORY DWELLING UNITS**

Mr. DeGabriele informed the Board that he received a letter from the Novato Mayor requesting the District to consider a reduction in fees for new accessory dwelling units. He reminded the Board that there was a discussion in July with City of Novato's Community Development Director, Bob Brown, urging the Board to take action on this issue. Mr. DeGabriele stated that the Novato's Mayor has requested the District consider the reduction to encourage construction of new second units in Novato. He informed the Board that currently the connection fee is set equivalent to an apartment for an accessory dwelling unit and suggested reducing the fee to that equivalent to a mobile home. Mr. DeGabriele asked for suggestions and comments from the Board.

President Fraites asked what the motivation behind this request is. Mr. DeGabriele stated that the City would like to promote accessory dwelling unit development as a means of addressing affordable housing needs.

Director Schoonover stated he was curious about the consensus of the Novato community. Mr. DeGabriele stated that the letter is from Mayor Eklund and there has been a lot of debate in public meetings about affordable housing and which likely included a suggestion to reduce the development fees.

Director Schoonover asked if the reduction would be enough and Mr. DeGabriele responded that he would hope it would be a step in the right direction and that it was indicated that the Mayor planned outreach to President Fraites. He stated that one option could be to wait until the City reaches out again.

Director Petterle stated that he would be okay with dropping the fee to that equivalent to a mobile home but no more than that.

Director Rodoni suggested putting a time limit on the fee reduction and including a deed restriction, insuring the property would remain a long term rental and not be converted to a commercial operation such as a Bed and Breakfast. Director Petterle agreed with Director Rodoni and the deed restriction along with affordable rates. Mr. DeGabriele stated in his prior discussions with Bob Brown, the City did not intend to include deed restrictions on accessory dwelling units.

Mr. DeGabriele thanked the Board for their input and stated that he will wait to hear from the City again.



## MEMORANDUM

To: Board of Directors  
From: Chris DeGabriele, General Manager *CD*  
Subject: Auxiliary Dwelling Unit Connection Fees  
t:\gmbod misc 2013\auxiliary dwelling unit conn fee.doc

July 12, 2013

**RECOMMENDED ACTION:** Maintain Auxiliary Dwelling Unit Connection Fees at their Current Level

**FINANCIAL IMPACT:** None at this time

### Background

On October 31, 2012, Bob Brown, the City of Novato Director for Community Development, met with me to request North Marin Water District reduce fees for auxiliary dwelling units (ADU or second units) to incentivize their development. Mr. Brown provided a table of typical fees for second dwelling units in Novato and a table with comparison of fees for second dwelling units by local utility public agencies (Attachment 1). Mr. Brown advised that California allows second units to be considered affordable housing if demonstrated by survey that the rental amount charged meets affordable housing requirements. Mr. Brown also informed me that the City of Novato would not deed restrict the rental amount charge, but would consider changing the zoning regulation to limit the size of second units. In Novato, the minimum second unit dwelling size is 150 gross square feet and the maximum 750 gross square feet depending on lot size up to 10,000 square feet. In reviewing the comparison of fees, I informed Mr. Brown that the \$5,000 he references for NMWD new meter installation is physical construction and should not be included in the fee comparison and that this cost may be avoided provided the Fire Department approves both that the single family residence and a second unit can be served by common meter and no fire sprinklers are required.

### Analysis

I requested the Auditor-Controller, David Bentley to review the basis for the District's ADU connection fee. That analysis, Attachment 2, confirms that the NMWD fee charged is reasonable and appropriate and is consistent with the methodology to calculate other dwelling unit fees, which are based on water use in proportion to a single family residential unit. In Novato a single family residential dwelling unit pays a total initial charge of \$32,640 which includes a facilities reserve charge (FRC) of \$28,600, reimbursement fund charge of \$420, meter charge of \$120 and service line of \$3,500. In Novato, we have 13,425 single family homes, 197 of them are single family dwelling with an ADU served by one meter. Another eight have separately metered ADU's. Single family homes in Novato typically use 114,141 gallons

per year; and those with a second unit, use an additional 44,842 gallons. The second units metered separately, use 51,612 gallons per year. Initial charges for second units in Novato total \$11,200 (FRC only) when served by a common meter, and \$15,240 when served by a separate meter. The additional charges are for reimbursement fund (\$420), meter (\$120), and service line (\$3,500).

I further requested the Auditor-Controller to review the FRC for mobile homes currently set at \$10,000/dwelling unit and less than the FRC for an ADU. He concluded that the mobile home FRC charge is appropriate, but indicated that there are likely so few new ADU's that will come forward that the \$1,200 difference in FRC between mobile homes and ADU's will not have significant financial impact on NMWD.

I investigated Mr. Brown's comparison data for Marin Municipal Water District (MMWD) and found that MMWD has a Board policy which is very complex and addresses second units by both size and whether they are attached or detached. MMWD connection fees vary for second units less than 400 square feet at \$2,346 up to \$7,036 for a second unit over 750 square feet. It's also noted that water use is calculated variably among the different sized second units and whether they are attached or detached. By comparison, the MMWD single family residential connection fee varies from \$11,728 to \$14,367 in the Marinwood area all based on projected annual demand. The connection fee per acre foot of demand is \$29,320 (one acre foot equals 325,850 gallons). The MMWD charge for a new service line and meter totals \$4,420 as compared to North Marin's \$3,620. MMWD's Board policy enables connection fees to be reduced by 50% should the second unit be deed restricted as low income for ten years. When comparing the cost of water service to the end user, assuming a 750 square foot detached second unit, a North Marin customer would pay \$388 and a MMWD customer would be \$387<sup>1</sup>.

I also looked at other agency charges for second units which are highly variable. In the City of Petaluma, no connection fees are charged for second units less than 640 square feet, just a \$150 meter charge. For units greater than 640 sq ft, the residence is considered a single family dwelling unit. In Santa Rosa, detached second units are charged a connection fee of \$2,582 and at Valley of the Moon Water District second units are charged a capacity charge of \$7,547 and a meter and service line charge of \$3,932.

In conclusion, it is my opinion that the North Marin fee is appropriate and consistent with the methodology used to calculate other dwelling unit fees (based on a proportionate ratio of water use compared to single family residential units). Other agency fees for second units are highly variable and much discounted. The MMWD fee structure is far too complex. The

difference in fees calculated for second units at MMWD is based on their connection fee for single family residential units which is much less than North Marin's.

**RECOMMENDATION:**

I don't recommend any change in the District's connection fee or initial charges at this time.

---

<sup>1</sup> NMWD: 51,612gal @ \$4.03/1,000 + \$30.00 bimonthly service charge x 6 = \$388  
MMWD: 51,612gal @ \$5.00/1,000 + \$21.53 bimonthly service charge x 6 = \$387

## Accessory Dwelling Units

### Zoning Standards

Number Allowed: Only one accessory dwelling unit per single-family lot.

Maximum Size: 750 square feet maximum plus, on lots over 10,000 square feet, 50 square feet of additional floor area may be allowed for each 2,000 square feet of lot size over 10,000 square feet up to a maximum of 1,000 square feet of floor area.

Occupancy: The owner of a parcel proposed for accessory dwelling use shall occupy as a principal residence either the primary dwelling or the accessory dwelling.

Sale Prohibited: An accessory dwelling unit shall not be sold independently of the primary dwelling on the parcel.

Deed Restriction: A deed restriction, approved by the city attorney, shall be recorded with the county recorder's office, which shall include the pertinent restrictions and limitations of an accessory dwelling unit identified in this section. Said deed restriction shall run with the land, and shall be binding upon any future owners, heirs, or assigns. A copy of the recorded deed restriction shall be filed with the Department stating that:

1. The accessory dwelling unit shall not be sold separately from the primary dwelling unit;
2. The accessory dwelling unit is restricted to the maximum size allowed per the development standards in Section 19.34.030
3. The accessory dwelling unit shall be considered legal only so long as either the primary residence, or the accessory dwelling unit, is occupied by the owner of record of the property;
4. The restrictions shall be binding upon any successor in ownership of the property and lack of compliance with any provisions of Section 19.34.030, may result in legal action against the property owner, including revocation of any right to maintain an accessory dwelling unit on the property.

### Projected Number of Accessory Dwelling Unit Approvals

There have been 9 accessory dwelling units approved by the City between 2007 and 2012 (about 0.75 per year). Of these approvals, only 6 have actually secured building permits (0.5 per year).

Our draft Housing Element projects the addition of 13 accessory dwelling units between 2014 and 2022 (about 1.6 per year).

### Average Size of Accessory Dwelling Units Approved

The average size of accessory dwelling units approved from 2000 to 2012 is 765 square feet. Ninety percent (90%) of the approved units were one bedroom, one bath dwellings. About two-thirds of the approved units were detached from the main dwelling.

### Fees for Accessory Dwelling Units\*

<i>Current Fees</i>		<i>Proposed Fees</i>
<b>Planning Permit Fees</b>	\$1,494	\$747
<b>Building Permit Fees</b>	\$2,163	same
<b>Development Impact Fees</b>		
City:		
Rec/Cultural Facilities	\$ 6,293	
Civic Facilities	1,128	
General Government Systems	489	
Open Space	1,361	
Drainage	773	
Streets & Intersections	3,873	
Transit Facilities	134	
Corporation Yard	84	
<b>TOTAL</b>	<b>\$14,135</b>	<b>\$7,067</b>
<b>Novato Fire Protection District</b>	<b>\$729</b>	
<b>Novato School District Developer Impact Fee</b>	Units less than 500 sf: \$0 Units 500+ sf: \$1,975	
<b>Sewer Service/Connection</b>	<b>\$8,990</b>	
<b>Water Connection/Meter</b>	<b>\$17,200</b>	
<b>TOTAL</b>	<b>\$44,294</b>	

\*Assumes a 750 sf detached second dwelling unit

**COMPARISON OF FEES FOR SECOND DWELLING UNITS: UTILITIES**

Water Service	<i>North Marin Water District</i>	<i>Marin Municipal Water District</i>
Connection fee:	\$11,200	<u>Attached unit:</u> Less than 750sf: \$2,341 750-1,000 sf: \$2,341-\$7,022 <u>Detached unit:</u> Less than 400sf: \$2,341 401-750 sf: \$2,341-\$5,267 751-1,000 sf: \$5,267-\$7,022
New meter installation:	\$5,000 (req'd if fire sprinklers req'd*)	<u>Attached unit:</u> not required <u>Detached unit or if fire sprinklers req'd*:</u> \$4,350-\$4,420

\* Novato Fire District is agreeable to requiring fire sprinklers only for units  $\geq$  600 square feet.

MEMORANDUM

To: Chris DeGabriele, General Manager  
From: David L. Bentley, Auditor-Controller  
Subj: Auxiliary Dwelling Unit Connection Fee  
t:\aclword\frcladu fee.docx

June 14, 2013

You asked me to review the basis for the District's Facilities Reserve Charge (connection fee) for an auxiliary, or second, dwelling unit (ADU). Regulation 1 establishes the ADU FRC at \$11,200, equivalent to 39% of the \$28,600 FRC for a Novato detached single-family home.

The basis for the FRC is water demand. The billing records show that the District has 197 active single-family homes with an ADU served by a single meter, and 8 separately metered ADUs. A query of last fiscal year's (FY12) water use for single-family homes, single-family homes with an ADU served by a single meter, and separately metered ADUs, reveals the following:

FY12 Water Use

	Single-Family Home	Single-Family w/ADU	Separately Metered ADU
Mean Gallons	114,141	158,982	51,612
Count	13,425	197	8

The incremental water demand from the single-family home with an ADU over the single-family home was 44,842 gallons (158,982-114,141). This is 13% less than the 51,612 gallons observed on separately metered ADUs, however, the small number of separately metered ADUs makes that data less representative. The incremental water demand of single-family homes with an ADU (44,842 gallons) equates to 39% of the average single-family home demand, which is the same ratio as the ADU connection fee bears to the single-family home connection fee. The water demand of the separately metered ADUs equates to 45% of the average single-family home demand.

My conclusion is that the ADU connection fee charge, set at 39% of the single-family home fee, is reasonable and appropriate.

Director Rodoni asked if the actual errors in the water supply write up include in the County's plan were corrected. Mr. DeGabriele stated that updated information has been provided to the County on two occasions and that he believes they are now corrected.

Director Rodoni asked if the 50ft wetland buffer would help the District. Mr. DeGabriele said it would help.

On motion of Director Baker, seconded by Director Petterle and unanimously carried, the Board authorized staff to send a letter of support to the County of Marin on the Local Coastal Program Amendment, including a request for flexibility in establishing a wetland buffer.

### **INFORMATION ITEMS**

#### **BOARD REVIEW OF DISTRICT POLICIES #13 – BOARD OF DIRECTORS COMPENSTATION AND PROCEDURES**

Mr. DeGabriele stated that at the June 25th meeting, the Board reviewed District policy #13 – Board of Directors Compensation and Procedure. He stated that the Board of Directors requested additional information surveyed from other public agencies in the Bay Area regarding director compensation. Mr. DeGabriele advised the Board once they are in agreement regarding an increase in compensation for attendance at meetings staff will propose a further revision to the policy and recommend a public hearing to consider an ordinance enacting a revised policy.

Director Petterle suggested that a time be set to revisit this policy. Director Baker stated that he would like to think about the changes. Mr. DeGabriele suggested that the Board revisit this topic at the next Board of Directors workshop likely in January 2014.

#### **AUXILIARY DWELLING UNIT CONNECTION FEES**

Mr. DeGabriele stated that in October 2012, Bob Brown, City of Novato Director for Community Development, requested the District to reduce fees for auxiliary dwelling units to incentivize their development. He informed the Board that he asked David Bentley to review the basis for the Districts auxiliary dwelling unit connection fee. He noted that the analysis shows that the fee charge is reasonable and consistent with other dwelling units based on the water used in a typical single family dwelling unit. Mr. DeGabriele stated that in Novato, the District has 13,425 single family dwelling units, 197 of them are single family dwelling with an auxiliary dwelling unit. He noted that a single family home in Novato typically uses 114,141 gallons per year and those with a second unit, use an additional 44,842 gallons. He stated that the second units metered separately, use 51,612 gallons per year. Mr. DeGabriele reminded the Board that currently the District charges \$11,200 as a facility reserve charge for second units and \$15,240 when served by a separate meter. Mr. DeGabriele concluded that after reviewing the analysis, he feels it is reasonable.



Bob Brown from the City of Novato and two members of the public, Laura Levine and Marc Laberdet urged the Board to reduce the FRC charge. Mr. Brown provided the Board with a table of typical fees for second dwelling units in Novato and a table with comparison of fees for second dwelling units charged by Marin Municipal Water District. Mr. Brown informed the Board that California allows second units to be considered affordable housing if demonstrated by survey that the rental amount charged meets affordable housing requirements.

Director Petterle stated that he supports affordable housing but is conflicted on reducing the District fees because the money to construct facilities to serve new development has to come from somewhere. Director Rodoni suggested looking at data in the future to determine if the District is charging a fair rate and to get more current information of actual water use. Director Schoonover agreed with Director Rodoni and stated that the District needs to be careful because the subject is so complex. Director Baker stated that providing second units will be helpful for low income housing but the District would need to learn more about them before changing the connection fees.

#### **LEVERONI CREEK BANK MONITORING REPORT**

Drew McIntyre provided the Board with an overview of the Leveroni Creek Bank repair project. He stated that the Board was apprised of the project close out at the March 19<sup>th</sup> meeting. He informed the Board that per permit conditions, San Francisco Bay Regional Water Quality Control Board and California Department of Fish and Wildlife require post construction annual monitoring reports for first, 3<sup>rd</sup> and 5<sup>th</sup> years. He stated that the first of the monitoring reports was submitted to the Regional Water Control Board on June 27, 2013 and it was concluded in the report that all elements of the stream bank repair and habitat improvement project are functioning and that the planted vegetation will continue to mature and provide additional bank stability and riparian habitat. Mr. McIntyre informed the Board that the next report is due at the end of December 2013.

#### **RESIDENTIAL CONSUMPTION & TIER-RATE STATUS REPORT**

David Bentley provided the Board with an update on the residential consumption and tier rate status. He stated that for the typical single family residential customer, consumption is 107,600 gallons, up 500 gallons from a year ago. He stated that the Conservation Incentive Rate (CIR) has been effective in reducing consumption by 70% in that tier since implementation. Mr. Bentley advised the Board that since implementation of the Conservation Incentive Tier Rate (CITR) demand has fallen 24% in that tier making both the CIR and CITR effective tools in reducing water demand among high-use residential customers. Mr. Bentley advised the Board that the analysis shows that currently 75% of customers never cross the tier rate threshold whereas, prior to enactment of the tier rates, 63% of those customers were below the tier rate threshold.

DRAFT  
NORTH MARIN WATER DISTRICT  
REGULATION 1  
NEW SERVICE CONNECTIONS

a. Application for Service and Processing

Application for service must be made to the District in writing on the District's form by the property owner or his/her authorized agent. Applications must be supported by data as required by the District, such as a map and/or legal description of the property to be served, a description or plan showing intended water fixtures, a plan showing lawn and garden areas and an estimate of amount of water to be used. The size of the meter and service connection will be determined by the District.

Applications requiring a single service having a meter size equal to or less than one and one-half inch will be processed in the order of the date the application is received provided all requirements of the District are met. All other applications will be processed in the order of the date the application is received provided the Applicant meets all District requirements within 30 days of said date. If District requirements are not met within said 30 days, the application shall be null and void and must be resubmitted to the District except that:

the General Manager may extend the 30-day period if failure to comply with District requirements is due to workload limits of the District.

Receiving an application shall in no way represent a commitment or agreement by the District to serve water. Said commitment will be made only at the time service actually commences or when the District executes a service extension agreement whichever shall first occur. In the case of a service extension agreement, the commitment of the District to supply water shall be limited to the number of connections to be installed pursuant thereto and in accordance with the terms thereof. Additional requirements for recycled water service are included in Regulation 18.

b. Conditions Precedent to Service

Water service will be provided subject to:

- (1) The existence of a main of adequate capacity and pressure abutting the property to be served, or the construction of adequate mains, pumps and storage facilities under the provisions of Part B of these Regulations;
- (2) The advance payment of the District's initial charge for service as provided in Regulation 1 c.; and
- (3) Compliance with the other applicable provisions of these regulations.

c. Initial Charges for Service

Prior to commencement of service the Applicant shall pay an initial charge for service which shall be the total of the meter charge, the service line charge, the reimbursement fund charge and the facilities reserve charge computed as set forth below. "Est." means the actual cost of the service line as estimated by the District; "d.u." means dwelling unit. The Reimbursement Fund Charge shall not apply to recycled water service. Applications for a single service connection having a meter size equal to or less than one and one-half-inch shall pay a meter charge and a service line charge as set forth below. Applications requiring more than one meter or requiring a meter size greater than one and one-half-inch shall pay a meter charge and a service line charge based on the actual cost of said meter and service line installation(s)

incurred by the District.

The Facilities Reserve Charge shall depend on the type of use as shown herein. The charge shall be based on the District's estimate of the quantity of water that will be used on the average day of the maximum month expressed in "equivalent single family dwelling units" of 636 gallons each for Novato and 295 gallons each for West Marin. The District shall determine Facilities Reserve Charges for those consumers served prior to May 1, 1973 by its estimate of gallons per day of water use on the average day of the maximum month divided by 636 for Novato, or 295 for West Marin, over the first ten years of service or less as applicable. If at any time a consumer's use exceeds the estimate used in fixing the charge the District may require the consumer to pay an additional Facilities Reserve Charge at the rate then in effect for each equivalent single family d.u. of such excess.

(1) Novato Service Area

Meter Size <u>Inches</u>	<u>Meter Charge</u> (1)	<u>Service Line Charge</u> (2)	<u>Reimbursement Fund Charge</u> (3)
5/8	\$60	\$3,500	\$ 420
1	120	3,500	1,055
1-1/2	300	3,500	1,540
2	Est.	Est.	3,140
3	Est.	Est.	4,680
4	Est.	Est.	7,310
6	Est.	Est.	14,360
8	Est.	Est.	31,250
10	Est.	Est.	41,610

	Effective 1/1/09 Facilities Reserve Charge	Effective 1/1/10 Facilities Reserve Charge
Single family detached residences and duplexes (each d.u).....	\$18,600	\$28,600
Townhouses and condominiums (3 units or more) (each d.u).....	11,250	17,200
Mobile home (each d.u.) .....	6,800	10,000
Apartment houses - 5 units or more, (each d.u.) .....	7,150	11,200
Second (accessory) d.u. on a parcel in undivided ownership.....	7,150	<u>11,200</u> <u>10,000</u>
d.u. with kitchen or kitchenette whose occupants receive regular meals from central kitchen/dining facility on site.....	4,850	7,600
d.u. without kitchen facilities and landscape.....	3,900	6,100
Non-residential uses and master metered residential uses with a history of water consumption: the District shall determine equivalent single family d.u.'s by its estimate of gallons per day of potential water use on the average day of the maximum month divided by 636 (each equivalent single family d.u.) .....	18,600	28,600

Also see Regulation 29.

(2) West Marin Service Area – Effective January 1, 2009

Meter Size (Inches)	Meter Charge (1)	Service Line Charge (2)	Reimbursement Fund Charge (3)
5/8	\$60	\$3,500	\$1,950
1	120	3,500	4,950
1-1/2	300	3,500	7,200
2	Est.	Est.	14,700
3	Est.	Est.	21,900
4	Est.	Est.	34,200

	Effective 8/1/09	Effective 8/1/10
Single family detached residences and duplexes (each d.u).....	\$16,150	\$22,800
Townhouses and condominiums (3 units or more) (each d.u).....	9,700	13,700
Mobile home (each d.u.) .....	5,650	8,000
Apartment houses - 5 units or more, (each d.u.) .....	6,300	8,900
Second (accessory) d.u. on a parcel in undivided ownership.....	6,300	<del>8,900</del> 8,000
d.u. with kitchen or kitchenette whose occupants receive regular meals from central kitchen/dining facility on site .....	4,300	6,100
d.u. without kitchen facilities and landscape.....	3,450	4,900
Non-residential uses and master metered residential uses with a history of water consumption: the District shall determine equivalent single family d.u.'s by its estimate of gallons per day of potential water use on the average day of the maximum month divided by 295 (each equivalent single family d.u.) .....	16,150	22,800

Also see Regulation 29.

(3) Charge for Annexation - All Service Areas

In addition to the other charges specified, no property shall be annexed to an improvement district unless an annexation fee is paid. The annexation fee shall be equal to the total revenue from tax on land (not improvements) that the District would have received had the property to be annexed been within the improvement district from the date of its formation, plus an amount equal to the interest revenue the District would have received on said tax revenue.

(4) Single Service Connection Requests - Deposit Requirement for Water-Saving Devices and Restrictions

A \$500 deposit must be paid to the District before a single water service connection is provided to assure compliance with all Water-Saving Devices and Restrictions for New Development pursuant to Regulation 15.e and 17.e. Upon inspection that requirements for all Water-Saving Devices and Restrictions have been met, the \$500

deposit will be refunded to the applicant.

(5) Initial charges for Affordable Housing

Payment of Initial Charges for water service to Applicant projects that include housing units affordable to lower income households, as defined in Government code Section 65589.7(d)(1), may be deferred for affordable units only until such time as a certificate of occupancy is issued by the city or county and meters thereto are authorized to be set or a period of two years from the date of the Applicant's Water Service Agreement, whichever duration is less. Said deferred payment shall include interest calculated at the rate earned on the District investment portfolio over the deferral period as determined solely by the District.

d. (This section left intentionally blank)

e. Location of Service Connection

Service will be provided at a meter abutting a major frontage of the consumer's property at a point determined by the District. The consumer may indicate the point on his property where he desires the service.

f. Facilities Reserve Charge for Public Parks - All Service Areas

The Facilities Reserve Charge for public parks shall be the amount charged for a 5/8-inch meter serving a single dwelling unit irrespective of the actual size of the meter provided each and all of the following conditions are met:

- (1) The public park is owned by a public agency and is open and accessible to the public for active recreational uses. For the purposes of this regulation landscaped areas along roadways and surrounding public buildings and landscaped areas in privately owned recreational areas or in areas where use is limited to a select group, such as a homeowners association are not public parks. Golf courses, whether privately or publicly owned or any other enterprise which charges a use fee, are not public parks.
- (2) The public agency owning the park enters into a service agreement with the District providing:
  - (a) Water shall be used only during such off-peak hours as shall be therein specified by the District with the exception that water can be used during peak periods for special limited and unusual circumstances such as system testing, germination of newly seeded turf, major turf renovation projects, irrigation following fertilization or herbicide applications, irrigation required prior to aeration and minor hand irrigation required for plant establishment, and
  - (b) Water use shall be discontinued or reduced as directed by the District at any time it determines that a threatened water shortage exists and so notifies the consumer.
  - (c) Water applied to turf areas shall be applied through a well-designed irrigation system that contains the following features as demonstrated by design drawings and specifications:
    - (i) Use of sprinkler heads, sprinkler head components and/or control schedules which achieve precipitation rates which match the water absorption capacity of the sod/soil column.

- (ii) Sprinkler head spacing that is not greater than 50% of the diameter of the precipitation pattern thrown by the sprinkler head (i.e., head-to-head spacing) at the minimum delivery pressure available at the site based on field measurements or pressure data supplied by the District. This 50% diameter spacing requirement can be varied provided the requirements of Section 1(f)(2)(c)(ix) are met.
  - (iii) Sizing and layout of pipe laterals and selection and grouping of sprinkler heads and nozzles in a manner which assures that the pressure requirement of each sprinkler head is achieved.

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  - (iv) Separation of valves such that valves serving turf sprinklers do not include sprinklers irrigating non-turf landscape which has a different water requirement.
  - (v) A valve in every head may be required by the District to control drain down and optimize distribution control.
  - (vi) Control of all turf valves by an automatic controller capable of programming each valve for the following variables:
    - (1) Irrigation days,
    - (2) Minimum of three independently scheduled start times per irrigation day
    - (3) Minutes of run time per start time cycle.
  - (vii) Controller shall contain a water budgeting feature which permits the same incremental percentage change in all run times (up or down) by changing the water budget setting, thus permitting easy irrigation scheduling as a function of changes in evapotranspiration demand.
  - (viii) Controller shall accommodate a rain shut-off feature which automatically shuts down irrigation when it is raining.
  - (ix) The irrigation distribution system shall be designed to achieve a lower quartile distribution uniformity of at least 80%. This distribution uniformity shall be verified after installation by field precipitation tests performed by a competent expert selected by the District and paid for by the applicant public agency. In the event said uniformity is not achieved, the applicant public agency shall make changes to the system until subsequent tests by said expert, and also paid for by the applicant agency, demonstrate achievement of said distribution uniformity. The lower-quartile uniformity coefficient, an approximation of overall irrigation system uniformity, shall be determined by sampling the precipitation pattern or "footprint" of the irrigation system with catch cans. The coefficient is determined by arraying the resulting data expressed as inches per catch can (or volume of water in can if cans are of uniform size) in descending order of magnitude, determining the mean of the lower one fourth of the catch-can data, and dividing it by the mean value for all of the cans.
- (d) In designing the irrigation system, the applicant agency shall conduct field tests to determine typical infiltration rates for the sub-turf soil. Design precipitation

rates shall, as near as practicable, be matched to or not exceed said infiltration rates

- (e) Consumer or consumer's operator of the turf irrigation system shall apply water pursuant to an irrigation schedule developed for the site and based on applied water advice made available by the District or said turf irrigation system shall be controlled by moisture sensing devices which are operated to achieve efficient irrigation.
- (f) In the case of recycled water service, exceptions to this section may be made or ~~additional requirements imposed as determined by the District to assure~~ optimum soil moisture conditions are maintained and slime growth in the private distribution system is minimized.

g. Land Use Approval Established

An application for service to unimproved land shall not be processed to completion by the District unless the Applicant presents to the District a document from the city or county entity having jurisdiction verifying that a:

- (1) Valid Building Permit has been issued; or
- (2) Preliminary Division of Land has been approved; or
- (3) Tentative Subdivision Map has been approved; or
- (4) Planned Unit Development Precise Development Plan has been approved; or
- (5) Conditional Use Permit has been approved.

The word unimproved as used herein means land on which no improvements exist or land which although improved to a degree is being further improved and said further improvement is the cause for augmented water service and requires one or more of the above listed land use approvals.

h. Wastewater Disposal Established

Water service will not be furnished to any building unless it is connected to a public sewer system or to a wastewater disposal system approved by all governmental entities having regulatory jurisdiction. This subsection shall not apply to service during construction or service provided under Regulation 5.

i. Initial Charges for Service to Residential Connections With Fire Fighting Equipment

Where a meter larger than is otherwise necessary for consumption needs is installed solely to provide capacity for private fire sprinklers, fire hydrants or other fire fighting equipment in residential connections, the Reimbursement Fund Charge shown in Column (3) of subsections c.(1) and c.(2) that shall apply shall be the corresponding charge for the next smaller size meter.

j. Landscape Plans

If the city or county requires an approvable landscape plan as part of its land use approval process said plan must be submitted to the District before an application shall be processed to completion.

**DRAFT**

December 4, 2013

Pat Eklund, Mayor  
City of Novato  
7922 Machin Ave.  
Novato, CA 94945

Re: Request to Consider Reduction in Fees for New Accessory Dwelling Units

Dear Mayor Eklund and City Council:

At the request of the City of Novato, the North Marin Water District has approved a revision to District Regulation 1 – New Service Connections, which reduces the facilities reserve charge (connection fee) for accessory dwelling units (ADU) in Novato from \$11,200 to \$10,000 per ADU. Please note that this facilities reserve charge is now 35% of the amount charged for a single family dwelling unit in Novato, and is a substantial reduction in cost, yet is appropriate for the water service rendered to ADU's.

The NMWD Board of Directors strongly recommends that the City of Novato place deed restrictions on properties with an ADU so that they remain affordable and are not converted to commercial purposes, such as a bed and breakfast or some other enterprise. Further, we suggest that the City of Novato limit ADU's to one per parcel and urge the City to enact an amnesty program so that existing ADU's, which are not now permitted, may become permitted under the new lower fee structure enacted with this revision to District Regulation 1.

We trust that this change in the NMWD Regulations will be welcomed by the City of Novato and we look forward to a continued cooperative working relationship.

Sincerely,

Dennis Rodoni  
President

CD/kly

t:\gm\bod misc 2013\auxiliary dwelling unit letter.doc



10

MEMORANDUM

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: Acquisition of Gustafson Court 1st Deed of Trust  
t:\aclword\housing\gustafson 1st deed of trust acquisition.docx

November 27, 2013

**RECOMMENDED ACTION: Approve**

**FINANCIAL IMPACT: \$383,793**

In October the District obtained title to the home at 15 Gustafson Court, and now has standing to acquire the first deed of trust. The 1st deed of trust is owned by One William Street Capital Management in New York City, represented by AMS Servicing of New York. The total amount owed to acquire the 1st deed of trust is \$383,793, which includes interest in arrears (accruing at 5.75%), property taxes, insurance, property maintenance fees and late charges. Once acquired, the District will have a total investment in the property of \$592,692<sup>1</sup>.

Zillow.com estimates the market value of the home at \$529,000. Thus, the market value is currently about 12% below the District's investment amount. While we wait for the property to appreciate, the home is rented to an engaged couple who both work for the District, and who pay a monthly rent that returns about 2.8%<sup>2</sup> on the District's investment.

As the Employer Assisted Housing Fund is depleted, the money to acquire the first deed of trust is proposed to come from the District's general funds. At some point the District will sell the home, hopefully to an employee, with the proceeds equal to the amount of the 2nd deed of trust returned to the Employer Assisted Housing Fund, and the balance going back to the District's general funds.

**Recommendation:**

Authorize staff to acquire the 1st deed of trust on the 15 Gustafson Court property.

1

<b><u>Total Investment</u></b>	
1st Deed of Trust	\$383,793
2nd Deed of Trust	\$192,585
2nd Acquisition Cost	\$6,597
Rental Preparation	\$9,717
Total Investment	<u>\$592,692</u>

2

<b><u>Return on Investment</u></b>		<b><u>Annual</u></b>
Rent (\$2,150/mo)		\$25,800
Property Tax (Actual)		(\$6,409)
Insurance (Actual)		(\$82)
Maint (est 5% of rent)		(\$1,290)
Vacancy (est 5% of rent)		<u>(\$1,290)</u>
Annual Net		\$16,729
Investment		\$592,692
Return on Investment		2.8%

11

MEMORANDUM

To: Board of Directors

November 27, 2013

From: Chris DeGabriele, General Manager

LD

Subj: Resolution of Appreciation for Doug Moore

t:\gm\bod misc 2013\resolution moore.docx

**RECOMMENDED ACTION: Board Approve the Resolution of Appreciation to Doug Moore**

**FINANCIAL IMPACT: None**

Doug Moore is retiring at the end of this calendar year after 39 years of employment with North Marin Water District. However his last official day working will be December 30<sup>th</sup> and his retirement will be recognized at the District's Holiday Party on December 14<sup>th</sup>. Thus it is appropriate to convey appreciation for Doug's years of service to the District and adopt the attached resolution of appreciation.

**RECOMMENDATION:** Board adopt the resolution of appreciation to Doug Moore retiring after 39 years of employment with North Marin Water District.

**DRAFT**  
**Resolution 13-XX**

**North Marin Water District**  
Resolution of Appreciation  
To  
**Doug Moore**

**WHEREAS:**

- Doug Moore was hired on September 3, 1974 as a "Helper" at North Marin County Water District and promoted through the ranks of Pipeman Apprentice (1978), Pipeman (1979), Pipeline Foreman (1988), and culminating his career with the District as Construction Superintendent in 2005.
- During Doug's employment the District nearly doubled in size to a water and sewer utility serving 21,595 customers in Novato, Point Reyes and Oceana Marin areas of Marin County. Doug played an instrumental role in the construction and maintenance of facilities to serve these customers.
- For over 39 years of District employment, Doug performed all his duties with deep commitment and dedication. The Construction Department, under Doug's leadership, strengthened its "esprit de corps" and continues its longstanding and well-deserved reputation of being a highly competent, hard working, efficient, proud and close knit group.
- Doug presented a competent and helpful demeanor to customers and persons he did business with on behalf of the District and pursued his work in a professional and businesslike fashion. He holds the respect of his men, fellow District employees and District managers he served, the Board of Directors, contractors, developers and engineers.
- Doug's devotion to the District is exemplified by his willingness to try new construction techniques and equipment in the field, and "can do" attitude to accomplish work assigned.
- On December 30, 2013, Doug Moore will retire from the North Marin Water District, move to Lake County to ride his motorcycle, golf, and pursue those lifelong dreams he shares with his family and friends.

**THEREFORE BE IT RESOLVED:**

That the Board of Directors of North Marin Water District hereby commends and expresses its appreciation to Doug Moore for many years of dedicated and loyal service.

**BE IT FURTHER RESOLVED:**

That the Board of Directors, on behalf of the staff, officers and Directors of the North Marin Water District, extend to Doug Moore sincere good wishes in his new endeavors and many happy productive years filled with all the good things of life.

Dated at Novato, California  
December 3, 2013

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Dennis Rodoni, President  
North Marin Water District

\* \* \* \* \*

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the third day of December 2013 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

---

Katie Young, District Secretary  
North Marin Water District

(SEAL)

12

## Item #12

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



### **TECHNICAL ADVISORY COMMITTEE**

**MONDAY, DECEMBER 2, 2013**

**9:00AM**

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

1. Check In
2. Public Comment
3. LRT2 Solicitation for FY2014/15
4. Water Supply Conditions and Summer Water Conservation
5. Biological Opinion Status Update
6. Items for next agenda
7. Check Out





**NORTH MARIN  
WATER DISTRICT**

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

**PHONE**  
415.897.4133

**FAX**  
415.892.8043

**EMAIL**  
info@nmwd.com

**WEB**  
www.nmwd.com

November 14, 2013

David Guhin, Director of Utilities  
City of Santa Rosa

Damien O'Bid, City Engineer  
City of Cotati

Dan Takasugi, Director of Public Works  
City of Sonoma

Mike Ban, Environmental and Engineering Services Division Manager  
Marin Municipal Water District

Subject: SCWA L/R/T2 Program Funding for FY 2014/15

Your City/Water District has not yet received its full allocation under the original SCWA Local Supply / Recycled Water/ Tier 2 Water Conservation Funding Program (L/R/T2) (Attachment 1) and the TAC will consider recommending L/R/T2 funding to be included in the Sonoma County Water Agency budget for next fiscal year (FY 2014/15). Section 4.15 of the Restructured Agreement (RA) provides for the collection of a Recycled Water and Local Supply Sub-Charge to carry out provisions of Section 2.6 of the RA. Guidelines and project evaluation criteria for the L/R/T2 Program (Attachment 2), were established for the original L/R/T2 program authorized pursuant to the 2001 Impairment MOU.

If you have an L/R/T2 eligible project, Please submit project proposals to the Technical Advisory Committee (TAC) chair by Monday, December 16, 2013. The L/R/T2 Sub-Committee will meet to develop a recommendation for consideration by the full WAC at the February meeting.

Sincerely,

  
Chris DeGabriele  
General Manager

Enclosure

Cc: Dan Muelrath, Valley of the Moon Water District  
Dan St. John, City of Petaluma  
Richard Burt, Town of Windsor  
Darrin Jenkins, City of Rohnert Park

CD/ky  
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SONOMA COUNTY WATER AGENCY

LOCAL SUPPLY / RECYCLED WATER / TIER 2  
 WATER CONSERVATION FUNDING PROGRAM 10-YEAR ALLOCATION

	<i>Allocation</i>	<i>Expended</i>	<i>Balance</i>	<i>Encumbered</i>
1 Santa Rosa	5,065,236	3,908,003	1,157,233	
2 Petaluma	2,197,913	2,197,913	--	
3 Marin Municipal	1,724,026	1,000,000	723,926	
4 North Marin	1,846,726	1,846,726	--	
5 Rohnert Park	649,629	325,000	324,629	324,629
6 VOM	627,875	627,875	--	
7 Sonoma	539,411	264,295	275,116	185,706
8 Windsor	86,996	86,996	--	
9 Cotati	157,235	--	157,235	
10 Forestville	104,953	104,953	--	
<b>Total</b>	<b>13,000,000</b>	<b>10,361,861</b>	<b>2,638,139</b>	

11/14/13

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## GUIDELINES AND PROJECT EVALUATION CRITERIA

### SCWA LOCAL SUPPLY/RECYCLED WATER/TIER 2 WATER CONSERVATION FUNDING PROGRAM

The Memorandum of Understanding Regarding Water Transmission System Capacity Allocation During Temporary Impairment (Impairment MOU) establishes that the phrase "Cost effective water conservation measures that reduce water demands on the transmission system" as used in Section 2.5 of the Tenth Amended Agreement includes cost effective water conservation measures, recycled water projects that offset potable water use and standby local peak month production capacity projects that reduce peak demand on a transmission system (L/R/T2 measures). Sonoma County Water Agency (SCWA) plans to budget and distribute funds to the Water Contractors, Windsor and Marin Municipal Water District for implementing L/R/T2 measures. By November 1 of each year the parties to the Impairment MOU further agree that the Water Advisory Committee shall approve and report to the SCWA which projects are to receive funding support in the subsequent fiscal year's budget. Said approval will not include the first \$15 million for water conservation measures or the \$1.3 million in FY 00/01 SCWA budget for recycled water projects which has already been approved by the Water Advisory Committee in the Agency's FY 00-01 Water Transmission System Budget. The Water Advisory Committee has appointed a subcommittee to review the L/R/T2 measures and make recommendations to the Agency.

#### GUIDELINES

1. Water Advisory Committee supports the inclusion of \$13 million dollars over ten years up to \$2.0 million per year in the Sonoma County Water Agency's Water Transmission System budget for the L/R/T2 program.
2. Revenue requirements are to be met through a surcharge to the Water Transmission System Operations and Maintenance (O&M) rate.
3. Each party signatory to the Impairment MOU, excluding SCWA, shall be eligible and allocated a share of the L/R/T2 funding proportional to their average annual water delivery for three years (FY 98/99 through FY 00/01) divided by the SCWA deliveries to eligible parties over the same period (see Table 1). Eligible parties are eligible to receive the sum of their allocated shares over the life of the L/R/T2 program.
4. Eligible parties shall submit proposals for L/R/T2 projects to the Chairman of the Water Advisory Committee by September 30 of each year (for FY 01-02 contractors shall submit proposals to the Chair of the Water Advisory Committee by March 1, 2001). Project duration and funding eligibility may extend over more than one year.
5. By November 1 of each year the L/R/T2 subcommittee shall recommend projects to be approved by the Water Advisory Committee at a regular meeting for funding in the subsequent fiscal year's budget. Funding shall be made through distribution from the Water Transmission System O&M fund unless another funding source becomes available due to execution of a new water supply agreement subsequent to Eleventh Amended Agreement for Water Supply.
6. SCWA will account for each eligible party's share separately. Project payments by SCWA will be made only for design, construction, and/or implementation. Payment by

SCWA to each eligible party will be made upon receipt of itemized invoices for work completed on approved projects. Invoices shall be submitted on a quarterly basis.

7. The L/R/T2 Subcommittee shall use the below listed criteria for evaluation of project measures.

**PROJECT EVALUATION CRITERIA:**

1. L/R/T2 measures must result in sustained demand reduction in the months June through September. Recommendations for funding of projects will be based on the most cost-effective projects being recommended for funding first. Cost effectiveness as determined by the WAC will be evaluated on a dollar per MGD basis.
2. Projects must be sustainable. Projects to implement a short-term demand curtailment will not be considered. For local well supply, the sustained capacity is defined as 67% of the measured yield during a long-term steady state pumping test. Water conservation programs are those beyond the current California Urban Water Conservation Council Best Management Practices (BMP's) or those programs listed in the May 1998 SCWA Draft Water Conservation Plan.

## EXAMPLES OF ELIGIBLE L/R/T2 PROJECTS AND MEASURES

### Recycled Water Projects

- New Treatment Plant Construction
- Existing Treatment Plant Capacity Upgrades
- Distribution Facilities (Pump Stations, Pipelines, Storage and all appurtenances)

### Local Supply Projects

- New Treatment Plant Construction
- Existing Treatment plant Capacity Upgrades
- Aquifer Storage and Recovery Projects
- Backfeed Surface Storage for June-Sept Water Supply Production
- New Well Construction Potable Supply and Non Potable which offsets potable demand
- Rehabilitation of Existing Potable Well Supply

### Tier 2 Water conservation Measures

- Water Conserving Appliance Incentives
- Irrigation Advisory Service



## **Russian River Biological Opinion Update – December 2013**

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

### **Dry Creek Habitat Enhancement and Demonstration Project**

- Construction of the remainder of the one-mile demonstration project is underway. Hanford Applied Restoration & Conservation, out of Sonoma, is constructing the project. This summer's work is complete and the focus is on revegetation. Approximately 3,000 plants will be installed this fall/winter.
- Construction is complete on the U.S. Army Corps of Engineers habitat enhancement project, on Corps property immediately below Warm Springs Dam. The Water Agency is partnering with the Corps on a grant application to provide signage and public access to the site.
- Site identification, outreach to landowners, preliminary environmental studies and topographic surveys are underway for the second and third miles of habitat enhancement. Two firms, Interfluve and ESA PWA, have been selected to design the second and third miles of habitat enhancement.
- The Water Agency, National Marine Fisheries Service, Department of Fish & Wildlife and the U.S. Army Corps of Engineers are working with consultants, ESSA, to develop clear success measures for habitat enhancement. The plan should be completed in 2013.

### **Fish Monitoring**

Chinook are being monitored on their fall migration upstream. Water Agency staff is conducting dive surveys and assessing habitat conditions in the upper river to determine the status of the migration. As of November 25, approximately 2,350 fish have been counted at Mirabel. Water Agency staff is regularly consulting with National Marine Fisheries Service and California Department of Fish and Wildlife regarding the status of the migration and plans for reservoir releases this fall.

### **Tributary Habitat Enhancement Projects**

Habitat monitoring was conducted in Grape Creek this fall.

### **Mirabel Screen and Fish Ladder Replacement**

- The 90% design is ongoing; the Water Agency Board has adopted the Initial Study and Mitigated Negative Declaration. The seismic upgrade project (not required by the Biological Opinion) will be underway in January and should take two months to complete. Major construction on the fish screen/fish ladder project is estimated to begin in June 2014.

### **Russian River Estuary Management Project**

- The 2013 Lagoon Management Period began May 15 and ended on October 15. Biological monitoring is completed for the season, while water quality monitoring continues.

- The river mouth closed on October 21 and was breached on November 7. This Lagoon Management Period began on May 15 and ended on October 15.
- A study of the jetty is underway. The purpose of the study is to determine if and how the jetty impacts the formation of the barrier beach and lagoon water surface elevation. While the historic assessment component of the study was completed at the end of 2012, field investigations were postponed until all permits were acquired.

### **Fish Flow Project**

Work is occurring internally on the preparation of the draft Environmental Impact Report for the Fish Habitat Flows and Water Rights Project. The EIR is being prepared by Water Agency staff, with assistance from consultants on some areas of impact analysis. A draft EIR is anticipated to be released in 2014.

### **Interim Flow Changes**

- The State Water Resources Control Board issued the 2013 Temporary Urgency Change order in late April and flows were reduced beginning on May 1. The minimum flow requirements in the upper river were based on the rapid decline in Lake Mendocino levels and differ from the minimum flows required in the Biological Opinion. Minimum flow requirements in the order were 75 cfs in the upper river and 85 cfs in the lower river. The order expired on October 28. When the order expired the minimum flow levels changed to 75 cfs in the upper river and 125 cfs in the lower river. As of November 25, storage in Lake Mendocino was approximately 31,933 acre-feet.

### **Public Outreach, Reporting & Legislation**

- Two tours of the Dry Creek project site were held for WAC/TAC members on Friday, November 15 and Friday, November 22. The second tour was followed by a coho release event coordinated the US Army Corps of Engineers and the Water Agency. About 60 people attended the event, which included the release of 2,000 coho into the Corps and Water Agency's habitat enhancement sites.
- Language authorizing the Corps to conduct habitat enhancement in Dry Creek is contained in the Water Resources Development Act (WRDA) approved by the House in October. The Senate passed its version WRDA, also with language that supports the Dry Creek project, in June 2013. The draft legislation is currently in conference to work out the differences between the House and Senate bills.



13



**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, December 6, 2013  
Time: 9:30 a.m. – 11:30 a.m.  
Location: Petaluma (Lucchesi) Community Center  
320 N. McDowell Boulevard  
Petaluma, CA 94954

**AGENDA**

<b><u>Item</u></b>	<b><u>Recommendation</u></b>
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. Napa-Sonoma Salt Marsh Restoration Project (45 min.) Guest Speaker: Susanne Von Rosenberg, Gaia Consulting	Information
7. Richardson Bay and Sea Level Rise (45 min.) Guest Speaker: Roger Leventhal, Marin County	Information
8. New Member Request from Ross Valley Sanitary District (15 min.) Harry Seraydarian	Action
9. Items of Interest	
10. Items for Next Agenda	

**Next Meeting Information:**

**Next Meeting: January 3, 2014**

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

## NORTH BAY WATERSHED ASSOCIATION

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

Date: November 1, 2013  
Time: 9:30 a.m.  
Location: Novato Sanitary District  
500 Davidson Street  
Novato, CA 94945

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Steve Barbose	City of Sonoma and Sonoma Valley County Sanitation District	Mike DiGiorgio	Novato Sanitary District
Keith Caldwell	Napa County Flood Control and Water Conservation District	Rick Frites	North Marin Water District
Adrian Cormier	Bel Marin Keys Community Services District	Jack Gibson	Marin Municipal Water District
		Kathy Hartzell	Central Marin Sanitation Agency
		Judy Schriebman	Las Gallinas Valley Sanitary District
		Pamela Tuft	City of Petaluma

Directors present represented 10 out of the 16 agencies signatory to the Association MOU and Jeanne MacLeamy represented City of Novato, Associate Member.

### Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:36 a.m.
2. **Public Comment.** None.
3. **Approval of the Agenda.** (See Handout) The Board unanimously approved the agenda.
4. **Approval of the Minutes of the Board Meeting held October 4, 2013.** (See Handout) The Minutes of the Board Meeting held on October 4, 2013 were unanimously approved.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. **Forecasting Precipitation with Climate Change.** Carl Morrison, Morrison & Associates, provided a PowerPoint entitled "San Francisco Bay Area Regional Advanced Quantitative Precipitation Information System." Carl presented an overview of his topic and then began with a description of different weather radar types (S-band – NEXRAD long-range, high elevation; C-band – large, long-range, lower-elevation; and X-band – small, short-range, lower-elevation) and a visual of existing Bay Area weather radar. He also provided pictures of different types of radar and then explained how existing radar does not pick up lower level rain events (below 7,000 feet) which account for 50% of Bay Area rain events. Carl then displayed a picture of "low-aiming X-band radar" and compared it in size to S-band radar. He also provided a video illustrating the difference in X-band versus S-band in displaying rain events. Carl then moved on to an explanation of Atmospheric Rivers and provided another video showing the movement of moisture, and some examples of atmospheric rivers. Carl described the basic project for the Bay Area – 4-6 units (X-band and C-band) to provide more precise information on location, amount and duration of extreme rain events. He explained how this proposal is Phase III of a four phase approach (DWR, SCWA and SFPUC have been involved in the first two phases) and he presented a conceptual layout of the monitoring network. Carl provided more information on the SFPUC project to better manage combined sewer overflows and the SCWA project to better manage reservoirs and flood protection. Carl noted that 87% of floods in the Russian River from 1948 to 2011 were caused by atmospheric rivers. He displayed a number of visuals illustrating the impacts of flooding and rain impacts on shipping, emergency responders, and reservoir management. Carl discussed the project cost estimates for the next phase which would cover the entire Bay Area – \$15 to \$25 million (radar units are only ~ \$.5m each, majority of costs is in tying together all the rain stations). He also highlighted potential savings for avoided damage, operational adjustments, saved water, etc. Carl then presented some approaches to estimating benefits and highlighted a benefit of between 50:1 and 10:1 for just flood damage reduction benefits. Carl noted funding sources including Prop 84 Round 3 (max of \$73 million), match from SFPUC and SCWA, with possible design funding from DWR. He indicated that federal sources were also being investigated and estimated O&M at 10% of capital costs. Carl identified potential beneficiaries and options for project management such as ABAG or a new JPA. He noted that Scripps Inst. of Oceanography has proposed a Center for Western Weather Water Extremes (CW3E) for the entire west coast. Carl then highlighted the support for the Bay Area project by three of the four Functional Areas of the BAIRWMP,

DWR, and Congress. He noted that SCWA is adopting a resolution supporting the project. The Board Members had a number of questions. Does CW3E go to Rockies? (Yes and Canada.) Will TV stations benefit? (Yes.) Have you contacted Marin Board of Supervisors or MMWD? (Not yet, good suggestion – will provide draft resolution to NBWA for distribution.) Will predictive model look at longer time frame? (Yes, included in Phase IV.) Could you use reinstated rain gauges and stream gauges to help with data verification? (Yes, needed.)

7. **Marin Carbon Project.** Nancy Scolari, Marin RCD, presented a PowerPoint on the Marin Carbon Project, started in 2008 by John Wick at Nicasio Ranch. Nancy presented the official mission of the project – “to evaluate the soil carbon sequestration potential on rangelands and provide ecological and agricultural benefits to producers in regard to climate change.” Nancy explained that rangeland was selected since it totals approximately 170,000 acres in Marin and estimated that composting on this acreage could offset 10% of the commercial sector emissions in California and if only 25% of California rangeland was used up to 337 million metric tons could be sequestered through composting and waste diversion. Nancy then highlighted some of the scientific studies and scientists involved in life cycle studies. She provided a visual on a soil pit at a demonstration site and then described the training program for resource staff. Nancy explained the compost application in more detail at the ½ inch rate and the other benefits including increase in soil moisture and forage. She also presented the results of an economic analysis that estimated a cost of \$41/metric ton of CO<sub>2</sub> equivalents. Nancy noted that all funds so far are from foundations, though they are hoping for agency funds in the future and not counting on State Cap and Trade funding. Nancy then walked through the selection process for pilot carbon farms and presented the final three: Straus Family Dairy, Stemple Creek Ranch and Corda Ranch. She then provided details on the proposed efforts at each location. Straus will include 28 acres of composting and testing of both ½ inch and ¼ inch application in addition to existing methane digester and more riparian restoration. Corda Ranch will include 19 acres of composting and range management and riparian restoration. Stemple Creek Ranch composting includes 40 acres, compost recipes, and more riparian restoration. Nancy then presented next steps of the overall project: additional research, farm action plans, looking at construction of carbon beneficial best management practices, verify cost per ton, inform GHG accounting models and NRCS EQIP program, work with local and state agencies to approve compost application protocol, determine aggregator and verifier options and ultimately reduce CA greenhouse gas emissions to 1990 levels by 2020. Nancy identified a few gaps (compost quality and arid and semi arid systems) and ended by identifying all the partners in the project. The Board had a number of questions: Are all composts the same? (No, now mixing dairy, equestrian, and green waste.) Any difference in till versus non-till application? (Tilling not necessary on rangeland.) Are you using bio-solids for compost? (May do this further down the road.) Will farms produce enough compost on site? (Yes, for ¼ inch application and dairies, working on further assessment.) What is done with waste now? (Dairies flush to ponds and then apply to fields, composting makes nutrients more available.) Is there interest outside the U.S.? (Yes, Canada.) Is Redwood Landfill compost used? (No.) Do you need to add water to compost? (Yes, amount depends on ratio.)

8. **Items of Interest.**

- \* SFEP Conference – “20/20 Vision: Past Reflections, Future Directions” October 29-30 in Oakland.
- In SFEP October 2013 newsletter “CCMP 1993-2013 – 20<sup>th</sup> Anniversary Review” acknowledge NBWA contribution.

9. **Items for Next Agenda.**

- \* Napa-Sonoma Salt Marsh Restoration Project – Susanne Von Rosenberg – Gaia Consulting, Inc.
- \* Richardson Bay and Sea Level Rise – Roger Leventhal, Marin County Public Works Department
- \* New Member Request from Ross Valley Sanitary District

Jack Gibson, Chair, adjourned the meeting at 11:08 a.m.

SUBJECT TO BOARD APPROVAL  
Submitted By: Elizabeth O. Preim-Rohtla  
Assistant to the Executive Director

**NEXT MEETING INFORMATION:**

December 6 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954 – Conference Room 2  
January 3 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

**2014 NBWA Board of Directors' Meetings Schedule**

**All meetings are held on Fridays from 9:30 a.m. to 11:30 a.m.**

January 3 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

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

March 7 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

April 11 – Conference, StoneTree Golf Club, 9 StoneTree Lane, Novato, CA 94945

May 2 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

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

July 11 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

No August Meeting

September 5 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

October 3 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954-Conf. Rm. 2

November 7 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

December 5 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954-Conf. Rm. 2

**14**

MEMORANDUM

To: Board of Directors

November 27, 2013

From: Drew McIntyre, Chief Engineer



Subject: North Bay Water Reuse Authority Board Meeting – November 18, 2013

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**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** None

The draft minutes from the above referenced meeting are provided in Attachment 1. Supplemental information is provided as follows using item numbers referenced in the meeting agenda.

**8. Financial Report for Period Ending October 31, 2013.**

All costs by the consultants are within budget and no budget augmentation is anticipated.

**9. Status of Agreements and Proposed Budgets for FY14/15, FY15/16, and FY16/17**

The Board was advised that the TAC was reviewing agreements for Engineering, Environmental and Outreach Services; Legislative Development Services; and Program and Manager with final versions to be presented along with budgets to the Board in early 2014.

**10. Authorization to Apply for the 2014/15 WaterSMART Construction Grant**

This grant will provide additional federal funds for ongoing Phase 1 construction projects. The grant application is due in January 2014 and the sole NBWRA member agency participating for this year is Napa Sanitation District.

**15. Workshop #5 – North Bay Water Reuse Program Phase 2 Scoping Study**

NBWRA consultant made a power point presentation (Attachment 2) for the 5<sup>th</sup> workshop related to the Phase 2 Scoping Study. Topics included scoping study activities, water supply and operations, potential scale of Program cost, and filters to assist Phase 2 Members' priorities for content of the Phase 2 Feasibility Studies. As a reminder, NMWD is a Phase 1 participant and reports on Phase 2 activities for information purposes only.

**North Bay Water Reuse Authority  
Board of Directors Meeting  
Minutes  
November 18, 2013**

**1. Call to Order**

Chair Rabbitt called the meeting to order at 9:33 a.m. on Monday, November 18, 2013 at the Novato City Hall Council Chambers, 901 Sherman Street, Novato, CA 94945.

**2. Roll Call**

**PRESENT:** David Rabbitt, Chair, Sonoma County Water Agency  
Bill Long, Vice-Chair, Novato Sanitary District  
Keith Caldwell, Napa County  
Megan Clark, Las Gallinas Valley Sanitary District  
Jack Gibson, Marin Municipal Water District  
Susan Gorin, Sonoma Valley County Sanitation District  
Mike Healy, City of Petaluma  
Jill Techel, Napa Sanitation District  
John Schoonover, North Marin Water District

**ABSENT:** None

**OTHERS**

<b>PRESENT:</b>	Chuck Weir, Program Manager	Weir Technical Services
	Marc Bautista	Sonoma County Water Agency
	Kevin Booker	Sonoma County Water Agency
	Bill Brick	CDM Smith
	Ginger Bryant	Bryant & Associates
	Grant Davis	Sonoma County Water Agency
	Barry Dugan	Data Instincts
	Jim Graydon	Brown & Caldwell
	Tim Healy	Napa Sanitation District
	David Iribarne	City of Petaluma
	Beverly James	Novato Sanitary District
	Pam Jeane	Sonoma Valley County Sanitation Agency
	Liz Lewis	Marin County
	Andria Loutsch	CDM Smith
	Susan McGuire	Las Gallinas Valley Sanitary District
	Drew McIntyre	North Marin Water District
	Mark Millan	Data Instincts
	Phillip Miller	Napa County
	Pilar Oñate-Quintana	The Oñate Group (by telephone)
	Jim O'Toole	Environmental Science Associates
	Michael Savage	Brown & Caldwell
	Judy Schreiber	Las Gallinas Valley Sanitary District
	Paul Sellier	Marin Municipal Water District

Jake Spaulding  
Dan St. John  
Jeff Tucker  
Renee Webber  
Mark Williams

Sonoma County Water Agency  
City of Petaluma  
Napa Sanitation District  
Sonoma County Water Agency  
Las Gallinas Valley Sanitary District

**GUESTS:** Marc Levine  
George Haris

Assemblymember, 10<sup>th</sup> District  
Aide to Assemblymember Levine

### **3. Public Comments**

No members of the public addressed the Board.

### **4. Introductions**

Introductions were made for the benefit of Assemblymember Levine.

### **5. Remarks from Assemblymember Marc Levine**

Chair Rabbitt introduced Assembly member Marc Levine. Assemblymember Levine spoke on his bill, AB 1200; his interests in water conservation, water recycling, and the Assembly and Senate versions of the 2014 Water Bond. He answered questions from the audience.

### **6. Board Meeting Minutes of August 19, 2013.**

A motion by Director Caldwell, seconded by Director Gorin to approve the August 19, 2013 minutes was unanimously approved.

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

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

The Board reviewed the consultant progress reports for October 2013. The Program Manager highlighted the remaining agenda items.

### **8. Financial Report for the Period ending October 31, 2013**

The Board reviewed the Financial Report and noted that all items were on track.

### **9. Status of Agreements and Proposed Budgets for FY14/15, FY15/16, and FY16/17**

The Board reviewed the material that had been presented to the Technical Advisory Committee (TAC) in October and noted that the agreement for the 2014/15 Feasibility Study Grant application should be completed within the next two weeks, which provides adequate time for submitting the application due in early January 2014. The Board also noted that the TAC was reviewing the agreements for Engineering, Environmental, and Outreach Services; Legislative Development Services; and Program Manager and final versions along with budgets will be presented to the Board for approval in 2014.

### **10. Authorization to Apply for the 2014/15 WaterSMART Construction Grant**

This grant will provide federal funds for Phase 1 construction projects. A motion by Director Gorin, seconded by Director Long to approve authorization to apply for the 2014/15 WaterSMART Construction Grant was unanimously approved.



**11. Authorization to Apply for the 2014/15 WaterSMART Phase 2 Feasibility Study Grant**

This grant will provide funding for the Phase 2 Feasibility Study. Funds for this task were included in the FY2013/14 Budget. A motion by Director Gorin, seconded by Director Caldwell to approve authorization to apply for the 2014/15 WaterSMART Phase 2 Feasibility Study Grant was unanimously approved.

**12. Program Development – Federal Advocacy Update**

Ginger Bryant provided an update for the Board, including the recent trip to Washington D.C. She also discussed pending legislation, support from agencies in Texas, and the concept of triple bottom line analysis for evaluating potential projects.

**13. State Advocacy Update**

Pilar Oñate Quintana provided an update for the Board, including the 2014 Water Bond and efforts by WaterReuse to ensure water recycling is addressed in the bond. .

**14. Outreach Program Update**

Mark Millan provided an update for the Board, including updates to the website, which includes information on federal legislation.

**15. Workshop #5 – North Bay Water Reuse Program Phase 2 Scoping Study**


Michael Savage, Andria Loutsch, and Ginger Bryant led the group in workshop #5. Topics included scoping study activities, water supply and operations, potential scale of Program cost, and filters to assist Members’ priorities for content of Phase 2 Feasibility Studies. They noted that the TAC would be discussing the list of projects at its meeting in December and it was likely that the number of projects would be reduced.

**16. Adjournment**

Chair Rabbitt adjourned the meeting at 11:09 a.m. The next meeting will be January 27, 2014 at 9:30 a.m.

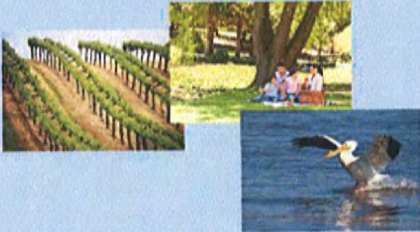
Minutes approved by the Board \_\_\_\_\_, 2013


Charles V. Weir  
Program Manager



**NBWRP Phase 2 Scoping Study  
Workshop #5**


November 18, 2013



 **NORTH BAY WATER REUSE PROGRAM**  
*Water Supply Reliability through Regional Reuse*

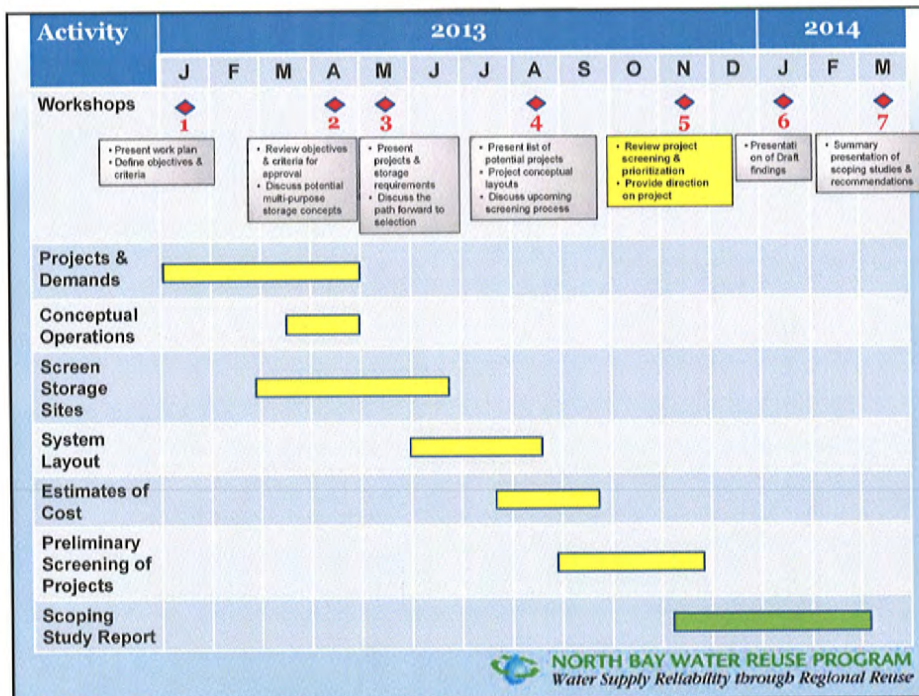
**Agenda**

- ◆ Scoping Study activities
- ◆ Water supply and operations
- ◆ Potential scale of Program cost
- ◆ Filters to assist Members' priorities for content of Phase 2 Feasibility Studies

 **NORTH BAY WATER REUSE PROGRAM**  
*Water Supply Reliability through Regional Reuse*


### Activities Since January Scoping Study Initiation

- ◆ Numerous Member Agency meetings/conference calls
- ◆ Workshops
  - January
  - April
  - May
  - August
  - November
- ◆ Scoping Studies Report production
  - Six sections, provided for review as completed
  - Final report will include
    - Previously reviewed sections
    - Executive Summary
    - Closing section on projects recommended for Phase 2 feasibility study




### Scoping Study Report Production and Review Process

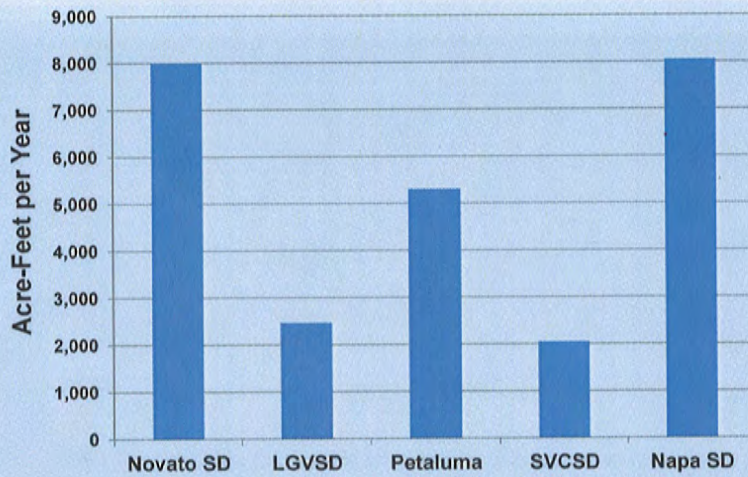
- ◆ Executive Summary
  - ◆ Section 1 Introduction
  - ◆ Section 2 Phase 2 Program Objectives
  - ◆ Section 3 Initial Project Identification
  - ◆ Section 4 Water Operations/Storage Requirements
  - ◆ Section 5 Conceptual Alternatives
  - ◆ Section 6 Projects for Feasibility Level Study
- } July 3rd
- } October 25th



## Water Supply and Operations

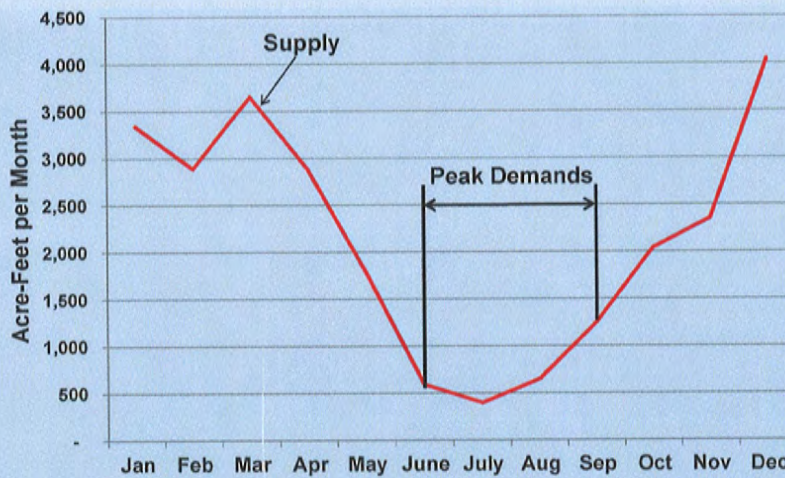


**25,900 AFY of recycled water supply is available after Phase 1 for Phase 2 projects**

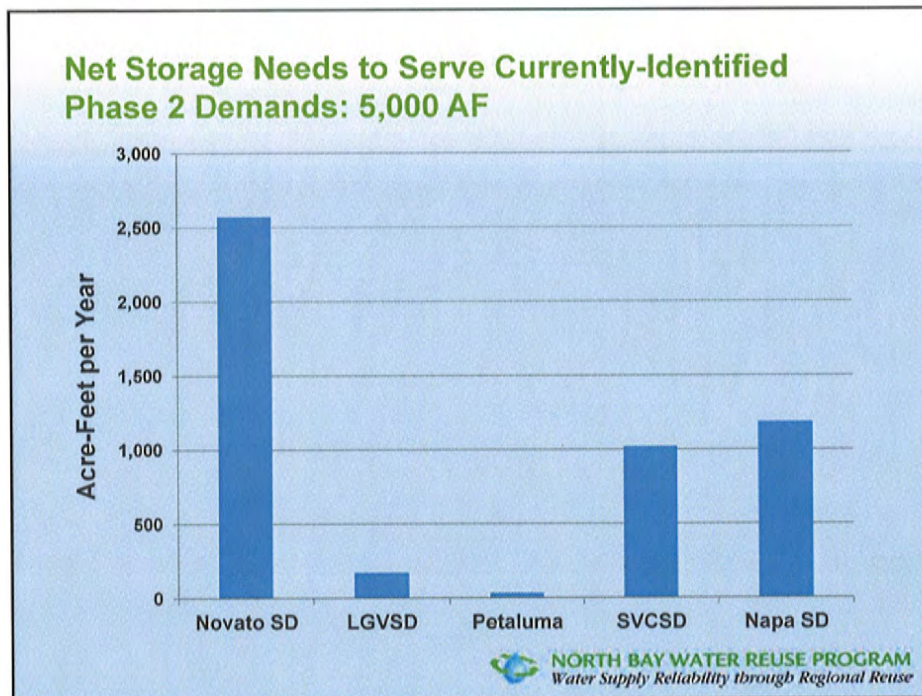
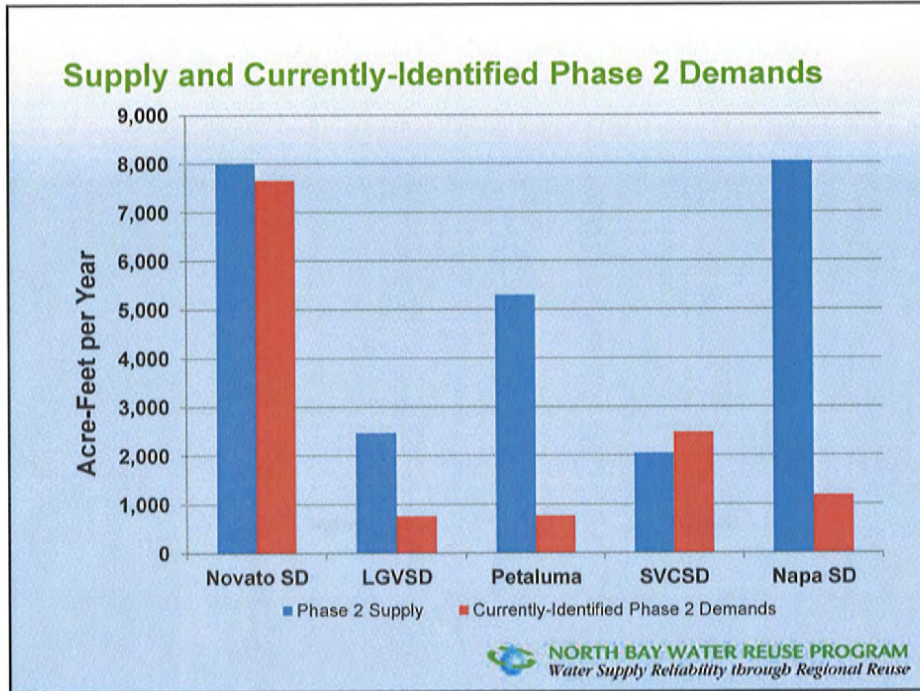



**NORTH BAY WATER REUSE PROGRAM**  
Water Supply Reliability through Regional Reuse

**But supply is not available during irrigation season, therefore, storage is required**





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Water Supply Reliability through Regional Reuse





## Potential Scale of Program Cost



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Water Supply Reliability through Regional Reuse

## Background


- ◆ Aggregated projects into a “Conceptual Alternative”
  - Preliminary “wish list” of all Agencies
  - Filtered to projects that can implemented in 8 years after Record of Decision
  - Aggregated the filtered projects into a large Conceptual Alternative
- ◆ Developed a *reconnaissance level* estimate of costs
- ◆ Purpose:
  - View the individual projects from a Program perspective
  - Estimate potential scale of the Program in relation to ability to secure grant and loans for implementation
- ◆ Caveats!
  - This is your “preliminary” program – Feasibility Study will develop the final program
  - Projects carried forward will formulate 3 alternatives in Feasibility Study
  - At that point a final Program will be selected by the Member Agencies

### Aggregated Project Costs

MMWD	LGVSD	Novato SD	Petaluma	SVCS	SCWA	Napa SD
Peacock Gap Main Pipeline Extension						
Peacock Gap Area Infill						
San Quentin State Prison						
Mt. Tamalpais Cemetery						
Lucas Pipeline Extension						
Tertiary Treatment Upgrades						
Secondary Storage/Flood Protection						
Terra Linda Storm Water Capture						
Existing Storage Pond Repair/Upgrade						
McInnis Marsh						
248-Acre Storage Wetland						
WWTP Capacity Upgrade						
Tidal Prism and Habitat Restoration						
WWTP Capacity Upgrade						
Conversion of Oxidation Ponds						
Phase II East Expansion						
Phase III West Expansion						
Agricultural Properties Storage						
Northeast Storage Tank						
Eastside Storage Pond						
Sonoma Valley Pipelines						
Sonoma Valley Storage Pond						
SV South Recycled Water Project						
Groundwater Banking/ASR Storage						
Stormwater Recharge: Sonoma Valley						
Stormwater Recharge: Petaluma River						
MST Tulocay Pipeline						
Increase Filler Capacity						
Long Term (Phase 2) WWTP Expansion						
Additional WWTP Covered Storage						
Napa State Hospital Storage Tank						
Raising WWTP Oxidation Pond Levees						
Jameson Ranch Storage Pond						
Somky Ranch Storage Pond						
Groundwater Banking/ASR Storage						
<b>\$20,110,000</b>	<b>\$21,570,000</b>	<b>\$35,540,000</b>	<b>\$62,780,000</b>	<b>\$31,040,000</b>	<b>\$25,890,000</b>	<b>\$101,490,000</b>
<b>\$298,420,000</b>						


**Cost Percentage by Facility Type**

- o Storage 45%
- o Pipelines 25%
- o WWTPs 11%
- o Other 17%
- o Pump Stations 2%



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*Water Supply Reliability through Regional Reuse*

### Issues that influence your decision-making:


- The total costs are significant
- Federal/State funding support has limitations (e.g., Phase 1 limited to \$100M)
- How much is each Member Agency able to fund locally?
- What projects provide the greatest value to local agencies, Federal, and State funding partners ?



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*Water Supply Reliability through Regional Reuse*






**Filters to Assist Members' Priorities for  
content of Phase 2 Feasibility Studies**



 **NORTH BAY WATER REUSE PROGRAM**  
*Water Supply Reliability through Regional Reuse*

**Filters provide perspective and guidance to assist  
your project decisions**

- ◆ Previously discussed individual projects
- ◆ Viewed projects through 21 subobjectives aggregated under 7 major objectives:
  - Improve Regional Water Supply
  - Sustainability
  - Watershed Approach
  - Economic Feasibility & Financial Viability
  - Readiness to Proceed
  - Environmental Enhancement
  - Social Issues

 **NORTH BAY WATER REUSE PROGRAM**  
*Water Supply Reliability through Regional Reuse*

## New Filters Provide Additional Insight to Program-wide Decisions

- ◆ View Phase 2 as a potential *Program* in aggregate, including all individual agency projects
- ◆ Apply programmatic filters related to implementation:
  - Project timing and feasibility study content
    - Projects within an 8-year implementation limit studied at project level
    - Projects initiated 9 years and beyond studied at programmatic level
    - Validity of environmental document beyond 8 years
  - Status of project: in design or ready to construct
  - Type of project such as storage, treatment, distribution, or environmental
  - Capacity of funding tools and their ability to meet members needs in implementing projects



## 8-Year Implementation Timeframe

Agency	Project Type	Implementation Timeframe										
		Project-Level								Programmatic		
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
MMWD	Distribution Project X											
	Distribution Project Y											
	Distribution Project Z											
LGVSD	Storage Project X											
	Treatment Project X											
	Storage Project Y											
Novato SD	Treatment Project Y											
	Storage Project X											
	Treatment Project X											
Petaluma	Other Project											
	Distribution Project X											
	Treatment Project X											
SVCS	Storage Project X											
	Distribution Project X											
	Storage Project X											
SCWA	Distribution/Storage											
	Storage Project X											
	Stormwater Capture/Recharge Project X											
Napa SD	Stormwater Capture/Recharge Project Y											
	Storage Project X											
	Distribution Project X											
Napa SD	Treatment Project X											
	Treatment Project Y											
	Storage Project Y											



### Potential Sources of Federal Funding Can Vary by Project Component and Timing of Implementation

Component	Years 1-8	Years 9+
Storage	<ul style="list-style-type: none"> <li>Title XVI grant (25%)</li> <li>Storage grant (50%)</li> <li>RIFIA loans (90% project costs)</li> </ul>	<ul style="list-style-type: none"> <li>RIFIA loans (90% project costs)</li> <li>Potential EPA funds from WIFIA and other pending legislation</li> </ul>
Distribution	<ul style="list-style-type: none"> <li>Title XVI grant (25%)</li> <li>RIFIA loans (90% project costs)</li> </ul>	<ul style="list-style-type: none"> <li>RIFIA loans (90% project costs)</li> <li>Potential EPA funds from WIFIA and other pending legislation</li> </ul>
Treatment	<ul style="list-style-type: none"> <li>Title XVI grant (25%)</li> <li>RIFIA loans (90% project costs)</li> </ul>	<ul style="list-style-type: none"> <li>RIFIA loans (90% project costs)</li> <li>Potential EPA funds from WIFIA and other pending legislation</li> </ul>
Water Mgt. & Environmental	<ul style="list-style-type: none"> <li>Title XVI grant (25%)</li> <li>Storage grant (50%)</li> <li>RIFIA loans (90% project costs)</li> </ul>	<ul style="list-style-type: none"> <li>RIFIA loans (90% project costs)</li> <li>Potential EPA funds from WIFIA and other pending legislation</li> </ul>



### Summary of Potential Federal Funding

- ◆ Title XVI
  - Provides 25% grants for project construction
  - Projects should be initiated within an 8-year timeframe of EIR/EIS certification
- ◆ RIFIA
  - Reclamation-backed loan program @ 1% above federal rate
  - Provides up to 90% of total project costs, repayment over 40-year period
  - Integrate Storage Grants - Provides 50% grants for small storage facilities, up to \$15M per project over 5 years
- ◆ WIFIA
  - EPA loan program @ 1% above federal rate
  - Provides 49% of total project costs, repayment over 35-year period

**These programs can be combined to a maximum of 100% financing through grants and loans, but the loans cannot exceed 90% of total project costs**



## Next Steps

- ◆ Study team works with TAC on these issues:
  - How much funding assistance will be available?
  - What is your capacity to fund the local share?
  - What can you implement in 8 years?
  - “Useful life” of the CEQA/NEPA and ROD?
  - Is programmatic component of CEQA/NEPA needed?
  - Study costs for projects that will not be implemented
  - Allocation of study costs in the MOU
- ◆ January Workshop – presentation of draft findings

15

**DISBURSEMENTS - DATED NOVEMBER 21, 2013**

Date Prepared: 11/19/13

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	American Water Works Assoc	Membership Renewal (DeGabriele) (1/1-12/31/14) (Budget \$3,590)	3,575.00
2	Bank of Marin	Bank of Marin Loan & Principal (pymt 25 of 240)	46,066.67
3	Bernt, Elisa	Novato "Washer Rebate" Program	50.00
4	Bingham, Kevin	Refund Security Deposit on Hydrant Meter Less Final Bill	755.60
5	BioSearch Technologies	Refund Overpayment on Closed Account	544.00
6	Borges & Mahoney	Diaphragms (2) (STP)	234.90
7	Bostreom, Vanya	Novato "Toilet Rebate" Program	100.00
8	Bundesen, Gerald	Retiree Exp Reimb (Nov Health Ins)	282.55
9	Butti, Lou	Retiree Exp Reimb (Nov Health Ins)	282.55
10	California Water Service	Sept-November Water Service (O.M.) (0 CCF)	139.73
11	Capitol Enquiry	2014 Pocket Directories & Calif State Agency Directory (Young)	48.01
12	Cummings Trucking	Sand (114 yds) (\$5,131) & Rock (162 yds) (\$6,725)	11,856.38
13	Dai, Wen Juan	Novato "Toilet Rebate" Program	100.00
14	Diggs, James	Retiree Exp Reimb (Nov Health Ins)	884.31
15	Dodge, Khorshed	Novato "Toilet Rebate" Program	100.00
16	Equipco	Repair & Calibrate Turbidity Probe (STP)	174.45
17	Farwest Corrosion Control	Cathodic Protection Test Stations (16)	311.61
18	Charles Z. Fedak	Progress Pymt#4: Financial Statement Audit FY13 (Bal Remaining on Contract \$3,060)	2,490.00

Seq	Payable To	For	Amount
19		Vision Reimbursement	139.00
20	Gearing, Art	Novato "Washer Rebate" Program	50.00
21	GFS Chemicals	Turbidity Standard (\$222) & Phosphate Buffer (STP)	351.45
22	Ghilotti Bros	Refund Security Deposit on Hyd Meter Less Final Bill	1,033.57
23	Grainger	Electrical Supplies (\$84) & Yard Light	146.78
24	Hach	Reagents (\$225) & Ammonia Electrode Fill Solution (2)	261.76
25	Hall Dump Truck Service	Dirt Hauling (18 hrs)	1,530.00
26	Irrigation Association	Certification Renewal (1/14-12/14) (Grisso) (Budget \$100)	100.00
27	Isley, Barbara	Novato "Washer Rebate" Program	50.00
28	Jansson, Sara	Novato "Washer Rebate" Program	50.00
29	Kehoe, Theresa	Exp Reimb: Retirement/Christmas Party Decorations	29.57
30	Lorusso, Robert	Novato "Toilet Rebate" Program	200.00
31		Cafeteria Plan: Childcare Reimbursement	624.99
32	Lucchesi, Sarah	Novato "Washer Rebate" Program	50.00
33	Marin Municipal Water District	Lab Testing (Novato Taste & Odor)	750.00
34	Martinson, Rebecca	Novato "Washer Rebate" Program	50.00
35	Matchette, Tim	Retiree Exp Reimb (Nov Health Ins)	282.55
36	McAghon, Andrew	October Sludge Removal (12 yds)	3,360.00
37	Mibach, Julianne	Novato "Washer Rebate" Program	50.00
38	Novato Lock	Rekey & Lubricate Lock (Constr. Office Door)	48.00
39	NTU Technologies	Cationic Coagulant (4,500 gal) (STP)	28,143.00

Seq	Payable To	For	Amount
40	Pace Supply	Gasket Rings (2), Clamps (6), Couplings (38) (\$1,740), Pipe (80) (\$517), Gaskets (48) (\$338) & Plugs (8)	2,655.01
41	Parsons, Kimberly	Refund Overpayment on Closed Account	1,318.72
42	NMWD Petty Cash	Petty Cash Reimbursement: Mileage, Safety Snacks, Fuel for Tools, Burlap Sacks (STP) & Batteries	92.10
43	PG&E	Energy Bill for 15 Gustafson Ct. (10/4-10/25/13)	6.12
44	Phillips & Associates	November O&M of O.M. Wastewater Treatment System	5,311.43
45	Quattuor	Refund Security Deposit on Hyd Meter Less Final Bill	631.72
46		Cafeteria Plan: Childcare Reimbursement	208.33
47	Roberts, Renee	Retiree Exp Reimb (Nov Health Ins)	282.55
48	Rojas, Richard	Novato "Washer Rebate" Program	50.00
49	Sequoia Safety Supply	Safety Vests (2) (\$47), Bandage, Earplugs (600) (\$87) & Brief Relief Urine Bags (100) (\$231)	367.21
50	Sharma, Ashish & Josephine	Refund Overpayment on Active Account	1,142.03
51	Simmons, Benjamin	Novato "Washer Rebate" Program	50.00
52	Soiland	Asphalt Recycling (5 tons)	20.00
53	State Water Resources Control	Clean Drinking Water State Revolving Fund Loan & Principal RW N-Plum Street Storage (Pynt #2)	29,413.76
54	Stephens, Karen	Novato "Washer Rebate" Program	50.00
55	Strahm Communications	Printing (\$2,193) & Processing of Novato Fall Waterline (\$1,320)	3,513.14
56	Sun, Andy	Novato "Washer Rebate" Program	50.00
57	SuperMedia	Quarterly Telephone Directory Charge	48.75
58	Thomas Scientific	Chemical to Remove Carbon Dioxide (\$235) & Ampules (40) (Lab)	285.02



Seq	Payable To	For	Amount
59	Verizon California	Telephone Charges: Leased Lines	333.34
60	VSS Int	Refund Security Deposit on Hydrant Meter Less	953.33
61	Wallach, Leslie	Novato "Washer Rebate" Program	50.00
62	Watson, Alicia	Refund Overpayment on Closed Account	71.23
63	West County Trans. Agency	Smoke Opacity Testing on Diesel Trucks	157.50
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$152,357.72</u></b>

The foregoing payroll and accounts payable vouchers totaling \$152,357.72 are hereby approved and authorized for payment.



Auditor-Controller

11/19/13

Date



General Manager

11/19/2013

Date

## DISBURSEMENTS - DATED NOVEMBER 27, 2013

Date Prepared: 11/25/13

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 11/15/13	\$110,893.18
EFT*	US Bank	Federal & FICA Taxes PPE 11/15/13	44,229.99
EFT*	State of California	State Taxes & SDI PPE 11/15/13	7,965.58
1	Aberegg, Michael	Drafting Services: Inn Marin Meter Change & Fire Hydrants (Balance Remaining on Contract \$17,423)	990.00
2	ACWA	Annual Dues (DeGabriele) (Budget \$17,340) (1/14-12/14)	16,835.00
3	Agile Business & Technology	Software Modification for New CalPERS Pension Reform Act & Accounting Software Modifications	1,158.75
4	Allied Packing & Supply	Flange Nipples (2) (\$716), Steel Nipples (4) & Water Hose (20') (\$88)	863.82
5	All Star Rents	Air Compressor Rental (1 day)	99.94
6	Alpha Analytical Labs	Lab Testing (Novato-\$2,379 & WM-\$905)	3,284.00
7	American Family Life Ins	November Employee Contribution for Accident, Disability & Cancer	4,000.20
8	Athas, Arthur	Novato "Washer Rebate" Program	50.00
9	Athens Administrators	November Worker's Comp Admin Fee	1,000.00
10	AT&T	Telephone Charges: Leased Lines	63.30
11	Barton, Carolyn	Novato "Toilet Rebate" Program	300.00


Seq	Payable To	For	Amount
12	Bold & Polisner	August Legal Services: AEEP B3 (\$2,772), Brown Act (\$19), Director's Comp (\$117), Disgruntled Customer (\$117), Gustafson Ct. Acquisition (\$28), JM Pipe Claim (\$46), MMWD Intertie Agmt (\$1,112), Office Depot Subpoena (\$28), Redwood Center Lot Line Adj (\$111), RW So Phs 1B Claims (\$74), Surplus Property Disposition (\$157), Village Marin Agreement (\$759)	5,338.00
13	Boyd, Martin	Novato "Washer Rebate" Program	50.00
14	Buck's Saw Service	Carburetor (\$97), Air Filter & Spark Plugs	148.82
15	Calif Board of Equalization	Annual Water Rights Fees (Lagunitas Creek-\$488 & Novato Creek-\$985)	1,473.18
16	CalPERS Retirement System	Pension Contribution PPE 11/15/13	48,990.75
17	CalPERS Health Benefits	Dec Health Insurance Premium (Employees (\$49,244), Retirees (\$10,588) & Employee Contrib (\$10,358)	70,190.11
18	Carson, Mike	Novato "Toilet Rebate" Program	100.00
19	Core Utilities	Consulting Services: October IT Support (\$5,000), Maintenance on Alarm at PRTP (\$75), Correct Misread on Compound Meter (\$25), Correct SQL Conversion Email Notification (\$350) & US Bank Credit Card Gateway Programming-Upgrade Exchange Server Software (\$6,050) (Balance Remaining on Contract \$2,825)	11,500.00
20	Costco Membership	Annual Membership Dues (DeGabriele) (1/14-12/14) (Budget \$110)	110.00
21	CPI International	Colitag Test Kit (\$218) & Comparator (Lab)	238.55
22	Dennis, Melissa	Novato "Toilet Rebate" Program	200.00
23	Fremouw Environmental Svc	Recycle Floor Absorbent	357.23
24	GFOA	Application Fee for GFOA CAFR Award (FY13)	435.00
25	GHD	Engineering Services: Aqueduct Relocation (Balance Remaining on Contract \$62,817)	8,662.00

Seq	Payable To	For	Amount
26	Golden Gate Petroleum	Gasoline (\$3.45/gal) & Diesel (\$3.82/gal)	4,280.79
27	Grainger	Measuring Tapes (6) (\$49), Timer for Boardroom (\$61) & Battery Light	128.28
28	Hach	Phosphate (STP)	47.37
29	Hardy Diagnostics	Bacteria Growth Media (Lab)	352.56
30	Home Depot	Rakes (2), Nozzles & PVC Solvent (\$51)	88.13
31	InfoSend	October Processing Fee for Water Bills (\$1,409) & Postage (\$3,784)	5,193.57
32	Irish & Son Welding	Weld 6" Spools for Vintage Oaks & Water Service for In N Out Burger (Bal Remaining on Contract \$2,475)	460.00
33	Jamieson, Frank	Novato "Washer Rebate" Program	50.00
34	Jansson, Sara	Novato "Toilet Rebate" Program	200.00
35	Marin Reprographics	Scan File to 24" x 36"	6.56
36	MegaPath	DSL Internet (11/12/13-12/12/13)	142.88
37	Michaelsen, Tina	Novato "Toilet Rebate" Program (\$100), Refund Alternative Compliance Reg 15 Deposit (\$315) & Novato "Washer Rebate" Program (\$50)	465.00
38	Mutual of Omaha	December Group Life Ins Premium	714.00
39	Muzzarelli, Giovanni	Novato "Washer Rebate" Program	50.00
40	Novato Sanitary District	FY14 Semi-Annual Sewer Service Charge (Admin Office/Yard)	1,712.64
41	Pace Supply	Box Lids (3) (\$307), Couplings (11) (\$178), Ells (9) (\$233), Bushing (2), Flange, Nipples (8) (\$132) & Tee	914.92
42	Pape Machinery	1" Hydraulic Hose (6') ('09 JD Backhoe)	164.55
43	Point Reyes Prop Mgmt Assn	November HOA Dues (25 Giacomini Rd)	75.05

Seq	Payable To	For	Amount
44	Ramudo, Pablo	Exp Reimb.: Attendance at AWWA WQTC Conference in Long Beach. Hotel: (\$896), Airfare (\$141), Rental Car (\$112) & Meals (\$117) (4 days)	1,265.20
45	Reagan, Patrick	Novato "Toilet Rebate" Program	100.00
46	Roberts & Brune	Aluminum Pipe (20') (100) (\$915) & Gate Valves (9) (\$2,783)	3,698.38
47	Sequoia Safety Supply	Brief Relief Urine Bags (100)	231.08
48	Soiland	Asphalt Recycling (11 tons)	40.00
49	Sonoma County Water Agency	October Contract Water	565,902.35
50	SPG Solar	Energy Delivered Under Solar Services Agreement (10/1-10/31/13)	9,143.79
51	Staples Business Advantage	Correction Tape (30) (\$31), Scotch Tape (12), 9 x 12 Envelopes (125) & Drawer Organizer	72.80
52	State Water Resources Control	Wastewater Treatment Plant Operator Certificate Renewal (Grade 2) (Stafford) (1/14-1/16) (Budget \$0)	230.00
53	State Water Resources Control	Annual Permit Fee - Waste Discharge Requirement (7/1/13-6/30/14) (OM-\$13,875 & Novato-\$1,940)	15,815.00
54		Cafeteria Plan: Uninsured Medical Reimbursement	44.00
55	Thomas Scientific	Safety Gloves (1,000) (Lab)	178.29
56	Township Building Services	October Janitorial Service	1,754.84
57	Univar	Ferric Chloride (17,722 lbs)	6,369.48
58	Verizon California	Telephone Charges: Leased Lines	405.68
59	Water Education Foundation	Membership Dues (DeGabriele) (1/14-12/14) (Budget \$100)	132.00

Seq	Payable To	For	Amount
60	Wiley Price & Radulovich	Employee Handbook Review & Revision to Retiree Medical Provision	291.50
61	Winzer	Cut-off Saw Blades (30)	461.07
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$960,709.16</u></b>

The foregoing payroll and accounts payable vouchers totaling \$960,709.16 are hereby approved and authorized for payment.


11/25/13  
 Auditor-Controller Date


11/22/2013  
 General Manager Date



*Good Water  
Good Service  
Good Value  
Safe Place to Work*

## MEMORANDUM

To: Chris DeGabriele

November 27, 2013

From: Doug Moore, Construction/Maintenance Superintendent *D.M.*

Subject: Formal Announcement of Retirement  
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It is with great pleasure that I formally announce my retirement from employment at North Marin Water District, effective December 30, 2013.

I would like to take this opportunity to share how much I have enjoyed working here at the District, having been employed since 1974. I have been witness to many changes throughout the years, including being able to raise my family – from the birth of my children (and my granddaughter!) to their respective marriages – as well as the privilege of being able to work with so many well-respected and knowledgeable individuals, whom I shall miss dearly.

But I know that the District will carry on, and I feel confident that I am leaving the Construction/Maintenance Department in capable hands.

**City of Cotati**  
50<sup>th</sup> ANNIVERSARY CELEBRATION



November 18, 2013

David Rabbitt  
Sonoma County Supervisor, 2<sup>nd</sup> District  
575 Administration Drive, Room 100A  
Santa Rosa, CA 95403  
Also via email: [drabbitt@sonoma-county.org](mailto:drabbitt@sonoma-county.org)


Dear Supervisor Rabbitt,

On November 12, 2013, the City Council of the City of Cotati considered the issue of fluoridating the Sonoma County Water Agency's water transmission system. The City Council received presentations from the County Health Department staff as well as opponents to fluoridation, and also received input from a significant number of citizens.

After a professional and very respectful discussion of the issue on all sides, the City Council voted 5-0 endorsing the recommendations contained in the March 20, 2013 letter from the Technical Advisory Committee (TAC) to the County Health Department, which supported focusing anticipated funding on the other four pillars of dental health (education on appropriate personal dental health habits of brushing, flossing and a healthy diet, expansion of access to dental health care, fluoride varnishes and sealants). The motion also included opposition to fluoridation of the Sonoma County Water Agency's transmission system.

Thank you again for your help in making this thoughtful and respectful public discussion possible, and furthering the public discussion and education around the issue of fluoridation.

Sincerely,



Mark Landman  
Mayor

Attachment: March 20, 2013 Letter from Sonoma County Water Agency TAC

C: Cotati City Council  
Rita Scardaci, MPH, Director, County of Sonoma Dept. of Health Services (via email  
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## Distrust brewing over tribe's land

By *Janelle Wetzstein*  
ARGUS-COURIER STAFF

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Despite repeated promises from the Dry Creek Band of Pomo Indians not to build a casino on 277-acres of land south of the city, many Petalumans remain worried that a recent federal land application from the tribe may be a hidden attempt at Indian gaming.

Known as "fee-to-trust," the land acquisition process enables the federal government to take property out of state and local control, and hold it in trust for a group or entity, such as the Dry Creek tribe. That group or entity then enjoys sovereign control over the land, making it impossible for local jurisdictions to have any say over what is built on the land, or to collect property and/or sales tax from businesses located there.

Petaluma and the county not only face losing control over the land if it is taken into federal trust, but they are also kept out of the loop during most of the opaque, bureaucratic fee-to-trust application process that leaves local jurisdictions with limited options to oppose any decisions.

"I think a lot of people don't trust Indian tribes," Dry Creek Tribal Chairman Harvey Hopkins said in his first interview with the Argus-Courier since 2009. "I feel like it stems from a lack of understanding about our ways. But we're a regular government and fee-to-trust is just one of our regular government protocols."

Putting land into federal trust was made legal by the Indian Reorganization Act of 1934 (IRA). The act allowed Indian tribes to expand their limited reservations by requesting that additional property be placed into federal trust for their use.

While the IRA's original goal was to support struggling Indian tribes by expanding their land base, the fee-to-trust process has since drawn strong opposition from the affected communities that must deal with a loss of tax revenue and regulatory control over the land. More than that, the fear of Indian gaming on property taken into federal trust fuels criticism of the process, as is the case with the Dry Creek tribe's Petaluma property.

Historically, most Indian reservations were located in tucked-away, rural corners, far from urban life — much like Dry Creek's Rancheria, a sweeping 93-acre stretch of land located just outside Geyserville's city limits. In these remote locations, Indian gaming casinos have flourished.

Dry Creek has successfully run the River Rock Casino on its Geyserville reservation since 2002. Though nothing close to the size of the Graton Resort & Casino that recently opened Rohnert Park, River Rock has consistently been profitable, generating about \$600 a month of extra income for each of the tribe's adult members.

But recently, a new phenomenon known as "casino leapfrogging" has emerged. By getting the federal Bureau of Indian Affairs (BIA) — the agency that handles fee-to-



trust applications — to take additional lands into trust, tribes have been able to build casinos closer to urban areas, luring customers away from the remote locations into more convenient ones.

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This new method, coupled with the veil of secrecy that surrounds the application process, has Petaluma's City Council and county representatives afraid that Dry Creek will try this tactic at its Petaluma property.

“Our first preference is that the land isn't taken into federal trust,” said Sonoma County Counsel Bruce Goldstein, who has spent many hours studying the fee-to-trust process for the California State Association of Counties, and who is currently working to obtain more information on Dry Creek's trust application. “We would like the tribe to abide by local governments' laws. But beyond that, we want to ensure that anything developed on that land is forced to undergo stringent environmental reviews and have its impacts mitigated.”

The Dry Creek tribe first purchased the Petaluma land in 2004, and though it already had River Rock Casino, it immediately began working on an application to build a class III gaming casino on the land. In a 2006 advisory vote, 79 percent of Petaluma voters were against any new casino developments. In 2008, the tribe abandoned its proposal for a large-scale casino complete with restaurants and several thousand slot machines, and signed an agreement with the County of Sonoma not to pursue gaming on the site until 2016.

The land has sat vacant ever since, with several attempts at development by the tribe falling short — primarily due to a lack of water and sewer access at the property.

But last year, Hopkins told Petaluma's representative on the Board of Supervisors, David Rabbitt, that he was again seeking to have the land taken into federal trust, this time without gaming. Hopkins said that while the tribe had originally wanted to build a casino at the Petaluma property, things have changed.

“Mostly what's changed is tribal leadership,” Hopkins said. “When I took over as tribal chairman in 2004, the tribe's leaders had been trying to build a casino at that site. But they hadn't discussed it with the tribe's membership, and they really hadn't thought about what it would mean to abandon the River Rock casino. We still owed the entire \$200 million of principal on River Rock. The tribe wasn't thinking about what it would mean to bail on our investors at River Rock. Good business isn't to bail on investors who have spent a lot of money getting us set up.”

Instead, Hopkins says he is proposing to build ball fields, tribal housing, an olive grove and a 60-room hotel at the Petaluma site.

“We still don't have any housing for our tribal members,” he pointed out. “We need to be improving life for our tribe, we need to offer them low-income, subsidized housing in an area that is convenient to jobs and possibilities. That's what the Petaluma property is all about. And we have always said that if we are offered water and sewer to the property, we won't ever pursue gaming on the site.”

The Petaluma City Council is currently in talks to take over water service to the site from the North Marin Water District. But extending water service to the tribe would require the approval of voters to extend the urban growth boundary, which dictates where land can be developed — a challenge that could be difficult to attain.

Even with Hopkins' many assurances, local officials remain concerned that if the land is taken into federal trust, the no-gaming provision could change.

“Taking land into federal trust is basically an approval process for the tribes, with no set criteria and no meaningful recourse for local jurisdictions to oppose it,” said Goldstein. “The laws are extremely flawed.”

Much of the concern about the process stems from the fact that the BIA does not have to alert local jurisdictions to a tribe's fee-to-trust application until it is deemed complete.

"Basically, a tribe can be working on their trust application for many years, getting help from the BIA as it goes along, and the BIA only has to tell the affected communities once it's finished," said Goldstein. "Then, the communities have 30 days to oppose the application — 30 days to oppose something the tribe has spent years compiling. It makes it almost impossible to be adequately prepared."

Goldstein said that when he and Rabbit have placed calls to the BIA to find out where Dry Creek's trust application is, they are told there is no trust application — despite the fact that Hopkins has repeatedly told Rabbitt that he has been developing one for months. Even U.S. Senator Dianne Feinstein was unable to receive any information from the BIA on the tribe's fee-to-trust application, as she recently indicated in a letter she sent to the Petaluma City Council.

Goldstein said that contrary to what the BIA says, transferring land into federal trust is a relatively simple process for tribes. Once a tribe has purchased a piece of property, the tribe then submits an application to their regional BIA office with an explanation of why the property qualifies to be taken into trust, said Goldstein.

"But the standards the tribes have to meet are not set," he pointed out. "The BIA is there to assist the tribes, and does little to keep communities in the know. We've learned painfully and expensively that we have limited control over the BIA's decisions on whether they approve a trust application."

In a 2012 Pepperdine Law Review article called "Extreme Rubber Stamping: The Fee-to-Trust Process of the Indian Reorganization Act of 1934," the journal studied all of the Pacific Region BIA trust applications from 2001-11. The article states that the office, which oversees most of California, approved all 111 completed applications during the 10-year time period.

"In most cases the BIA has largely avoided significant analysis and replaced it with filler considerations when it comes to concerns about state and local governments' loss of control over land," the article concluded.

Furthermore, there are several instances throughout the country in which lands have been taken into federal trust without approval for gaming, but still wound up with a casino. This is primarily because once the tribe has sovereignty over the land, it can do as it pleases. The BIA admits it has almost no recourse to stop a tribe from building a casino once land is in trust, though the practice is generally frowned upon and discouraged.

The county recently submitted a Freedom of Information Act request to the BIA, asking for any information the regional office had on the Dry Creek's fee-to-trust application. Goldstein said he also reminded the Dry Creek tribe of language in their agreement with the county that requires them to maintain open communication on major projects.

"We are adamantly against any other casinos being developed in Sonoma County," said Goldstein. "Both Sacramento and the federal government know our position." But Hopkins argues that having the land taken into federal trust is a fiscally responsible move for the tribe.

"We're building this for the betterment of the tribe," he said. "Why would we choose to build our development without taking the land into trust, knowing it would be more expensive for us? It makes no sense. But does that mean we want to completely disregard the county's perspective? Of course not. We want to work together, while still benefiting the tribe."

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Norman loved the  
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For more information,  
contact Callaghan Mortu-  
ary at (925) 447-2942.

## George C. Quesada Jr.

April 28, 1926 to October 15, 2013

George C. Quesada, Jr. born April 28, 1926 in Dayton, Ohio to Lucile Robbins and George Carlos Quesada, passed away on Oct. 15, 2013 in Marin County. He was preceded in death by his wife of 58 years, Mary Ellen Quesada, who passed away at the age of 83 on March 31, 2012.

George had a successful career as an engineer with Bechtel Corporation and a lengthy and distinguished service in

local politics, spanning a period of 46 years.

George was very well-read, a great historian, and an interesting conversationalist. He was passionate in his beliefs and will be well remembered for his dynamic personality and eloquent communication.

George is survived by his daughter, Grisell, son Marlo, granddaughter Miley, and twin grandsons Georshua and

Gerard who brought him much love and joy. Also surviving him are nieces and nephews Sandy, Don, Erick, Janice and Cristy. He will be sadly missed by all.

A memorial celebration of George's life will be held on Sunday, Nov. 24, 2013, 1 p.m., at Saint Francis of Assisi Episcopal Church, 987 5th Street, Novato, Calif.

In lieu of flowers, please send donations to Easter Seals.

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### A NOVA circa 1940

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Daniel Fisher, Forbes Staff

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## JM Eagle Loses Whistleblower Case Over PVC Pipe, Vows Appeal



(Photo credit: Wikipedia)

A federal jury in California today found manufacturer JM Eagle liable for defrauding government purchasers in a whistleblower case where the whistleblower himself never made an appearance and the main evidence consisted of internal documents suggesting the company may have shipped pipe that failed to meet industry standards.

“The jury obviously decided that JM Eagle management cared only about the amount of pipe JM produced, not the quality of that pipe,” said Eric Havian with qui tam specialists Phillips & Cohen, who represented the whistleblower and government plaintiffs. “JM Eagle deceived outside inspection agencies and ignored over a decade of failing test results. The jury’s conclusion that JM Eagle committed fraud was based on a lot of evidence.”

JM Eagle said it would appeal the verdict, which it said came despite “irrefutable evidence” that its pipe did meet national standards. Due to tactical decisions by the parties and rulings by the trial judge, the jury never heard evidence that the whistleblower, a former employee named John Hendrix who stands to make 15-30% of any judgment, was fired for allegedly seeking kickbacks from customer; or that government-commissioned tests by an independent laboratory showed that JM Eagle pipe met standards. Hendrix, who connected with Phillips & Cohen around the time he was fired, claims he lost his job in retaliation for a memo criticizing the company’s management.

“While we respect and thank the jury members for their service, we disagree strongly with the verdict,” said Neal Gordon, JM Eagle’s Vice President of Marketing and Waterworks Sales. “We

believe we have valid grounds for an appeal, which we will file as immediately as possible, and we look forward to having this verdict reviewed and set aside.”

As I wrote earlier this month, the federal government and several states dropped out of this qui tam case after the government’s own studies failed to support the central premise that JMEagle had shipped defective pipe. Other municipalities dropped out because they never should have been in the case, having never purchased JM Eagle pipe.

Three states — Nevada, New Mexico and Virginia — and 42 cities and water districts remained active plaintiffs and Phillips & Cohen presented witnesses including former employees who said the company took production shortcuts and used a variety of tricks to mislead outside testing agencies about the quality of its pipe. JM Eagle said documents about testing were taken out of context, since they referred to products that were never released or used pressure standards that were higher than industry standard.

Ultimately the case boiled down to allegations of fraud, minus the hard physical evidence one would expect in a lawsuit over defective products. Nevada Attorney General Catherine Cortez Masto, in a news release, said: “The PVC pipe has already failed across the Silver State and will have to be replaced sooner than expected — a budget nightmare for our cash-strapped state, cities and local agencies.”

Only one of the five cities and water agencies serving as representative plaintiffs in the first phase of the trial even reported a significant failure, however, and that one, the City of Reno, submitted a claim and was paid by JM Eagle for the damage. (The pipe manufacturer says in court filings the failure occurred during pressure testing when an engineer improperly allowed air to accumulate in a water line.) JM Eagle says two other plaintiffs, Palmdale and South Tahoe, bought tens of thousands of feet of JM Eagle pipe after learning about the lawsuit.

The jury didn’t hear evidence that the government pulled random samples from JM Eagle factories and had them tested by a lab called Microbac, later confirming to JM Eagle the samples had “passed.” The government declined to prosecute the case in 2010 (although it is still technically a plaintiff eligible for proceeds) and California, Florida, Massachusetts and Indiana also dropped out.

The jury verdict came in the first phase of the trial to determine whether JM Eagle lied about meeting industry standards for its pipe. The next phase will be to determine damages. Meanwhile, as I reported earlier, former JM Eagle parent Formosa Plastics agreed to pay \$22.5 million to settle claims against it. JM Eagle, meanwhile, extended its warranty to 50 years.