Date Posted: 12/14/2018

NORTH MARIN WATER DISTRICT

# NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
December 18, 2018 – 6:00 p.m.
District Headquarters
999 Rush Creek Place
Novato, California

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

| Est. Time | Item | Subject |
|---|---|---|
| 6:00 p.m. | | ***CALL TO ORDER*** |
| | 1. | ***APPROVE MINUTES FROM REGULAR MEETING***, December 4, 2018 |
| | 2. | ***GENERAL MANAGER'S REPORT*** |
| | 3. | ***OPEN TIME: (Please observe a three-minute time limit)*** |

This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.

4. ***STAFF/DIRECTORS REPORTS***
5. ***MONTHLY PROGRESS REPORT***

***CONSENT CALENDAR***

The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.

| | ***Consent-Approve:* Water Service Agreement** | Type | DU | EU | |
|---|---|---|---|---|---|
| 6. | College of Marin – Indian Valley Campus New Miwok Center- Phase 1 | GVT | 0 | 0 | Resolution |

7. ***Consent-Approve:*** Nomination of Special District Representative on the Marin Local Agency Formation Commission

***ACTION CALENDAR***

8. ***Approve:*** Board Committee/Association Assignments for 2019
9. ***Approve:*** Agreement of Purchase and Sale between City of Novato and NMWD for Property to Construct Crest Pump Station
10. ***Approve:*** Peer Review of Water Rate Study
11. ***Approve:*** Final Annual Report Fiscal Year 2017-2018

***INFORMATION ITEMS***

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

| Est. Time | Item | Subject |
|---|---|---|
| | 12. | FY18 Residential Consumption Status Report |
| | 13. | ***MISCELLANEOUS***<br>Disbursements – December 6, 2018<br>Disbursements – December 13, 2018<br>2019 TAC – WAC/TAC Meeting Schedule<br><br><u>News Articles</u>:<br>Advance in storm forecasting allows Lake Mendocino to hold more winter runoff<br>Pension legal fight has Marin watching<br>Developer plans 80 townhomes in 14 buildings<br>The Sugar Line<br>Obituary – Donald Larkin |
| | 14. | ***CLOSED SESSION:*** Conference with Labor Negotiators (Joe Wiley, Christopher Boucher, Drew McIntyre and Julie Blue) to Provide Direction, California Government Code Section 54957). |
| **7:30 p.m.** | 15. | ***ADJOURNMENT*** |

# 1

**DRAFT**
**NORTH MARIN WATER DISTRICT**
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 4, 2018

***CALL TO ORDER***

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, James Grossi, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

District employees, Robert Clark (Operations/Maintenance Superintendent), Tony Arendell (Construction/Maintenance Superintendent), and Jeff Corda (Sr. Water Distribution and TP Operator) were also in attendance.

In the audience was Jeff Palmer from Fedak & Brown LLP Certified Public Accountants, and Chris Boucher, Labor Negotiator from Wiley, Price and Radulovich.

***REORGANIZATION OF BOARD***

Election of President

On motion of Director Petterle, seconded by Director Joly, the Board elected Director Baker as President of the Board for the ensuing year by the following vote:

AYES: Directors, Baker, Fraites, Grossi, Joly, Petterle

NOES: None

Director Joly expressed his appreciation to Director Fraites for doing a wonderful job directing the Board and District this last year.

Election of Vice-President

On motion of Director Petterle, seconded by Director Fraites, Director Joly was elected Vice-President of the Board for the ensuing year by the following vote:

AYES: Directors Baker, Fraites, Grossi, Joly, Petterle

NOES: None

Establishment of Meeting Times and Place

Director Baker noted that he felt the gesture to go out to West Marin has outlived its usefulness. He added that it was hard to justify the number of board members and staff that must

travel out to West Marin since the public rarely show up. Director Petterle noted his comment but respectfully made a motion, seconded by Director Joly, the Board set the time and place of regular meetings to be the first and third Tuesday of each month at 6:00 p.m. at the District office, and agreed that the Board will hold one meeting annually in West Marin with additional West Marin meetings to be scheduled on an as-needed basis by the following vote:

AYES: Directors Fraites, Grossi, Joly, Petterle

NOES: Director Baker

On the recommendation of President Baker Items 4, 5 and 6 of the Reorganization of the Board were taken as one vote.

Establishes the Manner of Calling Special Meetings

On the same motion of Director Petterle, seconded by Director Fraites, the Board approved special meetings of the Board to be held as provided in Section 54956 of the Government Code by the following vote:

AYES: Directors Baker, Fraites, Grossi, Joly, Petterle

NOES: None

Appointment of District Officers

On the same motion of Director Petterle, seconded by Director Fraites, the following District officers were appointed for the ensuing year: Drew McIntyre, General Manager; Terrie Kehoe, District Secretary; Julie Blue, Auditor-Controller; and Rocky Vogler, Chief Engineer by the following vote:

AYES: Directors Baker, Fraites, Grossi, Joly, Petterle

NOES: None

Director Joly stated he was curious as to why all of our Department Supervisors are not officers. Mr. McIntyre stated that California County Water Code defines the organizational make up of Officers who serve at the pleasure of the Board.

Confirm Board Meeting Schedule for 2019

On the same motion of Director Petterle, seconded by Director Joly, the Board accepted the proposed meeting schedule for the 2019 calendar year with the understanding that the calendar may be adjusted as needed by the following vote:

AYES: Directors Baker, Fraites, Grossi, Joly, Petterle

NOES: None

Committee Appointments

President Baker announced that he will reappoint the same appointments unless he hears otherwise. Director Joly asked if this item could be postponed for additional review. President Baker stated he will take committee appointment requests into consideration and will return to the Board with his recommendations at the next meeting.

***MINUTES***

On motion of Director Joly, seconded by Director Fraites the Board approved the minutes from the November 20, 2018 meeting as presented by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

On motion of Director Fraites, seconded by Director Petterle the Board approved the minutes from the November 28, 2018 special meeting as presented by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

***GENERAL MANAGER'S REPORT***

Mr. McIntyre congratulated the re-elected Board Members and thanked the Board for re-appointment of the District Officers. He announced that the recent District holiday party was well attended and a fun event. Additionally, Mr. McIntyre noted that since the last Board meeting, the District has received 5.4 inches of rain and total rainfall to-date was 6.6 inches.

Marin County Parks

Mr. McIntyre notified the Board that he had a meeting with Max Korten, Marin County Parks Director on December 4th. He added that he reviewed North Marin's November 7th, 2018 comment letter on the Stafford Lake Park Master Plan and emphasized that the main theme for the comments was to protect Stafford Lake water quality. Mr. McIntyre stated that he believed the meeting was beneficial in helping Mr. Korten understand our position.

WAC Meeting

Mr. McIntyre announced that Mark Millan did not win re-election on the Windsor City Council therefore he can no longer hold his position as WAC Chair. Susan Harvey (city of Cotati council member) is the current Vice Chair will most likely become the Chair and the WAC will also need to appoint a new Vice Chair at the February 4, 2019 meeting.

PRE Tank 4 Appeal –Marin County Supervisors

Mr. McIntyre reminded the Board that the PRE Tank 4 appeal with Marin County Board of Supervisors will be on December 18th at 1:30 in the afternoon. He added that he will attend the meeting along with Mr. Vogler and Mr. Carl Nelson from District Legal Counsel. Mr. McIntyre noted that he recently made outreach to Marin County Fire Chief Jason Weber and Supervisor Dennis Rodoni to solicit support for the District's appeal.

***OPEN TIME***

President Baker asked if anyone in the audience wished to bring up an item not on the agenda. Jeff Corda, Employee Association Chair, again stated reasons for the Board to consider the EA's proposals in the negotiations and commented that he hopes the process can be concluded soon. Director Baker thanked Mr. Corda for his comments.

***STAFF/DIRECTORS REPORTS***

President Fraites asked if staff or Directors wished to bring up an item not on the agenda and the following were discussed. Mr. Vogler announced that he will take Directors Baker and Fraites to visit the PRE 4 tank site later this week. Mr. Vogler also mentioned that we are in contact with the Inverness Ridge Association and the PRE Road Advisory Board. Director Baker questioned if these were a collective group. Mr. Vogler responded that some members are the same, however they are separate groups.

***ACTION CALENDAR***

***OUTSIDE AUDITOR'S FY18 REPORT AND MANAGEMENT LETTER***

Under Action Items, Jeff Palmer (Fedak & Brown) presented the District's Outside Auditor's FY18 Financial Report and Management Letter. He stated the District has solid finances and no deficiencies were found. Director Joly had several questions for Mr. Palmer. Mr. McIntyre asked Mr. Palmer if there is any new legislation pending that would affect the District's future reporting requirements. Mr. Palmer replied that GASB 68 related to pensions was the biggest one recently; and as far as any new legislation, the ones he has heard about will only affect cities and local governments rather than special districts. Director Joly asked Mr. Palmer if he was comfortable with

our amount of debt. Mr. Palmer stated he was very happy with the District's overall position.

On the motion of Director Joly, and seconded by Director Grossi the Board moved to approve the Outside Auditor's FY18 Financial Report and Management Letter by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly, Petterle

NOES: None

ABSTAIN: None

ABSENT: None

***NEXGEN ASSET MANAGEMENT –CONSULTING ENGINEERING SERVICES AGREEMENT***

Mr. Vogler presented the NEXGEN Asset Management –Consulting Services Agreement. He reviewed how implementation of the software would help the District automate work order flow and condition assessments so that future capital planning/funding will be improved. Of the three asset management firms NEXGEN was the best fit to meet the District needs. Staff also met with other agencies that use this software to confirm it was a good match. There was much discussion in regards to the types of pipe and their expected longevity. Mr. Vogler pointed out that we need a system such as this to help predict what capital improvements projects need to be addressed first. All Directors concurred that having this information readily available will be an advantage to the District and its staff. Director Joly commented that when comparing the cost of implementation to what we will gain in return, it is an incredible payback. Director Petterle questioned whether additional staff will be needed for this system. Mr. Clark responded that the current Technical Assistant, David Ladd, will be the key person to lead this effort forward. Mr. Corda added that with the current system, paperwork can fall through the cracks, with the new system the data will be entered immediately. Director Grossi stated they have a similar system at his place of employment and questioned if there is an ongoing software subscription fee. Mr. Vogler replied that there is a $12,000 annual fee. All Directors complemented Mr. Vogler on his presentation and requested a copy to review.

On the motion of Director Petterle, and seconded by Director Fraites, the Board approved a Consulting Engineering Services Agreement with NEXGEN Asset Management for Asset management Software Procurement and Implementation by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

***INFORMATION ITEMS***

***DRAFT FY18 ANNUAL REPORT***

Under Information Items, Ms. Kehoe gave a brief description of the Draft FY18 Annual Report. She explained that each Department Head contributed towards the report, and the draft is now available for the Board's review. Ms. Kehoe stated that any comments must be received by December 14th and will be incorporated into the finished product and submitted for approval at the next meeting on December 18th.

***DILLON BEACH VILLAGE COMMUNITY MEETING – NOVEMBER 13, 2018***

Also under Information Items, Mr. McIntyre summarized the Dillon Beach Village Community meeting he attended on November 13. He stated that the purpose of the meeting was to address water supply and on-site septic treatment concerns. Mr. McIntyre noted that of the forty or so residents who attended the meeting, most of their concerns were focused on drinking water issues. He added that he had an opportunity to speak at the meeting and reviewed the District's Board Policy 34 – Wastewater (Sewer) Service in West Marin stating that North Marin will only consider expansion into the Village area if there is community wide support; that studies show it is cost effective; and that the costs for an expansion study and implementation is paid by the customers receiving the benefit from the expansion.

***NBWA MEETING – DECEMBER 7, 2018***

Director Fraites announced he will be attending the NBWA Meeting on December 7th. He noted that they expect to finalize the Strategic Plan and he will report back with his findings. Director Fraites also expressed his interest in being reappointed to this committee.

***MISCELLANEOUS***

The Board received the following miscellaneous items: Disbursements – Dated November 21, 2018, Disbursements – Dated November 29, 2018, and Legal Notice – Board of Supervisors Hearing –NMWD Appeal of Coastal Permit for PRE 4A Tank Replacement.

The Board received the following news articles; Napa to join county, other cities to pay for new drought plan; Housing for public workers vetted; Novato pursues housing for its workforce and Las Gallinas sanitary hires new executive General Manager.

Director Baker commented that Marin Municipal, Ross Valley and Las Gallinas all recently appointed new General Managers. Director Fraites brought to the Board's attention the need for

employee housing and that this was an issue brought up during the election. Director Fraites asked if we could explore this topic in more detail with other local agencies. Mr. McIntyre responded that he will discuss this issue at the next local managers meeting which includes the City of Novato and Novato Unified School District.

***CLOSED SESSION***

President Baker adjourned the meeting at 7:29 p.m. and the Board began the closed session at 7:35 p.m. in accordance with Government Code Section 54957 Conference with Labor Negotiators (Christopher Boucher, Drew McIntyre and Julie Blue) to Provide Direction.

***OPEN SESSION***

Upon returning to regular session at 8:18p.m., President Baker stated that during the closed session the Board discussed the issue and no final reportable action had been taken.

***ADJOURNMENT***

President Baker adjourned the meeting at 8:18 p.m.

Submitted by

Theresa Kehoe
District Secretary

# 2

# 3

# 4

# 5

**NORTH MARIN WATER DISTRICT**
MONTHLY PROGRESS REPORT FOR ***November 2018***
December 14, 2018

**Item #5**

**1.**

## Novato Potable Water Prod* - RR & STP Combined - in Million Gallons - FYTD

| Month | *FY18/19* | *FY17/18* | *FY16/17* | *FY15/16* | *19 vs 18 %* |
|---|---|---|---|---|---|
| July | 341.1 | 331.0 | 310.3 | 227.2 | 3% |
| August | 300.9 | 303.0 | 299.6 | 235.2 | -1% |
| September | 255.0 | 292.4 | 302.3 | 210.0 | -13% |
| October | 265.6 | 273.7 | 202.8 | 298.6 | -3% |
| November | 170.1 | 163.9 | 143.8 | 145.4 | 4% |
| FYTD Total | 1,332.7 | 1,363.9 | 1,258.8 | 1,116.5 | -2% |

## West Marin Potable Water Production - in Million Gallons - FY to Date

| Month | *FY18/19* | *FY17/18* | *FY16/17* | *FY15/16* | *19 vs 18 %* |
|---|---|---|---|---|---|
| July | 10.4 | 9.5 | 7.9 | 6.6 | 10% |
| August | 10.2 | 8.8 | 7.4 | 7.0 | 16% |
| September | 9.7 | 8.4 | 6.4 | 6.4 | 17% |
| October | 8.4 | 7.9 | 5.2 | 6.5 | 7% |
| November | 7.4 | 5.4 | 4.2 | 4.7 | 37% |
| FYTD Total | 46.3 | 39.9 | 31.1 | 31.2 | 16% |

## Stafford Treatment Plant Production - in Million Gallons - FY to Date

| Month | *FY18/19* | *FY17/18* | *FY16/17* | *FY15/16* | *19 vs 18 %* |
|---|---|---|---|---|---|
| July | 78.6 | 112.6 | 69.9 | 107.6 | -30% |
| August | 79.3 | 81.5 | 90.4 | 79.4 | -3% |
| September | 60.5 | 122.7 | 96.9 | 38.3 | -51% |
| October | 74.5 | 102.3 | 93.9 | 49.5 | -27% |
| November | 0.0 | 53.6 | 63.8 | 58.3 | - |
| FYTD Total | 292.9 | 472.6 | 415.0 | 333.0 | -38% |

## Recycled Water Production* *- in Million Gallons - FY to Date

| Month | *FY18/19* | *FY17/18* | *FY16/17* | *FY15/16* | *19 vs 18 %* |
|---|---|---|---|---|---|
| July | 30.0 | 27.7 | 27.1 | 21.3 | 8% |
| August | 30.6 | 26.1 | 26.0 | 26.2 | 17% |
| September | 33.5 | 25.0 | 23.5 | 15.7 | 34% |
| October | 20.1 | 19.1 | 8.3 | 15.8 | 5% |
| November | 12.7 | 2.5 | 1.2 | 3.2 | 406% |
| FYTD Total* | 126.9 | 100.4 | 86.2 | 82.2 | 26% |

*Corrected July- September water delivery data to use SCWA billing meter records not process flow meter records.

**Excludes potable water input to the RW system: FY19=19. MG; FY18=15.35MG; FY17=1.4MG; FY16=7.4MG

t:\ac\excel\w tr use\[production.xlsx]mo rpt

**2. Stafford Lake Data**

| | November Average | November 2017 | November 2018 |
|---|---|---|---|
| Rainfall this month | 3.23 Inches | 3.41 Inches | 5.16 Inches |
| Rainfall this FY to date | 4.95 Inches | 3.73 Inches | 6.32 Inches |
| Lake elevation* | 181.4 Feet | 179.9 Feet | 177.8 Feet |
| Lake storage** | 522 MG | 464 MG | 387 MG |

* Spillway elevation is 196.0 feet
** Lake storage less 390 MG = quantity available for delivery

**Temperature (in degrees)**

| | Minimum | Maximum | Average |
|---|---|---|---|
| November 2017 (Novato) | 41 | 79 | 60 |
| November 2018 (Novato) | 39 | 96 | 62 |

## 3. Number of Services

| November 30 | Novato Water | | | Recycled Water | | | West Marin Water | | | Oceana Marin Swr | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY19 | FY18 | Incr % | FY19 | FY18 | Incr % | FY19 | FY18 | Incr % | FY19 | FY18 | Incr % |
| Total meters installed | 20,746 | 20,777 | -0.1% | 95 | 56 | 69.6% | 790 | 789 | 0.1% | - | - | - |
| Total meters active | 20,535 | 20,551 | -0.1% | 91 | 53 | 71.7% | 782 | 781 | 0.1% | - | - | - |
| Active dwelling units | 24,070 | 24,008 | 0.3% | 0 | 0 | - | 832 | 831 | 0.1% | 234 | 234 | 0.0% |

t:\ac\excel\wir use\[production.xlsx]srvcs mo r pt

## 4. Oceana Marin Monthly Status Report (November)

| Description | November 2017 | November 2018 |
|---|---|---|
| Effluent Flow Volume (MG) | 0.453 | 0.485 |
| Irrigation Field Discharge (MG) | 0.229 | 0.865 |
| Treatment Pond Freeboard (ft) | 7.6 | 8.3 |
| Storage Pond Freeboard (ft) | 7.4 | 7.5 |

## 5. Developer Projects Status Report (November)

| Job No. | Project | % Complete | % This month |
|---|---|---|---|
| 1.2784.00 | Novato Village (801 State Access) | 98 | 0 |
| 1.2817.01 | College of Marin – Admin Bldg. 11 | 99 | 0 |
| 1.2817.02 | College of Marin – Organic Farm | 30 | 10 |

**District Projects Status Report - Const. Dept. (November)**

| Job No. | Project | % Complete | % This month |
|---|---|---|---|
| 1.660.89 | STP Clearwells Coating | 10 | 5 |
| 1.6112.24 | Lynwood Pump Station MCC | 10 | 5 |

**Employee Hours to Date, FY 18/19**

As of Pay Period Ending November 30, 2018
Percent of Fiscal Year Passed = 41%

| Developer Projects | Actual | Budget | % YTD Budget | | District Projects | Actual | Budget | % YTD Budget |
|---|---|---|---|---|---|---|---|---|
| Construction | 97 | 1,400 | 7% | | Construction | 1204 | 4,654 | 26% |
| Engineering | 325 | 1,404 | 23% | | Engineering | 922 | 3,370 | 27% |

## 6. Safety/Liability

\\nmwdserver1\administration\AC\EXCEL\Personnel\wc\WC.XLS

| | Industrial Injury with Lost Time | | | | Liability Claims Paid | |
|---|---|---|---|---|---|---|
| | Lost Days | OH Cost of Lost Days ($) | No. of Emp. Involved | No. of Incidents | Incurred (FYTD) | Paid (FYTD) ($) |
| FY 19 through November | 6 | $0 | 1 | 1 | 5 | $6,104 |
| FY 18 through November | 51 | $24,816 | 2 | 1 | 1 | $966 |

**Days without a lost time accident through November, 2018** 61 **Days**

## 7. Energy Cost

| | | November | | | Fiscal Year-to-Date thru November | | |
|---|---|---|---|---|---|---|---|
| FYE | | kWh | ¢/kWh | Cost/Day | kWh | ¢/kWh | Cost/Day |
| 2019 | Stafford TP | 29,726 | 22.0¢ | $218 | 323,034 | 20.1¢ | $425 |
| | Pumping | 134,623 | 20.8¢ | $847 | 663,964 | 20.7¢ | $885 |
| | Other* | 48,751 | 22.7¢ | $336 | 244,865 | 25.9¢ | $410 |
| | | 213,101 | 21.4¢ | $1,400 | 1,231,862 | 21.6¢ | $1,719 |
| 2018 | Stafford TP | 34,855 | 19.7¢ | $229 | 310,402 | 19.4¢ | $394 |
| | Pumping | 91,364 | 22.5¢ | $760 | 751,772 | 21.3¢ | $1,067 |
| | Other* | 38,437 | 23.3¢ | $320 | 230,002 | 26.7¢ | $409 |
| | | 164,656 | 22.1¢ | $1,309 | 1,292,176 | 21.8¢ | $1,870 |
| 2017 | Stafford TP | 41,128 | 19.2¢ | $263 | 301,751 | 18.9¢ | $372 |
| | Pumping | 64,005 | 20.7¢ | $456 | 651,488 | 20.3¢ | $871 |
| | Other* | 34,448 | 23.4¢ | $288 | 215,513 | 26.1¢ | $373 |
| | | 139,581 | 20.9¢ | $1,007 | 1,168,752 | 21.0¢ | $1,616 |

*Other includes West Marin Facilities

t:\ac\board reports\pge\pg&e usage\fy 18.19\[pge usage 11.2018.xlsx]mo rpt

## 8. Water Conservation Update

| | Month of November 2018 | Fiscal Year to Date | Program Total to Date |
|---|---|---|---|
| High Efficiency Toilet (HET) Rebates | 17 | 55 | 3937 |
| Retrofit Certificates Filed | 15 | 82 | 6152 |
| Cash for Grass Rebates Paid Out | 1 | 9 | 912 |
| Washing Machine Rebates | 0 | 5 | 6786 |
| Water Smart Home Survey | 19 | 159 | 3365 |

## 9. Utility Performance Metric

| **SERVICE DISRUPTIONS (No. of Customers Impacted)** | **November 2018** | **November 2017** | **Fiscal Year to Date 2018** | **Fiscal Year to Date 2017** |
|---|---|---|---|---|
| PLANNED | | | | |
| Duration Between 0.5 and 4 hours | 4 | 179* | 38 | 237 |
| Duration Between 4 and 12 hours | | 8 | 83 | 11 |
| Duration Greater than 12 hours | | | | |
| UNPLANNED | | | | |
| Duration Between 0.5 and 4 hours | 4 | 3 | 29 | 21 |
| Duration Between 4 and 12 hours | | | | 6 |
| Duration Greater than 12 hours | | | | |
| | | | | |
| **SERVICE LINES REPLACED** | | | | |
| Polybutylene | 6 | 10 | 53 | 49 |
| Copper (Replaced or Repaired) | | 3 | 5 | 4 |

*Main Leak 2017

# NORTH MARIN WATER DISTRICT

**Summary of Complaints & Service Orders November 2018**

12/10/2018

| Type | Nov-18 | Nov-17 | Action Taken November 2018 |
|---|---|---|---|
| **Consumers' System Problem** | | | |
| Service Line Leaks | 44 | 16 | Notified Consumer |
| House Valve / Meter Off | 5 | 4 | Notified Consumer |
| Nothing Found | 28 | 9 | Notified Consumer |
| High Pressure | 6 | 1 | Pressure @ 105 PSI. Failed PRV. |
| | | | Pressure @ 95 PSI. Failed PRV. |
| | | | Pressure @ 140 PSI. Failed PRV. |
| | | | Pressure @ 95 PSI. Failed PRV. |
| | | | Pressure @ 110 PSI. Failed PRV. |
| | | | Pressure @ 95 PSI. Failed PRV. |
| **Total** | **83** | **30** | |
| **Service Repair Reports** | | | |
| Meter Replacement | 3 | 1 | Replaced |
| Box and Lids | 1 | 0 | Replaced |
| Water Off/On Due To Repairs | 11 | 11 | Notified Consumer |
| Misc. Field Investigation | 4 | 0 | Notified Consumer |
| **Total** | **19** | **12** | |
| **Leak NMWD Facilities** | | | |
| Service- Leak | 10 | 9 | Repaired |
| Services-Nothing Found | 0 | 3 | ~ |
| Fire Hydrant-Leak | 1 | 1 | Repaired |
| Washer Leaks | 4 | 4 | Repaired |
| **Total** | **15** | **17** | |
| **High Bill Complaints** | | | |
| Consumer Leaks | 7 | 14 | Notified Consumer |
| Meter Testing | 1 | 0 | Notified Consumer |
| Meter Misread | 4 | 7 | Notified Consumer |
| Nothing Found | 5 | 48 | Notified Consumer |
| **Total** | **17** | **69** | |
| **Water Quality Complaints** | | | |
| Taste and Odor | 3 | 2 | ***Customer reported salty taste in water. (Mesa Rd.- West Marin)*** Measured chlorine and was normal for NMWD supply. Customer was notified of results. ***Customer reported chlorine taste in water. (Rowe Ranch Wy.)*** Measured chlorine and was normal for NMWD supply. Lab found hose with herbicide applicator attached. Customer was notified. ***Customer reported strong odor/taste in water. (Esquire Ct.)*** Measured chlorine and was normal for NMWD supply. Lab sampled sediment as well. Customer was notified. |
| Color | 1 | 0 | ***Customer reported blue tint color in water. (Richardson Rd.)*** Measured chlorine and was normal for NMWD. Copper not detected either. Custimer notified of results. |

# NORTH MARIN WATER DISTRICT

**Summary of Complaints & Service Orders November 2018**

12/10/2018

| Type | Nov-18 | Nov-17 | Action Taken November 2018 |
|---|---|---|---|
| Suspended Solids | 1 | 0 | ***Customer reported white substance in faucet. (Wintergreen Ct.)*** Substance is plastic from deteriorated water heater dip tube. Customer was notified. |
| Other | 1 | 4 | ***Customer requested general water information. (View Ridge Dr.)*** Measured chlorine and hardness levels and was normal for NMWD supply. Customer was notified. |
| **Total** | **6** | **6** | |
| **TOTAL FOR MONTH:** | **140** | **134** | **4%** |

| Fiscal YTD Summary | | | | Change Primarily Due To |
|---|---|---|---|---|
| Consumer's System Problems | 422 | 197 | 114% | Increase In Service Leaks |
| Service Repair Report | 135 | 55 | 145% | Increase In Misc. Field Investigation |
| Leak NMWD Facilities | 118 | 100 | 18% | Increase In Service Leaks |
| High Bill Complaints | 179 | 338 | -47% | Decrease In Nothing Found |
| Low Bills | 1 | 1 | 0% | ~ |
| Water Quality Complaints | 17 | 18 | -6% | Decrease In Other |
| Total | **872** | **709** | **23%** | |

**"In House" Generated and Completed Work Orders**

| | | |
|---|---|---|
| ***Check Meter:*** possible consumer/District leak, high bill, flooded, need read, etc. | 102 | 316 |
| ***Change Meter:*** leaks, hard to read | 14 | 16 |
| ***Replace Boxes/Lids*** | 1 | 0 |
| ***Trims*** | 1 | 16 |
| ***Dig Outs*** | 7 | 32 |
| | **125** | **380** |

**Bill Adjustments Under Board Policy:**

**November 18 vs. November 17**

| | | |
|---|---|---|
| Nov-18 | 34 | $12,454 |
| Nov-17 | 54 | $32,909 |

**Fiscal Year vs Prior FY**

| | | |
|---|---|---|
| 18/19 FY | 177 | $52,509 |
| 17/18 FY | 213 | $91,755 |

t:\cons srvc\complaint report\[complain 19 official.xls]nov18

**MEMORANDUM**

To: Board of Directors December 14, 2018

From: Julie Blue, Auditor-Controller JB
Nancy Holton, Senior Accountant NH

Subj: Auditor-Controller's Monthly Report of Investments for November 2018
t:\ac\word\invest\19\investment report 1118.doc

**RECOMMENDED ACTION**: Information

**FINANCIAL IMPACT**: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of $18,604,713 and a market value of $18,572,155. During November the cash balance increased by $342,689. The market value of securities held decreased $32,558 during the month. The ratio of total cash to budgeted annual operating expense stood at 106%, up 2% from the prior month.

At November 30, 2018, 41% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 24% in Time Certificates of Deposit, 11% in Federal Agency Securities, 19% in US Treasury Notes, 5% in the Marin County Treasury, and 0% retained locally for operating purposes. The weighted average maturity of the portfolio was 158 days, compared to 167 days at the end of October. The LAIF interest rate for the month was 2.21%, compared to 2.14% the previous month. The weighted average Portfolio rate was 1.99%, compared to 1.92% the previous month.

# NORTH MARIN WATER DISTRICT
## AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
### November 30, 2018

| Type | Description | S&P Rating | Purchase Date | Maturity Date | Cost Basis[1] | 11/30/2018 Market Value | Yield[2] | % of Portfolio |
|---|---|---|---|---|---|---|---|---|
| ***LAIF*** | State of CA Treasury | AA- | Various | Open | $7,615,972 | $7,599,464 | 2.21% [3] | **41%** |
| ***Time Certificate of Deposit*** | | | | | | | | |
| TCD | Investors Bank | n/a | 12/16/16 | 12/17/18 | $248,000 | $248,000 | 1.35% | 1% |
| TCD | Morgan Stanley Private Bank | n/a | 11/22/17 | 5/22/19 | 248,000 | 248,000 | 1.60% | 1% |
| TCD | Capital One Bank | n/a | 7/19/17 | 7/19/19 | 247,000 | 247,000 | 1.70% | 1% |
| TCD | Capital One NA | n/a | 8/9/17 | 8/9/19 | 247,000 | 247,000 | 1.70% | 1% |
| TCD | American Express FSB | n/a | 9/6/17 | 9/6/19 | 247,000 | 247,000 | 1.75% | 1% |
| TCD | Goldman Sachs Bank USA | n/a | 10/11/17 | 10/11/19 | 247,000 | 247,000 | 1.70% | 1% |
| TCD | Morgan Stanley Bank | n/a | 11/9/17 | 11/12/19 | 247,000 | 247,000 | 1.75% | 1% |
| TCD | American Express Centurion | n/a | 12/5/17 | 12/5/19 | 247,000 | 247,000 | 1.90% | 1% |
| TCD | Sallie Mae Bank | n/a | 1/10/18 | 1/10/20 | 247,000 | 247,000 | 2.20% | 1% |
| TCD | Discover Bank | n/a | 2/13/18 | 2/24/20 | 247,000 | 247,000 | 2.35% | 1% |
| TCD | Wells Fargo Bank | n/a | 3/28/18 | 3/30/20 | 248,000 | 248,000 | 2.55% | 1% |
| TCD | Citibank | n/a | 4/11/18 | 4/13/20 | 246,000 | 246,000 | 2.55% | 1% |
| TCD | UBS Bank | n/a | 5/30/18 | 6/1/20 | 249,000 | 249,000 | 2.70% | 1% |
| TCD | Enerbank | n/a | 6/18/18 | 5/18/20 | 249,000 | 249,000 | 2.75% | 1% |
| TCD | BMW Bank | n/a | 6/15/18 | 6/15/20 | 246,000 | 246,000 | 2.75% | 1% |
| TCD | Bank of America | n/a | 8/15/18 | 8/17/20 | 246,000 | 246,000 | 2.75% | 1% |
| TCD | Ally Bank | n/a | 9/28/18 | 9/28/20 | 246,000 | 246,000 | 2.80% | 1% |
| TCD | Barclays Bank | n/a | 11/14/18 | 11/16/20 | 246,000 | 246,000 | 3.00% | 1% |
| | | | | | **$4,448,000** | **$4,448,000** | **2.21%** | **24%** |
| ***US Treasury Notes*** | | | | | | | | |
| Treas | 1.375% | n/a | 11/17/16 | 12/31/18 | $1,000,275 | $999,270 | 1.05% | 5% |
| Treas | 1.500% | n/a | 1/10/17 | 2/28/19 | 1,000,654 | 997,753 | 1.24% | 5% |
| Treas | 1.380% | n/a | 1/10/18 | 7/31/19 | 498,359 | 495,860 | 1.87% | 3% |
| Treas | 2.250% | n/a | 7/26/18 | 3/31/20 | 995,910 | 992,930 | 2.56% | 5% |
| | | | | | **$3,495,198** | **$3,485,813** | **1.65%** | **19%** |
| ***Federal Agency Securities*** | | | | | | | | |
| FHLB | 1.625% MTN | n/a | 11/21/17 | 6/14/19 | $999,811 | $994,837 | 1.70% | 5% |
| FFCB | 2.00 MTN% | n/a | 4/12/18 | 5/8/19 | 999,484 | 997,793 | 2.24% | 5% |
| | | | | | **$1,999,294** | **$1,992,630** | **1.97%** | **11%** |
| ***Other*** | | | | | | | | |
| Agency | Marin Co Treasury | AAA | Various | Open | $961,323 | $961,324 | 0.75% | 5% |
| Other | Various | n/a | Various | Open | 84,925 | 84,925 | 0.41% | 0% |
| | | | ***TOTAL IN PORTFOLIO*** | | **$18,604,713** | **$18,572,155** | **1.99%** | **100%** |

Weighted Average Maturity = **158 Days**

LAIF: State of California Local Agency Investment Fund.
TCD: Time Certificate of Deposit, Treas: US Treasury Notes with maturity of 5 years or less.
FHLB: Federal Home Loan Bank, FFCB: Federal Farm Credit Bank
Agency: STP State Revolving Fund Loan Reserve.
Other: Comprised of 4 accounts used for operating purposes. US Bank Operating Account, US Bank STP SRF Loan Account, Bank of Marin AEEP Checking Account & NMWD Petty Cash Fund.

1 Original cost less repayment of principal and amortization of premium or discount.
2 Yield defined to be annualized interest earnings to maturity as a percentage of invested funds.
3 Earnings are calculated daily - this represents the average yield for the month ending November 30, 2018.

| ***Interest Bearing Loans*** | Loan Date | Maturity Date | Original Loan Amount | Principal Outstanding | Interest Rate |
|---|---|---|---|---|---|
| StoneTree Golf Loan | 6/30/06 | 2/28/24 | $3,612,640 | $1,229,368 | 2.40% |
| Marin Country Club Loan | 1/1/18 | 11/1/47 | $1,265,295 | $1,228,943 | 1.00% |
| Marin Country Club Loan | 1/1/18 | 11/1/27 | $430,463 | $393,624 | 2.80% |
| Employee Housing Loans (4) | Various | Various | 714,200 | 714,200 | Contingent |
| | ***TOTAL INTEREST BEARING LOANS*** | | **$6,022,598** | **$3,566,134** | |

**The District has the ability to meet the next six months of cash flow requirements.**

t:\accountants\investments\19\[1118.xls]mo rpt

# 6

**MEMORANDUM**

To: Board of Directors December 14, 2018

From: Rocky Vogler, Chief Engineer RV

Subject: Water Service Agreement – College of Marin Indian Valley Campus - New Miwok Center - Phase 1

r:\folders by job no\2800 jobs\2817.03 com (ivc) miwok\2817.03 phase 1- bod memo.doc

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

**FINANCIAL IMPACT:** None: Developer Funded

The College of Marin's Indian Valley Campus (IVC) is located at 1800 Ignacio Blvd (see attached map). The Measure B parcel tax, approved in 2016, funds a series of improvements to update and maintain College of Marin facilities and buildings. Water facilities related to Building No. 11 were approved by the board at the May 1, 2018 board meeting. The second of the five Measure B improvement projects, the Organic Farm Project water facility improvements agreement was approved by the board on June 5, 2018. The third and current project, New Miwok Center, proposes to construct a new single story kinesiology, recreation, and aquatics center including an Olympic-sized swimming pool and a lap pool. This memo addresses Phase 1 of the water facility improvements for the current project.

New water facility construction will be done in two phases at the request of the IVC to help expedite construction of the New Miwok Center. For Phase 1, a portion of an existing 10-inch AC water main loop that is in conflict with the proposed pool and building foot print will be removed, resulting in a temporary shutdown of four hydrants. Novato Fire Protection District has approved the temporary hydrant shutdown.

IVC has committed to replacing the abandoned 10-inch pipeline with a new 12-inch PVC main, and will install other water facilities for the New Miwok Center during Phase 2. A second agreement will be brought before the board for approval, and the project water demand including any required connection fees will be assessed during Phase 2 of the project.

Sewer service is provided by the Novato Sanitary District.

As has been customary with previous public agency projects, North Marin Water District will invoice the College of Marin for payment of actual costs as costs are incurred.

Environmental Document Review

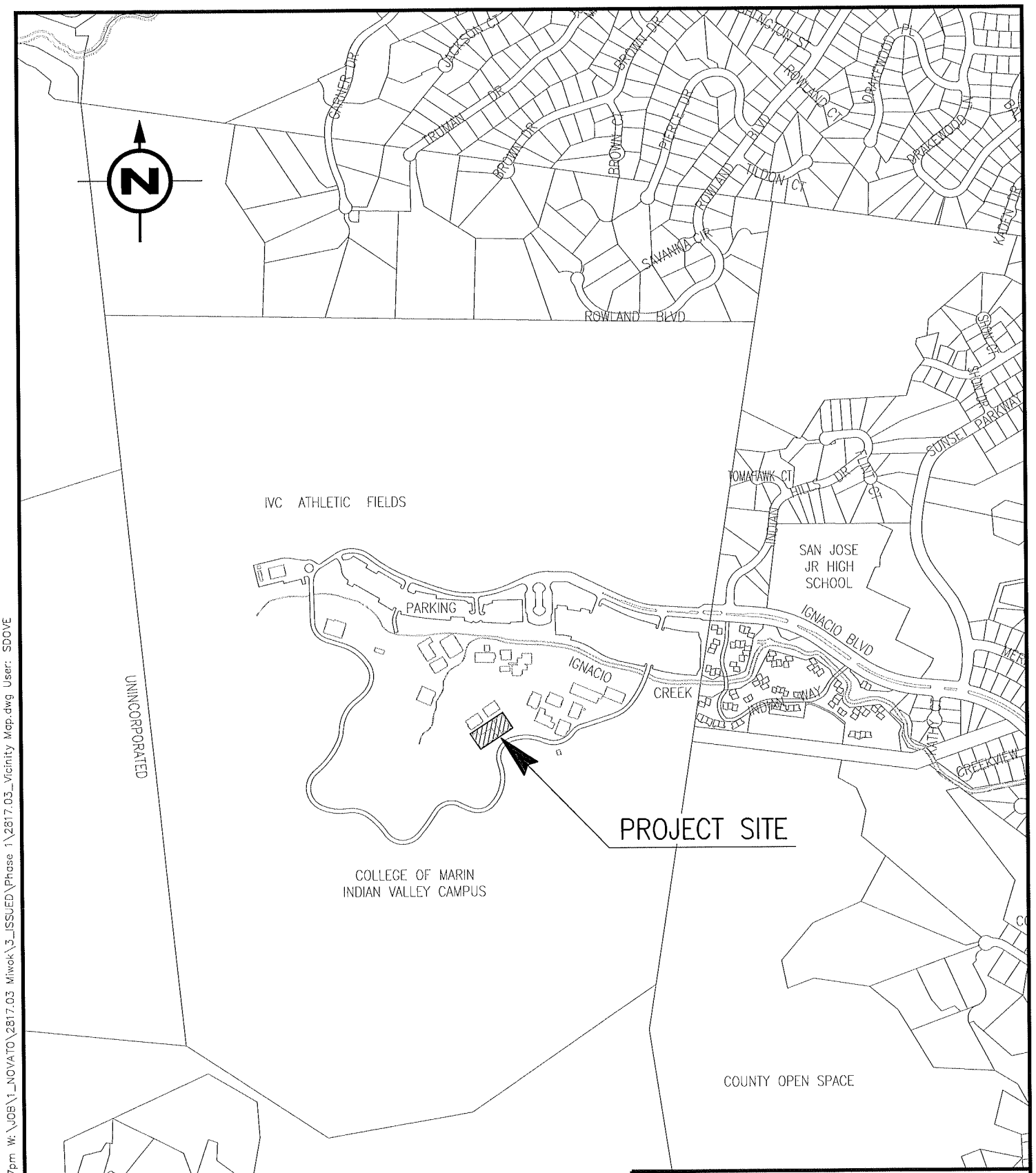
A Negative Declaration was prepared for the College of Marin Indian Valley Campus Facilities Improvement projects and a Notice of Determination was filed with the County Clerk on September 11, 2018.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM _____

Date 12-14-18




COLLEGE OF MARIN (IVC)
NEW MIWOK CENTER

| DATE | SCALE | JOB. NO. | DWG. NO. |
|---|---|---|---|
| 12/11/18 | NTS | 2817.03 | MAP |

Dec 11, 2018 – 12:07pm W:\JOB\1_NOVATO\2817.03 Miwok\3_ISSUED\Phase 1\2817.03_Vicinity Map.dwg User: SDOVE

RESOLUTION NO. 18-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
MARIN COMMUNITY COLLEGE DISTRICT

---

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 Marin Community College District, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 1800 Ignacio Blvd, Marin County Assessor's Parcel Number 150-480-12, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 18th day of December, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

(SEAL)

Theresa Kehoe, Secretary
North Marin Water District

r:\folders by job no\2800 jobs\2817.03 com (ivc) miwok\2817.03 resolution.doc

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
COLLEGE OF MARIN INDIAN VALLEY CAMPUS (IVC) NEW MIWOK CENTER – PHASE 1

---

*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 _____, 2018, by and between NORTH MARIN WATER DISTRICT, herein called "District," and MARIN COMMUNITY COLLEGE DISTRICT, A Community College, herein called "Applicant."

*WHEREAS,* the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 150-480-12 and the project known as COLLEGE OF MARIN (IVC) NEW MIWOK CENTER – PHASE 1, consisting of one (1) lot for commercial/ institutional development; and

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

*WHEREAS,* the Applicant is the owner of real property in the District commonly known as 1800 Ignacio Blvd, Novato (Marin County Assessor's Parcel 150-480-12): and

*WHEREAS,* an agreement for Indian Valley Campus was executed in 1973 (NMWD job-1465) and the historical water demand established for the services installed and for which connection fees were paid equaled 22 equivalent dwelling units (EDUs); and

*WHEREAS,* an agreement for College "C" – Indian Valley Campus was executed in 1976 (NMWD job-1705) in which fees were paid for an additional 15 EDUs (for a total of 37 EDUs);

*WHEREAS,* an agreement for Indian Valley Campus Physical Education Center was executed in 1977 (NMWD job-1776) and fees were paid for an additional 15 EDUs (for a total of 52 EDUs);

*WHEREAS,* an agreement for College of Marin, Phase 1- Swing Space was executed in July 2008 (NMWD job-2716) and no additional fees were paid for additional EDUs, but 2 EDUs were reserved for projected water use associated with the project.

*WHEREAS,* an agreement for College of Marin Phase 2 main building was executed in December 2008 (NMWD job-2732) and although the project demand of 14 EDUs was estimated, no additional Facility Reserve Charge fees were collected since the combined average historical usage for this property over the prior ten (10) years equated to an average day peak month consumption of 38 EDUs, compared to a total of 52 EDUs for which Facilities Reserve Charges have previously been paid (leaving a balance of 0 EDUs in reserve), and

*WHEREAS,* an agreement for College of Marin Indian Valley Campus Building 11 was executed in May 2018 (NMWD job-2817.01) and although a project demand of 1 EDU was estimated, no additional Facilities Reserve Charge fees were collected since the new estimated total demand of 46 EDUs (the combined average historical usage for this property over the last 10 years = 45 EDUs plus 1 EDU for Building 11) is less than the 52 EDUs for which Facilities Reserve Charges have previously been paid (leaving a balance of 6 EDUs in reserve), and

*WHEREAS,* an agreement for College of Marin Indian Valley Campus Organic Farm Project was executed in June 2018 (NMWD job-2817.02) and although a project demand of 4 EDU was estimated, no additional Facilities Reserve Charge fees were collected since the new estimated total demand of 50 EDUs was less than the 52 EDUs for which Facilities Reserve Charges have previously been paid (leaving a balance of 2 EDUs in reserve), and

*WHEREAS,* the New Miwok Center – Phase 1 will consist of abandonment and removal of District utilities in conflict with the project construction and no additional Facility Reserve Charge fees are due for Phase 1 of this Project, and

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

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

2. The Applicant hereby agrees to enter into agreement with the District within 6 months of this agreement to re-locate the aforementioned abandoned facilities and to install new water facilities required by the District for the New Miwok Center in Phase 2 of the project, and pay Facility Reserve Charges and any other fees due to the District as required at that time. The Applicant further agrees that once the Asbestos Cement (AC) pipe is abandoned as part of Phase 1, the District will not be responsible for any remaining abandoned AC pipe underground and removal and disposal of such pipe by the Applicant shall be performed per all rules and regulations in effect.

3. 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 6 of this agreement.

4. 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. 1.2817.03, entitled, "COLLEGE OF MARIN (IVC) New Miwok Center – Phase 1", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

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

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

5. 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 (include in material cost) | ..... @ | $ 0.00 | $ 0.00 |
| Reimbursement Fund Charges | ..... @ | $ 0.00 | $ 0.00 |
| Facilities Reserve Charges | .....Fifty-two @ | $ 28,600.00 | $ 1,487,200.00 |
| Facilities Reserve Charges (Credit) | .....Fifty-two @ | $<28,600.00> | $<1,487,200.00> |

**Subtotal - Initial Charges..... $ 0.00**

**Estimated District Costs**

| | |
|---|---|
| Pipe, Fittings & Appurtenances | $ 5,851.00 |
| District Construction Labor | $ 19,468.00 |
| Engineering & Inspection | $ 492.00 |
| Bulk Materials | $ 1,380.00 |

**Subtotal –Estimated District Costs..... $ 27,191.00**

**Estimated Applicant Installation Costs**

| | |
|---|---|
| Installation Labor | $ 0.00 |
| Contractor Furnished – Pipe Fittings & Appurtenances | $ 0.00 |
| Bulk Materials | $ 0.00 |

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

**TOTAL ESTIMATED WATER FACILITIES COSTS..... $ 27,191.00**

(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.)

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

Initial Charges and Estimated District Costs

The District will invoice The College of Marin for payment of actual costs as costs are incurred.

Estimated Installation Costs

Installation By District: Due to the proprietary nature of construction required to install said facilities, the District reserves the right to install the facilities utilizing District construction forces. The District will invoice The College of Marin for payment of actual costs as costs are incurred.

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

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

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

**NORTH MARIN WATER DISTRICT**
"District"

**ATTEST**:

Jack Baker, President

Theresa Kehoe, Secretary

(SEAL)

**MARIN COMMUNITY COLLEGE DISTRICT**
A Community College
"Applicant"

(SEAL)

Greg Nelson, V.P. Finance and Operations

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

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

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

# 7

**MEMORANDUM**

To: Board of Directors

December 14, 2018

From: Drew McIntyre, General Manager

Subject: Nomination of Special District Representative on the Marin Local Agency Formation Commission
File No. 752
I:\gm\lafco\lafco elections\12_14_18 lafco memo.doc

**RECOMMENDED ACTION**: Nominate Jack Baker as Marin LAFCo Special District Regular Member

**FINANCIAL IMPACT**: None

We have received notice that Jack Baker's term as the LAFCo Regular Special District Representative will end in May 2019. LAFCo is soliciting nominations (Attachment 1) for this position for the four-year term ending in May 2023. Nominations are to be returned to LAFCO by February 15, 2019.

Director Baker has expressed interest in, once again, serving on LAFCo, and it is recommended that the Board submit his name for nomination.

RECOMMENDATION

The Board nominate Director Baker for Special District Representative – Regular Member to the Marin Local Agency Formation Commission.

Approved by GM

Date 12/14/18

# Marin Local Agency Formation Commission

**Regional Service Planning | Subdivision of the State of California**

RECEIVED

DEC 04 2018

North Marin Water District

DATE: November 26, 2018

TO: Independent Special Districts, Presiding Officers

FROM: Jason Fried, Interim Executive Officer

RE: CALL FOR NOMINATIONS

---

**Special District Elections**

Attached is a copy of the approved policy and guidelines for Special District and qualifications form to participate in the following election. **Please be aware that if your district wishes to nominate a person for either position, the attached form must be completed.**

**The Two Seats up for Nomination**

The regular special district member serves on the Commission and able to vote on all items in front of the Marin LAFCo Commission. A vote by mail ballot election must be held to select a member for this position, to serve a four-year term ending in May 2023. There are no term limits for this seat. This seat is currently held by Jack Baker.

The alternate special district member serves on the Commission and is able to participate in Commission meetings but only is allowed to vote on matters when one of the regular special district members is not able to vote on the matter due to absence or conflict of interested. A vote by mail ballot election must be held to select a member for this position, serving a four-year term ending in May, 2023. This seat is currently held by Lew Kious.

**Selection Schedule**

The Commission will receive nominations through **February 15, 2019 by 5 PM.** Enclosed are forms for nominations and for statements of candidate qualifications. Supportive materials will be accepted.

Mail ballots will be distributed by certified mail by **February 20, 2019**. The candidate qualifications forms and any supportive materials will be distributed with the ballots.

The final date Marin LAFCo will receive ballots is **April 22, 2019, by 5:00 PM**. Send ballots by mail to **1401 Los Gamos Drive, Ste 220, San Rafael, CA 94903 | email: staff@marinlafco.org | Fax: 415.785.7897.**

Ballot Counting shall occur on **April 23, 2019 at 1 PM.** Any candidate or general member of the public is welcome to witness the process.

The newly-selected or re-appointed candidate will be seated in time for the **June 13, 2019** regular commission meeting.

Attachments:

1. Policy and Guidelines for Special District Member Elections
2. Nomination Form
3. Member Statement of Qualifications

ATTACHMENT 1

# MARIN COUNTY LOCAL AGENCY FORMATION COMMISSION

## POLICY HANDBOOK
POLICIES, PROCEDURES, AND GUIDELINES

# CHAPTER THREE
# LAFCO BUSINESS AND OPERATIONS

### 3.1 SELECTION OF COMMISSIONERS

Marin LAFCO has eleven Commissioners divided between seven regular and four alternate members. Regular members have voting authority and consist of two members of the County of Marin Board of Supervisors (selected by the Board of Supervisors), two city council members (selected by the City Selection Committee), two special district board members (selected by the 30 special districts) and one public member (selected by the other six regular members). For each of the four categories of LAFCO membership, an alternate member is appointed to serve in the absence of a regular member.

Selection procedures for all four member categories – public, special district, city/town, and county – on Marin LAFCO as well as other appointments are summarized below.

B. Procedures for Selection of Public Members

The public member and alternate public member shall be appointed by a majority vote of the regular LAFCO County, City, and Special District members. This procedure shall be followed upon expiration or replacement of the regular or alternate public member.

1. Ninety (90) days prior to an appointment, the Executive Officer shall issue a news release announcing the pending vacancy on the Commission and solicitation of applications.

2. The news release shall be mailed to the Marin Independent Journal and local newspapers within Marin County. Additionally, the news release shall be mailed to all current regular and alternate members of Marin LAFCO, all local governments within Marin County and to community organizations including homeowners' associations and civic groups on file with the Marin LAFCO.

3. The application period shall be thirty (30) days and shall begin upon the date legal notice appears in the Independent Journal. Among other things, the news release shall outline the function and purpose of the Commission, indicate the application filing period and invite interested persons to contact the Executive Officer for an application and information concerning the general duties and responsibilities of the public member.
4. Interviews for pending vacancies for expiring terms shall be held during the month of April prior to the May expiration date of the current member's term of office. A standard list of questions should be asked to each candidate as agreed to by the Commission. As required by the Ralph Brown Act, interviews shall be conducted in public sessions and formal selection shall be confirmed at the next regular meeting.

5. With respect to selection and eligibility criteria, and in addition to requirements under Government Code the public member shall be a resident-voter of Marin County and not currently an officer or employee of a local agency subject to Marin LAFCO jurisdiction. The public member shall also not concurrently hold any elected or appointed office with a local government agency that makes or informs land use or municipal service decisions while serving on the Commission. In selecting the public member, the Commission shall consider the candidate's qualifications as described in his or her letter of interest and the reasons listed for wanting to serve as a member of the Commission.

6. In the event a vacancy occurs during the public member's term of office, a new appointment shall be made for the unexpired term in a timely manner. The Commission may:

a) Select a new member from the applications previously submitted for the current appointment, provided not more than twelve (12) months have passed since such applications were filed with the Commission.

b) Direct the Executive Officer to send out a news release announcing the vacancy and solicit applications for future consideration by the Commission; or

c) Appoint the alternate public member to serve as regular public member for the remainder of the regular member's term of office.

## C. Procedures for Selection of Special District Members

Government Code §56332(c)(1) provides for selection of regular and alternate special district members by a mail ballot process when the Executive Officer determines that a meeting of the Special District Selection Committee is not feasible. Meetings of the Marin County Special District Selection Committee have previously failed to reach a quorum, indicating the infeasibility of Selection Committee meetings. Accordingly, it is the policy of Marin LAFCO to conduct selection proceedings of regular and alternate special district members by a mail ballot process consistent with the procedures outlined below.

a. The Executive Officer shall initiate the mail ballot selection process for special district members 180 days prior to the pending expiration of the term of a special district member or immediately upon notification the eligibility of a special district member on Marin LAFCO will end prior to the expiration of his or her term.

b. The Executive Officer shall initiate the mail ballot process by distributing to each independent special district a call for nominations, including a schedule of the selection process and a copy of this policy. Nominations must be submitted in writing by special district governing boards within 60 days of the date of the call for nominations. The submittal of a nomination must include a statement of the candidate's qualifications. With the prior concurrence of any special district, the Executive Officer may transmit these materials to and receive nominations from that special district by electronic mail.

c. Within five working days of the close of the nomination period, the Executive Officer shall distribute by certified mail one ballot to each independent special district. The distribution of ballots shall include a statement of qualifications for each candidate on the ballot.

d. Ballots may be submitted by mail or facsimile or electronic mail within 60 days of distribution of the ballots. A majority of independent special district must cast ballots to select a special district member. Selection shall be made by majority of votes cast and a majority of independent special districts in Marin County.

e. Ballots cast by each special district must bear the signature of the district's presiding officer. If the presiding officer is unavailable, the district board may authorize another member of the board to cast the district's vote. Ballots may be returned to the Marin LAFCO office by mail or by facsimile or electronic mail.

f. All ballots and other records of each selection process shall be retained in the Marin LAFCO office for at least four years and shall be immediately available for public inspection.

g. When more than two candidates are nominated, the ballot form shall provide for selection by majority of votes cast through an "instant runoff" as follows:

   a) Each district casting a vote shall rank the candidates in order of their preference. District boards would simply indicate a "1" next to their first choice, a "2" next to their second choice, a "3" next to their third choice etc.

   b) In counting the votes by the Executive Officer, all first choice votes are counted. If any candidate receives over 50 percent of the first choice votes, that candidate is selected as special district member.

   c) If no candidate receives a majority, then the candidate with the fewest "1" votes is eliminated. The ballots of the supporters of the eliminated candidate are then transferred to whichever of the remaining candidates they marked for their second choice. This process shall be continued until one candidate receives a majority and is selected as special district member.

8. Should a vacancy occur during a special district member's term of office, a new appointment shall be made for the unexpired term of the special district member or alternate member according to the process above.

**Marin Local Agency Formation Commission**
**Regional Service Planning | Subdivision of the State of California**

# Nomination Form for District Seats

**District Name:** North Marin Water District

X **Our board voted to nominate the following current member of its own or another independent special district.**

**Name of Nominee:** Jack Baker

X **Regular Member** ___ **Alternate Member** ___ **Applying for Both Seats (Regular and Alternate)**

**District of Nominee:** Special District

_____ **Board Took No Action**

**Ayes:** _____

**Noes:** _____

**Absent:** _____

**Abstain:** _____

**Attest:**

_____ _____
**Board President**

_____ _____

**Name** **Name**

**MUST BE RETURNED TO MARIN LAFCo by 5:00 PM on MON., FEB. 18, 2019**

Marin LAFCo, 1401 Los Gamos Drive, Ste. 220, San Rafael, CA 94903 or email: staff@marinlafco.org | 415.448.5877

# Marin Local Agency Formation Commission

**Regional Service Planning | Subdivision of the State of California**

## Nominee Statement of Qualifications

**Name:** _____

**Name of Special District:** _____

**Seat Applying for:**

___ Regular Member ___ Alternate Member ___ Applying for Both Seats (Regular and Alternate)

**Telephone Number: (Home/Cell)**_____ **Work:** _____

**Email:** _____

**Home Address:** _____

_____

**Work Address:** _____

_____

**Present Occupation:** _____

**Home Address:** _____

_____

**Summary of Qualifications:** _____

_____

_____

**Reason for Applying:** _____

_____

_____

**Please list organizations in which you are an officer employee:** _____

_____

_____

Additional information may be attached | MUST BE RETURNED TO MARIN LAFCo by 5:00 PM on MON., FEB. 18, 2019

Return to: Marin LAFCo | 1401 Los Gamos Drive, Ste. 220 | San Rafael, CA 94903 | Email: staff@marinlafco.org

# 8

**MEMORANDUM**

To: Board of Directors

December 14, 2018

From: Terrie Kehoe, District Secretary

Subj: Board Committee/Association Assignments
t:\bod\annual reorg\2018\2019 committee assignments.docx

**RECOMMENDED ACTION:** Approve Board Committee/Association Assignments for 2019

**FINANCIAL IMPACT:** None

At the previous Board meeting on December 4, 2018, Directory Joly asked to defer action on this item to the following board meeting. The current committee assignments for the Board of Directors are proposed to remain status quo for the 2019 year (see Attachment 1).

**RECOMMENDED ACTION:**

Approve Board Committee/Association Assignments for 2019.

**DRAFT**

**NORTH MARIN WATER DISTRICT**

**BOARD OF DIRECTORS**

**COMMITTEE/ASSOCIATION ASSIGNMENTS**

**2019**

| **Committee** | **NMWD Representative(s)**/Alternate |
|---|---|
| **North Bay Watershed Association**<br>1 meeting per month – Friday<br>9:30 a.m. – 11:30 a.m.<br>Petaluma / Novato | **Rick Fraites**/Jack Baker |
| **Public Policy Facilitating Committee**<br>(Russian River Biological Assessment/Opinion)<br>1 meeting per quarter – Friday<br>9:00 a.m. – Noon<br>Santa Rosa/Ukiah | **Steve Petterle**/Jim Grossi |
| **Water Advisory Committee**<br>1 meeting per quarter – Monday<br>9:00 a.m. – Noon<br>Santa Rosa | **Jack Baker**/Michael Joly |
| **North Bay Water Reuse Authority/NorthBay Water**<br>1 meeting per quarter – Monday<br>9:30 a.m.<br>Novato Sanitary District/Novato City Hall | **Jack Baker**/Jim Grossi |
| **Recycled Water Subcommittee**<br>As needed | **Jack Baker**/Steve Petterle |
| **Novato Watershed Policy Advisory Committee**<br>As needed | **Rick Fraites/Jack Baker** |

t:\bod\annual reorg\2018\committee assignments 2019 draft.doc

ATTACHMENT 1

# 9

**Item #9**

**MEMORANDUM**

To: Board of Directors December 14, 2018

From: Rocky Vogler, Chief Engineer RV

Subject: Agreement of Purchase and Sale between City of Novato and NMWD for Property to Construct Crest Pump Station
R:\Folders by Job No\6000 jobs\6141 Crest PS\BOD Memo 12-18-19 Approve Land Purchase.doc

**RECOMMENDED ACTION**: Authorize General Manager to Execute Agreement of Purchase and Sale with City of Novato

**FINANCIAL IMPACT**: Approximately $15,000 (included in the FY 19 CIP Budget)

The District desires to construct a new pump station (Crest) on Bahia Drive to replace the existing pump station on School Road. The preferred location lies within an approximate 12-acre parcel owned by the City of Novato (APN 143-271-14) as shown on the enclosed Agreement as Figure 1. The District has previously prepared all required environmental documents and a Notice of Exemption was approved by the Board on September 18, 2018. At the request of the City of Novato Planning Commission, District staff conducted a meeting on October 11, 2018 to provide project information for members of the public including residents of the Bahia subdivision. On October 30, 2018, the Novato City Council adopted a resolution approving the sale of a portion (approximately 2,000 square feet) of this parcel to the District for the purpose of constructing said pump station. District legal counsel has reviewed the proposed Agreement and approved.

The District's estimated costs for the sale of the property include the following:

- Appraisal $4,000
- Land Purchase $3,450
- Escrow Fees $2,000
- Recording Fees $400
- Quitclaim Deed $300
- Notary $150
- Title Fees $3,500

RECOMMENDATION:

Authorize the General Manager to execute the Agreement of Purchase and Sale between the City of Novato and the District for property acquisition for the construction of the Crest Pump Station.

# AGREEMENT OF PURCHASE AND SALE

This Agreement for Purchase and Sale ("Agreement") is dated as of _____, 2018, for identification purposes only, and is entered into by and between North Marin Water District, a public corporation organized and existing under the County Water District Law of the State of California ("Buyer") and the City of Novato, a California general law city ("Seller"), who hereby agree as follows:

## ARTICLE 1. GENERAL

1.01 The Property. Seller is the owner of the unimproved real property located on Bahia Drive in Novato, California, bearing APN 143-281-14 and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference ("Property").

1.02 Seller's Acquisition of Title. The Seller acquired its interest in the Property from a dedication from Map of Bahia Unit 2 filed August 3, 1970 in Volume 14 of Maps at page 71, Marin County Records. The Subject Property is being sold in accordance with California Government Code Section 66477.5, as the Subject Property is proposed to be used for the same public purpose to which it was dedicated.

1.03 Intent of the Parties. The Buyer intends to purchase a portion of the Property as described in Exhibit 'B", attached hereto and incorporated herein by reference ("Subject Property", for the purpose of constructing thereon a booster pump station to serve the Crest Tank and water system.

1.04 Effective Date. For purposes of this Agreement, the term "Effective Date" shall be the latter date that both Buyer and Seller have fully executed and initialed all appropriate provisions of this Agreement.

## ARTICLE 2. PURCHASE AND SALE

2.01 Purchase and Sale. Seller shall sell the Subject Property to Buyer, and Buyer shall purchase the Subject Property from Seller on the terms and conditions specified in this Agreement.

2.02 Price. The purchase price for the Property (the "Purchase Price") shall be three thousand four hundred and fifty dollars ($3,450.00).

2.03 Payment. The Purchase Price and all costs shall be paid into escrow on or before the Closing Date.

2.04 Condition of Sale. The parties hereto agree that as a condition of the sale of the Subject Property, Buyer agrees to include in the Quitclaim Deed, or in a separate recorded instrument, a restriction that Buyer will plant, and maintain landscape screening between Bahia Drive and any water improvements to be constructed on the Subject Property.

ARTICLE 3. ESCROW, TRANSFER OF TITLE/ASSIGNMENTS AND TITLE INSURANCE

3.01 Opening. The purchase and sale of the Subject Property shall be consummated by means of an escrow opened by Seller at First American Title Company, (telephone number: _____) (referred to herein as the "Escrow Holder" and as the "Title Company"). When appropriate, Buyer and Seller shall execute escrow instructions prepared and reasonably requested by Escrow Holder, which escrow instructions shall conform to the terms of this Agreement. If there is any conflict between the terms of this Agreement and the escrow instructions, the terms of this Agreement shall prevail.

3.02 Close of Escrow. Escrow shall close (the "Closing Date" or "Close of Escrow") no later than (30) days from the date that the buyer deposits to escrow the Purchase Price and all costs.

3.03 Costs

(a) Buyer shall pay: (i) the escrow fee; (ii) all recording fees; (iii) all costs of drawing the Quitclaim Deed; (iv) all notary fees; (v) any state, County or City documentary transfer and similar taxes imposed on the deed, and (vi) all other costs incurred by the Escrow Agent in order to close escrow under this Agreement.

(b) Buyer shall pay the premium for the CLTA Owner's Title Policy. Buyer will also pay for the additional cost of obtaining an ALTA Extended Coverage policy if desired by Buyer and the cost of any survey necessary therefor, and any endorsements requested by Buyer.

(c) Each party shall pay its own attorneys' fees. Buyer shall pay any other miscellaneous costs payable upon Close of Escrow that are not specifically allocated above.

(d) Real property taxes, special taxes, bonds and assessments allocable to the Subject Property (including assessments imposed by any community facilities districts, community service districts, and other district financing, if any) (collectively "Taxes and Assessments") shall be paid by the Buyer as of the Closing Date based on the latest available information. Buyer shall pay all Taxes and Assessments to the extent (and only to the extent) applicable to the Subject Property for the period after the Closing Date. Buyer shall be responsible for all Taxes and Assessments resulting from any supplemental assessments or reassessments resulting from the purchase of the Subject Property by Buyer or any improvement to the Subject Property after the Closing Date, or before the Closing Date to the extent applicable to work or improvements performed by Buyer prior to the Closing Date. All prorations shall be based on a thirty (30) day month and a three hundred sixty (360) day year.

3.04 Expense Prorations. Except as provided by this Agreement, Buyer shall be responsible for all expenses of the Subject Property, including, but not necessarily limited to, expenses relating to and incurred during the Due Diligence-Feasibility Period as set forth in the Agreement.

3.05 Escrow Cancellation; Cancellation Charges. Upon any termination of this Agreement and the Escrow, each party shall execute and deliver to Escrow Holder Escrow cancellation instructions within five (5) business days of such party's receipt of such Escrow cancellation instructions from Escrow Holder. If either party terminates this Agreement and the escrow by reason of the other party's breach, default or misrepresentation, then (without limiting the rights and remedies of the other party) such breaching, defaulting or misrepresenting party shall pay all Escrow cancellation charges. If this Agreement and the Escrow is terminated for any other reason, then the party terminating the Agreement shall pay all Escrow and Escrow cancellation charges. The provisions of this paragraph shall survive any termination of this Agreement.

3.06 Transfer of Title and Assignments. At the Close of Escrow and upon payment of all costs and the Purchase Price to Seller, Seller shall convey to Buyer all of Seller's right, title and interest in and to the Subject Property by Quitclaim Deed in the same form as commonly used by Escrow Holder (the "Quitclaim Deed" or "Deed") except as set forth herein, Buyer and Seller shall approve or disapprove all of the aforementioned documents within five (5) calendar days from submittal of same to Seller and/or Buyer, respectively. Any failure by Buyer or Seller to object to any of the documents within five (5) calendar days shall be treated as an approval of the documents.

(a) Title Policy. The Close of Escrow shall be conditioned upon Escrow Holder being prepared and committed as of the Close of Escrow to issue to Buyer its CLTA Owner's Policy of Title Insurance (the "Title Policy") with liability limits in the amount of the Purchase Price insuring title to the Subject Property as vested in Buyer, free and clear of all liens and encumbrances and other matters of record affecting title to the Subject Property, except the following: (i) the printed exceptions common to such title policies; (ii) a lien, if any, to secure payment of non-delinquent real property taxes, special taxes, bonds and assessments; (iii) a lien, if any, of supplemental taxes assessed pursuant Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code; (iv) all matters which by this Agreement survive the Close of Escrow; (v) all instruments recorded by Escrow Holder in accordance with the terms of this Agreement; and (vi) all of the other exceptions to title, as reviewed and approved by Buyer, in its reasonable discretion, pursuant to this Agreement (collectively, the "Permitted Exceptions"). The premium for such CLTA Owner's Policy of Title Insurance, and the cost of any endorsements requested by Buyer shall be paid by Buyer.

(b) Option for Extended Coverage Title Policy. Buyer may, at its option, obtain an ALTA Extended Coverage Title Policy from the Title Company instead of a CLTA Standard Coverage Title Policy so long as: (i) such election does not expand the scope of any conditions to Buyer's obligations or delay or affect in any manner the title review, the Permitting Period, the Close of Escrow or any of Buyer's rights or obligations under this Agreement; (ii) Buyer obtains any survey required by the Title Company to issue the ALTA Extended Coverage Title Policy; and (iii) Buyer pays the difference between the premium for such ALTA Extended Coverage Title Policy and the premium for the CLTA Owner's Policy of Title Insurance and any and all additional costs of obtaining the ALTA Extended Coverage Title Policy, including the cost of any survey required by the Title Company to issue such ALTA Extended Coverage Title Policy. Seller shall execute such documents as are reasonably required by Escrow Holder, including without limitation, an Owner's Affidavit, to issue the ALTA Extended Coverage Title Policy.

3.07 Cash and Deed/Assignments. Pursuant to section 2.03, Buyer shall deposit with Escrow Holder the Purchase Price and shall instruct Escrow Holder to deliver the Purchase Price to Seller at Close of Escrow.

Seller shall execute and deliver into escrow:

(i) the Quitclaim Deed for the Subject Property conveying title subject to the Permitted Exceptions;

(ii) an affidavit or qualifying statement which satisfies the requirements of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Non-Foreign Affidavit");

(iii) a "Withholding Exemption Certificate, Form 590," pursuant to California Revenue and Taxation Code Sections 18805 and 26131 or its equivalent stating either the amount of withholding required from Seller's proceeds or that Seller is exempt from such withholding requirement (the "Withholding Exemption Certificate");

(iv) such other documents as may be reasonably required by the Title Company in order to issue the Title Policy, and Seller shall instruct Escrow Holder to record the Quitclaim Deed at Close of Escrow and deliver to Buyer the Non-Foreign Affidavit and the Withholding Exemption Certificate at the Close of Escrow; and

(vi) a memorandum of this Agreement, to be executed and acknowledged by all parties in a form and content meeting the approval of all parties, and to be recorded in the Marin County Recorder's Office simultaneously with the Quitclaim Deed.

3.08 Seller's Conditions to Close. Seller's obligations to close escrow shall be conditioned upon the satisfaction of or written waiver by Seller of: (i) the timely performance of Buyer of each of Buyer's obligations under this Agreement; (ii) the continuing accuracy of each of Buyer's representations and warranties under this Agreement; and (iii) the full execution and delivery to escrow of the documents set forth in section 3.07 above.

Consistent with applicable laws, Seller will make all reasonable efforts and cooperate with Buyer to assist Buyer in facilitating the processing of Buyer's applications for the City Approvals and Government Approvals. Seller shall execute any documents reasonably necessary for Buyer to submit the applications for the City's Approvals and Governmental Approvals, provided that Buyer shall indemnify the Seller for any and all liability arising out of Buyer's processing and pursuit of said approvals. Notwithstanding the above, Buyer shall pay all fees, post all security and otherwise pay all costs customarily and normally charged by Seller and/or associated with the application for and processing of said applications for the City Approvals and Government Approvals. Notwithstanding the above, Buyer understands and agrees that Seller is not committing to the approval of any or all of the necessary City Approvals or Government Approvals and that Buyer will apply for all said necessary City Approvals and Government Approvals consistent with all applicable Federal, State and Local governmental laws, rules and regulations and that the Seller shall be entitled to as much time as state and local

law permit to process said City Approvals. Moreover, Buyer acknowledges and agrees that in reviewing and acting upon all of Buyer's applications for the City Approvals, the Seller retains all of its discretionary land use authority and police powers and no limitations shall be imposed on the exercise of said discretion by this Agreement. However, if the City Approvals or Government Approvals are delayed for any reason beyond the control of the Buyer, then Buyer's deadlines will be extended.

3.09 Buyer's Conditions to Close. Buyer's obligations to close escrow shall be conditioned upon the satisfaction of or written waiver by Buyer of: (i) the timely performance by Seller of each of Seller's obligations under this Agreement; (ii) the continuing accuracy of each of Seller's representations and warranties under this Agreement; (iii) the issuance of the Title Policies set forth in Section 3.06(a) and (b); (iv) the execution and delivery to Escrow of the following documents:

(i) a memorandum of this Agreement, to be executed and acknowledged by all parties in a form and content meeting the approval of all parties, and to be recorded in the Marin County Recorder's Office simultaneously with the Quitclaim Deed;

(ii) a Certificate of Acceptance of the Quitclaim Deed;

(iii) a certified copy of a Resolution of the Board of Directors of Buyer or other evidence that Buyer, if an entity, has authorized the persons signing this Agreement to execute this Agreement and that the Agreement is a lawful agreement binding upon the Buyer in accordance with its terms, reasonably satisfactory to the Title Company; and

(iv) any other documents, instruments or funds reasonably required to be delivered by Buyer under the terms of this Agreement or are otherwise required by the Escrow Holder or Title Company in order to close Escrow which have not previously been delivered.

3.10 Termination. If on the Closing Date, any condition precedent to the obligations of either party under this Agreement remains unsatisfied and has not been waived by the party entitled hereunder to waive such condition, then this Agreement and the escrow shall automatically terminate without need for any further action by either party, and except as provided below to the contrary in the following sentence, the Deposit shall be returned to Buyer. If the failure of the condition to be satisfied results from an actual breach of any party as to its obligations hereunder, the other party, notwithstanding the termination of this Agreement, may, subject to sections 8.01 and 8.02 below, pursue any and all remedies it may have against the other party at law or in equity.

## ARTICLE 4. POSSESSION

Possession of the Subject Property, free of any tenancies whatsoever, shall be given to Buyer upon the Close of Escrow unless otherwise negotiated between the parties and approved by the Seller, in writing.

## ARTICLE 5. BROKERS

5.01 Buyer and Seller have not been represented by any broker and do not have any agency relationship with any real estate agents or brokers in connection with the sale of the Subject Property, and Buyer and Seller shall not be responsible or have any liability for any commission payable to any such broker or agent.

5.02 Buyer and Seller hereby agree to save, defend (with legal counsel reasonably acceptable to the indemnified party) and hold each other harmless from any real estate brokerage commission, finder's fee, and all costs and expenses (including attorneys' fees) of investigating and/or defending any such claims, payable as to any broker, realtor or finder which such indemnifying party may engage or is claimed to have engaged in connection with the transaction set forth in this Agreement. The provisions of this Article shall survive any termination of this Agreement and Close of Escrow.

## ARTICLE 6. REPRESENTATIONS, WARRANTIES AND INDEMNIFICATION

6.01 Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to buy the Subject Property from Seller, Seller makes the following representations and warranties the continued truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder.

(a) Authority. Seller has full power and authority to enter into this Agreement and to complete the transaction contemplated by this Agreement.

(b) Binding Agreement. Seller's acceptance and performance of the terms and provisions of this Agreement have been duly authorized and approved by all necessary parties. Upon Seller's execution and delivery of this Agreement, this Agreement shall be binding and enforceable against Seller in accordance with its terms, and upon Seller's execution of the additional documents contemplated by this Agreement, they shall be binding and enforceable against Seller in accordance with their terms.

(c) Consents. To Seller's knowledge, neither the execution or delivery of this Agreement nor the consummation of the transaction is subject to any requirement that Seller obtain any consent, approval or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid, or would result in the creation of any lien, charge or encumbrance upon the Subject Property.

(d) Litigation. To Seller's knowledge, there is no litigation, arbitration or administrative proceeding pending, threatened against Seller with respect to the Subject Property nor is there any basis known to Seller for any such action or proceeding.

(e) Prior Agreement. Seller has not committed nor obligated itself in any manner whatsoever to sell the Subject Property or any portion thereof to any party other than Buyer.

(f) Environmental Hazards/Hazardous Materials.

1. The Seller's knowledge of the Subject Property and its conditions is limited. To Seller's knowledge no Hazardous Substances or Materials (defined below) exist on the Subject Property which would violate any federal, state or local statutes, regulations, ordinances or other requirements. Additionally, to Seller's knowledge, since the date that the Seller acquired title to the Subject Property, the Subject Property has not been used for the generation, manufacture, treating, refining, transporting, handling, producing, processing, storage or disposal of Hazardous Substances. "Used" shall mean releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

2. Except as otherwise provided in this Agreement, it shall be the sole responsibility of the Buyer, at the Buyer's sole expense, to investigate and determine the soil, ground water and other conditions of the Subject Property and the suitability of such conditions for the improvements to be constructed by the Buyer. If the soil conditions or any other condition of the Subject Property are not in all respects entirely suitable for the use or uses to which the Subject Property will be put by Buyer, then it is the sole responsibility and obligation of the Buyer to take such action as may be necessary to place the soil and other conditions of the Subject Property in a condition suitable for the development of the Subject Property.

3. Buyer warrants and represents that the Subject Property and its improvements shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process Hazardous Substances or Materials (defined below) or solid waste, except in compliance with all applicable federal, state, and local laws, rules and regulations, City Approvals or Government Approvals. For the purposes of this Agreement, "Hazardous Substances" and "Hazardous Materials" shall include, without limitation, asbestos, polychlorinated biphenyls, and petroleum (including crude oil or any fraction thereof), and materials or substances defined as "hazardous waste", "hazardous substances", "hazardous materials", "pollutants", or "toxic substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (PL 99-499); the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251, et seq.; any other environmental law promulgated by the United States; any environmental law promulgated by the State of California; and in the rules or regulations adopted and guidelines promulgated pursuant to said laws. "Release" shall mean releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

(g) Notice of Violations, Condition of Subject Property and Condemnation. To Seller's knowledge, Seller has received no notice from any governmental authority of any pending or threatened (i) zoning, building, fire or health code violations or violations of other governmental regulations concerning the Subject Property that has not previously been corrected, or (ii) any condemnation of the Subject Property or any part of the Subject Property; provided, however, that by making these representations the Seller is not warranting that the Subject Property meets current zoning or building code requirements or is otherwise in compliance with all applicable laws and regulations.

(h) Close of Escrow. As a condition to Buyer's obligations herein to close escrow but not as a covenant of Seller to ensure their continuing truth and accuracy, the representations and warranties of Seller set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and of such time.

(i) As is Conveyance. Other than those expressly made herein, Seller has not made any express or implied representations, guarantees, promises, statements, assurances or warranties as to the suitability for any purpose or the profitability of owning and operating any or all of the Subject Property, or as to the physical condition thereof, or as to the net or gross acreage contained therein, or as to the zoning thereof, or any other past, present or future matter whatsoever, or as to the completeness or accuracy of any report issued by any third party. Whenever Seller's warranty or representation is qualified by the phrase "to Seller's knowledge" or "to Seller's actual knowledge" or any similar phrase implying a limitation on the basis of knowledge, it is intended to indicate that during the ownership of the Subject Property by Seller, no information has come to the attention of the City Manager, Regan Candelario that would give them actual knowledge of the existence of a state of facts contrary to that indicted in the warranty or representation. However, Seller has not undertaken any independent investigation to determine the existence or non-existence of such facts, and no inference as to Seller's knowledge of the existence or non-existence of such facts should be drawn from the fact that Seller has owned the Subject Property and/or not undertaken such an investigation. The parties further agree that Seller is under no obligation or duty to undertake any such investigation. Except as provided in this Agreement Buyer acknowledges that except as to those representations and warranties made and given by Seller as contained in this Agreement, no other representations or warranties have been made and that the Subject Property is being purchased on an "AS IS WITH ALL FAULTS" basis. Buyer further acknowledges that, as of the Closing Date, Buyer will have had a full, complete and unfettered right to inspect the Subject Property to its entire satisfaction. Buyer further acknowledges that it is entering into this Agreement on the basis of Buyer's own investigation of the physical and environmental conditions of the Subject Property, and Buyer assumes the risk that adverse physical and environmental conditions may not have been revealed by its own investigations. Buyer further acknowledges and agrees that it has investigated and has knowledge of operative or proposed governmental laws, regulations and requirements (including but not limited to those pertinent to the Governmental Approvals, City Approvals and/or building code, disability access, zoning, environmental and land use laws and regulations) (collectively, "Applicable Laws") to which the Subject Property is or may be subject and accepts the Subject Property solely upon the basis of Buyer's review and determination of the applicability and effect of such Applicable Laws. Notwithstanding anything to the contrary stated herein, Buyer further acknowledges that Seller, its agents and employees and other persons acting on Seller's behalf have made no representations or warranty of any kind in connection with any matter relating to the physical or environmental condition of, value of, fitness of, suitability of or Applicable Laws pertinent to the Subject Property upon which Buyer has relied directly or indirectly for any purpose. Buyer acknowledges that the Seller takes the position that Cal. Gov't Code sections 54222 *et seq.* do not apply to the Subject Property or to this transaction, and as such, did not comply with its provisions with respect to the disposition of the Subject Property to Buyer pursuant to this Agreement and Buyer agrees that Seller's failure to so comply does not constitute a breach of this Agreement and that Seller shall not be responsible to Buyer for any liability, damages, or claims of any sort arising out of such failure. Buyer hereby waives, releases and forever discharges Seller and Seller's

Representatives, and any other person acting on behalf of Seller, of and from any claims, actions, causes of action, demands, rights, damages, costs, and liabilities of any sort, known or unknown, foreseen or unforeseen, which Buyer now has or which may arise in the future on the account of or in any way growing out of or connected with the physical or environmental condition of the Subject Property or any Applicable Laws, including but not limited to Cal. Gov't Code sections 54222 *et seq.*, excepting only those claims, actions, causes of action, demands, rights, damages, costs, and liabilities resulting from a breach by Seller of this Agreement.

(j) Warranties Survive Close of Escrow. The above warranties and representations made by Seller shall survive Close of Escrow.

6.02 Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Subject Property to Buyer, Buyer makes and gives the following representations and warranties, the continued truth, accuracy and completeness of which shall constitute a condition precedent to Seller's obligations hereunder:

(a) Authority and Binding Effect. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement.

(b) Condition of Subject Property This Agreement affords Buyer a reasonable period of time to perform such due diligence as Buyer believes is reasonably necessary to make the decision to consummate the transactions described in this Agreement. Except as to the express representations and warranties made by Seller as contained and qualified in this Agreement, Buyer is relying and shall rely solely upon its own investigation and inspection of the Subject Property and upon the aid and advice of Buyer's independent expert(s) in purchasing the Subject Property, and (except as otherwise specifically provided to the contrary in this Agreement) shall take title to the Subject Property without any other warranty, express or implied, by Seller or any employee or agent of Seller.

(c) Buyer Experience. Buyer represents and warrants to Seller that Buyer is acquiring the Subject Property for public utility use, has knowledge and experience in financial and business matters that enable Buyer to evaluate the merits and risks of the transactions herein contemplated, and has bargained for and obtained a purchase price and agreement on terms which make the limitations of Buyer's recourse against Seller acceptable. Buyer warrants and represents that Buyer is an experienced purchaser and/or owner/manager/operator of property similar to the size and function of the Subject Property and is familiar with matters that typically impact the operation and management of similar property.

(d) Hazardous Materials and "As is" Sale. Buyer re-affirms and re-states the representations and warranties it makes in sections 6.01(f) and (i).

(e) Close of Escrow. The representations and warranties of Buyer set forth in this Agreement shall be true on and as of the Closing Date as if those representations and warranties were made on and of such time.

(f) Warranties Survive Close of Escrow. The above warranties and representations made by Buyer shall survive Close of Escrow.

6.03 Discovery of Inaccuracy.

(a) Notice. If, after the date of this Agreement, either party discovers any inaccuracy in any representation or warranty under this Agreement, whether made by that party or the other party, the discovering party shall promptly notify the other party in a written notice setting forth the particular representation or warranty which is inaccurate, and the nature of the inaccuracy discovered.

(b) Right to Terminate. If the inaccuracy in any representation or warranty under this Agreement is material, then the party in whose favor the representation or warranty runs (the "Benefitted Party") shall have the right to terminate this Agreement within thirty (30) calendar days of learning of such inaccuracy by giving written notice to the other party (the "Representing Party"). Failure of the Benefitted Party to terminate this Agreement within such 30-day period shall be deemed a waiver of the right to terminate, but not a waiver of any other right or remedy available at law or equity. If the Representing Party had no knowledge of the inaccuracy on the date of execution of this Agreement, then the Benefitted Party's sole remedy shall be to terminate this Agreement (and if the Benefitted Party is Buyer the Deposit shall be returned to Buyer upon Buyer's termination due to an inaccuracy in any representation or warranty by Seller and if the Benefitted Party is Seller, Seller shall have the remedies specified in section 8.01), and the parties shall have no further obligation to each other except as to those obligations that specifically survive the termination of this Agreement.

(c) Other Rights. If the Representing Party did have knowledge of the inaccuracy on the date of execution of this Agreement, then the Benefitted Party shall also have all other rights and remedies afforded by law and equity.

6.04 Buyer's Indemnification. Buyer, on behalf of itself as well as Buyer's successors and assigns, hereby agrees to indemnify, defend and hold harmless Seller and Seller's elected and appointed officials, agents, employees, officers, directors, successors and assigns (collectively, "Sellers Representatives"), from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct, contingent or consequential, incurred or suffered by or asserted or awarded against Seller or Sellers Representatives relating to or arising from (i) the ownership, operation or possession of the Subject Property by Buyer or Buyer's Representatives (defined below) subsequent to the Close of Escrow, (ii) the acts or omissions of Buyer or Buyer's Representatives (iii) any entry on the Subject Property by Buyer or Buyer's Representatives , (iv) Buyer's performance of its Due Diligence, including, but not limited to any act or omission by Buyer or Buyer's Representatives in the course of performing the inspections, testings or inquiries provided for in this Agreement (v) any material breach of any covenant, representation or warranty of Buyer contained in this Agreement, (vi) Buyer's or Buyer's agents' violation of any federal, state or local law, ordinance or regulation, occurring or allegedly occurring with respect to the Subject Property (vii) any Release of Hazardous Substances (as defined in this Agreement) at the Subject Property subsequent to the Close of Escrow by Buyer or Buyer's Representatives, and/or (viii) the Seller's

failure to comply with Cal. Gov't Code section 54222 *et. seq.* and/or Section 66477.5, and in each instance, except to the extent such matters arise from the sole negligence or the willful misconduct of Seller or Seller's breach of a representation, warranty or obligations in this Agreement.

Upon consummation of the closing hereunder, the foregoing indemnity shall be deemed to be restated and made again as of the Closing Date and shall survive the Close of Escrow and the delivery and recording of the Deed.

6.05 Seller's Indemnification. Seller, on behalf of itself as well as Seller's successors and assigns, hereby agrees to indemnify, defend and hold harmless Buyer and Buyer's elected and appointed officials, agents, employees, officers, directors, successors and assigns (collectively, "Buyer's Representatives"), from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct, contingent or consequential, incurred or suffered by or asserted or awarded against Buyer or Buyer's Representatives relating to or arising from (i) the ownership or operation of the Subject Property by Seller or Seller's predecessors, successors or assigns prior to the Close of Escrow, (ii) the acts or omissions of Seller or Seller's Representatives, (iii) any material breach of any covenant, representation or warranty of Seller contained in this Agreement (except to the extent that this Agreement states that Buyer is not relying on same), (iv) the violation of any federal, state or local law, ordinance or regulation, occurring or allegedly occurring with respect to the Subject Property during Seller's ownership, prior to the Close of Escrow, (v) the existence and/or Release of Hazardous Materials or Hazardous Substances (as defined in this Agreement) handled, transported, generated, disposed of, or released from, emanating from, or in the vicinity of the Subject Property caused by Seller prior to the Close of Escrow; or (vi) any contracts claims which accrued during Seller's ownership prior to the Close of Escrow, and in each instance, except to the extent such matters arise from the sole negligence or the willful misconduct of Buyer or Buyer's breach of a representation, warranty or obligations in this Agreement.

Upon consummation of the closing hereunder, the foregoing indemnity shall be deemed to be restated and made again as of the Closing Date and shall survive the Close of Escrow and the delivery and recordation of the Deed.

## ARTICLE 7 USE OF THE SUBJECT ROPERTY

### 7.01 Obligation to Refrain From Discrimination

To the extent required by law, the Buyer covenants by and for itself alone that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Subject Property, nor shall the Buyer itself establish or permit any such practice or practices of discrimination or segregation with reference to the use or occupancy of the Subject Property.

ARTICLE 8 DEFAULTS, REMEDIES AND TERMINATION

8.01 By Buyer. SELLER AND BUYER HAVE DISCUSSED THE POSSIBLE CONSEQUENCES TO SELLER IN THE EVENT THAT THE CLOSE OF ESCROW DOES NOT OCCUR BY REASON OF BUYER'S DEFAULT. SELLER AND BUYER AGREE THAT IT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO FIX THE ACTUAL DAMAGES TO SELLER IN SUCH EVENT. SELLER AND BUYER AGREE THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING AS OF THE EFFECTIVE DATE, A REASONABLE REMEDY FOR SELLER AS TO SUCH DAMAGES IS THAT SELLER SHALL BE RELEASED FROM ITS OBLIGATIONS TO SELL THE SUBJECT PROPERTY TO BUYER. ACCORDINGLY, SHOULD THE SUBJECT TRANSACTION FAIL TO BE CONSUMMATED ACCORDING TO THE TERMS OF THIS AGREEMENT BY REASON OF ANY DEFAULT OF BUYER, SELLER SHALL BE RELIEVED OF ANY OBLIGATION TO SELL THE SUBJECT PROPERTY TO BUYER, BUYER SHALL HAVE NO RIGHT TO SEEK OR OBTAIN SPECIFIC ENFORCEMENT OF THIS AGREEMENT. SELLER SHALL HAVE THE RIGHT TO ENFORCE BUYER'S OBLIGATIONS TO INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS UNDER THIS AGREEMENT AS WELL AS BUYER'S WAIVERS AND RELEASES SET FORTH IN THIS AGREEMENT AND ANY OTHER OF BUYER'S OBLIGATIONS THAT SURVIVES TERMINATION OF THIS AGREEMENT. BY PLACING THEIR INITIALS BELOW, SELLER AND BUYER SPECIFICALLY ACKNOWLEDGE, CONSENT TO AND CONFIRM THE ACCURACY OF THE STATEMENTS MADE WITHIN THIS SECTION 8.01 AND THE FACT THAT SELLER AND BUYER WERE BOTH REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THE AGREEMENT AT THE TIME THIS AGREEMENT WAS MADE.

Seller's Initials _____ Buyer's Initials _____

8.02 By Seller. IN THE EVENT SELLER FAILS TO CONVEY THE SUBJECT PROPERTY TO BUYER AS REQUIRED BY THE TERMS AND CONDITIONS OF THIS AGREEMENT, OR OTHERWISE FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT, FOR ANY REASON OTHER THAN BUYER'S DEFAULT OR AS OTHERWISE PERMITTED BY THIS AGREEMENT, BUYER MAY PURSUE AS AGAINST SELLER ALL REMEDIES AVAILABLE TO BUYER AT LAW OR IN EQUITY.

Seller's Initials _____ Buyer's Initials _____

ARTICLE 9. MISCELLANEOUS

9.01 Interpretation. This Agreement has been executed in Marin County, California. Venue and jurisdiction for any litigation arising out of or in connection with this Agreement shall be in Marin County, California. This Agreement shall be construed and enforced pursuant to the laws of the State of California. The captions of the Articles and Sections in this Agreement are for convenience only. The provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of Seller and Buyer.

9.02 Time of Essence. Time is of the essence in this Agreement and of the escrow set forth in this Agreement.

9.03 Integration. This Agreement and its exhibits contain the entire agreement between Seller and Buyer, superseding any and all prior written or oral agreements between Seller and Buyer concerning the subject matter contained in this Agreement, and Seller and Buyer hereby release each other from any and all rights, obligations and claims under such prior agreements.

9.04 Notice. Any notice under this Agreement shall be in writing, and any written notice or other document shall be deemed to have been duly given as of the following: (i) on the date of personal service on Seller or Buyer; (ii) on the third business day after mailing, if the document is mailed by registered or certified mail, return receipt requested; (iii) one day after being sent by professional or overnight courier or messenger service guaranteeing one-day delivery, with receipt confirmed by the courier; or (iv) on the date of transmission if sent by telegram, email or other means of electronic transmission resulting in written copies, with receipt confirmed (and with a copy of such notice, demand or communication deposited on the same day in a United States post office with first class postage prepaid and addressed to the party or parties). Any such notice shall be delivered or addressed to Seller or Buyer at the addresses set forth below or at the most recent address specified by the addressee through written notice under this section 9.04. Failure to give notice in accordance with any of the foregoing methods shall not defeat the effectiveness of notice actually received by the addressee.

To Buyer:
General Manager
North Marin Water District
999 Rush Creek Place
Novato, CA 94945
Phone: 415-897-4133
Email address: info@nmwd.com

To Seller:
City Manager
City of Novato
922 Machin Ave.
Novato, CA 94945
FAX 415 899 8213
Email address: rcandelario@novato.org

9.05 Attorneys' Fees: Prejudgment Interest. If the services of an attorney are required by Seller or Buyer to secure the performance of this Agreement or otherwise upon the breach or default of Seller or Buyer, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement or the rights and duties of any person in relation thereto, the prevailing party shall be entitled to reasonable attorneys' and expert fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of the Agreement's provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

9.06 Recordation of Agreement. Upon execution of this Agreement, Buyer and Seller shall execute and acknowledge a Memorandum of Agreement in a form and content meeting the approval of all parties (the "Memorandum") and will deliver the Memorandum to Escrow Holder to be recorded against the Subject Property in the Official Records of the Marin County Recorder's Office at Close of Escrow.

9.07 Assignment. Buyer may not assign Buyer's rights under this Agreement to purchase the Subject Property prior to the Close of Escrow to any entity, firm, person or corporation.

9.08 Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions in this Agreement shall remain in full force and effect.

9.09 Legal Advice. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to the fair meaning and not for or against any party based upon any attribution of such party as the sole source of the language in question.

9.10 Rule of Construction. Buyer and Seller have each read and fully understand the terms of this Agreement, and each has had the opportunity to have this Agreement reviewed by its own counsel. The rule of construction providing that ambiguities in an agreement shall be construed against the party drafting the same shall not apply.

9.11 Dates. If any dates hereunder fall on a Saturday, Sunday or legal holiday, such date shall be the next following business day.

9.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

9.13 Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

9.14 No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties thereto, to any person or entity other than the parties hereto. This agreement does not intend to create any third-party beneficiaries.

9.15 Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

9.16 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

9.17 Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

9.18 No Offer. The parties agree that no offer and acceptance can occur until the parties mutually execute this document hereto, it being understood that the delivery of this document does not constitute an offer of any kind.

9.19 Dependency and Survival of Provisions. Except as otherwise provided herein, the respective covenants, agreements, obligations and undertakings of each party hereunder (whether to be performed before or after the Close of Escrow) shall be construed as dependent upon and given in consideration of those of the other party and shall survive the Close of Escrow and delivery of the Quitclaim Deed or termination of this Agreement for any reason.

9.20 Condemnation. If the Subject Property, or any portion thereof is taken by eminent domain, or any proceeding for the same is commenced, prior to the Close of Escrow (collectively, "Taking"), then Buyer shall have the option to proceed with this transaction and to receive an assignment of any condemnation award, or terminate this Agreement and the escrow established hereby by written notice delivered to Seller upon the earlier of: (a) the Closing Date or (b) within fifteen (15) days after Buyer is notified in writing by Seller of the Taking. Failure of Buyer to timely deliver said notice shall be deemed a conclusive waiver of Buyer's rights to terminate this Agreement on the basis of a Taking.

9.21 Authorization. Each individual executing this Agreement, or its counterpart, on behalf of an entity, warrants that he/she is authorized to do so and that this Agreement constitutes the legally binding obligation of the entity which he/she represents.

9.22 Exhibits.
The following exhibits are attached hereto and incorporated by this reference.

Exhibit A Bahia Drive Pump Station Parcel – Metes and Bounds
Exhibit B Bahia Drive Pump Station Parcel – Plat Map

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement on the dates indicated below.

SELLER:

THE CITY OF NOVATO
By: _____
Name:_____
Title:_____
Dated:_____

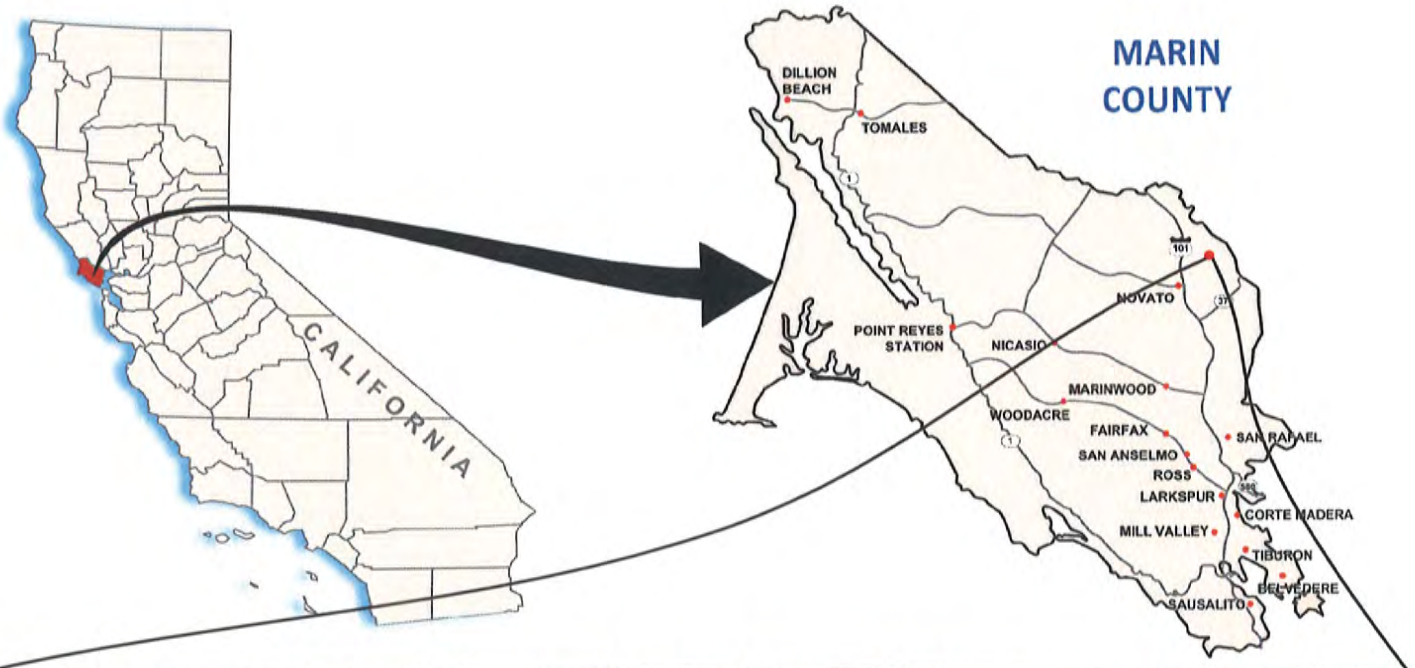
BUYER:

North Marin Water District
By: _____
Name:_____
Title:_____
Dated:_____

By:_____
Name:_____
Title:_____
Dated:_____

Approved as to form:

By:_____
Veronica Nebb, City Attorney



Paper Size ANSI A

0 1,000

Feet

Map Projection: Lambert Conformal Conic
Horizontal Datum: NAD 1983 2011
Grid: NAD 1983 2011 StatePlane California III FIPS 0403 Ft US

N

GHD

NORTH MARIN WATER DISTRICT
CREST PUMP STATION PROJECT

Location Map

Project No. 11159128
Revision No.
Date 08/08/18

FIGURE 1

\\ghdnet\ghd\US\Santa Rosa\Projects\111\11159128 NMWD On-Call Services 2018\T01 Crest Pump Station\08-GIS\Maps\Working\11159128_01_Location_Map.mxd
Print date: 08 Aug 2018 - 13:20

Data source: . Created by: mremillard

North Marin Water District
Bahia Drive Pump Station Parcel

APN 143-281-14



EXHIBIT A

METES AND BOUNDS

A parcel of land in the City of Novato, County of Marin, State of California more particularly described as follows:

Commencing at the northwesterly corner of Parcel "A" as shown on the Map of Bahia Unit 2 filed for record August 3, 1970 in Volume 14 of Maps at page 71, Marin County Records.

Thence, along the northerly line of said parcel, being the southerly line of Bahia Drive, S 84° 06' 45" E 583.56 feet; thence along the arc of a curve to the left, tangent to the preceding course, with a radius of 540.00 feet, through a central angle of 10° 37' 47" an arc length of 100.18 feet to the true point of beginning of this parcel;

Thence, leaving said parcel and street line, S 06° 26' 25" E 45.00 feet;

Thence N 82° 52' 18" E 45.00 feet;

Thence N 06° 26' 25" W 45.00 feet to the northerly line of said parcel and the southerly line of said street;

Thence, along said parcel and street line, westerly on the arc of a curve to the right, the center of which bears N 09° 31' 06" W, with a radius of 540.00 feet, through a central angle of 04° 46' 34", an arc length of 45.01 feet to the true point of beginning.

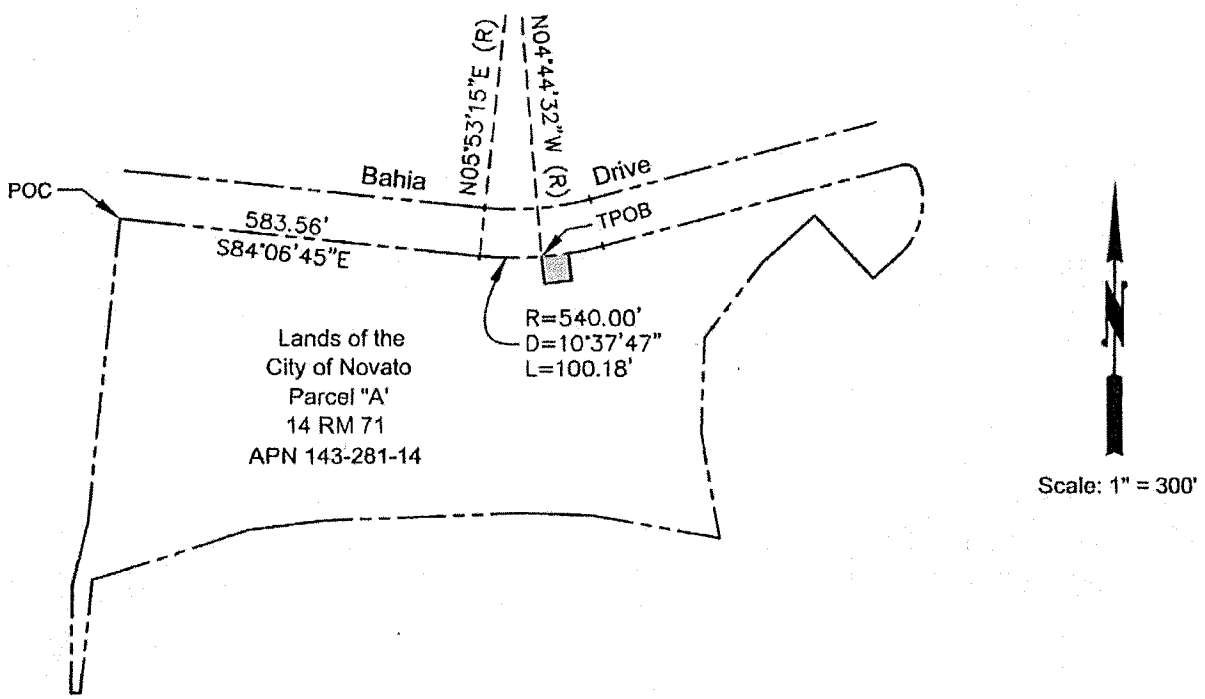
This parcel contains approximately 2,011 square feet.

PROFESSIONAL LAND SURVEYOR
DALE WHITE
No. 4397
STATE OF CALIFORNIA

Dale White
2-14-17

EXHIBIT B

PLAT MAP




NOTE

See Exhibit B - Sheet 2 for NMWD Parcel Dimensions.

Legend

- - - - Property Boundary

NMWD Parcel

Abbreviations

| | |
|---|---|
| APN | Assessor's Parcel No. |
| NMDW | North Marin Water District |
| POC | Point of Commencement |
| (R) | Radial Bearing |
| RM | Record Subdivision Map |
| TPOB | True Point of Beginning |

White & Prescott
Engineering and Surveying
10 Commercial Blvd.
Novato, CA

LD2016\NMWD-CREST- PUMP-STA\
dwg\MAP-300.dwg

PROFESSIONAL LAND SURVEYOR
DALE WHITE
PLS 4397
STATE OF CALIFORNIA

Dale White
2-14-17

North Marin Water District
Bahia Drive Pump Station Parcel
Site Overview

Exhibit B - Sheet 1

# 10

**MEMORANDUM**

To: Board of Directors December 14, 2018

From: Julie Blue, Auditor/Controller JB

Subj: Peer Review of Water Rate Study
t:\ac\board reports\board memos\2018\peer review of cost of service study - third party contract 12.18.docx

**RECOMMENDED ACTION:** Authorize the General Manager to execute an agreement with The Reed Group, Inc. to conduct a peer review of the Water Rate Study

**FINANCIAL IMPACT:** Not to Exceed $12,500

Background

Customers are currently billed under a rate structure comprised of 16 rates categorized by commercial, residential, elevation zones, and seasons. In May, 2018 the Board approved to have David Bentley, retired Auditor/Controller, to conduct a Water Rate (Cost of Service) study. This Study is underway and being performed to ensure continued compliance of the District's water rates with California Constitution Article XIII D, Section 6 (commonly referred to as Proposition 218). In order to maintain compliance the rate structure should generate revenue from each class of customers in proportion to the cost to serve each customer.

Objective

The objective of the Water Rate Study is to develop water rates that are fair and equitable. It was determined by the Board that in order to obtain an independent assessment of these rates an outside consultant would be hired to review and assess said Study.

Consultant Selection

Two proposals were received during the consultant selection process. The first one was from The Reed Group, Inc. (Sacramento, CA) and the second was from Willdan Financial Services (Temecula, CA). After reviewing the proposals staff has selected The Reed Group, Inc. Their proposal presented the professional expertise needed to provide this service. They have provided water rate setting and related services to public agencies throughout northern California; with a client list including Marin Municipal Water District, Tamalpais Community Services District, and the cities of Petaluma, Cotati, Rohnert Park, Santa Rosa, Windsor, and Healdsburg.

Scope of Work

The Reed Group, Inc.'s scope of work is included as attachment A. The scope of work is divided into five tasks listed below:

1. Obtain rate study and relevant data and information.
2. Review rate model and associated calculations.
3. Prepare inquiry memo (if necessary).
4. Complete review and prepare summary of finding and recommendations.
5. Present findings and recommendations to the Board of Directors.

The total fee for these tasks is estimated at a maximum of $12,500. A budget for FY 2018/19 of $30,000 was established which will adequately cover costs to develop a draft Water Rate Study and the cost of the review by the independent consultant.

Schedule

The tentative schedule is as follows:

| | |
|---|---|
| 1. Draft of report to be provided to the consultant | December 21, 2018 |
| 2. Review of cost of service study | January 4, 2019 |
| 3. Consult with staff to finalize the review | January 18, 2019 |
| 4. Complete review and provide summary | January 28, 2019 |
| 5. Present review and findings to the BOD | February 5, 2019 |

**RECOMMENDATION:**

Authorize the General Manger to execute an agreement between The Reed Group, Inc. and the District for a peer review of the Water Rate Study with a not to exceed limit of $12,500.

THE REED GROUP, INC.

November 30, 2018

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

**Subject: Proposal for Peer Review of Water Rate Study**

Dear Ms. Blue,

In response to your recent request, The Reed Group, Inc. is pleased to submit this proposal to perform a peer review of a water rate study being developed for the District by David Bentley. This proposal includes a scope of services, cost estimate, schedule, and other information related to the effort.

The Reed Group, Inc. is a Sacramento-based firm that has provided water and wastewater rate setting and related services to public agencies throughout northern California. Over the past 28 years I have assisted scores of utilities on rate issues, including litigation support. Recent and current local clients have included the Marin Municipal Water District, Tamalpais Community Services District, cities of Petaluma, Cotati, Rohnert Park, Santa Rosa, Windsor, Healdsburg, and more.

The Reed Group, Inc.'s mission is to provide each client with a high level of service and unparalleled responsiveness. I take the time to recognize the unique aspects of each client's situation, and to develop solutions to address their needs. In addition, I strive to be a long-term partner with clients and serve as an ongoing resource on utility rate and related financial issues. Most of my client relationships extend for more than ten years.

*Scope of Work*

The proposed scope of work for this engagement is to perform a peer review of the water rate calculations prepared for the District by David Bentley. This will include reviewing proposed water rates from the perspectives of revenue sufficiency, proportionality in the allocation of costs, water rate design, and consistency with any stated policy objectives and financial obligations. The Reed Group is not a law firm, and we cannot provide legal advice. However, we will review the proposed water rates relative to California's Proposition 218 (California Constitution Article XIII, Section 6) from the perspective of an experienced utility rate expert.

The proposed scope of work includes the following tasks:

1. *Obtain Rate Study and Relevant Data and Information* – The first step in the peer review will be to obtain the water rate study prepared by David Bentley, including spreadsheet model, along with the primary supporting source documents such as budget, capital

improvement program, debt obligations, water system characteristics, summarized utility billing data, any relevant policy statements, and any other key information relied upon in developing the water rates.

2. *Review Rate Model and Associated Calculations* – The calculation of water rates generally follows three distinct steps, including: (1) determining the annual rate revenue requirement, (2) analyzing the costs of providing service and proportionately allocating costs to customer classes, and (3) designing water rate structures to recover costs consistent with the cost of service analysis. Often a multi-year financial plan is developed to determine the water rate revenue requirements. This task will include reviewing the financial planning model (if included), as well as the cost of service and rate design aspects of the rate calculations. The review will also consider the District's financial obligations and policy objectives (e.g., debt service coverage obligations, reserve policy goals, etc.). The review of the cost of service analysis and rate design will focus on the basis for each component of the rate structure, and particularly the basis for the District's tiered water rates.
3. *Prepare Inquiry Memo* – Following our initial review, if necessary, we will prepare a memorandum with specific questions regarding the rate calculations. This will be the opportunity to seek clarification and further our understanding regarding information, assumptions, methodology, and rationale related to the water rate calculations. We would expect David Bentley to be available to respond to questions, either in writing or in a meeting or conference call. Potentially, this interim inquiry and exchange may not be required at all.
4. *Complete Review and Prepare Summary of Findings and Recommendations* – Once we receive feedback on any issues we have inquired about, we will complete the review of water rate calculations and prepare a summary report of findings and recommendations. The report will specifically address issues of revenue sufficiency, the proportionate allocation of costs, rate design, and any policy objectives. This report will be reviewed with appropriate District staff and then finalized.
5. *Present Findings and Recommendations to the Board of Directors* – If requested, we will present our findings and recommendations to the District's Board of Directors during a regular board meeting.

***Project Consultants***

This peer review will be conducted by Bob Reed of The Reed Group with potential ancillary support, if needed, provided by Mark Hildebrand of Hildebrand Consulting, LLC. We both bring extensive knowledge and experience to utility rate setting, as well as to organizational, operational, and strategic issues related to water utilities. Our extensive familiarity with utility rate issues throughout California and our combined breadth of experience may be particularly valuable during this engagement.

*Bob Reed, The Reed Group, Inc.*

Bob brings over 30 years of combined experience both as an engineer for a major water/wastewater agency and as a consultant providing a broad range of financial, utility rate, and management consulting services to local governments in the areas of water and wastewater utility management, as well as public works and engineering functions. He has performed hundreds of studies covering a diverse range of utility rate/fee issues, capital improvement financial planning, resource management, and litigation support/avoidance to more than 75 clients. Approximately two-thirds of the engagements have been for clients for whom he has provided multiple services; many for more than 15 years. Bob is dedicated to providing clients with an exceptional level of service and responsiveness, to developing creative yet practical solutions to client needs, and to broadening understanding and facilitating consensus on complex issues.

*Mark Hildebrand, Hildebrand Consulting, LLC*

Mark brings over 18 years of experience as a consultant to municipal governments and provides a broad range of financial, utility rate, and management consulting services. He has performed hundreds of studies covering a diverse range of cost allocation issues, financial planning, business case evaluations, and litigation avoidance to more than 50 clients. He has been published and frequently speaks on topics such as water rate-setting under the requirements of Proposition 218, cost-of-service principles, emerging regulatory issues, and strategic business planning. He is dedicated to providing clients with an exceptional level of service and responsiveness, to developing creative yet practical solutions to client needs, and to broadening understanding and facilitating consensus on complex issues.

### *Cost Estimate*

The estimated maximum cost to perform the water rate peer review is **$12,500**, including one onsite meeting with staff and David Bentley and one Board meeting. Under optimal conditions, including a well prepared and documented water rate analysis, the study might be completed for about one-half of this total. The above amount allows for the back-and-forth exchange to clarify information, assumptions, methodology, and rationale and follow-up analysis, if that should be necessary.

It is our practice to bill clients monthly for actual time and expenses incurred during the prior month. We only bill for the actual time and expenses incurred, so the total cost could be well under the estimated maximum cost. Hourly billing rates for Bob and Mark are $295 and $210, respectively.

### *Schedule*

The peer review will most effectively be performed in a concentrated effort. The review will commence once we receive the water rate study, spreadsheet model, and primary supporting documents, as outlined in Task 1 above. The entire effort through preparing the report of findings

and recommendations, including the interim inquiry and exchange, can be completed within four weeks of receiving requested information. Therefore, the results should be available to the District in late January.

* * * * *

The Reed Group, Inc. is grateful for the opportunity to be of service to the North Marin Water District. Please let me know if you would like to discuss any aspect of this proposal or the planned engagement in greater detail.

Sincerely,

Robert Reed
The Reed Group, Inc.

# 11

**Item #11**

**MEMORANDUM**

To: Board of Directors

December 14, 2018

From: Terrie Kehoe, District Secretary

Subject: Final Annual Report Fiscal Year 2017-2018
t:\gm\admin secty\admin asst\annual report\17-18\word\bod memo re final18.doc

**RECOMMENDED ACTION**: Approve Fiscal Year 2017-2018 Annual Report

**FINANCIAL IMPACT**: None

The Annual Report for Fiscal Year 2017-2018 was provided to you at the December 4, 2018 meeting. There were minor changes made as shown in highlight strikeout to the draft Annual Report. You will receive the final hard copy at the January 15, 2019 meeting.

RECOMMENDATION:

Board Approve Fiscal Year 2017-2018 Annual Report.

# NORTH MARIN

## ANNUAL REPORT

## 2017-2018

## HISTORICAL HIGHLIGHTS

**1948** The Novato community approves formation of North Marin Water District and purchase of the 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, Notably construction 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.

**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 to north and south Novato is completed. Utilizing federal grant and loan funds and recycled water from both Novato & Las Gallinas Valley Sanitary Districts, the project will provide 130MG annually to large-landscape customers.

**2015** The Gallagher Well Pipeline is completed principally with state grant financing, connecting the West Marin system to a new well located further upstream of Point Reyes Station in Lagunitas Creek, which is less susceptible to salt water intrusion.

**2016** The $22 million "Aqueduct Energy Efficiency Project" is completed, replacing the North Marin Aqueduct 30" diameter pipeline with a 42" pipeline from South Petaluma to Redwood Landfill, thereby eliminating the need for the Kastania Pump Station.

**2017** To improve water use efficiency, accuracy and customer service, the District implemented an Advance Meter Information System (AMI) pilot project. The AMI project replaces the mechanical water meter register with an electronic register that transmits water use data securely to NMWD headquarters.

**2018** Expansion of the recycled distribution system to Central Novato is completed. Using federal and state grant and loan funds and recycled water from Novato Sanitary District the project will provide at least 65 MG annually to large-landscape customers, including Marin Country Club Golf Course.

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

# NORTH MARIN WATER DISTRICT

## BOARD OF DIRECTORS

Jack Baker, served since 1983
Rick Fraites, served since 2003
James Grossi, served since 2017
Michael Joly, served since 2017
Steve Petterle, served since 2001

## OFFICERS

Drew McIntyre, General Manager, appointed 1998
Terrie Kehoe, District Secretary, appointed 2018
Julie Blue, Auditor-Controller, appointed 2018
Rocky Vogler, Chief Engineer, appointed 2017

## DEPARTMENT MANAGERS

| | |
|---|---|
| Administration & Finance ..... | Julie Blue |
| Construction/Maintenance ..... | Tony Arendell |
| Engineering ..... | Rocky Vogler |
| Operations/Maintenance ..... | Robert Clark |

## MISSION STATEMENT

Our mission is to meet the expectations of our customers in providing potable and recycled water and sewer services that are reliable, high-quality, environmentally responsible, and reasonably priced.

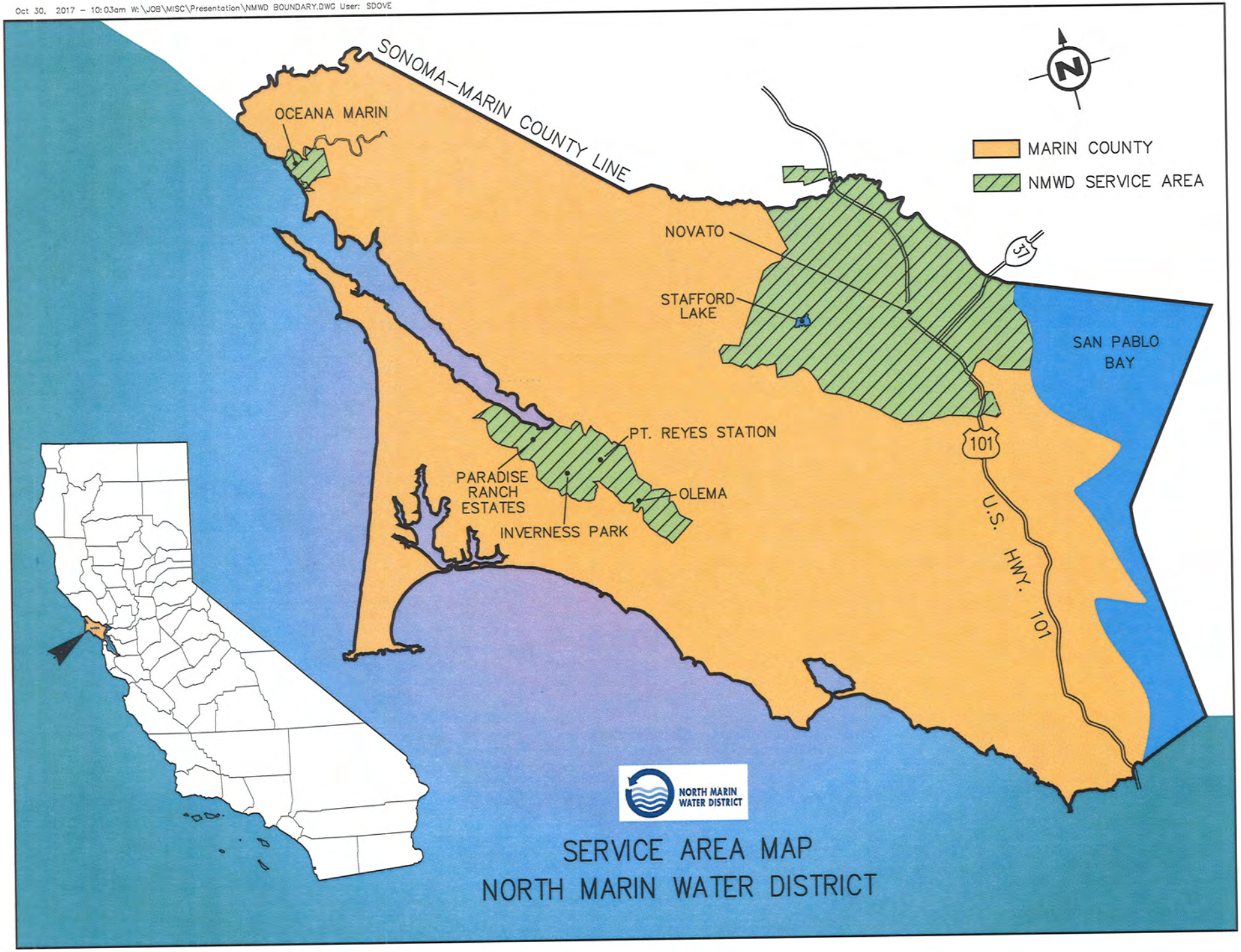
## BOARD MEETINGS

Regular Board meetings are held on the first and third Tuesday of each month at 6:00 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 415-761-8921 or visit the website at www.nmwd.com

---

**(Front cover photo: AMI Crew –NMWD and Ferguson Waterworks)**

Oct 30, 2017 - 10:03am W:\JOB\MISC\Presentation\NMWD BOUNDARY.DWG User: SDOVE



## MESSAGE FROM THE GENERAL MANAGER ... *Drew McIntyre*

The North Marin Water District (North Marin) carries out its Mission with a highly-motivated and competent staff empowered to meet the expectations of our customers in providing services that are reliable, high-quality, environmentally responsible and reasonably priced. 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 North Marin accomplishments in Fiscal Year (FY) 2018 and provides a snapshot of our current efforts and financial performance.

This year local water supply from Stafford Lake provided up to 36% of peak summer demand on a monthly basis and 25% of annual demand. Rainfall in Novato totaled 20.5" which was 75% of average and Stafford Lake filled to 76% of its maximum storage capacity. The Russian River water delivery system from Sonoma County Water Agency (SCWA) typically provides 70-80% of Novato's annual water supply. SCWA continues to focus on the 2008 Biological Opinion (BiOp) for water supply in the Russian River watershed issued by the National Marine Fisheries Service. The BiOp establishes requirements to preserve, protect and restore the fisheries and to maintain the existing Russian River water supply

On May 31, 2018, Governor Brown signed two bills, SB 606 (Hertzberg) and AB 1668 (Friedman) to make California more resilient to impacts of future droughts. This legislation creates new efficiency standards for indoor water use, outdoor irrigation use and water loss. By 2023, North Marin will have a new water use objective based on these efficiency standards. In the meantime, North Marin customers continue to be efficient in their water use. Fiscal year 2018 water production was down 18% compared to the State's benchmark of 2013. 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 potable water supply. With regard to local recycled water supply, the Deer Island, Novato Sanitary and Las Gallinas Sanitary treatment facilities delivered highly-treated recycled water to StoneTree Golf Course and a growing customer base along North Marin's expanded recycled water distribution system in North and South Novato.

North Marin recently expanded the recycled water system into the Central Service Area of Novato. This expansion extends from Novato Sanitary District's treatment plant, serving

approximately 40 large landscape customers (including Vintage Oaks Shopping Center, Lynwood School and Marin Country Club) and three car washes along the way. Construction began in November, 2016 and was completed this summer.

To improve water use efficiency, accuracy and customer service, North Marin has also implemented an Advanced Meter Information (AMI) project. With the AMI system, the customer's mechanical water meter register is replaced with an electronic register allowing digital meter data to be transmitted securely to North Marin's headquarters via wireless communication.

In West Marin, normal year water supply conditions on Lagunitas Creek prevailed, however, some common-sense prohibitions against water waste and non-essential use remain in effect. With respect to capital improvement projects, design is underway for replacement of the Paradise Ranch Estates Tank 4A, and planning continues for a second upstream well on Lagunitas Creek that that is free from salinity intrusion.

In June 2018, a 4.5% water rate increase became effective. At $718 per year, the cost of water service for a typical Novato single family home using 87,000 gallons of water a year is just above the median of Bay Area urban area water agencies (see chart on page 198). Water remains a good value for Novato customers.

## WATER SUPPLY

### STAFFORD LAKE – Local Source Provides 25% of North Marin's Supply

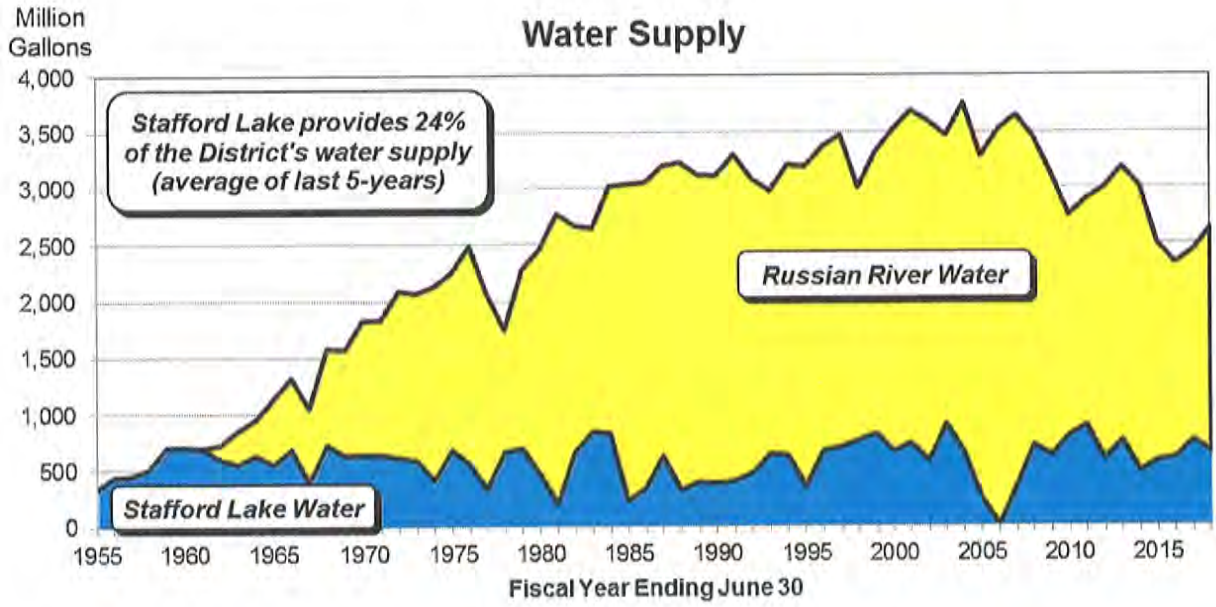
Stafford Lake lies four miles west of downtown Novato and collects the runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450 acre feet or 1,450 million gallons (MG) of water. Water from Stafford Lake is fed into the Stafford Lake Water Treatment Plant, (located just below the dam) at a maximum rate of 6 million gallons per day (MGD). In FY 2018, 1,983 acre feet (646 MG) of water was produced from the facility.

### RUSSIAN RIVER – Provides 75% 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 at Lake Mendocino impounds the Eel River diversions and winter runoff from the local watershed. Warm Springs Dam at Lake Sonoma impounds winter runoff

from the Dry Creek and Warm Springs local watersheds. Lakes Mendocino and Sonoma combined can store 367,500 acre feet to meet regional water supply needs, which totaled 46,134 acre feet in FY 2018. Releases from the lakes flow to a point about 10 miles upstream of Guerneville (see map on page 187 of this report), where six 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 2018, North Marin received 5,976 acre feet (1,947 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.

## CONSUMER SERVICES

Consumer Services is responsible for accurate and timely meter reading and billing, rendering and accounting for 139,000 bills annually. During the year, field staff responded to 1,412 customer calls for water service assistance and received a 93% positive response from customers pertaining to the service rendered.

- In March 2018 full project implementation of the Advanced Meter Information system began. This project is upgrading water meters and/or registers for customers throughout NMWD's Novato service territory. The AMI system transmits water use automatically and is being implemented to improve water use efficiency, as well as meter reading efficiency, accuracy and customer service. This technology also provides early leak detection and enables customers to view their individual water use online. The expected date of completion for the AMI project, which will upgrade over 20,000 meters, is January 2019.
- 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 78% in FY 2018 compared to FY 2003. Only 1% of residential customers used in excess of 1,845 gallons per day sometime during the fiscal year.
- In January 2007 a Conservation Incentive Tier Rate (CITR) was implemented in Novato. The Conservation Incentive Tier Rate is applicable to residential water use between 615 and 1,845 gallons per day. About 18% of residential customers used in excess of 615 gallons per day sometime during the year (81% of residential customers never used 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. FY2018 water use within the CITR range had declined 48% compared to FY2006.

- In March, the District's 2018 Urban Area Water Cost Comparison (see chart on page 198) showed that North Marin's cost of water service ranked 8th out 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 $718/yr.

## ACCOUNTING

The Accounting Department (pictured below) 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 its comprehensive annual financial report (CAFR) for fiscal year ended June 30, 2017. This is the ninth 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: General Manager Drew McIntyre, Julie Blue, Nancy Holton, Nancy Williamson, and Dianne Landeros.

**Fiscal Year 2018 financial highlights include:**

- The District, on a consolidated basis, received 112% of budgeted operating revenue and expended 104% of budgeted operating expenditures, resulting in a net income of $1.9 million. $11.3 million (63%) of the Capital Improvement Project Budget was expended. During the year the District received $2 million in State Revolving Fund (SRF) loans and $600 thousand in grant proceeds to finance its Recycled Water

Expansion. Loan proceeds of $4.4 million were also received to fund the AMI project. The year ended with a cash balance of $15.1 million, an increase of $5 million from the prior year.

- Novato potable water consumption increased 9% from the prior year. Stafford Lake Water Treatment Plant produced 646 MG, down 14% from the prior year. The net income of $1.7 million exceeded the $522 thousand budgeted net income, and compares to a net income of $87 thousand the prior year.
- The Novato Sanitary District and Las Gallinas Valley Sanitary District, along with the Deer Island Recycled Facility combined to produce 155 MG of Recycled Water, up 8% from the prior year. The fiscal year net loss of $91 thousand was below the $203 thousand budgeted loss.
- West Marin Water consumption was up 9% from the prior year. The $207 thousand net income compares to a budgeted net income of $138 thousand and to net income of $79 thousand from the prior year. West Marin Water ended the fiscal year with a cash balance of $1.5 million. A 4.5% increase applicable to West Marin water customers was approved effective July 1, 2018.
- Oceana Marin Sewer's net income of $75 thousand compares to a budgeted net loss of $11 thousand and to net income of $54 thousand from the prior year. Oceana Marin ended the year with a $561 thousand cash balance. A 5% increase applicable to Oceana Marin Sewer customers was approved effective July 1, 2018.

## ENGINEERING

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 Department to support North Marin's wastewater collection, treatment and disposal system in Oceana Marin. Property owners or developers desiring new water or wastewater service or an upgrade to their existing service are assisted by the Engineering Department pursuant to North Marin regulations.

In the Novato service area, twenty-eight capital projects were originally budgeted. An additional eight projects were added, one project was carried over from the previous fiscal year, and five projects were deferred, resulting in an adjusted total of thirty-two projects. The Engineering Department oversaw twenty-two of the thirty-two projects, and sixteen of the total number of projects were completed within the fiscal year with total expenditures at $10,897,055. Some of the significant projects included the Center Road 6" CIP (8"@1,200'), Grant Ave Bridge Main Replacement, construction completion of the Recycled Water Central Expansion Project, and San Mateo Tank Recoat.

In the West Marin service area, including Oceana Marin, eight projects were originally budgeted, five projects were added and three were deferred, resulting in a total of ten projects. The Engineering Department oversaw three of the ten projects, and

combined fiscal year expenditures totaled $221,905. The most significant project in process in West Marin is the PRE Tank 4A Replacement project.

## 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.

Residential activities include residential water use surveys (301), high-efficiency washing machine (HEW) rebates (24 paid), high-efficiency toilet (HET) replacements (147 rebates paid), a Cash-for-Grass Program (18 rebates paid), flapper rebates, weather-based irrigation controller rebates, landscape efficiency rebates, a plumbing retrofit-on-resale program (toilets, showerheads, and bathroom sink faucets) and rainwater collection and gray water rebates. Hot Water Circulation and Pool Cover rebates were added in recent years along with the "Lawn Be Gone" program aimed at promoting the sheet mulching technique of removing lawn. Water conservation programs for non-residential customers include HET rebates, high-efficiency washing machine rebates, and free water audits/surveys. Large landscape customers are provided landscape water budgets comparing actual use to calculated use based on local weather data and

landscape area. Large landscape audits and landscape efficiency upgrade rebates are also offered to mixed-use accounts and dedicated metered sites.

The public outreach program includes a School Education Program (in cooperation with SCWA), the "*WaterLine*" newsletter (sent in spring and fall), bill inserts and text, newspaper advertisements and articles, and a variety of other customer outreach events and campaigns (including participation in the Sonoma Marin Saving Water Partnership "Outreach" and "Take It From the Tap" 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 also maintains and regularly updates a Facebook page and has recently started using Nextdoor and Instagram to disseminate information. 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 high-efficiency washing machine, high-efficiency toilets, weather-based irrigation controllers, a maximum of 600 square feet of turf for new residential development and no turf for new 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 updated State Model Water Efficient Landscape Ordinance.

## OPERATIONS AND MAINTENANCE DEPARTMENT

The Operations and Maintenance Department is comprised of three groups –Operations, Maintenance and Water Quality – which work together to provide Novato and West Marin customers with good water and good service at good value while continuing to provide a safe place to work. 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 District's Recycled Water Monitoring Program. Additional programs managed by the O&M staff include Safety, Environmental, Water Treatment and Distribution operational permits and compliance reporting.

### OPERATIONS

The Operations Group is comprised of six Distribution and Treatment Operations staff who work closely with the Water Quality Group, sharing the responsibility of monitoring the Stafford Lake watershed and working cooperatively with landowners, the Indian Valley Golf Course and the Marin County Parks and Open Space District. The Group manages the potable water supply and distribution systems for Novato and West Marin communities and the waste water system in Ocean Marin as well as the Novato recycled water transmission and distribution system. Also 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.

~~This is a photo of the~~ NMWD staff training with the Novato Fire Protection District at the Stafford Lake Treatment Plant. For each confined space entry our staff performs, ~~the~~ NFPD is contacted for emergency rescue backup.

In Novato, the group manages storage of 28 million gallons (MG) of potable finished water in 35 tanks through four hydraulic pressure zones with 27 pump stations. There are 1.5

million gallons of recycled water storage and 17 miles of distribution mains providing 89 customer sites with recycled water from the Deer Island, Novato Sanitary District and the Las Gallinas Valley Sanitary District Recycled Water Treatment Facilities. This past fiscal year recycled water became 15% of the water supplied to our Novato customers.

In West Marin, the group operates the Lagunitas Creek wells, Point Reyes Treatment Plant, six pump stations and thirteen storage tanks in Point Reyes Station, Olema, Inverness Park, Paradise Ranch Estates, and Bear Valley. Additionally the department operates and maintains nine miles of sewer collection piping and a 90,000 gallon per day facultative waste water treatment pond with an eight acre leach field for the wastewater system in Oceana Marin.

Operations activities and accomplishments during 2017-18 included 8 improvement projects, 2 major maintenance tasks during the winter shutdown and over 700 routine maintenance tasks throughout the year.

Work performed related to ~~complete the Temporary tank for~~ the San Mateo Tank rehabilitation, Stafford Lake back feed, Lynwood pump station repairs and chemical feed system upgrades at the Stafford Treatment Plant, Novato Recycled Water Expansion, green sand media replacement and filter optimization in Point Reyes key to the continued high quality water provided.

**MAINTENANCE**

The Maintenance Group is comprised of seven technicians including Electrical/Mechanical, Building/Grounds, Fleet Maintenance, Distribution Cross Connection Control and a Technical Program Administrator and is responsible for all maintenance tasks throughout the Novato, West Marin and Oceana Marin service areas.

Maintenance works closely with Engineering and Construction on new projects for electrical and mechanical installations and with Operations to ensure proper operation of Treatment and Distribution facilities for continuous service to our customers. Throughout the service area the E/M team maintains the Supervisory Control and Data Accusation (SCADA), Advanced Meter Infrastructure (AMI) and computer network communication systems.

Onsite retrofit coordination at Inn Marin

Construction Inspection at Inn Marin

In Novato, this includes the Stafford Lake Water Treatment plant, Deer Island Recycled Water Treatment Facility, pump stations, tanks, pressure regulators and cross connection devices while also maintaining the Office and Corporation yard facilities.

In West Marin, the Maintenance group maintains the Lagunitas Creek wells, Point Reyes treatment plant, tanks and pump stations. Additionally, the group maintains the collection and wastewater treatment operations in Oceana Marin.

Maintenance accomplishments during 2017-18 included six facilities improvement projects and 475 routine maintenance tasks. Staff continued to execute the day-to-day activities while performing projects on San Mateo Tank Rehab controls, LED parking lot lights, AMI communication installation, Enterprise Asset Management evaluation, Central Novato Recycled Water Retrofit start-up, California Department of Water Resources water loss reporting and tank security enhancements.

**WATER QUALITY**

The Water Quality Group is comprised of five employees, 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.

customers in both Novato and West Marin. In addition, Water Quality staff responds to customer calls with specific information on water quality.

The primary goal of North Marin Water District is for water at every tap to be safe and taste good. The objectives toward meeting this goal, collaboratively established by the District's Board of Directors and staff, are to meet or exceed all regulatory standards, work to control or prevent all taste and odors and work with appropriate agencies to protect water quality.

North Marin Water District's Water Quality Division prides itself on providing exceptional customer service based on a commitment to public health and a safe water supply. The District's Water Quality laboratory is certified by the California Environmental Laboratory Accreditation Program to perform analyses for both regulated and unregulated contaminants. The laboratory staff provides testing services for other District divisions for quality control of the water supply as well as testing in response to customer concerns. Monitoring is from source to tap. Staff provides the Novato Sanitary District with sample collection, lab analysis and reporting.

Routine tests are performed on the bacterial, algal and chemical conditions of the source water in Stafford Lake and the Point Reyes wells. Tests are also conducted on the water purchased from Sonoma County Water Agency. High nutrient levels can increase algal growth, which can result in taste and odor problems. Source monitoring in the Point Reyes system focuses on a well quality. Salinity levels continue to rise above the notification level (chlorides – 100mg/L) despite the blending of the Gallagher well water with the Coast Guard wells. The laboratory staff supports the Operations staff with monitoring of Stafford Treatment plant to evaluate the effectiveness of the various treatment processes.

| | |
|---|---|
| ~~This is a photo of the~~ Annual first rainfall watershed samples collected. They will be tested for Coliform, nitrates and cryptosporidium. | |

while keeping associated aesthetics at an acceptable level. The distribution water quality programs including flushing and cross-connection control were performed. Storage tanks were inspected by the Maintenance staff, and Operations has slated collection of tank water for routine annual testing, which helps determine tank-cleaning priorities. During the year, Water Quality staff assisted the Department of Drinking Water on the West Marin system inspection and the Novato Sanitary District on the inspection of the Stafford Lake Treatment Plant discharge permit.

## 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 requirements 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, City and developers to install high-quality and reliable facilities to serve North Marin customers.

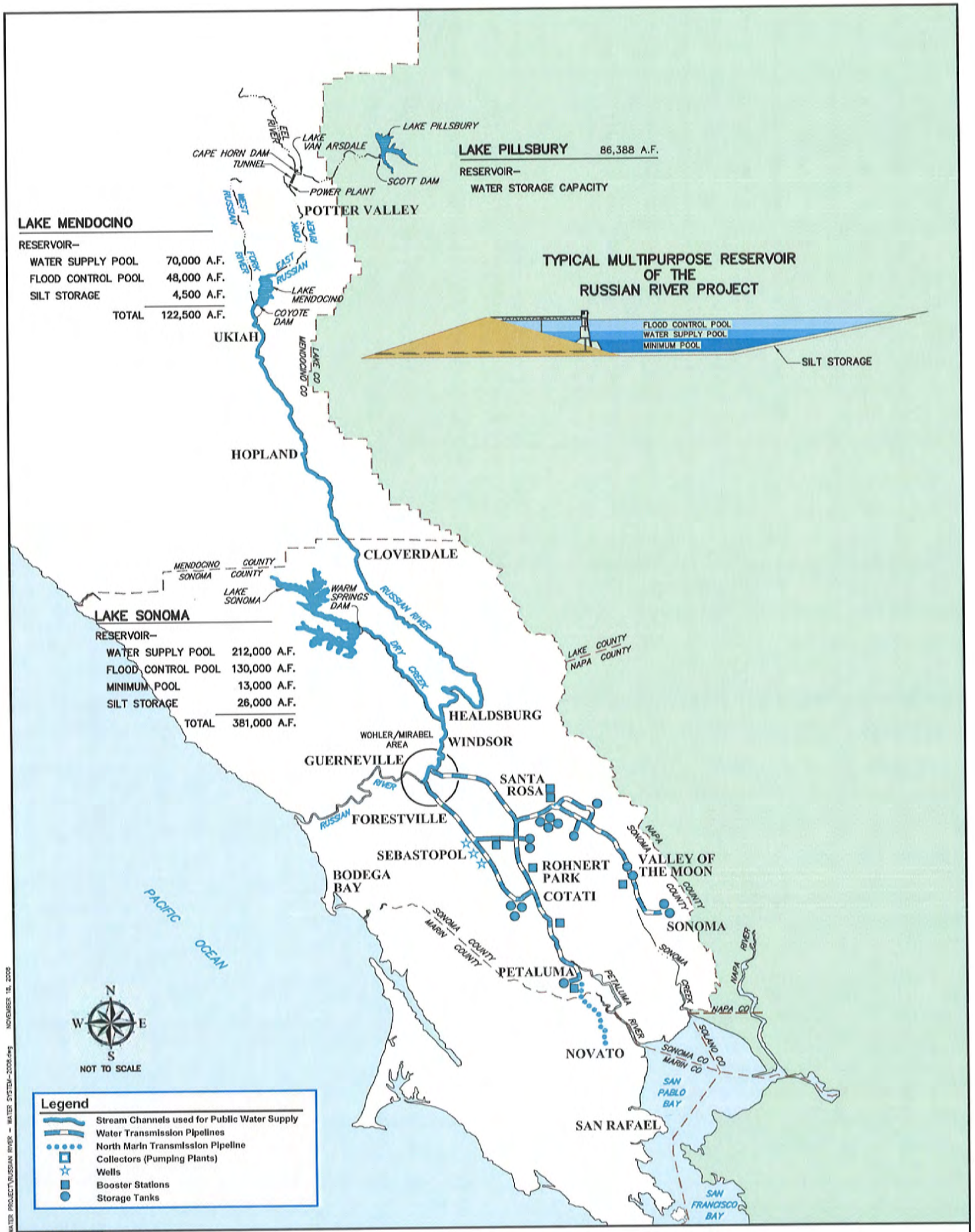
During FY 2017/18, North Marin Water District's Construction crews has replaced 114 polybutylene water several and 15 copper water service laterals in because of leaks in Novato and West Marin service areas.

The Construction Crews worked with developers on various ~~small~~ jobs including Novato Village, Chaese Bank, and Petaluma Self Storage. The Crews upsized 20 service laterals for residential fire service ~~(20 services)~~.

Crews worked on the following Capital Improvement Projects in the Novato system. The replacement of a segment of the 12' AC main that runs from Crest Rd to Summit Ln, 12" main on the Grant Ave Bridge, Center Road pipeline project, Ridge Road Pipeline Replacement, Lynwood Pump Station, DCA replacements, repairs to the STP Spillway, and PB Replacement

ahead of City and County paving. Novato Recycled Water, Distract crews assisted contractors on the RW Central projects.

~~Crews working on the Center Road pipeline project installing one of the taps on the 16" concrete cylinder pipe.~~




SONOMA COUNTY WATER AGENCY

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.

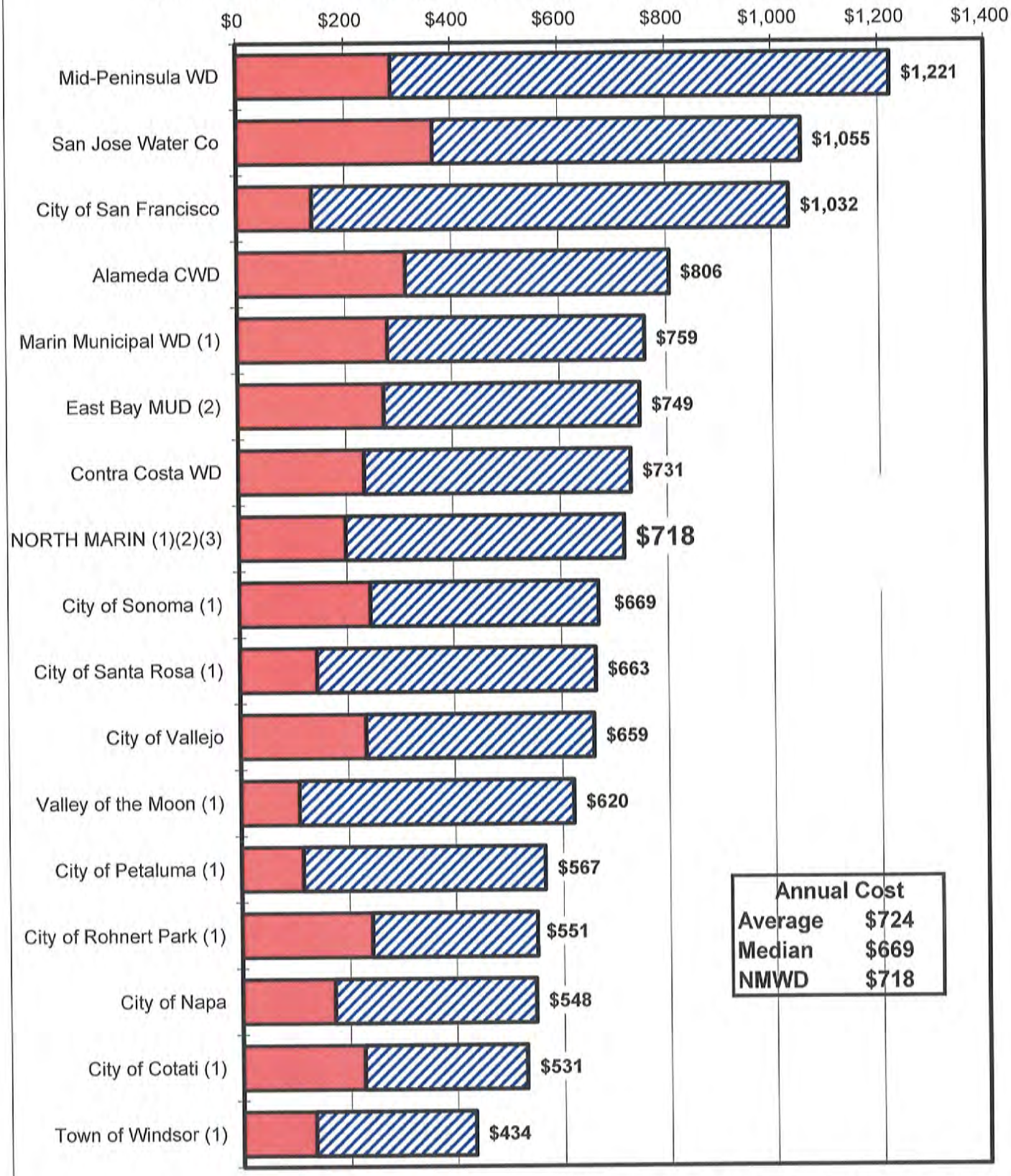
**Russian River Water System**

3/15/18

t:\gm\admin secly\admin asst\annual report\17-18\excel\[urban18.xlsx]table

# 2018 URBAN AREA
# TOTAL ANNUAL WATER COST COMPARISON

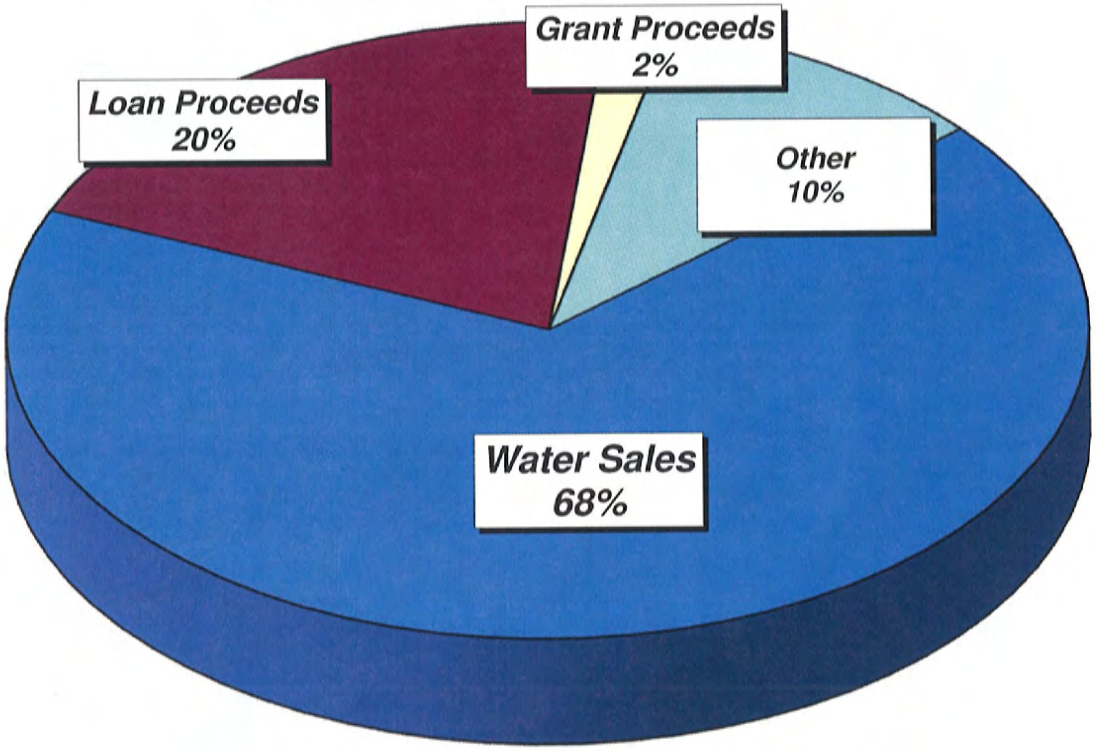
*Typical Detached Single-Family Home Annual Consumption = 86,600 Gallons*

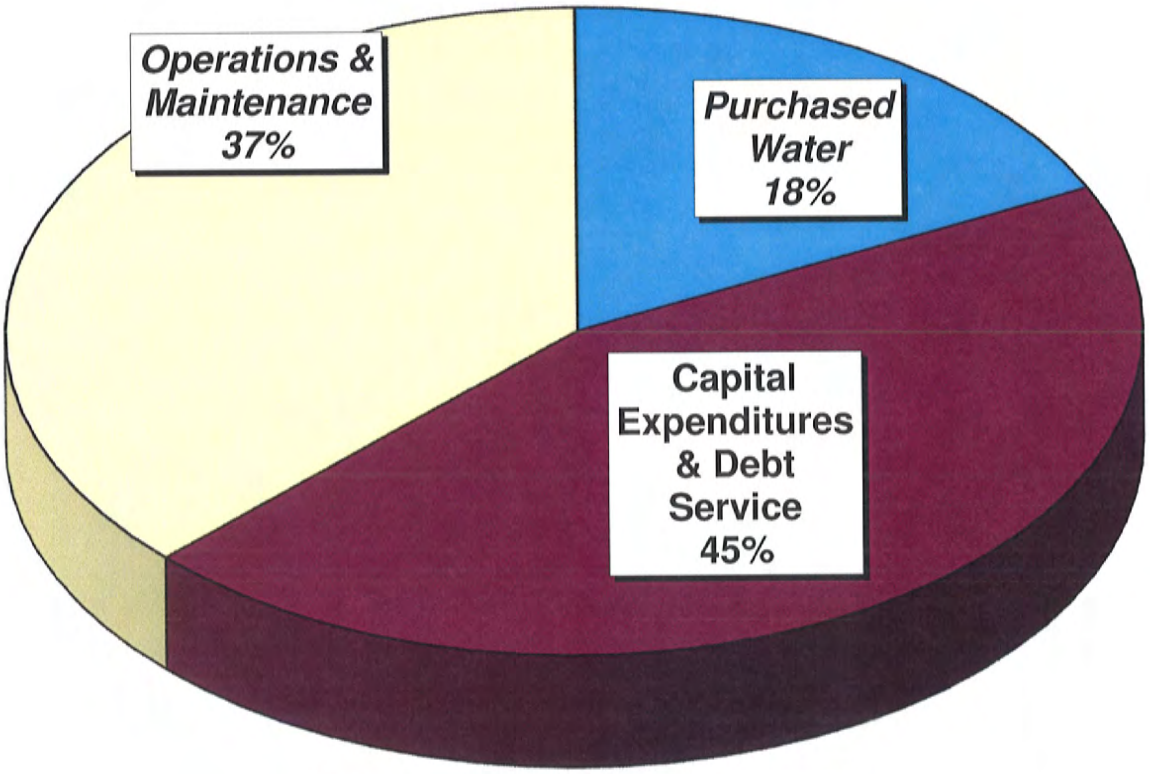



(1) Sonoma County Water Agency Prime Contractor.
(2) Based on weighted average commodity charge - all zones.
(3) Excludes West Marin rates and charges.

## North Marin Water District - Fiscal Year 2017-18

**Source of Funds: $31.5 Million**




***Use of Funds: $31.5 Million***

## CHARACTERISTICS OF SERVICE AREAS

| Statistics (at June 30, 2018) | Water: Novato Potable & RW | Water: West Marin Service Area | Sewer: Oceana Marin | Total |
|---|---|---|---|---|
| Service Area (Square Miles) | 75 | 24 | 1 | 100 |
| Active Connections | 20,609 | 783 | 232 | 21,624 |
| Dwelling Units | 24,005 | 832 | 231 | 25,068 |
| Estimated Population | 61,000 | 1,800 | 500 | 63,300 |
| Average Household Size (People) | 2.6 | 2.1 | 1.9 | 2.5 |
| FTE Employees | 53.0 | - | - | 53.0 |
| Fire Hydrants | 2,674 | 168 | - | 2,842 |
| Miles of Pipeline | 333 | 26 | 5 | 364 |
| Storage (million gallons) | 39.0 | 1.0 | - | 40.0 |
| **Annual Water Volumes (MG) (FY2017-18)** | | | | |
| Russian River Water Purchases | 1,989 | | | 1,989 |
| Stafford Water Treatment Plant | 646 | | | 646 |
| Recycled Water | 155 | | | 155 |
| Point Reyes Water Treatment Plant | | 81 | | 81 |
| Oceana Marin Wastewater Treatment | | | 8 | 8 |
| Total Water Production | 2,790 | 81 | 8 | 2,879 |
| RR Water Wheeled to MMWD | 1,683 | | | 1,683 |
| **Annual Budget - FY2018-19** | | | | |
| Operating Revenue | $21,679,000 | $875,000 | $252,000 | $22,806,000 |
| Connection Fees/Misc | 1,450,000 | 96,000 | 95,000 | 1,641,000 |
| Grant/Loan Proceeds | 250,000 | 0 | 69,000 | 319,000 |
| Contribution (To)/From Reserves | 2,831,000 | 991,000 | 344,000 | 4,166,000 |
| Total Sources | $26,210,000 | $1,962,000 | $760,000 | $28,932,000 |
| Operating Labor | $6,611,000 | $249,000 | $82,000 | $6,942,000 |
| Other Operating Expense (less Deprec) | 10,313,000 | 290,000 | 113,000 | 10,716,000 |
| Capital Expeditures | 6,235,000 | 1,325,000 | 565,000 | 8,125,000 |
| Debt Service & Other Expenditures | 3,051,000 | 98,000 | 0 | 3,149,000 |
| Total Outlays | $26,210,000 | $1,962,000 | $760,000 | $28,932,000 |
| **Annual Water/Sewer Cost (FY2017-18)** | | | | |
| to Typical Single-Family Detached Residence | | | | |
| Service Charge | $31.50/2 mo. | $31.50/2 mo. | $86.00/mo. | |
| Annual Consumption (Typical) | 86,600 gal | 49,300 gal | | |
| Wt'd Avg Water Rate / 1,000 gal [1] | $5.40 | $10.40 | | |
| Typical Annual Cost: | | | | |
| Service Charge | $189 | $189 | $1,032 | |
| Commodity Charge | $468 | $513 | $0 | |
| Allocated Tax [2] | $0 | $59 | $228 | |
| Total Annual Cost | $657 | $760 | $1,260 | |

Notes

t:\gm\admin secty\admin asst\annual report\17-18\excel\[characteristics fy 17.18.xlsx]jun18

1 FY18 weighted average commodity rate. Rates vary by elevation zone to reflect different energy, pumping and storage costs. Novato rates ranged from $5.01 to $6.93 per 1,000 gallons, and in West Marin from $8.55 to $14.26. Average excludes tier rate charges as typical residential consumption is below tier threshold.

2 FY18 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, 2018

| NET ASSETS | Total | Novato Water | Novato Recycled | West Marin Water | Oceana Marin Sewer |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash & Investments | $15,106,428 | $10,170,912 | $2,898,124 | $1,475,988 | $561,404 |
| Receivables & Other Assets | 14,655,408 | 8,830,084 | 5,623,296 | 195,025 | 7,003 |
| Construction-in-Progress | 24,491,508 | 8,289,150 | 15,623,282 | 443,809 | 135,267 |
| Property, Plant & Equipment (net) | 112,098,300 | 88,883,880 | 17,204,048 | 5,222,664 | 787,708 |
| **Total Assets** | $166,351,644 | $116,174,026 | $41,348,750 | $7,337,486 | $1,491,382 |
| **Liabilities** | | | | | |
| Current Liabilities | $6,927,160 | $6,211,235 | $493,744 | $146,810 | $75,371 |
| Long-Term Debt | 52,601,036 | 35,751,728 | 16,090,126 | 759,182 | - |
| **Total Liabilities** | $59,528,196 | $41,962,963 | $16,583,870 | $905,992 | $75,371 |
| **Net Assets** | | | | | |
| Invested in Capital Assets | $137,057,019 | $101,891,463 | $27,624,736 | $6,319,757 | $1,221,063 |
| Restricted & Designated Reserves | 3,881,915 | (483,204) | 3,572,585 | 769,164 | 23,370 |
| Earned Surplus | (34,115,487) | (27,197,196) | (6,432,441) | (657,428) | 171,578 |
| **Net Assets** | $106,823,447 | $74,211,063 | $24,764,880 | $6,431,493 | $1,416,011 |

| REVENUE & EXPENSE | | | | | |
|---|---|---|---|---|---|
| Operating Revenue | $22,094,094 | $20,019,805 | $948,739 | $885,060 | $240,490 |
| Operating Expense | 19,895,100 | 18,063,210 | 874,973 | 726,217 | 230,699 |
| Operating Income/(Loss) | $2,198,995 | $1,956,595 | $73,766 | $158,843 | $9,791 |
| Non-Operating Revenue/(Expense) | (338,475) | (286,953) | (165,104) | 48,507 | 65,075 |
| **Net Income/(Loss)** | $1,860,520 | $1,669,642 | ($91,338) | $207,350 | $74,866 |

| CASH FLOW | | | | | |
|---|---|---|---|---|---|
| Net Income/(Loss) | $1,860,520 | $1,669,642 | ($91,338) | $207,350 | $74,866 |
| Add Back Depreciation | 3,434,068 | 2,730,867 | 473,970 | 191,949 | 37,282 |
| **Cash Generated** | $5,294,588 | $4,400,509 | $382,632 | $399,299 | $112,148 |
| **Other Sources/(Uses)** | | | | | |
| Connection Fees | $1,455,400 | $1,387,000 | $0 | $68,400 | $0 |
| Loan Proceeds | 6,393,836 | 4,360,000 | 2,033,836 | - | - |
| Capital Asset Acquisition | (11,270,830) | (7,151,845) | (3,904,870) | (169,070) | (45,045) |
| Principal Paid on Debt | (1,368,255) | (868,037) | (432,176) | (68,042) | - |
| Grant Proceeds | 592,907 | 47,618 | 545,289 | - | - |
| Caltrans Capital Contributon | (585) | (585) | - | - | - |
| Interdistrict Loan | 0 | 6,100,326 | (6,100,326) | - | - |
| Connection Fee Transfer | 0 | (5,481,925) | 5,481,925 | - | - |
| Working Capital & Miscellaneous | 3,914,515 | (120,135) | 4,022,142 | (57,613) | 70,121 |
| **Total Other Sources/(Uses)** | ($283,012) | ($1,727,583) | $1,645,820 | ($226,324) | $25,075 |
| **Net Cash Generated/(Used)** | $5,011,576 | $2,672,928 | $2,028,449 | $172,974 | $137,225 |

## HISTORICAL STATISTICS

| Fiscal Year Ending June 30: | | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|
| Active Services | -Novato Water | 20,543 | 20,544 | 20,535 | 20,498 | 20,505 |
| | -Novato Recycled | 66 | 47 | 44 | 44 | 44 |
| | -West Marin Water | 783 | 780 | 780 | 778 | 776 |
| | -Oceana Marin Sewer | 232 | 231 | 230 | 229 | 229 |
| | Total Active Services | 21,624 | 21,602 | 21,589 | 21,549 | 21,554 |
| Full-Time Equivalent (FTE) Employees | | 53.0 | 53.7 | 50.7 | 51.7 | 50.5 |
| FTE Employees per 1,000 Active Services | | 2.5 | 2.5 | 2.3 | 2.4 | 2.3 |
| Property, Plant and Equipment (millions) | | $194.1 | $182.8 | $165.1 | $158.9 | $143.3 |
| FTE Employees per $1M Capital Assets | | 0.27 | 0.29 | 0.31 | 0.33 | 0.35 |
| Miles of Pipeline | | 364 | 364 | 358 | 357 | 356 |
| Storage (MG) | | 40.0 | 39.4 | 39.4 | 39.4 | 39.4 |
| **Water Production (MG)** | | | | | | |
| Point Reyes Treatment Plant | | 81 | 66 | 65 | 70 | 84 |
| Stafford Treatment Plant | | 646 | 756 | 601 | 573 | 479 |
| Recycled Water | | 155 | 144 | 139 | 148 | 157 |
| Russian River Water Purchases | | 1,989 | 1,681 | 1,727 | 1,928 | 2,531 |
| | Total Water Production | 2,871 | 2,647 | 2,532 | 2,719 | 3,251 |
| Wheeled to Marin Municipal WD | | 1,670 | 1,670 | 1,725 | 2,333 | 2,543 |
| **Novato Service Area Average Day Potable Water Production (MG)** | | | | | | |
| | Annual | 7.2 | 6.7 | 6.4 | 6.9 | 8.2 |
| | Peak Month | 10.7 | 10.0 | 10.2 | 10.3 | 12.4 |
| | Peak Week | 10.3 | 10.6 | 11.1 | 11.3 | 12.8 |
| | Peak Day | 13.2 | 15.6 | 12.2 | 13.7 | 14.9 |
| **Financial History** | | | | | | |
| Source of Funds | | | | | | |
| | Water Sales | $21,328,795 | $18,136,626 | $16,840,826 | $17,492,130 | $19,394,214 |
| | Investment Earnings | 243,752 | 156,662 | 125,078 | 134,464 | 108,914 |
| | Tax Revenue | 109,908 | 107,089 | 102,259 | 94,398 | 90,070 |
| | Grant Proceeds | 592,907 | 5,061,105 | 532,248 | 1,259,624 | 479,903 |
| | Connection Fees | 1,455,400 | 1,034,585 | 278,690 | 801,600 | 152,800 |
| | Loan Proceeds | 6,393,836 | 1,899,538 | 0 | 0 | 3,375,378 |
| | Other Sources | 1,413,583 | 5,981,896 | 3,944,898 | 11,761,694 | 5,335,566 |
| | Reserves | (5,011,576) | 2,937,250 | 1,155,661 | 608,242 | (4,769,954) |
| | | $26,526,605 | $35,314,751 | $22,979,660 | $32,152,152 | $24,166,891 |
| Use of Funds | | | | | | |
| | Purchased Water | $5,350,855 | $4,469,632 | $4,189,723 | $4,545,345 | $6,123,015 |
| | Operation & Maintenance | 11,110,175 | 10,630,056 | 9,228,266 | 8,780,314 | 8,045,840 |
| | Debt Service | 2,201,451 | 2,527,022 | 2,528,938 | 2,534,473 | 2,448,776 |
| | Capital Expenditures | 11,270,831 | 12,488,621 | 5,594,631 | 16,192,913 | 5,238,179 |
| | Other Uses | (3,406,707) | 5,199,420 | 1,438,102 | 99,107 | 2,311,081 |
| | | $26,526,605 | $35,314,751 | $22,979,660 | $32,152,152 | $24,166,891 |
| Where We Stand | | | | | | |
| | Assets | $166,351,644 | $159,886,280 | $136,897,391 | $134,483,310 | $121,670,779 |
| | Liabilities | 59,528,196 | 55,974,308 | 44,224,607 | 46,328,041 | 38,566,904 |
| | Net Assets | $106,823,448 | $103,911,972 | $92,672,784 | $88,155,269 | $83,103,875 |

t:\gm\admin secty\admin asst\annual report\17-18\excel\[historical statistics fy 17.18.xlsx]all districts

# 12

**MEMORANDUM**

To: Board of Directors

December 14, 2018

From: Julie Blue, Auditor-Controller JB

Subj: FY18 Residential Consumption Status Report
t:\ac\board reports\board memos\2018\sf fy18 residential consumption.docx

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** No Financial Impact

**Summary**

The tier rate structure implemented by the District has proven to be an effective water conservation tool.

**Total Residential Consumption**

Residential consumption billed in FY18 was 1.9BG, up 13% from FY17, but down 28% from the peak year (FY04) (see Attachment A). In FY18 there was an increase in residential consumption for the second year in a row. FY17 showed the first increase, as the state mandated water use restrictions were lifted.

**Median Residential Consumption**

The Novato median single-family home consumption rose to 89,760 gallons last fiscal year, up 12,000 gallons from FY17. The average consumption over the past 20 years is 112,000 gallons, with a high of 135,000 gallons recorded in FY04, and the low of 72,000 recorded in FY16. FY18 median single-family home demand is down 34% from its FY04 peak.

The median consumption volume is used to calculate total annual water cost in the District's annual Urban Area Water Cost Comparison. For smoothing purposes, the exponential moving average[1] of the past five years median consumption is used to calculate "typical" single-family residential consumption. For Novato, "typical" consumption is now 87,600 gallons, an increase of 1,000 gallons from one year ago. This increase in water use increases the annual water cost for the typical Novato customer by $6 per year at current commodity rates.

**Conservation Incentive Rate**

The Conservation Incentive Rate (CIR) is the surcharge applicable to residential water use that first appeared on bills distributed in May 2004. The surcharge adds $9.30/1,000 gallons (178% to the Zone A base rate) to use exceeding 1,845 gallons per day (gpd). In FY03 (the year before the CIR implementation) 504 customers used more than 1,845 gpd in at least one billing

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

period. In FY18 only 235 customers exceeded the CIR threshold – a 53% reduction. As shown graphically on Attachment B, total water use subject to the CIR fell from 60 MG in FY03 to 13 MG in FY18 – a 78% reduction.

To adjust for the reduction in overall water use and variations in weather, use above 1,845 gpd is also measured as a percentage of total residential water demand. CIR has been an effective tool in reducing water demand among very high-use residential customers. This is evidenced by water use subject to CIR decreasing by 70% since implementation.

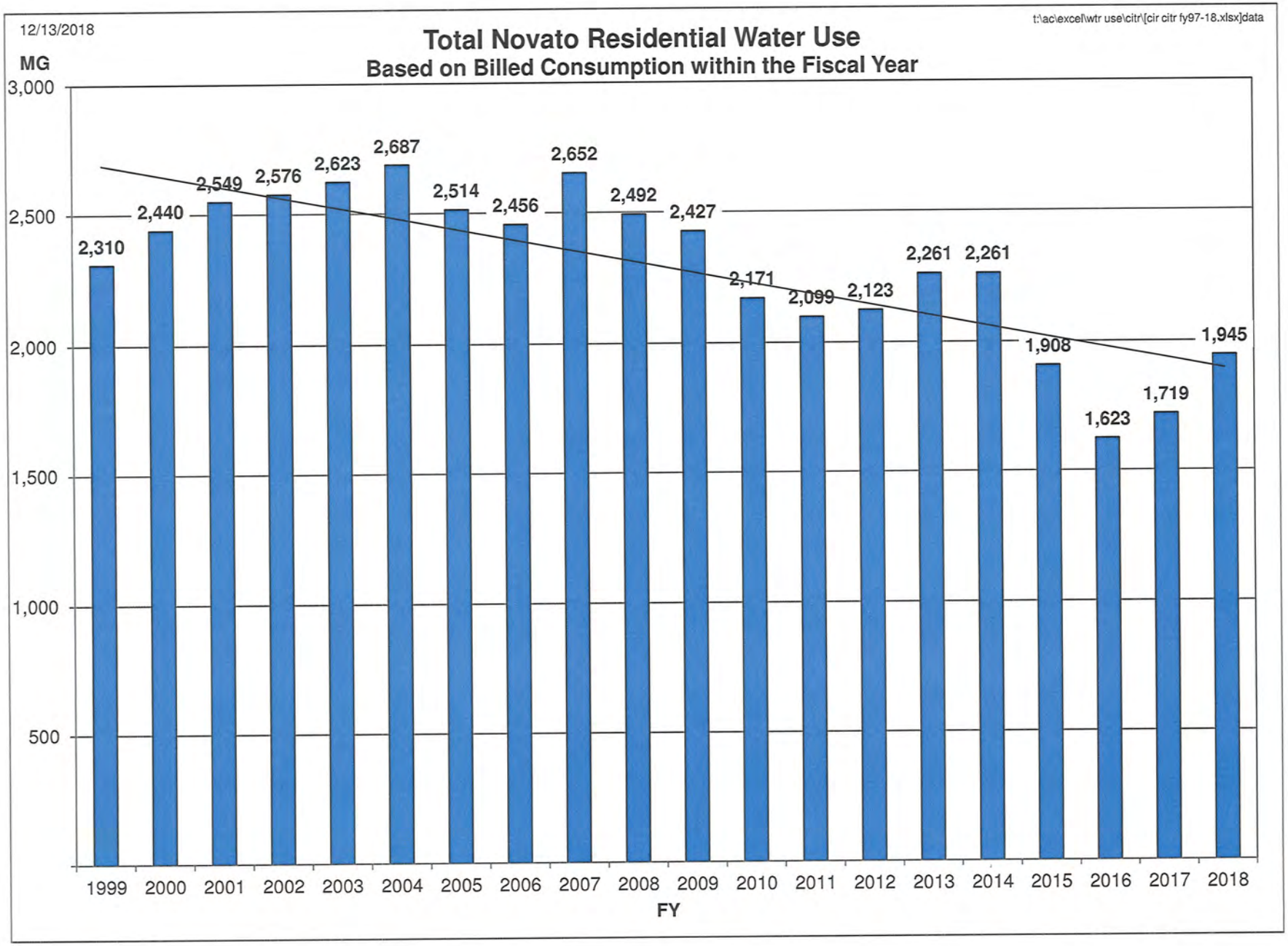
**Conservation Incentive Tier Rate**

The Conservation Incentive Tier Rate (CITR) first appeared on water bills distributed in March 2007. The CITR adds $3.11/1,000 gallons (59% to the Zone A base rate) for use between 615 and 1,845 gpd. In FY06 (the year before the CITR implementation) 6,367 residential customers (35%) used water within the CITR range in at least one billing period. In FY18, 3,620 residential customers (18%) were subject to the CITR surcharge – a 43% reduction. Shown graphically on Attachment C, total water use subject to the CITR decreased from 278 MG in FY06 (the year before implementation) to 145 MG in FY18 – a 48% reduction.

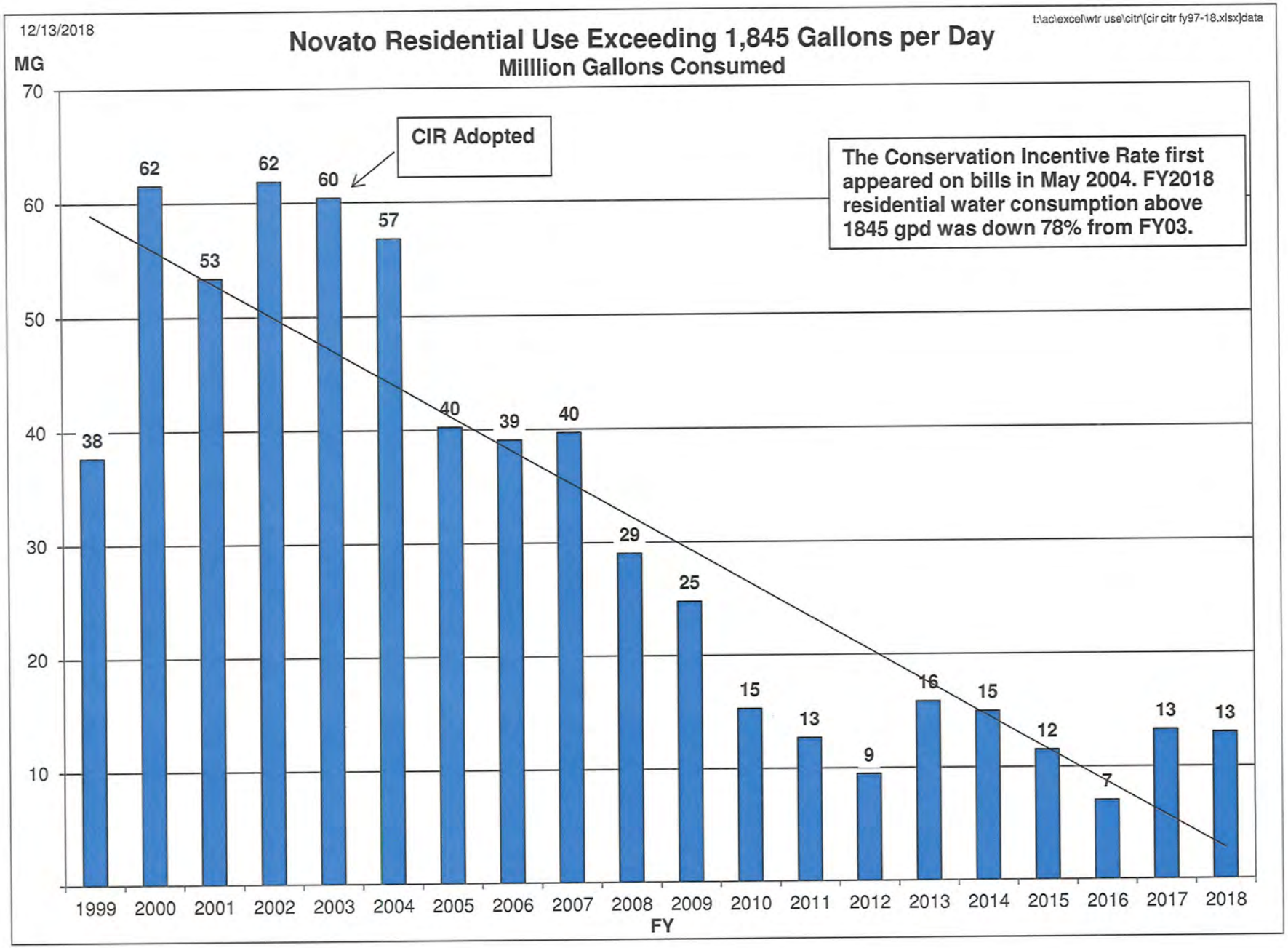
The CITR has also proven to be an effective tool in reducing water demand among high-use residential customers. FY18 water use between 615 and 1,845 gpd as a percentage of total residential water demand has decreased 42% since implementation of the CITR.

**Demand Distribution**

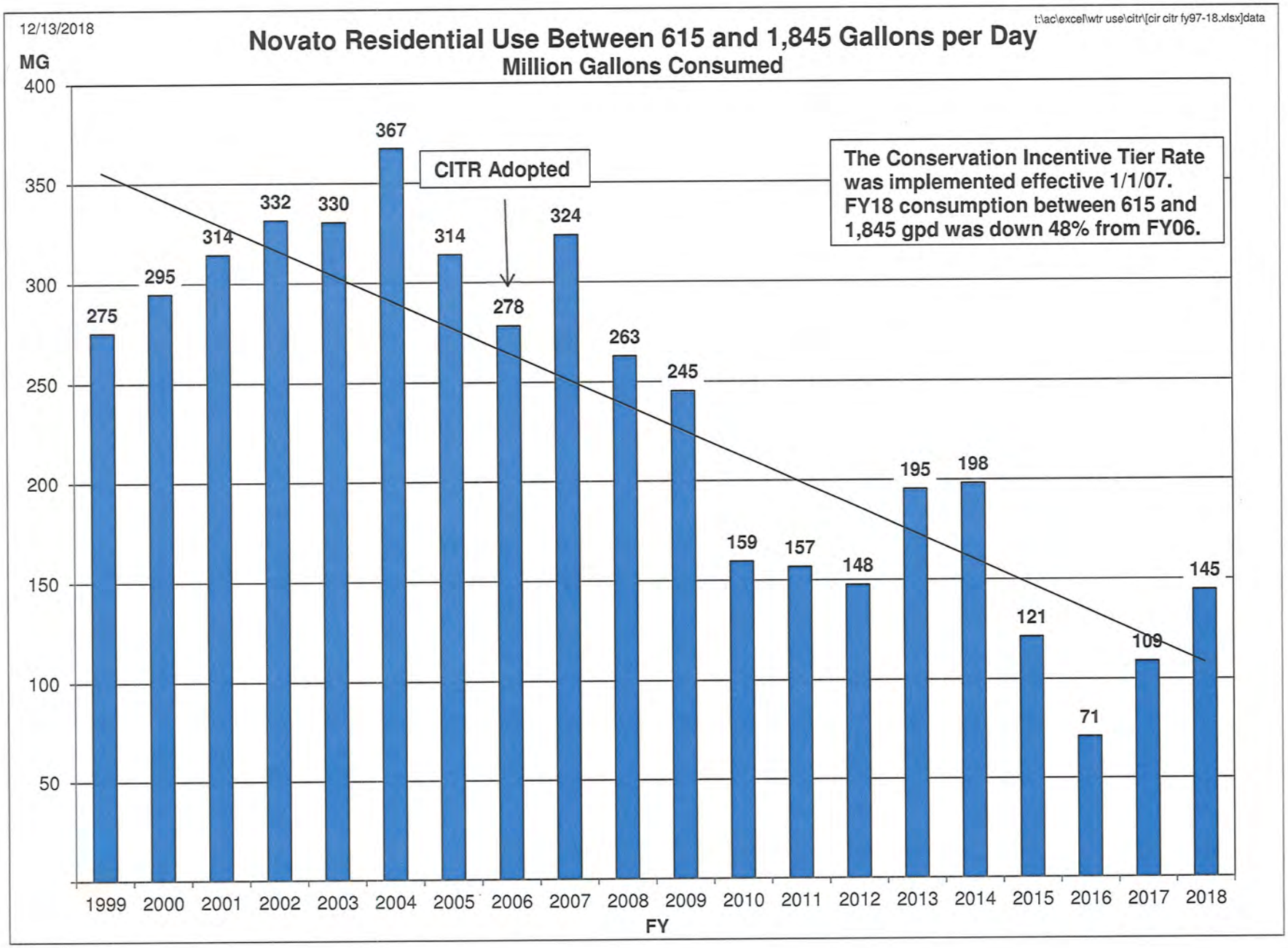
The District's conservation efforts have adjusted the FY18 peak residential demand down substantially. As shown in Attachment D, in FY97, 38% of customers peaked between 616 and 1845 gpd. In FY18, that number decreased to 17%. Similarly, in FY97 3% of customers peaked at over 1,845 gpd compared to only 1% in FY18.




ATTACHMENT A




ATTACHMENT B

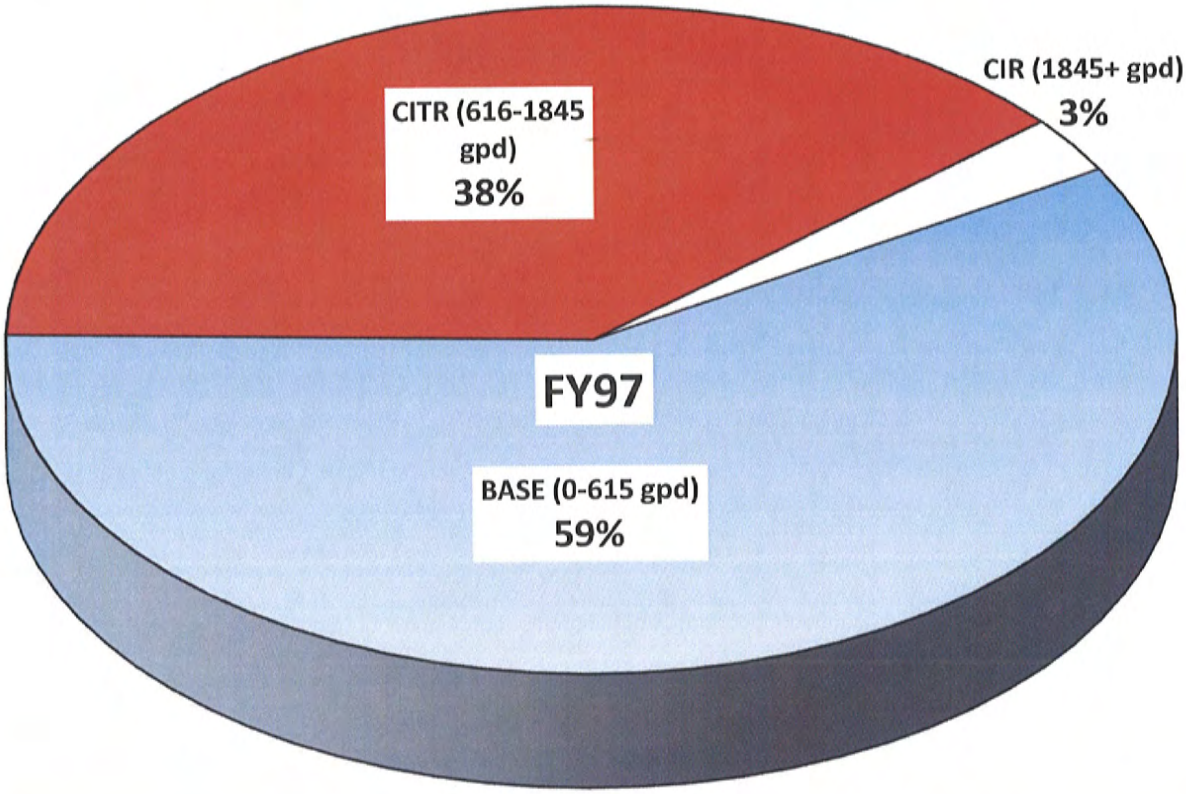


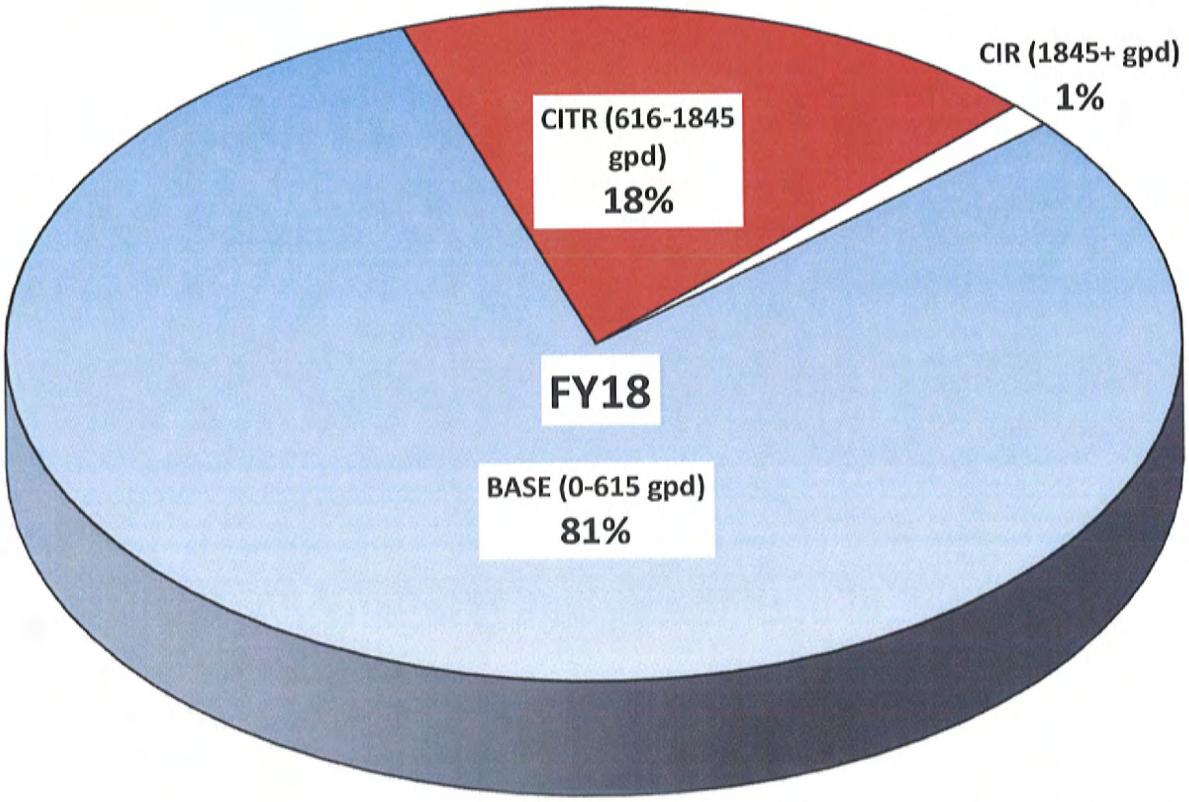

ATTACHMENT C

12/13/2018

# % of Residential Customer Demand by Tier

## FY97 vs FY18




ATTACHMENT D

t:\ac\excel\wtr use\citr\cir citr fy97-18.xlsx\data

# 13

# DISBURSEMENTS - DATED DECEMBER 6, 2018

Date Prepared 12/4/18

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 |
|---|---|---|---|
| *90125 | US Bank Card | PC Monitor ($194), Holiday Party Decorations ($49), Power Stroke Fleeting Class ($400) (Watkins), Craigslist Laborer Posting ($150), Spare Office Phone ($122), Lab Maintenance Training Class ($65), Adobe Acrobat ($299), Back-up Drives for AMI ($291), National Fire Protection Assoc. Membership Dues ($64) (Vogler), Wine Country Water Works Conference ($120) (Lemos & Davenport), California Society of Municipal Finance Officers Conference: Registration & Travel ($862) (Palm Springs 1/09-1/11) (Blue) | $2,616.24 |
| 1 | Amazon/Genuine-Hardware | Multi-Mobile USB ($146) (STP), Service Awards (3) ($219), Phone Cases (2) ($91) & Gate Latch ($138) | 593.78 |
| 2 | A.S.T.I. | Annual Fire Service Testing (18) | 1,885.00 |
| 3 | Athens Administrators | December Monthly Fee | 1,000.00 |
| 4 | AT&T | November Internet Connection for PRTP | 85.00 |
| 5 | Automation Direct | Analog Input Card & Ethernet Switches for P/S Radios & Level Transducer for Cabro Tank ($687) | 976.00 |
| 6 | | Cafeteria Plan & Vision Reimbursement | 784.66 |
| 7 | Backflow Distributors | Backflow DC Parts | 363.56 |
| 8 | Bastogne | Can't Locate Account #502397 | 667.23 |
| 9 | Bay Area Barricade Service | 36" "Road Work Ahead" Superbrite Sign ($152), Flagstand (4) ($401), Sign Brace (2) & Flags (6) | 646.55 |
| 10 | Behbehani, Mandy | Novato "Toilet Rebate" Program | 100.00 |
| 11 | | Vision Reimbursement | 308.96 |
| 12 | California Dept of Tax and Fee Administration | Water Rights Fee (7/1/18-6/30/19) (3-Lagunitas Creek) ($728) (2-Novato Creek) ($1,393) | 2,121.09 |

*Prepaid

| Seq | Payable To | For | Amount |
|---|---|---|---|
| 13 | Cole-Parmer Instrument | Megaflex Tubing for Growth Analysis (Lab) | 145.22 |
| 14 | Corda, Joseph | Exp Reimb: Safety Boots | 189.95 |
| 15 | Cummings Trucking | Sand ($1,042) (16 yds) & Rock (17 yds) | 1,761.78 |
| 16 | Engineering News Record | Subscription Renewal (Vogler) (3/19-3/20) | 87.00 |
| 17 | Fisher Scientific | Filters for Total Suspended Solids Analysis (100) & Beakers (200) (Lab) | 266.69 |
| 18 | Golden Gate Petroleum | Gasoline ($1,553) ($2.91/gal) & Diesel ($933) ($3.38/gal) | 2,486.75 |
| 19 | Grainger | Maintenance Tools & Supplies, Safety Supplies, Liquid Level, Switches for Tanks/Valve Pits (6) ($316), Parts & Material for Auto Shop ($168), Fluorescent Lamps (36) ($259), Heat Shrink Tube for Electrical Splices (5) ($159), Check Valves for North Street Pump Station (OM) ($471), Oil Absorbent for Auto Shop (16) ($270) & 100' Chain for Hydrant Meters ($250) | 2,172.26 |
| 20 | HUB International Insurance | Insurance for District Holiday Party | 130.10 |
| 21 | Idexx Laboratories | Coli Comparator (Lab) | 22.88 |
| 22 | Instrument Technology | Replacement Pipe Locator (Budget $8,000) | 5,863.34 |
| 23 | JW Mobile | Hose Repair for Bobcat ($499) & Air Hose | 587.27 |
| 24 | Kaiser Foundation Health Plan | Pre-Employment & DMV/DOT Physicals (Durbin & Gibbs) | 180.00 |
| 25 | Kehoe, Theresa | Exp Reimb: Parking fee at District Secretary Conference | 38.00 |
| 26 | | Vision Reimbursement | 356.99 |
| 27 | Le Brun, Kent | Exp Reimb: Safety Boots | 200.00 |
| 28 | Le Brun, Don | Novato "Toilet Rebate" Program | 100.00 |
| 29 | LGVSD | Recycled Water Deliveries (8/29/18-9/30/18) | 16,747.68 |
| 30 | Maltby Electric | Conduit for OM Lift Station (2), Parts & Fittings for P/S & Tank Controls @ Multiple Sites ($378) (Less Credit of $310 for Returned Pump) | 149.17 |
| 31 | Marin County Treasurer | Semi Annual Bond Service - PR6 Revenue Bond | 875.00 |

| Seq | Payable To | For | Amount |
|---|---|---|---|
| 32 | County of Marin | Refund Overpayment on Closed Account | 64.80 |
| 33 | McLellan, WK | Misc Paving | 9,989.58 |
| 34 | McMaster-Carr Supply | Parts for Lab Sink | 40.69 |
| 35 | Mutual of Omaha | December Group Life Insurance Policy | 861.97 |
| 36 | Open Spatial | Prog Pymt #1: Support Services for Facility Map GIS/AutoCAD (Balance Remaining on Contract $3,321) | 1,678.75 |
| 37 | Pace Supply | Couplings (20) ($1,815), Valve Box (6), Nipples (9), Copper Pipe (120') ($1,359), Plugs (4), Double Check Valve (3) ($421) & Corp Stops (5) | 3,864.73 |
| 38 | Pearce, Robert | Exp Reimb: Class A Permit Fees | 152.00 |
| 39 | NMWD Petty Cash | Petty Cash Reimbursement: Safety Snacks | 78.77 |
| 40 | Pieri, Kathleen | Novato "Toilet Rebate" Program | 100.00 |
| 41 | Pollard Water | Hand Pumps With 6' Hose (8) (Consumer Services) | 360.29 |
| 42 | | Cafeteria Plan Reimbursement | 208.33 |
| 43 | School Fuel | Tour of Novato Booth Sponsorship for 2019 | 250.00 |
| 44 | Sequoia Safety Supply | Safety Vests (4) | 41.01 |
| 45 | Solenis | Polymer for Sludge Processing (STP) | 3,577.90 |
| 46 | SPG Solar | Oct Energy Delivered Under Solar Services Agreement | 11,703.36 |
| 47 | State Water Resources Control Board | Clean Water SRF Loan Principal & Interest (RW Central-$275,773, RW South PH 1B-$166,575, RW South PH 1A-$65,599 & RW North Segment 1-$40,196) | 548,143.20 |
| 48 | USA BlueBook | Check Valves for STP Lift Pumps (2) | 245.34 |
| 49 | US Postal Service | Meter Postage | 1,000.00 |
| 50 | Volvo Construction Equipment | Replacement Air Hoses for Compressor | 796.12 |
| 51 | Waldron, Kurt | Liability Claim - Kitchen Sink Part Replacement (AMI Related) | 130.19 |

| Seq | Payable To | For | Amount |
|---|---|---|---|
| 52 | Winzer | 14" Concrete Cutting Saw Blade | 200.18 |
| 53 | Wright-Burgess, Debora | Novato "Toilet Rebate" Program | 100.00 |
| | | **TOTAL DISBURSEMENTS** | **$628,095.36** |

The foregoing payroll and accounts payable vouchers totaling $628,095.36 are hereby approved and authorized for payment.

Julie Blue 12/5/18

Auditor-Controller Date

12·5·18

General Manager Date

# *DISBURSEMENTS - DATED DECEMBER 13, 2018*

Date Prepared 12/11/18

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 11/30/18 & Sick Leave | $149,420.03 |
| EFT* | Internal Revenue Service | Federal & FICA Taxes PPE 11/30/18 & Sick Leave Buyback | 55,190.35 |
| EFT* | State of California | State Taxes & SDI PPE 11/30/18 & Sick Leave Buyback | 11,838.44 |
| EFT* | CalPERS | Pension Contribution PPE 11/30/18 | 33,274.11 |
| EFT* | CalPERs | December Health Insurance Premium (Employees $47,272, Retirees $12,175 & Employee Contribution $7,063) | 68,510.30 |
| 1 | Able Tire & Brake | Tires (4) ($427) & Alignment ('16 Nissan Frontier) | 672.84 |
| 2 | Ansari-Jaberi, Tabandeh | Novato "Toilet Rebate" Program | 100.00 |
| 3 | Automatic Sprinkler Testing & Inspection Services | Annual Fire Service Testing (18) | 2,045.00 |
| 4 | Athens Administrators | Replenish for Checks Written (11/1-11/30/18) ($3,644) & Prefunding of Existing Claim | 6,648.80 |
| 5 | AT&T | Telephone ($61), Fax ($74), Data ($270) & Leased Lines ($55 Credit) | 350.73 |
| 6 | Bernstein, Debbie | Novato "Toilet Rebate" Program | 100.00 |
| 7 | Boothe, Tracy | Novato "Hot Water Recirculation System" Program | 75.00 |
| 8 | Bridge, Jason | Novato "Water Smart Landscape Efficiency" ($100) & Novato "Pool Cover Rebate" Program | 135.00 |
| 9 | Building Supply Center | Rapid Set Grout (5) | 173.42 |
| 10 | Costco Membership | Annual Membership (1/19-12/19) (Budget $130) | 120.00 |
| 11 | F.N. Cuthbert | Hose Bibb Pressure Gauges (40) | 770.20 |

*Prepaid

| Seq | Payable To | For | Amount |
|---|---|---|---|
| 12 | DataTree | November Subscription to Parcel Data Information | 100.00 |
| 13 | Direct Line | November Telephone Answering Service | 239.22 |
| 14 | Dublin San Ramon Services District | Bay Area Chemical Consortium FY2018-2019 Participation Fee (Budget $550) (Clark) (7/18-6/19) | 680.00 |
| 15 | Duckworth, James | Refund Excess Advance for Construction Over Actual Job Cost - 1555 Indian Valley Rd Paving Moratorium | 1,540.00 |
| 16 | Ferguson Waterworks | AMI Fiberlyte Lids (627) ($23,810), 1" Meters (184) ($49,910), Meters & Accessory Installations (5,017) ($106,929) & 5/8" Cellular AMI Meters (4) ($3,222) (Balance Remaining on Contract $532,276) | 183,872.16 |
| 17 | Fiserv/Bastogne | Refund Overpayment on Open Account | 66.93 |
| 18 | Fisher Scientific | Petri Dishes (1,200) (Lab) | 263.68 |
| 19 | Golden Gate Petroleum | Gasoline ($2.41/gal) | 1,201.41 |
| 20 | Grainger | Disposable Respirators (8) ($110), Maintenance Tools & Supplies ($355), Power Transformer (STP Heater) & Air Cylinder ('02 Int'l 5yd Dump Truck) ($209) | 730.23 |
| 21 | Industrial Scientific | Multi Gas Monitor Repair ($296), Case & Sensors (2) ($368) | 741.06 |
| 22 | | Vision Reimbursement | 184.00 |
| 23 | Lamson, Ralph & Sarah | Liability Claim-Repairs to Claimant's Driveway | 700.00 |
| 24 | Lincoln Life | Deferred Compensation PPE 11/30/18 | 8,860.38 |
| 25 | Marin County Tax Collector | Annual Hazardous Material Inventory Permit (STP, Yard, PRTP & OMTP) | 6,581.00 |
| 26 | Marin Landscape Materials | Soil (2 yds) | 82.46 |
| 27 | Marin Municipal Water District | Water Deliveries to Lagunitas Creek - Nicasio Surplus Water | 146.84 |
| 28 | McMillan, Colin | Refund Overpayment on Closed Account | 90.19 |

| Seq | Payable To | For | Amount |
|---|---|---|---|
| 29 | Miller Pacific Engineering | Prog Pymt #22: Geotechnical Services - San Mateo Water Tank (Balance Remaining on Contract $51,348) | 570.50 |
| 30 | Nationwide Retirement Solution | Deferred Compensation PPE 11/30/18 | 1,750.00 |
| 31 | North Marin Auto Parts | Fuse, Switch, Adaptor, Socket, U-Joint, Electrical Parts ($319), Hydraulic Oil, Brake Fluid, Funnel, Towels (4 lbs) ($85), Service Parts ('09 Toyota Prius), Wiper Blades & Dielectric Grease | 629.27 |
| 32 | North Marin Water District SRF | STP State Revolving Fund Loan Principal & Interest (Pymt 19 of 40) | 574,460.90 |
| 33 | North Bay Gas | Welding Supplies, Carbon Dioxide, Torch Set for Weld Shop ($575) & November Cylinder Rental ($113) | 773.70 |
| 34 | Novato Builders Supply | Lumber ($160), Parts for Retaining Wall (Half Moon P/S) & Drill Bit | 213.44 |
| 35 | Office Depot | Expanding Wallet Style Folders (30-Legal Size) | 130.17 |
| 36 | Pace Supply | Rack Flow Control Assembly ($1,057), Ball Valves (4), Bushings (5), Nipples (32) ($197) & Plugs (3) | 1,760.52 |
| 37 | Randall Bros. Automotive | Smog Inspection (5) ('04 Chevy 1500, '05 Ford Ranger, '99 F350, '05 Civic Hybrid-2) | 310.00 |
| 38 | Reed, Corey | Exp Reimb: Class A License Fee | 45.00 |
| 39 | Schmieder, Larry | Novato "Cash for Grass" Rebate Program | 38.00 |
| 40 | Silverado Contractors | Refund Overpayment on Closed Account | 502.86 |
| 41 | Smith, Victoria & Beverly | Refund Overpayment on Closed Account | 430.70 |
| 42 | Smith, Tom | Novato "Toilet Rebate" Program | 100.00 |
| 43 | Soiland | Asphalt Recycling (10 tons) | 47.70 |
| 44 | Solar, Rosalia | Exp Reimb: Laser Pointer & Battery | 39.04 |
| 45 | State Water Resources Control | Annual Permit Fee-Waste Discharge Requirement (7/18-6/19) (2) ($18,633) & National Pollutant Discharge Elimination System Annual Permit Fee ($2,378) | 21,011.00 |

| Seq | Payable To | For | Amount |
|---|---|---|---|
| 46 | Superior Auto Sprinkler | Refund Security Deposit on Hyd Meter Less Final Bill (2) | 2,463.76 |
| 47 | TPx Communications | November Telephone Charges | 530.09 |
| 48 | United Parcel Service | Delivery Service: Sent Gas Monitor in for Repair, Oil Sample for Analysis & Meter Reading Device in for Repair | 149.73 |
| 49 | Verizon Wireless | Cellular Charges: Data ($625), Airtime ($151) (21) & Equipment ($424) | 1,199.34 |
| 50 | Verizon Wireless | AMI Gateways, SCADA & Novato CIMIS Station | 658.18 |
| 51 | Vogler, Albert Rocky | Exp Reimb: ACWA Conference in San Diego (11/26-11/30). Food ($80), Transportation ($40), Parking ($55), Misc ($45) & Mileage ($187) (7/18-10/18) | 407.34 |
| 52 | VWR International | Potassium Nitrate & Hand Cream (Lab) | 50.03 |
| 53 | Wiley Price & Radulovich | October Legal Services | 9,810.00 |
| | | **TOTAL DISBURSEMENTS** | **$1,153,585.05** |

The foregoing payroll and accounts payable vouchers totaling $1,153,585.05 are hereby approved and authorized for payment.

Nancy Holter 12/12/18

for Auditor-Controller Date

12/12/18

General Manager Date

# NORTH MARIN WATER DISTRICT

## Director's Compensation Request
## For Attendance at Meetings Other than District Board Meetings

BOARD MEMBER: JOHN BAKER

425 Corte Norte

Novato, CA 94949

DATE 11/6/18
(TODAY'S DATE)

I attended the WATER ADVISORY COMMITTEE @ SANTA ROSA on 11/5/18
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

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

J Baker
DIRECTOR SIGNATURE

FOR ACCOUNTING USE ONLY

Julie Blue 11/7/18
APPROVED TO PAY BY DATE

CHARGE TO: 56001-01-11 AMOUNT:$_____
(filled in by Accounting)

PAID PAY PERIOD ENDING _____/_____/_____

t:\forms\check request completed\check request for baker.doc
Rev. 0716

# NORTH MARIN WATER DISTRICT

## *Director's Compensation Request for Attendance at Meetings Other than District Board Meetings*

BOARD MEMBER: RICK FRAITES

50 Forrest Road

Novato, CA 94947

DATE 11/12/2018
(TODAY'S DATE)

I attended the North Bay Watershed Association (NAME OF MEETING OR WORKSHOP) on 11/2/2018 (DATE OF MEETING)

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

Rick Fraites

DIRECTOR SIGNATURE

FOR ACCOUNTING USE ONLY

Julie Blue — 11/15/18

APPROVED TO PAY BY — DATE

CHARGE TO: 56001-01-11 AMOUNT:$_____
(filled in by Accounting)

PAID PAY PERIOD ENDING ____/____/____

t:\forms\check request completed\check request for fraites.doc
Rev. 0716

## 2019 TAC - WAC / TAC MEETING SCHEDULE
## 35 Stony Point Road, Santa Rosa, California

| Month | Day | Body | Time |
|---|---|---|---|
| JANUARY | 7 | TAC | 9:00a.m. |
| FEBRUARY | 4 | WAC / TAC | 9:00a.m. |
| MARCH | 4 | TAC | 9:00a.m. |
| APRIL | 1 | SPECIAL WAC/TAC | 9:00a.m. |
| MAY | 6 | WAC / TAC | 9:00a.m. |
| JUNE | 3 | TAC | 9:00a.m. |
| JULY | 8 | TAC (tentative) | 9:00a.m. |
| AUGUST | 5 | WAC / TAC | 9:00a.m. |
| SEPTEMBER | 9 | TAC (tentative) | 9:00a.m. |
| OCTOBER | 7 | TAC | 9:00a.m. |
| NOVEMBER | 4 | WAC / TAC | 9:00a.m. |
| DECEMBER | 2 | TAC | 9:00a.m. |

# Advance in storm forecasting allows Lake Mendocino to hold more winter runoff

**GUY KOVNER**
THE PRESS DEMOCRAT | November 30, 2018, 6:01PM

Follow this story

Dam operators are planning to store nearly 4 billion extra gallons of water this winter in Lake Mendocino, the reservoir near Ukiah that plays a critical role in providing water for residents, ranchers and fish along the upper Russian River and to communities in Sonoma and Marin counties.

Retaining that much more water — enough for about 97,000 people for a year — comes about as a four-year and $10 million program, proven in computer models but not in practice, gets its first field test.

The program, blending high-tech weather forecasting with novel computer programming, is intended to pinpoint the arrival of rain-rich atmospheric rivers that have been both a drought-busting blessing and a flood-causing curse to the Russian River region.

It evolved from a searing lesson water managers got six years ago, when they released more than a third of the reservoir's allowed capacity in anticipation of storms that never arrived. Then the state's prolonged drought set in.

Under the new program, called Forecast Informed Reservoir Operation, or FIRO, the Army Corps of Engineers, which operates the reservoir, will hold onto the extra water as long as no atmospheric river is imminent.

We use cookies to optimize your experience, analyze traffic, and personalize content. To learn more, please visit our Privacy Policy. By using our site without disabling cookies, you consent to our use of them. Accept

Should a drenching storm loom, that water will be released, enabling Lake Mendocino to capture the new runoff and control flooding, the mission it was built to serve 60 years ago.

The goal is to head into summer with as much water in Lake Mendocino as possible. Army Corps officials, the phalanx of scientists who developed FIRO at a branch of UC San Diego and Sonoma Water, are confident it will work.

"We want to capture more of what Mother Nature gives us," said Jay Jasperse, chief engineer at Sonoma Water, the county agency that supplies water to 600,000 Sonoma and Marin residents. That must be done without compromising public safety from floods, he said.

To the Army Corps, the allowance for extra water is a "deviation" from the water control manual published in 1959, a year after Coyote Valley Dam was built on the East Fork of the Russian River, creating the reservoir.

The manual imposed a rule that Lake Mendocino could not hold more than 68,000 acre-feet of water from Nov. 1 through the end of February, preserving capacity to accommodate an additional 42,000 acre-feet. An acre-foot is 326,000 gallons, enough to supply a family of four for a year.

In December 2012, when an atmospheric river dumped an unwanted 25,000 acre-feet of water into the reservoir, officials played it by the book, dumping the water down the river while no storms were on the horizon.

Unfortunately, the end of that storm marked the beginning of a prolonged drought that dropped Lake Mendocino to a mere 25,000 acre-feet roughly a year later.

Jasperse called that experience the "catalyzing event" that ultimately created the FIRO program.

We use cookies to optimize your experience, analyze traffic, and personalize content. To learn more, please visit our Privacy Policy. By using our site without disabling cookies, you consent to our use of them. Accept

Nick Malasavage, chief of operations and readiness at the corps office in San Francisco, said the program's trial run, approved by top brass early last month, "allows us the flexibility to leverage some of the newer technology in weather forecasting."

Computer modeling backs him up, but Malasavage acknowledged FIRO is "a machine that has yet to be road tested. We still haven't gotten behind the wheel."

Marty Ralph, director of the Center for Western Weather and Water Extremes at the Scripps Institution of Oceanography, heads the cadre of about three dozen scientists — meteorologists, oceanographers, climatologists, engineers, economists and more — that did the program's technological heavy lifting.

Computers, satellites, wind- and rain-measuring radar, weather balloons and sensors on land and sea give FIRO a forecasting capacity that didn't exist when the Lake Mendocino water manual was written in the 1950s, he said.

There's far more than scientific achievement at stake, however.

Janet Pauli, a Potter Valley rancher, said ranchers and residents on the river's upper reach hope to avoid the hardships imposed by the low water in 2013.

An economic analysis pegged the total value of Mendocino County agriculture based on Russian River water, including grapes and other crops, wine, jobs and taxes, at $743 million a year, she said.

More than 55,000 people are served by water districts and municipal utilities from Redwood Valley to Healdsburg and nearly 43,000 acres of cropland depend on water from the river's upper reach, according to a Sonoma Water report.

The famed vineyards of Alexander Valley north of Healdsburg are also river-dependent.

We use cookies to optimize your experience, analyze traffic, and personalize content. To learn more, please visit our Privacy Policy. By using our site without disabling cookies, you consent to our use of them. Accept

Tito Sasaki, a Sonoma Valley grape grower who recently chaired the Sonoma County Farm Bureau's Water Committee, said FIRO will "prevent wasteful discharge of water from Lake Mendocino" and enable the area to cope with lengthy dry spells.

"We cannot afford to waste a drop of water just to follow an outdated flood precaution rule," he said.

Water from Lake Mendocino plays a critical role in Sonoma Water's mandate to maintain minimum flows on the upper river to sustain imperiled salmon and steelhead trout runs, Jasperse said.

Releases from Lake Sonoma, the region's largest reservoir, travel down Dry Creek and reach the river at Healdsburg. Pumps near Forestville draw water from riverside gravel beds for delivery to 600,000 Marin and Sonoma county residents.

Ultimately, the new forecasting program is an effort to track atmospheric rivers, long bands of moisture moving in from the Pacific Ocean that deliver about half of the Russian River region's precipitation and make or break a rain season.

Research shows they have caused most of the floods on the river since 1948, while also breaking more than half of the droughts since 1950.

Coyote Valley Dam was authorized by Congress in the wake of a catastrophic 1937 flood on the Russian River. The 136-foot earthen dam, completed two decades later, was the region's first major flood control facility.

You can reach Staff Writer Guy Kovner at 707-521-5457.

**Trending Now**

Ads by Adblade

We use cookies to optimize your experience, analyze traffic, and personalize content. To learn more, please visit our Privacy Policy. By using our site without disabling cookies, you consent to our use of them. Accept

# Pension legal fight has Marin watching

**STATE COURT**

**By Richard Halstead**

*rhalstead@marinij.com @HalsteadRichard on Twitter*

The state Supreme Court heard oral arguments Wednesday in a case that could have implications for the pensions of Marin public employees and quite possibly the pensions of public employees throughout the state.

The case, Cal Fire Local 2881 v. California Public Employees' Retirement System, involves a right granted to many public employees by the California Legislature in 2003 to add to their years of service used for calculating their pensions by paying a one-time fee. This is often referred to as purchasing "air time."

---

After the Legislature withdrew this right by passing the Public Employees' Pension Reform Act (PEPRA) of 2013, Cal Fire Local 2881 filed a legal challenge.

A similar case, Marin Association of Public Employees v. Marin County Employees' Retirement Association, is pending before the state Supreme Court. In that case, Marin Association of Public Employees filed suit after Marin County Employees' Retirement Association reacted to PEPRA by excluding standby pay, administrative response pay, callback pay and cash payments for waiving health insurance from the calculation of members' final compensation.

In its 2016 ruling on that case, the Court of Appeal wrote, "While a public employee does have a 'vested right' to a pension, that right is only to a 'reasonable' pension — not an immutable entitlement to the most optimal formula of calculating the pension.

"And the Legislature may, prior to the employee's retirement, alter the formula, thereby reducing the anticipated pension. So long as the Legislature's modifications do not deprive the employee of a 'reasonable' pension, there is no constitutional violation."

assertions by both sides on the broader question of the California rule and changes to vested rights," Talbot said, "but my sense was the majority of the argument focused on this air-time benefit."

Several of the justices appeared skeptical that the ability to purchase "air time" constituted a traditional pension benefit. Employees had to work for five years before they could make the one-time credit purchase.

Chief Justice Tani Cantil-Sakauye asked, "How does it directly affect (your pension) if you only have the opportunity to purchase?"

Associate Justice Goodwin Liu asked if health care benefits, vacation accrual, and transit subsidies could also considered to be similarly vested benefits.

Adam said, Liu "was concerned that the rule that we were asking for would cover too many elements of what an employee gets. I argued that we were really only asking that the benefit in front of the court be considered a pension benefit."

Talbot said Rei Onishi, the attorney who made the oral arguments on behalf of California Public Employees' Retirement System, argued that

Gregg Adam, one of the attorneys representing MAPE and the attorney who presented the oral argument for Cal Fire Wednesday, has said that this ruling challenges the so-called "California rule," the legal precedent that prohibits government agencies in California from cutting retirement benefits without providing employees with comparable pension compensation.

The California Rule gives workers security that their retirement will be safe and predictable after a career in public service. But it also ties lawmakers' hands in responding to exploding pension costs — a problem for the state, cities, counties, schools, fire districts and other local bodies.

In a sign of the case's importance to the governor, Jerry Brown had an attorney from his office, not the state attorney general's office, argue before the high court.

After Wednesday's hearing, Adam said, "I think it was tough for both sides. The court asked very challenging questions that went to the heart of the matter and extended more broadly to future rules and pensions in general."

Timothy Talbot, an attorney representing the Contra Costa Deputy Sheriff's Association in another of the five cases pending before the Supreme Court with implications for the California rule, said, "I thought the justices had difficult questions for both sides. They were sincerely trying to understand how this particular 'air time' benefit fits into the whole pension scheme and what level of protection it is entitled to under current California law. "There were questions and pensions can be modified because employees are only entitled to a substantial and reasonable benefit. Talbot said the justices asked Onishi to define what that would mean in real terms; one justice asked if that meant a pension could be reduced to one dollar.

"Mr. Onishi didn't really answer the question," Talbot said, "but he didn't say that would be wrong."

The justices have 90 days to issue a ruling. Adam said depending on what the justices decide, the Marin case might be sent back to the Court of Appeal.

The Marin case was granted review by the Supreme Court more than year ago, but in an unexpected move earlier this year, the court deferred action on the case pending a decision in Alameda County DSA, et al. v. Alameda County Employees Retirement System, another case involving the California rule. Lawyers have submitted briefs for that case and are awaiting a date for oral arguments.

Pension hawks such as Marin's Citizens for Sustainable Pension Plans are watching the Supreme Court hearings with much anticipation.

"I'm pretty certain the state Supreme Court judges will find that air time is not a vested benefit," said Jody Morales of Lucas Valley, the group's founder. "That might well open the door to challenges to other benefits now considered 'vested,' such as those adopted after the contracts were agreed to."

---

Thursday, 12/06/2018 Pag.A01

Copyright Terms and Terms of Use. Please review new arbitration language here.

**Developer plans 80 townhomes in 14 buildings**

**NOVATO**

**By Will Houston**

*whouston@marinij.com @Will_S_Houston on Twitter*

The city of Novato is hosting a neighborhood meeting Thursday to hear feedback on a Newport Beach-based housing company's proposed 80-unit development on Redwood Boulevard.

The meeting is set for 7 p.m. at Novato City Hall, 901 Sherman Ave.

Landsea Homes has plans to build 80 for-sale townhomes within 14 buildings at 7711 Redwood Blvd. The 4-acre site is nestled along the western edge of Highway 101.

The Larkspur-based development company Campus Properties LLC has owned 40 acres in the area for the past 20 years, with Landsea Homes on contract to purchase the 4-acre site and construct the housing.

"It's an opportunity in Marin to create workforce housing on a site that has already been designated as such by the City Council," said Robert Upton, principal of Campus Properties. "And we should be able to bring it to fruition within

---

a relatively short period of time. We would expect to be under construction, I would say, by early 2021."

Most of the three-story units would have three bedrooms. The remaining eight units would have two bedrooms. As required by city ordinance, 16 units would be set aside as affordable housing for low- to very lowincome tenants, according to city staff.

The site was given an affordable housing opportunity overlay as part of the city's 2012 housing element. Upton said they are required to develop 20 units per acre at the site.

The original proposal was to build an apartment complex, but Upton said the design was too "blocky."

By comparison, the townhomes will be much more broken up, Upton said, giving the appearance of a "lower scale development."

on either side of Redwood Boulevard could also be created in front of the parcel, according to city staff.

After Thursday's meeting, the project will go through the city's design review process.

"We're hoping to get some constructive comments and input, which we will be considering as we move to the next step," Upton said.

A proposal for 80 residential units is being made for this four-acre property at 7711Redwood Boulevard in Novato.

The developers are seeking a reduced setback from some nearby wetlands from 50 feet to 10 feet. The project would not fill in any wetlands, but without this exception there would be some infill, according to a city staff report.

The site would also require connections to sewage and recycled water utilities. Landsea Homes also proposes to build 152 garage parking spaces and one handicap space.

This is eight spaces fewer than would normally be required. But the parcel's triangular shape, the nearby wetlands and a Pacific Gas and Electric maintenance easement would not allow for more unless the project lowers the number of units already allowed under the state's density bonus law for affordable housing, according to city staff.

Another 25 parking spaces with class 3 bike lanes

ALAN DEP — MARIN INDEPENDENT JOURNAL

Tuesday, 12/11/2018 Pag.A01

Copyright Terms and Terms of Use. Please review new arbitration language here.

CIRCA 1920s

# The Sugar Line

A six-mile water pipeline, laid in the 1920s, still serves the Ross Valley. **BY JIM WOOD**

WHEN IT WAS laid in the early 1920s, the six miles of 12-inch pipe running from Ross to Point San Quentin was known as the "Sugar Line." Why? Because the California & Hawaii (better known as C&H) Sugar Company's processing plant in nearby Crockett needed fresh water — and the only sure way to get it was from the the young Marin Municipal Water District (MMWD). By 1916, several private local water companies had been consolidated into the MMWD, and within a decade an agreement with C&H Sugar had been finalized. The five-year contract called for MMWD to supply the sugar company with 300 million gallons of water a year for $30,000, plus $10,000 for an additional 200 million gallons whether they were used or not. The original C&H contract paid for the expansion of the water district's transmission line through the Ross Valley, and a contract extension covered the cost of raising Alpine Dam by eight feet. The six miles of cast-iron pipe originating in Ross traveled in trenches dug by hand through Kentfield, Greenbrae, Larkspur and San Rafael, reaching Point San Quentin near the McNears quarry and brickyard. The above photo was taken along what is now Sir Francis Drake Boulevard, about where Marin Catholic High School is today. According to *Mount Tamalpais and the Marin Municipal Water District* by MMWD Director Jake Gibson, the cast-iron bell and spigot pipe came by rail from the American Iron Pipe Company in Birmingham, Alabama. Portions of the original pipeline are still in use. M

> "The five-year contract called for MMWD to supply the sugar company with 300 million gallons of water a year for $30,000."

PHOTO COURTESY OF MARIN MUNICIPAL WATER DISTRICT ARCHIVES

# Donald Larkin

## February 6, 1950 - November 29, 2018

Donald G. Larkin, Jr., age 68, died on Thursday, November 29, 2018 at home in Inverness, California surrounded by his loving family. The son of Donald and Mary Catherine (Moore) Larkin, Don was born in Richmond, California on February 6, 1950, the third of eight children. Don attended the School of the Madeleine in Berkeley, St. Mary's College High School and the University of California, Davis. Don was an excellent athlete who played football and basketball and ran a marathon later in his adult life.

Don married Margaret Snell on April 5, 1975, and they had three children – Bryan, Catherine and Emma all residing in northern California. Don and Margaret built the family home in Inverness where they lived together for 40 years.

Don followed in his father's footsteps and had a long and satisfying career in water treatment and distribution, working for water districts in Marin and Contra Costa Counties. Don was an avid fisherman, duck hunter and sports fan. He was a very proud father and grandfather, and he loved going to Giants games with his family.

Don and Margaret enjoyed traveling together in the United States and Europe.

Don's family and friends are invited to a memorial service to celebrate his life at the Inverness Yacht Club on Friday, December 7, from 2 to 4 pm.

In lieu of flowers, please consider a contribution to 'Be the Match,' 500 N. Fifth Street, Minneapolis, MN, 55401, an organization dedicated to assisting patients with lymphoma and leukemia.

# 14