



NORTH MARIN WATER DISTRICT
AGENDA - SPECIAL MEETING
August 27, 2026 – 4:00 p.m.
Location: 999 Rush Creek Place
Novato, California

Information about and copies of supporting materials on agenda items are available for public review at the District Office, at the Reception Desk, by calling the District Secretary at (415) 897-4133 or on our website at nmwd.com. 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.

Item	Subject
	CALL TO ORDER
1.	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. ACTION CALENDAR
2.	APPROVE: Water Bid Exceedance - Novato Boulevard Water Improvements
3.	ADJOURNMENT

1

2



REVISED
MEMORANDUM

To: Board of Directors

Date: August 27, 2026

From: Tim Fuelle, Senior Engineer *TF*
Eric Miller, AGM | Director of Engineering *EM*

Subject: Water Bid Exceedance - Novato Boulevard Water Improvements

R:\Projects\7000s\7195 Novato Blvd Improvement Project\A. BOD\2026 0826 Special Meeting to approve Bid\7195 Novato Blvd Widening City BOD Memo water bid exceedance.doc

RECOMMENDED ACTION: That the Board authorize the General Manager to execute an agreement with the City of Novato to bear the cost of the Water Bid Exceedance for the Water Improvements portion of the City of Novato's Novato Boulevard Improvements Project.

FINANCIAL IMPACT: \$475,379 (\$4.25M included in FY26/27 CIP Budget)

Background

The City of Novato (City) developed plans to complete streetscape improvements along Novato Boulevard between Diablo Avenue and Grant Avenue; known as the Novato Boulevard Improvement Project (Roadway Improvements Project). In direct coordination with this project, the North Marin Water District (District) developed plans to replace an existing distribution main and branch mains (Water Improvements Project) located within the limits of the City's Roadway Improvements Project. City and District staff have determined that implementing their respective improvement projects at the same time under one construction contract (Joint Project) is beneficial to both agencies for economy of scale savings for administration, and to the public by minimizing construction disturbances. In consideration of this mutually beneficial approach, the Board approved a Cost Sharing Agreement (Agreement) at their July 15, 2025 meeting and authorized the General Manager to execute it.

At its May 5, 2026 regular meeting, the Board authorized the General Manager to approve the contract bid documents for Water Improvements as part of the Joint Project and provide written approval to the City to advertise the Joint Project, included as Attachment 1.

Bid Analysis

The City received eight (8) bids for the Joint Project on Thursday, August 19, 2026. A comparison of the engineer's estimate, the Joint Project bid results, and the Water Improvements bid results are listed below in Table 1.

Table 1: Bid Results for the Joint Project and Water Improvements

Contractor	Joint Project * (\$)	Water Improvements (\$)	Water Improvements Δ Eng. Est. (%)
<i>Engineer's Estimate</i>	19,807,852	2,300,000	0
Team Ghilotti	16,021,417	2,775,379	21
Argonaut	17,451,861	2,622,612	14
Ghilotti Construction	17,635,517	3,599,041	56
Cratus	18,112,204	3,437,292	49
McGuire & Hester	18,578,112	2,901,239	26
Ghilotti Bros.	19,090,161	4,217,685	83
Mountain Cascade	20,974,697	4,456,269	94
A&B	22,084,243	4,358,845	90

** includes City of Novato, Novato Sanitary District, and North Marin Water District*

The basis of award is the lowest Joint Project bid amount, with the apparent low bidder being Team Ghilotti with a bid amount of \$16,021,417. This amount is 19% lower than the engineer's estimate by the City for the Joint Project of \$19,807,852. A comparison of the low bid amount and engineer's estimate distributed by agency is shown below in Table 2.

Table 2: Low Bid Distribution by Agency

Project Component	Engineer's Est. * (\$)	Low Bid (Team Ghilotti) (\$)	Δ Eng. Est. (%)
Soft (Shared) Costs	2,475,000	1,034,336	-58
Roadway Improvements	10,875,630	7,487,811	-31
Water Improvements	2,300,000	2,775,379	21
Sewer Improvements	4,157,222	4,723,889	14

** amount shown without contingency*

Per the Agreement, if the total amount of the Water Improvements bid items do not exceed the District's engineer's estimate for the Water Improvements, the City may award the contract without further approval by the District. However, if the bid exceeds the District's Engineer's estimate, the City and District will agree upon a mutually acceptable method of paying the exceedance between the City and District. The Water Improvements bid amount of \$2,775,379 was \$475,379 (21%) above the District's engineer's estimate.

Staff have reviewed the bid documents and find the 21% Water Bid Exceedance of the District's engineer's estimate to be acceptable for the following reasons,

1. Evaluation of Soft (Shared) Cost bids, which includes traffic control, among all bidders suggests that Team Ghilotti allocated a large portion of traffic control

system costs into other bid items, as opposed to the traffic control system bid item itself. The engineer's estimate was \$200,000 for traffic control systems and Team Ghilotti's bid was \$55,000. The next lowest bid for this item of work was \$450,000, and the average of the seven other bidders was over \$1M.

2. The main area of discrepancy between the District's engineer's estimate and the bid results was found to be in the bid items for 'Install Welded Steel Pipe'. The District used other agencies' bid results from recent years to develop estimated costs, however the bid results reflect that project-specific conditions escalated those costs significantly. Heavy traffic conditions combined with avoiding numerous existing utilities lowers daily production and escalated bid prices. The escalations resulted in a \$408,000 exceedance in the low bid over the estimate.
3. One other notable discrepancy between the bid results and the estimate was found in the bid item related to contractor coordination for the twenty-two pipeline tie-in locations. This effort was estimated to be approximately one crew-day per location, yet the bid results reflect that the bidders consistently estimated this effort to be 2 to 3 crew-days per location. This discrepancy resulted in a \$175,000 exceedance in the low bid over the estimate, or \$8,000 per location.
4. Only one of the eight bidders had a lower bid amount for the Water Improvements, with the other six bidders ranging from 5% to 61% higher than Team Ghilotti. These results indicate that the low bid is competitive when compared to current market conditions and likely represents the lowest cost for the Water Improvements available to the District for the foreseeable future.

Construction Budget

The low bid for the Water Improvements portion of the Joint Project is \$2,775,379.80, which includes contractor labor, equipment, incidental and bulk material costs. Due to long material lead times and for quality control purposes, the District will purchase material for the project including pipeline, valves, and fittings. The material estimate is \$1.3M. Construction phase soft costs, such as mobilization and traffic control, are paid for under the Joint Project and the District will reimburse the City a percentage of those costs as detailed in the Agreement. Soft cost reimbursements are \$182,000 based on the low bid. Other construction costs, such as District-performed work and pavement restoration, are estimated to be \$450,000 and are provided in Table 3 below.

Table 3: Construction Phase Costs

Component	Pre-Bid Estimate (\$)	Post-Bid Estimate * (\$)	Difference (\$)
Water Improvements Project	2,300,000	2,775,000	475,000
District Material Procurement	1,300,000	1,300,000	0
Construction Soft Cost (Mob. & Traffic)	300,000	182,000	-118,000
District-Performed Construction	350,000	350,000	0
Other Cost Sharing (Pavement Restoration)	100,000	100,000	0
Construction Total	\$4,350,000	\$4,707,000	\$357,000

* rounded to the nearest 1,000

Total Project Budget

Design phase expenditures from project inception through Fiscal Year 2025-2026 (FY 25/26) were \$575,000 and is now complete. The City hired Ghirardelli Associates to manage the construction phase on behalf of the joint agencies. The District was involved in the consultant selection process and worked closely with Ghirardelli during the pre-bid constructability review. The District's reimbursement portion of the Ghirardelli contract is estimated to be \$375,000. The closeout effort is estimated to be \$50,000 and the contingency amount remains unchanged at \$475,000. Following the bid opening, the remaining project costs are estimated to be \$5.6M and are expected to be realized in Fiscal Years (FY) 26/27, 27/28, and 28/29. Staff included \$4.25M in the CIP budget for FY26/27 (CIP ID 1a1) and plan to include \$1.1M and \$250,000 in FY27/28 and FY28/29 budgets respectively. The pre- and post-bid estimated project costs are provided in Table 4 below.

Table 4: Project Costs by Phase

Phase	Pre-Bid Estimate (\$)	Post-Bid Estimate (\$)	Difference (\$)
Planning	0	0	0
Environmental	0	0	0
Design	575,000	575,000	0
Construction	4,350,000	4,707,000	357,000
Const. Mgmt.	375,000	375,000	0
Closeout	50,000	50,000	0
Contingency	475,000	475,000	0
Total	\$5,825,000	\$6,182,000	\$357,000

Alignment with Strategic Plan

Goal 1: Strengthen Infrastructure Resilience; Action 1.1 Replace aging infrastructure using a phased approach. This project replaces a major portion of 1960's era distribution piping with new infrastructure and leverages agency partnerships and economy of scale savings.

RECOMMENDATION

That the Board authorize the General Manager to execute an agreement with the City of Novato memorializing that the District will bear the cost of the Water Bid Exceedance amount of \$475,379 of the District Engineer's Estimate for the Water Improvements portion of the City of Novato's Novato Boulevard Improvements Project pursuant to the terms of the Agreement Between City of Novato and North Marin Water District Regarding Water Improvements in Novato Boulevard, between Diablo Avenue to Grant Avenue.

ATTACHMENT:

1. Board Memorandum – Authorization to Advertise, dated May 5, 2026
2. Water Improvements Project Fact Sheet



MEMORANDUM

To: Board of Directors Date: May 5, 2026

From: Tim Fuelle, Senior Engineer *TF*
 Eric Miller, Assistant General Manager/Chief Engineer *EM*

Subject: Authorization to Advertise - Novato Boulevard Water Improvements
\\nmwdfserver\engineering\Projects\7000s\7195 Novato Blvd Widening Diablo to Grant\1. BOD memos\2026 0505 approval to bid\7195 Novato Blvd Widening City BOD Memo Approval to Bid 05-05-26.doc

RECOMMENDED ACTION: That the Board authorize the General Manager to approve the contract bid documents pursuant to the cost share agreement with the City of Novato for Water Improvements in Novato Boulevard, between Diablo Avenue to Grant Avenue

FINANCIAL IMPACT: \$5.25M (\$4.25M included in FY26/27 CIP Budget)

Background

The City of Novato (City) plans to complete roadway, sidewalk, and streetscape improvements along the Novato Boulevard corridor between Diablo Avenue and Grant Avenue; known as the Novato Boulevard Improvement Project (Roadway Improvements Project). Concurrently, the North Marin Water District (District) is proposing to replace an existing distribution water main and branch mains (Water Improvements Project) located within the limits of the City's Roadway Improvements Project. City and District staff have determined that implementing their respective improvement projects at the same time under one construction contract (Joint Project) is beneficial to both agencies for economy of scale savings for administration, and to the public by minimizing construction disturbances. In consideration of this mutually beneficial project approach, at the July 15, 2025 meeting, the Board authorized the General Manager to execute a Cost Sharing Agreement (Agreement) with the City for the construction phase of the Joint Project, included as Attachment 1.

The City will manage the integration of design plans and the bidding and award of the Joint Project contract to the lowest responsive and responsible bidder. Per the Agreement, the City shall obtain written approval of the contract documents (as they pertain to the Water Improvements) from the District prior to advertising the Joint Project for bid. The Joint Project is currently planned to be advertise prior to July 1, 2026 subject to approval by the City Council. The City issued an Environmental Impact Report in February 2021 that satisfied the CEQA requirements for the Joint Project.

Per the Agreement, if the sub-total amount of the Water Improvements Project bid items do not exceed the District's Engineer's Estimate, the City may award the contract without

further approval by the District. However, if the Water Improvements Project sub-total amount exceeds the District's Engineer's estimate, the City and District will, in good faith, agree upon a mutually acceptable method of paying the water bid exceedance as between the City and District. Under this scenario, District staff would return to the Board with a recommendation on how to proceed.

Budget

Design phase expenditures from project inception through Fiscal Year 2025-2026 (FY 25/26) are estimated at \$475,000. Remaining project costs are estimated to be \$5.25M and are expected to be realized in Fiscal Years (FY) 26/27, 27/28, and 28/29. Staff plans to include \$4.25M in the CIP budget for FY26/27 (CIP ID 1a1) and plans to include \$750,000 and \$250,000 in budget projections for FY27/28 and FY28/29 respectively. A breakdown of the project costs by phase is provided in Table 1 below, and budget details per fiscal year are provided in the proposed FY 26/27 CIP budget.

Table 1: Project Costs by Phase

Phase	Estimate (\$)
Planning	0
Environmental	0
Design	475,000
Construction	4,350,000
Const. Mgmt.	375,000
Closeout	50,000
Contingency	475,000
Total	\$5,725,000

The Engineer's Estimate for the Water Improvements portion of the Joint Project is \$2.3M, which includes contractor labor, equipment, incidental and bulk material costs. Due to long material lead times and for quality control purposes, the District will purchase material for the project including pipeline, valves, and fittings. The material estimate is \$1.3M. Construction phase soft costs, such as mobilization and traffic control, are paid for under the Joint Project and the District will reimburse the City a percentage of those costs as detailed in the Agreement. Soft costs are estimated to be \$300,000. Other construction costs, such as District-performed work and pavement restoration, are estimated to be \$450,000 and are provided in Table 2 below.

Table 2: Construction Phase Costs

Item	Estimate (\$)
Water Improvements Project	2,300,000
District Material Procurement	1,300,000
Construction Soft Cost (Mob. & Traffic)	300,000
District-Performed Construction	350,000
Other Cost Sharing (Pavement Restoration)	100,000
Construction Total	\$4,350,000

RECOMMENDATION

That the Board authorize the General Manager to approve the contract bid documents for Water Improvements as part of the Joint Project and provide written approval to the City to advertise the Joint Project.

ATTACHMENT:

1. Agreement Between City of Novato and North Marin Water District regarding Water Improvements in Novato Boulevard, Diablo Avenue to Grant Avenue


CITY OF NOVATO
 CALIFORNIA

DocuSign Coversheet

Date:	10/7/25		
Vendor Name:	North Marin Water District		
City Department:	Public Works		
Total Cost of Service:	\$0		
Approval Date:	9/23/25		
Approved by:	☒ City Council	☐ City Manager	☐ Department Head ☐ Division Manager
Method of Approval:	Reso 2025-083		
Start Date:	10/10/2025	City Staff:	Elisa Sarlatte
Expiration Date:	12/31/28	Staff Phone:	415 475 9589
GL Account Number:	CIP 01-004	Staff Email:	esarlatte@novato.org
Budget Amendment:	☒ No ☐ Yes	If Yes, Budget Amendment Reso #	Date:

SIGNING AUTHORITY

- ☐ Division Manager (<\$10,000)
- ☐ Department Head (\$10,001 - \$20,000)
- ☐ City Manager – Non-CIP (\$20,001 - \$60,000)
- ☐ City Manager - CIP (<\$200,000)
- ☐ City Council – Non-CIP (\$60,001 - \$200,000)
- ☒ City Council - CIP (>\$200,000)

BRIEF DESCRIPTION OF WORK TO BE COMPLETED OR DOCUMENT TO BE SIGNED

Cost Share Agreement with North Marin Water District. No cost to City other than minimal staff time to send and receive billing. Approved via Reso 2025-083

**AGREEMENT BETWEEN
CITY OF NOVATO
AND
NORTH MARIN WATER DISTRICT
REGARDING
WATER IMPROVEMENTS IN NOVATO BOULEVARD,
DIABLO AVENUE TO GRANT AVENUE**

This Agreement is made and entered into as of this 16th day of October, 2025, by and between the City of Novato, hereinafter “City” and the North Marin Water District, hereinafter “District” on the following terms and conditions. The City and the District are collectively referred to herein as the “Parties,” and either the City or the District can be referred to herein as a “Party.”

1. Purpose and Scope.

- a. The City intends to construct certain roadway, sidewalk, and streetscape improvements along Novato Boulevard between Diablo Avenue and Grant Avenue (“Roadway Improvements”). These Roadway Improvements are described in the plans and specifications for the City’s Novato Boulevard Improvements Project - Project No. 01-004 (“Roadway Improvements Project”) prepared by Mark Thomas & Company, Inc.
- b. The District proposes to replace its existing distribution water main including branch mains located in Novato Boulevard, starting just east of Diablo Avenue and terminating just west of Grant Avenue (“Water Improvements”). These Water Improvements are described in the plans and specifications known as North Marin Water District Job No. 7195.
- c. It is to the mutual benefit of the Parties to construct the Roadway Improvements and Water Improvements together.
- d. This Agreement specifies the responsibilities and requirements of the City and the District to accomplish design and construction of the Water Improvements (“Water Improvements Project”) as part of the Roadway Improvements Project (collectively referred to as the “Joint Project”). This is not an agreement specifying the duties of the City and/or its contractor(s) in constructing the Roadway Improvements except to the extent specified hereinafter. The City shall have exclusive responsibility and authority for all matters related to the construction of the Roadway Improvements.
- e. The Water Improvements shall be constructed concurrent with and under the same construction contract as the Roadway Improvements.

- f. The City will manage the integration of design plans and the bidding and award of the Joint Project contract to the lowest responsive and responsible bidder, herein after referred to as “Contractor.”

2. Definitions of Water and Roadway.

- a. As used in this Agreement, the term “water” shall include water pipelines, fire hydrants, blow-off assemblies, valves, valve covers, service laterals, and other appurtenances described in the plans and specifications prepared for the Water Improvements Project.
- b. As used in this Agreement, the term “roadway” shall include all of the roadways, sidewalks, curbs, gutters, storm drains, landscaping, lighting, landscape irrigation facilities, and other road appurtenances and improvements described in the plans and specifications prepared for the Roadway Improvements Project.

3. Project Responsibilities of City and District.

- a. *General.*
 - i. At its sole cost, the District shall be responsible for and shall have final decision-making authority with respect to the design, inspection, shop drawing review and approval, construction schedule and all other related engineering services for all Water Improvements work. Notwithstanding the foregoing, the construction schedule and any revisions thereto for Water Improvement work shall be subject to the approval of the City, which said approval shall not be unreasonably withheld so long as the construction schedule and any revisions thereto do not adversely affect the construction schedule established by the City for the Roadway Improvement Project. The District shall be principally responsible for the enforcement of the approved construction schedule for the Water Improvements and if the District fails to timely exercise that duty of enforcement, the City may enforce said schedule. At its sole cost, the District shall also provide material testing relating to Water Improvements construction and staking and surveying for Water Improvements construction. At its sole cost, the District shall obtain all permits required for the construction of Water Improvements and any District approvals required under the California Environmental Quality Act (CEQA) as it relates to the Water Improvements construction.
 - ii. At its sole cost, the City shall perform and have sole authority over and the sole decision-making power concerning the design, inspection, shop drawing review, construction schedule and all other related engineering services for all Roadway Improvements construction. At its sole cost, the City shall also provide material testing for Roadway Improvements construction and staking and surveying for Roadway Improvements construction. At its sole cost, the City shall perform all tasks related to the Roadway Improvements

construction, including but not limited to, public notification, permit acquisition, and compliance with CEQA as it relates to the Roadway Improvements construction. At its sole cost, the City shall also perform all tasks related to the advertisement for bids, the bidding process, and the award of contract for the Joint Project pursuant to and in accordance with applicable law. The City shall also perform and/or provide all contract and project administration for the Joint Project but shall be reimbursed its costs for that work in accordance with Sections 5 and 6, below.

b. *Contract Documents.*

- i. The contract documents for the Joint Project shall include provisions requiring the successful bidder to, among other things, (1) name the District, its officers, officials, employees, and volunteers as additional insured on any required insurance policies, including but not limited to general liability and automobile insurance policies, (2) name the District as an additional obligee on all performance and payment bonds posted with the City, and (3) defend, indemnify, and hold harmless the District, its officers, directors, officials, employees, agents, and volunteers from liabilities in the same manner as is provided to the City.
- ii. The bid and contract documents shall set forth the Water Improvements work and shall be bid as a separate set of bid items to be included within and as part of the Joint Project bid and contract. The City shall obtain written approval of the contract documents (as they pertain to the Water Improvements) from the District prior to advertising the Joint Project for bid, which approval shall not be unreasonably withheld or delayed.

- c. *Contract Award.* The City shall award the contract for the Joint Project to the lowest responsive and responsible bidder pursuant to the laws that apply to public works contracts let by the City, or reject all bids. If the total amount of the Water Improvements work bid items does not exceed the District's Engineer's estimate (a copy of which has been provided to the City and is on file in the office of the Public Works Director), the City may award the contract without further approval by the District. However, if the total amount of the Water Improvements work bid items exceeds the District's Engineer's estimate (the amount by which the said bid exceeds the District's Engineer's estimate shall be referred to as the "water bid exceedance"), the City and District will, in good faith, agree upon a mutually acceptable method of paying the water bid exceedance as between the City and the District. Said agreement shall be in writing and shall be executed by the Parties within thirty (30) working days from the City's notifying the District of the official bid results. In the event that no such agreement is executed within said thirty (30) working day period, the City may award the contract for the Joint Project or for only the Roadway Improvements Project without further approval by the District, but in such event, the District reserves all rights to contest its payment of the water bid exceedance, if applicable; provided that any dispute which arises between the Parties as to the

District's obligation to pay such water bid exceedance under the circumstances described in this sentence shall be subject to the procedures set forth in Section 17 (Mediation), below.

d. *Determinations.*

- i. The City shall be solely responsible for the negotiation, preparation, and issuance of change orders, force account work determinations and construction claim resolution applicable to any and all portions and aspects of the Joint Project. Notwithstanding the forgoing, the District shall be included in the negotiations of change orders, force account work determinations, and construction claims resolution to the extent that they involve Water Improvements construction. Time is of the essence in District's review of such work. The District's approval shall not be unreasonably withheld or delayed.
- ii. During construction, the City shall contact the District's Chief Engineer or authorized representative ("District Engineer") by telephone, voice mail, or electronic mail in regard to questions and decisions concerning the Water Improvements construction. In the event that the District Engineer fails to make a timely decision concerning the Water Improvement construction, the District shall indemnify, defend, and hold the City harmless from all liability resulting therefrom, as specified in Section 4.a., below.

e. *Alignment and Sequencing.* The Water Improvements shall be designed and constructed in appropriate sequence in relation to and in coordination with all other work on the Joint Project, as well as any other planned improvements by other utility providers. Paving of the roadways shall occur subsequent to installation of buried water pipe shown in the Water Improvements. Prior to finalizing contract documents, alignment and sequencing of other utilities improvements relative to the Water Improvements shall be mutually agreed upon between the Parties.

f. *Change Orders.* All change orders related to or involving Water Improvements construction shall be reviewed and are subject to the written approval of the District prior to any such change order being issued to the Contractor by the City, which approval shall not be unreasonably withheld or delayed. The City shall be responsible for the negotiation, preparation, and issuance of change orders, force account work determinations and construction claim resolution applicable to any and all portions and aspects of the Joint Project. The District shall be included in the negotiations of change orders, force account work determinations and construction claim resolution to the extent that they involve Water Improvements construction.

g. *Inspections.* The District will perform construction inspection of the Water Improvements construction and, upon request by the City's Engineer, will develop responses to submittals, requests for information and requests for clarification, design clarifications, and similar construction documentation with respect to the Water

Improvements construction. The District will direct all communications to the City's contractor through the City's Engineer.

- h. Differing Site Conditions. The District shall reimburse the City for reasonable costs associated with an unavoidable delay in the construction of the Water Improvements related to differing subsurface or otherwise concealed physical conditions in the roadway. The City shall give written notice to the District promptly after the first observance of such conditions.
- i. Plan Check. The District shall be responsible for reviewing and approving the District's Water Improvements plans to be incorporated into the final plans for the Joint Project plans in accordance with District codes. The District shall reimburse the City for reasonable unavoidable costs resulting from or related to an unreasonable delay by the District in completing the Plan Check of the Water Improvement plans.

4. Indemnity.

- a. The District shall defend, indemnify, save, and hold harmless the City, its council or board members, officers, officials, agents, and employees from any and all claims, demands, suits, costs, liability, and expenses, including reasonable attorneys' fees, for any damages, injury, sickness, or death, including liability for inverse condemnation, nuisance or trespass (collectively "liability") to the extent arising out of any of the District's performance under this Agreement, including, but not limited to, the design and performance of the Water Improvements, permit acquisition for the Water Improvements, compliance with CEQA with respect to the Water Improvements, inspection or shop drawing review and approval of the Water Improvements, any other engineering and other services provided by District during construction of Water Improvements, and decisions made, or failed to be made, by the District as described in Section 3.d, except for liability as is caused by the sole or active negligence or willful misconduct of the City, its council or board members, officers, officials, employees, contractors, or agents.
- b. The City shall defend, indemnify, save, and hold harmless the District, its council or board members, officers, officials, employees, and volunteers from any and all claims, demands, suits, costs, liability, and expenses, including reasonable attorneys' fees, for any damages, injury, sickness or death, including liability for inverse condemnation, nuisance or trespass (collectively "liability") to the extent arising out of any of the City's performance under this Agreement, including, but not limited to, the design and performance of the Roadway Improvements Project, public notification of the Joint Project, permit acquisition for the Roadway Improvements, compliance with the CEQA with respect to the Roadway Improvements, compliance with all laws related to advertisements for and evaluation of bids and award of a contract for the Joint Project, and contract and project administration for the Joint Project, except for liability as is

caused by the sole or active negligence or willful misconduct of the District, its council or board members, directors, officers, officials, employees, contractors, or agents.

- c. Nothing in this Agreement is intended to affect the legal liability of either Party by imposing any standard of care different from the standard of care imposed by law.
 - d. This Section and Section 3(d)(ii) shall survive the termination of this contract.
5. Cost Sharing. The City and the District shall share the cost attributable to the design, project administration, construction, contract administration, and inspection of the Joint Project as outlined below.

- a. The District shall reimburse the City a percentage of each of the Joint Project costs listed below. The percentage for progress payments shall be derived by dividing the total bid costs for the Water Improvements Project by the total bid costs for the Joint Project. When the Joint Project is complete, the City will compile actual total costs for the Joint Project and Water Improvements Project (including itemized change orders pertinent to Water Improvements), and the actual percentage will be adjusted. The District will make a final adjustment payment for the difference between the percentage based on bid prices and the percentage based on actual costs. The District shall reimburse the City a percentage of the reasonable costs incurred by the City and/or its agent(s), consultant(s), and/or contractor(s) in performing the following work:

- Contract administration and project administration.
- Geotechnical investigation, including but not limited to soil borings.
- Construction contract mobilization/demobilization.
- Joint Public notification activities.
- Coordination of shop drawing submittals.
- Long-term construction zone signage (i.e., “Begin Construction,” “End Construction”).

Contract and project administration will include reasonable costs associated with work items that are part of the normal prosecution of work on public works, roadway, and water replacement projects such as, without limitation: processing of progress payments, preparation of reports, communications with the contractor, and normal project coordination functions.

Public notification activities will include communication and coordination of work with merchants and the public in regards to the Joint Project.

- b. The District shall be responsible for 100 percent of the design and construction costs of the Water Improvements Project.
- c. At its sole cost, the District shall also provide the following services during construction:

- all inspections of Water Improvements construction.
 - review and approval of all Water Improvements construction submittals (shop drawings).
 - all engineering services related to Water Improvements construction.
 - all material testing related to Water Improvements construction.
 - all Water Improvements construction staking and surveying.
 - review and approval/disapproval of change orders and force account work related to Water Improvements construction.
- d. The City shall be responsible for 100 percent of all costs incurred by the City to design and construct the Roadway Improvements Project, except for those payments and services provided by the District as provided herein.

6. Payment.

- a. The District shall make payments to the City for the District's share of the costs described in Section 5, above, to the extent such costs are incurred by the City. The District will make progress payments to the City as the construction work proceeds. The City shall forward to the District a copy of the contractor's request for progress payment with an invoice showing the District's share of the cost owed. The City shall also periodically, but not more than once every thirty (30) days, invoice the District for the District's share of the Joint Project costs specified in Section 5.a), above. The City's invoices to the District shall include sufficient documentation to fully support and justify the costs invoiced.
- b. The District shall provide payment to the City within thirty (30) days of receiving an invoice, including disputed payments made under protest. The District shall not unreasonably withhold or delay payment of such work. Payment shall not include any allowances for materials not incorporated into any work.
- c. Subsequent to the Final Completion, as defined by the Joint Project contract, of the Joint Project (as determined by the City in its sole, reasonable judgement after consultation with the District), the City shall prepare in a within sixty (60) calendar days final accounting reports concerning the costs of the Water Improvements Project. These reports shall include documentation to fully support and justify all costs. These reports ("Final Accounting Reports") shall detail the amounts which the City believes the District owes to the City and/or the Joint Project Contractor, provided, however, that in no instance would the District pay the Contractor directly. The final costs to be paid by the District for the Water Improvements Project shall be calculated based on the cost-sharing provisions set forth in this Agreement and on the actual cost of the Water Improvements Project and Joint Project.

- d. Within thirty (30) calendar days of delivery of the Final Accounting Reports to the District, the District shall pay the amount(s) specified in said reports to the City, including disputed payments made under protest.

7. Final Acceptance of Contract and Construction.

- a. The City shall have sole authority to authorize the final acceptance of the contract work for the Joint Project as complete. The District shall have the right to make such inspections of the Water Improvements Project work as would be ordinary and necessary prior to the final acceptance by the City of the contract work as being complete.
- b. The City shall not authorize final acceptance of the Water Improvements work until after it has consulted with the District as to whether such work is complete in accordance with the District's standard procedures. Upon completion of the Water Improvements work, the City and the District shall conduct a joint final inspection of those facilities. After the District, through its Chief Engineer and in writing, has determined that the Water Improvements work has been completed to the District's satisfaction, the City shall accept the Water Improvements work as complete for itself and for the District. The District will not unreasonably withhold or delay its approval of said Water Improvements work. If the District does not approve or disapprove the Water Improvements work within ten (10) business days, or after such reasonable additional time with consent by the City, which it will not unreasonably withhold, after the joint final inspection, the Water Improvements work will be deemed approved by District.

8. Maintenance Responsibility. At the time that the City accepts the contract work for the Joint Project as complete, and subject to any warranty provision of the Joint Project construction contract:

- a. The City is deemed to thereby accept maintenance and repair responsibility only for the Roadway Improvements as defined herein in accordance with applicable law except for those facilities that, pursuant to applicable law and/or separate agreement, are to be maintained by third party property owner(s) and/or others; and,
- b. The District is deemed to thereby accept complete maintenance and repair responsibility for only the Water Improvements as defined herein except for those facilities that, pursuant to applicable law and/or separate agreement, are to be maintained by third party property owner(s) and/or others.

9. Accountability. Both Parties shall strictly account for all funds directly related to this Agreement and shall report to the other, upon request, on all pertinent receipts and disbursements.

10. Cooperation. The City and District agree to work cooperatively toward the successful completion of the Joint Project.
11. Modification of Agreement. This Agreement shall be subject to modification only by a subsequent written agreement executed by both of the Parties.
12. Entire Agreement. This Agreement contains the entire understanding of the Parties concerning its subject matter. Any representation or promise of the Parties relating to the subject matter shall not be enforceable unless it is contained in this Agreement or in a subsequent written agreement executed by the Parties.
13. Successors. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties.
14. Notices. Any and all notices or documents to be delivered between the Parties shall be deemed delivered: (1) upon hand delivery to the address below; (2) upon being sent and received via United States Postal Service Certified Mail to the address below as evidenced by a United States Postal Service Certified Mail receipt; or (3) five (5) days after being deposited in the United States Mail, if sent via first class United States Postal Service Mail. Facsimile transmission shall be promptly followed by first class United States Postal Service Mail. The addresses and facsimile numbers are as follows:

TO THE CITY:

Elisa Sarlatte
Sr. Civil Engineer
City of Novato
900 Sherman Avenue
Novato, CA 94945
(415) 899-8246 (Office)
(415) 899-1496 (Facsimile)

TO THE DISTRICT:

Eric Miller
Assistant General Manager-Chief Engineer
North Marin Water District
P.O. Box 146
Novato, CA 94948
(415) 897-4133 (Office)

15. Interpretation. Both Parties have had ample opportunity, with the benefit of counsel, to comment upon the contents of this Agreement; therefore, the rule that ambiguities in contracts are to be construed against the drafter, and any related rules, shall not apply.
16. Mediation. In the event that a dispute or claim in law or equity between the District and the City arising out of this Agreement that is not subject to the provisions of the Public Contracts

Code Sections 20104 et seq. exists, the Parties agree to first attempt to resolve any dispute or claim in law or equity between them through informal negotiation between the Parties. If the dispute or claim is not resolved by an informal negotiation between the Parties, then the Parties agree that they will attempt to resolve the dispute or claim by private, non-binding mediation. The Parties will agree upon the selection of a mediator. If the Parties cannot agree upon the selection of a mediator, then the Presiding Judge of the California Superior Court for the County of Marin shall select the mediator. The Parties shall each be responsible for their own attorneys' fees for the mediation, and the cost of the medication shall be split and shared equally amongst and between the Parties. The completion of the mediation shall be a prerequisite to the filing of any lawsuit, litigation, and/or demand for arbitration. The non-binding mediation process shall continue until the case is resolved or until such a time as the mediator makes a finding that there is no possibility of resolution. If mediation is unsuccessful, the Parties may avail themselves of any other remedies, including but not limited to lawsuit, litigation, and/or demand for arbitration.

17. No Third-Party Beneficiaries. Except as expressly stated herein, there is no intended third-party beneficiary of any right or obligation assumed by the Parties.
18. Attachments. To the extent a conflict exists between the attachments and the terms of this Agreement, the terms of this Agreement shall control.
19. Time of the Essence. Time is of the essence for each and every provision of this Agreement.
20. Waiver. No provision, covenant, and/or condition of this Agreement shall be deemed to have been waived by the City and/or the District unless in writing signed by someone authorized to bind the Party asserted to have consented to the waiver. The waiver by the City and/or the District of any breach of any provision, covenant, and/or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same and/or any other provision, covenant, or condition of this Agreement.
21. Severability. If any section, clause, or phrase of this Agreement or the application thereof to any Party or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the Agreement or the application of such provisions to any other Party or to other persons or circumstances shall not be affected thereby. In the event a provision is held to be invalid, the Parties shall work in good faith to restore the intent of any provision that held to be invalid. Each Party hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsections sentences, clauses or phrases or the application thereof might be held invalid.
22. Headings. The headings herein are for convenience of the Parties only, and shall not be deemed to govern, limit, modify and/or in any manner affect the scope, meaning and/or intent of the provisions or language of this Agreement.
23. Governing Law; Venue. Any judicial action or proceeding that relates to this Agreement shall

be brought in Marin County Superior Court. The terms of this Agreement shall be interpreted under the laws of the State of California.

24. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute original and all of which together shall constitute one and the same agreement.

25. Electronic Signatures. The Parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, “electronic signature” shall mean and be deemed to include faxed or emailed versions of an original signature, electronically scanned and transmitted versions (e.g., via pdf) of an original signature, and/or a digital signature.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement dated as of the date provided above to be executed in duplicate by officials which each respective Party covenants has full authority to execute this Agreement.

NORTH MARIN WATER DISTRICT

CITY OF NOVATO

By: Tony Williams
Anthony Williams, General Manager

By: Amy Cunningham
Amy Cunningham, City Manager

Dated: 10/8/2025 | 4:58 PM PDT

Dated: 10/14/2025 | 4:33 PM PDT

ATTEST: Eileen Mulliner
Eileen Mulliner, District Secretary

ATTEST: Laura McDowall
Laura McDowall, City Clerk

Dated: 10/9/2025 | 8:56 AM PDT

Dated: 10/15/2025 | 9:14 PM PDT

APPROVED AS TO FORM:

By: J. Kevin Moore
J. Kevin Moore, District Legal Council

By: Gary B. Bell
Gary Bell, City Attorney

Dated: 10/14/2025 | 4:05 PM PDT

Dated: 10/14/2025 | 4:24 PM PDT

Novato Blvd Improvement Project
Water Facilities Improvement-Fact Sheet

Metrics:

New Pipeline installed (welded steel pipeline)

12" -inch:	4,500 LF
8-inch:	660 LF
6-inch:	540 LF
4-inch:	60 LF
Total:	5,760 LF (<u>includes</u> hydrant runs and side street tie-ins)

Valves

12-inch	28
8-inch	18
6-inch	17
4-inch	3
EZ Valve	5
Total:	71

Hydrants

Replaced:	12
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Service Lateral installed

1-inch:	1630 LF
2-inch:	260 LF
Total:	1890 LF

Total No. of Service refurbished or relocated.

1-inch service:	48
2-inch service:	9

Customer outages (365)

Residences:	338
Total No. of Business:	27

Novato Blvd Improvement Project
Water Facilities Improvement-Fact Sheet

Existing Pipe type and Age (excludes hydrant runs and side street tie-in)

12-inch:	1500 LF, Cast Iron, 74 year age
12-inch:	375 LF, Cast Iron, 76 year age
8-inch:	2475 LF, AC pipe, 58 year age
6-inch:	610 LF, Cast Iron, 75 year age
Total:	4960 LF