



AGENDA FOR BOARD OF DIRECTORS' MEETING

DATE: TUESDAY, FEBRUARY 4, 2014

TIME: 7:30 PM

LOCATION: MMWD BOARD ROOM, 220 Nellen Avenue, Corte Madera, CA

Times below are approximate

- CALL TO ORDER** 7:30 p.m.
- ADOPT AGENDA** 7:31 p.m.
- PUBLIC EXPRESSION** *Anyone wishing to speak on an item other than those listed on this agenda will be recognized at this time. All persons wishing to be heard should come to the podium to address the Board. Please state your name and address for the public record. A 1½ -minute limit is customary.* 7:32 p.m.
- DIRECTORS' ANNOUNCEMENTS AND REPORTS REGARDING THEIR ACTIVITIES** 7:40 p.m.
 - Sonoma County Water Agency/Water Advisory Cmte • North Bay Watershed Assoc. • Lagunitas Creek Technical Advisory Cmte • Tomales Bay Watershed Council

RECOMMENDATION

- CONSENT CALENDAR – Items 1-3** *All matters listed on the Consent Calendar are considered to be routine and will be enacted by a single action of the Board. There will be no separate discussion unless specific items are removed from the Consent Calendar during adoption of the agenda for separate discussion and action.* 7:45 p.m.
 1. Minutes of January 21 Meeting *Approve*
 2. HF&H Consultants Contract Amendment *Approve*
 3. Resolution No. 8254 Commending Gary Yost as a Friend of the Water District *Approve*
 4. Presentation of Resolution No. 8254 to Gary Yost *Presentation* 7:55 p.m.
 5. Water Production and Storage Report *Information* 8:00 p.m.
 6. Tamalpais Lands Collaborative: Memorandum of Understanding *Approve* 8:10 p.m.

RECOMMENDATION

- | | | |
|--|--------------------|-----------|
| 7. Larkspur Pipeline Replacement Project: Resolution No. 8250 Awarding Contract No. 1729 | <i>Approve</i> | 8:20 p.m. |
| 8. Interconnection Agreement with North Marin Water District | <i>Approve</i> | 8:25 p.m. |
| 9. 2014 Stafford Lake Agreement with North Marin Water District for Water "Banking" | <i>Approve</i> | 8:45 p.m. |
| 10. Fill Vacancies;: Temporary Meter Reader (2) | <i>Approve</i> | 9:00 p.m. |
| 11. Future Agenda Items | <i>Information</i> | 9:05 p.m. |

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INFORMATION PACKETS ARE AVAILABLE FOR REVIEW AT THE CIVIC CENTER LIBRARY, CORTE MADERA LIBRARY, FAIRFAX LIBRARY, MILL VALLEY LIBRARY & MMWD OFFICE

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FUTURE BOARD MEETINGS:

- | | |
|---------------------------------|----------------------------------|
| Tuesday, February 18, 7:30 p.m. | Regular meeting, MMWD Board Room |
| Tuesday, March 4, 7:30 p.m. | Regular meeting, MMWD Board Room |



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM NO. 1

MEETING DATE: FEBRUARY 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: Future Agenda Items

SUBMITTED BY: District Secretary

RECOMMENDED ACTION: Approve Minutes From January 21 Meeting

ATTACHMENTS

Minutes

**THE BOARD OF DIRECTORS
OF MARIN MUNICIPAL WATER DISTRICT**

Minutes of the meeting of the Board of Directors held on Tuesday, January 21, 2014 at 220 Nellen Avenue, Corte Madera, California.

Directors present: Liza Crosse, John C. Gibson Cynthia Koehler, Armando Quintero and Larry L. Russell

Directors absent: None

CALL TO ORDER

President Quintero called the meeting to order at 7:33 p.m.

AGENDA

On motion of Director Gibson and seconded by Director Koehler, the agenda was adopted as presented.

PUBLIC EXPRESSION

John Sargent, Fairfax, shared articles concerning drought and spoke in support of desalination.

Chris Gronbeck, San Rafael, spoke concerning desalination and recycling greywater.

Rick Adler spoke concerning his conservation efforts and requested the Board come up with a system that does not punish those who are successful in conserving water.

Director Quintero said the District wants to acknowledge and not penalize those who are doing a good job conserving.

Dr. Sandy Ross spoke concerning fairness with regard to water rationing. She said requirements may be too stringent for those with disabilities and the Board should consider allowances for special circumstances and that reflect the number of people in a household. She suggested the Board create a committee to study available options.

Ginger Souders-Mason, Kentfield, spoke concerning the additional water she must

use to filter fluoride. She also spoke in support of water for food production.

DIRECTORS' ANNOUNCEMENTS

None.

CONSENT CALENDAR (ITEMS 1-4)

Upon motion by Director Gibson, seconded by Director Koehler, and a vote of 5-0, the Board approved the Consent Calendar as follows:

- ITEM 1 Minutes of January 7, 2014 Meeting as presented.
- ITEM 2 Southern Marin Line Valve Replacement Project: Resolution No. 8249 Awarding Contract No. 1732 to Piazza Construction in the amount of \$82,961.
- ITEM 3 First Amendment to the General Manager's At-Will Employment Agreement.
- ITEM 4 General Manager's Report for the Month of November.
- ITEM 5 WATER PRODUCTION AND STORAGE REPORT AND**
ITEM 5A RESOLUTION NO. 8251 CALLING OFR 20% VOLUNTARY
WATER USAGE REDUCTION AND ACTIVATING PHASE 1 OF
THE DISTRICT'S WATER SHORTAGE CONTINGENCY PLAN

Jon LaHaye, Principal Engineer, presented the staff reports for Items 5 and 5A. He said on January 17, Governor Brown issued a proclamation declaring a state of emergency due to current drought conditions. He gave an overview of the provisions of the proclamation which included: a call for all Californians to reduce water use by 20%; urban water suppliers to implement water shortage contingency plans immediately; the State Water Board to consider modifying requirements for reservoir releases; identify emergency interconnections to help share water; and accelerated funding for water supply enhancement projects. He presented Resolution No. 8251 which would activate the District's water shortage contingency plan and call for customer to voluntarily reduce water by 20%.

Director Russell suggested asking customers to reduce water usage by 25%.

Director Koehler said that for most people, it is difficult to know what it means to reduce their water use by 20%. She said the resolution should be accompanied with some guidance on how to reduce water use.

Director Russell suggested that monthly meter reading would be helpful.

Dan Carney, Water Conservation Manager, gave an overview of conservation services and tools that are available to help consumers reduce their water use.

Jon LaHaye said there will be an aggressive public outreach campaign to inform customers of drought conditions. He said the next steps will be to plan for early use of the Las Gallinas Recycled Water Plant and pumping Soulejule Reservoir. He said the General Manager will make a presentation to the Marin County Board of Supervisors to discuss the current water supply situation on January 28. He said staff is reviewing the budget to identify and implement cost savings opportunities as water use reductions will reduce revenues. He said an agreement with North Marin Water District for backfeeding Stafford Lake is scheduled for presentation at the next Board of Directors' meeting.

Director Russell proposed the resolution be modified to call for a 25% voluntary reduction and requested staff to plan for implementing mandatory rationing before April 1 if necessary.

Director Quintero requested a metric be developed that would help customers know how many gallons per day they are using on a per person basis.

Director Crosse said she was interested in having a plan to implement mandatory rationing before April 1 if necessary.

Larry Minikes noted that because water use had increased 17% since last year, to reach a 20% reduction, consumption would need to be cut by 32%.

Additional discussion and debate followed that focused on the baseline from which the voluntary cut was being requested, the need for clarity to help the consumers understand the situation, the use of Soulejule reservoir, approval process for new development and parameters for a temporary moratorium on new connections.

On motion of Director Koehler, seconded by Director Gibson, and a vote of 5-0, the Board approved Resolution No. 8251 with amendment changing the voluntary water use reduction from 20% to 25%.

Tom Cronin, Facilities and Watershed Manager, updated the Board on a fire that burned 1.5 acres on a spur ridge between Bolinas Fairfax Road and Oat Hill Road north of Alpine Lake.

**ITEM 6 SALE OF SURPLUS PROPERTY: PORTION OF WOOD LANE,
FAIRFAX APN: 002-071-12**

Mike Ban, Environmental and Engineering Manager, presented the staff report.

Directors Cross and Gibson expressed concern that it appeared that a public access strip would be lost. After additional discussion on the matter, the item was deferred to a future meeting to allow staff to confirm that no public access would be lost.

ITEM 7 INVESTMENT POLICY: BOARD POLICY NO. 33

Oreen Delgado, Finance Manager presented the staff report. She said no changes had been made to the Investment Policy since its last review in January 2013.

On motion of Director Gibson, seconded by Director Koehler, and a vote of 5-0, the Board approved Board Policy No. 33 - Investment Policy.

ITEM 8 CROSS CONNECTION PROGRAM UPDATE

Dewey Sorensen, Supervisor Backflow and Reclamation, gave an overview of the Cross Connection Control Program. He explained that backflow is the unintended reversal of flow in a distribution system. He said the goal of the program is to maintain safe water quality by preventing backflow and is required by the State of California Code of Regulations Title 17. He gave an overview of the program and said backflow preventers are installed in accordance with the program and are required to be tested on an annual basis.

Director Koehler said customers perceive that it is the District imposing the requirement and suggested increasing public outreach in this area. She said the Marin County Board of Supervisors' may be interested in having a presentation and suggested the presentation be made available on the District's website.

ITEM 9 INTERCONNECTION AGREEMENT WITH NORTH MARIN WATER DISTRICT

This item was deferred to the next meeting due to time constraints.

ITEM 10 MMWD EMPLOYEE DEMOGRAPHIC INFORMATION

Mark Williamson, Human Resources Manager, presented the staff report and reviewed employee demographic information.

**ITEM 11 FILL POSITIONS: (2): A. Utility Crew Leader
B. Watershed Aide**

Doug Olsen, Support Service Manager, presented a request for authorization to recruit and hire a Utility Crew Leader and Watershed Aide.

On motion of Director Gibson, seconded by Director Koehler, and a vote of 5-0, the Board authorized the General Manager to recruit and hire a Utility Crew Leader and Watershed Aide.

ITEM 9. FUTURE AGENDA ITEMS

Krishna Kumar, General Manager, reviewed the future agenda items. The Communications Committee meeting was changed to February 3 and a retreat was scheduled for March 7.

At 9:30 p.m., the Board adjourned to closed session to discuss the following matter:

ITEM 10 CLOSED SESSION:

- A. Conference with Real Property Negotiators -
Government Code § 54956.8
Property: FAA Sites: Middle & West Peaks,
Mt Tamalpais
Agency Negotiators: Krishna Kumar and Mary Casey
Negotiating Parties: Wayne Darrington,
Federal Aviation Administration
Under Negotiation: Price and Terms of Payment**
- B. Conference with Legal Counsel -
Existing Litigation: Government Code § 54956.9(a) –
Team Ghilotti Inc. vs. MMWD Marin Superior Court
Case No. CV 1304170**
- C. Conference with Legal Counsel: Existing Litigation -
Government Code § 54956.9(a): NCRA vs. MMWD
Marin Superior Court Case No. CV094809**

The Board reconvened into open session and Director Quintero announced that no reportable action was taken during closed session.

ADJOURNMENT

There being no further business, the meeting of January 21, 2014, was adjourned at 10:00 p.m.

President, Board of Directors

ATTEST:

Secretary



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 2

MEETING DATE: February 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: HF&H Consultants Contract Amendment

SUBMITTED BY: Oreen Delgado, Finance Manager

RECOMMENDED ACTION: Approve Amendment to Contract with HF&H Consultants

EXECUTIVE SUMMARY: The District contracted with HF&H in April 2013 for the purpose of providing technical assistance evaluating potential adjustments or refinements to the District's current rate structure. The primary work was providing technical analysis and facilitating discussions at periodic meetings with the Rate Restructure Committee. Work exceeded the original scope of work and the initial cost estimates due to the level of analysis, rate modeling and meeting schedule. Staff is requesting approval of an amendment to increase the contract by \$56,274 to a total of \$119,402.

FISCAL IMPACT? **YES** **NO** **FISCAL YEAR:** 2013/14

EXPENDITURES		FUNDING SOURCES	
Budgeted Amount	\$ 56,274	Operating Fund	\$ 56,274
Budget Augmentation Requested	\$ -	Capital Fund	\$
	\$	Other	\$
	\$	Operating Reserves	\$
TOTAL EXPENDITURES	\$ 56,274	TOTAL SOURCES	\$ 56,274

FISCAL IMPACT NARRATIVE:

The additional amount requested is available from the current operating budget for 2013/14.

BACKGROUND

This item was reviewed by the Finance Committee on January 23, 2014 and is referred to the Board with a recommendation as shown above.

The District contracted with HF&H in April 2013 for the purpose of providing technical assistance evaluating potential adjustments or refinements to the District's current rate structure. The primary work was comprised of modeling alternative rate structures for comparison with the District's current rates and providing technical assistance and facilitating discussions at periodic meetings with the Rate Restructure Committee. The original contract amount was \$56,275 based on an initial scope of work. The work completed by HF&H exceeded the original scope of work and the initial cost estimates due to the level of analysis, rate modeling and meeting schedule. All models developed by HF&H, which incorporated customer consumption information, will be used by District staff in future rate structure analysis scheduled for December 2014. HF&H is also preparing a summary of all committee presentation materials for reference and as a record.

Staff is requesting approval of an amendment to increase the contract by \$56,274 to a total of \$119,402.

ATTACHMENTS

None.



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 3

MEETING DATE: February 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: Friend of the Water District Resolution for Gary Yost

SUBMITTED BY: Mike Swezy, Watershed Manager, Facilities and Watershed Division

RECOMMENDED ACTION: Adopt Resolution # 8254

EXECUTIVE SUMMARY:

Gary Yost, a Mill Valley resident, an accomplished photographer, and a dedicated lover of Mt. Tamalpais has made a compelling short documentary film that provides a history of the Mill Valley Air Force Station and will inspire viewers to engage in the work of transforming the concrete and asphalt at West Peak to its former natural state. The District wishes to recognize and commend Gary for his dedication and vision in support of one of Marin's most valued assets.

FISCAL IMPACT? YES NO **FISCAL YEAR:** 13/14

EXPENDITURES		FUNDING SOURCES	
Budgeted Amount	\$	Operating Fund	\$
Budget Augmentation Requested	\$	Capital Fund	\$
	\$	Other	\$
	\$	Operating Reserves	\$
TOTAL EXPENDITURES	\$	TOTAL SOURCES	\$

FISCAL IMPACT NARRATIVE: NA

ATTACHMENTS

- 1. Resolution 8254**

Gary Yost

“FRIEND OF THE WATER DISTRICT”

WHEREAS, THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT WISHES TO RECOGNIZE GARY YOST for his work in producing an inspirational and visually stunning film that calls for the restoration of the former Mill Valley Air Force Station on the West Peak of Mt. Tamalpais ; and

WHEREAS, Gary as a young man was determined to make a career as a photographer but was sidetracked by computer animation software development in the 1980s; and

WHEREAS, Gary was responsible for the first open-architecture 3D animation systems, before leading the development of the most widely used 3D production system in the world (Autodesk 3ds Max, which recently celebrated its 20th anniversary); and

WHEREAS, In recent years he has rekindled his passion for photography and filmmaking resulting in his work being hung in galleries in San Francisco and Marin and published in several national magazines; and

WHEREAS, Most recently Gary served as a volunteer fire lookout at Mt. Tamalpais’ East Peak Fire Lookout as a way to both serve the mountain as well as be in an excellent place to observe the natural world; and

WHEREAS, Gary’s short video “A Day in the Life of a Fire Lookout” was selected as a “Staff Pick” by Vimeo, experienced a viral status, and was featured in various media outlets bringing greater attention to the beauty of our mountain; and

WHEREAS, more recently Gary turned his attention towards creating a film that chronicled the history of the Mill Valley Air Force Station at West Peak while inspiring the viewer to consider a more healthy future for what is sacred ground to local residents, past, present and future; and

WHEREAS, This film was a product of Gary’s creative force, his own pocket book, and the amazing volunteer talents he was able enlist; and

WHEREAS, “The Invisible Peak” has become a rallying cry for the Tamalpais Lands Collaborative, which is a public land management agency enterprise focused on engaging the community in the long term care of Mt. Tamalpais and its environs; and

WHEREAS, Gary possesses a powerfully keen eye, a gentle and kind spirit, a creative vision and an incredible well of energy, all of which have provided a catalyst for growing interest in the protection and care of our beloved Mt, Tamalpais

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS expresses its gratitude to **Gary Yost** by naming him **FRIEND OF THE WATER DISTRICT** as well as **FRIEND OF MT. TAMALPAIS** for his contributions to the Marin Municipal Water District, the Mt. Tamalpais Watershed, the Tamalpais Lands Collaborative and all of the peaks that comprise Mt. Tamalpais.

RESOLUTION NO. 8254 APPROVED at a regular meeting of the Board of Directors held this 4th day of February 2014.

Armando Quintero, President

Larry L. Russell

Liza Crosse

Cynthia Koehler

John C. Gibson

Krishna Kumar, General Manager

ATTEST:

Secretary



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 5

MEETING DATE: February 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: Water Production and Storage Report

SUBMITTED BY: Michael Ban, P.E., Division Manager
Environmental & Engineering Services Division

RECOMMENDED ACTION: Information Only

EXECUTIVE SUMMARY:

Following the January 21st Board request for the District's customers to voluntarily reduce water usage by 25 percent, the District has increased its public outreach, including a presentation by Krishna Kumar on January 28th to the Marin County Board of Supervisors. Mr. Kumar's presentation provided an overview of current conditions, and outlined drought response plans from the District and the other water districts in Marin County. District staff is making plans to implement a mandatory reduction program, barring a substantial amount of rainfall and runoff.

The District's treated water production for the report period ending January 28, 2014 has averaged 19.9 mgd, with San Geronimo producing 6.9 mgd, Bon Tempe producing 4.6 mgd, and the Sonoma Intertie producing 8.5 mgd. The Las Gallinas Recycled Water Plant was restarted on Saturday, January 25 due to unusually high winter season demand. Potable water production for the fiscal year has been 17,087 acre-feet, which is 11.2% below FY 86/87, and 8.1% above FY12/13. Imported water deliveries to date this FY have been 4,013 acre-feet, compared to 2,992 acre-feet for the same period last year.

District reservoir storage, as of this date is 42,278 acre-feet. This is 53% of total storage capacity and 65% of normal storage. Last year on this date, storage was 79,010 acre-feet. Storage on January 14, 2014 (as reported to you at the Board meeting of January 21, 2014) was 43,776 acre-feet and has decreased in the 2-week interval by 1,498 acre-feet.

As measured from the crest of each spillway, the water surface at Kent is down 36.2 feet; Bon Tempe is down 3.9 feet; Alpine is down 28.3 feet; Nicasio is down 19.2 feet; Soulajule is down 24.1 feet; Lagunitas is down 0.8 feet; and Phoenix is down 8.5 feet. The stream release from Kent Reservoir is 17.6 cfs (11.4 mgd), and the release from Soulajule is 12.0 cfs (7.8 mgd).

FISCAL IMPACT? YES NO **FISCAL YEAR:** _____

EXPENDITURES		FUNDING SOURCES	
Budgeted Amount	\$	Operating Fund	\$
Budget Augmentation Requested	\$	Capital Fund	\$
	\$	Other	\$
	\$	Operating Reserves	\$
TOTAL EXPENDITURES	\$	TOTAL SOURCES	\$

FISCAL IMPACT NARRATIVE:

Not Applicable.

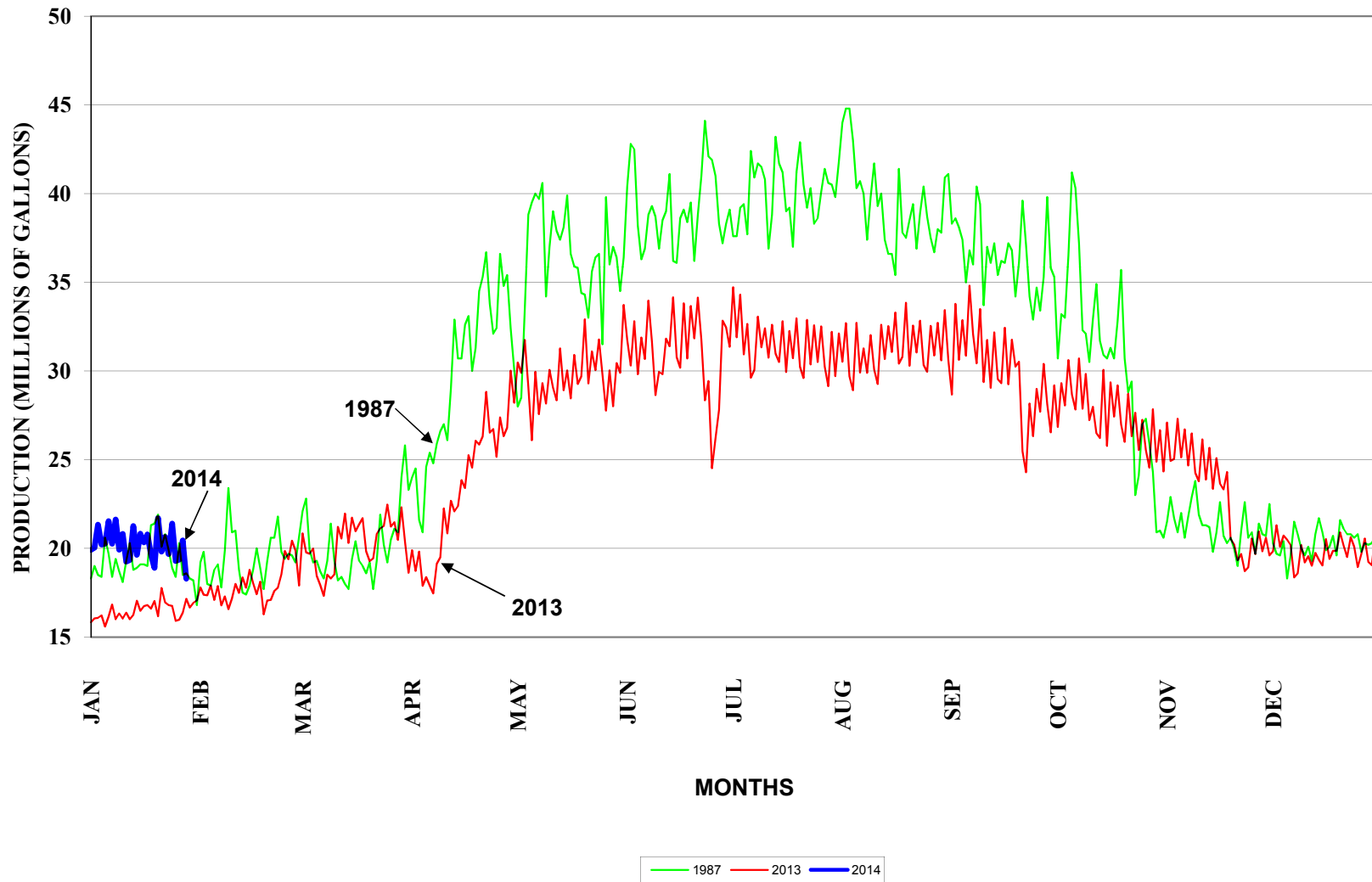
BACKGROUND

Not Applicable.

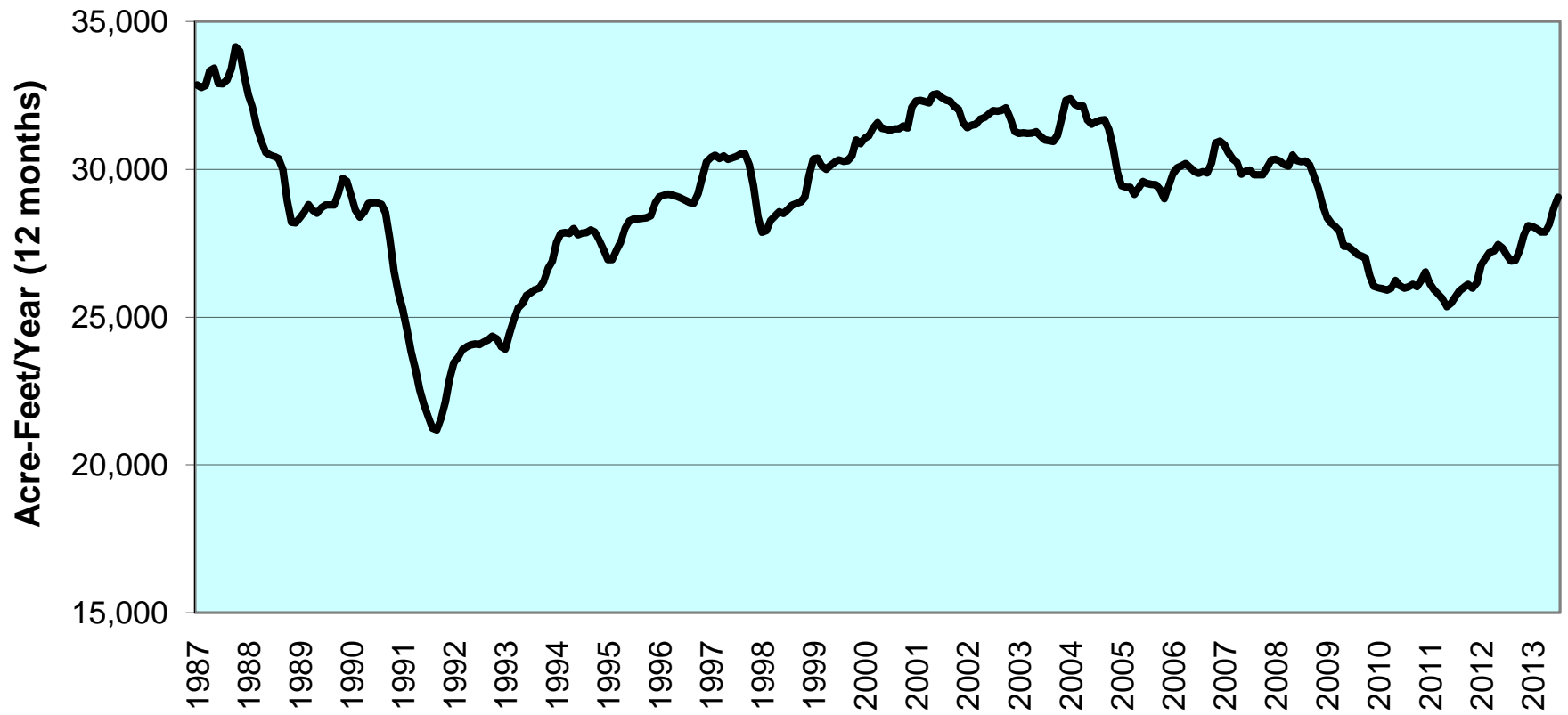
ATTACHMENTS

- Daily Production-Potable Water for the past two years
- Running 12-month Water Production for 1988 to present
- Total Reservoir Storage for the past three years
- Precipitation Distribution for the past two years
- Potential Evapotranspiration (ETO) at Pt. San Pedro Road CIMIS station

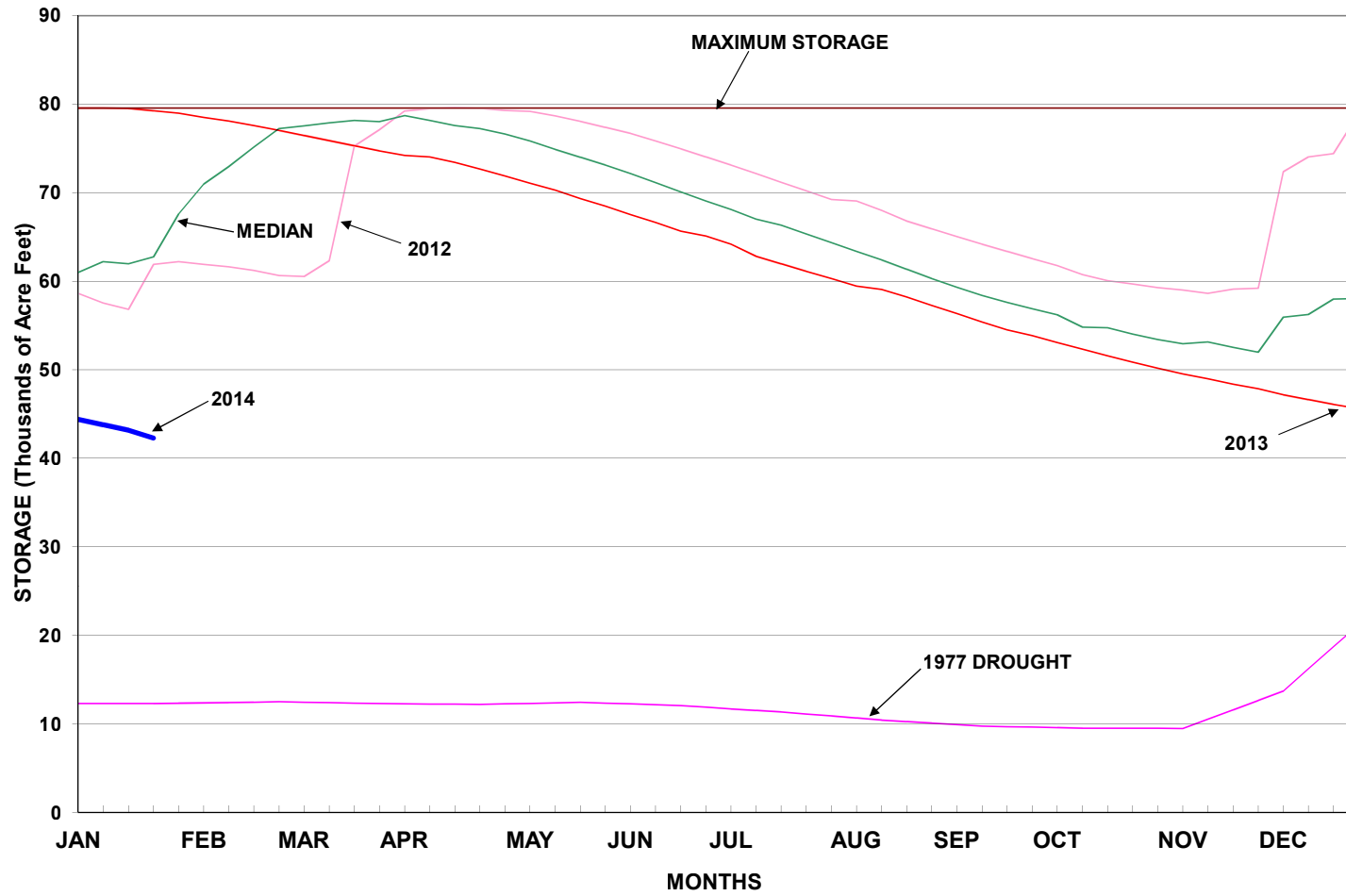
DAILY PRODUCTION - POTABLE WATER



RUNNING 12 MONTH TOTAL WATER PRODUCTION

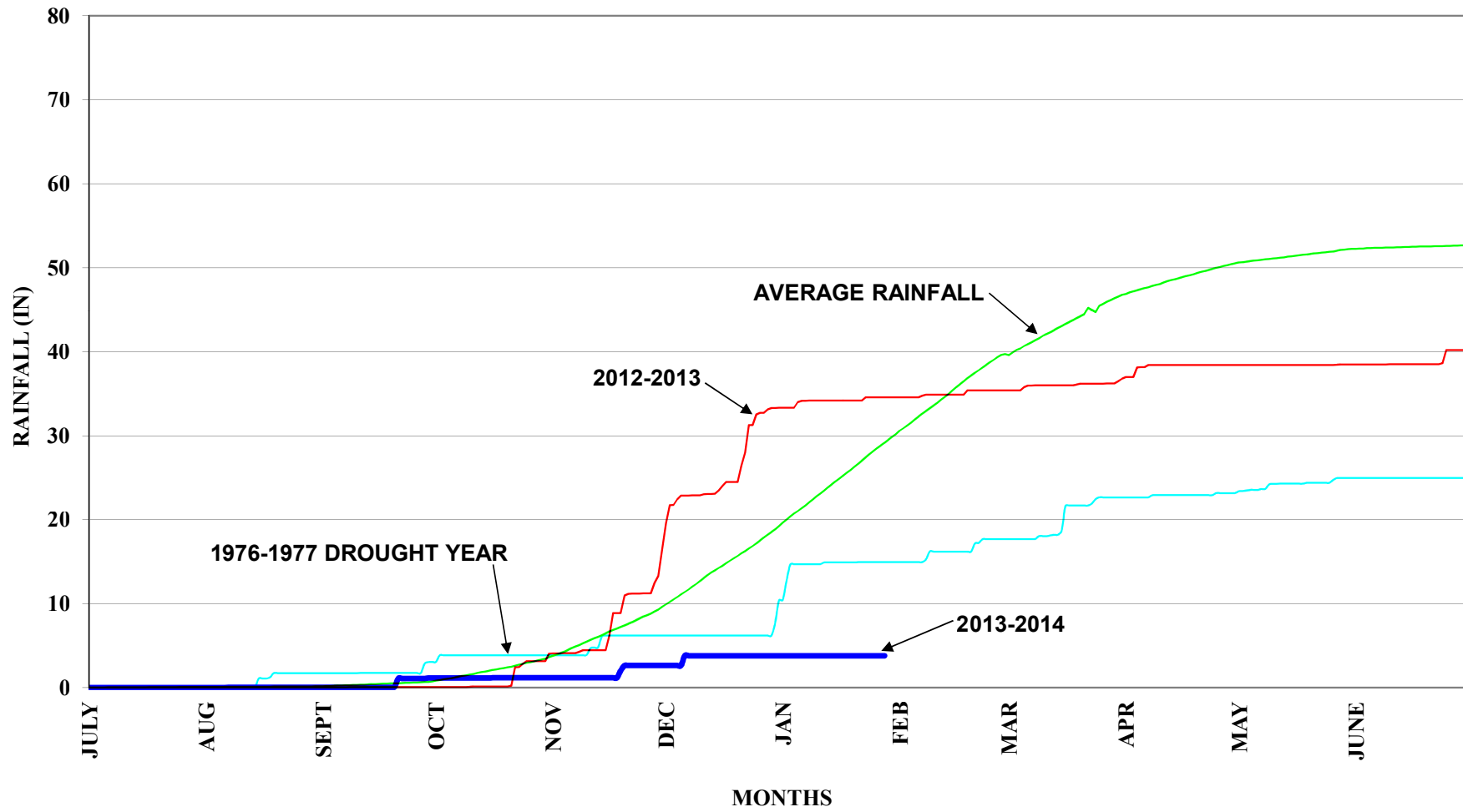


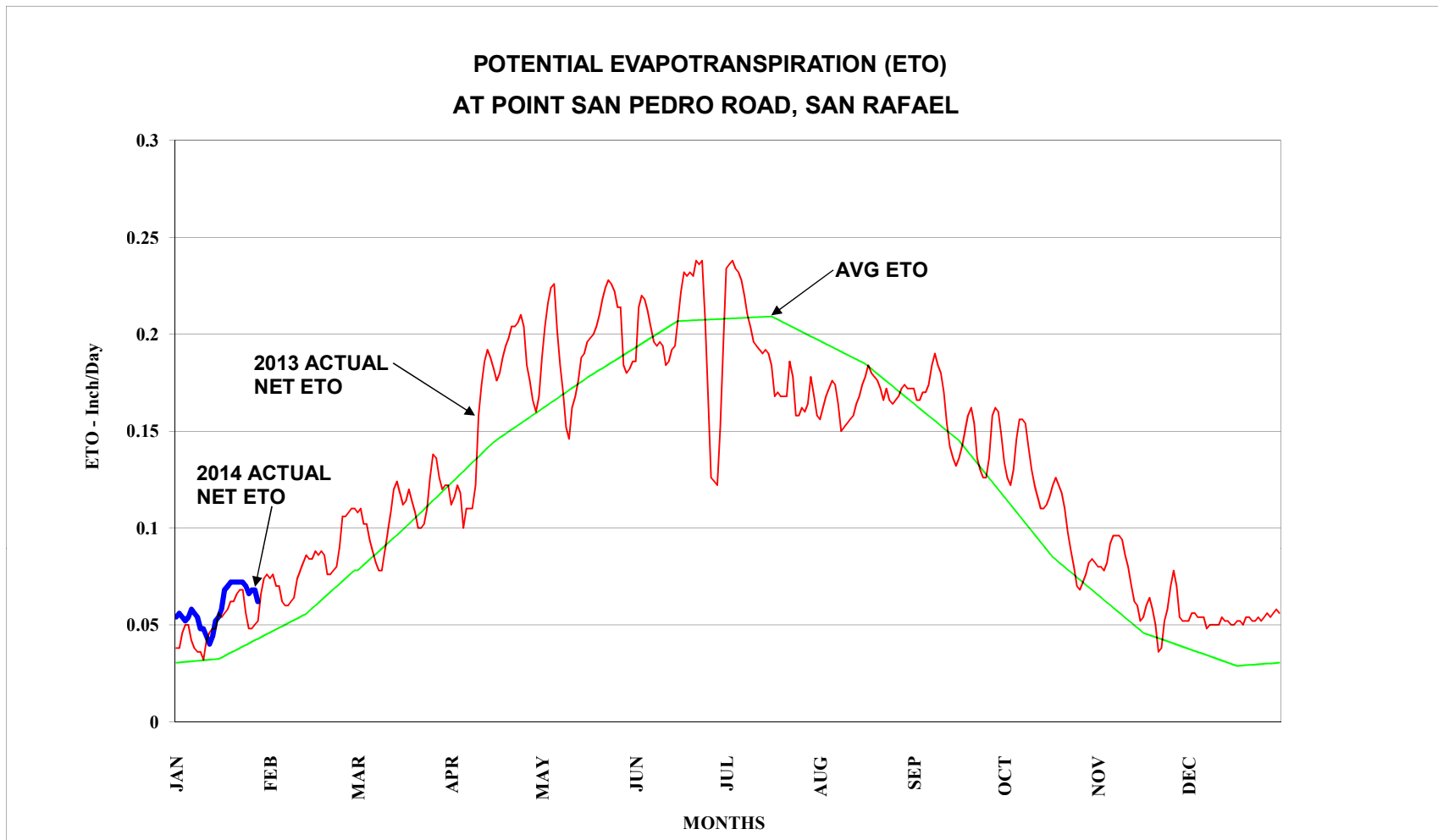
TOTAL RESERVOIR STORAGE



— MEDIAN — 1977 DROUGHT — MAX STORAGE — 2014 — 2013 — 2012

Cumulative Precipitation 2013-2014







**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 6

MEETING DATE: February 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: Tamalpais Lands Collaborative Memorandum of Understanding

SUBMITTED BY: Mike Swezy, Watershed Manager, Facilities and Watershed Division

RECOMMENDED ACTION: Approve Memorandum of Understanding

EXECUTIVE SUMMARY:

District staff has been working with agency staff from the National Park Service, California Department of Parks and Recreation, Marin County Parks, and the Golden Gate National Parks Conservancy to develop a Memorandum of Understanding (MOU) for the Tamalpais Lands Collaborative (TLC). The TLC is a multi-agency collaboration under which the major public land management agencies responsible for the stewardship of Mt. Tamalpais are working together, supported by the Golden Gate Parks Conservancy (Conservancy), to engage the local community in contributing volunteer and financial resources towards the long term care of the mountain.

The MOU is intended to provide broad overall guidelines for the operation of the collaborative. The essence of the agreement is the facilitation of fund raising for projects and programs that are originated and implemented at the compete discretion of participating agencies. Staff is requesting the Board to approve the MOU.

Also, in order to address business practices such as insurance, indemnification, finance, accounting, reporting, use of facilities, and other terms, all in a way consistent with MMWD's needs, a separate agreement with Conservancy will be developed in the coming month.

FISCAL IMPACT? YES _____ **No** _____ **FISCAL YEAR:** _____

EXPENDITURES		FUNDING SOURCES	
Budgeted Amount	\$	Operating Fund	\$
Budget Augmentation Requested	\$	Capital Fund	\$
	\$	Other	\$
	\$	Operating Reserves	\$
TOTAL EXPENDITURES	\$	TOTAL SOURCES	\$

FISCAL IMPACT NARRATIVE:

No fiscal impact is expected related to the approval of the MOU.

BACKGROUND

On August 17, 2011 the Board's approved a business plan for developing a non-profit "Friends" type organization to engage community support for the long term care of the Mt. Tamalpais Watershed. Efforts to implement the plan began immediately with participation of community volunteers, MMWD staff, and some MMWD board members in a series of informal meetings beginning in November of 2011 and culminating in a presentation to the June 19, 2012 Watershed Committee. The community leadership team was introduced at that meeting and members discussed branding efforts, naming the new organization (Mt. Tamalpais Watershed Trust), and potential early projects. It was agreed that the group would return to the Board with organizational by-laws and a draft memorandum of understanding between the Trust and MMWD.

In the mean time, conversations with staff at the Golden Gate National Parks Conservancy and National Park Service resulted in the development of a new approach to achieving the goals of the Friends Plan, specifically that the public agencies charged with managing the greater area encompassing Mt. Tamalpais form a collaborative. Under the collaborative, a separate fund would be created under the Conservancy for the sole purpose of supporting initiatives, programs and projects of the collaborative. This new concept prompted staff and the leadership team to re-think the best way forward for achieving stated goals.

Partner agencies hosted a public workshop on June 19 at the Marin Art and Garden Center in June 2013. The meeting was attended by over 50 people including land management agency staff, interested members of the public and representatives of many local non-governmental organizations with a strong interest in Mt. Tamalpais. The meeting led off with a presentation of the TLC model, an alternative model that focused on only MMWD lands, and a third model that could be complementary to either approach. Agency leaders from Golden Gate National Recreation Area, Marin County Parks, California State Parks, and the Golden Gate National Parks Conservancy provided background on the kinds of collaborations that are currently in play as a context for the proposed one. Discussion by the participants could be fairly characterized as being strongly in support of the TLC model.

On August 28, 2013 the Watershed Committee directed staff to proceed with developing an agreement with National Park Service, California Department of Parks and Recreation, Marin County Parks, and Golden Gate National Parks Conservancy for the development of a Mt. Tamalpais Lands Collaborative (TLC). The purpose of the TLC is to work collaboratively to develop projects and programs to engage and educate the

public, restore natural and cultural resources on Mt. Tamalpais, and develop philanthropic and volunteer resources to achieve these goals.

Staff presented to the watershed committee at the November 13, 2013 meeting a summary of draft agreement terms agreed upon by the working group.

A working group of agency representatives have produced a draft MOU (see Attachment 1) that has received review from each agency's management staff and including legal review by County Counsel and from MMWD General Counsel. Staff believes that this document captures the board's desire for a clear statement of responsibilities and insures that the District's interests will be served by all activities of the TLC.

Summary of MOU

The TLC MOU contains the following primary elements:

- 1) Statement of Goals:
- 2) Joint Responsibilities/Individual Agency Responsibilities
- 3) Philanthropic Approach
- 4) Project Prioritization and Implementation
- 5) Provisions for Funding
- 6) Term
- 7) Reports

Each of the land management agency partners agrees to develop lists of projects and programs on their own lands as well as possible collaborative projects that cross boundaries, all consistent with the stated goals. Out of these proposals the partners as a group with guidance from the Conservancy agree on a "5 Year List" of projects. The Conservancy in consultation with the agency partners develops and implements fundraising programs to support projects and programs on the 5 Year List. The Conservancy can only fund raise for those projects and programs approved by the agency partners. Projects within or affecting MMWD lands, or for those in which the District will participate, will require advance approval of the MMWD Board of Directors.

The Conservancy will maintain a designated account structure specifically for funds garnered in support of the TLC. Annual financial audits of the TLC accounts will be conducted and independent auditor's reports and financial statements will be available on request.

The term of the agreement is 10 years and parties may terminate without cause. The Conservancy will provide an annual report documenting key accomplishments.

Significant programs and projects undertaken through the TLC will require individual agreements. The MOU provides direction regarding the elements needed for these agreements.

The TLC MOU was intended to provide high level guidance for the operation of the collaboration among the agencies. Some of the agencies already have agreements in place between them that provide support for the TLC's operation. In order to address business practices such as insurance, indemnification, finance, accounting, reporting, use of facilities, and other terms, all in a way consistent with MMWD's needs, staff will develop a separate agreement with Conservancy. The agreement between MMWD and the Conservancy will also provide the basis for future agreements for project and programs undertaken by the District and supported by the TLC. Staff proposes to work with Conservancy staff to deliver an agreement for Board review and approval in early March.

ATTACHMENTS *(as needed)*

1. Draft Memorandum of Understanding for the Tamalpais Lands Collaborative

Agreement No. XXXX-XX-XXXX

MEMORANDUM OF UNDERSTANDING

among

MARIN MUNICIPAL WATER DISTRICT

and

NATIONAL PARK SERVICE

and

THE STATE OF CALIFORNIA, DEPARTMENT OF PARKS AND RECREATION,

MARIN DISTRICT

and

MARIN COUNTY OPEN SPACE DISTRICT

and

GOLDEN GATE NATIONAL PARKS CONSERVANCY

for

THE CREATION OF THE TAMALPAIS LANDS COLLABORATIVE

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into this date _____, by and among the Marin Municipal Water District (MMWD), the National Park Service (NPS), the State of California, Department of Parks and Recreation (State Parks), the Marin County Open Space District (MCOSD) and the Golden Gate National Parks Conservancy (Conservancy). Each entity is a “PARTY” to this MOU and all entities are considered “PARTIES” to this MOU.

For good and valuable consideration, receipt of which is hereby acknowledged, the PARTIES agree as follows:

I. RECITALS

Article 1. Background

WHEREAS:

- Mt. Tamalpais is an iconic natural landmark in the San Francisco Bay Area, and an important source of drinking water, recreational opportunities, and ecologically significant protected natural habitats as part of the California Central Coast Biosphere Reserve (per 1992 MOU signed by NPS, State Parks, and MMWD); and
- the MMWD is a public agency established in 1912 that provides high-quality drinking water to residents in south and central Marin County from its watershed lands including, 18,600 acres in the Mt. Tamalpais Watershed (Marin Municipal Water District Code); and
- the Mt. Tamalpais Watershed is one of Marin's most valuable natural resources, providing and protecting the major source of domestic water for Marin residents. Besides this primary purpose, the watershed is held in trust as a natural wildland of great biological diversity, as scenic open space and as an area for passive outdoor recreation for Marin and much of the Bay Area. Passive outdoor recreation is defined as those activities that are based on nature and that require little or no development or facilities; and
- the Golden Gate National Recreation Area (GGNRA) was established in 1972 "...in order to preserve for public use and enjoyment certain areas of Marin and San Francisco Counties, California, possessing outstanding natural, historic, scenic, and recreational values. The [NPS] shall utilize the resources in a manner which will provide for recreation and educational opportunities"; and
- the GGNRA comprises over 80,000 acres of interlocking local, state, and national parks and private lands and is administered by the U.S. Department of the Interior, through the NPS, which cooperates with partners to preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations throughout the communities surrounding these parks, including Mt. Tamalpais, and extending around the U.S. and the world; and
- the State Parks is a public agency responsible for managing nearly 1.4 million acres of protected lands in the State of California, including 6,300 acres in Mt. Tamalpais; and
- Mt. Tamalpais State Park is within the legislative boundaries of the GGNRA; and

- the MCOSED is a special district, established in 1972 and operating pursuant to the California Public Resources Code, that manages open space on and around Mt. Tamalpais; and
- all PARTIES demonstrated successful collaboration in the creation of the Redwood Creek Watershed Vision (July 2003), which is within Mt. Tamalpais, and have pooled federal, state and philanthropic funds, staff and agency resources to successfully implement projects according to that Vision; and
- the GGNRA and State Parks have a Cooperative Management Agreement (G8064090029, 2009) in place for the cooperative management of the GGNRA, Muir Woods National Monument, Angel Island State Park, and Mt. Tamalpais State Park; and
- the Conservancy is a National Park Service "Friends Organization" with an NPS Cooperative Agreement (1443 CA 8140-98-001 signed October 24, 1997 to support planning, design and implementation of park projects; to support volunteerism and seek philanthropy for park projects and programs; and to work with the community and other partners to fulfill the NPS mission at the GGNRA; and
- the Conservancy is a California nonprofit public benefit corporation organized and operated exclusively for charitable purposes, including a primary purpose to cooperate with the NPS and with other relevant public agencies and nonprofit organizations in accomplishing educational, interpretive, conservation, research, fiscal agency, planning, and park improvement projects and programs; and
- the Conservancy is authorized to provide interpretive services, sales, publications, media, and fee-based interpretive programs under the Cooperating Association Agreement signed January 10, 2000 as well as support to planning, resource management, park improvements, volunteerism and philanthropy under the Cooperating Association Agreement dated November 16, 2010; and
- the Conservancy has a Partnership Donation and Matching Fund Agreement dated February 11, 2013 between State Parks and the Conservancy for the maintenance and operation of Mt. Tamalpais State Park and other State park lands within the boundary of the GGNRA; and
- the Conservancy has developed capacities through years of experience working with governmental partners such as the NPS, Presidio Trust, the Golden Gate Bridge, Highway and Transportation District, and others; and
- the Conservancy brings 25 years of expertise and success in building campaigns, initiatives, and philanthropic/volunteer support that result in effective public/private partnerships and achieve the goals of public agency partners; and

- the Conservancy is qualified and willing to facilitate the further development and administration of programs and services that bring public and private donations of time, services, and funds to support the lands of Mt. Tamalpais and involve the community in education, restoration, conservation, recreation, and other activities of benefit.

Article 2. Purpose and Vision

WHEREAS:

- the PARTIES hereto desire to work cooperatively in developing plans, programs, and services consistent with these goals, and applicable federal laws, state laws, and district and county ordinances and regulations, as well as the approved plans and policies of each of the PARTIES; and
- the PARTIES recognize that these mutual goals can be better achieved through effective cooperation and communication among all PARTIES where planning, compliance, and implementation are coordinated and each of the PARTIES brings unique talents and resources; and
- the PARTIES desire to develop additional financial and personnel resources and organizational infrastructure to develop, establish, and operate various programs and services that will be prioritized and implemented over time; and
- the PARTIES conclude that due to the connectivity of local, state, and federal lands in Mt. Tamalpais, and the similarities of their missions and purposes, this partnership can enhance the common protection of park resources, monitoring, and stewardship of natural and cultural resources, as well as the appropriate enjoyment of the same by the public; and
- the PARTIES would benefit through greater efficiency and cost savings derived from cooperative planning, programming, fundraising, resource stewardship, signage, project management and implementation, education, and outreach; and
- the residents of Marin and constituents, visitors, and volunteers to Mt. Tamalpais envision, care for, and enjoy Mt. Tamalpais as interconnected lands; and
- a collective vision to preserve, restore, and interpret Mt. Tamalpais will galvanize public support, volunteerism, and philanthropy; and
- the PARTIES are empowered by various federal, state, municipal, and private codes to enter into this agreement.

II. AGREEMENT

Article 1. Statement of Goals

A. The PARTIES agree that they share mutual overall goals to:

1. Preserve and restore the natural, historic, and scenic resources of Mt. Tamalpais.
2. Improve the understanding and appreciation of Mt. Tamalpais and adjacent protected areas by the visiting public and nearby communities.
3. Connect the public to the value of Mt. Tamalpais and the conservation of watershed resources through educational programs, interpretive materials, seminars, convenings, volunteerism, and philanthropy.
4. Improve the enjoyment of parklands, the watershed, and other protected areas by the visiting public.
5. Provide for a more seamless visitor experience across MMWD, county, state, and national park lands.
6. Enhance existing or develop new plans, programs, services, materials, and activities to enable a range of interpretive, educational, and visitor experiences, and improved visitor facilities on Mt. Tamalpais and adjacent protected areas.
7. Facilitate cooperative research and resource management initiatives and disseminate findings to the public.
8. Promote, advance, and secure philanthropic donations, government grants, and other sources of funds to increase resources of the PARTIES.
9. Promote, advance, and secure volunteer support for the purposes of the MOU.

Further that in order to advance and secure philanthropic and volunteer support for the purposes above, the PARTIES agree that this MOU builds on past success and the resources and talents of each PARTY to establish the “Tamalpais Lands Collaborative,” advancing the goals of all PARTIES and providing the opportunity for philanthropic support.

Article 2. Joint Responsibilities

A. All PARTIES agree to undertake the following responsibilities in carrying out the objectives of the MOU:

1. Participate in planning and project teams relevant to achieving the goals of this MOU.
2. Work collaboratively and provide for timely review of all proposed plans under this MOU.
3. Work to engage all PARTIES in a collaborative manner where plans, programs, and services intersect with their approved plans, relate to their mission and purpose, affect their lands, are subject to their jurisdiction, or require their approval, permit, or compliance.
4. Provide lists and descriptions of priority projects and programs to the PARTIES, consistent with relevant plans and policies that serve each PARTY's interest or all PARTIES' interests as a whole and that are deemed potentially eligible for philanthropic, volunteer, and external support.
5. Provide agency support and guidance as necessary for implementation when projects or programs are supported by philanthropic, volunteer, and external support.
6. Agree that the specific plans, programs, and services to achieve mutual objectives will be undertaken in accordance with this MOU and that other agreements may be necessary to further authorize these plans, programs, and services. These plans, programs, and services will be further described in a subsequent operating plan, permit, or cooperative agreement among the PARTIES. Additional project agreements shall include:
 - i. detailed terms and conditions applicable to the specific projects and, to the extent applicable;
 - ii. a description of the scope of work to be undertaken;
 - iii. a description of each PARTY's responsibilities;
 - iv. a description of the resources requested or required from each PARTY;
 - v. key personnel;
 - vi. the schedule for completion;
 - vii. the sources of funding for the project;
 - viii. the scope of public involvement and compliance;
 - ix. other terms and conditions applicable to specific projects; and
 - x. the level of cost sharing, which shall state the estimated cost, indirect cost rate, method of disbursement, payment information, and applicable appropriation and accounting data.

Additional project agreements may involve any of the PARTIES to this MOU, depending on the objectives and the degree of substantive engagement anticipated.

7. Agree that additional written agreements may be beneficial to further ratify the understandings of this MOU and project agreements and will work in good faith toward that objective.
8. Discuss and coordinate external communications, including press and community stakeholders regarding this MOU and future agreements to ensure accuracy and consistency in content.
9. Bring specialized knowledge of agency operations and needs, the history and interpretation of the PARTIES' resources, and the visitor interaction with Mt. Tamalpais to planning and project assignments.
10. Provide information, source material, staff expertise, access to historic collections, and oral histories that may be relevant to improving the interpretation and visitor experience of Mt. Tamalpais in ways consistent with the mission of each PARTY.
11. Provide agency skills in the planning, design, and implementation of MOU objectives to improve the visitor experience.
12. Provide skills and expertise that are uniquely available to each PARTY in advising on the natural and cultural resources of significance on Mt. Tamalpais.
13. Provide support, advisement, and expertise on the achievement of required compliance.

Article 3. Individual Agency Responsibilities

- A. The MMWD, in consultation with the other PARTIES, shall undertake the following responsibilities in carrying out the objectives of this MOU:
 1. Participate, when possible, in the staffing of visitor programs, interpretation, services related to MMWD mission, and interpretation of park resources.
 2. Ensure that planned visitor improvements are compatible with MMWD's primary mission to deliver drinking water, as well as its plans, policies, operations, and safety and security requirements.
 3. Provide Board of Directors review and approval of the construction of new facilities; any major modification of use or physical alteration of existing facilities, lands or resources; and any proposed plans for projects located within or affecting watershed lands and any projects in which MMWD will participate. Such approval will require the approval of the MMWD Board of Directors.

- B. The NPS, in consultation and cooperation with the other PARTIES, shall undertake the following responsibilities in carrying out the objectives of this MOU:
1. Participate, when possible, in the staffing of visitor programs, interpretation, services related to the NPS mission, and interpretation of park resources.
 2. Provide the review and approval of the construction of new facilities, any major modification of use or physical alteration of existing facilities, lands, or resources, and proposed plans within or affecting the GGNRA. Such approval will require the signature of the General Superintendent, GGNRA.
 3. Provide support, advisement, and expertise on the achievement of required compliance with the National Environmental Policy Act and National Historic Preservation Act requirements.
- C. State Parks, in consultation and cooperation with the other PARTIES, shall undertake the following responsibilities in carrying out the objectives of this MOU:
1. Participate, when possible, in the staffing of visitor programs, interpretation, services related to the State Parks mission, and interpretation of park resources.
 2. Provide the review and approval of the construction of new facilities, any major modification of use or physical alteration of existing facilities, lands, or resources, and proposed plans within or affecting the State Parks. Such approval will require the signature of the State Parks Superintendent.
 3. Provide support, advisement and expertise on the achievement of required compliance with the California Environmental Quality Act and the National Historic Preservation Act as administered by the State Historic Preservation Office.
- D. The MCOSD, in consultation with the other PARTIES, shall undertake the following responsibilities in carrying out the objectives of this MOU:
1. Participate, when possible, in the staffing of visitor programs, interpretation, services related to the MCOSD mission, and interpretation of park resources.
 2. Provide the review and approval of the construction of new facilities, any major modification of use or physical alteration of existing facilities, lands, or resources, and proposed plans within or affecting MCOSD lands. Such approval will require the signature of the General Manager, MCOSD.
 3. Provide support, advisement and expertise on the achievement of required compliance with, but not limited to, the California Environmental Quality Act,

Vegetation and Biodiversity Management Plan, and Road and Trail Management Plan.

- E. The Conservancy, in consultation and cooperation with the other PARTIES, shall undertake the following responsibilities in carrying out the objectives of this MOU:
1. Participate, when possible, in the staffing of visitor programs, interpretation, services related to the Conservancy mission, and interpretation of park resources.
 2. Serve as the nonprofit fiscal agent and partner to the collaborative leading and guiding the fundraising for the purposes of this MOU.
 3. Provide leadership, skills, expertise, staff, and fundraising volunteers to develop an ongoing cadre of philanthropic donors and volunteers to support the goals of this MOU.
 4. Provide strategic, campaign, initiative, and communications expertise to efforts to build philanthropic support, create a compelling vision for contributed support, and build donor confidence and long-term affinity.
 5. Serve as the philanthropic lead to cultivate and secure philanthropic contributions from individuals, foundations, corporations, government grants, mitigation fund sources, and sources of pro bono expertise relative to the purposes of the MOU.
 6. For projects developed in collaboration under this MOU, serve as spokesperson to all donors, grantors, volunteers, or other external funding sources and provide for donor appreciation, other communications, meetings, and funding reports.

Article 4. Philanthropic Approach

- A. PARTIES shall work in collaboration with the Conservancy on programmatic, operational, and physical improvement projects consistent with goals listed in Article 1 above and within the geographic area of focus for Mt. Tamalpais.
- B. The Conservancy will seek philanthropic, volunteer, or external support for projects and programs approved by all PARTIES when serving the interest of all PARTIES.
- C. The Conservancy will assess philanthropic feasibility of priority projects and programs.
- D. The Conservancy will only raise funds for projects and programs approved by the PARTIES or PARTY, whichever is applicable.

- E. The Conservancy has the primary role in determining the feasibility of fundraising priorities.

Article 5. Project Prioritization and Implementation

- A. The PARTIES agree to form a working group. Each agency will commit at least one staff member to the working group to develop project and program priorities for consideration according the following guidelines (“Working Group”):
 - 1. Each land management agency will provide a list of priority Agency Projects and Programs considered eligible for philanthropic, volunteer, and external support benefiting each agency’s own lands and programs or benefiting more than one PARTY;
 - 2. The land management agencies will also jointly develop and approve a list of priority Joint Agency Projects and Programs considered eligible for philanthropic, volunteer, and external support and benefiting all PARTIES to the MOU;
 - 3. Lists of priority projects in a. and b. above will be utilized to develop a “5 Year List” of projects and programs that will guide fundraising activity; and
 - 4. The 5 Year List will comprise projects and programs that strategically benefit the Tamalpais Lands Collaborative as a whole, are compatible with the purpose and vision of the Tamalpais Lands Collaborative, and meet and succeed the criteria necessary to secure funding. The scope and funding amount for any project shall be subject to the scrutiny of the “Executive Team” (see 5.C below).
- B. All PARTIES agree to meet regularly and the Working Group will meet not less than quarterly to discuss and evaluate work performed under this MOU and proposed uses of funds raised.
- C. All PARTIES agree to establish an executive team with one representative from each agency. This team will represent the interests of each agency and will be responsible for the authorization of any recommendations or actions recommended by the Working Group (“Executive Team”).
- D. PARTIES will be attentive to selecting projects and programs that symbolize the various goals of the initiative, have public visibility and appeal, can be completed in a timely manner, and will build a track record of philanthropic accomplishment.
- E. PARTIES will be attentive to ways that their own resources and funding sources can leverage and advance philanthropic funding.

- F. The Conservancy, in coordination with the Working Group and the Executive Team, will develop a volunteer steering committee led by a member of the Conservancy's Board of Directors. This volunteer group, Tamalpais Advisory Members (TAM), will, as appropriate, guide and foster the goals of this MOU. TAM will be composed of individual volunteers with philanthropic capacity and networks, with expertise and community networks necessary for public engagement and success, and with specific knowledge of or experience with the mission of each of the PARTIES.
- G. The Conservancy shall seek approval from the Executive Team before accepting contributions to projects or programs not yet approved by the PARTIES or a PARTY (e.g. on the 5 Year List), whichever is applicable.

Article 6. Funding

- A. The Conservancy shall be the sole fiscal agent for the Tamalpais Lands Collaborative and maintain a designated account structure specifically for general philanthropic gifts, grants, and external support to the Tamalpais Lands Collaborative.
- B. The Conservancy will restrict contributions to specific projects and programs when requested by a donor or donors , provided these funds either: 1) benefit the general interests of the Tamalpais Lands Collaborative; or 2) benefit a project or program approved by one or more of the PARTIES to the MOU.
- C. The Conservancy will report on the status of funds relative to this MOU to the PARTIES or a PARTY to this MOU on an annual basis or upon specific request, though no more frequently than quarterly.
- D. The Conservancy shall cover direct costs of staff, consultants, communications materials, and other expenses specifically hired, allocated, or procured for the purposes of this MOU from funds raised for the Tamalpais Lands Collaborative.
- E. The Conservancy will provide the general services of its existing management staff at no cost to the Collaborative unless approved by PARTIES.
- F. The Conservancy will maintain all financial accounts for philanthropic and external funds supporting and ensuring their compliance with GAAP (Generally Accepted Accounting Principles) and FASB (Financial Accounting Standards Board) standards, filing of all state and federal reports.
- G. The Conservancy will conduct annual financial audit and provide independent auditor's report and financial statement upon request.

Article 7. Term

- A. This MOU will be effective for 10 years from the Effective Date, unless earlier terminated according to the provisions of Article 7B below. The PARTIES contemplate a long-term relationship and to that end, no later than 180 days prior to the end of the term, the PARTIES agree to commence discussions regarding an extension of this MOU.
- B. Any PARTY may terminate this MOU without cause prior to the termination date by providing at least 60 (SIXTY) days written notice to the other PARTIES.
- C. This MOU may only be modified in writing with mutual consent and signatures of all PARTIES. Request for modifications will be forwarded in writing by one PARTY to the others, enclosing the proposed form of modification, at least 60 (SIXTY) days prior to the proposed date of said modification(s).
- D. Nothing in this Article shall restrict the ability of the PARTIES to enter into additional agreements among all or between two PARTIES of this MOU and termination of this MOU does not terminate additional agreements.

Article 8. Reports

- A. The PARTIES will provide for regular updates of progress in keeping minutes and notes of key meetings and decisions.
- B. On an annual basis (from the Effective Date), the Conservancy will complete a report documenting key accomplishments resulting from this MOU and provide it to the other PARTIES.

Article 9. Property Utilization and Disposition

- A. The PARTIES may, as is advantageous and necessary to achieve the Objectives of this MOU, share property, equipment, and facilities.
- B. All property supplied for the purposes of this MOU by any PARTY to this MOU will remain the property thereof.
- C. Terms and Conditions related to the access to and use of each PARTY's property, equipment, and facilities shall be detailed in each project agreement as necessary.

Article 10. Agency Contacts

General Manager
Marin Municipal Water District
220 Nellen Ave.

Corte Madera, CA 94925

General Superintendent
Golden Gate National Recreation Area
Fort Mason, Building 201
San Francisco, CA 94123

District Superintendent
California State Parks
845 Casa Grande Road
Petaluma, CA 94954-5804

General Manager
Marin County Open Space District
Marin County Civic Center
3501 Civic Center Drive, Suite 260
San Rafael, CA 94903

President & CEO
Golden Gate National Park Conservancy
Fort Mason, Building 201
San Francisco, CA 94123

SIGNED:

Armando Quintero
Board President
Marin Municipal Water District

Date: _____

Frank Dean
General Superintendent
National Park Service, Golden Gate National Recreation Area

Date: _____

Danita Rodriguez
Superintendent
California State Parks

Date: _____

Linda Dahl
Director and General Manager
Marin County Open Space District

Date: _____

Greg Moore
President & CEO
Golden Gate National Parks Conservancy

Date: _____

MOU No. **XXXX-XX-XXXX**, The Creation of the Tamalpais Lands Collaborative



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 7

MEETING DATE: February 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: Fire Flow Improvement Program
Larkspur Pipeline Replacement Project
Award of Contract No. 1729

SUBMITTED BY: Kevin McDonnell, P.E.
Environmental & Engineering Services Division

RECOMMENDED ACTION: Approve Resolution No. 8250 authorizing award of Contract No. 1729 to Piazza Construction in the amount of \$ 440,437.50.

EXECUTIVE SUMMARY:

The project involves the installation of approximately 3,545 feet of 6-inch diameter welded steel pipe which will eliminate 4,400 feet of 6- and 4-inch cast iron and 2-inch galvanized threaded pipe installed in 1938. The streets involved are Marina Vista Avenue, Ardmore Road, Wiltshire Avenue and Owlswood Drive all within the City of Larkspur. All as shown on the attached map.

On January 28, 2014, the District received and opened eight bids for this project. The lowest responsible bid was submitted by Piazza Construction in the amount of \$440,437.50. The engineer's estimate for the construction contract is \$530,000. This project is budgeted at a total cost of \$830,000 within Category A2A Fire Flow Improvement Projects of the 2013/14 Capital Budget.

The City of Larkspur has requested that the District reduce its standard paving efforts and credit the funds saved to a complete street overlay constructed by the City after the pipeline is complete. Staff recommends that the District accept this proposal.

Piazza Construction has completed several pipeline projects for the District. Their bid documents have been reviewed. The documents are complete and satisfactory.

The bid submitted by CR Fedrick, Inc. of Twain Harte, California is lacking the required Addendum No. 2. As such, their bid has been found to be "Non Responsive" and therefore not to be considered.

Item No. 6
 Fire Flow Improvement Program
 Larkspur Pipeline Replacement Project
 Award of Contract No. 1729
 February 4, 2014

FISCAL IMPACT? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		FISCAL YEAR: FY2013-2014	
EXPENDITURES		FUNDING SOURCES	
Budgeted Amount	\$830,000	Operating Fund	\$---
Budget Augmentation Requested	\$ ---	Capital Fund	\$830,000
		Other	\$---
		Operating Reserves	\$---
TOTAL EXPENDITURES	\$830,000	TOTAL SOURCES	\$830,000

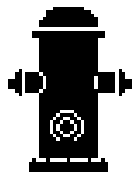
FISCAL IMPACT NARRATIVE:

This project is budgeted within the Category A, Fire Flow Improvement Project, as follows:

Contract	\$530,000
Materials	\$105,000
District Design & Construction Mgmt.	\$144,000
Paving funding to the City of Larkspur.	\$51,000
Total Funds	\$830,000

BACKGROUND

NEED FOR PROJECT:



The Larkspur Pipeline Replacement Project is part of the District's Fire Flow Improvement Program planned in the City of Larkspur. The project is part of the second year of the Fire Flow Improvement Program, which identified and provided funds for improvements to increase fire flow and increase the system reliability.

The City of Larkspur is concerned that because existing street paving condition is quite poor, the District's project could deteriorate the entire roadway. The City recognizes that the existing condition is not the responsibility of the District. However, they expect to find themselves in an untenable position with the public should the road disintegrate during the construction. They have therefore proposed that the District not place its typical top course of asphalt. This will save the District approximately \$51,000. With MMWD's contribution of \$51,000 and funds contributed by the City, the City proposes to overlay the involved streets after the District project is complete. Staff believes this to be a fair and collaborative solution to the problem and recommends that the District accept this proposal.

ENVIRONMENTAL REVIEW

The Environmental Services Coordinator has determined that the project is Categorical Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15302(c), Replacement or Reconstruction. The project qualifies for exemption pursuant to Section 15302(c) of the CEQA Guidelines inasmuch as the project is the replacement of existing water pipelines located wholly within existing paved roadways and involves negligible expansion of capacity. A copy of the draft Notice of Exemption is enclosed as Attachment 4. The Notice of Exemption will not be filed with the County Clerk's office following Board action to award the contract.

DESIGN PARAMETERS:

The materials for the new pipelines were chosen based on the underlying soils. Welded steel pipe with tape exterior coating will be used for the distribution main because of the steep potentially unstable hillside conditions of these narrow winding roads.

Since the work included in this contract is vital to the operation of the water system in these areas, and significant public inconvenience would occur should the contractor default, bidders will be required to submit their financial qualifications regarding financial strength and credit worthiness. The District's financial qualifications protocol requires that the contractor have a credit worthiness equal to or better than a Dun & Bradstreet rating of minimum 1A2. Further, the liquidated damages assessed, in the event that the contractor does not finish the work before the required completion date, are set at a rate of \$500 per day.

PROJECT FUNDING

Funding for this project comes from the budget Category A2A of the 2013/14 Capital Projects Budget.

PROJECT IMPLEMENTATION:

Project Advertisement:	December 23, 2013
Bids Received:	January 28, 2014
Award of Project:	February 4, 2014
Time for Completion:	120 calendar days
Estimated Completion Date:	June 4, 2014

Based on their qualifications and their submittal of the lowest responsible bid on this contract, staff recommends that the District award Contract No. 1729 to Piazza Construction at their bid price of \$440,437.50.

Item No. 6
Fire Flow Improvement Program
Larkspur Pipeline Replacement Project
Award of Contract No. 1729
February 4, 2014

ATTACHMENTS

1. Resolution No. 8250
2. Bid Results
3. Site Map
4. Draft Notice of Exemption

Job No. F13009

MARIN MUNICIPAL WATER DISTRICT

RESOLUTION NO. 8250

IT IS HEREBY RESOLVED that the bid of \$440,437.50 submitted by Piazza Construction for the Fire Flow Improvement Program Larkspur Pipeline Replacement Project under Contract No. 1729 was the lowest responsible bid submitted therefor, and said bid is hereby accepted.

BE IT FURTHER RESOLVED that a contract for this project be awarded to said low bidder, and the General Manager and Secretary are authorized and directed to execute said contract on behalf of the District upon receipt of a performance bond, payment bond, proof of insurance, and the executed contract for the work from said bidder.

BE IT FURTHER RESOLVED that upon complete execution of said contract, the bonds and/or checks of the other bidders are to be returned to said other bidders, and all bids other than that of Piazza Construction are to be rejected.

BE IT FURTHER RESOLVED that the project is Categorically Exempt from review under Section 15302(c) of the CEQA Guidelines inasmuch as the project is the replacement of existing water pipelines located wholly within existing paved roadways and involves negligible expansion of capacity.

PASSED AND ADOPTED this 4th day of February 2014, by the following vote of the Board.

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

Secretary

**Marin Municipal Water District
 Bid Results
 Fire Flow Improvement Program Larkspur Pipeline Replacement Project
 Contract # 1729**

Engineers Estimate: \$530,000

Bid Closing Date: 1/28/2014 @ 10:00 a.m.

Board Award Date: 2/4/2014

Job Number: F13009

Project Engr: Kevin McDonnell

Contract Administrator: Danelle Graham

Inspector: Steve Underwood

Rank	Company Name	Bid Amount
1	<p style="text-align: center;">Piazza Construction</p> PO Box 573 Penngrove, CA 94951 Phone # (707) 876-3410 Fax # (707) 8763256 email address: piazzapc@gmail.com	\$440,437.50
2	<p style="text-align: center;">Michael Paul Co.</p> 1200 Casa Grande Rd Petaluma , CA 94954 Phone # (415) 457-2877 Fax # (707) 769-0650 email address:	\$464,970.00
3	<p style="text-align: center;">D & D Pipelines Inc</p> 629 Divisadero St San Francisco, CA 94117 Phone # (415) 441-2006 Fax # (415) 441-2491 email address: dennism@ddpipelines.com	\$476,848.90
4	<p style="text-align: center;">Team Ghilotti</p> 2531 Petaluma Blvd South Petaluma, CA 94952 Phone # (707) 763-8700 Fax # (707) 763-8711 email address: keving@teamghilotti.com	\$497,496.00
5	<p style="text-align: center;">Argonaut Constructors</p> P O Box 639 Santa Rosa, CA 95402 Phone # (707) 542-4862 Fax # (707) 542-4897 email address: daves@argonautconstructors.com	\$521,197.50
6	<p style="text-align: center;">Maggiora & Ghilotti Inc</p> 555 Dubois St San Rafael, CA 94901 Phone # (415) 459-8640 Fax # (415) 459-2065 email address:	\$524,524.00
7	<p style="text-align: center;">W R Forde Associates</p> 984 Hensley St Richmond, Ca 94801 Phone # 510-215-9338 Fax # 510-215-9867 email address:	\$526,625.00
	<p style="text-align: center;">C.R. Fedrick Inc</p> 23000 Meadow Ln Suite C Twain Harte, CA 95383 Phone # (707) 887-0734, x1000 Fax # email address:	**

** Determined Non-Responsive



INSTALL 6"
WSP

INSTALL 6" WSP

INSTALL 6" WSP

INSTALL 4" REGULATOR

LARKSPUR

LEGEND

EXISTING (EX) PIPELINE - - - - -

 **MARIN MUNICIPAL WATER DISTRICT**
220 NELLEN AVE., CORTE MADERA, CA 94925 (415) 924-4600

DATE: 9/30/13 JOB NO: F13009 SHEET: 1/1
PREPARED BY: TAC DESIGN BY: KMcD

LARKSPUR
MARINA VISTA AV

FIRE FLOW IMPROVEMENT PROGRAM
PIPELINE REPLACEMENT PROJECT

Notice of Exemption



Filing Requested By and When Filed Return To:

Marin Municipal Water District
220 Nellen Avenue
Corte Madera, California 94925
Attn: Dain Anderson, Environmental Services Coordinator

Project Title: Fire Flow Improvement Program Larkspur Pipeline Replacement Project (F13009)

Project Location – City: Larkspur

Project Location – County: Marin

Project Description: The Larkspur Pipeline Replacement Project is part of the District's Fire Flow Improvement Program planned in the City of Larkspur. The project involves the installation of approximately 3,545 feet of 6-inch diameter welded steel pipe which will eliminate 4,400 feet of 6- and 4-inch cast iron and 2 inch galvanized threaded pipe installed in 1938. The streets involved are Marina Vista Avenue, Ardmore Road, Wiltshire Avenue and Owlswood Drive all within the City of Larkspur, all as depicted on Figure 1.

Public Agency Approving Project: Marin Municipal Water District

Name of Person or Agency Carrying Out Project: Marin Municipal Water District

CEQA Exemption Status: Categorical Exemption Section 15302(c); Replacement or Reconstruction

Reason for Exemption: The project qualifies for exemption pursuant to Section 15302(c) of the CEQA Guidelines inasmuch as the project is the replacement of existing water pipelines located wholly within existing paved roadways and involves negligible expansion of capacity.

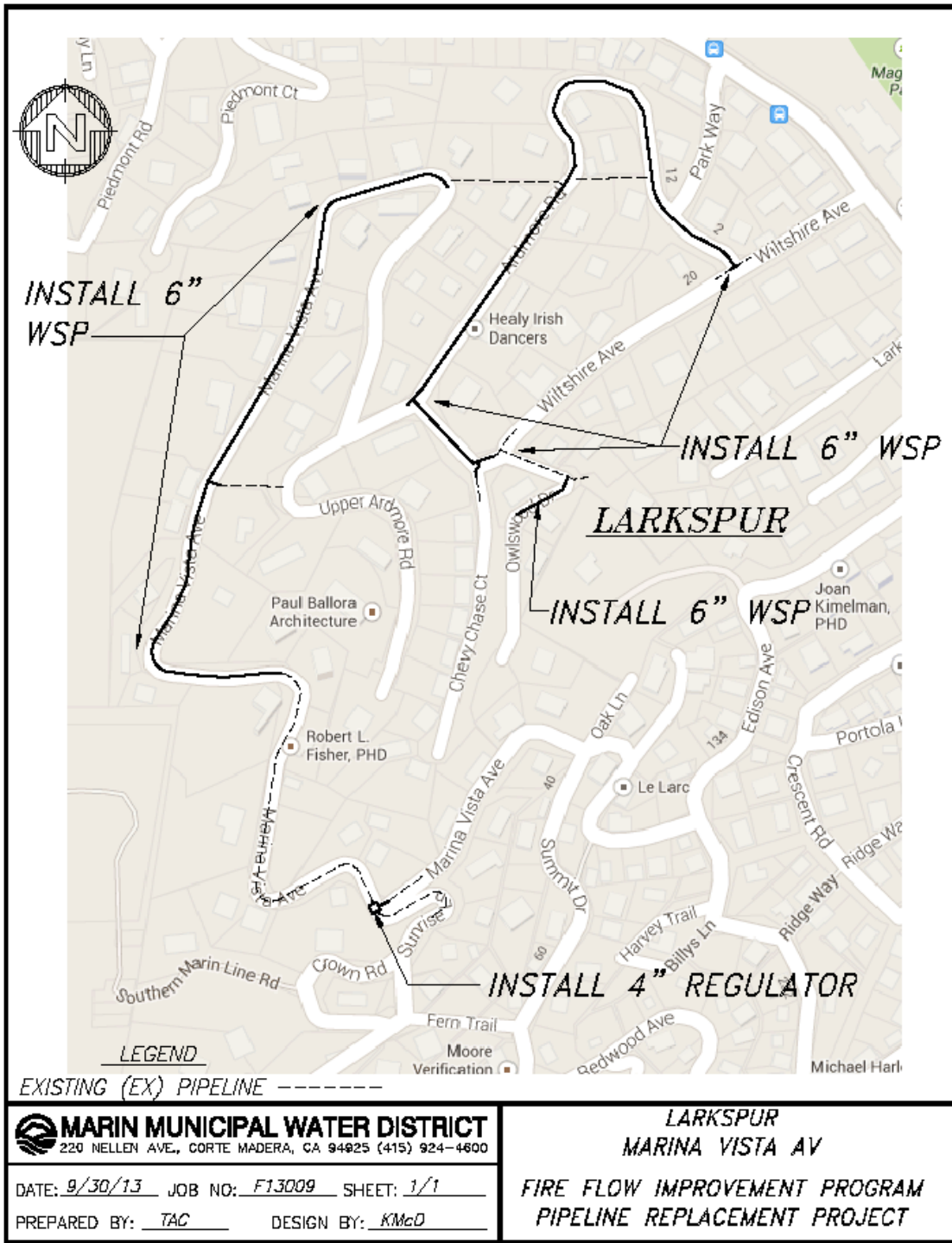
Project Approval: The Marin Municipal Water District Board of Directors approved the award of a contract for project construction, which represents project approval as defined by Section 15352 of the Guidelines for Implementation of the California Environmental Quality Act, at their regularly scheduled meeting on February 4, 2014.

Lead Agency Contact Person: Dain Anderson, Marin Municipal Water District **Telephone:** (415) 945-1586

Dain Anderson
Environmental Services Coordinator

Date

Figure 1: Larkspur Pipeline Replacement Project



SOURCE: MMWD 2013





**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 8

MEETING DATE: FEBRUARY 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: DISTRICT BOARD

SUBJECT: Resolution No. 8252 Approving the Interconnection Agreement with the North Marin Water District

SUBMITTED BY: Krishna Kumar, General Manager

RECOMMENDED ACTION: Adopt Resolution No. 8252 Approving the Interconnection Agreement with the North Marin Water District

EXECUTIVE SUMMARY:

Water imported from the Sonoma County Water Agency is a critical component of the District's water supply portfolio, accounting for approximately 25% of the District's water supply annually. The District has utilized the North Marin Water District's aqueduct (Aqueduct) to take delivery of Agency water since 1976 under the Intertie Agreement. On an annual basis, approximately 51 percent of the water flowing through the 41,000-foot long Aqueduct is utilized by MMWD. Replacement of 24,000-feet, or 59 percent, of the Aqueduct has prompted the need for a new agreement called the Interconnection Agreement. Key provisions of the Interconnection Agreement are as follows:

1. Provides for MMWD's continued use of the Aqueduct through 2040 for delivery of imported water.
2. Enables MMWD and North Marin to cooperate in joint projects and programs for future integrated water supply planning and operations.
3. Provides for MMWD to fund approximately \$4,080,000, or 18 percent of the \$23 million total cost to replace 24,000 feet, or 59 percent, of the Aqueduct.

FISCAL IMPACT? **YES** **NO** **FISCAL YEAR:** 2014

EXPENDITURES		FUNDING SOURCES	
Budgeted Amount	\$289,800 ¹	Operating Fund	\$531,200
Budget Augmentation Requested	\$241,400	Capital Fund	\$---
	\$---	Other	\$---
TOTAL EXPENDITURES	\$531,200	TOTAL SOURCES	\$531,200

FISCAL IMPACT NARRATIVE: In FY 2014, expenditures in support of this Agreement include a capital payment of \$480,000, a wheeling charge of \$12.00 per acre-foot and a set aside charge of \$4 per acre-foot. If MMWD were to import 3,200 acre-feet of water from February through June, total wheeling charges would be \$38,400 and total set aside charges would be \$12,800, for a total estimated expenditure in FY 2014 in support of this Agreement of \$531,200.

¹ Budget of \$245,000 plus a wheeling charge of \$14 per acre-foot: \$245,000 + (\$14/AF x 3,200) = \$289,800.

BACKGROUND

The Marin Municipal Water District has taken delivery of water imported from the Sonoma County Water Agency (Agency) through the North Marin Water District's aqueduct (Aqueduct) since 1976. Agency water is delivered to the North Marin Water District through an Agency owned and operated storage tank (Kastania Tank) and pump station (Kastania Pump Station) in southern Sonoma County near Kastania Road. From this point, water is pumped through the Aqueduct, a 50-year old, 41,000-foot long, 30-inch diameter pipeline, which runs parallel to and on the west side of Highway 101 from Kastania Road to North Marin's water distribution system in northern Novato. MMWD takes delivery of Agency water through a connection to the Aqueduct in northern Novato. On an annual basis, Agency water delivered to the Aqueduct is split between the North Marin Water District and MMWD on a 49 percent/51 percent basis.

The Intertie Agreement (1993) describes the terms for MMWD's use of the Aqueduct to wheel water imported from the Agency. MMWD and the North Marin Water District originally executed the Intertie Agreement in 1974, and amended it in 1993. The 1993 Intertie Agreement set the wheeling charge at \$10/acre-foot with no annual escalator.

The North Marin Water District is currently constructing its Aqueduct Energy Efficiency Project (AEEP). The AEEP includes the replacement of approximately 24,000 feet of the Aqueduct, primarily driven by the need to relocate the pipe as part of the Marin-Sonoma Narrows (MSN) High Occupancy Vehicle (HOV) Widening Project. The total cost of the AEEP is estimated at \$23 million, with Caltrans contributing \$15 million and the North Marin Water District contributing \$8 million. Construction of the AEEP will occur over several phases, with completion anticipated in 2016 or 2017.

Construction of the AEEP was not contemplated in the Intertie Agreement. The proposed Interconnection Agreement provides for sharing the capital costs between MMWD and the North Marin Water District. Key terms of the Interconnection Agreement are described as follows.

1. Wheeling charge. On the effective date of the Agreement, the wheeling charge is \$12 per acre-foot and is subject to annual inflationary changes based on changes to Engineering News Record's construction cost index, but no more than 4 percent per year and no less than 2 percent per year.
2. Set aside charge. On the effective date of the Agreement, a new set-aside charge of \$4 per acre-foot will be collected, and is subject to annual inflationary changes similar to the wheeling charge. All funds collected from this charge, including the escalation, shall be allocated and credited to MMWD's share of the future replacement costs of the Aqueduct².

² These funds will likely be used to either help replace or add additional capacity to the 17,000 foot portion of the Aqueduct which is not being replaced as part of the AEEP. The Agreement provides for both agencies to collaborate and cooperate on the replacement of this pipe. However, if upgrade or replacement of the pipe is pursued solely by MMWD, then monies in the set-aside fund will be returned to MMWD with interest.

3. AEEP Capital Costs. The North Marin Water District and MMWD will split the final actual capital costs of the AEEP, exclusive of those costs paid by Caltrans, on a 49 percent and 51 percent basis, respectively. The total cost of the AEEP, exclusive of those costs paid by Caltrans, is estimated at \$8 million. This means MMWD's contribution for replacement of 59 percent of the Aqueduct is estimated at \$4,080,000, which is 18 percent of the total estimated project cost of \$23 million.

The final actual costs of the AEEP are to be determined once the AEEP is completed, which is expected to occur in 2016 or 2017. In the meantime, MMWD will make an initial payment of \$480,000, within 30 days of execution of Agreement, in recognition of the costs the North Marin Water District has already incurred on the AEEP. Additionally, MMWD will make annual payments of \$245,000 each July 1, from 2014 through 2032. The annual payments will be adjusted to reflect final actual costs incurred by North Marin for the AEEP.

4. Term. The agreement is coterminous with the Sonoma County Water Agency's Restructured Agreement for Water Supply, or successor agreement. The Restructured Agreement's expiration date is June 30, 2040.
5. Miscellaneous Changes. The 1993 Intertie Agreement contains several obsolete provisions which are updated in the Interconnection Agreement, including updating definitions, clarifying ownership of facilities, updating CEQA provisions, and termination of obsolete agreements.

In summary, the proposed Interconnection Agreement provides a mechanism for MMWD to continue to use North Marin's Aqueduct to take delivery of Agency water through 2040, enables MMWD and North Marin to cooperate in joint projects and programs for future integrated water supply planning and operations, and provides for MMWD and North Marin to share in the costs for the relocation and replacement of 24,000 feet of the 41,000-foot long Aqueduct under the AEEP, exclusive of those costs paid by Caltrans (the total cost of the AEEP is estimated at \$23 million, with Caltrans contributing \$15 million). Resolution No. 8252 approves the Interconnection Agreement, directs the President of the Board to sign the agreement, and authorizes the General Manager to execute change orders that increase MMWD's share of the cost of the AEEP by up to \$200,000. Staff recommends the Board adopt Resolution No. 8252 Approving the Interconnection Agreement with the North Marin Water District.

ATTACHMENTS

1. Resolution No. 8252
2. Interconnection Agreement Between North Marin Water District and Marin Municipal Water District

MARIN MUNICIPAL WATER DISTRICT

RESOLUTION NO. 8252

**OF THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT
APPROVING THE INTERCONNECTION AGREEMENT WITH THE
NORTH MARIN WATER DISTRICT**

WHEREAS, the Marin Municipal Water District (MMWD) annually imports approximately 25% of its water supply from the Sonoma County Water Agency (Agency); and

WHEREAS, MMWD takes delivery of Agency water through surplus capacity in the North Marin Water District's aqueduct (Aqueduct); and

WHEREAS, MMWD's use of the Aqueduct began in 1976 after execution of a cooperative Intertie Agreement in September 1974 with the North Marin Water District; and

WHEREAS, the Intertie Agreement was amended by MMWD and the North Marin Water District in March 1993; and

WHEREAS, the Agency delivers water to the North Marin Water District through an Agency owned and operated storage tank (Kastania Tank) and pump station (Kastania Pump Station) in southern Sonoma County near Kastania Road; and

WHEREAS, from this point, water is pumped to the North Marin Water District via the Aqueduct, which is a 50-year old, 41,000-foot long, 30-inch diameter pipeline owned by the North Marin Water District that runs parallel to and on the west side of Highway 101 from Kastania Road to North Marin's water distribution system in northern Novato; and

WHEREAS, MMWD takes delivery of Agency water through a connection to the Aqueduct in northern Novato; and

WHEREAS, the Aqueduct has a peak capacity of 18 million gallons per day (mgd); and

WHEREAS, part of the Aqueduct is being replaced under the Marin-Sonoma Narrows (MSN) High Occupancy Vehicle (HOV) Widening Project, a joint project between Caltrans and the Federal highway Administration; and

WHEREAS, relocation and replacement of the Aqueduct is called the Aqueduct Energy Efficiency Project (AEEP); and

WHEREAS, the AEEP includes relocation and replacement of 24,000-feet of the Aqueduct with a larger diameter pipe such that the Aqueduct capacity will remain at 18 mgd without the Kastania Pump Station; and

WHEREAS, the total cost of the AEEP is estimated at \$23 million, with North Marin contributing \$8 million and Caltrans' contributing \$15 million; and

WHEREAS, construction of the AEEP will occur over several phases, with the first phase beginning in Spring 2013 – completion of the project is expected in 2016 or 2017; and

WHEREAS, the Interconnection Agreement supercedes the Intertie Agreement and provides for cost sharing the construction of the AEEP between MMWD and the North Marin Water District, exclusive of those costs paid by Caltrans; and

WHEREAS, under the Interconnection Agreement MMWD's share of the AEEP is 51 percent of final actual costs, currently estimated at \$4,080,000, and the North Marin Water District's share of the AEEP is 49 percent of final actual costs; and

NOW, THEREFORE, the Board of Directors of the Marin Municipal Water District resolve as follows:

1. The Interconnection Agreement with the North Marin Water District is hereby approved.
2. The President of the Board of Directors is hereby authorized and directed to sign the Interconnection Agreement on behalf of the Marin Municipal Water District.
3. The General Manager is authorized to execute change orders that increase MMWD's share of the cost of the project by \$200,000.
4. The General Manager is hereby authorized and directed to augment the FY 2014 budget in the amount of \$241,400.

Any judicial action or proceeding to attack, review, set aside, void or annul this resolution shall be brought within 120 days.

PASSED AND ADOPTED this 4th day of February, 2014, by the following vote of the Board.

AYES:
NOES:
ABSENT:

President, Board of Directors

ATTEST:

Secretary

INTERCONNECTION AGREEMENT

between

**North Marin Water District
and
Marin Municipal Water District**

_____, 2014

TABLE OF CONTENTS

<u>Section Numbers</u>		Page
	Recitals	1
1	Definitions	2
2	Purpose of Agreement.....	6
3	Water Delivery Provisions.....	6
4	Ownership of Facilities.....	8
5	Operation and Maintenance	9
6	Payment and Exchange Provisions.....	10
7	Cooperation Provisions.....	12
8	Miscellaneous Provisions	14
Exhibit A	Schematic of Intertie Facilities	17

INTERCONNECTION AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 2014 by and between NORTH MARIN WATER DISTRICT, a public body, herein called "North Marin," and MARIN MUNICIPAL WATER DISTRICT, a public body, herein called "Marin Municipal."

RECITALS

- A. From time to time there exists surplus capacity in the North Marin water system.
- B. From time to time there exists surplus capacity in the Marin Municipal water system.
- C. Pursuant to the existing agreement between Marin Municipal and Sonoma Agency, Sonoma Agency delivers Marin Municipal's Russian River water to the North Marin Aqueduct at the Kastania meter station, North Marin's metered turnout. It is expected that pursuant to any amendment to said agreement deliveries will continue to the same location.
- D. Pursuant to the existing agreement between North Marin, Sonoma Agency, Forestville County Water District, Valley of the Moon Water District and the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Windsor and Sonoma, Sonoma Agency delivers North Marin's Russian River water to the North Marin Aqueduct. It is expected that pursuant to any amendment to said agreement deliveries will continue to the same location.
- E. During certain times of the year it is anticipated there will be surplus capacity in the North Marin Aqueduct.
- F. North Marin owns certain pipeline and construction easements which contain the North Marin Aqueduct and which were planned to accommodate a second aqueduct.
- G. Marin Municipal desires to utilize finished water reservoir storage available in North Marin's water system, including the Atherton, Lynwood, Palmer Drive and Amaroli Tanks, to balance pump operations upstream and downstream of Reach 3. North Marin desires to augment deliveries to finished water storage reservoirs in the south end of its water system from Reach 1, 2 and 3.
- H. Marin Municipal has the capability of releasing water from its reservoirs into Nicasio or Lagunitas Creek for the benefit of North Marin which extracts water from stream side wells located downstream.
- I. Caltrans is widening US Highway 101 between Novato and Petaluma, the Marin-Sonoma Narrows Project, that requires relocation of the North Marin Aqueduct adjacent to the highway.

- J. The existing North Marin Aqueduct and Kastania Pump Station average monthly capacity of 18 mgd is insufficient to deliver the combined full amount of water included in the North Marin and Marin Municipal contracts with Sonoma Agency. As of the effective date of this agreement average daily combined flow delivery entitlements in the summer months totals 32.7 mgd (19.9 mgd for North Marin and 12.8 mgd for Marin Municipal).
- K. Under current conditions the electric motor driven pumps at the Kastania Pump Station must remain in service at all times during the summer months if North Marin and Marin Municipal are to meet the needs of their customers.
- L. The State of California has found that greenhouse gas emissions (GHG) are a major factor contributing to climate change and has promulgated laws and regulations requiring a reduction in GHG emissions.
- M. Elimination of the Kastania Pump Station will reduce GHG emissions by at least 300 tons per year.
- N. North Marin is constructing the Aqueduct Energy Efficiency Project (AEEP) to upsize the North Marin Aqueduct from Kastania Pump Station to Redwood Landfill Road, including the North Marin Aqueduct sections requiring relocation due to the Caltrans US Highway 101 Marin-Sonoma Narrows Project. The AEEP will enable elimination of the Kastania Pump Station while maintaining the existing North Marin Aqueduct average monthly delivery capacity of 18 mgd.
- O. North Marin operates its Stafford Lake Water Treatment facility during summer months to utilize local water supply and partially offset North Marin's Russian River water deliveries, thereby increasing surplus capacity in the North Marin Aqueduct.

NOW, THEREFORE, in consideration of these recitals and the mutual promises made herein, North Marin and Marin Municipal agree as follows:

1. DEFINITIONS

As used herein, the terms:

- (a) "Annually", "per annum" or "fiscal year" means a twelve month period commencing July 1 and ending June 30.
- (b) "Intertie Facilities" means all the interconnecting facilities of Marin Municipal and North Marin through which water can flow for the benefit of one or the other party including all attached and appurtenant facilities such as valves, meters, blow-offs, control cables and devices, cathodic protection equipment, and electrical services and comprised of the following principal components shown on the schematic diagram attached hereto and marked "Exhibit A":

- (1) Reach 1, consisting of approximately 4,300 feet of 18-inch and 16-inch pipeline extending from Big Rock Ridge north to the Main Gate Road;
- (2) Reach 2, consisting of approximately 11,100 feet of 30-inch pipeline extending north from Main Gate Road to a point near the Highway 101 and Highway 37 interchange where said 30-inch pipeline connects with a 24-inch and 36-inch pipeline at a connection called the Wye;
- (3) Reach 3 contains two parallel pipeline systems; one owned by North Marin called the North Marin Intertie consisting of approximately 4,980 feet of 24-inch pipeline extending from the westerly end of Branch 2 north to Redwood Blvd and Sunset Parkway and approximately 14,300 feet of 28.5-inch pipeline north of said intersection to a point of connection with the 28.5-inch North Marin Aqueduct at the San Marin Control Station; and the other owned by Marin Municipal called the Novato Bypass consisting of approximately 20,100 feet of 36-inch pipeline extending from the Wye north to a point of connection with the 28.5-inch North Marin Aqueduct immediately north of the San Marin Control Station;
- (4) Reach 4, called the North Marin Aqueduct consisting of approximately 17,000 feet of 28.5-inch pipeline extending from the northern terminus of Reach 3 to Redwood Landfill Road (Reach 4a) and approximately 24,000 feet of 28.5 inch pipeline extending from Redwood Landfill Road to the Sonoma Agency pipeline near Kastania Pump Station (Reach 4b); Reach 4b will be upsized to a 42-inch pipeline as part of the AEEP, enabling elimination of Kastania Pump Station operation;
- (5) "Hamilton Bypass" means the 36-inch pipeline that parallels Reach 1 extending from Big Rock Ridge north to the Main Gate Road;
- (6) "Pacheco Tanks" means the two tanks on Big Rock Ridge at the terminus of the Hamilton bypass;
- (7) Branch 1, consisting of approximately 3,190 feet of 18-inch, 12-inch and 8-inch pipeline connecting to Reach 1 at Bolling Drive and extending south and then easterly to Air Base Tank;
- (8) Branch 2, consisting of 1,492 feet of 24-inch pipeline extending from the Wye north then westerly across Highway 101 to a connection with a 24-inch pipeline; the North Marin Intertie;
- (9) Lynwood, Amaroli and Palmer Tanks including pipelines connecting same to Branch 2 and Reach 2;
- (10) Atherton Tank including pipelines connecting same to Reach 3;

- (11) Kastania, including Kastania Tank and Kastania Pump Station;
 - (12) Pacheco Valle Interconnection (Reach 1);
 - (13) Hamilton Main Gate Road Interconnection (where Reach 1 meets Reach 2);
 - (14) Bel Marin Keys Interconnection (Reach 2);
 - (15) Wye Interconnection (on Branch 2 where Reach 2 meets Reach 3);
 - (16) San Marin Interconnection (where Reach 3 meets Reach 4).
- (c) "Other interconnections" means other interconnections or facilities in place or from time to time constructed and added to either the Marin Municipal or North Marin water system which the parties hereto mutually agree are needed to effectively carry out the provisions of this agreement.
 - (d) "North Marin Aqueduct" means Intertie Facility (b) (4) or Reach 4, North Marin's pipeline extending south from the Sonoma Agency pipeline near Kastania Pump Station to the San Marin Control Station in Novato.
 - (e) "Marin Municipal's Russian River water" means water furnished and delivered by Sonoma Agency to Marin Municipal at Kastania.
 - (f) "Marin Municipal Water System" means all the reservoirs, both raw water and finished water, pumps, aqueducts, pipelines, treatment plants, and other appurtenant facilities owned and operated by Marin Municipal for the purpose of providing water service to its customers.
 - (g) "mgd" means millions of gallons per day, a rate of flow.
 - (h) "North Marin's Russian River water" means water furnished and delivered by Sonoma Agency to North Marin at Kastania.
 - (i) "North Marin Water System" means all the reservoirs, both raw water and finished water, pumps, aqueducts, pipelines, treatment plants, and other appurtenant facilities owned and operated by North Marin for the purpose of providing water service to its customers.
 - (j) "Novato Bypass" means Marin Municipal's 36-inch pipeline extending from the Wye north to a point just north of North Marin's San Marin Control Station.
 - (k) "Point(s) of delivery" means any point or points from time to time mutually agreed to by the parties which are located within, are part of, or are connected to, the Intertie Facilities or other point or points of delivery mutually agreed to by the parties. As of the date of this agreement, the following points of delivery exist:

- (1) Pacheco Valle: the point of interconnection between the most southerly 18-inch segment of Marin Municipal's Reach 1 pipeline and North Marin's 18 inch and 14-inch Pacheco Valle pipeline, near Pacheco Valle.
 - (2) Main Gate Road: two points of interconnection: one being south, between Hamilton Bypass and the most northerly 18-inch segment of the North Marin portion of the Reach 1 pipeline located near the Hamilton School and the second being to the north, between Marin Municipal's 30 inch Reach 2 pipeline and the Lanham Village distribution system.
 - (3) Bel Marin Keys: the point of interconnection between Marin Municipal's 30-inch Reach 2 pipeline and North Marin's 16-inch Bel Marin Keys pipeline.
 - (4) San Marin Control Station: the point of interconnection between Reach 4 facilities and Reach 3 facilities.
 - (5) Nicasio Creek: the downstream end of the pipe located at the base of Seeger Dam (Nicasio Lake) used to release water to Nicasio Creek.
 - (6) Lagunitas Creek: the downstream end of the pipe located at the base of Peters Dam (Kent Lake) used to release water to Lagunitas Creek.
 - (7) The Wye: the point of interconnection between Reach 2 and Reach 3 facilities.
-
- (l) "Release" means, the release of water to North Marin's West Marin Service Area, at either the Lagunitas Creek or Nicasio Creek points of delivery from Kent or Nicasio Lakes.
 - (m) "Replacement cost" means the cost associated with, or the act of, acquisition of material and installation of same for the correction of irreparable wear or other deterioration of parts or elements of a given structure or facility.
 - (n) "Sonoma Agency" means Sonoma County Water Agency, a public body.
 - (o) "Summer months" means May, June, July, August and September.
 - (p) "Surplus capacity" means the capacity of any facility of the water system of one of the parties hereto which said party solely and conclusively determines is in excess of the needs of its customers.
 - (q) "Caltrans" mean the State of California Department of Transportation.

- (r) "Restructured Agreement for Water Supply" means the agreement between North Marin and a number of water providers in Sonoma County and the Sonoma Agency that became effective on June 23, 2006.
- (s) "Supplemental Water Supply Agreement" means the agreement between Marin Municipal and the Sonoma Agency dated January 9, 1996.
- (t) "Intertie Agreement" means the agreement between Marin Municipal and North Marin dated March 11, 1993.
- (u) "Hamilton Agreement" means the agreement entitled "Agreement for Water Service Boundary Reorganization at the Former Hamilton Air Base, Novato, California" between Marin Municipal and North Marin dated December 18, 2001.

2. PURPOSE OF AGREEMENT

The purpose of this agreement is to provide the basis for and mechanism whereby Marin Municipal and North Marin can each, as a first priority, continue to meet the needs of their respective customers, and simultaneously, to the extent feasible, utilize their respective water systems and surplus system capacity in a coordinated manner for the benefit of the customers of both Districts.

3. WATER DELIVERY PROVISIONS

A. North Marin's Delivery of Marin Municipal's Russian River Water

- 1. North Marin shall deliver Marin Municipal's Russian River water through the North Marin Water System at such point or points of delivery, at such times and at such rates of flow as determined by Marin Municipal, subject, however, to the availability of surplus capacity and provided such deliveries may be made in a manner that will not prevent North Marin from meeting its contractual obligations to Sonoma Agency and will normally not lower the water level in North Marin's Atherton, Palmer Drive, Lynwood or Amaroli Tanks below operating levels determined by North Marin.
- 2. North Marin will endeavor in good faith to produce 1,300 AF of treated potable water at its Stafford Lake water treatment facility during the period of May 15 through September 15 each calendar year.

B. Marin Municipal's Delivery of North Marin's Russian River Water

Marin Municipal shall deliver North Marin's Russian River water through the Marin Municipal Water System at such point or points of delivery, at such time and at such rates of flow as determined by North Marin, subject to the availability of surplus capacity and provided such deliveries may be made in a manner that will not prevent Marin Municipal from meeting its contractual obligations to Sonoma Agency.

C. Marin Municipal's Delivery to Nicasio or Lagunitas Creek

On North Marin's request, when flow in Lagunitas Creek is determined by North Marin to be low or when the dry year condition described in State Water Resources Control Board Order 95-17 occurs, Marin Municipal shall release to Nicasio Creek or Lagunitas Creek for North Marin's benefit up to 250 acre-feet per year. Said water shall be used by North Marin within its Inverness-Point Reyes Annexation Territory as same is recorded in Volume 2118 of the official Records of Marin County at Page 304 through 314. Additional amounts of water may be released by Marin Municipal upon North Marin's request subject to the availability of surplus water, as determined solely by Marin Municipal. Whether releases of requested water are made from Seeger Dam / Nicasio Lake or Peters Dam / Kent Lake shall be determined by Marin Municipal. All deliveries made by Marin Municipal pursuant to this section shall be over and above those releases that Marin Municipal must make to meet instream flow and water rights requirements as ordered by the State Water Resources Control Board.

In addition, if in any year that North Marin requests water under this Section and Marin Municipal has requested voluntary or mandatory water use reductions of its customers in eastern Marin County, North Marin shall require its customers in its Inverness-Point Reyes Annexation Territory to reduce water use by an equal or greater percentage, using the methodology included in North Marin's "Water Shortage Contingency Plan for West Marin Service Area", dated August 23, 2002, or any subsequent Plan.

D. Marin Municipal Deliveries to North Marin at the Pacheco Valle, Main Gate Road and Bel Marin Keys Interconnections

At North Marin's request and subject to availability of supply and capacity in Marin Municipal's Water System, Marin Municipal shall deliver to North Marin such quantities of water as North Marin requires to augment supply to the south end of its water system at its Pacheco Valle, Main Gate Road and Bel Marin Keys interconnections. Prior to said deliveries of water to North Marin, North Marin, at its expense, shall install metering facilities acceptable to Marin Municipal.

E. Risk of Loss

Risk of loss and responsibility for the handling and control of all water delivered hereunder shall pass from the party making the delivery to the party receiving the delivery at the point of delivery or release thereof. The parties agree to exercise due diligence in inspecting their various pipelines and appurtenances and to take steps to guard against unreasonable loss of water.

F. Water Quality

The quality of water delivered by North Marin to Marin Municipal shall be equivalent to the quality of water served by North Marin in its potable Novato area water system. The quality of water delivered by Marin Municipal to North Marin, with the exception of water delivered pursuant to Section 3.C. hereof, which shall be untreated water, and water from Sonoma Agency delivered through the Marin Municipal Water System upstream of the Ignacio pump station, shall be equivalent to the quality of water leaving Marin Municipal's Ignacio Pump Station, including any fluoridation and corrosion control treatment conducted by Marin Municipal.

G. Meters for Deliveries to Marin Municipal

Meters used to measure deliveries made to Marin Municipal shall be tested for accuracy at least once annually by Marin Municipal at Marin Municipal's expense. North Marin shall be provided with a report of said test. North Marin shall have the right to make additional tests at any time at its expense. A meter shall be recalibrated if it is found to be inaccurate by more than two percent and in such event delivery data and corresponding payments or exchanges of water will be adjusted by the amount above or below said two percent accuracy standard as appropriate from the last date that the meter was known to be operating properly or, if such date cannot be determined, from a date midway between the date the meter was last tested and the date correct readings again commenced. However, under no circumstances shall the adjustment period exceed one year. North Marin shall read such meters and make an accounting to Sonoma Agency and Marin Municipal.

H. Meters for Deliveries to North Marin

Meters used to measure deliveries made to North Marin, excluding deliveries at Kastania, Nicasio Creek or Lagunitas Creek, shall be tested for accuracy at least once annually by North Marin at North Marin's expense. Marin Municipal shall be provided with a report of said test. Marin Municipal shall have the right to make additional tests at any time at its expense. A meter shall be recalibrated if it is found to be inaccurate by more than two percent and in such event delivery data and corresponding payments or exchanges of water will be adjusted by the amount above or below said two percent accuracy standard as appropriate from the last date that the meter was known to be operating properly or, if such date cannot be determined, from a date midway between the date the meter was last tested and the date correct readings again commenced. However, under no circumstances shall the adjustment period exceed one year. North Marin shall read such meters and make an accounting to Sonoma Agency and Marin Municipal.

4. OWNERSHIP OF FACILITIES

- A. Marin Municipal owns the portion of Reach 1 south of the Pacheco Valle Interconnection, including the valve that connects the North Marin and Marin Municipal Water Systems at that point, the Hamilton Bypass Pipeline, Reach 2, including the valves that connect it to the Main Gate Road Interconnection and the Novato Bypass pipeline in Reach 3, Pacheco Tanks

and the Ignacio Pump Station.

- B. North Marin owns Branches 1 and 2, the portion of Reach 1 north of the Pacheco Valle Interconnection, all other pipelines in Reach 3 and Reach 4, Air Base Tank, the Lynwood, Atherton, Palmer Drive and Amaroli Tanks and the San Marin Control Station.
- C. Sonoma Agency owns, operates and maintains Kastania Tank and the Kastania Pump Station.

5. OPERATION AND MAINTENANCE

A. Operation of Facilities

- 1. Marin Municipal shall be responsible for the operation, maintenance, repair and replacement of the facilities it owns. Control of flow in Reach 3 shall be dictated by Atherton, Lynwood and Palmer Drive Tank levels such that the hydraulic grade line in Reach 4 at the point of connection with Reach 3 does not fall below operation levels of these tanks as determined by North Marin. North Marin shall inform Marin Municipal prior to modifying the minimum operation levels of the tanks that dictate the control of flow in Reach 3.
- 2. North Marin shall be responsible for operation, maintenance, repair and replacement of the facilities it owns and shall coordinate the operation of the Kastania Pump Station, subject to Section 5.A.3 below.
- 3. Operation of Kastania Pump Station

The Kastania Pump Station, constructed to benefit both Marin Municipal and North Marin, shall be operated as follows:

- (a) North Marin shall have the right to use the pump station to meet the needs of its customers including backfeeding water from the North Marin Aqueduct to Stafford Lake. Before backfeeding any water North Marin shall consult with Marin Municipal and Sonoma Agency and will make every reasonable attempt to develop a plan of operation that will minimize disruption of deliveries of Marin Municipal's Russian River water.
- (b) Marin Municipal shall have the right to use the capacity of the Kastania Pump Station to the extent that surplus capacity exists in North Marin's system to transfer water to Marin Municipal.
- (c) Once Reach 4b is upsized to a 42-inch pipeline as part of the AEEP and the AEEP is operational, Kastania Pump Station will no longer be operated and Sections 5.A.3 (a) and (b) will no longer be in effect.

B. Standards of Maintenance

The party assigned responsibility for operation, maintenance, repair and replacement of the Intertie Facilities shall at all times keep said facility in good repair and working order throughout the term of this Agreement.

6. PAYMENT AND EXCHANGE PROVISIONS

A. Payment for Delivery of Marin Municipal's Russian River Water

1. Marin Municipal shall pay North Marin a wheeling charge for all Marin Municipal's Russian River water delivered pursuant to Section 3. On the effective date of this agreement the wheeling charge shall be \$12.00 per acre-foot as the base charge, plus an additional \$4.00 per acre-foot set aside charge. Together the total wheeling charge shall be \$16.00 per acre-foot, \$4.00 per acre-foot of which shall be allocated and credited to Marin Municipal's share of the future replacement costs of the North Marin Aqueduct, including the escalation as described below. The wheeling charge and set aside charge shall be increased on July 1 of each subsequent year, beginning July 1, 2014, to reflect the change in the Engineering News Record Construction Cost Index for the San Francisco Bay area for the preceding 12 months (the "escalator"). The escalator on the wheeling and set aside charges shall be no greater than 4% per year and no less than 2% per year.
2. In recognition of North Marin's investment in the AEEP, Marin Municipal shall pay to North Marin \$480,000 within 30 days from the date the Interconnection Agreement is executed and shall make annual payments to North Marin in the amount of \$245,000 each July 1, from 2014 through 2032 as fair compensation for the AEEP capital cost. The parties agree that the AEEP project's actual costs, exclusive of those costs paid by Caltrans, are subject to verification and will be trued up such that Marin Municipal's share of the final actual costs of the AEEP are equal to 51 percent and North Marin's share of the final actual costs of the AEEP are equal to 49 percent. After those final actual AEEP costs are verified by the parties, the adjustment to Marin Municipal's annual payment on a going forward basis will be jointly reviewed and considered during the 6-month period immediately following such joint verification and Marin Municipal's future annual payments of \$245,000 will be adjusted to reflect actual costs incurred by North Marin for the AEEP Project. Marin Municipal's adjusted annual payments will be memorialized in a letter jointly prepared and affirmed by signature of the parties, and the parties will be bound by such letter without the need to further amend this agreement.

B. Payment for Delivery of North Marin's Russian River Water

North Marin shall pay Marin Municipal a wheeling charge for all North Marin's water delivered pursuant to Section 3. On the effective date of this agreement the wheeling charge shall be \$3.00 per acre-foot. The wheeling charge shall be increased on July 1 of each subsequent year, beginning July 1, 2014, to reflect the change in the Engineering News Record Construction Cost Index

for the San Francisco Bay area for the preceding 12 months (the "escalator"). The escalator on the wheeling charge shall be no greater than 4% per year and no less than 2% per year.

Payment for water delivered to North Marin pursuant to Section 3.D., Pacheco Valle, Main Gate Road, and Bel Marin Keys Interconnections, will be by exchange, as provided in Section 6.D., below.

In addition, for each acre-foot of water delivered to North Marin pursuant to Section 3.D., Pacheco Valle, Main Gate Road and Bel Marin Keys Interconnections, North Marin shall pay Marin Municipal the wheeling charge.

For all such water delivered to North Marin downstream of Ignacio Pump Station, North Marin shall pay Marin Municipal a charge per acre-foot equal to the total annual out-of-pocket cost of energy consumed and treatment chemicals provided by Marin Municipal at the Ignacio Pump Station divided by the total volume of water pumped during the same period.

C. Compensation for Nicasio or Lagunitas Creek Deliveries and Other Water Delivered by Marin Municipal

For each acre-foot of water delivered by Marin Municipal to North Marin pursuant to Section 3.C., Lagunitas or Nicasio Creek, North Marin shall pay Marin Municipal \$190 / acre-foot. This charge shall be increased on July 1 of each subsequent year, beginning July 1, 2014, to reflect the change in the Engineering News Record Construction Cost Index for the San Francisco Bay area for the preceding 12 months (the escalator). The escalator shall be no greater than 4% per year and no less than 2% per year.

D. Exchange Deliveries by North Marin

On the terms and conditions set forth in this sub paragraph 6. D. North Marin shall deliver to Marin Municipal water referred to as "exchange water" equal to the quantity of water delivered to North Marin pursuant to Sections 3.D. At the end of each fiscal year North Marin shall subtract from its reporting to Sonoma Agency of Marin Municipal use of Russian River water for the month of June of said fiscal year an amount of water equal to the total amount of water delivered to North Marin under the terms of said Section.

E. Payment of North Marin's Expenses for Operating Intertie Facilities

Annual expenses incurred by North Marin in operating, maintaining, repairing and replacing the Intertie Facilities it owns shall be, unless expressly provided for in this agreement, the responsibility of and paid by North Marin.

F. Payment of Marin Municipal's Expenses for Operating Intertie Facilities

Annual expenses incurred by Marin Municipal in operating, maintaining, repairing, and replacing the Intertie Facilities it owns shall be, unless expressly provided for in this agreement, the responsibility of and paid by Marin Municipal.

G. Billing and Payment

The party delivering water pursuant to this agreement for which a unit charge in dollars per acre-foot is assessed shall bill not more frequently than monthly for same and the receiving party shall pay the amount of such billing within 30 days of receipt of same. For all other charges due under this agreement, the billing party shall prepare a bill which the receiving party shall pay within 30 days of receipt of same. Notwithstanding any dispute between the parties hereto, the receiving party shall pay all bills when due and shall not withhold all or any part of any payment pending the final resolution of such dispute. In the event of a dispute, the receiving party may pay its bills under protest and if the resolution of the dispute results in a refund, said refund shall be paid within 30 days.

7. COOPERATION PROVISIONS

A. General

Upon request, the parties will support and assist the efforts of each other to maintain and enhance the reliability of their water supplies from Sonoma Agency, provided said support and assistance, as determined by said party, will not have an adverse impact on its customers nor be in conflict with law, regulation or the established policies of said party.

B. Corrosion Protection

North Marin maintains an extensive cathodic protection system for the North Marin Aqueduct. Marin Municipal shall consult North Marin in designing the cathodic protection system for its existing or any future Intertie Facilities and agrees to design and install a system at its sole cost that will be fully compatible with North Marin's system and not contribute to the deterioration of the North Marin Aqueduct.

C. Stafford Lake Treatment Plant Operations

1. North Marin will endeavor in good faith to produce 2,000 acre-feet of treated potable water at its Stafford Lake water treatment facility each year through the term of this agreement.
2. Notwithstanding the cooperative pledge of Section 3.A.2 and Section 7.C.1, the parties acknowledge and agree that there may be periods when insufficient inflow to Stafford Lake or other operational constraints may prevent North Marin from meeting the Stafford Lake Water treatment facility potable water production goals stated in Section 3.A.2 and Section 7.C.1.

3. In such periods when insufficient inflow to Stafford Lake prevents North Marin from meeting the Stafford Lake water treatment facility goals pursuant to Section 3.A.2 or Section 7.C.1 of this agreement, Marin Municipal may request North Marin to backfeed Marin Municipal's Russian River water into Stafford Lake pursuant to a Stafford Lake Agreement in form similar to that executed on February 20, 2009 and updated with then current and pertinent Diversion, Delivery and Payment provisions. Before backfeeding any water, North Marin shall consult with Marin Municipal and Sonoma Agency and will make every reasonable attempt to develop a plan of operation that will minimize disruption of deliveries of Marin Municipal's Russian River water.

D. Joint Projects and/or Programs for Future Integrated Water Supply Operations

North Marin and Marin Municipal will evaluate and consider joint project(s) and/or program(s) for future integrated water supply operations. The parties will jointly determine which party will be the lead agency for purposes of environmental review pursuant to the California Environmental Act ("CEQA"). For each proposed joint project or program, the parties will share costs of the project and environmental review in proportion to each district's respective share of the water supply capacity or yield from the proposed project and/or program, regardless of which party is the lead agency.

E. Future Replacement of the North Marin Aqueduct

North Marin will replace the North Marin Aqueduct, including Reach 4a, when necessary due to condition or other factors, at a time yet to be determined. Said replacement may be solely a North Marin project or combined projects of North Marin, and Marin Municipal, as jointly determined by the parties. Marin Municipal's share of the costs for future replacement of the North Marin Aqueduct shall be the subject of a future agreement between the parties.

F. Option for Marin Municipal to Make Use of North Marin's Existing Easements and for Future Marin Municipal Pipeline.

1. North Marin has pipeline easements for the North Marin Aqueduct. These easements were originally acquired by North Marin with the plan that a second North Marin aqueduct would eventually be constructed. If Marin Municipal elects and North Marin consents to locate facilities in right-of-ways in which North Marin has existing easements, North Marin will cooperate in efforts by Marin Municipal to obtain property interests Marin Municipal deems necessary for installation and operation of said facilities. To the extent any existing easement held by North Marin is utilized by Marin Municipal, said utilization shall be the subject of a future agreement between the parties.
2. If Marin Municipal develops a pipeline project that would be parallel to Reach 4A and that would include an interconnection to the North Marin Aqueduct at or above Reach 4A, upon execution and implementation of

E. Representation by Counsel

North Marin and Marin Municipal each were represented by independent counsel in the negotiation and execution of this agreement. For the purposes of interpretation of this agreement, neither party shall be deemed to have been the drafter of this agreement.

F. Mediation

Any dispute occurring under this Agreement shall first be reviewed by the parties, who shall meet and attempt in good faith to resolve the dispute through negotiation. In the event that the parties cannot resolve any such dispute between them, then, upon 30-days' notice, the parties shall submit such dispute to mediation by a mutually acceptable neutral mediator. If any such dispute is not resolved through mediation, unless the parties agree in writing upon an alternative form of and forum for dispute resolution, each party shall have the right to pursue any remedies it may have in law or in equity. Any such litigation concerning claims and disputes related to this Agreement shall be filed in the Superior Court in and for Marin County, and each Party hereby waives its right to move to change venue.

G. Severability

If any one or more sections, provisions, promises or conditions of this agreement is declared null and void or voidable for any reason by a final judgment or order of a court of competent jurisdiction, it is hereby declared to be the intention of both parties and agreed that each and all of the other sections, provision, promises and conditions of this agreement shall be and remain in full force and effect.

H. Term of Agreement

The term of this agreement shall extend from the date of execution hereof until June 30, 2040 or the expiration of the Restructured Agreement for Water Supply, together with any renewals thereof or of a successor agreement to the Restructured Agreement for Water Supply, whichever shall occur later.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first above written.

NORTH MARIN WATER DISTRICT

President, Board of Directors

ATTEST:

Secretary

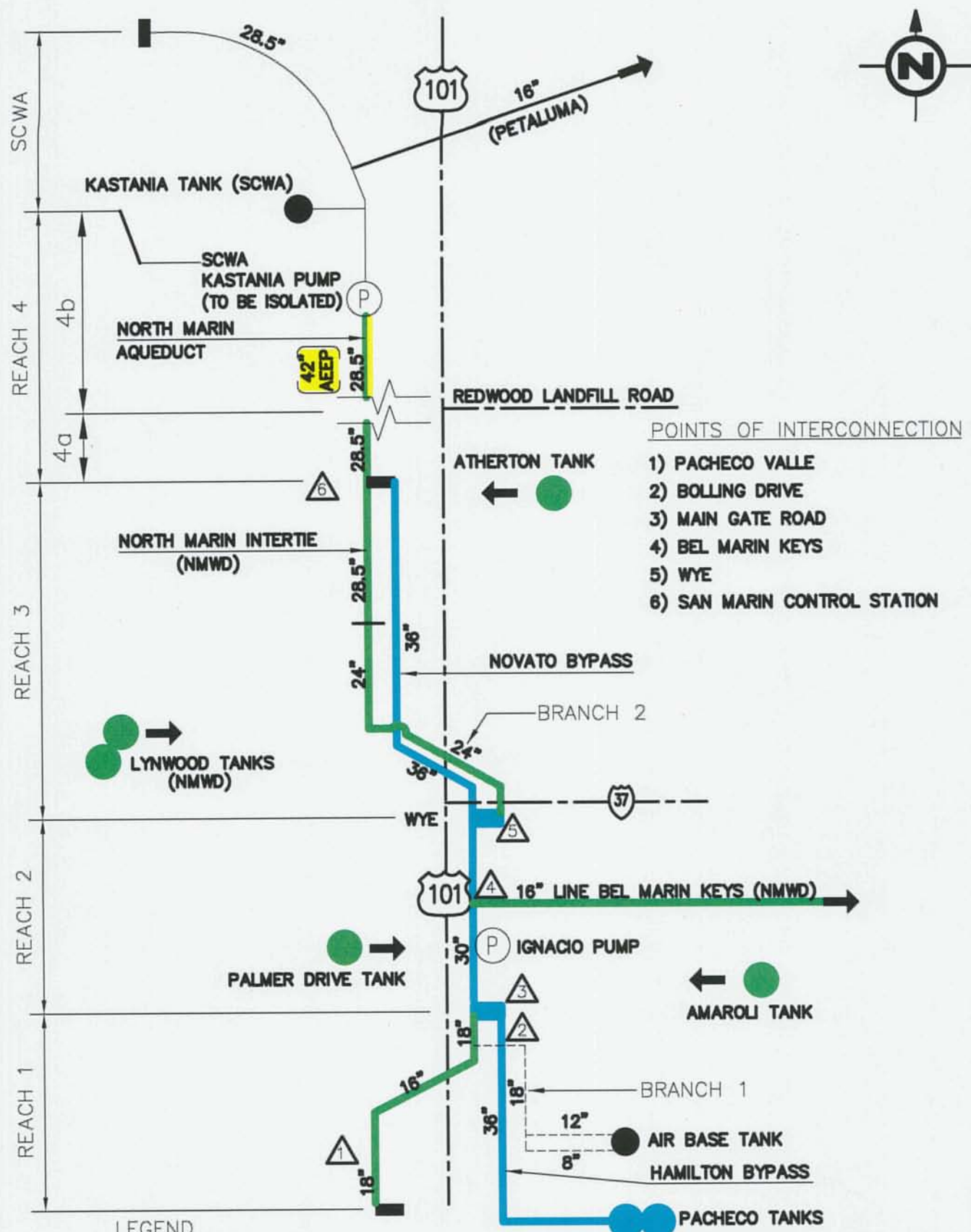
MARIN MUNICIPAL WATER DISTRICT

President, Board of Directors

ATTEST:

Secretary

Oct 12, 2012 -- 8:39am C:\Documents and Settings\JJimene\Desktop\SCHEMATIC INTERTIE FAC.dwg User: J_JIMENE



LEGEND

	TANK		HIGHWAY
	PUMPING PLANT		EXISTING PIPELINE
	POINTS OF INTERCONNECTION		EXISTING BRANCH
	REACH LIMIT		PROPOSED PIPELINE(S)

SCHEMATIC OF INTERTIE FACILITIES EXHIBIT "A"

DATE	SCALE	JOB.NO.	DWG.NO.
11/07/11	N.T.S.	1.7079	001



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 9

MEETING DATE: February 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: 2014 Stafford Lake Agreement

SUBMITTED BY: Jon LaHaye, P.E., Principal Engineer
Environment & Engineering Services Division

RECOMMENDED ACTION: 1. Authorize the General Manager to execute the 2014 Stafford Lake Agreement with North Marin Water District.
2. Approve FY 2014 budget augmentation in the amount of \$227,060.

EXECUTIVE SUMMARY:

The objective of the Stafford Lake Agreement is to provide for the cooperative operation of the North Marin and Marin Municipal water systems to make use of available water in the Russian River Project and surplus capacity in the Sonoma Marin Aqueduct to help meet the water needs of the customers of both Districts during the dry weather season of 2014. The agreement provides for the “banking” of up to 500 acre-feet in Stafford Lake for use this summer.

FISCAL IMPACT? YES NO **FISCAL YEAR:** 2013-14

EXPENDITURES		FUNDING SOURCES	
Budgeted Amount	\$ 0	Operating Fund	\$
Budget Augmentation Requested	\$ 227,060	Capital Fund	\$
	\$	Other	\$
	\$	Operating Reserves	\$ 227,060
TOTAL EXPENDITURES	\$ 227,060	TOTAL SOURCES	\$ 227,060

FISCAL IMPACT NARRATIVE:

The expenditures reflect the maximum volume of water to be diverted into Stafford Lake under this agreement. In all likelihood, the actual volume of water diverted and the resultant expenditure will be substantially less than shown above.

BACKGROUND

The State of California is experiencing record dry conditions. The lack of rainfall in Marin County over the last 13 months is without precedent. As a result, the water supply reservoirs of both Marin Municipal and North Marin are well below normal for this time of year. As of January 28, Marin Municipal's reservoirs held 53 percent of their capacity and North Marin's Stafford Lake contained only 30 percent of its capacity. Unless there is a dramatic shift in the weather pattern over the remaining months of the rainy season both agencies local supply reservoirs will be at critically low levels this summer.

While the SCWA is currently not indicating that it will be asking the water contractor's to reduce their Russian River water usage this summer, low water levels in Stafford Lake would limit the amount of water North Marin can produce at its Stafford Lake Treatment Plant. Stafford Lake currently only holds about 30 million gallons of water available for treatment and delivery to North Marin's customers. Unless significant rains occur during the remaining months of the rainy season North Marin will be almost entirely dependent upon their SCWA deliveries to meet their customers water needs this summer. As a result, there would be less capacity available in the North Marin Aqueduct for Marin Municipal's SCWA deliveries. A significant curtailment of the District's SCWA deliveries this summer is a distinct possibility under the current conditions.

The objective of the Stafford Lake Agreement is to provide for the cooperative operation of the North Marin and Marin Municipal water systems to make use of available water in the Russian River Project and surplus capacity in the Sonoma Marin Aqueduct to help meet the water needs of the customers of both Districts during the dry weather season of 2014. North Marin's contract with SCWA specifically allows North Marin to divert surplus Russian River water into Stafford Lake to be retreated and used in the summer months. This option, called backfeeding, was utilized in 1988, 1989, 1991 and 2009 to maximize the water available during these dry years.

Under this agreement, North Marin would divert surplus water to Stafford Lake and MMWD would pay for the purchase cost, at North Marin's lower SCWA rate, plus an additional pumping cost. North Marin would then treat the water, again at MMWD expense, and deliver water to MMWD at its Ignacio pump station at a fixed flow rate beginning in June 2014. This plan will provide some increased assurance for MMWD of a reliable supply of water at Ignacio this summer without having to adversely impact the water supply available to our neighbors to the north.

Water delivered under this agreement would increase the unit cost of Russian River water delivered from \$750.88/acre foot to \$1,205/acre-foot. The agreement provides for the backfeeding (banking) of up to 500 acre-feet in Stafford Lake. If the entire 500 acre-feet of backfeeding were exercised the additional expenditure would total \$227,060.

This expenditure was not anticipated in the FY 2013-14 Budget. As a result, a budget augmentation for the entire potential expenditure is requested. The extra water will provide some increased assurance of a reliable water supply to our customers both this summer and in the event that next year is also dry.

Accordingly, staff has drafted an agreement to implement this plan. The plan can be terminated by either party if they deem that this years' water supply is sufficient to meet their needs. A copy of the Stafford Lake Agreement is attached.

The agreement is scheduled to be reviewed and approved by North Marin's Board of Directors on Tuesday, February 4. North Marin has informed SCWA and the Regional Water Quality Control Board of the backfeeding plan. District staff have determined the Stafford Lake Agreement not to be a project as defined by Section 15378(b)(5) of the Guidelines for Implementation of the California Environmental Quality Act.

Staff recommends that the Board authorize the General Manager to sign and implement the Stafford Lake Agreement as presented.

ATTACHMENT

2014 Stafford Lake Agreement

STAFFORD LAKE AGREEMENT

between

**North Marin Water District
and
Marin Municipal Water District**

February 2014

STAFFORD LAKE AGREEMENT

THIS AGREEMENT, made this _____ day of February, 2014 by and between **NORTH MARIN WATER DISTRICT**, a public body, herein called "North Marin," and **MARIN MUNICIPAL WATER DISTRICT**, a public body, herein called "Marin Municipal."

RECITALS

- A. The State of California is experiencing record dry conditions, with 2013 being the driest year on record.
- B. Both North Marin and Marin Municipal are concerned that if said dry weather persists the water supply available to their respective customers will be diminished.
- C. Both North Marin and Marin Municipal receive a portion of their water supply from the Sonoma County Water Agency (SCWA) Russian River project via the Sonoma Marin Aqueduct owned and operated by North Marin.
- D. Delivery of Russian River Project water to Marin Municipal through the Sonoma Marin Aqueduct is governed by the terms of the "Intertie Agreement" between North Marin and Municipal dated March 11, 1993.
- E. There is currently water available in the Russian River project system beyond the needs of North Marin and Marin Municipal and all other Russian River project customers.
- F. There is currently capacity in the Sonoma Marin Aqueduct beyond the current needs of both North Marin and Marin Municipal.
- G. North Marin owns and operates Stafford Lake Reservoir and the Stafford Lake Treatment Plant that processes water from Stafford Lake Reservoir.
- H. North Marin has the ability to transfer Russian River Project water into Stafford Lake Reservoir for later use.
- I. Marin Municipal owns and operates the Ignacio Pump Station on Hamilton Drive in Novato and uses said pump station to deliver water from SCWA to Marin Municipal.

NOW, THEREFORE, in consideration of these recitals and the mutual promises made herein, North Marin and Marin Municipal agree as follows:

1. OBJECTIVE OF AGREEMENT

It is the objective of this agreement to provide for the cooperative operation of the

North Marin and Marin Municipal water systems to make use of surplus water in the Russian River Project and surplus capacity in the Sonoma Marin Aqueduct to help meet the water needs of the customers of both Districts during the dry weather season of 2014.

2. WATER DIVERSION PROVISIONS

Starting in January 2014 North Marin shall divert up to 4 million gallons per day (mgd) of water from the Sonoma Marin Aqueduct into Stafford Lake Reservoir.

Such pumping rate shall be decreased by the amount necessary to allow Marin Municipal to receive from the Sonoma Marin Aqueduct:

- In February, 9 mgd;
- In March, 8 mgd; and,
- In April, 7 mgd.

Said diversions shall continue until the first of the events below occurs:

- A. 500 acre-feet is diverted to Stafford Lake Reservoir;
- B. Either District determines that there is sufficient water available in Stafford Lake Reservoir, the Marin Municipal reservoir system and/or from the Russian River project to meet the needs of its customers during the 2014 dry weather season.
- C. April 30, 2014.

3. WATER DELIVERY PROVISIONS

- A. Starting on June 1, North Marin shall commence treatment and delivery of the water diverted to Stafford Lake Reservoir per the provisions of Section 2, above. The water delivered to Marin Municipal by North Marin pursuant to this agreement shall be considered Stafford Lake water, and not Russian River water, regardless of the actual origin of the water that passes through the Ignacio pump station meter. North Marin shall deliver said water to the Marin Municipal Ignacio Pump Station at a rate of 3 mgd. Deliveries shall continue at this rate until the volume of all water diverted to Stafford Lake Reservoir pursuant to Section 2 and paid for by Marin Municipal pursuant to section 4.A. is delivered to Marin Municipal.
- B. Risk of loss and responsibility for the handling and control of all water delivered hereunder shall pass from North Marin to Marin Municipal at the Ignacio Pump station. Both parties agree to exercise due diligence in inspecting their various pipelines and appurtenances and to take steps to guard against unreasonable loss of water.

C. The quality of water delivered by North Marin to Marin Municipal shall be equivalent to the quality of water served by North Marin in its potable Novato area water system.

D. Metering

Meters used to measure diversions to Stafford Lake Reservoir shall be the responsibility of North Marin and shall meet the standards of the Intertie Agreement. The meter used to measure deliveries to Marin Municipal at the Ignacio Pump station shall be the responsibility of Marin Municipal and shall meet the standards of the Intertie Agreement

4. PAYMENT PROVISIONS

A. Payment for Diversion of Water to Stafford Lake Reservoir

Marin Municipal shall pay North Marin \$745 for each and every acre-foot of water diverted to Stafford Lake Reservoir pursuant to the terms of Section 2 of this agreement. Said payment shall represent the total costs of North Marin for purchasing and diverting said water.

B. Payment for Delivery of Stafford Lake Reservoir Water to North Marin's Russian River Water

Marin Municipal shall pay North Marin \$460 for each and every acre-foot of Stafford Lake water delivered to Marin Municipal's Ignacio Pump Station pursuant to the terms of Section 3 of this agreement. Said payment shall represent the total costs of North Marin for treating said water at the Stafford Lake treatment plant and for delivering said water to Marin Municipal.

C. Billing and Payment

North Marin shall bill Marin Municipal monthly, at the rates prescribed by Section 4.a. and 4.b above, for water diverted pursuant to Section 2 and water delivered pursuant to Section 3 of this Agreement. Marin Municipal shall pay such bill promptly.

Notwithstanding any dispute between the parties hereto, Marin Municipal party shall pay all bills when due and shall not withhold all or any part of any payment pending the final resolution of such dispute. In the event of a dispute, the receiving party may pay its bills under protest and if the resolution of the dispute results in a refund, said refund shall include any interest earned by investment of the disputed funds.

5. COOPERATION PROVISIONS

Each party hereto shall make its best efforts to support and assist the other party's

agreement is declared null and void or voidable for any reason by a final judgment or order of a court of competent jurisdiction, it is hereby declared to be the intention of both parties and agreed that each and all of the other sections, provision, promises and conditions of this agreement shall be and remain in full force and effect.

F. Term of Agreement

The term of this agreement shall extend from the date of execution hereof until December 31, 2014.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first above written.

NORTH MARIN WATER DISTRICT

General Manager

ATTEST:

Secretary

MARIN MUNICIPAL WATER DISTRICT

General Manager

ATTEST:

Secretary



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 10

MEETING DATE: February 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: Approval to Fill Two Temporary Meter Reader Repair Worker I Positions

SUBMITTED BY: Oreen Delgado, Finance Manager

RECOMMENDED ACTION: Authorize General Manager to recruit and hire two temporary Meter Reader/Repair Worker I positions.

EXECUTIVE SUMMARY: A temporary Meter Reader/Repair Worker I position has become vacant and a Meter Service Technician is on leave in the Meter Operations department. Staff is requesting authorizing the General Manager to recruit and hire two temporary Meter Reader/Repair Workers I positions.

FISCAL IMPACT? YES NO **FISCAL YEAR:** 2013/14

EXPENDITURES		FUNDING SOURCES	
Budgeted Amount	\$ 51,300	Operating Fund	\$ 51,300
Budget Augmentation Requested	\$ -	Capital Fund	\$
	\$	Other	\$
	\$	Operating Reserves	\$
TOTAL EXPENDITURES	\$ 51,300	TOTAL SOURCES	\$ 51,300

FISCAL IMPACT NARRATIVE:

It is anticipated the two positions would start around March 1, 2014. The salary and benefits for the remainder of the fiscal year is budgeted in the Meter Operations department in the operating budget for 2013/14.

BACKGROUND

A temporary Meter Reader/Repair Worker I position in the Meter Operations department recently became vacant and a Meter Service Technician is out on leave for an extended period. To perform the duties of the Meter Service Technician, one permanent full time Meter Reader/Repair II employee has been temporary assigned to the position for the next several months.

The Meter Operations department staff includes two temporary Meter Reader Repair/Worker I and two Meter Service Technician positions. The main responsibility of the temporary Meter Reader/Repair Workers is performing the work of the meter replacement program. The temporary positions also provide backup for daily meter reading functions as needed. The two Meter Service Technicians are responsible for repairing and replacing large meters.

To continue with the meter replacement program and meter reading schedule, staff requests Board approval to recruit and fill two temporary full-time Meter Reader/Repair Worker I positions. The total annual salary and benefits cost for the position, range from a minimum of \$76,900 to a maximum of \$92,930. The funding for the positions is budgeted in the Meter Operations operating budget for FY 2013/14.

ATTACHMENTS *(as needed)*

1. **None.**
- 2.
- 3.



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM NO. 11

MEETING DATE: FEBRUARY 4, 2014

AGENDA ITEM STAFF REPORT

MEETING: Board of Directors

SUBJECT: Future Agenda Items

SUBMITTED BY: Krishna Kumar, General Manager

RECOMMENDED ACTION: INFORMATION

FEBRUARY

- Drought Taskforce Update/Actions
- Annual Audit Report
- General Review of Board Policies
- Performance Evaluations (General Counsel, Finance Manager)

MARCH

- Drought Taskforce Update/Actions
- General Review of Board Policies
- Performance Evaluations (General Counsel, Finance Manager)
- Retreat

COMMITTEE CALENDAR

2-3 Communications
2-21 DOC
2-27 Finance
2-27 Compensation
3-12 Communications
3-13 Watershed