

**MEMORANDUM OF UNDERSTANDING**  
**ESTABLISHING THE**  
**NORTH BAY WATER REUSE AUTHORITY**

This Memorandum of Understanding (“MOU”) establishes the North Bay Water Reuse Authority (“Authority”) for the purposes described herein. This MOU is made and entered into by and between the parties that are signatories to this MOU.

**Recitals**

WHEREAS, each of the parties to this MOU is a local government entity functioning within the North Bay Region, as depicted in Exhibit A attached hereto and incorporated by reference; and

WHEREAS, the parties desire to enter into a MOU to explore the feasibility of coordinating interagency efforts to expand the beneficial use of recycled water in the North Bay Region thereby promoting the conservation of limited surface water and groundwater resources; and

WHEREAS, the parties do not intend to create a separate public agency pursuant to Government Code §6500 et seq. through this MOU and no provision of this MOU should be so construed; and

WHEREAS, the parties hereto may later explore the feasibility of changing their organizational structure by establishing a Joint Powers Authority in a separate agreement that would advance the mission and goals of the Authority, if construction projects are to be undertaken jointly or if such changes are necessary in order to receive federal or state funds; and

WHEREAS, the parties hereto recognize the value of using common resources effectively; and

WHEREAS, the parties hereto desire to be proactive on regulatory issues affecting the North Bay Region that transcend the traditional political boundaries of the parties; and

WHEREAS, the parties hereto desire to inform communities and the public in the North Bay Region about the importance of water conservation and the benefits of water reuse; and

WHEREAS, the parties hereto wish to coordinate their consideration and review of local, state and federal policies and programs related to the expansion of existing recycled water programs and the development of new recycled water programs in the North Bay Region; and

WHEREAS, the parties hereto find that promoting the stewardship of water resources in the North Bay Region is in the public interest and for the common benefit of all within the North Bay Region; and

WHEREAS, the parties recognize that there are current and future regulatory requirements which apply to water resources in the North Bay Region affecting one or more of said parties, and that these multiple regulatory requirements may be better addressed on a regional basis, and in a collaborative manner, and the parties wish to investigate more effective ways to share information and coordinate efforts to comply with said regulatory requirements; and

WHEREAS, the parties intend that participation in this MOU be entirely voluntary, and that any party may elect to withdraw from the MOU at any time and for any reason.

NOW, THEREFORE, the parties hereto do hereby enter into this Memorandum of Understanding, as follows:

**Memorandum of Understanding**

**1. Definitions.** As used in this MOU, the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise.

(a) "MOU" shall mean this Memorandum of Understanding.

(b) "Authority" shall mean the unincorporated, cooperative group of public agencies organized through this MOU and otherwise referred to as the North Bay Water Reuse Authority.

(c) "Coordination Committee" shall mean the administrative body established pursuant to this MOU.

(d) "Member Agency" or "Member Agencies" shall mean the local and/or regional public agencies regulated under the Clean Water Act, 33 U.S.C. § 1251 et seq., the federal Safe Drinking Water Act, 42 U.S.C. § 300f et seq., and/or the state Safe Drinking Water Act, Health & Safety Code § 116275 et seq., that operate within or have jurisdiction over any area within the North Bay Region, and that are signatories to this MOU.

(e) "North Bay Region" shall mean the area depicted on the map attached hereto and incorporated herein as Exhibit A

(f) "Administrative Agency" shall mean that Member Agency authorized pursuant to Section 11 to enter into contracts and perform other administrative functions on behalf of the Authority.

2. **Purpose.** This MOU is being entered into in order to establish the North Bay Water Reuse Authority and to carry out the mission, goals and objectives stated herein related to the expansion of beneficial uses of recycled water in the North Bay Region. While this MOU will coordinate the efforts of the Member Agencies to further the goals of the Authority, there is no intent to form an independent Joint Powers Authority as set forth in Government Code § 6500 et seq.

3. **Establishment of the Authority.** There is hereby established the North Bay Water Reuse Authority ("Authority"). The geographic boundaries of the Authority shall be the North Bay Region. (See Exhibit A).

4. **Authority Membership.** Any local and/or regional public agency regulated under the Clean Water Act, 33 U.S.C. § 1251 et seq., the federal Safe Drinking Water Act, 42 U.S.C. § 300f et seq., and/or the state Safe Drinking Water Act, Health & Safety Code § 116275 et seq., that operates within or has jurisdiction over any area within the North Bay Region may be a Member Agency of the Authority. Each Member Agency must be a signatory to this MOU. A list of the agencies considered to be eligible for Authority membership at the time this MOU was drafted is attached as Exhibit B and incorporated by reference.

5. **Coordination Committee.**

(a) The Coordination Committee of the Authority shall consist of one representative from each Member Agency. Such representative shall be the general manager or a suitable staff member of the Member Agency. In the event that the general manager or staff member is unavailable for a meeting, he or she may designate an alternate.

(b) If the total number of Member Agencies renders plenary decision-making difficult and administratively impractical, the Coordination Committee may, by unanimous vote of the representatives of all Member Agencies, create an Executive Coordination Committee of at least five (5) but fewer than seventeen (17) members, which shall have the powers and authority that the Member Agencies deem appropriate.

**6. Voting and Authorization Requirements.**

(a) Each representative on the Coordination Committee shall have one vote. Except as set forth in subsections (b) and (c) below and as otherwise specified herein, if a quorum is present, the affirmative vote of the majority of members of the Coordination Committee present is required to approve any item. In addition to conducting the regular business of the Authority, the Coordination Committee may, by majority vote, authorize any contracts or amendment thereto to be entered into by the Administrative Agency on behalf of the Authority, provided that the total amount of the combined contract and amendment does not exceed \$10,000.

(b) Approval by two-thirds of all Member Agencies shall be required (i) to adopt or modify the budget and (ii) to authorize the Administrative Agency to enter into, modify or accept work under any contract in excess of \$10,000.

(c) Approval by the governing bodies of two-thirds of all Member Agencies shall be required to modify this MOU.

7. **Quorum.** Representatives or alternates from a majority of the Member Agencies shall constitute a quorum for purposes of transacting business, except that less than a quorum may vote to adjourn a meeting or to set a date for the next meeting.

8. **Terms of Office.** Each representative on the Coordination Committee shall serve for as long as he or she is an employee, Board Member, or consultant of his or her Member Agency and is designated by the Member Agency to act as its representative. If at any time a vacancy occurs on the Coordination Committee, a replacement shall be appointed by the Member Agency to fill the unexpired term of the previous representative within ninety (90) days of the date that such position becomes vacant.

9. **Alternates.** Alternate representatives to the Coordination Committee shall be empowered to cast votes in the absence of the regular representative or, in the event of a conflict of interest preventing the regular representative from voting, to vote because of such a conflict of interest.

10. **Officers of the Authority.** The Coordination Committee of the Authority may elect a Chair, a Vice-Chair and such other officers as it deems appropriate. The duties of the Chair and Vice-Chair are as follows:

(a) Chair. The Chair shall direct the preparation of agendas, call meetings of the Coordination Committee to order and conduct other activities as deemed appropriate by the Coordination Committee.

(b) Vice-Chair. The Vice-Chair shall serve as the Chair in the absence of the regularly-elected Chair. In the event both the Chair and Vice-Chair are absent from a meeting which would otherwise constitute a quorum and a

temporary Chair was not designated by the Chair at the last regular meeting, any Board member may call the meeting to order, and a temporary chair may be elected by majority vote to serve until the Chair or Vice-Chair is present.

**11. Administrative Agency.** The Member Agencies hereby designate the Sonoma County Water Agency to act as the Administrative Agency for the purpose of carrying out the provisions of this MOU. The authority delegated herein to the Administrative Agency shall be subject to the restrictions upon the manner of exercising power applicable to the Administrative Agency, including but not limited to the purchasing ordinances and purchasing procedures of the Administrative Agency. The Administrative Agency, for the benefit of the Authority, shall:

(a) Award, execute in its own name, and administer such contracts on behalf of the Authority, as may be authorized by the Coordination Committee or two-thirds of the Member Agencies, as set forth in Section 6.

(b) Through its controller and treasurer, act as the financial officer or functional equivalent and be the depositor and have custody of all money of the Authority from whatever source. The Administrative Agency shall draw warrants to pay demands for expenditures authorized by the Coordination Committee or by its authorized representative pursuant to any delegation of authority authorized by the Coordination Committee.

(c) Provide budget analyses, warrant lists and other financial documents as required by the Coordination Committee. The Administrative Agency's financial activities with regards to the Authority shall be subject to an outside audit at any time at the request of the Coordination Committee.

(d) Determine charges to be made against the Authority for the Administrative Agency's services. Payment of these charges shall be subject to the approval of the Coordination Committee.

(e) Prepare the reports identified in Section 17 if the Coordination Committee has not designated another party or person to complete that task.

The Administrative Agency may resign its position as Administrative Agency upon 120 days written notice to all parties to the MOU, and shall, before the effective date of its resignation, transfer all funds held on behalf of the Authority to any designated successor Administrative Agency. The Coordination Committee may designate a successor Administrative Agency by majority vote. Should no other party be designated to act as Administrative Agency by the effective date of the resignation, the MOU shall terminate and the Administrative Agency shall distribute all property held on behalf of the Authority pursuant to Section 20.

**12. Staff and Consultants.** Subject to the approval and procedural provisions of Sections 6 and 11, the Administrative Agency may employ or contract for any staff or consultants as may be reasonably necessary to carry out the purposes of this MOU. Such persons may include legal counsel, administrative executives and other types of specialists. If an employee from any Member Agency performs staff or consulting work for the Authority, the governing body of that Member Agency may determine the charges to be made against the Authority for the services of that employee. Payment of these charges by the Administrative Agency on behalf of the Authority shall be subject to the approval of the Coordination Committee. There shall be no fees paid to the Administrative Agency for the 2005-06 fiscal year.



**13. Sharing of Costs and Resources.** The Coordination Committee may assess annual dues for membership in the Authority, not to exceed \$5,000. The Coordination Committee may also assess each Member Agency for costs associated with paying the Administrative Agency, staff or consultants and the funding of approved projects, as authorized by the Coordination Committee or two-thirds of all Member Agencies, as set forth in Section 6. Any assessment shall only be valid after the Member Agencies have approved the budget. Assessments shall not exceed those expenses authorized in the budget. Furthermore, legal liabilities against the Authority may arise. The costs and liabilities will be allocated among each of the Member Agencies as follows: (a) one half of costs and liabilities shall be allocated equally among each of the Member Agencies and (b) one half of costs and liabilities shall be allocated among Member Agencies in proportion to each agency's currently adopted annual operating budget or, in the case of the Sonoma County Water Agency, 5% of its annual water transmission system operating budget. Notwithstanding the foregoing, a Member Agency's ability to pay and benefits received may be taken into consideration when determining the respective allocation of costs.

**14. Termination of Membership.**

(a) Causes. A Member Agency's participation in this MOU shall terminate on the occurrence of any of the following:

(1) The voluntary resignation of a Member Agency with notice as prescribed by subsection (b) below;

(2) The nonpayment of dues or assessments, subject to the limitations set forth in subsection (c) below; or

(3) The occurrence of an event which renders an entity no longer eligible for membership under Section 4 of this MOU, as determined by the Coordination Committee.

(b) Resignation by Giving Notice. The membership of any Member Agency of the Authority shall terminate after the delivery of such Member Agency's written request for termination to the Chair of the Coordination committee. Such notice shall be given at least thirty (30) days before the effective date of such resignation. There shall be no refund of any dues or assessments upon such resignation.

(c) Nonpayment of Dues or Allocated Costs. The membership of any Member Agency of the Authority shall be terminated if the Member Agency fails to pay its dues or allocated costs within one hundred and twenty (120) days after such dues or costs are due. Termination shall be effective upon the majority vote of the Coordination Committee. Member Agencies shall be given thirty (30) days prior written notice of a threatened termination and the reasons thereof. The notice may be delivered in person or by first-class certified mail, fax or e-mail to the Member Agency's representative on the Coordination Committee.

(d) Effect of termination. All rights of a Member Agency in the Authority shall cease on the termination of such Member Agency's membership. Termination shall not relieve the Member Agency from any obligation for charges, costs or liabilities incurred or arising from acts or omissions before the date of termination. The terminating Member Agency's responsibility for such charges, costs or liabilities shall be determined in a manner consistent with the allocations set forth in

Section 13. Likewise, termination shall not preclude the Member Agency from any benefits that fully accrue before the date of termination.

**15. Procedures.** The Coordination Committee may adopt bylaws, rules of conduct for meetings and operating procedures for the Authority. To facilitate such efforts, the Authority may adopt the administrative procedures and policies of a Member Agency.

**16. Meetings.** The Coordination Committee shall provide for meetings, as necessary.

**17. Reports to Member Agencies.** Each year the Authority shall submit a written report to the governing body of each of the Member Agencies. This report shall describe the financial activities of the Authority during the preceding year.

**18. Offices.** For the purposes of forming the Authority and for initial operation, the principal office of the Authority shall be located at the Administrative Agency. The Coordination Committee may change said principal office from one location to another after providing thirty (30) days notice of such a change. The Chair shall notify each Member Agency in writing of the change.

**19. Termination.** This MOU shall remain in effect until terminated by vote of two-thirds of the representatives of all then-current Member Agencies. This MOU shall also be terminated if the Administrative Agency has resigned pursuant to Section 11 and no other Member Agency has been designated to act as the Administrative Agency prior to the effective date of the resignation.

**20. Disposition of Property and Surplus Funds.** At the termination of this MOU, any and all property, funds, assets, and interests therein held by the Administrative Agency on behalf of the Authority shall become the property of and be distributed to the

Member Agencies. Money collected from Member Agencies and held in reserve by the Administrative Agency for payment of the costs of programs shall be allocated among Member Agencies in proportion to each Member Agency's contributions to such reserves. All other property, funds, assets, and interests shall be distributed by the Administrative Agency to Member Agencies in proportion to each Member Agency's contributions to the Authority for dues and allocated costs. However, liabilities of the Authority in excess of those assets held by the Administrative Agency on behalf of the Authority at the time of termination shall be assessed against the Member Agencies and said Member Agencies shall be responsible for such liabilities. The allocation of responsibility for the payment of such liabilities shall be determined in a manner consistent with the provisions of Section 13.

**21. Minutes.** A secretary or clerk may be appointed by the Coordination Committee or the Administrative Agency. If no secretary or clerk is appointed, the Administrative Agency shall cause to be kept minutes of all meetings of the Coordination Committee, and shall cause a copy of the minutes to be forwarded to each Member Agency.

**22. Effective Date.** This MOU shall become effective and the Authority shall be established when at least five (5) agencies have authorized its execution.

**23. Counterparts.** This MOU may be executed in counterpart and each of these executed counterparts shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

**Sonoma County Water Agency**

By: *Randy Poole*

Print Name: Randy Poole

Title: General Mgr/Chief Eng

Date: 8/12/05

**Napa Sanitation District**

By: *Michael Abramson*

Print Name: Michael Abramson

Title: General Manager

Date: 8/15/05

**Sonoma Valley County Sanitation District**

By: *Randy Poole*

Print Name: Randy Poole

Title: General Mgr/Chief Eng

Date: 8/12/05

**Novato Sanitary District**

By: *Beverly B. James*

Print Name: Beverly B. James

Title: Manager-Engineer

Date: 8.24.05

**Las Gallinas Valley Sanitary District**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

**Sonoma County Water Agency**

**Napa Sanitation District**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Sonoma Valley County Sanitation District**

**Novato Sanitary District**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Las Gallinas Valley Sanitary District**

By: *[Signature]*

By: \_\_\_\_\_

Print Name: *R. DUFFIN*

Print Name: \_\_\_\_\_

Title: *BOARD PRESIDENT*

Title: \_\_\_\_\_

Date: *JUNE 15, 2005*

Date: \_\_\_\_\_

*AL PETTIE*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

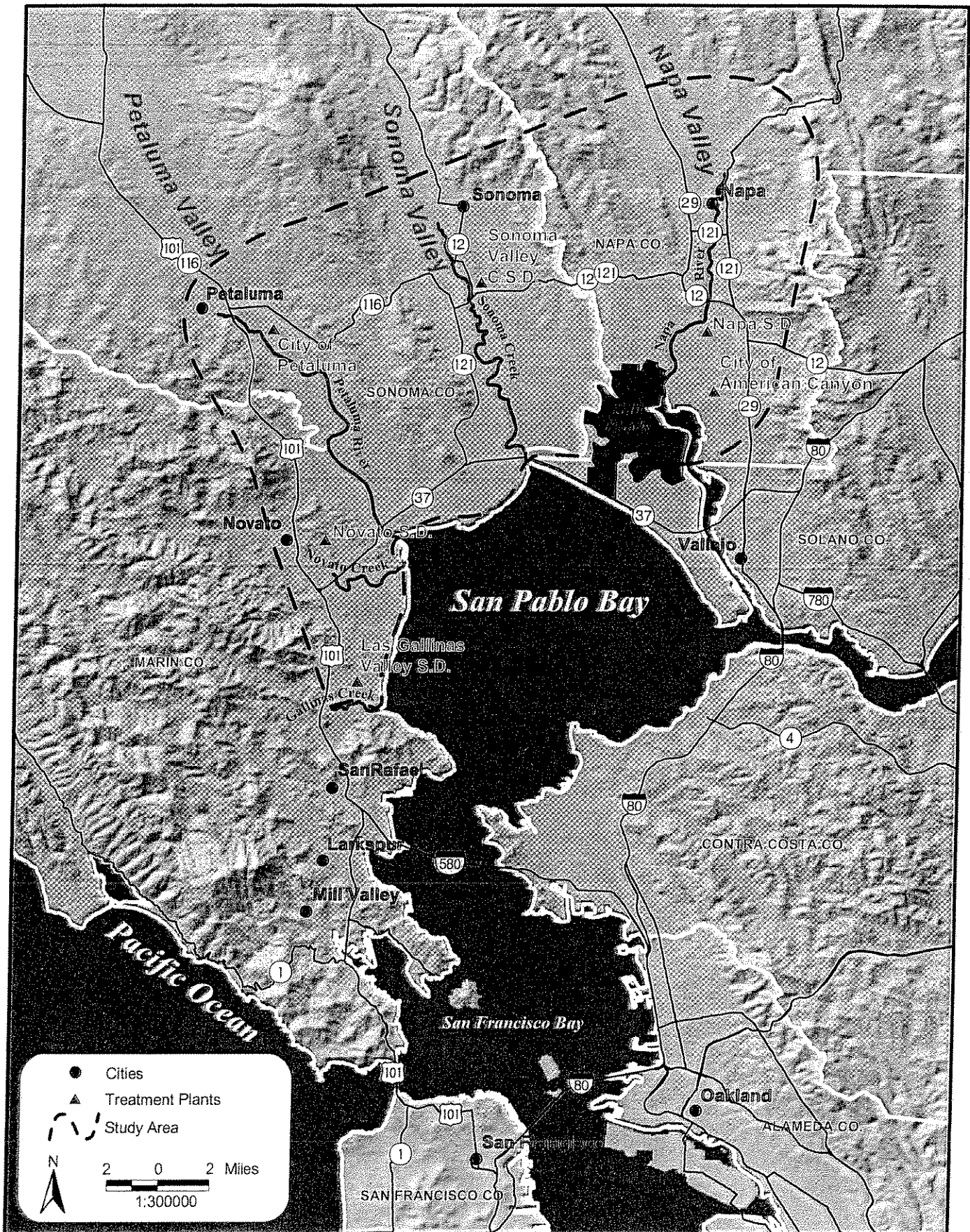
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Date: \_\_\_\_\_



**Exhibit A**  
**Study Area**



## **Exhibit B**

### **Agencies Eligible for Membership in the Recycled Water Association of the North Bay**

Las Gallinas Valley Sanitary District  
Novato Sanitary District  
City of Petaluma  
Sonoma Valley County Sanitation District  
Sonoma County Water Agency  
Napa Sanitation District  
City of American Canyon  
North Marin Water District  
Marin Municipal Water District

FIRST AMENDMENT  
TO THE  
MEMORANDUM OF UNDERSTANDING  
ESTABLISHING THE  
NORTH BAY WATER REUSE AUTHORITY

This First Amendment to the Memorandum of Understanding Establishing the North Bay Water Reuse Authority (First Amendment) is made by and among the Sonoma County Water Agency, Sonoma Valley County Sanitation District, Napa Sanitation District, Novato Sanitary District and Las Gallinas Valley Sanitary District (the “Member Agencies”) with reference to the following:

WHEREAS, the Memorandum of Understanding Establishing the North Bay Water Reuse Authority (MOU) was executed by the North Bay Water Reuse Authority (NBWRA) Member Agencies (Sonoma County Water Agency, Sonoma Valley County Sanitation District, Napa Sanitation District, Novato Sanitary District and Las Gallinas Valley Sanitary District) in August 2005 to explore the feasibility of coordinating interagency efforts to expand the beneficial use of recycled water in the North Bay Region thereby promoting the conservation of limited surface water and groundwater resources, and

WHEREAS, the Member Agencies have established a goal to meet local recycled water demands as a priority and desire to state said priority in the MOU, and

WHEREAS, in accordance with section 6.c of the MOU, approval by the governing bodies of two-thirds of all Member Agencies is required to modify this MOU; and

WHEREAS, each of the Member Agencies has approved this First Amendment.

NOW, THEREFORE, the Member Agencies hereby amend the MOU as follows:


Section 2 of the MOU is amended to read:

“2. Purpose. This MOU is being entered into in order to establish the North Bay Water Reuse Authority and to carry out the mission, goals and objectives stated herein related to the expansion of beneficial uses of recycled water in the North Bay Region giving first and highest priority to local needs for recycled water and only exporting recycled water surplus to local needs. While this MOU will coordinate the efforts of the Member Agencies to further the goals of the Authority, there is no intent to form an independent Joint Powers Authority as set forth in Government Code § 6500 et seq.”


Except as expressly set forth above, the remaining terms and conditions of the MOU shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.


**Sonoma County Water Agency**

By:   
Randy D. Poole  
General Manager/Chief Engineer  
Per Board action dated 1/15/08


**Napa Sanitation District**

By:   
Michael Abramson  
General Manager  
Per Board action dated 1/16/08

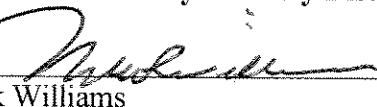
**Sonoma Valley County Sanitation District**

By:   
Randy D. Poole  
General Manager/Chief Engineer  
Per Board action dated 1/15/08

**Novato Sanitary District**

By:   
Beverly James  
Manager – Engineer  
Per Board action dated 11/5/07

**Las Gallinas Valley Sanitary District**

By:   
Mark Williams  
District Manager  
Per Board action dated 1/3/08