



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 March 19, 2019 – 6:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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Est. Time	Item	Subject						
6:00 p.m.	CALL TO ORDER							
	1.	APPROVE MINUTES FROM REGULAR MEETING , March 5, 2019						
	2.	GENERAL MANAGER'S REPORT						
	3.	PRESENTATION ON DRAFT FY 20 SCWA WATER TRANSMISSION SYSTEM BUDGET						
	4.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.						
	5.	STAFF/DIRECTORS REPORTS						
	6.	MONTHLY PROGRESS REPORT						
	CONSENT CALENDAR The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.							
		Consent - Approve Water Agreement						
	7.	Atherton Place Water Facilities – APN: 125-600-61 & 52						
		<table> <tr> <th>Type</th><th>DU</th><th>EU</th></tr> <tr> <td>THC/CM</td><td>50</td><td>23</td></tr> </table>	Type	DU	EU	THC/CM	50	23
Type	DU	EU						
THC/CM	50	23						
	8.	Consent – Approve: Marin LAFCO Special District Member Election Ballot						
	9.	Consent - Approve: Support Letter for SB 669						
	ACTION CALENDAR							
	10.	Approve: Authorize Affirmative Vote for SCWA FY20 Water Transmission System Budget						
	11.	Approve: AML Opt-Out Options – 26 Aronia Lane						
	12.	Approve: Proposal for Water Rate Study						
	13.	Approve: Rate Increase Letter to Novato Customers						
	14.	MISCELLANEOUS						

All times are approximate and for reference only.

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

Est. Time	Item	Subject
		Disbursements – Dated March 7, 2019 Disbursements – Dated March 14, 2019 Stafford Treatment Plant Production Cost
		<u>News Articles:</u> Novato council approves disputed 87-room hotel City moves to shore up pensions Pension litigants deflated by ruling Water rate, fee hike plan raises questions- MMWD Chronic flooding prompts toll talk Second units can help solve housing crisis Novato council signals shift to district elections
7:30 p.m.	15.	ADJOURNMENT

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 5, 2019

CALL TO ORDER

President Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 6:01 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, James Grossi, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, and Auditor-Controller Julie Blue. Chief Engineer Rocky Vogler was absent.

District employees, Tony Arendell (Construction/Maintenance Superintendent), Robert Clark (Operations/Maintenance Superintendent) and Pablo Ramudo (Water Quality Supervisor), were also in attendance.

MINUTES

On motion of Director Petterle, seconded by Director Grossi the Board approved the minutes from the February 19th meeting as presented by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Board Requested Updates

Mr. McIntyre stated that the update on the polybutylene service lateral population has been provided as requested by the Board under miscellaneous in this agenda. Mr. McIntyre also added that the cost comparison update between SCWA water and Stafford Treatment Plant water will be provided on the next agenda.

WAC Meeting

Mr. McIntyre announced that the next WAC meeting will be held on April 8th and will focus on approval of SCWA's FY20 budget. Immediately following the WAC meeting, SCWA is offering a tour of Agency facilities and Mr. McIntyre encouraged participation by interested Board members. Mr. McIntyre also advised the Board that on April 22nd, there will be an official ribbon cutting to

1 celebrate completion of the Dry Creek Habitat Enhancement Project Reach 4 segment and
2 encouraged participation by interested Board members. Director Baker asked if the April 8th tour will
3 include Collector Six, the biggest and most successful of the water supply collectors. Mr. McIntyre
4 replied yes and that Board members will also be able to tour the recently completed Fish
5 Ladder/Viewing facilities

6 Leadership Novato

7 Mr. McIntyre stated he, Ryan Grisso and Robert Clark will be participating in Leadership
8 Novato's Special District Day on March 13th. Ms. Blue is in the 2019 class, and their March meeting
9 is structured to learn about local special districts.

10 OPEN TIME

11 President Baker asked if anyone in the audience wished to bring up an item not on the
12 agenda and there was no response.

13 STAFF/DIRECTORS REPORTS

14 President Baker asked if staff or Directors wished to bring up an item not on the agenda and
15 the following items were discussed:

16 Ms. Kehoe reminded the Board that their Form 700 is due April 2nd.

17 Mr. Clark announced that staff is working on getting the Stafford Treatment Plant (STP) up
18 and running on or before March 18th. Additionally, as mentioned by Director Grossi during a
19 previous Board meeting, Mr. Clark explained the reason for the water vapor cloud Director Grossi
20 observed early one morning a couple of weeks ago near the STP. Mr. Clark stated that when a
21 large volume of water is discharged through the spillway, under certain conditions, such as cold
22 winter mornings, a mist plume can be created right where the water transitions from the spillway to
23 the creek bed channel.

24 ACTION CALENDAR

25 AMEND CONSULTING SERVICES AGREEMENT – WEST YOST ASSOICATES

26 Mr. Clark advised the Board that the amendment will allow West Yost to assist District Staff
27 in developing a plan to reduce disinfection byproduct concentrations in the Point Reyes water
28 system. He added that the focus is to evaluate and size a granular active carbon filter system, water
29 booster pump and disinfection booster system, as well as identify the proper location of this system
30 to best address increased disinfection byproduct concentrations.

1 On the motion of Director Joly, and seconded by Director Fraites the Board moved to
2 approve the Amended Consulting Services Agreement with West Yost Associates as presented by
3 the following vote:

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

5 NOES: None

6 ABSTAIN: None

7 ABSENT: None

8 **APPROVAL OF SALARY AND TERMS AND CONDITIONS OF EMPLOYEMENT FOR**
9 **UNREPRESENTED EMPLOYEES**

10 Mr. McIntyre stated that this is the second time the Board has seen this agreement which is
11 consistent with the terms of the recently approved Employee Association agreement.

12 President Baker provided an oral report of the Salary and Terms and Conditions of
13 Employment for the Unrepresented Employees by reading the following:

14 In accordance with Government Code section 54953(c) (3), I am providing an oral summary
15 of the recommended action. The item before the Board tonight is to set the salary and terms and
16 conditions of employment for the District's three Unrepresented Employees (Auditor-Controller,
17 Chief Engineer, and District/Administrative Secretary), retroactive to October 1, 2018 through
18 September 30, 2023.

19 The recommended action is to grant 3.8% increase retroactive to October 1, 2018 to the
20 Auditor-Controller, Chief Engineer, and District/Administrative Secretary positions, with an additional
21 0.5% equity adjustment effective July 1, 2019; subsequent annual increases will be based upon the
22 CPI-U (September-August changes), with floor of 2.0% and cap of 4.0%; a half-day off to be
23 observed on the proceeding business day if Christmas or New Year's Eve falls on a weekend; and
24 add the tier of 22.5 days per year vacation accrual for Unrepresented Employees with 15 to 20 years
25 of service.

26 Over the five-year term, the total increase for all three positions over current salary is
27 approximately \$89,442. A detailed financial analysis, including the increases to base wages and
28 corresponding payroll taxes, retirement contributions, holiday pay, and fringe benefits such as
29 medical, vision, and life Insurance and car allowance, are shown as Attachment #1 in the
30 corresponding agenda report for this item, and the new salary schedules are shown as Attachments
31 #2 and 3 in the corresponding agenda report for this item.

1 On the motion of Director Petterle, and seconded by Director Joly, the Board moved to
2 approve the Salary and Terms and Conditions of Employment for Unrepresented Employee as
3 presented by the following vote:

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

5 NOES: None

6 ABSTAIN: None

7 ABSENT: None

8 **INFORMATION ITEMS**

9 **NOVATO POTABLE WATER SYSTEM FINANCIAL PLAN UPDATE**

10 Ms. Blue presented the Novato Potable Water System Financial Plan Update. She noted
11 that staff is currently proposing a 3.5% rate increase for FY20 with future annual rate increases of
12 4.5%. Ms. Blue added that this proposed rate increase is based on several factors including a FY20
13 SCWA wholesale water rate increase of 4.8%, Stafford Treatment Plant production of 650 million
14 gallons annually and projected water sales of 2.6 billion gallons annually.

15 Direct Baker inquired if there was any disagreement with the amount of increase from the
16 other water agency contractors. Ms. Blue replied that the original proposed increase was 6% but
17 after considerable discussion the rate was lowered to be more reasonable, however they are still
18 looking at future increases up to 6% per year. Director Fraites had a question about the projection
19 of 12 Equivalent Dwelling Units (EDUs) per year and asked if this was based on single family
20 dwellings or apartments. Ms. Blue replied that it is just an average based on any new commercial or
21 residential development. Director Baker stated that we have seen little growth in new residential
22 construction since the Hamilton Field redevelopment. He asked if there was anything to change this
23 slow growth trend. Mr. McIntyre replied there is limited land available for any new housing boom in
24 Novato; however there is still some in-fill growth. He added that the annual projection of 12 new
25 EDUs is a conservative number which represents 50% of what we have averaged annually in the
26 past five years. Director Grossi added that there is an affordable housing project in the works at the
27 commissary site along State Access and that Indian Valley College also has a project coming up.
28 Director Joly commented that we must keep in mind that we are a water agency and we have
29 declining use, and the AMI will further reduce water use.

30 Ms. Blue stated that the next step in the FY20 budget process is to bring a 3.5% draft rate
31 increase letter to the Board for review and approval at the next meeting. She advised the Board that
32 with the proposed rate increase, a single-family home will see about a \$2 a month increase or about

1 \$25 a year. Director Fraites commented that we need to be prepared to answer any customer
2 questions regarding unfunded pension liabilities. Mr. McIntyre stated the draft letter will include a
3 discussion on why the rate increase is needed. Director Joly expressed the need for full
4 transparency for retirement, health care and future capital improvement funding. In addition,
5 Director Joly asked about the upcoming Office Building renovation project and how it reflects in the
6 budget. Ms. Blue stated that this debt, spread over time, is included in the financial model. Director
7 Joly praised Ms. Blue on a great job done, stating the excel dashboard was excellent.

8 **UPDATE: POINT REYES SYSTEM DISINFECTION BYPRODUCTS**

9 Mr. Ramudo provided an update on the Point Reyes System Disinfection Byproduct
10 Operational Evaluation. He noted that recent work has confirmed that the increase in
11 trihalomethane concentrations is due to elevated bromide levels in the Coast Guard wells. He
12 stated that we are currently waiting for test results that will determine whether we have exceeded the
13 maximum drinking water standard limit for this constituent. If so, we will need to follow state
14 mandated public notification requirements to our West Marin potable water customers within 30
15 days.

16 Director Baker noted that the PRE Tank 4A is a larger tank compared to the current one and
17 asked if we are likely to make the problem worse realizing this is a persistent problem. Mr. Ramudo
18 stated that it has the potential to be worse, and that we need to get to the source of the problem,
19 noting that another Gallagher well with help. Director Fraites stated that the attached notice does
20 not mention that the bromide problem is linked to the sea level rise. He thought it would be
21 important to mention this, so the customers know it is Mother Nature and not our system. Mr.
22 Ramudo replied that the notice in the agenda is a template from the state and a final notice would
23 be customized to reflect local conditions. He noted that we will be working with West Yost to come
24 up with a plan to manage the system. He added that the first short term step is to lower chlorine,
25 limit the use of Coast Guard wells, and increase monitoring of the system; the midterm step will be
26 to install granular carbon filter vessels to help reduce disinfection byproduct concentrations; and the
27 final step will be to construct an additional well near the current Gallagher well which is outside the
28 area of salinity intrusion.

29
30 **FISCAL YEAR 2018-19 MID YEAR PROGRESS REPORT – OPERATIONS/MAINTENANCE**

31 Mr. Clark discussed the FY 2018-19 Mid-Year Progress Report for the Operations and
32 Maintenance Department. He stated that staff continues to investigate the unusually high
33 production vs. consumption variance in the Pt. Reyes water system. Mr. Clark also noted the
34 significant expansion in recycled water customers, from 54 to 92 accounts. Director Grossi asked if

1 we expect to run out of recycled water supply. Mr. McIntyre stated that we receive up to 1.2 million
2 gallons per day from Novato Sanitary District and 0.5 MGD from Las Gallinas Valley Sanitary District
3 during the peak season and both facilities have plenty of excess supply and treatment capacity.
4 Director Petterle asked if when the Las Gallinas treatment plant remodel is done, we will get an
5 increase of recycled water. Mr. McIntyre replied that we will not see an increase but MMWD will
6 receive all recycled water from Las Gallinas and will no longer need to produce their own recycled
7 water.

8 **AMI DEPLOYMENT PROJECT UPDATE**

9 Mr. Clark gave an update on the AMI deployment project. He noted that the project is almost
10 complete, and we expect that Ferguson will be done installing units by March 15th. With the final
11 inventory review and material order completed, staff has determined that the overall project cost is
12 estimated to exceed the original budget by five percent or \$350,000. He noted that there are
13 several items that contributed to the increase including a few thousand additional service meter
14 changes vs. register swap outs, a change order for paying required prevailing wages and cellular
15 meter interface units required for north service area customers. Director Joly asked if this \$350,000
16 is raising our debt. Mr. Clark replied that the additional costs will be absorbed in the approved CIP
17 budget.

18 Director Fraites asked for an update about the couple that came to a meeting a few weeks
19 ago. Mr. Clark stated that staff has been communicating with Mr. Larsen and all tests have been
20 inconclusive to date. He added that there is no simple solution because staff cannot pinpoint why
21 the customer feels this way. Mr. McIntyre said that staff will come back to the Board at a future
22 meeting with options for moving forward

23 **MISCELLANEOUS**

24 The Board received the following miscellaneous items: Disbursements-Dated February 21,
25 2019, Disbursements – Dated February 28, 2019, and Update – Polybutylene Service Lateral
26 Population.

27 The Board received the following news articles; Notice Inviting Sealed Bids – Bay Area
28 Chemical Consortium (BACC); Potter Valley Project: Could the dam go but the diversions remain?;
29 Rest in peace, Virgil; and Novato considers switch to council District elections – LAW VIOLATION
30 CLAIMED.

31 **ADJOURNMENT**

32 President Baker adjourned the meeting at 7:27 p.m.

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Submitted by

Theresa Kehoe
District Secretary

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Sonoma Water

Clean. Reliable. Essential. Every day.

FY 2019-2020 Proposed Budget and Rates Water Transmission System

Presentation to: North Marin Water District
March 19, 2019

Lynne Rosselli
FINANCE MANAGER
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Lynne.Rosselli@scwa.ca.gov

    sonomawater.org



Proposed Rates for FY 19-20

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	43,870		
O&M	\$615.20	\$615.20	\$615.20
Water Management Planning	\$1.14	\$1.14	\$1.14
Watershed Planning & Restoration	\$102.96	\$102.96	\$102.96
Recycled Water and Local Supply	\$2.96	\$2.96	\$2.96
Water Conservation	\$46.94	\$46.94	\$46.94
Total O&M	\$769.20	\$769.20	\$769.20
Storage & Common Bond/Loan Charges	\$122.10	\$122.10	\$122.10
Sonoma Aqueduct Bond/Loan Charge			\$130.50
Prime Contractors	\$891.30	\$891.30	\$1,021.80
<u>Discretionary Charges</u>			
Capital Charges - <i>to build fund balance for future projects</i>	\$27.00	\$27.00	\$27.00
Prime Contractors	\$27.00	\$27.00	\$27.00
Total Prime Contractors	\$918.30	\$918.30	\$1,048.80
Total Overall Increase:	4.60%	4.60%	4.77%

Rate Setting Calculation (EXAMPLE)

$$\frac{\$40,286,000}{43,870 \text{ AF}} = \$918/\text{Acre Foot}$$

Water Sold = Lesser of:

43,870 AF

or

46,830 AF



FY 19-20 Budgeted Expenditures

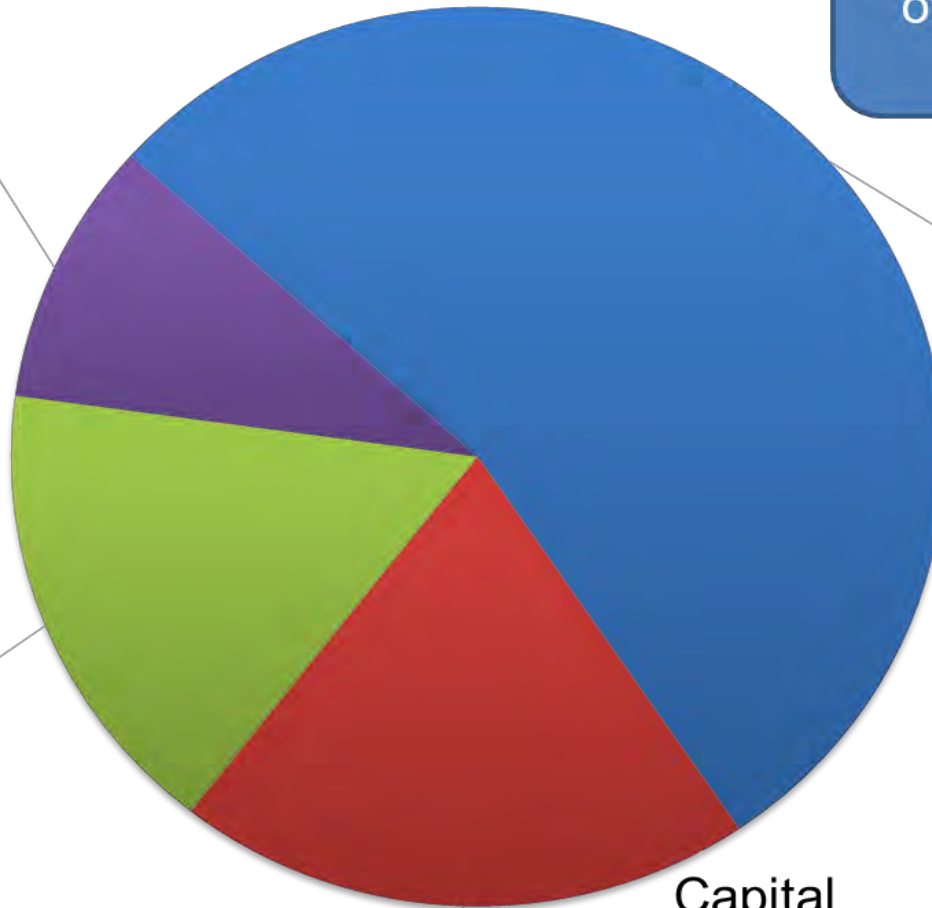
Debt Service
\$4.8 Million,
9%

Grants, Bond
Proceeds, and Use
of Fund Balance
\$7 Million

Operations
and
Maintenance
\$27.5 Million,
54%

BO
Compliance,
Water Supply
Planning,
Water
Conservation
\$8.48 million,
17%

Capital
Projects
\$10.2 Million,
20%

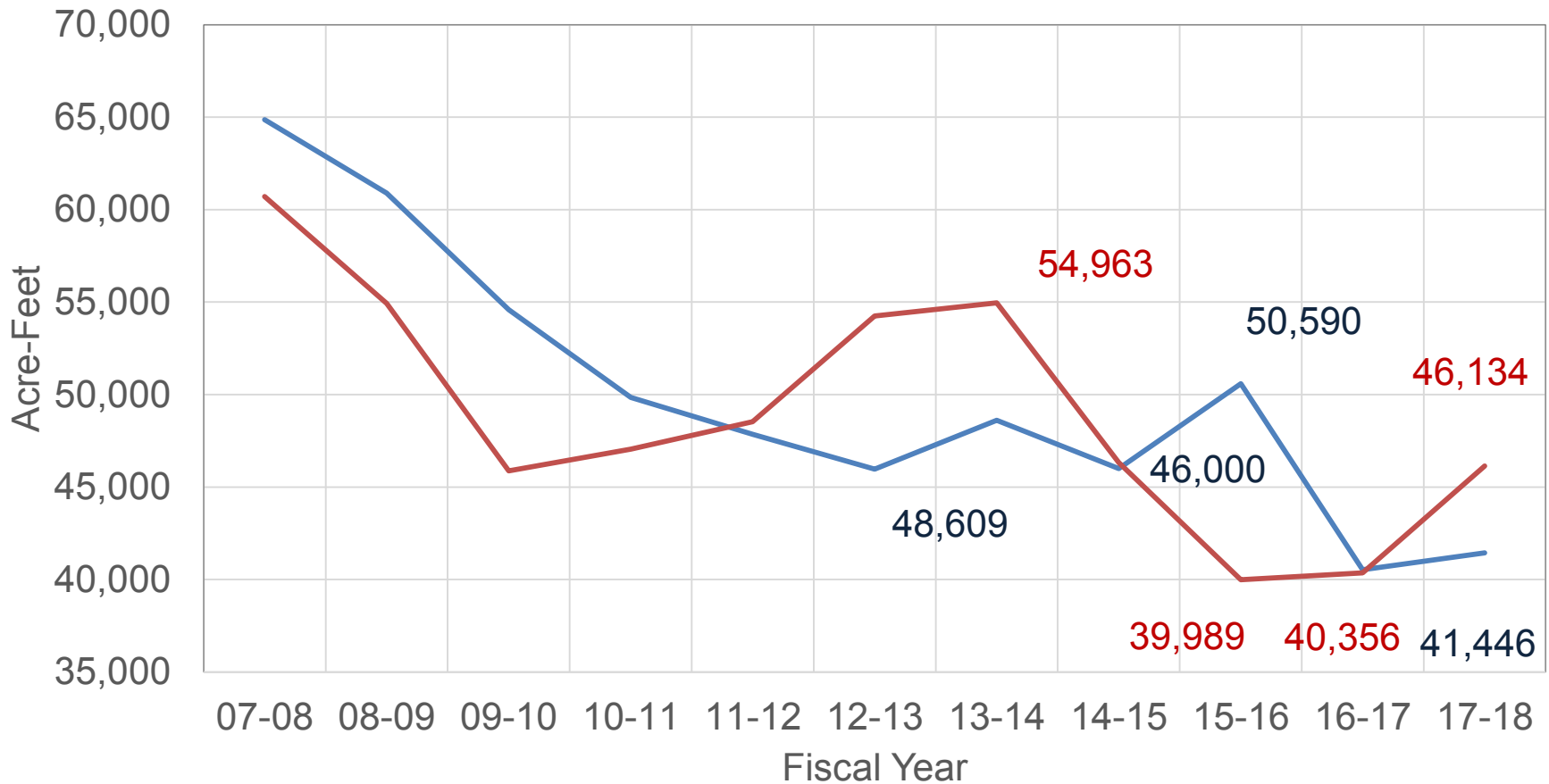


Sonoma
Water

Expenditures Compared to FY 18-19

	FY18-19	FY19-20	
	Budget (in Millions)	Budget (in Millions)	Change (in Millions)
Operations and Maintenance	\$23.13	\$27.47	\$4.34
Capital Projects	\$5.59	\$10.82	\$5.23
BO Compliance, Water Supply Planning, Water Conservation	\$6.51	\$8.48	\$1.97
Debt Service	\$5.39	\$4.84	(\$0.54)
Totals	\$40.62	\$51.61	\$11.00
Grants, Use of Fund Balance, and Bond Proceeds	\$7.44	\$7.05	(\$0.39)

Historical Water Transmission Deliveries



Sonoma
Water



Budget Actual

Projects

Dry Creek Habitat Enhancement



Capital Projects

- Warm Springs Dam Hydroturbine Retrofit
- Mirabel Dam Bladder Replacement
- Wohler Pump Replacements
- Caltrans Petaluma Aqueduct Relocation
- Sonoma Booster Pump Station Electrical Upgrade and Pumping Reliability

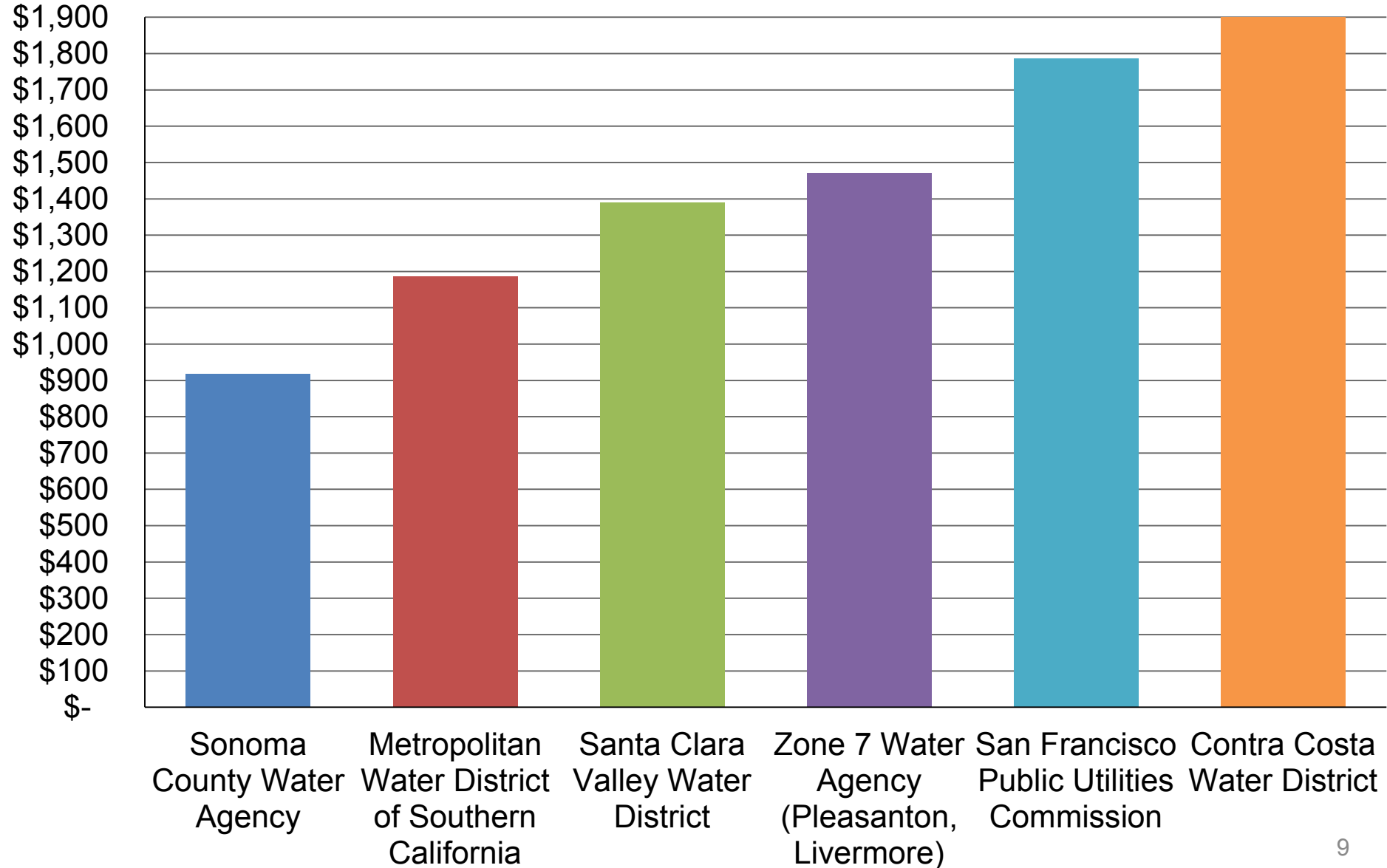


Maintenance Projects

- Tank Maintenance Program
- Collectors: Valve and Meter Replacements



2019 Wholesale Water Rates Per Acre-Foot



Proposed Rates for FY 19-20

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	43,870		
O&M	\$615.20	\$615.20	\$615.20
Water Management Planning	\$1.14	\$1.14	\$1.14
Watershed Planning & Restoration	\$102.96	\$102.96	\$102.96
Recycled Water and Local Supply	\$2.96	\$2.96	\$2.96
Water Conservation	\$46.94	\$46.94	\$46.94
Total O&M	\$769.20	\$769.20	\$769.20
Storage & Common Bond/Loan Charges	\$122.10	\$122.10	\$122.10
Sonoma Aqueduct Bond/Loan Charge			\$130.50
Prime Contractors	\$891.30	\$891.30	\$1,021.80
<u>Discretionary Charges</u>			
Capital Charges - <i>to build fund balance for future projects</i>	\$27.00	\$27.00	\$27.00
Prime Contractors	\$27.00	\$27.00	\$27.00
Total Prime Contractors	\$918.30	\$918.30	\$1,048.80
Total Overall Increase:	4.60%	4.60%	4.77%



Next Steps

Technical Advisory Committee – Vote on Monday, March 4

Presentations:

- **City of Petaluma - March 4**
- **Valley of the Moon Water District - March 5**
- **Santa Rosa Board of Public Utilities - March 7**
- **City of Cotati - March 12**
- **City of Sonoma - March 18**
- **North Marin Water District - March 19**
- **Town of Windsor - March 20**
- **City of Santa Rosa - March 26**

Water Advisory Committee Vote on Monday, April 8

Adoption by Sonoma Water's Board – April 16



**Sonoma
Water**

Lynne Rosselli
Finance Manager
Lynne.Rosselli@scwa.ca.gov

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NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR February 2019
 March 19, 2019

Item #6

1.

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

Month	FY18/19	FY17/18	FY16/17	FY15/16	19 vs 18 %
July	341.1	331.0	310.3	227.2	3%
August	300.9	303.0	299.6	235.2	-1%
September	255.0	292.4	302.3	210.0	-13%
October	265.6	273.7	202.8	298.6	-3%
November	170.1	163.9	143.8	145.4	4%
December	157.8	152.1	147.6	145.1	4%
January	114.7	130.6	120.8	129.8	-12%
February	110.9	134.8	118.6	111.3	-18%
FYTD Total	1,716.0	1,781.4	1,645.8	1,502.7	-4%

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

Month	FY18/19	FY17/18	FY16/17	FY15/16	19 vs 18 %
July	10.2	9.5	7.9	6.6	8%
August	10.2	8.8	7.4	7.0	16%
September	9.5	8.4	6.4	6.4	14%
October	8.3	7.9	5.2	6.5	5%
November	7.3	5.4	4.2	4.7	34%
December	5.7	5.1	3.7	3.9	12%
January	5.0	4.5	3.6	3.7	9%
February	3.5	4.5	3.3	3.8	-23%
FYTD Total	59.6	54.1	41.7	42.7	10%

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

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

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

Month	FY18/19	FY17/18	FY16/17	FY15/16	19 vs 18 %
July	30.0	27.7	27.1	21.3	8%
August	30.6	26.1	26.0	26.2	17%
September	33.5	25.0	23.5	15.7	34%
October	20.1	19.1	8.3	15.8	5%
November	12.7	2.5	1.2	3.2	406%
December	1.5	0.8	0.4	0.8	85%
January	0.9	1.0	0.3	0.2	-8%
February	0.3	3.3	0.0	0.6	-90%
FYTD Total*	129.6	105.5	86.8	83.8	23%

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

**Excludes potable water input to the RW system: FY 19=19.8 MG; FY 18=15.35MG; FY 17=1.4MG; FY 16=7.4MG

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

2. Stafford Lake Data

	February Average	February 2018	February 2019
Rainfall this month	5.10 Inches	0.61 Inches	13.2 Inches
Rainfall this FY to date	21.04 Inches	10.59 Inches	29.15 Inches
Lake elevation*	191.8 Feet	182.4 Feet	198.6 Feet
Lake storage**	1097 MG	567 MG	1597 MG

* Spillway elevation is 196.0 feet

** Lake storage less 390 MG = quantity available for delivery

Temperature (in degrees)

	Minimum	Maximum	Average
February 2018 (Novato)	34	91	57
February 2019 (Novato)	35	66	50

3. Number of Services

February 28	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY19	FY18	Incr %	FY19	FY18	Incr %	FY19	FY18	Incr %	FY19	FY18	Incr %
Total meters installed	20,750	20,778	-0.1%	96	57	68.4%	791	789	0.3%	-	-	-
Total meters active	20,540	20,556	-0.1%	92	53	73.6%	783	781	0.3%	-	-	-
Active dwelling units	24,077	24,013	0.3%	-	0	-	833	831	0.2%	234	234	0.0%

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4. Oceana Marin Monthly Status Report (February)

Description	February 2018	February 2019
Effluent Flow Volume (MG)	0.399	1.180
Irrigation Field Discharge (MG)	0.743	0.347
Treatment Pond Freeboard (ft)	6.5	6.0
Storage Pond Freeboard (ft)	7.3	6.6

5. Developer Projects Status Report (February)

Job No.	Project	% Complete	% This month
1.2784.00	Novato Village (801 State Access)	99	1
1.2817.01	College of Marin – Admin Bldg. 11	99	0
1.2817.02	College of Marin – Organic Farm	80	0
1.2807.00	Hamilton Cottages	60	30
1.2786.00	Binford Road Storage	50	0
1.2824.00	Park-a-Pup Novato	10	10
1.2817.03	College of Marin – New Miwok Center	0	0

District Projects Status Report - Const. Dept. (February)

Job No.	Project	% Complete	% This month
1.660.89	STP Clearwells Coating	95	15
1.6112.24	Lynwood Pump Station MCC	15	0

Employee Hours to Date, FY 18/19

As of Pay Period Ending February 28, 2019

Percent of Fiscal Year Passed = 66%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	459	1,400	33%	Construction	1478	4,654	32%
Engineering	757	1,404	54%	Engineering	1531	3,370	45%

6. Safety/Liability

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FY 19 through February
FY 18 through February

Industrial Injury with Lost Time				Liability Claims Paid	
Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
6	\$2,160	1	1	7	\$8,476
54	\$26,472	3	2	4	\$1,965

Days without a lost time accident through February 28, 2019: **151 Days**

7. Energy Cost

FYE	kWh	February		Fiscal Year-to-Date thru February		
		¢/kWh	Cost/Day	kWh	¢/kWh	Cost/Day
2019 Stafford TP	20,052	24.9¢	\$178	403,455	20.4¢	\$409
Pumping	67,263	20.7¢	\$434	993,568	20.7¢	\$984
Other*	50,943	20.2¢	\$322	375,259	24.3¢	\$454
	138,258	21.1¢	\$934	1,772,283	21.4¢	\$1,846
2018 Stafford TP	52,998	19.7¢	\$373	432,259	19.5¢	\$347
Pumping	73,325	20.3¢	\$497	977,043	21.0¢	\$843
Other*	34,949	22.5¢	\$262	338,366	24.9¢	\$349
	161,272	20.6¢	\$1,108	1,747,668	21.4¢	\$1,541
2017 Stafford TP	33,625	19.2¢	\$230	405,371	19.0¢	\$316
Pumping	56,684	20.6¢	\$377	831,427	20.4¢	\$691
Other*	36,056	21.4¢	\$241	328,770	24.4¢	\$328
	126,365	20.4¢	\$833	1,565,568	20.8¢	\$1,335

*Other includes West Marin Facilities

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8. Water Conservation Update

	Month of February 2019	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	7	123	4005
Retrofit Certificates Filed	7	111	6181
Cash for Grass Rebates Paid Out	2	12	915
Washing Machine Rebates	0	7	6788
Water Smart Home Survey	6	178	3384

9. Utility Performance Metric

SERVICE DISRUPTIONS (No. of Customers Impacted)	February 2019	February 2018	Fiscal Year to Date 2019	Fiscal Year to Date 2018
PLANNED				
Duration Between 0.5 and 4 hours	8	14	56	267
Duration Between 4 and 12 hours		5	83	98
Duration Greater than 12 hours				
UNPLANNED				
Duration Between 0.5 and 4 hours	4		45	56
Duration Between 4 and 12 hours				88
Duration Greater than 12 hours	1		2	
SERVICE LINES REPLACED				
Polybutylene	8	14		73
Copper (Replaced or Repaired)	2			10

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders February 2019

3/11/2019

Type	Feb-19	Feb-18	Action Taken February 2019
<u>Consumers' System Problems</u>			
Service Line Leaks	29	17	Notified Consumer
Noisy Plumbing	1	0	Notified Consumer
House Valve / Meter Off	4	0	Notified Consumer
Nothing Found	12	0	Notified Consumer
High Pressure	1	0	Pressure @ 92 PSI. PRV needs to be replaced.
Total	47	17	
<u>Service Repair Reports</u>			
Meter Replacement	4	1	Replaced
Meter Box Alignment	1	0	Aligned
Box and Lids	2	1	Replaced
Water Off/On Due To Repairs	12	4	Notified Consumer
Misc. Field Investigation	9	2	Notified Consumer
Total	28	8	
<u>Leak NMWD Facilities</u>			
Service- Leak	5	1	Repaired
Services-Nothing Found	3	3	Notified Consumer
Meters-Nothing Found	1	0	Notified Consumer
Washer Leaks	3	8	Repaired
Total	12	12	
<u>High Bill Complaints</u>			
Consumer Leaks	2	5	Notified Consumer
Meter Misread	0	5	Notified Consumer
Nothing Found	6	12	Notified Consumer
Total	8	22	
<u>Low Bill Reports</u>			
Nothing Found	1	0	Notified Consumer
Total	1	0	
<u>Water Quality Complaints</u>			
Taste and Odor	2	0	<i>Customer reported weird tasting water out of bathroom faucet. (Birchwood Dr.)</i> Taste may be due to recent plumbing work done. Results normal for NMWD supply. Customer was notified.
			<i>Customer complained of chlorine taste & odor. (Aaron Dr.)</i> Measured chlorine and was normal for NMWD supply. Customer was notified.
Other	2	3	<i>Customer wanted water tested, concerned about toxins. (Blanca Dr.)</i> Tested water quality of home and results normal for NMWD supply. Customer was notified.
			<i>Customer complained that soap is not staying sudsy as before. (Marin Valley Mobile CC.)</i> Measured water hardness and was normal for NMWD supply. Customer was notified.
Total	4	3	
TOTAL FOR MONTH:	100	62	61%

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders February 2019

3/11/2019

<u>Type</u>	<u>Feb-19</u>	<u>Feb-18</u>	<u>Action Taken February 2019</u>
<u>Fiscal YTD Summary</u>			
Consumer's System Problems	623	261	58% Increase In Service Line Leaks
Service Repair Report	212	76	64% Increase In Water Off/On Due To Repairs
Leak NMWD Facilities	153	147	4% Increase In Service Leaks
High Bill Complaints	222	425	-91% Decrease In Nothing Found
Low Bills	3	2	33% Increase in Meter Misread
Water Quality Complaints	23	28	-22% Decrease In Other
Total	<u>1,136</u>	<u>877</u>	<u>24%</u>

"In House" Generated and Completed Work Orders

<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	46	197
<u>Change Meter:</u> leaks, hard to read	59	24
<u>Replace Boxes/Lids</u>	0	2
<u>Trims</u>	0	12
<u>Dig Outs</u>	3	73
	<u>108</u>	<u>308</u>

Bill Adjustments Under Board Policy:

February 19 vs. February 18

Feb-19	13	\$19,869
Feb-18	25	\$7,811

Fiscal Year vs Prior FY

18/19 FY	235	\$85,649
17/18 FY	292	\$122,810

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MEMORANDUM

To: Board of Directors

March 15, 2019

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

Subj: Auditor-Controller's Monthly Report of Investments for February 2019
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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$17,918,850 and a market value of \$17,908,434. During February the cash balance decreased by \$275,836. The market value of securities held decreased \$10,416 during the month. The ratio of total cash to budgeted annual operating expense stood at 102%, down 1% from the prior month.

At February 28, 2019, 38% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 30% in Time Certificates of Deposit, 11% in Federal Agency Securities, 8% in US Treasury Notes, 6% in the Marin County Treasury, and 7% retained locally for operating purposes. The weighted average maturity of the portfolio was 168 days, compared to 170 days at the end of January. The LAIF interest rate for the month was 2.39%, compared to 2.36% the previous month. The weighted average Portfolio rate was 2.11%, compared to 2.13% the previous month.

NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
February 28, 2019

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	2/28/2019 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	\$6,772,984	\$6,766,557	2.39% ³	38%
Time Certificate of Deposit								
TCD	Morgan Stanley Private Bank	n/a	11/22/17	5/22/19	248,000	248,000	1.60%	1%
TCD	Capital One Bank	n/a	7/19/17	7/19/19	247,000	247,000	1.70%	1%
TCD	Capital One NA	n/a	8/9/17	8/9/19	247,000	247,000	1.70%	1%
TCD	American Express FSB	n/a	9/6/17	9/6/19	247,000	247,000	1.75%	1%
TCD	Goldman Sachs Bank USA	n/a	10/11/17	10/11/19	247,000	247,000	1.70%	1%
TCD	Morgan Stanley Bank	n/a	11/9/17	11/12/19	247,000	247,000	1.75%	1%
TCD	American Express Centurion	n/a	12/5/17	12/5/19	247,000	247,000	1.90%	1%
TCD	Sallie Mae Bank	n/a	1/10/18	1/10/20	247,000	247,000	2.20%	1%
TCD	Discover Bank	n/a	2/13/18	2/24/20	247,000	247,000	2.35%	1%
TCD	Wells Fargo Bank	n/a	3/28/18	3/30/20	248,000	248,000	2.55%	1%
TCD	Citibank	n/a	4/11/18	4/13/20	246,000	246,000	2.55%	1%
TCD	UBS Bank	n/a	5/30/18	6/1/20	249,000	249,000	2.70%	1%
TCD	Enerbank	n/a	6/18/18	5/18/20	249,000	249,000	2.75%	1%
TCD	BMW Bank	n/a	6/15/18	6/15/20	246,000	246,000	2.75%	1%
TCD	Bank of America	n/a	8/15/18	8/17/20	246,000	246,000	2.75%	1%
TCD	Ally Bank	n/a	9/28/18	9/28/20	246,000	246,000	2.80%	1%
TCD	Barclays Bank	n/a	11/14/18	11/16/20	246,000	246,000	3.00%	1%
TCD	CIT Bank	n/a	12/17/18	12/17/20	246,000	246,000	3.00%	1%
TCD	Reliance Bank	n/a	1/11/19	1/11/21	249,000	249,000	2.70%	1%
TCD	Iberia Bank	n/a	1/25/19	1/25/21	246,000	246,000	2.70%	1%
TCD	TIAA Bank	n/a	1/18/19	7/19/21	246,000	246,000	2.75%	1%
TCD	Merrick Bank	n/a	2/8/19	2/8/21	249,000	249,000	2.60%	1%
					\$5,436,000	\$5,436,000	2.37%	30%
US Treasury Notes								
Treas	1.380%	n/a	1/10/18	7/31/19	498,967	497,656	1.87%	3%
Treas	2.250%	n/a	7/26/18	3/31/20	996,666	996,914	2.56%	5%
					\$1,495,633	\$1,494,570	2.34%	8%
Federal Agency Securities								
FHLB	1.625% MTN	n/a	11/21/17	6/14/19	\$999,898	\$997,574	1.70%	6%
FFCB	2.00 MTN%	n/a	4/12/18	5/8/19	999,776	999,172	2.24%	6%
					\$1,999,674	\$1,996,746	1.97%	11%
Other								
Agency	Marin Co Treasury	AAA	Various	Open	\$1,019,651	\$1,019,652	0.75%	6%
Other	Various	n/a	Various	Open	1,194,909	1,194,909	0.41%	7%
TOTAL IN PORTFOLIO					\$17,918,850	\$17,908,434	2.11%	100%
Weighted Average Maturity = 168 Days								

LAIF: State of California Local Agency Investment Fund.

TCD: Time Certificate of Deposit, Treas: US Treasury Notes with maturity of 5 years or less.

FHLB: Federal Home Loan Bank, FFCB: Federal Farm Credit Bank

Agency: STP State Revolving Fund Loan Reserve.

Other: Comprised of 5 accounts used for operating purposes. US Bank Operating Account, US Bank STP SRF Loan Account, US Bank FSA Payments Account, Bank of Marin AEEP Checking Account & NMWD Petty Cash Fund.

1 Original cost less repayment of principal and amortization of premium or discount.

2 Yield defined to be annualized interest earnings to maturity as a percentage of invested funds.

3 Earnings are calculated daily - this represents the average yield for the month ending February 28, 2019.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
StoneTree Golf Loan	6/30/06	2/28/24	\$3,612,640	\$1,155,531	2.40%
Marin Country Club Loan	1/1/18	11/1/47	\$1,265,295	\$1,222,849	1.00%
Marin Country Club Loan	1/1/18	11/1/27	\$430,463	\$0	2.80%
Employee Housing Loans (4)	Various	Various	714,200	714,200	Contingent
TOTAL INTEREST BEARING LOANS			\$6,022,598	\$3,092,580	

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


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MEMORANDUM

To: Board of Directors

March 15, 2019

From: Rocky Vogler, Chief Engineer 

Subject: Atherton Place Water Facilities – APN: 125-600-51 & 52

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RECOMMENDED ACTION: The Board approve authorization of this agreement.**FINANCIAL IMPACT:** None: Developer Funded

Atherton Place is located at 7537 and 7533 Redwood Blvd between Pinheiro Circle and Ranch Drive (see attached map). In 2002, this parcel was part of the original 47.12 acre Atherton Ranch Project (J-2566) with construction consisting of 115 townhome style condominium units and Nova-Ro III senior housing. 70,550 sq. ft. of commercial office space was to be constructed on the Atherton Place parcels (APN: 125-600-51 & 52). The board approved the Atherton Ranch project on May 21, 2002 and water facilities were constructed within the Atherton Place parcels. Later, in 2005, the former applicant informed the District that Atherton Place may be changed to a residential/mixed use project in the future, and the District responded that an existing 16 EDU entitlement for the Atherton Place parcels would be credited to the future project.

At the Applicant's request to expedite the current project, on February 12, 2019, the General Manager approved a "Small" water service agreement (construction value < \$5,000) per Regulation 26 for abandonment and removal of two hydrants that were installed in 2002 that were in conflict with grading of the current project. The current project proposes to construct 50 townhome style condominium units comprised within 12 separate buildings and 1,340 square foot commercial/community space on the 3.6 acre site.

New Zone 1 water facilities required include 760 feet of 6-inch PVC and 20 feet of 12-inch PVC main, twelve (12) 4-inch fire services with 140 feet of 4-inch PVC lateral pipe, 4 new commercial fire hydrants, fifty (50) domestic 1-inch meters, one (1) 1-inch potable commercial meter, and one (1) 1.5-inch recycled water meter. All lots will receive normal pressure Zone 1 water service. Total water demand is 39 equivalent dwelling units (50 condominium units @ 0.6 EDUs, 1 EDU for the community room, plus 8 EDUs for recycled water irrigation). The water service agreement will be recorded at the county to inform the residents that private irrigation shall not be connected to the recycled water system. The project will pay Facilities Reserve Charges (FRCs) for twenty three (23) EDUs after applying the 16 EDU credit for FRCs paid in 2002.


Sewer service is provided by the Novato Sanitary District.

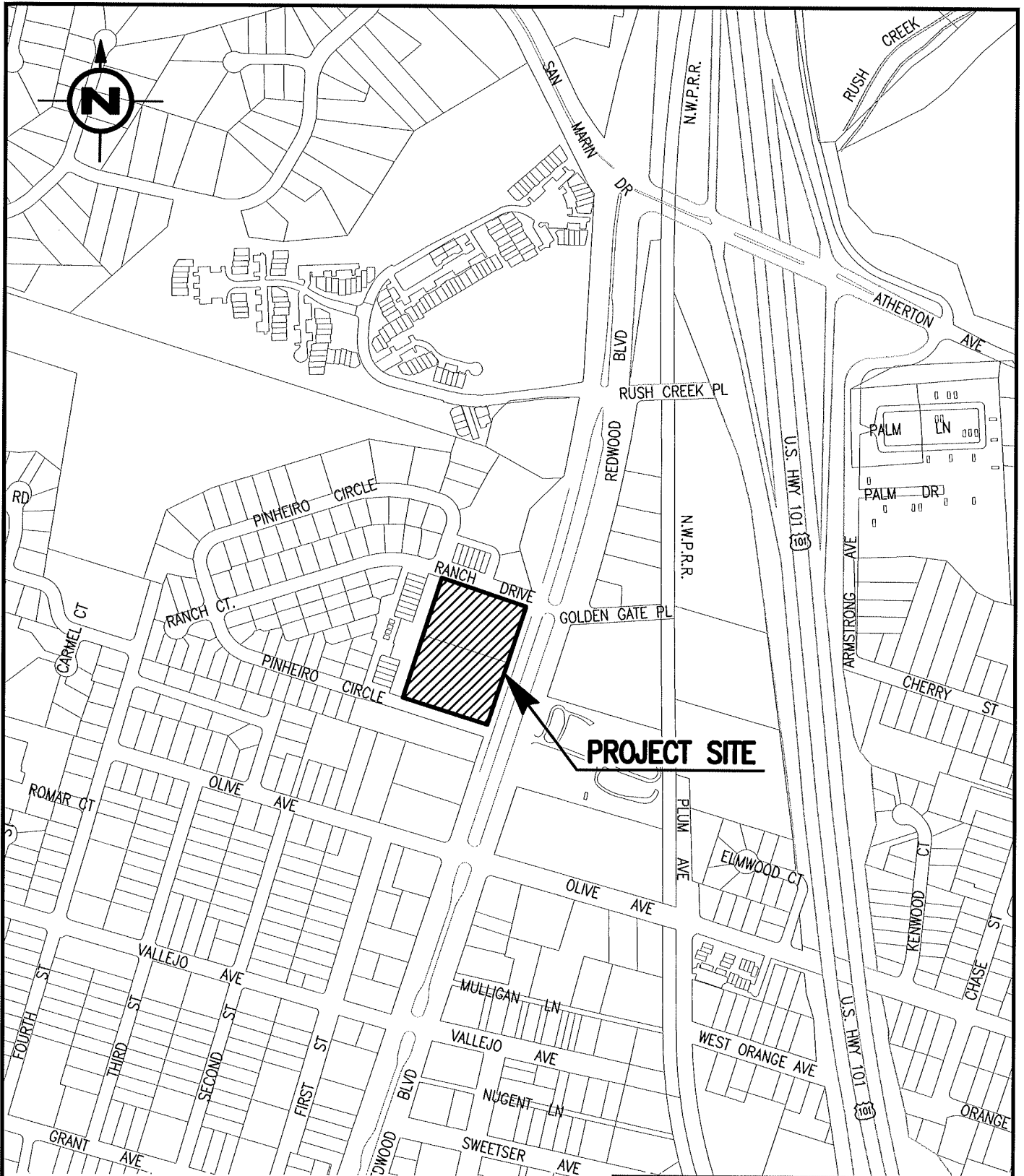
Environmental Document Review

A Mitigated Negative Declaration was approved on December 5, 2017.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM Date 3.15.19



PROJECT SITE

**ATHERTON PLACE
WATER FACILITIES
APN 125-600-51 AND -52**

DATE	SCALE	JOB. NO.	DWG. NO.
3/11/19	NTS	2821	MAP

RESOLUTION NO. 19-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
KB HOME BAY AREA

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and KB HOME BAY AREA, a California Corporation, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 7537 and 7533 Redwood Blvd., Marin County Assessor's Parcel Number 125-600-51 and 125-600-52, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 19th day of March, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Theresa Kehoe, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
ATHERTON PLACE

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2019, by and between NORTH MARIN WATER DISTRICT, herein called "District," and KB HOME BAY AREA, A California Corporation, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 125-600-51 & 52 and the project known as ATHERTON PLACE, consisting of two (2) lots, for residential/commercial mix use development; and

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

WHEREAS, the Applicant is the owner of real property in the District commonly known as 7537 and 7533 Redwood Blvd., Novato (Marin County Assessor's Parcel 125-600-51 and 125-600-52); and

WHEREAS, Atherton Place parcels were part of the larger Atherton Ranch Project (J-2566) approved by the District board in May 2002 and water facilities were installed for commercial office space, and

WHEREAS, the water demand established and paid for the parcels APN 125-600-51 & 52 for commercial office space was sixteen (16) equivalent dwelling units (EDUs); and

WHEREAS, the 2002 commercial office was not built and the current Atherton Place project has changed to a condominium and commercial mix use project, and

WHEREAS, the current Atherton Place project total water demand is 39 EDUs, and Facilities Reserve Charges for twenty three (23) EDUs will be collected after applying credit for 16 EDUs paid in 2002; and

NOW THEREFORE, the parties hereto agree as follows:

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

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 6 of this agreement.

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

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2821.00, entitled, "ATHERTON PLACE WATER FACILITIES", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

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

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 6 hereof.

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

Initial Charges

Meter Charges (Domestic) (Included in material estimate).....	Fifty 1-inch @	\$	0.00	\$	0.00
Reimbursement Fund Charges (Domestic).....	Fifty 1-inch @	\$	1,055.00	\$	52,750.00
Meter Charges (Community room/comm'l include in mat est.....	One 1-inch @	\$	0.00	\$	0.00
Reimbursement Fund Charges – community room.....	One 1-inch @	\$	1,055.00	\$	1,055.00

Meter Charges (RW) (Included in material estimate).....	One 1 ½-inch@	\$	0.00	\$	0.00
Reimbursement Fund Charges (RW).....	1 ½-inch @	\$	0.00	\$	0.00
Facilities Reserve Charges (50 condos domestic).....	50 @	\$	17,200.00	\$	860,000.00
Facilities Reserve Charges (community room/commercial).....	One @	\$	28,600.00	\$	28,600.00
Facilities Reserve Charges (Irrig 8 EDUs RW).....	8 @	\$	28,600.00	\$	228,800.00
Credit for Existing FRCs.....	16@	\$	28,600.00	\$	<457,600.00>

Subtotal - Initial Charges..... \$ 713,605.00

Estimated District Costs

District Furnished – Pipe Fittings & Appurtenances	\$ 165,404.00
District Construction Labor	\$ 191,514.00
Engineering & Inspection.....	\$ 31,539.00
Bulk Materials (crushed rock, imported backfill, concrete, reinforcing steel, paving materials, etc.).....	\$ 20,475.00

Subtotal –Estimated District Costs..... \$ 408,932.00

Estimated Applicant Installation Costs

Installation Labor.....	\$ 207,000.00
Contractor Furnished – Pipe Fittings & Appurtenances.....	\$ 11,384.00
Bulk Materials.....	\$ 15,886.00

Subtotal- Estimated Applicant Installation Costs..... \$ 234,270.00

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$1,356,807.00

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

5. In addition to the Initial Charges, Estimated District costs and Contributions, and Estimated Applicant Installation costs set forth in Section 4 above, the Applicant shall furnish at no cost to the District all PVC pipe (4-inch diameter and larger), valves and water line fittings shown on Exhibit "A" or otherwise required by the District. The quantities, type and quality of said materials shall be approved by the District prior to purchase by the Applicant and shall conform to District standards as stated and shown on Specifications (15100 Valves, 15056 Pipeline Fittings, 15064 Polyvinyl Chloride (PVC) Pressure Pipe) marked as Exhibit "B" attached hereto and made a part hereof and as otherwise may be required. (For purposes of recording, Exhibit "B" is not attached but is on file in the office of the District.) The cost of said materials is estimated to be **\$11,384**. The District reserves the right to reject and prohibit installation of all nonconforming materials furnished by the Applicant.

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

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$1,122,537**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$234,270** conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$58,568** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$234,270** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

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

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

8. New construction in the District's Novato service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 15 sections e. and f.

9. The District has determined that recycled water will be supplied for common area irrigation and requires that the Applicant's irrigation system be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for connection of Applicant's irrigation system to the recycled distribution system. No private residential irrigation plumbing shall be connected to the recycled water system.

10. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 6 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

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

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

NORTH MARIN WATER DISTRICT
"District"

NOTARIZED:

John Baker, President

Theresa Kehoe, Secretary

(SEAL)

KB HOME BAY AREA
A California Corporation
"Applicant"

(SEAL)

Ray Panek, V.P. Forward Planning

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

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


ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

8

MEMORANDUM

To: Board of Directors

March 15, 2019

From: Drew McIntyre, General Manager 

Subject: Marin LAFCO Special District Member Election Ballot

t:\gm\lafco\lafco elections\election bod memo 2019.doc

RECOMMENDED ACTION: Board vote for Marin LAFCO Special District Member


FINANCIAL IMPACT: None

Attached is a memo from Marin LAFCO and ballot to vote for the Local Agency Formation Commission (LAFCO) Special District Representative member. Las Gallinas Valley Sanitary District and North Marin Water District nominated NMWD Director Jack Baker for this position. Ballots must be returned by April 22, 2019.

RECOMMENDATION:

Board vote for Marin LAFCO Special District Member:

1. Jack Baker

Approved by GM 

Date 3.15.19



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

TO: Presiding Officer, Independent Special District

FROM: Jason Fried, Executive Officer

SUBJECT: Election for LAFCo Special District Member

The nomination period for special district member election to the Marin Local Agency Formation Commission closed on February 18, 2019. LAFCo staff received three (3) nominations for the regular seat and one (1) nomination for the alternate seat. A mail ballot election must be held to select the regular member, serving a four-year term ending in May 2023. Given only one candidate accepted the nomination for the alternate seat, under Government Code section 56332(f)(2) "At the end of the nomination period if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed." Therefore, no ballot is being included for the alternate seat. Tod Moody shall take the alternate member seat starting May 1, 2019 unless elected to the regular seat, in which he has also been nominated.

Enclosed are the ballot and candidate qualification forms for participation in the selection process for the regular seat. Please rank your first, second and third choices on the ballot form to enable an "instant runoff". While not required in the regular seat election, you are allowed to rank all candidates you choose to select. When voting for candidates, please number each candidate in the preferred order you wish to see the candidates elected. Should your first choice not get enough votes to move to the next round, your ballot will be distributed to your second-choice candidate and so on until one candidate gets the majority of all remaining ballots. For ballots received with more than one vote cast, but without ranking numbers, will be deemed invalid, however will still be counted for quorum purposes.

Seat 1 – Regular Seat

The nominees for regular member are Lew Kiou, Almonte Sanitary District; Jack Baker, North Marin Water District; Tod Moody, Sanitary District #5.

Selection Schedule

The final date the LAFCo office will receive ballots will be **5:00pm on Monday, April 22, 2019**. Ballots will be accepted by mail to the LAFCo office, by email to staff@marinlafco.org or by fax to (415) 785-7897. Ballots will be counted at 1pm on April 23, 2019 and will be open to the public. The newly-elected special district member will start in May 2019.

If your district or presiding officer (or designee) has questions or comments, please contact the Marin LAFCo office at (415) 448-5877.

Administrative Office
Jason Fried, Executive Officer
1401 Las Gatas Drive, Suite 200
San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
www.marinlafco.org

Damon Connolly, Regular
County of Marin
Dennis J. Rodoni, Regular
County of Marin
Judy Arnold, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley
Sloan Bailey, Regular
Town of Corte Madera
Matthew Brown, Alternate
Town of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary
Jack Baker, Regular
North Marin Water District
Lew Kiou, Alternate
Almonte Sanitary District

Vacant, Regular
Public Member
Chris Skelton, Alternate
Public Member



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

OFFICIAL BALLOT FORM

SPECIAL DISTRICT REPRESENTATIVE

REGULAR SEAT

Four-Year Term (2019-2023)

PURPOSE

A mail-ballot election has been called by the Executive Officer of the Marin Local Agency Formation Commission (LAFCo) for the purpose of the selecting one regular member among special districts. The term is four years starting May 1, 2019.

AUTHORIZED VOTERS

All 30 independent special districts in Marin County are eligible to cast one ballot through their presiding officer or designee as appointed by the affected board. Formal action is not required by a special district; the presiding officer or designee retains full voting discretion under State law.

NOMINATED CANDIDATES

Marin LAFCo received nominations for three candidates through a separate nomination process held between November 27, 2018 and February 18, 2019. The candidates in alphabetical order are Jack Baker (North Marin Water District), Lew Kious (Almonte Sanitary), and Tod Moody (Sanitary District #5).

VOTING INSTRUCTIONS

It is requested each special district's presiding officer provide their ranked choice of all three nominated candidates. An instant run-off will occur should no candidate receive a majority of "first" place votes. This would involve the candidate with the least number of first place votes being eliminated and the associated ballots being redistribution among the remaining two candidates.

Please rank choices and return to Marin LAFCo by e-mail (staff@marinlafco.org) or standard mail no later than 5:00 P.M. on **April 22, 2019**.

Nominated Candidates	Rank Choice (1 st , 2 nd , 3 rd)
Jack Baker North Marin Water District	
Lew Kious Almonte Sanitary District	
Tod Moody Sanitary District #5	

Print Name

Signature

Special District

Administrative Office
Jason Fried, Executive Officer
1401 Los Gatos Drive, Suite 200
San Rafael, California 94903
Tel: 415-493-9877 E: staff@marinlafco.org
www.marinlafco.org

Damon Connolly, Regular
County of Marin

Dennis J. Rodoni, Regular
County of Marin

Judy Arnold, Alternate
County of Marin

Sashi McEntes, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
Town of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Jack Baker, Regular
North Marin Water District

Lew Kious, Alternate
Almonte Sanitary District

Vacant, Regular
Public Member

Chris Skelton, Alternate
Public Member



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

Nomination Form for District Seats

District Name: Las Gallinas Valley Sanitary District

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

Name of Nominee: Jack Baker

☒ Regular Member ☐ Alternate Member ☐ Applying for Both Seats (Regular and Alternate)

District of Nominee: _____

☐ Board Took No Action

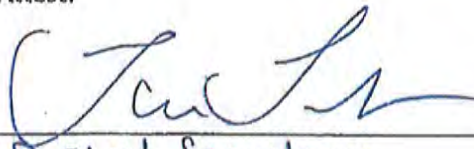
Ayes: Clark, Elias, Murray, Schrietsman, Yezman

Noes: None.

Absent: None.

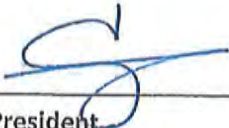
Abstain: None.

Attest:


District Secretary

Teri Lerch

Name


Board President

Craig K. Murray

Name

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

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



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

Nomination Form for District Seats

District Name: North Marin Water District

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

Name of Nominee: Jack Baker

☒ Regular Member ☐ Alternate Member ☐ Applying for Both Seats (Regular and Alternate)

District of Nominee: Special District

☐ Board Took No Action

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

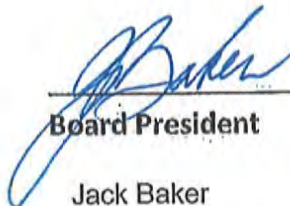
Noes: None

Absent: None

Abstain: None

Attest:


Theresa Kehoe, District Secretary


Board President
Jack Baker

Name

Name

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

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



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

Nominee Statement of Qualifications

Name: Jack Baker

Name of Special District: North Marin Water District

Seat Applying for:

☒ **Regular Member** ☐ **Alternate Member** ☐ **Applying for Both Seats (Regular and Alternate)**

Telephone Number: (Home/Cell) (415)382-3332 **Work:** _____

Email: jckbaker@gmail.com

Home Address: 425 Corte Norte Novato, CA 94949

Work Address: _____

Present Occupation: Registered Civil Engineer (Retired)

Home Address: 425 Corte Norte Novato, CA 94949

Summary of Qualifications: 1) Served as LAFCO Regular Member (2015-present); 2) Served as LAFCO Alternate Special District Member (2013-2015); 3) Over 30 years service as Director for North Marin Water District; 4) Over

40 years of engineering experience (including 35+ years with Marin County Public Works Dept.) in the design and construction of public facilities; 5) Served one term as Director for Novato Sanitary District (1978-1982).

Reason for Applying: During the course of employment with County of Marin Department of Public Works (DPW)

I have had frequent interactions with Marin County Special Districts as well as the eleven Cities/Towns. Familiarity

with these entities and their respective services has enabled me to effectively contribute as a member of the LAFCO decision making process.

Please list organizations in which you are an officer employee: North Marin Water District (Director)

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

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



Nomination Form for District Seats

District Name: Almonte Sanitary District

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

Name of Nominee: Lew KiouS

☒ Regular Member ☐ Alternate Member ☐ Applying for Both Seats (Regular and Alternate)

District of Nominee: Almonte Sanitary District

☐ Board Took No Action

Ayes: Five

Noes: 0

Absent: 0

Abstain: 0

Attest:

[Signature]

Treasurer/Secretary

Name

[Signature]

Board President

Lew KiouS

Name

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



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

Nomination Form for District Seats

District Name: Homestead Valley Sanitary District

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

Name of Nominee: Lew Kious

☒ Regular Member ☐ Alternate Member ☐ Applying for Both Seats (Regular and Alternate)

District of Nominee: Almonte Sanitary District

☐ Board Took No Action

Ayes: 5

Noes: 0

Absent: 0

Abstain: 0

Attest:

[Signature]

[Signature]

Name

[Signature]
Board President

As LETBOF

Name

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

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



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

Nominee Statement of Qualifications

Name: Lew Kiou

Name of Special District: Almonte Sanitary District

Seat Applying for:

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

Telephone Number: (Home/Cell) home: 415-383-8750 _____ Work: 415-389-6112

Email: ldkious@sbcglobal.net

Home Address: 233 Princeton Ave., Mill Valley, CA 94941

Work Address: 900 Doolittle Dr., Suite 8A, San Leandro, CA 94577

Present Occupation: Technology Sales Manager

Home Address: See above

Summary of Qualifications: See attached

Reason for Applying: See attached

Please list organizations in which you are an officer employee: Almonte Sanitary District: Board President, Sewerage Agency of Southern Marin (SASM): Board President, Marin LAFCo: Special District Member- Alternate

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

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

Marin Local Area Formation Commission: Nominee Qualifications Statement

Nominee Qualifications for Lew Kiou

Position: Regular Special District Member.

How long has it been since a Marin LAFCO commissioner visited your Special District? In my first 4-year term as Alternate Special District representative, I have visited nearly all of the Districts in Southern and West Marin. And if elected to this position I pledge that in the next 4 years I will visit all of the Special Districts in Central and North Marin, and revisit all of those I have already visited! I want to be your representative at Marin LAFCO.

I am the current (past 4 years) Alternate Special District Member of Marin LAFCO, the President of the Board of Commissioners of Sewerage Agency of Southern Marin (serving in my 7th term, re-elected by the Board annually), the President of the Board of the Almonte Sanitary District (Board member since 2008), and resident of Mill Valley since 1983. Based upon this experience, I am confident in my ability to represent the constituents and issues affecting Southern Marin.

Qualifications for Position:

- Alternate Special District Member of Marin LAFCO since 2015. I also am Chair of the LAFCO standing committee on Public/Technical Information, and Vice-Chair of the standing committee on Legislative issues. During this time at LAFCO I have visited many of the Special Districts within Marin County, as I feel that directly hearing the issues of the community is important. If elected as the Regular Special District, during my first term I pledge to visit all of the Special District of Marin to gain insights into each of their local issues.
- President of Board of Commissioners for SASM in Mill Valley since 2011 and member of the Board since 2009. In this position, I am focused on the responsible management of SASM's resources to meet the needs of its constituents (residents). As Board President, I seek the responsible input from all parties and then encourage the Board and SASM toward taking meaningful steps forward. I directly negotiated with the City of Mill Valley an extension of the Operations and Management Agreement by which Mill Valley operates the wastewater treatment plant on behalf of SASM, and I recently lead the effort to acquire a \$30+ million bond for the refurbishment of the SASM facility, which will benefit all of Southern Marin. The refurbishment of the SASM facility has completed the first phase, and is under budget and ahead of schedule.
- President of the Board of Almonte Sanitary District and member of the Board since 2008. I implemented the District's website and expanded our outbound communications. I worked to update and automate our District's operations, such as the digitizing of the District's maps and sewer system records. I have consistently pursued a policy of fiscal conservatism to maintain low, and responsible, rates for our residents.
- Resident of Mill Valley for 30+ years. Lifelong Bay Area resident.
- Successful businessman with experience in achieving consensus and getting results.

Reasons for applying for Regular Special District seat

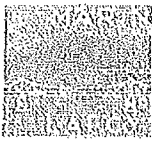
- I have participated in all deliberations of Marin LAFCO for the past 4 years, and have seen Marin LAFCO in action. I am aware of its potential value to Marin residents. I am also aware of the challenge to keep LAFCO focused on beneficial actions, and the similar need to avoid actions that might impose unnecessary structures. I believe that I can help to maintain that balance to the benefit of all of Marin.

- In my current position as an Alternate Special District Member, I do not have the authority to vote on issues which come before Marin LAFCO, and which will allow me to fully represent Marin. As a voting, Regular Member of Marin LAFCO I will gain the authority to vote on all LAFCO Issues and provide representation. I have spent the past 4 years as an Alternate member and am now ready to make use of that experience.

- I believe I have the perspective, experience, and knowledge to provide value as a member of LAFCO, and to provide value to all Marin residents, and specifically the Special Districts of Marin. I need the votes of every Special District in order to gain that authority.

Please list any organizations of which you are an officer or an employee:

- President: Board of Directors- Almonte Sanitary District
- President: Board of Commissioners- Sewerage Agency of Southern Marin (SASM)
- Alternate Special District Member- Marin LAFCO



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

Nomination Form for District Seats

District Name: SALMON DISTRICT NO. 5 OF MARIN COUNTY

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

Name of Nominee: TOD KECAN

☐ Regular Member ☐ Alternate Member ☒ Applying for Both Seats (Regular and Alternate)

District of Nominee: _____

☐ Board Took No Action

Ayes: 5

Noes: 0

Absent: 0

Abstain: 0

Attest:

[Signature]

[Signature]
Board President

Robin Dorenbaum

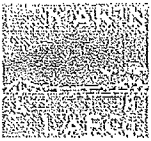
John Adams

Name

Name

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

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



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

Nominee Statement of Qualifications

Name: TOO MOODY

Name of Special District: SANITARY DISTRICT No. 5 OF MARIN COUNTY

Seat Applying for:

☐ Regular Member ☐ Alternate Member ☒ Applying for Both Seats (Regular and Alternate)

Telephone Number: (Home/Cell) 415-435-4811 Work: 510-332-7972

Email: CARRICOMOODY@PRODIGY.NET

Home Address: 2111 Centro East St
Tiburon, CA 94920

Work Address: Same

Present Occupation: Self Employed Environmental Engineer

Home Address: _____

Summary of Qualifications: Director Sanitary District number 5,
Resident of Tiburon for 20 years

Reason for Applying: Represent Town of TIBURON and Sanitary district
Number 5

Please list organizations in which you are an officer employee: none

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

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

9

MEMORANDUM

To: Board of Directors

March 15, 2019

From: Drew McIntyre, General Manager

Subj: Support Letter for SB 669

t:\gm\bod misc 2019\memo sb 669.docx

RECOMMENDED ACTION: Support ACWA Coalition Letter and Authorize General Manager to execute support letter re: SB 669

FINANCIAL IMPACT: None at this time

At the March 6, 2018 meeting, the Board approved execution of a letter in opposition of Senator Monning's Senate Bill (SB) 623, which proposed the first-ever statewide water tax as a way to address a lack of access to safe drinking water for some people who live in rural, disadvantaged communities. The bill, which became a two-year bill in September 2017, would implement a per-connection tax on residential and business water bills. The amount of the water tax would depend on the size of the meter, \$0.95 per month for 1-inch or less, \$4.00 per month for meters greater than 1-inch but less than or equal to 2-inch, \$6 per month for meters between 2 and 4-inches and \$10 per month for meters greater than 4-inches. For a typical North Marin customer with a 5/8-inch meter, the additional monthly tax of \$0.95 would represents a 6% increase in the bi-monthly service charge.

SB 623 failed to pass in 2018; however, Governor Newson is proposing resurrection of a Water Tax through new legislation. There is no question that everyone in California should have access to safe drinking water but a tax on customer's water bills is not the appropriate solution. Problems with a water tax include:

- Redirects local customer dollars to water projects outside of NMWD's service area
- Adding a tax on water is contrary to keeping water affordable
- It is not sound policy to turn local water agencies into taxation agents for the state and to tax something that is essential for everyday life
- Assistance to those who lack access to safe drinking water is a public health and social issue that is appropriately addressed through the State General Fund

Approved by GM



Date

3.15.19

The Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA) are sponsoring alternate legislation (SB 669) by Senator Anna Caballero. SB 669 would create a Safe Drinking Water Trust that will help community water systems in disadvantaged communities provide access to safe drinking water. The Trust would be created in the State Treasury and funded with General Fund dollars during a state budget surplus year. The principal would be invested and the new income from the Trust would be transferred to a Safe Drinking Water Fund, which the State Water Resources Control Board would administer.

ACWA is requesting member agencies continue to support coalition letters opposing the 2019 statewide water tax efforts and also send separate Support comment letters for SB 669. The draft Support letter is attached.

RECOMMENDATION:

That the Board continue to support ACWA's Coalition Letters opposing the 2019 statewide water tax legislation and Authorize General Manager to execute Support letter re: SB 669.

DRAFT

VIA FACSIMILE

March 20, 2019

Assembly Member Marc Levine
10th Assembly District
P O Box 942849, Room 5135
Sacramento, CA 94249-0010

Senator Mike McGuire
2nd Senate District
1303 10th Street, Room 5061
Sacramento, CA 954814

Re: SB 669 (Caballero): Safe Drinking Water Trust- SUPPORT

Position: SUPPORT to SB 669

Dear State Legislators:

As a local water agency, North Marin Water District is committed to developing safe and reliable water. We wholeheartedly support the goal of ensuring safe drinking water for all Californians, especially those in disadvantaged communities. As such, on behalf of the North Marin Water District, I am writing to express our strong support for the ACWA/CMUA sponsored Safe Drinking Water Trust legislation proposed by Senator Anna Caballero as Senate Bill (SB) 669. This Bill would create the Safe Drinking Water Trust (Trust) at the state Treasury. The purpose of the Trust would be to provide a durable funding source to help community water systems in disadvantaged communities provide their customers with access to safe drinking water. The trust is a better approach than a statewide water tax.

There currently exists a funding gap for operation and maintenance (O&M) costs for the treatment of drinking water by community water systems in disadvantaged communities. O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources that are available for capital costs. In some situations, the consolidation of a failing community water system with one or more systems may be the most effective solution. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to provide financial assistance for replacement water as a short-term solution, consolidation and ongoing O&M costs.

The Trust would be funded with an infusion of General Fund dollars during a budget surplus year. With the expected record budget surplus for the 2019-20 Fiscal Year, this is the perfect year to create and fund the Trust. The state would invest the Trust's principal, and the net income from the Trust would be transferred on an ongoing basis to a Safe Drinking Water Fund that would be administered by the State Water Resources Control Board.

The Trust is a better approach than a statewide water tax because it is not sound policy to tax a resource that is essential to life. Unlike a regressive water tax and the associated implementation costs at about 3,000 local water systems, the Trust would

not drive up water costs and work against the state's Human Right to Water policy of affordable water.

For the above reasons, North Marin Water District respectfully asks you to vote "Yes" for SB 669.

If you or your staff have any questions, please contact me at 415-897-4133 or dmcintyre@nmwd.com.

Sincerely,

Drew McIntyre
NMWD General Manager

Cc: The Honorable Anna Caballero
State Capitol, Room 5052
Sacramento, CA 95814
Fax: (916) 651-4912

DM: tk
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10

MEMORANDUM

To: Board of Directors March 15, 2019

From: Drew McIntyre, General Manager 

Subject: Authorize Affirmative Vote for SCWA FY20 Water Transmission System Budget
T:\GMBOD Misc 2019\SCWA FY20 Budget.docx

RECOMMENDED ACTION: Authorize WAC Representative to vote in favor for SCWA FY20 Water Transmission System Budget

FINANCIAL IMPACT: Approximately \$258,000 increase in purchased water

Attached is the final draft of the Sonoma County Water Agency Water Transmission System budget for Fiscal Year 2019/20 (FY20). The budget proposes NMWD water purchases next fiscal year at \$937.37 per acre-foot, versus \$894.17 per acre-foot this current fiscal year (pg. 4). At the last meeting Auditor-Controller Julie Blue reported that SCWA's rate increase for NMWD is 4.8%. Recall that the Board approved payment to SCWA of \$1.28M to opt out of an Agency bond issuance at the February 6, 2018 meeting. As a result of opting out of the bond issuance, NMWD's commodity rate increase has been adjusted from 6.4% to 4.8% next fiscal year. The SCWA budget is based on projected purchases of 5,711 AF versus 5,166 AF in FY19. SCWA is forecasting NMWD future annual purchase water rate increases between 4% and 6%.

A TAC Ad Hoc subcommittee was formed in December to review and negotiate the budget with the Agency. The Ad Hoc subcommittee (which included Ms. Blue) met twice in January 2019 and the TAC unanimously approved the FY20 SCWA budget on March 4, 2019. A special WAC meeting will be held on April 8, 2019 to consider the budget. Absent any objections by Board members, it is my recommendation that the NMWD WAC representative, Director Baker, vote in favor of the budget as presented.

RECOMMENDATION

Board authorize WAC representative to vote in favor for FY20 SCWA Water Transmission System Budget.

Water Transmission FY 2019-2020 Draft Budget and Rates

The draft proposed FY 2019-2020 rates are shown in the table below:

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	43,870		
O&M	\$615.20	\$615.20	\$615.20
Water Management Planning	\$1.14	\$1.14	\$1.14
Watershed Planning & Restoration	\$102.96	\$102.96	\$102.96
Recycled Water and Local Supply	\$2.96	\$2.96	\$2.96
Water Conservation	\$46.94	\$46.94	\$46.94
Total O&M	\$769.20	\$769.20	\$769.20
Storage & Common Bond/Loan Charges	\$122.10	\$122.10	\$122.10
Sonoma Aqueduct Bond/Loan Charge			\$130.50
Prime Contractors	\$891.30	\$891.30	\$1,021.80
Discretionary Charges			
Capital Charges - to build fund balance for future projects	\$27.00	\$27.00	\$27.00
Local Recycled Water Tier 2 Program	\$0.00	\$0.00	\$0.00
Prime Contractors	\$27.00	\$27.00	\$27.00
Total Prime Contractors	\$918.30	\$918.30	\$1,048.80
Total Overall Increase:	4.60%	4.60%	4.77%

SUMMARY

- **Deliveries: (Budget Packet Pages 8-13):**
 - **FY 2019-2020:** rates are based on budgeted deliveries of **43,870 Acre-Feet (AF)**. Per the Restructured Agreement for Water Supply, rates are calculated using the *lesser* of: the average annual water deliveries for the past 36 months (43,870 AF) or the last 12 months of water deliveries (Calendar Year (CY) 2018: 46,830 AF). Actual deliveries for CY 2018 were 6.8% more than CY 2017: 43,848 AF. FY 2019-2020 budgeted deliveries are 5.03% more than FY 2018-2019 budgeted deliveries.
 - **FY 2018-2019:** budgeted deliveries for rate calculation were based on average annual water deliveries for the past 36 months (41,768 AF). Actual FY deliveries will be determined at the end of FY 2018-2019. Current trend indicates actuals may at or over budget.
 - **FY 2017-2018:** budgeted deliveries were 41,446 AF. Actual deliveries were 46,134 AF (11.3% higher).
- **Operations and Maintenance (O&M) – Water Transmission O&M Fund (Budget Packet Pages 14-21):**
 - In accordance with the Restructured Agreement for Water Supply:
 - The rate is calculated by dividing operations and maintenance expenditures (less specific cash and noncash revenues and expenditures) by budgeted deliveries.

O&M Fund	Increase (Decrease) in Dollars	Percent Change	Description
Rate per AF	\$36.35	6.3%	Increase in maintenance projects deferred during the drought.
Revenue	\$3,853,126	10.2%	Increase in revenue attributable to increase in budgeted deliveries and the total overall rate which includes revenue for higher charges in watershed planning and restoration for Dry Creek Habitat Enhancement Projects.
Expenditures	\$4,231,170	9.5%	Increase in maintenance projects deferred during the drought and ongoing large non-routine maintenance projects (cathodic protection and tank recoats), as well as ongoing work on regional water supply resiliency study and fire-related water quality studies.

Factors affecting the O&M rate:

O&M Fund Expenditures	Increase (Decrease) in Dollars	Percent Change	Description
Labor	\$435,000	3.0%	Increase attributable to a 3% cost of living increase.
Power	\$100,000	3.0%	Expected to increase \$100,000 over Fiscal Year 2018-2019 budget due to increased pumping from higher water deliveries.
Chemicals	\$10,000	1.4%	Expected to increase \$10,000 over Fiscal Year 2018-2019 due to increased water deliveries.
Testing/Analysis	\$0	0.0%	Expected to align with FY2018-2019 budget.
Contract Services	\$3,563,000	216.1%	Increase due to tank maintenance, asset management services, and tank recoat contracts as well as regional water supply resiliency study and fire-related water quality studies.
Maintenance - Equipment	\$166,000	16.7%	Increase due to implementation of maintenance projects deferred during the drought.
Small Tools - Instruments	(\$4,000)	-2.2%	Expected to decrease to align more closely with Fiscal Year 2017-2018 actuals.
Operating Transfers	(\$428,000)	-3.1%	Operating Transfers (OT's) move revenue generated by rates into respective funds (debt service funds, subfunds, aqueduct capital funds and Common Facilities) and maintain appropriate fund balance.

- **Subfunds: (Budget Packet Pages 22-31):**

- Subfund rates are calculated by dividing subfund expenditures minus grant revenue by budgeted water deliveries.
- Water Management Planning:
 - Expenditures are for Urban Water Management Planning (UWMP) which is required to be updated every five years. In intervening years, the Water Agency typically incurs minimal costs to review regulatory requirements and revise the scope of work accordingly but will maintain modest rate increases to smooth the rate and soften impact to rate payers.

Water Management Planning	Increase (Decrease) in Dollars	Percent Change	Description
Rate per AF	\$0.14	14.0%	Fiscal Year 2018-2019 rate is \$1.00. Fund is for Urban Water Management Plan updates. Past rate increases have accumulated sufficient fund balance for Fiscal Year 2021 Urban Water Management Plan.
Revenue	\$13,510	28.6%	Increase attributable to increase in revenue requirement for ongoing Urban Water Management Plan activities.
Expenditures	\$25,000	0.0%	Budget of \$50,000 to align more closely with Fiscal Year 2017-2018 actuals and estimated FY 2018-2019 expenditures for follow-up meetings, responding to State Department of Water Resources and contractor requests, tracking regulatory compliance changes, and coordinating with climate adaption strategic planning efforts. Additionally, subject to WAC approval, Sonoma Water proposes transferring Fund Balance accumulated in excess of what is likely needed for the Urban Water Management Plan (\$338,000) to the Recycled Water Local Supply Fund for the MMWD Local Recycled Water Tier 2 (LRT2) Project. Recycled Water Local Supply Fund Balance was reduced in FY2018-2019 at request of water contractors prior to knowing that MMWD LRT2 project that experienced delays needed that Fund Balance. The transfer will maintain low rates in both funds.

○ Watershed Planning and Restoration:

- Expenditures are for planning, design, and implementation of watershed restoration projects and projects required under the Biological Opinion.

Watershed Planning and Restoration	Increase (Decrease) in Dollars	Percent Change	Description
Rate per AF	\$11.89	13.1%	Fiscal Year 2018-2019 rate is \$91.07. Rate increase for design and right-of-way expenditures for Dry Creek Habitat Enhancement phases 4, 5, and 6. Fund balance will be used in subsequent years for construction costs to smooth impact of future rates.
Revenue	\$692,567	16.3%	Increase due to increased Fiscal Year 2018-2019 budgeted water deliveries and subfund rate increase for Dry Creek Habitat Enhancement phases 4, 5, and 6 as compared to Fiscal Year 2018-2019 budget.
Expenditures	\$1,402,000	36.3%	Increase due to design and right-of-way expenditures for Dry Creek Habitat Enhancement phases 4, 5, and 6 in addition to ongoing required biological opinion activities.

- Recycled Water and Local Supply:
 - Expenditures are for planning, design, and implementation of recycled water and local supply projects including water contractor projects under the Local Recycled Water Tier 2 (LRT2) Program.

Recycled Water and Local Supply	Increase (Decrease) in Dollars	Percent Change	Description
Rate per AF	\$0.04	1.5%	Fiscal Year 2018-2019 rate is \$2.92 Increase is to fund Groundwater Management in FY 2019/2020 for Groundwater Sustainability activities. Fiscal Year 2018-2019: TAC has not included Local Recycled Water Tier 2 (LRT2) funding in the budget.
Revenue	\$356,706	263.2%	Increase due to increased Fiscal Year 2018-2019 budgeted water deliveries. Revenue generated for Groundwater Sustainability activities. Additionally, subject to WAC approval, Sonoma Water proposes transferring Fund Balance accumulated in excess of what is likely needed for the Urban Water Management Plan (\$338,000) to the Recycled Water Local Supply Fund for the MMWD Local Recycled Water Tier 2 (LRT2) Project. Recycled Water Local Supply Fund Balance was reduced in FY2018-2019 at request of water contractors prior to knowing that MMWD LRT2 project that experienced delays needed that Fund Balance. The transfer will maintain low rates in both funds.
Expenditures	\$346,013	283.6%	Increase is for MMWD LRT2 Project. Recycled Water Local Supply Fund Balance was reduced in FY2018-2019 at request of water contractors prior to knowing that MMWD LRT2 project that experienced delays needed that Fund Balance. The transfer will maintain low rates in both funds.

- Water Conservation:
 - Expenditures are for water use efficiency projects, outreach, and education.

Water Conservation	Increase (Decrease) in Dollars	Percent Change	Description
Rate per AF	\$1.78	3.9%	Fiscal Year 2018-2019 rate is \$45.16. Rate increase for program needs. Fiscal Year 2018-2019 use of \$290,000 in fund balance reduced rate increase.
Revenue	\$167,902	7.2%	Increase due to DWR Water Energy Grant and funding agreements with water contractors.
Expenditures	(\$137,014)	-5.5%	Implement water use efficiency, outreach and education projects, address ongoing water conservation needs, and pass through grant funds to water contractors and other partners. Fire-related water use efficiency activities expected to be ongoing in FY 2019-2020. Funding from Sonoma Clean Power for water and energy education activities has reduced expenses to water conservation fund.

- **Storage, Common, and Sonoma Bond/Loan Charges: (Budget Packet Pages 43-55):**
 - The rates are calculated by dividing the annual debt service and reserve requirements (2012A, 2015A, and proposed 2019A Water Revenue Bonds) by water deliveries. The FY18-19 proposed new money financing (Water Revenue Bonds 2019A): Total \$11.5M, 3.4% 25 years.

Storage and Common Bond/Loan Charges	Increase (Decrease) in Dollars	Percent Change	Description
Storage Bond/Loan Charge	(\$9.82)	-23.9%	Fiscal Year 2018-2019 rate is \$41.04. Rate is based on revenue requirement for debt service divided by water deliveries. Flat debt service with increase in water deliveries results in rate decrease. Also, rate decrease is greater than in the 2015 Common Bond Fund because in FY2018-2019, 2015 Storage Bond proceeds were reallocated to Common Facilities to offset higher capital expenditures in Common Facilities.
Common Bond/Loan Charge	(\$7.46)	-7.6%	Fiscal Year 2018-2019 rate is \$98.34. Rate is based on revenue requirement for debt service divided by water deliveries. Flat debt service with increase in water deliveries results in rate decrease. Also, rate decrease is less than in the 2015 Storage Bond Fund because in FY2018-2019, 2015 Storage Bond proceeds were reallocated to the 2015 Common Bonds Fund to offset higher capital expenditures in Common Facilities.
Sonoma Aqueduct Bond/Loan Charge	(\$12)	-8.5%	Fiscal Year 2018-2019 rate is \$142.68. Sonoma Aqueduct pays an additional revenue bond charge for the bonds associated with the Eldridge-Madrone Pipeline Project. Rate is based on revenue requirement for debt service divided by water deliveries. Flat debt service with increase in water deliveries results in rate decrease.

Aqueduct Capital Charge: (Budget Packet Page 1):

- A discretionary charge is added by the water contractors to build fund balance for future aqueduct capital projects and minimize rate spikes.
 - The FY 2018-2019 budget included a rate per AF of \$19.50 for the Santa Rosa and Petaluma Aqueducts.
 - An Aqueduct Capital Charge for the Sonoma Aqueduct was not included in the FY 2018-2019 budget to reduce the rate impact of the proposed new money bond financing for the Sonoma Booster Pump Station Electrical Upgrade and Pumping Reliability Project.
 - The FY 2019-2020 draft budget includes proposed increased aqueduct capital charges for all three aqueducts. Sonoma Water recommends using decrease in Bond Fund rates to increase Aqueduct Capital Fund balance for aging aqueduct infrastructure and increasing contribution to pre-drought levels (\$27 per AF).
- **Overall Draft Proposed Rate Increases: (Budget Packet Pages 1-7):**
 - 4.60% (Santa Rosa and Petaluma Aqueducts)
 - 4.77% (Sonoma Aqueducts)
 - FY 2019-2020 budgeted deliveries are based on average annual water deliveries for the past 36 months (43,870 AF). FY 2019-2020 budgeted deliveries are 5.03% more than FY 2018-2019 budgeted deliveries.
 - The FY2019-2020 budget accommodates an increase in maintenance projects deferred during the drought, large non-routine maintenance projects (cathodic protection and tank recoats), the regional

water supply resiliency study and fire-related water quality studies, Dry Creek Habitat Enhancement design and right-of-way for phases 4, 5, and 6, and investment in capital infrastructure: hazard mitigation projects and Sonoma Booster Pump Station Electrical Upgrade and Pumping Reliability Project.

- Subject to WAC approval, Sonoma Water proposes transferring Fund Balance accumulated in excess of what is likely needed for the Urban Water Management Plan (\$338,000) to the Recycled Water Local Supply Fund for the MMWD Local Recycled Water Tier 2 (LRT2) Project. The Recycled Water Local Supply Fund Balance was reduced in FY 2018-2019 at the request of water contractors prior to knowing that the MMWD LRT2 project that experienced delays needed that Fund Balance. The transfer will maintain low rates in both funds.

FY 2019-2020 Capital Projects

(Budget Packet Pages 32-42):

Project	Category	Amount
Ely BPS Flood Control & Electrical Upgrade	Petaluma AQ	266,000
MSN Segment C2 - HOV Lane - Lakeville to Old Redwood Hwy.	Petaluma AQ	1,600,000
LHMP - Program Design (for Future FEMA Funds)	Sonoma AQ	30,000
SBS Electrical Upgrade and Pumping Reliability	Sonoma AQ	4,100,000
Mainline Valve Replacement (Vinehill Ranch)	Common	356,000
Mirabel Dam Bladder Replacement	Common	1,580,000
MW Creek Crossing	Common	70,000
Pump Replacement	Common	
Wohler 4,11	Common	1,200,000
RDS Pump and Motor Replacement	Common	150,000
RR Crossing	Common	165,000
Warm Springs Dam Hydroturbine Retrofit	Common	1,400,000
Wohler Plant Access Rd. Retaining Wall	Common	34,000
WTS Equipment Building	Common	20,000
	TOTAL	10,971,000
	Petaluma AQ	1,866,000
	Sonoma AQ	4,130,000
	Common	4,975,000
		10,971,000

**Sonoma County Water Agency
FY19-20 Water Transmission Budget and Rates**

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FY19-20 Prime Contractor Rates Summary

	CHARGE PER ACRE FOOT:						Percent Change
	Santa Rosa	Petaluma	Sonoma				
	Aqueduct	Aqueduct	Aqueduct	FY18-19 SR	Pet	Son	
O&M Charge [4.2]	615.20	615.20	615.20	\$578.85	\$578.85	\$578.85	6.28%
Water Management Planning Sub-charge	1.14	1.14	1.14	\$1.00	\$1.00	\$1.00	13.96%
Watershed Planning/Restoration Sub-charge	102.96	102.96	102.96	\$91.07	\$91.07	\$91.07	13.06%
Recycled Water & Local Supply Sub-charge	2.96	2.96	2.96	\$2.92	\$2.92	\$2.92	1.46%
Water Conservation Sub-charge [4.16]	46.94	46.94	46.94	\$45.16	\$45.16	\$45.16	3.94%
O&M Charge	769.20	769.20	769.20	\$719.00	\$719.00	\$719.00	6.98%
Storage and Common Bond & Loan Charge	122.10	122.10	122.10	\$ 139.38	\$ 139.38	\$ 139.38	-12.40%
Sonoma Aqueduct Bond Charge			130.50			\$ 142.68	-8.5%
PRIME CONTRACTORS	\$891.30	\$891.30	\$1,021.80	\$ 858.37	\$858.37	\$1,001.05	
Capital Charges - to build fund balance for future projects	27.00	27.00	27.00	\$ 19.50	\$ 19.50	\$ -	38%
Local Recycled Water Tier 2 Program	0.00	0.00	0.00	\$0.00	\$ -	\$ -	0%
PRIME CONTRACTORS	27.00	27.00	27.00	\$ 19.50	\$ 19.50	\$ -	38%
				2.56%	2.56%	2.31%	
TOTAL PRIME CONTRACTORS	\$918.30	\$918.30	\$1,048.80	\$ 877.87	\$877.87	\$1,001.05	
Increase from FY 17-18	4.60%	4.60%	4.77%	8.84%	8.84%	11.90%	

Note: the Local Recycled Water Tier 2 Program rate is included in the Recycled Water and Local Supply Sub-charge on the Water Rates page.

WATER TRANSMISSION SYSTEM
FY19-20 WATER CHARGES PER ACRE-FOOT
FOR PRIME CONTRACTORS

FISCAL YEAR	SANTA ROSA AQUEDUCT	% INCR. (DECR.)	PETALUMA AQUEDUCT	% INCR. (DECR.)	SONOMA AQUEDUCT	% INCR. (DECR.)
2019 - 2020	918.30	4.60%	918.30	4.60%	1048.80	4.77%
2018 - 2019	877.88	3.67%	877.88	3.67%	1001.06	5.98%
2017 - 2018	846.78	4.98%	846.78	4.98%	944.56	5.58%
2016 - 2017	806.59	5.98%	806.59	5.98%	894.62	6.94%
2015 - 2016	761.05	4.16%	761.05	4.16%	836.55	5.46%
2014 - 2015	730.68	3.60%	730.68	3.60%	793.24	3.19%
2013 - 2014	705.30	4.95%	705.30	4.95%	768.75	3.84%
2012 - 2013	672.03	5.98%	672.03	5.98%	740.34	5.26%
2011 - 2012	634.11	5.00%	634.11	5.00%	703.33	4.28%
2010 - 2011	603.92	6.93%	603.92	6.93%	674.47	8.42%
2009 - 2010	564.78	19.88%	564.78	10.50%	622.11	27.95%
2008 - 2009	471.13	6.66%	511.13	10.71%	486.22	7.22%
2007 - 2008	441.70	2.41%	461.70	2.31%	453.49	2.46%
2006 - 2007	431.29	4.51%	451.29	4.30%	442.60	4.26%
2005 - 2006	412.68	2.53%	432.68	2.41%	424.53	2.44%
2004 - 2005	402.51	2.19%	422.51	2.08%	414.42	1.59%
2003 - 2004	393.89	1.65%	413.89	4.02%	407.95	5.30%
2002 - 2003	387.49	1.10%	397.90	3.61%	387.43	3.76%
2001 - 2002	383.29	15.88%	384.02	15.80%	373.38	16.41%
2000 - 2001	330.76	6.72%	331.61	6.60%	320.74	7.60%

**WATER TRANSMISSION SYSTEM
FY19-20 REVENUE SUMMARY CHART**

WATER CUSTOMER	FY19-20 Budgeted Water Use (Acre-Feet)	FY18-19 Rate \$/Acre-Foot	FY19-20 Proposed Rate \$/Acre-Foot	Dollar Change	Percent Change
Santa Rosa Aqueduct	16,888	\$877.88	\$918.30	\$40.42	4.60%
Petaluma Aqueduct	10,177	877.88	918.30	\$40.42	4.60%
Sonoma Aqueduct	3,909	1,001.06	1,048.80	\$47.73	4.77%
North Marin Water Dist.	5,711	894.17	937.34	\$43.17	4.83%
Marin Municipal – Fourth Off Peak	4,300	1,093.33	1,129.74	\$36.42	3.33%
Marin Municipal – Supplemental	970	1,093.33	1,129.74	\$36.42	3.33%
Forestville Aqueduct	381	877.88	918.30	\$40.42	4.60%
Wholesale/Municipal	936	1,201.27	1258.55	\$57.28	4.77%
Surplus	93	862.80	923.04	\$60.24	6.98%
Windsor	505	1,053.47	1,101.96	\$48.49	4.60%
TOTAL	43,870				

SONOMA COUNTY WATER AGENCY RATES FOR WATER DELIVERIES IN FY19-20

[X] ESTIMATED [] OFFICIAL

Approved by Board of Directors on April _____, 2019

CHARGE PER ACRE FOOT:

PRIME CONTRACTORS

O&M Charge [4.2]

Water Management Planning Sub-charge [4.13]

Watershed Planning/Restoration Sub-charge [4.14]

Recycled Water & Local Supply Sub-charge [4.15]

Water Conservation Sub-charge [4.16]

O&M Charge

Bond & Loan Charges - to pay for existing debt service

Storage Facilities Capital Charge [4.7]

Common Facilities Capital Charge [4.8]

Sonoma Aqueduct Facilities Capital Charges [4.6 b]

Total Bond & Loan Charges

Discretionary:

Aqueduct Capital Charges - to build fund balance for future projects

Aqueduct Facilities Capital Charges [4.6 e]

LRT2 - included in Recycled Water & Local Supply Sub-Charge above.

TOTAL PRIME CONTRACTORS

Charge without LRT2 and voluntary AQ Capital Charge

OTHER AGENCY CUSTOMERS/WHOLESALE CHARGES

(WATER CO'S & PUBLIC AGENCIES)

O&M Charge

Capital Charges

Aqueduct Facilities Capital Charge

TOTAL OTHER AGENCY CUSTOMERS/WHOLESALE CHARGES (4.12)

(120% OF HIGHEST PRIME)

FORESTVILLE

O&M Charge [4.2] *

Water Management Planning Sub-charge [4.13]

Watershed Planning/Restoration Sub-charge [4.14]

Recycled Water & Local Supply Sub-charge [4.15]

Water Conservation Sub-charge [4.16]

O&M Charge

Bond & Loan Charges - to pay for existing debt service

Aqueduct Facilities Capital Charges [4.6]

Storage Facilities Capital Charge [4.7]

Common Facilities Capital Charge [4.8]

Total Capital Charges

TOTAL FORESTVILLE

* Forestville Water District was exempt from Santa Rosa Aqueduct sub-charge from FY 06/07 to FY 16/17 [4.12].

NORTH MARIN WATER DISTRICT

O&M Charge

North Marin Bond & Loan Charge [4.9]

Russian River Conservation Charge [4.18 (a)]

Russian River Projects Charge [4.18 (b)]

TOTAL NORTH MARIN WATER DISTRICT

FOURTH OFF-PEAK (MARIN MUNICIPAL)

Highest Prime on SR and PET AQ x 1.11

Russian River Conservation Charge

Russian River Projects Charge

TOTAL FOURTH OFF-PEAK

SUPPLEMENTAL (MARIN MUNICIPAL)

Highest Prime on SR and PET AQ x 1.11

Russian River Conservation Charge

Russian River Projects Charge

TOTAL SUPPLEMENTAL

SURPLUS

Non-Municipal / Municipal [4.11 (a)]

(120% of O&M Charge)

Town of Windsor

Town of Windsor is charged 120% of the highest charge for any other prime contractor on the Santa Rosa Aqueduct from FY 06/07 to FY 21/22 [4.17 (a)]. Town of Windsor pays all subcharges [4.13, 4.14, 4.15, and 4.16] on all water they divert from the Russian River using their equipment [4.17 (b)].

	Santa Rosa Aqueduct	Petaluma Aqueduct	Sonoma Aqueduct
O&M Charge [4.2]	\$615.20	\$615.20	\$615.20
Water Management Planning Sub-charge [4.13]	\$1.14	\$1.14	\$1.14
Watershed Planning/Restoration Sub-charge [4.14]	\$102.96	\$102.96	\$102.96
Recycled Water & Local Supply Sub-charge [4.15]	\$2.96	\$2.96	\$2.96
Water Conservation Sub-charge [4.16]	\$46.94	\$46.94	\$46.94
O&M Charge	\$769.20	\$769.20	\$769.20
Bond & Loan Charges - to pay for existing debt service			
Storage Facilities Capital Charge [4.7]	31.22	31.22	31.22
Common Facilities Capital Charge [4.8]	90.88	90.88	90.88
Sonoma Aqueduct Facilities Capital Charges [4.6 b]			130.50
Total Bond & Loan Charges	\$122.10	\$122.10	\$252.60
Discretionary:			
Aqueduct Capital Charges - to build fund balance for future projects			
Aqueduct Facilities Capital Charges [4.6 e]	27.00	27.00	27.00
LRT2 - included in Recycled Water & Local Supply Sub-Charge above.			
TOTAL PRIME CONTRACTORS	\$918.30	\$918.30	\$1,048.80
Charge without LRT2 and voluntary AQ Capital Charge	\$891.30	\$891.30	\$1,021.80
OTHER AGENCY CUSTOMERS/WHOLESALE CHARGES			
(WATER CO'S & PUBLIC AGENCIES)			
O&M Charge	\$769.20	\$769.20	\$769.20
Capital Charges	122.10	122.10	252.60
Aqueduct Facilities Capital Charge	\$367.25	\$367.25	\$236.76
TOTAL OTHER AGENCY CUSTOMERS/WHOLESALE CHARGES (4.12)	\$1,258.55	\$1,258.55	\$1,258.55
(120% OF HIGHEST PRIME)			
FORESTVILLE			
O&M Charge [4.2] *	\$615.20		
Water Management Planning Sub-charge [4.13]	1.14		
Watershed Planning/Restoration Sub-charge [4.14]	102.96		
Recycled Water & Local Supply Sub-charge [4.15]	2.96		
Water Conservation Sub-charge [4.16]	46.94		
O&M Charge	\$769.20		
Bond & Loan Charges - to pay for existing debt service			
Aqueduct Facilities Capital Charges [4.6]	27.00		
Storage Facilities Capital Charge [4.7]	31.22		
Common Facilities Capital Charge [4.8]	90.88		
Total Capital Charges	\$149.10		
TOTAL FORESTVILLE	\$918.30		
* Forestville Water District was exempt from Santa Rosa Aqueduct sub-charge from FY 06/07 to FY 16/17 [4.12].			
NORTH MARIN WATER DISTRICT			
O&M Charge		\$769.20	
North Marin Bond & Loan Charge [4.9]		57.71	
Russian River Conservation Charge [4.18 (a)]		102.09	
Russian River Projects Charge [4.18 (b)]		8.34	
TOTAL NORTH MARIN WATER DISTRICT		937.34	
FOURTH OFF-PEAK (MARIN MUNICIPAL)			
Highest Prime on SR and PET AQ x 1.11		\$1,019.31	
Russian River Conservation Charge		102.09	
Russian River Projects Charge		8.34	
TOTAL FOURTH OFF-PEAK		\$1,129.74	
SUPPLEMENTAL (MARIN MUNICIPAL)			
Highest Prime on SR and PET AQ x 1.11		\$1,019.31	
Russian River Conservation Charge		102.09	
Russian River Projects Charge		8.34	
TOTAL SUPPLEMENTAL		\$1,129.74	
SURPLUS			
Non-Municipal / Municipal [4.11 (a)]	\$923.04	\$923.04	\$923.04
(120% of O&M Charge)			
Town of Windsor		\$1,101.96	
Town of Windsor is charged 120% of the highest charge for any other prime contractor on the Santa Rosa Aqueduct from FY 06/07 to FY 21/22 [4.17 (a)]. Town of Windsor pays all subcharges [4.13, 4.14, 4.15, and 4.16] on all water they divert from the Russian River using their equipment [4.17 (b)].			
	\$1,101.96		

The applicable section of the Restructured Agreement has been indicated in brackets.

FY 2019-20 BUDGET
SONOMA COUNTY WATER AGENCY
Operations and Maintenance Rate Computation

O & M REVENUE REQUIREMENT

FY19-20 ESTIMATED FISCAL YEAR EXPENDITURES \$48,724,421

LESS:

DepreciationAmortization	8,036,000
Investment Income, Interest on Pooled Cash, Charges for Services	170,250
Power Sales	100,000
PWRPA Pre-paid Expense - FY 08/09 Rate Reduction- <i>One time only</i>	
"Mandatory Prudent Reserve" charge	
Recycled Water funds (Sub-object 7277) taken from special reserve	0
Transfers Out	12,590,069

REVENUE REQUIREMENT (Net Expenditures)	\$27,828,102
--	--------------

O & M ACRE FOOT BASE

DELIVERIES: 43,869.9

LESS:

Marin Municipal	5,269.5
Surplus (Irrigation)	92.8

TOTAL BASE DELIVERIES	38,507.5
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O & M RATE COMPUTATION:

Rate = Revenue Requirement - (Marin Municipal Deliveries x 1.11 x 0.92568 x Highest Prime Rate
on Petaluma or Santa Rosa Aqueduct - Subfunds)
Total Deliveries - Surplus Deliveries - Marin Muni Deliveries

$$= \frac{27,828,102 - (4,300.00 \times 785.32) - (969.52 \times 785.32)}{43,869.9 - 92.8 - 5,269.5}$$

* = 615.20

FY19-20
Proposed Water Rates

	<u>FY18-19</u>	<u>FY19-20</u>	
	(Actual)	(Proposed)	% Change
O&M Charge	578.85	615.20	6.28%
Water Management Planning Sub-Charge	1.00	1.14	13.96%
Watershed Planning/Restoration Sub-Charge	91.07	102.96	13.06%
Recycled Water Sub-Charge	2.92	2.96	1.46%
Water Conservation Sub-Charge	45.16	46.94	3.94%
Total O&M Charge	719.00	769.20	6.98%

Santa Rosa Aqueduct Rate

O&M Charge	719.00	769.20	6.98%
Aqueduct Facilities Capital Charges [4.6 e]	19.50	27.00	38.5%
Storage Facilities Capital Charge [4.7]	41.04	31.22	-23.94%
Common Facilities Capital Charge [4.8]	98.34	90.88	-7.58%
TOTAL	877.87	918.30	4.60%

Petaluma Aqueduct Rate

O&M Charge	719.00	769.20	6.98%
Aqueduct Facilities Capital Charges [4.6 e]	19.50	27.00	38.5%
Storage Facilities Capital Charge [4.7]	41.04	31.22	-23.94%
Common Facilities Capital Charge [4.8]	98.34	90.88	-7.58%
TOTAL	877.87	918.30	4.60%

Sonoma Aqueduct Rate

O&M Charge	719.00	769.20	6.98%
Aqueduct Facilities Capital Charges [4.6 e]	0.00	27.00	N/A
Storage Facilities Capital Charge [4.7]	41.04	31.22	-23.94%
Common Facilities Capital Charge [4.8]	98.34	90.88	-7.58%
Sonoma Aqueduct Facilities Capital Charge	142.68	130.50	-8.54%
TOTAL	1001.05	1048.79	4.77%

SONOMA COUNTY WATER AGENCY
RUSSIAN RIVER CONSERVATION CHARGE COMPUTATION

FISCAL YEAR 2019-20

PROPERTY ASSESSMENT VALUES AS OF FY18-19:

TAX CODE	ENTITY	SECURED	UNSECURED	TOTAL VALUE
14000	Forestville Co Water District	430,971,180	2,266,294	\$433,237,474
42800	City of Cotati	1,111,279,998	26,992,115	1,138,272,113
43500	City of Petaluma	9,918,133,226	419,182,388	10,337,315,614
43800	City of Rohnert Park	5,240,794,119	142,006,572	5,382,800,691
44500	City of Santa Rosa	23,443,543,047	736,367,869	24,179,910,916
45000	City of Sonoma	2,755,563,613	66,766,967	2,822,330,580
N/A	Valley of the Moon Water District	3,433,868,842	24,948,881	3,458,817,723
TOTAL		\$46,334,154,025	\$1,418,531,086	\$47,752,685,111

Notes:

- 1 Total value of secured and unsecured property in service areas of Prime Water Contractors of Sonoma County (see above) \$47,752,685,111
- 2 2016-17 Sonoma County tax rate per \$100 of full cash value assessed for payment of Warm Springs Dam Project Obligations 0.007
- 3 Total tax levied on citizens residing in service areas of Prime Water Contractors of Sonoma County, i.e., (Line 1/100) x Line 2 \$3,342,688
- 4 Total acre feet of water delivered to Prime Water Contractors of Sonoma County (excluding North Marin and Town of Windsor) plus deliveries to Forestville during the prior 12 month period ending March 31. 32,743.98
- 5 Total Russian River Conservation Charge per Acre Foot (Line 3 / Line 4) \$102.09

Russian River Projects Charge
Historical calculations

RR Conservation Charge
Historical calculations

For FY	Calculated	Actual Charge	
07-08	21.4	\$20.00	\$52.70
08-09	25.08	\$20.00	\$58.44
09-10	24.68	\$20.00	\$57.70
10-11	24.4	\$20.00	\$74.62
11-12	23.44	\$20.00	\$72.27
12-13	20.38	\$20.00	\$72.08
13-14	14.72	\$14.72	\$63.30
14-15	8.72	\$8.72	\$63.90
15-16	12.39	\$12.39	\$69.38
16-17	12.96	\$12.96	\$78.73
17-18	13.08	\$13.08	\$105.78
18-19	9.13	\$9.13	\$109.75
19-20	8.34	\$8.34	\$102.09

**SCHEDULE OF WATER DELIVERIES BY AQUEDUCT
PAST 36 MONTHS / 12 MONTHS AVERAGE**

		DELIVERING AQUEDUCT				Monthly
		Santa Rosa	Petaluma	Forestville	Sonoma	Total
36	Jan-16	1,026.5	1,393.9	20.0	202.9	2,643.3
35	Feb-16	1,043.1	1,167.6	16.5	174.4	2,401.6
34	Mar-16	1,177.1	1,375.0	21.8	197.9	2,771.8
33	Apr-16	1,069.9	1,559.4	21.7	262.8	2,913.7
32	May-16	1,185.9	1,961.3	27.5	262.8	3,437.5
31	Jun-16	1,923.0	2,496.7	44.3	449.6	4,913.6
30	Jul-16	1,742.5	2,066.0	41.2	403.3	4,253.0
29	Aug-16	1,635.2	1,937.1	42.2	395.0	4,009.5
28	Sep-16	1,794.9	1,888.8	39.1	374.4	4,097.1
27	Oct-16	1,597.9	1,908.3	36.8	364.4	3,907.4
26	Nov-16	1,046.2	1,182.8	20.2	216.1	2,465.3
25	Dec-16	1,258.9	1,586.6	22.0	250.4	3,118.0
24	Jan-17	1,099.2	1,219.7	26.9	220.0	2,565.8
23	Feb-17	1,023.6	1,130.4	22.6	186.5	2,363.1
22	Mar-17	992.1	1,055.3	17.3	184.7	2,249.3
21	Apr-17	1,086.7	1,777.0	22.3	215.7	3,101.7
20	May-17	1,416.0	2,095.9	30.7	348.9	3,891.5
19	Jun-17	1,627.3	2,280.7	34.6	391.6	4,334.2
18	Jul-17	2,295.9	2,711.9	52.3	584.6	5,644.7
17	Aug-17	1,678.8	2,246.2	43.3	450.1	4,418.4
16	Sep-17	2,250.3	2,634.2	51.6	546.3	5,482.4
15	Oct-17	1,788.9	2,170.0	42.7	445.3	4,446.9
14	Nov-17	1,123.1	1,350.7	25.4	257.4	2,756.7
13	Dec-17	1,107.6	1,268.4	20.9	196.0	2,593.0
12	Jan-18	1,307.1	1,496.0	25.4	228.5	3,057.1
11	Feb-18	1,097.9	1,292.8	20.2	210.7	2,621.6
10	Mar-18	1,059.5	1,691.3	19.3	179.0	2,949.0
9	Apr-18	1,361.0	2,012.0	27.2	267.7	3,667.9
8	May-18	1,475.9	2,043.2	29.0	340.3	3,888.4
7	Jun-18	1,825.4	2,338.6	37.5	406.5	4,608.0
6	Jul-18	2,244.4	2,877.4	53.4	577.1	5,752.3
5	Aug-18	1,748.3	2,239.0	47.9	446.1	4,481.3
4	Sep-18	1,681.1	2,073.3	44.8	411.1	4,210.4
3	Oct-18	1,931.3	2,273.1	43.0	449.9	4,697.3
2	Nov-18	1,409.2	1,759.8	28.8	329.2	3,527.0
1	Dec-18	1,326.0	1,720.4	24.2	299.4	3,370.1
Total Deliveries		52,457.8	66,280.8	1,144.5	11,726.6	131,609.7
3-Year Annual Average		17,485.9	22,093.6	381.5	3,908.9	43,869.9
Past 12 Months		18,467.2	23,816.8	400.7	4,145.5	46,830.2
Total Deliveries		52,457.8	66,280.8	1,144.5	11,726.6	131,609.7
Less: North Marin			17,133.7			17,133.7
Marin Municipal			15,808.6			15,808.6
Sonoma Co. Deliveries		52,457.8	33,338.5	1,144.5	11,726.6	98,667.4
3-Year Annual Average		17,485.9	11,112.8	381.5	3,908.9	32,889.1

SONOMA COUNTY WATER AGENCY
SCHEDULE OF ACTUAL PRIOR 12 MONTHS WATER DELIVERIES IN ACRE FEET (BY CUSTOMER TYPE)
JANUARY THROUGH DECEMBER

CY2017 CY2017

SONOMA COUNTY WATER AGENCY
ACTUAL WATER DELIVERY DISTRIBUTION BY AQUEDUCT (ACRE FEET)
PRIOR 12 MONTHS

Aqueduct No.	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	TOTAL	**** DELIVERING AQUEDUCT ****												
														Santa Rosa	Petaluma	Sonoma	TOTAL									
PRIMES														DELIVERED TO:												
1	City of Santa Rosa	1,245.8	1,041.5	1,013.1	1,311.5	1,417.9	1,762.2	2,130.6	1,663.9	1,607.0	1,859.6	1,356.4	1,280.1	17,689.3	CITY OF SANTA ROSA (A)											
2	City of Petaluma	538.1	525.2	461.7	607.4	668.8	789.3	1,083.8	865.6	806.0	863.6	617.0	570.7	8,397.2	Jan 2018	987.0	0.0	258.8	1,245.8							
2	North Marin Water Dist.	493.5	388.6	500.1	512.6	416.3	650.7	805.4	679.9	597.0	586.2	521.9	484.2	6,636.3	Feb 2018	830.8	0.0	210.7	1,041.5							
2	City of Rohnert Park	204.3	169.1	204.4	243.3	224.1	268.3	364.3	267.2	273.4	316.6	241.0	191.7	2,967.7	Mar 2018	804.0	0.0	209.1	1,013.1							
2	City of Cotati	31.5	23.4	23.9	27.1	23.4	46.9	77.9	54.9	51.5	64.0	38.7	29.2	492.5	Apr 2018	1,044.9	0.0	266.5	1,311.5							
1	Town of Windsor	48.0	43.8	33.0	34.7	39.4	37.1	71.6	45.9	40.2	41.9	36.0	33.2	504.7	May 2018	1,143.0	0.0	274.8	1,417.9							
4	City of Sonoma	94.3	105.8	100.3	140.2	166.0	210.0	289.0	208.4	193.4	194.4	133.6	125.5	1,960.9	Jun 2018	1,477.9	0.0	284.3	1,762.2							
4	Valley of the Moon Dist.	121.5	96.1	73.8	121.6	156.4	184.2	265.6	219.0	202.2	242.1	186.5	168.4	2,037.1	Jul 2018	1,664.9	0.0	465.7	2,130.6							
TOTAL PRIMES															40,685.8											
OTHER AGENCY CUSTOMERS														Aug 2018	1,263.5	0.0	400.3	1,663.9								
1	Larkfield Water Co	13.0	12.2	11.3	14.0	15.8	19.9	33.5	31.9	28.9	26.5	15.8	12.4	235.3	Sep 2018	1,247.9	0.0	359.1	1,607.0							
2	Penngrove Water Co	11.8	10.0	9.5	13.2	15.3	18.8	26.3	19.7	18.4	19.2	13.6	12.0	187.7	Oct 2018	1,477.5	0.0	382.1	1,859.6							
4	Lawndale Mutual	1.9	1.6	1.9	2.4	4.5	5.3	7.7	6.9	6.0	7.0	4.8	2.4	52.2	Nov 2018	1,080.7	0.0	275.7	1,356.4							
4	Kenwood Village Water Co	0.2	1.4	0.3	0.5	0.4	0.7	0.6	1.2	1.0	0.5	0.4	0.4	7.6	Dec 2018	1,032.2	0.0	247.9	1,280.1							
3	Forestville Co Water Dist.	25.4	20.2	19.3	27.2	29.0	37.5	53.4	47.9	44.8	43.0	28.8	24.2	400.7	TOTAL SANTA ROSA				14,054.3	0.0	3,635.1	17,689.3				
1	Other Gov-Santa Rosa Aq	0.2	0.2	0.2	0.2	0.0	0.3	0.5	0.4	0.4	0.4	0.3	0.2	3.3	OTHER PRIME CONTRACTORS (B)											
2	Other Gov-Petaluma Aq	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	CITY OF PETALUMA				0.0	8,397.2	8,397.2					
4	Other Gov-Sonoma Aq	0.6	0.5	0.5	0.5	1.1	1.3	1.8	1.6	1.8	1.6	1.2	0.6	13.3	NORTH MARIN WATER DISTRICT					6,636.3	6,636.3					
TOTAL OTHER AGY. CUST															900.2				CITY OF ROHNERT PARK	32.7	2,935.0	2,967.7				
OFF-PEAK CUSTOMERS																	CITY OF COTATI	5.7	486.8	492.5						
2	Marin Municipal	216.8	176.6	491.6	608.4	695.2	564.6	519.7	351.7	327.0	423.4	327.7	432.6	5,135.3	TOWN OF WINDSOR			504.7		504.7						
SURPLUS CUSTOMERS																	CITY OF SONOMA		1,960.9	1,960.9						
1	Irrigation-Santa Rosa Aq	0.1	0.2	2.0	0.6	2.9	5.9	8.2	6.3	4.6	2.9	0.7	0.1	34.5	VALLEY OF THE MOON DISTRICT				2,037.1	2,037.1						
2	Irrigation-Petaluma Aq	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TOTAL OTHER PRIME CONTRACTORS				543.1	18,455.3	3,998.0	22,996.4				
4	Irrigation-Sonoma Aq	10.1	5.2	2.2	2.6	11.9	5.1	12.4	9.0	6.7	4.3	2.8	2.1	74.4	TOTAL DELIVERIES TO PRIMES				14,597.4	18,455.3	7,633.1	40,685.8				
TOTAL SURPLUS CUST.															108.9				LESS: NORTH MARIN					(6,636.3)	(6,636.3)	
TOTAL DELIVERIES															46,830.2				TOTAL SONOMA COUNTY DELIVERIES				14,597.4	11,819.0	7,633.1	34,049.4

FY 2019-20 BUDGET
Water Transmission System Agency Fund
ESTIMATED WATER DELIVERIES AND WATER SALES - O&M plus Surcharges

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>WATER SALES - O&M</u>			
1 PRIMES without Subcharges	37,571.4	615.20	23,113,947
2 OTHER AGENCY CUSTOMERS	936.1	1,104.55	1,033,998
3 MARIN MUNICIPAL (OFF-PEAK)	4,300.0	785.32	3,376,882
4 MARIN MUNICIPAL (SUPPLEMENTAL)	969.5	785.32	761,385
5 SURPLUS CUSTOMERS	92.8	769.04	71,387
TOTAL WATER SALES - O&M	43,869.9	N/A	\$28,357,599

Note: MMWD rate adjusted per Amended MMWD Water Supply Agreements Effective 7/1/15.

Sub-Object 4175, 4176, 4177, and 4178

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>WATER SALES - Sub-charges</u>			
1a Water Management Planning Sub-charge [4.13]	43,869.9	1.14	50,000
1b Watershed Planning/Restoration Sub-charge [4.14]	43,869.9	102.96	4,516,770
1c Recycled Water & Local Supply Sub-charge [4.15]	43,869.9	2.96	130,013
1d Water Conservation Sub-charge [4.16]	43,869.9	46.94	2,059,207
TOTAL WATER SALES - Subcharges	43,869.9	N/A	\$6,755,990

FY 2019-20 BUDGET
Water Transmission System Agency Fund
SANTA ROSA AQUEDUCT ESTIMATED WATER DELIVERIES AND WATER SALES - O&M plus Surcharges

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>WATER SALES - O&M</u>			
1 SANTA ROSA AQUEDUCT	17,485.9	615.20	10,757,347

Sub-Object 4175, 4176, 4177, and 4178

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>WATER SALES - Sub-charges</u>			
1a Water Management Planning Sub-charge [4.13]	17,485.9	1.14	19,929
1b Watershed Planning/Restoration Sub-charge [4.14]	17,485.9	102.96	1,800,322
1c Recycled Water & Local Supply Sub-charge [4.15]	17,485.9	2.96	51,821
1d Water Conservation Sub-charge [4.16]	17,485.9	46.94	820,771
TOTAL WATER SALES - Subcharges	17,485.9	N/A	\$2,692,843

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>CAPITAL CHARGES</u>			
Aqueduct Facilities Capital Charges [4.6 e]	17,485.9	27.00	472,120
<u>BOND AND LOAN CAPITAL CHARGES</u>			
Storage Facilities Capital Charge [4.7]	17,485.9	31.22	545,862
Common Facilities Capital Charge [4.8]	17,485.9	90.88	1,589,097
Sonoma Aqueduct Facilities Capital Charges [4.6 b]	17,485.9	0.00	0
TOTAL WATER SALES - Capital & Bond and Loan Charges	17,485.9	N/A	\$2,607,079

TOTAL ESTIMATED REVENUE

\$16,057,269

FY 2019-20 BUDGET

Water Transmission System Agency Fund

PETALUMA AQUEDUCT ESTIMATED WATER DELIVERIES AND WATER SALES - O&M plus Surcharges

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>WATER SALES - O&M</u>			
1 PETALUMA AQUEDUCT	22,093.6	615.20	13,591,992

Sub-Object 4175, 4176, 4177, and 4178

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>WATER SALES - Sub-charges</u>			
1a Water Management Planning Sub-charge [4.13]	22,093.6	1.14	25,181
1b Watershed Planning/Restoration Sub-charge [4.14]	22,093.6	102.96	2,274,720
1c Recycled Water & Local Supply Sub-charge [4.15]	22,093.6	2.96	65,477
1d Water Conservation Sub-charge [4.16]	22,093.6	46.94	1,037,051
TOTAL WATER SALES - Subcharges	22,093.6	N/A	\$3,402,429

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>CAPITAL CHARGES</u>			
Aqueduct Facilities Capital Charges [4.6 e]	22,093.6	27.00	596,527
<u>BOND AND LOAN CAPITAL CHARGES</u>			
Storage Facilities Capital Charge [4.7]	22,093.6	31.22	689,701
Common Facilities Capital Charge [4.8]	22,093.6	90.88	2,007,837
Sonoma Aqueduct Facilities Capital Charges [4.6 b]	22,093.6	0.00	0
TOTAL WATER SALES - Capital & Bond and Loan Charges	22,093.6	N/A	\$3,294,065

TOTAL ESTIMATED REVENUE

\$20,288,486

FY 2019-20 BUDGET
Water Transmission System Agency Fund
SONOMA AQUEDUCT ESTIMATED WATER DELIVERIES AND WATER SALES - O&M plus Surcharges

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>WATER SALES - O&M</u>			
1 SONOMA AQUEDUCT	3,908.9	615.20	2,404,738

Sub-Object 4175, 4176, 4177, and 4178

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>WATER SALES - Sub-charges</u>			
1a Water Management Planning Sub-charge [4.13]	3,908.9	1.14	4,455
1b Watershed Planning/Restoration Sub-charge [4.14]	3,908.9	102.96	402,451
1c Recycled Water & Local Supply Sub-charge [4.15]	3,908.9	2.96	11,584
1d Water Conservation Sub-charge [4.16]	3,908.9	46.94	183,478
TOTAL WATER SALES - Subcharges	3,908.9	N/A	\$601,968

REVENUE CATEGORY	ESTIMATED ACRE FEET DELIVERED	ESTIMATED RATES	ESTIMATED REVENUE
<u>CAPITAL CHARGES</u>			
Aqueduct Facilities Capital Charges [4.6 e]	3,908.9	27.00	105,539
<u>BOND AND LOAN CAPITAL CHARGES</u>			
Storage Facilities Capital Charge [4.7]	3,908.9	31.22	122,024
Common Facilities Capital Charge [4.8]	3,908.9	90.88	355,233
Sonoma Aqueduct Facilities Capital Charges [4.6 b]	3,908.9	130.50	510,089
TOTAL WATER SALES - Capital & Bond and Loan Charges	3,908.9	N/A	\$1,092,885

TOTAL ESTIMATED REVENUE

\$4,099,591

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Water Transmission System Agency Fund

Fund/Department No:

44205

33040100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	4,901,253	7,779,311		7,673,489		

REVENUES

USE OF MONEY / PROPERTY

44002 Interest on Pooled Cash	176,629	320,000	64,350	170,250	105,900	164.57%
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains & Losses	(38,409)	75,000	0	0	0	N/A
44109 Concessions	0	0	0	0	0	N/A
44101 Rent - Real Estate	0	0	0	0	0	N/A
SUBTOTAL	138,220	395,000	64,350	170,250	105,900	164.57%

INTERGOVERNMENTAL REVENUES

42282 State CalOES Disaster Funding	10,988	0	0	0	0	N/A
42284 State Cal OES Admin Allowance	4,557	0	0	0	0	N/A
42358 State Other Funding	0	0	0	0	0	N/A
42441 Federal FEMA Disaster Funding	49,882	0	0	0	0	N/A
42461 Federal Other Funding	77,002	0	0	0	0	N/A
42610 Other Governmental Agencies	49,277	0	0	0	0	N/A
42621 North Marin Water District	0	0	0	0	0	N/A
42701 Revenue Appl - PY Intergovmtl	0	0	0	0	0	N/A
SUBTOTAL	191,705	0	0	0	0	N/A

CHARGES FOR SERVICES

45062 Construct/Bldg Permit Rvw Svcs	0	8	0	0	0	N/A
45065 Inspection Fees	0	0	0	0	0	N/A
45223 Sewer/Water Hook up Fees	23,820	9,925	0	0	0	N/A
45301 Charges for Services	4,003	0	0	0	0	N/A
45314 Sale - Power	144,524	200,000	100,000	100,000	0	0.00%
45315 Sale - Water, Wholesale	27,145,124	25,575,031	25,575,031	28,357,599	2,782,568	10.88%
45316 Water Conservation	2,069,795	1,886,222	1,886,222	2,059,207	172,985	9.17%
45323 Common Fac Rev Bond Chg	2,353,556	3,365,157	3,365,157	3,310,088	(55,069)	(1.64%)
45324 Storage Fac Rev Bond Chg	1,461,558	1,283,085	1,283,085	1,023,809	(259,276)	(20.21%)
45325 Sonoma Aqueduct Rev Bond Chg	343,678	528,885	528,885	510,089	(18,796)	(3.55%)
45327 Santa Rosa Aqueduct Cap Chg	531,149	407,973	407,973	561,741	153,768	37.69%
45328 Petaluma Aqueduct Cap Chg	287,126	225,359	225,359	328,090	102,731	45.59%
45329 Sonoma Aqueduct Cap Chg	145,190	0	0	100,262	100,262	N/A
45330 North Marin Rev Bond Chg	298,080	290,814	290,814	329,604	38,791	13.34%
45331 Water Mgmt Plan/Restore Chg	148,488	41,772	41,772	50,000	8,228	19.70%
45332 Watershed Plan/Restore Chg	4,085,664	3,803,623	3,803,623	4,516,770	713,147	18.75%
45333 Recycled Water & Local Supply	473,349	122,000	122,000	130,013	8,013	6.57%
45401 Revenue Appl PY Chgs for Svcs	0	0	0	0	0	N/A
SUBTOTAL	39,515,103	37,739,854	37,629,921	41,377,273	3,747,352	9.96%

Miscellaneous Revenues

46027 Insurance Claims Reimbursement	1,953	0	0	0	0	N/A
46029 Donations/Contributions	2,750,000	0	0	0	0	N/A

Section Title:

Water Transmission System Agency Fund

Fund/Department No:

44205

33040100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
46040 Miscellaneous Revenue	6,566	1,200	0	0	0	N/A
46041 Discounts Earned	1,292	1,500	0	0	0	N/A
46050 Cancelled/Stale Dated Warrants	2,405	0	0	0	0	N/A
46200 Revenue Appl PY Misc Revenue	21,537	100	0	0	0	N/A
46205 PY Revenue – Charges for Servi	0	0	0	0	0	N/A
46215 Other Grants	0	0	0	0	0	N/A
SUBTOTAL	2,783,753	2,800	0	0	0	N/A
<u>OTHER FINANCING SOURCES</u>						
47002 Sale of Capital Assets	0	0	0	0	0	N/A
47101 Transfers In - within a Fund	0	0	0	0	0	N/A
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	0
TOTAL REVENUES	42,628,781	38,137,654	37,694,271	41,547,523	3,853,252	10.22%

EXPENDITURES

SERVICES AND SUPPLIES

51031 Waste Disposal Services	58	3,000	3,000	3,000	0	0.00%
51032 Janitorial Services	6,240	6,000	6,000	6,000	0	0.00%
51061 Maintenance - Equipment	1,025,552	1,254,390	993,000	1,159,000	166,000	16.72%
51071 Maintenance - Bldg & Improve	0	0	0	0	0	N/A
51072 Landscaping Services	0	0	0	0	0	N/A
51077 Maint-Infrastructure	0	0	0	0	0	N/A
51205 Advertising/Marketing Svc	3,030	500	500	500	0	0.00%
51209 Information Tech Svc (non ISD)	17	1,500	1,500	1,500	0	0.00%
51211 Legal Services	6,592	12,000	12,000	12,000	0	0.00%
51212 Outside Counsel - Legal Advice	366	4,500	4,500	4,500	0	0.00%
51214 Agency Extra/Temp Help	0	1,000	1,000	1,000	0	0.00%
51226 Consulting Services	0	0	0	0	0	N/A
51230 Security Services	1,931	1,100	4,320	4,320	0	0.00%
51231 Testing/Analysis	117,955	135,000	135,000	135,000	0	0.00%
51241 Outside Printing and Binding	2,324	2,000	2,000	2,000	0	0.00%
51242 Bank Charges	11	30	0	50	50	N/A
51244 Permits/License/Fees	69,304	60,000	60,000	60,000	0	0.00%
51249 Other Professional Services	0	0	0	0	0	N/A
51301 Publications and Legal Notices	0	0	0	0	0	N/A
51401 Rents and Leases - Equipment	387,655	360,000	400,000	400,000	0	0.00%
51421 Rents and Leases - Bldg/Land	1,489	1,500	1,500	1,500	0	0.00%
51601 Training Services	12,860	20,000	14,000	20,000	6,000	42.86%
51602 Business Travel/Mileage	6,047	8,000	5,000	10,000	5,000	100.00%
51605 Private Car Expense	572	1,500	1,500	1,500	0	0.00%
51801 Other Services	7,949	18,000	16,000	18,000	2,000	12.50%
51803 Other Contract Services	1,812,536	3,655,040	1,648,580	5,211,500	3,562,920	216.12%
51902 Telecommunication Usage	90,914	90,000	90,000	90,000	0	0.00%
51911 Mail Services	3	300	300	300	0	0.00%
51917 District Operations Chgs	14,469,209	14,500,000	14,500,000	14,935,000	435,000	3.00%

Section Title:

Water Transmission System Agency Fund

Fund/Department No:

44205

33040100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
51921 Equipment Usage Charges	934,572	900,000	900,000	950,000	50,000	5.56%
52021 Clothing, Uniforms, Personal	14,421	13,000	13,000	13,000	0	0.00%
52031 Food	94	700	700	700	0	0.00%
52042 Janitorial Supplies	1,191	2,000	2,000	2,000	0	0.00%
52061 Fuel/Gas/Oil	3,588	9,000	9,000	9,000	0	0.00%
52071 Materials and Supplies Expense	4,528	120,000	3,000	3,000	0	0.00%
52072 Chemicals	808,174	675,000	690,000	700,000	10,000	1.45%
52081 Medical/Laboratory Supplies	24,167	25,000	25,000	25,000	0	0.00%
52091 Memberships/Certifications	37,688	45,000	45,000	42,000	(3,000)	(6.67%)
52101 Other Supplies	(525)	20,000	10,000	5,000	(5,000)	(50.00%)
52111 Office Supplies	9,562	12,000	10,000	12,000	2,000	20.00%
52115 Books/Media/Subscriptions	1,873	1,500	1,500	1,500	0	0.00%
52117 Mail and Postage Supplies	5,174	3,000	3,000	3,000	0	0.00%
52141 Minor Equipment/Small Tools	142,135	180,000	180,000	176,000	(4,000)	(2.22%)
52142 Computer Equipment/Accessories	2,206	6,000	6,000	6,000	0	0.00%
52143 Computer Software/Licensing Fees	31,541	30,000	30,000	40,000	10,000	33.33%
52162 Special Department Expense	0	0	0	0	0	N/A
52171 Water Conservation Program	0	0	0	0	0	N/A
52191 Utilities	417	500	500	500	0	0.00%
52193 Utilities - Electric	3,444,045	3,300,000	3,300,000	3,400,000	100,000	3.03%
SUBTOTAL	23,487,466	25,478,060	23,128,400	27,465,370	4,336,970	18.75%
OTHER CHARGES						
53103 Interest on LT Debt	0	0	0	0	0	N/A
53104 Other interest Expense	0	0	0	0	0	N/A
53401 Amortization Expense	215,316	241,500	241,500	54,000	(187,500)	(77.64%)
53402 Depreciation Expense	6,284,727	7,342,500	7,342,500	7,982,000	639,500	8.71%
53403 Loss - Disposed Capital Asset	0	50	0	0	0	N/A
53500 Contributions Non-County Agy	0	0	0	0	0	N/A
53501 Contributions	0	0	0	0	0	N/A
53610 Other Charges	0	0	0	0	0	N/A
SUBTOTAL	6,500,043	7,584,050	7,584,000	8,036,000	452,000	5.96%
FIXED ASSETS						
19820 Machinery and Equipment	0	0	0	0	0	N/A
19822 Mobile Equipment	0	0	0	0	0	N/A
19824 Computer Equipment	0	0	0	0	0	N/A
19831 CIP - Bldg & Impr	0	0	0	0	0	N/A
19832 CIP - Infrastructure	0	0	0	0	0	N/A
19840 Work in Progress - Eqt	113,366	0	0	0	0	N/A
19841 Work in Progress - Intang	127,961	161,000	160,000	30,000	(130,000)	(81.25%)
19851 Intangible Assets - Non-amort	0	0	0	0	0	N/A
SUBTOTAL	241,326	161,000	160,000	30,000	(130,000)	(81.25%)
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	11,657,054	12,604,367	13,620,702	13,193,051	(427,651)	(3.14%)
57012 Transfers Out - btw Govtl Fund	0	0	0	0	0	N/A
SUBTOTAL	11,657,054	12,604,367	13,620,702	13,193,051	(427,651)	(3.14%)

Section Title:

Water Transmission System Agency Fund

Fund/Department No:

44205

33040100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
<u>APPROP. FOR CONTINGENCIES</u>						
55011 Appropriation for Contingency	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
<u>REMIBURSEMENTS</u>						
58010 Reimb. - General	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
<u>ADMIN. CONTROL ACCOUNT</u>						
59004 Administrative Control Account	0	0	0	0	0	N/A
59005 Admin Control Acct Clearing	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	41,885,889	45,827,477	44,493,102	48,724,421	4,231,319	9.51%
Adjustments to Reserves/Encumbrances:						
Depreciation	6,500,043	7,584,000		8,036,000		
Donated Asset (Caltrans)	(2,750,000)					
Outstanding Encumbrances - Net Change	(1,653,285)	0				
Capitalized Interest	0					
Gain/Loss on disposal of fixed assets	0					
Unrealized Gain/ Loss (GASB 31)	38,409					
Change in Prudent Reserve						
Post audit adjustments - Payables	0					
Rounding	(1)					
ENDING FUND BALANCE	7,779,311	7,673,489		8,532,590		
Operations and Maintenance 44205 Fund Balance Reserve Goal				6,873,843		
Over/(Under) Goal				1,658,747		

Water Transmission System Agency Fund
Major Services & Supplies Expenditure Items

Fund/Department No:

44205

33040100

	Actual FY17-18	Adopted FY18-19	Requested FY19-20	Difference	Percent Change
<u>51061 Maintenance - Equipment</u>	1,025,552	993,000	1,159,000	166,000	16.7%
Increase due to implementation of maintenance projects deferred during the drought.					
<u>51211 Legal Services</u>	6,592	12,000	12,000	0	0.0%
Reflects level of expected expenditures.					
<u>51231 Testing/Analysis</u>	117,955	135,000	135,000	0	0.0%
Expected to align with FY2018-2019 budget.					
<u>51803 Other Contract Services</u>	1,812,536	1,648,580	5,211,500	3,562,920	216.1%
Increase due to tank maintenance, asset management services, and tank recoat contracts as well as regional water supply resiliency study and fire-related water quality studies.					
<u>51917 District Operations Chgs</u>	14,469,209	14,500,000	14,935,000	435,000	3.0%
Increase attributable to a 3% cost of living increase.					
<u>51921 Equipment Usage Charges</u>	934,572	900,000	950,000	50,000	5.6%
Reflects level of expected expenditures.					
<u>52072 Chemicals</u>	808,174	690,000	700,000	10,000	1.4%
Expected to increase \$10,000 over Fiscal Year 2018-2019 due to increased water deliveries.					
<u>52141 Minor Equipment/Small Tools</u>	142,135	180,000	176,000	(4,000)	-2.2%
Expected to decrease to align more closely with Fiscal Year 2017-2018 actuals.					
<u>52193 Utilities - Electric</u>	3,444,045	3,300,000	3,400,000	100,000	3.0%
Expected to increase \$100,000 over Fiscal Year 2018-2019 budget due to increased pumping from higher water deliveries.					

2019-20

Water Transmission System Agency Fund

51061	Maintenance - Equipment	AMOUNT
1	Collector 6 Drainage Repair	34,500
2	CT Compliance	100,000
3	Electrical Supplies and Maintenance Services	355,000
4	Hardware and Miscellaneous Supplies	50,000
5	Mirabel Collector 3 Blowoff Valve	23,000
6	Mirabel Collector 4 Blowoff Valve	23,000
7	Mirabel Collector 5 replace 150 valves, replace meters Q paced	250,000
8	Mirabel Infiltration Pond Rehab	23,000
9	Mirabel Fish Screens Maintenance	5,000
10	Mirabel/Wohler Chlorine Gas Detection	57,500
11	Pump and Pipeline Supplies and Maintenance Services	50,000
12	Riverfront Park Erosion Repairs	118,000
13	Riverfront Park Levee Repairs	30,000
14	Santa Rosa Plain Well Monitoring Program (SCWA Wells)	25,000
15	WT Monitoring Well Pressure Transducers	15,000
		\$ 1,159,000

51803	Other Contract Services	AMOUNT
1	Aqueduct Condition Assessments	175,000
2	As-Needed Dive Services	50,000
3	Asset Management	250,000
4	Riverfront Park Maintenance	140,000
5	Sonoma Youth Ecology Corps	32,000
6	Tank Recoat - Forestville	180,000
7	Tank Maintenance	3,000,000
8	Wohler-Mirabel Collector Wells - Liquefaction Mitigation	100,000
9		
10		
11	Community Outreach Program	10,000
12	Integrated Water Management Plan	
13	Bay Area	5,500
14	North Coast	35,000
15	Invasive Mussel Program	60,000
16	Legislative Advocacy - Federal	95,000
17	Legislative Advocacy - State	50,000
18	Mirabel Fish Screens Educational Displays	80,000
19	North Bay Water Regional Outreach Coordination	25,000
20		
21		
22	Groundwater Banking Feasibility - Pilot Studies	200,000
23	Watershed Water Quality Monitoring - USGS	175,000
24	Watershed and Riverbank Filtration Water Quality Studies	225,000
25	Regional Water Supply Resiliency Study	300,000
26	Stream Gauge Network (OneRain) - Mirabel	24,000
		\$ 5,211,500

51803 Other Contract Services Project Information

FY19-20

Aqueduct Condition Assessments

This program is evaluating technologies and approaches to assess the integrity of the water transmission system pipelines. A variety of inspection technologies have been evaluated with pilot-testing conducted in sections of the Santa Rosa Aqueduct, Sonoma Aqueduct, and Oakmont Pipeline. In the upcoming year, additional inspections are planned, as well as the development of a system-wide inspection plan to define and prioritize pipeline inspection projects.

\$175,000

Groundwater Banking Feasibility Study

A Feasibility Study for a Groundwater Banking Program was prepared in 2013 for the Water Agency in partnership with the City of Sonoma, Valley of the Moon Water District, City of Cotati, City of Rohnert Park, and Town of Windsor. The Feasibility Study identified opportunities to improve long-term water supply reliability in Sonoma Valley and the Santa Rosa Plain by utilizing wintertime Russian River supplies and existing conveyance infrastructure to meet dry period water needs. The Feasibility Study concluded that aquifer storage and recovery wells are the most feasible method for implementing groundwater banking in the region. The next step in demonstrating the feasibility of Aquifer Storage and Recovery (ASR) is to perform a pilot study to: (1) assess the ability of local aquifers to store water; (2) assess potential water quality changes during ASR; (3) refine permitting parameters for ASR projects; and (4) provide data to scope and develop long-term groundwater banking programs. An ASR Pilot Study was performed in Sonoma Valley in 2018 in partnership with the City of Sonoma utilizing previously budgeted funds from FY 15/16 and 16/17. Work related to the ASR pilot study performed in FY 17/18 and 18/19 included preparation and submittal of a work plan and permit application packet to the San Francisco Bay Regional Water Quality Control Board (SFRWQCB) and performance of the pilot study following issuance of the permit from the SFRWQCB in March 2018. The ASR pilot study was conducted between March and September 2018 and involved the injection, storage and recovery of approximately 12 acre-feet of drinking water through a 230 foot deep test well during three cycles of injection, storage, and recovery. A high frequency of groundwater-level and water quality monitoring were performed throughout the pilot study and successfully demonstrated the potential for local implementation of ASR. Remaining work being conducted in FY 18/19 includes further evaluation of pilot study data, reporting, and assessment of next steps for groundwater banking. Based on the pilot study's success in demonstrating the feasibility of ASR, an additional pilot or subsequent testing of the existing pilot (as needed) would be planned for the Santa Rosa Plain or Sonoma Valley. Funds expected to be expended in FY 19/20 would support additional planning, monitoring well construction and permitting for subsequent ASR Pilot Study testing in either the Santa Rosa Plain or Sonoma Valley.

\$200,000

Watershed Water Quality Monitoring - USGS

Fund ongoing work being performed by the United States Geological Survey to: (1) assess temporal and spatial variability in microbial communities within aquifer sediments and the water column using DNA-based molecular techniques; (2) employ modified seepage meters and drive point samplers within the Russian River and infiltration ponds to compare the removal of bacteria and microspheres under natural and dissolved organic carbon-amended conditions; and (3) conduct detailed laboratory investigations in order to provide comparisons of dissolved organic carbon changes, including those caused by potential wildfire events, seasonal flow changes, and sediment characteristics which may affect removal efficiencies of sediments for pathogens. Information from the study will assist the Water Agency in securing a safe and reliable supply of drinking water for its customers by providing: (1) a scientific basis for demonstrating the seasonal removal efficiency associated with the riverbank filtration system; and (2) data and guidance to assist in preparing for potential future events, including wildfires.

\$175,000

Watershed and Riverbank Filtration Water Quality Studies

LBNL has developed and tested a numerical model that could simulate biological-physical feedbacks in the hyporheic zone and groundwater system at Wohler. LBNL used the model to explore different initial conditions in terms of dissolved organic carbon (DOC) availability, sediment characteristics, mineralogy, and stochastic variability in aerobic and anaerobic conditions induced through water table fluctuations. LBNL results show the fate of DOC, the potential suite of microbial behaviors that benefit water reaching the Wohler wells, and that the riverbed sediments and the cumulative effect of water table conditions can change system functionality and filtration efficacy. Funds to be expended in FY 18/19 will be used to: 1) help launch the water quality sampling program to assess potential impacts to the Water Agency's drinking water facilities resulting from the recent wildfire activity, 2) conduct spatial and temporal water quality analysis at the Wohler, Mirabel, and larger watershed scale. 3) assess impacts of hyporheic processing, microbial community dynamics from upstream to downstream that may change infiltration quantity/quality arriving at Wohler, and eventually the wells, 4) extend reactive transport modeling capabilities across a watershed-scale, network-based lumped flow+reactive transport model, and 5) provide subsurface flow, reactive transport, and microbial modeling capabilities for the USGS experimental laboratory microcosms to analyze the effect of fire ash leachate on groundwater quality and potential implications to Wohler infiltration. USGS will continue ongoing work evaluating potential water impacts to Russian River and reliability of Water Agency's riverbank filtration system.

\$225,000

51803 Other Contract Services Project Information

Regional Water Supply Resiliency Study

Retail water providers to over 600,000 people in Sonoma and Marin Counties are regionally connected through existing water supply infrastructure. Along with purchasing wholesale water from the Sonoma County Water Agency, each retail provider also has local supplies which are used to meet the demands of their customers. Although these systems are connected, they are not operated or managed in a coordinated manner, especially in times of water shortage. Development of a decision support tool, such as a regional Water Evaluation and Planning System (WEAP) model, could be used to evaluate strategies and water supply projects that would make the region more resilient to future water shortages.

\$300,000

Funds expended in FY 18/19 will be used to develop a work plan in cooperation with the Water Agency's Water Contractors. Funds budgeted for FY 19/20 will be expended on building the model and running scenarios.

DRAFT

FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY

Section Title:

Water Management Planning

Fund/Department No:

44210

33041000

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	403,626	573,620		599,327		
REVENUES						
USE OF MONEY / PROPERTY						
44002 Interest on Pooled Cash	7,879	3,003	3,003	7,945	4,942	164.57%
44050 Unrealized Gains and Losses	(1,449)	3,500	0	0	0	N/A
SUBTOTAL	6,430	6,503	3,003	7,945	4,942	164.57%
INTERGOVERNMENTAL REVENUE						
42619 Town of Windsor	9,547	2,432	2,432	2,772	340	13.97%
SUBTOTAL	9,547	2,432	2,432	2,772	340	13.97%
OTHER FINANCING SOURCES						
47101 Transfers In - within a Fund	148,353	41,772	41,772	50,000	8,228	19.70%
47102 Transfers In - btw Govtl Func	0	0	0	0	0	N/A
SUBTOTAL	148,353	41,772	41,772	50,000	8,228	19.70%
TOTAL REVENUES	164,331	50,707	47,207	60,717	13,510	28.62%
EXPENDITURES						
SERVICES AND SUPPLIES						
51205 Advertising Marketing	0	0	0	0	0	N/A
51211 Legal Services	0	0	0	0	0	N/A
51212 Legal Services - External	0	0	0	0	0	N/A
51241 Outside Printing & Binding	0	0	0	0	0	N/A
51602 Business Travel/Mileage	0	0	0	0	0	N/A
51605 Private Car Expense	0	0	0	0	0	N/A
51803 Other Contract Services	36,113	20,000	20,000	0	(20,000)	(100.00%)
51917 District Operations Chgs	1,049	5,000	5,000	50,000	45,000	900.00%
51921 Equipment Usage Charges	0	0	0	0	0	N/A
52171 Water Conservation Program	0	0	0	0	0	N/A
SUBTOTAL	37,162	25,000	25,000	50,000	25,000	100.00%
OTHER CHARGES						
53103 Interest on LT Debt	0	0	0	0	0	N/A
53501 Contributions	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	0	0	0	338,000	0	N/A
57012 Transfers Out - btw Govtl Fu	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	338,000	0	N/A
TOTAL EXPENDITURES	37,162	25,000	25,000	388,000	25,000	100.00%
Adjustments to Reserves/Encumbrances:						
Outstanding Encumbrances - Net Change	41,376	0		0		
Audit Adjustment (A/P)	0	0		0		
Unrealized Gain/ Loss (GASB 31)	1,449	0		0		
Rounding	0	0		0		
ENDING FUND BALANCE	573,620	599,327		272,044		

FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY

Section Title:

Watershed Planning/Restoration

Fund/Department No:

44215

33041100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	4,450,538	6,531,041		5,384,106		
REVENUES						
USE OF MONEY / PROPERTY						
44002 Interest on Pooled Cash	124,777	100,000	25,740	68,100	42,360	164.57%
44050 Unrealized Gains and Losses	(19,474)	50,600	0	0	0	N/A
SUBTOTAL	105,303	150,600	25,740	68,100	42,360	164.57%
INTERGOVERNMENTAL REVENUE						
42461 Federal Other Funding	43,378	206,862	206,862	75,000	(131,862)	(63.74%)
42619 Town of Windsor	262,696	221,473	221,473	250,395	28,922	13.06%
SUBTOTAL	306,073	428,335	428,335	325,395	(102,940)	(24.03%)
CHARGES FOR SERVICES						
45332 Watershed Plan/Restore Chg	0	37,000	0	40,000	40,000	N/A
Subtotal Charges for Service	0	37,000	0	40,000	40,000	N/A
MISCELLANEOUS REVENUE						
46021 Capital Grants - Federal	0	0	0	0	0	N/A
46029 Donations/Contributions	0	0	0	0	0	N/A
46040 Miscellaneous Revenue	0	0	0	0	0	N/A
46041 Discounts Earned	0	0	0	0	0	N/A
46050 Cancelled/Stale Dated Warrant	0	0	0	0	0	N/A
46200 Revenue Appl PY Misc Revent	1,076	1,200	0	0	0	N/A
SUBTOTAL	1,076	1,200	0	0	0	N/A
OTHER FINANCING SOURCES						
47101 Transfers In - within a Fund	4,081,955	3,803,623	3,803,623	4,516,770	713,147	18.75%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	4,081,955	3,803,623	3,803,623	4,516,770	713,147	18.75%
TOTAL REVENUES	4,494,408	4,420,758	4,257,698	4,950,265	692,567	16.27%
EXPENDITURES						
SERVICES AND SUPPLIES						
51021 Communication Expense	0	0	0	0	0	N/A
51061 Maintenance - Equipment	10,882	6,000	0	0	0	N/A
51205 Advertising Marketing	16	500	0	0	0	N/A
51209 Information Tech Svc (non ISD)	160	175	0	0	0	N/A
51211 Legal Services	8,883	10,000	0	0	0	N/A
51212 Legal Services - External	9,541	7,000	0	0	0	N/A
51221 Medical/Laboratory Services	0	0	0	0	0	N/A
51226 Consulting Services	0	0	0	0	0	N/A
51231 Testing/Analysis	50,791	55,000	0	80,000	80,000	N/A
51241 Outside Printing and Binding	1,140	0	0	0	0	N/A
51244 Permits/License/Fees	3,355	0	0	0	0	N/A
51401 Rents and Leases - Equipment	10,795	10,000	0	0	0	N/A
51601 Training/Conference	39	100	0	0	0	N/A
51602 Business Travel/Mileage	2,881	500	0	0	0	N/A
51605 Private Car Expense	309	1,000	0	0	0	N/A
51801 Other Services	0	0	0	0	0	N/A
51803 Other Contract Services	1,116,323	2,797,211	1,373,000	742,000	(631,000)	(45.96%)

Section Title:

Watershed Planning/Restoration

Fund/Department No:

44215

33041100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
51902 Telecommunication Usage	315	250	0	0	0	N/A
51917 District Operations Chgs	1,642,373	2,522,347	2,483,000	2,468,000	(15,000)	(0.60%)
51921 Equipment Usage Charges	25,853	22,000	0	0	0	N/A
52021 Clothing, Uniforms, Personal	2,022	2,300	0	0	0	N/A
52031 Food	68	1,600	0	0	0	N/A
52042 Janitorial Supplies	107	200	0	0	0	N/A
52043 Safety Supplies/Equipment	0	0	0	0	0	N/A
52061 Fuel/Gas/Oil	0	0	0	0	0	N/A
52063 Vehicle Parts	0	0	0	0	0	N/A
52071 Materials and Supplies Expens	1,571	1,200	0	0	0	N/A
52081 Medical/Laboratory Supplies	893	1,100	0	0	0	N/A
52091 Memberships/Certifications	107	1,600	0	0	0	N/A
52101 Other Supplies	0	0	0	0	0	N/A
52111 Office Supplies	20	50	0	0	0	N/A
52114 Freight/Postage	0	0	0	0	0	N/A
52115 Books/Media	1,906	60	0	0	0	N/A
52117 Mail and Postage Supplies	2,107	2,000	0	0	0	N/A
52141 Minor Equipment/Small Tools	3,920	3,000	0	0	0	N/A
52142 Computer Equipment/Accessori	40	0	0	0	0	N/A
52143 Computer Software	0	0	0	0	0	N/A
52181 Business Meals/Supplies	0	0	0	0	0	N/A
52191 Utilities Expense	16	500	0	0	0	N/A
SUBTOTAL	2,896,433	5,445,693	3,856,000	3,290,000	(566,000)	(14.68%)
OTHER CHARGES						
53104 Other Interest Expense	0	0	0	0	0	N/A
53402 Depreciation Expense	7,721	10,000	8,000	8,000	0	0.00%
53501 Contributions	0	0	0	0	0	N/A
SUBTOTAL	7,721	10,000	8,000	8,000	0	0
REIMBURSEMENTS						
58010 Reimb. - General	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
FIXED ASSETS						
19840 Acq-WIP-Equipment	0	60,000	0	0	0	N/A
19841 Acq-WIP-Intangibles	192,678	60,000	0	1,968,000	1,968,000	N/A
19851 Intangible Assets - Non-amort	0	0	0	0	0	N/A
SUBTOTAL	192,678	120,000	0	1,968,000	1,968,000	N/A
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	0	0	0	0	0	N/A
57012 Transfers Out - btw Govtl Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	3,096,833	5,575,693	3,864,000	5,266,000	1,402,000	36.28%
Adjustments to Reserves/Encumbrances:						
Outstanding Encumbrances - Net Change	655,733	0				
Capital Interest	0	0				
Depreciation	7,721	8,000				
Audit Adjustment (A/P)	0	0				
Unrealized Gain/ Loss (GASB 31)	19,474	0				
Rounding		0				
ENDING FUND BALANCE	6,531,041	5,384,106		5,068,371		

FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY

Section Title:

Recycled Water and Local Supply

Fund/Department No:

44220

33041200

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	27,648	610,386		162,323		
<u>REVENUES</u>						
<u>USE OF MONEY / PROPERTY</u>						
44002 Interest on Pooled Cash	16,389	16,000	6,435	17,025	10,590	164.57%
44050 Unrealized Gains and Losses	(3,072)	7,000	0	0	0	N/A
SUBTOTAL	13,317	23,000	6,435	17,025	10,590	164.57%
<u>INTERGOVERNMENTAL REVENUE</u>						
42358 State Other Funding	1,469	200	0	0	0	N/A
42619 Town of Windsor	30,435	7,104	7,104	7,207	103	1.46%
SUBTOTAL	31,904	7,304	7,104	7,207	103	1.46%
<u>CHARGES FOR SERVICES</u>						
45301 Charges for Services	0	0	0	0	0	N/A
45401 Revenue Appl PY Chgs for Svcs	140,847	0	0	0	0	N/A
SUBTOTAL	140,847	0	0	0	0	0
<u>MISCELLANEOUS REVENUE</u>						
46022 Capital Grants-State	0	0	0	0	0	N/A
46029 Donations/Contributions	0	0	0	0	0	N/A
46200 Revenue Appl PY Misc Revenue	0	0	0	0	0	N/A
46029 Donations/Contributions	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
<u>OTHER FINANCING SOURCES</u>						
47101 Transfers In - within a Fund	472,919	122,000	122,000	468,013	346,013	283.62%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	472,919	122,000	122,000	468,013	346,013	283.62%
TOTAL REVENUES	658,987	152,304	135,539	492,245	356,706	263.18%
<u>EXPENDITURES</u>						
<u>SERVICES AND SUPPLIES</u>						
51021 Communication Expense	0	0	0	0	0	N/A
51061 Maintenance - Equipment	0	0	0	0	0	N/A
51205 Advertising/Marketing Svc	0	0	0	0	0	N/A
51209 Information Tech Svc (non ISD)	0	0	0	0	0	N/A
51211 Legal Services	1,280	2,000	0	0	0	N/A
51212 Legal Services - External	0	0	0	0	0	N/A
51226 Consulting Services	0	0	0	0	0	N/A
51241 Outside Printing and Binding	0	0	0	0	0	N/A
51244 Permits/License/Fees	420	1,000	0	0	0	N/A
51401 Rents and Leases - Equipment	0	0	0	0	0	N/A
51601 Training Services	475	1,000	0	0	0	N/A
51602 Business Travel/Mileage	0	0	0	0	0	N/A
51803 Other Contract Services	223,410	100,000	0	0	0	N/A
51902 Telecommunication Usage	0	0	0	0	0	N/A
51915 ISD - Reprographics Services	0	0	0	0	0	N/A
51917 District Operations Chgs	52,374	0	0	0	0	N/A
51921 Equipment Usage Charges	935	6,000	0	0	0	N/A
52031 Food	0	200	0	0	0	N/A

Section Title:

Recycled Water and Local Supply

Fund/Department No:

44220

33041200

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
52061 Fuel/Gas	0	0	0	0	0	N/A
52101 Other Supplies	0	0	0	0	0	N/A
52115 Books/Media/Subscriptions	0	0	0	0	0	N/A
52117 Mail and Postage Supplies	0	0	0	0	0	N/A
52141 Minor Equipment/Small Tools	0	0	0	0	0	N/A
52143 Computer Software/Licensing Fees	0	0	0	0	0	N/A
52171 Water Conservation Program	625	1,000	0	0	0	N/A
52191 Utilities Expense	0	50	0	0	0	N/A
SUBTOTAL	279,518	111,250	0	0	0	N/A
OTHER CHARGES						
53103 Interest on LT Debt	0	0	0	0	0	N/A
53104 Other Interest Expense	0	0	0	0	0	N/A
53402 Depreciation Expense	5,966	12,000	12,000	6,000	(6,000)	(50.00%)
53501 Contributions	0	472,013	110,000	462,013	352,013	320.01%
SUBTOTAL	5,966	484,013	122,000	468,013	346,013	283.62%
FIXED ASSETS						
19831 CIP - Bldg & Impr	0	0	0	0	0	N/A
19832 CIP - Infrastructure	0	0	0	0	0	N/A
19841 Work in Progress - Intang	8,107	10,000	0	0	0	N/A
SUBTOTAL	8,107	10,000	0	0	0	N/A
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	0	0	0	0	0	N/A
57012 Transfers Out - btw Govtl Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	293,590	605,263	122,000	468,013	346,013	283.62%
Adjustments to Reserves/Encumbrances:						
Outstanding Encumbrances - Net Change	238,739	0				
Change in Windsor Reserve	(30,435)	(7,104)				
Capital Interest	0	0		0		
Depreciation	5,966	12,000		0		
Audit Adjustment (A/P)	0	0		0		
Unrealized Gain/ Loss (GASB 31)	3,072	0		0		
Rounding	(1)	0				
ENDING FUND BALANCE	610,386	162,323		186,555		

FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY

Section Title:

Water Conservation

Fund/Department No:

44225

33041300

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	486,393	877,910		16,736		
REVENUES						
USE OF MONEY / PROPERTY						
44002 Interest on Pooled Cash	17,263	17,000	6,435	17,025	10,590	164.57%
44050 Unrealized Gains and Losses	(2,719)	6,300	0	0	0	N/A
SUBTOTAL	14,544	23,300	6,435	17,025	10,590	164.57%
INTERGOVERNMENTAL REVENUE						
42358 State Other Funding	183,798	332,800	185,250	185,250	0	0.00%
42461 Federal Other Funding	2,535	0	0	0	0	N/A
42610 Other Governmental Agencies	0	0	0	0	0	N/A
42611 City of Santa Rosa	4,998	0	0	0	0	N/A
42612 City of Petaluma	0	2,000	0	0	0	N/A
42613 City of Rohnert Park	0	0	0	0	0	N/A
42615 City of Cotati	0	0	0	0	0	N/A
42618 City of Sonoma	0	0	0	0	0	N/A
42619 Town of Windsor	133,081	109,829	109,829	114,156	4,327	3.94%
42621 North Marin Water District	0	0	0	0	0	N/A
SUBTOTAL	324,412	444,629	295,079	299,406	4,327	1.47%
Charges for Services						
45301 Charges for Services	136,882	50,000	0	0	0	N/A
SUBTOTAL	136,882	50,000	0	0	0	N/A
OTHER FINANCING SOURCES						
46021 Capital Gains - Federal	0	0	0	0	0	N/A
46022 Capital Grants - State	0	0	0	0	0	N/A
46029 Donations/Contributions	0	137,500	137,500	117,500	(20,000)	(14.55%)
46040 Miscellaneous Revenue	1,786	0	0	0	0	N/A
46041 Discounts Earned	30	10	0	0	0	N/A
46050 Cancelled/Stale Dated Warrants	0	0	0	0	0	N/A
46200 Revenue Appl PY Misc Revenue	0	0	0	0	0	N/A
46204 PY Intergovmntl Rev - Other	1,608	0	0	0	0	N/A
46215 Other Grants	0	6,000	0	0	0	N/A
SUBTOTAL	3,424	143,510	137,500	117,500	(20,000)	(14.55%)
OTHER FINANCING SOURCES						
47101 Transfers In - within a Fund	2,067,916	1,886,222	1,886,222	2,059,207	172,985	9.17%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	2,067,916	1,886,222	1,886,222	2,059,207	172,985	9.17%
TOTAL REVENUES	2,547,178	2,547,661	2,325,236	2,493,138	167,902	7.22%
EXPENDITURES						
SERVICES AND SUPPLIES						
51021 Communication Expense	0	0	0	0	0	N/A
51032 Janitorial Services	0	0	0	0	0	N/A
51061 Maintenance - Equipment	22,564	40,000	0	0	0	N/A
51205 Advertising/Marketing Svc	95,716	160,000	0	0	0	N/A
51209 Information Tech Svc (non ISD)	299	0	0	0	0	N/A
51211 Legal Services	3,328	1,000	0	0	0	N/A

Section Title:

Water Conservation

Fund/Department No:

44225

33041300

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
51214 Agency Extra/Temp Help	0	0	0	0	0	N/A
51225 Training Services	1,000	0	0	0	0	N/A
51230 Security Services	0	0	0	0	0	N/A
51241 Outside Printing and Binding	47,981	52,000	52,000	60,000	8,000	15.38%
51244 Permits/License	1,027	1,200	0	0	0	N/A
51249 Other Professional Services	0	0	0	0	0	N/A
51250 Planning/Mapping/Inspections	0	0	0	0	0	N/A
51301 Publications and Legal Notices	0	0	0	0	0	N/A
51401 Rents and Leases - Equipment	1,732	1,200	0	0	0	N/A
51601 Training Services	5,922	3,000	0	0	0	N/A
51602 Business Travel/Mileage	1,724	3,000	5,000	13,000	8,000	160.00%
51605 Private Car Expense	2,997	1,300	0	0	0	N/A
51801 Other Services	0	0	0	0	0	N/A
51803 Other Contract Services	258,606	350,000	71,800	169,800	98,000	136.49%
51902 Telecommunication Usage	0	0	0	0	0	N/A
51915 ISD Reprographics Services	0	0	0	0	0	N/A
51917 District Operations Chgs	1,460,104	1,660,922	1,660,922	1,503,907	(157,014)	(9.45%)
51921 Equipment Usage Charges	23,704	20,000	0	0	0	N/A
52021 Clothing, Uniforms	545	0	0	0	0	N/A
52031 Food	1,942	2,000	0	0	0	N/A
52042 Janitorial Supplies	10	15	0	0	0	N/A
52061 Fuel/Gas/Oil	0	0	0	0	0	N/A
52071 Materials and Supplies Expense	66,463	40,000	5,000	75,000	70,000	1400.00%
52091 Memberships/Certifications	5,264	13,000	13,000	12,000	(1,000)	(7.69%)
52101 Other Supplies	0	0	0	0	0	N/A
52111 Office Supplies	1,936	1,600	0	0	0	N/A
52112 Office Furniture/Fixtures	0	0	0	0	0	N/A
52114 Freight/Postage	0	0	0	0	0	N/A
52115 Books/Media/Subscriptions	1,730	100	0	0	0	N/A
52117 Mail and Postage Supplies	3,294	2,000	0	0	0	N/A
52141 Minor Equipment/Small Tools	3,864	2,000	0	0	0	N/A
52142 Computer Equipment/Accessories	0	0	0	0	0	N/A
52162 Special Department Expense	0	0	0	0	0	N/A
52171 Water Conservation Program	3,000	691,250	691,250	528,250	(163,000)	(23.58%)
52181 Business Meals/Supplies	0	0	0	0	0	N/A
SUBTOTAL	2,014,750	3,045,587	2,498,972	2,361,957	(137,014)	(5.48%)
OTHER CHARGES						
53500 Contributions Non-County Agy	0	0	0	0	0	N/A
53501 Contributions	122,876	256,800	0	0	0	N/A
SUBTOTAL	122,876	256,800	0	0	0	N/A
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	0	0	0	0	0	N/A
57012 Transfers Out - btw Govtl Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	2,137,627	3,302,387	2,498,972	2,361,957	(137,014)	(5.48%)
Adjustments to Reserves/Encumbrances:						
Outstanding Encumbrances - Net Chan	(39,704)	0		0		
Change in Windsor Reserve	18,948	(106,446)		0		
Audit Adjustment (A/P)	0	0		0		
Unrealized Gain/ Loss (GASB 31)	2,719	0		0		
Rounding	2	(2)		0		
ENDING FUND BALANCE	877,910	16,736		147,916		

Water Transmission Budget

2019-20

Itemized Detail for Subfunds Consulting/Contractual Services

Budget
FY19-20

Water Management Planning

Water Demand Analysis/ Financial Modeling: Develop scope, cost, energy requests, and schedule of transmission system projects required to meet the Water Agency's portion of UWMP-identified projected demands through the Urban Water Management planning horizon. Projects identified using Water Agency's transmission system hydraulic model. Next UWMP due July 1, 2021. Conduct follow-up meetings, respond to DWR and contractor requests, track regulatory compliance changes, and coordinate with climate adaption strategic planning efforts.

\$ 50,000

Watershed Planning/Restoration

RRIFR Decision 1610 Change Petition: Russian River Flows: Assist in preparation of draft and final Environmental Impact Report for Fish Habitat Flows and Water Rights Project in preparation for Board of Directors consideration for certification. Consultant services for responses to comments on the Draft EIR, preparation of recirculated Draft EIR, and any additional impact analysis, flow modeling, hydroelectric analysis, water quality monitoring, climate change modeling (USGS), EIR, and hydrologic index evaluation needed. Work is occurring internally on the Environmental Impact Report for the Fish Habitat Flows and Water Rights Project. The EIR is being prepared by Water Agency staff, with assistance from consultants on some areas of impact analysis. A draft EIR was released on August 19, 2016. In FY19-20, most of the work will focus on the recirculated Draft EIR, reviewing and responding to public comments, adjustments to the proposed Hydrologic Index, and refinements to models, preparation of the final EIR, and presentation to the Board of Directors to certify. Work also includes submission of annual Temporary Urgency Change Petition to the State Board to approve the requested changes to minimum in-stream flows as identified in the Biological Opinion. Compared to FY18-19, the Decision 1610 Change Petition budget has decreased approximately \$500,000. The decrease is attributable to the level of effort to prepare the recirculated Draft EIR and certify the final EIR in FY19-20.

\$ 242,000

RRIFR Estuary Management: Required Annual Biological Opinion Activities: The Water Agency, in consultation with NMFS, California Department of Fish & Wildlife (CDFW) and the U.S. Army Corps of Engineers (Corps), is required to annually prepare a lagoon outlet adaptive management plan by April 1; conduct and record monthly surveys of the beach topography and the outlet channel; use a time lapse video camera to record the interaction of waves, tides and the river mouth; conduct baseline monitoring of seals and other pinnipeds, conduct estuary water quality monitoring, conduct extensive surveys of estuary invertebrates; conduct juvenile steelhead and coho salmon rearing surveys, and prepare annual reports. From late spring to early fall (when flows are below 300 cfs at Hacienda Bridge), the Water Agency conducts monthly surveys of young steelhead in the estuary. Other FY19-20 activities include installation and monitoring of downstream migrant salmonid traps and water quality monitoring stations, and flood risk feasibility studies. Compared to FY18-19, the Estuary Management budget has decreased approximately \$260,000 due to completion of stipulated judgment requirements from the Estuary EIR litigation, removal of groundwater wells used for the jetty study, and reductions in contract services.

\$ 500,000

Water Transmission Budget

2019-20

Itemized Detail for Subfunds Consulting/Contractual Services

	Budget FY19-20
	\$ 742,000
<u>Recycled Water and Local Supply</u>	
Funding for Groundwater Management in FY 19/20 for Groundwater Sustainability activities.	\$ 100,000
	\$ 100,000
<u>Water Conservation</u>	
<u>51241-Outside Printing and Binding</u>	
WUE Program materials, water education calendar, and Green Business Program brochures, Garden Sense materials, Russian River Friendly Workshop	\$ 60,000
<u>51602-Business Travel/Mileage</u>	
Attend local and statewide meetings representing the Partnership and Sonoma Water	\$ 13,000
<u>51803-Other Contract Services</u>	
Community Resilience Challenge: Event provides training and local workshops to promote water use efficiency	\$ 7,000
Garden Sense Contract: Funding provides onsite visits by local master gardeners to support local turf removal programs	\$ 20,000
GardenSoft Licensing: Licensing of online Water Wise Gardening plant palate that is specific to Sonoma and Marin Counties	\$ 3,000
Green Business Program: Funding to staff a part time position which provides water assessments for local businesses pursuing the Green Business Certification	\$ 30,000
Online Educational Content: Development of online educational content	\$ 25,000
Plant Labeling Program: Funding for nursery liaison to ensure locally appropriate plants are labeled	\$ 17,000
QWEL: Local instructors to teach QWEL trainings and Database maintenance contract	\$ 26,000
Water Education Bus Contract to shuttle kids from school to field study sites	\$ 41,800
	\$ 169,800

Water Transmission Budget

2019-20

Itemized Detail for Subfunds Consulting/Contractual Services

	Budget FY19-20
<u>51917-District Operations Chgs</u>	
Salaries, benefits and overhead costs for staff assigned to projects budgeted within the Water Conservation Fund.	\$ 1,503,907
<u>52071-Materials and Supplies Expense</u>	
Water Ed Teaching Materials: pH strips, fabric for displays, youth outreach displays, pencil sharpeners, pencils, classroom testing kits, maps, workbooks, rulers, toothbrushes, stickers, etc	\$ 75,000
<u>52091-Memberships/Certifications</u>	
Irrigation Association Certificate Renewals, Water Education Foundation, and California Water Efficiency Partnership, Alliance for Water Efficiency, etc.	\$ 12,000
<u>52171-Water Conservation Program</u>	
DWR Water Energy Restaurant Program Rebates: Direct incentives for restaurants installing efficient fixtures.	\$ 185,250
Outdoor Water Use Focused Programs: Qualified Water Efficient Landscaper Training in English and Spanish, Garden Sense funding provides onsite visits by local master gardeners to support local turf removal programs, Community Resilience Challenge event provides training and local workshops to promote water use efficiency; Plant labeling Program, Russian River Friendly Workshops, etc.	\$ 30,000
Public Information/Outreach Programs: Media campaign for the Sonoma-Marin Saving Water Partnership including media ad buy, ad development, DIY toolkits	\$ 163,000
Saving Water Partnership Wholesaler Support: Act as the regional liaison attend meetings of the CalWEP Board, Alliance for Water Efficiency, Independent Technical Panel, Urban Advisory Group, CA Science Teachers Association, environmental education conference, Fire Rebuild	\$ 35,000
School Education Program: Such as assembly program, port-a-potties, steelhead in the classroom program, youth outreach events, teacher program, English as a second language program, educational workbooks, maps	\$ 70,000
Seminars, Workshops, Training: Host trainings/ workshops to benefit the Partnership, such as Water Loss, WELO; Participation in national/ statewide studies such as Turf Transformation Study	\$ 30,000
Sonoma County Fair: Materials and hardware that are WUE focused for distribution at the Sonoma County fair	\$ 15,000
	\$ 528,250
Total	\$ 2,361,957

FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY

Section Title:
Fund/Department No:

Santa Rosa Aqueduct Capital Fund	
44230	33045000

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	6,589,988	7,165,271		6,315,503		

REVENUES

USE OF MONEY / PROPERTY

44002 Interest on Pooled Cash	93,869	21,450	21,450	56,750	35,300	164.57%
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains & Los	(13,684)	0	0	0	0	N/A
SUBTOTAL	80,185	21,450	21,450	56,750	35,300	164.57%

MISCELLANEOUS REVENUES

46040 Miscellaneous Revenue	0	0	0	0	0	N/A
46021 Capital Grants - Federal	0	0	0	0	0	N/A
46029 Donations/Contributions	0	0	0	0	0	N/A
	0	0	0	0		
SUBTOTAL	0	0	0	0	0	N/A

ADMINISTRATIVE CONTROL ACCOUNT

49002 Advances	0	0	0	0	0	N/A
49003 Advances Clearing	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A

OTHER FINANCING SOURCES

47101 Transfers In - within a F	524,147	407,973	407,973	561,741	153,768	37.69%
47102 Transfers In - btw Govtl	0	0	0	0	0	N/A
SUBTOTAL	524,147	407,973	407,973	561,741	153,768	37.69%

SPECIAL ITEMS

48004 Residual Equity Transfe	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A

TOTAL REVENUES	604,331	429,423	429,423	618,491	189,068	44.03%
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EXPENDITURES

OTHER CHARGES

53103 Interest on LT Debt	0	0	0	0		
53104 Other Interest Expense	0	0	0	0		
53105 Costs of Issuance	0	0	0	0		
SUBTOTAL	0	0	0	0	0	N/A

FIXED ASSETS

19820 Machinery and Equipme	0	0	0	0		
19822 Mobile Equipment	0	0	0	0		
19824 Computer Equipment	0	0	0	0		
19831 CIP - Bldg & Impr	0	0	0	0		
19832 CIP - Infrastructure	42,732	1,279,191	50,000	0	(50,000)	(100.00%)
19840 Work in Progress - Eqt	0	0	0	0		
19841 Work in Progress - Intar	0	0	0	0		

Section Title:
Fund/Department No:

Santa Rosa Aqueduct Capital Fund

44230

33045000

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
19851 Intangible Assets - Non-	0	0	0	0		
SUBTOTAL	42,732	1,279,191	50,000	0	(50,000)	(100.00%)
OTHER FINANCING USES						
57011 Transfers Out - within a	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	42,732	1,279,191	50,000	0	(50,000)	(100.00%)
Adjustments to Reserves/Encumbrances:						
Repayment of Loan to Storage	0	0		0		
Unrealized Gain/ Loss (GASB 31)	0	0		0		
Capitalized Interest	13,684	0		0		
Rounding	0	0		0		
ENDING FUND BALANCE	7,165,271	6,315,503		6,933,993		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Petaluma Aqueduct Capital Fund

Fund/Department No:

44235

33045100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
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BEGINNING FUND BALANCE	7,712,720	8,031,065		6,178,384		
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REVENUES

USE OF MONEY / PROPERTY

44002 Interest on Pooled Cash	107,940	25,000	21,450	56,750	35,300	164.57%
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains & Losses	(14,078)	0	0	0	0	N/A
SUBTOTAL	93,862	25,000	21,450	56,750	35,300	164.57%

ADMINISTRATIVE CONTROL ACCOUNT

49002 Advances	0	0	0	0	0	N/A
49003 Advances Clearing	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A

OTHER FINANCING SOURCES

47101 Transfers In - within a Fund	287,126	225,359	225,359	328,090	102,731	45.59%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	287,126	225,359	225,359	328,090	102,731	45.59%

TOTAL REVENUES

380,988	250,359	246,809	384,840	138,031	55.93%
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EXPENDITURES

OTHER CHARGES

53103 Interest on LT Debt	0	0	0	0		
53104 Other Interest Expense	0	0	0	0		
53105 Costs of Issuance	0	0	0	0		
53403 Loss - Disposed Capital Asset	0	0	0	0		
SUBTOTAL	0	0	0	0	0	N/A

FIXED ASSETS

19820 Machinery and Equipment	0	0	0	0		
19822 Mobile Equipment	0	0	0	0		
19824 Computer Equipment	0	0	0	0		
19831 CIP - Bldg & Impr	0	0	0	0		
19832 CIP - Infrastructure	76,721	2,083,040	1,255,000	1,866,000	611,000	48.69%
19840 Work in Progress - Eqt	0	20,000	0	0	0	N/A
19841 Work in Progress - Intang	0	0	0	0	0	N/A
19851 Intangible Assets - Non-amort	0	0	0	0		
SUBTOTAL	76,721	2,103,040	1,255,000	1,866,000	611,000	48.69%

Section Title:
Fund/Department No:

Petaluma Aqueduct Capital Fund

44235

33045100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
<u>SPECIAL ITEMS</u>						
56030 Residual Equity Transfers	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
<u>OTHER FINANCING USES</u>						
57011 Transfers Out - within a Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	76,721	2,103,040	1,255,000	1,866,000	611,000	48.69%
Adjustments to Reserves/Encumbrances:						
Advance to Common	0	0		0		
Increase/(Decrease) in Loan Payable	0	0		0		
Capitalized Interest	0	0		0		
Loss on Fixed Asset	0	0		0		
Principal Received on Loan	0	0		0		
Unrealized Gain/ Loss (GASB 31)	14,078	0		0		
ENDING FUND BALANCE	8,031,065	6,178,384		4,697,224		

FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY

Section Title:

Sonoma Aqueduct Capital Fund

Fund/Department No:

44240

33045200

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	1,271,451	1,134,546		4,163,089		
REVENUES						
USE OF MONEY / PROPERTY						
44002 Interest on Pooled Cash	20,239	858	858	2,270	1,412	164.57%
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains & Losses	(3,246)	0	0	0	0	N/A
SUBTOTAL	16,993	858	858	2,270	1,412	164.57%
OTHER FINANCING SOURCES						
47101 Transfers In - within a Fund	144,926	3,850,000	1,390,000	100,262	(1,289,738)	(92.79%)
47102 Transfers In - btw Govtl Func	0	0	0	0	0	N/A
SUBTOTAL	144,926	3,850,000	1,390,000	100,262	(1,289,738)	(92.79%)
SPECIAL ITEMS						
48004 Residual Equity Transfers	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL REVENUES	161,919	3,850,858	1,390,858	102,532	(1,288,326)	(92.63%)
EXPENDITURES						
OTHER CHARGES						
53103 Interest on LT Debt	0	0	0	0		
53104 Other Interest Expense	0	0	0	0		
53105 Costs of Issuance	0	0	0	0		
53403 Loss-Disposed Capital Asset	0	0	0	0		
SUBTOTAL	0	0	0	0	0	N/A
FIXED ASSETS						
19820 Machinery and Equipment	0	0	0	0		
19822 Mobile Equipment	0	0	0	0		
19824 Computer Equipment	0	0	0	0		
19831 CIP - Bldg & Impr	0	0	0	0		
19832 CIP - Infrastructure	146,403	822,315	130,000	4,130,000	4,000,000	3076.92%
19840 Work in Progress - Eqt	0	0	0	0		
19841 Work in Progress - Intang	0	0	0	0		
19851 Intangible Assets - Non-amor	0	0	0	0		
SUBTOTAL	146,403	822,315	130,000	4,130,000	4,000,000	3076.92%
OTHER FINANCING USES						
57011 Transfers Out - within a Func	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	146,403	822,315	130,000	4,130,000	4,000,000	3076.92%

Section Title:

Sonoma Aqueduct Capital Fund

Fund/Department No:

44240

33045200

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
Adjustments to Reserves/Encumbrances:						
Outstanding Encumbrances - Net Change	(275,859)	0		0		
Sale or Purchase of Fixed Asset	120,192	0		0		
Unrealized Gain/ Loss (GASB 31)	3,246	0		0		
Net Adjustment - Increase/(Decrease) to f	(152,421)	0		0		
ENDING FUND BALANCE	1,134,546	4,163,089		135,622		

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**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Storage Facilities

Fund/Department No:

44250

33043000

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
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BEGINNING FUND BALANCE	9,782	20,239		(344,975)		
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REVENUES

USE OF MONEY / PROPERTY

44002 Interest on Pooled Cash	(46)	50	0	0	0	N/A
44050 Unrealized Gains & Losses	(999)	(2,000)	(2,000)	(2,000)	0	0.00%
SUBTOTAL	(1,045)	(1,950)	(2,000)	(2,000)	0	0.00%

MISCELLANEOUS REVENUE

46021 Capital Grants - Federal	0	0	0	0	0	N/A
46029 Donations/Contributions	0	0	0	0	0	N/A
46040 Miscellaneous Revenue	0	0	0	0		
46022 Capital Grants - State	0	0	0	0	0	N/A
(Petaluma AQ - Caltrans Project)						
46200 PY Revenue - Miscellaneous	10,503	10,503	0	0	0	N/A
SUBTOTAL	10,503	10,503	0	0	0	N/A

Administrative Control

49002 Advances	0	0	0	0	0	N/A
49003 Advances Clearing	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A

OTHER FINANCING SOURCES

47101 Transfers In - within a Fund	77,066	780,000	10,000	75,000	65,000	650.00%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	77,066	780,000	10,000	75,000	65,000	650.00%

TOTAL REVENUES	86,524	788,553	8,000	73,000	65,000	812.50%
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EXPENDITURES

OTHER CHARGES

53103 Interest on LT Debt	0	0	0	0	0	N/A
53104 Other Interest Expense	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A

FIXED ASSETS

19831 CIP - Bldg & Impr	0	0	0	0	0	N/A
19832 CIP - Infrastructure	73,954	1,151,767	25,000	0	(25,000)	(100.00%)
19841 Acq-WIP-Intangibles	3,112	4,000	0	0	0	N/A
19851 Intangible Assets - Non-amort	0	0	0	0	0	N/A
SUBTOTAL	77,066	1,155,767	25,000	0	(25,000)	(100.00%)

Section Title:

Storage Facilities

Fund/Department No:

44250

33043000

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>						
59002 Advances	0	0	0	0	0	N/A
59003 Advances Clearing	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
<u>OTHER FINANCING USES</u>						
57011 Transfers Out - within a Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	77,066	1,155,767	25,000	0	(25,000)	(100.00%)
Adjustments to Reserves/Encumbrances:						
Repayment of Loan from SR Aqueduct Cap	0	0		0		
Princ. Pymnt on loan from SR Aqueduct Cap	0	0		0		
Advances	0	0		0		
Outstanding Encumbrances - Net Change	0	0		0		
PY CIP adjustment - reclass to PY Exp	0	0		0		
B & I Tsfrs	0	0		0		
LTD Proceeds	0	0		0		
Capitalized Interest	0	0		0		
Move Project CIP Balance	0	0		0		
Unrealized Gain/ Loss (GASB 31)	999	2,000		0		
PY Encumbrances	0	0		0		
Rounding	1					
ENDING FUND BALANCE	20,239	(344,975)		(271,975)		

FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY

Section Title:

Common Facilities

Fund/Department No:

44260

33043200

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	1,466,781	2,680,583		57,105		
REVENUES						
<u>USE OF MONEY / PROPERTY</u>						
44002 Interest on Pooled Cash	19,019	8,580	8,580	22,700	14,120	164.57%
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains & Losses	(7,955)	(10,000)	0	0	0	N/A
SUBTOTAL	11,064	(1,420)	8,580	22,700	14,120	164.57%
<u>CHARGES FOR SERVICES</u>						
45062 Construct/Bldg Permit Rvw Svc	30	0	0	0	0	N/A
SUBTOTAL	30	0	0	0	0	N/A
<u>MIECELLANEOUS REVENUES</u>						
46021 Capital Grants - Federal	(0)	5,759,579	0	0	0	N/A
46022 Capital Grants - State	0	0	0	0	0	N/A
46029 Donations/Contributions	0	0	0	0	0	N/A
46040 Miscellaneous Revenue	0	0	0	0	0	N/A
46041 Discounts Earned	5	5	0	0	0	N/A
46200 Revenue Appl PY Misc Revenu	9,827	527	0	0	0	N/A
SUBTOTAL	9,831	5,760,111	0	0	0	N/A
<u>ADMINISTRATIVE CONTROL</u>						
49002 Advances	0	0	0	0	0	N/A
49003 Advances Clearing	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
<u>OTHER FINANCING SOURCES</u>						
47101 Transfers In - within a Fund	2,043,983	8,794,248	8,280,874	5,129,000	(3,151,874)	(38.06%)
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	2,043,983	8,794,248	8,280,874	5,129,000	(3,151,874)	(38.06%)
TOTAL REVENUES	2,064,908	14,552,939	8,289,454	5,151,700	(3,137,754)	(37.85%)

EXPENDITURES

OTHER CHARGES

53103 Interest on LT Debt	0	0	0	0	0	N/A
53104 Other Interest Expense	0	0	0	0	0	N/A
53403 Loss - Disposed Capital Asset	8,591	0	0	0	0	N/A
SUBTOTAL	8,591	0	0	0	0	N/A

FIXED ASSETS

19810 Land	0	0	0	0	0	N/A
19812 Acq-CIP-Land	0	0	0	0	0	N/A
19831 CIP - Bldg & Impr	0	0	0	0	0	N/A
19832 CIP - Infrastructure	2,034,526	17,176,417	3,727,874	4,975,000	1,247,126	33.45%
19840 Acq-WIP-Equipment	0	0	0	0	0	N/A

Section Title:

Common Facilities

Fund/Department No:

44260

33043200

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
19841 Work in Progress - Intang	866	0	0	0	0	N/A
19851 Intangible Assets - Non-amort	0	0	0	0	0	N/A
SUBTOTAL	2,035,392	17,176,417	3,727,874	4,975,000	1,247,126	33.45%
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
ADMINISTRATIVE CONTROL ACCOUNT						
59002 Advances	0	0	0	0	0	N/A
59003 Advances Clearing	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	2,043,983	17,176,417	3,727,874	4,975,000	1,247,126	33.45%

Adjustments to Reserves/Encumbrances:

Loan from Petaluma Aqueduct Capital Fund	0	0	0
Principal payment on Loan from Petaluma /	0	0	0
Advances	0	0	0
Outstanding Encumbrances - Net Change	1,296,523	0	0
Capitalized Interest	0	0	0
Gain/loss on disposal of Capital Assets	8,591	0	0
Proceeds from State Loan & Other LT Debt	0	0	0
PY CIP adjustment - reclass to PY Exp (los	0	0	0
B & I Tsfr to ISF (Facilities) Fund	0	0	0
Auditor Adj - Reversal of Duplicate Pymt	0	0	0
Sale or Purchase of Fixed Asset	(120,192)	0	0
Change in Deposit w/Others	0	0	0
Move Project CIP Balance	0	0	0
Change in Contingent Liability	0	0	0
Post Audit Adjustment - Payables	0	0	0
Unrealized Gain/ Loss (GASB 31)	7,955	0	0
Rounding	0	0	0

ENDING FUND BALANCE	2,680,583	57,105	233,805
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**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

North Marin Water Deposit

Fund/Department No:

44300

33045300

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	13,335	13,578		648,954		

REVENUES

USE OF MONEY / PROPERTY

44002 Interest on Pooled Cash	243	144	144	381	237	164.57%
44050 Unrealized Gains and Losses	(30)	0	0	0	0	N/A
SUBTOTAL	214	144	144	381	237	164.57%

Intergovernmental Revenue

42610 Other Governmental Agencies	0	1,279,480	1,279,480	0	(1,279,480)	(100.00%)
SUBTOTAL	0	1,279,480	1,279,480	0	(1,279,480)	(100.00%)

OTHER FINANCING SOURCES

47101 Transfers In - within a Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A

TOTAL REVENUES	214	1,279,624	1,279,624	381	(1,279,243)	(99.97%)
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EXPENDITURES

OTHER CHARGES

53501 Contributions	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A

OTHER FINANCING USES

57011 Transfers Out - within a Fund	0	644,248	644,248	446,018	(198,230)	(30.77%)
SUBTOTAL	0	644,248	644,248	446,018	(198,230)	(30.77%)

TOTAL EXPENDITURES	0	644,248	644,248	446,018	(198,230)	(30.77%)
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Adjustments to Reserves/Encumbrances:

Unrealized Gain/ Loss (GASB 31)	30	0				
Rounding	(1)	(0)				

ENDING FUND BALANCE	13,578	648,954		203,318		
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**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

State Loan Debt Service Fund

Fund/Department No:

44265

33047000

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	(\$7,238)	\$148,314		\$138,027		
REVENUES						
<u>USE OF MONEY / PROPERTY</u>						
44002 Interest on Pooled Cash	10,298	6,006	6,006	15,890	9,884	164.57%
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains and Losses	(2,170)	0	0	0	0	N/A
SUBTOTAL	8,128	6,006	6,006	15,890	9,884	164.57%
<u>OTHER FINANCING SOURCES</u>						
47101 Transfers In - within a Fund	1,196,268	1,196,268	1,196,268	1,196,268	0	0.00%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	1,196,268	1,196,268	1,196,268	1,196,268	0	0.00%
TOTAL REVENUES	1,204,396	1,202,274	1,202,274	1,212,158	9,884	0.82%
EXPENDITURES						
<u>OTHER CHARGES</u>						
53103 Interest on LT Debt	268,217	246,502	246,502	224,175	(22,327)	(9.06%)
SUBTOTAL	268,217	246,502	246,502	224,175	(22,327)	(9.06%)
<u>OTHER FINANCING USES</u>						
57011 Transfers Out - within a Fund	0	150,000	150,000	150,000	0	0.00%
SUBTOTAL	0	150,000	150,000	150,000	0	0.00%
<u>ADMIN. CONTROL ACCOUNT</u>						
59002 Advances	772,014	793,731	793,731	816,058	22,327	2.81%
59003 Advances Clearing	(772,014)	(793,731)	(793,731)	(816,058)	(22,327)	2.81%
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	268,217	396,502	396,502	374,175	(22,327)	(5.63%)
Adjustments to Reserves/Encumbrances:						
Principal payments on loan	(772,014)	0				
(Increase) / Decrease in Principal Payable	(10,783)	(793,731)		(793,731)		
Advances from Other Govt	2,170	(22,328)		(22,328)		
Unrealized Gain/ Loss (GASB 31)	0	0		0		
Rounding	0	1				
ENDING FUND BALANCE	\$148,314	\$138,027		\$159,951		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title: State Loan Reserve Fund

Fund/Department No: 44270 33047100

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
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BEGINNING FUND BALANCE	\$0	\$0		\$0		
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REVENUES

USE OF MONEY / PROPERTY

44002 Interest on Pooled Cash	17,710	0	0	0	0	N/A
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains and Losses	(2,163)	0	0	0	0	N/A
SUBTOTAL	15,547	0	0	0	0	N/A

OTHER FINANCING SOURCES

47101 Transfers In - within a Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL REVENUES	15,547	0	0	0	0	N/A

EXPENDITURES

OTHER FINANCING USES

57011 Transfers Out - within a Fund	0	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	0	0	0	0	0	N/A

Adjustments to Reserves/Encumbrances:

Increase in Reserve	(17,709)	0		0		
Unrealized Gain/ Loss (GASB 31)	2,163					
Rounding	(1)					

ENDING FUND BALANCE	\$0	\$0		\$0		
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**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Storage Facilities Revenue Bond - 2012A

Fund/Department No:

44280

33047300

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	\$64,830	\$115,819		\$13,481		
REVENUES						
<u>USE OF MONEY / PROPERTY</u>						
44002 Interest on Pooled Cash	1,560	200	129	341	212	164.57%
44003 Other Interest Earnings	2,995	2,000	0	0	0	N/A
44050 Unrealized Gains and Losses	(400)	0	0	0	0	N/A
SUBTOTAL	4,155	2,200	129	341	212	164.57%
<u>OTHER FINANCING SOURCES</u>						
47101 Transfers In - within a Fund	310,471	308,527	308,527	310,043	1,517	0.49%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	310,471	308,527	308,527	310,043	1,517	0.49%
TOTAL REVENUES	314,626	310,727	308,655	310,384	1,729	0.56%
EXPENDITURES						
<u>SERVICES AND SUPPLIES</u>						
51242 Bank Charges	646	1,500	1,500	1,500	0	0.00%
SUBTOTAL	646	1,500	1,500	1,500	0	0.00%
<u>OTHER CHARGES</u>						
53103 Interest on LT Debt	103,144	98,350	103,876	93,463	(10,413)	(10.02%)
53104 Other Interest Expense	(4,781)	5,526	0	5,526	5,526	N/A
53105 Costs of Issuance	0	0	0	0	0	N/A
SUBTOTAL	98,363	103,876	103,876	98,989	(4,887)	(4.70%)
<u>OTHER FINANCING USES</u>						
57011 Transfers Out - within a Fund	0	140,000	0	15,000	15,000	N/A
SUBTOTAL	0	140,000	0	15,000	15,000	N/A
<u>ADMIN. CONTROL ACCOUNT</u>						
59004 Administrative Control Account	159,805	162,908	162,908	169,114	6,206	3.81%
59005 Admin Control Acct Clearing	(159,805)	(162,908)	(162,908)	(169,114)	(6,206)	3.81%
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	99,009	245,376	105,376	115,489	10,113	9.60%
Adjustments to Reserves/Encumbrances:						
Principal payments on bonds	(159,805)	(162,908)		(169,114)		
Restricted cash with trustee (reserve)	(442)					
Debt Issuance Costs						
(Increase) / Decrease in Bonds Payable	0					
Amortization of bond discount	(10,307)	(10,307)		(10,307)		
Amortization of deferred amount of refunding	5,526	5,526		5,526		
Unrealized Gain/ Loss (GASB 31)	400					
Rounding						
ENDING FUND BALANCE	\$115,819	\$13,481		\$34,481		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title: Common Facilities Revenue Bonds - 2012 A

Fund/Department No: 44275 33047200

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEG. FUND BALANCE	\$101,961	\$173,454		\$226,495		
REVENUES						
USE OF MONEY / PROPERTY						
44002 Interest on Pooled Cash	2,339	343	343	908	565	164.57%
44003 Other Interest Earnings	4,194	3,000	0	0	0	N/A
44050 Unrealized Gains and Losses	(578)	0	0	0	0	N/A
SUBTOTAL	5,955	3,343	343	908	565	164.57%
OTHER FINANCING SOURCES						
47101 Transfers In - within a Fund	434,680	431,957	431,957	434,081	2,124	0.49%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	434,680	431,957	431,957	434,081	2,124	0.49%
TOTAL REVENUES	440,635	435,300	432,300	434,989	2,689	0.62%
EXPENDITURES						
SERVICES AND SUPPLIES						
51242 Bank Charges	905	2,000	2,000	2,000	0	0.00%
SUBTOTAL	905	2,000	2,000	2,000	0	0.00%
OTHER CHARGES						
53103 Interest on LT Debt	144,428	137,715	145,502	130,872	(14,630)	(10.05%)
53104 Other Interest Expense	(6,645)	7,787	0	7,787	7,787	N/A
53105 Costs of Issuance	0	0	0	0	0	N/A
SUBTOTAL	137,783	145,502	145,502	138,659	(6,843)	(4.70%)
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	0	0	210,000	210,000	0	0.00%
SUBTOTAL	0	0	210,000	210,000	0	0.00%
ADMIN. CONTROL ACCOUNT						
59004 Administrative Control Account	223,768	228,113	228,113	236,803	8,690	3.81%
59005 Admin Control Acct Clearing	(223,768)	(228,113)	(228,113)	(236,803)	(8,690)	3.81%
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	138,688	147,502	357,502	350,659	(6,843)	(1.91%)
Adjustments to Reserves/Encumbrances:						
Principal payments on bonds	(223,768)	(228,113)		(236,803)		
(Increase) / Decrease in Bonds Payable	0	0		0		
Restricted cash with trustee (reserve)	(619)	0		0		
Amortization of bond discount	0	0		0		
Amortization of bond premium	(14,432)	(14,432)		(14,432)		
Amortization of deferred amount of refunding	7,787	7,787		7,787		
Unrealized Gain/ Loss (GASB 31)	578	0		0		
Rounding	0			0		
ENDING FUND BALANCE	\$173,454	\$226,495		\$67,377		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Sonoma Aqueduct Revenue Bonds 2012

Fund/Department No:

44285

33047400

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	\$154,832	\$198,011		\$227,776		
REVENUES						
<u>USE OF MONEY / PROPERTY</u>						
44002 Interest on Pooled Cash	2,684	515	515	1,362	847	164.57%
44003 Other Interest Earnings	2,464	0	0	0	0	N/A
44050 Unrealized Gains and Losses	(502)	0	0	0	0	N/A
SUBTOTAL	4,646	515	515	1,362	847	164.57%
<u>OTHER FINANCING SOURCES</u>						
47101 Transfers In - within a Fund	255,693	254,094	254,094	255,341	1,247	0.49%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	255,693	254,094	254,094	255,341	1,247	0.49%
TOTAL REVENUES	260,339	254,608	254,609	256,703	2,095	0.82%
EXPENDITURES						
<u>SERVICES AND SUPPLIES</u>						
51242 Bank Charges	532	1,500	1,500	1,500	0	0.00%
SUBTOTAL	532	1,500	1,500	1,500	0	0.00%
<u>OTHER CHARGES</u>						
53103 Interest on LT Debt	84,828	80,886	85,471	76,867	(8,604)	(10.07%)
53104 Other Interest Expense	(3,892)	4,585	0	4,585	4,585	N/A
53105 Costs of Issuance	0	0	0	0	0	N/A
53109 Capitalized Interest	(39,231)	0	0	0	0	N/A
SUBTOTAL	41,705	85,471	85,471	81,452	(4,019)	(4.70%)
<u>OTHER FINANCING USES</u>						
57011 Transfers Out - within a Fund	0	0	220,000	0	(220,000)	(100.00%)
SUBTOTAL	0	0	220,000	0	(220,000)	(100.00%)
<u>ADMIN. CONTROL ACCOUNT</u>						
59004 Administrative Control Account	131,428	133,980	133,980	139,084	5,104	3.81%
59005 Admin Control Acct Clearing	(131,428)	(133,980)	(133,980)	(139,084)	(5,104)	3.81%
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	42,237	86,971	306,971	82,952	(224,019)	(72.98%)
Adjustments to Reserves/Encumbrances:						
(Increase)/Decrease in Bonds Payable						
Principal Payments on Bonds	(131,428)	(133,980)		(139,084)		
Amortization of bond discount	(8,477)	(8,477)		(8,477)		
Change in Reserved Fund Balance	(874)	0		0		
Capitalized Interest	(39,231)	0		0		
Amortization of deferred amount of refund	4,584	4,584		4,584		
Unrealized Gain/ Loss (GASB 31)	502	0		0		
Rounding	1	0		0		
ENDING FUND BALANCE	\$198,011	\$227,776		\$258,550		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Storage Facilities Revenue Bonds 2015

Fund/Department No:

44290

33047500

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	\$2,056,616	\$542,839		\$18,089		
REVENUES						
USE OF MONEY / PROPERTY						
44002 Interest on Pooled Cash	30,674	10,000	257	681	424	164.57%
44003 Other Interest Earnings	(44,563)	0	0	0	0	N/A
44050 Unrealized Gains and Losses	(2,827)	0	0	0	0	N/A
SUBTOTAL	(16,715)	10,000	257	681	424	164.57%
Miscellaneous Revenues						
46200 PY Revenue - Miscellaneous	123,517	0	0	0	0	N/A
SUBTOTAL	123,517	0	0	0	0	N/A
OTHER FINANCING SOURCES						
47101 Transfers In - within a Fund	766,536	910,603	974,558	713,766	(260,792)	(26.76%)
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	766,536	910,603	974,558	713,766	(260,792)	(26.76%)
TOTAL REVENUES	873,337	920,603	974,815	714,447	(260,369)	(26.71%)
EXPENDITURES						
SERVICES AND SUPPLIES						
51242 Bank Charges	918	4,000	4,000	4,000	0	0.00%
SUBTOTAL	918	4,000	4,000	4,000	0	0.00%
OTHER CHARGES						
53103 Interest on LT Debt	216,677	203,419	264,090	188,626	(75,464)	(28.58%)
53104 Other Interest Expense	(11,223)	5,058	0	5,058	5,058	N/A
53105 Costs of Issuance	0	0	0	0	0	N/A
53109 Capitalized Interest	(135,961)	0	0	0	0	N/A
SUBTOTAL	69,493	208,477	264,090	193,684	(70,406)	(26.66%)
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	77,066	640,000	10,000	60,000	50,000	500.00%
57012 Transfers Out - btw Govtl Fund	0	0	0	0	0	N/A
SUBTOTAL	77,066	640,000	10,000	60,000	50,000	500.00%
ADMIN. CONTROL ACCOUNT						
59004 Administrative Control Account	2,064,058	579,352	579,352	422,982	(156,370)	(26.99%)
59005 Admin Control Acct Clearing	(2,064,058)	(579,352)	(579,352)	(422,982)	156,370	(26.99%)
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	147,477	852,477	278,090	257,684	(20,406)	(7.34%)
Adjustments to Reserves/Encumbrances:						
Change in Principal due to Bond Reallocation	(1,587,781)					
Change in Bond Premium due to Bond Reallo	(50,632)					
Capitalized Interest	(135,961)					
Loss on Refunding of Debt	5,058	5,058		5,058		
Principal Payment	(553,501)	(579,352)		(422,982)		
Special Fund Stmts!B449	(7,925)	0		0		
Amortization of Bond Premium	(18,582)	(18,582)		(18,582)		
Change in Reserved Fund Balance	106,860					
Unrealized Gain/ Loss (GASB 31)	2,827					
Rounding	0	(0)				
ENDING FUND BALANCE	\$542,839	\$18,089		\$38,346		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Common Facilities Revenue Bonds 2015

Fund/Department No:

44295

33047600

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEG. FUND BALANCE	\$1,136,183	\$1,031,742		\$136,629		
REVENUES						
<u>USE OF MONEY / PROPERTY</u>						
44002 Interest on Pooled Cash	16,386	5,000	1,716	4,540	2,824	164.57%
44003 Other Interest Earnings	77,185	0	0	0	0	N/A
44050 Unrealized Gains and Losses	14,302	0	0	0	0	N/A
SUBTOTAL	107,873	5,000	1,716	4,540	2,824	164.57%
<u>MISCELLANEOUS REVENUES</u>						
46200 PY Revenue - Miscellaneous	(214,636)	0	0	0	0	N/A
SUBTOTAL	(214,636)	0	0	0	0	N/A
<u>OTHER FINANCING SOURCES</u>						
47101 Transfers In - within a Fund	1,069,267	941,177	719,056	1,030,030	310,974	43.25%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	1,069,267	941,177	719,056	1,030,030	310,974	43.25%
TOTAL REVENUES	962,504	946,177	720,772	1,034,570	313,798	43.54%
EXPENDITURES						
<u>SERVICES AND SUPPLIES</u>						
51242 Bank Charges	1,942	4,500	4,000	4,500	500	12.50%
SUBTOTAL	1,942	4,500	4,000	4,500	500	12.50%
<u>OTHER CHARGES</u>						
53103 Interest on LT Debt	564,854	653,750	465,617	549,643	84,026	18.05%
53104 Other Interest Expense	(25,942)	4,516	0	4,516	4,516	N/A
53105 Costs of Issuance	0	0	0	0	0	N/A
53109 Capitalized Interest	(339,739)	0	0	0	0	N/A
SUBTOTAL	199,173	658,266	465,617	554,159	88,542	19.02%
<u>OTHER FINANCING USES</u>						
57011 Transfers Out - within a Fund	2,043,983	1,000,000	120,000	120,000	0	0.00%
57012 Transfers Out - btw Govtl Fund	0	0	0	0	0	N/A
SUBTOTAL	2,043,983	1,000,000	120,000	120,000	0	0.00%
<u>ADMIN. CONTROL ACCOUNT</u>						
59004 Administrative Control Account	148,574	155,649	155,649	337,019	181,370	116.53%
59005 Admin Control Acct Clearing	(148,574)	(155,649)	(155,649)	(337,019)	(181,370)	116.53%
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	2,245,098	1,662,766	589,617	678,659	89,042	15.10%
Adjustments to Reserves/Encumbrances:						
Principal Payment	(141,499)	(155,649)		(337,019)		
Change in Principal due to Bond Reallocation	1,800,115	0		0		
Change in Bond Premium due to Bond Reallocation	87,697	0		0		
Revenue Bonds Pay - Change in Current	(7,076)	0		0		
Amortization of Bond Premium	(26,471)	(27,390)		(27,390)		
Capitalized Interest	(339,739)					
Change in Reserved Fund Balance	(185,087)					
Loss on Refunding Debt	4,515	4,515		4,515		
Unrealized Gain/ Loss (GASB 31)	(14,302)	0		0		
Rounding	0	(0)		0		
ENDING FUND BALANCE	\$1,031,742	\$136,629		\$132,646		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Sonoma Aqueduct Revenue Bonds 2015

Fund/Department No:

44305

33047700

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	\$1,159,046	\$950,306		\$4,803		
REVENUES						
<u>USE OF MONEY / PROPERTY</u>						
44002 Interest on Pooled Cash	16,074	0	8,580	0	(8,580)	(100.00%)
44003 Other Interest Earnings	(32,622)	0	0	0	0	N/A
44050 Unrealized Gains and Losses	(1,999)	0	0	0	0	N/A
SUBTOTAL	(18,547)	0	8,580	0	(8,580)	(100.00%)
<u>MISCELLANEOUS REVENUES</u>						
46200 PY Revenue - Miscellaneous	91,120	0	0	0	0	N/A
SUBTOTAL	91,120	0	0	0	0	N/A
<u>OTHER FINANCING SOURCES</u>						
47101 Transfers In - within a Fund	(103,204)	47,394	47,394	47,394	0	0.00%
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	(103,204)	47,394	47,394	47,394	0	0.00%
TOTAL REVENUES	(30,632)	47,394	55,974	47,394	(8,580)	(15.33%)
EXPENDITURES						
<u>SERVICES AND SUPPLIES</u>						
51242 Bank Charges	0	500	500	500	0	0.00%
SUBTOTAL	0	500	500	500	0	0.00%
<u>OTHER CHARGES</u>						
53103 Interest on LT Debt	0	40,712	40,712	40,712	0	0.00%
53104 Other Interest Expense	0	0	0	0	0	N/A
53105 Costs of Issuance	0	0	0	0	0	N/A
SUBTOTAL	0	40,712	40,712	40,712	0	0.00%
<u>OTHER FINANCING USES</u>						
57011 Transfers Out - within a Fund	0	950,000	1,170,000	0	(1,170,000)	(100.00%)
SUBTOTAL	0	950,000	1,170,000	0	(1,170,000)	(100.00%)
<u>ADMIN. CONTROL ACCOUNT</u>						
59004 Administrative Control Account	1,100,000	0	0	0	0	N/A
59005 Admin Control Acct Clearing	(1,100,000)	0	0	0	0	N/A
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	0	991,212	1,211,212	41,212	(1,170,000)	(96.60%)
Adjustments to Reserves/Encumbrances:						
Change in Principal due to Bond Reallocation	(250,000)	0		0		
Change in Bond Premium due to Bond Reallo	(7,972)	0		0		
Principal Payment	0	0		0		
Amortization of Bond Premium	(362)	(1,685)		0		
Unrealized Gain/ Loss (GASB 31)	1,999	0		0		
Change in Reserved Fund Balance	78,227					
Rounding	0	0		0		
ENDING FUND BALANCE	\$950,306	\$4,803		\$10,985		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Common Facilities Revenue Bonds 2019

Fund/Department No:

44310

33047800

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEG. FUND BALANCE	\$0	\$0		\$4,297,659		
REVENUES						
USE OF MONEY / PROPERTY						
44002 Interest on Pooled Cash	0	12,870	12,870	34,050	21,180	164.57%
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains and Losses	0	0	0	0	0	N/A
SUBTOTAL	0	12,870	12,870	34,050	21,180	164.57%
OTHER FINANCING SOURCES						
47101 Transfers In - within a Fund	0	1,066,985	1,017,876	649,709	(368,167)	(36.17%)
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	0	1,066,985	1,017,876	649,709	(368,167)	(36.17%)
TOTAL REVENUES	0	1,079,855	1,030,746	683,759	(346,987)	(33.66%)
EXPENDITURES						
SERVICES AND SUPPLIES						
51242 Bank Charges	0	4,087	4,087	3,790	(297)	(7.26%)
SUBTOTAL	0	4,087	4,087	3,790	(297)	(7.26%)
OTHER CHARGES						
53103 Interest on LT Debt	0	317,547	317,547	317,547	(0)	(0.00%)
53104 Other Interest Expense	0	0	0	0	0	N/A
53105 Costs of Issuance	0	416,935	367,826	0	(367,826)	(100.00%)
SUBTOTAL	0	734,482	685,373	317,547	(367,826)	(53.67%)
OTHER FINANCING USES						
57011 Transfers Out - within a Fund	0	5,200,000	5,200,000	3,600,000	(1,600,000)	(30.77%)
57012 Transfers Out - btw Govtl Fund	0	0	0	0	0	N/A
SUBTOTAL	0	5,200,000	5,200,000	3,600,000	(1,600,000)	(30.77%)
ADMIN. CONTROL ACCOUNT						
59004 Administrative Control Account	0	243,627	243,627	243,627	0	0.00%
59005 Admin Control Acct Clearing	0	(243,627)	(243,627)	(243,627)	(0)	0.00%
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	0	5,938,569	5,889,460	3,921,337	(1,968,123)	(33.42%)
Adjustments to Reserves/Encumbrances:						
Long Term Debt proceeds	0	0		0		
Increase/(Decrease) in Bonds Payable	0	0		0		
Unrealized Gains and Losses	0	0		0		
Proceeds Bond Issuance	0	9,400,000		0		
Deposit to Cost of Issuance Fund	0	0		0		
Restricted Cash w/Fiscal Agent	0	0		0		
Principal Payment	0	(243,627)		(243,627)		
Revenue Bonds Pay-Change in Current Bal	0	0		0		
Amortization of Bond Premium	0	0		0		
Change in Reserved Fund Balance	0	0		0		
Post Audit Adjustments - Closing COI	0	0		0		
Loss on Refunding of Debt	0	0		0		
Unrealized Gain/ Loss (GASB 31)	0	0		0		
Rounding	0	0		0		
ENDING FUND BALANCE	\$0	\$4,297,659		\$816,454		

**FY 2019-20 BUDGET
BEGINNING AND ENDING CASH SUMMARY**

Section Title:

Sonoma Aqueduct Revenue Bonds 2019

Fund/Department No:

44315

33047900

Account Title	Actual 2017-2018	Estimated 2018-2019	Adopted 2018-2019	Requested 2019-20	Difference	Percent Change
BEGINNING FUND BALANCE	\$0	\$0		\$137,342		
REVENUES						
<u>USE OF MONEY / PROPERTY</u>						
44002 Interest on Pooled Cash	0	10,296	10,296	27,240	16,944	164.57%
44003 Other Interest Earnings	0	0	0	0	0	N/A
44050 Unrealized Gains and Losses	0	0	0	0	0	N/A
SUBTOTAL	0	10,296	10,296	27,240	16,944	164.57%
<u>OTHER FINANCING SOURCES</u>						
47101 Transfers In - within a Fund	0	340,418	227,398	207,354	(20,044)	(8.81%)
47102 Transfers In - btw Govtl Funds	0	0	0	0	0	N/A
SUBTOTAL	0	340,418	227,398	207,354	(20,044)	(8.81%)
TOTAL REVENUES	0	350,714	237,694	234,594	(3,100)	(1.30%)
EXPENDITURES						
<u>SERVICES AND SUPPLIES</u>						
51242 Bank Charges	0	1,210	913	1,210	297	32.49%
SUBTOTAL	0	1,210	913	1,210	297	32.49%
<u>OTHER CHARGES</u>						
53103 Interest on LT Debt	0	101,345	70,941	101,345	30,403	42.86%
53104 Other Interest Expense	0	0	0	0	0	N/A
53105 Costs of Issuance	0	133,065	82,174	0	(82,174)	(100.00%)
SUBTOTAL	0	234,409	153,115	101,345	(51,771)	(33.81%)
<u>OTHER FINANCING USES</u>						
57011 Transfers Out - within a Fund	0	2,900,000	0	0	0	N/A
SUBTOTAL	0	2,900,000	0	0	0	N/A
<u>ADMIN. CONTROL ACCOUNT</u>						
59004 Administrative Control Account	0	77,753	54,427	77,753	23,326	42.86%
59005 Admin Control Acct Clearing	0	(77,753)	(54,427)	(77,753)	(23,326)	42.86%
SUBTOTAL	0	0	0	0	0	N/A
TOTAL EXPENDITURES	0	3,135,619	154,028	102,554	(51,474)	(33.42%)
Adjustments to Reserves/Encumbrances:						
Unrealized Gains and Losses	0	0		0		
Proceeds Bond Issuance	0	3,000,000		0		
Restricted Cash w/Fiscal Agent	0	0		0		
Principal Payment	0	(77,753)		(77,753)		
Deposit to Cost of Issuance Fund	0	0		0		
Amortization of Bond Premium	0	0		0		
Unrealized Gain/ Loss (GASB 31)	0	0		0		
Change in Reserved Fund Balance	0	0		0		
Rounding	0	0		0		
ENDING FUND BALANCE	\$0	\$137,342		\$191,628		

REVENUE BOND / STATE LOAN CHARGES - WATER RATES AND ESTIMATED REVENUES FOR FY19-20

A. ANNUAL DEBT SERVICE REQUIREMENTS

	Common Facilities	Watershed Plan Restoration	Water Conservation	Storage Facilities	Sonoma Pipeline Facilities
2012 A Revenue Bond	44275	TBD	TBD	44280	44285
PRINCIPAL	236,803			169,114	139,084
INTEREST	130,872			93,463	76,867
OTHER INTEREST - DEFERRED REFUNDING CHARGE	7,787			5,526	4,585
FISCAL AGENT FEES	2,000			1,500	1,500
DEBT ISSUANCE COSTS					
Total Individual Bond Payments	377,462	0		269,603	222,036
Bond Reserve	56,619	0		40,440	33,305
Total Individual Bond Debt Service	434,081	0		310,043	255,341
2015A Revenue Bond	44295			44290	44305
PRINCIPAL	337,019			422,982	0
INTEREST	549,643			188,626	40,712
OTHER INTEREST - DEFERRED REFUNDING CHARGE	4,516			5,058	0
FISCAL AGENT FEES	4,500			4,000	500
DEBT ISSUANCE COSTS					
Total Individual Bond Payments	895,678			620,666	41,212
Bond Reserve	134,352			93,100	6,182
Total Individual Bond Debt Service	1,030,030			713,766	47,394
2019A Revenue Bond					
PRINCIPAL	243,627				77,753
INTEREST	317,547				101,345
FISCAL AGENT FEES	3,790				1,210
DEBT ISSUANCE COSTS					
Total Individual Bond Payments	564,964			0	180,308
Bond Reserve	84,745			0	27,046
Total Individual Bond Debt Service	649,709			0	207,354
2013 Capital Fund Loan Requirement					
PRINCIPAL	0				
INTEREST	0				
FISCAL AGENT FEES	0				
DEBT ISSUANCE COSTS	0				
DISCOUNT/BONDS	0				
Total Individual Loan Payments	0				
Loan Reserve					
Total Individual Loan Debt Service	0				
2013 Santa Rosa AQ Capital Fund Loan					
PRINCIPAL					
INTEREST					
FISCAL AGENT FEES					
DEBT ISSUANCE COSTS					
DISCOUNT/BONDS					
Total Individual Loan Payments					
Loan Reserve					
Total Individual Loan Debt Service	0			0	0
2013 Petaluma AQ Capital Fund Loan					
PRINCIPAL					
INTEREST					
FISCAL AGENT FEES					
DEBT ISSUANCE COSTS					
DISCOUNT/BONDS					
Total Individual Loan Payments					
Loan Reserve					
Total Individual Loan Debt Service	0			0	
1. 09/10 Financing Exp for Common Fac incl above until index established	Mirabel Generators	TBD - RRIFR	TBD - Water Ed Bldg	TBD - Oakmont Pipeline	
PRINCIPAL	0				
INTEREST	0				
FISCAL AGENT FEES	0				
DEBT ISSUANCE COSTS	0				
Total Individual Bond Payments	0	0	0	0	0
Reserve	0	0	0	0	0
Total Individual Financing Debt Service	0	0	0	0	0

REVENUE BOND / STATE LOAN CHARGES - WATER RATES AND ESTIMATED REVENUES FOR FY19-20

A. ANNUAL DEBT SERVICE REQUIREMENTS

	Common Facilities	Watershed Plan Restoration	Water Conservation	Storage Facilities	Sonoma Pipeline Facilities
SRF LOAN	44265				
PRINCIPAL	816,058			N.A	N.A
INTEREST	224,175			N.A	N.A
Total Individual Loan Payments	1,040,233				
Reserve Requirement	156,035				
Total SRF Debt Service	1,196,268				
SRF LOAN RESERVE					
RESERVE				N.A	N.A
Total SRF Debt Service	1,196,268				
TOTAL DEBT SERVICE	\$3,310,088	\$0	\$0	\$1,023,809	\$510,089
LESS REV. FROM N. MARIN REV. BOND CHARGES	329,604				
REMAINING REVENUE REQUIREMENT	\$2,980,483	\$0	\$0	\$1,023,809	\$510,089

B. CALCULATIONS OF WATER RATES FOR FY19-20

	Common Facilities Debt Service Charge	Watershed Plan Restoration Debt Service Charge	Water Conservation Debt Service Charge	Storage Facilities Revenue Bonds Charge	Sonoma Pipeline Facilities Revenue Bonds Charge
REVENUE REQUIREMENT	\$2,980,483.12	\$0	\$0	\$1,023,809	\$510,089
APPLICABLE BASE WATER DELIVERIES IN A.F.	32,796.30	43,777.1	43,777.1	32,796.30	3,908.9
CHARGES PER ACRE-FEET	\$90.88	\$0.00	\$0.00	\$31.22	\$130.50

C. CALCULATIONS OF NORTH MARIN REVENUE BONDS CHARGE

REVENUE REQUIREMENT FOR COMMON FACILITIES DEBT SERVICE (Remaining Facilities per RA 4.3a2)	2,660,379
N. MARIN'S SHARE (REV. REQMT. FOR COMMON FAC. DEBT SERVICE X (11.2/90.4))	329,604
ESTIMATED WATER DELIVERIES TO NORTH MARIN (IN A.F.)	5,711
NORTH MARIN REVENUE BONDS CHARGE	57.71
REVENUE REQUIREMENT FOR COMMON FACILITIES DEBT SERVICE (Additional Facilities per RA 4.3b9)	-
N. MARIN'S SHARE (REV. REQMT. FOR COMMON FAC. DEBT SERVICE X (19.9/146.2))	-
ESTIMATED WATER DELIVERIES TO NORTH MARIN (IN A.F.)	5,711
NORTH MARIN REVENUE BONDS CHARGE	-

Common Facilities			
Debt Service RA 4.3a2 (remaining facilities)	2,660,379		
N. Marin's Share (11.2/90.4)	329,604	Total Revenue Required	\$2,660,379
Estimated Water Deliveries to N. Marin	5,711.2	Debt service - Additional Facilities	
Applicable portion of the N. Marin R. Bonds Charge	\$57.71	Revenue base for NMWD	\$2,660,379

2015A New Money P&I Begins 2020

NMWD pd cash

Debt Service RA 4.3b9 (additional facilities)	0	
N. Marin's Share (19.9/146.2)	-	
Estimated Water Deliveries to N. Marin	5,711	Update formula for the lesser of three years or 12 months average delivery.
Applicable portion of the N. Marin R. Bonds Charge	\$ -	
Total NMWD Share	329,604	
NMWD Total Bonds Charge	\$57.71	

FY 2019-20 BUDGET
Water Transmission System - Fund Balances and Operating Transfers

Fund	Index	OT Out (57012)	To	OT In (47102)	Fund Bal. (Stmnt.)	Fund Bal. (Cash)	Diff.
Santa Rosa Aq. Capital Fund	44230	0		561,741	6,933,994	6,933,993	(0)
Petaluma Aq. Capital Fund	44235	0		328,090	4,697,224	4,697,224	0
Sonoma Aq. Capital Fund	44240	0		100,262	135,622	135,622	0
Sonoma Rev Bond 2012 Fund	44285	0	Sonoma AQ	255,341	258,550	258,550	0
Sonoma Rev Bond 2015 Fund	44305	0	Sonoma AQ	47,394	10,985	10,985	0
Sonoma Rev Bond 2019 Fund				207,354	191,628	191,628	
Storage Rev Bond 2012 Fund	44280	15,000	Storage Facilities	310,043	34,481	34,481	0
Storage Rev Bond 2015 Fund	44290	60,000	Storage Facilities	713,766	38,347	38,346	(0)
Common Rev Bond 2012 Fund	44275	210,000	Common Facilities	434,081	67,377	67,377	0
Common Rev Bond 2015 Fund	44295	120,000	Common Facilities	1,030,030	132,646	132,646	(0)
Common Rev Bond 2019 Fund		3,600,000	North Marin	649,709	816,454	816,454	
State Loan Debt Service	44265	150,000	Common Facilities	1,196,268	159,951	159,951	(0)
State Loan Reserve	44270	0		0	0	0	0
Capital Lease Financing		0		0	0	0	0
Agency Fund (Discretionary)	44205	602,982	Common Facilities	0	8,532,590	8,532,590	0
Agency Fund (Charges)	44205	12,590,069		0			
Pipeline Facilities	44255			0	0	0	0
Storage Facilities	44250			75,000	(271,975)	(271,975)	0
Common Facilities	44260			5,129,000	233,805	233,805	(0)
North Marin	44300	446,018		0	203,318	203,318	(0)
Water Management Planning	44210	338,000		50,000	272,044	272,044	(0)
Watershed Planning/Restoration	44215			4,516,770	5,068,371	5,068,371	0
Recycled Water & Local Supply	44220			468,013	186,555	186,555	0
Water Conservation	44225			2,059,207	147,917	147,916	(0)
Total		18,132,069		18,132,069	27,849,883	27,849,882	(1)
<u>Common Facilities OT - in 47101 From</u>							
Water Transmission (discretionary)	602,982						
Water Transmission (Charges)	-						
North Marin	446,018		O&M Rate Computation				
2012 Bond Fund	210,000		Revenue Requirement - Transfers Out:				
2015 Bond Fund	120,000						
2019 Bond Fund	3,600,000						
State Loan Debt Service	150,000						
	5,129,000						
<u>Agency Fund (Charges) OT - Out To:</u>				<u>Agency Fund (Charges) OT - Out To:</u>			
<u>AQ Capital Funds</u>				<u>Summary</u>			
Santa Rosa Aq. Capital Fund	561,741			AQ Capital Funds	990,093		
Petaluma Aq. Capital Fund	328,090			Debt Service Funds	4,843,986		
Sonoma Aq. Capital Fund	100,262			WT Subfunds	6,755,990		
	990,093				12,590,069		
<u>Debt Service Funds</u>				<u>Capital Funds and North Marin</u>			
Sonoma Rev Bond 2012 Fund	255,341				602,982		
Sonoma Rev Bond 2015 Fund	47,394						
Sonoma Rev Bond 2019 Fund	207,354						
Storage Rev Bond 2012 Fund	310,043						
Storage Rev Bond 2015 Fund	713,766						
Common Rev Bond 2012 Fund	434,081						
Common Rev Bond 2015 Fund	1,030,030						
Common Rev Bond 2019 Fund	649,709						
State Loan Debt Service	1,196,268						
State Loan Reserve	0						
Capital Lease Financing	0						
	4,843,986						
<u>Capital Funds and North Marin</u>				<u>Total</u>			
Pipeline Facilities	0				13,193,051		
Storage Facilities	0						
Common Facilities	602,982						
North Marin	0						
	602,982						
<u>WT Subfunds</u>							
Water Management Planning	50,000						
Watershed Planning/Restoration	4,516,770						
Recycled Water & Local Supply	130,013		338,000 From Water Management Fund				
Water Conservation	2,059,207						
	6,755,990						
Total	13,193,051						

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MEMORANDUM

To: Board of Directors

March 15, 2019

From: Julie Blue, Auditor/Controller JB

Robert Clark Operations/ Maintenance Superintendent

Subj: AMI Opt-Out Options – 26 Aronia Lane

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RECOMMENDED ACTION: Approve the request to Opt-Out of the AMI Program.**FINANCIAL IMPACT:** \$125 for materials and staff time to replace the meter.

At the January 15th Board of Directors meeting the Board was informed of a customer concern about the AMI meter installation at a residence at 26 Aronia Lane. The homeowners, Greg Larsen and Margarita Ajello, were in attendance and addressed the board with their concerns and requested to opt-out of the AMI program. The meter that supplies the water service to 26 Aronia Lane also provides water to six other townhomes. The water use is billed directly by NMWD to San Marin Valley HOA. Because of this arrangement the announcement for the AMI installation was mailed to the HOA and not the individual occupants. Consequently, Mr. Larsen was not made aware of the installation or opt-out option prior to the AMI meter being installed.

During the January 15, 2019 Board meeting, Staff agreed to follow up with Mr. Larsen in measuring the radio frequency (RF) signals emitted in the area in an attempt to address the concerns of Mr. Larsen and Ms. Ajello. Staff gathered the RF measurements with the meter antennas in place, as well as with the antennas removed. During both inspections there was not a discernable difference in the measurements and in both cases the homeowners' concerns were not relieved.

Staff does not feel that further testing for radio frequencies will alleviate the homeowners' concerns and is therefore providing the following alternatives for the Board to consider:

1. Leave the AMI meter installed as is
2. Allow Greg Larson and Margarita Ajello to opt-out for the meter that serves their residence and bill them \$10/bimonthly.

Mr. Larsen has been made aware of the AMI Opt-Out Policy which allows opt-out of the installation of an AMI meter for a fee of \$10/billing cycle. With Board approval and due to continued concerns related to the radio frequency of the meters, Mr. Larsen and Ms. Ajello and

not the HOA, would be allowed to opt-out of the AMI installation and would be deemed responsible for the opt-out fee.

RECOMMENDED ACTION:

Approve the request to opt-out of the AMI program and bill the homeowner \$10/bimonthly.

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MEMORANDUM

To: Board of Directors

March 15, 2019

From: Julie Blue, Auditor/Controller *JB*

Subj: Proposal for Water Rate Study

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RECOMMENDED ACTION: Authorize the General Manager to execute an agreement with Hildebrand Consulting to conduct a Water Rate Study

FINANCIAL IMPACT: Not to exceed \$49,765 with an additional \$5,000 contingency

Background

Customers are currently billed under a rate structure comprised of 16 rates categorized by commercial, residential, elevation zones, and seasons. In December, 2018 David Bentley, retired Auditor/Controller, conducted a board approved Water Rate (Cost of Service) study. In order to obtain an independent assessment of these rates an outside consultant, The Reed Group, Inc. was hired to review and assess the study. That review concluded that a more comprehensive and complete cost of service report and rate study should be done in order to set and validate water rates, ensuring legal compliance and that District costs are appropriately apportioned between users.

Objective

The objective of the Water Rate Study is to develop water rates that are fair and equitable and to ensure that the District's water rates comply with California Constitution Article XIII D, Section 6 (commonly referred to as Proposition 218). In order to maintain compliance the rate structure should generate revenue from each class of customers in proportion to the cost to serve each customer.

Consultant Selection

Hildebrand Consulting (Oakland, CA) has provided water rate setting and related services to public agencies throughout northern California; with a client list including Upper Russian River Water Agency, SFPUC, Ross Valley Sanitary District, and the cities of Santa Rosa, Healdsburg and Davis (a more complete listing is included in attachment A). Mark Hildebrand, the sole proprietor of Hildebrand Consulting was utilized during the peer review by Bob Reed of the Reed Group, Inc. Mark Hildebrand's involvement in the peer review gave him an understanding of the District and a good basis to undertake the full Water Rate study. The

professional expertise required to provide this service are shown in his qualifications and the attached proposal.

Scope of Work

Hildebrand's scope of work is included as attachment A. The scope of work is divided into four tasks listed below:

1. Rate study kickoff meeting – data collection and review.
2. Financial plan – develop a financial management plan and model.
3. Cost of service analysis and rate design.
4. Final deliverables and presentations – present draft and finalize study.

The total fee for these tasks is estimated at a maximum of \$49,765, with staff recommending a contingency of \$5,000 for a total not to exceed amount of \$54,765. A budget of \$50,000 will be included in the FY 2019/20 to adequately cover the cost of the study (plus contingency). An initial budget was established in FY 2018/19 for \$30,000 of which \$9,100 remains. The balance will allow the consultant to begin the study prior to the end of the current FY.

Schedule

The tentative schedule is as follows:

- | | |
|---|-------------------|
| 1. Rate study kickoff meeting | May, 2019 |
| 2. Data collection & review | June 2019 |
| 3. Financial planning workshop (Staff) | July 2019 |
| 4. Cost of service (COS) & rate design workshop No. 1 (Staff) | August 2019 |
| 5. COS & rate design workshop No. 2 (Board Ad-Hoc Committee) | October 2019 |
| 6. Special Board Meeting Rate Study workshop (Board & Public) | October 29, 2019 |
| 7. Regular Board meeting - Final rate study report presentation | December 17, 2019 |
| 8. Public hearing to enact new water rates | March 17, 2020 |

In order to create focused input from the Board in a timely manner, staff recommends the Board of Director's form a Water Rate Study Ad-Hoc Committee. This committee would be comprised of two of the existing board members and would be available on an as needed basis for discussions related to the water rate study, specifically for workshop No. 2 of the above schedule.

RECOMMENDATION:

Authorize the General Manger to execute an agreement between Hildebrand Consulting, and the District for a Water Rate Study with a not to exceed limit of \$49,765 with a \$5,000 contingency and establish a Water Rate Study Ad-Hoc Committee.



HILDEBRAND
CONSULTING

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

March 11, 2019

SENT VIA EMAIL ONLY

Subject: Proposal for the North Marin Water District 2019 Water Rate Study

Dear Ms. Blue,

In response to your request, Hildebrand Consulting, LLC, is pleased to submit this proposal to the North Marin Water District (NMWD or District) to conduct a Water Rate Study for the Novato Water Service Area. The Study described herein will develop equitable water rates to achieve full cost recovery of annual water system expenses associated with the District's operations. The financial plan will identify annual water rate revenue needs with consideration of operating and maintenance costs, debt service obligations, capital program needs, and financial reserve policies. The proposed rate structure will be based on a clear and equitable cost allocation methodology with a cost basis that meets both the requirements of California state law (namely Proposition 218) and NMWD policy objectives.

Mark Hildebrand brings over 18 years of broad experience in California as a utility rate and management consultant to municipal utilities. He has performed hundreds of studies covering a diverse range of rate setting, cost allocation, and financial planning to more than 50 clients. As an independent consultant, Mark Hildebrand offers a distinctive value proposition: he will personally be directly engaged in all facets of the project, including all meetings, communications, financial models, and deliverables.

We are pleased to include Bob Reed of The Reed Group as an advisor on our team. Mark Hildebrand will be fully committed to the project, while utilizing Bob Reed and his 30+ years of experience for concept validation, project support, and for quality assurance.

Please let me know if you have any questions regarding this proposal. I appreciate the opportunity to be of service to the NMWD for this study.

Sincerely,

Mark Hildebrand

Hildebrand Consulting, LLC.

mhildebrand@hildco.com

510.316.0621 (m)

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1. PROJECT UNDERSTANDING AND APPROACH

The North Marin Water District provides water service to approximately 61,000 residents in the greater Novato area through nearly 21,000 potable water service connections and over 90 recycled water connections. The District also provides water service to residents in the Point Reyes service area of West Marin County and sewer service to residents in the Oceana Marin service area of West Marin County. The District was formed by voter approval in April 1948 pursuant to provisions of the County Water District Law. The District's five-member Board of Directors is elected at-large from within the District's service area.

The scope of this Rate Study will be limited to the Novato Water Service Area, which comprises over 95% of the District's customer base. The majority of the water supply for this service area is purchased from the Sonoma County Water Agency, while the balance come from the District's Stafford Lake Reservoir and recycled water.

CURRENT RATES

The District's current water rate structure includes a Service Charge and a Commodity Charge. The Service Charge is a flat bimonthly charge based on the size of the meter serving a property and is intended to recover the District's costs of billing, customer service, meter replacement and repair, meter reading, and a portion of general administrative overhead, debt service and depreciation expense. The Commodity Charge is a variable per-unit charge and is intended to recover the cost of water supply, pumping, treatment and distribution. The residential Commodity Charge consists of three inclining tiers, while non-residential customers pay a uniform Commodity Charge which is higher during the peak June through October season. The District also imposes an elevation Zone Charge for the cost of pumping water to customers that are located in higher elevations.

PURPOSE OF THE STUDY

This study will review the District's current water rate structure and develop rate recommendations consistent with California's legal requirements and the District's policy objectives. We will work with NMWD staff to develop and propose rates that retain the same basic structure as the current rates, within the parameters of applicable law. We also understand the importance of retaining rates that are relatively simple to administer.

The proposed rates will conform to cost of service standards established by the American Water Works Association (AWWA) and with the substantive requirements defined by California Constitution Article XIII D, section 6 (commonly referred to as Proposition 218). Ultimately, these cost of service principles proportionately distribute the cost of providing service to the various customer classes in accordance with the way each class uses the water system and the corresponding costs that their use generates.

As part of this study, we will review the FY 2018/19 Budget and year-end estimated, the FY 2019/20 Budget, and financial forecasts to assess whether the District's previously proposed rate revenue increase of 4.5% each year over the five-year period is appropriate.

Financial Plan

Hildebrand Consulting uses a financial planning approach that leverages tools that will essentially recreate the financial structure of the Novato service area enterprise. In addition to capturing changes to operating costs and revenues, our process includes an interactive evaluation of the proposed capital spending budgets, and the rate impacts of alternative projects, costs, timing, and funding strategies. Our capital planning tool allows us to evaluate the current and recommended investments for improvements as well as renewal and replacement of utility systems and the financial impacts to the rate payers.

Cost of Service and Rate Design

As previously discussed, we will work within the basic framework of the District's current rate structure to apply Prop 218-compliant cost-of-service methodologies based upon available data, legal requirements, demand and usage characteristics, and District policy objectives. We will customize the cost-of-service analysis to employ the identified methodologies and concepts best suited for NMWD.

2. PROPOSED SCOPE OF WORK

The following scope of work is based on our understanding of the NMWD's needs and our experience in conducting similar studies. Hildebrand Consulting will prepare a new 10-year financial plan for the Novato service area enterprise which will yield recommendations for a 3- to 5-year water rate schedule. The financial plan will identify annual rate revenue needs with consideration of operating and maintenance costs, debt service obligations, and capital program needs, with consideration of tax revenues, other non-rate revenues, financial reserves, and financial reserve policies.

Task 1. Study Kickoff

To initialize the study, we will submit a data request to the NMWD. Once all data has been received, we will review it in detail. This will include (but is not limited to) a review of historical Financial Statements, water purchase costs, capital spending forecasts for each system, historical statements of revenue and expense, current year budgets, customer counts and classes, and historical usage data. Our review of the data will be done to develop a strong understanding of any specific regulatory requirements facing the NMWD, any existing financial requirements (such as bond covenants), any other contractual requirements, and operational/capital improvement drivers.

Shortly thereafter, we will conduct a Project Kickoff Meeting with staff to:

- ✓ Discuss key issues, roles and responsibilities;
- ✓ Confirm study objectives and further explore project drivers such as revenue stability;
- ✓ Confirm data requirements and discuss the data already received; and
- ✓ Finalize the project schedule, including key milestone dates and deliverables.

Follow-up calls or visits with staff will be made to ensure full understanding of all data received.

Task 1 Meeting: Kickoff Meeting

Task 1 Deliverable: Data request list

Task 2. Financial Plan

In this task, Hildebrand Consulting will use a revenue sufficiency and financial planning model to develop a financial management plan for the Novato service area. The model will be used to develop a 10-year financial management plan and be used to develop recommendations for (up to) a 5-year rate schedule (starting in FY 2020/21).

Our financial planning model will be tailored to directly load NMWD's budgets (for seamless updates) and project annual revenue and fee adjustments requirements. The financial plan will consider projected changes to operating expenses, alternative spending levels, operating reserves targets, debt service coverage ratios and other financial policies/goals that affect the revenue requirements of the funds. It will also consider historical operating expenses, growth projections and other trends that paint a complete financial picture and provide for informed decision-

making. Our model's dashboard clearly displays key scenarios and assumptions in a format that is easy to understand. This function, coupled with our ability to make real-time changes to the model, is particularly useful when engaging in interactive planning meetings.

Our team will work directly with NMWD staff to understand the drivers for the Financial Plan and consider uncertainties, such as future water purchase costs and water supply/demand trends.

Our financial planning model provides a valuable capital planning tool which we will use to review the NMWD's capital improvement program and evaluate the impacts of alternative projects, costs, timing, and funding sources. We will work collaboratively with the NMWD engineering resources on capital and operational budgetary expenditures for financial model inputs.

If warranted, we will examine the NMWD's use of debt financing for capital improvements and assess the impact of current levels of debt financing, as well as building a financing scenario to support the NMWD in maintaining a proper balance for debt coverage and rate stabilization over the study period. We will also discuss and consider a mechanism for automatically adjusting water rates to reflect the effects of inflation and/or changes in wholesale water supply costs as allowed by the Government Code. Decision will be made within the context of the District's Debt Management Policy (#47).

Closely related to this analysis is the examination of cash reserve policies. Adequate reserves are fundamental to achieving financial stability and can help in the avoidance of sudden or disruptive fee adjustments in the face of changes to operating or capital needs. We will forecast the NMWD's fund balances and incorporate these balances and alternative reserve policies into the interactive planning discussions regarding financial risk and sustainability.

Task 2 Meetings: Financial Planning Workshop

Task 2 Deliverable: Presentation materials

Task 3. Cost of Service Analysis

The cost of service analysis allows for all the costs for the District as a whole to be functionalized and distributed to each enterprise and customer class. The District's costs are functionalized to defined segments, which are then allocated to each class of customer based upon the characteristics or units of service for each respective class of customer.

In some cases, the cost-of-service analysis relies heavily on the District's asset register to understand the value of assets within each respective enterprise and as a basis for allocating operating and capital costs.

We identify the most appropriate Prop 218-compliant cost-of-service methodologies based upon available data, legal requirements, industry standards, system configuration, service agreements, resources, customer base, demand and usage characteristics, local practice, and public policy objectives. We then customize the cost-of-service model to employ the identified methodologies and concepts best suited for the District's situation. We will evaluate the behavior of various customer classes and discuss the option, as appropriate, of adding customer classes or combining existing customer classes.

We will conduct a survey of local and regional water rates that are charged utilities that are similar in size and scope as the NMWD. Such surveys provide important context during workshops and during NMWD Board presentations.

Hildebrand Consulting will design NMWD's water rates to help ensure compliance with Proposition 218. It is important to conduct periodic reviews of the cost nexus for utility rates, particularly within the context of ever-changing California case law. The rate structure will be evaluated in the context of fiscal stability, administrative ease, and/or public policy objectives relating to fixed cost recovery, economic development, and affordability, while ensuring a fair and equitable distribution of costs, and conformance to accepted industry practice, legal precedent, and terms of any service agreements. As part of this effort, we will be evaluating the distribution of costs between the fixed and variable components of the rate structure and will make recommendations that are consistent with your cost recovery objectives.

The revenue requirements determined in Task 2 (financial planning) for a "Test Year" (the first projected fiscal year) are linked to the cost of service and rate design modules, which calculates specific rates necessary for each customer class to generate the required revenues based upon proper allocation of costs and the specified rate structure, or rate structure alternatives.

A critical element to evaluating a rate design option is understanding the sensitivity of rate revenue to changes in key variables such as water consumption, the cost of supply water, regulatory requirements, and economic conditions. Our rate design models are adept at running sensitivity analysis because we use comprehensive billing data which allows us to incorporate features such as price elasticity of demand.

Our observations and recommendations will be presented during Cost of Service & Rate Design Workshops (one workshop with staff and a subsequent workshop with the Board's Finance Subcommittee) and will be documented in the final report. These workshops are intended to engage District staff and Board members in the development of the study recommendations and in preparation for the presentation to the full Board.

<p>Task 3 Meeting: Cost of Service and Rate Design Staff Workshop Cost of Service and Rate Design Subcommittee Workshop</p> <p>Task 3 Deliverables: Presentation materials</p>
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Task 4. Final Deliverables and Presentations

Hildebrand Consulting will present draft and final study recommendations to the NMWD Board to consider the proposed financial strategy and associated water rate schedule. We are proposing three NMWD Board meetings because we typically need one meeting to receive feedback on draft recommendations, then a second meeting to present the final recommendations and obtain direction for NMWD staff to mail the Proposition 218 notification and then a final meeting for the Public Hearing. The first Board meeting may be a special meeting intended to allow for a longer format and encourage public participation.

Draft recommendations on the Water Rates will be documented in an administrative draft report. The administrative draft report will be discussed with staff and legal counsel (as necessary). The Rate Study Report will include:

- a. A brief physical description of the Novato service area;
- b. Overview of recent financial operations;
- c. A forecast of the necessary capital improvement program needs within the Novato service area during the planning period;
- d. The proposed financial strategy and financial policy recommendations;
- e. A transparent explanation of the basis for cost allocation to the respective customer classes;
- f. A clear explanation of the cost-basis for the rate structures;
- g. A 3 to 5-year schedule of proposed rates; and
- h. Assumptions and data behind the recommendations.

We will provide guidance and advice to NMWD staff to assure compliance with the Proposition 218 notification process. We will provide rate schedule information that will be needed for inclusion in the notification letter for property owners, which will need to be finalized and mailed by NMWD staff at least 45 days prior to a public hearing.

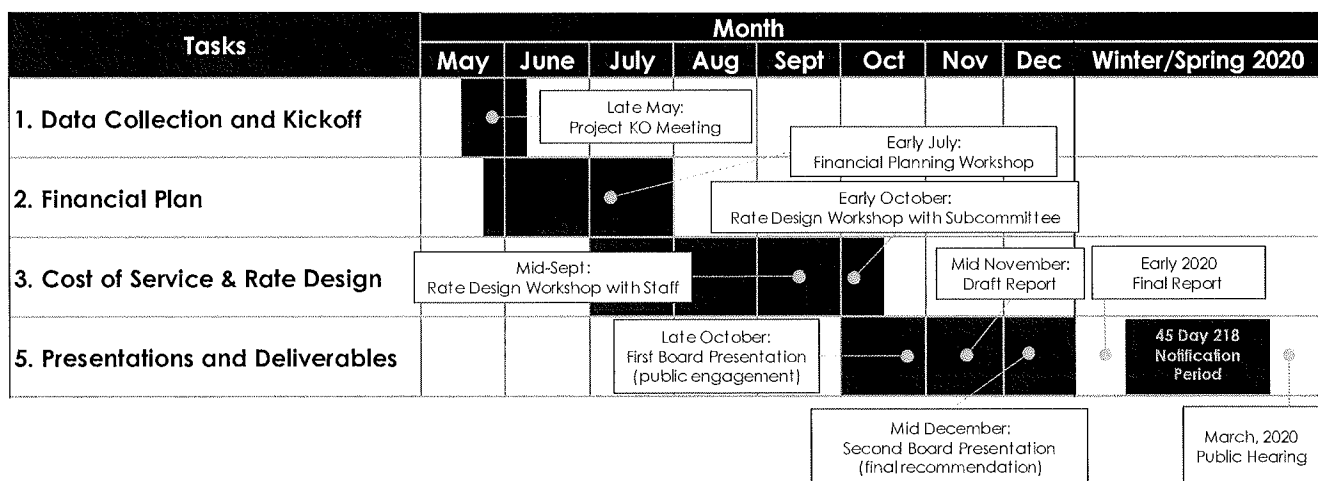
Task 4 Meetings:	Three (3) NMWD Board Meetings (including the Prop 218 Public Hearing) Conference calls as needed to discuss the draft deliverables
Task 4 Deliverables:	Draft and Final Report

3. COST PROPOSAL & SCHEDULE

Mark Hildebrand will be fully committed to the project (including all models, communications, and deliverables), while utilizing Bob Reed and his 30+ years of experience for concept validation, project support, as a secondary point of contact, and for quality control. The following table estimates the amount of time that will be spent for each task by our two consultants. Please note that Hildebrand Consulting does not charge for any direct or travel costs.

	Hildebrand Consulting \$210	The Reed Group \$295	Total Hours	Cost by Task
Task 1 Study Kickoff	19	11	30	\$7,235
Task 2 Financial Plan	54	11	65	\$14,585
Task 3 Cost of Service & Rate Design Analysis	58	9	67	\$14,835
Task 4 Final Deliverables and Presentations	54	6	60	\$13,110
Total Hours:	185	37	222	
	Direct & Travel Expenses:			\$0
	Proposed Fee:			\$49,765

The following schedule meets the timeline proposed by NMWD to that could be met assuming that the necessary financial data is available, and meetings can be scheduled. As a first order of business we would like to work with the District staff to develop a schedule that meets the needs of the project.



4. FIRM QUALIFICATIONS

Mark Hildebrand is the sole proprietor of Hildebrand Consulting and brings over 18 years of experience as a consultant to municipal utilities and provides a broad range of financial, utility rate, and management consulting services. He has performed hundreds of studies covering a diverse range of cost allocation issues, financial planning, business case evaluations, and litigation avoidance to more than 50 clients, which include Ross Valley Sanitary District, the City of Santa Rosa, the City of Healdsburg and the City of Davis. He also has greater experience in preparing cost allocation plans for municipalities and utilities with multiple enterprises than many utility rate consultants. He has been published and frequently speaks on topics such as rate-setting under the requirements of Proposition 218, cost-of-service principles, cost allocation methodologies, emerging regulatory issues, consolidation studies, and strategic business planning.

Mark is dedicated to providing clients with an exceptional level of service and responsiveness, to developing creative yet practical solutions to client needs, and to broadening understanding and facilitating consensus on complex issues. His strengths in consensus building, clear communication, and his experience with utility rate-setting will be particularly valuable during this engagement. He has participated in authoring several industry guide books including AWWA's *Manual M1 Principles of Water Rates, Fees and Charges*, and AWWA's *Water Rates, Fees, and the Legal Environment*, and continues to actively serve on AWWA's Rates and Charges Committee, which established best practices for rate setting across the industry.

Bob Reed is President of The Reed Group, Inc. He brings over 30 years of experience as an engineer for a major water/wastewater agency and a management consultant to local governments. He has provided a diverse range of services to more than 60 clients, including Tamalpais Community Services District and Marin Municipal Water District and other regional clients such as the cities of Santa Rosa, Healdsburg, and Rohnert Park. Approximately two-thirds of the engagements have been for clients for whom he has provided multiple services. Bob specializes in financial management services for local governments. His firm provides clients with an exceptional level of service and responsiveness, develops creative yet practical solutions to client's needs, and broadens understanding and facilitates consensus on complex issues. His expertise in water rate studies, cost-of-service analyses, long-range financial and strategic planning, public participation, and litigation support makes him a strong fit for this project. In addition, The Reed Group brings the following strengths to client engagements:

- Extensive CA and national experience in water and wastewater utility operations, management, and finance.
- Broad knowledge of practices in water and wastewater rates, fees, and cost-of-service analyses.
- Familiarity with legal and regulatory requirements affecting public agency rate setting and finance.



Worth repeating...

"Mr. Hildebrand's presentation was the best explanation of water rates I've heard, and I've been doing this for a long time."

—Bill Hicks, Board Member

Casitas Municipal Water District



- Leadership in developing public participation and consensus-oriented approaches to rate and fee setting.

Hildebrand Consulting and The Reed Group have a history of working together under a dynamic teaming arrangement that is designed to provide high-quality and deeply-experienced consulting services while remaining affordable, reliable, and flexible for our clients. Our partnership is a reflection of our values; we provide independent consulting services while emphasizing integrity, client service and loyalty.

Please visit our respective websites at hildebrandconsulting.com and thereedgroup.org.

Partial List of Sewer / Water Rate Study Clients for Mark Hildebrand

[illegible]

13

MEMORANDUM

To: Board of Directors
From: Julie Blue, Auditor-Controller JB
Subj: Rate Increase Letter to Novato Customers
t:\acl\budget\fy-2019,20\2019 prop 218 letter board memo.docx

March 15, 2019

RECOMMENDED ACTION: Approve Letter to Customers**FINANCIAL IMPACT:** \$10,500 Expense

California law requires that customers be notified of a water rate increase at least 45 days prior to the public hearing where the Board considers adoption of said increase. A public hearing is scheduled for Tuesday, May 21, 2019 at 6:00 PM at the District office. The May 21 date requires that the letters be mailed by April 6, 2019. Postage, stationary and copying cost for the 18,500 active customers is estimated at \$10,500.

The proposed commodity and bimonthly service charge rate increase for Novato customers is 3.5%. The median single-family residential customer will see a \$2.10 per month increase (\$4.20 bimonthly) on their typical bill. The Rate-Increase Model on the District's website allows each customer to see the impact of the proposed increase on their annual water cost based upon their water use over the past 12 months.

A draft of the proposed letter is attached for Board review and comment. Legal counsel has reviewed the letter to assure compliance with Prop 218.

RECOMMENDATION:

Approve mailing the rate increase letter to customers.

March 31, 2019

Re: Notice of Proposed Water Rate Increase

Dear Customer:

The mission of North Marin Water District (NMWD) is to meet the expectations of our customers in providing potable and recycled water services that are reliable, high-quality, environmentally responsible, and reasonably priced. To fulfill this mission, NMWD must generate revenue sufficient to cover its cost of operations.

Accordingly, North Marin Water District is proposing an increase in the cost of water which averages \$2.10 per month (3.5%) for the typical Novato customer, effective June 1, 2019.

This letter provides details on the need for the increase and information about the public hearing where public comment will be taken prior to a vote by the District Board of Directors on the proposed water rate increase.

You can determine the increase in your annual water cost based on your personal water use over the past year from our website. Insert your NMWD account number and the name on your account into the Rate-Increase Model on NMWD's website at https://www.nmwd.com/account_balance.php

REASON FOR THE PROPOSED INCREASE

Higher Water Costs: Chemical and power costs to operate Stafford Water Treatment Plant continue to rise. In addition, the Sonoma County Water Agency (SCWA), which provides 75% of Novato's water supply is increasing the rate it charges NMWD by 4.8% effective July 1, 2019.

Water System Infrastructure Maintenance/Repair: Established over 70 years ago, NMWD's water system has grown to include 330 miles of pipeline, 39 million gallons of finished water storage distributed across 33 tanks, 26 pump stations, 13 pressure-regulating stations, 2,674 fire hydrants, and a multitude of valves – all of which require ongoing maintenance and repair. Investment in our facilities and infrastructure must increase to ensure continued, efficient, and reliable operations.

Employee Compensation: Our skilled and valued employees earn a wage at or near the median of comparable Bay Area agencies, and increases are generally consistent with the consumer price index. Competitive wages are necessary to help retain our specialized staff as well as attract highly qualified new employees as vacancies occur.

Increased Government Regulations and Permit Fees: New and expanded Federal and State regulations and increases in permit fees are an annual occurrence with which the District must comply.

RATE COMPARISON

Are North Marin's rates reasonable? It's a fair question. You can answer this yourself by comparing NMWD's rates to 16 counterpart Bay Area water agencies (see "Urban Area Water Cost Comparison", page 4 of this letter). This chart shows that the typical cost of service for a Novato single-family residence is at the median of these comparison agencies.

PROPOSED RATE INCREASE

The District is a public agency that does not earn a profit. All rates and charges collected from customers go toward District operating expenses and maintaining prudent operating and capital reserve balances. A table showing the existing rates and charges, and the amounts proposed, is included on page 3 of this letter.

Residential Accounts: It is proposed that a 3.5% increase in the commodity rate and the bimonthly service charge be implemented effective June 1, 2019. For the typical Novato single-family residence, the proposed increase in the total cost of water (commodity charge plus bimonthly service charge) would add \$2.10 per month (\$4.20 per bimonthly bill) to the cost of water beginning June 2019.

Non-Residential Accounts (Commercial, Institutional & Irrigation): It is proposed that a 3.5% increase in the commodity rate and the bimonthly service charge be implemented effective June 1, 2019. The increase for non-residential customers will vary based upon water use. In Novato the median non-residential account uses more water than the median residential account, but would still see an increase in the total cost of water (commodity charge plus bimonthly service charge) of 3.5%. You can determine the increase in your annual water cost based on your consumption over the past year from our website. See the boxed area above for instructions.

WATER RATE PUBLIC HEARING

A public hearing will be held at the NMWD office (999 Rush Creek Place, Novato) at 6:00 p.m. on Tuesday, May 21, 2019, to consider enactment of a 3.5% increase effective June 1, 2019.

HOW TO PARTICIPATE

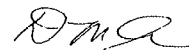
You are invited to present oral or written testimony on these proposals at the public hearing. You have the right to protest these proposed rate increases. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners or customers, the proposed increases will not be imposed.

Your written protest must be received prior to the close of the May 21, 2019 public hearing. Written protests must be signed by the property owner or customer of record and must include a description of the parcel (parcel number) or NMWD account number. Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

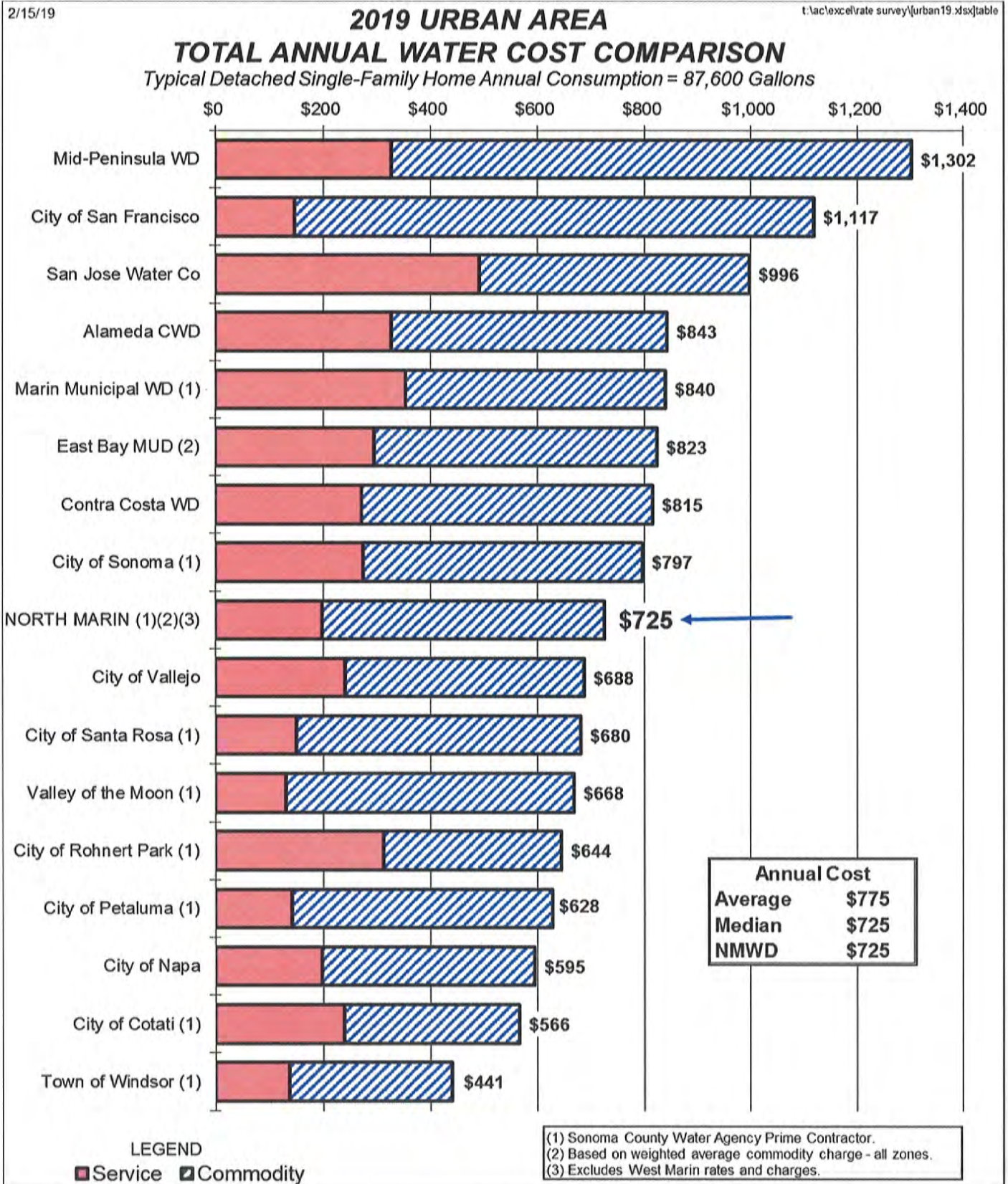
Sincerely,



Drew McIntyre, General Manager

NOVATO WATER CHARGES

	Existing 6/1/18	Proposed 6/1/19	% Increase
A BI-MONTHLY SERVICE CHARGE OF:			
STANDARD 5/8-INCH METER	\$33.00	\$34.15	3.5%
1 -inch residential meter for fire sprinklers	\$37.50	\$38.80	3.5%
1 -inch meter	\$66.00	\$68.30	3.5%
1.5 -inch meter	\$80.50	\$83.30	3.5%
2 -inch meter	\$125.50	\$129.90	3.5%
3 -inch meter	\$248.50	\$257.20	3.5%
4 -inch meter	\$399.00	\$413.00	3.5%
6 -inch meter	\$835.00	\$864.00	3.5%
8 -inch meter	\$1,244.50	\$1,288.00	3.5%
PLUS A QUANTITY RATE OF:			
<u>Residential rate for each 1,000 gallons</u>	<u>Rate</u>	<u>Rate</u>	
First 615 gallons per day	\$5.24	\$5.42	3.5%
616 - 1,845 gallons per day	\$8.35	\$8.64	3.5%
Use in excess of 1,845 gallons per day.....	\$14.54	\$15.05	3.5%
<u>Rate for each 1,000 gallons for all other potable water accounts</u>			
Commercial, institutional & irrigation accounts - 11/1-5/31.....	\$5.77	\$5.97	3.5%
Commercial, institutional & irrigation accounts - 6/1-10/31.....	\$6.20	\$6.42	3.5%
<u>Rate for each 1,000 gallons for non-potable water</u>			
Recycled Water	\$5.77	\$5.97	3.5%
Raw (Untreated) Water	\$2.38	\$2.46	3.5%
PLUS AN ELEVATION ZONE RATE FOR EACH 1,000 GALLONS OF:			
<u>Zone</u> <u>Elevation</u>	<u>Rate</u>	<u>Rate</u>	
A 0 through 60 feet.....	\$0.00	\$0.00	-
B 60 feet - 200 feet.....	\$0.63	\$0.65	3.5%
C 200 feet +.....	\$2.01	\$2.08	3.5%
Hydrants or Temporary Service.....	\$8.49	\$8.79	3.5%



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DISBURSEMENTS - DATED MARCH 7, 2019

Date Prepared 3/5/19



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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 2/28/19	\$143,536.67
EFT*	US Bank	Federal & FICA Taxes PPE 2/28/19	59,738.62
EFT*	State of California	State Taxes & SDI PPE 2/28/19	12,384.01
EFT*	CalPERS	Pension Contribution PPE 2/28/19	35,220.00
EFT*	CalPERS	March Health Insurance Premium (Employees \$47,634, Retirees \$12,130 & Employee Contribution \$9,604)	69,368.46
1	All Star Rents	Material Lift (1 Day) (STP Filter Cleaning)	87.46
2	Alpha Analytical Labs	Lab Testing (Pt Reyes)	385.00
3	Amazon/Genuine-Hardware	Cordless Drill & Batteries (2) (\$338), SCADA Radios (\$177), Solid State Drives for Server (2) (\$647), Batteries for Hand Held Radios (4) (\$80) & Radio for Nunes P/S (\$184)	1,425.01
4	Applegate, T	Refund Overpayment on Open Account	965.05
5	Athens Administrators	Feb Replenishment for Checks Written (\$1,403) & Bill Review Fees	1,412.04
6	AT&T	February Internet Connection	93.16
7	AT&T	Telephone (\$61), Fax (\$74), Data (\$270) & Leased Lines (\$141)	547.50
8	Automation Direct	Analog Input Cards for PLC's	336.00
9	Bay Area Barricade Service	Sign for STP Dam ("Restricted Area" No Trespassing No Fishing)	43.30
10	Cummings Trucking	Rock (49 yds)	2,137.17
11	Dell Computers	Replacement PC for HVAC/Camera PC	793.65
12	Derana, Barbara	Novato "Toilet Rebate" Program	175.00
13	Diesel Direct West	Gasoline (541 gal)	1,616.18

Seq	Payable To	For	Amount
14	Digi-Key	Cell Modem for Gallagher Well	433.36
15	Mark and Stacey Egide	Refund Excess Advance for Construction Over Actual Job Cost-394 Fairway Dr-Upgrade Hydrant	761.01
16	Evoqua Water Technologies	Service on Lab Deionization System	263.85
17	FBD Vanguard Construction	Refund Overpayment on Closed Account & Refund Security Deposit on Hydrant Meter Less Final Bill (\$960)	1,167.01
18	Fishman Supply	Rain Jackets (2)	136.72
19	Fisher Scientific	Buffer (Lab)	34.40
20	Fremouw Environmental Service	Oil Debris Disposal Fee	376.96
21	Grainger	Push Broom Head, Sump Pump for Kastania & Pump Splices (\$357), Fuses for Controls PLC (55) (\$113), Bushing Reducer & Sump Pump for Vault Valve (\$235)	732.49
22	Home Depot	Concrete (50 - 60lb bags) (\$705 less return Hose Swivel Adaptor \$145)	559.04
23	Kaiser Foundation Health Plan	DMV/DOT Physical Exam (Ielmorini)	115.00
24		Vision Reimbursement	99.98
25	Lincoln Life Employer	Deferred Compensation for 2/28/19 PPE	9,999.27
26	Mettler-Toledo Rainin	Annual Pipet Calibration (4) (Lab)	387.60
27	Nationwide Retirement Solution	Deferred Compensation for 2/28/19 PPE	1,750.00
28	Nelson	Gather Data & Complete District's Annual Urban Area Water Cost Comparison Survey	875.70
29	Novato Sanitary District	Semi-Annual Billing for Yard/Office Sewer Service Charges (2018-2019)	2,619.90
30	R & B	Couplings (17) (\$1,836), Meter Gaskets (40), Corp Stops (5) (\$1,481), Unions (4) & Brass Bushings (5)	3,518.06
31	Reischmann, Marc	Exp Reimb: Safety Boots	53.10
32	Rizvi, Syed M	Novato "Cash for Grass" Rebate Program	400.00

Seq	Payable To	For	Amount
33	Soiland	Asphalt Recycling (13 tons)	201.17
34	Staples Business Credit	Card Stock (500), Post-it Notes, Clasp Envelopes (100), Stapler, Copy Paper (50 Reams) (\$201) & Desk Chair (\$271)	574.73
35	St James Napa Development	Annual Reimbursement Program-Somerset Park	1,764.28
36	VWR International	Autoclave Washbottle, Reference Sample & Mechanical Pipette (\$283)	380.88
37	Wells Fargo Bank, N.A.	Annual Reimbursement Program-Whole Foods	17,610.72
38	Westbrook, Stephen M	Novato "Toilet Rebate" Program	100.00
39	Wright, Pamela	Refund Excess Advance for Construction Over Actual Job Cost - 211 Mesa Road-Upsize to 1" Meter	435.28
TOTAL DISBURSEMENTS			<u>\$375,614.79</u>

The foregoing payroll and accounts payable vouchers totaling \$375,614.79 are hereby approved and authorized for payment.

	<u>3/5/19</u>
Auditor/Controller	Date
	<u>3/5/19</u>
General Manager	Date



NORTH MARIN WATER DISTRICT
Director's Compensation Request
for Attendance at Meetings Other than District Board Meetings

BOARD MEMBER: RICK FRAITES

50 Forrest Road
Novato, CA 94947

DATE 2/5/19
(TODAY'S DATE)

I attended the North Bay Watershed Association on 07/10/12019
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

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

DIRECTOR SIGNATURE

FOR ACCOUNTING USE ONLY

Julie Blue

APPROVED TO PAY BY

2/7/19

DATE

CHARGE TO: 56001-01-11

AMOUNT: \$ _____
(filled in by Accounting)

PAID PAY PERIOD ENDING ____/____/____



NORTH MARIN WATER DISTRICT
Director's Compensation Request
For Attendance at Meetings Other than District Board Meetings

BOARD MEMBER: JOHN BAKER

425 Corte Norte

Novato, CA 94949

DATE

2/4/19
(TODAY'S DATE)

I attended the

Water Advisory Committee Mtg @ Santa Rosa on 2/4/19
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

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



DIRECTOR SIGNATURE

FOR ACCOUNTING USE ONLY

Julie Blue
APPROVED TO PAY BY

2/4/19
DATE

CHARGE TO: 56001-01-11

AMOUNT: \$ _____
(filled in by Accounting)

PAID PAY PERIOD ENDING ____/____/____

DISBURSEMENTS - DATED MARCH 14, 2019

Date Prepared 3/12/19

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



<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
1	Able Tire & Brake	Tires (7) (\$3,641) With Mount & Balance ('09 Peterbilt 335 & '08 F250) & Tire Disposal Fee	\$3,676.06
2	AC3	Annual Crane Inspections (4)	1,100.00
3	All Star Rents	Generator Rental for Gallagher Well (1 week)	807.89
4	Alpha Analytical Labs	Lab Testing (Pt Reyes)	105.00
5	Arrow Benefits Group	February Dental Expense	3,040.39
6	Athens Administrators	March Monthly Fees	1,000.00
7	Automation Direct	Breakers for Actifloc Sample Pump Controllers	49.00
8	Backflow Distributors	Repair Kits for Backflows (2)	97.97
9	Borges & Mahoney	3/4" Preventative Maintenance Kits (4)	685.76
10	Brelje & Race	Prog Pymt#3: NMWD Clearwell Coating Inspection (Balance Remaining on Contract \$14,561)	4,547.50
11	Clark, Robert E.	Exp Reimb: CA-NV AWWA Spring Conference Registration	515.00
12	The Climate Registry	Annual Membership (Clark) (1/19-12/19) (Budget \$900)	750.00
13	DataTree	February Subscription to Parcel Data Info	100.00
14	Diesel Direct West	Diesel (667 gal) (\$2,251) & Gasoline (809 gal)	4,582.83
15	Direct Line	March Telephone Answering Service	156.00
16	Dome Construction	Refund Security Deposit on Hydrant Meter Less Final Bill	725.75
17	EF Brett	Refund Security Deposit on Hydrant Meter Less Final Bill	725.75

Seq	Payable To	For	Amount
18	Environmental Resource Assoc	Reference Samples (Lab)	194.64
19	Environmental Express	Standards (Lab)	84.08
20	Farr Construction	Prog Pymt#2: STP Coat Concrete Clearwells Project (Balance Remaining on Contract \$0)	279,289.80
21	Ferguson Waterworks	AMI Concrete Lids (271) (\$9,997), 1" Meters (140) (\$37,975), 5/8" Meters (345) (\$67,846), AMI Fiberlyte Lids w/Probe Hole (500) (\$18,987), Meter Installations (3,211) (\$67,967) & Cellular Meters (4) (\$2,601) (Balance Remaining on Contract \$100,481)	205,374.24
22	Fishman Supply	Rain Overalls (Iellmorini)	39.06
23	Grainger	PRE 2 Aeration Parts, Batteries (3), Battery Backups for PRE 2 & Olema (\$214), Sample Pump Relays for STP Actifloc (\$106), Tubbing Cutters (3) (\$206), Hip Boots, Sockets & Tool Holders for Auto Shop (\$376) & Suction & Discharge Hose for STP Sludge (\$277)	1,267.69
24	HERC Rentals	Light Tower Rental for Wildhorse Tank	465.13
25	InfoSend	Reminder Notice Data Processing Fee & January Monthly Support Fee (\$791)	939.66
26		Vision Reimbursement	184.00
27	Marin County Recorder	Replenish Draw Down Account for Official Record Copies	200.00
28	Marin County Ford	Service Parts ('10 F150)	22.98
29	McLellan, WK	Misc Paving (Balance Remaining on Contract \$139,252)	18,050.90
30	McIntyre, Drew	Exp Reimb: CA Professional Engineers License Renewal (Budget \$120) (4/19-3/20)	115.00
31	Novato Builders Supply	Parts for Tank Hatch, Post (6 x 6 x 8) (\$70), 3/4" Plywood (\$93), Lumber (\$91) & Part for Shop Stairs	301.94
32	Novato Chamber of Commerce	Novato 2019 Leadership Program-Special District Day Shuttle Services (50% Split w/Novato Sanitary District)	250.00

Seq	Payable To	For	Amount
33	O'Reilly Auto Parts	Car Wash & Injection Cleaner	294.34
34	Pace Supply	Elbow, Gaskets (41), PVC Pipe (400') (\$2,275), Corp Stops (3) (\$686) & Valves (8) (\$2,254)	5,421.24
35	Pape Machinery	Labor to Diagnose & Repair Rattle & Oil Leak ('09 John Deere)	3,253.12
36	PG&E	Gas & Electric Charges for 999 Rush Creek Place, 3015 Novato Boulevard & 55 Harbor Drive	493.00
37	Pini Hardware	Materials for Wildhorse Power Relocate, Parts for PRE2 Aerator & Tools/Supplies for Maintenance, Construction and Treatment Plant (\$647)	693.04
38	Point Reyes Prop Mgmt Assn	March HOA Dues (25 Giacomini Rd)	75.05
39	R & B	Brass Couplings (2)	102.75
40	Rodriguez, Christopher	Exp Reimb: Hotel (\$180) & Mileage for D1 Training in Davis, CA	251.43
41	Soiland	Asphalt Recycling (7 tons)	32.85
42	Syar Industries	Asphalt (6 tons)	889.54
43	Thatcher of California	Ferric Chloride (9 tons) (STP)	5,081.24
44	Township Building Services	Janitorial Supplies	726.71
45	TPx Communications	February Telephone Charges	521.18
46	United Parcel Service	Delivery Services: Equipment Sent for Repair, Backflow Parts Returned & Overnight Samples Sent to Specialty Labs (\$435)	456.12
47	Verizon Wireless	Cellular Charges: Data (\$610) & Airtime (\$99)	709.08
48	Verizon Wireless	AMI Gateways, SCADA, Novato & CIMIS Station	658.12
50	VWR International	Buffer (Lab)	50.78
51	Waste Management	Green Waste Disposal (8 yds)	148.26
52	Wiley Price & Radulovich	January Legal Fees	3,267.00

Seq	Payable To	For	Amount
53	Winzer	Auto Shop Supplies	460.06
		TOTAL DISBURSEMENTS	<u>\$553,028.93</u>

The foregoing payroll and accounts payable vouchers totaling \$553,028.93 are hereby approved and authorized for payment.

	<u>3/12/19</u>
Auditor-Controller	Date
	<u>3.12.19</u>
General Manager	Date

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, General Manager
Julie Blue, Auditor-Controller



March 15, 2019

Subject: Stafford Treatment Plant Production Cost
t:\grm\bod misc 2019\sttp production cost memo 3_15_19.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Treatment Plant Cost Analysis

The last fiscal year budget (FY18) included the following expenses for Stafford Treatment Plant operation with a planned production of 750 MG as shown in Table 1.

Table 1

<u>Classification</u>	<u>Actual</u>	<u>% Labor</u>
Supervision & Engineering	\$169,851	72%
Operating Exp – Water Treatment	\$276,795	91%
Purification Chemicals	\$438,348	0%
Sludge Disposal	\$100,305	62%
Maint of Structures/Grounds	\$50,913	69%
Maint of Purification Equipment	\$212,385	51%
Electric Power	<u>\$157,374</u>	0%
Subtotal	\$1,405,971	41%

The budgeted cost of production for FY18 was \$2,944/MG versus \$2,720/MG from SCWA for a 7.5% variance. However, the production goal of 750 MG was not obtained due to the fact that the lake did not fill resulting in a reduced total production quantity of 650MG. The actual cost of production was \$3,436/MG for a 26% variance when compared to imported water costs from SCWA. This increased variance is not surprising as the cost per AF of water produced increases as the production volume decreases. A tabulation of historical water cost comparisons between STP and SCWA over the last 10 years is provided in Table 2.

Table 2

FY	Total STP Production	STP Production Cost	SCWA Cost	% above SCWA
18	646 MG	\$3,436/MG	\$2,720/MG	26%
17	756 MG	\$2,714/MG	\$2,547/MG	6.6%
16	601 MG	\$3,517/MG	\$2,389/MG	47%
15	573 MG	\$3,567/MG	\$2,276/MG	57%
14	479 MG	\$4,171/MG	\$2,201/MG	90%
13	755 MG	\$2,782/MG	\$2,203/MG	26%
12	586 MG	\$3,200/MG	\$2,119/MG	51%
11	884 MG	\$2,618/MG	\$2,010/MG	30%
10	800 MG	\$3,197/MG	\$1,878/MG	70%
09	623 MG	\$3,480/MG	\$1,505/MG	130%

Treatment Plant Labor Cost Distribution

Labor, purification chemicals, electricity and sludge disposal represent major expenses of operating the plant. When looking at labor, the Operations department is staffed with six full-time equivalent (FTE) positions, one supervisor and five operators. The Operations department not only operates the Stafford Treatment Plant, but also the Point Reyes TP, Deer Island Recycled Water Facility and Oceana Marin Sewer System. In addition to treatment plant operations, Operations staff

perform a multitude of other duties including distribution system operation (including flushing program, storage tank cleaning, etc.) and watershed maintenance. A breakdown of Operations staff labor distribution for FY18 is shown in Table 3.

Table 3

<u>Function</u>	<u>Average FTE</u>
Stafford TP Operation	4.13
Stafford TP Maintenance	<u>0.71</u>
Stafford Subtotal	4.84
Point Reyes TP O&M	0.35
Oceana Marin Sewer	0.26
Deer Island WRF	0.17
Flushing Program	0.08
Watershed Maintenance	0.01
Storage Facilities	<u>0.29</u>
Total	6.0

Benefits of Stafford Lake Local Source of Supply

Over the past 40+ years, up to 80% of the District's water supply has come from SCWA, making North Marin dependent upon not only water supply availability in the Russian River but also a 40 mile long aqueduct to delivery said water supply from the Russian River. A break in the aqueduct caused by earthquake or other natural disaster, or a water quality problem in the river or transmission facilities would, without Stafford Treatment Plant, seriously disrupt the lives of our customers. Additionally, in critical dry years, Russian River water can be back-fed and stored in Stafford Lake during the winter for treatment and distribution to our customers during peak summer demands. This was done in the back-to-back drought years of 1977-78 for the benefit of our customers and several times in more recent years (at the expense of Marin Municipal Water District).

When using FY18 data, blending the cost of operation of the Stafford Treatment Plant with purchases from SCWA adds, on average, \$0.18 per 1,000 gallons to our cost of water. The cost of this local, reliable water produced by the Stafford Treatment Plant for our typical single family homeowner is \$15.77 per year or 2.2% of the typical residential customer's annual water bill.

In conclusion, the benefits of having a local water supply for resiliency and emergency preparedness far outweigh the additional costs in operating the plant. That said, the cost to operate Stafford Treatment Plant is heavily influenced by annual water production and staff will continue to strive to meet or exceed our production goal of 750 MG per year.

Novato council approves disputed 87-room hotel

Hotel

REDWOOD BOULEVARD

By Will Houston

whouston@marinij.com @Will_S_Houston on Twitter

Despite neighbors' objections, the Novato City Council voted 4

-1 this week to approve construction of what could become an 87-room Hyatt Place hotel on Redwood Boulevard.

Councilwoman Pat Eklund cast the dissenting vote, citing a reduced setback from a wetlands area on the site and concerns about constraints of the property including parking and pipelines, and that the hotel jobs would be low-paying.

The main concern raised by the many neighbors in the council chambers Tuesday was the two high-pressure, Pacific Gas and Electric Co. natural gas pipelines that run through the property at 7701 Redwood Blvd.

Project critics cited the deadly San Bruno gas line explosion in 2010, the more recent gas explosion on San Francisco's Geary Boulevard and California Public Utilities Commission findings that PG& E had falsified gas line inspection reports.

"PG& E makes no claim that the hotel is a safe distance from its pipelines; quite the contrary," said Partridge Knolls resident Melodie Baird. "The engineer clearly warns in his letter that your project, the Novato Hyatt House, is in critical proximity to a PG& E gas transmission pipeline.

"Why would he say this? Perhaps it's because Novato Hyatt House is only 15 to 20 feet away from one of the pipelines," Baird continued.

Responding to these concerns, the council is requiring as a condition of approval that the



Neighbors Victoria Bridge, left, Melodie Baird, center, and Melissa Perry, right, talk near the site of a proposed hotel project at 7701 Redwood Boulevard. Neighbors expressed concerns about the safety of gas pipelines running through the project site at a recent City Council meeting.

JEREMY PORTJE — MARIN INDEPENDENT JOURNAL

developers contact PG& E about doing a visual inspection of the gas lines prior to receiving grading permits.

HOTEL»PAGE 4

Novato council approves disputed 87-room hotel

Hotel

FROM PAGE 3

City planners and the developers say there is no guarantee that PG& E will agree to the inspection. If PG& E does, developers will likely have to bear the cost of the inspection. Should the cost be too high there is nothing binding them to go through with it, according to city staff.

Steve Marshall, city planning manager, said the hotel building itself would not be located above the pipeline, but a section of the parking lot would be.

A city memo states city staff had contacted PG& E public affairs staff prior to the recent Planning Commission hearing on the project in late January. The memo notes PG& E was “unable to provide specific information on inspections and reports” related to the two gas lines, which have a pressure of about 300 psi.

The memo goes on to say that none of PG& E’s comments indicate any concern about safety or performance of the lines. If there were concerns “PG& E staff would have provided remarks on the matter,” the memo states. Marshall said the pipelines were inspected in 2013. The memo states the test was a hydrostatic pressure test rather than a visual inspection.

“To characterize the pipeline as not being inspected is not correct,” Marshall told the council.

Mayor Eric Lucan said PG& E gas transmission lines run through the majority of the city including other projects approved by the city.

“I do want to be careful that we’re not setting a precedent for any future development ... to dig up and do a visual inspection,” Lucan said. “I think coordinating with PG& E is something we’re

continuing to do and ought to continue to do, but this is one of the realities of the infrastructure here in the city of Novato.”

PG& E spokeswoman Deanna Contreras said the utility conducts routine patrols of its transmission pipelines. She said PG& E also conducts strength tests, inline inspections and “direct assessments of its transmission pipelines to ensure their ongoing safe operations.”

“Safety is PG& E’s most important responsibility,” Contreras said. “PG& E safely maintains and operates over 6,400 miles of gas transmission pipeline, serving more than 15 million customers. This pipeline system is monitored around the clock from our state-of-the-art gas control center in San Ramon.”

Business groups such as the Novato Chamber of Commerce say the threestory, 47,000-square-foot would be an economic boon to Novato. While some residents argued that the distance is too far to benefit downtown businesses,

Downtown Novato Business Association Vice President Steve Jordan said “the distance doesn’t bother us.”

“This will bring the kind of customers we want and need for our member businesses,” Jordan said.

The lead developer, Roshan Patel of the Woodland based Navin, LLC, said the hotel would create about 30 jobs, bring in about \$350,000 in annual tax revenue to the city coffers and bring more business to Novato.

Another concern raised by residents is potential parking overflow into nearby neighborhoods like Partridge Knolls. The hotel is proposing 87 spaces, one for each room, which neighbors say won’t be adequate especially when considering hotel staff. Developers say the lot will likely not be full and that more people are using ride-sharing apps like Lyft and public transportation.

Saturday, 03/02/2019 Pag.A03

Residents also questioned how successful the hotel would be as another hotel, a Residence Inn, was also recently approved for Redwood Boulevard. Patel said Hyatt draws its own loyal customers and would offer an “upscale” experience.

After the public testimony, council members stated that developers had made several revisions to the project, such as lowering its height and size, to alleviate public concerns.

“I think you have shown tonight that you’re willing to definitely be a team player with the city of Novato,” said Mayor Pro-tem Denise Athas to the developers on Tuesday.

Eklund recommended several new conditions of approval for the project based on some of the public’s concerns. These included the PG&E pipeline inspection outreach, prohibiting the use of rodenticides on the property, requiring that the hotel brand that will occupy the property be listed as an upscale hotel and for developers to explore use of birdfriendly glass.

The project still needs to undergo final design review.



Rendering for a hotel project at the northwest corner of Wood Hollow Drive and Redwood Boulevard in Novato.

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City moves to shore up pensions

Pensions

NOVATO

Advisers to administer new trust fund

By Will Houston

whouston@marinij.com

Facing millions of dollars in unfunded pension liabilities, Novato took the first step toward creating a pension trust fund.

The Novato City Council on Tuesday voted unanimously to select Public Agency Retirement Services, or PARS, to administer the new Section 115 fund.

“We are the pioneer of this program,” said Mitch Barker, executive vice president of PARS. “We’re the first to introduce this concept three years ago.”

City staff said that creating such a trust fund allows the city to dedicate funds to its defined benefit pension plan under the California Public Employees’ Retirement System, or CalPERS, over an extended time and with more investment options than is allowed by other funds.

PARS was selected by the council to help city staff prepare the investment and funding strategies as well as guidelines for the trust.

“As the council knows, increased pension costs due to the CalPERS reduction discount rate has been something that has affected

cities throughout the state and nationally as well, where applicable,” said Michael Antwine, assistant city manager.

Novato had more than \$30 million in unfunded liabilities as of 2017. An updated figure was not discussed at the council meeting or provided in the staff report. The unfunded liability is the difference between what agencies have in assets and what they require to meet their obligations to retirees.

The discount rate is the longterm interest rate used to fund future pension benefits, according to CalPERS. It is also known as the “assumed rate of return” because it is what CalPERS expects its investments to earn during the fiscal year.

PENSIONS >> PAGE 4

City moves to shore up pensions

Pensions

FROM PAGE 1

Keenan Financial Solutions. The city will not pay anything to establish the pension trust, according to a staff report.

Antwine said staff recommended PARS because it had a private letter ruling from the U.S. Internal

CalPERS' Board of Administration voted in 2016 to lower its discount rate from 7.5 percent to 7 percent for three years. While the board said lowering the rate would give employers more time to prepare for its contributions, it would also increase their normal costs and unfunded liabilities.

Antwine said the next steps will be for the council to formalize the adoption of the trust fund and the plan administrator, which the council has indicated will be PARS. The city's Finance and Oversight Committee will then begin developing different funding and investment strategies, which are expected to be adopted by the council as part of its 2019-20 budget process.

PARS, which is based in Newport Beach, was selected out of three groups that applied. The others were San Francisco-based PFM Asset Management LLC and the Torrancebased

Revenue Service and because it would allow the city to consolidate its existing Other Post-Employment Benefits, or OPEB, trust fund.

"It would give us the option to put both of these in one trust, which gives you economies of scale and eventually lower fees," Barker said of the benefits.

The city's other post-employment benefits, which are non-pension, are limited to health care, excluding dental, vision and life insurance.

Barker said 180 other agencies have adopted a similar trust fund, including Sausalito, Healdsburg and Rohnert Park.

Monday, 03/04/2019 Pag.A01

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Pension litigants deflated by ruling

Pensions

MARIN COUNTY

Top state court skirts 'California rule' battle

By Richard Halstead

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The chances that a legal dispute between a Marin County union and its retirement association will determine the future of public employee pensions statewide increased Monday.

Marin Association of Public Employees v. Marin County Employees' Retirement Association is one of six cases on the California Supreme Court's docket that could potentially challenge the "California rule," the legal precedent that prohibits government agencies in California from cutting retirement benefits without providing

employees with comparable pension compensation.

On Monday, the court ruled on one of the cases, Cal Fire Local 2881 v. California Public Employees' Retirement System, but handed down a narrow decision that avoided weighing in on whether it considers the California rule sacrosanct.

The decision left advocates on both sides of the issue feeling unsatisfied.

"It is disappointing obviously because the hope was the court would go beyond just that narrow finding and reconsider the validity of the California rule," said Paul Premo, a Coalition of Sensible Taxpayers board member and former board member of Citizens for Sustainable Pension Plans.

"It's a terribly important issue," Premo said,

PENSIONS >> PAGE 4

Pension litigants deflated by ruling

Pensions

FROM PAGE 1

"because of the financial implications for the jurisdictions that are confronted with growing pension contribution requirements and finite abilities to raise taxes to pay for them."

Gregg Adam, one of the attorneys representing MAPE and the attorney who presented the oral argument to the Supreme Court for Cal Fire, wasn't celebrating either.

just didn't get there.

"This is not the definitive decision on the future of the California rule," Adam said. "People are going to have wait for the sequel on that one."

Regarding sequels, cases dealing with the California rule are queued up on the Supreme Court's docket. The Marin Association of Public Employees v. Marin County Employees' Retirement Association case has been placed on hold.

“We’re obviously disappointed,” Adam said. “We felt that the benefit we were arguing for was entitled to constitutional protection under existing law.”

The Cal Fire case involved a right granted to many public employees by the California Legislature in 2003 to add to their years of service used for calculating their pensions by paying a one-time fee. This is often referred to as purchasing “air time.”

After the Legislature withdrew this right by passing the Public Employees’ Pension Reform Act (PEPRA) of 2013, Cal Fire Local 2881 filed a legal challenge. The union argued that air time was a vested right, one of the pension benefits that employees depend on when they opt to go into public service.

The court, however, found that additional retirement service credit is not a vested right. Chief Justice Tani Cantil-Sakauye wrote in her opinion, “There is no indication in the statute conferring the opportunity to purchase ARS credit that the Legislature intended to create contractual rights.”

“Further,” she wrote, “unlike core pension rights, the opportunity to purchase ARS credit was not granted to public employees as deferred compensation for their work.

“We therefore affirm the decisions of the trial court and the Court of Appeal, which concluded that PEPRA’s elimination of the opportunity to purchase ARS credit did not violate the Constitution,” Cantil-Sakauye wrote.

And she added, “For that reason, we have no occasion in this decision to address, let alone to alter, the continued application of the California rule.” Adam said he was happy the court’s ruling did not jettison the California rule, but he said he couldn’t take any permanent solace from that.

“The court just didn’t get into that issue, so I don’t think we can jump up and down and say we won that issue,” he said. “We didn’t; the court

The case likely to be heard next is Alameda County Deputy Sheriff’s Association et al. v. Alameda County Employees’ Retirement Association. Lawyers have submitted briefs for that case and are awaiting a date for oral arguments.

Adam sees little chance that the Supreme Court will be able to avoid addressing the California rule headon in some of the upcoming cases.

“Under the definitions that the court uses in today’s ruling, the benefits in the Alameda and Marin cases certainly qualify as deferred compensation,” Adam said. “So it seems inevitable that the California rule and its future application will be addressed in those cases.”

Marin Association of Public Employees filed suit after Marin County Employees’ Retirement Association reacted to PEPRA by excluding standby pay, administrative response pay, callback pay and cash payments for waiving health insurance from the calculation of members’ final compensation.



Cantil-Sakauye

Tuesday, 03/05/2019 Pag.A01

Water rate, fee hike plan raises questions

Water

MMWD

By Will Houston

WATER»PAGE 2

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The public's questions and concerns about the Marin Municipal Water District's rate and fee hike proposal were enough to give the district's board of directors some pause this week.

On Tuesday evening, the board was tasked with deciding whether to send out a Proposition 2 18 notice of the proposed rate hike to its customers and to decide what

Water rate, fee hike plan raises questions

Water

FROM PAGE 1

information that notice would include. The board voted 4-0, with director Larry Russell absent, to delay that decision until its next meeting based on the feedback from the public.

"I think there are enough questions about the impact of what we're doing, and the language that's in the notice and the general perception of the public that we should put it over to our next meeting," said board chairman Larry Bragman.

The four-year rate and fee hike as proposed would take effect in July, with the board expected to make a final decision in May or June. District staff say the hike is needed to keep up with inflation and to fund repairs and upgrades to aging pipes, water tanks and treatment plants.

Public comments at the board's meeting in Corte Madera focused on a new "capital maintenance

they said it lacked transparency and has dubious legality. Mimi Willard, president of the Coalition of Sensible Taxpayers, said putting the fee on property tax bills could necessitate putting the fee on the ballot, which she said district customers would likely prefer.

"The action you are considering tonight could entangle the district in legal issues that are expensive to us ratepayers and potentially complicate the district's ability to pursue its intended capital program," Willard said.

Other speakers questioned why the district doesn't continue borrowing money when interest rates are low. Duggan said the district has locked in good interest rates for its three bond issues, but said there is "not a lot to gain" by refinancing them right now. Borrowing every two years for the next decade would add another \$160 million in principal debt which could rise to \$270 million when adding in interest.

Ann Thomas of Corte Madera said she doesn't think the district is raising rates enough.

fee” the district is proposing. The annual fee would be a fixed cost on the customer’s property tax bill and would be based on the customer’s meter size. The average customer — those with 5/8-inch water meters — would pay \$163.50 in the first year. The fee can be increased by up to 4 percent each year.

Charles Duggan, the district’s administrative services division manager and treasurer, said the fee is meant to shift the district away from using bonds and loans and instead use cash to pay for capital projects. This way, customers would no longer have to pay for the accrued interest, which Duggan said will save each customer about \$90. It will also allow the district to use loans to instead fund emergency repairs. Greg Knell, president of the San Rafael Board of Education, said the fee would cost the district a total of \$290,000 for all 13 of its sites, which he said is more than the district’s water bill.

“We’re concerned that would cost us three or four teaching positions,” Knell told the board.

With school districts already facing budgetary issues, Knell requested the district consider an exception for schools. While Knell said other school districts like Tamalpais Union High School District face up to a \$160,000 fee, Duggan said that it would actually come out to about \$41,000. Director Cynthia Koehler said it would be good for the district to calculate the fee amount for each of the school districts.

“It’s still a lot of dough for a school district,” she said.

Members of the public like Wayne Best of San Rafael questioned why the district is not factoring in water consumption with the new fee. Best said after a contractor burned his home down years ago, he had to switch to a 1-inch meter because they were required to install a sprinkler system.

“But we still only use about 60 gallons per person per day and we’re always in the Tier 1 (rate),” he said. “So adding this charge not based on usage but based on something I didn’t ask for ... it’s just not justified.”

“The budget is a disappointment not because of the fee increases, but because the 4 percent revenue hike would not adequately maintain the watershed, which is your largest asset,” Thomas said.

Some questioned whether rising pension costs were precluding funding that could be used for capital projects. Pension payments are expected to increase as California’s pension system lowered its discount rates, which in turn increases costs to the agencies. Duggan said they are paying about \$6 million for pensions, which is about 8 or 9 percent of the district’s operating budget.

Among other critiques of the proposal were that the district did not plan out these capital improvements in advance. In response, board members and staff said the district has actually been doing this planning for some time. The only difference is how these upgrades and replacement projects would be paid for.

While noting that the proposal is imperfect, Bragman said it is one that can be changed and will strengthen the district’s financial position.

“We can either go to Wall Street and pay interest and costs or we can look to ourselves,” Bragman said. “Where the board has sort of landed is that we need to depend on ourselves.”

The board has other options, such as delaying the fee, reducing the fee’s duration and placing the fee on the bimonthly water bill. Staff said the board will be able to make these changes even after the Proposition 218 notice is sent out.

The board is set to discuss the rate hike again at its March 19 meeting.

Among other critiques of the proposal were that the district did not plan out these capital improvements in advance. In response, board members and staff said the district has actually been doing this planning for some time.

Some comments opposed the fee being placed on property tax bills because

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Chronic flooding prompts toll talk

Flooding

HIGHWAY 37

North Bay counties seek fund source for corridor

By Richard Halstead

rhalstead@marinij.com @HalsteadRichard on Twitter

Commuters using Highway 37 might have to pay a toll if they want to ensure the road remains open during heavy rains.

Marin County supervisors are close to authorizing a study to determine the best approach to prevent continued flooding of Highway 37. The Transportation Authority of Marin was awarded a \$130,000 grant to conduct the study in 2017, and a contract with CSW/Stuber-Stroeh to do the work has been prepared and is awaiting the supervisors' approval.

The money to pay for whatever recommendations come out of the study may come from a toll on either the entire 21-mile highway, which connects Novato and Vallejo, or certain segments of it, said Dianne Steinhauser, TAM's executive director.

Last month, Tam and the transportation authorities of Sonoma, Solano and Napa counties signed a memorandum of understanding that calls for each agency to define what improvements need to be made in the segments of Highway 37 that they oversee.

The memo also shifted oversight of future improvements to the frequently congested and flood-prone highway from the San Francisco Bay Area's Metropolitan Transportation Commission to the Bay Area Toll Authority, which owns and operates the Bay Area's seven toll bridges.

FLOODING >> PAGE 4

Chronic flooding prompts toll talk

Flooding

FROM PAGE 1

"It's not a surprise that a corridor this important with a huge number of needs requires a long-term funding source," Steinhauser said, "so BATA will be considering tolls in the corridor. The MOU talks about the potential for tolling in the corridor."

While congestion is a paramount issue on certain segments of Highway 37 — most notably between Sears Point and Mare Island where the road narrows to one lane in each direction —

cost ranges for those solutions," Steinhauser said. "But the study is small. We're trying to do a lot with a small amount of money."

TAM initially sought about \$400,000 to do the work.

Steinhauser said this will not be the first study of the challenges Highway 37 faces. She said about seven years ago MTC and BATA did a study that isolated the competing needs of the highway's various segments, and in 2017 TAM did its own study.

The purpose of the new study is to "distill those studies and other information collected to date, gather additional data as appropriate and develop

flooding is the overriding concern in the segment that stretches from Highway 101 to the Black Point neighborhood east of Novato.

In early 2017, this stretch of Highway 37 was closed for 24 days due to flooding, and the road has already flooded twice this winter.

On Feb. 14, storm water broke through the levee on a section of land owned by the Sonoma-Marín Area Rail Transit District, flooding the highway. One lane of eastbound traffic was able to open, but westbound lanes between Highway 101 and Atherton Avenue remained closed until Feb. 20.

Then the road was closed in both directions on Feb. 27 after a downpour caused Novato Creek to again swell and overflow its banks. The highway reopened to traffic on March 2. About 40,000 vehicles a day use the road.

Vince Jacala, a Caltrans spokesman, said his department has spent an estimated \$1.4 million making emergency repairs to the road so far this winter.

“Caltrans is still tallying all the costs, so this could go up,” Jacala wrote in an email. “This cost is for Caltrans only and does not include any cost for levee repairs.”

The money for the new study will come from the 12-cent-per-gallon state gas tax that became effective in November 2017. Marin County, TAM and the Marin County Flood Control and Water Conservation District are sharing \$17,830 of the total \$148,000 cost.

TAM was awarded the money to “develop an action plan to address ongoing and projected flooding issues from increased storm flows and sea level rise in the east-west transportation corridor through the Novato Baylands.”

Much of Highway 37 is at risk of being submerged under a predicted sea-level rise of 6 feet by the end of the century.

Steinhauser said the study will look at the relative merits of raising the road versus strengthening or

recommendations for improvements,” Marin County civil engineer Bob Goralka wrote in a report to Marin County supervisors.

The study is scheduled to be completed by January 2020.

Steinhauser said until a fix is put in place people relying on Highway 37 should be prepared for more road closures during periods of heavy rain.

“It could possibly get worse because the road and the levees are sinking,” she said. “The levees weren’t engineered; they’re piles of dirt.”



Water rushes under railroad tracks after a levee breach along Highway 37 in Novato on Feb. 15. The segment flooded out twice this year and 24 days in 2017.

JAMES CACCIATORE — MARIN
INDEPENDENT JOURNAL

Tuesday, 03/12/2019 Pag.A01

rebuilding adjacent levees. Strengthening the levees would be a complicated process because many private owners would have to be involved.

“This study will point us in the direction of what is the best solution and what are some of the

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Second units can help solve housing crisis

Editorial

It wasn't that long ago that many Marin towns were cracking down on so-called second units, typically rooms or secondary dwellings for rent that residents in singlefamily neighborhoods found intrusive.

Some towns had bans written into their ordinances.

Others, such as Mill Valley, encouraged them — in the right places — as a way to produce affordable housing and meet the state's housing quota.

Today, secondary dwellings are gaining popularity, not only as a way for municipalities to meet their regional fair-share housing quotas, but as a way for property owners to be able to afford to buy and stay in highpriced Marin. For instance, the Marin County Commission on Aging has launched an initiative to help property owners convert extra rooms into rentals, called "junior accessory dwelling units." In 2017, in response to the state housing crisis, Sacramento lawmakers passed laws streamlining the approval process for these units.

For senior homeowners living on fixed incomes but facing rising prices and taxes, a second unit can bring in \$1,200 to \$1,600 per month in rent, according to Linda Jackson, a former city planner working with the commission.

By state law, a junior unit is no larger than 500 square feet and attached to a single-family home. It requires an outside entrance, a mini-kitchen and its own restroom, or access to a shared bathroom. At local forums put on by the commission, architects, builders and planners were on hand to help answer attendees' questions.

"This is the perfect solution to making more affordable housing available," said Michael Haggerty, a commission member.

units have relaxed their rules.

Perhaps the biggest complaint about second units has been about parking. That same complaint is often heard regarding rental homes, where because of the cost, more tenants are needed to split the rent.

Most Marin towns are facing the challenge of trying to meet state housing quotas while also having few potential building sites available. Most of Marin's undeveloped acreage is federal, state and local parkland.

Some towns, however, have also shown little realistic effort toward doing their fair share, which has led state lawmakers to push for housing construction bills to bypass or minimize local political opposition.

Marin has been cited repeatedly in Sacramento as a prime example of restrictive zoning and political opposition that have driven up real estate values and forced working families to move out of the county and into longer commutes.

Junior units could be an answer for many communities. By helping property owners — especially seniors with "empty nest" homes — get started with answers rather than obstacles, the aging commission has done a terrific public service.

The possible benefits are clear, both to property owners, to those who need affordable housing and to municipalities.

Thursday, 03/14/2019 Pag.A11

And many communities that once banned second

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Novato council signals shift to district elections

Elections

LAWSUIT THREAT

By Will Houston

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The Novato City Council is set to overhaul its election system by switching to district-based elections within 90 days.

The city will undergo an expedited, public process to switch to district elections by mid-June, in time for the November election. Residents who spoke to the council at its meeting Tuesday said they support the change, but questioned whether the transition will go as smoothly as the city intends.

“I think that the move to district elections is the right change for the wrong reason,” Hamilton resident Marie Hoch said to the council. “...I just don’t see any way that this could be done this year.”

The reason behind the council’s unanimous decision on Tuesday was summarized by Councilwoman Pat Eklund: “I really hope that we don’t get sued.”

The council’s vote, with Mayor Pro Tem Denise Athas absent, was meant to avoid a potentially costly lawsuit threatened by Malibu attorney Kevin Shenkman. For the past several years, the attorney has threatened lawsuits against cities throughout the state that use at-large election systems, which he claims is a violation of the California Voting Rights Act. In February, Novato was among several new cities to receive a letter.

At-large election systems, Shenkman argues, dilute votes by protected classes of minority voters, such as Latinos.

Sean Welch, a San Rafael-based attorney hired by the city as a legal consultant, presented the council with a laundry list of cities that have resisted Shenkman’s demands to switch to district elections and the millions of dollars they paid in attorneys fees when they lost in court or settled.

“It’s very significant,” Welch said of the costs.

But state law caps attorneys fees to a maximum of \$30,000 if a jurisdiction signals its intent to make the switch and then accomplishes that within 90 days. Otherwise, the city faces a lawsuit and significantly larger attorney fees.

The city will now be required to complete several “big steps” within a short time period, Welch said. The city will need to hold at least five public meetings, which are set to begin later this month on March 26. Other meetings are scheduled for April 9, April 23, May 14 and a final decision on May 14.

During this time, the city will have to draw district maps and decide how many districts the city will have. Options include a five-district election system, with each council

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member representing about 10,000 people. Another option is to create a four-district system with an atlarge elected mayor.

David Gabriel, a Novato planning commissioner, said there are many questions that residents may have about the process including the cost to taxpayers, cost of redoing maps after the 2020 census is conducted, how to define communities of interest and how many meetings the community will have to discuss the maps.

“District elections will be popular with voters, bringing campaigns closer to the neighborhoods and make elections more affordable for candidates going forward,” Gabriel said. “... This is a big change, which I support. But let’s take our time and do what’s best for all of Novato.”

Patty Hoyt said there is also the question about how the council will make its decisions on the district maps, especially should two council members live in the same district.

“I would ask all of you to take the magnanimous step of forgetting about you personally and instead considering what’s best for Novato,” Hoyt said.

In its decision, the city also authorized spending \$183,000 of which \$30,000 would be for Sherkman’s attorney fees and the remainder for the upcoming meetings.

Mayor Eric Lucan said while he thinks Novato would have a good chance of defending itself in a lawsuit, the track record of other cities that also thought they had a good chance doesn’t bode well for Novato.

“As hard as it is, that’s just not a position that I’m willing to put the city of Novato in,” Lucan said.

Councilwoman Pam Drew said one of the best aspects of district elections is it costs less to run.

“The more people that you can bring in to participate, the better your government ultimately is,” Drew said. “So this is not all bad. There are some good things that can come out of it.”