Date Posted: 6/22/2018



NORTH MARIN WATER DISTRICT

AGENDA - REGULAR MEETING
June 26, 2018 – 6:00 p.m.

Dance Palace
503 B Street

Point Reyes Station, California

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

Est.			
Time	Item	Subject	

6:00 p.m.

CALL TO ORDER

- 1. APPROVE MINUTES FROM REGULAR MEETING, June 19, 2018
- 2. PUBLIC HEARING PRE Tank 4A Replacement Project

Consider Adoption of Mitigated Negative Declaration and Approval of the Project

Resolution

- 3. GENERAL MANAGER'S REPORT
- 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. **PUBLIC HEARING/APPROVE:**

Resolution

- 1. West Marin Water Rate Increase
- 2. West Marin Water FY 2018/2019 Budget
- 7. PUBLIC HEARING/APPROVE:

Resolution

- 1. Ocean Marin Sewer Service Charge Increase
- 2. Oceana Marin Sewer FY2018/2019 Budget

INFORMATION - WEST MARIN

8. West Marin Capital Improvements Projects - FY17-18 Preliminary Year-End Progress Report

INFORMATION - WEST MARIN

- 9. January 2017 Storm Recovery Update
- 10. **MISCELLANEOUS**

Disbursements - Dated June 21, 2018

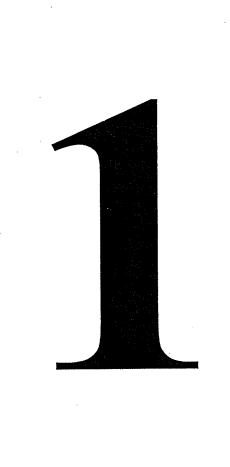
News Articles:

Decades-old project to raise Lake Mendocino dam gets a boost

NMWD Agenda June 26, 2018 Page 2

Est.
Time Item Subject

7:00 p.m. 11. *ADJOURNMENT*



DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 19, 2018

CALL TO ORDER

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President Fraites 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, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

District employee, Robert Clark (Maintenance/Operations Superintendent) was also in attendance.

MINUTES

On motion of Director Petterle, seconded by Director Baker the Board approved the minutes from the June 5, 2018 meeting as presented by the following vote:

- AYES: Director Baker, Fraites, Grossi, Joly and Petterle
- 18 NOES: None
- 19 ABSENT: None
- 20 ABSTAIN: None

GENERAL MANAGER'S REPORT

During the General Manager's report, Mr. McIntyre recapped the June 14th meeting he attended at Supervisor Dennis Rodoni's request to discuss the recently approved Marin Municipal and North Marin Water Surplus Water Agreement that makes water available to Nicasio area residents who occasionally experience water shortages. Mr. McIntyre stated staff from MMWD attended the meeting as well as representatives from the Nicasio community. He commented that the land owners attending the meeting were very supportive of the agreement and expressed their appreciation. Mr. McIntyre also announced that he will be participating in an all-day SCWA interview panel on June 20th to interview consultants for the Agency's Regional Water Supply Resiliency Study. He stated that the selected consultant will work with the Agency and TAC to evaluate short-term emergency supply interruptions as well as long-term shortages such as droughts. Mr. McIntyre also reminded the Board that the District we will be participating in Novato's 4th of July parade in celebration of North Marin Water District's 70th Anniversary. Director Petterle commented that

- Novato Sanitary District was at the recent Novato Art and Wine Festival and wondered why the 1
- District did not participate. Mr. McIntyre responded that we haven't typically participated in this event 2
- in the past; however we have been busy this spring with other outreach events including the Tour of 3
- Novato, the Eco-Friendly Garden Tour, a Residential Emergency Preparedness Drill and the 4
- upcoming 4th of July parade. 5

OPEN TIME

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

STAFF/DIRECTORS REPORTS

President Fraites asked if staff or Directors wished to bring up an item not on the agenda. Ms. Kehoe reminded the Board of the upcoming Primary Election to be held on November 6th, and of the nomination filing period from July 16th through August 10th. She also announced that if anyone would like to carpool to the West Marin Meeting on June 26th, they need to be at the District at 5:10 p.m.

PUBLIC HEARING FY19 EQUIPMENT BUDGET

- Ms. Blue provided the Board with the final review of the proposed FY 2018/19 (FY19) Equipment Budget. She noted that there was one addition since the Board's last review of the Equipment Budget on May 15 to reflect the fact that the Metal Analyzer, included in the FY18 budget, would not be purchased until FY19.
- 20 President Fraites opened the public hearing at 6:10 p.m.
- Hearing no further comment, President Fraites closed the public hearing at 6:10 p.m. 21
- On the motion of Director Petterle, and seconded by Director Baker the Board approved the 22 23 FY 19 Equipment Budget as presented by the following vote:
- AYES: Director Baker, Fraites, Grossi, Joly and Petterle
- 25 NOES: None
- 26 ABSENT: None
- 27 ABSTAIN: None

PUBLIC HEARING FY19 & FY20 NOVATO WATER CAPITAL IMPROVEMENT PROJECT BUDGET

Ms. Blue provided the Board with the final review of the proposed FY 19 and FY 20 Capital Improvement Project (CIP) Budget. She stated that no changes were made since the Board's last review at the May 15, 2018 meeting. Director Joly commented that interest rates are increasing and

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- asked if the \$12M Office/Yard Renovation bank loan rate shown at 3.5% has been locked in yet.
- 2 Ms. Blue responded that this is an estimated interest rate and that staff will be working on securing
- 3 financing soon. Director Joly also asked how the District stands on future debt after FY20 and
- 4 asked that we provide more information. Ms. Blue responded that there will be more information
- 5 available at a future meeting.
- 6 President Fraites opened the public hearing at 6:13 p.m.
- 7 Hearing no further comment, President Fraites closed the public hearing at 6:13 p.m.
- 8 On the motion of Director Petterle, and seconded by Director Baker the Board approved the
- 9 FY19 & FY20 Novato Water Capital Improvement Project Budget by the following vote:
- 10 AYES: Director Baker, Fraites, Grossi, Joly and Petterle
- 11 NOES: None
- 12 ABSENT: None
- 13 ABSTAIN: None

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PUBLIC HEARING FY19 NOVATO WATER OPERATIONS BUDGET

Ms. Blue provided the Board with the final review for the proposed FY19 Novato Water Operations Budget. Ms. Blue stated that the budget changes since the last review included an \$11,000 increase to insurance premiums and claims based on the proposal received for the FY19 insurance renewal; a \$4,000 increase in operating labor with Water Treatment; and a \$105,000 increase to the Capital Equipment Budget due to the additions of a Metal Analyzer for the lab. Director Joly asked if the \$1.3 million SCWA payout for bond issued debt service was a one-time event. Ms. Blue responded yes.

- President Fraites opened the public hearing at 6:17 p.m.
- 23 Hearing no further comment, President Fraites closed the public hearing at 6:17 p.m.
- On the motion of Director Grossi and seconded by Director Baker the Board approved the FY19 Novato Water Operations Budget as presented and authorized the General Manager to pay demands arising from execution of the budgeted expenditure plan by the following vote:
- 27 AYES: Director Baker, Fraites, Grossi, Joly and Petterle
- 28 NOES: None
- 29 ABSENT: None
- 30 ABSTAIN: None

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PUBLIC HEARING FY19 NOVATO RECYCLED WATER SYSTEM BUDGET

Ms. Blue provided the Board with the final review of the proposed FY19 Novato Recycled Water System Budget. She stated that there were no changes since the Board's last review on May 15th. Ms. Blue reported that recycled water demand for FY19 is expected to reach 200MG which is a 25% increase over FY18. Director Joly commented that he would like more information about the fiscal stability of the recycle water program at a later date.

President Fraites opened the public hearing at 6:20 p.m.

Hearing no further comment, President Fraites closed the public hearing at 6:20 p.m.

On the motion of Director Petterle, and seconded by Director Joly the Board approved the FY19 Novato Recycled Water System Budget as presented and authorized the General Manager to pay demands arising from execution of the budgeted expenditure plan by the following vote:

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

13 NOES: None

14 ABSENT: None

15 ABSTAIN: None

MONTHLY PROGRESS REPORT

Mr. McIntyre reviewed the Monthly Progress Report for May. He stated that the Russian River water supply reservoirs, Lake Sonoma and Lake Mendocino, have ample water with respective capacities of 92% and 95%. He reported that Novato's water production was up 7% and West Marin was up 25%. Mr. McIntyre commented that there are still discrepancies in West Marin production versus consumption and that staff continues to investigate this issue. He further reported that the production meters were recently calibrated and all meters were found to be accurate. He added that additional investigations will continue with future updates to the Board. Mr. McIntyre also reported potable water is being used to backstop the Recycled Water South Service Area due to a problem with Las Gallinas Valley Sanitary District's recycled water disinfection system. He commented that LGVSD is hoping to have this problem will be fixed by mid-July. Mr. McIntyre also noted that the number of days without a lost time accident is now 216 days. Director Baker asked a question regarding who prepares the Monthly Progress Report and Mr. McIntyre responded that it is a team effort with all departments contributing to the report.

Ms. Blue summarized the Monthly Report of Investments showing that the District's Investment Portfolio had an amortized cash balance of \$17,179,363 and is earning a 1.5% rate of return which is the same as the prior month. Director Baker asked a question about the District's

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investment portfolio strategy and when changes are made. Ms. Blue responded that the accountants do a really good job monitoring and revising the portfolio as necessary. Director Grossi commented that he feels that report looks good based on his experience with other public agencies.

CONSENT CALENDAR

On the motion of Director Petterle, and seconded by Director Baker the Board approved the following items on the consent calendar by the following vote:

- 7 AYES: Director Baker, Fraites, Grossi, Joly and Petterle
- 8 NOES: None

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- 9 ABSENT: None
- 10 ABSTAIN: None

NOTICE OF COMPLETION FOR SAN MATEO TANK REHABILITATION PROJECT (FARR CONSTRUCTION)

The San Mateo Tank Rehabilitation project fulfilled their obligations under the contract. Per the Contract Documents, Farr Construction has furnished written notice that the work is complete and all subcontractors and suppliers have been paid. The recommendation is to authorize the General Manager to execute and file a Notice of Completion for the San Mateo Tank Rehabilitation project. The Board approved the Notice of Completion for the San Mateo Tank Rehabilitation Project.

ANNUAL WATER QUALITY REPORT - NOVATO

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The Board approved the Annual Water Quality Report for Novato.

ANNUAL WATER QUALITY REPORT - POINT REYES

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The Board approved the Annual Water Quality Report for Point Reyes.

FY19 INSURANCE PURCHASE

The District requested proposals for insurance coverage for the coming fiscal year from two brokers. The recommendation includes Argonaut for property Damage, Argonaut for General and Auto Liability, New York Marine for Excess Worker's Comp and Great American for Cyber Liability. The Board approved the FY19 Insurance Purchase.

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ACTION CALENDAR

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AUTHORIZATION TO SOLICIT BID PROPOSALS FOR GRANULAR ACTIVATE CARBON

Mr. Clark reported that it is now time to go out to bid for new granular activated carbon (GAC) which is used to remove periodic taste and odor compounds created by various algae in the lake. He stated that in 2016 staff requested cost proposals from five vendors for the GAC and received only two responses. Mr. Clark noted that staff is requesting Board authorization to advertise for proposals to purchase 4900 cubic feet of granular activated carbon. Director Baker asked if all the bidders are from within California. Mr. Clark responded that suppliers are from all over the United States, and many are from back East. Director Baker also asked if this is something we can group purchase with other agencies to get a better price. Mr. Clark responded that we purchase such a small amount compared to other agencies and that our requirements are tailored specifically for Stafford Lake quality.

On the motion of Director Joly, and seconded by Director Baker, the Board approved the authorization to solicit bid proposals for granular active carbon by the following vote:

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

16 NOES: None

ABSENT: None

18 ABSTAIN: None

2018 STRATEGIC PLAN

Mr. McIntyre presented the Final 2018 Strategic Plan. He stated that no additional comments have been received since the draft Plan was presented to the Board at the May 1, 2018 meeting. Mr. McIntyre reported that once approved, the 2018 Strategic Plan will be posted on the website and that staff will actively implement a work plan designed to meet the Plan's goals and objectives.

On the motion of Director Joly, and seconded by Director Grossi, the Board approved the 2018 Strategic Plan by the following vote:

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

28 NOES: None

29 ABSENT: None

30 ABSTAIN: None

OCEANA MARIN SEWER SERVICE CHARGE INCREASE ORDINANCE- FIRST READING

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Ms. Blue provided the Board with the first reading of the Ocean Marin Sewer Service Charge Increase Ordinance to increase the Oceana Marin Sewer Service Charge to \$1,080 per year effective July 1st. She advised the Board that the reading of the ordinance must be done at two consecutive Board meetings and the next reading will be on the June 26th, agenda. At that time the Board will be asked to approve changes to Regulation 109, Oceana Marin Sewer Service- Rates and Charges.

On the motion of Director Petterle, and seconded by Director Grossi the Board approved the first reading of the proposed Ordinance No. 36 entitled: Ordinance Of The Board Of Directors North Marin Water District Electing To Have Oceana Marin Sewer Charges Be Collected On The Tax Roll Of the County Of Marin, State Of California Commencing Fiscal Year 2018-19 by the following vote:

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

12 NOES: None

ABSENT: None

14 ABSTAIN: None

INFORMATION ITEMS

SECOND REVIEW - FY19 WEST MARIN AND OCEANA MARIN SEWER BUDGETS

Ms. Blue provided the Board with its second review of the FY19 West Marin and Oceana Marin Sewer Budgets and stated that there were no changes since the June 5, 2018 meeting. She reminded the Board that a 4.5% rate increase is proposed for West Marin Water System customers and a 5% rate increase is proposed for Oceana Marin Sewer System customers. Director Joly requested to have graphs available at the next meeting to illustrate CIP expenditures over time and how it relates to the rate increase and cash balances.

POTTER VALLEY PROJECT RELICENSING UPDATE- EEL RUSSIAN RIVER COMMISSION MEETING- JUNE 8, 2018

Mr. McIntyre summarized the ERRC meeting he attended which focused on the Potter Valley Project Relicensing project. He stated that a representative from PG&E, Mr. Moller, attended the meeting and provided an overview on why PG&E is interested in starting an auction process this fall. Mr. McIntyre stated that PG&E estimates the auction process will take 1.5 to 2 years and during the interim PG&E will still be in the lead for completing the required relicensing studies and also expects to file the required relicensing application in April 2020. Director Fraites questioned if the WAC/TAC is tracking this. Mr. McIntyre responded that PVP is an ongoing WAC/TAC agenda item and will be discussed again at the next meeting. Director Baker also commented that in addition to agricultural customers, there are several cities along the Upper Russian River; such as Cloverdale and Ukiah

1 that would be seriously affected by the reduction in flows in the Russian River. Both Director Fraites

and Director Baker commented that they would like to be kept informed regarding future ERRC

3 meeting.

NORTH BAY WATERSHED ASSOCIATION MEETING - JUNE 8, 2018

Director Fraites attended the NBWA meeting on June 8, 2018. He stated the meeting highlighted the Regional Water Quality Control Board and their focus on testing for certain pollutants in waterbodies, including Tomales Bay and Lagunitas Creek.

NORTH BAY WATER REUSE AUTHORITY BOARD MEETING - MAY 21, 2018

Mr. McIntyre discussed the North Bay Water Reuse Authority meeting that was held on May 21, 2018. He reminded that Board about ongoing discussions considering combining this entity with the proposed NorthBay Water organization and commented that there will be further discussions on this topic at the next meeting.

NORTH BAY WATER WORKSHOP NO. 5- MAY 21, 2018

Mr. McIntyre recapped the NorthBay Water Workshop No. 5 held on May 21, 2018. He stated that there was a consensus to defer consideration of a North Bay Drought Contingency Plan at the present time and to revisit this issue in a couple of years.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements-Dated June 7, 2018 and June 14, 2018, and Single Audit FY18.

The Board also received the following news articles: Governor sets new standards for water use, California drinking water tax dies in budget compromise, and 27% Increase in Water Main Beaks Over the Last Six Years.

CLOSED SESSION

President Fraites adjourned the Board into closed session at 7:02 p.m. in accordance with Government Code Section 54957 Conference with Labor Negotiators (Joe Wiley, Christopher Boucher, Drew McIntyre and Julie Blue) to Provide Direction.

CLOSED SESSION

In accordance as allowed under with Government Code Section 54956.8 Conference with Real Property Negotiators. Property: Recycled Water Agreement between North Marin Water District and Marin Country club: District Negotiators: General Manager and Counsel; Negotiating Party; Marin Country Club; under negotiation: Price and Terms.

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1	Upon returning to open session, President Fraites reported no action was taken during the
2	closed sessions.
3	<u>ADJOURNMENT</u>
4	President Fraites adjourned the meeting at 7:59 p.m.
5	Submitted by
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9	Theresa Kehoe
10	District Secretary

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MEMORANDUM

TO:

Board of Directors

June 22, 2018

FROM:

Rocky Vogler, Chief Engineer

Carmela Chandrasekera, Associate Engineer

SUBJECT:

PRE Tank 4A Replacement Project - Consider Adoption of Mitigated Negative

Declaration and Approval of the Project

R:\Folders by Job No\6000 jobs\6263.20 PRE Tank 4A\BOD Memos\6263.20 MND Hearing BOD memo 6-26-18.doc

RECOMMENDED ACTION:

1. Hold a Public Hearing to receive comments on the Project.

2. Approve the attached resolution certifying that the Mitigated Negative Declaration for the PRE Tank 4A Replacement Project has been completed in accordance with applicable law and regulations, and adopt the Mitigated Negative Declaration.

3. Approve the project including the Mitigation Monitoring

and Reporting Program.

4. Authorize staff to file the attached Notice of Determination with the Marin County Clerk.

FINANCIAL IMPACT:

\$2,330.75 (Dept. of Fish and Wildlife fee for filing the Notice of Determination, includes County of Marin \$50 filing fee)

The District has performed an environmental review for the PRE Tank 4A Replacement Project as required by the California Environmental Quality Act. The Mitigated Negative Declaration is attached and consists of the following:

- Notice of Public Hearing and Intent to Adopt a Mitigated Negative Declaration of Environmental Impact for the PRE Tank 4A Replacement Project (Attachment A)
- Resolution Certifying Response to Comments Received on the Draft Mitigated Negative Declaration and Authorizing Adoption for the PRE Tank 4A Replacement Project (Attachment B)
- Mitigated Negative Declaration, Response to Comments and Mitigation Monitoring and Reporting Program for the PRE Tank 4A Replacement Project (Attachment C)
- Notice of Determination (Attachment D)

BACKGROUND

At the May 1, 2018 meeting, the Board received the Administrative Draft of the Initial Study for the North Marin Water District's PRE Tank 4A Replacement Project. The Draft Initial Study stated that the project would have environmental impacts that could be mitigated to less than significant by following certain mitigation measures. In all areas in which potential adverse

impacts were identified, the Initial Study found that mitigation measures could be incorporated into the project design to mitigate potential adverse impacts to a less than significant level.

On May 11, 2018, a Notice of Intent to file a Mitigated Negative Declaration (MND) was sent to the State Clearinghouse for distribution to the State agencies for a 30-day public review period with a subsequent planned public hearing at the June 26, 2018 Board meeting (as shown on Attachment A). In addition, copies were sent to various other state/federal/local agencies and other interested parties, and noticed in the Pt. Reyes Light.

During the 30-day public comment period, the District received one comment letter on the project from the Coastal Commission staff based on a working draft of the MND. The MND includes responses to these comments. The State Clearinghouse has confirmed by letter that no State agencies have submitted comments during the review period that ended on June 11, 2018.

RECOMMENDATION

- 1. Hold a Public Hearing to receive comments on the Project (Attachment A).
- Approve the attached resolution (Attachment B) certifying that the Mitigated Negative Declaration for the PRE Tank 4A Replacement Project has been completed in accordance with applicable law and regulations, and adopt the Mitigated Negative Declaration.
- 3. Approve the project including the Mitigation Monitoring and Reporting Program (included in Attachment C).
- 4. Authorize General Manager to file the attached Notice of Determination with the Marin County Clerk (Attachment D).

NOTICE OF PUBLIC HEARING AND INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT

PROJECT NAME:

PRE Tank 4A Replacement Project

PROJECT SPONSOR:

North Marin Water District

LEAD AGENCY:

North Marin Water District

PROJECT ADDRESS:

Paradise Ranch Estates, Inverness, California

SUMMARY: Notice is hereby given that the North Marin Water District Board of Directors will hold a public hearing to consider the PRE Tank 4A Replacement Project. The Board of Directors will consider the grant of the Mitigated Negative Declaration prior to considering approval of the project.

PROJECT LOCATION AND DESCRIPTION:

The North Marin Water District (NMWD) proposes installing a replacement water tank at an existing tank site in order to ensure adequate water supply for the Paradise Ranch Estates neighborhood on Point Reyes Peninsula, plus provide expanded fireflow storage for properties within that subdivision.

The PRE Tank 4A site is located at the western end of Drakes View Drive on the Paradise Ranch Estates subdivision (APN 114-120-09). The location of the tank site is at 38°4'29"N 122°51' 2.14"W. The tank site is located on a topographic knoll at the crest of Inverness Ridge. There is an unpaved access road to the tank site that extends west from Drakes View Drive.

The project site is not a site on the "Cortese list" of hazardous sites nor sites enumerated under Section 65902.5 of the State Government Code.

PUBLIC REVIEW PERIOD: A Mitigated Negative Declaration of Environmental Impact has been prepared for the project pursuant to the requirements of the California Environmental Quality Act. The public review and comment period for the Mitigated Negative Declaration commences on May 11, 2018. Written comments will be accepted at the North Marin Water District mailing address (North Marin Water District, P.O. Box 146, Novato, CA 94948; attention: Rocky Vogler) until the close of the public review period, June 11, 2018.

The Mitigated Negative Declaration found that there would be significant or potentially significant environmental effects in the areas of aesthetics, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, noise, public services, transportation and traffic, and mandatory findings of significance. The Mitigated Negative Declaration includes mitigation measures that will reduce all significant or potentially significant impacts to a less-than-significant level.

Copies of the completed Mitigated Negative Declaration and documents referenced in the Mitigated Negative Declaration are available for review at, and may be obtained from, the North Marin Water District, 999 Rush Creek Place, Novato, CA 94948.

PUBLIC HEARING: The North Marin Water District Board of Directors will hold a public hearing to consider the grant of a Mitigated Negative Declaration for the project and approval of the project. The public hearing will be held at the Dance Palace, 503 B Street, Point Reyes Station, CA 94956 on June 26, 2018 at 6:00 p.m. at which time any and all persons interested in this matter may appear and be heard.

If you challenge the decision of this project in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the North Marin Water District at or prior to the public hearing. (Government Code Section 65009(b)(2)).

If you have any questions regarding the proposed project, or want to be notified of the decision, please contact Rocky Vogler, Chief Engineer, at (415) 897-4133.

Rocky Vogler Chief Engineer, North Marin Water District May 11, 2018 Date

RESOLUTION NO. 18-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT AUTHORIZING THE ADOPTION OF A MITIGATED NEGATIVE DECLARATION FOR THE PRE TANK 4A REPLACEMENT PROJECT, MAKING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND DIRECTING THE FILING OF A NOTICE OF DETERMINATION

WHEREAS, the North Marin Water District has determined that additional water storage capacity is required to meet existing storage capacity goals and to improve fire flow storage for Paradise Ranch Estates subdivision; and

WHEREAS, the staff of the North Marin Water District has recommended that the Board of Directors approve a project providing for construction of a new water storage tank as the most technically and environmentally viable alternative to provide the necessary storage capacity; and

WHEREAS, the District, acting in the capacity of Lead Agency as that term is used in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the District's procedures for implementation of CEQA, prepared an Initial Study and proposed Mitigated Negative Declaration regarding the proposed PRE Tank 4A Replacement Project, and based thereon District staff has recommended to the Board that it should adopt the proposed Mitigated Negative Declaration and thereby conclude that the proposed project will not have a significant effect on the environment; and

WHEREAS, a Notice of Intent to Adopt a Negative Declaration of Environmental Impact has been prepared and has been directly mailed on May 11, 2018 to interested and potentially affected parties and has been posted in the newspaper of general circulation in the potentially affected area; and

WHEREAS, said notice provided for a thirty-day public review period for the proposed Mitigated Negative Declaration, concluding on June 11, 2018 and established the date of June 26, 2018 at 6:00 p.m. at The Dance Palace Community Center Church Space, Corner of 5th and B Streets, in Pt. Reyes Station, California, for a public hearing regarding the proposed Mitigated Negative Declaration; and

WHEREAS, all written comments received prior to June 11, 2018, and written responses thereto, have been received and reviewed by the Board, and all comments made or received on June 26, 2018, at the public hearing, and any staff responses thereto, have been received and reviewed by the Board of Directors of North Marin Water District;

NOW THEREFORE BE IT RESOLVED that the Board of Directors of North Marin Water District hereby finds, determines and declares and orders as follows:

- 1. The foregoing recitations are true and correct.
- 2. The Board hereby finds and determines, on the basis of the whole record before it, including the Initial Study, proposed Mitigated Negative Declaration, all comments received, and all responses to comments: (1) that there is no substantial evidence before the Board that the proposed project as described in the Mitigated Negative Declaration will have a significant effect on the environment; (2) that all potentially significant adverse environmental effects of the proposed project have been reduced to "less than significant" by the

mitigation measures included in the Mitigated Negative Declaration; and (3) that the proposed Mitigated Negative Declaration, as presented by District staff, represents and reflects the independent analysis and judgment of the North Marin Water District.

BE IT FURTHER RESOLVED by the Board of Directors of North Marin Water District that the Board hereby:

- 1. Adopts the Mitigated Negative Declaration, as presented and recommended by District staff, for the proposed PRE Tank 4A Replacement Project.
- 2. Adopts, and hereby authorizes and directs the General Manager to take all steps necessary to implement the program for reporting on and monitoring the mitigation measures identified in the Mitigated Negative Declaration.
- 3. Approves the PRE Tank 4A Replacement Project and directs the General Manager to take all necessary steps to implement said project.

BE IT FURTHER RESOLVED THAT

- 1. The General Manager is authorized and directed to maintain and serve as custodian of the record of these proceedings, including but not limited to the Initial Study, proposed Mitigated Negative Declaration, all comments received, all responses to comments, and this resolution, on file at the District headquarters located at 999 Rush Creek Place, Novato, CA.
- 2. The General Manager or his designee, is authorized and directed to sign the Mitigated Negative Declaration and Notice of Determination and file the Notice with the County Clerk.

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 26th day of June, 2018 by the following vote:

AYES:	Directors			
NOES:				
ABSENT:				
ABSTAINED:				
	,			
	,			
		Т	heresa Kehoe, Secretary	
		N	Iorth Marin Water District	

(SEAL)

Mitigated Negative Declaration for the PRE Tank 4A Replacement Project

Date: June 26, 2018

Responsible Agency: North Marin Water District

Project Title: PRE Tank 4A Replacement Project

Project Address: Paradise Ranch Estates, Inverness, California, California

This statement and attachments constitute the **Mitigated Negative Declaration** as proposed for or adopted by the North Marin Water District Board of Directors for the PRE Tank 4A Replacement Project.

Proposed Project. The North Marin Water District (NMWD) proposes installing a replacement water tank at an existing tank site in order to ensure adequate water supply for the Paradise Ranch Estates neighborhood on Point Reyes Peninsula, plus provide expanded fireflow storage for properties within that subdivision.

Schedule. It is anticipated that construction will take up to 29 weeks.

Environmental Study Prepared By: Leonard Charles and Associates.

Public Review. The Draft Mitigated Negative Declaration for the proposed project was circulated for public review beginning on May 11, 2018 and ending on June 11, 2018.

Environmental Findings. An Initial Study was prepared to assess the proposed project's potential effects on the environment and the significance of those effects. Based on the Initial Study, it has been determined that the proposed project would not have any significant effects on the environment, after mitigation. This conclusion is supported by the following findings:

- The proposed project would not have a significant impact on agriculture and forestry resources, land use and planning, mineral resources, population and housing, and recreation.
- The proposed project would have a less-than-significant impact on aesthetic resources, greenhouse gas emissions, and utilities and service systems.
- Mitigation is required to address impacts to aesthetics, air quality, biological resources, cultural
 resources, geology and soils, hazards and hazardous materials, hydrology and water quality, noise,
 public services, and transportation and traffic. A list of the mitigation measures recommended in the
 Initial Study Checklist to minimize environmental impacts is presented below.

Page 1

This Mitigated Negative Declaration also contains the CEQA-required Mitigation Monitoring and Reporting Program for the mitigations recommended in the Initial Study.

The North Marin Water District Board of Directors adopts the Mitigation Monitoring and Reporting Program and makes the following findings:

- 1. On the basis of the whole record before it (including the Initial Study and comments received) there is no substantial evidence that the project will have a significant effect on the environment.
- 2. The Mitigated Negative Declaration reflects the District's independent judgment.
- 3. The custodian of the District's record of proceedings upon which the decision is based is Rocky Vogler, Chief Engineer. North Marin Water District, 999 Rush Creek Place, Novato, CA 94948.

Impacts and Mitigation Measures.

Aesthetics

The following mitigation measure will reduce the visual impact of the proposed tank on residents of 420 Drakes View Drive to a less-than-significant level.

Mitigation Measure A-1

- 1. The new tank shall be constructed of concrete that shall be colored and patterned to mimic the boards of the existing redwood tank. Alternatively, the tank could be colored green or another color suitable to the owner of 420 Drakes View Drive.
- 2. A berm shall be established along the west and northwest sides of the tank. The berm will be constructed to the maximum height feasible while providing a stable slope above the maintenance access pad/path around the tank and to the residential driveway to the west.
- 3. NMWD will hire a landscape professional to consult with the owner of 420 Drakes View Drive to design the berm and to develop and implement a planting plan for the berm and the portion of the existing driveway right-of-way abandoned by the District. The plan shall identify the species to be planted, the size of the planting container, and irrigation and fertilization requirements. The berm shall be planted with a mix of trees and shrubs that are native to Marin County and that are appropriate to the habitat, not pyrophytic (fire-prone), and not fatally susceptible to Sudden Oak Death or pine pitch canker fungus. The planting list can includes species such as Ceanothus thyrsiflorus, Arctostaphylos sp. (e.g., A. glandulosa or A. manzanita], Umbellularia californica, Baccharis pilularis, Vaccinium ovatum, Fragula californica, Arbutus menziesii (the madrone cultivar planted at 420 Drakes View Drive is a hybrid that is not native, but it is less susceptible to SOD and looks like the native; it is recommended for inclusion in the planting), and Pseudotsuga menziesii. The plan shall have a goal to provide screening of the tank as quickly as feasible. The landscape plan shall include three to five large specimens (15-gallon containers)

planted near the berm top to provide rapid screening of the tank. To the degree feasible, the landscape plan shall integrate new plantings with the existing landscaping at the adjacent residence. NMWD will ask the owner of the residence to review and provide input on the plan.

4. Trees and shrubs shall be watered and fertilized on a regular basis until they are at least 3 years old. Any tree or shrub that dies in the first 3 years shall be replaced.

Mitigation Monitoring and Reporting

The plan shall be made available to the owner of 420 Drakes View Drive for comment and suggestions. The planting shall be done before the tank becomes operational. NMWD shall be responsible for maintaining the trees and shrubs for at least three years and replacing specimens that have died during that period.

Air Quality

In order to reduce dust (PM10) emissions to less-than-significant amounts, the following mitigation measure shall be implemented.

Mitigation Measure AQ-1

In accordance with the BAAQMD CEQA Guidelines (BAAQMD, 2017), the project shall implement the following actions (that are pertinent to this project) to control dust from escaping from the site:

- 1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day if construction occurs during dry weather.
- 2. All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
- 3. All visible mud or dirt track-out onto adjacent public roads shall be removed by sweeping once a day.
- 4. All vehicle speeds on unpaved roads shall be limited to 15 mph.
- 5. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are
- 6. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
- 7. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
- 8. Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.

Mitigation Monitoring and Reporting

The mitigation measures shall be implemented throughout the construction phase. NMWD shall include the requirements in the construction contract. The contractor shall be responsible for implementation.

Biological Resources

The following two mitigation measures will reduce possible construction impacts on northern spotted owls and special-status species of bats to a less-than-significant level.

Mitigation Measure BR-1

A qualified biologist will conduct a survey of the site no more than 14 days in advance of the start of construction. If evidence of special-status bats in trees on the property is observed, the following measure is required. Removal of trees or other suitable habitat showing evidence of special-status bat activity will occur during the period least likely to impact the bats as determined by a qualified bat biologist (generally between February 15 and October 15 if winter hibernacula are observed or between August 15 and April 15 if maternity roosts are present). The bat biologist will also be consulted to ensure that the landscaping plan include roost sites equivalent to any that were removed during construction. Artificial roosts may also be installed if deemed suitable by the bat biologist.

Mitigation Monitoring and Reporting

The bat survey will be conducted as stated above. If roost trees need to be removed, the bat biologist will provide input to the landscaping plan to replace roost trees.

The following mitigation measure will reduce impacts to migratory birds to a less-than-significant level.

Mitigation Measure BR-2

Surveys for breeding birds are recommended if construction occurs during the nesting season (February 15 through June). Surveys for nesting birds should be completed by a qualified biologist within 14 days prior to the beginning of construction between February 15 and July 1.

If raptors are observed nesting within 250 feet of the construction area, the behavior of the raptors shall be observed by a qualified biologist, who shall determine the width of a suitable buffer. Typical raptor buffers are 250–300 feet wide.

If songbirds are observed nesting near the construction area, a 50-foot buffer shall be established between the nest and construction until the nest is no longer in use. Travel and other human activity should be prohibited within the nest buffers for the raptors and songbirds.

Mitigation Monitoring and Reporting

If warranted, NMWD will contract with a biologist to conduct the surveys (these can be done concurrent with the previously required NSO and bat surveys). The construction schedule will be revised as needed if active nests are identified.

Cultural Resources

The following three mitigation measures will reduce possible construction impacts to any currently unidentified cultural resources and human remains to a less-than-significant level

Mitigation Measure CR-1

- If cultural resources are encountered during project construction, avoid altering the materials and their context until a cultural resources consultant has evaluated the situation.
- If cultural resources are encountered during construction, NMWD shall notify the Federated Indians of Graton Rancheria.
- If applicable, a qualified archaeologist shall monitor subsequent excavations and spoils in the vicinity of the find for additional archaeological resources.
- If the archaeologist determines the discoveries are of importance, the resources shall be properly recovered and curated. The archaeologist shall prepare a report outlining the methods followed and summarizing the results of the mitigation program. The report shall outline the methods followed, list and describe the resources recovered, map their exact locations and depths, and include other pertinent information. Identified cultural resources shall be recorded on DPR 523(A-J) historic recordation forms. NMWD shall submit the report to the Northwest Information Center and the California State Historic Preservation Officer.

Mitigation Measure CR-2

This mitigation incorporates the requirement established in Mitigation Measure CR-1 and adds the requirements that in the event that human remains are encountered, the contractor shall stop work in the area and the Town shall contact the Marin County Coroner in accordance with Section 7050.5 of the State Health and Safety Code. This condition shall be noted on all grading and construction plans and provided to all contractors and superintendents on the job site.

Mitigation Monitoring and Reporting

The mitigation will be implemented whenever warranted throughout the construction phase. The contractor will be responsible for determining the presence of the initial cultural resource find. NMWD will be responsible for engaging the cultural resource specialist. The cultural resource specialist shall be responsible for properly reporting and recording the find(s).

Geology and Soils

The following mitigation measure reduces the risk of tank failure during a seismic event to a less-than-significant level.

Mitigation Measure GS-1

Design the improvements and structures in accordance with the seismic provisions of the most recent version of the California Building Code (CBC 2016) or the American Water Works Association (AWWA 2011). The recommended seismic design factors are presented in Section V of the appended geotechnical report. In addition, to ensure that seismic shaking does not cause damage to other proposed improvements, all design recommendations and monitoring included in the appended Miller Pacific report for settlement, erosion, and slope stability shall be incorporated into the final project design.

Mitigation Monitoring and Reporting

The recommended design factors will be included in the final construction drawings for the project. A qualified geotechnical expert shall review the plans and specifications to ensure compliance. A qualified geotechnical expert shall be intermittently present during construction to provide geotechnical observation and testing.

The following mitigation measure reduces the soil erosion impacts of the project to a less-than-significant level.

Mitigation Measure GS-2

Site grading should be performed in accordance with the recommendations and criteria presented in Section V of this report. Re-establishing vegetation on disturbed areas will also be required to minimize erosion. Erosion control measures during and after construction should conform to the most recent version of the Erosion and Sediment Control Field Manual (California Regional Water Quality Control Board, 2002). Erosion Control measures will also comply with Marin County Stormwater Pollution Prevention Program (MCSTOPPP) requirements.

Mitigation Monitoring and Reporting

The recommended erosion controls and drainage will be included in the final construction drawings for the project. A qualified geotechnical expert shall review the plans and specifications to ensure compliance. A qualified geotechnical expert shall be intermittently present during construction to provide geotechnical observation.

Hazards and Hazardous Materials

The following mitigation measure will reduce the risk of environmental exposure to hazardous materials during construction to a less-than-significant level.

Mitigation Measure HHM-1

The District will require construction contractors to implement construction best management practices including but not limited to the following:

- Follow manufacturer's recommendations on use, storage, and disposal of chemical products used in construction
- Avoid overtopping construction equipment fuel gas tanks
- During routine maintenance of construction equipment, properly contain and remove grease and oils
- Properly dispose of discarded containers of fuels and other chemicals
- Use personal protective equipment and clothing
- Require that the construction contractor follow the provisions of California Code of Regulations, Title 8, Sections 5163 through 5167 for General Industry Safety Orders to protect the project area from being contaminated by the accidental release of any hazardous materials and/or wastes. Disposal of all hazardous materials will be in compliance with applicable California hazardous waste disposal laws. The construction contractor will contact the local fire agency and the County of Marin for any site-specific requirements regarding hazardous materials or hazardous waste containment or handling.

Mitigation Monitoring and Reporting

NMWD shall include these specifications in the construction contract. The contractor shall be responsible for compliance with these conditions. NMWD shall be responsible for determining final compliance.

Hydrology and Water Quality

The following mitigation measure will reduce the impacts from site runoff to a less-than-significant level.

Mitigation Measure HWQ-1

Site grading shall be performed in accordance with the recommendations and criteria presented in Section V of the appended Geotechnical Report. The project Civil Engineer should design tank drainage to discharge water at an appropriate location with appropriate erosion control. The

contractor shall prepare an Erosion and Sediment Control Plan (SCP), following the procedures outlined by MCSTOPPP. The SCP shall include a description of post-proposed construction BMPs. The Plan shall be prepared by a registered engineer.

Mitigation Monitoring and Reporting

The Erosion and Sediment Control Plan shall be required in the project contract. The contractor shall prepare it and submit it to the County. The plan shall be done before the tank becomes operational. NMWD shall be responsible for monitoring the drainage system and repairing any unforeseen erosion or other problems.

Noise

The following mitigation measure will reduce potential construction noise impacts to nearby neighbors to a less-than-significant level.

Mitigation Measure N-1

NMWD will develop a construction schedule for each phase of project construction to describe when heavy equipment would be used on the site. To the maximum degree feasible, use of heavy construction equipment will be limited to the hours of 8:00 a.m. to 5:00 p.m. Monday through Thursday and 8:00 a.m. to 2:00 p.m. on Friday. The schedule will be made available to the owners of 420 Drakes View Drive and to the Inverness Ridge Association (IRA) for posting on its website.

Mitigation Monitoring and Reporting

The schedule will be prepared by the District contractor and reviewed by NMWD. It will be supplied to the neighbor and IRA at least one month before each phase.

Utilities and Service Systems

The following mitigation measure will reduce the risk of a fire igniting during project construction to a less-than-significant level.

Mitigation Measure PS-1

The District shall construct the project in such a fashion that it does not ignite a wildland fire. The District shall contact the Marin County Fire Department and abide by conditions set forth by the Department. If construction occurs during the dry season, these could include:

- Prohibiting vehicle access across vegetated areas;
- Ensuring that all vehicles have properly functioning mufflers;
- Ensuring that construction equipment have proper spark arrestors;
- Placing fire extinguishers in critical locations;

- · Regular watering of the access road and adjacent vegetation; and
- · Prohibiting work on red flag days.

Mitigation Monitoring and Reporting

The District shall include the final provisions in the construction contract. The contractor shall be responsible for implementation. NMWD shall periodically monitor to ensure compliance. The provisions shall be implemented throughout the construction process.

The following mitigation measure will reduce construction traffic impacts on the roadway to a less-than-significant level.

Mitigation Measure PS-2

The District shall not cause substantial pavement damage on Drakes View Drive (DVD). To meet this standard, the District shall conduct a pre-construction road survey and video that survey. The road will be re-surveyed at the completion of construction. The District's contractor will be responsible for any structural damage to the road.

NMWD shall work with PRERAB to place 1-2 inches of rock/gravel on the recently graded section of the west end of DVD before its intersection with the private driveway to 420 DVD.

Mitigation Monitoring and Reporting

The District shall work with the Paradise Ranch Estates Road Advisory Board (PRERAB) to monitor the pavement on Drakes View Drive. The monitoring will include a pre- and post-project survey of the state of the pavement. The District shall be responsible for repairing any pavement damage discovered during the post-project survey.

Transportation

The following mitigation measure will reduce traffic hazard impacts during construction to a less-than-significant level.

Mitigation Measure T-1

The District shall require a pilot vehicle to accompany cement trucks and other large flatbed trucks transporting material to and from the site. A pilot vehicle with signing that a large vehicle follows will proceed up Drakes View Drive ahead of the large truck. The pilot vehicle will wait where other roads intersect DVD or where there are adequately sized turnouts to allow downhill traffic to move out of the roadway.

The District will place a conspicuous sign at the SFD/DVD intersection 48 hours prior to concrete deliveries and trips by other large delivery trucks that lists the range of time that the trucks will

access the site. The District will restrict truck access during the day and time of day that garbage collection occurs along DVD.

The District will establish a liaison with PRERAB and every two weeks provide PRERAB with the forthcoming construction schedule.

Mitigation Monitoring and Reporting

The pilot car and signing requirements will be included in the construction contract and will be implemented by the Contractor. NMWD will establish the liaison and the contractor will provide the schedule. NMWD shall inform the PRERAB about these requirement. The District will work with the Contractor to ensure compliance. As described in the previous Mitigation Measure PS-2, the District will conduct a pre-construction video survey of the road and have the contractor repair any damage to the road caused by tank construction.

Public Hearing: The Mitigated Negative Declaration will be considered for adoption at the June 26, 2018 meeting of the North Marin Water District's Board of Directors at which time the Board will obtain public comment on the proposed Mitigated Negative Declaration.

Comments Received During the Public Review Period: No letters were received on the publically circulated Draft Mitigated Negative Declaration. The Coastal Commission forwarded a letter that they sent earlier to the Marin County Community Development Department. The County had sent the Coastal Commission a working draft of the Initial Study that was subsequently revised before the District completed and circulated the Draft Mitigated Negative Declaration. Nevertheless, the letter is reproduced below, and responses to the comments are provided.

From: Martinez, Erik@Coastal erik.martinez@coastal.ca.gov

Subject: NMWD Storage Tank Project Date: April 23, 2018 at 11:33 AM To: ssihakom@marincounty.org

Cc: Pfeifer, Sara@Coastal Sara.Pfeifer@coastal.ca.gov



Hi Sabrina,

Thank you for providing us the opportunity to comment on the proposed Paradise Ranch Estates Tank 4A Replacement Project in Inverness. Staff has just a few thoughts on this referral that we'd like for County Planning to consider.

- Our first concern is with the removal of four bishop pine trees. Under the Marin County Local Coastal Program, tree removal must be avoided. If tree removal is necessary, then, consistent with LCP policy, we recommend giving preference to removing trees that are diseased and dying in order for younger trees to take over. However, not all dead trees should be removed as they still provided valuable habitat. The County encourages the Applicant to retain as many bishop pine trees as possible and encourage the Applicant to consider replacing any removed trees with native species to be used on the newly constructed berm. Additionally, we highly encourage the use of only native plant species for the planting plan. There is mention of including the use of a non-native madrone cultivar in the planting plan which we would discourage.
- 2) Construction activities: We strongly encourage that all construction activities take place before the winter rainy season and that all measures for removing sediment and stabilizing slopes be in place before the beginning of the rainy season. We recommend the sediment basins be installed at the project site and that native vegetation is used to the extent possible. Also, when does the County expect to receive a completed planting plan?
- 3) Tank Details: While the complete specifications of the new proposed tank are provided, we would also like to review the specifications (i.e. capacity, height, diameter, etc.) for both tanks 4A and 4B. It would also be helpful if the Applicant clarified the particular use of the new tank. Is it for domestic use or fire flow water storage?
- 4) The Initial Study mentions that the new tank will be bigger and closer to the Inverness Ridge Trail, but does not say how close. Please request that the Applicant provide the distance the tank will be from the trail.
- 5) The application includes a statement that says the District has agreed in principle with the property owner at 420 Drakes View Drive to exchange the District's driveway right-of-way (that comes up from Drakes View Drive to the tank site) for a right-of-way on the driveway for 420 Drakes View Drive. Could you please request that the Applicant provide some clarification on this?
- 6) The Geotechnical investigation mentions there will be trench excavations for utilities with a depth of 5 feet or more. Will this cause additional removal of trees? Has the Applicant provided a schematic for these trenches?

7) Could you please confirm your understanding of the height of the support column at the center of the tank (reference in the GHD report)?

Please let me know if you have any further questions.

Best,

Erik Martinez

California Sea Grant Fellow

California Coastal Commission 45 Fremont Street, Suite 2000 San Francisco, CA 94105-2219

Ph: (415) 904-5502 | e: Erik.Martinez@coastal.ca.gov



Response to Letter from the California Coastal Commission

This letter is a response to comments that were made on a preliminary working draft of the Initial Study that was shared with Marin County Community Development Agency staff; most of the concerns that are raised in this letter were addressed in the final draft of the Initial Study and/or in the Mitigated Negative Declaration that was released for public comment.

1. Given the limited size and topographical constraints of the site, there is no alternative regarding where to locate the proposed tank. If at all possible construction will avoid removal of the four bishop pine discussed in the draft IS. The four pines are located on the edge of a cleared area and, should they need to be removed, would not create a forest gap. The removal of the four bishop pines from the edge of a clearing that has been made in the surrounding bishop pine forest would not substantially reduce the overall available forest habitat, and the IS concluded that the potential removal would not be a significant impact.

As stated in Mitigation Measure A-1 of the Initial Study, exclusively native plants will be used in the revegetation planting, with the possible exception of a non-native madrone cultivar. The preliminary planting list will be finalized by an NMWD landscape professional in consultation with the adjacent neighbor. The madrone was requested by the neighbor as, unlike native madrones, the cultivar is resistant to sudden oak death; she has used them in her adjacent landscaping and suggested the inclusion of this tree. However, if the Coastal Commission feels strongly that it should be removed from the planting plan this will gladly be addressed during subsequent review of the Local Coastal Permit.

- 2. The project site is very small, as is the construction footprint; the majority of the construction zone is relatively flat and located on the ridgetop; there are no nearby stream channels. Sediment basins are customarily recommended for large construction projects where there is room for one to be constructed on the project site. Due to the small size of the project and site, construction of such a basin is not feasible. While every effort will be made to complete site grading prior to the start of the rainy season, the Initial Study found that erosion impacts would not be significant given the following mitigations:
 - o Mitigation Measure GS-2: Site grading should be performed in accordance with the recommendations and criteria presented in Section V of this Initial Study. Re-establishing vegetation on disturbed areas will also be required to minimize erosion. Erosion control measures during and after construction should conform to the most recent version of the Erosion and Sediment Control Field Manual (California Regional Water Quality Control Board, 2002). Erosion Control measures will also comply with Marin County Stormwater Pollution Prevention Program (MCSTOPPP) requirements.
 - Mitigation Measure HWQ-1: Site grading shall be performed in accordance with recommendations and criteria presented in Section V of the appended Geotechnical Report. The project Civil Engineer should design tank drainage to discharge water at an appropriate location with appropriate erosion control.

The contractor shall prepare an Erosion and Sediment Control Plan (SCP), following the procedures outlined by MCSTOPPP. The SCP shall include a description of post-proposed construction BMPs. The Plan shall be prepared by a registered engineer.

As stated in Mitigation Measure A-1 complete planting plan will be developed when the District hires a landscape professional. This is expected to occur subsequent to project approval.

3. The purpose of the proposed new tank is to both meet the community's domestic water needs and have an adequate water capacity to provide fireflow should it be necessary. Adding water capacity to this location for this dual purpose was recommended in the NMWD's 2001 West Marin Long Range Plan and their 2014 West Marin Water System Plan.

The capacity of the original tanks 4A (burned in 1995) and 4B (existing) are below:

o Former tank 4A:

Capacity: 25,000 gallonsDiameter: 16 feetTank height: 20 feet

Existing tank 4B:

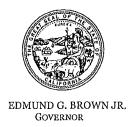
Capacity: 50,000 gallons

Inside/outside diameter: 22 feet

Tank height: 20 feet

4. The proposed new tank is 250 feet east of the Inverness Ridge Trail.

- 5. The adjacent landowner has agreed to allow NMWD to use the private driveway to 420 Drakes View Drive as site access. The District is currently developing language for that agreement with the input of the adjacent landowner.
- 6. Utility pipes will be installed to the southwest where there are no native trees. No additional tree removal is anticipated.
- 7. The column will be 24 feet high (plus an additional 2 feet extending into a concrete slab. It will be 1.5 feet in diameter and constructed of spiral-reinforced concrete.



STATE OF CALIFORNIA GOVERNOR'S OFFICE of PLANNING AND RESEARCH



June 12, 2018

Rocky Vogler North Marin Water District PO Box 146 Novato, CA 94948

Subject: PRE Tank 4A Replacement Project

SCH#: 2018052031

Dear Rocky Vogler:

The State Clearinghouse submitted the above named Mitigated Negative Declaration to selected state agencies for review. The review period closed on June 11, 2018, and no state agencies submitted comments by that date. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

Please call the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process. If you have a question about the above-named project, please refer to the ten-digit State Clearinghouse number when contacting this office.

Sincerely,

Scott Morgan

Director, State Clearinghouse

RECEIVED

JUN 182018

North Marin Water District

Document Details Report State Clearinghouse Data Base

SCH# 2018052031

Project Title PRE Tank 4A Replacement Project

Lead Agency North Marin Water District

Type MND Mitigated Negative Declaration

Description Construct new 125,000 gallon water tank to replace existing tank and a tank previously destroyed by

fire.

Lead Agency Contact

Name Rocky Vögler

Agency North Marin Water District

Phone (415) 897-4133

email

Address PO Box 146

City Novato State CA Zip 94948

Project Location

County Marin

City

Region

Lat/Long 38° 04' 28.7" N / 122° 51' 2.14" W

Cross Streets Drakes View Dive/Sir Francis Drake Blvd

Parcel No. 114-120-09

Township 3N

Range 9W

Section 28

Fax

Base MD

Proximity to:

Highways

Airports

Railways

Waterways Tomales Bay

Schools

Land Use water tank/residential single fam planned coastal zone/SF3

Project Issues

Aesthetic/Visual; Agricultural Land; Air Quality; Archaeologic-Historic; Biological Resources; Coastal Zone; Cumulative Effects; Drainage/Absorption; Flood Plain/Flooding; Forest Land/Fire Hazard; Geologic/Seismic; Landuse; Minerals; Noise; Population/Housing Balance; Public Services;

Recreation/Parks; Schools/Universities; Septic System; Sewer Capacity; Soil

Erosion/Compaction/Grading; Solid Waste; Toxic/Hazardous; Traffic/Circulation; Vegetation; Water

Quality; Water Supply; Wetland/Riparian

Reviewing Agencies Resources Agency; California Coastal Commission; Department of Fish and Wildlife, Region 3; Cal Fire; Department of Parks and Recreation; Department of Water Resources; Caltrans, District 4; State Water Resources Control Board, Division of Drinking Water; State Water Resources Control Board, Division of Drinking Water, District 18; State Water Resources Control Board, Division of Water Quality; Regional Water Quality Control Board, Region 2; Native American Heritage Commission;

State Lands Commission

Date Received

05/11/2018

Start of Review 05/11/2018

End of Review 06/11/2018

Note: Blanks in data fields result from insufficient information provided by lead agency.

Notice of Determination Appendix D From: Public Agency: North Marin Water District Office of Planning and Research Address: PO Box 146 U.S. Mail: Street Address: Novato, CA 94948 P.O. Box 3044 1400 Tenth St., Rm 113 Contact: Rocky Vogler, Chief Engineer Sacramento, CA 95812-3044 Sacramento, CA 95814 Phone:415-761-8945 County of: Marin Lead Agency (if different from above): Address: 3501 Civic Center Dr, Room 247 San Rafael, CA 94903 Address: Contact: Phone: SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code. State Clearinghouse Number (if submitted to State Clearinghouse): 2018052031 Project Title: Paradise Ranch Estates Tank 4A Replacement Project Project Applicant: North Marin Water District Project Location (include county): Inverness, Marin County Project Description: North Marin Water District (District) proposes to install a replacement water tank at an existing tank site in order to ensure adequate water supply for the Paradise Ranch Estates neighborhood on Point Reyes Peninsula, plus provide expanded fireflow storage for properties within that subdivision in Inverness. This is to advise that the North Marin Water District (∑ Lead Agency or ☐ Responsible Agency) described project on June 26, 2018 and has made the following determinations regarding the above (date) described project. 1. The project [will will not] have a significant effect on the environment. 2. An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA. X A Negative Declaration was prepared for this project pursuant to the provisions of CEQA. 3. Mitigation measures [X] were \(\square\) were not] made a condition of the approval of the project. 4. A mitigation reporting or monitoring plan [X] was \(\square\) was not] adopted for this project. 5. A statement of Overriding Considerations [was X was not] adopted for this project. 6. Findings [X] were were not made pursuant to the provisions of CEQA. This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at: North Marin Water District, 999 Rush Creek Place, Novato, CA 94945

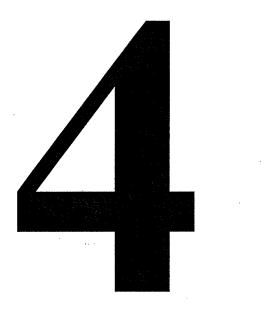
Signature (Public Agency): ______ Title: _____

Date Received for filing at OPR:

Authority cited: Sections 21083, Public Resources Code. Reference Section 21000-21174, Public Resources Code.

Date:

Revised 2011



MEMORANDUM

To:

Board of Directors

June 22, 2018

From: Julie Blue, Auditor-Controller

Subj:

Public Hearing/Approve – West Marin Water FY 2018/2019 Budget :\ac\word\budget\wm\19\wm\19\z^nd review.docx

RECOMMENDED ACTION: 1) Approve the Proposed Rate Increase;

2) Approve the Proposed FY19 Budget

FINANCIAL IMPACT:

1) Rate Increase Would Generate \$37,000 in Annual Revenue

2) FY19 Budgeted Expenditure Plan of \$1,962,000

Presented for your third and final review, public hearing and approval is the proposed FY2018/2019 (FY19) Budget for the West Marin Water System. There have been no changes to the proposed budget since the Board's June 19th review.

WATER RATE INCREASE: A public hearing to consider adoption of a 4.5% increase in the cost of water effective July 1, 2018, is scheduled for June 26 at 6:00 pm. Customers were notified individually of the proposed rate increase by letter dates May 11, 2018 (included on page 10 of the budget document) and a notice of public hearing was published in the June 14 edition of the Point Reyes Light (Attachment A), extending an invitation to attend the hearing and/or exercise the right to protest the proposed increase. A customer protest of 50% plus one would invalidate the proposed increase.

The outreach to customers generated one protest letter registering a protest to the increase (Attachment B).

After Staff's presentation to the proposed water rate increase and budget, public comment can be taken. Attachment C is a draft of Regulation 54 incorporating the proposed changes in strike-out mode for easy reference.

RATE INCREASE PROPOSAL DETAIL

A 4.5% increase is recommended in both the commodity rate and the bimonthly service charge, which would increase to \$33.00 bimonthly for the typical customer with a 5/8" meter. The proposed West Marin Water increase would total \$30 annually (\$2.50 per month) for the typical residential customer (see Rate Increase Analysis on page 5 of the budget document. If enacted, the proposed increase is expected to generate \$37,000 in additional revenue next fiscal year, as follows:

Public Hearing/Approve: FY19 West Marin Budget

June 22, 2018

Page 2

Commodity Rate Increase \$29,000
Bimonthly Service Charge Increase 8,000
Total \$37,000

Annual 4.5% increases are included in the 5-year financial plan for FY19 and beyond (see page 3) to help pay for \$3.5 million in Capital Improvement Projects scheduled over the next five years.

CONNECTION FEES

The West Marin Water connection fee was last increased in August 2009. In November 2014 the Board reviewed this charge based on the updated West Marin Water Master Plan, and found the existing connection fee adequate. One new connection is budgeted for West Marin Water next fiscal year.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

Capital Improvement Projects budgeted for the coming year, from page 1 of the budget package are listed below:

- \$625,000 to complete the replacement of PRE Tank #4A.
- \$550,000 to commence the TP Solids Handling Project for solids removal from the treatment plant filtrate system.
- \$90,000 to commence the New Gallaher Well #2 project which totals \$300,000 and will be completed in FY 20.
- \$50,000 to replace PB services in Sync with County Paving (25 replacements).
- \$10,000 to Relocate the Production Meter to improve read accuracy.

Future Projects

The West Marin Water 5-Year Financial Plan includes a \$1.3 million Treatment Plant Solids Handling Facility to be constructed over a two-year period commencing in FY19. The PRE Tank #1 and #2 Replacement project is scheduled in FY21 totaling \$450,000. Relocating Olema PS out of the Flood Plan is scheduled for FY23 totaling \$500,000.

WEST MARIN WATER SYSTEM OPERATING BUDGET

You will note from page 2 of the budget that the proposed West Marin Water System Budget projects a cash deficit next fiscal year of \$991,000. This deficit assumes 100% of the

Public Hearing/Approve: FY19 West Marin Budget

June 22, 2018

Page 3

\$1,325,000 Capital Improvement Project Budget is expended, which does not typically occur. The proposed budget projects one new service to be added to the system each year into the future, in line with the slow growth we have seen recently.

FY19 water sales volume is budgeted at 64 million gallons which is an increase of approximately 3% compared to the prior year budget of 62 million gallons. Average annual consumption over the past decade is 72MG. The current water use reflects a conservative estimate and is based on the average of the past five years of use. The forecast assumes water sales volume will remain at 64MG in FY20 and remain static into the future as conservation programs (including water rate increases) continue to induce more efficient use of water. Historical consumption data is shown on page 7.

Operating expenditures, before depreciation, are budgeted to increase 3% from the FY18 adopted budget, an increase of \$16,000. A graphical history of operating expenditures is included on page 8. The 2018 update of the Coastal Are Annual Water Cost Comparison (page 13) shows that, even with the proposed 4.5% rate increase, the water cost for the NMWD's West Marin customers remain below that paid by the customers of the other seven coastal agencies surveyed.

STAFF RECOMMENDATION

After closing the public hearing:

- 1. Approve Resolution 18-XX (Attachment D) amending Regulation 54 pertaining to Water Rates and Charges to reflect a 4.5% increase for the typical residential customer in the West Marin Water Service Area effective July 1 of 2018;
- 2. Adopt the FY19 West Marin Water System Budget as presented;
- 3. Authorize the General Manager to pay demands arising from execution of the budgeted FY19 West Marin Water expenditure plan.

Proposed **BUDGET**

Final Review/Public Hearing

West Marin Water

FISCAL YEAR

2018-19

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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WEST MARIN WATER

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CAPITAL IMPROVEMENT PROJECTS

5/24/18 t:\ac\excel\budget\19\[5 yr cip fy19.xlsx]5 yr cip

			FY18 Est			·	aciexocriodagen 10 (0)	· op ij romonje j. op
		FY18 Budget	Actual	FY19	FY20	FY21	FY22	FY23
6.	WEST MARIN WATER SYSTEM							
2.6263.20	a. Replace PRE Tank #4A (25K gal w/82K gal)	\$550,000	\$150,000	\$625,000				
2.7160.00	b. Green Sand Filter Media Replace-FY18	\$75,000	\$25,000					
2.6609.20	c. New Gallagher Well #2		\$10,000	\$90,000	\$200,000			
2.8829.00	d. PB Replace in Sync w/ County Paving	\$50,000	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
2.6601.32	e. TP Solids Handling (Note 4)		\$50,000	\$550,000	\$700,000			
	f. Abandon Downey Well					\$25,000	\$125,000	
	g. Relocation of Production Meter			\$10,000				
	h. PRE Tank #1 & #2 Replacement					\$450,000		
	i. Relocate Olema PS Out of Flood Plain							\$500,000
	j. Other West Marin Water System Expenditures		\$15,000					
		\$675,000	\$250,000	\$1,325,000	\$950,000	\$525,000	\$175,000	\$550,000
	LESS FUNDED BY LOANS/GRANTS/OTHER							
	a. WM Treatment Plant Solids Handling (Note 4)				(\$500,000)			
	a. WWW Treatment Frant Solids Francing (Note 4)				(\$\pi\pi\pi\pi\pi\pi\pi\pi\pi\pi\pi\pi\pi\			
	STUDIES & SPECIAL PROJECTS							
2.4061.00	a. Digitize West Marin Water Facility Maps	\$10,000	\$0					
	WEST MARIN WATER DEBT SERVICE							
	a. EDA Loan	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$0
	b. PRE-1 Revenue Bond	\$14,000	\$14,000	\$14,000	\$14,000	\$0	\$0	\$0
	c. PR-6 Revenue Bond	\$13,000	\$13,000	\$12,000	\$12,000	\$13,000	\$12,000	\$0
	d. TP Solids Handling Bank Loan	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000
	e. TP Solids Handling Add'l Bank Loan (Note 4)	\$0	\$0	\$0	\$0	\$35,000	\$35,000	\$35,000
		\$100,000	\$100,000	\$97,000	\$97,000	\$119,000	\$118,000	\$106,000
	NET DDO IECT OUTLAV & DEDT CEDVICE	\$785,000	\$350,000	\$1,422,000	\$1,047,000	\$644,000	\$293,000	\$656,000
	NET PROJECT OUTLAY & DEBT SERVICE	\$700,000	φουσ,σσσ	φ1,422,000	Ψ1,047,000	φυ-τ,υυυ	Ψ230,000	φοσο,σοσ

Note 4 - \$1.25M WM Water Solids Handling Facility partially funded by bank loan (\$600,000 remaining). Additional \$500K to be borrowed in FY20 to complete project.

WEST MARIN WATER BUDGET SUMMARY Fiscal Year 2018/19

		Proposed	Estimated	Adopted
		Budget	Actual	Budget
		2018/19	2017/18	2017/18
	OPERATING INCOME			
1	Water Sales	\$868,000	\$855,000	\$810,000
2	Misc Service Charges	7,000	7,000	7,000
3	Total Operating Income	\$875,000	\$862,000	\$817,000
	OPERATING EXPENDITURES			
4	Source of Supply	\$15,000	\$16,000	\$15,000
5	Pumping	42,000	52,000	45,000
6	Operations	52,000	49,000	53,000
7	Water Treatment	159,000	164,000	147,000
8	Transmission & Distribution	139,000	129,000	131,000
9	Consumer Accounting	27,000	24,000	27,000
10	Water Conservation	10,000	6,000	10,000
11	General Administration	95,000	82,000	95,000
12	Depreciation Expense	197,000	193,000	195,000
13	Total Operating Expenditures	\$736,000	\$715,000	\$718,000
14	NET OPERATING INCOME (LOSS)	\$139,000	\$147,000	\$99,000
	NON-OPERATING REVENUE/(EXPENSE)			
15		\$55,000	\$53,000	\$53,000
16		4,000	4,000	4,000
17	Interest Revenue	14,000	20,000	13,000
18	Bond & Loan Interest Expense	(29,000)	(31,000)	(31,000)
19	Total Non-Operating Income/(Expense)	\$44,000	\$46,000	\$39,000
20	NET INCOME/(LOSS)	\$183,000	\$193,000	\$138,000
	OTHER SOURCES/(USES) OF FUNDS			
21	Add Depreciation Expense	\$197,000	\$193,000	\$195,000
22	Connection Fees	23,000	46,000	23,000
23	Capital Improvement Projects	(1,325,000)	(250,000)	(675,000)
24	Bond & Loan Principal Payments	(69,000)	(69,000)	(69,000)
25	Working Capital Increase/(Decrease)	-	_	-
26	Total Other Souces/(Uses)	(\$1,174,000)	(\$80,000)	(\$526,000)
27	CASH INCREASE/(DECREASE)	(\$991,000)	\$113,000	(\$388,000)
	, ,		· · · · · · · · · · · · · · · · · · ·	

WEST MARIN WATER 5-Year Financial Forecast

#	BASIC DATA	Actual 2015/16	Actual 2016/17	Est Actual 2017/18	Budget 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23
1	Active Meters	780	780	781	782	783	784	785	786
2	Avg Commodity Rate/1,000 Gal	\$9.62	\$9.70	\$10.21	\$10.67	\$11.16	\$11.68	\$12.21	\$12.77
3	Potable Consumption (MG)	56.6	61.6	66.4	64.0	64.0	64.0	64.0	64.0
	OPERATING REVENUE								
4	Commodity Charge	\$544,743	\$597,855	\$678,000	\$683,000	\$714,000	\$747,000	\$782,000	\$817,000
5	Bimonthly Service Charge	168,775	168,775	177,000	185,000	193,000	202,000	211,000	221,000
6	Miscellaneous Service Charges	11,377	6,838	7,000	7,000	7,000	7,000	7,000	7,000
7	Total Operating Revenue	\$724,895	\$773,468	\$862,000	\$875,000	\$914,000	\$956,000	\$1,000,000	\$1,045,000
8	Operating Expenditures	\$462,242	\$527,780	\$522,000	\$539,000	\$555,000	\$572,000	\$589,000	\$607,000
9	Depreciation Expense	189,039	192,151	193,000	197,000	219,000	235,000	244,000	247,000
10	Total Operating Expense	\$651,281	\$719,931	\$715,000	\$736,000	\$774,000	\$807,000	\$833,000	\$854,000
11	NET OPERATING INCOME	\$73,614	\$53,537	\$147,000	\$139,000	\$140,000	\$149,000	\$167,000	\$191,000
	NON-OPERATING REVENUE/(EX	PENSE)							
12	Interest Revenue	\$10,025	\$20,564	\$20,000	\$14,000	\$4,000	\$3,000	\$2,000	\$4,000
13	Interest Expense	(23,232)	(33,407)	(31,000)	(29,000)	(27,000)	(40,000)	(37,000)	(34,000)
14	PR-2 County Tax Allocation	49,365	51,841	53,000	55,000	57,000	59,000	61,000	63,000
15	Miscellaneous	596	(13,330)	4,000	4,000	4,000	4,000	4,000	4,000
16	Total Non-Op Revenue/(Expense)	36,754	25,668	46,000	44,000	38,000	26,000	30,000	37,000
17	Net Income	\$110,368	\$79,205	\$193,000	\$183,000	\$178,000	\$175,000	\$197,000	\$228,000
	OTHER SOURCES/(USES)								
18	Add Depreciation Expense	\$189,039	\$192,151	\$193,000	\$197,000	\$219,000	\$235,000	\$244,000	\$247,000
19	Connection Fees	0	30,800	46,000	23,000	23,000	23,000	23,000	23,000
20	Capital Improvement Projects	(\$215,749)	(79,064)	(250,000)	(1,325,000)	(950,000)	(525,000)	(175,000)	(550,000)
21	Loan Proceeds	-	-	-	-	500,000	-	-	<u>.</u>
22	Debt Principal Payments	(63,455)	(67,081)	(69,000)	(69,000)	(70,000)	(79,000)	(81,000)	(72,000)
23	Net Change in Working Capital	(9,894)	10,290	_	-	-	-	-	(4050,000)
24	Total Other Sources/(Uses)	(\$100,059)	\$87,096	(\$80,000)	(\$1,174,000)	(\$278,000)	(\$346,000)	\$11,000	(\$352,000)
25	Cash Increase/(Decrease)	\$10,309	\$166,301	\$113,000	(\$991,000)	(\$100,000)	(\$171,000)	\$208,000	(\$124,000)
26	Operating Reserve	\$245,289	\$401,012	\$718,000	\$296,000	\$196,000	\$40,000	\$263,000	\$139,000
27	System Expansion Reserve	762,422	773,000	569,000	-	-	-	-	-
28	Liability Contingency Reserve	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000
29	Bond Redemption Reserve	30,000	30,000	30,000	30,000	30,000	15,000	-	-
30	ENDING CASH BALANCE	\$1,136,711	\$1,303,012	\$1,416,000	\$425,000	\$325,000	\$154,000	\$362,000	\$238,000

WEST MARIN WATER NOTES

KEY

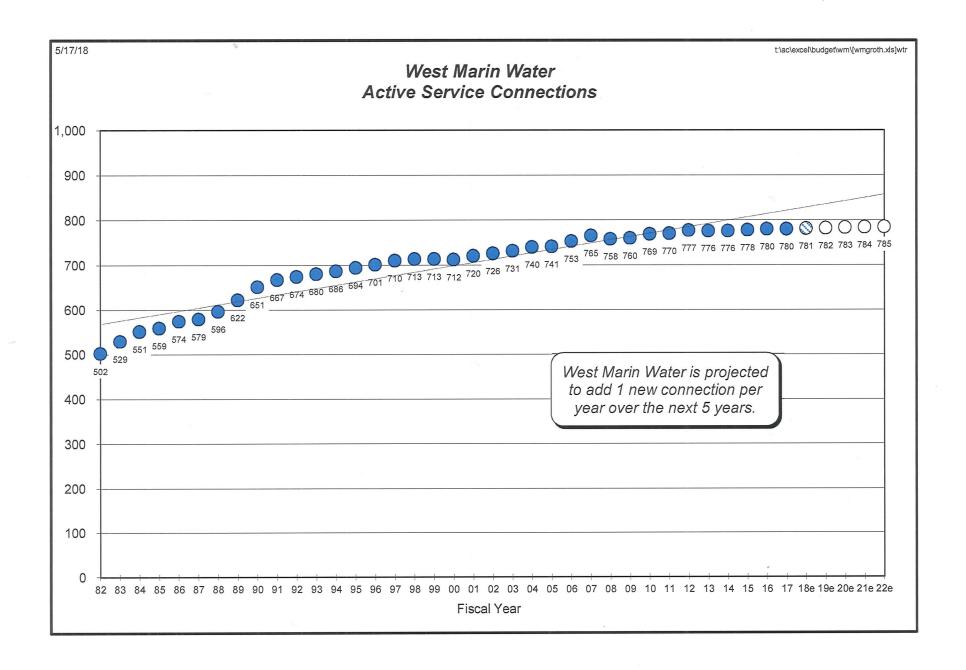
West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).

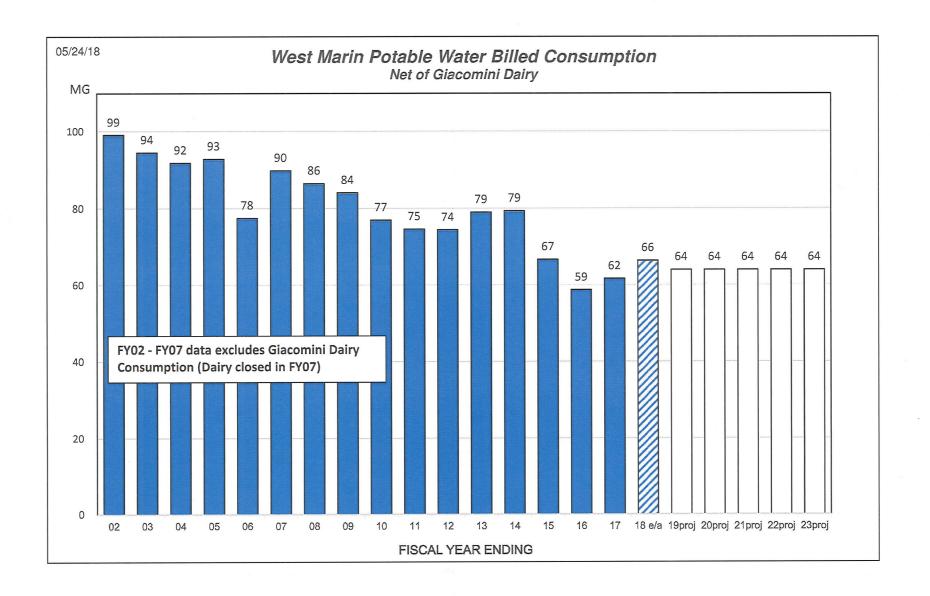
- 1 Assumes annual increase of 1 connection per year.
- 2 Commodity rate and Bimonthly Service Charge increased 4.5% 7/1/18. Annual 4.5% increases shown thereafter for financial forecasting purposes only not yet considered by the Board of Directors. Note that the FY2015/16 Average Commodity Rate included a drought surcharge.
- 3 Consumption projection assumes64MG in FY19 and 64MG annually thereafter.
- 4 Average Commodity Rate multiplied by Potable Consumption.
- 5 Bimonthly service charge shown to increase 4.5% annually after FY19. Details of the rate increase structure to be determined at annual budget hearings.
- 8 Operating Expense projected to increase 3% per year.
- 12 Projected available funds invested at 1.00%
- 14/22 Interest and principal payments comprised of two 40-year 5% bonds all purchased by the Farmers Home Administration:
 - 1) 1980 PRE-1 \$240,000 revenue bond fully amortized in 2020; 2) 1981 PR-6 \$217,800 revenue bond fully amortized in 2021; plus an Economic Development Administration \$46,000 5% 40-year loan paid off in 2017.
 - FY20 includes debt service on \$500K loan to finance completion of Solids Handling Facility.
- 19 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 20 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
 - FY20 \$500,000 loan to complete the Solids Handling and PRE Storage projects.
- Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 27 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 28 Liability Contingency Reserve \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. \$8,885 was added in Dec 2006 from sale of 2 surplus parcels in Inverness Park.
- Bond Redemption Reserve is comprised of one year of Revenue Bond debt service (\$30K) for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury.

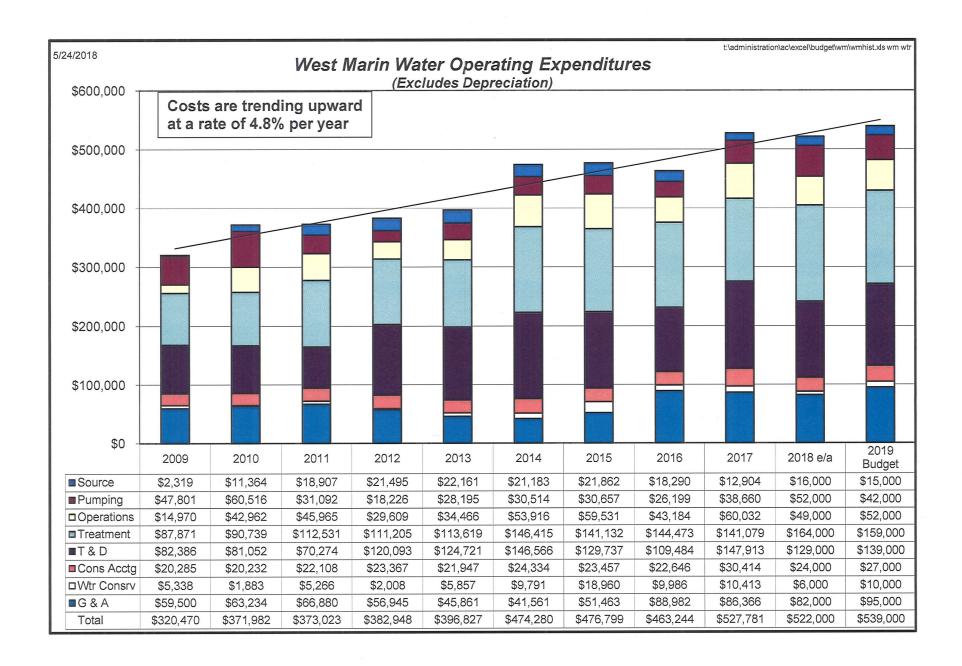
Annual Residential Impact (based on 49,300 gallons water use)

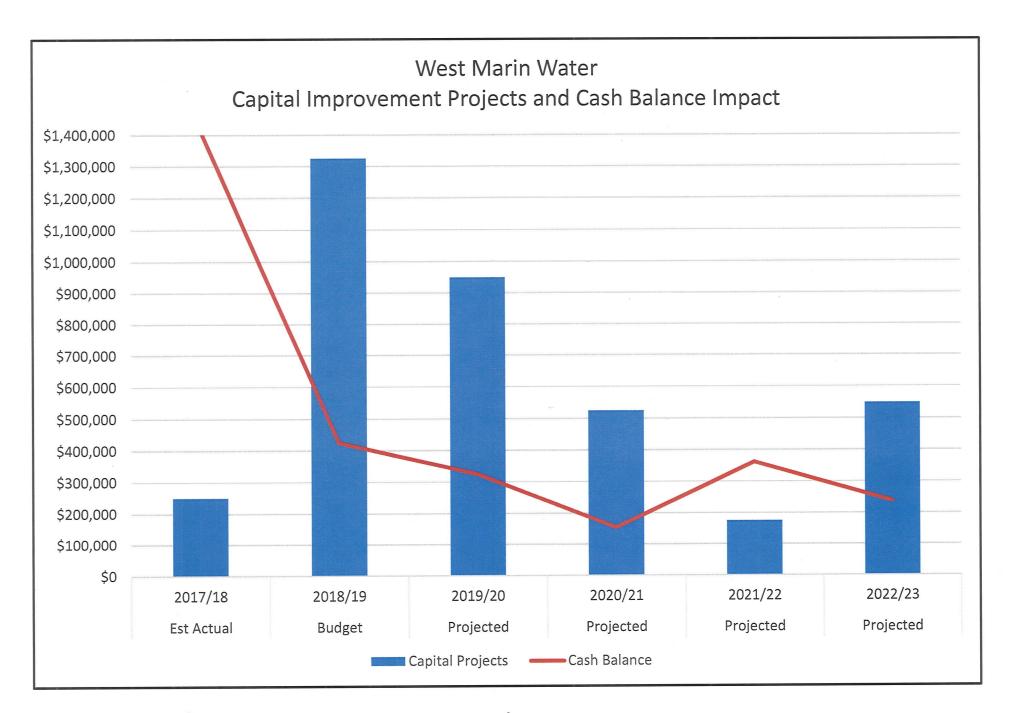
		Commodity Rate	Annual Commodity Charge		Annual Service Charge		Annual Tax Allocation ¹		Total Annual Cost	Annual \$ Increase	% Increase
Point Reyes Station	Current	\$8.55	\$422	+	\$189	+	AFO		\$670 \$698	\$28	4.1%
	Proposed	\$8.93	\$440	+	\$198	+	•	=	,	φζΟ	4.1 /0
Inverness Park, Bear Valley, Silver Hills	Current Proposed	\$8.77 \$9.16	\$432 \$452	+	\$189 \$198	+	A=-	=	\$681 \$709	\$28	4.1%
Olema	Current Proposed	\$9.39 \$9.81	\$463 \$484	+	\$189 \$198	+	4-		\$652 \$682	\$30	4.6%
PRE Zone A	Current Proposed	<u>:</u>	\$432 \$452	+	\$288 \$300	+	4-	=	\$720 \$752	\$31	4.3%
PRE Zone B	Current Proposed	\$14.26 \$14.90	\$703 \$735	+	\$288 \$300	+	40	=	\$991 \$1,035	\$44	4.4%
Outside Services	Current Proposed		\$590 \$616	+	\$189 \$198	+	40	_	\$779 \$814	\$35	4.5%
Weighted Average	Current Proposed	\$9.49 \$9.91							\$716 \$746	\$30	4.2%

¹ Annual Tax is a County tax allocation enacted subsequent to Proposition 13 to compensate for the O&M tax revenue previously received from customers residing within the PR-2 Improvement District.











999 Rush Creek Place P.O. Box 146 Novato, CA 94948-0146

PHONE 415-897-4133 May 11, 2018

FMAIL

Customer Name Address City, State Zip

info@nmwd.com

WEB www.nmwd.com

NMWD Account #: XXXXXXX

RE: Notice of Proposed Water Cost Increase – West Marin Service Area

Dear Customer:

This letter is to advise you of proposed increases to West Marin water rates that would take effect on July 1, 2018. It also provides information about a Public Hearing scheduled on June 26, 2018, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

HOW MUCH IS THE PROPOSED RATE INCREASE?

A 4.5% increase in the cost of water is proposed, which would result in an average increase of \$2.49 per month (\$30 annually) for the typical (median) single-family residential customer who consumes 49,300 gallons of water annually. Those using less than the median would see an increase less than \$30 annually, and those using more would pay more. The increase for non-residential customers (commercial, institutional and irrigation accounts) would vary based on water use and meter size. The median non-residential account would also see an annual 4.5% cost increase. A detailed description of the proposed water rate increases is included on page 3.

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

REASON FOR THE PROPOSED INCREASE

The District's mission is to provide an adequate supply of safe, reliable and high-quality water at reasonable cost consistent with good conservation practices and minimum environmental impact. Maintaining and renovating the infrastructure of the rural West Marin Water System is expensive. Today the system includes 26 miles of pipeline, over 1 million gallons of finished water storage distributed across 13 tanks, 7 pump stations, 168 fire hydrants, a multitude of valves, 3 wells, and a water treatment plant, all designed to serve 781 customers. Sufficient revenue to finance the ongoing system operation and renovation must be generated.

Notice of Proposed Water Rate Increase May 11, 2018 Page 2 of 3

ADDITIONAL INFORMATION

Greater detail of the various rates and customer categories is provided on page 3.

A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 6:00 pm, Tuesday, June 26, 2018, at the Dance Palace (503 B Street) in Point Reyes Station.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit a 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 adopted.

Your written protest must be received prior to the close of the June 26, 2018 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 about the North Marin Water District, including the history of the West Marin Water System, or to view the most recent Coastal Area Water Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,

Drew McIntyre General Manager

DMQ

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PROPOSED			
West Marin Water System Rate Changes			
EFFECTIVE JULY 1, 2018			
BIMONTHLY SERVICE CHARGE	Existing	Proposed	% Increase
For STANDARD 5/8 x 3/4-INCH METER	\$31.50	\$33.00	4.5%
For 1-inch residential meter for fire service	\$35.70	\$37.50	4.5%
For 1-inch meter	\$63.00	\$66.00	4.5%
For all meters in Paradise Ranch Estates	\$47.50	\$50.00	4.5%
QUANTITY CHARGE			
Residential Rate Per Dwelling Unit			
First 400 gallons per day	\$8.55	\$8.93	4.5%
From 401 to 900 gallons per day	\$11.84	\$12.37	4.5%
From 901+ gallons per day	\$18.99	\$19.84	4.5%
Commercial, Institutional & Irrigation Rate			
November 1 through May 31	\$8.64	\$9.03	4.5%
June 1 through October 31	\$11.95	\$12.49	4.5%
PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL			
Zone			
1 Point Reyes Station	\$0.00	\$0.00	0%
Bear Valley, Silver Hills, Inverness Park & Lower	40.00	Φ0.00	4.50/
Paradise Ranch Estates (Elevation 0' - 365')	\$0.22	\$0.23	4.5%
3 Olema	\$0.84	\$0.88	4.5%
4 Upper Paradise Ranch Estates (Elevation 365'+)	\$5.71	\$5.97	4.5%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary	\$3.42	\$3.57	4.5%
Improvement District Boundary	ψυ.42	ΨΟ.Ο1	7.5 /6

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 6/1/18 "Typical" Single Family Residence (5/8" x 3/4" Meter) Using 49,300 Gallons Annually

Agency	No. of Water Services	Bimonthly Service Charge	Commodity Rate per 1,000 Gallons		Annual Water Cost¹	Water Bond Tax Rate per \$100/AV	Annual Tax Cost ²		Total Annual Cost
Bolinas Community PUD	587	\$215.50	\$1.33/\$2.00	(3)	\$1,364	\$0.001	\$521	(4)	\$1,885
California Water Coast Springs	255	\$52.81	\$8.26/\$8.88		\$1,652 (5)	-	-		\$1,652
Estero Mutual Water District	142	\$207.90	\$7.86/\$11.56	(6)	\$1,568	-	-		\$1,568
Stinson Beach Co Water	731	\$77.10	\$2.61/\$6.26	(7)	\$605	\$0.003	\$711	(8)	\$1,315
Bodega Bay PUD	1,061	\$61.82	\$7.73	(9)	\$488	-	\$366	(10)	\$853
Inverness PUD	516	\$110.00	\$3.48/\$5.35	(11)	\$838	-	-		\$838
Muir Beach Community Services	151	\$49.92	\$9.20	(12)	\$506 (13	-	\$300	(14)	\$806
NMWD West Marin Service Area	781	\$33.00 (15)	\$9.83	(16)	\$683	-	\$63	(17)	\$745

Notes

- (1) Median annual consumption for West Marin Service Area single-family detached home is 49,300 gallons. Use will differ in other areas and microclimates.
- (2) Includes taxes for debt service on outstanding water bonds and loans plus any applicable apportionment of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (3) 1st 15 Ccf quarterly @\$1.00/Ccf, 16 to 21 Ccf @\$1.50, 22 28 @\$3.00, 29 40 @\$6.00, 41 60 @\$10, 61 75 @\$15 and 76+ Ccf @\$18/Ccf (billed quarterly).
- (4) Based on home with net AV of \$545,375 (average 2017/18 AV on 544 single family homes in Bolinas less \$7,000 homeowner exemption) and tax rate of 0.001¢/\$100 AV. 100% of this tax is allocated to water Also shares in 1% County levy. This "allocation" is projected by the County of Marin at \$302,414 for Bolinas in 2017/18 of which 100% is credited to the water fund amounting to \$477 per service.
- (5) In 2016 the PUC agreed to consolidate Cal Water's Redwood Valley rates with its "Bayshore District" (South Bay) rates. Roughly 2,000 connections in the Redwood Valley District, of which Coast Springs is a part, are now combined with Bayshore's 54,000 connections, resulting in a significant rate reduction for Coast Springs customers.

 Cost information for Cal Water is from the 2017 survey.
- (6) First 25 cubic meters bimonthly @ \$2.075/cm; next 25 cm @ \$3.051/cm. Drought surcharge of \$20.00/cm for use in excess of 50 cm.
- (7) First 6 Ccf monthly @ \$1.95/Ccf; 6 to 10 Ccf @ \$4.68/Ccf; 10 to 16 Ccf @ \$7.88/Ccf; 16 to 20 Ccf @ \$10.80/Ccf; 20 to 30 Ccf @ \$16.97/Ccf; 30 to 40 Ccf @ \$21.20Ccf; 40 and above Ccf @ \$27.54/Ccf.
- (8) Based on weighted average tax rate of \$0.0034/\$100 AV and home with net AV of \$1,377,441 (average 2017/18 AV on 662 single family homes in Stinson Beach less \$7,000 homeowner exemption). Stinson Beach also shares in 1% County levy. This "allocation" is projected at \$693,234 in 2017/18 of which 70% is credited to the water fund amounting to \$664 per service.
- (9) \$61.82 bi-monthly water service charge for 0-800 cubic feet, then \$6.51/100 cubic feet for 801-2,500 cubic feet, then \$7.43/100 cubic feet over 2,500 cubic feet.
- (10) Based on share of 1% County levy. This "allocation" by the County of Sonoma was estimated at \$388,136 for 16/17, of which 100% was allocated to water amounting to \$367 per service. The 17/18 estimate will not be available until June.
- (11) First 12 Ccf bimonthly @ \$2.60/Ccf; 13 to 36 Ccf @ \$4.00/Ccf, 37 to 48 @ \$5.60/Ccf, 49 to 60 @ \$7.70/Ccf, and 61+ @ \$23.20/Ccf.
- (12) \$49.92/bimonthly flat rate includes 4,500 gallons, plus \$0.92/100 gallons for 4,500 to 10,000, plus \$1.29/100 gallons for 10,000 to 30,000, plus \$1.62/100 gallons for 30,000+ gallons.
- (13) 25% of revenue is allocated to capital improvements.
- (14) The annual \$300 charge is collected via water billings and is allocated to capital improvements.
- (15) Includes a proposed bi-monthly increase of \$1.50.
- (16) Rate shown is weighted average of Point Reyes Station, Olema, Bear Valley/Inverness Park & Paradise Ranch Estates and includes a Proposed 4.5% commodity rate increase. Tier rate charges do not apply to the typical residential customer as median use does not exceed the 400 gpd tier rate threshold.
- (17) West Marin Service Area receives allocation of the 1% County levy projected at \$49,000 in 2017/18, amounting to \$63 per service.

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PUBLIC HEARING NOTICE

PROPOSED NORTH MARIN WATER DISTRICT WATER RATE INCREASE

Purpose: Consider FY 2018/19 Budget and Proposed Rate Increase

Impact Area: West Marin Water Service Area
Date and Time: Tuesday, June 26, 2018 at 6:00 p.m.

Place: Dance Palace, 503 B Street, Point Reyes Station, CA

BACKGROUND: Water meters are read and customers receive a bill bimonthly. The bill is comprised of 1) a "Water Use Charge" that is determined by multiplying a commodity rate times water use measured in thousand gallon units; and 2) a bimonthly "Service Charge" — currently \$31.50 for the typical residential water meter. The West Marin water service area is comprised of 781 metered services distributed over five rate zones based upon elevation and tax rate area. Customers residing within a higher elevation zone pay a correspondingly higher commodity rate, or "Hydraulic Zone Charge," designed to recover the incremental cost of energy and maintenance for pumping water into each elevation zone.

	PROPOSED			
	West Marin Water System Rate Changes			
	EFFECTIVE JULY 1, 2018			
	BIMONTHLY SERVICE CHARGE	Existing	Proposed	% Increase
	For 5/8 x 3/4-inch meter	\$31.50	\$33.00	4.5%
	For 1-inch residential meter for fire service	\$35.70	\$37.50	4.5%
	For 1-inch meter	\$63.00	\$66.00	4.5%
	For all meters in Paradise Ranch Estates	\$47.50	\$50.00	4.5%
	QUANTITY CHARGE	1.0	2	
	Residential Rate for each 1,000 Gallons Per Dwelling Unit		;	**
	First 400 gallons per day	\$8.55	\$8.93	4.5%
	From 401 to 900 gallons per day.	\$11.84	\$12.37	4.5%
٠	From 901,+ gallons per day	\$18.99	\$19.84	4.5%
	Commercial, Institutional & Irrigation Rate for each 1,000			
	Gallons Per Dwelling Unit	\$8.64	\$9.03	4.5%
	November 1 through May 31		•	4 - 1 - 1
	June 1 through October 31	\$11.95	\$12.49	4.5%
	PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL			
	Zone	00.00	# 0.00	
	Point Reyes Station Bear Valley, Silver Hills, Inverness Park & Lower	\$0.00	\$0.00	0%
	Paradise Ranch Estates (Elevation 0' - 365')	\$0.22	\$0.23	4.5%
	3 Olema	\$0.84	\$0.88	4.5%
	4 Upper Paradise Ranch Estates (Elevation 365'+)	\$5.71	\$5.97	4.5%
	Additional Commodity Rate for Consumers Outside the			
ļ	Improvement District Boundary	\$3.42	\$3.57	4.5%

EFFECTIVE DATE: The increases are proposed to be effective July 1, 2018.

IMPACT

Residential Accounts: A 4.5% increase in the cost of water is proposed, which would result in an average increase of \$2.49 per month (\$30 annually) for the typical (median) single-family residential customer who consumes 51,600 gallons of water annually. Those using less than the median would see an increase less than \$30 annually, and those using more would pay more.

Non-Residential Accounts: Commercial, Institutional & Irrigation customers would see a 4.5% increase. The proposed increase in the total water cost will vary based upon water use.

Customers can determine the increase in your annual water cost based on your 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 http://www.nmwd.com/accountbalance.php.

WHY ARE RATES BEING INCREASED?

The District's mission is to provide an adequate supply of safe, reliable and high-quality water at reasonable cost consistent with good conservation practices and minimum environmental impact. Maintaining and renovating the infrastructure of the rural West Marin Water System is expensive. Today the system includes 26 miles of pipeline, over 1 million gallons of finished water storage distributed across 13 tanks, 7 pump stations, 168 fire hydrants, a multitude of valves, 3 wells, and a water treatment plant, all designed to serve 781 customers. Sufficient revenue to finance the ongoing system operation and renovation must be generated.

HOW TO PARTICIPATE: You are cordially invited to attend the hearing and present oral or written testimony on the proposal. You have the right to protest this proposed rate increase. 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 June 26, 2018 public hearing. Written protests must be signed by the property owner or customer of record and must include the parcel number or NMWD account number. Send or deliver written protests to: District Secretary, North Marin Water District, PO Box 146, Novato, CA 94948.

ADDITIONAL INFORMATION: For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (800) 464-6693

WRAHEN PROTEST to RATE INCREASE by North MARIN WATER DIST

REGISTER this protest under the Account # 2034901 West MARIN SERVICE AREA

> 5/ Joseph Q. Walt JUNIE 2,2018

> > RECEIVED

JUN 05 2018

North Marin Water District

NORTH MARIN WATER DISTRICT REGULATION 54 WATER RATES

a. Rates for Domestic, Commercial and Industrial Users, Novato Service Area

(1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

A BI-MONTHLY SERVICE CHARGE OF:	Rate Effective
	<u>6/1/18</u>
Standard 5/8 inch meter	\$33.00
For 1-inch meter*	\$66.00
1.5-inch meter*	\$80.50
2-inch meter	\$125.50
3-inch meter	\$248.50
4-inch meter	\$399.00
6-inch meter	\$835.00
8-inch meter	\$1,244.50
*(see paragraph f)	

PLUS A QUANTITY CHARGE OF:	Rate Effective 6/1/18
Residential Rate for Each 1,000 Gallons Per Dwelling Unit	
First 615 gallons per day (gpd)	\$5.24
616 up to 1,845 gpd	\$8.35
Use in excess of 1,845 gpd	\$14.54
Rate for 1,000 Gal for All Other Potable Water Accounts Commercial, Institutional & Irrigation Accounts - 11/1 - 5/31 Commercial, Institutional & Irrigation Accounts - 6/1 - 10/31	\$5.77 \$6.20
Rate For 1,000 Gallons For Non-Potable Water	
Recycled Water	\$5.77
Raw (Untreated) Water from Stafford Lake	\$2.38

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

		Rate Effective
Zone	Elevation	<u>6/1/18</u>
A	0 through 60 feet	\$0.00
В	60 feet – 200 feet	\$0.63
C*	200 feet +	\$2.01

^{*}Any consumer receiving water through a District owned and maintained hydro-pneumatic system shall be assigned to Zone C irrespective of said consumer's actual elevation.

(2) Consumers outside the Improvement District boundary shall pay the Elevation Zone C Rate.

(3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the Greater Novato Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the liquidated damages assessed by the Sonoma County Water Agency pursuant to the water shortage and apportionment provisions of the Restructured Agreement for Water Supply. The Drought Surcharge shall be a quantity charge for each 1,000 gallons of potable water use as follows:

Residential Accounts: Use in excess of 300 gallons per day\$1.00 Commercial, Institutional and Irrigation Accounts: All Use\$1.00

b. Rates for Service to Privately Owned Fire Protection Systems, All Service Areas

The rates for service through detector check assemblies owned by the District to privately owned and maintained systems supplying sprinklers, hydrants or other facilities exclusively for firefighting shall be paid once every two months as follows:

Size of Detector Assembly

	Rate Effective
	6/1/18
2 inches or less	\$16.50
4 inches	\$30.50
6 inches	\$59.50
8 inches	\$91.00
10 inches	\$119.00

c. Rates for Domestic, Commercial and Industrial Users, West Marin Service Area

(1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

BI-MONTHLY SERVICE CHARGE	Rate Effective 7/1/177/1/18
For 5/8 x 3/4-inch meter	\$31.5033.00 \$63.0066.00 \$77.0080.50 \$120.00125.50 \$238.00248.50 \$382.00399.00 \$47.5050.00
PLUS A QUANTITY CHARGE OF:	
Residential Rate for Each 1,000 Gallons Per Dwelling Unit	Rate Effective 7/1/177/1/18
First 400 gallons per day (gpd)	\$ <u>8.558.93</u> \$ <u>11.8412.37</u> \$ <u>18.9919.84</u>
Rate Per 1,000 Gallons for All Other Accounts Commercial, Industrial and Irrigation Accounts Nov 1 – May 3 Commercial, Industrial and Irrigation Accounts June 1 – Oct 3	

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

7	Hudwardia Zana	Rate Effective
<u>Zone</u>	Hydraulic Zone	7/1/17 7/1/18
1	Point Reyes Station	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower	
	Paradise Ranch Estates (Elevation 0'-365')	\$ 0.22 <u>0.23</u>
3	Olema	\$ 0.8 4 <u>0.88</u>
4	Upper Paradise Ranch Estates (Elevation 365'+)	\$ 5.71 <u>5.97</u>
(0)		•

(2)

- (2) Effective July 1, 2016-2018 consumers outside the Improvement District boundary shall pay an additional \$3.423.57 per 1,000 gallons.
- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek, pursuant to the Interconnection Agreement between Marin Municipal and NMWD. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:

Residential Accounts: Use in excess of 200 gallons per day\$	2.50
Commercial, Institutional and Irrigation Accounts: All Use\$	2.50

d. Rates for Water Service from Hydrants or Other Temporary Service

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for use through a fire service meter.

Novato Service Area	Rate Effective 6/1/18
For each 1,000 gallons	\$8.21
West Marin Service Area	Rate Effective <u>7/1/17</u> 7/1/18
For each 1,000 gallons	\$ 17.66 <u>18.46</u>

The quantity of water delivered as aforesaid shall be determined by the District.

e. Service Arrangements Requiring Assessment of Additional Service Charge, All Service Areas

A minimum service charge established by this regulation, equal to \$16.50 bi-monthly shall be paid for each dwelling unit which includes a kitchen and which is metered pursuant to Regulation 4.b.(5).

f. Minimum Service Charge for Residential Connections with Fire Fighting Equipment

Where a meter larger than is otherwise required is installed solely to provide capacity for private fire sprinklers or other firefighting equipment in single-family residential connections the minimum bi-monthly service charge shall be:

\$37.50

Regulation 54, adopted 1/65

g. Charges for Testing & Maintenance of Backflow Preventers Performed by District

(1) Each consumer having a backflow prevention device serviced by the District shall pay a bimonthly fee for servicing the device as shown below.

District Owned DCV Devices:

Services Performed by District Testing, Repair, Replacement	Size 3/4" + 1"	
Testing, Repair, Replacement	1 ½"	\$18.00
Privately Owned DCV Devices:		
Services Performed by District	Size	Rate Effective 6/1/18
Testing Testing Testing Testing	3/4" + 1"	\$7.50 \$13.50 \$21.00 \$30.50
District Owned RPP Devices:		
Services Performed by District	Size	Rate Effective 6/1/18
Testing, Repair, Replacement Testing, Repair, Replacement Testing, Repair, Replacement Testing, Repair, Replacement	3/4" + 1"	\$23.00 \$28.00 \$125.50 \$270.50
Privately Owned RPP Devices:		
Services Performed by District	Size	Rate Effective 6/1/18
Testing Testing Testing Testing	3/4" + 1"	\$14.50 \$27.00 \$57.50 \$111.00

If any customer requires that testing or maintenance be performed outside of normal work hours of the District, an additional charge equivalent to the overtime charges incurred by the District will be assessed.

(2) Exemptions

Exemptions from the testing program are permitted on a case-by-case basis as may be approved by the District and the California Department of Public Health, Office of Drinking Water, District Sanitary Engineer. All such exemptions are conditioned on periodic inspection to ensure that exemption criteria are still being met.

	Rate Effective 6/1/18
Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of:	\$3.00

RESOLUTION 18-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT AMENDING REGULATION 54 – WATER RATES

WHEREAS, the Board of Directors hereby finds and determines that certain of the water rates and charges adjusted herein or previously adopted by the Board are imposed based on the supply of water to be used or consumed by the customer. The Board of Directors also finds and determines that these rates and charges are not imposed upon real property or upon a person as an incident of property ownership, and such rates or charges may be reduced or avoided by a customer by reducing or discontinuing water use; and

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 54 of the North Marin Water District is adopted as follows, effective July 1, 2018:

c. Rates for Domestic, Commercial and Industrial Users, West Marin Service Area

(1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

BI-MONTHLY SERVICE CHARGE	Rate Effective 7/1/18
For 5/8 x 3/4-inch meter	\$33.00
For 1-inch meter*	\$66.00
For 1 1/2-inch meter*	\$80.50
For 2-inch meter	\$125.80
For 3-inch meter	\$248.50
For 4-inch meter	\$399.00
For all meters in Paradise Ranch Estates	\$50.00
*(see paragraph f)	
PLUS A QUANTITY CHARGE OF:	
Residential Rate for Each 1,000 Gallons Per Dwelling Unit	Rate Effective
	<u>7/1/18</u>
First 400 gallons per day (gpd)	\$8.93
401 up to 900 gpd	\$12.37
Use in excess of 900 gpd	\$19.84
Rate Per 1,000 Gallons for All Other Accounts	
Commercial, Industrial and Irrigation Accounts Nov 1 – May 3	1 \$9.03
Commercial, Industrial and Irrigation Accounts June 1 – Oct 3	1 \$12.49

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	Hydraulic Zone	Rate Effective 7/1/18
1	Point Reyes Station	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower	
	Paradise Ranch Estates (Elevation 0'-365')	\$0.23
3	Olema	\$0.88
4	Upper Paradise Ranch Estates (Elevation 365'+)	\$5.97

- (2) Effective July 1, 2018 consumers outside the Improvement District boundary shall pay an additional \$3.57 per 1,000 gallons.
- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek, pursuant to the Interconnection Agreement between Marin Municipal and NMWD. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:

Residential Accounts: Use in excess of 200 gallons per day\$2	2.50
Commercial, Institutional and Irrigation Accounts: All Use\$2	2.50

d. Rates for Water Service from Hydrants or Other Temporary Service

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for use through a fire service meter.

West Marin Service Area	Rate Effective
	<u>7/1/18</u>
For each 1,000 gallons	\$18.46

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 twenty sixth of June 2018, by the following vote:

AYES: NOES: ABSENT: ABSTAINED:

Theresa Kehoe, District Secretary
North Marin Water District

(SEAL)



MEMORANDUM

To:

Board of Directors

June 22, 2018

From: Julie Blue, Auditor-Controller

Subi:

Public Hearing/Approve – Oceana Marin Sewer FY 2018/2019 Budget

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RECOMMENDED ACTION: 1) Approve Sewer Service Charge Increase;

2) Approve FY19 Budget as Proposed

FINANCIAL IMPACT:

1) Service Charge Increase would generate \$11,000 annually;

2) FY18 Budgeted Expenditure Plan of \$760,000

Presented for your third and final review, public hearing and approval is the proposed FY2018/2019 (FY19) budget for the Oceana Marin Sewer System. There have been no changes to the proposed budget since the Board's June 19th review.

SEWER RATES

The Oceana Marin Sewer System held a cash balance of \$529,000 at April 30, 2018. A 5% (\$4/month) increase is proposed for FY19, which will generate an additional \$11,000 per year. Annual 5% increases are included in the 5-year financial plan for FY20 and beyond to partially fund the CIP program. Grant and loan funds will fund the remaining project costs.

An increase in the Sewer Service Charge, which is collected on the Property Tax roll, must be adopted by ordinance, which requires readings at two Board meetings and publication twice. A summary of the ordinance was published in the Point Reyes Light on June 7 and June 21 (page 10).

A letter was mailed to all Oceana Marin sewer customers on May 11, 2018, advising of the proposed sewer service cost increase and extending an invitation to attend the June 26 public hearing and/or exercise their right to protest the proposed increase (page 8 of the budget document). There were no letters or phone calls inquiring or protesting the rate increase.

CONNECTION FEE

The Oceana Marin Sewer connection fee was increased in FY17 with a 2-phased approach. The fee increased from \$15,200 to \$22,600 effective September 1, 2016, and increased to \$30,000 effective July 1, 2017, all in an effort to help finance the capital improvements. One new connection is budgeted for the Oceana Marin Sewer next fiscal year.

Final Review/Public Hearing: FY19 Oceana Marin Budgets June 22, 2018 Page 2

BUDGETED SYSTEM IMPROVEMENT PROJECTS

FY19 Projects

Sewer

- \$400,000 is included for the project to dredge the treatment and storage ponds.
- \$125,000 is included for pond repairs related to the 2017 storm damage.
- \$40,000 is included for continued infiltration repair work to reduce the amount of rainwater infiltrating into the collection system.

Future Projects

Future projects include \$40,000 each year to continue infiltration repair work and \$1,200,000 to Rehab the OM Treatment Ponds commencing in FY20.

OCEANA MARIN SEWER OPERATING BUDGET

The proposed Oceana Marin Sewer budget shown on page 2 includes a \$4/month (5% - to \$90/month) increase in the sewer service charge. One new connection is budgeted for next fiscal year, which is Oceana Marin's average over the past five years. Operating expenditures are budgeted to decrease 2% from the FY18 adopted budget.

The 2018 update of the Coastal Area Annual Sewer Cost Comparison (page 11) shows that, when the County 1% allocation of AB8 tax revenue is included as a ratepayer cost, Oceana Marin sewer service cost will again rank highest among the six coastal sewer agencies surveyed.

STAFF RECOMMENDATION:

- 1) Approve Ordinance No. 36 (Attachment A) electing to have the Oceana Marin Sewer Service Charges be collected on the tax roll of the County of Marin;
- 2) Approve Resolution No. 18-XX (Attachment B) amending Regulation 109, effective July 1, 2018, to increase the Oceana Marin Sewer Service Rate to \$1,080 per dwelling unit per year;
- 3) Adopt the FY19 Oceana Marin Sewer System Budget as proposed;
- 4) Authorize the General Manger to pay demands arising from execution of the budgeted FY19 Oceana Marin expenditure plan.

Proposed **BUDGET**

Final Review/Public Hearing

Oceana Marin Sewer

FISCAL YEAR

2018-19

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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OCEANA MARIN SEWER

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CAPITAL IMPROVEMENT PROJECTS

5/24/18 t:\ac\excel\budget\19\[5 yr cip fy19.xlsx]5 yr cip

						•	cip iy ibixibxjo yi cip	
			FY18 Est					
		FY18 Budget	Actual	FY19	FY20	FY21	FY22	FY23
*	OCEANA MARIN SEWER SYSTEM							
72.28	a. Infiltration Repair	\$40,000		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
63.00	b. Design/Install 8th Disposal Trench (300')	\$80,000						
85.02	c. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)	\$20,000					\$20,000	\$20,000
64.00	d. Tahiti Way Power Relocation	\$20,000						
66.00	e. ACP Sewer Reline (6"@ 3,000')						\$50,000	\$250,000
71.00	f. Pond Dredging & Solids Disposal	\$50,000		\$400,000				
73.00	g. OM Treatment Pond Rehab-(Note 9)		\$6,000		\$150,000	\$1,050,000		
07-22	h. OM Treatment Pond-Storm Damage (Note 10)		\$35,000	\$125,000				
	i Parallel Force Main (1st of 3 Segments) (Note 11)						\$100,000	\$400,000
		\$210,000	\$41,000	\$565,000	\$190,000	\$1,090,000	\$210,000	\$710,000
	LESS FUNDED BY LOANS/GRANTS/OTHER		(¢26,000)		(\$113,000)	(\$1.038.000)		
	a. OM Treatment Pond Rehab (Note 9)		(\$26,000)		(\$113,000)	(\$1,038,000)		
	b. OM Treatment Pond-Storm Damage (Note 10)			(\$69,000)				(\$400.000)
	c. OM Parallel Force Main (Note 11)				(4.1.5.55)	(0.1.000.000)		(\$400,000)
	TOTAL LOAN/GRANT FUNDS	\$0	(\$26,000)	(\$69,000)	(\$113,000)	(\$1,038,000)	\$0	(\$400,000)
	OTUDITO A ODEOLAL DEOLEGICA							
	STUDIES & SPECIAL PROJECTS	405.000	Φ0					
062.00	a. Oceana Marin Vulnerability Study	\$25,000	\$0	4,				
	OCEANA MARIN SEWER DEBT SERVICE							
	a. CIP Financing (Note 11)				\$0	\$18,000	\$17,000	\$46,000
	NET PROJECT OUTLAY & DEBT SERVICE	\$235,000	\$15,000	\$496,000	\$77,000	\$70,000	\$227,000	\$356,000

OCEANA MARIN SEWER BUDGET SUMMARY Fiscal Year 2018/19

		Proposed	Estimated	Adopted
		Budget	Actual	Budget
_		2018/19	2017/18	2017/18
-	OPERATING INCOME			
1	Monthly Sewer Service Charge	\$252,000	\$239,000	\$239,000
2	Misc Service Charges	-	500	
3	Total Operating Income	\$252,000	\$239,500	\$239,000
(OPERATING EXPENDITURES			
4	Sewage Collection	\$78,000	\$54,000	\$54,000
5	Sewage Treatment	47,000	61,000	57,000
6	Sewage Disposal	39,000	18,000	32,000
7	Consumer Accounting	2,000	2,000	2,000
8	General Administration	29,000	27,000	54,000
9	Depreciation Expense	37,000	37,450	51,000
10	Total Operating Expenditures	\$232,000	\$199,450	\$250,000
11	NET OPERATING INCOME (LOSS)	\$20,000	\$40,050	(\$11,000)
	NON-OPERATING REVENUE/(EXPENSE)			
12	OM-1/OM-3 Tax Allocation	\$59,000	\$57,000	\$56,000
13	Interest Revenue	6,000	5,000	4,000
14	Miscellaneous Revenue	_	500	-
15	Miscellaneous Expense	-	400	
16	Total Non-Op Income/(Expense)	\$65,000	\$62,900	\$60,000
	NET INCOME/(LOSS)	\$85,000	\$102,950	\$49,000
	OTHER SOURCES/(USES) OF FUNDS			
17	Add Depreciation Expense	\$37,000	\$37,450	\$51,000
18	Connection Fees	30,000	30,000	30,000
19	Grant/Loan Proceeds	69,000	26,000	-
20	Capital Improvement Projects	(565,000)	(41,000)	(210,000)
21	Total Other Souces/(Uses)	(\$429,000)	\$52,450	(\$129,000)
22	- CASH INCREASE/(DECREASE)	(\$344,000)	\$155,400	(\$80,000)

OCEANA MARIN SEWER

5-Year Financial Forecast

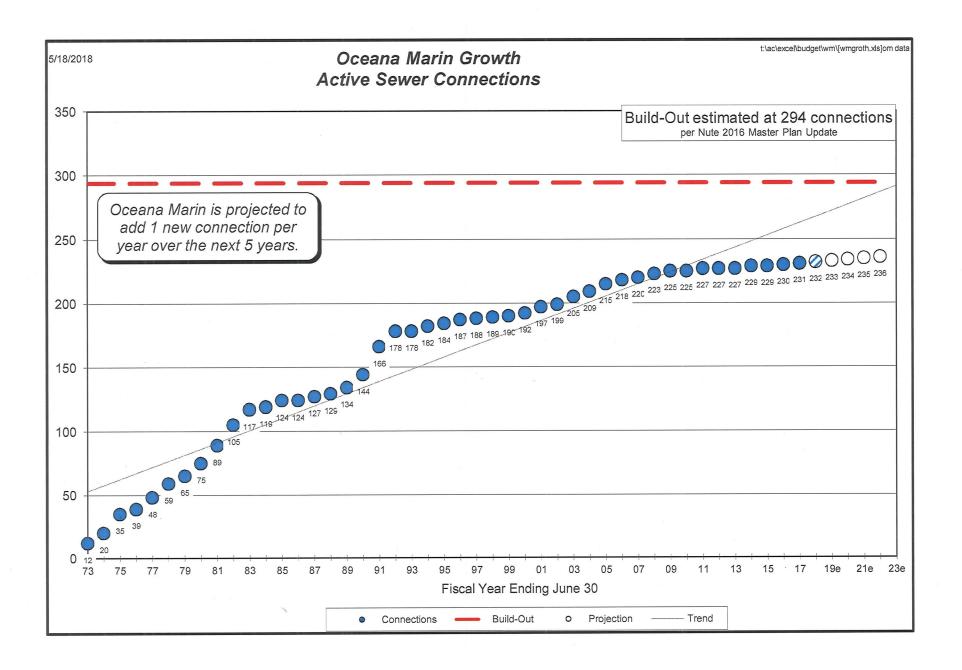
		Actual	Actual	Est Actual	Budget	Projected	Projected	Projected	Projected
#	BASIC DATA	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1	Number of Connections	230	231	232	233	234	235	236	237
2	Monthly Service Charge	\$71.00	\$78.00	\$86.00	\$90.00	\$95.00	\$100.00	\$105.00	\$110.00
	OPERATING REVENUE								
3	Monthly Service Charge	\$195,461	\$215,989	\$239,000	\$252,000	\$267,000	\$282,000	\$297,000	\$313,000
4	Miscellaneous Service Charges _	460	600	500	_	-	-		_
5	Total Operating Revenue	\$195,921	\$216,589	\$239,500	\$252,000	\$267,000	\$282,000	\$297,000	\$313,000
	OPERATING EXPENSE								
6	Operating Expenditures	\$159,131	\$181,734	\$162,000	\$195,000	\$200,000	\$206,000	\$212,000	\$218,000
7	Depreciation Expense	48,193	41,616	37,450	37,000	37,000	37,000	37,000	40,000
8	Total Operating Expense	\$207,324	\$223,350	\$199,450	\$232,000	\$237,000	\$243,000	\$249,000	\$258,000
9	NET OPERATING INCOME_	(\$11,403)	(\$6,761)	\$40,050	\$20,000	\$30,000	\$39,000	\$48,000	\$55,000
	NON-OPERATING REVENUE/(EXPE	NSE)							
10	Interest Revenue	\$3,638	\$5,749	\$5,000	\$6,000	\$2,000	\$3,000	\$4,000	\$4,000
11	Interest Expense	-	-	-	-	-	(9,000)	(8,000)	(22,000)
12	OM-1/OM-3 Tax Allocation	52,609	55,247	57,000	59,000	61,000	63,000	65,000	67,000
13	Miscellaneous Revenue	9,054	500	500	-	_	-	-	-
14	Miscellaneous Expense	(636)	(789)	400		_	-		_
15	Total Non-Op Revenue/(Expense)	\$64,665	\$60,707	\$62,900	\$65,000	\$63,000	\$57,000	\$61,000	\$49,000
	Net Income_	\$53,262	\$53,946	\$102,950	\$85,000	\$93,000	\$96,000	\$109,000	\$104,000
	OTHER SOURCES/(USES)								
16	Add Depreciation Expense	\$48,193	\$41,616	\$37,450	\$37,000	\$37,000	\$37,000	\$37,000	\$40,000
17	Connection Fees	23,690	30,400	30,000	30,000	30,000	30,000	30,000	30,000
18	Capital Improvement Projects	(7,547)	(154,815)	(\$41,000)	(\$565,000)	(\$190,000)	(\$1,090,000)	(\$210,000)	(\$710,000)
19	Grant/Loan Proceeds	-	-	26,000	69,000	113,000	1,038,000	-	\$400,000
20	Debt Principal Payments	-	-	-	-	-	(9,000)	(9,000)	(24,000)
21	Net Change in Working Capital _	1,864	(10,630)	-		-	-	-	-
22	Total Other Sources/(Uses)	\$66,200	(\$93,429)	\$52,450	(\$429,000)	(\$10,000)	\$6,000	(\$152,000)	(\$264,000)
23	Cash Increase/(Decrease) _	\$119,462	(\$39,483)	\$155,400	(\$344,000)	\$83,000	\$102,000	(\$43,000)	(\$160,000)
	_						****	A0=0 000	4040.000
24	ENDING CASH BALANCE	\$463,664	\$424,181	\$580,000	\$236,000	\$319,000	\$421,000	\$378,000	\$218,000

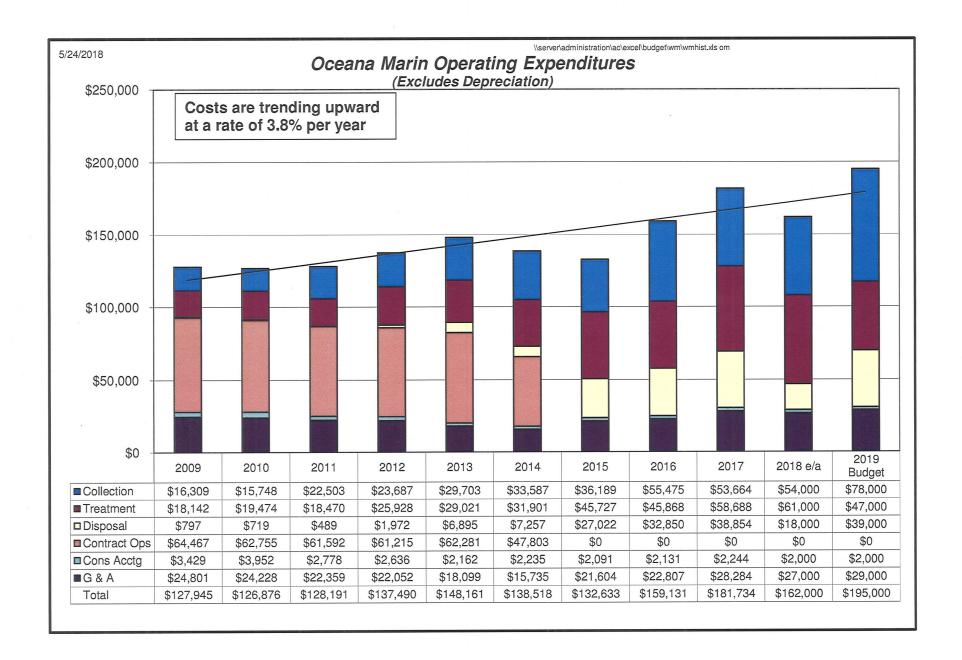
North Marin Water District

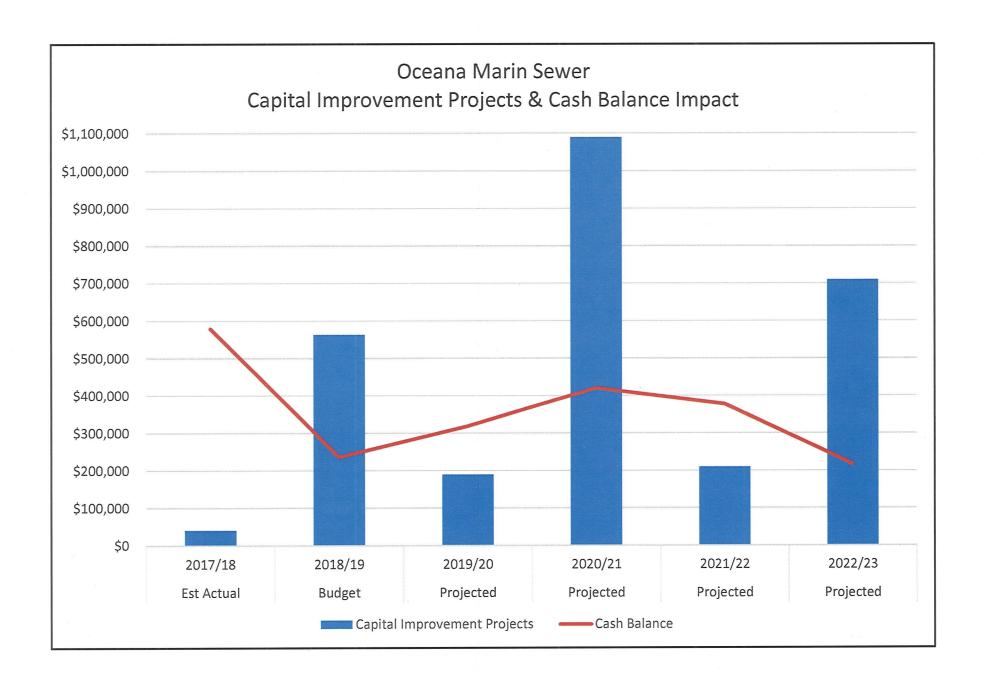
OCEANA MARIN SEWER

KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 294 dwelling units.
- Proposed 5% annual increases to build cash to fund the \$400,000 Pond Dredging and Solids Disposal project commencing in FY19 and phase 1 of the \$500,000 Parallel Force Main project commencing in FY22.
- 6 Operating expenditures projected to increase 3% annually after FY18. Excludes depreciation expense.
- 10 Projected available funds invested at 1.00%
- 12 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 17 Connection fee increased to \$30,000 on 7/1/17. Assumes connections occur in OM-3 Units 1 or 5 which are subject to the connection fee.
- 18 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- Grant/Loan Pond Treatment Rehab capital projects to be funded at 75% by grants. Includes loans for capital projects of \$250K in FY21 and \$400K in FY23. Loans are budgeted with an interest rate of 3.5% for 20 years.
- 24 Cash available for operation, maintenance and improvements.









999 Rush Creek Place P.O. Box 146 Novato, CA 94948-0146

PHONE 415-897-4133

info@nmwd.com May 11, 2018 WEB www.nmwd.com

RE: Notice of Proposed Oceana Marin Sewer Service Cost Increase

Dear Customer:

This letter is to advise you of a proposed increase to the Oceana Marin sewer service charge that would take effect on July 1, 2018. It also provides information about a Public Hearing scheduled on June 26, 2018, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

How much is the proposed rate increase?

Current Oceana Marin sewer service charges are \$86/month (\$1,032/year). A 5% increase is proposed equaling \$90/month (\$1,080/year).

How will the proposed increase affect my sewer bill?

Oceana Marin sewer service charges are collected on the Marin County property tax bill, which is rendered annually for the fiscal year period July 1 through June 30. The proposed sewer service charge increase would add \$4 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for fiscal year 2018/19 of \$1,080 (\$90 per month for July 2018 through June 2019).

Why are rates being increased?

In January 2016 the District concluded a Master Plan Update that identified over \$3 million in projects necessary to improve the reliability and redundancy of the Oceana Marin Wastewater System. Constructing these improvements will be financially challenging for the 232 customers of the Oceana Marin utility. Even if the projects are constructed over a 20-year period, the cost would still average \$150,000 annually. The proposed rate increase, if enacted, would generate \$11,000 of additional revenue annually (\$48/year X 232 customers). The entire Master Plan Update is available for review at: http://www.nmwd.com/pdfs/agenda/011916.pdf.

Additional rate increases will be necessary in future years as the District continues to improve the reliability of the existing facilities and to construct redundant facilities in order to protect against potential system failure and sewage spills. Prior years' rate increases were in-line with financing the CIP plan on a pay-go basis while the current 5-year financial plan includes annual rate increases of 5% and forecasts borrowing funds to complete the plan.

Proposed Rate Increase May 11, 2018 Page 2

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 6:00 pm, Tuesday, June 26, 2018, at the Dance Palace (503 B Street) in Point Reyes Station.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. 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 the proposed increase will not be imposed.

Your written protest must be received prior to the close of the June 26, 2018 public hearing. Written protests must be signed by the property owner and must include a description of the parcel (parcel number or service address). Send or deliver written protests to:

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

For more information about the North Marin Water District, including a history of the Oceana Marin Sewer System, or to view the most recent Coastal Area Sewer Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,

Drew McIntyre General Manager

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PROOF OF PUBLICATION (2015.5 CCP)

This space is for the County Clerk's Filing Stamp

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the county aforesaid. I am over the age of eighteen years, and not a party to or interest in the above-entitled matter. I am the publisher of the Point Reyes Light, a newspaper of general circulation, printed and published in the town of Point Reye's Station, County of Marin and which newspaper has been adjudged a newspaper for general circulation by the Superior Court of the County of Marin, State of California, under the date April 26, 1949, Case Number 183007; that the notice of which annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement therof on the following dates to wit:

6/7/18, 6/21/18

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date at Inverness, California, this

6/21/18

Signature

Proof of Publication

NORTH MARIN WATER NOTICE OF PUBLIC HEAR-OCEANA MARIN SEWER SERVICE CHARGES FISCAL YEAR 2018-2019 AND INTENT TO COLLECT ON TAX ROLL NOTICE IS HEREBY GIVEN that pursuant to Section 5471 et seq. of the California Health and Safety Code and Section 31101 et seq. of the California Water Code, the Board of Directors of North Marin Water District (NMWD), Intends to amend NMWD Regulation 109. Oceana Marin Sewer Service - Rates and Charges, through the adoption of Ordinance No. 36 on June 26, 2018, fixing its charges for sewerage services for the fiscal year 2018-2019 in the amount of \$90 per month (\$1,080 per year) per parcel (a proposed increase of \$4 per month - \$48 annually), and further intends to elect to collect such charges on the tax roll as it did for fiscal year 2017-2018 in the same manner as general taxes. NMWD has caused to be filed with its Secretary a written report containing a description of each parcel of real property receiving sanitary sewerage ser-vice from said District and the anticipated amount of charges on each such parcel. NOTICE IS HEREBY GIVEN THAT ON Tuesday, June 26. 2018 at 6:00 p.m. at a regular Board Meeting of NMWD held at The Dance Palace, 503 B Street, Point Reyes Station, California, said Board will hear and consider all protests and objections to the proposed increase in charges for sewage services set for in said report Published in the Point Reyes Light June 7, 21, 2018.

2018 COASTAL AREA SEWER COST COMPARISON

5/25/2018

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 6/1/18

Agency	No. of Sewer Services	Monthly Service Charge	Annual Tax Revenue ⁽¹⁾	Annual Total
> NMWD Oceana Marin	232	\$90.00 ⁽²⁾	\$224 (3)	\$1,304 <
Bolinas Community PUD	163	\$108.17	\$0 ⁽⁴⁾	\$1,298
Marshall Community Wastewater System	52	\$98.84 ⁽⁵⁾	\$0	\$1,186
Tomales Village CSD	107	\$81.90 ⁽⁶⁾	\$92 ⁽⁷⁾	\$1,074
Stinson Beach Co Water - Inspection Only	710	\$39.65 ⁽⁸⁾	\$293 ⁽⁹⁾	\$769
Bodega Bay PUD	1,023	\$61.10	\$0 (10)	\$733

Notes:

- (1) Includes taxes for debt service on outstanding sewer bonds and loans plus any applicable allocation of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (2) Includes proposed increase of \$4/month.
- (3) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$52,000 for 2017/18 which equates to \$224 per service.
- (4) Based on home with net AV of \$545,375 (average 2017/18 AV on 544 single family homes in Bolinas less \$7,000 homeowner exemption) and tax rate of 0.001¢/\$100 AV none of which is allocated to Sewer. Also shares in 1% County levy. This "allocation" is projected by the County of Marin at \$302,414 for Bolinas in 2017/18 of which 100% is credited to the water fund.
- (5) Community wastewater step-system commenced October 2008. Each parcel has own septic tank, pumped to a community collection tank, then pumped into a community leach field. .
- (6) Includes proposed increase of \$9.45 month to be effective 7/1/18.
- (7) Based on home with net AV of \$374,093 (average 2017/18 AV on 107 single family homes in Tomales) and tax rate of 2.4¢/\$100 AV.
- (8) On-Site Wastewater System no sewer system. Services provided include septic inspections, ground and surface water monitoring and other inspections required by the State Water Quality Control Board. In addition to the cost paid to Stinson Beach Water Co., each customer must purchase and install their own on-site wastewater system.
- (9) Based on allocation of 1% County levy. This "allocation" was projected by the County of Marin at \$693,234 for 2017/18 of which 30% was allocated to sewer amounting to \$293 per service.
- (10) Based on share of 1% County levy. This "allocation" by the County of Sonoma was estimated at \$388,136 for 16/17 of which 100% was allocated to water (0% to sewer). The 17/18 estimate will not be available until June.

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DRAFT ORDINANCE NO. 36

ORDINANCE OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT ELECTING TO HAVE OCEANA MARIN SEWER CHARGES BE COLLECTED ON THE TAX ROLL OF THE COUNTY OF MARIN, STATE OF CALIFORNIA COMMENCING FISCAL YEAR 2018-19

Section 1. The Board of Directors hereby finds, determines and declares as follows:

- a. The District has previously developed and instituted a Sewer Service Charge Program to finance the services and facilities furnished by the District in its Improvement Districts No. OM-1 and OM-3 which are herein referred to as Oceana Marin; and
- b. The Board of Directors has reviewed the present sewer service charge and has determined that the sewer service rate should be \$1,080 per equivalent dwelling unit for fiscal year 2018-19;

Section 2. In adopting this Ordinance, the Board of Directors finds that:

- a. Written notices of the proposed increase in the sewer service charge were sent by first class U.S. mail to every customer in Improvement Districts No. OM-1 and OM-3 prior to the Public Hearing conducted on June 26, 2018 to consider said report and rate increase effective July 1, 2018.
- b. The District prepared and filed a sewer service charge report, with the District Secretary.
- c. On June 7, 2018 and June 21, 2018, the District Secretary published a notice of Public Hearing and of the filing of said report in the Point Reyes Light, a newspaper of general circulation printed and published in the County.
- d. At the Public Hearing conducted on June 26, 2018, all written protests against the proposed increase in the sewer service charge, including those provided in person, by facsimile, email and U.S. mail, were considered and tallied, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.
- e. The amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only

- imposed on those properties actually receiving service or for those which service is immediately available.
- f. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1-4) of the District CEQA Guidelines.
- Section 3. Section c. of that certain Regulation entitled "Regulation 109 Oceana Marin Sewer Service Rates and Charges," passed by the Board of Directors of the North Marin Water District on June 21, 1977, as amended, and attached as Exhibit 1 hereto, is hereby amended to read as follows and is hereby adopted:

"c. Sewer Service Rate

For Fiscal Year 2018-19, a sewer service rate of \$1,080 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner."

- Section 4. The District does hereby elect, pursuant to Section 5473 of the Health and Safety Code of the State of California, to have the sewer service charge, pursuant to its Regulation 109, passed and adopted by the Board of Directors of the North Marin Water District on June 21, 1977, as amended, collected on the tax roll of the County of Marin, State of California, in the manner pursuant to Sections 5471 through 5473.11 of the Health and Safety Code of the State of California.
- Section 5. The Secretary shall cause this ordinance to be published in the manner described in Section 31105 of the Water Code.
- Section 6. The Secretary of North Marin Water District is hereby directed to file a copy of said report with the Treasurer-Tax Collector of Marin County on or before July 15, 2018, upon which shall be endorsed, over the Secretary's signature, a statement that the report has been adopted by the Board of Directors of the North Marin Water District.
- Section 7. The Treasurer-Tax Collector of Marin County shall, upon receipt of said report,

enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2018-2019.

* * * *

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 26th day of June 2018 by the following vote:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	Theresa Kehoe, Secretary North Marin Water District
(OEAL)	

(SEAL)

t:\ordinances\ordinance 36 om tax roll 2018 draft final.docx

RESOLUTION 18-XX

REVISION OF NORTH MARIN WATER DISTRICT REGULATION 109 OCEANA MARIN SEWER SERVICE - RATES AND CHARGES

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 109c of the North Marin Water District is adopted as follows, effective forthwith:

c. Sewer Service Rate

For Fiscal Year 2018-19, a sewer service rate of \$1,080 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner.

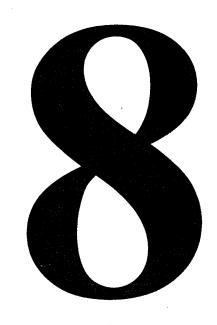
* * * *

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 twenty-sixth day of June, 2018, by the following vote:

AYES: NOES: ABSENT: ABSTAINED:

Theresa Kehoe, District Secretary
North Marin Water District

(SEAL)



MEMORANDUM

To:

Board of Directors

June 22, 2018

From:

Rocky Vogler, Chief Engineer

Subject:

West Marin Capital Improvement Projects – FY17-18 Preliminary Year-End Progress

Report

R:\CHIEF ENG\VOGLER\BUDGETS\FY 17-18\WM 17_18 project status BOD Memo.doc

RECOMMENDED ACTION:

Information Only

FINANCIAL IMPACT:

None

The purpose of this memo is to provide a preliminary year-end status report to the Board on the District's performance in completing budgeted FY17-18 Capital Improvement Projects (CIPs) in the West Marin (including Oceana Marin) service territories. A final fiscal year-end report will be presented to the Board at a later meeting once the FY17-18 financial information is complete. This preliminary progress report is being presented to take advantage of the fact that the June 26th meeting is being held in our West Marin service territory.

Performance Status for Capital Improvement Projects

A total of eight (8) CIPs were originally budgeted in FY17-18 for the West Marin water and Oceana Marin sewer service areas (Attachment 1). During the year, five projects were added and three were deleted/deferred. No projects were carried over. Out of the ensuing ten projects, four projects have been completed. Overall earned value progress in completing West Marin CIPs was 60%. All but one of the FY17-18 West Marin project expenditures was at or below the original budget (Attachment 2). Based on a review of total project expenditures for all West Marin CIPs, the combined West Marin Water projects are estimated to be below the initial budget by approximately \$626,000, due primarily to the extended timeframe to complete environmental permitting for the PRE Tank 4A project. Oceana Marin project expenses of \$83,614 results in a remaining Oceana Marin CIP balance of \$46,386.

FY 17-18
CAPITAL IMPROVEMENTS PROJECTS

	WEST MARIN/
PROJECTS BUDGETED	OCEANA MARIN
Original Budget	8
Added	5
FY 16-17 Carryover	0
Deferred/Dropped	3
Adjusted Budget	10

FISCAL YEAR COMPLETION STATUS	WEST MARIN/ OCEANA MARIN
No. of Projects Fully Completed	5
No. of Projects Partially Completed	3
Year-End Earned Value Completion Percentage	60

FY16-17 CARRYOVER	Date Brought to Board
-------------------	-----------------------

None

DEFERRED/DROPPED

Design/Install 8th Disposal Trench (300')

Tahiti Way Power Relocation

Infiltration Repair

First Quarter Report

Third Quarter Report

Fourth Quarter Report

PROJECTS ADDED

Gallagher Well Motor Operated Valve

OM Treatment and Storage Pond Repair – FEMA

OM Treatment Pond Rehab (Storm Recovery)

New Gallagher Well No. 2

PRTP Solids Handling

First Quarter Report

First Quarter Report

Second Quarter Report

Second Quarter Report

				AS OF .	JUNE 15, 2018						
ATUC	TUS DEPT ITEM # PROJECT NO. DESCRIPTION PROJECT COSTS % COMPLETE EARNED VALUE							/ALUE			
AIUS	DEPT	11 C W #	PROJECT NO.	DEGOTAL HON	Budget	Actual	Baseline	Actual	Planned	Actual	
			6. West Marin \	Nater System							
			System Improv	ements							
, , ,	Eng	1	6.a	Replace PRE Tank #4A	\$550,000	\$100,000	100	90	\$550,000	\$90,000	
	Ops	2	6.b	Green Sand Filter Media Replace	\$75,000	\$25,000	100	100	\$75,000	\$25,000	
	Eng	3		PRTP Solids Handling	\$50,000	\$5,700	100	5	\$50,000	\$285	
	Eng	4	6.c	PB Replace in Sync w/County Paving	\$50,000	\$0	0	0	\$0	\$0	
	Ops	5	6.e	Gallagher Well Motor Operated Valve	\$0	\$14,490	100	100	\$0	\$14,490	
	<u> </u>	6	6.f	New Gallagher Well No. 2	\$0	\$0	0	0	\$0	\$0	
					\$725,000	\$145,190					
	7. Oceana Marin Sewer System										
	Ops		7.a	Infiltration Repair DEFERRED	\$40,000	\$0			\$0	\$0	
				Design/Install-8th Disposal Trench (300') - DELETED	\$0	\$0					
	Maint	7		Tahiti Way Lift Pumps Rebuild	\$20,000	\$33,114	100	100	\$20,000	\$33,114	
	Ops			Tahiti Way Power Relocation DEFERRED	\$20,000	\$0			\$0	\$0	
	Ops	8	7.e	Pond Dredging & Relining	\$50,000	\$2,000	100	5	\$50,000	\$100	
	Ops	9	7.f	OM Treatment Pond Rehab (Storm Recovery)	\$0	\$3,500	100	100	\$0	\$3,500	
	Ops	10	7.g	OM Treatment and Storage Pond Repair - FEMA (404)	\$0	\$45,000	100	100	\$0	\$45,000	
	T-'			SubTotal	\$130,000	\$83,614					
				Total West Marin	\$855,000	\$228,804	80	60	\$745,000	\$211,489	
Comi	oleted			PROJECT FORECAST REVISED							
	ially com	niotod		Baseline projects with revised forecast budget increases (indic	cated by shaded bo	ix)	1				
- rail	any COIII	oieteu .		Baselined projects to be deferred (indicated in strikeout)			raman quadada da ser est				
				New projects added (indicated in bold)							
	-			Prior year projects carried over indicated in italics							
	-			Prior year projects carried over indicated in Italics							

June 22, 2018

MEMORANDUM

To: **Board of Directors**

From: Robert Clark Operations / Maintenance Superintendent

January 2017 Storm Recovery Update x:\maint sup\2018\bod\bod january 2017 storm recovery update memo.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

During the January 2017 storm event the District saw some flooding in the Corporation Yard and in Point Reyes during high tide events, there were minor mud slides and erosion areas throughout the service area that were addressed and Treatment Pond No. 1 in Oceana Marin required some bank repair work. Subsequent to that event Marin County received a disaster proclamation from the State Office of Emergency Services and Staff listed six claim items for potential cost recovery. During the initial review of our application for cost recovery from FEMA it was determined that we could expand our storm recovery claims list.

As we progressed through the application process the storm recovery items were combined into various classifications and we ended up with three projects in the final application in June of 2017. Also in June 2017 District Staff applied for a larger hazard mitigation grant funding opportunity with a notice of interest for five potential projects. After these projects were submitted, Staff attended training for the grant application process and determined that only one of the five projects (Oceana Marin pond embankment armoring) would meet all of the requirements for the larger hazard mitigation grants.

The three storm recovery projects are: (1) Oceana Marin Pond No. 1 bank storm erosion repair (\$68,395,18 grant), (2) Oceana Marin and Vineyard Road repair (\$21,336.59 grant) and (3) debris removal (\$2,747.92 grant). To date we have received notice of acceptance for each of the project grants and reimbursement funds for the completed debris removal. When we complete the other two projects we can submit a request for the remaining grant funds.

The larger hazard mitigation grant project for the Ocean Marin pond bank armoring application for \$1,282,101 is still in the evaluation phase and we continue to receive various questions from the review team at the California Office of Emergency Services (CalOES).

DISBURSEMENTS - DATED JUNE 21, 2018

Date Prepared 6/19/18

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

Seq	Payable To	For	Amount
1	123 Floor	New Carpet for Controller's Office	\$1,640.00
2	Agilent Technologies	Replacement Lamps for Lead Analysis (Lab)	1,490.79
3	All Star Rents	Air Scrubber Rental for Use in Front Office Painting	345.49
4	Arrow Benefits Group	May Dental Expense	4,574.48
5	Automation Direct	PLC Parts for Stone Tree Tank & Winged Foot P/S	750.75
6	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 80 of 240)	46,066.67
7	BlackPoint Tree Service	Thin & Remove Dead Wood from 3 Elm Trees @ NMWD Headquarters	2,600.00
8	Buckles-Smith	PLC Enclosure (San Mateo Recoat Project)	629.99
9	Cilia, Joseph	Retiree Exp Reimb (June Health Ins)	343.66
10	Clipper Direct	Commuter Benefit Program (4)	522.00
11	DeGabriele, Chris	Vision Reimbursement & Retiree Exp Reimb (June Health Ins)	1,230.54
12	Diggs, James	Retiree Exp Reimb (June Health Ins)	342.23
13	Direct Line	June Telephone Answering Service	320.16
14	Evoqua Water Technologies	Service on Deionization System	268.47
15	Ferguson Waterworks	Brass Caps (9), Box Lids (31) (\$1,224), Furnish & Deliver Steel Pipe for Ridge Rd Pipeline Replacement (\$67,320), Couplings (4), Plugs (8), Valve & Double Check Fire Assembly (\$1,286)	71,248.29
16	Frontier Communications	Leased Lines	1,444.25
17	GHD	Prog Pymt #5: Crest Pump Station (Balance Remaining on Contract \$32,549)	3,030.61

Seq	Payable To	For	Amount
18	Grainger	Tin Snips	16.88
19	Harrington Plastics	Tubing (Pt Reyes TP)	258.18
20	Irish & Son Welding	Welding Services	520.00
21	Jackson, Clayton R.	Novato "Toilet Rebate" Program	300.00
22	Kehoe, Chris	Exp Reimb: D2 Certification Renewal Fee & Safety Boots	280.00
23	Latanyszyn, Roman	Retiree Exp Reimb (June Health Ins)	343.66
24	Manning, Elizabeth	Novato "Toilet Rebate" Program	200.00
25	Marin Landscape Materials	Concrete (84 bags)	560.52
26	Marin County Ford	Air Filters (3), Oil Filters (4), Motor Oil (31 qts) (\$153), Sun Visor Clip, Battery Tray & Hold Down (\$157), Driver Seat Belt, Cushion & Cover (\$401) ('12 F250) & Air Bag Recall & Diagnose A/C Problem	979.56
27	Marin, County of	Annual Septic Permit (25 Giaomini Rd)	477.00
28	McPhail Fuel	Parts & Labor to Replace Leaking Gas Line @ Crest Tank Generator	552.74
29	Miller Pacific Engineering	Prog Pymt #17: Geotechnical Services-Old Ranch Rd Tank (Balance Remaining on Contract \$26,205)	11,100.00
30	Moore, Doug	Retiree Exp Reimb (June Health Ins)	1,006.54
31	North Bay Gas	Circle Cutter, Acetylene & Argon Gas (\$194), Breathing Air & Hydro Tests (2) (\$314) & May Cylinder Rental	666.64
32	Novato Sanitary District	March 2018 RW Operating Expense	1,651.00
33	Office Depot	Desk Sign, Scissors, Tape Dispenser, Folders, Calendar & Letter Trays (2)	105.27
34	O'Reilly Auto Parts	Brake Cleaner Solution	140.10

Seq	Payable To	For	Amount
35	Pace Supply	Elbows (21) (\$730), Couplings (132) (\$3,946), Meter Stops (25) (\$3,340), Ball Valves (15), Flanges (17) (\$599), Meter Gaskets (1,063) (\$642), Corp Stop, 2" Copper Pipe (140'), Bushing, Nipples (6), Meter Stops (21), Valves (12) (\$4,619) Bolts (1,500) (\$532), Clamp, Spools (2), Nuts (277), Vault (\$662), Meter Spuds (40), Tees (4) & Valve	22,292.38
36	Pacific Surfacing	Refund Security Deposit on Hydrant Meter Less Final Bill	912.30
37	Pedroli, Patricia M.	Novato "Toilet Rebate" Program	200.00
38	Peterson Trucks	Filters & Oil (\$319) ('06 Int'l 4300) & Transmission Service Parts ('02 Int'l 5yd Dump Truck)	620.72
39	Point Reyes Prop Mgmt Assn	June HOA Fee (25 Giacomini Rd)	75.05
40	Preferred Alliance	Pre-Employment Physical (Juarez)	42.00
41	Red Wing Shoe Store	Safety Boots (Reed & Barrilleaux)	390.63
42		Vision Reimbursement	174.00
43	Reyes, Veronica	Novato "Washer Rebate" Program	50.00
44	Sequoia Safety Supply	Brief Relief Urine Bags (100) (\$259) & Ear Plugs (400)	329.69
45	Stafford, Vernon	Retiree Exp Reimb (June Health Ins)	343.66
46	Staples Business Credit	Copy Paper (100-Letter Size Reams) (\$410) & Binders (7)	580.51
47	State Water Resources Control	Clean Water SRF Loan Principal & Interest-RW North Seg 3 (Pymt #6)	96,153.16
48	Streakwave Wireless	Radios for Winged Foot P/S & Black Pt Tank	178.42
49	Syar Industries	Asphalt (6 tons)	966.64
50	Team Ghilotti	Refund Security Deposit on Hydrant Meter Less Final Bill	1,124.60
51	TPx Communications	Telephone Charges	466.36
52	Univar	Sodium Hypochlorite (8 drums) (STP)	1,617.36

Seq	Payable To	For	Amount
53	US Bank	May Safekeeping Fee-Treasury Securities	135.75 \$282,659.70

The foregoing payroll and accounts payable vouchers totaling \$282,659.70 are hereby approved and authorized for payment.

Auditor-Controller Date

General Manager

X

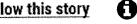
Decades-old project to raise Lake Mendocino dam gets a boost

GUY KOVNER

THE PRESS DEMOCRAT | June 17, 2018, 9:45PM | Updated 4 hours ago.



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In early 2014, after fewer than 8 inches of rain had fallen in the upper reaches of the Russian River the previous year, Lake Mendocino dwindled to a third of its capacity, exposing acres of bare ground, and Mendocino County supervisors declared a drought emergency.

"How many times do we have to knock ourselves on the head before we get it?" then-Supervisor John Pinches asked during the board meeting. "Folks, we've got to come up with another water supply."

The irony, in retrospect, is that a major addition to the reservoir near Ukiah — boosting its capacity by 25 billion gallons — had been planned by the Army Corps of Engineers more than 50 years ago. But with California in the midst of a five-year drought, the plan was gathering dust on the shelves of the federal dam-building agency.

A coalition of local agencies, including Mendocino County and the city of Ukiah, already had paid \$617,000 toward a feasibility study that would determine if the benefits of raising Coyote Valley Dam by 36 feet justified the cost of about \$320 million.

But without more money, Corps officials said in 2014 the study could not move forward.

Now, with the prospect of drought and hotter weather considered California's "new normal" due to climate change, new hopes have arisen for the relief Pinches and others have sought: More water in Lake Mendocino to quench the needs of residents, farmers and fish along 75 miles of the Russian River from Redwood Valley to Healdsburg and

contribute to the Sonoma County Water Agency's deliveries to 600,000 customers in Sonoma and Marin counties.

Rep. Jared Huffman, D-San Rafael, got the Coyote Valley Dam project — in one 13-word sentence — on a list of feasibility studies for some 30 Corps projects from Alabama to Alaska to be expedited by the Secretary of the Army.

Tucked into the 122-page Water Resources Development Act of 2018, the list was approved two weeks ago on a lopsided 408-2 vote in the House and was forwarded to the Senate.

Since Congress no longer allows individual appropriations known as earmarks, Huffman said he was unable to include money in the measure, and much more is needed.

"It helps when Congress calls out specific projects for priority," he said.

Huffman said he hopes to get Corps officials, Mendocino County representatives and his staff to work on finding the money.

"We need to get moving," he said, acknowledging "there are all sorts of projects backlogged" at the Corps.

Janet Pauli, a Potter Valley rancher and irrigation district official, said she was grateful for Huffman's legislation.

"It definitely helps us," she said. "We have to get something from the federal government for this project."

Just to revive the feasibility study will cost \$400,000 and completing it will cost \$5.5 million, with the Corps splitting both bills 50-50 with the Mendocino County coalition called the Inland Water and Power Commission.

The steep price of the study is due to dam seismic safety issues that must be addressed, Corps officials said.

Pauli, the commission chairwoman, said it would be "a stretch" coming up with the local share of nearly \$3 million. She's hoping for state assistance at a time when "water supply is the most important infrastructure improvement we can have."

"Without water, we don't have anything else," Pauli said.

The commission is a joint powers authority consisting of the county, Ukiah, Redwood Valley County Water District, Potter Valley Irrigation District and the Russian River Flood Control District.

The cost of raising Lake Mendocino's 160-foot earthen dam by 36 feet was last estimated in 2015 at more than \$320 million, said Neil Hedgecock, the supervisory program manager in the Corps' San Francisco District project management division.

But that's years away, since the feasibility study will take four to five years, he said.

Huffman called that a "ridiculously long time frame."

The history of the dam reaches back to a catastrophic flood in December 1937, when the turbulent Russian River spread about a mile wide over the Ukiah Valley. A year later, Congress authorized the Army Corps to assess flood control in Mendocino and Sonoma counties, and the agency hatched a three-phase plan.

First came Coyote Valley Dam, authorized by Congress in 1944 and built 14 years later on East Fork of the Russian River, impounding Lake Mendocino.

Phase Two was 319-foot Warm Springs Dam, which was completed by the Corps in 1983, creating Lake Sonoma northwest of Healdsburg.

Lake Sonoma, with a capacity of 381,000 acre-feet, is more than three times larger than Lake Mendocino's 116,500 acre-feet. An acre-foot is about 326,000 gallons and an average California household uses up to one acre-foot of water a year.

Under phase three, Coyote Valley Dam was to be raised 36 feet, which would boost its capacity by about 77,000 acre-feet.

The Corps made allowances for it, engineering the initial dam to bear the addition, securing easements to prevent development of permanent structures on land that would be covered by the higher water and even setting aside soil for the dam raise, now covered by a vineyard.

But it never came, perhaps, Pauli suspects, because the two existing dams have, for the most part, controlled Russian River flooding over the past four decades.

Now, however, in the wake of the five-year drought that saw Lake Mendocino shrink to 36 percent of capacity, Pauli contends that water storage is the region's most pressing need.

At the same 2014 meeting when Pinches spoke up, Mendocino County Supervisor Dan Hamburg said, "Nobody's mentioned the elephant in the room, which is climate change. I'm afraid the new normal is low rainfall."

Communities from Redwood Valley to Healdsburg depend on water from Lake Mendocino, including agriculture in Mendocino County. That farming, including wine grapes generates an economic impact of more than \$700 million, according to a study by economist Robert Eyler.

Lake Mendocino also plays a critical role in providing water to sustain federally protected fish in the river's upper reach, said David Manning, the Sonoma County Water Agency's environmental resources manager.

Raising the dam might make it easier to support those fish, he said.

Grant Davis, the water agency general manager, said Lake Mendocino is "an important asset in our ability to deliver water supply to the entire region."

Davis said he hopes the Mendocino coalition of agencies will move forward with the feasibility study and that Huffman can obtain funding for it.

"Very much incumbent on us to investigate the options for raising Coyote Valley Dam," he said.

Asked if Sonoma County might become one of the financial partners, Davis said that would require a decision by the Board of Supervisors, who also are the Water Agency's directors. The dam raise won't come soon, Pauli said.

"We have a long way to go anyway," she said."It's going to take 20 years to get this done."