



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 July 16, 2019 – 6:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, 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 18, 2019
	2.	APPROVE MINUTES FROM REGULAR MEETING , June 25, 2019
	3.	PUBLIC HEARING PURSUANT TO CALIFORNIA VOTING RIGHTS ACT (CVRA) AND ELECTIONS CODE (ED) 10010- DISTRICT BOUNDARIES; 5TH PUBLIC HEARING
		a. Open public hearing. b. Receive District Counsel, Consultant and staff presentations, if any. c. Initial questions and comments by Board, if any. d. Public comments: Receive public input on the voting Divisions Map, election sequencing, and draft Ordinance 38, if any. e. Board comments: Receive Board input on the Voting Divisions Map, election sequencing, and draft Ordinance 38, if any. f. Close public hearing.
		Upon close of Public Hearing, take the following Actions:
		g. Adopt Ordinance 38 to establish a By-Division System for electing North Marin Water District Directors.
	4.	GENERAL MANAGER'S REPORT
	5.	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.
	6.	STAFF/DIRECTORS REPORTS
	7.	MONTHLY PROGRESS REPORT w/Customer Service Questionnaire

All times are approximate and for reference only.
 The Board of Directors may consider an item at a different time than set forth herein.

(Continued)

Est. Time	Item	Subject								
	CONSENT CALENDAR									
	The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.									
	Consent - Approve Water Agreement	<table><tr><th>Type</th><th>DU</th><th>EU</th><th></th></tr><tr><td>CM</td><td>0</td><td>6</td><td>Resolution</td></tr></table>	Type	DU	EU		CM	0	6	Resolution
Type	DU	EU								
CM	0	6	Resolution							
8.	McPhails Phase 1 Water Facilities 5400 Hanna Ranch Rd, APN: 153-220-16, -19									
9.	Consent – Approve: Prunuske Chatham Inc. (PCI) – Consulting Services Agreement- Leveroni Creek Embankment Repair Project									
10.	Consent – Approve: Environmental Science Associates (ESA – Consulting Services Agreement									
11.	Consent – Approve: Amy Skewes-Cox (ASC) – Consulting Services Agreement – Old Ranch Road Tank Replacement									
	ACTION ITEMS									
12.	Approve: City of Novato Subordination Request – Successor Agency to the dissolved Redevelopment Agency									
	INFORMATION ITEMS									
13.	NMWD Contract with McLellan for Paving Job									
14.	NBWA Meeting – July 12, 2019									
15.	MISCELLANEOUS Disbursements – Dated June 27, 2019 Disbursements – Dated July 3, 2019 Disbursements – Dated July 11, 2019 Approved FY 2019-20 Budget Self Insured Worker’s Comp – 4 th Quarter Status Report FY19 4 th Quarter Labor Cost Report Legal Notice - NMWD Notice of Hearing and Ordinance Summary PSPS Letter to Hydro-pneumatic Customers <u>News Articles:</u> SCWA Press Release – Local Water Utilities to Community: Know When to Water Special districts still too murky, grand jury says 2018-2019 Marin Co. Civil Grand Jury Report – Special District Transparency Update Officials warming to on-air meetings- MMWD Disputed budget musters majority – Novato Public agencies given slack on fee – MARIN MUNICIPAL WATER DISTRICT Water saving urged during wildfire outages Editorial- Accountability question an important one Notice of Board Vacancy – Novato Sanitary District PG&E’s planned power shutdowns could choke off vital water supplies Senate approves fund for clean drinking water									
16.	CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL- Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (one case)									
7:30 p.m.	17.	ADJOURNMENT								

1

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
 June 18, 2019

CALL TO ORDER

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

District employees, Robert Clark (Operations/Maintenance Superintendent), Tony Arendell (Construction/Maintenance Superintendent) and Monica Juarez (Receptionist/Cashier) were also in attendance. In the audience were Novato customer Tina McMillan, District legal counsel representative, Carl Nelson (Bold, Polisner, Maddow, Nelson and Judson); special counsel Tom Willis (Remcho, Johansen & Purcell); and demographer Chris Chaffee (Redistricting Partners, LLC).

MINUTES

On motion of Director Joly, seconded by Director Petterle the Board approved the minutes from the June 4, 2019 meeting as presented by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: Director Baker

ABSENT: None

PUBLIC HEARING NO. 4 – CALIFORNIA RIGHTS ACT (CVRA) AND ELECTIONS CODE (ED) 10010:

President Baker declared the fourth public hearing opened at 6:02 p.m.

Mr. McIntyre opened the discussion by reminding the Board that Public Hearing No. 4 is the second of two hearings to enable the Board to receive input on the draft maps and on any alternative maps that might be proposed. He stated at the conclusion of Public Hearing No. 4, the Board is expected to select the final map and provide direction to staff regarding the sequence of division elections. Mr. McIntyre added additional comments will be received and

33 considered at the West Marin regularly scheduled Board meeting on June 25, 2019. He noted
34 the ordinance adopting the final map is scheduled for consideration at the July 16, 2019 meeting
35 (Public Hearing No. 5). Mr. McIntyre advised the Board that consistent with the previous three
36 public hearings, Bold, Maddow, Nelson and Judson (District Legal Counsel), Remcho Johansen
37 and Purcell LLP (Special Legal Counsel), and Political Data, Inc. (Demographer) will be present
38 to lead the discussions and answer questions. Mr. McIntyre noted at this time no new public or
39 Board comments have been received since the last meeting (Public Hearing No. 3).

40 Mr. Willis reminded the Board that Mr. Chaffee stated at the last hearing that the Board
41 decided to continue to review the three plans that were presented. He added that staff would
42 like to hear from the Board as to which plan they prefer on basic architecture, or if they wish to
43 propose new alternative maps. Mr. Willis stated that if the Board likes one plan then we should
44 hone in on that one and tweak the boundaries, adding that Mr. Chaffee will then need to check
45 to see if they balance out in population. He stated that the revised maps will be available by the
46 June 25th meeting, and once the boundaries are agreed upon we will next need to discuss
47 sequencing.

48 Mr. Chaffee summarized the process and reminded the Board that we are drawing the
49 maps to create divisions of relatively equal population, compact, and functionally contiguous.
50 Mr. Chaffee presented Draft Plan Map A noting the west service areas are kept together,
51 Greenpoint is separated from Blackpoint and it has a central district and a south district. He
52 added the population deviation is about 1.5%. Mr. Chaffee requested that the Board go through
53 all the plans and decide which base plan map they like best, and then compare them on the
54 Google map and work to get a close idea of boundaries. Director Petterle stated there is an
55 aberration in Division D (No. 4) on Plan Map A. Mr. Chaffee replied that it is a census block and
56 we can move the line since it is an easy fix between Divisions C (No. 3) and D (No. 4) since it is
57 not a huge deviation. Director Joly noted that in the San Marin area there is a natural division at
58 Novato Boulevard, and recommended to keep the San Marin neighborhood together because it
59 is a community of interest and not divide it. Director Baker agreed that San Marin should not be
60 chopped up and Novato Blvd. is a logical dividing line. Mr. Chaffee replied that he can move
61 the "finger" in Division D (No. 4) over to the Division C (No. 3) area.

62 Mr. Chaffee went on to say he added neighborhood lines from Nextdoor. He added he
63 may need to come into downtown and add more into Division D (No. 4) and move toward
64 Redwood Blvd. rather than having a boundary at Fourth Street. Director Fraites expressed that
65 he thought that would work and Director Baker agreed. Mr. Chaffee asked the Board for input

66 as to which draft map they prefer. Director Baker stated he prefers Draft Plan Map A since he
67 lives in south Novato, this keeps Hamilton and Bel Marin Keys east of the freeway, adding they
68 both share a lot in common. Director Petterle stated he also prefers Draft Plan Map A, due to
69 the previous public comment in reference to the Hamilton area. Ms. McMillan commented that
70 Draft Plan Map C pairs incumbents too much. Director Joly noted that he liked Draft Plan Map
71 A and B. He added the only problem with Draft Plan Map A is the criteria of keeping the districts
72 compact; Draft Plan Map A is not as compact as Draft Plan Map B. Mr. Chaffee advised the
73 Board that they need to make their choice in the order of what is most important, and noted
74 having compact districts on the map is not crucial. Director Grossi commented that he liked the
75 commonality in Draft Plan Map A and thought this plan was better at taking the rural areas into
76 consideration.

77 Mr. Chaffee reminded the Board the focus is on size and community of interest. Director
78 Petterle asked if we should now take a Board consensus and focus on one map. Director
79 Fraites stated he is good with Draft Plan Map A or B, and can toss C. Ms. McMillan requested
80 the Board also consider Draft Plan Map B since it has neighborhoods of interest that make
81 sense. She added she understands the Board's concerns about splitting up Hamilton but does
82 not agree that Draft Plan Map A is the best option. Director Joly stated that he also is opposed
83 to Draft Plan Map C and agrees with Director Fraites to throw it out. Director Fraites
84 commented that Draft Plan Map B includes Bel Marin Keys, Hamilton, downtown Novato and
85 Blackpoint which is a lot of area. Mr. Chaffee noted in Draft Plan Map B it creates two rural
86 areas, however in Draft Plan Map A you have one rural area, it is compact, and there is no
87 nesting of incumbents. He asked the Board if they want Bel Marin Keys connected to downtown
88 Novato, pointing out that Draft Plan Map A has a totally different architecture and puts the
89 southern parts together as Director Baker mentioned. Director Fraites stated he likes Draft Plan
90 Map A. Mr. Chaffee stated it is helpful for the Board to go through the Divisions and discuss
91 how you don't like a line, or taking a "finger" section and moving it over. He commented what is
92 nice about Draft Plan Map A is it has a 5% maximum deviation, it is compact, and he can work
93 on the population, the only question would be if you would like to split the downtown in a
94 different way. Director Fraites commented that the City of Novato put one district in all of
95 downtown. Mr. Chaffee noted that you can see the lines they used; they split the east and then
96 all downtown to Tamalpais on the west border.

97 Director Baker asked if the County Elections Department have to live with our choice, or
98 are they allowed to comment. Mr. Willis replied that they could comment; but will not insist on

any changes, adding they are used to running multiple jurisdictions. Director Baker inquired if we can make it simpler for them and consider the areas of the other agencies. Director Fraites pointed out that the voter's standpoint may be different entirely and there will be some confusion to what they are used to historically. Mr. Chaffee shared that this is only philosophical; the only concern on Election Day from a practical view is just representation. Director Joly pointed out he was having a problem telling the pink Division E (No. 5) from the salmon colored Division C (No. 3) on the draft plan maps. Director Baker added the screen colors are not consistent with the printed maps. Mr. Chaffee pointed out that you can see the difference between District C (No. 3) and District E (No. 5) along Highway 101. Director Baker commented that the printed version is so faint he can hardly tell the difference. Mr. Chaffee replied it is better on the screen and the major division is Highway 101. Director Baker questioned that when we are fine tuning the maps is there some point that the Elections Department would ask to make it more consistent. Mr. Chaffee stated that we have to work in a safe harbor timeline, and each agency is different and they have different populations. Director Baker commented that we would never have complete alignment; however we may consider comparison of streets with the Novato Fire Protection District. Mr. Chaffee replied that it may be something to look at in 2022 to see what their lines look like and talk through more coordination at that time.

Director Joly stated that he is okay with both Draft Plan Maps A and B, but prefers B. Director Baker asked what the next step should be. Mr. Chaffee stated that the Board has talked about Division C (No. 3) in Draft Plan A; let's look at the map to see if there are any other questions or anything else you would like to look differently. Mr. McIntyre added it is important to note that Blackpoint will be split from Greenpoint. Director Fraites stated that the residents would probably like that, and Director Baker thought it was not a bad idea. Mr. Chaffee explained that these plans are drawn over a population base, rural versus urban, then they figure out where the lines go. He noted in Draft Plan A, they tried to use the railroad tracks as the dividing line rather than Highway 37 to maintain the rural nature of Division A (No. 1) and added they can look to move the census block located between the railroad and Highway 37 from Division A (No. 1) to Division C (No. 3).

Director Baker asked if the consensus of the Board is they are leaning toward Draft Plan Map A. Mr. Willis stated that after the map is selected the Board will vote on district sequence, and the ordinance will come later. Director Baker noted that there are several hundred fairly new homes in Division E (No. 5) that consider themselves part of Ignacio. Director Grossi noted this area is not far from Palmer Drive. Director Grossi added that Point Marin could be

part of the Hamilton area as well. Mr. Willis replied that Division E (No. 5) is underpopulated and so we may be taking more population away. Mr. Willis asked if the Board was ready to make a decision, and reminded the Board they can still give input once they decide to focus on one draft plan. He noted to Director Grossi that his district is big and has the largest area; Draft Plan Map A does cannot be made any more contiguous geographically.

Ms. McMillan commented that Draft Plan Map B is fair and accommodates everyone that runs. Director Grossi noted that if you look at Division D (No. 5) you take all of Hamilton and downtown. Ms. McMillan replied that is not all, and the City took all downtown and added Bahia and another area. She added that running elections is appealing to essential groups, and each district can have several communities of interest and even if it is broken up by race it is ok. Mr. Chaffee confirmed that Division D has all of downtown and Bahia. Ms. McMillan stated it has a distinct area, downtown and Bahia, Deer Island, and they connect Ignacio and Hamilton, noting that near Highway 37 there is not a lot of population. She also commented that Blackpoint does not vote in the City of Novato elections. Director Joly stated that Draft Plan Map B has a wraparound geography, and Draft Plan Map A has a certain area on the west side of the geography, adding he could vote for either map. Director Grossi stated that downtown and Hamilton don't have much in common, and that each Division has multiple communities of interest. Director Petterle asked to see Draft Plan Map B in the Blackpoint area with census lines, and then show the area for Draft Plan Map A. Director Petterle noted that in Draft Plan Map B, Division D has all of downtown, and goes beyond Lucky's.

Director Fraites stated that it may make sense to have a community of interest at the City level, but our District just provides water, and that there is not a lot of political interest generated in any particular neighborhood. Mr. Chaffee pointed out that water service is different in rural areas versus urban area. Ms. McMillan commented that this is not consistent with the intent of the California Voters Right Act. Mr. Chaffee stated that the District does not really have ethnic groups that are concentrated, where the ethnic population in an area gets up to 20-30% and the maps do not cut through those communities because they are distributed well throughout. He added the community of interest pertains to what services you deliver, here, water.

President Baker asked whether a consensus of the Board was needed so it is on public record. Mr. Willis advised that a formal motion would be preferable. In response to a question from President Baker, Mr. Nelson confirmed that we are still in the public meeting. Director Grossi asked if there is more time for people to put in their testimony. Mr. Nelson replied that

there will be an opportunity to hear comments at the West Marin meeting and the public can continue to comment until the ordinance adoption on July 16th. He added that the maps need to be finalized the week before. Director Joly noted on July 9th they will be published and then approved on July 16th, if the Board gives an indication of where we stand tonight.

On the motion of Director Fraites, and seconded by Director Grossi, the Board approved Draft Plan Map A, with the minor changes as previously discussed, by the following vote:

AYES: Director Baker, Fraites, Grossi, and Petterle

NOES: Director Joly

ABSTAIN: None

ABSENT: None

Director Petterle stated that there was only one person here tonight from the public representing all of the public, and that most of the Board felt strongly about Draft Plan Map A, but he would have considered Draft Plan Map B. Ms. McMillan stated that she would like the Board to consider the Draft Plan Map B, and appreciated Director Petterle's comment. Director Joly announced that the Board has spoken and that Draft Plan Map A is what they will go with. Mr. Willis stated that we have sequencing to discuss and in the case of this map it speaks for itself in that each Director can stand for election in his Division when his respective at large term expires. Mr. Nelson added that there are no concentrations of ethnic minorities in any of the Divisions that would have require a different sequence .

President Baker declared the second public hearing closed at 6:53 p.m.

GENERAL MANAGER'S REPORT

Potter Valley Project Ad Hoc Meetings

Mr. McIntyre announced that last Friday's meeting with Congressman Huffman was successful. He stated he will be allowed to attend future Potter Valley Project (PVP) Huffman Ad Hoc meetings as TAC chair. He added that he and Director Baker also attended a WAC PVP Ad Hoc meeting this afternoon in Santa Rosa. Mr. McIntyre also advised the Board that he has volunteered to give the Marin Municipal Board a PVP update as part of a luncheon retreat they will be having on June 24.

195 West Marin Board Meeting

196 Mr. McIntyre reminded the Board that the next Board Meeting on June 25th will be one
197 week from today in West Marin. He added that if any Directors wish to carpool to please let him
198 know.

199 OPEN TIME

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

202 STAFF/DIRECTORS REPORTS

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

205 Mr. Clark announced the Gallagher well was back in production, and the flow has
206 increased to 150 gpm, about 40 gpm higher than recent production levels. He added this is
207 helping to keep the salinity levels down. Director Baker asked Mr. Clark how long this will last.
208 Mr. Clark replied that, based on history; he expects salinity levels will rise this summer.

209 Ms. Blue mentioned the consultants now have all the documents and data they need for
210 the water rate study. She added that based on the project timeline, an Ad Hoc meeting will be
211 scheduled in October and noted she will give Director Joly advance notice again.

212 Ms. Blue also discussed a situation we recently had with one of our vendors who had
213 their email hacked. She stated we transferred money from a legitimate invoice; however the
214 bank information was incorrect. Ms. Blue apprised the Board that we filed a police report and we
215 are working on getting those funds back. Director Joly ask how much money was involved. Ms.
216 Blue replied \$24,000. Ms. Blue added that we have contacted our cyber insurance company
217 about the cyber-attack. Director Joly asked if the bank has been cooperative. Ms. Blue replied
218 that it was discovered the day of the transfer and the bank was supposed to take corrective
219 action. Director Baker asked which bank it was. Ms. Blue replied that we use US Bank;
220 however we are waiting to hear back from Chase Bank who received the payment. Director
221 Baker asked if this was the first time we had this problem. Ms. Blue stated it was the first time
222 she has ever seen this particular problem. Director Petterle added that he received an email at
223 home stating one of his accounts was going to be shut off because it was not paid, noting these
224 emails are getting more sophisticated all the time. Ms. Blue notified the Board that we will
225 reevaluate how we update vendor bank information in the future. Mr. McIntyre added that the

contractor has been notified that no replacement payment will be made until we identify who is responsible. Director Baker requested the Board be apprised of the outcome.

MONTHLY PROGRESS REPORT

The Monthly Progress Report for May was reviewed. Mr. McIntyre reported that water production in Novato is down 16% from one year ago and down 5% fiscal year to date. He added in West Marin, water production is down 26% from May one year ago and up 3% fiscal year to date. Mr. McIntyre stated Recycled Water production is up 15% from one year ago and up 24% fiscal year to date. He noted that Stafford Lake, at 95% capacity, is essentially full and Lake Mendocino is at 108% and Lake Sonoma is at 101% capacity. Mr. McIntyre also noted that in Oceana Marin there is a good irrigation field discharge rate, and pond freeboard levels looks good. He stated under Safety/Liability we currently have 63 days without a lost time injury. Mr. McIntyre reviewed the Summary of Complaints and Service Orders, and the Board was apprised of the overall number of complaints/service orders are down 4% from one year ago. He stressed the numbers are down across the board except for consumer side issues due to AMI alerts.

Ms. Blue reported on the May 2019 Investments, where the District's portfolio holds \$19.1M earning a 2.45% average rate of return. She noted the LAIF rate is 2.37%. Ms. Blue stressed that we want to be sure our investments are safe for our customers. She added per our policy, 30% can be in CDs, and a minimum of 20% must be liquid, noting LAIF is a safe investment.

CONSENT CALENDAR

Item 9 – FY20 Insurance Premiums was removed from the consent calendar for additional discussion. On the motion of Director Fraites, and seconded by Director Joly the Board approved Items 7, 8, and 10 on the consent calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

(ITEM 7) ANNUAL WATER QUALITY REPORT NOVATO

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

258 **(ITEM 8) ANNUAL WATER QUALITY REPORT – POINT REYES AREA**

259 Also under the Consent Calendar, the Board approved the text for the annual Water
260 Quality Report for the Point Reyes area. The Safe Drinking Water Act requires water suppliers
261 to publish and distribute a report of water quality information to its customers annually.

262 **(ITEM 10) PREPARATION OF LOTLINE ADJUSTMENT APPLICATION FOR DISTRICT**
263 **SURPLUS PROPERTY (ROSALIA TANK Parcels APN 153-110-10, -15)**

264 Also under the Consent Calendar, the Board approved the preparation of the Lot Line
265 Adjustment application for District surplus property located at the Rosalia Tank parcels APN
266 153-110-10 and -15. The City of Novato expects to release a draft General Plan Update late
267 summer. District Staff is recommending moving forward with the City's request to combine the
268 two contiguous surplus Rosalia Tank parcels, APN 153-110 and -15 prior to rezoning as part of
269 the General Plan Update.

270 **(ITEM 9) FY20 INSURANCE PURCHASE**

271 Director Joly asked about the insurance premium. Ms. Blue stated that self-insured was
272 higher and a lot of companies will not cover us due to the recent fires. She added that by going
273 with an insurance broker there is a decrease of risk and cost. Director Joly asked if the
274 premium is locked in during a hard cycle. Ms. Blue replied it is locked in for three years at a
275 maximum increase of 15% per year. Director Fraites added that in the Novato Heights area
276 they have received letters from their insurance companies that they will not insure them
277 anymore. Director Petterle added that he remembers this happened in 2009 until the policy was
278 changed at the County. Ms. Blue commented that wildfires are changing the insurance industry
279 and this is a reflection of that.

280 On the motion of Director Joly, and seconded by Director Petterle the Board approved
281 Item 9 by the following vote:

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

283 NOES: None

284 ABSTAIN: None

285 ABSENT: None

286 **ACTION ITEMS**

287 **NOVATO AND RECYCLED WATER FY 2019/2020 BUDGET**

288 Ms. Blue reviewed the FY 19/20 Budgets for North Marin Water District which include
289 Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. She reminded

the Board that to date they have reviewed financial forecasts for each service area district and these financial forecasts were five year projections outlining the overall financial status of each district, explaining the need for District wide rate increases. Ms. Blue summarized the changes made since the last review as follows: a \$152K increase in the Equipment Budget for purchases of generators to proactively plan for extended power interruption associated with the roll out of the PG& E Public Safety Power Shutoff Program; a \$21K decrease in Equipment Budget delaying the purchase of fittings and hoses for the Construction Department; a \$37K decrease in the Equipment Budget due to a change in estimated lab equipment; and a \$26K increase in the Novato Operation budget for maintenance support for the District's Gateway Collectors (AMI support).

Director Joly noted that on Recycled Water we are at 160M gallons now, but our capacity is 200M gallons. Mr. McIntyre confirmed, noting we can actually deliver more and this number is just an estimate. Director Joly asked a question about Deer Island Water Reclamation Plant cost effectiveness. Mr. McIntyre stated that when Novato Sanitary District looked to expand Davidson St. facilities or Deer Island they found it was more cost effective to expand Davidson St. facilities and Deer Island WRP became a satellite backup facility. Mr. McIntyre stated Deer Island WRP is not as cost effect as before, however we still have a loan on it and we need it as a backup in case there are problems with the Davidson Plant. He added Deer Island WRP needs to be viable during the life of the loan. Director Joly inquired about the life of loan. Mr. McIntyre replied that it is a twenty year loan and we have seven years remaining.

Director Joly asked if the CIP budget assumes any loans or grants. Ms. Blue replied there is one potential grant for the Oceana Marin Treatment Pond Storage berm repair, we took out a large AMI loan, and anticipate taking out a large loan next year for the Admin. Building Renovation. Director Joly questioned why the number of the connection fees changed. Ms. Blue replied that in the first round they were using data through February and since then she had received more information from Mr. Vogler as to what other fees may be coming in the months following. Mr. McIntyre added that the numbers used are just an estimate since we can't control the exact timing of when a developer executes an agreement and makes financial arrangements. Ms. Blue added that they also use historical data to help with the estimate. Director Joly asked how we are planning to fund the \$12M for the new building, will it be a straight loan. Ms. Blue replied that we are still looking into funding options. Director Joly noted currently the interest rates are low which is good and could really help us.

On the motion of Director Petterle, and seconded by Director Fraites the Board approved adoption of the Novato and Recycled Water FY 2019/2020 Budget on the action calendar by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

OCEANA MARIN SEWER SERVICE CHARGE INCREASE ORDINANCE – FIRST READING

Ms. Blue requested the Board approve the first reading of the ordinance for the Oceana Marin Sewer Service Charge Increase.

Director Petterle read the title of the proposed Oceana Marin Sewer Service Charge Increase Ordinance.

On the motion of Director Petterle, and seconded by Director Joly the Board approved the first reading of the proposed Ordinance No. 37 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 2019-20 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

WILDFIRE SAFETY PROGRAM

Mr. Clark reviewed the Wildfire Safety Program. Robert stated PG&E recently rolled out an updated Public Safety Power Shutoff program to address how high voltage power lines may affect the potential for wildfires in our area. Under the program, PG&E will proactively deactivate power lines to help reduce the likelihood of an ignition when extreme fire conditions are forecasted. These conditions include: a red flag warning; low humidity levels generally below 20%; forecasted sustained winds above 25 mph and gusts in excess of 45 mph; condition of dry fuel on the ground and real time observations by PG&E.

Mr. Clark discussed our options in purchasing or renting generators, much of will depend on what our needs are. He added for some of the pump stations we have quick plug-ins but this

355 is not available in all locations, we also need to factor in the time it will take to move the
356 generators around. Mr. McIntyre added many agencies use portable standby generators.
357 Director Baker asked about the risk. Mr. Clark replied that they are not getting a lot of
358 information from PG&E so it is hard to determine the level of risk; but we need to be proactive
359 and put a plan together. He added our biggest risk is with our hydro pneumatic systems since
360 they operate differently and we may need to have generators at those sites fulltime. Director
361 Fraites asked if during a fire we would ask our customers to use the least amount of water
362 possible. Mr. Clark replied that we are looking at that now; the key is communication with our
363 customers.

364 Director Joly asked if there is a battery backup for timers on most irrigation systems. Mr.
365 McIntyre replied that if power is lost, most outside irrigation controllers will not be able to
366 activate the irrigation valves. He added that we are working on a common message to curtail
367 outside water use during these events. Director Joly asked if we anticipate where water will not
368 be available. Mr. McIntyre replied that the plan is to minimize that likelihood, and the greatest
369 concern is with the hydro pneumatic systems. Director Baker inquired as to the number we are
370 concerned about. Mr. Clark replied seven; some will get generators and other will have bypass
371 piping installed that will allow them to get low pressure water and therefore no boil notices would
372 be required. Director Baker asked if we will need a person or two to move these generators.
373 Mr. Clark replied that the plan estimates up to twenty-two. He added that we will not have
374 constant reads from the AMI but the data will still be collected and we will have access to it
375 when the power comes back online.

376 Mr. Clark stated staff is looking at options of rental, vs. purchase and possibly borrowing
377 generators if that is possible, noting that we will be purchasing generators this year and next.
378 He added he reached out to the WARN partners and they do not have any generators to
379 borrow. Director Baker noted that other agencies are going through the same planning as us
380 and this is uncharted territory. Director Fraites asked if PG&E gives rebates for the generator
381 purchases. Mr. Clark stated they do not; in fact, they are buying up all the generators and
382 making them hard to find. Director Joly asked if the State had any ideas for help. Mr. Clark
383 replied that the State told the power companies to do this. Director Joly asked if there is any
384 grant money or solutions. Mr. Clark replied that Marin County is asking the State Office of
385 Emergency Services to see if they can offset any of the cost. Director Grossi asked what the
386 worst case scenario would be. Mr. Clark replied the plan is for a seven day outage, a twenty-
387 two man shift, and we will be having a meeting with senior staff on Thursday to bring them up to
388 speed and ask for input.

Director Joly asked if we have ever had power off for seven days. Mr. Clark replied that he is unaware of more than a couple of days. Mr. McIntyre commented that during some winter storm events power has been off three to four days in some areas. Director Fraites added in his neighborhood they were out for five days before. Director Fraites asked if they will be diesel generators, and if there will be a shortage of fuel. Mr. Clark said that the plan includes renting diesel tanks and there could be a shortage because everyone will be in the same boat with the fuel vendors, there are many unknowns. Director Fraites asked if all agencies, City, County, etc. could form a group and work together. Mr. Clark replied that we are already working with other agencies. Mr. McIntyre added that meetings with other local agencies are already underway and there is an outside safety consultant facilitating these meetings. Director Joly asked if anyone has touched base with Novato Fire Protection District. Mr. McIntyre confirmed that they are part of the group of agencies that are meeting. Director Joly commented that without water they will not have the capacity to fight fires. Mr. McIntyre replied that this will be true for structural fires; however most wildfires are fought with aerial tanker support. Mr. Clark advised the Board that there will be more information to come.

NBWA MEETING – JUNE 7, 2019

Director Fraites updated the Board on the recent NBWA meeting at MMWD. He stated the guest speaker was Paula Kehoe from the San Francisco Public Utilities Commission. Director Fraites added that San Francisco is doing the program One Water, in which water, sewer and power are working together as an overview on how to bring down the cost of water and upgrade their systems. Director Fraites added it is a great program.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated June 6, 2019, Disbursements – Dated June 13, 2019, SCWA Press Release - Russian River Inflatable Dam Goes Up –Again, and Public Notice - North Marin Water District Seeks Input From Residents (June 11, 2019).

The Board received the following news articles: California water utilities seek relief from wildfire lawsuits; Marin officials cheered by deal for upstate plant; Editorial – Blackouts are coming, so it's time to get ready; Supervisors take another step toward Potter Valley involvement (Humboldt County); ACWA – Governor, Legislative Leaders Collaborate on Safe Drinking Water Solution; Editorial – Pension reform isn't happening fast enough; Novato School chief heading to San Rafael and County to weigh adopting 5G rules - Antennas.

Mr. McIntyre announced that there will be no need to go into closed session.

CLOSED SESSION

423 President Baker announced that since there is no need to go into Closed Session he will
424 adjourn the meeting.

425 **ADJOURNMENT**

426 Vice President Joly adjourned the meeting at 7:57 p.m.

427

428 Submitted by

429

430

431 Theresa Kehoe
432 District Secretary

433

2

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 25, 2019

CALL TO ORDER

President Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the Dance Palace, 503 B Street, Point Reyes Station and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, James Grossi, Michael Joly, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

District employees, Robert Clark (Operations/Maintenance Superintendent), Tony Arendell (Construction/Maintenance Superintendent) and Pablo Ramudo (Water Quality Supervisor), were also in attendance. In the audience were West Marin customer Rhonda Kutter, Marin County Board Supervisor Dennis Rodoni, District legal counsel representative, Carl Nelson (Bold, Polisner, Maddow, Nelson and Judson) and Doreen Clark.

GENERAL MANAGER'S REPORT

Public Safety Power Shutoff – PG&E

Mr. McIntyre announced that he and Mr. Clark will be participating in the second local agency meeting working on a coordinated Public Safety Power Shutoff response plan. He noted that public safety consultant, Dave Jeffries, is facilitating these meeting with various partners including Novato Fire Protection District, City of Novato, NMWD and Novato Sanitary District. Director Joly commented that we might want to consider making additional outreach with the Downtown Business Association. Mr. McIntyre responded that Dave Jefferies is already working with this group.

WAC/TAC Meetings

Mr. McIntyre also announced that he and Mr. Vogler will be attending a TAC meeting on Monday July 8th, and the next WAC meeting will be held Monday, August 5th at 9:00 a.m.

OPEN TIME

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

Ms. Kutter stated she wanted to thank Mr. Clark and the District on behalf of the community for providing a water hydration station at the annual Western Weekend Parade event on June 2. She also thanked the Board and staff for taking time to come out to West Marin to hold public Board meetings, adding she wished more of the community would attend.

STAFF/DIRECTORS REPORTS

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

Mr. Clark updated the Board on NMWD's internal Public Safety Power Shutoff response plan. He added that various internal meetings have been held, the first with senior staff, followed up with an all staff meeting and additional meetings will be scheduled with select field staff at the end of the week.

Mr. Vogler advised the Board that the SCWA aqueduct shutdown has been postponed and is now scheduled for July 9th. He explained that Highway 101 construction work on the Kastania southbound onramp requires a portion of SCWA's pipe to be relocated. Mr. Vogler stated he is in communication with City of Petaluma, Marin Municipal Water District and SCWA in reference to water supply coordination. He noted he will keep the Board updated on the situation.

Director Baker asked about the design and construction for the new onramp, and asked if they are having more challenges than they expected. Mr. Vogler replied yes, adding that we are topping off our storage to accommodate the period of time the aqueduct is shut off. Director Joly asked if any customers will be impacted. Mr. Vogler replied that he expects SCWA water delivery to be off for no more than twenty hours and we should have enough water in the tanks for multiple days.

Ms. Kehoe reminded the Board to contact her for the new iPad change outs.

Director Petterle announced that he may miss the July 16th Board Meeting. Director Grossi stated he will be unable to attend as well.

PUBLIC HEARING

PROPOSED WEST MARIN WATER RATE INCREASE

President Baker declared the public hearing opened at 6:10 p.m.

Ms. Blue stated that the District has proposed a 3.5% water rate increase for the West Marin Water System. She added, similar to Novato, the water rate increase will be applied to both the commodity rate and the bimonthly service charge. The increase for the typical West

Marin water customer will be \$2.00 per month or \$24 per year. There was one opposition letter from a customer on the proposed rate increase. Ms. Blue noted that, even with the proposed rate increase, West Marin water customers will pay the second lowest cost as compared to other Marin County coastal area water agencies.

Director Joly stated he is impressed with the payback to the community with the Capital Improvement Projects. On another note he asked if there are sufficient hydrants in the area for a fire event. Mr. McIntyre replied that fire hydrant locations are based on recommendations the local fire authority. He noted that over time, we have upgraded the number of fire hydrants, increased water storage volumes and upsized pipelines for improved fire protection. Mr. McIntyre added that in the case of a wildfire, the wildland firefighting response will be via aerial attack. Ms. Kutter agreed, in the case of wildfire the fire district will use an open body of water.

Hearing no further comment, President Baker declared the public hearing closed at 6:16 p.m.

On the motion of Director Petterle and seconded by Director Grossi the Board approved Resolution 19-11 entitled: "Resolution Of The Board of Directors Of North Marin Water District Amending Regulation 54- Water Rates" pertaining to Water Rates and Charges to reflect an increase averaging 3.5% for the typical residential customer in the West Marin Water Service Area effective July 1 of 2019 as presented by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

PUBLIC HEARING

PROPOSED OCEANA MARIN SEWER SERVICE CHARGE INCREASE

President Baker declared the public hearing opened at 6:16 p.m.

Ms. Blue stated that the District has proposed a 3.5% (\$3 per month) increase in the Oceana Marin sewer service charge which will be collected on the property tax roll. She added that Oceana Marin sewer service cost will still rank highest among the six coastal sewer agencies surveyed when considering the annual tax revenue collected by the County. No customer comment letters were received on the proposed rate increase.

Director Joly asked if we could read into the record the planned capital improvement projects so people can understand what will be done over the next five years. Ms. Blue replied that projects include rehabilitation of the Oceana Marin treatment pond permits, installation of a

98 North Street lift station bypass, and construction of the first phase of a new, parallel sewer force
99 main between the Tahiti Way pump station and the treatment plant.

100 Ms. Kutter commented that in conjunction with the County's recent Dillon Beach Village
101 workshops on water issues, the Village area is forming a community group and that North Marin
102 Water may want to reach out to them in the future. Director Baker commented that we
103 recognize our Oceana Marin customers but we do not want to get pulled into other groups that
104 are not part of our customer base. Ms. Kutter stated that attending the recent Dillon Beach
105 Village workshops has been good outreach. Director Baker added that this is why Mr. McIntyre
106 attends these meetings. Ms. Kutter commented that this Village group is brand new. Director
107 Baker asked Ms. Kutter if she could keep the Board posted with any updates.

108 Hearing no further comment, President Baker declared the public hearing closed at 6:21
109 p.m.

110 On the motion of Director Petterle and seconded by Director Joly the Board approved
111 Ordinance No. 37 entitled: "Ordinance Of The Board of Directors Of North Marin Water District
112 Electing To Have Oceana Marin Sewer Charges Be Collected On The Tax Roll Of The County
113 Of Marin, State Of California Commencing Fiscal Year 2019-2020 as presented by the following
114 vote:

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

116 NOES: None

117 ABSTAIN: None

118 ABSENT: None

119 On the motion of Director Petterle and seconded by Director Fraites the Board approved
120 Resolution No. 19-12 entitled: "Revision Of North Marin Water District Regulation 109 – Rates
121 And Charges" amending Regulation 109, effectively July 1, 2019 to increase the Oceana Marin
122 Sewer Service Rate to \$1,116 per dwelling unit per year as presented by the following vote:

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

124 NOES: None

125 ABSTAIN: None

126 ABSENT: None

127 **CONSENT CALENDAR**

On the motion of Director Fraites, and seconded by Director Joly the Board approved the following item on the consent calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

PARK-A-PUP NOVATO WATER SERVICE AGREEMENT

The Board approved a Water Service Agreement for the Park-A-Pup project located at 7586 Redwood Drive in Novato. This project includes construction of a dog boarding facility that will accept up to 103 dogs.

ACTION ITEMS

WEST MARIN WATER & OCEANA MARIN SEWER FY 19/20 BUDGETS

Under the Action Calendar, the Board approved the West Marin and Ocean Marin Sewer FY19/20 Budgets. For West Marin Water, Planned Capital Expenditures were reviewed and the Board was advised that \$3.5M is budgeted over the next five years. The West Marin water financial plan and budgets project one new connection every other year and 66MG in water sales. Operating expenditures are budgeted to increase 1.5%.

In Oceana Marin, budgeted expenditures for next year total \$55K. The 234 existing Oceana Marin customers are facing a \$1.8M list of projects over the next 5 years. New connections are anticipated at one every other year and operating expenses are projected to increase 2.6% next year.

Director Joly asked if these budgets are publically viewable. Ms. Blue confirmed, stating once approved, the final budget will be posted on the website as well as put under the miscellaneous section of the next agenda.

On the motion of Director Petterle, and seconded by Director Joly the Board approved adoption of the West Marin Water & Oceana Marin Sewer FY 19/20 Budgets by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

159 **REVISION TO REGULATIONS 100, 103, 104, 106, 107 AND 109**

160 Mr. Vogler proposed the Board approve revisions to Regulations 100, 103, 104, 106,
161 107 and 109 to reflect rescinded Regulation 108 and to set an accessory dwelling unit sewer
162 connection charge equal to 50% of the applicable charge for single family dwellings in Oceana
163 Marin. He stated that there is a need to update these regulations due to a change in state
164 government code for additional dwelling units (ADU), adding this legislation is still evolving. Mr.
165 Vogler stated if someone uses existing square footage for construction of an ADU they are
166 exempt from fees, however if it is newly added square footage, the District has a right to collect
167 fees. He added he researched what other agencies did and based on the government criteria
168 that the square footage must be no larger than 1,200 square feet or 50% less than that of a
169 single family dwelling, it seemed reasonable the sewer connection fee should be 50%, or
170 \$15,000.

171 Director Grossi asked if we allow ADUs to connect to an existing sewer lateral. Mr.
172 Vogler confirmed, and added it is our preference. Director Baker asked if this approach is the
173 same as what we did in Novato. Mr. McIntyre responded yes, this approach is the same on the
174 water side where the District does not charge connection fees for either Junior Accessory
175 Dwelling Units (JADU), or ADU conversions using existing square footage. Director Joly asked
176 if an ADU is required to have a bathroom. Mr. Vogler replied it is required to have a bathroom
177 and kitchen facility. Director Fraites asked if the ADU is attached to the single family dwelling
178 does it require payment of connection fees. Mr. Vogler replied the issue is not whether it is
179 attached or detached, the real question is if existing square footage is used for construction.
180 Mr. Vogler stated staff is proposing six amended regulations and a resolution for adoption.
181 Director Joly asked when this will come into effect. Mr. Vogler stated once the Board approves.

182 On the motion of Director Joly, and seconded by Director Fraites the Board approved the
183 revision to Regulations 100, 103, 104, 106, 107 and 109 by the following vote:

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

185 NOES: None

186 ABSTAIN: None

187 ABSENT: None

188 **INFORMATION ITEMS**

189 **STATUS REPORT – CALIFORNIA VOTING RIGHTS ACT (CVRA) AND ELECTIONS CODE**
190 **(EC) 10010**

191 Mr. McIntyre gave an update on the status of the California Voting Rights Act (CVRA)

192 and Elections Code (EC) 10010 process which will change the District from an at-large to a
193 district-based (or division-based) system of electing Board members. He noted that at the first
194 meeting on April 23rd the Board approved a resolution declaring NMWD's intent to undertake
195 the transition, which was followed by two public hearings on May 7th and 21st to inform the public
196 of the process and receive public input for the development of the initial draft maps. He added
197 that during Hearing No 3 on June 4th and Hearing No. 4 on June 18th, the Board worked with the
198 demographer and counsel on the continued development of the plan maps, and modifications
199 were made based on public and Board comment. Mr. McIntyre stated that some changes were
200 made to adjust for populations and to balance deviations. He added that the revised Plan A
201 Map was posted on the website and currently we have received no additional comments. Mr.
202 McIntyre reminded the Board that following Hearing No. 5 on July 16th, a draft ordinance will be
203 presented for consideration and approval at the meeting, as well as a Finalized Plan A Map and
204 approved sequence of elections.

205 He added that Mr. Nelson may want to comment on the absence of Director Grossi and
206 possibly Director Petterle at the next meeting, asking if action can be taken with only three
207 Directors present. Mr. Nelson replied that the CVRA is silent on this issue, and he is confident
208 that a quorum is sufficient, and will confirm. Director Baker commented that there are certain
209 issues that require an affirmative vote of four directors. Mr. Nelson replied that this is usually
210 the case where a statute requires it, such as when voting to place a sewer charge on the
211 property tax roll or when adopting a resolution of necessity to initiate a condemnation
212 proceeding. Director Grossi stated if there is a problem he can call into the meeting. Mr.
213 McIntyre asked the Directors if they had any additional comments on the revised Plan A Map as
214 presented. Director Petterle replied that he supports Plan A and the revisions, and feels this
215 plan is the best. Director Baker asked a question about potential changes in the Marin Country
216 Club area boundaries from District 1 to District 2. Mr. McIntyre commented that it is easier to
217 change division boundaries of rural areas as compared to higher density areas.

218 Director Fraites stated the proposed revised Plan A Map is fine with him. Director Joly
219 also confirmed. Director Grossi stated it was voted on last week with minor revision, and he is
220 still in favor of it. Director Baker asked if there were any public comments, and asked if
221 Supervisor Rodoni had anything to share. Supervisor Rodoni had no comment. Director Joly
222 asked Mr. McIntyre if there were any additional public comments since the last meeting. Mr.
223 McIntyre responded that none had been received. Director Joly asked about publication and
224 finalization of the map. Mr. McIntyre stated the final map will be published on the website. He
225 added that the last action is Hearing No. 5 on July 16th, where the Board will consider approval

of an ordinance that approves the revised Plan Map A and moves the District from an at-large to a by-district (or by-division) election system.

Mr. Nelson added the resolution approved by the Board at the April 23 Special Meeting started the process, and that the ordinance ends the process. Director Joly asked if the final map will be published on the website July 9th. Mr. Nelson replied there will be a notice in the Marin IJ newspaper to look on the website, commenting that different agencies have dealt with this in different ways. Director Baker asked Supervisor Rodoni if he has been getting any feedback at the County level. Supervisor Rodoni stated he has heard about the City of Novato and City of San Rafael but believes we are the first Special District to do this. Director Baker stated that Novato Unified School District, Novato Sanitary District and Novato Fire Protection District are also going through this process. Mr. McIntyre commented that we have the same demographer as Novato Fire Protection District and that he has heard from the demographer that public attendance at NFPD has been minimal. Director Baker commented that most of the public's attention seems to be at the City level.

FY18/19 THIRD QUARTER PROGRESS REPORT – WATER QUALITY

Mr. Ramudo updated the Board on the FY18/19 Third Quarter Water Quality Progress Report. He reported that water served to the communities of Novato and Point Reyes areas met all federal and state primary and secondary water quality standards. Mr. Ramudo stated the areas reviewed with respect to water quality issues are: source water, treatment performance, and distribution system. He reviewed the Novato System first, followed by the Point Reyes System and ending with the Novato Recycled Water System. Mr. Ramudo noted Stafford Lake was used as a drinking source earlier this year when compared to last year due to the heavy rains, starting on March 21st. He noted that total algae numbers were moderate but one species had high concentrations in January-February, and while not a problem now, there is a potential for taste and odor problems later in the production season.

Director Joly asked if the thirty-nine inches of rain, along with the continuous lake spillover, provides good turnover in the lake. Mr. Ramudo replied that a lot of runoff acts almost like a river washing away the algae. Director Grossi commented he received forty-seven inches of rain at the top of his watershed. Mr. Ramudo's discussion continued to include TOC removal and the presence of a single positive sample for coliform bacteria. Director Grossi asked what the coliform count was. Mr. Ramudo stated the test does not provide a count, just a positive reading regarding the presence of coliform bacteria.

With respect to West Marin, Mr. Ramudo continued his water quality discussion by discussing salinity and bromide in the water. Director Baker asked if there is any concern for

people with health conditions. Mr. Ramudo replied that iron has no health effect; manganese is only a problem when inhaled as with metal working or industrial exposure. Mr. Ramudo also discussed the disinfection byproducts and the current planning work to install Gallagher Well 2 as our expanded water source above tidal influence. Director Baker asked if we have performed exploratory drilling and if the proposed location will provide an improved water supply yield. Mr. McIntyre replied that the District did hire a hydrogeologist to evaluate the best location for the second well and staff is working with a right of way consultant to negotiate required easements with the Gallagher Ranch property owners. Director Baker asked what the distance will be from the existing well. Mr. McIntyre replied approximately 800 to 900 feet. Director Baker asked if this property was sold to the Federal Government. Mr. McIntyre replied no, some of the Gallagher family members still own the land and an easement was sold to Marin Agricultural Land Trust (MALT) a few years ago. Director Baker asked if the second Gallagher well was considered when MALT acquired the easement. Mr. McIntyre replied yes, the MALT easement includes provisions for NMWD to construct a second well on the property.

Director Joly asked what the timeline is for when the second well will start producing. Mr. McIntyre replied we hope to start construction spring of next year and produce water by late summer of 2020. Director Baker asked, assuming this works out, will the new pipeline extent to the existing Gallagher well and then a new pipe would be needed over the bridge. Mr. McIntyre replied that a new pipeline will only be needed to connect Gallagher Well No. 2 to the existing discharge pipeline from Gallagher Well No. 1. Director Baker asked if any work on the pipeline supported by the bridge was required. Mr. McIntyre replied no, the existing pipeline crossing the bridge is sized to handle flows from both Well No. 1 and proposed Well No. 2. He reminded the Board that they had recently approved a letter request to the USDA for an emergency watershed program grant funding for erosion control improvements along Lagunitas Creek in this area to ensure the bridge abutments are not compromised during future flooding events.

WEST MARIN CAPITAL IMPROVEMENT PROJECTS – FY18-19 PRELIMINARY YEAR-END PROGRESS REPORT

Mr. Vogler updated the Board on the FY18-19 Preliminary Year-End Progress Report. He noted there were originally eight projects, seven were added and two were deferred. He added that the PRE Tank 4A project will be out to bid later this year, and construction is expected early next year. Mr. Vogler stated other projects include the bridge replacement at Lagunitas Creek along State Route 1 and Olema Creek along Levee Road where we have pipelines supported by both bridges. Director Joly stated it looks great, and that all CIP projects seem to be at or below budget. Mr. Vogler replied some of the lower costs are due to projects

that have not yet been completed; however, all those completed projects did come in under budget. Director Baker also commended Mr. Vogler on a job well done.

DILLON BEACH VILLAGE COMMUNITY MEETING WORKSHOP NO. 3 – APRIL 30, 2019

Mr. McIntyre informed the Board that on April 30, 2019 he attended the third and final Dillon Beach Village community meeting hosted by Marin County Environmental Health Services, at which approximately forty eight Village residents attended. He noted the county received sixty-two survey responses which represented forty-two percent of the total number of property owners. Of those that responded, seventy-four percent were in support of a study to explore the feasibility of a community wastewater system and twenty-six percent were not. Mr. McIntyre added that based on input from the third workshop, county staff is proceeding with a grant application for a community wastewater system feasibility study.

Director Baker asked who provides water service to the Village community. Mr. McIntyre replied Cal Water; however this proposed study will only look at wastewater in an attempt to address failing on-site septic systems. Director Baker asked how many of the approximately 150 properties are weekend occupants. Mr. McIntyre responded eleven percent are full time residents, and the rest are seasonal occupants. He added county staff will be taking the grant application request to the Board of Supervisors for approval prior to actual submission to the state.

POINT REYES STATION COMMUNITY MEETING WORKSHOP NO. 2 – JUNE 5, 2019

Mr. McIntyre informed the Board that he attended the second of three Point Reyes Station community meeting workshops hosted by Marin County Environmental Health Services on June 5th. He stated approximately twenty-five residents attended the meeting, and they have received seventy-six survey responses to-date representing eighteen percent of the total number of property owners. He noted that most of the property owners are fulltime residents. Mr. McIntyre added the when asked about water system concerns, thirty-two percent said they had no concerns, thirty-seven percent said they had concerns about adequate water supply, thirty-six percent said they had concerns about quality, twenty-seven percent reported concerns about taste and nineteen percent had concerns about the cost. Mr. McIntyre added that he had the opportunity to discuss salinity intrusion concerns at our Coast Guard wells and stated he was able to update the attendees on the Districts ongoing project to expand the water supply at Gallagher Ranch. Mr. McIntyre stated that Supervisor Rodoni and Ms. Kutter were both at the meeting. Supervisor Rodoni commented that there was a robust discussion, and many of the residents focused on the public bathroom situation in downtown Point Reyes, noting only a small percentage of residents filled out the survey. Ms. Kutter also noted that she believes the

attendance was low because Warriors basketball was on that night.

NORTH BAY WATER REUSE AUTHORITY BOARD MEETING – APRIL 22, 2019

Mr. McIntyre provided the Board with supplemental information from the last meeting. He added that the NBWRA billings are still tracking below the approved budget. Mr. McIntyre also informed the Board that he has been included as part of a subcommittee to negotiate a scope and costs for Bryant and Associates who have been selected for continued NBWRA program development and advocacy services

MISCELLANEOUS

The Board received the following miscellaneous item: Disbursements – Dated June 20, 2019.

The Board received the following news articles: Survey shows restrooms top priority for Point Reyes Station; Novato – Sanitary district changes elections; and Water tastes or smells funny? Napa's grand jury wants cities to further address this issue.

ADJOURNMENT

President Baker adjourned the meeting at 7:34 p.m.

Submitted by

Theresa Kehoe
District Secretary

3

MEMORANDUM

To: Board of Directors

July 12, 2019

From: Drew McIntyre, General Manager



Subj: Public Hearing No. 5 – California Voting Rights Act (CVRA) and Elections Code (EC) 10010

t:\gm\california voting rights act - transition from at-large elections\public hearing no. 5 - staff report - final .docx

RECOMMENDED ACTION: Conduct a fifth public hearing to receive public input on the final voting Division Map, election sequencing, and draft Ordinance No. 38; and upon close of Public Hearing, act to Adopt Ordinance No. 38.

FINANCIAL IMPACT: None at this time.

At a special Board meeting on April 23, 2019, the District committed to transition its Board elections from an "at-large" to district-based system of electing Directors under the provisions of the California Voting Rights Act of 2001 ("CVRA"). Accordingly, at that meeting, the Board unanimously adopted Resolution No. 19-05 declaring its intent to voluntarily transition to district-based (or division) elections. This resolution included adoption of a proposed timeline as shown in Attachment 1.

Pursuant to California Elections Code (EC) Section 10010, the Board is required to hold at least five public hearings in connection with the establishment of electoral districts (divisions). EC Section 10010 also requires at least two of these hearings to be held before any map(s) of electoral district boundaries are drawn, over a period of no more than 30 days, to provide an opportunity for the public to give input on the criteria for and composition of the proposed electoral districts.

The first public hearing was held at a regular Board meeting on May 7, 2019 where the public and Board had an opportunity to weigh in on the composition of the divisions, including criteria for determining division boundaries. The second hearing was held at a regular meeting on May 21, 2019 to receive additional input on electoral division composition and preference for electoral division boundaries. At the end of that meeting, the Board directed the demographers to draft alternative maps, which resulted in three Draft Division Maps (Plan A, Plan B and Plan C). The draft maps were published on May 28, 2019 (See Attachment 2). The third hearing was held on June 4, 2019 at a regular meeting, and the Board directed the demographers to retain

the three existing maps for further consideration and to also develop large format maps for improved feasibility.

The fourth public hearing was held at a regular meeting on June 18, 2019, to receive public and Board input regarding boundaries between and composition of divisions, and the election sequencing of divisions. At the end of the meeting, the Board voted 4-1 to approve Plan A Map as the District's voting division boundary map with direction to the demographer to make some minor modifications, and also approved sequencing elections consistent with terms of the current incumbents. The resulting voting division map and draft Ordinance No. 38, which includes election sequencing, were posted to the District's website on July 9, 2019 to meet the 7-day advance publication requirement of the CVRA, and otherwise publicized prior to the fifth public hearing.

Tonight's meeting is the fifth (and final) hearing of the five public hearings. Notice of tonight's hearing has been posted on the District's website and published in the Marin IJ on July 9, 2019 (see Attachment 3).

RECOMMENDED ACTION:

That the Board:

1. Hold the fifth public hearing to receive public input on the final voting division map, election sequencing and draft Ordinance 38 (see Attachment 4) establishing a by-division system for electing directors.
2. Adopt Ordinance No. 38.

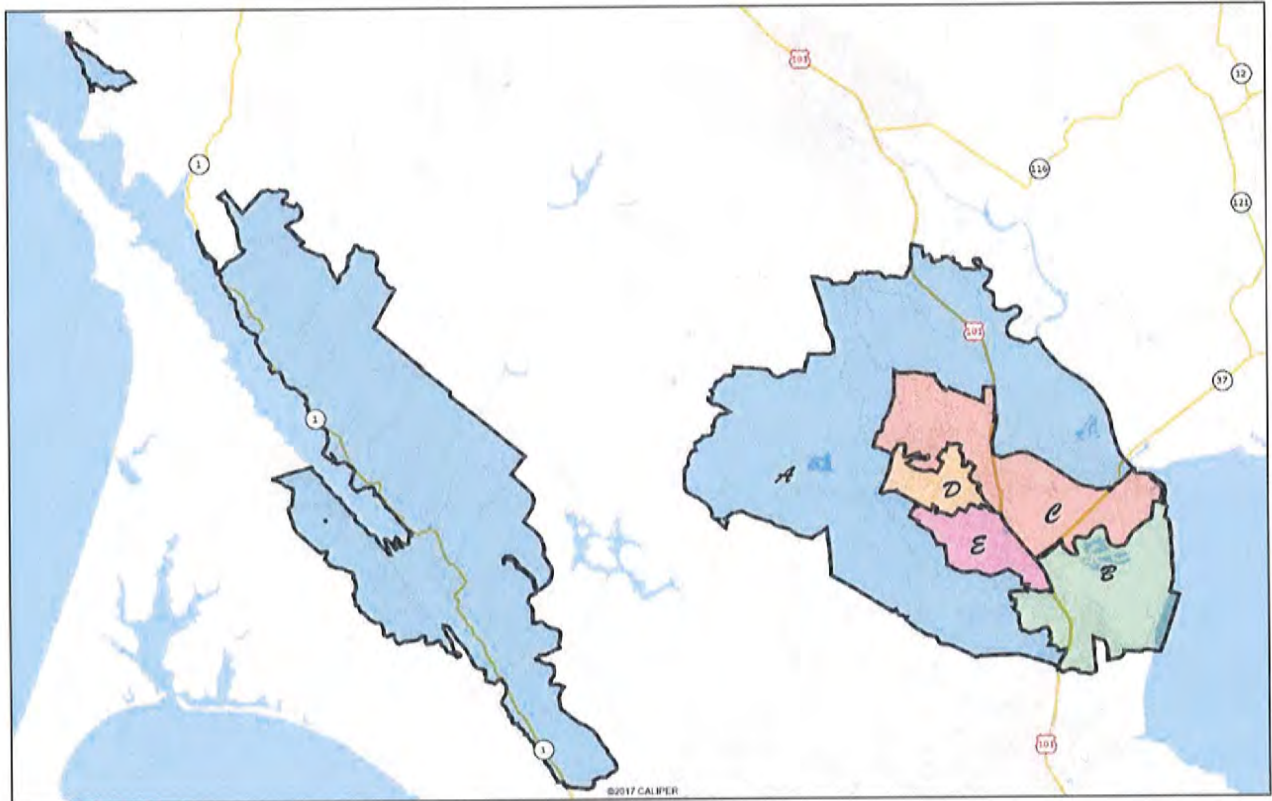
NORTH MARIN WATER DISTRICT
Proposed Timeline for Consideration and Implementation of
District-Based Elections

DATE	EVENT	COMMENT
Tuesday, April 23, 2019	Board adopts Resolution declaring its intention to transition from at-large to by-district (division) elections. (Special Meeting).	
Tuesday, May 7, 2019	1st Public Hearing (Regular Meeting)	No maps for review, but take public comments on composition of districts (divisions) and preference for zone lines.
Tuesday, May 21, 2019	2nd Public Hearing (Regular Meeting)	No maps for review, but take public comments on composition of districts (divisions) and preference for zone lines.
By Tuesday, May 28, 2019	Publish draft map(s) for at least seven (7) days before 3rd public hearing	Publication can be on website and posting in other places
Tuesday, June 4, 2019	3rd Public Hearing (Regular Meeting)	Take public comments on proposed maps; engage in line drawing as desired.
By Tuesday, June 11, 2019	Publish for review new or amended district election maps, if any.	Maps must be available for review at least 7 days before consideration at the 4th public hearing.
Tuesday, June 18, 2019	4th Public Hearing (Regular meeting)	Take public comments on proposed maps; final line drawing as desired.
By Tuesday, July 9, 2019	Publish for review new or amended district election maps (if any) and proposed sequence of elections.	If selected map is amended, ordinance cannot be adopted until 7 days after amended map is published.
Tuesday, July 16, 2019	5th Public Hearing (Regular meeting)	Board adopts ordinance establishing by-district elections.

t:\gm\california voting rights act - transition from at-large elections\nmwd-cvra_90-day_schedule_final_vers_04_19_2019.hearing 5.docx

North Marin Water District

Draft Plan A (5/28/2019)

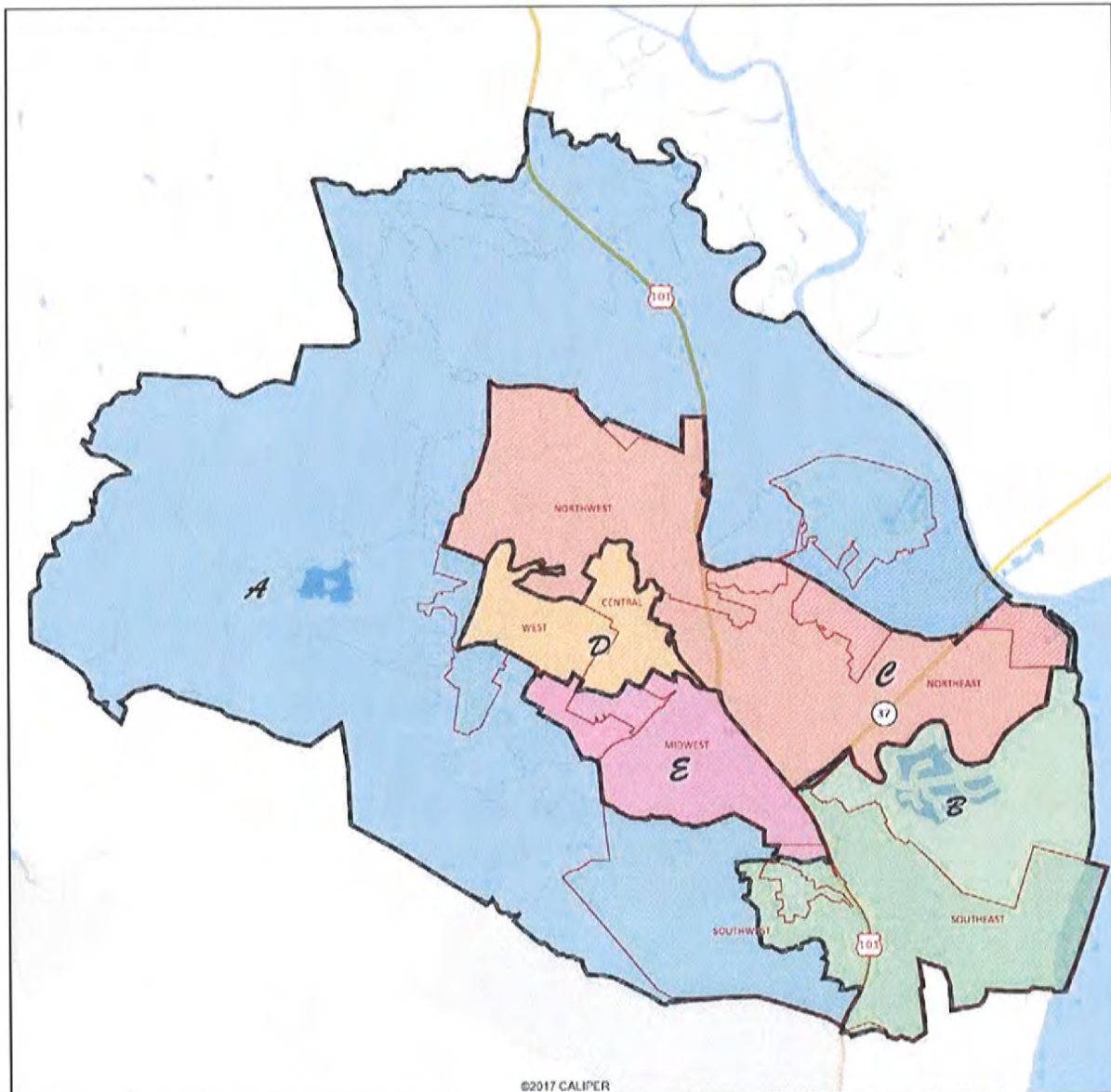


Plan A

District	2010 Census			Citizen Voting Age Population (CVAP)						
	Population	Deviation		Population	Latino		Asian		Black	
A	12,584	280	2.3%	9,452	582	6%	433	5%	33	0%
B	12,300	(4)	0.0%	7,978	837	10%	606	8%	234	3%
C	12,199	(105)	-0.9%	9,246	1,226	13%	602	7%	117	1%
D	12,479	175	1.4%	9,376	924	10%	382	4%	212	2%
E	11,958	(346)	-2.8%	8,747	953	11%	442	5%	198	2%

North Marin Water District

Draft Plan A (5/28/2019)

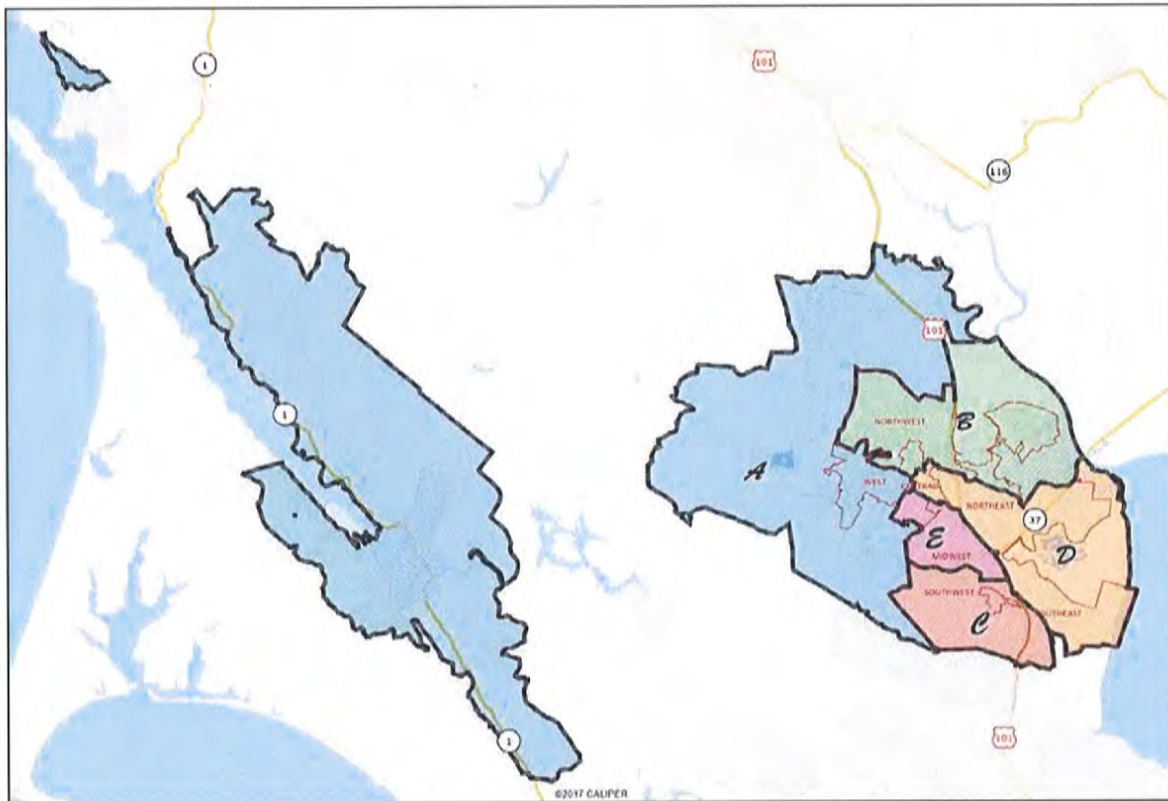


Plan A

District	2010 Census			Citizen Voting Age Population (CVAP)						
	Population	Deviation		Population	Latino		Asian		Black	
A	12,584	280	2.3%	9,452	582	6%	433	5%	33	0%
B	12,300	(4)	0.0%	7,978	837	10%	606	8%	234	3%
C	12,199	(105)	-0.9%	9,246	1,226	13%	602	7%	117	1%
D	12,479	175	1.4%	9,376	924	10%	382	4%	212	2%
E	11,958	(346)	-2.8%	8,747	953	11%	442	5%	198	2%

North Marin Water District

Draft Plan B (5/28/2019)

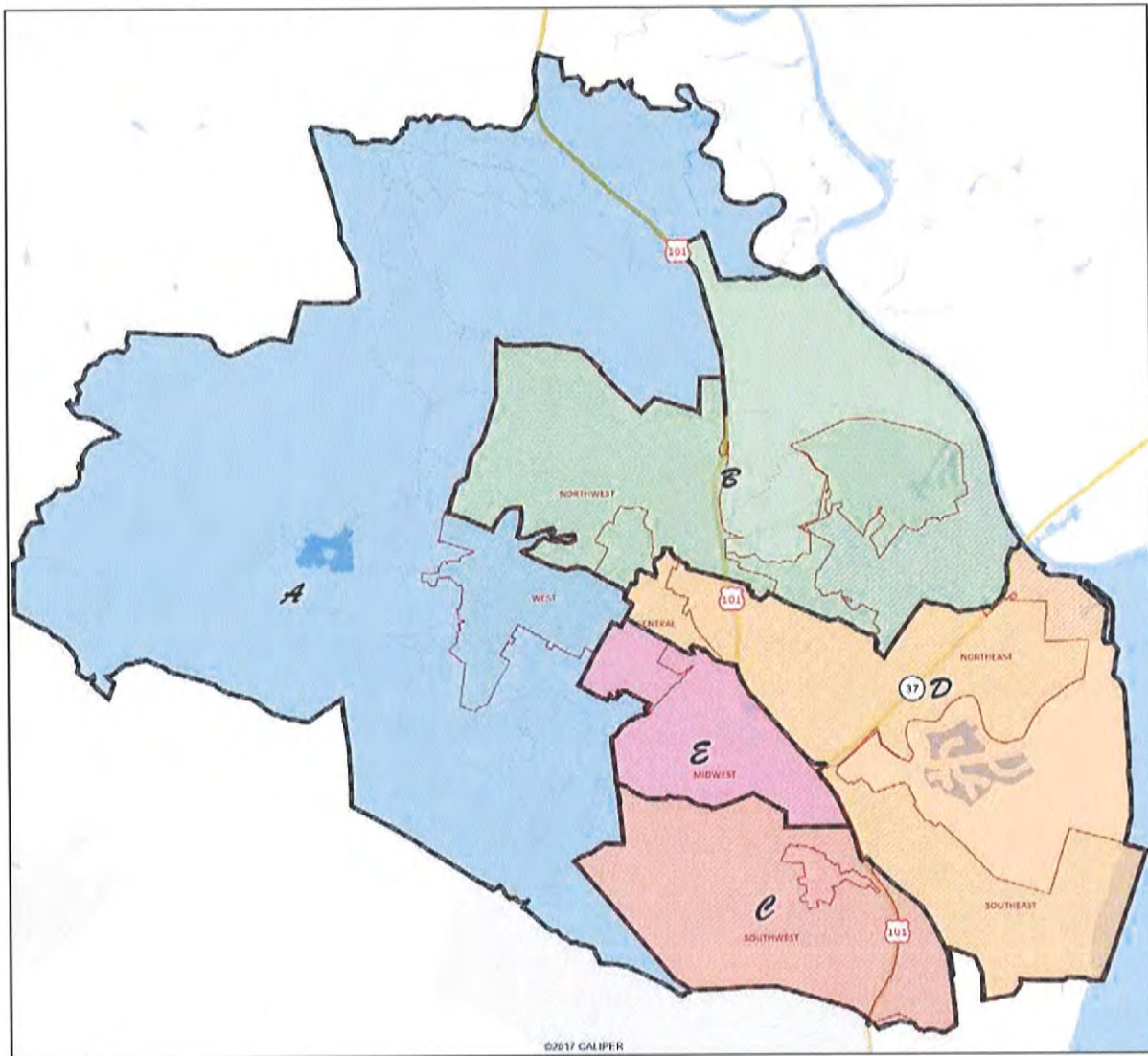


Plan B

District	2010 Census			Citizen Voting Age Population (CVAP)						
	Population	Deviation		Population	Latino		Asian		Black	
A	12,813	509	4.1%	10,156	693	7%	461	5%	50	0%
B	12,253	(51)	-0.4%	7,649	920	12%	481	6%	217	3%
C	12,179	(125)	-1.0%	9,443	982	10%	656	7%	41	0%
D	12,144	(160)	-1.3%	8,680	1,017	12%	462	5%	265	3%
E	12,131	(173)	-1.4%	8,871	910	10%	405	5%	221	2%

North Marin Water District

Draft Plan B (5/28/2019)

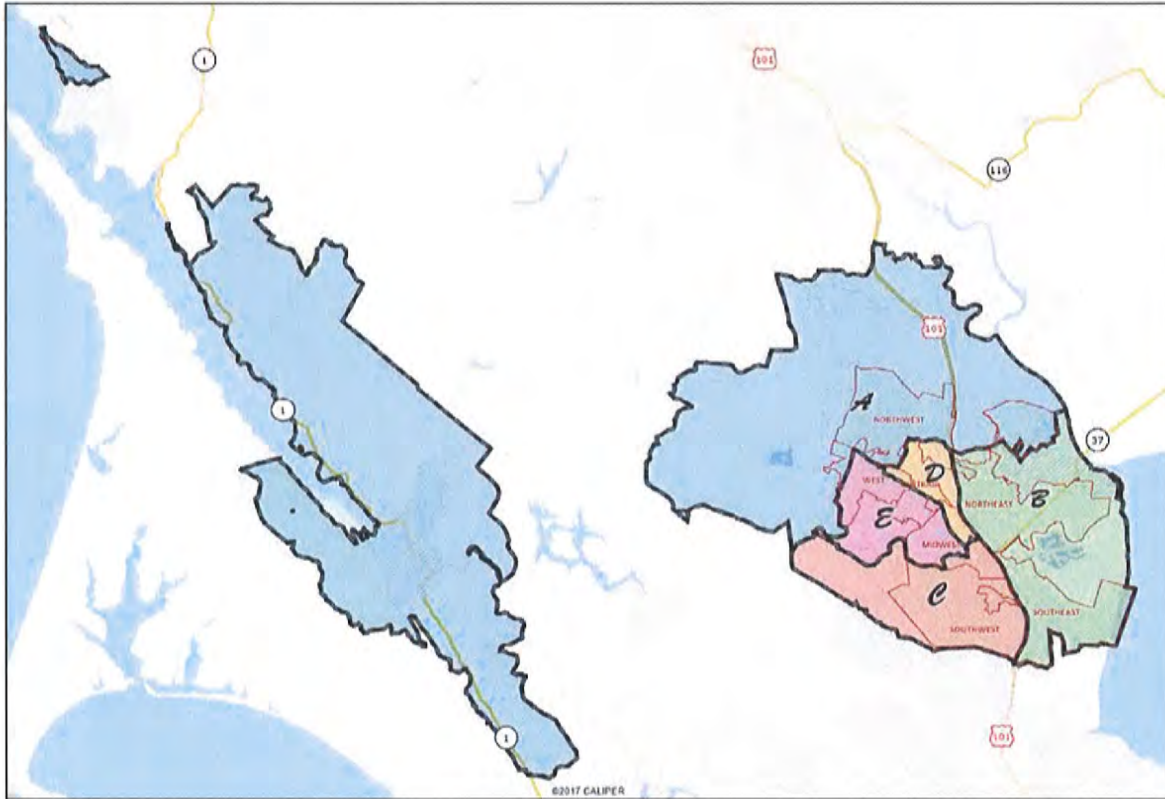


Plan B

District	2010 Census			Citizen Voting Age Population (CVAP)						
	Population	Deviation		Population	Latino		Asian		Black	
A	12,813	509	4.1%	10,156	693	7%	461	5%	50	0%
B	12,253	(51)	-0.4%	7,649	920	12%	481	6%	217	3%
C	12,179	(125)	-1.0%	9,443	982	10%	656	7%	41	0%
D	12,144	(160)	-1.3%	8,680	1,017	12%	462	5%	265	3%
E	12,131	(173)	-1.4%	8,871	910	10%	405	5%	221	2%

North Marin Water District

Draft Plan C (5/28/2019)

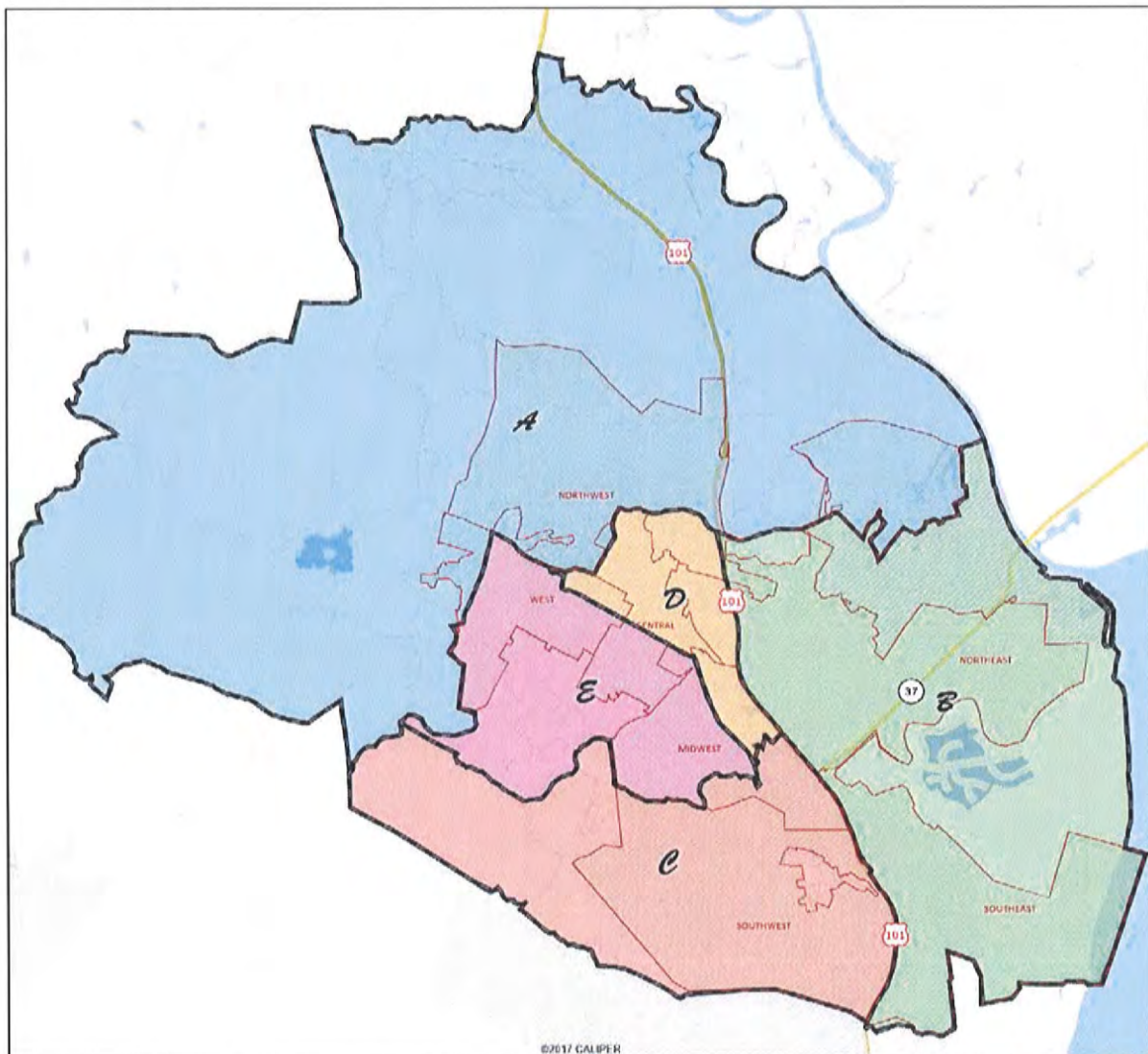


Plan C

District	2010 Census			Citizen Voting Age Population (CVAP)						
	Population	Deviation		Population	Latino		Asian		Black	
A	12,540	236	1.9%	9,728	863	9%	451	5%	14	0%
B	12,182	(122)	-1.0%	8,661	986	11%	658	8%	180	2%
C	12,303	(1)	0.0%	8,023	853	11%	516	6%	156	2%
D	12,232	(72)	-0.6%	8,348	1,066	13%	399	5%	278	3%
E	12,263	(41)	-0.3%	10,039	754	8%	441	4%	166	2%

North Marin Water District

Draft Plan C (5/28/2019)



Plan C

District	2010 Census			Citizen Voting Age Population (CVAP)						
	Population	Deviation		Population	Latino		Asian		Black	
A	12,540	236	1.9%	9,728	863	9%	451	5%	14	0%
B	12,182	(122)	-1.0%	8,661	986	11%	658	8%	180	2%
C	12,303	(1)	0.0%	8,023	853	11%	516	6%	156	2%
D	12,232	(72)	-0.6%	8,348	1,066	13%	399	5%	278	3%
E	12,263	(41)	-0.3%	10,039	754	8%	441	4%	166	2%

Marin Independent Journal

4000 Civic Center Drive, Suite 301
San Rafael, CA 94903
415-382-7335
legals@marinij.com
2074361

NORTH MARIN WATER DISTRICT
PO BOX 146
NOVATO, CA 94948

PROOF OF PUBLICATION (2015.5 C.C.P.)

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 interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the 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 thereof on the following dates, to-wit:

07/09/2019

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

Dated this 9th day of July, 2019.

Donna Lafarus

Signature

PROOF OF PUBLICATION

Legal No. 0006365265

NORTH MARIN WATER DISTRICT NOTICE OF HEARING AND ORDINANCE SUMMARY

NOTICE IS GIVEN that, at its Regular meeting at 6 p.m. on Tuesday, July 16, 2019, the Board of Directors of North Marin Water District will hold a public hearing to consider adoption of an Ordinance that will establish a by-division system for electing District Directors in conformance with the California Voting Rights Act (CVRA).

Copies of the full text of the proposed ordinance, including the map showing the divisions described in the ordinance, are available to the public for review and inspection between 8 a.m. and 5 p.m., Monday through Friday, at the North Marin Water District Office, 999 Rush Creek Place, Novato, California and a copy of the ordinance and map is posted on the District's website at: www.nmwd.com.

By: Theresa Kehoe
District Secretary

No. 895 July 9, 2019

DRAFT

ORDINANCE NO. 38

AN ORDINANCE OF NORTH MARIN WATER DISTRICT TO ESTABLISH A BY-DIVISION
SYSTEM FOR ELECTING DIRECTORS

WHEREAS, the North Marin Water District ("District") is a County Water District duly organized under the County Water District Law of the State of California. The District's Board of Directors is comprised of five Directors currently elected in "at-large" elections, in which each Director is elected by the registered voters of the entire service area; and

WHEREAS, in the at-large election system, candidates for the Board of Directors may live in any part of the District's service area and each Director is elected by the voters of the entire service area; and

WHEREAS, in a by-division election system, a candidate for the Board of Directors must live in the division which he or she wishes to represent, and only the voters of that division are entitled to vote on who their representative will be; and

WHEREAS, on February 13, 2019, the City of Novato received a letter from attorney Kevin I. Shenkman asserting that the City's at-large election system violates the California Voting Rights Act of 2001 (Elections Code §§14025-14032) ("CVRA") and threatening to sue the City unless the City voluntarily transitioned to a district-based election system for its city council; and

WHEREAS, under California Elections Code Section 14028(a), a CVRA violation is established if it is shown that racially polarized voting occurs in elections in a particular jurisdiction, and under the CVRA, "racially polarized voting" means voting in which there is a difference in the choice of candidates or other electoral choices that are preferred by voters in a protected class, and in the choice of candidates and electoral choices that are preferred by voters in the rest of the electorate (Elections Code Section 14026(e)); and

WHEREAS, the District's service area in the Novato area is similar, but not identical to, the city boundaries; and

WHEREAS, the District denies that its at-large system for electing its Directors violates the CVRA or any other provision of law and asserts the District's election system is legal in all

respects and further denies any wrongdoing in connection with the manner in which it has conducted its elections; and

WHEREAS, California Water Code sections 30730 through 30733, part of the County Water District Law, authorizes county water districts like the District to utilize a "by-division" system for electing Directors, and Elections Code section 22000 specifies the criteria to be considered by the Board in creating the divisions; and

WHEREAS, California Elections Code Sections 10010 and 10650 provide an alternative procedure for political subdivisions, including county water districts, to transition to a by-division system for electing Directors in furtherance of the purposes of the California Voting Rights Act of 2001 (Chapter 1.5 (commencing with Section 14025) of Division 14 of the California Elections Code), by holding a series of public hearings to obtain public input before completing the transition by adopting an ordinance; and

WHEREAS, California Elections Code Section 10010 also provides a "safe harbor" wherein a jurisdiction that adopts an ordinance establishing district-based elections within 90 days after first passing a resolution of intent to transition to district-based elections may transition to district-based elections without the threat of CVRA litigation, and potentially avoid exposure to a \$30,000 award to potential plaintiffs and their attorney(s) for reimbursement of costs incurred in bringing about the transition; and

WHEREAS, based on the foregoing, the Board of Directors has determined that the public interest would be best served by transitioning to a by-division election system and avoiding the risks and costs of defending against a CVRA lawsuit or a transition initiated in response to a letter such as that received by the City of Novato; and

WHEREAS, at its special meeting on April 23, 2019, the Board of Directors adopted a resolution of intent (Resolution No. 19-04) to establish a by-division voting process pursuant to California Elections Code Section 10010 (including the provisions of subdivision (e)(3) thereof); and

WHEREAS, the change in the method of electing Directors of the Board of the District made by this ordinance is being made in furtherance of the purposes of the California Voting Rights Act of 2001 (including the implementation of the guarantees of Section 7 of Article I and of Section 2 of Article II of the California Constitution, as set forth in California Elections Code Section 14031); and

WHEREAS, under the provisions of California Elections Code Section 10010, a political subdivision that changes from an at-large method of election to a by-division method of election shall hold at least two (2) public hearings over a period of no more than thirty (30) days, at which the public is invited to provide input regarding the composition of the divisions before drawing a draft map or maps of the proposed boundaries of the divisions; and

WHEREAS, before any maps of the proposed boundaries of the divisions were drawn, the Board of Directors held two (2) public hearings on May 7, 2019, and May 21, 2019, respectively, at which time input from the public on the composition of the District divisions including criteria for determining division boundaries and the timing and sequence of implementing division elections was invited and heard; and

WHEREAS, at the public hearings on May 7, 2019, and May 21, 2019, the District considered all oral and written information, testimony, and comments received during the public review process, including information received at the public hearings, oral and written reports from District staff and the District's demographer, exhibits, maps, and all other pertinent information prior to acting on, or making recommendations on, the division elections process and composition of maps; and

WHEREAS, at the public hearing on May 21, 2019, the Board of Directors instructed its demographer to develop three (3) draft map options containing five (5) divisions each; and

WHEREAS, on May 28, 2019, consistent with the provisions of California Elections Code Section 10010, the District posted on the District's website and made available for release, all three (3) of the draft maps then under consideration, which were entitled "Plan A," "Plan B," and "Plan C. " In addition a notice was published in the Marin IJ newspaper publication, on May 28, 2019, advising the public that the three (3) draft maps were available on the District's website and the public was invited to provide comment via the District's public email, social media, and by otherwise directly contacting District staff; and

WHEREAS, as required by California Elections Code Section 10010, the District held two additional hearings within a period of no more than forty-five (45) days, the first on June 4, 2019, and the second on June 18, 2019, at which the public was invited to provide input regarding the content of the three draft maps, as well as the timing and sequence of division elections; and

WHEREAS, at the public hearing on June 4, 2019, the Board of Directors considered all oral and written information, testimony, and comments received through the public review process, including information received at the public hearings, oral and written reports from District staff and the District's demographer, exhibits, maps, and all other pertinent information prior to acting on, or making recommendations on, the content of the draft map or maps and the proposed timing and sequence of elections; and

WHEREAS, at the public hearing on June 4, 2019, the Board of Directors instructed its demographer to retain the three existing maps for further consideration, and to also develop large format maps for improved readability; and

WHEREAS, on June 11, 2019, consistent with the provisions of California Elections Code Section 10010, the original three (3) draft map alternatives, Plan's A, B and C, as well as three (3) large format versions of these same three maps, were posted on the District's website. In addition, on June 11, 2019, a notice was published in the Marin IJ inviting the public to provide comment via the District's public email, social media, and by otherwise directly contacting District staff; and

WHEREAS, at the public hearing on June 18, 2019, the Board of Directors considered all oral and written information, testimony, and comments received during the public review process, including information received at the public hearings, oral and written reports from District staff and the District's demographer, exhibits, maps, and all other pertinent information prior to acting on the draft maps and the timing and sequence of elections; and

WHEREAS, at the public hearing on June 18, 2019, the Board of Directors voted 4-1 to approve Plan A Map as the District's voting division boundary map with direction to the demographer to make some minor modifications to clean up certain lines between divisions provided these could be accomplished without causing significant change in the population deviations among the divisions. The demographer made those adjustments, and on or before July 9, 2019, the final, revised Plan A was published and posted on the District's website. The final Plan A Map as revised is attached hereto. The Board also voted to approve sequencing of the by-division elections such that elections for Districts 2, 3, and 4 would be held in November 2020 and every four years thereafter, and elections for Districts 1 and 5 would be held in November 2022 and every four years thereafter; and

WHEREAS, the purpose of this Ordinance is to enact, pursuant to California Elections Code Section 10010 and in furtherance of the California Voting Rights Act of 2001, an ordinance providing for the election of Directors of the Board of Directors of the North Marin Water District by-division in five divisions to be created hereby.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT AS FOLLOWS:

SECTION 1. PURPOSE AND AUTHORITY

The purpose of this Ordinance is to enact, pursuant to California Elections Code Section 10010 and in furtherance of the California Voting Rights Act of 2001, an ordinance providing for the election of members of the Board of Directors of the North Marin Water District by five (5) single-member divisions. This Ordinance is adopted pursuant to the District's authority under California Elections Code Section 10010 and California Elections Code Section 10650. The change in the method of electing members of the legislative body is being made in furtherance of the purposes of the California Voting Rights Act of 2001 (Chapter 1.5 (commencing with Section 14025) of Division 14 of the California Elections Code).

SECTION 2. EFFECT OF ORDINANCE

This Ordinance shall take effect thirty (30) days following its passage and adoption. In the event a summary of said Ordinance is published in lieu of the entire Ordinance, a certified copy of the full text of this Ordinance shall be posted in the office of the District Secretary at least five (5) days prior to its adoption and within fifteen (15) days after its adoption, including the vote of the Directors. Additionally, a summary prepared by the District General Counsel and District Secretary shall be published once at least five (5) days prior to the date of adoption of this Ordinance and once within fifteen (15) days after its passage and adoption, including the vote of the Directors, in the Marin IJ, a newspaper of general circulation within the North Marin Water District.

SECTION 3. BY-DIVISION ELECTORAL SYSTEM FOR FIVE DIRECTORS.

- a) Pursuant to California Elections Code Sections 10010 and 10650, and California Government Code Section 61040, Directors shall be elected by-divisions in five (5) divisions.

- b) Except as provided in subdivision (c) hereof, the Director elected to represent a division must live in that division and be a registered voter in that division, and any candidate for Director must live, and be a registered voter, in the division in which he or she seeks election at the time nomination papers are issued, pursuant to subdivision (b) of California Government Code Section 61040 and California Elections Code Section 10510.
- c) A Director in office at the time this ordinance takes effect shall continue in office until the expiration of the full term to which he or she was elected or appointed and until his or her successor is qualified. If vacancies in Director offices elected at-large occur before expiration of the full term thereof, such vacancies may be filled according to law from the District at-large.
- d) Upon expiration of the full term of each Director elected at-large, that Director's successor shall be elected only on a by-division basis in the divisions established by this Ordinance. A vacancy in a Director office elected or appointed by-division shall be filled according to law by a person qualified to hold the office, who lives, and is a registered voter, in the division.

SECTION 4. DIVISIONS.

- (a) Elections shall take place, and Directors shall be elected, "by-divisions" as that term is defined in California Government Code Section 61025, meaning one member of the division shall be elected from each division, by the voters of that division alone.
- (b) The metes and bounds of the divisions are set forth in Exhibit 1 attached hereto and incorporated by this reference.

In addition, a map showing the divisions described in this Ordinance is attached hereto as Exhibit 2 and incorporated by this reference. To the extent there is a conflict between the metes and bounds descriptions and the map, the metes and bounds descriptions shall prevail. If necessary to facilitate the implementation of this Ordinance, the General Manager or his or her designee is authorized to make technical adjustments to the division boundaries that do not

substantively affect the populations in the divisions or the eligibility of candidates. The General Manager shall consult with the District General Counsel concerning any technical adjustments deemed necessary and shall advise the Board of Directors of any such adjustments required in the implementation of the divisions.

The divisions specified in subdivision (b) shall continue in effect until they are amended or repealed in accordance with law.

SECTION 5. ELECTION SCHEDULE

Directors from Divisions 2, 3, and 4 as so constituted shall be elected by division beginning at the Statewide General Election in November 2020, and every four years thereafter.

Directors from Divisions 1 and 5 shall be elected by division beginning at the Statewide General Election in November 2022, and every four years thereafter.

SECTION 6. EXEMPTION FROM CEQA

The Board of Directors finds that the actions taken in this Ordinance are exempt from the requirements of the California environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Section 15061(b) (3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 7. SEVERABILITY

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this ordinance. The Board of Directors of the North Marin Water District hereby declares that it would have passed this ordinance and each section or subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 8. ADMINISTRATIVE IMPLEMENTATION

The General Manager is authorized and directed to establish appropriate administrative procedures consistent with the provisions of this ordinance and to take reasonable and appropriate action to fully implement the provisions of this ordinance.

The General Manager, or the person or persons to whom such task may from time to time be delegated, is further authorized and directed to make further nonsubstantive administrative changes, as approved by District General Counsel, to the Ordinance (including revisions in formatting as may be suggested by the publisher) for consistency and ease of reference within sixty (60) days from the date of adoption.

ADOPTED by the Board of Directors of North Marin Water District, a public agency in the State of California, Counties of Marin and Sonoma, at its regular meeting held on the 16th day of July, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jack Baker, President
North Marin Water District

ATTEST:

Theresa Kehoe, Secretary
North Marin Water District

(SEAL)

t:\ordinances\ordinance 38 cvra 2019.docx

North Marin Water District
Final Districting Plan – Metes and Bounds Description

District 1

The region bounded and described as follows: 1. Beginning at the point of intersection of Unnamed and Sir Francis Drake Blvd, and proceeding northerly along Unnamed to Shoreline Hwy, and proceeding southerly along Shoreline Hwy to Clark Rd, and proceeding easterly along Clark Rd to Snake Rd, and proceeding westerly along Snake Rd to Unnamed, and proceeding easterly along Unnamed to Walker Crk, and proceeding easterly along Walker Crk to Unnamed, and proceeding northerly along Unnamed to Walker Crk, and proceeding southerly along Walker Crk to Unnamed, and proceeding southerly along Unnamed to Marshall Petaluma Rd, and proceeding westerly along Marshall Petaluma Rd to Unnamed, and proceeding easterly along Unnamed to Willow Rd, and proceeding southerly along Willow Rd to Unnamed, and proceeding southerly along Unnamed to Point Reyes Petaluma Rd, and proceeding northerly along Point Reyes Petaluma Rd to Unnamed, and proceeding easterly along Unnamed to Lagunitas Crk, and proceeding easterly along Lagunitas Crk to Sir Francis Drake Blvd, and proceeding westerly along Sir Francis Drake Blvd to Bolinas Ridge Fire Rd, and proceeding easterly along Bolinas Ridge Fire Rd to Unnamed, and proceeding westerly along Unnamed to Shoreline Hwy, and proceeding northerly along Shoreline Hwy to Unnamed, and proceeding westerly along Unnamed to Olema Crk, and proceeding northerly along Olema Crk to Unnamed, and proceeding westerly along Unnamed to Bear Valley Rd, and proceeding westerly along Bear Valley Rd to Limantour Rd, and proceeding southerly along Limantour Rd to Unnamed, and proceeding westerly along Unnamed to Drakes View Dr, and proceeding westerly along Drakes View Dr to Unnamed, and proceeding westerly along Unnamed to Sir Francis Drake Blvd, and proceeding westerly along Sir Francis Drake Blvd to the point of beginning. 2. As well as beginning at the point of intersection of Unnamed and Big Rock Ridge Fire Rd, and proceeding northerly along Unnamed to Novato Blvd, and proceeding westerly along Novato Blvd to Unnamed, and proceeding northerly along Unnamed to San Antonio Crk, and proceeding easterly along San Antonio Crk to Unnamed, and proceeding easterly along Unnamed to Redwood Hwy, and proceeding northerly along Redwood Hwy to Skinner Rd, and proceeding easterly along Skinner Rd to Unnamed, and proceeding southerly along Unnamed to San Antonio Crk, and proceeding easterly along San Antonio Crk to Unnamed, and proceeding easterly along Unnamed to San Antonio Crk, and proceeding easterly along San Antonio Crk to Unnamed, and proceeding northerly along Unnamed to San Antonio Crk, and proceeding easterly along San Antonio Crk to Unnamed, and proceeding easterly along Unnamed to State Hwy 37, and proceeding westerly along State Hwy 37 to Unnamed, and proceeding southerly along Unnamed to State Hwy 37, and proceeding southerly along State Hwy 37 to Atherton Ave, and proceeding westerly along Atherton Ave to Atherton Oaks Dr, and proceeding westerly along Atherton Oaks Dr to Atherton Ave, and proceeding westerly along Atherton Ave to Oak Shade Ln, and proceeding westerly along Oak Shade Ln to Atherton Ave, and proceeding westerly along Atherton Ave to Redwood Hwy, and proceeding northerly along Redwood Hwy to Unnamed, and proceeding westerly along Unnamed to Northwestern Pacific RR, and proceeding northerly along Northwestern Pacific RR to Unnamed, and proceeding northerly along Unnamed to Northwestern Pacific RR, and proceeding northerly along Northwestern Pacific RR to Unnamed, and proceeding southerly along Unnamed to

Redwood Hwy, and proceeding southerly along Redwood Hwy to Unnamed, and proceeding northerly along Unnamed to Redwood Blvd, and proceeding northerly along Redwood Blvd to Unnamed, and proceeding westerly along Unnamed to Buck Center Dr, and proceeding northerly along Buck Center Dr to Redwood Blvd, and proceeding southerly along Redwood Blvd to Unnamed, and proceeding northerly along Unnamed to Redwood Hwy, and proceeding northerly along Redwood Hwy to Unnamed, and proceeding westerly along Unnamed to Burdell Mountain Fire Rd, and proceeding westerly along Burdell Mountain Fire Rd to Unnamed, and proceeding westerly along Unnamed to Novato Blvd, and proceeding easterly along Novato Blvd to Unnamed, and proceeding easterly along Unnamed to Novato Blvd, and proceeding easterly along Novato Blvd to Sutro Ave, and proceeding southerly along Sutro Ave to Vineyard Rd, and proceeding easterly along Vineyard Rd to Unnamed, and proceeding southerly along Unnamed to Mill Rd, and proceeding easterly along Mill Rd to Santa Maria Dr, and proceeding easterly along Santa Maria Dr to Mill Rd, and proceeding easterly along Mill Rd to Trumbull Ave, and proceeding easterly along Trumbull Ave to Mill Rd, and proceeding easterly along Mill Rd to Wilson Ave, and proceeding southerly along Wilson Ave to Indian Valley Rd, and proceeding easterly along Indian Valley Rd to Unnamed, and proceeding southerly along Unnamed to Arroyo Avichi, and proceeding easterly along Arroyo Avichi to Unnamed, and proceeding southerly along Unnamed to Ignacio Blvd, and proceeding easterly along Ignacio Blvd to Unnamed, and proceeding easterly along Unnamed to Palmer Dr, and proceeding southerly along Palmer Dr to Ignacio Blvd, and proceeding westerly along Ignacio Blvd to Unnamed, and proceeding southerly along Unnamed to Fairway Dr, and proceeding westerly along Fairway Dr to Ignacio Blvd, and proceeding westerly along Ignacio Blvd to Country Club Dr, and proceeding southerly along Country Club Dr to Birdie Dr, and proceeding easterly along Birdie Dr to Arroyo San Jose, and proceeding southerly along Arroyo San Jose to Winged Foot Dr, and proceeding easterly along Winged Foot Dr to Pebble Beach Fire Rd, and proceeding southerly along Pebble Beach Fire Rd to Big Rock Ridge Fire Rd, and proceeding easterly along Big Rock Ridge Fire Rd to Unnamed, and proceeding easterly along Unnamed to Chicken Shack Fire Rd, and proceeding easterly along Chicken Shack Fire Rd to Nave Dr, and proceeding easterly along Nave Dr to Redwood Hwy, and proceeding southerly along Redwood Hwy to Unnamed, and proceeding westerly along Unnamed to Big Rock Ridge Fire Rd, and proceeding westerly along Big Rock Ridge Fire Rd to Unnamed, and proceeding westerly along Unnamed to Big Rock Ridge Fire Rd, and proceeding westerly along Big Rock Ridge Fire Rd to Unnamed, and proceeding westerly along Unnamed to Big Rock Ridge Fire Rd, and proceeding westerly along Big Rock Ridge Fire Rd to the point of beginning. 3. As well as beginning at the point of intersection of Pacific and Unnamed, and proceeding northerly along Pacific to Unnamed, and proceeding easterly along Unnamed to Dillon Beach Rd, and proceeding westerly along Dillon Beach Rd to Oceana Dr, and proceeding westerly along Oceana Dr to North St, and proceeding southerly along North St to Ocean View Ave, and proceeding westerly along Ocean View Ave to Cliff St, and proceeding southerly along Cliff St to Unnamed, and proceeding westerly along Unnamed to the point of beginning. 4. As well as beginning at the point of intersection of Northwestern Pacific RR and State Hwy 37, and proceeding northerly along Northwestern Pacific RR to Unnamed, and proceeding easterly along Unnamed to State Hwy 37, and proceeding westerly along State Hwy 37 to the point of beginning.

District 2

The region bounded and described as follows: Beginning at the point of intersection of Country Club Dr and Arroyo San Jose, and proceeding northerly along Country Club Dr to Ignacio Blvd, and proceeding

easterly along Ignacio Blvd to Unnamed, and proceeding easterly along Unnamed to Ignacio Blvd, and proceeding easterly along Ignacio Blvd to Palmer Dr, and proceeding northerly along Palmer Dr to Oak Grove Dr, and proceeding easterly along Oak Grove Dr to Entrada Dr, and proceeding easterly along Entrada Dr to Enfrente Rd, and proceeding southerly along Enfrente Rd to Unnamed, and proceeding northerly along Unnamed to Redwood Hwy, and proceeding northerly along Redwood Hwy to Unnamed, and proceeding northerly along Unnamed to State Hwy 37, and proceeding northerly along State Hwy 37 to Unnamed, and proceeding easterly along Unnamed to Northwestern Pacific RR, and proceeding southerly along Northwestern Pacific RR to State Hwy 37, and proceeding easterly along State Hwy 37 to Unnamed, and proceeding westerly along Unnamed to State Hwy 37, and proceeding easterly along State Hwy 37 to Unnamed, and proceeding easterly along Unnamed to State Hwy 37, and proceeding easterly along State Hwy 37 to Novato Crk, and proceeding southerly along Novato Crk to Unnamed, and proceeding easterly along Unnamed to Novato Crk, and proceeding easterly along Novato Crk to Unnamed, and proceeding northerly along Unnamed to Northwestern Pacific RR, and proceeding southerly along Northwestern Pacific RR to Unnamed, and proceeding westerly along Unnamed to Redwood Hwy, and proceeding northerly along Redwood Hwy to Nave Dr, and proceeding westerly along Nave Dr to Chicken Shack Fire Rd, and proceeding northerly along Chicken Shack Fire Rd to Big Rock Ridge Fire Rd, and proceeding westerly along Big Rock Ridge Fire Rd to Pebble Beach Fire Rd, and proceeding northerly along Pebble Beach Fire Rd to Winged Foot Dr, and proceeding northerly along Winged Foot Dr to Fairway Dr, and proceeding northerly along Fairway Dr to Arroyo San Jose, and proceeding westerly along Arroyo San Jose to the point of beginning.

District 3

The region bounded and described as follows: Beginning at the point of intersection of Unnamed and Novato Blvd, and proceeding northerly along Unnamed to Burdell Mountain Fire Rd, and proceeding easterly along Burdell Mountain Fire Rd to Unnamed, and proceeding westerly along Unnamed to Redwood Hwy, and proceeding southerly along Redwood Hwy to Unnamed, and proceeding southerly along Unnamed to Redwood Blvd, and proceeding northerly along Redwood Blvd to Buck Center Dr, and proceeding southerly along Buck Center Dr to Unnamed, and proceeding southerly along Unnamed to Redwood Blvd, and proceeding southerly along Redwood Blvd to Unnamed, and proceeding southerly along Unnamed to Redwood Hwy, and proceeding northerly along Redwood Hwy to Unnamed, and proceeding northerly along Unnamed to Northwestern Pacific RR, and proceeding southerly along Northwestern Pacific RR to Unnamed, and proceeding southerly along Unnamed to Northwestern Pacific RR, and proceeding southerly along Northwestern Pacific RR to Unnamed, and proceeding easterly along Unnamed to Redwood Hwy, and proceeding southerly along Redwood Hwy to Atherton Ave, and proceeding easterly along Atherton Ave to Unnamed, and proceeding easterly along Unnamed to Atherton Ave, and proceeding easterly along Atherton Ave to Oak Shade Ln, and proceeding easterly along Oak Shade Ln to Atherton Ave, and proceeding easterly along Atherton Ave to Unnamed, and proceeding easterly along Unnamed to Bugeia Ln, and proceeding easterly along Bugeia Ln to Atherton Ave, and proceeding easterly along Atherton Ave to State Hwy 37, and proceeding northerly along State Hwy 37 to Unnamed, and proceeding northerly along Unnamed to State Hwy 37, and proceeding northerly along State Hwy 37 to Unnamed, and proceeding easterly along Unnamed to Northwestern Pacific RR, and proceeding easterly along Northwestern Pacific RR to Unnamed, and proceeding westerly along Unnamed to Novato Crk, and proceeding westerly along Novato Crk to Unnamed, and proceeding

westerly along Unnamed to Novato Crk, and proceeding northerly along Novato Crk to State Hwy 37, and proceeding westerly along State Hwy 37 to Unnamed, and proceeding westerly along Unnamed to State Hwy 37, and proceeding westerly along State Hwy 37 to Unnamed, and proceeding westerly along Unnamed to Northwestern Pacific RR, and proceeding southerly along Northwestern Pacific RR to Unnamed, and proceeding southerly along Unnamed to State Hwy 37, and proceeding westerly along State Hwy 37 to Redwood Hwy, and proceeding northerly along Redwood Hwy to Novato Crk, and proceeding westerly along Novato Crk to Unnamed, and proceeding southerly along Unnamed to Joan Ave, and proceeding westerly along Joan Ave to Novato Blvd, and proceeding northerly along Novato Blvd to Diablo Ave, and proceeding northerly along Diablo Ave to Court Rd, and proceeding northerly along Court Rd to Bruno St, and proceeding northerly along Bruno St to Elm Dr, and proceeding easterly along Elm Dr to 1st St, and proceeding northerly along 1st St to Mirabella Ave, and proceeding westerly along Mirabella Ave to 1st St, and proceeding northerly along 1st St to Industrial Way, and proceeding westerly along Industrial Way to 2nd St, and proceeding northerly along 2nd St to Grant Ave, and proceeding easterly along Grant Ave to 2nd St, and proceeding northerly along 2nd St to Olive Ave, and proceeding westerly along Olive Ave to 2nd St, and proceeding northerly along 2nd St to Kaehler St, and proceeding westerly along Kaehler St to 4th St, and proceeding northerly along 4th St to Carmel Dr, and proceeding westerly along Carmel Dr to Sunnyhill Rd, and proceeding northerly along Sunnyhill Rd to Carmel Dr, and proceeding westerly along Carmel Dr to 7th St, and proceeding northerly along 7th St to Seventh St, and proceeding northerly along Seventh St to Somerset Dr, and proceeding northerly along Somerset Dr to San Marin Dr, and proceeding westerly along San Marin Dr to Tanbark Ct, and proceeding westerly along Tanbark Ct to San Marin Dr, and proceeding westerly along San Marin Dr to Simmons Ln, and proceeding southerly along Simmons Ln to Leese Ln, and proceeding southerly along Leese Ln to Simmons Ln, and proceeding southerly along Simmons Ln to Novato Blvd, and proceeding westerly along Novato Blvd to Eucalyptus Ave, and proceeding westerly along Eucalyptus Ave to Novato Blvd, and proceeding northerly along Novato Blvd to Unnamed, and proceeding westerly along Unnamed to Novato Blvd, and proceeding westerly along Novato Blvd to the point of beginning.

District 4

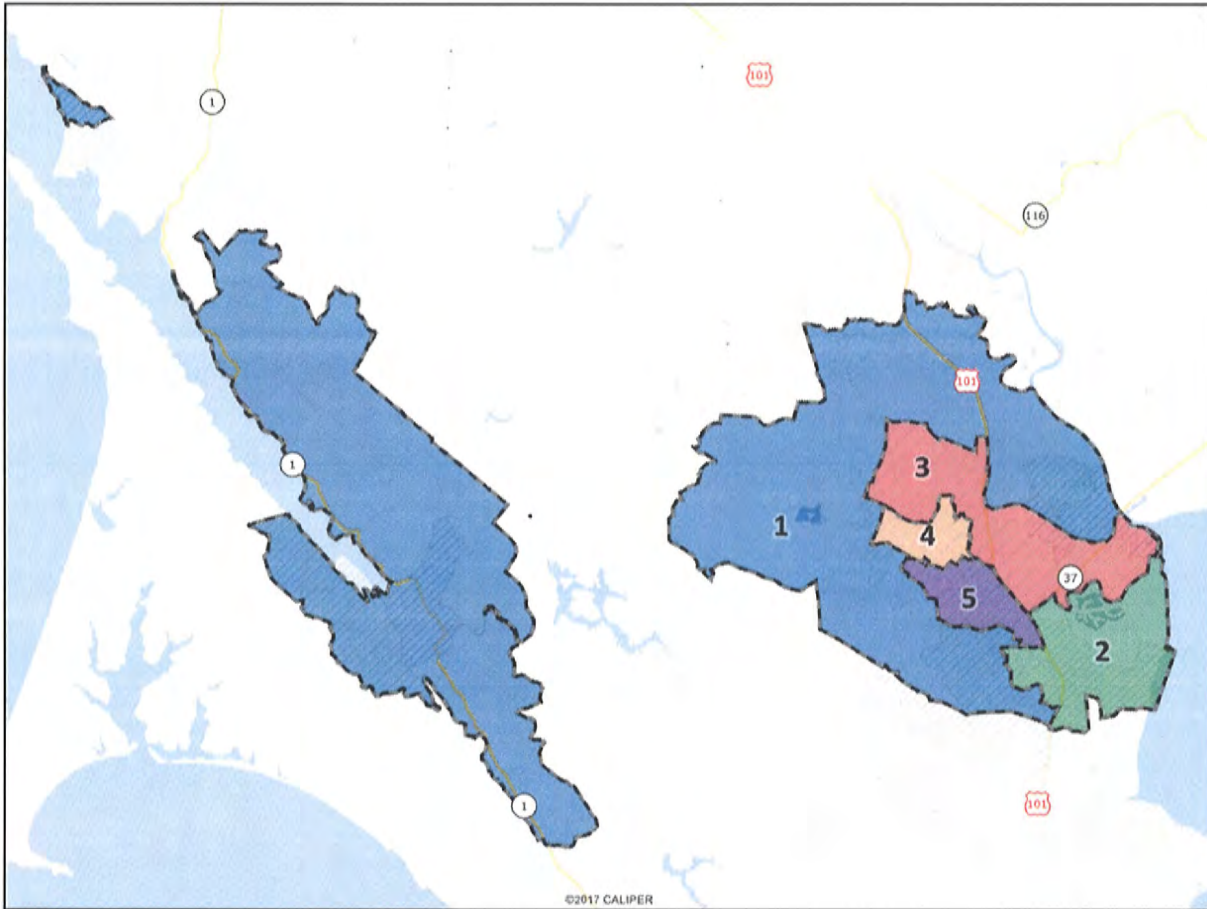
The region bounded and described as follows: Beginning at the point of intersection of Sutro Ave and Vineyard Rd, and proceeding northerly along Sutro Ave to Novato Blvd, and proceeding easterly along Novato Blvd to Simmons Ln, and proceeding northerly along Simmons Ln to San Marin Dr, and proceeding easterly along San Marin Dr to Somerset Dr, and proceeding southerly along Somerset Dr to Somerset Pl, and proceeding southerly along Somerset Pl to 7th St, and proceeding southerly along 7th St to Carmel Dr, and proceeding easterly along Carmel Dr to Sunnyhill Rd, and proceeding easterly along Sunnyhill Rd to Carmel Dr, and proceeding easterly along Carmel Dr to 4th St, and proceeding southerly along 4th St to Kaehler St, and proceeding easterly along Kaehler St to 2nd St, and proceeding southerly along 2nd St to Olive Ave, and proceeding easterly along Olive Ave to 2nd St, and proceeding southerly along 2nd St to Grant Ave, and proceeding westerly along Grant Ave to 2nd St, and proceeding southerly along 2nd St to Industrial Way, and proceeding easterly along Industrial Way to 1st St, and proceeding southerly along 1st St to Mirabella Ave, and proceeding easterly along Mirabella Ave to 1st St, and proceeding southerly along 1st St to Elm Dr, and proceeding westerly along Elm Dr to Bruno St, and proceeding southerly along Bruno St to Court Rd, and proceeding easterly along Court Rd to Diablo Ave, and proceeding westerly along Diablo Ave to Novato Blvd, and proceeding southerly along Novato Blvd

to Center Rd, and proceeding westerly along Center Rd to Diablo Ave, and proceeding southerly along Diablo Ave to Shasta Ln, and proceeding southerly along Shasta Ln to Diablo Ave, and proceeding southerly along Diablo Ave to Hill Rd, and proceeding westerly along Hill Rd to Canyon Rd, and proceeding southerly along Canyon Rd to Unnamed, and proceeding northerly along Unnamed to Wilson Ave, and proceeding northerly along Wilson Ave to Mill Rd, and proceeding westerly along Mill Rd to Trumbull Ave, and proceeding westerly along Trumbull Ave to Mill Rd, and proceeding westerly along Mill Rd to Santa Maria Dr, and proceeding westerly along Santa Maria Dr to Mill Rd, and proceeding westerly along Mill Rd to Unnamed, and proceeding northerly along Unnamed to Vineyard Rd, and proceeding westerly along Vineyard Rd to the point of beginning.

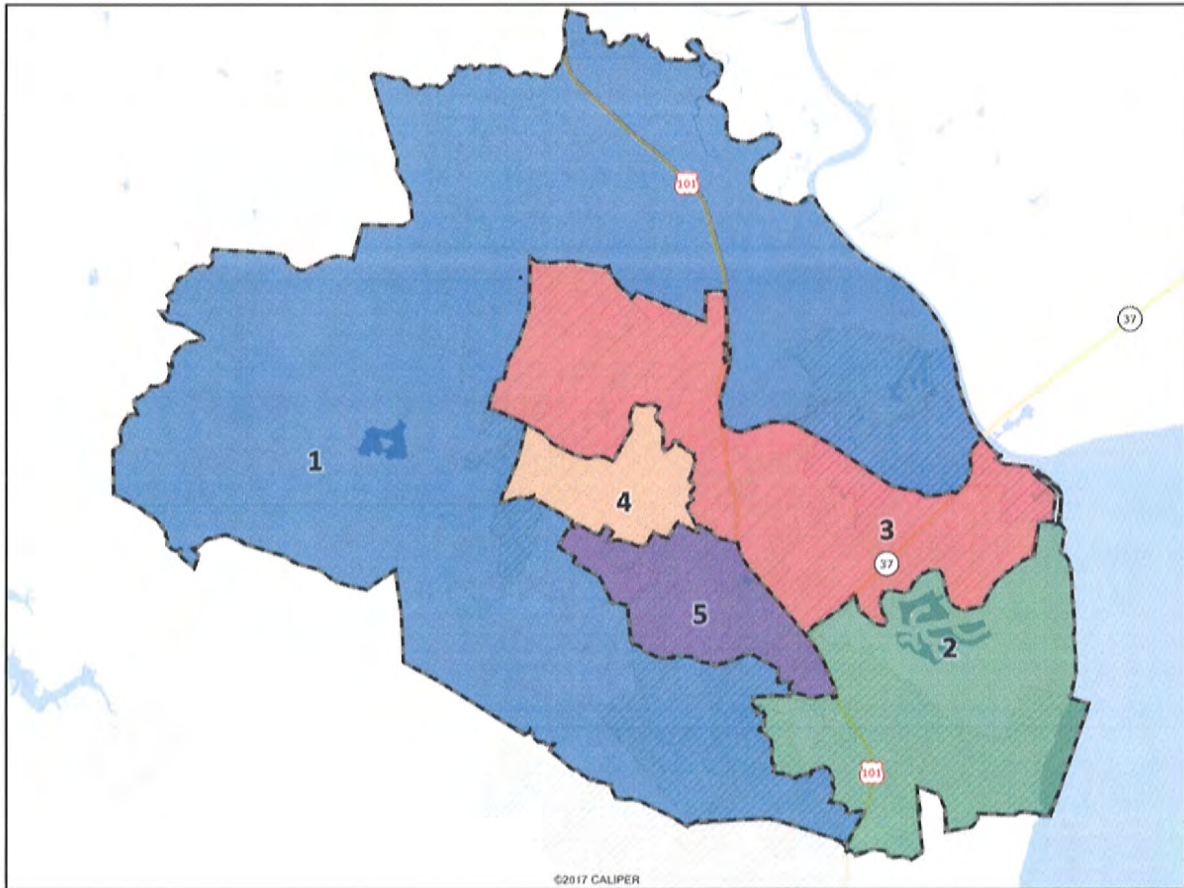
District 5

The region bounded and described as follows: 1. Beginning at the point of intersection of Indian Valley Rd and Unnamed, and proceeding northerly along Indian Valley Rd to Wilson Ave, and proceeding northerly along Wilson Ave to Unnamed, and proceeding easterly along Unnamed to Canyon Rd, and proceeding easterly along Canyon Rd to Hill Rd, and proceeding easterly along Hill Rd to Diablo Ave, and proceeding northerly along Diablo Ave to Hilary Ct, and proceeding northerly along Hilary Ct to Diablo Ave, and proceeding northerly along Diablo Ave to Center Rd, and proceeding easterly along Center Rd to Novato Blvd, and proceeding northerly along Novato Blvd to Joan Ave, and proceeding easterly along Joan Ave to Unnamed, and proceeding northerly along Unnamed to Novato Crk, and proceeding southerly along Novato Crk to Redwood Hwy, and proceeding southerly along Redwood Hwy to Unnamed, and proceeding southerly along Unnamed to Redwood Hwy, and proceeding southerly along Redwood Hwy to Unnamed, and proceeding southerly along Unnamed to Enfrente Rd, and proceeding westerly along Enfrente Rd to Entrada Dr, and proceeding westerly along Entrada Dr to Oak Grove Dr, and proceeding westerly along Oak Grove Dr to Palmer Dr, and proceeding northerly along Palmer Dr to White Oak Way, and proceeding northerly along White Oak Way to Unnamed, and proceeding westerly along Unnamed to Ignacio Blvd, and proceeding westerly along Ignacio Blvd to Unnamed, and proceeding northerly along Unnamed to Arroyo Avichi, and proceeding westerly along Arroyo Avichi to Unnamed, and proceeding northerly along Unnamed to the point of beginning. 2. As well as beginning at the point of intersection of Unnamed and State Hwy 37, and proceeding easterly along Unnamed to State Hwy 37, and proceeding easterly along State Hwy 37 to Novato Crk, and proceeding southerly along Novato Crk to State Hwy 37, and proceeding westerly along State Hwy 37 to the point of beginning.

North Marin Water District – Final Division Map



North Marin Water District – Final Division Map



4

5

6

7

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR June 2019
 July 16, 2019

Item #7

1.

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

Month	FY18/19	FY17/18	FY16/17	FY15/16	19 vs 18 %
July	341.1	331.0	310.3	227.2	3%
August	300.9	303.0	299.6	235.2	-1%
September	255.0	292.4	302.3	210.0	-13%
October	265.6	273.7	202.8	298.6	-3%
November	170.1	163.9	143.8	145.4	4%
December	157.8	152.1	147.6	145.1	4%
January	114.7	130.6	120.8	129.8	-12%
February	110.9	134.8	118.6	111.3	-18%
March	138.8	130.2	145.8	149.1	7%
April	143.8	151.7	136.2	151.8	-5%
May	198.6	237.4	232.0	199.6	-16%
June	232.7	291.8	277.3	284.8	-20%
FYTD Total	2,429.9	2,592.5	2,437.0	2,288.1	-6%

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

Month	FY18/19	FY17/18	FY16/17	FY15/16	19 vs 18 %
July	10.2	9.5	7.9	6.6	8%
August	9.9	8.8	7.4	7.0	13%
September	9.5	8.4	6.4	6.4	14%
October	8.3	7.9	5.2	6.5	5%
November	7.3	5.4	4.2	4.7	34%
December	5.7	5.1	3.7	3.9	12%
January	5.0	4.5	3.6	3.7	9%
February	3.5	4.5	3.3	3.8	-23%
March	4.4	5.1	4.4	4.2	-14%
April	4.9	5.1	4.8	4.9	-4%
May	5.5	7.5	6.8	6.5	-26%
June	6.9	9.0	8.1	7.0	-24%
FYTD Total	81.1	80.9	65.8	65.2	0%

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

Month	FY18/19	FY17/18	FY16/17	FY15/16	19 vs 18 %
July	78.6	112.6	69.9	107.6	-30%
August	79.3	81.5	90.4	79.4	-3%
September	60.5	122.7	96.9	38.3	-51%
October	74.5	102.3	93.9	49.5	-27%
November	0.0	53.6	63.8	58.3	-100%
December	0.0	0.0	0.0	0.0	-
January	0.0	0.0	0.0	0.0	-
February	0.0	0.0	0.0	0.0	-
March	19.2	0.0	38.9	0.0	-
April	60.3	5.4	60.6	48.9	1009%
May	97.4	85.2	121.9	111.3	14%
June	97.1	82.8	119.9	107.7	17%
FYTD Total	567.0	646.0	756.2	600.9	-12%

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

Month	FY18/19	FY17/18	FY16/17	FY15/16	19 vs 18 %
July	30.0	27.7	27.1	21.3	8%
August	30.6	26.1	26.0	26.2	17%
September	33.5	25.0	23.5	15.7	34%
October	20.1	19.1	8.3	15.8	5%
November	12.7	2.5	1.2	3.2	406%
December	1.5	0.8	0.4	0.8	85%
January	0.9	1.0	0.3	0.2	-8%
February	0.3	3.3	0.0	0.6	-90%
March	0.4	1.7	0.5	0.3	-74%
April	10.1	5.1	2.7	11.0	98%
May	19.6	17.0	22.9	20.2	15%
June	31.2	25.8	30.9	24.0	21%
FYTD Total*	190.9	155.0	143.8	139.3	23%

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

**Excludes potable water input to the RW system: FY19=19.9 MG; FY18=15.35MG; FY17=1.4MG; FY16=7.4MG

t:\acexcel\tr use\production.xlsx}no rpt

2. Stafford Lake Data

	June Average	June2018	June2019
Rainfall this month	0.20 Inches	0 Inches	0 Inches
Rainfall this FY to date	26.99 Inches	20.55 Inches	38.75 Inches
Lake elevation*	190.3 Feet	187.3 Feet	193.3 Feet
Lake storage**	1000 MG	818 MG	1195 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
June 2018 (Novato)	51	104	69
June 2019 (Novato)	53	111	71

3. Number of Services

June 30	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY19	FY18	Incr %	FY19	FY18	Incr %	FY19	FY18	Incr %	FY19	FY18	Incr %
Total meters installed	20,752	20,760	0.0%	95	70	35.7%	791	791	0.0%	-	-	-
Total meters active	20,546	20,543	0.0%	91	66	37.9%	783	783	0.0%	-	-	-
Active dwelling units	24,077	24,018	0.2%	-	-	-	833	832	0.1%	234	234	0.0%

t:\ac\excel\wtr use\production.xlsx\sr vcs mo r pt

4. Oceana Marin Monthly Status Report (June)

Description	June 2018	June 2019
Effluent Flow Volume (MG)	0.489	0.474
Irrigation Field Discharge (MG)	0	0.680
Treatment Pond Freeboard (ft)	6.9	6.8
Storage Pond Freeboard (ft)	7.7	8.0

5. Developer Projects Status Report (June)

Job No.	Project	% Complete	% This month
1.2817.01	College of Marin – Admin Bldg. 11	100	1
1.2817.02	College of Marin – Organic Farm	99	1
1.2807.00	Hamilton Cottages	92	0
1.2786.00	Binford Road Storage	10	0
1.2817.03	College of Marin – New Miwok Center	2	1
1.2816.00	Oakmont Senior Living	20	10
1.2821.00	Atherton Place	12	1

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

Job No.	Project	% Complete	% This month
1.6112.24	Lynwood Pump Station MCC	15	0
1.8737.06	Montego Keys	100	2
1.7123.24	PB Replacements Lanham Village	100	20

Employee Hours to Date, FY 18/19

As of Pay Period Ending June 30, 2019

Percent of Fiscal Year Passed = 100%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	813	1,400	58%	Construction	3,380	4,654	73%
Engineering	1,274	1,404	91%	Engineering	2,448	3,370	73%

6. Safety/Liability

\\nmwdserver\1administration\AC\EXCEL\Personnel\wcl\WC.XLS

Industrial Injury with Lost Time				Liability Claims Paid	
Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
7	\$2,540	2	2	7	\$8,476
54	\$26,472	3	3	5	\$3,930

FY 19 through June

FY 18 through June

Days without a lost time accident through June 30, 2019

93 Days

7. Energy Cost

FYE	kWh	June		Fiscal Year-to-Date thru June		
		¢/kWh	Cost/Day	kWh	¢/kWh	Cost/Day
2019 Stafford TP	89,506	18.9¢	\$563	690,198	20.3¢	\$383
Pumping	151,666	21.5¢	\$1,018	1,383,023	20.8¢	\$783
Other*	50,716	27.0¢	\$428	575,751	24.2¢	\$379
	291,887	21.6¢	\$2,009	2,648,972	21.4¢	\$1,546
2018 Stafford TP	80,554	19.7¢	\$530	701,085	19.6¢	\$376
Pumping	150,187	20.5¢	\$1,028	1,424,591	20.9¢	\$816
Other*	44,046	27.7¢	\$420	495,498	24.9¢	\$338
	274,787	21.4¢	\$1,978	2,621,174	21.3¢	\$1,530
2017 Stafford TP	78,259	19.2¢	\$500	679,266	19.1¢	\$355
Pumping	149,442	20.8¢	\$1,005	1,218,239	20.4¢	\$682
Other*	44,289	28.1¢	\$415	495,351	24.3¢	\$330
	271,990	21.5¢	\$1,920	2,392,856	20.9¢	\$1,367

*Other includes West Marin Facilities

t:\ac\board reports\pgel\pg&e usagel\fy 18,19\pg&e usage 06.2019.xlsx\mo rpt

05/24-06/24

8. Water Conservation Update

	Month of June 2019	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	19	170	4052
Retrofit Certificates Filed	14	172	6242
Cash for Grass Rebates Paid Out	0	18	921
Washing Machine Rebates	0	16	6797
Water Smart Home Survey	13	245	3747

9. Utility Performance Metric

SERVICE DISRUPTIONS (No. of Customers Impacted)	June 2019	June 2018	Fiscal Year to Date 2019	Fiscal Year to Date 2018
PLANNED				
Duration Between 0.5 and 4 hours	3	22	97	313
Duration Between 4 and 12 hours			138	101
Duration Greater than 12 hours				
UNPLANNED				
Duration Between 0.5 and 4 hours	55	11	133	93
Duration Between 4 and 12 hours				92
Duration Greater than 12 hours			31	1
SERVICE LINES REPLACED				
Polybutylene	3	14	104	114
Copper (Replaced or Repaired)	0	0	13	15

Note: Montego Keys, 55 homes, 4 hours, main leak

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders June 2019

7/8/2019

Type	Jun-19	Jun-18	Action Taken June 2019
<u>Consumers' System Problems</u>			
Service Line Leaks	56	11	Notified Consumer
Meter Leak Consumer's Side	0	5	Notified Consumer
House Plumbing	0	1	Notified Consumer
House Valve / Meter Off	9	11	Notified Consumer
Nothing Found	20	13	Notified Consumer
Low Pressure	1	1	PRV failed @ 62 static PSI. Drops 10 PSI w/ faucet on.
High Pressure	1	5	PRV failed @ 100+ PSI. Drops to 22 PSI w/ faucet on.
Total	87	47	
<u>Service Repair Reports</u>			
Meter Replacement	0	4	Replaced
Meter Box Alignment	4	4	Aligned
Box and Lids	0	1	Replaced
Water Off/On Due To Repairs	9	17	Notified Consumer
Misc. Field Investigation	14	4	Notified Consumer
Total	27	30	
<u>Leak NMWD Facilities</u>			
Main-Leak	2	2	Repaired
Service- Leak	4	9	Repaired
Services-Nothing Found	2	0	Notified Consumer
Service-Damaged	0	0	~
Fire Hydrant-Leak	4	0	Repaired
Fire Hydrants-Nothing Found	1	0	~
Fire Hydrants-Damaged	1	1	~
Meter Leak	2	0	Repaired
Washer Leaks	4	9	Repaired
Total	20	21	
<u>High Bill Complaints</u>			
Consumer Leaks	0	4	Notified Consumer
Meter Misread	1	2	~
Nothing Found	1	15	Notified Consumer
Excessive Irrigation	5	1	Notified Consumer
Total	7	22	
<u>Low Bill Reports</u>			
Stuck Meter	0	1	Notified Consumer
Total	0	1	
<u>Water Quality Complaints</u>			
Taste and Odor	0	1	<i>Customer concerned about water quality of ground water contamination after the fires.(Laurelwood Dr)</i> Lab sampled water around home. Results normal for NMWD supply. Customer was notified.
Color	0	2	
Other	2	1	
Total	2	4	<i>Customer reported overly soft and weird odor from bathroom water.(Sunset Pkwy)</i> Lab sampled hardness of water in bathroom. Results normal for NMWD supply. Customer was notified.
TOTAL FOR MONTH:	143	125	14%

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders June 2019

7/8/2019

Type	Jun-19	Jun-18	Action Taken June 2019	
<u>Fiscal YTD Summary</u>			<u>Change Primarily Due To</u>	
Consumer's System Problems	929	401	132%	Increase In Service Line Leaks
Service Repair Report	325	177	84%	Increase In Misc. Field Investigation
Leak NMWD Facilities	229	219	5%	Increase In Service Leaks
High Bill Complaints	244	511	-52%	Decrease In Nothing Found
Low Bills	7	5	40%	Increase in Meter Misread
Water Quality Complaints	27	35	-23%	Decrease In Other
Total	<u>1,761</u>	<u>1,348</u>	<u>31%</u>	

"In House" Generated and Completed Work Orders

<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	142	210
<u>Change Meter:</u> leaks, hard to read	22	4
<u>Possible Stuck Meter</u>	0	1
<u>Replace Boxes/Lids</u>	0	4
<u>Trims</u>	0	23
<u>Dig Outs</u>	2	34
	<u>166</u>	<u>276</u>

Bill Adjustments Under Board Policy:

June 19 vs. June 18

Jun-19	15	\$7,231
Jun-18	16	\$9,586

Fiscal Year vs Prior FY

18/19 FY	298	\$114,328
17/18 FY	374	\$162,322

t:\cons srvc\complaint report\complain 19 official.xls\june19

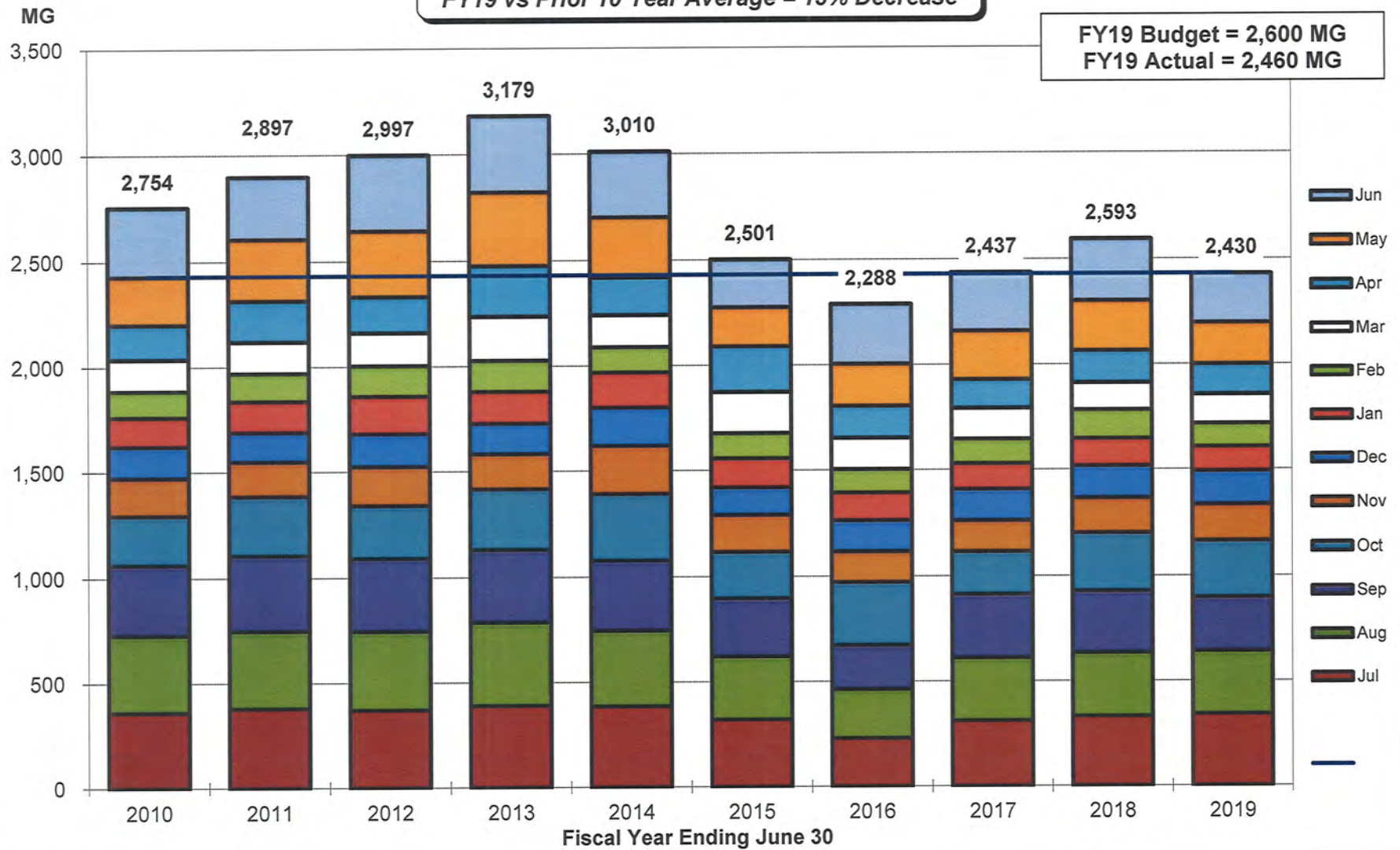
7/11/19

t:\excel\lwr use\productn.xls chart - total prod by mo

Novato Potable Water Production

FY19 vs FY18 = 6% Decrease
FY19 vs Prior 10 Year Average = 13% Decrease

FY19 Budget = 2,600 MG
FY19 Actual = 2,460 MG



Customer Service Questionnaire Quarterly Report

Quarter Ending 06/30/2019



NMWD

t:\cons srvc\cust. quest reports\2019\jun19.xls\performance

	Response		
	Agree	Neutral	Disagree
Water Quality			
Courteous & Helpful			
Accurate Information			
Prompt Service			
Satisfactorily Resolved			
Overall Experience			
	0	0	0

	Agree	Neutral	Disagree
Leak			
Courteous & Helpful	40		
Accurate Information	39	1	1
Prompt Service	38		
Satisfactorily Resolved	38	2	
Overall Experience	41		
	196	3	1

	Agree	Neutral	Disagree
Billing			
Courteous & Helpful	2		
Accurate Information	2		
Prompt Service	3		
Satisfactorily Resolved	1		1
Overall Experience	3		
	11	0	1

	Response		
	Agree	Neutral	Disagree
Pressure			
Courteous & Helpful	5		
Accurate Information	4		1
Prompt Service	5		
Satisfactorily Resolved	4	1	
Overall Experience	5		
	23	1	1

	Agree	Neutral	Disagree
Noisy Pipes			
Courteous & Helpful			
Accurate Information			
Prompt Service			
Satisfactorily Resolved			
Overall Experience			
	0	0	0

	Agree	Neutral	Disagree
Other			
Courteous & Helpful	10		
Accurate Information	9	1	
Prompt Service	10		
Satisfactorily Resolved	10		
Overall Experience	10		
	49	1	0

Grand Total	279	5	3
	97%	2%	1%

Questionnaires Sent Out	139	100%	
Questionnaires Returned	58	42%	

t:\cons srv\cust. quest reports\2019\jun19.xls\comments

Issues NMWD Should Address In The Future

Page 1

MEMORANDUM

To: Board of Directors

July 12, 2019

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

Subj: Auditor-Controller's Monthly Report of Investments for June 2019

t:\ac\word\invest\19\investment report 0619.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$18,907,361 and a market value of \$18,920,342. During June the cash balance decreased by \$209,041. The market value of securities held increased \$12,981 during the month. The ratio of total cash to budgeted annual operating expense stood at 107%, down 1% from the prior month.

At June 30, 2019, 46% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 31% in Time Certificates of Deposit, 13% in US Treasury Notes, 8% in the Marin County Treasury, and 2% retained locally for operating purposes. The weighted average maturity of the portfolio was 156 days, compared to 168 days at the end of May. The LAIF interest rate for the month was 2.43%, compared to 2.45% the previous month. The weighted average Portfolio rate was 2.40%, compared to 2.37% the previous month.

NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
June 30, 2019

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	6/30/2019 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	\$8,588,261	\$8,589,523	2.43% ³	46%
Time Certificate of Deposit								
TCD	Capital One Bank	n/a	7/19/17	7/19/19	247,000	247,000	1.70%	1%
TCD	Capital One NA	n/a	8/9/17	8/9/19	247,000	247,000	1.70%	1%
TCD	American Express FSB	n/a	9/6/17	9/6/19	247,000	247,000	1.75%	1%
TCD	Goldman Sachs Bank USA	n/a	10/11/17	10/11/19	247,000	247,000	1.70%	1%
TCD	Morgan Stanley Bank	n/a	11/9/17	11/12/19	247,000	247,000	1.75%	1%
TCD	American Express Centurion	n/a	12/5/17	12/5/19	247,000	247,000	1.90%	1%
TCD	Sallie Mae Bank	n/a	1/10/18	1/10/20	247,000	247,000	2.20%	1%
TCD	Discover Bank	n/a	2/13/18	2/24/20	247,000	247,000	2.35%	1%
TCD	Wells Fargo Bank	n/a	3/28/18	3/30/20	248,000	248,000	2.55%	1%
TCD	Citibank	n/a	4/11/18	4/13/20	246,000	246,000	2.55%	1%
TCD	UBS Bank	n/a	5/30/18	6/1/20	249,000	249,000	2.70%	1%
TCD	Enerbank	n/a	6/18/18	5/18/20	249,000	249,000	2.75%	1%
TCD	BMW Bank	n/a	6/15/18	6/15/20	246,000	246,000	2.75%	1%
TCD	Bank of America	n/a	8/15/18	8/17/20	246,000	246,000	2.75%	1%
TCD	Ally Bank	n/a	9/28/18	9/28/20	246,000	246,000	2.80%	1%
TCD	Barclays Bank	n/a	11/14/18	11/16/20	246,000	246,000	3.00%	1%
TCD	CIT Bank	n/a	12/17/18	12/17/20	246,000	246,000	3.00%	1%
TCD	Reliance Bank	n/a	1/11/19	1/11/21	249,000	249,000	2.70%	1%
TCD	Iberia Bank	n/a	1/25/19	1/25/21	246,000	246,000	2.70%	1%
TCD	TIAA Bank	n/a	1/18/19	7/19/21	246,000	246,000	2.75%	1%
TCD	Merrick Bank	n/a	2/8/19	2/8/21	249,000	249,000	2.60%	1%
TCD	Eaglebank	n/a	3/15/19	3/15/21	249,000	249,000	2.60%	1%
TCD	Central Bank	n/a	4/18/19	4/19/21	249,000	249,000	2.40%	1%
TCD	Morgan Stanley Private Bank	n/a	5/23/19	5/24/21	247,000	247,000	2.40%	1%
					\$5,933,000	\$5,933,000	2.42%	31%
US Treasury Notes								
Treas	1.380%	n/a	1/10/18	7/31/19	499,791	499,601	1.87%	3%
Treas	2.250%	n/a	7/26/18	3/31/20	997,690	1,001,719	2.56%	5%
Treas	2.750%	n/a	3/5/19	9/30/20	1,002,668	1,010,547	2.75%	5%
					\$2,500,149	\$2,511,867	2.50%	13%
Other								
Agency	Marin Co Treasury	AAA	Various	Open	\$1,597,554	\$1,597,555	2.37%	8%
Other	Various	n/a	Various	Open	288,396	288,397	0.41%	2%
TOTAL IN PORTFOLIO					\$18,907,361	\$18,920,342	2.40%	100%
Weighted Average Maturity =					156 Days			

LAIF: State of California Local Agency Investment Fund.

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

Agency: STP State Revolving Fund Loan Reserve.

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

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

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

3 Earnings are calculated daily - this represents the average yield for the month ending June 30, 2019.

Interest Bearing Loans		Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
		6/30/06	2/28/24	\$3,612,640	\$1,081,103	2.40%
		1/1/18	11/1/47	\$1,265,295	\$1,210,630	1.00%
		1/1/18	11/1/27	\$430,463	\$0	2.80%
		Various	Various	714,200	714,200	Contingent
TOTAL INTEREST BEARING LOANS				\$6,022,598	\$3,005,934	

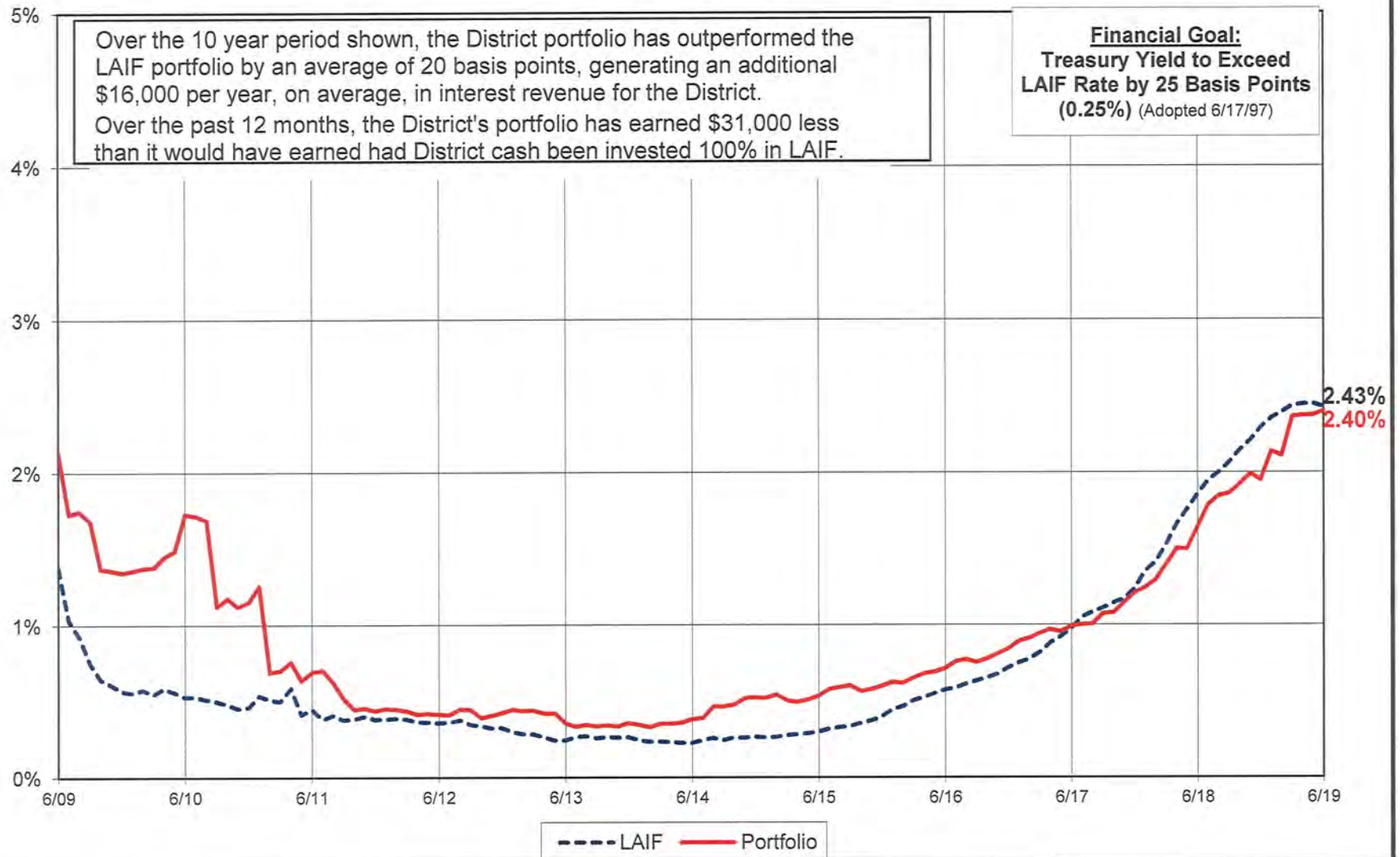
The District has the ability to meet the next six months of cash flow requirements.

t:\accountants\investments\19\0619.xls\internal mo rpt

7/9/2019

t:\accountants\investments\l\laifrate.xls\chart3

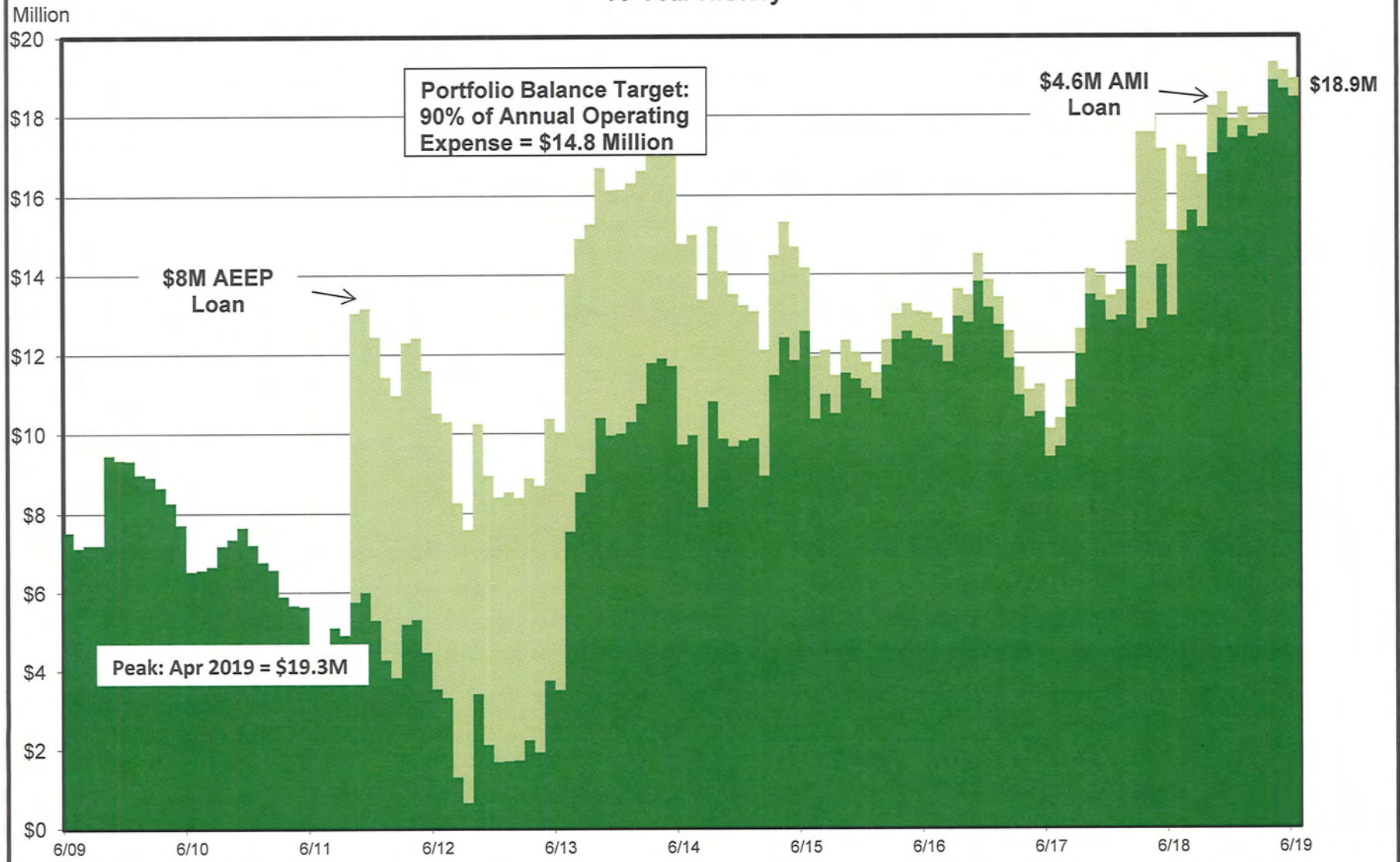
NMWD Portfolio Rate of Return State of CA Local Agency Investment Fund vs District Portfolio 10-Year History



7/9/2019

t:\accountants\investments\laifrate.xlsx\data

NMWD Portfolio Balance 10-Year History



8

MEMORANDUM

To: Board of Directors

July 12, 2019

From: Rocky Vogler, Chief Engineer *RV*Subject: McPhails Phase 1 Water Facilities – 5400 Hanna Ranch Road -APN: 153-220-16 & 19
r:\folders by job no\2700 jobs\2795 mcphails\2795 mcphails phase 1- bod memo_july 2019.doc**RECOMMENDED ACTION:** The Board approve authorization of this agreement.**FINANCIAL IMPACT:** None: Developer Funded

The above project was approved by the board on May 7, 2019 but the Water Facilities Agreement was not executed by the Applicant due to subsequent changes to the landscaping plans that resulted in a decrease to the facilities reserve charges (connection fees).

The project site is located east of US Highway 101 and north of State Highway 37, along the northern terminus of Hanna Ranch Road. The project consists of construction of three Office Buildings (A, B and C) in two phases on a 4.91 acre parcel. This agreement pertains only to Lot 1, which will be developed in Phase 1 (see attached map) and includes construction of a 22,000 sq. ft. commercial office / flex space (Building A). In Phase 2, construction of two office buildings (Buildings B & C) is proposed for a total of 40,000 square feet and further water facility improvements will be required.

Since the board meeting on May 7, 2019, revisions have been made to the courtyard of Building A, replacing landscaped area with hardscape for horseshoes, Bocce ball courts and picnic tables. Consequently, connection fees for the project have been reduced, and other minor modifications to the cost estimate have been made.

New Zone 1 water facilities include 820 feet of 8-inch PVC main, 130 feet of 6-inch PVC fire hydrant and fire service laterals, one (1) 6-inch fire service, 4 new commercial fire hydrants, one (1) 1.5-inch potable commercial meter for building A, one (1) 5/8" meter for sanitary sewer (SS) lift station, one (1) 1-inch potable irrigation water meter, and RPP backflow prevention devices for all the meters. The Applicant agrees to connect to the recycled water system for landscape irrigation when it becomes available in the future. The Phase 1 water demand is 6 equivalent dwelling units (EDUs); 2 EDUs for Building A domestic use, 1 EDU for SS lift station, and 3 EDUs for Lot 1 landscape irrigation. Therefore Facilities Reserve Charges (FRCs) for six (6) EDUs will be collected for Phase 1 improvements, a reduction of two (2) EDUs from the previous May 7, 2019 Board meeting.

Sewer service is provided by the Novato Sanitary District.

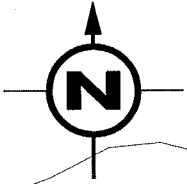
Environmental Document Review

A Mitigated Negative Declaration was approved on December 18, 2017.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM *[Signature]*Date *7/12/19*



PROJECT SITE

N.W.P.R.R.

APN 153-220-16

APN 153-220-19

PHASE 1
(LOT 1)

PHASE 2
(LOT 2)

HANNA RANCH RD



U.S. HWY 101

U.S. HWY 37

MARSH DR

BAYSIDE CT
LOLITA LN
SAMOA LN
FAIRHAVEN WAY
SCAPE DR
LOLITA LN
CHIEDA CREEK
TAHOE CIR
CROSSROADS CT
LASSEN
MODOC PL
CIR
PLUMAS CIR

**MCPHAIL'S COMMERCIAL DEVELOPMENT
PHASE 1
APN 153-220-16 AND 19**

DATE	SCALE	JOB. NO.	DWG. NO.
4/18/19	NTS	2795	MAP

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
MCPHAIL'S COMMERCIAL DEVELOPMENT – Phase 1

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2019, by and between NORTH MARIN WATER DISTRICT, herein called "District," and P & K Hanna Ranch, a California Limited Liability Company, called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 153-220-16 & -19 and the project known as MCPHAIL'S COMMERCIAL DEVELOPMENT – Phase 1, consisting of one (1) lot for commercial development; and

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

WHEREAS, the Applicant is the owner of real property in the District commonly known as 5400 Hanna Ranch Road, Novato (Marin County Assessor's Parcel 153-220-16 & -19); and

WHEREAS, MCPHAIL'S COMMERCIAL DEVELOPMENT – Phase 1 project total water demand is 6 EDUs.

NOW THEREFORE, the parties hereto agree as follows:

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

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

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

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2795.001 - .002, entitled, "MCPHAIL'S COMMERCIAL DEVELOPMENT – Phase 1", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

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

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

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

Initial Charges

Meter Charges (Bldg A) (included in material estimate).....	One 1 1/2-inch @	\$ 0.00	\$ 0.00
Meter Charges (Lift Station) (included in material estimate).....	One 5/8-inch @	\$ 0.00	\$ 0.00
Meter Charges (Irrigation) (included in material estimate).....	One 1-inch @	\$ 0.00	\$ 0.00
Reimbursement Fund Charges (Bldg A).....	One 1 1/2-inch @	\$ 1,540.00	\$ 1,540.00
Reimbursement Fund Charges (Lift Station).....	One 5/8-inch @	\$ 420.00	\$ 420.00
Reimbursement Fund Charges (Irrigation).....	One 1-inch @	\$ 1,055.00	\$ 1,055.00
Facilities Reserve Charges (Bldg A).....	Two @	\$ 28,600.00	\$ 57,200.00
Facilities Reserve Charges (Lift Station).....	One @	\$ 28,600.00	\$ 28,600.00
Facilities Reserve Charges (Irrigation).....	Three @	\$ 28,600.00	\$ 85,800.00
Credit for Existing Services To Be Removed.....	Zero 5/8-inch @	\$ <28,600.00>	<0>

Subtotal - Initial Charges..... \$ 174,615.00

Estimated District Costs

Pipe, Fittings & Appurtenances.....	\$ 32,993.00
District Construction Labor.....	\$ 33,404.00
Engineering & Inspection.....	\$ 15,266.00
Bulk Materials.....	\$ 4,528.00

Subtotal –Estimated District Costs..... \$ 86,191.00

Estimated Applicant Installation Costs

Contractor Furnished – Materials..... \$ 18,057.00
Contractor Construction Labor..... \$ 97,750.00
Contractor Furnished Bulk Materials..... \$ 21,446.00

Subtotal- Estimated Applicant Installation Costs..... \$ 137,253.00

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$ 398,059.00

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

5. In addition to the Initial Charges, Estimated District costs and Contributions, and Estimated Applicant Installation costs set forth in Section 4 above, the Applicant shall furnish at no cost to the District all PVC pipe (4-inch diameter and larger), valves and water line fittings shown on Exhibit "A" or otherwise required by the District. The quantities, type and quality of said materials shall be approved by the District prior to purchase by the Applicant and shall conform to District standards as stated and shown on Specifications (15100 Valves, 15056 Pipeline Fittings, 15064 Polyvinyl Chloride (PVC) Pressure Pipe) marked as Exhibit "B" attached hereto and made a part hereof and as otherwise may be required. (For purposes of recording, Exhibit "B" is not attached but is on file in the office of the District.) The cost of said materials is estimated to be **\$18,057**. The District reserves the right to reject and prohibit installation of all nonconforming materials furnished by the Applicant.

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

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$260,806**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Three years after the Phase 1 project's occupancy approval or prior to Phase 2 agreement approval, the District shall evaluate required Facilities Reserve Charges based on review of

the EDU calculation to be performed solely by the District and derived from actual peak bimonthly water use for a thirty-six (36) month period. The District reserves the right to assess additional Facility Reserve Charges as may be applicable.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$137,253** conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$34,314** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$137,253** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

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

7. The District has determined that recycled water may be supplied for irrigation in the future and requires that the Applicant's irrigation system be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for connection of Applicant's irrigation system to the recycled distribution main when it becomes available. In the interim, potable water shall be supplied through a potable irrigation water meter with a reduced pressure principle backflow device. When recycled water becomes available, the irrigation system will

be connected to the recycled water distribution main per District requirements at the time the connection is made.

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

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

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

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

Jack Baker, President

Theresa Kehoe, Secretary

(SEAL)

P & K Hanna Ranch, LLC
"Applicant"

(SEAL)

Paul Thompson, Member

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

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

ALL APPLICANT SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

RESOLUTION NO. 19-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
MCPAHIL'S COMMERCIAL DEVELOPMENT – Phase 1

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and P & K Hanna Ranch, LLC, a California Limited Liability Company, providing for the installation of water distribution facilities to provide domestic and irrigation water service to that certain real property known as 5400 Hanna Ranch Road, Novato, Marin County Assessor's Parcel Number 153-220-16 & -19, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 16th day of July, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Theresa Kehoe, Secretary
North Marin Water District

9

MEMORANDUM

To: Board of Directors Date: July 12, 2019

From: Rocky Vogler, Chief Engineer *RV*

Subject: Prunuske Chatham, Inc. (PCI) – Consulting Service Agreement – Leveroni Creek Embankment Repair Project

R:\Folders by Job No\jobs\6600 STP jobs\6600 96 Leveroni Creek Embankment Repair\BOD Memo\PCI_Design_Permitting BOD Memo July 2019.doc

RECOMMENDED ACTION: Authorize the General Manager to execute a consulting services agreement with PCI for the Leveroni Creek Embankment Repair project for a not to exceed fee of \$50,700, plus a contingency of \$5,000.

FINANCIAL IMPACT: \$55,700 (with contingency)

Background

In the FY 2020 budget, \$191,000 is allocated for design, permitting and construction of the Leveroni Creek Embankment Repair Project. Leveroni Creek's left bank downstream of the 8-foot diameter culvert outfall plunge pool is slowly eroding, threatening the structural integrity of the Stafford Treatment Plant and Indian Valley Golf Course access road (see Exhibit A). A similar project was completed in 2012 to protect the right bank of Leveroni Creek near the Stafford Treatment Plant's centrifuge and reclamation basins across from the current project location. Leveroni Creek provides habitat for steelhead (a federally-listed salmonid) and other species, and the project requires permit approvals from the US Army Corps of Engineers, California Department of Fish and Wildlife, Regional Water Quality Control Board and the County of Marin.

The District's consultant for design and permitting of the 2012 bank repair project was Prunuske Chatham, Inc. (PCI), a firm experienced in similar restoration projects. More recently, in May 2017, the Board approved a contract with PCI to prepare a feasibility analysis for two pipeline protection crossings (Rush Creek and Novato Creek) as well as bank stabilization for the current project at Leveroni Creek. The District is now ready to move forward with the Leveroni Creek embankment repair based on preliminary input from permitting agencies and the feasibility analysis recommendations. The selected repair method includes a combination of shotcrete for culvert stability and vegetated rock slope.

Consulting Agreement

Given PCI's familiarity with the previous related Leveroni Creek work, and their track record working with regulatory agencies, staff requested PCI prepare a scope of work and cost proposal to provide design, permitting and limited engineering services during construction for

Approved by GM *[Signature]*

Date *7/12/19*

the project (see attached Exhibit B). PCI is recommended to provide consulting engineering and environmental services to design and procure regulatory compliance for the Leveroni Creek Embankment Repair project. Their scope includes:

- Permitting and Regulatory Compliance
- Design – 65% Plans; 100% Plans, Specifications and Cost Estimate
- Hydrology and Hydraulics Report
- Construction Inspection
- Notice of Completion

District staff will complete CEQA categorical exemption and file a Notice of Exemption with the State Clearinghouse. The total design and permitting cost estimate by PCI is \$50,700, with design and permitting work scheduled for completion by January 2020.

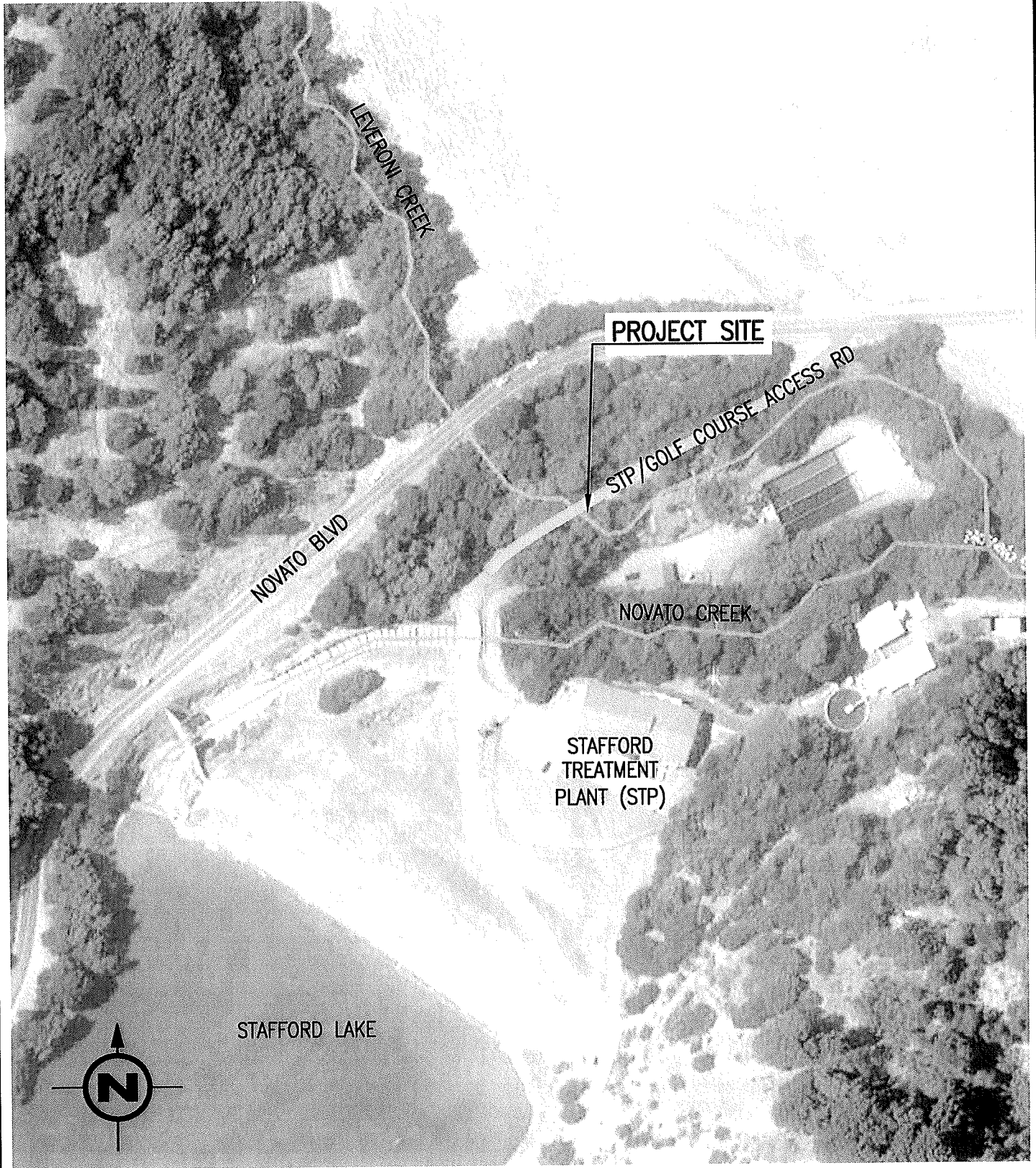
Once the project has been constructed, the Regional Water Quality Control Board and California Department of Fish and Wildlife will require post construction annual monitoring reports, although the actual monitoring requirements are currently being revised by those agencies. As such, staff will return to the Board once construction is complete to request approval for that work.

Financial Impact

PCI's cost estimate for design, permitting and engineering services during construction for \$50,700 is available in the current FY 2020 CIP budget (total project budget = \$191,000). The District will be responsible for paying permit fees to various agencies estimated at \$10,000.

RECOMMENDATION

That the Board authorize the General Manager to execute an agreement with PCI for the Leveroni Creek Embankment Repair project for a not to exceed fee of \$50,700, plus a contingency of \$5,000.



**EXHIBIT A
LEVERONI CREEK
BANK REPAIR PROJECT**

DATE	SCALE	JOB. NO.	DWG. NO.
7/10/19	NTS	6600.96	MAP



PRUNUSKE CHATHAM, INC.

July 11, 2019

Rocky Vogler, P.E.
Carmela Chandrasekera, P.E.
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

Subject: Revised Design and Permitting Proposal for Culvert Stabilization Project at Leveroni Creek

Dear Rocky and Carmela:

North Marin Water District (NMWD) has requested that Prunuske Chatham, Inc. (PCI) provide a proposal for the design and permitting of a culvert repair project in Leveroni Creek. Bank erosion threatens a 96-inch culvert and road crossing. The culvert and road were originally backfilled with concrete rubble and soil that has slowly eroded away. A retaining wall to the left of the culvert (looking downstream) that either was installed along with the culvert as a headwall to help retain the road prism fill, or was installed for a previous road crossing, has become undermined below its footing. The main channel of Leveroni Creek has also likely continued to incise over the years, getting deeper, becoming more entrenched, and exacerbating bank erosion with over-steepened banks that do not allow storm flow to spread out over its historic floodplains to dissipate energy. In recent years, the toe of bank has slowly eroded through scour and the plunge pool at the toe of bank appears to have deepened. There is concern from NMWD staff that if the erosion continues, the over-steepened bank could fail and damage Indian Valley Road and jeopardize access to the Stafford Lake Treatment Plant.

In 2017, PCI completed a feasibility study of conducting a bank repair at the Leveroni Creek site. The feasibility study presented four potential alternatives for the bank repair project at this location. In June 2019, PCI and NMWD brought forward three alternatives to the Marin Project Coordination Meeting for discussion about permitting and potential permitting difficulties. The agencies expressed concern about the shotcrete alternative because shotcrete does not afford the opportunity to plant and revegetate the site following culvert repair. Agency staff recommended that NMWD design and implement a project that provides stability for the culvert and allow revegetation of the upper slopes to the roadway above. Shotcrete can be used but on a limited basis.

Agency staff also want to have the following included in the design and/or permit application:

- Maintain pool volume below the culvert following project construction. The pool location can move, but the volume must be the same pre-project to post-project.

- A hydrology/hydraulics analysis to support project design.
- An alternatives analysis to provide an evaluation of the technical, logistical, and economical characteristics of each alternative considered, including a bridge alternative. The 2017 Feasibility Report will serve as the basis for the alternatives analysis. Comments from the resource agencies will be addressed in the format requested by the agencies during the Marin Permit Coordination meeting.
- A monitoring plan that includes five years of monitoring for erosion and sedimentation, culvert stability, channel stability, and revegetation success.

NMWD has requested that PCI proceed with developing a proposal for design and permitting for an alternative that responds to agency input, which is likely a combination of vegetated rock slope protection and shotcrete scour protection.

SERVICES BY PRUNUSKE CHATHAM, INC.

The following task descriptions outline the services to be provided by PCI to complete the permitting/regulatory compliance for the Leveroni Creek bank repair.

The project will require a full suite of permits and regulatory agency consultations: Clean Water Act (CWA) §404 permit from the U.S. Army Corps of Engineers (Corps), CWA §401 certification from the San Francisco Bay Regional Water Quality Control Board (SFRWQCB), and a Lake and Streambed Alteration §1600 permit from the Department of Fish and Wildlife (CDFW). The Corps will likely initiate consultation with the National Marine Fisheries Service (NMFS) regarding potential impacts on federally listed fish. A Joint Aquatic Resources Permit Application (JARPA) will be used to apply for these permits in a single submittal. Additionally, because the project is located within unincorporated Marin County, a Creek Permit will be required.

Task 1: Permitting and Regulatory Compliance

PCI will complete the following tasks for project permitting and regulatory compliance:

1. Determine impact areas and fill/cut quantities for each agency jurisdiction
2. Update 2011 biology report and species protection plan
3. Develop project description, monitoring plan, and other attachments to include with permit applications
4. Develop alternatives analysis
5. Develop a 5-year monitoring plan
6. Develop and submit a JARPA
7. Develop and submit Marin County Creek Permit application
8. Respond to up to two (2) rounds of agency comments, including one site visit (if needed).

DELIVERABLES

- JARPA package

- *Alternatives Analysis Report*
- *Monitoring Plan*
- *Marin County Creek Permit application*

Task 2: 65% Design

PCI will provide the following services for the 65% design:

1. Conduct a site visit and complete an internal design jam
2. Complete preliminary studies:
 - a. Update preliminary site hydrology for drainage design
 - b. Preliminary channel hydraulic analysis
3. Develop 65% plan set, the following sheets will be included as needed:
 - a. Design plan view and Preliminary grading
 - b. Design profiles /Sections
4. Obtain and coordinate a structural Subconsultant for shotcrete
5. Create preliminary revegetation plan for rock slope
6. Complete internal Q.C., edits, plan production
7. Review 65% plans onsite with NMWD.
8. Revise plans per NMWD comments (one round of revisions).

The 65% plan sets will contain information adequate for environmental regulators to review the project and accompany permit submittals to the Army Corps of Engineers (Corps), California Department of Fish and Wildlife (CDFW), SF Bay Regional Water Quality Control Board (SFRWQCB), NOAA Fisheries, and Marin County.

DELIVERABLES

- *65% plan set*
- *Hydrology and Hydraulics Report*

Task 3: 100% Design

The 100% plans and specifications will be stamped and signed, and will reflect final comments from NMWD and permitting agencies. PCI will develop the 100% design and provide the following services:

1. Finalize hydrology and hydraulics technical memo for Creek Permit submittal.
2. Develop a set of 100% plans, with construction details and technical specification conformed for county permit acquisition.
3. Update estimate for the cost of construction.
4. Issue 100% plans and technical specs conformed for bidding.
 - a. Technical Specifications
 - b. Updated grading and drainage plans
 - c. Updated profiles

- d. Detailed cross sections
- e. Final revegetation plan with planting details and irrigation requirements for construction and plant maintenance.
- f. Construction details

DELIVERABLES

- 100% plans and technical specs (stamped and signed) conformed for county permit acquisition and contract bidding
- Engineers' final estimate of the cost of construction
- Permit conditions summary for bid documents

Task 4: Construction Inspection

PCI will provide construction inspection services, including up to four site visits.

Optional Task 5: Post-Construction Monitoring

PCI will develop the Notice of Completion as required for the SF Bay Regional Water Quality Control Board. NOC will be due by December 31, 2020.

DELIVERABLES

- Notice of Completion 2020

ASSUMPTIONS AND OR EXCLUSIONS

- NMWD will complete California Environmental Quality Act (CEQA) exemption and file a Notice of Exemption with the State Clearinghouse.
- Information requests from agency staff will not exceed 12 hours of PCI staff time.

SCHEDULE

Following is an estimated schedule. It may need to be adjusted as the project progresses.

July 2019	Agreement formation between PCI and NMWD Update biological assessment
August 2019	Design team site visit and design jam Review site hydrology and channel hydraulics Structural analysis for shotcrete
October 2019	65% designs Mitigation Monitoring Plan Permitting Alternatives Analysis JARPA application package development & submittal

	Draft Marin County Creek Permit application package, Hydrology and Hydraulics documentation
December 2019	H&H Memo Marin County Creek Permit application submittal
January 2020	100% Design
June-August 2020	Construction Oversight
Sept – October 2020	Notice of Completion

PERSONNEL

Carrie Lukacic, Principal Environmental Planner will serve as PCI's project manager. Mike Jensen, Principal Landscape Architect, will be PCI's project principal. Luke Walton, PE, will serve as project engineer. Jennifer Michaud, Senior Biologist, will conduct the biologic resource review. Other PCI personnel will participate as needed.

Luke Walton, P.E. # C79859, is licensed by the California Board for Professional Engineers and Surveyors. Mike Jensen, P.L.A. #4727, is licensed by the California Landscape Architects Technical Committee.

PCI's project principal and project manager are accountable for envisioning the appropriate services and deliverables needed for the project, determining appropriate budgets and schedule, and assigning appropriate PCI staff to the project. The project manager is accountable for management of PCI's services on a daily basis to deliver the project. Please contact the project principal if you have concerns regarding PCI's performance.

FEES AND BUDGET ESTIMATE

PCI estimates that the cost for this project will be \$50,680. PCI's actual fees will be on a time and materials basis in accordance with the attached Fee Schedule. Final cost may vary depending on the actual time and materials required. We will not exceed the total estimate by more than 10% without authorization from you.

PCI will typically submit monthly invoices for progress payments for work completed. PCI may choose to not submit an invoice every month. Please notify PCI's project manager if you need an invoice every month. Invoices will be billed to you at the above address.

ACCEPTANCE AND TERMINATION

This proposal combined with your email response accepting it can serve as our agreement. This proposal is valid for 60 days.

Please feel free to contact me at your convenience. You can reach me at carrie@pcz.com or at (707) 824-4601 x112. Alternately, you can reach Mike by telephone at (707) 824-4601, extension 107, or via email to mike@pcz.com. PCI appreciates this opportunity to offer our services, and we look forward to working with you on this project.

Sincerely,
PRUNUSKE CHATHAM, INC.

**Carrie
Lukacic**
Carrie Lukacic

Digitally signed by Carrie Lukacic
DN: cn=Carrie Lukacic,
o=Prunuske Chatham, Inc., ou,
email=carrie@pcz.com, c=US
Date: 2019.07.11 10:32:40 -07'00'

Principal Environmental Planner

Enclosure: Budget Worksheet
 Fee Schedule

PRUNUSKE CHATHAM, INC.

North Marin Water District

Leveroni Culvert Stabilization

Design and Regulatory Compliance Cost Estimate Revised July 2019

\$50,680		Project Principal Landscape Architect	Civil Engineer III	Project Manager / Env. Planner	Wildlife Biologist III	Principal Vegetation Ecologist	Env. Planner II	EIT/ Assistant Engineer	Travel	Subconsulta nts	Line Item Subtotal
	Principal	\$175	\$165	\$160	\$125	\$145	\$130	\$115	\$75	1.15	Cost
	\$185										
Task 1 - Permitting											
Project description and figures			2	1			5				\$1,140
Update 2011 biology report and species protection plan				1	5				1		\$860
Determine impact areas and quantities			3	2			4				\$1,335
Develop JARPA application and supporting documents				4			12				\$2,200
Develop Mitigation Monitoring Plan			2	6		6					\$2,160
Develop Alternatives Analysis memo		2	3	8			2				\$2,385
Finalize and submit JARPA after District comments				1			4				\$680
Develop and submit County Creek Permit			1	4			14		2		\$2,775
Respond to agency comments and 1 site visit				6			6		1		\$1,815
subtotal	0	2	11	33	5	6	47	0	4	\$0	\$15,350
Task 2 - Bank Repair and Culvert Outlet 65% Plan Set											
Site visit			4					4	1		\$1,195
Design jam	1	1	2								\$690
Preliminary channel hydraulics analysis, review site hydrology			2					8			\$1,250
Title sheet and maps								3			\$345
Design plan view and Preliminary grading		1	8								\$1,495
Design profiles /Sections			4					2			\$890
Structural subconsultant for shotcrete		1	4	1						\$3,000	\$4,445
Preliminary revegetation plan		1						3			\$520

PRUNUSKE CHATHAM, INC.

North Marin Water District

Leveroni Culvert Stabilization

Design and Regulatory Compliance Cost Estimate Revised July 2019

		Project Principal Landscape Architect	Civil Engineer III	Project Manager / Env. Planner	Wildlife Biologist III	Principal Vegetation Ecologist	Env. Planner II	EIT/ Assistant Engineer	Travel	Subconsulta nts	Line Item Subtotal
\$50,680	Principal										
	\$185	\$175	\$165	\$160	\$125	\$145	\$130	\$115	\$75	1.15	Cost
Q.C., edits, plan production		2	2	1				2			\$1,070
Design meeting with NMWD		3	3						1		\$1,095
subtotal	1	9	29	2	0	0	0	22	2	\$3,000	\$12,995
Task 3 - Bank Repair and Culvert Outlet											
100% Plan Set											
Design H&H memo		1	10					4			\$2,285
Construction notes		1	2								\$505
Site plan/ accesss/ tree protection			1					4			\$625
Plan and profile, notes and callouts		1	3					4			\$1,130
Sections			2					4			\$790
Construction details		1	8					8			\$2,415
Erosion control plan and details		1						3			\$520
Revegetation plan		2						6			\$1,040
Planting details								3			\$345
Technical specifications		2	10					2			\$2,230
Q.C. and edits		1	2	1				3			\$1,010
Designer's Cost estimate		1	4								\$835
Phone review 100%		1	1								\$340
subtotal	0	12	43	1	0	0	0	41	0	0	\$14,070
Task 4 Construction Oversight											
Provide up to 4 site visits during construction		2	20								\$3,650
											\$0
subtotal	0	2	20	0	0	0	0	0	0	0	\$3,650
											\$0
Optional Task 5 Post-Construction Monitoring											
Notice of Completion 2020				2			10		1		\$1,695

PRUNUSKE CHATHAM, INC.

North Marin Water District

Leveroni Culvert Stabilization

Design and Regulatory Compliance Cost Estimate Revised July 2019

		Project Principal Landscape Architect	Civil Engineer III	Project Manager / Env. Planner	Wildlife Biologist III	Principal Vegetation Ecologist	Env. Planner II	EIT/ Assistant Engineer	Travel	Subconsulta nts	Line Item Subtotal
\$50,680											
	Principal										
	\$185	\$175	\$165	\$160	\$125	\$145	\$130	\$115	\$75	1.15	Cost
											\$0
subtotal	0	0	0	2	0	0	10	0	1	0	\$1,695
Project Management											
Additional check-ins w/NMWD			2	2							\$650
Project management		2		12							\$2,270
subtotal	0	2	2	14	0	0	0	0	0	\$0	\$2,920
TOTAL	1	27	105	52	5	6	57	63	7	\$3,000	\$50,680



PRUNUSKE CHATHAM, INC.

FEE SCHEDULE 2019

NMWD

Classification	Hourly Rate	Overtime Hourly Rate
<i>Design & Planning Services</i>		
Founding Principal	\$185	
Principal Civil Engineer	\$180	
Principal Landscape Architect	\$175	
Principal Geomorphologist	\$165	
Principal Environmental Planner	\$160	
Principal Vegetation Ecologist	\$145	
Registered Civil Engineer III	\$165	
Registered Civil Engineer II	\$150	
Registered Civil Engineer I	\$135	
Assistant Engineer III	\$150	
Assistant Engineer II	\$135	
Assistant Engineer I	\$115	\$138
Registered Professional Forester/CPESC/QSD	\$135	
Registered Landscape Architect III	\$160	
Registered Landscape Architect II	\$140	
Registered Landscape Architect I	\$130	
Assistant Landscape Architect III	\$145	
Assistant Landscape Architect II	\$135	
Assistant Landscape Architect I	\$115	\$138
Environmental Planner III	\$145	\$174
Environmental Planner II	\$130	\$156
Environmental Planner I	\$105	\$126
Wildlife Biologist/Botanist/Vegetation Ecologist III	\$125	\$150
Wildlife Biologist/Botanist/Vegetation Ecologist II	\$110	\$132
Wildlife Biologist/Botanist/Vegetation Ecologist I	\$95	\$114
Staff Designer	\$95	\$114
Project Administrator	\$80	\$96
Clerical	\$70	\$84
Project Consumed Materials	cost plus 15%	
Rented Vehicles and Equipment	cost plus 15%	
Subconsultants / Subcontractors	cost plus 15%	
PCI-owned Vehicle	\$75 per day	
Employee-owned Vehicle	IRS rate per mile	
PCI-owned Survey or GPS Equipment	\$150 per day	

Invoicing occurs monthly for 100% of the work completed during the invoice period unless otherwise arranged. Fees are calculated on a time and materials basis in accord with this fee schedule. Payment is due upon receipt.

10

MEMORANDUM

To: Board of Directors July 12, 2019
From: Rocky Vogler, Chief Engineer *RV*
Subject: Environmental Science Associates (ESA) - Consulting Services Agreement
R:\NON JOB No ISSUES\Consultants\ESAAgmt_BOD Memos\Approve ESA Env Consult Servs BOD memo 7-12-19.doc

RECOMMENDED ACTION: Authorize the General Manager to execute a General Consulting Services Agreement with ESA

FINANCIAL IMPACT: \$40,000 including a \$10,000 contingency (no budget augmentation required)

On September 20, 2016, the Board approved a \$30,000 general services consulting agreement with ESA to ensure proper implementation of the various mitigation measures during the construction phase of the Recycled Water Central Service Area Expansion project. On October 3, 2017, the Board approved an amendment to that agreement. The work associated with that agreement has been completed and the agreement is expired.

The District now requires miscellaneous environmental engineering/permitting support services for various projects including:

- San Mateo Tank Inlet/Outlet Pipeline \$25,000
- Lagunitas Creek Bridge Pipe Replacement \$5,000 (estimated)
- Olema Creek Bridge Pipe Replacement \$10,000 (estimated)

Construction of the San Mateo Tank Inlet/Outlet Pipeline project is slated for fiscal year 2021. The District has completed the CEQA documentation for this project, including a Categorical Exemption, and the Board approved the filing of the Notice of Exemption on January 16, 2018. However, permitting required by the various governmental resource agencies must still be completed.

The Caltrans project to replace the State Route 1 Lagunitas Creek Bridge is slated for Spring 2021, and the District may require additional permitting support even though the current plan is to utilize Caltrans' CEQA analysis and documentation. Additionally, Marin County plans to replace the Sir Francis Drake Blvd Olema Creek Bridge in 2022, and staff assumes permitting support will be required to remove/replace the District's pipeline spanning the bridge.

RECOMMENDATION

That the Board authorize the General Manager to approve the general consulting services agreement in the amount of \$40,000, including a \$10,000 contingency.

Approved by GM *[Signature]*

Date 7/13/19

AGREEMENT FOR CONSULTING SERVICES

The following is an agreement between **North Marin Water District**, hereinafter "**NMWD**", and Environmental Science Associates (ESA), hereinafter, "**Consultant**".

WHEREAS, Consultant is a duly qualified consulting firm, experienced in environmental permitting and monitoring services, and CEQA analysis.

WHEREAS, in the judgment of the Board of Directors of the NMWD, it is necessary and desirable to employ the services of the Consultant to provide miscellaneous environmental consulting services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

PART A -- SPECIFIC PROVISIONS:

1. DESCRIPTION OF SERVICES AND PAYMENT: Except as modified in this agreement, the services to be provided and the payment schedule are:

- a. The scope of work and fee amount covered by this agreement shall be that specified on a task by task basis.
- b. The fee for the work shall be on a time and expense (T & E) basis utilizing the fee schedule included in Attachment A of this agreement and shall not exceed \$40,000 without prior written authorization by NMWD.

PART B -- GENERAL PROVISIONS

1. ASSIGNMENT/DELEGATION: Except as above, neither party hereto shall assign, sublet or transfer any interest in or duty under this agreement without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

2. STATUS OF CONSULTANT: The parties intend that the Consultant, in performing the services hereinafter specified, shall act as an independent contractor and shall have the control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of NMWD, and is not entitled to participate in any pension plan, insurance, bonus or similar benefits NMWD provides its employees.

3. INDEMNIFICATION: NMWD is relying on the professional ability and training of the Consultant as a material inducement to enter into this agreement. The Consultant hereby warrants that all its work will be performed in accordance with generally accepted professional practices and standards, as well as the requirements of applicable federal, state and local laws, it being understood that neither acceptance of the Consultant's work by NMWD nor Consultant's failure to perform shall operate as a waiver or release.

- a. With respect to design professional services provided under this agreement, Consultant shall assume the defense of and defend NMWD, its directors, officers, agents, and employees in any action at law or in equity to the extent that liability is claimed or alleged to arise out of, pertain to, or relate to, either directly or indirectly, the intentional or willful misconduct, recklessness, or negligent act, error, or omission

of Consultant (or any person or organization for whom Consultant is legally liable) in the performance of the activities necessary to perform the services for District and complete the task provided for herein. In addition, Consultant shall indemnify, hold harmless, and release NMWD, its directors, officers, agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs, that may be asserted by any person or entity including the Consultant, to the extent arising out of, pertaining to, or relating to, the negligent acts, errors or omissions, recklessness, or intentional or willful misconduct of the Consultant (or any consultant or subcontractor of Consultant) in connection with the activities necessary to perform the services and complete the task provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

- b. With respect to all services other than design professional services provided under this agreement, Consultant shall indemnify, hold harmless, release and defend NMWD, its agents and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that may be asserted by any person or entity, including the Consultant, arising out of or in connection with the activities necessary to perform those services and complete the tasks provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

This indemnification is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the NMWD or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

4. PROSECUTION OF WORK: The execution of this agreement shall constitute the Consultant's authority to proceed immediately with the performance of this contract. Performance of the services hereunder shall be completed by December 31 2022, provided, however, that if the performance is delayed by earthquake, flood, high water or other Act of God or by strike, lockout or similar labor disturbance, the time for the Consultant's performance of this contract shall be extended by a number of days equal to the number of days the Consultant has been delayed.

5. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS: All notices, bills and payment shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

North Marin Water District
P.O. Box 146
Novato, CA 94948
Attention: Rocky Vogler

Consultant:
ESA
1425 N. McDowell Blvd., Suite 200
Petaluma, CA 94954
Attention: James O'Toole

and when so addressed, shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this paragraph.

6. MERGER: This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms of the agreement, pursuant to California Code of Civil Procedure Section 1856 and as a complete and exclusive statement of the terms of the agreement. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

7. SEVERABILITY: Each provision of this agreement is intended to be severable. If any term of any provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this agreement and shall not affect the validity of the remainder of the agreement.

8. TERMINATION: At any time and without cause the NMWD shall have the right in its sole discretion, to terminate this agreement by giving written notice to the Consultant. In the event of such termination, NMWD shall pay the Consultant for services rendered to such date.

9. TRANSFER OF RIGHTS/OWNERSHIP OF DATA: The Consultant assigns to NMWD all rights throughout the work in perpetuity in the nature of copyright, trademark, patent, and right to ideas, in and to all versions of any plans and specifications, reports and document now or later prepared by the Consultant in connection with this contract.

The Consultant agrees to take such actions as are necessary to protect the rights assigned to NMWD in this agreement, and to refrain from taking any action which would impair those rights. The Consultant's responsibilities under this contract will include, but not be limited to, placing proper notice of copyright on all versions of any plans and specifications, reports and documents as NMWD may direct, and refraining from disclosing any versions of the reports and documents to any third party without first obtaining written permission of NMWD. The Consultant will not use, or permit another to use, any plans and specifications, reports and document in connection with this or any other project without first obtaining written permission of NMWD.

All materials resulting from the efforts of NMWD and/or the Consultant in connection with this project, including documents, reports, calculations, maps, photographs, computer programs, computer printouts, digital data, notes and any other pertinent data are the exclusive property of NMWD. Re-use of these materials by the Consultant in any manner other than in conjunction with activities authorized by NMWD is prohibited without written permission of NMWD.

Consultant shall deliver requested materials to NMWD in electronic format including but not limited to engineering calculations, plans (AutoCad, current edition) and specifications (MS Word, current edition).

10. COST DISCLOSURE: In accordance with Government Code Section 7550, the Consultant agrees to state in a separate portion of any report provided NMWD, the numbers and amounts of all contracts and subcontractors relating to the preparation of the report.

11. NONDISCRIMINATION: The Consultant shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition or physical handicap.

12. EXTRA (CHANGED) WORK: Extra work may be required. The Consultant shall not proceed nor be entitled to reimbursement for extra work unless it has been authorized, in writing, in advance, by NMWD. The Consultant shall inform the District as soon as it determines work beyond the scope of this agreement may be necessary and/or that the work under this agreement cannot

be completed for the amount specified in this agreement. Said review shall occur before consultant incurs 75% of the total fee approved for any phase of the work. Failure to notify the District shall constitute waiver of the Consultant's right to reimbursement.

13. CONFLICT OF INTEREST: The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Consultant further covenants that in the performance of this contract no person having any such interest shall be employed.

14. INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the consultant, his agents, representatives, employees or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Commercial General Liability coverage
2. Automobile Liability
3. Workers' Compensation insurance as required by the State of California.
4. Professional Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability (including operations, products and completed operations.): **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation Insurance: as required by the State of California.
4. Professional Liability, **\$1,000,000** per occurrence.

Verification of Coverage

Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require at any time complete and certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Subcontractors

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the District for review and approval. All coverage for subcontractors shall be subject to all of the requirements stated herein.

Self-Insured Retentions

Any self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District (such as a surety bond) guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

15. DISPUTE RESOLUTION: Any dispute or claim in law or equity between District and Consultant arising out of this agreement, if not resolved by informal negotiation between the parties, shall be mediated by referring it to the nearest office of Judicial Arbitration and Mediation Services, Inc. (JAMS) for mediation. Mediation shall consist of an informal, non-binding conference or conferences between the parties and the judge-mediator jointly, then in separate caucuses wherein the judge will seek to guide the parties to a resolution of the case. If the parties cannot agree to mutually acceptable member from the JAMS panel of retired judges, a list and resumes of available mediators numbering one more than there are parties will be sent to the parties, each of whom will strike one name leaving the remaining as the mediator. If more than one name remains, JAMS arbitrations administrator will choose a mediator from the remaining names. The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution.

At the sole election of the District, any dispute or claim in law or equity between District and Consultant arising out of this agreement which is not settled through mediation shall be decided by neutral binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of Judicial Arbitration Mediation Services, Inc. (JAMS). The parties to an arbitration may agree in writing to use different rules and/or arbitrators.

16. BILLING AND DOCUMENTATION: The Consultant shall invoice NMWD for work performed on a monthly basis and shall include a summary of work for which payment is requested. The invoice shall state the authorized contract limit, the amount of invoice and total amount billed to date. The summary shall include time and hourly rate of each individual, a narrative description of work accomplished, and an estimate of work completed to date.

17. REASONABLE ASSURANCES: Each party to this agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise, with respect to performance of either party, the other may, in writing, demand adequate assurance of due performance and until the requesting party receives such assurance may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of the party with respect to performance under this agreement but also conduct with respect to other agreements with parties to this agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, not to exceed 30 days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

18. PREVAILING WAGE REQUIREMENTS: Prevailing Wage Rates apply to all Consultant personnel performing work under the Agreement for which wage determinations have been made by the Director of Industrial Relations pursuant to California Labor Code Sections 1770– 1782,. Consultant shall comply with all applicable prevailing wage labor code requirements.

**NORTH MARIN WATER DISTRICT
"NMWD"**

Dated: _____

Drew McIntyre, General Manager

**ENVIRONMENTAL SCIENCE ASSOCIATES
"CONSULTANT"**

Dated: _____

James O'Toole, Vice President

11

MEMORANDUM

To: Board of Directors
 From: Rocky Vogler, Chief Engineer *RV*
 Subject: Amy Skewes-Cox (ASC) – Consulting Services Agreement – Old Ranch Road Tank Replacement

Date: July 12, 2019

R:\Folders by Job No\000 jobs\6207.20 Old Ranch Rd Tank Rep\BOD Memos\ASC IS-MND BOD Memo July 2019.doc

RECOMMENDED ACTION: Authorize the General Manager to execute a consulting services agreement with ASC for the Old Ranch Road Tank Replacement project for a not to exceed fee of \$57,300, plus a contingency of \$5,000.

FINANCIAL IMPACT: \$62,300 (with contingency)

Background

In the FY 2020 budget, \$150,000 is allocated for environmental services and design for the Old Ranch Road Tank Replacement project. The existing 50,000 gallon Old Ranch Road redwood tank (constructed in 1963) is nearing the end of its useful life and must be replaced. This project includes construction of a new 100,000 gallon welded steel tank, as well as a new access road to the tank. A preliminary site plan is provided as Exhibit A. Additional land required for the new tank, water main and access road is being obtained via grant deed and easements from property owners adjacent to the District's existing tank site. The existing tank will be decommissioned once the new tank has been placed into service.

In order to comply with the requirements of the California Environmental Quality Act, an Initial Study must be prepared to examine potential impacts resulting from the project. To construct the new tank, pipeline and access road, earthwork and existing vegetation including tree removal will be required. It is assumed that the environmental analysis developed through the Initial Study process will result in a Mitigated Negative Declaration.

Consulting Agreement

Amy Skewes-Cox (ASC) has a successful history of preparing CEQA documentation for complex projects in Marin County and beyond, and is recommended to provide consulting environmental services for the Old Ranch Road Tank Replacement project. Her scope, provided in Exhibit B, includes an analysis of the following potential impacts:

- Aesthetics
- Hydrology and Water Quality
- Geology
- Cultural Resources and Tribal Cultural Resources

Approved by GM *RV*

Date *7/12/19*

- Population and Housing
- Noise
- Air Quality and Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Transportation and Circulation
- Biological Resources
- Land Use
- Public Services and Utilities
- Recreation
- Cumulative Impacts

The scope of work also includes preparation of a Mitigation Monitoring and Reporting Program as well as preparation of a Notice of Determination. The total estimated cost for environmental services provided by ASC is \$57,300 and the work is planned for completion by December 2019.

Financial Impact

ASC's cost estimate for environmental consulting services of \$57,300 is to be paid from FY 2020 CIP funds budgeted for this project.

RECOMMENDATION

That the Board authorize the General Manager to execute a consulting services agreement with ASC for the Old Ranch Road Tank Replacement project for a not to exceed fee of \$57,300, plus a contingency of \$5,000.

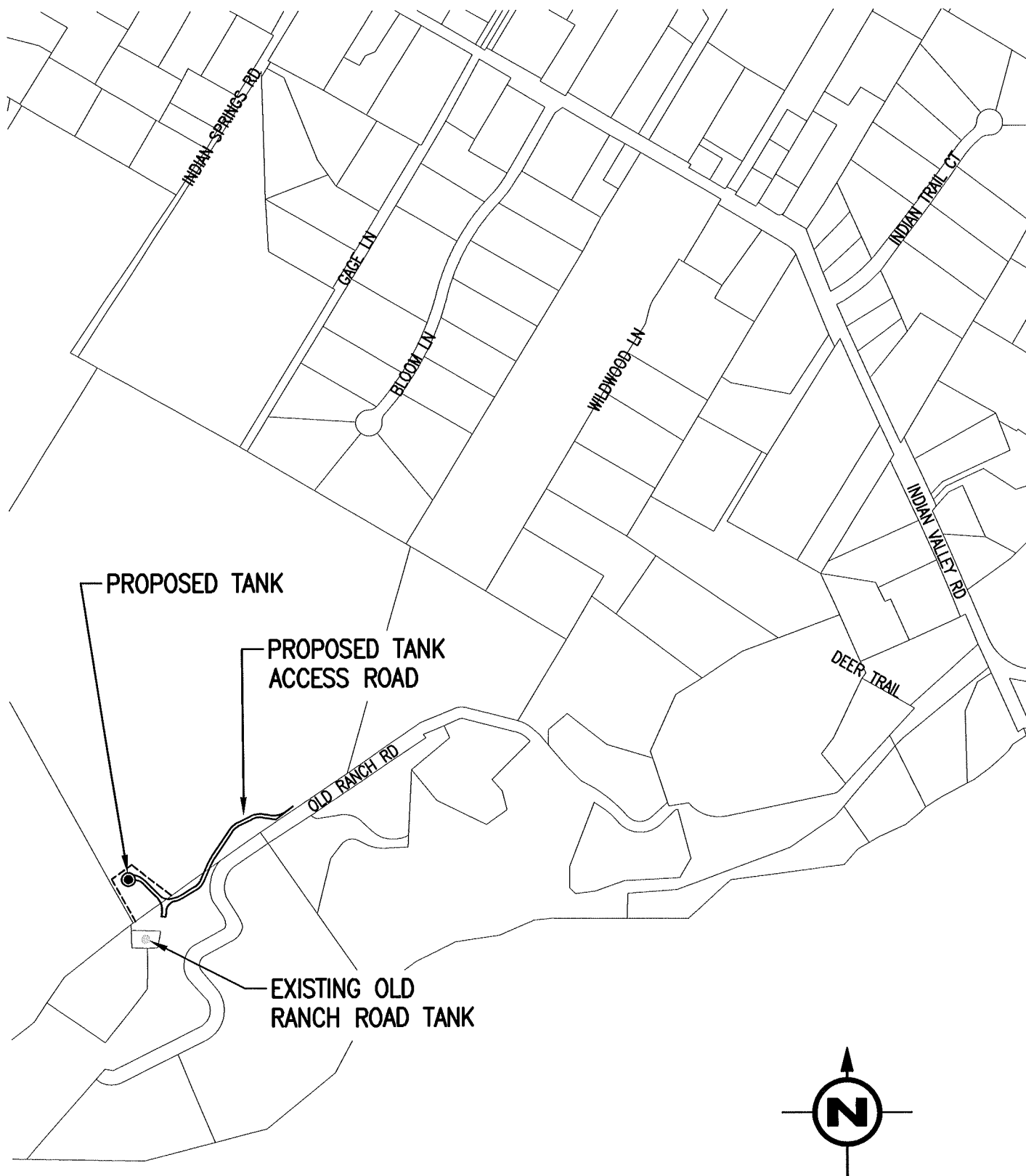


EXHIBIT A
OLD RANCH ROAD
TANK AND ACCESS ROAD

DATE	SCALE	JOB. NO.	DWG. NO.
7/11/19	NTS	6207.20	MAP

AGREEMENT FOR CONSULTING SERVICES

The following is an agreement between **North Marin Water District**, hereinafter "**NMWD**", and Amy Skewes-Cox, hereinafter, "**Consultant**".

WHEREAS, Consultant is a duly qualified and experienced as an Environmental Analysis and Planning Consultant,

WHEREAS, in the judgment of the Board of Directors of the NMWD, it is necessary and desirable to employ the services of the Consultant for the Old Ranch Road Tank project.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

PART A -- SPECIFIC PROVISIONS:

1. DESCRIPTION OF SERVICES AND PAYMENT: Except as modified in this agreement, the services to be provided and the payment schedule are:

- a. The scope of work and fee amount covered by this agreement shall be that specified in the proposal dated July 9, 2019 and included in Attachment A of this agreement.
- b. The fee for the work shall utilize the fee schedule included in Attachment A of this agreement and shall not exceed \$57,300 without prior written authorization by NMWD.

PART B -- GENERAL PROVISIONS

1. ASSIGNMENT/DELEGATION: Except as above, neither party hereto shall assign, sublet or transfer any interest in or duty under this agreement without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

2. STATUS OF CONSULTANT: The parties intend that the Consultant, in performing the services hereinafter specified, shall act as an independent contractor and shall have the control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of NMWD, and is not entitled to participate in any pension plan, insurance, bonus or similar benefits NMWD provides its employees.

3. INDEMNIFICATION: NMWD is relying on the professional ability and training of the Consultant as a material inducement to enter into this agreement. The Consultant hereby warrants that all its work will be performed in accordance with generally accepted professional practices and standards, as well as the requirements of applicable federal, state and local laws, it being understood that neither acceptance of the Consultant's work by NMWD nor Consultant's failure to perform shall operate as a waiver or release.

- a. With respect to design professional services provided under this agreement, Consultant shall assume the defense of and defend NMWD, its directors, officers, agents, and employees in any action at law or in equity to the extent that liability is claimed or alleged to arise out of, pertain to, or relate to, either directly or indirectly, the intentional or willful misconduct, recklessness, or negligent act, error, or omission of Consultant (or any person or organization for whom Consultant is legally liable) in the performance of the activities necessary to perform the services for District and complete the task provided for herein. In addition, Consultant shall indemnify, hold harmless, and release NMWD, its directors, officers, agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs, that may be asserted by any person or entity including the Consultant, to the extent arising out of, pertaining to, or relating to, the negligent acts, errors or omissions, recklessness, or intentional or willful misconduct of the Consultant (or any consultant or subcontractor of Consultant) in connection with the activities necessary to perform the services and complete the task provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.
- b. With respect to all services other than design professional services provided under this agreement, Consultant shall indemnify, hold harmless, release and defend NMWD, its agents and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that may be asserted by any person or entity, including the Consultant, arising out of or in connection with the activities necessary to perform those services and complete the tasks provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

This indemnification is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the NMWD or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

4. PROSECUTION OF WORK: The execution of this agreement shall constitute the Consultant's authority to proceed immediately with the performance of this contract. Performance of the services hereunder shall be completed by June 30, 2020, provided, however, that if the performance is delayed by earthquake, flood, high water or other Act of God or by strike, lockout or similar labor disturbance, the time for the Consultant's performance of this contract shall be extended by a number of days equal to the number of days the Consultant has been delayed.

5. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS: All notices, bills and payment shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

North Marin Water District
P.O. Box 146
Novato, CA 94948
Attention: Rocky Vogler

Consultant:
Amy Skewes-Cox
45 Laurel Grove Ave
Kentfield, CA 94904

and when so addressed, shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this paragraph.

6. MERGER: This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms of the agreement, pursuant to California Code of Civil Procedure Section 1856 and as a complete and exclusive statement of the terms of the agreement. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

7. SEVERABILITY: Each provision of this agreement is intended to be severable. If any term of any provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this agreement and shall not affect the validity of the remainder of the agreement.

8. TERMINATION: At any time and without cause the NMWD shall have the right in its sole discretion, to terminate this agreement by giving written notice to the Consultant. In the event of such termination, NMWD shall pay the Consultant for services rendered to such date.

9. TRANSFER OF RIGHTS/OWNERSHIP OF DATA: The Consultant assigns to NMWD all rights throughout the work in perpetuity in the nature of copyright, trademark, patent, and right to ideas, in and to all versions of any plans and specifications, reports and document now or later prepared by the Consultant in connection with this contract.

The Consultant agrees to take such actions as are necessary to protect the rights assigned to NMWD in this agreement, and to refrain from taking any action which would impair those rights. The Consultant's responsibilities under this contract will include, but not be limited to, placing proper notice of copyright on all versions of any plans and specifications, reports and documents as NMWD may direct, and refraining from disclosing any versions of the reports and documents to any third party without first obtaining written permission of NMWD. The Consultant will not use, or permit another to use, any plans and specifications, reports and document in connection with this or any other project without first obtaining written permission of NMWD.

All materials resulting from the efforts of NMWD and/or the Consultant in connection with this project, including documents, reports, calculations, maps, photographs, computer programs, computer printouts, digital data, notes and any other pertinent data are the exclusive property of NMWD. Re-use of these materials by the Consultant in any manner other than in conjunction with activities authorized by NMWD is prohibited without written permission of NMWD.

Consultant shall deliver requested materials to NMWD in electronic format including but not limited to engineering calculations, plans (AutoCad, current edition) and specifications (MS Word, current edition).

10. COST DISCLOSURE: In accordance with Government Code Section 7550, the Consultant agrees to state in a separate portion of any report provided NMWD, the numbers and amounts of all contracts and subcontractors relating to the preparation of the report.

11. NONDISCRIMINATION: The Consultant shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition or physical handicap.

12. EXTRA (CHANGED) WORK: Extra work may be required. The Consultant shall not proceed nor be entitled to reimbursement for extra work unless it has been authorized, in writing, in advance, by NMWD. The Consultant shall inform the District as soon as it determines work beyond the scope of this agreement may be necessary and/or that the work under this agreement cannot be completed for the amount specified in this agreement. Said review shall occur before consultant

incurs 75% of the total fee approved for any phase of the work. Failure to notify the District shall constitute waiver of the Consultant's right to reimbursement.

13. CONFLICT OF INTEREST: The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Consultant further covenants that in the performance of this contract no person having any such interest shall be employed.

14. INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the consultant, his agents, representatives, employees or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Commercial General Liability coverage
2. Automobile Liability
3. Workers' Compensation insurance as required by the State of California.
4. Professional Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability (including operations, products and completed operations.): **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation Insurance: as required by the State of California.
4. Professional Liability, **\$1,000,000** per occurrence.

Verification of Coverage

Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require at any time complete and certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Subcontractors

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the District for review and approval. All coverage for subcontractors shall be subject to all of the requirements stated herein.

Self-Insured Retentions

Any self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District (such as a surety bond) guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

15. DISPUTE RESOLUTION: Any dispute or claim in law or equity between District and Consultant arising out of this agreement, if not resolved by informal negotiation between the parties, shall be mediated by referring it to the nearest office of Judicial Arbitration and Mediation Services, Inc. (JAMS) for mediation. Mediation shall consist of an informal, non-binding conference or conferences between the parties and the judge-mediator jointly, then in separate caucuses wherein the judge will seek to guide the parties to a resolution of the case. If the parties cannot agree to mutually acceptable member from the JAMS panel of retired judges, a list and resumes of available mediators numbering one more than there are parties will be sent to the parties, each of whom will strike one name leaving the remaining as the mediator. If more than one name remains, JAMS arbitrations administrator will choose a mediator from the remaining names. The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution.

At the sole election of the District, any dispute or claim in law or equity between District and Consultant arising out of this agreement which is not settled through mediation shall be decided by neutral binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of Judicial Arbitration Mediation Services, Inc. (JAMS). The parties to an arbitration may agree in writing to use different rules and/or arbitrators.

16. BILLING AND DOCUMENTATION: The Consultant shall invoice NMWD for work performed on a monthly basis and shall include a summary of work for which payment is requested. The invoice shall state the authorized contract limit, the amount of invoice and total amount billed to date. The summary shall include time and hourly rate of each individual, a narrative description of work accomplished, and an estimate of work completed to date.

17. REASONABLE ASSURANCES: Each party to this agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise, with respect to performance of either party, the other may, in writing, demand adequate assurance of due performance and until the requesting party receives such assurance may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of the party with respect to performance under this agreement but also conduct with respect to other agreements with parties to this agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, not to exceed 30 days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

18. PREVAILING WAGE REQUIREMENTS: Prevailing Wage Rates apply to all Consultant personnel performing work under the Agreement for which wage determinations have been made by the Director of Industrial Relations pursuant to California Labor Code Sections 1770– 1782,. Consultant shall comply with all applicable prevailing wage labor code requirements.

**NORTH MARIN WATER DISTRICT
"NMWD"**

Dated: _____

Drew McIntyre, General Manager

"CONSULTANT"

Dated: _____

Amy Skewes-Cox

PROPOSAL TO PREPARE

An Initial Study/Mitigated Negative Declaration

FOR THE

NORTH MARIN WATER DISTRICT OLD RANCH ROAD WATER TANK REPLACEMENT AND ACCESS ROAD

Prepared for

North Marin Water District

June 2019

(Revised July 9, 2019)

Prepared by

Amy O. Skewes-Cox, AICP
Environmental Planner

PROPOSAL TO PREPARE

**AN INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR
NORTH MARIN WATER DISTRICT NEW WATER TANK**

TABLE OF CONTENTS



I.	PROJECT UNDERSTANDING	1
	A. Project Summary and Overview	1
	B. CEQA Team	2
II.	WORK PROGRAM.....	3
	Task 1. Project Initiation.....	4
	Task 2. Administrative Draft Initial Study.....	5
	Task 3. Public Review Draft Initial Study.....	10
	Task 4. Attendance at Public Hearings and Meetings.....	11
	Task 5. Final Initial Study (OPTIONAL).....	11
	Task 6. Mitigation Monitoring and Reporting Program and Notice of Determination.....	11
III.	PRODUCTS AND SCHEDULE	13
	A. Products for Initial Study.....	13
	B. Schedule.....	13
	Table 1 Schedule.....	14
IV.	PROJECT BUDGET.....	15
	Table 2 Proposed Budget for Initial Study /Mitigated Negative Declaration.....	16

APPENDIX

Appendix A List of Needed Materials for IS/MND

SCOPE OF WORK

I. PROJECT UNDERSTANDING



A. PROJECT SUMMARY AND OVERVIEW

The North Marin Water District (NMWD) plans to replace an existing 50,000-gallon redwood water tank from the 1960s with a new steel tank of 100,000-gallon capacity. The planned improvements also include constructing a new road to provide access to the tank. The disturbed area encompasses 0.63 acres. Total area combining grant and easements equals 1.37 acres (0.45 acres – tank parcel grant, 0.35 acres – easement within APN 146-310-44, 0.57 acres – easement within APN 146-310-05). The existing tank would remain in service during construction and commissioning of the new tank.

The proposed new 28-foot diameter and 26-foot-high (22 feet to overflow) welded steel tank would require grading for the proposed site which primarily consists of excavation. The tank pad elevation at the lowest side will be at 516 feet and cuts of up to 12 feet are anticipated to achieve the finished grades at the tank site. Cut slopes no steeper than 1.5:1 would be used to complete the planned excavations.

The access road alignment was selected to minimize cut and fill with grade not to exceed 18 percent slope. As such, the alignment would encroach on APN 146-310-05 to the north and APN 146-310-44 to the south. The parties owning these parcels have agreed to provide access and utility easements in these areas.

Grading for the access road would include a combination of cut (1,496 cubic yards (CY)) and fill (1,046 CY) as required to achieve the planned roadway width and alignment. The cut slopes would be no steeper than 1.5:1 and fill slopes would be 2:1. Typically, the paved area of the road would be 10 feet wide with 1-foot-wide shoulders on each end for a total width of 12 feet. The road would be paved with 0.25 feet AC over a 7-inch layer of Class 2 AB. In addition there would also be a 24-foot-wide x 95-foot-long compacted earth staging area between the new access road and the southern boundary of APN 146-310-05 to reduce off-site hauling and for use as a staging area during tank construction. Properly sized runoff ditches, drainage pipes, and structures would be installed. New pavement, surface drainage improvements, underground utilities, and other ancillary improvements are part of the project. Total combined disturbed area for both the tank site and access road is 0.63 acres.

Currently, there are 20 customers served by the existing tank which was constructed in 1963 and is reaching the end of its life. The new tank would match the existing tank base elevation but the overflow level would be 7 feet higher to provide better system hydraulics and minimize the tank footprint. The increase in the tank size was driven by fire flow goals as discussed and agreed upon with Novato Fire personnel.

To construct the new tank and access road, existing vegetation including trees would have to be cleared. The project site is adjacent to primarily undeveloped lands that are wooded sloping hills. The site is within the jurisdiction of Marin

II. WORK PROGRAM



This section outlines the detailed work program that we will follow to complete the Initial Study/Mitigated Negative Declaration (IS/MND). We believe the proposed work program and schedule are appropriate to meet all CEQA requirements. However, we are flexible as to the specifics of the work program. We will work with the District on the development of a refined work scope, should this be necessary.

The work program outlined in this proposal is predicated on the following assumptions:

- Changes to the project description (once each Initial Study has begun), should they occur, may result in adjustments to the proposed scope and budget for the Initial Study. We will provide notice when anticipated project description changes would result in the need for budget adjustments. We assume that the District will prepare the full project description.
- We assume that appendices to be prepared by our team will include a Cultural Evaluation and Biological Evaluation for the Initial Study, identifying existing resources identified via a data search and field work. We understand that Mr. Jim Martin is doing a survey of sensitive plants commencing in June of 2019 under separate contract with the District and will incorporate the results of that survey into the IS/MND.
- Any additional technical studies to be prepared by our team beyond those we have identified herein would require revisions to the proposed scope and budget.
- While we are available to assist in this effort, we assume the District will be responsible for completing regulatory agency permit applications should they be needed. At this time, we are not aware of specific permits that may be required other than stormwater-related permits for which the District may not be exempt. Permit applications are not currently included in our proposed budget.
- Responsibility for public notification will be shared as follows: District staff will send out notices with the exception of documents required by the Office of Planning and Research (OPR). Given that this is not likely to be a project of regional significance, the State Clearinghouse at OPR does not need to be noticed. We plan to consult with Marin County to obtain mailing labels for all homeowners on Old Ranch Road, and addresses for agencies to whom the IS/MND should be sent. We assume the District will complete the mailings. Our scope includes preparation of the Notice of Intent (NOI) and Notice of Determination (NOD).
- The proposed schedule will be contingent on timely receipt of comments by District staff on the Administrative Draft Initial Study.
- All work on the Initial Study will be completed no later than December 31, 2019. Should work continue past this time, a budget adjustment may be necessary.
- Work is to be billed monthly on a time-and-materials basis, with payments due within 30 days.
- The CEQA team will be provided with geotechnical studies and any other technical studies by the time we begin work on the Initial Study.

- District staff comments on draft documents will be consolidated into one set of comments to avoid contradictory comments. If any other format is used, a budget adjustment will be required.
- The District will provide project drawings (e.g., site plan and elevations) sufficient for the CEQA document in PDF format. The District will also provide project description information that is adequate for a CEQA evaluation, including estimated construction scheduling and staging (see **Appendix A**).
- Amy Skewes-Cox will attend hearings and public meetings for the project. At this time, we assume a total of two meetings with staff and one public hearing. Technical sub-consultants can also be available for attendance at the public hearing, but their attendance would require an adjustment to the scope of work and budget.
- The District will be responsible for the California Department of Fish and Wildlife (formerly California Department of Fish and Game) filing fee and the County Clerk's filing fee.
- The District will post the CEQA document on the District's website.
- Only digital copies are to be provided to the District.

TASK 1. PROJECT INITIATION

A. SITE VISIT/KICK-OFF MEETING

We will begin the CEQA process with a kick-off meeting with District staff to go over available background information. At the kick-off meeting with District staff, we could address the scope of work and the potential issues of concern to determine if any changes are needed. We would request that all background studies and draft site plans be provided at this meeting (see more detail under Item B, "Additional Data," below and **Appendix A**). An Initial Study schedule will also be finalized at this time.

B. ADDITIONAL DATA

At the start of the project, we would request that the District provide the following documents to ensure that all team members have adequate background material:

- One digital set of project drawings in PDF format that can be distributed to the team.
- Three printed hard copy sets of project drawings (including Site Plan, Grading Plan and Tank Sections) that are 11 x 17 inches.
- One electronic copy of background studies (e.g., geotechnical report; runoff calculations), as available.

Please see **Appendix A** which lists all background information that would be requested at start of IS/MND process.

C. SCOPING MEETING

At this time, our budget does not include attendance at a scoping meeting. We have been told that the District will hold a meeting for Old Ranch Road residents on July 29, 2019 and would request that a summary of comments be provided to our team prior to the start of the CEQA process.

TASK 2. ADMINISTRATIVE DRAFT INITIAL STUDY

The topics below are those that will be addressed in the Administrative Draft Initial Study.

A. PROJECT DESCRIPTION

The Project Description will cover all the specifics of the project, including new road and tank construction, vegetation removal, drainage improvements, water infrastructure such as new lines in the designated easement areas, etc. Graphics of project plans will also be included, as available from the District. We would request that the District provide the proposed site plan and other drawings in PDF format so that they can be incorporated into the Project Description. We assume that the proposed (vs. existing) changes will be shown on a topographic map with 1-foot contours.

We would request the following information for the Project Description:

1. Specific information on new tank design.
2. Engineer topo survey with tree trunk locations identifying which trees are to be removed.
3. Decommissioning plans for existing tank and timing of such.
4. Any landscaping plans, if applicable.
5. Construction information that identifies the estimated duration of construction in weeks, the amount of demolition debris and expected off-haul truck trips, staging area for supplies and construction vehicles, hours of construction, worker parking provisions, and access points for construction vehicles.

We propose that the District identify all applicable best management practices (BMPs) for this project and that all relevant BMPs be shown as part of the project as described in the Project Description. This should be done to reduce the need for mitigation measures.

We would assume that major changes to the project will not be made once a draft Project Description is submitted to the District for review. We will provide the District with an electronic copy (Microsoft Word format) (non-write protected) of the draft Project Description for review and comment and assume one round of revisions to the Project Description. Minor project details may change during the course of the project review; any such changes will need to be discussed to determine if additional or revised analysis is required.

B. AESTHETICS

This section of the Initial Study will explain why the project would not result in significant aesthetic impacts by documenting that the site is not part of a scenic corridor or viewshed given its location. We will take photographs from nearby open space areas to document sensitive public use areas from which the new tank may be visible. We will refer to elevation drawings if these are available. The project would not include lighting, so this issue will not be of concern.

C. HYDROLOGY AND WATER QUALITY

Preliminary review of Federal Emergency Management Agency (FEMA) flood maps indicates that the project site is not located within a 100-year flood zone. Development of the proposed project would result in an increase in impervious surfaces, which would increase the volume and rate of stormwater runoff. The proposed project would also alter drainage patterns on the project site, which could result in on- and off-site flooding or erosion and sedimentation. Soil erosion during construction and potential urban pollutants from vehicle parking could affect stormwater and receiving water quality. The project will be required to comply with applicable State-mandated (vs. County) stormwater permits. The hydrology and water quality section of the Initial Study, to be completed by Baseline Environmental Consulting (Baseline), will address all issues in the CEQA Initial Study checklist related to hydrology and water quality, and will include the following information and analyses:

- Describe existing hydrologic and water quality conditions at the site, including potential flood hazards and stormwater runoff based on available information.
- On the basis of the project plans, assess potential increases in impervious surface and describe potential increases in runoff from the site.
- Assess the potential for the project to increase pollutants in stormwater.
- Describe the State regulatory requirements for managing stormwater runoff, as applicable. The project would be exempt from local stormwater requirements.
- Qualitatively describe proposed detention/retention and treatment facilities proposed by the project (if any).
- Recommend mitigation measures, as necessary, to reduce impacts to less-than-significant levels, if possible.

Assumptions: *We assume that the plans from the applicant will quantify current and proposed areas of impervious surfaces, provide information on the design of the project around existing drainage channels, and identify areas and design of proposed stormwater treatment areas.*

D. GEOLOGY

The project site is located on a hillside in a woodland area. Therefore, potential geologic hazards could be related to erosion and slope stability. The proposed project would involve excavation and grading and therefore, could encounter potential paleontological resources or unique geologic features. The soils and geology section of the Initial Study, to be completed by Baseline, will address all relevant CEQA Initial Study checklist questions and will include the following information and analyses, based on available information:

- Describe existing geologic conditions at the site, including underlying local and regional geologic conditions, seismic conditions, and any unstable soils conditions.
- On the basis of available site geotechnical reports, describe potential geologic, soils, and seismic hazards to the project.
- Describe the applicable regulatory requirements for building safety with respect to seismic conditions.
- Describe recommendations provided in the geotechnical investigation report (if available) to address geologic and seismic hazards.

- Discuss potential impacts related to destruction of paleontological resources or unique geologic feature.
- Recommend mitigation measures, as necessary, to reduce impacts to less-than-significant levels, if possible.

Assumptions: *We assume that the Geotechnical Investigation Report for the project will be available and adequate to support the above analysis.*

E. CULTURAL RESOURCES AND TRIBAL CULTURAL RESOURCES

Mr. E. Timothy Jones, M.A., RPA, of LSA will complete a "Phase I" cultural resources study of the project area to identify archaeological sites and historic-period structures, and will document the results of this study in the Initial Study and a brief letter report. The cultural resources work will entail the following: 1) a records search at the Northwest Information Center to identify previously recorded cultural resources in, and previous studies of, the project area; 2) a review of appropriate background literature, including previous cultural resource reports, historical maps, and geologic data to assess the potential for cultural resources within the project area; 3) a records search of the Native American Heritage Commission's Sacred Lands File for the project area (Federated Indians of Graton Rancheria); and 4) a surface reconnaissance to identify cultural resources in the project area.

LSA will draft a letter for District mailing on official letterhead to those tribes that have previously requested project notifications from the District. (Note: Consistent with PRC Section 21080.3.1(b), only those tribes that have previously requested of the District to be notified of this agency's projects that are subject to CEQA will be contacted under this scope.) The letters will provide a formal notification of the 30-day opportunity to request consultation. The District will provide the project team a summary of the results of any consultation(s) that occur between the agency and tribal governments. The project team will prepare the Tribal Cultural Resources section of the CEQA document based on the results of these consultations, if any.

Assumptions: *The existing water tank in the project area is over 50 years old, the threshold at which structures may become eligible for listing in the California Register of Historical Resources (CRHR). We have been informed by the District that this listing would not apply. We assume that the District will coordinate access to the project area to conduct the survey included in this scope of work.*

F. POPULATION AND HOUSING

No impacts related to population or housing would result from the project, and this will be documented in the Initial Study for the standard significance criteria related to displacement of housing and growth inducement.

G. NOISE

The major noise issues related to the proposed project would be exposure of the nearby residence to the construction-period noise and vibration. The project site is located on undeveloped lands, and it is anticipated that existing ambient noise levels are low. The noise section, to be completed by Baseline, will address all standard CEQA significance criteria and will include the following tasks:

- Characterize the ambient noise environment using representative noise measurement data collected in the Marin County General Plan.

County and outside the city limits of the City of Novato. As a County water district, the NMWD is exempt from local land use controls of Marin County per Government Code Section 53091.¹

We assume that this analysis will result in an Initial Study/Mitigated Negative Declaration (IS/MND) and that an EIR will not be required. However, should the District decide that a Focused EIR is a preferable path to pursue; we are available to provide a revised scope and budget for this Focused EIR effort as an option.

B. CEQA TEAM

Ms. Amy Skewes-Cox, AICP, an environmental planner with over 38 years of experience, will prepare and manage the Initial Study, and prepare sections on visual quality, land use, services, and utilities. She will be assisted by **Mr. Jim Martin** of Environmental Collaborative for the biological analysis, **Mr. E. Timothy Jones** of LSA for the analysis of cultural impacts, and **Mr. Cem Atabek, Ms. Lisa Luo, and Ms. Monika Krupa** of Baseline Environmental Consulting for the analysis of geology, hydrology, hazards, air quality, greenhouse gas (GHG) emissions, and noise. **Ms. Natalie Macris** will provide editorial assistance. We assume that we do not need a traffic engineer and will briefly address likely construction-related vehicular traffic. We also have word processing and graphics staff to ensure a thorough and readable document.

¹ Government Code 53091 states "Zoning ordinances of a county or city shall not apply to the location or construction of facilities for the production, generation, storage, treatment, or transmission of water, or for the production or generation of electrical energy, facilities that are subject to Section 12808.5 of the Public Utilities Code, or electrical substations in an electrical transmission system that receives electricity at less than 100,000 volts."

- Conduct a quantitative analysis to determine whether the project would be likely to result in short-term noise impacts to the nearest resident during construction.
- Conduct a qualitative analysis to estimate project-generated traffic noise to determine whether the project would cause a significant increase in traffic noise levels along local roadways.
- Recommend mitigation measures, as necessary, to reduce impacts to less-than-significant levels, if possible.

Assumptions: *This scope assumes that noise measurements will not be required.*

H. AIR QUALITY AND GREENHOUSE GAS EMISSIONS

Potential project impacts to air quality will be assessed in accordance with the Bay Area Air Quality Management District's (BAAQMD) CEQA Air Quality Guidelines. Based on preliminary review of the proposed project, operation of the project is not expected to result in a net increase in air pollutant emissions, and therefore would be analyzed qualitatively. The two primary air quality concerns will likely be related to emissions of criteria air pollutant and the exposure of nearby residents to diesel particulate matter (DPM) during project construction. Baseline will use the most current version of the California Emissions Estimator Model (CalEEMod) to estimate criteria air pollutant and DPM emissions during project construction based on a project-specific equipment list provided by the applicant. If the duration of construction is greater than two months, health risks associated with the project's DPM emissions at the existing nearby sensitive receptors will be assessed based on the results of air dispersion modeling. The project's estimated criteria pollutant emissions and health risks will be compared with the BAAQMD's recommended thresholds of significance. Contract specifications could address vehicle-generated pollution and dust control (as mitigation measures).

Similar to air quality impacts, operation of the proposed project is not expected to result in a net increase in GHG emissions, and therefore would be analyzed qualitatively. GHG emissions from project construction will be estimated using the most current version of the CalEEMod and will be compared to the BAAQMD's recommended threshold of significance. Baseline will also analyze the project's consistency with applicable state and local plans, such as the BAAQMD's 2017 Clean Air Plan and County of Marin Climate Action Plan 2015. Baseline will develop mitigation measures, if necessary, to minimize any identified significant impacts related to air quality and GHG emissions to a less-than-significant level, if feasible.

I. HAZARDS AND HAZARDOUS MATERIALS

A preliminary search of the State Water Resource Control Board's Geotracker database shows that there are no records of hazardous materials releases or storage near the project site. However, during construction, some hazardous materials such as fuel for machinery will be located on the site, and the site is located within an area subject to wildland fires. The hazardous materials section, to be completed by Baseline, will address all standard CEQA significance criteria and will include the following information and analyses:

- Describe the general hazardous materials setting for the project site, including the historical uses of the project site and adjoining properties.
- Review any hazardous materials investigations prepared for the project site.
- Describe hazardous materials regulations and programs that may apply to the project.

- Describe other public health and safety issues related to emergency response, aviation, and wildfire hazards at the project site.
- Recommend mitigation measures, as necessary, to reduce impacts to less-than-significant levels, if possible.

J. TRANSPORTATION AND CIRCULATION

We assume that no significant traffic would be associated with the project, and that the analysis will focus on construction-related traffic and adequacy of emergency access. The District has informed us that contract specifications will require the contractor to provide traffic control for a blind, vertical curve and to provide for emergency vehicle access at all times. We have not included a detailed traffic analysis in our scope of work.

K. BIOLOGICAL RESOURCES

This section of the Initial Study will be completed by Mr. Jim Martin of Environmental Collaborative, who will conduct the Biological Resource Assessment (BRA). Mr. Martin has worked extensively on biological impact analyses throughout Marin County. He is currently working directly with the District in assessing the suitability of the site to support special-status species, and conducting a systematic survey for special-status plants. His work as part of the Initial Study will entail 1) initial review of existing information on resources occurring in the project vicinity, 2) review of any background information from the District staff and consulting biologists (as applicable) on the site conditions, 3) field reconnaissance survey to assess impacts on trees of protected size, and 4) preparation of the Initial Study section. The following provides an outline for the scope:

- **Collect and review existing information on biotic resources in the vicinity of the project.** Information sources will include baseline studies by the District staff and consulting biologists, the results of the rare plant survey and habitat suitability analysis for special-status species currently being conducted, documentation for specific development applications in the surrounding area available from the County, wetlands mapping prepared as part of the National Wetland Inventory, and records on occurrences of special-status taxa and sensitive natural communities maintained by the California Natural Diversity Data Base.
- **Conduct a field reconnaissance of the site.** The field effort will be limited to a reconnaissance-level survey, which should be sufficient to evaluate general impacts on tree resources, confirm other resource issues, and assess potential impacts of the project. The survey effort will serve to confirm and identify vegetation types, wildlife habitat, likely absence of suitable habitat for special-status species, and extent of any jurisdictional waters, which is highly unlikely given the location of the site. No detailed field surveys or preparation of a wetland delineation is proposed as part of this scope. Although it appears unlikely, there is a remote possibility that additional surveys may be necessary to provide a conclusive determination on the presence or absence of sensitive resources in the vicinity. The need for any supplemental field effort will be made following the field reconnaissance survey.
- **Prepare the BRA for use as the biological resources section of the Initial Study.** The BRA will identify vegetation types, wildlife habitat, potential for special-status species, and any other important biotic features. Possible permitting implications and likely mitigation requirements will be outlined, including measures to prevent adverse impacts. Mitigation will presumably include controls on construction practices to minimize impacts on tree resources, replacement tree plantings, and possibly preconstruction surveys to confirm absence of any nesting birds or bats. The scope for the Initial Study does not include conduct of detailed surveys, preparation of

a detailed habitat management plan for special-status species or a wetland mitigation plan if sensitive biological resources are encountered on the site and impact avoidance is considered infeasible.

L. LAND USE

No significant land use-related impacts are expected to result from the project based on standard CEQA significance criteria. No rezoning or General Plan amendment would be required. No division of an established community would occur. The potential for the project to conflict with adopted policies will be addressed, as needed.

M. PUBLIC SERVICES AND UTILITIES

No significant public service or utility impacts are expected to occur from the project. We will document the agencies that would provide emergency fire or police services should any impacts occur during construction but do not expect the need for any expansion of facilities.

N. RECREATION

No recreation-related impacts would be associated with the project and this will be documented in the Checklist.

O. OTHER TOPICS

No significant energy-related impacts, agricultural or forestry resource impacts, or mineral resources impacts are anticipated. The project site is not located in an area of agricultural use. No designated forest resources exist at the site. Any impacts related to tree removal would be addressed in the biological resources section of the Initial Study. The issue of wildland fire impacts will be briefly addressed using the new criteria of the Initial Study Checklist.

P. CUMULATIVE IMPACTS

We will ask that the Marin County Community Development Department provide us with a list of all relevant proposed and pending projects and an accompanying map so that cumulative impacts can be evaluated in the Initial Study. Cumulative impacts will be addressed under "Mandatory Findings of Significance" at the end of the Initial Study.

Q. DELIVERABLES

We will provide the District with one electronic copy (Microsoft Word format and PDF format) (non-write protected) and no hard copies of the Administrative Draft IS/MND. We assume the District will make any needed hard copies. Should the District desire us to provide hard copies, we can easily do this with a minor adjustment to our costs.

TASK 3. PUBLIC REVIEW DRAFT INITIAL STUDY

We will incorporate revisions and refinements to the Administrative Draft Initial Study based on comments received from District staff. We would request that all comments be consolidated into one comment copy (either using track changes or hard copy edits) to avoid conflicts among comments. At this time, we assume that an IS/MND will be

determined adequate for the project, and that an EIR will not be needed. If this is not the case, we will need to adjust the scope of work.

We will provide the District with one CD-Rom copy (labeled and in PDF format with all graphics) and one electronic copy in Microsoft Word (non-write protected).

We assume that the District will be responsible for distributing the Initial Study to appropriate parties, with the exception of the California Office of Planning and Research (OPR State Clearinghouse). At this time, we assume that OPR distribution will not be necessary because this project would not be regional in nature. However, if requested and with a revision to our scope of work, we can undertake the task of sending copies to OPR. We assume that the District will also be responsible for posting the document on the District's website.

We will prepare the Notice of Intent (NOI) to adopt a Mitigated Negative Declaration to go out with the Initial Study. The Draft IS/MND will also include a full Mitigation Monitoring and Reporting Program (see Task 6 below), assuming that a Mitigated Negative Declaration will be prepared.

TASK 4. ATTENDANCE AT PUBLIC HEARINGS AND MEETINGS

Amy Skewes-Cox will be available to attend up to two meetings with District staff and one public hearing for the project. Our proposed budget assumes that the public hearing will be no more than 2 hours in duration. The biology and geology/hydrology consultants can be available to attend hearings, but this would require an adjustment to the scope of work.

TASK 5. FINAL INITIAL STUDY (OPTIONAL)

As an optional task, at the conclusion of the 30-day public review period, we will prepare responses to comments on agency/public comments submitted. After receiving District edits, we will revise the Administrative Draft Final Initial Study and produce the Final Initial Study. At this time, we assumed that the District will file the Notice of Determination for the project. This is done within 5 days of the District taking action on the project.

TASK 6. MITIGATION MONITORING AND REPORTING PROGRAM AND NOTICE OF DETERMINATION

A Mitigation Monitoring and Reporting Program (MMRP) will be prepared that clearly identifies the timing and entity responsible for implementing identified mitigation measures. Copies of the MMRP will be included in the Public Review Draft Initial Study. Within five days of approval of the project, an NOD must be filed with the County Clerk. We assume the District will provide the applicable fees for this filing and we will prepare and deliver the NOD to the County.

III. PRODUCTS AND SCHEDULE



A. PRODUCTS FOR INITIAL STUDY

We will submit the following products to the District in preparation of Initial Study:

- Draft Project Description: 1 electronic copy (Microsoft Word format) (non-write protected).
- Administrative Draft Initial Study: 1 electronic copy (Microsoft Word format and PDF format) (non-write protected).
- Public Review Draft Initial Study: 1 electronic copy (Microsoft Word format and PDF format) (non-write protected).
- Memo with responses to public comments on Draft Initial Study (optional task).
- Mitigation Monitoring and Reporting Program: (part of Public Review Draft Initial Study).
- Notice of Intent (NOI) to Adopt a Mitigated Negative Declaration: 1 electronic copy (assumes District will copy and mail to neighbors and interested parties)
- Notice of Determination (NOD): 1 electronic copy

B. SCHEDULE

Our proposed work schedule for the Initial Study is shown in **Table 1**. However, we remain flexible and are willing to revise the schedule should this be necessary. The proposed schedule assumes that the project would begin by **July 24, 2019**. We propose to review the schedule at our kick-off meeting with the District. The schedule assumes that all needed project description information will be in hand before we start work on the IS/MND. We have not accounted for holidays, and please note that dates are calendar (not work) days.

TABLE 1**Schedule for NNWD New Water Tank Initial Study/Mitigated Negative Declaration**

Prepared July 8 2019

	Calendar Days to Complete	Start Date	Completion Date
Project Start-Up with Completion of Project Description (assume all critical elements in hand and that District provides Project Description by 7/24/19)	0	7/24/2019	7/24/2019
Conduct Initial Site Visit for Team (other site visits to be held during IS process)	Ongoing	Ongoing	
Complete Inhouse Admin Draft Initial Study	45	7/24/2019	9/7/2019
Complete Admin. Initial Study for Delivery to District	12	9/7/2019	9/19/2019
District Reviews Admin. Initial Study	14	9/19/2019	10/3/2019
Complete Admin. Notice of Intent (NOI)	2	9/19/2019	9/21/2019
District Staff Review Admin. NOI	2	9/21/2019	9/23/2019
Final Initial Study for Public Distribution (optional task)	14	10/3/2019	10/17/2019
Distribute NOI and Initial Study for public review (30 days) (includes 3 days printing time)	33	10/17/2019	11/19/2019
Finalize MMRP and Assist Staff in Responses to IS comments if applicable (to be determined - estimated to be Nov/Dec 2019)			

Note: This schedule is subject to revisions based on consultation with District staff through the duration of the process. This schedule assumes that revisions to address staff comments on administrative drafts would not require substantial new analysis, and it also assumes that the project description would not be revised substantially, once it is approved by District staff.

IV. PROJECT BUDGET



The IS/MND will be completed for a time-and-expense, not-to-exceed budget of \$57,281 as shown in **Table 2**. We would bill the District on a monthly basis with payments due within 30 days.

Initial Study Team												
	Principal (AS-C)	Planner (NM)	Biology (Martin)	Hydro Geo (Baseline)	Eng. (Baseline)	Eng. (Baseline)	Eng. (Baseline)	Cultural (LSA)	Graphics	Word Process.	Total Hours	Total Team Dollars
Hrly. Rate	\$220	\$135	\$170	\$225	\$180	\$170	\$155	\$140	\$85	\$90		
Start-Up Meeting and Site Visit	3										3	\$660
Admin. Draft Initial Study												
Introduction and Summary	1									1	2	\$310
Project Description (assumes done by District)	0								2	1	3	\$260
Biological Resources	2		24						1	1	28	\$4,695
Geology, Soils, and Seismicity	1			1		22				1	25	\$4,275
Hazards and Hazardous Materials	1			1	14					1	17	\$3,055
Hydrology and Water Quality	1			1			22			1	25	\$3,945
Transportation and Traffic	3								1	1	5	\$835
Noise	1			1			20			1	23	\$3,635
Public Services and Utilities/Recreation	5									1	6	\$1,190
Land Use	5								0	1	6	\$1,190
Air Quality and Greenhouse Gas Emissions	1			1	3	22				1	28	\$4,815
Aesthetics	4								1	1	6	\$1,055
Cultural	1							25		1	27	\$3,810
Tribal Cultural Resources (AB 52)	0							5		1	6	\$790
Energy	4									1	5	\$970
Other Topics	2									2	4	\$620
Admin. I. Study Assembly and Proofing	5	20							1	6	32	\$4,425
Draft Initial Study	10	10								8	28	\$4,270
Mitigation Monitoring and Reporting Program; NOI	1	3							1	1	6	\$800
Assistance with Staff Report Responses to IS Comments	0									0	0	\$0
Project Management	24								2		26	\$5,450
Meeting with City Staff (2) and Public Hearing (1)	10										10	\$2,200
TOTAL HOURS	85	33	24	5	17	44	42	30	9	32	321	
SUBTOTAL LABOR COST	\$18,700	\$4,455	\$4,080	\$1,125	\$3,060	\$7,480	\$6,510	\$4,200	\$765	\$2,880	\$53,255	\$53,255
Direct Costs and Expenses												
Deliveries and Communications												\$30
Travel												\$50
Photographic Products												\$0
Report Reproduction												\$0
Subtotal Direct Costs and Expenses												\$80
Administrative Fee for Direct Costs and Subconsultants (10 percent)												\$3,176
Cumulative Total (Labor Cost Plus Direct Costs and Expenses)												\$56,511
Subconsultants Direct Costs and Specialists												
LSA												\$350
Env. Collaborative												\$320
Baseline												\$100
Total Subconsultants Direct Costs												\$770
Total Team Budget												
CONTRACT TOTAL												\$57,281
Optional Task (Prepare Responses to Comments on Draft Initial Study (Note: Cost can be revised if very few comments)												\$5,000

APPENDIX A

LIST OF NEEDED MATERIALS FOR IS/MND

The following are data we will need before the IS/MND can get underway.

PROJECT PLANS AND OTHER INFORMATION

We assume that the identified number of copies of the following plans will be provided in full set scale as background for the project description:

- Base topography (2)
- Grading plan (3)
- Base site plan showing tank layout, access points, parking, landscaping (8)
- Utility plan (2)
- Elevation drawings of tank (3), in both hard copy and digital format (we realize these may not be available)
- Landscaping plans (3), if available
- On-site vehicle circulation plan (including emergency access) (3)

We will also need the following project description information:

- Defined "area of disturbance" for the tank building envelope (which is assumed to include likely surrounding construction zone) and assumed maximum depth of ground disturbance.
- General size and height of new tank
- Timing and phasing of project
- Number of NMWD customers served (if any net change from existing tank to be removed)

PROJECT CONSTRUCTION (PRIMARILY FOR AIR AND NOISE ANALYSIS)

- Staging areas for construction and types of construction equipment to be used (needed for noise analysis).
- Earliest possible construction start-date.
- Duration of each construction phase: demolition, site preparation, grading, etc...
- A detailed list of construction equipment for each phase of construction, including the expected total hours of operation for each type of equipment (a template can be provided upon request).
- Soil import/export and demolition debris haul volumes.
- Are construction activities anticipated to occur within hours consistent with the local noise ordinance?

UTILITIES

- Written descriptions of existing and proposed service and utility features (e.g., water and sewer connections, proposed utility relocations or extensions, storm drainage), with explanation of both on-site and off-site features.
- Written description of any measures included in the project to avoid impacts on utilities in the vicinity.
- On-site easements and restrictions related to such easements.

HAZARDOUS MATERIALS

- Any pertinent environmental documentation that is not available on the DTSC database (Envirostor) should be provided.

HYDROLOGY AND WATER QUALITY

- Description of proposed stormwater management approach (including low impact development measures), such as new storm drains, basins, swales, stormwater planters, green roof, detention vaults, and/or permeable pavement.
- Location and total area (square feet) of new or replaced impervious surface.

GEOLOGY

- Geotechnical reports (*this has been provided*).
- Proposed depth of excavation.
- Total cubic yards of cut and fill volumes, as well as the locations.

HISTORIC AND ARCHAEOLOGICAL RESOURCES

- Anticipated maximum depth(s) and locations of project ground disturbance by project activity, e.g., grading, trenching, landscape improvements, etc.

ENERGY AND LIGHTING

- Lighting plans, if applicable.

CIRCULATION, ACCESS, AND PARKING

- Proposed project site plan illustrating on-site circulation
- Written description of emergency access provisions (internal to site).
- Data on construction vehicles – number of truck trips, schedule of construction activities (daily and overall construction timeline, i.e., days of use, total days of use).
- Planned construction detours and staging, as applicable.

GREENHOUSE GASES

- GHG reduction strategies that will be incorporated into new buildings (e.g., energy-efficiency measures, water-conserving faucets/toilets, water-efficient landscaping, etc.).

12

MEMORANDUM

To: Board of Director

July 12, 2019

From: Drew McIntyre, General Manager



Subj: City of Novato Subordination Request – Successor Agency to the dissolved Redevelopment Agency

t:\gmibod misc 2019\con redevelopment agency subordination request memo final.doc

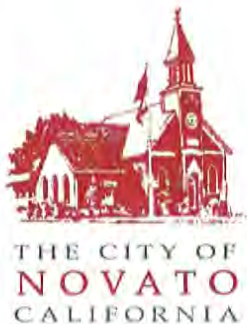
RECOMMENDED ACTION: Approve the City of Novato Subordination Request and authorize the General Manager to issue the attached acknowledgement

FINANCIAL IMPACT: None

Attached is a letter from the City of Novato ("City") on behalf of the Successor Agency (Agency) to the dissolved Redevelopment Agency. In order to provide for refunding of certain bonds and other debt issued by the Redevelopment Agency related to the Hamilton Field Project Development and the Agency's merged "Project Area", the letter requests that NMWD (a "taxing entity") agree to the subordination of Statutory Pass-through Payments that the Redevelopment Agency is required to pay to NMWD in connection with the Project Area. The City's financial report accompanying the request determined that should the refunding proceed as proposed the City would be able to meet its debt service payments along with all payments to the taxing entities. Thus, compliance with the City's request will have no financial impact on the District. The Board last approved a similar subordination request for the Hamilton Field Redevelopment Project at the February 1, 2011 meeting.

RECOMMENDATION

Agree to the subordination of Statutory Pass-through Payments that the City of Novato is required to pay the North Marin Water District in connection with bond payment obligations and authorize the General Manager to acknowledge same on the attached Acknowledgement form.



922 Machin Avenue
Novato, CA 94945
415/899-8900
FAX 415/899-8213
www.novato.org

Mayor
Eric Lucan
Mayor Pro Tem
Denise Athas
Councilmembers
Pam Drew
Pat Eklund
Josh Fryday

City Manager
Regan M. Candelario

Via Certified Mail

June 24, 2019

North Marin Water District
999 Rush Creek Place
Novato, CA 94945

Attn: Mr. Drew McIntyre, General Manager

**Re: Subordination Request Relating to Proposed Refunding Bond
Issue by the Successor Agency to the dissolved Redevelopment
Agency of the City of Novato**

Dear Mr. Drew McIntyre:

I am writing to North Marin Water District ("Taxing Entity") on behalf of the Successor Agency to the dissolved Redevelopment Agency of the City of Novato (the "Agency") pursuant to Sections 33492.15(b), 33607.5(e) and 34177.5(c) of the California Health and Safety Code (the "Code"). As you may be aware, the Agency may, with a taxing entity's approval, subordinate amounts that the Agency is required to pay such taxing entity pursuant to Sections 33492.15, 33607.5, 33607.7 and 34183(a)(1) of the Code (the "Statutory Pass-through Payments") to bonds issued by the Agency. At this time, the Agency is expecting to issue its 2019 Series A Tax Allocation Refunding Bonds and 2019 Series B Taxable Tax Allocation Refunding Bonds (together, the "Bonds") secured by the Agency's tax revenues derived from the Agency's Merged Project Area. The Bonds will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Agency's Redevelopment Property Tax Trust Fund, consisting of property tax revenues from the Agency's Merged Project Area (the "Project Area"). By this letter, the Agency requests that the Taxing Entity agree to the subordination of Statutory Pass-through Payments that the Agency is required to pay the Taxing Entity in connection with the Project Area to the payment of debt service on the Bonds.

Please note that this is the same process as was undertaken with respect to the Agency's Prior Bonds described below, and the Statutory Pass-through Payments payable to the Taxing Entity were subordinated to debt service on those bonds.

The Bonds are being issued to refund the (i) \$24,835,000 initial principal amount of Hamilton Field Redevelopment Project Tax Allocation Bonds, Series 2005 (the "2005 Bonds"), (ii) \$9,520,000 initial principal amount of Hamilton Field Redevelopment Project 2005 Tax Allocation Housing Bonds, Series A (the "2005A Bonds"), (iii) \$17,000,000 initial principal amount of Hamilton Field Redevelopment Project Tax Allocation Bonds, Series 2011 (the "2011 Bonds" and, together with the 2005 Bonds and the 2005A Bonds, the "Prior Bonds") and, potentially, (iv) a Tax Allocation Loan Agreement by and between the Former Agency and the California Infrastructure and Economic Development Bank, dated as of December 17, 2002 (Agreement # CIEDB 02-042), as amended (the "IBank Loan," and together with the Prior Bonds, the "Prior Obligations").

RECEIVED

JUL 03 2019

North Marin Water District

Enclosed for your review, pursuant to Sections 34177.5(c)(2) and 33607.5(e)(2) of the Code, is a tax revenue projection summary, which includes a debt service coverage analysis prepared by Urban Analytics LLC (the "Fiscal Consultant"). The Fiscal Consultant's report shows that the Agency can reasonably expect to have sufficient funds available to pay both debt service on the Bonds and all of the Agency's Statutory Pass-through Payments owed to the various affected taxing entities, including the Taxing Entity.

For the benefit of the Agency's records, please complete the attached Acknowledgement and return to our office no later than August 1, 2019. The Agency also requests that the governing body of the Taxing Entity take official action, by resolution or motion, to formally approve the subordination.

Please note that, in accordance with Sections 34177.5(c)(3) and 33607.5(e)(3) of the Code, if the Taxing Entity does not respond to the requested subordination within forty-five (45) days of receipt of this letter, the subordination will be automatically deemed approved by the Taxing Entity and such approval shall be final and conclusive. Furthermore, to disapprove this subordination, the Taxing Entity must find, based on substantial evidence, that the Agency will not be able to pay the debt service on the Bonds and the Statutory Pass-through Payments that it is required to pay the Taxing Entity.

Thank you in advance for your cooperation in this matter. If you have any questions regarding this matter, please do not hesitate to contact me at (415) 899-8988 or mantwine@novato.org.

Sincerely,

Michael L. Antwine II
Assistant Executive Director,
Successor Agency to the dissolved Redevelopment Agency
of the City of Novato

Enclosure (Fiscal Analysis)

C: Executive Director, Successor Agency

Novato 2019 TARBs Debt Service Coverage
(No Growth From 2018-19)

Fiscal Year	Gross Tax Increment (a)	County Administration Fee (b)	Net Tax Increment (c = a-b)	Mitigation Payments (d)	Tax Increment After Mitigation Payments (e = c-d)	Debt Service (f)	Debt Service Coverage Ratio (g = e/f)	Tax Increment After Debt Service (h)	Statutory Passthrough Payments (i)	Passthrough Coverage Ratio (j = h/i)
2019/20	9,296,915	146,430	9,150,485	345,681	8,804,804	2,712,428	3.25	6,092,376	2,104,157	2.90
2020/21	9,296,915	146,430	9,150,485	345,681	8,804,804	2,686,853	3.28	6,117,951	2,104,157	2.91
2021/22	9,296,915	146,430	9,150,485	345,681	8,804,804	2,688,341	3.28	6,116,463	2,104,157	2.91
2022/23	9,296,915	146,430	9,150,485	345,681	8,804,804	2,682,588	3.28	6,122,216	2,104,157	2.91
2023/24	9,296,915	146,430	9,150,485	345,681	8,804,804	2,688,761	3.27	6,116,043	2,104,157	2.91
2024/25	8,296,915	146,430	8,150,485	670,536	7,479,950	2,357,402	3.17	5,122,548	2,104,157	2.43
2025/26	8,296,915	146,430	8,150,485	670,536	7,479,950	2,357,980	3.17	5,121,970	2,104,157	2.43
2026/27	8,296,915	146,430	8,150,485	670,536	7,479,950	2,360,680	3.17	5,119,270	2,104,157	2.43
2027/28	8,296,915	146,430	8,150,485	670,536	7,479,950	2,359,380	3.17	5,120,570	2,104,157	2.43
2028/29	8,296,915	146,430	8,150,485	670,536	7,479,950	2,359,805	3.17	5,120,145	2,104,157	2.43
2029/30	8,296,915	146,430	8,150,485	670,536	7,479,950	2,356,665	3.17	5,123,285	2,104,157	2.43
2030/31	8,296,915	146,430	8,150,485	670,536	7,479,950	2,358,400	3.17	5,121,550	2,104,157	2.43
2031/32	8,296,915	146,430	8,150,485	1,383,265	6,767,220	2,362,400	2.86	4,404,820	2,104,157	2.09
2032/33	8,296,915	146,430	8,150,485	1,383,265	6,767,220	2,333,600	2.90	4,433,620	2,104,157	2.11
2033/34	8,296,915	146,430	8,150,485	1,383,265	6,767,220	2,338,200	2.89	4,429,020	2,104,157	2.10
2034/35	8,296,915	146,430	8,150,485	1,383,265	6,767,220	2,319,800	2.92	4,447,420	2,104,157	2.11
2035/36	8,296,915	146,430	8,150,485	1,383,265	6,767,220	2,324,200	2.91	4,443,020	2,104,157	2.11
2036/37	8,296,915	146,430	8,150,485	1,383,265	6,767,220	2,320,400	2.92	4,446,820	2,104,157	2.11
2037/38	8,296,915	146,430	8,150,485	1,383,265	6,767,220	1,768,600	3.83	4,998,620	2,104,157	2.38
2038/39	8,296,915	146,430	8,150,485	1,383,265	6,767,220	1,765,600	3.83	5,001,620	2,104,157	2.38
2039/40	8,296,915	146,430	8,150,485	1,383,265	6,767,220	1,695,200	3.99	5,072,020	2,104,157	2.41
2040/41	-	-	-	-	-	-	-	-	-	-

Source: Marin County Department of Finance as to 2018-19 RPTTF, Urban Analytics as to future Mitigation Payments, Underwriter as to Debt Service

=====

ACKNOWLEDGEMENT

(Successor Agency to the dissolved Redevelopment Agency of the City of Novato)

In response to the request by Successor Agency to the dissolved Redevelopment Agency of the City of Novato (the "Agency") set forth in a letter dated June 28, 2019 (the "Subordination Request"), to approve the Agency's subordination of Statutory Pass-through Payments, the undersigned Taxing Entity hereby confirms its approval of the subordination of the Agency's obligation to pay Statutory Pass-through Payments to Taxing Entity in connection with the Agency's payment obligations for the Bonds.

[The governing board of the Taxing Entity has taken formal action on _____, 2019, to acknowledge and approve this subordination. A copy of the related [resolution / minute] is enclosed.]

All capitalized terms used but not defined in this Acknowledgement have the meaning ascribed to them in the Subordination Request.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgement to be signed by its authorized representative on _____, 2019.

North Marin Water District

By: _____

Name: _____

Title: _____

13

MEMORANDUM

To: Board of Directors

July 12, 2019

From: Tony Arendell, Construction/Maintenance Superintendent

TA

Subject: NMWD Contract with McLellan for Paving Jobs

k:\const sup\2019\bod memo re paving 2019-20.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

North Marin Water District (NMWD) has maintained a trench restoration paving contract with W.K. McLellan & Company (McLellan) since December 7, 2007, when McLellan was awarded the contract and on October 6, 2015, when McLellan was awarded the contract for a second time. They have always provided good service, and are basically set up for smaller patch paving jobs. McLellan has not raised their fees for the District since the second contract award in 2015, even in light of the rising costs for fuel, oil and labor. However, McLellan has informed NMWD that they can no longer provide their services for the 2015 contract price therefore NMWD will need to solicit bids for a new paving contract at this time.

14



North Bay Watershed Association

Board Meeting Notice

July 12, 2019

9:30 am– 11:30 pm Petaluma
Community Center, 320 N.
McDowell, Petaluma

Next Meeting

September 6, 2019
Napa Sanitary District
1515 Soscol Ferry Rd,
Napa, CA 94558

Board Meeting Agenda

- | | |
|---|----------|
| 1. Call to Order
<i>Jack Gibson, Chair</i> | 9:30 am |
| 2. Public Comment | |
| 3. Approval of Agenda
<i>Action: Approve</i> | 1 min. |
| 4. Approval of Minutes
<i>Action: Approve</i> | 1 min. |
| 5. Treasure's Report
<i>Action: Accept</i> | 1 min. |
| 6. Information Sharing
Member Agency Delegates share items of Interest to NBWA
<i>Delegates, Information Exchange</i> | 9:45 am |
| 7. OneWater Ideas for the North Bay
Building off last month's meeting, the speaker will present background with examples from North Bay on stronger regional cooperation and get Board input
<i>Ken Schwarz, Horizon Water & Environment Information and Board Recommendations</i> | 10:10 am |
| 8. Update: SF Bay Restoration Authority
<i>Judy Kelly, Es. Director NBWA Information</i> | 11:10 am |
| 9. Announcements/Adjourn | 11:25 am |

Items for next meeting

NO MEETING IN AUGUST

September: One year Review of Strategic Plan and what the NB can expect with new stormwater regulations.

15

DISBURSEMENTS - DATED JUNE 27, 2019

Date Prepared 6/25/19

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



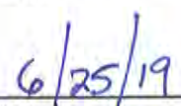
Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 6/15	\$135,980.96
EFT*	Internal Revenue Service	Federal & FICA Taxes PPE 6/15	57,285.29
EFT*	State of California	State Taxes & SDI PPE 6/15	11,855.60
EFT*	CalPERS	Pension Contribution PPE 6/15	34,970.11
EFT*	US Bank	May Bank Analysis Charge (Lockbox \$912 & Other \$448, Less Interest \$106)	1,253.45
1	Alpha Analytical Labs	Lab Testing	20.00
2	Arrow Benefits Group	April & June Dental Admin Fee	581.95
3	Asbury Environmental Services	Used Oil Pickup/Recycle	65.00
4	AT&T	Leased Lines	66.06
5	Autoworld	Side Step ('18 Dodge Ram 2500)	300.51
6	Bold & Polisner	May Legal Fees (\$4,137), California Voting Rights (\$11,425) & Potter Valley Project-FERC (\$1,407)	16,968.84
7	Core Utilities	Consulting Services: May IT Support (\$6,000), Troubleshoot Problems with Reports (STP) (\$675), Billing (\$50), AMI (\$100) & Website Maintenance (\$625)	7,450.00
8	Diesel Direct West	Diesel (420 gals) (\$2.80/gal) & Gasoline (750 gals) (\$2.82/gal)	4,260.30
9	Fedak & Brown	May Progress Billing (FY 19 Financial Audit)	4,250.00
10	Fedoroff, Steve & Karil	Refund Overpayment on Closed Account	35.58
11	Fishman Supply	Rain Jacket (Maintenance)	65.30

Seq	Payable To	For	Amount
12	Fisher Scientific	pH Electrode Storage Solution (\$77), Buffer, Copper Atomic Absorption & Standard Solution	101.08
13	Frizelle Enos Feeds	District Share of Road Maintenance (Vineyard Rd) (2/17)	374.66
14	Grainger	HVAC Filters (36) (\$363), PVC Ball Valves (5), Nipples (25), Hard Hats (2), Ear Muffs (2), Battery Cable & Ends ('13 Vac Excavator) (\$130), Hooks (4) & Masking Tape	737.13
15	Hach	Phosphoric Acid (5 gal) (STP)	317.05
16	Idexx Laboratories	Comparators for Micro Analysis (Lab)	55.98
17	InfoSend	May Processing Fee for Water Bills (\$1,344), Postage (\$3,713), May Monthly Support Fee (\$851) & Bill Insert - Water Quality Report Notice (21,500) (\$672)	6,580.23
18	Intellaprint Systems	Ink Cartridge for Engineering Plotter/Scanner	81.38
19	JW Mobile	Hydrant Parts	56.18
20	Kiosk Creative	Communications Review, Strategy & Plan 2019/2020 (Balance Remaining on Contract \$12,915.00)	4,085.00
21	Lincoln Life	Deferred Compensation PPE 6/15/19	10,438.43
22	Madruga Iron Works	Vault Lids (12) (Atherton Place)	24,393.41
23	Maher, Joe	Refund Overpayment on Open Account	91.42
24	Marin IJ Processing Center	Classified Ads: Water Rate Hearing, Notice of Public Hearings for District-Based Elections & NMWD Seeks Input from Residents	362.00
25	Marin County Radio Shop	Radio Installation ('19 Chevy Colorado)	751.36
26	Mutual of Omaha	July Group Life Insurance Premium	907.94
27	Nationwide Retirement Solution	Deferred Compensation PPE 6/15/19	1,995.00
28	Neopost	Postal Meter Rental (7/1/19 - 7/31/19)	124.43
29	NSI Solutions	QC Sample (Lab)	174.00

Seq	Payable To	For	Amount
30	Pace Supply	Service Saddles (50) (\$2,791), Tapping Sleeves (2) (\$1,508), Control Regulator Device Rebuild Kits (5) (\$425), 2" Gate Valves (10) (\$319), Couplings (17) (\$321), Unions (10) (\$287), Valves (4) (\$2,275), Nipples (41) (\$628), Meter Spuds (40) (\$532), Elbows (20), Hydrants (9) (\$9,426) & Check Valves for Sump Pumps (Pump Stations) (2)	18,714.62
31	Pacific Gas & Electric	Power: Bldgs/Yard (\$4,547), Rect/Control (\$2,539), Pumping (\$30,922), Treatment (\$948) & Other (\$151)	39,107.23
32	Point Reyes Light	Legal Notices: Rate Increase & O.M. Sewer Charge	576.00
33	Point Reyes Prop Mgmt Assn	June HOA Dues (25 Giacomini Rd)	75.05
34	Pollard Water	Hex Nipples for Backflows & Hydrant Repairs (10)	433.46
35	R & B	Couplings (6) & Tube Nuts (10)	286.01
36	Soiland	Asphalt Recycling (22 tons)	163.11
37	Sonoma County Water Agency	May Contract Water	277,496.64
38	SPG Solar	May Energy Delivered Under Solar Services Agreement	13,245.55
39	State Water Resources Control	Examination Fee for D1 Exam (Gibbs)	30.00
40	Syar Industries	Asphalt Recycling	1,001.63
41	Tamagno Green Products	Sludge Removal from STP (146 yds)	4,380.00
42	Team Ghilotti	Prog Pymt#2: Montego Key Pipeline Replacement Project (Balance Remaining on Contract \$165,717)	9,968.14
43	Township Building Services	May Janitorial Services	2,035.48
44	US Bank	May Safekeeping Treasury Securities	151.25
45	VWR International	Glass Ampules (40) (\$78) & Oven Thermometer (Lab)	145.84

Seq	Payable To	For	Amount
46	White & Prescott	Prog Pymt #14: Engineering Services - City of Novato - Redwood - 101 WLE (\$225), Prog Pymt #15: Novato Open Space - Pell WLE (\$315) & Prog Pymt #16: Atherton Place WLE (\$450) (Balance Remaining on Contract \$14,295)	990.00
47	Wiley Price & Radulovich	May Legal Services	432.00
48	Winzer	Cutting Wheels for Chop Saws (20)	341.77
TOTAL DISBURSEMENTS			<u>\$696,609.41</u>

The foregoing payroll and accounts payable vouchers totaling \$696,609.41 are hereby approved and authorized for payment.

	
Auditor-Controller	Date
	
General Manager	Date

DISBURSEMENTS - DATED JULY 3, 2019

Date Prepared 7/2/19

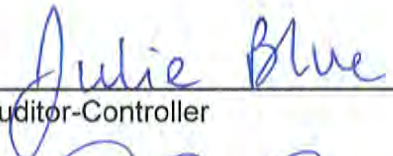
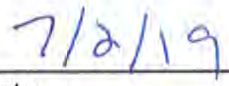

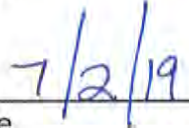
The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:

Seq	Payable To	For	Amount
*90186	US Bank Card	Laptop Battery (\$46), Hard Drive Caddies (5) (\$60), Adaptor for SSD Drive (\$18), Sympathy Flowers for Employee (\$78), "California Water" Book (\$178) (Engin), Ad for Temp Maint Laborer (\$150), PC Monitors (\$380) (2) & Monitor Adaptors (\$44) (4)	\$954.27
*90185	CalPERs	July Health Insurance Premium (Employees \$51,658, Retirees \$12,090 & Employee Contribution \$9,892)	73,640.74
1	Alpha Analytical Labs	Lab Testing	\$240.00
2	Amazon/Genuine-Hardware	Floats for O.M. Ponds Aerator (\$138), Hydration Station Sinks (2) (\$339), Record Book (\$25) (Lab), Eye Wash Solution (2) (\$27), Tick Removal Tweezers (2) (\$41) & Ethernet Cables (2) (\$20)	589.81
3	American Family Life Ins	June AFLAC Employee Paid Benefit	3,009.05
4	Associated Right of Way Services	Prog Pymt#2: Right of Way Real Estate Services for Gallagher Well #2 (Balance Remaining on Contract \$21,443)	487.50
5	AT&T	June Internet Connection	99.25
6	AT&T	Telephone (\$61), Fax (\$85), Data (\$280) & Leased Lines (\$140)	566.94
7	Backflow Distributors	Backflow Parts & Backflows for Hydrant Meters (10) (\$5,777)	5,834.42
8	Bay Alarm	Quarterly STP Fire Alarm (7/1/19-10/1/19)	338.19
9	Bennett Trenchless Engineers	Perform Preliminary Feasibility Evaluation of Trenchless Construction for Lagunitas Creek Crossing (Balance Remaining on Contract \$13)	4,987.50
10	Blue, Julie	Exp Reimb: Mileage (\$53) & Bridge Toll (\$8)	61.42

Seq	Payable To	For	Amount
11	Chan, Alan	Novato "Toilet Rebate" Program	100.00
12	Davenport, Colin	Exp Reimb: D2 Exam Fee	45.00
13	Diesel Direct West	Gasoline (549 gals) (\$2.76/gal)	1,901.67
14	Electrical Equipment	Motor for OM Ponds Aerator	500.96
15	Environmental Management	O.M. Ponds Road Repair	5,000.00
16	Fisher Scientific	Alkalinity Reagent (Lab)	63.87
17	Di Franco, Thomas	Novato "Toilet Rebate" Program	300.00
18	Grainger	Construction Film (\$137), Assorted Batteries (168) (\$47), 16" Socket, Tees (2) & Drill Bit	234.06
19	Huey, Elsie	Novato "Toilet Rebate" Program	200.00
20	Kehoe, Theresa	Exp Reimb: Frames for Construction, Mileage & Dance Palace Rental Fee for 6/25 Board Meeting	134.88
21	Laidley, John	Novato "Toilet Rebate" Program	200.00
22	Mitchell 1	Annual Software Subscription for Fleet Diagnostic Software	4,590.00
23	NMWD Employee Association	Dues 4/15/19 Through 6/15/19	1,190.00
24	Office Depot	Ipads Air w/ WiFi (9) (Board of Directors & Staff)	4,491.90
25	Pace Supply	Coupling Flange Adaptors (3) (\$3,429), Meter Pit Pumps (4), Elbows for Hydrant Backflows (12) (\$293) & 4" Check Valves (2) (\$738)	4,704.10
26	NMWD Petty Cash	Petty Cash Reimbursement: Safety Snacks (\$78), Safety Bucks (2), Light Bulbs & Tick Kit Supplies	83.90
27	Pollard Water	Parts for Backflow Hydrant Meters (20)	3,138.29
28	R & B	Elbows (5) (\$117), Meter Boxes (40) (\$1,172), Bushings (8), Coupling & Hydrants (2) (\$3,364)	4,795.16
29		Vision Reimbursement	120.00
30	Stompe, Brad	Exp Reimb: Safety Snacks (STP)	97.25
31	Thatcher of California	Ferric Chloride (18 tons) (STP)	10,365.27

Seq	Payable To	For	Amount
32	Trattoria Ghiringhelli Catering	Deposit for Holiday Party	1,500.00
33	T & T Valve & Instrument	Filter Valves (6) (STP)	490.61
34	Univar	Sodium Hydroxide (25,623 gal) (STP)	9,190.91
35	USA BlueBook	Orion Sealed Electrodes (2) (\$610) (STP), Flags for Marking Water Lines (2,000) (\$407) (Const), 5 gal Containers for Hauling Bleach (3) (STP) (\$373) (Less Credit of \$421 for Returned Items)	969.93
36	VWR International	Agar Medium & pH Strips (600) (\$76) (Lab)	103.21
37	Williamson, Nancy	Exp Reimb: Snacks for Annual Inventory Day on 6/28	35.83
38	Williamson, Matthew	Exp Reimb: Safety Boots	200.00
TOTAL DISBURSEMENTS			<u>\$145,555.89</u>

The foregoing payroll and accounts payable vouchers totaling \$145,555.89 are hereby approved and authorized for payment.

	
Auditor-Controller	Date
	
General Manager	Date

DISBURSEMENTS - DATED JULY 11, 2019

Date Prepared 7/9/19



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

<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
P/R*	Employees	Net Payroll PPE 6/30	\$140,107.39
EFT*	Internal Revenue Service	Federal & FICA Taxes PPE 6/30	59,267.75
EFT*	State of California	State Taxes & SDI PPE 6/30	12,317.29
EFT*	CalPERS	Pension Contribution PPE 6/30	34,744.50
1	ADTS	Annual Random Compliance Program (2 Employees)	69.50
2	Allquip Universal	Vac Rental (1 Month) (While District's is Repaired)	4,123.00
3	All Star Rents	Mower Rental @ Multiple Locations	742.02
4	Alpha Analytical Labs	Lab Testing	100.00
5	Athens Administrators	June Replenishment for Checks Written	1,160.00
6	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 93 of 240) Aqueduct Energy Efficiency Project	46,066.67
7	Bay Area Barricade Service	Signs (20-18" x 12") ("Stafford Lake Public Water Supply . . .")	651.00
8	Cilia, Joseph	Retiree Exp Reimb (July Health Ins)	333.79
9	DataTree	June Subscription to Parcel Data Info	100.00
10	Diesel Direct West	Gasoline (\$3.20/gal & \$2.66/gal) (911 gal)	3,350.31
11	Diggs, James	Retiree Exp Reimb (July Health Ins)	311.19
12	Direct Line	July Telephone Answering Service	430.27
13	Eurofins Eaton Analytical	Lab Services	590.00
14	Friedman's Home Improvement	Parts for O.M. Ponds Sump Pump	26.40

Seq	Payable To	For	Amount
15	Gaya, DB	Prog Pymt#9: Perform Tank Coating Inspection on San Mateo Tank Project (Balance Remaining on Contract \$3,669)	459.20
16	GFOA	Membership Dues (Blue (9/1/19-8/31/20) (Budget \$160)	160.00
17	Grainger	1/4" Drill Bits (10), Hole Saws (8) (\$371), Chest Waders (2) (\$257) (STP), Sump Pump for O.M. Ponds (2) (\$479), Plumbing Supplies (\$724) (STP), Hooks for Vac Trailer, Hand Soap, Adaptor, Suction Hose & Coupler (STP)	2,162.56
18	Idexx Laboratories	Quanti-Tray (100) (Lab)	261.17
19	Jackson, David	Retiree Exp Reimb (July Health Ins)	986.81
20	Kaiser	DMV/DOT Physicals (Arendell & Bergstrom)	230.00
21	Latanyshyn, Roman	Retiree Exp Reimb (July Health Ins)	333.79
22	Lemos, Kerry	Retiree Exp Reimb (July Health Ins)	986.81
23	Lincoln Life	Deferred Compensation PPE 6/30/19	10,427.62
24	Daniel Macdonald AIA Architects	Prog Pymt#4: Review & Answer Questions for Lynwood P/S Motor Control (Balance Remaining on Contract \$2,282)	300.78
25		Vision Reimbursement	182.52
26	Microtech Scientific	Lauryl Sulfate (2) (\$110) & Tryptic Soy Broth (Lab)	186.63
27	Nationwide Retirement Solution	Deferred Compensation PPE 6/30/19	1,995.00
28	Pace Supply	Couplings (36) (\$1,414), Corp Stops (10) (\$447), Box Cover, All Thread Rods (48) (\$293), Double Check Valves (3) (\$396), Valves (4), Elbows (7) (\$171), Bushings (2), Gasket, Nipples (3) & Reducer	3,114.58
29	Pape Machinery	Service Parts for John Deer Loader	305.78
30	Peterson Trucks	Service Parts ('02 Int'l 5 yd Dump Truck) & King Pin & Parts ('06 International) (\$459)	696.49
31	Pollard Water	Parts for Backflows for Hydrant Meters	1,753.39

Seq	Payable To	For	Amount
32	PumpMan Norcal	Labor, Parts & Materials for Gallagher Well Rehabilitation	15,559.88
33	R & B	Service Saddles (8) (\$425) & Gaskets (30) (\$146)	571.80
34	Stafford, Vernon	Retiree Exp Reimb (July Health Ins)	333.79
35	Team Ghilotti	Prog Pymt#1: Montego Key Pipeline Replacement Project (Balance Remaining on Contract \$175,685)	18,480.00
36	Thatcher Chemical	Chloride (2,000 lbs) (STP) (Less Credit of \$2,000 Received for Container Deposit)	2,144.00
37	Township Building Services	Janitorial Supplies	658.04
38	USA BlueBook	Turbidity Standard (STP)	259.78
39	US Geological Survey	1/3 Share of FY19 Gallagher Stream Gauge Maintenance	8,685.00
40	Verizon Wireless	Cellular Charges: Data (\$682), Airtime (\$100) & Equipment Charges (\$383)	1,165.49
41	VWR International	Potassium Chromate & Agar (Lab)	78.58
42	Winzer	Misc Hardware for Fleet	534.91
		TOTAL DISBURSEMENTS	<u>\$377,505.48</u>

The foregoing payroll and accounts payable vouchers totaling \$377,505.48 are hereby approved and authorized for payment.

 _____ Auditor-Controller	7/8/19 _____ Date
 _____ General Manager	7/8/19 _____ Date



**NORTH MARIN
WATER DISTRICT**

999 Rush Creek Place
PO Box 146
Novato, CA 94948
Phone 415.897.4133
www.nmwd.com

Adopted - June 25, 2019

BUDGETS

Novato & West Marin Service Areas

FISCAL YEAR

2019/20

Directors: Jack Baker * Michael Joly * Rick Fraites * Stephen Petterle * James Grossi

Officers: Drew McIntyre, General Manager * Rocky Vogler, Chief Engineer * Terrie Kehoe, Secretary * Julie Blue, Auditor-Controller

INTRODUCTION

This document contains the fiscal year 2019/20 budgets for North Marin Water District's various enterprise service districts located in Marin County. These are:

Potable Water Service:

Novato

West Marin (Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills & Paradise Ranch Estates)

Recycled Water Treatment, Transmission and Distribution:

Novato

Sewage Collection, Treatment & Reuse/Disposal:

Oceana Marin

Accompanying the operating budgets are improvement project expenditures for the fiscal year. Questions regarding these budgets may be directed to Julie Blue, Auditor-Controller, at jblue@nmwd.com or 415-761-8950.

MISSION STATEMENT

Our mission is to meet the expectations of our customers in providing potable and recycled water and sewer services that are reliable, high-quality, environmentally responsible, and reasonably priced.

VISION STATEMENT

We strive to optimize the value of services we provide to our customers and continually seek new ways to enhance efficiency and promote worker and customer engagement and satisfaction.

NMWD VALUES

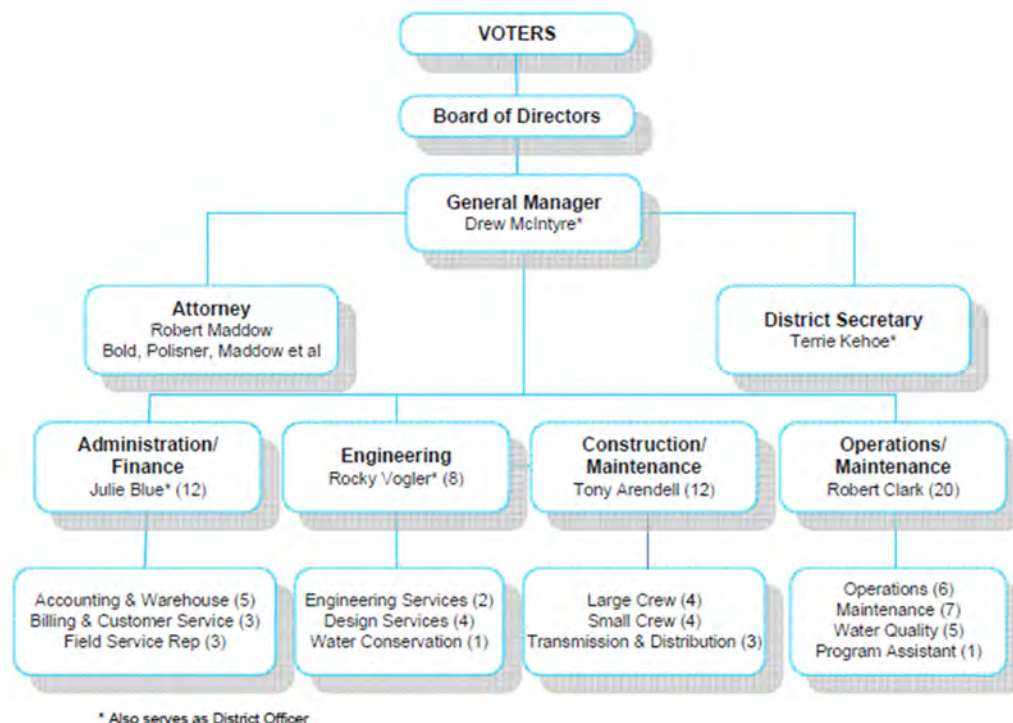
- Accountability – We work transparently and in full view of customers and take responsibility for our work.
- Integrity – Customers can count on quality and fair service from our staff and the District.
- Teamwork – We work cooperatively to accomplish our goals.
- Honesty – We always seek the truth in what we do.
- Respect – We value our customers and co-workers.

ORGANIZATION FACT SHEET

July 2019

Organization:

- 5 Directors elected at large for 4-year terms
 - Jack Baker, President
 - Michael Joly, Vice-President
 - Rick Fraites
 - Stephen Petterle
 - James Grossi
- 1 General Manager, Drew McIntyre (serves at the pleasure of the Board of Directors)
- 4 Departments
- 54 Employees (regular full-time-equivalent authorized)



* Also serves as District Officer

Authority:

Formed by voter approval in April 1948 pursuant to provisions of the County Water District Law (refer Water Code - Division 12). A "voter-run" district.

Territory:

100 square miles (see attached map)

Distribution System Expansion Policy:

"Pay-as-you-go." Connection fees for typical single family units vary for each improvement district and are based on the policy that new growth pays the incremental cost to expand the utility plant allocable to said service.

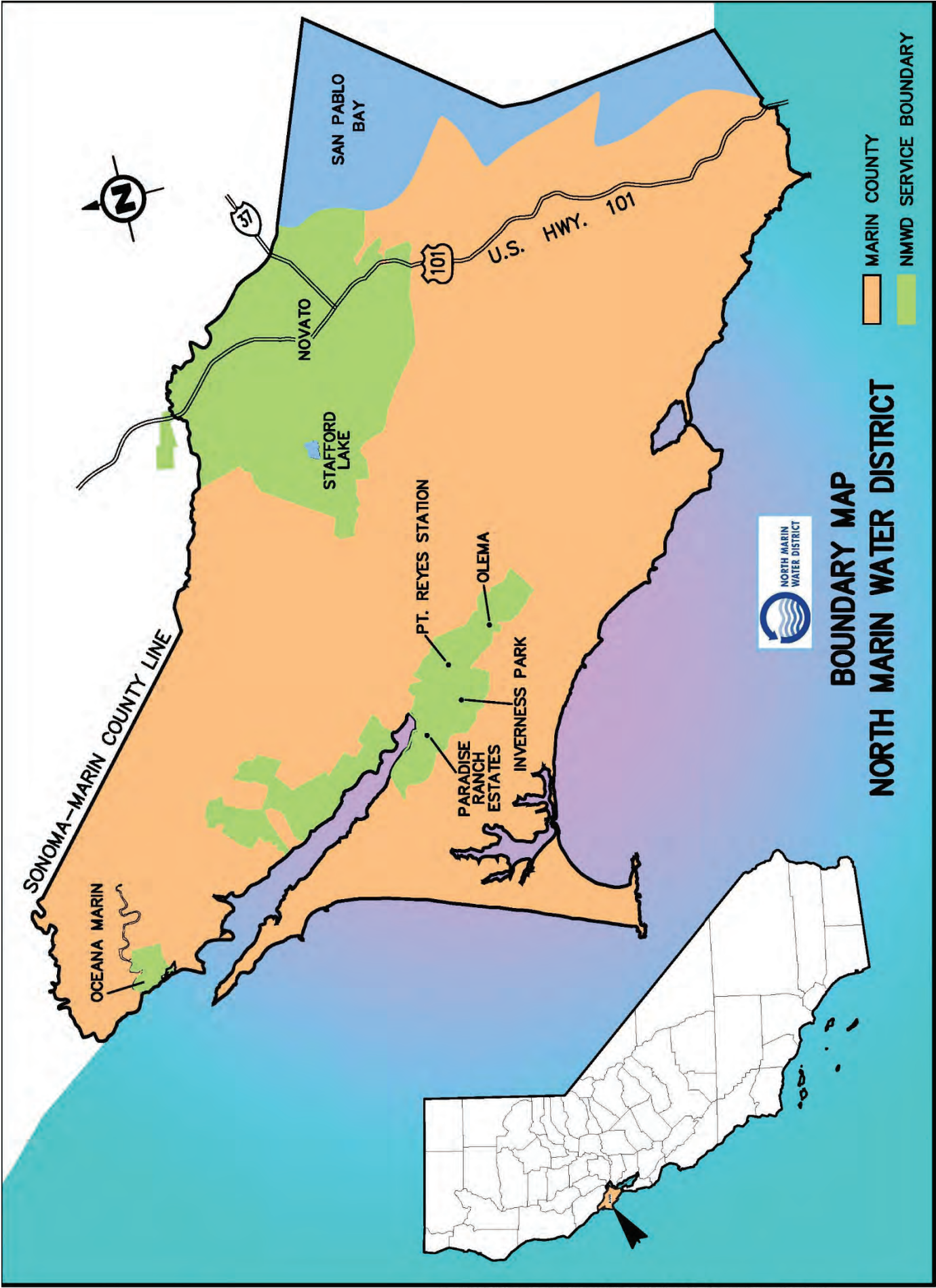


TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
FISCAL YEAR 2019/20 WATER AND SEWER BUDGETS

Source and Use of Funds Pie Chart – All Service Areas Combined	1
--	---

Budget Narrative

Novato Water System	2
Recycled Water System	5
West Marin/Ocean Marin Systems	6
Capital Improvement Projects.....	9
Equipment Budget	11
Debt Service	12

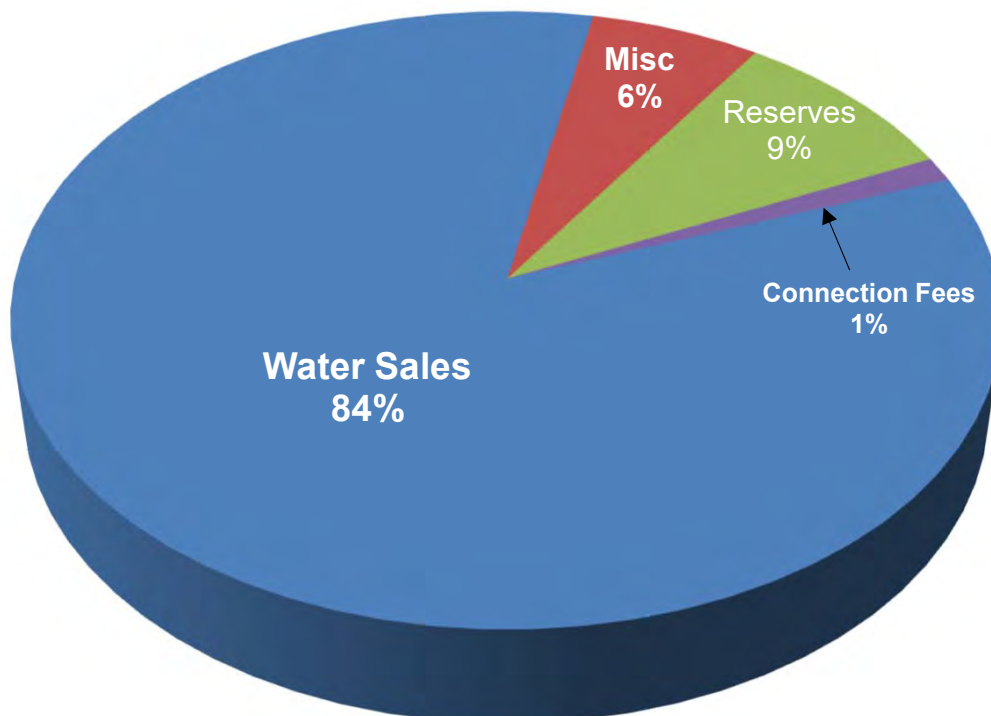
Budget Schedules

Budget Summary - All Service Areas Combined	13
Novato Water Budget Summary	14
Novato Water Five-Year Financial Forecast	15
Novato Water Operating Budget Detail	16
Novato Recycled Water Budget Summary	19
Novato Recycled Water Five-Year Financial Forecast.....	20
West Marin Budget Summary	21
West Marin Water Five-Year Financial Forecast.....	22
Oceana Marin Sewer Budget	23
Oceana Marin Sewer Five-Year Financial Forecast	24

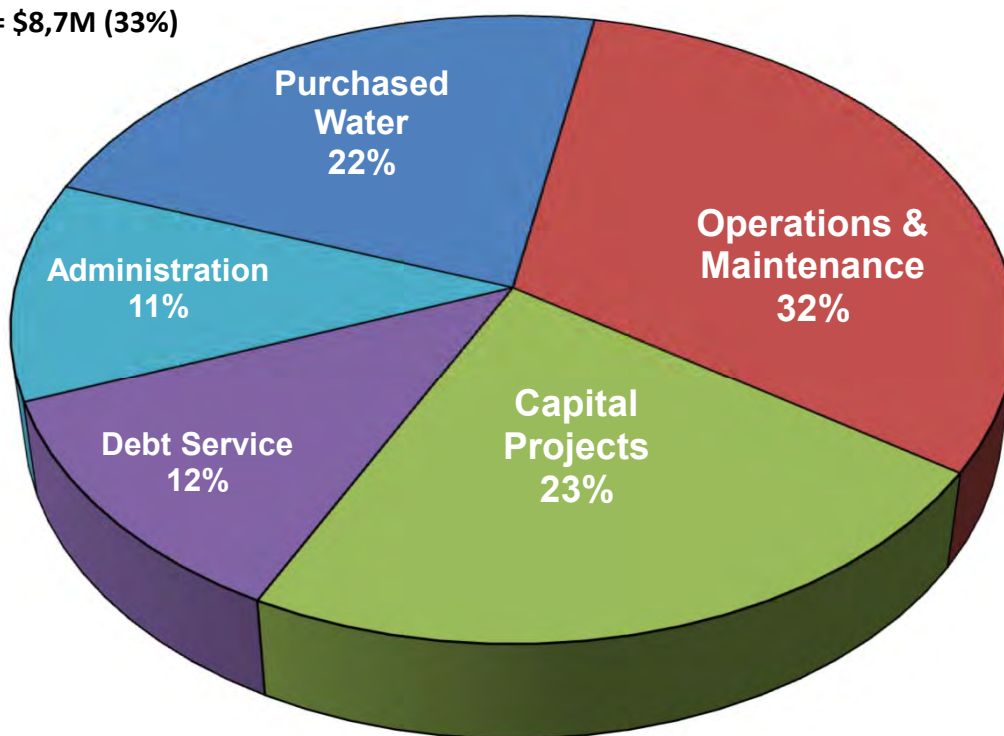
Capital Improvement Projects, Debt Service and Equipment

Novato Water System CIP	25
Recycled Water System CIP	27
West Marin System CIP.....	28
Oceana Marin System CIP	28
Project Outlay & Project Grant/Loan Funding.....	29
Debt Service Obligation Detail.....	30
Studies & Special Projects.....	31
Capital Equipment Expenditures	32

NORTH MARIN WATER DISTRICT
FY19/20 BUDGET - ALL SERVICE AREAS COMBINED
SOURCES = \$26,687,000



Labor = \$8,7M (33%)



USES = \$26,687,000

Excludes Depreciation Expense & Developer Funded Costs

Summary

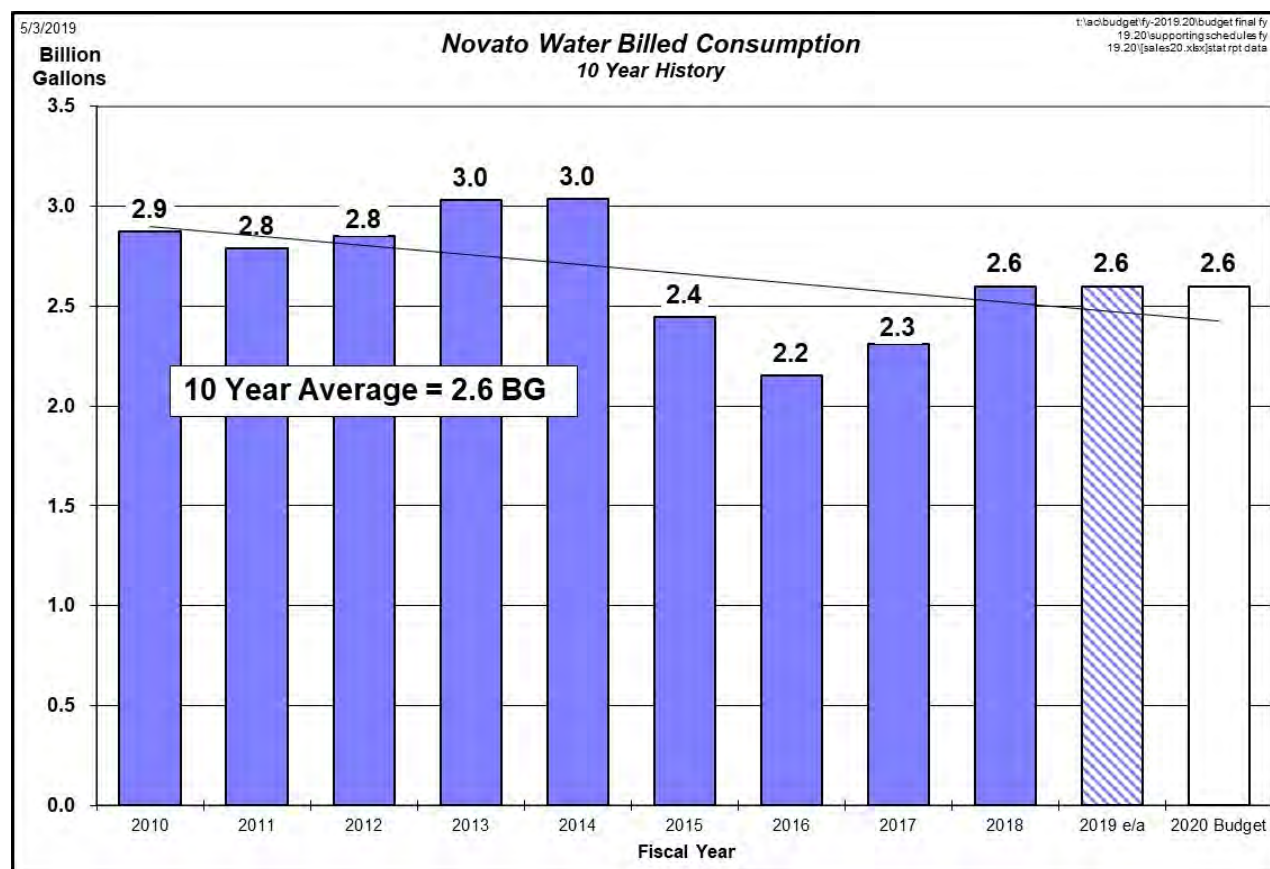
The \$26.7 million consolidated budget projects operating revenue of \$23 million and a net income of \$1.8 million. The FY 19/20 budget incorporates \$5.7 million in capital improvement projects and \$6 million in water purchases. After payment of \$3.1 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of \$2.3 million.

Novato Water

The Novato Potable Water System budget projects a \$2.3 million cash decrease over the fiscal year. A 3.5% rate increase in both the commodity and bimonthly service charge, effective June 1, 2019, was approved by the Board of Directors at a public hearing occurring on May 21, 2019. Total budget outlay, which includes \$4.3 million in capital improvement projects, is projected at \$23.7 million which is \$0.5M higher than the FY 18/19 budget.

Operating Revenue

Water Sales - Water sales volume is budgeted at 2.6 billion gallons (BG) which is slightly higher than the FY 18/19 projections and consistent with FY 17/18 actual sales. The 3.5% rate increase, effective June 1, 2019 is projected to increase revenues by \$652,000 but is highly dependent on water sales volume. The below chart shows a 10-year history of billed consumption for the Novato Potable Water System.



NMWD FINAL BUDGET FY 19/20

Other Revenue – Connection Fee revenue is budgeted at \$340,000. Connection fee revenue of \$1.4 million for 48 Equivalent Dwelling Units (EDUs) was collected in FY 17/18. The annual average connections have been 24 EDUs (FY 13/14 through FY 17/18). Included in the projections is annual revenue equivalent to 12 EDUs or half of the actual five-year average.

The wheeling charge to Marin Municipal Water District is budgeted at \$75,000. This is based on and equal to the projected revenue estimate to be received for the current fiscal year. In addition, MMWD will pay the annual fixed AEEP capital contribution in accord with the terms of the 2014 Interconnection Agreement. Miscellaneous Revenue includes \$91,000 in combined income from the rental of the Point Reyes home, the Little Mountain cell phone tower lease, Indian Valley Golf Club lease, two grazing leases, rental of the District's security apartment, and rental of the Pacheco Valle tennis courts.

Operating Expenditures

Operating expenses (excluding depreciation) are budgeted to decrease 1.9% or \$311,000 from the FY 18/19 budget. This decrease is primarily due to the one-time payment of \$1.28 million that will be made to SW in FY 18/19.

Source of Supply – The purchase of water from Sonoma Water (SW) (AKA Sonoma County Water Agency) is projected to increase 4.8% in FY 19/20. This change will result in a cost per acre-foot of \$937.37 for FY 19/20 versus \$894.17 for the current fiscal year and is estimated to increase the cost to purchase water by \$270,000.

The current year budget shows a decrease from the prior year budget due to the one-time payment of \$1.28 million that will be made to SW that was budgeted in FY 18/19.

Stafford Treatment Plant (STP) Water Production – STP water production is projected at 650 MG in FY 19/20 which is slightly lower than the average annual production of 670 MG over the past 10 years. The cost of production at the end of FY 17/18 was \$3,436/MG and varies depending on the volume and length of production.

Although the cost of STP water production is higher than purchases from SW, the benefits of having a local water supply for resiliency and emergency preparedness outweighs the additional costs in operating the plant.

Personnel Costs - The proposed budget includes a staffing level of 54 full-time equivalent (FTE) employees consistent with the current year budget (chart below).

<u>FTE Staffing</u>	<u>FY20</u>	<u>FY19</u>
Administration	8.0	8.0
Consumer Services	6.0	6.0
Construction/Maintenance	12.0	12.0
Engineering	8.0	8.0
Maintenance	9.0	9.0
Operations	6.0	6.0
Water Quality	<u>5.0</u>	<u>5.0</u>
	<u>54.00</u>	<u>54.00</u>

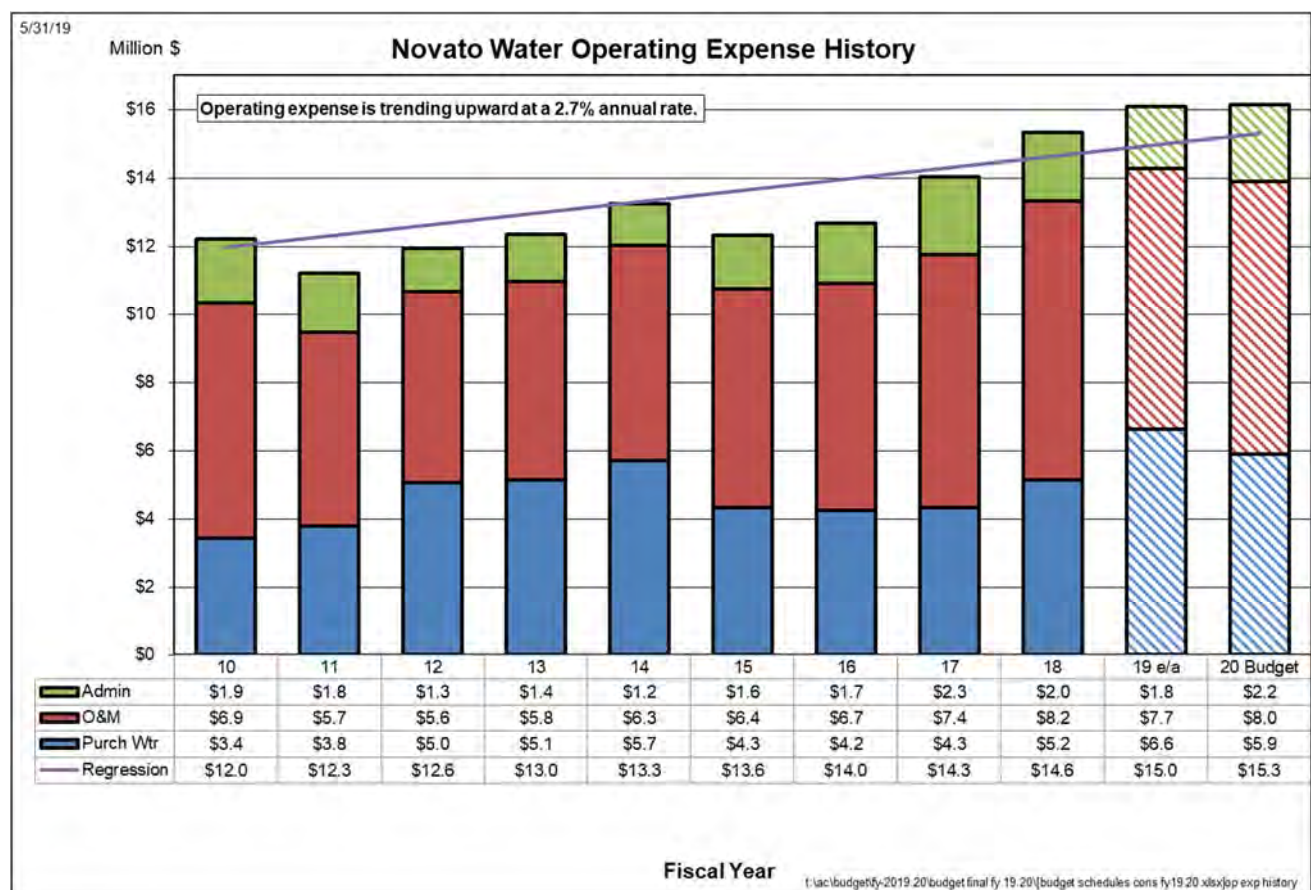
NMWD FINAL BUDGET FY 19/20

Temporary staffing budget is proposed to decrease by 931 hours from the prior year's budget to 7,905 hours. The decrease is due to a reduction in administration hours needed for assistance on special projects.

In accordance with the Employee Association and NMWD's Memorandum of Understanding (MOU), a 3.5% cost-of-living salary increase, has been factored into the budget effective October 1, 2019. The MOU links an annual cost-of-living adjustment (COLA) to the change in the CPI. The District entered into a 5-year MOU with the NMWD Employee Association beginning on October 1, 2018. The current MOU established a COLA minimum of 2.0% and a maximum of 4%. The overhead cost of labor charged to Novato operations has increased by an average of 4% annually over the past 5 years. Part of the increase is due to bringing on new employees (2 full-time equivalents) over the period to keep up with the operational demands of the District. The 3.5% cost-of-living increase is staff's best projection at this time.

The District's average CalPERS retirement contribution rate will increase 2.6% (to 26.41%) from the amount budgeted last year. All employees now pay 100% of the CalPERS employee contribution. For budgeting purposes, group health insurance rates remained constant. This cost decreased in 2019 and was a minimal increase in prior years.

The below chart shows the past 10-years of operating expense (excluding depreciation) for Novato Water.



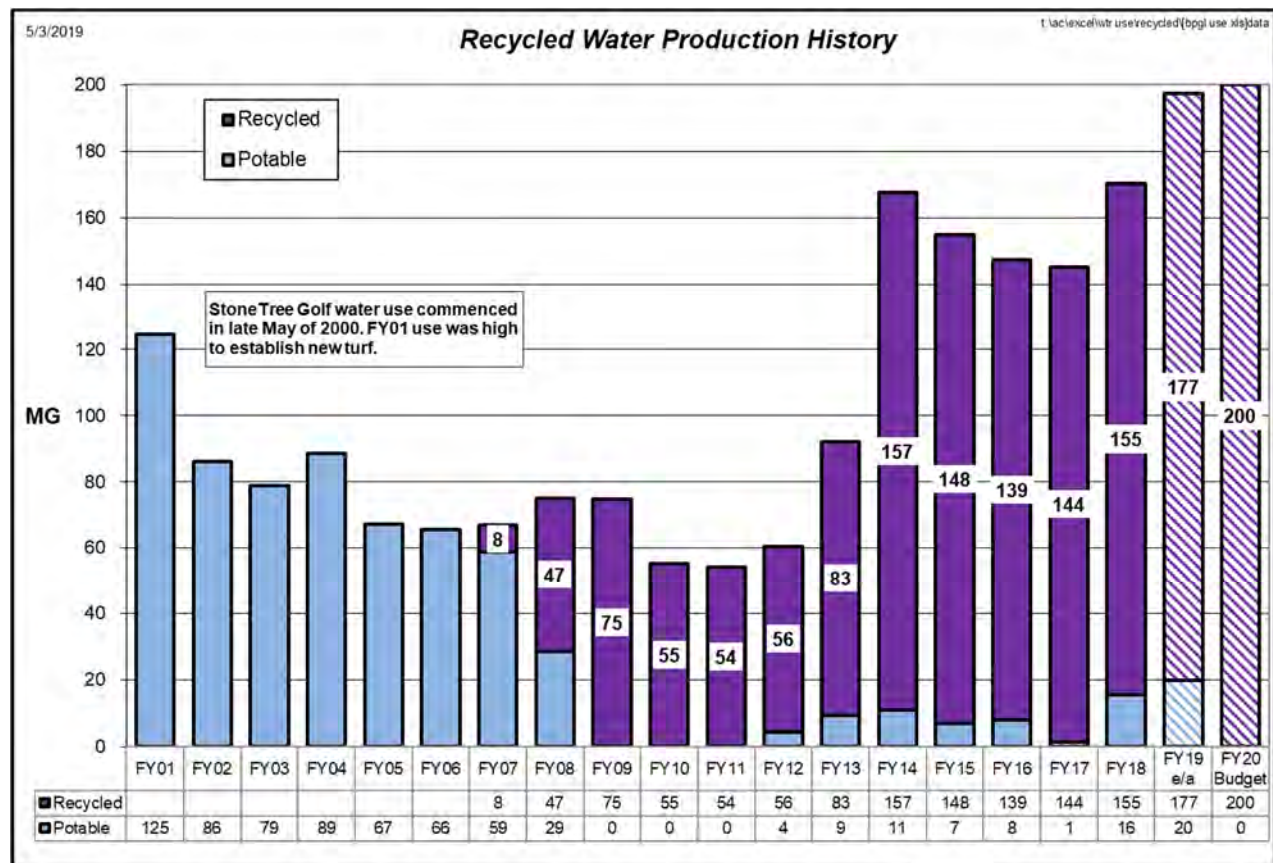
Recycled Water

The FY 19/20 Recycled Water (RW) System Budget projects demand of 200MG which is consistent with the volume budgeted in FY18/19. Sales have increased primarily due to the Central expansion project completed in FY 17/18. The budget projects purchase of 150MG of tertiary treated water from Novato Sanitary District and 45MG from La Gallinas Valley Sanitary District, at an average rate of \$1,400/MG. The Deer Island Plant is budgeted to produce 5MG during the summer, to keep it operating, and will serve as a back-up facility.

Consistent with the potable water increase, a 3.5% commodity rate and bimonthly service charge increase was implemented June 1, 2019. The increase is projected to generate \$42,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to increase 4% or \$21,000 from the FY 18/19 budget. This increase is primarily due the increase in employee hours for maintenance and operations.

The below chart shows historical production for the Recycled Water System.

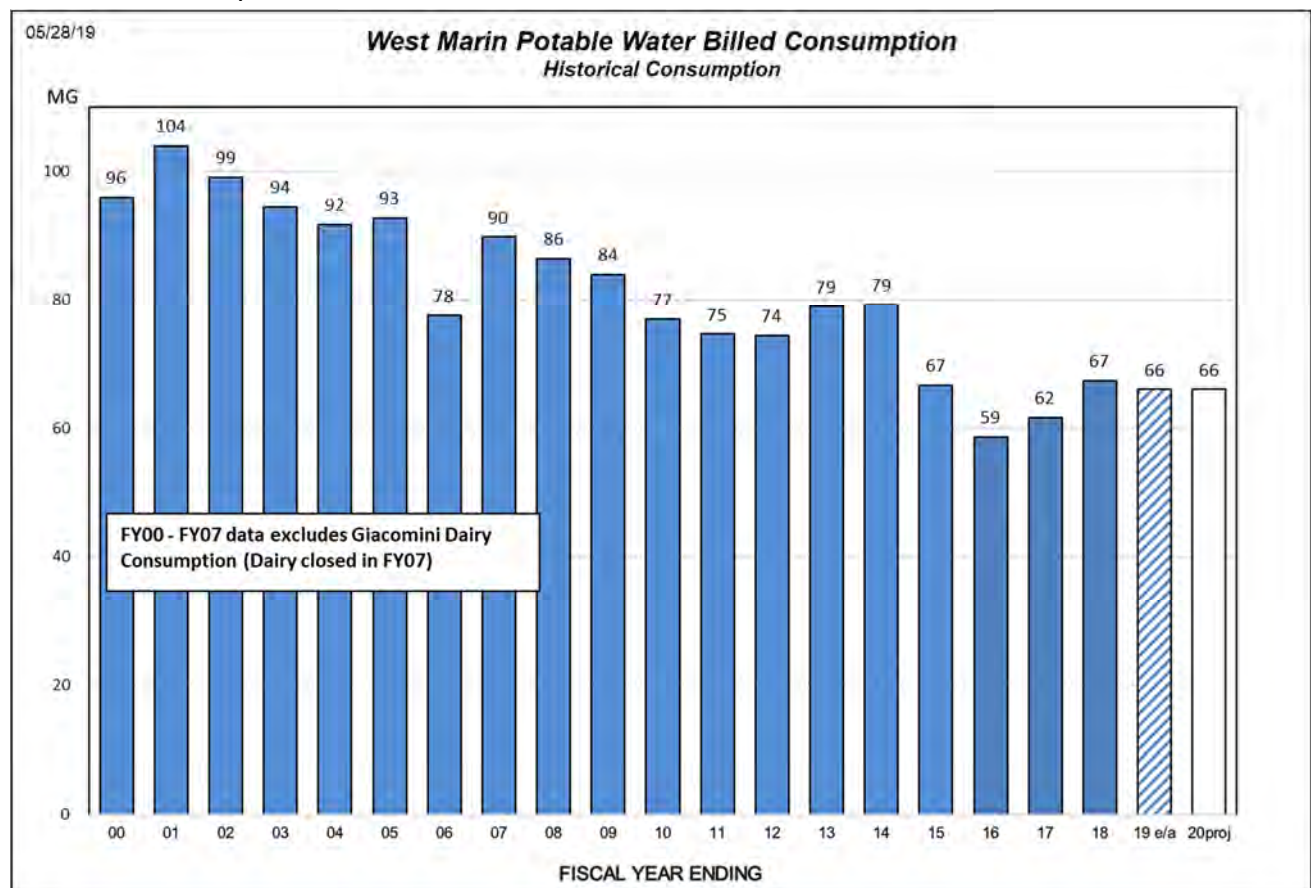


West Marin Water

A 3.5% rate increase for West Marin (WM) Water customers to be effective July 1, 2019, was approved by the Board of Directors at a public hearing occurring on June 25, 2019. The increase will add approximately \$2 per month (\$24 annually) to the typical residential customer water cost. The increase is for both the commodity rate and the bimonthly service charge and is projected to generate \$20,000 in additional revenue annually. Growth in the past three years has remained stable so conservatively there are no connection fees budgeted for FY 19/20. Included in the 5-year financial forecast is revenue for one connection every other year.

Significant Capital Improvement Projects budgeted for the year include continued work on the \$785,000 project to replace the Paradise Ranch Estates Tank 4A which is scheduled to be completed FY 19/20. Additional projects include \$200K towards the Lagunitas Creek Bridge Pipe Replacement project and \$300K for the disinfection byproduct (TTHM) removal project, WM TTHM reduction.

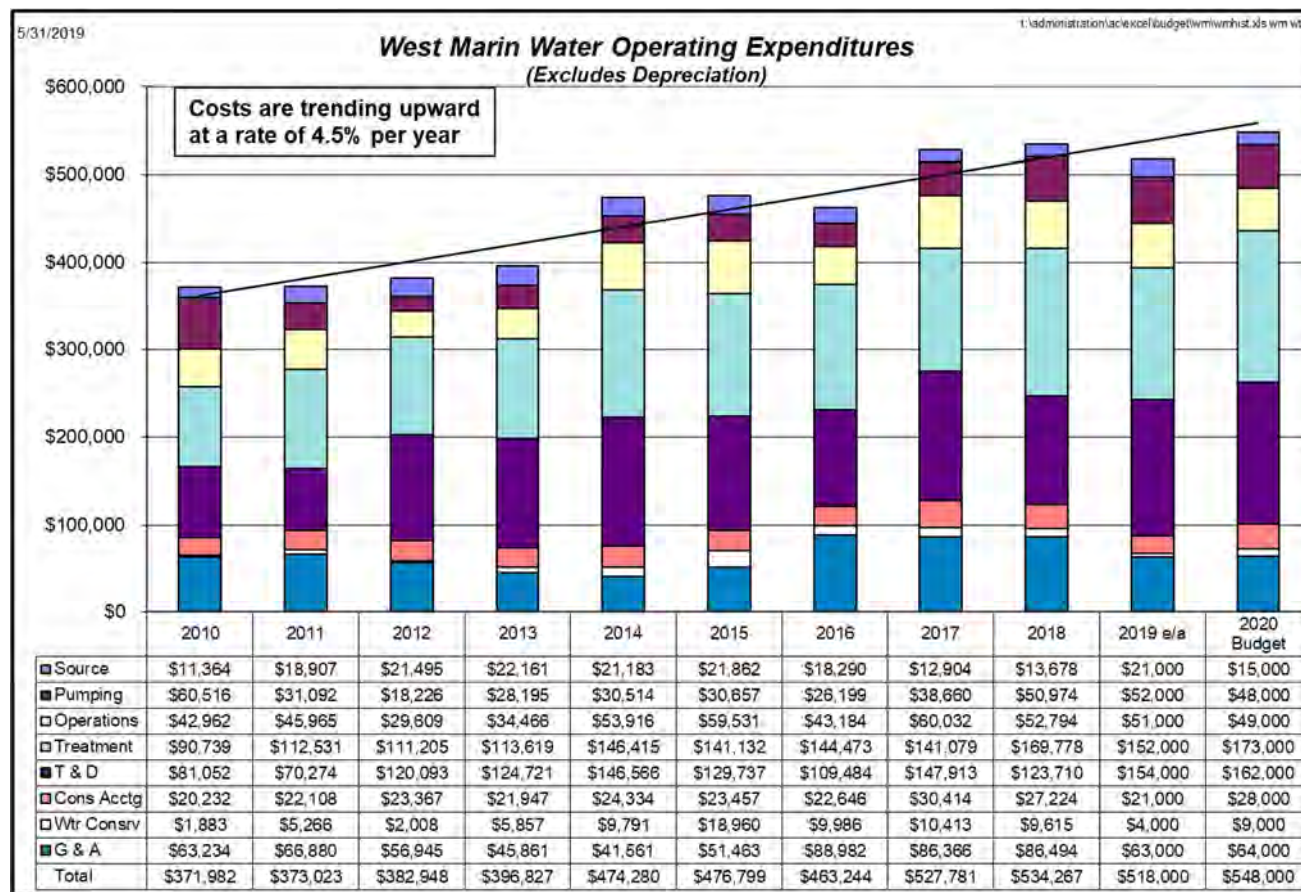
FY 19/20 water sales volume is budgeted at 66MG which is an average of the last three years of actual and projected use (FY16/17-FY18/19). See the below chart for the historical consumption for the WM service area.



NMWD FINAL BUDGET FY 19/20

WM operating expenditures, before depreciation, are budgeted at \$548,000 which is an increase of \$8,000 or 1.5% from the FY 18/19 adopted budget of \$540,000. The budget projects a net operating income of \$184,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$836,000.

The below chart shows the past 10-years of operating expense for West Marin Water.



Oceana Marin Sewer

A 3.5% increase (\$3/month - to \$1,116/year) in the Oceana Marin Sewer service charge to be effective July 1, 2019, is projected to add \$8,400 in additional annual revenue. This increase was approved by the Board of Directors at a public hearing occurring on June 25, 2019. Growth in the past three years has remained relatively stable so conservatively there are no connection fees budgeted for FY 19/20. Included in the 5-year financial forecast is revenue for one connection every other year.

Capital Improvement Projects budgeted for the year include the Tahiti Way Lift Pump 1 Assembly with a projected cost of \$15,000 to rebuild the pump. Additionally, \$40,000 is budgeted for the ongoing Capital work to identify and repair collection pipelines to prevent inflow and infiltration.

FY 19/20 OM operating expenditures, before depreciation, are budgeted at \$200,000 which is an increase of \$5,000 or 2.6% from the FY 18/19 adopted budget of \$195,000. The increase is primarily due to an increase in staff labor to maintain the system. The budget projects a net operating income of \$24,000 and, after capital outlay and debt service, the system is projected to show a cash increase for the year of \$143,000.

6/19/2019

\\server\administrative\acell\budget\mwm\mms\csls.pm

Oceana Marin Operating Expenditures (Excludes Depreciation)

Costs are trending upward at a rate of 4.9% per year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 e/a	2020 Budget
Collection	\$15,748	\$22,503	\$23,687	\$29,703	\$33,587	\$36,189	\$55,475	\$53,664	\$72,261	\$78,000	\$79,000
Treatment	\$19,474	\$18,470	\$25,928	\$29,021	\$31,901	\$45,727	\$45,868	\$58,688	\$64,613	\$58,000	\$46,000
Disposal	\$719	\$489	\$1,972	\$6,895	\$7,257	\$27,022	\$32,850	\$38,854	\$27,083	\$34,000	\$46,000
Contract Ops	\$62,755	\$61,592	\$61,215	\$62,281	\$47,803	\$0	\$0	\$0	\$0	\$0	\$0
Cons Acctg	\$3,952	\$2,778	\$2,636	\$2,162	\$2,235	\$2,091	\$2,131	\$2,244	\$2,590	\$2,000	\$2,000
G & A	\$24,228	\$22,359	\$22,052	\$18,099	\$15,735	\$21,604	\$22,807	\$26,284	\$26,870	\$25,000	\$27,000
Total	\$126,876	\$128,191	\$137,490	\$148,161	\$138,518	\$132,633	\$159,131	\$181,734	\$193,417	\$197,000	\$200,000

NMWD FINAL BUDGET FY 19/20

Capital Improvement Project Budget (CIP)

The proposed Fiscal Year 19/20 and FY 20/21 Capital Improvement Project (CIP) budget includes projects recommended for Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. Also included is a debt service schedule detailing the principal and interest payment required to fund prior CIPs.

Below is a summary identifying the significant projects (totaling \$400,000 or more) proposed to be undertaken over the next two fiscal years.

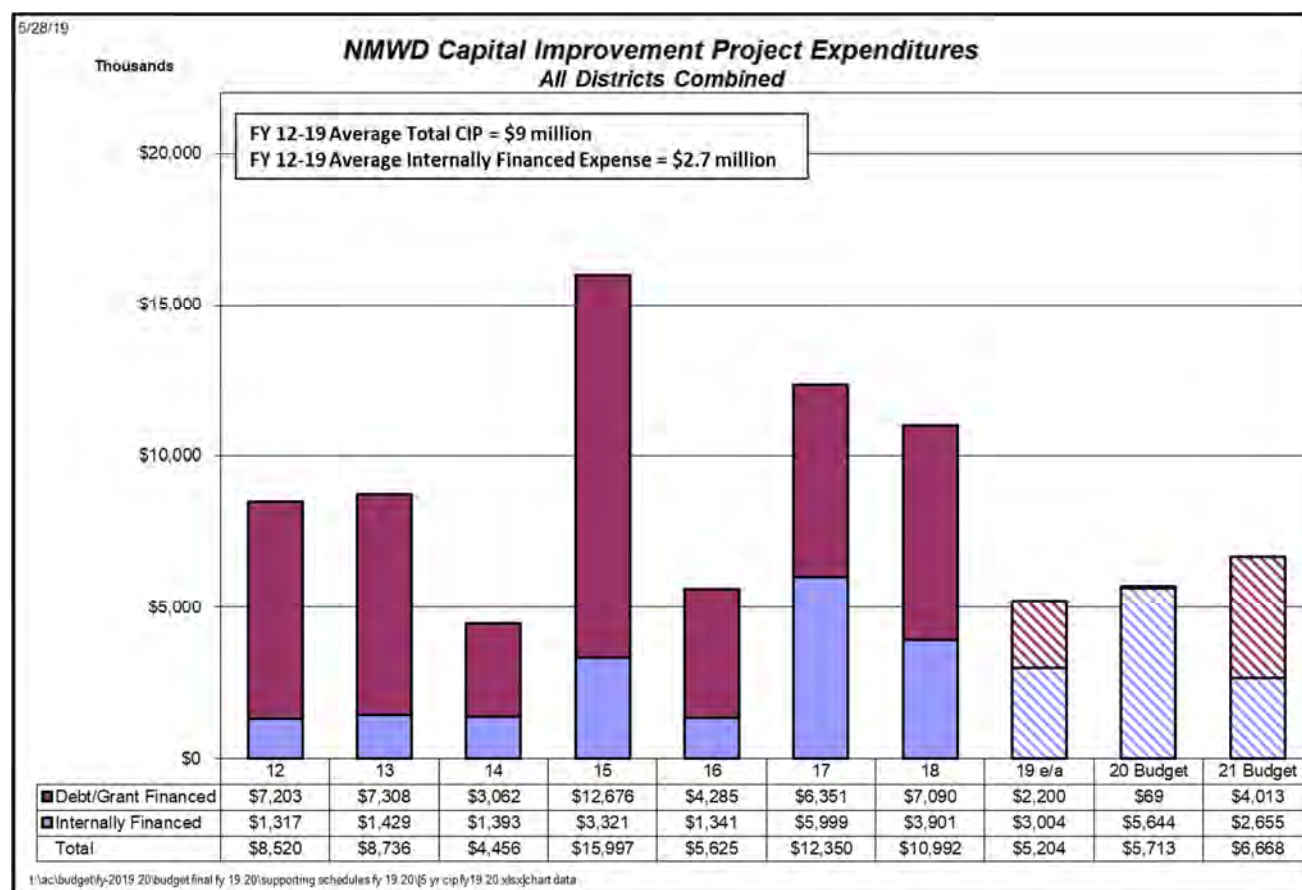
<u>Project</u>	FY 19/20	FY 20/21
Office/Yard Building Refurbish	\$900,000	\$3,000,000
Crest PS/Relocate School Rd PS	635,000	-
Replace PRE Tank 4A	550,000	-
Cherry Hill #2 Recoat	400,000	-
STP Generator	400,000	-
Lagunitas Creek Bridge Pipe Replacement	200,000	450,000
Old Ranch Rd. Tank #2	150,000	481,000
San Mateo 24" Inlet/Outlet Pipe (2,200')	50,000	742,000
New Gallagher Well #2	75,000	260,000
Other Projects	<u>2,353,000</u>	<u>1,735,000</u>
Gross Project Outlay	5,713,000	6,668,000
Less Loan/Grant Funding	(-)	(4,013,000)
Net Project Outlay (internally funded)	<u>\$5,713,000</u>	<u>\$2,655,000</u>

The proposed two-year combined total project outlay, net of grant/loan funding, totals \$8.4 million, which is slightly lower than the \$8.5 million combined two-year budget adopted last year. The proposed CIP budget includes 34 projects in FY 19/20 and 26 projects in FY 20/21. This comprehensive plan is developed to confirm that adequate funding and staffing exists to accomplish the budgeted projects planned for FY 19/20.

	Net Outlay		
<u>District</u>	Proposed FY20 & FY21	Adopted FY19 & FY20	Increase (Decrease)
Novato Water	\$6,006,000	\$5,925,000	\$81,000
Recycled Water	240,000	240,000	(0)
WM Water	1,990,000	1,775,000	215,000
OM Sewer	132,000	573,000	(441,000)
Total	<u>\$8,368,000</u>	<u>\$8,513,000</u>	<u>(\$145,000)</u>

NMWD FINAL BUDGET FY 19/20

The below chart shows the District wide 10-year history of capital improvement projects which averages \$9M per year including \$2.7M of internally (or “Pay-Go”) financed projects.



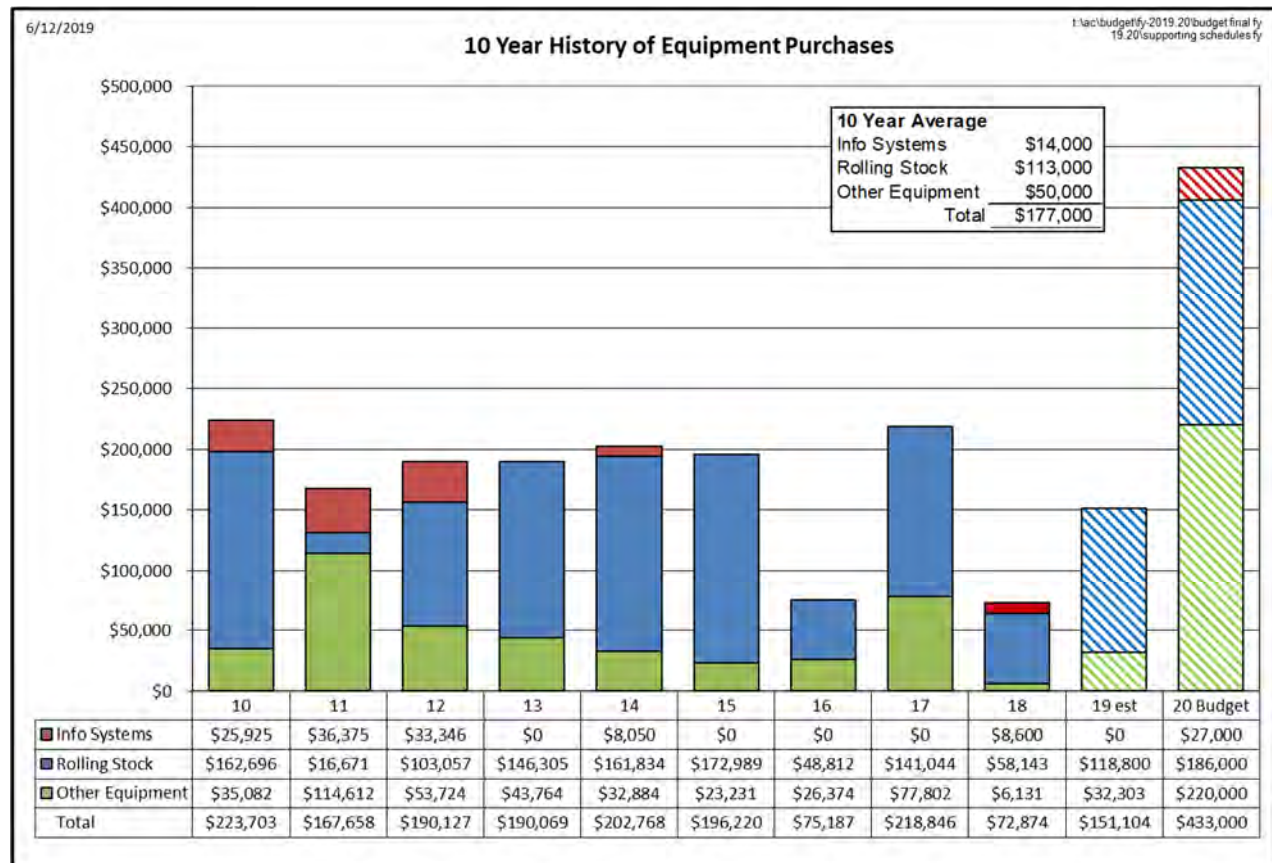
Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$2.6 million annually in internally funded projects, which is slightly above the \$2.5 million approved by the Board and incorporated into the 5-Year Financial Plan.

NMWD FINAL BUDGET FY 19/20

Equipment Budget

The proposed FY 19/20 Equipment Budget totals \$433,000. This is \$78,000 higher than the FY 18/19 Equipment Budget of \$355,000. FY 18/19 estimated actual expenditures are forecast to come in at \$151,000 which is \$204,000 below budget. Due to equipment needs the amount not spent in FY 18/19 has been allocated to FY 19/20.

A significant purchase included in the proposed budget is \$152,000 for additional generators needed to proactively plan for extended power outages associated with the roll out of PG&E's Public Safety Power Shutoff (PSPS) Program. There is also \$130,000 budgeted for a Vacuum Excavator. Additionally, a metals analyzer for \$68,000 is budgeted to replace a 20-year old piece of equipment for the lab. The following chart shows the ten year history of equipment purchases.



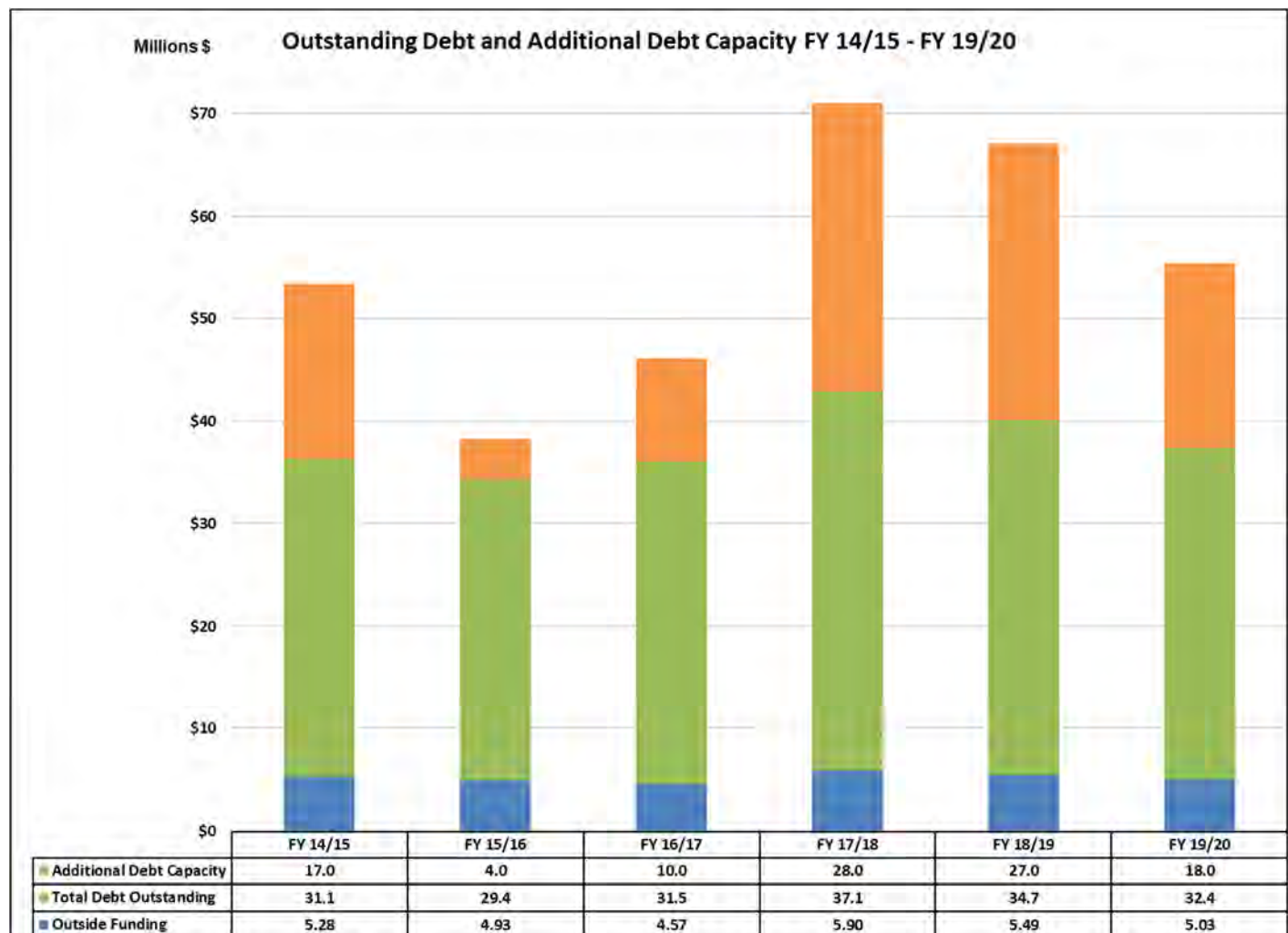
NMWD FINAL BUDGET FY 19/20

Debt Service

Principal and interest payments totaling \$3.2 million are budgeted as the annual obligation on \$35.3 million in outstanding debt (as of June 30, 2019), comprised of:

- 1.) \$4.4 million at 2.7% for a bank loan used to fund the Advanced Meter Information (AMI) project;
- 2.) \$9.2 million at 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 3.) \$14.1 million in SRF loans (with interest varying from 1%-2.6%) used to finance the recycled water distribution system;
- 4.) \$5.6 million at 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 5.) \$2 million at 2.4% SRF loan used to finance the Deer Island Recycled Water Facility.

The below chart outlines the District's total outstanding debt and additional debt capacity for the budget year FY 19/20 and five-years prior. The additional debt capacity keeps the District below the debt service ratio of 1.5 as included in the Board approved Debt Policy. As shown below the total debt is partially funded by outside entities related to partnered projects.



NORTH MARIN WATER DISTRICT
BUDGET SUMMARY - ALL SERVICE AREAS COMBINED
Fiscal Year 2019/20

	<i>Proposed Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Water Sales	\$22,345,000	\$21,274,000	\$22,207,000
2 Sewer Service Charges	261,000	252,000	252,000
3 Wheeling & Misc Service Charges	392,000	386,000	347,000
4 Total Operating Income	\$22,998,000	\$21,912,000	\$22,806,000
OPERATING EXPENDITURES			
5 Source of Supply	6,186,000	6,922,000	7,044,000
6 Pumping	438,000	452,000	391,000
7 Operations	808,000	1,161,000	696,000
8 Water Treatment	2,697,000	2,463,000	2,603,000
9 Sewer Service	171,000	170,000	164,000
10 Transmission & Distribution	3,656,000	3,456,000	3,331,000
11 Consumer Accounting	644,000	551,000	648,000
12 Water Conservation	399,000	348,000	390,000
13 General & Administrative	2,383,000	1,932,000	2,392,000
14 Depreciation Expense	3,486,000	3,440,000	3,528,000
15 Total Operating Expenditures	\$20,868,000	\$20,895,000	\$21,187,000
16 NET OPERATING INCOME (LOSS)	\$2,130,000	\$1,017,000	\$1,619,000
NON-OPERATING INCOME/(EXPENSE)			
17 Tax Proceeds	\$116,000	\$114,000	\$114,000
18 Interest Revenue	277,000	355,000	159,000
19 Miscellaneous Revenue	133,000	179,000	137,000
20 Interest Expense	(806,000)	(840,000)	(850,000)
21 Miscellaneous Expense	(20,000)	(3,000)	(20,000)
22 Total Non-Operating Income/(Expense)	(\$300,000)	(\$195,000)	(\$460,000)
NET INCOME/(LOSS)	\$1,830,000	\$822,000	\$1,159,000
OTHER SOURCES/(USES) OF FUNDS			
23 Add Depreciation Expense	\$3,486,000	\$3,440,000	\$3,528,000
24 Connection Fees	340,000	2,322,000	733,000
25 Caltrans AEEP Reimbursement	1,000	1,000	1,000
26 MMWD AEEP Capital Contribution	205,000	245,000	245,000
27 Loans/Grants	69,000	20,000	349,000
28 Stone Tree Golf Principal Repayment	227,000	222,000	222,000
29 Capital Equipment Expenditures	(433,000)	(250,000)	(355,000)
30 Capital Improvement Projects	(5,713,000)	(5,141,000)	(7,770,000)
31 Debt Principal Payments	(2,333,000)	(2,336,000)	(2,279,000)
33 Total Other Sources/(Uses)	(\$4,151,000)	(\$1,477,000)	(\$5,326,000)
34 CASH INCREASE/(DECREASE)	(\$2,321,000)	(\$655,000)	(\$4,167,000)

NOVATO POTABLE WATER
BUDGET SUMMARY
Fiscal Year 2019/20

	<i>Proposed Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Water Sales	\$20,239,000	\$19,225,000	\$20,144,000
2 Wheeling & Misc Service Charges	342,000	337,000	340,000
3 Total Operating Income	\$20,581,000	\$19,562,000	\$20,484,000
OPERATING EXPENDITURES			
4 Source of Supply	\$5,896,000	\$6,638,000	\$6,756,000
5 Pumping	384,000	395,000	343,000
6 Operations	685,000	800,000	580,000
7 Water Treatment	2,494,000	2,295,000	2,413,000
8 Transmission & Distribution	3,432,000	3,291,000	3,136,000
9 Consumer Accounting	613,000	527,000	618,000
10 Water Conservation	390,000	344,000	380,000
11 General Administration	2,237,000	1,792,000	2,216,000
12 Depreciation Expense	2,788,000	2,742,000	2,820,000
13 Total Operating Expenditures	\$18,919,000	\$18,824,000	\$19,262,000
14 NET OPERATING INCOME (LOSS)	\$1,662,000	\$738,000	\$1,222,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$150,000	230,000	100,000
16 Miscellaneous Revenue	133,000	179,000	133,000
17 Interest Expense	(495,000)	(524,000)	(533,000)
19 Miscellaneous Expense	(20,000)	(\$2,000)	(20,000)
20 Total Non-Operating Income/(Expense)	(\$232,000)	(\$117,000)	(\$320,000)
21 NET INCOME/(LOSS)	\$1,430,000	\$621,000	\$902,000
OTHER SOURCES/(USES) OF CASH			
22 Add Depreciation Expense	\$2,788,000	\$2,742,000	\$2,820,000
23 Connection Fees	340,000	2,314,000	680,000
24 Caltrans AEEP Capital Contribution	1,000	1,000	1,000.00
25 MMWD AEEP Capital Contribution	205,000	245,000	245,000
26 SCWA Water Conservation Grant	-	20,000	30,000
27 Loans	-	-	250,000
28 Capital Equipment Expenditures	(433,000)	(250,000)	(355,000)
29 Capital Improvement Projects	(4,308,000)	(4,323,000)	(5,760,000)
30 Debt Principal Payments	(1,410,000)	(1,360,000)	(1,350,000)
31 Connection Fee Transfer from (to) RWS	(910,000)	1,370,000	1,255,000
32 Working Capital Increase/(Decrease)	-	-	-
33 Total Other Sources/(Uses)	(\$3,727,000)	\$759,000	(\$2,184,000)
34 CASH INCREASE/(DECREASE)	(\$2,297,000)	\$1,380,000	(\$1,282,000)

NOVATO POTABLE WATER

FY 19/20 Five-Year Financial Forecast

Fiscal Year Ending June 30 >		Proposed 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
SERVICES						
1	Active Meters @ Fiscal Year End	20,553	20,563	20,573	20,583	20,593
2	Increase for Year - Active Meters	10	10	10	10	10
WATER PRODUCTION (MG)						
3	Stafford Production	650	650	650	650	650
4	Russian River Purchases	2,080	2,080	2,080	2,080	2,080
5	Total Water Production	2,730	2,730	2,730	2,730	2,730
REVENUE & EXPENSE (\$ in 000's)						
OPERATING REVENUE						
6	Potable Water Sales	\$20,239	\$21,150	\$22,101	\$23,096	\$24,135
7	Wheeling & Other Misc Service Charges	342	356	370	385	400
8	Total Operating Revenue	\$20,581	\$21,505	\$22,471	\$23,481	\$24,535
OPERATING EXPENSE						
9	Russian River Water	\$5,710	\$6,053	\$6,416	\$6,801	\$7,209
10	Overheaded Operating Labor	7,059	7,271	7,489	7,714	7,945
11	Purification Chemicals	455	469	483	497	512
12	Electric Power	444	457	471	485	500
13	Other Operating Expenses	2,463	2,537	2,613	2,691	2,772
14	Depreciation	2,788	2,820	2,850	2,880	2,910
15	Total Operating Expense	\$18,919	\$19,606	\$20,321	\$21,068	\$21,848
NON-OPERATING REVENUE/(EXPENSE)						
16	Interest Revenue	\$150	\$150	\$150	\$150	\$150
17	Interest Expense	(495)	(963)	(961)	(959)	(959)
18	Misc Other Revenue/(Expense)	113	116	120	123	127
19	Total Non-Op Revenue/(Expense)	(\$232)	(\$697)	(\$691)	(\$686)	(\$682)
20	Net Income	\$1,430	\$1,203	\$1,459	\$1,727	\$2,006
OTHER SOURCES/(USES) OF FUNDS						
21	Add Depreciation Expense	\$2,788	\$2,820	\$2,850	\$2,880	\$2,910
22	Connection Fees	340	340	340	340	340
23	MMWD AEEP Capital Contribution	206	206	206	206	206
24	Loans/Grants	-	12,000	-	-	-
25	Capital Equipment Purchases	(433)	(250)	(250)	(250)	(250)
26	Capital Improvement Projects	(4,308)	0	0	0	0
27	Debt Principal Payments	(1,410)	(1,786)	(1,788)	(1,790)	959
28	FRC Funds Transferred to Recycled Water	(910)	(50)	(50)	(50)	(50)
29	Working Capital Increase	-	-	-	-	-
30	Total Other Sources/(Uses)	(\$3,727)	\$13,280	\$1,308	\$1,336	\$4,115
31	Cash Increase/(Decrease)	(\$2,297)	\$14,482	\$2,767	\$3,063	\$6,121
32	Ending Reserve Balance	\$5,892	\$20,375	\$23,141	\$26,204	\$32,325
33	Target Reserve Balance (90% Op Exp)	\$14,518	\$15,108	\$15,724	\$16,369	\$17,044
34	% Rate Increase¹	3.5%	4.5%	4.5%	4.5%	4.5%
35	Median Monthly Single-Family Residential Bill	\$57	\$59	\$62	\$65	\$67
36	Fiscal year 2020 Rate increase approved by the Board on May 21, 2019. FY 2021 through 2024 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.					

NOVATO POTABLE WATER OPERATING BUDGET DETAIL**Fiscal Year 2019/20**

	Proposed Budget 19/20	Estimated Actual 18/19	Adopted Budget 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15	Actual 13/14
STATISTICS								
1 Active Meters	20,553	20,543	20,577	20,543	20,544	20,535	20,498	20,505
2 Avg Commodity Rate/1,000 Gal (Net)	\$6.25	\$6.00	\$5.99	\$6.00	\$5.40	\$5.25	\$4.87	\$4.81
3 Potable Consumption (BG)	2.60	2.54	2.60	2.52	2.31	2.15	2.44	2.95
OPERATING INCOME								
4 Water Sales	\$20,320,000	\$19,308,000	\$20,300,000	\$19,645,814	\$16,772,060	\$15,489,903	\$16,101,706	\$18,385,017
5 Bill Adjustments	(81,000)	(83,000)	(156,000)	(143,395)	(130,587)	(64,461)	(82,790)	(95,470)
6 Sales to MMWD	-	-	-	155,846	-	-	-	432,294
7 Wheeling Charges-MMWD	75,000	75,000	75,000	92,977	91,374	90,217	119,144	100,527
8 Miscellaneous Service Revenue	267,000	262,000	265,000	268,563	252,038	277,479	276,388	265,496
9 TOTAL OPERATING INCOME	\$20,581,000	\$19,562,000	\$20,484,000	\$20,019,805	\$16,984,885	\$15,793,138	\$16,414,448	\$19,087,864
OPERATING EXPENSE								
SOURCE OF SUPPLY								
10 Supervision & Engineering	\$11,000	\$7,000	\$37,000	\$9,303	\$11,264	\$10,586	\$11,641	\$9,698
11 Operating Expense - Source	14,000	9,000	12,000	6,236	8,513	11,928	11,044	10,497
12 Maintenance/Monitoring of Dam	67,000	33,000	67,000	22,203	24,059	22,796	11,635	19,438
13 Maintenance of Lake & Intakes	20,000	24,000	18,000	10,690	7,575	6,299	511	11,701
14 Maintenance of Watershed	50,000	6,000	50,000	29,646	36,218	17,325	15,151	17,015
15 Water Purchased for Resale to MMWD	-	-	-	111,891	-	-	-	253,539
16 Water Quality Surveillance	14,000	1,000	22,000	6,728	3,513	3,137	7,467	13,713
17 Contract Water - SCWA	5,710,000	6,550,000	6,550,000	5,151,516	4,320,623	3,997,030	4,333,100	5,698,211
18 GASB 68 Adjustment	10,000	8,000	-	8,535	5,682	-	-	-
19 TOTAL SOURCE OF SUPPLY	\$5,896,000	\$6,638,000	\$6,756,000	\$5,356,748	\$4,417,447	\$4,069,101	\$4,390,549	\$6,033,812
PUMPING								
20 Operating Expense	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$237	\$0
21 Maintenance of Structures/Grounds	32,000	61,000	26,000	32,611	28,514	26,347	51,544	46,502
22 Maintenance of Pumping Equipment	53,000	39,000	62,000	39,435	30,354	13,507	51,013	27,696
23 Electric Power - Pumping	288,000	288,000	252,000	293,588	246,869	212,207	213,909	255,711
24 GASB 68 Adjustment	8,000	7,000	-	6,967	3,496	-	-	-
25 TOTAL PUMPING	\$384,000	\$395,000	\$343,000	\$372,601	\$309,233	\$252,061	\$316,703	\$329,909
OPERATIONS								
26 Supervision & Engineering	\$158,000	\$209,000	\$169,000	\$253,594	\$234,870	\$256,231	\$241,264	\$219,520
27 Operating Expense	238,000	324,000	252,000	400,138	343,890	304,897	244,900	274,893
28 Maintenance Expense	57,000	38,000	56,000	50,339	47,202	34,755	37,667	79,906
29 Telemetry Equipment/Controls Maint	87,000	105,000	86,000	94,523	101,568	68,674	86,544	62,223
30 Leased Line Expense	17,000	17,000	17,000	17,414	17,592	17,704	17,986	17,675
31 GASB 68 Adjustment	128,000	107,000	-	107,728	63,553	-	-	-
32 TOTAL OPERATIONS	\$685,000	\$800,000	\$580,000	\$923,736	\$808,675	\$682,261	\$628,361	\$654,217

NOVATO POTABLE WATER OPERATING BUDGET DETAIL**Fiscal Year 2019/20**

	Proposed Budget 19/20	Estimated Actual 18/19	Adopted Budget 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15	Actual 13/14
WATER TREATMENT								
33 Supervision & Engineering	\$143,000	\$166,000	\$152,000	\$169,851	\$168,945	\$130,358	\$112,433	\$111,096
34 Operating Expense	322,000	281,000	393,000	276,795	349,671	313,024	333,020	285,050
35 Purification Chemicals	475,000	389,000	455,000	438,348	247,260	378,562	358,907	316,762
36 Sludge Disposal	124,000	101,000	119,000	100,305	107,942	90,043	72,720	66,085
37 Maintenance of Structures/Grounds	122,000	108,000	119,000	50,913	78,910	68,351	79,728	60,148
38 Purification Equipment Maintenance	191,000	200,000	203,000	212,385	186,246	150,989	104,290	137,838
39 Electric Power - Treatment	156,000	153,000	156,000	157,374	129,652	113,223	120,592	135,637
40 Laboratory Expense (net)	707,000	686,000	816,000	758,936	768,965	705,212	691,990	655,315
41 GASB 68 Adjustment	254,000	211,000	-	212,624	150,494	-	-	-
42 TOTAL WATER TREATMENT	\$2,494,000	\$2,295,000 3,553	\$2,413,000 3,735	\$2,377,531 3,351	\$2,188,085	\$1,949,762	\$1,873,680	\$1,767,931
TRANSMISSION & DISTRIBUTION								
43 Supervision & Engineering	\$591,000	\$521,000	\$656,000	\$659,085	\$569,303	\$559,007	\$562,934	\$486,544
44 Maps & Records	160,000	238,000	180,000	159,512	168,267	110,877	108,956	77,995
45 Operation of T&D System	607,000	683,000	636,000	594,175	582,483	509,160	404,243	511,708
46 Storage Facilities Expense	143,000	105,000	141,000	110,077	155,641	150,066	167,362	134,352
47 Maintenance of Valves & Regulators	192,000	80,000	222,000	173,762	196,162	189,372	151,691	91,709
48 Maintenance of Mains	177,000	173,000	155,000	190,307	149,584	215,077	149,898	72,176
49 Backflow Prevention Program	220,000	181,000	234,000	186,692	155,536	150,298	156,590	147,878
50 Maintenance of Copper Services	146,000	187,000	187,000	157,337	159,769	142,083	202,193	141,987
51 Maintenance of PB Service Lines	481,000	561,000	469,000	471,527	473,695	532,436	432,820	411,357
52 Maintenance of Meters	141,000	105,000	107,000	126,985	66,356	100,402	100,401	94,418
53 Detector Check Assembly Maint	84,000	94,000	70,000	46,056	72,208	54,586	65,749	52,369
54 Maintenance of Hydrants	73,000	17,000	79,000	18,087	51,020	34,311	25,655	22,154
55 GASB 68 Adjustment	417,000	346,000	-	349,390	228,385	-	-	-
56 TOTAL TRANSMISSION & DISTRIB	\$3,432,000	\$3,291,000	\$3,136,000	\$3,242,992	\$3,028,409	\$2,747,675	\$2,528,492	\$2,244,647
CONSUMER ACCOUNTING								
57 Meter Reading & Collection	\$142,000	\$85,000	\$250,000	\$190,554	\$182,663	\$189,262	\$166,919	\$182,216
58 Billing & Accounting	213,000	200,000	228,000	280,268	289,503	281,010	269,054	256,653
59 Contract Billing	18,000	16,000	18,000	16,395	16,692	17,160	16,946	17,561
60 Postage & Supplies	55,000	52,000	55,000	52,735	56,373	58,903	60,032	61,791
61 Credit Card Fees	60,000	55,000	31,000	46,678	29,685	24,592	23,893	14,149
62 Lock Box Service	11,000	11,000	11,000	10,944	10,944	10,944	10,080	
63 Uncollectible Accounts	5,000	14,000	14,000	12,352	12,709	15,382	14,818	19,500
64 Office Equipment Expense	35,000	33,000	27,000	45,256	11,350	23,091	16,743	23,905
65 Distributed to Other Operations	(16,000)	(14,000)	(16,000)	(19,008)	(17,161)	(16,959)	(16,233)	(15,276)
66 GASB 68 Adjustment	90,000	75,000	-	75,257	49,950	-	-	-
67 TOTAL CONSUMER ACCOUNTING	\$613,000	\$527,000	\$618,000	\$711,431	\$642,708	\$603,385	\$562,252	\$560,499

NOVATO POTABLE WATER OPERATING BUDGET DETAIL**Fiscal Year 2019/20**

	Proposed Budget 19/20	Estimated Actual 18/19	Adopted Budget 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15	Actual 13/14
WATER CONSERVATION								
68 Residential	\$255,000	\$239,000	\$299,000	\$235,438	\$270,150	\$320,620	\$410,154	\$362,499
69 Commercial	20,000	8,000	19,000	5,818	1,702	3,711	5,352	2,605
70 Public Outreach/Information	44,000	39,000	39,000	33,789	30,618	32,287	34,148	51,638
71 Large Landscape	28,000	22,000	23,000	33,662	36,818	24,877	10,747	12,702
72 GASB 68 Adjustment	43,000	36,000	-	36,183	21,754	-	-	-
73 TOTAL WATER CONSERVATION	\$390,000	\$344,000	\$380,000	\$344,890	\$361,042	\$381,495	\$460,401	\$429,444
GENERAL & ADMINISTRATION								
74 Director's Expense	\$41,000	\$34,000	\$39,000	\$37,111	\$34,384	\$34,222	\$30,400	\$25,300
75 Legal Fees	21,000	21,000	19,000	20,173	28,043	20,488	9,956	20,906
76 Human Resources	52,000	88,000	67,000	62,348	31,451	25,036	33,977	28,386
77 Auditing Services	21,000	22,000	20,000	19,706	16,220	18,770	18,380	21,050
78 Consulting Services/Studies	195,000	231,000	393,000	223,041	51,567	138,735	107,015	0
79 General Office Salaries	1,211,000	1,131,000	1,364,000	1,441,496	1,492,719	1,309,502	1,191,792	1,184,164
80 Office Supplies	47,000	26,000	47,000	33,753	35,048	37,709	36,877	46,174
81 Employee Events	12,000	13,000	12,000	10,123	9,726	10,143	7,379	7,227
82 Other Administrative Expense	15,000	7,000	16,000	12,528	13,960	10,427	13,390	13,240
83 Election Cost	-	18,915	-	0	2,077	250	-	250
84 Dues & Subscriptions	95,000	89,000	73,000	59,362	59,046	59,271	53,296	47,842
85 Vehicle Expense	8,000	8,000	8,000	8,634	9,325	8,112	8,112	8,112
86 Meetings, Conf & Training	189,000	116,000	230,000	149,670	186,436	139,858	136,863	117,425
87 Telephone, Water, Gas & Electricity	49,000	38,000	49,000	40,595	45,355	42,458	38,580	33,328
88 Building & Grounds Maintenance	60,000	57,000	53,000	75,130	62,856	63,344	48,891	35,642
89 Office Equipment Expense	129,000	110,000	129,000	97,003	95,465	87,141	97,868	90,231
90 Insurance Premiums & Claims	146,000	102,000	128,000	92,292	87,319	140,366	102,073	72,192
91 Retiree Medical Benefits	172,000	197,000	172,000	174,528	164,969	168,935	175,580	159,691
92 (Gain)/Loss on Overhead Charges	(120,000)	(318,915)	(39,000)	(357,925)	(19,931)	(89,626)	(85,682)	(222,710)
93 G&A Distributed to Other Operations	(146,000)	(142,000)	(144,000)	(157,976)	(161,036)	(126,771)	(113,218)	(76,538)
94 G&A Applied to Construction Projects	(326,000)	(360,000)	(420,000)	(346,105)	(290,813)	(359,689)	(353,998)	(389,569)
95 GASB45/75 Adjustment (OPEB)	-	-	-	(35,788)	120,988	-	-	-
96 GASB68 Adjustment (Pension Liability)	366,000	304,000	-	342,715	207,182	-	-	-
97 TOTAL GENERAL & ADMINISTRATION	\$2,237,000	\$1,792,000	\$2,216,000	\$2,002,414	\$2,282,356	\$1,738,681	\$1,557,531	\$1,222,343
98 Depreciation Expense	\$2,788,000	2,742,000	\$2,820,000	\$2,730,867	\$2,710,627	\$2,577,081	\$2,507,124	\$2,445,634
99 TOTAL OPERATING EXPENSE	\$18,919,000	\$18,824,000	\$19,262,000	\$18,063,210	\$16,748,582	\$15,001,502	\$14,825,093	\$15,688,436
100 NET OPERATING INCOME/(LOSS)	\$1,662,000	\$738,000	\$1,222,000	\$1,956,595	\$236,303	\$791,636	\$1,589,355	\$3,399,428

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2019/20

	<i>Proposed Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Recycled Water Sales	\$1,194,000	\$1,136,000	\$1,154,000
2 Bimonthly Service Charge	43,000	41,000	41,000
3 Total Operating Income	\$1,237,000	\$1,177,000	\$1,195,000
OPERATING EXPENDITURES			
4 Purchased Water - NSD	\$212,000	\$231,000	\$210,000
5 Purchased Water - LGVSD	63,000	32,000	63,000
6 Pumping	6,000	5,000	6,000
7 Operations	74,000	310,000	64,000
8 Water Treatment	30,000	16,000	31,000
9 Transmission & Distribution	62,000	11,000	56,000
10 Consumer Accounting	1,000	1,000	1,000
11 General Administration	55,000	52,000	51,000
12 Depreciation	474,000	474,000	474,000
13 Total Operating Expenditures	\$977,000	\$1,132,000	\$956,000
14 NET OPERATING INCOME (LOSS)	\$260,000	\$45,000	\$239,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$45,000	\$45,000	\$10,000
16 Stone Tree Golf/MCC Interest Payments	36,000	34,000	29,000
17 Deer Island SRF Loan Interest Expense	(47,000)	(53,000)	(53,000)
18 Distrib System SRF Loans Interest Exp	(240,000)	(235,000)	(235,000)
19 Total Non-Operating Income/(Expense)	(\$206,000)	(\$209,000)	(\$249,000)
20 NET INCOME/(LOSS)	\$54,000	(\$164,000)	(\$10,000)
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$474,000	\$474,000	\$474,000
23 Connection Fees Transferred from (to) Novato	910,000	(1,370,000)	(1,255,000)
24 Stone Tree Golf Principal Repayment	227,000	222,000	222,000
25 Capital Improvement Projects	(120,000)	(131,000)	(120,000)
26 Deer Island SRF Loan Principal Payments	(226,000)	(221,000)	(221,000)
27 Distrib System SRF Loan Principal Pmts	(650,000)	(639,000)	(639,000)
28 Total Other Sources/(Uses)	\$615,000	(\$1,665,000)	(\$1,539,000)
29 CASH INCREASE/(DECREASE)	\$669,000	(\$1,829,000)	(\$1,549,000)

NOVATO RECYCLED WATER
FY 19/20 Five-Year Financial Forecast

Fiscal Year Ending June 30 >		Proposed 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
1	Active Services @ Fiscal Year End	95	95	95	95	95
2	Commodity Rate/1,000 Gal	\$5.97	\$6.24	\$6.52	\$6.81	\$7.12
3	Consumption (MG)	200	200	200	200	200
OPERATING REVENUE						
4	Recycled Water Sales	\$1,194	\$1,248	\$1,304	\$1,363	\$1,424
5	Bimonthly Service Charge	43	45	47	49	51
6	Total Operating Revenue	\$1,237	\$1,293	\$1,351	\$1,412	\$1,475
OPERATING EXPENSE						
7	Purchased Water - NSD	\$212	\$218	\$225	\$232	\$239
8	Purchased Water - LGVSD	\$63	65	67	69	71
9	Overheaded Operating Labor	98	101	104	107	110
10	Electric Power	5	5	5	5	5
11	Other Operating Expenses	125	127	130	133	136
12	Depreciation	474	474	474	474	474
13	Total Operating Expense	\$977	\$990	\$1,005	\$1,020	\$1,035
NON-OPERATING REVENUE/(EXPENSE)						
14	Interest Revenue	\$81	\$64	\$67	\$70	\$70
15	Interest Expense	(287)	(248)	(231)	(212)	(212)
16	Other Revenue/(Expense)	-	-	-	-	-
17	Total Non-Op Revenue/(Expense)	(\$206)	(\$184)	(\$164)	(\$142)	(\$142)
18	NET INCOME/(LOSS)	\$54	\$119	\$182	\$250	\$298
OTHER SOURCES/(USES) OF FUNDS						
19	Add Depreciation Expense	\$474	\$474	\$474	\$474	\$474
21	StoneTree Principal Repayment	227	251	251	251	251
22	Marin CC Principal Repayment	-	78	79	81	81
23	Novato Potable FRC Fund Trsf	910	50	50	50	50
24	Capital Improvement Projects	(120)	(120)	(120)	(120)	(120,000)
25	Deer Island TP Loan Principal Pmt	(226)	(232)	(237)	(243)	(243)
26	Distrib Sys Exp Loan Principal Pmt	(650)	(698)	(710)	(722)	(722)
27	Total Other Sources/Uses	\$615	(\$197)	(\$213)	(\$229)	(\$229)
28	Cash Increase/(Decrease)	\$669	(\$78)	(\$31)	\$21	\$69
29	Ending Reserve Balance	\$4,821	\$4,743	\$4,712	\$4,733	\$4,802
30	% Rate Increase	3.5%	4.5%	4.5%	4.5%	4.5%
31	Fiscal year 2020 Rate Increase approved by the Board on May 21, 2019. FY 2021 through 2024 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.					

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2019/20

	<i>Proposed Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Water Sales	\$912,000	\$913,000	\$868,000
2 Misc Service Charges	7,000	8,000	7,000
3 Total Operating Income	\$919,000	\$921,000	\$875,000
OPERATING EXPENDITURES			
4 Source of Supply	\$15,000	\$21,000	\$15,000
5 Pumping	48,000	52,000	42,000
6 Operations	49,000	51,000	52,000
7 Water Treatment	173,000	152,000	159,000
8 Transmission & Distribution	162,000	154,000	139,000
9 Consumer Accounting	28,000	21,000	27,000
10 Water Conservation	9,000	4,000	10,000
11 General Administration	64,000	63,000	96,000
12 Depreciation Expense	187,000	187,000	197,000
13 Total Operating Expenditures	\$735,000	\$705,000	\$737,000
14 NET OPERATING INCOME (LOSS)	\$184,000	\$216,000	\$138,000
NON-OPERATING REVENUE/(EXPENSE)			
15 PR-2 County Tax Allocation	\$56,000	\$55,000	\$55,000
16 Miscellaneous Revenue	-	-	4,000
17 Interest Revenue	38,000	38,000	14,000
18 Bond & Loan Interest Expense	(24,000)	(28,000)	(29,000)
19 Total Non-Operating Income/(Expense)	\$70,000	\$65,000	\$44,000
20 NET INCOME/(LOSS)	\$254,000	\$281,000	\$182,000
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$187,000	187,000	\$197,000
22 Connection Fees	-	8,000	23,000
23 Capital Improvement Projects	(1,230,000)	(246,000)	(1,325,000)
24 Bond & Loan Principal Payments	(47,000)	(116,000)	(69,000)
25 Total Other Sources/(Uses)	(\$1,090,000)	(\$167,000)	(\$1,174,000)
26 CASH INCREASE/(DECREASE)	(\$836,000)	\$114,000	(\$992,000)

WEST MARIN WATER

FY 19/20 Five-Year Financial Forecast

#		Budget 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24
BASIC DATA						
1	Active Meters	783	784	784	785	785
2	Avg Commodity Rate/1,000 Gal	\$11.01	\$11.51	\$12.03	\$12.57	\$13.13
3	Potable Consumption (MG)	66.0	66.0	66.0	66.0	66.0
OPERATING REVENUE						
4	Commodity Charge	\$727,000	\$760,000	\$794,000	\$829,000	\$867,000
5	Bimonthly Service Charge	185,000	192,000	199,000	206,000	213,000
6	Miscellaneous Service Charges	7,000	7,000	7,000	7,000	7,000
7	Total Operating Revenue	\$919,000	\$959,000	\$1,000,000	\$1,042,000	\$1,087,000
8	Operating Expenditures	\$548,000	\$564,000	\$581,000	\$598,000	\$616,000
9	Depreciation Expense	187,000	208,000	221,000	226,000	229,000
10	Total Operating Expense	\$735,000	\$772,000	\$802,000	\$824,000	\$845,000
11	NET OPERATING INCOME	\$184,000	\$187,000	\$198,000	\$218,000	\$242,000
NON-OPERATING REVENUE/(EXPENSE)						
12	Interest Revenue	\$38,000	\$8,000	\$4,000	\$5,000	\$8,000
13	Interest Expense	(24,000)	(23,000)	(20,000)	(18,000)	(38,000)
14	PR-2 County Tax Allocation	56,000	56,000	57,000	58,000	59,000
15	Miscellaneous	-	-	-	-	-
16	Total Non-Op Revenue/(Expense)	70,000	41,000	41,000	45,000	29,000
17	Net Income	\$254,000	\$228,000	\$239,000	\$263,000	\$271,000
OTHER SOURCES/(USES)						
18	Add Depreciation Expense	\$187,000	\$208,000	\$221,000	\$226,000	\$229,000
19	Connection Fees	-	23,000	-	23,000	-
20	Capital Improvement Projects	(1,230,000)	(760,000)	(275,000)	(150,000)	(1,077,000)
21	Loan Proceeds	-	-	-	-	500,000
22	Debt Principal Payments	(47,000)	(70,000)	(79,000)	(81,000)	(72,000)
23	Net Change in Working Capital	-	-	-	-	-
24	Total Other Sources/(Uses)	(\$1,090,000)	(\$599,000)	(\$133,000)	\$18,000	(\$420,000)
25	Cash Increase/(Decrease)	(\$836,000)	(\$371,000)	\$106,000	\$281,000	(\$149,000)
26	Operating Reserve	\$188,000	\$193,700	\$199,300	\$205,300	\$205,300
27	System Expansion Reserve	437,000	60,300	175,700	465,700	316,700
28	Liability Contingency Reserve	99,000	99,000	99,000	99,000	99,000
29	Bond Redemption Reserve	30,000	15,000	-	-	-
30	ENDING CASH BALANCE	\$754,000	\$383,000	\$489,000	\$770,000	\$621,000

Fiscal year 2020 Rate Increase to be reviewed for approval by the Board on June 25, 2019. FY 2021 through 2024 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2019/20

	<i>Proposed Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$261,000	\$252,000	\$252,000
2 Misc Service Charges	-	-	-
3 Total Operating Income	\$261,000	\$252,000	\$252,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$79,000	\$78,000	\$78,000
5 Sewage Treatment	46,000	58,000	47,000
6 Sewage Disposal	46,000	34,000	39,000
7 Consumer Accounting	2,000	2,000	2,000
8 General Administration	27,000	25,000	29,000
9 Depreciation Expense	37,000	37,000	37,000
10 Total Operating Expenditures	\$237,000	\$234,000	\$232,000
11 NET OPERATING INCOME (LOSS)	\$24,000	\$18,000	\$20,000
NON-OPERATING REVENUE/(EXPENSE)			
12 OM-1/OM-3 Tax Allocation	\$60,000	\$59,000	\$59,000
13 Interest Revenue	8,000	8,000	6,000
14 Miscellaneous Revenue	-	-	-
15 Miscellaneous Expense	-	(1,000)	-
16 Total Non-Op Income/(Expense)	\$68,000	\$66,000	\$65,000
NET INCOME/(LOSS)	\$92,000	\$84,000	\$85,000
OTHER SOURCES/(USES) OF FUNDS			
17 Add Depreciation Expense	\$37,000	37,000	\$37,000
18 Connection Fees	-	-	30,000
19 Grant/Loan Proceeds	69,000	-	69,000
20 Capital Improvement Projects	(55,000)	(441,000)	(565,000)
21 Total Other Sources/(Uses)	\$51,000	(\$404,000)	(\$429,000)
22 CASH INCREASE/(DECREASE)	\$143,000	(\$320,000)	(\$344,000)

OCEANA MARIN SEWER

FY 19/20 Five-Year Financial Forecast

	Budget	Projected	Projected	Projected	Projected
#	2019/20	2020/21	2021/22	2022/23	2023/24
BASIC DATA					
1	Number of Connections	234	234	235	235
2	Monthly Service Charge	\$93.00	\$98.00	\$102.00	\$107.00
					\$112.00
OPERATING REVENUE					
3	Monthly Service Charge	\$261,000	\$275,000	\$288,000	\$302,000
4	Miscellaneous Service Charges	-	-	-	-
5	Total Operating Revenue	\$261,000	\$275,000	\$288,000	\$302,000
					\$317,000
OPERATING EXPENSE					
6	Operating Expenditures	\$200,000	\$206,000	\$212,000	\$218,000
7	Depreciation Expense	37,000	37,000	38,000	39,000
8	Total Operating Expense	\$237,000	\$243,000	\$250,000	\$257,000
9	NET OPERATING INCOME	\$24,000	\$32,000	\$38,000	\$45,000
					\$53,000
NON-OPERATING REVENUE/(EXPENSE)					
10	Interest Revenue	\$8,000	\$4,000	\$3,000	\$4,000
11	Interest Expense	-	-	(9,000)	(8,000)
12	OM-1/OM-3 Tax Allocation	60,000	62,000	64,000	66,000
13	Miscellaneous Revenue	-	-	-	-
14	Miscellaneous Expense	-	-	-	-
15	Total Non-Op Revenue/(Expense)	\$68,000	\$66,000	\$58,000	\$62,000
					\$62,000
	Net Income	\$92,000	\$98,000	\$96,000	\$107,000
					\$115,000
OTHER SOURCES/(USES)					
16	Add Depreciation Expense	\$37,000	\$37,000	\$38,000	\$39,000
17	Connection Fees	-	-	30,000	-
18	Capital Improvement Projects	(55,000)	(190,000)	(1,110,000)	(320,000)
19	Grant/Loan Proceeds	69,000	0	1,038,000	-
20	Debt Principal Payments	-	-	(9,000)	(9,000)
21	Net Change in Working Capital	-	-	-	-
22	Total Other Sources/(Uses)	\$51,000	(\$153,000)	(\$13,000)	(\$290,000)
23	Cash Increase/(Decrease)	\$143,000	(\$55,000)	\$83,000	(\$183,000)
					\$21,000
24	ENDING CASH BALANCE	\$384,000	\$329,000	\$412,000	\$229,000
					\$250,000

Fiscal year 2020 Rate Increase to be reviewed for approval by the Board on June 25, 2019. FY 2021 through 2024 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2019.20\budget final fy 19.20\supporting schedules fy 19.20\5 yr cip fy19.20.xlsx\5 yr cip

		FY20	FY21	FY20 Project Description
1.	PIPELINE REPLACEMENTS/ADDITIONS			
	a. Main/Pipeline Replacements			
	1 Replace 12" CI Pipe (785LF) S. Novato Bl (btwn Rowland/Adele)	-	\$100,000	
1.7183.00	2 Replace Plastic Thin Walled Pipe < 4-inch	\$150,000	\$150,000	Ongoing systematic replacement of all plastic TW pipe < 4-inch.
	3 Other Main Replacements (60+ years old)	\$200,000	\$200,000	Unplanned repairs/replacements for failing mains.
		\$350,000	\$450,000	
	b. Main/Pipeline Additions			
1.7150.00	1 San Mateo 24" Inlet/Outlet Pipe (2,200')	\$50,000	\$742,000	Multiyear project to install 1,600 feet of 24-inch pipe from San Mateo Tank to the end of San Mateo Way to improve northern Zone 2 fire flow.
	2 Other Main/Pipeline Additions	-	\$150,000	
		\$50,000	\$892,000	
	c. Polybutylene Service Line Replacements			
1.7139.xx	1 Replace PB in Sync w/City Paving (30 Services)	\$70,000	\$70,000	Ongoing systematic replacement of PB services in advance of City paving projects.
1.7123.xx	2 Other PB Replacements (80 Services)	\$80,000	\$80,000	Ongoing systematic replacement of PB services.
		\$150,000	\$150,000	
	d. Relocations to Sync w/City & County CIP			
1.8737.xx	1 Other Relocations	\$70,000	\$70,000	Relocate facilities for yet to be identified City/County Projects.
		\$70,000	\$70,000	
	TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$620,000	\$1,562,000	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2019.20\budget final fy 19.20\supporting schedules fy 19.20\5 yr cip fy19.20.xlsx\5 yr cip

		FY20	FY21	FY20 Project Description
2.	SYSTEM IMPROVEMENTS			
1.7007.13	a. DCA Repair/Replace-FY20 (~14/yr)	\$100,000	\$60,000	Detector Check Assembly replacements.
1.7090.05	b. Anode Installations-FY20 (150/yr)	\$10,000	\$10,000	Place anodes on copper laterals for corrosion protection.
1.7178.00	c. Asset Management Software Procure/Implement	\$163,000	-	Software to eliminate paper records and improve efficiencies for ranking capital expenditures .
1.7136.00	d. Facilities Security Enhancements	\$25,000	\$25,000	Tanks & PS security improvements.
	e. San Marin Aqueduct Valve Pit (STP to Zone 2)	-	\$110,000	
	TOTAL SYSTEM IMPROVEMENTS	\$298,000	\$205,000	
3.	BUILDING, YARD, STP IMPROVEMENTS			
	a. Administration Building			
1.6501.43	1 Electronic Document Management System	\$70,000	\$70,000	Manage digital document creation, storage, retrieval & expiration.
1.6501.44	2 Office/Yard Building Renovation (Note 1)	\$900,000	\$3,000,000	50-year-old building requires significant upgrading.
1.6502.47	3 Yard Roof Repairs	-	\$100,000	
		\$970,000	\$3,170,000	
	b. Corp Yard/Warehouse/Construction Office			
1.6502.xx	1 Other Yard Improvements	\$30,000	-	Ongoing building repairs that arise unexpectedly. Ex - Roof leaks, HVAC replacements, etc.
		\$30,000	-	
	c. Stafford Treatment Plant			
1.6600.69	1 Dam Concrete Repair (Apron)	\$50,000	-	Ongoing periodic repair of Lake Stafford dam face (apron).
1.6600.96	2 Leveroni Creek Embankment Repair	\$191,000	-	Repair/stabilize culvert embankment under access road to STP/IVGC.
1.6600.xx	3 Other Treatment Plant Improvements	\$114,000	\$50,000	Miscellaneous plant improvements
1.6600.97	4 Efficiency Improvements	\$100,000	\$100,000	Improvement of sludge treatment process as suggested in the Efficiency Study.
1.6600.98	5 STP Generator	\$400,000	-	Installation of a 300KW emergency power generator.
		\$855,000	\$150,000	
	TOTAL BUILDING, YARD, STP IMPROVEMENTS	\$1,855,000	\$3,320,000	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2019.20\budget final fy 19.20\supporting schedules fy 19.20\5 yr cip fy19.20.xlsx\5 yr cip

		FY20	FY21	FY20 Project Description
4.	STORAGE TANKS/PUMP STATIONS			
	a. Tank Construction			
1.6207.20	1 Old Ranch Rd Tank No. 2 (100k gal)	\$150,000	\$481,000	Replace and upsize existing redwood tank due to the current tank approaching end of useful life.
		\$150,000	\$481,000	
	b. Tank Rehabilitation			
1.7170.00	1 Hydropneumatic Tank Repairs	\$30,000	\$30,000	Ongoing program to inspect/Repair the 7 tanks in compliance with State Code.
1.6205.22	2 Cherry Hill #2 Recoat (0.2 MG)	\$400,000	-	Remove and replace coating system to extend tank life.
		\$430,000	\$30,000	
1.6112.24	c. Lynwood P.S. Motor Control Center	\$320,000	-	Move motor controls above-ground.
1.6141.00	d. Crest PS (Design/Const)/Reloc School Rd PS	\$635,000	-	Replace School Rd PS with new facility on Bahia Drive.
		\$955,000	-	
	TOTAL STORAGE TANKS/PUMP STATIONS	\$1,535,000	\$511,000	
5.	RECYCLED WATER			
5.7127.00	a. NBWRA Grant Program Administration	\$20,000	\$20,000	Continued support of NBWRA to obtain/administer recycled water project Federal/State grants for the Central Project.
5.7162.xx	b. Other Recycled Water Expenditures	\$100,000	\$100,000	Retrofit existing potable irrigation customers to RW.
		\$120,000	\$120,000	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

t:\acl\budget\fy-2019.20\budget final fy 19.20\supporting schedules fy 19.20\5 yr cip fy19.20.xlsx\5 yr cip

		FY20	FY21	FY20 Project Description
6.	WEST MARIN WATER SYSTEM			
2.6263.20	a. Replace PRE Tank #4A (25K gal w/125K gal)	\$550,000		- Replace and upsize redwood tank destroyed in Vision Fire with concrete tank.
2.6609.20	b. New Gallagher Well #2	\$75,000	\$260,000	Permit and construct 2nd well at Gallagher Ranch.
2.8829.00	c. PB Replace in Sync w/ County Paving	\$50,000	\$50,000	For 25 replacements.
2.7182.00	d. WM Brominated - TTHM Reduction	\$300,000		Disinfection byproduct removal
2.8912.00	e. Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$200,000	\$450,000	Relocate/replace 6-inch water main across Lagunitas Creek Bridge (bridge project 2021)
2.8737.07	f. Olema Creek Bridge Pipe Replacement (County)	\$35,000		Relocate/replace 6-inch water main across Olema Creek Bridge (bridge project 2022)
2.6130.23	g. Olema PS Wireless to Tank	\$20,000		- Installation of radio communications link.
		<u>\$1,230,000</u>	<u>\$760,000</u>	
7.	OCEANA MARIN SEWER SYSTEM			
8.8672.28	a. Infiltration Repair (Manhole Relining)	\$40,000	\$40,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system.
8.7173.00	b. OM Treatment Pond Rehab (Note 2)	-	\$150,000	
	c. Tahiti Way Lift Pump 1 Assembly	\$15,000		- Rebuild of lift pump.
		<u>\$55,000</u>	<u>\$190,000</u>	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2019.20\budget final fy 19.20\supporting schedules fy 19.20\5 yr cip fy19.20.xlsx\5 yr cip

	FY20	FY21	FY20 Project Description
<u>SUMMARY - GROSS PROJECT OUTLAY</u>			
Novato Water	\$4,308,000	\$5,598,000	
Recycled Water	\$120,000	\$120,000	
West Marin Water	\$1,230,000	\$760,000	
Oceana Marin Sewer	\$55,000	\$190,000	
GROSS PROJECT OUTLAY	<u>\$5,713,000</u>	<u>\$6,668,000</u>	
4. LESS FUNDED BY LOANS/GRANTS/OTHER			
a. Advanced Meter Information Retrofit (Note 1)			
a. Office/Yard Building Refurbish (Note 1)		- (\$3,900,000)	
c. RW Sys Expansion (Note 4)			
d. WM Treatment Plant Solids Handling (Note 4)			
c. WM TP Modific Design/Construct (Note 5)			
b. OM Treatment Pond Rehab (Note 2)		- (\$113,000)	
e. OM Treatment Pond-Storm Damage (Note 6)	(\$69,000)		
f. OM Parallel Force Main (Note 8)			
TOTAL LOAN/GRANT FUNDS	<u>(69,000)</u>	<u>(\$4,013,000)</u>	
<u>SUMMARY - NET PROJECT OUTLAY</u>			
Novato Capital Improvement Net Project Outlay	\$4,308,000	\$1,698,000	
Recycled Water	\$120,000	\$120,000	
West Marin Water	\$1,230,000	\$760,000	
Oceana Marin Sewer	\$55,000	\$77,000	
NET PROJECT OUTLAY	<u>\$5,713,000</u>	<u>\$2,655,000</u>	
Total Number of District Projects	34	26	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2019.20\budget final fy 19.20\supporting schedules fy 19.20\5 yr cip fy19.20.xlsx\5 yr cip

	FY20	FY21	FY20 Project Description
NOVATO POTABLE WATER DEBT SERVICE			
a. STP SRF Loan	\$1,044,000	\$1,044,000	
b. AEEP Bank Loan	\$483,000	\$483,000	
c. Advanced Meter Info Retrofit Loan	\$377,000	\$377,000	
d. Admin Building Renovation Loan (Note 1)	\$0	\$844,000	
	<u>\$1,904,000</u>	<u>\$2,748,000</u>	
NOVATO RECYCLED WATER DEBT SERVICE			
e. Deer Island Facility SRF Loan	\$273,000	\$273,000	
f. RW North Expansion SRF Loan	\$282,000	\$282,000	
g. RW South Expansion SRF Loan	\$332,000	\$332,000	
h. RW Central Exp SRF Loan (Net of MCC)	\$276,000	\$276,000	
	<u>\$1,163,000</u>	<u>\$1,163,000</u>	
WEST MARIN WATER DEBT SERVICE			
i. TP Solids Handling Bank Loan	\$71,000	\$71,000	
	<u>\$71,000</u>	<u>\$71,000</u>	
OCEANA MARIN SEWER DEBT SERVICE			
j. CIP Financing	-	\$18,000	
	<u>-</u>	<u>\$18,000</u>	
	<u><u>\$3,138,000</u></u>	<u><u>\$4,000,000</u></u>	
TOTAL DEBT SERVICE			
	<u><u>\$3,138,000</u></u>	<u><u>\$4,000,000</u></u>	
NET PROJECT OUTLAY & DEBT SERVICE			
	<u><u>\$8,851,000</u></u>	<u><u>\$6,655,000</u></u>	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2019.20\budget final fy 19.20\supporting schedules fy 19.20\5 yr cip fy19.20.xlsx\5 yr cip

		FY20	FY21	FY20 Project Description
STUDIES & SPECIAL PROJECTS				
1.4057.00	a. Local Water Supply Enhancement Study	\$25,000	\$100,000	
1.4076.00	b. CVRA - Transition from At-Large Elections	\$15,000	-	
1.4077.00	c. PG&E Potter Valley FERC Relicensing	\$10,000	-	
1.4059.00	d. Stafford Lake Water Rights Update	\$50,000	-	
1.4058.20	e. Water Rate Study	\$50,000	-	
	f. Stafford Dam Emergency Action Plan Update	\$10,000	-	
	g. Stafford Lake Sediment Survey (every 10 yrs)	-	\$50,000	
	h. Stafford Lake Sanitary Survey	15,000	-	
1.4050.00	i. Urban Water Management Plan (every 5 yrs)	\$20,000	\$30,000	
		<u>\$195,000</u>	<u>\$180,000</u>	

Note 1 - \$12M Office/Yard Renovation is proposed to be funded by 20 year 3.5% Bank Loan.

Note 2 - \$1.2M OM Treatment Project funded by debt and /or grant funds.

NORTH MARIN WATER DISTRICT

EQUIPMENT EXPENDITURES

Fiscal Year 19/20 Budget

		Approved	Description
1 ADMINISTRATION			
12101.01.00	a. Website Upgrade	\$10,000	Modernize website to a current design making it more mobile and multiple browser
12101.01.00	b. Exchange Server Upgrade	\$7,000	Required Microsoft Exchange server upgrade to receive ongoing support.
12101.01.00	c. Timekeeping Software Upgrade	\$10,000	Upgrade timekeeping system from slow outdated unsupported software.
		\$27,000	
2 OPERATIONS/MAINTENANCE			
12106.01.00	a. Metals Analyzer	\$68,000	Replace 20-year old metals analyzer as its repair components are no longer available.
12109.01.00	b. 100 KW Towable Generator	\$90,000	Generator for PG&E Public Safety Power Shutoff (PSPS)
12109.01.00	c. 45 KW Towable Generator	\$50,000	Generator for PG&E Public Safety Power Shutoff (PSPS)
12109.01.00	d. Portable Light Generator	\$12,000	Generator for PG&E Public Safety Power Shutoff (PSPS)
		\$220,000	
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			<u>Rolling Stock to be Transferred & Auctioned or Description</u>
12104.01.00	a. 1/2 ton 2WD Pick-Up w/Tool Box & Radio	\$28,000	Replace #47 2000 Chevy K1500.
12104.01.00	b. Vacuum Excavator	\$130,000	Replace #44 2002 International.
12104.01.00	c. Hybrid SUV w/Radio	\$28,000	Replace #56 2005 Honda Civic.
		\$186,000	
Total		\$433,000	
	Adopted	Estimated	Proposed
	Budget	Actual	Budget
RECAP	2018/19	2018/19	2019/20
Equipment	\$180,000	\$32,000	\$247,000
Rolling Stock	\$175,000	\$119,000	\$186,000
	\$355,000	\$151,000	\$433,000

MEMORANDUM

To: Board of Directors
 From: Nancy Williamson, Sr. Accountant *NW*
 Subj: Self-Insured Workers' Comp – 4th Quarter Status Report
 t:\actword\personnel\wclself ins status 0619.docx

July 12, 2019

RECOMMENDED ACTION: None

FINANCIAL IMPACT: Cumulative Savings of \$533,682

The District returned to self-insuring its workers compensation liability effective July 1, 2011, after the low-cost proposal for first-dollar workers' compensation coverage increased 20% over the prior year, to \$159,331. The avoided-cost since returning to self-insurance is calculated at \$425,610. When the Reserve for Future Medical (which is the estimated cost to fully resolve open claims) is added, the total cash outlay avoided to date, including interest earned on the cost avoided, is \$533,682. This cash is set-aside in a reserve for future claims.

Through the 4th quarter of FY19, the District incurred five claims. Due to the reduction in cost of policy premiums and decreased savings margin the district is switching to first dollar coverage for FY20. Attached are charts showing a 10-year history of annual claims cost (average \$61,000 per year) and 10-year history of claims frequency (average 5 claims per year).

	FY12 through FY16	FY17	FY18	FY19	Cumulative
Premium Avoided	\$1,057,526 ¹	\$191,000 ²	\$109,260 ³	\$102,752 ⁴	\$1,460,538
Self-Insurance Cost					
Medical/Indemnity	(182,907)	(282,381)	(15,845)	(4,651)	(485,784)
Third-Party Administration	(60,000)	(12,000)	(12,000)	(12,000)	(96,000)
Excess Insurance Premium ⁵	(247,754)	(58,638)	(62,358)	(49,316)	(418,066)
Legal/Miscellaneous	(24,592)	(1,102)	(6,777)	(2,607)	(35,078)
Net Cost Avoided	\$542,274	(\$163,121)	\$12,430	\$34,177	\$425,610
Reserve for Future Medical	0	31,641	22,900	0	54,541
Total Cash Outlay Avoided	\$542,274	(\$131,480)	\$35,180	\$34,177	\$480,151
Interest Earned on Cash Outlay Avoided	11,453	9,124	9,710	23,244	53,531
Cash Savings	\$553,727	(\$122,356)	\$44,890	\$57,421	\$533,682

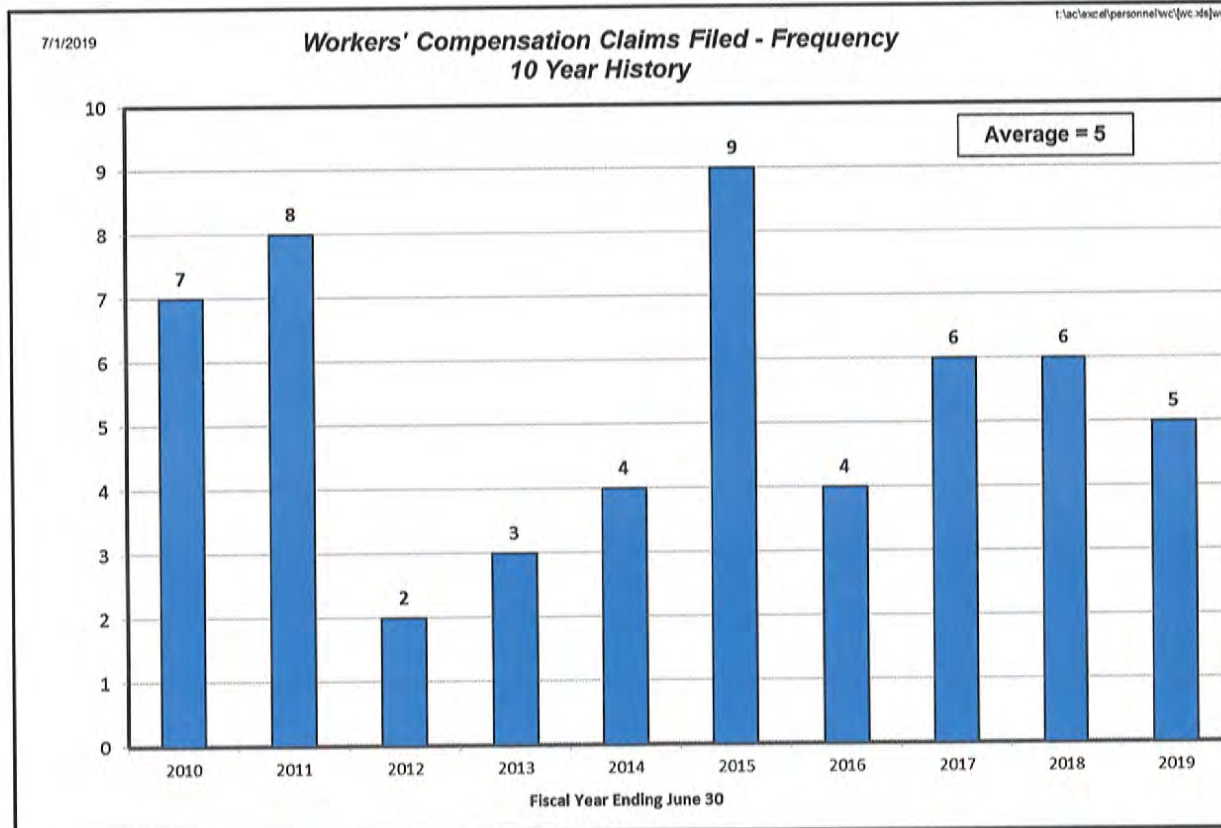
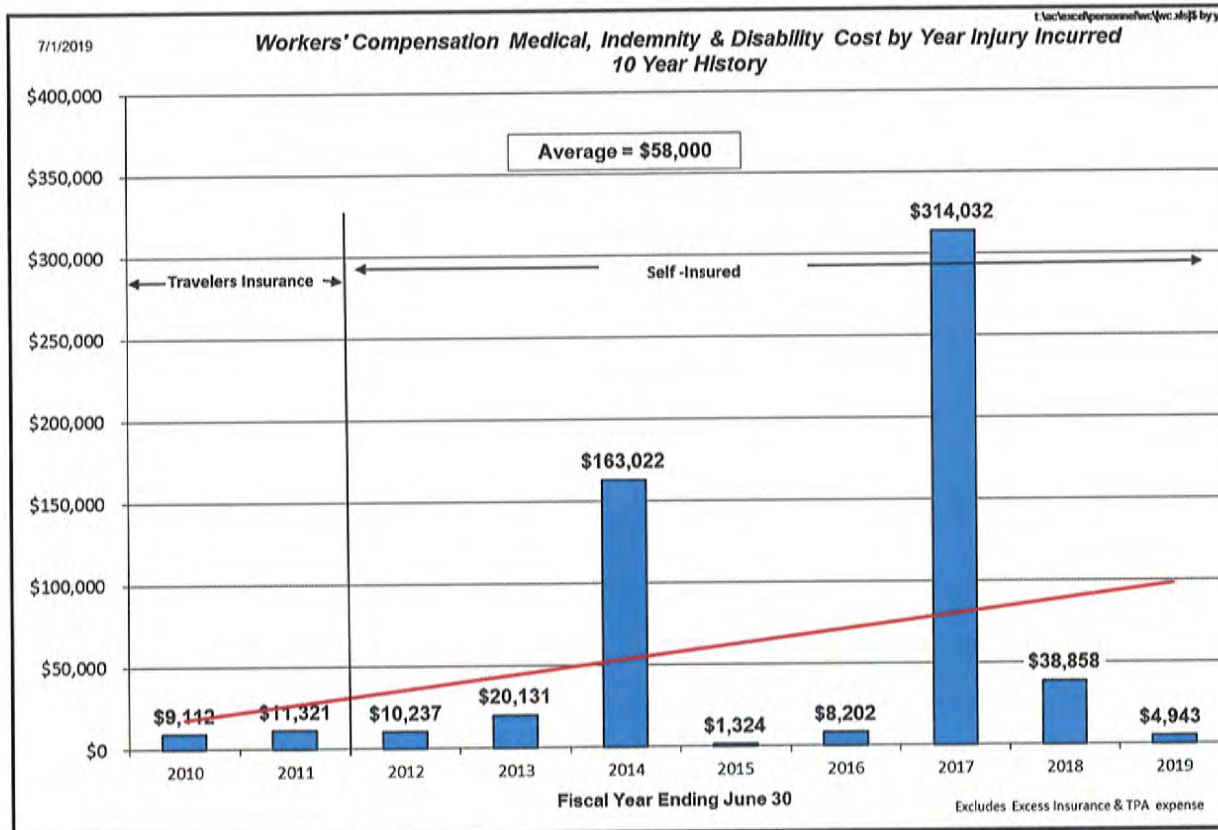
¹ Proposed annual premium of \$159,331 (FY12), \$170,574 (FY13), \$311,764 (FY14), \$203,722 (FY15) and \$212,135 (FY16)

² Allied World Assurance was the low cost proposal with an annual premium of \$191,000.

³ Zenith Insurance Company was the low cost proposal with an annual premium of \$109,260.

⁴ Zenith Insurance Company was the low cost proposal with an annual premium of \$102,752.

⁵ Excess Insurance Protects the District against Catastrophic Loss Exceeding \$1,000,000 per claim.



MEMORANDUM

To: Board of Directors
From: Nancy Williamson, Senior Accountant *NW*
Subj: Information – FY19 4th Quarter Labor Cost Report
t:\aclword\memo\19\4th qtr labor cost rpt.doc

July 12, 2019

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Total labor cost decreased \$25,889 (0.3%) from the prior fiscal year. Attached in graphical format is a five-year comparative summary of total labor cost (Attachment A), overtime cost (Attachment B) and temporary employee cost (Attachment C) expended during each fiscal year. Also attached is a summary of total labor cost vs. budget (Attachment D), which shows that labor was 5.8% under budget through the end of the fiscal year.

Department	Increase / (Decrease) in Labor Cost vs prior FY	% Change
Administration	(\$125,415)	(5.9%)
Engineering	(\$42,771)	(3.2%)
Operations/Maint	\$53,109	1.9%
Construction/Maint	\$89,188	6.0%
Net Increase/(Decrease)	(\$25,889)	(0.3%)

Comment on Change from Prior Year

Administration: Labor Cost decreased \$125,415, or 5.9%. The decrease is primarily due to the resignation of the Accounting/Human Resource Supervisor on July 24th, 2018 and that position remaining vacant and to the Auditor Controller and District Secretary positions being filled with lower salaries than their predecessors. The decrease was offset by the two Senior Accountants working extra hours and also to hours worked from retirees for special projects and general support to the Accounting staff. The Consumer Services Supervisor worked extra hours due to the implementation of the AMI Project. There were also six 5% step increases, and the 3.8% cost of living adjustment effective October 1 of 2018.

Engineering: Labor Cost decreased \$42,771, or 3.2%. The decrease is primarily due to the retirement of an Associate Civil Engineer on October 31, 2018 and that position not being filled until December 3, 2018 at a lower salary and to less temporary hours worked. The decrease was offset by four 5% step increases and the aforesaid 3.8% labor cost increase.

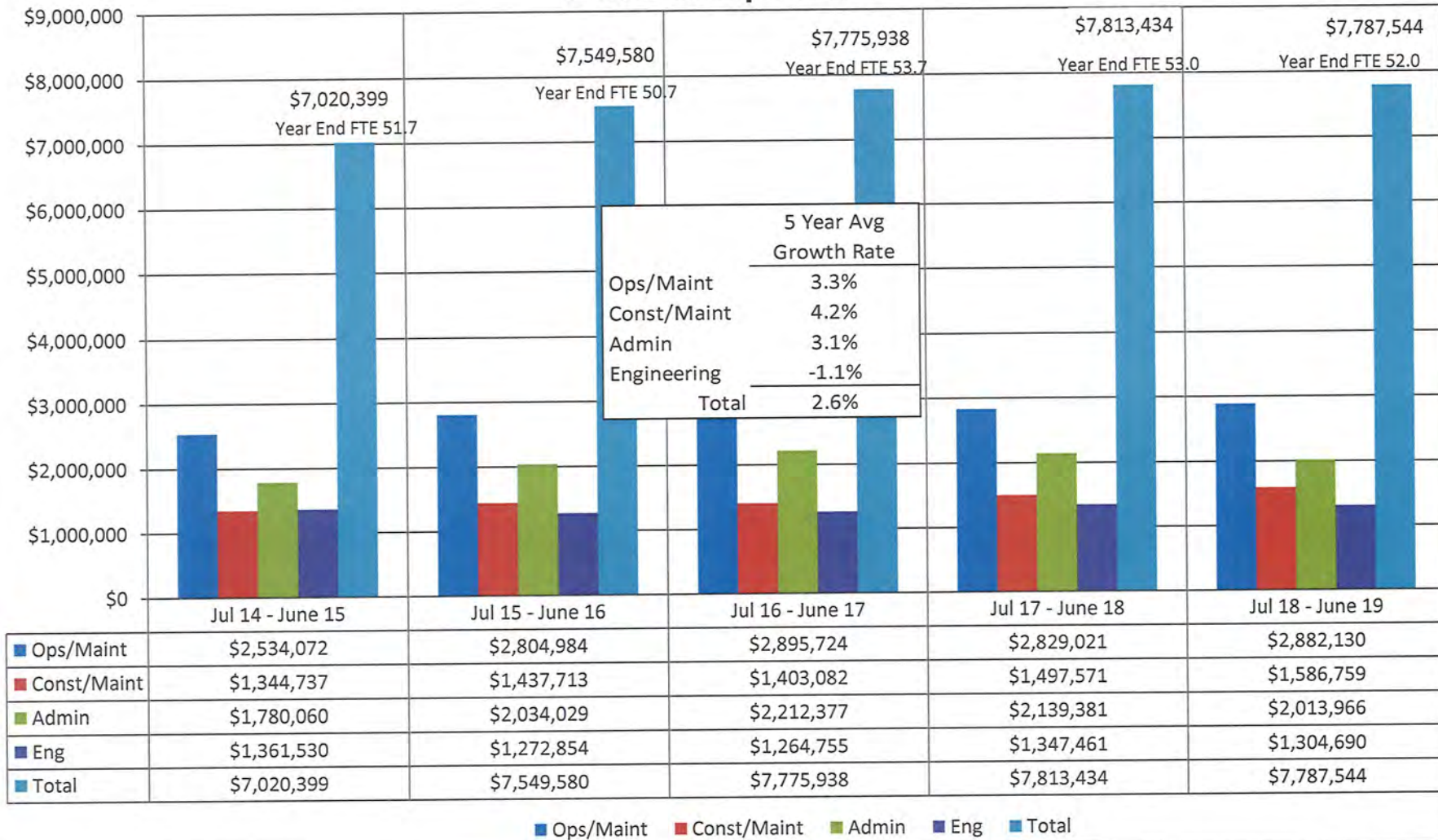
Operations/Maintenance: Labor Cost increased \$53,109, or 1.9%. The increase was primarily due to nineteen 5% step increases, and the 3.8% labor cost increase. The increase was offset by the resignation of an Assistant Water Distribution/TP Operator on October 22, 2018 and that position not being filled until May 1, 2019.

Construction/Maintenance: Labor Cost increased \$89,188, or 6.0%. The increase was due to nine 5% step-increases and the 3.8% labor cost increase.

7/12/19

t:\finance\hrs\ptfy19 4th qtr labor cost report\all hrs \$ chart.xls

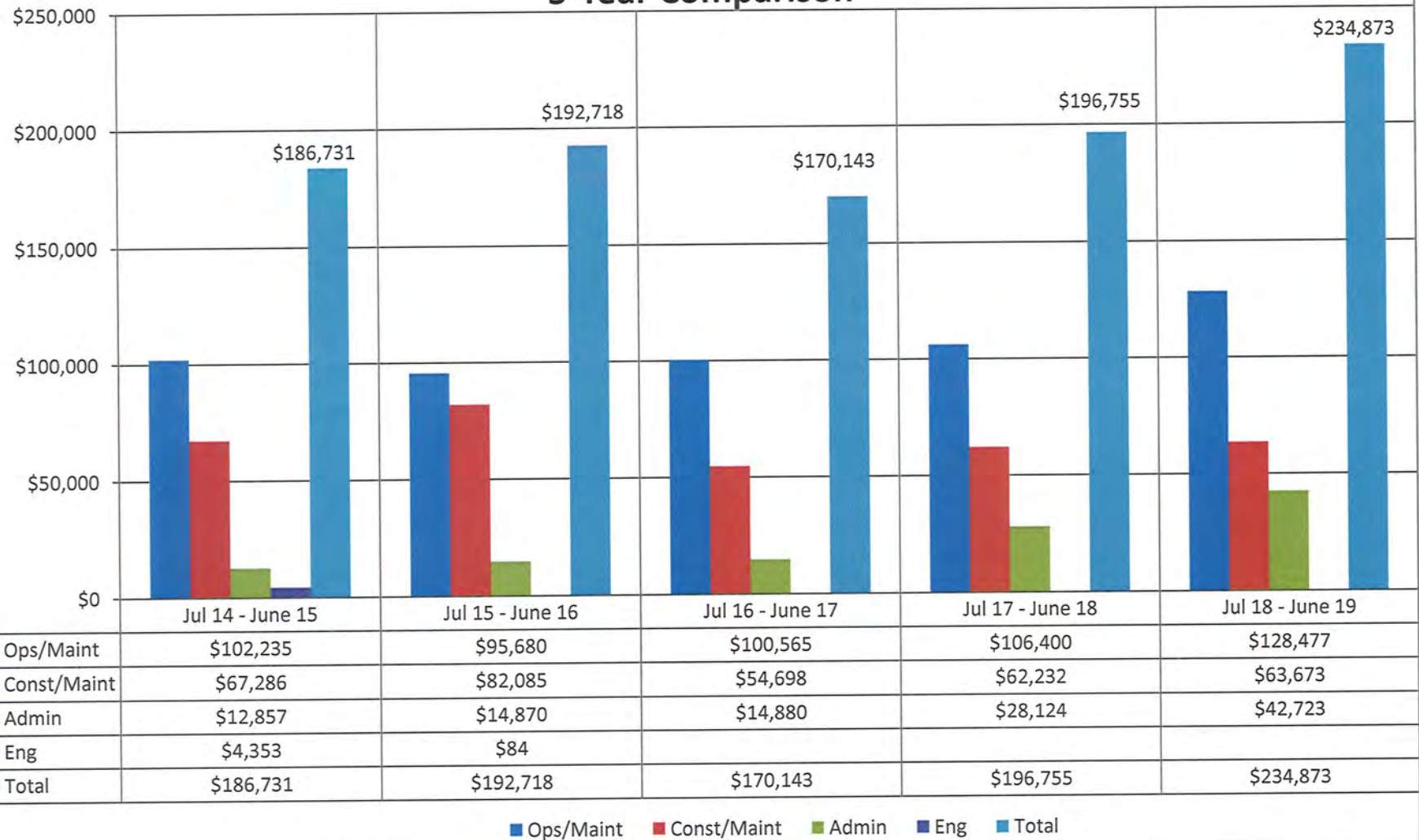
Total Labor Cost NMWD Fiscal Year through June 5-Year Comparison



7/12/19

t:\finance\hrs\ptfy19 4th qtr labor cost report\ot \$ chart

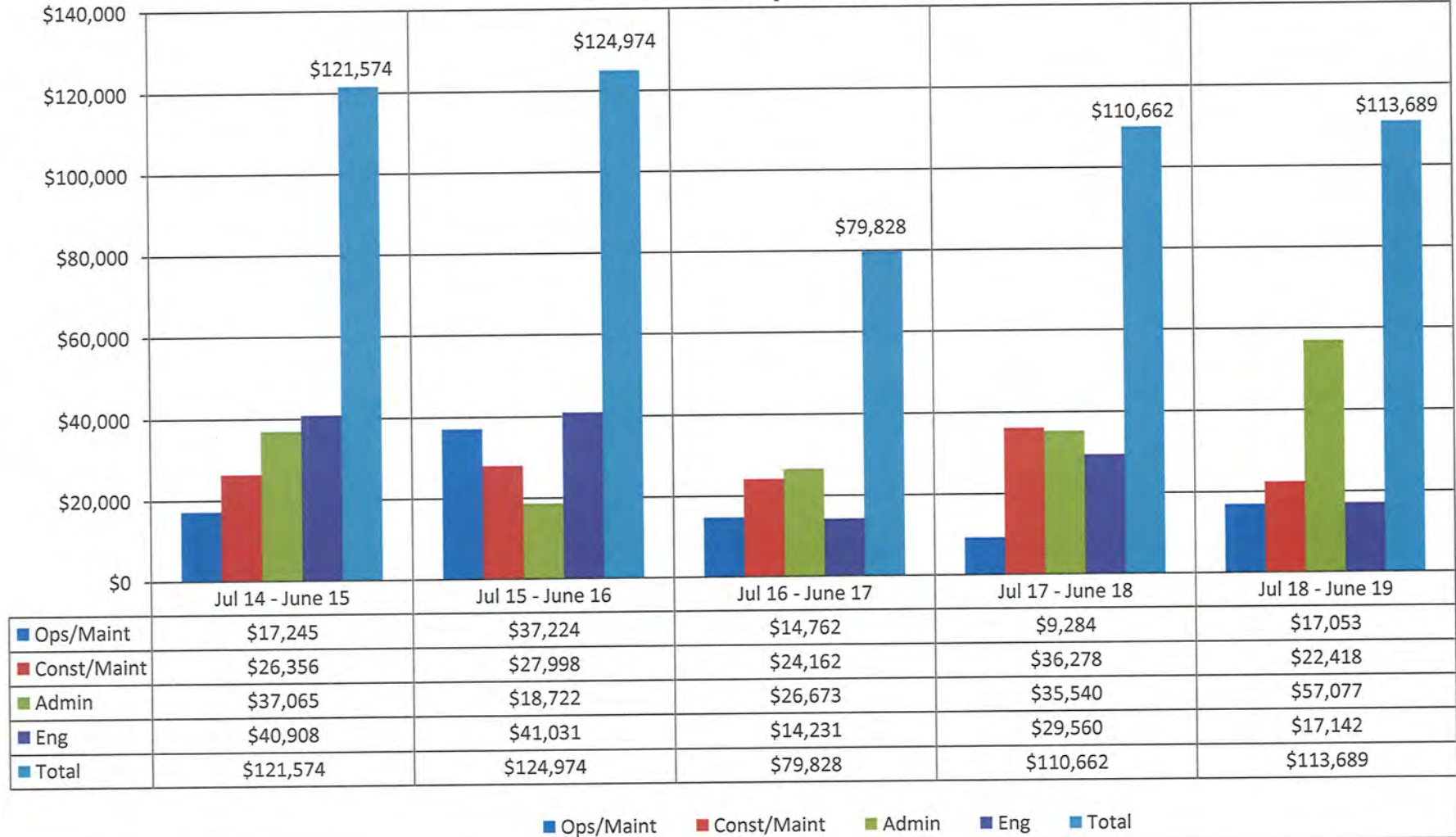
Overtime Cost NMWD Fiscal Year through June 5-Year Comparison



7/12/19

t:\finance\hrs\ rpt\FY19 4th qtr labor cost report\temp \$ chart.xls

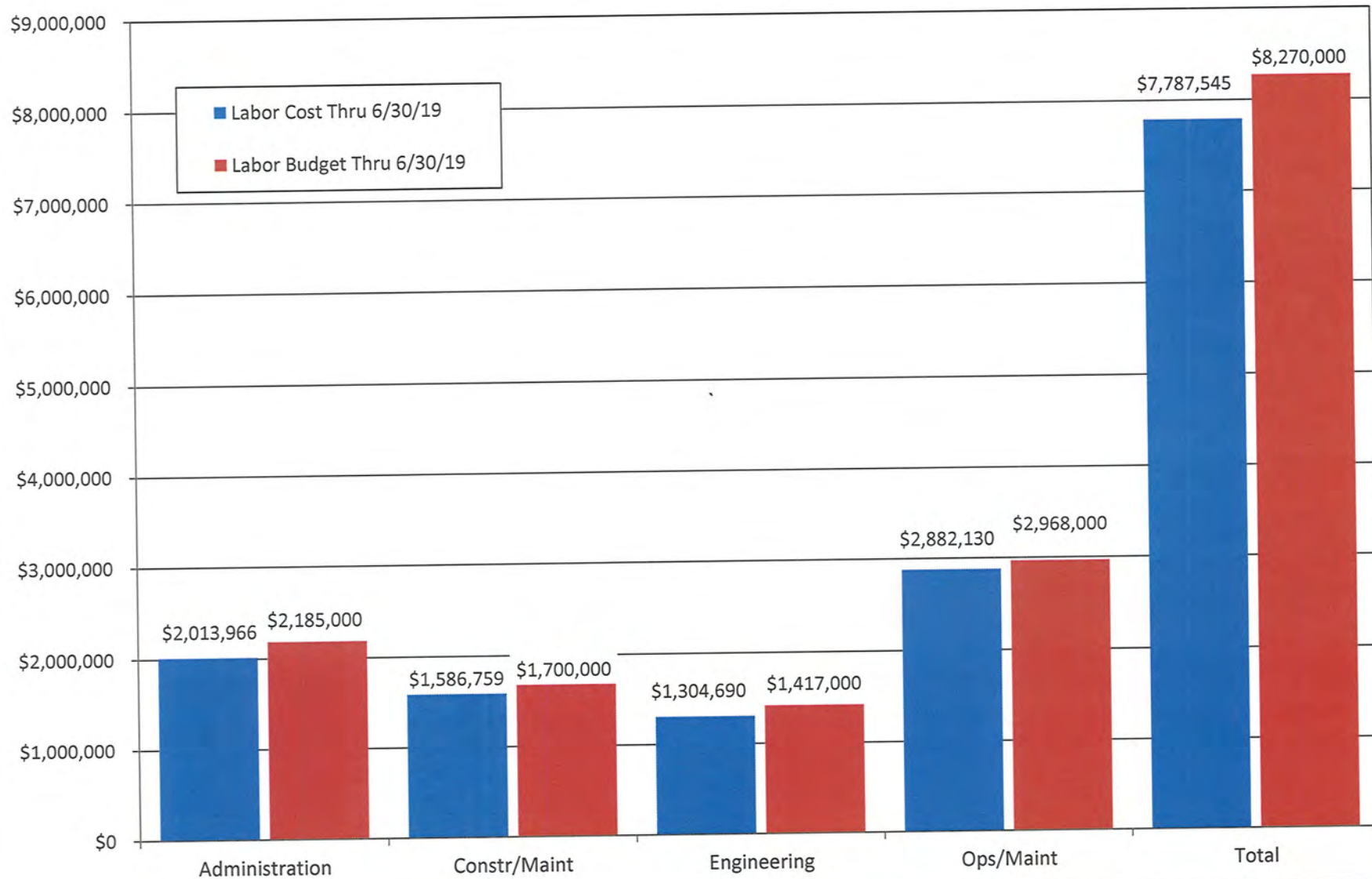
Temporary Employee Cost NMWD Fiscal Year through June 5-Year Comparison



7/12/19

t:\finance\hrs rpt\labor cost compared to budget fy19\salary chart.xls

Total Labor Cost vs. Budget NMWD Fiscal Year through June



Legal Notice	Legal Notice
NORTH MARIN WATER DISTRICT NOTICE OF HEARING AND ORDINANCE SUMMARY	
<p>NOTICE IS GIVEN that, at its Regular meeting at 6 p.m. on Tuesday, July 16, 2019, the Board of Directors of North Marin Water District will hold a public hearing to consider adoption of an Ordinance that will establish a by-division system for electing District Directors in conformance with the California Voting Rights Act (CVRA).</p> <p>Copies of the full text of the proposed ordinance, including the map showing the divisions described in the ordinance, are available to the public for review and inspection between 8 a.m. and 5 p.m., Monday through Friday, at the North Marin Water District Office, 999 Rush Creek Place, Novato, California and a copy of the ordinance and map is posted on the District's website at: www.nmwd.com.</p> <p>By: Theresa Kehoe District Secretary</p> <p>No. 895 July 9, 2019</p>	



**NORTH MARIN
WATER DISTRICT**

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

PHONE
415-897-4133

EMAIL
info@nmwd.com

WEB
www.nmwd.com

July 12, 2019

Dear NMWD Customer:

As a result of the devastating losses incurred due to the 2017-18 wildfires in Northern California, Pacific Gas & Electric (PG&E) has implemented a program called Public Safety Power Shutoff (PSPS) to improve public safety. The PSPS program allows PG&E to temporarily shut down power in locations where the threat of fire is high. In addition, power shut down may also occur in adjacent areas where fire threat is not high, but electrical lines serving that area are connected to lines passing through a high fire-threat area.

The North Marin Water District (NMWD) relies on PG&E electricity for pump operations required to move water from lower to higher elevations. Water service to your address requires the use of a hydro-pneumatic (hydro) pump station. Hydro stations require electricity, and are used in smaller neighborhoods where it is not feasible to install large water storage tanks. NMWD is taking steps to modify piping and electrical connections at these hydro stations in order to better prepare for PSPS events. For some hydro locations, a portable generator may need to be installed during a PSPS event to maintain water availability. If a PSPS event occurs, it is possible that you may temporarily be without water service, or your water pressure may be reduced. NMWD requests that during PSPS events, customers use only the water necessary to meet basic human health and sanitation requirements, and refrain from using water for irrigation.

For more information on how NMWD is preparing to keep the water flowing in the event of a power shut off as well as tips for how to stay informed and be prepared, please visit our website at: <https://www.nmwd.com>.

For general questions regarding water service availability during PSPS shutdowns, please contact customer service at (415) 897-4133.

Sincerely,

Drew McIntyre
General Manager

t:\gm\2019 misc\pmps letter to hydro customers.doc



For Immediate Release
June 21, 2019

CONTACT:

Brad Sherwood
707.547.1927 (Office)
707.322.8192
sherwood@scwa.ca.gov

Barry Dugan
707.547.1930 (Office)
707.331.2140
barry.dugan@scwa.ca.gov

PRESS RELEASE

Local Water Utilities to Community: Know When to Water

(Santa Rosa, CA) – The Sonoma-Marín Saving Water Partnership (Partnership) has launched a regional multi-media effort throughout the North Bay region with a simple message: Know When to Water.

The Partnership includes the Sonoma Water and nine water utilities including the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Windsor, and the North Marin, Valley of the Moon, Marin Municipal Water Districts and California American Water Company-Larkfield.

The advertising campaign will focus on outdoor water conservation messages that will appear in online media. Each advertisement spotlights a creative resource or method for saving water. The advertisements can be viewed at www.savingwaterpartnership.org. The new advertisements augment the Partnership's ongoing year-round water conservation program that has featured local residents and businesses doing their part to save water by participating in water-efficiency programs.

"The Sonoma-Marín Saving Water Partnership's goal is to increase awareness of water conservation and provide helpful tips for the community," said Cotati Councilwoman, Susan Harvey, Chairwoman of the Water Advisory Committee. "We hope this campaign will create awareness about so many great programs being offered to help residents save water."

Sonoma Water Chairman, David Rabbitt added, "Through this partnership we have been able to create extensive online conservation resources which includes the water smart plant guide. This guide can be a beneficial tool for anyone who needs guidance or inspiration when planning their landscaping projects."

With an above average rainfall this winter, healthy water storage levels remain at the region's two largest reservoirs, Lake Sonoma (100% of water supply capacity) and Lake Mendocino (100% of water supply capacity).

Special districts still too murky, grand jury says

Districts

THE COUNTY

By Matthew Pera

mpera@marinij.com

@MatthewRPera on Twitter

A new report by the Marin County Civil Grand Jury calls on county officials to publicize details about Marin's many small government agencies so taxpayers have the ability to hold them accountable.

Countywide, there are more than 130 so-called special districts, which are public agencies that deliver services including water, recreation, sanitation, policing and firefighting to specified geographic areas.

Information about those districts — including basic details, such as what they are called, whom they serve and how to contact them — is often difficult to find, says the report, which was released Thursday.

“Operational details about them are uncertain and obscure,” it says. The Marin County Civil Grand Jury routinely reports on special districts, often urging county officials to facilitate greater transparency from the agencies. It has repeatedly pressed for a comprehensive

list of all Marin districts accessible through the county's website.

But according to the latest report, a complete inventory has yet to be published, despite the Board of Supervisors agreeing to create one in response to a 2014 grand jury recommendation.

“Without a full list,” the grand jury says, “it is difficult to determine how many special districts exist and how much taxpayer money is expended by them.”

State law requires public agencies when they are formed to file information with the state secretary and the clerk of the county where they operate. That information includes the name and mailing address for each agency, in addition to the names of directors. When any changes are made, agencies are required to notify the state and county within 10 days.

But the roster of public agencies maintained by the Marin County clerk's office shows that many districts don't routinely file change notices. Information about some districts hasn't been updated since the 1960s.

Shelly Scott, the county clerk, said she does her part by refreshing the roster when

“I don't keep track of all the agencies,” she said. “They're required to report to me.”

The grand jury report asks the county Board of Supervisors to create an accurate and complete public agencies directory before the end of the year and identify county staff responsible for updating it.

It recommends including in that database the names of board members for each special district and how much they are paid. It also suggest providing information such as the pur-

DISTRICTS » PAGE 4

Marin's agencies file notices with her office. But she's not responsible for ensuring the information about each agency is current, or that each district is on the list.

Special districts still too murky, grand jury says

Districts

FROM PAGE 3

pose, total budget and source of funds for each district. The recommendations are aimed at promoting "transparency and accountability," the report says. That information is crucial for watchdog groups like the Coalition of Sensible Taxpayers, said Paul Premo, a board member for the organization. It can be tough in some cases, he said, to track down details about many districts

— especially financial figures, including how much directors and administrators are being paid. When the public doesn't have easy access to that information, the agencies are able to "fly under the radar," he said.

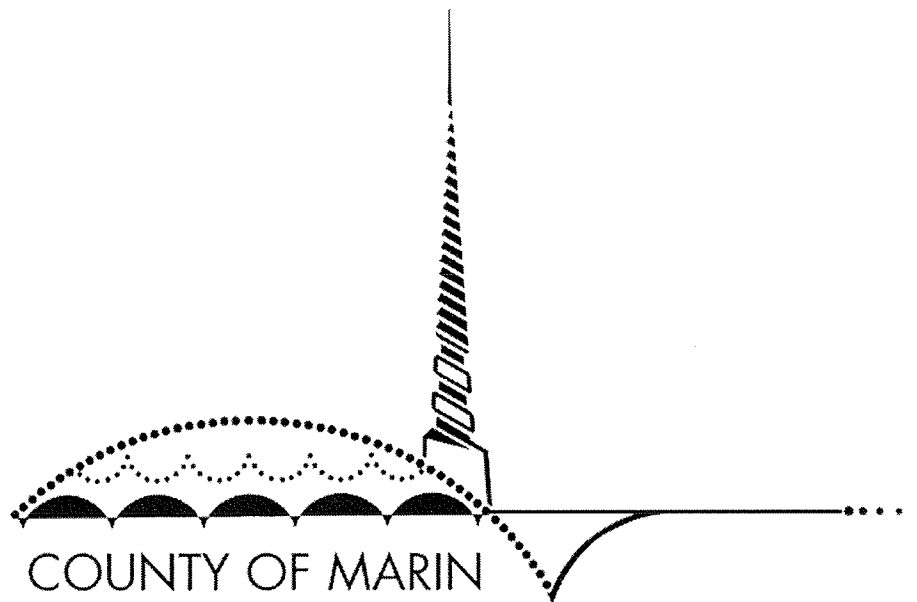
Transparency, Premo said, allows Marin residents to "monitor and perhaps challenge the efficiency of these governments."

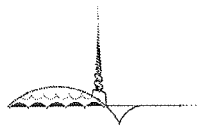
2018–2019 MARIN COUNTY CIVIL GRAND JURY

Special Districts Transparency Update

Report Date: June 13, 2019

Public Release Date: June 20, 2019





Special Districts Transparency Update

SUMMARY

Every year, Marin taxpayers spend hundreds of millions of dollars on special districts, but most taxpayers know little about these districts, including what they are. According to the Marin County Department of Finance's list, 133 special districts operate in Marin but there are other districts that may not be included on the list.¹ The operational details about them are uncertain and obscure.

A special district is a discrete local entity that delivers a limited number of public services in a specific geographic area. Special districts are separate and distinct from the cities and counties where they are located, but they have many of the same powers. The Marin Municipal Water District, the Muir Beach Community Service District, and the Sleepy Hollow Fire Protection District are examples of different types of special districts.

The 2013-2014 Marin County Civil Grand Jury tried to learn more about Marin's special districts, but was surprised to discover that a complete list of all special districts did not exist and information about them was hard to find.² Therefore, it recommended that the County of Marin add a page to its website listing all the special districts in the county with their contact information.

In 2016, the 2015-2016 Grand Jury followed up on the 2014 report.³ It issued a report entitled *Web Transparency Report Card*, that found that "The County of Marin does not currently publish a definitive list of all its dependent special districts and JPAs (Joint Powers Authority)." As a result, it recommended that:

- All agencies should update their websites to include the annual compensation of its directors, officers and employees.
- The Board of Supervisors should create a comprehensive 'digital' directory with links to all County of Marin's dependent special districts and JPAs.

In its August 15, 2014, response to the above recommendations, the Board of Supervisors agreed to publish such a list,⁴ but to date, neither of these recommendations have been fully implemented. Marin Local Agency Formation Commission (LAFCO) has a partial list. The County Clerk's Office has a different partial list as mandated by State law. Some of its entries have not been updated since the 1960s. The Marin County Department of Finance has yet

¹ "Marin County Local Governmental Agencies (2019)." *The County of Marin*. Accessed on 28 May 2019

² "WHAT ARE SPECIAL DISTRICTS AND WHY DO THEY MATTER?" *2013-2014 Marin County Civil Grand Jury*. 20 May 2014.

³ "2015-16 Web Transparency Report Card: Bringing Marin County's Local Governments to Light." *2015-2016 Marin County Civil Grand Jury*. 10 Mar. 2016.

⁴ "Board of Supervisors Response to Web Transparency Report." *The County of Marin*. Accessed on 28 May 2019.

another partial list composed primarily of districts that have a financial relationship with the County. The California Secretary of State publishes yet another list covering the entire state.

To insure transparency and accountability, the Grand Jury recommends that the Marin County Board of Supervisors implement the 2015-2016's recommendations by December 31, 2019. The items that should be included on the list are provided in the discussion section below.

BACKGROUND

In the 1880s, the first special district in California was created by a group of Stanislaus County farmers to oversee the collection of runoff water from the Sierras, which they needed to irrigate their valley farms. The Wright Act of 1887 formalized their action and empowered them to form the Turlock Irrigation District.

After the 1906 earthquake, community leaders in Marin County began promoting the suburbanization of the county. Marin was marked as a “mecca for the homemaker, where suburban life in a beautiful wooded and flowered countryside may be combined with the business of the metropolis”.⁵

The opening of the Golden Gate Bridge in 1937 and the post-World War II development boom, propelled Marin's population surge; in the 1950s it soared from 88,000 to 149,000. Services such as water, sanitation, and fire protection were needed, and special districts were formed since they provided a fast and efficient way to deliver those services.

APPROACH

The Grand Jury:

- Reviewed and examined prior Grand Jury reports on special districts and responses to them.
- Researched special districts in California.
- Met with Marin County leaders.

⁵“WHAT ARE SPECIAL DISTRICTS AND WHY DO THEY MATTER?” 2013-2014 Marin County Civil Grand Jury. 20 May 2014.

DISCUSSION

A lack of transparency results in distrust and a deep sense of insecurity

Dalai Lama

Although the purpose and size of special districts varies, most were created to: (1) provide services in areas that may not lie within a local government's jurisdiction, (2) provide regional services that are beyond the authority and capacity of a single local government, or (3) to fill a gap in services between other governmental agencies.

Although several definitions of special districts exist, the two main types are dependent and independent. Dependent special districts are governed by another governmental body such as a county or municipality, which support districts administratively and financially. County Service Areas (CSA) in Marin are dependent special districts that manage the county's parks and recreation areas, lighting, streets, and first responders.

In contrast, independent special districts have their own governing boards that are elected directly by the voters. Examples of independent special districts include the Novato Fire Protection District and the Las Gallinas Valley Sanitary District.

Despite their structural and geographical differences, special districts have many of the same powers as local governments. They can enter into contracts, assume debt, levy taxes, fees, and assessments, and pass ordinances related to their services. They can also sue, be sued, and charge for their services.

In its report entitled *Marin Web Transparency Report Card*, the 2015-2016 Marin County Grand Jury stated:

"Marin residents are likely unaware of all the various agencies that serve them. Their property tax bills list the charges assessed by these local agencies: county, city, school, joint powers authorities, rail districts, special districts, and assessment districts. Increasing transparency for a local agency makes it easier to understand where tax dollars go. Residents should be able to easily find the description of services provided, the names and contact information of board members and management, the budget, agendas and minutes of meetings, and other information. Today, the most common source of information is the Internet. Compared with other information sources (i.e., phone calls or emails), online searching is often faster, more detailed, always accessible and anonymous."⁶

Currently, taxpayers in Marin cannot easily access information about special districts. Often, the scant information available is not detailed or clear. Questions on how much board members are compensated may be available, but how total compensation is calculated is not revealed.

For example, the Las Gallinas Sanitary District (LGVSD) is an independent special district which provides sanitation services to 36,000 customers in northern San Rafael. Its board of directors consists of five members elected at large to serve four-year terms that are staggered. The 2018 election was contested, and a newcomer won over an incumbent. Most elections are

⁶ "2015-16 Web Transparency Report Card: Bringing Marin County's Local Governments to Light." 2015-2016 Marin County Civil Grand Jury. 10 Mar. 2016.

not contested, or if they are, incumbents usually prevail. Directors have been in office for as long as 18 years.

Directors are paid \$252.70 per meeting up to a maximum of six meetings per month. They are also paid \$200 a month towards medical insurance. All of this information is available on the LGVSD website.⁷

Another example is the Central Marin Sanitation Agency (CMSA). It more than doubled its daily stipend for its directors in 2018 although the board members are limited to four board meetings a month. Additionally, they could be compensated for other meetings that they attend on behalf of CMSA.

A third example, the Marin Municipal Water District (MMWD), which serves central and southern Marin, has five board members who are elected for four-year terms. Often, the elections are uncontested. Even in contested elections, the incumbents tend to prevail and serve for multiple terms. The board is scheduled to meet the first and third Tuesday each month, but unlike other agencies, their meetings are not televised.

According to its website (marinwater.org), the MMWD board:

Establishes policy on the district's mission, goals, and operations. It represents the general public in deciding issues related to water supply. The board also has the authority to adopt ordinances that have the force of law within the district.

Reviews staff recommendations and decides which policies should be implemented in light of the district's mission and goals. The board also monitors the implementation of its policies. The board appoints a general manager to supervise all district operations.

Annually, the MMWD board reviews and approves a staff report showing the compensation paid to each director. Each director is paid \$200 per day of service. For the 2017-2018 fiscal year, four MMWD directors received over \$30,000 each — \$38,352, \$32,316, \$39,889, and \$32,520, while one director received \$7,549. The four directors who were paid over \$30,000 received medical/dental benefits valued at amounts between \$20,609 and \$22,257 which explains the vast difference in pay.⁸

While some of this information may be available from the special districts' websites, it may be difficult to find because the information may not be provided in a consistent manner. Furthermore, people may not know the questions to ask or the areas to search.

To promote greater transparency, the 2015-16 Grand Jury recommended in part:

- The Marin County Board of Supervisors should create a comprehensive online "digital directory" with links to all County of Marin's dependent special districts and JPAs.⁹

⁷ "Board of Directors." *Las Gallinas Valley Sanitary District*. Accessed on May 31, 2019

⁸ "Staff Report: Annual Report on Board Compensation." *Marin Municipal Water District*. 7 Aug. 2018. pp. 81-82

⁹ "2015-16 Web Transparency Report Card: Bringing Marin County's Local Governments to Light." *2015-2016 Marin County Civil Grand Jury*. 10 Mar. 2016.

Since the purpose of the directory/list would be to provide a central location to identify all special districts and JPAs in Marin, the following information should be included to provide an overview of the organization:

Recommended Elements for Special District List

1. Official name,
2. Street address,
3. Telephone number,
4. Web site address,
5. Purpose,
6. Geographic area served,
7. Total budget and source of funds,
8. Number of board members,
9. Board member names,
10. Length of terms and duration of each member's service,
11. If elected, was the last election contested or uncontested?
12. Complete compensation components and amounts (including salary, insurance, stipends, in kind goods, conference fees and other benefits, and reimbursements),
13. How board member compensation is calculated,
14. JPA members if applicable,
15. Board meetings recorded/televised?
16. If yes, how and where published?
17. Independent or dependent?
18. Month and year this record was last updated.

FINDINGS

- F1. A complete list of special districts, JPAs and CSAs in Marin County is not available. Inconsistent partial lists are published by Marin LAFCO, the County Clerk, the County Finance Office, and the California State Controller; therefore, the public is unable to find critical information from one source.
- F2. Without a full list, it is difficult to determine how many special districts exist and how much taxpayer money is expended by them.
- F3. Information about total board compensation, including salaries, benefits, and allowances, and how it is calculated is not consistently reported and made easily available for comparison among all special districts.

RECOMMENDATIONS

- R1. The Marin County Board of Supervisors should create and publish a comprehensive online "digital directory" of all the County of Marin's dependent and independent special districts, CSAs and JPAs, with links to their websites, no later than December 31, 2019.
- R2. The Board of Supervisors, the County Director of Finance, and the County Clerk should determine how the list will be compiled, who will be responsible for maintaining it, what formats it will have, and how it will be published.
- R3. The list should contain the data items delineated above in the Recommended Elements for the Special District List section of this report.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand jury requests responses as follows:

From the following governing bodies:

- County of Marin Board of Supervisors

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code section 933 (c) and subject to the notice, agenda and open meeting requirements of the Brown Act.

From the following individuals:

- County of Marin, County Clerk

Note: At the time this report was prepared information was available at the websites listed.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.

Officials warming to on-air meetings

Meetings

MARIN MUNICIPAL WATER DISTRICT

Chastened board edges to video, livestreaming

By Will Houston

whouston@marinij.com
@Will_S_Houston on Twitter

Marin Municipal Water District directors this week took steps to record its meetings in response to repeated criticism about lack of transparency.

Board president Larry Bragman said the board's decision on Monday to direct staff to bring a proposal before the board to videotape and livestream its meetings reflects its commitment to accountability.

"MMWD's mission to protect

the Mt. Tam watershed and provide the purest water possible depends on its ability to effectively communicate with the public," Bragman said. "Public participation is the bedrock of local democracy and this will be a transformational step which will benefit both MMWD and the public it serves."

The district staff is set to begin discussions with the San Rafael-based nonprofit organization Community Media Center of Marin on providing the video services. MMWD is considering livestreaming its meetings with four cameras, including closed captioning and archiving on You-Tube. A delayed broadcast of the meeting also would air on the Marin TV government channel.

The estimated cost would be about \$54,000 the first year and about \$22,000 the second year, according to district staff. Board director Jack Gibson said he would support livestreaming both the board's regular and special

committee meetings.

"If you just did board meetings you really would not have a complete picture of all the

MEETINGS >> PAGE 4

Officials warming to on-air meetings

Meetings

few special districts to do so.

"There aren't very many that do this in Marin," Horenstein said.

in which he called for a "strong dose of transparency."

COST board member Paul Premo said the morning board

FROM PAGE 1

things we're doing," Gibson said.

Members of the Coalition of Sensible Taxpayers watchdog group, known as COST, called the board's decision welcome, but long overdue. At the board's recent rate hike meetings, COST members videotaped the proceedings.

COST president Mimi Willard attributed the district's recent approval of the "highly unpopular" and "illegal" fee increase to its "opaque" meetings.

"If the video plan is approved, this is a victory for COST's efforts on behalf of ratepayers, though the bigger battle lies ahead as our attorney asks the courts to overturn parts of the latest fee plan/process that we believe violated the law," Willard said.

Ben Horenstein, the water district general manager, said if the board decides to livestream its meetings, it would be one of the

Of nearby water agencies, only three — Santa Clara Valley Water District, San Francisco Public Utilities Commission and the Zone 7 Water Agency — livestream video of meetings, according to district staff. Others only post videos on YouTube after the fact or just post audio as the district does currently. Some don't post video or audio recordings at all.

Gibson noted that MMWD has one of the larger budgets of local special districts and that it therefore makes sense to videotape the meetings.

The lack of videotaped meetings has been a consistent point of criticism, revived in past few months during the board's meetings on its rate and fee hikes. Even a former district board member, Mill Valley resident Richard Harris Jr., criticized the board for not livestreaming meetings in a recent Independent Journal commentary

meetings make it especially difficult for ratepayers to attend. And without video of the meeting, Premo said it's difficult for the public to hold board members accountable for their decisions. He also noted how board members Armando Quintero and Larry Russell sometimes don't physically attend the meetings, opting instead to phone in.

"With both of those directors terms up for election in 2020, their constituents and constituent representatives, will be well-served by the overdue videos of upcoming board meetings," Premo said.

"If the video plan is approved, this is a victory for COST's efforts on behalf of ratepayers."

— *Mimi Willard, Coalition of Sensible Taxpayers*

Wednesday, 06/26/2019 Pag.A01

Copyright Terms and Terms of Use. Please review new arbitration language here.

Disputed budget musters majority

Novato

NOVATO

City Council approves \$42M plan in 3-2 vote

By Will Houston

whouston@marinij.com
[@Will_S_Houston on Twitter](#)

Following months of disagreement and often contentious discussion about the city's spending habits, a divided Novato City Council narrowly approved a budget for the 2019-2020 fiscal year this week.

The \$42 million spending plan largely stays the course from last year, but city officials say significant financial and staffing decisions lie ahead this year to avoid future deficits.

"I think our staff did a really great job with what they had to work with," Mayor Eric Lucan said. "We kept the budget relatively flat recognizing that there might be some decisions that are going to be made in the future."

The \$42 million budget was approved by the council in a 3-2 vote Tuesday, with councilwomen Pam Drew and Pat Eklund dissenting. The budget is up from nearly \$41 million in the 2018-2019 fiscal year, which ends Sunday.

City staff said the council will need to identify new sources of revenue to cover rising costs including employee pensions, benefits and a potential salary raise that could result in a nearly \$2.5 million deficit in the coming years if left unaddressed.

Disagreements during the sometimes heated council discussion on Tuesday mainly centered on staffing levels and city spending. Both Eklund and Drew argued the city cannot sustain its level

NOVATO >> PAGE 4

Disputed budget musters majority

Novato

Mayor Pro Tem Denise Athas expressed strong disagreement with comments by Drew that were critical of staff's

fund money into its emergency and disaster response reserves. By placing the \$1.2 million of revenue from city property sales

FROM PAGE 1

of spending, especially if labor costs increase and no new revenue sources are identified.

"I find this budget to be a travesty," Drew said.

"Our funds are diminishing and we're not going to sustain this level of spending and everyone is going to get hurt," Eklund said.

The biggest single issue the city faces, Drew said, is the city's limited term positions, which are funded through temporary funding sources such as the Measure C and Measure A sales taxes. With the Measure C quarter-cent sales tax set to expire next year, the council voted to change the funding source for two full-time maintenance workers and one half-time analyst position from Measure C revenue to the general fund.

Both Drew and Eklund disagreed with this because they said the council has not discussed how it plans to continue funding those positions once the tax expires next year. The council is set to hold a larger discussion in September on the remainder of the limited term positions.

The rest of the council and city staff disagreed with Eklund and Drew.

"It's a responsible, balanced budget," Councilman Josh Fryday said Wednesday. "It's a flat budget. It recognizes we

understanding of the budget process.

"I'm not prepared to sit here and listen to any more comments like that," Athas said.

Staffing levels are budgeted to remain flat at about 208 positions. Unused Measure C sales tax revenues will provide \$450,000 to the city's new pension trust fund and another \$442,545 to the prepare for potential labor cost increases. The city also dipped into its general fund to pay for projects such as the resurfacing of the Hamilton pool, to buy a backup power generator for City Hall and to pay for the city's downtown SMART station, among other expenses.

"We're utilizing onetime funds for one-time expenditures, not for ongoing costs," City Manager Regan Candelario said Wednesday.

Meanwhile, contract negotiations between the city and several employee unions are ongoing. Depending on what wage increase is agreed upon, the city's deficit could increase to \$2.4 million or more by 2023-2024 unless the city identifies new revenue or cuts other expenses. Some of the revenue options could be placing a sales tax and a cannabis sales tax on an upcoming ballot. The council is set to begin talks on revenue options in July, according to Candelario.

To allow for financial flexibility during any downturns in the

and another \$3 million in risk mitigation reserve money into its emergency reserve, the city will have an ending fund balance of about \$12.4 million, which it can use to absorb future deficits, staff said.

Several Hamilton residents opposed this consolidation. Because the revenue from the city property sales largely came from the sale of Hamilton properties, residents argued a portion of that money should go back into the community. Joan Goode and other residents called for the council to hold off on the consolidation until after the council holds a policy discussion on how those funds are used, which she said the council promised to do back in 2017.

"This is necessary to maintain the community and demonstrate to residents that our elected representatives will keep their word," Goode told the council.

Eklund motioned to not place the property sale revenue into reserves, but the motion failed in a 2-3 vote with Lucan, Fryday and Athas dissenting. City staff and council members said that despite the labels on the funds, they are all general fund money, which can be used at the council's discretion for the entire city including Hamilton.

More information on the city budget can be found online at bit.ly/2NdztB3.

Thursday, 06/27/2019 Pag.A01

have hard choices and we're investing in areas of the community that we can and being smart about not overextending ourselves."

economy, the council voted to consolidate some pots of general

Copyright Terms and Terms of Use. Please review new arbitration language here.

Public agencies given slack on fee

Fee

MARIN MUNICIPAL WATER DISTRICT

School districts, other entities get years to pay new surcharge

By Will Houston

whouston@marinij.com
[@Will_S_Houston on Twitter](#)

To ease the financial hit of its new fee on school districts, cities and other public agencies, Marin’s largest water district will now allow agencies to enter into payment plans.

The decision by the Marin Municipal Water District’s board of directors will allow public agencies to defer payment of its new capital maintenance fee by up to four years and pay it back over a period of five years with interest.

The move is part of a larger effort by the district to help agencies, especially school districts, reduce their water bills and lessen the impact

of the new fee, which will cost some agencies tens of thousands of dollars per year.

“I am concerned about the hit to the schools,” director Cynthia Koehler said prior to the board vote Thursday. “I do feel they are differently positioned than other water consumers.”

The water district’s new “capital maintenance fee” is set to take effect in July. The fee, which was approved in late May, levies a

FEE >> PAGE4



Marin Municipal Water District engineer Lucy Croy checks a Ross reservoir in March. The system’s new maintenance fee takes effect in July.

JEREMY PORTJE — MARIN INDEPENDENT JOURNAL

Public agencies given slack on fee

Fee

FROM PAGE 1

fixed charge based on ratepayers’ water meter size.

since the law was passed through a ballot initiative.

Under MMWD’s new fee deferment program, public agencies can defer their fee payment by two years and request an additional two years if they can demonstrate a need.

the change complies with Proposition 218 does not alter the amount owed by the public agencies.

“It simply allows a specific class of ratepayer, namely local public agencies, a payment plan

Fee revenue will be used to pay for repairs and replacement of aging pipes, tanks, pumps and treatment plants as well as fire preparedness. The fee is meant to shift the district from bonds to cash to pay for these projects.

Along with the payment delay, water district officials plan to begin aiding school districts, cities and other agencies to reduce their water meter sizes where feasible, plug leaks, install “smart” meters and promote ways to conserve water.

Impacts to schools

The vast majority of MMWD ratepayers have 5/8-inch and 1-inch meters and will pay either \$164 or \$409 annually. School districts and other agencies in MMWD’s service area, however, face larger annual charges because they have several meter connections.

School districts’ ability to absorb the new fee was a repeated point of concern when MMWD was considering the new fee and was the impetus for the board’s decision on Thursday. School districts in MMWD’s service area face \$180,000 in capital maintenance charges collectively with one school district paying up to \$42,000 in fee charges, according to district staff.

Mary Jane Burke, Marin County’s superintendent of schools, described the board’s decision as a “wonderful example of public agencies working together to save tax

The agencies will then enter a fiveyear repayment plan and repay the owed amount with interest equal to the water district’s Local Agency Investment Fund rate — which was about 2.5% as of May 2019 — plus 1%.

In a related action, the MMWD board also directed its staff on Thursday to track the collection and spending of the capital maintenance fee separately from other funds to ensure transparency.

‘Special treatment’

Not everyone supported the change. Even though the fee deferment plan would apply to his city, Larkspur councilman and local attorney Kevin Haroff told the board he opposes the carveout for public agencies, describing it as “special treatment” that other ratepayers won’t get.

“There is no basis here for making a discriminatory decision that benefits one set of customers over another,” Haroff told the board.

Greg Knell, president of the San Rafael Board of Education, said he opposes the fee, which he said “crowds” residents’ property tax bills and thus makes it more difficult for school districts to convince voters to fund property taxes to fund schools. The fee will be collected on ratepayers water bills for two years before being placed on property tax bills.

given their budgetary constraints,” Casey said.

The district already offers a payment plan option for late bill payments as well as rate reductions for lowincome and medically disabled ratepayers. Customers who have larger meter sizes solely for fire sprinklers or water pressure issues, for example, can also apply for a lower fee amount.

Larry Minikes, a member of MMWD’s citizen advisory panel, supported the board’s change, saying, “I don’t see where not doing this is benefit to anyone.”

Fire chiefs’ concerns

In a letter to the district this month, the Marin County Fire Chiefs Association outlined its concerns about fee potentially discouraging people from installing fire sprinklers in their homes. New housing development or significant rebuilds of property can require fire sprinklers to be installed, which could require property owners to install larger meter sizes.

Novato fire Chief Bill Tyler serves as president of the chiefs association. He said he hopes to discuss the matter further once the district has had a chance to review the letter.

“We would like to see partnering with the water district to help lower barriers for people to be able to install residential fire sprinklers, whether it’s required by law or whether it’s

dollars and our precious water resources.”

“Our schools are so grateful to the MMWD for its flexibility and feel fortunate that the district has agreed to collaborate with our schools to evaluate the current water meter infrastructure and address inefficiencies prior to implementing the new Capital Maintenance Fee,” Burke said in a statement Friday. “For example, over the years eight turf fields were installed to replace grass, yet the water meters were not downsized to account for the reduction in water usage. This is an area where the MMWD will assist the district in determining the most appropriate meter size which will result in a lower fee.”

Board director Jack Gibson and others had expressed a desire to exempt school districts entirely from having to pay the new fee, but state law under Proposition 218 does not allow for it, according to Ben Horenstein, the district’s general manager. In the meantime, Gibson said he’s had informal talks with state legislators about potential changes to allow such an exemption.

“I would characterize the response I got as enthusiastic,” Gibson said.

Questions remain as to whether the Legislature could make such a change

Knell, who ran for the MMWD board last year, said the deferment program would be more attractive if schools didn’t have to make interest payments, especially because of the impacts the new fee will have on school budgets.

“By them just adding (the fee) without a vote (by the electorate), this makes our job that much more difficult,” Knell said. “I understand what they are doing because we haven’t budgeted this rate increase. School districts by law have to have a balanced budget.”

An attorney representing the Coalition of Sensible Taxpayers watchdog group, or COST, alleged the deferment program would violate Proposition 218. In a letter to the board, attorney Walter McNeill argued the district has a “legal obligation to provide uniform non-discriminatory water rates” for all customers “whether public agencies or private parties.”

COST has threatened to sue the water district, claiming the fee is an illegal tax. Knell said he would support the lawsuit if it has a chance to overturn the fee.

MMWD’s legal counsel Mary Casey disagreed with McNeill’s letter, stating

done on a voluntary basis,” Tyler said.

Horenstein said the district’s fee reduction program already addresses the concerns in the fire chiefs’ letter.

“We appreciate the strong working relationship we have built with Marin’s fire agencies and we will continue to work closely with them moving forward,” Horenstein said in a statement.



The Marin Municipal Water District’s equipment includes a Ross reservoir built in 1927. The district approved a “capital maintenance fee” in May to fund infrastructure repairs.

JEREMY PORTJE — MARIN INDEPENDENT JOURNAL

Sunday, 06/30/2019 Pag.A01

Copyright Terms and Terms of Use. Please review new arbitration language here.

Water saving urged during wildfire outages

Water

MARIN OFFICIALS

By Will Houston

whouston@marinij.com

@Will_S_Houston on Twitter

Marin County water managers and fire officials are urging residents to conserve water when Pacific Gas and Electric Co. shuts off power during times of high fire threat.

Without power, local water pumps can't refill storage tanks until backup generators arrive, meaning supplies could be limited for both residents and fire crews in certain areas of the county.

"Once (the tanks) become depleted it takes a long time to fill them back up, so it's a big concern for us," said Novato fire Chief Bill Tyler. "It's something we're going to stay on top of."

To ensure firefighters have ample water supply at the ready, Marin's two main water districts — the Marin Municipal Water District (MMWD) and the North Marin Water District (NMWD) — say residents should revert to winter water use habits

during these outages. That means no outdoor irrigation.

"We're trying to plan for the worst case scenario," said Drew McIntyre, the NMWD general manager.

And this recommendation isn't just limited to areas where the power goes out. The districts say an outage in one community means other communities need to save water, too.

"We want people to be paying attention to the whole service area," said Emma Detwiler, spokeswoman for MMWD.

After PG& E power equipment was linked to some of the deadly fires in California recently, the utility announced plans to cut power to its transmission and distribution lines in areas deemed to have a high risk of fire. Those areas include most of Marin County.

The outages, which PG& E has already implemented in nearby counties, affect everything from hospitals to government agencies to other utilities like water districts. Local agencies are calling for people to be prepared for outages of up to a week.

"In an event like this," said Ben Horenstein, general manager of MMWD, "we're

going to be solely relying on the backup generators."

In order to keep its treatment plants and water pumps functioning, MMWD spent more than \$1 million to rent 24 portable generators for pumps and buy a permanent generator for a treatment plant. NMWD has spent \$216,000 to buy six new generators and rent three more.

NMWD has 38 tanks that hold about 35 million gallons of water, which is enough supply for one to two days based on summer

WATER»PAGE 4

Water saving urged during wildfire outages

Water

FROM PAGE 3

use. If customers conserve, the supply could last two to three days, giving the district time to begin pumping water back into the tanks.

The district is also renting two additional fuel tanks to ensure that enough fuel is on hand to keep the generators running, especially if gas station pumps are affected by the outages.

Fuel is not as much of a concern for MMWD, Horenstein said, because it has a supply and because the outages will primarily be localized as opposed to a larger disaster like an earthquake.

“We’ll always be able to tap Richmond even if the demand in Marin is notably higher,” Horenstein said.

MMWD also has 128 tanks that have enough water for about two days on average. But water use doubles in the summer months, primarily due to irrigation, to about 30 million gallons per day. The location and size of tanks varies throughout the district’s service area, so Horenstein is calling on residents to have enough potable water for four to five days with at least one gallon per person per day.

At the smaller Inverness Public Utility District, which serves about 516 connections, officials aren’t as concerned about

a localized outage. The utility has a backup generator and fuel tanks, and its water is principally gravity-fed so not much pumping is required, according to Wade Holland, the district’s acting administrator.

“We have a very good rapport with our customers. People are willing to cut back,” Holland said. “Because everyone gets their mail from the post office, we can get messages out quickly by posters. We found that to be very effective in that past.”

PG& E outage information and alerts are available at prepareforpowerdown.com. Registration for Marin emergency notifications is available at bit.ly/2xt6f7M.

*Accountability question an important one***Editorial**

The 2018-19 Marin County Grand Jury did the right thing in following up one of its predecessor's recommendations on the need for greater public awareness and accountability among Marin's varied special districts.

The grand jury found, for instance, that the county, which had previously promised in 2016 it would build a public database of Marin's special districts, had yet to do so. It has only been five years, during which time the county likely could have hired a team of interns from Dominican University to complete the task.

It appears, county supervisors and staff didn't consider the task a priority.

The grand jury's report addresses a flaw in the civil grand jury process, where each year a new panel of civic-minded citizens is formed and, not surprisingly, has its own agenda. But there is value in regularly reviewing a previous grand jury's findings and seeing if its recommendations had been followed — or ignored.

All too often, agencies' official responses to grand jury reports are so vague they deserve to be called out for publicly glossing over important recommendations and findings.

most of which are run under the public radar, often figuring that if the public doesn't care about how they are spending their dollars, there is little need for the public know.

That equation, in some agencies, has helped lead to rising pay and pensions, perks and significant salaries for elected directors and issues the public should be told about being dispatched with little notice.

Meanwhile, they are spending thousands and sometimes, millions, of taxpayers' dollars.

The grand jury's attention should lead some of the elected or appointed directors of these agencies to at least ask themselves whether their body is doing as much as it should in making taxpayers aware of what they do and how much and where they are spending those dollars. They should be asking that question before, not after, they make important or costly decisions.

All too often, they don't. Sadly, too many directors take the empty seats in their board rooms as a sign of how much the public cares about the issues they are discussing and deciding. They don't seem to ask themselves what they are doing to inform and involve the public.

than many council members or school board trustees across the county.

The grand jury also points out the Marin Municipal Water District, whose members are paid \$200 per day of service and are entitled to medical and dental benefits. For four of the five directors, their pay during 2017-18 topped \$30,000, including ratepayer-paid medical and dental benefits of more than \$20,000.

In making its case for a complete public database of local special districts, the grand jury disclosed its finding that the county clerk's office, the county Department of Finance, the Marin Local Agency Formation Commission — a state-required agency — and the state, all had differing listings of Marin's special districts.

The grand jury is asking for a public, up-to-date listing that includes the name of the district, its purpose, a phone number and website address, budget information, the names of board members and their tenure, complete compensation and when and where they meet and whether meetings are televised.

That doesn't seem like a monumental task. But will it ever be done? Or, is another grand jury going to bird-dog the matter until it does.

A follow-up report by a succeeding grand jury helps hold them accountable.

In Marin, grand juries have regularly done just that. They might make their own findings, sometimes differing from an earlier grand jury, but they also track whether public agencies have taken the grand jury's advice.

The grand jury's report also emphasizes the importance of special districts,

For instance, Marin City residents probably didn't know that their community services district had not performed an annual budget audit — a minimum accountability measure — for many years before November's contest for three board seats.

The new grand jury report specifically points out Las Gallinas Valley Sanitary District's five-member board, whose members are paid \$252.70 per meeting for up to six meetings per month and receive \$200 per month toward medical insurance.

This board, which gets little public attention despite its important responsibility and sizable budget, gets paid better

Sunday, 07/07/2019 Pag.A10

Copyright Terms and Terms of Use. Please review new arbitration language here.

NOTICE OF BOARD VACANCY

Effective June 10, 2019, a vacancy exists on the Board of Directors of the Novato Sanitary District. The Board will appoint a new member who will serve until the next general election of the District scheduled for November 2020. At that time, an election will be held to fill the vacant seat for the remainder of the term, ending with the 2022 election. The current vacancy is for an at-large seat. Also, the District recently adopted an ordinance (See Ordinance 121) transitioning the District to by-district (division) elections, and this seat will become a "Division 3" seat at the time of the 2022 election, at which time only registered voters residing in Division 3 will be eligible to run for this seat. Interested parties are invited to submit an application by 4:30pm, Wednesday, July 24, 2019, describing their educational and employment background, any prior community activities, potential areas for conflict of interest, and a statement of interest on serving on the Board of Directors. Applications are available at the District office, or can be downloaded at www.novatosan.com. Interested parties may also contact the District Secretary at (415) 892-1694. The Board of Directors will review applications, and interview applicants (if needed), at an open public meeting scheduled on Monday, August 5, 2019 at 5:30 PM and will make an appointment. The meeting will be held at the District offices located at 500 Davidson Street, Novato, California

Sandeep Karkal
District Secretary, Novato Sanitary District

Dated: July 1, 2019
3239376.1

CALIFORNIA WILDFIRES

PG&E's planned power shutdowns could choke off vital water supplies



Kurtis Alexander July 9, 2019 Updated: July 9, 2019 11:52 a.m.



Comments

David Cherniss, an East Bay Municipal Utility District mechanical supervisor, stands near a portable generator in Oakland that would help keep water flowing in a power shutdown.

Photo: Lea Suzuki / The Chronicle

PG&E's plan to prevent wildfires with widespread power shut-offs means no lights, no refrigeration and no internet in many parts of California.

It could also mean limited use of toilets and taps, an inconvenience that water and sewer districts across the state are scrambling to address before a blackout comes and nature calls.

Utilities, including several in the Bay Area, simply don't have the backup power to replace the electricity that Pacific Gas and Electric Co. normally provides for water delivery and sewage treatment. The agencies are trying to make their operations more energy efficient and adding alternative power sources in case the cord is cut, but it may not be enough.

Already agencies are warning customers of possible water shortages and sewer backups. A loss of water, or drop in water pressure, could also be problematic for firefighters needing to douse any blazes.

"This is a big challenge," said Dave Eggerton, executive director of the Association of California Water Agencies, a trade group representing hundreds of utilities. "It's operationally challenging, it's very expensive, and some of our member agencies are incurring explosive costs."



David Cherniss (l to r), East Bay Municipal Utility District mechanical supervisor and Mona Favorite-Hill, East Bay Municipal Utility District senior community affairs representative walk past a portable generator at the Fontaine Pumping Plant on Friday, July 5, 2019 in Oakland, Calif.
Photo: Lea Suzuki / The Chronicle

PG&E began shutting off power to rural areas last year on warm, windy days to reduce the risk of an electrical line sparking a wildfire. Company lines have been blamed for igniting numerous blazes in recent years, including the deadly Camp Fire in Paradise in November.

This year, PG&E announced that it would be expanding the precautionary shut-offs to include the company's entire Northern California service area. The power provider warned that outages could last two days or more.

While many of the state's utilities have backup power to draw water from key supplies, say a reservoir or a well, and to run their sewage treatment facilities, the alternative power sources are not typically designed to last multiple days.



The Fontaine Pumping Plant is seen on Friday, July 5, 2019 in Oakland, Calif.
Photo: Lea Suzuki / The Chronicle

Additionally, some districts don't have enough backup electricity to power the pumps that move water and sewage to where it needs to go. Many deal with sprawling service areas with hundreds of miles of pipeline.

“It’s going to be an ordeal,” said Rick Rogers, manager of the San Lorenzo Valley Water District in the Santa Cruz Mountains, where most of his 30 pump stations that help get water to more than 23,000 people don’t have backup power.

The district has a handful of portable generators, which are used to run the occasional pump that loses power during a winter storm. But with a widespread outage, like what’s expected during PG&E shutdowns, the district would have to prioritize which pump stations get power, first trying to get water to the elderly and people with “critical needs.”

The district’s board of directors recently approved the purchase of eight new generators, some of which may cost more than \$100,000. However, the money won’t be available until next year. Making matters worse, PG&E deems the district’s service area, which includes the wooded communities of Boulder Creek and Scotts Valley, to be at high risk of a shut-off this year.

“We’re sending out flyers, putting ads in papers, requesting people not to use water during outages,” Rogers said.

The East Bay Municipal Utility District, which serves 1.4 million people, has begun a similar conservation campaign. Residents in the fire-prone Berkeley and Oakland hills get much of their water from local tanks, which are filled by pumps, not all of which have backup power.

“We want to make sure we have water in those tanks not only for our customers but for firefighters in those areas,” said Andrea Pook, spokeswoman for the district.



David Cherniss (l to r), East Bay Municipal Utility District mechanical supervisor and Mona Favorite-Hill, East Bay Municipal Utility District senior community affairs representative talk as they stand next to a new frame and pad for a temporary portable generator at the Amito Pumping Plant on Friday, July 5, 2019 in Oakland, Calif.

Photo: Lea Suzuki / The Chronicle

EBMUD is asking people to use less water during a power shut-off while trying to get more generators in place to maintain adequate water supplies. The agency’s board has signed off on an agreement to rent 29 generators for four months this year at a cost of \$409,000.

In the Sierra foothills, the El Dorado Irrigation District east of Sacramento has already spent \$800,000 on additional generators. Not only will the backup power help keep water flowing to the 129,000 people in the district's service area but, just as important, it will keep sewage moving.

The district's sewage system relies on a series of lift stations to push waste across mountains and valleys to one of five treatment plants. The stations require power to operate.

"Water may stop (running) during an outage, but folks still use their toilet," said Jesse Saich, spokesman for the agency. "So that stuff is still going to be coming down the hill, so to speak."

To be ready for possible sewage backups, Saich said the district would be operating its full fleet of pump trucks to manually remove waste during a power shutdown if need be.

PG&E has so far initiated three limited shutdowns because of wildfire danger. But when and if there are future blackouts is uncertain. The company's decision to turn off the power hinges on several variables, including the weather forecast, humidity and forest conditions.

The power company has said it's more likely to cut supplies in areas with the greatest fire risk, though any place could lose electricity because transmission lines targeted for shut-offs may pass through not only hazard spots but other places.

Company spokeswoman Andrea Menniti said in an email that PG&E was working to identify and minimize impacts to "customers who provide critical services," which include water suppliers. But there are no guarantees.

The latest power shutdown was during hot weather last month, and utilities affected by the outage said they learned a lot about what can go wrong.

In Oroville (Butte County), which went dark June 8, managers of the community's private water company said they were able to keep water flowing during the brief and geographically limited blackout. But the outage exposed limitations of the supplier's batteries used for computers that control water delivery and generators used to run air conditioning in rooms with valuable electronics.

Preparing for a water outage

Store at least one gallon of water per person and pet per day.

Stock up on hand sanitizer to reduce the need to wash.

During an outage, limit the use of appliances that require water and dishes that need cleaning.

Try to stay cool to reduce your water needs.

Keep in mind emergency supplies should you need them, like hot-water heaters. Treat appropriately before drinking.

Read More

“It was a good exercise that helped us identify a couple small areas that we need to shore up,” said Mike Mares, a vice president of Cal Water, which manages water supplies in more than a dozen Northern California communities.

The Cobb Area Water District, a small utility in the hills of Lake County, didn’t have such a positive experience when PG&E shut off its power last fall. Water officials rushed out to rent generators for three days, costing the district more than \$10,000.

“We paid huge delivery fees, due to it being a Sunday, (plus) fuel and overtime to the employees of the district,” General Manager Ben Murphy said.

A month later, PG&E warned the Lake County district of another possible power shutdown, and again the district rented generators. This time the outage never materialized, but the agency was still out \$6,000.

“These (shutdowns) are extremely hard,” Murphy said. “They are shutting the power off during wildfire season, I get it. But to shut off the power to the one thing that fights the fire — water — I really don’t get that.”

Kurtis Alexander is a San Francisco Chronicle staff writer.

Email: kalexander@sfchronicle.com Twitter: [@kurtisalexander](https://twitter.com/kurtisalexander)



[Kurtis Alexander](#)

Follow Kurtis on:

<https://www.facebook.com/kurtis.alexander.92kurtisalexander>

Kurtis Alexander is a general assignment reporter for The San Francisco Chronicle, frequently writing about water, wildfire, climate and the American West. His recent work has focused on the impacts of drought, the widening rural-urban divide and state and federal environmental policy.

Before joining the Chronicle, Alexander worked as a freelance writer and as a staff reporter for several media organizations, including The Fresno Bee and Bay Area News Group, writing about government, politics and the environment.

Senate approves fund for clean drinking water

SACRAMENTO

By Ada m Bea m

The Associated Press

SACRAMENTO>> The California Senate on Monday sent legislation to Gov Gavin Newsom's desk that will spend \$130 million a year over the next decade to improve drinking water for about a million people.

About one million of California's nearly 40 million residents don't have access to clean drinking water because of pollution from humans or natural causes, a fact state lawmakers have called an embarrassment for a state with the fifthlargest economy in the world. The problem is statewide, but it is concentrated in the Central Valley — the capital of the state's \$20 billion agriculture industry.

Senators approved the measure 38-1.

Newsom had proposed a tax on most residential water bills to address the problem. But state lawmakers were wary of approving a new tax in a year when they had an estimated \$21.5 billion surplus.

Instead, on Monday the state Senate approved

a bill that would authorize spending up to \$130 million each year on the state's distressed water districts, with most of it coming from a fund aimed at fighting climate change.

California voters have approved billions of dollars in infrastructure projects for water districts over the years. But the problem, advocates say, is smaller water districts can't afford to maintain them. The proposal would authorize spending through 2030 to help these districts with their operating costs, including consolidating smaller districts to help improve their management and finances.

But instead of coming from the state's general fund and its bountiful surplus, lawmakers agreed to take the money from the state's cap and trade program. The program requires the state's biggest polluters, like oil refineries and farms, to buy credits to let them pollute. It has generated more than \$9.5 billion since its inception, and state officials are supposed to use that money to reduce greenhouse gas emissions to improve the environment and public health. That's why some lawmakers are alarmed at the idea of raiding the program to pay for things outside of the program's original purpose.

only lawmaker to vote against the bill on Monday.

State Sen. Bill Monning, a Democrat from Carmel, said climate change has hurt California's water quality by reducing surface water flows, accelerating the decline of groundwater basins and "increasing concentrations of environmental contamination."

"I see ourselves with this bill as first responders, as emergency first responders to communities for whom many of us this is a theoretical challenge because we enjoy and take for granted clean, safe drinking water when we turn on the tap," Monning said. "Too often when we talk about climate change we refer to a future risk. Members, climate change is upon us."

“We’re pitting clean water
against clean air. We know
Californians can and must have
both of them,” said state Sen.
Bob Wieckowski, a Democrat
from Fremont who was the

Tuesday, 07/09/2019 Pag.A05

Copyright Terms and Terms of Use. Please review new arbitration language here.

16