



NORTH MARIN WATER DISTRICT

NORTH MARIN WATER DISTRICT AGENDA - REGULAR MEETING August 20, 2019 – 6:00 p.m. District Headquarters 999 Rush Creek Place Novato, California

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Est.
Time
6:00 p.m.

Item

Subject

CALL TO ORDER

1. **APPROVE MINUTES FROM REGULAR MEETING**, August 6, 2019
2. **GENERAL MANAGER'S REPORT**
3. **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.

4. **STAFF/DIRECTORS REPORTS**
5. **MONTHLY PROGRESS REPORT**
6. **PRELIMINARY FY 2018/2019 FINANCIAL STATEMENT**

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

- | | | <u>Type</u> | <u>DU</u> | <u>EU</u> | |
|----|--|-------------|-----------|-----------|------------|
| 7. | Blue Barn Restaurant, 819 Grant Avenue,
APN 153-063-04 | CM | 0 | 0 | Resolution |
| 8. | Consent – Approve: Leonard Charles & Associates – Consulting Services Agreement
CEQA Services West Marin THM Removal Project | | | | |

ACTION CALENDAR

9. **Approve:** Contract Award for NMWD Trench Restoration Paving – FY20
10. **Approve:** Authorize Vacuum Excavator Replacement Purchase
11. **Approve:** Budgeted FY20 Cherry Hill Tank No. 2 Recoat and Rehabilitation – Approve Bid Advertisement

INFORMATION ITEMS

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
	12.	Potter Valley Project Relicensing Update – FERC Acceptance of Notice of Intent
	13.	NBWRA Meeting Update – July 12, 2019
	14.	MISCELLANEOUS Disbursements – Dated August 8, 2019 Disbursements – Dated August 15, 2019 <u>News Articles:</u> How will the Potter Valley Project impact Cloverdale? County prepares for PG&E fire prevention blackouts North Marin should reduce water into creek Water district addresses Stafford lake release MMWD picks nonprofit to livestream meetings Wildfire prevention parcel tax pondered PG&E losses surge over wildfire costs, bankruptcy North Marin shifts elections to by-district Field for November election almost set County closer to buying in West Marin
7:00 p.m.	15.	ADJOURNMENT

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 6, 2019

CALL TO ORDER

President Jack Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 6:02 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) and Tony Arendell (Construction/Maintenance Superintendent) were also in attendance.

MINUTES

On motion of Director Joly, seconded by Director Petterle the Board approved the minutes from the July 16, 2019 meeting with minor changes as presented by Director Joly by the following vote:

AYES: Director Baker, Fraites, Joly

NOES: None

ABSTAIN: Director Grossi, Petterle

ABSENT: None

GENERAL MANAGER'S REPORT

Marin County Flood Control District Zone 1

During the General Manager's Report, Mr. McIntyre announced that the Marin County Flood Control District Zone 1 Advisory Board meeting for August 1st will be rescheduled. He noted that no new meeting date has been set yet.

Director Baker asked who was on Marin County Flood Control Zone 1 Advisory Board besides Mr. McIntyre and Director Grossi. Mr. McIntyre and Director Grossi replied Bill Long, Gary Butler, and Sue Lattanzio.

Potter Valley Project Relicensing

Mr. McIntyre apprised the Board of the upcoming Common Interest Agreement call related to the Potter Valley Project (PVP) relicensing project. He added last Friday FERC

issued a letter accepting the Notice of Intent from the Planning Agreement signatories. Mr. McIntyre stated he will have a more detailed report at the August 20th Board Meeting.

Director Baker asked if the outcome seemed predictable, and if there were any red flags. Mr. McIntyre replied that it is too early in the process to tell.

Local Managers Meeting

Mr. McIntyre announced there will be an upcoming meeting with the City manager and other local Special District managers. He added that these meetings occur once or twice a year to maintain optimum communication between the City of Novato and the other local special districts.

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.

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 responded to Director Fraites' question at the last meeting about hearing protection for employees when changing GAC at the Stafford Treatment Plant. He reassured Director Fraites that staff is required to use ear protection when noise levels exceed 80 decibels. Director Fraites replied that he was not close to the operation; but noticed it was really loud even from a distance.

Mr. Vogler alerted the Board that the second and final SCWA aqueduct shut down near Kastania is now scheduled for August 20, 2019.

CONSENT CALENDAR

On the motion of Director Fraites, and seconded by Director Petterle the Board approved Item 5, Water Agreement for College of Marin Indian Valley Campus on the consent calendar by the following vote:

AYES: Director Baker, Fraites, Joly, Petterle

NOES: None

ABSTAIN: Director Grossi

ABSENT: None

63 **(ITEM 5) WATER AGREEMENT COLLEGE OF MARIN INDIAN VALLEY CAMPUS – JONAS**
64 **CENTER & BUILDING 18, APN 150-480-12**

65 This project includes development of the Jonas Community Center and improvements
66 to existing Building 18, in addition to a minimum amount of new landscaping.

67 On the motion of Director Petterle, and seconded by Director Joly the Board approved
68 Item 6, Corrected Ordinance 38 – California Voting Rights Act (CVRA) and Elections Code (EC)
69 10010 on the consent calendar by the following vote:

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

71 NOES: None

72 ABSTAIN: None

73 ABSENT: None

74 **(ITEM 6) CORRECTED ORDINANCE 38 – CALIFORNIA VOTING RIGHTS ACT (CVRA) AND**
75 **ELECTIONS CODE (EC) 10010**

76 Corrected Ordinance 38 makes some minor, non-substantive revisions to reflect actual
77 requirements for the District under California Water Code. The District will transition from an at-
78 large to by-division (district) system for electing directors as of August 15, 2019. The approved
79 division map is on the District's website. Directors from Division's 2, 3 and 4 will be elected in
80 2020 and Directors from Division's 1 and 5 will be elected in 2022.

81 **ACTION ITEMS**

82 **HUMAN RESOURCES CONSULTING**

83 Ms. Blue apprised the Board of the need for a new Consulting Contract with Darlene
84 Rhodes for Human Resources (HR) services through November 15, 2019. She stated that we
85 have had an open position since July of 2018 and have been using our labor law attorney and
86 Ms. Rhodes for HR support services during that period. Ms. Blue added that staff continues to
87 evaluate options to restructure the Administrative Department going forward.

88 On the motion of Director Petterle, and seconded by Director Joly the Board approved
89 the Human Resources Consulting Contract with Darlene Rhodes by the following vote:

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

91 NOES: None

92 ABSENT: None

93 ABSTAIN: None

94 **PES ENVIRONMENTAL INC., GENERAL SERVICES AGREEMENT**

95 Mr. McIntyre apprised the Board of the need for a new General Services Agreement with
96 PES Environmental, Inc. for hydrogeologic consulting services to assist staff with various
97 upcoming projects. He stated the first task will be related to evaluating feasible hydrogeologic
98 locations within the north pasture of the Gallagher Ranch for an alternate location for the
99 proposed Gallagher Well No. 2. He added that additional services will be needed by PES to
100 support staff in evaluating the merits of any proposed on-site wastewater disposal system at the
101 former Coast Guard Housing Parcel in Point Reyes Station. Mr. McIntyre noted that PES has a
102 proven track record with the District and have assisted us with many previous similar projects
103 including the Point Reyes Affordable Housing Project and the exploration for potential
104 groundwater supply well locations on the Gallagher Ranch. Mr. McIntyre explained to the Board
105 that ranch family members are concerned about the current proposed location for the second
106 well in the south pasture and are asking for the additional work to determine the feasibility of
107 locating a second well in the north pasture location.

108 Director Baker stated he has seen a lot of maps and knows the area somewhat, but it is
109 hard to tell the north pasture from the south pasture without a bigger map. Mr. McIntyre
110 explained that the north pasture is located on the left side of the ranch access road after
111 crossing the Lagunitas Creek private bridge when approaching the ranch. Director Joly asked
112 what happens if the hydrogeologic investigation determines the north pasture is not feasible.
113 Mr. McIntyre replied that we would focus on securing an easement for the south pasture
114 location.

115 Director Baker inquired if the owners understand that this is the only source out there,
116 and asked if we should go upstream. Mr. McIntyre replied that the Gallagher Ranch is the best
117 location when considering multiple factors. Director Joly asked what is the total cost we are
118 spending with this contract compared to the total cost of the project. Mr. McIntyre replied that
119 the total cost estimate for Gallagher Well No. 2 is \$335,000 and this new \$43,000 cost could be
120 offset by savings in construction due to a shorter pipeline distance between the existing Well
121 No. 1 and proposed Well No. 2. Director Baker commented he is not clear on the location of
122 the test borings, and wanted to know if the test boring locations are shown on the map. Mr.
123 McIntyre replied they are labeled NP1 and NP2. Director Baker commented that he knows the
124 rock varies in that location and he is worried that we will not be far enough upstream. Mr.
125 McIntyre replied that PES believes the north pasture could be a viable location. Director Baker
126 stated he is reluctant to approve the contract and felt the District has already worked in good
127 faith with the property owners regarding the current proposed Well No. 2 in the south pasture.

On the motion of Director Joly, and seconded by Director Petterle the Board approved
PES Environmental Inc. General Services Agreement by the following vote:

AYES: Director Fraites, Grossi, Joly, Petterle

NOES: None

ABSTAIN: Director Baker

ABSENT: None

INFORMATION ITEMS

2018 NOVATO WATER SYSTEM MASTER PLAN – ADMINISTRATIVE DRAFT

Mr. Vogler reviewed the 2018 Novato Water System Master Plan- Administrative Draft. He noted that the Draft 2018 Water Master Plan has been updated to reflect current conditions and includes a detailed hydraulic model of the Novato system incorporating the District's Geographical Information System (GIS). Mr. Vogler stated that the annual water demand over the last ten years has decreased. Director Joly asked if staff identified what is driving down the demand. Mr. Vogler responded that in 2014 the governor proclaimed a drought emergency and this resulted in cut backs, water use limitation, and an increased effort to conserve. He also referred to SBx7-7 which was passed in 2009 mandating all water providers with more than 3000 customers to cut water usage by 20% by the year 2020. Mr. Vogler added that some potable water decreases are also attributed to switching our large landscape irrigation customers to recycled water. Director Joly asked if, with AMI implementation, are people are paying closer attention to their use. Mr. Vogler replied that this trend is not captured in the 2018 Master Plan but will be in future updates. Director Baker added the drought made our customers more conscious of their use, and asked if we adopted a policy to use less every year. Mr. McIntyre responded that the District has developed long standing policies and regulations to ensure a robust water conservation program. He also stated that the District is a member of the Sonoma Marin Saving Water Partnership wherein each water agency contractor is committed to saving water in compliance with state targets. He added that the State is working on new regulations to be implemented by 2022 as a result of 2018 water conservation legislation. Director Joly commented that it would be helpful if Recycled Water was added to the bar graph. Mr. McIntyre replied that Recycled Water on an annual basis is about 7% of the total production, which ends up equaling roughly one third of the annual production from Stafford Treatment Plant.

Mr. Vogler stated that the Master Plan gives us a detailed planning document to get a handle on the years ahead. He stated that we need to work with planning agencies to see

161 which projects may be built in the future so we can evaluate the water use impact. Mr. Vogler
162 added we need to look at demand estimates, storage, and fluctuation in water tanks, fire
163 storage and emergency storage. Director Joly ask what is the expected demand growth
164 percentage. Mr. Vogler replied not a lot. Director Joly asked if our storage surplus will account
165 for growth demand, and if we will need more storage in the future. Mr. Vogler replied that by
166 2035 there may be a deficit in some areas but some will have a surplus. Director Baker asked a
167 question about storage deficit in Air Base Tank. Mr. Vogler explained that Air Base Tank has a
168 large fire flow storage requirements which is five times more than the operational requirement.

169 Mr. Vogler continued to review the Master Plan noting he ran a hydraulic model, used
170 the GIS system and topography surface elevation and put it into a water modeling software.
171 Director Joly asked if this was the software package we bought a while ago. Mr. Vogler said it
172 was not, but will explain in more detail later. Director Joly asked if we consider seismic
173 vulnerabilities. Mr. Vogler replied that we can add any assumption in the model, in areas where
174 we have a single pipeline break for instance; we can see what would happen. Director Joly
175 stated that a seismic model would be useful since seismic events have been relatively quiet in
176 the last 30 years, and recently there has been some seismic activity. Mr. Vogler replied that we
177 have seismic anchors for the tanks and we are doing work in that area. Mr. Vogler added that
178 the Asset Management Software we purchased will be able to tie all the information together
179 and we are hoping to be able to utilize the program later this year. When this happens we will
180 be able to automate all work orders, then staff in the field will have an opportunity to capture
181 existing data electronically and also collect data and enter data immediately.

182 Mr. Vogler emphasized that we need to keep up with the replacements we know we
183 need and that is what we are projecting. Director Grossi asked a question about how
184 information available from the field staff will continue to be utilized. Mr. Vogler replied in the
185 past the District has been using field information as much as they can, but with our current
186 method it is hard to consolidate the information. Director Joly stated he would love to see a
187 thirty year estimation, the 100 year is great, but would like to concentrate on 2020 to 2050. Mr.
188 Vogler replied that we can show a trend line from now until 2050. Director Joly requested Ms.
189 Blue add the debt load in order to see how we will accomplish this. Director Petterle
190 commented that we may have to raise rates. Mr. Vogler replied we need to understand where
191 we need to replace the infrastructure, and the first order of business is to get the information to
192 take action on funding CIP and make changes, therefore spending more efficiently.

193 Director Joly requested more an information with additional diagrams so the Board is
194 more informed when taking action. Mr. McIntyre commented that completion of the Master Plan

will sequence well with the new water rate study currently underway. Director Joly asked about grants and other funding options so that it is not all based on user fees. He added he is interested in a thirty year plan to look at this closer. Mr. Clark stated that we need to know what costs lie ahead, the average age of the cast iron pipe and when it is going to fail, adding the same would be true with the AC pipe. Director Grossi stated that it gives us confidence that we are not going to run into the wall, so we have the reserves. Director Petterle stated that it looks as though we could be paying over seventeen million in the next five year planning horizon, and asked how are we going to pay for that. Mr. Vogler replied that Ms. Blue and Mr. McIntyre will need to provide input to develop a mixed plan which may include rates, grants, loans and bonds.

Mr. Vogler added that the goal is to have the Board accept the plan at the September 3rd meeting, and in order to make adjustments he will need any questions or comments by August 20th. Mr. McIntyre commented that the Board may need more time, so the comment period will be extended to September 3rd. Mr. McIntyre added that Master Plan approval will now occur at the September 17th meeting. Director Joly commended Mr. Vogler and all the staff for this wonderful presentation, and stated it has helped him tremendously. He added the public would love to see what we do, and people don't know about the storage we must do for fire protection, and they need to understand it is not an option for us. Director Petterle noted that he recently had a meeting with Kiosk, our marketing consultant. He stated that this is an example of the information that we should get out to the public. Director Joly stated that the public will be impressed that we are thinking so far ahead and thinking about their safety. Director Petterle added that our situation is not unique; you can say the same about sewer, and other infrastructure that we have not taken care of. He added we need to get out in front of it, talk about the costs and people will need to pay for what they don't want to lose. Director Grossi asked Mr. Vogler if we will get into the same detail in West Marin. Mr. Vogler replied yes, but not as frequently as Novato.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements- Dated July 18, 2019, Disbursements- Dated July 25, 2019, Disbursements- Dated August 1, 2019, and Marin IJ Public Notice –NMWD Ordinance 38 Summary.

The Board received the following news articles: Editorial – Time to put MMWD on camera; 269 PG&E equipment issues found in Marin – INSPECTION RESULTS; Editorial: Coalition of agencies, environmentalists sees future for aging dam; Wetlands flood control project slated for 2020; POWER STRUGGLES – Generators; LINES IN THE SAND – Resort,

DILLON BEACH; and State tackles drinking water cleanup – BILL SIGNED; Water supplies higher than normal, but savings urged – MARIN RESERVOIRS.

Director Joly asked Ms. Blue about the \$825,000 CalPERS item listed on the Disbursements, and wanted to know if this was an unfunded liability payment. Ms. Blue replied that yes it is the CalPERS unfunded pension liability, which the District has to pay annually. She added that all CalPERS participating agencies are responsible for making annual payments. Director Joly asked about the cost for last year. Ms. Blue replied it was around \$650,000 and it is increasing each year. She added we save money if we pay monthly and the employer contribution is through the payroll.

CLOSED SESSION

President Baker adjourned the Board into closed session at 7:43 p.m. in accordance with Real Property Negotiators as allowed under Government Code 54956.8. Property: Recycled Water Supply; District Negotiators: General Manager, Auditor-Controller, and Legal Counsel; Negotiating Party: Bay Clubs (aka StoneTree Golf Course); under Negotiation: Price and Terms of Payment.

CLOSED SESSION

Upon returning to regular session at 7:49 p.m., President Baker stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

ADJOURNMENT

President Baker adjourned the meeting at 8:06 p.m.

Submitted by

Theresa Kehoe
District Secretary

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NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR July 2019
 August 20, 2019

Item #5

1.

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

Month	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	20 vs 19 %
July	317.2	341.1	331.0	310.3	227.2	-7%

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

Month	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	20 vs 19 %
July	8.9	10.2	9.5	7.9	6.6	-13%

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

Month	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	20 vs 19 %
July	67.7	78.6	112.6	69.9	107.6	-14%

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

Month	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	20 vs 19 %
July	36.5	30.0	27.7	27.1	21.3	21%

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

**Excludes potable water input to the RW system: FY 19=9.2 MG; FY18=15.35MG; FY17=1.4MG; FY16=7.4MG

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2. **Stafford Lake Data**

	July Average	July2018	July2019
Rainfall this month	0.01 Inches	0 Inches	0 Inches
Rainfall this FY to date	0.01 Inches	0 Inches	0 Inches
Lake elevation*	187.7 Feet	184.7 Feet	191.4 Feet
Lake storage**	841 MG	678 MG	1074 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
July 2018 (Novato)	51	99	72
July 2019 (Novato)	54	103	72

3. **Number of Services**

July 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY20	FY19	Incr %	FY20	FY19	Incr %	FY20	FY19	Incr %	FY20	FY19	Incr %
Total meters installed	20,749	20,756	0.0%	95	70	35.7%	791	790	0.1%	-	-	-
Total meters active	20,542	20,542	0.0%	91	66	37.9%	783	782	0.1%	-	-	-
Active dwelling units	24,076	24,018	0.2%	-	-	-	833	831	0.2%	234	234	0.0%

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4. **Oceana Marin Monthly Status Report (July)**

Description	July 2018	July 2019
Effluent Flow Volume (MG)	0.659	0.617
Irrigation Field Discharge (MG)	0	0.727
Treatment Pond Freeboard (ft)	6.8	7.0
Storage Pond Freeboard (ft)	7.8	6.5

5. Developer Projects Status Report (July)

Job No.	Project	% Complete	% This month
1.2817.02	College of Marin – Organic Farm	100	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	3	1
1.2816.00	Oakmont Senior Living	70	50
1.2821.00	Atherton Place	15	3

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

Job No.	Project	% Complete	% This month
1.6112.24	Lynwood Pump Station MCC	15	0

Employee Hours to Date, FY 18/19

As of Pay Period Ending July 31, 2019

Percent of Fiscal Year Passed = 8%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	271	1,400	19%	Construction	245	3,520	7%
Engineering	120	1,504	8%	Engineering	94	2,802	3%

6. Safety/Liability

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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	\$24,640	2	0	0	\$0
0	\$0	0	0	2	\$804

FY 20 through July

FY 19 through July

Days without a lost time accident through July 31, 2019

124 Days

7. Energy Cost

FYE	kWh	July		Fiscal Year-to-Date thru July		
		¢/kWh	Cost/Day	kWh	¢/kWh	Cost/Day
2020 Stafford TP	74,698	21.9¢	\$527	74,698	21.9¢	\$527
Pumping	160,236	23.1¢	\$1,236	160,236	23.1¢	\$1,236
Other*	54,252	27.6¢	\$499	54,252	27.6¢	\$499
	289,185	23.7¢	\$2,263	289,185	23.7¢	\$2,263
2019 Stafford TP	80,606	19.7¢	\$513	80,606	19.7¢	\$513
Pumping	182,367	20.4¢	\$1,162	182,367	20.4¢	\$1,162
Other*	52,067	26.1¢	\$424	52,067	26.1¢	\$424
	315,040	21.2¢	\$2,099	315,040	21.2¢	\$2,099
2018 Stafford TP	83,766	19.2¢	\$518	83,766	19.2¢	\$518
Pumping	178,709	20.5¢	\$1,143	178,709	20.5¢	\$1,143
Other*	50,034	26.3¢	\$411	50,034	26.3¢	\$411
	312,509	21.0¢	\$2,072	312,509	21.0¢	\$2,072

*Other includes West Marin Facilities

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8. Water Conservation Update

	Month of July 2019	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	13	13	4065
Retrofit Certificates Filed	25	25	6267
Cash for Grass Rebates Paid Out	3	3	924
Washing Machine Rebates	0	0	6797
Water Smart Home Survey	12	12	3759

9. Utility Performance Metric

SERVICE DISRUPTIONS (No. of Customers Impacted)	July 2019	July 2018	Fiscal Year to Date 2019	Fiscal Year to Date 2018
PLANNED				
Duration Between 0.5 and 4 hours	2	11	2	11
Duration Between 4 and 12 hours	96	83	96	83
Duration Greater than 12 hours				
UNPLANNED				
Duration Between 0.5 and 4 hours	3	13	3	13
Duration Between 4 and 12 hours				
Duration Greater than 12 hours				
SERVICE LINES REPLACED				
Polybutylene	5	3	5	3
Copper (Replaced or Repaired)	0	0	0	0

Note: Montego Keys, 55 homes, 6 hours, main leak
Del Oro Lagoon, 41 homes, 5 hours, main leak

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders July 2019

8/13/2019

Type	Jul-19	Jul-18	Action Taken July 2019
<u>Consumers' System Problem</u>			
Service Line Leaks	47	22	Notified Consumer
Meter Leak Consumer's Side	0	10	Notified Consumer
House Plumbing	1	2	Notified Consumer
Noisy Plumbing	1	0	Notified Consumer
Seepage or Other	0	2	Notified Consumer
House Valve / Meter Off	11	20	Notified Consumer
Nothing Found	21	30	Notified Consumer
Low Pressure	2	2	Pressure @ 36 PSI. Repairs pending.
			Pressure @ 35 PSI. Adjusted pressure to 70 PSI.
High Pressure	3	0	Pressure @ 100 PSI. Advised for a plumber.
			Pressure @ 115 PSI. Hose bib not closing @ rear.
			Pressure @ 100 PSI. Plumber to replace valve.
Water Waster Complaints	0	1	Notified Consumer
Total	86	89	
<u>Service Repair Reports</u>			
Register Replacements	0	1	Replaced
Meter Replacement	2	5	Replaced
Box and Lids	0	1	Replaced
Water Off/On Due To Repairs	9	12	Notified Consumer
Misc. Field Investigation	10	12	Notified Consumer
Total	21	31	
<u>Leak NMWD Facilities</u>			
Main-Leak	3	0	Repaired
Mains-Nothing Found	2	0	Notified Consumer
Service- Leak	11	14	Repaired
Services-Nothing Found	0	1	Notified Consumer
Fire Hydrant-Leak	4	0	Repaired
Fire Hydrants-Nothing Found	1	1	Notified Consumer
Meter Replacement	0	1	Repaired
Meter Leak	1	6	Repaired
Meters-Nothing Found	0	1	Notified Consumer
Washer Leaks	9	4	Repaired
Total	31	28	
<u>High Bill Complaints</u>			
Consumer Leaks	0	9	Notified Consumer
Meter Testing	1	1	Notified Consumer
Meter Misread	1	2	Notified Consumer
Nothing Found	5	12	Notified Consumer
Total	7	24	
<u>Low Bill Reports</u>			
Total	0	0	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders July 2019

8/13/2019

Type	Jul-19	Jul-18	Action Taken July 2019
Water Quality Complaints			
Taste and Odor	2	1	Customer reported strong chlorine taste & odor. (Prairie Falcon Dr.) Lab staff sampled inside and outside. Chlorine levels normal for NMWD supply. Customer was notified of results. Customer reported strong chlorine. (Plum St.) Lab staff sampled outside tap. Chlorine levels normal for NMWD supply. Customer was notified of results.
Other	0	3	
Total	2	4	
TOTAL FOR MONTH:	147	176	-16%

Fiscal YTD Summary

Consumer's System Problems	86	89
Service Repair Report	21	31
Leak NMWD Facilities	31	28
High Bill Complaints	7	24
Low Bills	0	0
Water Quality Complaints	2	4
Total	147	176

Change Primarily Due To

-3%	Decrease In House Valve/Meter Off
-32%	Decrease In Misc. Field Investigation
11%	Increase In Washer Leaks
-71%	Decrease In Consumer Leaks
~	
-50%	Decrease In Other
-16%	

"In House" Generated and Completed Work Orders

Check Meter: possible consumer/District leak, high bill, flooded, need read, etc.	298	193
Change Meter: leaks, hard to read	13	10
Repair Meter: registers, shut offs	2	5
Replace Boxes/Lids	2	2
Hydrant Leaks	0	1
Trims	0	10
Dig Outs	0	43
	315	264

Bill Adjustments Under Board Policy:

July 19 vs. July 18

Jul-19	11	\$2,725
Jul-18	34	\$8,321

Fiscal Year vs Prior FY

19/20 FY	11	\$2,725
18/19 FY	34	\$8,321

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MEMORANDUM

To: Board of Directors

August 16, 2019

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

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

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$18,852,062 and a market value of \$18,877,949. During July the cash balance decreased by \$42,393. The market value of securities held increased \$25,887 during the month. The ratio of total cash to budgeted annual operating expense stood at 108%, up 1% from the prior month.

At July 31, 2019, 52% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 30% in Time Certificates of Deposit, 11% in US Treasury Notes, 6% in the Marin County Treasury, and 2% retained locally for operating purposes. The weighted average maturity of the portfolio was 143 days, compared to 156 days at the end of June. The LAIF interest rate for the month was 2.38%, compared to 2.43% the previous month. The weighted average Portfolio rate was 2.40%, the same as the previous month.

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
July 31, 2019**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	7/31/2019 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	\$9,765,179	\$9,781,895	2.38% ³	52%
Time Certificate of Deposit								
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%
					\$5,686,000	\$5,686,000	2.45%	30%
US Treasury Notes								
Treas	2.250%	n/a	7/26/18	3/31/20	997,951	1,000,898	2.56%	5%
Treas	2.750%	n/a	3/5/19	9/30/20	1,002,488	1,008,711	2.75%	5%
					\$2,000,438	\$2,009,609	2.66%	11%
Other								
Agency	Marin Co Treasury	AAA	Various	Open	\$1,080,208	\$1,080,208	2.37%	6%
Other	Various	n/a	Various	Open	320,237	320,237	0.41%	2%
TOTAL IN PORTFOLIO					\$18,852,062	\$18,877,949	2.40%	100%

Weighted Average Maturity = **143 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 July 31, 2019.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
StoneTree Golf Loan	6/30/06	2/28/24	\$3,612,640	\$1,081,103	2.40%
Marin Country Club Loan	1/1/18	11/1/47	\$1,265,295	\$1,204,506	1.00%
Employee Housing Loans (4)	Various	Various	714,200	714,200	Contingent
TOTAL INTEREST BEARING LOANS			\$5,592,135	\$2,999,809	

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

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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2018-19

**PRELIMINARY
June 30, 2019**

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
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MEMORANDUM

To: Drew McIntyre, General Manager

August 16, 2019

From: Reviewed by: Julie Blue, Auditor-Controller

Prepared by: Nancy Holton and Nancy Williamson, Senior Accountants

Subj: Information – FY18/19 June Financial Statement

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FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY	Jun-19	FY18/19	FY18/19	FYTD /
Actual vs. Budget	Actual	Actual YTD	Budget	Budget %
Operating Revenue	\$4,075,917	\$21,772,247	\$22,806,000	95%
Operating Expense	1,848,108	19,236,102	21,187,000	91%
Non-Operating Revenue / (Expense)	(4,927)	(128,059)	(460,000)	28%
Net Income / (Loss)	\$2,222,881	\$2,408,085	\$1,159,000	208%
Other Sources / (Uses)*	(2,413,591)	1,424,161	(5,326,000)	-
Cash Increase / (Decrease)	(\$190,710)	\$3,832,246	(\$4,167,000)	-

* See Page 8.

For the fiscal year 2018-2019, the District generated a net income of \$2,408,085 and saw a net cash increase of \$3,832,246. Operating Revenue came in 5% under budget and Operating Expense came in 9% under budget. \$3,870,982 (51%) of the Capital Improvement Projects Budget was expended this fiscal year. At year end the ratio of total cash to budgeted annual operating expense (sans depreciation) stood at 107%.

SUMMARY INCOME STATEMENTS BY SERVICE AREA PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS

NOVATO WATER	Jun-19	FY18/19	FY17/18	FY19 vs 18
Year over Year Comparison	Actual	Actual YTD	Actual YTD	Up/(Down)
Operating Revenue	\$3,641,466	\$19,437,324	\$20,019,805	(3%)
Operating Expense	1,607,725	17,248,573	18,063,210	5%
Other Income / (Expense)	10,618	(81,492)	(286,953)	(72%)
Net Income / (Loss)	\$2,044,359	\$2,107,260	\$1,669,642	26%
Active Accounts	20,546	20,546	20,543	(0%)
Consumption (MG)	223	2,416	2,523	(4%)
Average Commodity Rate / 1,000 gal (net)	\$14.38	\$6.00	\$6.00	0%
Income / (Loss) / Active Account	\$99.50	\$102.56	\$81.28	26%
Income / (Loss) / 1,000 Gal	\$9.15	\$0.87	\$0.66	32%
Connection Fee Revenue	\$0	\$1,484,380	\$1,387,000	7%
FRC Transfer (to)/from Recycled Water	(\$119,746)	\$1,239,907	(\$5,481,925)	-
Caltrans Capital Contribution	\$0	\$24,787	(\$585)	-
MMWD AEEP Capital Contribution	\$0	\$245,000	\$245,000	0%
Developer 'In-Kind' Contributions	\$32,521	\$384,351	\$289,555	33%

Consumption for the fiscal year was 4% less than the prior year. Total operating revenue, which includes wheeling and other miscellaneous service charges, decreased 3% (\$582,480) from the prior year. Total operating expense was 5% (\$814,638) less than last year. The Stafford Treatment Plant produced 567 MG this fiscal year at a cost of \$3,464/MG¹ versus \$2,745/MG³ from SCWA. The budget for Stafford is 750 MG at a cost of \$3,204/MG.

Staff time (hours) charged to Novato operations was 2% less than last year. Salary and benefit cost was \$5,417,153, which was 83% of the \$6,514,000 budget for Novato operations.

The fiscal year net income (which includes non-operating items such as interest revenue and expense) of \$2,107,260 compares to a budgeted net income for the year of \$902,000 and to a net income of \$1,669,642 for the prior year. \$3,328,681 (58%) of the Novato Water Capital Improvement Project Budget was spent versus \$6,966,916 (68%) for the prior year. \$1,484,380 in connection fees have been collected (\$680,000 is budgeted). Connection Fee reserves totaling \$1,239,907 were transferred this fiscal year from the Recycled Water Fund back to Novato. The Novato Connection Fee Reserve has a net deficit of \$7,659,100 (vs a net deficit of \$11,736,872 at the end of FY18) arising from transfers to the RW Fund in advance of Connection Fee receipts. That deficit will be reimbursed by future Connection Fee revenue. The Novato cash balance increased \$11,029 in June, and stood at \$12,224,507 at year end, compared to a budgeted projection of \$8,189,000 at fiscal year-end.

NOVATO RECYCLED	Jun-19	FY18/19	FY17/18	FY19 vs 18
Year over Year Comparison	Actual	Actual YTD	Actual YTD	Up/(Down)
Operating Revenue	\$213,895	\$1,183,419	\$948,739	25%
Operating Expense	143,019	1,083,787	874,973	24%
Other Income / (Expense)	(11,507)	(199,444)	(165,104)	21%
Net Income / (Loss)	<u>\$59,370</u>	<u>(\$99,812)</u>	<u>(\$91,338)</u>	9%
Active Accounts	91	91	66	38%
Consumption (MG)	34.7	192.0	150.9	27%
Average Commodity Rate / 1,000 gal (net)	\$6.06	\$5.82	\$6.05	(4%)
Deer Island Production (MG)	0.0	4.0	7.0	(43%)
Novato Sanitary Production (MG)	24.4	158.1	64.2	146%
Las Gallinas Production (MG)	6.8	28.8	36.0	(20%)
Potable Water Input (MG)	0.0	20.0	20.0	(0%)

192.0 MG was delivered to RW customers this fiscal year, 27% more than the prior year. Operating revenue was 25% more than last year due to the June 1, 2018 4.5% rate increase and the consumption increase. Total operating expense was \$208,814 (24%) more than the prior year. The recycled water was produced at a cost of \$2,250/MG² (including potable water consumed) versus \$2,745/MG³ from SCWA. The budgeted production cost of recycled water is \$3,255/MG.

The fiscal year net loss of \$99,812 compares to a budgeted net loss for the year of \$10,000 and a net loss of \$91,338 for the prior year same period. \$119,983 (100%) of the Capital Improvement Project Budget has been expended this fiscal year. The Novato Recycled cash balance stood at \$4,686,750 at year end, \$3.6M of which amount resides in restricted reserves for debt service, the Deer Island Facility Replacement Fund and the Recycled Water Capital Replacement and Expansion Fund.

¹ Stafford production cost = TP op expense (\$1,186,100) + SRF loan interest (\$235,405) + plant depreciation (\$542,816) / 567 MG produced

² Recycled Water production cost = purchased water cost (\$248,197) + treatment expense (\$6,474) + Deer Island RW Facility SRF loan interest (\$52,543) + Deer Island plant depreciation (\$115,919) / 188.1 MG produced

³ SCWA production cost per MG = O&M charge (\$2,207) + debt service charge (\$173) + Russian River conservation charge (\$337) + Russian River projects charge (\$28)

WEST MARIN WATER

Year over Year Comparison

	<u>Jun-19</u>	<u>FY18/19</u>	<u>FY17/18</u>	<u>FY19 vs 18</u>
	<u>Actual</u>	<u>Actual YTD</u>	<u>Actual YTD</u>	<u>Up/(Down)</u>
Operating Revenue	\$199,496	\$898,784	\$885,060	2%
Operating Expense	83,026	716,514	726,217	(1%)
Other Income / (Expense)	223	89,507	48,507	85%
Net Income / (Loss)	<u>\$116,693</u>	<u>\$271,777</u>	<u>\$207,350</u>	31%
Active Accounts	783	783	783	0%
Consumption (MG)	5.9	66.8	67.4	(1%)
Average Commodity Rate / 1,000 gal (net)	\$31.20	\$10.57	\$10.46	1%
Income/ (Loss) / Active Account	\$149.03	\$347.10	\$264.81	31%
Income / (Loss) / 1,000 Gal	\$19.92	\$4.07	\$3.10	31%
Connection Fee Revenue	\$0	\$8,000	\$68,400	(88%)

Consumption for the fiscal year was 66.8 MG, 1% less than the prior year. Operating revenue of \$898,784 was 2% more than the prior year.

Operating expenditures were \$9,703, or 1% less than the previous year. The fiscal year net income of \$271,777 compares to a budgeted annual net income of \$183,000 and to a net income of \$207,350 for the prior year same period. \$132,241 (10%) of the Capital Improvement Project Budget was expended this fiscal year, and \$8,000 in connection fees were collected (\$23,000 is budgeted). The West Marin Water cash balance decreased \$52,780 in June and stood at \$1,712,942 at year end, compared to a budgeted projection of \$424,000 at June 30, 2019.

OCEANA MARIN SEWER

Year over Year Comparison

	<u>Jun-19</u>	<u>FY18/19</u>	<u>FY17/18</u>	<u>FY19 vs 18</u>
	<u>Actual</u>	<u>Actual YTD</u>	<u>Actual YTD</u>	<u>Up/(Down)</u>
Operating Revenue	\$21,060	\$252,720	\$240,490	5%
Operating Expense	14,339	187,229	230,699	(19%)
Other Income / (Expense)	(4,261)	63,369	65,075	(3%)
Net Income / (Loss)	<u>\$2,460</u>	<u>\$128,860</u>	<u>\$74,866</u>	72%
Active Accounts	234	234	232	1%
Monthly Sewer Service Charge	\$90	\$90	\$86	5%
Income / (Loss) / Active Account	\$10.51	\$550.69	\$322.70	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$252,720 was 5% more than the previous year due to the 5% rate increase effective July 1, 2018. Operating expenditures were 19% (\$43,470) less than the previous year. The fiscal year net income of \$128,860 compares to a budgeted annual net income of \$85,000 and to a net income of \$74,866 for the prior year. 66% of the Capital Improvement Project Budget has been expended this fiscal year.

No connection fees have been collected (\$30,000 is budgeted). The Oceana Marin cash balance decreased \$11,948 in June and stood at \$314,475 at year end, compared to a budgeted projection of \$236,000 at June 30, 2019.

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING JUNE 30, 2019**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$2,053,024	\$0	\$902,258	\$907,420	\$243,346
Restricted Cash (Note 1)					
Connection Fee Fund	71,181	0	0	71,181	0
Bank of Marin Project Fund	464,578	26,650	0	437,929	0
Deer Island RWF Replacement Fund	1,526,266	0	1,526,266	0	0
Capital Replacement & Expansion Fund	1,198,480	0	1,198,480	0	0
Tax Receipts Held in Marin Co Treasury	617	0	0	562	54
STP SRF Reserve-Marine Co Treasury	1,601,830	1,601,830	0	0	0
RWS North/South SRF Reserve Fund	614,299	0	614,299	0	0
RW Central Area SRF Reserve Fund	275,773	0	275,773	0	0
Designated Cash (Note 2)					
Liability Contingency Fund	1,241,170	1,142,285	0	98,885	0
Self-Insured Workers' Compensation Fund	538,474	506,760	8,674	16,965	6,074
Retiree Medical Benefits Fund	4,123,565	4,123,565	0	0	0
Maintenance Accrual Fund	2,500,000	2,500,000	0	0	0
Operating Reserve Fund	2,702,997	2,296,997	161,000	180,000	65,000
Total Cash	18,912,254	12,198,088	4,686,750	1,712,942	314,475
Gain/(Loss) on MV of Investments	26,420	26,420	0	0	0
Market Value of Cash & Investments	18,938,674	12,224,507	4,686,750	1,712,942	314,475
Current Assets					
Net Receivables - Consumers	\$1,294,896	\$1,171,012	\$36,547	\$86,073	\$1,264
Accrued Water Sales	2,923,549	2,617,674	220,085	85,790	0
Accounts Receivable-Other	1,346,474	163,151	1,118,004	0	65,319
Prepaid Expense	5,306	4,250	0	0	1,056
Reimbursable Small Jobs	88,278	85,043	0	0	3,235
Interest Receivable	88,503	85,554	2,949	0	0
Inventories	701,952	701,952	0	0	0
Deposits Receivable	44,391	44,391	0	0	0
Total Current Assets	\$6,493,349	4,873,026	\$1,377,585	\$171,863	\$70,874

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING JUNE 30, 2019**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$714,200	\$714,200	\$0	\$0	\$0
Other Long Term Receivables (Note 4)	1,173,730	0	1,173,730	0	0
Loans Receivable	\$1,887,930	714,200	\$1,173,730	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,675,845	5,183,433	0	492,412	0
Treatment Facilities	22,056,723	18,192,211	2,666,198	339,952	858,362
Storage Facilities	23,082,819	20,458,283	519,014	2,105,523	0
Transmission Facilities (16"+)	29,406,066	29,283,743	0	122,324	0
Distribution and Pumping Facilities	86,339,778	63,219,679	17,301,217	5,818,882	0
Sewer Mains, Pumps, & Laterals	1,258,111	0	0	0	1,258,111
Sub-Total	\$169,292,434	\$137,706,221	\$20,486,428	\$8,982,504	\$2,117,282
Less Accumulated Depreciation (Note 5)	(56,723,214)	(47,994,769)	(3,756,205)	(3,926,723)	(1,045,517)
Net Property and Plant	\$112,569,220	89,711,452	\$16,730,223	\$5,055,781	\$1,071,765
Buildings and Equipment (Note 6)					
Buildings	\$1,902,893	\$1,902,893	\$0	\$0	\$0
Office Equipment	693,315	693,315	0	0	0
Laboratory Equipment	252,324	252,324	0	0	0
Trucks & Automobiles	1,346,889	1,346,889	0	0	0
Construction Equipment	861,266	861,266	0	0	0
Tools, Shop Equipment	222,390	222,390	0	0	0
Sub-Total	\$5,279,078	5,279,078	\$0	\$0	\$0
Less Accumulated Depreciation (Note 5)	(4,229,669)	(4,229,669)	0	0	0
Net Buildings and Equipment	\$1,049,409	1,049,409	\$0	\$0	\$0
Construction In Progress					
Developer	\$613,771	\$613,771	\$0	\$0	\$0
District	23,266,690	6,880,431	15,743,265	556,010	86,984
Total Construction in Progress	\$23,880,461	\$7,494,202	\$15,743,265	\$556,010	\$86,984
Net Utility Plant	137,499,090	98,255,063	32,473,488	5,611,791	1,158,749
Deferred Outflow of Resources-GASB68	3,538,326	3,538,326	0	0	0
Deferred Outflow of Resources-GASB75	0	0	0	0	0
TOTAL ASSETS	\$168,357,369	\$119,605,123	\$39,711,553	\$7,496,596	\$1,544,098

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING JUNE 30, 2019**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$1,017,273	\$977,613	\$39,659	\$0	\$0
Reimbursement Prog. Unclaimed Funds	81,871	70,771	0	11,100	0
Loan Debt Principal Payable-Current	1,287,896	411,800	876,095	0	0
Bank of Marin Principal Payable-Current	368,180	321,053	0	47,127	0
JP Morgan/Chase AMI Loan-Current	260,000	260,000	0	0	0
Bond/Loan Debt Interest Payable-Current	0	0	0	0	0
Accrued Interest Payable-SRF Loan	127,500	0	127,500	0	0
JP Morgan/Chase AMI Loan Interest Payable	39,095	39,095	0	0	0
Deposits/Performance Bonds	920,176	891,676	0	25,500	3,000
Unemployment Insurance Reserve (Note 8)	23,400	23,400	0	0	0
Workers' Comp Future Claims Payable	54,541	50,451	1,527	1,854	709
Payroll Benefits (Note 9)	804,045	738,215	24,577	29,843	11,411
Deferred Revenue	106,805	96,128	4,614	5,847	217
Total Current Liabilities	\$5,090,782	3,880,201	\$1,073,973	\$121,271	\$15,336
Restricted Liabilities					
Construction Advances	\$779,807	\$769,807	\$10,000	\$0	\$0
Total Restricted Liabilities	\$779,807	769,807	\$10,000	\$0	\$0
Long Term Liabilities (Note 7)					
JP Morgan/Chase AMI Loan Payable	\$4,100,000	\$4,100,000	\$0	\$0	\$0
STP Rehab SRF Loan	8,829,777	8,829,777	0	0	0
RWF SRF Loan	1,742,339	0	1,742,339	0	0
RWS North/South Expansion SRF Loan	6,754,264	0	6,754,264	0	0
RWS Central Expansion SRF Loan	6,705,816	0	6,705,816	0	0
Bank of Marin Loan	5,187,925	4,523,871	0	664,054	0
Net Pension Liability @ 6/30/18	12,774,724	12,774,724	0	0	0
Total OPEB Liability (Note 2)	4,123,565	4,123,565	0	0	0
Total Long Term Liabilities	\$50,218,410	34,351,937	\$15,202,419	\$664,054	\$0
Deferred Inflow of Resources-GASB 68	727,627	727,627	0	0	0
Deferred Inflow of Resources-GASB 75	158,611	158,611	0	0	0
TOTAL LIABILITIES	\$56,975,237	39,888,183	\$16,286,391	\$785,326	\$15,336

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING JUNE 30, 2019**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$84,595,285	\$75,977,053	\$5,800,128	\$2,138,348	\$679,755
Grants in Aid of Construction	13,215,539	426,448	9,961,904	2,827,187	0
Connection Fees	39,564,643	26,877,549	10,622,797	1,396,644	667,653
Total Investment	\$137,375,467	\$103,281,051	\$26,384,829	\$6,362,179	\$1,347,408
Restricted Reserves					
Connection Fee Fund	(\$7,772,860)	(\$7,659,100)	\$0	\$71,181	(\$184,941)
AMI Project Reserve Fund	0	0	0	0	0
Revenue Bond Redemption Fund	0	0	0	0	0
Bank of Marin Project Fund	464,578	26,650	0	437,929	0
Deer Island RWF Replacement Fund	1,526,266	0	1,526,266	0	0
Capital Replacement & Expansion Fund	1,198,480	0	1,198,480	0	0
RWS North/South SRF Reserve Fund	614,299	0	614,299	0	0
RW Central Area SRF Reserve Fund	275,773	0	275,773	0	0
Designated Reserves					
Liability Contingency Fund	1,241,170	1,142,285	0	98,885	0
Maintenance Accrual Fund	2,500,000	2,500,000	0	0	0
Self-Insured Workers' Compensation Fund	483,932	456,309	7,147	15,111	5,365
Retiree Medical Benefits Fund	2,759,513	2,759,513	0	0	0
Operating Reserve Fund	5,887,000	5,481,000	161,000	180,000	65,000
Earned Surplus - Prior Yrs	(34,115,484)	(27,197,195)	(6,432,441)	(657,428)	171,580
Net Income/(Loss)	2,408,085	2,107,260	(99,812)	271,777	128,860
Prior Period Adjustment	(16,110)	0	0	0	(16,110)
Transfer (To)/From Reserves (see below)	(3,447,976)	(3,180,833)	(210,380)	(68,364)	11,600
Total Restricted & Designated	(\$25,993,335)	(23,564,112)	(\$2,959,668)	\$349,091	\$181,354
TOTAL NET POSITION	\$111,382,132	\$79,716,939	\$23,425,161	\$6,711,270	\$1,528,761
Transfer (To)/From Reserves					
Bond Redemption	30,000	0	0	30,000	0
Connection Fee	(7,408)	(15,280)	0	(3,112)	10,984
AMI Project Fund	1,524,814	1,524,814	0	0	0
Liability Reserve	(1,241,170)	(1,142,285)	0	(98,885)	0
Maintenance Reserve	1,915,681	1,915,681	0	0	0
RWF Replacement Fund	(173,331)	0	(173,331)	0	0
Retiree Medical Insurance Fund	38,863	38,863	0	0	0
(Gain)/Loss Self-Insured WC Fund	(32,482)	(30,398)	(649)	(1,051)	(384)
Bank of Marin Project Fund	19,457	8,772	0	10,685	0
RW Central Area SRF Loan Payment Fund	(20,400)	0	(20,400)	0	0
Operating Reserve Fund	(5,502,000)	(5,481,000)	(16,000)	(6,000)	1,000
Total Transfer	(\$3,447,976)	(\$3,180,833)	(\$210,380)	(\$68,364)	\$11,600

NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
FOR THE PERIOD ENDING JUNE 30, 2019

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$16,337,171	\$17,411,000	94%	\$16,764,567
Bimonthly Service Charge	4,810,297	4,796,000	100%	4,564,228
Sewer Service Charge	252,720	252,000	100%	239,890
Wheeling & Misc Service Charges	372,059	347,000	107%	525,409
TOTAL OPERATING REVENUE	\$21,772,247	\$22,806,000	95%	\$22,094,094
OPERATING EXPENDITURES				
Source of Supply	\$5,488,107	\$7,044,000	78%	\$5,569,766
Pumping	451,740	394,000	115%	426,355
Operations	939,027	697,000	135%	1,079,917
Water Treatment	2,015,360	2,591,000	78%	2,567,146
Sewer Service	121,133	143,000	85%	163,957
Transmission & Distribution	3,090,083	3,323,000	93%	3,387,559
Consumer Accounting	480,058	648,000	74%	742,164
Water Conservation	332,431	390,000	85%	354,505
General & Administrative	2,867,011	2,417,000	119%	2,169,660
Depreciation	3,451,154	3,540,000	97%	3,434,069
TOTAL OPERATING EXPENDITURES	\$19,236,102	\$21,187,000	91%	\$19,895,099
NET OPERATING INCOME (LOSS)	\$2,536,145	\$1,619,000	157%	\$2,198,994
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$113,753	\$114,000	100%	\$109,908
Interest Revenue	423,533	159,000	266%	243,660
Miscellaneous Revenue	218,525	137,000	160%	150,094
Bond & Loan Interest Expense	(878,708)	(850,000)	103%	(833,206)
Miscellaneous Expense	(5,162)	(20,000)	26%	(8,932)
TOTAL NON-OP REVENUE/(EXPENSE)	(\$128,059)	(\$460,000)	28%	(\$338,475)
NET INCOME/(LOSS)	\$2,408,085	\$1,159,000	208%	\$1,860,520
OTHER SOURCES/(USES) OF FUNDS				
Add Depreciation Expense	\$3,451,154	\$3,528,000	98%	\$3,434,069
Connection Fees	1,492,380	733,000	204%	1,455,400
Loan Proceeds	1,773,836	0	-	6,393,836
Grant Proceeds	20,191	349,000	6%	1,800,384
Marin County Club Loan Principal Pmts	448,209	0	-	24,572
Caltrans AEEP Capital Contribution	24,787	1,000	2479%	1,314
StoneTree RWF Loan Principal	221,514	222,000	100%	179,865
MMWD AEEP Capital Contribution	245,000	245,000	100%	245,000
Capital Equipment Expenditures	(118,579)	(355,000)	33%	(41,867)
Capital Improvement Projects	(3,870,982)	(7,770,000)	50%	(7,242,079)
Bond & Loan Principal Payments	(1,871,005)	(2,279,000)	82%	(837,885)
Change in Working Capital	(392,344)	0	-	2,132,615
TOTAL OTHER SOURCES/(USES)	\$1,424,161	(\$5,326,000)	-	\$7,545,224
CASH INCREASE/(DECREASE)	\$3,832,246	(\$4,167,000)	-	\$9,405,743

**NORTH MARIN WATER DISTRICT
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA
FOR THE PERIOD ENDING JUNE 30, 2019**

SUMMARY INCOME STATEMENT	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$21,772,247	\$19,437,324	\$1,183,419	\$898,784	\$252,720
Operating Expense	19,236,102	17,248,573	1,083,787	716,514	187,229
OPERATING INCOME/(LOSS)	\$2,536,145	\$2,188,752	\$99,632	\$182,270	\$65,491
Non-Operating Revenue/(Expense)	(128,059)	(81,492)	(199,444)	89,507	63,369
NET INCOME/(LOSS)	\$2,408,085	\$2,107,260	(\$99,812)	\$271,777	\$128,860
CAPITAL CONTRIBUTIONS					
SCWA Prop 84 Water Conserv Grant	\$20,191	\$20,191	\$0	\$0	\$0
Developer In-Kind Contributions	384,351	384,351	0	0	0
Caltrans AEEP Capital Contributions	24,787	24,787	0	0	0
MMWD Capital Contribution	245,000	245,000	0	0	0
Connection Fees	1,492,380	1,484,380	0	8,000	0
FRC Transfer	0	1,239,907	(1,239,907)	0	0
CAPITAL CONTRIBUTIONS	\$2,166,709	\$3,398,616	(\$1,239,907)	\$8,000	\$0
CHANGE IN NET POSITION	\$4,558,684	\$5,505,876	(\$1,339,719)	\$279,777	\$112,750
Net Position June 30, 2018	106,823,448	74,211,064	24,764,880	6,431,493	1,416,011
Net Position June 30, 2019	\$111,382,132	\$79,716,940	\$23,425,161	\$6,711,270	\$1,528,761
CASH FLOW STATEMENT					
Net Income/(Loss)	\$2,408,085	\$2,107,260	(\$99,812)	\$271,777	\$128,860
Add back Depreciation	3,451,154	2,752,212	473,825	186,922	38,194
Cash Generated From Operations	\$5,859,239	\$4,859,472	\$374,014	\$458,699	\$167,055
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$1,492,380	\$1,484,380	\$0	\$8,000	\$0
Loan Proceeds	1,773,836	(260,000)	2,033,836	0	0
Grant Proceeds	20,191	20,191	0	0	0
Capital Assets Acquisition	(3,989,561)	(3,447,260)	(119,983)	(132,241)	(290,077)
Caltrans AEEP Capital Contribution	24,787	24,787	0	0	0
MMWD AEEP Capital Contribution	245,000	245,000	0	0	0
Marin Country Club & Stone Tree Loan Principal Pmts	669,723	0	669,723	0	0
Principal Paid on Debt	(1,871,005)	(1,099,776)	(653,620)	(117,608)	0
Consumer Receivables Decr (Incr)	208,284	55,939	133,112	17,449	1,784
Construction Advances (Decr) Incr	464,632	464,632	0	0	0
Other Assets Decr (Incr)	375,441	183,964	235,310	5,714	(49,547)
Other Liabilities (Decr) Incr	183,552	383,085	(181,407)	(3,058)	(15,068)
Trade Accounts Payable (Decr) Incr	(1,624,251)	(1,557,506)	(5,669)	0	(61,076)
Connection Fee Transfer	0	1,239,907	(1,239,907)	0	0
Interdistrict Loan Due To (From)	0	(543,218)	543,218	0	0
Total Other Sources (Uses)	(\$2,026,992)	(\$2,805,875)	\$1,414,612	(\$221,745)	(\$413,984)
Net Cash Provided (Used)	\$3,832,247	\$2,053,596	\$1,788,626	\$236,954	(\$246,930)
MV Cash & Investments June 30, 2018	15,106,428	10,170,912	2,898,124	1,475,988	561,404
MV Cash & Investments June 30, 2019	\$18,938,674	\$12,224,507	\$4,686,750	\$1,712,942	\$314,475

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$3,215,282	\$14,582,922	93%	\$15,292,646
Bill Adjustments	(1,649)	(72,061)	46%	(143,395)
Bimonthly Service Charges	392,356	4,562,329	100%	4,353,168
Account Turn-on Charges	6,366	79,195	107%	75,887
New Account Charges	470	6,360	91%	7,035
Returned Check Charges	0	297	30%	486
Hydrant Meter Up/Down Charges	300	4,900	245%	4,660
Backflow Service Charges	11,814	142,731	103%	139,472
Lab Service-Outside Clients	3,689	32,786	126%	28,738
Wheeling Charges - MMWD	12,838	97,866	130%	92,977
Water Sales - MMWD	0	0	-	155,846
Regulation 15 Forfeiture	0	0	0%	12,285
TOTAL OPERATING REVENUE	\$3,641,466	\$19,437,324	95%	\$20,019,805
TOTAL EXPENDITURES				
SOURCE OF SUPPLY				
Supervision & Engineering	\$543	\$7,564	20%	\$9,303
Operating Expense - Source	998	8,623	72%	6,236
Maint/Monitoring of Dam	3,925	33,686	50%	22,203
Maint of Lake & Intakes	7,658	24,172	134%	10,690
Maint of Structures	0	205	-	0
Maint of Watershed	375	4,446	9%	29,646
Water Quality Surveillance	189	1,669	8%	6,728
Ground Water Well Monitoring	367	367	-	0
Purchased Water	373,958	5,082,987	78%	5,151,516
Purchased Water-Resale MMWD	0	0	-	111,891
GASB68 Adjustment	0	0	-	9,531
GASB75 Adjustment (OPEB)	0	0	-	(996)
SOURCE OF SUPPLY	\$388,013	\$5,163,719	76%	\$5,356,748
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	3,751	56,801	218%	32,611
Maint of Pumping Equipment	9,277	41,304	67%	39,435
Electric Power	32,101	285,772	113%	293,588
GASB68 Adjustment (Pension)	0	0	-	7,779
GASB75 Adjustment (OPEB)	0	0	-	(812)
PUMPING	\$45,129	\$383,877	112%	\$372,601
OPERATIONS				
Supervision & Engineering	\$19,354	\$215,732	128%	\$253,594
Operating Expense - Operations	22,094	306,774	122%	400,138
Maintenance Expense	2,724	38,570	69%	50,339
Telemetry Equipment/Controls Maint	1,059	84,979	99%	94,523
Leased Lines	104	16,678	98%	17,414
GASB68 Adjustment (Pension)	0	0	-	120,289
GASB75 Adjustment (OPEB)	0	0	-	(12,561)
OPERATIONS	\$45,335	\$662,733	114%	\$923,736

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$9,507	\$156,176	103%	\$169,851
Operating Expense - Water Treatment	33,681	228,878	58%	276,795
Purification Chemicals	213,188	376,960	83%	438,348
Sludge Disposal	15,592	88,352	74%	100,305
Maint of Structures & Grounds	2,261	53,090	45%	50,913
Maint of Purification Equipment	7,271	162,714	80%	212,385
Electric Power	392	122,831	79%	157,374
Water Quality Programs	6,725	109,139	94%	133,168
Laboratory Direct Labor	22,560	341,949	79%	403,867
Lab Service-Outside Clients	4,916	40,794	77%	37,263
Water Quality Supervision	6,836	79,834	94%	95,644
Laboratory Supplies & Expense	5,701	58,387	73%	76,179
Customer Water Quality	6,258	46,358	63%	47,492
Lab Cost Distributed	(2,788)	(26,814)	107%	(34,677)
GASB68 Adjustment (Pension)	0	0	-	237,414
GASB75 Adjustment (OPEB)	0	0	-	(24,791)
WATER TREATMENT	\$332,101	\$1,838,647	76%	\$2,377,531
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$45,060	\$534,061	81%	\$659,085
Maps & Records	9,695	132,053	73%	159,512
Operation of T&D System	15,522	148,687	69%	148,957
Facilities Location	13,320	180,263	149%	143,881
Safety: Construction & Engineering	1,943	53,484	80%	41,037
Customer Service Expense	29,304	270,902	136%	203,431
Flushing	14	55,039	190%	47,384
Storage Facilities Expense	11,360	98,222	79%	97,549
Cathodic Protection	180	8,810	52%	12,528
Maint of Valves/Regulators	11,106	87,285	39%	173,762
Maint of Mains	41,413	167,959	111%	190,307
Leak Detection - Mains	1,823	12,042	301%	9,485
Backflow Prevention Program	36,543	231,822	98%	186,692
Maint of Copper Services	8,091	117,773	63%	138,433
Maint of PB Service Lines	27,001	558,788	119%	471,527
Single Service Installations	12,470	65,016	-	18,904
Maint of Meters	4,447	113,810	106%	126,985
Detector Check Assembly Maint	6,807	80,416	115%	46,056
Maint of Hydrants	4,534	25,607	32%	18,087
GASB68 Adjustment (Pension)	0	0	-	390,128
GASB75 Adjustment (OPEB)	0	0	-	(40,738)
TRANSMISSION & DISTRIBUTION	\$280,633	\$2,942,040	94%	\$3,242,992
CONSUMER ACCOUNTING				
Meter Reading	\$1,228	\$69,881	34%	\$161,646
Collection Expense - Labor	1,996	27,444	70%	25,195
Collection Expense - Agency	50	2,224	74%	3,713
Billing & Consumer Accounting	17,557	210,805	92%	280,268
Contract Billing	1,271	15,484	86%	16,395
Stationery, Supplies & Postage	3,939	51,267	93%	52,735
Online Payment Processing Fees	792	55,709	180%	46,678
Lock Box Service	912	10,944	99%	10,944
Uncollectable Accounts	1,681	14,994	107%	12,352
Office Equipment Expense	4,600	12,677	47%	45,256
Distributed to West Marin (4.1%)	(1,250)	(15,104)	94%	(19,008)
GASB68 Adjustment (Pension)	0	0	-	84,030
GASB75 Adjustment (OPEB)	0	0	-	(8,774)
CONSUMER ACCOUNTING	\$32,777	\$456,323	74%	\$711,431

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER CONSERVATION				
Residential	\$22,385	\$246,347	82%	\$235,438
Commercial	681	7,983	42%	5,818
Public Outreach/Information	12,374	51,040	131%	33,789
Large Landscape	965	19,839	86%	33,662
GASB68 Adjustment (Pension)	0	0	-	40,403
GASB75 Adjustment (OPEB)	0	0	-	(4,219)
TOTAL WATER CONSERVATION	\$36,405	\$325,209	86%	\$344,890
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$4,346	\$36,815	94%	\$37,111
Legal Fees	1,176	20,853	110%	20,173
Human Resources	3,182	95,476	149%	60,288
Auditing Fees	(3,931)	22,731	114%	19,706
Consulting Services/Studies	64,541	304,645	78%	223,041
General Office Salaries	82,908	1,043,436	80%	1,405,650
Safety: General District Wide	3,831	40,468	66%	35,846
Office Supplies	2,666	31,761	68%	33,753
Employee Events	280	10,664	89%	10,123
Other Administrative Expense	607	7,289	46%	12,528
Election Cost	0	18,915	-	0
Dues & Subscriptions	0	79,986	110%	59,362
Vehicle Expense	676	8,112	101%	8,634
Meetings, Conferences & Training	2,851	107,583	47%	149,670
Recruitment Expense	192	1,201	40%	2,060
Gas & Electricity	3,765	32,251	83%	33,371
Telephone	564	4,518	56%	5,001
Water	287	1,989	99%	2,223
Buildings & Grounds Maint	3,873	58,884	111%	75,130
Office Equipment Expense	13,929	109,014	85%	97,003
Insurance Premiums & Claims	7,547	99,040	77%	92,292
Retiree Medical Benefits	19,520	197,855	115%	174,528
(Gain)/Loss on Overhead Charges	42,979	905,405	-2322%	(357,925)
G&A Applied to Other Operations (5.9%)	(10,497)	(140,526)	98%	(157,976)
G&A Applied to Construction	(29,929)	(374,552)	89%	(346,105)
GASB45 Adjustment (OPEB)	0	0	-	(35,788)
GASB68 Adjustment (Pension)	0	0	-	342,714
GENERAL & ADMINISTRATIVE	\$215,362	\$2,723,812	123%	\$2,002,414
Depreciation (Note 5)	231,969	2,752,212	98%	2,730,867
TOTAL OPERATING EXPENSE	\$1,607,725	\$17,248,573	90%	\$18,063,210
OPERATING INCOME/(LOSS)	\$2,033,741	\$2,188,752	179%	\$1,956,594

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019

	<u>JUNE 2019</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	0%	\$0
Wohler Pipeline Financing Fund	0	3,098	77%	8,406
Collector #6 Financing Fund	0	12,181	72%	33,092
Retiree Medical Insurance Fund	16,582	178,704	458%	81,695
Self-Insured Workers' Comp Fund	2,204	21,836	364%	9,186
Aqueduct Energy Efficiency Proj Fund	112	1,253	-	743
Funds Held in County Treasury	4,849	18,085	603%	7,557
Recycled Water Advance (Note 10)	0	0	0%	92
Total Interest Revenue	\$23,746	\$235,157	235%	\$140,771
Rents & Leases	5,504	86,133	104%	99,906
Other Non-Operating Revenue	2,125	68,470	137%	51,649
Gain/(Loss) on MV of Investments	20,158	57,836	-	(13,047)
NON-OPERATING REVENUE	\$51,534	\$447,596	192%	\$279,278
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$14,652	\$171,335	100%	\$181,757
STP SRF Loan Interest Expense	14,938	235,405	96%	254,401
Debt Issuance Costs	0	0	-	86,180
JP Morgan/Chase AMI Loan Interest Expense	9,774	119,182	102%	36,435
Other Non-Operating Expense	1,552	3,166	16%	7,458
NON-OPERATING EXPENSE	\$40,916	\$529,088	96%	\$566,231
NET INCOME/(LOSS)	\$2,044,359	\$2,107,260	234%	\$1,669,642
BEGINNING FUND EQUITY		\$74,211,063		\$79,268,844
NET INCOME/(LOSS)	2,044,359	2,107,260		1,669,642
CONTRIBUTED CAPITAL				
SCWA 84 Water Conservation Grant	0	20,191	67%	47,618
Developer 'In-Kind' Contributions	32,521	384,351	-	289,555
Caltrans AEEP Capital Contribution	0	24,787	2479%	(585)
MMWD AEEP Capital Contribution	0	245,000	100%	245,000
Connection Fees	0	1,484,380	218%	1,387,000
FRC Transfer to/from Recycled Water	(119,746)	1,239,907	-99%	(5,481,925)
ENDING FUND EQUITY		\$79,716,939		\$77,425,149

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019**

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$210,287	\$1,118,028	97%	\$912,938
Bimonthly Service Charges	3,608	62,783	153%	33,850
Water Loads	0	2,460	-	1,925
Account Turn-on Charges	0	148	-	26
TOTAL OPERATING REVENUE	\$213,895	\$1,183,419	99%	\$948,739
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$50,727	\$238,029	113%	\$138,258
Purchased Water - LGVSD	31,629	62,428	99%	61,081
SOURCE OF SUPPLY	\$82,356	\$300,457	110%	\$199,340
PUMPING				
Maint of Structures & Grounds	\$0	\$0	0%	\$0
Maint of Pumping Equipment	\$0	\$225	11%	\$70
Electric Power	393	3,705	123%	2,701
GASB68 Adjustment (Pension)	0	0	-	10
GASB75 Adjustment (OPEB)	0	0	-	(1)
PUMPING	\$393	\$3,930	65%	\$2,780
OPERATIONS				
Supervision & Engineering	\$690	\$8,651	58%	\$11,626
Operating Expense - Operations	0	6,819	34%	11,944
Potable Water Consumed	10,381	202,989	1845%	42,872
Maintenance Expense	0	655	13%	19,021
Telemetry Equipment/Controls Maint	100	1,997	15%	10,008
GASB68 Adjustment (Pension)	0	0	-	8,839
GASB75 Adjustment (OPEB)	0	0	-	(923)
OPERATIONS	\$11,171	\$221,109	345%	\$103,387
WATER TREATMENT				
Purification Chemicals	\$0	\$2,937	73%	\$2,550
Maint of Purification Equipment	0	3,537	24%	13,348
Electric Power	1,560	1,560	78%	0
Laboratory Direct Labor	248	4,175	60%	1,621
Customer Water Quality	0	196	-	0
Lab Expense Distributed from Novato	142	2,511	84%	1,030
GASB68 Adjustment (Pension)	0	0	-	1,442
GASB75 Adjustment (OPEB)	0	0	-	(151)
WATER TREATMENT	\$1,950	\$14,916	48%	\$19,838
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$0	\$3,158	14%	\$2,185
Maps & Records	0	0	0%	0
Operation of T&D System	0	0	0%	2,244
Facilities Location	306	854	-	112
Cathodic Protection	0	0	0%	0
Customer Service Expense	393	5,428	32%	5,250
Storage Facilities Expense	19	1,362	14%	1,654
Maint of Valves/Regulators	2,902	4,720	472%	488
Maint of Meters	0	0	0%	913
Maint of Mains	0	0	-	5,768
GASB68 Adjustment (Pension)	0	0	-	2,503
GASB75 Adjustment (OPEB)	0	0	-	(261)
TRANSMISSION & DISTRIBUTION	\$3,620	\$15,522	28%	\$20,856

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019**

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Distributed from Novato (0.2%)	\$91	\$1,118	112%	\$919
CONSUMER ACCOUNTING	\$91	\$1,118	112%	\$919
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (2.4%)	\$3,952	\$52,910	104%	\$53,882
GENERAL & ADMINISTRATIVE	\$3,952	\$52,910	104%	\$53,882
Depreciation (Note 5)	39,486	473,825	100%	473,970
TOTAL OPERATING EXPENSE	\$143,019	\$1,083,787	113%	\$874,973
OPERATING INCOME/(LOSS)	\$70,876	\$99,632	42%	\$73,766
NON-OPERATING REVENUE				
Interest:				
General Funds	\$4,294	\$17,866	179%	\$9,643
RWF Replacement Fund	6,112	58,286	-	15,896
Self-Insured Workers' Comp Fund	40	390	-	70
StoneTree RWF Loan	3,246	48,002	166%	48,536
Total Interest Revenue	\$13,691	\$124,544	319%	\$74,145
Other Non-Operating Revenue	0	0	-	4,446
NON-OPERATING REVENUE	\$13,691	\$124,544	319%	\$78,591
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$5,044	\$52,543	99%	\$57,718
Expansion SRF Loan Interest Expense	20,154	268,091	114%	185,985
Other Non-Operating Expense	0	3,354	-	(101)
Interest-Advance from Novato (Note 10)	0	0	-	92
NON-OPERATING EXPENSE	\$25,198	\$323,988	112%	\$243,695
NET INCOME/(LOSS)	\$59,370	(\$99,812)	998%	(\$91,338)
BEGINNING FUND EQUITY		\$24,764,880		\$17,146,483
NET INCOME/(LOSS)	59,370	(99,812)		(91,338)
FRC Transfer to/from Novato	119,746	(1,239,907)	-99%	5,481,925
RW Central Area Expansion Grant	0	0	-	545,290
ENDING FUND EQUITY		\$23,425,161		\$23,082,359

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019**

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$188,408	\$748,090	110%	\$719,379
Bill Adjustments	(5,582)	(42,268)	-	(18,926)
Bimonthly Service Charges	15,432	185,184	100%	177,210
Account Turn-on Charges	132	1,036	104%	1,151
New Account Charges	15	150	15%	150
Returned Check Charges	0	18	-	9
Backflow Service Charges	1,092	6,573	131%	6,088
TOTAL OPERATING REVENUE	\$199,496	\$898,784	103%	\$885,060
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$981	\$2,051	-	\$844
Operating Expense	126	4,080	68%	3,476
Maint of Structures	8,166	16,906	211%	8,200
Water Quality Surveillance	0	572	57%	535
Purchased Water - MMWD	0	322	-	0
GASB68 Adjustment	0	0	-	696
GASB75 Adjustment (OPEB)	0	0	-	(73)
SOURCE OF SUPPLY	\$9,273	\$23,931	160%	\$13,678
PUMPING				
Maint of Structures and Grounds	\$2,477	\$10,424	208%	\$2,532
Maint of Pumping Equip	10,174	15,825	176%	17,999
Electric Power	2,409	37,683	135%	29,206
GASB68 Adjustment (Pension)	0	0	-	1,382
GASB75 Adjustment (OPEB)	0	0	-	(145)
PUMPING	\$15,060	\$63,933	152%	\$50,974
OPERATIONS				
Supervision & Engineering	\$2,899	\$20,518	171%	\$17,337
Operating Expense	2,938	17,029	114%	11,049
Maintenance Expense	0	257	-	0
Maint of Telemetry Equipment	666	13,287	66%	13,909
Leased Lines	354	4,094	82%	4,625
GASB68 Adjustment (Pension)	0	0	-	6,559
GASB75 Adjustment (OPEB)	0	0	-	(685)
OPERATIONS	\$6,857	\$55,185	106%	\$52,794
WATER TREATMENT				
Supervision & Engineering	\$813	\$9,453	135%	\$4,589
Operating Expense	1,846	25,080	125%	30,913
Purification Chemicals	1,256	6,701	134%	1,698
Maint of Structures & Grounds	5,032	5,040	504%	551
Maint of Purification Equipment	406	10,232	41%	11,264
Water Quality Programs	0	0	-	595
Electric Power	2,611	29,396	140%	20,117
Laboratory Direct Labor	4,060	35,079	82%	46,189
Laboratory Services	570	7,219	180%	5,213
Water Quality Supervision	721	7,860	87%	2,933
Customer Water Quality	1,258	4,703	94%	3,136
Lab Expense Distributed from Novato	2,385	21,035	111%	29,344
GASB68 Adjustment (Pension)	0	0	-	14,777
GASB75 Adjustment (OPEB)	0	0	-	(1,543)
WATER TREATMENT	\$20,959	\$161,797	102%	\$169,778

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019**

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$1,703	\$5,936	28%	\$6,955
Maps & Records	0	0	0%	0
Facilities Location - USA	1,060	7,868	61%	15,479
Customer Service Expense	480	8,046	115%	11,903
Flushing	0	0	-	4,959
Storage Facilities Expense	1,413	21,813	84%	14,345
Cathodic Protection	0	1,464	37%	2,239
Maint of Valves	209	1,108	18%	378
Valve Operation Program	0	4,889	244%	0
Maint of Mains	647	7,783	156%	9,485
Water Quality Maintenance	208	718	36%	1,700
Maint of Backflow Devices	0	0	0%	1,056
Backflow Dev Inspection/Survey	0	2,547	127%	6,479
Maint of Copper Services	176	9,708	324%	675
Maint of PB Service Lines	0	41,513	148%	23,512
Maint of Meters	0	2,467	49%	3,607
Detector Check Assembly Maint	0	0	0%	1,654
Maint of Hydrants	0	3,977	133%	3,621
Hydrant Operation	0	5,355	268%	0
Single Service Installation	0	7,330	-	1,682
GASB68 Adjustment (Pension)	0	0	-	15,611
GASB75 Adjustment (OPEB)	0	0	-	(1,630)
TRANSMISSION & DISTRIBUTION	\$5,896	\$132,520	93%	\$123,710
CONSUMER ACCOUNTING				
Meter Reading	\$1,296	\$8,437	70%	\$9,120
Collection Expense - Labor	0	26	3%	523
Uncollectable Accounts	0	(298)	-30%	109
Distributed from Novato (3.6%)	1,015	12,475	96%	15,958
GASB68 Adjustment (Pension)	0	0	-	1,690
GASB75 Adjustment (OPEB)	0	0	-	(176)
CONSUMER ACCOUNTING	\$2,312	\$20,639	76%	\$27,224
WATER CONSERVATION				
Water Conservation Program	\$2,371	\$7,221	72%	\$7,473
GASB68 Adjustment (Pension)	0	0	-	2,392
GASB75 Adjustment (OPEB)	0	0	-	(250)
TOTAL WATER CONSERVATION	\$2,371	\$7,221	72%	\$9,615
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$0	\$898	7%	\$7,359
Vehicle Expense	\$0	\$0	-	\$0
Buildings & Grounds Maint	\$0	\$0	-	\$0
Distributed from Novato (3.6%)	4,741	63,467	76%	79,135
Expensed Improvement Projects	0	0	-	0
GENERAL & ADMINISTRATIVE	\$4,741	\$64,365	67%	\$86,494
Depreciation (Note 5)	15,557	186,922	95%	191,949
TOTAL OPERATING EXPENSE	\$83,026	\$716,514	97%	\$726,217
OPERATING INCOME/(LOSS)	\$116,470	\$182,270	136%	\$158,843

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019**

	<u>JUNE 2019</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
NON-OPERATING REVENUE				
Interest - General Funds	\$3,708	\$35,595	-	\$7,113
Interest - FRC	310	3,735	93%	1,819
Interest - Self-Insured WC Fund	74	736	-	246
Interest - Bank of Marin Project Fund	1,769	18,144	181%	12,576
Rents & Leases	0	5,150	129%	5,000
Tax Proceeds - OL-2 G.O. Bond	2	6	-	3
Tax Proceeds - PR-2 Tax Allocation	(3,611)	55,064	100%	53,204
Other Non-Operating Revenue	1,001	686	-	38
NON-OPERATING REVENUE	<u>\$3,253</u>	<u>\$119,116</u>	163%	<u>\$79,998</u>
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$2,151	\$25,150	97%	\$26,680
PRE-1 Revenue Bond Interest Exp	(119)	1,073	107%	1,750
PR-6 Revenue Bond Interest Exp	972	2,576	129%	2,300
Other Non-Operating Expense	26	810	-	762
NON-OPERATING EXPENSE	<u>\$3,030</u>	<u>\$29,609</u>	102%	<u>\$31,492</u>
NET INCOME/(LOSS)	<u>\$116,693</u>	<u>\$271,777</u>	153%	<u>\$207,350</u>
BEGINNING FUND EQUITY		\$6,431,493		\$6,155,744
NET INCOME/(LOSS)	116,693	271,777		207,350
CONTRIBUTED CAPITAL				
Developer 'In-Kind' Contributions	0	0	-	0
Connection Fees	0	8,000	35%	68,400
ENDING FUND EQUITY		<u>\$6,711,270</u>		<u>\$6,431,494</u>

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019**

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$21,060	\$252,720	100%	\$239,890
Inspection Fees	0	0	-	600
TOTAL OPERATING REVENUE	\$21,060	\$252,720	100%	\$240,490
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$229	\$11,471	31%	\$20,368
Inspection	0	0	0%	384
Maps & Records	0	0	-	122
Operating Expense	1,091	15,344	153%	10,054
Facilities Location	454	2,141	214%	2,287
Maint of Telemetry Equipment	0	1,782	59%	4,895
Maint of Lift Stations	255	11,415	143%	13,850
Maint of Manholes	0	0	0%	0
Maint of Sewer Mains	0	2,637	88%	0
Electric Power	1,231	14,778	123%	13,236
GASB68 Adjustment (Pension)	0	0	-	7,889
GASB75 Adjustment (OPEB)	0	0	-	(824)
SEWAGE COLLECTION	\$3,260	\$59,568	76%	\$72,261
SEWAGE TREATMENT				
Operating Expense	\$0	\$21,042	105%	\$38,914
Maint of Structures	0	0	0%	0
Maint of Equipment	501	8,846	111%	2,390
Laboratory Direct Labor	450	5,434	60%	6,773
Lab Expense Distributed from Novato	261	3,268	163%	4,303
Electric Power	1,440	9,224	154%	9,193
GASB68 Adjustment (Pension)	0	0	-	3,394
GASB75 Adjustment (OPEB)	0	0	-	(354)
SEWAGE TREATMENT	\$2,651	\$47,816	102%	\$64,613
SEWAGE DISPOSAL				
Operating Expense	\$310	\$4,035	34%	\$7,657
Maint of Pump Stations	0	1,936	28%	1,693
Maint of Storage Ponds	2,644	7,396	62%	10,981
Maint of Irrigation Field	0	382	5%	3,886
GASB68 Adjustment (Pension)	0	0	-	3,200
GASB75 Adjustment (OPEB)	0	0	-	(334)
SEWAGE DISPOSAL	\$2,954	\$13,749	35%	\$27,083
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$0	\$466	-	\$460
Distributed from Novato (0.6%)	144	1,511	76%	2,130
CONSUMER ACCOUNTING	\$144	\$1,977	99%	\$2,590

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2019**

	JUNE 2019	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$0	\$0	0%	\$0
Distributed from Novato (1.1%)	1,804	24,149	89%	24,959
Liability Insurance	176	1,775	89%	1,910
RWQCB Effluent Release Fine	0	0	-	0
GASB68 Adjustment	0	0	-	0
GENERAL AND ADMINISTRATIVE	\$1,980	\$25,925	48%	\$26,870
Depreciation (Note 5)	3,349	38,194	103%	37,282
TOTAL OPERATING EXPENSE	\$14,339	\$187,229	73%	\$230,699
OPERATING INCOME/(LOSS)	\$6,721	\$65,491	(1310%)	\$9,791
NON-OPERATING REVENUE				
Rents & Leases	\$0	\$250	-	\$500
Interest - Connection Fee Reserve	0	0	-	81
Interest - General Funds	(415)	5,359	89%	6,919
Interest - Self Insured WC Fund	27	264	-	84
Tax Proceeds - OM-1/OM-3 Tax Alloc	(3,869)	58,683	99%	56,700
Other Non-Operating Revenue	0	0	-	1,603
NON-OPERATING REVENUE	(\$4,257)	\$64,555	99%	\$65,887
NON-OPERATING EXPENSE				
Other Non-Operating Expense	\$4	\$1,186	-	\$812
NON-OPERATING EXPENSE	\$4	\$1,186	-	\$812
NET INCOME/(LOSS)	\$2,460	\$128,860	215%	\$74,866
BEGINNING FUND EQUITY		\$1,416,011		\$1,340,901
NET INCOME/(LOSS)	2,460	128,860		74,866
CONTRIBUTED CAPITAL				
Contribution in Aid of Construction	0	0	-	244
Connection Fees	0	0	0%	0
PRIOR YEAR ADJUSTMENTS (Note 11d)	0	(16,110)		0
ENDING FUND EQUITY		\$1,528,761		\$1,416,011

**NORTH MARIN WATER DISTRICT
EQUIPMENT EXPENDITURES
PERIOD ENDING JUNE 30, 2019**

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	JUNE 2019	FYTD TOTAL	FY 18/19 BUDGET	(OVER) UNDER	Notes
1 ADMINISTRATION					
a. Website Upgrade	\$0	\$0	\$10,000	\$10,000	
b. Timekeeping Software Upgrade	0	0	10,000	10,000	
	<u>\$0</u>	<u>\$0</u>	<u>\$20,000</u>	<u>\$20,000</u>	
2 CONSTRUCTION					
a. Pipe Locator	\$0	\$5,863	\$8,000	\$2,137	1
b. Fittings & Hose for Emergency Hose Trailer	0	0	6,000	6,000	
	<u>\$0</u>	<u>\$5,863</u>	<u>\$14,000</u>	<u>\$8,137</u>	
3 OPERATIONS/MAINTENANCE					
a. Metals Analyzer	\$0	\$0	\$105,000	\$105,000	1
b. Autoclave for Lab	0	13,864	27,000	13,136	1
c. Tire Balance Machine	0	0	8,000	8,000	1
d. STP Reclaim Cleaning Pump	0	0	6,000	6,000	1
e. Power Plugs and Cable for Emergency Generators	0	6,122	0	(6,122)	
	<u>\$0</u>	<u>\$19,986</u>	<u>\$146,000</u>	<u>\$126,014</u>	
3 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. 5-Yard Diesel Dump Truck With Sliding Bed	\$0	\$43,890	\$120,000	\$76,110	1
b. 1/2 Ton 4x4 Pickup 4-Door with Shell	0	33,931	40,000	6,069	1
c. STP Equipment Cart	0	14,909	15,000	91	
	<u>\$0</u>	<u>\$92,730</u>	<u>\$175,000</u>	<u>\$82,270</u>	
TOTAL EQUIPMENT EXPENDITURES	<u>\$0</u>	<u>\$118,579</u>	<u>\$355,000</u>	<u>\$236,421</u>	

Notes:

(1) Replacement item.

**NORTH MARIN WATER DISTRICT
EXPENDITURES BY CATEGORY
FOR PERIOD ENDING JUNE 30, 2019**

OPERATING EXPENSE		Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
1	Salaries & Benefits	\$5,417,153	\$34,924	\$249,652	\$58,759	\$5,760,487	\$6,942,000	83%	\$6,776,984	-15 %
2	Water Purchases	5,082,987	300,457	0	0	5,383,443	6,823,000	79%	5,462,746	-1 %
3	Depreciation	2,752,212	473,825	186,922	38,194	3,451,154	3,528,000	98%	3,434,069	0 %
4	Materials, Services & Supplies	1,662,647	206,863	73,256	32,456	1,975,223	2,064,000	96%	1,522,666	29 %
5	Consulting Services/Studies	304,645	0	898	0	305,543	335,000	91%	230,400	32 %
6	Chemicals	376,960	2,937	6,701	0	386,599	464,000	83%	442,596	-12 %
7	Electric Power	408,603	5,265	67,079	24,003	504,950	477,000	106%	525,414	-3 %
8	Vehicles and Equipment (Distrib)	229,891	1,243	20,914	4,346	256,393	293,000	88%	251,644	1 %
9	Tools & Supplies (Distrib)	251,694	1,735	14,024	2,036	269,488	188,000	143%	223,122	20 %
10	Retiree Medical Expenses	197,855	0	0	0	197,855	172,000	115%	174,528	13 %
11	Water Conservation Rebates	33,450	0	91	0	33,541	104,000	32%	29,223	14 %
12	Insurance & Claims	99,040	0	0	1,775	100,815	155,000	65%	94,203	7 %
13	Office Supplies & Postage	83,028	0	0	0	83,028	102,000	81%	133,165	-37 %
14	GASB 68 Adjustments	0	0	0	0	0	0	-	1,302,674	-
15	Overhead Charges (Gain)/Loss	905,405	0	0	0	905,405	(39,000)	-2,322%	(357,925)	-352 %
16	Distributed Costs (Lab,G&A,ConsAcctg)	(556,997)	56,539	96,977	25,661	(377,821)	(421,000)	90%	(350,408)	7 %
17	Total Operating Expense	\$17,248,573	\$1,083,787	\$716,514	\$187,229	\$19,236,102	\$21,187,000	91%	\$19,895,099	-3 %
18	Interest Expense & Other	529,088	231,691	29,609	1,186	791,574	870,000	91%	718,041	10 %
19	Total Expense	\$17,777,661	\$1,315,478	\$746,123	\$188,415	\$20,027,676	\$22,057,000	91%	\$20,613,140	-2 %
<u>Warehouse, Shop & Yard</u>										
20	Salaries & Benefits	\$183,329	\$0	\$0	\$0	\$183,329	\$263,000	70%	\$202,795	-9 %
21	Materials, Services & Supplies	(68,655)	0	0	0	(68,655)	325,000	-21%	\$258,716	-126 %
22	Depreciation	118,153	0	0	0	118,153	0	0%	\$127,484	-7 %
23	Distributed Costs	(232,827)	0	0	0	(232,827)	(588,000)	40%	(588,995)	-60 %
24	Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0	-
<u>District Capital Outlay</u>										
25	Salaries & Benefits	\$465,842	\$24,685	\$46,508	\$11,120	\$548,155	\$844,000	65%	\$763,504	-28 %
26	Equipment Expenditures	118,579	0	0	0	118,579	355,000	33%	72,874	62 %
27	Debt Principal Payments	1,099,776	653,620	117,608	0	1,871,005	2,279,000	82%	(2,751,746)	-167 %
28	Materials, Services & Supplies	2,879,934	95,824	85,732	232,683	3,294,174	6,926,000	48%	10,346,149	-68 %
29	Total District Capital Outlay	\$4,564,132	\$774,129	\$249,848	\$243,803	\$5,831,912	\$10,404,000	56%	\$8,430,781	-30 %
<u>Developer Funded Projects</u>										
30	Salaries & Benefits	\$213,556	\$0	\$4,265	\$52,985	\$270,806	\$232,000	117%	\$154,340	75 %
31	Materials, Services & Supplies	228,377	0	(4,021)	13,858	238,214	138,000	173%	256,840	-7 %
32	Total Developer Projects	\$441,933	\$0	\$244	\$66,843	\$509,020	\$370,000	138%	\$411,179	23 %
33	Total	\$22,783,725	\$2,089,607	\$996,216	\$499,061	\$26,368,609	\$32,831,000	80%	\$29,455,101	-10 %

**NORTH MARIN WATER DISTRICT
VEHICLE FLEET ANALYSIS
FOR PERIOD ENDING JUNE 30, 2019**

Fiscal Year to Date							Vehicle Cost per Mile				
Year	Description	Veh# Assigned	Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Mileage	Life to Date	FYTD19	FYTD18	FY17
1	2002 Chev K1500 4x4	47	7,416	\$4,594	\$5,461	\$867	147,120	\$0.38	\$0.62	\$0.35	\$0.38
2	2003 Dodge Dakota 4x4	49 Elec/Mech	7,022	\$2,957	\$3,193	\$236	111,236	\$0.42	\$0.42	\$0.54	\$0.46
3	2004 Chev C1500	53	3,720	\$1,498	\$1,567	\$69	132,280	\$0.46	\$0.40	\$0.48	\$0.46
4	2004 Chev C1500 Xtra Cab	54 Pool	5,509	\$2,844	\$1,707	(\$1,137)	106,773	\$0.47	\$0.52	\$0.53	\$0.79
5	2005 Honda Civic Hybrid	56	815	\$727	\$587	(\$140)	80,221	\$0.30	\$0.89	\$0.56	\$1.81
6	2005 Honda Civic Hybrid	57 Wtr Cons/Pool	2,622	\$1,037	\$1,593	\$556	80,398	\$0.24	\$0.40	\$0.28	\$0.15
7	2005 Ford Ranger	58 FSR/Pool	2,426	\$1,432	\$1,177	(\$255)	132,529	\$0.46	\$0.59	\$0.63	\$1.07
8	2006 Chev Colorado	501	0	\$392	(\$11)	(\$404)	145,060	\$0.37	-	\$0.31	\$0.20
9	2007 Chev Colorado	504 Rodriguez	9,489	\$4,307	\$5,575	\$1,267	80,983	\$0.42	\$0.45	\$0.37	\$0.36
10	2008 Ford F250 4x4	505 Maintenance	6,450	\$4,176	\$6,268	\$2,091	101,089	\$0.77	\$0.65	\$1.81	\$1.80
11	2008 Ford F250 4x4	506 STP	4,785	\$5,265	\$2,512	(\$2,753)	76,455	\$0.79	\$1.10	\$0.41	\$0.63
12	2008 Chev Colorado 4x4	509 Engineering	6,336	\$3,587	\$4,367	\$780	106,740	\$0.35	\$0.57	\$0.31	\$0.29
13	2009 Toyota Prius Hybrid	510	13,689	\$1,992	\$5,414	\$3,422	133,031	\$0.18	\$0.15	\$0.12	\$0.13
14	2010 Ford F150 4x4	511 STP	3,904	\$4,570	\$3,016	(\$1,554)	87,000	\$0.51	\$1.17	\$0.39	\$0.69
15	2010 Ford F150	512 Kurfirst	7,565	\$3,726	\$10,933	\$7,207	109,662	\$0.49	\$0.49	\$0.54	\$0.44
16	2010 Ford F150	513 STP	6,792	\$3,033	\$5,095	\$2,062	82,958	\$0.47	\$0.45	\$0.56	\$0.54
17	2012 Ford F250	515 Reed	10,335	\$7,075	\$13,222	\$6,148	61,153	\$0.61	\$0.68	\$0.40	\$0.84
18	2012 Ford F250	516 Castellucci	11,270	\$6,024	\$12,212	\$6,187	67,800	\$0.53	\$0.53	\$0.60	\$0.47
19	2014 Ford F150	517 Grisso	2,312	\$1,141	\$3,212	\$2,071	13,557	\$0.41	\$0.49	\$0.45	\$0.21
20	2015 Ford F250 4x4	518 Kehoe, Chris	15,363	\$6,638	\$14,203	\$7,566	82,008	\$0.41	\$0.43	\$0.47	\$0.41
21	2015 Ford Escape 4X4	520 Arendell	19,048	\$5,653	\$10,738	\$5,085	65,565	\$0.25	\$0.30	\$0.23	\$0.18
22	2015 Ford F150 4X4	521 Watkins/Shop	7,329	\$2,560	\$3,093	\$533	40,190	\$0.30	\$0.35	\$0.30	\$0.17
23	2016 Nissan Frontier	522 Roberto	12,735	\$5,488	\$9,066	\$3,578	41,378	\$0.38	\$0.43	\$0.32	\$0.38
24	2017 Ford Escape 4X4	523 Lab	6,017	\$1,845	\$4,138	\$2,293	19,613	\$0.30	\$0.31	\$3.27	\$0.30
25	2016 Nissan Frontier	524 Bynum	11,055	\$4,580	\$10,385	\$5,805	23,042	\$0.41	\$0.41	\$0.46	-
26	2018 Ford Cargo Van	526 On-Call	6,967	\$1,921	\$2,197	\$5,805	9,183	\$0.82	\$0.28	-	-
27	2018 Dodge Ram 2500	527 Rupp	8,024	\$6,213	\$8,754	\$276	8,024	\$0.77	\$0.77	-	-
28	2019 Chev Colorado 4x4	528 Stompe	2,922	\$2,893	\$1,688	\$2,541	2,922	\$0.99	\$0.99	-	-
29	2019 NISSAN ROGUE	531 Clark	-	\$191	\$0	(\$1,205)	-	-	-	-	-
30	2019 NISSAN ROGUE	532 Eng/Wtr Conserv	-	\$191	\$0	(\$191)	-	-	-	-	-
31	2019 NISSAN FRONTIER	533 LeBrun	163	\$617	\$20	(\$191)	163	\$3.78	\$3.78	-	-
Total 3/4 Ton & Under			202,080	99,170	151,382	58,615	2,148,133	\$0.43	\$0.49	\$0.45	\$0.47
1	1999 Ford F350 W/Svc Body	19 Pool	2,282	\$3,268	\$3,163	(\$104)	137,619	\$0.00	\$0.00	\$1.93	\$2.08
2	2002 Int'l 5 Yd Dump	44 Construction	4,846	\$7,953	\$21,139	\$13,186	105,439	\$1.76	\$1.64	\$1.97	\$6.81
3	1999 Ford F550 3-Yd Dump	52 Construction	4,187	\$3,426	\$15,357	\$11,931	96,327	\$0.00	\$0.00	\$1.47	\$1.68
4	2006 Int'l 4300 Crew	503 Bergstrom/Barrilleaux	4,639	\$10,627	\$23,701	\$13,075	46,107	\$1.69	\$2.29	\$1.30	\$3.75
5	2009 Peterbilt 325 Crew	508 Breit/Crew	4,196	\$12,330	\$24,632	\$12,302	36,514	\$2.21	\$2.94	\$1.51	\$4.04
6	2012 Int'l 5 Yd Dump	514 Rupp	5,626	\$6,484	\$17,205	\$10,721	40,518	\$1.42	\$1.15	\$1.78	\$1.14
7	2015 Int'l 5 Yd Dump	519 Sjoblom	7,319	\$9,543	\$18,234	\$8,691	35,378	\$1.09	\$1.30	\$1.21	\$1.10
8	2017 Ford F350 4x4	525 Ielmorini/Davenport	12,324	\$7,662	\$20,877	\$13,215	23,485	\$0.53	\$0.62	\$0.43	\$0.52
9	2019 FORD F550 3 YD DUMP	530 Construction	-	\$961	(\$1,842)	(\$2,803)	-	-	-	-	-
Total 1 Ton & Over			45,419	\$62,253	\$142,467	\$80,214	521,387	\$1.27	\$1.37	\$1.24	\$2.50

¹ Expense amount shown excludes depreciation (approximately \$96,000 for FY19).

² Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/17 the recovery rate for vehicles 3/4-ton and under is \$7/hr and the recovery rate for vehicles 1-ton and over is \$14/hr. An additional 50% is charged to developer projects to reflect the fair market value of the vehicle being used.

³ Purchased used in 2004 with 32,500 miles. Mileage shown is total incurred since District purchase.

**NORTH MARIN WATER DISTRICT
WATER CONSERVATION PROGRAM DETAIL
FOR PERIOD ENDING JUNE 30, 2019**

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Description		COST THRU JUNE 2018	JUNE 2019	FYTD TOTAL	FY 18/19 BUDGET	(OVER) UNDER	TOTAL COST	
NOVATO								
a. Residential								
1-7700-01	1-7700-26	1 Cash for Grass	\$401,449	\$392	\$23,126	\$35,000	\$11,874	\$424,575
1-7700-02	1-7700-27	2 Landscape Efficiency Rebates	23,492	0	572	5,000	4,428	24,065
1-7700-03		3 Fixtures Purchases	45,649	0	7,371	5,000	(2,371)	53,020
1-7700-06	1-7700-28	4 Washing Machine Rebates	347,112	82	2,091	5,000	2,909	349,202
1-7700-07		5 Demonstration Garden Improvements	54,416	689	689	1,000	311	55,105
1-7700-11	1-7700-29	6 Toilet Rebate SF	981,400	1,857	19,889	18,000	(1,889)	1,001,289
1-7700-12	1-7700-30	7 Toilet Rebate MF	18,173	0	89	2,000	1,912	18,261
1-7700-13		8 Residential Audits	386,744	10,185	60,543	65,000	4,457	447,287
1-7700-15		9 High Efficiency Toilet Distribution	242,177	0	0	0	0	242,177
1-7700-16		10 Water Waste Ordinance Monitoring	90,875	0	1,567	7,000	5,434	92,441
1-7700-17	1-7700-31	11 Swimming Pool Cover Rebate	3,258	0	206	1,000	794	3,464
1-7700-19	1-7700-32	12 ET Controller Rebate	33,553	134	2,107	5,000	2,893	35,660
1-7700-08		13 Administration	1,419,540	7,662	115,134	130,000	14,866	1,534,674
1-7700-20		14 New Development Wtr Cons Program	88,418	1,383	12,814	15,000	2,186	101,232
1-7700-21	1-7700-33	15 Demand Offset Rebate Program	2,816	0	0	2,000	2,000	2,816
1-7700-23		16 Grant Administration	3,300	0	0	1,000	1,000	3,300
1-7700-24	1-7700-34	17 Hot Water Recirculation Rebate	2,266	0	150	2,000	1,850	2,416
1-7700-25		18 Residential Fill Station	66,421	0	0	0	0	66,421
b. Commercial								
1-7701-02	1-7701-05	1 Toilet Rebate Program	67,061	0	300	10,000	9,700	67,361
1-7701-03	1-7701-04	2 Commercial Audits	21,608	681.150	7,683	9,000	1,317	29,291
c. Public Outreach/Information								
1-8672-16		1 Fall Newsletter	67,368	0	10,603	8,000	(2,603)	77,971
1-8672-17		2 Spring Newsletter	85,224	4,971	9,664	9,000	(664)	94,888
1-8672-18		3 Summer Newsletter	20,290	0	0	0	0	20,290
1-7700-04		4 Public Outreach / H ₂ O Fair	122,868	1,348	19,276	7,000	(12,276)	142,144
1-7700-05		5 Marketing	150,716	6,055	11,267	15,000	3,733	161,983
1-7700-22		6 Public Outreach/Leadership Novato	11,098	0	230	0	(230)	11,327
d. Large Landscape								
1-8653-02		1 Large Landscape Audits	90,427	0	396	3,000	2,604	90,824
1-7702-01		2 Large Landscape Budgets	37,883	0	684	1,000	316	38,567
1-7702-02	1-7702-04	3 Large Landscape Irrig Efficiency Rebates	14,460	0	0	4,000	4,000	14,460
1-8653-01		4 CIMIS Station Maintenance	18,866	0	630	2,000	1,370	19,496
1-7702-03		5 Administration-Large Landscape	71,730	965	18,128	13,000	(5,128)	89,859
TOTAL NOVATO WATER CONSERVATION			\$4,990,655	\$36,405	\$325,209	\$380,000	\$54,791	\$5,315,864
WEST MARIN WATER								
2-5166-00		a. Water Conservation Program	\$89,054	\$757	\$5,607	\$10,000	\$4,393	\$94,662
TOTAL WATER CONSERVATION EXPENDITURES			\$89,054	\$757	\$5,607	\$10,000	\$4,393	\$94,662

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING June 30, 2019**

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Description		COST THRU JUNE 2018	JUNE 2019	FYTD TOTAL	FY 18/19 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS							
a. Main/Pipeline Replacements							
1-7161-00	1 Ridge Road 6" ACP (8" @ 1,400')	\$682,854	\$0	\$64,959	\$140,000	\$75,041	\$747,813
1-7176-00	2 Replace Shady Lane Service Saddles	4,548	0	26,823	100,000	73,177	31,370
	3 Other Main Replacements (60+ years old)	0	0	0	160,000	160,000	0
1-7161-01	4 Ridge Road 6" ACP-Materials Purchase	67,832	0	0	0	0	67,832
1-7179-00	5 Bel Marin Keys/101 On Ramp Pipe Repair	0	169	48,379	0	(48,379)	48,379
1-7180-00	6 Montego Keys Pipeline Replacement	0	0	0	0	0	0
b. Main/Pipeline Additions							
1-7150-00	1 San Mateo Inlet/Outlet Pipe (2,200')	45,348	934	11,412	500,000	488,588	56,760
c. PB Service Line Replacements							
1-7169-00	1 Country Lane 2" Plastic	7,445	0	157,243	150,000	(7,243)	164,688
1-7123-22	2 Repl PB-Brooke/Robinhood/McIntosh/Charmaine/Timothy	66,286	0	26,642	0	(26,642)	92,928
1-7177-00	3 Rush Creek Pipe Protection	0	0	65	0	(65)	65
1-7123-24	4 Repl PB-Lanham Village (32)	0	12,353	73,577	0	(73,577)	73,577
1-7139-21	5 PB Repl-Lamont Ave	3,155	0	5,147	0	(5,147)	8,302
d. Relocations to Sync w/City & County CIP							
1-8737-xx	1 Other Relocations	0	0	0	70,000	70,000	0
1-8737-06	2 Montego Keys Pipeline Replacement	0	213	119,294	0	(119,294)	119,294
TOTAL PIPELINE REPLACEMENTS/ADDITIONS		\$877,468	\$13,670	\$533,540	\$1,120,000	\$586,460	\$1,411,008
e. Aqueduct Replacements & Enhancements							
1-7118-02	1 MSN B2-Utility Agreement Costs ⁴	\$72,949	\$0	\$24,787	\$0	\$0	\$97,736
1-7118-11	2 AEEP Post Construction Costs	3,221	163	8,312	0	(8,312)	11,533
1-7118-19	3 AEEP B3 Betterment & Depr Cost	439	0	0	0	0	439
		\$76,609	\$163	\$33,099	\$0	(\$8,312)	\$109,708
2 SYSTEM IMPROVEMENTS							
1-7007-12	a. Detector Check Assembly Repair/Repl (~14/yr)	\$131,448	\$0	\$24,244	\$60,000	\$35,756	\$155,692
1-7090-04	b. Anode Installations (150/yr)	0	0	0	30,000	30,000	0
1-7157-00	c. Automate Zone Valve	1,016	0	0	100,000	100,000	1,016
1-7158-00	d. Advanced Meter Information Retrofit ¹	3,849,754	35,177	1,846,595	2,500,000	653,405	5,696,348
1-7178-00	e. Asset Management Software Procurement/Implementation	0	6,789	74,499	75,000	501	74,499
1-7136-00	f. Facilities Security Enhancements	51,592	0	16,394	25,000	8,606	67,986
1-7181-00	g. Novato Fair Shopping Center-Backflow	0	1,485	7,725	0	(7,725)	7,725
TOTAL SYSTEM IMPROVEMENTS		\$4,033,809	\$43,452	\$1,969,456	\$2,790,000	\$820,544	\$6,003,265
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS							
a. Administration Building							
1-6501-43	1 Electronic Document Management System	\$0	\$0	\$0	\$140,000	\$140,000	\$0
1-6501-44	2 Office/Yard Building Renovation ²	52,381	15,218	26,904	250,000	223,096	79,285
b. Stafford Treatment Plant							
1-6600-89	1 Coat Concrete Clearwells (Both Units)	2,346	0	560,137	590,000	29,863	562,483
1-6600-92	2 Other Treatment Plant Improvements	0	1,384	8,946	50,000	41,054	8,946
1-6600-91	3 Stafford Spillway Repairs	79,604	0	175	0	(175)	79,779
1-6600-94	4 Bird Netting	0	0	16,445	0	(16,445)	16,445
1-6600-95	5 SCADA Upgrade	0	0	6,174	0	(6,174)	6,174
1-6600-96	6 Leveroni Creek Embankment Repair	0	2,267	2,907	0	(2,907)	2,907
TOTAL BUILDING, YARD, & STP IMPROVEMENTS		\$134,331	\$18,870	\$621,689	\$1,030,000	\$408,311	\$756,020

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING June 30, 2019**

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Description	COST THRU JUNE 2018	JUNE 2019	FYTD TOTAL	FY 18/19 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
4 STORAGE TANKS & PUMP STATIONS						
a. Tank Construction						
1-6207-20 1 Old Ranch Rd Tank Replacement	\$14,394	\$2,621	\$24,098	\$60,000	\$35,902	\$38,492
b. Tank Rehabilitation						
1-7170-00 1 Hydropneumatic Tank Repairs	15,145	0	0	30,000	30,000	15,145
1-6205-22 2 Cherry Hill #2 Recoat	0	4,085	16,754	250,000	233,246	16,754
1-6112-24 c. Lynwood Pump Station Motor Control Center	103,098	1,416	23,995	280,000	256,005	127,093
1-6141-00 d. Crest P.S.(Design/Const)/Reloc School Rd P.S.	55,278	3,361	69,592	200,000	130,408	124,870
1-6224-23 e. Wildhorse Valley Tank PG & E Service Relocation	0	0	33,900	0	(33,900)	33,900
1-6111-21 f. Indian Hills PS-Bypass	0	946	946	0	(946)	946
1-6116-21 g. Rockrose PS-Bypass	0	901	901	0	(901)	901
1-6105-20 h. Diablo PS-Bypass	0	710	710	0	(710)	710
TOTAL STORAGE TANKS & PUMP STATIONS	\$187,914	\$14,042	\$170,897	\$820,000	\$649,103	\$358,811
5 RECYCLED WATER						
5-7127-00 a. NBWRA Grant Program Administration	\$1,307,784	\$0	\$6,966	\$20,000	\$13,034	\$1,314,750
b. Other Recycled Water Expenditures	0	0	0	100,000	100,000	0
5-6058-10 c. Expansion to Central Area ³	1,094,677	0	1,106	0	(1,106)	1,095,783
5-6058-15 d. RW Central Right of Way Costs ³	83,607	798	5,879	0	(5,879)	89,486
5-6058-20 e. RW Central Private Onsite Retrofit ³	774,727	0	89,728	0	(89,728)	864,456
5-6058-25 f. RW Central Public Onsite Retrofit ³	29,338	0	0	0	(0)	29,339
5-6058-30 g. RW Exp-Central-East Side Const ³	4,072,735	0	5,195	0	(5,195)	4,077,931
5-6058-35 h. RW Central-East-Rowland Way ³	353,862	0	0	0	0	353,862
5-6058-40 i. RW Exp-Central-West Side Const ³	6,863,454	1,021	11,109	0	(11,109)	6,874,562
5-6058-50 j. RW Central-Norman Tank Rehab/Const ³	1,122,107	0	0	0	0	1,122,107
5-6058-60 k. RW Central-Highway101 Crossing	854,674	0	0	0	0	854,674
TOTAL RECYCLED WATER	\$16,556,966	\$1,819	\$119,983	\$120,000	\$16	\$16,676,950
6 WEST MARIN WATER SYSTEM						
2-6263-20 a. Replace PRE Tank #4A (25K Gal w/82K Gal)	\$199,266	\$683	\$36,188	\$625,000	\$588,812	\$235,454
2-6609-20 b. New Gallagher Well #2	588	446	8,132	90,000	81,868	8,720
2-8829-00 c. PB Replace in Sync w/County Paving	0	0	1,455	50,000	48,545	1,455
2-6601-32 d. TP Solids Handling	197,161	0	7,525	550,000	542,475	204,687
2-7123-23 e. PB Replacement-State Route One	0	0	14,199	0	(14,199)	14,199
2-8912-00 f. Lagunitas Bridge Pipeline Replacement	0	5,152	18,742	0	(18,742)	18,742
2-8737-07 g. Sir Francis Drake Blvd Bridge Replacement	0	0	1,010	0	(1,010)	1,010
2-6601-37 i. Pt Reyes Treatment Plant Relocate Production Meter	0	13,046	20,039	10,000	(10,039)	20,039
2-7182-00 j. WM Brominated-TTHM Reduction	0	5,437	20,482	0	(20,482)	20,482
2-7123-25 k. PB Replacement-Drakes View Dr	0	0	1,814	0	(1,814)	1,814
2-6604-22 l. Gallagher Well Rehab 2019	0	2,652	2,654	0	(2,654)	2,654
TOTAL WEST MARIN WATER SYSTEM	\$397,015	\$27,415	\$132,241	\$1,325,000	\$1,192,759	\$529,256
7 OCEANA MARIN SEWER SYSTEM						
8-8672-28 a. Infiltration Repair	\$39,195	\$0	\$0	\$40,000	\$40,000	\$39,195
8-7171-00 b. Pond Dredging & Relining	2,239	0	264,930	400,000	135,070	267,169
8-7173-00 c. OM Treatment Pond Rehab-404 Grant-FEMA	44,610	1,515	3,179	0	(3,179)	47,789
8-7085-03 d. Tahiti Way Lift Pump Rebuild	0	0	21,968	0	(21,968)	21,968
TOTAL OCEANA MARIN SEWER SYSTEM	\$86,044	\$1,515	\$290,077	\$440,000	\$149,923	\$376,121
TOTAL PROJECT EXPENDITURES	\$22,350,156	\$120,945	\$3,870,982	\$7,645,000	\$3,798,805	\$26,221,138

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING June 30, 2019**

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Description	COST THRU JUNE 2018	JUNE 2019	FYTD TOTAL	FY 18/19 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
(Accrued)/Deferred						
a. RW Expansion - Central Service Area SRF Loan ³	(\$2,227,069)	\$0	\$2,227,069	\$0	(\$2,227,069)	\$0
b. RW Expansion - Central Service Area Grant ³	(43,026)	0	43,026	0	(43,026)	0
c. MSN Aqueduct Caltrans Reimb-Segment B2 ⁴	(1,585)	0	(24,787)	0	24,787	(26,372)
d. Office/Yard Building Renovation ²	(52,597)	(15,218)	(26,904)	0	26,904	(79,501)
FUNDING BY OTHERS (ACCRUED)/DEFERRED	(\$2,324,277)	(\$15,218)	\$2,218,404	\$0	(\$2,218,404)	(\$105,873)
Received						
a. RW Expansion - Central Service Area SRF Loan ³	(\$4,883,337)	\$0	(\$2,227,069)	(\$2,227,069)	\$0	(\$7,110,406)
b. RW Expansion - Central Service Area Grant ³	(5,988,079)	0	(43,026)	(\$43,026)	0	(6,031,105)
c. MSN Aqueduct Caltrans Reimb-Segment B2 ⁴	(59,974)	0	0	0	0	(59,974)
d. Office/Yard Building Renovation ²	0	0	0	(250,000)	(250,000)	0
FUNDING BY OTHERS RECEIVED	(\$10,931,390)	\$0	(\$2,270,095)	(\$2,520,095)	(\$250,000)	(\$13,201,485)
NET PROJECT EXPENDITURES	\$9,094,489	\$105,727	\$3,819,291	\$5,124,905	\$1,330,401	\$12,913,780

CIP SUMMARY-GROSS EXPENDITURES:	Current Month	FYTD Total	FY 18/19 Budget	FYTD/ Budget%
Novato Water Capital Projects	\$90,196	\$3,328,681	\$5,760,000	58%
Novato Recycled Water Capital Projects	1,819	119,983	120,000	100%
West Marin Water Capital Projects	27,415	132,241	1,325,000	10%
Oceana Marin Sewer Capital Projects	1,515	290,077	440,000	66%
Gross Capital Improvement Project Outlays	\$120,945	\$3,870,982	\$7,645,000	51%

CIP SUMMARY-NET EXPENDITURES:	Current Month	FYTD Total	FY 18/19 Budget	FYTD/ Budget%
Novato Water Capital Projects	\$74,977	\$3,276,990	\$5,510,000	59%
Novato Recycled Water Capital Projects	1,819	119,983	(2,150,095)	-6%
West Marin Water Capital Projects	27,415	132,241	1,325,000	10%
Oceana Marin Sewer Capital Projects	1,515	290,077	440,000	66%
Net Capital Improvement Project Outlays	\$105,726	\$3,819,291	\$5,124,905	75%

Notes to Capital Improvement Projects Schedule:

- (1) FY18 Radio Read Meter Retrofit cost funded by \$4.6M Loan. Loan origination fee is \$85,300.
- (2) Office/Yard Refurbish to be funded by Bank Loan.
- (3) \$11.7M RW Central Expansion funded by Federal Grants, SRF Loan, local contribution & Marin Country Club contribution. Debt service paid from FRC Funds.
- (4) Funding provided 100% by Caltrans.

CONSULTING SERVICES/STUDIES						
1-4055-00 a. Stafford Lake Sanitary Survey	\$12,762	\$7,538	\$7,999	\$0	(\$7,999)	\$20,761
1-4056-00 b. Novato Creek Steelhead Recovery	45,121	576	912	0	(912)	46,033
1-4057-00 c. Local Water Supply Enhancement Study	0	0	0	150,000	150,000	0
1-7039-02 d. Novato Water Master Plan Update	76,946	1,994	99,951	30,000	(69,951)	176,897
1-4058-10 e. 2018 Cost of Service Study Peer Review	0	9,620	30,679	30,000	(679)	30,679
1-4058-20 f. 2019 Cost of Service Study	0	350	350	0	(350)	350
1-4059-00 g. Stafford Lake Water Rights Update	0	0	0	50,000	50,000	0
1-4060-00 h. STP Efficiency Improvements	0	29,397	75,221	75,000	(221)	75,221
1-4063-00 i. Novato Asset Management Study	50,336	(209)	11,404	0	(11,404)	61,740
1-4073-00 j. Surplus Property	200	0	0	0	0	200
2-4061-00 k. Digitize West Marin Water Facility Maps	17,559	0	0	0	0	17,559
1-4076-00 l. CVRA-Trans From At-Large Elections	0	57,318	58,389	0	(58,389)	58,389
1-4077-00 m. Potter Valley Project FERC Relicensing	0	3,066	4,410	0	(4,410)	4,410
1-7140-01 n. Stafford Dam EAP & Inundation Mapping Updates	0	10,281	10,281	0	(10,281)	10,281
	\$202,924	\$119,931	\$299,596	\$335,000	\$35,404	\$502,520

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

Connection Fee Fund: Cash available from collection of Connection Fees. The fee is charged to developers based upon the estimate of cost necessary to construct capacity to serve the new development. These funds are restricted by law for expansion of the water or sewer facilities within the service area where the development occurs. Funds are disbursed from the Connection Fee Reserve as expenditures are incurred to increase system capacity to serve new development. The fund balance accrues interest monthly.

Wohler Pipeline Financing Fund: In December 2002 the Sonoma County Water Agency sold \$6.8 million (par) of 30-year revenue bonds to finance the Wohler to Forestville Pipeline. NMWD's share of the debt is \$844,050 ($\$6,800,000 \times 11.2 / 90.4$). In January 2003 the District established this designated cash and corresponding reserve account and transferred \$844,050 of FRC money into the fund. The Wohler Pipeline Financing Fund is credited with interest monthly. The restricted cash Wohler Pipeline Financing Fund account and the related reserve account have been closed as of 10/31/18.

Collector #6 Financing Fund: The Sonoma County Water Agency received a \$15.8 million State Revolving Fund loan commitment at an interest rate of 2.8% repayable over 20 years for construction of Collector #6. NMWD's share of Collector #6 is \$1,950,000 ($\$15,800,000 \times 11.2 / 90.4$). In January 2003 the District established this designated cash and corresponding reserve account and transferred \$1,950,000 of FRC money into the fund. The Collector #6 Financing Fund is credited with interest monthly. The restricted cash Collector #6 Financing Fund account and the related reserve account have been closed as of 10/31/18.

Bank of Marin Project Fund: The District received an \$8 million loan from the Bank of Marin in October 2011 to fund the Aqueduct Energy Efficiency Project. The 20-year, 3.54% annual percentage rate loan requires monthly payments of \$46,067 and will be fully amortized on 10/27/2031. In June 2012 the Board authorized reallocating \$1 million of this loan to West Marin Water to repay Novato Water \$223,000 owed for previous loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. The unexpended fund balance accrues interest monthly.

Deer Island RWF Replacement Fund: The State Revolving Fund (SRF) loan agreement required the District to agree to establish and maintain a Water Recycling Capital Reserve Fund (WRCRF) for the expansion, major repair, or replacement of the Deer Island Recycled Water Treatment Plant. The WRCRF is maintained in compliance with the "Policy for Implementing the State Revolving fund for Construction of Wastewater Treatment Facilities" in effect at the time the agreement was signed by the District. The September 2003 Recycled Water Master Plan prepared by Nute Engineering recommended limiting the reserve to fund replacement of the RWF electrical and mechanical equipment (including transmission pumps) as they wear out. The cost of said equipment was \$1,483,000 which, at Nute's recommended 6% interest rate factor and 25-year life, renders an annual funding requirement \$115,000. The fund balance accrues interest monthly.

Recycled Water Capital Replacement and Expansion Fund: The 2011 Interagency Agreements for Recycled Water between NSD, LGVSD & NMWD require that any payments to the Distributor (NMWD) by the End User (Consumers) in excess of actual costs (marginal payments) shall be deposited in this fund. Operation and Maintenance Costs are defined as the actual cost of: labor (including general and administrative overhead plus tools and supplies normally applied), equipment and vehicle charges, consumables (such as chemicals and electrical power), and spare parts and/or replaced components necessary to reliably treat and deliver recycled water to the End Users. Operation and Maintenance Costs do not include costs for major capital replacement or process changes.

Tax Receipts held in Marin County Treasury: Balance of tax proceeds collected and disbursed by the County of Marin for repayment of the Olema (OL-2) general obligation bond debt. The County credits interest to these funds quarterly.

STP SRF Reserve Fund – Marin County Treasury: The 2004 Stafford Treatment Plant State Revolving Fund (SRF) loan agreement requires the District to build a Reserve Fund equal to one year of payments

(\$1,044,474) in the Marin County Treasury during the first ten years of the 20-year repayment period. Every January 1 and July 1, commencing January 1, 2010, the District deposits with the County 10% of the semi-annual SRF payment. The County credits the fund with interest quarterly, and will use the Reserve to pay the last 2 semi-annual SRF loan payments.

RWS North/South SRF Reserve Fund: The State Water Resource Control Board Agreements for the seven Clean Water State Revolving Fund Loans made for expansion of the Recycled Water System distribution system require that the District establish a reserve fund equal to one year's debt service (\$614,299) prior to the construction completion date.

RWS Central SRF Reserve Fund: The State Water Resource Control Board Agreement for the Clean Water State Revolving Fund Loan made for expansion of the Recycled Water System distribution system requires that the District establish a reserve fund equal to one year's debt service (\$275,773) prior to the construction completion date.

Note 2 - Designated Cash

Liability Contingency Fund: Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. In FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In August 2008, \$500,000 was transferred into this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. Currently there is \$714,200 in Employer Assisted Housing Loans outstanding (see Note 3). In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is currently rented. In 2006, \$8,885 was added from the sale of surplus property in West Marin. The fund balance does not accrue interest.

Self-Insured Workers' Compensation Fund: Commencing July 2011, the District began self-insuring its workers' compensation liability. The savings accrued through self-insuring the liability is reserved in this fund for possible future claims expense. The District carries a workers' compensation excess policy for claims that exceed \$1,000,000.

Retiree Medical Benefits Fund: NMWD pays the cost of health insurance for retirees between the ages of 55 and 65 and spouse under any group plan offered by CalPERS. The retiree must be at least 55 and have a minimum of 12 years (for employees hired on or before September 30, 2018) and a minimum of 20 years (for employees hired after September 30, 2018) of NMWD service at the date of retirement. NMWD's contribution toward the chosen plan is capped in the same manner as all other NMWD employees in the same class. Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare. When the retiree or spouse becomes eligible for Medicare, NMWD pays up to the couple annuitant rate, which is capped at \$3,830 per year (\$319/month). In August 2003, NMWD transferred \$2.55 million (\$2.3 million for current retirees plus \$250,000 for future retirees) from unrestricted cash into a reserve to fund this obligation. In 2010 the Board directed staff to add \$1,500 per employee annually as a payroll overhead to accrue and accelerate amortization of this liability. The accrual is maintained as a Long-Term Liability entitled Retiree Health Benefits Payable. The total OPEB Liability has a balance of \$4.1M. In 2017 an Actuarial Analysis calculated NMWD's total actuarial liability at \$5.6 million. The Retiree Medical Benefits cash fund earns interest monthly. Accounting Standards require that the \$5.6M reserve be fully funded in 20 years.

Drought Contingency (Rate Stabilization) Fund: In August 2008, the Board directed staff to establish this reserve with \$135,000 from the Self-Insured Workers' Compensation Fund for the Novato district to draw upon during dry years. A threshold of 3.2 billion gallons of potable consumption was established as a benchmark for 'normal' years. During any fiscal year that water sales volume exceeds 3.2BG, the incremental revenue generated is deposited into the Drought Contingency Reserve. In those years when sales volume falls below the benchmark, funds are withdrawn from the reserve to maintain the budgeted revenue forecast. The goal is to build a reserve equal to 20% (currently \$2,500,000) of budgeted annual

water commodity sales. In FY09 \$50,335 was added to the reserve. The fund was fully depleted in FY10. The fund balance accrues interest monthly.

Maintenance Accrual Fund: Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY93. In FY94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$7.0M. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

Operating Reserve Fund: This reserve, comprised of four months of budgeted operating expenditures (less depreciation) as recommended by the District's financial advisors, serves to ensure adequate working capital for operating, capital, and unanticipated cash flow needs that arise during the year. The fund balance does not accrue interest.

Note 3 – Employee Loans

Housing Loans: The District's Employer Assisted Housing Program allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District. Repayment is due upon sale, termination of employment, or other event as described in the Program. Interest on the loan is contingent upon and directly proportional to the appreciation in value occurring on the purchased property. There are four employee-housing loans currently outstanding totaling \$714,200: a \$39,200 loan dated September 2004, a \$150,000 loan dated November 2007, a \$250,000 loan dated March 2015, and a \$275,000 loan dated June 2018.

Note 4 – Other Long Term Receivables

The District entered into a temporary water service agreement with Black Point Golf Links in 1999 to provide potable water for StoneTree Golf Course until recycled water was available. In 2006 the District received a \$4.3 million 20-year 2.4% SRF loan to finance the Deer Island Recycled Water project, and Black Point Partners agreed to pay the District \$3,612,640 in bimonthly payments of \$41,762 at 2.4% coinciding with StoneTree's water service payments. The final payment from StoneTree is due in February 2024.

In 2015 the District entered into an agreement with Marin Country Club for their share of the pipeline extension to provide recycled water for the Marin Country Club Golf Course. In 2016 the District received a \$6.6 million 30-year 1.0% SRF loan to finance the Recycled Water Central project, and Marin Country Club agreed to pay the District \$1,265,295 in bimonthly payments of \$8,142 at 1.0% over 30 years for their share of the pipeline extension. Marin Country Club also agreed to pay \$430,463 of the District's local share of the project in bimonthly payments of \$8,242 over 10 years at 2.8%, which is the Novato Potable Fund's weighted average cost of debt. The payments will coincide with Marin Country Club's water service payments. Marin Country Club paid the 10 year loan in full in December 2018. The final payment from Marin Country Club for the 30 year loan is due in November 2047.

Note 5 – Depreciation

Assets are assigned a useful life based on consultations with the District Chief Engineer and a survey of other water agencies. Depreciation is computed on a straight-line basis over the estimated useful life of the various classes of property as follows:

<u>Facility</u>	<u>Life (Years)</u>
Aqueduct.....	150
Dam.....	100
Buildings & Structures.....	40
Mains.....	50
Pumping Equipment.....	25
Water Treatment Equipment.....	20
Storage & Transmission (16"+) Facilities.....	50
Distribution Facilities (includes Pump Stations).....	50
Office, Laboratory, Construction & Shop Tools & Equipment.....	10
Vehicles 1 ton or greater.....	10
All other vehicles.....	5
Sewer Mains.....	40
Sewer Pumps.....	10

Note 6 - Capitalization Policy

The Government Finance Officers Association *Guide for State and Local Governments* recommends that a capitalization policy incorporate a minimum threshold of \$5,000 and an estimated useful life of at least two years. It also cautions that federal grant and loan requirements prevent the use of capitalization thresholds in excess of \$5,000. Thus NMWD's capitalization threshold is \$5,000.

Note 7 – Bond & Loan Servicing Schedule for Fiscal Year 2018-2019

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY19		6/30/19 Outstanding Balance
							Interest Expense	Principal Paid	
1 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$235,405	\$809,069	\$9,241,578
2 Novato	Bank Loan Marin	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$171,462	\$310,580	\$4,845,316
3 Novato	Chase Bank Loan	2018	2.69%	\$4,600,000	3/1 & 9/1	3/1/33	\$116,522	\$240,000	\$4,360,000
Novato Total							\$523,389	\$1,359,649	\$18,446,894
3 RW TP	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$52,543	\$220,824	\$1,968,463
4 RW North	SRF Loans (4)	2013	2.6%	\$4,375,605	Varies	Varies	\$87,149	\$194,743	\$3,157,142
5 RW South	SRF Loans (3)	2013	2.2%	\$5,361,952	Varies	Varies	\$94,132	\$238,275	\$4,040,446
6 RW Central	SRF Loan	2016	1.0%	\$7,130,503	12/18	12/31/47	\$53,287	\$206,427	\$6,924,076
Recycled Water Total							\$287,111	\$860,269	\$16,090,127
7 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$1,300	\$13,000	\$13,000
8 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$1,700	\$11,000	\$34,000
9 WM Water	Bank Loan Marin	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$25,169	\$45,590	\$710,934
West Marin Water Total							\$28,219	\$69,590	\$757,934
FY19 Total							\$838,719	\$2,289,508	\$35,294,955

1. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges. The first payment was made in December 2009.
2. In October 2011 Bank of Marin made a 20-year 3.54% (APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 15 below, and note to loan 9 above.
3. In March 2018 Chase Bank made a 15-year 2.69% (APR) loan of \$4.6 million to fund the District's Automated Meter Information system Project.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. With the addition of \$38,015 in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.
5. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project. The projects were completed on October 31, 2012, and the first payment was made in November of 2012.
6. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$5,361,952 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment was made in December of 2013.
7. In May 2016 the California State Department of Water Resources approved a 1.0% 30-year loan of \$7,130,503 for the Recycled Water Central Service Area Expansion. The project will be completed in December 2017, and the first payment will be made December 31, 2018.
8. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
9. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.
10. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 2 above.

Note 8 – Unemployment Insurance Reserve

NMWD uses the "Reimbursable Method" of paying for Unemployment Costs. Under this method, the District reimburses the State Employment Development Department for all unemployment benefits paid on our behalf. The reserve is maintained at an amount equal to the higher of the average claim amount paid over the last 5 years or 52 times the maximum weekly benefit amount (currently \$450 x 52 = \$23,400).

Note 9 – Payroll Benefits

Payroll Benefits payable includes payroll taxes; vacation, sick, and holiday leave; Section 125 payments; cancer, long term care and disability insurance premiums; union dues; and employee benefit fund.

Note 10 - Interest Policy on Inter-District Loans

In the event an improvement district expends all of its Undesignated Funds, it shall borrow funds from that improvement district's Board Designated Fund reserves to meet ongoing requirements. In the event an improvement district expends all of its Board Designated Fund reserves, it may receive a loan from the Novato Improvement District in an amount sufficient to meet its ongoing requirements. Restricted Funds shall not be used to finance ongoing normal operating expenses.

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the higher of: 1. The weighted average interest rate of Novato improvement district debt (2.78% at 6/30/18); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

Note 11 – Budget Augmentations

Note 12 – Prior Period Adjustment

Note 13 – Explanation of Financial Statement Components

The District's financial statement is comprised of four components: 1) Statement of Net Position, 2) Sources and Uses of Funds Statement – All Service Areas Combined, 3) Income Statement and Cash Flow by Service Area, and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position (page 4) reports the District's assets and liabilities and provides information about the nature and amount of investments in resources (assets) and the obligations to the District's creditors (liabilities). The difference between assets and liabilities is reported as *net position*. Over time, increases or decreases in the fund balance may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Sources and Uses of Funds Statement – All Service Areas Combined (page 8) compares fiscal year-to-date performance against the Board approved annual budget – presented in the adopted budget format. This Sources and Uses of Funds Statement varies from the income statement in that it includes capital expenditures, debt principal repayment, connection fee revenue, and cash infusions from debt issuance.

The Income Statement and Cash Flow by Service Area (page 9) presents the net income (loss) for the fiscal year-to-date (FYTD) period for each of the District's four service areas. The income and expenses on this report are presented in conformity with Generally Accepted Accounting Principles (GAAP) and comply with Governmental Accounting Standards Board pronouncements. Accordingly, all income and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement measures the success of each service area's operations and can be used to determine whether the service area has successfully recovered all costs through user fees and other charges.

Also included at the bottom of page 9 is a statement of Cash Flow by Service Area. The primary purpose of this statement is to reconcile in an informative manner the difference between the net income/(loss) for period of each service area with the resultant change in cash balance that occurred over the same period.

Notes to the Financial Statements (page 31) provide a summary of significant accounting policies and assumptions and other information of value to the financial statement reader.

Other Supplementary Information includes Detail Income Statements presented in accordance with GAAP for each of the four service areas (pages 10, 14, 16, 19). These statements present income and expenditures in close detail for further analysis. Other supplementary schedules of note include the Vehicle Fleet Analysis (page 25), Equipment Expenditures (page 22) and Capital Improvement Project Expenditures (page 27), which show outlays to date, compared with budget authority.

Note 14 –Connection Fee Transfers from Novato Water To Recycled Water

The following Connection Fee (FRC) reserve amounts have been transferred to the Recycled Water fund:

	Expansion Local Share			SRF RWF			RW N&S Expansion	CIP	Total	Transfer	
	North	South	Central	NBWRA	Loan	SRF Loan				Executed	
FY07				\$29,725					\$29,725		
FY08				\$50,478	\$22,795				\$73,273		
FY09				\$150,455	\$22,795				\$173,250		
FY10	\$133,659			\$75,198	\$22,795				\$231,652	\$133,659	\$133,659
FY11				\$133,319	\$22,795				\$156,114		\$1,175,098
FY12	\$233,478	\$265,500		\$115,883	\$22,795				\$637,656		(\$7,088)
FY13				\$315,023	\$22,795	\$464,572			\$802,390	\$1,970,400	\$802,390
FY14	\$236,291	\$723,525	\$4,024	\$63,035	\$22,795	\$500,529			\$1,550,200	\$1,550,200	\$1,550,200
FY15		\$17,563	(\$4,024)	\$38,283	\$22,795	\$614,299			\$688,916	\$688,916	\$688,916
FY16	\$0	\$0	\$66,729	\$102,842	\$22,795	\$614,299			\$806,664	\$806,664	\$806,664
FY17			\$362,524	\$194,636	\$22,795	\$614,299	\$36,687		\$1,230,939	\$1,230,940	\$1,230,940
FY18			\$1,215,359	\$18,508	\$22,795	\$1,483,571	\$0	\$0	\$2,740,233	\$2,740,233	\$2,740,233
	\$603,428	\$1,006,589	\$1,644,612	\$1,287,385	\$250,744	\$4,291,569	\$36,687		\$9,121,014	\$9,121,013	\$9,121,013

Note 15 –Debt Service Coverage Ratio

Debt Service Coverage Ratio is the ratio of net income/(loss) plus interest expense, depreciation, and connection fee revenue for the fiscal year to the sum of the fiscal year's principal and interest payments on the District's total debt.

	FY15	FY16	FY17	FY18	FY19
Net Income/(Loss)	\$1,050,523	\$91,719	\$597,600	\$1,860,520	\$1,159,000
Depreciation	\$3,182,725	\$3,286,353	\$3,416,507	\$3,434,069	\$3,528,000
Interest Expense	\$847,951	\$807,035	\$757,935	\$833,197	\$850,000
Connection Fees	\$801,600	\$278,690	\$1,034,585	\$1455,400	\$733,000
Total Available For Debt Service	\$5,883,799	\$4,463,797	\$5,806,627	\$7,583,186	\$6,270,000
Annual Debt Service	\$2,534,473	\$2,528,938	\$2,527,021	\$2,201,451	\$3,129,000
Debt Service Coverage Ratio	2.32	1.77	2.30	3.45	2.01

7

MEMORANDUM

To: Board of Directors August 16, 2019
From: Rocky Vogler, Chief Engineer *RV*
Subject: Water Service Agreement – Blue Barn Restaurant, 819 Grant Avenue, APN 153-063-04 & 05
R:\Folders by Job Not\2800 Jobs\2830 Blue Barn\2830 BOD Memo.doc

RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: None: Developer Funded

The proposed Blue Barn restaurant project (formerly DeBorba's) located at 819 Grant Ave. (APN 153-063-04 & 05) includes renovation of the exterior façade facing Grant Avenue and a building addition with outdoor patio at the rear of the building facing Cain Lane (see attached vicinity map). The project includes addition of 874 sq. ft. to the existing 2,210 sq. ft. building for a total floor area of 3,084 sq. ft. The interior seating capacity of the proposed restaurant is 46 to 50 people, but the exterior seating capacity in the patio is unknown at this time. The Novato Fire Protection District is requiring the installation of fire sprinklers meeting NFPA Standard 13 as part of the remodeling.

New Zone One water facilities include a 4-inch fire service and 7 feet of 4-inch steel lateral from the existing 6-inch main. A new 1-inch meter with one inch lateral with a 1-inch RPP backflow preventer will replace the existing 5/8" meter and 3/4" lateral.

The property is currently served by a 5/8" meter (service no. 282) initially installed prior to 1949. Per Regulation 1, review of the historical water use for this service has established an entitlement of two (2) EDUs. There is no additional water demand since the estimated water demand for the project is 2 EDUs.

Sewer service is provided by Novato Sanitary District.

Environmental Document Review

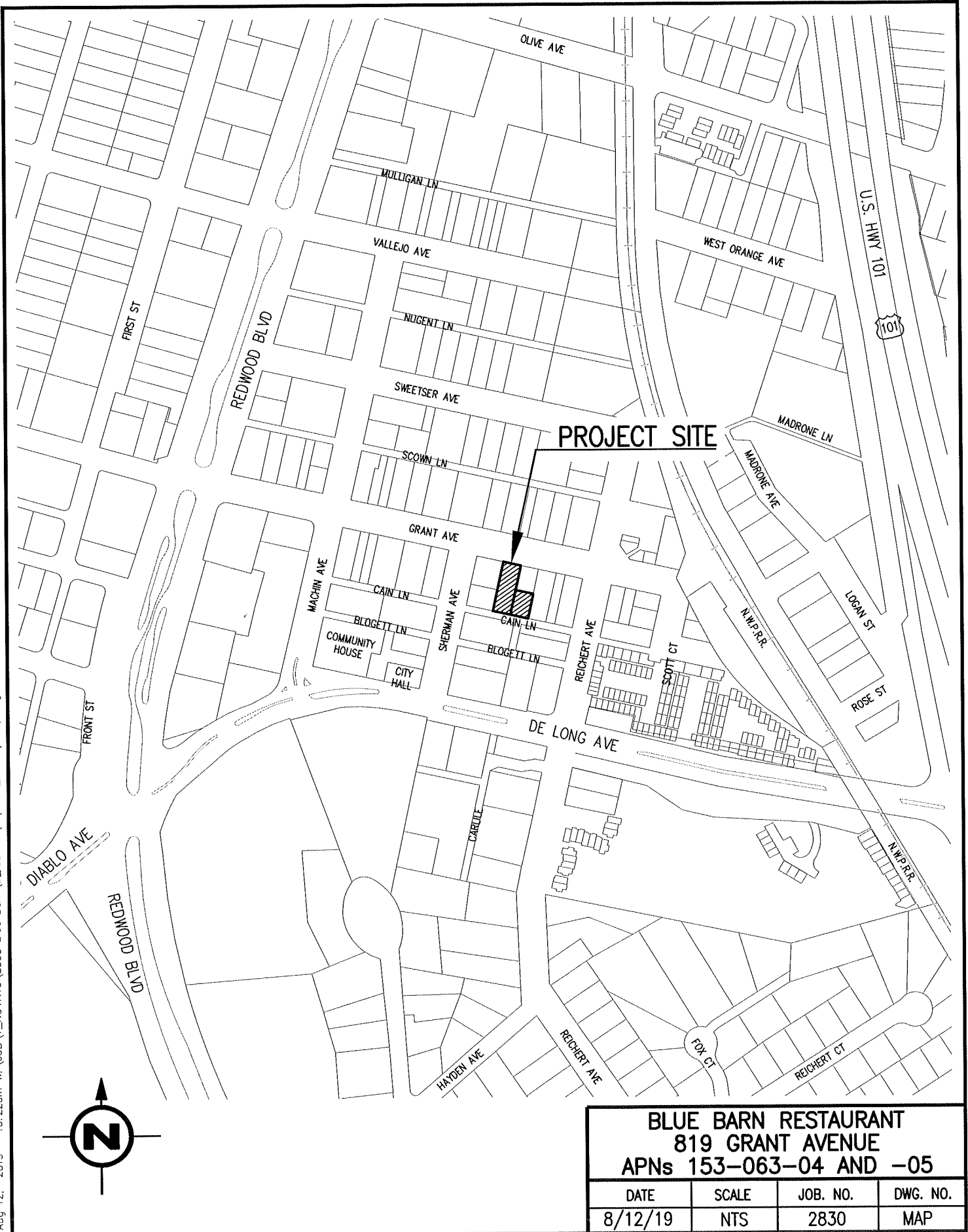
This project is exempt from California Environmental Quality Act, pursuant to Section 15301 (existing facilities).

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM *[Signature]*

Date *8/16/19*



RESOLUTION NO. 19-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
BLUE BARN RESTAURANT

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 Blue Barn Novato LLC, an applicant, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 819 Grant Avenue, Novato, Marin County Assessor's Parcel Number 153-063-04, -05, 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 20th day of August, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Theresa Kehoe, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
BLUE BARN RESTAURANT

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 Blue Barn Novato, A Limited Liability Company, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 153-063-04 & -05 and the project known as BLUE BARN RESTAURANT, consisting of two (2) lots 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 819 Grant Avenue, Novato (Marin County Assessor's Parcel 153-063-04 & -05); and

WHEREAS, THE District established water service to the 819 Grant Avenue, property 153-063-04 & -05 prior to 1949 for a 5/8-inch meter; and

WHEREAS, the ten year average historical use establishes entitlement of two EDUs per Regulation 1; and

WHEREASE, future water use is estimated to not exceed two EDUs; and

NOW THEREFORE, the parties hereto agree as follows:

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

acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 5 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 2830.001, entitled, "BLUE BARN RESTAURANT", 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 5 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 (Included in Material Estimate)	One 1-inch @	\$	0.00	\$	0.00
Fire Service Bypass Meters (Included in Material Estimate)....	One 5/8-inch @	\$	0.00	\$	0.00
Reimbursement Fund Charges (Domestic & Irrigation).....	One @	\$	1,055.00	\$	1,055.00
Facilities Reserve Charges (Domestic & Irrigation).....	Two @	\$	28,600.00	\$	57,200.00
Credit for Existing Services To Be Removed (2 EDUs FRCs + RFC \$420)					\$<57,620.00>

Subtotal - Initial Charges..... \$ 635.00

Estimated District Costs

Pipe, Fittings & Appurtenances.....	\$	9,034.00
District Construction Labor.....	\$	24,326.00
Engineering & Inspection.....	\$	2,346.00
Bulk Materials.....	\$	1,513.00

Subtotal - Estimated District Costs

\$ 37,219.00

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$ 37,854.00

(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. 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 **\$37,854**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Installation By District: Due to the proprietary nature of construction required to install said facilities, the District reserves the right to install the facilities utilizing District construction forces. The Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$37,219** 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.

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

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

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 5 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)

BLUE BARN NOVATO, LLC
A Limited liability Company
"Applicant"

(SEAL)

Stryker Scales, Manager 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.**

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MEMORANDUM

TO: Board of Directors
FROM: Rocky Vogler, Chief Engineer *RV*
SUBJ: Leonard Charles & Associates – Consulting Services Agreement – CEQA
Services West Marin THM Removal Project

August 16, 2019

R:\Folders by Job No\7000 jobs\7182 WM Brominated THM Reduction\BOD Memos\8-20-19 LCA BOD memo.doc

RECOMMENDED ACTION: Authorize General Manager to execute a CEQA consulting services agreement with Leonard Charles & Associates for the West Marin THM Removal project

FINANCIAL IMPACT: \$22,888 (with contingency)

Background

The District has been experiencing intermittent water quality issues associated with the production of trihalomethanes (THMs) in the West Marin system. Work is ongoing to develop a solution designed to improve water quality involving the construction of a carbon adsorption system located at the PRE 1 tank parcel (see attached vicinity map).

In order to comply with the requirements of the California Environmental Quality Act (CEQA), an Initial Study must be prepared to examine potential impacts resulting from the project. In order to construct the carbon adsorption system, concrete, piping, earthwork and existing vegetation removal including trees will be required. It is assumed that the environmental analysis developed through the Initial Study process will result in a Mitigated Negative Declaration. The project location is within the Marin County Local Coastal Plan and a Coastal Development Permit (CDP) may be required.

Consulting Agreement

LCA has successfully prepared CEQA documentation for previous District projects in Marin County, and is recommended to provide CEQA consulting services for the West Marin THM Removal project. The agreement, scope and proposed fee are provided in Attachment A. 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 LCA is \$20,888, and the work is scheduled for completion by January 2020.

Financial Impact

LCA's cost estimate for environmental consulting services of \$20,888 is to be paid from FY 2020 CIP funds budgeted for this project.

RECOMMENDATION

That the Board authorize the General Manager to execute a CEQA consulting services agreement with Leonard Charles & Associates for the West Marin THM Removal project for a not to exceed fee of \$20,888, plus a contingency of \$2,000.

Approved by GM *[Signature]*Date 8-16-19

AGREEMENT FOR CONSULTING SERVICES

The following is an agreement between **North Marin Water District**, hereinafter "**NMWD**", And **Leonard Charles & Associates**, hereinafter, "**Consultant**".

WHEREAS, Consultant is a duly qualified consulting firm, 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 CEQA documentation for the West Marin THM Removal project at PRE Tank 1.

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 August, 2019 and included in Exhibit 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 \$20,888 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:
Leonard Charles & Associates
7 Roble Ct
San Anselmo, CA 94960
Attention: Leonard Charles

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

**LEONARD CHARLES & ASSOCIATES
"CONSULTANT"**

Dated: _____

Leonard Charles, Consultant

BID PROPOSAL

CEQA DOCUMENTATION FOR PRE TANK 1 IMPROVEMENTS

August 2019

Prepared for: North Marin Water District
P.O. Box 146
Novato, California 94948

Prepared by: Leonard Charles and Associates
7 Roble Court
San Anselmo, California 94960
415.454.4575

1. Introduction

The following proposal describes the scope of work for Leonard Charles and Associates (LCA) to prepare an Initial Study (IS) and other required CEQA documents for the proposed water filtration system and ancillary improvements at the PRE Tank 1 site (the "project") on Drakes View Road, Inverness, California. The proposed project includes constructing a concrete pad, installation of water filtration units on that pad, and installing a structure to shelter the units. This construction may entail grading and removal of soils, replacement with suitable foundation materials, possible grading of a ramp to the pad, possible installation of retaining walls, addition of new piping, and removal of a few trees.

In accordance with CEQA Section 21082.1(c)(3), environmental documents prepared pursuant to CEQA must reflect the independent judgment of the North Marin Water District as the Lead Agency. The final responsibility for the content and adequacy of the IS lies in the sole discretion of the North Marin Water District and its designated representatives. Therefore, Leonard Charles and Associates will work under the sole direction and control of the North Marin Water District.

2. Methodology

The Initial Study will be prepared in accordance with the revised CEQA Guidelines (adopted on December 28, 2018) and will use the Environmental Checklist (Checklist) contained in Appendix G of those Guidelines as the format for presenting and assessing potential impacts on the environment. As warranted, LCA will: conduct additional field surveys of the site and pertinent surrounding areas; review County ordinances and regulations governing development within the project area, including Coastal Permit requirements; review published data and databases covering environmental resources in the area; and, if warranted, confer with appropriate County and service agency staff. LCA will use the data collected to assess whether the project would have a potentially significant impact for each area of potential impact listed in the Environmental Checklist (given required consistency with County regulations and any pertinent Responsible Agency requirements). The Initial Study will contain a discussion of the project and regulatory setting and impacts for each Checklist item, including the analysis of why the impact would or would not be potentially significant. If a potentially significant impact is identified, mitigation measures will be recommended, and a determination will be made as to whether implementation of these mitigation measures would reduce the impact to a less-than-significant level.

3. Project Assumptions

This proposal is based on the following assumptions:

- Prior to the start of work, NMWD will provide LCA with the project description including site plans, improvement elevations, and topographic data. The description will detail why the improvements are being constructed, as well as the District's objectives. The project description will provide sufficient information to conduct the assessments described in this proposal, including the type of filters to be used, what equipment will be used and for what length of time; the number of workers per construction phase; an estimate of the number of daily trips by large trucks and employee vehicles per phase; and energy demand of the project operations.
- NMWD's geotechnical consultant shall provide LCA with a geotechnical review of the project, including erosion control and drainage recommendations.
- If archeological field surveys are required by the reviewing clearinghouse, this would require a contract amendment.
- The project can be reviewed for possible approval by preparing a Mitigated Negative Declaration and not an Environmental Impact Report (EIR). This bid proposal does not address the labor or cost for preparing an EIR.
- NMWD is responsible for sending all required notifications of the proposed MND to neighbors, the County, the State Clearinghouse, and the Coastal Commission.

4. Completion of the Environmental Checklist

LCA will prepare an Initial Study per the requirements of the California Environmental Quality Act (CEQA). The Initial Study will begin with an overview of the environment surrounding the project site. We will provide a full description of the project including site plans and pad/building design provided by NMWD. We will describe the purpose of the project and why this project is proposed rather than an alternative project. Finally, we will provide a summary of all impacts as well as the mitigation measures which would reduce potentially significant impacts to a less-than-significant level.

50. Meetings

The price quote for this proposal assumes the following meetings:

- One environmental scoping meeting. The purpose of this meeting will be to explain the proposed project to interested citizens and to gather input regarding what issues should be investigated in the CEQA review. The District will be responsible for providing a room and for announcing the meeting to the public. Leonard Charles will be present to describe the CEQA process, answer questions, and receive public input. Please note that this scoping meeting may not be required if the District determines that the project would not meet CEQA Section 15082 (c)(1) e criteria of projects with statewide, regional or area wide significance. However, these criteria are sufficiently broad or unclear that most agencies routinely include a scoping meeting to ensure compliance with that section.
- Four meetings with NMWD staff, including:
 - One initial start-up meeting
 - Two meetings to develop the project, CEQA approach, and feasible mitigations and meet and confer with other NMWD consultants
 - One meeting with staff to review the Draft IS and MND
- One meeting with County staff to verify Coastal Permit requirements and identify any existing relationship to preparation of the IS/MND.
- Two public hearings on the Mitigated Negative Declaration

Aesthetics

We will do the following work to evaluate potential aesthetic impacts:

- Review project drawings and inventory vantage points from which the new improvements would be visible.
- Describe the existing and future views from public and private vantage points.
- We will include photographs of the site from important vantage points, but no simulations of the improvements will be prepared by LCA.

- Describe the impacts on scenic vistas and on the visual character or quality from public vantage points. (The new CEQA Guidelines adopted in December 2018 do not require assessment of impacts to visual character or quality from private vantage points.)
- If warranted, we will identify feasible mitigation measures to eliminate or reduce potentially significant visual impacts, including screening/landscaping, structure colors or configuration, alternative structure siding material, or other feasible mitigations.

Agriculture and Forestry Resources

This section will discuss project impacts to agriculture and forestry resources. The project will remove some trees. Substantial impacts to agriculture or forest lands are not anticipated.

Air Quality

This section will discuss project impacts to air quality. Project construction would generate small amounts of vehicle-generated pollution. We will compare the project's size with Bay Area Air Quality Management District's (BAAQMD) *CEQA Guidelines* thresholds to determine potential emission significance. It is expected that the project emissions would be well below the thresholds, and, therefore, not have a significant impact. The project would generate dust during construction. We will refer to the BAAQMD *CEQA Guidelines* and recommend dust control mitigation measures consistent with those guidelines.

Biological Resources

This section will discuss project impacts to biological resources. We will prepare a Biological Site Assessment (BSA) as required by the County for proposed Coastal Permits. The BSA will include conducting a field survey of the project site to describe existing conditions, and the vegetation that would be removed. We will query the State's Natural Diversity Data Base to identify special-status plant and animal species known to occur in the project area. We will conduct two surveys to determine the possible existence of any of these species on the site. We will identify whether there are any recorded nests of northern spotted owls in the area. If there are, we will recommend mitigations to ensure that the owls are not affected by project construction. If there are any potentially significant impacts, suitable mitigation measures will be recommended.

Cultural Resources and Tribal Cultural Resources

This section will discuss project impacts to cultural resources. LCA will request a Records Search for the site from Sonoma State University. In the unlikely event that the Records Search recommends field surveys of the site, we would contract with Alta Archaeological Consulting of Santa Rosa to conduct that work. This field survey would require a contract amendment. As required by CEQA, we will consult with the State's Native American Heritage Commission and the Federated Indians of Graton Rancheria to determine whether they have concerns regarding possible cultural resources and tribal cultural resources at the site.

Energy

The new CEQA Guidelines now require an analysis of project impacts on energy. We will estimate energy use from project construction as well as additional energy use from the proposed water filtration system. NMWD will provide data describing the energy demand for project operations. Using this data, we will determine whether the project would result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, or whether during project construction or operation conflict with or obstruct a state or local plan for renewable energy or energy efficiency.

Geology/Soils

This section will discuss project impacts to geology and soils. We will incorporate the data, conclusions, and mitigation measures developed by Miller Pacific.

Global Climate Change

This section will discuss project impacts to the global climate. We will assess project operational emissions of greenhouse gases per the significance criteria recently adopted by the BAAQMD. It is expected that the operational impacts will be below the significance threshold. However, BAAQMD does not set thresholds for construction emissions of GHG. Therefore, it is now required that we quantify those emissions and determine whether they are consistent with targets and policies of the Bay Area Clean Air Plan.

Hazards and Hazardous Materials

This section will discuss project impacts from hazards and hazardous materials. We will describe how project construction would entail the use of hazardous materials common

to construction projects, such as gasoline. We will discuss whether the disposal of water filters would have any potential for release of hazardous materials.

Hydrology/Water Quality

This section will discuss project impacts to hydrology and water quality. We will describe the current site runoff pattern and receiving waterways. We will discuss the potential increased runoff from the site and its possible effect on flooding in the receiving waterway. We will assess potential water quality impacts resulting from construction (i.e., erosion impacts) as well as long-term water quality effects. We will incorporate Miller Pacific's recommendations for erosion control. As warranted we will recommend mitigation measures to reduce runoff and control water pollution. Given the small size of the project, this will be a qualitative assessment and will not include quantitative hydrologic analysis or calculations beyond those provided by Miller Pacific or NMWD.

Land Use/Planning

Using the consistency assessments done for other sections of the Initial Study, we will summarize project consistency with the pertinent sections of the County's General Plan and Local Coastal Program, the Inverness Ridge Communities Plan, and the County's Municipal Code. The revised CEQA Guidelines require consistency only with policies or plans adopted for the purpose of avoiding or mitigating significant environmental effects.

Mineral Resources

This section will discuss project impacts to mineral resources. We will discuss how there are no known mineral resources in the project area.

Noise

This section will discuss project noise impacts. We will discuss how project construction would generate short-term noise. NMWD will provide us with a list of equipment to be used for construction, the length of time this equipment would be in use, and a construction schedule for the project. NMWD will provide us with data about the amount of noise the filters and additional pumping required for the project would generate. We will discuss whether construction or operational noise would exceed noise standards established in the County Municipal Code.

Population/Housing

This section will discuss project impacts to population and housing. The project would not displace housing or people. It is our understanding that the project would not expand storage capabilities and, therefore, not be growth inducing.

Public Services, Utilities, and Recreation

We will discuss whether providing public services or utilities for the project would require new or altered facilities, the construction of which would result in significant environmental impacts. This will include a discussion of police and fire protection services, recreational, water, wastewater treatment facilities, storm water drainage, electric power, natural gas, solid waste, and telecommunications facilities.

Transportation/Traffic

This section will discuss project impacts to transportation and traffic. NMWD will provide LCA with a construction schedule and an estimate of the number of trips required per phase for workers, supplies, and equipment. We will discuss the impacts of this traffic on the local street system. We will assess the potential traffic safety impacts of the project. We will make contact with the PRE Road Advisory Board and the Inverness Ridge Association to gather concerns and recommendations regarding traffic impacts on Drakes View Road. As warranted, we will recommend traffic management mitigations to address potential safety impacts.

As required by the new CEQA Guidelines, we will discuss how the project would not generate a substantial number of new trips and would not significantly increase the Vehicle Miles Travelled (VMT) for the area.

Wildfire

This section will address potential project impacts as regards wildfire and whether the project would require construction of additional improvements to address wildfire hazard or to address the results of a wildfire in the area.

Mandatory Findings of Significance

Based on the previous analyses, we will determine whether the project would have a significant impact on the environment or on human health. We will assess the cumulative impacts on the environment from other proposed development plus the project. This will include developing a list of other County projects under consideration

in the Tomales Bay area. If a significant cumulative impact is identified, we will determine whether the project would make a cumulatively-considerable contribution to that impact

5. Preparation of Draft Mitigated Negative Declaration and Other CEQA Requirements

This proposal assumes that a Mitigated Negative Declaration (MND) is appropriate and will be prepared for the project. In the unlikely event that the Initial Study concludes that preparation of an EIR is warranted, this proposal will need to be amended to reflect the additional time and expense for preparing an EIR. The subsections below outline what work will be done to prepare a MND and to complete other CEQA-required tasks.

Draft Mitigated Negative Declaration

Based on the Initial Study, LCA will prepare a Draft Mitigated Negative Declaration (MND). The MND will include all elements required by CEQA.

Mitigation Monitoring Program

LCA will prepare a Mitigation Monitoring Program (MMP) for the project that will include tasks, timelines and responsible parties. The MMP will include all elements required by CEQA.

Response to Comments

We will prepare written responses to comments received during the public review period to the degree that those comments are relevant to the MND.

Public Hearings

We will attend two public hearings on the Draft Mitigated Negative Declaration before the NMWD Board. We will respond orally to comments or questions asked at those hearings.

Final Mitigated Negative Declaration

We will revise the Draft Initial Study and Mitigated Negative Declaration to respond to comments received during the review period.

CEQA Notices

LCA will prepare the following documents:

- The Notice of Availability and Intent (NOI) to Adopt a Negative Mitigated Negative Declaration
- The memo that will accompany the NOI
- A list of agencies to whom the NOI should be sent
- The Notice of Completion
- The Notice of Determination (NOD) to be used once the Negative Declaration and the project are approved.

Marin County Coastal Permit Planning

It is our understanding that NMWD will use the MND/IS to apply for a Coastal Permit from the County. LCA will attend one meeting with County Community Development Agency staff to clarify the County's Coastal Permit requirements and the relationship between the IS/MND being prepared for NMWD and these Coastal Permit requirements. A summary memo describing the meeting and the County's requirements and recommendations will be submitted to NMWD. This proposal includes no LCA time for preparing the Coastal Permit application or consulting with County staff about that permit or its independent environmental review of the permit application.

6. Schedule and Products

Once we are sent a signed contract and are provided the project description the following schedule will apply:

- | | | |
|----|--|--|
| 1. | Submittal of one (1) electronic copy of Draft Initial Study and MND | Within 8 weeks |
| 2. | Submittal of one (1) camera-ready electronic copy of the Initial Study and MND | Within 2 weeks of receipt of all NMWD comments on #1 |
| 3. | Completion of NOI | Within 1 week of #2 |

- | | | |
|----|--|---|
| 4. | Submittal of one (1) electronic camera-ready copy of Final MND and MMP | Within 3 weeks of the close of the public review period |
|----|--|---|

7. Staff

The following LCA staff will work on this project. Resumes will be provided on request.

<u>Staff Member</u>	<u>Responsibility</u>
Leonard Charles, Ph.D.	Project Manager
Lynn Milliman, M.S.	Environmental Analyst
Jacoba Charles, M.S. and M.A.	Biologist and Environmental Analyst

Technical computations for GHG emissions and energy calculations will be done by Geoff Hornek of Geoff H. Hornek Environmental Air Quality and Acoustical Consulting.

8. Price Quote

The scope of work included in this proposal will be prepared for a cost not to exceed \$20,888. The breakdown of costs are shown on the attached table. The hourly rates of LCA staff are:

Leonard Charles	\$175
Lynn Milliman	\$150
Clerical	\$75

This is a not-to-exceed price quote. We will bill the District for the time expended not to exceed the price listed above.

Notes to Price Quote

1. The scope of work for the base price is described in this proposal. If NMWD wishes additional studies, these can be arranged.
2. If the project description changes to the degree that analyses must be redone or written parts of the report must be revised after NMWD has provided us the project description and authorized us to start work, then NMWD will agree to compensate us for the additional time required to redo analyses or rewrite portions of the report.

3. If archaeological field investigations are required, Alta Archaeological Consulting can conduct this work as an amendment to this proposal. It is estimated that the additional cost would likely be about \$1,500.
4. If the Initial Study indicates that an EIR must be prepared, we will negotiate with NMWD regarding the scope of that EIR and its cost. An EIR would be prepared as a revision to this proposal.
5. We will be notified if for any reason NMWD wishes us to stop work. We will be reimbursed for all work completed up to the time of that notification, to be paid within 30 days of our billing NMWD.
6. The Price Quote includes attendance of Leonard Charles at one scoping meeting one meeting with County CDA staff, and two public hearings. Leonard Charles will attend additional public hearings or meetings at a cost of \$600 per hearing.
7. Printing services can be provided If the District wishes, the cost will be an \$25 per copy for the Initial Study/MND.
8. The District is responsible for all costs of mailing documents, newspaper notices and meeting room rentals.
9. The quoted cost for preparing written responses to comments is based on expending up to 6 hours responding to comments. If extensive comments are received that require expenditure of more than 6 hours to respond to, then we will notify the District. Additional response time would be approved as an amendment to this contract.
10. LCA will not be responsible for work on the Coastal Plan application.
11. In addition to the amendments described above LCA will not be responsible, under the basic Price Quote, for any of the following tasks:
 - A. Geologic subsurface explorations or geologic analysis by a professional geologist, geological engineer, or engineering geologist
 - B. Noise analysis by an acoustic engineer
 - C. Quantitative hydrologic analysis;
 - D. Use of planimetry techniques, photo montage, or artistic renderings in the visual analysis
 - E. Archaeological explorations
 - F. Level 1 or higher investigations for toxic materials

- G. Engineering design of hydraulics or project drainage facilities
- H Analysis by a registered traffic engineer
- I. Measurements or analysis by a noise engineer

Table 1
Hours and Costs

TASKS	LCA Labor Effort Hours					Subs and Direct Costs					
	Leonard Charles	Jacoba Charles	Clerical	LCA Total Hours	LCA Total Cost	Northwest Information Center	Geoff Hornei	Direct Costs	Subtotal	Burden	Total Cost
	\$175	\$150	\$75								
1. Project management, coordination, and 6 meetings	20	4		24	\$4,100				\$0	\$0	\$4,100
2. Prepare Administrative Draft Initial Study (IS)				0	\$0				\$0	\$0	\$0
a. Conduct fieldwork and consultations	2	4		6	\$950				\$0	\$0	\$950
b. Identify impacts and mitigations and write BSA and IS	18	32		50	\$7,950	\$300	\$475	\$600	\$1,375	\$138	\$9,463
3. Respond to NMWD comments & prepare Final Initial Study	1	2	8	3	\$1,075				\$0	\$0	\$1,075
4. Prepare MND and MMP	2	3	2	5	\$950				\$0	\$0	\$950
5. Prepare 5 CEQA Notices	1	5	3		\$1,150				\$0	\$0	\$1,150
6. Respond to review period comments & prepare Final MND	4	4	2	10	\$1,450				\$0	\$0	\$1,450
7. Attend 2 public hearings	4			4	\$700				\$0	\$0	\$700
8. Attend CDA meeting and prepare summary	6				\$1,050				\$0	\$0	\$1,050
TOTAL HOURS	58	54	15	102							
TOTAL COSTS	\$10,150	\$8,100	\$1,125		\$19,375	\$300	\$475	\$425	\$1,375	\$138	\$20,888

9

MEMORANDUM

To: Board of Directors

August 16, 2019

From: Tony Arendell, Construction Superintendent *TA*

Subject: Contract Award for NMWD Trench Restoration Paving – FY20

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RECOMMENDED ACTION: The Board authorize award of the paving contract to W.K. McLellan Company

FINANCIAL IMPACT: Estimated at \$350,000

W.K. McLellan Company (McLellan) has been the District's contractor for trench restoration paving work since 1997. The work was last bid in 2015 when McLellan was the only contractor (out of eight solicited firms) to submit a bid. Out of eleven recently solicited contractors (see list in Table 1), McLellan was the only bidder for the NMWD project. Based on previous discussions with other prospective bidders it appears that the District's patch paving projects are too small to elicit interest from many contractors.

TABLE 1

<i>CONTRACTOR</i>	<i>CITY</i>
Nerviani Paving	Fairfax
Thornton Paving	San Rafael
Ghilotti Bros	San Rafael
Hersmeyer Paving	Santa Rosa
All Phase Paving	Santa Rosa
Sikes Construction	Santa Rosa
Cornerstone Paving	Santa Rosa
Pimentel Paving	Santa Rosa
ABC Asphalt	Petaluma
WK McLellan	Petaluma

Annual costs for this work over the last five years are summarized in Table 2. McLellan has not raised their unit pricing for paving work since the 2015 bid proposal.

TABLE 2

<i>YEAR</i>	<i>BILLINGS</i>
FY14-15	\$234,723
FY15-16	\$305,619
FY16-17	\$173,869
FY17-18	\$201,490
FY18-19	\$378,143

Recently, McLellan informed the District that their fees needed to be raised due to increasing labor and material costs. Table 3 (on page 3) compares McLellan's 2015 unit bid price, 2015 unit price escalated by CPI to 2019 unit price (with 14% CPI inflation) and McLellan's proposed new unit pricing. Note that the last column in Table 3 shows that paving costs are increasing higher than the rate of inflation using the Consumer Price Index (CPI). The most significant increase is for projects with 2" grind and pave, and raising of valve caps).

To prosecute the work, purchase orders will be issued monthly for trench areas to be paved at unit pricing submitted with the approved contract. Unit pricing is to remain in effect through June 30, 2020 and annual billings for FY19-20 are estimated to be approximately \$350,000. The District reserves the right to extend the contract beyond FY19-20, subject to agreement by both parties.

District staff wants to advise the Board that McLellan has had an excellent working relationship with NMWD and they go out of their way to ensure that District paving needs are met. Quality of McLellan work has been excellent and there have been infrequent complaints from City or County staff or customers on the workmanship or longevity of trench restoration paving.

RECOMMENDATION

Board authorize the General Manger to execute a trench restoration paving contract with W.K. McLellan Company based on unit prices provided.


TABLE 3

ITEM	BID DESCRIPTION	PROPOSED NEW MCLELLAN PRICING	2015 PRICING	2015 PRICING ESCALATED 14% FOR INFLATION	CHANGE IN PRICING ABOVE CPI \$/%
1.	<u>EXCAVATE, PRIME AND RESURFACE 2-INCH GRIND AND PAVE</u>				
	a) 0-1000 square feet	\$8.40	\$7.00	\$7.98	\$0.42 / 5%
	b) 1000-2500 square feet	\$8.40	\$6.00	\$6.84	\$1.56 / 23%
	c) 2500-5000 square feet	\$8.40	\$5.00	\$5.70	\$2.70 / 47%
2.	<u>EXCAVATE, PRIME AND RESURFACE WITH 4-INCH ASPHALT CONCRETE</u>				
	a) 0-29 square feet	\$10.58	\$8.82	\$10.06	\$0.52 / 5%
	b) 30-99 square feet	\$10.58	\$8.82	\$10.06	\$0.52 / 5%
	c) 100-499 square feet	\$10.31	\$8.59	\$9.79	\$0.52 / 5%
	d) Excess of 500 square feet	\$10.07	\$8.39	\$9.56	\$0.48 / 5%
3.	<u>EXCAVATE, PRIME AND RESURFACE WITH 6-INCH ASPHALT CONCRETE</u>				
	a) 0-29 square feet	\$12.64	\$10.53	\$12.00	\$0.64 / 5%
	b) 30-99 square feet	\$12.35	\$10.29	\$11.73	\$0.62 / 5%
	c) 100-499 square feet	\$12.05	\$10.04	\$11.45	\$0.60 / 5%
	d) Excess of 500 square feet	\$11.76	\$9.80	\$11.17	\$0.59 / 5%
4.	<u>EXCAVATE, PRIME AND RESURFACE WITH 8-INCH ASPHALT CONCRETE</u>				
	a) 0-29 square feet	\$16.46	\$13.72	\$15.64	\$0.82 / 5%
	b) 30-99 square feet	\$16.46	\$13.72	\$15.64	\$0.82 / 5%
	c) 100-499 square feet	\$16.46	\$13.72	\$15.64	\$0.82 / 5%
	d) Excess of 500 square feet	\$16.46	\$13.72	\$15.64	\$0.82 / 5%
5.	<u>EXCAVATE, PRIME AND RESURFACE WITH 12-INCH ASPHALT CONCRETE</u>				
	a) 0-100 square feet	\$21.17	\$17.64	\$20.11	\$1.06 / 5%
	c) 100-499 square feet	\$21.17	\$17.64	\$20.11	\$1.06 / 5%
	d) Excess of 500 square feet	\$21.17	\$17.64	\$20.11	\$1.06 / 5%
6.	<u>VALVES</u> Includes a 3'x3' patch Installing of aluminum ring in valve riser Rising to grade	\$175.00	75.00	\$85.50	\$89.5 / 105%

Note: Striping will be billed separately with 5% mark up.
Compaction tests will be billed separately with 5% mark up.
Traffic Control will be billed separately with 5% mark up.

10

MEMORANDUM

To: Board of Directors
 From: Robert Clark, Operations/Maintenance Superintendent 
 Subject: Authorize Vacuum Excavator Replacement Purchase
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August 16, 2019

Recommendation: Approval for Staff to purchase the replacement Vacuum Excavator.

Financial Impact: \$116,530.00 of the \$130,000 approved in the FY19-20 Equipment Budget.

As part of the FY20 budget, the Board of Directors approved a \$130,000 equipment expenditure for a trailer mounted vacuum excavator. Staff solicited, received and reviewed bids for a new vacuum excavator from three vendors. The bidders were requested to submit their proposals and were evaluated based on a list of 14 specific ranking criteria.

The Vermeer and Ring-O-Matic equipment scored lower on various areas of evaluation. For the Vermeer unit, lower scores were given on the engine emission controls, vacuum pump capacity, and trailer construction. For the Ring-O-Matic unit, lower scores were given on the hydraulic system, vacuum pump capacity, vacuum filtration and trailer construction. From past experience with Ring-O-Matic, durability of the vacuum system and pressure water pump have been an issue. The Vermeer equipment does not have a local repair facility and would be an issue if major repairs are required. During our discussions with the various local construction Fleet Managers we found that they have used all three types of equipment and have found the Ditch Witch product line durable and well built.

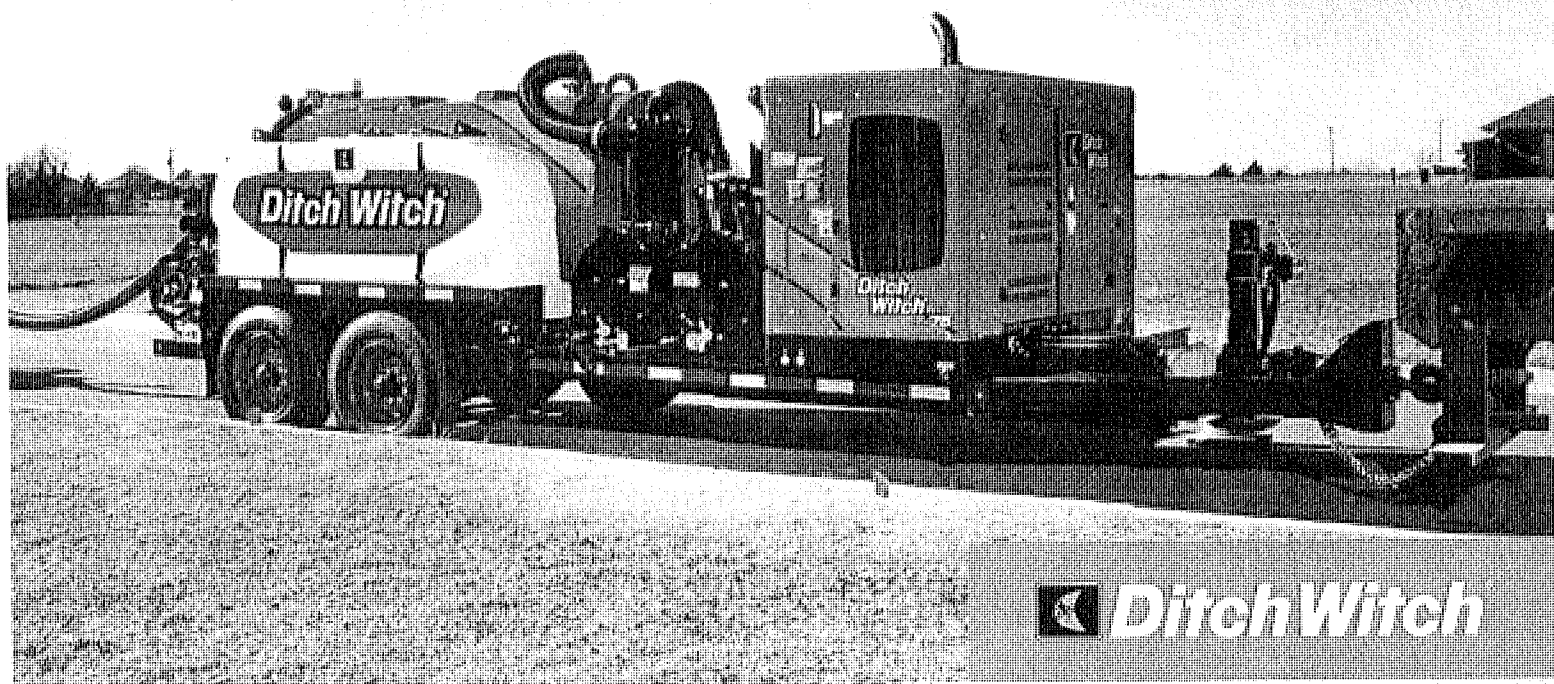
All three bidders responded to our request for proposals and all came in below the \$130,000 budgeted cost for a 2019 model year. Ditch Witch had the highest ranking score with a positive rating on 12 of the 14 specific ranking criteria.

Vendor	Manufacture	Evaluation Ranking	Quote
Ditch Witch West	Ditch Witch HX 75	12/14	\$116,965
RDO Equipment	Vermeer	9/14	\$114,616
ALLQUIP	Ring-O-Matic	7/14	\$102,262

Recommendation:

Authorize staff to award the purchase contract for the trailer mounted vacuum excavator to Ditch Witch West for a total of \$116,965. (An information sheet on the Ditch Witch HX75 is attached).

HX75 VACUUM EXCAVATOR



KEY FEATURES/BENEFITS

BOOSTED POWER

Equipped with a 74-hp (55.2-kW) Kubota engine, the HX75 gives you more power for your large-scale jobs.

THREE-STAGE FILTRATION SYSTEM

Standard cyclonic-three-stage filtration system cleans air before it reaches critical machine components.

POWERFUL WATER SYSTEM

The HX75 features a best-in-class 1,315-cfm (37.2-m³/min) blower and a water pressure capacity of 3,000 psi (207 bar) to maximize productivity.

ADDED VERSATILITY

Compact without sacrificing power or performance, the HX75 is ideal for microtrenching, slot trenching, potholing and large cleanup tasks.

IMPROVED PRODUCTIVITY

An auto-clutching feature disengages the water pump when water is not in use, allowing full system power to the blower.

THE HX75
VACUUM
EXCAVATOR



HX75 VACUUM EXCAVATOR SPECIFICATIONS

	U.S.	METRIC
DIMENSIONS	800 GAL SPOILS/200 GAL WATER	
Length	269.4 in	6.84 m
Width	96 in	2.44 m
Height	88.2 in	2.24 m
Weight, empty	9,965 lb	4520 kg
Trailer GVWR	20,000 lb	9072 kg
DIMENSIONS	800 GAL SPOILS/400 GAL WATER	
Length	269.4 in	6.84 m
Width	96 in	2.44 m
Height (w/boom)	110.2 in	2.80 m
Weight, empty	10,793 lb	4896 kg
Trailer GVWR	24,000 lb	10886 kg
POWER		
Engine	Kubota® V3307-CR-T-E4B	
Fuel	Diesel	
Cooling medium	Liquid	
Aspiration	Turbo	
Number of cylinders	4	
Manufacturer's gross power rating	74.3 hp	55 kW
Emissions compliance	EPA Tier 4	EU Stage IIIB
Rated speed	2,600 rpm	
FLUID CAPACITY		
Fuel tank capacity	30 gal	113.6 L
Engine oil	12 qt	11.4 L
Hydraulic reservoir	10 gal	37.9 L
Hydraulic system	12 gal	45.4 L
Cooling system	2.8 gal	10.6 L
Water pump oil	0.7 qt	0.7 L
VACUUM SYSTEM		
Air flow	1,315 cfm	37.2 m³/min
Vacuum, max	16 in Hg	406 mm Hg
Vacuum tank capacity	800 gal	3028 L
Tank outlet valve size	6 in	152 mm
Filter type	Washable polyester	
Filter area	73 ft²	6.8 m²
Suction hose	4 in	102 mm
WATER SYSTEM		
Water pump flow	5.5 gpm	20.8 l/min
Water pump pressure, max	3,000 psi	207 bar
HYDRAULIC SYSTEM	Gear pump	
Flow rate	7.5 gpm	28 l/min
Pressure	2,500 psi	172 bar
BATTERY		
Battery	950 amps cold crank, 195 min SAE reserve, 12V electrical system	
NOISE LEVEL (SUCTION)		
Sound power and pressure	112 dBA, 92 dBA	


Specifications are general and subject to change without notice. If exact measurements are required, equipment should be weighed and measured. Due to selected options, delivered equipment may not necessarily match that shown.



11

MEMORANDUM

To: Board of Directors August 16, 2019

From: Rocky Vogler, Chief Engineer
Carmela Chandrasekera, Associate Engineer 

Subject: Budgeted FY20 Cherry Hill Tank No. 2 Recoat and Rehabilitation - Approve Bid Advertisement

R:\Folders by Job No\6000 jobs\6205 22 Cherry Hill No. 2 Recoat\BOD memos\6205 22 BOD Memo Approve Bid Advertisement.doc

RECOMMENDED ACTION: Board authorize bid advertisement of the Cherry Hill Tank No. 2 Rehabilitation project.

FINANCIAL IMPACT: \$325,000 (for coating contract)

Background

The FY19 and FY20 Capital Improvement Project budgets included a \$500,000 line item to recoat and rehabilitate the 0.2 million gallon Cherry Hill Tank No. 2 (See vicinity map in attachment A). The work includes: (1) complete interior recoat and exterior over-coating, (2) installation of a new mixing system, (3) miscellaneous improvements to comply with current AWWA guidelines, and (4) roof rafter repairs if and where required. Cherry Hill Tank No. 2 has been in service for over 22 years and has never been recoated. In preparation for project design, the District hired a coating inspector, DB Gaya, to perform a coating condition assessment and provide recommendations. Per the recommendations the interior of the tank will receive a complete re-coat while the exterior of the tank will be over coated.

The following project schedule identifies estimated key dates.

SCHEDULE

Advertise Project	August 23, 2019
Pre-Bid Meeting	September 5, 2019
Bid Opening	September 17, 2019
Board Authorization of Award	October 1, 2019
Notice of Award	October 2, 2019
Notice to Proceed	October 15, 2019
Construction Complete (120 days)	February 11, 2020

The project will be advertized in the Marin IJ and on the NMWD website with electronic plans and specifications available to the prospective bidders for free download. The Engineer's Estimate for the rehabilitation contract is \$325,000.

Project Description

A project description and cost estimate for the Cherry Hill Tank No. 2 Rehabilitation project is provided as Attachment B. The total cost for this work including design, construction, inspection, construction administration, etc. remains estimated at \$500,000 and includes a 10% contingency with approximate 4-month schedule duration for rehabilitation. The FY 19 budget included \$250,000, and the current FY 20 budget includes \$400,000. Due to a delayed start, most of the costs will be incurred in FY 20, but no CIP budget augmentation is being requested at this time.

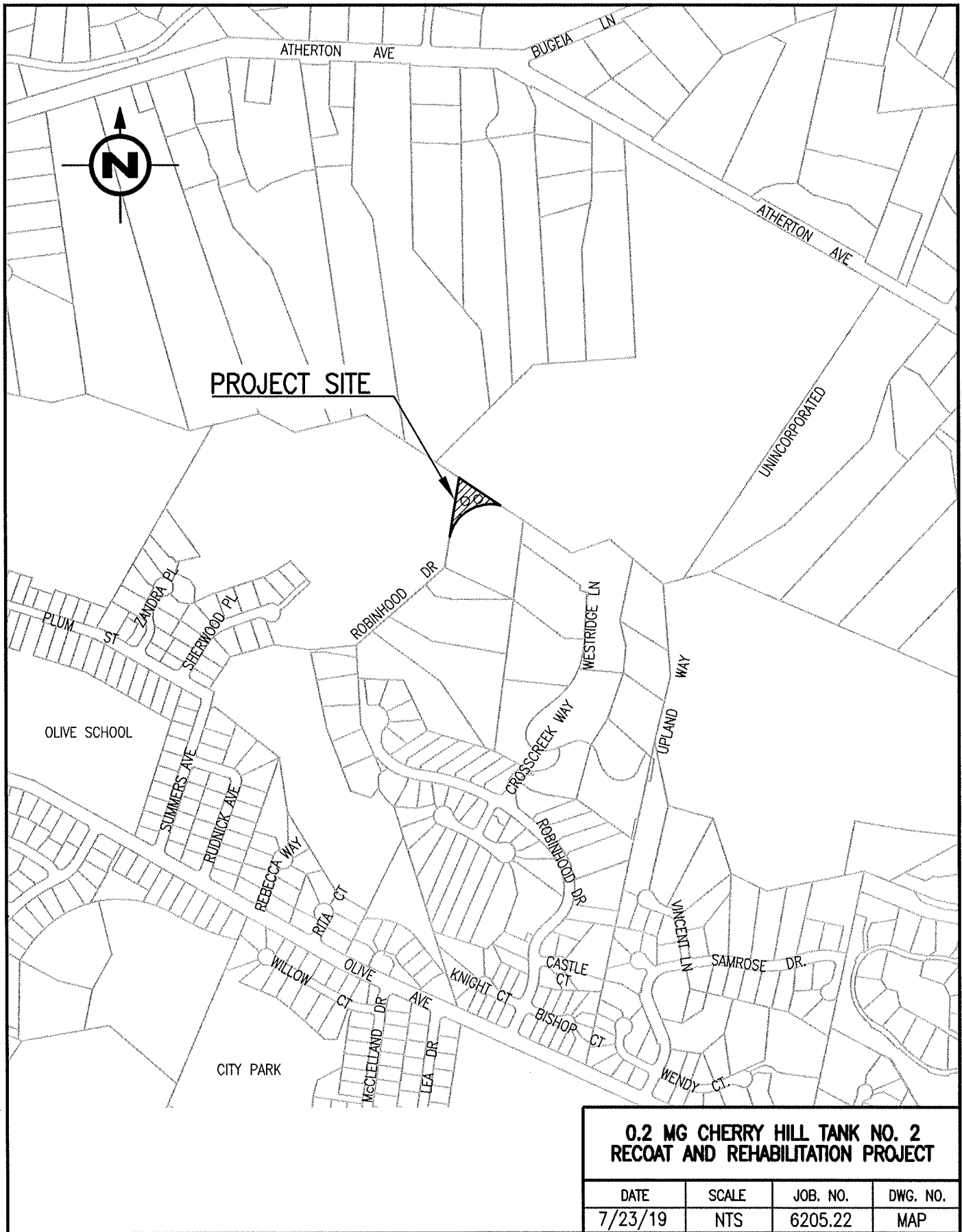
To ensure quality application of the Tank 2's protective coating systems, the services of a certified coating inspector are recommended. The scope of services would include inspecting coating removal, conducting surface assessment prior to coating, overseeing the surface preparation, monitoring coating mixing, inspecting the application, and documenting all daily tasks performed. Authorization for inspection contract will be brought to the Board for consideration at a subsequent meeting.

On August 1, 2019, a notification letter was sent to property owners within a 400-foot radius advising them of the forthcoming tank rehabilitation project. To date, no responses or inquiries have been received by the District.

RECOMMENDATION

The Board authorize bid advertisement of the Cherry Hill Tank No. 2 Rehabilitation Project.

Jul 23, 2019 - 3:11pm W:\JOB\1_NOVA\TO\6205.22 Cherry Hill Tank\3_ISSUED\A\6205.22_Vicinity Map.dwg User: SDOVE



**NORTH MARIN WATER DISTRICT
WATER SYSTEM IMPROVEMENTS/SPECIAL PROJECTS
PROJECT SUMMARY**

COMPLETED BY: Carmela Chandrasekera
DATE: 12/27/2018

UPDATED BY: Carmela
DATE: 8/13/2019

SERVICE AREA: ☒ **NOVATO**

☐ **WEST MARIN**

☐ **OCEANA MARIN**

Job No.	Job Title:-Cherry Hill Tank 2 Recoat Project									
Facility No. 6221						Facility Type (Pipelines, Pump Stations, etc.): TANK				
Description: Recoat interior and exterior of Cherry Hill Tank No. 2 and Perform Inspection. - Interior work consists of removing existing coating, none of which is anticipated to be disposed of as hazardous waste due to high zinc or lead levels, and surface preparation to SSPC-SP10, white metal blast interior and sand and over-coating exterior. New interior coating consists of a single coat of NSF 61 approved 100% solids epoxy. - Exterior work consists of overcoating. New exterior coating consists of a 2-coat system of epoxy primer & Acrylic topcoat. Other misc. work include tank drain modification, replace roof hatch, replace roof vent and add sample tap and penetration for level transmission. A mixing system will be added. Install new cathodic protection - Coating inspection is to be provided under the lead of an outside consultant.										
Project Justification: Due to deteriorated original (circa 1997) interior coatings and exterior coatings, high structural corrosion levels, and updated construction standards; this tank is scheduled for recoating and repairs.										
	Baseline Cost Estimate	Initial (12/27/17)	Updated 2/7/19	Updated 8/7/19	Updated	Expended to Date	Baseline Schedule	Start	Finish (Est.)	Finish (Actual)
1	Project Dev.	\$10,000	\$7,000	\$7,000			Project Dev.	7/1/2018	12/31/2018	
2	Design	\$25,000	\$25,000	\$25,000						
3	Tank Inspection by Consultant	\$2,000	\$7,000	\$7,000			Design	1/1/2019	8/15/2019	
4	Recoating contract	\$300,000	\$325,000	\$325,000			Permitting			
5	Labor Compliance	\$15,000	\$0	\$0			Procurement			
6	Outside Coating Inspection	\$30,000	\$25,000	\$25,000			Construction	9/30/2019	2/15/2020	
7	NMWD Const.	\$5,000	\$5,000	\$5,000						
8	NMWD Maint.	\$5,000	\$5,000	\$5,000			Project Closeout		3/15/2020	
9	NMWD operations	\$5,000	\$5,000	\$5,000						
10	Materials	\$5,000	\$5,000	\$5,000						
11	Legal + Misc.	\$5,000	\$5,000	\$5,000						
12	Const. Admin (eng.)	\$30,000	\$30,000	\$30,000						
13	Paving Tank Pad and access road	\$5,000	\$5,000	\$5,000						
14	Project Closeout	\$5,000	\$5,000	\$5,000						
15	SubTotal	\$447,000	\$454,000	\$454,000						
16	Project Contingency (10%)	\$44,700	\$45,400	\$45,400						
	Total	\$492,000	\$499,000	\$499,000		\$0				
Comments: Estimated using the experience and bids received for Atherton Tank, San Mateo Tank and Norman tank rehab Projects .										

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MEMORANDUM

To: Board of Directors
From: Drew McIntyre, General Manager 
Subject: Potter Valley Project Relicensing Update – FERC Acceptance of Notice of Intent
I:\gmtscwa\potter valley\bod memo pvp relicensing update- 08-16-19.doc

RECOMMENDED ACTION: Information Only
FINANCIAL IMPACT: None at this time.

Background

Besides regular updates via WAC/TAC meeting minutes, the last memo to the Board regarding PG&E's Potter Valley Hydroelectric Project (PVP) was at the February 5, 2019 meeting. An earlier staff memo, in June, 2018, advised the Board that PG&E's license to operate PVP was expiring in 2022. As a result, PG&E had looked at five different relicensing options (e.g., decommissioning, continued operation, auction, etc.) and decided that auction was the most viable course of action. PG&E's position at that time was that PVP was a regional project and any solution must address all the regional issues related to continued PVP operation. Given that the current Federal Energy Regulatory Commission (FERC) license for the Project expires in April 2022, PG&E noted in 2018 that the auction process could take 1.5-2 years and that PG&E would file the re-license application before the April 14, 2020 FERC deadline. Furthermore, PG&E confirmed that all studies would continue with PG&E in the lead until the owner and license transfer process was fully completed.

PG&E Bankruptcy

At the February 5, 2019 meeting, the Board was advised that PG&E submitted a letter to FERC on Friday, January 25, 2019, providing their "Notice of Withdrawal of Notice of Intent to File License Application and Pre-Application Document" for the Potter Valley Project. As a result of this action, PG&E halted all activities related to the relicensing of the Project, including stoppage of their efforts to sell the Project via the Request for Offers (RFO) auction process. PG&E representatives stated at the time that this action was being taken to ensure that limited available funds were deployed to the highest priority activities. On Tuesday, January 29th, PG&E filed for bankruptcy, seeking Court protection from its creditors and permission to reorganize under Chapter 11 of the U.S. Bankruptcy Code. PG&E posted a notice on their website stating that "The power and gas will stay on" and there will be no disruption in service. A previous PG&E bankruptcy proceeding took almost 3 years, but this one is more complex and could take longer.

FERC Notice Soliciting Applications

On March 1, 2019, FERC issued a Notice Soliciting Applications for any party interested in filing an application for a new PVP license. The notice provided 120 days for interested parties to file a Notice of Intent (NOI) and Pre-Application Document (PAD) by the deadline of July 1, 2019. In order to meet this deadline and maintain options for continued Potter Valley Project operation, a Planning Agreement was executed in May, 2019 by three signatories, CalTrout, Mendocino County Inland Water and Power Commission (IWPC) and Sonoma County Water Agency.

Planning Agreement

The Planning Agreement (Attachment 1) describes a set of shared objectives that the parties agree upon, including water supply reliability and fish protections. The Planning Agreement also identified that the parties would agree to submit an NOI, PAD and schedule for completing the required studies by the FERC deadline of July 1, 2019. The Planning Agreement also outlines the development of a Feasibility Study to be completed by April 14, 2020 to determine if there is a feasible project that would materially benefit both the Eel and Russian River basins by advancing the shared objectives of the so-called "Two-Basin Solution" (also included in Attachment 1). As part of the Planning Agreement, each party contributed \$100,000 towards funding the Feasibility Study. Language in the Planning Agreement provides the ability to add additional parties who are willing to work toward a Two-Basin Solution. In June, 2019, Humboldt County became the fourth party to the agreement and contributed \$100,000.

WAC PVP Ad Hoc Subcommittee Meeting No. 1 – July 17, 2019

Approved at the November 5, 2018 WAC meeting, the first WAC Potter Valley Project Ad Hoc Subcommittee meeting was held to review progress to-date on PVP issues in advance of the NOI filing before July 1, 2019. The WAC PVP Ad Hoc group consists of the WAC Chair (Susan Harvey – Cotati), City of Santa Rosa WAC member (Victoria Fleming), NMWD WAC member (Jack Baker) and TAC Leadership. A copy of the agenda is provided as Attachment 2.

NOI submittal and Acceptance

The Planning Agreement parties submitted the NOI on June 28, 2019 (see Attachment 3). No other entities submitted an NOI to FERC by the July 1, 2019 deadline. On August 1, 2019, FERC issued a Notice of Continuation of Relicensing Proceedings approving the submitted NOI and noting that the NOI parties are proxies for a new Regional Entity that may ultimately become the license applicant for the project. As part of this action, FERC accepted the Planning Agreement

parties proposal to complete the Feasibility Study by April 2020, consult on the need for additional studies and file license application by April 14, 2022.

PGE's Role

If the Planning Agreement parties do not identify a feasible project including a new Regional Entity, it is expected FERC will order PG&E to prepare and submit a Surrender Application and Decommissioning Plan. PG&E states that they will continue to own and operate the Project in accordance with the terms and conditions of the current Project license and all laws, rules, and regulations governing the operation of the Project until a new license is issued or the Project is decommissioned. PG&E also reports that they intend to support any NOI applicants through the provision of work products and information developed to date in the relicensing process.

Path Forward

Staff continues to work with our legal counsel, Robert Maddow, to ensure that NMWD stays both informed and involved in this process. Mr. Maddow is also legal counsel for Valley of the Moon Water District, one of the other seven Water Agency Contractors, and his PVP legal costs are primarily shared 50-50 between NMWD and VOMWD.

As reported earlier, the WAC has approved the formation of a WAC PVP Ad Hoc Subcommittee and the development of a Common Interest Agreement. The Common Interest Agreement was signed by legal counsel from SCWA, all the eight Water Contractors and MMWD. The Common Interest Agreement allows the signatories to share privileged information related to PVP relicensing activities. By taking these two actions, NMWD and the other retail water agencies are better positioned to track developing PVP events in a timely manner. Staff and Mr. Maddow have already participated in six Common Interest Agreement meetings between Sonoma County Water Agency and the other Water Contractors (plus their respective legal counsel).

Multiple efforts are currently underway to ensure that the retail water contractors are actively involved during Feasibility Study preparation. The first is development of a Guiding Principles Statement. The goal of this statement is to develop mutually agreed upon principles that will keep the Water Contractors fully informed and engaged throughout all aspects of the Feasibility Study work. The second is consideration of an amendment to the Common Interest Agreement that may allow for improved Water Contractor representation and communication during Feasibility Study development by the Planning Agreement parties.

**AMENDED PLANNING AGREEMENT TO UNDERTAKE FEASIBILITY STUDY OF A
POTENTIAL LICENSING PROPOSAL FOR THE POTTER VALLEY PROJECT**

The "Planning Agreement to Undertake Feasibility Study of a Potential Licensing Proposal for the Potter Valley Project" (Planning Agreement) was entered into and effective on May 17, 2019 by and among California Trout, Inc., Mendocino County Inland Water and Power Commission, and Sonoma County Water Agency. This Amended Planning Agreement is entered into and effective on June 18, 2019 by and among California Trout, Inc., Mendocino County Inland Water and Power Commission, Sonoma County Water Agency, and County of Humboldt (collectively, Parties and singularly, Party).

RECITALS

A. Pacific Gas and Electric Company (PG&E) is the licensee for the Potter Valley Project (Project). The current license for the Project (No. 77), as issued by the Federal Energy Regulatory Commission (FERC) under the Federal Power Act, expires on April 14, 2022.

B. The Project diverts water from the Eel River Basin into the Russian River Basin. The Project, including its operations and facilities, affects environmental quality, ecosystem services, native anadromous fisheries, and beneficial uses of water in both basins.

C. On April 6, 2017, PG&E filed a Pre-Application Document and Notice of Intent to file a new license application for the Project, due by April 14, 2020.

D. On January 25, 2019, PG&E filed a notice withdrawing its Notice of Intent and Pre-Application Document, stating that it will not seek or hold a new license for the Project. On January 29, PG&E filed a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code.

E. On March 1, 2019, FERC issued a Notice Soliciting Applications from any entity interested in filing a new license application for the Project. This notice directs that any such entity must file the following package within 120 days, or by July 1, 2019: its own notice of intent to file a new license application; a pre-application document; and a proposal to complete the pre-filing stages of the licensing proceeding as required by FERC's rules, including the study plan. The notice further directs that any entity must file an application for license by April 14, 2020.

F. The Parties are participating, or intended to participate, in the licensing proceeding for the Project. They are also participating in a collaborative process convened by U.S. Representative Jared Huffman (Huffman Ad Hoc Committee) to develop recommendations on the terms of any new license for the Project.

G. On May 20, 2019, following execution of the Planning Agreement, Congressman Huffman convened an Ad Hoc Committee meeting at which Congressman Huffman and Ad Hoc Committee members requested that the Planning Agreement reference and attach the Huffman

Ad Hoc Committee's Proposed Goals and Principles for a Two-Basin Solution (attached hereto as Attachment A).

H. In the interest of continuing the collaborative efforts toward a Two-Basin Solution that protects fisheries and water supply in both the Eel and Russian River watersheds, the Parties enter into this Amended Planning Agreement.

I. The Parties support exploration of terms for a new license that will materially benefit both basins by advancing the following objectives ("Shared Objectives"). The Parties recognize that such a new license will advance, but will not by itself achieve, Objectives (1), (2), (6), and (8). Further, the order in which the Objectives are stated is not indicative of weighted value to the Parties.

(1). Minimize or avoid adverse impacts to water supply reliability, fisheries, water quality and recreation in the Russian River and Eel River basins;

(2). Improve fish passage and habitat on the Eel River sufficient to support recovery of naturally reproducing, self-sustaining and harvestable native anadromous fish populations including migratory access upstream and downstream at current project dam locations;

(3). Reliance on best available science and engineering analyses as the basis for evaluating options for restoration, water delivery, and hydroelectric generation pursuant to a new license;

(4). Collaboration on funding;

(5). Active participation of tribes and other stakeholders who are willing to support the other Shared Objectives;

(6). Economic welfare of both basins;

(7). Continued hydroelectric generation; and

(8). Protecting tribal cultural, economic, and other interests in both the Eel and Russian River basins.

AGREEMENTS

The Parties agree as follows.

1. **Feasibility Study.** The Parties will work together to prepare a Feasibility Study of a potential licensing proposal for the Project that will advance all of the Shared Objectives. By April 14, 2020, they will complete this study, which will evaluate options and make recommendations for a preferred option to satisfy the following elements:

- a. **Regional Entity** that will apply for a new license and propose to assume the new license if issued. The Parties will evaluate various potential structures for the new entity.
 - b. **Project Plan**, showing capital modifications as well as operations and maintenance requirements, for the delivery of water and hydroelectric power to advance the Shared Objectives;
 - c. **Fisheries Restoration Plan**, showing measures the Regional Entity will implement to advance the Shared Objectives;
 - d. **Application Study Plan**, showing those further studies necessary to develop a new license application, including associated consultation procedures and schedule; and
 - e. **Financial Plan**, including the specific sources of initial funding and subsequent revenues, to cover the costs associated with:
 - (1). Completing the pre-filing phases of the licensing proceeding; developing, submitting, and pursuing a new license application; and obtaining the other regulatory approvals that are necessary for a new license;
 - (2). Capital improvements, and operations and maintenance of the Project, under a new license; and
 - (3). Liabilities associated with Project ownership under a new license.
2. **Cooperation in the Conduct of the Feasibility Study.** The Parties will cooperate in the undertaking of the Feasibility Study.
- a. **Funding Commitments by the Parties.** Recognizing that resources will be required to prepare the Feasibility Study, the initial Parties have agreed to fund the effort in an amount of at least \$400,000, with initial contributions of \$100,000 each. Such funds will be used to engage joint consultants and will be collected and managed pursuant to protocols that the Parties establish. The Parties will further agree to fund, or seek to obtain funding for, proportional shares of further costs associated with the Feasibility Study, which shares will be determined after July 1, 2019. The Parties further agree that they will each fund their own consultants and/or counsel that may be necessary as part of this effort.
 - b. **Responsibilities for Selection and Oversight of Consultants.** Each Party will designate one representative to a Steering Committee, which will make decisions regarding the selection, retention and oversight of the consultants and the conduct of the Feasibility Study. Decisions of the Steering Committee shall be made by

consensus, with each Party making best efforts to reach consensus on the understanding that the Feasibility Study must be timely concluded.

- c. **Additional Stakeholders.** The Parties agree that their joint efforts will be enhanced by increasing the number and diversity of stakeholders participating in the relicensing/new licensing process. A Party may nominate any stakeholder that wishes to join in this effort, is willing to commit to seek solutions that meet the Shared Objectives, and is willing to make a substantial contribution of resources, recognizing the funding commitment by the initial Parties. Any such nominated entity may become a Party by signing an amendment approved by the then-existing Parties pursuant to paragraph 7. The Parties pre-approve the participation of Round Valley Indian Tribe (RVIT) as an additional stakeholder subject to the above and RVIT's willingness to execute this Agreement. The Parties intend to seek other Tribal participants as well.
- d. **Dispute Resolution.** The Parties will resolve their disputes informally and may choose to engage a facilitator.
- e. **Work Product.** The work products produced pursuant to this Planning Agreement will be joint work products. (i) The sharing or use of such work products by any Party (including a Party that has otherwise withdrawn from this agreement) shall be subject to the prior written agreement of all the other Parties. (ii) Any Party may use the information derived from such work products in a form that is not attributable to any other Party that has not so consented.

3. July 1, 2019 Filing with FERC

- a. On or before July 1, 2019, the Parties will undertake to file with FERC a package consisting of the following documents:
 - (1). Notice of Intent that will be conditioned upon the completion of the Feasibility Study, including the creation of a Regional Entity, which will be the license applicant;
 - (2). Pre-Application Document incorporating applicable portions of PG&E's Pre-Application Document (dated April 2017) and adding appropriate supplementary materials; and
 - (3). Proposed schedule for completing the pre-filing phases of the licensing proceeding, and a proposed deadline for submittal of a new license application, consistent with the completion of the Feasibility Study described in Section 1 above. As of the effective date of this Planning Agreement, the Parties anticipate proposing a deadline of April 14, 2022, for submittal of a new license application. Implementation of this Planning Agreement will be contingent on FERC's approval of a schedule

that permits completion of the Feasibility Study. The Parties agree to work together to extend the deadline of April 14, 2020, for the submittal of a new license application and, if appropriate, to seek to require the issuances of annual licenses for a reasonable period of time.

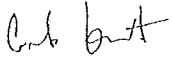
4. **Licensing Proposal.** By April 14, 2020, each Party will undertake to decide whether to participate in, or support, the Regional Entity to pursue a potential licensing proposal based on the Feasibility Study; and if so, on what terms. The Parties will promptly update the July 1, 2019, filing as appropriate. The Parties anticipate entering into a subsequent agreement concurrent with the formation of a Regional Entity, for the purpose of all subsequent activities.

GENERAL TERMS

5. **Effective and Termination Dates.** This amendment to the Planning Agreement is effective upon execution by the Parties. It will terminate upon the formation of a Regional Entity, withdrawal of Parties pursuant to paragraph 6, or April 14, 2022, whichever is earliest.
6. **Withdrawal.** Any Party may withdraw from this Planning Agreement at any time and for any reason, upon providing Notice. The Planning Agreement will continue in effect as between remaining Parties, as long as at least two Parties remain. Section 2(e) should survive withdrawal.
7. **Amendment.** This Planning Agreement may be amended only by a written amendment executed by all Parties.
8. **Notice.** Any notice under this Planning Agreement will be made by electronic mail or personal delivery.
9. **Remedies.** This Planning Agreement does not establish any remedies related to a Party's performance hereunder.
10. **Third Party Beneficiaries.** This Planning Agreement does not create any third party beneficiaries.
11. **Reservation of Rights.** Each Party reserves all of its rights and authorities with respect to its participation in the Planning Agreement; the preparation, content, and use of the Feasibility Study; and the subsequent decision whether to pursue a licensing proposal. By entering into this Planning Agreement, each Party commits not to undertake any action subject to the California Environmental Quality Act relating to the Project.

12. **Entire Agreement.** This Planning Agreement constitutes the entire agreement of the Parties and supersedes all prior agreements and understandings, written or oral.
13. **Successors and Assigns.** The rights and duties of the Parties may not be assigned or delegated without the advance written consent of all Parties and any attempt to assign or delegate such rights or duties in contravention of this paragraph will be null and void.
14. **Severability.** If one or more terms of this Planning Agreement are held to be unlawful or invalid, the Parties agree that the remainder of the Planning Agreement will not be affected thereby. Such terms will be deemed reformed so as to be lawful and valid to the maximum extent possible.
15. **No Admissions.** Nothing in this Planning Agreement shall be construed as an admission by any Party regarding any subject matter of this Planning Agreement.
16. **Counterparts.** This Planning Agreement may be executed in separate counterparts, each of which when so executed and delivered will be an original. All such counterparts will together constitute but one and the same instrument.


CALIFORNIA TROUT, INC.

By: 
Curtis Knight
Executive Director

MENDOCINO COUNTY INLAND WATER & POWER COMMISSION

By: _____
Janet K. F. Pauli
Chair, Board of Commissioners

SONOMA COUNTY WATER AGENCY

By: 
David Rabbitt,
Chair, Board of Directors

*Amended Planning Agreement- Potential Licensing Proposal
Potter Valley Project*

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CALIFORNIA TROUT, INC.

By: _____
Curtis Knight
Executive Director

MENDOCINO COUNTY INLAND WATER & POWER COMMISSION

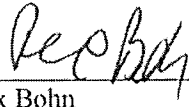
By: Janet K. F. Pauli
Janet K. F. Pauli
Chair, Board of Commissioners

SONOMA COUNTY WATER AGENCY

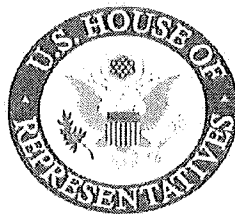
By: _____
David Rabbitt,
Chair, Board of Directors

*Amended Planning Agreement- Potential Licensing Proposal
Potter Valley Project*

COUNTY OF HUMBOLDT

By: 
Rex Bohn
Chairperson, Board of Supervisors

Attachment A



Congressman Jared Huffman
Potter Valley Project Ad Hoc
Committee 08.01.2018

Proposed Goals and Principles for a Two-Basin Solution

We as interested parties in the Potter Valley Project Ad Hoc Committee are committed to joint problem solving and working toward an outcome of the PVP relicensing process that reflects the following goals and principles:

- Co-equal goals:
 - Improve fish passage and habitat on the Eel River sufficient to support recovery of naturally reproducing, self-sustaining and harvestable native anadromous fish populations including migratory access upstream and downstream at current project dam locations; and
 - Minimize or avoid adverse impacts to water supply reliability, fisheries, water quality and recreation in the Russian River and Eel River basins
- Other goals:
 - Respect tribal rights and their traditional connections to aquatic life, water and cultural resources in both basins
 - Minimize and mitigate adverse impacts to Lake County, including Lake Pillsbury businesses and residents
 - Ensure accountable governance and financially viable operations, including addressing potential liabilities

- Jointly pursue public funding based on environmental and water supply benefits
- Ensure that implementation of fish passage improvements in the Eel River basin happens in parallel and ideally simultaneously with water supply solutions in the Russian River basin

AGENDA

WAC Potter Valley Project Ad Hoc Subcommittee Mtg #1

June 18, 2019

1:00 pm – 2:00 pm

69 Stony Circle, Santa Rosa

Attendees: WAC Members: Susan Harvey (Cotati), Victoria Fleming (Santa Rosa), Jack Baker (NMWD), TAC Members: Drew McIntyre (NMWD), Jennifer Burke (Santa Rosa)

- Item 1 – Review of WAC Ad Hoc Subcommittee Purpose
- Item 2 – Huffman Ad Hoc Meeting Update – June 17, 2019 (Ukiah)
- Item 3 – Planning Agreement to Undertake Feasibility of Potential Licensing Proposal of a Potential License Agreement for the Potter Valley Project
 - Objectives (see summary on Page 2)
 - Signatories
 - Funding Commitment
- Item 4 – Submission of Notice of Intent to FERC by July 1, 2019
 - Section 1 – Background
 - Section 2 – Notice of Intent Boilerplate
 - Section 3 – Pre-Application Document/Process
 - Section 4 – Request for Waivers
- Item 5 – Next Steps
 - FERC to Approve NOI
 - Parties must submit Feasibility Study by April 14, 2020
 - a) Regional Entity
 - b) Capital Modifications and O&M Requirements
 - c) Fisheries Restoration Plan
 - d) Application Study Plan
 - e) Financial Plan
 - File Initial Study Report by Aug. 14, 2020 (incl. mods and studies)
 - Conduction more studies – 2021
 - File License Application – April 12, 2022
- Item 6 – WAC/TAC Involvement
 - Participation in Huffman Ad Hoc Process
 - Periodic Common Interest Agreement Meetings
 - Periodic Key Check-in's between NMWD, VOMWD and S. Rosa Legal Counsel with SCWA legal Counsel

SHARED OBJECTIVES OF PLANNING AGREEMENT

1. Minimize or avoid adverse impacts to water supply reliability, fisheries, water quality and recreation in the Russian River and Eel River basins
2. Improve fish passage and habitat on the Eel River sufficient to support recovery of naturally reproducing, self-sustaining and harvestable native anadromous fish populations including migratory access upstream and downstream at current project dam location
3. Reliance on best available science and engineering analyses as the basis for evaluating options for restoration, water delivery, and hydroelectric generation pursuant to a new license
4. Collaboration on funding
5. Active participation of tribes and other stakeholders who are willing to support the other Shared Objectives
6. Economic welfare of both basins
7. Continued hydroelectric generation
8. Protecting tribal cultural, economic, and other interests in both the Eel and RR Basins



VIA ELECTRONIC FILING

June 28, 2019

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: FERC Project No. 77; Pre-Application Document and Notice of Intent
to File an Application for a New License for the Potter Valley Project**

Dear Secretary Bose:

Pursuant to 18 C.F.R. § 5.5 (2018) and the Federal Energy Regulatory Commission's (FERC or Commission) March 1, 2019 "Notice Soliciting Applications" (Notice),¹ Mendocino County Inland Water and Power Commission (Mendocino County IWPC), Sonoma County Water Agency (Sonoma Water), California Trout, Inc. (Cal Trout), and the County of Humboldt, California (together, NOI Parties) hereby file a Notice of Intent (NOI) to file an application for new license for the Potter Valley Project, FERC Project No. 77 (Project). As further discussed below, NOI Parties file this NOI as proxies for a new Regional Entity that will be the license applicant for the Project, as may be proposed to be modified to achieve the shared objectives described below.

I. BACKGROUND

The Project is located on the Eel River and the East Branch Russian River in Mendocino and Lake Counties, California. The Project is approximately 15 miles northeast of the City of Ukiah. Project features include Lake Pillsbury, a 2,300-acre storage reservoir impounded by Scott Dam; the 106-acre Van Arsdale Reservoir, impounded by the Cape Horn Diversion Dam; and a tunnel and penstock across a natural divide to the Project's powerhouse located in the headwaters of the Russian River Basin. The Project stores winter runoff from the upper Eel River Basin and annually diverts an average of approximately 60,000 acre-feet of Eel River water into the Russian River to

¹ Notice Soliciting Applications, Project No. 77-285 (issued Mar. 1, 2019) (Notice).

generate hydroelectric power. The authorized capacity of the Project under the current license is 9.9 megawatts (MW).²

The Project is licensed to Pacific Gas and Electric Company (PG&E). The license expires on April 14, 2022.³ On April 6, 2017, PG&E filed a Pre-Application Document (PAD) and NOI to formally initiate the relicensing process for the Project. On January 25, 2019, PG&E withdrew its NOI and PAD and formally discontinued its efforts to relicense the Project. On January 29, 2019, PG&E filed a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. On March 1, 2019, the Commission issued the Notice soliciting interested potential applicants other than PG&E to file an NOI and PAD and request to complete the pre-filing stages of the licensing process.

At the request of several interested entities, U.S. Representative Jared Huffman has convened stakeholders in a Potter Valley Project Ad Hoc Committee to enable dialogue among stakeholders to develop recommendations on the terms of any new license for the Project. The Ad Hoc Committee is comprised of over 25 federal and state resource agencies, licensees, local counties, tribes, and environmental organizations.⁴ The Ad Hoc Committee has formed two technical working groups to examine fish passage alternatives at the site of Scott Dam and water supply conditions under various operations alternatives. The working groups are in the final stages of developing information and recommendations for viable solutions to these issues. Members of the Ad Hoc Committee are committed to reaching a “Two-Basin Solution” with co-equal goals of improving fish passage and habitat on the Eel River sufficient to support recovery of naturally reproducing, self-sustaining and harvestable native anadromous fish populations including migratory access upstream and downstream at current project dam locations and minimizing or avoiding adverse impacts to water supply reliability, fisheries, water quality, and recreation in the Russian River and Eel River basins.⁵

Prompted by the collaborative discussions and progress of Congressman Huffman’s Ad Hoc Committee, on May 14, 2019, NOI Parties entered into a planning agreement (Planning Agreement) to explore pathways to obtain a new license for the Project. The Planning Agreement was later amended.⁶ The Planning Agreement contains a set of principles (Shared Objectives) ensuring that any new license application

² *Pac. Gas & Elec. Co.*, 71 FERC ¶ 62,082 (1995).

³ *Pac. Gas & Elec. Co.*, 25 FERC ¶ 61,010 (1983).

⁴ Ad Hoc Committee participants include: California Department of Fish and Wildlife, Cal Trout, City of Ukiah, Congressman Jared Huffman’s Office, Coyote Valley Band of Pomo Indians, Friends of the Eel River, Humboldt County, Lake County, Mendocino County, National Marine Fisheries Service, Pacific Coast Federation of Fishermen’s Association, PG&E, Potter Valley Irrigation District, Round Valley Indian Tribes, Russian Riverkeeper, Sonoma County, Sonoma Water, California State Water Resources Control Board, Trout Unlimited, U.S. Fish and Wildlife Service, U.S. Forest Service, and the Wiyot Tribe.

⁵ See Potter Valley Project, Overview, <http://pottervalleyproject.org/overview/> (last visited June 24, 2019).

⁶ A copy of the amended Planning Agreement is attached as Appendix A.

for the Project will advance the mutual goals of the “Two-Basin Solution,” including: (1) minimizing or avoiding adverse impacts to water supply reliability, fisheries, water quality, and recreation in both basins; (2) improving fish passage and habitat on the Eel River sufficient to support recovery of native anadromous fish populations, including passage at existing dam locations; (3) reliance on best available science and engineering analyses to evaluate options for restoration, water delivery, and hydroelectric generation under a new license; (4) collaboration on funding; (5) active participation of tribes and other stakeholders supportive of the Shared Objectives; (6) economic welfare of both basins; (7) continued hydroelectric generation; and (8) protecting tribal cultural, economic, and other interests in both basins.

Under the Planning Agreement, the NOI Parties will work together to prepare a Feasibility Study (Feasibility Study) for the Project that will promote the Shared Objectives. The parties will complete the Feasibility Study by April 14, 2020. The Feasibility Study will evaluate options and make recommendations, including: (1) a description of the Regional Entity that will be formed and will apply for the new license; (2) a Project plan showing capital modifications, as well as operations and maintenance requirements, for the continued delivery of water and generation of hydroelectric power; (3) a fisheries restoration plan with measures to be implemented under the new license; (4) a proposed study plan detailing additional studies necessary to develop a new license application; and (5) a financial plan, including the specific sources of initial funding and subsequent revenues to fund the licensing, capital improvements, and operations and maintenance of the Project under a new license.

Further, it is important to note that the NOI Parties have entered into the Planning Agreement on the assumption that FERC will issue a new license for the Project to continue hydroelectric generation for the period of the new license. As part of the Feasibility Study, as noted above, the NOI Parties will develop plans that are focused on ensuring water supply reliability that will meet the needs of consumptive water users in both basins and will ensure the restoration of viable, anadromous fisheries in both river basins.

In sum, the NOI Parties will develop a Project plan. The parties anticipate that the plan will modernize the Project to meet the region’s needs for power generation, water supplies and environmental restoration.

II. NOTICE OF INTENT

The following information is provided consistent with the requirements of 18 C.F.R. § 5.5:

Licensee’s Name and Address:

As described above, the Regional Entity, which will be the licensee for the Project, has not been formed under California law. NOI Parties file this NOI as a proxy for the new Regional Entity. Contact information for these proxy entities appears below:

For Mendocino County IWPC:

Janet Pauli
Chair
Mendocino County Inland Water
& Power Commission
P.O. Box 1247
Ukiah, CA 95482
(707) 743-1173

David Aladjem
Downey Brand LLP
621 Capitol Mall
18th Floor
Sacramento, CA 95814
(916) 520-5361

For Sonoma Water:

Grant Davis
General Manager
Sonoma County Water Agency
404 Aviation Boulevard
Santa Rosa, CA 95403
(707) 547-1900

Michael A. Swiger
Van Ness Feldman, LLP
1050 Thomas Jefferson St., NW
7th Floor
Washington, DC 20007
(202) 298-1891

For Cal Trout:

Curtis Knight
Executive Director
California Trout
360 Pine Street, 4th Floor
San Francisco, CA 94104
(415) 392-8887

Erik Swenson
Orrick, Herrington & Sutcliffe LLP
1152 15th Street, NW
Washington, DC 20005-1706
(202) 339-8494

For Humboldt County:

Hank Seemann
Deputy Director – Environmental Services
Humboldt County Public Works
Department
1106 Second Street
Eureka, CA 95501
(707) 268-2680

Scott Miles
Humboldt County Counsel
825 5th Street
Eureka, CA 95501-1107
(707) 445-7236

Project Number:

The FERC Project Number is 77.

License Expiration Date:

The current Project license expires on April 14, 2022.

Unequivocal Statement of Interest:

NOI Parties, as proxies for the new Regional Entity they will undertake to form, represent that the Regional Entity, once formed, will have an unequivocal intent to file an application for a new license for the Project, utilizing the Commission's Integrated Licensing Process (ILP).⁷

Type of Principal Project Works to Be Licensed:

The Project consists of: (a) the Potter Valley Powerhouse and a series of tunnels, conduits, and penstocks; (b) Scott Dam and the storage reservoir it impounds, Lake Pillsbury; and (c) Cape Horn Dam and the reservoir it impounds, Van Arsdale Reservoir. The NOI Parties anticipate that the new license application will propose modifying the Project (including works and operations) as appropriate to achieve the Shared Objectives. Through the Feasibility Study, NOI Parties will evaluate a wide range of options for Project facilities, including additions, modifications, and/or removal to achieve fish passage as appropriate for restoration of native anadromous fisheries in the Eel River Basin.

Location of the Project:

The Project is located on the Eel River and the East Branch Russian River in Mendocino and Lake Counties in California. The Project is located approximately 15 miles northeast of the City of Ukiah. The majority of the Project is located on lands currently owned by PG&E and on National Forest System Lands administered by the United States Forest Service, Mendocino National Forest. The uppermost portion of the Project includes Scott Dam and the storage reservoir it impounds (Lake Pillsbury) on the Eel River. Below Scott Dam, the Eel River flows approximately 12 miles to Van Arsdale Reservoir created by Cape Horn Dam. Cape Horn Dam has fish passage facilities enabling salmon, steelhead, and lamprey to access the Eel River and tributary streams between Cape Horn and Scott Dams. There are no fish passage facilities at Scott Dam. At Van Arsdale Reservoir, the water that is diverted to the Potter Valley Powerhouse is conveyed south by a series of tunnels, conduits, and penstocks while water remaining in the Eel River is released from—or spills over—the Cape Horn Dam where it flows northwest approximately 150 miles to the Pacific Ocean. Releases made at the Scott and

⁷ Because this notice does not constitute an "application," it is not a conditional application proscribed by 18 C.F.R. § 4.32(j).

Cape Horn Dams support salmon and steelhead populations in the Upper Eel River Watershed.

The Potter Valley Powerhouse is located in the Upper Russian River Watershed, and releases from the Powerhouse are a significant source of water in the East Branch Russian River. The East Branch Russian River flows south from the Potter Valley Powerhouse (approximately 11 miles and is impounded by the U.S. Army Corps of Engineers' (USACE) Coyote Dam to form Lake Mendocino. Lake Mendocino is operated and managed by the USACE for the purposes of flood control and water supply in coordination with Sonoma Water and the Mendocino County Russian River Flood Control and Water Conservation Improvement District. Water exiting Lake Mendocino is used in Mendocino and Sonoma Counties for irrigation, municipal and domestic water supply, recreation, and support of salmon and steelhead populations in the Russian River. Water leaving Lake Mendocino joins with the mainstem Russian River and flows approximately 96 miles to the Pacific Ocean near the town of Jenner.

Installed Plant Capacity:

The Project has an installed capacity of 9.9 MW.⁸ Under a new license application, the Project is expected to utilize the existing installed capacity.

Names and Mailing Address of Entities Listed in 18 C.F.R. § 5.5(b)(8):

- A. Every county in which any part of the project is located, and in which any Federal facility that is used or to be used by the project is located:**

The Project is located in Mendocino and Lake Counties, California. No Federal facility is used or is proposed to be used by the Project.

Mendocino County
501 Low Gap Road
Ukiah, CA 95482

Lake County
255 North Forbes Street
Lakeport, CA 95453

- B. Every city, town, or similar political subdivision in which any part of the project is located and in which any Federal facility that is used by the project or is to be used by the project is located:**

None.

⁸ *Pac. Gas & Elec. Co.*, 71 FERC ¶ 62,082.

- C. Every city, town, or similar political subdivision that has a population of 5,000 or more people and is located within 15 miles of the existing or proposed project dams:**

City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

- D. Every irrigation district, drainage district, or similar special purpose political subdivision in which any part of the project is located, and any federal facility that is used or to be used by the project is located:**

A portion of the Potter Valley Powerhouse Discharge Canal is located within the Potter Valley Irrigation District boundary. No federal facility is used or is proposed to be used by the Project.

Potter Valley Irrigation District
P.O. Box 186
Potter Valley, CA 95469

- E. Every irrigation district, drainage district, or similar special purpose political subdivision that owns, operates, maintains, or uses any project facility or any federal facility that is or is proposed to be used by the project:**

None.

- F. Every other political subdivision in the general area of the project that there is reason to believe would likely be interested in, or affected by, this notification:**

City of Cloverdale
124 N. Cloverdale Blvd.
Cloverdale, CA 95425

City of Eureka
531 K St
Eureka, CA 95501

City of Ferndale
PO Box 1095
Ferndale CA, 95536

City of Fortuna
621 11th St
Fortuna, CA 95540

City of Healdsburg
401 Grove Street
Healdsburg, CA 95448

City of Petaluma
11 English Street
Petaluma, CA 94952

City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

City of Rohnert Park
130 Avram Avenue
Rohnert Park, CA 94928-1180

City of Santa Rosa
100 Santa Rosa Avenue
Santa Rosa, CA 95404

City of Santa Rosa Water
69 Stony Circle
Santa Rosa, CA 95401

City of Sonoma
No. 1 The Plaza
Sonoma, CA 95476

City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Geyserville Water Works
P.O. Box 65
Geyserville, CA 95441

Humboldt Bay Harbor District
P.O. Box 1030
Eureka, CA 95502-1030

Lake County Administrative Officer
255 North Forbes St.
Lakeport, CA 95453

Mendocino County Board of Supervisors
501 Low Gap Road, Room 1090
Ukiah, CA 95482

Mendocino County Russian River Flood
Control and Water Conservation
Improvement District
151 Laws Avenue, Suite D
Ukiah, CA 95482

Mendocino County Water Agency
501 Low Gap Road, Room 1090
Ukiah, CA 95482

Redwood Valley County Water District
151 Laws Ave
Ukiah, CA 95482

Scotia Community Services District
400 Church Street
Scotia CA, 95565

Sonoma County
575 Administration Drive
Suite 104A
Santa Rosa, CA 95403

Town of Scotia
P.O. Box 245
Scotia, CA 95565

Town of Windsor
9291 Old Redwood Highway
Windsor, CA 95492

Valley of the Moon Water District
19039 Bay Street
Sonoma, CA 95476

G. Affected Indian Tribes:

The following tribal contacts are believed to potentially have an interest in the Project:

Bear River Band of the Rohnerville Rancheria 266 Keisner Road Loleta, CA 95551	Big Valley Rancheria of Pomo Indians 2726 Mission Rancheria Lakeport, CA 95445
Blue Lake Rancheria P.O. Box 428 Blue Lake, CA 95525	Cahto Tribe 300 Cahto Drive Laytonville, CA 95454

Cloverdale Rancheria of Pomo Indians 555 South Cloverdale Boulevard, Suite A Cloverdale, CA 95425	Coyote Valley Band of Pomo Indians P.O. Box 39 Redwood Valley, CA 95470-0039
Dry Creek Rancheria Band of Pomo Indians P.O. Box 607 Geyserville, CA 95441	Elem Indian Colony of Pomo Indians P.O. Box 757 Lower lake, CA 95457
Federated Indians of Graton Rancheria 6400 Redwood Drive, Suite 300 Rohnert Park, CA 94928	Guidiville Band of Pomo Indians P.O. Box 339 Talmage, CA 95481
Habematolel Pomo of Upper Lake P.O. Box 516 Upper Lake, CA 95485	Hopland Band of Pomo Indians 3000 Shanel Rd. Hopland, CA 95449
Inter-Tribal Sinkyone Wilderness Council P.O. Box 1523 Ukiah, CA 95482	Kashia Band of Pomo Indians of the Stewart's Point Rancheria 420 Guerneville Road – Suite 1 Santa Rose, CA 95403
Laytonville Rancheria P.O. Box 1239 Laytonville, CA 95454	Lower Lake Rancheria P.O. Box 3162 Santa Rosa, CA 95402
Lytton Rancheria P.O. Box 1289 Windsor, CA 95492	Manchester-Point Arena Rancheria P.O. Box 623 Point Arena, CA 95468
Middletown Rancheria P.O. Box 1035 Middletown, CA 95461	Mishewal-Wappo of Alexander Valley P.O. Box 1086 Santa Rosa, CA 95402
Noyo River Indian Community P.O. Box 91 Fort Bragg, CA 95437	Pinoleville Pomo Nation 500 B Pinoleville Drive Ukiah, CA 95482
Potter Valley Tribe 2251 South State Street Ukiah, CA 95482	Redwood Valley Rancheria of Pomo Indians P.O. Box 969 Ukiah, CA 95482
Robinson Rancheria of Pomo Indians S/B P.O. Box 428 Nice, CA 95464	Round Valley Indian Tribes 77826 Covelo Road Covelo, CA 95428

Scotts Valley Band of Pomo 1005 Parallel Drive Lakeport, CA 95453	Shebelna Band of Mendocino Coast Pomo Indians 19101 Olsen Lane Fort Bragg, CA 95437
Sherwood Valley Rancheria Band of Pomo Indians 190 Sherwood Hill Drive Willits, CA 95490	Wailaki Tribe P.O. Box 684 Laytonville, CA 95454
Wiyot Tribe 1000 Wiyot Drive Loleta, CA 95525	Yokayo Tribe 1227 Yokayo Tribe Ranch Rd Talmage, CA 95481
Yuki/Wailaki Tribe P.O. Box 684 Laytonville, CA 95454	

III. PRE-APPLICATION DOCUMENT AND INTEGRATED LICENSING PROCESS

Given the short period of time for potential applicants to file an NOI and PAD under the Commission's March 1, 2019 Notice Soliciting Applications, NOI Parties hereby incorporate by reference the public version of the PAD filed by PG&E in this docket on April 6, 2017.⁹ All of the general information on the Project contained in PG&E's PAD remains the same. In addition, participants in Congressman Huffman's Ad Hoc Committee have conducted several studies relevant to the Project that supplement PG&E's April 2017 PAD. Information about these studies is available on the Ad Hoc Committee's website.¹⁰

Consistent with the Commission's March 1 Notice, NOI Parties propose to use the ILP. The NOI Parties are in discussion with PG&E regarding access to PG&E's study data. PG&E has provided a spreadsheet demonstrating the status of each of the studies, which is attached as Appendix B. However, NOI Parties intend to explore physical and operational modifications to the Project that likely will require additional studies in support of a license application. A preliminary list of potential studies would include:

- Collection and analytical analysis of sediment samples collected from Lake Pillsbury and Van Arsdale Reservoir ("California State Coastal Conservancy Eel River Sediment Studies and Evaluation");

⁹ See Notice of Intent to File Application for New License and Pre-Application Document, Project No. 77-285 (filed Apr. 6, 2017) (public and privileged versions filed).

¹⁰ See Potter Valley Project, Meetings, <http://pottervalleyproject.org/meetings/> (last visited June 24, 2019).

- Evaluation of the manner in which such sediment could be managed in place or disposed; and
- Development of a sediment transport model of the Eel River from Lake Pillsbury to the confluence with the Middle Fork at Dos Rios.

NOI Parties also provide a revised process plan and schedule in Appendix C hereto. The last major milestone in PG&E's relicensing process was the issuance of a Study Plan Determination.¹¹ NOI Parties do not propose to duplicate steps in the pre-filing process already completed, specifically: filing of a new PAD and comments on the PAD, public environmental scoping, development of a proposed and revised study plan, or Commission study plan determination. Thus, these steps are not included in the revised process plan and schedule.

Under the revised process plan and schedule, after the NOI Parties complete the Feasibility Study in April 2020, they will file a report within 30 days describing the proposed Project to be studied. The NOI Parties have included in the schedule an opportunity for public comment on any modifications to PG&E's approved Study Plan, including additional studies, participants believe are necessary to assess the impacts of the new proposed Project. This would also be an opportunity for FERC, if it so desires, to offer study recommendations and to issue a Scoping Document 3, as appropriate. The NOI Parties will consider these comments in developing proposed revisions to PG&E's approved Study Plan. The NOI Parties will then file an Initial Study Report in September 2020 that will describe any study modifications or additional studies the NOI Parties deem necessary to develop a license application. After the Commission resolves any disagreements with the Initial Study Report, the NOI Parties will conduct studies beginning in January 2021, and file an Updated Study Report in September 2021. The Regional Entity will file a license application on or before April 14, 2022. Commencing with the filing of the license application, the post-filing process will be implemented in the normal course with opportunities for stakeholders to participate and comment on the Project proposal.

NOI Parties request the Commission to approve the attached revised process plan and schedule within 30 days of this filing, in its Notice of Commencement of Proceeding.

IV. REQUEST FOR WAIVERS

NOI Parties file this NOI as proxies for the new Regional Entity that will be the license applicant for the Project. It is likely that state legislation will be necessary to form the Regional Entity. Thus, the Regional Entity cannot be formed in time to file this NOI. As a result of negotiations in Congressman Huffman's Ad Hoc Committee and elsewhere, and because stakeholders envision a Two-Basin Solution that preserves

¹¹ Study Plan Determination for the Potter Valley Project, Project No. 77-285 (issued Feb. 15, 2018).

hydroelectric generation at the Project, rather than decommissioning, NOI Parties agreed to file this NOI on behalf of the new Regional Entity that will file the license application.

The NOI Parties believe that current circumstances are analogous to an orphaned project scenario, except that PG&E has merely withdrawn its NOI and expressly indicated its intention not to timely file an application for new license for the Project, rather than actually missing the application deadline. In light of these facts, the NOI Parties request the Commission to employ a process that aligns as far as practicable with the process envisioned by Section 16.25 of the Commission's regulations¹² and to grant such waivers as are needed to facilitate this process as further described in this NOI.

The Commission's regulations provide that an entity that files an NOI may file an application for a license within a prescribed time period.¹³ To the extent necessary, **NOI Parties hereby request the Commission to grant a waiver of its regulations to allow the Regional Entity, rather than NOI Parties, to file the license application.** NOI Parties need assurance from the Commission that they can move forward under this construct before they spend the substantial time and resources to undertake the Feasibility Study.

Due to the condensed schedule, NOI Parties also request a waiver of the requirement to file a preliminary licensing proposal or draft license application. Omission of the draft license application is a preliminary proposal based on the need to meet a compressed schedule, but could be revisited at a later time if the schedule allows. The NOI Parties expect to continue collaborative discussions with the larger stakeholder group which will shape the final Project plan. Eliminating the requirement for a preliminary licensing proposal or draft license application will save substantial time in the schedule. Moreover, the report on the Feasibility Study, which will be filed with the Commission by May 14, 2020 under the proposed schedule, serves the function of a draft license application, as it will propose a Project plan, including modifications and operations and maintenance requirements, to be carried out under a new license.

NOI Parties further request any other waivers of the Commission's regulations to the extent necessary to implement the process envisioned in this NOI.

V. REQUEST FOR EXTENSION OF TIME

The Commission's March 1 Notice indicates that potential applicants must file a license application by April 14, 2020, which is two years prior to the expiration of PG&E's existing license.¹⁴ However, the Commission's orphaned project regulations are not triggered until the current licensee fails to file a license application by the statutory deadline, i.e., by April 14, 2020.¹⁵ Moreover, the statutory deadline for PG&E to file an

¹² 18 C.F.R. § 16.25.

¹³ *Id.* § 16.25(b)(1).

¹⁴ Notice at 2.

¹⁵ 18 C.F.R. § 16.25(a).

application does not apply to a party who wishes to file a license application for an orphaned project.

In this case, the Commission appears to have triggered the orphaned project procedures early by soliciting potential applicants prior to PG&E's statutory deadline. Under the Commission's orphaned project regulations, if the current licensee fails to file a license application by its statutory deadline, the Commission will issue a "notice soliciting applications from potential applicants other than the existing licensee"¹⁶ within 90 days.¹⁷ An applicant who files a timely NOI may file a license application with the Commission "within 18 months of the date on which it files its [NOI]."¹⁸ Since under the regular orphaned project process a potential applicant would have approximately two years after the statutory application deadline to file a license application, **NOI Parties request an extension of time to file a license application until April 14, 2022.** This will provide the needed time to complete the Feasibility Study, form the Regional Entity that will be the licensee, complete the remaining relicensing studies, and develop a license application for the Project.

VI. REQUEST FOR ASSIGNMENT OF DESIGNATIONS

The Commission previously designated PG&E as the Commission's non-federal representative for carrying out informal consultation pursuant to section 7 of the Endangered Species Act, section 305(b)(2) of the Magnuson-Stevens Fisheries Conservation and Management Act; and section 106 of the National Historic Preservation Act.¹⁹ **NOI Parties request the Commission to assign these authorizations to them so they can continue these informal consultation efforts on behalf of the Regional Entity.** Upon formation of the Regional Entity, NOI Parties would transfer the delegations to the Regional Entity.

VII. CONCLUSION

In conclusion, the NOI Parties respectfully request, within 60 days of this filing, that the Commission: (1) accept this NOI; (2) approve the revised process plan and schedule; (3) grant a waiver of its regulations to allow the Regional Entity, rather than the NOI Parties, to file a license application; (4) grant an extension of time to file the license application until April 14, 2022; (5) assign the Commission's non-federal representative designations to the NOI Parties; (6) grant a waiver of the requirement to file a preliminary licensing proposal or draft license application; and (7) grant any other waivers of the Commission's regulations to the extent necessary.

¹⁶ *Id.*

¹⁷ *Id.* § 16.25(b).


¹⁸ *Id.* § 16.25(b)(1).

¹⁹ Notice of Intent to file License Application, Filing of Pre-Application Document (PAD), Commencement of Pre Filing Process, Prepare an Environmental Impact Statement, and Scoping; Request for Comments on the PAD and Scoping Document, and Identification of Issues and Associated Study Requests, Project No. 77-285 (issued June 1, 2017).

As required by 18 C.F.R. § 5.5(c), the NOI Parties are providing a copy of this NOI to appropriate federal and state resource agencies, Indian tribes, local governments, and members of the public likely to be interested in the proceeding, as set forth in the distribution list attached as Appendix D.

The NOI Parties look forward to working with the Commission, agencies, Indian tribes, local governments, and members of the public to timely develop a license application with proposed terms that will materially benefit both basins. If you have any questions regarding the above, please do not hesitate to contact the undersigned. Thank you for your assistance in this matter.

Respectfully submitted,



Grant Davis
General Manager
Sonoma County Water Agency
404 Aviation Boulevard
Santa Rosa, CA 95403
(707) 547-1900



Janet Pauli
Chair
Mendocino County Inland Water and
Power Commission
P.O. Box 1247
Ukiah, CA 95482
(707) 743-1173



Curtis Knight
Executive Director
California Trout
360 Pine Street, 4th Floor
San Francisco, CA 94104
(415) 392-8887



Hank Seemann
Deputy Director – Environmental Services
Humboldt County Public Works
Department
1106 Second Street
Eureka, CA 95501
(707) 268-2680

Enclosures

cc: Vince Yearick, FERC
John Katz, FERC
Alan Mitchnick, FERC

13



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 | 9:30 am |
| <i>Jack Gibson, Chair</i> | |
| 2. Public Comment | |
| 3. Approval of Agenda | 1 min. |
| <i>Action: Approve</i> | |
| 4. Approval of Minutes | 1 min. |
| <i>Action: Approve</i> | |
| 5. Treasure's Report | 1 min. |
| <i>Action: Accept</i> | |
| 6. Information Sharing | 9:45 am |
| Member Agency Delegates share items of Interest to NBWA | |
| <i>Delegates, Information Exchange</i> | |
| 7. OneWater Ideas for the North Bay | 10:10 am |
| 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> | |
| 8. Update: SF Bay Restoration Authority | 11:10 am |
| <i>Judy Kelly, Es. Director NBWA Information</i> | |
| 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.

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DISBURSEMENTS - DATED AUGUST 8, 2019

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 7/31/19	\$140,746.14
EFT*	Internal Revenue Service	Federal & FICA Taxes PPE 7/31/19	61,035.51
EFT*	State of California	State Taxes & SDI PPE 7/31/19	12,805.85
EFT*	CalPERS	Pension Contribution PPE 7/31/19	36,696.15
1	All Star Rents	Propane (14 gal) (STP)	56.05
2	Athens Administrators	Replenishment for Checks Written (\$1,996) & July Monthly Fees (\$1,000)	2,996.51
3	AT&T	Telephone (\$64), Fax (\$82), Data (\$278) & Leased Lines (\$140)	565.55
4	Bennett Trenchless Engineers	Engineering Services: Lagunitas Creek Bridge Pipe Replacement	12.50
5	Caltest Analytical Laboratory	Lab Testing	79.80
6	CDW-Government	Second Rack Mounted Battery Backup for Servers (\$2,215) & APC Backups (\$236)	2,451.24
7	Charles Custom Welding	Welding Services	2,600.00
8	Diesel Direct West	Diesel (530 gals) (\$2,085) & Gasoline (388 gals) (\$1,337)	3,423.23
9	Eurofins Eaton Analytical	Lab Testing (STP)	200.00
10	Grainger	STP HVAC Filters (50), Blower for Lake Aeration (\$79), Fire Hose Nozzles (4) & Vise Grip Pliers (5) (\$88)	249.04
11	Hach	Chlorine Reagent (\$409) & Ampule Kit (STP) (\$298)	707.60
12	Idexx Laboratories	Reference Cultures (Lab)	260.34

Seq	Payable To	For	Amount
13	Jordan, Candy	Novato "Toilet Rebate" Program	100.00
14	Lincoln Life	Deferred Compensation PPE 7/31/19	10,170.06
15	Maltby Electric	Receptacles for 10 Novato Pump Stations to Connect Generators During a Power Outage (\$4,330), Replacement Plug for Generator (\$985), Conduit, Gaskets, Couplings, Ells & Parts for Generator Transfer Project (\$406)	6,115.37
16	Marin County Tax Collector	FY20 Possessory Interest Tax (Apartment - \$346 & 25 Giacomini Rd - \$601) (7/1/19-7/1/20) & Supplemental Possessory Interest Property Tax Bill (4/1/18-7/4/19)(25 Giacomini Rd) (\$697)	1,644.62
17	Metrohm USA	O' Ring (Lab)	9.57
18	Nationwide Retirement Solution	Deferred Compensation PPE 7/31/19	1,995.00
19	Novato Sanitary District	May 2019 RW Operating Expense	17,450.67
20	Peterson Trucks	Spare Key ('12 International Dump Truck)	22.59
21	Prunuske Chatham	Prepare/Attend MPC Meeting (Leveroni Creek Embankment Repair Project) (Balance Remaining on Contract \$527)	1,540.00
22	Recology Sonoma Marin	July Trash Removal	480.66
23	Red Wing Shoe Store	Safety Boots (Miranda, Ocodhain, Davenport & Ielmorini)	759.13
24	Sonoma County Water Agency	Conservation Program Support (4/1/19-6/30/19)	9,206.49
25	Stompe, Brad	Exp Reimb: Inflatable Raft for Tank Inspections	201.14
26	Synectic Technologies	Quarterly Phone System Maintenance	446.70
27	Thatcher of California	Ferric Chloride (9 tons) (STP)	5,180.50
28	Univar	Sodium Hypochloride (1,000 gal) (RW)	1,052.73
29	USA BlueBook	Re-Rounding Tools (2)	238.54
30	VBS CAL	Photo Paper (Eng) (36" x 100')	112.42

Seq	Payable To	For	Amount
31	VWR International	Lab Supplies (\$163), Safety Gloves (\$163), Macro Tips (250) (\$239) & Nitrite (Lab)	592.73
		TOTAL DISBURSEMENTS	<u>\$322,204.43</u>

The foregoing payroll and accounts payable vouchers totaling \$322,204.43 are hereby approved and authorized for payment.

Julie Blue
Auditor-Controller

8/5/19
Date

[Signature]
General Manager

8/5/19
Date

DISBURSEMENTS - DATED AUGUST 15, 2019

Date Prepared 8/13/19

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>
*90201	US Bank Card	Magnetic Vehicle Antenna Mounts (3) (\$138), 2019 2nd Quarter DE6 & 941 Tax Filings (\$49), Fastrak (\$25), Costco-Coffee & Kitchen Supplies (\$80), Job Posting for Assoc Engineer Position (\$150), iAnnotate for BOD & Staff (7) (\$70), Finance Management Training for Senior Accountants & Auditor/Controller (\$1,360)	\$1,872.55
1	Able Tire & Brake	Tires (4) ('09 Toyota Prius Hybrid)	303.59
2	Alpha Analytical Labs	Lab Testing	275.00
3	Amazon/Genuine-Hardware	Dual Radios for WiFi @ STP (\$145), iPad Air ProCase (6) (\$84), iPad Keyboard Cases (6) (\$171), Check Valves for Sump Pumps (2) (\$42), Replacement Drive for System Back-ups (\$54), Hitch (\$189), Floor Mats (\$117), String Trimmer (\$96), Portable Battery Jump Starter (\$71), High Pipe Stands (7) (\$668) (Const) & Solid State Drives (20) (\$1,692)	3,329.49
4	Automation Direct	AI Cards for Buck/Nunes P/S (\$187), M12 Connectors for Transducers & Pump Stations (6) (\$135) & Module & Cable for OM Lift Station (\$111)	432.66
5	Bearings & Hydraulics	Puller for Shop	171.11
6	Caltest Analytical Laboratory	Lab Testing	81.05
7	Chemscan (ASA Analytics)	Manganese Analyzer Reagent Kit (STP)	2,332.76
8	Cilia, Joseph	Retiree Exp Reimb (Aug Health Ins)	333.79
9	Clark, Robert E.	Exp Reimb: CA-NV AWWA AFC19 Registration	575.00
10		Vision Reimbursement	368.00
11	Coast Counties Peterbilt	Parts & Labor to Diagnose & Repair Cab Body Control Module ('09 Peterbilt)	2,973.67

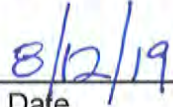
Seq	Payable To	For	Amount
12	Comcast	Aug Internet Connection	143.29
13	DataTree	July Subscription to Parcel Data Info	154.96
14	Diesel Direct West	Diesel (285 gal) (\$1,087) & Gasoline (300 gal) (\$997)	2,085.30
15	Diggs, James	Retiree Exp Reimb (Aug Health Ins)	311.19
16	Energy Systems	Emergency Power Generators for Pump Station Operation During Power Outages (3)	132,804.00
17	Enterprise FM Trust	July (\$1,428) & August Monthly Lease Charges for Nissan Rouge & Frontier Vehicles (3) (\$1,869)	3,297.77
18	Environmental Express	Standard (Lab)	58.06
19	Eurofins Eaton Analytical	Lab Services for UCMR4 Monitoring	305.00
20	Evoqua Water Technologies	Service on Lab Deionization System	263.85
21	Ferguson Waterworks	2" Compound Meter (Oakmont Senior Living)	2,284.14
22	Fisher Scientific	Filters (270) (\$142), Kimwipes (4,200) & Chlorine (1,000) (\$187) (Lab)	378.69
23	Arthur J. Gallagher	FY'20 Property, Excess Liability, Public Officials Error & Omissions, Employee Fidelity, Auto Physical Damage & Workers' Compensation	97,282.00
24	Garner, R	Refund Overpayment on Closed Account	29.63
25	Garret Medeiros Construction	Mowing of Stafford Lake Dam Face (\$1,950) & Oceana Marin Leach Field (\$1,450)	3,400.00
26	Grainger	Parts for Sand Pumps @ STP (\$317), Drill Bit, Wasp & Hornet Killer (12), Disposable Respirators (10) (\$142), Hooded Coveralls (25) (\$223), Tape Measures (2), Hitch Lock for Equipment (\$284), Tow Eye for Equipment (\$108), Bolt Cutter (2) (\$238) & Thread Sealant (\$128)	1,542.54
27	Hach	Fab-Lock Rings (2)	198.41
28	Jackson, David	Retiree Exp Reimb (Aug Health Ins)	986.81
29	Jakela	Refund Security Deposit on Hydrant Meter Less Final Bill	681.18

Seq	Payable To	For	Amount
30	JW Mobile	Hydrant Hose ('04 Backhoe)	185.99
31	Latanyshyn, Roman	Retiree Exp Reimb (Aug Health Ins)	333.79
32	Lemos, Kerry	Retiree Exp Reimb (Aug Health Ins)	986.81
33	Marin County Tax Collector	LAFCO Expense Allocation FY19/20 (Budget \$15,000) (7/19-6/20)	14,081.35
34	Marin Landscape Materials	Fill Sand (2 yds) (\$98), Crushed Rock (1 yd) (\$64) & Wood Chips for Front Office (1 yd)	219.18
35	Marin Trophies & Treasures	Memorial Picture Plaque for Joe Corda & NMWD Energy Efficiency Project Plaque- Dedicated October 2015	423.76
36	McMaster-Carr Supply	Flanges & Gaskets for STP Sand Pumps (\$409) & Hardware for Solar Bees (\$363)	772.41
37	North Marin Auto Parts	Towels (4 lbs) (\$85), Wiper Blades (2), Trailer Plug Adaptors (2) (\$52), Trailer Plugs (3) (\$80), Silicone Sealant, Diesel Exhaust Fluid (14) (\$171), Battery (\$219), Battery Clip & Charger (\$75) & Oil Filter	719.85
38	North Bay Gas	Welding Supplies, Torch Handle & Head (\$488), Nitrogen (STP) (\$803) & July Cylinder Rental (\$98)	1,458.22
39	Novato Builders Supply	Concrete (3 yds) (\$531) & Rebar (2)	541.61
40	NSI Solutions	QC Sample (Lab)	89.00
41	Office Depot	Sorter (2) & Toner (2) (\$184)	206.94
42	O'Reilly Auto Parts	Car Wash Cleaner (\$76) & Cleaner/Protectant for Fleet (\$159)	235.31
43	Pace Supply	Box Lids (19) (\$617), Garlock Gaskets (39) (\$238), Elbows (24) (\$376), Nipples (88) (\$1,210), Union, Adaptors (2), Reducers (13) & Tee (20) (\$543) & PVC Pipe (200') (\$1,140)	4,271.00
44	Pape Machinery	Repair Parts, Bushings & Pins to Rebuild Rear Boom on '09 John Deer Backhoe	2,400.88
45	Peterson Trucks	Service Parts ('15 Int'l Yard Dump Truck)	350.92

Seq	Payable To	For	Amount
46	Pini Hardware	Irrigation Controller for Front Office (\$89), Velcro Tape (2), Plumbing Supplies (RWF), Key Stock, Paint & Materials for OM Ponds (\$76), Parts for Meter Pedestal (\$66), Supplies for STP Bird Control, Spare Key, Tick Remover, Glue, Generator Caps (8), Paint, Sun Shade Hat, Hand Sanitizer (4), Pipe Cutter, Hole Saw & Hardware	569.53
47	Point Reyes Light	Legal Notice: Ordinance No. 38 Summary	115.50
48	Pollard Water	Re-Rounding Tool	91.14
49	Power Industries	Canlocks for STP Sand Pumps (2)	30.31
50	Soiland	Asphalt Recycling (17 tons)	131.36
51	Sonic Telecom	Refund Security Deposit on Hydrant Meter Less Final Bill	418.76
52	Stafford, Vernon	Retiree Exp Reimb (Aug Health Ins)	333.79
53	Staples Business Credit	Batteries (72), Adding Machine Tape (20), Clasp Env (100), Toner (2) (\$155) & Staples	236.51
54	State Water Resources Control	T2 Certification Renewal (Simpson)	80.00
55	Syar Industries	Asphalt Recycling (6 tons)	993.56
56	Thatcher of California	Ferric Chloride (9 tons)	6,700.83
57	Thatcher Chemical	Chlorine (2,000 lbs) (STP)	1,705.20
58	Thayer, Leda	Overpaid on Open Account	153.98
59	TPx Communications	August Telephone Charges	530.92
60	Van Bebber Bros	Steel for Multiple Projects	153.23
61	Verizon Wireless	Cellular Charges: Data (\$654) & Airtime (\$121) (25)	775.67
62	Victory Auto Plaza	Service Parts ('19 Chevy Colorado)	62.44
63	Wine Country Water Works Association	Trade Show Registration & Membership Fees (Arendell, Kehoe, Castellucci & Sjoblom)	340.00
64	Winzer	Bolts	29.69

Seq	Payable To	For	Amount
65	Zenith Insurance	Worker's Comp Premium (7/1/19-5/1/20)	89,057.00
		TOTAL DISBURSEMENTS	<u>\$389,041.93</u>

The foregoing payroll and accounts payable vouchers totaling \$389,041.93 are hereby approved and authorized for payment.

	
Auditor-Controller	Date
	
General Manager	Date

http://www.sonomawest.com/cloverdale_reveille/news/how-will-the-potter-valley-project-impact-cloverdale/article_d116cb16-b3e7-11e9-9ac4-f3ddcfe17c0e.html

FEATURED

How will the Potter Valley Project impact Cloverdale?

By Zoë Strickland, Reveille Editor, zoe@sonomawest.com Jul 31, 2019



With years to go until the project is relicensed, signs point to the monetization of water

On June 28, a group of local parties submitted a notice of intent to the Federal Energy Regulatory Commission (FERC) that states its plan to apply for a permit to take over operation of the Potter Valley Project.

The groups involved in the project are California Trout, the County of Humboldt, Mendocino County Inland Water and Power Commission (IWPC) and Sonoma Water. While the current permit for the project is held by PG&E, it announced in January that it wouldn't be working to renew the licensing past its expiration date of 2022. The Potter Valley Project provides water to Cloverdale, so the question on many citizens' minds is — how will this shift in power impact what happens with the city's water?

The Potter Valley Project is a hydropower project that sits in the middle of the Eel River and Russian River watershed basins and is integral in providing water to both Mendocino County and northern Sonoma County. The project itself refers to an interbasin transfer between the Eel River and Russian River watersheds. Included in the operation are two Eel River dams (Scott Dam and Cape Horn Dam), as well as a powerhouse and water diversion facilities.

In addition to providing fish habitats and power through a powerhouse, the Potter Valley Project also provides water to communities in both Mendocino and Sonoma counties. In Sonoma County, water that's diverted from the Eel River through Lake Pillsbury provides water to Cloverdale, Geyserville and northern Healdsburg. As such, it also serves as the water source for much of northern Sonoma County's robust agriculture production.

The group still has to get the OK from FERC and submit its feasibility study (a process that has to be completed by April 14, 2020). Once the feasibility study is completed, FERC will decide if it wants to grant the permit to the entities filing.

Though PG&E's license expires in 2022, IWPC chairperson Janet Pauli said that the company will likely continue to run it on a year-to-year basis until new licensing has gone through.

“To get to a place where the license transfers will probably take a number of years,” she said. “What I imagine seeing here is that PG&E is going to continue to manage and run this project. It probably will not be relicensed by 2022 — I imagine it will take several years after 2022 and PG&E will continue to operate it on a year-to-year basis until it’s relicensed.”

When the project’s license last expired in 1972 a similar process occurred, Pauli said, as PG&E went through the relicensing of the project (they had already held the license once before) they operated year-to-year before officially being granted another 50-year license of operation.

If FERC accepts the entities’ intent to file and feasibility study, and grants them the license to operate the Potter Valley Project, it could be awhile before they take over operation. However, once that happens, folks in Mendocino and northern Sonoma counties may experience some changes.

“We’ve pretty much been getting our water for free,” Cloverdale Mayor Melanie Bagby said. “What I’ve been hearing is that from now on that water will likely be monetized.”

Bagby also heads the Russian River Watershed Association.

Pauli had a similar sentiment, saying that, should they be granted the license they, “know that part of the financial burden for maintaining and running the final project will be borne by people who are dependent on the water supply.”

Another way to help fund the project would be to build up the number of people dependent on the project as a water source.

“In terms of all of Mendocino County that’s impacted and from Healdsburg north, the broader we build the base of dependency the more manageable the expense will be for everyone,” Pauli said.

The amount that they get from those using the water supply likely won't be enough to finance repairs and keep the operation going, she said, so the joint powers are also looking at options for federal and state funding as well.

Bagby said that Cloverdale's shouldn't be worried about water rights.

"That's not the problem," she said. "It's that if we lose water flow, our water rights are useless."

At the city level, the possibility of increased water costs isn't accounted for in this year's Cloverdale city budget. However, Bagby anticipates it being incorporated as an expense on next year's budget.

"For now what Cloverdale needs to do is understand that we need a seat at the table," Bagby said.

Pauli said that once FERC makes its final decision regarding moving forward to partner with the entities, there will be a series of opportunities for people to make public comments relating to the project.

Along the way, both the Mendocino County Farm Bureau and the Sonoma County Farm Bureau will occasionally host public outreach talks to provide updates on where the entities are at in the application process.

"Water is something we can't take for granted anymore," Bagby said. "This is the time for people to start getting more real about how we use water."

To find more information about the project, visit mendofb.org/potter-valley-project-licensing/ and pottervalleyproject.org.

County prepares for PG&E fire prevention blackouts

PG&E

By Richard Halstead

rhalstead@marinij.com

@HalsteadRicgard on Twitter

Marin could face a blackout lasting a week or more if Pacific Gas and Electric Co. implements a plan to switch off power to avoid a wildfire.

“County government is likely to be as impacted as any resident or business in the event of a shutdown,” Dan Eilerman, assistant county administrator, told supervisors Tuesday during a briefing on PG& E’s Public Safety Power

Shutdown program. “We really need to have a sense of urgency with regards to PSPS and what

PG& E >> PAGE 2



Firefighters conduct a controlled burn on Horse Hill in Mill Valley.

ALAN DEP — MARIN
INDEPENDENT JOURNAL,
FILE

County prepares for PG&E fire prevention blackouts

PG&E

FROM PAGE 1

we’re doing to plan ahead for it.”

The sheriff’s Office of Emergency Services is developing an addition to the county’s emergency operations plan to prepare for such a blackout.

“We’re in a geographic area where preparedness is important,” said Tom Jordan, an OES coordinator. “This PSPS

and heat overnight.

“One of our concerns is if we have a significant PSPS outage in Marin it will also likely affect our surrounding counties,” Eilerman said.

The California Public Utility Commission has fire threat maps that designate three tiers of fire and transmission risk statewide.

“The red extreme risk area and the yellow high risk area really encapsulates much of Marin,” Eilerman said. “That is why we are taking this so seriously.”

PG& E has said that no single factor will trigger a power

for emergency alerts at AlertMarin.org. AlertMarin uses phone calls, Voice over IP, texts, emails and a smartphone app to reach people.

PG& E spokesman Mark van Gorder said it is difficult to get information about the shutdowns to members of the public who live in trailer parks or apartment buildings where one electrical meter serves multiple units. In such instances, PG& E only has contact information for the property owner.

“We’re really encouraging landlords to take the responsibility that they have as

plan we're discussing is a new lens on that preparedness need."

The county has hired a consultant, Kelle Kroll Group, to assist in determining what the county's most critical services are and how it will continue to provide them without electricity. Kelle Kroll Group is being paid \$89,566 to develop a continuity-of-operations plan that will be applicable to any type of disaster or major disruption to county operations.

"So many elements of emergency planning depend on communications and electricity being available," said Kelle Kroll, the group's CEO.

Eilerman supplied a list of things likely to be affected by a blackout, such as telephones, cellular sites, water, lighting, cooling, computers, refrigeration, sanitation, gas pumps, ATMs, security systems, point-of-sale devices and schools.

Eilerman said he has been told that if a blackout knocked out water systems then the county's schools would be forced to close.

Power shutdowns have already occurred across the state. On June 8, PG& E shut off power to 1,700 customers in parts of Yolo, Solano and Napa counties when high winds created "red flag" fire conditions. On July 16, Southern California Edison shut off power to the city of Fullerton and Valencia, a neighborhood in Santa Clarita,

shutdown. Factors that will be considered include "red flag" warnings issued by the National Weather Service; low humidity levels; forecast sustained winds above 25 mph and wind gusts in excess of approximately 45 mph; the moisture content of the ground and live vegetation; and on-the-ground, realtime observations.

Eilerman said power typically won't be restored immediately after the conditions that prompted the shutdown change. PG& E will still have to inspect its power lines for damage before turning the power back on.

"That restoration period could last two to four days in addition to the actual event period," Eilerman said.

Both Eilerman and Jordan emphasized the critical need for individuals, families and businesses to develop their own plans for coping in the event of a power shutdown.

"County government is really going to be focused on public safety and those at most risk in our community," Eilerman said.

Jordan said, "Having a plan is key because an alert is not going to do much if you're not ready to actualize your personal and family response to it."

Jordan also urged Marin residents to register

the communications channel from PG& E," Van Gorder said.

Van Gorder said PG& E's Medical Baseline customers, who have registered with the utility for the purpose of identifying themselves as being dependent on electricity for medical reasons, can be directly contacted by the utility.

Eilerman said the county plans to issue a letter to PG& E to formally request assistance in setting up a community resource center in Marin, where residents could charge their cellphones and get water in the event of a power shutdown.

The county is also looking for additional backup cooling center sites. The objective is to identify sites in the northern, central and southern parts of the county.

And Eilerman said the county needs to identify how many working generators it has and to stockpile fuel. The county must ensure that fire, police and emergency medical services personnel will have fuel for their vehicles.

"With climate change and the scale and frequency of wildfires in recent years," Eilerman said, "this is really the new normal in California."

Wednesday, 08/07/2019 Page .A01

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leaving 14,000 people in the
dark

North Marin should reduce water into creek

In a recent article in the IJ ("Marin water supplies higher than normal as summer winds down," Aug. 2), Marin water districts recommend that, in spite of above average water levels in the reservoirs, residents still need to conserve. That makes sense.

My district, North Marin, a few years ago started releasing water from Stafford Lake into Novato Creek continuously during the dry month to help small fish and crawdads survive as the creek dried up. The only fish making it through those dry spells were ones that found deep pools that lasted until the rains began. However, it has been my observation the last couple of years that the water released into the creek exceeds that necessary to sustain the fish.

District staffers, could you please re-assess your release volume? You want us to conserve, but it looks as though you may need to do so as well.

— *Steve Eakle, Novato*

Water district addresses Stafford Lake release

A recent letter to the editor by Steve Eakle (Aug. 7) questioned the reasons for intermittent releases of water from Stafford Lake into Novato Creek. I want to assure the entire community that North Marin Water District places the highest priority on the optimum use of water from Stafford Lake as a local supply for our customers as well as for critical fire protection needs.

In the early 1980s, when NMWD obtained new water rights allowing for greater water use from Stafford Lake, the state of California imposed new requirements for NMWD to begin releasing water into Novato Creek from May through October of each year to support fishery/wildlife habitats. We have been consistently following this mandate for over three decades, with no changes during that period with regard to water release volumes into Novato Creek. Those releases have averaged 150 acre-feet per year, which represents about 3.5% of the total 4,400 acre-feet storage volume in Stafford Lake. I hope this information clarifies the water release protocols at Stafford Lake.

I applaud Steve Eakle for his interest in protecting our valuable local water supply and encourage any others with questions or concerns to contact NMWD staff. Input from our customers is always greatly appreciated.

— *Drew McIntyre,*
NMWD general manager

MMWD picks nonprofit to livestream meetings

CONTRACT PENDING

By Will Houston

whouston@marinij.com

[@Will_S_Houston on Twitter](#)

The Marin Municipal Water District Board of Directors selected a nonprofit organization this week to begin videotaping, livestreaming and archiving its meetings, but is waiting on the input of a new staff member before sealing the contract.

While the board voted unanimously to approve the contract with the San Rafael-based nonprofit Community Media Center of Marin, it did so with the condition that the agreement won't be finalized until the district's incoming communications manager, Jeanne Mariani-Belding, is able to take a look at it. District General Manager Ben Horenstein plans to meet with Belding in the coming weeks to discuss the contract.

Citing Mariani-Belding's experience in communications, board director Cynthia Koehler suggested at the board's Tuesday meeting that it would be prudent to give Mariani-Belding time to provide input so as to ensure the district

is making the most of its investment.

"She's all in, but also had recommendations about some of the other services we didn't consider because of cost," Koehler said at the Tuesday board meeting.

Belding has served as the spokeswoman for Sonoma-Marín Area Rail Transit, known as SMART, for several years. The two-year contract the district is considering would cost the district more than \$54,000 the first year and \$22,000 in years after.

Koehler's proposal received mixed reviews from her colleagues. Director Larry Bragman expressed frustration at further delaying the contract approval, saying that the nonprofit provides live-streaming, archiving and closed-captioning services at a much cheaper rate than other providers like Granicus, which is used by many of Marin's local governments.

"We've been kicking this around for four years and I think kicking it down the road again is not necessary," Bragman said.

The board came under criticism from the public earlier this year during its water rate hike meetings for not videotaping its meetings. Many accused the board of lacking transparency.

and that the contract money would be better spent improving the watershed.

"I think there are a lot of places we could spend the money better and we're pleasing a small number of people," Russell said.

At director Jack Gibson's recommendation, the board ultimately voted to approve the contract conditionally. If Mariani-Belding recommends the board consider other contract options, the contract would go back to the board in September.

The board came under criticism from the public earlier this year during its water rate hike meetings for not videotaping its meetings.

Not all board members were in
agreement. Director Larry
Russell said the board already
records audio of the meetings

Friday, 08/09/2019 Page .A03

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Wildfire prevention parcel tax pondered

Fire

MARIN COUNTY

Possible March ballot measure would pay for defense efforts
By Richard Halstead

rhalstead@marinij.com
 @HalsteadRichard on Twitter

Recognizing the potential peril of a devastating wildfire, Marin County fire agencies and municipal governments are proposing the creation of a new parcel tax to raise money to harden Marin's defenses and a new joint powers authority to oversee the effort.

The proposals will be discussed by the Marin County Board of Supervisors

when it meets on Tuesday.

"We have been working on a new approach to coordinate wildfire prevention efforts for some time, and we're glad that residents and partners around the county understand the urgency of this proposal," said Novato fire Chief Bill Tyler, president of the Marin County Fire Chiefs Association. "It's necessary because fire does not respect jurisdictional boundaries."

Voters could be asked to approve the parcel tax, which would aim at raising \$20 million annually, as early as March.

Sixty percent of the revenue generated by the tax would be dedicated to core functions such as vegetation management, wildfire detection, evacuation improvements, grants and public education. Twenty percent would be used for annual defensible space evaluations, and

another 20% would be used for wildfire prevention efforts designed for specific locales.

Proceeds from the tax would help Marin qualify for state and federal grants; but the money would stay local and be protected from any taking by the state.

Under the proposal, expenditures would be overseen by a new joint powers authority that would consist of the county government and the county's fire agencies and municipal governments.

The authority would be governed by an 11-member board of directors. There would be two board members representing each of

FIRE >> PAGE 4

Wildfire prevention parcel tax pondered

Fire

FROM PAGE 1

types."

Marin County fire Chief Jason Weber said the grand jury's recommendations aligned with previous analysis the county had done.

the plan.

Following the fires of 2017, the Board of Supervisors commissioned a crossjurisdictional panel consisting of fire officials, land managers and municipal

five proposed zones: Ross Valley, San Rafael, West Marin, Novato and Southern Marin. One board member would represent the remaining small districts.

In a report on fire preparedness that it released on April 25, the Marin County Civil Grand Jury called for the creation of a joint powers authority to coordinate wildfire preparedness and a quartercent sales tax to help fund preparedness efforts.

“Considering Marin’s current state of preparedness, citizens should not assume that first responders will be able to save them from the horrors of a wildfire like those experienced during Butte County’s Camp Fire,” the report stated.

“The idea of the tax and a JPA came entirely from the civil grand jury report,” said Lucy Dilworth, a member of the grand jury that produced the report.

“We felt that a sales tax was the most equitable approach. Since everybody benefits everybody should contribute.”

Dilworth said the grand jury also feared a parcel tax might lead to controversy over which areas of Marin benefit most from the spending of the tax revenue.

Marin County Administrator Matthew Hymel said, “Based on discussions with all the fire-responsible agencies, we thought the parcel tax was the

In 2015, county supervisors adopted a wildfire protection plan that inventoried the county’s fire fuel conditions and the number of people and structures at risk. The document was developed collaboratively by county fire and land management agencies.

Then, following the fires of 2017, the Board of Supervisors commissioned a cross-jurisdictional panel consisting of fire officials, land managers and municipal officials to review the devastating North Bay fires and make recommendations.

“We had very candid conversations about what worked well and what didn’t and what could have been done to avoid the calamity,” Weber said. “Based on the gaps identified in both documents, public demand to do more, and the understanding we could do this better together than independently, the fire chiefs, city managers and county executives began working on a countywide approach to wildfire prevention.”

“The work that needs to be done requires financial resources to create safer communities where residents can receive early alerts and warnings, safely evacuate and reduce the intensity of fires in a changing climate,” Weber said.

Organizers of the joint powers authority plan to make presentations to fire district boards, town councils and city councils through September and return to the Board of

officials to review the devastating North Bay fires and make recommendations.



Firefighters tend to a burning pile of brush during a controlled burn on Horse Hill in Mill Valley.

ALAN DEP — MARIN INDEPENDENT JOURNAL, FILE

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most appropriate revenue
source.

Supervisors with any proposed
modifications to

We are currently performing a
parcel tax study to determine the
relative costs by various
property

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PG&E losses surge over wildfire costs, bankruptcy



J.D. Morris Aug. 9, 2019 Updated: Aug. 9, 2019 3:16 p.m.
San Francisco Chronicle



PG&E's Aaron Rubio, begins the day meeting the crews to discuss the day's events, as they prepare to perform a public safety power shutoff drill around Foresthill, Ca. on Thurs. August 8, 2019, Helicopters and trucks, are used in a trial run for how it will inspect power lines before turning them on after a shut down.

Photo: Michael Macor / Special to The Chronicle

PG&E Corp.'s losses grew 160% from April through June compared to a year earlier as wildfire costs and the company's related bankruptcy case continued to damage its financial performance.

The company said Friday that its net losses for the second quarter totaled about \$2.6 billion, or \$4.83 per share. At the same time last year, PG&E reported net losses of \$984 million, or \$1.91 per share.

PG&E said this year's losses were driven largely by a new \$3.9 billion charge it recorded because of claims against the company arising from the 2018 Camp Fire and various 2017 wildfires. State officials announced in May that PG&E equipment started the Camp Fire, the deadliest and most destructive wildfire in state history, and many of the October 2017 fires were started by the company's power lines as well.

The charge reflects a \$1 billion settlement PG&E reached with local governments affected by the fires, along with PG&E's efforts to resolve other claims and "additional information from Cal Fire," the company said in a statement.

POINT REYES LIGHT

North Marin shifts elections to by-district

By Anna Guth
07/25/2019

The North Marin Water District has divided its service area into five districts, a move ensuring that at least one board seat represents West Marin customers. Despite the shift to a by-district election system, all five current board members would be able to keep their seats should they be re-elected at the end of their terms in 2020 and 2022, as the new zones align with their homes, which are spread across the service area.

General Manager Drew McIntyre said the district had not been tied to that outcome, but that it “just worked out that way.”

Last Tuesday, the board unanimously approved the map that delineates the new districts. Directors had discussed several map alternatives in the past few months at a series of public meetings in Novato and one in Point Reyes Station.

The five districts include four in Novato that each have around 12,000 residents and a 10 percent Latino population. The fifth district—which encompasses the service area in Dillon Beach, Point Reyes Station and Paradise Ranch Estates in Inverness—also includes a portion of western Novato. The West Marin district is the largest by a narrow margin, representing 12,555 people, 6.2 percent of whom are Latino, based on the 2010 census.

Mr. McIntyre did not receive many public comments in advance of the change, but said one resident recommended that Novato’s entire Hamilton Field neighborhood—a former Air Force base—be kept in one district rather than split. The directors agreed.

Tina McMillan, a Novato resident who lost her bid for a seat on the water board last fall after campaigning on the importance of having a woman on the board, spoke up during a June 4 meeting. She argued that the at-large election system favored incumbents and that the change to by-district elections would help challengers. Minutes from the board meeting detailed her comments: “She noted that only one woman had been elected to serve on the NMWD board and only one woman had been appointed to the board throughout the district’s history. Ms. McMillan added that many cannot afford to run against the incumbents because [they] have to reach out to the entire district population for election, adding that she believes that a smaller population is easier to reach out to and allows you to be more accountable to that group.”

Ms. McMillan also opined that the board was focused on Novato and not West Marin, and said she hoped the shift to district seats would help to change that.

West Marin has lacked a representative on the board since Olema resident Dennis Rodoni stepped down from his seat in 2016 after a 20-year term to start his new job as county supervisor. Jim Grossi, a North Marin director and a rancher in western Novato, wrote to the Light following an article about the proposed shift in May, affirming his ties to the coast and commitment to West Marin customers.

“Even though my address is Novato, I consider myself from West Marin, due to having lived my entire life on a ranch west of Novato and have many contacts in West Marin,” he wrote. “I and many of my family members and lifelong friends are involved in the Marin County Farm Bureau, MALT and the Point Reyes National Seashore. I have served on the board of the Lincoln-Union School District since 1981.”

Mr. Grossi, who was part of the design team for one of the critical water infrastructure projects in West Marin, a new well at the Gallagher Ranch in Point Reyes, encouraged coastal residents to reach out with concerns and questions.

Threats of litigation

North Marin Water District's move came alongside a wave of changes on Novato public boards triggered by an accusation that the Novato city council was violating California's Voting Rights Act of 2001, which seeks to reduce "racially polarized voting."

Attorney Kevin Shenkman, on behalf of the Southwest Voter Registration Education Project, wrote to the city council in February arguing that its at-large elections are shutting out representation of the city's Latino population. According to Mr. Shenkman—who has successfully brought legal action against cities across California over similar allegations—the state's voting act disfavors at-large election methods, which dilute the voting strength of minorities.

In the ordinance that establishes North Marin's new by-district elections, the water district rejects the idea that its historical at-large system violated the voting act.

"The district's service area in the Novato area is similar, but not identical to, the city boundaries, and the district denies that its at-large system for electing its directors violates the [California Voting Rights Act] 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," the ordinance states.

However, it continues, "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 [California Voting Rights Act] lawsuit or a transition initiated in response to a letter such as that received by the City of Novato."

Mr. Shenkman threatened to sue the city should it not voluntarily transition to by-district elections, though the state's election code protects jurisdictions from litigation for three months after such a notice to allow time for a proper public process. Jurisdictions that have fought Mr. Shenkman have wound up shelling out millions of dollars.

Preemptively, North Marin directors adopted a resolution of intent to establish the by-district voting system on April 23. The Novato City Council adopted a by-district system in May, which will be in effect for November's elections.

North Marin's election map can be found at nmwd.com/about_elections.php.

Field for November election almost set

By Corey Pride

The filing period for candidates running for city council closes today for two of the three seats Novato residents will be voting on in the city's first by-district elections.

Council members Pam Drew (District 1) and Josh Fryday (District 5) did not file to run for reelection by the Aug. 8 deadline. As a result the filing period for candidates in their districts was extended to Wednesday.

Mayor Eric Lucan (District 3), whose term also expires this year, did meet the deadline to file for reelection and will face off against communication consultant Kevin Morrison.

Drew, who did not return calls requesting comment for this article, faced criticism last year from fellow council members and the public regarding her demeanor and perceived lack of preparedness for council meetings.

In December, Councilwoman Denise Athas addressed Drew directly as the council prepared to pass her over for a traditional yearlong appointment as mayor.

"Pam... it isn't personal. It isn't how you vote. It is really about behavior. It's really about disrespect to our staff," Athas said, "and I can't tolerate that."

At issue was a perception by some that Drew is rude to city staff, other council members and the public. Instances were cited where Drew was curt with city staff, was alleged to have told members of the public to shut up and questioned whether citizens had an understanding of specific issues involving the city. Some residents also believed she used a message on a T-shirt to openly mock a citizen's complaint.

Novato residents presented a 190-signature petition to the city council asking that Drew not be appointed mayor. Ultimately Lucan received the mayoralship.

As of last week certified public accountant Jim Petray and Planning Commissioner Susan Wernick were the only two people who had filed to run for Drew's seat.

Fryday made it known weeks in advance that he would not seek reelection.

He announced last month that Gov. Gavin Newsom appointed him chief service officer of the California Volunteers, a commission overseeing groups like Disaster Volunteering and Preparedness and AmeriCorps. Fryday is planning to officially resign from the city council later this month due to the extra workload associated with his new job. As of last week Realtor Marie Hoch was the only person to have officially filed to run for office in District 5 for Fryday's seat.

This November will mark the first time Novato residents will choose councilmembers through a by-district system rather than the traditional at-large method. 2019 will also be the final time Novato holds its city council election in an odd-numbered year. This year's winners will have five-year terms in office.



Pam Drew



Josh Fryday

County closer to buying in West Marin

HOUSING

\$4.3 million to Coast Guard; property tabbed as affordable housing

By Richard Halstead

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@HalsteadRichard on Twitter

Marin County is poised to purchase the former U.S. Coast Guard property in Point Reyes Station for \$4.3 million, clearing the way for the property's use for affordable housing — a scarce commodity in West Marin.

"We currently have a signed offer to purchase from the U.S. Coast Guard to sell the property to the county," Eric Lueder, chief property agent in the county's Public Works Department, told supervisors this week. At Lueder's direction, the supervisors Tuesday approved a resolution issuing a notice of intent

to purchase the property.

"This resolution is the first step in our process mandated by state law to move forward with the potential purchase," Lueder said. "Then we will be in contract to purchase the property and will have 90 days to close escrow and receive the property."

The supervisors will be asked to approve the offer to purchase agreement on Sept. 17.

The 32-acre property, formerly used by Coast Guard employees and their families, features 36 townhouses, picnic areas, trails, a dining hall, tennis courts and other facilities. If the county moves forward with the purchase, the money to buy the property will come from its affordable housing trust fund, which currently has a balance of \$8 million.

Finalization of the purchase can't come soon enough for people who live and work in West Marin.

"We are desperate for some kind of affordable housing in West Marin,"

said Jerry Meral on Tuesday.

Several members of the public urged supervisors to complete the purchase and move as quickly as possible to make the necessary zoning changes to allow the housing to be refur-

bished and reoccupied.

The property currently lacks sewer service and will require

a range of household sizes and incomes is critically needed in Point Reyes and West Marin."

and serious negotiations over price could begin. A facility needs assessment and a sanitary sewage disposal feasibility study

changes to bring it into compliance with the Americans with Disabilities Act. Kim Thompson, executive director of Community Land Trust Association of West Marin (CLAM) said she doesn't see these requirements as major obstacles to converting the property into affordable housing.

"The biggest challenge will be to ensure that the agencies involved treat this as a top priority and urgent need through the entitlements process," Thompson said.

The property is not zoned for commercial or residential use and the necessary changes may involve approval from the California Coastal Commission, Thompson said. CLAM would like to rehabilitate, own and manage the property in partnership with an organization that has financial experience in projects this large.

Judith Bloomberg, speaking on behalf of the Marin Organizing Committee (MOC), said, "We have heard many, many stories about the continued erosion of available affordable housing in West Marin because of the purchase of homes for vacation rentals. Affordable housing of

Bloomberg said to get the Coast Guard housing reoccupied as soon as possible, MOC "would like to see an expedited public review."

It has been four years since CLAM organized a community-wide campaign to stop the Coast Guard site from being sold at auction to the highest bidder.

"This community has been waiting for close to four years and those homes have been waiting for close to four years," Thompson said. "It's very hard to have vacant homes sitting right there in a community when so many people don't have a place to live."

In 2015, at the urging of Rep. Jared Huffman, D-San Rafael, the House of Representatives passed the Coast Guard Authorization Act, which mandated that the Coast Guard give Marin County exclusive first rights to purchase the Point Reyes Station housing site at fair market value. The legislation set a deadline of February 2020 for sale of the property.

Lueder said after the legislation passed a number of studies and investigations had to be completed before the property could be appraised

have been completed. Leelee Thomas, a principal planner with the county's community development department, said the county can't make those documents public until after the purchase has been finalized.

Lueder said David Tattersall and Co. did the appraisal using a sales comparison, a cost and an income approach. He said the values ranged from \$3.5 million to \$4.3 million. The lowest value came under the income approach.

Thompson said the county is getting the property at a good price.

"I think there was an inherent tension about the price because this is 32 acres that includes 36 townhomes and other buildings in Point Reyes Station, which from the U.S. Coast Guard's perspective is prime real estate," Thompson said.

"The county really had a task to educate the General Services Administration and the U.S. Coast Guard about the restrictions at play on that property and the effects of those on the sale price," she said, "and the county did a good job with that."

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