



**NORTH MARIN  
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT  
AGENDA - REGULAR MEETING  
December 3, 2019 – 6:00 p.m.  
District Headquarters  
999 Rush Creek Place  
Novato, California**

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

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
6:00 p.m.	<b>CALL TO ORDER</b>	
	1. <b>REORGANIZATION OF BOARD:</b>	
	1. Election of President	
	2. Election of Vice President	
	3. Establishment of Meeting Times and Place	
	4. Establishes the Manner of Calling Special Meetings	
	5. Appointment of District Officers	
	6. Confirm Board Meeting Schedule for 2020	
	7. Committee Appointments	
	2. <b>APPROVE MINUTES FROM REGULAR MEETING</b> , November 19, 2019	
	3. <b>GENERAL MANAGER'S REPORT</b>	
	4. <b>OPEN TIME: (Please observe a three-minute time limit)</b>	
	This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.	
	5. <b>STAFF/DIRECTORS REPORTS</b>	
	<b>ACTION CALENDAR</b>	
	6. <b>Approve:</b> Payment of Novato Sanitary District Invoice from Recycled Water Capital and Expansion Fund	
	<b>INFORMATION ITEMS</b>	
	7. Draft Annual Report 2018-2019	
	8. FY19-20 Quarterly Progress Report – Water Quality	
	9. FY19-20 Quarterly Progress Report – Operations and Maintenance	
	10. Special WAC/TAC Meeting – October 7, 2019	
	11. <b>MISCELLANEOUS</b>	
	Disbursements – Dated November 21, 2019	
	Disbursements – Dated November 27, 2019	

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
		<u>News Articles:</u> Conserving water played a key role during recent power shutoff – Marin voice City urged to fight school hub – NOVATO State lawmakers rip CEO over repeated service interruptions Wildfire parcel tax approved for ballot Disputed water fee adjust for some – MARIN MUNICIPAL County seeks developer for Coast Guard Station Property
7:00 p.m.	12.	<b>ADJOURNMENT</b>

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## MEMORANDUM

To: Board of Directors  
From: Terrie Kehoe, District Secretary   
Subj: Reorganization of Board of Directors in a Non-Election Year  
t:\bod\annual reorg\2019\reorganization non election 2020.doc

November 27, 2019

Following is an outline of procedures that may be followed at the December 3, 2019 meeting to meet the requirements of the County Water District Law and the California Election Code concerning organization of the Board of Directors after the election of Directors. Since there was no Board election this fall, reorganization is not required this year. However, the Board has traditionally (since 1971) reorganized every year (Attachment 1).

The current President calls the meeting to order. He may conduct the nominations or he may instruct the Secretary to assume the Chair.

1. Election of President. Nominations are received for the office of President of the Board. Directors vote on nominated candidates for President.
2. Election of Vice - President. The elected President assumes the Chair and presides over the election of Vice President. Nominations are received for the office of Vice President of the Board. Directors vote on the nominated candidates for Vice President.
3. Establishment of Meeting Times and Place. By motion, the Board establishes the time and place of holding its regular meetings: first and third Tuesdays of each month at 6:00 p.m. at the District office with a meeting to be held in West Marin at a place and time to be determined.
4. Establishing the Manner of Calling Special Meetings. By motion, the Board establishes the manner of calling special meetings (under provisions of Section 54956 of the Government Code). The Board President, on their own initiative or at the request of two or more Directors, may call a special meeting of the Board of Directors, or as otherwise provided for by law. All special meetings shall be noticed and held in compliance with the Ralph M. Brown Act.
5. Appointment of District Officers. By motion, the Board appoints a General Manager, Chief Engineer, Secretary, and Auditor-Controller, and any other officers necessary and convenient to the District.
6. Confirm Board Meeting Schedule for 2020. By motion, the Board accepts the proposed meeting dates for the upcoming calendar year with the understanding that the calendar may be adjusted as needed (Attachment 2).
7. Committee Appointments. Board review committee appointments recommended by the President (Attachment 3).

NMWD BOARD OF DIRECTORS  
OFFICER ROTATION

<b>Year</b>	<b>President</b>	<b>Vice President</b>
2020	Michael Joly	Jim Grossi
2021	Jim Grossi	Steve Petterle
2022	Steve Petterle	Rick Fraites
2023	Rick Fraites	Jack Baker
2024	Jack Baker	Mike Joly

**2020 SCHEDULE**  
**NORTH MARIN WATER DISTRICT**  
**BOARD OF DIRECTORS MEETINGS**

MONTH	DATE	TIME
January	7	6:00 p.m.
	21	6:00 p.m.
February	4	6:00 p.m.
	18	6:00 p.m.
March	3	6:00 p.m.
	17	6:00 p.m.
April	7	6:00 p.m.
	21	6:00 p.m.
May	5	6:00 p.m.
	19	6:00 p.m.
June	2	6:00 p.m.
	16	6:00 p.m.
	23 (Point Reyes)	6:00 p.m.
July	7, 21	6:00 p.m.
August	4	6:00 p.m.
	18	6:00 p.m.
September	1	6:00 p.m.
	15	6:00 p.m.
October	6	6:00 p.m.
	20	6:00 p.m.
November	3	6:00 p.m.
	17	6:00 p.m.
December	1	6:00 p.m.
	15	6:00 p.m.

All Board meetings are typically held the first and third Tuesday of the month at the District's headquarters, 999 Rush Creek Place, Novato, except one meeting to be scheduled in West Marin (and any others on an 'as-needed' basis).

If you would like information regarding agenda items, please contact District Secretary Terrie Kehoe at (415) 761-8921.

**NORTH MARIN WATER DISTRICT  
BOARD OF DIRECTORS  
COMMITTEE/ASSOCIATION ASSIGNMENTS  
2020**

<b><u>EXTERNAL Committees</u></b>	<b><u>NMWD Representative(s)/Alternate</u></b>
<b>North Bay Watershed Association</b> 1 meeting per month – Friday 9:30 a.m. – 11:30 a.m. Petaluma / Novato	<b>Rick Fraites/Jack Baker</b>
<b>Russian River Public Policy Facilitation Committee</b> (Russian River Biological Assessment/Opinion) 1 meeting per year – Friday 9:00 a.m. – Noon Santa Rosa/Ukiah	<b>Steve Petterle/Jim Grossi</b>
<b><u>Water Advisory Committee</u></b> 1 meeting per quarter – Monday 9:00 a.m. – Noon Santa Rosa	<b>Jack Baker/Michael Joly</b>
<b><u>North Bay Water Reuse Authority/NorthBay Water</u></b> 1 meeting per quarter – Monday 9:30 a.m. Novato Sanitary District/Novato City Hall	<b>Jack Baker/Jim Grossi</b>
<b><u>Novato Watershed Policy Advisory Committee</u></b> As needed	<b>Rick Fraites/Jack Baker</b>
<b><u>INTERNAL Committees</u></b>	
<b><u>Recycled Water Subcommittee</u></b> As needed	<b>Jack Baker/Steve Petterle</b>
<b><u>NMWD Public Outreach ad Hoc Committee</u></b> As needed	<b>Steve Petterle/Rick Fraites</b>
<b><u>NMWD Water Rate Study ad Hoc Committee</u></b> As needed	<b>Mike Joly/ Jim Grossi</b>

Note: ad Hoc Committees are deleted off the list once no longer in use

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DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
November 19, 2019

**CALL TO ORDER**

President Jack Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 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.

Chris Brown of Fedak and Brown LLP, Jim Detrick of BMI Imaging Systems Inc. and District employees Tony Arendell (Construction/Maintenance Supervisor) and Robert Clark (Operations/Maintenance Supervisor) were also in attendance.

**MINUTES**

Director Baker asked for a few minor revisions and on motion of Director Joly, seconded by Director Grossi the Board approved the minutes from the November 5, 2019 meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**GENERAL MANAGER'S REPORT**

Mr. McIntyre asked to remove Item No. 12 – PRE Tank 4A – Reject Bid from the agenda.

**Public Safety Power Shutoff (PSPS) Update**

Mr. McIntyre informed the Board that Mr. Clark will be providing a verbal Public Safety Power Shutoff update as part of the staff report.

**Gallagher Ranch Water Production Testing**

Mr. McIntyre announced that at the October 15<sup>th</sup> meeting he reported that water production testing for the temporary north pasture well at Gallagher Ranch was to start soon to determine the reliable production capacity. He indicated the results were disappointing yielding

only 50 gallons per minute (gpm). Mr. McIntyre added a final report will be prepared by our consultant, PES and he will return to the Board at a later meeting with a recommended path forward. Director Baker asked how this water production compares to the existing well. Mr. McIntyre replied the existing Gallagher well production is about 140 gpm, and each Coast Guard Well produces about 300 gpm.

#### Gallagher Ranch Stream Bank Stabilization Project

Mr. McIntyre announced the stream bank project design is proceeding on schedule and we expect to receive the 60% design submittal next week. He added that permitting is being initiated as well.

#### Potter Valley Project

Mr. McIntyre reported that on November 20<sup>th</sup> he and Mr. Vogler will participate in a Potter Valley Project conference call between the water contractors and the Agency for an update on the Planning Agreement Partners Feasibility Study.

#### Week Ahead

Mr. McIntyre stated that next week he will be out of office on Tuesday and Wednesday, and Ms. Blue will be in charge during his absence.

#### **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 apprised the Board that the District's apartment had a plumbing leak a few months back which in turn caused some water damage and mold. He added that in order to perform the required repairs, staff had to ask the tenant to move out by January 20<sup>th</sup>. Mr. Clark stated after the repairs the apartment will be available for an employee to rent. Director Baker asked if the current tenant will be permanently moving out. Mr. Clark confirmed.

Mr. Clark also informed the Board that PG&E may enact another PSPS event and staff was getting prepared. He added that since Marin County is no longer involved it will not be a full staff roll out. Mr. Clark stated there will be employees on standby just in case PG&E changes their mind again. Director Grossi commented that Marin County Fire had issued a red flag warning and that it is still in effect. Mr. Clark replied that we are still on standby; we have generators deployed in West Marin and other generators available if we need them. Mr.

McIntyre stated Sonoma County Water Agency is expected to be impacted as early as tomorrow morning, and they are prepared to operate using standby generators.

Ms. Kehoe reminded the Board that the deadline to RSVP for the Holiday Party is on November 20<sup>th</sup>.

#### **MONTHLY PROGRESS REPORT**

The Monthly Progress Report for October was reviewed. Water production in Novato is up 6% from one year ago. In West Marin, water production is down 11% from October one year ago. Recycled Water production is up 32% from one year ago. Stafford Treatment Plant production is up 32% for October one year ago and up 30% fiscal year to date, which is the second highest year to date production over the last five years. The Board was apprised that Stafford Lake is at 45% capacity, Lake Sonoma is at 86% capacity and Lake Mendocino is at 124% capacity. On the Summary of Complaints and Service Orders, the Board was apprised that total numbers are down 19% from October one year ago. Julie reported on the October 2019 Investments, where the District's portfolio holds \$22M earning a 2.21% average rate of return. Julie noted that during October the cash balance increased by \$2,389,365 partially due to the Bay Club Loan payoff. She also noted the LAIF rate is 2.19%.

Director Joly noted November has been dry so far and taking into account our current storage capacity and if we had a dryer year than normal, would it be a problem. Mr. McIntyre replied that most of our water comes from Sonoma County Water Agency and their water supply storage is good.

#### **CONSENT ITEMS**

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

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

NOES: None

ABSTAIN: None

ABSENT: None

#### **RESOLUTION AUTHORIZING APPLICATION TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CA FOR A CERTIFICATE OF CONSENT TO SELF -INSURE WORKERS' COMPENSATION LIABILITIES**

The Board approved a resolution authorizing an application to the Director of Industrial Relations, State of California for a Certificate of Consent to self-insure workers' compensation liabilities. This resolution will satisfy the California Office of Self-Insurance Plans that members of the pool acknowledge that the pool itself is self-insured.

101 **COST SHARING FOR 2020 URBAN WATER MANAGEMENT PLAN UPDATE**

102 The Board authorized the General Manager to execute a cost sharing Letter Agreement  
103 with the City of Santa Rosa related to preparation of the 2020 Urban Water Management Plan.  
104 This allows the participating Water Contractors to share the cost of the contract with the  
105 consultant, EKI Environment and Water to prepare an updated water demand analysis

106 **LEVERONI CREEK EMBANKMENT REPAIR PROJECT – NOTICE OF EXEMPTION**

107 The Board approved filing of the Notice of Exemption for the Leveroni Creek  
108 Embankment Repair Project. It has been determined that the Leveroni Creek Embankment  
109 Repair Project qualifies for a Class 4 exemption under Section 15304 of the CEQA Guidelines.

110 **RENEWAL OF HORIZON CATV LICENSE AGREEMENT**

111 The Board approved renewal of the Horizon CATV License Agreement. The Horizon  
112 CATV license agreement with the District allows continued use of PRE tank site #4 for a 40'  
113 high antenna, 5' x 7' equipment shed and a propane tank and an emergency generator.

114 **ACTION ITEMS**

115 **OUTSIDE AUDITOR'S FY19 REPORT AND MANAGEMENT REPORT**

116 Ms. Blue introduced Chris Brown of Fedak & Brown LLP who attended the meeting to  
117 give a presentation of the Comprehensive Annual Financial Report (CAFR). Mr. Brown thanked  
118 Ms. Blue and her staff for all their hard work to provide them the information in a timely manner.  
119 Mr. Brown congratulated the Board stating the audit went fairly well and they did not identify any  
120 material weaknesses, adding the report will again be submitted to the Government Finance  
121 Office Association, and most likely will win the CAFR award once more. As part of the  
122 presentation Mr. Brown reviewed the financial result highlights and added that the District is  
123 going in the right direction with raising their rates.

124 Director Joly asked if sales were flat, would that be included in last year's increase,  
125 therefore actually we would be down in revenue. Ms. Blue replied that it is because of the rate  
126 increase that you see an increase. Mr. Brown replied that the overall picture would be much  
127 worse if we had not raised the rates. Ms. Blue noted the rate increase went into effect on June  
128 1<sup>st</sup>. Mr. Brown continued the presentation asking if the Board wanted to discuss pension liability  
129 since that was a topic of interest last time. Director Joly asked if there were any changes this  
130 year, and if we should feel comfortable with the pension liability balances. Mr. Brown replied  
131 that they independently calculate it and he feels very comfortable with the pension liability  
132 balance account. Mr. McIntyre noted that a more detailed analysis of the District's obligation of  
133 liability is done every other year. Mr. Brown added that it can change and it depends on the  
134 actuarial evaluation. Ms. Blue noted we just had a roll forward this year. Mr. Brown added next

year everything will need to be measured from scratch and not use old numbers. Director Fraites asked if the pension is sustainable over the next decade. Mr. Brown stated that if you are asking about the liability of your participants the answer is yes, because it is part of a pool and does not rely on just the District. He added if everyone stopped paying the state would have to step in as it the law. Mr. Brown stated as far as the big picture, the audit went well, nothing was missed, and the results were positive. Director Joly thanked Mr. Brown for providing his services.

On the motion of Director Joly, and seconded by Director Fraites the Board approved the Outside Auditor's FY19 Report and Management Report by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**RECORDS MANAGEMENT SCANNING CONTRACT WITH BMI IMAGING SYSTEMS, INC.**  
**(BMI)**

Ms. Kehoe discussed the need to scan the documents currently stored in the warehouse. Ms. Kehoe stated that this has been a project that we have wanted to start for quite some time. She added the District has many documents in the warehouse that need to be scanned so that we do not lose the valuable historical information. Ms. Kehoe noted, as that she reached out to three companies that were referred to us by other agencies. She met with both Ray Morgan Company and BMI and noted Pacific Doc never got back to her. Ms. Kehoe stated after reviewing the bids staff decided to recommend that the Board approve BMI for our records management scanning. She added that she made this recommendation not only on price, but felt that BMI is the most qualified to do the job. Ms. Kehoe introduced Mr. Jim Detrick from BMI who was in the audience in case the Board had any questions.

Director Joly asked if the original documents will continue to be stored, and Director Baker also voiced this concern. Mr. McIntyre replied that staff is not ready to make the commitment to shred all paper documents at this time. Director Baker asked Mr. Detrick what the preference is with his other clients. Mr. Detrick responded that the vast majority of his clients are public agencies and they are more likely to maintain the paper documents. Director Grossi noted at some point scanning will be a thing of the past, adding the new trend is to use electronic not paper documents. Mr. Detrick confirmed a lot is being done electronically, however he has been in the business for over 30 years and it is a slow change. He noted that electronic documents are leading the way.

On the motion of Director Petterle, and seconded by Director Fraites the Board authorized the General Manager to execute a Records Management Scanning Contract with BMI Imaging Systems, Inc. by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**PRE TANK 4A – REJECT BID**

The PRE Tank 4A Reject Bid item was removed from the agenda.

**INFORMATION ITEMS**

**PUBLIC COMMUNICATIONS PLAN- PHOTO SHOOT FOR WEBSITE UPDATE**

Ms. Kehoe advised the Board of an upcoming photo shoot as part of the website update. The photography work is being conducted as part of a contract with Kiosk to implement the Communications Strategy and Plan for the FY 2019-20. Ms. Kehoe stated that staff is requesting the Board to attend a photo shoot on December 9<sup>th</sup>. She noted the available times will be announced at a later date and at that time the Board members will be contacted for scheduling. Ms. Kehoe explained the photos will be used for our website, but she would also like to have framed pictures put up in the Board Room. She added she recently attended a meeting at Novato Fire Protection District as part of Novato Leadership and thought their portraits of their Board were very professional and would like the Board to consider the same type of attire.

Director Baker asked if this was only for the head shots and not the group. Mr. McIntyre replied that the group shots will be later. Director Grossi asked if they will do a casual shot as well or if that will be for later. Mr. McIntyre replied that for now we will be focusing on more formal photographs. Director Joly thought a suit and tie would be fine. Director Grossi asked what time. Ms. Kehoe responded that Kiosk will be contacting her with the times available and she will then call each Director to schedule their appointment.

**INCREASE IN FACILITY LOCATION UNDERGROUND SERVICE ALERTS (USA)**

Mr. Arendell reviewed the historical increase in Facility Location Underground Service Alerts (USA) which is due in part to the safety campaign that PG&E has undertaken resulting in a much greater number of requests for facility location coupled with increased location requests from homeowner and property managers.

Director Baker stated that he remembers when USA first started with the telephone company. He added that since 2017 when PG&E started their campaign a lot more people

203 started calling in. Mr. Arendell noted that by law if you put a shovel in the ground you are  
204 supposed to call. Director Baker added in the past you would only have to call in if it was in the  
205 street, now you have to call even if you are planting a tree. Director Grossi stated that it is good  
206 insurance. Mr. Arendell noted that on the attached graph it shows that the hours spent doing  
207 mark and locates have gone up. Director Joly stated this is wonderful and asked if this is done  
208 as community service. Mr. McIntyre responded that it is required by law. Director Joly asked if  
209 we can charge a fee. Mr. Arendell responded no; in fact the District has to pay. Director  
210 Petterle stated that by marking our facilities we are protecting them.

#### 211 **ENTERPRISE FLEET REVIEW**

212 Mr. Clark updated the Board on the Enterprise Fleet Management Program for fleet  
213 vehicles. He stated that after six months of operation, the fleet management program has been  
214 a better value than originally estimated. Another review will occur at the end of this fiscal year.  
215 Mr. Clark added that we will continue to do the maintenance as we complete the transition of the  
216 fleet, noting the newer vehicles do not need as much maintenance.

217 Director Grossi asked how Enterprise makes money on this lease program. Mr. Clark  
218 replied through management fees and auto resale. Director Joly asked if the cost analysis  
219 includes depreciation. Ms. Blue stated that the analysis does not include depreciation and that  
220 the financial recording of leases is changing due to GASB 87.

221 Mr. Clark added that the average of our fleet before was eleven years and now it will be five.

#### 222 **STAFFORD LAKE SPILL/RAINFALL HISTORY**

223 Mr. Clark summarized the Stafford Lake Spill/Rainfall History and stated that Stafford  
224 Lake has reached full capacity in 15 of the last 20 years. He estimated based on trends that  
225 this year we may see the majority of the rainfall in the second half of the year.

226 Director Grossi asked about the location of the rain gauges. Mr. Clark responded that  
227 there is one at the District office and the other is at Stafford Dam. Mr. McIntyre stated most of  
228 our historical data is from the District office location.

#### 229 **FY 19-20 QUARTERLY PROGRESS REPORT – ENGINEERING DEPARTMENT**

230 Mr. Vogler presented the FY19-20 Quarterly Progress Report for the Engineering  
231 Department. He summarized that CIP expenditures for Novato Water are anticipated to be 12%  
232 less, Novato Recycled Water will remain approximately unchanged, and West Marin is  
233 forecasted to be approximately 23% higher compared to the approved FY 19-20 budget.

234 Director Joly asked of the 42 capital improvement projects how many were engineering.  
235 Mr. Vogler responded by adding five to the original twenty-two there is a total of twenty-seven.  
236 Director Joly asked if the other fifteen were spread out between divisions. Mr. Vogler

237 responded yes, between Operations, Maintenance and Administration. Director Baker asked  
238 what the current trend is for Developer projects, adding there seems to be a lot going on in  
239 Hamilton. Mr. Vogler replied there are some sizable projects evolving within Novato and in time  
240 they will come to the Board as agreements.

241 **FY 19-20 QUARTERLY PROGRESS REPORT – WATER CONSERVATION**

242 Mr. Vogler presented the FY19-20 Quarterly Progress Report for Water Conservation.  
243 He updated the Board on Water Conservation participation and noted it has continued a  
244 downward trend in participation. There was a general discussion about the Blue Barn project on  
245 Grant and the City's Novato Blvd. proposed road widening project between Diablo and Grant  
246 Ave. Mr. Vogler continued with the presentation adding the Water Smart Program has dropped  
247 due to a staffing transition with SCWA since they do the surveys. He added the Water Smart  
248 portal helps us so we don't have to physically go out and verify information in the field. In  
249 addition, Mr. Vogler noted we have multiple tools for outreach: social media, the Waterline  
250 Newsletter and soon our new website.

251 **MISCELLANEOUS**

252 The Board received the following miscellaneous items: Disbursements – Dated  
253 November 7, 2019, Disbursements – Dated November 14, 2019, 2018 SCWA Water Supply  
254 Strategies Action Plan and Point Reyes Station Community Meeting Workshop No. 3 – October  
255 3, 2019.

256 The Board received the following news articles: Workshops set for two Novato housing  
257 projects; District elections debut in Novato; Election bullies strike again in RP and Police chief  
258 gets city manager post- NOVATO.

259 Director Joly asked about the November disbursements and asked if the Stone Tree  
260 disbursement listed was the loan. Ms. Blue replied they were billed for the loan payment and it  
261 was due to the timing of the payoff.

262 Director Baker noted the article about the former Police Chief now being City Manager.  
263 He commented that the new manager may have a different style than the previous one and  
264 hopes it will be a smooth transition.

265 **ADJOURNMENT**

266 President Baker adjourned the meeting at 7:46 p.m.

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Submitted by  
  
Theresa Kehoe  
District Secretary

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## MEMORANDUM

To: Board of Directors

November 27, 2019

From: Drew McIntyre, General Manager



Subject: Approve – Payment of Novato Sanitary District Invoice from Recycled Water Capital and Expansion Fund

t:\gm\recycle water\2019\nsd invoice for capital replacement bod memo 11\_19.doc

**RECOMMENDED ACTION:** Approve Invoice Payment**FINANCIAL IMPACT:** \$305,711.01 (16.4% of available reserves in Capital and Expansion Fund)Background

In December 4, 2004 North Marin Water District (NMWD) and Novato Sanitary District (NSD) entered into an inter-agency agreement to jointly construct and operate a recycled water system serving Stone Tree Golf Course and other users along Atherton Avenue. The December 2004 agreement provided for NSD to operate the Deer Island Recycled Water Treatment Plant and to be reimbursed for the cost of its operations. It was anticipated that once the Deer Island recycled water plant was constructed; ownership would be transferred to NSD. However, SRF loan program requirements did not allow for this transfer which necessitated the need to modify the agreement so that NMWD would be responsible for operation of the Deer Island recycled water treatment facility. The modified agreement, termed the First Revised Inter-Agency Agreement, was approved by the North Marin Water District Board at the May 5, 2009 meeting.

After 2009, both NMWD and NSD continued to collaborate in the development of what would ultimately be referred to as NBWRA Phase 1 recycled water expansion projects for the production and delivery of recycled water into Novato's North and Central services areas. Under this expansion, NSD would be the producer of recycled water at their Davidson Street plant and NMWD would be the distributor of recycled water. At the May 3, 2011 meeting, the Board approved the Third Revised Inter-Agency Agreement (Attachment 1) to reflect the changes necessary to document the new conditions for which recycled water would be produced and delivered in the North and Central service areas. The Inter-Agency agreement includes establishment of a Recycled Water Capital and Expansion Fund (Article D, Part 6 – page 10). This fund is to be maintained by NMWD and any expenditure from the fund shall be jointly approved by both NMWD and NSD. Note

that for the South Service Area there is an Inter-Agency agreement between NMWD and Las Gallinas Valley Sanitary District (LGVSD) that references a similar fund.

At the close of FY 19, the joint fund balance is \$1,867,192 (Attachment 2). This fund balance represents all available Capital and Expansion Fund reserves for NMWD, NSD and LGVSD. The submitted invoice of \$305,711.01 (Attachment 3) from NSD represents reimbursement for work to install a cover over the recycled water clearwell. This work directly results in improved recycled water quality delivered to NMWD. Staff recommends approving reimbursement via available reserves in the Capital and Expansion Fund. This will be the first appropriation from this fund which began to accrue a positive balance in FY14.

#### RECOMMENDATION

That the Board approve payment of Novato Sanitary District's \$305,711.01 invoice from Recycled Water Capital Replacement and Expansion Fund reserves.

**THIRD REVISED  
INTER AGENCY AGREEMENT  
FOR RECYCLED WATER  
BETWEEN  
NOVATO SANITARY DISTRICT  
AND  
NORTH MARIN WATER DISTRICT**

**MAY 2011**

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INTER AGENCY AGREEMENT  
FOR RECYCLED WATER  
BETWEEN  
NOVATO SANITARY DISTRICT  
AND  
NORTH MARIN WATER DISTRICT

This Agreement is made and entered into on this 10<sup>th</sup> day of May, 2011, (the "Effective Date") between the Novato Sanitary District (referred to as "Producer") and the North Marin Water District herein (hereinafter referred to as "Distributor"). Producer and Distributor may be referred to herein individually as a "Party" or collectively as the "Parties."

**RECITALS**

- A. Producer and Distributor are actively involved in local and regional efforts to develop recycled water supplies and promote recycled water use.
- B. Producer and Distributor recognize that sustainable water resource management requires integration of water supply and wastewater discharge limitations.
- C. Producer and Distributor have previously cooperated in development of the Deer Island Recycled Water Treatment Facility (Deer Island RWTF) and distribution system to supply Stone Tree Golf Course and Novato Fire Protection District Station No. 2 with recycled water pursuant to the April 2009 Revised Inter-Agency Agreement for Recycled Water.
- D. Provisions of this agreement are consistent with conditions established pursuant to the Final Environmental Impact Report/Environmental Impact Statement (FEIR/EIS) for the North San Pablo Bay Restoration and Reuse Project (Project) also known as the North Bay Water Recycling Program as published in the Code of Federal Register (CFR) Volume 75, Number 108 dated June 7, 2010.
- E. Included within said Project are facilities to treat such recycled water at the Producer's wastewater treatment site, hereinafter referred to as the Davidson Street Recycled Water Treatment Facility (the "Davidson Street RWTF").
- F. The Deer Island RWTF and recycled water distribution system is permitted by the State of California San Francisco Bay Regional Water Quality Control Board to treat and distribute and use treated effluent as recycled water.
- G. The Davidson Street RWTF and recycled water distribution system will be permitted by the State of California San Francisco Bay Regional Water Quality Control Board to treat and distribute and use treated effluent as recycled water.
- H. Recycled water to be delivered by Producer to Distributor will be disinfected tertiary recycled water, in accordance with the provisions of Title 22 of the California Code of Regulations and applicable requirements of the California Department of Public Health.
- I. Distributor has developed a recycled water master plan for future long-term distribution of recycled water in the Novato area of Marin County, California.

J. Distributor wishes to acquire from Producer the quantity of secondary effluent and/or recycled water which it can sell to End Users (as defined in Article B2).

K. City of Novato, Novato Unified School District playing fields, Valley Memorial Park Cemetery and Fireman's Fund Business Park landscaping will be the initial End Users of recycled water and other end users may be served in the vicinity of the recycled water pipeline to be constructed from the RWTF's.

### **AGREEMENT PROVISIONS**

For and in consideration of the foregoing recitals and of the mutual promise and covenants herein contained, the Parties hereto agree as follows:

### **ARTICLE A. INTRODUCTORY PROVISIONS**

#### **1 Definitions**

When used in this Agreement, the following terms shall have the meanings hereinafter set forth:

- a) "End User" shall mean the ultimate user of recycled water.
- b) "Fiscal Year" shall mean each 12-month period during the term of this Agreement commencing July 1 of one year and terminating June 30 of the next succeeding year, both dates inclusive.
- c) "Operation and Maintenance Costs" shall mean 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 pursuant to this agreement. Operation and Maintenance Costs shall not include costs for major capital replacement or process changes.
- d) "Point of Connection" shall mean a secondary effluent connection between the Producer's sewerage system and the Distributor's Deer Island RWTF and distribution system (see Exhibit "A" attached hereto and incorporated herein by this reference), or a recycled water connection between the Producer's Davidson Street RWTF and Distributor's distribution system (see Exhibit "B" attached hereto and incorporated herein by this reference).
- e) "RWTF" shall mean the Recycled Water Treatment and Pumping Facilities required to produce recycled water from the Producer's sewerage system to the "Point of Connection."
- f) "Distribution" system shall mean the recycled water transmission/distribution pipelines and storage facilities.

#### **2. Term and Renewal**

This Agreement shall commence on the Effective Date and be in force for twenty (20) years. Following the original twenty (20) year Agreement term, the Agreement term shall be automatically renewed and extended for consecutive one (1) year terms, unless terminated in accordance with the provisions of Article E herein.

1 **ARTICLE B. RECYCLED WATER SERVICE PROVISIONS**

2 **1. Recycled Water Delivery Limitations**

- 3 a) Distributor understands and acknowledges that Producer is charged with the  
4 responsibility to operate its sewerage systems in a manner which it  
5 reasonably determines to be most beneficial to the users thereof. The rights  
6 of Distributor to secondary effluent or recycled water under this Agreement  
7 pertain only to that which actually is produced at the RWTF. Nothing  
8 contained herein shall be construed to qualify in any manner Producer's right  
9 to operate the sewerage system and Davidson Street RWTF at such rates of  
10 flow as Producer reasonably determines to be appropriate so as to comply  
11 with Producer's NPDES permit.
- 12 b) Nothing herein shall be construed to commit any portion of the recycled  
13 water from the RWTF beyond that which will be delivered by Distributor to its  
14 customers for reasonable beneficial uses. Producer to give to Distributor at  
15 least 30 days advance written notice of any non-emergency planned  
16 reduction that would reduce the availability of secondary effluent or recycled  
17 water to Distributor. Distributor shall have ample opportunity to meet and  
18 confer with the Producer on the issue of reduced availability of recycled  
19 water.
- 20 c) Any circumstances beyond Producer's control which cause an unplanned  
21 reduction in the recycled water available for distribution may, at the  
22 discretion of Producer, result in a temporary decrease in recycled water  
23 available to Distributor under this Agreement. The reduced availability of  
24 recycled water will continue in effect until such time as operations have been  
25 restored to normal, provided the Producer must use its reasonable best  
26 efforts to restore normal operations as soon as possible. Producer shall  
27 inform Distributor on a weekly frequency regarding status of restoration of  
28 normal operation.
- 29 d) The Parties acknowledge that in unusual conditions, an emergency diversion  
30 of recycled water by Producer may be necessary, and such diversion shall  
31 be made to an effluent storage pond or wet weather basin, treatment plant or  
32 other authorized location to receive such diversion by the Regional Water  
33 Quality Control Board and shall not be deemed a violation of this Agreement.

34 **2. Recycled Water Delivery Quantities**

- 35 a) Subject to the provisions herein, Producer agrees to make available to  
36 Distributor each Fiscal Year during the term hereof, secondary effluent  
37 and/or recycled water produced at the Davidson Street RWTF in the  
38 anticipated minimum annual delivery quantity of 186 acre feet per year (the  
39 "Annual Delivery Quantity") pursuant to the User Connection Schedule  
40 (Exhibit F).
- 41 b) Annually, Producer and Distributor shall meet and confer in good faith to  
42 mutually determine the Annual Delivery Quantity and anticipated production  
43 schedule for each month for the ensuing Fiscal Year and to project minimum  
44 Annual Delivery Quantities for the next ensuing three Fiscal Years. The  
45 purpose of this determination is to provide the Producer and Distributor with  
46 information necessary to plan production at the Davidson Street RWTF and

Deer Island RWTF respectively including staffing, chemical purchases, maintenance and coordination of operations at the RWTF's.

- c) Producer and Distributor acknowledge that circumstances such as drought may require additional Annual Delivery Quantities or a prolonged schedule of operation at the RWTF's and agree to use reasonable best efforts to meet such additional requirements.
- d) Distributor shall make reasonable efforts to provide back-up source(s) of water for the distribution system at the Deer Island RWTF that will provide a reliable flow of water to End Users in the event that circumstances beyond Producer's control cause a reduction or temporary loss of flow of secondary effluent or recycled water from Producer.

### **3. Metering and Measurement of Flows**

- a) Producer will measure all recycled water delivered to Distributor at the point of connection. This point of connection delivery (master) metering will be in addition to any retail (customer) metering conducted by the Distributor and/or End Users (collectively, the "Customer Metering"). The Master Metering shall govern billings to Distributor and shall also be used for reporting Distributor's recycled water usage to regulatory agencies. Where either Distributor or Producer acts as End Users, they shall also report usage by metering.
- b) The Producer shall test the accuracy of the Master Metering not less frequently than annually and provide the Distributor with a report of such test. The Distributor shall have the right at any time and at its expense to make additional tests of the Master Metering. If the Master Metering is found to be reading 2 percent or more, fast or slow, it shall immediately be recalibrated, repaired or replaced by the Producer to bring it within 2 percent accuracy.
- c) Title to and risk of loss and responsibility for the handling and control of all recycled water which meets the quality criteria shall pass from the Producer to the Distributor at the point of connection. The Producer and Distributor agree to exercise due diligence in inspecting their various pipelines and appurtenances and take steps to guard against unreasonable loss of recycled water. Should unreasonable loss of recycled water occur, the parties shall meet in good faith to determine a fair allocation of the cost thereof.

### **4. Recycled Water Quality and Pressure**

- a) All recycled water to be delivered pursuant to the terms of this Agreement will be of such quality that the same may be used for all purposes from time to time allowed for disinfected tertiary recycled water. The recycled water to be delivered to Distributor at the Davidson Street RWTF Point of Connection pursuant to this Agreement shall range in pressure from XX to 80 pounds per square inch (psig) and conform to the quality requirements set forth in the then current disinfected tertiary recycled water quality and monitoring regulations specified in Title 22, Division 4, Chapter 3: Wastewater Reclamation Criteria Section 60301.230 (California Code of Regulations), as further regulated by the State of California Regional Water Quality Control

Board, the California Department of Public Health and all other federal, state and local agencies having jurisdiction over recycled water quality.

- b) The Parties recognize that factors beyond the control of Producer could cause operational difficulties at the Davidson Street RWTF resulting in the temporary production of recycled water which does not meet the current requirements referenced in the previous subparagraph for the intended uses of the End Users. In such cases, Producer shall temporarily suspend deliveries of recycled water to Distributor from Producer's facilities, and Distributor shall produce recycled water from the Deer Island RWTF or provide a back-up source pursuant to Article B, Section 2.d) of this agreement. Producer shall use its best efforts to reestablish the production of recycled water of a suitable quality and pressure as soon as reasonably possible and shall reestablish Distributor's supply of such water accordingly.
- c) Producer shall immediately notify Distributor if recycled water from the Davidson Street RWTF does not meet the currently applicable regulatory requirements and its deliveries of recycled water will be suspended. Such notice shall be given to Distributor, via control system alarm, e-mail (info@nmwd.com) or telephone (415) 897-4133 with a follow-up written confirmation on the same day automatic notice is given, or on the next business day if automatic notice is not given during normal business hours. Said notice shall contain the date and time delivery was interrupted and the date and time delivery resumed or is scheduled to resume.
- d) From time to time, it may be necessary for the parties to develop, agree upon and implement detailed operating criteria and procedures. Distributor agrees to provide real time recycled water storage level data to facilitate such operating criteria for the RWTF.

## **5. Recycled Water Limitations of Use**

Distributor agrees to provide the recycled water it receives hereunder only for the use of those End Users who have obtained the appropriate permits to use recycled water. Distributor shall be responsible for establishing the required Administrative Procedures and End User Rules and Regulations, for issuing permits to End Users, and for providing regulatory oversight of End User sites.

## **6. Permits**

This Agreement is based on the necessary permitting requirements under the San Francisco Regional Water Quality Control Board Order 96-011 General Water Reuse Requirements for Wastewater and Water Agencies and the Department of Public Health Title 22 water reuse criteria relating to the use of recycled water and the development and construction of a recycled water production and distribution system. Each of the Parties undertakes and agrees, severally and jointly as appropriate, to file any and all applications and undertake such proceedings as may be necessary to enable each Party to carry out the undertaking contemplated herein, and to pursue each application and proceedings in good faith and due diligence. Distributor will act as lead agency in obtaining, complying with and maintaining the permits that are applicable to the construction and initial permitting of the distribution system and Deer Island RWTF. Producer will act as lead agency in obtaining, complying with, and maintaining the permits that are applicable to the operation of the Davidson

Street RWTF. However, both Producer and Distributor agree to cooperate in obtaining and complying with permits necessary to carryout the provisions of this agreement and are responsible, where applicable to their role as Producer or Distributor, to comply with the requirements set forth in these permits.

**ARTICLE C. EXPANDED NOVATO NORTH SERVICE AREA RECYCLED WATER FACILITIES**

**1. Initial Construction**

- a) The Parties have worked together to develop planning, permitting and preliminary engineering design for a Davidson Street RWTF and distribution system to serve various Novato North Service Area End Users including the City of Novato, Novato Unified School District playing fields, Valley Memorial Park Cemetery and Fireman's Fund Business Park landscaping.

**2. Master Plan**

- a) The Parties have prepared and approved a focused master plan (the "Master Plan") for contemplated expanded distribution and/or treatment facilities for the distribution of recycled water in the service area of Distributor (the "Expanded Facilities"). The focused Master Plan promotes the use of recycled water throughout the service area of Distributor, and is consistent with Distributor's overall water supply planning.

Arrangements between the parties relating to permitting, design and construction of Expanded Facilities beyond that contemplated herein shall be addressed in one or more future agreements.

**3. Construction of Facilities**

- a) Each party shall be solely responsible for obtaining all permits, contracts, approvals, easements, land rights, or other permission or consent necessary to proceed with its recycled water facilities, as contemplated by this Agreement.

- b) Recycled water delivered to Distributor pursuant to this Agreement shall be provided by Producer from the Davidson Street RWTF facility. Initial construction of the Davidson Street RWTF shall be administered, managed and financed by the Producer with a bank loan and/or grant funding. Repayment of any said loan financing shall be pursuant to Producer wastewater sewer service charges.

Initial construction of Recycled Water distribution facilities shall be administered, managed and financed by the Distributor with a California State Water Resources Control Board State Revolving Fund Low Interest Loan, bank loan and/or grant funding. Repayment of any said loan financing shall be pursuant to Distributor Water Connection Fees paid by Distributor customers.

- c) Initial Construction Costs (including engineering support, construction management and administration) for the Davidson Street RWTF are estimated to be \$5,450,000 pursuant to the Phase 3 Engineering and Economic/Financial Analysis Report for the Project by Camp Dresser McKee (CDM, June 2008) with revised project summary costs (RMC, August 2010

costs) or 52% of the total Initial Construction Costs, and allocated to the Producer.

Initial Construction Costs for the Recycled Water distribution facilities are estimated to be \$5,100,000 pursuant to the revised CDM, November 2009 costs, or 48% of the total initial construction costs and allocated to the Distributor.

d) Federal Funding Grant Allocation.

The Producer has entered into an agreement with Sonoma County Water Agency (SCWA) on behalf of Producer and Distributor for up to 25% federal grant funding for the Expanded Facilities, also known as the "Novato North and Central Service Area Recycled Water" projects as defined by the North San Pablo Bay Restoration and Reuse Project – EIR/EIS (ESA 2010). Federal grant funds are anticipated from the American Reinvestment and Recovery Act (ARRA) and Title XVI Grants awarded by the U.S. Bureau of Reclamation (USBR). Until such a time that Distributor is a direct recipient of ARRA or Title XVI grant funds from SCWA, Distributor agrees to abide by all the terms and conditions of said agreement between Producer and SCWA, attached hereto as Exhibit D.

i. Allocation of ARRA Grant Funds

Of the \$7,203,000 in ARRA grant funds eligible for payment to SCWA by USBR, \$2,637,500 is to be allocated by SCWA to Producer for the Expanded Facilities Novato North Service Area Recycled Water. The aforementioned ARRA grant fund allocation is based on the Expanded Facilities Novato North Service Area project total cost estimate of \$10,550,000, 48% allocated for Distributor's storage and pipeline components and 52% allocated for Producer's treatment and pumping components. It is agreed that the ARRA grant funds will be shared proportionately between the Producer and Distributor using the above-stated percentages after accounting for the grant administration expenses.

ii. Allocation of Title XVI Funds

Notwithstanding the allocation methodology provided above for the ARRA grant allocation, any future Title XVI grant funding allocation will be based upon the amounts identified in Exhibit C of the North Bay Water Reuse Authority Second Amended Memorandum of Understanding (Exhibit E). It is further anticipated that any future grant application and funding disbursement will be structured so that SCWA distributes grant funds directly to Distributor as a Member Agency of NBWRA and Recipient under a future Agreement for Grant Facilitation Services for North San Pablo Bay Restoration and Reuse Project.

e) State Funding Grant Allocation

Allocation of any grant funding from the State of California for the expanded facilities shall be shared proportionately between the Producer and Distributor using the percentages stated in Article C. Section 3.d)i).

f) Expansion of the Davidson Street RWTF and Expanded Distribution Facilities will be undertaken from time to time as subject to any other future agreements executed between Producer and Distributor.

1                   Planned capital improvements or replacements projects to the Davidson  
2                   Street RWTF shall be coordinated with Distributor sufficiently in advance to  
3                   ensure adequate funds are available to carry out said projects

4                   **4. Ownership, Operation and Maintenance of Facilities**

5                   Distributor shall own, operate and maintain at no cost to Producer, The Deer  
6                   Island RWTF and all of its distribution facilities from the Point of Connection up  
7                   to the End User meters.

8                   Producer leases the property on which the Deer Island RWTF is located from  
9                   the Marin County Flood Control and Water Conservation District. This lease  
10                  expires on July 1, 2023 with an option to extend it for an additional ten years.

11                 Producer shall own, operate and maintain all of the Davidson Street RWTF up  
12                 to the Point of Connection. At Distributor's request or as necessary to comply  
13                 with permit conditions of state or federal law, Producer may assist with the  
14                 maintenance and emergency repair of Distributor's distribution facilities.  
15                 Distributor shall reimburse Producer for reasonable and necessary expenses  
16                 incurred in carrying out such maintenance or repair. At Producer's request or as  
17                 necessary to comply with permit conditions of state or federal law, Distributor  
18                 may assist with the maintenance and emergency repair of Producer's  
19                 distribution facilities. Producer shall reimburse Distributor for reasonable and  
20                 necessary expenses incurred in carrying out such maintenance or repair.

21                 Producer agrees to provide the Distributor the uninterrupted right of ingress to  
22                 and egress from the recycled water pipeline route on Producer's property and  
23                 the right at all times to enter in, over and upon and to use said recycled water  
24                 pipeline route and every part thereof for all purposes connected with the laying  
25                 down, constructing, reconstructing, replacing, removing, repairing, maintaining,  
26                 operating and using said distribution facilities.

27                 Producer agrees not to do anything which may interfere with Distributor's full  
28                 rights for the purposes noted above including without limitation the following:  
29                 placing or permitting to be placed on said recycled water pipeline route any  
30                 building or structure (including without limitation new fences not approved by  
31                 Distributor) or deck(s), tree(s), large shrub(s), or rock(s) weighing more than 50  
32                 pounds;

33                 Subject to the foregoing provisions, Producer may excavate or change the  
34                 grade of the surface of said recycled water pipeline route way for the Producer's  
35                 continued operation and maintenance of the existing wastewater facility  
36                 operations, provided that before making any such change, Producer shall notify  
37                 Distributor of the proposed change and enable Distributor the opportunity to  
38                 raise or lower distribution facilities as solely determined by Distributor if  
39                 Distributor determines in its sole discretion that the change of the grade  
40                 necessitates that any Distributor facilities be raised or lowered.

41                 Producer may cultivate and landscape the surface of said recycled water  
42                 pipeline route and may construct a roadway thereon provided that such actions  
43                 do not in any way conflict with or violate any of the preceding limitations.

44                 Producer reserves the right to change the location of said recycled water  
45                 pipeline route on Producer's property to a new location agreeable to Distributor,  
46                 provided that the full expense of relocating the recycled water pipeline and

1 appurtenant facilities to the new location shall be funded from the Recycled  
2 Water Capital Replacement and Expansion Fund.

3 Distributor shall be under no obligation to install or maintain a roadway or  
4 pavement or other surfacing upon the recycled water pipeline route except such  
5 as may be convenient for its own purposes. (Any surface changes, such as  
6 paving, need to be approved by Producer.)

## 7 **5. Monitoring**

8 Producer's responsibility for management and monitoring the recycled water  
9 delivered hereunder shall be limited only to recycled water production at the  
10 Davidson Street RWTF and shall cease upon delivery to Distributor at the Point  
11 of Connection. Operation, management, maintenance and monitoring of  
12 facilities under the control of the Distributor shall be the sole responsibility of  
13 Distributor. Distributor agrees to accept Producer's reporting responsibility for  
14 conformance to all monitoring, reporting, and any other requirements assigned  
15 to the "recycled water agency" in Title 22 of the California Code of Regulations,  
16 all applicable regulations of the State of California Regional Water Quality  
17 Control Board and the California Department of Health Services and Order 96-  
18 011 (General Water Reuse Requirements for Municipal Wastewater and Water  
19 Agencies).

## 20 **6. Reporting**

21 As a condition of, and to provide assistance sufficient to enable Distributor to  
22 carry out this reporting responsibility undertaken by Distributor, Producer shall  
23 provide Distributor with the following reporting information:

- 24 a) Quarterly (or annual, at Distributor's option) recycled water production and  
25 monitoring records certified by Producer to meet quality pursuant to Exhibit  
26 C within 30 days of the close of each fiscal quarter (or Calendar Year, as the  
27 case may be) to the extent permissible by law.
- 28 b) Adequate notifications of Producer inspections, start-ups, shutdowns and  
29 disconnections, or violations, if any.

## 30 **ARTICLE D. PAYMENT PROVISIONS**

### 31 **1. Recycled Water Pricing Policy**

32 The Parties agree that the rates charged by Producer to Distributor shall be in  
33 the amount required to reimburse Producer's actual Davidson Street RWTF  
34 Operation and Maintenance Costs. Rates charged by Distributor to End Users  
35 shall cover actual RWTF Operation and Maintenance Costs and Distributor's  
36 actual Operation and Maintenance Costs of the distribution facilities, plus an  
37 amount for maintenance and replacement. Any payments to the Distributor by  
38 the End User in excess of actual costs (marginal payments) shall be deposited  
39 in a Recycled Water Capital Replacement and Expansion Fund.

### 40 **2. Recycled Water Rate Review**

41 Producer shall charge for the delivery of recycled water in accordance with the  
42 rate schedule for recycled water service as such rate schedule is established by  
43 the producer and approved by Producer's governing board. Producer shall  
44 review and establish said rate schedule based on the above-described policy of  
45

reimbursing Producer's Davidson Street RWTF actual Operation and Maintenance Costs every Fiscal Year. Distributor shall be given ample opportunity to meet and confer upon the intended application of the pricing policy and Producer's proposed recycled water rates with Producer prior to final determination of Producer's recycled water rates, to ensure compatibility with the intent of this Agreement.

Notwithstanding any other provision of this Agreement, the cost of planned capital improvements or replacement projects to the Davidson Street RWTF shall not be included in Producer's recycled water rates but shall instead be reimbursed from the Recycled Water Capital Replacement and Expansion Fund 30 days after receipt of invoice.

### **3. Billings**

Distributor agrees to make quarterly (or annual, at Producer's option) payments for the total amount of recycled water delivered pursuant to Article B.3 in each fiscal quarter (or Fiscal Year, as the case may be) at the rates set according to the procedures herein.

### **4. Obligation to Pay for Available Water**

Distributor is obligated to pay Producer for the Annual Delivery Quantity of recycled water for each Fiscal Year, assuming such quantity of recycled water is made available to it by Producer. Producer shall bill Distributor at the close of each quarter (or each Fiscal Year) for the actual quantity of recycled water taken by Distributor pursuant to Article B.3 during that quarter (or Fiscal Year).

### **5. Time and Method of Payment**

Payments shall be made by Distributor in response to, and within 30 days of, billing by Producer.

### **6. Recycled Water Capital Replacement and Expansion Fund**

The Recycled Water Capital Replacement and Expansion Fund will be maintained by the Distributor. Distributor shall provide annual reports of the fund to the Producer. Any expenditure from the fund shall be jointly approved by both the Producer and the Distributor.

## **ARTICLE E. TERMINATION**

### **1. General**

This Agreement may be terminated upon the occurrence of the events described in the following paragraphs.

### **2. Failure to Initiate Initial Construction**

If the initial construction is not initiated by the second anniversary of the Effective Date of this Agreement (the "Plan Date"), then either Party may elect to terminate this Agreement by serving a written notice (the "Termination Notice") on the other Party within 180 days following the Plan Date. In the event of such termination:

- a) This Agreement shall be deemed terminated as of the last day of the Fiscal Year during which the Termination Notice was given.

1                   **3. Non-Renewal**

2                   Following the expiration of the original 20-year term of this Agreement, either  
3                   Party may serve upon the other no later than 30 days prior to the next occurring  
4                   anniversary of the Effective Date a notice of intent to terminate this Agreement.  
5                   Such termination shall become effective upon said next occurring anniversary of  
6                   the Effective Date.

7                   **4. Cause**

8                   This Agreement may be terminated by either Party at any time for good cause  
9                   upon 60-days' written notice to the other Party. However, if the good cause is  
10                  the breach of the other Party, this Agreement may not be terminated under this  
11                  section unless such breach is not cured by the breaching Party during such 60-  
12                  day period. Notwithstanding the foregoing, if a cure of any such breach by any  
13                  Party hereto cannot practicably be affected within such 60-day period, and the  
14                  breaching Party, upon receiving such written notice, promptly initiates efforts to  
15                  cure such failure within such 60-day period, and diligently pursues such cure,  
16                  this Agreement may not be terminated under this section.

17                  **5. Failure to Approve Annual Funding**

18                  The Parties acknowledge that each Party undergoes an annual budgeting  
19                  process and that neither Party is obligated to expend additional funds or to  
20                  construct additional facilities in any given year unless the applicable Party's  
21                  governing board has budgeted money for that purpose. Notwithstanding the  
22                  foregoing, failure to budget such funds may constitute good cause for  
23                  termination of this Agreement under paragraph 4 above.

24                  **6. Decision by Distributor to Cease Distributing Recycled Water**

25                  This Agreement shall be terminated in the event that Distributor determines that  
26                  it no longer intends to be a purveyor of recycled water within its service area.  
27                  Such termination shall be effective at the end of the Fiscal Year following the  
28                  Fiscal Year in which notice of Distributor's desire to terminate this Agreement  
29                  pursuant to this Paragraph is furnished to Producer.

30                  In the event of termination pursuant to this Section, the Producer and Distributor  
31                  agree to meet and consider arrangements to insure water service is maintained  
32                  as necessary to customers historically receiving recycled water.

33                  **7. Impasse over Rates**

34                  If following mediation as provided for herein, Distributor is unwilling to accept a  
35                  new annual rate set for recycled water by Producer then this Agreement shall be  
36                  deemed terminated at the end of the Fiscal Year for which such impasse is  
37                  reached. Producer, following mediation as provided for herein, declares an  
38                  impasse due to Distributor setting rates that do not recover costs necessary to  
39                  adequately fund recycled water production, then this Agreement shall be  
40                  terminated at the end of the Fiscal Year for which such impasse is reached.

41                  **8. Buyout Upon Termination**

42                  If this Agreement is terminated in accordance with the provisions of Paragraphs  
43                  3, 4, 5, 6 or 7 of this Article, then Producer shall have the option to purchase  
44                  from Distributor those portions of the Distribution Facilities (along with any  
45                  appurtenances necessary to distribute recycled water in Producer's service

area) that have been constructed or are then under construction from Distributor, including easements and any associated real estate required for their use or maintenance. Producer may exercise this option on the following terms:

- a) Producer shall give written notice of its intent to purchase said facilities within 180 days following the effective date of the termination.
- b) The purchase price shall be equal to the newly reconstructed cost (determined as of the date of the notice in paragraph 8.a) less depreciation (RCNLD) of Distributor's improvements. Upon request, Distributor shall furnish appropriate accounting data and information to Producer to establish the purchase price.
- c) Distributor shall assign to Producer all water delivery contracts with End Users using the Distribution Facilities along with any applicable consulting or construction contracts.

## **ARTICLE F. GENERAL PROVISIONS**

### **1. Good Faith**

This Agreement is the result of good faith negotiations entered into by the Parties willingly, with due diligence, and with full advice of legal counsel, and it is the intent of the Parties that all aspects of performance of this Agreement will be undertaken in the same manner. The Parties acknowledge and agree that it is not possible to anticipate every issue, situation or problem that might arise or be encountered during the term of this Agreement. As to any issue, situation, or problem not expressly provided for in this Agreement, each Party agrees to refrain from doing anything (1) to injure the right of each other Party to receive the benefits of this Agreement, or (2) to frustrate the purpose for which this Agreement was executed. Each Party further agrees that in the event any such unanticipated issue, situation or problem arises, they will meet and confer in furtherance of the implied covenant of good faith and fair dealing in order to find a mutually acceptable solution.

### **2. Amendments**

This Agreement may be amended at any time by mutual written agreement of the Parties. The Parties agree that in the event of action by an outside governmental body producing a prospective change in the volume or use of recycled water by Distributor's customers, the Parties will make such amendments to this Agreement as the circumstance may reasonably and equitably require.

### **3. Notices**

All notices or other writings in this Agreement to be given by either Party to the other, shall be deemed to have been given or when made in writing and either (i) delivered personally, or (ii) sent by facsimile transmission to the Fax numbers set forth below with the original deposited in the U.S. mail, postage pre-paid, first class, addressed as set forth below, or (iii) deposited in the United States mail, registered, or certified, postage prepaid, and addressed as follows:

To Distributor

General Manager

North Marin Water District  
P.O. Box 146  
Novato, CA 94948-0146  
Phone: (415) 897-4133  
FAX: (415) 892-8043

To Producer

General Manager/Engineer  
Novato Sanitary District  
500 Davidson Street  
Novato, CA 94945  
Phone: (415) 892-1694  
FAX: (415) 898-2279

The address of either Party may be changed upon written notice given by such Party as above provided. Notices shall also be deemed given when delivered by personal delivery, with a confirmation copy by first class mail.

**4. Severability**

If any one or more of the covenants or agreements set forth in this Agreement on the part of Producer or Distributor, or either of them, to be performed should be contrary to any provision of law or contrary to the policy of law to such extent as to be unenforceable in any court of competent jurisdiction, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed severable from the remaining covenants and agreements and shall not affect the validity of this Agreement.

**5. Paragraph Headings**

Paragraph headings in this Agreement are for convenience only and are not to be construed as part of this Agreement or any way limiting or amplifying the provisions here.

**6. Successors and Assigns**

Subject to the provisions of the succeeding Paragraph hereof, this Agreement and all the terms, covenants, agreements, and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto.

**7. Assignment**

No assignment or transfer by Distributor of this Agreement or any part hereof, or of any rights hereunder or interest herein of Distributor, shall be valid unless approved by Producer, which approval shall not be unreasonably withheld.

No assignment or transfer by Producer of this Agreement or any part hereof, or of any rights hereunder or interest herein of Producer, shall be valid unless approved by Distributor, which approval shall not be unreasonably withheld.

**8. Remedies**

By reason of the specialized nature of the recycled water service to be rendered, and for the further reason that the extent of any damage caused to a party by any breach of this Agreement by the other party may be extremely difficult to determine in monetary terms, it is agreed by the Parties hereto that an

1 action for monetary damages is an inadequate remedy for any breach, and that  
2 specific performance, without precluding any other remedy available in equity or  
3 at law, will be necessary to furnish either Party hereto with an adequate remedy  
4 for the breach hereof.

5 **9. Indemnification**

6 Producer shall save Distributor, its officers, agents and employees, free and  
7 harmless from any and all cost liability, damages or health-related claims arising  
8 out of any act or omission to act, including any negligent act, by Producer, its  
9 officers, agents or employees arising out of the Producer's performance of its  
10 obligation under this Agreement. Distributor shall save Producer, its officers,  
11 agents and employees, free and harmless from any and all cost liability,  
12 damages or health-related claims arising out of any act or omission to act,  
13 including any negligent act, by Distributor, its officers, agents or employees  
14 arising out of the Distributor's performance of its obligation under this  
15 Agreement.

16 **10. Dispute Resolution**

17 Any controversies between the Parties regarding the construction or application  
18 of this Agreement, and claims arising out of this Agreement or its break, shall be  
19 submitted to mediation within 30 days of the written request of a Party after the  
20 service of that request on the other Party. The Parties may agree on one  
21 mediator. If they cannot agree on one mediator, the Party demanding mediation  
22 shall request that the Presiding Judge of the Superior Court of Marin County  
23 appoint a mediator. The mediation meeting shall not exceed one day (eight  
24 hours), unless the Parties agree to extend said time. The cost of the mediator  
25 shall be borne by the Parties equally. Mediation under this section is a condition  
26 precedent to filing an action in any court.

27 The Parties shall make good faith efforts to resolve all claims and disputes  
28 related to this Agreement at the lowest possible cost. Unless the Parties agree  
29 upon an alternative forum of dispute resolution, any litigation concerning claims  
30 and disputes related to this Agreement shall be filed in and timely prosecuted to  
31 conclusion in the Superior Court in and for Marin County, and each party hereby  
32 waives its right to move to change venue.

33 **11. Governing Law**

34 This Agreement shall be governed, construed and enforced in accordance with  
35 the laws of the State of California.

36 **12. Further Assurances**

37 Each of the Parties agrees to execute, and deliver to the other parties, such  
38 documents and instruments, and take such actions, as may reasonably be  
39 required to effectuate the terms and conditions of this Agreement; provided,  
40 however, such covenant shall not have the effect of increasing the obligations of  
41 any Party pursuant to this Agreement or require any representations and  
42 warranties by any Party in addition to those of such party set forth herein.

43 **13. Waiver**

44 No waiver of any right or obligation of any of the parties shall be effective unless  
45 in writing, specifying such waiver, executed by the party against whom such  
46 waiver is sought to be enforced. A waiver by any of the parties of any of its

rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

**14. Presumptions**

Because all of the parties have participated in preparing this Agreement, there shall be no presumption against any party on the ground that such party was responsible for preparing this Agreement or any part hereof.

**15. Counterparts**

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

**16. Entire Agreement**

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and thereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

**17. Insurance**

Each Party shall be responsible for requiring all contractors that it retains for the construction and construction-related tasks related to this Agreement to provide insurance in the amounts and with the coverages consistent with its policies and practice for projects involving similar construction costs and risks. Each Party shall be responsible for obtaining from each such contractor a certificate of insurance evidencing such coverage, and policy endorsements adding both Parties, and their respective directors, officers, employees, agents, and authorized volunteers as additional insureds to the contractor's Commercial General Liability and Comprehensive Automobile Liability insurance policies, which shall be provided to both Parties prior to the commencement of the construction and/or construction-related tasks.

1 IN WITNESS WHEREOF, Producer and Distributor have caused this Agreement to be  
2 executed by their respective duly authorized officers effective as of the day and year first herein  
3 written below.  
4

**NOVATO SANITARY DISTRICT**

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

Board President

Dated: 5/10/2011

Attest: \_\_\_\_\_

Board Secretary

Approved as to Form: \_\_\_\_\_

Novato Sanitary District Attorney

**NORTH MARIN WATER DISTRICT**

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

Board President

Dated: 5/17/2011

Attest: \_\_\_\_\_

Board Secretary

Approved as to Form: \_\_\_\_\_

North Marin Water District Attorney

1    EXHIBITS:

- 2            Exhibit A    Point of Connection Detail – Deer Island RWTF
- 3            Exhibit B    Point of Connection Detail – Davidson Street RWTF
- 4            Exhibit C    Producer's Schedule of Sampling and Analysis
- 5            Exhibit D    Agreement for Grant Facilitation Services for North San Pablo Bay
- 6                            Restoration and Reuse Project
- 7            Exhibit E    North Bay Water Reuse Authority Second Amended Memorandum of
- 8                            Understanding
- 9            Exhibit F    User Connection Schedule

North Marin Water District  
Recycled Water Capital Replacement & Expansion Fund Calculation  
Fiscal Year Ended June 30, 2019

11/11/2019

t:\ac\excel\recycled\cap replace & expansion fund.xlsx\fy11-19 calc

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Total
1 Operating Revenue	\$199,164	\$222,337	\$342,446	\$743,424	\$744,094	\$701,903	\$728,534	\$948,739	\$1,183,419	
Operating Expense										
2 Salary & Benefits	\$52,420	\$54,583	\$80,226	\$68,145	\$95,366	\$92,110	\$127,471	\$134,506	\$94,636	
3 Purchased Water	0	0	80,618	171,265	212,245	232,365	149,009	\$199,340	\$300,457	
4 Matls, Services & Supplies	30,851	55,715	60,316	63,625	85,102	81,081	67,124	\$60,080	\$208,999	
5 Chemicals	40,805	21,844	11,998	4,038	250	1,819	809	\$2,550	\$2,937	
6 Electric Power	8,000	8,115	8,160	3,827	3,717	2,179	5,602	\$2,701	\$5,265	
7 Vehicles & Equipment	1,287	1,432	3,318	2,366	2,589	2,313	2,206	\$3,584	\$1,243	
8 Total Op Exp Before Deprec	\$133,363	\$141,689	\$244,636	\$313,266	\$399,269	\$411,867	\$352,221	\$402,761	\$613,537	
9 Net Operating Income Before Depreciation	\$65,801	\$80,648	\$97,810	\$430,158	\$344,825	\$290,036	\$376,313	\$545,978	\$569,882	
Net Operating Income Credited to Reserves										
10 Deer Island Cap Reserve Fund Contrib <sup>1</sup>	\$606,266	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$1,526,266
11 Capital Replace & Expansion Fund Contrib <sup>2</sup>	\$0	\$0	\$0	\$315,158	\$229,825	\$175,036	\$261,313	\$430,978	\$454,882	\$1,867,192
12 Total Reserve Contribution	\$606,266	\$115,000	\$115,000	\$430,158	\$344,825	\$290,036	\$376,313	\$545,978	\$569,882	\$3,393,458

**1 Deer Island Capital Reserve Fund:** The State Revolving Fund (SRF) loan agreement for construction of the Deer Island RW Facility requires the District to establish and maintain a Water Recycling Capital Reserve Fund (WRCRF) for the expansion, major repair, or replacement of the water recycling facilities. 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 executed. 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.

**2 Recycled Water Capital Replacement and Expansion Fund:** The Inter Agency Agreements for Recycled Water between NSD, LGVSD & NMWD in 2011 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.



Novato Sanitary District

500 Davidson Street  
Novato, CA 94945

## Invoice

Date	Invoice #
11/15/2019	Clearwell

Bill To
North Marin Water District P.O. Box 146 Novato, CA 94948 Attn: Robert Clark

Terms	Due Date
NET 30 Days	12/15/2019

Description	Amount
<b>Recycled Water Facility Expansion Project - Clearwell Improvement Costs</b>	
Costs for Clearwell Improvements portion of project (Per attached spreadsheet and documentation)	305,711.01
Please call with any questions, (415) 892-1694. Ask for Erik.	<b>Total</b> 305,711.01
	<b>Payments/Credits</b> \$0.00
	<b>Balance Due</b> 305,711.01

<b>Recycled Water Facility Expansion Project # 73005 Clearwell Improvements Costs</b>	
RWF Expansion Clear Well Improvements Bid Item	<b>\$225,000</b>
Total Project Bid	<b>\$1,940,122</b>
Clear Well Proportion of Project	<b>11.60%</b>
Engineering Design Contract	<b>\$199,497</b>
Engineering Services During Construction Contract and Amendments	<b>\$311,390</b>
Construction Management Services Contract and Amendments	<b>\$185,065</b>
Total Project Management Contract Costs	<b>\$695,952</b>
Proportional Project Management Costs (11.6%)	<b>\$80,711.01</b>
<b>Total Clearwell Improvement Costs</b>	<b>\$305,711.01</b>

## SECTION 00310

## BID SCHEDULE

Project No. 73005

Recycled Water Facility Expansion

<u>Item</u>	<u>Description</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Units</u>	<u>Total Price</u>
1	Cost for providing all shoring and bracing on the Project including but not limited to that as required by Sections 6700-6708 of the Labor Code:		1	LS	\$ <u>1,000</u>
2	Mobilization, demobilization, permits & licenses		1	LS	\$ <u>10,000</u>
3	Recycled Water Facility Operational Improvements – Consists of modifications to existing filters. No work associated with adding additional capacity (e.g. adding the third, filter train) shall be included in this bid item.		1	LS	<sup>RM</sup> \$ <del>1,455,000</del> <u>1,480,000</u>
4	WesTech SuperSand Filter (Equipment Only)		1	LS	\$172,378
5	WesTech Intermittent Wash Package (Equipment Only)		1	LS	\$41,744
6	Complete the Work in accordance with The Contract Documents, except for the individual bid items listed above.		1	LS	\$ <u>10,000</u>
<b><u>Optional Bid Items</u></b>					
7	Clearwell Improvements – Consists of walkway demolition and addition of aluminum cover		1	LS	<sup>RM</sup> \$ <del>250,000</del> <u>225,000</u>
Total Base Bid	Items 1 through 7, inclusive and all work incidental thereto and connected therewith				\$ <u>1,940,122</u>

one million nine hundred forty thousand one hundred twenty two dollars  
(Bid amount in words)

Bid amount of each of the above Bid items must be filled in and completed.

Bid items shall be as specified in Section 01025, Measurement and Payment.

**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN  
NOVATO SANITARY DISTRICT  
&  
RMC WATER AND ENVIRONMENT**

**RECYCLED WATER FACILITY EXPANSION DESIGN  
AGREEMENT NO. 73005-RMC-2016-01**

THIS AGREEMENT is made this 8<sup>th</sup> day of April, 2016 by and between the NOVATO SANITARY DISTRICT, 500 Davidson Street, Novato, California, hereinafter called the "DISTRICT," and RMC Water and Environment, 2175 North California Blvd., Suite 315, Walnut Creek, CA 94596, hereinafter called "CONSULTANT" in connection with the DISTRICT's Recycled Water Facility Expansion Project identified in the North Bay Water Reuse Authority's Phase I Recycled Water Program. In consideration of the mutual promises contained herein, the parties agree that this Agreement will be performed in accordance with the following conditions:

**ARTICLE 1 - SERVICES OF CONSULTANT**

- 1.1 CONSULTANT shall perform certain professional services described in the Consultant's attached proposal provided in Appendix B - Scope of Work (Task 1: Project Management, Task 2: Recycled Water Facility Expansion Design, Task 3: Recycled Water Facility Operational Improvements Design and Task 4: Regulatory Coordination).
- 1.2 It is expressly understood between the parties that no employer/employee relationship is intended. The relationship of CONSULTANT to the DISTRICT is that of an independent CONSULTANT. The DISTRICT will not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to CONSULTANT.

**ARTICLE 2 - PERIOD OF PERFORMANCE**

- 2.1 It is expected that the work on the Project shall begin on or about April 5th, 2016. No expenses or costs shall be reimbursed which are incurred prior to the effective date of this Agreement, or subsequent to the termination date without the written mutual agreement of the parties. The CONSULTANT will perform the services with due and reasonable diligence consistent with sound professional practices.

**ARTICLE 3 - COMPENSATION**

- 3.1 It is agreed that the total compensation to be paid to CONSULTANT for the services described in Article 1 herein and covered by this Agreement shall not exceed the total maximum allowable fee of one hundred ninety nine thousand four hundred ninety seven dollars (\$199,497) without written authorization from the DISTRICT. The fees payable by the DISTRICT will be based on the hourly labor rate plus direct cost basis in accordance with the attached budget estimate (including individual rates provided in the Consultant's proposal (see Appendix B).

AMENDMENT NO. 2 TO  
AGREEMENT NO. 73005-WC-2017-01  
BETWEEN  
NOVATO SANITARY DISTRICT  
AND  
WOODARD & CURRAN, INC.

This Amendment is made this 12<sup>th</sup> day of December, 2018, by and between the Novato Sanitary District (District) and Woodard & Curran, Inc. (Consultant).

- A. The District and Consultant as Parties, have a Professional Services Agreement (Agreement No. 73005-WC-2017-01 or Agreement) dated September 12, 2017. The Agreement provides for the Consultant to perform Engineering Services During Construction (ESDC) for the Recycled Water Facility Expansion Project. On September 8, 2018, Amendment 1 to the Agreement was executed to account for submittals, responses to requests for information and number of construction meetings that exceeded the original estimate. Subsequently, due to estimated Project completion in December instead of the previously estimated timeframe of November, consultant has expended additional hours for project management. Additionally, Consultant's subcontractor spent more time than anticipated during performance testing. Consultant has also expended additional hours on the Title 22 report due to multiple iterations with the RWQCB. A revised Scope of Work addressing the proposed amended portion of the work is enclosed as Attachment 1. This amendment adds to the Scope of Work and increases the amount of the original Agreement.
- B. The Parties now mutually agree to amend the Agreement as follows:
- Article 3: The amount in paragraph 3.1 is amended from two hundred seventy nine thousand four hundred seventy seven dollars (\$279,477.00) to three hundred eleven thousand three hundred ninety dollars (\$311,390.00).
- C. All other provisions of the original Agreement remain unchanged by this Amendment.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the day and year above written.

WOODARD & CURRAN, INC.

By: David L. Richardson  
Name Printed: David L. Richardson  
Title: Vice President  
Date: 12/6/18

NOVATO SANITARY DISTRICT

By: Sandeep Karkal  
Name Printed: Sandeep Karkal  
Title: General Manager-Chief Engineer  
Date: 12/12/18

\*\*\*\*\*

December 3, 2018



Erik Brown, P.E.  
Deputy General Manager  
Novato Sanitary District  
500 Davidson St  
Novato, CA 94945

Re: NSD Recycled Water Facility Expansion ESDC Agreement No. 73005-WC-2017-01 --  
Amendment Request No. 2

Dear Erik:

Woodard & Curran has prepared this amendment request for the Novato Sanitary District (NSD) Recycled Water Facility (RWF) Expansion Engineering Services During Construction (ESDC) project to reconcile the level of effort for project items that have exceeded the assumed level of effort in the original contract scope. We have worked to be efficient during the ESDC phase of the project, however the majority of the effort required for ESDC is dependent on the contractor's performance in understanding and meeting the requirements of the Contract Documents. Additional time on regulatory coordination was required due to more than anticipated comments from the Division of Drinking Water (DDW) on the amended Title 22 Report. NSD authorized an amendment request (Amendment No. 1) on September 19, 2018 for ESDC scope items that exceeded the original scope amount. This amendment request covers scope items that were not accounted for in the first amendment request.

The current budget status as of November 20, 2018 has exceeded the allotted amount for Task 1 (Project Management), Task 2.2 (Regulatory Coordination), Task 3.7 (Startup and Testing) and Task 4 (PLC and SCADA Programming). Additional budget is requested for Task 1 to continue project management activities beyond the assumed completion date of November 2018 to December 2018 due to delays in construction completion. The amount of coordination with regulatory agencies under Task 2.2 was more than anticipated due to additional questions and comments that were received following the submittal of the Title-22 Report. The effort required by ArcSine Engineering on Tasks 3.7 and 4 exceeded the original scope due to an additional 4 days that were spent onsite for start-up testing as well as unanticipated complexities in the PLC and SCADA programming.

The proposed Amendment No. 2 budget amount of \$31,913 would increase Woodard & Curran's total contract amount to \$311,390 to cover the additional labor already spent and expected through project completion. Thank you in advance for your consideration. We have and continue to enjoy working with NSD and look forward to successful completion of construction. If you have any questions, please do not hesitate to reach out.

Sincerely,

WOODARD & CURRAN

Mark Takemoto, P.E.  
Project Manager

Enclosure

- Attachment A - Budget Estimate Table for Amendment No. 2

AMENDMENT NO. 1 TO  
AGREEMENT NO. 73005-WC-2017-01  
BETWEEN  
NOVATO SANITARY DISTRICT  
AND  
WOODARD & CURRAN, INC.

This Amendment is made this 19<sup>th</sup> day of September, 2018, by and between the Novato Sanitary District (District) and Woodard & Curran, Inc. (Consultant).

- A. The District and Consultant as Parties, have a Professional Services Agreement (Agreement No. 73005-WC-2017-01 or Agreement) dated September 12, 2017. The Agreement provides for the Consultant to perform Engineering Services During Construction (ESDC) for the Recycled Water Facility Expansion Project. During the course of the Contract, the number of submittals, responses to requests for information and number of construction meetings have exceeded the original estimate. A revised Scope of Work addressing the proposed amended portion of the work is enclosed as Attachment 1. This amendment adds to the Scope of Work and increases the amount of the original Agreement.
- B. The Parties now mutually agree to amend the Agreement as follows:
- Article 3: The amount in paragraph 3.1 is amended from two hundred thirteen thousand two hundred seventy six dollars (\$213,276.00) to two hundred seventy nine thousand four hundred seventy seven dollars (\$279,477.00).
- C. All other provisions of the original Agreement remain unchanged by this Amendment.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the day and year above written.

WOODARD & CURRAN, INC.

By: [Signature]

Name Printed: Daniel L. Rubenstein

Title: Vice President

Date: 9/18/18

NOVATO SANITARY DISTRICT

By: [Signature]

Name Printed: Sandeep Karkal

Title: General Manager-Chief Engineer

Date: 09/19/18

\*\*\*\*\*

**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN  
NOVATO SANITARY DISTRICT  
&  
WOODARD & CURRAN, INC.  
FOR  
RECYCLED WATER FACILITY EXPANSION PROJECT  
ENGINEERING SERVICES DURING CONSTRUCTION  
AGREEMENT NO. 73005-WC-2017-01**

THIS AGREEMENT is made this 12<sup>th</sup> day of Sept., 2017, by and between the NOVATO SANITARY DISTRICT, 500 Davidson Street, Novato, California, hereinafter called the "DISTRICT," and Woodard & Curran, Inc., 2175 North California Blvd., Suite 315, Walnut Creek, CA 94596, hereinafter called "CONSULTANT" in connection with the DISTRICT's Recycled Water Facility Expansion Project. In consideration of the mutual promises contained herein, the parties agree that this Agreement will be performed in accordance with the following conditions:

**ARTICLE 1 - SERVICES OF CONSULTANT**

- 1.1 CONSULTANT shall perform certain professional services described in the Consultant's attached proposal provided in Appendix B - Scope of Work (Task 1: Project Management, Task 2: Bidding Services, Task 3: Engineering Services During Construction (ESDC), and Optional Task 4: PLC and SCADA Programming).
- 1.2 It is expressly understood between the parties that no employer/employee relationship is intended. The relationship of CONSULTANT to the DISTRICT is that of an independent CONSULTANT. The DISTRICT will not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to CONSULTANT.

**ARTICLE 2 - PERIOD OF PERFORMANCE**

- 2.1 It is expected that the work on the Project shall begin on or about September 12<sup>th</sup>, 2017. No expenses or costs shall be reimbursed which are incurred prior to the effective date of this Agreement, or subsequent to the termination date without the written mutual agreement of the parties. The CONSULTANT will perform the services with due and reasonable diligence consistent with sound professional practices.

**ARTICLE 3 - COMPENSATION**

- 3.1 It is agreed that the total compensation to be paid to CONSULTANT for the services described in Article 1 herein and covered by this Agreement shall not exceed the total maximum allowable fee of two hundred thirteen thousand two hundred seventy six dollars (\$213,276) without written authorization from the DISTRICT. The fees payable by the DISTRICT will be based on the hourly labor rate plus direct cost basis in accordance with the attached rate schedule and budget estimate (see Appendix C- Method of Payment).

AMENDMENT NO. 1 TO  
AGREEMENT NO. 73005-CG-2017-01  
BETWEEN  
NOVATO SANITARY DISTRICT  
AND  
THE COVELLO GROUP, INC.

This Amendment is made this 20<sup>th</sup> day of June, 2018, by and between the Novato Sanitary District (District) and The Covello Group, Inc. (Consultant).

- A. The District and Consultant as Parties, have a Professional Services Agreement (Agreement No. 73005-CG-2017-01 or Agreement) dated November 22, 2017. The Agreement provides for the Consultant to perform construction management, inspection and administrative services for the Recycled Water Facility Expansion Project. The Project's Contract Specifications include Mitigation Measures requiring that the Contractor participate in Cultural Resources training provided by the Owner, and require actions to follow in the event of an inadvertent discovery of cultural resources or human remains. To that end, Consultant has engaged Environmental Science Associates (ESA) to conduct the required training and provide as-needed services in the event of a discovery. This amendment adds to the Scope of Work, adds an additional Subconsultant (ESA) and increases the amount of the original Agreement.
- B. The Parties now mutually agree to amend the Agreement as follows:
- Article 3: The amount in paragraph 3.1 is amended from one hundred seventy nine thousand two hundred ninety dollars (\$179,290.00) to one hundred eighty five thousand sixty five dollars (\$185,065.00).
- C. All other provisions of the original Agreement remain unchanged by this Amendment.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the day and year above written.

THE COVELLO GROUP, INC.

By: [Signature] C74556  
Name Printed: James D Brosnan PE  
Title: Associate  
Date: June 19, 2018

NOVATO SANITARY DISTRICT

By: [Signature]  
Name Printed: Sandeep Karkal  
Title: General Manager-Chief Engineer  
Date: 06/20/18

\*\*\*\*\*

**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN  
NOVATO SANITARY DISTRICT  
&  
THE COVELLO GROUP, INC.  
FOR  
RECYCLED WATER FACILITY EXPANSION PROJECT  
CONSTRUCTION MANAGEMENT SERVICES  
AGREEMENT NO. 73005-CG-2017-01**

THIS AGREEMENT is made this 22<sup>nd</sup> day of November, 2017 by and between the NOVATO SANITARY DISTRICT, 500 Davidson Street, Novato, California, hereinafter called the "DISTRICT," and The Covello Group, Inc., 1660 Olympic Blvd., Suite 300, Walnut Creek, CA 94595, hereinafter called "CONSULTANT" in connection with the DISTRICT's Recycled Water Facility Expansion Project. In consideration of the mutual promises contained herein, the parties agree that this Agreement will be performed in accordance with the following conditions:

**ARTICLE 1 - SERVICES OF CONSULTANT**

- 1.1 CONSULTANT shall perform certain professional services described in the Consultant's attached proposal provided in Appendix B - Scope of Work. In summary, the services included in this proposal are:

Provide construction management, inspection and administrative services for the Recycled Water Facility Expansion Project.

- 1.2 It is expressly understood between the parties that no employer/employee relationship is intended. The relationship of CONSULTANT to the DISTRICT is that of an independent CONSULTANT. The DISTRICT will not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to CONSULTANT.

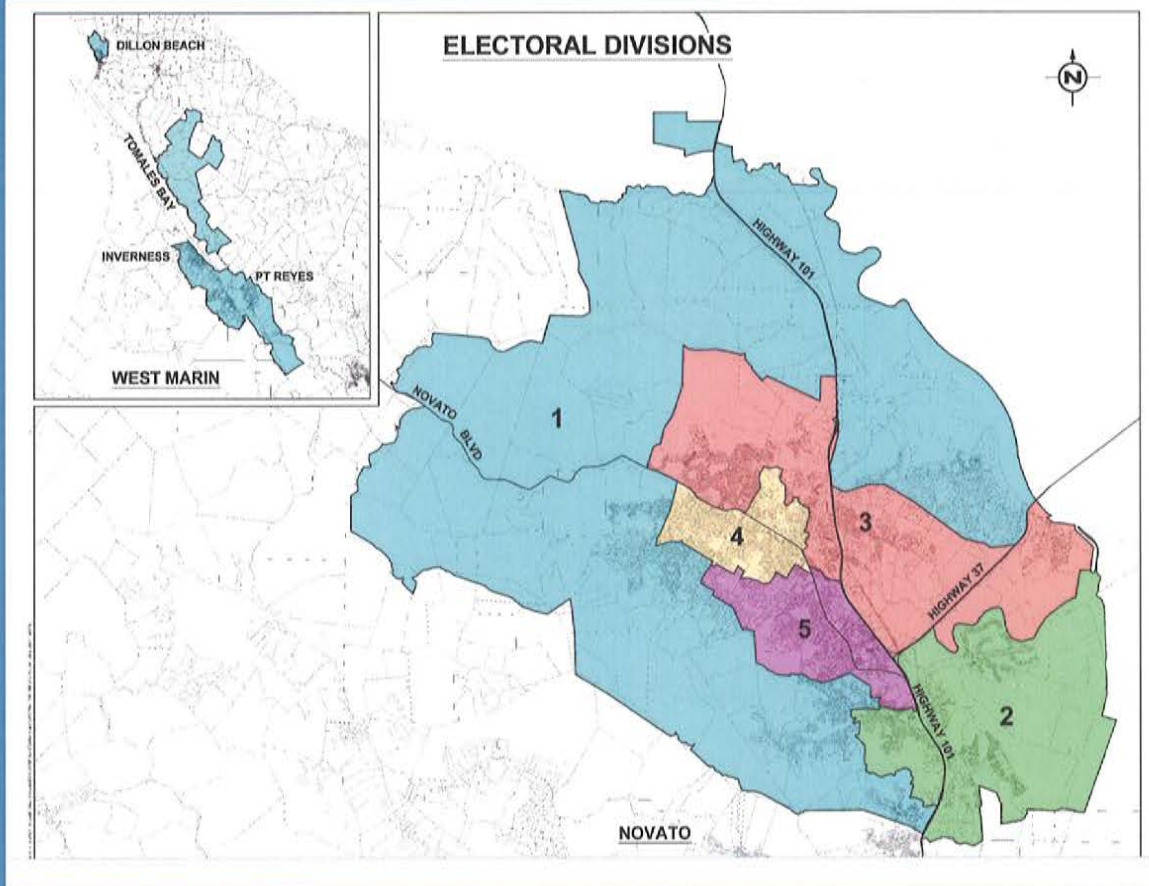
**ARTICLE 2 - PERIOD OF PERFORMANCE**

- 2.1 It is expected that the work on the Project shall begin on or about October 24<sup>th</sup>, 2017. No expenses or costs shall be reimbursed which are incurred prior to the effective date of this Agreement, or subsequent to the termination date without the written mutual agreement of the parties. The CONSULTANT will perform the services with due and reasonable diligence consistent with sound professional practices.

**ARTICLE 3 - COMPENSATION**

- 3.1 It is agreed that the total compensation to be paid to CONSULTANT for the services described in Article 1 herein and covered by this Agreement shall not exceed the total maximum allowable fee of one hundred seventy nine thousand two hundred ninety dollars (\$179,290) without written authorization from the DISTRICT. The fees payable by the DISTRICT will be based on the hourly labor rate plus direct cost basis in accordance with the attached rate schedule and budget estimate (see Appendix C- Method of Payment).

**7**



**DRAFT**  
**NORTH MARIN**  
**WATER DISTRICT**  
**ANNUAL REPORT**  
**2018-2019**

# **NORTH MARIN WATER DISTRICT**

## **BOARD OF DIRECTORS**

Jack Baker, served since 1983  
Rick Fraites, served since 2003  
James Grossi, served since 2017  
Michael Joly, served since 2017  
Steve Petterle, served since 2001

## **OFFICERS**

Drew McIntyre, General Manager, appointed 1998  
Terrie Kehoe, District Secretary, appointed 2018  
Julie Blue, Auditor-Controller, appointed 2018  
Rocky Vogler, Chief Engineer, appointed 2017

## **DEPARTMENT MANAGERS**

Administration & Finance .....	Julie Blue
Construction/Maintenance .....	Tony Arendell
Engineering .....	Rocky Vogler
Operations/Maintenance .....	Robert Clark

## **MISSION STATEMENT**

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

## **BOARD MEETINGS**

Regular Board meetings are held on the first and third Tuesday of each month at 6:00 p.m. Meetings are normally held at North Marin Water District headquarters, 999 Rush Creek Place, Novato. For meeting agendas, contact the District Secretary at 415-761-8921 or visit the website at [www.nmwd.com](http://www.nmwd.com)

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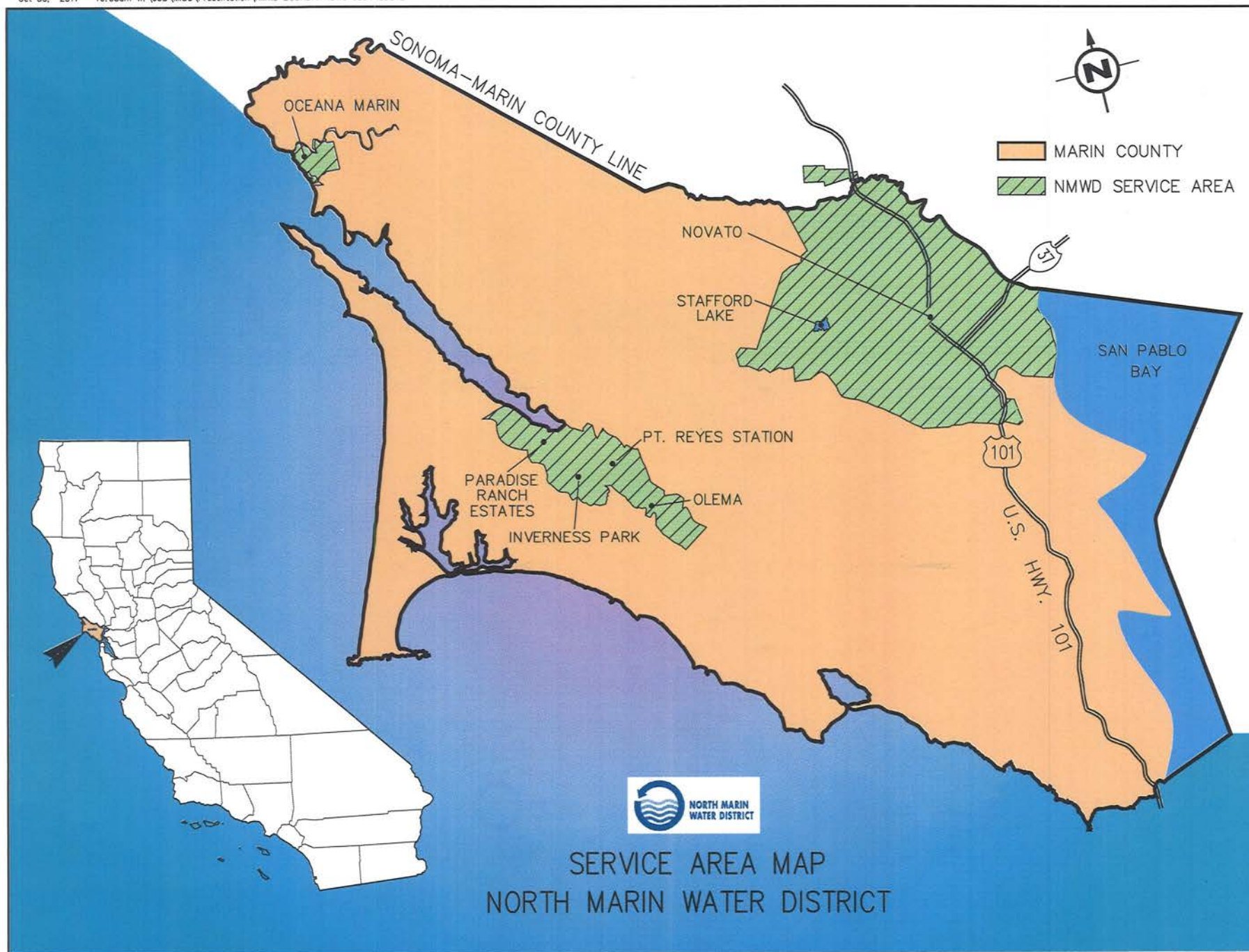
(Front cover photo: Final Redistricting Boundary Map)

## HISTORICAL HIGHLIGHTS

- 1948** The Novato community approves formation of North Marin Water District and purchase of the Novato Water Company.
- 1949** Novato voters impose a significant tax upon themselves (77¢/\$100 assessed value) to finance a \$2 million bond issue to purchase and upgrade the private water system and to construct a dam at Stafford Lake and build a water treatment plant.
- 1951** Contractor T.E. Connolly of San Francisco constructs Stafford Lake Dam, designed by Kennedy Engineers, to impound 560 million gallons (MG) of water.
- 1952** Stafford Water Treatment Plant, designed by Kennedy Engineers and built by C. Norman Peterson, goes into operation. It has a capacity of 3.75 million gallons per day (mgd).
- 1954** The spillway at Stafford Lake is raised to increase the reservoir capacity to 1.45 billion gallons, boosting the annual safe yield of Stafford Lake to 620MG.
- 1960** Voters approve a \$3.79 million bond issue to finance system improvements, Notably construction an aqueduct connecting Novato to the Russian River.
- 1961** The North Marin Aqueduct, a 9.4-mile, 30" pipeline from Petaluma to Novato is completed.
- 1963-66** Multiple water storage tanks are constructed, increasing storage from 2MG to 16MG.
- 1970s** Five small West Marin improvement districts are annexed into NMWD at the request of West Marin citizens: Oceana Marin Sewer in 1969; Point Reyes Station/Inverness Park Water in 1970; Olema Water in 1973; Tomales Sewer in 1975; and Paradise Ranch Estates Water in 1979.
- 1973-75** System storage capacity is increased to 26MG with construction of the Atherton (5MG welded steel) and Pacheco (5MG concrete) Tanks.
- 1974** Stafford Treatment Plant is modified to increase production capacity to 6.3 mgd.
- 1980s** North Marin assumes a leadership role in the water conservation field, pioneering programs such as connection fee discounts for installation of xeriscapes in new residential construction and "Cash-For-Grass" rebates for existing customers who replace irrigated turf with xerophytic plants.
- 1983** The US Army Corps of Engineers completes the construction of the Warm Springs Dam, creating a water supply pool in Lake Sonoma of 69 billion gallons.
- 1990s** Marin United Taxpayers twice touts NMWD as the Best Managed Public Agency in Marin County.
- 1998** The District celebrated 50 Golden Years of Quality, Excellent Service and Tradition.
- 2001** Marin Municipal Water District agrees to reorganize boundaries at Hamilton AFB to be coincident with Novato city limits, enabling NMWD to serve areas within Novato formerly served by MMWD.
- 2002** Amaroli Tank, a 4.5MG buried concrete tank adjacent to Highway 101 on Ammo Hill, is completed and increases total Novato area storage capacity to 33MG.
- 2005** A 180,000-gallon concrete storage tank is constructed in Point Reyes Station to replace a 36-year-old 100,000-gallon redwood tank serving the West Marin community.
- 2006** The Restructured Agreement for Water Supply with Sonoma County Water Agency (SCWA) is executed, authorizing SCWA to construct facilities to increase North Marin's water delivery entitlement to meet Novato's future needs consistent with the community general plan.
- 2006** The Stafford Water Treatment Plant \$16 million reconstruction project is completed enabling Stafford Lake water to meet anticipated future water quality standards.
- 2007** The 0.5 mgd Deer Island Recycled Water Facility, located adjacent to Highway 37 immediately south of Deer Island, commenced operation in June 2007 serving Stone Tree Golf Course.
- 2008** The 500,000-gallon Center Road Tank in west Novato is completed.
- 2009** Palmer Drive Tank is completed adding 3MG of first-zone storage in southern Novato, and increasing total Novato area storage capacity to 37MG.
- 2013** Expansion of the recycled water distribution system to north and south Novato is completed. Utilizing federal grant and loan funds and recycled water from both Novato & Las Gallinas Valley Sanitary Districts, the project will provide 130MG annually to large-landscape customers.
- 2015** The Gallagher Well Pipeline is completed principally with state grant financing, connecting the West Marin system to a new well located further upstream of Point Reyes Station in Lagunitas Creek, which is less susceptible to salt water intrusion.
- 2016** The \$22 million "Aqueduct Energy Efficiency Project" is completed, replacing the North Marin Aqueduct 30" diameter pipeline with a 42" pipeline from South Petaluma to Redwood Landfill, thereby eliminating the need for the Kastania Pump Station.
- 2017** To improve water use efficiency, accuracy and customer service, the District implemented an Advance Meter Information System (AMI) pilot project. The AMI project replaces the mechanical water meter register with an electronic register that transmits water use data securely to NMWD headquarters.
- 2018** Expansion of the recycled distribution system to Central Novato is completed. Using federal and state grant and loan funds and recycled water from Novato Sanitary District the project will provide at least 65 MG annually to large-landscape customers, including Marin Country Club Golf Course.

**2019** During a series of public hearings held between April and June 2019, the District established five electoral Divisions in order to transition to a Division-based election in which each Board member is elected by a specific Division within the District. All five board members will continue to participate and vote on district wide matters regardless of what division they represent.

For a narrative description of North Marin Water District history of formation and expansion in Novato and West Marin, please visit our website at [www.nmwd.com](http://www.nmwd.com) and click on Service Area.



**MESSAGE FROM THE GENERAL MANAGER ... *Drew McIntyre***

The North Marin Water District (North Marin) carries out its Mission with a highly-motivated and competent staff empowered to meet the expectations of our customers in providing services that are reliable, high-quality, environmentally responsible and reasonably priced. Each day, District employees strive to carry out their work mindful of these basic principles: Good Water, Good Service, Good Value, and A Safe Place to Work. This annual report updates customers on North Marin accomplishments in Fiscal Year (FY) 2019 and provides a snapshot of our current efforts and financial performance.

This year local water supply from Stafford Lake provided up to 41% of peak summer demand on a monthly basis and 23% of annual demand. Rainfall in Novato totaled 38.8" which was 143% of average and Stafford Lake filled to its maximum storage capacity in early February 2019. The Russian River water delivery system from Sonoma County Water Agency (SCWA) typically provides 70-80% of Novato's annual water supply. SCWA continues to focus on the 2008 Biological Opinion (BiOp) for water supply in the Russian River watershed issued by the National Marine Fisheries Service. The BiOp establishes requirements to preserve, protect and restore the fisheries and to maintain the existing Russian River water supply

On May 31, 2018, Governor Brown signed two bills, SB 606 (Hertzberg) and AB 1668 (Friedman) to make California more resilient to impacts of future droughts. This legislation creates new efficiency standards for indoor water use, outdoor irrigation use and water loss. By 2023, North Marin will have a new water use objective based on these efficiency standards. In the meantime, North Marin customers continue to be efficient in their water use. Fiscal year 2019 water production was down 24% compared to the State's benchmark of 2013. Ample water was available in the Russian River system for fish, agriculture and urban deliveries. North Marin's Stafford Lake Water Treatment Plant was utilized to augment Russian River supplies with local potable water supply. In cooperation with Novato Sanitary and Las Gallinas Valley Sanitary District's North Marin significantly expanded its distribution of recycled water, which supplies large landscape irrigation customers and various commercial car washes in Novato.

Recycled water customers have increased from 44 to 96 over the last five years. In total, recycled water delivery capacity is quickly approaching 30% of Stafford Treatment Plant Capacity. This directly addresses the District's 2018 Strategic Plan Goal No. 1: to increase local

control and long-term water supply reliability.

To improve water use efficiency, accuracy and customer service, North Marin has also implemented an Advanced Meter Information (AMI) project. With the AMI system, the customer's mechanical water meter register is replaced with an electronic register allowing digital meter data to be transmitted securely to North Marin's headquarters via wireless communication.

In West Marin, normal year water supply conditions on Lagunitas Creek prevailed, however, some common-sense prohibitions against water waste and non-essential use remain in effect. With respect to capital improvement projects, design is complete for replacement of the Paradise Ranch Estates Tank 4A, and planning continues for a second upstream well on Lagunitas Creek that is free from salinity intrusion.

In June 2019, a 3.5% water rate increase became effective. At \$725 per year, the cost of water service for a typical Novato single family home using 87,000 gallons of water a year is at the median of Bay Area urban area water agencies (see chart on page 18). Water remains a good value for Novato customers.

## **WATER SUPPLY**

### **STAFFORD LAKE – Local Source Provides 25% of North Marin's Supply**

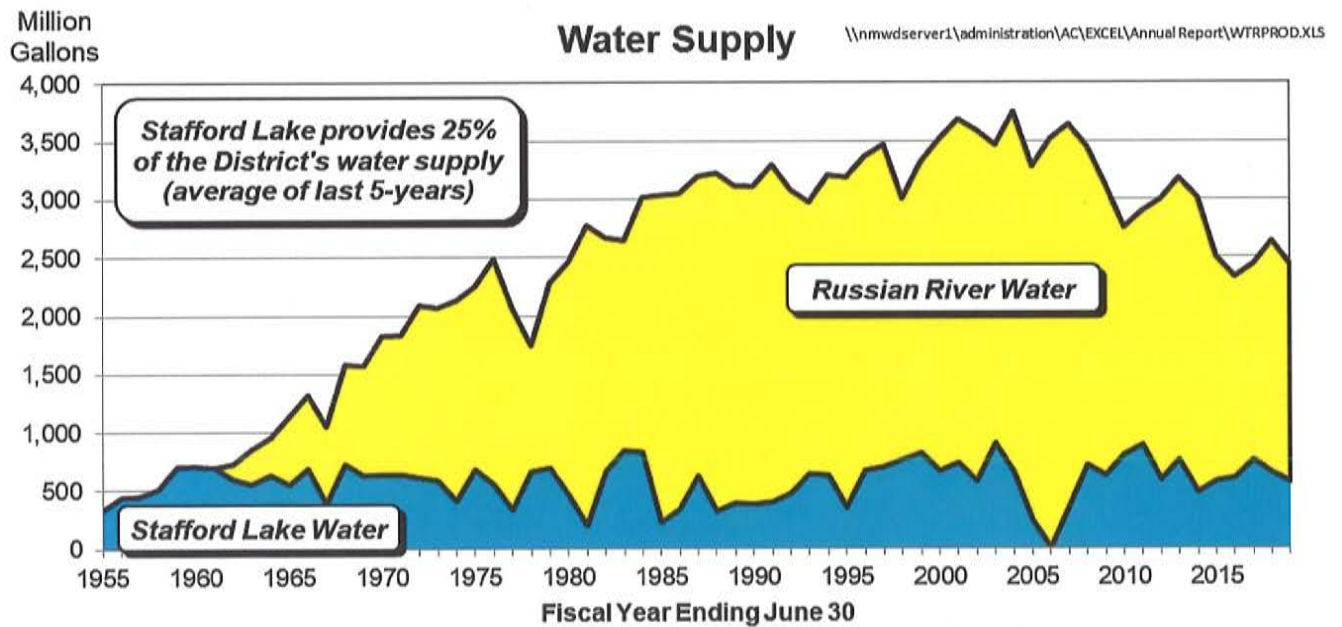
Stafford Lake lies four miles west of downtown Novato and collects the runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450 acre feet or 1,450 million gallons (MG) of water. Water from Stafford Lake is fed into the Stafford Lake Water Treatment Plant, (located just below the dam) at a maximum rate of 6 million gallons per day (MGD). In FY 2019, 1,740 acre feet (567 MG) of water was produced from the facility.

### **RUSSIAN RIVER – Provides 75% of North Marin's Annual Supply**

Russian River water originates from both the Eel River and the Russian River watersheds northeast of the City of Ukiah (Lake Mendocino) and west of Healdsburg (Lake Sonoma). The Coyote Dam at Lake Mendocino impounds the Eel River diversions and winter runoff from the local watershed. Warm Springs Dam at Lake Sonoma impounds winter runoff from the Dry Creek and Warm Springs local watersheds. Lakes Mendocino and Sonoma combined can store 367,500 acre feet to meet regional water supply needs, which totaled

43,970 acre feet in FY 2019. Releases from the lakes flow to a point about 10 miles upstream of Guerneville (see map on page 17 of this report), where six collector wells draw river water that has been filtered through 60 to 90 feet of natural sand and gravel to perforated pipes located at the bottom of each well. The thick layer of sand and gravel through which the water must pass before reaching the intake pipes provides a highly-efficient, natural filtration process which, with chlorination treatment, produces a clear, potable, bacteria-free water. This water is then fed directly into the SCWA aqueduct system.

In FY 2019, North Marin received 5,716 acre feet (1,860 MG) of Russian River water. North Marin has an agreement in place with SCWA to provide sufficient supply and meet Novato's current and future water supply needs. There continues to be competing interests for Russian River water, principally to protect steelhead and salmon listed as threatened or endangered species under the Endangered Species Act.



## **ADMINISTRATION**

The Administration Department is comprised of the Administrative Services, Consumer Services, Finance, Human Resources and Information Systems.

## **CONSUMER SERVICES**

Consumer Services is responsible for accurate and timely meter reading and billing approximately 139,000 bills annually. During the year, field staff responded to 1,761 customer calls for water service assistance and received a 97% positive response from customers related to the services provided.

- The Advanced Meter Information (AMI) system deployment project is complete. The AMI deployment project began in March 2018 and over 21,000 meters have now been upgraded. This project upgraded water meters and/or registers for customers throughout NMWD's Novato service territory. The AMI system transmits water use automatically and was implemented to improve water use efficiency, as well as meter reading efficiency, accuracy and customer service. This technology also provides early leak detection and enables customers to view their individual water use online.
- The Conservation Incentive Rate, enacted in Novato in June 2004 and focused on residential water use exceeding 1,845 gallons per day, continued to prove successful in reducing water demand. Residential consumption in the targeted tier was down 88% in FY 2019 compared to FY 2003. Less than 1% of residential customers used in excess of 1,845 gallons per day sometime during the fiscal year.
- In January 2007 a Conservation Incentive Tier Rate (CITR) was implemented in Novato. The Conservation Incentive Tier Rate is applicable to residential water use between 615 and 1,845 gallons per day. About 16% of residential customers used in excess of 615 gallons per day sometime during the year (84% of residential customers never used more than 615 gallons per day). The CITR is designed to further encourage high-use residential customers to review and tighten-up their landscape irrigation practices. FY2019 water use within the CITR range had declined 58% compared to FY2006.

- In March, the District's 2019 Urban Area Water Cost Comparison (see chart on page 18) showed that North Marin's cost of water service ranked 9<sup>th</sup> out of the seventeen urban agencies serving the greater San Francisco Bay Area. The annual cost for water service to a typical single-family home in Novato was \$725/yr.

## ACCOUNTING

The Accounting Department (pictured below) is responsible for general accounting and budgeting, payroll, purchasing, treasury management, risk management, materials inventory and human resources. The accounting staff renders a full financial statement monthly with extensive cost-accounting detail allowing District managers to closely monitor revenue and



expenditures relative to the adopted budget.

The Government Finance Officers Association (GFOA) has awarded the District a Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for fiscal year ended June 30, 2018. This is the tenth consecutive year the District has

received this award. The GFOA states that this Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The following staff members made significant contributions to this CAFR: General Manager Drew McIntyre, Julie Blue, Nancy Holton, and Nancy Williamson.

### **Fiscal Year 2019 financial highlights include:**

- The District, on a consolidated basis, received 95% of budgeted operating revenue and expended 94% of budgeted operating expenditures, resulting in a net income of \$1.8 million. Four million (49%) of the Capital Improvement Project Budget was

expended. The year ended with a cash balance of \$18.9 million, an increase of \$3.8 million from the prior year.

- Novato potable water consumption decreased 4% from the prior year. Stafford Lake Water Treatment Plant produced 567 MG, down 12% from the prior year. The net income of \$1.6 million exceeded the \$900 thousand budgeted net income, and compares to a net income of \$1.7 million the prior year. Novato Water ended the fiscal year with a cash balance of \$12.2 million. A 3.5% increase applicable to Novato water customers was approved effective June 1, 2019.
- The Novato Sanitary District and Las Gallinas Valley Sanitary District, along with the Deer Island Recycled Facility combined to produce 191 MG of Recycled Water, up 23% from the prior year. The fiscal year net loss of \$103 thousand exceeded the \$10 thousand budgeted loss. Recycled Water ended the fiscal year with a cash balance of \$4.7 million. A 3.5% increase applicable to Recycled water customers was approved effective June 1, 2019.
- West Marin Water consumption was consistent with the prior year. The \$247 thousand net income compares to a budgeted net income of \$139 thousand and to net income of \$207 thousand from the prior year. West Marin Water ended the fiscal year with a cash balance of \$1.7 million. A 3.5% increase applicable to West Marin water customers was approved effective July 1, 2019.
- Oceana Marin Sewer's net income of \$122 thousand compares to a budgeted net income of \$20 thousand and to net income of \$75 thousand from the prior year. Oceana Marin ended the year with a \$308 thousand cash balance. A 3.5% increase applicable to Oceana Marin Sewer customers was approved effective July 1, 2019.

## ENGINEERING

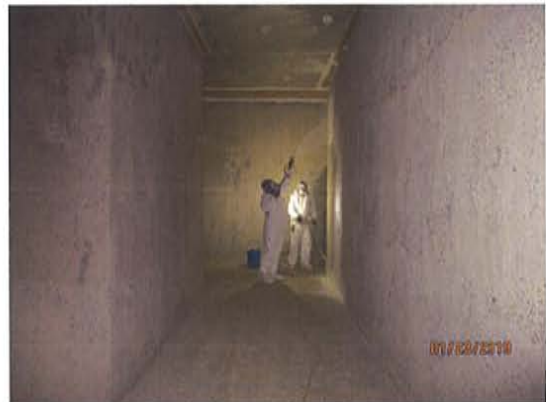
The Engineering Department consists of professional and technical staff that oversee the planning, permitting, design, construction and project management of water supply, treatment, transmission and distribution facilities necessary to serve North Marin's customers in Novato and West Marin. Engineering functions for wastewater-related facilities are also



provided by the Engineering Department to support North Marin's wastewater collection, treatment and disposal system in Oceana Marin. Property owners or developers desiring new water or wastewater service or an upgrade to their existing service are assisted by the Engineering Department pursuant to

North Marin regulations.

In the Novato service area, twenty-three capital projects were originally budgeted. An additional ten projects were added, two projects were carried over from the previous fiscal year, and three projects were deferred, resulting in an adjusted total of thirty-two projects. The Engineering Department oversaw twenty of the thirty-two projects, and seventeen of the total number of projects were completed within the fiscal year. Total expenditures equaled \$3,389,435. Some of the significant projects included STP Clearwell Coating, AMI Retrofit and Country Lane 2" Plastic Replacement.



In the West Marin service area, including Oceana Marin, eight projects were originally budgeted, eight projects were added, one was carried over and one was deferred, resulting in a total of sixteen projects. The Engineering Department oversaw nine of the sixteen projects, and combined fiscal year expenditures equaled \$562,650. The most significant project in West Marin was the Oceana Marin Pond Dredging and Solids Disposal project.



## **WATER CONSERVATION**

North Marin Water District implements a comprehensive and innovative Water Conservation Program aimed at both residential and non-residential customers (commercial and large landscape). Each program element is analyzed to assure that it will efficiently produce long-lasting water savings mutually worthwhile to the customer and the District.



Residential activities include residential water use surveys (245), high-efficiency washing machine (HEW) rebates (16 rebates), high-efficiency toilet (HET) replacements (170 rebates), a Cash-for-Grass Program (18 rebates), flapper rebates, weather-based irrigation controller rebates, landscape efficiency rebates, a plumbing retrofit-on-resale program (toilets, showerheads, and bathroom sink faucets) and rainwater collection

and gray water rebates. Hot Water Circulation and Pool Cover rebates were added in recent years along with the "Lawn Be Gone" program aimed at promoting the sheet mulching technique of removing lawn. Water conservation programs for non-residential customers include

HET rebates, high-efficiency washing machine rebates, and free water audits/surveys. Large landscape customers are provided landscape water budgets comparing actual use to calculated use based on local weather data and landscape area. Large landscape audits and landscape efficiency upgrade rebates are also offered to mixed-use accounts and dedicated metered sites.



The public outreach program includes a School Education Program (in cooperation with SCWA), the “*WaterLine*” newsletter (sent in spring and fall), bill inserts and text, newspaper advertisements and articles, and a variety of other customer outreach events and campaigns (including participation in the Sonoma Marin Saving Water Partnership “Outreach” and “Take It From the Tap” campaigns). The District maintains an interactive website where customers can look at everything from a graph of their water use

history, to water use efficiency rebate information and can even pay their water bill. The District also maintains and regularly updates a Facebook page and has recently started using Nextdoor and Instagram to disseminate information. The outreach program is designed to increase customer participation in the various conservation programs offered by the District and to increase customer awareness and stewardship of the water resource.



measures consistent with the updated State Model Water Efficient Landscape Ordinance.

Finally, the District requires new development to meet some of the most stringent water-use efficiency standards in the nation, including: installation of a high-efficiency washing machine, high-efficiency toilets, weather-based irrigation controllers, a maximum of 600 square feet of turf for new residential development and no turf for new commercial development, soil amendment and mulching requirements, drip or other subsurface irrigation for all irrigated non-turf areas, and other landscape irrigation efficiency

## **OPERATIONS AND MAINTENANCE DEPARTMENT**

The Operations and Maintenance Department is comprised of three groups –Operations, Maintenance and Water Quality – which work together to provide Novato and West Marin customers with good water and good service at good value while continuing to provide a safe place to work. Along with these groups, the O&M Technical Assistant provides document control for the Cross Connection Control, Maintenance Management and Asset Management programs, as well as managing the District's Recycled Water Monitoring and water loss Programs. Additional programs managed by the O&M staff include Safety, Environmental, Water Treatment and Distribution operational permits and compliance reporting.

### **OPERATIONS**

The Operations Group is comprised of six staff that are certified in Water Distribution and Treatment Operations as well as three that are certified to operate our waste water collection and treatment facilities in Oceana Marin. This staff works closely with the Water Quality Group, sharing the responsibility of monitoring the Stafford Lake watershed and working cooperatively with landowners, the Indian Valley Golf Course and the Marin County Parks and Open Space District. The Group manages the potable water supply and distribution systems for Novato and West Marin communities and the waste water system in Ocean Marin as well as the Novato recycled water transmission and distribution system in Novato. Also in Novato, this department balances the tasks of treating and distributing water from Stafford Lake and imported Russian River water while maintaining appropriate water storage and pressure levels to reliably meet all water system demands and fire protection requirements.

This is a photo of the Oceana Marin waste water storage pond being dredged. Staff transferred the treatment operation from one pond to the other during the dredging project to allow the removal of bio-solid buildup in both ponds.



In Novato, the group manages storage of 28 million gallons (MG) of potable finished water in 35 tanks through four hydraulic pressure zones with 27 pump stations. There are 1.5 million gallons of recycled water storage and 17 miles of distribution mains providing 92

customer sites with recycled water from the Deer Island, Novato Sanitary District and the Las Gallinas Valley Sanitary District Recycled Water Treatment Facilities. In fiscal year 2018-19 recycled water was 7% of the water supplied to our Novato customers with 22% from Stafford Treatment Plant and the remaining 71% from Sonoma Water.

In West Marin, the group operates the Lagunitas Creek wells, Point Reyes Treatment Plant, six pump stations and thirteen storage tanks in Point Reyes Station, Olema, Inverness Park, Paradise Ranch Estates, and Bear Valley. Additionally the department operates and maintains nine miles of sewer collection piping and a 90,000 gallon per day facultative waste water treatment pond with an eight acre irrigation field for the wastewater system in Oceana Marin.

Operations activities and accomplishments during 2018-19 included three improvement projects during the winter shutdown and over 500 routine maintenance tasks throughout the year. Additional tasks included work performed to complete the temporary operation at the Oceana Marin treatment ponds, Stafford Treatment Plant clearwell recoating preparation, replacement of the water quality sensors and chemical feed systems, and the Stafford Treatment Plant turbidimeter replacements.

## **MAINTENANCE**

The Maintenance Group is comprised of seven technicians including Electrical/Mechanical, Building/Grounds, Fleet, Distribution Cross Connection Control and a Technical Program Administrator and is responsible for all maintenance tasks throughout the Novato, West Marin and Oceana Marin service areas.

Maintenance works closely with Engineering and Construction on new projects for electrical and mechanical installations and with Operations to ensure proper operation of Treatment and Distribution facilities for continuous service to our customers. Throughout the service area the E/M team maintains the Supervisory Control and Data Acquisition (SCADA), Advanced Meter Infrastructure (AMI) and computer network communication systems.

In Novato, the Maintenance group maintains the Stafford Lake Water Treatment plant, Deer Island Recycled Water Treatment Facility, pump stations, tanks, pressure regulators and cross connection devices while also maintaining the Office and Corporation yard facilities.

In West Marin, the Maintenance group maintains the Lagunitas Creek wells, Point Reyes treatment plant, tanks and pump stations. Additionally, the group maintains the collection and wastewater treatment facilities in Oceana Marin.

Maintenance accomplishments during 2018-19 included six facility improvement projects and 468 routine maintenance tasks. Staff continued to execute the day-to-day activities while performing projects on the AMI installation project, Gallagher Well rehabilitation, Wild Horse Valley tank power relocation, fire service installation at Redwood Landfill, asset management implementation, State water loss reporting and tank security enhancements.



NMWD and Ferguson  
AMI Installation Team



Fire Service Installation at the  
Redwood Landfill

## WATER QUALITY

The Water Quality Group is comprised of five employees, including chemists and lab technicians providing oversight to all aspects of North Marin operations to ensure that water quality is protected. Using a multi-barrier approach, surveillance and monitoring is performed at multiple points from source to tap. North Marin's laboratory performs thousands of water quality tests each year (as required under state and federal drinking water regulations) to support the work performed by other District departments. Annually, a water quality report is sent to all District customers in both Novato and West Marin. In addition, Water Quality staff responds to customer calls with specific information on water quality.

The primary North Marin Water District goal is for water at every tap to be safe and taste good. The objectives toward meeting this goal, collaboratively established by the District's Board of Directors and staff, are to meet or exceed all regulatory standards, work to control or prevent all taste and odors and work with appropriate agencies to protect water quality.

North Marin Water District's Water Quality Division prides itself on providing exceptional customer service based on a commitment to public health and a safe water supply. The District's Water Quality laboratory is certified by the California State Environmental Laboratory Accreditation Program to perform analyses for both regulated and unregulated contaminants. The laboratory staff provides testing services for other District divisions for quality control of the water supply as well as testing in response to customer concerns. Monitoring is from source to tap. Staff provides the Novato Sanitary District with sample collection, lab analysis and reporting.

Routine tests are performed on the bacterial, algal and chemical conditions of the source water in Stafford Lake and the Point Reyes wells. Tests are also conducted on the water purchased from Sonoma County Water Agency. Source monitoring in the Point Reyes system focuses on a well water quality where salinity levels continue to rise above the notification level (chlorides – 100mg/L) despite the blending of the low saline Gallagher well water with the Coast Guard wells. The laboratory staff supports the Operations staff with monitoring of Stafford Treatment plant to evaluate the effectiveness of the various treatment processes.

This is a photo of the tank aeration system installed at the Paradise Ranch Estates tank number two. This aids in the removal of disinfection by products created when additional disinfection is done at the Paradise Ranch Estates tank number one site.



The quality of water in the Novato and Point Reyes distribution system met all regulatory requirements. Operational controls to maintain chlorine residuals were effective in maintaining low heterotrophic bacteria counts, even when chlorine residuals were below detection. The distribution water quality programs including flushing and cross-connection control were

performed. Storage tanks were inspected by the Maintenance and Operations staff and the information obtained was used to help determine tank-cleaning priorities. During the year, Water Quality staff assisted the State Division of Drinking Water on the West Marin system inspection and the Novato Sanitary District on the inspection of the Stafford Lake Treatment Plant discharge permit.

### CONSTRUCTION/MAINTENANCE DEPARTMENT

The Construction/Maintenance Department installs, repairs and replaces water main pipelines and their appurtenances (valves, hydrants, services and meters, etc.) in upgrading and maintaining our facilities. The Construction/Maintenance Department may be contracted by developers to install new water mains, services, fire hydrants and fire services. In addition, staff upgrades  $\frac{3}{4}$ " service lines to 1" to comply with the Novato Fire Protection District's requirements for sprinklers in new building construction. Staff is on call at all times and may be the first to respond to emergencies such as service leaks, main breaks, or knocked-over hydrants. Construction/Maintenance staff work hand-in-hand with the public, City and developers to install high-quality and reliable facilities to serve North Marin customers.



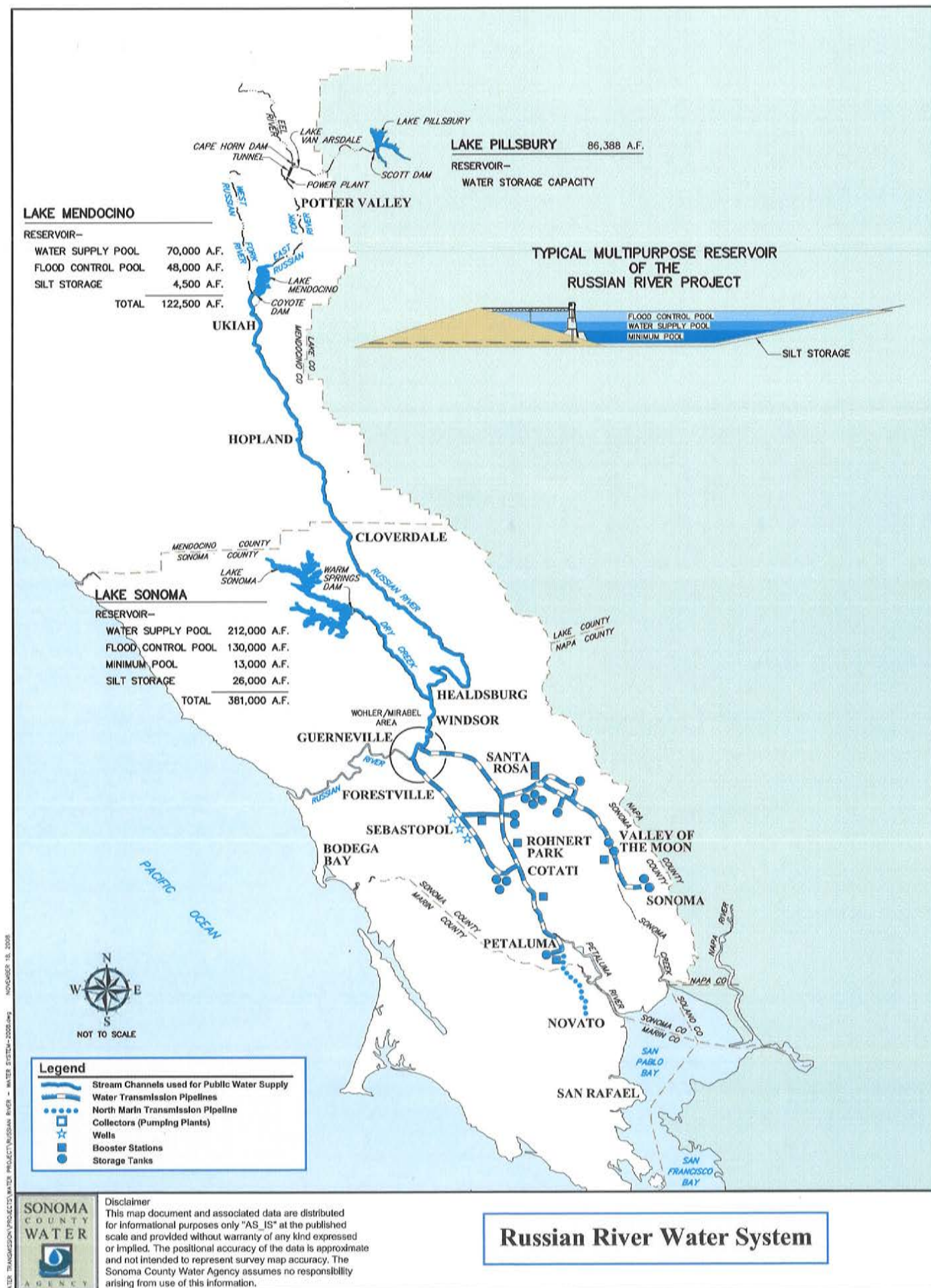
During FY 2018/19, North Marin Water District's Construction crews replaced 104 polybutylene and 13 copper water service laterals because of leaks in Novato and West Marin service areas.

The Construction Crews worked on various developer jobs including Oakmont Senior Living, Hamilton Cottages, All Saints Lutheran Church, and two jobs on the IVC Campus. The Crews also upsized service laterals for residential fire sprinklers (15 services).

Crews worked on the following Capital Improvement Projects in the Novato system; 8" ARV relocation on the Aqueduct, AMI Meter upgrades, Lanham Village & Shady Lane PB replacements, DCA replacements, and PB Replacement ahead of City and County paving projects. District crews also repaired the storm damage to the Oceana Marin Treatment Pond berm and District crews assisted contractors on the Country Lane and Montego Key main replacement projects.

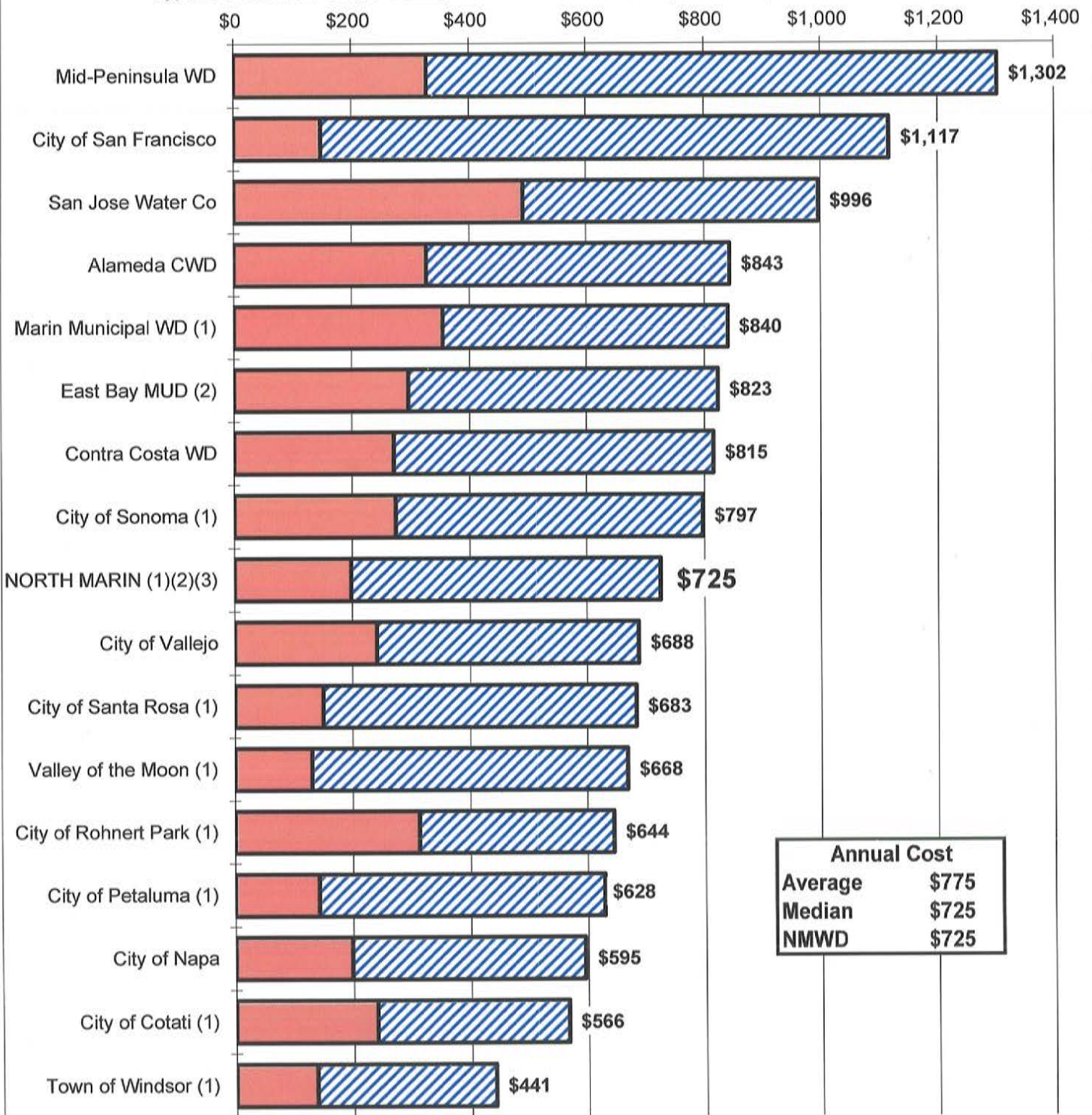
Photo shows crews are working to installing an 8" ARV on the Aqueduct.





## 2019 URBAN AREA TOTAL ANNUAL WATER COST COMPARISON

Typical Detached Single-Family Home Annual Consumption = 87,600 Gallons

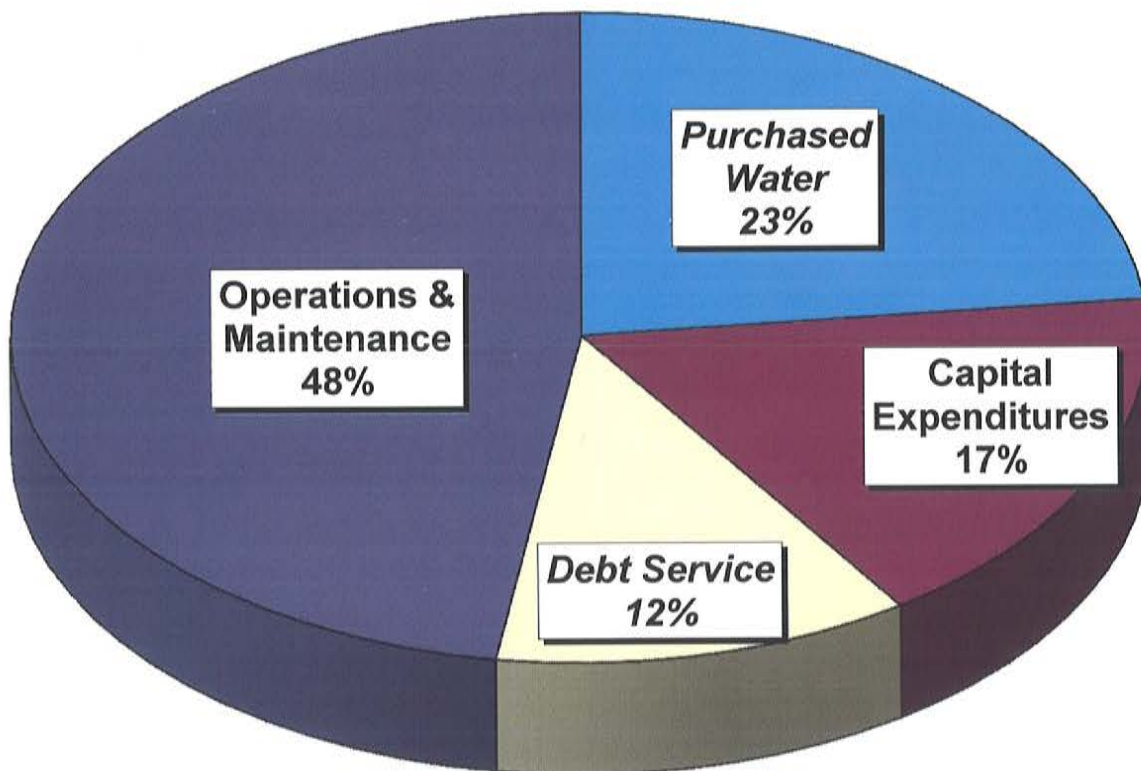
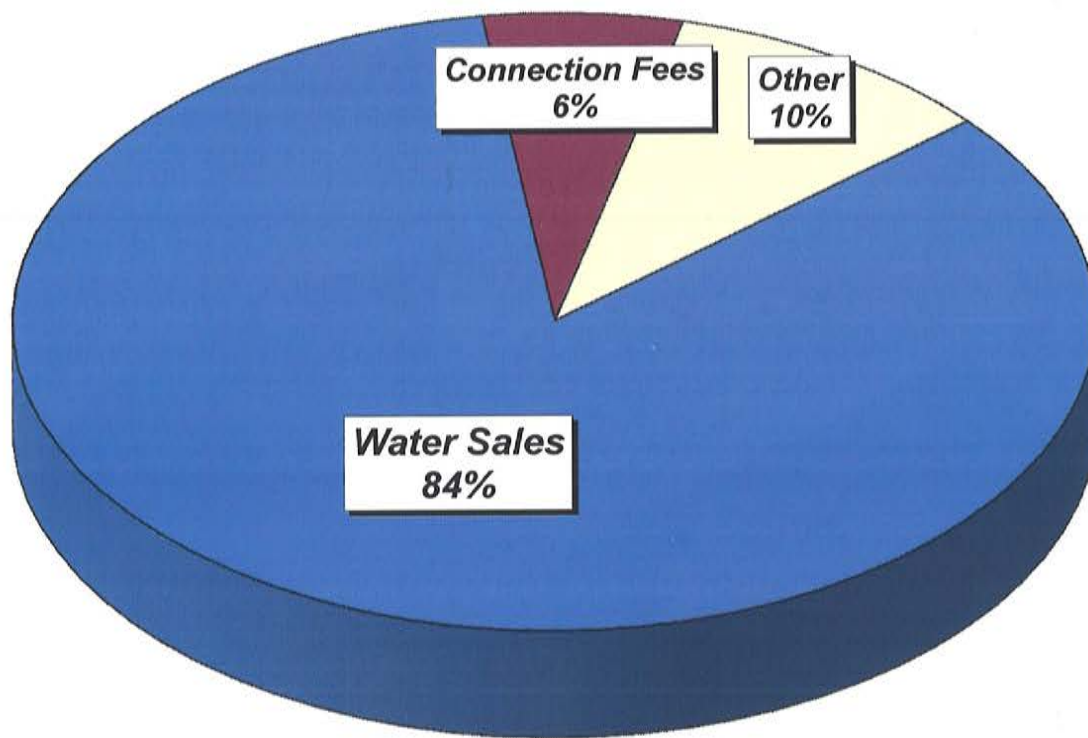
**LEGEND**

■ Service   ■ Commodity

(1) Sonoma County Water Agency Prime Contractor.  
 (2) Based on weighted average commodity charge - all zones.  
 (3) Excludes West Marin rates and charges.

## North Marin Water District - Fiscal Year 2018-19

Source of Funds: \$25.2 Million



Use of Funds: \$25.2 Million

## CHARACTERISTICS OF SERVICE AREAS

<b>Statistics</b> (at June 30, 2019)	<b>Water</b>		<b>Sewer</b>	<b>Total</b>
	<b>Novato Potable &amp; RW</b>	<b>West Marin Service Area</b>	<b>Oceana Marin</b>	
Service Area (Square Miles)	75	24	1	100
Active Connections	20,637	783	234	21,654
Dwelling Units	24,077	832	234	25,143
Estimated Population	61,520	1,800	500	63,820
Average Household Size (People)	2.6	2.2	2.1	2.5
FTE Employees	52.0	-	-	52.0
Fire Hydrants	2,682	172	-	2,854
Miles of Pipeline	333	26	5	364
Storage (million gallons)	39.0	1.0	-	40.0

### **Annual Water Volumes (MG) (FY2018-19)**

Russian River Water Purchases	1,863			1,863
Stafford Water Treatment Plant	567			567
Recycled Water	191			191
Point Reyes Water Treatment Plant		81		81
Oceana Marin Wastewater Treatment			7	7
Total Water Production	2,621	81	7	2,709
RR Water Wheeled to MMWD	1,728			1,728

### **Annual Budget - FY2018-19**

Operating Revenue	\$21,679,000	\$875,000	\$252,000	\$22,806,000
Connection Fees/Misc	1,450,000	96,000	95,000	1,641,000
Grant/Loan Proceeds	250,000	0	69,000	319,000
Contribution (To)/From Reserves	2,831,000	991,000	344,000	4,166,000
Total Sources	\$26,210,000	\$1,962,000	\$760,000	\$28,932,000

Operating Labor	\$6,611,000	\$249,000	\$82,000	\$6,942,000
Other Operating Expense (less Deprec)	10,313,000	290,000	113,000	10,716,000
Capital Expenditures	6,235,000	1,325,000	565,000	8,125,000
Debt Service & Other Expenditures	3,051,000	98,000	0	3,149,000
Total Outlays	\$26,210,000	\$1,962,000	\$760,000	\$28,932,000

### **Annual Water/Sewer Cost (FY2018-19)**

to Typical Single-Family Detached Residence				
Service Charge	\$33.00/2 mo.	\$33.00/2 mo.	\$93.00/mo.	
Annual Consumption (Typical)	87,600 gal	49,800 gal		
Wt'd Avg Water Rate / 1,000 gal <sup>1</sup>	\$6.00	\$10.26		
Typical Annual Cost:				
Service Charge	\$198	\$205	\$1,116	
Commodity Charge	\$527	\$511	\$0	
Allocated Tax <sup>2</sup>	\$0	\$72	\$250	
Total Annual Cost	\$725	\$788	\$1,366	

### **Notes**

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1 FY19 weighted average commodity rate. Rates vary by elevation zone to reflect different energy, pumping and storage costs. Novato rates ranged from \$5.24 to \$7.25 per 1,000 gallons, and in West Marin from \$8.93 to \$14.90. Average excludes tier rate charges as typical residential consumption is below tier threshold.

2 FY19 allocated share of Marin County 1% ad valorem tax per active connection. Tax is collected by the County and allocated by formula to the West Marin districts.

## SUMMARY FINANCIAL INFORMATION

June 30, 2019

### NET ASSETS

<b><u>NET ASSETS</u></b>		Novato	West Marin	Oceana	
<b>Assets</b>	<b>Total</b>	<b>Novato Water</b>	<b>Recycled Water</b>	<b>Marin Sewer</b>	
Cash & Investments	\$18,938,674	\$12,259,420	\$4,683,176	\$1,687,637	\$308,441
Receivables & Other Assets	11,265,098	8,471,046	2,551,315	171,863	70,874
Construction-in-Progress	23,880,461	7,494,202	15,743,265	556,010	86,984
Property, Plant & Equipment (net)	113,618,191	90,760,422	16,730,223	5,055,781	1,071,765
<b>Total Assets</b>	<b>\$167,702,424</b>	<b>\$118,985,090</b>	<b>\$39,707,979</b>	<b>\$7,471,291</b>	<b>\$1,538,064</b>
<b>Liabilities</b>					
Current Liabilities	\$6,502,725	\$5,282,145	\$1,083,973	\$121,271	\$15,336
Long-Term Debt	50,400,445	34,533,972	15,202,419	664,054	-
<b>Total Liabilities</b>	<b>\$56,903,170</b>	<b>\$39,816,117</b>	<b>\$16,286,392</b>	<b>\$785,325</b>	<b>\$15,336</b>
<b>Net Assets</b>					
Invested in Capital Assets	\$137,375,467	\$103,281,051	\$26,384,829	\$6,362,179	\$1,347,408
Restricted & Designated Reserves	8,520,724	4,706,657	3,782,965	145,678	(114,576)
Earned Surplus	(35,096,939)	(28,818,735)	(6,746,207)	178,108	289,895
<b>Net Assets</b>	<b>\$110,799,252</b>	<b>\$79,168,973</b>	<b>\$23,421,587</b>	<b>\$6,685,965</b>	<b>\$1,522,727</b>

### REVENUE & EXPENSE

Operating Revenue	\$21,772,247	\$19,437,324	\$1,183,419	\$898,784	\$252,720
Operating Expense	19,822,300	17,799,856	1,087,361	741,819	193,263
Operating Income/(Loss)	\$1,949,948	\$1,637,468	\$96,058	\$156,965	\$59,457
Non-Operating Revenue/(Expense)	(124,743)	(78,175)	(199,444)	89,507	63,369
<b>Net Income/(Loss)</b>	<b>\$1,825,205</b>	<b>\$1,559,293</b>	<b>(\$103,386)</b>	<b>\$246,472</b>	<b>\$122,826</b>

### CASH FLOW

Net Income/(Loss)	\$1,825,205	\$1,559,293	(\$103,386)	\$246,472	\$122,826
Add Back Depreciation	3,451,155	2,752,212	473,825	186,922	38,196
<b>Cash Generated</b>	<b>\$5,276,360</b>	<b>\$4,311,505</b>	<b>\$370,439</b>	<b>\$433,394</b>	<b>\$161,022</b>

### Other Sources/(Uses)

Connection Fees	\$1,492,380	\$1,484,380	\$0	\$8,000	\$0
Capital Asset Acquisition	(3,989,561)	(3,447,260)	(119,983)	(132,241)	(290,077)
Principal Paid on Debt	(1,871,004)	(1,099,776)	(653,620)	(117,608)	-
Grant Proceeds	20,191	20,191	-	-	-
Caltrans Capital Contributon	24,787	24,787	-	-	-
Interdistrict Loan	-	(543,218)	543,218	-	-
Connection Fee Transfer	-	1,239,907	(1,239,907)	-	-
Working Capital & Miscellaneous	4,652,930	(162,007)	4,918,740	20,103	(123,906)
<b>Total Other Sources/(Uses)</b>	<b>\$329,723</b>	<b>(\$2,482,996)</b>	<b>\$3,448,448</b>	<b>(\$221,745)</b>	<b>(\$413,984)</b>
<b>Net Cash Generated/(Used)</b>	<b>\$5,606,082</b>	<b>\$1,828,509</b>	<b>\$3,818,888</b>	<b>\$211,649</b>	<b>(\$252,964)</b>

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## HISTORICAL STATISTICS

Fiscal Year Ending June 30:		2019	2018	2017	2016	2015
Active Services	-Novato Water	20,546	20,543	20,544	20,535	20,498
	-Novato Recycled	91	66	47	44	44
	-West Marin Water	783	783	780	780	778
	-Oceana Marin Sewer	234	234	231	230	229
	Total Active Services	21,654	21,626	21,602	21,589	21,549
Full-Time Equivalent (FTE) Employees		52.0	53.0	53.7	50.7	51.7
FTE Employees per 1,000 Active Services		2.4	2.5	2.5	2.3	2.4
Property, Plant and Equipment (millions)		\$198.5	\$194.1	\$182.8	\$165.1	\$158.9
FTE Employees per \$1M Capital Assets		0.26	0.27	0.29	0.31	0.33
Miles of Pipeline		364	364	364	358	357
Storage (MG)		40.0	40.0	39.4	39.4	39.4
<b>Water Production (MG)</b>						
Point Reyes Treatment Plant		81	81	66	65	70
Stafford Treatment Plant		567	646	756	601	573
Recycled Water		191	155	144	139	148
Russian River Water Purchases		1,863	1,947	1,681	1,687	1,928
Total Water Production		2,702	2,829	2,647	2,492	2,719
Wheeled to Marin Municipal WD		1,728	1,683	1,670	1,725	2,333
<b>Novato Service Area Average Day Potable Water Production (MG)</b>						
Annual		6.7	7.1	6.7	6.3	6.9
Peak Month		11.9	10.7	10.0	10.2	10.3
Peak Week		11.4	10.3	10.6	11.1	11.3
Peak Day		13.7	13.2	15.6	12.2	13.7
<b>Financial History</b>						
Source of Funds						
Water Sales		\$21,147,467	\$21,328,795	\$18,136,626	\$16,840,826	\$17,492,130
Investment Earnings		484,686	243,752	156,662	125,078	134,464
Tax Revenue		115,706	109,908	107,089	102,259	94,398
Grant Proceeds		20,191	592,907	5,061,105	532,248	1,259,624
Connection Fees		1,492,380	1,455,400	1,034,585	278,690	801,600
Loan Proceeds		-	6,393,836	1,899,538	-	-
Other Sources		1,698,238	1,413,583	5,981,896	3,944,898	11,761,694
Reserves		(2,058,410)	(5,011,576)	2,937,250	1,155,661	608,242
		<u>\$22,900,258</u>	<u>\$26,526,605</u>	<u>\$35,314,751</u>	<u>\$22,979,660</u>	<u>\$32,152,152</u>
Use of Funds						
Purchased Water		\$5,383,444	\$5,350,855	\$4,469,632	\$4,189,723	\$4,545,345
Operation & Maintenance		10,987,701	11,110,175	10,630,056	9,228,266	8,780,314
Debt Service		2,749,713	2,201,451	2,527,022	2,528,938	2,534,473
Capital Expenditures		3,989,561	11,270,831	12,488,621	5,594,631	16,192,913
Other Uses		(210,161)	(3,406,707)	5,199,420	1,438,102	99,107
		<u>\$22,900,258</u>	<u>\$26,526,605</u>	<u>\$35,314,751</u>	<u>\$22,979,660</u>	<u>\$32,152,152</u>
Net Assets						
Assets		\$167,702,424	\$166,351,644	\$159,886,280	\$136,897,391	\$134,483,310
Liabilities		56,903,171	59,528,196	55,974,308	44,224,607	46,328,041
Net Assets		<u>\$110,799,253</u>	<u>\$106,823,448</u>	<u>\$103,911,972</u>	<u>\$92,672,784</u>	<u>\$88,155,269</u>

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8

MEMORANDUM

To: Board of Directors

December 3, 2019

From: Pablo Ramudo, Water Quality Supervisor

PR

Subject: FY 19-20 Quarterly Progress Report– Water Quality  
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**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** \$0

The water served to the communities of Novato and Point Reyes met federal and state primary and secondary water quality standards during the first quarter of fiscal year 2019-2020.

Following is a review of the activities and water quality issues in regards to:

- Source Water
- Treatment Performance
- Distribution System Water Quality
- Novato Recycled Water

**NOVATO SYSTEM**

**Source Water: Stafford Lake**

Stafford Lake water was used as a source of drinking water throughout the first quarter. Water quality was monitored on a weekly basis for chemical and mineral components as well as microbiological activity.

Algae and plankton from the raw water intake were identified and enumerated. Diversity was quite high with 21 genera recorded in appreciable numbers. Several genera of cyanobacteria were present in large numbers and made up the majority of biomass in several alternating blooms.

Total organic carbon remained moderate and ranged from 6.7-7.0 mg/L.

**Treatment Performance: Stafford Treatment Plant**

Total organic carbon (TOC) removal ranged from 85 to 95% and was well above the 35% required by regulation. Finished water TOC concentrations were 0.4-1.0 mg/L, surpassing the district's goal of a maximum 2.0 mg/L. There were no occurrences of taste or odor attributable to algae blooms in treated water.

**Distribution System: Novato**

Of 265 samples collected for compliance with the Total Coliform Rule there was one sample positive for coliform bacteria. This sample was collected at the sample station representing the northeast area of zone 1. This sample had adequate chlorine to ensure disinfection and all follow up samples were negative for coliforms.

Disinfection byproducts were very low for the quarter and well within standards of the Stage 2 Disinfection By-Product Rule.

**POINT REYES SYSTEM****Source Water: Coast Guard Wells**

Raw water quality was generally good throughout the quarter, however water quality parameters affected by salt water intrusion increased during the quarter. The sodium concentration ranged from 40 – 77 mg/L, chloride ranged from 23 – 300 mg/L, and bromide ranged from 0.090 – 1.0 mg/L.

**Source Water: Gallagher Well**

Raw water quality was good throughout the quarter. Water quality parameters associated with saltwater are very low and stable from this source and are not prone to intrusion from seawater. The sodium concentration was around 12 mg/L, chloride was around 10 m/L, and bromide was at 0.060mg/L.

**Treatment Performance: Point Reyes Treatment Plant**

Treatment was optimal throughout the quarter and finished water quality was good. Iron and manganese removal was excellent; neither of the metals were detected in the treated water.

**Distribution System: Point Reyes**

There were 22 samples collected for routine monitoring and compliance with the Total Coliform Rule. None of the samples were positive for coliform bacteria. Chlorine residual concentrations throughout our distribution system were good.

**Distribution System: Point Reyes** (continued from page 2)

Disinfection byproducts remained moderate during this quarter. Because we were able to source the majority of water from the Gallagher well, and due in part to changes in treatment and distribution put in place at the end of 2018- we were able to avoid (or delay) the salinity related increases in disinfection byproducts which we were experienced in the same quarter of 2018.

**NOVATO RECYCLED WATER****Deer Island Recycled Water Facility**

The Deer Island plant produced water for 26 days in August and September to provide recycled water to the North area of Novato. Recycled water quality from the Deer Island facility was good, with no detectable coliform bacteria in any samples. All test results were well within regulations and guidance.

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## MEMORANDUM

To: Board of Directors  
From: Robert Clark, Operations / Maintenance Superintendent   
Subject: FY 19-20 Quarterly Progress Report - Operations and Maintenance  
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November 27, 2019

**RECOMMENDED ACTION:** Information**FINANCIAL IMPACT:** NoneSafety Summary

Hearing tests were performed for 28 employees who are at times exposed to 80 decibels and above noise levels during their normal job duties, no OSHA recordable results were identified. NMWD staff along Marin County Department of Health and Safety performed a three year inspection and review of the Office and Yard's, Hazardous Materials Business Plan. There were no deficiencies found and an approval was provided for continuation of the permit

Maintenance Summary

Staff stayed on schedule with routine maintenance tasks, completing 312 work orders this period including 19 unplanned work orders. Project work included: pump station emergency generator plug upgrade installations at Truman, Upper Wildhorse, Indian Hills, San Andreas, Hayden, San Antonio and Windhaven. Checked and ran all towable Generators in preparation for PSPS events. Clean out of the Oceana Marin Lift Station grit chamber in preparation of winter rain season. Received and set up of new Vacuum excavator. Staff completed the third round of weed management abatement at all facilities in preparation of the fall fire season.

Operations Summary

The Stafford Treatment Plant (STP) began the period under typical late summer production conditions producing 283 MG of water. Novato received 1,161 MG in total water produced with a peak day of 18.1 MG on August 17<sup>th</sup>. The Stafford Treatment Plant produced 32% of the Novato water supply during the period. The Point Reyes Treatment plant produced 25.1 MG with a peak day of 514,910 gallons on July 21<sup>st</sup>. The recycled water facilities delivered 99.5 MG to our Novato customers and Deer Island produced 6.1 million gallons of water for the Stone Tree golf course.

### Water Quality Summary

With the assistance of Operations' staff, Construction/Maintenance staff and additional contract vendors, the District is on track to complete all the required annual backflow testing by mid-December. Annual inspection of the waste discharge facilities at STP by the Novato Sanitary District (NSD) staff resulted in satisfactory findings. During the period we identified a consultant to assist staff with the review of our Cross Connection Control Program. This will involve a review of our existing regulations, our backflow manual and standard drawings. The consultant will then provide a report with recommendations for improvements to ensure our program meets the Title 17 standards for proper backflow protection of our water systems. Staff expects to have final recommendations soon after the first of the year for the Board of Directors to review.

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\*DRAFT Minutes of Special Water Advisory Committee and Technical Advisory Committee  
35 Stony Point Road, Santa Rosa, California  
October 7, 2019

Attendees: Kristian Gray, City of Santa Rosa  
Mike Ban, Marin Municipal Water District  
Larry Russell, Marin Municipal Water District  
Mary Grace Pawson, City of Rohnert Park  
Jake MacKenzie, City of Rohnert Park  
Colleen Ferguson, City of Sonoma  
Paul Piazza, Town of Windsor  
Jon Foreman, Valley of the Moon Water District  
Alan Gardner, Valley of the Moon Water District  
Grant Davis, SCWA  
Craig Scott, City of Cotati  
Susan Harvey, City of Cotati  
Drew McIntyre, North Marin Water District  
Jack Baker, North Marin Water District  
Jennifer Burke, City of Santa Rosa  
Victoria Fleming, City of Santa Rosa

Dave King, City of Petaluma  
Dan St. John, City of Petaluma

Staff: Gina Perez, City of Santa Rosa  
Emma Walton, City of Santa Rosa  
Kent Carothers, City of Petaluma  
Rocky Vogler, North Marin Water District  
Lynne Roselli, SCWA  
Pam Jeane, SCWA  
Don Seymour, SCWA  
Brad Sherwood, SCWA  
Gregory Plumb, SCWA

Public Attendees: Brenda Adelman, RRWPC  
Margaret DiGenova, California American Water  
David Keller, FOER

1. Check-in  
Susan Harvey, WAC Chair, called the meeting to order at 9:03 a.m.
2. Public Comments  
No public comments.  
Drew McIntyre, TAC Chair - read an email statement submitted by Toni Bertolero who recently retired from the Town of Windsor. Many expressed best wishes for Toni in her new endeavors and thanked her for her service as a TAC member.
3. Recap from the August 5, 2019 WAC TAC Meeting and Approval of Minutes  
Motion by Victoria Fleming City of Santa Rosa, Second by Jack Baker NMWD  
All in favor, unanimously approved.
4. Recap from the September 9, 2019 TAC Meeting and Approval of Minutes  
Motion by Colleen Ferguson, City of Sonoma, seconded by Mary Grace Pawson, City of Rohnert Park; unanimously approved.

5. Approve – WAC Resolution Re: Ongoing Potter Valley Project Relicensing Activities  
Susan Harvey WAC Chair  
Drew McIntyre TAC Chair. Refer to Hand out.  
The purpose of the Resolution is to support continued successful collaboration with Sonoma County Water Agency in ongoing Potter Valley Project relicensing activities to ensure that Water Contractors are informed and engaged during this process. The Resolution has been reviewed and approved by the WAC PVP Ad Hoc committee  
No Public Comment. Motion by Jake MacKenzie (Rohnert Park), Second by Alan Gardner (Valley of the Moon Water District). Unanimously approved
6. Potter Valley Project Relicensing Update  
Pam Jeane, SCWA  
Steering committee meets by phone approximately every other week. In August an RFP was issued for a consultant to prepare the Feasibility Study and three firms were interviewed. The process went well and the Planning Agreement Partners are currently negotiating with the No. 1 ranked firm.  
Looking to have the consultant team hired this week if at all possible. Cost sharing MOU must be signed by all parties and will be prepared by Humboldt County. Sonoma Water will be the contract manager for the consultant.  
Huffman Ad hoc Committee met last week and a new charter is available on web site. There are new participants, namely some local tribes and Drew McIntyre, TAC Chair. New delegates are allowed to attend meetings. A grant was obtained from the State to continue to fund a facilitator for the group.
7. Sonoma Marin Saving Water Partnership  
Drew McIntyre, NMWD - Refer to handout.
  - a. 2019 Water Production Relative to 2013 Benchmark  
Water production this year is down 19% from state benchmark year of 2013. Water
  - b. Production History since 2000  
Water consumption was down 25% in 2018 compared to 2000. In the early 2000s, Agency deliveries to contractors averaged around 61,000 acre feet, last year about 42,000 acre feet was provided.
8. Water Supply Conditions and Temporary Urgency Change Order  
Pam Jeane - SCWA.  
Water supply conditions this year are normal.  
A Temporary Urgency Change Order was approved by the State Water Resources Control Board in June and will remain in place until October 15, 2019. Currently operating under minimum stream flow requirements as established by Decision 1610. Lake Mendocino is at 76,000 ac-ft, well above the storage goal and water releases are almost 200 cfs. Downstream flow at Healdsburg is about 150 cfs.  
Lake Sonoma storage is at 218,000 ac-ft and 89% full, with releases of 100 cfs.  
Downstream flow at Hacienda is 160 cfs.  
All stream flows are above minimum flow requirements.
9. Biological Opinion Status Update  
Pam Jeane, SCWA. Refer to hand out.

Fish Flow Project- No significant changes. There has been a lot of outreach to the public for education.

Dry Creek Habitat Enhancement Project- Now done for the season. Working on final designs on last of the phase 3 projects to start next summer.

Reach 4 has some interesting study done by the Army Corps. Would be nice for them to make a presentation once they have more data.

The next three miles that are going to be worked on will be done by the Army Corps and SCWA will be the local sponsor. 60% design submittal was received August 30<sup>th</sup> and they had a review meeting on September 23<sup>rd</sup> with SCWA, Fish & Wildlife, National Marine Fisheries Service, and Regional Water Quality Control Board. They have looked at the sites where work will be done and construction will be funded 65% by Army Corps and Sonoma Water will have a non-Federal cost share of 35% and expect to have construction in all 3 phases IV, V, and VI in 2021, 2022, and 2023, respectively.

Fish Monitoring- Will continue snorkel and electrofishing surveys through October aimed at Dry Creek to survey juvenile coho salmon and steelhead which are now using the new habitat. Under water cameras at the Maribel fish ladder are now in place and hope to monitor chinook salmon next month (November)

Russian River Estuary Management Project-The 2019 management season started May 15 and ends October 15. Management Plan was completed in May. Estuary is currently open.

Items for Next Agenda (November 4, 2019 WAC/TAC Meeting)

No special requests.

Check out

Meeting adjourned at 10:05am

**MEMORANDUM**

To: Water Advisory Committee October 2, 2019  
From: Susan Harvey, WAC Chair  
Drew McIntyre, TAC Chair

Subject: Approve - WAC Resolution Re: Ongoing Potter Valley Project Relicensing Activities

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At the August 5, 2019 WAC/TAC meeting, the Water Advisory Committee (WAC) was advised that a Special WAC Meeting was being planned in September or October to consider a Guiding Principles Statement related to ongoing Potter Valley Project (PVP) relicensing activities. Since that time, the Guiding Principles Statement has evolved into a Resolution (including a Statement of Interests). The purpose of the Resolution is to support continued successful collaboration with Sonoma County Water Agency in ongoing PVP activities to ensure that Water Contractors are informed and engaged during this process. In September, a WAC PVP Ad Hoc Subcommittee<sup>(1)</sup> meeting was convened to review the draft Resolution and Statement of Interests (see attached). At that time the subcommittee recommended bringing the draft Resolution and Statement of Interests to the full WAC for approval.

Recommendation

That the WAC approve this Resolution.

1. WAC PVP Subcommittee was created at the November 5, 2018 WAC/TAC meeting and consists of Susan Harvey (Cotati), WAC Chair, Victoria Fleming (Santa Rosa), WAC Member, Jack Baker (NMWD) WAC Member, and TAC Leadership (Drew McIntyre, NMWD and Jennifer Burke, Santa Rosa)

WATER ADVISORY COMMITTEE RESOLUTION SUPPORTING CONTINUED  
SUCCESSFUL COLLABORATION WITH SONOMA COUNTY WATER AGENCY  
IN ONGOING POTTER VALLEY PROJECT RELICENSING ACTIVITIES

WHEREAS, the Restructured Agreement for Water Supply (RA), executed on June 23, 2006, by and between the Sonoma County Water Agency (Agency), the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, and Sonoma; the Forestville, North Marin and Valley of the Moon Water Districts; and the Town of Windsor, collectively known as the Water Contractors, creates the Water Advisory Committee (WAC) and Technical Advisory Committee (TAC); and

WHEREAS, Section 2.4 of the RA addresses the importance of continued communication and collaboration between the Water Contractors and the Agency regarding the Potter Valley Project (PVP) and the Water Contractors' role to ensure that the Agency considers water resiliency, costs as well as other environmental and incidental benefits in its actions related to PVP; and

WHEREAS, on January 25, 2019, Pacific Gas and Electric Company (PG&E) filed a notice withdrawing the Notice of Intent and Pre-Application Document it had filed with the Federal Energy Regulatory Commission (FERC), stating that it will not seek or hold a new license for the PVP, and on January 29, 2019, PG&E's parent company (PG&E Corp.) filed a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code; and

WHEREAS, on May 17, 2019, California Trout, Inc, Mendocino County Inland Water and Power Commission, and the Agency entered into a Planning Agreement to undertake a study of a potential licensing proposal to the FERC for the PVP; and

WHEREAS, on June 18, 2019, said Planning Agreement was amended to add Humboldt County as a Planning Agreement signatory, and also to add language to expressly support the proposed goals and principles for a Two-Basin Solution that protects water supply and fisheries in both the Eel and Russian River watersheds, as presented by Congressman Huffman's Ad Hoc Committee; and

WHEREAS, on June 28, 2019, the Planning Agreement signatories submitted a Notice of Intent (NOI), Pre-Application Document and Proposed Schedule to the FERC related to continued PVP operations, which called for the development of a feasibility study (Feasibility Study) to evaluate an appropriate relicensing project as well as creation of a regional entity to

pursue the relicensing project; and

WHEREAS, on August 1, 2019, FERC issued a Notice authorizing the Planning Agreement signatories to continue the Integrated Licensing Process previously commenced by PG&E for the Potter Valley Project; and

WHEREAS, the WAC appreciates the Agency's efforts to retain water supply resiliency for the Water Contractors and for the fisheries, and understands and acknowledges the high degree of complexity in completing the Feasibility Study and related work required by the FERC Process; and

WHEREAS, the Water Contractors have a common interest in the Feasibility Study and related work being performed by the Planning Agreement signatories as it relates to Russian River operations, water supply reliability and costs, and the other interests sought to be protected through the Two-Basin Solution; and

WHEREAS, the Water Contractors have a continuing obligation to their respective customers to seek the most cost-effective means to assure water supply resiliency.

NOW, THEREFORE, BE IT RESOLVED, that the Water Advisory Committee hereby adopts the attached Statement of Interests to ensure continued successful collaboration with the Agency and to ensure that the Water Contractors are fully informed and engaged in the development of the Feasibility Study and FERC relicensing process.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

## Statement of Interests on Potter Valley Project Relicensing Activities

The Water Contractors commend the Sonoma County Water Agency (Agency) for its efforts to retain water supply resiliency for the Water Contractors and for fisheries, as well as for its commitment to inform and involve the Water Contractors in ongoing Potter Valley Project (PVP) Relicensing activities. The Water Contractors are committed to supporting the Agency in its efforts to work with the other Planning Agreement parties to explore mutually beneficial terms based on the Two-Basin Solution as they seek a new FERC license for continued PVP operation. To this end and to ensure continued successful collaboration as the Agency undertakes or participates in the necessary work to implement the Planning Agreement and to meet FERC licensing requirements, the Water Contractors have adopted the following Statement of Interests:

1. To ensure that any decisions regarding the PVP and related Relicensing Activities are consistent with the obligations of the parties to the Restructured Agreement, including, but not limited to, Section 2.4, Potter Valley Project.
2. To receive regular communication and updates from the Agency after internal workshop meetings with Planning Agreement signatories, in order to discuss outcomes from said workshop meetings. It is desired that the Common Interest Agreement meetings will generally occur every 3-4 weeks.
3. To have the opportunity for meaningful input into the Feasibility Study development through regular meetings and discussions between Water Contractors' and Agency technical staff and counsel regarding formation of the Regional Entity, development of feasible capital modifications and O&M requirements necessary for continued PVP operation, and development of a Financial Plan which includes specific sources of initial funding and subsequent revenue streams adequate for long term sustainability of the PVP; and to ensure that Water Contractors will not be obligated to pay any cost that is disproportionate to the benefit received by the Water Contractors and their customers.

4. To have the opportunity to provide meaningful input into any final draft documents through review and the invitation to provide comments to the Agency on the initial draft of the Feasibility Study once it is completed, to include one or more Common Interest Agreement meetings between the Agency and Water Contractor technical staff and counsel.

**11**

**DISBURSEMENTS - DATED NOVEMBER 21, 2019**

Date Prepared 11/19/19

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

Seq	Payable To	For	Amount
EFT*	US Bank	September & October Bank Analysis Charge (Lockbox \$1,824 & Other \$736, Less Interest \$341)	\$2,219.38
1	All Star Rents	Fuel for STP Fork Lift (4 gal)	\$19.05
2	Athens Administrators	October Indemnity Review Fee	105.00
3	Automation Direct	Power Supply for STP PLCs	301.63
4	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 97 of 240) Aqueduct Energy Efficiency Project	46,066.67
5	California Water Service	Oceana Marin Water Service (8/31/19-10/29/19) (Tahiti Way Lift Station)	40.88
6	CDW-Government	Uninterruptable Power Supply for Novato Pump Stations (\$444) & Battery Backup for STP SCADA (\$413)	857.43
7	Clipper Direct	Dec Commuter Benefit Program (4)	412.00
8	Cummings Trucking	Rock (83 yds) (\$3,592) & Sand (32 yds) (\$2,044)	5,636.04
9		Vision Reimbursement	222.00
10	Diesel Direct West	Diesel (496 gal) (\$1,973) & Gasoline (1,366 gal) (\$4,895)	6,867.79
11	Efstratis, Andrew	Novato "Smart Irrigation Controller" Program	210.00
12	Electrical Equipment	Relay for OM Generator	11.18
13	Environmental Express	Double Weigh Filters (100) (Lab)	191.24
14	Fiserv/Bastogne	Can't Locate Account	166.16
15	Fisher Scientific	Oven Thermometer (Lab)	86.63
16	Frontier Communications	Leased Lines	1,431.41
17	Gentry, Brie	Novato "Washer Rebate" Program	50.00

Seq	Payable To	For	Amount
18	Grainger	"AA", "AAA", "9V", "C" & "D" Batteries (\$122), Truck Supplies for E/M (\$347), Hitch Pins (10), Mechanics Gloves (2) (\$45), Air Hose for Yard (\$262), Extension Cords for E/M (4) (\$113) & Plugs for Transfer Switches (4) (\$183)	1,092.04
19	Hildebrand Consulting	Prog Pymt #5: Water Rate Study (Balance Remaining on Contract \$19,605)	5,880.00
20	Hopkins Technical Products	Rebuild Parts for Chemical Pump at PRTP	372.83
21	Irrigation Association	Certification Renewal (1/20-12/20) (Grisso) (Budget \$200)	100.00
22	Magana, Zulma	Refund Overpayment on Closed Account	174.77
23	Marin County Parks	Refund Security Deposit on Hydrant Meter Less Final Bill	504.51
24	MSI Litho	Business Cards (Roberto & Pearlman) (250 ea)	119.35
25	Novato, City of	Lot Line Adjustment Application to City of Novato to Combine Two Existing Rosalia Tank Surplus Properties	1,441.55
26	Office Depot	Mechanical Pencils & Pens (133) (\$131) & Poster Frames (3)	171.68
27	Pace Supply	Fire Hydrant Extension	175.73
28	NMWD Petty Cash	Safety Snacks (\$61), Notary Supplies (\$24), Safety Bucks (\$5), Mileage (\$19) & Phone Case (\$18)	126.92
29	Point Reyes Prop Mgmt Assn	November HOA Dues (25 Giacomini Rd)	75.05
30	Primex	STP PLC Programming (Balance Remaining on Contract \$2,670) (\$2,330) & SLC Processor Exchange (\$4,698) (STP)	7,028.10
31	RAE Products & Chemicals	Valve Marking Material (9 rolls)	3,732.68
32	R & B	6" Gate Valves (3) (\$1,350), Hydrant Buries (6) (\$1,204), Bolts (800) (\$1,085) & Couplings (45) (\$539)	4,178.88
33	Red Wing Shoe Store	Safety Boots (Castellucci & Arendell)	386.38
34	Reed, Corey	D-4 & T-2 Certification Renewals	315.00

Seq	Payable To	For	Amount
35	SCP Science	Supplies for Metals Analysis (Lab)	414.53
36	Shepherd, Geoff & Julie	Novato "Toilet Rebate" Program	100.00
37	Soiland	Asphalt Recycling (25 tons)	197.68
38	Solenis	Polymer (STP)	7,354.56
39	State Water Resources Control	Annual Permit Fee-Waste Discharge Requirement (Oceana Marin - \$2,625 & 18,676) (7/19-6/20)	21,392.00
40	State Water Resources Control	National Pollutant Discharge Elimination System Annual Permit Fee	2,697.00
41	State Water Resources Control	Clean Water SRF Loan Principal & Interest-RW North Plum Storage (Pymt#8 of 20)	29,413.76
42	Thatcher of California	Ferric Chloride (9 tons) (STP)	6,678.03
43	TPx Communications	November Telephone Charges	523.29
44	United Site Services	Porta-Potty Rental (1month) (New Gallagher Test Well Pumping)	251.08
45	US Bank	Oct Safekeeping Treasury Securities	142.00
46	VBS CAL	36" x 500' Paper (3 rolls) (Engineering)	261.11
47	Vogler, Rocky	Exp Reimb: June Through August Mileage	104.46
48	VWR International	Agar (Lab)	57.16
49	Wiley Price & Radulovich	September Legal Fees	2,511.00
50	ZFA Structural Engineers	Prog Pymt#1: Provide Design for Lynwood Pump Station (Balance Remaining on Contract \$921)	2,578.75
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$165,446.37</u></b>

The foregoing payroll and accounts payable vouchers totaling \$165,446.37 are hereby approved and authorized for payment.

  
Auditor Controller

11/21/19  
Date

  
General Manager

11/21/19  
Date

## **DISBURSEMENTS - DATED NOVEMBER 27, 2019**

Date Prepared 11/26/19

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 11/15/19	\$146,033.69
EFT*	Internal Revenue Service	Federal & FICA Taxes PPE 11/15/19	59,255.49
EFT*	State of California	State Taxes & SDI PPE 11/15/19	12,836.40
EFT*	CalPERS	Pension Contribution PPE 11/15/19	39,421.03
1	Allen, William	Novato "Toilet Rebate" Program	100.00
2	All Star Rents	Towable Generator (1 Week Rental) (\$1,548), Propane Tank (\$49) & Propane (22 gals) (\$96)	1,692.98
3	Alphagraphics Marin	Novato Fall Waterline Newsletter Printing (\$2,950) & Mailing Services (\$1,510)	4,460.74
4	Amazon/Genuine-Hardware	Replacement Ice Machine for Yard (\$2,060), Phone Cases (2) (\$73), Ledger Binder (\$36), Service Awards (2) (\$189), Replacement Message Board (\$126) (Front Office), Lights for Shop (\$65) & Drive Split Torch Wrench (\$173)	2,722.45
5	American Family Life Ins	November AFLAC Employee Paid Benefit	3,170.83
6	AT&T	Leased Lines	66.06
7	Bio-Acoustical	Hearing Test (26 Employees)	630.00
8	Bold & Polisner	October Legal Fees (General \$3,150, Potter Valley FERC \$373 & California Voting Rights Act \$335 )	3,858.00
9	Campbell, Lauren	Refund Overpayment on Closed Account	658.93

Seq	Payable To	For	Amount
10	Core Utilities	Consulting Services: Oct IT Support (\$6,000), SCADA Wonderware Cleanup (\$375), IT/SCADA for RW (\$125), IT Support for New Media Convertor Upgrade for STP (\$725), Maintenance on Live CORE (\$25), Website Maintenance (\$550), Extract Water Use/Customer Info (\$575) & Asset Management (\$50)	8,425.00
11	Davenport, Colin	Exp Reimb: D2 Operator Renewal Certification Fee	80.00
12	Diesel Direct West	Gasoline (340 gal)	1,209.48
13	Environmental Resource	Prog Pymt#1: Annual Performance Testing Study to Maintain Lab Certification (\$2,532) & Prog Pymt#2: Annual PT Study to Maintain Lab Certification (\$1,382) (Balance Remaining on Contract \$59)	3,914.40
14	Eurofins Eaton Analytical	Lab Testing for UCMR4 Monitoring	1,105.00
15	Evoqua Water Technologies	Service on Lab Deionization System	335.91
16	Fedak & Brown	October Progress Billing (FY19 Audit) (Balance Remaining on Contract \$2,314)	767.00
17	Ferguson Waterworks	3/4" AMI Meter	411.38
18	Filippi, Connie	Exp Reimb: Lunch for Accounting Staff During Conference on 11/15/19	65.00
19	Fisher Scientific	Tip Rack (2) (Lab)	68.64
20	Garcia and Associates	Prog Pymt#1: Conduct Review of Marin County Ordinances for Set-back, Field Visit, Locate & Document Set Back for Two Proposed Test Well Sites for Gallagher Well #2 Project (Balance Remaining on Contract \$1,110.00)	1,889.98
21	Grainger	Misc Hardware & Maintenance Supplies (\$1,000), Air Filters for Front Office (8) (\$326), Battery Backups for West Marin (4) (\$428), Parts for STP Crane (\$217), Sump Pump for Tank Valve Pit (\$235) & 30' Power Cord Reel (\$719)	2,925.14
22	Hach	Phosphoric Acid (5 gal) (STP)	329.59

Seq	Payable To	For	Amount
23	Holton, Nancy	Exp Reimb: For California Debt & Investment Advisory Commission Workshop. Hotel (\$166), Mileage (\$93) & Parking (\$15)	274.57
24	Idexx Laboratories	Colilert Media (\$816) & Vessels (200) (Lab)	930.60
25	Janikowski, Vera	Novato "Washer Rebate" Program	50.00
26		Vision Reimbursement	229.96
27	Kiosk Creative	Fall 2019 Waterline Design (\$700), Copy Editing (\$350) & Account Project Mgmt (\$175)	1,225.00
28	Lincoln Life	Deferred Compensation PPE 11/15/19	10,396.30
29	Lusk, Judy	Novato "Toilet Rebate" Program	200.00
30	Miller, William & Janet	Novato "Smart Irrigation Controller" Program	195.29
31	Nationwide Retirement Solution	Deferred Compensation PPE 11/15/19	1,995.00
32	Neopost USA	Postal Meter Rental	143.09
33		Vision Reimbursement	368.00
34	O'Connor, Dawn	Refund Overpayment on Closed Account	163.85
35	Office Depot	Toner (\$70), Labels (\$37) (10,000), File Folders (12) & Pens (12)	129.77
36	Pace Supply	Couplings (13) (\$1,019), Hydrant Extensions (8) (\$451), Corp Stop (\$239), Unions (10) (\$292), Elbows (10), Meter Boxes (40) (\$1,170), Bushings (20) & Service Saddles (3) (\$191)	3,475.10
37	Parkinson Accounting Systems	October Accounting Software Support	1,218.75
38	R & B	Polymer Cover for AMI Project-Small Brooks Lids (12) (\$628), Hymax Repair Clamps (2) (8" x 24" & 8" x 2") (\$939) & Hex Nuts (1,500) (\$634)	2,202.56
39	Roy's Sewer Service	Emergency Clean Out of North St Lift Station After Pump Fail	800.00
40	Service Station Systems	Service & Parts on Fuel Tanks (Balance Remaining on Contract \$1,100)	899.93
41	Skewes-Cox, Amy	Prog Pymt#3: Provide Initial Study/Mitigated Negative Declaration for Old Ranch Rd Tank (Balance Remaining on Contract \$10,970)	14,165.25

Seq	Payable To	For	Amount
42	Sonoma County Water Agency	October Contract Water	525,260.12
43	SPG Solar	October Energy Delivered Under the Solar Services Agreement	11,265.63
44	SRT Consultants	Prog Pymt#7: Consulting Services to Complete Stafford Lake Sanitary Survey (Balance Remaining on Contract \$23,192)	285.00
45	SWRCB Accounting Office	Annual Review of RW Facilities	522.00
46	SWK Technologies	Technical Consulting for Accounting Software	87.50
47	Tamagno Green Products	Sludge Removal from STP (68 yds)	2,040.00
48	Thatcher of California	Ferric Chloride (9 tons) (STP)	6,929.99
49	Thatcher Chemical	Chlorine (STP) (4,000 lbs)	1,705.20
50	Towler, Anne	Novato "Toilet Rebate" Program	300.00
51	Township Building Services	October Janitorial Services	2,035.48
52	White & Prescott	Prog Pymt#14: AEEP Easement Support B2 Reach A & Prog Pymt #15: Plum Tank Lot Line Adjustment (Balance Remaining on Contract \$19,005)	630.00
53	Wiley Price & Radulovich	October Legal Fees	810.00
54	WRA	Prog Pymt#1: Design Phase Services for the Lagunitas Creek Slope Stabilization Project (Balance Remaining on Contract \$71,445)	22,954.65
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$910,321.71</u></b>

The foregoing payroll and accounts payable vouchers totaling \$910,321.71 are hereby approved and authorized for payment.

 _____ Auditor-Controller	11/22/19 _____ Date
 _____ General Manager	11/22/19 _____ Date

## *Conserving water played a key role during recent power shutoff*

### **Marin voice**

#### **By Ben Horenstein**

It's easy to forget all the details and work that go into providing clean, high-quality water 24 hours a day, seven days a week. One of those key details is electricity: Water providers, including the Marin Municipal Water District, rely on electricity to power treatment plants and pump stations that deliver water to our customers' taps.

When it became clear that the latest wave of Pacific Gas and Electric Co. public safety power shutoffs would affect all of Marin County, we at MMWD expected that our preparation and planning would pay off and keep water flowing. But we also knew that we would need to rely on our customers to conserve — reducing water use plays an important role in keeping our tanks full and easing the demand on our backup generators, which is critical to ensuring we have an adequate supply of water for firefighting and other essential needs.

Conserving water during emergencies is particularly important when the duration of the power shutoff is uncertain and high-risk, red-flag fire conditions exist. Under these conditions, firefighters may need large volumes of water at a moment's notice and the cooperation and partnership of the communities we serve can make the difference.

We are extremely grateful to all of our customers for taking our request to conserve water to heart. Demand during this last PSPS dropped to roughly half the normal levels. While part of that was due to electrically powered irrigation supply, our customers' conservation efforts clearly made a big impact.

In preparation for the shutoff, we had backup generators at our treatment plants and readied a fleet of generators to be deployed, as needed, at our pump stations that maintain our water supply throughout our service area.

We also talked about how to prepare for larger countywide outages, such as the most recent one we experienced in late October.

We trained our team to prepare for lengthy power outages and other emergency conditions, and planned for around-the-clock staffing to monitor our generators, make any repairs, and track field conditions so that adjustments could be made as needed. We topped off our water tanks throughout the process, and checked all of our equipment several times a day to ensure things were functioning properly. We also stationed members of our staff at Marin County's Emergency Operations Center. We convened our own emergency team at our warehouse, which operated under generator power and met at least twice daily to review the latest information, and adjust our strategies as needed.

Using a generator and lanterns, we were able to open our offices to serve our customers. We shared information through news releases, through social media, our website and with other public information officers in Marin County, so they could help us keep the community informed.

So what's next?

We are constantly working to improve our infrastructure; replacing failing pipelines and refurbishing aged tanks and pump stations. We are continuing to invest in our system so that we will be able to keep your water flowing, even in the most difficult circumstances.

*Ben Horenstein is general manager of the Marin Municipal Water District.*

After the first power shutoff in early October, we came together to decide what worked and what we needed to improve on.

## City urged to fight school hub

City

NOVATO

By Will Houston

[whouston@marinij.com](mailto:whouston@marinij.com) @Will\_S\_Houston on Twitter

A group of Novato residents is urging the city to seek a court injunction to halt construction of a school maintenance facility in a developing neighborhood in Hamilton.

The crux of the complaint is that the Novato Unified School District project located at 971 C St. did not undergo review through the city's permitting process. The project, which is already months into construction, includes a onestory, 9,600-square-foot grounds maintenance and operations building and 30,300-square-foot parking lot.

A [Change.org](https://www.change.org) petition calling for the injunction was signed by 87 people and was submitted to the City Council.

"By requiring the NUSD to follow standard city processes it allow the public to participate in local government and influence development in their neighborhoods," Hamilton resident Tracey Ruiz, who also signed the petition, wrote in an email to the council.

Resident Joan Goode said for the city not to take action would set a "serious and dangerous precedent for future construction" projects.

"This is not the way to treat residents who have time and again voted in bond measures to support the schools," Goode told the council.

School district officials say because the facility is on a parcel owned by the district and is a master planned educational facility, it is exempt from local rules though not from state or federal zoning.

the district, stating that it is the city's view that this exemption only applies to classroom facilities. No action by the city has been taken to attempt to stop the project, at least so far.

City Manager Adam McGill said his staff and council are aware of the project and the residents' petition.

**CITY » PAGE 4**



The Novato Unified School District is building a maintenance and operations complex at 971 C St. in the Hamilton area.

ALAN DEP — MARIN INDEPENDENT JOURNAL

## **City urged to fight school hub**

### **City**

#### **FROM PAGE 3**

“City and NUSD staff are engaged on this issue with ongoing conversations occurring,” McGill wrote in an emailed statement. “The city takes its role in community development and planning seriously. We desire all projects within the city limits to involve the community input, to the extent possible be aesthetically pleasing, and contribute positively to the city. We’re hopeful, those aspirations can be met on this project.”

In an email on Friday, the school district assistant superintendent Yancy Hawkins said that the district is unaware of any legal challenge to the project.

Responding to the residents’ concerns, Hawkins wrote, “We have listened and responded to all concerns raised by residents and done what we could to address them.”

“As we have throughout this project, we continue to work closely with the City of Novato and the community on improvements we can reasonably make to this project that has been in the works since 2006 and that has been discussed in community forums along the way,” Hawkins wrote.

Reached Thursday, Mayor Eric Lucan said he can’t comment on whether the city has been considering filing such an injunction.

## State lawmakers rip CEO over repeated service interruptions

CEO

Utility:

By Adam Beaum

*The Associated Press*

**SACRAMENTO** >> The head of Pacific Gas & Electric Corp. told angry California lawmakers Monday that the nation's largest electric utility wasn't fully prepared for the effects of its unprecedented outages last month even as it plans to shut off power to more than half a million people again this week to prevent wildfires.

Lawmakers wanted answers from Bill Johnson and executives from the state's other two investor-owned utilities about the shutoffs last month that caused life-saving medication to spoil, businesses to lose money and communications

networks to go dark.

PG&E CEO Bill Johnson

**CEO >> PAGE 2**

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## State lawmakers rip CEO over repeated service interruptions

CEO

**FROM PAGE 1**

blamed his company's poor response to the blackouts affecting millions of people partly on a sense of complacency after a much smaller outage went well earlier this year.

"We weren't as well prepared as we thought, and we needed to give a little more attention — a lot more attention — to impacts after we shut the power off," Johnson said. "I do think as things went on, we got better at each one of these."

Lawmakers were skeptical, venting residents' pent-up frustration at the company that is trying to emerge from bankruptcy after its outdated

hours, in part because it has upgraded its equipment to more narrowly tailor shutoffs.

Johnson told lawmakers that PG&E has spent \$30 billion over the last 10 years improving its electrical network. He also said the company recently inspected its vast network of power lines and other equipment for repairs and replacement. The company has plans to install "microgrids," or backup power sources, for isolated areas to help keep power running during a shutoff.

"We do not expect an annual repeat of what we went through this October," Johnson said. "That just cannot happen again."

But lawmakers were skeptical. Democratic Sen. Bill Monning noted the company is facing potential damages of up to \$30 billion for a series of wildfires in 2017 and 2018, including the most devastating wildfire in state history that destroyed roughly 19,000 buildings and killed 85 people.

equipment has sparked devastating wildfires in recent years.

Democratic state Sen. Scott Wiener said he believed PG& E had “forfeited its right to operate as an investor- owned utility.”

State Sen. Bill Dodd told Johnson that an Oct. 9 shutoff was “a big ‘screw you’ to your customers.”

“That has really created among the Legislature and among your customers a real trust issue,” Dodd said.

Meanwhile, people in Northern California were bracing for more outages. PG& E has started notifying customers in parts of 22 counties that it may turn off electricity Wednesday because of strong winds that could spark wildfires.

The blackout is expected to affect 660,000 people in the San Francisco suburbs, Sierra Nevada foothills, wine country and elsewhere.

Johnson said PG& E has struggled to respond to the growing threat of wildfires over its coverage area of more than 70,000 square miles. In 2012, he said less than 15% of its power lines traversed areas at high risk for wildfires. Just seven years later, that’s grown to more than 50%.

The state’s two other investor- owned utilities — San Diego Gas & Electric and Southern California Edison — also have turned off power this year. But their shutoffs have affected far fewer people and been much shorter.

Caroline Winn, San Diego Gas & Electric chief operating officer, said the company’s power outages have averaged about 24

Monning said PG& E has not buried its power lines in fire-prone areas to “save money for shareholders.” He did note that if the company decided to bury one-quarter of its power lines in wildfire- prone areas, it would cost roughly \$15 billion.

“I think you will see us undergrounding considerably more of our system,” Johnson said. “Not so much because of the liability, but because it’s the right thing to do given the circumstances.”

Preemptive power shutoffs are not new to California, but the scope of those by PG& E this year have been unprecedented. The company has more than 5 million customers in Northern California.

Lawmakers have set a June 30 deadline for PG& E to emerge from bankruptcy or else forfeit participation in a fund designed to help cover damages from future wildfires. But negotiations have bogged down as shareholders and creditors battle in bankruptcy court over the future of the company.

A federal bankruptcy judge has appointed a mediator to try to resolve the case. But Democratic Gov. Gavin Newsom has threatened to intervene if the company can’t reach an agreement by June 30, including a potential state takeover.

## Wildfire parcel tax approved for ballot

### Wildfires

#### MARIN SUPERVISORS

Measure will form authority to oversee prevention plans

**By Richard Halstead**

*[rhalstead@marinij.com](mailto:rhalstead@marinij.com) @HalsteadRichard on Twitter*

Marin supervisors gave final approval Tuesday to placing a parcel tax for wildfire prevention on the March 2 020 ballot.

“This is a terrific first step; for a while there I thought we’d never get to this point,” said Supervisor Kate Sears. “There really has been an extraordinary effort to get as much stakeholder input as we possibly can.”

Supervisor Katie Rice and Richard Shortall, the president of FIRESafe Marin, will head an effort to raise private contributions to mount a campaign to help pass the initiative.

“Our goal is to raise \$250,000,” Shortall said outside the meeting. “That is pretty typical of what it costs to run a ballot initiative in the county.”

The measure has already been endorsed by Marin’s Coalition of Sensible Taxpayers (COST) and faces no organized opposition.

“I think that is reflective of the process we went through,” Shortall said. “There was a lot of discussion and feedback from people.”

The tax being proposed would amount to 10 cents per building square foot for improved residential and commercial space. Multi-unit residential properties of three or more units would pay \$75 per unit. The tax on unimproved parcels would range from \$25 per parcel for parcels of .25 acres or less to \$150 per parcel for parcels .50 acres or larger. An exemption would be provided for low-income seniors. The tax could be increased up to 3% annually to adjust for inflation.

Perhaps most vital to its broad support, the tax, which is estimated to bring in \$19.3 million

**WILDFIRES » PAGE 2**

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## Wildfire parcel tax approved for ballot

### Wildfires

#### FROM PAGE 1

annually, would sunset in 10 years.

functions such as vegetation management, wildfire detection, evacuation improvements, grants and public education. Twenty percent would be used for annual defensible space and home hardening evaluations, and another 20% would be used for wildfire prevention efforts designed for specific locales.

In August, Marin County fire Chief Jason Weber told supervisors that preliminary polling indicated enough voter support to pass some variety of parcel tax for wildfire prevention. The Marin County Civil Grand Jury called for a quarter-cent sales tax to help fund preparedness efforts in its April 25 report. Weber, however, said the polling indicated support for such a tax was well below the two-thirds majority needed to pass.

COST also stated its preference for a per-square-foot parcel tax instead of a sales tax or flat parcel tax, which would require the owners of a small condo and a large mall to pay the same tax.

Supervisor Damon Connolly was among those who commented Tuesday on how crucial collaboration has been in creating the new Marin Wildfire Prevention Authority.

“What will be a model for others is the way we were able to come together,” Connolly said.

Connolly added, however, that he is getting feedback from Marin residents interested in knowing how much of the money raised will benefit their particular community.

“We have done and need to continue to do a good job explaining the structure and philosophy behind this,” Connolly said.

Sixty percent of the revenue generated by the tax would be dedicated to core

The proposal was tweaked several times in recent weeks in response to criticism. For example, the authority will divide Marin into five zones: Ross Valley, San Rafael, West Marin, Novato and Southern Marin. Initially, its board was to have consisted of two board members representing each of five proposed zones, plus one board member to represent the remaining small districts. Instead, each of the 17 participating agencies will have a representative on the authority’s board.

Another last-minute provision assures that at least 80% of the revenue generated for vegetation management by each operational zone shall be allocated within the respective zone.

And after some Marin environmentalists criticized the proposal for doing too little to address climate change, the measure’s proponents pledged that the authority would utilize an “environmental/climate change lens” while doing its work.

Commenting on the measure’s board support Tuesday, Belle Cole of Organizing For Action Marin said, “It’s a reflection of how those in charge of running this operation are listening to what is being said.”

## Disputed water fee adjusted for some

Wa ter

### MARIN MUNICIPAL

Waived for the low income; cut based on size of meter

**By Will Houston**

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Marin's largest water supplier is further reducing its new, controversial fee to some customers, including waiving it altogether for qualified low-income water users.

The Marin Municipal Water District's new capital maintenance fee that took effect in July charges ratepayers a fixed fee based on their water meter size, with the fee increasing with meter size. The vast majority of customers have between a 5/8-inch and 1-inch water meter, with fee amounts for those ranging from \$163 to \$409 per year. The district is using the revenue to pay for deferred repair and replacement of its aging water tanks, pumps, pipes and treatment plants.

The changes adopted by the district's Board of Directors in a unanimous vote on Tuesday will allow ratepayers who have larger water meter sizes for reasons unrelated to their water consumption — such as for fire sprinklers or water pressure issues — to reduce their fee

to a tier based on how much water they use. Before this change, these ratepayers were allowed to only reduce by one payment tier. Directors Cynthia Koehler and Jack Gibson were absent from the vote.

"As we've received applications for this adjustment we discovered that there are many more instances than we anticipated where the upsizing of the meter occurred and was more than one size," district treasurer and Administrative Services Division manager Charles Duggan told the board.

The fee reduction will also apply to the district's other meter-based fees such as the water-

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## Disputed water fee adjusted for some

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### FROM PAGE 1

shed maintenance fee and service fees.

The district has approved 553 applications for fee adjustments as of Nov. 8, of which about 177

in May, it changed the qualification to customers who have an income of 80% or below the low-income level established by the U.S. Housing and Urban Development Department. Before, it was 60% or below.

The fee waiver will result in the district losing an estimated \$137,400 in fee revenue per year. This loss cannot be covered by other ratepayers per

customers could have dropped by more than one meter size and 21 accounts by more than two meter sizes, according to the staff report.

Mimi Willard, president of the Coalition of Sensible Taxpayers, or COST, said the fee reductions show the district is “backpedaling” and are proving her organization’s allegations that ratepayers are being overcharged by the district. COST argues the fees should be charged based on water use. The group filed litigation against the water district this year alleging the fee to be an illegally approved tax.

“You go through all kinds of contortions and force your customers and staff to do the same in order to fix the inherent issues —overcharging and unfairness — that accompany the meterbased fees,” Willard told the board.

In response, district General Manager Ben Horenstein said the district has been charging meterbased fees for years, if not decades.

“So this is not something new for this organization and that practice is pervasive across California and the entire country,” he said.

Linda Johnson, a former Tamalpais Community Services District board member, thanked the district for its work and urged the board to approve the changes.

The board also voted to waive the fee entirely for ratepayers who qualify for the district’s low-income discount program. In addition, the board removed a qualification for the program in which the program only applied to customers who had up to a 1-inch meter size.

“In surveying several of our staff members, no one was really sure why that was there,” Duggan said.

This is the second change to the low-income program qualifications this year. When the board adopted the new fee and rate increases

restrictions in Proposition 218, according to district staff, and would instead have to be covered by non-rate revenue such as from district land lease rent.

While staff had originally proposed a fee reduction for customers who qualify for the district’s medical disability discount, the board chose not to include a waiver. Director Larry Russell questioned why the waiver should apply to both.

“It seems to me that, unless the medical has the need for the low-income exemption, that I don’t think we should a priori decide that if you have a medical that you need the (capital maintenance fee) reduction,” he said. “I think that’s fair.”

The rest of the board agreed, but said they would be open to revisiting the fee waiver if needed.

The district has about 700 customers under its low-income program and 300 people on the medical disability program. Both programs already waive the district’s bimonthly watershed maintenance and service charge fees.

The district has made other changes to the fee since adopting it in late May. In June, the board voted to allow public agencies such as school districts and city governments to defer payment of its new capital maintenance fee by up to four years and pay it back over a period of five years with interest.

Tuesday’s meeting was also the first that was filmed and live-streamed by the district. The district voted earlier this year to begin filming its meetings in response to public concerns about transparency during the rate and fee increase process this year. The video has been viewed just more than 20 times since Thursday.

# County seeks developer for Coast Guard Station Property

*Proposals for the reuse of the Point Reyes Station facility, vacant since 2014, are due by January 20, 2020*



San Rafael, CA – After years of planning, the County of Marin is seeking a developer for the [former U.S. Coast Guard property](#) in Point Reyes Station.

The Marin County Community Development Agency is requesting proposals from nonprofit housing developers for the reuse of the former US Coast Guard facilities in Point Reyes Station site includes 36 townhomes, a barracks with 24 rooms, a dining hall and kitchen, and several ancillary buildings. [The Request for Proposals and Statement of Qualifications](#) (RFP) is due no later than Monday, January 20, 2020 at 4:00 pm.

The County of Marin will acquire the site from the US Coast Guard. The transaction is anticipated to be completed in 2019.

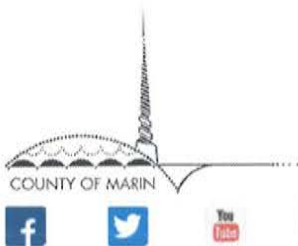
The County convened a Community Advisory Working Group of community members and stakeholders to articulate the community's vision for the site, assist the County in developing this Request for Proposals and assuring the community's vision is reflected in this document. In 2018, CDA and the

Community Advisory Working Group hosted two community meetings in Point Reyes Station to develop components of a request for proposal for potential housing developers looking to rehabilitate the property. Of the many public benefit use case scenarios the participants provided, affordable housing for families was the most common theme heard at both meetings.

The 32-acre Coast Guard site, located on Commodore Webster Drive, is a half mile east of downtown Point Reyes Station. With 36 townhomes and an eight-unit single-room-occupancy-style barracks, the base formerly served as home to dozens of officers and their families. When the Coast Guard designated the facility as surplus in 2014, the local community [worked with Congressman Jared Huffman's Office](#) to seize the opportunity to anchor Point Reyes Station with 36 permanently affordable homes for families with children and explore other uses for the site.

"The West Marin community successfully advocated for the passage of federal legislation to require that the property be sold to the County for use as affordable housing or public benefit," said Leelee Thomas, CDA Planning Manager. "We'd like to thank the community for their support and patience. We have worked hard with Congressman Huffman and his staff to work toward these purchase authorizations."

More information can be found at the [County's Coast Guard Housing website](#). Anyone may [subscribe to receive e-mailed updates](#) from Marin CDA about the Coast Guard property. Contact [Leelee Thomas](#), Planning Manager, for more information and with specific questions.



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