



NORTH MARIN WATER DISTRICT

NORTH MARIN WATER DISTRICT AGENDA - REGULAR MEETING December 17, 2019 – 6:00 p.m. District Headquarters 999 Rush Creek Place Novato, California

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| Est. Time | Item | Subject |
|--------------|---|---------|
| 6:00 p.m. | CALL TO ORDER | |
| | 1. APPROVE MINUTES FROM REGULAR MEETING , December 3, 2019 | |
| | 2. GENERAL MANAGER'S REPORT | |
| | 3. OPEN TIME: (Please observe a three-minute time limit) | |
| | This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration. | |
| | 4. STAFF/DIRECTORS REPORTS | |
| | 5. MONTHLY PROGRESS REPORT | |
| | CONSENT CALENDAR The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person. | |
| | 6. Consent – Approve: Final Annual Report Fiscal Year 2018-2019 | |
| | 7. Consent – Approve: Addendum to the Land-Use Agreement for CIMIS Station #187, Black Point | |
| | ACTION CALENDAR 8. Approve: Request for Exception to Bill Adjustment Policy – 400 Wood Hollow Drive 9. Approve: PRE Tank 4A – Budget Augmentation and Construction Contract Award 10. Approve: Water Rate Study –Board Ad-Hoc Committee Workshop Date/Time | |
| | INFORMATION ITEMS | |
| | 11. ACWA Fall Conference– December 3-5, 2019 | |
| | 12. NBWA Meeting – December 6, 2019 | |
| | 13. WAC/TAC Meeting – November 4, 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.

| Est. Time | Item | Subject |
|--------------|------|---|
| | 14. | MISCELLANEOUS Disbursements – Dated December 5, 2019 Disbursements – Dated December 12, 2019 Press Release - Russian River Inflatable Dam Being Deflated Today 2020 WAC/TAC Meeting Schedule Annual Sick Leave Buy-Back Disposal of Surplus Equipment Letter to Vendors and Suppliers Public Notice -City of Novato Notice of Action NMWD Lot Line Adjustment <u>News Articles:</u> Firm hired to study options for Potter Valley Project Water bill incentive for in-law units mulled – MARIN MUNICIPAL Blocked from Potter Valley Project planning group, Lake County interest look ahead- future of Lake Pillsbury uncertain |
| 7:30 p.m. | 15. | ADJOURNMENT |

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**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 3, 2019**

CALL TO ORDER

Director Joly announced that Director Baker was away at an ACWA conference and therefore, as Vice President of the Board he will commence the meeting.

Vice President Joly 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 Rick Fraites, Michael Joly, James Grossi, and Stephen Petterle. Director Baker was absent. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

District employees, Robert Clark (Operations/Maintenance Superintendent), Tony Arendell (Construction/Maintenance Superintendent), and Pablo Ramudo (Water Quality Supervisor) were also in attendance. In the audience was resident Mojgan Dadnia.

REORGANIZATION OF BOARD

Election of President

On motion of Director Petterle, seconded by Director Fraites, the Board elected Director Joly as President of the Board for the ensuing year by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: Director Baker

Director Joly thanked the Board for their confidence in him, and stated he will make every effort to live up to their expectations. Additionally, he thanked Director Baker for an excellent job serving as Board President this last year.

Election of Vice-President

On motion of Director Fraites, seconded by Director Petterle, Director Grossi was elected Vice-President of the Board for the ensuing year by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: Director Baker

Director Joly congratulated Director Grossi for being appointed Vice President of the Board.

Establishment of Meeting Times and Place

On motion of Director Petterle, seconded by Director Joly, the Board set the time and place of regular meeting to be the first and third Tuesday of each month at 6:00 p.m. at the District office by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: Director Baker

Establishes the Manner of Calling Special Meetings

On the motion of Director Fraites, seconded by Director Petterle, the Board approved special meetings of the Board to be held as provided in Section 54956 of the Government Code by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: Director Baker

Appointment of District Officers

On the motion of Director Petterle, seconded by Director Fraites, the following District officers were appointed for the ensuing year: Drew McIntyre, General Manager; Terrie Kehoe, District Secretary; Julie Blue, Auditor-Controller; and Rocky Vogler, Chief Engineer by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: Director Baker

Mr. McIntyre thanked the Board for the re-appointment of the District Officers.

Confirm Board Meeting Schedule for 2020

On the motion of Director Petterle, seconded by Director Joly, the Board accepted the proposed meeting schedule for the 2020 calendar year with the understanding that the calendar may be adjusted as needed by the following vote:

61 AYES: Director Fraites, Grossi, Joly and Petterle

62 NOES: None

63 ABSENT: Director Baker

64 Committee Appointments

65 President Joly announced that he will reappoint the same appointments unless he hears
66 otherwise. Director Petterle reminded Director Joly that as president he has the authority to make
67 any changes. On the motion of Director Fraites, seconded by Director Petterle, the Board accepted
68 the committee appointments by the following vote:

69 AYES: Director Fraites, Grossi, Joly and Petterle

70 NOES: None

71 ABSENT: Director Baker

72 **MINUTES**

73 On motion of Director Petterle, seconded by Director Fraites the Board approved the minutes
74 from the November 19, 2019 meeting as presented by the following vote:

75 AYES: Director Fraites, Grossi, Joly and Petterle

76 NOES: None

77 ABSTAIN: None

78 ABSENT: Director Baker

79 **GENERAL MANAGER'S REPORT**

80 Rainfall

81 Mr. McIntyre notified the Board that we had a good kick off for winter rains with about seven
82 inches of rain over the last week, and one day we had close to four inches. He added that Stafford
83 Lake has risen one foot over this period. Director Grossi stated they had 5.25 inches of rain out at
84 the ranch. Mr. McIntyre added that the storm tracks were interesting, and for a couple of days we
85 received rainfall amounts similar to rain gauges near Mt. Tamalpais. He noted this is unusual but
86 happens every once in a while.

87 Aqueduct Energy Efficient Project Easements

88 Mr. McIntyre announced that he and Joe Kauwe will be attending a meeting in Oakland with
89 Caltrans on December 4th to discuss the status on AEEP easements. He added that consultant
90 Dale White will also be in attendance. Mr. McIntyre stated that this is the last outstanding item

91 associated with the Aqueduct Energy Efficient Project and Caltrans typically waits for the entire
92 construction project to be complete before finalizing right-of-way documentation. He added there
93 has been some turnover of Caltrans staff and we want to be sure they understand our needs and
94 expectations.

95 Indian Valley Golf Course Access Road Maintenance

96 Mr. McIntyre announced that he and Mr. Vogler will be attending a meeting on December 5th
97 with Indian Valley Golf Course management to discuss road maintenance projects including the
98 Leveroni Creek embankment repair project along the access road.

99 NBWA Meeting

100 Mr. McIntyre stated that there will be a North Bay Watershed Association meeting on
101 December 6th at Novato Sanitary District.

102 North Bay Water Reuse Authority Meeting

103 Mr. McIntyre announced that he, Director Baker and Mr. Vogler will be attending the NBWRA
104 meeting on December 9th in Novato. Director Grossi stated he was also interested in attending.

105 **OPEN TIME**

106 President Joly asked if anyone in the audience wished to bring up an item not on the
107 agenda. Ms. Dadnia (resident at 400 Wood Hollow Drive) came to discuss her bill. She stated she
108 had a very large bill because she was unaware that she had an irrigation leak. Ms. Dadnia also said
109 she explained to the Billing Department that they should not compare it to the water use of 2016 and
110 2017 because they were replanting trees that they had lost in a fire. Director Joly thanked Ms.
111 Dadnia for coming to the meeting, but asked if she had approached District staff. She replied she
112 wrote a letter to the Billing Department. Ms. Blue stated that a response letter was mailed today.
113 Ms. Blue also gave her a copy of the letter and offered to go over the letter with her once she had a
114 chance to review. Director Joly stated that staff has responded and the Board has not seen the
115 reply. He added if Ms. Dadnia is not satisfied with the response it would be best for the Board to
116 review it at a future meeting. Director Joly thanked Ms. Dadnia for coming to the meeting.

117 **STAFF/DIRECTORS REPORTS**

118 President Joly asked if staff or Directors wished to bring up an item not on the agenda and
119 the following were discussed.

Ms. Kehoe reminded the Board of the photo shoot on December 9th at the Downtown Novato Recreation Center. She added that she handed out a flyer with the information and the cell number for the Kiosk representative in case they have a hard time finding the location.

Ms. Kehoe also reminded the Board that the NMWD Holiday Party is on December 14th at 6:00 p.m.

ACTION CALENDAR

PAYMENT OF NOVATO SANITARY DISTRICT INVOICE FROM RECYCLED WATER CAPITAL REPLACEMENT AND EXPANSION FUND

Mr. McIntyre reminded the Board of the 2004 Inter-Agency agreement between North Marin Water District (NMWD) and Novato Sanitary District (NSD) to jointly construct and operate a recycled water system to serve Stone Tree Golf Course and other users. He added in 2011 the Board approved the Third Revised Inter-Agency Agreement to reflect changes necessary to document the new conditions for which recycled water would be produced and delivered in the Novato North and Central service areas. Mr. McIntyre explained the Inter-Agency agreement includes establishment of a Recycled Water Capital Replacement and Expansion Fund which is to be maintained by NMWD and any expenditure from the fund shall be jointly approved by both NMWD and NSD. He added the submitted NSD invoice represents reimbursement for work to install a cover over the recycled water clearwell. Mr. McIntyre stated this work directly results in improved recycled water quality delivered to NMWD. He added that the agreements with both NSD and LGVSD will need to be revised in the not so distant future to reflect updated recycled water treatment and distribution volumes.

On the motion of Director Petterle, and seconded by Director Fraites the Board moved to approve the Payment of Novato Sanitary District Invoice from the Recycled Water Capital Replacement and Expansion Fund by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Baker

INFORMATION ITEMS

DRAFT ANNUAL REPORT 2018-2019

Under Information Items, Ms. Kehoe gave a brief description of the Draft FY18-19 Annual

Report. She explained that each Department Head contributed towards the report, and the draft is now available for the Board's review. Ms. Kehoe stated that any comments must be received by December 12th and will be incorporated into the finished product and submitted for approval at the next meeting on December 17th. Director Joly stated that he will have a few comments to give to Ms. Kehoe, but all in all he learned a great deal from the information provided.

FY 19-20 QUARTERLY PROGRESS REPORT – WATER QUALITY

Mr. Ramudo updated the Board on the FY 19-20 Water Quality Report. He reported that the water served to the communities of Novato and Point Reyes met all federal and state water quality standards during this quarter of the fiscal year. He added that staff noted a high diversity of algae species in Stafford Lake, which is a good thing and shows improvement in the water quality. Mr. Ramudo noted we have a great source of water and 95% of the TOC was removed which is the best we ever had. He believes this has to do with good treatment operations, applying suggestions from our consultants and fine tuning our operations. He added we also had no taste or odor complaints, and no algae blooms.

Mr. Ramudo continued the discussion noting the main issue in Point Reyes is still salinity intrusion at the Coast Guard Wells. He stated that since July the chloride and bromide levels have increased and the bromide level is at a historical high. Fortunately, the Gallagher well has no salinity and very low bromide. He added that due to operational changes, the disinfection byproduct numbers were low, and staff has been able to fine tune distribution system operation which helps lower our water age in the far reaches of our system. Mr. Ramudo stated that recent testing results were promising. He added we will continue to explore permanent changes to the system but changes made thus far have been positive. Director Joly stated that the report was excellent and said staff has done a wonderful job with the treatment operations.

FY 19-20 QUARTERLY PROGRESS REPORT – OPERATIONS AND MAINTENANCE

Mr. Clark updated the Board on the Fourth Quarter FY 18/19 Operations/Maintenance Report. In his memo he summarized the Safety Program; Operations activities; Stafford Treatment Plant production; the Novato Water System flows; the West Marin System flows, demands and storage; Oceana Marin; Water Quality; Maintenance accomplishments; Electrical/Mechanical accomplishments; Cross Connection activities; Building and Grounds projects; and Fleet Operations.

Mr. Clark announced that a hearing test was completed by twenty-eight employees and no one had any adverse impact on their hearing. He added a three year inspection was done on hazardous materials and no action items were found. Mr. Clark stated in Maintenance the efforts focused on Public Safety Power Shutoff preparation. He noted in Oceana Marin they are preparing

for the atmospheric river rainfall event. Mr. Clark stated that this year we had a bumper crop of weeds and they had to manage the weeds for a third time this year for fire prevention, and reported we had no fires this season. He also pointed out that our Recycled Water capacity is now 8.6% of our total capacity, noting we now have 98 recycled water customers and more are using this water as a drought proof source.

Under Water Quality, Mr. Clark stated they continue to work on backflow testing and over the years have struggled with short staffing levels and have contracted out some of the testing in order to complete this year's work. He added he received the annual Novato Sanitary discharge permit for the Stafford Treatment Plant, and there were no issues. Mr. Clark also stated a backflow consultant has been hired to review and improve our cross connection documentation and regulations.

SPECIAL WAC/TAC MEETING – OCTOBER 7, 2019

Mr. McIntyre stated that a Special WAC meeting was held to approve a Potter Valley Project Resolution to support continued successful collaboration with Sonoma County Water Agency in ongoing Potter Valley Project relicensing activities and to ensure that Water Contractors are informed and engaged during this process. Mr. McIntyre added that the Water Contractors have adopted the following Statement of Interests: (1) that any PVP decisions are consistent with the obligations of the parties to the Restructured Agreement; (2) Water Contractors are to receive regular communication and updates from the Agency after internal workshop meetings with Planning Agreement signatories; and (3) Water Contractors will not be obligated to pay any cost that is disproportionate to the benefit received by the Water Contractors and their customers.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated November 21, 2019 and Disbursements – Dated November 27, 2019.

The Board received the following news articles; 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 adjusted for some – MARIN MUNICIPAL and County seeks developer for Coast Guard Station Property.

ADJOURNMENT

President Joly adjourned the meeting at 6:43 p.m.

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Submitted by

Theresa Kehoe
District Secretary

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NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR *November 2019*
 December 17, 2019

Item #5

1.

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

| Month | FY19/20 | FY18/19 | FY17/18 | FY16/17 | FY15/16 | 20 vs 19 % |
|------------|---------|---------|---------|---------|---------|------------|
| July | 317.2 | 341.1 | 331.0 | 310.3 | 227.2 | -7% |
| August | 283.8 | 300.9 | 303.0 | 299.6 | 235.2 | -6% |
| September | 280.5 | 255.0 | 292.4 | 302.3 | 210.0 | 10% |
| October | 281.0 | 265.6 | 273.7 | 202.8 | 298.6 | 6% |
| November | 222.7 | 170.1 | 163.9 | 143.8 | 145.4 | 31% |
| FYTD Total | 1,385.2 | 1,332.7 | 1,363.9 | 1,258.8 | 1,116.5 | 4% |

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

| Month | FY19/20 | FY18/19 | FY17/18 | FY16/17 | FY15/16 | 20 vs 19 % |
|------------|---------|---------|---------|---------|---------|------------|
| July | 8.9 | 10.2 | 9.5 | 7.9 | 6.6 | -13% |
| August | 8.4 | 9.9 | 8.8 | 7.4 | 7.0 | -16% |
| September | 7.8 | 9.5 | 8.4 | 6.4 | 6.4 | -18% |
| October | 7.3 | 8.3 | 7.9 | 5.2 | 6.5 | -11% |
| November | 6.7 | 7.3 | 5.4 | 4.2 | 4.7 | -7% |
| FYTD Total | 39.1 | 45.2 | 39.9 | 31.1 | 31.2 | -13% |

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

| Month | FY19/20 | FY18/19 | FY17/18 | FY16/17 | FY15/16 | 20 vs 19 % |
|------------|---------|---------|---------|---------|---------|------------|
| July | 67.7 | 78.6 | 112.6 | 69.9 | 107.6 | -14% |
| August | 100.5 | 79.3 | 81.5 | 90.4 | 79.4 | 27% |
| September | 115.0 | 60.5 | 122.7 | 96.9 | 38.3 | 90% |
| October | 98.4 | 74.5 | 102.3 | 93.9 | 49.5 | 32% |
| November | 99.2 | 0.0 | 53.6 | 63.8 | 58.3 | - |
| FYTD Total | 480.7 | 292.9 | 472.6 | 415.0 | 333.0 | 64% |

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

| Month | FY19/20 | FY18/19 | FY17/18 | FY16/17 | FY15/16 | 20 vs 19 % |
|-------------|---------|---------|---------|---------|---------|------------|
| July | 36.5 | 30.2 | 27.7 | 27.1 | 21.3 | 21% |
| August | 33.3 | 30.6 | 26.1 | 26.0 | 26.2 | 9% |
| September | 29.7 | 33.5 | 25.0 | 23.5 | 15.7 | -12% |
| October | 26.6 | 20.1 | 19.1 | 8.3 | 15.8 | 32% |
| November | 10.8 | 12.7 | 2.5 | 1.2 | 3.2 | -14% |
| FYTD Total* | 136.9 | 127.0 | 100.4 | 86.2 | 82.2 | 8% |

*Excludes potable water input to the RW system: FY19=9.2 MG; FY18=15.35MG; FY17=1.4MG; FY16=7.4MG

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2. Stafford Lake Data

| | November Average | November 2018 | November 2019 |
|--------------------------|-------------------------|----------------------|----------------------|
| Rainfall this month | 3.22 Inches | 5.16 Inches | 2.52 Inches |
| Rainfall this FY to date | 4.94 Inches | 7.27 Inches | 4.32 Inches |
| Lake elevation* | 181.4 Feet | 177.8 Feet | 181.1 Feet |
| Lake storage** | 522 MG | 387 MG | 509 MG |

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

| | Minimum | Maximum | Average |
|------------------------|----------------|----------------|----------------|
| November 2018 (Novato) | 39 | 96 | 62 |
| November 2019 (Novato) | 36 | 90 | 62 |

3. Number of Services

| November 30 | Novato Water | | | Recycled Water | | | West Marin Water | | | Oceana Marin Swr | | |
|------------------------|--------------|--------|--------|----------------|------|--------|------------------|------|--------|------------------|------|--------|
| | FY20 | FY19 | Incr % | FY20 | FY19 | Incr % | FY20 | FY19 | Incr % | FY20 | FY19 | Incr % |
| Total meters installed | 20,750 | 20,746 | 0.0% | 96 | 95 | 1.1% | 791 | 790 | 0.1% | - | - | - |
| Total meters active | 20,546 | 20,535 | 0.1% | 91 | 91 | 0.0% | 783 | 782 | 0.1% | - | - | - |
| Active dwelling units | 24,078 | 24,070 | 0.0% | - | - | - | 833 | 832 | 0.1% | 234 | 234 | 0.0% |

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4. Oceana Marin Monthly Status Report (November)

| Description | November 2018 | November 2019 |
|---------------------------------|---------------|---------------|
| Effluent Flow Volume (MG) | 0.485 | 0.418 |
| Irrigation Field Discharge (MG) | 0.865 | 0.466 |
| Treatment Pond Freeboard (ft) | 6.3 | 8.0 |
| Storage Pond Freeboard (ft) | 5.5 | 8.0 |

5. Developer Projects Status Report (November)

| Job No. | Project | % Complete | % This month |
|-----------|-------------------------------------|------------|--------------|
| 1.2807.00 | Hamilton Cottages | 94 | 1 |
| 1.2817.03 | College of Marin – New Miwok Center | 5 | 1 |
| 1.2816.00 | Oakmont Senior Living | 97 | 0 |
| 1.2821.00 | Atherton Place | 93 | 1 |
| 1.2824.00 | Park-A-Pup | 90 | 5 |
| 1.2823.00 | Avesta | 65 | 60 |

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

| Job No. | Project | % Complete | % This month |
|-----------|------------------------------------|------------|--------------|
| 1.6112.24 | Lynwood Pump Station MCC | 15 | 0 |
| 2.6263.20 | Replace PRE Tank 4A | 5 | 0 |
| 1.7150.00 | San Mateo Tank Inlet/Outlet | 7 | 2 |
| 1.7007.13 | DCA Replacement | 5 | 5 |
| 1.7123.26 | PB Replace MCCE | 5 | 5 |
| 1.7183.00 | Replace Plastic 4-inch –Scown Lane | 5 | 5 |

Employee Hours to Date, FY 18/19

As of Pay Period Ending November 30, 2019
Percent of Fiscal Year Passed = 42%

| Developer Projects | Actual | Budget | % YTD Budget | District Projects | Actual | Budget | % YTD Budget |
|--------------------|--------|--------|--------------|-------------------|--------|--------|--------------|
| Construction | 1,444 | 1,400 | 103% | Construction | 769 | 3,740 | 21% |
| Engineering | 685 | 1,504 | 46% | Engineering | 883 | 3,096 | 29% |

6. Safety/Liability

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| Industrial Injury with Lost Time | | | | Liability Claims Paid | |
|----------------------------------|---------------------------|----------------------|------------------|-----------------------|------------------|
| Lost Days | OH Cost of Lost Days (\$) | No. of Emp. Involved | No. of Incidents | Incurred (FYTD) | Paid (FYTD) (\$) |
| FY 20 through November | 0 | \$0 | 0 | 0 | \$0 |
| FY 19 through November | 6 | \$2,160 | 1 | 1 | \$6,104 |

Days without a lost time accident through November 30, 2019 246 Days

7. Energy Cost

| FYE | kWh | November | | Fiscal Year-to-Date thru November | | |
|------------------|---------|----------|----------|-----------------------------------|-------|----------|
| | | ¢/kWh | Cost/Day | kWh | ¢/kWh | Cost/Day |
| 2020 Stafford TP | 93,675 | 17.0¢ | \$532 | 460,904 | 18.3¢ | \$552 |
| Pumping | 116,501 | 23.3¢ | \$934 | 760,372 | 23.5¢ | \$1,185 |
| Other* | 41,394 | 24.7¢ | \$353 | 252,468 | 27.4¢ | \$458 |
| | 251,570 | 21.2¢ | \$1,819 | 1,473,744 | 22.6¢ | \$2,195 |
| 2019 Stafford TP | 29,726 | 22.0¢ | \$218 | 323,034 | 20.1¢ | \$425 |
| Pumping | 134,623 | 20.8¢ | \$847 | 663,964 | 20.7¢ | \$885 |
| Other* | 48,751 | 22.7¢ | \$336 | 244,865 | 25.9¢ | \$410 |
| | 213,100 | 21.4¢ | \$1,401 | 1,231,863 | 21.6¢ | \$1,720 |
| 2018 Stafford TP | 34,855 | 19.7¢ | \$229 | 310,402 | 19.4¢ | \$394 |
| Pumping | 91,364 | 22.5¢ | \$760 | 751,772 | 21.3¢ | \$1,067 |
| Other* | 38,437 | 23.3¢ | \$320 | 230,002 | 26.7¢ | \$409 |
| | 164,656 | 22.1¢ | \$1,309 | 1,292,176 | 21.8¢ | \$1,870 |

*Other includes West Marin Facilities

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8. Water Conservation Update

| | Month of November 2019 | Fiscal Year to Date | Program Total to Date |
|--------------------------------------|------------------------|---------------------|-----------------------|
| High Efficiency Toilet (HET) Rebates | 10 | 60 | 4112 |
| Retrofit Certificates Filed | 18 | 92 | 6334 |
| Cash for Grass Rebates Paid Out | 1 | 8 | 929 |
| Washing Machine Rebates | 2 | 3 | 6800 |
| Water Smart Home Survey | 13 | 54 | 3801 |

9. Utility Performance Metric

| SERVICE DISRUPTIONS (No. of Customers Impacted) | November 2019 | November 2018 | Fiscal Year to Date 2019 | Fiscal Year to Date 2018 |
|--|----------------------|----------------------|---------------------------------|---------------------------------|
| PLANNED | | | | |
| Duration Between 0.5 and 4 hours | 5 | 4 | 15 | 38 |
| Duration Between 4 and 12 hours | | | 96 | 83 |
| Duration Greater than 12 hours | | | | |
| UNPLANNED | | | | |
| Duration Between 0.5 and 4 hours | 3 | 4 | 50 | 29 |
| Duration Between 4 and 12 hours | 12 | | 12 | |
| Duration Greater than 12 hours | | | | |
| SERVICE LINES REPLACED | | | | |
| Polybutylene | 5 | 6 | 37 | 53 |
| Copper (Replaced or Repaired) | 2 | | 3 | 5 |

*Olive Ave at Railroad Ave. 12" water main leak, 12 services for 5 hours

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders November 2019

12/11/2019

| Type | Nov-19 | Nov-18 | Action Taken November 2019 |
|---|-----------|-----------|--|
| <u>Consumers' System Problem</u> | | | |
| Service Line Leaks | 40 | 44 | Notified Consumer |
| House Plumbing | 1 | 0 | Notified Consumer |
| House Valve / Meter Off | 13 | 5 | Notified Consumer |
| Nothing Found | 19 | 28 | Notified Consumer |
| Low Pressure | 1 | 0 | Gauge reading 40 PSI, pressure varies from 33-46 PSI. |
| High Pressure | 0 | 6 | - |
| Total | 74 | 83 | |
| <u>Service Repair Reports</u> | | | |
| Meter Replacement | 1 | 3 | Replaced |
| Box and Lids | 2 | 1 | Replaced |
| Water Off/On Due To Repairs | 9 | 11 | Notified Consumer |
| Misc. Field Investigation | 14 | 4 | Notified Consumer |
| Total | 26 | 19 | |
| <u>Leak NMWD Facilities</u> | | | |
| Main-Leak | 2 | 0 | Repaired |
| Service- Leak | 8 | 10 | Repaired |
| Services-Nothing Found | 1 | 0 | ~ |
| Fire Hydrant-Leak | 1 | 1 | Repaired |
| Fire Hydrants-Nothing Found | 0 | 0 | Notified Consumer |
| Meter Leak | 2 | 0 | Repaired |
| Washer Leaks | 4 | 4 | Repaired |
| Total | 18 | 15 | |
| <u>High Bill Complaints</u> | | | |
| Consumer Leaks | 1 | 7 | ~ |
| Meter Testing | 0 | 1 | ~ |
| Meter Misread | 1 | 4 | ~ |
| Nothing Found | 1 | 5 | Notified Consumer |
| Excessive Irrigation | 4 | 0 | Notified Consumer |
| Total | 7 | 17 | |
| <u>Water Quality Complaints</u> | | | |
| Taste and Odor | 3 | 3 | <p><i>Customer reported bad taste and odor from water when they cooked pasta. (4TH ST.)</i> Lab staff sampled kitchen's hot and cold water. No bad taste and odor at time of sampling. Results were normal for NMWD supply. Customer was notified of results.</p> <p><i>Customer reported off taste and sediment in tea kettle. (LAGUNA VISTA DR.)</i> Lab staff sampled tap & outside hose bib. Results were normal for NMWD supply. Customer was notified of results.</p> <p><i>Customer noticed high chlorine in shower, irritating child's asthma. (EAST CT.)</i> Lab staff sampled kitchen and outside hose bibs. Filter installed on hot water line. Recommended a carbon showerhead filter. Measured chlorine was normal for NWMD supply. Customer was notified of results.</p> |

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders November 2019

12/11/2019

| Type | Nov-19 | Nov-18 | Action Taken November 2019 |
|-------------------------|------------|------------|--|
| Color | 0 | 1 | |
| Suspended Solids | 0 | 1 | |
| Other | 2 | 1 | |
| | | | Customer concerned about replacing old pipes and reported bad water. (LAMONT AVE) |
| | | | Lab staff picked up samples and sent to AlphaLabs |
| | | | Results of analysis were normal for NMWD supply. |
| | | | Iron, copper, manganese, lead all not detected. |
| | | | Customer was notified of results. |
| | | | Customer concerned about water quality. |
| | | | Reported illness from water. (CIELO LN.) |
| | | | Customer reported that her daughter became ill. |
| | | | All results were normal for NMWD supply. |
| | | | Customer was notified of results. |
| Total | 5 | 6 | |
| TOTAL FOR MONTH: | 130 | 140 | -7% |

Fiscal YTD Summary

| | | |
|----------------------------|------------|------------|
| Consumer's System Problems | 348 | 338 |
| Service Repair Report | 101 | 116 |
| Leak NMWD Facilities | 88 | 106 |
| High Bill Complaints | 43 | 154 |
| Low Bills | 0 | 2 |
| Water Quality Complaints | 14 | 16 |
| Total | 594 | 732 |

Change Primarily Due To

| |
|--|
| 3% Increase In Service Line Leaks. |
| -13% Decrease In Water Off/On Due to Repairs |
| -17% Decrease In Service Leaks. |
| -72% Decrease In Nothing Found. |
| -100% Decrease in Meter Misreads. |
| -13% No one issue |
| -19% |

"In House" Generated and Completed Work Orders

| | | |
|--|------------|------------|
| Check Meter: possible consumer/District leak, high bill, flooded, need read, etc. | 173 | 102 |
| Change Meter: leaks, hard to read | 3 | 14 |
| Replace Boxes/Lids | 5 | 1 |
| Trims | 0 | 1 |
| Dig Outs | 1 | 7 |
| Letters to Consumer: meter obstruction, trims, bees, gate access, etc. get meter number, kill service, etc. | 1 | 0 |
| | 183 | 125 |

Bill Adjustments Under Board Policy: November 19 vs. November 18

| | | |
|--------|----|----------|
| Nov-19 | 21 | \$7,273 |
| Nov-18 | 34 | \$12,454 |

Fiscal Year vs Prior FY

| | | |
|----------|-----|----------|
| FY 19/20 | 128 | \$35,039 |
| FY 18/19 | 177 | \$52,509 |

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MEMORANDUM

To: Board of Directors

December 13, 2019

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

Subj: Auditor-Controller's Monthly Report of Investments for November 2019
t:\aclword\invest\20\investment report 1119.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$23,137,309 and a market value of \$23,171,134. During November the cash balance increased by \$908,239. The market value of securities held increased \$33,826 during the month. The ratio of total cash to budgeted annual operating expense stood at 134%, up 6% from the prior month.

At November 30, 2019, 60% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 24% in Time Certificates of Deposit, 9% in US Treasury Notes, 5% in the Marin County Treasury, and 2% retained locally for operating purposes. The weighted average maturity of the portfolio was 107 days, compared to 114 days at the end of October. The LAIF interest rate for the month was 2.10%, compared to 2.19% the previous month. The weighted average Portfolio rate was 2.22%, compared to 2.21% the previous month.

Investment Transactions for the month of November are listed below:

| | | | | |
|------------|---------------------|---------------|----------------|---------------------------------|
| 11/4/2019 | US Bank | LAIF | \$1,200,000.00 | Trsf to LAIF account |
| 11/5/2019 | US Bank | LAIF | \$250,000.00 | Trsf to LAIF account |
| 11/8/2019 | US Bank | LAIF | \$300,000.00 | Trsf to LAIF account |
| 11/12/2019 | Morgan Stanley Bank | US Bank | \$249,214.54 | TCD Matured |
| 11/14/2019 | US Bank | LAIF | \$450,000.00 | Trsf to LAIF account |
| 11/15/2019 | US Bank | Flagstar Bank | \$247,000.00 | Purchase 1.75% TCD due 11/15/21 |
| 11/21/2019 | US Bank | LAIF | \$100,000.00 | Trsf to LAIF account |
| 11/26/2019 | LAIF | US Bank | \$450,000.00 | Trsf from LAIF account |

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

| Type | Description | S&P Rating | Purchase Date | Maturity Date | Cost Basis ¹ | 11/30/2019 Market Value | Yield ² | % of Portfolio |
|------------------------------------|-----------------------------|---------------|------------------|------------------|----------------------------|----------------------------|--------------------|-------------------|
| LAIF | State of CA Treasury | AA- | Various | Open | \$13,992,380 | \$14,016,332 | 2.10% ³ | 60% |
| Time Certificate of Deposit | | | | | | | | |
| TCD | American Express Centurion | n/a | 12/5/17 | 12/5/19 | 247,000 | 247,000 | 1.90% | 1% |
| TCD | Sallie Mae Bank | n/a | 1/10/18 | 1/10/20 | 247,000 | 247,000 | 2.20% | 1% |
| TCD | Discover Bank | n/a | 2/13/18 | 2/24/20 | 247,000 | 247,000 | 2.35% | 1% |
| TCD | Wells Fargo Bank | n/a | 3/28/18 | 3/30/20 | 248,000 | 248,000 | 2.55% | 1% |
| TCD | Citibank | n/a | 4/11/18 | 4/13/20 | 246,000 | 246,000 | 2.55% | 1% |
| TCD | UBS Bank | n/a | 5/30/18 | 6/1/20 | 249,000 | 249,000 | 2.70% | 1% |
| TCD | Enerbank | n/a | 6/18/18 | 5/18/20 | 249,000 | 249,000 | 2.75% | 1% |
| TCD | BMW Bank | n/a | 6/15/18 | 6/15/20 | 246,000 | 246,000 | 2.75% | 1% |
| TCD | Bank of America | n/a | 8/15/18 | 8/17/20 | 246,000 | 246,000 | 2.75% | 1% |
| TCD | Ally Bank | n/a | 9/28/18 | 9/28/20 | 246,000 | 246,000 | 2.80% | 1% |
| TCD | Barclays Bank | n/a | 11/14/18 | 11/16/20 | 246,000 | 246,000 | 3.00% | 1% |
| TCD | CIT Bank | n/a | 12/17/18 | 12/17/20 | 246,000 | 246,000 | 3.00% | 1% |
| TCD | Reliance Bank | n/a | 1/11/19 | 1/11/21 | 249,000 | 249,000 | 2.70% | 1% |
| TCD | Iberia Bank | n/a | 1/25/19 | 1/25/21 | 246,000 | 246,000 | 2.70% | 1% |
| TCD | TIAA Bank | n/a | 1/18/19 | 7/19/21 | 246,000 | 246,000 | 2.75% | 1% |
| TCD | Merrick Bank | n/a | 2/8/19 | 2/8/21 | 249,000 | 249,000 | 2.60% | 1% |
| TCD | Eaglebank | n/a | 3/15/19 | 3/15/21 | 249,000 | 249,000 | 2.60% | 1% |
| TCD | Central Bank | n/a | 4/18/19 | 4/19/21 | 249,000 | 249,000 | 2.40% | 1% |
| TCD | Morgan Stanley Private Bank | n/a | 5/23/19 | 5/24/21 | 247,000 | 247,000 | 2.40% | 1% |
| TCD | Capital One Bank NA | n/a | 8/21/19 | 8/23/21 | 247,000 | 247,000 | 1.85% | 1% |
| TCD | Capital One Bank USA | n/a | 9/6/19 | 9/7/21 | 247,000 | 247,000 | 1.75% | 1% |
| TCD | Goldman Sachs Bank USA | n/a | 10/11/19 | 10/12/21 | 247,000 | 247,000 | 1.70% | 1% |
| TCD | Flagstar Bank | n/a | 11/15/19 | 11/15/21 | 247,000 | 247,000 | 1.75% | 1% |
| | | | | | \$5,686,000 | \$5,686,000 | 2.46% | 24% |
| US Treasury Notes | | | | | | | | |
| Treas | 2.250% | n/a | 7/26/18 | 3/31/20 | 998,975 | 1,001,875 | 2.55% | 4% |
| Treas | 2.750% | n/a | 3/5/19 | 9/30/20 | 1,001,777 | 1,008,750 | 2.75% | 4% |
| | | | | | \$2,000,752 | \$2,010,625 | 2.66% | 9% |
| Other | | | | | | | | |
| Agency | Marin Co Treasury | AAA | Various | Open | \$1,086,280 | \$1,086,280 | 2.22% | 5% |
| Other | Various | n/a | Various | Open | 371,897 | 371,897 | 0.41% | 2% |
| TOTAL IN PORTFOLIO | | | | | \$23,137,309 | \$23,171,134 | 2.22% | 100% |

Weighted Average Maturity = **107 Days**

LAIF: State of California Local Agency Investment Fund.

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

Agency: STP State Revolving Fund Loan Reserve.

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

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

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

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

| Interest Bearing Loans | Loan Date | Maturity Date | Original Loan Amount | Principal Outstanding | Interest Rate |
|-------------------------------------|--------------|------------------|-------------------------|--------------------------|------------------|
| StoneTree Golf Loan | 6/30/06 | 2/28/24 | \$3,612,640 | \$0 | 2.40% |
| Marin Country Club Loan | 1/1/18 | 11/1/47 | \$1,265,295 | \$1,192,226 | 1.00% |
| Employee Housing Loans (2) | Various | Various | 525,000 | 525,000 | Contingent |
| TOTAL INTEREST BEARING LOANS | | | \$5,402,935 | \$1,717,226 | |

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


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MEMORANDUM

To: Board of Directors

December 13, 2019

From: Terrie Kehoe, District Secretary 

Subject: Final Annual Report Fiscal Year 2018-2019
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RECOMMENDED ACTION: Approve Fiscal Year 2018-2019 Annual Report

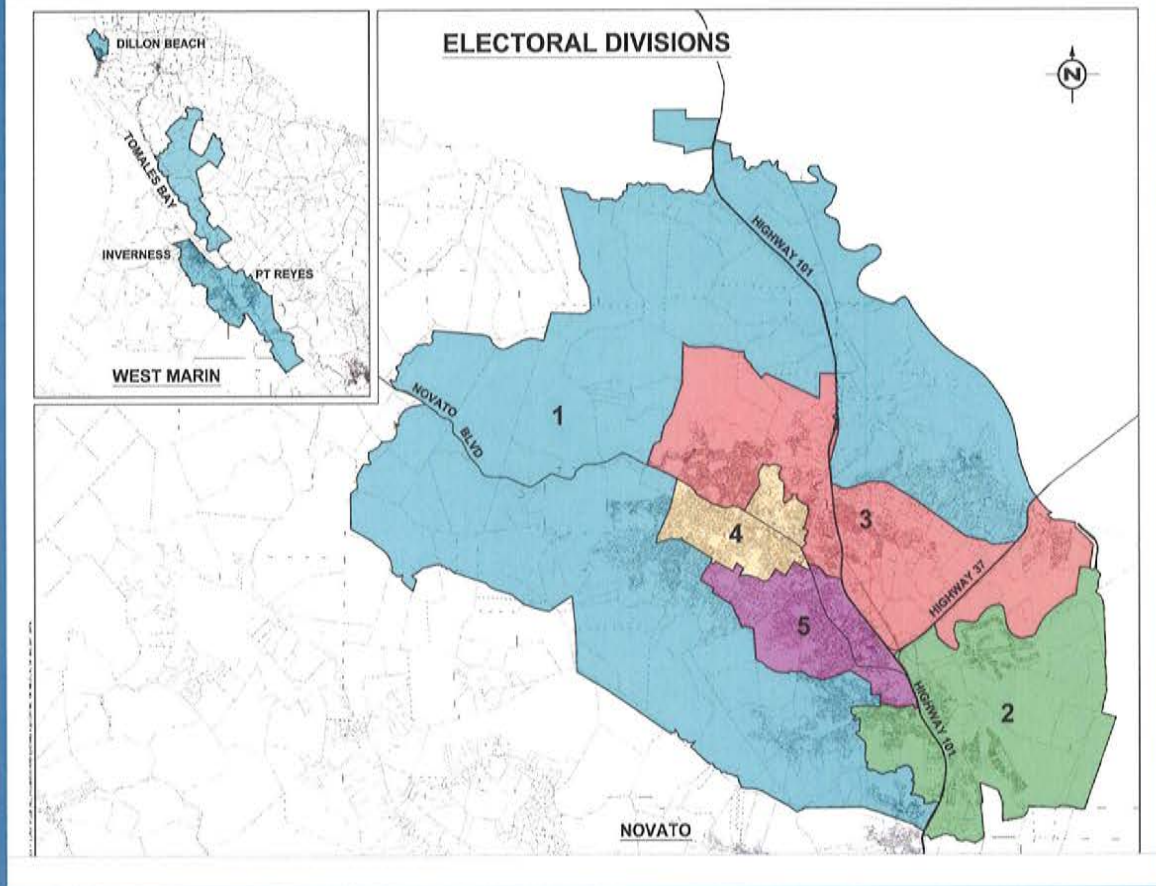
FINANCIAL IMPACT: None

The Annual Report for Fiscal Year 2018-2019 was provided to you at the December 3, 2019 meeting. There were minor changes made as shown in highlight strikeout to the draft Annual Report. You will receive the final hard copy at the January 07, 2020 meeting.

RECOMMENDATION:

Board Approve Fiscal Year 2018-2019 Annual Report.

Approved by GM 
Date 12/13/19



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

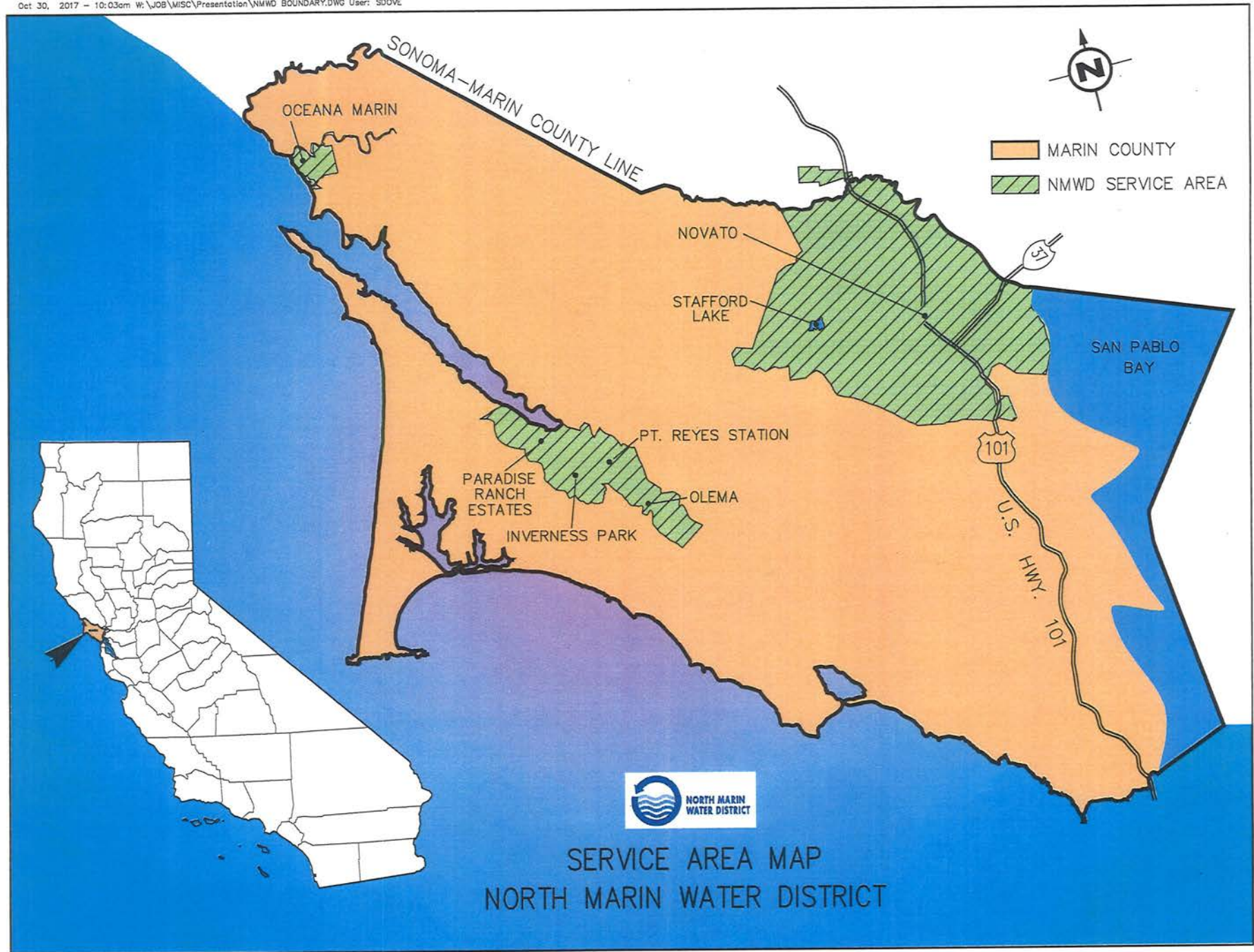
(Front cover photo: Final Redistricting Boundary Map)

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 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

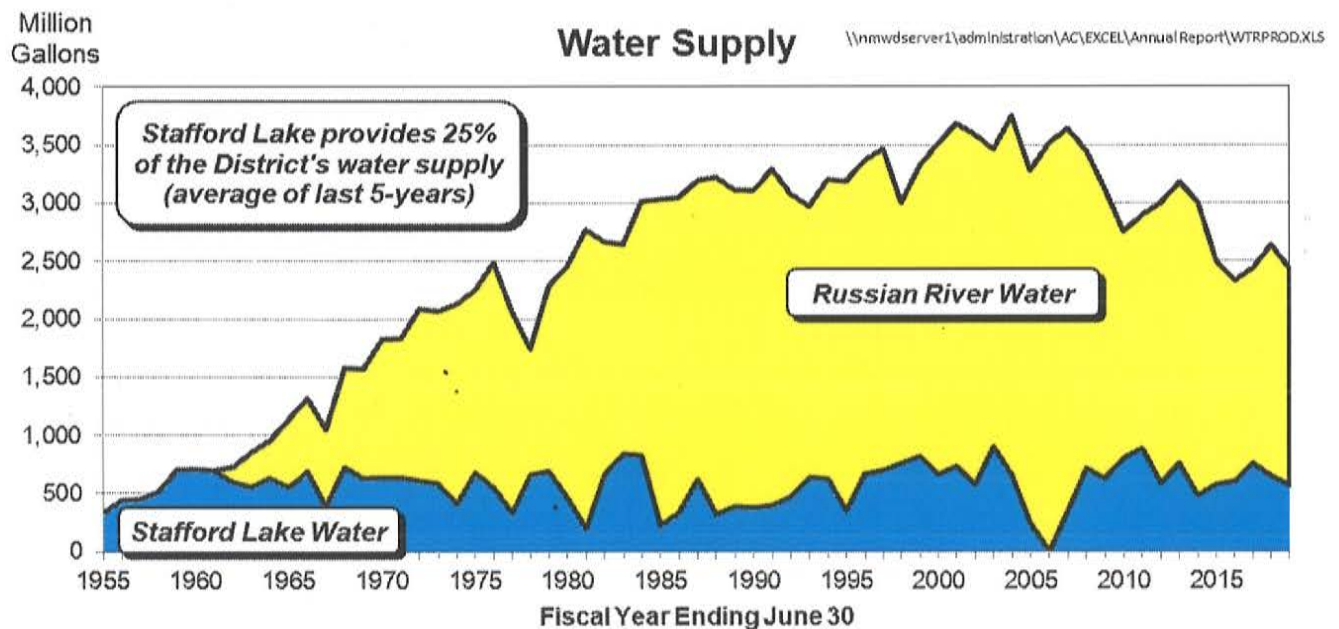
Stafford Lake lies four miles west of downtown Novato and collects the runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450 acre feet or 1,450 million gallons (MG) of water. Water from Stafford Lake is fed 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 remotely 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 9th 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 dollars (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

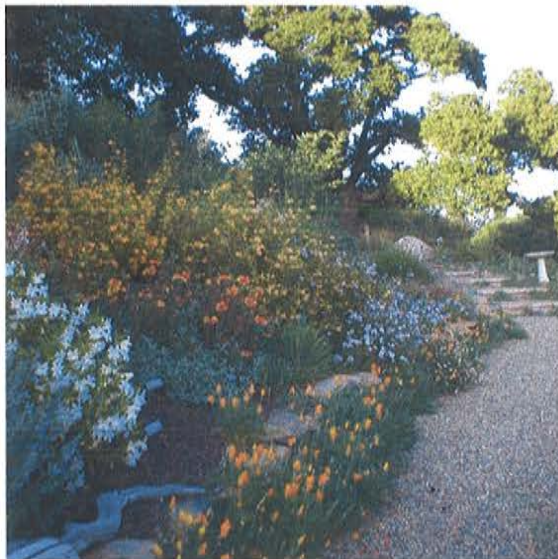
and gray water rebates. Hot Water Circulation and Pool Cover rebates were added in recent years along with the "Lawn Be Gone" program aimed at promoting the sheet mulching technique of removing lawn. Water conservation programs for non-residential customers include

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.



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

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

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 ¾" 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.



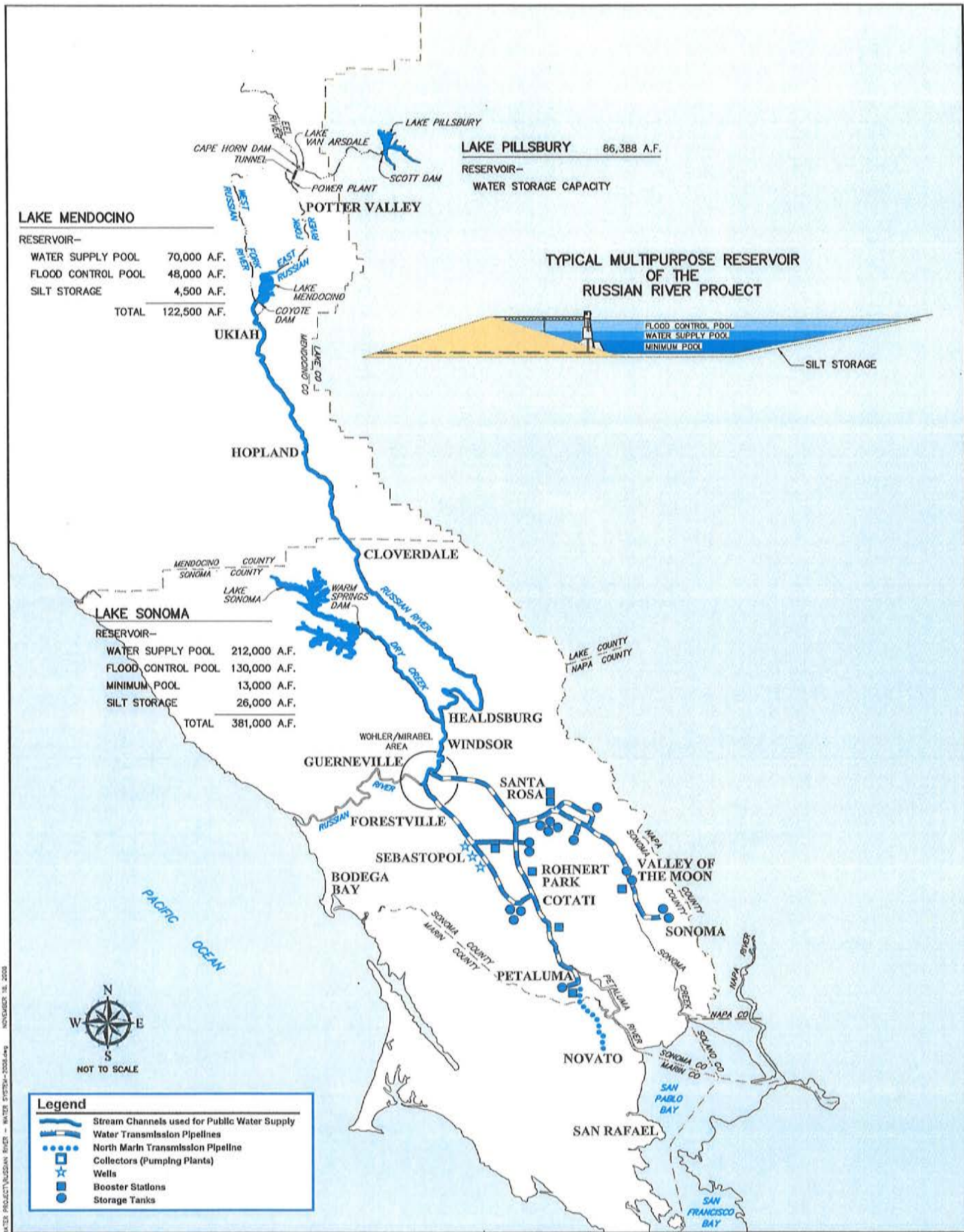
During FY 2018/19, North Marin Water District's Construction crews replaced 104 polybutylene and 13 copper water service laterals because of leaks in Novato and West Marin service areas.

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.

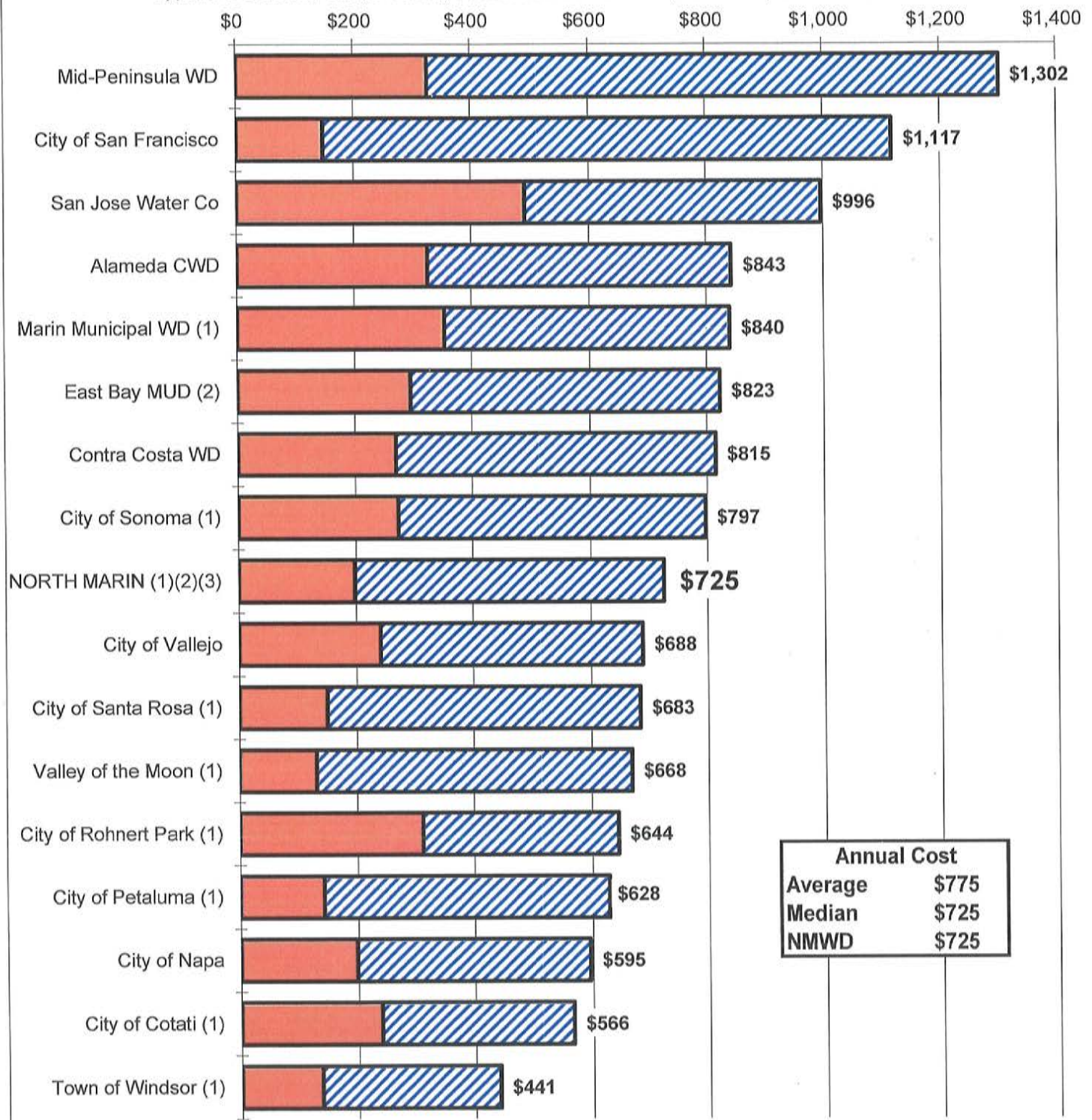




Russian River Water System

2019 URBAN AREA**TOTAL ANNUAL WATER COST COMPARISON**

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

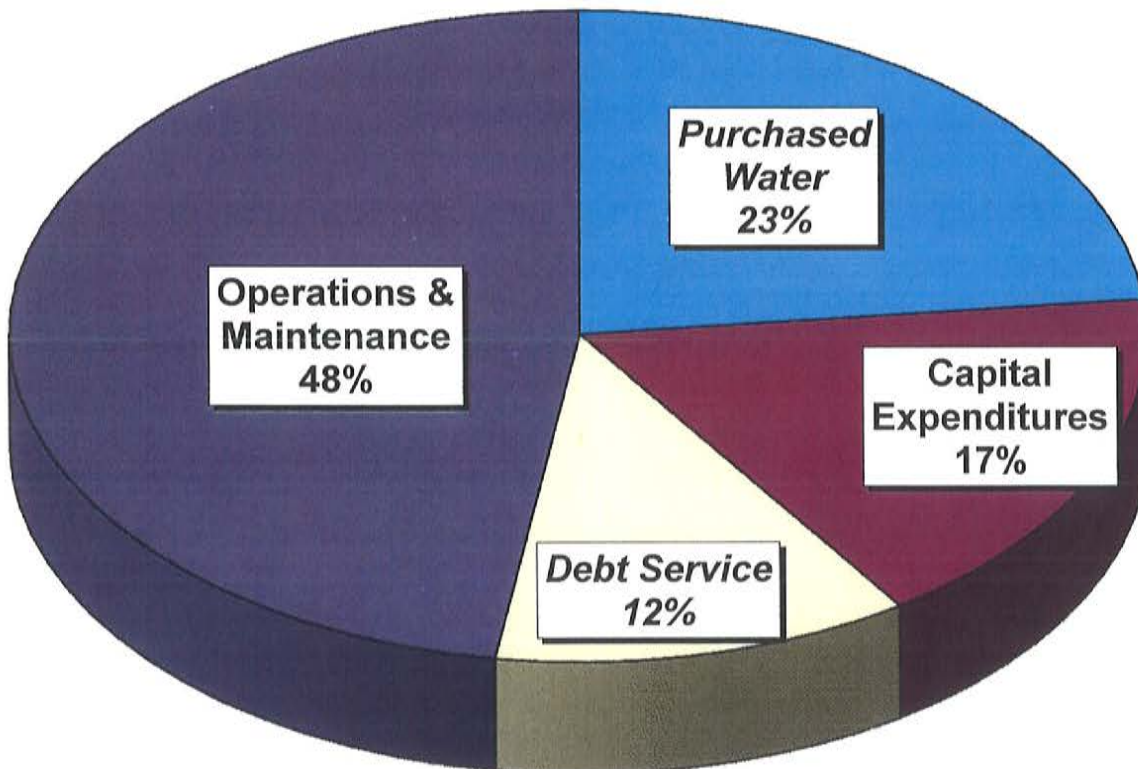
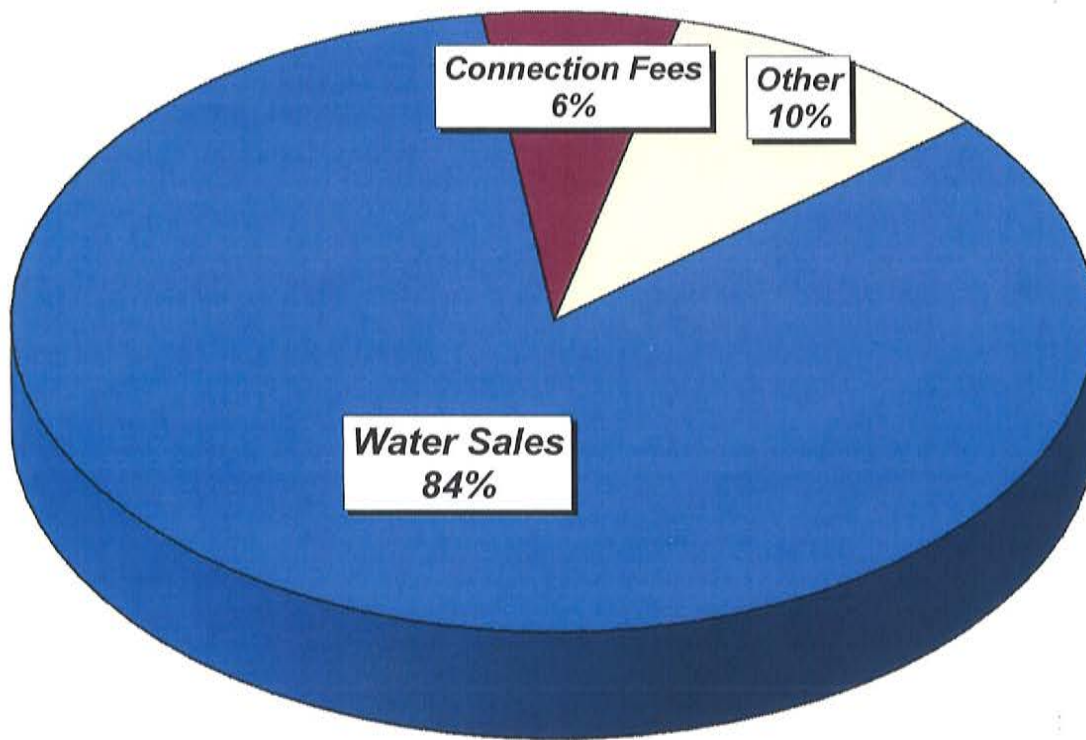
**LEGEND**
■ Service
 ▨ Commodity

| Annual Cost | |
|-------------|-------|
| Average | \$775 |
| Median | \$725 |
| NMWD | \$725 |

(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

| Statistics (at June 30, 2019) | Water | | Sewer | Total |
|--------------------------------------|------------------------------------|------------------------------------|-------------------------|--------------|
| | Novato Potable & RW | West Marin Service Area | Oceana Marin | |
| 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 ¹ | \$6.00 | \$10.26 | | |
| Typical Annual Cost: | | | | |
| Service Charge | \$198 | \$205 | \$1,116 | |
| Commodity Charge | \$527 | \$511 | \$0 | |
| Allocated Tax ² | \$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

| Assets | Total | Novato Water | Novato Recycled | West Marin Water | Oceana Marin Sewer |
|-----------------------------------|----------------------|----------------------|------------------------|-------------------------|---------------------------|
| 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 |
| Total Assets | \$167,702,424 | \$118,985,090 | \$39,707,979 | \$7,471,291 | \$1,538,064 |
| Liabilities | | | | | |
| 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 | - |
| Total Liabilities | \$56,903,170 | \$39,816,117 | \$16,286,392 | \$785,325 | \$15,336 |
| Net Assets | | | | | |
| 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 |
| Net Assets | \$110,799,252 | \$79,168,973 | \$23,421,587 | \$6,685,965 | \$1,522,727 |

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 |
| Net Income/(Loss) | \$1,825,205 | \$1,559,293 | (\$103,386) | \$246,472 | \$122,826 |

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 |
| Cash Generated | \$5,276,360 | \$4,311,505 | \$370,439 | \$433,394 | \$161,022 |

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) |
| Total Other Sources/(Uses) | \$329,723 | (\$2,482,996) | \$3,448,448 | (\$221,745) | (\$413,984) |
| Net Cash Generated/(Used) | \$5,606,082 | \$1,828,509 | \$3,818,888 | \$211,649 | (\$252,964) |

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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 |

Water Production (MG)

| | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|
| 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 |

Novato Service Area Average Day Potable Water Production (MG)

| | | | | | |
|------------|------|------|------|------|------|
| 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 |

Financial History

| | | | | | | |
|-------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|--|
| 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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7

MEMORANDUM

To: Board of Directors December 13, 2019

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Approve – Addendum to the Land-Use Agreement for CIMIS Station #187, Black Point

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RECOMMENDED ACTION: Board approve the General Manager to execute the Addendum to the Land-Use Agreement for CIMIS Station #187, Black Point

FINANCIAL IMPACT: \$180 reduction in cellular modem fees per year

In 2003, the North Marin Water District (NMWD), California Department of Water Resources (DWR) and the Novato Sanitary District (NSD) executed a land-use agreement for re-location of California Irrigation Management Information System (CIMIS) Station #63 to be re-located from Valley Memorial Cemetery to an area located in the NSD irrigation fields to the south of Highway 37 (now called Station #187, Black Point). Attached is a copy of the original land-use agreement to allow this CIMIS Station re-location (Attachment 1). Re-locating the station provided more accurate reference evapo-transpiration information for the micro-climate of Novato as the location at the cemetery had become overgrown and not representative to the station location standards set forth by DWR. As a part of this relocation the CIMIS station's data-logger required a cellular modem for communicating the weather data back to the DWR and through the original 2003 Agreement (Section 9), NMWD was responsible for the installation and monthly service charges for telephone service to the weather station.

DWR has now developed a secure network to retrieve data from the various CIMIS station cellular modems and as a part of this network DWR will assume payment of the monthly cellular fees. The addendum (Attachment 2) addresses this minor land-use agreement revision between the State and NMWD regarding who is responsible for the monthly fees. NMWD will retain ownership of the modem and will continue to be responsible for the equipment and maintenance at the CIMIS Station #187 site.

RECOMMENDATION

Board authorize the General Manager to execute the Addendum to the land-use agreement to transfer the modem to a secure DWR network and for DWR to assume payment of the monthly cellular modem fees for CIMIS Station #187, Black Point.

Approved by GM *[Signature]*

Date *12/13/19*

Weather Station Name: Black Point

Weather Station Number: 137

ETo Station

Date: August 21, 2002

LICENSE AGREEMENT TO USE LAND FOR CIMIS WEATHER STATION (Land Use Agreement)

This agreement is made on this 27th day of Feb, 2003, by and between the State of California, Department of Water Resources, the North Marin Water District, and the Novato Sanitary District.

A license is hereby granted by the Novato Sanitary District herein called "Lessee" and their agents and contractors, to the State of California, Department of Water Resources, herein called "State", the North Marin Water District, herein called "Cooperator", to enter upon and use a portion of Lessee's property without charge, herein called "Site", in the County of Marin, as outlined on the attached map for California Irrigation Management Information System facilities, and appurtenances. This License includes permission for State and Cooperator to pass over other portions of Lessee's property not specified herein as may be necessary for entrance to and exit from Site. Permission is extended to Lessee's Parcel F2 as described in the Joint Powers Agreement dated June 14, 1983 (see Attachment: Joint Exercise of Powers Agreement between Novato Sanitary District and Marin County Flood Control and Water Conservation District), and subject to the following conditions:

1. State and Cooperator will use the Site for the installation, maintenance and operation of a computerized weather station to collect weather information necessary for estimating crop water use under local conditions. This activity is an essential part of CIMIS, which is a program of the California Department of Water Resources to provide irrigation management information to California growers and irrigation water managers. Lessee hereby grants State and Cooperator a revocable, non-exclusive right, during the time that this agreement is in effect and a reasonable period thereafter for removal of the weather station, to enter upon and use the real property at and around Site as necessary for access, installation, removal, operation or maintenance of the CIMIS station as contemplated by this Agreement. This provision gives State and Cooperator a license only, and is not intended to grant real property interest in Site or its vicinity.
2. Site will be an agricultural pasture area maintained appropriately for the intended use(s) as set forth in the attached JPA between the Marin County Flood Control and Water Conservation District and Lessee. For the purposes of this agreement the Site will have an approximate size of 500 feet by 500 feet in order to meet necessary fetch requirements for estimation of reference evapotranspiration. Site will be located on the Southwest portion of Parcel F2 (see JPA). Lessee will preserve the current land use configuration as set forth in the JPA. With the exception of the fenced enclosure area immediately surrounding the weather station, the presence of the CIMIS weather station will in no way impact or impede Lessee and/or rancher activities within the area.

11. State will be responsible for the installation of the weather station for operation. State will also be responsible for initial calibration of the weather station, and for annual calibrations.
12. Lessee will provide State and Cooperator with any keys necessary, or allow State to place a State lock in a chain configuration with existing locks, in order to gain vehicle access to Site. State and Cooperator personnel accessing the Site for the purposes of this agreement shall close all gates behind them while visiting the Site, as necessary to prevent access by unauthorized persons.
13. This Agreement shall be effective in perpetuity with the following exceptions. State, Cooperator or Lessee may terminate this license for any reason, by that party giving thirty (30) days prior written notice to the other parties. Within a reasonable amount of time after termination, Cooperator shall remove any and all facilities, appurtenances, and incidents and shall attempt to return the Site to its original condition. Lessee reserves the right to immediately revoke this license in case of emergency, which includes, but is not limited, to an immediate risk of serious threat to public health or safety.
14. Except as specifically set forth in this agreement, this license is subservient to the "Joint Powers Agreement" executed on June 14, 1983 relating to the subject property. This license is subject to, and bound by the terms and conditions of said JPA which are attached and incorporated as part of this agreement (see Attachment): Joint Exercise of Powers Agreement between Novato Sanitary District and Marin County Flood Control and Water Conservation District).
15. All costs incurred by State for installation, training, troubleshooting, and operation, and any labor costs incurred by State for repair or maintenance of equipment at the Site pursuant to this Agreement shall be without cost or charge to Cooperator or Lessee.
16. Cooperator will delegate at least one employee to take one or more of the CIMIS related courses sponsored by Cal Poly, San Luis Obispo, as appropriate. The most important courses being Landscape Irrigation Auditor and Water Budgeting for Landscapes. Cooperator will provide a backup person to maintain the weather station and answer questions from the public in case said employee leaves or is unavailable.
17. State, Cooperator and Lessee will exercise reasonable precautions to avoid damage to people or property.

State shall indemnify and hold Cooperator and Lessee and their agencies, respective officers, employees and agents harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional/ wrongful acts or omissions of State, its officers, agents, or employees.

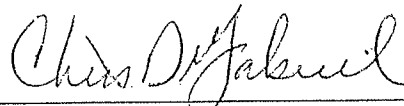
Cooperator shall indemnify and hold State, and Lessee and their agencies, respective officers, employees and agents harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys'

In Witness whereof, the parties have entered into this Agreement on the date first hereinabove written.

**State OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES**

COOPERATING AGENCY
North Marin Water District

Approval Recommended by:



Chris DeGabriele
General Manager/ Chief Engineer

North Marin Water District
999 Rush Creek Place
Novato, California 94948
(415) 897-4133

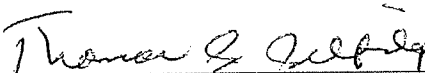


Diana Garofalo
Associate Land Agent



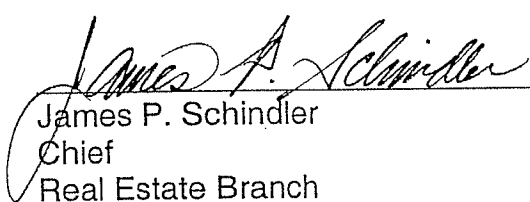
Alan Davis
Senior Land Agent

Accepted by:



Thomas S. Selfridge
Manager - Engineer

Novato Sanitary District
500 Davidson Street
Novato, California 94945
(415) 892-1694



James P. Schindler
Chief
Real Estate Branch

For Inquires:
California Department of Water Resources
Central District CIMIS Program
3251 S Street, Room D-9
Sacramento, California 95816

Addendum to Land Use Agreement for CIMIS station # 187

DWR is transitioning into a more secure communication network for our CIMIS station modems. Please read and sign the statement below to update the agreement in place between you (or your agency) and DWR and to allow your existing cell modem to be placed in this secure network. Your modem will still be owned by you, but programming and monthly fees to the phone company will be covered by DWR.

I, Drew McIntyre, do agree to allow DWR (CIMIS) full control of cell modem programming and monthly service fees for the modem at station # 187. I also agree to assist DWR with transferring the existing Verizon account number into DWR's private network.

Printed name Drew McIntyre, General Manager, North Marin Water District

Signed _____

Date _____

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MEMORANDUM

To: Board of Directors

December 13, 2019

From: Julie Blue, Auditor/Controller *JB*

Subj: Request for Exception to Bill Adjustment Policy – 400 Wood Hollow Drive

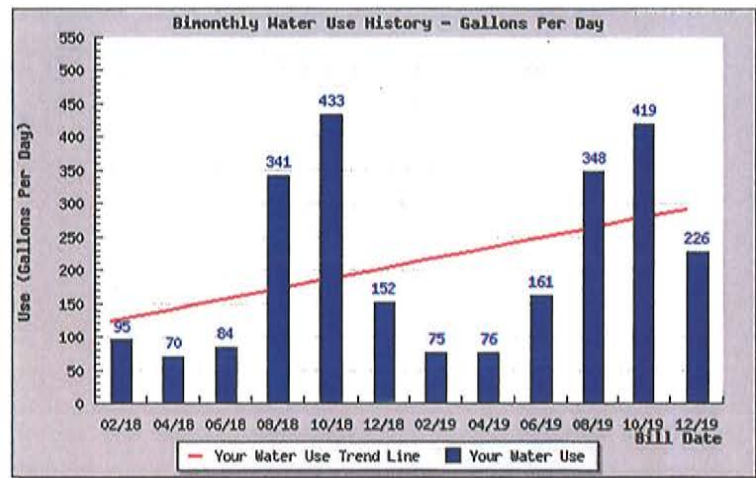
t:\cons srvc\memo\400 woodhollow 12.2019.docx

RECOMMENDED ACTION: Deny Bill Adjustment**FINANCIAL IMPACT:** Range from \$0 to \$94

Mojgan Dadnian, 400 Wood Hollow Drive, received a \$194 bill for her August/September water use of 26,399 gallons. For the prior year she used 29,920 gallons and was charged \$198. Ms. Dadnian has requested that the Board consider an exception to the Bill Adjustment Policy. She used 419 gallons per day in 2019 compared to 433 gpd in 2018. Her 2019 use is actually 3% less than her 2018 use and the Bill Adjustment Policy requires use in excess of 150% of normal as the threshold to qualify for a bill adjustment. On October 23, 2019 she was mailed a letter (Attachment A) denying an adjustment.

Attached B is a letter from Ms. Dadnian which explains that she had an irrigation leak that was detected and repaired. The WaterSmart (WS) portal did not show any indications of a leak, only high water use. She was emailed notifications of high water use through the WS portal numerous times in June and again in early

September. She then came to the Board meeting on December 3, 2019, spoke during open time, requested a response to her letter and asked the Board to consider her request for a bill adjustment. Ms. Dadnia stated that her water use should not be compared to 2016 and 2017 because those were years that she was replanting trees lost in a fire. Staff provided her with a response (Attachment C) indicating that she did not qualify for a bill adjustment. The response also included her historical use, for the same time period, over the last 10 years, with 2019 being the lowest of all years shown. Ms. Dadnian subsequently called and emailed staff (see Attachment D) requesting a bill adjustment and asked to have her request presented to the Board. She is asking the Board adjust her bill from \$194 to \$100-\$120 which would be an exception to the policy.



RECOMMENDATION:

Deny the requested bill adjustment.



**NORTH MARIN
WATER DISTRICT**

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

PHONE
415-897-4133

EMAIL
info@nmwd.com

WEB
www.nmwd.com

NORTH MARIN WATER DISTRICT

BILL ADJUSTMENT POLICY

The following procedure will be used to calculate the credit to be given to a consumer when a water billing is reasonably disputed:

In the event water use (measured in 1,000 (thousand) gallon units) for the disputed bill is in excess of one and one-half times the normal seasonal bimonthly use as solely determined by the District and there is no evidence that the excess use of water was due to the willful act or the negligence of the consumer or the consumer's agent(s), the District will credit the consumer's account for one half of the difference between the dollar amount of the normal bill (calculated as normal seasonal bimonthly use at current commodity rates) and the dollar amount of the disputed bill, plus, to the extent the excess use was subject to a tier rate, half the use in excess of normal will be credited to the consumer's account at the tier rate. In the event the excess use encompasses two consecutive bimonthly billing periods, such bi-period rate adjustment will be separately applied to each such billing period provided the water use in each bimonthly period exceeds one and one-half times the normal seasonal bimonthly use for said period as determined by the District. Consideration of an adjustment pursuant to this policy shall be allowed only once in any consecutive 24-month period. Consumers requesting a bill adjustment must allow District staff to complete a residential water use survey before any bill adjustment is given. The District General Manager may grant exemptions to this requirement should staff be unavailable to perform the survey in a timely manner.

October 23, 2019

Account Number: 1752604
Service Address: 400 Wood Hollow Dr Novato, CA
Bill Date: 10/3/2019
Service Dates: 7/26/2019 – 9/27/2019
Current Use: 419 GPD
Normal Use: 433 GPD

SORRY NO ADJUSTMENT ALLOWED, NOT 1.5 TIMES GREATER THAN NORMAL

Mojgan Dadnia
400 Wood Hollow Dr
Novato, CA 94945

[nmwdserver1/administration/conserv/forms/noadj](#)

DIRECTORS: JACK BAKER · RICK FRAITES · JAMES GROSSI · MICHAEL JOLY · STEPHEN PETTERLE
OFFICERS: DREW McINTYRE, General Manager · TERRIE KEHOE, District Secretary · JULIE BLUE, Auditor-Controller · ROCKY VOGLER, Chief Engineer
ATTACHMENT A

Mojgan Dadnia
400 Wood Hollow Dr.
Novato, 94945
Account # 1752604

RECEIVED

NOV 20 2019

North Marin Water District

Board of Director,

I received a high water bill in October. The water District recommended me to look for a leakage in the yard. I had a gardener to check the irrigation pipes. He found 2 big leakage in the irrigation pipes which we were not aware of those. My house caught on fire in June 2016. we had lots of damages to the irrigation pipes. we changed all of them which were visible to see. The recent leakage belongs to the damaged pipes which had been hidden under the soil and we were not aware of that. The gardener fixed the pipes and I believe every thing is fine now. From June 2016, we ^{had} 2-3 huge usage of water. In June 2016 we had fire. In August 2017 we started to repair the building. In August 2018, we started to fix the back yard and planted lot of small trees and flowers. In August 2019, we had leakage. I explained the reason of the huge usage. My house hasn't had a regular situation like the other houses.

I am writing to ask if it is possible, please reduce my bill. it is too much for me to pay. I know all the utilities company like PGE and water consider the situation for the people who has faced the disaster. Thank you in advance to consider my situation.

Mojgan Dadnia

ATTACHMENT B



**NORTH MARIN
WATER DISTRICT**

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

PHONE
415-897-4133

EMAIL
info@nmwd.com

WEB
www.nmwd.com

 **COPY**

Mojgan Dadnia
400 Wood Hollow Dr.
Novato, CA 94945

Re: Account #1752604 Request for Bill Adjustment

Dear Mojgan Dadnian:

We received your request for a bill adjustment related to the water use for the period of July 26, 2019 through September 27, 2019. After carefully reviewing your historical water usage it has been determined that you are not eligible for a bill adjustment. You indicated in your letter that due to varying circumstances your water use has been unusual since June of 2016. Below is your average use for the same billing period going back 10 years.

| <u>Year</u> | <u>Gallons</u> | <u>Year</u> | <u>Gallons</u> |
|-------------|----------------|-------------|----------------|
| 2010 | 56,848 | 2011 | 35,904 |
| 2012 | 41,888 | 2013 | 44,132 |
| 2014 | 81,532 | 2015 | 41,140 |
| 2016 | 41,140 | 2017 | 29,920 |
| 2018 | 28,142 | 2019 | 26,399 |

As you can see from the above data the 2019 usage is the lowest usage for this period in the last ten years. The average use is 42,705 which is substantially higher than your current billed usage. Based on this data there is no basis for a reduced bill. If you have any questions I can be reached at 415-761-8950 or jblue@nmwd.com. The Board of Directors meet on the first and third Tuesday of every month. If you would like to make a formal request to the Board at an upcoming meeting I can work with you to do so.

Sincerely,



Julie Blue
Auditor/Controller

Julie Blue

From: Mojgan Dadnia <mdadnia@gmail.com>
Sent: Monday, December 09, 2019 12:59 PM
To: Julie Blue
Subject: Re: Bill Adjustment

Mojgan Dadnia
Account# 1752604
400 Wood hollow dr

Hello Mrs. Blue,

According to our conversation by phone, you asked me to send you an email to make an offer for the payment. I should say, I can't do that because the committee should make a decision about this matter. It seems the leakage had been started from June or July and I was not aware of that. As it was getting hot, the usage and the leakage was getting more. I think my bill should be in the range of \$100-\$120 for 2 months in summer. I know you have a rules for your customers to wave some money for the leakage every 2 years. I hope I have a chance for being eligible for this credit. Thank you so much for your time.

Best,

Mojgan Dadnia

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MEMORANDUM

To: Board of Directors

December 13, 2019

From: Rocky Vogler, Chief Engineer 

Subject: PRE Tank 4A – Budget Augmentation and Construction Contract Award

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RECOMMENDED ACTION:

1. Approve Budget Augmentation of \$620,000
2. Award Construction Contract to Piazza Construction for \$1,087,810 plus contingency of \$95,000

FINANCIAL IMPACT: \$550,000 currently budgeted in FY20. Budget augmentation of \$620,000 required for FY21

Background

The Board authorized advertisement for bids on the above referenced project on October 1, 2019. The advertisement date for this project was October 11, 2019 with a bid opening on November 5, 2019. The District advertised the project in the Marin IJ and posted the project on www.ebidboard.com. Two (2) contractors attended the mandatory pre-bid meeting on October 22, 2019. The bid period was for approximately four (4) weeks; there was one addendum. One bid was received (see below).

| | CONTRACTOR | BID |
|----|------------------------------------|-------------|
| 1. | Piazza Construction, Penngrove, CA | \$1,087,810 |

Bid Evaluation

The Engineer's Estimate was \$383,000. The sole bid by Piazza Construction (Piazza) was \$1,087,810 or \$704,810 (284%) above the engineer's estimate. The current bidding climate continues to exhibit a trend of decreasing contractor availability, increasing material costs, and increasing bid prices. A bid evaluation (Attachment 1) is attached. The attached analysis shows that the sole bidder complied with the bidding requirements. For comparison purposes, in February 2018, Piazza completed the Recycled Water Expansion – Central Service Area – Norman Tank Rehabilitation project to District satisfaction.

Due to the magnitude of the discrepancy between the engineer's estimate and the sole bid received, staff independently solicited validation of proposed construction costs by other non-bidding contractors as well as engineering consultants possessing tank design and construction experience. Costs for other non-concrete tank material options such as bolted steel, welded steel and stainless steel were also evaluated. The evaluation included:

- Construction costs for concrete tank (as bid) provided by other non-bidding contractors, as well as cost review for various steel tank alternatives provided by steel tank constructors and consultants.

- Comparison of estimates for various construction materials/methods and development of present worth cost analysis including tank maintenance for 80 year period (assumed life of tank).

1. Concrete Tank Estimated Costs (post bid opening)

Staff requested other contractors who did not bid on the project to provide an estimate for construction per bid documents. The District received three estimates: Overra - \$1,295,000 (19% higher than Piazza bid); DN Tanks - \$1,357,943 (~25% higher than Piazza bid); Team Ghilotti - \$1,071,194 (1.5% less than Piazza bid).

2. Present Worth Analysis (concrete and steel tank alternatives)

The construction materials/methods reviewed included various steel tank alternatives, namely, powder-coated bolted steel, welded steel and stainless steel. Since it is reasonable to assume that non-tank related costs such site grading/pad preparation, site piping/vaults/appurtenances, and trenching/shoring, etc are consistent across similarly sized tanks constructed with the aforementioned materials (including concrete), a life cycle cost analysis (provided as Attachment 2) focusing exclusively on tank costs and maintenance (over 80 years) identified that construction of a concrete tank provides the lowest overall long-term cost when compared to the various steel alternatives. As part of the analysis, an option to construct two welded steel tanks (75,000 gallons now and 50,000 gallons five years from now) was also incorporated.

Various steel tanks may represent a lower initial capital cost compared to concrete, but required periodic steel tank coatings (assumed at 20-year intervals) will quickly erode the benefit of that lower initial cost each time the steel tank needs to be recoated. The life cycle cost analysis concluded that within the first 20 years of service, the initial savings achieved with the steel tank would be essentially offset due to recoating costs. Furthermore, at the end of the 80 year service life of the tank (concrete or steel) the overall total life cycle cost savings for using concrete over steel is estimated to be at least 43% less. Note that although the life cycle costs for a stainless steel tank were comparable to the concrete tank, these costs were not included for further review since the stainless option would require significant mitigation given the visual impacts created, resulting in schedule delay and additional financial repercussions related to design and permitting costs. The following table summarizes the life cycle cost analysis.

| | Concrete (125,000 gal) | Welded Steel (125,000 gal) | Bolted Steel (125,000 gal) | Two Welded Steel Tanks (75,000 gal + 50,000 gal) |
|-----------------------------------|---------------------------|-------------------------------|-------------------------------|--|
| Initial Cost | \$630 | \$650 | \$450 | \$800 |
| Total Cost | \$675 | \$1,166 | \$966 | \$1,484 |
| Percent of Concrete Total Cost | 100% | 173% | 143% | 220% |

Additional factors should also be given consideration in selecting the appropriate path forward. For example:

- A substantial percentage of projected construction costs are due to difficulty of access (narrow winding steep roads with no secondary access), CEQA and Coastal Permit requirements, common to all tank material alternatives.
- Steel tank storage volume will be less than the concrete alternative since the steel alternatives have larger free board requirements due to seismic design specifications, and steel tanks are not typically buried below grade as was designed for the current concrete tank, resulting in an overall decreased working height for the steel tank.
- Steel tanks cannot meet the CEQA required aesthetics developed for the concrete tank.

During the evaluation, staff also reviewed National Sanitation Foundation (NSF) 61 certification compliance required by the State Division of Drinking Water (DDW). Initially, DDW required the application of an interior cementitious coating (Bid Item 8 – \$138,750 as bid by Piazza) to meet NSF 61, but subsequent review both with DDW and NSF 61 determined an alternative pathway existed which allows the pre-certification of the individual concrete mix materials, rendering Bid Item 8 as unnecessary. The concrete supplier has confirmed that they can supply NSF 61 approved concrete materials and pre-approval was obtained from the state (DDW) for this process. District staff have consulted with Piazza, and indicated that if the Board awards the contract to Piazza, the District intends to process a deductive change order once the contract is executed, removing Bid Item 8 from the scope of work. Thus the overall bid of \$1,087,810 will be reduced by \$138,750, resulting in a revised total of \$949,060. Piazza has provided written acknowledgement of and concurrence with the District's intention.

Financial Impact

The following table provides costs for the PRE Tank 4A project for current FY20 to date, as well as projected costs:

| | |
|--|-------------|
| Base bid (less cementitious coating \$138,750) | \$949,060 |
| Contract Contingency (10%) | \$95,000 |
| Current FY20 costs (design, materials, NMWD labor) | \$20,000 |
| Misc easement, landscaping, road rehab | \$20,000 |
| Projected District costs (labor, inspection) | \$70,000 |
| Project Contingency (1%) | \$14,000 |
| Project Closeout | \$2,000 |
| Total FY19 and FY20 project budget | \$1,170,060 |

The current approved FY20 project is \$550,000. Based on a summation of the costs provided in table above, the project will require additional funding of \$620,000 to meet current and projected expenses. It is estimated that the approved FY20 budget of \$550,000 will be sufficient to cover costs in the current fiscal year. Therefore, staff is requesting to augment the FY21 budget by \$620,000. Sufficient cash reserves are available in the West Marin fund to cover the budget augmentation.

RECOMMENDATION

- That the Board approve a budget augmentation of \$620,000 for FY21
- That the Board authorize the General Manager to execute an agreement with Piazza Construction in the amount of \$1,087,810.

PRE TANK 4A REPLACEMENT Project**Bid Items From Bid Schedule (00310)**

| Item No. | Qty. | Unit | Description of Items | Unit Price | Total Amount | | |
|-------------------------|------|------|--|------------|--------------------|--|--|
| 1 | LS | | Mobilization/demobilization allowance (not to exceed 5% of total bid amount) | 40,000 | 40,000 | | |
| 2 | LS | | Trenching, sheeting, shoring, and bracing or equivalent method of protection of works in accordance with Section 6700-6708 of the California Labor Code. | 10,000 | 10,000 | | |
| 3 | 2 | | Establish lines and grades for the project per Section 01050 and design drawings | 4,025 | 4,025 | | |
| 4 | LS | | 125,000 gallon concrete tank and foundation, complete and operational | 629,867 | 629,867 | | |
| 5 | LS | | Tank pipe and appurtenances | 114,010 | 114,010 | | |
| 6 | LS | | Site piping, vaults, and apuretenances | 90,138 | 90,138 | | |
| 7 | LS | | Site grading and pad preparation | 51,020 | 51,020 | | |
| 8 | LS | | The cementitious interior coating of the water tank | 138,750 | 138,750 | | |
| 9 | LS | | Misc. work shorn on drawing not part of items above | 10,000 | 10,000 | | |
| | | | | | | | |
| Total Base Bid : | | | | | \$1,087,810 | | |

Bid Forms:

| | | |
|---|------------------------|--------|
| "IN" Stamped before bid closing (00010) | YES | |
| Bid multiplies out and sums correctly | YES | |
| Bid value in word agrees with numerals | YES | |
| License Checks Out (00300) (Class A) | YES | |
| Bid Form 00300 - Addendum 1 acknowledged | YES | |
| Bid Form 00300-2 - Signed by Authorized Individual | YES | |
| Bid Form 00100-3 - Board Authorization Resolution | NA | |
| Bid Guaranty Bond 00410 | YES | |
| Bidders Experience and Qualifications 00420 | Provided | |
| A. Essential Requirements for Qualification | irregularity in item 6 | typo?? |
| B. Company Experience | Doesn't meet spec* | |
| C. Safety Qualification Criteria | YES | |
| D. Financial Qualifications | YES | |
| E. Claims | None | |
| Bid Form 00430 - List of Subcontractors | YES | |
| Bid Form 00435 - Contractor's Licensing Statement | YES | |
| Bid Form 00450 - Material and Equipment Manufacturers | NA | |
| Bidders Affidavit of Non-Collusion 00480 | YES | |
| | | |
| Subcontractors: | | |
| West Coast Reinforcing | Rebar | |
| Olympus & Associates | Coating | |
| Cinquini & Passarino | Survey Staking | |
| | | |

Material & Equipment Manufacturers:**Specified**

| | | |
|-------------|--|--|
| None listed | | |
| | | |

* Company Experience - Most of the experience not relevant (not similar to the project in hand)

Life Cycle Cost Comparison for PRE Tank 4A (steel vs concrete)⁽¹⁾

By : CC/ RV

Date: 11/26/2019

Rev: 12/4/2019

Rev: 12/4/2019

| | | | | | | | | | | Construct 75,000 gal steel tank now and 50,000 gal steel tank 5 years later | | | | | | | | |
|--|--------------------------------|--------------------|--------------------|---|--------------------|--------------------|---|--------------------|--------------------|---|--------------------|--------------------|---|--------------------|--------------------|--|--|------|
| Concrete Tank (125,000 gal) | | | Present Value | ⁽⁸⁾ Welded Steel Tank (120,000 gal) | | Present Value | ⁽⁸⁾ Bolted Steel Tank (120,000 gal) | | Present Value | Welded Steel Tank 1 (75,000 gal) | | Present Value | Welded Steel Tank 2 (50,000 gal) in 2025 | | Present Value | Present Value (Tank 1+Tank2) (125,000 gal) | | |
| Year | Activity | Cost (x\$1,000) | Cost (x\$1,000) | Activity | Cost (x\$1,000) | Cost (x\$1,000) | Activity | Cost (x\$1,000) | Cost (x\$1,000) | Activity | Cost (x\$1,000) | Cost (x\$1,000) | Activity | Cost (x\$1,000) | Cost (x\$1,000) | Cost (x\$1,000) | | |
| 0 | Construct | 630 ⁽³⁾ | 630 | Design / Construct | 650 ⁽²⁾ | 650 | Design / Construct | 450 ⁽²⁾ | 450 | Design / Construct | 450 ⁽⁶⁾ | 450 | Design / Construct | 350 ⁽⁷⁾ | 350 | | | |
| 20 | Crack Repair ⁽⁵⁾ | | 15 | Recoat ⁽⁴⁾ | | 172 | Recoat ⁽⁴⁾ | | 172 | Recoat ⁽⁴⁾ | | 131 | Recoat ⁽⁴⁾ | | 97 | | | |
| 40 | Crack Repair | | 15 | Recoat | | 172 | Recoat | | 172 | Recoat | | 131 | Recoat | | 97 | | | |
| 60 | Crack Repair | | 15 | Recoat | | 172 | Recoat | | 172 | Recoat | | 131 | Recoat | | 97 | | | |
| | End of Service | | 675 | End of Service | Total | 1,166 | End of Service | Total | 966 | End of Service | Total | 843 | End of Service | Total | 641 | 1,484 | | |
| End of life percentage of concrete tank cost | | | | | | 173% | | | | | | | 143% | | | | | 220% |

(1) Tank construction cost only. Excludes site grading, yard piping, etc.

(2) TIC estimate per 11/25/19 e-mail to RV. Includes \$100k for design/env/coastal permit.

(3) Piazza bid for tank and foundation

(4) Recoat costs based on average cost of \$19.58/sqft and total sq ft. of each tank. Cost/sqft based on average of Cherry Hill Tank 2 Rehab project's three low bids (coating related bid items only).

(5) Concrete crack repair cost for Olema Tank occurred after 9 years and the cost of repair was \$3,200. \$15,000 is a conservative estimate

(6) \$4.40 /gal (average based on TIC quote for \$125,000 gal tank) + cost increase of 6%- for reduction in economy of scale (\$20,000). Includes \$100k for design/env/coastal permit.

(7) \$4.40 /gal (average based on TIC quote for \$125,000 gal tank) + cost increase of 13.6% - for reduction in economy of scale (\$30,000). Includes \$100k for design/env/coastal permit.

(8) Note reduced volume (120,000 gal) compared to concrete tank due to higher free board requirement for seismic design and size restrictions per CEQA/Coastal Permit

(9) Square footages: 120,000 gal tank (8,777), 75,000 gal tank (6,687), 50,000 gal tank (4,916)

10

MEMORANDUM

To: Board of Directors

December 13, 2019

From: Julie Blue, Auditor/Controller 

Subj: Water Rate Study – Board Ad-Hoc Committee Workshop Date/Time

t:\ac\board reports\board memos\2019\cost of service study - schedule update 12.13.19.docx

RECOMMENDED ACTION: Set Meeting Date/Time for Water Rate Study Board Ad-Hoc Committee Workshop**FINANCIAL IMPACT:** None at this timeBackground

At the March 19, 2019 board meeting the Board of Directors approved Hildebrand Consulting (Oakland, CA) to work on a Water Rate Study for the Novato and Recycled Water service areas. Mark Hildebrand, the sole proprietor of Hildebrand Consulting, is currently working on the Water Rate Study, with the assistance of NMWD staff and Bob Reed of The Reed Group, Inc. Below is the updated timeline and status of the Water Rate Study events.

Water Rate Study Schedule:

| | Date | Status |
|--|---------------|----------|
| 1. Rate study kickoff meeting | June 2019 | Complete |
| 2. Data collection & review | Sept. 2019 | Complete |
| 3. Financial planning workshop (Staff) | Oct. 2019 | Complete |
| 4. Cost of service (COS) & rate design workshop No. 1 (Staff) | Dec. 2019 | Complete |
| 5. COS & rate design workshop No. 2 (Board Ad-Hoc Committee) | Jan. 14, 2020 | Upcoming |
| 6. Special Board Meeting Rate Study workshop (Board & Public) | Feb. 11, 2020 | Upcoming |
| 7. Special Board Meeting Rate Study Review (Board & Public, if needed) | Feb. 25, 2020 | Upcoming |
| 8. Regular Board Meeting - Approve final rate study report | Mar. 3, 2020 | Upcoming |
| 9. Regular Board Meeting - Approve rate increase customer letter | Mar. 3, 2020 | Upcoming |
| 10. Public hearing to enact new water rates | May 19, 2020 | Upcoming |

In order to create focused input from the Board in a timely manner, a Water Rate Study Ad-Hoc Committee was also approved at the March 19, 2019 board meeting. This committee is comprised of two Board Members, Director Joly and Director Grossi. The committee is available on an as needed basis for discussions related to the water rate study, specifically for workshop No. 2 which will occur in January 2020 as shown in the schedule. Staff has set a tentative date for this workshop on January 14, 2020 at 10 am. Alternative dates/times available are January 14, 2020 at 2 pm or January 15, 2020 at 10 am or 2 pm.

RECOMMENDATION:

Set the meeting date/time for the Water Rate Study Workshop with the rate consultant, staff, and the BOD Ad-Hoc committee for January 14, 2020 at 10 a.m. – noon.

11



12



North Bay Watershed Association

Board Meeting Notice

Dec. 6th, 2019

9:30 am–11:30 am

Novato Sanitary

District, 500

Davidson, Novato

Note: please wear good walking shoes

Next Meeting

January 3rd, 2020

Marin Municipal Water Dist.

Board Meeting Agenda

- | | |
|--|----------|
| 1. Call to Order | 9:30 am |
| <i>Jack Gibson, Chair</i> | |
| 2. Public Comment | |
| 3. Approval of Agenda | 1 min. |
| <i>Action: Approve</i> | |
| 4. Approval of Minutes | 1 min. |
| <i>Action: Approve</i> | |
| 5. Treasure's Report | 1 min. |
| <i>Action: Accept</i> | |
| 6. What's new at the Regional Water Quality Control Board | 9:45 am |
| <i>Mike Montgomery, Executive Officer</i> | |
| <i>RWQCB- 2</i> | |
| Mike will provide the Board with an update of the current priorities of the San Francisco Bay Regional Water Quality Control Board and answer Board questions | |
| 7. Announcements/ 2020 dates | 10:30 am |
| 8. Deer Island Restoration Opportunity | 10:45 am |
| <i>Roger Leventhal,</i> | |
| <i>Senior Civil Engineer, Marin County Flood Control</i> | |
| Roger will give us an overview and a visual tour of the Deer Island restoration project just behind Novato San offices. Good walking shoes a plus for our short walk to the overview site. | |
| 9. Adjourn | 11:30 am |

13

***DRAFT Minutes of Water Advisory Committee and Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
November 4, 2019**

Attendees: Kristian Gray, City of Santa Rosa
Mike Ban, Marin Municipal Water District
Jack Gibson, Marin Municipal Water District
Mary Grace Pawson, City of Rohnert Park
Jake MacKenzie, City of Rohnert Park
Jesse Mazza, 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
Jon Caldwell, 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 (WAC Vice Chair)
Kent Crothers, City of Petaluma

Staff: Rocky Vogler, North Marin Water District
Lynne Roselli, SCWA
Pam Jeane, SCWA
Gregory Plumb, SCWA
Barry Dugan, SCWA
Doug Nelson, SCWA
Mike Thompson, SCWA
Pam Tobin, San Juan Water District
Colin Close, Santa Rosa Water
Elise Howard, Santa Rosa Water
Bob Anderson, United Wine Growers

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

1. Check-in
Dave King, WAC Vice Chair, called the meeting to order at 9:11 a.m.
2. Public Comments
Pam Tobin, San Juan Water District, asking for support in run for Vice President of ACWA.

Drew McIntyre, NMWD, presented a Thank You card for Toni Bertolero.
3. Water Supply Coordination Council
Dave King reported that the group met on October 21, 2019 to develop today's meeting agenda.

4. Approve 2020 WAC/TAC Meeting Schedule
Motion by Jon Foreman, Valley of the Moon, Second by Jack Baker, NMWD
Unanimously approved.
5. Sonoma Marin Saving Water Partnership
Drew McIntyre, NMWD - Refer to handout.
 - a. 2019 Water Production Relative to 2013 Benchmark
Year to date water production is down 17% from state benchmark year of 2013.
 - b. 2019 EPA WaterSense Excellence Awards
Greg Plumb, SCWA- Sonoma Marin Saving Water Partnership won two awards this year. The QWEL program has received national recognition by winning the 2019 EPA WaterSense Sustained Excellence Award and for continued efforts in promoting water use efficiency. Forty percent of rebuilt homes after the fire have used the new QWEL programs template.
 - c. State Water Board Water Loss Performance Standards Comment Letter.
Greg Plumb, SCWA - SB555 requires the state to develop water loss performance standards by July 2020. Standards are based off of the last three years of water loss and will be enforced in 2027. Held six public workshops to date and at the most recent one in September there was an economic model presented which would be used to help determine the performance standards for each utility.

The model was developed in cooperation with UC Davis and concerns have been raised with the methodology. Additionally the model has not been peer reviewed yet and needs wider Beta testing.
 - d. Approve Letter Agreement Format for Development of 2020 UWMP Water Demand Analysis
Colin Close, Santa Rosa Water - One consulting firm is to be used to evaluate each water contractor's water demand analysis to ensure consistency among all agencies.

Goal is to get signatures by December 2nd. Santa Rosa BPU will have a meeting on December 19th to approve a contract with EKI and work is expected to start in January 2020.

Motion Mary Grace Pawson, Rohnert Park, Second by Paul Piazza, Windsor
Unanimously approved.
6. 2018 Water Supply Strategies Action Plan -Final
Grant Davis - SCWA.
The full report is available at the Sonoma Water website. The Memo update from Jay Jasperse states accomplishments. There were nine original strategies and now there are seven strategies. Specific progress has been made on ground water and storm water strategies. Several projects have been reprioritized or added to the action plan.
7. Recent PG&E Power Shutoff and Kincadee Fire Events
Barry Dugan, SCWA.
Special thanks to Rohnert Park for recently hosting SCWA's EOC. All critical SCWA water systems were prepared to work without PG&E power. Water was delivered

without any disruptions during the various PSPS events. Various contractors provided updates on PSPS impacts as well.

8. Potter Valley Project Relicensing Update

Pam Jeane, SCWA

A consultant was hired several weeks ago to work on the PVP Feasibility Study to determine a viable FERC relicensing approach. PG&E's existing license will expire April 2022. Looking into how to fund the relicensing effort and forming a plan for a regional entity to take over the project and working closely with attorneys to form that plan.

Earlier in October SCWA submitted claims regarding PG&E not fulfilling their contract in associated to the 1965 agreement.

Huffman Adhoc Committee has a new charter available and the Planning Agreement Partners are also working on a fact sheet and other communications to be posted on a new website.

No Public Comment.

9. Federal Outreach

Grant Davis, SCWA

Still focused on trying to get as much Federal support for the Dry Creek Reach 4, 5, and 6 projects.

10. Items for Next Agenda (December 2, 2019 WAC/TAC Meeting)

Brenda Adelman, RRWPC, inquired about any updates on the Russian River Estuary Management Project.

Drew McIntyre responded that the next meeting will have updates

11. Check out

Meeting adjourned at 10:22am

14

DISBURSEMENTS - DATED DECEMBER 5, 2019

Date Prepared 12/3/19


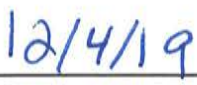

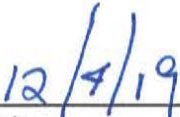
The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:

| Seq | Payable To | For | Amount |
|--------|-------------------------------|---|-------------|
| *90231 | CalPERs | December Health Insurance Premium (Employees \$48,034, Retirees \$11,798 & Employee Contribution \$9,536) | \$69,368.43 |
| 90232* | US Bank Card | Tec Help Training (\$400) (Watkins), Craigslist- HR Safety Manager Ad (\$150), Safety Incentive Lunch (\$324), Business Lunch w/Marin Sewer Agencies (\$69), SSL for Website (\$80), Costco & Target-Public Safety Power Shutoff (\$545), Nat'l Fire Protection Reference Books (\$171), Birthday Lunches (\$247), Society for Human Resources Mgmt Post for HR Position (\$296), CalGov HR Membership Fee (\$60) (Blue) & Government Finance Officer's Assoc Registration for Workshop (\$85) (Blue) | 2,391.41 |
| 1 | Able Fence | 12' X 6' Gate Panel (Ammo Hill Tank Site) | 1,750.00 |
| 2 | Alpha Analytical Labs | Lab Testing | 250.00 |
| 3 | Arrow Benefits Group | November Dental Admin Fee | 299.45 |
| 4 | CDW-Government | Trend Micro Anti-Virus Renewal | 1,090.80 |
| 5 | Emerald II | Can't Locate Account | 364.35 |
| 6 | Fiberco | Refund Security Deposit on Hyd Meter | 1,502.45 |
| 7 | Fishman Supply | Safety Glasses (24) & Urine Brief Relief Bags (100) (\$259) | 337.44 |
| 8 | Grainger | Tie Down Straps (8) (\$86), Brazing Torch (\$47), Brass Caps (2) (\$143) & Reciprocating Saw Blades (3) (\$200) | 476.24 |
| 9 | Holliday, Pete | Refund Excess Advance for Construction over Actual Job Cost (50 Lockton Lane-Upsize Meter to 1") | 279.06 |
| 10 | InfoSend | October Processing Fee for Water Bill (\$1,229) & Postage (\$3,469) | 4,699.34 |
| 11 | Kaiser Foundation Health Plan | DMV/DOT Physical (Castellucci) | 115.00 |

| Seq | Payable To | For | Amount |
|-----|---------------------------------|---|------------|
| 12 | Kehoe, Chris | Exp Reimb: Dinner for Crew During Main Break | 64.41 |
| 13 | Mutual of Omaha | December Group Life Insurance Premium | 1,081.63 |
| 14 | New Pig | Oil Spill Kits (3) | 274.49 |
| 15 | NMWD Employee Association | Association Dues (9/15/19 through 11/15/19) | 1,225.00 |
| 16 | Novato, City of | Lot Line Adjustment Application to City of Novato to Combine Two Existing Rosalia Tank Surplus Properties | 870.00 |
| 17 | Office Depot | Office Supplies (\$159), Clipboard (\$33) & Computer Speakers | 215.62 |
| 18 | Ogden, Peter | Refund Overpayment on Closed Account | 39.15 |
| 19 | Pace Supply | Hydrants (3) (\$5,018), Hymax Clamp (\$319), Couplings (13) (\$1,134), PVC Pipe (200') (\$957), Meter Adaptors (36) (\$823), Double Check Valves (10) (\$1,574), Clamp (\$174), Hex Nuts (300), Meter Boxes (12) (\$438), Nipples (35) (\$152) & Angle Meter Stops (5) (\$1,026) | 11,692.53 |
| 20 | Parkinson Accounting Systems | Accounting Software Support (8/19) | 195.00 |
| 21 | Sonoma County Water Agency | Conservation Program Support (7/1/19-9/30/19) | 4,106.68 |
| 22 | State Water Resources Control | D1 Certification Renewal (Roberto) | 70.00 |
| 23 | State Water Resources Control | Clean Water SRF Loan Principal & Interest-RW North Segment 1 (Pymt #8 of 20) (\$40,196), Clean Water SRF Loan Principal & Interest-RW South PH1A (Pymt #7 of 20) (\$65,599), Clean Water SRF Loan Principal & Interest-RW South PH1B (Pymt #7 of 20) (\$166,575) & Clean Water SRF Loan Principal & Interest-RW Central (Pymt #2 of 30) (\$275,773) | 548,143.20 |
| 24 | Trattoria Ghiringhelli Catering | Food & Venue Cost for 2019 Holiday Party (Total Cost Including Deposit \$6,800) | 5,300.00 |

| Seq | Payable To | For | Amount |
|-----|------------|----------------------------|----------------------------|
| 25 | | Vision Reimbursement | 20.60 |
| | | TOTAL DISBURSEMENTS | <u>\$656,222.28</u> |

The foregoing payroll and accounts payable vouchers totaling \$656,222.28 are hereby approved and authorized for payment.

| | |
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|  |  |
| Auditor-Controller | Date |
|  |  |
| General Manager | Date |

DISBURSEMENTS - DATED DECEMBER 12, 2019

Date Prepared 12/10/19





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 11/30/19 & Sick Leave Buyback | \$170,780.22 |
| EFT* | Internal Revenue Service | Federal & FICA Taxes PPE 11/30/19 & Sick Leave Buyback | 67,874.32 |
| EFT* | State of California | State Taxes & SDI PPE 11/30/19 & Sick Leave Buyback | 14,726.75 |
| EFT* | CalPERS | Pension Contribution PPE 11/30/19 - Employer (\$22,464) & Employee (\$16,632) | 39,095.86 |
| 1 | Alpha Analytical Labs | Lab Testing | 20.00 |
| 2 | Athens Administrators | November Replenishment for Checks Written | 1,269.02 |
| 3 | AT&T | November Internet Connection for PRTP | 96.30 |
| 4 | Autoworld | Tail Gate Cap ('18 Dodge Ram) | 88.34 |
| 5 | Bay Area Barricade Service | Construction Safety Supplies | 1,371.23 |
| 6 | Bergstrom, Kyle | Exp Reimb: Safety Boots | 200.00 |
| 7 | California Air Resources Board | Change of Owner Fee for Vac ('19 Ditch Witch) | 110.00 |
| 8 | Caltest Analytical Laboratory | Lab Testing | 81.05 |
| 9 | Clark, Robert E. | Exp Reimb: AWWA Risk & Resilience Certificate Program | 252.00 |
| 10 | Costco Membership | Annual Membership Renewal (1/20-12/20) (Budget \$130) | 120.00 |
| 11 | DataTree | November Subscription to Parcel Data Info | 100.00 |
| 12 | Diesel Direct West | Diesel (551 gals) | 2,096.82 |
| 13 | Digital Prints & Imaging | Vellum (4) (Lab) | 130.36 |
| 14 | Direct Line | December Telephone Answering Service | 275.83 |

| Seq | Payable To | For | Amount |
|-----|--------------------------------|--|-----------|
| 16 | Eurofins Eaton Analytical | Lab Services for UCMR4 Monitoring | 670.00 |
| 17 | Farwest Corrosion Control | Wraptite Petrolatum Paste (12) | 258.67 |
| 18 | Fisher Scientific | Buffer & Bottle Dispenser (\$53) (Lab) | 97.27 |
| 19 | Grainger | Fuel Transfer Pump for Fleet (\$250), Vehicle Recovery Equipment (\$150), Generator Plugs (2) (\$238), Portable Heater, Head Lamps for Power Shut Off Night Workers (6) (\$367), Melt Blown Cartridges (6) (Lab), Filters for Deionization System (\$50) (Lab), Tape Measure, Pressure Washer Parts for Vac (\$168), Chains & Hooks for Multiple Equipment (\$238), Adj Wrench (\$109) & Sledge Hammer | 1,683.75 |
| 20 | Idexx Laboratories | Quanti-Trays (100) (Lab) | 261.17 |
| 21 | Lincoln Life | Deferred Compensation PPE 11/30/19 | 10,391.15 |
| 22 | Maltby Electric | Transfer Switch for Valve Pit (\$363), Electrical Tape for Shop & Transfer Switch for Cabro P/S (\$363) | 753.34 |
| 23 | Marin County Tax Collector | Annual Hazardous Material Inventory Permit (STP-\$3,817, Yard-\$2,081, PRTP-\$341 & O.M.T.P.-\$312) | 6,551.00 |
| 24 | McIlvaine, Shannon | Novato "Toilet Rebate" Program | 100.00 |
| 25 | Musser, John | Refund Overpayment on Open Account | 117.74 |
| 26 | Nationwide Retirement Solution | Deferred Compensation PPE 11/30/19 | 1,995.00 |
| 27 | Noll & Tam Architects | Prog Pymt #14: NMWD Headquarters Upgrade Master Plan (Balance Remaining on Contract \$19,959) | 1,870.00 |
| 28 | Novato, City of | To Renew Annual Encroachment Permit | 2,770.00 |
| 29 | Novato Sanitary District | Sept 2019 RW Operating Expense | 26,370.78 |
| 30 | NSI Solutions | Turbidity Samples (Lab) | 81.00 |
| 31 | Office Depot | Annual Calendar Orders (\$254) & Copy Paper (90 reams) (\$322) | 575.69 |
| 32 | O'Reilly Auto Parts | Tail Pipe (2), Adapter, Wiper Fluid, Brake Cleaner & Paint | 111.15 |

| Seq | Payable To | For | Amount |
|----------------------------|-------------------------------|--|----------------------------|
| 33 | Pace Supply | Meter Boxes (5) (\$156) & Lids (5) (\$113) (Less Credit of \$264 for Returned Hymax) | 4.79 |
| 34 | Pollard Water | Pulling Wedge | 377.17 |
| 35 | Prunuske Chatham | Prog Pymt#2: Design & Regulatory Compliance Permitting Leveroni Creek Embankment Repair Project (Balance Remaining on Contract \$32,023) | 11,698.75 |
| 36 | R & B | Fire Check Assemblies (10) (\$20,173), Ells (4), Couplings (5) & Gate Valves (4) (\$2,886) | 23,155.04 |
| 37 | Recology Sonoma Marin | October & November Trash Removal | 961.32 |
| 38 | Red Wing Shoe Store | Safety Boots (Lindsey) | 196.19 |
| 39 | Schivo, Walter | Novato "Toilet Rebate" Program | 200.00 |
| 40 | Staples Business Credit | Misc Office Supplies (\$467), Yearly Calendar Order (\$525), Toner (\$617) & Flash Drives (15) (\$154) | 1,764.54 |
| 41 | State Water Resources Control | D4 License Exam Fee (Garrett) | 130.00 |
| 42 | Van Bebber Bros | Metal Plates (2) (15" x 31") | 158.56 |
| 43 | Verizon Wireless | Cellular Charges: Data (\$454) & Airtime (\$111) | 565.73 |
| 44 | VWR International | Titrant & Safety Gloves (10) (\$76) (Lab) | 109.31 |
| 45 | Waste Management | Green Waste Disposal | 284.16 |
| 46 | Watkins, Jeff | Exp Reimb: DMV Registration for 3 Generators | 81.00 |
| TOTAL DISBURSEMENTS | | | <u>\$395,412.53</u> |

The foregoing payroll and accounts payable vouchers totaling \$395,412.53 are hereby approved and authorized for payment.

| | |
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| Auditor-Controller | Date |
|  |  |
| General Manager | Date |

BOARD OF DIRECTOR'S 11/30/19 PPE

t:\finance\pay\[bod payroll chart.xlsx]113019

NOVEMBER MEETINGS

| | | Baker | Fraites | Grossi | Joly | Petterle |
|----------------|------------|--------|----------|--------|----------|----------|
| Reg Meeting | 11/5/2019 | 235.00 | \$235.00 | 235.00 | \$235.00 | \$235.00 |
| Reg Meeting | 11/19/2019 | 235.00 | \$235.00 | 235.00 | \$235.00 | \$235.00 |
| *Extra Meeting | | 235.00 | | | | |
| Total | | 705.00 | 470.00 | 470.00 | 470.00 | 470.00 |

*WAC Meeting on
11/4/19



**Sonoma
Water**

PRESS RELEASE

FOR IMMEDIATE RELEASE

December 2, 2019

CONTACT

Barry Dugan
707-547-1930 (office)
707-331-2040 (cell)
barry.dugan@scwa.ca.gov

Russian River Inflatable Dam Being Deflated Today

Santa Rosa, CA –The Sonoma County Water Agency (Sonoma Water) today began the process of deflating its rubber dam located in the Russian River near Forestville. Sonoma Water routinely deflates the rubber dam when Russian River flow forecasts show the river reaching 2,000 cubic feet per second (cfs) in order to prevent damage to the rubber dam from the high flows. Following numerous days of rain, flows in the river are approximately 3,100 cfs with more rain forecast for later in the week. When completely deflated, the rubber dam rests flat on the bottom of the Russian River.

The rubber dam is located just downstream of the Wohler Bridge on the Russian River and is normally raised in the spring or early summer when water demands increase. The rubber dam creates a pool of water that enhances Sonoma Water's well levels in the area. Permanent fish ladders provide fish passage when the rubber dam is raised and also allow Sonoma Water to count the migration of adult salmon and steelhead with its underwater video system located in the fish ladders.

Even with the wet weather, Sonoma Water encourages people to continue to use water efficiently. Now is the time to adjust or deactivate irrigation systems (if you haven't already done so) and to repair leaky faucets and toilets. Additional water conservation tips are available at the Sonoma Marin Water Saving Partnership website, www.savingwaterpartnership.org/



###



Clean. Reliable. Essential. Every Day.

2020 TAC and WAC/TAC MEETING SCHEDULE

35 Stony Point Road, Santa Rosa, California

| Month | Day |  Body | Time |
|-----------|-----|---|----------|
| JANUARY | 6 | TAC | 9:00a.m. |
| FEBRUARY | 3 | WAC / TAC | 9:00a.m. |
| MARCH | 2 |  TAC | 9:00a.m. |
| APRIL | 6 | SPECIAL WAC/TAC | 9:00a.m. |
| MAY | 4 | WAC / TAC | 9:00a.m. |
| JUNE | 1 | TAC | 9:00a.m. |
| JULY | 6 | TAC (tentative) | 9:00a.m. |
| AUGUST | 3 | WAC / TAC | 9:00a.m. |
| SEPTEMBER | 14 | TAC (tentative) | 9:00a.m. |
| OCTOBER | 5 | TAC | 9:00a.m. |
| NOVEMBER | 2 | WAC / TAC | 9:00a.m. |
| DECEMBER | 7 | TAC | 9:00a.m. |

MEMORANDUM

To: Board of Directors

December 13, 2019

From: Nancy Williamson, Senior Accountant *NW*

Subj: Annual Sick Leave Buy-Back
t:\aclword\personnel\sick leave buyback 2019.docx

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$15,760 in 2019

Employees accrue one day of sick leave each month. In 1970 the District adopted a policy to recognize employees who use sick leave prudently by allowing them to annually sell back unused sick leave in excess of 90 days at 50% of their pay rate. This buy-back policy provides an incentive for employees to use their sick leave benefit thoughtfully, and rewards those who do so, while simultaneously reducing the District's accrued sick leave liability.

On December 5, 2019 twelve employees had accrued sick leave in excess of 90 days. Six chose to retain their accrued sick leave either for future use or to convert to additional service credit at retirement. Six elected to convert their eligible sick leave to cash, at a District cost of \$15,760.

MEMORANDUM

To: Board of Directors

December 13, 2019

From: Nancy Williamson, Senior Accountant *NW*

Subject: Disposal of Surplus Equipment

x:\maint sup\2020\bod\bod memo vehicle auction 102519 - final.doc

RECOMMENDED ACTION: None

FINANCIAL IMPACT: \$16,248.80 income

As part of the adopted FY 2019/20 and the previous FY Equipment Budgets, staff entered into an agreement with the Enterprise Fleet Management group to begin leasing 1 ton and smaller vehicles. This past year we identified the need to replace five vehicles. We also had various equipment we could no longer use reliably.

Staff sold the surplus equipment through 1st Capitol Auction, a bonded resale agent located in Vallejo on October 25, 2019 and the actual amount received (sale price less 4% commission) is shown below. This was the eighth year we have sold equipment through this vendor, always with good results.

| Equip. No. | Description | Mileage | Est. Auction Value | Actual Amount Received |
|---------------|----------------------------------|---------|--------------------------|---------------------------|
| 53 | 2004 Chevrolet 1500 Pickup | 132,617 | \$2,500 | \$2,592 |
| 56 | 2005 Honda Civic Sedan | 80,242 | \$1,800 | \$2,880 |
| 57 | 2005 Honda Civic Sedan | 80,398 | \$1,800 | \$2,160 |
| 58 | 2005 Ford Ranger Pickup | 133,069 | \$1,000 | \$2,400 |
| 501 | 2005 Chevrolet Colorado Pickup | 145,060 | \$2,500 | \$4,080 |
| 510 | 2009 Toyota Prius Sedan | 134,302 | \$3,500 | \$0* |
| 89 | 1978 Asplundh Wood Chipper | | \$1,000 | \$1,248 |
| 72A | 1990 Excel Flat Deck Trailer | | \$1,000 | \$480 |
| | 1950 Drill Press | | \$3,000 | \$28.80 |
| | 2001 Quincy QR-25 Air Compressor | | \$500 | \$480 |
| | | | Total | \$16,348.80 |

*They will try again to auction this vehicle



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

PHONE
415-897-4133

EMAIL
info@nmwd.com

WEB
www.nmwd.com

November 1, 2019

TO OUR VENDORS AND SUPPLIERS:

I would like to share North Marin Water District's philosophy that guides our employees when they represent the District in making purchases. This philosophy reflects the high ethical standards we wish to maintain.

We believe that the giving or receiving of gifts and other symbols of appreciation are unnecessary.

We are a public agency whose goal is simply to serve the public the best way that we can. Our policy prohibits employees from soliciting or accepting gifts, benefits or favors from a vendor or a vendor's representative. This includes such things as flowers, meals, foodstuffs and tickets. We think that this policy serves the best interests of both our employees and those with whom North Marin does business because it makes it clear that gifts, favors, etc. are neither a necessary nor desired part of doing business with the District.


I want to thank you in advance for respecting our position and cooperating with our policy. Our employees are aware that we are committed to this business philosophy. Should you have any questions about this business philosophy, please do not hesitate to contact me directly. Please forward this letter to the person (or persons) in your organization responsible for doing business with North Marin Water District.

Sincerely,

A handwritten signature in dark ink, appearing to read "DmR", is written over a light blue horizontal line.

Drew McIntyre
General Manager

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| | |
|---|--|
|  CITY OF NOVATO COMMUNITY DEVELOPMENT | CITY OF NOVATO NOTICE OF ACTION LOT LINE ADJUSTMENT THE NOVATO COMMUNITY DEVELOPMENT DIRECTOR WILL CONSIDER TAKING ACTION ON THE FOLLOWING: |
| Action Date | December 20, 2019 |
| Project Name & Application | North Marin Water District Lot Line Adjustment; P2019-068 |
| Project Location & APN | At Reservoir Drive and the end of Oleander Lane APNs: 153-111-10 and 153-111-15 |
| Project Description | Request to merge two undeveloped legal parcels under common ownership by eliminating the interior property line between parcels. The resulting parcel would have a total area of 5.74 acres. The current zoning classification for these two parcels will not change through this parcel merger. |
| California Environmental Quality Act (CEQA) | The proposed project is considered to be exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3), Common Sense Exemption. |
| Staff Contact | Kaitlin Zitelli, Planner I 415-899-8941 kzitelli@novato.org |
| Application Information for Public Review | Novato Community Development Department 922 Machin Avenue, Novato Open Monday through Thursday and alternating Fridays from 9 AM to 12 PM and 1 PM to 5 PM. Closed Friday, December 13, 2019. |

If anyone wishes to challenge this project in court, they may be limited to raising only those issues they or anyone else raised prior to the action described in this notice or in written correspondence delivered to the Community Development Department on, or prior to, the action date.

Date: December 10 , 2019
Marin Independent Journal

NEWS > LOCAL NEWS

Firm hired to study options for Potter Valley Project

Coalition still made up of five partners



A local coalition formed in the hopes of maintaining the most important aspects of the Potter Valley Project is making progress toward a two-basin solution (Nathan DeHart —Ukiah Daily Journal file photo)

By **JUSTINE FREDERIKSEN** |

PUBLISHED: November 29, 2019 at 6:47 am | UPDATED: December 2, 2019 at 3:44 pm

A coalition now calling itself the Two-Basin Partnership announced this week that it has hired a firm to evaluate different options for the hydro-electric dam called the Potter Valley Project.

"I am committed to finding a realistic, sustainable solution that provides water to the people who rely on this project year-round," said Janet Pauli, chairwoman of the Mendocino County Inland Water and Power Commission. The commission is one member of the five-partner coalition, which also includes California Trout, Humboldt County, the Round Valley Indian Tribes and Sonoma Water. "It's a long-term, complex process, but the partnership is committed to working together toward our shared objectives, and the feasibility study is going to help us evaluate our options."

Conducting that feasibility study will be Stillwater Sciences, which will be "evaluating the long-term options and a potential licensing proposal for the project ... with the goal of pointing to a pragmatic way forward that meets the needs of water users that depend on Eel River water, as well as fish and habitat in both the Eel and Russian River basins."

The firm was selected, the coalition notes in a press release, because of "its experience with the Federal Energy Regulation Commission (FERC) relicensing process, familiarity with the Eel and Russian River systems, and experience facilitating a complex comparative analysis of options and tradeoffs."

The coalition anticipates that the feasibility study will "identify and evaluate various potential structures for a Regional Entity that will apply for and assume a new license" for the project, which is still owned and operated by Pacific Gas and Electric, though the company decided not to renew its license, essentially abandoning the dam.

If a new license is issued, the coalition also hopes that the feasibility study will cover "options for potential modifications to the project; ongoing operations and maintenance requirements; a fisheries restoration plan; and a financial plan that specifies funding and revenue to support long-term water diversions and ongoing facilities operations."

"The feasibility study will allow us to move this project forward in an informed way where science drives our decision-making," California Trout Executive Director Curtis Knight was quoted as saying in the release, describing the firm chosen as having "the experience and qualifications to provide the partners with the critical information we need to identify a realistic and sustainable solution for all of the parties involved."

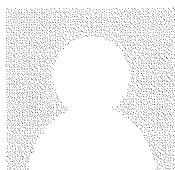
While giving an update to the Ukiah City Council earlier this month on the coalition's successful filing of a Notice of Intent to re-license the project with FERC, Pauli said that Lake County officials had recently expressed interest in joining the coalition.

Pauli said the IWPC then nominated Lake County as a potential partner, but ultimately the five partners decided they "did not want the voting group to get any larger," especially given the tight deadline for the feasibility study to be completed: April 2020.

However, Pauli said Lake County is still part of the ad-hoc committee that Rep. Jared Huffman (D-San Rafael) formed and which originated the idea of a Two-Basin Solution, and that the IWPC is sponsoring Lake County as a "common interest agreement partner."

"Huffman envisioned a two-basin solution, and what that means is a way to ensure water supply stability, while at the same time creating habitat restoration in both (the Eel and Russian) river systems for listed and threatened species," Pauli told the City Council. "And it's true probably to say that while we hope that we get what we need, we may not get what we want. But water supply reliability is half of the equation, and we intend to make sure that it's realized."

Tags: Potter Valley



Water bill incentive for in-law units mulled

MARIN MUNICIPAL

Plan would reduce rates, waive connection fees

By Will Houston

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Marin's largest water supplier will consider a proposal this month to waive connection fees and lower rates in an effort to encourage residents to build secondary housing units on their properties.

The proposed changes being vetted by the Marin Municipal Water District seek to comply with and go beyond the requirements of a new state law signed this year aimed at promoting development of accessory dwelling units, known as ADUs.

The law, AB 881, prohibits water districts from requiring separate water meter connections for existing ADUs that meet certain criteria. But MMWD board President Larry Bragman has called on the district to consider going beyond that by waiving the requirement and associated fee payments for new ADU development as well.

"For our district to make a statement to eliminate what really is unnecessary and is a huge capital expense for these small projects would really, as far as sort of putting our district in sort of a progressive posture or leading posture, would really be something I would strongly urge the board to consider," Bragman

told the board last month.

The ordinance will be discussed at 7:30 p.m. Dec. 17 in the MMWD board room at 220 Nellen Ave., Corte Madera.

One of the common hindrances stopping people from building ADUs is the high cost, with the various permits and steps costing in the tens of thousands of dollars, said Marin Builders Association CEO Rick Wells.

"Under previous conditions, it was extremely cost-prohibitive and we're encouraged to know that those obstacles are being lessened by both the state and local jurisdictions to make ADUs more affordable and more feasible," Wells said.

On Dec. 17, the board is set to consider an or-

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dinance that would comply with the state law as well as implement lower rates for hundreds of homes with existing ADUs.

Currently, the district charges single-family residences with ADUs the same rates as duplexes if the ADU is not connected to a separate meter. Rates charged for duplexes not only are slightly

218 limits local governments' ability to impose property-related fees and assessments. A district's fees and charges must be proportional to district's cost of providing its service, Hofmann said. So when a district removes a revenue source, it has to be cognizant of how it makes up that deficit and ensure that it is not creating unfair cross-subsidies between ratepayers.

higher than those for single-family residences, but rate tier increases also occur with smaller increases in water use. The homes with ADUs would be charged the same rates as singlefamily residences under the ordinance.

District staff estimated 875 ratepayers would be affected by the change.

Greg Knell, president of the Santa Margarita Neighborhood Association and the San Rafael Board of Education, said he has been advocating for the rate changes for about six months. Knell said his water bill has nearly doubled since he constructed an ADU at his property about 20 years ago and estimates he's paid \$100,000 because of it. While Knell has been critical of the district for its rate increases, he said he and other homeowners plan to attend the Dec. 17 hearing to support the board's proposal.

"Small amounts of money really do incentivize the construction of these really needed affordable spaces to live," Knell said.

The board plans to revisit Bragman's proposal on waiving meter connection requirements for new construction of ADUs in 2020.

After Bragman brought up the idea in November, district General Manager Ben Horenstein put on the brakes. Staff would need more time, he said, to review whether the change would comply with existing law, namely Proposition 218.

The district is taking the prudent approach by delaying the discussion, said Sacramento-based attorney Adam Hofmann, who works with public agencies on Proposition 218 and related issues, and is vice chair of Hanson Bridgett LLP's appellate practice.

Approved in 1996, Proposition

"Anytime you pull a group of prospective feeor rate-payers out of the system you've got to tread carefully to ensure you don't throw off the balance of the way the costs of service are being allocated," Hofmann said.

The county's secondlargest water supplier, the North Marin Water District, also has made changes related to ADUs. The district has exempted junior accessory dwelling units — which have a maximum size limit of 500 square feet — from paying connection fees since 2015.

"More recently, we revised our regulations in January 2018 and June 2019 to conform to legislation that exempts charging of connection fees for ADUs constructed within the footprint of an existing structure," said NMWD General Manager Drew McIntyre. "Our legal counsel is currently reviewing if any additional changes are necessary due to AB 881 signed into law by Gov. Newsom in October."

In addition, NMWD is undergoing an independent water rate study for potential rate changes that could be implemented in July 2020. The NMWD board will be holding several public meetings through May on the proposal. The first is set for 6 p.m. Feb. 11 at district headquarters, 999 Rush Creek Place, Novato. A final vote on rate changes is scheduled for May 19, 2020.

Addressing the region's housing issues will require collaboration between multiple agencies and entities, but development of ADUs will play a role, Wells said.

"They're part of the greater solution," Wells said. "They are not the solution in and of themselves."

NEWS > LOCAL NEWS

Blocked from Potter Valley Project planning group, Lake County interests look ahead

Future of Lake Pillsbury uncertain



File photo

Lake Pillsbury, near Fuller Grove Campground.

By **AIDAN FREEMAN** | afreeman@record-bee.com | Record-Bee

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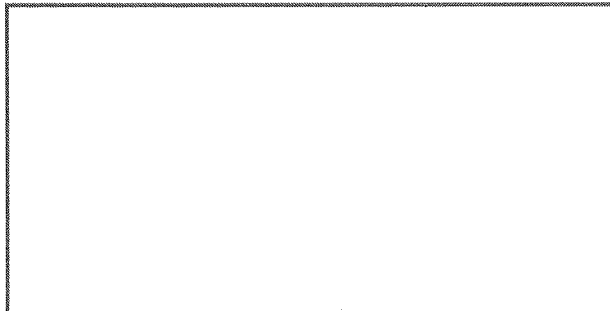
LAKE PILLSBURY — In recent months, a group calling itself the Two-Basin Partnership barred the County of Lake from becoming a member and hired a firm to examine feasible options for the future of the Potter Valley Project.

The PVP diverts water from the Eel River to the Russian River via Scott Dam, which forms Lake Pillsbury in northern Lake County, Cape Horn Dam, which forms Lake Van Arsdale in Mendocino County, and a water diversion tunnel. It also generates hydroelectric power.

In January, Pacific Gas and Electric Company notified the Federal Energy Regulatory Commission of its plans to abandon the project, which it has operated since 1930. In the wake of PG&E's decision, the future of Lake Pillsbury, Lake Van Arsdale, and the Eel and Russian River basins was thrown into uncertainty. An array of agencies with different interests arose, vying for a say.

The PVP has impounded the Eel River, vastly reducing native fish populations. Environmental groups, concerned with fish passage, want to see the dams out. But residents in Mendocino, Humboldt and Sonoma counties, among others, depend on the diverted water from the project.

ADVERTISING



An ad hoc committee of more than 20 members was formed by U.S. Representative Jared Huffman under an operating principle of finding a "two-basin solution" for the future of the PVP that would seek to "Improve fish passage and habitat on the Eel River" and "Minimize or avoid adverse impacts to water supply reliability, fisheries, water quality and recreation in the Russian River and Eel River basins," according to the committee's website.

Adopting the same "two-basin" concept, a separate, smaller coalition was formed, consisting originally of Humboldt County, Sonoma Water, the Mendocino Inland Water and Power Commission and environmental nonprofit California Trout. Recently, the Round Valley Indian Tribes was admitted as a fifth member.

The group was approved by the FERC to develop a "feasibility study" to determine viable plans for the continued operation of the PVP, and in October hired consultant Stillwater Sciences to conduct that study.

In August, the Lake County Board of Supervisors passed a resolution of intent to join this group, now being called the Two-Basin Partnership.

But Lake County was recently denied entry, with the partnership citing "expediency" concerns and saying it would not admit any more members.

Lake County District 3 Supervisor E.J. Crandell said he and other county officials met with members of the group in mid-November to discuss the county's inclusion.

Lake County had set aside \$90,000 from its budget, along with a \$10,000 donation from a Lake Pillsbury resident, to match the ante that each of the original members of the partnership had posted to fund the feasibility study. The county also altered its August resolution to more closely align with the two-basin principle. The Mendocino Inland Water and Power Commission even sponsored the county.

"We did everything we needed to do" to get in, Crandell said this week.

California Trout staff attorney Redgie Collins said the partnership "made a joint hard decision to move forward without adding additional parties to the agreement." He confirmed that Friends of the Eel River, an environmental group, had also attempted to enter the partnership, but was denied.

The group's feasibility study must be completed by April 2020 to meet FERC rules. "In order to meet the strict timelines imposed by FERC," Collins said, noting that the group has "agreed that it is impracticable to add new parties to the Planning Agreement at this time."

"We're not trying to exclude them from the entire Potter Valley process," Collins added. "We need to get this done."

Collins said the members of the planning agreement group did not take a vote to decide against letting Lake County in, and noted the decision to limit the group size was "unanimous."

While Lake County officials have expressed their interest in keeping Scott Dam intact through the long-term future of the PVP, the county de-emphasized that point when it drafted its resolution of intent to join the planning agreement group, in order to align itself with the two-basin principle.

Asked whether Lake County's interest in Scott Dam was a factor in the planning agreement group's decision, Craig Tucker, a consultant for the County of Humboldt who represents Humboldt in the group, said it was "not an issue."

"My understanding is that Lake was willing to sign on to what the planning agreement laid out, that you have to be open-minded," Tucker said.

But Scott Greacen, Conservation Director of the Friends of the Eel River, argued this week that Lake County's interest in Scott Dam would have been a problem for the planning agreement group.

"They would play a spoiler," he said, "by blocking any dam removal plans... There is no future in which the status quo remains viable... Scott Dam is not going to be kept in place."

"We'd love to see the whole thing gone," Greacen said of the Potter Valley Project. "Not just the dams but the diversion."

The planning agreement group has not said it shares Greacen's position on Scott Dam, deferring projections to when the feasibility study is complete. Tucker, however, did express doubt that the dam could remain as it is in the long run, considering the problem of fish passage: Scott Dam has no fish ladder.

Tucker said he's "a little skeptical," without "major changes" to the dam or even taking the dam out, that sufficient fish passage could be achieved.

Supervisor Crandell said he takes issue with Greacen's characterization of Lake County, arguing that the Friends of the Eel River has been "trying to undermine us" in attempting to get into the planning agreement group.

"They're fighting us tooth and nail," he said, noting that the organization sent a public records request to the County of Lake in November, asking to see its officials' communications regarding the Potter Valley Project. In October, the group sent a letter to the members of the planning agreement group, at once asking to be included in the partnership, and requesting that Lake County be excluded.

As the feasibility study kicks off without Lake County as a member of the group guiding it, Lake Pillsbury Association leader Carol Cinquini, whose family has owned a cabin near the reservoir since the 1940s, feels the interests of Pillsbury residents like herself have been left behind in the broader discussion on the future of the Potter Valley Project.

"This is shocking," she wrote last week of the planning agreement group's decision not to include Lake County, "truly shocking."

"Lake County and its stakeholders deserve a say in the future of the Potter Valley Project," she added.

Cinquini points to geography as an argument for giving local interests more say in the process.

"The headwaters of the Eel River are in Lake County. A large portion of the PVP is in Lake County, including Lake Pillsbury where an entire community of homeowners, recreational users, campers and small businesses are located. The Lake Pillsbury basin is home to thriving wildlife ecosystems supporting nesting bald eagles and osprey, tule elk, etc.," she wrote.

Greacen calls the notion of a "unique ecosystem" in the area "absolute garbage."

Cinquini argues that "there are 100-year-old habitats there...There is value to the Lake Pillsbury basin."

Cinquini added that Lake County's representation in the Potter Valley Project deliberations has been stymied by bad timing.

"There was a lapse," she said, in the county government's awareness of the issue, "between when (former District 3 supervisor) Jim Steele retired and Supervisor Crandell was elected... At that time, Crandell knew nothing about Lake Pillsbury and the Potter Valley Project."

The county has since gotten on board, and Crandell has been vocal, she added, but "I don't think there is a broad understanding within the governance about what happens in Lake Pillsbury," she argued.

The planning agreement group's Humboldt representative Tucker said that if Scott Dam's removal does ultimately become the reality for the Potter Valley Project, Lake Pillsbury residents should expect some kind of mitigation for their losses.

"I would presume there would be some kind of strategy to get folks on board," Tucker said.

Asked how receptive the Lake Pillsbury Alliance would be to such an outcome, Cinquini asked, "How do you mitigate five generations of family? My grandfather built our cabin in the 1940s. How do you mitigate that?"

"It's been hard to have a voice," she said.
