



**NORTH MARIN WATER DISTRICT**  
**AGENDA – REGULAR MEETING**  
May 19, 2020 – 6:00 p.m.  
Location: Virtual Meeting via  
Teleconference  
Novato, California

**ATTENTION: This will be a virtual meeting of the Board of Directors pursuant to Executive Order N-29-20 issued by the Governor of the State of California.**

There will not be a public location for participating in this meeting, but any interested member of the public can participate telephonically by utilizing the dial-in information printed on this agenda.

**Teleconference **Zoom** Information Call in Line:**

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**Meeting ID: 834 917 4264#**

**Participant ID: #**

**Password: 466521#**

For clarity of discussion, the Public is requested to MUTE except:

1. During Open Time for public expression item
2. Public comment period on agenda items

*Please note: In the event of technical difficulties during the meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be rescheduled for a future special meeting which shall be open to the public and noticed pursuant to the Brown Act.*

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

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

(Continued)

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| Est. Time | Item | Subject   |
|-----------|------|---|
| 6:00 p.m. |      | <b>CALL TO ORDER</b>  |
|           | 1.   | <b>APPROVE MINUTES FROM REGULAR MEETING</b> , May 5, 2020   |
|           | 2.   | <b>GENERAL MANAGER'S REPORT</b>   |
|           | 3.   | <b>OPEN TIME: (Please observe a three-minute time limit)</b><br><br>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.   | <b>STAFF/DIRECTORS REPORTS</b>  |
|           | 5.   | <b>MONTHLY PROGRESS REPORT</b>  |
|           |      | <b>CONSENT CALENDAR</b><br><br>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.   | <b>Consent – Approve:</b> Notice of Completion for Cherry Hill Tank 2 Recoat and Rehabilitation Project (Paso Robles Tank, Inc.)  |
|           |      | <b>ACTION CALENDAR</b>  |
|           | 7.   | <b>Approve:</b> Renew Declaration of Local Emergency Related to COVID-19 Pandemic   |
|           |      | <b>INFORMATION ITEMS</b>  |
|           | 8.   | Budget Review – Proposed FY 20/21 Budgets Novato and West Marin Service Areas   |
|           | 9.   | FY 19-20 Third Quarter Progress Report – Water Conservation   |
|           | 10.  | FY 19-20 Third Quarter Progress Report – Engineering Department   |
|           | 11.  | FY 19-20 Third Quarter Progress Report – Operations/Maintenance   |
|           | 12.  | Technical Advisory Committee Meeting – March 2, 2020  |
|           | 13.  | <b>MISCELLANEOUS</b><br>Disbursements – Dated May 7, 2020<br>Disbursements – Dated May 14, 2020<br>Proof of Publication – Declaration of a Water Shortage Emergency West Marin Service Area   |
|           |      | <u>News Articles:</u><br>With much of state, Marin is in moderate drought<br>Golfers all smiles as courses reopen<br>Drought makes early start of the fire season likely in Northern California<br>Marin Municipal delays rate, fee hikes<br>Editorial – Agencies need to share salary information<br>Sonoma County backs plan to remove Scott Dam, assume control of hydropower project  |
| 7:15 p.m. | 14.  | <b>ADJOURNMENT</b>  |

1

**DRAFT**  
**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
May 5, 2020

6 **CALL TO ORDER**

7 President Joly announced that due to the Coronavirus outbreak and pursuant to Executive  
8 Order N-29-20 issued by the Governor of the State of California this was a virtual meeting.  
9 President Joly called the regular meeting of the Board of Directors of North Marin Water District  
10 to order at 6:00 p.m. and the agenda was accepted as presented. President Joly added that there  
11 was not a public location for participating in this meeting, but any interested members of the public  
12 could participate telephonically by utilizing the dial-in information printed on the agenda. President  
13 Joly asked if there were any members of the public on the line to announce themselves, and no  
14 one replied.

15 President Joly welcomed the public to participate in the call and asked that they mute their  
16 phone, except during open time and while making comments on the agenda items. President  
17 Joly noted that due to the virtual nature of the meeting he will conduct a roll call from the Directors.  
18 A roll call was done, and all Directors were in remote attendance therefore establishing a quorum.  
19 Participating remotely by phone were Directors Jack Baker, Rick Fraites, James Grossi, Michael  
20 Joly and Stephen Petterle.

21 Mr. McIntyre did a roll call of staff, participating by phone were General Manager Drew  
22 McIntyre, District Secretary Terrie Kehoe and Auditor-Controller Julie Blue.

23 District employees Tony Arendell (Construction/Maintenance Supervisor), Robert Clark  
24 (Operations/Maintenance Supervisor) and Ryan Grisso (Water Conservation Coordinator) were  
25 also participating remotely by phone. No members of the public attended remotely.

26 **MINUTES**

27 On motion of Director Petterle, seconded by Director Baker the Board approved the  
28 minutes from the April 21, 2020 meeting by the following vote:

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

30 NOES: None

31 ABSTAIN: None

32 ABSENT: None



33 **PUBLIC HEARING TO CONSIDER DECLARATION OF WATER SHORTAGE EMERGENCY**  
34 **AND ADOPT WATER SHORTAGE CONTINGENCY MEASURES IN THE WEST MARIN**  
35 **SERVICE AREA**

36 President Joly declared the public hearing opened at 6:06 p.m.

37 Mr. McIntyre announced the action item tonight is for the Board to consider a declaration  
38 of water shortage emergency in the West Marin service area, enact the West Marin Water  
39 Shortage Contingency Plan; and adopt an Emergency Water Conservation Ordinance. He  
40 recapped the water rights order that was adopted in 1995 which determined a dry year to be less  
41 than 28 inches of rainfall in Lagunitas Creek between October 1 through April 1<sup>st</sup>. Mr. McIntyre  
42 stated the rainfall this year through April 1<sup>st</sup> measured 23.6-inches and therefore dry year  
43 conditions prevail. He reminded the Board that we had dry year conditions once before in 2014  
44 and the Board took similar actions. Mr. McIntyre stated the Emergency Water Conservation  
45 Ordinance calls for a 15% voluntary conservation beginning May 5<sup>th</sup> and a mandatory 25%  
46 conservation beginning July 1<sup>st</sup>, as compared to water use in 2013. He noted the mandatory  
47 25% reduction would be for the West Marin Service Area as a whole and does not impose a 25%  
48 mandatory reduction for individual residential customers. Mr. McIntyre stated that our West Marin  
49 customers have already reduced their usage by ten to fifteen percent compared to the 2013 bench  
50 mark normal year and even more since early 2000, so he did not see this order as a difficult goal  
51 for our customers. Additionally, he added that the mandatory stage may trigger enactment of a  
52 drought surcharge to be considered with or subsequent to enactment of the mandatory stage at  
53 the discretion of the Board. Mr. McIntyre stated that staff is requesting the Board enact the plan  
54 and adopt the conservation ordinance.

55 Director Joly asked for public comments and there were none.

56 President Joly declared the public hearing closed at 6:12 p.m.

57 President Joly brought the discussion back to the Board and there were no comments  
58 from the Board.

59 On the motion of Director Baker, and seconded by Director Grossi, the Board approved to  
60 enact the West Marin Water Shortage Contingency Plan and to adopt the West Marin Emergency  
61 Water Conservation Ordinance by the following vote:

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

63 NOES: None

64 ABSTAIN: None

65 ABSENT: None

66 **GENERAL MANAGER'S REPORT**

67 Mr. McIntyre reminded everyone of the protocol of the meeting and asked all participants  
68 to announce their name when talking and to mute their phone as much as possible unless they  
69 are speaking.

70 Cherry Hill Tank 2

71 Mr. McIntyre announced that the Cherry Hill Tank 2 recoat and mixing system upgrade  
72 project is substantially complete and the tank is now in service. Mr. McIntyre added that a Notice  
73 of Completion will be brought back to the Board for approval at a subsequent meeting.

74 Gallagher Ranch Streambank Stabilization Project

75 Mr. McIntyre reported that on April 30<sup>th</sup> the Marin County Deputy Administrative Zoning  
76 Officer approved the Coastal Permit. He noted that we are still waiting for the Department of  
77 Public Works (DPW) creek permit and California Department of Fish and Wildlife (CDFW) permit  
78 and they are expected soon. Mr. McIntyre stated a Notice to Proceed is expected to be issued  
79 within the next couple of weeks and we are still waiting for the change order proposal from Dixon  
80 Marine to address the design changes requested by the permitting agencies.

81 Director Baker stated he understood we were under the jurisdiction for the Coastal Permit,  
82 but thought we were exempt from County permits. Mr. McIntyre replied he was told there is a  
83 nexus with the Coastal Permit and the DPW creek permit, noting it is a good question and he will  
84 review this again.

85 Director Baker added that he is aware that the grant funding has a tight timeline and asked  
86 if permitting delays were causing any concern. Mr. McIntyre replied that the original Natural  
87 Resources Conservation Service grant funding agreement construction completion date was May  
88 22<sup>nd</sup>, however NRCS has automatically extended the date by two months due to COVID-19  
89 impacts

90 Assistant General Manager/Chief Engineer Position

91 Mr. McIntyre apprised the Board that the current job solicitation for Assistant General  
92 Manager/Chief Engineer closed on April 24<sup>th</sup>. He added that we received a total of fifteen  
93 applications and there are six qualified applicants that will be interviewed by a panel consisting of  
94 Ms. Blue, Mr. Clark, our HR Consultant Darlene Rhodes and himself. Mr. McIntyre noted the  
95 intent is to develop a short list of top qualified applicants for the Board to review. He stated that  
96 Board interviews will be in June and more details will follow regarding the actual Board meeting  
97 date.

98 Director Joly asked if there were any funding updates on the Gallagher project. Mr.  
99 McIntyre replied that he had no updates since the report given at the last meeting on April 21<sup>st</sup>.  
100 Director Baker asked a question about progress on a second well at the Gallagher Ranch site.  
101 Mr. McIntyre responded that staff is still working on this on a parallel path. He added that we  
102 need to do more permitting investigations to see if we can get a location closer to the creek for  
103 improved well production capacity.

104 **OPEN TIME**

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

107 **QUARTERLY FINANCIAL STATEMENT**

108 Ms. Blue presented the Quarterly Financial Statement noting that Operating Revenue  
109 came in at 4% under budget and Operating Expenses came in 3% under budget. She stated  
110 Novato water sales remains stable from the prior year with income at \$837,715 fiscal year to date  
111 and revenue of \$1.5M on connection fees. The Recycled Water budget year to date loss was  
112 \$217,488 and it is expected to recover with water sales in the remaining quarter. In West Marin  
113 the net income was \$298,991 with sales up from the prior fiscal year, and in Oceana Marin the  
114 net income was around \$57,145. Ms. Blue stated overall financial performance is what was  
115 expected and what was budgeted; noting we will come out strong and within budget by the end  
116 of the fiscal year.

117 Director Joly commended Ms. Blue for a brilliant report, and stated that we are in fine  
118 financial condition.

119 **STAFF/DIRECTORS REPORTS**

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

122 Ms. Kehoe reminded the Board that we are currently using the District's phone system for  
123 our Board meeting conference calls, and noted it has limitations since we only have capacity for  
124 twenty-three outside lines. Additionally, Ms. Kehoe stated that the District has limited internet  
125 bandwidth which can cause problems with a video platform. She stated the District would like to  
126 increase the number of incoming lines before the water rate hearings so the meetings are more  
127 accessible to a greater number of the public. Ms. Kehoe noted in order to do this we must go with  
128 a third-party service. She added she has been working with our IT consultant to investigate  
129 various options and has decided to go with Zoom, which will give us a capacity of a hundred  
130 incoming lines. She added that Zoom does not require a year-long contract and the cost was

131 very affordable compared to some of the other options. Ms. Kehoe reported that the District's IT  
132 Department has opened an account with Zoom and we are hoping to start testing it later in the  
133 week with those employees who are working remotely.

134 Director Grossi stated he could help with any questions or if we need assistance. Ms.  
135 Kehoe replied that she appreciated his offer and thanked Director Grossi.

136 Ms. Blue updated the Board on the current response to the Prop 218 Novato rate increase  
137 letter. She reported that to date we have had two official protest letters, fifteen phone calls and a  
138 few emails. Ms. Blue stated that most inquires focused on the change in structural tier rates, and  
139 the customers were advised to go to our website and use the online water calculator. She added  
140 that it seems we are getting more calls this year and believes it is because more people are home.  
141 Ms. Blue noted that she will give a full report on the final number of protest letters, emails and  
142 calls at a later date.

143 Ms. Blue also announced to the Board that our Consumer Services Supervisor, Alicia  
144 Manzoni has announced her retirement and her last day will be on June 5<sup>th</sup>. She added that Ms.  
145 Manzoni has been with the District for twenty-three years and she will be working with Mr.  
146 McIntyre on recruiting efforts to fill the position. Director Baker commented that he has worked  
147 with Ms. Manzoni on various tasks, and she is extremely good at her job and it will be quite a loss.

148 Ms. Blue also reported that under Miscellaneous there is a Marin County Grand Jury  
149 article in reference to public transparency with respect to annual compensation. She stated this  
150 article was favorable for NMWD and we were recognized as one of the agencies that were  
151 transparent, noting our Board compensation and policies are on our website. Ms. Blue stated she  
152 will give an additional update later and noted we have some minimal changes, but we are currently  
153 in compliance. Director Joly acknowledged it was wonderful that we got a shout out from the  
154 Grand Jury, and that we are already compliant. Ms. Blue stated that staff will prepare a written  
155 response to the Grand Jury for review by the Board at a future meeting.

156 Director Joly commended Mr. Arendell on his good work by saving \$24,000 on the  
157 disposal of the dirt spoils pile, and asked Mr. Arendell if he could comment on that and also on  
158 the flushing program. Mr. Arendell replied that the flushing program went well. He stated they  
159 did not flush in West Marin last year because there were no dirty water issues, but decided not to  
160 skip this year. Mr. Arendell stated there were only two calls from customers. Mr. Arendell also  
161 commented on the spoils memo by saying he happened to hear from Ghilotti Construction that  
162 they needed dirt. He stated it worked out well for both parties; but added we are now trying to

163 find somewhere else to take our spoils and noted next time we will probably have to pay a  
164 contractor to remove the spoils as is typically the case.

165 **CONSENT CALENDAR**

166 On the motion of Director Baker, and seconded by Director Grossi the Board approved  
167 the following item on the consent calendar by the following vote:

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

169 NOES: None

170 ABSTAIN: None

171 ABSENT: None

172 **WATER AGREEMENT – STARBUCKS, 7145 REDWOOD BLVD., NOVATO (APN: 140-071-46)**

173 The Board approved authorization of this agreement. The Starbucks tenant improvement  
174 plans proposed a remodel of the existing KFC drive thru and construction will include a new fire  
175 service. Water service was established in 1989 with a 1-inch meter and one Equivalent Dwelling  
176 Unit (EDU) entitlement and total water demand for this project is estimated at three EDUs.

177 **AMEND CONTRACT WITH ENVIRONMENTAL SCIENCE ASSOCIATES (ESA) – GENERAL**  
178 **CONSULTING SERVICES AGREEMENT**

179 The Board authorized the General Manager to amend the General Consulting Services  
180 Agreement with Environmental Science Associates (ESA). Current and future expenditures for  
181 San Mateo Tank Inlet/Outlet project makes a contract amendment necessary.

182 **ACTION ITEMS**

183 **RENEW DECLARATION OF LOCAL EMERGENCY RELATED TO COVID-19 PANDEMIC**

184 Mr. McIntyre requested the Board find that there still exists a need to continue the State  
185 of Emergency due to the COVID-19 pandemic as reflected by Resolution No. 20-07.

186 Mr. McIntyre reminded the Board that staff has been operating under partial Emergency  
187 Operations Center (EOC) activation since March 18<sup>th</sup> and summarized various key measures  
188 implemented by the District's emergency management team over the last six weeks.

189 He stated the District's staff are physically separated as much as possible by having  
190 approximately 50% of the staff with either rotating shifts or working from home; noting all critical  
191 operations needed to maintain essential services continue. He also announced that the County  
192 is loosening outdoor activity restrictions, which includes golf. Mr. McIntyre expressed that he is  
193 happy to hear Indian Valley Golf Club is back up and running again. Director Petterle announced  
194 he played golf yesterday. Director Joly said it was great news that IVGC is starting up again.

195 Mr. McIntyre provided the Board with an update on current coronavirus conditions in Marin  
196 County. He apprised the Board that currently we have no employees who have been instructed

197 to be isolated or are self-quarantined. Mr. McIntyre added with respect to operational status, we  
198 are not experiencing any major issues. Existing treatment facilities are operating normally and  
199 we have no current issues with maintaining essential facilities, equipment and supplies. He  
200 advised physical Board meetings will be re-instated as soon as it is safe for Board members,  
201 public and staff to do so.

202 Regarding recent changes, Mr. McIntyre stated Mr. Clark has reached out to our safety  
203 committee to solicit input of modifications that need to be made to improve social distancing for  
204 when the current shelter in place order is lifted. He gave some examples which included:  
205 plexiglass installation at some work stations and physical barriers between some passage ways.  
206 Mr. McIntyre noted we are preparing now so we ready for a safe return of staff at the appropriate  
207 time. Director Joly said it was good news and he is glad staff is safe and well.

208 On the motion of Director Baker, and seconded by Director Grossi the Board approved  
209 the renewal of the Declaration of Local Emergency Related to COVID-19 Pandemic by the  
210 following vote:

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

212 NOES: None

213 ABSTAIN: None

214 ABSENT: None

215 **TEXT FOR SPRING 2020 WEST MARIN "WATERLINE", VOLUME 17**

216 Mr. Grisso apprised the Board that this issue focuses on the water shortage emergency  
217 in West Marin, water conservation programs available and gives an update on the PRE Tank 4A  
218 construction project. In addition, it features the new design look created by Kiosk.

219 Director Joly had a suggestion that in the area of the newsletter that talks about the new  
220 water storage tank in PRE, we could also add the project cost. He added that it would be good  
221 for the public to know how expensive these projects are so they understand the need for a rate  
222 increase. Director Joly also mentioned the quote that Mr. McIntyre came up with about a hundred  
223 hand washings costing only thirty cents. He stated he mentioned this to one of his neighbors and  
224 they were amazed on how cost effective our water was. Director Joly suggested adding a simple  
225 sentence with this example. Director Grossi stated when he is talking to people they are happy  
226 to have our water and content with the water quality. Director Petterle also commented that he  
227 liked the new graphics provided by Kiosk.

228 On the motion of Director Grossi, and seconded by Director Petterle the Board approved  
229 the text for the Spring 2020 West Marin "Waterline", Volume 17 by the following vote:

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

231 NOES: None  
232 ABSTAIN: None  
233 ABSENT: None

234 **RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN SEWER**  
235 **CUSTOMERS**

236 Ms. Blue reminded the Board that at the last meeting she went over the financial plans  
237 showing a 4.5% rate increase proposed for West Marin Water and a 5% rate increase for Oceana  
238 Marin Sewer. Ms. Blue stated that California law (Proposition 218) requires that customers be  
239 notified of a water or sewer rate increase at least forty-five days prior to the public hearing when  
240 the Board considers adoption of the increase. The draft letters will go out if approved, noting the  
241 public hearing is scheduled for June 23, 2020, which requires that letters be mailed out by May  
242 8<sup>th</sup>. Ms. Blue brought to the attention of the Board that there was an error on the West Marin draft  
243 letter, a date in the letter reflected last year's hearing. She reported that this has been corrected.  
244 Ms. Blue apprised the Board that the full District wide budget will be on the next agenda and they  
245 will see it two more times.

246 Director Joly pointed out that the date of the increase is the same date as the West Marin  
247 water mandatory Stage 2 restrictions and we should be aware of that. Director Grossi asked what  
248 date the West Marin meeting was, and Director Joly confirmed June 23,2020.

249 On the motion of Director Petterle, and seconded by Director Fraites the Board approved  
250 the rate increase letter to West Marin Water and Oceana Marin Sewer customers by the following  
251 vote:

252 AYES: Director Baker, Fraites, Grossi, Joly and Petterle  
253 NOES: None  
254 ABSTAIN: None  
255 ABSENT: None

256 **INFORMATION ITEMS**

257 **INITIAL REVIEW – CAPITAL PROJECT FY21 & FY22 & EQUIPMENT BUDGET FY21**

258 Ms. Blue presented an initial review of the Capital Project FY21 & FY22 and Equipment  
259 Budget FY 21. Julie provided a summary of significant projects proposed to be undertaken over  
260 the next two fiscal years which include: Office/Yard Building Refurbish, Replace PRE Tank 4A,  
261 San Mateo 24" Inlet/Outlet Pipe, Main Replacements, Crest Pump Station/Relocate School Road  
262 Pump Station, Lynwood Pump Station Motor Control Center, Old Ranch Road Tank #2, Oceana  
263 Marin Treatment Pond Rehabilitation, New Gallagher Well #2 and other miscellaneous projects.

264 Director Grossi and Director Joly requested a revised CIP projection to show multiyear costs  
265 beyond the two years as applicable. Ms. Blue replied that generally only a couple of years is  
266 included in the report, but she will make it a point to include a timeline over multiple years and will  
267 reference it as a note of additional information. Director Joly asked about the building  
268 rehabilitation and wanted to know how we were going to propose funding it. He asked if it will it  
269 be debt loans, and asked how it fits in the total debt percentage and interest payments. Ms. Blue  
270 replied it is currently incorporated in the budget and she can elaborate on how it will be financed  
271 in future budget review discussions.

272 Ms. Blue stated in reference to the equipment budget, this year it is \$330,000 which is  
273 \$103,000 lower than last year. She noted the main items are the five-yard dump truck, smaller  
274 equipment items and the metal analyzer for the lab which was carried over from last year. Ms.  
275 Blue reported the proposed full budget will be in the next round of reviews.

276 **WILDFIRE SAFETY PROGRAM**

277 Mr. Clark updated the Board on the 2020 Wildfire Safety Program. He stated that staff  
278 went over lessons learned in 2019 and found that we don't need a full complement of overnight  
279 staff in the future. He advised the Board on plans to purchase two additional light tower generators  
280 and rent five generators along with one portable fuel tank.

281 Director Petterle stated that he hopes PG&E takes into consideration the potential for  
282 continued shelter in place restrictions this fall, and hopes they postpone the Public Safety Power  
283 Shutdowns in that event.

284 **PUBLIC COMMUNICATIONS IMPLEMENTATION UPDATE NO. 1**

285 Mr. Grisso provided the Board with the first update on the Public Communications  
286 Implementation Plan with key actions and the status for each of these. He added that these  
287 actions include: the redesign of the newsletter, brand and logo work, and upcoming social media  
288 work. Mr. Grisso advised the Board that the Website Development Project is in the final stages  
289 and noted the launch date may be postponed until after the rate increase hearings in June.  
290 Director Joly thanked Mr. Grisso for the thorough update and added it was very helpful to the  
291 Board.

292 **NBWA MEETING – MAY 1, 2020**

293 Director Fraites announced that Executive Director, Judy Kelly is resigning effective  
294 September 30<sup>th</sup>, and that a steering committee has been formed to find a suitable replacement.  
295 Director Joly commended Judy Kelly for doing a great job. Director Baker commented that the  
296 organization is a good group and they know lots of good people.

297 **MISCELLANEOUS**



298 The Board received the following miscellaneous items: Disbursements - Dated April 23,  
299 2020, Disbursements – Dated April 30, 2020, Hydrant Damage History, FY20 3<sup>rd</sup> Quarter Labor  
300 Cost Report, 2020 Flushing Program Update, Spoils Pile Removal and Annual Aquatic Invasive  
301 Species (AIS) Report for Stafford Lake, 2019.

302 The Board received the following news articles: State Water Board Adopts Monthly Water  
303 Use Reporting Requirements -Water Boards; Board approves budget with emphasis on reliable  
304 water delivery and infrastructure improvements – SONOMA WATER; CLAM wins bid to develop  
305 Coast Guard property for affordable housing; Sonoma water might be Marin drought backup;  
306 Virus Lockdown – Ban lifted on some activities in Marin and Grand Jury Report: Public agencies  
307 fail on pay transparency.

308 Director Joly thanked Ms. Holton and Ms. Williamson for the hydrant damage history and  
309 labor cost report memos. He also recognized Mr. Arendell for his update on the 2020 flushing  
310 program and his fabulous report on the spoils pile removal. Additionally, he thanked Mr. Stompe  
311 for his excellent memo on the 2019 annual aquatic invasive species report for Stafford Lake.

312 Director Baker said he was skeptical about the hydrant report, asking if there were any  
313 hold outs, referring to those that did not take the responsibility to pay. Ms. Blue responded that  
314 she is not aware that there were any situations of non-payment that were omitted from this report.  
315 Director Baker commented that it looks too clean. Mr. McIntyre responded to keep in mind the  
316 District has not been shy about going to small claims court. Director Baker noted that was a good  
317 point, and remembers the District has done that two or three times before.

318 Director Joly thanked the staff who participated in the call, stating they all help to make  
319 the Board more informed. He also said on behalf of the Board he would like to thank Ms. Manzoni  
320 for her years of service and was sorry to see her go.

321 **ADJOURNMENT**

322 President Joly adjourned the meeting at 7:16 p.m.

323 Submitted by

324

325

326 Theresa Kehoe  
327 District Secretary  
328

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**NORTH MARIN WATER DISTRICT**  
**MONTHLY PROGRESS REPORT FOR *April 2020***  
 May 19, 2020

**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%        |
| December          | 141.2          | 157.8          | 152.1          | 147.6          | 145.1          | -10%       |
| January           | 111.9          | 114.7          | 130.6          | 120.8          | 129.8          | -2%        |
| February          | 120.3          | 110.9          | 134.8          | 118.6          | 111.3          | 8%         |
| March             | 151.8          | 138.8          | 130.2          | 145.8          | 149.1          | 9%         |
| April             | 195.0          | 143.8          | 151.7          | 136.2          | 151.8          | 36%        |
| <b>FYTD Total</b> | <b>2,105.4</b> | <b>1,998.6</b> | <b>2,063.4</b> | <b>1,927.7</b> | <b>1,803.6</b> | <b>5%</b>  |

**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           | 7.5         | 8.3         | 7.9         | 5.2         | 6.5         | -9%        |
| November          | 6.7         | 7.3         | 5.4         | 4.2         | 4.7         | -7%        |
| December          | 4.8         | 5.7         | 5.1         | 3.7         | 3.9         | -15%       |
| January           | 4.1         | 5.0         | 4.5         | 3.6         | 3.7         | -16%       |
| February          | 4.4         | 3.5         | 4.5         | 3.3         | 3.8         | 25%        |
| March             | 5.2         | 4.4         | 5.1         | 4.4         | 4.2         | 18%        |
| April             | 4.9         | 4.9         | 5.1         | 4.8         | 4.9         | 0%         |
| <b>FYTD Total</b> | <b>62.7</b> | <b>68.6</b> | <b>64.3</b> | <b>65.8</b> | <b>65.2</b> | <b>-9%</b> |

**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         | -          |
| December          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | -          |
| January           | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | -          |
| February          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | -          |
| March             | 0.0          | 19.2         | 0.0          | 38.9         | 0.0          | -100%      |
| April             | 30.9         | 60.3         | 5.4          | 60.6         | 48.9         | -49%       |
| <b>FYTD Total</b> | <b>511.7</b> | <b>372.5</b> | <b>478.1</b> | <b>514.4</b> | <b>382.0</b> | <b>37%</b> |

**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%       |
| December           | 0.5          | 1.5          | 0.8          | 0.4         | 0.8         | -63%       |
| January            | 0.6          | 0.9          | 1.0          | 0.3         | 0.2         | -38%       |
| February           | 0.6          | 0.3          | 3.3          | 0.0         | 0.6         | 82%        |
| March              | 11.7         | 0.4          | 1.7          | 0.5         | 0.3         | 2550%      |
| April              | 12.5         | 10.1         | 5.1          | 2.7         | 11.0        | 24%        |
| <b>FYTD Total*</b> | <b>162.7</b> | <b>140.3</b> | <b>112.3</b> | <b>90.1</b> | <b>95.1</b> | <b>16%</b> |

\*Excludes potable water input to the RW system: FY20=3.8 MG; FY19=19.8 MG; FY18=15.35MG; FY17=1.4MG; FY16=7.4MG

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\*Excludes potable water input to the RW system: FY20=9.8 MG; FY19=19.8 MG; FY18=15.35MG; FY17=1.4MG; FY16=7.4MG

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## 2. Stafford Lake Data

|                          | April Average | April 2019   | April 2020   |
|--------------------------|---------------|--------------|--------------|
| Rainfall this month      | 1.70 Inches   | 0.76 Inches  | 1.08 Inches  |
| Rainfall this FY to date | 26.17 Inches  | 35.55 Inches | 18.31 Inches |
| Lake elevation*          | 193.3 Feet    | 195.9 Feet   | 190.7 Feet   |
| Lake storage**           | 1199 MG       | 1389 MG      | 1025 MG      |

\* Spillway elevation is 196.0 feet

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

## Temperature (in degrees)

|                     | Minimum | Maximum | Average |
|---------------------|---------|---------|---------|
| April 2019 (Novato) | 49      | 100     | 64      |
| April 2020 (Novato) | 40      | 89      | 62      |

## 3. Number of Services

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| April 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 | 20,749       | 20,751 | 0.0%   | 97             | 96   | 1.0%   | 791              | 791  | 0.0%   | -                | -    | -      |
| Total meters active    | 20,548       | 20,543 | 0.0%   | 92             | 92   | 0.0%   | 783              | 783  | 0.0%   | -                | -    | -      |
| Active dwelling units  | 24,074       | 24,075 | 0.0%   | -              | 0    | -      | 833              | 833  | 0.0%   | 235              | 235  | 0.0%   |

## 4. Oceana Marin Monthly Status Report (April)

| Description                     | April 2019 | April 2020 |
|---------------------------------|------------|------------|
| Effluent Flow Volume (MG)       | 0.586      | 0.347      |
| Irrigation Field Discharge (MG) | 1.016      | 0          |
| Treatment Pond Freeboard (ft)   | 5.0        | 8.2        |
| Storage Pond Freeboard (ft)     | 5.2        | 7.2        |

## 5. Developer Projects Status Report (April)

| Job No.   | Project                             | % Complete | % This month |
|-----------|-------------------------------------|------------|--------------|
| 1.2817.03 | College of Marin – New Miwok Center | 22         | 10           |
| 1.2828.00 | Jonas Center (COM)                  | 20         | 10           |

## District Projects Status Report - Const. Dept. (April)

| Job No.   | Project                            | % Complete | % This month |
|-----------|------------------------------------|------------|--------------|
| 1.6112.24 | Lynwood Pump Station MCC           | 16         | 0            |
| 2.6263.20 | Replace PRE Tank 4A                | 34         | 24           |
| 1.7150.00 | San Mateo Tank Inlet/Outlet        | 20         | 8            |
| 1.7007.13 | DCA Replacement                    | 98         | 8            |
| 1.7123.26 | PB Replace MCCE                    | 100        | 10           |
| 1.7183.00 | Replace Plastic 4-inch –Scown Lane | 30         | 15           |
| 1.7139.22 | Hatch Road – PB Replacement        | 90         | 15           |

## Employee Hours to Date, FY 19/20

As of Pay Period Ending April 30, 2020

Percent of Fiscal Year Passed = 83%

| Developer Projects | Actual | Budget | % YTD Budget | District Projects | Actual | Budget | % YTD Budget |
|--------------------|--------|--------|--------------|-------------------|--------|--------|--------------|
| Construction       | 2,121  | 1,400  | 152%         | Construction      | 2,317  | 3,740  | 62%          |
| Engineering        | 1,492  | 1,504  | 99%          | Engineering       | 1,644  | 3,096  | 53%          |

**6. Safety/Liability**

| 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 April              | 11                        | 2                    | 2                | 0                     | \$0              |
| FY 19 through April              | 7                         | 2                    | 2                | 7                     | \$8,476          |

Days without a lost time accident through April 30, 2020 102 Days

**7. Energy Cost**

| FYE              | kWh     | April |          | Fiscal Year-to-Date thru April |       |          |
|------------------|---------|-------|----------|--------------------------------|-------|----------|
|                  |         | ¢/kWh | Cost/Day | kWh                            | ¢/kWh | Cost/Day |
| 2020 Stafford TP | 40,100  | 24.0¢ | \$321    | 614,778                        | 20.7¢ | \$418    |
| Pumping          | 86,760  | 23.0¢ | \$666    | 1,164,031                      | 23.3¢ | \$888    |
| Other*           | 41,310  | 22.7¢ | \$313    | 473,561                        | 24.9¢ | \$385    |
|                  | 168,170 | 23.2¢ | \$1,300  | 2,252,370                      | 22.9¢ | \$1,691  |
| 2019 Stafford TP | 64,763  | 19.8¢ | \$427    | 511,327                        | 20.6¢ | \$347    |
| Pumping          | 69,360  | 20.7¢ | \$479    | 1,120,893                      | 20.7¢ | \$756    |
| Other*           | 51,083  | 20.4¢ | \$347    | 475,358                        | 23.4¢ | \$363    |
|                  | 185,206 | 20.3¢ | \$1,253  | 2,107,578                      | 21.4¢ | \$1,466  |
| 2018 Stafford TP | 64,288  | 19.7¢ | \$423    | 549,737                        | 19.6¢ | \$354    |
| Pumping          | 80,202  | 20.2¢ | \$558    | 1,155,650                      | 20.9¢ | \$794    |
| Other*           | 40,933  | 22.0¢ | \$311    | 413,736                        | 24.5¢ | \$333    |
|                  | 185,423 | 20.4¢ | \$1,292  | 2,119,123                      | 21.2¢ | \$1,481  |

\*Other includes West Marin Facilities

**8. Water Conservation Update**

|                                      | Month of April 2020 | Fiscal Year to Date | Program Total to Date |
|--------------------------------------|---------------------|---------------------|-----------------------|
| High Efficiency Toilet (HET) Rebates | 7                   | 110                 | 4157                  |
| Retrofit Certificates Filed          | 16                  | 153                 | 6389                  |
| Cash for Grass Rebates Paid Out      | 0                   | 10                  | 931                   |
| Washing Machine Rebates              | 0                   | 7                   | 6804                  |
| Water Smart Home Survey              | 17                  | 152                 | 3899                  |

**9. Utility Performance Metric**

| <b>SERVICE DISRUPTIONS<br/>(No. of Customers Impacted)</b> | <b>April 2020</b> | <b>April 2019</b> | <b>Fiscal Year to Date 2020</b> | <b>Fiscal Year to Date 2019</b> |
|--|-------------------|-------------------|---------------------------------|---------------------------------|
| <b>PLANNED</b>   |                   |                   |                                 |                                 |
| Duration Between 0.5 and 4 hours                           | 6                 | 19                | 39                              | 86                              |
| Duration Between 4 and 12 hours                            |                   |                   | 96                              | 83                              |
| Duration Greater than 12 hours                             |                   |                   |                                 |                                 |
| <b>UNPLANNED</b>   |                   |                   |                                 |                                 |
| Duration Between 0.5 and 4 hours                           | 2                 | 5                 | 57                              | 78                              |
| Duration Between 4 and 12 hours                            |                   |                   | 12                              |                                 |
| Duration Greater than 12 hours                             |                   |                   |                                 | 3                               |
| <b>SERVICE LINES REPLACED</b>                              |                   |                   |                                 |                                 |
| Polybutylene   | 5                 | 9                 | 51                              | 95                              |
| Copper (Replaced or Repaired)                              | 0                 | 3                 | 8                               | 11                              |



# NORTH MARIN WATER DISTRICT

## Summary of Complaints & Service Orders April 2020

5/11/2020

| Type                                    | Apr-20    | Apr-19     | Action Taken April 2020   |
|---|-----------|------------|---|
| <b><u>Consumers' System Problem</u></b> |           |            |   |
| Service Line Leaks                      | 15        | 36         | Notified Consumer   |
| House Valve / Meter Off                 | 5         | 18         | Notified Consumer   |
| Nothing Found                           | 7         | 22         | Notified Consumer   |
| High Pressure                           | 2         | 5          | PRV failed @ 95 PSI. Advised to replace.<br>PRV failed @ 130 PSI. Advised to replace PRV & bib timer. |
| <b>Total</b>                            | <b>29</b> | <b>81</b>  |   |
| <b><u>Service Repair Reports</u></b>    |           |            |   |
| Meter Replacement                       | 1         | 4          | Replaced  |
| Meter Box Alignment                     | 0         | 1          | Repaired  |
| Box and Lids                            | 0         | 1          | Repaired  |
| Water Off/On Due To Repairs             | 7         | 7          | Notified Consumer   |
| Misc. Field Investigation               | 6         | 12         | Notified Consumer   |
| <b>Total</b>                            | <b>14</b> | <b>25</b>  |   |
| <b><u>Leak NMWD Facilities</u></b>      |           |            |   |
| Main-Leak                               | 1         | 1          | Repaired  |
| Service- Leak                           | 8         | 10         | Repaired  |
| Services-Nothing Found                  | 0         | 1          | Notified Consumer   |
| Fire Hydrant-Leak                       | 1         | 0          | Repaired  |
| Meters-Nothing Found                    | 1         | 0          | Notified Consumer   |
| Washer Leaks                            | 3         | 10         | Repaired  |
| <b>Total</b>                            | <b>14</b> | <b>22</b>  |   |
| <b><u>High Bill Complaints</u></b>      |           |            |   |
| Consumer Leaks                          | 0         | 1          | Notified Consumer   |
| Meter Testing                           | 0         | 1          | Notified Consumer   |
| Nothing Found                           | 1         | 3          | Notified Consumer   |
| Excessive Irrigation                    | 0         | 1          | Notified Consumer   |
| <b>Total</b>                            | <b>1</b>  | <b>6</b>   |   |
| <b><u>Low Bill Reports</u></b>          |           |            |   |
| Meter Misread                           | 0         | 0          |   |
| Stuck Meter                             | 0         | 0          |   |
| Nothing Found                           | 0         | 0          | Notified Consumer   |
| Projected Consumption                   | 0         | 0          |   |
| Minimum Charge Only                     | 0         | 0          |   |
| <b>Total</b>                            | <b>0</b>  | <b>0</b>   |   |
| <b><u>Water Quality Complaints</u></b>  |           |            |   |
| Taste and Odor                          | 0         | 0          |   |
| Color                                   | 0         | 0          |   |
| Turbidity                               | 0         | 0          |   |
| Suspended Solids                        | 0         | 0          |   |
| Other                                   | 0         | 0          |   |
| <b>Total</b>                            | <b>0</b>  | <b>0</b>   |   |
| <b><u>TOTAL FOR MONTH:</u></b>          | <b>58</b> | <b>134</b> | <b>-57%</b>   |

# NORTH MARIN WATER DISTRICT

## Summary of Complaints & Service Orders April 2020

5/11/2020

| Type                       | Apr-20       | Apr-19       | Action Taken April 2020        |   |
|----------------------------|--------------|--------------|--------------------------------|---|
| <b>Fiscal YTD Summary</b>  |              |              | <b>Change Primarily Due To</b> |   |
| Consumer's System Problems | 599          | 694          | -14%                           | Decrease In Nothing Found.              |
| Service Repair Report      | 191          | 245          | -22%                           | Decrease In Water Off/On Due to Repairs |
| Leak NMWD Facilities       | 139          | 187          | -26%                           | Decrease In Service Leaks.              |
| High Bill Complaints       | 71           | 211          | -66%                           | Decrease In Nothing Found.              |
| Low Bills                  | 0            | 8            | -100%                          | Decrease In Nothing Found.              |
| Water Quality Complaints   | 15           | 22           | -32%                           | Decrease in Other.                      |
| <b>Total</b>               | <b>1,015</b> | <b>1,367</b> | <b>-26%</b>                    |   |

### "In House" Generated and Completed Work Orders

|  |           |            |
|--|-----------|------------|
| <b>Check Meter:</b> possible consumer/District leak, high bill, flooded, need read, etc. | 12        | 80         |
| <b>Change Meter:</b> leaks, hard to read   | 2         | 70         |
| <b>Possible Stuck Meter</b>  | 0         | 1          |
| <b>Repair Meter:</b> registers, shut offs  | 0         | 2          |
| <b>Replace Boxes/Lids</b>  | 0         | 7          |
| <b>Dig Outs</b>  | 0         | 4          |
|  | <b>14</b> | <b>164</b> |

### Bill Adjustments Under Board Policy: April 20 vs. April 19

|        |    |          |
|--------|----|----------|
| Apr-20 | 11 | \$3,734  |
| Apr-19 | 20 | \$12,226 |

### Fiscal Year vs Prior FY

|          |     |           |
|----------|-----|-----------|
| FY 19/20 | 240 | \$71,860  |
| FY 18/19 | 274 | \$105,089 |

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MEMORANDUM

To: Board of Directors

May 15, 2020

From: Julie Blue, Auditor-Controller *JB*  
Nancy Holton, Accounting Supervisor *NH*

Subj: Auditor-Controller's Monthly Report of Investments for April 2020  
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**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$23,565,658 and a market value of \$23,688,227. During April the cash balance increased by \$860,518. The market value of securities held increased \$122,568 during the month. The ratio of total cash to budgeted annual operating expense stood at 136%, up 5% from the prior month.

At April 30, 2020, 64% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 24% in Time Certificates of Deposit, 4% in US Treasury Notes, 5% in the Marin County Treasury, and 3% retained locally for operating purposes. The weighted average maturity of the portfolio was 96 days, compared to 92 days at the end of March. The LAIF interest rate for the month was 1.65%, compared to 1.79% the previous month. The weighted average Portfolio rate was 1.83%, compared to 1.89% the previous month.

Investment Transactions for the month of April are listed below:

|           |          |                            |                |                                |  |
|-----------|----------|----------------------------|----------------|--------------------------------|--|
| 4/1/2020  | US Bank  | LAIF                       | \$1,100,000.00 | Trsf to LAIF account           |  |
| 4/7/2020  | US Bank  | American Express Natl Bank | \$248,000.00   | Purchase 1.35% TCD due 4/7/22  |  |
| 4/13/2020 | US Bank  | LAIF                       | \$300,000.00   | Trsf to LAIF account           |  |
| 4/13/2020 | Citibank | US Bank                    | \$249,179.46   | TCD Matured                    |  |
| 4/17/2020 | US Bank  | Synchrony Bank             | \$248,000.00   | Purchase 1.20% TCD due 4/18/22 |  |

**NORTH MARIN WATER DISTRICT  
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS  
April 30, 2020**

| Type                               | Description                 | S&P Rating | Purchase Date | Maturity Date | Cost Basis <sup>1</sup> | 4/30/2020 Market Value | Yield <sup>2</sup> | % of Portfolio |
|------------------------------------|-----------------------------|------------|---------------|---------------|-------------------------|------------------------|--------------------|----------------|
| <b>LAIF</b>                        | State of CA Treasury        | AA-        | Various       | Open          | \$15,009,686            | \$15,121,974           | 1.65% <sup>3</sup> | <b>64%</b>     |
| <b>Time Certificate of Deposit</b> |                             |            |               |               |                         |                        |                    |                |
| 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                                | 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                                | TIAA Bank                   | n/a        | 1/18/19       | 7/19/21       | 246,000                 | 246,000                | 2.75%              | 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%             |
| TCD                                | Synovus Bank                | n/a        | 12/9/19       | 12/9/21       | 247,000                 | 247,000                | 1.65%              | 1%             |
| TCD                                | Morgan Stanley Bank         | n/a        | 1/16/20       | 1/18/22       | 247,000                 | 247,000                | 1.75%              | 1%             |
| TCD                                | Wells Fargo National Bank   | n/a        | 3/6/20        | 3/7/22        | 248,000                 | 248,000                | 1.35%              | 1%             |
| TCD                                | American Express Natl Bank  | n/a        | 4/7/20        | 4/7/22        | 248,000                 | 248,000                | 1.35%              | 1%             |
| TCD                                | Synchrony Bank              | n/a        | 4/17/20       | 4/18/22       | 248,000                 | 248,000                | 1.20%              | 1%             |
|                                    |                             |            |               |               | <b>\$5,689,000</b>      | <b>\$5,689,000</b>     | <b>2.27%</b>       | <b>24%</b>     |
| <b>US Treasury Notes</b>           |                             |            |               |               |                         |                        |                    |                |
| Treas                              | 2.750%                      | n/a        | 3/5/19        | 9/30/20       | 1,000,891               | 1,011,172              | 2.76%              | 4%             |
|                                    |                             |            |               |               | <b>\$1,000,891</b>      | <b>\$1,011,172</b>     | <b>2.75%</b>       | <b>4%</b>      |
| <b>Other</b>                       |                             |            |               |               |                         |                        |                    |                |
| Agency                             | Marin Co Treasury           | AAA        | Various       | Open          | \$1,052,440             | \$1,052,440            | 2.22%              | 5%             |
| Other                              | Various                     | n/a        | Various       | Open          | 813,642                 | 813,642                | 0.41%              | 3%             |
| <b>TOTAL IN PORTFOLIO</b>          |                             |            |               |               | <b>\$23,565,658</b>     | <b>\$23,688,227</b>    | <b>1.83%</b>       | <b>100%</b>    |

Weighted Average Maturity = **96 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 April 30, 2020.



| <b>Interest Bearing Loans</b>       | 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          | \$1,179,905           | 1.00%         |
| Employee Housing Loans (2)          | Various   | Various       | 525,000              | 525,000               | Contingent    |
| <b>TOTAL INTEREST BEARING LOANS</b> |           |               | <b>\$5,402,935</b>   | <b>\$1,704,905</b>    |               |

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

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## MEMORANDUM

To: Board of Directors

From: Drew McIntyre, General Manager and Acting Chief Engineer  
Carmela Chandrasekera, Senior Engineer   May 15, 2020

Subject: Notice of Completion for Cherry Hill Tank2 Recoat and Rehabilitation Project  
(Paso Robles Tank, Inc.)

R:\Folders by Job No\6000 jobs\6205.22 Cherry Hill No. 2 Recoat\BOD memos\6205.22 Notice of Completion BOD memo.doc

**RECOMMENDED ACTION:** Authorize the General Manager to execute and file a Notice of Completion for the Cherry Hill Tank 2 Recoat and Rehabilitation project.

**FINANCIAL IMPACT:** None

Pursuant to and in conformance with contract requirements for the Cherry Hill Tank 2 Recoat and Rehab project (Cherry Hill Tank 2 project), the contractor Paso Robles Tank, Inc. (PRT) has fulfilled their obligations under the contract. Corrections of all work deficiencies and punch list items have been completed. All work performed by PRT has been inspected by District staff and the coating inspector (D.B. Gaya Consulting). PRT's work was completed on April 22, 2020.

Per the Contract Documents, PRT has furnished written notice that the work is complete and that all subcontractors and equipment suppliers have been paid (see Attachment A). PRT has released the District of all claims. A Notice of Completion is provided as Attachment B which, if approved, will be filed with Marin County on May 20, 2020. The District is currently processing payment for \$67,450.95 while the final payment (for monies held in retention) in the amount of \$15,250.05 will be processed for release, on or after June 25, 2020 subject to absence of any additional claims filed during the 30-day notice period.

Project Cost Summary

The Board approved the award of the contract with PRT for \$313,501 for rehabilitation of the Cherry Hill Tank 2 project with a contingency of \$30,000 (10% of contract value). The only change order was a deductive change order for \$8,500 (-2.7% of the contract amount). Total payment to PRT will be \$305,001. The total project cost (\$390,000) is 22% below the budget provided to the Board on October 1, 2019 (\$499,000). The final project cost summary as of May 12, 2020 is provided as Attachment C.

RECOMMENDATION

Authorize the General Manager to execute and file a Notice of Completion for the Cherry Hill Tank 2 Recoat and Rehabilitation project.

Approved by GM 

Date 5/15/20

**CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT**

**NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.**

---

**Identifying Information**

---

Name of Claimant: PASO ROBLES TANK, INC.

---

Name of Customer: NORTH MARIN WATER DISTRICT

---

Job Location: CHERRY HILL T-2 RECOAT/REHAB, 98 ROBINHOOD DR, NOVATO, CA, 94945

---

Owner: NORTH MARIN WATER DISTRICT

---

**Conditional Waiver and Release**

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

---

Maker of Check: NORTH MARIN WATER DISTRICT

---

Amount of Check: \$15,250.05

---

Check Payable to: PASO ROBLES TANK, INC.

---

**Exceptions**

---

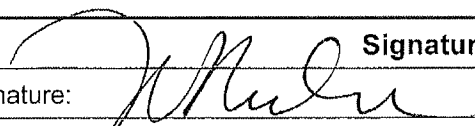
This document does not affect any of the following:  
Disputed claims for extras in the amount of : \$

---

**Signature**

---

Claimant's Signature:



---

Claimant's Title: Accounts Receivable

---

Date of Signature: 4/30/2020

---

Posting requested by:

NORTH MARIN WATER DISTRICT

After Posting Time has Expired Mail To:

North Marin Water District  
P. O. Box 146  
Novato, CA 94948-0146

NORTH MARIN WATER DISTRICT  
NOVATO, CALIFORNIA

**NOTICE OF COMPLETION**

To: Marin County Clerk  
3501 Civic Center Dr., Rm 234  
San Rafael, CA 94903

Date: May 20, 2020

File No.: 1 6205.22

Date of Completion: April 22, 2020

Owner: North Marin Water District  
999 Rush Creek Place  
Novato, CA 94947

**OWNER'S ESTATE OR INTEREST:**

Easement \_\_\_\_\_ Fee Title  X  Encroachment Permit \_\_\_\_\_  
Other (describe) \_\_\_\_\_

**CONTRACTOR:**

Paso Robles Tank, Inc.  
825 26<sup>th</sup> Street  
Paso Robles, CA 93446

TITLE OF PROJECT: Cherry Hill Tank No. 2 Recoat and Rehabilitation

DESCRIPTION OF PROJECT: Surface preparation and recoating of tank interior and over-coating of tank exterior surfaces per project plans and specifications and associated rehabilitation work on the District's 37'-8" diameter, 27'-6" tall, 200,000 gallon capacity welded steel finished water storage tank in Novato, California. Associated rehabilitation work includes but is not limited to rehabilitation of interior platform hand rails, short ladder, installation of a roof hatch, tank mixing system, sample tap, overflow/drain modifications, and removal and disposal of spent abrasive and coating residue.

DESCRIPTION OF SITE (LOCATION): End of Robinhood Dr., Novato, CA

Final payment will be made to the above contractor on or after 35 days from the recording date of this notice of completion, except where otherwise provided for by law.

The undersigned under penalty of perjury says that he is the General Manager of the North Marin Water District, the public agency authorizing the work or improvement referred to in the foregoing notice of completion; that he has executed such notice of completion on behalf of such public agency and likewise makes this verification on behalf of said public agency pursuant to authority granted by the District's Board of Directors; and that he has read said notice of completion and knows the contents thereof and that the facts therein stated are true.

\_\_\_\_\_  
Drew McIntyre, General Manager /  
Acting Chief Engineer

**VERIFICATION**

**STATE OF CALIFORNIA )  
COUNTY OF MARIN )**

THE UNDERSIGNED, declares that he has read the foregoing notice, knows the contents thereof, and the same is true of his own knowledge. I certify under penalty of perjury that the foregoing is true and correct.

**SEAL:**

\_\_\_\_\_  
Drew McIntyre, General Manager /  
Acting Chief Engineer

\_\_\_\_\_  
Date and Place

Disposition:  
Original: County Recorder  
Copy: Contractor  
Copy: Project File



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

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

UPDATED BY: Carmela  
DATE: 8/13/2019 5/12/2020

SERVICE AREA:  **NOVATO**

**WEST MARIN**


**OCEANA MARIN**

|   |  |                           |                           |                            |                              |              |                          |                            |
|---|--|---------------------------|---------------------------|----------------------------|------------------------------|--------------|--------------------------|----------------------------|
| Job No.   | Job Title:-Cherry Hill Tank 2 Recoat Project         |                           |                           |                            |                              |              |                          |                            |
| Facility No. 6221   | Facility Type (Pipelines, Pump Stations, etc.): TANK |                           |                           |                            |                              |              |                          |                            |
| <b>Description:</b>   |  |                           |                           |                            |                              |              |                          |                            |
| Recoat interior and exterior of Cherry Hill Tank No. 2 and Perform Inspection.  |  |                           |                           |                            |                              |              |                          |                            |
| - Interior work consists of removing existing coating, none of which is anticipated to be disposed of as hazardous waste due to high zinc or lead levels, and surface preparation to SSPC-SP10, white metal blast interior and sand and over-coating exterior. New interior coating consists of a single coat of NSF 61 approved 100% solids epoxy. |  |                           |                           |                            |                              |              |                          |                            |
| - Exterior work consists of overcoating. New exterior coating consists of a 2-coat system of epoxy primer & Acrylic topcoat.  |  |                           |                           |                            |                              |              |                          |                            |
| Other misc. work include tank drain modification, replace roof hatch, replace roof vent and add sample tap and penetration for level transmission. A mixing system will be added.   |  |                           |                           |                            |                              |              |                          |                            |
| Install new cathodic protection   |  |                           |                           |                            |                              |              |                          |                            |
| - Coating inspection is to be provided under the lead of an outside consultant.   |  |                           |                           |                            |                              |              |                          |                            |
| <b>Project Justification:</b>   |  |                           |                           |                            |                              |              |                          |                            |
| Due to deteriorated original (circa 1997) interior coatings and exterior coatings, high structural corrosion levels, and updated construction standards; this tank is scheduled for recoating and repairs.  |  |                           |                           |                            |                              |              |                          |                            |
| <b>Baseline Cost Estimate</b>   | <b>Initial<br/>(12/27/17)</b>                        | <b>Updated<br/>2/7/19</b> | <b>Updated<br/>8/7/19</b> | <b>Updated<br/>5/12/20</b> | <b>Baseline<br/>Schedule</b> | <b>Start</b> | <b>Finish<br/>(Est.)</b> | <b>Finish<br/>(Actual)</b> |
| 1   | Project Dev.   | \$10,000                  | \$7,000                   | \$7,000                    | Project Dev.                 | 7/1/2018     | 12/31/2018               |                            |
| 2   | Design   | \$25,000                  | \$25,000                  | \$25,000                   |                              |              |                          |                            |
| 3   | Tank Inspection by Consultant                        | \$2,000                   | \$7,000                   | \$7,000                    | Design                       | 1/1/2019     | 8/15/2019                |                            |
| 4   | Recoating contract                                   | \$300,000                 | \$325,000                 | \$325,000                  | Permitting                   |              |                          |                            |
| 5   | Labor Compliance                                     | \$15,000                  | \$0                       | \$0                        | Procurement                  |              |                          |                            |
| 6   | Outside Coating Inspection                           | \$30,000                  | \$25,000                  | \$25,000                   | Construction                 | 9/30/2019    | 3/17/2020                | 4/7/20                     |
| 7   | NMWD Const.  | \$5,000                   | \$5,000                   | \$5,000                    |                              |              |                          |                            |
| 8   | NMWD Maint.  | \$5,000                   | \$5,000                   | \$5,000                    | Project<br>Closeout          |              | 6/1/2020                 |                            |
| 9   | NMWD operations                                      | \$5,000                   | \$5,000                   | \$5,000                    |                              |              |                          |                            |
| 10  | Materials  | \$5,000                   | \$5,000                   | \$5,000                    |                              |              |                          |                            |
| 11  | Legal + Misc.  | \$5,000                   | \$5,000                   | \$5,000                    |                              |              |                          |                            |
| 12  | Const. Admin (eng.)                                  | \$30,000                  | \$30,000                  | \$30,000                   |                              |              |                          |                            |
| 13  | Paving Tank Pad and access road                      | \$5,000                   | \$5,000                   | \$5,000                    |                              |              |                          |                            |
| 14  | Project Closeout                                     | \$5,000                   | \$5,000                   | \$5,000                    |                              |              |                          |                            |
| 15  | SubTotal   | \$447,000                 | \$454,000                 | \$454,000                  |                              |              |                          |                            |
| 16  | Project Contingency (10%)                            | \$44,700                  | \$45,400                  | \$45,400                   |                              |              |                          |                            |
|   | <b>Total</b>   | <b>\$492,000</b>          | <b>\$499,000</b>          | <b>\$499,000</b>           |                              |              |                          |                            |
| Comments:   |  |                           |                           |                            |                              |              |                          |                            |

**7**

## MEMORANDUM

To: Board of Directors May 15, 2020

From: Drew McIntyre, General Manager/Acting Chief Engineer 

Subject: Renew Declaration of Local Emergency Related to COVID-19 Pandemic  
t:\gm\bod misc 2020\renew covid emergency declaration #3 05\_19\_20.doc

**RECOMMENDED ACTION:** Approve continuation of the local emergency resulting from the COVID-19 pandemic as declared in District Resolution No. 20-07

**FINANCIAL IMPACT:** The actual fiscal impacts are currently unknown.

On March 4, 2020, the Governor of the State of California declared a State of Emergency as a result of the coronavirus (COVID-19) pandemic. On March 13, 2020, the President of the United States declared a National Emergency as a result of the threat of COVID-19.

On March 16, 2020, the County of Marin by Order of the Health Officer issued a Shelter in Place Order limiting the travel of all county residents and ordering county businesses to cease all non-essential activities and to take further actions as described in said Order through April 7, 2020. The order limits activity, travel and business functions to most essential needs.

On March 16, 2020 the General Manger, as the District's Emergency Manager activated the District's Emergency Operations Plan.

On March 19, 2020, Governor Newsom issued Executive Order N-33-20 ordering all individuals living in California to stay home at their place of residence, with certain exceptions for critical services and other qualifying exceptions. This shelter-in-place order has no specified termination date.

On March 31, 2020, the County of Marin by Order of the Health Officer issued an extended Shelter in Place Order through May 3, 2020 that is more restrictive than the original order. The new order continues to provide an exception for the operations and maintenance of "Essential Infrastructure," which includes, but is not limited to, water, wastewater, and recycled water service. Exemptions are also in place for Essential Government Functions, for certain "Minimum Basic Operations," for emergency management functions, for certain narrowly prescribed "Essential Business" functions, and for certain qualifying private construction, such as housing projects meeting low-income needs.

On April 29, 2020, Marin County and the other six Bay Area Public Health Officers who ordered a shelter-in-place in mid-March extended the orders through May 31 effective Monday, May 4. Marin's public health order concerning use of face coverings does not have an end date and will remain in place until further notice. Under the new Shelter-In-Place order, construction activities,

certain businesses that operate primarily outdoors, and some outdoor activities will be allowed to resume with specific conditions.

On April 7<sup>th</sup>, the Board of Directors approved Resolution No. 20-07 proclaiming the existence of a local emergency, granting the General Manager to take actions necessary for emergency response due to the COVID-19 pandemic until the State of Emergency is terminated.

On April 21, 2020, and May 5, 2020 the Board of Directors approved continuations of the local emergency resulting from the COVID-19 pandemic as declared in District Resolution No. 20-07.

District emergency planning has been aggressively implemented since March 16, 2020. Approximately 50% of the District's staff are physically separated as much as possible by rotating shifts and having some employees work from home, but all critical operations needed to maintain essential services continue. Relocation of some staff back to the District buildings, and certain other projects and activities, are delayed until after the Marin County and Statewide shelter-in-place orders are both significantly modified, suspended, or terminated.

As the COVID-19 emergency continues in our service area, Staff is requesting the Board find that there still exists a need to continue the State of Emergency reflected by Resolution No. 20-07.

RECOMMENDED ACTION:

Approve continuation of the local emergency resulting from the COVID-19 pandemic as declared in District Resolution No. 20-07.

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## MEMORANDUM

To: Board of Directors

May 15, 2020

From: Julie Blue, Auditor-Controller 

Subj: Budget Review – Proposed FY 20/21 Budgets Novato &amp; West Marin Service Areas

t:\aclbudget\fy-2020.21\budget final fy 20.21\novato & marin budget review 1 may 19, 2020 fy 20.21.docx**RECOMMENDED ACTION:** Information Only – Budget Review**FINANCIAL IMPACT:** None at this time – Total \$28.5 Million Expenditure Plan  
Capital/Equipment/Debt Service - \$10.7 Million  
Operations - \$17.8 Million

Attached for review are the FY 20/21 Budgets for North Marin Water District (NMWD) which include Novato Water, West Marin Water (WM), Recycled Water (RW) and Ocean Marin Sewer (OM).

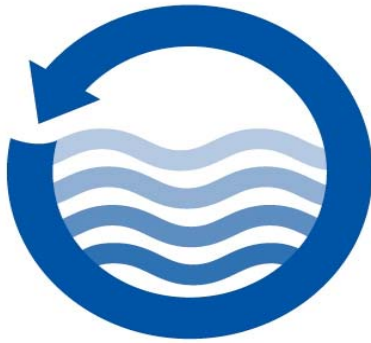
In anticipation of upcoming water and sewer rate increases, the Board of Directors (BOD) reviewed financial forecasts for each service district (Novato in February and March included with the 2020 Novato and Recycled Water Rate Study and WM/OM in April). These financial forecasts were 5-year projections outlining the overall financial status of each District and conveyed the need for District wide rate increases.

The BOD also reviewed the FY 20/21 Capital Improvement Project Budget (CIP) and Equipment Budget in late April. The CIP Budget has a projected net project outlay of \$6.3 million. The Equipment Budget has a projected outlay of \$330,000.

This budget will be reviewed and refined prior to the next BOD's review which is scheduled at the next Board meeting on June 2, 2020 at 6:00 pm. At the June 16, 2020 Board meeting there will also be a public rate hearing to review and approve rate increases for the Novato Systems.

The following schedule outlines the upcoming additional activities related to the budget and proposed rate increases to occur over the next few weeks. This schedule was approved by the BOD at the February 4, 2020 meeting.

| <b>Date</b> | <b>Location</b> | <b>Item</b>   | <b>Review/Approve</b> | <b>Rate Hearing</b> | <b>Service Area</b>   |
|-------------|-----------------|---|-----------------------|---------------------|-----------------------|
| May 19      | Novato          | Operations & Maintenance and Capital Budget - District                  | Review Only           |                     | Novato/RW/WM/OM       |
| June 2      | Novato          | Operations & Maintenance and Capital Budget - District                  | Review Only           |                     | Novato/RW/WM/OM       |
| June 16     | Novato          | Operations & Maintenance and Capital Budget - Novato and Recycled Water | Approve               | X                   | Novato/Recycled Water |
| June 23     | Pt Reyes        | Operations & Maintenance and Capital Budget - West Marin Water          | Approve               | X                   | West Marin Water      |
| June 23     | Pt Reyes        | Operations & Maintenance and Capital Budget - Oceana Marin Sewer        | Approve               | X                   | Oceana Marin Sewer    |



**NORTH MARIN  
WATER DISTRICT**

999 Rush Creek Place  
PO Box 146  
Novato, CA 94948  
Phone 415.897.4133  
[www.nmwd.com](http://www.nmwd.com)

Draft - May 19, 2020

# **BUDGETS**

## **Novato & West Marin Service Areas**

FISCAL YEAR

# **2020/21**

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

Officers: Drew McIntyre, General Manager/Acting Chief Engineer \* Terrie Kehoe, Secretary \* Julie Blue, Auditor-Controller



## **INTRODUCTION**

This document contains the fiscal year 2020/21 budgets for North Marin Water District's various enterprise service districts located in Marin County. These are:

**Potable Water Service:**

Novato

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

**Recycled Water Treatment, Transmission and Distribution:**

Novato

**Sewage Collection, Treatment & Reuse/Disposal:**

Oceana Marin

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

## **MISSION STATEMENT**

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

## **VISION STATEMENT**

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

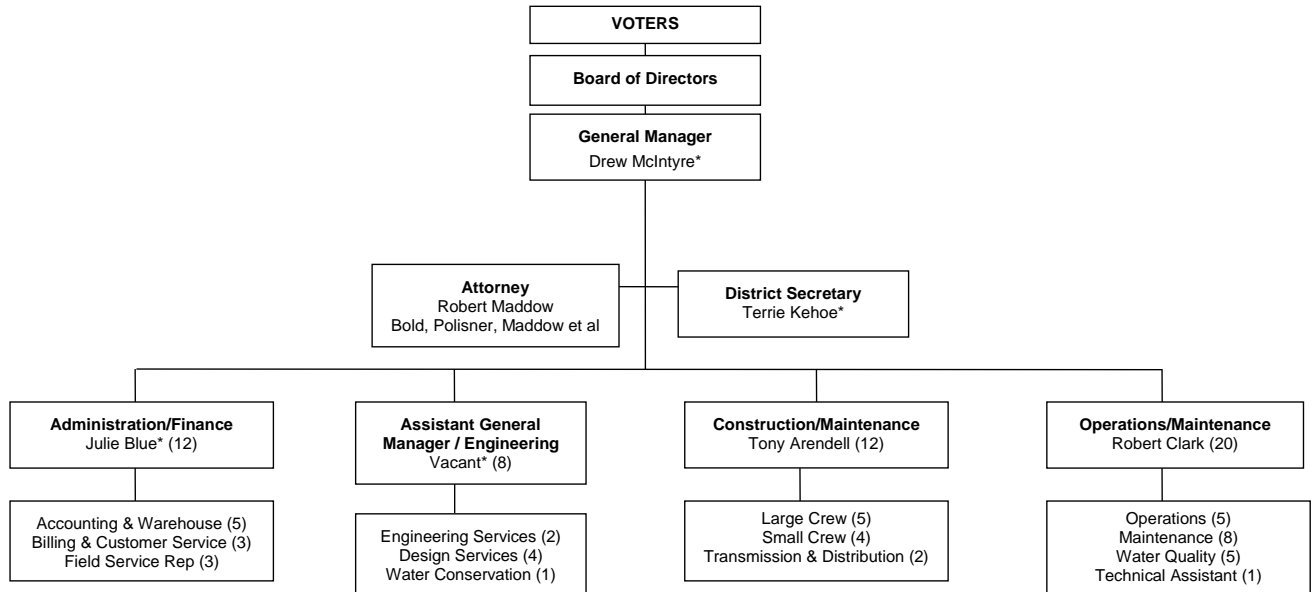
## **NMWD VALUES**

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

**ORGANIZATION FACT SHEET**  
July 2020

**Organization:**

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



**Authority:**

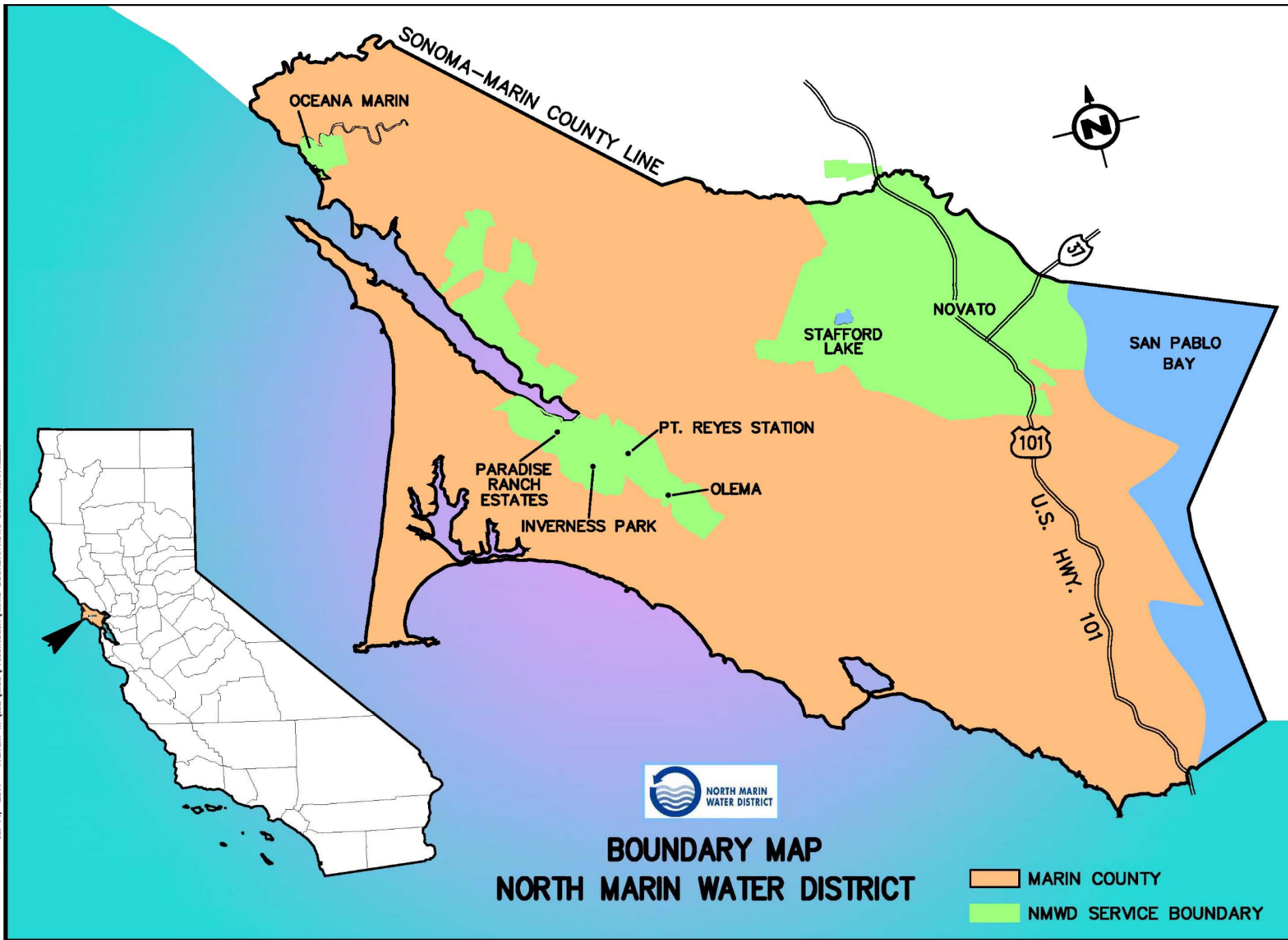
Formed by voter approval in April 1948 pursuant to provisions of the County Water District Law (refer Water Code - Division 12). A "voter-run" district.

**Territory:**

100 square miles (see attached map)

**Distribution System Expansion Policy:**

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



**BOUNDARY MAP  
NORTH MARIN WATER DISTRICT**

- MARIN COUNTY
- NMWD SERVICE BOUNDARY

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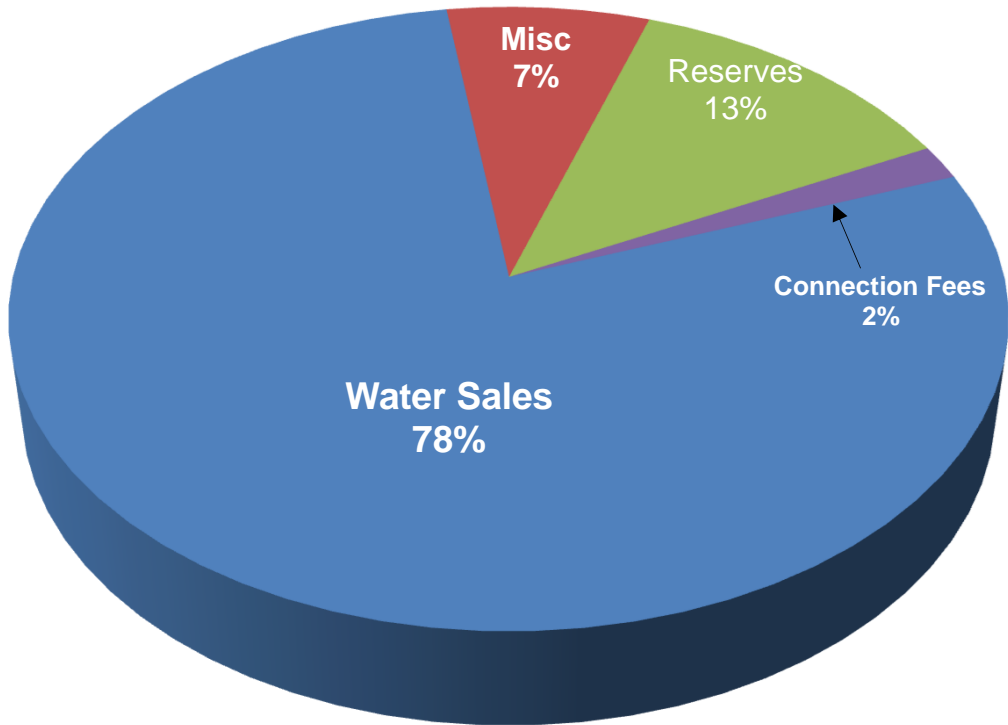
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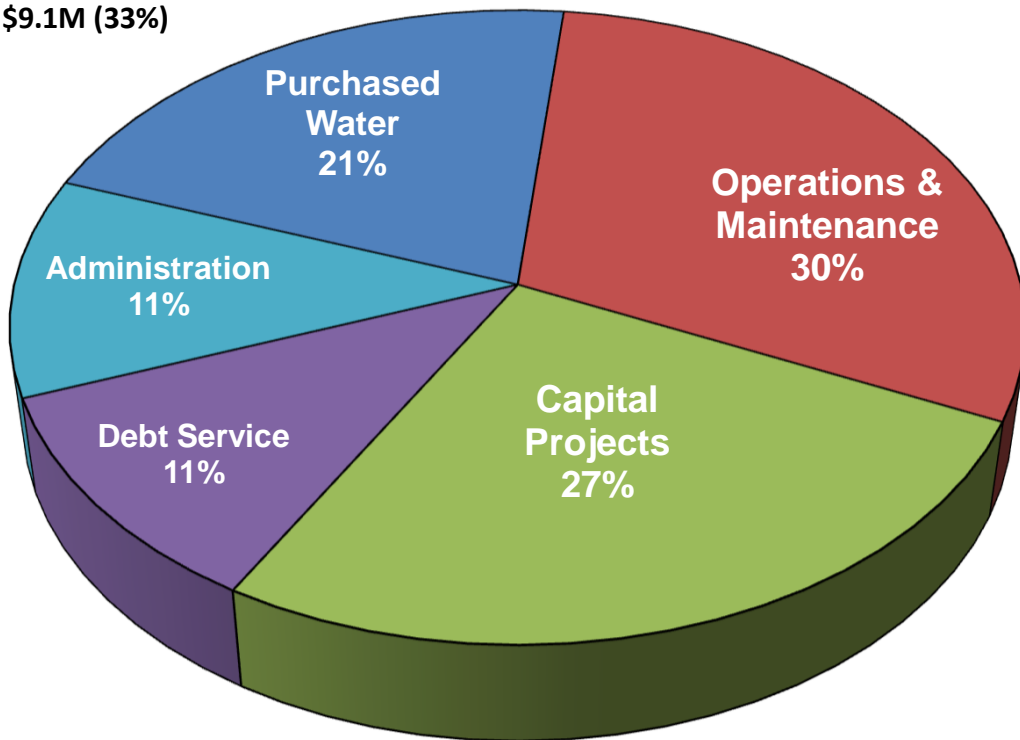
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**NORTH MARIN WATER DISTRICT**  
**FY20/21 DRAFT BUDGET - ALL SERVICE AREAS COMBINED**  
**SOURCES = \$28,545,000**



Labor = \$9.1M (33%)



**USES = \$28,545,000**

Excludes Depreciation Expense & Developer Funded Costs

# NMWD DRAFT BUDGET

## Summary

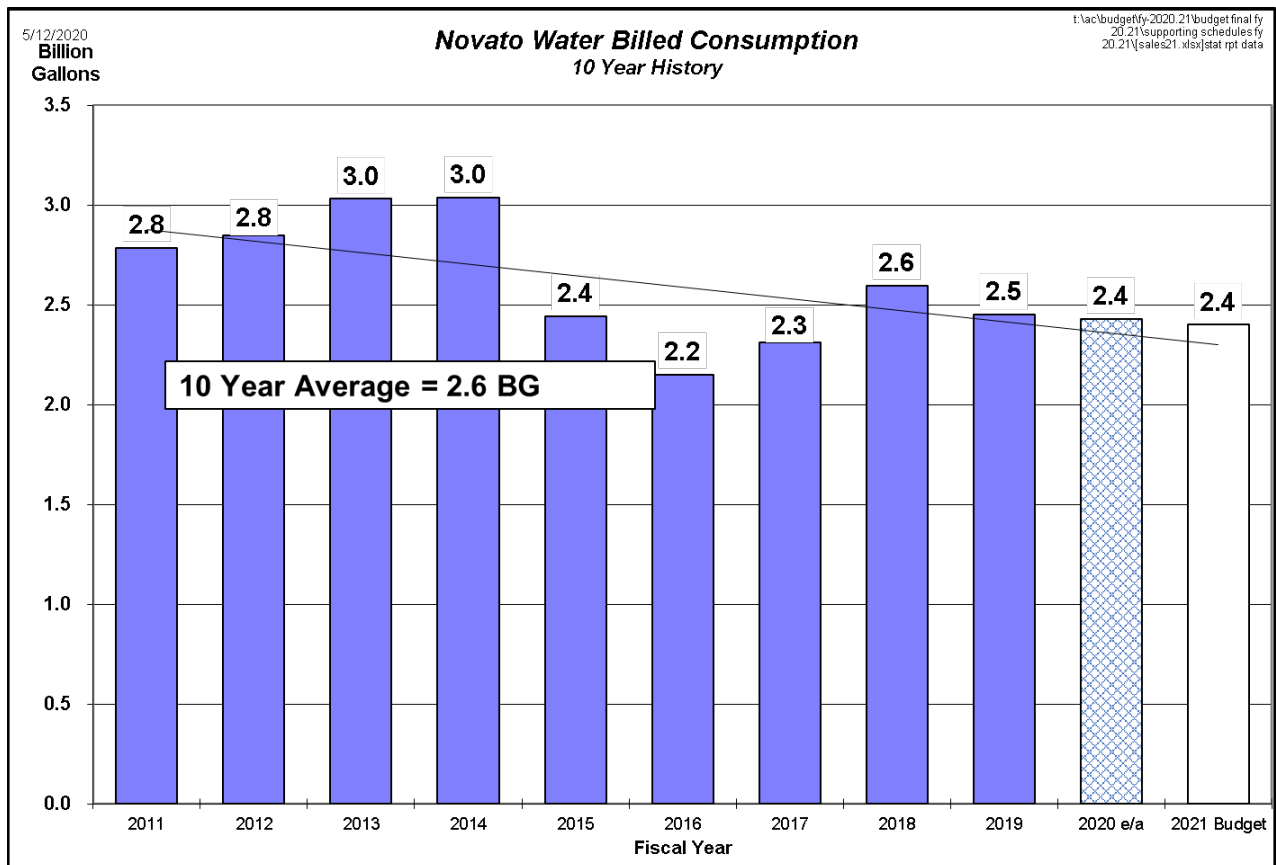
The \$28.5 million consolidated budget projects operating revenue of \$23 million and a net income of \$1.3 million. The FY 20/21 budget incorporates \$6.3 million in internally funded capital improvement projects and \$6 million in water purchases. After payment of \$3.1 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of \$3.6 million.

## Novato Water

The Novato Potable Water System budget projects a \$3.1 million cash decrease over the fiscal year. Incorporated in the budget are proposed structural and rate changes to the commodity and bimonthly service charge which will generate an additional 6% in revenue. The proposed 6% rate changes, effective July 1, 2020, will be considered by the Board of Directors at a public hearing occurring on June 16, 2020. Total budget outlay, which includes \$5 million in capital improvement projects, is projected at \$24.6 million which is \$0.9M higher than the FY 19/20 budget.

## *Operating Revenue*

**Water Sales** - Water sales volume is budgeted at 2.4 billion gallons (BG) which is consistent with the FY 19/20 projections and consistent with FY 18/19 actual sales. The 6% rate increase, effective July 1, 2020 is projected to increase revenues by \$1.1 million but is highly dependent on water sales volume. The below chart shows a 10-year history of billed consumption for the Novato Potable Water System.



## NMWD DRAFT BUDGET

**Other Revenue** – Connection Fee revenue is budgeted at \$486,000. Connection fee revenue of \$1.5 million for 52 Equivalent Dwelling Units (EDUs) was collected in FY 18/19. The annual average connections have been 34 EDUs (FY 14/15 through FY 18/19). Included in the projections is annual connection fee revenue equivalent to 17 EDUs or half of the actual five-year average.

The wheeling charge to Marin Municipal Water District is budgeted at \$98,000. This is based on and equal to the projected revenue estimate to be received for the current fiscal year. In addition, MMWD will pay the annual fixed AEEP capital contribution of \$205,000 in accord with the terms of the 2014 Interconnection Agreement. Miscellaneous Revenue includes \$94,000 in combined income from the rental of the Point Reyes home, the Little Mountain cell phone tower lease, Indian Valley Golf Club lease, two grazing leases, rental of the District's security apartment, and rental of the Pacheco Valle tennis courts.

### ***Operating Expenditures***

Operating expenses (excluding depreciation) are budgeted to increase 2.5% or \$403,000 from the FY 19/20 budget. The increase is primarily due to an increase in the cost to purchase water and increases in personnel costs. More details are outlined in this budget report.

**Source of Supply** – The purchase price of water from Sonoma Water (SW) (AKA Sonoma County Water Agency) is projected to increase 6.79% in FY 20/21. This change will result in a cost per acre-foot of \$1,001 for FY 20/21 versus \$937.34 for the current fiscal year and is estimated to increase the cost to purchase water by \$360,000. This increase in the cost of purchase water is offset by a slight decrease in water sales.

**Stafford Treatment Plant (STP) Water Production** – STP water production is projected at 650 MG in FY 20/21 which is lower than the average annual production of 665 MG over the past 10 years. The cost of production at the end of FY 18/19 was \$3,464/MG and varies depending on the volume and length of production.

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

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

| <b><u>FTE Staffing</u></b> | <b><u>FY21</u></b> | <b><u>FY20</u></b> |
|----------------------------|--------------------|--------------------|
| Administration             | 8.0                | 8.0                |
| Consumer Services          | 6.0                | 6.0                |
| Construction/Maintenance   | 12.0               | 12.0               |
| Engineering                | 8.0                | 8.0                |
| Maintenance                | 9.0                | 9.0                |
| Operations                 | 6.0                | 6.0                |
| Water Quality              | <u>5.0</u>         | <u>5.0</u>         |
|                            | <u>54.00</u>       | <u>54.00</u>       |

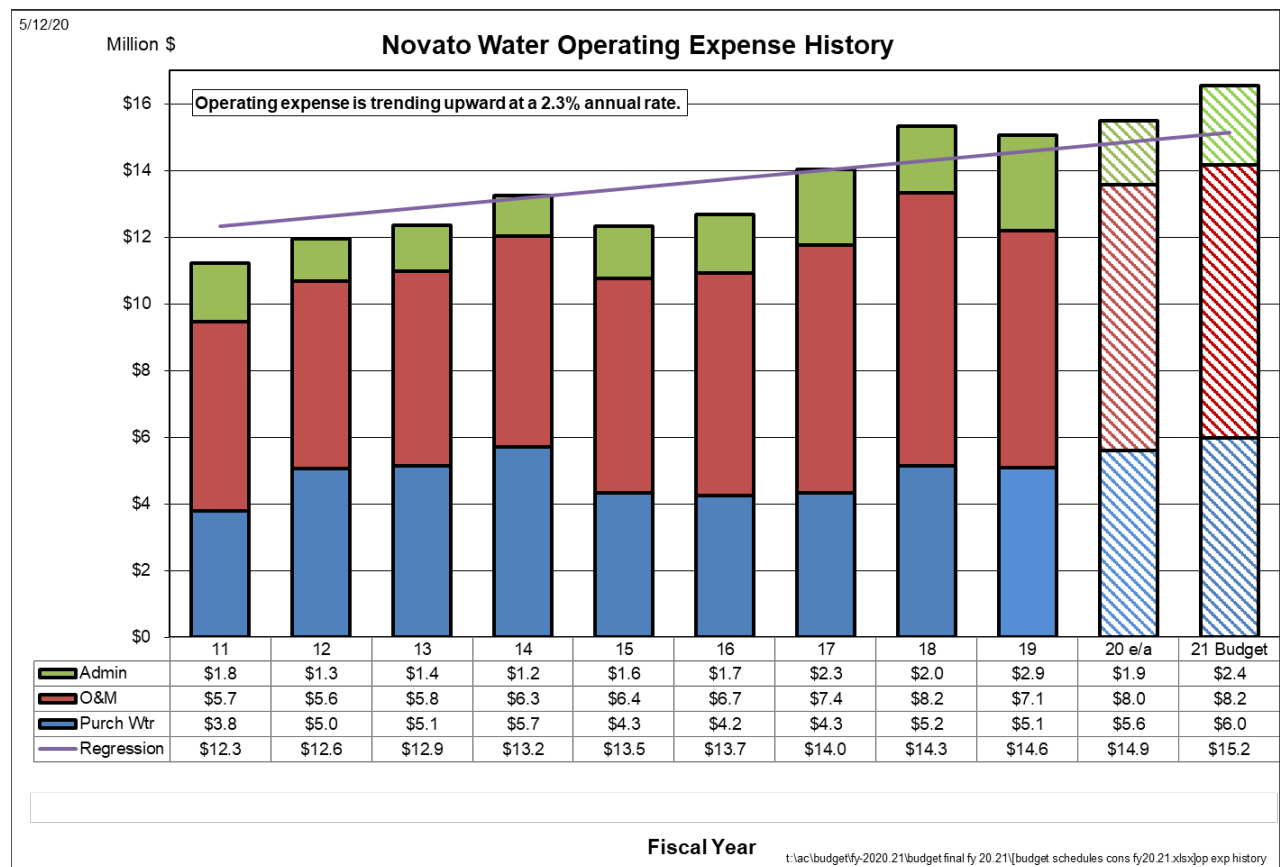
Temporary staffing budget is proposed to decrease by 425 hours from the prior year's budget to 7,480 hours. The decrease is due to a reduction in administration hours needed for assistance on special projects.

# NMWD DRAFT BUDGET

In accordance with the Employee Association and NMWD's Memorandum of Understanding (MOU), a 3.0% cost-of-living salary increase, has been factored into the budget effective October 1, 2020. The MOU links an annual cost-of-living adjustment (COLA) to the change in the CPI. The District entered into a 5-year MOU with the NMWD Employee Association beginning on October 1, 2018. The current MOU established a COLA minimum of 2.0% and a maximum of 4%. The 3.0% cost-of-living increase is staff's best projection at this time.

The District's average CalPERS retirement contribution rate will increase 2.2% (to 28.6%) from the amount budgeted last year. All employees now pay 100% of the CalPERS employee contribution. For budgeting purposes, group health insurance rates remained constant. This cost remained constant in 2020 and was a minimal increase in prior years.

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





# NMWD DRAFT BUDGET

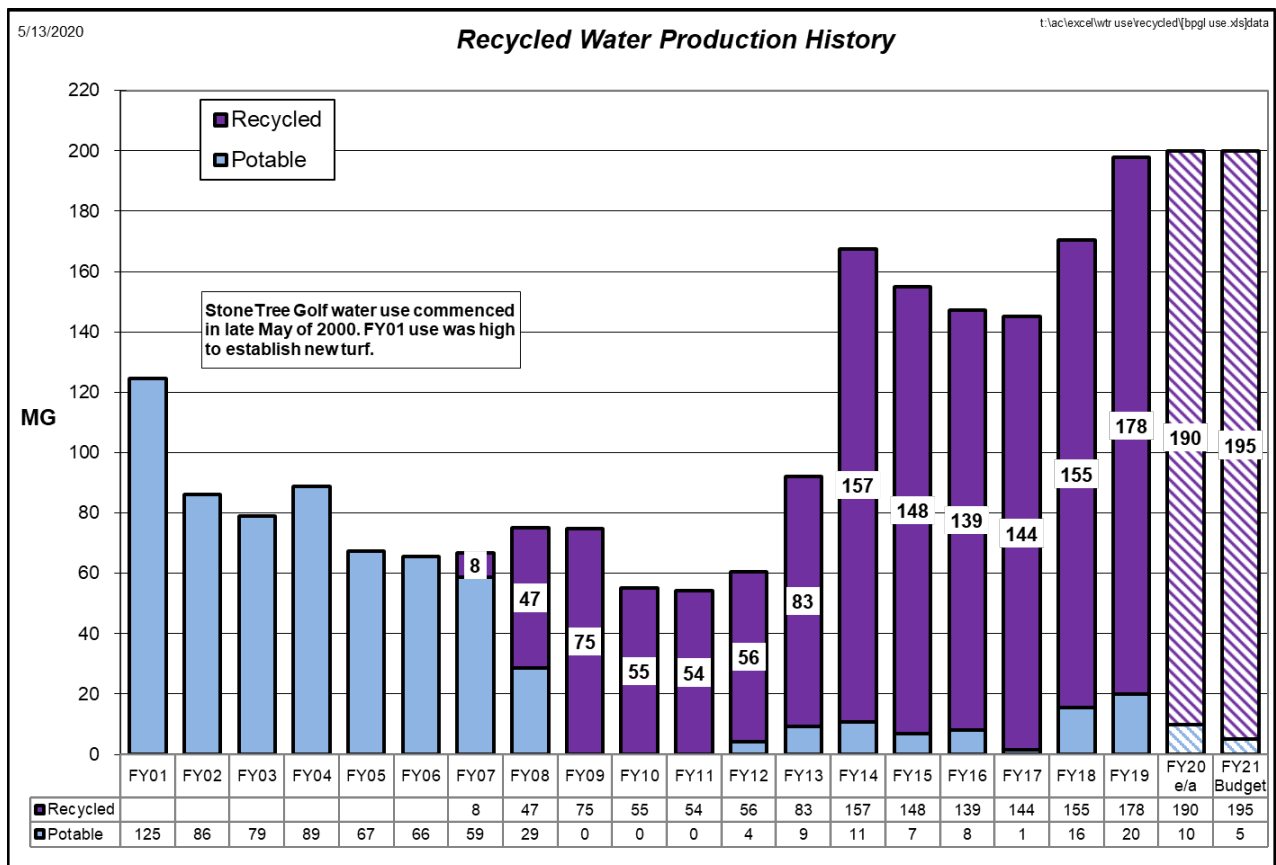
## Recycled Water

The FY 20/21 Recycled Water (RW) System Budget projects demand of 200MG which is consistent with the volume budgeted in FY19/20. Over the past few years, sales have increased primarily due to the Central expansion project completed in FY 17/18. The budget projects purchase of 145MG of tertiary treated water from Novato Sanitary District and 40MG from Las Gallinas Valley Sanitary District, at an average rate of \$1,500/MG. The Deer Island Plant is budgeted to produce 5MG during the summer, to keep it operating, and will serve as a back-up facility. Potable water used to supply water to RW customers is estimated at 5MG which is an average of the past year's actual use.

Consistent with the potable water increase, a 6% commodity rate and bimonthly service charge increase is proposed to be effective July 1, 2020. The increase is projected to generate \$75,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to increase 3% or \$17,000 from the FY 19/20 budget. This increase is primarily due to the increase in the cost to purchase water from the local Sanitary Districts.

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



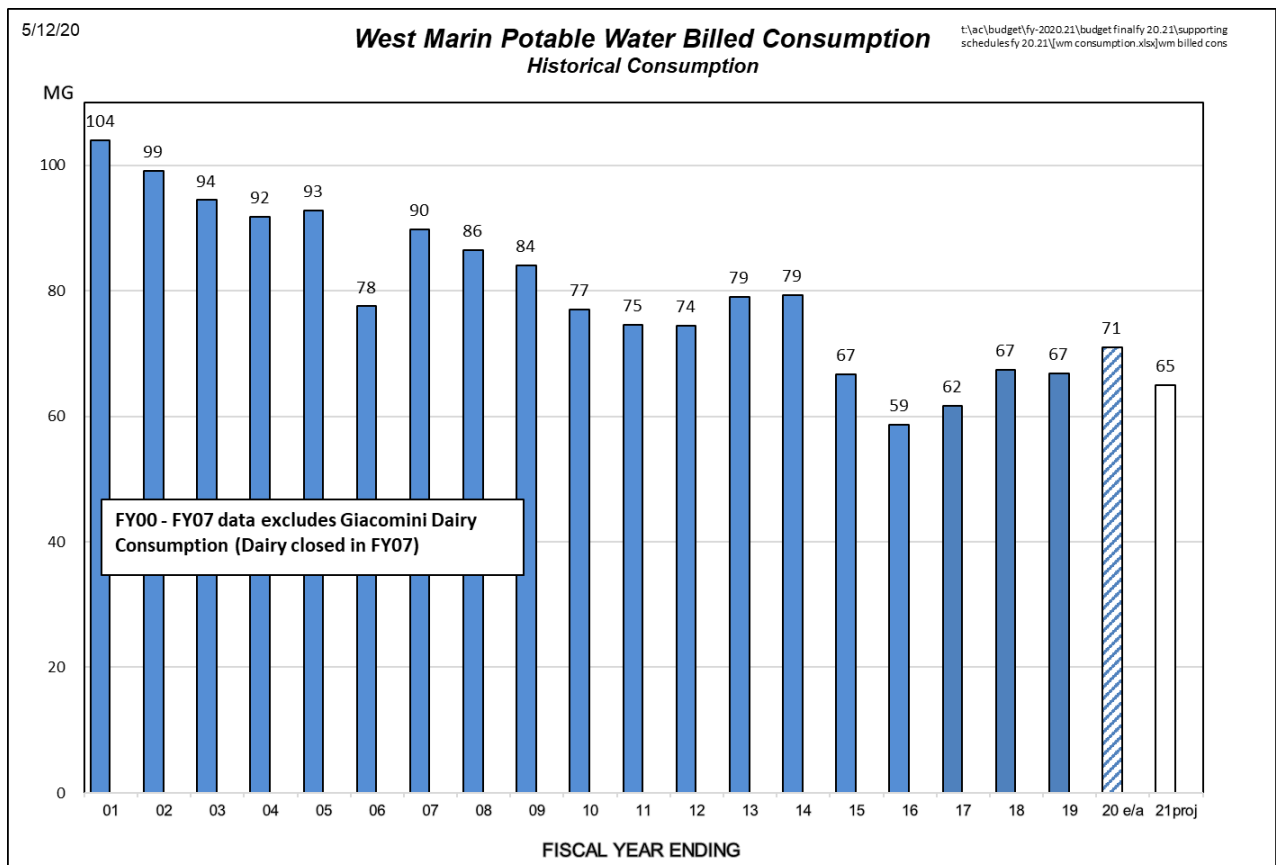
# NMWD DRAFT BUDGET

## West Marin Water

The proposed 4.5% rate increase for West Marin (WM) Water customers to be effective July 1, 2020, will add approximately \$2.70 per month (\$32 annually) to the typical residential customer water cost. The increase is for both the commodity rate and the bimonthly service charge and is projected to generate \$33,000 in additional revenue annually. Growth in the past three years has remained stable. There is one connection fee budgeted for FY 20/21. Included in the 5-year financial forecast is revenue for one connection every other year.

Significant Capital Improvement Projects budgeted for the year include continued work on the \$1.6 million project to replace the Paradise Ranch Estates Tank 4A which is scheduled to be completed in FY 20/21. Additional projects include \$100K towards the Lagunitas Creek Bridge Pipe Replacement project, \$75K for the Gallagher Well #2 project, and \$260,000 for the balance of the work for the Gallagher Ranch Streambank Stabilization Project which is substantially funded by outside sources.

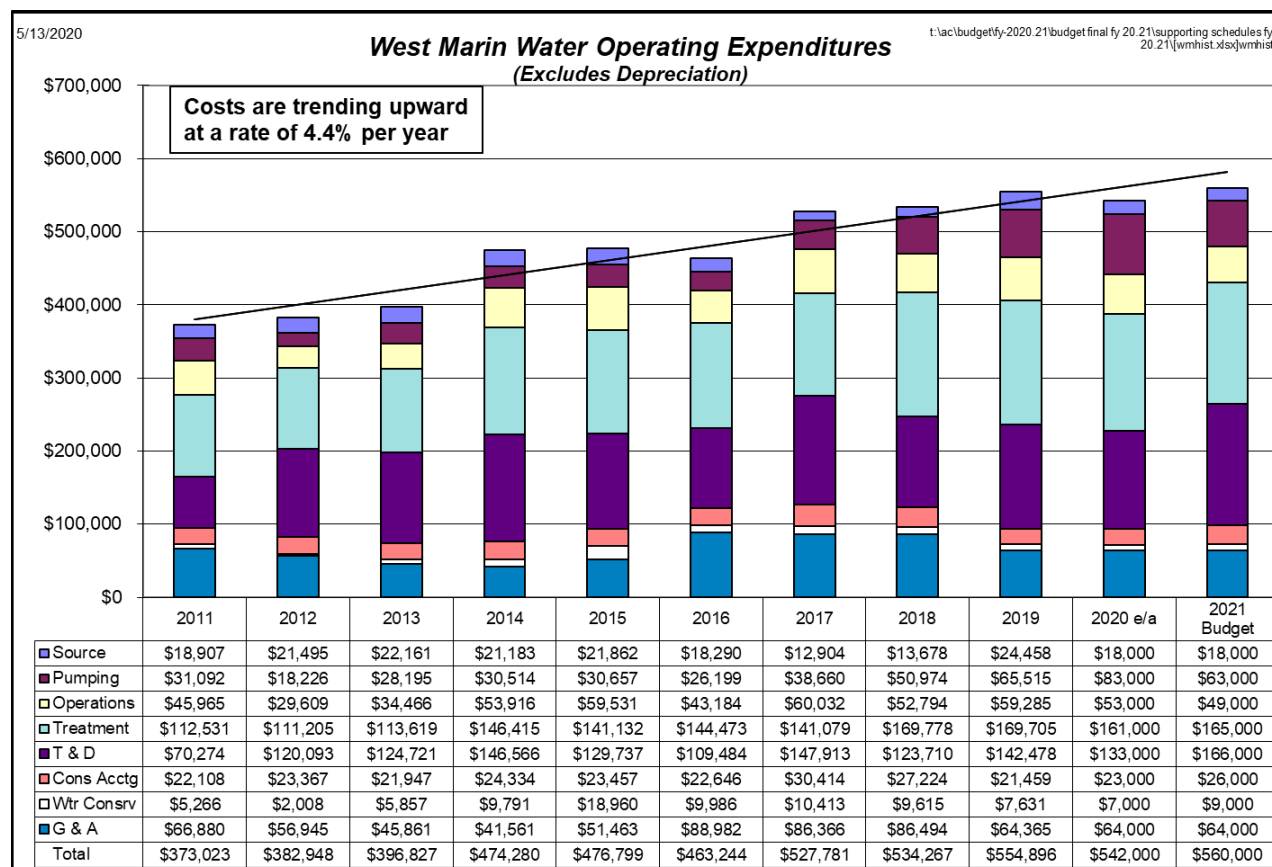
FY 20/21 water sales volume is budgeted at 65MG and is based on the average of five years of actual sales (FY 14/15-FY 18/19) adjusted for the potential impact of the declaration of water shortage emergency effective May 5, 2020. See the below chart for the historical consumption for the WM service area.



## NMWD DRAFT BUDGET

WM operating expenditures, before depreciation, are budgeted at \$560,000 which is an increase of \$12,000 or 2.2% from the FY 19/20 adopted budget of \$548,000. The budget projects a net operating income of \$203,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$689,000.

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



## Oceana Marin Sewer

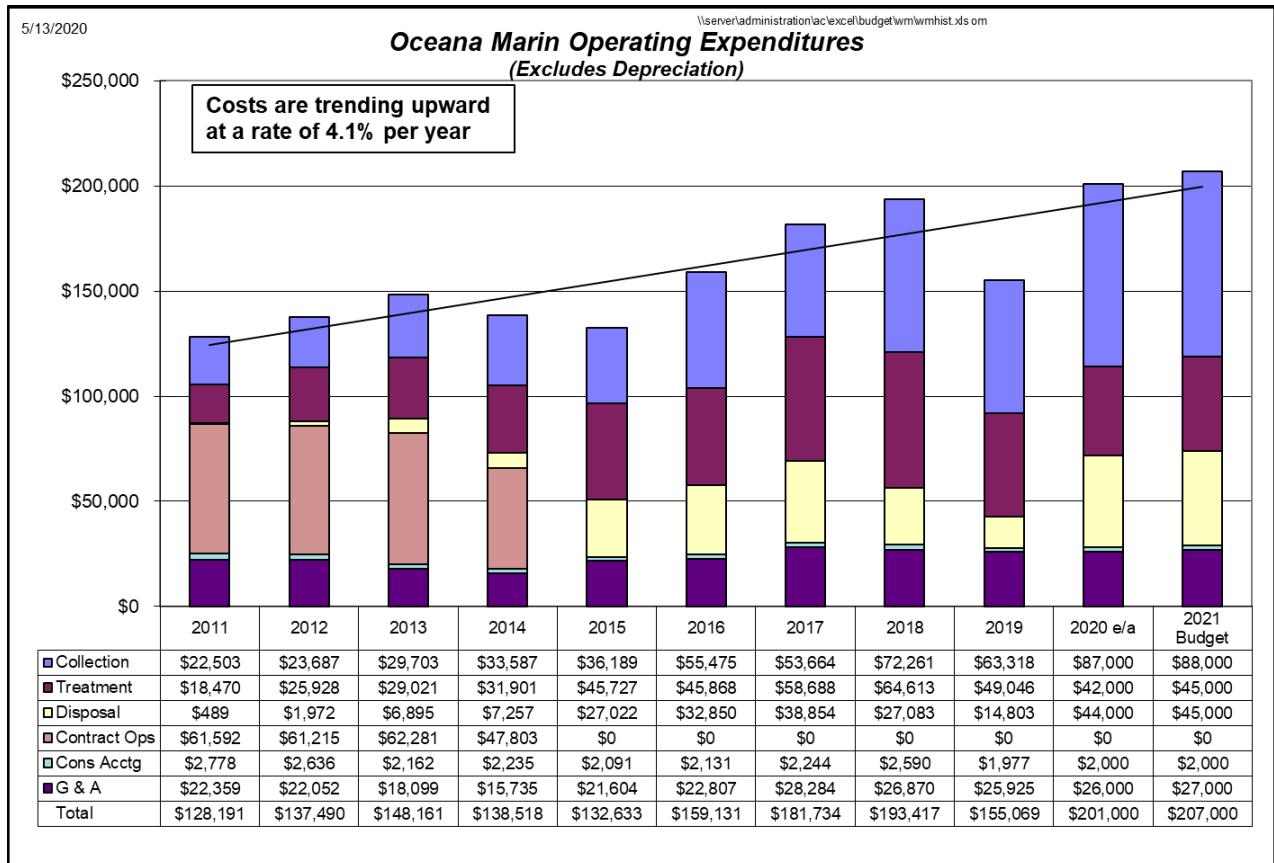
A proposed 5% increase (\$5/month - to \$1,176/year) in the Oceana Marin Sewer service charge to be effective July 1, 2020, is projected to add \$14,000 in additional annual revenue. Growth in the past three years has remained relatively stable so conservatively there are no connection fees budgeted for FY 20/21. Included in the 5-year financial forecast is revenue for one connection every other year.

Capital Improvement Projects budgeted for the year include the Treatment Pond Rehab with a projected cost in FY 20/21 of \$225,000 and a total cost of \$1.9M. This project is expected to be 75% grant funded. It is also planned to have the Tahiti Way Lift Pumps Replaced with a projected cost in FY 20/21 of \$25,000 and a total cost of \$125,000. Additionally, \$40,000 is budgeted for the ongoing Capital work to identify and repair collection pipelines to prevent inflow and infiltration.

# NMWD DRAFT BUDGET

FY 20/21 OM operating expenditures, before depreciation, are budgeted at \$207,000 which is an increase of \$7,000 or 3.5% from the FY 19/20 adopted budget of \$200,000. The increase is primarily due to an increase in staff labor to maintain the system. The budget projects a net operating income of \$21,000 and, after capital outlay and debt service, the system is projected to show a cash increase for the year of \$68,000.

The below chart shows the past 10-years of operating expense for Oceana Marin Sewer.



# NMWD DRAFT BUDGET

## **Capital Improvement Project Budget (CIP)**

The proposed Fiscal Year 20/21 and FY 21/22 Capital Improvement Project (CIP) budget includes projects recommended for Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. Also included is a debt service schedule detailing the principal and interest payment required to fund prior CIPs.

Below is a summary identifying the significant projects (totaling \$400,000 or more) proposed to be undertaken over the next two fiscal years. The below table also includes the total cost of the projects which adds all costs occurring within and outside of the two-year budget period.

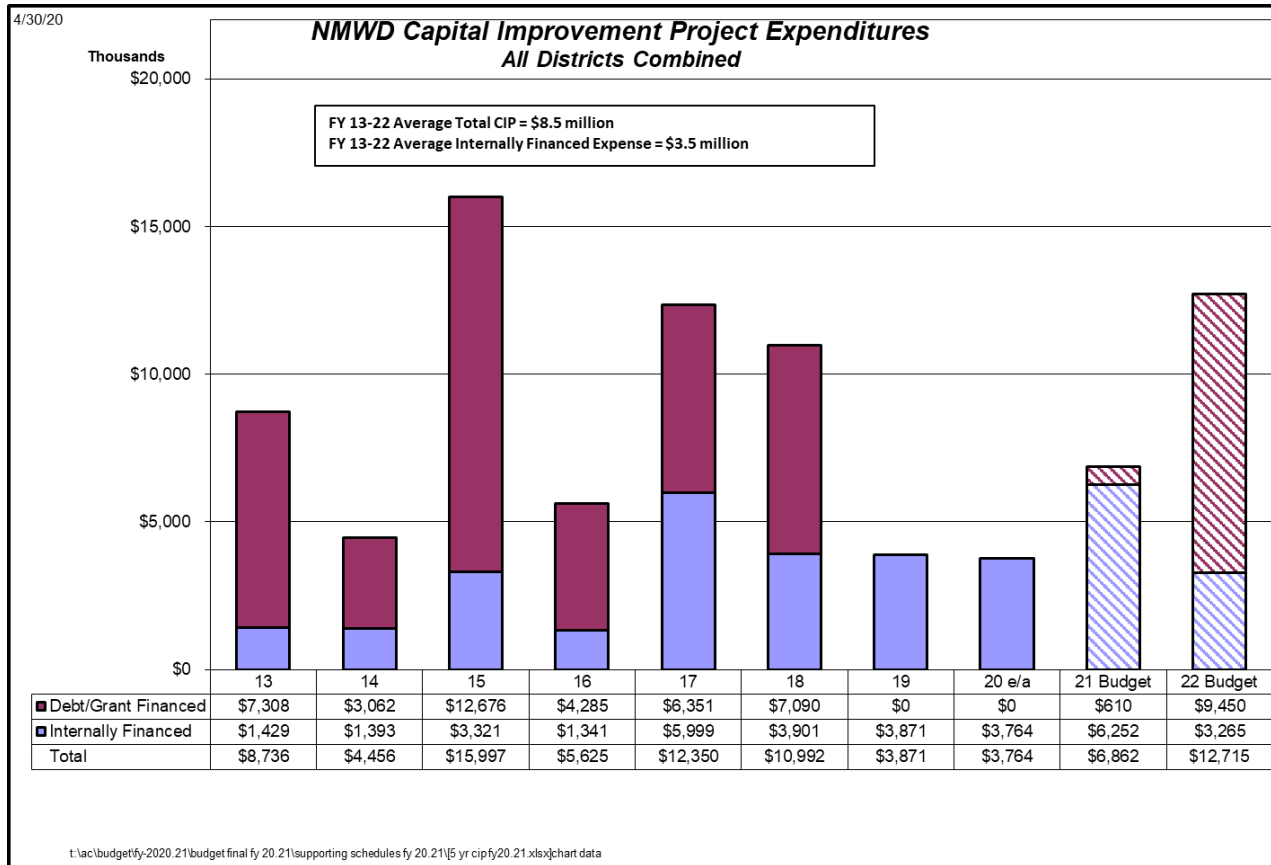
| <b><u>Project</u></b>                         | <b>FY 20/21</b>           | <b>FY 21/22</b>           | <b>Total Project Costs</b> |
|---|---------------------------|---------------------------|----------------------------|
| Office/Yard Building Refurbish                | \$1,000,000               | \$7,000,000               | \$15,100,000               |
| Replace PRE Tank 4A                           | 1,000,000                 | -                         | 1,600,000                  |
| San Mateo 24" Inlet/Outlet Pipe (2,200')      | 910,000                   | -                         | 1,070,000                  |
| Crest PS/Relocate School Rd PS                | 550,000                   | -                         | 765,000                    |
| Old Ranch Rd. Tank #2                         | 500,000                   | -                         | 701,000                    |
| Lynwood P.S. Motor Control Center             | 400,000                   | -                         | 535,000                    |
| OM Treatment Pond Rehab                       | 225,000                   | 1,600,000                 | 1,900,000                  |
| Lagunitas Creek Bridge Pipe Replacement       | 100,000                   | 400,000                   | 620,000                    |
| New Gallagher Well #2                         | <u>75,000</u>             | <u>335,000</u>            | <u>510,000</u>             |
| Other Projects                                | <u>2,102,000</u>          | <u>1,645,000</u>          | <u>-</u>                   |
| <b>Gross Project Outlay</b>                   | <b>6,862,000</b>          | <b>12,715,000</b>         | <b>22,801,000</b>          |
| Less Loan/Grant Funding                       | <u>(610,000)</u>          | <u>(9,450,000)</u>        | <u>(9,450,000)</u>         |
| <b>Net Project Outlay (internally funded)</b> | <b><u>\$6,252,000</u></b> | <b><u>\$3,265,000</u></b> | <b><u>\$13,351,000</u></b> |

The proposed two-year combined total project outlay, net of grant/loan funding, totals \$9.5 million, which is \$1.1 million higher than the \$8.4 million combined two-year budget adopted last year. The proposed CIP budget includes 33 projects in FY 20/21 and 28 projects in FY 21/22. This comprehensive plan is developed to confirm that adequate funding and staffing exists to accomplish the budgeted projects planned for FY 20/21.

| <b><u>District</u></b> | <b>Net Outlay</b>               |                                |                            |
|------------------------|---------------------------------|--------------------------------|----------------------------|
|                        | <b>Proposed FY21 &amp; FY22</b> | <b>Adopted FY20 &amp; FY21</b> | <b>Increase (Decrease)</b> |
| Novato Water           | \$7,522,000                     | \$6,006,000                    | \$1,516,000                |
| Recycled Water         | 200,000                         | 240,000                        | (40,000)                   |
| WM Water               | 1,440,000                       | 1,990,000                      | (550,000)                  |
| OM Sewer               | 355,000                         | 132,000                        | 223,000                    |
| <b>Total</b>           | <b><u>\$9,517,000</u></b>       | <b><u>\$8,368,000</u></b>      | <b><u>\$1,149,000</u></b>  |

# NMWD DRAFT BUDGET

The below chart shows the District wide 10-year history of capital improvement projects which averages \$8.5M per year including \$3.5M of internally (or “Pay-Go”) financed projects.



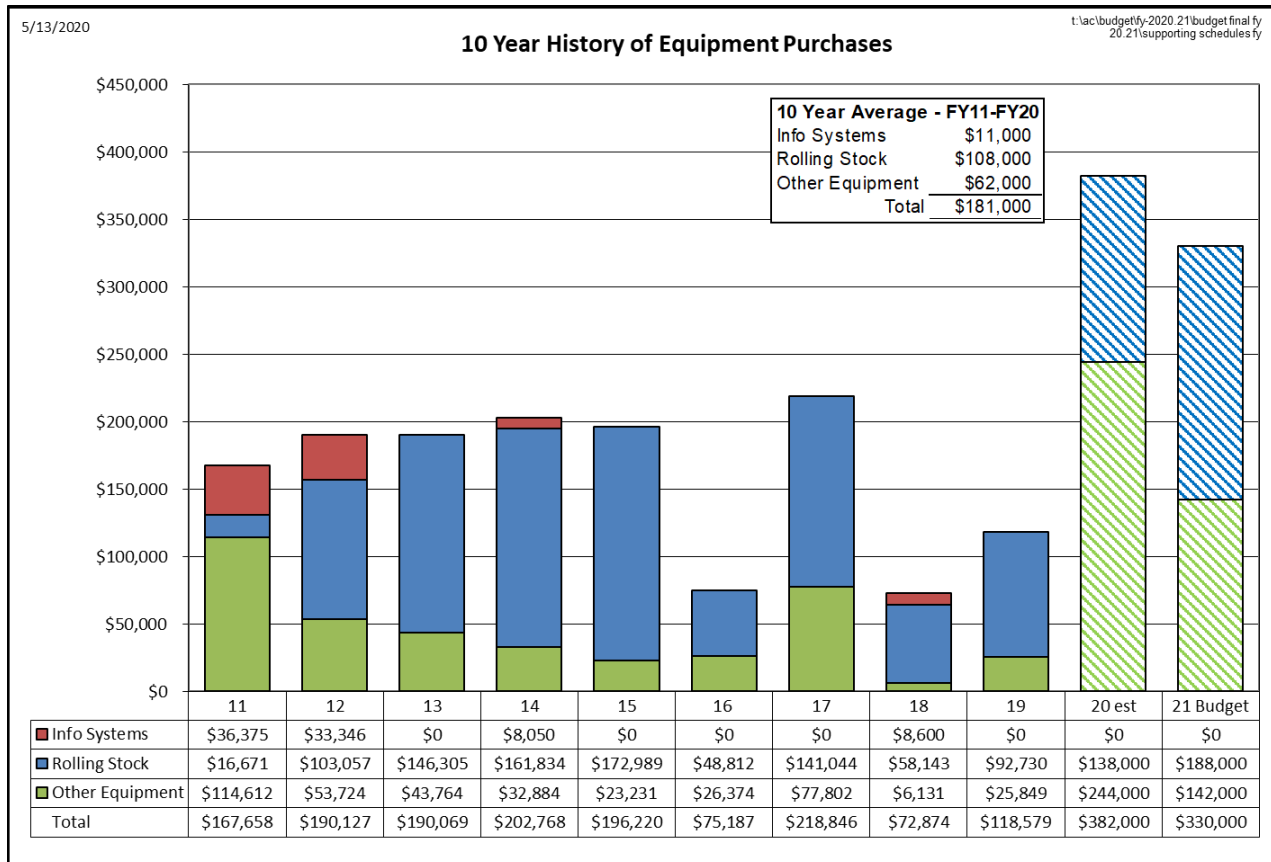
Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$3.5 million annually in internally funded projects, which is consistent with the five-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study.

# NMWD DRAFT BUDGET

## Equipment Budget

The proposed FY 20/21 Equipment Budget totals \$330,000. This is \$103,000 lower than the FY 19/20 Equipment Budget of \$433,000. FY 19/20 estimated actual expenditures are forecast to come in at \$382,000 which is \$51,000 below budget. Due to equipment needs the amount not spent in FY 19/20 has been allocated to FY 20/21.

A significant purchase included in the proposed budget is \$135,000 for a 5-yard Dump Truck. Additionally, a metals analyzer for \$85,000 is budgeted to replace a 20-year old piece of equipment for the lab. The following chart shows the ten-year history of equipment purchases.



# NMWD DRAFT BUDGET

## Debt Service

Principal and interest payments totaling \$3.1 million are budgeted as the annual obligation on \$32.9 million in outstanding debt (as of June 30, 2020), comprised of:

- 1.) \$4.1 million at 2.7% for a bank loan used to fund the Advanced Meter Information (AMI) project;
- 2.) \$8.4 million at 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 3.) \$13.9 million in SRF loans (with interest varying from 1%-2.6%) used to finance the recycled water distribution system;
- 4.) \$5.2 million at 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 5.) \$1.7 million at 2.4% SRF loan used to finance the Deer Island Recycled Water Facility.

The below chart outlines the District's total outstanding debt and additional debt capacity for the budget year FY 20/21 and five-years prior. The additional debt capacity keeps the District below the debt service ratio of 1.5 as included in the Board approved Debt Policy. As shown below the total debt is partially funded by outside entities related to partnered projects





**NORTH MARIN WATER DISTRICT**  
**BUDGET SUMMARY - ALL SERVICE AREAS COMBINED**  
**Fiscal Year 2020/21**

|  | <i>Proposed<br/>Budget<br/>2020/21</i> | <i>Estimated<br/>Actual<br/>2019/20</i> | <i>Adopted<br/>Budget<br/>2019/20</i> |
|--|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                        |  |   |                                       |
| 1 Water Sales                                  | <b>\$22,342,000</b>                    | \$21,347,000                            | \$22,345,000                          |
| 2 Sewer Service Charges                        | <b>276,000</b>                         | 265,000                                 | 261,000                               |
| 3 Wheeling & Misc Service Charges              | <b>430,000</b>                         | 420,000                                 | 392,000                               |
| 4 <b>Total Operating Income</b>                | <b>\$23,048,000</b>                    | <b>\$22,032,000</b>                     | \$22,998,000                          |
| <b>OPERATING EXPENDITURES</b>                  |  |   |                                       |
| 5 Source of Supply                             | <b>\$6,286,000</b>                     | \$5,891,000                             | \$6,186,000                           |
| 6 Pumping                                      | <b>567,000</b>                         | 628,000                                 | 438,000                               |
| 7 Operations                                   | <b>857,000</b>                         | 1,029,000                               | 808,000                               |
| 8 Water Treatment                              | <b>2,628,000</b>                       | 2,530,000                               | 2,697,000                             |
| 9 Sewer Service                                | <b>178,000</b>                         | 173,000                                 | 171,000                               |
| 10 Transmission & Distribution                 | <b>3,694,000</b>                       | 3,447,000                               | 3,656,000                             |
| 11 Consumer Accounting                         | <b>683,000</b>                         | 574,000                                 | 644,000                               |
| 12 Water Conservation                          | <b>408,000</b>                         | 373,000                                 | 399,000                               |
| 13 General & Administrative                    | <b>2,520,000</b>                       | 2,089,000                               | 2,383,000                             |
| 14 Depreciation Expense                        | <b>3,777,000</b>                       | 3,380,000                               | 3,486,000                             |
| 15 <b>Total Operating Expenditures</b>         | <b>\$21,598,000</b>                    | \$20,114,000                            | \$20,868,000                          |
| 16 <b>NET OPERATING INCOME (LOSS)</b>          | <b>\$1,450,000</b>                     | \$1,918,000                             | \$2,130,000                           |
| <b>NON-OPERATING INCOME/(EXPENSE)</b>          |  |   |                                       |
| 17 Tax Proceeds                                | <b>\$118,000</b>                       | \$116,000                               | \$116,000                             |
| 18 Interest Revenue                            | <b>316,000</b>                         | 591,000                                 | 277,000                               |
| 19 Miscellaneous Revenue                       | <b>135,000</b>                         | 132,000                                 | 133,000                               |
| 20 Interest Expense                            | <b>(748,000)</b>                       | (805,000)                               | (806,000)                             |
| 21 Miscellaneous Expense                       | <b>(20,000)</b>                        | (2,000)                                 | (20,000)                              |
| 22 <b>Total Non-Operating Income/(Expense)</b> | <b>(\$199,000)</b>                     | \$32,000                                | (\$300,000)                           |
|  | <b>NET INCOME/(LOSS)</b>               | <b>\$1,251,000</b>                      | <b>\$1,830,000</b>                    |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>           |  |   |                                       |
| 23 Add Depreciation Expense                    | <b>\$3,777,000</b>                     | \$3,380,000                             | \$3,486,000                           |
| 24 Connection Fees                             | <b>509,000</b>                         | 1,446,000                               | 340,000                               |
| 25 Caltrans AEEP Reimbursement                 | <b>1,000</b>                           | 13,000                                  | 1,000                                 |
| 26 MMWD AEEP Capital Contribution              | <b>205,000</b>                         | 205,000                                 | 205,000                               |
| 27 Loans/Grants                                | <b>610,000</b>                         | -                                       | 69,000                                |
| 28 Stone Tree Golf Principal Repayment         | <b>37,000</b>                          | 1,118,000                               | 227,000                               |
| 29 Transfers Out from Capital Expansion Fund   | <b>(369,000)</b>                       | (305,700)                               | -                                     |
| 30 Capital Equipment Expenditures              | <b>(330,000)</b>                       | (382,000)                               | (433,000)                             |
| 31 Capital Improvement Projects                | <b>(6,862,000)</b>                     | (3,763,500)                             | (5,713,000)                           |
| 32 Debt Principal Payments                     | <b>(2,395,000)</b>                     | (2,333,000)                             | (2,333,000)                           |
| 33 <b>Total Other Sources/(Uses)</b>           | <b>(\$4,817,000)</b>                   | (\$622,200)                             | (\$4,151,000)                         |
| 34 <b>CASH INCREASE/(DECREASE)</b>             | <b>(\$3,566,000)</b>                   | \$1,327,800                             | (\$2,321,000)                         |

**NOVATO POTABLE WATER  
BUDGET SUMMARY  
Fiscal Year 2020/21**

|                                       | <i>Proposed<br/>Budget<br/>2020/21</i>      | <i>Estimated<br/>Actual<br/>2019/20</i> | <i>Adopted<br/>Budget<br/>2019/20</i> |               |
|---------------------------------------|---|---|---------------------------------------|---------------|
| <b>OPERATING INCOME</b>               |   |   |                                       |               |
| 1                                     | Water Sales                                 | \$20,144,000                            | \$19,184,000                          | \$20,239,000  |
| 2                                     | Wheeling & Misc Service Charges             | 365,000                                 | 370,000                               | 342,000       |
| 3                                     | <b>Total Operating Income</b>               | <b>\$20,509,000</b>                     | \$19,554,000                          | \$20,581,000  |
| <b>OPERATING EXPENDITURES</b>         |   |   |                                       |               |
| 4                                     | Source of Supply                            | \$5,984,000                             | \$5,589,000                           | \$5,896,000   |
| 5                                     | Pumping                                     | 497,000                                 | 540,000                               | 384,000       |
| 6                                     | Operations                                  | 734,000                                 | 888,000                               | 685,000       |
| 7                                     | Water Treatment                             | 2,432,000                               | 2,362,000                             | 2,494,000     |
| 8                                     | Transmission & Distribution                 | 3,466,000                               | 3,276,000                             | 3,432,000     |
| 9                                     | Consumer Accounting                         | 654,000                                 | 548,000                               | 613,000       |
| 10                                    | Water Conservation                          | 399,000                                 | 366,000                               | 390,000       |
| 11                                    | General Administration                      | 2,368,000                               | 1,934,000                             | 2,237,000     |
| 12                                    | Depreciation Expense                        | 2,868,000                               | 2,674,000                             | 2,788,000     |
| 13                                    | <b>Total Operating Expenditures</b>         | <b>\$19,402,000</b>                     | \$18,177,000                          | \$18,919,000  |
| 14                                    | <b>NET OPERATING INCOME (LOSS)</b>          | <b>\$1,107,000</b>                      | \$1,377,000                           | \$1,662,000   |
| <b>NON-OPERATING INCOME/(EXPENSE)</b> |   |   |                                       |               |
| 15                                    | Interest Revenue                            | \$150,000                               | 332,000                               | 150,000       |
| 16                                    | Miscellaneous Revenue                       | 135,000                                 | 132,000                               | 133,000       |
| 17                                    | Interest Expense                            | (456,000)                               | (494,000)                             | (495,000)     |
| 18                                    | Miscellaneous Expense                       | (20,000)                                | (\$2,000)                             | (20,000)      |
| 19                                    | <b>Total Non-Operating Income/(Expense)</b> | <b>(\$191,000)</b>                      | (\$32,000)                            | (\$232,000)   |
| 20                                    | <b>NET INCOME/(LOSS)</b>                    | <b>\$916,000</b>                        | \$1,345,000                           | \$1,430,000   |
| <b>OTHER SOURCES/(USES) OF CASH</b>   |   |   |                                       |               |
| 21                                    | Add Depreciation Expense                    | \$2,868,000                             | \$2,674,000                           | \$2,788,000   |
| 22                                    | Connection Fees                             | 486,000                                 | 1,446,000                             | 340,000       |
| 23                                    | Caltrans AEEP Capital Contribution          | 1,000                                   | 13,000                                | 1,000         |
| 24                                    | MMWD AEEP Capital Contribution              | 205,000                                 | 205,000                               | 205,000       |
| 25                                    | Capital Equipment Expenditures              | (330,000)                               | (382,000)                             | (433,000)     |
| 26                                    | Capital Improvement Projects                | (4,987,000)                             | (2,523,000)                           | (4,308,000)   |
| 27                                    | Debt Principal Payments                     | (1,451,000)                             | (1,410,000)                           | (1,410,000)   |
| 28                                    | Connection Fee Transfer from (to) RWS       | (794,000)                               | (843,000)                             | (910,000)     |
| 29                                    | Working Capital Increase/(Decrease)         | -                                       | -                                     | -             |
| 30                                    | <b>Total Other Sources/(Uses)</b>           | <b>(\$4,002,000)</b>                    | (\$820,000)                           | (\$3,727,000) |
| 31                                    | <b>CASH INCREASE/(DECREASE)</b>             | <b>(\$3,086,000)</b>                    | \$525,000                             | (\$2,297,000) |

**NOVATO POTABLE WATER**

**FY 20/21-Five-Year Financial Forecast**

| Fiscal Year Ending June 30 >               |  | Proposed<br><b>2021</b> | Projected<br><b>2022</b> | Projected<br><b>2023</b> | Projected<br><b>2024</b> | Projected<br><b>2025</b> |
|--|--|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>SERVICES</b>                            |  |                         |                          |                          |                          |                          |
| 1  | Active Meters @ Fiscal Year End                      | 20,558                  | 20,568                   | 20,578                   | 20,588                   | 20,598                   |
| 2  | Increase for Year - Active Meters                    | 10                      | 10                       | 10                       | 10                       | 10                       |
| <b>WATER PRODUCTION (MG)</b>               |  |                         |                          |                          |                          |                          |
| 3  | Stafford Production                                  | 650                     | 650                      | 650                      | 650                      | 650                      |
| 4  | Russian River Purchases                              | 1,880                   | 1,880                    | 1,880                    | 1,880                    | 1,880                    |
| 5  | <b>Total Water Production</b>                        | <b>2,530</b>            | <b>2,530</b>             | <b>2,530</b>             | <b>2,530</b>             | <b>2,530</b>             |
| <b>REVENUE &amp; EXPENSE (\$ in 000's)</b> |  |                         |                          |                          |                          |                          |
| <b>OPERATING REVENUE</b>                   |  |                         |                          |                          |                          |                          |
| 6  | Potable Water Sales                                  | \$20,144                | \$21,353                 | \$22,634                 | \$23,992                 | \$25,431                 |
| 7  | Wheeling & Other Misc Service Charges                | 365                     | 380                      | 395                      | 411                      | 427                      |
| 8  | <b>Total Operating Revenue</b>                       | <b>\$20,509</b>         | <b>\$21,732</b>          | <b>\$23,029</b>          | <b>\$24,402</b>          | <b>\$25,858</b>          |
| <b>OPERATING EXPENSE</b>                   |  |                         |                          |                          |                          |                          |
| 9  | Russian River Water                                  | \$5,740                 | \$6,084                  | \$6,449                  | \$6,836                  | \$7,247                  |
| 10   | Overheaded Operating Labor                           | 7,220                   | 7,437                    | 7,660                    | 7,889                    | 8,126                    |
| 11   | Purification Chemicals                               | 425                     | 438                      | 451                      | 464                      | 478                      |
| 12   | Electric Power                                       | 496                     | 511                      | 526                      | 542                      | 558                      |
| 13   | Other Operating Expenses                             | 2,653                   | 2,733                    | 2,815                    | 2,899                    | 2,986                    |
| 14   | Depreciation   | 2,868                   | 2,900                    | 2,930                    | 2,960                    | 2,990                    |
| 15   | <b>Total Operating Expense</b>                       | <b>\$19,402</b>         | <b>\$20,102</b>          | <b>\$20,831</b>          | <b>\$21,591</b>          | <b>\$22,385</b>          |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>     |  |                         |                          |                          |                          |                          |
| 16   | Interest Revenue                                     | \$150                   | \$150                    | \$150                    | \$150                    | \$150                    |
| 17   | Interest Expense                                     | (456)                   | (724)                    | (961)                    | (959)                    | (958)                    |
| 18   | Misc Other Revenue/(Expense)                         | 115                     | 118                      | 122                      | 126                      | 129                      |
| 19   | <b>Total Non-Op Revenue/(Expense)</b>                | <b>(\$191)</b>          | <b>(\$456)</b>           | <b>(\$689)</b>           | <b>(\$683)</b>           | <b>(\$679)</b>           |
| 20   | <b>Net Income</b>                                    | <b>\$916</b>            | <b>\$1,174</b>           | <b>\$1,509</b>           | <b>\$2,128</b>           | <b>\$2,794</b>           |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>       |  |                         |                          |                          |                          |                          |
| 21   | Add Depreciation Expense                             | \$2,868                 | \$2,900                  | \$2,930                  | \$2,960                  | \$2,990                  |
| 22   | Connection Fees                                      | 486                     | 486                      | 486                      | 486                      | 486                      |
| 23   | MMWD/Caltrans AEEP Capital Contribution              | 206                     | 206                      | 206                      | 206                      | 206                      |
| 24   | Loans/Grants   | -                       | 8,000                    | 7,000                    | -                        | -                        |
| 25   | Capital Equipment Purchases                          | (330)                   | (250)                    | (250)                    | (250)                    | (250)                    |
| 26   | Capital Improvement Projects                         | (4,987)                 | (9,835)                  | (9,610)                  | (3,180)                  | (4,330)                  |
| 27   | Debt Principal Payments                              | (1,451)                 | (1,629)                  | (1,788)                  | (1,790)                  | (1,800)                  |
| 28   | FRC Funds Transferred to Recycled Water              | (794)                   | (747)                    | (714)                    | (687)                    | (656)                    |
| 29   | Working Capital Increase                             | -                       | -                        | -                        | -                        | -                        |
| 30   | <b>Total Other Sources/(Uses)</b>                    | <b>(\$4,002)</b>        | <b>(\$869)</b>           | <b>(\$1,740)</b>         | <b>(\$2,255)</b>         | <b>(\$3,354)</b>         |
| 31   | <b>Cash Increase/(Decrease)</b>                      | <b>(\$3,086)</b>        | <b>\$305</b>             | <b>(\$231)</b>           | <b>(\$127)</b>           | <b>(\$560)</b>           |
| 32   | <b>Ending Reserve Balance</b>                        | <b>\$13,449</b>         | <b>\$13,755</b>          | <b>\$13,524</b>          | <b>\$13,396</b>          | <b>\$12,837</b>          |
| 33   | <b>Target Reserve Balance (90% Op Exp)</b>           | <b>\$14,881</b>         | <b>\$15,482</b>          | <b>\$16,111</b>          | <b>\$16,768</b>          | <b>\$17,456</b>          |
| 34   | <b>% Rate Increase<sup>1</sup></b>                   | <b>6.0%</b>             | <b>6.0%</b>              | <b>6.0%</b>              | <b>6.0%</b>              | <b>6.0%</b>              |
| 35   | <b>Median Monthly Single-Family Residential Bill</b> | <b>\$61</b>             | <b>\$65</b>              | <b>\$69</b>              | <b>\$73</b>              | <b>\$77</b>              |

<sup>1</sup>Fiscal year 2021 Rate increase to be reviewed for approval by the Board on June 16, 2020. FY 2022 through 202 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

**NOVATO POTABLE WATER OPERATING BUDGET DETAIL**

Fiscal Year 2020/21

|                                       | Proposed<br>Budget<br>20/21 | Estimated<br>Actual<br>19/20 | Adopted<br>Budget<br>19/20 | Actual<br>18/19     | Actual<br>17/18     | Actual<br>16/17     | Actual<br>15/16     | Actual<br>14/15     |
|---------------------------------------|-----------------------------|------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>STATISTICS</b>                     |                             |                              |                            |                     |                     |                     |                     |                     |
| 1 Active Meters                       | 20,558                      | 20,548                       | 20,553                     | 20,546              | 20,543              | 20,544              | 20,535              | 20,498              |
| 2 Avg Commodity Rate/1,000 Gal (Net)  | \$6.34                      | \$6.25                       | \$6.25                     | \$6.00              | \$6.00              | \$5.40              | \$5.25              | \$4.87              |
| 3 Potable Consumption (BG)            | 2.40                        | 2.43                         | 2.60                       | 2.42                | 2.58                | 2.31                | 2.15                | 2.44                |
| <b>OPERATING INCOME</b>               |                             |                              |                            |                     |                     |                     |                     |                     |
| 4 Water Sales                         | \$20,216,000                | \$19,256,000                 | \$20,320,000               | \$19,145,251        | \$19,645,814        | \$16,772,060        | \$15,489,903        | \$16,101,706        |
| 5 Bill Adjustments                    | (72,000)                    | (72,000)                     | (81,000)                   | (72,061)            | (143,395)           | (130,587)           | (64,461)            | (82,790)            |
| 6 Sales to MMWD                       | -                           | -                            | -                          | -                   | 155,846             | -                   | -                   | -                   |
| 7 Wheeling Charges-MMWD               | 98,000                      | 98,000                       | 75,000                     | 97,866              | 92,977              | 91,374              | 90,217              | 119,144             |
| 8 Miscellaneous Service Revenue       | 267,000                     | 272,000                      | 267,000                    | 266,268             | 268,563             | 252,038             | 277,479             | 276,388             |
| 9 <b>TOTAL OPERATING INCOME</b>       | <b>\$20,509,000</b>         | <b>\$19,554,000</b>          | <b>\$20,581,000</b>        | <b>\$19,437,324</b> | <b>\$20,019,805</b> | <b>\$16,984,885</b> | <b>\$15,793,138</b> | <b>\$16,414,448</b> |
| <b>OPERATING EXPENSE</b>              |                             |                              |                            |                     |                     |                     |                     |                     |
| <b>SOURCE OF SUPPLY</b>               |                             |                              |                            |                     |                     |                     |                     |                     |
| 10 Supervision & Engineering          | \$11,000                    | \$12,000                     | \$11,000                   | \$7,564             | \$9,303             | \$11,264            | \$10,586            | \$11,641            |
| 11 Operating Expense - Source         | 14,000                      | 10,000                       | 14,000                     | 9,195               | 6,236               | 8,513               | 11,928              | 11,044              |
| 12 Maintenance/Monitoring of Dam      | 128,000                     | 41,000                       | 67,000                     | 33,686              | 22,203              | 24,059              | 22,796              | 11,635              |
| 13 Maintenance of Lake & Intakes      | 20,000                      | 19,000                       | 20,000                     | 24,172              | 10,690              | 7,575               | 6,299               | 511                 |
| 14 Maintenance of Watershed           | 45,000                      | 25,000                       | 50,000                     | 4,446               | 29,646              | 36,218              | 17,325              | 15,151              |
| 15 Water Purchased for Resale to MMWD | -                           | -                            | -                          | -                   | 111,891             | -                   | -                   | -                   |
| 16 Water Quality Surveillance         | 15,000                      | 2,000                        | 14,000                     | 1,669               | 6,728               | 3,513               | 3,137               | 7,467               |
| 17 Contract Water - SCWA              | 5,740,000                   | 5,470,000                    | 5,710,000                  | 5,082,987           | 5,151,516           | 4,320,623           | 3,997,030           | 4,333,100           |
| 18 GASB 68 Adjustment                 | 11,000                      | 10,000                       | 10,000                     | 3,690               | 8,535               | 5,682               | -                   | -                   |
| 19 <b>TOTAL SOURCE OF SUPPLY</b>      | <b>\$5,984,000</b>          | <b>\$5,589,000</b>           | <b>\$5,896,000</b>         | <b>\$5,167,409</b>  | <b>\$5,356,748</b>  | <b>\$4,417,447</b>  | <b>\$4,069,101</b>  | <b>\$4,390,549</b>  |
| <b>PUMPING</b>                        |                             |                              |                            |                     |                     |                     |                     |                     |
| 20 Operating Expense                  | \$3,000                     | \$0                          | \$3,000                    | \$0                 | \$0                 | \$0                 | \$0                 | \$237               |
| 21 Maintenance of Structures/Grounds  | 32,000                      | 31,000                       | 32,000                     | 56,801              | 32,611              | 28,514              | 26,347              | 51,544              |
| 22 Maintenance of Pumping Equipment   | 113,000                     | 171,000                      | 53,000                     | 41,304              | 39,435              | 30,354              | 13,507              | 51,013              |
| 23 Electric Power - Pumping           | 340,000                     | 330,000                      | 288,000                    | 285,772             | 293,588             | 246,869             | 212,207             | 213,909             |
| 24 GASB 68 Adjustment                 | 9,000                       | 8,000                        | 8,000                      | 5,272               | 6,967               | 3,496               | -                   | -                   |
| 25 <b>TOTAL PUMPING</b>               | <b>\$497,000</b>            | <b>\$540,000</b>             | <b>\$384,000</b>           | <b>\$389,149</b>    | <b>\$372,601</b>    | <b>\$309,233</b>    | <b>\$252,061</b>    | <b>\$316,703</b>    |
| <b>OPERATIONS</b>                     |                             |                              |                            |                     |                     |                     |                     |                     |
| 26 Supervision & Engineering          | \$163,000                   | \$230,000                    | \$158,000                  | \$215,732           | \$253,594           | \$234,870           | \$256,231           | \$241,264           |
| 27 Operating Expense                  | 256,000                     | 409,000                      | 238,000                    | 306,774             | 400,138             | 343,890             | 304,897             | 244,900             |
| 28 Maintenance Expense                | 56,000                      | 40,000                       | 57,000                     | 38,570              | 50,339              | 47,202              | 34,755              | 37,667              |
| 29 Telemetry Equipment/Controls Maint | 95,000                      | 64,000                       | 87,000                     | 84,979              | 94,523              | 101,568             | 68,674              | 86,544              |
| 30 Leased Line Expense                | 20,000                      | 17,000                       | 17,000                     | 16,678              | 17,414              | 17,592              | 17,704              | 17,986              |
| 31 GASB 68 Adjustment                 | 144,000                     | 128,000                      | 128,000                    | 48,442              | 107,728             | 63,553              | -                   | -                   |
| 32 <b>TOTAL OPERATIONS</b>            | <b>\$734,000</b>            | <b>\$888,000</b>             | <b>\$685,000</b>           | <b>\$711,175</b>    | <b>\$923,736</b>    | <b>\$808,675</b>    | <b>\$682,261</b>    | <b>\$628,361</b>    |

**NOVATO POTABLE WATER OPERATING BUDGET DETAIL**

Fiscal Year 2020/21

|  | Proposed<br>Budget<br>20/21             | Estimated<br>Actual<br>19/20 | Adopted<br>Budget<br>19/20 | Actual<br>18/19    | Actual<br>17/18    | Actual<br>16/17    | Actual<br>15/16    | Actual<br>14/15    |                    |
|--|---|------------------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>WATER TREATMENT</b>                 |   |                              |                            |                    |                    |                    |                    |                    |                    |
| 33                                     | Supervision & Engineering               | \$149,000                    | \$186,000                  | \$143,000          | \$156,176          | \$169,851          | \$168,945          | \$130,358          | \$112,433          |
| 34                                     | Operating Expense                       | 324,000                      | 279,000                    | 322,000            | 228,878            | 276,795            | 349,671            | 313,024            | 333,020            |
| 35                                     | Purification Chemicals                  | 425,000                      | 400,000                    | 475,000            | 376,960            | 438,348            | 247,260            | 378,562            | 358,907            |
| 36                                     | Sludge Disposal                         | 123,000                      | 108,000                    | 124,000            | 88,352             | 100,305            | 107,942            | 90,043             | 72,720             |
| 37                                     | Maintenance of Structures/Grounds       | 106,000                      | 115,000                    | 122,000            | 53,090             | 50,913             | 78,910             | 68,351             | 79,728             |
| 38                                     | Purification Equipment Maintenance      | 186,000                      | 233,000                    | 191,000            | 162,714            | 212,385            | 186,246            | 150,989            | 104,290            |
| 39                                     | Electric Power - Treatment              | 156,000                      | 151,000                    | 156,000            | 122,831            | 157,374            | 129,652            | 113,223            | 120,592            |
| 40                                     | Laboratory Expense (net)                | 679,000                      | 636,000                    | 707,000            | 649,647            | 758,936            | 768,965            | 705,212            | 691,990            |
| 41                                     | GASB 68 Adjustment                      | 284,000                      | 254,000                    | 254,000            | 107,310            | 212,624            | 150,494            | -                  | -                  |
| 42                                     | <b>TOTAL WATER TREATMENT</b>            | <b>\$2,432,000</b>           | <b>\$2,362,000</b>         | <b>\$2,494,000</b> | <b>\$1,945,958</b> | <b>\$2,377,531</b> | <b>\$2,188,085</b> | <b>\$1,949,762</b> | <b>\$1,873,680</b> |
| <b>TRANSMISSION &amp; DISTRIBUTION</b> |   |                              |                            |                    |                    |                    |                    |                    |                    |
| 43                                     | Supervision & Engineering               | \$596,000                    | \$579,000                  | \$591,000          | \$534,500          | \$659,085          | \$569,303          | \$559,007          | \$562,934          |
| 44                                     | Maps & Records                          | 189,000                      | 128,000                    | 160,000            | 132,053            | 159,512            | 168,267            | 110,877            | 108,956            |
| 45                                     | Operation of T&D System                 | 590,000                      | 775,000                    | 607,000            | 720,417            | 594,175            | 582,483            | 509,160            | 404,243            |
| 46                                     | Storage Facilities Expense              | 139,000                      | 110,000                    | 143,000            | 107,033            | 110,077            | 155,641            | 150,066            | 167,362            |
| 47                                     | Maintenance of Valves & Regulators      | 186,000                      | 171,000                    | 192,000            | 87,285             | 173,762            | 196,162            | 189,372            | 151,691            |
| 48                                     | Maintenance of Mains                    | 170,000                      | 164,000                    | 177,000            | 167,959            | 190,307            | 149,584            | 215,077            | 149,898            |
| 49                                     | Backflow Prevention Program             | 216,000                      | 174,000                    | 220,000            | 231,822            | 186,692            | 155,536            | 150,298            | 156,590            |
| 50                                     | Maintenance of Copper Services          | 159,000                      | 121,000                    | 146,000            | 182,789            | 157,337            | 159,769            | 142,083            | 202,193            |
| 51                                     | Maintenance of PB Service Lines         | 466,000                      | 396,000                    | 481,000            | 558,788            | 471,527            | 473,695            | 532,436            | 432,820            |
| 52                                     | Maintenance of Meters                   | 133,000                      | 112,000                    | 141,000            | 113,810            | 126,985            | 66,356             | 100,402            | 100,401            |
| 53                                     | Detector Check Assembly Maint           | 83,000                       | 74,000                     | 84,000             | 80,416             | 46,056             | 72,208             | 54,586             | 65,749             |
| 54                                     | Maintenance of Hydrants                 | 72,000                       | 55,000                     | 73,000             | 25,607             | 18,087             | 51,020             | 34,311             | 25,655             |
| 55                                     | GASB 68 Adjustment                      | 467,000                      | 417,000                    | 417,000            | 199,802            | 349,390            | 228,385            | -                  | -                  |
| 56                                     | <b>TOTAL TRANSMISSION &amp; DISTRIB</b> | <b>\$3,466,000</b>           | <b>\$3,276,000</b>         | <b>\$3,432,000</b> | <b>\$3,142,281</b> | <b>\$3,242,992</b> | <b>\$3,028,409</b> | <b>\$2,747,675</b> | <b>\$2,528,492</b> |
| <b>CONSUMER ACCOUNTING</b>             |   |                              |                            |                    |                    |                    |                    |                    |                    |
| 57                                     | Meter Reading & Collection              | \$141,000                    | \$41,000                   | \$142,000          | \$99,549           | \$190,554          | \$182,663          | \$189,262          | \$166,919          |
| 58                                     | Billing & Accounting                    | 215,000                      | 247,000                    | 213,000            | 210,805            | 280,268            | 289,503            | 281,010            | 269,054            |
| 59                                     | Contract Billing                        | 18,000                       | 15,000                     | 18,000             | 15,484             | 16,395             | 16,692             | 17,160             | 16,946             |
| 60                                     | Postage & Supplies                      | 55,000                       | 49,000                     | 55,000             | 51,267             | 52,735             | 56,373             | 58,903             | 60,032             |
| 61                                     | Credit Card Fees                        | 60,000                       | 69,000                     | 60,000             | 55,709             | 46,678             | 29,685             | 24,592             | 23,893             |
| 62                                     | Lock Box Service                        | 11,000                       | 11,000                     | 11,000             | 10,944             | 10,944             | 10,944             | 10,944             | 10,080             |
| 63                                     | Uncollectible Accounts                  | 5,000                        | 9,000                      | 5,000              | 14,994             | 12,352             | 12,709             | 15,382             | 14,818             |
| 64                                     | Office Equipment Expense                | 63,000                       | 34,000                     | 35,000             | 12,675             | 45,256             | 11,350             | 23,091             | 16,743             |
| 65                                     | Distributed to Other Operations         | (15,000)                     | (17,000)                   | (16,000)           | (15,104)           | (19,008)           | (17,161)           | (16,959)           | (16,233)           |
| 66                                     | GASB 68 Adjustment                      | 101,000                      | 90,000                     | 90,000             | 29,463             | 75,257             | 49,950             | -                  | -                  |
| 67                                     | <b>TOTAL CONSUMER ACCOUNTING</b>        | <b>\$654,000</b>             | <b>\$548,000</b>           | <b>\$613,000</b>   | <b>\$485,786</b>   | <b>\$711,431</b>   | <b>\$642,708</b>   | <b>\$603,385</b>   | <b>\$562,252</b>   |

**NOVATO POTABLE WATER OPERATING BUDGET DETAIL**

Fiscal Year 2020/21

|  | Proposed<br>Budget<br>20/21 | Estimated<br>Actual<br>19/20 | Adopted<br>Budget<br>19/20 | Actual<br>18/19     | Actual<br>17/18     | Actual<br>16/17     | Actual<br>15/16     | Actual<br>14/15     |
|--|-----------------------------|------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>WATER CONSERVATION</b>                    |                             |                              |                            |                     |                     |                     |                     |                     |
| 68 Residential                               | \$243,000                   | \$200,000                    | \$255,000                  | \$246,347           | \$235,438           | \$270,150           | \$320,620           | \$410,154           |
| 69 Commercial                                | 20,000                      | 7,000                        | 20,000                     | 7,983               | 5,818               | 1,702               | 3,711               | 5,352               |
| 70 Public Outreach/Information               | 60,000                      | 96,000                       | 44,000                     | 51,040              | 33,789              | 30,618              | 32,287              | 34,148              |
| 71 Large Landscape                           | 28,000                      | 20,000                       | 28,000                     | 19,839              | 33,662              | 36,818              | 24,877              | 10,747              |
| 72 GASB 68 Adjustment                        | 48,000                      | 43,000                       | 43,000                     | 16,575              | 36,183              | 21,754              | -                   | -                   |
| 73 <b>TOTAL WATER CONSERVATION</b>           | <b>\$399,000</b>            | <b>\$366,000</b>             | <b>\$390,000</b>           | <b>\$341,784</b>    | <b>\$344,890</b>    | <b>\$361,042</b>    | <b>\$381,495</b>    | <b>\$460,401</b>    |
| <b>GENERAL &amp; ADMINISTRATION</b>          |                             |                              |                            |                     |                     |                     |                     |                     |
| 74 Director's Expense                        | \$41,000                    | \$37,000                     | \$41,000                   | \$36,815            | \$37,111            | \$34,384            | \$34,222            | \$30,400            |
| 75 Legal Fees                                | 21,000                      | 13,000                       | 21,000                     | 20,853              | 20,173              | 28,043              | 20,488              | 9,956               |
| 76 Human Resources                           | 55,000                      | 47,000                       | 52,000                     | 96,677              | 62,348              | 31,451              | 25,036              | 33,977              |
| 77 Auditing Services                         | 26,000                      | 21,000                       | 21,000                     | 22,731              | 19,706              | 16,220              | 18,770              | 18,380              |
| 78 Consulting Services/Studies               | 318,000                     | 160,000                      | 195,000                    | 304,645             | 223,041             | 51,567              | 138,735             | 107,015             |
| 79 General Office Salaries                   | 1,250,000                   | 1,090,000                    | 1,211,000                  | 1,083,904           | 1,441,496           | 1,492,719           | 1,309,502           | 1,191,792           |
| 80 Office Supplies                           | 45,000                      | 29,000                       | 47,000                     | 31,761              | 33,753              | 35,048              | 37,709              | 36,877              |
| 81 Employee Events                           | 12,000                      | 12,000                       | 12,000                     | 10,664              | 10,123              | 9,726               | 10,143              | 7,379               |
| 82 Other Administrative Expense              | 15,000                      | 7,000                        | 15,000                     | 7,289               | 12,528              | 13,960              | 10,427              | 13,390              |
| 83 Election Cost                             | 35,000                      | -                            | -                          | 18,915              | 0                   | 2,077               | 250                 | -                   |
| 84 Dues & Subscriptions                      | 99,000                      | 98,000                       | 95,000                     | 79,986              | 59,362              | 59,046              | 59,271              | 53,296              |
| 85 Vehicle Expense                           | 8,000                       | 8,000                        | 8,000                      | 8,112               | 8,634               | 9,325               | 8,112               | 8,112               |
| 86 Meetings, Conf & Training                 | 192,000                     | 129,000                      | 189,000                    | 107,583             | 149,670             | 186,436             | 139,858             | 136,863             |
| 87 Telephone, Water, Gas & Electricity       | 48,000                      | 47,000                       | 49,000                     | 38,758              | 40,595              | 45,355              | 42,458              | 38,580              |
| 88 Building & Grounds Maintenance            | 59,000                      | 55,000                       | 60,000                     | 58,884              | 75,130              | 62,856              | 63,344              | 48,891              |
| 89 Office Equipment Expense                  | 140,000                     | 140,000                      | 129,000                    | 109,014             | 97,003              | 95,465              | 87,141              | 97,868              |
| 90 Insurance Premiums & Claims               | 155,000                     | 146,000                      | 146,000                    | 99,040              | 92,292              | 87,319              | 140,366             | 102,073             |
| 91 Retiree Medical Benefits                  | 200,000                     | 190,000                      | 172,000                    | 197,855             | 174,528             | 164,969             | 168,935             | 175,580             |
| 92 (Gain)/Loss on Overhead Charges           | (140,000)                   | (162,000)                    | (120,000)                  | 905,403             | (357,925)           | (19,931)            | (89,626)            | (85,682)            |
| 93 G&A Distributed to Other Operations       | (145,000)                   | (130,000)                    | (146,000)                  | (140,526)           | (157,976)           | (161,036)           | (126,771)           | (113,218)           |
| 94 G&A Applied to Construction Projects      | (477,000)                   | (399,000)                    | (326,000)                  | (374,552)           | (346,105)           | (290,813)           | (359,689)           | (353,998)           |
| 95 GASB45/75 Adjustment (OPEB)               | -                           | -                            | -                          | 15,707              | (35,788)            | 120,988             | -                   | -                   |
| 96 GASB68 Adjustment (Pension Liability)     | 411,000                     | 396,000                      | 366,000                    | 124,583             | 342,715             | 207,182             | -                   | -                   |
| 97 <b>TOTAL GENERAL &amp; ADMINISTRATION</b> | <b>\$2,368,000</b>          | <b>\$1,934,000</b>           | <b>\$2,237,000</b>         | <b>\$2,864,101</b>  | <b>\$2,002,414</b>  | <b>\$2,282,356</b>  | <b>\$1,738,681</b>  | <b>\$1,557,531</b>  |
| 98 Depreciation Expense                      | \$2,868,000                 | 2,674,000                    | \$2,788,000                | 2,752,212           | \$2,730,867         | \$2,710,627         | \$2,577,081         | \$2,507,124         |
| 99 <b>TOTAL OPERATING EXPENSE</b>            | <b>\$19,402,000</b>         | <b>\$18,177,000</b>          | <b>\$18,919,000</b>        | <b>\$17,799,855</b> | <b>\$18,063,210</b> | <b>\$16,748,582</b> | <b>\$15,001,502</b> | <b>\$14,825,093</b> |
| 100 <b>NET OPERATING INCOME/(LOSS)</b>       | <b>\$1,107,000</b>          | <b>\$1,377,000</b>           | <b>\$1,662,000</b>         | <b>\$1,637,470</b>  | <b>\$1,956,595</b>  | <b>\$236,303</b>    | <b>\$791,636</b>    | <b>\$1,589,355</b>  |

**NOVATO RECYCLED WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2020/21**

|   | <i>Proposed<br/>Budget<br/>2020/21</i> | <i>Estimated<br/>Actual<br/>2019/20</i> | <i>Adopted<br/>Budget<br/>2019/20</i> |
|---|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                         |  |   |                                       |
| 1 Recycled Water Sales                          | <b>\$1,254,000</b>                     | \$1,194,000                             | \$1,194,000                           |
| 2 Bimonthly Service Charge                      | <b>58,000</b>                          | 43,000                                  | 43,000                                |
| 3 <b>Total Operating Income</b>                 | <b>\$1,312,000</b>                     | \$1,237,000                             | \$1,237,000                           |
| <b>OPERATING EXPENDITURES</b>                   |  |   |                                       |
| 4 Purchased Water - NSD                         | <b>\$213,000</b>                       | \$213,000                               | \$212,000                             |
| 5 Purchased Water - LGVSD                       | <b>71,000</b>                          | 71,000                                  | 63,000                                |
| 6 Pumping                                       | <b>7,000</b>                           | 5,000                                   | 6,000                                 |
| 7 Operations                                    | <b>74,000</b>                          | 88,000                                  | 74,000                                |
| 8 Water Treatment                               | <b>31,000</b>                          | 7,000                                   | 30,000                                |
| 9 Transmission & Distribution                   | <b>62,000</b>                          | 38,000                                  | 62,000                                |
| 10 Consumer Accounting                          | <b>1,000</b>                           | 1,000                                   | 1,000                                 |
| 11 General Administration                       | <b>61,000</b>                          | 65,000                                  | 55,000                                |
| 12 Depreciation                                 | <b>673,000</b>                         | 474,000                                 | 474,000                               |
| 13 <b>Total Operating Expenditures</b>          | <b>\$1,193,000</b>                     | \$962,000                               | \$977,000                             |
| 14 <b>NET OPERATING INCOME (LOSS)</b>           | <b>\$119,000</b>                       | \$275,000                               | \$260,000                             |
| <b>NON-OPERATING INCOME/(EXPENSE)</b>           |  |   |                                       |
| 15 Interest Revenue                             | <b>\$140,000</b>                       | \$153,000                               | \$45,000                              |
| 16 Stone Tree Golf/MCC Interest Payments        | <b>12,000</b>                          | 22,000                                  | 36,000                                |
| 17 Deer Island SRF Loan Interest Expense        | <b>(42,000)</b>                        | (47,000)                                | (47,000)                              |
| 18 Distrib System SRF Loans Interest Exp        | <b>(228,000)</b>                       | (240,000)                               | (240,000)                             |
| 19 <b>Total Non-Operating Income/(Expense)</b>  | <b>(\$118,000)</b>                     | (\$112,000)                             | (\$206,000)                           |
| 20 <b>NET INCOME/(LOSS)</b>                     | <b>\$1,000</b>                         | \$163,000                               | \$54,000                              |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>            |  |   |                                       |
| 21 Add Depreciation Expense                     | <b>\$673,000</b>                       | \$474,000                               | \$474,000                             |
| 22 Connection Fees Transferred from (to) Novato | <b>794,000</b>                         | 843,000                                 | 910,000                               |
| 23 Transfers Out from Capital Expansion Fund    | <b>(369,000)</b>                       | (305,700)                               | -                                     |
| 24 Stone Tree Golf/MCC Principal Repayment      | <b>37,000</b>                          | 1,118,000                               | 227,000                               |
| 25 Capital Improvement Projects                 | <b>(100,000)</b>                       | (23,000)                                | (120,000)                             |
| 26 Deer Island SRF Loan Principal Payments      | <b>(232,000)</b>                       | (226,000)                               | (226,000)                             |
| 27 Distrib System SRF Loan Principal Pmts       | <b>(663,000)</b>                       | (650,000)                               | (650,000)                             |
| 28 <b>Total Other Sources/(Uses)</b>            | <b>\$140,000</b>                       | \$1,230,300                             | \$615,000                             |
| 29 <b>CASH INCREASE/(DECREASE)</b>              | <b>\$141,000</b>                       | \$1,393,300                             | \$669,000                             |

NMWD DRAFT BUDGET

**NOVATO RECYCLED WATER**  
**FY 20/21-Five-Year Financial Forecast**

|  | Fiscal Year Ending June 30 >              | Proposed<br><b>2021</b> | Projected<br><b>2022</b> | Projected<br><b>2023</b> | Projected<br><b>2024</b> | Projected<br><b>2025</b> |
|--|---|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1                                      | Active Services @ Fiscal Year End         | 95                      | 95                       | 95                       | 95                       | 95                       |
| 2                                      | Commodity Rate/1,000 Gal                  | \$6.27                  | \$6.64                   | \$7.04                   | \$7.47                   | \$7.91                   |
| 3                                      | Consumption (MG)                          | 200                     | 200                      | 200                      | 200                      | 200                      |
| <b>OPERATING REVENUE</b>               |   |                         |                          |                          |                          |                          |
| 4                                      | Recycled Water Sales                      | \$1,254                 | \$1,329                  | \$1,409                  | \$1,493                  | \$1,583                  |
| 5                                      | Bimonthly Service Charge                  | 58                      | 61                       | 65                       | 69                       | 72                       |
| 6                                      | <b>Total Operating Revenue</b>            | <b>\$1,312</b>          | <b>\$1,390</b>           | <b>\$1,474</b>           | <b>\$1,562</b>           | <b>\$1,655</b>           |
| <b>OPERATING EXPENSE</b>               |   |                         |                          |                          |                          |                          |
| 7                                      | Purchased Water - NSD                     | \$213                   | \$219                    | \$226                    | \$233                    | \$240                    |
| 8                                      | Purchased Water - LGVSD                   | 71                      | 73                       | 75                       | 77                       | 79                       |
| 9                                      | Overheaded Operating Labor                | 103                     | 106                      | 109                      | 112                      | 115                      |
| 10                                     | Electric Power                            | 6                       | 6                        | 6                        | 6                        | 6                        |
| 11                                     | Other Operating Expenses                  | 128                     | 130                      | 133                      | 136                      | 139                      |
| 12                                     | Depreciation                              | 673                     | 673                      | 673                      | 673                      | 673                      |
| 13                                     | <b>Total Operating Expense</b>            | <b>\$1,193</b>          | <b>\$1,207</b>           | <b>\$1,222</b>           | <b>\$1,237</b>           | <b>\$1,252</b>           |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b> |   |                         |                          |                          |                          |                          |
| 14                                     | Interest Revenue                          | \$152                   | \$67                     | \$70                     | \$70                     | \$70                     |
| 15                                     | Interest Expense                          | (270)                   | (231)                    | (212)                    | (212)                    | (212)                    |
| 16                                     | <b>Total Non-Op Revenue/(Expense)</b>     | <b>(\$118)</b>          | <b>(\$164)</b>           | <b>(\$142)</b>           | <b>(\$142)</b>           | <b>(\$142)</b>           |
| 17                                     | <b>NET INCOME/(LOSS)</b>                  | <b>\$1</b>              | <b>\$19</b>              | <b>\$110</b>             | <b>\$183</b>             | <b>\$261</b>             |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>   |   |                         |                          |                          |                          |                          |
| 18                                     | Add Depreciation Expense                  | \$673                   | \$673                    | \$673                    | \$673                    | \$673                    |
| 19                                     | Marin CC Principal Repayment              | 37                      | 79                       | 81                       | 81                       | 81                       |
| 20                                     | Novato Potable FRC Fund Trsf              | 794                     | 747                      | 714                      | 687                      | 665                      |
| 21                                     | Transfers Out from Capital Expansion Fund | (369)                   | (416)                    | (449)                    | (477)                    | (507)                    |
| 22                                     | Capital Improvement Projects              | (100)                   | (100)                    | (100)                    | (100)                    | (100)                    |
| 23                                     | Deer Island TP Loan Principal Pmt         | (232)                   | (237)                    | (243)                    | (243)                    | (243)                    |
| 24                                     | Distrib Sys Exp Loan Principal Pmt        | (663)                   | (710)                    | (722)                    | (722)                    | (722)                    |
| 25                                     | <b>Total Other Sources/Uses</b>           | <b>\$140</b>            | <b>\$36</b>              | <b>(\$46)</b>            | <b>(\$101)</b>           | <b>(\$153)</b>           |
| 26                                     | <b>Cash Increase/(Decrease)</b>           | <b>\$141</b>            | <b>\$55</b>              | <b>\$64</b>              | <b>\$82</b>              | <b>\$108</b>             |
| 27                                     | <b>Ending Reserve Balance</b>             | <b>\$4,683</b>          | <b>\$4,738</b>           | <b>\$4,802</b>           | <b>\$4,884</b>           | <b>\$4,992</b>           |
| 28                                     | <b>% Rate Increase<sup>1</sup></b>        | <b>6.0%</b>             | <b>6.0%</b>              | <b>6.0%</b>              | <b>6.0%</b>              | <b>6.0%</b>              |

29 <sup>1</sup>Fiscal year 2021 Rate increase to be reviewed for approval by the Board on June 16, 2020. FY 2022 through 2025 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.



**WEST MARIN WATER  
BUDGET SUMMARY  
Fiscal Year 2020/21**

|  | <i>Proposed<br/>Budget<br/>2020/21</i> | <i>Estimated<br/>Actual<br/>2019/20</i> | <i>Adopted<br/>Budget<br/>2019/20</i> |
|--|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                |  |   |                                       |
| 1                                      | <b>\$944,000</b>                       | \$969,000                               | \$912,000                             |
| 2                                      | <b>7,000</b>                           | 7,000                                   | 7,000                                 |
| 3                                      | <b>\$951,000</b>                       | \$976,000                               | \$919,000                             |
| <b>OPERATING EXPENDITURES</b>          |  |   |                                       |
| 4                                      | <b>\$18,000</b>                        | \$18,000                                | \$15,000                              |
| 5                                      | <b>63,000</b>                          | 83,000                                  | 48,000                                |
| 6                                      | <b>49,000</b>                          | 53,000                                  | 49,000                                |
| 7                                      | <b>165,000</b>                         | 161,000                                 | 173,000                               |
| 8                                      | <b>166,000</b>                         | 133,000                                 | 162,000                               |
| 9                                      | <b>26,000</b>                          | 23,000                                  | 28,000                                |
| 10                                     | <b>9,000</b>                           | 7,000                                   | 9,000                                 |
| 11                                     | <b>64,000</b>                          | 64,000                                  | 64,000                                |
| 12                                     | <b>188,000</b>                         | 186,000                                 | 187,000                               |
| 13                                     | <b>\$748,000</b>                       | \$728,000                               | \$735,000                             |
| 14                                     | <b>\$203,000</b>                       | \$248,000                               | \$184,000                             |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b> |  |   |                                       |
| 15                                     | <b>\$57,000</b>                        | \$56,000                                | \$56,000                              |
| 16                                     | <b>11,000</b>                          | 73,000                                  | 38,000                                |
| 17                                     | <b>(22,000)</b>                        | (24,000)                                | (24,000)                              |
| 18                                     | <b>\$46,000</b>                        | \$105,000                               | \$70,000                              |
| 19                                     | <b>\$249,000</b>                       | \$353,000                               | \$254,000                             |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>   |  |   |                                       |
| 20                                     | <b>\$188,000</b>                       | \$186,000                               | \$187,000                             |
| 21                                     | <b>23,000</b>                          | -                                       | -                                     |
| 22                                     | <b>385,000</b>                         | -                                       | -                                     |
| 23                                     | <b>(1,485,000)</b>                     | (1,093,000)                             | (1,230,000)                           |
| 24                                     | <b>(49,000)</b>                        | (47,000)                                | (47,000)                              |
| 25                                     | <b>(\$938,000)</b>                     | (\$954,000)                             | (\$1,090,000)                         |
| 26                                     | <b>(\$689,000)</b>                     | (\$601,000)                             | (\$836,000)                           |

NMWD DRAFT BUDGET

**WEST MARIN WATER**  
**FY 20/21-Five-Year Financial Forecast**

|  | Budget<br>2020/21  | Projected<br>2021/22 | Projected<br>2022/23 | Projected<br>2023/24 | Projected<br>2024/25 |
|--|--------------------|----------------------|----------------------|----------------------|----------------------|
| <b>BASIC DATA</b>                        |                    |                      |                      |                      |                      |
| 1 Active Meters                          | 784                | 784                  | 785                  | 785                  | 786                  |
| 2 Avg Commodity Rate/1,000 Gal           | \$11.43            | \$11.95              | \$12.48              | \$13.05              | \$13.63              |
| 3 Potable Consumption (MG)               | 65.0               | 67.0                 | 67.0                 | 67.0                 | 67.0                 |
| <b>OPERATING REVENUE</b>                 |                    |                      |                      |                      |                      |
| 4 Commodity Charge                       | \$743,000          | \$800,000            | \$836,000            | \$874,000            | \$913,000            |
| 5 Bimonthly Service Charge               | 201,000            | 210,000              | 220,000              | 230,000              | 241,000              |
| 6 Miscellaneous Service Charges          | 7,000              | 7,000                | 7,000                | 7,000                | 7,000                |
| 7 <b>Total Operating Revenue</b>         | <b>\$951,000</b>   | <b>\$1,017,000</b>   | <b>\$1,063,000</b>   | <b>\$1,111,000</b>   | <b>\$1,161,000</b>   |
| 8 Operating Expenditures                 | \$560,000          | \$577,000            | \$594,000            | \$612,000            | \$630,000            |
| 9 Depreciation Expense                   | 188,000            | 213,000              | 230,000              | 233,000              | 243,000              |
| 10 <b>Total Operating Expense</b>        | <b>\$748,000</b>   | <b>\$790,000</b>     | <b>\$824,000</b>     | <b>\$845,000</b>     | <b>\$873,000</b>     |
| 11 <b>NET OPERATING INCOME</b>           | <b>\$203,000</b>   | <b>\$227,000</b>     | <b>\$239,000</b>     | <b>\$266,000</b>     | <b>\$288,000</b>     |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>   |                    |                      |                      |                      |                      |
| 12 Interest Revenue                      | \$11,000           | \$4,000              | \$5,000              | \$7,000              | \$6,000              |
| 13 Interest Expense                      | (22,000)           | (20,000)             | (18,000)             | (38,000)             | (38,000)             |
| 14 PR-2 County Tax Allocation            | 57,000             | 58,000               | 59,000               | 60,000               | 61,000               |
| 15 Miscellaneous                         | -                  | -                    | -                    | -                    | -                    |
| 16 <b>Total Non-Op Revenue/(Expense)</b> | <b>46,000</b>      | <b>42,000</b>        | <b>46,000</b>        | <b>29,000</b>        | <b>29,000</b>        |
| 17 <b>Net Income</b>                     | <b>\$249,000</b>   | <b>\$269,000</b>     | <b>\$285,000</b>     | <b>\$295,000</b>     | <b>\$317,000</b>     |
| <b>OTHER SOURCES/(USES)</b>              |                    |                      |                      |                      |                      |
| 18 Add Depreciation Expense              | \$188,000          | \$213,000            | \$230,000            | \$233,000            | \$243,000            |
| 19 Connection Fees                       | 23,000             | -                    | 23,000               | -                    | 23,000               |
| 20 Capital Improvement Projects          | (1,485,000)        | (1,040,000)          | (200,000)            | (575,000)            | (775,000)            |
| 21 Grant/Loan Proceeds                   | 385,000            | -                    | -                    | -                    | -                    |
| 22 Loan from Novato Water                | -                  | 700,000              | (50,000)             | (50,000)             | (50,000)             |
| 23 Debt Principal Payments               | (49,000)           | (51,000)             | (52,000)             | (54,000)             | (56,000)             |
| 24 <b>Total Other Sources/(Uses)</b>     | <b>(\$938,000)</b> | <b>(\$178,000)</b>   | <b>(\$49,000)</b>    | <b>(\$446,000)</b>   | <b>(\$615,000)</b>   |
| 25 <b>Cash Increase/(Decrease)</b>       | <b>(\$689,000)</b> | <b>\$91,000</b>      | <b>\$236,000</b>     | <b>(\$151,000)</b>   | <b>(\$298,000)</b>   |
| 26 Operating Reserve                     | \$186,700          | \$192,300            | \$198,000            | \$204,000            | \$178,300            |
| 27 System Expansion Reserve              | 112,300            | 197,700              | 428,000              | 271,000              | (33,000)             |
| 28 Liability Contingency Reserve         | 99,000             | 99,000               | 99,000               | 99,000               | 99,000               |
| 29 <b>ENDING CASH BALANCE</b>            | <b>\$398,000</b>   | <b>\$489,000</b>     | <b>\$725,000</b>     | <b>\$574,000</b>     | <b>\$276,000</b>     |
| <b>% Rate Increase<sup>1</sup></b>       | <b>4.5%</b>        | <b>4.5%</b>          | <b>4.5%</b>          | <b>4.5%</b>          | <b>4.5%</b>          |

<sup>1</sup>Fiscal year 2021 Rate increase to be reviewed for approval by the Board on June 23, 2020. FY 2022 through 2025 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

**OCEANA MARIN SEWER  
BUDGET SUMMARY  
Fiscal Year 2020/21**

|   | <i>Proposed<br/>Budget<br/>2020/21</i> | <i>Estimated<br/>Actual<br/>2019/20</i> | <i>Adopted<br/>Budget<br/>2019/20</i> |
|---|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                 |  |   |                                       |
| 1 Monthly Sewer Service Charge          | <b>\$276,000</b>                       | \$265,000                               | \$261,000                             |
| 2 Misc Service Charges                  | -                                      | -                                       | -                                     |
| 3 <b>Total Operating Income</b>         | <b>\$276,000</b>                       | \$265,000                               | \$261,000                             |
| <b>OPERATING EXPENDITURES</b>           |  |   |                                       |
| 4 Sewage Collection                     | <b>\$88,000</b>                        | \$87,000                                | \$79,000                              |
| 5 Sewage Treatment                      | <b>45,000</b>                          | 42,000                                  | 46,000                                |
| 6 Sewage Disposal                       | <b>45,000</b>                          | 44,000                                  | 46,000                                |
| 7 Consumer Accounting                   | <b>2,000</b>                           | 2,000                                   | 2,000                                 |
| 8 General Administration                | <b>27,000</b>                          | 26,000                                  | 27,000                                |
| 9 Depreciation Expense                  | <b>48,000</b>                          | 46,000                                  | 37,000                                |
| 10 <b>Total Operating Expenditures</b>  | <b>\$255,000</b>                       | \$247,000                               | \$237,000                             |
| 11 <b>NET OPERATING INCOME (LOSS)</b>   | <b>\$21,000</b>                        | \$18,000                                | \$24,000                              |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>  |  |   |                                       |
| 12 OM-1/OM-3 Tax Allocation             | <b>\$61,000</b>                        | \$60,000                                | \$60,000                              |
| 13 Interest Revenue                     | <b>3,000</b>                           | 11,000                                  | 8,000                                 |
| 14 <b>Total Non-Op Income/(Expense)</b> | <b>\$64,000</b>                        | \$71,000                                | \$68,000                              |
| <b>NET INCOME/(LOSS)</b>                | <b>\$85,000</b>                        | \$89,000                                | \$92,000                              |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>    |  |   |                                       |
| 15 Add Depreciation Expense             | <b>\$48,000</b>                        | \$46,000                                | \$37,000                              |
| 16 Grant/Loan Proceeds                  | <b>225,000</b>                         | -                                       | 69,000                                |
| 17 Capital Improvement Projects         | <b>(290,000)</b>                       | (124,500)                               | (\$55,000)                            |
| 18 <b>Total Other Souces/(Uses)</b>     | <b>(\$17,000)</b>                      | (\$78,500)                              | \$51,000                              |
| 19 <b>CASH INCREASE/(DECREASE)</b>      | <b>\$68,000</b>                        | \$10,500                                | \$143,000                             |

**OCEANA MARIN SEWER**

**FY 20/21-Five-Year Financial Forecast**

|  | <b>Budget</b>                         | <b>Projected</b>  | <b>Projected</b>   | <b>Projected</b> | <b>Projected</b>   |
|--|---------------------------------------|-------------------|--------------------|------------------|--------------------|
|  | <b>2020/21</b>                        | <b>2021/22</b>    | <b>2022/23</b>     | <b>2023/24</b>   | <b>2024/25</b>     |
| <b>BASIC DATA</b>                      |                                       |                   |                    |                  |                    |
| 1                                      | Number of Connections                 | 235               | 236                | 236              | 237                |
| 2                                      | Monthly Service Charge                | \$98.00           | \$103.00           | \$108.00         | \$113.00           |
| <b>OPERATING REVENUE</b>               |                                       |                   |                    |                  |                    |
| 3                                      | Monthly Service Charge                | \$276,000         | \$292,000          | \$306,000        | \$321,000          |
| 4                                      | Miscellaneous Service Charges         | -                 | -                  | -                | -                  |
| 5                                      | <b>Total Operating Revenue</b>        | <b>\$276,000</b>  | <b>\$292,000</b>   | <b>\$306,000</b> | <b>\$321,000</b>   |
| <b>OPERATING EXPENSE</b>               |                                       |                   |                    |                  |                    |
| 6                                      | Operating Expenditures                | \$207,000         | \$213,000          | \$219,000        | \$225,000          |
| 7                                      | Depreciation Expense                  | 48,000            | 53,000             | 82,000           | 83,000             |
| 8                                      | <b>Total Operating Expense</b>        | <b>\$255,000</b>  | <b>\$266,000</b>   | <b>\$301,000</b> | <b>\$308,000</b>   |
| 9                                      | <b>NET OPERATING INCOME</b>           | <b>\$21,000</b>   | <b>\$26,000</b>    | <b>\$5,000</b>   | <b>\$13,000</b>    |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b> |                                       |                   |                    |                  |                    |
| 10                                     | Interest Revenue                      | \$3,000           | \$4,000            | \$3,000          | \$4,000            |
| 11                                     | Interest Expense                      | -                 | (9,000)            | (8,000)          | (7,000)            |
| 12                                     | OM-1/OM-3 Tax Allocation              | 61,000            | 62,000             | 63,000           | 64,000             |
| 13                                     | <b>Total Non-Op Revenue/(Expense)</b> | <b>\$64,000</b>   | <b>\$57,000</b>    | <b>\$58,000</b>  | <b>\$61,000</b>    |
| #                                      | <b>Net Income</b>                     | <b>\$85,000</b>   | <b>\$83,000</b>    | <b>\$63,000</b>  | <b>\$74,000</b>    |
| <b>OTHER SOURCES/(USES)</b>            |                                       |                   |                    |                  |                    |
| 15                                     | Add Depreciation Expense              | \$48,000          | \$53,000           | \$82,000         | \$83,000           |
| 16                                     | Connection Fees                       | -                 | 30,000             | -                | 30,000             |
| 17                                     | Capital Improvement Projects          | (290,000)         | (1,740,000)        | (40,000)         | (340,000)          |
| 18                                     | Grant/Loan Proceeds                   | 225,000           | 1,450,000          | -                | -                  |
| 19                                     | Debt Principal Payments               | -                 | -                  | (9,000)          | (9,000)            |
| 20                                     | <b>Total Other Sources/(Uses)</b>     | <b>(\$17,000)</b> | <b>(\$207,000)</b> | <b>\$33,000</b>  | <b>(\$236,000)</b> |
| 21                                     | <b>Cash Increase/(Decrease)</b>       | <b>\$68,000</b>   | <b>(\$124,000)</b> | <b>\$96,000</b>  | <b>\$89,000</b>    |
| 22                                     | <b>ENDING CASH BALANCE</b>            | <b>\$387,000</b>  | <b>\$263,000</b>   | <b>\$359,000</b> | <b>\$197,000</b>   |
|  | <b>% Rate Increase<sup>1</sup></b>    | <b>5.0%</b>       | <b>5.0%</b>        | <b>5.0%</b>      | <b>5.0%</b>        |

<sup>1</sup>Fiscal year 2021 Rate increase to be reviewed for approval by the Board on June 23, 2020. FY 2022 through 2025 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

**CAPITAL IMPROVEMENT PROJECTS**

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|           |   | FY21               | FY22               | FY21 Project Description  |
|-----------|---|--------------------|--------------------|---|
| 1.        | PIPELINE REPLACEMENTS/ADDITIONS                                 |                    |                    |   |
|           | a. Main/Pipeline Replacements                                   |                    |                    |   |
|           | 1 Replace 12" CI Pipe (785LF) S. Novato Bl (btwn Rowland/Adele) | \$100,000          | \$240,000          | Replace 60 year old Cast-Iron-Pipe that has a high frequency of breaks and is at the end of its useful life.                                  |
| 1.7183.00 | 2 Replace Plastic Thin Walled Pipe < 4-inch                     | \$150,000          | \$150,000          | Ongoing systematic replacement of all plastic TW pipe < 4-inch.   |
|           | 3 Other Main Replacements (60+ years old)                       | \$200,000          | \$650,000          | Unplanned repairs/replacements for failing mains.   |
|           |   | \$450,000          | \$1,040,000        |   |
|           | b. Main/Pipeline Additions                                      |                    |                    |   |
| 1.7150.00 | 1 San Mateo 24" Inlet/Outlet Pipe (2,200')                      | \$910,000          | -                  | Multiyear project to install 1,600 feet of 24-inch pipe from San Mateo Tank to the end of San Mateo Way to improve northern Zone 2 fire flow. |
|           | 2 Loop Mariner Way to Redwood Bl.                               | -                  | \$125,000          |   |
|           | 3 Other Main/Pipeline Additions                                 | \$150,000          | \$150,000          | Misc. Projects to loop dead end mains   |
|           |   | \$1,060,000        | \$275,000          |   |
|           | c. Polybutylene Service Line Replacements                       |                    |                    |   |
| 1.7139.xx | 1 Replace PB in Sync w/City Paving (30 Services)                | \$70,000           | \$70,000           | Ongoing systematic replacement of PB services in advance of City paving projects.   |
| 1.7123.xx | 2 Other PB Replacements (40 Services)                           | \$80,000           | \$80,000           | Ongoing systematic replacement of PB services.  |
|           |   | \$150,000          | \$150,000          |   |
|           | d. Relocations to Sync w/City & County CIP                      |                    |                    |   |
| 1.8737.xx | 1 Other Relocations   | \$70,000           | \$70,000           | Relocate facilities for yet to be identified City/County Projects.  |
|           |   | \$70,000           | \$70,000           |   |
|           | <b>TOTAL PIPELINE REPLACEMENTS/ADDITIONS</b>                    | <b>\$1,730,000</b> | <b>\$1,535,000</b> |   |

**CAPITAL IMPROVEMENT PROJECTS**

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|           |   | FY21               | FY22               | FY21 Project Description  |
|-----------|---|--------------------|--------------------|---|
| <b>2.</b> | <b>SYSTEM IMPROVEMENTS</b>                      |                    |                    |   |
| 1.7007.13 | a. DCA Repair/Replace-FY20 (~14/yr)             | \$100,000          | \$100,000          |   |
| 1.7090.04 | b. Anode Installations-FY20 (150/yr)            | \$10,000           | \$10,000           | Place anodes on copper laterals for corrosion protection.   |
| 1.7136.00 | c. Facilities Security Enhancements             | \$25,000           | -                  | Tanks & PS security improvements.   |
|           | d. San Marin Aqueduct Valve Pit (STP to Zone 2) | \$110,000          | -                  | Piping/Valve modifications to allow downtown Zone 1 water (from STP) to supply San Marin pump station.        |
|           | e. Other System Improvements                    | -                  | \$200,000          |   |
|           | <b>TOTAL SYSTEM IMPROVEMENTS</b>                | <b>\$245,000</b>   | <b>\$310,000</b>   |   |
| <b>3.</b> | <b>BUILDING, YARD, STP IMPROVEMENTS</b>         |                    |                    |   |
|           | a. Administration Building                      |                    |                    |   |
| 1.6501.44 | 1 Office/Yard Building Renovation (Note 1)      | \$1,000,000        | \$7,000,000        | 50-year-old building requires significant upgrading.  |
|           |   | \$1,000,000        | \$7,000,000        |   |
|           | b. Stafford Treatment Plant                     |                    |                    |   |
| 1.6600.69 | 1 Dam Concrete Repair (Apron)                   | -                  | \$50,000           | Ongoing patch repairs as needed.  |
| 1.6600.96 | 2 Leveroni Creek Embankment Repair (Note 2)     | \$192,000          | -                  | Repair/stabilize culvert embankment under access road to STP/IVGC.  |
| 1.6600.xx | 3 Other Treatment Plant Improvements            | \$100,000          | \$50,000           | Miscellaneous plant improvements.   |
| 1.6600.97 | 4 Efficiency Improvements                       | \$100,000          | -                  | Improvement of sludge treatment process as suggested in the Efficiency Study.                                 |
| 1.6600.92 | 5 STP - Chemical System Upgrades (Tank R&R)     | \$75,000           | \$75,000           | Ongoing replacement of original chemical storage tanks (circa 2006) that are at the end of their useful life. |
|           | 6 HSPS #3 Motor R&R                             | \$20,000           | -                  | Purchase and install new motor for High Service Pump Station Unit #3.   |
|           | 7 Filter Underdrain/Media R&R                   | \$20,000           | \$20,000           | Filter underdrain inspection and media replacement for each filter unit (one per year).                       |
|           |   | \$507,000          | \$195,000          |   |
|           | <b>TOTAL BUILDING, YARD, STP IMPROVEMENTS</b>   | <b>\$1,507,000</b> | <b>\$7,195,000</b> |   |

**CAPITAL IMPROVEMENT PROJECTS**

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|           |  | FY21        | FY22      | FY21 Project Description   |
|-----------|--|-------------|-----------|--|
| 4.        | STORAGE TANKS/PUMP STATIONS                    |             |           |  |
|           | a. Tank Construction                           |             |           |  |
| 1.6207.20 | 1 Old Ranch Rd Tank No. 2 (100k gal)           | \$500,000   | -         | Replace and upsize existing redwood tank due to the current tank approaching end of useful life. |
|           |  | \$500,000   | \$0       |  |
|           | b. Tank Rehabilitation                         |             |           |  |
| 1.7170.00 | 1 Hydropneumatic Tank Repairs                  | \$30,000    | \$30,000  | Ongoing program to inspect/Repair the 7 tanks in compliance with State Code.                     |
|           | 2 Garner Tank Recoat (0.1 MG)                  | -           | \$340,000 |  |
|           |  | \$30,000    | \$370,000 |  |
| 1.6112.24 | c. Lynwood P.S. Motor Control Center           | \$400,000   | -         | Move motor controls above-ground.  |
| 1.6141.00 | d. Crest PS (Design/Const) /Reloc School Rd PS | \$550,000   | -         | Replace School Rd PS with new facility on Bahia Drive.   |
|           | e. Davies PS Upgrade                           | -           | \$225,000 |  |
|           | f. Fire Flow Backfeed Valve Nunes Tank         | -           | \$200,000 |  |
|           | g. Other Tank & PS Improvements                | \$25,000    | -         | New portable tank cleaning pumping system.   |
|           |  | \$975,000   | \$425,000 |  |
|           | TOTAL STORAGE TANKS/PUMP STATIONS              | \$1,505,000 | \$795,000 |  |
| 5.        | RECYCLED WATER                                 |             |           |  |
| 5.7162.xx | a. Other Recycled Water Expenditures           | \$100,000   | \$100,000 | Retrofit existing potable irrigation customers to RW.  |
|           | TOTAL RECYCLED WATER PROJECTS                  | \$100,000   | \$100,000 |  |

**CAPITAL IMPROVEMENT PROJECTS**

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|           |   | FY21               | FY22               | FY21 Project Description   |
|-----------|---|--------------------|--------------------|--|
| 6.        | <b>WEST MARIN WATER SYSTEM</b>                        |                    |                    |  |
| 2.6263.20 | a. Replace PRE Tank #4A (25K gal w/125K gal)          | \$1,000,000        | -                  | Replace and upsize redwood tank destroyed in Vision Fire with concrete tank.   |
| 2.6609.20 | b. New Gallagher Well #2                              | \$75,000           | \$335,000          | Permit and construct 2nd well at Gallagher Ranch.  |
| 2.8829.00 | c. PB Replace in Sync w/ County Paving                | \$50,000           | \$50,000           | For 25 replacements.   |
| 2-7185-00 | d. Gallagher Ranch Streambank Stabilization (Note 3)  | \$260,000          | -                  | Hazard mitigation project to stabilize a section of Lagunitas Creek upstream of Gallagher Ranch bridge to protect NMWD well and pipeline from flooding damage. |
| 2.8912.00 | e. Lagunitas Creek Bridge Pipe Replacement (Caltrans) | \$100,000          | \$400,000          | Relocate/replace 8-inch water main across Lagunitas Creek Bridge.  |
| 2.8737.07 | f. Olema Creek Bridge Pipe Replacement (County)       | -                  | \$255,000          |  |
|           | <b>TOTAL WEST MARIN WATER SYSTEM PROJECTS</b>         | <b>\$1,485,000</b> | <b>\$1,040,000</b> |  |
| 7.        | <b>OCEANA MARIN SEWER SYSTEM</b>                      |                    |                    |  |
| 8.8672.28 | a. Infiltration Repair (Manhole Relining)             | \$40,000           | \$40,000           | Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system.  |
| 8.7085.02 | b. Tahiti Way Lift Pumps Replacement                  | \$25,000           | \$100,000          | Replacement of Lift Pumps  |
| 8.7173.00 | c. OM Treatment Pond Rehab (Note 5)                   | \$225,000          | \$1,600,000        | Hazard mitigation project to armor the existing earthen treatment pond berms to minimize storm erosion and damage due to earthquakes.                          |
|           | <b>TOTAL OCEANA MARIN SEWER SYSTEM PROJECTS</b>       | <b>\$290,000</b>   | <b>\$1,740,000</b> |  |



**CAPITAL IMPROVEMENT PROJECTS**

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|  | FY21               | FY22                 | FY21 Project Description |
|--|--------------------|----------------------|--------------------------|
| <b><u>SUMMARY - GROSS PROJECT OUTLAY</u></b>                 |                    |                      |                          |
| Novato Water   | \$4,987,000        | \$9,835,000          |                          |
| Recycled Water   | \$100,000          | \$100,000            |                          |
| West Marin Water   | \$1,485,000        | \$1,040,000          |                          |
| Oceana Marin Sewer   | \$290,000          | \$1,740,000          |                          |
| <b>GROSS PROJECT OUTLAY</b>                                  | <b>\$6,862,000</b> | <b>\$12,715,000</b>  |                          |
| <b>LESS FUNDED BY LOANS/GRANTS/OTHER</b>                     |                    |                      |                          |
| a. Office/Yard Building Refurbish (Note 1)                   | -                  | (\$8,000,000)        |                          |
| b. Gallagher Ranch Streambank Stabilization (Note 3)         | (\$385,000)        | -                    |                          |
| c. WM Novato Water Loan to WM (Note 4)                       | -                  | (\$700,000)          |                          |
| d. WM Novato Water Loan to WM (Note 4)                       | -                  | \$700,000            |                          |
| e. OM Treatment Pond Rehab (Note 5)                          | (\$225,000)        | (\$1,450,000)        |                          |
| <b>TOTAL LOAN/GRANT FUNDS</b>                                | <b>(\$610,000)</b> | <b>(\$9,450,000)</b> |                          |
| <b><u>SUMMARY - NET PROJECT OUTLAY</u></b>                   |                    |                      |                          |
| Novato Capital Improvement Net Project Outlay                | \$4,987,000        | \$2,535,000          |                          |
| Recycled Water   | \$100,000          | \$100,000            |                          |
| West Marin Water   | \$1,100,000        | \$340,000            |                          |
| Oceana Marin Sewer   | \$65,000           | \$290,000            |                          |
| <b>NET PROJECT OUTLAY</b>                                    | <b>\$6,252,000</b> | <b>\$3,265,000</b>   |                          |
| Total Number of District Projects                            | 33                 | 28                   |                          |
| 5-Year Average of Internally Funded Projects FY20/21-FY24/25 | 3,530,000          |                      |                          |

**CAPITAL IMPROVEMENT PROJECTS**

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|  | <b>FY21</b>               | <b>FY22</b>               | <b>FY21 Project Description</b> |
|--|---------------------------|---------------------------|---------------------------------|
| <b>NOVATO POTABLE WATER DEBT SERVICE</b>     |                           |                           |                                 |
| a. STP SRF Loan                              | \$1,045,000               | \$1,044,000               |                                 |
| b. AEEP Bank Loan                            | \$483,000                 | \$482,000                 |                                 |
| c. Advanced Meter Info Retrofit Loan         | \$380,000                 | \$378,000                 |                                 |
| d. Admin Building Renovation Loan (Note 1)   | -                         | \$563,000                 |                                 |
|  | <u>\$1,908,000</u>        | <u>\$2,467,000</u>        |                                 |
| <b>NOVATO RECYCLED WATER DEBT SERVICE</b>    |                           |                           |                                 |
| e. Deer Island Facility SRF Loan             | \$274,000                 | \$273,000                 |                                 |
| f. RW North Expansion SRF Loan               | \$282,000                 | \$282,000                 |                                 |
| g. RW South Expansion SRF Loan               | \$332,000                 | \$332,000                 |                                 |
| h. RW Central Exp SRF Loan (Net of MCC)      | \$276,000                 | \$227,000                 |                                 |
|  | <u>\$1,164,000</u>        | <u>\$1,114,000</u>        |                                 |
| <b>WEST MARIN WATER DEBT SERVICE</b>         |                           |                           |                                 |
| i. TP Solids Handling Bank Loan              | \$71,000                  | \$71,000                  |                                 |
|  | <u>\$71,000</u>           | <u>\$71,000</u>           |                                 |
| <b>OCEANA MARIN SEWER DEBT SERVICE</b>       |                           |                           |                                 |
| j. CIP Financing                             | -                         | \$18,000                  |                                 |
|  | <u>\$0</u>                | <u>\$18,000</u>           |                                 |
|  | <u><u>\$3,143,000</u></u> | <u><u>\$3,670,000</u></u> |                                 |
| <b>TOTAL DEBT SERVICE</b>                    | <u><u>\$3,143,000</u></u> | <u><u>\$3,670,000</u></u> |                                 |
| <b>NET PROJECT OUTLAY &amp; DEBT SERVICE</b> | <u><u>\$9,395,000</u></u> | <u><u>\$6,935,000</u></u> |                                 |

**CAPITAL IMPROVEMENT PROJECTS**

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|                                       |   | FY21   | FY22             | FY21 Project Description |
|---------------------------------------|---|--|------------------|--------------------------|
| <b>STUDIES &amp; SPECIAL PROJECTS</b> |   |  |                  |                          |
| 1.4057.00                             | a | Local Water Supply Enhancement Study                       | \$25,000         | \$100,000                |
| 1.7039.02                             | b | Novato Water Master Plan Update                            | -                | \$95,000                 |
| 1.4059.00                             | c | Stafford Lake Water Rights Update                          | -                | \$50,000                 |
| 1.4077.00                             | d | Potter Valley FERC Relicensing                             | \$10,000         | -                        |
| 1.7140.01                             | e | Stafford Dam EAP & Inudation Mapping Updates               | \$10,000         | -                        |
| 1.4050.00                             | f | Urban Water Management Plan (every 5 yrs)                  | \$50,000         | -                        |
| 1.6501.43                             | g | Electronic Document Management System                      | \$60,000         | \$80,000                 |
|                                       | h | Oceana Marin Sewer System Management Plan                  | \$50,000         | -                        |
|                                       | i | Stafford Lake Sediment Survey (every 10 yrs)               | \$60,000         | -                        |
|                                       | j | West Marin Water Rate Study                                | \$35,000         | -                        |
|                                       | k | Design Report (Eagle Dr. & Hayden Hydro-P System Upgrades) | \$20,000         | -                        |
|                                       | l | Lynwood/San Marin Zone 2 Pumping Study                     | -                | \$30,000                 |
|                                       | m | Pump Efficiency/Hydraulic Study                            | -                | \$30,000                 |
|                                       |   |  | <u>\$320,000</u> | <u>\$385,000</u>         |

Note 1 - \$15M Office/Yard Renovation is proposed to be funded by 20 year 3.5% Bank Loan.

Note 2 - Project developed as part of October 2017 Feasibility Assessment prepared by Prunuske Chatham, Inc.

Note 3 - \$385K funded by others (\$310K NRCS, \$50K MALT, \$25K MMWD)

Note 4 - Loan from Novato Water - to be paid back with interest.

Note 5 - Project to be funded at 75% by grants. Eligible project costs are budgeted at \$2.2M (75%=\$1.425M). Also includes loans for capital projects of \$250K in FY22.

NMWD DRAFT BUDGET

**EQUIPMENT EXPENDITURES**

*Fiscal Year 20/21 Budget*

|                                 |                              | Approved                | Description   |
|---------------------------------|------------------------------|-------------------------|---|
| <b>1 OPERATIONS/MAINTENANCE</b> |                              |                         |   |
| 12106.01.00                     | a. Metals Analyzer           | \$85,000                | Replace 20-year old metals analyzer as its repair components are no longer available. |
| 12109.01.00                     | b. Meter Maintenance Program | \$57,000                | Equipment to test meters up to 2".  |
|                                 |                              | <u><b>\$142,000</b></u> |   |

| <b>2 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b> |                                    | <u>Rolling Stock to be Transferred &amp; Auctioned or Description</u> |   |
|---|------------------------------------|---|---|
| 12104.01.00   | a. 5-Yard Dump Truck               | \$135,000   | Replace #44 Dump Truck (over 110K miles and non-CA exhaust compliant).    |
| 12104.01.00   | b. 9,000 GVWR Hyd Dump Trailer     | \$11,000  | Needed for building and grounds maintenance.                              |
| 12104.01.00   | c. 14,000 GVWR Tilt Deck Trailer   | \$17,000  | Needed for Construction Department to transport BobCat track loader.      |
| 12104.01.00   | d. Cart-Away 1 Yard Concrete Mixer | \$25,000  | Needed for Construction Department for more reliable transport of cement. |
|   |                                    | <u><b>\$188,000</b></u>   |   |
| <b>Total</b>  |                                    | <u><b>\$330,000</b></u>   |   |

|               | Adopted<br>Budget       | Estimated<br>Actual     | Proposed<br>Budget      |
|---------------|-------------------------|-------------------------|-------------------------|
| <b>RECAP</b>  | 2019/20                 | 2019/20                 | 2020/21                 |
| Equipment     | \$247,000               | \$244,000               | \$142,000               |
| Rolling Stock | \$186,000               | \$138,000               | \$188,000               |
|               | <u><b>\$433,000</b></u> | <u><b>\$382,000</b></u> | <u><b>\$330,000</b></u> |

9

## MEMORANDUM

To: Board of Directors

May 15, 2020

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: FY 19-20 Third Quarter Progress Report – Water Conservation

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**RECOMMENDED ACTION:** Information**FINANCIAL IMPACT:** None**Water Conservation:**

This memo provides an update on water conservation and public outreach activities implemented during the first three quarters of Fiscal Year 2020. Water Conservation participation numbers for the first three quarters of the current and previous two fiscal years are summarized in Table 1 below.

**Table 1: Water Conservation Program Participation (July through March: 2017 - 2020)**

| Program                                     | FY18 | FY19 | FY20            |
|---|------|------|-----------------|
| Water Smart Home Surveys                    | 243  | 190  | 135             |
| Water Smart Commercial Surveys              | 4    | 1    | 2               |
| Toilet Replacements (Residential)           | 100  | 131  | 119             |
| Toilet Replacements (Commercial)            | 0    | 3    | 0               |
| Retrofit on Resale (Dwellings Certified)    | 190  | 134  | 137             |
| High Efficiency Washing Machine Rebates     | 19   | 8    | 7               |
| Cash for Grass Rebates                      | 12   | 13   | 10 <sup>1</sup> |
| Water Smart Landscape Rebates               | 3    | 4    | 10              |
| Weather Based Irrigation Controller Rebates | 13   | 13   | 11              |
| New Construction Sign-offs (Residential)    | 18   | 15   | 67 <sup>2</sup> |
| New Construction Sign-offs (Commercial)     | 13   | 16   | 14              |

(1) Cash for Grass participants removed 7,935 square feet of turf (vs. 16,792 square feet in FY 19).

(2) Includes a 48-unit senior housing development.

Water conservation participation has continued to trend low this fiscal year (consistent with other utilities throughout northern California). Cash for Grass participation levels continue to be extraordinarily low and clothes washer rebates continue to be well below historical participation levels (with the absence of an energy provider rebate). The Water Smart Home Survey and Retrofit on Resale programs have remained fairly consistent, and Weather Based Irrigation Controller rebates continue to gain in popularity with the increasing presence of Wi-Fi based controllers in the market, although we have also experienced a slight drop in participation this fiscal year.

**Public Outreach and Communications:**

In the first three quarters of FY20, the District initiated the process of developing a new website, which is now almost complete, and began implementing the communication actions as directed in the approved Communications Strategy and Plan for FY 2019/2020. To kick-off these actions, the Fall 2019 issue of the Novato “Water Line” (which was distributed in early November 2019) was completely redesigned by Kiosk and was the first action in the Communications Plan to be implemented. This issue informed customers on: water supply and conservation achievements, District preparation efforts for the Public Safety Power Shutoffs, AMI project status including information on how to register online, the Novato Water Rate Study and highlighted some recent capital improvement projects. Other communications actions were documented in the Public Communications Implementation Update No. 1 at the last Board meeting. These actions included (among other action items to be completed this calendar year) redevelopment of the District “Brand”, new photography of the Board (recently completed) and action photos of staff, refreshment and redesign of District communications materials, and increased frequency and quality of social media posts. The District currently maintains a Facebook, Nextdoor, Instagram, and recently developed Twitter page, with regular updates on water use efficiency, construction projects and other appropriate District outreach material. During the Fall power shutoff event, the District was able to communicate our efforts to provide uninterrupted water service to our customers through our social media platforms and received an excellent and favorable response from our customer base. Staff is also using the WaterSmart AMI dashboard and customer portal as a public outreach tool to help inform customers on water use patterns and leaks.

**Budget**

Table 2 summarizes the first three quarter expenditures for the most recent three fiscal years (July-March). FY20 expenditures have increased slightly mainly due to communication and public outreach projects.

**Table 2: Water Conservation and Public Outreach Expenditures (July through March: 2017 - 2020)**

|                   | FY18      | FY19      | FY20      |
|-------------------|-----------|-----------|-----------|
| Total Budget      | \$440,000 | \$380,000 | \$390,000 |
| July-March Actual | \$214,848 | \$231,416 | \$241,391 |

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## MEMORANDUM

To: Board of Directors  
 From: Drew McIntyre, General Manager / Acting Chief Engineer  
 Subject: FY19-20 Third Quarter Progress Report – Engineering Department

Date: May 15, 2020

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The purpose of this memo is to provide a third quarter status report to the Board on the District's performance in completing budgeted FY19-20 Capital Improvements Projects (CIP) with a primary emphasis on planned (i.e., baseline) versus actual performance. The following information supplements the progress report summary provided to the Board each month.

SUMMARY

| <u>Service Areas</u> | <u>Project Costs (\$)</u> |               | <u>% Complete</u> |        | <u>Earned Value (\$)</u> |           |
|----------------------|---------------------------|---------------|-------------------|--------|--------------------------|-----------|
|                      | Budget (\$)               | Forecast (\$) | Planned           | Actual | Planned                  | Actual    |
| Novato Water         | 4,238,000                 | 1,875,910     | 71                | 55     | 2,597,610                | 1,415,360 |
| Novato Recycled      | 120,000                   | 29,700        | 81                | 94     | 15,000                   | 24,700    |
| West Marin           | 1,285,000                 | 1,467,500     | 77                | 49     | 973,750                  | 475,250   |
| TOTAL                | 5,643,000                 | 3,373,110     | 76                | 66     | 3,946,360                | 1,915,310 |

The table above summarizes the detailed tabulation of CIPs for both Novato and West Marin (including Oceana Marin) systems provided in Attachment A. In summary, CIP expenditures for Novato, Novato Recycled Water and West Marin service areas will not exceed approved FY19-20 budget levels. <sup>(1)</sup> For the Novato Water system, the above tabulation shows that CIP expenditures are forecast to be \$1,875,910 (44% of the approved budget versus a forecast of 69% at this time last year). Actual performance for the Novato Water system (55%) trails planned performance for project completion (71%). Actual performance for the Novato Recycled Water system is above planned performance for project completion (i.e., 94% vs. 81%). With respect to West Marin (including Oceana Marin), CIP expenditures of \$1,467,500 are forecast to be above the approved FY19-20 budget value <sup>(1)</sup> (versus a forecast of 51% at this time last year). Planned performance through the third quarter for West Marin was projected to be 77% and actual completion performance is below at 49%. Overall, for the Novato Water, Novato Recycled Water and West Marin water systems, combined actual performance is slightly above (i.e., 66%) planned performance (i.e. 76%).

Novato Service Area Project Costs Variances

As shown in Attachment A, all of the FY19-20 Novato CIPs are currently projected to be completed at or below original budget with the exception of 3.c.1 – Dam Concrete Apron Repair.

<sup>(1)</sup> For West Marin – Grant Funds will cover a significant percentage of Gallagher Ranch Streambank Stabilization Project.

Five new projects have been added: Grant Ave CI Main Replacement with PVC Main, Replace PB – Hatch Rd & Mill Rd, STP Backwash Pond 30" Isolation Valve, STP Outlet Valve Replacement, and Quick Connects – Generator. Three projects have been carried over: PB Replacements – Lanham Village; Novato Fair Shopping Center Backflow; and AMI Retrofit. No projects have been deleted or deferred.

#### Novato Recycled Water Service Area Project Variances

As shown in Attachment A, one recycled water project was added: Recycled Water Retrofits – Taco Bell. No recycled water projects have been added or deferred/dropped during the third quarter.

#### West Marin Service Area (including Oceana Marin) Project Costs Variances

As shown in Attachment A, all of the FY19-20 budgeted West Marin CIPs expenditures are currently projected to be within the original budget. Two projects have been added: Gallagher Ranch Streambank Stabilization and Olema Pump Station Pump Replacement. One project has been carried over: PB Replacements – Drakes View Dr. No projects have been deleted or deferred in the third quarter.

#### Engineering Department Labor Hours

The Engineering Department provides a multitude of functions supporting overall operation, maintenance and expansion of water facilities. The major work classifications are: (1) General Engineering, (2) Developer Projects and (3) District (i.e., CIP) Projects. Out of the approximately 14,900 engineering labor hours available annually (less Conservation), the FY19-20 labor budget for Developer Projects and District Projects is 1,540 (10% of total) and 3,293 (22% of total), respectively. A chart of actual hours expended versus budgeted hours for both Developer and District projects during FY19-20 is provided in Attachment B. At the end of the third quarter, actual engineering labor hours expended for Developer work was 85% (1,365 hours) versus 75% (1,155 hours) budgeted. With respect to District Projects, 1,507 engineering labor hours (46% of budget) have been expended on Capital Improvement Projects which is below the third quarter estimate of 2,470 hours budgeted for the nine-month period.

FY 19-20  
 CAPITAL IMPROVEMENTS PROJECTS

| PROJECTS BUDGETED  | NOVATO<br>SERVICE AREA | WEST MARIN/<br>OCEANA MARIN | TOTAL |
|--------------------|------------------------|-----------------------------|-------|
| Original Budget    | 25                     | 9                           | 34    |
| Added              | 6                      | 2                           | 8     |
| FY 18-19 Carryover | 3                      | 1                           | 4     |
| Deferred/Dropped   | 0                      | 0                           | 0     |
| Adjusted Budget    | 34                     | 12                          | 46    |

**FY18-19 CARRYOVER**

**Date Brought to Board**

Novato

PB Replacements – Lanham Village  
 Novato Fair Shopping Center Backflow  
 AMI Retrofit

First Quarter Report  
 First Quarter Report  
 First Quarter Report

West Marin

PB Replacement – Drakes View Dr.

First Quarter Report

**DEFERRED/DROPPED**

Novato

None

West Marin

None

**PROJECTS ADDED**

Novato

Quick Connects – Generator  
 Recycled Water Retrofits – Taco Bell  
 PB Replacements – Hatch Rd & Mill Rd  
 Grant Ave CI Main Replacement w/PVC Main  
 STP Backwash Pond 30" Isolation Valve  
 STP Outlet Valve Replacement

First Quarter Report  
 First Quarter Report  
 Second Quarter Report  
 Second Quarter Report  
 Third Quarter Report  
 Third Quarter Report

West Marin

Olema Pump Station Pump Replacement  
 Lagunitas Creek Slope Stabilization

First Quarter Report  
 First Quarter Report

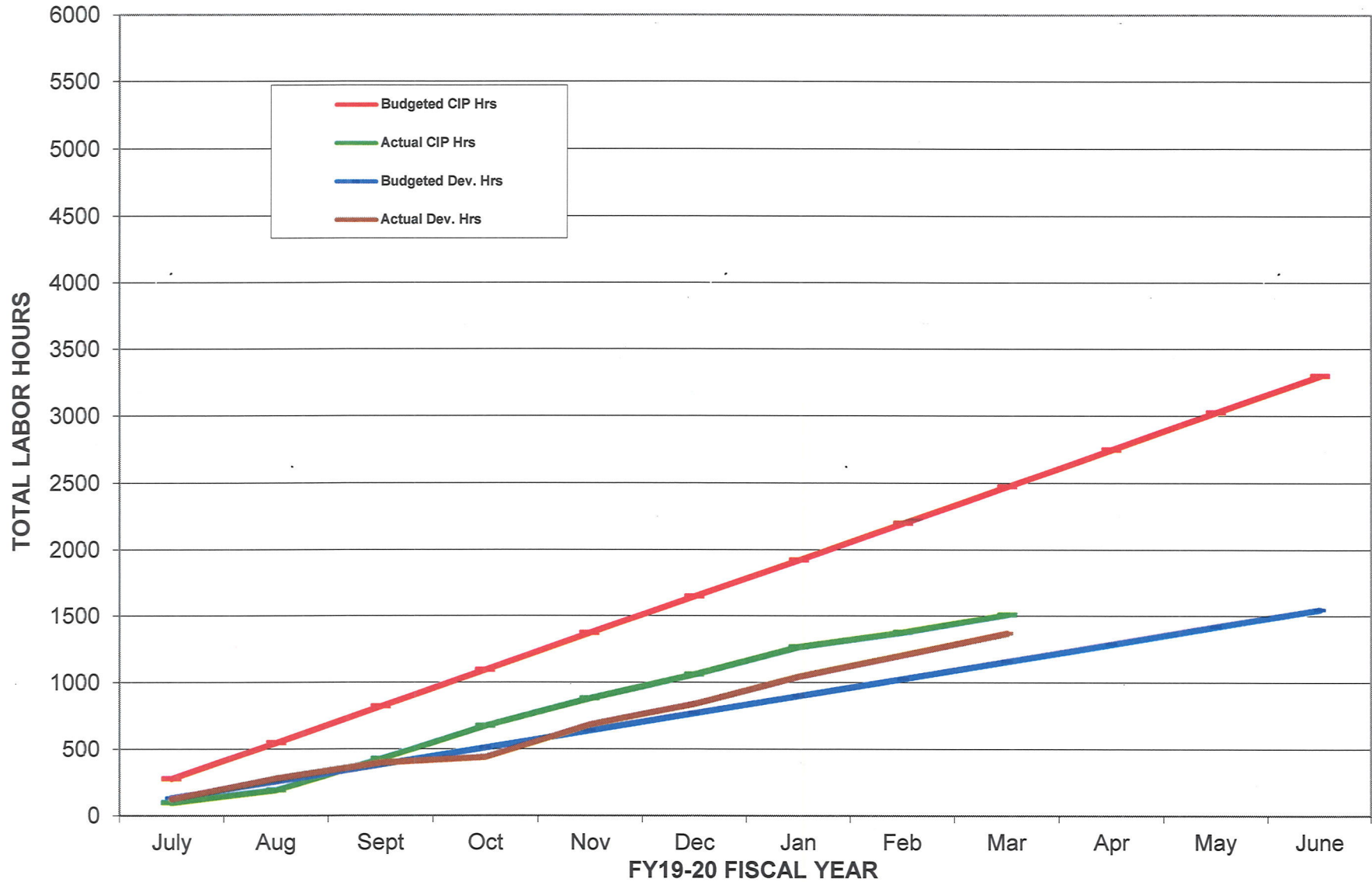
**NOVATO SYSTEM CAPITAL IMPROVEMENT PROJECTS SUMMARY FY19-20  
AS OF MARCH 31, 2020**

| STATUS  | DEPT  | ITEM # | PROJECT NO. | DESCRIPTION   | PROJECT COSTS |             | % COMPLETE |        | EARNED VALUE |             |
|---|-------|--------|-------------|---|---------------|-------------|------------|--------|--------------|-------------|
|   |       |        |             |   | Budget        | Forecast    | Baseline   | Actual | Planned      | Actual      |
| <b>1. PIPELINE REPLACEMENTS/ADDITIONS</b>   |       |        |             |   |               |             |            |        |              |             |
| PC  | Eng   | 1      | 1.a.1       | Replace Plastic Thin Walled Pipe <4-Inches (Scown Ln) | \$150,000     | \$50,000    | 75         | 25     | \$112,500    | \$12,500    |
| PC  | Eng   | 2      | 1.a.3       | Grant Ave CI Main Replacement w/PVC Main              | \$200,000     | \$25,000    | 75         | 5      | \$150,000    | \$1,250     |
| PC  | Eng   | 3      | 1.b.1       | San Mateo 24" Inlet/Outlet Pipe                       | \$50,000      | \$100,000   | 75         | 75     | \$37,500     | \$75,000    |
|   |       |        |             | Replace PB in Sync with City Paving (30)              | \$70,000      | \$0         |            |        |              |             |
| PC  | Eng   | 4      | 1.c.2       | <b>Replace PB - Hatch Rd &amp; Mill Rd (13)</b>       | \$0           | \$40,000    | 75         | 90     | \$0          | \$36,000    |
|   |       |        | 1.c.3       | Other PB Replacements (80)                            | \$80,000      | \$0         |            |        |              |             |
| C   | Eng   | 5      | 1.c.4       | <i>Replace PB - Lanham Village (32)</i>               | \$0           | \$32,000    | 75         | 100    | \$0          | \$32,000    |
| PC  | Eng   | 6      | 1.c.5       | Replace PB - MCCE (23)                                | \$0           | \$80,000    | 75         | 90     | \$0          | \$72,000    |
|   |       |        | 1.d.1       | Other Relocations to Sync w/City & County CIP         | \$70,000      | \$0         |            |        |              |             |
|   |       |        |             | SubTotal  | \$620,000     | \$327,000   |            |        |              |             |
| <b>2. SYSTEM IMPROVEMENTS</b>   |       |        |             |   |               |             |            |        |              |             |
| PC  | Eng   | 7      | 2.a         | DCDA Repair/Replace                                   | \$100,000     | \$70,000    | 75         | 90     | \$75,000     | \$63,000    |
|   | Eng   | 8      | 2.b         | Anode Installations                                   | \$10,000      | \$10,000    | 75         | 0      | \$7,500      | \$0         |
| PC  | Eng   | 9      | 2.c         | Asset Mgmt Software Procure/Implement                 | \$163,000     | \$205,000   | 75         | 75     | \$122,250    | \$153,750   |
|   | Ops   | 10     | 2.d         | Facilities Security Enhancements                      | \$25,000      | \$0         | 75         | 0      | \$0          | \$0         |
| PC  | Eng   | 11     | 2.e         | <i>Novato Fair Shopping Center Backflow</i>           | \$0           | \$40,000    | 75         | 5      | \$0          | \$2,000     |
| C   | Admin | 12     | 2.f         | <i>AMI Retrofit</i>                                   | \$0           | \$100,000   | 100        | 100    | \$0          | \$100,000   |
|   |       |        |             | SubTotal  | \$298,000     | \$425,000   |            |        |              |             |
| <b>3. BUILDINGS, YARD, &amp; S.T.P. IMPROVEMENTS</b>  |       |        |             |   |               |             |            |        |              |             |
| PC  | Admin | 13     | 3.a.1       | Office/Yard Building Renovation                       | \$900,000     | \$50,000    | 75         | 5      | \$675,000    | \$2,500     |
|   |       |        | 3.b         | Other Yard Improvements                               | \$30,000      | \$0         | 0          | 0      | \$0          | \$0         |
| C   | Eng   | 14     | 3.c.1       | Dam Concrete Repair (Apron)                           | \$50,000      | \$55,000    | 75         | 100    | \$37,500     | \$55,000    |
| PC  | Eng   | 15     | 3.c.2       | Leveroni Creek Embankment Repair                      | \$191,000     | \$50,000    | 75         | 15     | \$143,250    | \$40,000    |
|   | Ops   | 16     | 3.c.3       | Other TP Improvements                                 | \$114,000     | \$0         | 0          | 0      | \$0          | \$0         |
|   | Ops   | 17     | 3.c.4       | Efficiency Improvements                               | \$100,000     | \$0         | 75         | 0      | \$75,000     | \$0         |
| PC  | Ops   | 18     | 3.c.5       | STP Generator   | \$400,000     | \$150,000   | 75         | 90     | \$300,000    | \$135,000   |
| C   | Ops   | 19     | 3.c.6       | STP Chemical System Upgrades - Repl Ferric Tank       | \$0           | \$75,000    | 75         | 100    | \$45,000     | \$75,000    |
| C   | Ops   | 20     | 3.c.7       | <b>STP Backwash Pond 30" Isolation Valve</b>          | \$0           | \$15,000    | 75         | 100    | \$0          | \$15,000    |
|   | Ops   | 21     | 3.c.8       | <b>STP Outlet Valve Replacement</b>                   | \$0           | \$0         | 0          | 0      | \$0          | \$0         |
|   |       |        |             | SubTotal  | \$1,785,000   | \$395,000   |            |        |              |             |
| <b>4. STORAGE TANKS &amp; PUMP STATIONS</b>   |       |        |             |   |               |             |            |        |              |             |
| PC  | Eng   | 22     | 4.a.1       | Old Ranch Rd Tank No. 2                               | \$150,000     | \$150,000   | 75         | 75     | \$112,500    | \$112,500   |
|   | Maint | 23     | 4.b.1       | Hydropneumatic Tank Repairs                           | \$30,000      | \$0         | 75         | 0      | \$0          | \$0         |
| PC  | Eng   | 24     | 4.b.2       | Cherry Hill Tank No. 2 Recoat & Rehabilitation        | \$400,000     | \$400,000   | 75         | 80     | \$300,000    | \$320,000   |
| PC  | Eng   | 25     | 4.c         | Lynwood PS Motor Control Center                       | \$320,000     | \$50,000    | 75         | 5      | \$240,000    | \$2,500     |
| PC  | Eng   | 26     | 4.d         | Crest PS (design/const)/Reloc School Rd PS            | \$635,000     | \$80,000    | 75         | 15     | \$476,250    | \$60,000    |
| C   | Ops   | 27     | 4.f         | Indian Hill PS - Bypass                               | \$0           | \$6,200     | 75         | 100    | \$7,140      | \$7,140     |
| C   | Ops   | 28     | 4.g         | Rockrose PS - Bypass                                  | \$0           | \$7,000     | 75         | 100    | \$7,510      | \$7,510     |
| C   | Ops   | 29     | 4.h         | Diablo PS - Bypass                                    | \$0           | \$710       | 75         | 100    | \$710        | \$710       |
| C   | Ops   | 30     | 4.i         | <b>Quick Connects - Generators (16)</b>               | \$0           | \$35,000    | 75         | 100    | \$33,000     | \$35,000    |
|   |       |        |             | SubTotal  | \$1,535,000   | \$728,910   |            |        |              |             |
|   |       |        |             | Novato Water Total                                    | 4,238,000     | \$1,875,910 | 71         | 55     | \$2,957,610  | \$1,415,360 |
| <b>5. RECYCLED WATER FACILITY</b>   |       |        |             |   |               |             |            |        |              |             |
| PC  | Admin | 31     | 5.a         | NBWRRA Grant Program Administration                   | \$20,000      | \$20,000    | 75         | 75     | \$15,000     | \$15,000    |
|   |       |        | 5.b         | Other Recycled Water Expenditures                     | \$100,000     | \$0         |            |        |              |             |
| C   | Eng   | 32     | 5.c-g       | RW Central  | \$0           | \$7,000     | 100        | 100    | \$0          | \$7,000     |
| C   | Eng   | 33     | 5.h         | So. Novato Dual Plumbed Shell Loop                    | \$0           | \$200       | 75         | 100    | \$0          | \$200       |
| C   | Eng   | 34     | 5.i         | <b>Recycled Water Retrofits - Taco Bell</b>           | \$0           | \$2,500     | 75         | 100    | \$0          | \$2,500     |
|   |       |        |             | Novato Recycled Total                                 | \$120,000     | \$29,700    | 81         | 94     | \$15,000     | \$24,700    |
|   |       |        |             | Total Novato  | \$4,358,000   | \$1,905,610 | 76         | 74     | \$2,972,610  | \$1,440,060 |
| <sup>1</sup> C - Completed<br>PC - Partially completed<br>PROJECT FORECAST REVISED<br>Baseline projects with revised forecast budget increases (indicated by shaded box)<br>Baselined projects to be deferred (indicated in strikeout)<br>New projects added (indicated in bold)<br>Prior year projects carried over indicated in italics and brackets <> |       |        |             |   |               |             |            |        |              |             |

**WEST MARIN CAPITAL IMPROVEMENT PROJECT SUMMARY FY19-20  
AS OF MARCH 31, 2020**

| STATUS   | DEPT  | ITEM # | PROJECT NO. | DESCRIPTION  | PROJECT COSTS |             | % COMPLETE |        | EARNED VALUE |             |
|--|-------|--------|-------------|--|---------------|-------------|------------|--------|--------------|-------------|
|  |       |        |             |  | Budget        | Forecast    | Baseline   | Actual | Planned      | Actual      |
| <b>6. West Marin Water System</b>  |       |        |             |  |               |             |            |        |              |             |
| <b>System Improvements</b>   |       |        |             |  |               |             |            |        |              |             |
| PC   | Eng   | 35     | 6.a         | Replace PRE Tank #4A                               | \$550,000     | \$450,000   | 75         | 15     | \$412,500    | \$67,500    |
| PC   | Eng   | 36     | 6.b         | New Gallagher Well #2                              | \$75,000      | \$75,000    | 75         | 93     | \$56,250     | \$69,750    |
|  |       |        | 6.c         | PB Replace in Sync w/County Paving                 | \$50,000      | \$30,000    | 75         | 0      | \$37,500     | \$0         |
| PC   | Eng   | 37     | 6.d         | WM Brominated - TTHM Reduction                     | \$300,000     | \$50,000    | 75         | 77     | \$225,000    | \$38,500    |
| PC   | Eng   | 38     | 6.e         | Lagunitas Creek Bridge Pipe Replacement (Caltrans) | \$200,000     | \$50,000    | 75         | 50     | \$150,000    | \$25,000    |
| PC   | Eng   | 39     | 6.f         | Olema Creek Bridge Pipe Replacement (County)       | \$35,000      | \$35,000    | 75         | 0      | \$26,250     | \$0         |
|  | Ops   | 40     | 6.g         | Olema PS Wireless to Tank                          | \$20,000      | \$0         | 75         | 0      | \$15,000     | \$0         |
| C  | Eng   | 41     | 6.h         | <i>PB Repl: Drakes View Dr (22)</i>                | \$0           | \$70,000    | 100        | 100    | \$0          | \$70,000    |
| PC   | Admin | 42     | 6.i         | <b>Gallagher Ranch Streambank Stabilization</b>    | \$0           | \$550,000   | 30         | 30     | \$0          | \$165,000   |
| C  | Ops   | 43     | 6.j         | <b>Olema PS Pump Replacement</b>                   | \$0           | \$8,000     | 100        | 100    | \$0          | \$8,000     |
|  |       |        |             | SubTotal   | \$1,230,000   | \$1,318,000 |            |        |              |             |
| <b>7. Oceana Marin Sewer System</b>  |       |        |             |  |               |             |            |        |              |             |
| PC   | Ops   | 44     | 7.a         | Infiltration Repair                                | \$40,000      | \$40,000    | 75         | 5      | \$40,000     | \$2,000     |
| C  | Ops   | 45     | 7.b         | Tahiti Way Lift Pump 1 Assembly                    | \$15,000      | \$9,500     | 75         | 100    | \$11,250     | \$9,500     |
| PC   | Ops   | 46     | 7.c         | <b>OM Treatment Pond Rehab - 404 Grant- FEMA</b>   | \$0           | \$100,000   | 20         | 20     | \$0          | \$20,000    |
|  |       |        |             | SubTotal   | \$55,000      | \$149,500   |            |        |              |             |
|  |       |        |             | Total West Marin                                   | \$1,285,000   | \$1,467,500 | 77         | 49     | \$973,750    | \$475,250   |
|  |       |        |             | FY19-20 TOTAL                                      | \$5,643,000   | \$3,373,110 | 76         | 66     | \$3,946,360  | \$1,915,310 |
| <sup>1</sup> C - Completed   |       |        |             |  |               |             |            |        |              |             |
| PROJECT FORECAST REVISED   |       |        |             |  |               |             |            |        |              |             |
| PC - Partially completed   |       |        |             |  |               |             |            |        |              |             |
| Baseline projects with revised forecast budget increases (indicated by shaded box) |       |        |             |  |               |             |            |        |              |             |
| Baselined projects to be deferred (indicated in strikeout)                         |       |        |             |  |               |             |            |        |              |             |
| New projects added (indicated in bold)   |       |        |             |  |               |             |            |        |              |             |
| Prior year projects carried over indicated in italics                              |       |        |             |  |               |             |            |        |              |             |

## ENGR. DEPT DEVELOPER & DISTRICT CAPITAL IMPROVEMENT PROJECTS (CIPs)



11



## MEMORANDUM

To: Board of Directors  
From: Robert Clark, Operations / Maintenance Superintendent   
Subject: FY 19/20 Third Quarter Progress Report - Operations/Maintenance  
X:\MAINT SUP\2020\BOD\Q3 19-20 O&M update.doc

May 15, 2020

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

**Novato**

With 18 inches of rain or 67 percent of average rainfall during this rainfall season Stafford Lake reached a maximum elevation of 191.3 feet or 76% of full capacity (overflow elevation is 196 feet). Stafford Lake Treatment Plant operation was postponed until a plan to address the Covid-19 physical distance criteria was developed. Major projects during the STP shut down included replacing the 6,000-gallon ferric chloride chemical storage tank, installation of the new 300 Kw emergency standby generator, replacing the 24" back wash valve, PLC updates to increase communication speeds and improve back up redundancy.

Maintenance staff completed scheduled tasks this period including replacement of the Admin. Office server room uninterruptible power supply with a dual supply upgrade. The 2019 annual Cross Connection Control (CCC) annual report was completed; highlights from the CCC program include; 82% completion of 2,124 backflow device tests and 100% completion of the commercial fire services testing. Of significant note, Novato Unified School District hired a third-party tester and completed all device testing requirements.

**West Marin System / Oceana Marin**

Staff replaced Olema Pump #1 and upgraded the Oceana Marin North Street lift station for PSPS's with a PLC and an ultrasonic level sensor, Operations staff can now remotely monitor the data via SCADA. Annual maintenance at the Point Reyes Treatment Plant included clean out of the contract chamber. Operations staff also flushed the distribution system. Our new Distribution/Treatment Plant Operator Vanden Hughes came on board in March and has jumped right into learning the Point Reyes and Oceana Marin systems.



12

\*DRAFT Minutes of Technical Advisory Committee  
35 Stony Point Road, Santa Rosa, California  
March 2, 2020

Attendees: Easter Ledesma, City of Santa Rosa  
Lucy Croy, Marin Municipal Water District  
Mary Grace Pawson, City of Rohnert Park  
Alan Gardner, Valley of the Moon Water District  
Sandi Potter, Town of Windsor  
Pam Jeane, SCWA  
Grant Davis, SCWA  
Craig Scott, City of Cotati  
Drew McIntyre, North Marin Water District  
Jennifer Burke, City of Santa Rosa  
Peter Martin, City of Santa Rosa  
Chelsea Thompson, City of Petaluma  
Kent Carothers, City of Petaluma  
Colleen Ferguson, City of Sonoma

Staff: Colin Close, City of Santa Rosa  
Kimberly Zunino, City of Santa Rosa  
Paul Piazza, SCWA  
Lynne Rosselli, SCWA  
Brad Sherwood, SCWA  
Barry Dugan, SCWA  
Don Seymour, SCWA

Public Attendees: Brenda Adelman, RRWPC  
Margaret DiGenova, California American Water  
David Keller, FOER  
Bob Anderson, United Wine Growers

1. Check-in  
Drew McIntyre, TAC Chair, called the meeting to order at 9:05 a.m.
2. Public Comments  
No public comments
3. Approve FY21 Draft SCWA Water Transmission System Budget  
Kimberly Zunino, City of Santa Rosa, Budget Subcommittee Chair  
Budget Subcommittee consisting of representatives from Town of Windsor, City of Cotati, Valley of the Moon Water District, North Marin Water District, Marin Municipal Water District, City of Santa Rosa and Sonoma Water met twice to review the proposed budget. Water contractors requested revisions to reduce rate increase and also changes in the narrative language around the response to the Grand Jury. Sonoma Water subsequently made some budget modifications which reduced the rate increase amount and also added additional clarification language regarding the Grand Jury response pertaining to implementation of Hazard Mitigation projects. Subcommittee recommended to the TAC that this proposed budget be approved for recommendation to the WAC Committee.

Lynne Rosselli, SCWA- refer to handout and PowerPoint on [www.sonomawater.org](http://www.sonomawater.org)  
Motion to approve moved by Jennifer Burke, City of Santa Rosa and seconded by Craig Scott, City of Cotati; unanimously approved.

4. Sonoma Marin Saving Water Partnership

a. Water Production relative to 2013 Benchmark

Refer to handout- This is the first month in the new year comparing to the 2013 baseline year.

5. Water Supply Conditions

Pam Jeane - SCWA

We are in a normal water supply condition and should be for the next 1-2 months. Potter Valley Project- PG&E had to shut down the tunnel between Eel River and Potter Valley Power House a week ago for inspection due to the presence of excess debris. They have finished inspection and have started making repairs. They have had very low diversion flows and PG&E should be back online by March 9. It has impacted Lake Mendocino, but storage is in pretty good shape. It is still officially in the flood pool but because there is low inflow coming in from tributaries, releases from Lake Mendocino have been bumped up.

Lake Sonoma storage is at 91% and minimal release out of the reservoir. Minimum instream flows are being met as of now. On April 1, 2020, if still in a normal water supply condition, the minimum instream flows in the upper river will increase. Sonoma Water is considering whether or not to file a Temporary Urgency Change Petition before the April timeframe. The inflatable dam was set up last week after obtaining emergency permits and is pretty much completely full.

6. Biological Opinion Status Update

Pam Jeane, SCWA. Refer to hand out.

Fish Flow Project - No significant changes.

Dry Creek Habitat Enhancement Project - Expect to start construction this summer on the last remaining Phase 3 project in Reach 5. Bid packages are being prepared and will be advertised by March 5 in order to receive bids within three weeks and select a contractor.

Army Corps and Sonoma Water are moving ahead on Phases IV, V, and VI. February 10, 2020 Army Corps published their 2020 work plan and it included \$28.3 million for the Dry Creek Project, Phase IV 2021, Phase V 2022 and Phase VI 2023. Expecting to get 90% design packages from the consulting firms soon.

Fish Monitoring - There hasn't been a lot of monitoring going on other than nest (redds) surveys. The BiOP update features the Pacific Lamprey that migrate in and out of the ocean and river. They are monitored as they are an indicator of stream health.

Russian River Estuary Management Project - No changes since last meeting. The estuary is open at this time and fish are migrating in the system.

Meeting for the Public Policy Facilitating Committee will be held in a few weeks. Starting the meeting with a tour of one of the completed Dry Creek projects below Warm Springs

Dam at 2:00-3:00 pm. Committee meeting is 4:00-6:00 pm at the Healdsburg Community Center.

7. Regional Water Supply Resiliency Study  
Carry over to April 6 meeting - Did not receive update from contractor

8. Potter Valley Project  
Pam Jeane, SCWA  
Consultants completed administrative drafts of the feasibility study and Sonoma Water staff are reviewing. The Planning Agreement partners have a month to review the documents and are scheduled to finalize the documents by mid-April. In mid-May, the Planning Agreement partners will file the report with FERC.

Jennifer Burke, City of Santa Rosa  
Huffman Ad Hoc- Attended on behalf of Drew McIntyre. Coastal Conservancy completed the sediment survey behind both dams. Hired consultant Geosyntec to complete the work. They took a number of samples from 10 different areas, some areas they found very little sediment. Test results were below background levels, Ad Hoc group asked that aluminum be sampled in the future. There was an overview of the Fish Passage working group report that had been issued to the Ad Hoc. The group found that the best solution for upstream and downstream fish passage was removal of the dams but recognizes that is problematic for water supply and now both groups need to work together to find a solution. Also, Ad Hoc received a brief update on a tour of the Clackamas River, which is an area with a good passage for fish although it is very different from Potter Valley. After May 15 the Ad Hoc will revisit future meetings.

9. Items for Future Meeting  
Approval of FY21 Draft SCWA Water Transmission System Budget  
Cotati Aqueduct Emergency Repairs

10. Check out  
Meeting adjourned at 10:17am

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**DISBURSEMENTS - DATED MAY 7, 2020**

Date Prepared 5/5/20


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:

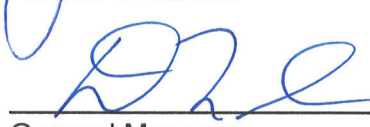
| Seq  | Payable To                        | For   | Amount       |
|------|-----------------------------------|---|--------------|
| P/R* | Employees                         | Net Payroll PPE 4/30/20   | \$142,619.90 |
| EFT* | Internal Revenue Service          | Federal & FICA Taxes PPE 4/30/20  | 62,656.25    |
| EFT* | State of California               | State Taxes & SDI PPE 4/30/20   | 13,056.29    |
| EFT* | CalPERS                           | Pension Contribution PPE 4/30/20  | 37,121.00    |
| 1    | Anastasi, Christine               | Refund Overpayment on Closed Account  | 71.83        |
| 2    | A.S.T.I.                          | Annual Fire Service Testing (48)  | 5,105.00     |
| 3    | Athens Administrators             | April Replenishment for Check Written   | 95.37        |
| 4    | AT&T                              | Telephone (\$61), Fax (\$82), Leased Lines (\$141) & Data (\$268)   | 552.90       |
| 5    | Borges & Mahoney                  | Repair Damaged Chlorine Gas Regulator @ STP   | 805.38       |
| 6    | Butler Auto Glass                 | Replacement Windshield ('06 Int'l 4300 Crew Truck)  | 425.00       |
| 7    | Ken Cooper Roofing Gutter Systems | Prog Pymt#1: Materials & Permit Costs for Front Office Roof (Balance Remaining on Contract \$157,265)                                   | 50,000.00    |
| 8    | DataTree                          | March Subscription to Parcel Data Info  | 100.00       |
| 9    | Direct Line                       | May Telephone Answering Service   | 168.00       |
| 10   | Electrical Equipment              | Chlorine Scrubber Switch @ STP  | 24.27        |
| 11   | Energy Systems                    | Onsite Construction Installation of Generator & Transfer Switch (STP)   | 55,880.00    |
| 12   | Ferguson Waterworks               | 6' High Gain Antennas (3)   | 471.09       |
| 13   | Grainger                          | Nipples (8) (\$112), Bucket Tool Organizers (2) (\$85), Gate Valves (3) (\$104) Plumbing Supplies, Utility Pump (\$271) & Blower (\$80) | 672.40       |

| Seq | Payable To                     | For  | Amount   |
|-----|--------------------------------|--|----------|
| 14  | Landman, Sylvia                | Refund Overpayment on Closed Account   | 56.05    |
| 15  | Lincoln Life                   | Deferred Compensation PPE 4/30/20  | 9,376.27 |
| 16  | Maltby Electric                | Parts for Half Moon Electrical Upgrade (\$235),<br>Electrical Fittings Connections for Tanks &<br>Communications (\$470) & Cable Connections<br>(20) | 721.16   |
| 17  | McMaster-Carr Supply           | PLC Outlets (2)  | 62.58    |
| 18  | Nationwide Retirement Solution | Deferred Compensation PPE 4/30/20  | 920.00   |
| 19  | Novato, City of                | Street Excavation Moratorium Fee (\$1,182) &<br>Engineering Automation Surcharge (Scown<br>Lane)   | 1,299.65 |
| 20  | Office Depot                   | Toner (\$265) & Pens (6)   | 292.85   |
| 21  | Ondriska, Christopher          | Refund Overpayment on Open Account   | 328.01   |
| 22  | Pace Supply                    | Meter Boxes (10) (\$393), Meter Spuds (40)<br>(\$532) & Valves (2) (\$1,478)   | 2,403.06 |
| 23  | R & B                          | Couplings (10)   | 651.00   |
| 24  | Roberts, Ron                   | Refund Overpayment on Closed Account   | 42.90    |
| 25  | Scott Technology Group         | Monthly Maintenance on Engineering Copier<br>4/21/20-5/20/20 (\$167) & Contract Overage<br>Charge  | 171.27   |
| 26  | Sjoblom, Jeff                  | Exp Reimb: Physical for Class A  | 95.00    |
| 27  | Staples Business Credit        | Misc Office Supplies   | 234.33   |
| 28  | Thomas Scientific              | Phosphate Buffers (2) (Lab)  | 133.30   |
| 29  | Township Building Services     | Janitorial Supplies  | 1,171.06 |
| 30  | United Parcel Service          | Delivery Services: Sent Gas Monitor for Repair   | 10.65    |
| 31  | USA BlueBook                   | Ball Check Valve (\$187) & Polymer Dispenser<br>(\$138)  | 324.59   |
| 32  | Williamson, Matthew            | Exp Reimb: Safety Boots  | 200.00   |
| 33  | Wilson Bohannan                | Brass Locks (60)   | 568.86   |

| Seq | Payable To | For                               | Amount                   |
|-----|------------|-----------------------------------|--------------------------|
| 34  | Winzer     | 3-Ply Surgical Face Masks (2,000) | 3,751.15                 |
|     |            | <b>TOTAL DISBURSEMENTS</b>        | <b><u>392,638.42</u></b> |

The foregoing payroll and accounts payable vouchers totaling \$392,638.42 are hereby approved and authorized for payment.


5/4/2020  
 \_\_\_\_\_  
 Auditor-Controller Date


5/5/2020  
 \_\_\_\_\_  
 General Manager Date



## DISBURSEMENTS - DATED MAY 14, 2020

Date Prepared 5/12/20



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

| Seq | Payable To                   | For  | Amount    |
|-----|------------------------------|--|-----------|
| 1   | Able Tire & Brake            | Tires (6) (Compressor - \$208 & Water Tank w/Trailer - \$440)                                  | \$647.82  |
| 2   | Alpha Analytical Labs        | Lab Testing (Cherry Hill Recoat #2)  | 248.75    |
| 3   | Ames, Adriana                | Refund Overpayment on Open Account   | 676.19    |
| 4   | Associated Tank Construction | Refund Security Deposit on Hydrant Meter Less Final Bill                                       | 61.77     |
| 5   | A.S.T.I.                     | Annual Fire Service Testing (51)   | 5,170.00  |
| 6   | Bay Area Barricade Service   | Fire Service Tags for Maintenance (150)  | 773.07    |
| 7   | Buckles-Smith                | Programmable Logic Controller Enclosures for Half Moon & Pt Reyes Tanks (6)                    | 1,806.35  |
| 8   | Diesel Direct West           | Gasoline (459 gal)   | 926.68    |
| 9   | Ditch Witch West             | Lug Nuts (8)   | 88.53     |
| 10  | Environmental Science Assoc  | Prog Pymt#8: NMWD San Mateo Tank Permitting Assistance (Balance Remaining on Contract \$2,317) | 5,808.43  |
| 11  | Evoqua Water Technologies    | Service on Deionization System (Lab)   | 316.17    |
| 12  | Fiserv/Bastogne              | Can't Locate Account   | 119.50    |
| 13  | Fishman Supply               | Tylenol (1,500) (\$147), Ibuprofen (600) (\$63) & Safety Gloves (400) (\$66)                   | 275.72    |
| 14  | Fisher Scientific            | Alcohol (1 Gal) & EC Medium (\$174) (Lab)  | 218.29    |
| 15  | Friedman's Home Improvement  | Materials for Yard Electrical Work   | 77.84     |
| 16  | August Goehner               | Refund Overpayment on Closed Account   | 68.92     |
| 17  | Golobe & Son Paving          | Repave Access Road to STP High Service Pump Station  | 14,000.00 |
| 18  | Grainger                     | Fittings for Air Compressor & Membrane Filters (400) (\$224) (STP)                             | 242.34    |

| Seq | Payable To                 | For   | Amount    |
|-----|----------------------------|---|-----------|
| 19  | Kennedy Jenks              | Prog Pymt# 1: Consulting Services for Crest Pump Station (Balance Remaining on Contract \$12,707)   | 25,793.41 |
| 20  | Maltby Electric            | Breaker Box for Auto Shop   | 43.90     |
| 21  | Marin Landscape Materials  | Rock for Yard Landscape (6 yds) (\$432) & Mason Mix (7) (\$79) (Less Credit of \$132 Received for Returned Blocks)                              | 378.94    |
| 22  | Marin County Ford          | Bed Mats (2) ('20 F250)   | 328.54    |
| 23  | Maselli & Sons             | Fence Posts (2) & Parts for Work Station Separators (\$258)   | 266.62    |
| 24  | McLellan, WK               | Misc Paving   | 3,089.74  |
| 25  | Noll & Tam Architects      | Prog Pymt#17 (\$1,955), #18 (\$2,040), #19 (\$8,148) & #20 (\$2,125): NMWD Headquarters Upgrade Master Plan (Balance Remaining on Contract \$0) | 14,267.50 |
| 26  | North Marin Auto Parts     | Miscellaneous Maintenance Supplies  | 72.41     |
| 27  | Novato Sanitary District   | February 2020 RW Operating Expense  | 10,749.94 |
| 28  | NSI Solutions              | QC Sample (Lab)   | 391.00    |
| 29  | Pini Hardware              | Shovels (10) (\$401) & Miscellaneous Parts and Supplies for Construction/Maintenance  | 587.59    |
| 30  | R & B                      | Valves (14) (\$4,403), Hydrant Extension (2) (\$174), Couplings (30) (\$371), Tee (\$139), Elbows (2) (\$130) & Bushings (5)                    | 5,225.14  |
| 31  | Recology Sonoma Marin      | April Trash Removal   | 510.80    |
| 32  | Sonoma County Water Agency | Conservation Support Program (1/1/20-3/31/20)   | 4,283.27  |
| 33  | S-Scapes                   | Annual Backflow Testing (109)   | 7,470.00  |
| 34  | Synectic Technologies      | Quarterly Phone System Maintenance  | 446.70    |
| 35  | US Bank                    | March Safekeeping Treasury Securities   | 136.75    |
| 36  | Verizon Wireless           | Cellular Charges: Data (\$844), Airtime (\$302) & iPads for Asset Management (\$200)  | 1,346.39  |

| Seq | Payable To       | For  | Amount                            |
|-----|------------------|--|-----------------------------------|
| 37  | Verizon Wireless | SCADA (\$141) & AMI Collectors (\$650) CIMIS Station | 805.80                            |
|     |                  | <b>TOTAL DISBURSEMENTS</b>                           | <b><u><u>\$107,720.81</u></u></b> |

The foregoing payroll and accounts payable vouchers totaling \$107,720.81 are hereby approved and authorized for payment.

|   |                  |
|---|------------------|
|  | <u>5/12/2020</u> |
| Auditor-Controller  | Date             |
|  | <u>5/12/2020</u> |
| General Manager   | Date             |

**PROOF OF PUBLICATION  
(2015.5 CCP)**

This space is for the County Clerk's Filing Stamp

**STATE OF CALIFORNIA  
County of Marin**

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

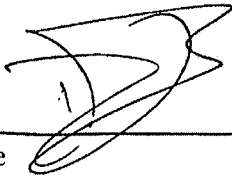
5/14/20

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

Date at Inverness, California, this

5/14/20

Signature



**Proof of Publication**

**NORTH MARIN WATER DISTRICT  
Declaration of a Water Shortage Emergency  
West Marin Service Area**

The North Marin Water District Board of Directors has adopted Emergency Water Conservation Ordinance No. 39 for the West Marin Service Area in response to dry year conditions on Lagunitas Creek pursuant to the State Water Resources Control Board Order 95-17 for water right permits issued to North Marin Water District. A Public Hearing was held on May 5, 2020 to consider adoption of Emergency Water Conservation Ordinance No. 39, and was approved by the following votes of the Board:

AYES: Directors Baker, Frailes, Grossi, Joly, Pelterle  
NOES: None

A full version of the Emergency Water Conservation Ordinance No. 39 is available on the NMWD website at [www.nmwd.com](http://www.nmwd.com). In order to comply with Marin County Health Shelter in Place Order, inspection of the draft ordinance will not be available at the District office until such time as the Order is lifted.

**Summary:**  
Emergency Water Conservation Ordinance No. 39 calls for Stage 1, 15% voluntary conservation, May 5<sup>th</sup> through June 30<sup>th</sup> and Stage 2, Mandatory 25% conservation, July 1<sup>st</sup> through November 1, as compared to water use during the comparable periods in 2013. Note that the mandatory 25% reduction would be for the West Marin Service Area as a whole and does not necessarily impose a 25% mandatory reduction for individual residential customers. The Mandatory Stage may trigger enactment of a drought surcharge to be considered simultaneous with, or subsequent to enactment of the mandatory stage at the discretion of the Board.

Emergency Water Conservation Ordinance No. 39 prohibits waste of water and certain non-essential uses. A complete list prohibitions of water waste and non-essential uses can be found on the District website at [www.nmwd.com](http://www.nmwd.com)

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# POINT REYES LIGHT

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## With much of state, Marin is in a moderate drought

By Anna Guth  
04/22/2020

Winter is over and the rainfall recorded since last October is low. California saw less than half the average amount of rain—including a record-setting, bone-dry February—and Marin was no exception, with 40 to 50 percent of normal levels reported countywide. The Inverness Public Utility District offered an illustration of these percentages: it documented 19 inches of rain from October through March, compared to the average of 33 inches. March offered a little reprieve after a month of clear skies, with 2.21 inches of rain. The rest of the spring could change this ranking, but, so far, those numbers mark the sixth driest year in Inverness in the past 90 years. According to the United States Drought Monitor, a weekly report issued by the National Oceanic and Atmospheric Administration, Marin is experiencing moderate drought conditions. This means that pasture growth is stunted, landscaping and gardens will need irrigation earlier, and stock ponds and creeks are lower than usual. Forty-three percent of the state falls under the moderate drought classification, and an additional quarter of the state is abnormally dry. Snowpack statewide is 63 percent of normal. This represents a change: last year in March, the drought monitor determined the vast majority of the state was free of drought for the first time in seven years. Anna Schneider, a meteorologist for NOAA in Monterey, noted that the drought monitor tracks precipitation and not stored water levels. “Our reservoirs are still in pretty good shape,” she said. Locally, that’s true: at the beginning of April, the Marin Municipal Water District reported 97 percent of average storage levels for the time of year. Still, vegetation feels immediate effects from an abnormally dry winter. “Our reservoirs aren’t at the moment in terrible shape, but the natural vegetation doesn’t know anything about that,” said Dr. Daniel Swain, a climate scientist at the University of California, Los Angeles. He pointed to the national predictions of fire threat for the state released this month. The forecast for Northern California published by the National Interagency Fire Center determines that wildfire activity is more likely higher than average through July, but that the March rains had improved fire-fighting ability, especially at lower elevations. “The wet unsettled weather impacting the region in late March is expected to wind down in early April, leading to a return to warm and dry weather,” the report states. “There [will be] warmer and drier than average conditions through July, although brief periods of cool wet weather are still expected into early June. New ignitions are expected to occur more frequently than usual [through July]. But, at lower elevations the new green grass crop will aid firefighters in quickly gaining control.” Dr. Swain said California historically has greatly varied rainfall year to year, but that effects on the landscape are predicted to intensify. His research suggests that the amount of rainfall that drops each year is not expected to change, but that the patterns of when and how it falls will alter; already, rain is falling in bigger, shorter bursts. This brings an increased risk of flooding and wildfire. “We expect an amplification of what we are already used to, an acceleration of this extreme seasonality we already have,” he said. “It’s wet in the winter, and dry in the summer, and there’s some level of transition in spring and autumn. We will see an increase in the sharpness of this seasonality, increasing flood risk during the core wet season months and increasing fire risk the rest of the time.”

# Golfers all smiles as courses reopen

## THE COUNTY

By Ian Ross

[iross@marinij.com](mailto:iross@marinij.com) @IRossMIJ on Twitter

When Nate Siedman of Bolinas got the news that golf courses across the county were reopening after being closed for six weeks, he wasted no time jumping on his computer to book a tee time.

After playing 18 holes with a buddy at Peacock Gap Golf Club in San Rafael on Monday, Siedman said he was happy to get back out there and hit some balls.

“Just knowing that I had this tee time made me feel better for a couple of days leading up to it,” Siedman said. “The course is in great condition and I had a great time playing golf again.”

Siedman said he hadn’t played since all of the county’s courses were shut down in mid-March due to the COVID-19 pandemic, but it didn’t take long for him to shake off the rust.

“I’d been chipping around in my backyard a little bit but surprisingly it kind of came back and I shot a decent round,” Siedman said. “The rust came off fairly soon. My very first tee shot went completely out of bounds but that’s not uncommon for me, anyway. I think by the third hole, I felt like I was back playing golf again.”

**GOLF » PAGE [4](#)**



Golfers get some swings in at the driving range at Peacock Gap Golf Club in San Rafael on Monday. Coronavirus restrictions have been relaxed for golf courses in Marin.

ALAN DEP — MARIN INDEPENDENT JOURNAL

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## **Golf**

### **FROM PAGE 1**

Golf's reopening was accompanied by several new shelter-in-place regulations that have changed the look and feel of the game a bit.

Face masks or coverings are required and golfers must maintain a distance of at least 6 feet from each other. Groups of players were limited to two unless they were from the same family or household.

As patrons approached the driving range on Monday, they were greeted by a Peacock Gap employee at a check-in desk who verified they were all Marin residents and made sure they read a list of new rules and regulations that the club must adhere to stay compliant with the most recent restrictions. A spokesman for Peacock Gap did not return phone calls Monday.

San Anselmo's Ben Pengelly was preparing to begin his round right as Siedman was finishing up.

"It's been six weeks, give or take," Pengelly said. "I'm beyond thrilled. ... With this weather and the course looks beautiful, it's a win-win."

All four of Marin's public courses — Peacock Gap, Indian Valley in Novato, Mill Valley Golf Course and McInnis Park in San Rafael — reopened on Monday and booked most if not all of their tee times.

"We're probably going to have about 120 rounds (on Monday)," Indian Valley Golf Club general manager Jeff McAndrew said. "We're not going full bore. My idea is more to walk into it. We're blocking off some tee times. We're not selling every time just to make sure we can keep it running smoothly. It's Day 1.

"We'd rather lose a few rounds of dollars than get overloaded."

Marin Country Club, a private course in Novato, typically closed on Mondays, made an exception on the first day back to accommodate members who had been longing to get back out onto the greens. Director of golf Ken Dougherty said about 185 people were scheduled to play a round at the club on Monday.

"We normally close on Monday but I'll be damned if we're going to be closed the first Monday we're open," Dougherty said.

StoneTree, a members only course in Novato, was set to reopen on Tuesday. Representatives from the Meadow Club, a private course near Fairfax, could not be reached, and a short message on the club's website announced that it is closed.



Marin clubs are restricted to county residents only, a policy that's also in place in Sonoma and Napa. San Francisco golf courses are open to everyone. In Marin, tee times are being staggered farther apart to prevent golfers from getting grouped up in parts of the course.

Other regulations were put in place to eliminate objects that would normally be touched by several people during the course of the day.

No clubs or carts were available for rent in Marin. Rakes, used for smoothing sand traps, have been removed. Instead of trying to play out of bunkers, golfers are asked to place their ball just outside the bunker and continue playing.

The holes on each green have been elevated or filled to within one inch of the green to prevent people from reaching into them to retrieve their ball.

For the foreseeable future, a hole is completed when the player's ball strikes the cup.

"The changes were minor," Siedman said. "If anything, it's a little in your favor if you have your ball in the sand and you can pull it out. ... It's like slightly psychologically different approaching a raised cup that you're trying to bounce off of instead of drop one in. ... It's not significant."

Golf course marshals are required to tour each course all day to ensure patrons are following the rules and social distancing protocols.

"We haven't really had any problems," McAndrew said. "I think everyone understands they have to follow the rules if they want to keep playing golf. Most people understand what's going on in the world. They are just happy that they get to play some golf."



Nate Siedman of Bolinas stows his clubs Monday after a round at Peacock Gap Golf Club in San Rafael.

ALAN DEP — MARIN INDEPENDENT JOURNAL

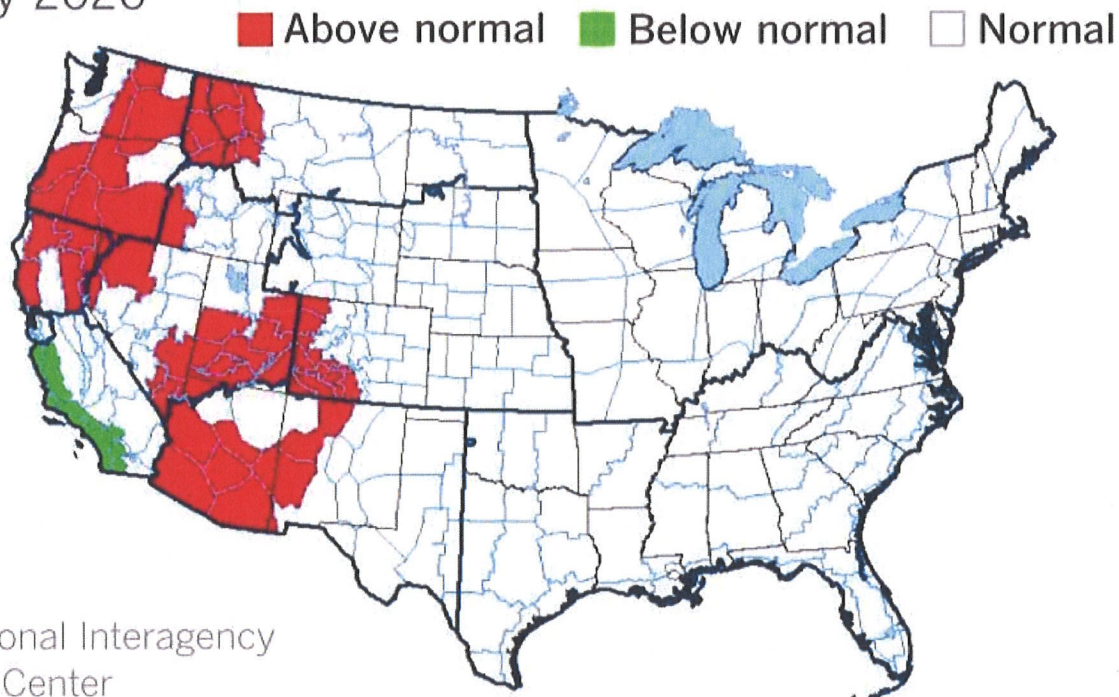


# Drought makes early start of the fire season likely in Northern California

Los Angeles Times

## Significant wildfire potential outlook

July 2020



Drought in the Pacific Northwest and Northern California portends an early start to the fire season. (Paul Duginski / Los Angeles Times)

By [PAUL DUGINSKI](#) GRAPHICS AND DATA JOURNALIST  
MAY 2, 2020  
8:19 PM

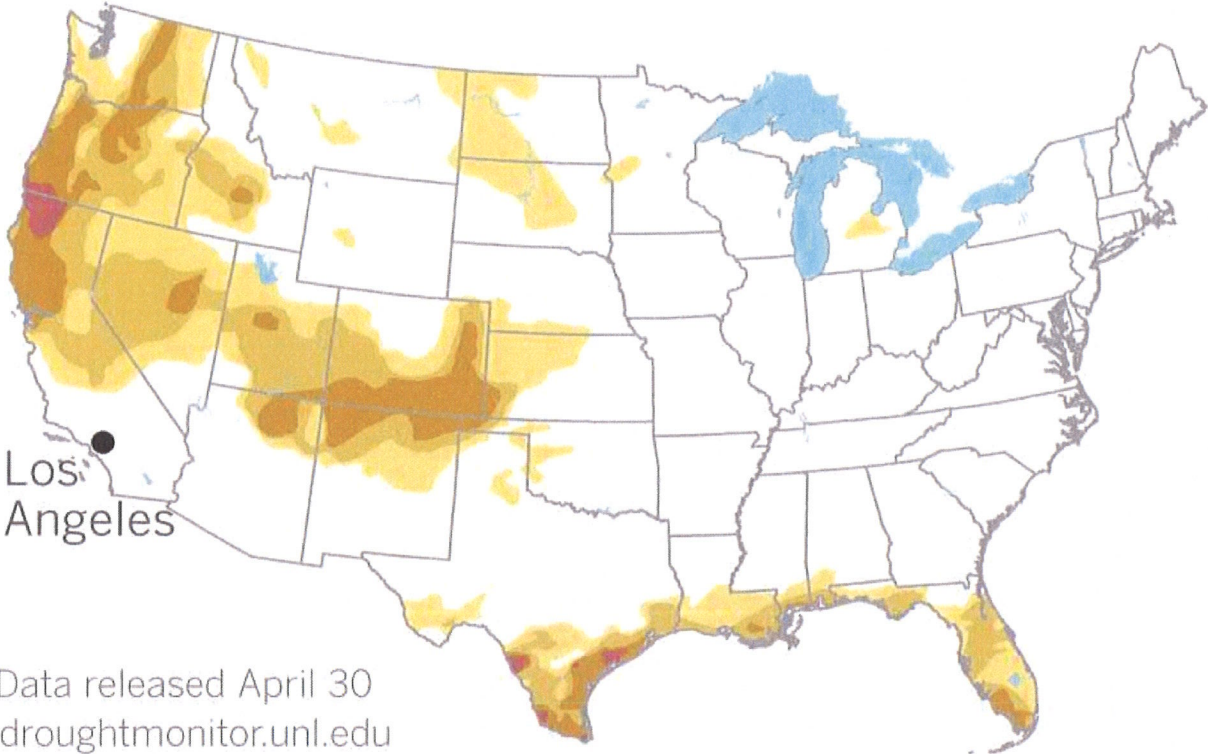
Expanding and intensifying [drought in Northern California](#) portends an early start to the wildfire season, and the National Interagency Fire Center is predicting above-normal potential for large wildfires by midsummer.

Mountain snowpack has been [below average across the High Sierra](#), southern Cascades and the Great Basin, and the agency warns that these areas need to be monitored closely as fuels continue to dry out. The agency also cites a warm, dry pattern in Oregon and central and eastern Washington, and assigns all of these areas a higher-than-average likelihood of wildfires in July.

Precipitation was below normal in April, and the high-elevation snowpack in Northern California peaked in early April at 60-70% of normal snow-to-water content. But with a warmer, drier May predicted, the snowpack is expected to be gone by early June, several weeks earlier than normal. The outlook calls for normal to slightly warmer- and drier-than-average conditions through August, resulting in dry fuel conditions.

## U.S. drought conditions

- Abnormally dry
- Moderate drought
- Severe drought
- Extreme drought



Northern California and the Pacific Northwest are gripped by an expanding drought. (Paul Duginski / Los Angeles Times)

The [most recent Drought Monitor](#) data released on Thursday show conditions throughout Central and Northern California, northern Nevada, most of Oregon and central and eastern Washington. Drought conditions extend east through the Four Corners region and into northwestern Kansas.

Much of northwestern California and western Oregon is in severe drought, and a patch of northwestern California and southwestern Oregon is considered to be in extreme drought.

The National Interagency Fire Center map shows a below-normal potential for major wildfires along a coastal strip — indicated with green — from San Diego to the Bay Area, in recognition of late season rains. Some Southern California locations are at or above normal for the rainfall season, but heading north along the coast, many are below. For example, Santa Maria is at 77% of normal for the season as of May 1. San Francisco stands at 49%.

Climatologist Bill Patzert finds this misleading. Referring to the map, he says, “The rainfall this winter has just fueled up this coastal zone. Give these areas a month to desiccate and the green will be red.”

Patzert wonders about adding an early start of the fire season to the public health and economic hardships already associated with the coronavirus outbreak. “How do you fight a wildfire in a pandemic?” he wonders, citing the close quarters of firefighters in the field and people forced to shelter in evacuation centers. “It’s frightening to consider. I’m sure firefighters are experiencing high anxieties anticipating another long fire season.”

“Rather than May gray and June gloom, which tends to temper our low humidity and high temperatures in early summer, high pressure seems to be building over the West, which will dry us out and promote an early fire season,” said Patzert. “This is a pattern that has become more frequent in past decades, leading to earlier and longer-lasting fire seasons.”



# Marin Municipal delays rate, fee hikes

## PANDEMIC IMPACT

Citing customer financial strain, board will hold off six months

By Will Houston

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

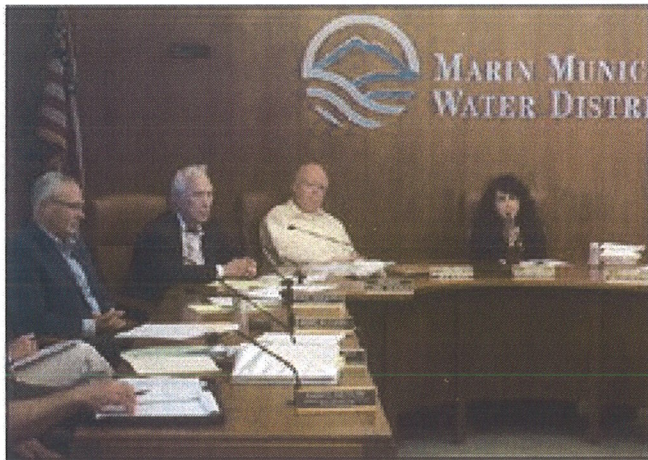
Marin's largest water supplier will delay a planned rate hike by six months in response to the financial hardships caused by the coronavirus pandemic.

The Marin Municipal Water District board voted unanimously this week to push off a 4% rate increase for customers set to take effect on July 1. The board still retains the ability put the rate increase into effect sooner.

The board also voted Tuesday to begin charging customers its less expensive summer rates effective May 1, one month earlier than usual.

"The outlook for the economy is devastating. It seems to all of us that this is exactly the wrong time to be increasing water rates," board member Cynthia Koehler said Wednesday.

## MUNICIPAL » PAGE 2



Marin Municipal Water District directors Larry Bragman (second from left), Jack Gibson and Cynthia Koehler.

WILL HOUSTON/INDEPENDENT JOURNAL, FILE

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"Everybody is suffering and so many people are losing their jobs. We see ourselves as an essential member of this community and we have to step up like everybody else."

In an email on Wednesday, board member Larry Bragman said the changes will "help financially hard-pressed residents and encourage compliance with the public health hygiene recommendations which will slow the spread of the virus in our community."

The pause on rate hikes also applies to other district fees, such as the capital maintenance fee and the watershed maintenance fee. By not raising rates and fees until January, the district expects to lose about \$2 million in revenue in the 2020-21 fiscal year, according to Ben Horenstein, the district general manager. Implementing summer rates one month early is expected to cost another \$150,000.

Horenstein said the revenue hit will require some “painful tightening of the belt” that may lead to limits on hiring, prioritizing certain projects over others and delaying replacement of aging vehicles and equipment. While changes will need to be made, board members were aware of the consequences when proposing the changes to his staff, Horenstein said.

“Staff is going to be working on how to address that shortfall,” Horenstein said. “We’re going to look at our priorities and rejigger things and meet the direction of the board.”

The proposals were met with support, even by some district critics. The Coalition of Sensible Taxpayers nonprofit organization, which strongly opposed the district’s capital maintenance fee to the point that it filed litigation challenging it, urged the board to approve the changes.

In a letter, the organization’s board of directors said “deferring the July rate increase in particular avoids some billing shock at a time when many ratepayers are struggling financially.”

Jack Gibson, president of the water district’s board, said the district will be able to cover some of the revenue losses with non-rate revenue it receives from rents, leases, permits and parking fees. Larger projects that aren’t time-sensitive can also be delayed to ensure critical projects, including fire preparations in the Mount Tamalpais watershed, can continue uninterrupted.

“We can do a little less this year and little bit more next year,” Gibson said. “So we can pace those out.”

These are the latest changes the district has made in response to the coronavirus pandemic, with more expected. On March 13, the district suspended water service shutoffs for customers who fail to pay their bills — a change that Gov. Gavin Newsom implemented statewide in an April 2 order. The district has also suspended late fees and mailing final notices to customers who haven’t paid their bills.

At an upcoming meeting, the district board will consider extending the repayment program for overdue bills from a term of 12 months to as many as 24 months.

Preliminary data show there is an increase in customers struggling to pay their bills, Horenstein said. However, he said it’s too soon to pinpoint the cause and said that the next couple of months will provide a clearer understanding of the trends.

“It is a bit premature to toss out numbers,” Horenstein said.

# *Agencies need to share salary information*

**Marin Independent Journal**  
**Editorial**

Despite past promises that Marin's county government would be a model for open and transparent government, a recent grand jury report shows it still has work to do.

Particularly when it comes to posting full salary information for county workers, credit the 2019-20 Marin County Civil Grand Jury for dogged follow up of previous grand jury reports on local governments' efforts to make the public's business public.

The civil grand jury is a panel of court-appointed residents who take a hard look into local government, to ensure it is doing its job and producing public reports detailing the findings.

In its report, the grand jury homed in on the public online posting of complete and up-to-date salaries and benefits of local government employees — and found it lacking in about 90% of the agencies reviewed.

Particularly troubling was the difficulty it found when looking for the county's information. The county is not only Marin's largest employer, but it has the technology and staffing to be able to make annual postings, and place them where it doesn't take a master's degree in bureaucratese computer skills to find them.

The grand jury found that 15 of the 34 agency websites it checked either failed to post a compensation report or a "conspicuous" link to the state's public employee salaries website. "The worst example of this," the grand jury reported, "was the county of Marin's website, where four jurors were each unable to locate a compensation link after searching for at least 15 minutes."

Access to the county's payroll is certainly a lot better than it was more than a decade ago when the Marin Independent Journal had to fight for rolling back a county regulation forbidding public disclosure of workers' specific pay information.

Supervisors finally agreed to provide that information to the public, but a lawsuit filed by one of the county's workers unions blocked it until another court ruling forced public agencies to be forthcoming to report that information.

The grand jury's recent assessment also follows a 2010 scandal in the Southern California city of Bell where its municipal leadership was being paid unusually generous salaries and four of the city's five council members were collecting \$100,000 for their parttime

work — all largely unknown to the citizenry — until a Los Angeles Times investigation.

The Bell scandal led to state legislation requiring local and state public agencies to post specific wage and benefit information every year on a state website and its own individual agency website.

From the grand jury's audit, Marin's local agencies have some work to do to become compliant with both standards. The grand jury specifically credits the Marin Municipal Water District and the North Marin Water District as models of compliance.

Elected officials serving on agencies that aren't performing as well, most often either due to failing to keep the data up to date or allowing links to that information to break and not repairing them, should make full compliance a top priority and a public-policy responsibility to their constituents.

That includes a breakdown of the varied components of compensation paid to local elected officials.

Maybe, they should take a moment and check their agency's website to see if they can find that information. And, that it's not outdated.

The taxpaying public has a right to know how their money is being spent. In Bell, its citizenry found out that what it didn't know had hurt — or cost — them.

These two sentences from the grand jury's report should guide elected officials: "Transparency helps to maintain trust in the government and gives information to the public that helps guide decisions on matters of self-governance. It makes responsive democracy work."

They are ultimately responsible for that information being readily available to the public, particularly online. They are also responsible when it's not.



# Sonoma County backs plan to remove Scott Dam, assume control of hydropower project



The spillway gates at Scott Dam are running full blast thanks to heavy rain and snow in the Lake Pillsbury watershed, Thursday, March 14, 2019. (Kent Porter / The Press Democrat) 2019

[GUY KOVNER](#)

THE PRESS DEMOCRAT

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A nearly century-old dam on Eel River that impounds Lake Pillsbury is slated for removal under a \$500 million proposal submitted Wednesday by Sonoma County and four other regional partners seeking to take over from PG&E a remote hydropower project in Mendocino County.

The county and its partners, including Mendocino and Humboldt counties, hailed the proposal as a milestone in their effort to meet the needs of all three counties, protecting farmers, fish and communities and maintaining a key source of water for the Russian River system that serves 600,000 customers in Sonoma and Marin counties.



The dam removal alone, a long-sought goal of environmental groups, would be the highest-profile project to improve habitat for imperiled North Coast salmon and steelhead in decades, perhaps behind only the dam removal planned on the Klamath River.

But the filing is just the first step in a complex process that involves establishing a new operator for a historic powerhouse in Potter Valley that PG&E surrendered a year ago because its meager generating capacity was no longer economical, the utility said.

That hydropower project also funnels Eel River water into the Russian River basin, bolstering supplies for cities and grape growers along the Russian's northern reaches.

Grant Davis, the general manager of Sonoma Water, the region's dominant supplier of drinking water for residents, called the feasibility study filed with the Federal Energy Regulatory Commission "a pathway forward that will achieve a more reliable water supply for the region while protecting and restoring two remarkable rivers."

Rep. Jared Huffman, D-San Rafael, said in a statement the proposal was a "significant step toward a win-win outcome for the North Coast and North Bay: robust restoration of Eel River fisheries and long-term certainty and reliability for Russian River water users."

Initial studies have indicated capital costs for project facilities from \$100 million to \$400 million with an additional \$30 million to \$120 million for new equipment that would provide sufficient water for Potter Valley, a 7,000-acre farming region in Mendocino County that has prospered due to water delivered by the project.

Annual operating costs would be in the \$5 million to \$10 million range.

Davis acknowledged the formidable cost, saying both the amount and who pays it remain to be determined.

"There are a great deal of unknowns," he said.

Part of the work to be done involves "monetizing the water supply and the energy," Davis said. The 138-foot Scott Dam was built in 1922, impounding behind it Lake Pillsbury in Lake County. Its removal would clear the way to historic spawning grounds in the upper Eel for protected salmon and steelhead runs.

In addition to the three counties, the partnership includes California Trout, a 50-year-old environmental organization, and the Round Valley Indian Tribes.

The Potter Valley Project consists of two dams, a water diversion facility and a mile-long tunnel and series of pipes that deliver Eel River water to the Russian River basin via a powerhouse off Highway 20 about 20 miles north of Ukiah.

Now diverting more than 20 billion gallons of Eel River water a year, the project turned the otherwise arid Potter Valley into an agricultural powerhouse that produces \$34 million worth of wine grapes, cattle and other products a year.

Flowing from the valley into the Lake Mendocino reservoir at Ukiah, the water continues into the Russian River, supporting agriculture worth \$743 million from Redwood Valley to the Sonoma County line and the famed vineyards of the Alexander Valley near Healdsburg.

Sonoma Water, the county water agency, depends on Lake Mendocino to maintain mandated flows for federally protected fish from the lake down to Healdsburg, where Dry Creek brings in water from Lake Sonoma, the region's largest dam.

Since PG&E surrendered its interest in renewing the federal license to operate the project in January, 2019, the partners — brought together by Huffman — have been seeking what they called a “two-basin solution” to address the needs in both the Eel and Russian river watersheds.

As the project relicensing process emerged three years ago, finding a solution to the competing claims for the diverted water seemed challenging.

Huffman said at the time it would bring change to the system that dates back to the early 1900s.

“The status quo is unlikely to continue,” he said.

This story will be updated. Check back for updates.  
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