



**NORTH MARIN WATER DISTRICT**  
**AGENDA - REGULAR MEETING**  
June 16, 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 -- 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)

| Est.<br>Time | Item   | Subject   |
|--------------|--|---|
| 6:00 p.m.    | <b>CALL TO ORDER</b>   |   |
|              | 1.   | <b>APPROVE MINUTES FROM REGULAR MEETING</b> , June 2, 2020  |
|              | 2.   | <b>APPROVE MINUTES FROM SPECIAL MEETING</b> , June 9, 2020  |
|              | 3.   | <b>PUBLIC HEARING</b><br><br><b>Consider Proposed Increase in Water Rates for Novato Service Area and Resulting Revisions to District Regulation 54, Water Rates</b> Resolution   |
|              | 4.   | <b>GENERAL MANAGER'S REPORT</b>   |
|              | 5.   | <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. |
|              | 6.   | <b>STAFF/DIRECTORS REPORTS</b>  |
|              | 7.   | <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.   |   |
|              | 8.   | <b>Consent – Approve:</b> Text for Spring 2020 Novato “Waterline”, Volume 21, Issue 44  |
|              | 9.   | <b>Consent – Approve:</b> Amendment No. 2 to Utility Agreement between State of California and North Marin Water District for Caltrans’ MSN B3  |
|              | 10.  | <b>Consent – Approve:</b> ESA Consulting Services Agreement Amendment 2 – Additional Permitting Services for Gallagher Ranch (Lagunitas Creek) Streambank Stabilization Project   |
|              | <b>ACTION CALENDAR</b><br><br>11. <b>Approve:</b> Renew Declaration of Local Emergency Related to COVID-19 Pandemic<br>12. <b>Approve:</b> Temporary Measures Modifying <i>Late Charge</i> and <i>Shut-Off Policy No. 6</i> in Response to Potential Customer Impacts Due to the COVID-19 Pandemic<br>13. <b>Approve:</b> Novato and Recycled Water FY 20/21 Budgets<br>14. <b>Approve:</b> Oceana Marin Sewer Service Charge Increase Ordinance - First Reading |   |
|              | <b>INFORMATION ITEMS</b><br><br>15. FY 19-20 Third Quarter Progress Report – Water Quality<br>16. NBWA Meeting – June 5, 2020<br>17. <b>MISCELLANEOUS</b><br>Disbursements – Dated June 4, 2020<br>Disbursements – Dated June 11, 2020<br>Pt. Reyes Light Newspaper - Declaration of a Water Shortage Emergency West Marin Service Area – May 14, 2020   |   |

| Est.<br>Time | Item | Subject  |
|--------------|------|--|
|              |      | SCWA Press Release -Sonoma Water Temporary Urgent Change Petition<br>Marin IJ Newspaper - North Marin Water District Water Rate Hearing – June 4, 2020<br>FY21 Insurance Purchase Renewal<br><br><u>News Articles:</u><br>PG&E behind on plan to ease fire shut-offs |
| 9:00 p.m.    | 18.  | <b><i>ADJOURNMENT</i></b>  |

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The Board of Directors may consider an item at a different time than set forth herein.

(Continued)

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DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
June 2, 2020

**CALL TO ORDER**

President Joly announced that due to the Coronavirus outbreak and pursuant to Executive Order N-29-20 issued by the Governor of the State of California this was a virtual meeting. President Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 6:01 p.m. and the agenda was accepted as presented. President Joly added that there was not a public location for participating in this meeting, but any interested members of the public could participate telephonically by utilizing the dial-in information printed on the agenda. President Joly asked if there were any members of the public on the line to announce themselves, and there was no reply.

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

President Joly announced 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.

Mr. McIntyre performed a roll call of staff, participating by phone were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue, Tony Arendell (Construction/Maintenance Superintendent), Robert Clark (Operations/Maintenance Superintendent) Monica Juarez (Cashier/Receptionist) and Pablo Ramudo (Water Quality Supervisor).

**MINUTES**

Director Baker commented that on page 4, line 104 of the minutes in reference to questions on the rate increase, staff provided the information to our customers or directed them to our website. Director Baker stated that he would hope that our customers are seldom directed to the website and instead their questions should be answered directly.

Director Joly announced on behalf of the Board he wanted to acknowledge the great job Ms. Kehoe has done on the minutes and on the agenda.

On motion of Director Baker, seconded by Director Fraites the Board approved minutes from the May 19, 2020 meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

### **GENERAL MANAGER'S REPORT**

#### **Gallagher Ranch Streambank Stabilization Project**

Mr. McIntyre reported that a preconstruction meeting was held on May 28<sup>th</sup> with the primary permitting agencies, contractor and property owner. He stated the meeting went well and Ms. Chandrasekera will be the project manager for this project. Mr. McIntyre advised the Board that the contractor is expected to start work mid-June and the project will be completed before the grant deadline of July 21<sup>st</sup>. He added all the permit requirements are now in place and the conditions will require additional environmental inspections resulting in additional costs of \$25,000 to \$30,000 for biological monitoring. Mr. McIntyre noted that during pre-construction monitoring an active swallow nest was identified and it is too early to fully determine how the active nest might impact construction activities and biological monitoring costs.

#### **Old Ranch Road Tank No. 2**

Mr. McIntyre announced that in regards to the Northern Spotted Owl survey, the consultant did perform some daytime inspection work a few weeks ago but did not find any nests. He added the consultant still expects to do four more surveys over the next four to six weeks.

#### **West Marin Waterline Newsletter**

Mr. McIntyre reported staff received four calls to-date based on the West Marin Waterline newsletter. The newsletters were distributed around May 21<sup>st</sup> and most of the calls were related to how the 25% water conservation reduction would affect them directly. Mr. McIntyre stated that Mr. Grisso explained to those customers that this will be a community wide reduction and not tracked on a per account basis. He added the Novato Waterline will be in the next agenda as a draft, before mailing to our customers.

### **OPEN TIME**

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

**STAFF/DIRECTORS REPORTS**

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

Ms. Kehoe announced that due to the COVID-19 shelter-in-place restrictions, the Dance Palace has cancelled our reservation for holding our regular Board meeting in West Marin on June 23rd. Therefore, we will be either holding a meeting here at District Headquarters or via teleconference if shelter-in-place restrictions are still in place.

Mr. Clark stated in response to Director Baker's request at the last Board Meeting he reviewed the District's agreement with the small group of Pacheco Valley homeowners for use of the Pacheco Water Tank roof for tennis courts. He stated that the agreement was last updated in 2013 and expires in December 2023. Mr. Clark informed the Board that we currently receive \$2,800 in revenue annually and the agreement has a \$50 per year escalation clause.

Director Grossi announced that he recently heard that businesses are boarding up their windows on Grant Avenue tonight due to protest concerns and asked about the District's security. A general discussion ensued about District security measures.

Mr. Clark announced that the Division of Safety of Dams performed their annual Stafford Lake dam inspection today. He was pleased to advise the Board that we passed with flying colors and noted they did not perform the Outlet Tower Scour outlet gate test this year since it is only required every other year.

**CONSENT ITEMS**

Director Baker had a question on Item 6 and Director Petterle had a question about Item 7, therefore they were removed from the consent calendar for additional discussion.

**ITEM 5 - RESOLUTION RE CONSOLIDATION OF DISTRICT ELECTION AND FILING INFORMATION DISTRICT ELECTION, NOVEMBER 3, 2020**

The Board approved the Resolution re the Consolidation of District Election. Directors Baker, Joly and Petterle seats will have four-year terms following the 2020 election. The filing period for the November 3, 2020 District Election is July 13 through August 7, 2020.

On the motion of Director Baker, and seconded by Director Petterle the Board approved on the consent calendar the Resolution re Consolidation of District Election and Filing Information District Election for District Election on November 3, 2020 by the following vote:

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

NOES: None

100 ABSTAIN: None

101 ABSENT: None

102 **ITEM 6 - SET MEETING FOR ASSISTANT GENERAL MANAGER/CHIEF ENGINEER**  
103 **INTERVIEW**

104 A special meeting for the Assistant General Manager/Chief Engineer interviews was  
105 proposed for June 9th at the District office. Directors, staff, candidates and the public will adhere  
106 to the social distancing restrictions and will be required to wear masks.

107 Director Baker asked when the Directors could expect the information on the candidates  
108 so they can be prepared for the meeting. Mr. McIntyre replied that all supporting documents will  
109 be sent out with the special meeting agenda on the Friday before.

110 On the motion of Director Baker, and seconded by Director Petterle the Board approved  
111 to set a meeting for Assistant General Manager/Chief Engineer Interviews as a special meeting  
112 at 6:00 p.m. on June 9th by the following vote:

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

114 NOES: None

115 ABSTAIN: None

116 ABSENT: None

117 **ITEM 7 - RESPONSE TO CIVIL GRAND JURY REQUEST – FOLLOW-UP REPORT ON WEB**  
118 **TRANSPARENCY COMPENSATION PRACTICES**

119 The Civil Grand Jury Request Follow-up Report on the Web Transparency Compensation  
120 Practices was presented to the Board. The measures implemented by the District successfully  
121 satisfy the recommendation as outlined by the Marin County Civil Grand Jury and NMWD was  
122 recognized to have excellent practices with regard to transparency on compensation of their  
123 elected officials.

124 Director Petterle asked if our letter addresses the requested information for Finding 5, and  
125 stated he would not want our letter thrown out on a technicality. Ms. Blue replied that our response  
126 includes both the signed form in Attachment 2 where we agree with Finding 5, and confirm  
127 compliance with Recommendation's 4 and 6 and provide an additional summary in the  
128 accompanying letter.

129 On the motion of Director Petterle, and seconded by Director Fraites the Board approved  
130 on the response to Civil Grand Jury Request – Follow-Up Report on Web Transparency  
131 Compensation Practices by the following vote:

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

133 NOES: None



134 ABSTAIN: None

135 ABSENT: None

136 **ACTION ITEMS**

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

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

140 Mr. McIntyre reminded the Board that staff has been operating under partial Emergency  
141 Operations Center (EOC) activation since March 18<sup>th</sup> and summarized various key measures  
142 implemented by the District's emergency management team since that time.

143 Mr. McIntyre stated the District's staff are physically separated as much as possible by  
144 rotation shifts and having some employees work from home, but all critical operations needed to  
145 maintain essential services continue. Mr. McIntyre also noted relocation of some staff back to the  
146 District buildings, and certain other projects and activities are delayed until after the Marin County  
147 and Statewide shelter-in-place orders are both significantly modified, suspended, or terminated.  
148 He apprised the Board that currently we have no employees who have been instructed to be  
149 isolated or are self-quarantined.

150 Mr. McIntyre provided the Board with an update on current coronavirus conditions in Marin  
151 County. He noted on June 1<sup>st</sup>, the Marin County Public Health Office approved opening of offices  
152 subject to compliance of specified protocols and advised physical Board meetings will be re-  
153 instated as soon as it is safe for Board members, public and staff to do so.

154 Mr. McIntyre informed the Board that the District has recently hired Boucher Law to help  
155 prepare an OSHA compliant COVID-19 Preparedness and Response Plan at a cost of  
156 approximately \$3,300. Mr. McIntyre added that he expects that the Plan will be finalized this  
157 month. He also advised that staff will continue to modify work space areas to ensure a minimum  
158 physical separation of six feet.

159 On the motion of Director Petterle, and seconded by Director Baker, the Board approved  
160 the renewal of the Declaration of Local Emergency Related to COVID-19 Pandemic by the  
161 following vote:

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

163 NOES: None

164 ABSTAIN: None

165 ABSENT: None

166 **CONTRACT EXTENSION FOR NMWD TRENCH RESTORATION PAVING**

167 Mr. Arendell reported our paving contractor, McLellan, has had an excellent working  
168 relationship with NMWD and they are offering their current pricing in the next fiscal year.

169 Director Baker and Grossi both commented that McLellan has been around for a long  
170 time, they are reliable, dependable, honest and do a good job for the District and others.

171 On the motion of Director Grossi, and seconded by Director Fraites, the Board approved  
172 renewal of the Contract Extension for NMWD Trench Restoration Paving by the following vote:

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

174 NOES: None

175 ABSTAIN: None

176 ABSENT: None

177 **DISTRICT CROSS CONNECTION CONTROL PROGRAM REVISION FOR RESIDENTIAL**  
178 **POOLS**

179 Mr. Clark recommended the Board approve staff's recommendations to revise the  
180 approach to comply with the California Code of Regulations as related to drinking water protection  
181 from contamination from swimming pools. He also requested the Board provide direction to staff  
182 of the preferred option regarding potential reimbursement for recent customers caught in the  
183 transition to newer swimming pool cross connection requirements.

184 Mr. Clark stated staff is working on a complete overhaul of the program which will involve  
185 changes to Regulations 6, 54 and the backflow manual. He added the State Division of Drinking  
186 Water is developing their own backflow manual, however it is not ready for public review until late  
187 summer, noting we are waiting for this information in order to get further guidance. Mr. Clark said  
188 at this time they would like to focus on swimming pool cross connection requirements. He stated  
189 staff has reviewed surveys from forty-seven northern California water agencies to see how they  
190 address this, and 60% of the surveyed agencies do not require backflow devices at the meter,  
191 but rely on other private side protection means and methods. Mr. Clark stated that approximately  
192 3,200 residential customers have swimming pools and the vast majority do not have backflow  
193 devices at the meter. He stated that we need to ensure adequate backflow protection is  
194 maintained at each location. Mr. Clark added the most efficient and cost-effective approach is to  
195 have pool owners provide annual verification using certified, independent testers. Director Baker  
196 asked what the letter would say. Mr. Clark replied that the letter would request residential owners  
197 with swimming pools to have a certified backflow technician test the private backflow device and  
198 then send the certificate back to the District. Director Baker asked who are these testers. Mr.  
199 Clark replied primarily plumbers, and the District has a list of twenty or so that can we give to our  
200 customers. Director Baker commented that he does not have a high level of confidence with this

201 and feels dealing with private plumbers is risky. Mr. Clark stated that the District already utilizes  
202 some of these companies for our own inspections for commercial accounts.

203 Director Petterle asked if this is what the District has already been doing, or is this a  
204 change in procedure. Mr. Clark replied the District has done this for commercial accounts, but  
205 not historically for residential customers with pools. Mr. Clark added that over the last two years  
206 we have required installation of a District backflow device at the meter when it has been brought  
207 to our attention that a residence has a pool. However, as a result of our recent cross connection  
208 control (CCC) program review and our recommended self-certification approach, installation of  
209 District owned backflow devices will not be required. Mr. Clark noted that during this transition  
210 phase in our CCC program review, some customers in 2019 and 2020 were required to pay  
211 backflow installation charges and bi-monthly charges. One customer recently caught up in this  
212 transition from the old program to the new program already received a refund of these charges.  
213 He added that staff is recommending that the Board approve Option 2 outlined in the memo which  
214 refunds customers recently caught in the program transition over a two-year period between 2019  
215 and 2020 versus just a one-year period in 2020 as outlined in Option 1.

216 Director Joly stated that Option 2 is broader, reaches more potential customers and seems to  
217 be more transparent and fair. He asked if staff felt they reviewed this enough and know how  
218 many of the estimated 3,200 pools in Novato had District installed backflow devices. Mr. Clark  
219 replied that the vast majority of the estimated 3,200 residential customers with pools do not have  
220 District installed backflow devices. Director Joly stated that this was a very complex memo with  
221 multi parts, and asked the Board if they feel sufficiently informed to make their decision tonight.  
222 Director Petterle replied he did feel sufficiently informed. Director Baker stated he is worried that  
223 we may be doing something less expensive for the customer, but it may open a door to other  
224 problems down the road. Mr. McIntyre reiterated that we have over 3,000 residential pools and  
225 staff's recommendation for individual pool owners to provide a certificate on an annual basis will  
226 be a lot more robust than what we are currently doing. Director Joly asked if there will be two  
227 separate votes. Mr. McIntyre clarified stating we need a motion to approve the revised approach  
228 for residential swimming pool backflow protection and to provide either a one year or two-year  
229 credit/refund for recent customers impacted by the cross connection control program transition.

230 On the motion of Director Petterle, and seconded by Director Joly the Board approved  
231 staff's recommendations to revise the backflow compliance approach for residential customers  
232 with swimming pools and to provide a two-year credit/refund for recent customers impacted by  
233 the program transition by the following vote:

234 AYES: Director Fraites, Grossi, Joly and Petterle

235 NOES: None

236 ABSTAIN: Director Baker

237 ABSENT: None

238 Director Joly asked staff in the future to make the memo clearer for the Board and without  
239 a multi option action, adding this memo was complex.

240 **RECOMMENDATION FOR PURCHASE OF ATOMIC ABSORPTION SPECTROMETER**

241 Mr. Ramudo explained the District's current spectrometer was purchased in 1998 and  
242 stopped working in 2018 and was unable to be repaired, therefore samples have been sent out  
243 to an outside lab. AA systems are used to help analyze and report metals concentrations in water  
244 and drinking water for compliance with regulations. He stated he received two proposals, one  
245 from Agilent and one from Shimadzu. Mr. Ramudo noted both companies are well known and  
246 have been in business for quite some time. He added that the Agilent system has more  
247 components, is more automated and will allow more samples to be run with fewer lab hours. The  
248 cost of the Agilent system is \$61,000 and the Shimadzu is \$45,000, however he recommended  
249 the Agilent system because it will save on many years of labor cost and allow for higher  
250 productivity in the lab.

251 Director Joly stated this was a very straight forward memo, and congratulated Mr. Ramudo  
252 for doing a great job coming under budget.

253 On the motion of Director Fraites, and seconded by Director Baker the Board approved  
254 the recommendation for purchase of an atomic absorption spectrometer by the following vote:

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

256 NOES: None

257 ABSTAIN: None

258 ABSENT: None

259 **RESOLUTION OF APPRECIATION FOR ALICIA MANZONI**

260 Mr. McIntyre presented the Board with a Resolution of Appreciation for Alicia Manzoni  
261 who is retiring on June 5, 2020 after twenty-three years of service. He stated that during her time  
262 here at the District she has consistently dealt with customers in a tactful and effective manner.  
263 Mr. McIntyre expressed that Ms. Manzoni has done an outstanding job of keeping the billing  
264 system running accurately and on time and was instrumental in the successful implementation of  
265 the Advanced Meter Information (AMI) project which converted over 21,000 meters to be read  
266 electronically. Mr. McIntyre noted her dedication to the District's customers and to her fellow  
267 employees will be greatly missed.

268 Director Petterle expressed his appreciation and remembered about ten years ago he got

a call from Ms. Manzoni, because she noticed his water bill was a little high and it turned out he did have a leak. Director Grossi said one of the reasons why he wanted to be on the NMWD Board was because of people like Ms. Manzoni who is from Novato. He congratulated Ms. Manzoni and expressed his gratitude for providing fantastic service to the District. Director Baker said he received an occasional call about his bill and Ms. Manzoni was always professional, good humored and very pleasant to deal with. Director Fraites acknowledged Ms. Manzoni for doing a fantastic job and wished her the best in her retirement. Director Joly stated he would like the Board to make a unanimous vote and shout it out all at once. On the motion of Director Petterle, and seconded by Director Grossi, the Board unanimously approved the resolution of appreciation for Alicia Manzoni by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

Ms. Manzoni thanked the Board for their kind words, and thanked Ms. Blue and Mr. McIntyre for the opportunity to work for the District for twenty-three years, and added that she will miss everyone.

#### **INFORMATION ITEMS**

#### **BUDGET REVIEW – PROPOSED FY20/21 BUDGETS NOVATO AND WEST MARIN SERVICE**

#### **AREAS**

Mr. McIntyre reminded the Board that at the last meeting the impact of COVID-19 on our customers was discussed and there was direction from the Board to explore additional areas where changes could be made to help customers who were financially impacted by the health pandemic. He noted that during Ms. Blue's report she will address this request. Mr. McIntyre requested that, after Ms. Blue's report, the Board give staff comments and direction if more changes are desired at this time.

Ms. Blue advised the Board that the low-income rate assistance program that was approved in February by the Board, will be in effect July 1, and will allow a fifteen-dollar credit on each bill for those that qualify. She added that she is pleased this was passed in a timely manner. Additionally, under Governor Newsom's executive order, no water services are being shut off due to non-payment. Ms. Blue noted the proposed changes to the shut off policy is a one to three-month extension to the disconnection of water services once the end date of the order is established, a payment plan extension to twenty-four months, and no late fees for three to six months. Director Joly stated he thought the options were wonderfully discussed in the memo,

303 and asked if staff has seen any distress from customers. Ms. Blue replied that she has been  
304 tracking payments on a weekly basis and as of yet there is no nonpayment trend, but she will  
305 continue to monitor. She noted there has been some calls from customers to see if they can  
306 delay their payments. Ms. Blue stated that staff are allowing them to delay payment and making  
307 notes in their customer billing file. Director Petterle stated he appreciates what staff has done in  
308 relationship to the topic from last week. He suggested that the District get Kiosk on board to really  
309 promote the ways the District is continuing to support our customers. Director Petterle added as  
310 we move forward we want to get an upper hand on this, letting our community know that this is  
311 their water district and this is how we can help them. He expressed the need to help Novato get  
312 through this, we are all on the same team. Mr. McIntyre asked the Board for clarification on  
313 whether the identified options will utilize the maximum stated durations as staff works to modify  
314 our Late Charge and Shut-Off Policy 6. Director Grossi stated he was fine with that and believes  
315 we need to respond with the situation at hand. Director Joly said he was in favor, and Director  
316 Fraites agreed. Director Baker said he was cautious on the twenty-four-month allowance to pay  
317 the bill, noting this was a lot of time. Mr. McIntyre replied that the proposed revisions for Policy 6  
318 will be brought back to the Board at the next meeting for review and action.

319 Ms. Blue reviewed the Proposed FY 20/21 Budgets for the Novato and West Marin Service  
320 areas. She stated rate increases are proposed for Novato (6%), West Marin Water (4.5%) and  
321 Oceana Marin Sewer (5%). Ms. Blue noted they are the same as what the Board saw at the last  
322 meeting with minor changes. Director Joly thanked staff for their transparency and integrity. Ms.  
323 Blue reminded the Board that on June 16<sup>th</sup> there will be two actions items, one being the rate  
324 hearing, (Mark Hildebrand will be participating by phone to summarize the rate study and discuss  
325 the rate structure changes) and the second action item will be to approve the budget. She noted  
326 on June 23<sup>rd</sup> we will address the West Marin and Oceana Marin rate increases. Director Joly  
327 asked if our Prop 218 District legal counsel will also be participating. Ms. Blue replied yes.  
328 Director Fraites commented that he noticed MMWD was going to have their rate hearing  
329 postponed due to the current financial situation and wondered if we should consider the same.  
330 Director Joly asked Ms. Blue if the SCWA 6.79% increase still stands and Ms. Blue confirmed.

#### 331 **PRE TANK 4A REPLACEMENT – PROJECT UPDATE**

332 On behalf of Dave Jackson, Mr. McIntyre updated the Board on the PRE Tank 4A  
333 Replacement Project. He reported the contractor has excavated to the depth of the foundation  
334 and will begin forming the foundation and floor slab soon; in addition to preparing samples of the  
335 tank shell for review.

Director Baker commented that this is an important project in West Marin and much of the Board has been involved with it the last few years. He added that he is glad things are moving along and asked when the tank will be online. Mr. McIntyre replied that the contractor will be done in late fall and we should be online late 2020. Director Baker asked if staff continues to have dialog with the road advisory board. Mr. McIntyre responded affirmatively. Director Joly thanked Mr. Jackson for a great memo.

#### **NBWRA APRIL 27, 2020 – MINUTES**

Drew provided a summary of the NBWRA minutes for the April 27th meeting. He announced David Rabbitt was re-elected as Chair and Belia Ramos was elected as Vice Chair. Mr. McIntyre reported that the NBWRA Board approved a six-month Phase 1 project extension since SCWA needed more time to close out the Las Gallinas Valley Sanitary District construction project.

#### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements – Dated May 21, 2020, Disbursements – Dated May 28, 2020, NBWA Meeting June 5, 2020, WAC Support Letter - FERC Project No. 77-285 and Feasibility Study Report for the Potter Valley Project.

The Board received the following news articles: Editorial – New wildfire authority faces critical time; Editorial – Rate-hike delay smart for MMWD; ‘Concerning’ data on virus; Dry winter spurs water managers to cut Russian River flows to retain reservoir supplies; Marin gears up for number of key possible reopenings; 58 billion PG&E plan is approved by regulators and Editorial – City, county, online security problems costly

Director Joly noted under disbursements the payment to CalPERS, and requested staff to prepare a memo on pensions. Ms. Blue responded she would be more than happy to do that.

Director Joly thanked the Board and staff for being on the call and wished Ms. Manzoni all the best in her retirement.

#### **ADJOURNMENT**

President Joly adjourned the meeting at 7:38 p.m.

Submitted by

Theresa Kehoe  
District Secretary

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DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
June 9, 2020

**CALL TO ORDER**

President Joly called the special meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, James Grossi, Michael Joly, and Stephen Petterle. Also present were General Manager Drew McIntyre.

The three interview candidates also attended the meeting.

**OPEN TIME**

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

**ASSISTANT GENERAL MANAGER/CHIEF ENGINEER INTERVIEWS**

Mr. McIntyre reminded the Board that the current Chief Engineer position has been unfilled since the Chief Engineer position became vacant as of February 4, 2020. He advised the Board that an external job recruitment was conducted and out of fifteen applicants, six candidates were chosen for initial interviews. He informed the Board that he, HR Consultant Darlene Rhodes, Auditor Controller Julie Blue and Operations/Maintenance Superintendent Robert Clark participated in the first round of interviews and established a short-list of three candidates. Mr. McIntyre added a second round of interviews were performed on the short-listed candidates by Construction Superintendent Tony Arendell, District Secretary Terrie Kehoe, Water Conservation Coordinator Ryan Grisso, Engineering Secretary Eileen Mulliner and Water Quality Supervisor Pablo Ramudo. Mr. McIntyre advised the Board that tonight's interviews were being conducted to solicit input from the Directors. At the end of the interviews there was a general discussion about the candidates and the Board provided input to Mr. McIntyre including re-opening recruitment.

**ADJOURNMENT**

President Joly adjourned the meeting at 8:40 p.m.

Submitted by

Theresa Kehoe  
District Secretary

3

## MEMORANDUM

To: Board of Directors  
From: Julie Blue, Auditor-Controller JB  
Subj: Public Hearing – Proposed Novato Water Revenue/Rate Increase  
t:\ac\budget\fy-2020,21\rate increase fy 20,21\novato public hearing - rate increase fy20,21 06,16,20.docx

June 12, 2020

**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** Additional \$1,147,000 in FY21 Revenue

A public hearing to consider adoption of a proposed 6% revenue increase in the cost of water, effective July 1, 2020, is occurring tonight, June 16 at 6:00 PM. Customers were noticed individually of the proposed increase by letter (Attachment 1) and a notice of the Public Hearing was published in the June 4 edition of the Marin Independent Journal (Attachment 2). The proposed commodity and bimonthly service charge rate increase for Novato customers will generate an additional 6% in revenue. Proposed rate structure modifications will result in individual customer bills that may increase more or less than the 6% global increase.

Under law, a customer protest of 50% plus one would invalidate the proposed increase. Through June 11, 2020 the District received 14 official protests against the proposed increase. The District also received five emails in opposition of the rate increase. The customer letters and emails received are included as Attachment 3.

Staff also received 20 calls related to the rate increase. Eleven customers had general questions regarding the rate increase, including how it would personally effect their bills, what their meter size is, and/or what zone they are in. Seven customers expressed their opposition to the rate increase, three of which were generally against the increase, three suggested budgets cuts, and one customer stated that they conserved water yet they were unhappy that they still had to pay more. Customers asked questions about the NMWD website's annual water cost calculator to see how the increase would impact their individual bill and in many instances staff looked up their account and provided the increase information over the phone or via email. One customer called to ask if connection fees were changing and they were informed that they were not. One customer called inquiring about the Low-Income Rate Assistance (LIRA) Program in which they were provided the LIRA application.

On March 3, 2020 the Board accepted the 2020 Novato and Recycled Water Rate Study Report. The rate study report was designed by collaborating with rate consultant, Mark Hildebrand of Hildebrand Consulting. This comprehensive study was developed through numerous meetings with District staff and the Board's Ad Hoc Water Rate Study Subcommittee over several months.

During this process the District carried out an extensive Novato Water Rate Study public outreach that began in October 2019 and included news flashes, newsletters mailed to all customers, water bill messages, social media posts, ads in the local newspaper, web notices, and two public workshops.

Mark Hildebrand will make a presentation (Attachment 4) on the need for the proposed water revenue increase, after which the Board can accept public comment. Once comments have been received by the public the Board President will adjourn the Public Hearing. Once the hearing is closed Staff will provide a tally of the protests. The Board will then deliberate and vote on the proposed rate increase. Attachment 5 is a draft of Regulation 54 incorporating the proposed changes.

#### **Staff Recommendation**

After closing the public hearing, approve Resolution 20-XX (Attachment 6) amending Regulation 54 pertaining to Water Rates and Charges to reflect a global revenue increase of 6% for the customers in the Novato Service Area effective July 1 of 2020.



# NOTICE OF PUBLIC HEARING

## REGARDING PROPOSED REVENUE INCREASES AND RATE STRUCTURE CHANGES

### For the Novato Service Area

This Notice provides information about proposed increases to North Marin Water District's water rates and charges and proposed rate structure modifications. The Board of Directors will hold a public hearing at which public comments will be considered before the Board votes on the proposed changes.

**HEARING DATE:** Tuesday, June 16, 2020  
**TIME:** 6:00 p.m.  
**LOCATION\*:** North Marin Water District  
 999 Rush Creek Place  
 Novato, CA 94945

*The District proposes increasing revenue and revising the water rate structure for fiscal year 2020-2021. If approved at the public hearing on June 16, 2020, the new rates and rate structure changes will go into effect on July 1, 2020.*

*\*If shelter-in-place restrictions remain in effect in Marin County at the time of the scheduled public hearing, additional information regarding accommodating public participation shall be provided on the District website at [www.nmwd.com](http://www.nmwd.com).*

## REASONS FOR THE PROPOSED REVENUE INCREASE

*The key reasons that a 6% revenue increase is needed are described below.*

**Increased investment in water facilities.** The District must increase investments in facility upgrades and replacements from \$3 million to \$6 million per year. This will help address the need to properly maintain the District's \$137 million system of pipelines, pumps, reservoirs, treatment plants, valves, hydrants, laboratory, monitoring systems, and more.

**Rising costs to purchase imported water.** The District imports 75% of its water from Sonoma County Water Agency. The cost of purchasing imported water accounts for 30% of the budget and the water supplier has forecast that the costs will continue to increase by 6% every year.

**Impact of inflation on all costs.** The proposed revenue increase is designed to meet all the costs of providing water service. This includes purchasing, treating, and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

## REASONS FOR THE PROPOSED RATE STRUCTURE CHANGES

The District regularly reviews its water rate structure to ensure that each class of customer continues to pay their fair and proportional share of costs. The cost for serving each class of customers varies over time because of changes in customer water use, state regulations, service costs, and other factors.

## MILLIONS OF DOLLARS SAVED

*The District raises revenue only when necessary—first seeking to stretch its existing resources. As a result, cost control is a daily focus of North Marin Water District, which is one reason our rates are the lowest in Marin County and at the median for water agencies around the Bay Area region. Here are some of the ways we have kept rates down.*

- We decreased electrical costs by installing clean solar energy systems.
- We obtained over \$10 million in grants for recycled water expansion.
- We saved \$18 million by sharing the cost of a large aqueduct project with other public agencies.
- We reduced future retirement benefit costs for new employees.
- The new recycled water system was implemented without additional staffing. Recycled water costs our customers less than potable water.

*We've reduced the number of full-time employees from 58 a decade ago to 54 today, saving \$675,000 per year.*

# Details of the Proposed Revenue Inc

**Proposed 6% revenue increase.** North Marin Water District is proposing a global 6% rate revenue increase to cover the increasing costs of providing quality potable and recycled water service to our Novato service area customers.

**Proposed rate structure modifications will result in individual customer bills that may increase more or less than the 6% global revenue increase.** The District conducted an extensive cost of service study examining every aspect of service, including water purchase, treatment, delivery, facility replacement/upgrades, and many other factors. The study identified changes in the proportion of costs required to serve each customer class (residential and commercial). The rate structure modifications are part of a regular process to update rates to reflect current customer water use, state regulations, service costs, rate structure approach, etc. The proposed rate structure will ensure that each customer class continues to pay a fair and proportional share of the costs.

*The typical residential customer (approximately 56% of all customers) will pay about \$4 more per month if the changes are approved (\$8 on the bi-monthly bill). Note that amounts in individual customer bills will vary based on water use, property elevation, and meter size.*

## PROPOSED BI-MONTHLY FIXED SERVICE CHARGES

The Bi-Monthly Fixed Service Charge includes an account charge and a meter charge. The meter charge is based on an industry standard that apportions costs based on meter size and flow capacity. Most single-family residential customers have a 5/8" meter. Residential accounts that have a 1" meter due to fire requirements, but would otherwise have a 5/8" meter, are charged at the 5/8" meter rate.

| PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR POTABLE WATER |                      |                       |
|--|----------------------|-----------------------|
| Meter Size (in inches)                                     | Current Fixed Charge | Proposed Fixed Charge |
| 5/8"   | \$34.15              | \$41.46               |
| 1"   | \$68.30              | \$74.06               |
| 1.5"   | \$83.30              | \$128.38              |
| 2"   | \$129.90             | \$193.57              |
| 3"   | \$257.20             | \$367.41              |
| 4"   | \$413.00             | \$562.98              |
| 6"   | \$864.00             | \$1,106.23            |
| 8"   | \$1,288.00           | \$1,432.18            |

| PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR RECYCLED WATER |                      |                       |
|---|----------------------|-----------------------|
| Meter Size (in inches)                                      | Current Fixed Charge | Proposed Fixed Charge |
| 5/8"  | \$34.15              | \$48.78               |
| 1"  | \$68.30              | \$61.68               |
| 1.5"  | \$83.30              | \$123.35              |
| 2"  | \$129.90             | \$197.36              |
| 3"  | \$257.20             | \$394.72              |
| 6"  | \$864.00             | \$1,233.50            |

To learn how the proposed rates will affect your specific water bill, check out the District’s water cost calculator, available at [www.nmwd.com/account\\_balance.php](http://www.nmwd.com/account_balance.php).

The proposed changes in rates are based on detailed engineering, financial, and legal evaluations carried out with the help of recognized experts in water rates. The rates conform to California law requiring that each class of customers (residential and commercial) pay their proportionate share of the cost to serve them.

The maximum rates that may be imposed are shown in this document. Prior to implementing the rates, the Board of Directors may choose to implement the full amount or less, but not more.



# Increase and Rate Structure Changes

## PROPOSED TIERED QUANTITY (USAGE) CHARGES

The proposed update to Tiered Quantity (Usage) Charges has three tiers that reflect the cost of the different sources of water. Tier 1 is based on the cost of imported water. Tier 2 is based on the cost of locally treated water from Stafford Lake. Tier 3 is based on the cost of locally treated water plus the cost of the District's conservation program, which is paid by those customers that use the most water. Usage charges include an **elevation zone charge** to recover the costs of pumping water to higher elevations.

| PROPOSED BI-MONTHLY TIERED USAGE RATES FOR RESIDENTIAL POTABLE WATER |               |         |         |                |        |        |
|--|---------------|---------|---------|----------------|--------|--------|
| Quantity Charge Per 1,000 Gallons                                    | CURRENT RATES |         |         | PROPOSED RATES |        |        |
|  | Tier 1        | Tier 2  | Tier 3  | Tier 1         | Tier 2 | Tier 3 |
| Residential Elevation Zone A   | \$5.42        | \$8.64  | \$15.05 | \$5.50         | \$6.23 | \$7.67 |
| Residential Elevation Zone B   | \$6.07        | \$9.29  | \$15.70 | \$6.26         | \$6.99 | \$8.43 |
| Residential Elevation Zone C   | \$7.50        | \$10.72 | \$17.13 | \$7.60         | \$8.33 | \$9.77 |

| PROPOSED BI-MONTHLY TIERED USAGE RATES FOR COMMERCIAL POTABLE WATER |               |        |                |        |
|---|---------------|--------|----------------|--------|
| Quantity Charge Per 1,000 Gallons                                   | CURRENT RATES |        | PROPOSED RATES |        |
|   | Winter        | Summer | Winter         | Summer |
| Commercial Elevation Zone A   | \$5.97        | \$6.42 | \$5.50         | \$7.67 |
| Commercial Elevation Zone B   | \$6.62        | \$7.07 | \$6.26         | \$8.43 |
| Commercial Elevation Zone C   | \$8.05        | \$8.50 | \$7.60         | \$9.77 |

## PROPOSED FIRE SERVICE CHARGES

**Fire Service Charges** apply to commercial connections with fire sprinklers. The charges are based on the actual cost of maintaining fire service lines.

| PROPOSED BI-MONTHLY FIRE CONNECTION CHARGE |          |          |
|--|----------|----------|
| Service Size                               | Current  | Proposed |
| 1"   | \$17.08  | \$14.24  |
| 2"   | \$17.08  | \$18.78  |
| 4"   | \$31.57  | \$52.40  |
| 6"   | \$61.60  | \$73.60  |
| 8"   | \$94.20  | \$97.83  |
| 10"  | \$123.17 | \$128.11 |

## PROPOSED BI-MONTHLY USAGE RATES FOR OTHER WATER SERVICES

**These charges are for additional services that are offered to customers.**

| PROPOSED BI-MONTHLY USAGE RATES   |         |          |
|-----------------------------------|---------|----------|
| Quantity Charge Per 1,000 Gallons |         |          |
| Water Type                        | Current | Proposed |
| Raw                               | \$2.46  | \$2.93   |
| Recycled                          | \$5.97  | \$6.24   |
| Temporary                         | \$8.88  | \$6.99   |



## **NORTH MARIN WATER DISTRICT**

990 Rush Creek Place  
PO Box 146  
Novato, CA 94945  
nmwd.com

### **BOARD OF DIRECTORS**

Michael Joly, President  
James Grossi, Vice President  
Jack Baker, Director  
Rick Fraites, Director  
Stephen Petterle, Director

### **GENERAL MANAGER**

Drew McIntyre

PRSRT STD  
U.S. POSTAGE  
**PAID**  
SAN RAFAEL, CA  
PERMIT NO 2

# **Notice of Public Hearing on Proposed Revenue Increases and Changes to the Rate Structure**

## **Where to Learn More, Get Answers, and Make Comments**

### **CONTACT US:**

Phone: 415-897-4133  
Email: [info@nmwd.com](mailto:info@nmwd.com)

### **VISIT OUR WEBSITE:**

[www.nmwd.com](http://www.nmwd.com)

### **VISIT OUR OFFICE:**

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

### **ATTEND THE BOARD HEARING**

The Board will review and consider adopting the rate increases and rate structure modifications on June 16, 2020, at 6:00 p.m. at North Marin Water District, 999 Rush Creek Place, Novato, CA 94945.

**At the Public Hearing:** The Board of Directors will accept and consider all written protests and will hear and consider all verbal comments to the proposed rate increases and rate structure modifications at the Public Hearing. Verbal comments must be accompanied by a written protest to qualify as a protest. Before the conclusion of the Hearing, the Board of Directors will consider adoption of the proposed revenue increases and changes to the rate structure described in this notice. If written protests of the proposed changes are presented by a majority of the property owners or tenants subject to the proposed changes, the proposed rate increases and rate structure modifications will not be adopted.

## **How to Protest the Proposed Changes**

Any owner of a parcel upon which the water service charges are proposed to be changed, or any tenant that directly pays the water bill for such parcel, may submit a written protest of the proposed rate changes. Only one protest will be counted per parcel. Written protests must: (1) state that the property owner or tenant is opposing the proposed increases; (2) provide the location of the parcel (by street address, assessor's parcel number, or customer account number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the District Secretary at North Marin Water District, 999 Rush Creek Place, Novato, CA 94945, or in person at the Public Hearing. All written protests must be received prior to the close of the public input portion of the Public Hearing. Protests submitted via email or other electronic means will not be accepted. Please mark the protest: Attn: Rate Hearing.



# Marin Independent Journal

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

2074361

NORTH MARIN WATER DISTRICT  
PO BOX 146  
NOVATO, CA 94948

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

### STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

06/04/2020

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

Dated this 4th day of June, 2020.

*Donna Lazarus*

Signature

## PROOF OF PUBLICATION

ATTACHMENT 2

Legal No. 0006489145

#### North Marin Water District WATER RATE HEARING

**Purpose:** Consider Proposed Rate Increase  
**Impact Area:** Greater Novato Area  
**Date and Time:** Tuesday, June 16, 2020  
at 6:00 p.m.  
**Place:** North Marin Water District,  
999 Rush Creek Place, Novato, CA  
or via teleconference if shelter-in-place  
restrictions are still in place.

#### PROPOSAL

NMWD is proposing a global 6% revenue increase for Novato customers. The proposed rate structure modifications will result in individual customer bills that may increase more or less than the 6% global revenue increase. The increase is proposed to be effective July 1 of 2020.

#### REASON FOR THE PROPOSED INCREASE

Increased investment in water facilities. The District must increase investments in facility upgrades and replacements from \$3 million to \$6 million per year. This will help to address the need to properly maintain the District's \$137 million system of pipelines, pumps, reservoirs, treatment plants, valves, hydrants, laboratory, monitoring systems, and more.

**Rising costs to purchase imported water.** The District imports 75% of its water from Sonoma County Water Agency. The cost of purchasing imported water accounts for 30% of the budget and the water supplier has forecast that the costs will continue to increase by 6% every year.

**Impact of inflation on all costs.** The proposed revenue increase is designed to meet all the costs of providing water service. This includes purchasing, treating, and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

#### IMPACT

**Residential Accounts:** For the typical Novato single-family residence, the proposed increase would add \$4.00 per month (\$8.00 per bimonthly bill) to the cost of water beginning July 1, 2020.

**Non-Residential Accounts (Commercial, Institutional & Irrigation):** The increases for non-residential customers will vary.

Customers can determine the increase in their annual water cost based on their water use over the past year from NMWD's website. Insert your NMWD account number and the name on your account into the Annual Water Cost Calculator on NMWD's website at <http://www.nmwd.com/accountbalance.php>.

#### PUBLIC HEARING

A public hearing will be held at the NMWD office (999 Rush Creek Place, Novato) or via teleconference if shelter-in-place restrictions are still in place, at 6:00 p.m. on Tuesday, June 16, 2020, to consider enactment of the proposed increases. You are cordially invited to participate in the hearing, or mail your comments. For more information visit NMWD's website or call the District Secretary at (415) 897-4133.

NO. 543 June 4, 2020

RECEIVED

APR 28 2020

North Marin Water District

Ta Da List... 

Hello

North Marin Water  
DistrictI Nancy Altman  
am opposing the  
proposed increases  
at 663 Olive Ave  
Novato, Calif. 94945

Parcel # \_\_\_\_\_

Account # \_\_\_\_\_

Thank you for  
your time!

Nancy Altman



4-29-20

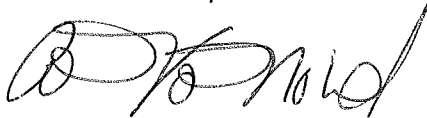
ATTN: Rate Hearing: District Secretary

RE: I am opposing the proposed rate changes with North Marin Water District

1 W Brook Drive  
Novato, CA 94947  
Parcel number:

I cannot believe that NMWD is requesting a rate increase during Covid 19. While everyone is losing their jobs and close their businesses, Companies are making concessions on how they can make life more affordable. There are individuals in Marin County who cannot put food on their table and the NMWD is asking for an increase? This shows how out of touch NMWD is and there should be a serious look at the bloviated pensions and corruption with this entity. SHAMEFUL!

Signature:



Alison Van Noland (Home owner)

RECEIVED

MAY 05 2020

North Marin Water District

May 2, 2020

To North Marin Water District:

This letter is to protest the rate increase. In fact, I find it outrageous that you would ask for yet another increase with what is going on in our world right now. Many people are out of work and having a hard time financially. Perhaps the higher ups in your company can go without a raise this year, which would be better than laying people off.

I'm sure this letter will fall on deaf ears like last time, but I feel it is necessary to at least try.

By the way, you seem to make it as difficult as possible for people to contact you with their views about this. Why can't people respond online? Probably because you would get many more complaints that way,

-2-

which of course you don't want.

Very discouraging!

Judith Morris

Judith Morris, owner  
91 Gann Way  
Novato, CA 94949

RECEIVED

MAY 07 2020

North Marin Water District

MARC Bamatter / Owner  
811 Tamalpais Ave  
Novato CA. 94947

5/4/20  
RECEIVED

To Whom it May concern,

MAY 11 2020

North Marin Water District

Regarding to propose rate increase.

While money is needed to repair, upgrade and maintain our water supply infrastructure, I feel it should be from increasing the rate on those who use an inordinate amount of water.

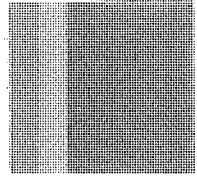
I (we) have been conserving water for a long time, installing all the water conserving toilets, shower heads and low water usage landscape, etc.

A more realistic increase could be put forth with the burden put on those who will just pay what ever the bill is. And those who make the efforts mentioned above pay a reasonable increase.

Thank-you. MARC BAMATTER

Regards, Marc Bamatter

Arlene Hankins  
931 Bel Marin Keys  
Novato, CA 94949  
Hankinsga@gmail.com



May 6, 2020

North Marin Water District  
PO Box 146  
Novato, CA 94945  
Recipient Address

Dear Michael Joly and the Board,

You have chosen to raise prices (no matter what the amount) during a time when many have little income. Your timing is poor.

My pay has been reduced with plans for significant cuts later in the year. I know others in the community are in the same situation. I have to circle-the-wagons and cut my budget. I would expect you to do the same.

During this unprecedented time, I am against a rate hike. Delaying is a better plan.

Sincerely,

Arlene Hankins

RECEIVED

MAY 11 2020

North Marin Water District



RECEIVED

May 9, 2020

MAY 14 2020

North Marin Water District

District Secretary  
Attn: Rate Hearing  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945

To Whom It May Concern:

We are opposing the Proposed Rate increasing.

Jim and Sharon Sides  
26 Moore Road  
Novato, CA 94949  
Account #: [REDACTED]



James Sides



Sharon Sides



May 14, 2020

To: North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945  
Attn: Rate Hearing

From: George Roland, Property Owner  
265 San Marin Drive  
Novato, CA 94945  
Tel: 415.897.4854

Subject: Proposed Revenue Increases and Changes to the Rate Structure

To Whom it May Concern

As owner of the property at 265 San Marin Drive, Novato, I am submitting this written protest of the proposed rate increases. I feel that since the rate of inflation is currently low, the increases are not justified.

Respectfully,

  
George Roland

RECEIVED

MAY 20 2020

North Marin Water District

Christel Marten (Mrs. L. Marten)  
144 San Felipe Way  
Novato, CA 94945

May 15, 2020

To: District Secretary  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945  
Attn: Rate Hearing.

I herewith oppose the proposed increases.

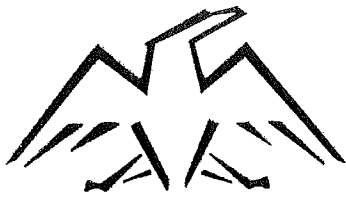
Sincerely,

Christel Marten  
144 San Felipe Way  
Novato, CA 94945  
Account #

RECEIVED

MAY 21 2020

North Marin Water District



## *Professional Financial Investors, Incorporated*

May 21, 2020

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

Dear NMWD District Secretary:

In response to the recent notice of public hearing regarding the proposed revenue increase and rate structure changes. The document sent to all owners regarding this could not have been more poorly timed. With COVID19 as well as lost revenue for so many people in the Novato community, the loss of employment people struggling to pay their rent, household expenses, etc., a rate increase will only put additional undue stress on our community.

I appreciate how hard the NMWD staff have been working and the need for an increase, but now is not the time. Going forward I would hope NMWD will consider reducing additional headcount and put systems in place to further reduce all overall costs going forward.

I do not support this increase and believe other changes should be made within your operation prior to moving forward with the hearing, revenue increases and rate changes

Very Truly Yours.

Gabrielle Campbell  
Senior Managing Director

RECEIVED

MAY 28 2020

North Marin Water District

Eric Hood  
105 Pelican Ln  
Novato CA 94949  
Ph: 415-234-6940

To whom it may concern:

I am submitting this protest to  
oppose the proposed changes/increases  
to my rate for water service for the  
above address.

Thank you for your time.

Eric Hood

*Eric Hood*

RECEIVED

MAY 29 2020

North Marin Water District

RECEIVED

JUN 02 2020

North Marin Water District

May 21, 2020

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

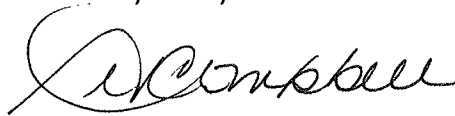
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I do not support this increase and believe other changes should be made within your operation prior to moving forward with the hearing, revenue increases and rate changes

Very Truly Yours.

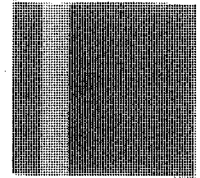
A handwritten signature in cursive script, appearing to read 'G. Campbell', written in dark ink.

Gabrielle Campbell  
280 Fairway Dr.  
Novato, CA 94949

Scott Urban

25 Laurie Drive, Novato 94947

Acct [REDACTED] (415)897-9614



June 2, 2020

RECEIVED

JUN 08 2020

North Marin Water District

999 Rush Creek Place

POB 146, Novato 94948-0146

North Marin Water District

Dear North Marin Water District,

I am writing to you to officially protest the proposed water and/or service charge rate increases.

It seems no matter how much we conserve water use, the bills just get higher and higher. You jack up the service charge because people try to conserve...how is that providing any incentive for us to lower our water use and be responsible citizens? A responsible utility which purports to encourage conservation should offer some sort of incentive for those who comply. When most of us (customers) look at our bill and see the service charge higher than our water use, it's very discouraging and frustrating! There are no more meter-readers, so you should've saved on salary and benefits, or at least paid off any unfunded pension liability! Or better yet, give the customers a little relief and LOWER the service charge!

Everyone is having to tighten their belts during this time of unknowns and a changing new normal, and it is shameful that NMWD is choosing to squeeze more blood out of the turnip by jacking up rates while they get all their wages and benefits...

Become a responsible utility, and don't penalize us for being responsible citizens.

Sincerely,

Scott Urban



Water Board,

June 3, 2020

Address 12 Fleetwood Ct

Parcel [REDACTED]

Bill#

I protest the proposed rate changes. My average bill for the passed 18 months (+ longer) was \$42.44. Deducting your "service charge" you'll see that I use very little water. Your proposed will add 20% to my bill. I wish my Social Security check had gone up that much.

Please read the attached article from Consumer Reports - Aug 2019. My thoughts exactly. 20 more years & your "service charge" could be close to \$100.

Up your water rate & drop the "service charge"

You state "each class of customers pay their proportionate share of cost to service them."

This proposal would not be my proportionate share.

Another thought. you reduced personnel by 4 bodies over the past 10 years - average savings \$67500/yr  
 $67500 \div 4 = \$168750$ . Not bad, wish I made that kind of money.

D. C. Andresen - owner

DC Andresen

Consumer Reports - Aug 2019

## Fighting High Utility Fees

### WHAT'S AT STAKE

Ever notice that your utility water bills include fees that your provider charges every month—regardless of how much power you used? Hiking up such fees is a disservice to the public.

Why? High fixed fees weaken your control over your energy bills, shift a disproportionate burden onto low-usage and low-income customers, and reduce incentives for consumers to conserve energy because using less power won't spare them from the fixed fee.

So CR took notice when Duke Energy asked South Carolina's Public Service Commission for permission to raise its "basic facilities charge" from \$8.29 to \$28 per month, which would be one of the largest fixed fees of any investor-owned utility in the country. If Duke got its way, each customer would have to

spend \$336 a year even before plugging in their refrigerator or turning on a single light. *or opening a faucet*  
HOW CR HAS YOUR BACK

Joining a coalition of groups opposing the fee hike, CR brought Duke customers, and a 500-signature petition, to the commission hearings, penned an op-ed in a regional news outlet, and distributed a fact sheet to educate customers on the proposal and what they could do to voice concern.

The efforts paid off. In May, the state commission not only voted to scale back the fee increase but also recommended significant compensation cuts for Duke's CEO and three other executives, whom it rebuked as "tone deaf." The decision sends a strong message to any utility that's considering a fee hike.

### WHAT YOU CAN DO

Read "Protect Yourself From Hidden Fees" in our July issue for more insight into unfair and deceptive consumer fees,

and tips on how to avoid them. And go to **WhatTheFee.com** to share your experience with hidden and unfair fees.

almost 250/yr

RECEIVED

JUN 09 2020

North Marin Water District



RECEIVED

JUN 12 2020

North Marin Water District

June 8<sup>th</sup>, 2020

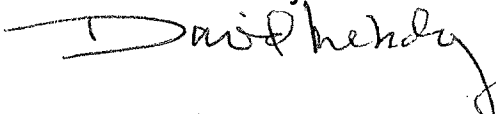
Dear People:

Below is the information you require for my 'protest' to the proposed rate changes for water use for this year.

Property location: 1525 Buchanan Street, Novato, Ca. 94947

Acct. No.

David Mehdy



I wish to strongly protest the 'proposed' water service charges (increases for this year) and rate charges by NMWD. First of all, the timing of the proposed increases in rate charges is one the worst times to do such a thing, if not the worst time, in the history of rate charge increases! The unemployment rate is close to 20% nationwide with over 40 million people filing for unemployment claims in the country over the last two plus months. Millions of those people who are unemployed live here in California and many in the San Francisco Bay which includes Marin County and Novato!

We are also in the midst of one of the worst if not the worst health pandemics in over 100 years with the Covid-19 virus. To ask people (your customers like myself) to pay more for an essential necessity of life for us in view of all financially devastating and life threatening matters in our lives now is not just disgraceful it is also very inhumane!! It is also unforgiveable!

From all the research I have done on the rate increases passed over the last 18 years I have lived here in Novato those increases come to over 100%! The United States government CPI (consumer price index) has held

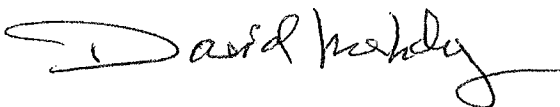
steady between 2% to 3% over the last 18 years. The rate increase proposal for my property is 4 times that CPI government calculation over the last year! I would say almost every other year NMWD has been charging its customers more for the use of water, not just for yard irrigation, but also for just basic human needs.

Also from what I have seen and heard, very little of the money from the rate increase and other sources of funds that is used by NMWD goes towards research in finding ways to create facilities/plants that can produce or purify salt water from the ocean, seas, and other sources of salt water so that it can be used in our homes for personal hygiene and drinking, cooking, etc., as well as in our yards for plants, grass, and trees.

Other countries in the world have found ways to purify salt water and make it available to their people for personal use and to their farmers for business use to grow their crops. I believe Saudi Arabia is one of those countries. This is something they have been doing for decades! I believe if the people that manage the use and means of getting water to their customers here in Novato use more of their brain power like people in other countries in the world are doing they can accomplish what I have mentioned above. They just need to have the will and motivation to do so!!

Lastly, at the very least, the management in charge of setting the water rate charges should at least postpone the rate increases until next year when, hopefully, the economy will be recovering from this unprecedented financial mess we are now in created by the Covid-19 pandemic **AND** we will by then have a vaccine for that damn virus and even a very effective treatment or cure for it. I hope they have the heart and understanding to take that necessary action based on what I have just stated in this letter. Thank you for your attention to this letter of protest.

Sincerely,

A handwritten signature in black ink that reads "David Mehdy". The signature is fluid and cursive, with a large loop at the end of the last name.

David Mehdy  
Dsmehdy8686@aol.com  
415-893-1015

## Terrie Kehoe

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**From:** Mary Ann Aleandri <maryannaleandri@gmail.com>  
**Sent:** Wednesday, April 29, 2020 10:17 AM  
**To:** Info NMWD  
**Subject:** NMWD revenue increase and public hearing

I truly wonder if anyone will actually read this email, but I feel that I must make the attempt.

Frankly, I am shocked that at this difficult and challenging time, NMWD is proposing to increase rates. Does NMWD not realize that many people are struggling to put food on their tables due to loss of ability to work and receive wages during covid19?

To make matters worse, NMWD projects a **public [!!!!??]** meeting in **June??????**

So, is NMWD planning on the fact that no one will be allowed to gather as such a public meeting and therefore will not have to hear any objections or answer to the public?

This proposal should be put off until AT THE VERY LEAST we are in phase three of recovering, if not phase four.

This notice is thoughtless and quite honestly INAPPROPRIATE at this time.  
I am shaking my head in dismay.

Oh, and while I am at it, bragging about firing regular employees and reducing their retirement benefits does not make NMWD look good even if you put that under how much money you have saved! We are a rather intelligent population who can read between lines very well.

Maybe your CEOs and others in high offices can forgo their bonus this year or maybe even take a pay cut, like so many millions of Americans are having to do. Now that would be something to brag about!

Sincerely, Mary Ann Aleandri  
Novato resident.

## Terrie Kehoe

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**From:** David Schiff <schiffmd@msn.com>  
**Sent:** Tuesday, May 05, 2020 4:57 PM  
**To:** Info NMWD  
**Subject:** Re: Notice of Public Hearing --- Error in chart in pamphlet?

Also of note (see previous email) is that the second rate chart on the page, commercial potable, also lowers the rate when going from current to proposed for winter -- I suspect you wanted the rates to go higher.

David Schiff, M.D.  
415-250-8021 (M)

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**From:** David Schiff  
**Sent:** Tuesday, May 5, 2020 4:53 PM  
**To:** info@nmwd.org <info@nmwd.org>  
**Subject:** Notice of Public Hearing --- Error in chart in pamphlet?

Dear NMWD staff:

I read through the mailed pamphlet regarding proposed increase in water rates. Looking at page 3, top of page, first chart: it appears that the proposed rates Tier 2 & 3 are significantly less than current rates. Is this true? If so, this does not represent a raise in the rates. For instance: Current rates, Residential Elevation Zone A, Tier 3 is \$15.05 per 1,000 Gallons. Proposed rate for the same is \$7.67 per 1,000 Gallons. If this is true, the proposed rate is less than half the current rate. Thank you for reducing rates by sooooo much! However, I think it is an error.

Thank you for looking into this possible error or incredible rate reduction.

Stay safe during COVID-19 season!

David Schiff, MD  
12 Sunny Cove Dr  
Novato, 94949

## Terrie Kehoe

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**From:** John Yee <tenblueoaks@gmail.com>  
**Sent:** Friday, May 08, 2020 1:41 PM  
**To:** Info NMWD  
**Subject:** Proposed Rate Increase - Comment

Hello, I hope this comment can be forwarded to the board/panel that is hearing the proposed rate increase.

Several of us have noticed that the neighboring water district (Marin Municipal) has announced that they are holding off on any rate increases during this time given the economic impact of Covid 19 on the economy and the customers.

It would seem that implementing a proposed increase on July 1, 2020 would be contrary to all of the things that are taking place during this time and should be shelved until a later date. A rate increase during this time does not make sense.

I would hope that the board considers this in their deliberation.

Thank you.

John Yee  
100 Saddle Wood  
Novato

## Terrie Kehoe

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**From:** Virginia Herz <virginia@tbhtype.com>  
**Sent:** Monday, May 11, 2020 5:35 PM  
**To:** Info NMWD  
**Subject:** Water Rate Increase

We are seniors, and long time Novato residents. I am writing to let you know that in light of the current pandemic effecting all the residents of Novato, that it is the wrong time to raise the water rates. People are suffering and many people are out of work, and will be so for months to come. Please try and show compassion at this time of need.

Sincerely,

Virginia Herz

**Terrie Kehoe**

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**From:** Vicki Cornelius <vlcornelius@gmail.com>  
**Sent:** Tuesday, June 02, 2020 11:47 AM  
**To:** Info NMWD  
**Subject:** Rate Increase

I received the proposed rate increase for July 1 2020. I realize that the NMWD needs to have periodic water rate increases from time to time but right now is not the time. Millions of people are out of work or have had to take a pay cut to stay employed. Many are in danger of losing their homes or apartments with nowhere to turn. Senior citizens like myself have managed to pay all the increases for the past twenty years. Meanwhile I haven't received a pay increase for all those years therefore having to live on less and less each year. We all need water, it's something we can't live without. Now isn't the time for a rate increase.

I don't see the public hearing proposed for Tuesday June 16, 2020 happening with the stay at home order that's now in place. Other water agencies have postponed their rate increases and I think NMWD should do the same.

John A Cornelius  
120 San Andreas Drive  
Novato, Ca. 94945

# Water Rate Public Hearing

North Marin Water District  
June 16, 2020



## Agenda

1. Rate studies overview & scope
2. Review financial plans
  - Novato Enterprise (potable)
  - Recycled Water Enterprise
3. Rate design & structure
4. Protest Hearing & Vote



## Novato Potable Water Financial Plan

3

### Novato Enterprise Revenue

FY2019/20 Budget

|                         |                     |
|-------------------------|---------------------|
| Retail Rate Revenue     | \$19,734,000*       |
| Wholesale Rate Revenue  | \$75,000            |
| <b>Non-Rate Revenue</b> |                     |
| Interest Earnings       | \$150,000           |
| Connection Fees         | \$1,400,000         |
| Operating Revenue       | \$116,000           |
| Other Charges           | \$234,000           |
| Miscellaneous           | \$50,000            |
| MMWD AEEP Contributions | \$205,000           |
| <b>Total:</b>           | <b>\$21,964,000</b> |



\* 2.4 billion gallons sold. Price per gallon = \$0.008

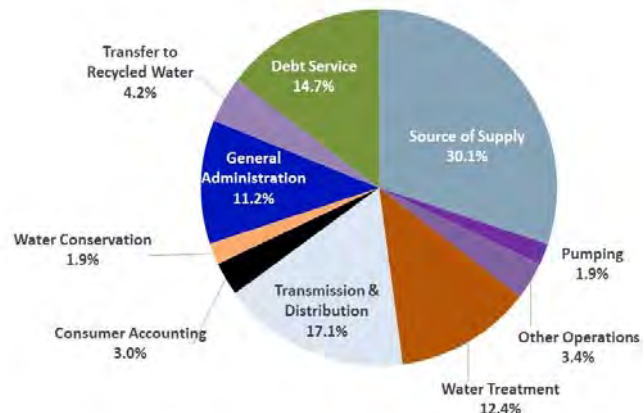
4

## Novato Enterprise Operating Expenses & Debt Service

FY2020/21 Budget Forecast

|                             |             |
|-----------------------------|-------------|
| Source of Supply            | \$6,244,000 |
| Pumping                     | \$396,000   |
| Other Operations            | \$706,000   |
| Water Treatment             | \$2,569,000 |
| Transmission & Distribution | \$3,535,000 |
| Consumer Accounting         | \$631,000   |
| Water Conservation          | \$402,000   |
| General Administration      | \$2,325,000 |
| Affordability Program       | \$86,000*   |
| Transfer to Recycled Water  | \$870,000   |
| Debt Service                | \$3,036,000 |

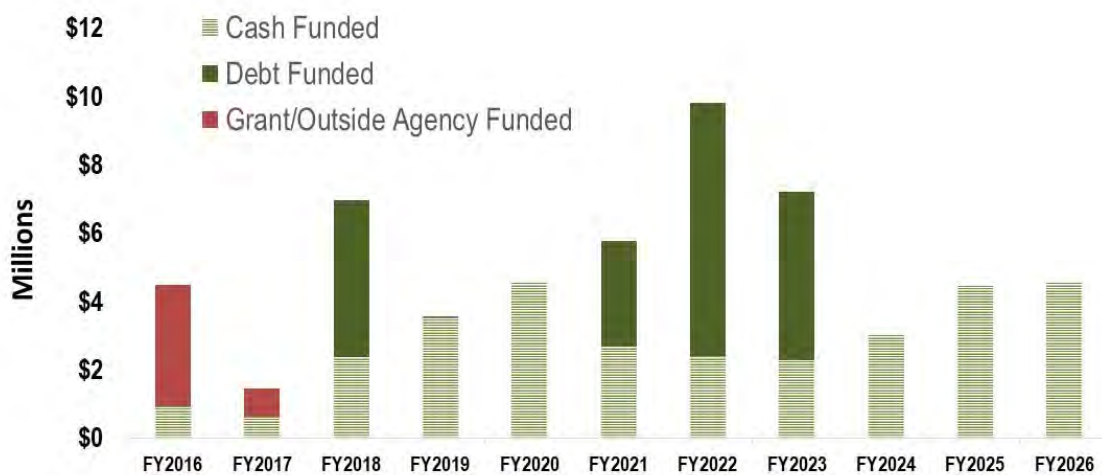
**Total Budget: \$20,800,000**



\* Under development, to be proposed

5

## Novato Enterprise Capital Spending



Average PayGo: \$2.7 million

6

## Capital Spending

### Administrative Building

- Reaching end of useful life
- Non-ADA compliant
- Need new laboratory facilities
- Taking advantage of historically low interest rates

### Repair & Replacement

- Pro-actively addressing system deficiencies rather than deferring maintenance
- Some pipelines are up to 70 years old
- Funding projects with cash in order for continuous re-investment

### Fire Flow Improvements

- Increase resilience during fire events
- Upsize existing water mains
- Increase size of storage tanks

7

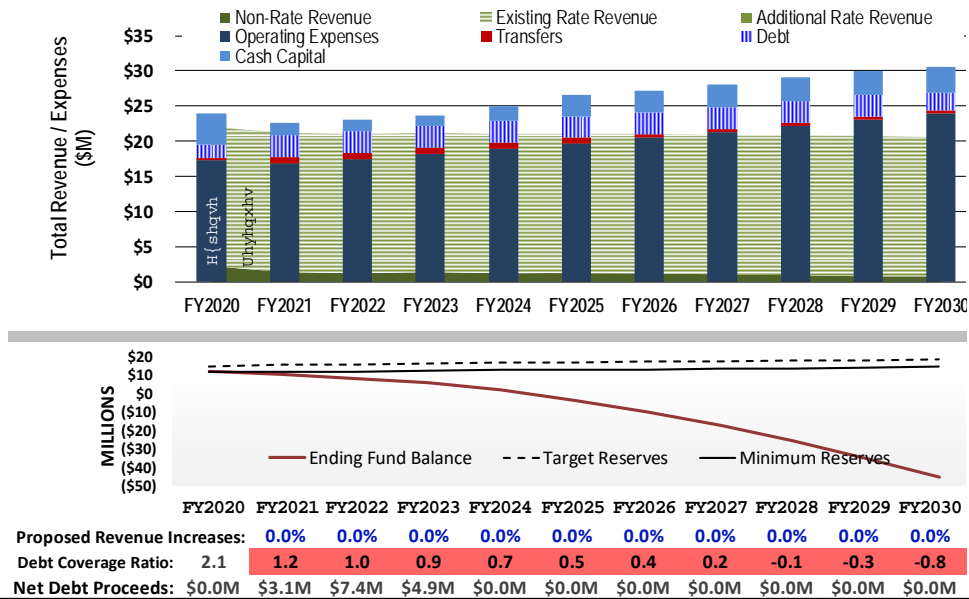
## Reserves

The following are established District reserve policies. In addition to protecting the District against unforeseen circumstances, these policies also contribute towards the District's credit rating.

|   |   |   |
|---|---|---|
| <b>Minimum Reserves:</b><br><b>\$12.0 million</b> | } | <p>These reserves should always *plan* to be fully funded:</p> <p><b>Operating Reserve</b> (\$5.6 million)</p> <p><b>Other Post Employment Benefit (OPEB) Liability Reserve</b> (\$4.4 million)</p> <p><b>Liability Contingency Reserve</b> (\$2.0 million)</p> |
| <b>Target Reserves:</b><br><b>\$16.0 million</b>  | } | <p>This reserve is designed to occasionally be drawn down:</p> <p><b>Maintenance Accrual Fund</b> (\$4.0 million)</p>   |

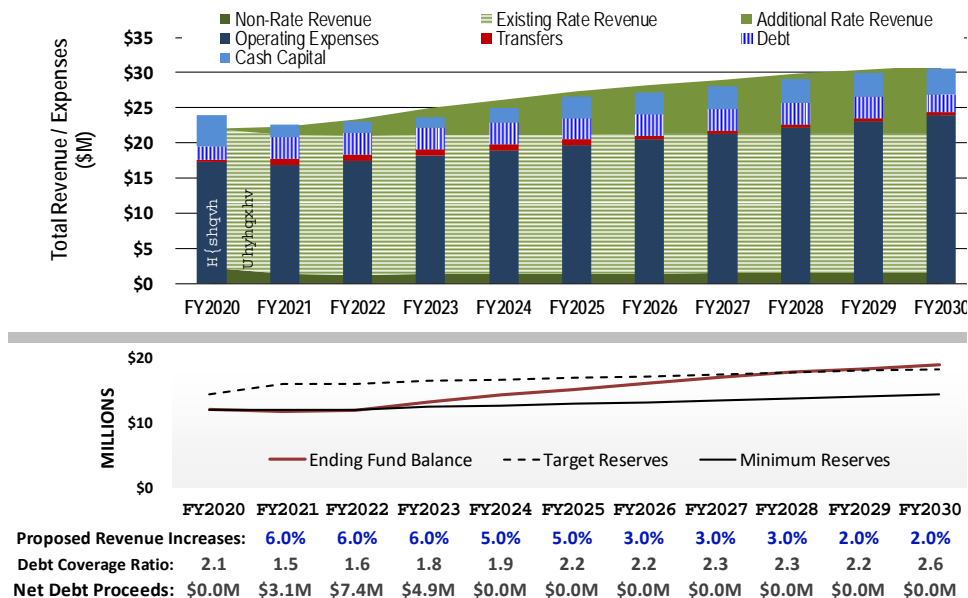
8

## Novato Enterprise Financial Forecast – No rate increases



9

## Novato Enterprise Financial Forecast



10

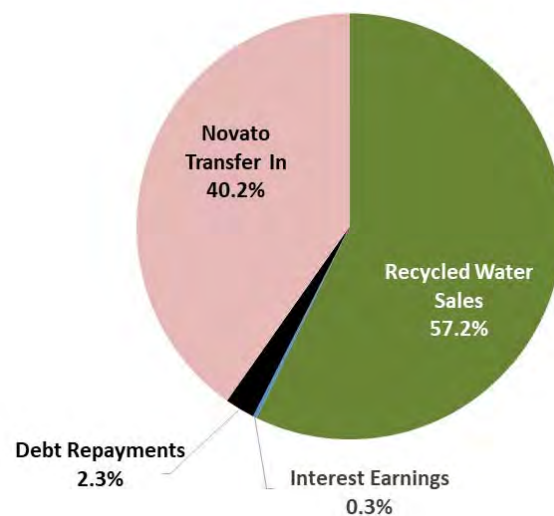
## Recycled Water Enterprise Financial Plan

11

### Recycled Water Revenue

FY2020/21 Budget Forecast

|                         |                    |
|-------------------------|--------------------|
| Recycled Water Sales    | \$1,237,000        |
| <b>Non-Rate Revenue</b> |                    |
| Miscellaneous           | \$0                |
| Interest Earnings       | \$6,000            |
| Debt Repayments         | \$49,000           |
| Novato Transfer In      | \$870,000          |
| <b>Total:</b>           | <b>\$2,162,000</b> |

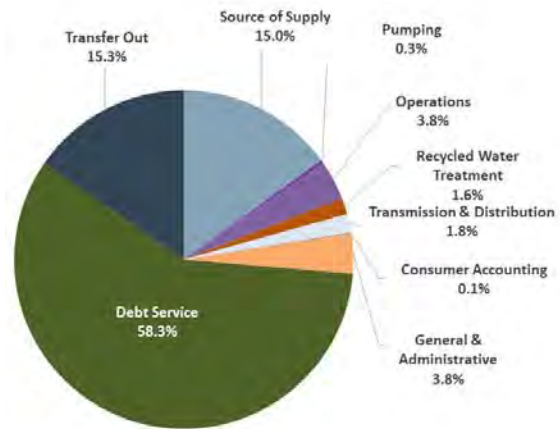


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## Recycled Water Operating Expenses & Debt Service

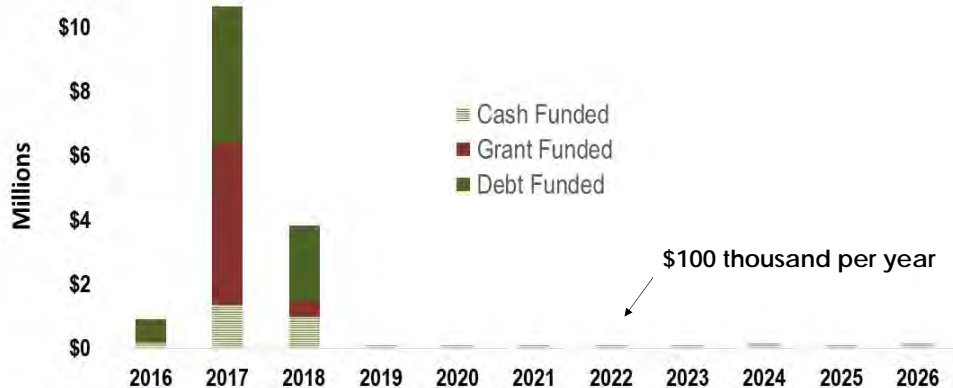
FY2020/21 Budget Forecast

|                             |                    |
|-----------------------------|--------------------|
| Source of Supply            | \$300,000          |
| Pumping                     | \$6,000            |
| Operations                  | \$75,000           |
| Recycled Water Treatment    | \$31,000           |
| Transmission & Distribution | \$36,000           |
| Consumer Accounting         | \$1,000            |
| General & Administrative    | \$76,000           |
| Debt Service                | \$1,163,000        |
| Transfer Out                | \$306,000          |
| <b>Total Budget:</b>        | <b>\$1,994,000</b> |



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## Recycled Water Capital Spending



14

## Recycled Water Reserves

In addition to protecting the District against unforeseen circumstances, strong reserve policies also contribute towards the District's credit rating.

### Operating Reserve (established District reserve policy)

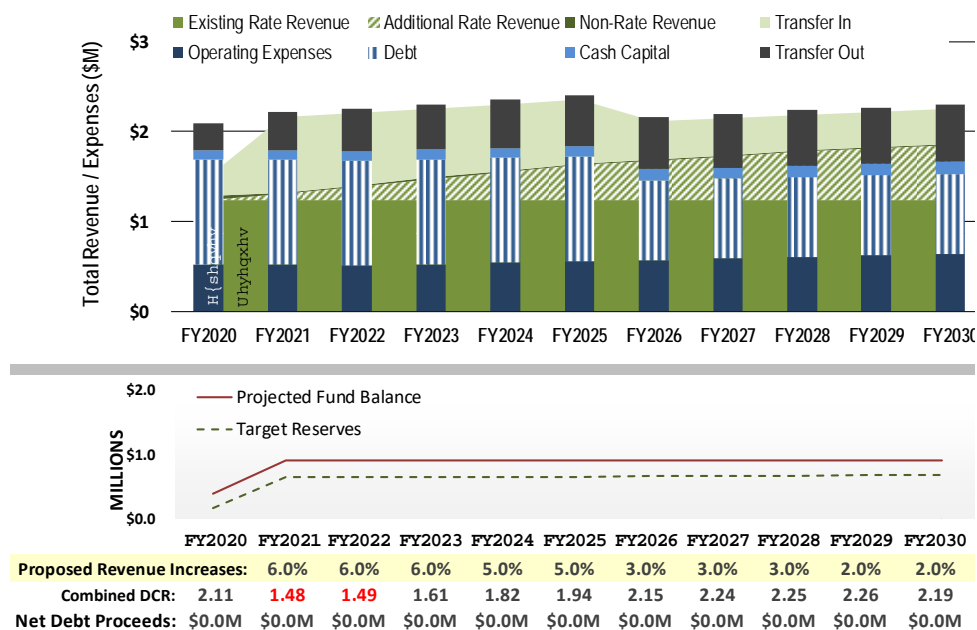
- Reserve in the event of unexpected changes to cash flow or operating costs
- Current target: 4 months (approximately \$175 thousand)

### Capital Reserve Fund (proposed District reserve policy)

- Supports volatility of capital spending and provides emergency funds in the event of asset failure.
- Proposed target: equal to current annual depreciation expense (\$474 thousand)

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## Recycled Water Fund Financial Forecast



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## Cost of Service Study and Rate Structure Redesign

17

### Existing Rates

- ☐ Water Usage "Quantity" Rate:
  - ✓ 3 Tiers for Residential
    - Allocation increases with dwelling units
  - ✓ Seasonal rates for Commercial (Non-Residential)
  - ✓ Raw water rate
  - ✓ Recycled Water rate
  - ✓ Elevation Surcharge
  - ✓ Drought Surcharge\*

- ☐ Fixed Service Charge by Meter size

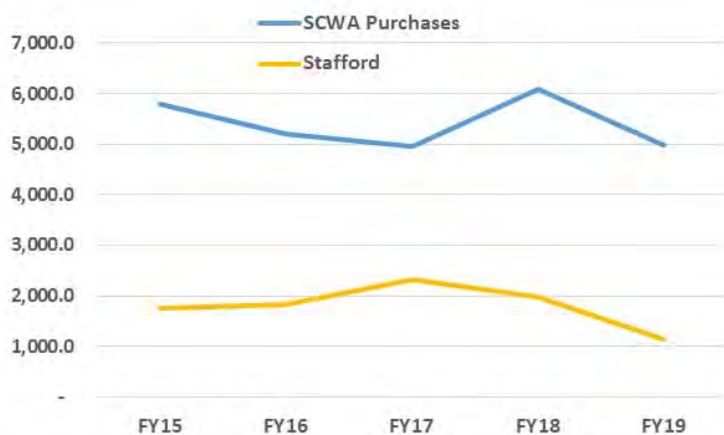
\* Not part of the current study

18



## Structuring tiered usage rates based on SCWA & Stafford water costs

- ✓ Tier prices will be based on the difference in cost between SCWA vs. Stafford
- ✓ Tier allocation will be based on the availability of water from those two sources.



### Average Unit Cost\*:

SCWA Purchases: \$2,709/ AF

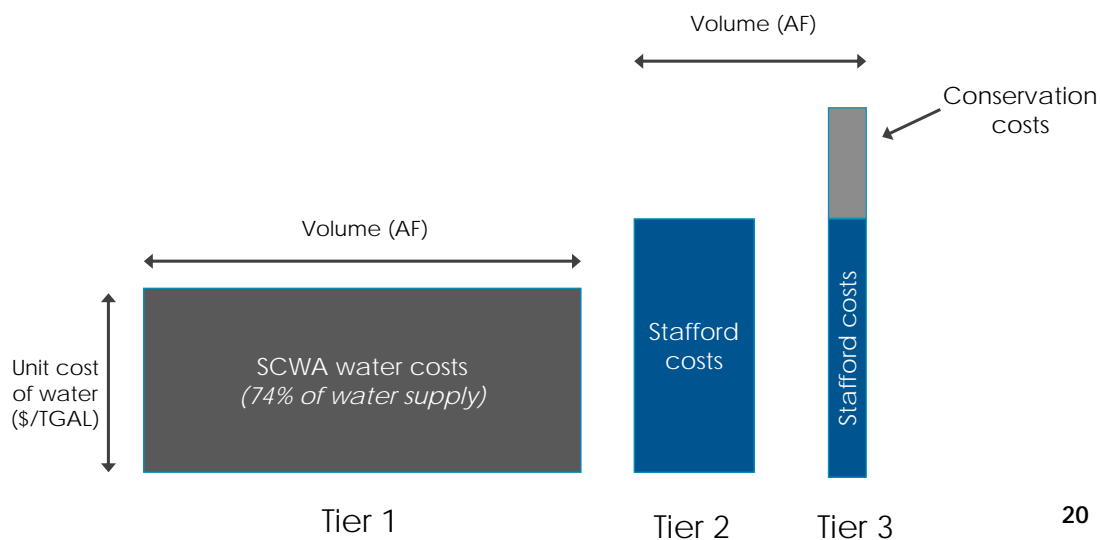
Stafford Treatment: \$3,285 / AF

Relative Cost: 121%

\* During past three years

19

## Proposed Basis for Tiered Water Rates



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## Elevation Zone Charge

Captures the incremental cost of pumping to higher elevations (including operating costs, G&A, debt & capital)

|                | <b>Current<br/>Charge<br/>(per TGAL)</b> | <b>Proposed<br/>Surcharge<br/>(per TGAL)</b> |
|----------------|--|--|
| <b>Zone A:</b> | (na)                                     | (na)   |
| <b>Zone B:</b> | \$0.73                                   | \$0.76                                       |
| <b>Zone C:</b> | \$2.01                                   | \$2.10                                       |

21

## Proposed Meter Equivalency Schedule

- Current rate structure uses a hybrid of a "meter cost ratio" and a "hydraulic capacity ratio."
- The proposed meter equivalency schedule uses only the hydraulic capacity ratio (which is the industry standard) and results in a "steeper" ratio.

**Fiscal impact: more fixed costs will be allocated to larger meters**

| Meter Size | Rating<br>(gpm) | Proposed<br>Equivalency<br>Schedule | Existing<br>Equivalency<br>Schedule | Increase |
|------------|-----------------|-------------------------------------|-------------------------------------|----------|
| 5/8"       | 20              | 1.00                                | 1.00                                | 0%       |
| 1"         | 50              | 2.50                                | 2.00                                | 25%      |
| 1 1/2"     | 100             | 5.00                                | 2.44                                | 105%     |
| 2"         | 160             | 8.00                                | 3.80                                | 110%     |
| 3"         | 320             | 16.00                               | 7.53                                | 112%     |
| 4"         | 500             | 25.00                               | 12.09                               | 107%     |
| 6"         | 1,000           | 50.00                               | 25.30                               | 98%      |
| 8"         | 1,300           | 65.00                               | 37.72                               | 72%      |

Source: Table VI.2-5 AWWA meter Standards, *AWWA M1 Manual*, 6th Ed.

22

## Tier Sizing

### Tier Allocation (gal/day)

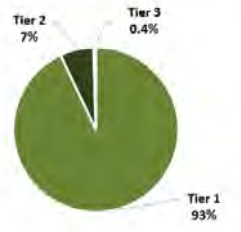
#### Current:

Tier 1: 0 to 615  
 Tier 2: 615 to 1845  
 Tier 3: Above 1845

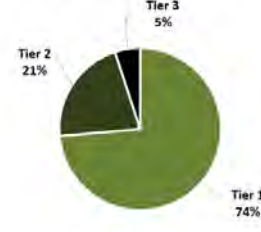
#### Proposed:

Tier 1: 0 to 262  
 Tier 2: 262 to 720  
 Tier 3: Above 720

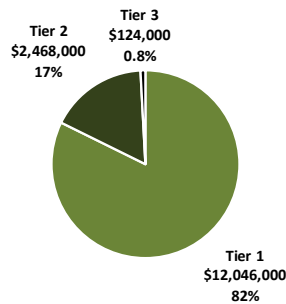
Current Usage By Tier



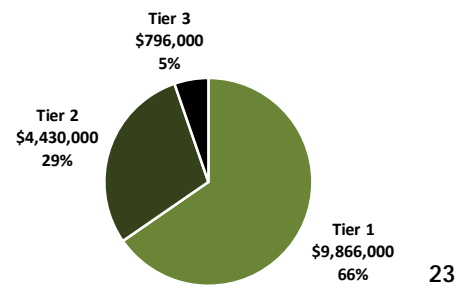
Proposed Usage By Tier



Current Revenue By Tier



Proposed Revenue By Tier



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## Proposed Rates (Year 1)

### Tier Allocation (gal/day)

#### Current:

Tier 1: 0 to 615  
 Tier 2: 615 to 1845  
 Tier 3: Above 1845

#### Proposed:

Tier 1: 0 to 262  
 Tier 2: 262 to 720  
 Tier 3: Above 720

#### Summer Rates:

July, August and September

#### Winter Rates:

October through June

| QUANTITY           | CHARGE<br>per TGAL | PROPOSED      |               | CURRENT       |        | CHANGE        |               |
|--------------------|--------------------|---------------|---------------|---------------|--------|---------------|---------------|
|                    |                    | Winter        | Summer        | Winter        | Summer | Winter        | Summer        |
| Commercial Zone A  |                    | \$5.50        | \$7.67        | \$5.97        | \$6.42 | -\$0.47       | -8%           |
| Commercial Zone B  |                    | \$6.26        | \$8.43        | \$6.62        | \$7.07 | -\$0.36       | -5%           |
| Commercial Zone C  |                    | \$7.60        | \$9.77        | \$8.05        | \$8.50 | -\$0.45       | -6%           |
|                    |                    | <b>Tier 1</b> | <b>Tier 2</b> | <b>Tier 3</b> |        | <b>Tier 1</b> | <b>Tier 2</b> |
| Residential Zone A |                    | \$5.50        | \$6.23        | \$7.67        | \$5.42 | \$8.64        | \$15.05       |
| Residential Zone B |                    | \$6.26        | \$6.99        | \$8.43        | \$6.07 | \$9.29        | \$15.70       |
| Residential Zone C |                    | \$7.60        | \$8.33        | \$9.77        | \$7.50 | \$10.72       | \$17.13       |
| Recycled Water     |                    | \$6.24        |               | \$5.97        |        | \$0.27        | 5%            |
| Raw Water          |                    | \$2.93        |               | \$2.46        |        | \$0.47        | 19%           |
| Temporary Meter    |                    | \$6.99        |               | \$8.88        |        | -\$1.89       | -21%          |
| SERVICE CHARGE     |                    |               |               |               |        |               |               |
| Potable Water      |                    |               |               |               |        |               |               |
| 5/8"               |                    | \$41.46       |               | \$34.15       |        | \$7.31        | 21.4%         |
| 1" Fire*           |                    | \$41.46       |               | \$38.80       |        | \$2.66        | 6.9%          |
| 1"                 |                    | \$74.06       |               | \$68.30       |        | \$5.76        | 8.4%          |
| 1.5"               |                    | \$128.38      |               | \$83.30       |        | \$45.08       | 54.1%         |
| 2"                 |                    | \$193.57      |               | \$129.90      |        | \$63.67       | 49.0%         |
| 3"                 |                    | \$367.41      |               | \$257.20      |        | \$110.21      | 42.8%         |
| 4"                 |                    | \$562.98      |               | \$413.00      |        | \$149.98      | 36.3%         |
| 6"                 |                    | \$1,106.23    |               | \$864.00      |        | \$242.23      | 28.0%         |
| 8"                 |                    | \$1,432.18    |               | \$1,288.00    |        | \$144.18      | 11.2%         |
| Recycled Water     |                    |               |               |               |        |               |               |
| 5/8"               |                    | \$48.78       |               | \$34.15       |        | \$14.63       | 42.8%         |
| 1"                 |                    | \$61.68       |               | \$68.30       |        | -\$6.62       | -9.7%         |
| 1.5"               |                    | \$123.35      |               | \$83.30       |        | \$40.05       | 48.1%         |
| 2"                 |                    | \$197.36      |               | \$129.90      |        | \$67.46       | 51.9%         |
| 3"                 |                    | \$394.72      |               | \$257.20      |        | \$137.52      | 53.5%         |
| 6"                 |                    | \$1,233.50    |               | \$864.00      |        | \$369.50      | 42.8%         |

\* Upsized due to fire requirements

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## Bill Impacts - Residential

| Meter Size           | Bimonthly Water Usage (TGAL) | Bi-Monthly Bill |          |          |       |
|----------------------|------------------------------|-----------------|----------|----------|-------|
|                      |                              | Current         | Proposed | Change   |       |
| <b>Single Family</b> | 5/8"                         | Low 8.0         | \$77.51  | \$85.46  | 10.3% |
|                      |                              | Median 14.0     | \$110.03 | \$118.46 | 7.7%  |
|                      |                              | High 50.0       | \$347.33 | \$351.28 | 1.1%  |
|                      | 1" Fire                      | Low 8.0         | \$82.16  | \$85.46  | 4.0%  |
|                      |                              | Median 14.0     | \$114.68 | \$118.46 | 3.3%  |
|                      |                              | High 50.0       | \$351.98 | \$351.28 | -0.2% |
| 1"                   | Median                       | Low 20.0        | \$176.70 | \$187.18 | 5.9%  |
|                      |                              | Median 34.0     | \$252.58 | \$274.40 | 8.6%  |
|                      |                              | High 50.0       | \$381.48 | \$383.87 | 0.6%  |

|                     | Meter Size                      | Average Water Usage (TGAL) | Average Water |            |                 |
|---------------------|---------------------------------|----------------------------|---------------|------------|-----------------|
|                     |                                 |                            | Current       | Proposed   | Change          |
| <b>Multi-Family</b> | 4 Units                         | 1"                         | 35.3          | \$259.63   | \$268.21 3.3%   |
|                     | 8 Units                         | 1"                         | 61.1          | \$399.46   | \$410.11 2.7%   |
|                     | 16 Units                        | 1.5"                       | 148.3         | \$872.09   | \$889.71 2.0%   |
|                     | 19% of all accounts<br>62 Units | 2"                         | 265.4         | \$1,506.77 | \$1,533.76 1.8% |

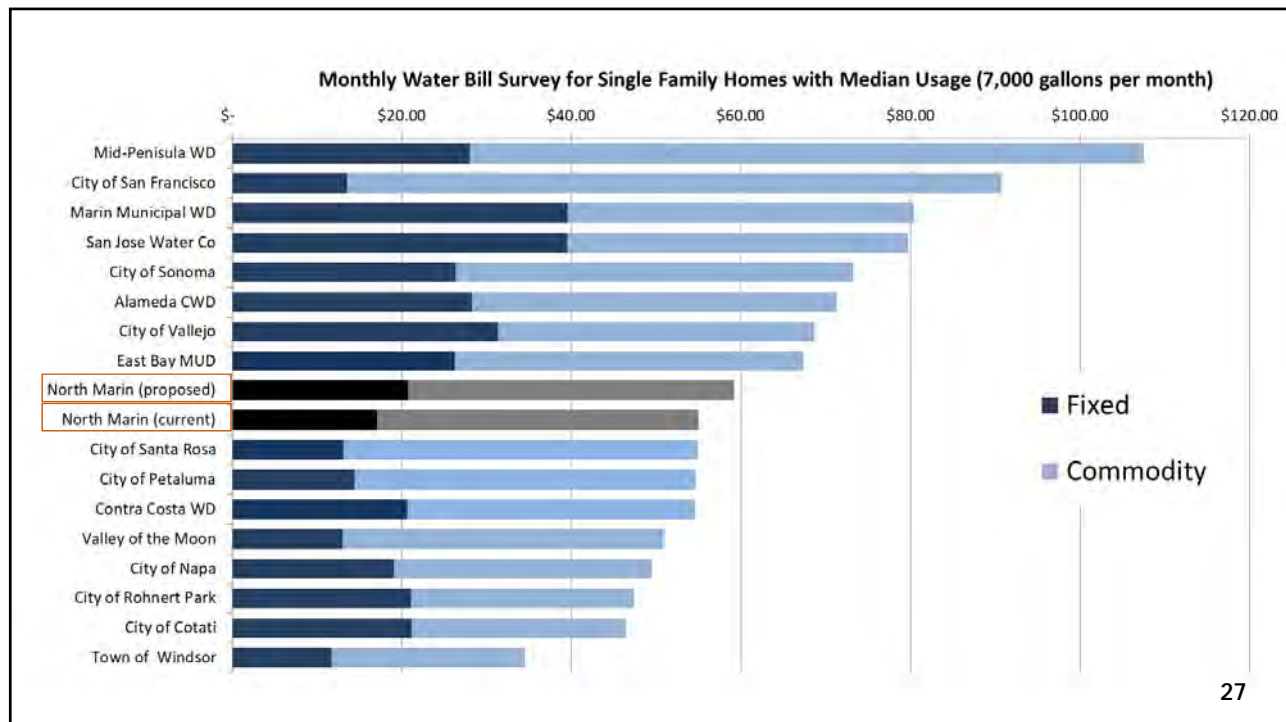
25

## Bill Impacts - Commercial

| Meter Size | Average Water Usage (TGAL) | Summer Month <sup>1</sup><br>(average use by meter size) |          |        | Winter Month <sup>2</sup> |          |        | Annual Total |          |        | Percent of Accounts |
|------------|----------------------------|--|----------|--------|---------------------------|----------|--------|--------------|----------|--------|---------------------|
|            |                            | Current  | Proposed | Change | Current                   | Proposed | Change | Current      | Proposed | Change |                     |
| 5/8"       | 9.9                        | \$103  | \$118    | 14.7%  | \$67                      | \$68     | 0.6%   | \$915        | \$963    | 5.4%   | 2.7%                |
| 1"         | 21.6                       | \$207  | \$240    | 15.8%  | \$162                     | \$161    | -1.0%  | \$2,083      | \$2,166  | 4.0%   | 1.9%                |
| 1.5"       | 52.8                       | \$422  | \$534    | 26.3%  | \$290                     | \$319    | 9.9%   | \$3,881      | \$4,474  | 15.3%  | 1.2%                |
| 2"         | 86.3                       | \$684  | \$855    | 25.1%  | \$553                     | \$583    | 5.5%   | \$7,027      | \$7,815  | 11.2%  | 0.8%                |
| 3"         | 279.6                      | \$2,052  | \$2,512  | 22.4%  | \$1,489                   | \$1,502  | 0.9%   | \$19,553     | \$21,052 | 7.7%   | 0.1%                |
| 4"         | 510.3                      | \$3,689  | \$4,477  | 21.4%  | \$2,463                   | \$2,452  | -0.5%  | \$33,235     | \$35,496 | 6.8%   | 0.03%               |

<sup>1</sup> Summer Rates: July, August and September<sup>2</sup> Winter Rates: October through June

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## Fire Connections

Fire service charges are for commercial connections with fire sprinklers.

The charges are calculated based on the District's costs for maintaining the fire service lines.

- Costs in FY2019: \$155 thousand
- 427 service lines

| Service Size | No. of Accounts | Cost Ratio* | Maintenance Charge | Administrative Charge | Total Proposed Charge | Current Charge |
|--------------|-----------------|-------------|--------------------|-----------------------|-----------------------|----------------|
| 1            | 58              | 1           | \$4.24             | \$10.00               | \$14.24               | \$17.08        |
| 2            | 14              | 2.1         | \$8.78             | \$10.00               | \$18.78               | \$17.08        |
| 4            | 127             | 10.0        | \$42.40            | \$10.00               | \$52.40               | \$31.57        |
| 6            | 177             | 15.0        | \$63.60            | \$10.00               | \$73.60               | \$61.60        |
| 8            | 48              | 20.7        | \$87.83            | \$10.00               | \$97.83               | \$94.20        |
| 10           | 3               | 27.9        | \$118.11           | \$10.00               | \$128.11              | \$123.17       |
| <b>427</b>   |                 |             |                    |                       |                       |                |

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## Next Steps

1. Public comment
2. Close Public Hearing
3. Tally protest ballots
4. Board deliberation
5. Vote on proposed rates (unless the protest threshold is met)
6. Implement new water rates on July 1, 2020 (if vote passes)

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**DRAFT**  
**NORTH MARIN WATER DISTRICT**  
**REGULATION 54**  
**WATER RATES**

a. Rates for Domestic, Commercial and Industrial Users, Novato Service Area

- (1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

**A BI-MONTHLY SERVICE CHARGE OF:**

|                              | Rate Effective<br><u>6/1/1971/20</u> |
|------------------------------|--------------------------------------|
| Standard 5/8 inch meter..... | <u>\$34,1541.46</u>                  |
| For 1-inch meter* .....      | <u>\$68,3074.06</u>                  |
| 1.5-inch meter* .....        | <u>\$83,30128.38</u>                 |
| 2-inch meter .....           | <u>\$129,90193.57</u>                |
| 3-inch meter .....           | <u>\$257,20367.41</u>                |
| 4-inch meter .....           | <u>\$413,00562.98</u>                |
| 6-inch meter .....           | <u>\$864,001,106.23</u>              |
| 8-inch meter .....           | <u>\$1,288,001,432.18</u>            |
| *(see paragraph f)           |                                      |

**PLUS A QUANTITY CHARGE OF:**

|  | Rate Effective<br><u>6/1/1971/20</u> |
|--|--------------------------------------|
| <u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u> |                                      |
| First <del>615</del> <u>262</u> gallons per day (gpd) .....      | <u>\$5,425.50</u>                    |
| <del>616-263</del> up to <u>1,845</u> <u>720</u> gpd .....       | <u>\$8,646.23</u>                    |
| Use in excess of <u>1,845</u> <u>720</u> gpd .....               | <u>\$15,057.67</u>                   |

Rate for 1,000 Gal for All Other Potable Water Accounts

|  |                   |
|--|-------------------|
| Commercial, Institutional & Irrigation Accounts - <del>11/1</del> —<br><u>5/31</u> <u>10/1</u> — <u>6/30</u> | <u>\$5,975.50</u> |
| Commercial, Institutional & Irrigation Accounts - <del>6/1</del> — <u>10/31</u><br><u>7/1</u> — <u>9/30</u>  | <u>\$6,427.67</u> |

Rate For 1,000 Gallons For Non-Potable Water

|   |                   |
|---|-------------------|
| Recycled Water .....                          | <u>\$5,976.24</u> |
| Raw (Untreated) Water from Stafford Lake..... | <u>\$2,462.93</u> |

**PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS**

| Zone | Elevation               | Rate Effective<br><u>6/1/1971/20</u> |
|------|-------------------------|--------------------------------------|
| A    | 0 through 60 feet ..... | \$0.00                               |
| B    | 60 feet — 200 feet..... | <u>\$0,650.76</u>                    |
| C*   | 200 feet +.....         | <u>\$2,082.10</u>                    |

\*Any consumer receiving water through a District owned and maintained hydro-pneumatic system shall be assigned to Zone C irrespective of said consumer's actual elevation.

- (2) Consumers outside the Improvement District boundary shall pay the Elevation Zone C Rate.



- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the Greater Novato Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the liquidated damages assessed by the Sonoma County Water Agency pursuant to the water shortage and apportionment provisions of the Restructured Agreement for Water Supply. The Drought Surcharge shall be a quantity charge for each 1,000 gallons of potable water use as follows:

Residential Accounts: Use in excess of 300 gallons per day .....\$1.00

Commercial, Institutional and Irrigation Accounts: All Use .....\$1.00

b. Rates for Service to Privately Owned Fire Protection Systems, All Service Areas

The rates for service through detector check assemblies owned by the District to privately owned and maintained systems supplying sprinklers, hydrants or other facilities exclusively for firefighting shall be paid once every two months as follows:

Size of Detector Assembly

|                        | Rate Effective<br>6/1/197/1/2020 |
|------------------------|----------------------------------|
| 1-inch .....           | \$17-0814.24                     |
| 2 inches or less ..... | \$17-0818.78                     |
| 4 inches .....         | \$31-5752.40                     |
| 6 inches .....         | \$61-6073.60                     |
| 8 inches .....         | \$94-2097.83                     |
| 10 inches .....        | \$123-17128.11                   |

c. Rates for Domestic, Commercial and Industrial Users, West Marin Service Area

- (1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

| <u>BI-MONTHLY SERVICE CHARGE</u>               | Rate Effective<br>7/1/19 |
|--|--------------------------|
| For 5/8 x 3/4-inch meter .....                 | \$34.15                  |
| For 1-inch meter* .....                        | \$68.30                  |
| For 1 1/2-inch meter* .....                    | \$83.30                  |
| For 2-inch meter .....                         | \$129.90                 |
| For 3-inch meter .....                         | \$257.20                 |
| For 4-inch meter .....                         | \$413.00                 |
| For all meters in Paradise Ranch Estates ..... | \$51.75                  |
| *(see paragraph f)                             |                          |

PLUS A QUANTITY CHARGE OF:

| <u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u> | Rate Effective<br>7/1/19 |
|--|--------------------------|
| First 400 gallons per day (gpd) .....                            | \$9.24                   |
| 401 up to 900 gpd .....  | \$12.80                  |
| Use in excess of 900 gpd .....                                   | \$20.53                  |

Rate Per 1,000 Gallons for All Other Accounts

|  |         |
|--|---------|
| Commercial, Industrial and Irrigation Accounts Nov 1 – May 31  | \$9.35  |
| Commercial, Industrial and Irrigation Accounts June 1 – Oct 31 | \$12.93 |



**PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS**

| <u>Zone</u> | <u>Hydraulic Zone</u>  | <u>Rate Effective</u><br><u>7/1/19</u> |
|-------------|--|--|
| 1           | Point Reyes Station .....  | \$0.00                                 |
| 2           | Bear Valley, Silver Hills, Inverness Park & Lower<br>Paradise Ranch Estates (Elevation 0'-365')..... | \$0.24                                 |
| 3           | Olema .....  | \$0.91                                 |
| 4           | Upper Paradise Ranch Estates (Elevation 365'+) .....   | \$6.18                                 |

(2)

- (2) Effective July 1, 2019 consumers outside the Improvement District boundary shall pay an additional \$3.69 per 1,000 gallons.
- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek, pursuant to the Interconnection Agreement between Marin Municipal and NMWD. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:

Residential Accounts: Use in excess of 200 gallons per day ..... \$2.50

Commercial, Institutional and Irrigation Accounts: All Use ..... \$2.50

d. Rates for Water Service from Hydrants or Other Temporary Service

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for use through a fire service meter.

| <u>Novato Service Area</u>   | <u>Rate Effective</u><br><u>6/1/197/1/2020</u> |
|------------------------------|--|
| For each 1,000 gallons ..... | <u>\$3,506.99</u>                              |

| <u>West Marin Service Area</u> | <u>Rate Effective</u><br><u>7/1/19</u> |
|--------------------------------|--|
| For each 1,000 gallons .....   | \$19.11                                |

The quantity of water delivered as aforesaid shall be determined by the District.

e. ~~Not used. Service Arrangements Requiring Assessment of Additional Service Charge, All Service Areas~~

~~A minimum service charge established by this regulation, equal to \$17.00 bi-monthly shall be paid for each dwelling unit which includes a kitchen and which is metered pursuant to Regulation 4-b.(5).~~

f. Minimum Service Charge for Residential Connections with Fire Fighting Equipment

|  | <u>Rate Effective</u><br><u>6/1/197/1/2020</u> |
|--|--|
| Where a meter larger than is otherwise required is installed solely to provide capacity for private fire sprinklers or other firefighting equipment in single-family residential connections the minimum bi-monthly service charge shall be: | <u>\$38,8041.46</u>                            |

g. Charges for Testing & Maintenance of Backflow Preventers Performed by District

- (1) Each consumer having a backflow prevention device serviced by the District shall pay a bimonthly fee for servicing the device as shown below.

District Owned DCV Devices:

| Services Performed by District | Size            | Rate Effective<br>6/1/19 |
|--------------------------------|-----------------|--------------------------|
| Testing, Repair, Replacement   | 3/4" + 1" ..... | \$14.00                  |
| Testing, Repair, Replacement   | 1 1/2" .....    | \$18.50                  |

Privately Owned DCV Devices:

| Services Performed by District | Size            | Rate Effective<br>6/1/19 |
|--------------------------------|-----------------|--------------------------|
| Testing                        | 3/4" + 1" ..... | \$8.00                   |
| Testing                        | 1 1/2" .....    | \$14.00                  |
| Testing                        | 2" .....        | \$21.50                  |
| Testing                        | 3" + 4" .....   | \$31.50                  |

District Owned RPP Devices:

| Services Performed by District | Size              | Rate Effective<br>6/1/19 |
|--------------------------------|-------------------|--------------------------|
| Testing, Repair, Replacement   | 3/4" + 1" .....   | \$24.00                  |
| Testing, Repair, Replacement   | 1 1/2" + 2" ..... | \$29.00                  |
| Testing, Repair, Replacement   | 3" + 4" .....     | \$130.00                 |
| Testing, Repair, Replacement   | 6" + 8" .....     | \$280.00                 |

Privately Owned RPP Devices:

| Services Performed by District | Size              | Rate Effective<br>6/1/19 |
|--------------------------------|-------------------|--------------------------|
| Testing                        | 3/4" + 1" .....   | \$15.00                  |
| Testing                        | 1 1/2" + 2" ..... | \$28.00                  |
| Testing                        | 3" + 4" .....     | \$59.50                  |
| Testing                        | 6" + 8" .....     | \$115.00                 |

If any customer requires that testing or maintenance be performed outside of normal work hours of the District, an additional charge equivalent to the overtime charges incurred by the District will be assessed.

(2) Exemptions

Exemptions from the testing program are permitted on a case-by-case basis as may be approved by the District and the California Department of Public Health, Office of Drinking Water, District Sanitary Engineer. All such exemptions are conditioned on periodic inspection to ensure that exemption criteria are still being met.

|   | Rate Effective<br>6/1/19 |
|---|--------------------------|
| Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of: | \$3.00                   |

**RESOLUTION 20-XX**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
NORTH MARIN WATER DISTRICT  
AMENDING REGULATION 54 – WATER RATES**

WHEREAS, the Board of Directors hereby finds and determines that certain of the water rates and charges adjusted herein or previously adopted by the Board are imposed based on the supply of water to be used or consumed by the customer. The Board of Directors also finds and determines that these rates and charges are not imposed upon real property or upon a person as an incident of property ownership, and such rates or charges may be reduced or avoided by a customer by reducing or discontinuing water use; and

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 54 of the North Marin Water District is adopted as follows, effective July 1, 2020:

a. Rates for Domestic, Commercial and Industrial Users, Novato Service Area

- (1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

| <b><u>A BI-MONTHLY SERVICE CHARGE OF:</u></b> | Rate Effective<br><u>7/1/20</u> |
|---|---------------------------------|
| Standard 5/8-inch meter .....                 | \$41.46                         |
| For 1-inch meter* .....                       | \$74.06                         |
| 1.5-inch meter* .....                         | \$128.38                        |
| 2-inch meter .....                            | \$193.57                        |
| 3-inch meter .....                            | \$367.41                        |
| 4-inch meter .....                            | \$562.98                        |
| 6-inch meter .....                            | \$1,106.23                      |
| 8-inch meter .....                            | \$1,432.18                      |
| *(see paragraph f)                            |                                 |

| <b><u>PLUS A QUANTITY CHARGE OF:</u></b>                         | Rate Effective<br><u>7/1/20</u> |
|--|---------------------------------|
| <u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u> |                                 |
| First 262 gallons per day (gpd) .....                            | \$5.50                          |
| 263 up to 720 gpd .....  | \$6.23                          |
| Use in excess of 720 gpd .....                                   | \$7.67                          |
| <u>Rate for 1,000 Gal for All Other Potable Water Accounts</u>   |                                 |
| Commercial, Institutional & Irrigation Accounts – 10/1 – 6/30    | \$5.50                          |
| Commercial, Institutional & Irrigation Accounts - 7/1 – 9/30     | \$7.67                          |
| <u>Rate For 1,000 Gallons for Non-Potable Water</u>              |                                 |
| Recycled Water .....   | \$6.24                          |
| Raw (Untreated) Water from Stafford Lake .....                   | \$2.93                          |

**PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS**

| <u>Zone</u> | <u>Elevation</u>         | <u>Rate Effective</u><br><u>7/1/20</u> |
|-------------|--------------------------|--|
| A           | 0 through 60 feet .....  | \$0.00                                 |
| B           | 60 feet – 200 feet ..... | \$0.76                                 |
| C*          | 200 feet + .....         | \$2.10                                 |

\*Any consumer receiving water through a District owned and maintained hydro-pneumatic system shall be assigned to Zone C irrespective of said consumer's actual elevation.

- (2) Consumers outside the Improvement District boundary shall pay the Elevation Zone C Rate.
- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the Greater Novato Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the liquidated damages assessed by the Sonoma County Water Agency pursuant to the water shortage and apportionment provisions of the Restructured Agreement for Water Supply. The Drought Surcharge shall be a quantity charge for each 1,000 gallons of potable water use as follows:

Residential Accounts: Use in excess of 300 gallons per day ..... \$1.00

Commercial, Institutional and Irrigation Accounts: All Use ..... \$1.00

b. **Rates for Service to Privately Owned Fire Protection Systems, All Service Areas**

The rates for service through detector check assemblies owned by the District to privately owned and maintained systems supplying sprinklers, hydrants or other facilities exclusively for firefighting shall be paid once every two months as follows:

**Size of Detector Assembly**

|                 | <u>Rate Effective</u><br><u>7/1/2020</u> |
|-----------------|--|
| 1-inch .....    | \$14.24                                  |
| 2 inches .....  | \$18.78                                  |
| 4 inches .....  | \$52.40                                  |
| 6 inches .....  | \$73.60                                  |
| 8 inches .....  | \$97.83                                  |
| 10 inches ..... | \$128.11                                 |

c. **Rates for Domestic, Commercial and Industrial Users, West Marin Service Area**

- (1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

| <b><u>BI-MONTHLY SERVICE CHARGE</u></b>        | <u>Rate Effective</u><br><u>7/1/19</u> |
|--|--|
| For 5/8 x 3/4-inch meter .....                 | \$34.15                                |
| For 1-inch meter* .....                        | \$68.30                                |
| For 1 1/2-inch meter* .....                    | \$83.30                                |
| For 2-inch meter .....                         | \$129.90                               |
| For 3-inch meter .....                         | \$257.20                               |
| For 4-inch meter .....                         | \$413.00                               |
| For all meters in Paradise Ranch Estates ..... | \$51.75                                |

\*(see paragraph f)

**PLUS A QUANTITY CHARGE OF:**

| <u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u> | <u>Rate Effective</u><br><u>7/1/19</u> |
|--|--|
| First 400 gallons per day (gpd) .....                            | \$9.24                                 |
| 401 up to 900 gpd .....  | \$12.80                                |
| Use in excess of 900 gpd .....                                   | \$20.53                                |
| <u>Rate Per 1,000 Gallons for All Other Accounts</u>             |  |
| Commercial, Industrial and Irrigation Accounts Nov 1 – May 31    | \$9.35                                 |
| Commercial, Industrial and Irrigation Accounts June 1 – Oct 31   | \$12.93                                |

**PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS**

| <u>Zone</u> | <u>Hydraulic Zone</u>   | <u>Rate Effective</u><br><u>7/1/19</u> |
|-------------|---|--|
| 1           | Point Reyes Station .....   | \$0.00                                 |
| 2           | Bear Valley, Silver Hills, Inverness Park & Lower<br>Paradise Ranch Estates (Elevation 0'–365') ..... | \$0.24                                 |
| 3           | Olema .....   | \$0.91                                 |
| 4           | Upper Paradise Ranch Estates (Elevation 365'+) .....  | \$6.18                                 |

(2)

- (2) Effective July 1, 2019 consumers outside the Improvement District boundary shall pay an additional \$3.69 per 1,000 gallons.
- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek, pursuant to the Interconnection Agreement between Marin Municipal and NMWD. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:

Residential Accounts: Use in excess of 200 gallons per day .....\$2.50

Commercial, Institutional and Irrigation Accounts: All Use .....\$2.50

d. Rates for Water Service from Hydrants or Other Temporary Service

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for use through a fire service meter.

| <u>Novato Service Area</u>   | <u>Rate Effective</u><br><u>7/1/2020</u> |
|------------------------------|--|
| For each 1,000 gallons ..... | \$6.99                                   |

| <u>West Marin Service Area</u> | <u>Rate Effective</u><br><u>7/1/19</u> |
|--------------------------------|--|
| For each 1,000 gallons .....   | \$19.11                                |

The quantity of water delivered as aforesaid shall be determined by the District.



e. Not used.

f. Minimum Service Charge for Residential Connections with Fire Fighting Equipment

Rate Effective  
7/1/2020

Where a meter larger than is otherwise required is installed solely to provide capacity for private fire sprinklers or other firefighting equipment in single-family residential connections the minimum bi-monthly service charge shall be:

\$41.46

g. Charges for Testing & Maintenance of Backflow Preventers Performed by District

(1) Each consumer having a backflow prevention device serviced by the District shall pay a bimonthly fee for servicing the device as shown below.

District Owned DCV Devices:

| Services Performed by District | Size            | Rate Effective<br><u>6/1/19</u> |
|--------------------------------|-----------------|---------------------------------|
| Testing, Repair, Replacement   | 3/4" + 1" ..... | \$14.00                         |
| Testing, Repair, Replacement   | 1 1/2" .....    | \$18.50                         |

Privately Owned DCV Devices:

| Services Performed by District | Size            | Rate Effective<br><u>6/1/19</u> |
|--------------------------------|-----------------|---------------------------------|
| Testing                        | 3/4" + 1" ..... | \$8.00                          |
| Testing                        | 1 1/2" .....    | \$14.00                         |
| Testing                        | 2" .....        | \$21.50                         |
| Testing                        | 3" + 4" .....   | \$31.50                         |

District Owned RPP Devices:

| Services Performed by District | Size              | Rate Effective<br><u>6/1/19</u> |
|--------------------------------|-------------------|---------------------------------|
| Testing, Repair, Replacement   | 3/4" + 1" .....   | \$24.00                         |
| Testing, Repair, Replacement   | 1 1/2" + 2" ..... | \$29.00                         |
| Testing, Repair, Replacement   | 3" + 4" .....     | \$130.00                        |
| Testing, Repair, Replacement   | 6" + 8" .....     | \$280.00                        |

Privately Owned RPP Devices:

| Services Performed by District | Size              | Rate Effective<br><u>6/1/19</u> |
|--------------------------------|-------------------|---------------------------------|
| Testing                        | 3/4" + 1" .....   | \$15.00                         |
| Testing                        | 1 1/2" + 2" ..... | \$28.00                         |
| Testing                        | 3" + 4" .....     | \$59.50                         |
| Testing                        | 6" + 8" .....     | \$115.00                        |

If any customer requires that testing or maintenance be performed outside of normal work hours of the District, an additional charge equivalent to the overtime charges incurred by the District will be assessed.

(2) Exemptions

Exemptions from the testing program are permitted on a case-by-case basis as may be approved by the District and the California Department of Public Health, Office of Drinking Water, District Sanitary Engineer. All such exemptions are conditioned on periodic inspection to ensure that exemption criteria are still being met.

Rate Effective  
7/1/2020

Each consumer that applies for and receives such  
an exemption shall pay a bimonthly fee of:

\$3.00

\* \* \* \* \*

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the sixteenth of June 2020, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

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Theresa Kehoe, District Secretary  
North Marin Water District

(SEAL)

4



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**7**

**NORTH MARIN WATER DISTRICT**  
**MONTHLY PROGRESS REPORT FOR *May 2020***  
June 16, 2020

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       | 317.7   | 341.1   | 331.0   | 310.3   | 227.2   | -7%        |
| August     | 287.1   | 300.9   | 303.0   | 299.6   | 235.2   | -5%        |
| September  | 280.5   | 255.0   | 292.4   | 302.3   | 210.0   | 10%        |
| October    | 286.0   | 265.6   | 273.7   | 202.8   | 298.6   | 8%         |
| November   | 226.3   | 170.1   | 163.9   | 143.8   | 145.4   | 33%        |
| 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%        |
| May        | 217.6   | 198.6   | 237.4   | 232.0   | 199.6   | 10%        |
| FYTD Total | 2,335.3 | 2,197.1 | 2,300.7 | 2,159.7 | 2,003.3 | 6%         |

**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%         |
| May        | 6.0     | 5.5     | 7.5     | 6.8     | 6.5     | 8%         |
| FYTD Total | 68.7    | 74.2    | 71.8    | 57.7    | 58.2    | -7%        |

**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       | 68.2    | 78.6    | 112.6   | 69.9    | 107.6   | -13%       |
| August     | 103.8   | 79.3    | 81.5    | 90.4    | 79.4    | 31%        |
| September  | 115.0   | 60.5    | 122.7   | 96.9    | 38.3    | 90%        |
| October    | 103.4   | 74.5    | 102.3   | 93.9    | 49.5    | 39%        |
| November   | 102.8   | 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%       |
| May        | 60.2    | 97.4    | 85.2    | 121.9   | 111.3   | -38%       |
| FYTD Total | 584.1   | 469.9   | 563.2   | 636.3   | 493.3   | 24%        |

**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%        |
| May         | 27.6    | 19.6    | 17.0    | 22.9    | 20.2    | 41%        |
| FYTD Total* | 190.3   | 159.9   | 129.3   | 112.9   | 115.3   | 19%        |

\*Excludes potable water input to the RW system: FY20=11.6 MG; FY19=19.8 MG; FY18=15.35MG; FY17=1.4MG; FY16=7.4MG

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## 2. Stafford Lake Data

|                          | May Average  | May 2019     | May 2020     |
|--------------------------|--------------|--------------|--------------|
| Rainfall this month      | 0.56 Inches  | 3.20 Inches  | 0.64 Inches  |
| Rainfall this FY to date | 26.75 Inches | 38.75 Inches | 18.95 Inches |
| Lake elevation*          | 192.2 Feet   | 195.3 Feet   | 189.5 Feet   |
| Lake storage**           | 1124 MG      | 1341 MG      | 950 MG       |

\* Spillway elevation is 196.0 feet

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

## Temperature (in degrees)

|                   | Minimum | Maximum | Average |
|-------------------|---------|---------|---------|
| May 2019 (Novato) | 48      | 85      | 62      |
| May 2020 (Novato) | 46      | 105     | 67      |

## 3. Number of Services

| May 31                 | Novato Water |        |        | Recycled Water |      |        | West Marin Water |      |        | Oceana Marin Swr |      |        |
|------------------------|--------------|--------|--------|----------------|------|--------|------------------|------|--------|------------------|------|--------|
|                        | FY20         | FY19   | Incr % | FY20           | FY19 | Incr % | FY20             | FY19 | Incr % | FY20             | FY19 | Incr % |
| Total meters installed | 20,771       | 20,752 | 0.1%   | 97             | 95   | 2.1%   | 791              | 791  | 0.0%   | -                | -    | -      |
| Total meters active    | 20,570       | 20,546 | 0.1%   | 92             | 91   | 1.1%   | 783              | 783  | 0.0%   | -                | -    | -      |
| Active dwelling units  | 24,093       | 24,076 | 0.1%   | -              | -    | -      | 833              | 833  | 0.0%   | 235              | 235  | 0.0%   |

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

| Description                     | May 2019 | May 2020 |
|---------------------------------|----------|----------|
| Effluent Flow Volume (MG)       | 0.488    | 0.431    |
| Irrigation Field Discharge (MG) | 0.817    | 0        |
| Treatment Pond Freeboard (ft)   | 4.9      | 7.6      |
| Storage Pond Freeboard (ft)     | 7.0      | 8.2      |

## 5. Developer Projects Status Report (May)

| Job No.   | Project                             | % Complete | % This month |
|-----------|-------------------------------------|------------|--------------|
| 1.2817.03 | College of Marin – New Miwok Center | 42         | 10           |
| 1.2828.00 | Jonas Center (COM)                  | 80         | 60           |
| 1.2795.00 | McPhail's                           | 90         | 5            |

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

| Job No.   | Project                            | % Complete | % This month |
|-----------|------------------------------------|------------|--------------|
| 1.6112.24 | Lynwood Pump Station MCC           | 16         | 0            |
| 2.6263.20 | Replace PRE Tank 4A                | 40         | 6            |
| 1.7150.00 | San Mateo Tank Inlet/Outlet        | 20         | 0            |
| 1.7007.13 | DCA Replacement                    | 99         | 1            |
| 1.7183.00 | Replace Plastic 4-inch –Scown Lane | 30         | 0            |
| 1.7139.22 | Hatch Road – PB Replacement        | 95         | 5            |

## Employee Hours to Date, FY 19/20

As of Pay Period Ending May 30, 2020

Percent of Fiscal Year Passed = 92%

| Developer Projects | Actual | Budget | % YTD Budget | District Projects | Actual | Budget | % YTD Budget |
|--------------------|--------|--------|--------------|-------------------|--------|--------|--------------|
| Construction       | 2,405  | 1,400  | 172%         | Construction      | 2,326  | 3,740  | 62%          |
| Engineering        | 1,575  | 1,504  | 105%         | Engineering       | 2,226  | 3,096  | 72%          |

## 6. Safety/Liability

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FY 20 through May  
FY 19 through May

| 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) (\$) |
| 11                               | \$4,424                   | 2                    | 2                | 0                     | \$0              |
| 7                                | \$2,540                   | 2                    | 2                | 7                     | \$8,476          |

Days without a lost time accident through May 31, 2020 133 Days

## 7. Energy Cost

| FYE              | kWh     | May   |          | Fiscal Year-to-Date thru May |       |          |
|------------------|---------|-------|----------|------------------------------|-------|----------|
|                  |         | ¢/kWh | Cost/Day | kWh                          | ¢/kWh | Cost/Day |
| 2020 Stafford TP | 57,534  | 25.1¢ | \$465    | 672,311                      | 21.0¢ | \$422    |
| Pumping          | 140,536 | 24.5¢ | \$1,110  | 1,304,567                    | 23.5¢ | \$908    |
| Other*           | 42,191  | 34.8¢ | \$474    | 515,753                      | 25.7¢ | \$393    |
|                  | 240,261 | 26.4¢ | \$2,049  | 2,492,631                    | 23.3¢ | \$1,724  |
| 2019 Stafford TP | 89,366  | 19.8¢ | \$569    | 600,693                      | 20.5¢ | \$367    |
| Pumping          | 110,464 | 21.3¢ | \$811    | 1,231,357                    | 20.8¢ | \$761    |
| Other*           | 49,677  | 29.2¢ | \$500    | 525,035                      | 24.0¢ | \$375    |
|                  | 249,507 | 22.3¢ | \$1,880  | 2,357,085                    | 21.4¢ | \$1,503  |
| 2018 Stafford TP | 70,794  | 19.7¢ | \$450    | 620,531                      | 19.6¢ | \$363    |
| Pumping          | 118,754 | 21.5¢ | \$878    | 1,274,404                    | 20.9¢ | \$797    |
| Other*           | 37,716  | 26.7¢ | \$348    | 451,452                      | 24.6¢ | \$332    |
|                  | 227,264 | 21.8¢ | \$1,676  | 2,346,387                    | 21.3¢ | \$1,492  |

\*Other includes West Marin Facilities

## 8. Water Conservation Update

|                                      | Month of May 2020 | Fiscal Year to Date | Program Total to Date |
|--------------------------------------|-------------------|---------------------|-----------------------|
| High Efficiency Toilet (HET) Rebates | 5                 | 115                 | 4,162                 |
| Retrofit Certificates Filed          | 8                 | 161                 | 6,397                 |
| Cash for Grass Rebates Paid Out      | 0                 | 10                  | 931                   |
| Washing Machine Rebates              | 0                 | 7                   | 6,804                 |
| Water Smart Home Survey              | 0                 | 152                 | 3,899                 |

## 9. Utility Performance Metric

| SERVICE DISRUPTIONS<br>(No. of Customers Impacted) | May 2020 | May 2019 | Fiscal Year to Date 2020 | Fiscal Year to Date 2019 |
|--|----------|----------|--------------------------|--------------------------|
| PLANNED  |          |          |                          |                          |
| Duration Between 0.5 and 4 hours                   | 51       | 8        | 90                       | 94                       |
| Duration Between 4 and 12 hours                    | 0        | 55       | 96                       | 138                      |
| Duration Greater than 12 hours                     | 0        | 0        | 0                        | 0                        |
| UNPLANNED  |          |          |                          |                          |
| Duration Between 0.5 and 4 hours                   | 6        | 0        | 63                       | 78                       |
| Duration Between 4 and 12 hours                    | 16       | 0        | 28                       | 0                        |
| Duration Greater than 12 hours                     | 0        | 0        | 0                        | 3                        |
| SERVICE LINES REPLACED                             |          |          |                          |                          |
| Polybutylene                                       | 14       | 6        | 65                       | 101                      |
| Copper (Replaced or Repaired)                      | 3        | 2        | 11                       | 13                       |

35 planned, 3 hrs., 1725 Marion Ave, 6" brass nipple before blow off valve  
16 unplanned, 5 hrs., Bear Valley Rd., WM, 4" steel main  
2 unplanned 1 hr., Harbor Drive, 2" Sched. 80 main

# NORTH MARIN WATER DISTRICT

## Summary of Complaints & Service Orders May 2020

6/9/2020

| Type                                    | May-20    | May-19     | Action Taken May 2020                         |
|---|-----------|------------|---|
| <b><u>Consumers' System Problem</u></b> |           |            |   |
| Service Line Leaks                      | 17        | 60         | Notified Consumer                             |
| House Valve / Meter Off                 | 5         | 14         | Notified Consumer                             |
| Nothing Found                           | 10        | 16         | Notified Consumer                             |
| High Pressure                           | 1         | 3          | PRV failed @100 PSI. Recommend replacing PRV. |
| <b>Total</b>                            | <b>33</b> | <b>93</b>  |   |
| <b><u>Service Repair Reports</u></b>    |           |            |   |
| Meter Replacement                       | 2         | 4          | Replaced                                      |
| Meter Box Alignment                     | 0         | 2          | Repaired                                      |
| Box and Lids                            | 1         | 2          | Repaired                                      |
| Water Off/On Due To Repairs             | 5         | 9          | Notified Consumer                             |
| Misc. Field Investigation               | 7         | 11         | Notified Consumer                             |
| <b>Total</b>                            | <b>15</b> | <b>28</b>  |   |
| <b><u>Leak NMWD Facilities</u></b>      |           |            |   |
| Main-Leak                               | 2         | 0          | Repaired                                      |
| Service- Leak                           | 12        | 4          | Repaired                                      |
| Fire Hydrant-Leak                       | 0         | 1          | Repaired                                      |
| Meter Leak                              | 3         | 0          | Repaired                                      |
| Washer Leaks                            | 8         | 5          | Repaired                                      |
| <b>Total</b>                            | <b>25</b> | <b>10</b>  |   |
| <b><u>High Bill Complaints</u></b>      |           |            |   |
| Consumer Leaks                          | 1         | 0          | Notified Consumer                             |
| Nothing Found                           | 0         | 1          | Notified Consumer                             |
| <b>Total</b>                            | <b>1</b>  | <b>1</b>   |   |
| <b><u>Low Bill Reports</u></b>          |           |            |   |
| <b>Total</b>                            | <b>0</b>  | <b>0</b>   |   |
| <b><u>Water Quality Complaints</u></b>  |           |            |   |
| Taste and Odor                          | 0         | 1          |   |
| <b>Total</b>                            | <b>0</b>  | <b>1</b>   |   |
| <b>TOTAL FOR MONTH:</b>                 | <b>74</b> | <b>133</b> | <b>-44%</b>                                   |

|                                  |              |              |                                       |   |
|----------------------------------|--------------|--------------|---------------------------------------|---|
| <b><u>Fiscal YTD Summary</u></b> |              |              | <b><u>Change Primarily Due To</u></b> |   |
| Consumer's System Problems       | 632          | 787          | -20%                                  | Decrease In Nothing Found.              |
| Service Repair Report            | 206          | 273          | -25%                                  | Decrease In Water Off/On Due to Repairs |
| Leak NMWD Facilities             | 164          | 197          | -17%                                  | Decrease In Service Leaks.              |
| High Bill Complaints             | 72           | 212          | -66%                                  | Decrease In Nothing Found.              |
| Low Bills                        | 0            | 8            | -100%                                 | Decrease In Nothing Found.              |
| Water Quality Complaints         | 15           | 23           | -35%                                  | Decrease in Other.                      |
| <b>Total</b>                     | <b>1,089</b> | <b>1,500</b> | <b>-27%</b>                           |   |

# NORTH MARIN WATER DISTRICT

## Summary of Complaints & Service Orders May 2020

6/9/2020

| Type  | May-20    | May-19     | Action Taken May 2020 |
|---|-----------|------------|-----------------------|
| <b><u>"In House" Generated and Completed Work Orders</u></b>                                    |           |            |                       |
| <b><u>Check Meter:</u></b> possible consumer/District leak, high bill, flooded, need read, etc. | 9         | 118        |                       |
| <b><u>Change Meter:</u></b> leaks, hard to read   | 2         | 55         |                       |
| <b><u>Repair Meter:</u></b> registers, shut offs  | 3         | 4          |                       |
| <b><u>Replace Boxes/Lids</u></b>  | 0         | 2          |                       |
| <b><u>Trims</u></b>   | 3         | 0          |                       |
|   | <b>17</b> | <b>179</b> |                       |

## Bill Adjustments Under Board Policy:

### May 20 vs. May 19

|        |    |         |
|--------|----|---------|
| May-20 | 9  | \$2,008 |
| May-19 | 16 | \$5,833 |

### Fiscal Year vs Prior FY

|          |     |           |
|----------|-----|-----------|
| FY 19/20 | 256 | \$77,694  |
| FY 18/19 | 283 | \$107,097 |


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## MEMORANDUM

To: Board of Directors

June 12, 2020

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

Subj: Auditor-Controller's Monthly Report of Investments for May 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 \$22,357,993 and a market value of \$22,473,676. During May the cash balance decreased by \$1,215,551. The market value of securities held increased \$115,682 during the month. The ratio of total cash to budgeted annual operating expense stood at 129%, down 7% from the prior month.

At May 31, 2020, 64% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 25% in Time Certificates of Deposit, 4% in US Treasury Notes, 6% in the Marin County Treasury, and 1% retained locally for operating purposes. The weighted average maturity of the portfolio was 100 days, compared to 96 days at the end of April. The LAIF interest rate for the month was 1.36%, compared to 1.65% the previous month. The weighted average Portfolio rate was 1.67%, compared to 1.83% the previous month.

Investment Transactions for the month of May are listed below:

|           |              |               |              |                              |
|-----------|--------------|---------------|--------------|------------------------------|
| 5/7/2020  | US Bank      | Pinnacle Bank | \$248,000.00 | Purchase .90% TCD due 5/9/22 |
| 5/18/2020 | Enerbank USA | US Bank       | \$249,562.81 | TCD Matured                  |
| 5/27/2020 | LAIF         | US Bank       | \$600,000.00 | Trsf from LAIF account       |

**NORTH MARIN WATER DISTRICT**  
**AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS**  
**May 31, 2020**

| Type                               | Description                 | S&P<br>Rating | Purchase<br>Date | Maturity<br>Date | Cost<br>Basis <sup>1</sup> | 5/31/2020<br>Market Value | Yield <sup>2</sup> | % of<br>Portfolio |
|------------------------------------|-----------------------------|---------------|------------------|------------------|----------------------------|---------------------------|--------------------|-------------------|
| <b>LAIF</b>                        | State of CA Treasury        | AA-           | Various          | Open             | \$14,409,686               | \$14,517,485              | 1.36% <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                                | 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%                |
| TCD                                | Pinnacle Bank               | n/a           | 5/7/20           | 5/9/22           | 248,000                    | 248,000                   | 0.90%              | 1%                |
|                                    |                             |               |                  |                  | <b>\$5,688,000</b>         | <b>\$5,688,000</b>        | <b>2.19%</b>       | <b>25%</b>        |
| <b>US Treasury Notes</b>           |                             |               |                  |                  |                            |                           |                    |                   |
| Treas                              | 2.750%                      | n/a           | 3/5/19           | 9/30/20          | 1,000,711                  | 1,008,594                 | 2.76%              | 4%                |
|                                    |                             |               |                  |                  | <b>\$1,000,711</b>         | <b>\$1,008,594</b>        | <b>2.75%</b>       | <b>4%</b>         |
| <b>Other</b>                       |                             |               |                  |                  |                            |                           |                    |                   |
| Agency                             | Marin Co Treasury           | AAA           | Various          | Open             | \$1,056,834                | \$1,056,834               | 2.22%              | 6%                |
| Other                              | Various                     | n/a           | Various          | Open             | 202,763                    | 202,763                   | 0.41%              | 1%                |
| <b>TOTAL IN PORTFOLIO</b>          |                             |               |                  |                  | <b>\$22,357,993</b>        | <b>\$22,473,676</b>       | <b>1.67%</b>       | <b>100%</b>       |

Weighted Average Maturity = **100 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 May 31, 2020.

| <b>Interest Bearing Loans</b>       |                            | Loan<br>Date | Maturity<br>Date | Original<br>Loan Amount | Principal<br>Outstanding | Interest<br>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             | \$1,173,730              | 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>\$1,698,730</b>       |                  |

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

\\nmwdsrver1\administration\accountants\investments\20\0520.xls\mo rpt

8

## MEMORANDUM

To: Board of Directors  
From: Ryan Grisso, Water Conservation Coordinator *RG*  
Subject: Approve Text for Spring 2020 Novato "Waterline", Volume 21, Issue 44  
V:\Memos to Board\Spring 2020 Waterline Text 0620.doc

June 12, 2020

**RECOMMENDED ACTION:** Approve Spring 2020 Novato "Waterline" Text

**FINANCIAL IMPACT:** \$8,000 (Included in FY 2019/2020 Budget)

Draft text and design for the Spring 2020 Novato "Waterline", Volume 21, Issue 44 is attached for your review. Should any Board member have individual comments please provide them to the General Manager at the Board meeting on June 16, 2020. It is expected the "Waterline" will be mailed in late June 2020.

RECOMMENDATION

Board authorize General Manager to approve final text and design of Spring 2020 Novato "Waterline", Volume 21, Issue 44.

Approved by GM *RG*Date *6/12/20*

# The Waterline

Novato's Service Area Newsletter | Volume 21 | Issue 44



## Water Supply Update Spring 2020

Drew McIntyre, General Manager

### Current Water Supply as of June 1

This year, rainfall in Novato was 70% of average, which is similar to what we experienced in 2018. On the Russian River, Sonoma County Water Agency reservoirs supplying Novato (i.e., Lake Sonoma and Lake Mendocino) are at or above 77% capacity. While ample, multi-year water supply is available in Lake Sonoma, water stored in Lake Mendocino is projected to fall to very low levels. Both water sources are necessary to meet in-stream flow needs for the endangered salmon populations in the Russian River as well as the needs for agriculture and upper Russian River urban users. The current situation on the upper Russian River is similar to what occurred in 2013.

Locally, Stafford Lake water storage capacity is at 68% and is identical to what it was on June 1, 2018. Water production at the Stafford Lake Treatment Plant began in April. Recycled water facilities at both Novato and Las Gallinas Valley Sanitary Districts are operating, and highly treated recycled water is being delivered by NMWD to over 90 large landscape irrigation users and three local gas station car wash facilities. NMWD will continue to utilize our local supplies to the fullest extent possible.

### Fisheries Protection

Construction will continue this summer on a 10-year project to enhance fish habitat in Dry Creek, which is downstream of Lake Sonoma and a tributary to the Russian River, at a cost of \$7 million this budget year. Three miles of habitat restoration have occurred to date, and a total of six miles of habitat enhancement are needed. NMWD and other water retailers receiving Russian River supplies are obligated to pay for necessary fishery enhancements on the Russian River system to protect Coho and Chinook salmon, and steelhead trout. Regarding Eel River issues, in May of this year, five diverse entities jointly proposed an ambitious plan to advance restoration of Eel River fisheries while maintaining water security for Russian River basin water users. The Feasibility Study Report Project Plan was filed with the Federal Energy Regulatory Commission (FERC) as the



next step in the effort toward securing a new license for the Potter Valley Project, which is currently owned by PG&E.

### Water Supply Resiliency

Reliance on our existing available supplies from the Russian River and Stafford Lake, expanded use of recycled water to offset potable supplies now used for outside irrigation, and continued emphasis on water use efficiency are vitally important to our water supply resiliency. In addition, NMWD is participating in a Regional Water Supply Resiliency Study with SCWA and the other water retailers to improve integrated water resources coordination and make the region more resilient to potential short and long-term water shortages.

### Water Use Efficiency

Novato customers continue to use less water when compared to the state's 2013 benchmark, decreasing their water use from 144 gallons per capita per day (GPCD) in 2013 to 115 GPCD in 2019. This is well below our state-mandated 2020 conservation target of 137 GPCD. As reported in previous newsletters, the state is developing additional long-term water conservation measures that are aimed at making conservation a way of life in California. Customers are urged to participate in the many water conservation programs offered by NMWD. See [nmwd.com](http://nmwd.com) for details.

## New Low Income Rate Assistance (LIRA) Program

Julie Blue, Auditor/Controller

This program is available to eligible low-income customers and provides a credit on a two-month billing cycle of \$15 per bill or \$90 per year. A direct water customer who has a single-family residential account and is eligible for PG&E's income-based CARE program is eligible for the District's LIRA Program. Once approved, the discount would apply to your first billing cycle after July 1, 2020. To request an application or for further information, call our billing department at 415-897-4133 or visit the website at [nmwd.com](http://nmwd.com).

## District Elections Transitioned to Division-Based

Teme Kehoe, District Secretary

In June 2019, the District established five electoral divisions and transitioned to a division-based election in which each Board member is elected by a specific division within the District. All five board members continue to participate and vote on District-wide matters regardless of the division they represent. Visit [nmwd.com](http://nmwd.com) to view an interactive map tool that will help you determine the division in which you reside.



## Tap Water Is Safe From Coronavirus (COVID-19)

Pablo Ramudo, Water Quality Supervisor

Water served by NMWD to customers is purified using modern treatment techniques to remove pathogens, including bacteria and viruses. Our continuous monitoring ensures that it surpasses all state and federal regulations for health and safety. NMWD staff are working 24/7 to make sure that water is available to you at all times. As you make any preparations to deal with the risks of coronavirus, know that your tap remains a safe, reliable and affordable source of clean water. Quick Fact – it costs less than 30 cents to wash your hands 100 times for 20 seconds per washing.

**Pay your bills online.**

Visit [onlinebiller.com/nmwd](http://onlinebiller.com/nmwd)



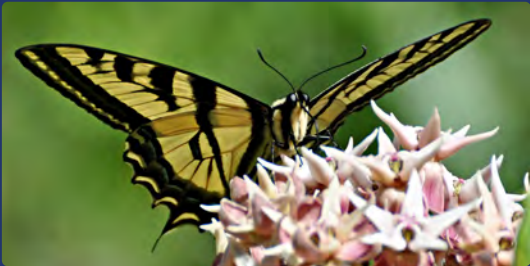


# NMWD Lawn Replacement Programs

Ryan Grisso, Water Conservation Coordinator

## Cash for Grass

NMWD offers a cash incentive for removing regularly maintained and automatically irrigated lawn areas and replacing them with District-approved low water use plantings on drip irrigation. The incentive will pay you up to \$50 per 100 square feet of lawn area you replace (maximum \$400 per single family dwelling). Pre-qualification site visit and re-landscaping plan approval are required for participation.



## Lawn Be Gone

This program is for “do-it-yourselfers” who want to replace lawn areas by covering and composting in place – a process known as “sheet-mulching.” NMWD offers delivery of free compost, cardboard, and mulch for eligible sheet-mulching projects. Pre-qualification site visit and landscape plan approval are required prior to participation. Delivery will be performed by NMWD’s designated contractor.



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

PRESORTED  
STANDARD  
U.S. POSTAGE  
PAID  
SAN RAFAEL,  
CA PERMIT  
NO 2

## Water Smart Savings Program

North Marin Water District wants to help customers use water efficiently. That’s why we’ve put all of our water saving promotions under one umbrella. The Water Smart Savings Program encompasses all you need to get started on saving water and saving money. Call (415) 761-8944 for program details or visit [nmwd.com](http://nmwd.com).

### Water Smart Home Survey

This free service includes thorough indoor and outdoor water efficiency checks.

### Water Smart Landscape Rebate

Rebates available for water efficient landscape equipment, such as a new drip irrigation system replacing a spray system or a rain shut off device.

### Cash for Grass Rebate

Get cash for removing irrigated and maintained lawn and replacing it with low water use plants. Pre-qualification is required.

### High Efficiency Clothes Washer Rebate

NMWD offers a rebate to customers when they purchase a qualifying high efficiency clothes washer.

### Rainwater Catchment Rebate

Rebate for collection and storage of rainwater.

### High Efficiency Toilet Rebate

Customers who replace an old water-guzzling toilet with a high efficiency toilet may be eligible for a rebate.

## Water Smart Savings Program



[Find out more at nmwd.com](http://nmwd.com)



## Weather-Based Irrigation Controller Rebate

A weather-based irrigation controller, or Smart Controller, is an effective technology for reducing water usage outdoors. Unlike a standard automatic timer that turns water on at set intervals regardless of weather and plant needs, a weather-based irrigation controller uses weather data and site information such as plant type and sprinkler system output to automatically adjust watering times and frequency. This increases water use efficiency, reduces run-off, and improves the health of your landscape. A weather-based irrigation controller can save 30% or more on your landscape water use, and it is less expensive than you might think. Many available models can also be controlled with an app on your phone or tablet. **To learn more about this rebate, visit [nmwd.com](http://nmwd.com)**

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## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, General Manager / Acting Chief Engineer  
Subject: Approve Amendment 2 to Utility Agreement between the State of California and North Marin Water District for Caltrans' MSN B3



Date: June 12, 2020

Z:\Folders by Job No\7000 jobs\7118 MSN\_AEEP\CalTrans Agreements\Utility\B3\7118 Amendment 2 to CalTrans MSN B3 Util Agmt BOD Memo 6-12-20.doc

**RECOMMENDED ACTION:** Authorize the General Manager to execute Amendment 2 to Utility Agreement No. 1780.1

**FINANCIAL IMPACT:** \$73,000 (reimbursement to NMWD)

Background

On July 27, 2009 Caltrans approved the Marin Sonoma Narrows (MSN) High Occupancy Vehicle (HOV) Widening Project. The Caltrans MSN project widened and realigned Highway 101 to accommodate HOV lanes and provided new and upgraded frontage roads and ramps. These improvements extended the Highway right-of-way into portions of the NMWD's pipeline easement for the existing North Marin aqueduct and therefore Caltrans paid for the bulk of NMWD aqueduct relocation costs as part of the Caltrans MSN project.

One of the NMWD aqueduct relocation segments was associated with the Caltrans MSN B3 project. Accordingly, it was necessary for Caltrans and North Marin Water District to enter into a contractual arrangement for relocation of the MSN B3 (aka Reach B) segment (see map in Attachment 1). The Utility Agreement defined said roles and responsibilities as well as identified costs allocated between both agencies related to this reach. The original utility agreement identified a total estimated pipeline relocation construction cost of \$10,097,000 for the MSN B3 (aka Reach B) Project. Most of that cost was reimbursed by Caltrans as it related to re-alignment of NMWD's 30-inch pipeline. The upsizing costs for a 42-inch diameter pipeline within Reach B were \$979,684 and were paid by NMWD.

In March 2014, the original Utility Agreement was executed with Caltrans' liability in the amount of \$9,117,316.00. In May, 2017, the original UA was amended for a new Caltrans liability amount of \$10,958,773.77.

NMWD has requested another amendment to the UA for a new Caltrans liability amount of \$11,031,773.77 (Attachment 2) to allow the District to invoice Caltrans for another \$73,000 in related expenses incurred by NMWD.

RECOMMENDATION

Authorize the General Manager / Acting Chief Engineer to execute a second Amendment to Utility Agreement No. 1780.1

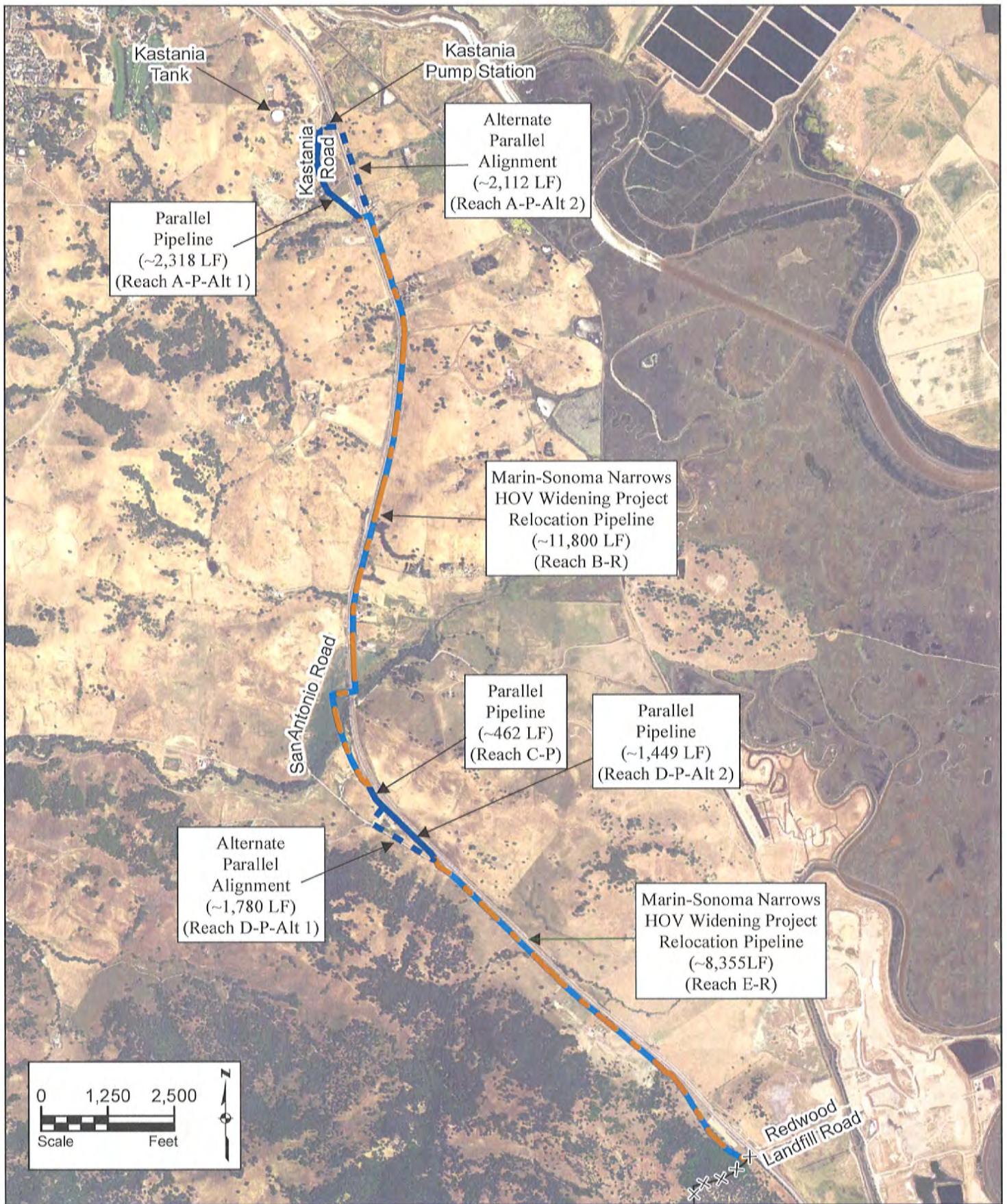
Approved by GM



Date

6/12/20





## Legend

- ××××× Olompali State Park Property Line
- Relocated Pipelines.** Pipeline to be relocated by Caltrans & upsized by NMWD to 42-inch.

- Parallel Pipelines.** New 36-inch or 42-inch parallel pipeline proposed by NMWD.
- Alternate Parallel Alignments** for 36-inch or 42-inch parallel pipeline proposed by NMWD.

## Relocated and Parallel Pipelines

North Marin Water District  
Aqueduct Energy  
Efficiency Project



| District   | County   | Route | P.M.                  | E.A.                     |
|--|----------|-------|-----------------------|--------------------------|
| 4  | MRN, SON | 101   | 27.0-27.6.<br>0.0/1.9 | 04-0000-0735<br>(264099) |
| Fed. Aid. No.  |          |       |                       |                          |
| Owner's File: 1.7118.09  |          |       |                       |                          |
| <b>FEDERAL PARTICIPATION:</b> On the Project <input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No<br>On the Utilities <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |          |       |                       |                          |

DATE \_\_\_\_\_

**THIRD AMENDMENT A3 TO UTILITY AGREEMENT NO. 1780.1**

**WHEREAS**, the State of California, acting by and through its Department of Transportation, hereinafter called "STATE", and North Marin Water District, (NMWD), hereinafter called "OWNER", have entered into certain Utility Agreement No.1780.1, dated March 11, 2014, which Agreement sets forth the terms and conditions pursuant to which OWNER has relocated its 30-inch Aqueduct to accommodate STATE's project to reconstruct and re-align US Route 101 at San Antonio Road, construct a new bridge over San Antonio Creek and convert a portion of the existing north-bound highway to a frontage road in Marin and Sonoma Counties.

**WHEREAS**, it was mutually agreed that OWNER would relocate its facilities in accordance with Notice to Owner 1780.1, dated November 18, 2013, and in accordance with OWNER's Utility Plan No. 1.7118.09, in order to accommodate STATE's highway construction project EA 264099, (ID: 04-0000-0735), which by this reference are made a part hereof.

**WHEREAS**, in the performance of said work, increased costs over and above those estimated at the time of the execution of said Agreement were incurred due to engineering, labor and material cost overruns encountered during the design and construction phases of the relocation of OWNER's 30-inch Aqueduct facilities in order to accommodate the construction of STATE's STATE's project to reconstruct and re-align US Route 101 at San Antonio Road, construct a new bridge over San Antonio Creek and convert a portion of the existing north-bound highway to a frontage road in Marin and Sonoma Counties.

**WHEREAS**, it has been determined that, since final costs have overrun the amount shown in said Agreement by greater than 25%, and when the increased costs exceeds by 25% the estimated amount set forth in said Agreement, said Agreement shall be amended to show the increased cost of the work to the STATE; and,

**WHEREAS**, the estimated cost to the STATE of the work to be performed under said Agreement was \$10,958,773.77 and by reason of the increased cost referred to above, the amended estimated cost to the STATE is \$11,031,773.77.

UTILITY AGREEMENT NO. 1780.1

**NOW, THEREFORE**, it is agreed between the parties as follows:

1. The estimated cost to the STATE of \$10,958,773.77 as set forth in said Agreement is hereby amended to read \$1,031,773.77, and is in accordance with the following proration:

|  |                  |
|--|------------------|
| Total Estimated Relocation Cost: UT 1780.1 .....                                     | \$10,097,000.00  |
| Less Facility Betterment Cost .....  | \$557,735.00     |
| Less 1,092' of Facility Pursuant to Encroachment Permit: .....                       | \$421,949.00     |
| Total Estimated STATE Liability, (90.3%): .....                                      | \$9,117,316.00   |
| <br>Total Estimate Relocation Cost: Second (A2) Amendment UT 1780.1 .....            | <br>\$841,457.77 |
| Total Estimate UT 1980.1 and Second Ament UT 1780.1 .....                            | \$10,958,773.77  |
| <br>Total Estimate Relocation Cost: Third (A3) Amendment UT 1780.1 .....             | <br>\$73,000.00  |
| Total Estimate UT 1980.1 and 2 <sup>ND</sup> & 3 <sup>rd</sup> Ament UT 1780.1 ..... | \$11,031,773.77  |

2. All other terms and conditions of said Agreement remain unchanged.

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

OWNER:  
NORTH MARIN WATER DISTRICT

By: \_\_\_\_\_  
MARK L. WEAVER                      Date  
Deputy District Director, Right of Way

By \_\_\_\_\_  
Date

APPROVAL RECOMMENDED:

By: \_\_\_\_\_  
MJULE MCDANIEL                      Date  
District Office Chief

By \_\_\_\_\_  
SUNNIE STANTON                      Date  
District Branch Chief

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## MEMORANDUM

To: Board of Directors  
 From: Drew McIntyre, General Manager / Acting Chief Engineer  
 Carmela Chandrasekera, Senior Engineer  
 Subject: ESA Consulting Services Agreement Amendment 2 – Additional Permitting Services for Gallagher Ranch (Lagunitas Creek) Streambank Stabilization Project

r:\folders by job no\7000 jobs\7185 lagunitas creek slope stabilization\bod memos\esa amend 2 permitting services bod memo june 2020.doc

Date: June 12, 2020

**RECOMMENDED ACTION:** Authorize General Manager to Amend the Consulting Services Agreement with ESA

**FINANCIAL IMPACT:** \$28,590 (No budget augmentation needed at this time)

The purpose of this memo is to request a second amendment to the Consulting Services Agreement with Environmental Science Associates (ESA) for assistance with construction biological monitoring services for the Gallagher Ranch Streambank Stabilization project (project). The project is needed to repair a bank failure along Lagunitas Creek that threatens North Marin Water District (NMWD) Gallagher well and pipeline conveyance facilities. The Board approved the original agreement with ESA at the October 15, 2019 and Amendment 1 at the April 7, 2020 meeting.

The original agreement for \$57,500 included consulting services to provide environmental support services and submit permit applications to support the project. Amendment 1 for \$25,000 was approved for out-of-scope and additional services that were not anticipated in their original proposal. The project is currently under construction and Amendment 2 addresses pre-construction site surveys, pre-construction site documentation to facilitate project reporting, construction compliance monitoring and bird nest monitoring.

Consulting Agreement Amendment

ESA requests a contract modification of \$28,590 for pre-construction surveys and Construction monitoring for compliance with all permit conditions (see Attachment 1).


Financial Impact

The most recent financial updates for the project were provided to the Board at the April 7<sup>th</sup> meetings. The total project cost was estimated at \$656,549 with a significant portion of the cost estimated to being offset with a federal Natural Resources Conservation Service (NRCS) grant.

Due to higher construction costs, staff submitted a request to NRCS for an increase in NRCS grant funding for a total of \$336,398. There is a good chance NRCS will approve the requested funding increase. Assuming an increase in the NRCS grant, the local match will increase from \$300,000 to ~\$355,000 (See Attachment 2). Staff still expects to receive a combined \$50,000 local match contribution from the property owners and Marin Agricultural

Approved by GM

Date

  
 6/12/20

Land Trust (MALT). In addition, staff has been successful in obtaining a \$25,000 contribution commitment from MMWD in support of projects that benefit Lagunitas Creek erosion/sedimentation. Accordingly, NMWD's estimated local share is now \$280,000.

#### RECOMMENDATION

That the Board authorize the General Manager to amend the consulting services agreement with ESA for the Gallagher Ranch Streambank Stabilization Project for a not to exceed fee of \$28,590.



1425 N. McDowell Boulevard  
Suite 200  
Petaluma, CA 94954  
707.795.0900 phone  
707.795.0902 fax

esassoc.com

June 2, 2020

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

**Subject:** Gallagher Ranch Bank Stabilization Environmental Compliance Support: Contract Amendment Request

Dear Mr. McIntyre:

Environmental Science Associates (ESA) is pleased to present this scope of work for Construction Monitoring Services to support the North Marin Water District (NMWD) during the construction of the Gallagher Ranch Bank Stabilization Project (Project). Our scope of work has been developed based on our understanding of the Project, a review of the Project's permits, and the schedule provided to ESA by NMWD on May 26, 2020. The following work plan provides for pre-construction surveys, pre-construction site documentation to facilitate project reporting, construction compliance monitoring, and nest monitoring.

***Task 1 Pre-Construction Nesting Bird Survey, Roosting Bat Habitat Assessment, and Project Site Documentation***

ESA qualified biologists will perform pre-construction nesting bird and bat roosting habitat assessments, within 15 days prior to initiation of construction. These surveys will be performed concurrently and in all project areas, including all identified staging and spoils stockpiling areas. An initial bat habitat assessment performed on May 28, 2020 of trees proposed for removal determined that no roosting habitat was present in the immediate work area. During the roosting habitat assessment performed in this task, ESA will verify these findings for all project areas. If results are positive, ESA will coordinate with the District and, if necessary, California Department of Fish and Wildlife (CDFW) regarding avoidance measures to be implemented to protect nests or maternal bat roosts during construction. This scope assumes that up to four hours of coordination with CDFW may be required. Results of these surveys will be documented in a technical memorandum submitted to NMWD, CDFW, and NRCS.

During the above surveys, ESA biologist will establish pre-construction photo documentation points and perform preconstruction vegetative surveys of all proposed areas of impacts to facilitate post-project reporting and restoration monitoring. These surveys will include quantifiable estimates of vegetative cover. This scope assumes that all work areas and staging areas will be identified prior to the surveys being performed.

***Task 2 Construction Monitoring***

ESA will provide a qualified biologist to conduct biological monitoring during initial ground breaking and earth moving activities, as required by the National Resources Conservation Service (NRCS) United States Fish and Wildlife (USFWS) Programmatic Biological Opinion. ESA will monitor for compliance with all permit conditions and document this compliance in a daily log. Photographs of the work and disturbance area will be

Mr. McIntyre  
June 2, 2020  
Page 2

taken each day to facilitate post project reporting. Based upon the schedule provided to ESA, this scope assumes a total of 14 full-time days of construction monitoring and that all construction work will be performed during a standard 8-hour work day. The level of effort for Task 2 is dependent upon contractor performance, and may be decreased or increased depending on duration of the work. Additional days or extended work hours are not included in this proposal, but a per/day rate can be provided if needed.

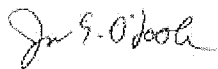
As an active swallow nest was observed adjacent to the work area during a May 28, 2020 site visit, this scope also includes nest monitoring as discussed with CDFW, NRCS, and CDFW on May 29, 2020. Nest monitoring will be performed at this nest if it is determined to be active during the preconstruction survey included in Task I. The majority of the nest monitoring, if required, will be concurrent with the general construction monitoring described above. Additional nest monitoring will include a single site visit with 24-72 hours prior to the initiation of construction to determine a baseline behavior of birds at the nest. If the nest is still active after earth moving activities are complete, ESA will also provide a monitor for each day there is a change in the character or increase in the intensity or proximity of construction activity to the nest. Based upon the project schedule, ESA anticipates that up to one additional monitoring day will be required.

### **Cost Estimate**

|                   | Labor Category                             | Managing Associate II | Associate III | Total Hours | Labor Price |
|-------------------|--|-----------------------|---------------|-------------|-------------|
| Task #            | Task Name/Description                      | \$190                 | \$135         |             |             |
| 1.0               | Pre-Construction Surveys and Documentation | 20                    | 18            | 38          | \$6,230     |
| 2.0               | Construction Monitoring                    | 4                     | 160           | 164         | \$22,360    |
| Total Hours       |  | 24                    | 178           | 202         |             |
| Total Labor Costs |  | \$4,560               | \$24,030      |             | \$28,590    |

ESA appreciates the opportunity to continue our long-standing working relationship with NMWD, and we look forward to continuing to support the District in the successful implementation of this project. Please feel free to contact me at 707-795-0904 or [jotoole@esassoc.com](mailto:jotoole@esassoc.com) if you have any questions or comments regarding this request.

Sincerely,



James E. O'Toole, Senior Vice President



|   |
|---|
| <p style="text-align: center;">NORTH MARIN WATER DISTRICT<br/>         WATER SYSTEM IMPROVEMENTS/SPECIAL PROJECTS<br/>         PROJECT SUMMARY<br/>         AS OF JUNE 2020</p> |
|---|

|                      |  |        |                     |
|----------------------|--|--------|---------------------|
| Job No.<br>2.7185.00 | Title:<br>Gallagher Ranch Streambank Stabilization |        |                     |
| Facility No.         | Facility Type (Pipelines, Pump Stations, etc.)     | Other- | Emergency EWP Grant |
|                      | Project  |        |                     |

| Description |
|-------------|
|-------------|

Lagunitas Creek bank is eroding north of Gallagher Ranch bridge threatening Gallagher Well and Pipeline. The project is to stabilize bank erosion by an engineered bank protection system.

|                       |
|-----------------------|
| Project Justification |
|-----------------------|

District's Gallagher well and pipeline is threatened by eroding of the Lagunitas creek at Gallagher Ranch.


|    | Baseline Cost Estimate         | Est. Jan 28, 2020 | After Bid Opening (April 2020) | As of June 11, 2020 | Spent as of 6/11/2020 |                  | Start     | Finish (Est.) | Finish (Actual) |
|----|--------------------------------|-------------------|--------------------------------|---------------------|-----------------------|------------------|-----------|---------------|-----------------|
| 1  | Development                    | \$4,000           | \$4,000                        | \$4,000             | \$4,000               | Project Dev.     | Oct. 2019 | Jan-20        | Jan-20          |
| 2  | Legal                          |                   |                                |                     | \$945                 |                  |           |               |                 |
| 3  | Permitting (ESA)               | \$57,500          | \$77,500                       | \$111,090           | \$60,439              | Permitting       | Oct. 2019 | May-20        |                 |
| 4  | Design (WRA)                   | \$94,400          | \$129,400                      | \$129,400           | \$105,907             | Final Design     | Oct-19    | Jan-20        | Jan-20          |
| 5  | Permit fees                    | \$2,143           | \$14,809                       | \$15,768            | \$14,809              |                  |           |               |                 |
| 6  | Bid Phase                      | \$5,000           | \$5,000                        | \$5,000             | \$5,000               | Bid              | Feb-20    | Mar-20        | Mar-20          |
| 7  | Construction                   | \$357,797         | \$375,840                      | \$375,840           |                       |                  | Jun-20    | Jul-20        |                 |
|    | Change Order 1A                |                   |                                | \$16,278            |                       |                  |           |               |                 |
| 8  | Eng. Servs. Const. incl.item 4 |                   |                                |                     |                       |                  |           |               |                 |
| 9  | Project Admin (NMWD)           | \$3,000           | \$3,000                        | \$3,000             | \$11,422              |                  |           |               |                 |
| 10 | Project Closeout               | \$2,000           | \$2,000                        | \$2,000             |                       | Project Closeout | Jul-20    | Dec-20        |                 |
| 11 | Project Subtotal               | \$525,840         | \$611,549                      | \$662,376           |                       |                  |           |               |                 |
| 12 | Project Contingency            | \$5,000           | \$45,000                       | \$28,722            |                       |                  |           |               |                 |
|    | Total <sup>(1)</sup>           | \$530,840         | \$656,549                      | \$691,098           | \$202,522             |                  |           |               |                 |

- (1) Federal Grant estimate was originally \$231,000 but it is assumed they will approve an increase to \$336,398
- (2) Construction Cost = \$375,840
- (3) Change Order 1A = \$16,278

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## MEMORANDUM

To: Board of Directors

From: Drew McIntyre, General Manager/Acting Chief Engineer 

Subject: Renew Declaration of Local Emergency Related to COVID-19 Pandemic  
\\gmfbod\misc\2020\renew covid emergency declaration #5 06\_16\_20.doc

June 12, 2020

**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 issued a new order effective May 4, 2020 through May 31, 2020. Under the April 29th Shelter-In-Place order, construction activities, certain businesses that operate primarily outdoors, and some outdoor activities were allowed to resume with specific conditions.

On May 15, 2020, Marin County issued a new order allowing a limited number of additional businesses and activities to resume operations subject to specified conditions. In particular, office spaces were allowed to resume operation on June 1, 2020 subject to strict compliance with specific Marin County requirements. This new order has no end date and is to remain in effect until rescinded or superseded.

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.

Since April 21, 2020, the Board of Directors has, at every regular meeting, approved continuation 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. Initially, approximately 50% District staff were 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 continued. Relocation of some staff back to the District buildings, and certain other projects and activities has been occurring over the last couple of weeks and the District is now operating with 75% of staff on-site or in the field. Once our COVID-19 response plan is updated, additional training occurs and physical work space modifications occur, additional staff will be able to return to work on-site.

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

June 12, 2020

From: Julie Blue, Auditor/Controller Subj: Temporary Measures Modifying *Late Charge and Shut-Off Policy No. 6* in Response to Potential Customer Impacts Due to the COVID-19 Pandemic

I:\acboard reports\board memos\2020\late charge and shut-off policy update\revisions to shut-off policy 06.16.docx

**RECOMMENDED ACTION:** Approve Revision to *Late Charge and Shut-Off Policy No. 6***FINANCIAL IMPACT:** Unknown

The Board of Directors (BOD) reviewed the Fiscal Year 20/21 budget at the May 19, 2020 Board Meeting. At that time the BOD requested that staff review options addressing the potential financial impacts of the COVID-19 pandemic to our customers.

One mechanism the District has implemented to help low income customers is the newly adopted Low Income Rate Assistance (LIRA) Program which was approved by the BOD in February 2020. The LIRA Program is effective July 1, 2020 and will provide a \$15 credit on each two-month bill. The program is available for all single-family residential customers who are low-income and also participate in Pacific Gas & Electric's (PG&E) California Alternate Rates for Energy (CARE) program.

To further support customers with financial need the BOD requested changes be made to the newly updated Late Charge and Shut-off policy (Policy No. 6). This policy was updated by the Board in January 2020 to comply with Senate Bill 998 which further supports the California Safe Drinking Water Act which declares that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

On April 2, 2020 CA Governor Newsom signed Executive Order N-42-20 which suspended disconnection of water services for non-payment with an undetermined end date. Shown in red are the proposed changes to the District's Late Payment and Shut-Off Policy (Attachment 1) and include: (1) an extension of 90 days to the suspension of disconnections, once the end date of the order has been established, (2) extension of the duration of payment plans to 24 months from the current 12 months as outlined in the policy (offered for the next 180 days) and (3) extension of the District's current forbearance of customer late fees for a 180 day duration.

These modifications provide flexibility to the current policy and allow staff to work with customers experiencing negative financial impacts due to the COVID-19 pandemic. These temporary provisions will expire without further Board action.

**RECOMMENDATION:**

BOD to approve the temporary measures Modifying Late Charge and Shut-Off Policy No. 6

**NORTH MARIN WATER DISTRICT**

**POLICY: LATE CHARGE AND SHUT-OFF**

**POLICY NUMBER: 6**

Original Date: 2002  
Last Reviewed: 06/16/20  
Last Revised: 06/16/20

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**TEMPORARY MEASURES MODIFYING POLICY NUMBER 6 DURING THE  
PENDENCY OF GOVERNOR'S EXECUTIVE ORDER N-42-20 AND TO ADDRESS  
COVID-19 PANDEMIC CONCERNS**

Notwithstanding anything in this Policy Number 6 to the contrary, the following modifications shall be operative for the durations noted herein.

**Water Service Shutoffs**

The District shall not shutoff any residential customers' water service for nonpayment for a period not to exceed 90 days following the termination or discontinuance of Executive Order N-42-20. This temporary provision is self-executing and self-terminating according to its terms.

**Payment Plans:**

For a period not to exceed 180 days following the date of approval of these temporary modifications, Payment Plans may be offered for a duration up to, but not exceeding, 24 months. All other terms and conditions will remain as provided for in this Policy Number 6. This temporary provision is self-executing and self-terminating according to its terms.

**Late Payment Charges:**

The District shall not assess Late Payment Charges to any overdue residential service account for a period not to exceed 180 days following the date of approval of these temporary modifications to Policy Number 6. This temporary provision is self-executing and self-terminating according to its terms.

**CONTACT INFORMATION:**

District customer service staff may be reached between 8:00 a.m. – 5:00 p.m., Monday through Friday at 415-897-4133 to discuss options to avoid water service shutoff.

**BILL DUE DATE:**

Regular bills are mailed bimonthly (6 times per year) and payment is due as of the bill date (the "Due Date"). All charges are due, in full, no later than 60 days following the Due Date. If payment is not received within 60 days of the Due Date, Late Payment Charges will be assessed.

**REMINDER NOTICE:**

If payment is not received within 30 days after the Due Date, a Reminder Notice will be mailed. Only one Reminder Notice will be mailed per bill cycle. The Reminder Notice will not extend the Due Date.

**LATE PAYMENT CHARGES:**

Once a bill has become 60 days past due a Late Payment Charge of \$25 will be assessed.

**PAYMENT PLANS:**

The District offers payment plans of up to 12 months in duration for payment of delinquent charges. Length and minimum payment are subject to the District's discretion. Payment plans and subsequent account charges must be maintained in good standing to avoid further charges, fees, or water service shutoff.

**WATER SERVICE SHUTOFF:**

Should a bill not be paid within 60 days of the Due Date, water service to the account service location is subject to shutoff and additional fees and penalties. At the District's discretion, the following process may be started once an account has reach 60 days past due:

1. A Turn Off Notice will be mailed to the account holder address and, if different, to the service location (addressed to "Occupant") no later than 10 days prior to the date that water service will be shutoff. In addition, the Turn Off Notice shall be left in a conspicuous location at the service address.
2. The Turn Off Notice shall, at minimum, include the following information:
  - a. The account holder's name and address;
  - b. The amount of the delinquency;
  - c. The date by which payment or arrangement for payment is required to avoid shutoff of water service;
  - d. Information regarding how to petition for review and appeal of the delinquent bill;
  - e. Information regarding requesting an extension of time to pay, including entering into a payment schedule for payment of the delinquent charges.
  - f. Information regarding how tenants, if the landlord is the account holder, may become direct customers of the District and assume responsibility for subsequent charges for water service.

**Exceptions to Water Service Shutoff:**

1. Water service shall not be shutoff during the time a bill is under review by the District or while an appeal is pending per District Policy 6.
2. If the account holder or resident claims that the bill has already been paid, the field service representative will ask for a receipt. If a receipt is not provided, the field service representative will leave the water on and instruct the account holder or resident to call the office. Proof of payment will need to be shown or a replacement payment made to prevent shutoff.
3. Water service shall not be shutoff if all of the following conditions apply:



- a. The account holder or tenant submits the certification from a primary care provider that discontinuation of residential service will be life threatening to or pose a serious threat to the health and safety of a resident of the premises where residential service is provided.
- b. The account holder is willing to enter into an alternative payment schedule agreement with respect to all delinquent charges and such plan is signed by the account holder within 5 days of a request or Turn Off Notice.
- c. It is demonstrated that the resident at the water service location, if the resident is the account holder, is financially unable to pay for residential service within the District's normal billing cycle. The account holder/resident shall be deemed financially unable to pay for residential service within the District's normal billing cycle if any member of the household to which water service shutoff is imminent is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the household's annual income is less than 200 percent of the federal poverty level.
  - i. Should any condition 3a, 3b, or 3c be met, the account holder/resident shall be eligible to enter into an alternative payment schedule agreement with respect to all delinquent charges, which shall not exceed 12 months from the date of the agreement. During the pendency of any such agreement, the account shall otherwise be required to remain free from additional delinquencies.
  - ii. Should any alternative payment schedule become 60 or more days delinquent or should the current water service charges become 60 days or more delinquent, the District may post a Final Turnoff Notice at the service location indicating that water service will be shutoff. The Final Turnoff Notice shall be posted no later than 5 days prior to the date of shutoff.

#### **AFTER HOURS TURN-ON AND COLLECTIONS:**

1. Turn-on and collection will be performed any time after 5:00 p.m. and before 8:00 a.m. unless:  
 On shut-off days, the on-call representative is cautioned that anyone on the shut-off list with a non-cooperative reputation that has been on the list four or more times should not be turned on after 5:00 p.m. The service representative is to use his/her own judgment. The representative has the right to make an exception to this general rule based on their experience with the consumer. The Novato Police Department or Marin County Sheriff (West Marin) should be called anytime the service representative believes an escort is warranted.
2. The answering service will advise the account holder or resident to have payment (cash or check) ready for the on-call field service representative.

3. The answering service will obtain the account holder's or resident's phone number to allow the on-call field service representative to call the account holder or resident to discuss any problem.

**TURN ON CHARGES:**

Should water service be shutoff, the following charges shall apply to restore service to the service location:

\$35.00 (Monday through Friday, 8:00 a.m.-5:00 p.m.)

\$60.00 (evenings, weekends, and holidays)

This information is communicated to the consumer by the answering service prior to dispatching an after-hours service representative.

If it is determined by either the field service representative or by the office staff that a hardship situation exists, the Turn-On Charge can be applied to the next bill.

**DISCONTINUATION OF UTILITY SERVICE FOR OTHER CUSTOMER VIOLATIONS:**

The District reserves the right to discontinue utility service for any violations of District ordinances, rules, or regulations other than nonpayment.

**OTHER REMEDIES:**

In addition to discontinuation of utility service, the District may pursue any other remedies available in law or equity for nonpayment of utility service charges, including, but not limited to: securing delinquent amounts by filing liens on real property, filing a claim or legal action, or referring the unpaid amount to collections. In the event a legal action is decided in favor of the District, the District will be entitled to the payment of all costs and expenses, including attorneys' fees and accumulated interest.


Revisions: 2002, 2006, 2013, 2020

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## MEMORANDUM

To: Board of Directors

June 12, 2020

From: Julie Blue, Auditor-Controller Subj: Approve – Novato & Recycled Water FY 20/21 Budgets  
t:\aclbudget\fy-2020.21\budget final fy 20.21\novato & rw budget adopt june 16, 2020 fy 20.21.docx**RECOMMENDED ACTION:** Approve–Novato & Recycled Water System FY 20/21 Budgets**FINANCIAL IMPACT:** Total \$25.9 Million Expenditure Plan  
Capital/Equipment/Debt Service - \$8.5 Million  
Operations - \$17.4 Million

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

To date, the Board of Directors (BOD) have reviewed financial forecasts for each service district (Novato/RW in February and March 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. Due to the COVID-19 pandemic recent Board meetings have been conducted via teleconference, and will continue in that manner while shelter in place restrictions remain in effect in Marin County. Additional information regarding accommodating public participation will be provided on the District's website at [www.nmwd.com](http://www.nmwd.com).

**Budget Review and Changes:**

The BOD first reviewed the FY 20/21 Capital Improvement Project Budget (CIP) and Equipment Budget at the May 5, 2020 meeting. The District wide budget (including CIP/Equipment) was presented at the May 19 and June 2 Board meetings, for review and Board member input. Staff review resulted in updates to the "Outstanding Debt and Additional Debt Capacity" schedule on page 12. Additional changes include corrections to the projected rate increases in the five-year financial forecasts for Novato (page 15) and RW (page 20). On these schedules the rate increases for FY 24 and FY 25 were changed from 6% to 5%, to align with the five-year rate study.

**Response to COVID-19 Customer Financial Impact:**

During the prior budget review, the BOD requested staff review options addressing the potential financial impacts of the COVID-19 pandemic to our customers. One mechanism the

District has implemented to help low income customers is the newly adopted Low Income Rate Assistance (LIRA) Program which was approved by the BOD in February 2020. The LIRA Program is effective July 1, 2020 and will provide a \$15 credit on each two-month bill. The program is available for all single-family residential customers who are low-income and also participating in Pacific Gas & Electric's (PG&E) California Alternate Rates for Energy (CARE) program.

To further support customers with financial need there is a separate item in this agenda regarding changes to the Late Charge and Shut-off policy (Policy No. 6). In summary, the proposed changes to the District's Late Payment and Shut-Off Policy would include: (1) an extension of 90 days to the suspension of disconnections, once the end date of the governor issued executive order has been established, (2) extension of the duration of payment plans to 24 months from the current 12 months as outlined in the policy (offered for the next 180 days) and (3) extension of the District's current forbearance of customer late fees through policy change for a 180 day duration.

#### **Novato Water and Recycled Water Budget Approval**

The budget totals for Novato and RW are as follows:

|                                    |                     |
|------------------------------------|---------------------|
| Capital Improvement Projects       | \$5,087,000         |
| Debt Service                       | 3,072,000           |
| Equipment                          | 330,000             |
| Transfer RW Capital Expansion Fund | 369,000             |
| Operations & Maintenance           | 7,966,000           |
| Purchased Water                    | 6,024,000           |
| Administration                     | <u>3,084,000</u>    |
| Total Novato & RW FY 20/21 Budget  | <b>\$25,932,000</b> |

**Budget/Rate Hearing Schedule:**

The budget will be approved in two phases. The first is the Novato and RW sections of the budget which is presented for approval at this meeting. The recommended action is to approve the Novato and RW Operations, Capital, and Equipment Budgets.

The next phase is listed in the budget schedule that follows. The public hearings to consider the proposed water and sewer rate increases for WM and OM will take place on June 23, 2020 via a virtual meeting<sup>(1)</sup>. The increase in the OM Sewer Service Charges, which is collected on the Property Tax roll, must be adopted by ordinance, which requires readings at two board meetings and publication twice. Once the rate increases are approved action on the respective budgets will follow.

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

| Date     | Location | Item  | Review/Approve | Rate Hearing | Status   | Service Area          |
|----------|----------|---|----------------|--------------|----------|-----------------------|
| March 3  | Novato   | Financial Plan Update (Water Rate Study Approved)                       | Review Only    |              | Complete | Novato/RW             |
| April 21 | Novato   | Financial Plan Update   | Review Only    |              | Complete | WM/OM                 |
| May 5    | Novato   | Capital Project & Equipment Budget Schedules                            | Review Only    |              | Complete | Novato/RW/WM/OM       |
| May 19   | Novato   | Operations & Maintenance and Capital Budget - District                  | Review Only    |              | Complete | Novato/RW/WM/OM       |
| June 2   | Novato   | Operations & Maintenance and Capital Budget - District                  | Review Only    |              | Current  | Novato/RW/WM/OM       |
| June 16  | Novato   | Operations & Maintenance and Capital Budget - Novato and Recycled Water | Approve        | X            | Current  | Novato/Recycled Water |
| June 23  | Pt Reyes | Operations & Maintenance and Capital Budget - West Marin Water          | Approve        | X            | Upcoming | West Marin Water      |
| June 23  | Pt Reyes | Operations & Maintenance and Capital Budget - Oceana Marin Sewer        | Approve        | X            | Upcoming | Oceana Marin Sewer    |

**Recommendation:**

Approve the Novato & Recycled Water FY 20/21 Budgets.

<sup>(1)</sup> The District annually approves rate increases and budgets for WM & OM at the Dance Palace in West Marin. Due to the pandemic the Dance Palace cancelled all events through the end of June and the meeting will be virtual.



**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 - June 16, 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.

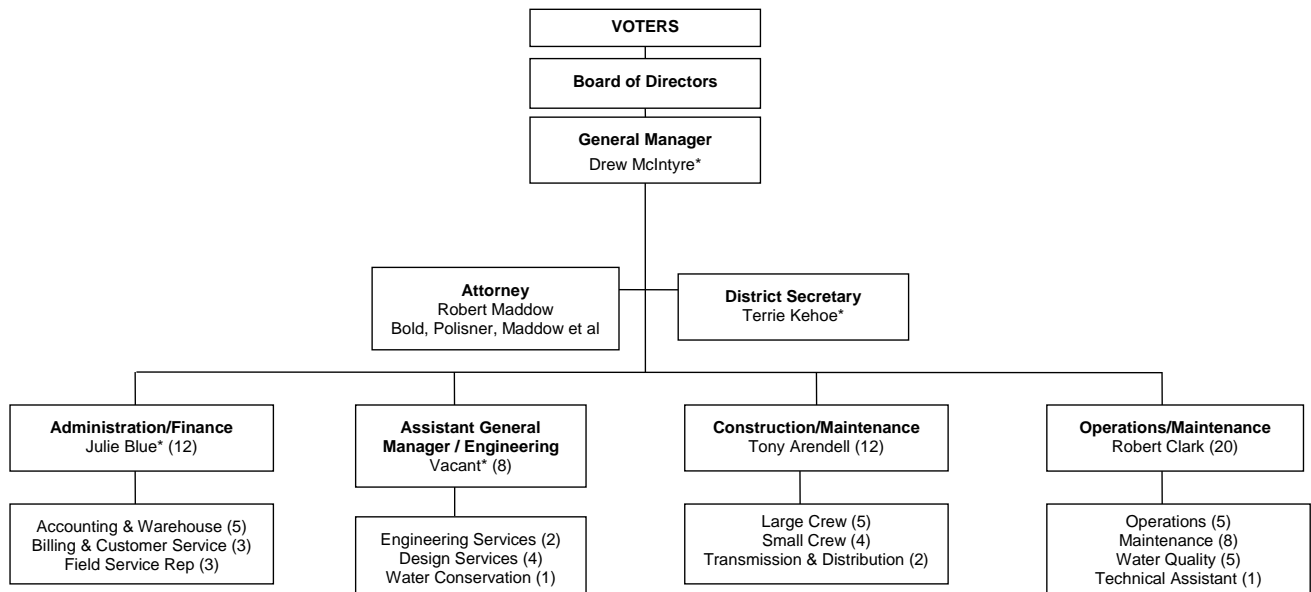


## ORGANIZATION FACT SHEET

July 2020

### Organization:

- 5 Directors elected By-Division for 4-year terms
  - Michael Joly (Division 3), President
  - James Grossi (Division 1), Vice-President
  - Jack Baker (Division 2)
  - Rick Fraites (Division 5)
  - Stephen Petterle (Division 4)
- 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.

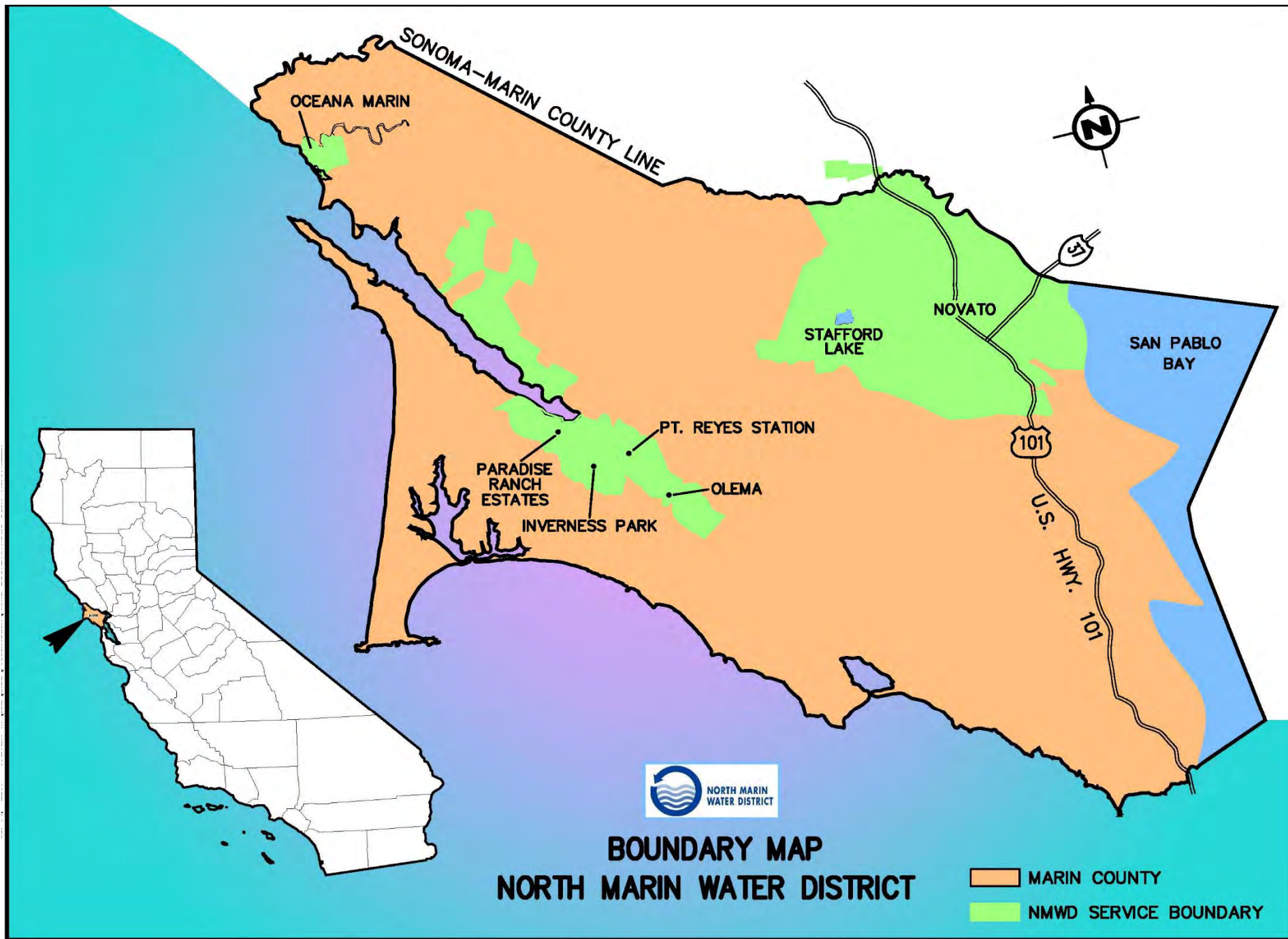


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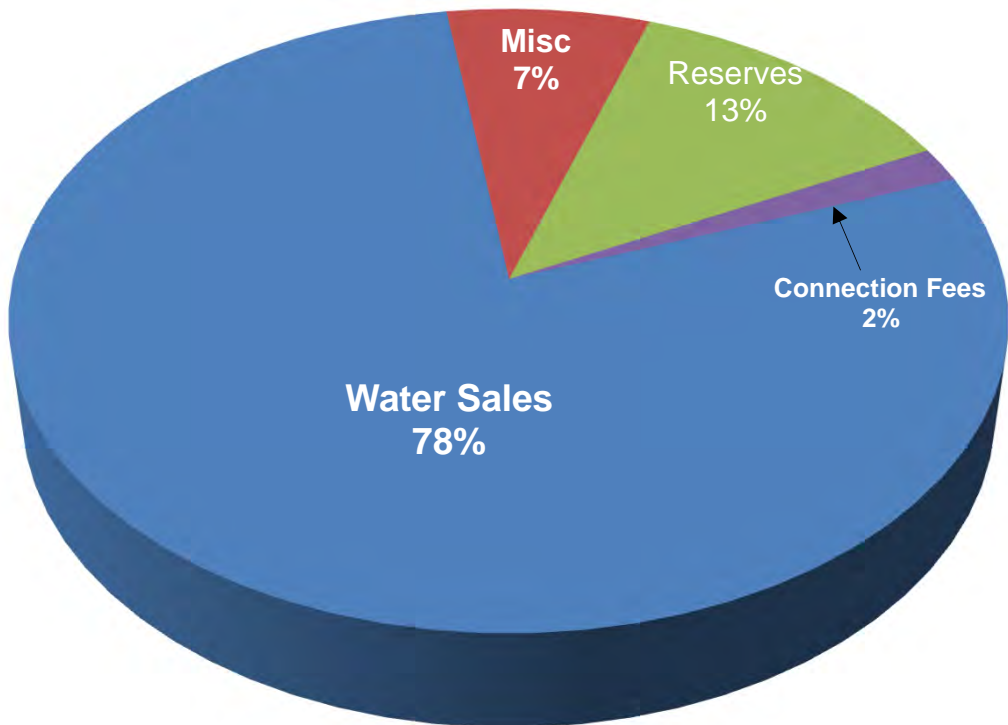
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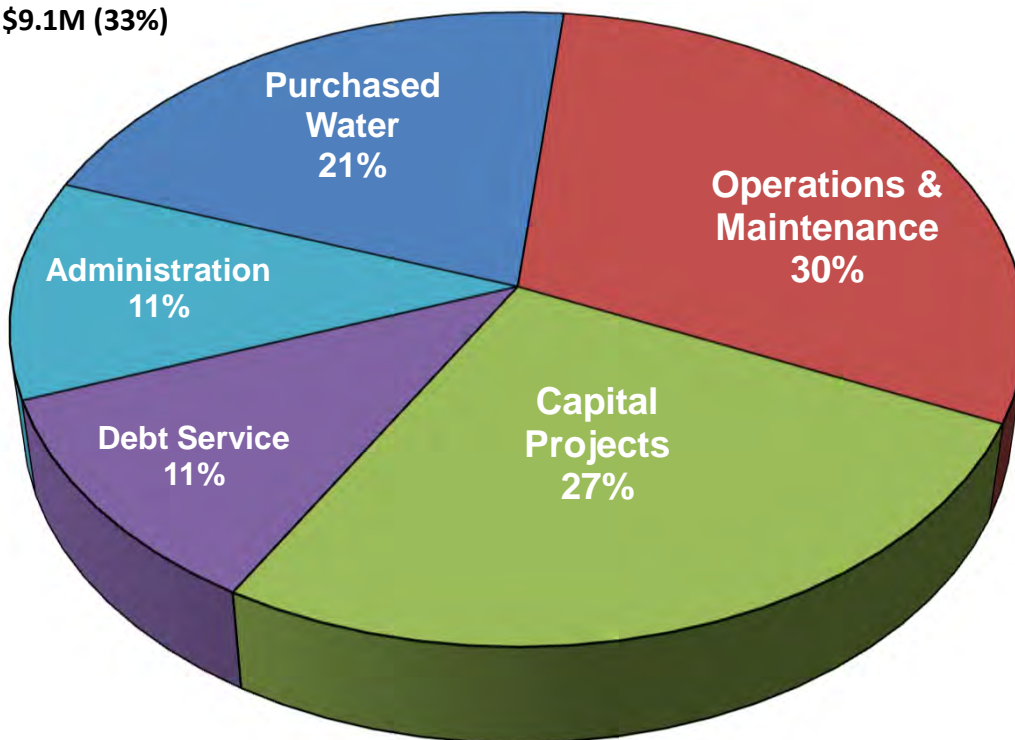
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**NORTH MARIN WATER DISTRICT**  
**FY20/21 DRAFT BUDGET - ALL SERVICE AREAS COMBINED**  
**SOURCES = \$28,545,000**



**Labor = \$9.1M (33%)**



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

Excludes Depreciation Expense & Developer Funded Costs

# NMWD DRAFT BUDGET

## Summary

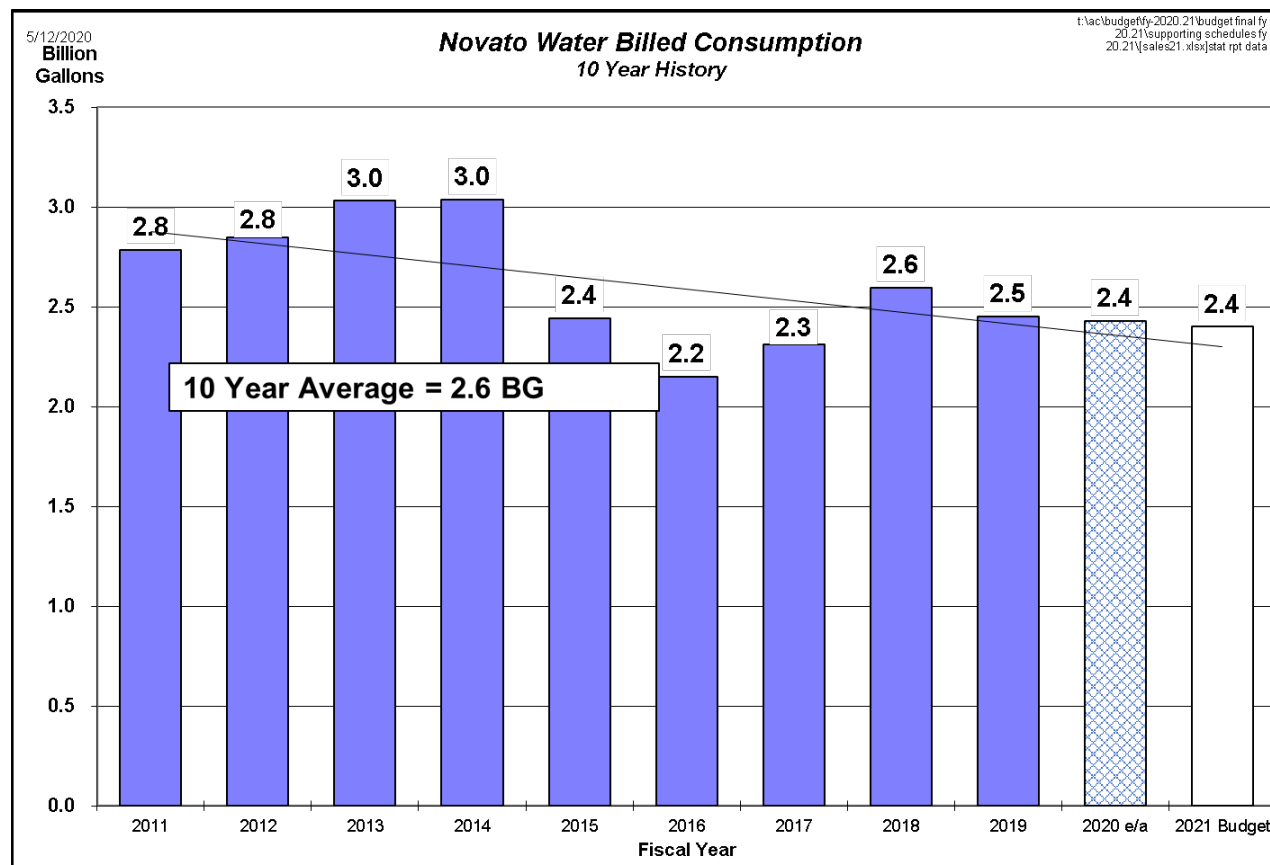
The \$28.5 million consolidated budget projects operating revenue of \$23 million and a net income of \$1.3 million. The FY 20/21 budget incorporates \$6.3 million in internally funded capital improvement projects and \$6 million in water purchases. After payment of \$3.1 million in debt service, the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

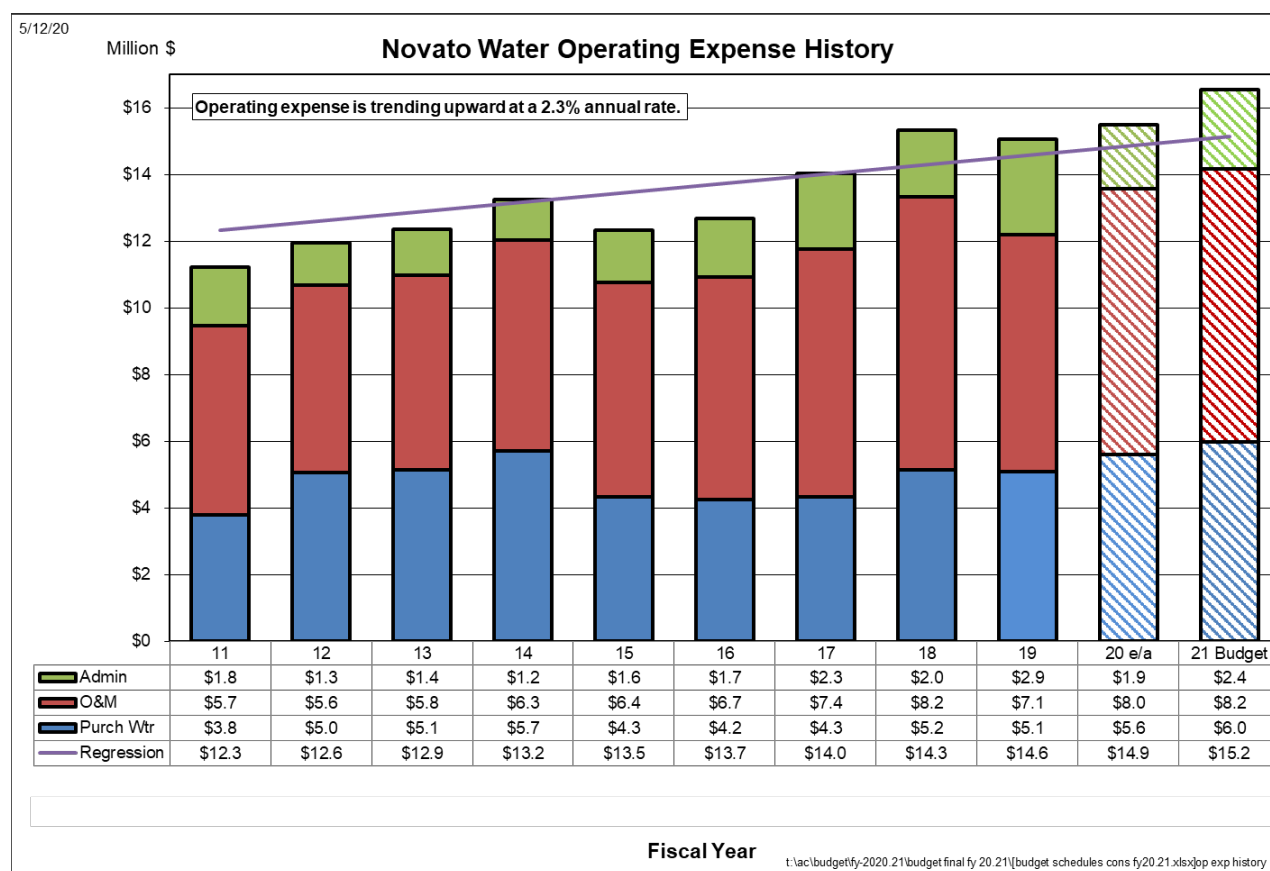
Temporary staffing budget is proposed to decrease by 425 hours from the prior year's budget to 7,480 hours. The decrease is due to a reduction in administration hours needed for assistance on special projects.

## 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

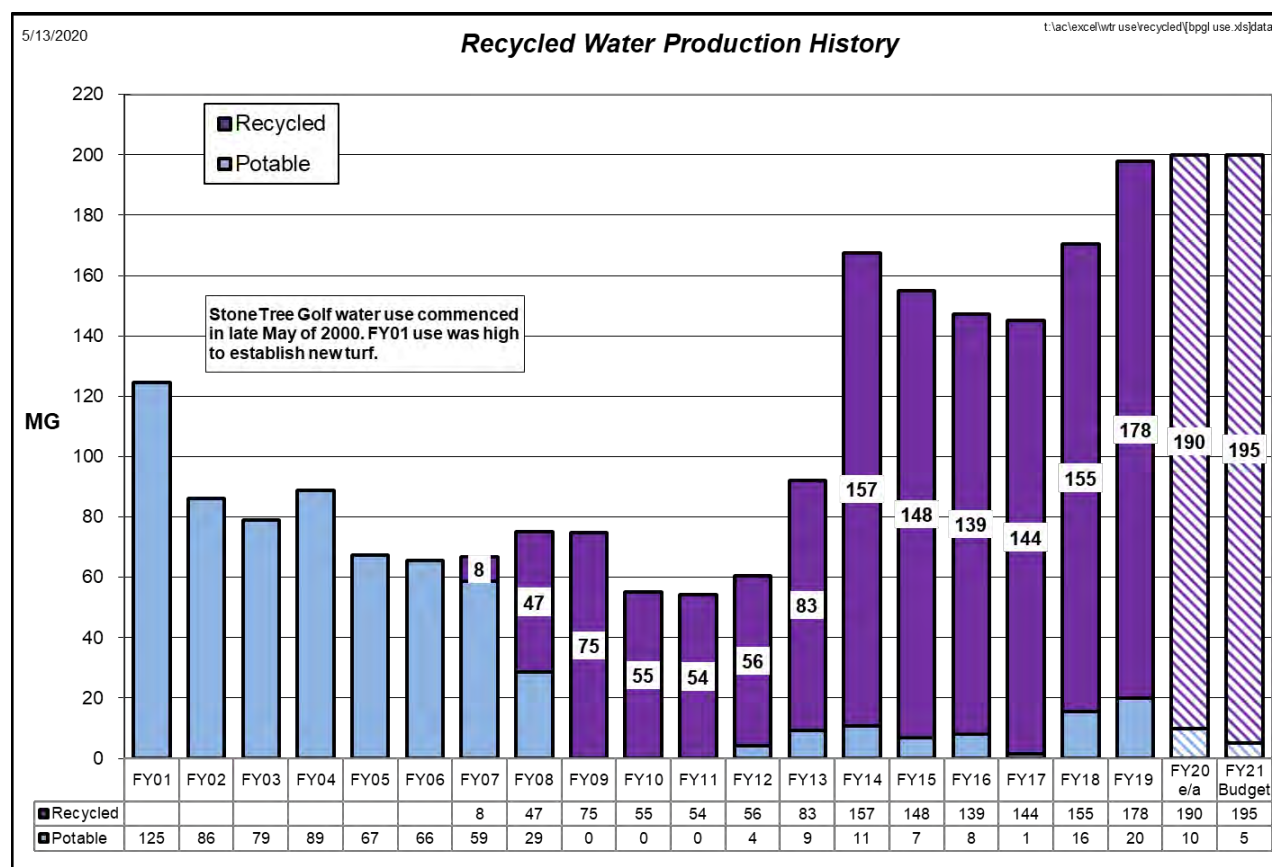
## Recycled Water

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.





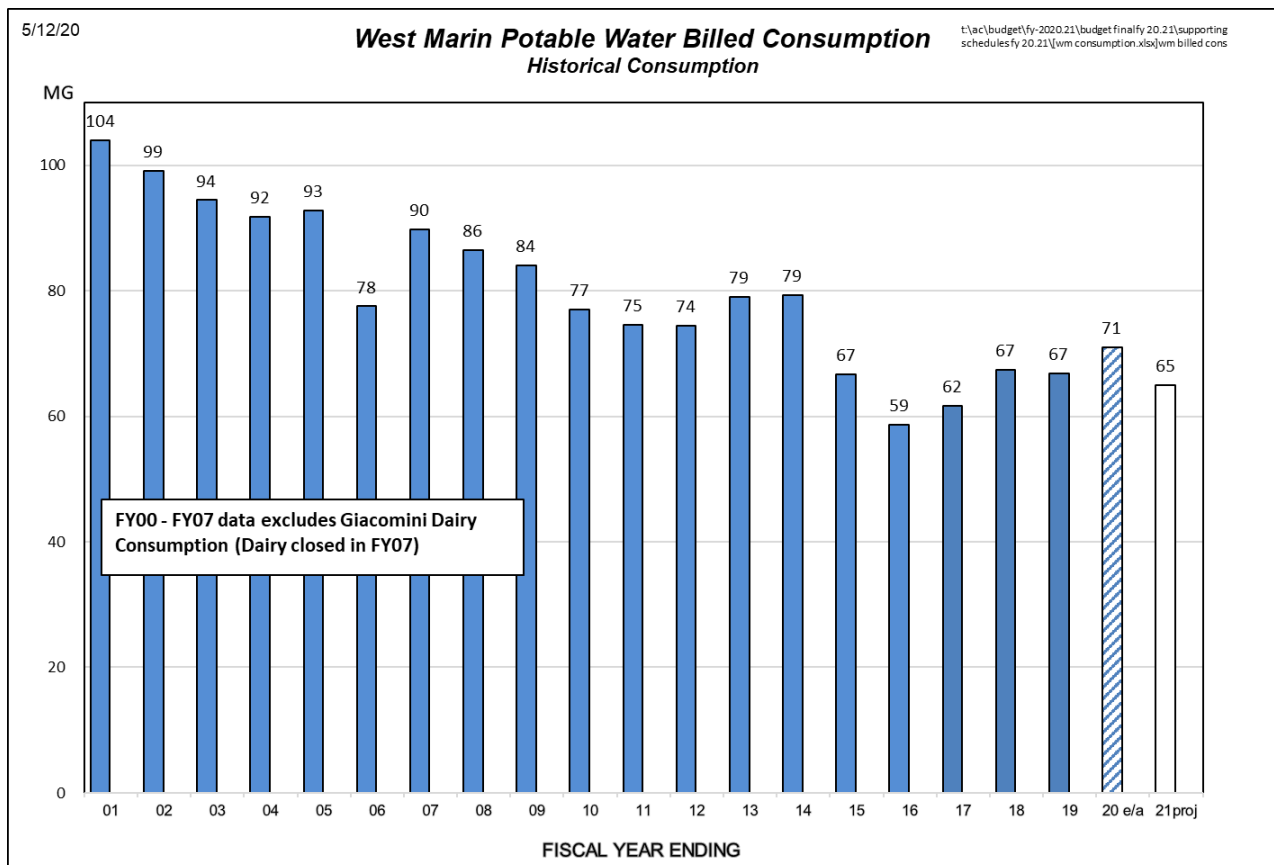
# NMWD DRAFT BUDGET

## 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.

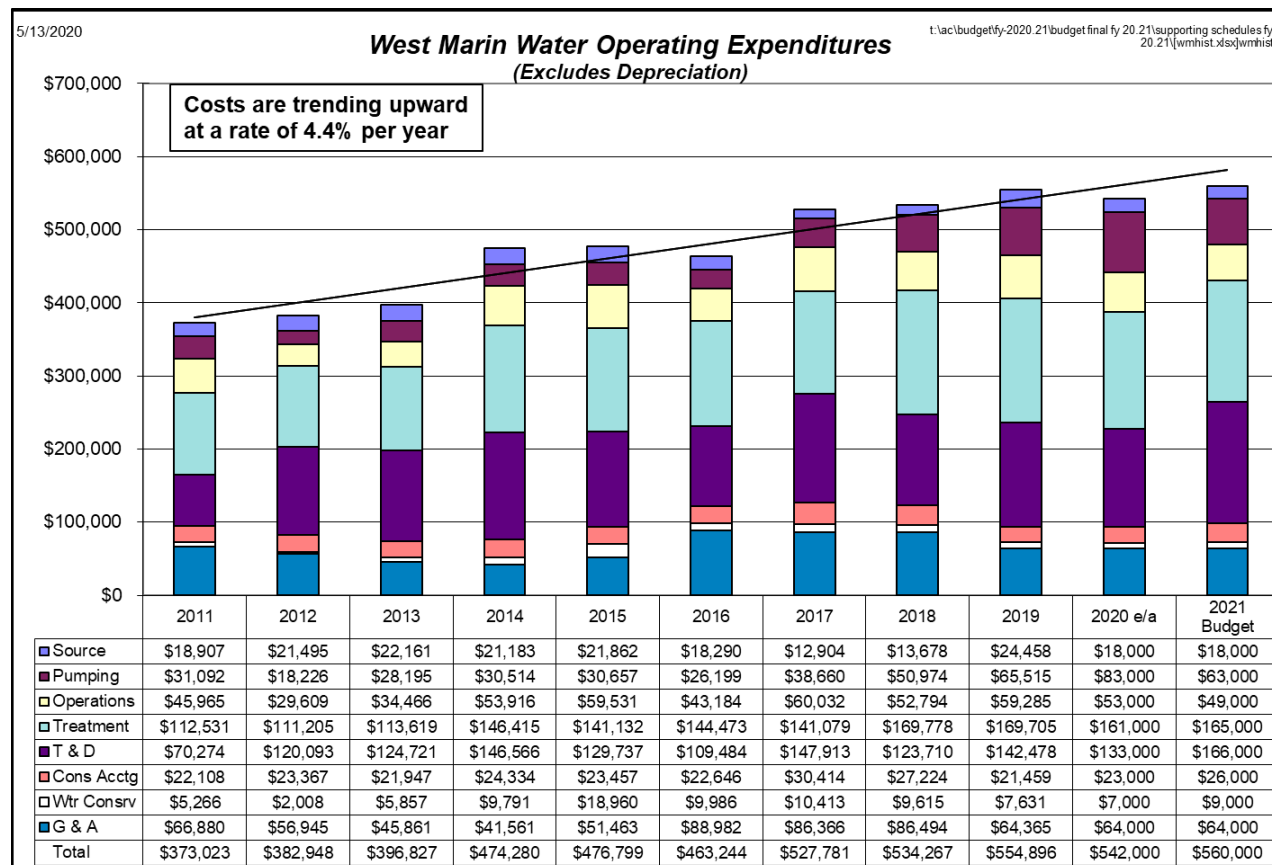
FY 20/21 water sales volume is budgeted at 65MG and is based on the average of five years of actual sales (FY 14/15-FY 18/19) adjusted for the potential impact of the declaration of water shortage emergency effective May 5, 2020. See the below chart for the historical consumption for the WM service area.



## 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

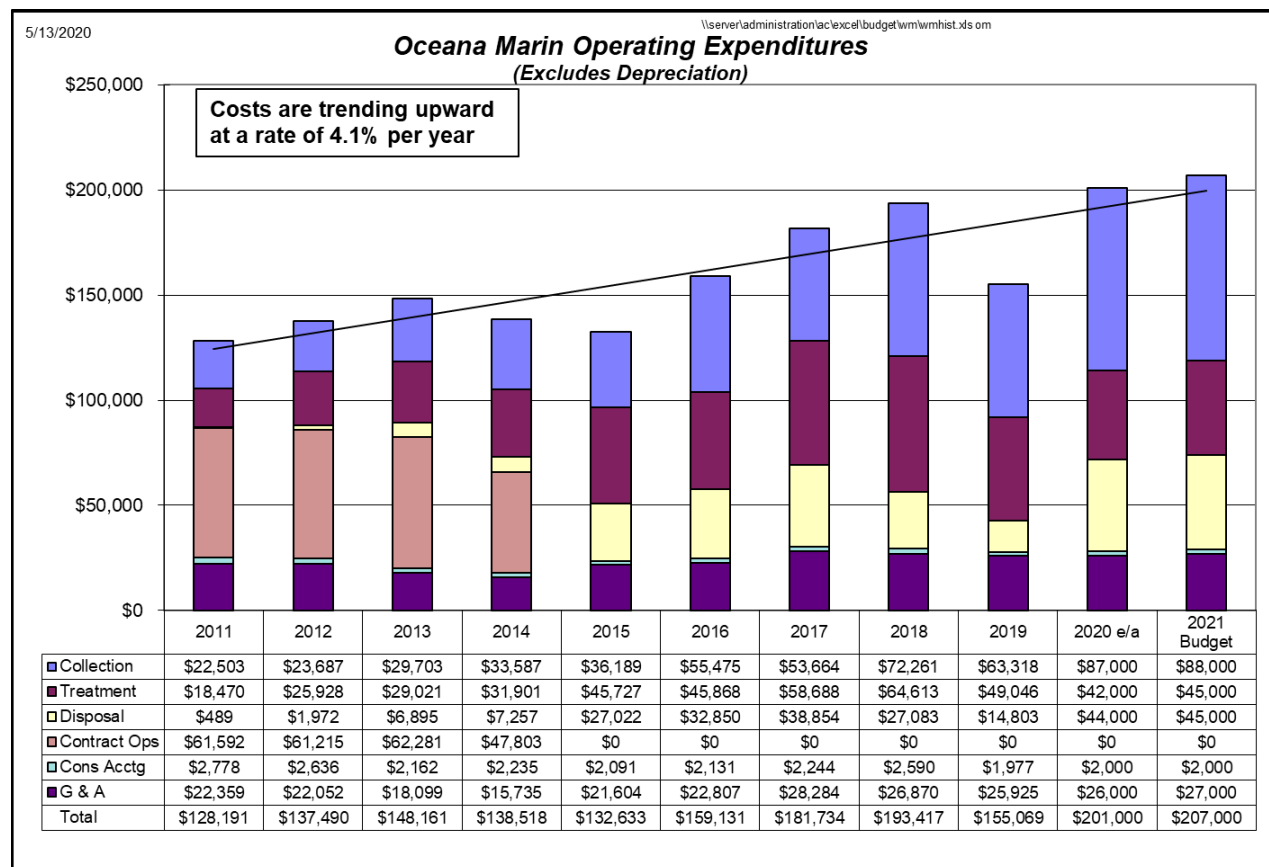
A proposed 5% increase (\$5/month - to \$1,176/year) in the Oceana Marin Sewer service charge to be effective July 1, 2020, is projected to add \$14,000 in additional annual revenue. Growth in the past three years has remained relatively stable so conservatively there are no connection fees budgeted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

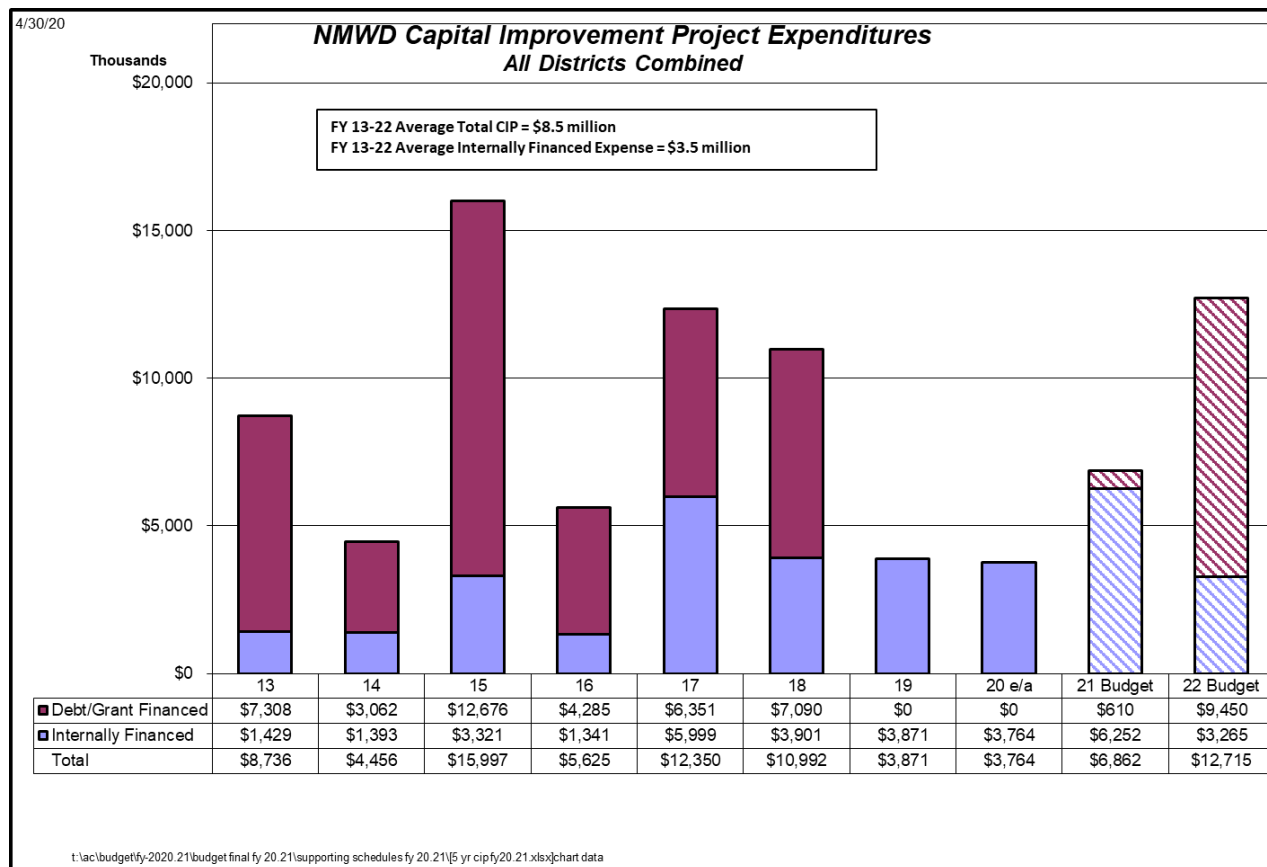
| <b><u>Project</u></b>                         | <b>FY 20/21</b>           | <b>FY 21/22</b>           | <b>Total Project Costs</b> |
|---|---------------------------|---------------------------|----------------------------|
| Office/Yard Building Refurbish                | \$1,000,000               | \$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>Net Outlay</b>                   |                                    |                                |
|------------------------|-------------------------------------|------------------------------------|--------------------------------|
| <b><u>District</u></b> | <b>Proposed<br/>FY21 &amp; FY22</b> | <b>Adopted<br/>FY20 &amp; FY21</b> | <b>Increase<br/>(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.



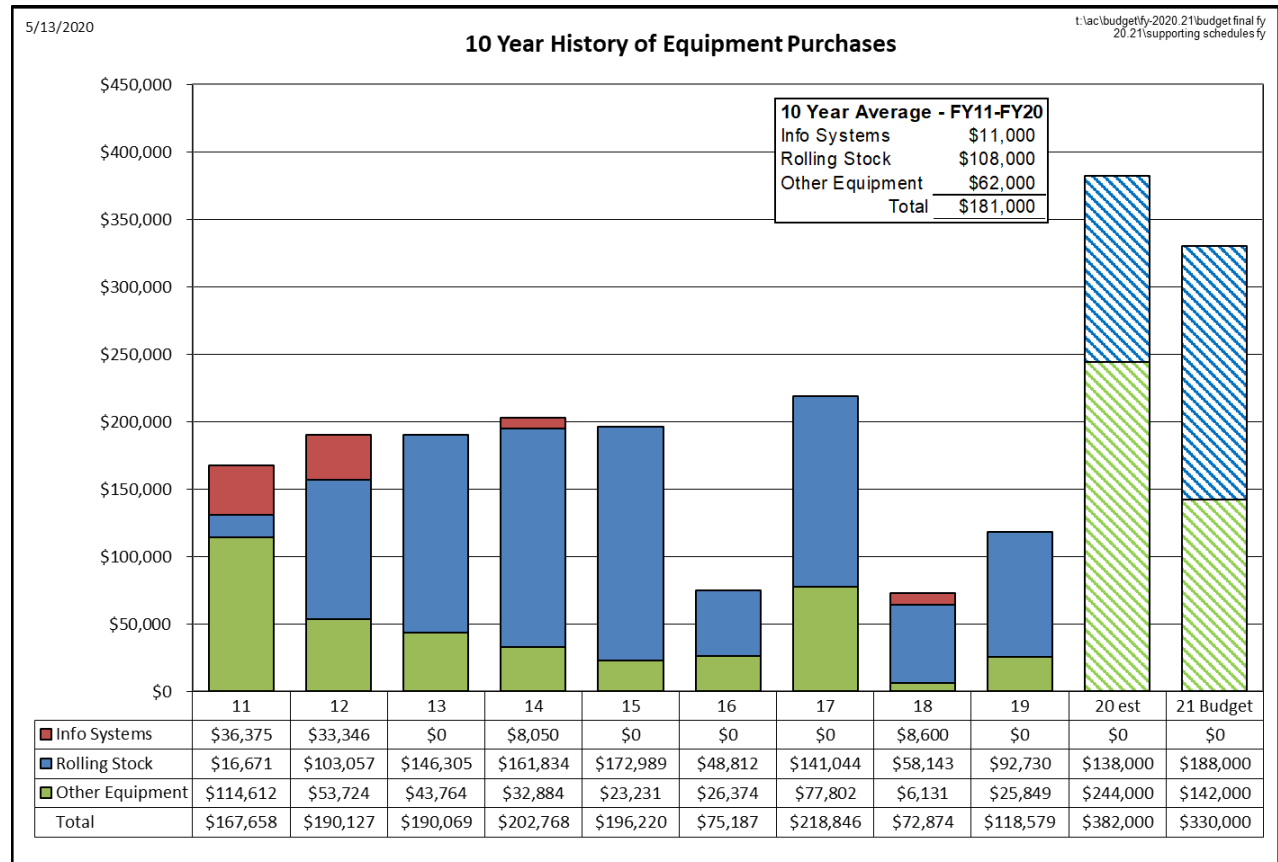
Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$3.5 million annually in internally funded projects, which is consistent with the five-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study.

## 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.



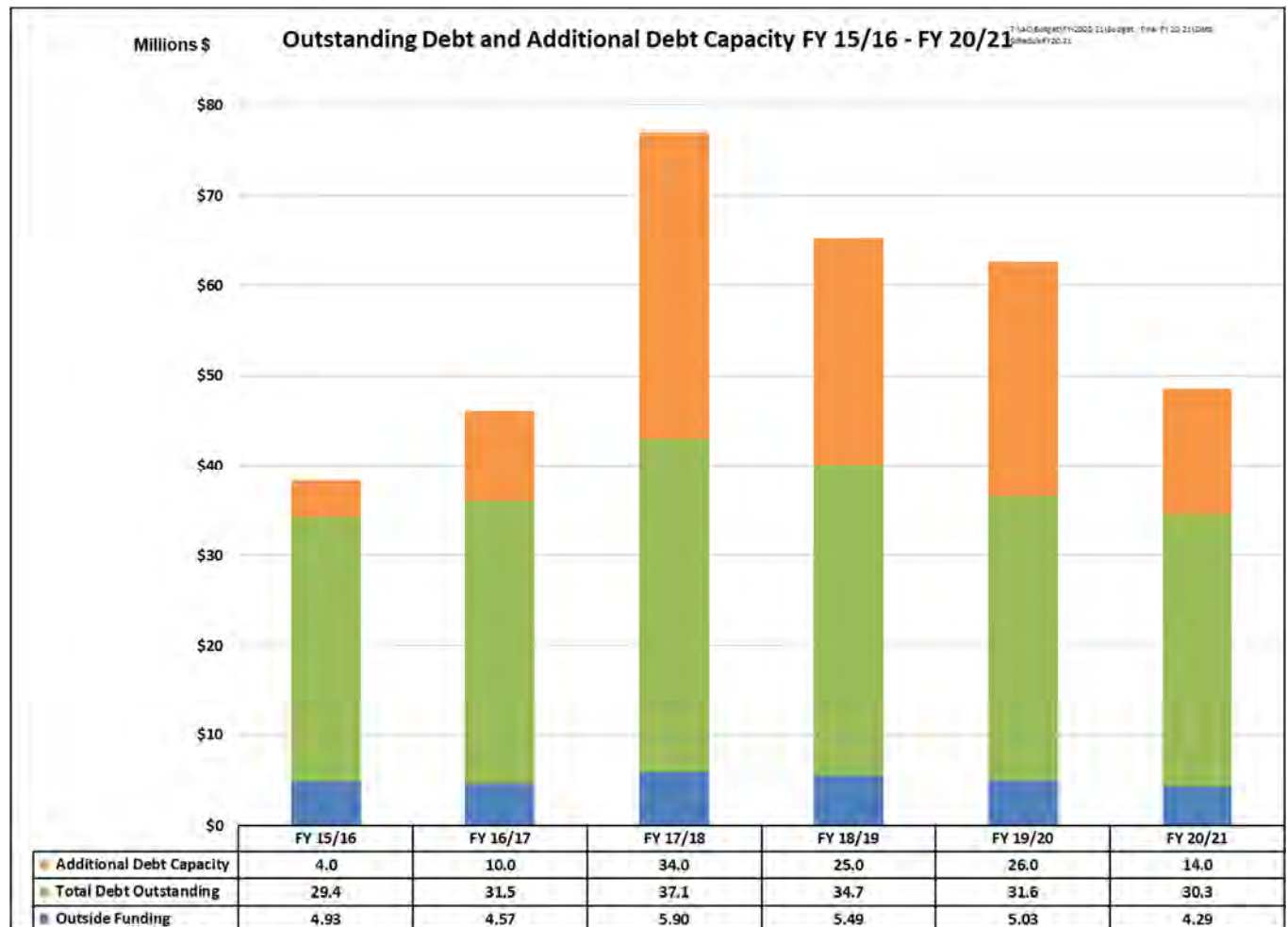
## NMWD DRAFT BUDGET

### 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>                     | \$1,950,000                             | \$1,830,000                           |
| <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><b>Proposed<br/>Budget<br/>2020/21</b></i> | <i><b>Estimated<br/>Actual<br/>2019/20</b></i> | <i><b>Adopted<br/>Budget<br/>2019/20</b></i> |
|--|---|--|--|
| <b>OPERATING INCOME</b>                        |   |  |  |
| 1 Water Sales                                  | <b>\$20,144,000</b>                           | \$19,184,000                                   | \$20,239,000                                 |
| 2 Wheeling & Misc Service Charges              | <b>365,000</b>                                | 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                             | <b>\$5,984,000</b>                            | \$5,589,000                                    | \$5,896,000                                  |
| 5 Pumping                                      | <b>497,000</b>                                | 540,000  | 384,000                                      |
| 6 Operations                                   | <b>734,000</b>                                | 888,000  | 685,000                                      |
| 7 Water Treatment                              | <b>2,432,000</b>                              | 2,362,000                                      | 2,494,000                                    |
| 8 Transmission & Distribution                  | <b>3,466,000</b>                              | 3,276,000                                      | 3,432,000                                    |
| 9 Consumer Accounting                          | <b>654,000</b>                                | 548,000  | 613,000                                      |
| 10 Water Conservation                          | <b>399,000</b>                                | 366,000  | 390,000                                      |
| 11 General Administration                      | <b>2,368,000</b>                              | 1,934,000                                      | 2,237,000                                    |
| 12 Depreciation Expense                        | <b>2,868,000</b>                              | 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                            | <b>\$150,000</b>                              | 332,000  | 150,000                                      |
| 16 Miscellaneous Revenue                       | <b>135,000</b>                                | 132,000  | 133,000                                      |
| 17 Interest Expense                            | <b>(456,000)</b>                              | (494,000)                                      | (495,000)                                    |
| 18 Miscellaneous Expense                       | <b>(20,000)</b>                               | (\$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                    | <b>\$2,868,000</b>                            | \$2,674,000                                    | \$2,788,000                                  |
| 22 Connection Fees                             | <b>486,000</b>                                | 1,446,000                                      | 340,000                                      |
| 23 Caltrans AEEP Capital Contribution          | <b>1,000</b>                                  | 13,000   | 1,000  |
| 24 MMWD AEEP Capital Contribution              | <b>205,000</b>                                | 205,000  | 205,000                                      |
| 25 Capital Equipment Expenditures              | <b>(330,000)</b>                              | (382,000)                                      | (433,000)                                    |
| 26 Capital Improvement Projects                | <b>(4,987,000)</b>                            | (2,523,000)                                    | (4,308,000)                                  |
| 27 Debt Principal Payments                     | <b>(1,451,000)</b>                            | (1,410,000)                                    | (1,410,000)                                  |
| 28 Connection Fee Transfer from (to) RWS       | <b>(794,000)</b>                              | (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>5.0%</b>              | <b>5.0%</b>              |
| 35   | <b>Median Monthly Single-Family Residential Bill</b> | <b>\$61</b>             | <b>\$65</b>              | <b>\$69</b>              | <b>\$72</b>              | <b>\$76</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**

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

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                   | \$7.40                   | \$7.77                   |
| 3                                      | Consumption (MG)                          | 200                     | 200                      | 200                      | 200                      | 200                      |
| <b>OPERATING REVENUE</b>               |   |                         |                          |                          |                          |                          |
| 4                                      | Recycled Water Sales                      | \$1,254                 | \$1,329                  | \$1,409                  | \$1,479                  | \$1,553                  |
| 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>\$1,548</b>           | <b>\$1,625</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>\$169</b>             | <b>\$231</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>\$68</b>              | <b>\$78</b>              |
| 27                                     | <b>Ending Reserve Balance</b>             | <b>\$4,683</b>          | <b>\$4,738</b>           | <b>\$4,802</b>           | <b>\$4,870</b>           | <b>\$4,948</b>           |
| 28                                     | <b>% Rate Increase<sup>1</sup></b>        | <b>6.0%</b>             | <b>6.0%</b>              | <b>6.0%</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 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**

|  | <b>Proposed<br/>Budget<br/>2020/21</b> | <b>Estimated<br/>Actual<br/>2019/20</b> | <b>Adopted<br/>Budget<br/>2019/20</b> |
|--|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                        |  |   |                                       |
| 1 Water Sales                                  | <b>\$944,000</b>                       | \$969,000                               | \$912,000                             |
| 2 Misc Service Charges                         | <b>7,000</b>                           | 7,000                                   | 7,000                                 |
| 3 <b>Total Operating Income</b>                | <b>\$951,000</b>                       | \$976,000                               | \$919,000                             |
| <b>OPERATING EXPENDITURES</b>                  |  |   |                                       |
| 4 Source of Supply                             | <b>\$18,000</b>                        | \$18,000                                | \$15,000                              |
| 5 Pumping                                      | <b>63,000</b>                          | 83,000                                  | 48,000                                |
| 6 Operations                                   | <b>49,000</b>                          | 53,000                                  | 49,000                                |
| 7 Water Treatment                              | <b>165,000</b>                         | 161,000                                 | 173,000                               |
| 8 Transmission & Distribution                  | <b>166,000</b>                         | 133,000                                 | 162,000                               |
| 9 Consumer Accounting                          | <b>26,000</b>                          | 23,000                                  | 28,000                                |
| 10 Water Conservation                          | <b>9,000</b>                           | 7,000                                   | 9,000                                 |
| 11 General Administration                      | <b>64,000</b>                          | 64,000                                  | 64,000                                |
| 12 Depreciation Expense                        | <b>188,000</b>                         | 186,000                                 | 187,000                               |
| 13 <b>Total Operating Expenditures</b>         | <b>\$748,000</b>                       | \$728,000                               | \$735,000                             |
| 14 <b>NET OPERATING INCOME (LOSS)</b>          | <b>\$203,000</b>                       | \$248,000                               | \$184,000                             |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>         |  |   |                                       |
| 15 PR-2 County Tax Allocation                  | <b>\$57,000</b>                        | \$56,000                                | \$56,000                              |
| 16 Interest Revenue                            | <b>11,000</b>                          | 73,000                                  | 38,000                                |
| 17 Bond & Loan Interest Expense                | <b>(22,000)</b>                        | (24,000)                                | (24,000)                              |
| 18 <b>Total Non-Operating Income/(Expense)</b> | <b>\$46,000</b>                        | \$105,000                               | \$70,000                              |
| 19 <b>NET INCOME/(LOSS)</b>                    | <b>\$249,000</b>                       | \$353,000                               | \$254,000                             |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>           |  |   |                                       |
| 20 Add Depreciation Expense                    | <b>\$188,000</b>                       | \$186,000                               | \$187,000                             |
| 21 Connection Fees                             | <b>23,000</b>                          | -                                       | -                                     |
| 22 Grant/Loan Proceeds                         | <b>385,000</b>                         | -                                       | -                                     |
| 23 Capital Improvement Projects                | <b>(1,485,000)</b>                     | (1,093,000)                             | (1,230,000)                           |
| 24 Bond & Loan Principal Payments              | <b>(49,000)</b>                        | (47,000)                                | (47,000)                              |
| 25 <b>Total Other Sources/(Uses)</b>           | <b>(\$938,000)</b>                     | (\$954,000)                             | (\$1,090,000)                         |
| 26 <b>CASH INCREASE/(DECREASE)</b>             | <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**

|   | <b>Proposed<br/>Budget<br/>2020/21</b> | <b>Estimated<br/>Actual<br/>2019/20</b> | <b>Adopted<br/>Budget<br/>2019/20</b> |
|---|--|---|---------------------------------------|
| <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 Sources/(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<br/>2020/21</b> | <b>Projected<br/>2021/22</b> | <b>Projected<br/>2022/23</b> | <b>Projected<br/>2023/24</b> | <b>Projected<br/>2024/25</b> |
|--|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>BASIC DATA</b>                        |                           |                              |                              |                              |                              |
| 1 Number of Connections                  | 235                       | 236                          | 236                          | 237                          | 237                          |
| 2 Monthly Service Charge                 | \$98.00                   | \$103.00                     | \$108.00                     | \$113.00                     | \$119.00                     |
| <b>OPERATING REVENUE</b>                 |                           |                              |                              |                              |                              |
| 3 Monthly Service Charge                 | \$276,000                 | \$292,000                    | \$306,000                    | \$321,000                    | \$338,000                    |
| 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>\$338,000</b>             |
| <b>OPERATING EXPENSE</b>                 |                           |                              |                              |                              |                              |
| 6 Operating Expenditures                 | \$207,000                 | \$213,000                    | \$219,000                    | \$225,000                    | \$231,000                    |
| 7 Depreciation Expense                   | 48,000                    | 53,000                       | 82,000                       | 83,000                       | 89,000                       |
| 8 <b>Total Operating Expense</b>         | <b>\$255,000</b>          | <b>\$266,000</b>             | <b>\$301,000</b>             | <b>\$308,000</b>             | <b>\$320,000</b>             |
| 9 <b>NET OPERATING INCOME</b>            | <b>\$21,000</b>           | <b>\$26,000</b>              | <b>\$5,000</b>               | <b>\$13,000</b>              | <b>\$18,000</b>              |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>   |                           |                              |                              |                              |                              |
| 10 Interest Revenue                      | \$3,000                   | \$4,000                      | \$3,000                      | \$4,000                      | \$2,000                      |
| 11 Interest Expense                      | -                         | (9,000)                      | (8,000)                      | (7,000)                      | (21,000)                     |
| 12 OM-1/OM-3 Tax Allocation              | 61,000                    | 62,000                       | 63,000                       | 64,000                       | 65,000                       |
| 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>\$46,000</b>              |
| # <b>Net Income</b>                      | <b>\$85,000</b>           | <b>\$83,000</b>              | <b>\$63,000</b>              | <b>\$74,000</b>              | <b>\$64,000</b>              |
| <b>OTHER SOURCES/(USES)</b>              |                           |                              |                              |                              |                              |
| 15 Add Depreciation Expense              | \$48,000                  | \$53,000                     | \$82,000                     | \$83,000                     | \$89,000                     |
| 16 Connection Fees                       | -                         | 30,000                       | -                            | 30,000                       | -                            |
| 17 Capital Improvement Projects          | (290,000)                 | (1,740,000)                  | (40,000)                     | (340,000)                    | (440,000)                    |
| 18 Grant/Loan Proceeds                   | 225,000                   | 1,450,000                    | -                            | -                            | 400,000                      |
| 19 Debt Principal Payments               | -                         | -                            | (9,000)                      | (9,000)                      | (24,000)                     |
| 20 <b>Total Other Sources/(Uses)</b>     | <b>(\$17,000)</b>         | <b>(\$207,000)</b>           | <b>\$33,000</b>              | <b>(\$236,000)</b>           | <b>\$25,000</b>              |
| 21 <b>Cash Increase/(Decrease)</b>       | <b>\$68,000</b>           | <b>(\$124,000)</b>           | <b>\$96,000</b>              | <b>(\$162,000)</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>\$286,000</b>             |
| <b>% Rate Increase<sup>1</sup></b>       | <b>5.0%</b>               | <b>5.0%</b>                  | <b>5.0%</b>                  | <b>5.0%</b>                  | <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    |   |
|           | TOTAL PIPELINE REPLACEMENTS/ADDITIONS                           | \$1,730,000 | \$1,535,000 |   |

**CAPITAL IMPROVEMENT PROJECTS**

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|           |   | FY21        | FY22        | FY21 Project Description  |
|-----------|---|-------------|-------------|---|
| 2.        | SYSTEM IMPROVEMENTS                             |             |             |   |
| 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   |   |
|           | TOTAL SYSTEM IMPROVEMENTS                       | \$245,000   | \$310,000   |   |
| 3.        | BUILDING, YARD, STP IMPROVEMENTS                |             |             |   |
|           | 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   |   |
|           | TOTAL BUILDING, YARD, STP IMPROVEMENTS          | \$1,507,000 | \$7,195,000 |   |

**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.        | WEST MARIN WATER SYSTEM                               |                    |                    |  |
| 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          |  |
|           | TOTAL WEST MARIN WATER SYSTEM PROJECTS                | <u>\$1,485,000</u> | <u>\$1,040,000</u> |  |
| 7.        | OCEANA MARIN SEWER SYSTEM                             |                    |                    |  |
| 8.8672.28 | a. Infiltration Repair (Manhole Relining)             | \$40,000           | \$40,000           | Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system.  |
| 8.7085.02 | 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.                          |
|           | TOTAL OCEANA MARIN SEWER SYSTEM PROJECTS              | <u>\$290,000</u>   | <u>\$1,740,000</u> |  |

**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          |                          |
| GROSS PROJECT OUTLAY   | <u>\$6,862,000</u> | <u>\$12,715,000</u>  |                          |
| LESS FUNDED BY LOANS/GRANTS/OTHER                            |                    |                      |                          |
| 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)        |                          |
| TOTAL LOAN/GRANT FUNDS                                       | <u>(\$610,000)</u> | <u>(\$9,450,000)</u> |                          |
| <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            |                          |
| NET PROJECT OUTLAY   | <u>\$6,252,000</u> | <u>\$3,265,000</u>   |                          |
| 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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|  | FY21        | FY22        | FY21 Project Description |
|--|-------------|-------------|--------------------------|
| <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   |                          |
|  | \$1,908,000 | \$2,467,000 |                          |
| <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   |                          |
|  | \$1,164,000 | \$1,114,000 |                          |
| <b>WEST MARIN WATER DEBT SERVICE</b>         |             |             |                          |
| i. TP Solids Handling Bank Loan              | \$71,000    | \$71,000    |                          |
|  | \$71,000    | \$71,000    |                          |
| <b>OCEANA MARIN SEWER DEBT SERVICE</b>       |             |             |                          |
| j. CIP Financing                             | -           | \$18,000    |                          |
|  | \$0         | \$18,000    |                          |
| <b>TOTAL DEBT SERVICE</b>                    |             |             |                          |
|  | \$3,143,000 | \$3,670,000 |                          |
| <b>NET PROJECT OUTLAY &amp; DEBT SERVICE</b> |             |             |                          |
|  | \$9,395,000 | \$6,935,000 |                          |

**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".  |
|   |                                    | <b>\$142,000</b>  |   |
| <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.             |
|   |                                    | <b>\$188,000</b>  |   |
| <b>Total</b>  |                                    | <b>\$330,000</b>  |   |

|               | 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          |
|               | <b>\$433,000</b>  | <b>\$382,000</b>    | <b>\$330,000</b>   |

**14**

## MEMORANDUM

To: Board of Directors

June 12, 2020

From: Julie Blue, Auditor-Controller JB

Subj: Oceana Marin Sewer Service Charge Increase Ordinance – First Reading  
(Introduction of Ordinance and Waive Reading of Ordinance)

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**RECOMMENDED ACTION:** Approve Reading of Proposed Ordinance – (Read title only)**FINANCIAL IMPACT:** None at this time

Pursuant to Health and Safety Code Section 5471(a), collecting the Oceana Marin Sewer Service Charge on the property tax roll requires action by ordinance rather than resolution. The ordinance must be read at two consecutive Board meetings (Attachment 1).

To provide adequate time for the County to post the sewer service charge on the property tax bills before they are mailed in October, the first reading of the Ordinance should occur at the Board's June 16 meeting. The second reading authorizing enactment of the proposed charge would then be adopted at the conclusion of the public hearing via virtual meeting at the June 23 meeting, and the Board will be asked to approve changes to Regulation 109c, Oceana Marin Sewer Service – Rates and Charges, at that time (draft revisions to Regulation 109 are shown on Attachment 2).

The sewer service fee increase to \$98 per month is proposed to be effective July 1, 2020. The fiscal year 20/21 fee would total \$1,176 (\$98 x 12) per dwelling unit.

**Recommended Action:**

Approve reading of proposed Ordinance No. 40 – (read title only).

**ORDINANCE NO. 40**

**ORDINANCE OF THE BOARD OF DIRECTORS OF  
NORTH MARIN WATER DISTRICT  
ELECTING TO HAVE OCEANA MARIN SEWER CHARGES BE COLLECTED ON THE TAX  
ROLL OF THE COUNTY OF MARIN, STATE OF CALIFORNIA  
COMMENCING FISCAL YEAR 2020-21**

---

Section 1. The Board of Directors hereby finds, determines and declares as follows:

- a. The District has previously developed and instituted a Sewer Service Charge Program to finance the services and facilities furnished by the District in its Improvement Districts No. OM-1 and OM-3 which are herein referred to as Oceana Marin; and
- b. The Board of Directors has reviewed the present sewer service charge and has determined that the sewer service rate should be \$1,176 per equivalent dwelling unit for fiscal year 2020-21;

Section 2. In adopting this Ordinance, the Board of Directors finds that:

- a. Written notices of the proposed increase in the sewer service charge were sent by first class U.S. mail to every customer in Improvement Districts No. OM-1 and OM-3 prior to the Public Hearing conducted on June 23, 2020 to consider said report and rate increase effective July 1, 2020.
- b. The District prepared and filed a sewer service charge report with the District Secretary.
- c. On June 11, 2020 and June 18, 2020, the District Secretary published a notice of Public Hearing and of the filing of said report in the Point Reyes Light, a newspaper of general circulation printed and published in the County.
- d. At the Public Hearing conducted on June 23, 2020, all written protests against the proposed increase in the sewer service charge, including those provided in person, by facsimile, email and U.S. mail, were considered and tallied, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.
- e. The amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only

imposed on those properties actually receiving service or for those which service is immediately available.

- f. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1-4) of the District CEQA Guidelines.

Section 3. Section c. of that certain Regulation entitled "Regulation 109 – Oceana Marin Sewer Service – Rates and Charges," passed by the Board of Directors of the North Marin Water District on June 21, 1977, as amended, and attached as Exhibit 1 hereto, is hereby amended to read as follows and is hereby adopted:

"c. Sewer Service Rate

For Fiscal Year 2020-21, a sewer service rate of \$1,176 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner."

Section 4. The District does hereby elect, pursuant to Section 5473 of the Health and Safety Code of the State of California, to have the sewer service charge, pursuant to its Regulation 109, passed and adopted by the Board of Directors of the North Marin Water District on June 21, 1977, as amended, collected on the tax roll of the County of Marin, State of California, in the manner pursuant to Sections 5471 through 5473.11 of the Health and Safety Code of the State of California.

Section 5. The Secretary shall cause this ordinance to be published in the manner described in Section 31105 of the Water Code.

Section 6. The Secretary of North Marin Water District is hereby directed to file a copy of said report with the Treasurer-Tax Collector of Marin County on or before July 15, 2020, upon which shall be endorsed, over the Secretary's signature, a statement that the report has been adopted by the Board of Directors of the North Marin Water District.

Section 7. The Treasurer-Tax Collector of Marin County shall, upon receipt of said report,

enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2020-2021.

\* \* \* \* \*

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 23rd day of June 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Theresa Kehoe, Secretary  
North Marin Water District

(SEAL)



**RESOLUTION 20-XX  
REVISION OF NORTH MARIN WATER DISTRICT  
REGULATION 109  
OCEANA MARIN SEWER SERVICE - RATES AND CHARGES**

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BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 109c of the North Marin Water District is adopted as follows, effective forthwith:

c. Sewer Service Rate

For Fiscal Year 2020-21, a sewer service rate of \$1,176 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner.

\* \* \* \* \*

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the twenty-third day of June, 2020, by the following vote:

AYES:  
ABSENT:  
ABSTAINED:

NOES:


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Theresa Kehoe, District Secretary  
North Marin Water District

(SEAL)

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## MEMORANDUM

To: Board of Directors  
From: Pablo Ramudo, Water Quality Supervisor   
Subject: FY 19/20 Third Quarter Progress Report – Water Quality  
p:\lab\wq supv\wq reports\2020\3rd qtr fy20 wq rpt.doc

June 12, 2020

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

Water served to the communities of Novato and Point Reyes met all federal and state primary and secondary water quality standards during the third quarter of fiscal year 2019/2020

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

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

**NOVATO SYSTEM****Source Water: Stafford Lake**

Stafford Lake was not used as a source of drinking water during the Third quarter of fiscal Year 2019/2020. Water quality was monitored on a bi-weekly basis for chemical and mineral components as well as microbiological activity.

Algae and plankton from the raw water intake were identified and enumerated. Total algae numbers were moderate. Eight genera were present in appreciable numbers including five genera of cyanobacteria.

**Treatment Performance: Stafford Treatment Plant**

Stafford Treatment plant was off during this quarter.

**Distribution System: Novato**

Of the 234 routine samples collected for compliance with the Total Coliform Rule, there were no samples with coliform bacteria present. Chlorine residual concentrations throughout our distribution system were adequate to ensure constant disinfection and average disinfection by-product concentrations were moderate and typical.

The annual flushing program targeted zone 1 from January 13<sup>th</sup> to March 4<sup>th</sup>. Flushing is performed on water mains throughout the system to clear sediment that can accumulate and cause discolored water complaints during instances of peak flow.

## **POINT REYES SYSTEM**

### **Source Water: Coast Guard Wells**

Raw water quality was good throughout the quarter. Water quality parameters affected by salt water were elevated, but decreased significantly through the quarter thanks in part to flushing at the well heads and rain-fed recharge of the aquifer. The sodium concentration dropped from 182 to 59 mg/L, chloride concentration decreased from 660 to 86 mg/L, and bromide dropped from 2.4 to 0.30 mg/L. Hardness fell from 744 to 117 mg/L.

### **Source Water: Gallagher Well**

Gallagher well was used as a source of water during the quarter. Water quality parameters affected by saltwater are very low from this source and are not prone to intrusion from seawater. Sodium concentration remained steady at around 10 mg/L, chloride at 12-14 mg/L, bromide at 0.061-0.067 mg/L, and hardness from 111-120 mg/L.

### **Treatment Performance: Point Reyes Treatment Plant**

Treatment was optimal throughout most of the quarter and finished water quality was good. Iron and manganese were not detected in treated water.

Water was primarily sourced from Gallagher Well which was supplemented seldomly with water from the Coast Guard wells, primarily following a backwash of the filters. Water from the two sources, when called for, is blended prior to treatment.

### **Distribution System: Point Reyes**

Of 23 routine samples collected for compliance with the Total Coliform Rule, none were positive for coliform bacteria this quarter. Chlorine residual concentrations throughout our distribution system were good.

Disinfection byproducts were moderate during the quarter- as water from Gallagher well with a low concentration of bromide was able to fulfill the system's demands for this time period.

## **NOVATO RECYCLED WATER**

### **Deer Island Recycled Water Facility**

The Deer Island plant did not produce water during the quarter.

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## North Bay Watershed Association

Board Meeting Notice

### June 5th, 2020

Zoom call

Next Meeting

July 10th, 2020

## Board Meeting Agenda

### 1. Call to Order 9:30 am

*Jack Gibson, Chair*

*Zoom reminders – Judy/SFEI*

### 2. Public Comment

### 3. Approval of Agenda 1 min.

*Proposed Action: Approve*

### 4. Approval of May Summary 1 min.

*Proposed Action: Approve*

### 5. Treasure's Report 1 min.

*Proposed Action: Accept*

### Water Flows for Fish and People 9:45 am

#### 6. Bryan McFadin, Sen. Water Resources

*Engineer, NCRWQCB*

*Gregory Andrew, Fisheries Program Mgr.*

*MMWD*

Bryan will provide an overview of State planning efforts underway to enhance and protect instream flows. Greg will talk about the flow rules in place for MMWD watersheds and the results so far of MMWD's actions.

### 7. Potter Valley Project Status 10:45 am

*Pam Jeane, Assistant Manager, Sonoma Water*

Pam will review the flow requirements on the Russian River and update the Board on the Potter Valley Project with its goal to enhance project benefits for fish, farms and communities.

### 8. Adjourn 11:30 am

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**DISBURSEMENTS - DATED JUNE 4, 2020****Item #17**

Date Prepared 6/2/20

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:

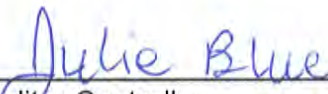
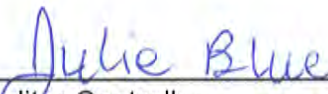
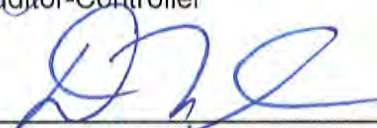
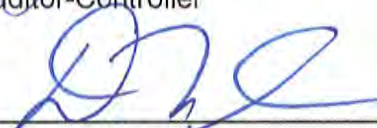
| Seq    | Payable To                   | For  | Amount     |
|--------|------------------------------|--|------------|
| *90284 | US Bank Card                 | Antenna Mounts for Fleet (\$202), Prescription Safety Glasses (\$268), Windshield Repair & Replacement ('19 Nissan Rouge) (\$1,012), Generator Plug for Generator (\$396), Monthly Zoom Fee (\$13), Retirement Book for Employee (\$49), Fastrak Fee (\$25), Seminar on "Assertiveness Skills for the Receptionist" (\$99) (Less Credit of \$232 for Returned Merchandise) | \$1,831.50 |
| 1      | Arrow Benefits Group         | May Dental Admin Fee   | 271.20     |
| 2      | AT&T                         | May Internet Connection  | 96.30      |
| 3      | AT&T                         | Telephone (\$62), Fax (\$82), Leased Lines (\$140) & Data (\$277)  | 561.20     |
| 4      | Automation Direct            | Programmable Logic Control Screens & Cables  | 425.32     |
| 5      | Bernstein, Sam               | Refund Overpayment on Open Account   | 177.15     |
| 6      | Bold & Polisner              | April Legal Fees - General (\$3,381) & Potter Valley - FERC (\$1,596)  | 4,977.00   |
| 7      | Borges & Mahoney             | Preventative Maintenance Kit for Chlorine Flowmeters (STP)   | 242.86     |
| 8      | Calif Dept of Wtr Resources  | FY21 Annual Dam Fees   | 18,498.00  |
| 9      | Cummings Trucking            | Rock (33 yds) (\$3,067) & Sand (48 yds) (\$1,445)  | 4,512.12   |
| 10     | Enterprise FM Trust          | May Monthly Lease Charges for Chevy Colorado, F250's (2), Nissan Rogues (2), Nissan Frontier & F150's (2)  | 7,070.01   |
| 11     | Friedman's Home Improvement  | Generator Quick Connects (3)   | 27.72      |
| 12     | Garret Medeiros Construction | Mowing of Oceana Marin Leach Field   | 1,400.00   |
| 13     |                              | Vision Reimbursement   | 17.47      |



| Seq | Payable To                    | For   | Amount     |
|-----|-------------------------------|---|------------|
| 14  | Grainger                      | Receptacles for Generator Quick Connect (3) (\$351), Hitch Pins (5), Hitch Locks (6) (\$361), Hitches for Fleet (8) (\$625), Lubricant (3), Mixing Buckets (5), Receptacle Covers for Generator Quick Connects (3) (\$51), Ceiling Tiles (8) (\$80), Spray Bottles (12), Lock Out Kits for Elect/Mechanical (2) (\$376) & Pressure Regulator & Gauge for Shop (\$136) | 2,099.17   |
| 15  | HERC Rentals                  | Purchase of Light Towers (2) for PSPS Events  | 8,660.00   |
| 16  |                               | Vision Reimbursement  | 189.70     |
| 17  | Manzoni, Alicia               | District Contribution Toward Cost of Retirement Party per Board Policy #29  | 200.00     |
| 18  | POA of Novato Heights         | 2020 Dues (Budget \$200) (1/20-12/20)   | 200.00     |
| 19  | Point Reyes Light             | Legal Notice: Notice of Public Hearing, Declaration of a Water Shortage Emergency (W.M.) on 04/30 & 5/4/20  | 306.00     |
| 20  | Prunuske Chatham              | Prog Pymt#7: Leveroni Rd Culvert Stabilization Project (Balance Remaining on Contract \$19,893)   | 3,460.00   |
| 21  | Quadient                      | June Postal Meter Rental  | 143.09     |
| 22  | Recology Sonoma Marin         | May Trash Removal   | 510.80     |
| 23  | Sigma Pneumatics              | Jack Hammer Parts   | 182.26     |
| 24  | Sonoma County Tree Experts    | Trim Eucalyptus & Live Oak Trees @ Driveway (PRTP)  | 3,600.00   |
| 25  | Staples Business Credit       | Misc Office Supplies  | 91.74      |
| 26  | State Water Resources Control | Clean Water SRF Loan Principal & Interest-RW North Seg 3 (Pymt #8 of 20) (\$96,153) & RWF SRF Loan Principal & Interest (Pymt#13 of 20) (\$273,367)   | 369,520.07 |
| 27  | Syar Industries               | Asphalt (6 tons)  | 983.89     |
| 28  | Thatcher of California        | Ferric Chloride (8 tons) (STP)  | 6,323.56   |
| 29  | Township Building Services    | April Janitorial Service & Supplies   | 2,215.48   |
| 30  | Univar                        | Sodium Hypochlorite (200 gal) (PRTP)  | 465.02     |

| Seq                        | Payable To       | For                         | Amount                     |
|----------------------------|------------------|-----------------------------|----------------------------|
| 31                         | Waste Management | Green Waste Disposal        | 379.80                     |
| 32                         | Winzer           | Concrete Cutting Blades (2) | 98.93                      |
| <b>TOTAL DISBURSEMENTS</b> |                  |                             | <b><u>\$439,737.36</u></b> |

The foregoing payroll and accounts payable vouchers totaling \$439,737.36 are hereby approved and authorized for payment.

|   |   |
|---|---|
| <br>Auditor-Controller | <br>Date |
| <br>General Manager    | <br>Date |

## ***DISBURSEMENTS - DATED JUNE 11, 2020***

Date Prepared 6/9/20

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 5/31/20   | \$151,805.60 |
| EFT* | Internal Revenue Service      | Federal & FICA Taxes PPE 5/31/20  | 68,507.70    |
| EFT* | State of California           | State Taxes & SDI PPE 5/31/20   | 14,717.06    |
| EFT* | CalPERS                       | Pension Contribution PPE 5/31/20  | 37,889.36    |
| 1    | Able Tire & Brake             | Tires (9) ('15 JD Loader-\$424, '10 F150-\$743, Light Towers-\$298)   | 1,464.49     |
| 2    | Athens Administrators         | Admin Fee   | 105.96       |
| 3    | Automation Direct             | Programmable Logic Control Relays (10) & Communication Cards  | 306.51       |
| 4    | Buck's Saw Service            | Supplies & Parts for Grounds & Maintenance  | 230.02       |
| 5    | Joyce Calanchini              | Refund Overpayment on Closed Account  | 754.76       |
| 6    | CSW/Stuber-Stroeh Engineering | Prog Pymt#15: 2020 Additional Survey R/W & Easement for MSN B2 & B3 Projects (Balance Remaining on Contract \$20,924)           | 4,316.25     |
| 7    | DataTree                      | May Subscription to Parcel Data Info  | 100.00       |
| 8    | Direct Line                   | June Telephone Answering Service  | 227.78       |
| 9    | Fishman Supply                | Poison Oak Wipes (50)   | 42.50        |
| 10   | Fisher Scientific             | Dry Heat Indicator (Lab)  | 43.95        |
| 11   | Garcia and Associates         | Prog Pymt#1: Provide Surveys for Nesting Birds & Roosting Bats at Pre Tank 4A (Balance Remaining on Contract \$2,043)           | 956.74       |
| 12   | Grainger                      | Level Sensor (2) (\$1,543) (STP), Gate Radio (\$83), HVAC Air Filters (14) (\$212) & Miscellaneous Maintenance Parts & Supplies | 2,154.86     |

| Seq | Payable To                     | For  | Amount    |
|-----|--------------------------------|--|-----------|
| 13  | Intellaprint Systems           | Repair & Labor of Canon Engineering Copier   | 663.26    |
| 14  | International Fire             | Fire Extinguishers for Fleet (8)   | 478.67    |
| 15  | LGVSD                          | Recycled Water Deliveries (10/1/19-12/31/19)   | 16,652.91 |
| 16  | Lincoln Life                   | Deferred Compensation PPE 5/31/20  | 9,757.95  |
| 17  | Maltby Electric                | 250' Coil of 12 Gage Wire  | 213.39    |
| 18  | McLellan, WK                   | Misc Paving  | 9,510.95  |
| 19  | McMaster-Carr Supply           | Steel for Portable Generators (\$198) & PLC Enclosure Mounts (4) (\$128)             | 326.38    |
| 20  | Nationwide Retirement Solution | Deferred Compensation PPE 5/31/20  | 920.00    |
| 21  | NeoGOV                         | Annual License (\$3,676) & Renewal (\$860) (Budget \$4,000) (7/21/20-7/20/22)        | 4,535.56  |
| 22  | Northbay Nissan                | Service Parts (2 - '19 Nissan Rouges)  | 125.36    |
| 23  | Novato Sanitary District       | March 2020 RW Operating Expense  | 14,269.80 |
| 24  | Office Depot                   | Toner  | 72.66     |
| 25  | Pini Hardware                  | Miscellaneous Maintenance Parts & Supplies   | 296.27    |
| 26  | Postmore Kennels               | Refund Overpayment on Closed Account   | 379.46    |
| 27  | Postmaster Novato Ca 94947     | Annual Post Office Box Fee   | 410.00    |
| 28  | Service Station Systems        | Repair for 2 Fuel Tanks  | 950.00    |
| 29  | SWK Technologies               | Technical Service on Accounting Software   | 43.75     |
| 30  | Verizon Wireless               | Cellular Charges: Data (\$823), Airtime (\$161) & iPads for Asset Management (\$200) | 1,183.93  |
| 31  | Verizon Wireless               | SCADA (\$141), AMI Collectors (\$650) & CIMIS Station                                | 805.82    |

| Seq | Payable To        | For   | Amount                     |
|-----|-------------------|---|----------------------------|
| 32  | VWR International | Brilliant Green Bile Broth (\$265), Tube Cultures (36) (\$133), pH Buffer (1 gal) (\$82) & Magnesium Standard (Lab) | 512.48                     |
|     |                   | <b>TOTAL DISBURSEMENTS</b>  | <b><u>\$345,732.14</u></b> |

The foregoing payroll and accounts payable vouchers totaling \$345,732.14 are hereby approved and authorized for payment.

Julie Blue 6/9/2020  
Auditor-Controller Date

[Signature] 6/9/2020  
General Manager Date

6/11/20 Disb.

# BOARD OF DIRECTOR'S 5/31/20

t:\finance\pay\[bod payroll chart.xlsx]053120

## MAY MEETINGS

|                |           | Baker  | Fraites  | Grossi   | Joly     | Petterle |
|----------------|-----------|--------|----------|----------|----------|----------|
| Reg Meeting    | 5/5/2020  | 241.00 | \$241.00 | \$241.00 | \$241.00 | \$241.00 |
| Reg Meeting    | 5/19/2020 | 241.00 | \$241.00 | \$241.00 | \$241.00 | 241.00   |
| *Extra Meeting | 4/27/2020 | 241.00 |          |          |          |          |
| *Extra Meeting | 5/11/2020 | 241.00 |          |          |          |          |
| Total          |           | 964.00 | 482.00   | 482.00   | 482.00   | 482.00   |

\*Attended  
NBWRA on 4/27 &  
WAC Ad Hoc  
Subcommitte on  
5/11/20

May 14, 2020 POINT REYES LIGHT

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, Fraites, Grossi, Joly, Petterle

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)



## **Subject: Sonoma Water Temporary Urgent Change Petition**

**From:** Grant Davis <[Grant.Davis@scwa.ca.gov](mailto:Grant.Davis@scwa.ca.gov)>

**Sent:** Wednesday, June 10, 2020 9:53 AM

Dear Advisory Committee Members,

I hope this e-mail finds you healthy and doing well. I wanted to inform you that this past Monday Sonoma Water filed a Temporary Urgency Change Petition (TUCP) to the State Water Resources Control Board that seeks temporary reduced flows in the Russian River this summer and fall. Our region is facing the third driest year on record and that means preserving water storage in our water supply system and continued water saving efforts in our communities. The TUCP seeks approval from the State Water Board to reduce Russian River flows in order to preserve water supplies in Lake Mendocino. If approved, the TUCP would provide more flexibility in how Sonoma Water can manage our water supplies for urban consumption and ensure cold water for the fall migration of endangered salmon in the upper Russian River.

I encourage you to [visit our website](#) to read and view the following TUCP resources:

- [sonomawater.org/tucp](http://sonomawater.org/tucp)
- [TUCP press release](#)
- [Video interview between Sonoma Water Director Lynda Hopkins and Sonoma Water Principal Engineer Don Seymour discussing the TUCP](#)
- Coming soon... a video interview between Sonoma Water Director James Gore and Santa Rosa Director Jennifer Burke and North Marin Water District General Manager Drew McIntyre discussing the ongoing need to save water

Sonoma Water does not take filing a TUCP lightly. Our team of engineers, environmental specialists and technical water resource partners have been carefully reviewing water supply forecasts, rainfall conditions, and environmental conditions to seek the best tools necessary to deal with current dry conditions. Now is not the time to ease our continued water saving efforts. We will continue to work with our water contractors and community to ensure every drop of water is used efficiently. Our community has reduced water use consumption per capita by 17 percent compared to 2013; when we last sought a similar TUCP due to dry weather conditions. That is an incredible feat that we must continue as we manage today's water supplies.

These are trying times to say the least and the last thing I want our community to worry about is our water supply system. I want to ensure our community that through ongoing water saving efforts, the implementation of the TUCP, and the collaboration with our retail water contractors, we will once again successfully meet these dry weather conditions head on. Through innovation, such as a major planned deviation to flood control operations that uses Forecast Informed Reservoir Operations (FIRO) decision support tools, an additional 11,000 acre-feet of water was retained in Lake Mendocino that would have been released as part of normal flood control operations. This has prepared the region to better manage the serious drought conditions it is currently facing. Without the investment in FIRO, storage at Lake Mendocino



would be less than 57,000 acre-feet requiring even more significant flow reductions in the Russian River than is currently being requested in this year's TUCP.

Sonoma Water will continue to invest in our community by working with our retail water contractors, non-profit community organizations and state regulators to ensure the Russian River and all of its visitors, including migrating salmon, can enjoy the beauty that our watershed provides us. Sonoma Water is honored to serve our community. Please feel free to contact me with any questions, and I do wish you all my best during these challenging times. We are #sonomastrong.

Sincerely,  
Grant Davis  
General Manager



**Clean. Reliable. Essential. Every Day.**

404 Aviation Boulevard  
Santa Rosa, CA 95403  
707.547.1911 office  
707.322.9227 cell

[sonomawater.org](http://sonomawater.org)

**North Marin Water District  
WATER RATE HEARING**

**Purpose:** Consider Proposed Rate Increase

**Impact Area:** Greater Novato Area

**Date and Time:** Tuesday, June 16, 2020  
at 6:00 p.m.

**Place:** North Marin Water District,  
999 Rush Creek Place, Novato, CA  
or via teleconference if shelter-in-place  
restrictions are still in place.

**PROPOSAL**

NMWD is proposing a global 6% revenue increase for Novato customers. The proposed rate structure modifications will result in individual customer bills that may increase more or less than the 6% global revenue increase. The increase is proposed to be effective July 1 of 2020.

**REASON FOR THE PROPOSED INCREASE**

Increased investment in water facilities. The District must increase investments in facility upgrades and replacements from \$3 million to \$6 million per year. This will help to address the need to properly maintain the District's \$137 million system of pipelines, pumps, reservoirs, treatment plants, valves, hydrants, laboratory, monitoring systems, and more.

**Rising costs to purchase imported water.** The District imports 75% of its water from Sonoma County Water Agency. The cost of purchasing imported water accounts for 30% of the budget and the water supplier has forecast that the costs will continue to increase by 6% every year.

**Impact of inflation on all costs.** The proposed revenue increase is designed to meet all the costs of providing water service. This includes purchasing, treating, and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

**IMPACT**

**Residential Accounts:** For the typical Novato single-family residence, the proposed increase would add \$4.00 per month (\$8.00 per bimonthly bill) to the cost of water beginning July 1, 2020.

**Non-Residential Accounts (Commercial, Institutional & Irrigation):** The increases for non-residential customers will vary.

**Customers can determine the increase in their annual water cost based on their water use over the past year from NMWD's website. Insert your NMWD account number and the name on your account into the Annual Water Cost Calculator on NMWD's website at <http://www.nmwd.com/accountbalance.php>.**

**PUBLIC HEARING**

A public hearing will be held at the NMWD office (999 Rush Creek Place, Novato) or via teleconference if shelter-in-place restrictions are still in place, at 6:00 p.m. on Tuesday, June 16, 2020, to consider enactment of the proposed increases. You are cordially invited to participate in the hearing, or mail your comments. For more information visit NMWD's website or call the District Secretary at (415) 897-4133.

NO. 543 June 4, 2020

# Marin Independent Journal

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

2074361

NORTH MARIN WATER DISTRICT  
PO BOX 146  
NOVATO, CA 94948

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

### STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

06/04/2020

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

Dated this 4th day of June, 2020.

*Donna Lajarus*

Signature

## PROOF OF PUBLICATION

Legal No. 0006489145

### North Marin Water District WATER RATE HEARING

**Purpose:** Consider Proposed Rate Increase  
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**Customers can determine the increase in their annual water cost based on their water use over the past year from NMWD's website. Insert your NMWD account number and the name on your account into the Annual Water Cost Calculator on NMWD's website at <http://www.nmwd.com/accountbalance.php>.**

### PUBLIC HEARING

A public hearing will be held at the NMWD office (999 Rush Creek Place, Novato) or via teleconference if shelter-in-place restrictions are still in place, at 6:00 p.m. on Tuesday, June 16, 2020, to consider enactment of the proposed increases. You are cordially invited to participate in the hearing, or mail your comments. For more information visit NMWD's website or call the District Secretary at (415) 897-4133.

NO. 543 June 4, 2020

## MEMORANDUM

To: Board of Directors

From: Nancy Williamson, Senior Accountant *NW*  
Julie Blue, Auditor-Controller *JB*

Subject: FY21 Insurance Renewal  
I:\ackword\insurance\21fy21 ins memo updated.docx

June 12, 2020

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** \$250,445 - Included in Fiscal Year (FY) 20/21 Operations Budget

Arthur J. Gallagher & Co. Insurance Brokers of CA, Inc., in San Francisco, has been the District's brokerage firm the past eight years. Last year we entered into a three-year contract for Property and Liability coverage package with JPRIMA (CalMutuals Joint Powers Risk and Insurance Management Authority) and Workers' Compensation coverage with JPRIMA-Zenith Insurance Company.

JPRIMA's proposal for Property and Liability coverage is \$136,641 compared to \$124,073 last year and their 1<sup>st</sup> dollar worker's compensation coverage plan came in at \$126,603 compared to \$106,487 last year. This coverage is for a pooled type deductible plan.

Prior to last year, the District self-insured the first \$1 million of its general and auto liability since 1989, which is also known as a Self-Insured Retention (SIR). By selecting the deductible plan package proposal, the District's risk is reduced by \$900,000 to a maximum of \$100,000 per claim.

Created in 2016, JPRIMA is a pooled insurance program designed specifically for mutual water companies, as well as smaller water programs. The Authority provides customized insurance solutions to small water systems throughout California whose operations comprise the development, transportation, management, storage, treatment or distribution of water. JPRIMA is operated by Allied Public Risk, a Managing General Underwriter (MGU) that sees to the day-to-day operations and internal practices of the pool.

The total package, including Workers Compensation, reflects a cost increase of \$33,090 (15%) from the current year premium. The increase for general liability and auto makes up \$12,974 (39%) of the difference and workers comp makes up \$20,116 (61%) of the difference.

### INSURANCE MARKET RECAP

The insurance marketplace as a whole has been hardening in recent years. With less competition amongst insurers, rate increases are becoming more and more common on all lines of coverage. For the past decade, we have been seeing very favorable terms from the Property marketplace. While carriers were seeing some losses and investment income has been at all-time record lows, the tremendous capacity in the Property marketplace had forced carriers to remain competitive. Hurricane losses and the wildfire claims in California over the past three years have hit carriers' balance sheets, and, from 2018 on, we have observed a changing marketplace. A number of carriers are exiting the marketplace

entirely; some raising rates 10-100%, and/or looking to reduce the limit of coverage they offer. For California clients, many carriers are required to obtain wild fire modeling reports showing the insured property in proximity to high hazard fire zones, and maintain estimates of what the maximum loss amount from a fire would be for their entire book of property insurance written.

## **PROPOSAL SUMMARY**

Below is a summary which outlines the total cost of insurance by type. This table compares the cost of insurance for FY 19/20 to FY 20/21.

| <b>Insurance Proposal</b>                                  | <b>FY19/20</b>   | <b>FY20/21</b>   | <b>% Δ</b> |
|--|------------------|------------------|------------|
| Property (Includes Crime)                                  | \$42,051         | \$57,212         | 36%        |
| Liability <sup>1</sup> (Includes Auto & PO/Mgmt Liability) | \$64,738         | \$62,551         | (3%)       |
| Excess Workers' Comp                                       | \$106,487        | \$126,603        | 19%        |
| Cyber Liability  | \$4,079          | \$4,079          | 0%         |
| <b>Total Cost</b>  | <b>\$217,355</b> | <b>\$250,445</b> | <b>15%</b> |

A further breakdown is shown in the table below which outlines the total coverage, deductibles, and premiums by type of insurance. This table also compares these variables related to insurance for FY 19/20 compared to FY 20/21. Following the table are descriptions of the types of insurance policies obtained or to be obtained by the District in FY 20/21.

| <b>TYPE</b>                                  | <b>FY2019-20 Actual</b> |                   |                  | <b>FY 2020/21 Renewal</b> |                   |                  |
|--|-------------------------|-------------------|------------------|---------------------------|-------------------|------------------|
|  | <b>COVERAGE</b>         | <b>DEDUCTIBLE</b> | <b>PREMIUM</b>   | <b>COVERAGE</b>           | <b>DEDUCTIBLE</b> | <b>PREMIUM</b>   |
| Property Insurance                           | \$64,151,092            | \$25,000          | \$42,051         | \$65,399,000              | \$25,000          | \$57,212         |
| General Liability                            | 10,000,000              | 100,000           | 64,738           | 10,000,000                | 100,000           | 62,551           |
| Vehicle-Physical Damage                      | 674,909                 | 5,000             | Included         | 807,684                   | 5,000             | Included         |
| Public Officials/Employment Pract. Liability | 1,000,000               | 100,000           | Included         | 1,000,000                 | 100,000           | Included         |
| Employee Fidelity (Crime)                    | \$250K-\$1M             | 100,000           | Included         | \$250K-\$1M               | 100,000           | Included         |
| Workers' Compensation                        | 5,000,000               | -                 | 106,487          | 5,000,000                 | -                 | 126,603          |
| Cybercrime Insurance                         | 1,000,000               | 5,000             | 4,079            | 1,000,000                 | 5,000             | 4,079            |
| <b>Total Cost</b>                            |                         |                   | <b>\$217,355</b> |                           |                   | <b>\$250,445</b> |

## **PROPERTY INSURANCE**

Property insurance protects the District against loss or damage that occurs to the District's buildings, equipment and water storage tanks. Structures and tanks are insured in an amount up to the value of the asset. Equipment coverage is provided on an agreed value basis. In December 2015 the District obtained a certified appraisal of its buildings, pump stations and water storage tanks to minimize negotiation in the event of a property loss. The insured value of the District's property, excluding fleet vehicles increased 1.9% from the prior year, to \$65 million.

<sup>1</sup> Liability amounts shown are NMWD's net cost after MCWCFCFCD's contribution (\$17,284 in FY20 & \$16,878 in FY21).

### **GENERAL AND AUTO LIABILITY UMBRELLA INSURANCE**

General and Auto Liability umbrella coverage provides a backstop in the event of a large liability claim (bodily injury, property damage, personal injury) where the damage exceeds both the deductible and primary General Liability coverage limit. The umbrella covers subsidence, failure to supply, inverse condemnation, eminent domain and dam failure. A 1985 agreement with the Marin County Flood Control and Water Conservation District (MCFCWCD) requires North Marin to maintain a minimum \$10 million liability policy and obligates MCFCWCD to pay the incremental cost of increasing the limit from \$5 million to \$10 million. JPRIMA's General Liability package insures the first \$1million and their Excess Liability package insures the next \$9 million, rendering total coverage of \$10 million. Under JPRIMA's proposed policy, MCFCWCD's share of the cost will be \$16,878 next fiscal year for the \$5 million in additional coverage required under the agreement.

### **VEHICLE PHYSICAL DAMAGE INSURANCE**

Comprehensive & Collision insurance for District autos and trucks protects the District against physical damage occurring due to collision, fire, theft, etc., on an agreed value basis. The insured value of the District's vehicle fleet increased 20% to \$807,684 over the prior FY.

### **PUBLIC OFFICIALS ERRORS & OMISSIONS AND EMPLOYEMENT PRACTICES LIABILITY**

Errors and Omissions is a form of liability coverage that insures the District Board and Officers against claims made for "breach of duty" occurring through negligence, error or unintentional omission. It also includes Directors' and Officers' Employment Practice Liability Insurance, covering claims for wrongful termination, discrimination, harassment, etc.

### **EMPLOYEE FIDELITY (CRIME) INSURANCE**

The employee blanket fidelity bond insures the District against loss occurring through dishonesty (fraud) on the part of District employees. Crime coverage includes employee theft and electronic funds transfer fraud.

### **WORKERS' COMPENSATION INSURANCE**

In 2019 the District entered into a 1<sup>st</sup> dollar workers' compensation plan with a 3-year commitment with Zenith Insurance Company. This type of plan is a pooled plan which eliminates the risk of \$1M out of pocket costs as with a Self-Insured Retention plan as well as reduced administrative costs.

### **CYBER LIABILITY INSURANCE**

The District first purchased a Cyber Liability policy in FY15. Cyber Liability coverage insures against loss of sensitive or personally identifiable information (such as social security numbers, credit card numbers, etc.) and third-party claims.



# PG&E behind on plan to ease fire shut-offs

## PREVENTION

**Marin Independent Journal**

ffs By **Cuneyt DIL**

*The Associated Press*

California's chief utility regulators and a Pacific Gas & Electric executive testified Thursday that the utility is behind on installing devices meant to ease the severity of power shutoffs during potential wildfires and hasn't yet hired and trained emergency response specialists in each county.

The testimony came during a hearing of the California Senate's committee on utilities.

A data portal that shows the locations of critical facilities like hospitals and where medically vulnerable customers live went online recently after technical delays, said Rachel Peterson, a deputy director at the California Public Utilities Commission, which regulates utilities.

"Because of those delays, PG& E cannot afford to lose any more time," Peterson said. It's the latest setback for the bankrupt utility as it tries to modernize its infrastructure that has been blamed for causing deadly wildfires that killed more than 100 people in 2017 and 2018.

PG& E had committed to installing nearly 600 devices by September to break up distribution lines so fewer people lose power when the utility proactively cuts electricity to prevent wildfires, as it did for the first-time last year. Commission officials said the utility has fallen behind on those installations, although a company representative later said the utility still plans to meet the goal.

That's "the area where we're furthest behind," said PG& E Vice President Debbie Powell, who is working on wildfire safety programs.

Those upgrades and wildfire mitigation are expected to cost PG& E customers about \$90 more a year starting next year. Southern California Edison customers can expect a \$70 annual increase and San Diego Gas & Electric customers \$24 a year, commission officials said. Falling revenue estimates in the wake of the coronavirus pandemic may lead to even more increases for all utilities.

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