Date Posted: 6/19/2020

NORTH MARIN WATER DISTRICT

NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
June 23, 2020 – 6:00 p.m.
Location: Virtual Meeting
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.

Video Zoom Method

Go to: https://us02web.zoom.us/j/8349174264

Password: 466521

Call in Method:

Dial:
+1 669 900 9128
+1 253 215 8782
+1 346 248 7799
+1 301 715 8592
+1 312 626 6799
+1 646 558 8656

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. Time	Item	Subject	
6:00 p.m.		***CALL TO ORDER***	
	1.	***GENERAL MANAGER'S REPORT***	
	2.	***OPEN TIME: (Please observe a three-minute time limit)***	
		This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.	
	3.	***STAFF/DIRECTORS REPORTS***	
	4.	***PUBLIC HEARING/APPROVE:***	Resolution
		Proposed West Marin Water Rate Increase	
	5.	***PUBLIC HEARING/APPROVE:***	Resolution
		Proposed Ocean Marin Sewer Rate Increase	
		CONSENT CALENDAR	
		The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.	
	6.	***Consent - Approve:*** Annual Water Quality Report – Novato	
	7.	***Consent – Approve:*** Annual Water Quality Report – Point Reyes Area	
		ACTION CALENDAR	
	8.	***Approve:*** Renew Declaration of Local Emergency Related to COVID-19 Pandemic	
	9.	***Approve:*** Novato, Recycled Water, West Marin & Oceana Marin FY 20/21 Budgets	
	10.	***Approve:*** Refinancing of Employer Assisted Housing Loan	
		INFORMATION - WEST MARIN	
	11.	West Marin Capital Improvement Projects – FY 19-20 Preliminary Year-End Progress Report	
	12.	WAC/TAC Meeting – May 18, 2020	
	13.	***MISCELLANEOUS*** Disbursements – Dated June 18, 2020 <u>News Articles</u>: Water district board to vote on raising rate – NORTH MARIN AWWA: Water sector meeting pandemic challenge County to ask state for faster reopening Virus Hardships prompt board to delay increase – NMWD Rates	
7:30 p.m.	14.	***ADJOURNMENT***	

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MEMORANDUM

To: Board of Directors June 19, 2020

From: Julie Blue, Auditor-Controller

Subj: Public Hearing – Proposed West Marin Water Rate Increase
t:\ac\budget\fy-2020.21\rate increase fy 20.21\wm&om\wm21 water public hearing.docx

RECOMMENDED ACTION: Approve the Proposed Rate Increase

FINANCIAL IMPACT: Additional $33,000 in Annual Revenue

WATER RATE INCREASE

A virtual public hearing to consider adoption of a 4.5% increase in the cost of water effective July 1, 2020, is scheduled for June 23 at 6:00 pm. Customers were notified individually of the proposed rate increase by letter dated May 8, 2020 (Attachment 1) and a notice of public hearing was published in the June 11 and June 18 editions of the Point Reyes Light (Attachment 2). These notices invited customers to participate in the hearing and/or exercise the right to protest the proposed increase. A customer protest of 50% plus one would invalidate the proposed increase.

The outreach to customers generated one letter registering a protest to the increase (Attachment 3). A phone call was also received in which the customer inquired about the impact of the rate increase on their individual account.

After staff provides information on the proposed water rate increase, public comment can be taken. Attachment 4 is a draft of Regulation 54 incorporating the proposed changes in strike-out mode and Attachment 5 is the resolution to approve the amendments to Regulation 54.

The five-year financial forecast for West Marin (WM) Water was reviewed by the Board of Directors at a public meeting on April 21, 2020. The District wide budgets, including WM, were reviewed by the Board at public meetings on May 29, June 3, and June 16, 2020.

RATE INCREASE PROPOSAL DETAIL

A 4.5% increase is recommended in both the commodity rate and the bimonthly service charge, which would increase to $35.68 bimonthly for the typical customer with a 5/8" meter. The proposed West Marin Water increase would total $32.40 annually ($2.70 per month) for the typical residential customer. If enacted, the proposed increase is expected to generate $33,000 in additional revenue next fiscal year, as follows:

Commodity Rate Increase	$24,000
Bimonthly Service Charge Increase	9,000

Total	$33,000

A rate increase of 4.5% for FY 20/21 and subsequent increases of 4.5% are included in the 5-year financial budget. This will assist in the funding of $4.1 million in Capital Improvement Projects scheduled over the next five years.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

Capital Improvement Projects budgeted for the upcoming fiscal year include:

- $1,000,000 to complete the replacement of PRE Tank #4A.
- $260,000 to complete the Gallagher Ranch Streambank Stabilization Project.
- $100,000 towards the Lagunitas Creek Bridge Pipe Replacement project.
- $75,000 towards the construction of a 2nd well at Gallagher Ranch.
- $50,000 to replace PB services in Sync with County Paving (25 replacements).

FUTURE PROJECTS

The West Marin Water 5-Year Financial Plan includes the completion of the New Gallagher Well which is expected to cost an additional $335,000 in FY 21/22 and the Lagunitas Creek Bridge Pipe Replacement project at an additional cost of $450,000 to be completed in FY 22/23. The Olema Creek Bridge Pipe Replacement project is scheduled in FY 21/22 for a cost of $255,000. Also included in the plan is $600,000 to build a Treatment Plant Solids Handling Facility which will occur over a two-year period to be completed in FY 23/24.

WEST MARIN WATER SYSTEM OPERATING BUDGET

FY 20/21 water sales volume is budgeted at 65 million gallons which is an average of the last five years of actual use adjusted for the potential impact of the declaration of water shortage emergency effective May 5, 2020. The forecast assumes water sales volume will increase and then stabilize at 67MG starting in FY 21/22.

Operating expenditures, before depreciation, are budgeted to increase 2.2% or $12,000 from the FY 19/20 adopted budget. The 2020 update of the Coastal Area Annual Water Cost Comparison (Attachment 6) shows that, even with the proposed 4.5% rate increase, the water cost for the NMWD's West Marin customers remain below that paid by the customers of five of the other seven coastal agencies surveyed.

STAFF RECOMMENDATION

After closing the public hearing:

1. Approve Resolution 20-XX (Attachment 5) amending Regulation 54 pertaining to Water Rates and Charges to reflect a 4.5% increase for the typical residential customer in the West Marin Water Service Area effective July 1 of 2020.

NORTH MARIN WATER DISTRICT
999 Rush Creek Place
P.O. Box 146
Novato, CA 94948-0146
PHONE 415-897-4133
EMAIL info@nmwd.com
WEB www.nmwd.com

May 8, 2020

RE: Notice of Proposed Water Cost Increase – West Marin Service Area

Dear Customer:

This letter is to advise you of a **proposed increase to the West Marin water rates** that would take effect on July 1, 2020. It also provides information about a **Public Hearing scheduled on June 23, 2020,** at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

HOW MUCH IS THE PROPOSED RATE INCREASE?

A 4.5% increase in the cost of water is proposed, which would result in an average increase of $2.70 per month (approximately $32 annually) for the typical single-family residential customer who consumes 48,700 gallons of water annually. Those using less annually would see an increase less than $32 annually, and those using more would pay more. The increase for non-residential customers (commercial, institutional and irrigation accounts) would vary based on water use and meter size. Non-residential accounts will also see an annual 4.5% cost increase. A detailed description of the proposed water rate increases is included on page 3.

You can determine the increase in your annual water cost based on your water use over the past year from our website. Insert your NMWD account number and the name on your account into the water cost calculator on NMWD's website at http://www.nmwd.com/accountbalance.php.

REASON FOR THE PROPOSED INCREASE

The District's mission is to meet the expectations of our customers in providing potable water that is reliable, high-quality, environmentally responsible, and reasonably priced. Maintaining and renovating the infrastructure of the rural West Marin Water System is costly. Today the system includes 26 miles of pipeline, over 1 million gallons of finished water storage distributed across 13 tanks, 7 pump stations, 168 fire hydrants, a multitude of valves, 3 wells, and a water treatment plant, all designed to serve 783 customers. Sufficient revenue must be generated to finance the ongoing system operations and infrastructure renovations.

PUBLIC HEARING

A public hearing before the NMWD Board of Directors to consider the proposed water rate increase is scheduled for 6:00 pm, Tuesday, June 25, 2019, at the Dance Palace (503 B Street) in Point Reyes Station. If shelter in place restrictions remain in effect in Marin County at the time of the scheduled public hearing, additional information regarding participation regarding accommodating public participation will be provided on the District website at www.nmwd.com.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners the proposed increase will not be imposed.

Your written protest must be received prior to the close of the June 23, 2020 public hearing. Written protests must be signed by the property owner and must include a description of the parcel (parcel number or service address). Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information about the North Marin Water District, including a history of the West Marin Water System, or to view the most recent Coastal Area Water Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,

Drew McIntyre
General Manager

PROPOSED
West Marin Water System Rate Changes
EFFECTIVE JULY 1, 2020

BIMONTHLY SERVICE CHARGE	**Existing**	**Proposed**	**% Increase**
For STANDARD 5/8 x 3/4-INCH METER	$34.15	$35.68	4.5%
For 1-inch residential meter for fire service	$38.80	$40.54	4.5%
For 1-inch meter	$68.30	$71.36	4.5%
For all meters in Paradise Ranch Estates	$51.75	$54.08	4.5%
QUANTITY CHARGE			
Residential Rate Per Dwelling Unit			
First 400 gallons per day	$9.24	$9.66	4.5%
From 401 to 900 gallons per day	$12.80	$13.38	4.5%
From 901+ gallons per day	$20.53	$21.45	4.5%
Commercial, Institutional & Irrigation Rate			
November 1 through May 31	$9.35	$9.77	4.5%
June 1 through October 31	$12.93	$13.51	4.5%
PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL			
Zone			
1 Point Reyes Station	$0.00	$0.00	0%
2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365')	$0.24	$0.25	4.2%
3 Olema	$0.91	$0.95	4.4%
4 Upper Paradise Ranch Estates (Elevation 365'+)	$6.18	$6.46	4.5%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary	$3.69	$3.85	4.3%

ATTACHMENT 2

PROOF OF PUBLICATION (2015.5 CCP)

This space is for the County Clerk's Filing Stamp

STATE OF CALIFORNIA
County of Marin

Proof of Publication

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

See Attached

6/11/20, 6/18/20

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

Date at Inverness, California, this

6/18/20

Signature

PUBLIC HEARING NOTICE

PROPOSED NORTH MARIN WATER DISTRICT WATER RATE INCREASE

Purpose: Consider FY 2020/2021 Budget and Proposed Rate Increase
Impact Area: West Marin Water Service Area
Date and Time: Tuesday, June 23, 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.

BACKGROUND: Water meters are read and customers receive a bill bimonthly. The bill is comprised of 1) a "Water Use Charge" that is determined by multiplying a commodity rate times water use measured in thousand-gallon units; and 2) a bimonthly "Service Charge" – currently $34.15 for the typical residential water meter. The West Marin water service area is comprised of 783 metered services distributed over four rate zones based upon elevation and tax rate area. Customers residing within a higher elevation zone pay a correspondingly higher commodity rate, or "Hydraulic Zone Charge," designed to recover the incremental cost of energy and maintenance for pumping water into each elevation zone.

PROPOSED
West Marin Water System Rate Changes
EFFECTIVE JULY 1, 2020

BIMONTHLY SERVICE CHARGE	Existing	Proposed	% Increase
For 5/8 x 3/4-inch meter	$34.15	$35.68	4.5%
For 1-inch residential meter for fire service	$38.80	$40.54	4.5%
For 1-inch meter	$68.30	$71.36	4.5%
For all meters in Paradise Ranch Estates	$51.75	$54.08	4.5%
QUANTITY CHARGE			
Residential Rate for each 1,000 Gallons Per Dwelling Unit			
First 400 gallons per day	$9.24	$9.66	4.5%
From 401 to 900 gallons per day	$12.80	$13.38	4.5%
From 901+ gallons per day	$20.53	$21.45	4.5%
Commercial, Institutional & Irrigation Rate for each 1,000 Gallons Per Dwelling Unit			
November 1 through May 31	$9.35	$9.77	4.5%
June 1 through October 31	$12.93	$13.51	4.5%
PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL			
Zone			
1 Point Reyes Station	$0.00	$0.00	0%
2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365')	$0.24	$0.25	4.2%
3 Olema	$0.91	$0.95	4.4%
4 Upper Paradise Ranch Estates (Elevation 365'+)	$6.18	$6.46	4.5%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary	$3.69	$3.85	4.3%

EFFECTIVE DATE: The increases are proposed to be effective July 1,2020.

IMPACT:

Residential Accounts: A 4.5% increase in the cost of water is proposed, which would result in an average increase of $2.70 per month ($32 annually) for the typical (median) single-family residential customer who consumes 48,700 gallons of water annually. Those using less than the median would see an increase less than $32 annually, and those using more would pay more.

Non- Residential Accounts: Commercial, Institutional & Irrigation customers would see a 4.5% increase. The proposed increase in the total water cost will vary based upon water use.

Customers can determine the increase in your annual water cost based on your water use over the past year from our 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.

WHY ARE RATES BEING INCREASED?

The District's mission is to provide an adequate supply of safe, reliable and high-quality water at reasonable cost consistent with good conservation practices and minimum environmental impact. Maintaining and renovating the infrastructure of the rural West Marin Water System is expensive. Today the system includes 26 miles of pipeline, over 1 million gallons of finished water storage distributed across 13 tanks, 7 pump stations, 168 fire hydrants, a multitude of valves, 3 wells, and a water treatment plant, all designed to serve 783 customers. Sufficient revenue to finance the ongoing system operation and renovation must be generated.

HOW TO PARTICIPATE: You are cordially invited to participate in the hearing and present oral or written testimony on the proposal. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to participate in the public hearing. If written protests are submitted by a majority of the affected property owners or customers, the proposed increases will not be imposed. Your written protest must be received prior to the close of the June 23, 2020 public hearing. Written protests must be signed by the property owner or customer of record and must include the parcel number or NMWD account number. Send or deliver written protests to: District Secretary, North Marin Water District, PO Box 146, Novato, CA 94948.

ADDITIONAL INFORMATION: For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (800) 464-6693 or (415) 897-4133.

ATTACHMENT 3

BANK OF PETALUMA

MAY 13, 2020

Dist Secy
N. M. WATER Dist

Protest to WATER RATE INCREASE

PLEASE Register my protest c/o
9940-9960-9980 State Rt. ONE
Olema

RESPECTIVELY yours,
J. Watt
OWNER

RECEIVED
MAY 20 2020
North Marin Water District

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 10/1/20
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)

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

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

Zone	Elevation	Rate Effective 10/1/20
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	Novato Rate Effective 10/1/20	West Marin Rate Effective ~~7/1/19~~7/1/20
1 inch	$14.24	$~~17.08~~17.85
2 inches	$18.78	$~~17.08~~17.85
4 inches	$52.40	$~~31.57~~32.99
6 inches	$73.60	$~~61.60~~64.35
8 inches	$97.83	$~~94.20~~98.44
10 inches	$128.11	$~~123.17~~128.71

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:

BI-MONTHLY SERVICE CHARGE	Rate Effective ~~7/1/19~~7/1/20
For 5/8 x 3/4-inch meter	$~~34.15~~35.68
For 1-inch meter*	$~~68.30~~71.36
For 1 1/2-inch meter*	$~~83.30~~87.05
For 2-inch meter	$~~129.90~~135.74
For 3-inch meter	$~~257.20~~268.77
For 4-inch meter	$~~413.00~~431.59
For all meters in Paradise Ranch Estates	$~~51.75~~54.08

*(see paragraph f)

PLUS A QUANTITY CHARGE OF:

Residential Rate for Each 1,000 Gallons Per Dwelling Unit	Rate Effective ~~7/1/19~~7/1/20
First 400 gallons per day (gpd)	$~~9.24~~9.66
401 up to 900 gpd	$~~12.80~~13.38
Use in excess of 900 gpd	$~~20.53~~21.45
Rate Per 1,000 Gallons for All Other Accounts	
Commercial, Industrial and Irrigation Accounts Nov 1 – May 31	$~~9.35~~9.77
Commercial, Industrial and Irrigation Accounts June 1 – Oct 31	$~~12.93~~13.51

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

Zone	Hydraulic Zone	Rate Effective ~~7/1/19~~7/1/20
1	Point Reyes Station	$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0'–365')	$0.~~24~~.25
3	Olema	$0.~~91~~.95
4	Upper Paradise Ranch Estates (Elevation 365'+)	$6.~~18~~46

(2)

(2) Effective July 1, ~~2019~~ 2020consumers outside the Improvement District boundary shall pay an additional $~~3.69~~3.85 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.

Novato Service Area	Rate Effective 10/1/20
For each 1,000 gallons	$6.99

West Marin Service Area	Rate Effective ~~7/1/19~~7/1/20
For each 1,000 gallons	$~~19.11~~19.97

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

e. 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

	Rate Effective 10/1/20
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:	Novato: $41.46 West Marin: ~~$38.80~~$40.54

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 6/1/19
Testing, Repair, Replacement	3/4" + 1"	$14.00
Testing, Repair, Replacement	1 ½"	$18.50

Privately Owned DCV Devices:

Services Performed by District	Size	Rate Effective 6/1/19
Testing	3/4" + 1"	$8.00
Testing	1 ½"	$14.00
Testing	2"	$21.50
Testing	3" + 4"	$31.50

District Owned RPP Devices:

Services Performed by District	Size	Rate Effective 6/1/19
Testing, Repair, Replacement	3/4" + 1"	$24.00
Testing, Repair, Replacement	1 ½" + 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 6/1/19
Testing	3/4" + 1"	$15.00
Testing	1 ½" + 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 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 on the dates as shown below:

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 10/1/20
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)

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

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

Zone	Elevation	Rate Effective 10/1/20
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	Novato Rate Effective 10/1/20	West Marin Rate Effective 7/1/20
1 inch	$14.24	$17.85
2 inches	$18.78	$17.85
4 inches	$52.40	$32.99
6 inches	$73.60	$64.35
8 inches	$97.83	$98.44
10 inches	$128.11	$128.71

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:

BI-MONTHLY SERVICE CHARGE	Rate Effective 7/1/20
For 5/8 x 3/4-inch meter	$35.68
For 1-inch meter*	$71.36
For 1 1/2-inch meter*	$87.05
For 2-inch meter	$135.74
For 3-inch meter	$268.77
For 4-inch meter	$431.59
For all meters in Paradise Ranch Estates	$54.08

*(see paragraph f)

PLUS A QUANTITY CHARGE OF:

Residential Rate for Each 1,000 Gallons Per Dwelling Unit	Rate Effective 7/1/20
First 400 gallons per day (gpd)	$9.66
401 up to 900 gpd	$13.38
Use in excess of 900 gpd	$21.45
Rate Per 1,000 Gallons for All Other Accounts	
Commercial, Industrial and Irrigation Accounts Nov 1 – May 31	$9.77
Commercial, Industrial and Irrigation Accounts June 1 – Oct 31	$13.51

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

Zone	Hydraulic Zone	Rate Effective 7/1/20
1	Point Reyes Station	$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0'–365')	$0.25
3	Olema	$0.95
4	Upper Paradise Ranch Estates (Elevation 365'+)	$6.46

(2)

(2) Effective July 1, 2020 consumers outside the Improvement District boundary shall pay an additional $3.85 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.

Novato Service Area	Rate Effective 10/1/20
For each 1,000 gallons	$6.99

West Marin Service Area	Rate Effective 7/1/20
For each 1,000 gallons	$19.97

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 10/1/20
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:	Novato: $41.46 West Marin: $40.54

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 6/1/19
Testing, Repair, Replacement	3/4" + 1"	$14.00
Testing, Repair, Replacement	1 ½"	$18.50

Privately Owned DCV Devices:

Services Performed by District	Size	Rate Effective 6/1/19
Testing	3/4" + 1"	$8.00
Testing	1 ½"	$14.00
Testing	2"	$21.50
Testing	3" + 4"	$31.50

District Owned RPP Devices:

Services Performed by District	Size	Rate Effective 6/1/19
Testing, Repair, Replacement	3/4" + 1"	$24.00
Testing, Repair, Replacement	1 ½" + 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 6/1/19
Testing	3/4" + 1"	$15.00
Testing	1 ½" + 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 6/1/19
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 twenty third of June 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Theresa Kehoe, District Secretary
North Marin Water District

(SEAL)

2020 COASTAL AREA WATER COST COMPARISON

4/29/2020

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 7/1/20
"Typical" Single Family Residence (5/8" x 3/4" Meter) Using 48,700 Gallons Annually

Agency	No. of Water Services	Bimonthly Service Charge		Commodity Rate per 1,000 Gallons		Annual Water Cost[1]		Annual Tax Cost[2]		Total Annual Cost
Bolinas Community PUD	587	$237.50		$1.33/$2.00	(3)	$1,496		$602	(4)	$2,098
Estero Mutual Water District	143	$207.90		$7.86/$11.56	(5)	$1,565		-		$1,565
Stinson Beach Co Water	731	$77.10		$2.61/$6.26	(6)	$652		$768	(7)	$1,420
Inverness PUD	516	$146.00	(8)	$4.01/$6.68	(8)	$1,014		-		$1,014
Bodega Bay PUD	1,089	$65.53		$11.24	(9)	$544		$410	(10)	$954
→ **NMWD West Marin Service Area**	**783**	**$35.68**	(11)	**$11.43**	(12)	**$771**		**$74**	(13)	**$845**
Muir Beach Community Services	151	$49.92		$9.20	(14)	$503	(15)	$300	(16)	$803
California Water Coast Springs	255	$53.78		$8.68		$746	(17)	-		$746

Notes:

(1) Median annual consumption for West Marin Service Area single-family detached home is 48,700 gallons. Use will differ in other areas and microclimates.

(2) Includes taxes for debt service on outstanding water bonds and loans plus any applicable apportionment of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.

(3) 1st 15 Ccf quarterly @$1.00/Ccf, 16 to 21 Ccf @$1.50, 22 - 28 @$3.00, 29 - 40 @$6.00, 41 - 60 @$10, 61 - 75 @$15 and 76+ Ccf @$18/Ccf (billed quarterly).

(4) Shares in 1% County levy. This "allocation" is projected by the County of Marin at $353,383 for Bolinas in 2019/20 of which 100% is credited to the water fund.

(5) First 25 cubic meters bimonthly @ $2.075/cm; next 25 cm @ $3.051/cm. Drought surcharge of $20.00/cm for use in excess of 50 cm.

(6) First 6 Ccf monthly @ $2.60/Ccf; 6 to 10 Ccf @ $6.26/Ccf; 10 to 16 Ccf @ $10.54/Ccf; 16 to 20 Ccf @ $14.44/Ccf; 20 to 30 Ccf @ $22.69/Ccf; 30 to 40 Ccf @ $28.35/Ccf; 40 and above Ccf @ $36.78/Ccf.

(7) Stinson Beach shares in 1% County levy. This "allocation" is projected at $802,396 in 2019/20 of which 70% is credited to the water fund amounting to $768 per service.

(8) Includes proposed bi monthly increase of $25 and proposed bi-monthly Tiered Rates as of July 1, 2020 of 5-12 ccf @ $3.00/ccf; 13 to 24 ccf @ $5.00/ccf, 25 to 36 @ $6.00/ccf, 37 to 48 @ $10.00/ccf, 49 to 60 @ $12.00/ccf and 61+ @ $28.00/ccf. Under the Proposed Rates, each customer will be entitled to use up to 4ccf of water (approx 50 gallons a day over the two-month period) at no charge.

(9) $65.53 bi-monthly water service charge for 0-800 cubic feet, then $8.41/100 cubic feet for 801 cubic feet and above.

(10) Based on share of 1% County levy. This "allocation" by the County of Sonoma was estimated at $446,022 for 18/19, of which 100% was allocated to water amounting to $410 per service. The 19/20 estimate will not be available until June.

(11) Includes a proposed bi-monthly increase of $1.53.

(12) Rate shown is weighted average of Point Reyes Station, Olema, Bear Valley/Inverness Park & Paradise Ranch Estates and includes a Proposed 4.5% commodity rate increase. Tier rate charges do not apply to the typical residential customer as median use does not exceed the 400 gpd tier rate threshold.

(13) West Marin Service Area receives an allocation of the 1% County levy projected at $58,000 in 2020/21, amounting to $74 per service.

(14) $49.92/bimonthly flat rate includes 4,500 gallons, plus $0.92/100 gallons for 4,500 to 10,000, plus $1.29/100 gallons for 10,000 to 30,000, plus $1.62/100 gallons for 30,000+ gallons.

(15) 25% of revenue is allocated to capital improvements.

(16) The annual $300 charge is collected via water billings and is allocated to capital improvements.

(17) In 2016 the PUC agreed to consolidate Cal Water's Redwood Valley rates with its "Bayshore District" (South Bay) rates. Roughly 2,000 connections in the Redwood Valley District, of which Coast Springs is a part, are now combined with Bayshore's 54,000 connections, resulting in a significant rate reduction for Coast Springs customers.

5

MEMORANDUM

To: Board of Directors June 19, 2020

From: Julie Blue, Auditor-Controller JB

Subj: Public Hearing – Proposed Oceana Marin Sewer Rate Increase
t:\ac\budget\fy-2020.21\rate increase fy 20.21\wm&om\om21 sewer public hearing.docx

RECOMMENDED ACTION: Approve the Proposed Rate Increase

FINANCIAL IMPACT: Additional $14,000 in Annual Revenue

SEWER RATE INCREASE

A virtual public hearing to consider adoption of a 5% increase in the cost of sewer services effective July 1, 2020, is scheduled for June 23 at 6:00 pm. An increase in the sewer service charge, which is collected on the property tax roll, must be adopted by ordinance, which requires readings at two Board meetings and publication twice. Customers were notified individually of the proposed rate increase by letter dated May 8, 2020 (Attachment 1) and a notice of public hearing was published in the June 11 and June 18 editions of the Point Reyes Light (Attachment 2). These notices invited customers to participate in the hearing and/or exercise the right to protest the proposed increase. A customer protest of 50% plus one would invalidate the proposed increase. There was one email received in opposition of the rate increase as shown in Attachment 3.

After staff provides information on the proposed sewer rate increase, public comment can be taken. Attachment 4 is a draft of Ordinance 40 incorporating the proposed changes and Attachment 5 is a draft of Resolution No. 20-XX amending Regulation 109.

The five-year financial forecast for Oceana Marin (OM) Sewer was reviewed by the Board of Directors at a public meeting on April 21, 2020. The District wide budgets, including OM, were reviewed by the Board at the public meetings occurring on May 29, June 3, and June 16, 2020.

RATE INCREASE PROPOSAL DETAIL

The proposed Oceana Marin Sewer rate increase would total $60 annually ($5 per month) for each equivalent dwelling unit. If enacted, the proposed increase is expected to generate $14,000 in additional revenue next fiscal year.

A rate increase of 5% for FY 20/21 and subsequent increases of 5% are included in the 5-year financial budget. This will assist in the funding of $2.9 million in Capital Improvement Projects scheduled over the next five years.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

Capital Improvement Projects budgeted for the upcoming fiscal year include:

- $225,000 towards the Treatment Pond Rehabilitation Project with completion of the project in FY 21/22 for an additional $1.6M. The costs of this project will be offset with 75% grant funding from the California Office of Emergency Services.
- $40,000 for continued infiltration repair work to reduce the amount of rainwater infiltrating into the collection system.
- $25,000 towards replacement of the Tahiti Way Lift Pump Replacement project.

FUTURE PROJECTS

The Oceana Marin Sewer 5-Year Financial Plan includes $300,000 for the North St. Lift Station Bypass project. Additionally, $100,000 is budgeted in FY 21/22 to complete the Tahiti Way Lift Pump Replacement project.

OCEANA MARIN SEWER SYSTEM OPERATING BUDGET

Operating expenditures, before depreciation, are budgeted to increase 3.5% or $7,000 from the FY 19/20 adopted budget. The 2020 update of the Coastal Area Annual Sewer Cost Comparison (Attachment 6) shows that, when the County allocation of AB8 tax revenue is included as a ratepayer cost, Oceana Marin sewer service cost will rank highest among the six coastal sewer agencies surveyed.

STAFF RECOMMENDATION

After closing the public hearing:

1. Approve Ordinance 40 (Attachment 4) electing to have the Oceana Marin Sewer Charges be collected on the tax roll of the County of Marin;
2. Approve Resolution No. 20-XX (Attachment 5) amending Regulation 109, effective July 1, 2020, to increase the Oceana Marin Sewer Service Rate to $1,176 per dwelling unit per year.

ATTACHMENT 1

NORTH MARIN WATER DISTRICT
999 Rush Creek Place
P.O. Box 146
Novato, CA 94948-0146
PHONE 415-897-4133
EMAIL info@nmwd.com
WEB www.nmwd.com

May 8, 2020

RE: Notice of Proposed Oceana Marin Sewer Service Cost Increase

Dear Customer:

This letter is to advise you of a **proposed increase to the Oceana Marin sewer service charge** that would take effect on July 1, 2020. It also provides information about a **Public Hearing scheduled on June 23, 2020,** at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

How much is the proposed rate increase?

Current Oceana Marin sewer service charges are $93/month ($1,116/year). A **5% increase** is proposed equaling $98/month ($1,176/year).

How will the proposed increase affect my sewer bill?

Oceana Marin sewer service charges are collected on the Marin County property tax bill, which is rendered annually for the fiscal year period July 1 through June 30. The proposed sewer service charge increase would add $5 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for fiscal year 2020/21 of $1,176 ($98 per month for July 2020 through June 2021).

Why are rates being increased?

In January 2016 the District concluded a Master Plan Update that identified over $3 million in projects necessary to improve the reliability and redundancy of the Oceana Marin Wastewater System. Constructing these improvements will be financially challenging for the 234 customers of the Oceana Marin utility. Even if the projects are constructed over a 20-year period, the cost would still average $150,000 annually. The proposed rate increase, if enacted, would generate approximately $14,000 of additional revenue annually ($60/year X 234 customers). The entire Master Plan Update is available for review at: http://www.nmwd.com/pdfs/agenda/011916.pdf.

Additional rate increases will be necessary in future years as the District continues to improve the reliability of the existing facilities and to construct redundant facilities in order to protect against potential system failure and sewage spills. Prior years' rate increases were in-line with financing the CIP plan on a pay-go basis while the current 5-year financial plan includes an annual rate increase of 5% for FY 20/21 and 5% thereafter, and forecasts borrowing funds to complete the plan.

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 6:00 pm, Tuesday, June 23, 2020, at the Dance Palace (503 B Street) in Point Reyes Station. If shelter in place restrictions remain in effect in Marin County at the time of the scheduled public hearing, additional information regarding participation regarding accommodating public participation will be provided on the District website at www.nmwd.com.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners the proposed increase will not be imposed.

Your written protest must be received prior to the close of the June 23, 2020 public hearing. Written protests must be signed by the property owner and must include a description of the parcel (parcel number or service address). Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information about the North Marin Water District, including a history of the Oceana Marin Sewer System, or to view the most recent Coastal Area Sewer Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,

Drew McIntyre
General Manager

ATTACHMENT 2

PROOF OF PUBLICATION (2015.5 CCP)

This space is for the County Clerk's Filing Stamp

STATE OF CALIFORNIA
County of Marin

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

6/11/20, 6/18/20

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

Date at Inverness, California, this

6/18/20

Signature

Proof of Publication

NORTH MARIN WATER DISTRICTNOTICE OF PUBLIC HEARING
OCEANA MARIN SEWER SERVICE CHARGES
FISCAL YEAR 2020-2021
AND INTENT TO COLLECT ON TAX ROLL
NOTICE IS HEREBY GIVEN that pursuant to Section 5471 et seq. of the California Health and Safety Code and Section 31101 et seq. of the California Water Code, the Board of Directors of North Marin Water District (NMWD), intends to amend NMWD Regulation 109, Oceana Marin Sewer Service - Rates and Charges, through the adoption of Ordinance No. 40 on June 23, 2020, fixing its charges for sewerage services for the fiscal year 2020-2021 in the amount of $98 per month ($1,176 per year) per parcel (a proposed increase of $5 per month - $60 annually), and further intends to elect to collect such charges on the tax roll as it did for fiscal year 2019-2020 in the same manner as general taxes. NMWD has caused to be filed with its Secretary a written report containing a description of each parcel of real property receiving sanitary sewerage service from said District and the anticipated amount of charges on each such parcel.
NOTICE IS HEREBY GIVEN THAT ON Tuesday, June 23, 2020 at 6:00 p.m. at a regular Board Meeting of NMWD held at North Marin Water District, 999 Rush Creek Place, Novato, California or via teleconference if shelter-in place restrictions are still in place, said Board will hear and consider all protests and objections to the proposed increase in charges for sewage services set for in said report.
Published in the Point Reyes Light, 11, 18, 2020.

ATTACHMENT 3

Terrie Kehoe

From:	Drew McIntyre
Sent:	Monday, May 11, 2020 2:51 PM
To:	Terrie Kehoe
Cc:	Julie Blue
Subject:	FW: Sewer Cost Increase - Attn: Drew McIntyre

Terrie,

Keep this for your records on customers comments received.

From: William Sauro <w@sauro.com>
Sent: Monday, May 11, 2020 12:55 PM
To: Info NMWD <info@nmwd.com>; Drew McIntyre <dmcintyre@nmwd.com>
Cc: Michael Joly <mjoly@nmwd.com>; Jim Grossi <jgrossi@nmwd.com>; Rick Fraites <rfraites@nmwd.com>; Stephen Petterle <spetterle@nmwd.com>
Subject: Sewer Cost Increase - Attn: Drew McIntyre

Dear Mr. McIntyre:

I am writing to object to the timing of your notice of a Sewer Cost Increase. Are you totally tone-deaf?

Thousands of Marin residents are struggling to survive, and you and your Board have the audacity to announce a rate increase.

We have lost all our vacation rental bookings for 2020 at our property in Dillon Beach. So on top of no income, we now have higher expenses. Plus I have no job.

Unbelievable!

The level of crass non-humanity of you and your Board is astonishing.

Shame on you all!

--

William H. Sauro
2809 Pine Street
San Francisco, CA 94115

Home Phone: (415) 226-0400
Cell Phone: (415) 845-6877
Email: w@sauro.com
http://www.facebook.com/bill.sauro

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:

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

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:
NOES:
ABSENT:
ABSTAINED:

Theresa Kehoe, District Secretary
North Marin Water District

(SEAL)

2020 COASTAL AREA SEWER COST COMPARISON

4/29/2020

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 7/1/20

Agency	No. of Sewer Services	Monthly Service Charge	Annual Tax Revenue (1)	Annual Total	
> NMWD Oceana Marin	**234**	**$98.00** (2)	**$265** (3)	**$1,441**	**<**
Bolinas Community PUD	163	$112.00	$0	$1,344	
Marshall Community Wastewater System	52	$102.80 (4)	$0	$1,234	
Tomales Village CSD	108	$81.90	$80 (5)	$1,063	
Stinson Beach Co Water - Inspection Only	710	$39.65 (6)	$339 (7)	$815	
Bodega Bay PUD	1,053	$61.10	$0	$733	

Notes:

(1) Includes taxes for debt service on outstanding sewer bonds and loans plus any applicable allocation of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.

(2) Includes proposed increase of $5/month.

(3) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at $62,000 for 2020/21 which equates to $265 per service.

(4) Community wastewater step-system commenced October 2008. Each parcel has own septic tank, pumped to a community collection tank, then pumped into a community leach field. Rate shown is last year's rate. Rates are based on the Bay Area CPI at April 30th which will be available toward the end of May.

(5) Based on home with net AV of $401,366 (average 2019/20 AV on 79 single family homes in Tomales) and tax rate of 2.0¢/$100 AV.

(6) On-Site Wastewater System - no sewer system. Services provided include septic inspections, ground and surface water monitoring and other inspections required by the State Water Quality Control Board. In addition to the cost paid to Stinson Beach Water Co., each customer must purchase and install their own on-site wastewater system.

(7) Stinson Beach shares in 1% County levy. This "allocation" was projected by the County of Marin at $802,396 for 2019/20 of which 30% was allocated to sewer amounting to $339 per service.

6

MEMORANDUM

To: Board of Directors June 19, 2020

From: Pablo Ramudo, Water Quality Supervisor PR

Subject: Annual Water Quality Report- Novato
P:\LAB\WQ Supv\CCR\2019\Memo to board re 2019 CCR novato.doc

RECOMMENDED ACTION: Approve Text for 2019 Annual Water Quality Report – Novato

FINANCIAL IMPACT: $1500 (Included in FY 2019/2020 Budget)

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the sources of water and treatment regimes, as well as general information about water and its chemical constituents. Customers who normally receive a paper bill will also receive an insert informing them that the report is available on our website and that a paper copy can be requested. Customers who receive an electronic bill will be sent an email with a link to the report on our website. We will initially order 750 printed copies of the report to mail to customers who request it and to have available to customers in our lobby. Additional copies will be ordered if necessary.

RECOMMENDATION

Approve text and design for the Annual Water Quality Report (2019 Consumer Confidence Report) for Novato subject to any comments received from the Board of Directors.

Approved by GM _____

Date 6/19/20

North Marin Water District

2019 Annual Water Quality Report · Novato Edition · Published June 2020

In 2019, water provided by North Marin Water District met or surpassed every federal and state drinking water standard.

This brochure is a snapshot of water quality monitoring performed in 2019. Included are details about where your water comes from, what it contains, and how it compares to regulatory standards. If you have any questions regarding this Water Quality Report, contact Pablo Ramudo, Water Quality Supervisor, (415) 761-8929 or (800) 464-6693.

This report is available on our website: www.nmwd.com

North Marin Water District's Stafford Lake Water Treatment Plant produces about 25% of the water needed for Novato. This facility is designed to produce water which meets or exceeds strict state and federal standards for water quality. The water treatment process starts with chlorine dioxide and polymers prior to filtration through layers of anthracite and garnet sand. The water then passes through granular activated charcoal to remove any remaining impurities before adjusting the pH to 8.3 for corrosion control and the addition of a small amount of chlorine for disinfection.

Most of Novato's water supply is purchased as treated water from Sonoma County Water Agency (SCWA). The SCWA water supply is collected from gravel beds 80 feet below and adjacent to the Russian River. The quality of this naturally filtered water is excellent, making additional treatment unnecessary. Water from additional SCWA wells in the Santa Rosa plain can be blended with the Russian River well water to augment water supply. Before delivering the water to Novato, SCWA adds small amounts of chlorine and sodium hydroxide to ensure purity and to adjust the pH to 8.3.

The Stafford Lake water supply blends with the SCWA water supply in the Novato water distribution system. The percentage from each source can vary by day and by season.

Este informe contiene información muy importante sobre su agua potable.
Tradúzcalo o hable con alguien que lo entienda bien. Para más información, llame al (415) 761-8929.

TABLE 1 Report on Detected Constituents with a Primary Drinking Water Standard (PDWS)					SONOMA COUNTY WATER AGENCY		STAFFORD WATER TREATMENT PLANT	
CONSTITUENT	UNITS	PHG / [MRDLG] (MCLG)	MCL / [MRDL] (PDWS)	TYPICAL SOURCE	Average	Range	Average	Range
Fluoride	mg/L	1.0	2.0	Erosion of natural deposits	ND	ND	0.1	ND -0.12
Nitrate (as N)	mg/L	10	10	Soil runoff from fertilizers, leaching from septic systems and sewage	ND	ND	ND	ND -0.52
Radioactivity Gross Alpha	pCi/l	0	15	Erosion of natural deposits	ND (1)	ND (1)	ND (2)	ND (2)
					DISTRIBUTION SYSTEM WATER			
Chlorine, Free	mg/L	[4.0]	[4.0]	Drinking water disinfectant added for treatment	Average = 0.63 Range = 0.05 - 2.90			
Total Coliform Bacteria	% of samples positive	(0)	>5% of monthly samples positive	Naturally present in the environment	March 2019 1% of samples positive (1 sample), September 2019 1% of samples positive (1 sample) 1019 samples collected in 2019			
Total Trihalomethanes (3)	µg/L	n/a	80	By-product of drinking water disinfection	Highest Location Running Annual Average = 58.5 Range = 3.5 - 51.0			
Total Haloacetic Acids (3)	µg/L	n/a	60	By-product of drinking water disinfection	Highest Location Running Annual Average = 21.0 Range = ND - 17.1			
Copper (4)	µg/L	170	(AL 1300)	Internal corrosion of household plumbing systems	30 samples collected, none above the action level 90th percentile = 107, Range = ND - 120			
Lead (4)	µg/L	2	(AL 15)	Internal corrosion of household plumbing systems	30 samples collected, none above the action level 90th Percentile = ND, Range = ND - 12			

TABLE 2 Constituents With Aesthetic Concerns and/or a Secondary Drinking Water Standard				SONOMA COUNTY WATER AGENCY		STAFFORD WATER TREAMENT PLANT	
CONSTITUENT	UNITS	SMCL	TYPICAL SOURCE	Average	Range	Average	Range
Color	PCU	15	Naturally-occurring organic materials	ND	ND-4	ND	ND
Odor	TON	3	Naturally-occurring organic materials	ND	ND	ND	ND
Chloride	mg/L	500	Runoff / leaching of natural deposits	5	4.7 – 5.6	51	38 – 65
Sulfate	mg/L	500	Leaching of natural deposits, treatment chemicals	12.5	12 – 14	7.8	6.8 – 8.5
Turbidity	NTU	5	Soil runoff	0.04	0.02 – 2.0	0.07	0.04 – 0.08
Total Dissolved Solids	mg/L	1000	Runoff / leaching of natural deposits	145	140 – 160	170	170 – 180
Sodium	mg/L	n/a	Naturally-occurring and treatment chemicals	8.5	7.8 - 9.3	28	24 – 31
Hardness (4)	mg/L	n/a	Leaching of natural deposits	110	110 – 120	85	69 – 96
Radon	pCi/l	n/a	See "Radon in Air," back page	94	45 – 150	n/a	n/a
Specific Conductance	µmhos/cm	1600	Substances that form ions in water	230	210 – 250	320	260 – 350
Manganese	µg/L	50	Leaching from natural deposits	ND	ND	ND	ND

TABLE 3 Unregulated contaminants with no established maximums.
The results below are part of monitoring conducted in 2019 in compliance with the Fourth Unregulated Contaminant Monitoring Rule (UCMR4).
In addition to the regulated haloacetic acids presented in table 1, detections of other classes of haloacetic acids are presented below. Other contaminants tested in compliance with UCMR4 were not detected in drinking water.

CONSTITUENT	UNITS	Primary MCL [Notification Level]	State PHG or Federal (MCLG)	TYPICAL SOURCES	System Range	System Average	Meets Regulations (YES/NO)
HAA6Br	µg/L	n/a	n/a	By-product of drinking water disinfection	0.84 – 8.8	5.8	Yes
HAA9	µg/L	n/a	n/a	By-product of drinking water disinfection	2.0 – 2.2	9.6	Yes

LEGEND

PHG (Public Health Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (EPA).

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs (SMCL) are set to protect the odor, taste, and appearance of drinking water. MCLs and SMCLs are set by the California and/or U.S. EPA.

PDWS (Primary Drinking Water Standard): MCLs and MRDLs, for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

AL (Action Level): The concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a water system must follow.

TT (Treatment Technique): A required process intended to reduce the level of a contaminant in drinking water.

NTU (Nephelometric Turbidity Units): A measure of suspended material in water.

90th Percentile: Compliance based on highest value after eliminating the highest 10% of values.

MRDL (Maximum residual disinfectant level): The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap.

MRDLG (Maximum residual disinfectant level goal): The level of a disinfectant added for water treatment below which there is no known or exposed risk to health. MRDLGs are set by the U.S. EPA.

NL (Notification Level): The notification level for some unregulated contaminants.

mg/L = milligrams per liter (parts per million) -equivalent to 4 drops of water in the average sized bathtub.

µg/L = micrograms per liter (parts per billion) -equivalent to 50 drops in an olympic size swimming pool

µmhos/cm = micromhos per centimeter

ND = Not Detected

n/a = Not Applicable

PCU = platinum cobalt units

pCi/l = picocuries per liter

(1) 2014 Data

(2) 2012 Data

(3) Compliance based on a four-quarter running average at each distribution system monitoring location

(4) 2017 Data

(5) Average hardness shown in mg/L equates to 5.0 - 6.4 grains per gallon.

Concerning Lead and Drinking Water

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. There is no lead in drinking water produced by NMWD and there are no district owned lead service lines within our system, however lead can leach into drinking water from materials and components associated with customers' service lines and home plumbing. NMWD is responsible for providing high quality drinking water to your meter, but cannot control the variety of materials used in home plumbing components. When water in your household plumbing has been sitting for several hours, you can minimize the potential for lead exposure by running your tap water for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at www.epa.gov/safewater/lead.

A Message From the United States Environmental Protection Agency

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells.

As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive materials, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- Microbial Contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic Contaminants, such as salts and metals, that can be naturally occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.
- Pesticides and Herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic Chemical Contaminants, including synthetic and volatile organic chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural applications and septic systems.
- Radioactive Contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (USEPA) and the California Department of Public Health (CDPH) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. DHS regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline (1-800- 426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800- 426-4791).

Cryptosporidium & Giardia

Monitoring performed by NMWD on untreated water in Stafford Lake has intermittently shown the presence of cryptosporidium, a microbial pathogen found in surface waters throughout the U.S. NMWD's filtration is designed and operated to remove cryptosporidium, but 100% removal cannot be guaranteed. Should you be concerned? Healthy individuals should not be concerned. However, immuno-compromised people are at greater risk. We suggest immuno-compromised individuals consult their physician regarding appropriate precautions.

Radon In Air

Radon is a radioactive gas that can move from decomposed granite soils into a home through cracks and holes in the foundation. Radon can also get into indoor air when running tap water for showering and other household activities. In most cases, radon from tap water is a small source of radon in air. Radon is a known human carcinogen. It can lead to lung cancer. Drinking water containing radon may also cause increased risk of stomach cancer. The SCWA water was tested for Radon and showed an average of 160 and a range of 110 – 180 pCi/L (picocuries per liter). There is no federal regulation for radon levels in drinking water. Exposure over a long period of time to air transmitting radon may cause adverse health effects. If you are concerned about radon in your home, **test the air in your home!** Testing is inexpensive and easy. For additional information, call your state radon program or call EPA's Radon Hotline (800-SOS-RADON).

Notice To Kidney Dialysis Patients

Chlorine dioxide is used as a pre-oxidant in water produced from Stafford Water Treatment Plant. Customers undergoing kidney dialysis treatment are advised to use sufficient pre-treatment to ensure chlorine dioxide does not pose a threat to the dialysis process.

Drinking Water Source Assessment for SCWA Groundwater Supply

In January 2001, a Drinking Water Source Assessment for all of the SCWA's water sources was conducted to identify if any potential sources of contamination exist.

The SCWA source water is extracted from groundwater via 6 Rainey Collector Wells and 7 conventional wells located at Wohler and Mirabel, and three wells in the Santa Rosa Plain. The aquifer is recharged by subsurface flows and Russian River water filtering down through the gravel riverbed.

Most of the SCWA water supply comes from wells at Wohler and Mirabel adjacent to the Russian River. These sources are considered to be most vulnerable from wastewater treatment and gravel mining in the area. However, no contaminants associates with these activities were detected in the drinking water.

The SCWA also operates three groundwater wells on the Santa Rosa Plain near Occidental Road, Todd Road and Sebastopol Road. These sources are considered to be most vulnerable from animal feeding operations. However, no contaminants associated with this activity were detected in the drinking water.

A copy of the complete assessment may be reviewed at the California Department of Public Health, Drinking Water Field Operations Branch, 50 D Street, Suite 200, Santa Rosa, CA 95404. You may request a summary of this assessment be sent to you by contacting the Office Representative at 707-576-2145 (voice) or 707-576-2722 (fax).

Drinking Water Source Water Assessment For Stafford Lake

An assessment of watershed activities, which may affect the Stafford Lake source of supply, was performed in 2002 as required by the U.S. Environmental Protection Agency. The watershed activities identified with the highest potential for contamination of Stafford Lake are animal feeding/ waste disposal at the existing stable and dairy operations on the watershed. These activities increase the potential to introduce microbial contaminants and nutrients to Stafford Lake. NMWD actively works with the stable and dairy owners to control their operations and reduce potential contaminants. The Stafford Lake source water is routinely monitored by NMWD to insure the controls are effective.

A copy of the complete assessment is on file at the North Marin Water District office at 999 Rush Creek Place, Novato.

7

Item #7

MEMORANDUM

To: Board of Directors

June 19, 2020

From: Pablo Ramudo, Water Quality Supervisor PR

Subject: Annual Water Quality Report- Point Reyes

P:\LAB\WQ Supv\CCR\2019\Memo to board re 2019 CCR PR.doc

RECOMMENDED ACTION: Approve Text for 2019 Annual Water Quality Report – Point Reyes

FINANCIAL IMPACT: $600 (Included in FY 2019/2020 Budget)

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the sources of water and treatment regimes, as well as general information about water and its constituents. Customers who normally receive a paper bill will also receive an insert informing them that the report is available on our website and that a paper copy can be requested. Customers who receive an electronic bill will be sent an email with a link to the report on our website. We will initially order 100 printed copies of the report to mail to customers who request it and to have available to customers in our lobby. Additional copies will be ordered if necessary.

RECOMMENDATION

Approve text and design for the Annual Water Quality Report (2019 Consumer Confidence Report) for Point Reyes subject to any comments received from the Board of Directors.

Approved by GM KW

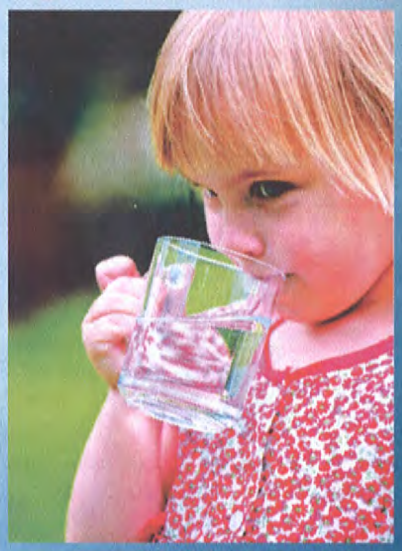
Date 6/19/20

North Marin Water District

2019 Annual Water Quality Report · Point Reyes Area Edition · Published June 2020

In 2019, water provided by North Marin Water District met or surpassed every federal and state drinking water standard.

This brochure is a snapshot of water quality monitoring performed in 2019. Included are details about where your water comes from, what it contains, and how it compares to regulatory standards. If you have any questions regarding this Water Quality Report, contact Pablo Ramudo, Water Quality Supervisor, (415) 761-8929 or (800) 464-6693



This report is available on our website: www.nmwd.com

~~west~ east

North Marin Water District's water is pumped from 3 wells adjacent to Lagunitas Creek. Two of these wells are located in Point Reyes Station and one well is located a mile and a half ~~west~ of Point Reyes Station at the Gallagher ranch. Testing shows that the quality of the water at each of the wells is excellent. Iron and manganese are the principal contaminants found, and although they do not have any negative effects on health, they can affect the color of the water. For this reason, we treat and filter the water to completely remove both of these metals. Chlorine is added as a disinfectant.

Due to their proximity to Lagunitas Creek and Tomales Bay, the two wells in Point Reyes Station are prone to salt water intrusion during very high tides. Once the salty water is in the aquifer that feeds the wells it can take many months for salinity to return to normal. We typically take steps to minimize the amount of salty water that is drawn into our wells, but the problem has been worsening in the last few years due to sea level rise and a changing bay. The Gallagher well is beyond the reach of the tides and is not affected by saltwater intrusion. A new pipeline to this well, completed in 2014, has given NMWD the ability to draw on this alternate source during occurrences of salinity intrusion in order to provide drinking water that is free from the effects of increased salts.

NMWD is committed to supplying safe water that meets or surpasses strict state and federal standards and achieves the highest standards of customer satisfaction.

Este informe contiene información muy importante sobre su agua potable.
Tradúzcalo o hable con alguien que lo entienda bien. Para más información, llame al (415) 761-8929.

North Marin Water District — Point Reyes Water Service Area
Report of Detected Constituents of Concern

CHEMICAL	UNITS	PHG / [MRDLG] (MCLG)	MCL / [MRDL] (PDWS)	POINT REYES TREATMENT PLANT	POINT REYES DISTRIBUTION SYSTEM	TYPICAL SOURCE OF CHEMICAL
Total Trihalomethanes (1)	µg/L	n/a	80	n/a	Highest Location Running Annual average = 76, Range = 30 – 61	By-product of drinking water disinfection
Haloacetic Acids (1)	µg/L	n/a	60	n/a	Highest Location Running Annual average = 26 Range = 3.4 – 22	By-product of drinking water disinfection
Lead (2)	µg/L	2	(Action level 15)	ND	90th Percentile = 7.8 None of 10 samples above action level	Internal corrosion of household water plumbing system and fixtures
Copper (2)	µg/L	170	(Action level 1300)	ND	90th Percentile = 860 None of 10 samples above action level.	Internal corrosion of household water plumbing system and fixtures
Fluoride	mg/L	1.0	2.0	Average = ND, Range = ND	n/a	Erosion of natural deposits
Chlorine, free	mg/L	[4.0]	[4.0]	n/a	Average = 0.39 Range = 0.02 - 0.92	Drinking water disinfectant
Total Coliform Bacteria	# of positive samples per month	0	2 or more positive monthly samples	n/a	One sample positive February (96 samples collected in 2019)	Naturally present in the Environment

1) Compliance is based on a four-quarter running average at each distribution system monitoring location
2) 2017 Data

LEGEND

PHG (Public Health Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (USEPA).

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs (SMCL) are set to protect the odor, taste, and appearance of drinking water. MCLs are set by the California and/or USEPA.

PDWS (Primary Drinking Water Standard): MCLs (or MRDLs), for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

MRDLG (Maximum Residual Disinfectant Level Goal): The level of a disinfectant added for water treatment below which there is no known or exposed risk to health. MRDLGs are set by the USEPA.

MRDL (Maximum Residual Disinfectant Level): The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap.

Action Level: The concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a water system must follow.

90th Percentile = Compliance based on highest value after eliminating the highest 10% of values.

Abbreviations

mg/L = milligrams per liter (parts per million)- equivalent to 4 drops of water in the average sized bathtub.

µg/L = micrograms per liter (parts per billion)- equivalent to 50 drops in an Olympic sized swimming pool.

NTU = Nephelometric Turbidity Units, a measure of suspended material in water

pCi/l = picocuries per liter (a measure of radiation)

n/a = not applicable

ND = Not Detected at testing limit

µmhos/cm = micromhos per centimeter

PCU = platinum cobalt units

North Marin Water District — Point Reyes Water Service Area
Report on Constituents of Interest

CONSTITUENT	UNITS	MCL or (SMCL)	POINT REYES AVERAGE	POINT REYES RANGE	TYPICAL SOURCES
Chloride	mg/L	(500)	35	14 – 240	Runoff/leaching from natural deposits; seawater influence
Color	PCU	(15)	ND	ND	Naturally-occurring organic materials
Hardness	mg/L	n/a	210	130 – 290	Generally found in ground and surface water
Manganese	µg/L	(50)	ND	ND	Leaching from natural deposits
Specific Conductance	µmhos/cm	(1600)	570	300 – 920	Substances that form ions when in water; seawater influence
pH	n/a	(8.5)	7.0	6.9 – 7.0	
Total Dissolved Solids	mg/L	(1000)	320	190 – 480	Runoff/leaching from natural deposits
Turbidity	NTU	5	0.07	0.04 – 0.10	Soil runoff
Sodium	mg/L	n/a	22	11 – 69	Generally found in ground and surface water; seawater influence

Capital Improvement Projects

Ongoing system improvements in the West Marin System include:

- Permitting and design for a solids handling facility at the Point Reyes Treatment Plant.
- Construction of a new 120,000 concrete tank in Paradise Ranch Estates to replace the existing, aged, 50,000 gallon redwood tank and the 25,000 redwood tank destroyed by fire years ago.
- Land acquisition engineering, construction, and permitting for a new supply well beyond the reach of salinity intrusion.

Concerning Lead and Drinking Water

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with private service lines and home plumbing. North Marin Water District is responsible for providing high quality drinking water to your meter, but cannot control the variety of materials used in home plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap water for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at www.epa.gov/safewater/ lead.

A Message From the United States Environmental Protection Agency

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells.

As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive materials, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- Microbial Contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic Contaminants, such as salts and metals, that can be naturally occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.
- Pesticides and Herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic Chemical Contaminants, including synthetic and volatile organic chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural applications and septic systems.
- Radioactive Contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (USEPA) and the California Department of Public Health (CDPH) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. DHS regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline (1-800- 426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/ Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800- 426-4791).

Source Water Assessment

An Assessment of watershed activities, which may affect the Point Reyes source of supply, was completed in July 2002 as required by the US Environmental Protection Agency. The activities identified with the highest potential for contamination of the Point Reyes groundwater supply are salt water intrusion and activities associated with the operation of the US Coast Guard housing wastewater system and maintenance facility area. These activities increase the potential to introduce chemical and microbial contaminants into the local groundwater. The Point Reyes groundwater is routinely monitored by NMWD. No contaminants have been detected with the exception of occasional increases in salt concentrations. Water produced at the Point Reyes water treatment plant meets federal and state water quality requirements.

A copy of the complete assessment is on file at the North Marin Water district office at 999 Rush Creek Place, Novato.

Radon In Air

Radon is a radioactive gas that can move from decomposed granite soils into a home through cracks and holes in the foundation. Radon can also get into indoor air when running tap water for showering and other household activities. In most cases, radon from tap water is a small source of radon in air. Radon is a known human carcinogen. It can lead to lung cancer. Drinking water containing radon may also cause increased risk of stomach cancer. There is no federal regulation for radon levels in drinking water. Exposure over a long period of time to air transmitting radon may cause adverse health effects. If you are concerned about radon in your home, **test the air in your home!** Testing is inexpensive and easy. For additional information, call your state radon program or call EPA's Radon Hotline (800-SOS-RADON).

Board of Directors

Michael Joly
President

James Grossi
Vice President

Rick Fraites

James Grossi

Stephen Petterle

The Board of Directors meets on the first and third Tuesday of the month, 6:00 pm. Please visit www.nmwd.com for schedule, agenda, and meeting locations.

8

MEMORANDUM

To: Board of Directors June 19, 2020

From: Drew McIntyre, General Manager/Acting Chief Engineer

Subject: Renew Declaration of Local Emergency Related to COVID-19 Pandemic

t:\gm\bod misc 2020\renew covid emergency declaration #6 06_23_20.doc

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

FINANCIAL IMPACT: The actual fiscal impacts are currently unknown.

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

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

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

On March 19, 2020, Governor Newson 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. Marin's public health order concerning use of face coverings does not have an end date and will remain in place until further notice. Under the May 4th Shelter-In-Place order, construction activities, certain businesses that operate primarily

outdoors, and some outdoor activities will be allowed to resume with specific conditions.

On 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 7th, 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% of the District's 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 continue. 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 85% of staff on-site or in the field. Telework staff will return to work once our COVID-19 response plan is updated; additional training occurs and physical work space modifications occur.

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.

9

MEMORANDUM

To: Board of Directors June 19, 2020

From: Julie Blue, Auditor-Controller JB

Subj: Approve – Novato, Recycled Water, West Marin & Ocean Marin FY 20/21 Budgets
t:\ac\budget\fy-2020.21\budget final fy 20.21\nmwd budget adopt june 23, 2020 fy 20.21.docx

RECOMMENDED ACTION:	Approve–Novato, Recycled Water, West Marin & Oceana Marin FY 20/21 Budgets
FINANCIAL IMPACT:	Total $28.5 Million Expenditure Plan Capital/Equipment/Debt Service - $10.5 Million Operations - $18.1 Million

Attached for review and approval are the FY 20/21 Budgets (Attachment 1, Option 1) for North Marin Water District (NMWD) which include Novato Water, Recycled Water (RW), West Marin Water (WM), and Ocean Marin Sewer (OM).

Budget Review and Changes:

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.

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, June 2, and June 16, 2020 Board meetings, for review and Board member input. A 6% rate increase for Novato and RW, effective October 1, 2020, was approved by the BOD at the public hearing on June 16, 2020. The original effective date was July 1, 2020 but due to concern about the impact caused by Coronavirus to customers and the economy, the Board decided to postpone the approved rate increase effective date for three months.

Updates to the budget include a reduction in water sales revenue due to the three-month delay of the Novato and RW rate increases. This impact reduces the Novato water sales by $370,000 and the RW sales by $20,000. Although these reductions are significant, the estimated loss in revenue will be addressed during the annual CIP planning phase. On an annual basis the one-time projected revenue loss will be factored in when developing the five-year CIP plan, with a reduction of approximately $100K per year, for the next four years. This is attainable since the

average pay-go expenditures recently increased from $2.5 million to $4 million as a result of the 2020 Novato and Recycled Rate Study. This increase provides additional resource allocation to the infrastructure and facility needs of the District and also provides a rate stabilization component which can be utilized for unanticipated financial circumstances.

Additional Measures to Address COVID-19 Customer Financial Impact:

During the prior budget reviews, 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. To further support customers with financial need the Board approved temporary modifications to the Late Charge and Shut-off Policy (Policy No. 6) which provide flexibility to the current policy and allow staff to work with customers experiencing negative financial impacts. Additionally, the BOD approved the above referenced delay in rate increases by three months for the Novato and RW systems.

District Wide Budget Approval

The District wide budget totals are as follows:

Budget Category	Novato	Recycled Water	West Marin	Oceana Marin	Total
Capital Improvement Projects	$4,987,000	$100,000	$1,485,000	$290,000	$6,862,000
Debt Service	1,907,000	1,165,000	71,000	-	3,143,000
Operations & Maintenance	6,998,000	968,000	470,000	178,000	8,614,000
Purchased Water	5,740,000	284,000	-	-	6,024,000
Administration	3,022,000	62,000	-	-	3,084,000
Transfers Out Capital Expansion Fund	-	369,000	-	-	369,000
Equipment	330,000	-	90,000	29,000	449,000
Total FY 20/21 Budget	**$22,984,000**	**$2,948,000**	**$2,116,000**	**$497,000**	**$28,545,000**

Optional Budget:

Also included with this memo is a second version of the budget (Attachment 2, Option 2). This version was developed by Staff, with support of legal counsel, and provides an alternate option for the Board to consider. Option 2 incorporates a three-month delay in the WM water rate increase effective October 1, 2020 and a 25% reduction to the original rate increase for the OM sewer service charge (SSC). This draft was developed to align with Novato and RW in the decision to delay the rate increases. The financial impact of these changes reduces the WM water sales by $12,000 and reduces the OM Sewer Service Charges by $4,000. Similar to Novato, these revenue losses will be considered when developing the annual five-year CIP budget over the next four years.

Recommendation:

Approve One of the Following:

Option 1 – Novato, Recycled Water, West Marin & Oceana Marin FY 20/21 Budgets *(Updated Budget to incorporate 3-month delay of rate increases for Novato & RW service areas as previously approved).*

Option 2 – Novato, Recycled Water, West Marin & Oceana Marin FY 20/21 Budgets *(Updated Budget to incorporate 3-month Delay of rate increases for all service areas).*

ATTACHMENT 1
OPTION 1

NORTH MARIN WATER DISTRICT

999 Rush Creek Place
PO Box 146
Novato, CA 94948
Phone 415.897.4133
www.nmwd.com

Draft - June 23, 2020

BUDGETS

Novato & West Marin Service Areas

FISCAL YEAR

2020/21

OPTION 1

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 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

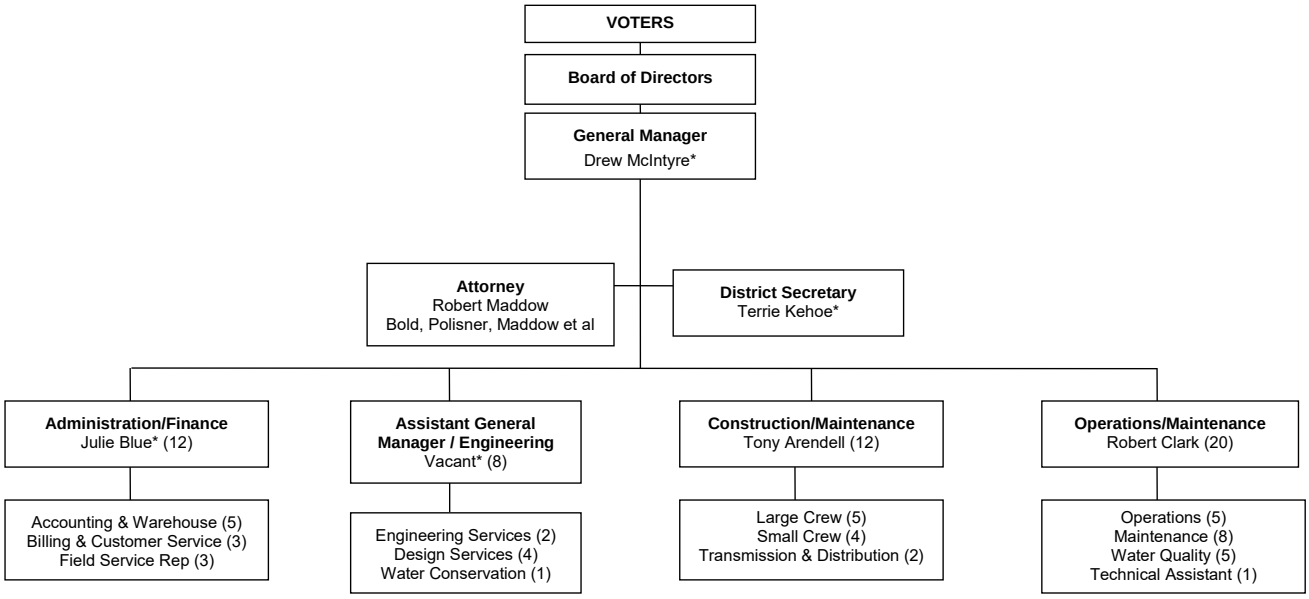
Organization:

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.

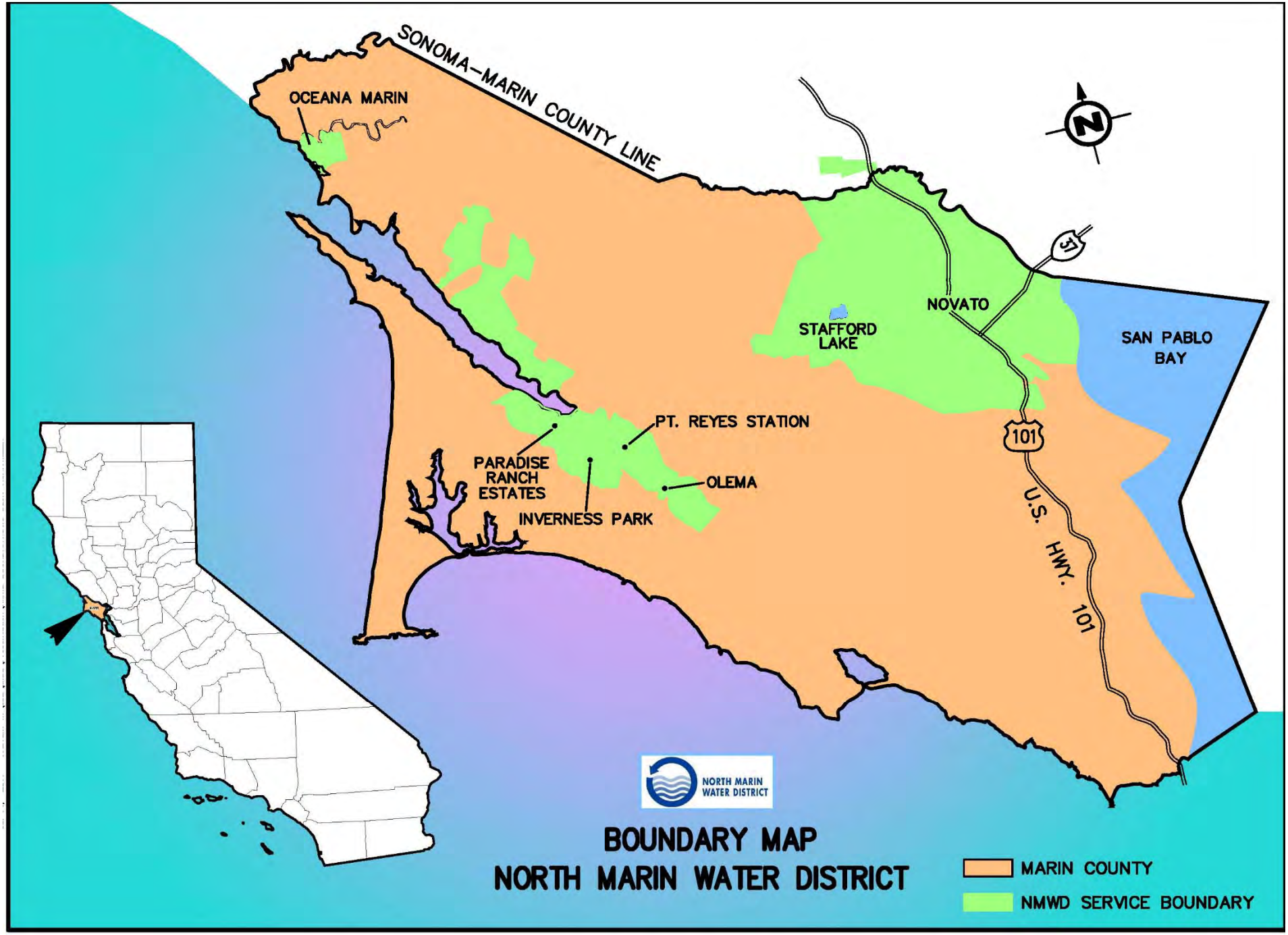
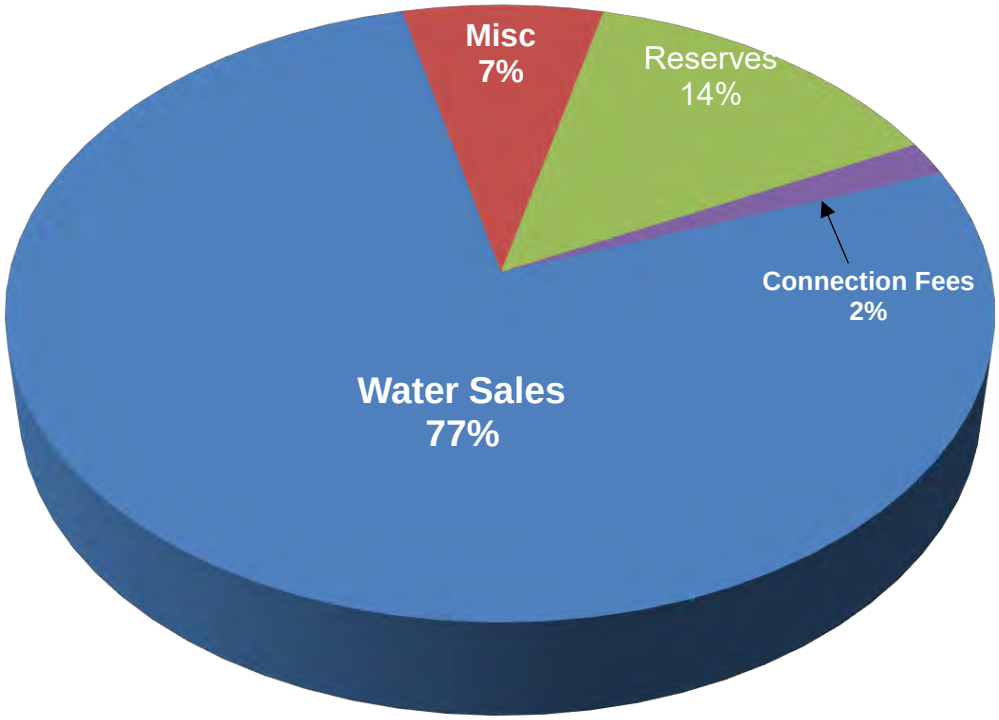

SONOMA–MARIN COUNTY LINE
OCEANA MARIN
STAFFORD LAKE
NOVATO
SAN PABLO BAY
PT. REYES STATION
PARADISE RANCH ESTATES
OLEMA
INVERNESS PARK
U.S. HWY. 101
101
37
N
NORTH MARIN WATER DISTRICT
BOUNDARY MAP
NORTH MARIN WATER DISTRICT
MARIN COUNTY
NMWD SERVICE BOUNDARY

TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
FISCAL YEAR 2020/21 WATER AND SEWER BUDGETS

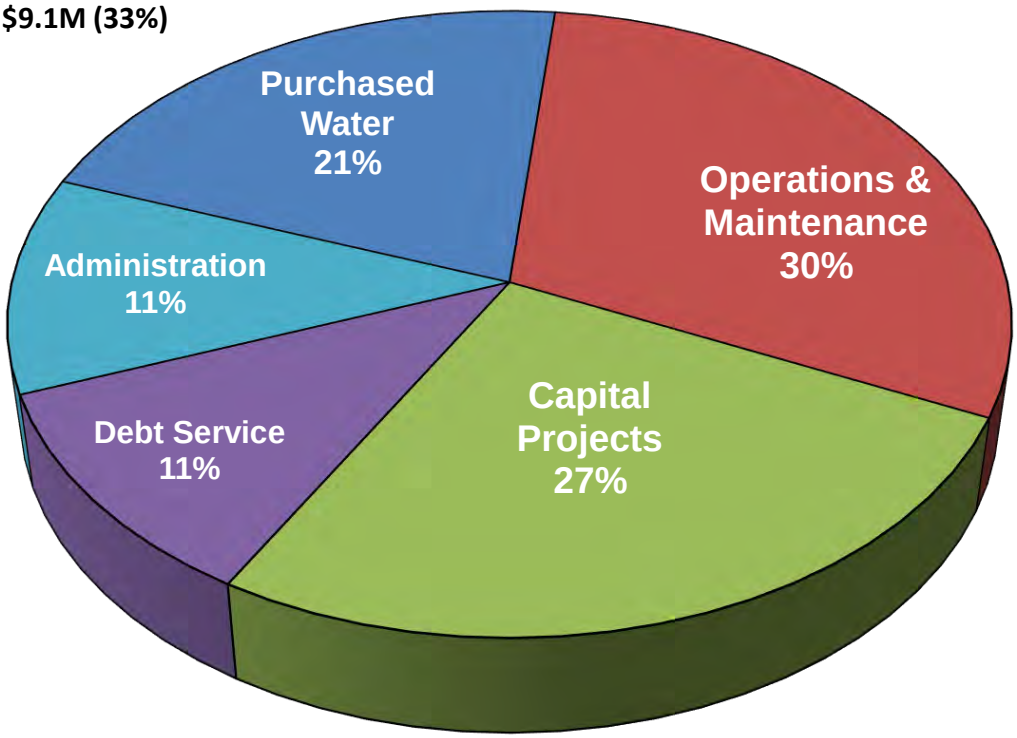
NORTH MARIN WATER DISTRICT

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

Summary

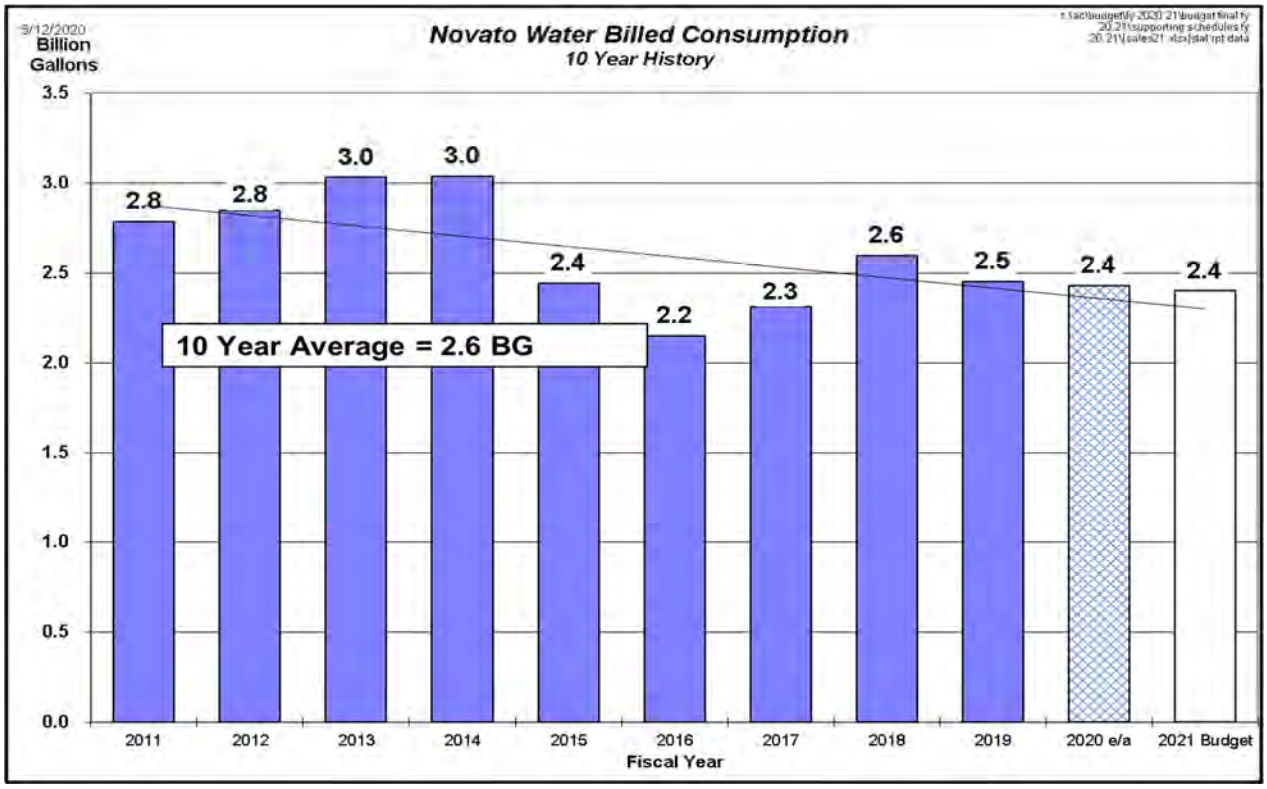
The $28.5 million consolidated budget projects operating revenue of $22.7 million and a net income of $861,000. The FY 20/21 budget incorporates $6.3 million in internally funded capital improvement projects and $6 million in water purchases. After payment of $3.1 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of $4 million.

Novato Water

The Novato Potable Water System budget projects a $3.5 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 6% rate change, effective October 1, 2020, was approved by the Board of Directors at a public hearing on June 16, 2020.The original effective date was July 1, 2020 but due to concern about the impact caused by Coronavirus to our customers and the economy, the Board decided to postpone the approved rate increase effective date for three months. 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 October 1, 2020 is projected to increase revenues by $777,000 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.



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 to purchase water is offset by a slight decrease in estimated 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).

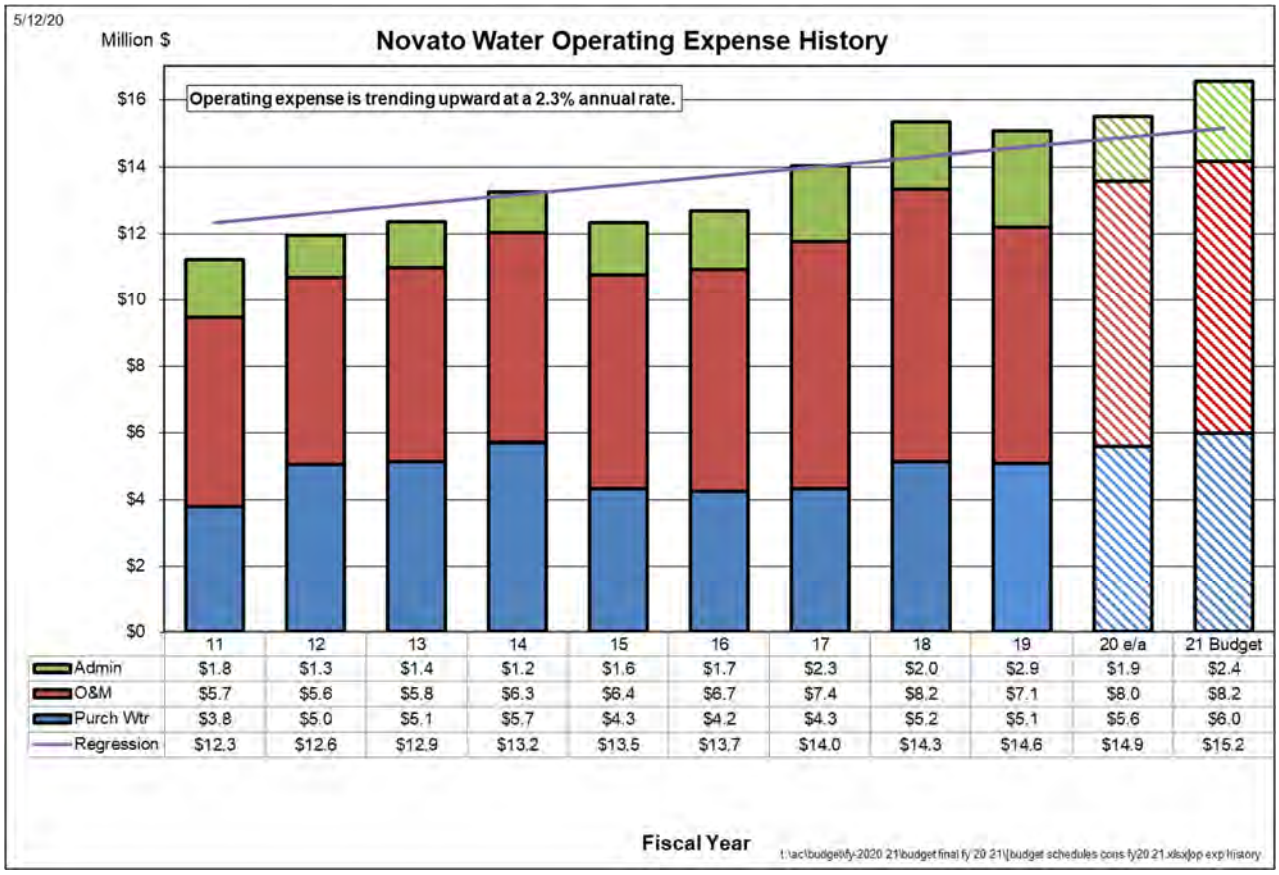
FTE Staffing	FY21	FY20
Administration	8.0	8.0
Consumer Services	6.0	6.0
Construction/Maintenance	12.0	12.0
Engineering	8.0	8.0
Maintenance	9.0	9.0
Operations	6.0	6.0
Water Quality	5.0	5.0
	54.00	54.00

The 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.

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 Consumer Price Index (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.



	11	12	13	14	15	16	17	18	19	20 e/a	21 Budget
Admin	$1.8	$1.3	$1.4	$1.2	$1.6	$1.7	$2.3	$2.0	$2.9	$1.9	$2.4
O&M	$5.7	$5.6	$5.8	$6.3	$6.4	$6.7	$7.4	$8.2	$7.1	$8.0	$8.2
Purch Wtr	$3.8	$5.0	$5.1	$5.7	$4.3	$4.2	$4.3	$5.2	$5.1	$5.6	$6.0
Regression	$12.3	$12.6	$12.9	$13.2	$13.5	$13.7	$14.0	$14.3	$14.6	$14.9	$15.2

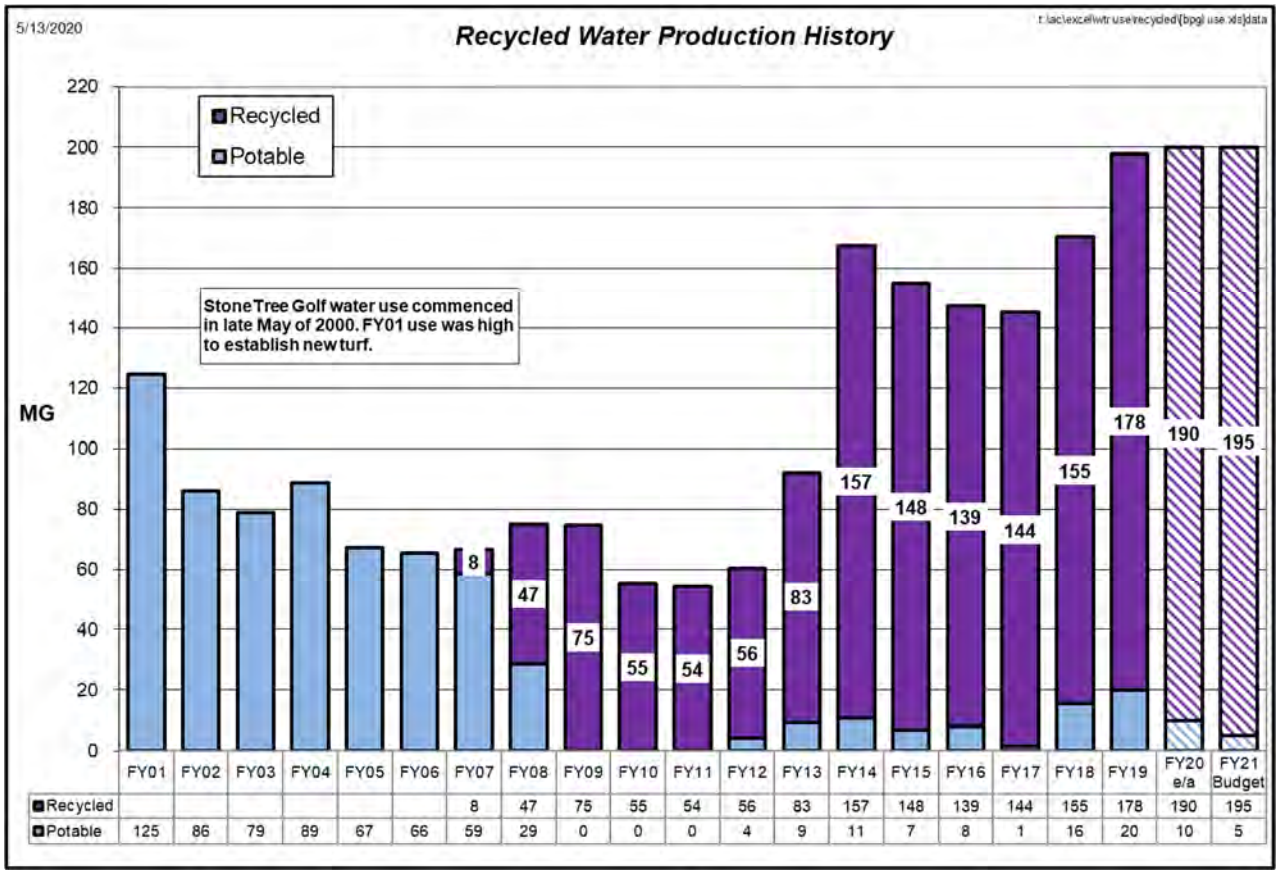
Recycled Water

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 October 1, 2020. Like Novato Water, the rate increase effective date was delayed by three months when approved at the June 16, 2020 Board meeting. The increase is projected to generate $55,000 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 RW system is projected to show an increase of cash for the year of $121,000.

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



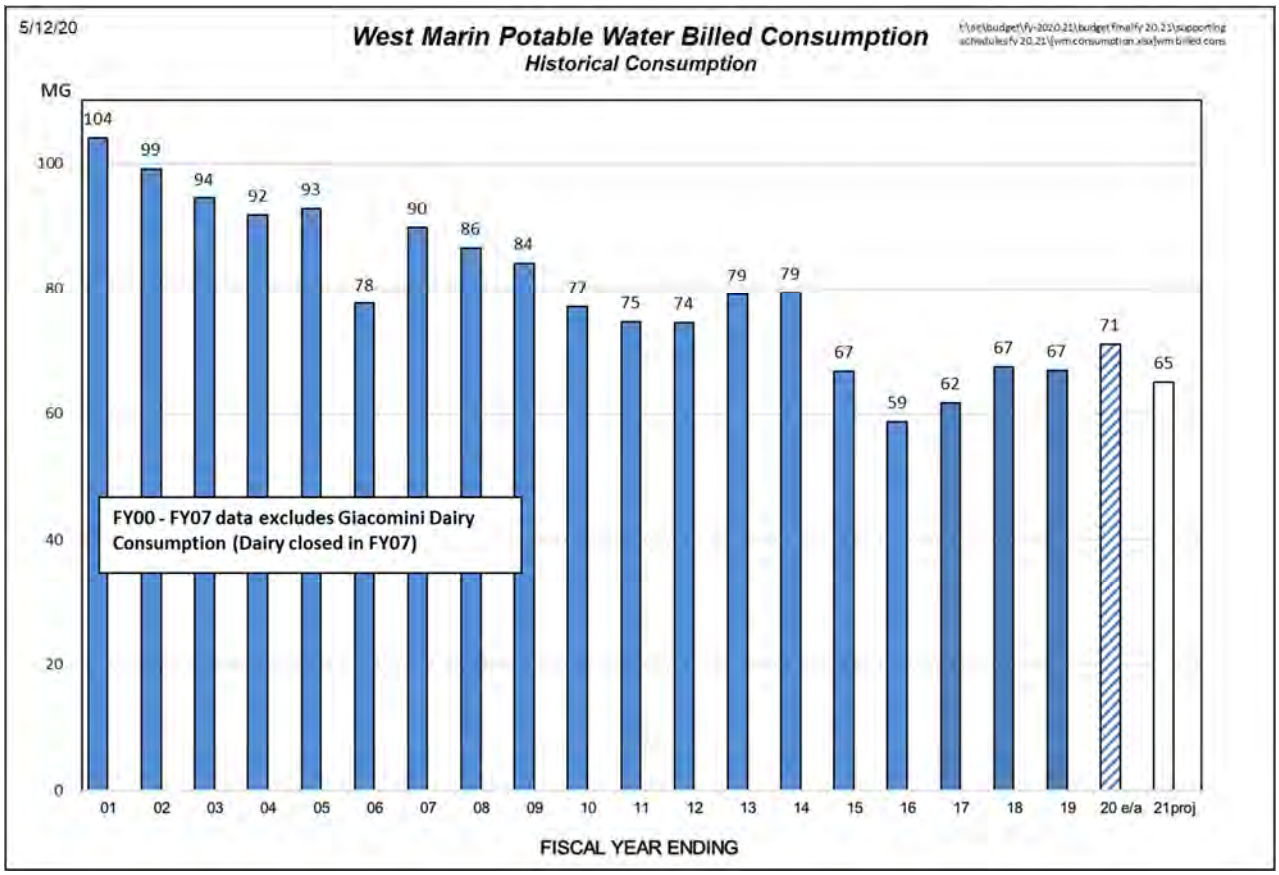
	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20 e/a	FY21 Budget
Recycled							8	47	75	55	54	56	83	157	148	139	144	155	178	190	195
Potable	125	86	79	89	67	66	59	29	0	0	0	4	9	11	7	8	1	16	20	10	5

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.

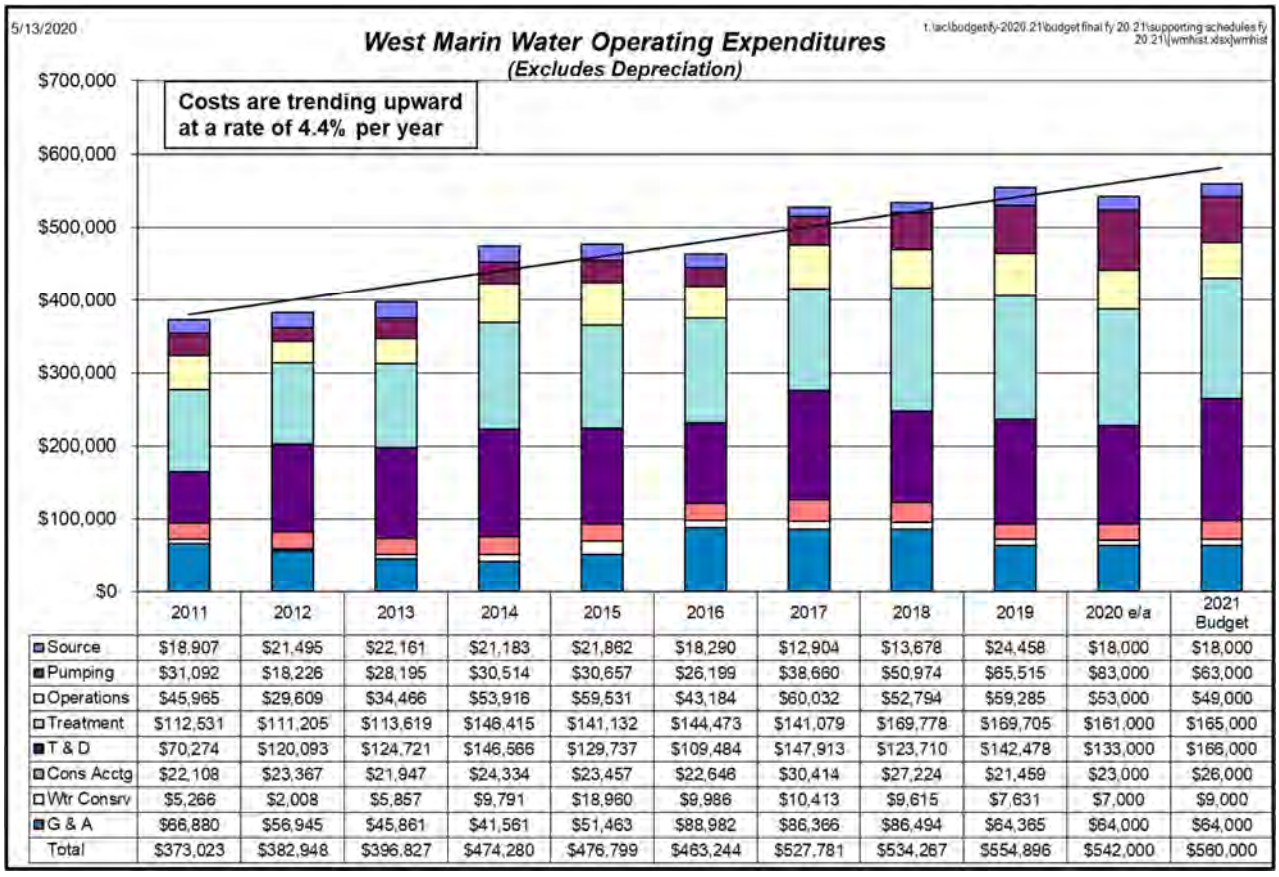
Significant Capital Improvement Projects budgeted for the year include continued work on the $1.6 million project to replace the Paradise Ranch Estates Tank 4A which is scheduled to be completed in FY 20/21. Additional projects include $100K towards the Lagunitas Creek Bridge Pipe Replacement project, $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.



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.



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 e/a	2021 Budget
Source	$18,907	$21,495	$22,161	$21,183	$21,862	$18,290	$12,904	$13,678	$24,458	$18,000	$18,000
Pumping	$31,092	$18,226	$28,195	$30,514	$30,657	$26,199	$38,660	$50,974	$65,515	$83,000	$63,000
Operations	$45,965	$29,609	$34,466	$53,916	$59,531	$43,184	$60,032	$52,794	$59,285	$53,000	$49,000
Treatment	$112,531	$111,205	$113,619	$148,415	$141,132	$144,473	$141,079	$169,778	$169,705	$161,000	$165,000
T & D	$70,274	$120,093	$124,721	$146,566	$129,737	$109,484	$147,913	$123,710	$142,478	$133,000	$166,000
Cons Acctg	$22,108	$23,367	$21,947	$24,334	$23,457	$22,648	$30,414	$27,224	$21,459	$23,000	$26,000
Wtr Consrv	$5,266	$2,008	$5,857	$9,791	$18,960	$9,986	$10,413	$9,615	$7,631	$7,000	$9,000
G & A	$66,880	$56,945	$45,861	$41,561	$51,463	$88,982	$86,366	$86,494	$64,365	$64,000	$64,000
Total	$373,023	$382,948	$396,827	$474,280	$476,799	$463,244	$527,781	$534,267	$554,896	$542,000	$560,000

Oceana Marin Sewer

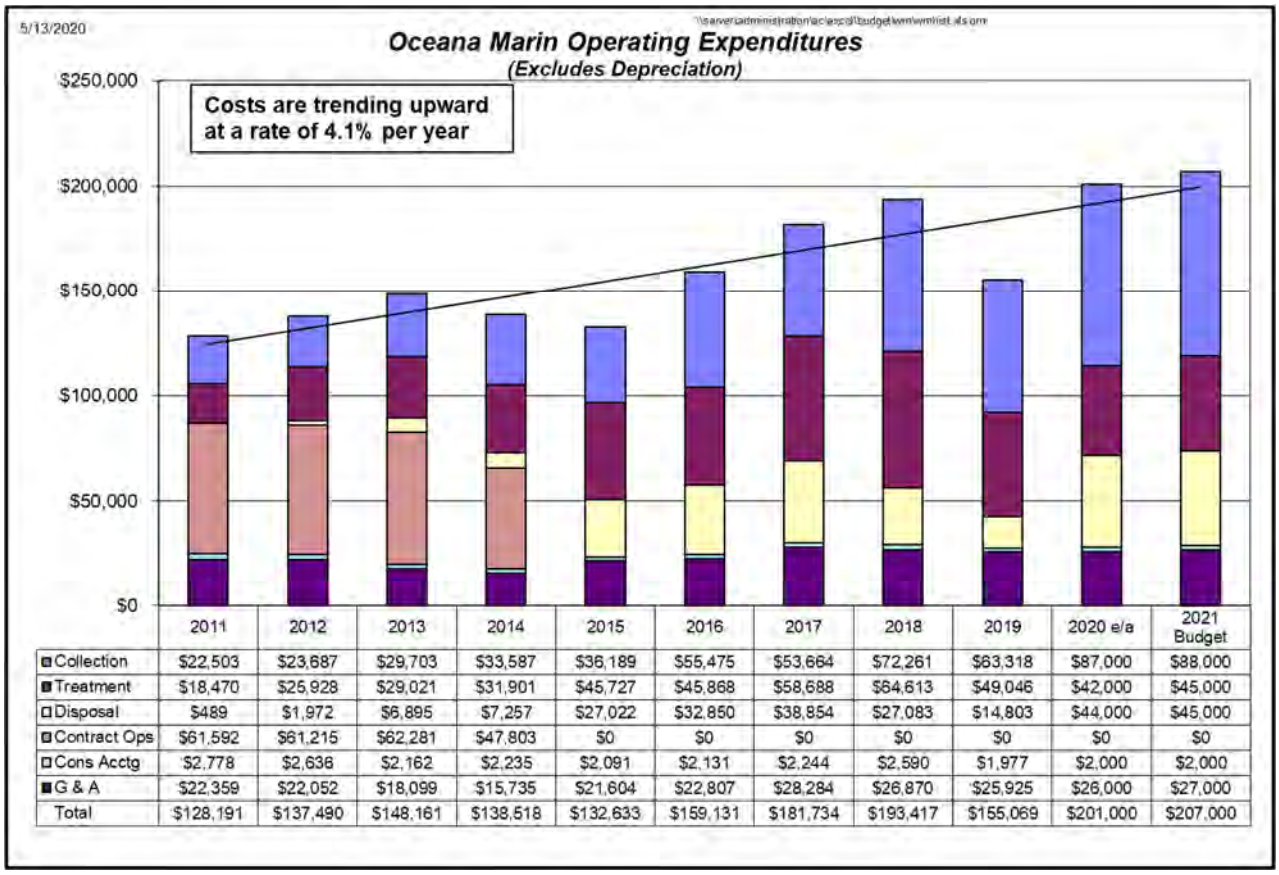
A proposed 5% increase ($5/month - to $1,176/year) in the Oceana Marin Sewer service charge to be effective July 1, 2020, is projected to add $14,000 in additional annual revenue. Growth in the past three years has remained relatively stable so conservatively there are no connection fees budgeted for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



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 e/a	2021 Budget
Collection	$22,503	$23,687	$29,703	$33,587	$36,189	$55,475	$53,664	$72,261	$63,318	$87,000	$88,000
Treatment	$18,470	$25,928	$29,021	$31,901	$45,727	$45,868	$58,688	$64,613	$49,046	$42,000	$45,000
Disposal	$489	$1,972	$6,895	$7,257	$27,022	$32,850	$38,854	$27,083	$14,803	$44,000	$45,000
Contract Ops	$61,592	$61,215	$62,281	$47,803	$0	$0	$0	$0	$0	$0	$0
Cons Acctg	$2,778	$2,636	$2,162	$2,235	$2,091	$2,131	$2,244	$2,590	$1,977	$2,000	$2,000
G & A	$22,359	$22,052	$18,099	$15,735	$21,604	$22,807	$28,284	$26,870	$25,925	$26,000	$27,000
Total	$128,191	$137,490	$148,161	$138,518	$132,633	$159,131	$181,734	$193,417	$155,069	$201,000	$207,000

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.

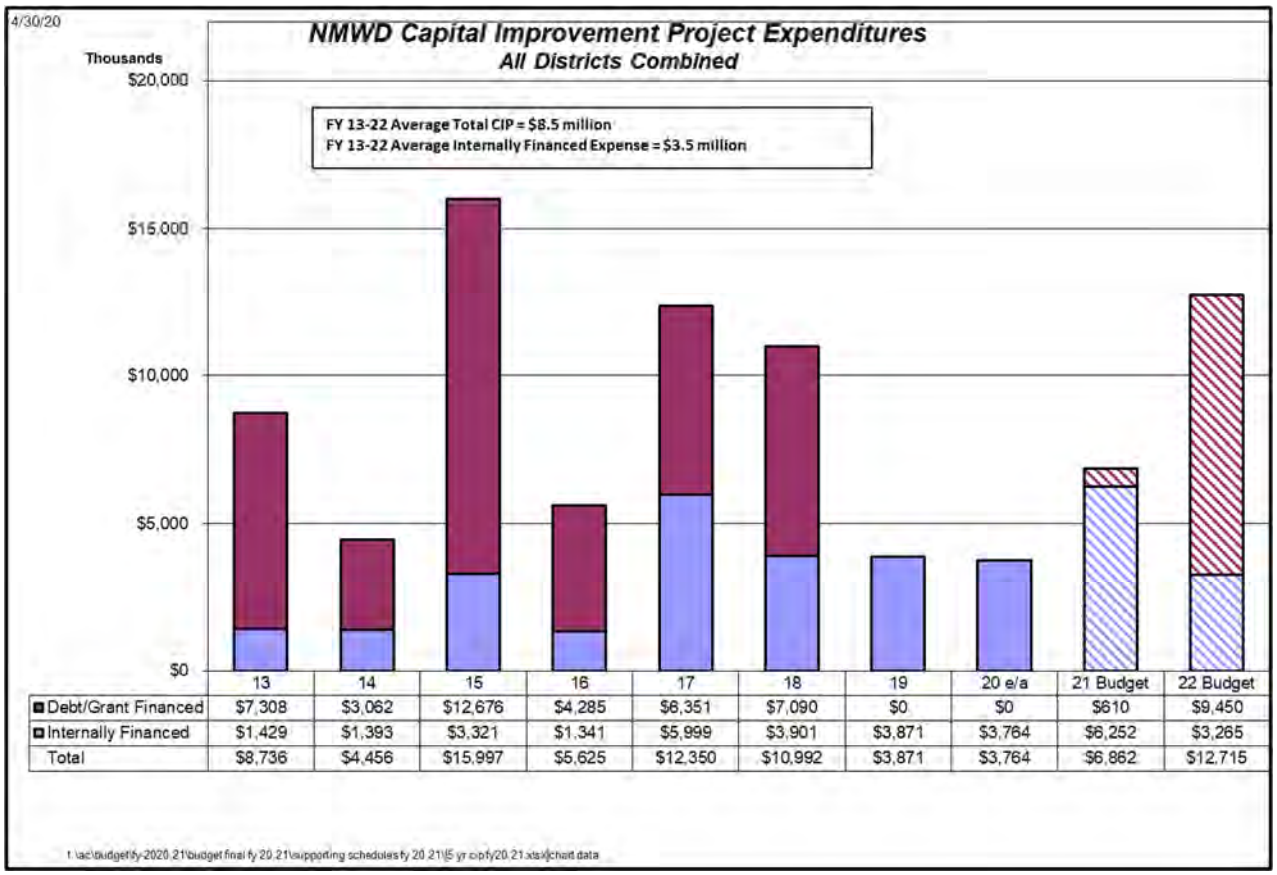
Project	FY 20/21	FY 21/22	Total Project Costs
Office/Yard Building Refurbish[1]	$1,000,000	$7,000,000	$15,100,000
Replace PRE Tank 4A	1,000,000	-	1,600,000
San Mateo 24" Inlet/Outlet Pipe (2,200')	910,000	-	1,070,000
Crest PS/Relocate School Rd PS	550,000	-	765,000
Old Ranch Rd. Tank #2	500,000	-	701,000
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	75,000	335,000	510,000
Other Projects	2,102,000	1,645,000	-
Gross Project Outlay	**6,862,000**	**12,715,000**	**22,801,000**
Less Loan/Grant Funding	(610,000)	(9,450,000)	(9,450,000)
Net Project Outlay (internally funded)	**$6,252,000**	**$3,265,000**	**$13,351,000**

1. *This project is scheduled to be completed with an additional $7M budget in FY 22/23*

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.

	Net Outlay		
District	Proposed FY21 & FY22	Adopted FY20 & FY21	Increase (Decrease)
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
Total	**$9,517,000**	**$8,368,000**	**$1,149,000**

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.



	13	14	15	16	17	18	19	20 e/a	21 Budget	22 Budget
Debt/Grant Financed	$7,308	$3,062	$12,676	$4,285	$6,351	$7,090	$0	$0	$610	$9,450
Internally Financed	$1,429	$1,393	$3,321	$1,341	$5,999	$3,901	$3,871	$3,764	$6,252	$3,265
Total	$8,736	$4,456	$15,997	$5,625	$12,350	$10,992	$3,871	$3,764	$6,862	$12,715

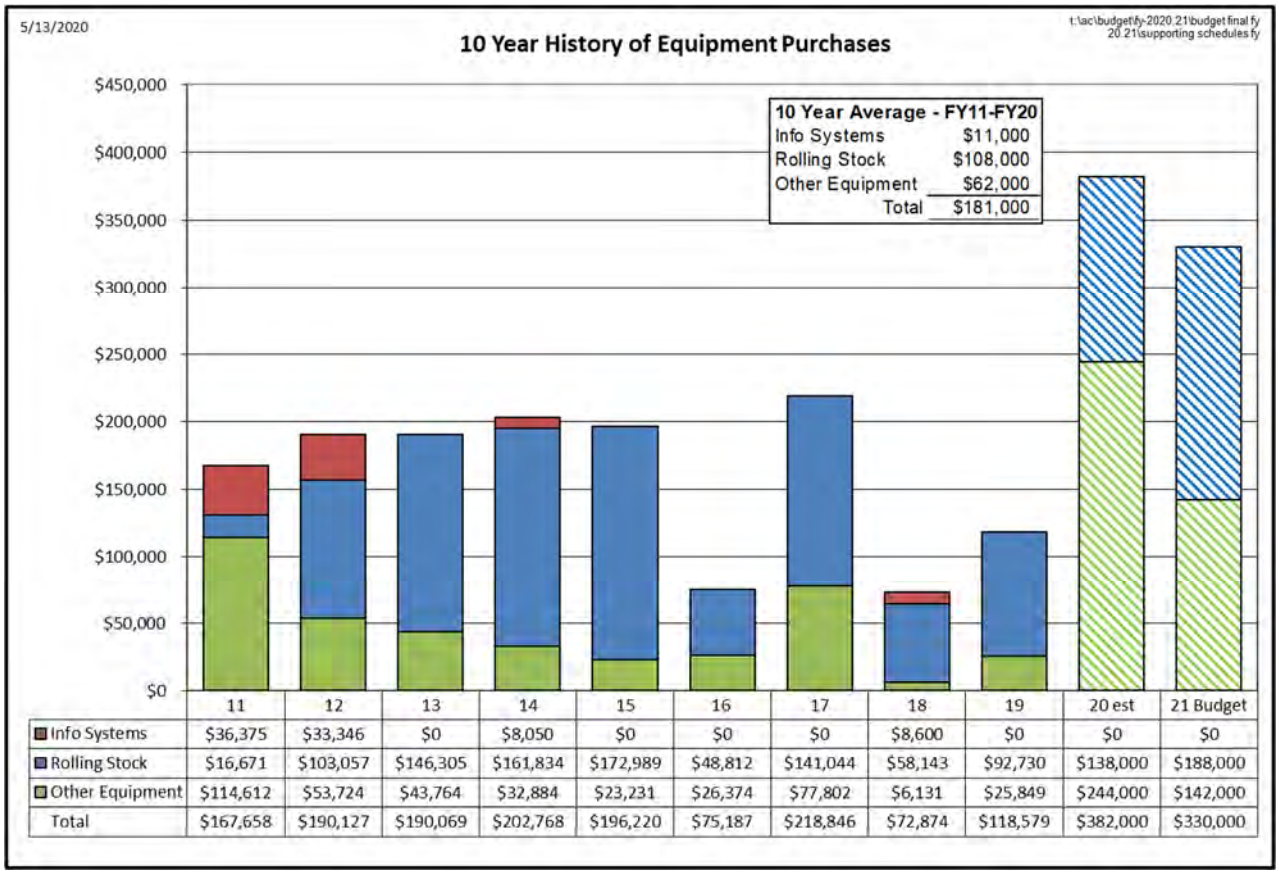
t:\ac\budget\fy-2020.21\budget final fy 20.21\supporting schedules fy 20.21\[5 yr copy fy20.21.xls]chart data

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 within the budget constraints of the five-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study.

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.



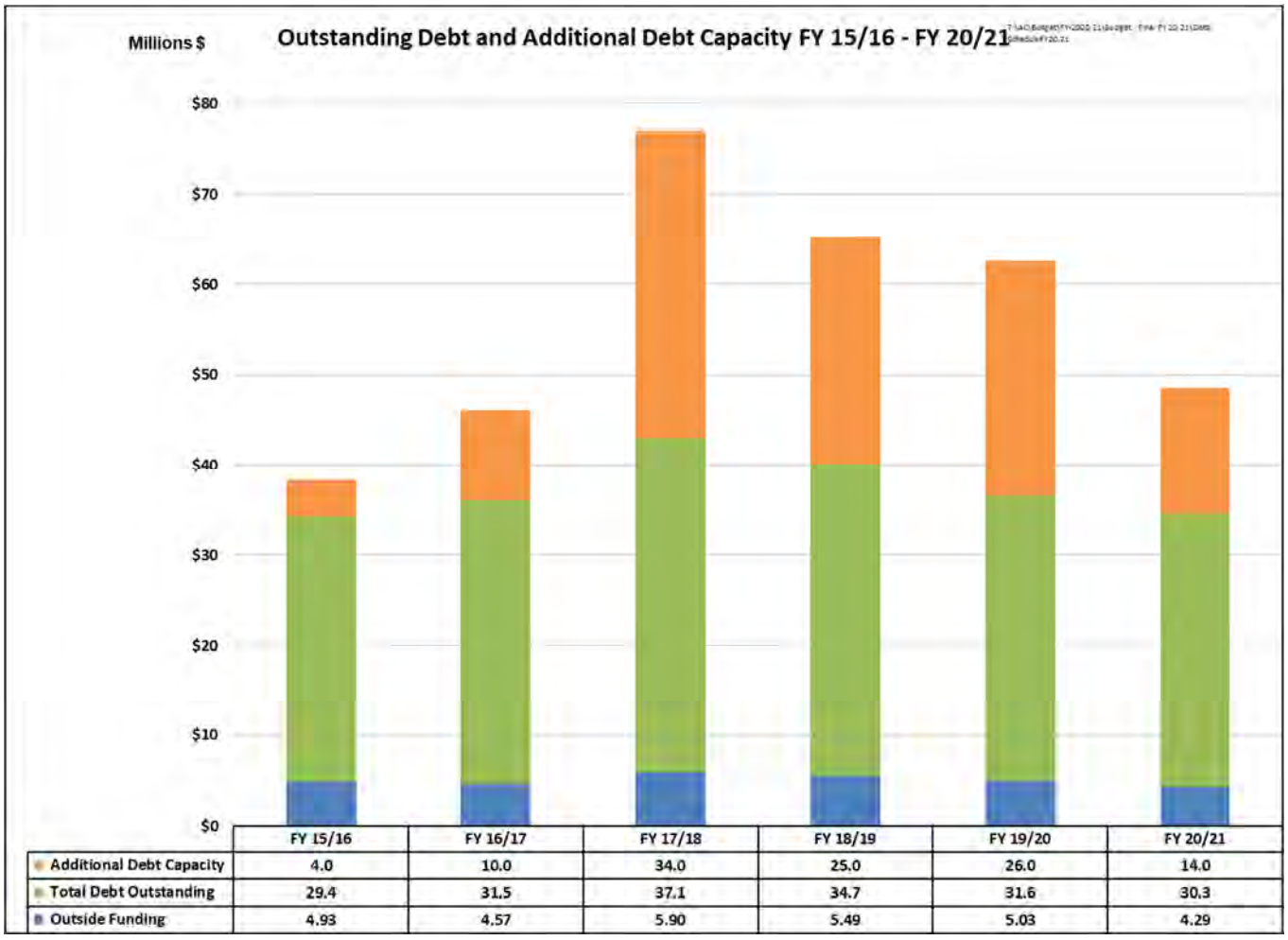
	11	12	13	14	15	16	17	18	19	20 est	21 Budget
Info Systems	$36,375	$33,346	$0	$8,050	$0	$0	$0	$8,600	$0	$0	$0
Rolling Stock	$16,671	$103,057	$146,305	$161,834	$172,989	$48,812	$141,044	$58,143	$92,730	$138,000	$188,000
Other Equipment	$114,612	$53,724	$43,764	$32,884	$23,231	$26,374	$77,802	$6,131	$25,849	$244,000	$142,000
Total	$167,658	$190,127	$190,069	$202,768	$196,220	$75,187	$218,846	$72,874	$118,579	$382,000	$330,000

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.) $13.5 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.



	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Additional Debt Capacity	4.0	10.0	34.0	25.0	26.0	14.0
Total Debt Outstanding	29.4	31.5	37.1	34.7	31.6	30.3
Outside Funding	4.93	4.57	5.90	5.49	5.03	4.29

NMWD DRAFT BUDGET

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

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Water Sales	**$21,952,000**	$21,347,000	$22,345,000
2	Sewer Service Charges	**276,000**	265,000	261,000
3	Wheeling & Misc Service Charges	**430,000**	420,000	392,000
4	**Total Operating Income**	**$22,658,000**	**$22,032,000**	$22,998,000
	OPERATING EXPENDITURES			
5	Source of Supply	**$6,286,000**	$5,891,000	$6,186,000
6	Pumping	**567,000**	628,000	438,000
7	Operations	**857,000**	1,029,000	808,000
8	Water Treatment	**2,628,000**	2,530,000	2,697,000
9	Sewer Service	**178,000**	173,000	171,000
10	Transmission & Distribution	**3,694,000**	3,447,000	3,656,000
11	Consumer Accounting	**683,000**	574,000	644,000
12	Water Conservation	**408,000**	373,000	399,000
13	General & Administrative	**2,520,000**	2,089,000	2,383,000
14	Depreciation Expense	**3,777,000**	3,380,000	3,486,000
15	**Total Operating Expenditures**	**$21,598,000**	$20,114,000	$20,868,000
16	***NET OPERATING INCOME (LOSS)***	**$1,060,000**	$1,918,000	$2,130,000
	NON-OPERATING INCOME/(EXPENSE)			
17	Tax Proceeds	**$118,000**	$116,000	$116,000
18	Interest Revenue	**316,000**	591,000	277,000
19	Miscellaneous Revenue	**135,000**	132,000	133,000
20	Interest Expense	**(748,000)**	(805,000)	(806,000)
21	Miscellaneous Expense	**(20,000)**	(2,000)	(20,000)
22	**Total Non-Operating Income/(Expense)**	**($199,000)**	$32,000	($300,000)
	NET INCOME/(LOSS)	**$861,000**	$1,950,000	$1,830,000
	OTHER SOURCES/(USES) OF FUNDS			
23	Add Depreciation Expense	**$3,777,000**	$3,380,000	$3,486,000
24	Connection Fees	**509,000**	1,446,000	340,000
25	Caltrans AEEP Reimbursement	**1,000**	13,000	1,000
26	MMWD AEEP Capital Contribution	**205,000**	205,000	205,000
27	Loans/Grants	**610,000**	-	69,000
28	Stone Tree Golf Principal Repayment	**37,000**	1,118,000	227,000
29	Transfers Out from Capital Expansion Fun	**(369,000)**	(305,700)	-
30	Capital Equipment Expenditures	**(330,000)**	(382,000)	(433,000)
31	Capital Improvement Projects	**(6,862,000)**	(3,763,500)	(5,713,000)
32	Debt Principal Payments	**(2,395,000)**	(2,333,000)	(2,333,000)
33	**Total Other Sources/(Uses)**	**($4,817,000)**	($622,200)	($4,151,000)
34	***CASH INCREASE/(DECREASE)***	**($3,956,000)**	$1,327,800	($2,321,000)

NMWD DRAFT BUDGET

NOVATO POTABLE WATER
BUDGET SUMMARY
Fiscal Year 2020/21

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Water Sales	**$19,774,000**	$19,184,000	$20,239,000
2	Wheeling & Misc Service Charges	**365,000**	370,000	342,000
3	**Total Operating Income**	**$20,139,000**	$19,554,000	$20,581,000
	OPERATING EXPENDITURES			
4	Source of Supply	**$5,984,000**	$5,589,000	$5,896,000
5	Pumping	**497,000**	540,000	384,000
6	Operations	**734,000**	888,000	685,000
7	Water Treatment	**2,432,000**	2,362,000	2,494,000
8	Transmission & Distribution	**3,466,000**	3,276,000	3,432,000
9	Consumer Accounting	**654,000**	548,000	613,000
10	Water Conservation	**399,000**	366,000	390,000
11	General Administration	**2,368,000**	1,934,000	2,237,000
12	Depreciation Expense	**2,868,000**	2,674,000	2,788,000
13	**Total Operating Expenditures**	**$19,402,000**	$18,177,000	$18,919,000
14	***NET OPERATING INCOME (LOSS)***	**$737,000**	$1,377,000	$1,662,000
	NON-OPERATING INCOME/(EXPENSE)			
15	Interest Revenue	**$150,000**	332,000	150,000
16	Miscellaneous Revenue	**135,000**	132,000	133,000
17	Interest Expense	**(456,000)**	(494,000)	(495,000)
18	Miscellaneous Expense	**(20,000)**	($2,000)	(20,000)
19	**Total Non-Operating Income/(Expense)**	**($191,000)**	($32,000)	($232,000)
20	***NET INCOME/(LOSS)***	**$546,000**	$1,345,000	$1,430,000
	OTHER SOURCES/(USES) OF CASH			
21	Add Depreciation Expense	**$2,868,000**	$2,674,000	$2,788,000
22	Connection Fees	**486,000**	1,446,000	340,000
23	Caltrans AEEP Capital Contribution	**1,000**	13,000	1,000
24	MMWD AEEP Capital Contribution	**205,000**	205,000	205,000
25	Capital Equipment Expenditures	**(330,000)**	(382,000)	(433,000)
26	Capital Improvement Projects	**(4,987,000)**	(2,523,000)	(4,308,000)
27	Debt Principal Payments	**(1,451,000)**	(1,410,000)	(1,410,000)
28	Connection Fee Transfer from (to) RWS	**(794,000)**	(843,000)	(910,000)
29	Working Capital Increase/(Decrease)	**-**	-	-
30	**Total Other Sources/(Uses)**	**($4,002,000)**	($820,000)	($3,727,000)
31	***CASH INCREASE/(DECREASE)***	**($3,456,000)**	$525,000	($2,297,000)

NMWD DRAFT BUDGET

NOVATO POTABLE WATER

FY 20/21-Five-Year Financial Forecast

	Fiscal Year Ending June 30 >	Proposed 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
	SERVICES					
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
	WATER PRODUCTION (MG)					
3	Stafford Production	650	650	650	650	650
4	Russian River Purchases	1,880	1,880	1,880	1,880	1,880
5	**Total Water Production**	2,530	2,530	2,530	2,530	2,530
	REVENUE & EXPENSE ($ in 000's)					
	OPERATING REVENUE					
6	Potable Water Sales	$19,774	$20,960	$22,218	$23,551	$24,964
7	Wheeling & Other Misc Service Charges	365	380	395	411	427
8	**Total Operating Revenue**	**$20,139**	**$21,340**	**$22,613**	**$23,962**	**$25,391**
	OPERATING EXPENSE					
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	**Total Operating Expense**	**$19,402**	**$20,102**	**$20,831**	**$21,591**	**$22,385**
	NON-OPERATING REVENUE/(EXPENSE)					
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	**Total Non-Op Revenue/(Expense)**	**($191)**	**($456)**	**($689)**	**($683)**	**($679)**
20	**Net Income**	**$546**	**$782**	**$1,093**	**$1,687**	**$2,327**
	OTHER SOURCES/(USES) OF FUNDS					
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	**Total Other Sources/(Uses)**	**($4,002)**	**($869)**	**($1,740)**	**($2,255)**	**($3,354)**
31	**Cash Increase/(Decrease)**	**($3,456)**	**($87)**	**($647)**	**($568)**	**($1,027)**
32	**Ending Reserve Balance**	**$13,079**	**$12,993**	**$12,346**	**$11,778**	**$10,751**
33	**Target Reserve Balance (90% Op Exp)**	**$14,881**	**$15,482**	**$16,111**	**$16,768**	**$17,456**
34	**% Rate Increase[1]**	**6.0%**	**6.0%**	**6.0%**	**5.0%**	**5.0%**
35	**Median Monthly Single-Family Residential Bill**	**$61**	**$65**	**$69**	**$72**	**$76**

36 [1]Fiscal year 2021 Rate increase approved 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.

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

		Proposed Budget 20/21	Estimated Actual 19/20	Adopted Budget 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15
STATISTICS									
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
OPERATING INCOME									
4	Water Sales	$19,846,000	$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	**TOTAL OPERATING INCOME**	**$20,139,000**	**$19,554,000**	**$20,581,000**	**$19,437,324**	**$20,019,805**	**$16,984,885**	**$15,793,138**	**$16,414,448**
OPERATING EXPENSE									
	SOURCE OF SUPPLY								
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	**TOTAL SOURCE OF SUPPLY**	**$5,984,000**	**$5,589,000**	**$5,896,000**	**$5,167,409**	**$5,356,748**	**$4,417,447**	**$4,069,101**	**$4,390,549**
	PUMPING								
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	**TOTAL PUMPING**	**$497,000**	**$540,000**	**$384,000**	**$389,149**	**$372,601**	**$309,233**	**$252,061**	**$316,703**
	OPERATIONS								
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	**TOTAL OPERATIONS**	**$734,000**	**$888,000**	**$685,000**	**$711,175**	**$923,736**	**$808,675**	**$682,261**	**$628,361**

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

		Proposed Budget 20/21	Estimated Actual 19/20	Adopted Budget 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15
	WATER TREATMENT								
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	**TOTAL WATER TREATMENT**	**$2,432,000**	**$2,362,000**	**$2,494,000**	**$1,945,958**	**$2,377,531**	**$2,188,085**	**$1,949,762**	**$1,873,680**
	TRANSMISSION & DISTRIBUTION								
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	**TOTAL TRANSMISSION & DISTRIB**	**$3,466,000**	**$3,276,000**	**$3,432,000**	**$3,142,281**	**$3,242,992**	**$3,028,409**	**$2,747,675**	**$2,528,492**
	CONSUMER ACCOUNTING								
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	**TOTAL CONSUMER ACCOUNTING**	**$654,000**	**$548,000**	**$613,000**	**$485,786**	**$711,431**	**$642,708**	**$603,385**	**$562,252**

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

		Proposed Budget 20/21	Estimated Actual 19/20	Adopted Budget 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15
	WATER CONSERVATION								
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	**TOTAL WATER CONSERVATION**	**$399,000**	**$366,000**	**$390,000**	**$341,784**	**$344,890**	**$361,042**	**$381,495**	**$460,401**
	GENERAL & ADMINISTRATION								
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	**TOTAL GENERAL & ADMINISTRATION**	**$2,368,000**	**$1,934,000**	**$2,237,000**	**$2,864,101**	**$2,002,414**	**$2,282,356**	**$1,738,681**	**$1,557,531**
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	**TOTAL OPERATING EXPENSE**	**$19,402,000**	**$18,177,000**	**$18,919,000**	**$17,799,855**	**$18,063,210**	**$16,748,582**	**$15,001,502**	**$14,825,093**
100	***NET OPERATING INCOME/(LOSS)***	**$737,000**	**$1,377,000**	**$1,662,000**	**$1,637,470**	**$1,956,595**	**$236,303**	**$791,636**	**$1,589,355**

NMWD DRAFT BUDGET

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2020/21

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Recycled Water Sales	**$1,234,000**	$1,194,000	$1,194,000
2	Bimonthly Service Charge	**58,000**	43,000	43,000
3	**Total Operating Income**	**$1,292,000**	$1,237,000	$1,237,000
	OPERATING EXPENDITURES			
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	**Total Operating Expenditures**	**$1,193,000**	$962,000	$977,000
14	***NET OPERATING INCOME (LOSS)***	**$99,000**	$275,000	$260,000
	NON-OPERATING INCOME/(EXPENSE)			
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	**Total Non-Operating Income/(Expense)**	**($118,000)**	($112,000)	($206,000)
20	***NET INCOME/(LOSS)***	**($19,000)**	$163,000	$54,000
	OTHER SOURCES/(USES) OF FUNDS			
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	**Total Other Sources/(Uses)**	**$140,000**	$1,230,300	$615,000
29	***CASH INCREASE/(DECREASE)***	**$121,000**	$1,393,300	$669,000

NMWD DRAFT BUDGET

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

		Proposed	Projected	Projected	Projected	Projected
	Fiscal Year Ending June 30 >	**2021**	**2022**	**2023**	**2024**	**2025**
1	Active Services @ Fiscal Year End	95	95	95	95	95
2	Commodity Rate/1,000 Gal	$6.17	$6.64	$7.04	$7.39	$7.76
3	Consumption (MG)	200	200	200	200	200
	OPERATING REVENUE					
4	Recycled Water Sales	$1,234	$1,328	$1,407	$1,478	$1,552
5	Bimonthly Service Charge	58	61	65	69	72
6	**Total Operating Revenue**	**$1,292**	**$1,389**	**$1,472**	**$1,547**	**$1,624**
	OPERATING EXPENSE					
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	**Total Operating Expense**	**$1,193**	**$1,207**	**$1,222**	**$1,237**	**$1,252**
	NON-OPERATING REVENUE/(EXPENSE)					
14	Interest Revenue	$152	$67	$70	$70	$70
15	Interest Expense	(270)	(231)	(212)	(212)	(212)
16	**Total Non-Op Revenue/(Expense)**	**($118)**	**($164)**	**($142)**	**($142)**	**($142)**
17	**NET INCOME/(LOSS)**	**($19)**	**$18**	**$108**	**$168**	**$230**
	OTHER SOURCES/(USES) OF FUNDS					
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	**Total Other Sources/Uses**	**$140**	**$36**	**($46)**	**($101)**	**($153)**
26	**Cash Increase/(Decrease)**	**$121**	**$54**	**$62**	**$67**	**$77**
27	**Ending Reserve Balance**	**$4,683**	**$4,737**	**$4,799**	**$4,866**	**$4,943**
28	**% Rate Increase[1]**	**6.0%**	**6.0%**	**6.0%**	**5.0%**	**5.0%**

29 [1]Fiscal year 2021 Rate increase approved 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.

NMWD DRAFT BUDGET

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2020/21

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Water Sales	**$944,000**	$969,000	$912,000
2	Misc Service Charges	**7,000**	7,000	7,000
3	**Total Operating Income**	**$951,000**	$976,000	$919,000
	OPERATING EXPENDITURES			
4	Source of Supply	**$18,000**	$18,000	$15,000
5	Pumping	**63,000**	83,000	48,000
6	Operations	**49,000**	53,000	49,000
7	Water Treatment	**165,000**	161,000	173,000
8	Transmission & Distribution	**166,000**	133,000	162,000
9	Consumer Accounting	**26,000**	23,000	28,000
10	Water Conservation	**9,000**	7,000	9,000
11	General Administration	**64,000**	64,000	64,000
12	Depreciation Expense	**188,000**	186,000	187,000
13	**Total Operating Expenditures**	**$748,000**	$728,000	$735,000
14	***NET OPERATING INCOME (LOSS)***	**$203,000**	$248,000	$184,000
	NON-OPERATING REVENUE/(EXPENSE)			
15	PR-2 County Tax Allocation	**$57,000**	$56,000	$56,000
16	Interest Revenue	**11,000**	73,000	38,000
17	Bond & Loan Interest Expense	**(22,000)**	(24,000)	(24,000)
18	**Total Non-Operating Income/(Expense)**	**$46,000**	$105,000	$70,000
19	***NET INCOME/(LOSS)***	**$249,000**	$353,000	$254,000
	OTHER SOURCES/(USES) OF FUNDS			
20	Add Depreciation Expense	**$188,000**	$186,000	$187,000
21	Connection Fees	**23,000**	-	-
22	Grant/Loan Proceeds	**385,000**	-	-
23	Capital Improvement Projects	**(1,485,000)**	(1,093,000)	(1,230,000)
24	Bond & Loan Principal Payments	**(49,000)**	(47,000)	(47,000)
25	**Total Other Souces/(Uses)**	**($938,000)**	($954,000)	($1,090,000)
26	***CASH INCREASE/(DECREASE)***	**($689,000)**	($601,000)	($836,000)

NMWD DRAFT BUDGET

WEST MARIN WATER

FY 20/21-Five-Year Financial Forecast

		Budget 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25
	BASIC DATA					
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
	OPERATING REVENUE					
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	**Total Operating Revenue**	**$951,000**	**$1,017,000**	**$1,063,000**	**$1,111,000**	**$1,161,000**
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	**Total Operating Expense**	**$748,000**	**$790,000**	**$824,000**	**$845,000**	**$873,000**
11	**NET OPERATING INCOME**	**$203,000**	**$227,000**	**$239,000**	**$266,000**	**$288,000**
	NON-OPERATING REVENUE/(EXPENSE)					
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	**Total Non-Op Revenue/(Expense)**	46,000	42,000	46,000	29,000	29,000
17	**Net Income**	**$249,000**	**$269,000**	**$285,000**	**$295,000**	**$317,000**
	OTHER SOURCES/(USES)					
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	**Total Other Sources/(Uses)**	**($938,000)**	**($178,000)**	**($49,000)**	**($446,000)**	**($615,000)**
25	**Cash Increase/(Decrease)**	**($689,000)**	**$91,000**	**$236,000**	**($151,000)**	**($298,000)**
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	**ENDING CASH BALANCE**	**$398,000**	**$489,000**	**$725,000**	**$574,000**	**$276,000**
	% Rate Increase[1]	**4.5%**	**4.5%**	**4.5%**	**4.5%**	**4.5%**

[1]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.

NMWD DRAFT BUDGET

OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2020/21

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

NMWD DRAFT BUDGET

OCEANA MARIN SEWER

FY 20/21-Five-Year Financial Forecast

	BASIC DATA	Budget 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25
1	Number of Connections	235	236	236	237	237
2	Monthly Service Charge	$98.00	$103.00	$108.00	$113.00	$119.00
	OPERATING REVENUE					
3	Monthly Service Charge	$276,000	$292,000	$306,000	$321,000	$338,000
4	Miscellaneous Service Charges	-	-	-	-	-
5	**Total Operating Revenue**	**$276,000**	**$292,000**	**$306,000**	**$321,000**	**$338,000**
	OPERATING EXPENSE					
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	**Total Operating Expense**	$255,000	$266,000	$301,000	$308,000	$320,000
9	**NET OPERATING INCOME**	**$21,000**	**$26,000**	**$5,000**	**$13,000**	**$18,000**
	NON-OPERATING REVENUE/(EXPENSE)					
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	**Total Non-Op Revenue/(Expense)**	**$64,000**	**$57,000**	**$58,000**	**$61,000**	**$46,000**
#	**Net Income**	**$85,000**	**$83,000**	**$63,000**	**$74,000**	**$64,000**
	OTHER SOURCES/(USES)					
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	**Total Other Sources/(Uses)**	**($17,000)**	**($207,000)**	**$33,000**	**($236,000)**	**$25,000**
21	**Cash Increase/(Decrease)**	**$68,000**	**($124,000)**	**$96,000**	**($162,000)**	**$89,000**
22	**ENDING CASH BALANCE**	**$387,000**	**$263,000**	**$359,000**	**$197,000**	**$286,000**
	% Rate Increase[1]	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**

[1]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 if 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	$1,485,000	$1,040,000	
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	$290,000	$1,740,000	

CAPITAL IMPROVEMENT PROJECTS

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	FY21	FY22	FY21 Project Description
SUMMARY - GROSS PROJECT OUTLAY			
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	$6,862,000	$12,715,000	
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	($610,000)	($9,450,000)	
SUMMARY - NET PROJECT OUTLAY			
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	$6,252,000	$3,265,000	
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
NOVATO POTABLE WATER DEBT SERVICE			
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	
NOVATO RECYCLED WATER DEBT SERVICE			
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	
WEST MARIN WATER DEBT SERVICE			
i. TP Solids Handling Bank Loan	$71,000	$71,000	
	$71,000	$71,000	
OCEANA MARIN SEWER DEBT SERVICE			
j CIP Financing	-	$18,000	
	$0	$18,000	
TOTAL DEBT SERVICE	$3,143,000	$3,670,000	
NET PROJECT OUTLAY & DEBT SERVICE	$9,395,000	$6,935,000	

CAPITAL IMPROVEMENT PROJECTS

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			FY21	FY22	FY21 Project Description
		STUDIES & SPECIAL PROJECTS			
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	
			$320,000	$385,000	

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.

EQUIPMENT EXPENDITURES

Fiscal Year 20/21 Budget

			Approved	Description
	1	**OPERATIONS/MAINTENANCE**		
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".
			$142,000	
	2	**VEHICLE & ROLLING EQUIPMENT EXPENDITURES**		Rolling Stock to be Transferred & Auctioned or Description
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.
			$188,000	
		Total	**$330,000**	

RECAP	Adopted Budget 2019/20	Estimated Actual 2019/20	**Proposed Budget 2020/21**
Equipment	$247,000	$244,000	$142,000
Rolling Stock	$186,000	$138,000	$188,000
	$433,000	**$382,000**	**$330,000**

ATTACHMENT 2
OPTION 2

NORTH MARIN WATER DISTRICT

999 Rush Creek Place
PO Box 146
Novato, CA 94948
Phone 415.897.4133
www.nmwd.com

Draft - June 23, 2020

BUDGETS

Novato & West Marin Service Areas

FISCAL YEAR

2020/21

OPTION 2

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 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

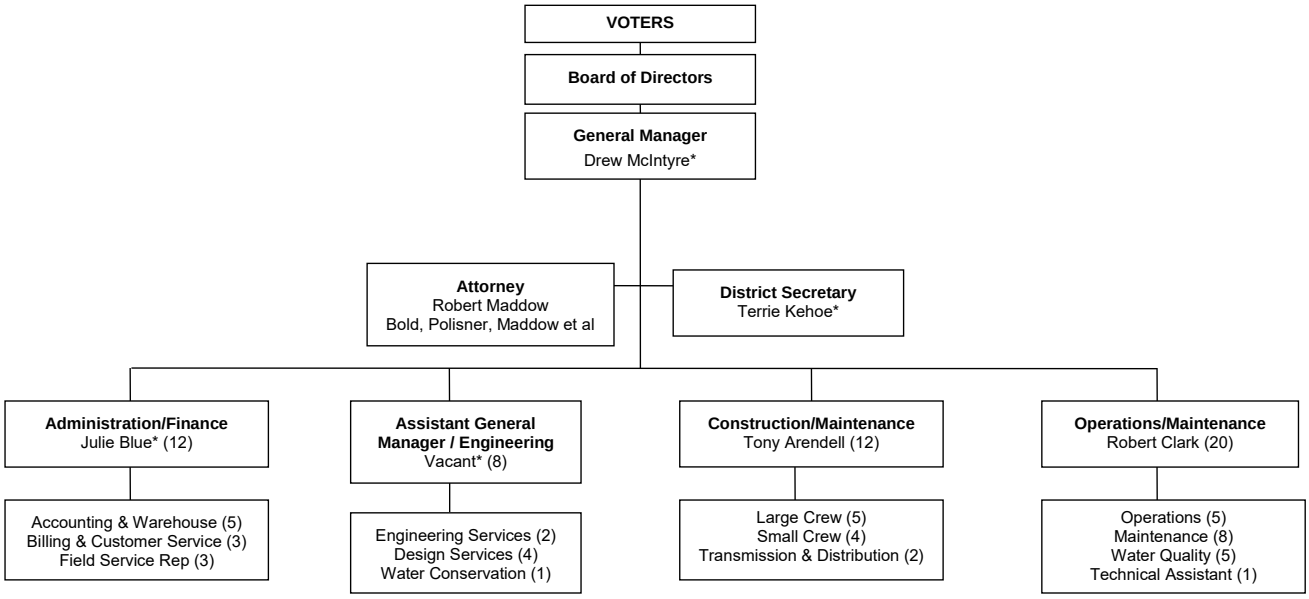
Organization:

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.

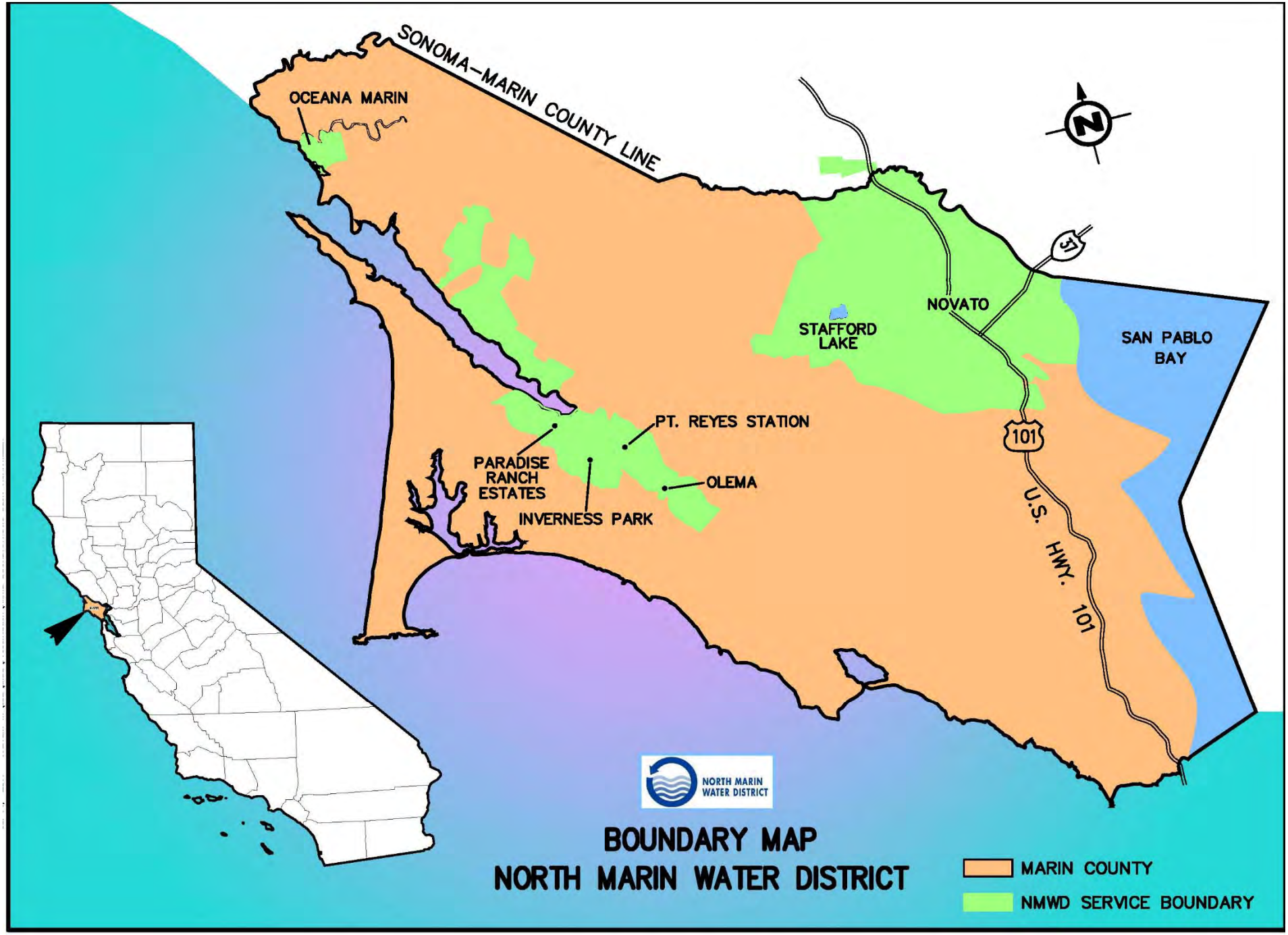
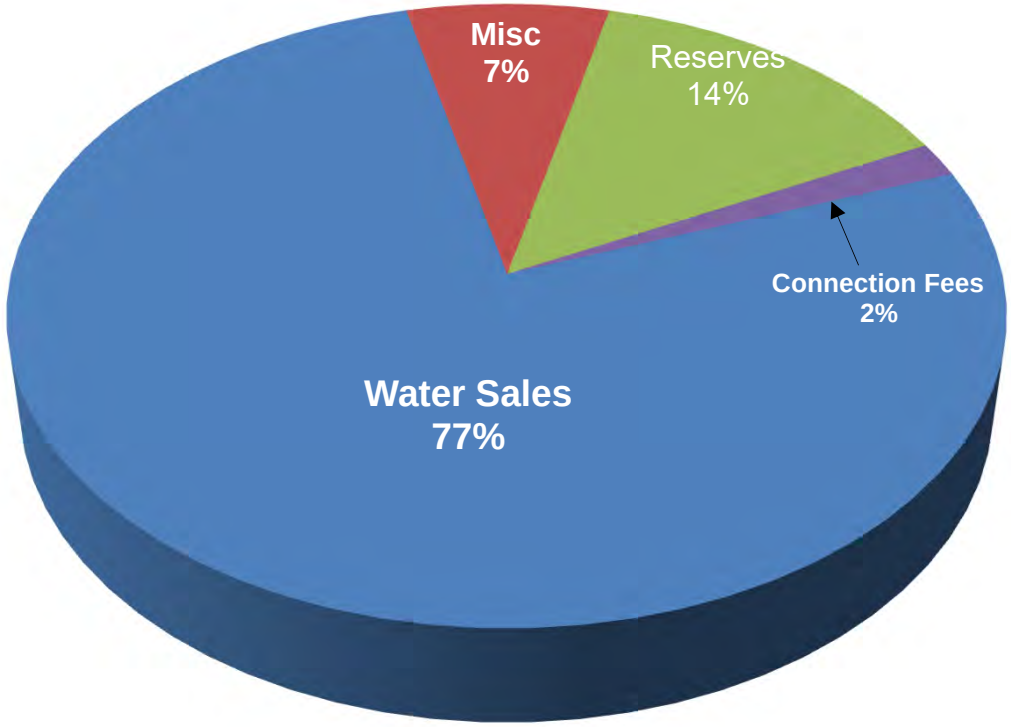

SONOMA–MARIN COUNTY LINE
OCEANA MARIN
STAFFORD LAKE
NOVATO
SAN PABLO BAY
PT. REYES STATION
PARADISE RANCH ESTATES
OLEMA
INVERNESS PARK
U.S. HWY. 101
101
37
N
NORTH MARIN WATER DISTRICT
BOUNDARY MAP
NORTH MARIN WATER DISTRICT
MARIN COUNTY
NMWD SERVICE BOUNDARY

TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
FISCAL YEAR 2020/21 WATER AND SEWER BUDGETS

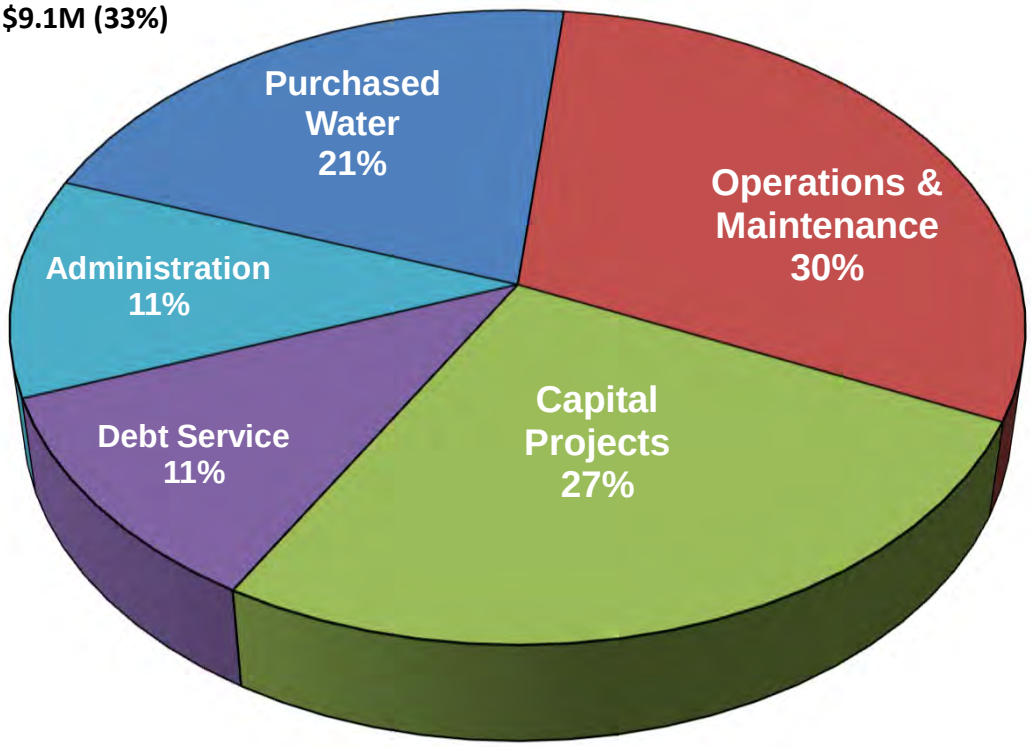
NORTH MARIN WATER DISTRICT

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

Summary

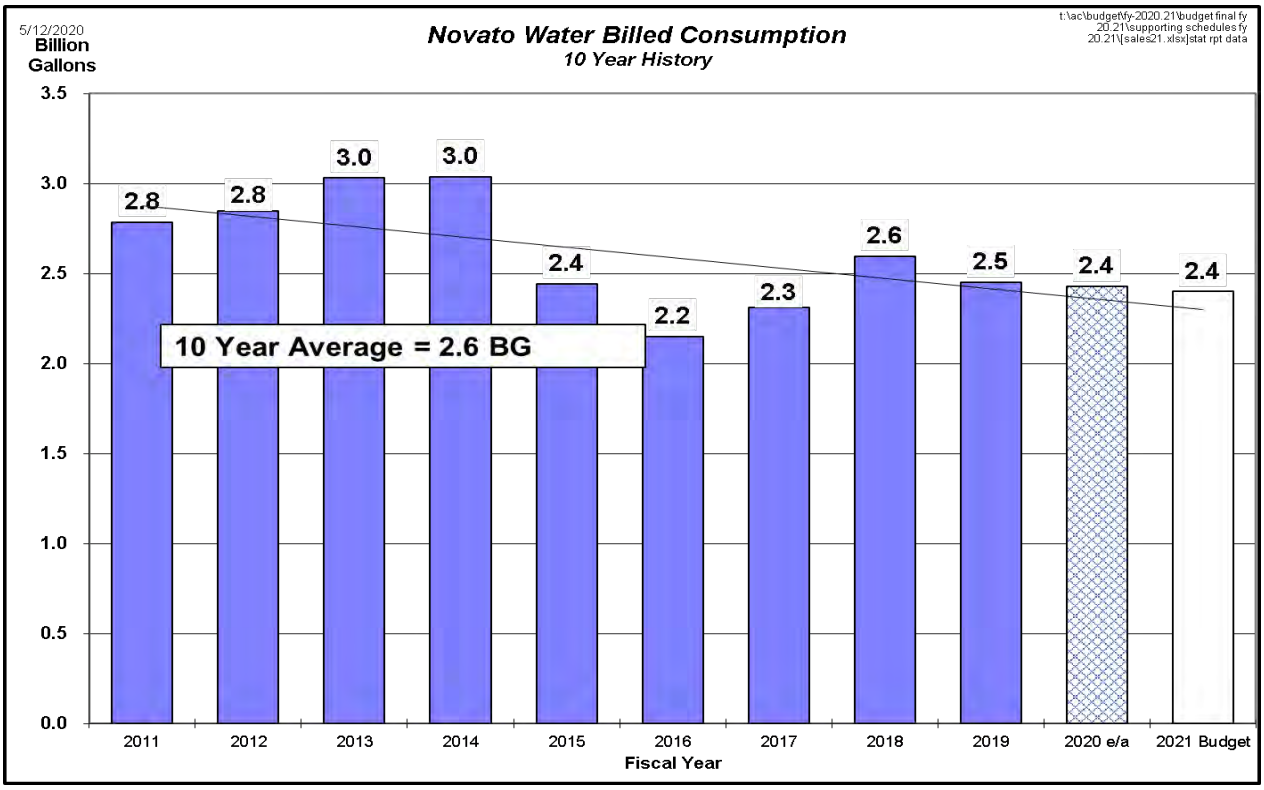
The $28.5 million consolidated budget projects operating revenue of $22.6 million and a net income of $845,000. The FY 20/21 budget incorporates $6.3 million in internally funded capital improvement projects and $6 million in water purchases. After payment of $3.1 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of $4 million.

Novato Water

The Novato Potable Water System budget projects a $3.5 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 6% rate change, effective October 1, 2020, was approved by the Board of Directors at a public hearing on June 16, 2020.The original effective date was July 1, 2020 but due to concern about the impact caused by Coronavirus to our customers and the economy, the Board decided to postpone the approved rate increase effective date for three months. 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 October 1, 2020 is projected to increase revenues by $777,000 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.



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 to purchase water is offset by a slight decrease in estimated 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).

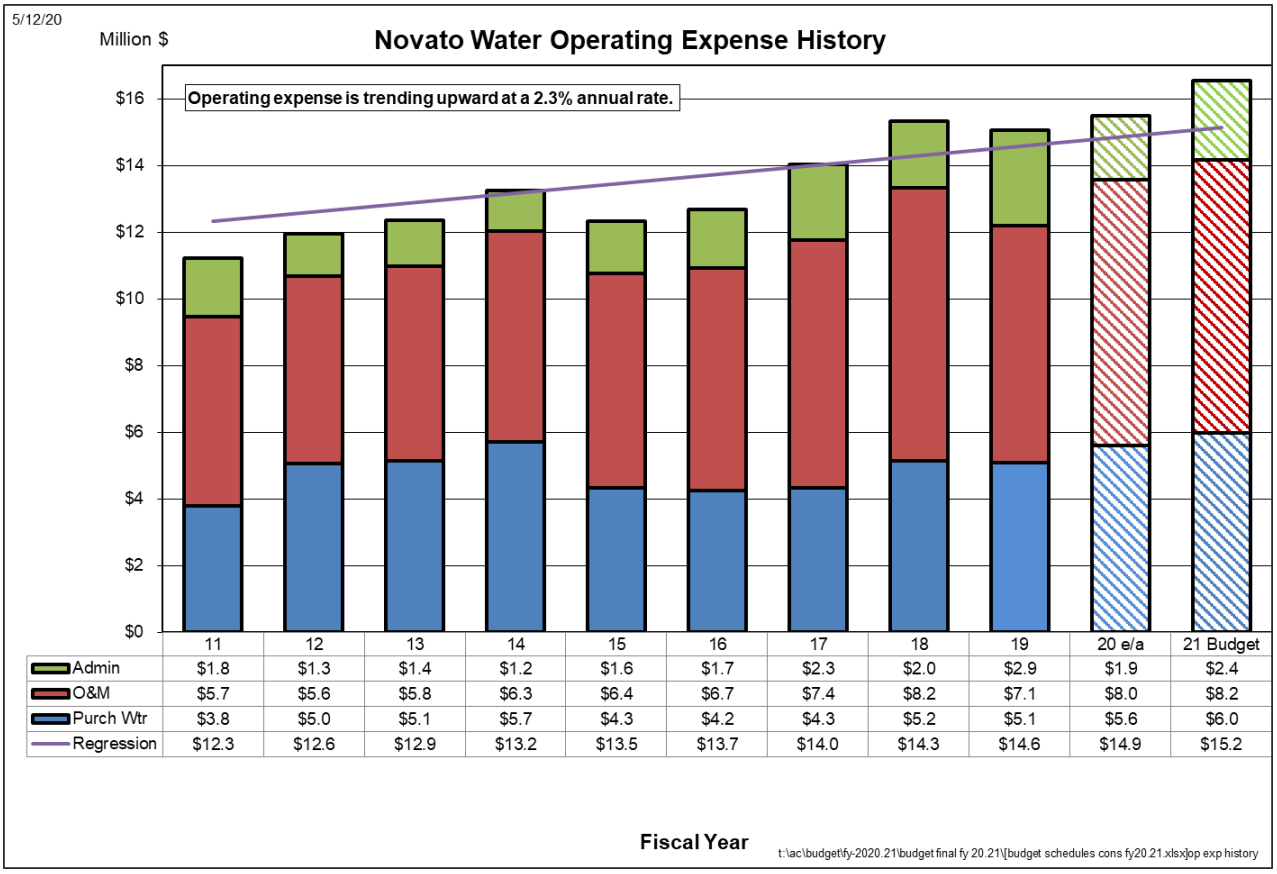
FTE Staffing	FY21	FY20
Administration	8.0	8.0
Consumer Services	6.0	6.0
Construction/Maintenance	12.0	12.0
Engineering	8.0	8.0
Maintenance	9.0	9.0
Operations	6.0	6.0
Water Quality	5.0	5.0
	54.00	54.00

The 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.

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 Consumer Price Index (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.



	11	12	13	14	15	16	17	18	19	20 e/a	21 Budget
Admin	$1.8	$1.3	$1.4	$1.2	$1.6	$1.7	$2.3	$2.0	$2.9	$1.9	$2.4
O&M	$5.7	$5.6	$5.8	$6.3	$6.4	$6.7	$7.4	$8.2	$7.1	$8.0	$8.2
Purch Wtr	$3.8	$5.0	$5.1	$5.7	$4.3	$4.2	$4.3	$5.2	$5.1	$5.6	$6.0
Regression	$12.3	$12.6	$12.9	$13.2	$13.5	$13.7	$14.0	$14.3	$14.6	$14.9	$15.2

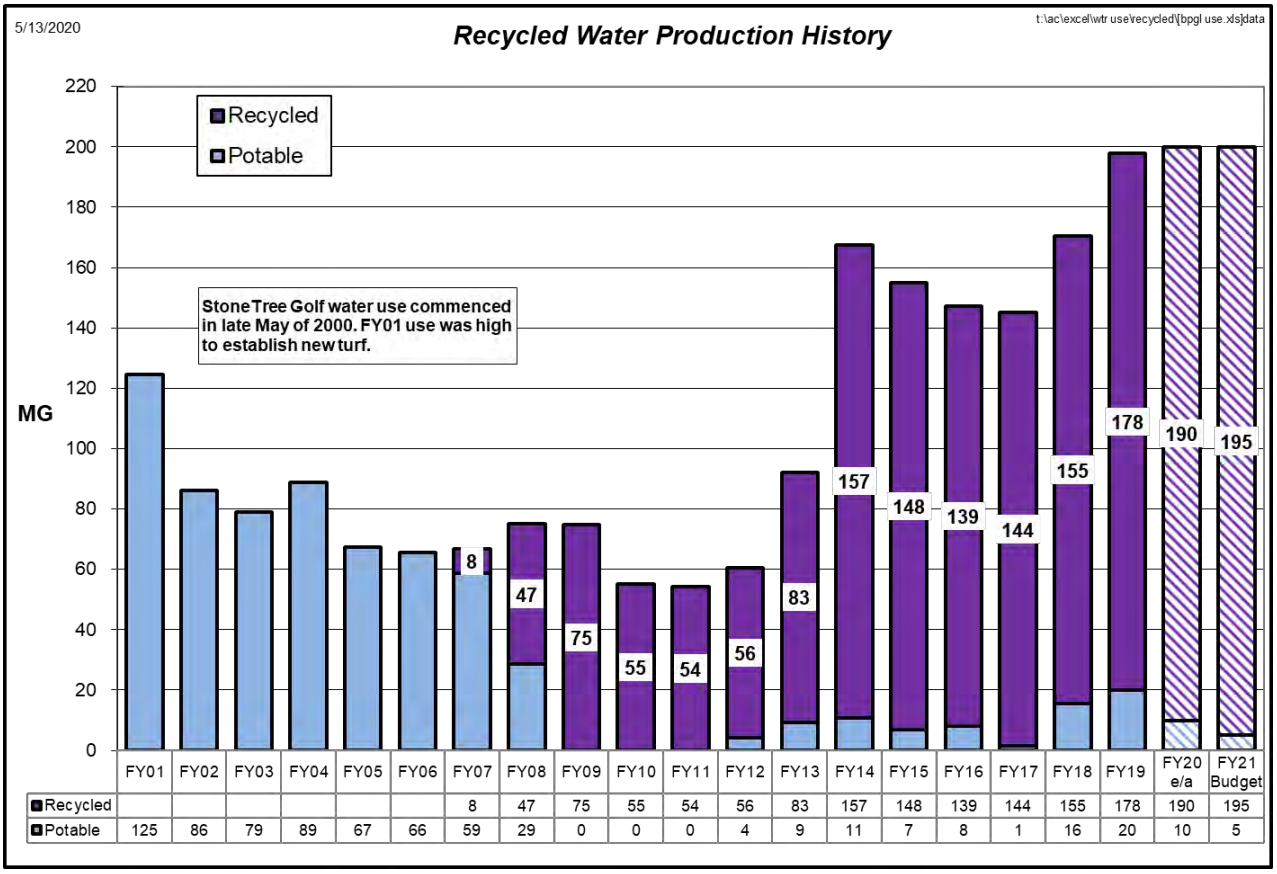
Recycled Water

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 October 1, 2020. Like Novato Water, the rate increase effective date was delayed by three months when approved at the June 16, 2020 Board meeting. The increase is projected to generate $55,000 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 RW system is projected to show an increase of cash for the year of $121,000.

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



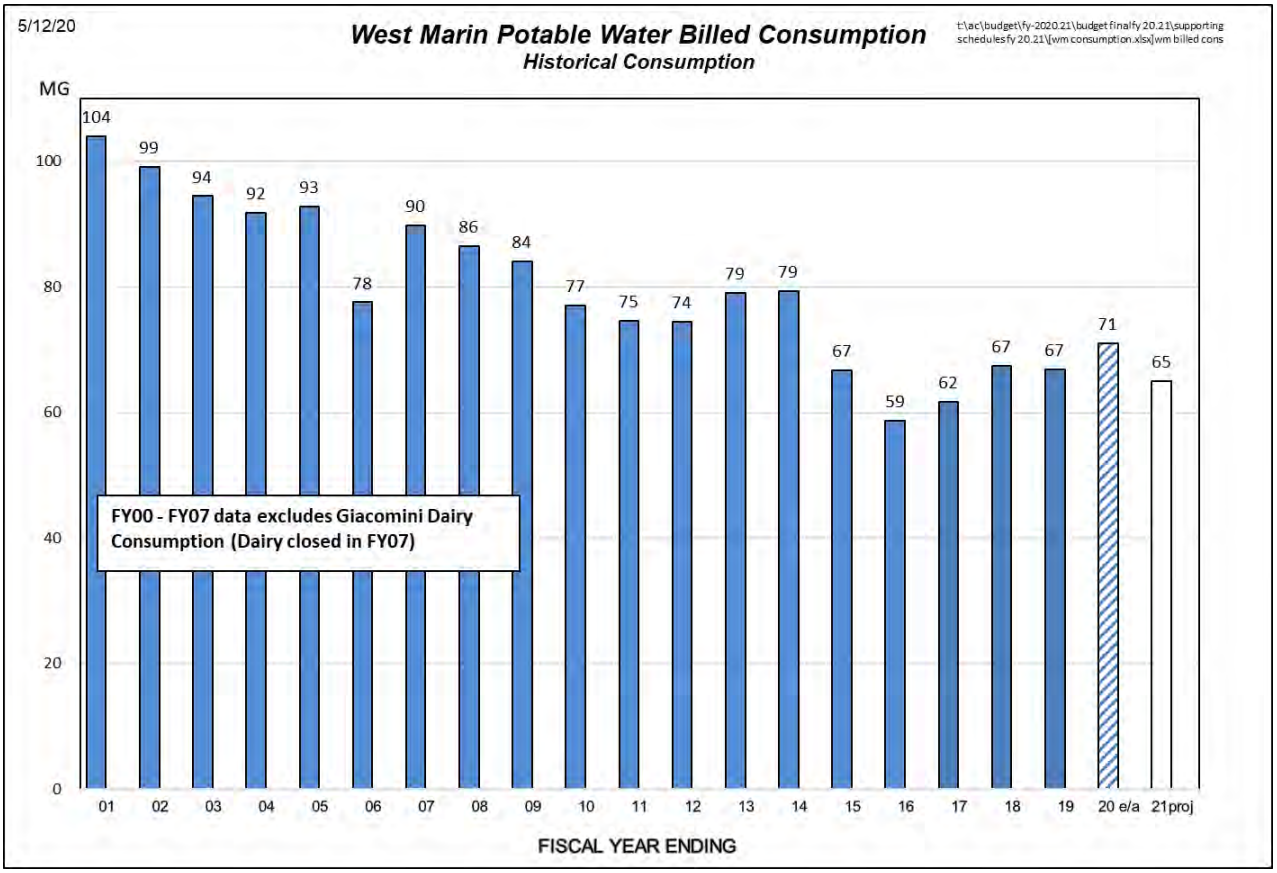
	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20 e/a	FY21 Budget
Recycled							8	47	75	55	54	56	83	157	148	139	144	155	178	190	195
Potable	125	86	79	89	67	66	59	29	0	0	0	4	9	11	7	8	1	16	20	10	5

West Marin Water

The proposed 4.5% rate increase for West Marin (WM) Water customers to be effective October 1, 2020. The rate increase effective date was delayed by three months with an effective date of October 1, 2020. The delay was approved by the Board at the June 23, 2020 meeting in recognition of the potential financial impact of the Coronavirus pandemic to the WM customers. The increase is for both the commodity rate and the bimonthly service charge and is projected to generate $21,000 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.

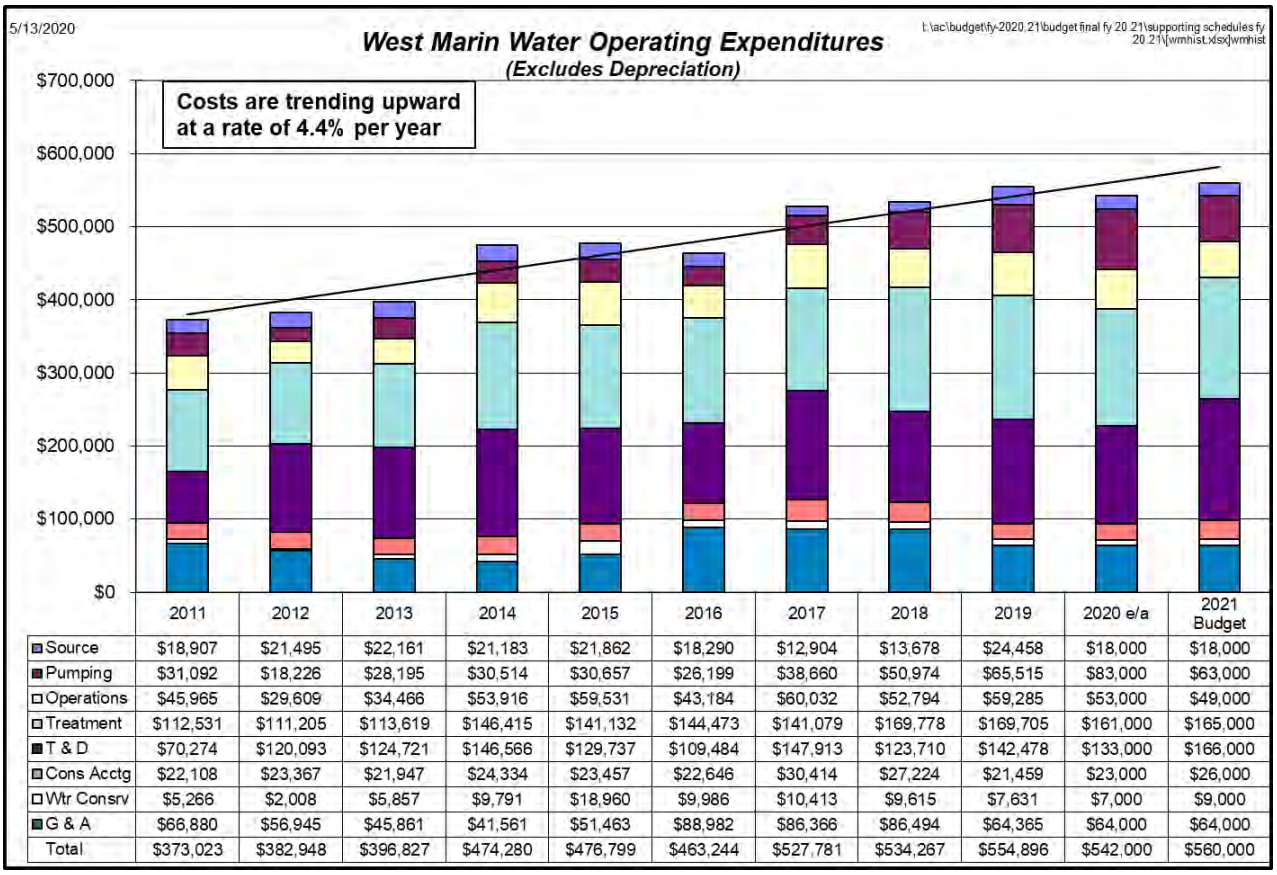
Significant Capital Improvement Projects budgeted for the year include continued work on the $1.6 million project to replace the Paradise Ranch Estates Tank 4A which is scheduled to be completed in FY 20/21. Additional projects include $100K towards the Lagunitas Creek Bridge Pipe Replacement project, $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.



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 $191,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of $701,000.

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



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 e/a	2021 Budget
Source	$18,907	$21,495	$22,161	$21,183	$21,862	$18,290	$12,904	$13,678	$24,458	$18,000	$18,000
Pumping	$31,092	$18,226	$28,195	$30,514	$30,657	$26,199	$38,660	$50,974	$65,515	$83,000	$63,000
Operations	$45,965	$29,609	$34,466	$53,916	$59,531	$43,184	$60,032	$52,794	$59,285	$53,000	$49,000
Treatment	$112,531	$111,205	$113,619	$146,415	$141,132	$144,473	$141,079	$169,778	$169,705	$161,000	$165,000
T & D	$70,274	$120,093	$124,721	$146,566	$129,737	$109,484	$147,913	$123,710	$142,478	$133,000	$166,000
Cons Acctg	$22,108	$23,367	$21,947	$24,334	$23,457	$22,646	$30,414	$27,224	$21,459	$23,000	$26,000
Wtr Consrv	$5,266	$2,008	$5,857	$9,791	$18,960	$9,986	$10,413	$9,615	$7,631	$7,000	$9,000
G & A	$66,880	$56,945	$45,861	$41,561	$51,463	$88,982	$86,366	$86,494	$64,365	$64,000	$64,000
Total	$373,023	$382,948	$396,827	$474,280	$476,799	$463,244	$527,781	$534,267	$554,896	$542,000	$560,000

Oceana Marin Sewer

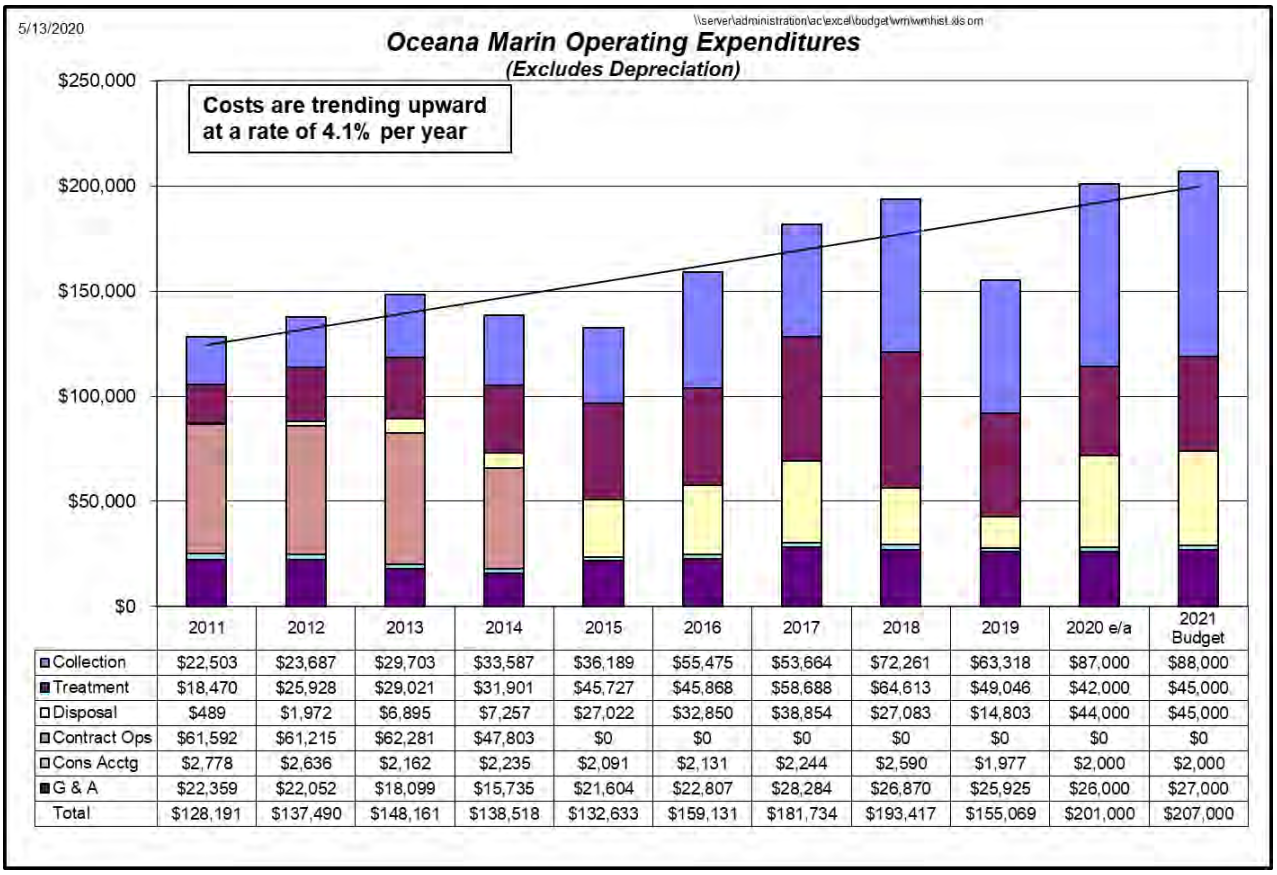
A proposed 5% increase ($5/month - to $1,176/year) in the Oceana Marin Sewer service charge to be effective July 1, 2020, is projected to add $10,000 in additional annual revenue. In order to sync with the Board's decision to reduce the impact of the FY 20/21 increases customers in OM will be issued a one-time credit for approximately 3 months (25% of the annual increase). This is granted to provide customers with similar financial relief as NMWD's other service areas. The credit was approved by the Board at the June 23, 2020 meeting in recognition of the potential financial impact of the Coronavirus pandemic to the OM customers. 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.

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 $17,000 and, after capital outlay and debt service, the system is projected to show a cash increase for the year of $64,000.

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



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 e/a	2021 Budget
Collection	$22,503	$23,687	$29,703	$33,587	$36,189	$55,475	$53,664	$72,261	$63,318	$87,000	$88,000
Treatment	$18,470	$25,928	$29,021	$31,901	$45,727	$45,868	$58,688	$64,613	$49,046	$42,000	$45,000
Disposal	$489	$1,972	$6,895	$7,257	$27,022	$32,850	$38,854	$27,083	$14,803	$44,000	$45,000
Contract Ops	$61,592	$61,215	$62,281	$47,803	$0	$0	$0	$0	$0	$0	$0
Cons Acctg	$2,778	$2,636	$2,162	$2,235	$2,091	$2,131	$2,244	$2,590	$1,977	$2,000	$2,000
G & A	$22,359	$22,052	$18,099	$15,735	$21,604	$22,807	$28,284	$26,870	$25,925	$26,000	$27,000
Total	$128,191	$137,490	$148,161	$138,518	$132,633	$159,131	$181,734	$193,417	$155,069	$201,000	$207,000

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.

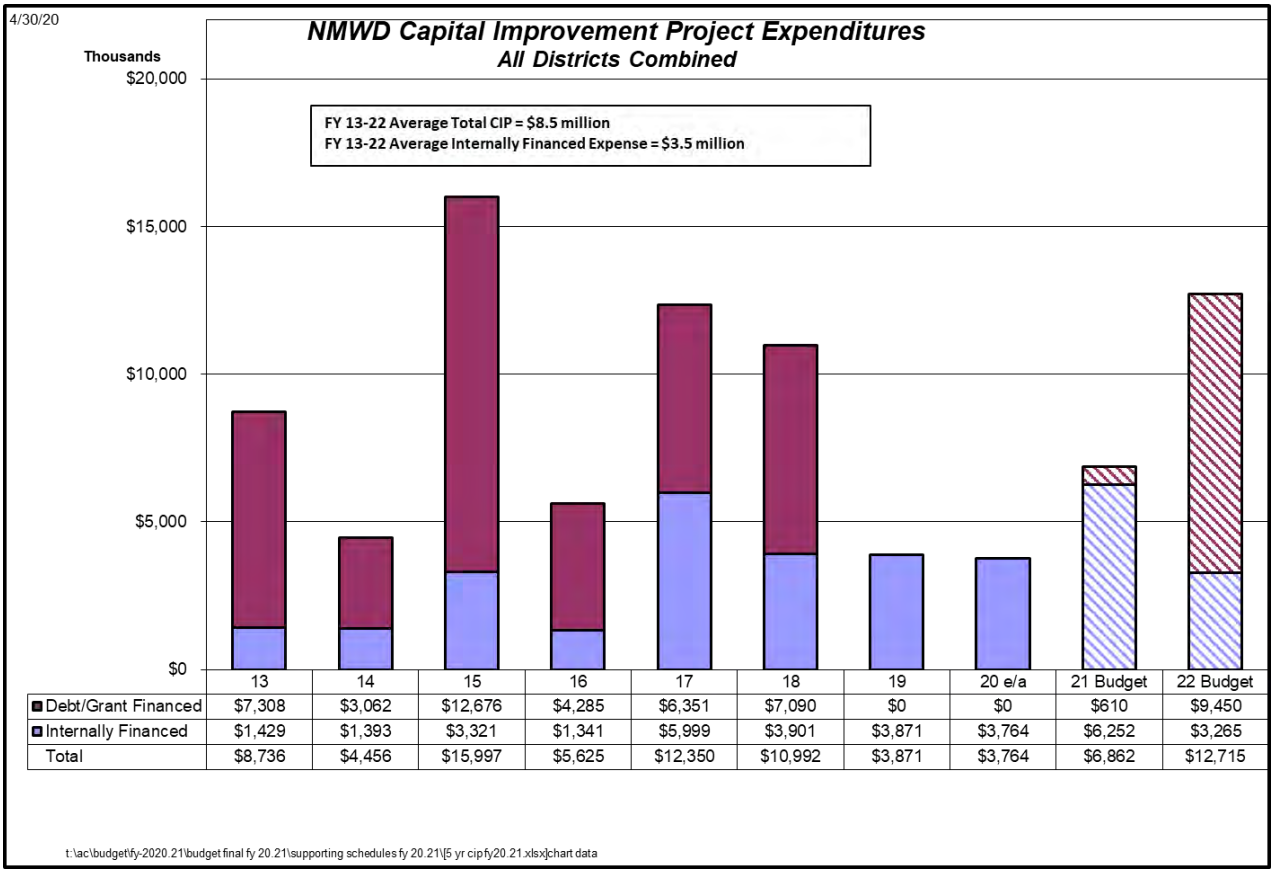
Project	FY 20/21	FY 21/22	Total Project Costs
Office/Yard Building Refurbish[1]	$1,000,000	$7,000,000	$15,100,000
Replace PRE Tank 4A	1,000,000	-	1,600,000
San Mateo 24" Inlet/Outlet Pipe (2,200')	910,000	-	1,070,000
Crest PS/Relocate School Rd PS	550,000	-	765,000
Old Ranch Rd. Tank #2	500,000	-	701,000
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	75,000	335,000	510,000
Other Projects	2,102,000	1,645,000	-
Gross Project Outlay	**6,862,000**	**12,715,000**	**22,801,000**
Less Loan/Grant Funding	(610,000)	(9,450,000)	(9,450,000)
Net Project Outlay (internally funded)	**$6,252,000**	**$3,265,000**	**$13,351,000**

1. *This project is scheduled to be completed with an additional $7M budget in FY 22/23*

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.

	Net Outlay		
District	Proposed FY21 & FY22	Adopted FY20 & FY21	Increase (Decrease)
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
Total	**$9,517,000**	**$8,368,000**	**$1,149,000**

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.



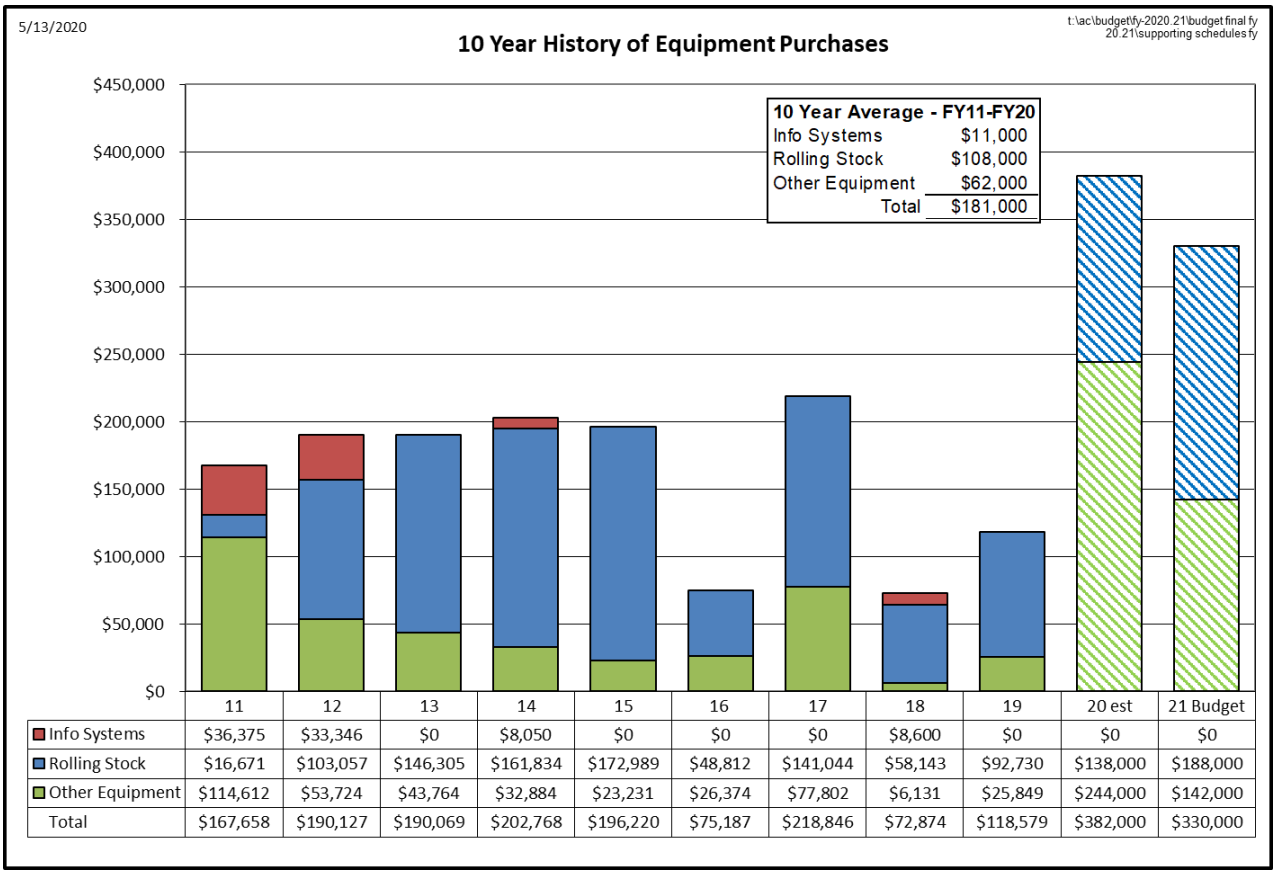
	13	14	15	16	17	18	19	20 e/a	21 Budget	22 Budget
Debt/Grant Financed	$7,308	$3,062	$12,676	$4,285	$6,351	$7,090	$0	$0	$610	$9,450
Internally Financed	$1,429	$1,393	$3,321	$1,341	$5,999	$3,901	$3,871	$3,764	$6,252	$3,265
Total	$8,736	$4,456	$15,997	$5,625	$12,350	$10,992	$3,871	$3,764	$6,862	$12,715

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 within the budget constraints of the five-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study.

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.



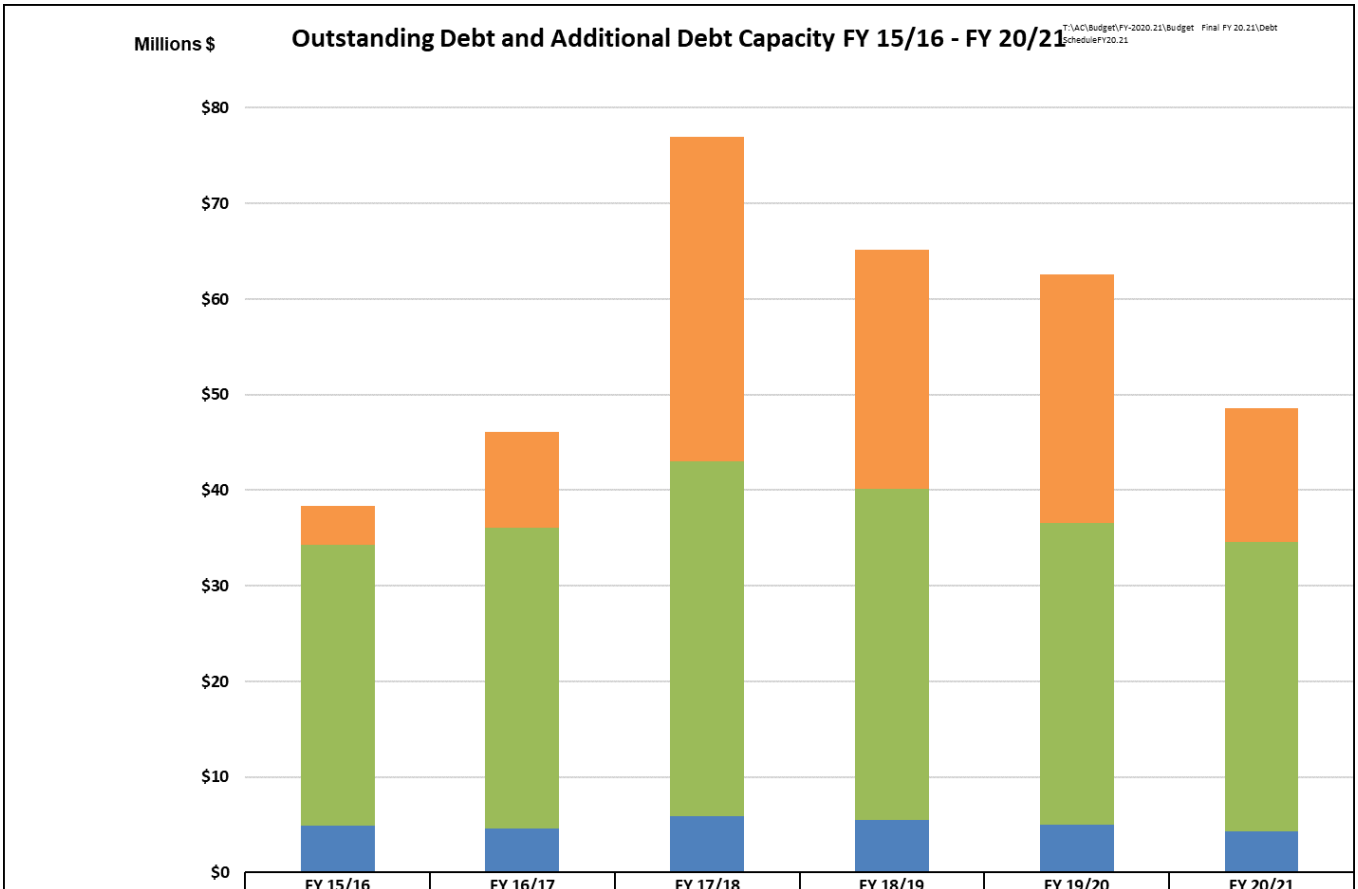
	11	12	13	14	15	16	17	18	19	20 est	21 Budget
Info Systems	$36,375	$33,346	$0	$8,050	$0	$0	$0	$8,600	$0	$0	$0
Rolling Stock	$16,671	$103,057	$146,305	$161,834	$172,989	$48,812	$141,044	$58,143	$92,730	$138,000	$188,000
Other Equipment	$114,612	$53,724	$43,764	$32,884	$23,231	$26,374	$77,802	$6,131	$25,849	$244,000	$142,000
Total	$167,658	$190,127	$190,069	$202,768	$196,220	$75,187	$218,846	$72,874	$118,579	$382,000	$330,000

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.) $13.5 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.



	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Additional Debt Capacity	4.0	10.0	34.0	25.0	26.0	14.0
Total Debt Outstanding	29.4	31.5	37.1	34.7	31.6	30.3
Outside Funding	4.93	4.57	5.90	5.49	5.03	4.29

NMWD DRAFT BUDGET

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

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Water Sales	**$21,940,000**	$21,347,000	$22,345,000
2	Sewer Service Charges	**272,000**	262,000	261,000
3	Wheeling & Misc Service Charges	**430,000**	423,000	392,000
4	**Total Operating Income**	**$22,642,000**	**$22,032,000**	$22,998,000
	OPERATING EXPENDITURES			
5	Source of Supply	**$6,286,000**	$5,891,000	$6,186,000
6	Pumping	**567,000**	628,000	438,000
7	Operations	**857,000**	1,029,000	808,000
8	Water Treatment	**2,628,000**	2,530,000	2,697,000
9	Sewer Service	**178,000**	173,000	171,000
10	Transmission & Distribution	**3,694,000**	3,447,000	3,656,000
11	Consumer Accounting	**683,000**	574,000	644,000
12	Water Conservation	**408,000**	373,000	399,000
13	General & Administrative	**2,520,000**	2,089,000	2,383,000
14	Depreciation Expense	**3,777,000**	3,380,000	3,486,000
15	**Total Operating Expenditures**	**$21,598,000**	$20,114,000	$20,868,000
16	***NET OPERATING INCOME (LOSS)***	**$1,044,000**	$1,918,000	$2,130,000
	NON-OPERATING INCOME/(EXPENSE)			
17	Tax Proceeds	**$118,000**	$116,000	$116,000
18	Interest Revenue	**316,000**	591,000	277,000
19	Miscellaneous Revenue	**135,000**	132,000	133,000
20	Interest Expense	**(748,000)**	(805,000)	(806,000)
21	Miscellaneous Expense	**(20,000)**	(2,000)	(20,000)
22	**Total Non-Operating Income/(Expense)**	**($199,000)**	$32,000	($300,000)
	NET INCOME/(LOSS)	**$845,000**	$1,950,000	$1,830,000
	OTHER SOURCES/(USES) OF FUNDS			
23	Add Depreciation Expense	**$3,777,000**	$3,380,000	$3,486,000
24	Connection Fees	**509,000**	1,446,000	340,000
25	Caltrans AEEP Reimbursement	**1,000**	13,000	1,000
26	MMWD AEEP Capital Contribution	**205,000**	205,000	205,000
27	Loans/Grants	**610,000**	-	69,000
28	Stone Tree Golf Principal Repayment	**37,000**	1,118,000	227,000
29	Transfers Out from Capital Expansion Fund	**(369,000)**	(305,700)	-
30	Capital Equipment Expenditures	**(330,000)**	(382,000)	(433,000)
31	Capital Improvement Projects	**(6,862,000)**	(3,763,500)	(5,713,000)
32	Debt Principal Payments	**(2,395,000)**	(2,333,000)	(2,333,000)
33	**Total Other Sources/(Uses)**	**($4,817,000)**	($622,200)	($4,151,000)
34	***CASH INCREASE/(DECREASE)***	**($3,972,000)**	$1,327,800	($2,321,000)

NMWD DRAFT BUDGET

NOVATO POTABLE WATER
BUDGET SUMMARY
Fiscal Year 2020/21

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Water Sales	**$19,774,000**	$19,184,000	$20,239,000
2	Wheeling & Misc Service Charges	**365,000**	370,000	342,000
3	**Total Operating Income**	**$20,139,000**	$19,554,000	$20,581,000
	OPERATING EXPENDITURES			
4	Source of Supply	**$5,984,000**	$5,589,000	$5,896,000
5	Pumping	**497,000**	540,000	384,000
6	Operations	**734,000**	888,000	685,000
7	Water Treatment	**2,432,000**	2,362,000	2,494,000
8	Transmission & Distribution	**3,466,000**	3,276,000	3,432,000
9	Consumer Accounting	**654,000**	548,000	613,000
10	Water Conservation	**399,000**	366,000	390,000
11	General Administration	**2,368,000**	1,934,000	2,237,000
12	Depreciation Expense	**2,868,000**	2,674,000	2,788,000
13	**Total Operating Expenditures**	**$19,402,000**	$18,177,000	$18,919,000
14	***NET OPERATING INCOME (LOSS)***	**$737,000**	$1,377,000	$1,662,000
	NON-OPERATING INCOME/(EXPENSE)			
15	Interest Revenue	**$150,000**	332,000	150,000
16	Miscellaneous Revenue	**135,000**	132,000	133,000
17	Interest Expense	**(456,000)**	(494,000)	(495,000)
18	Miscellaneous Expense	**(20,000)**	($2,000)	(20,000)
19	**Total Non-Operating Income/(Expense)**	**($191,000)**	($32,000)	($232,000)
20	***NET INCOME/(LOSS)***	**$546,000**	$1,345,000	$1,430,000
	OTHER SOURCES/(USES) OF CASH			
21	Add Depreciation Expense	**$2,868,000**	$2,674,000	$2,788,000
22	Connection Fees	**486,000**	1,446,000	340,000
23	Caltrans AEEP Capital Contribution	**1,000**	13,000	1,000
24	MMWD AEEP Capital Contribution	**205,000**	205,000	205,000
25	Capital Equipment Expenditures	**(330,000)**	(382,000)	(433,000)
26	Capital Improvement Projects	**(4,987,000)**	(2,523,000)	(4,308,000)
27	Debt Principal Payments	**(1,451,000)**	(1,410,000)	(1,410,000)
28	Connection Fee Transfer from (to) RWS	**(794,000)**	(843,000)	(910,000)
29	Working Capital Increase/(Decrease)	**-**	-	-
30	**Total Other Sources/(Uses)**	**($4,002,000)**	($820,000)	($3,727,000)
31	***CASH INCREASE/(DECREASE)***	**($3,456,000)**	$525,000	($2,297,000)

NMWD DRAFT BUDGET

NOVATO POTABLE WATER

FY 20/21-Five-Year Financial Forecast

	Fiscal Year Ending June 30 >	Proposed 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
	SERVICES					
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
	WATER PRODUCTION (MG)					
3	Stafford Production	650	650	650	650	650
4	Russian River Purchases	1,880	1,880	1,880	1,880	1,880
5	**Total Water Production**	2,530	2,530	2,530	2,530	2,530
	REVENUE & EXPENSE ($ in 000's)					
	OPERATING REVENUE					
6	Potable Water Sales	$19,774	$20,960	$22,218	$23,551	$24,964
7	Wheeling & Other Misc Service Charges	365	380	395	411	427
8	**Total Operating Revenue**	**$20,139**	**$21,340**	**$22,613**	**$23,962**	**$25,391**
	OPERATING EXPENSE					
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	**Total Operating Expense**	**$19,402**	**$20,102**	**$20,831**	**$21,591**	**$22,385**
	NON-OPERATING REVENUE/(EXPENSE)					
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	**Total Non-Op Revenue/(Expense)**	**($191)**	**($456)**	**($689)**	**($683)**	**($679)**
20	**Net Income**	**$546**	**$782**	**$1,093**	**$1,687**	**$2,327**
	OTHER SOURCES/(USES) OF FUNDS					
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	**Total Other Sources/(Uses)**	**($4,002)**	**($869)**	**($1,740)**	**($2,255)**	**($3,354)**
31	**Cash Increase/(Decrease)**	**($3,456)**	**($87)**	**($647)**	**($568)**	**($1,027)**
32	**Ending Reserve Balance**	**$13,079**	**$12,993**	**$12,346**	**$11,778**	**$10,751**
33	**Target Reserve Balance (90% Op Exp)**	**$14,881**	**$15,482**	**$16,111**	**$16,768**	**$17,456**
34	**% Rate Increase[1]**	**6.0%**	**6.0%**	**6.0%**	**5.0%**	**5.0%**
35	**Median Monthly Single-Family Residential Bill**	**$61**	**$65**	**$69**	**$72**	**$76**

36 [1]Fiscal year 2021 Rate increase approved 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.

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

		Proposed Budget 20/21	Estimated Actual 19/20	Adopted Budget 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15
STATISTICS									
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
OPERATING INCOME									
4	Water Sales	$19,846,000	$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	**TOTAL OPERATING INCOME**	**$20,139,000**	**$19,554,000**	**$20,581,000**	**$19,437,324**	**$20,019,805**	**$16,984,885**	**$15,793,138**	**$16,414,448**
OPERATING EXPENSE									
	SOURCE OF SUPPLY								
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	**TOTAL SOURCE OF SUPPLY**	**$5,984,000**	**$5,589,000**	**$5,896,000**	**$5,167,409**	**$5,356,748**	**$4,417,447**	**$4,069,101**	**$4,390,549**
	PUMPING								
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	**TOTAL PUMPING**	**$497,000**	**$540,000**	**$384,000**	**$389,149**	**$372,601**	**$309,233**	**$252,061**	**$316,703**
	OPERATIONS								
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	**TOTAL OPERATIONS**	**$734,000**	**$888,000**	**$685,000**	**$711,175**	**$923,736**	**$808,675**	**$682,261**	**$628,361**

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

		Proposed Budget 20/21	Estimated Actual 19/20	Adopted Budget 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15
	WATER TREATMENT								
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	**TOTAL WATER TREATMENT**	**$2,432,000**	**$2,362,000**	**$2,494,000**	**$1,945,958**	**$2,377,531**	**$2,188,085**	**$1,949,762**	**$1,873,680**
	TRANSMISSION & DISTRIBUTION								
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	**TOTAL TRANSMISSION & DISTRIB**	**$3,466,000**	**$3,276,000**	**$3,432,000**	**$3,142,281**	**$3,242,992**	**$3,028,409**	**$2,747,675**	**$2,528,492**
	CONSUMER ACCOUNTING								
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	**TOTAL CONSUMER ACCOUNTING**	**$654,000**	**$548,000**	**$613,000**	**$485,786**	**$711,431**	**$642,708**	**$603,385**	**$562,252**

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

		Proposed Budget 20/21	Estimated Actual 19/20	Adopted Budget 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15
	WATER CONSERVATION								
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	**TOTAL WATER CONSERVATION**	**$399,000**	**$366,000**	**$390,000**	**$341,784**	**$344,890**	**$361,042**	**$381,495**	**$460,401**
	GENERAL & ADMINISTRATION								
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	**TOTAL GENERAL & ADMINISTRATION**	**$2,368,000**	**$1,934,000**	**$2,237,000**	**$2,864,101**	**$2,002,414**	**$2,282,356**	**$1,738,681**	**$1,557,531**
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	**TOTAL OPERATING EXPENSE**	**$19,402,000**	**$18,177,000**	**$18,919,000**	**$17,799,855**	**$18,063,210**	**$16,748,582**	**$15,001,502**	**$14,825,093**
100	***NET OPERATING INCOME/(LOSS)***	**$737,000**	**$1,377,000**	**$1,662,000**	**$1,637,470**	**$1,956,595**	**$236,303**	**$791,636**	**$1,589,355**

NMWD DRAFT BUDGET

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2020/21

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Recycled Water Sales	**$1,234,000**	$1,194,000	$1,194,000
2	Bimonthly Service Charge	**58,000**	43,000	43,000
3	**Total Operating Income**	**$1,292,000**	$1,237,000	$1,237,000
	OPERATING EXPENDITURES			
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	**Total Operating Expenditures**	**$1,193,000**	$962,000	$977,000
14	***NET OPERATING INCOME (LOSS)***	**$99,000**	$275,000	$260,000
	NON-OPERATING INCOME/(EXPENSE)			
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	**Total Non-Operating Income/(Expense)**	**($118,000)**	($112,000)	($206,000)
20	***NET INCOME/(LOSS)***	**($19,000)**	$163,000	$54,000
	OTHER SOURCES/(USES) OF FUNDS			
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	**Total Other Sources/(Uses)**	**$140,000**	$1,230,300	$615,000
29	***CASH INCREASE/(DECREASE)***	**$121,000**	$1,393,300	$669,000

NMWD DRAFT BUDGET

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

		Proposed	Projected	Projected	Projected	Projected
	Fiscal Year Ending June 30 >	**2021**	**2022**	**2023**	**2024**	**2025**
1	Active Services @ Fiscal Year End	95	95	95	95	95
2	Commodity Rate/1,000 Gal	$6.17	$6.64	$7.04	$7.39	$7.76
3	Consumption (MG)	200	200	200	200	200
	OPERATING REVENUE					
4	Recycled Water Sales	$1,234	$1,328	$1,407	$1,478	$1,552
5	Bimonthly Service Charge	58	61	65	69	72
6	**Total Operating Revenue**	**$1,292**	**$1,389**	**$1,472**	**$1,547**	**$1,624**
	OPERATING EXPENSE					
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	**Total Operating Expense**	**$1,193**	**$1,207**	**$1,222**	**$1,237**	**$1,252**
	NON-OPERATING REVENUE/(EXPENSE)					
14	Interest Revenue	$152	$67	$70	$70	$70
15	Interest Expense	(270)	(231)	(212)	(212)	(212)
16	**Total Non-Op Revenue/(Expense**	**($118)**	**($164)**	**($142)**	**($142)**	**($142)**
17	**NET INCOME/(LOSS)**	**($19)**	**$18**	**$108**	**$168**	**$230**
	OTHER SOURCES/(USES) OF FUNDS					
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	**Total Other Sources/Uses**	**$140**	**$36**	**($46)**	**($101)**	**($153)**
26	**Cash Increase/(Decrease)**	**$121**	**$54**	**$62**	**$67**	**$77**
27	**Ending Reserve Balance**	**$4,683**	**$4,737**	**$4,799**	**$4,866**	**$4,943**
28	**% Rate Increase[1]**	**6.0%**	**6.0%**	**6.0%**	**5.0%**	**5.0%**

29 [1]Fiscal year 2021 Rate increase approved 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.

NMWD DRAFT BUDGET

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2020/21

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Water Sales	**$932,000**	$969,000	$912,000
2	Misc Service Charges	**7,000**	7,000	7,000
3	**Total Operating Income**	**$939,000**	$976,000	$919,000
	OPERATING EXPENDITURES			
4	Source of Supply	**$18,000**	$18,000	$15,000
5	Pumping	**63,000**	83,000	48,000
6	Operations	**49,000**	53,000	49,000
7	Water Treatment	**165,000**	161,000	173,000
8	Transmission & Distribution	**166,000**	133,000	162,000
9	Consumer Accounting	**26,000**	23,000	28,000
10	Water Conservation	**9,000**	7,000	9,000
11	General Administration	**64,000**	64,000	64,000
12	Depreciation Expense	**188,000**	186,000	187,000
13	**Total Operating Expenditures**	**$748,000**	$728,000	$735,000
14	***NET OPERATING INCOME (LOSS)***	**$191,000**	$248,000	$184,000
	NON-OPERATING REVENUE/(EXPENSE)			
15	PR-2 County Tax Allocation	**$57,000**	$56,000	$56,000
16	Interest Revenue	**11,000**	73,000	38,000
17	Bond & Loan Interest Expense	**(22,000)**	(24,000)	(24,000)
18	**Total Non-Operating Income/(Expense)**	**$46,000**	$105,000	$70,000
19	***NET INCOME/(LOSS)***	**$237,000**	$353,000	$254,000
	OTHER SOURCES/(USES) OF FUNDS			
20	Add Depreciation Expense	**$188,000**	$186,000	$187,000
21	Connection Fees	**23,000**	-	-
22	Grant/Loan Proceeds	**385,000**	-	-
23	Capital Improvement Projects	**(1,485,000)**	(1,093,000)	(1,230,000)
24	Bond & Loan Principal Payments	**(49,000)**	(47,000)	(47,000)
25	**Total Other Souces/(Uses)**	**($938,000)**	($954,000)	($1,090,000)
26	***CASH INCREASE/(DECREASE)***	**($701,000)**	($601,000)	($836,000)

NMWD DRAFT BUDGET

WEST MARIN WATER

FY 20/21-Five-Year Financial Forecast

		Budget 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25
	BASIC DATA					
1	Active Meters	784	784	785	785	786
2	Avg Commodity Rate/1,000 Gal	$11.28	$11.94	$12.48	$13.04	$13.63
3	Potable Consumption (MG)	65.0	67.0	67.0	67.0	67.0
	OPERATING REVENUE					
4	Commodity Charge	$733,000	$800,000	$836,000	$874,000	$913,000
5	Bimonthly Service Charge	199,000	208,000	218,000	228,000	238,000
6	Miscellaneous Service Charges	7,000	7,000	7,000	7,000	7,000
7	**Total Operating Revenue**	**$939,000**	**$1,015,000**	**$1,061,000**	**$1,109,000**	**$1,158,000**
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	**Total Operating Expense**	**$748,000**	**$790,000**	**$824,000**	**$845,000**	**$873,000**
11	**NET OPERATING INCOME**	**$191,000**	**$225,000**	**$237,000**	**$264,000**	**$285,000**
	NON-OPERATING REVENUE/(EXPENSE)					
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	**Total Non-Op Revenue/(Expense)**	46,000	42,000	46,000	29,000	29,000
17	**Net Income**	**$237,000**	**$267,000**	**$283,000**	**$293,000**	**$314,000**
	OTHER SOURCES/(USES)					
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	**Total Other Sources/(Uses)**	**($938,000)**	**($178,000)**	**($49,000)**	**($446,000)**	**($615,000)**
25	**Cash Increase/(Decrease)**	**($701,000)**	**$89,000**	**$234,000**	**($153,000)**	**($301,000)**
26	Operating Reserve	$186,700	$192,300	$198,000	$204,000	$178,300
27	System Expansion Reserve	100,300	183,700	412,000	253,000	(54,000)
28	Liability Contingency Reserve	99,000	99,000	99,000	99,000	99,000
29	**ENDING CASH BALANCE**	**$386,000**	**$475,000**	**$709,000**	**$556,000**	**$255,000**
	% Rate Increase[1]	**4.5%**	**4.5%**	**4.5%**	**4.5%**	**4.5%**

[1]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.

NMWD DRAFT BUDGET

OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2020/21

		Proposed Budget 2020/21	*Estimated Actual 2019/20*	*Adopted Budget 2019/20*
	OPERATING INCOME			
1	Monthly Sewer Service Charge	**$272,000**	$262,000	$261,000
2	Misc Service Charges	**-**	$3,000	-
3	**Total Operating Income**	**$272,000**	$265,000	$261,000
	OPERATING EXPENDITURES			
4	Sewage Collection	**$88,000**	$87,000	$79,000
5	Sewage Treatment	**45,000**	42,000	46,000
6	Sewage Disposal	**45,000**	44,000	46,000
7	Consumer Accounting	**2,000**	2,000	2,000
8	General Administration	**27,000**	26,000	27,000
9	Depreciation Expense	**48,000**	46,000	37,000
10	**Total Operating Expenditures**	**$255,000**	$247,000	$237,000
11	***NET OPERATING INCOME (LOSS)***	**$17,000**	$18,000	$24,000
	NON-OPERATING REVENUE/(EXPENSE)			
12	OM-1/OM-3 Tax Allocation	**$61,000**	$60,000	$60,000
13	Interest Revenue	**3,000**	11,000	8,000
14	**Total Non-Op Income/(Expense)**	**$64,000**	$71,000	$68,000
	NET INCOME/(LOSS)	**$81,000**	$89,000	$92,000
	OTHER SOURCES/(USES) OF FUNDS			
15	Add Depreciation Expense	**$48,000**	$46,000	$37,000
16	Grant/Loan Proceeds	**225,000**	-	69,000
17	Capital Improvement Projects	**(290,000)**	(124,500)	($55,000)
18	**Total Other Souces/(Uses)**	**($17,000)**	($78,500)	$51,000
19	***CASH INCREASE/(DECREASE)***	**$64,000**	$10,500	$143,000

NMWD DRAFT BUDGET

OCEANA MARIN SEWER

FY 20/21-Five-Year Financial Forecast

	BASIC DATA	Budget 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25
1	Number of Connections	235	236	236	237	237
2	Monthly Service Charge	$98.00	$103.00	$108.00	$113.00	$119.00
	OPERATING REVENUE					
3	Service Charge (less one time credit $4K FY 20/21)	$272,000	$292,000	$306,000	$321,000	$338,000
4	Miscellaneous Service Charges		-	-	-	-
5	**Total Operating Revenue**	**$272,000**	**$292,000**	**$306,000**	**$321,000**	**$338,000**
	OPERATING EXPENSE					
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	**Total Operating Expense**	$255,000	$266,000	$301,000	$308,000	$320,000
9	**NET OPERATING INCOME**	**$17,000**	**$26,000**	**$5,000**	**$13,000**	**$18,000**
	NON-OPERATING REVENUE/(EXPENSE)					
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	**Total Non-Op Revenue/(Expense)**	**$64,000**	**$57,000**	**$58,000**	**$61,000**	**$46,000**
#	**Net Income**	**$81,000**	**$83,000**	**$63,000**	**$74,000**	**$64,000**
	OTHER SOURCES/(USES)					
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	**Total Other Sources/(Uses)**	**($17,000)**	**($207,000)**	**$33,000**	**($236,000)**	**$25,000**
21	**Cash Increase/(Decrease)**	**$64,000**	**($124,000)**	**$96,000**	**($162,000)**	**$89,000**
22	**ENDING CASH BALANCE**	**$383,000**	**$259,000**	**$355,000**	**$193,000**	**$282,000**
	% Rate Increase[1]	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**

[1]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 if 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	$1,485,000	$1,040,000	
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	$290,000	$1,740,000	

CAPITAL IMPROVEMENT PROJECTS

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	FY21	FY22	FY21 Project Description
SUMMARY - GROSS PROJECT OUTLAY			
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	$6,862,000	$12,715,000	
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	($610,000)	($9,450,000)	
SUMMARY - NET PROJECT OUTLAY			
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	$6,252,000	$3,265,000	
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
NOVATO POTABLE WATER DEBT SERVICE			
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	
NOVATO RECYCLED WATER DEBT SERVICE			
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	
WEST MARIN WATER DEBT SERVICE			
i. TP Solids Handling Bank Loan	$71,000	$71,000	
	$71,000	$71,000	
OCEANA MARIN SEWER DEBT SERVICE			
j CIP Financing	-	$18,000	
	$0	$18,000	
TOTAL DEBT SERVICE	$3,143,000	$3,670,000	
NET PROJECT OUTLAY & DEBT SERVICE	$9,395,000	$6,935,000	

CAPITAL IMPROVEMENT PROJECTS

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			FY21	FY22	FY21 Project Description
		STUDIES & SPECIAL PROJECTS			
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	
			$320,000	$385,000	

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.

EQUIPMENT EXPENDITURES

Fiscal Year 20/21 Budget

			Approved	Description
	1	**OPERATIONS/MAINTENANCE**		
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".
			$142,000	
	2	**VEHICLE & ROLLING EQUIPMENT EXPENDITURES**		Rolling Stock to be Transferred & Auctioned or Description
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.
			$188,000	
		Total	**$330,000**	

RECAP	Adopted Budget 2019/20	Estimated Actual 2019/20	**Proposed Budget 2020/21**
Equipment	$247,000	$244,000	$142,000
Rolling Stock	$186,000	$138,000	$188,000
	$433,000	**$382,000**	**$330,000**

10

MEMORANDUM

To: Board of Directors June 19, 2020

From: Julie Blue, Auditor/Controller JB

Subj: Refinancing of Employer Assisted Housing Loan
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RECOMMENDED ACTION: Authorize the General Manger to Sign the Subordination Agreement for C. Rodriguez with Caliber Home Loans, Inc.

FINANCIAL IMPACT: **None**

History

In June 2018, District employee Christopher Rodriquez utilized the District's Employer Assisted Housing Program to purchase the real property known as 1675 Novato Blvd #9 in Novato (the "Property"). The purchase price for the property was $550,000. Mr. Rodriquez and his wife obtained a first position loan in the amount of $247,500, which loan was secured by a Deed of Trust against the Property (the "Senior Deed of Trust"). Through the Employer Assisted Housing Program, the Rodriquez' also obtained a loan in the amount of $275,000 from the District. The District loan was also secured by a Deed of Trust against the Property (the "Junior Deed of Trust").

Request for Re-Finance

Earlier this year Mr. Rodriquez advised District personnel that he wanted to re-finance the senior loan against the Property. The current balance of the senior loan is approximately $241,000. The amount of the re-finance would be $246,000. The lender for the re-finance, Caliber Home Loans, Inc., is proceeding without an appraisal to support the new loan. According to Zillow, the value for the property is $571,000.

The law concerning priority of deeds of trust is "first in time, first in right." Since the Senior Deed of Trust was recorded before the District's Junior Deed of Trust, in the event of foreclosure the Senior Deed of Trust would be paid off in full before the Junior Deed of Trust. However, if the re-finance is completed, Caliber Home Loans would record its Deed of Trust after the District's Junior Deed of Trust and therefore be second in line in the event of foreclosure. Caliber is requiring the District sign a subordination agreement as part of the re-finance closing. The effect of the subordination agreement is to move the new Deed of Trust ahead of the Junior Deed of Trust in priority even though it was recorded later in time. If the District refuses to sign the subordination agreement, Caliber Home Loans will not re-finance the loan for the Rodriguez'.

Subordination Agreement

Counsel for the District has approved the subordination agreement (Attachment 1) as to form. The question for the Board is whether the District should agree to subordinate. If the District refuses to sign the subordination agreement, then the District's Junior Deed of Trust will remain second to the existing Senior Deed of Trust. The amount of the senior loan is approximately $241,000. If the District signs the subordination agreement, its Junior Deed of Trust will be second to the new loan in the amount of approximately $246,000. Thus, the risk to the District in signing the subordination agreement is in the event of foreclosure of the Property, the sales price at the Trustee's Sale will not be enough to pay in full both the Senior and Junior Deeds of Trust and the District will lose approximately $5,000 more as a result of signing the subordination agreement since the amount of the first loan will increase by that amount.

As mentioned above, Caliber Home Loans is not requiring an appraisal as part of the re-finance approval process. Instead, underwriting obtained an appraisal waiver and is relying on the purchase value of $550,000 as the value. The Zillow value of $571,000 would be enough in the event of foreclosure to pay in full both deeds of trust. What the property would obtain at a Trustee's Sale though could be less than the Zillow value.

Although the risk to the District in signing the subordination agreement is $5,000, District staff believes the intent of the Employer Assisted Housing Program, to help employees purchase affordable housing near the District offices in exchange for being available on call, would be furthered by permitting the re-finance and therefore signing the subordination agreement. Since the amount of the new loan is not that much more than the existing loan, and the assumption is the increase is to cover, at least in part, the costs of the loan, then the re-finance should result in more favorable payment terms for the Rodriquez' and therefore help them afford their home.

RECOMMENDATION

Authorize the General Manager to sign and deliver the attached Subordination Agreement to allow District employee Chris Rodriquez to re-finance his senior loan.

ATTACHMENT 1

RECORDING REQUESTED BY
OLD REPUBLIC TITLE COMPANY

Escrow No.: 0435024345
APN: 140-470-19

WHEN RECORDED MAIL TO

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A **SUBORDINATION AGREEMENT**

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT, made this 11th day of June, 2020, by Christopher A. Rodriguez and Lizbeth A. Rodriguez, owner of the land hereinafter described and hereinafter referred to as "Owner", and North American Water District, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary":

WITNESSETH

THAT WHEREAS, Christopher A. Rodriguez and Lizbeth A. Rodriguez did execute a deed of trust, dated June 22, 2018, to Fidelity National Title Company, as Trustee, covering;

* * * See "Exhibit A" attached hereto and made a part hereof. * * *

to secure a note in the sum of $275,000.00, dated June 22, 2018, in favor of North Marin Water District, which deed of trust was recorded on June 22, 2018, in Book/Reel n/a, at Page/Image n/a, Series/Instrument 2018-0022518, Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of $246,000.00, dated _____, in favor of Caliber Home Loans, Inc., hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien of charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

SUBORDINATION, RECORDED DEED OF TRUST TO DEED OF TRUST TO RECORD.

(1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned;
(2) That Lender would not make its loan above described without this subordination agreement;
(3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

(a) He/She consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
(b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
(c) He/She intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
(d) An endorsement has been placed upon the Note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.
(CLTA SUBORDINATION FORM "A")

Signature of Beneficiary(s) Signature of Owner(s)

North Marin Water District

By: Christopher A. Rodriguez

Lizbeth A. Rodriguez

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____
County of _____

On _____ before me, _____ a Notary Public, personally appeared

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

Name: _____
(Typed or Printed) (Seal)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.
(CLTA SUBORDINATION FORM "A")

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____
County of _____

On _____ before me, _____ a Notary Public, personally appeared

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

Name: _____
(Typed or Printed) (Seal)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.
(CLTA SUBORDINATION FORM "A")

11

MEMORANDUM

To: Board of Directors June 19, 2020

From: Drew McIntyre, General Manager / Acting Chief Engineer

Subject: West Marin Capital Improvement Projects – FY19-20 Preliminary Year-End Progress Report

R:\CHIEF ENG\VOGLER\BUDGETS\FY 19-20\WM 19_20 project status BOD Memo.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

The purpose of this memo is to provide a preliminary year-end status report to the Board on the District's performance in completing budgeted FY19-20 Capital Improvement Projects (CIPs) in the West Marin (including Oceana Marin) service territories. A final fiscal year-end report will be presented to the Board at a later meeting once the FY19-20 financial information is complete. This preliminary progress report is being presented to take advantage of the fact that the June 23rd meeting is focused on West Marin budget items.

Performance Status for Capital Improvement Projects

A total of eight (8) CIPs were originally budgeted in FY19-20 for the West Marin water and Oceana Marin sewer service areas (Attachment 1). During the year, four projects were added and one was carried over. Out of the ensuing thirteen projects, eight projects have been completed. Overall earned value progress in completing West Marin CIPs was 78%. All of the FY19-20 of the originally budgeted West Marin project expenditures were at or below the original budget (Attachment 2). Based on a review of total project expenditures for all West Marin Water CIPs, the combined West Marin Water projects are estimated to be below the initial budget by $5,000. Estimated Oceana Marin project expenses of $159,500 are $104,000 above the Oceana Marin CIP budget of $55,000. This overage is due to adding the 75% grant funded Oceana Marin Treatment Pond Rehabilitation project.

FY 19-20

CAPITAL IMPROVEMENTS PROJECTS

PROJECTS BUDGETED	WEST MARIN/ OCEANA MARIN
Original Budget	8
Added	4
FY 18-19 Carryover	1
Deferred/Dropped	0
Adjusted Budget	13

FISCAL YEAR COMPLETION STATUS	WEST MARIN/ OCEANA MARIN
No. of Projects Fully Completed	8
No. of Projects Partially Completed	5
Year-End Earned Value Completion Percentage	78%

	Date Brought to Board
FY18-19 CARRYOVER	
Oceana Marin	
PB Replacements – Drakes View Drive	First Quarter Report
DEFERRED/DROPPED	
None	
PROJECTS ADDED	
West Marin	
Gallagher Ranch Streambank Stabilization (75% Const Grant)	Second Quarter Report
Olema Creek Bridge Pipe Replacement (SFD Blvd)	Second Quarter Report
PB Replacements: State Route One – Caltrans	Fourth Quarter Report
Oceana Marin	
OM Treatment Pond Rehab – 404 Grant – FEMA (75% Grant Funded)	Third Quarter Report

WEST MARIN CAPITAL IMPROVEMENT PROJECT SUMMARY FY19-20

AS OF MAY 31, 2020

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
			6. West Marin Water System							
			System Improvements							
PC	Eng	1	6.a	Replace PRE Tank #4A*	$550,000	$350,000	100	30	$550,000	$105,000
C	Eng	2	6.b	New Gallagher Well #2*	$75,000	$75,000	100	100	$75,000	$75,000
			6.c	PB Replace in Sync w/County Paving	$50,000	$0		0		
C	Eng	3	6.d	WM Brominated - TTHM Reduction	$300,000	$50,000	100	100	$300,000	$50,000
PC	Eng	4	6.e	Lagunitas Creek Bridge Pipe Replacement (Caltrans)*	$200,000	$30,000	100	60	$200,000	$30,000
C	Eng	5	6.f	Olema Creek Bridge Pipe Replacement (County)*	$35,000	$1,000	100	100	$35,000	$1,000
C	Ops	6	6.g	Olema PS Wireless to Tank	$20,000	$15,000	100	100	$20,000	$15,000
C	Eng	7	6.h	*PB Repl: Drakes View Dr (22)*	*$0*	*$66,000*	100	100	$0	$66,000
PC	Admin	8	6.i	**Gallagher Ranch Streambank Stabilization***	**$0**	**$550,000**	28	28	$0	$154,000
C	Ops	9	6.j	**Olema PS Pump Replacement**	**$0**	**$8,000**	100	100	$0	$8,000
PC	Eng	10	6.k	**PB Repl: SR 1 - Caltrans (32)***	**$0**	**$80,000**	5	5	$0	$4,000
				SubTotal	$1,230,000	$1,225,000				
			7. Oceana Marin Sewer System							
C	Ops	11	7.a	Infiltration Repair	$40,000	$40,000	100	100	$40,000	$40,000
C	Ops	12	7.b	Tahiti Way Lift Pump 1 Assembly	$15,000	$9,500	100	100	$15,000	$9,500
PC	Ops	13	7.c	**OM Treatment Pond Rehab - 404 Grant- FEMA***	**$0**	**$110,000**	95	95	$0	$104,500
				SubTotal	$55,000	$159,500				
				Total West Marin	$1,285,000	$1,384,500	87	78	$1,235,000	$662,000
				FY19-20 TOTAL						

C - Completed
PC - Partially Completed

PROJECT FORECAST REVISED
Baseline projects with revised forecast budget increases (indicated by shaded box)
Baselined projects to be deferred (indicated in strikeout)
New projects added **(indicated in bold)**
Prior year projects carried over indicated in italics

* Multi-Year Project

ATTACHMENT 2

12

*DRAFT Minutes of Water Advisory Committee and Technical Advisory Committee
Virtual Meeting – No Physical Location
May 18, 2020

Attendees:
Easter Ledesma, City of Santa Rosa
Gina Perez, City of Santa Rosa
Susan Harvey, City of Cotati
Dave King, City of Petaluma
Jake Mackenzie, City of Rohnert Park
Victoria Fleming, City of Santa Rosa
Jack Baker, North Marin Water District
Sam Salmon, Town of Windsor
Jon Foreman, Valley of The Moon Water District
Jack Gibson, Marin Municipal Water District
Craig Scott, City of Cotati
Kent Carothers, City of Petaluma
Jennifer Burke, City of Santa Rosa
Colleen Ferguson, City of Sonoma
Drew McIntyre, North Marin Water District
Sandi Potter, Town of Windsor
Mike Ban, Marin Municipal Water District

Staff/Alternates:
Grant Davis, SCWA
Pam Jeane, SCWA
Jay Jasperse, SCWA
Don Seymour, SCWA
Paul Piazza, SCWA
Steven Hancock, SCWA
Peter Martin, City of Santa Rosa
Colin Close, City of Santa Rosa
Chelsea Thompson, City of Petaluma
Larry Russell, Marin Municipal Water District
James Grossi, North Marin Water District

1. Check-in
   Susan Harvey, WAC Chair, called the meeting to order at 9:07 a.m.

2. Public Comments
   No public comments

3. Recap from the April 6, 2020 Special WAC Meeting and Approval of Minutes
   Moved by Jack Baker, North Marin Water District, seconded by Dave King, City of Petaluma; unanimously approved.

4. Recap from the March 2, 2020 TAC Meeting and Approval of Minutes (TAC)
   Moved by Craig Scott, City of Cotati, seconded by Jennifer Burke, City of Santa Rosa; unanimously approved

5. Water Supply Coordination Council – Susan Harvey, WAC Chair- The Water Supply Coordination Council met remotely April 27 to develop this agenda

6. Potter Valley Project Relicensing

a. Overview of Planning Agreement Partners May 13 Feasibility Study Report FERC Submittal
Pam Jeanne, SCWA- Four partners and SCWA submitted last Wednesday a cover letter and feasibility study report. Formed partnership a year ago and now known as Two Basin Partnership which covers Russian River Basin and Eel River Basin. In June of 2019, a Notice of Intent was filed with FERC and the first step was to complete a feasibility study and submit the report to FERC. The consultant team completed feasibility study report. Report included several elements: description of regional entity that will be formed in order to apply for FERC license (license app is due April 2022), project plan showing capital modifications as well as operations and maintenance requirements, fisheries restoration plan, application study plan and financial plan. Major components of project include removal of Scott Dam, sediment and vegetation management in the footprint of Lake Pillsbury modifications at Van Arsdale Reservoir, fish passage modifications at Cape Horn Dam as well as revised operation plan including a water supply plan for Potter Valley Irrigation District.

b. Approve WAC Support Letter for Planning Agreement Partners Feasibility Study Report submittal to FERC

Moved by Jon Foreman, Valley of The Moon Water District, seconded by Jack Baker, North Marin Water District, unanimously approved.

7. Sonoma Marin Saving Water Partnership (TAC)

a. 2020 Water Production Relative to 2013 Benchmark
Drew McIntyre, North Marin Water District. March water deliveries 7% below 2013 benchmark year. Year-to-Date Jan-March 10% below 2013 benchmark year.

b. Approve WaterSense Comment Letter to EPA Drew McIntyre, North Marin Water District. No objections from TAC

c. Summer Ad Campaign. Paul Piazza, SCWA. Created a campaign that is supportive of the customer and the value that water brings to them during Shelter In Place orders and while they are taking on work such as home garden projects.. Due to the low rainfall year, message of water savings is still going out. They are moving forward with branding campaign with WaterSense. Print campaign is now final and emailed and will be shared to conservation coordinators for additional review and will move forward to the TAC for review. Buys of radio spots focused on outdoor water use and digital campaign that is being put together, aiming for Memorial Day weekend launch.

d. 2020 Eco-Friendly Garden Tour – Paul Piazza, SCWA. Virtual Format was scheduled for May 2 and had to cancel in person garden tour. This was the 10-year anniversary, and staff was able to transition to a virtual approach this year. Solicitations sent out to the 28 garden hosts that signed up to participate to create and submit a video garden tour and they received 16 videos including one from City of Santa Rosa, Laguna Foundation and additional private gardens that went live on May 2nd. Sonoma Water saw 6,400 unique website visits to the tour on the partnership website.

8. Water Supply Conditions – FIRO Update
   Jay Jasperse, SCWA. It has been a dry year and Lake Mendocino will need to be carefully managed this year.. This is an innovative project that Sonoma Water has been working on developing with Corps of Engineers and SCRIPTS along with other project partners. Sonoma Water was granted a major deviation which allows extra water storage space in the flood pool to manage Lake Mendocino operations and releases. Last week it was submitted to the Corps for another major deviation for five years. Ukiah rain gage shows as of May 12, over 127 years of records this year has been the third driest on record. Under major deviation, Corps has discretion to hold on to water in the FIRO and Major Deviation Variable Buffer Pool for potential water supply benefits. Although rainfall was under 40% of average this year, they were able to achieve an 18% increase in storage.
   Don Seymour, SCWA- Sonoma Water will be filing a Temporary Urgency Change Petition this year partly due to a drier year. Storage at Lake Pillsbury for the Potter Valley Project is critically low, PG&E submitted a request for variance to reduce the minimum stream flows in both Eel River and transfer of water into the east branch of Russian River. Because of that we will see significant reductions in transfers from the Potter Valley Hydroelectric project this year. Required minimum in-stream flow releases is depleting storage at Lake Mendocino. To mitigate that, SCWA will be filing a TUCP with the State Water Resource Control Board and requesting as of July 1, minimum stream flows in the upper Russian River be reduced to 50 cfs and 60 cfs in the lower Russian River.

9. Regional Water Supply Resiliency Study Update
   Jay Jasperse, SCWA- Regional Water Supply Resiliency Study embodies a collaboration of SCWA and the Water Contractors looking at whole regional system of infrastructure from Potter Valley down to Sausalito. The goal is to develop a decision support framework to simulate stress tests and work together on projects or management actions to increase overall resiliency and mitigate vulnerabilities. Three basic phases: work with consultant in developing a workplan (this phase is in progress now, draft workplan was just received), phase two would begin in July to build the model and would initiate the process of working with TAC on what scenarios to evaluate in the model, , phase three would be ongoing assessments of scenarios to look at and continue to increase regional resiliency.

10. Biological Opinion Status Update
    Pam Jeanne, SCWA.
    Fish Flow- There have not been significant changes in the work that's being done. Staff are continuing to work on different sections of the Biological Opinion. There was going to be unavailing of public outreach work that's been done but due to the COVID-19 pandemic the meeting will occur later.
    Dry Creek Habitat Enhancement work- Sonoma Water bid out the construction project for the Summer, that is the last of Part 3, Phase III work. Contractor had been selected and agreement will go to Board of Directors in June. The right-of-way are in order and permits are pending. Maintenance work in Dry Creek will restore some function that was lost during high flow last year in the creek. Continue to move forward with Cops for Phases IV-VI of the project and are very happy about the money that was included in the Army Corps Budget this year which will include the 65% of funding ($28.3 million) under their Eco System Restoration Program. Expect work to be done between 2021-2023.

SCWA continues to meet with property owners participating in the last three phases of work to address issues with regards to right of way acquisition.
Fish Monitoring- Fish traps set for out migrating fish in 8 locations from Dry Creek and all the way into the Estuary near Willow Creek. They check the traps 7 days a week and will be ongoing. Staff are still working on ways to work through social distancing.
Russian River Estuary Management Project- Currently in management season which started May 15. Estuary is now open.
Interim Flow Changes- We are in a dry year, and temporary urgency change petition being submitted. SCWA submitted all required reporting based on last years order.

11. Emergency Training & Coordination Program - Draft
    Jay Jasperse, SCWA. In 2019 Sonoma County Grand Jury evaluated the regional water system for seismic hazards and vulnerabilities. They acknowledged the good work collectively done through the years and had 6 recommended actions for improvement, One item involves developing an emergency training and coordination program with SCWA and the contractors...
    Steven Hancock, SCWA. Purpose of program is enhancing individual agency capabilities through training, exercises and workshops thus enhancing our regional resiliency creating an overall more resilient region. Also evaluate and develop opportunities in support of enhancing cooperation One idea is developing mutual aid program specific to the agencies. Purpose of the program is to identify what the training needs are, resources and areas of cooperation.

12. Items for Next Agenda (August 3, 2020) David Keller expressed concerns for real time comments for the next meeting.

13. Check out
    Meeting adjourned at 10:54am

VIA ELECTRONIC FILING

May 13, 2020

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

Re: FERC Project No. 77-285; Feasibility Study Report for the Potter Valley Project

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's (Commission) Notice of Continuation of Relicensing Proceeding,[1] Mendocino County Inland Water and Power Commission, Sonoma County Water Agency, California Trout, Inc., the County of Humboldt, and Round Valley Indian Tribes (collectively, the NOI Parties) hereby file the Feasibility Study Report of Potential Licensing Proposal (Feasibility Study Report, attached hereto as Appendix A) for the Potter Valley Project (Project). The NOI Parties are extremely pleased to report that the Feasibility Study Report has identified a potential project for relicensing consistent with the June 28, 2019 Notice of Intent (NOI)[2] to file a license application.

The NOI reflected commitments made by the parties to an Amended Planning Agreement, including the commitment to undertake a feasibility study of a potential project proposal for relicensing that would meet the Shared Objectives of a Two-Basin Solution for the mutual benefit of the Eel River and Russian River basins. Since the NOI, the Round Valley Indian Tribes signed this agreement (attached hereto as Appendix B) and has participated fully in the study and development of the Feasibility Study Report. We respectfully request that the Commission deem the Round Valley Indian Tribes to be one of the NOI Parties for the purpose of this filing and all other purposes stated in the Notice of Continuation.

---

1 "Notice of Continuation of Relicensing Proceeding" (Aug. 1, 2019), eLibrary 20190801-3060 (Notice of Continuation).

2 "Pre-Application Document and Notice of Intent to File an Application for a New License for the Potter Valley Project" (June 28, 2019), eLibrary 20190628-5207.

Following the Commission's Notice of Continuation, the NOI Parties undertook an intensive effort over the ensuing months which culminated in the attached Feasibility Study Report. Major elements of the effort included: issuing a request for proposals and retaining a consulting firm, Stillwater Sciences, to assist in reviewing existing information and analyzing alternatives in support of the NOI Parties' deliberations; hiring a mediator, CBI West, to facilitate discussion of alternatives; and working groups which developed potential solutions for each principal topic covered by the Feasibility Study Report. The NOI Parties have spent hundreds of hours over the last several months investigating a wide range of potential Project configurations and elements, evaluating costs and benefits of those configurations and elements, and evaluating performance towards the Shared Objectives stated in the Amended Planning Agreement. In addition, the NOI Parties cooperated with the existing licensee, Pacific Gas and Electric Company (PG&E), in facilitating a study by the California Coastal Commission regard sediment behind Scott Dam. The NOI Parties initiated discussions with PG&E regarding potential terms for acquisition of the Project. The NOI Parties cooperated with the Potter Valley Project Ad Hoc Committee led by Congressman Jared Huffman.

The Feasibility Study Report is organized to address the key topics identified in the Amended Planning Agreement. It includes sections on: Regional Entity, Project Plan, Fisheries Restoration Plan, Application Study Plan, and Financial Plan. The Application Study Plan describes new and modified studies related to the proposed project, and it proposes modifications to the Commission's February 15, 2018 Study Plan Determination in the relicensing proceeding.[3] As set forth in the procedural schedule attached to the NOI as Appendix C, the NOI Parties are requesting public and Commission staff comment on any recommended modifications to the Application Study Plan within 45 days of this filing.

The NOI Parties again appreciate the Commission's ongoing cooperation and support, and stand ready to answer any questions the Commission may have regarding the Feasibility Study Report.

---

[3] "Study Plan Determination for the Potter Valley Project" (Feb. 15, 2018), eLibrary 20180215-3070.

Respectfully submitted,

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

Janet Pauli
Chair
Mendocino County Inland Water and
Power Commission
P.O. Box 1247
Ukiah, CA 95482
(707) 391-7574

James Russ
President
Round Valley Indian Tribes
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Covelo, CA 95428
(707) 983-6126

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

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

Cc: Service List, P-77-285
Distribution List (attached as Appendix C)

Attachments

APPENDIX A

Feasibility Study Report

FEASIBILITY STUDY REPORT ON
POTENTIAL LICENSING PROPOSAL FOR POTTER VALLEY PROJECT
(FERC P. 77-285)

Mendocino County Inland Water and Power Commission
Sonoma County Water Agency
California Trout, Inc.
Humboldt County
The Round Valley Indian Tribes

May 13, 2020

I. EXECUTIVE SUMMARY

In May 2019, the Mendocino County Inland Water and Power Commission, Sonoma County Water Agency, California Trout, Inc., and Humboldt County entered into an Amended Planning Agreement to explore potential terms of a new license for the Potter Valley Project (Project) to protect fisheries and water supply in the Eel and Russian River Basins.[1] The agreement commits to eight Shared Objectives for this Two-Basin Solution.[2] In June 2019, these parties filed, before the Federal Energy Regulatory Commission (FERC), a Notice of Intent (NOI) to seek a new license for the Project. The Round Valley Indian Tribes subsequently joined the Amended Planning Agreement.[3] In October 2019, the parties initiated the preparation of this Feasibility Study Report to develop a potential licensing proposal.

The parties investigated a wide range of potential Project configurations and elements, evaluated costs and benefits of those configurations and elements, and evaluated performance towards the Shared Objectives based on the best available information at this time. The Feasibility Study Report now describes a potential licensing proposal for the Potter Valley Project. This proposal includes: Regional Entity, Project Plan, Fisheries Restoration Plan, Application Study Plan, and a Finance Plan.[4]

The NOI Parties propose to create a new Regional Entity as a special district authority authorized by the State of California, to allow public agencies and non-agency stakeholders to serve on the governing board of the entity. The Regional Entity would have broad authority to undertake the tasks necessary to operate the Project and generate revenue needed to operate and maintain the Project. The Feasibility Study Report includes a preliminary Finance Plan that focuses on power generation and water sales revenue for annual operations and maintenance of the

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1 Amended Planning Agreement (May 17, 2019), Appendix A to June 28, 2019 filing, eLibrary 20190628-5207, Recital H.

2 Amended Planning Agreement, Recital I.

3 In response to the NOI, FERC issued its "Notice of Continuation of Relicensing Proceeding" (August 1, 2019), eLibrary 20190801-3060. It referred to the four signatories of the NOI as the "NOI Parties." On August 6, 2019, the Round Valley Indian Tribes signed the Amended Planning Agreement and has participated fully in the development of the Feasibility Study Report. In a May 14, 2020 filing, the original signatories of the NOI requested that FERC deem Round Valley Indian Tribes to be a "NOI Party." This Feasibility Study Report refers to the five entities as NOI Parties.

4 Amended Planning Agreement, section 1.

Project, as well as a capital funding approach to support modifications to Project works.

The Project Plan includes continued power generation and water diversions, but shifts the timing and magnitude of diversions to winter and spring months to improve and protect fishery resources while maintaining water supply reliability. The Project Plan includes removal of Scott Dam using methods and on conditions that minimize risks to the Van Arsdale Diversion and other downstream infrastructure, as well as sediment management and re-vegetation within the Lake Pillsbury footprint. Lastly, the Project Plan includes modifications to Van Arsdale Diversion and Cape Horn Dam to improve power generation, water supply reliability, and upstream and downstream fish passage; and a new water-supply pipeline from Lake Mendocino to Potter Valley Irrigation District.[5]

The Fisheries Restoration Plan is intended to restore volitional anadromous fish access to the Eel River watershed upstream of Scott Dam and Lake Pillsbury. Scott Dam removal provides the most effective and reliable means of upstream and downstream fish passage. The Project Plan will also contribute to fisheries restoration via the improvements of natural riverine processes within the Lake Pillsbury footprint and reaches downstream of Scott Dam. Lastly, modifications to Van Arsdale Diversion and Cape Horn Dam will improve upstream fish passage efficiency and survival, as well as downstream fish passage efficiency and survival.

The Feasibility Study Report proposes amendments to the approved Study Plan to reflect the Project Plan. In addition, the NOI Parties propose two additional studies to further investigate options for Scott Dam removal, as well as the socio-economic impacts of Scott Dam removal to local communities and tribes.

II. BACKGROUND

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

[5] The pipeline would be a non-licensed Project facility.

into the Russian River to generate hydroelectric power. The authorized capacity of the Project under the current license is 9.9 megawatts (MW).[6]

The Project is licensed to Pacific Gas and Electric Company (PG&E). The license expires on April 14, 2022.[7] On April 6, 2017, PG&E filed a Pre-Application Document (PAD) and Notice of Intent (NOI) to formally initiate the relicensing process for the Project. On January 25, 2019, PG&E withdrew its NOI and PAD and formally discontinued its efforts to relicense the Project. On January 29, 2019, PG&E filed a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. On March 1, 2019, FERC issued the Notice soliciting interested potential applicants other than PG&E to file an NOI and PAD and request to complete the pre-filing stages of the licensing process.

In 2017, U.S. Representative Jared Huffman convened stakeholders in a Potter Valley Project Ad Hoc Committee to enable dialogue among stakeholders to develop recommendations on the terms of any new license for the Project. The Ad Hoc Committee is comprised of over 25 federal and state resource agencies, PG&E as licensee, local counties, tribes, and environmental organizations.[8] The Ad Hoc Committee formed two technical working groups to examine fish passage alternatives at the site of Scott Dam and water supply conditions under various operations alternatives. The working groups developed information and analysis of potential solutions to these issues. The Ad Hoc Committee has a charter committed to reaching a Two-Basin Solution with co-equal goals of improving fish passage and habitat on the Eel River sufficient to support recovery of naturally reproducing, self-sustaining and harvestable native anadromous fish populations including migratory access upstream and downstream at current Project dam locations and minimizing or avoiding adverse impacts to water supply reliability, fisheries, water quality, and recreation in the Russian River and Eel River basins.[9]

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

7 *Pac. Gas & Elec. Co*., 25 FERC ¶ 61,010, *order denying reh'g*, 25 FERC ¶ 61,334 (1983).

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

9 *See* Potter Valley Project, Overview, http://pottervalleyproject.org/overview/ (last visited April 17, 2020).

On May 14, 2019, Mendocino County Inland Water and Power Commission, Sonoma County Water Agency, California Trout, Inc., and Humboldt County entered into a Planning Agreement to explore pathways to obtain a new license for the Project. The agreement was later amended to include the Round Valley Indian Tribes. The Amended Planning Agreement provides that any new license application for the Project will advance Shared Objectives for a Two-Basin Solution. These objectives are: (1) minimizing or avoiding adverse impacts to water supply reliability, fisheries, water quality, and recreation in both basins; (2) improving fish passage and habitat on the Eel River sufficient to support recovery of native anadromous fish populations, including passage at existing dam locations; (3) reliance on best available science and engineering analyses to evaluate options for restoration, water delivery, and hydroelectric generation under a new license; (4) collaboration on funding; (5) active participation of tribes and other stakeholders supportive of the Shared Objectives; (6) economic welfare of both basins; (7) continued hydroelectric generation; and (8) protecting tribal cultural, economic, and other interests in both basins.

On June 28, 2019, the signatories to the Amended Planning Agreement filed an NOI before FERC. The NOI Parties stated an intent that a Regional Entity will be formed to file a new license application for the Project modified to achieve the Shared Objectives. The NOI included a Proposed Process Plan and Schedule for the continued relicensing proceeding for the Project. On August 1, 2019, FERC issued a "Notice of Continuation of Relicensing Proceeding." This notice acknowledged that the NOI Parties will file a Feasibility Study Report on May 14, 2020. On August 6, 2019, the Round Valley Indian Tribes signed the Amended Planning Agreement.

Under the Amended Planning Agreement, the NOI Parties have worked together to prepare this Feasibility Study Report, which describes a Project modified to promote the Shared Objectives. The parties engaged a consultant team to assist with related analysis. This report makes recommendations on the following topics: (1) a description of the Regional Entity that will be formed and will apply for the new license; (2) a Project Plan showing capital modifications, as well as operations and maintenance requirements, for the continued delivery of water and generation of hydroelectric power; (3) a Fisheries Restoration Plan with measures to be implemented under the new license; (4) an Application Study Plan, detailing additional studies necessary to develop a new license application; and (5) a Financial Plan, including the specific sources of initial funding and subsequent revenues to fund the licensing, capital improvements, and operations and maintenance of the Project under a new license.

III. REGIONAL ENTITY

The NOI Parties believe that the most appropriate way to relicense the Project is through forming a Regional Entity that will be the successor licensee to PG&E. This will require state legislation. Creating the Regional Entity as a special district allows for the legislation specifically to identify representatives of public agencies and tribes to serve on the governing board and allows the California Governor or other state official to appoint representatives from the conservation community and other stakeholders to that governing board.

Once the special district is established, the Regional Entity will have broad authority to undertake the tasks necessary to operate the Project during the term of the new license. In addition to having authority to operate and maintain a hydropower facility, the Regional Entity will have all of the normal authorities associated with a public agency, including the authority to levy charges or taxes and the authority to issue revenue bonds and engage in other financing arrangements. As a public agency, the Regional Entity will be eligible for state and federal grant/loan programs, as well as being eligible to receive proceeds from state bonds. The entity will have the capacity to apply for, accept, implement and comply with a license for this Project.

The NOI Parties propose to have legislation forming the Regional Entity introduced in the California legislature by January 2021. Under normal circumstances, that means that the Regional Entity will be organized during the first quarter of 2022.[10] However, the NOI Parties may be able to make the necessary arrangements for the introduction of legislation during the 2020 legislative session, which would allow the Regional Entity to be organized during the first quarter of 2021.

IV. PROJECT PLAN

The Project consists of the project works, rights to use lands and waters within the Project boundary, and the operations and maintenance requirements as licensed by FERC in 1983.[11] The license will expire on April 14, 2022. This section describes a Project Plan, which consists of the licensed Project as proposed to be modified to achieve the Shared Objectives. The NOI Parties may modify the

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[10] California legislation, as a general rule, becomes effective on January 1 of the year after its enactment, so the Regional Entity would be organized during the first quarter of 2022 if legislation were enacted during 2021.

[11] *Pac. Gas & Elec. Co.*, 25 FERC ¶ 61,010, *order denying reh'g*, 25 FERC ¶ 61,334 (1983), as subsequently amended.

Proposed Project as they undertake further studies and proceed towards development of a new license application, as appropriate to advance the Shared Objectives. As stated in the NOI, they are undertaking this work as a proxy for a Regional Entity, which will be the applicant for any new license.

The NOI Parties commit to the removal of Scott Dam as the only feasible fish passage option, and further commit to continued diversion of Eel River water as the only feasible option to provide a reliable Russian River water supply to meet hydropower generation and other beneficial public uses of water.

Plan Elements

The NOI Parties have developed a Project Plan that includes the following elements.

- Scott Dam Removal
- Lake Pillsbury Sediment Management
- Lake Pillsbury Vegetation Management
- Van Arsdale Diversion Modifications
- Cape Horn Dam Fish Passage Modifications
- Revised Operational Plan, including instream flow schedule below Cape Horn Dam, seasonal Potter Valley Project diversion schedule, and associated changes in instream flows on the East Branch Russian River.

Other actions will be studied by the NOI Parties to achieve the Shared Objectives of the Two-Basin Solution, to be implemented through a cooperative agreement outside of the new FERC license.

The following provides more detail on each of the above Project elements, which will be refined through the Study Plan process and development of the new license application.

Scott Dam Removal

The NOI Parties will conduct detailed studies to analyze the potential effects of Scott Dam removal and address uncertainties around Scott Dam removal and water supply reliability. Once those uncertainties are resolved, the Project Plan proposes to remove Scott Dam in a phased process that is integrated with the Lake Pillsbury Sediment Management Plan. Such removal will remove the primary water storage components of the Potter Valley Project, and will be implemented in

coordination with infrastructure modifications to ensure continued power generation and water supply reliability for the Potter Valley Irrigation District. In addition, such removal will be implemented in coordination with implementation of Forecast Informed Reservoir Operations (FIRO) on Lake Mendocino in the Russian River Basin, and approval by the California State Water Resources Control Board (SWRCB) on alternative minimum instream flows on the Russian River.

The specific details and schedule of Scott Dam removal and the water diversion schedule will be refined by results from additional water supply analyses and engineering studies conducted under the FERC Study Plan (AQ 12) and by the NOI Parties outside of the FERC Study Plan.

Lake Pillsbury Sediment Management Plan

Preliminary analyses indicate that up to 12 million cubic yards (yd^3) of sediment stored within Lake Pillsbury could be readily transported downstream by the Eel River in the absence of active sediment management. To reduce risk of sediment deposition in Van Arsdale Reservoir and interruption of service by the Van Arsdale Diversion, the NOI Parties may propose to implement removal of erodible sediment within Lake Pillsbury during or before Scott Dam removal.

The Lake Pillsbury Sediment Management Plan will be conducted in coordination with removal of Scott Dam. It may include the following measures. As the crest of Scott Dam is incrementally lowered over a phased period, the Eel River will begin downcutting through the sediments stored behind Scott Dam, and the sediment will be naturally transported downstream to the remaining pool behind Scott Dam. A sediment dredging program may be implemented to relocate these sediments to a stable spoils area on the north side of the reservoir with each phased reduction in Scott Dam height. Over the phased period, sediment may be removed and stockpiled within the Lake Pillsbury footprint to reduce potential downstream transport of sediment once Scott Dam is fully removed.

Additional sediment transport studies are proposed in the FERC Study Plan to refine the Lake Pillsbury Sediment Management Plan (AQ 12). In combination with FERC Study Plan results and input from regulatory and resource management agencies, a final description of the proposed Lake Pillsbury Sediment Management Plan will be included in the new license application. Naturally produced sediments from the watershed upstream of Scott Dam will naturally route downstream once Scott Dam is fully removed.

Lake Pillsbury Vegetation Management Plan

Once Scott Dam is removed and Lake Pillsbury is dewatered, the former inundation area of Lake Pillsbury will likely require some degree of revegetation to

help stabilize remaining sediments and reclaim the sediment spoils area. The specifics of the Lake Pillsbury Vegetation Management Plan will be developed based on studies and input from regulatory and resource management agencies. The Lake Pillsbury Vegetation Management Plan will be implemented following completion of Scott Dam removal.

Van Arsdale Diversion Modifications

Van Arsdale Diversion is currently limited to a maximum diversion of approximately 240 cubic feet per second (cfs) due to a derated fish screen. The Project Plan will implement modifications (which may include infrastructure replacement) to increase the diversion capacity to approximately 300 cfs to improve water supply reliability to the Russian River, along with power generation capacity, while improving reliability of fish passage. Modifications may occur early in the implementation process, and may include redesigning the fish screen to achieve approximately 300 cfs diversion capacity and redesigning the fish bypass pipe to comply with National Marine Fisheries Service's criteria.

Cape Horn Dam Fish Passage Modifications

The Cape Horn Dam fish ladder currently provides fish passage for anadromous salmonids, and recent modifications now allow passage for Pacific lamprey. Downstream fish passage is provided via the existing downstream fishway for flows up to 124 cfs; higher flows spill over the face of the dam, with a varying proportion of downstream migrating fish also spilling across the dam. The Project Plan includes modifications to the upstream fish ladder, which may include infrastructure replacement. In addition, the NOI Parties will study potential modifications in downstream fish passage, and depending on the results of those studies, may design and implement modifications that will improve downstream fish passage. These modifications may occur early in the implementation process.

Revised Project Operations Plan

With the removal of Scott Dam and Lake Pillsbury storage, the NOI Parties propose to amend the Project Operations Plan to reflect a seasonal diversion from the Eel River to the Russian River basin. The amended Project Operations Plan will remedy the derated fish screen at Van Arsdale Diversion facility to increase diversion capacity and will focus diversions to winter and spring months when Eel River unimpaired flows are higher and potential ecological impacts to the Eel River due to approximately 300 cfs flow diversion are the lowest. This amended plan will

be similar to Water Supply Scenario 2 developed by the Ad Hoc Committee[12] and refined based on results from the studies, consultations with resource agencies and tribes, state and federal regulatory agencies, and negotiated Federal Power Act section 4(e) terms and conditions from applicable resource agencies.

V. FISHERIES RESTORATION PLAN

The NOI Parties propose to develop and implement several actions that will improve and protect fishery resources on the Eel River basin while preserving fishery resources in the Russian River basin. This Fisheries Restoration Plan describes actions to be undertaken by the Regional Entity within the Project boundary or otherwise under authority of the new license.

The Fisheries Restoration Plan includes: (1) restoration of anadromous fish access to habitat upstream of Scott Dam via removal of Scott Dam; (2) management of sediment and vegetation in the Lake Pillsbury footprint to restore historic riverine and riparian habitat along the Eel River, and minimizing impacts to aquatic resources downstream of Scott Dam; (3) restoration of natural physical and biological processes within the reservoir footprint and reaches downstream of Scott Dam via removal of Scott Dam and additional restoration actions; (4) modifications to Cape Horn Dam to improve upstream and downstream fish passage; and (5) modifications to Van Arsdale Diversion infrastructure to reduce risk of fish entrainment.

In addition to these restoration actions under the new license, the NOI Parties propose to investigate additional restoration opportunities within the Eel River watershed (and excluded from obligations of the new license). Combined, these two components of the Fisheries Restoration Plan are intended to improve fishery populations within the entire watershed, and benefit tribal, commercial, and recreational fisheries.

Within the Project boundary, Scott Dam removal will provide anadromous salmonids unimpeded access to more than 300 miles of historically available habitat upstream of Scott Dam. Scott Dam removal, Lake Pillsbury sediment and vegetation management, and additional restoration actions will also restore physical and ecological processes that will improve aquatic habitat conditions in the Eel River within the reservoir footprint and reaches downstream. In addition, modifications to upstream and downstream fish passage facilities at Cape Horn Dam, along with modifications to Van Arsdale Diversion, will contribute further to

[12] *See* http://pottervalleyproject.org/wp-content/uploads/2020/02/Water-Supply-Modeling-Grp-Combined-Deliverables_Final.pdf.

fisheries restoration. While restoring anadromous fish access to the watershed upstream of Scott Dam, restoration of the reservoir footprint to a riverine condition, and additional modifications to Van Arsdale Diversion and Cape Horn Dam will go a long way in leveraging the benefits of restoring access to historically available habitat upstream, additional comprehensive watershed restoration efforts will be needed for Eel River salmon and steelhead populations to substantially increase fish populations to levels that fully utilize available habitat, sustain tribal, commercial, and recreational fisheries, and restore and protect cultural resource values.

VI. APPLICATION STUDY PLAN

In January 2019, PG&E suspended implementation of its study plan[13] as approved by FERC.[14] Studies were at various stages of completion as described in our NOI.[15] The Approved Study Plan includes: eleven Aquatic Resources studies, two Cultural Resources studies, three Land Resources studies, three Recreation Resources studies, and three Terrestrial Resources studies. With the exception of AQ 6, the NOI Parties propose to complete the remaining FERC-approved studies, with some modifications based on the Project Plan. In addition, the NOI Parties propose two new studies to fill information gaps as appropriate to evaluate the Project Plan: AQ 12 (Scott Dam Removal Assessment) and SE 1 (Socio-Economic Effects of Scott Dam Removal). The Application Study Plan is intended to address uncertainties in potential impacts of the Project Plan on beneficial public uses.

The NOI Parties propose to implement the Application Study Plan between May 2020 and December 2021,[16] although the actual schedule will be dependent on the NOI Parties securing funding and coordination with regulatory agencies.

Status of Approved Study Plan

As shown in the NOI Appendix B, the following is the status of the Approved Study Plan.

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13 PG&E, "Revised Study Plan" (January 16, 2018), eLibrary 20180116-5131.

14 FERC, "Study Plan Determination for the Potter Valley Project" (February 15, 2018), eLibrary 20180215-3070, Appendix B.

15 NOI Parties, "Pre-Application Document and Notice of Intent to File an Application for a New License for the Potter Valley Project" (June 28, 2019), eLibrary 20190628-5207.

16 June 28, 2019 filing, Appendix C.

Technical Study Plan	Historical Data Compilation	Key Decision w/ Stakeholders re:	Field Surveys/Data Collection	Data Analysis/Synthesis	Model Development	Draft Report
AQ 1 - Hydrology and Project Operations Modeling	X	X	X	IP	IP	O
AQ 2 -Water Temperature	IP	X	IP	IP	IP	O
AQ 3 -Water Quality		X	X	IP		O
AQ 4 - Fluvial Processes and Geomorphology	X	X	X	IP		O
AQ 5 - Instream Flow	X	X	X	IP	IP	O
AQ 6 - Lake Pillsbury Fish Habitat		X	X	O		O
AQ 7 - Fish Passage	IP	X	IP	IP		O
AQ 8 - Fish Entrainment	IP	X	X	IP		O
AQ 9 - Fish Populations	X	IP	X	IP		O
AQ 10 - Special Status Amphibians and Aquatic Reptiles	X	X	X	IP		O
AQ 11 - Special Status and Invasive Aquatic Mollusks		X	X	X		IP
CUL 1 – Cultural Resources	X	X	IP	O		O
CUL 2 – Tribal Resources	X	X	X	O		O
LAND 1 – Roads and Trails Assessment	IP	X	X	IP		IP
LAND 2 – Visual Resource Assessment	X	X	O	O		O
LAND 3 – Hazardous Fuels Assessment	X	O	O	O		O
REC 1 – Recreation Facility Assessment	IP	IP	O	O		O
REC 2 – Reservoir Recreation Opportunities		IP	O	O		O
REC 3 –Whitewater Boating	X	X	X	X		O
TERR 1 – Botanical Resources	X	X	X	IP		O
TERR 2 –Wildlife Resources	X	X	X	IP		IP

blank - not applicable
X - Study Element/Activity Complete
IP - Study Element/Activity In Progress
O - Study Element/Activity Outstanding

Modifications to Approved Study Plan

The Project Plan envisions Scott Dam removal as well as other major modifications, which envision a different future Project than PG&E proposed in its Pre-Application Document. This necessitates amendments to the Approved Study Plan. The following section provides details for each study with regard to specific revisions to that Study Plan. In addition, some of the proposed study amendments below address information needs unique to the NOI Parties, and thus may expand beyond the minimum of what FERC requires and approved for PG&E.

AQ 1 - Hydrology and Project Operations Modeling. No changes to Approved Study Plan except:

- Conduct the Indicators of Hydrologic Alteration (IHA) analysis for a Project Plan that includes Scott Dam removal.

- Conduct the flood frequency analysis for a Project Plan that includes Scott Dam -removal.

- Re-evaluate ramping rates downstream of Cape Horn Dam for a Project Plan that includes Scott Dam removal.

- Modify the existing HEC-ResSim Water Balance Operations Model to incorporate Scott Dam removal and modified Van Arsdale Diversion.

- Perform calibration and validation as necessary. Develop an operations scenario for Project operations upon Scott Dam removal.

AQ 2 -Water Temperature. No changes to Approved Study Plan except:

- Conduct multiple regression approach or the HEC-RAS water temperature model to characterize water temperature conditions with Scott Dam removal and modified Van Arsdale Diversion.

- Use the river water temperature model to evaluate river water temperatures reflecting Scott Dam removal and revised Project operations for water diversion timing. Use the existing Lake Pillsbury CE-QUAL water temperature model to model different boundary conditions for with and without dam scenarios.

AQ 3 -Water Quality. No changes to Approved Study Plan except:

- Evaluate the effects of Scott Dam removal on water quality by using results from water temperature modeling (AQ-2) to interpret changes to water quality parameters.[17]

AQ 4 - Fluvial Processes and Geomorphology. No proposed changes to Approved Study Plan.

AQ 5 - Instream Flow. No changes to Approved Study Plan except:

[17] Restricted access and other safety considerations caused by wildfires resulted in data gaps during summer sampling period. Therefore, NOI Parties must determine whether existing information will be sufficient for completing the study and acceptable with agency/stakeholders, or whether additional data collection is needed. If additional data collection is required, it is uncertain whether wildfires may have caused water quality conditions to change to the extent that a complete resampling would be required.

- Run the PHABSIM model using new hydrology scenarios results (AQ-1) developed to reflect Scott Dam removal and modified Van Arsdale Diversion, and produce habitat time series analysis using the new hydrology scenarios.

- Re-produce as necessary the fish stranding and stage change analysis incorporating using new hydrology scenarios results (AQ-1) developed to reflect Scott Dam removal.

- Re-model the effective spawning habitat at each instream flow study site using the new hydrology scenarios.

- Re-model FYLF habitat vs flow relationships using new hydrology scenarios.

AQ 6 - Lake Pillsbury Fish Habitat. Propose deletion of this study because the Project Plan proposes to eliminate Lake Pillsbury.

AQ 7 - Fish Passage. No changes to Approved Study Plan except:

- Evaluate improved upstream and downstream fish passage alternatives (including conceptual designs, costs and estimated efficacy) at Cape Horn Dam.

- Eliminate field sampling activities related to the assessment of downstream anadromous fish passage at Cape Horn Dam and downstream passage of adult steelhead kelts at Cape Horn Dam because the Project Plan proposes to implement structural and operational modifications at Cape Horn Dam that improve downstream fish passage.

- Eliminate field sampling activities (operation of sonar array in the mainstem Eel River) related to enumeration of adult salmon escapement.

AQ 8 - Fish Entrainment. No changes to Approved Study Plan except:

- Evaluate the effects of revised diversion patterns (seasonal diversions based on the results of AQ-1 and AQ-5), on potential fish entrainment risk at Van Arsdale Diversion or alternative diversion structure.

AQ 9 - Fish Populations. No changes to Approved Study Plan except:

- Develop conceptual model that integrates life history, habitat requirements, and distribution of non-native pikeminnow with those of native fish and aquatic species to identify prey vulnerabilities and

predator hot spots to inform effective suppression techniques and/or reduced predation rates.

- Summarize information on pikeminnow suppression and eradication techniques, effectiveness, and cost.

AQ 10 - Special Status Amphibians and Aquatic Reptiles. No proposed changes to Approved Study Plan.

AQ 11 - Special Status and Invasive Aquatic Mollusks. No proposed changes to Approved Study Plan.

CUL 1 – Cultural Resources. No changes to Approved Study Plan except:

- Modify the Area of Potential Effects to include areas potentially impacted by Scott Dam removal.

CUL 2 – Tribal Resources. No changes to Approved Study Plan except:

- Modify the Area of Potential Effects to include areas potentially impacted by Scott Dam removal.

LAND 1 – Roads and Trails Assessment. No changes to Approved Study Plan except:

- Modify extent of study area to include any new roads or trails required for Scott Dam removal.

LAND 2 – Visual Resource Assessment. No changes to Approved Study Plan except:

- Characterize changes in landscape character under Scott Dam removal and post-dam viewsheds.

LAND 3 – Hazardous Fuels Assessment. No proposed changes to Approved Study Plan, except:

- Analyze mitigation for lost water sources for fire-fighting.

REC 1 – Recreation Facility Assessment. No proposed changes to Approved Study Plan.

REC 2 – Reservoir Recreation Opportunities. No proposed changes to Approved Study Plan.

REC 3 –Whitewater Boating. No proposed changes to Approved Study Plan

TERR 1 – Botanical Resources. No proposed changes to Approved Study Plan.

TERR 2 –Wildlife Resources. No proposed changes to Approved Study Plan.

Proposed New Studies

The NOI Parties propose two new studies related to elements of the Project Plan.

AQ 12 — Scott Dam Removal Assessment. Evaluate the potential effects of Scott Dam removal, including (1) the geomorphic and ecological tradeoffs of different approaches to Scott Dam removal and associated sediment management; (2) revegetation in the Lake Pillsbury footprint, and (3) effects on downstream riverine ecology and infrastructure. There are approximately 20 million cubic yards of sediment stored in Lake Pillsbury, of which approximately 12 million cubic yards is considered susceptible to mobilization and transport downstream as Scott Dam is removed.

- Collect LiDAR and bathymetry data to support Eel River modeling efforts. If recently flown LiDAR data is not sufficient quality for modeling needs, conduct low flow terrestrial LiDAR flight and ground survey of cross sections (bathymetry) from Scott Dam downstream to the Middle Fork Eel River confluence for use in hydraulic and sediment transport modeling.

- Conduct one dimensional (1D) hydraulic and sediment transport modeling (DREAM-2) to evaluate fate of coarse sediment released from removal of Scott Dam. Compute natural sediment supply rates for Lake Pillsbury based on historic reservoir sedimentation, and estimate natural sediment supply rates at Dos Rios, Fort Seward, and Scotia gages; compare to future sediment supply rates with Scott Dam removed.

- Estimate suspended sediment concentrations expected in the Eel River resulting from Scott Dam removal.

- Evaluate the biological impacts of high suspended sediment concentration and duration (intra- and inter-annual) resulting from Scott Dam removal and compare with background concentrations.

- Evaluate the potential geomorphic effects of Scott Dam removal by developing two dimensional (2-D) or three dimensional (3-D)

morphodynamic model at select sites to better understand potential effects of sediment deposition on channel morphology, bank stability, flooding, and aquatic habitat conditions. Information from 1D model will provide input to 2-D or 3-D model.

- Using sediment transport model results, work with resource agencies and stakeholders to develop a preferred approach for managing Lake Pillsbury sediment, and refine engineering designs for the preferred approach.

- Refine evaluation of Scott Dam removal options based on suspended sediment assessment, sediment transport modeling, and the preferred sediment management approach.

- Depending on (1) model predictions of suspended sediment concentrations for different dam decommissioning and sediment management options, (2) comparisons with background sediment supply from the upper Eel River watershed, and (3) discussions with resource agencies, evaluate the need for downstream biological mitigation measures during the dam removal and sediment management process (off-stream rearing, creating refugia from high suspended sediment concentrations, temporary supplemental fish propagation).

SE 1 — Socio-Economic Effects of Dam Removal. Evaluate the socio-economic effects of Scott Dam removal on communities around Lake Pillsbury, Van Arsdale Reservoir, and the lower Eel River. Evaluation would focus primarily on changes to property values (Lake Pillsbury), potential remediation of effects of sedimentation on residences immediately below Van Arsdale Reservoir, and potential remediation of effects of sedimentation on water intake systems in the lower Eel River. The potential economic effects on tribal interests, recreation, and other activities will also be considered.

Estimated Cost

Studies	Project Plan	
	FERC-Approved	Proposed Modifications
Existing Studies		
AQ 1 - Hydrology and Project Operations Modeling	$272,000	$770,000
AQ 2 -Water Temperature	$502,000	$40,000
AQ 3 -Water Quality	$389,000	$40,000
AQ 4 - Fluvial Processes and Geomorphology	$581,000	$0
AQ 5 - Instream Flow	$445,000	$0
AQ 6 - Lake Pillsbury Fish Habitat	$ 0	$0

AQ 7 - Fish Passage	$1,431,000	$42,000
AQ 8 - Fish Entrainment	$48,000	$25,000
AQ 9 - Fish Populations	$142,000	$185,000
AQ 10 - Special Status Amphibians and Aquatic Reptiles	$425,000	$0
AQ 11 - Special Status and Invasive Aquatic Mollusks	$77,000	$0
CUL 1 – Cultural Resources	$350,000	$60,000
CUL 2 – Tribal Resources	$107,000	$25,000
LAND 1 – Roads and Trails Assessment	$112,000	$29,000
LAND 2 – Visual Resource Assessment	$113,000	$24,000
LAND 3 – Hazardous Fuels Assessment	$148,000	$0
REC 1 – Recreation Facility Assessment	$207,000	$0
REC 2 – Reservoir Recreation Opportunities	$96,000	$0
REC 3 –Whitewater Boating	$96,000	$0
TERR 1 – Botanical Resources	$192,000	$0
TERR 2 –Wildlife Resources	$231,000	$0
New Studies		
AQ 12 – Dam Removal		$ 1,073,000
SE 1 - Socio-Economic Effects of Dam Removal		$ 180,000
Totals	**$5,964,000**	**$2,493,000**
Grand Totals:	**$8,457,000**	

VII. FINANCIAL PLAN

The NOI Parties propose the Project Plan to achieve co-equal goals of improving fish passage and habitat on the Eel River and avoiding adverse impacts to water supply reliability, fisheries, water quality, and recreation in the Russian River and Eel River basins. In total, the project elements go well beyond achieving the benefits of hydroelectric generation, and seek to find a balance of fisheries and water supply benefits. As a result, the NOI Parties anticipate that financing and ongoing funding for this Project will include not just the revenue from power generation, but also contributions from other revenue sources in accordance with the benefits to fisheries and water supply. The parties further anticipate that the Project Plan will be implemented through a new license application as well as a separate cooperative agreement that will run between the NOI Parties, resource agencies and other stakeholders as appropriate to advance the Two-Basin Solution.

The NOI Parties include three local agencies, a non-profit organization, and one sovereign tribal nation. The Regional Entity's board will likely include representatives of most or all of those NOI Parties, as well as other critical stakeholders. Additionally, the Regional Entity will be structured with the authority to levy charges or taxes and the authority to issue revenue bonds and engage in other financing arrangements.

Potential Costs

The NOI Parties will need to negotiate purchase of the facilities from the current owner and licensee, PG&E. At this time, PG&E is actively participating in the relicensing process being undertaken by the NOI Parties and has acknowledged that, if FERC does not issue a new license to the NOI Parties or Regional Entity, PG&E will be responsible for decommissioning the Project.

In a recent California Public Utilities Commission (CPUC) rate case application, PG&E requested the establishment of a decommissioning reserve for its hydroelectric system. This was based on a conceptual estimate of the anticipated costs to decommission a number of small projects, including the Potter Valley Project.[18]

Transfer of the Project to the NOI Parties would relieve PG&E of a substantial financial obligation for decommissioning. NOI Parties anticipate that any asset transfer transaction would also include either (a) performance of in-kind actions by PG&E, which will directly reduce capital costs for the NOI Parties, or (b) a cash payment by PG&E to the NOI Parties for relief of specific current obligations and liabilities of PG&E with regards to decommissioning. Any such transaction will be subject to approval by the California Public Utilities Commission[19] and FERC.[20]

The NOI Parties do not have direct experience with the cost of operations of the Project. Instead, the NOI Parties are relying on historic operations cost data that has been provided by PG&E, and then adjusting costs depending on potential modifications to project facilities and operations. Depending on the final configuration of facilities, operations modes and license terms, an annual cost of $5,000,000 to $10,000,000 (in 2020 dollars) is expected for steady-state ongoing operations costs.

As described elsewhere in this document, the NOI Parties are evaluating substantial changes to current Project works. Cost estimates associated with these changes, including anticipated timing and impact mitigation, are preliminary at this time with large uncertainties associated with the costs. As described above, specific implementation may be associated with any new license application or with a parallel cooperative agreement, which could have bearing on the timing and magnitude of costs.

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18 General Rate Case 2020-2022, CPUC A.18-12-009.

19 Public Utilities Code § 851.

20 16 U.S.C. §§ 807, 808.

Preliminary estimates of direct capital costs in 2020 dollars for the proposed licensed Project facilities range from $100,000,000 to $400,000,000.

Funding Sources

At this stage of planning, the NOI Parties are evaluating sources for funding the Project. The first funding need is the cost of completing the relicensing process including studies, estimated to exceed $10 million.

Since the Project will include major modifications to several current Project works, the capital funding requirements will be substantial and will likely accrue in the early years after licensing. At this juncture, the project components that will be necessary to implement the Project are at the conceptual design level only, with substantial uncertainty around the final design and capital cost. Additionally, depending on cost, sequencing and timing for implementation, Project modifications may be included in the new license application. For that reason, the NOI Parties are identifying multiple capital funding sources that will be further investigated and accessed to support modifications to Project works. Such potential funding sources include but are not limited to:

- A purchase-and-sale agreement with PG&E, including terms that take into consideration the transfer of the outstanding liabilities associated with decommissioning of the Project;
- State and/or federal funding that reflects the value of a cooperative agreement advancing a Two-Basin Solution;
- If necessary, bond funds backstopped by local revenue streams expressly implemented to support capital funding for the Project; and
- Congressional appropriation to implement a settlement of the unadjudicated federal water and fishing rights claims of the Round Valley Indian Tribes. The Round Valley Indian Tribes are considering whether to seek a resolution of such claims as part of the actions the NOI Parties may take to improve fisheries within the Project boundary, and additional actions such parties may take to improve fisheries in the Eel River watershed.

The NOI Parties anticipate that local revenues associated with continued operation of the Project will be utilized for ongoing operational costs for the Project, including O&M, safety and reliability upgrades through time, appropriate reserves and provision for major maintenance through time. The NOI Parties further anticipate that, as may be authorized in the legislation establishing the Regional Entity, potential sources for such revenues include:

- Generation revenue from continued operation of the Project;
- Water sales revenue for inter-basin transferred water; and, if necessary,
- Local assessments, levies and other charges related to Project services.

During the term of the study period prior to the filing of the license application, additional study and design work will refine the facility designs, costs, and funding streams for Project implementation and operations.

APPENDIX B

Amended Planning Agreement

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

The "Amended Planning Agreement to Undertake Feasibility Study of a Potential Licensing Proposal for the Potter Valley Project" (June 18, 2019) (Amended Planning Agreement) is hereby amended by this First Amendment.

TERMS OF AGREEMENT

1. The Amended Planning Agreement is amended to add the Round Valley Indian Tribes as a Party.

2. All other terms remain in effect.

Date: July 16th, 2019

CALIFORNIA TROUT, INC.

By: _____
Curtis Knight
Executive Director

Date: July ____, 2019

MENDOCINO COUNTY INLAND
WATER & POWER COMMISSION

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

Date: July 17, 2019

SONOMA COUNTY WATER AGENCY

By: _____
David Rabbitt,
Chair, Board of Directors

Date: July 23, 2019

COUNTY OF HUMBOLDT

By: _____
Rex Bohn
Chairperson, Board of Supervisors

Date: July ____, 2019

ROUND VALLEY INDIAN TRIBES

By: _____
James Russ

Date: July ____, 2019

CALIFORNIA TROUT, INC.

By: _____
Curtis Knight
Executive Director

Date: July ____, 2019

MENDOCINO COUNTY INLAND
WATER & POWER COMMISSION

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

Date: July ____, 2019

SONOMA COUNTY WATER AGENCY

By: _____
David Rabbitt,
Chair, Board of Directors

Date: July ____, 2019

COUNTY OF HUMBOLDT

By: _____
Rex Bohn
Chairperson, Board of Supervisors

Date: ~~July~~ Aug. 6th, 2019

ROUND VALLEY INDIAN TRIBES

By: James Russ
James Russ
President, Round Valley Indian Tribes

APPENDIX C

Distribution List

DISTRIBUTION LIST

Organization	Name	Street Address	City, State, Zip	Email
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American Whitewater	John Simpkin	5020 La Mesa Road	Placerville, CA 95667	johnmsimpkin3@gmail.com
American Whitewater	Dave Steindorf	4 Baroni Drive	Chico, CA 95928	dave@americanwhitewater.org
Bear River Band of the Rohnerville Rancheria	Josefina Cortez	266 Keisner Road,	Loleta, CA 95551	josefinacortez@brb-nsn.gov
Big Valley Rancheria of Pomo Indians	Philip Gomez	2726 Mission Rancheria Road	Lakeport, CA 95453	
Big Valley Rancheria of Pomo Indians	Michael Gomez	2726 Mission Rancheria Road	Lakeport, CA 95453	
Cahto Tribe	Sonny Elliot			environmental@cahto.org
California American Water Company	Margaret di Genova			Margaret.DiGenova@amwater.com
California Department of Fish and Wildlife	Allan Renger			allan.renger@wildlife.ca.gov
California Department of Fish and Wildlife	Curtis Milliron			curtis.milliron@wildlife.ca.gov
California Department of Fish and Wildlife	Dave Kajtaniak			david.kajtaniak@wildlife.ca.gov
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California Department of Fish and Wildlife	Scott Monday			scott.monday@wildlife.ca.gov
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California Department of Fish and Wildlife	Curt Babcock	601 Locust Street	Redding, CA 96001	curt.babcock@wildlife.ca.gov
California Department of Fish and Wildlife	Tony Labanca	50 Ericson Ct	Arcata, CA 95521	tony.labanca@wildlife.ca.gov
California Department of Fish and Wildlife	Gordon Leppig	2nd Street	Eureka, CA 95501	Gordon.Leppig@wildlife.ca.gov
California Department of Fish and Wildlife-Retired	Scott Downie			sdownie@suddenlink.net
California Department of Fish and Wildlife-Retired	Larry Week			leweek1@aol.com
California Department of Fish and Wildlife-Retired	Alan Grass	17850 Van Arsdale Road	Potter Valley, CA 95469	al_grass@hotmail.com
California Land Stewardship Institute	Laurel Marcus	550 Gateway Drive #108	Napa, CA 94558	laurelm@fishfriendlyfarming.org

DISTRIBUTION LIST

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California State Parks	Jay Harris			jharris@parks.ca.gov
California State Parks	Wes Smith			Wes.Smith@parks.ca.gov
California State Parks	Patrick Vaughan			pvaug@parks.ca.gov
California Trout	Darren Mierau			dmierau@caltrout.org
California Trout	Curtis Knight			cknight@caltrout.org
California Trout	Walter "Redgie" Collins			rcollins@caltrout.org
Center for Ecosystem Management and Restoration	Gordon Becker			becker@cemar.org
City of Cloverdale*	David Kelly			dkelley@ci.cloverdale.ca.us
City of Healdsburg*	David Mickaelian			mcuriel@ci.healdsburg.ca.us; dmickaelian@ci.healdsburg.ca.us
City of Petaluma*	Peggy Flynn			citymgr@ci.petaluma.ca.us
City of Rio Dell	Kyle Knopp			knoppk@cityofriodell.ca.gov
City of Rohnert Park*	Darrin Jenkins			admin@rpcity.org; dajenkins@rpcity.org
City of Santa Rosa Water*	Linda Reed	69 Stony Circle	Santa Rosa, CA 95401	lreed@srcity.org
City of Santa Rosa Water*	Jennifer Burke			jburke@srcity.org
City of Santa Rosa*	Sean McGlynn			CMOffice@srcity.org; smcglynn@srcity.org
City of Sonoma*	Carol Giovanatto			cgiovanatto@sonomacity.org; carolg@sonomacity.org
City of Ukiah*	Sage Sangiacomo			ssangiacomo@cityofukiah.com
Congressional Representative Office	Heather Gurewitz	P.O. Box 2208	Fort Bragg, CA 95437	heather.gurewitz@mail.house.gov
Congressional Representative Office	Jenny Callaway	999 Fifth Avenue, Suite 290	San Rafael, CA 94901	jenny.callaway@mail.house.gov
Congressional Representative Office	John Driscoll	317 Third St., Suite 1	Eureka, CA 95501	john.driscoll@mail.house.gov
Conservation & Natural Resources Group, LLC	Steve Johnson			steve@cnrgcalifornia.com
Constellation Brands	Thomas Gore	910 Lytton Station Road	Geyserville, CA 95441	tom.gore@cbrands.com
Coyote Valley Band of Pomo Indians	Michael Hunter	P.O. Box 39	Redwood Valley, CA 95470-0039	tribalgovernment@coyotevalley-nsn.gov
District Representative Senator Mike McGuire	Danielle Bradley			danielle.bradley@sen.ca.gov
Dunnewood Vineyards	George Phelan	P.O. Box 268	Ukiah, CA 95482	george.phelan@cbrands.com
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Eel River Recovery Project	Pat Higgins			phiggins@humboldt1.com

DISTRIBUTION LIST

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Eel River Recovery Project	Dottie & Graham Russell			grussell@cheetah.com
Eel River Watershed Improvement Group	Ruth Goodfield			info@erwig.org
Elem Indian Colony of Pomo Indians	Agustin Garcia	P.O. Box 757	Lower Lake, CA 95457	
Elem Indian Colony of Pomo Indians	Thomas Brown	P.O. Box 757	Lower Lake, CA 95457	
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Federal Energy Regulatory Commission	John Aedo			john.aedo@ferc.gov
Federal Energy Regulatory Commission	Timothy Konnert			timothy.konnert@ferc.gov
Friends of the Eel River	David Keller	1327 1 Street	Petaluma, CA 94952	dkeller@eelriver.org
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Friends of the Eel River	Tryphena Lewis			tryphena@asis.com
Friends of the Eel River	Melvin Kreb			floodplain@asis.com
Friends of the Eel River	Ellison Folk	396 Hayes Street	San Francisco, CA 94102	folk@smwlaw.com
Friends of the Eel River/Native Fish Society	Samantha Kannry			skannry@gmail.com
Friends of the River	Ronald Stork	1418 20th Street	Sacramento, CA 95811	rstork@friendsoftheriver.org
Friends of Van Duzen River	Sal Steinberg			steinberg.sal@gmail.com
GANDA	David Menasian			dmenasian@garciaandassociates.com
GANDA/California Department of Fish & Wildlife	Beb Ware	11500 Oat Gap Road	Potter Valley, CA 95469	bebandlinda@wildblue.net
GANDA/Local Resident	Rick Todd			ricktodd@wildblue.net
Garcia and Associates	Jen Riddell			jriddell@garciaandassociates.com
Garcia and Associates	Elizabeth Harreschou			elizabeth.harreschou@gmail.com
Guidiville Band of Pomo Indians	Merline Sanchez	P.O. Box 339	Talmage, CA 95481	
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Humboldt County Administrative Offer	Amy Nilsen			cao@co.humboldt.ca.us
Humboldt County Board of Supervisors	Estelle Fennell			efennell@co.humboldt.ca.us

DISTRIBUTION LIST

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Humboldt County Public Works*	Craig Tucker			craig@suitsandsigns.com
Humboldt County Resource Conservation District	Jill Demers			jillhcrcd@yahoo.com
Humboldt County Resource Conservation District	Doreen Hansen			dhhcrcd@gmail.com
Humboldt State University	Terry Roelofs			Terry.Roelofs@humboldt.edu
Humboldt State University	Emily Cooper			ejc485@humboldt.edu
Humboldt State University River Institute	Dr. Alison O'Dowd	1 Harpst Street	Arcata, CA 95521	Alison.ODowd@humboldt.edu
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InterTribal Sinkyone Wilderness Council	Hawk Rosales	P.O. Box 1523	Ukiah, CA 95482	
Koi Nation Lower Lake Rancheria	Darin F. Beltran	P.O. Box 3162	Santa Rosa, CA 95402	
Lake County Board of Supervisors	Eddie Crandell			Eddie.Crandell@lakecountyca.gov
Lake County* Administrative Officer	Carol Huchingson			Carol.Huchingson@lakecountyca.gov
Lake Pillsbury Homesite Association	Frank Lynch	26831 Madrone Drive	Cloverdale, CA 95425	lake6lynch@yahoo.com
Lake Pillsbury Homesite Association (LPHA)	Susan Berger	17 Lone Oak Court	Petaluma, CA 94952	sue.berger@comcast.net
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Lake Pillsbury Ranch	Carolyn Winn			Caretakers@wildblue.net
Lake Pillsbury Ranch	Jill Clarkson			clarksonbk@hughes.net
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Mendocino County Russian River Flood Control and Water Conservation Improvement District	John Reardan			john@flightrail.com
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National Marine Fisheries Service	Joshua Fuller	777 Sonoma Avenue Room 325	Santa Rosa, CA 95404	joshua.fuller@noaa.gov
National Marine Fisheries Service	Kathryn Kempton	501 West Ocean Boulevard Ste 4470	Long Beach, CA 90802	Kathryn.kempton@noaa.gov

DISTRIBUTION LIST

Organization	Name	Street Address	City, State, Zip	Email
National Marine Fisheries Service	Tom Holley	650 Capitol Mall, Suite 5-100	Sacramento, CA 95814	thomas.holley@noaa.gov
National Marine Fisheries Service	Dan Wilson			Dan.wilson@noaa.gov
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National Marine Fisheries Service	David White			david.k.white@noaa.gov
National Marine Fisheries Service	Irma Lagomarsino			irma.lagomarsino@noaa.gov
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Native Fish Society	Mark Sherwood	813 7th Street, Suite 200A	Oregon City, OR 97045	mark@nativefishsociety.org
Native Fish Society	Conrad Gowell	813 7th Street, Suite 200A	Oregon City, OR 97045	conrad@nativefishsociety.org
Native Fish Society	Jake Crawford	813 7th Street, Suite 200A	Oregon City, OR 97045	jake@nativefishsociety.org
North Coast Regional Water Quality Control Board	Bryan McFadin	5550 Skylane Blvd, Ste. A	Santa Rosa, CA 95403	bryan.mcfadin@waterboards.ca.gov
North Marin Water District	Drew McIntire			dmcintire@nmwd.com
Noyo River Indian Community		P.O. Box 91	Fort Bragg, CA 95437	
NRCS-USDA	Erin Kile			erin.kile@ca.usda.gov
Pacific Watershed Associates	Todd Kraemer			toddk@pacificwatershed.com
PG&E-Retired	Gene Geary			ralphgeary@gmail.com
PG&E-Retired	Missy Brosnan			melissabrosnan@comcast.net
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Potter Valley Irrigation District	Guinness McFadden	P.O. Box 186	Potter Valley, CA 95469	guinness@pacific.net
Potter Valley Irrigation District	Janet Pauli	P.O. Box 186	Potter Valley, CA 95469	jpauli@pauliranch.com; jpauli@pottervalleywater.org

DISTRIBUTION LIST

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Redwood Valley County Water District*	Marvin Talso	P.O. Box 399	Redwood Valley, CA 95470	talsofarm@pacific.net
Redwood Valley Rancheria of Pomo	Debra Ramirez	P.O. Box 969	Ukiah, CA 95482	debrarv1@gmail.com
Rice Forks Association	Nancy Horton			bearco2@att.net
Riverbend Sciences	Eli Asarian			eli@riverbendsci.com
Robinson Rancheria of Pomo Indians	E.J. Crandell	P.O. Box 4015 1545 E. Hwy 20	Nice, CA 95464	webmaster@rrcbc-nsn.gov
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Round Valley Indian Tribes	Curtis Berkey	2030 Addison Street, Ste 410	Berkeley, CA 94704	cberkey@berkeywilliams.com
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Russian River Watershed Conservation Council	Douglas McIlroy	400 Aviation Blvd, Ste 500	Santa Rosa, CA 95403	dmcilroy@rodneystrong.com
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Salt River Ecosystem Restoration	Steve Allen			Steve.Allen@ghd.com
Santa Rosa Chamber of Commerce	Jonathan Coe			jonathanc@santarosachamber.com
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Scotts Valley Band of Pomo	Joann Wright	1005 Parallel Drive	Lakeport, CA 95453	
Scotts Valley Band of Pomo	Shannon Ford	1005 Parallel Drive	Lakeport, CA 95453	
Shebelna Band of Mendocino Coast Pomo Indians	Charlie Fales	19101 Olsen Lane	Fort Bragg, CA 95437	
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DISTRIBUTION LIST

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Sonoma County Board of Supervisors	James Gore			James.Gore@sonoma-county.org
Sonoma County Farm Bureau	Tawny Tesconi			tawny@sonomafb.org
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Sonoma County Water Agency	David Manning	404 Aviation Blvd	Santa Rosa, CA 95403	david.manning@scwa.ca.gov
Sonoma County Water Agency	Justin Smith			jpsmith@scwa.ca.gov
Sonoma County Water Agency	Chris Delaney			cdelaney@scwa.ca.gov
Sonoma County Water Agency	Todd Schram			tschram@scwa.ca.gov
Sonoma County Water Agency	Jessica Martini-Lamb			jessicam@scwa.ca.gov
Sonoma County Water Agency*	Grant Davis			Grant.Davis@scwa.ca.gov
Sonoma County West Coast Watershed	Katherine Gledhill			kgledhill@westcoastwatershed.com
State Water Resources Control Board	Parker Thaler			parker.thaler@waterboards.ca.gov
State Water Resources Control Board	Joelle Geppert			joelle.geppert@waterboards.ca.gov
State Water Resources Control Board	Rebecca Fitzgerald			RFitzgerald@waterboards.ca.gov
Steiner Environmental Consulting	Park Steiner			parksteiner@pacific.net
Stillwater Sciences	Abel Brumo			abel@stillwatersci.com
Stillwater Sciences	Dennis Halligan			dennis@stillwatersci.com
The Nature Conservancy	Monty Schmitt			monty.schmitt@TNC.ORG
The Nature Conservancy	Tara Moberg			tmoberg@TNC.ORG
The Nature Conservancy	Elizabeth Forsburg			eforsburg@TNC.ORG
Town of Scotia*	Mark Richardson			mrichardson@townofscotia.com
Town of Windsor*	Ken MacNab	8400 Windsor Road, #100	Windsor, CA 95492	kmacnab@townofwindsor.com
Travel World Center	Dan York			dan.y@twc-ca.org
Trout Unlimited	Brian Johnson			bjohnson@tu.org

DISTRIBUTION LIST

Organization	Name	Street Address	City, State, Zip	Email
Trout Unlimited	Lisa Bolton			LBolton@tu.org
Trout Unlimited	Matt Clifford			mclifford@tu.org
Trout Unlimited	Chandra Ferrari			cferrari@tu.org
UC Cooperative Extension	Glenn McGourty	890 N. Bush Street	Ukiah, CA 95482	gtmcgourty@ucanr.edu
UC Davis	Peter Moyle			pbmoyle@ucdavis.edu
UC Davis	Ron Yoshiyama			rmyoshiyama@ucdavis.edu
United Winegrowers for Sonoma County	Bob Anderson	731 South Fitch Mountain Rd	Healdsburg, CA 95448	b.anderson@comcast.net
US Army Corps of Engineers	Wade L. Eakle			Wade.L.Eakle@usace.army.mil
US Bureau of Land Management	David Fuller			dfuller@blm.gov
US Bureau of Land Management	Zane Ruddy			jruddy@blm.gov
US Dept. of Agriculture	Jonathan Shultz			jon.shultz@ca.usda.gov
US Fish and Wildlife Service	Steve Kramer			Steve_Kramer@fws.gov
US Fish and Wildlife Service	Nick Hetrick			nick_hetrick@fws.gov
US Forest Service	April Hargis			ahargis@fs.fed.us
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US Forest Service	Victor Aguirre-Orozco			vaguirreorozco@fs.fed.us
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US Forest Service	Hilda Kwan			hkwan@fs.fed.us
US Forest Service	Michelle Zuro-Kreimer			mzurokreimer@fs.fed.us
US Forest Service	Dawn Alvarez			dalvarez@fs.fed.us
Valley of the Moon Water District*	Alan Gardner	P.O. Box 280	El Verano, CA 95433	agardner@vomwd.org
VTN-Retired	Rick Kruger			krugerr@easystreet.net
Wailaki Tribe	Louis Hoaglin Sr.	P.O. Box 684	Laytonville, CA 95454	
Western Fishes Lamprey Project	Stewart Reid			WesternFishes@opendoor.com
Westshore Campers Association	Donna Stolz			donnastolz@comcast.net
Westshore Campers Association	Stacy Ledou			mortoys@comcast.net
Wiyot Tribe	Ted Hernandez	1000 Wiyot Drive	Loleta, CA 95525	ted@wiyot.us
Wiyot Tribe	Michelle Vassel	1000 Wiyot Drive	Loleta, CA 95525	michelle@wiyot.us
Wiyot Tribe	Eddie Koch			eddie@wiyot.us
Wiyot Tribe	Vincent DiMarzo			vincent@wiyot.us
Wiyot Tribe	Thomas Torma			tom@wiyot.us
Yuki/Wailaki	Deborah Hull	S/B 78921 Wosheth Way	Covelo, CA 95428	Debb_hutt@yahoo.com

DISTRIBUTION LIST

Organization	Name	Street Address	City, State, Zip	Email
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	Jason Hartwick			speyburn@gmail.com
	Dave Lucas	2256 Rice Fork Road		bassfishinagain@gmail.com
	Bobby Gaston			nsixty2@gmail.com
	Pam and Richard Respari			vacationista@comcast.net
	Susan Knopf	460 Todd Road	Ukiah, CA 95482	smknopf@yahoo.com
	Kevin Boles			kctgboles4@gmail.com
	Paul Zellman			paul@paulzellman.com
	AI White	6800 Old River Road	Ukiah, CA 95482	alw@saber.net
	Don and Karol Chase			dkchase@comcast.net

* Entities that are believed to be interested in, or affected by, the NOI.

Two-Basin Solution for water users in Russian and Eel River Basins includes removing Scott Dam, upgrading water diversion structures, and updating water supply infrastructure for Potter Valley Irrigators

Press release from California Trout, the Round Valley Indian Tribes, the County of Humboldt, Mendocino County Inland Water and Power Commission, and Sonoma Water:

"*Today, 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 (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.*

The Potter Valley Project (PVP) is a hydroelectric facility that, in addition to generating a small amount of electricity, diverts water from the Eel River into the Russian River basin. The PVP's main facilities include two dams on the Eel River, a diversion tunnel and a hydroelectric plant.

Citing economic concerns, current PVP owner PG&E announced in January 2019 that it would not seek a new license from FERC to continue operating the facilities.

PG&E's decision to not re-license the PVP left an uncertain future for both Eel and Russian River interests. Instead of leaving it up to the utility and federal regulators to determine the region's water future, local leaders decided to work together to protect the interests of both river basins.

California Trout, the Round Valley Indian Tribes, the County of Humboldt, Mendocino County Inland Water and Power Commission and Sonoma Water formed the Two-Basin Partnership last fall. The Partnership developed the Feasibility Study Report filed with FERC today. The group is also exploring options for developing a governance structure for future ownership and operations of the facilities.

The Partnership is an outgrowth of an ad hoc committee convened by Congressman Jared Huffman. That group identified co-equal goals for a two-basin solution. These include minimizing or avoiding adverse impacts to water supply reliability, fisheries restoration, water quality improvements and recreation enhancements in the Russian and Eel River basins. One specific priority is improving fish passage and habitat on the Eel River with the goal of recovering native migratory fish like salmon and steelhead, including full access to habitat upstream of Scott Dam.

"I'm pleased to see this diverse coalition moving forward toward a two-basin solution. The filing of this feasibility study with its well-defined project description is a significant step toward a win-win outcome for the North Coast and North Bay: robust restoration of Eel River fisheries, and long-term certainty and reliability for Russian River water users," said Rep. Huffman. "We still have a long way to go including an extensive study plan, determining an appropriate financial contribution from PG&E, and securing state and federal financial support to reflect the broad public benefits of this plan. But today's filing is an important milestone and I remain committed to supporting and securing the resources necessary to move the two-basin solution forward."

The Report submitted to FERC identifies key elements that must be in place to realize the vision for a two-basin solution. These include:

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  - *A new regional entity with authority to own and operate the Project, governed by a diverse group of regional stakeholders.*
  - *Removal of Scott Dam, which completely blocks fish passage to the headwaters of the Eel River, and modifications to Cape Horn Dam and the associated water diversion to improve upstream and downstream fish passage.*
  - *Modification of PVP facilities to ensure continued power generation and water supply reliability in the Russian River.*
  - *A fisheries restoration plan that considers watershed-wide efforts in the Eel River to improve conditions for threatened and endangered native fish.*
  - *Construction of new infrastructure to provide water supply reliability for farmers and ranchers in Potter Valley.*

Although the proposed project plan submitted to FERC is a significant step in the effort to realize a two-basin solution, the process for securing a new license for the PVP is still in the early stages. The Report's Project Plan must be studied further, including analyzing the effects of removing Scott Dam on the communities around Lake Pillsbury, tribal interests, recreation and other activities on the Eel River.

Additional studies will be required to identify the best way to manage the sediment behind Scott Dam, how to improve upstream and downstream fish passage at Cape Horn Dam and what the ultimate cost of capital modifications of the PVP will be. These and other pressing issues will be addressed through the relicensing studies undertaken as part of the next phase of the FERC process.

To date, only very preliminary studies have been completed to inform cost estimates for this effort. Based on these initial studies, direct capital costs in 2020 dollars for the proposed licensed Project facilities will range from $100 to $400 million. Developing new infrastructure to improve water supply reliability for the Potter Valley Irrigation District is estimated to cost between $30 to $120 million. The studies proposed for the next phase of the effort will further define and inform cost estimates. Annual operating costs are projected to be in the $5 million to $10 million range.

Because transferring the PVP to a new regional entity would relieve PG&E of substantial financial obligations for decommissioning, the Partnership anticipates working with PG&E to secure funds to pay for some of the proposed capital upgrades as part of the transfer of ownership and liabilities.

The public will now have opportunities to comment and provide input through both the FERC proceedings and at local public meetings hosted by the member organizations of the Two-Basin Partnership. If accepted by FERC, the Report will lead to a new licensing process that will take several years to complete.

MEMORANDUM

To: Water Advisory Committee May 14, 2019

From: Susan Harvey, WAC Chair
Drew McIntyre, TAC Chair

Subject: Approve - WAC Support Letter for FERC Filing of Feasibility Study Report for the Potter Valley Project
t:\gm\scwa\wac agenda and minutes\2020\WAC memo to approve Support Ltr for FS Report FERC filing.doc

At the October 7, 2019 meeting, the WAC voted unanimously to approve a resolution supporting continued successful collaboration with Sonoma County Water Agency (SCWA) in ongoing Potter Valley Project activities. Since that time, the Water Contractors and their respective legal counsel have had multiple meetings with SCWA staff to review progress in the Planning Agreement Partners efforts to prepare a Feasibility Study Report for filing with the Federal Energy Regulatory Commission (FERC) by the stated deadline of May 14, 2020. The Planning Agreement Partners (aka NOI Parties) filed said Report with FERC on May 13, 2020. The filing documents are included as part of this agenda item.

On May 11, 2020, a WAC PVP Ad Hoc Subcommittee(1) meeting was convened to review a draft Support Letter for the Feasibility Study Report FERC filing by the NOI parties (see attached). At that time, the subcommittee recommended bringing the draft Support Letter to the full WAC for approval.

Recommendation

That the WAC approve this letter and authorize signature by the WAC Chair, Susan Harvey

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

VIA ELECTRONIC FILING

May 19, 2020

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

Re: FERC Project No. 77-285; Feasibility Study Report for the Potter Valley Project

Dear Secretary Bose:

This support letter is submitted by the eight Water Agency Contractors and Marin Municipal Water District who purchase water from the Sonoma County Water Agency (Agency) in accordance with various existing contractual agreements. The Agency is one of the Notice of Intent (NOI) parties that submitted the above referenced Report to FERC on May 13, 2020. The eight Water Agency Contractors include the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Town of Windsor, and the North Marin and Valley of the Moon Water Districts. For ease of reference, the eight Water Agency Contactors and Marin Municipal Water District are collectively referred to here as the "water contractors."

We would like to express our ongoing appreciation to the Agency for the opportunities that have been offered to provide input in this process. The water contractors are committed to supporting the Agency in its cooperative efforts with the other NOI Parties in working towards mutually beneficial FERC License terms, based on the Shared Objectives of a Two-Basin Solution for the mutual benefit of the Eel River and Russian River basins. Those Shared Objectives were developed over many months through a comprehensive and broadly based multi-party effort concerning the future of the Potter Valley Project (PVP) led by Congressman Jared Huffman, and the water contractors fully support them. Furthermore, we continue to be committed to the Agency's efforts to retain water supply resiliency for the water contractors and for the fisheries in both River basins, and we understand and acknowledge the high degree of complexity and difficulty faced by the NOI Parties in completing the Feasibility Study Report and related work required by the FERC Process in a timely manner.

The Feasibility Study Report includes the following sections: Regional Entity, Project Plan, Fisheries Restoration Plan, Application Study Plan, and Financial Plan. With respect to Regional Entity formation, the Water Contractors support the concept but need to know more about the boundaries, mission and governance. The water contractors also support "Water Supply Scenario 2" (Scott Dam removed, seasonal PVP diversions from Van Arsdale Reservoir) identified in the Report, recognizing that to the extent a new FERC License results in operational changes in water available to the Agency from Lake Mendocino, the Agency can draw on water stored in Lake Sonoma to fully meet its contractual water supply obligations to the water contractors. We also recognize the inherent financial uncertainties identified in the Financial Plan, but fully support the development of a Financial Plan which includes specific sources of initial capital funding and subsequent revenue streams adequate for long term sustainable operations of the PVP; and which ensure that water contractors will not be obligated to pay any cost that is disproportionate to the benefit received by the water contractors and their customers.

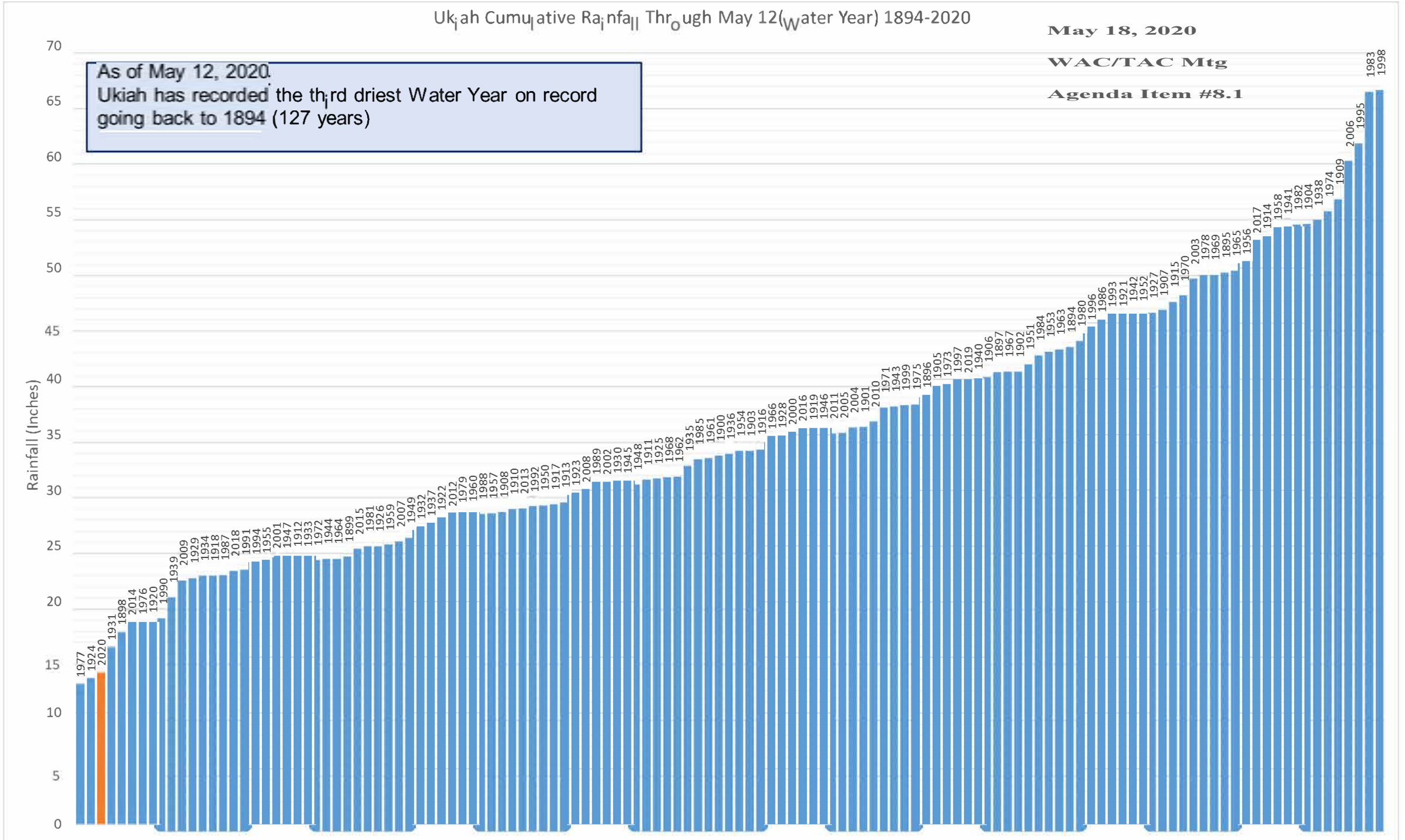
In closing, the water contractors support the Feasibility Study Report submitted to FERC by the NOI parties and respectfully urge FERC to approve their pre-filing process plan in advance of a formal License Application in May, 2022.

Respectfully submitted,

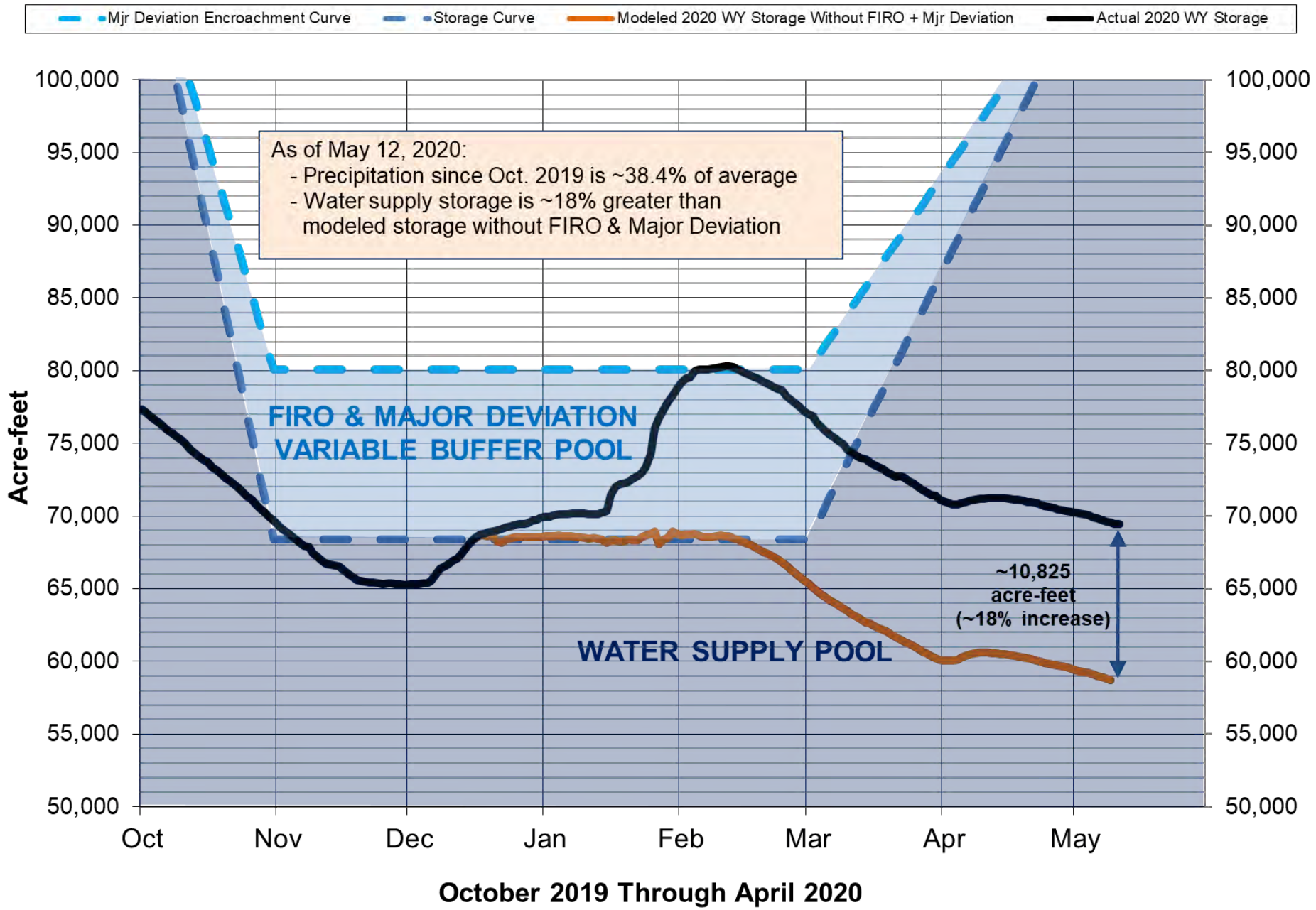
_____

Susan Harvey, City of Cotati Council Member
Chair
Water Advisory Committee

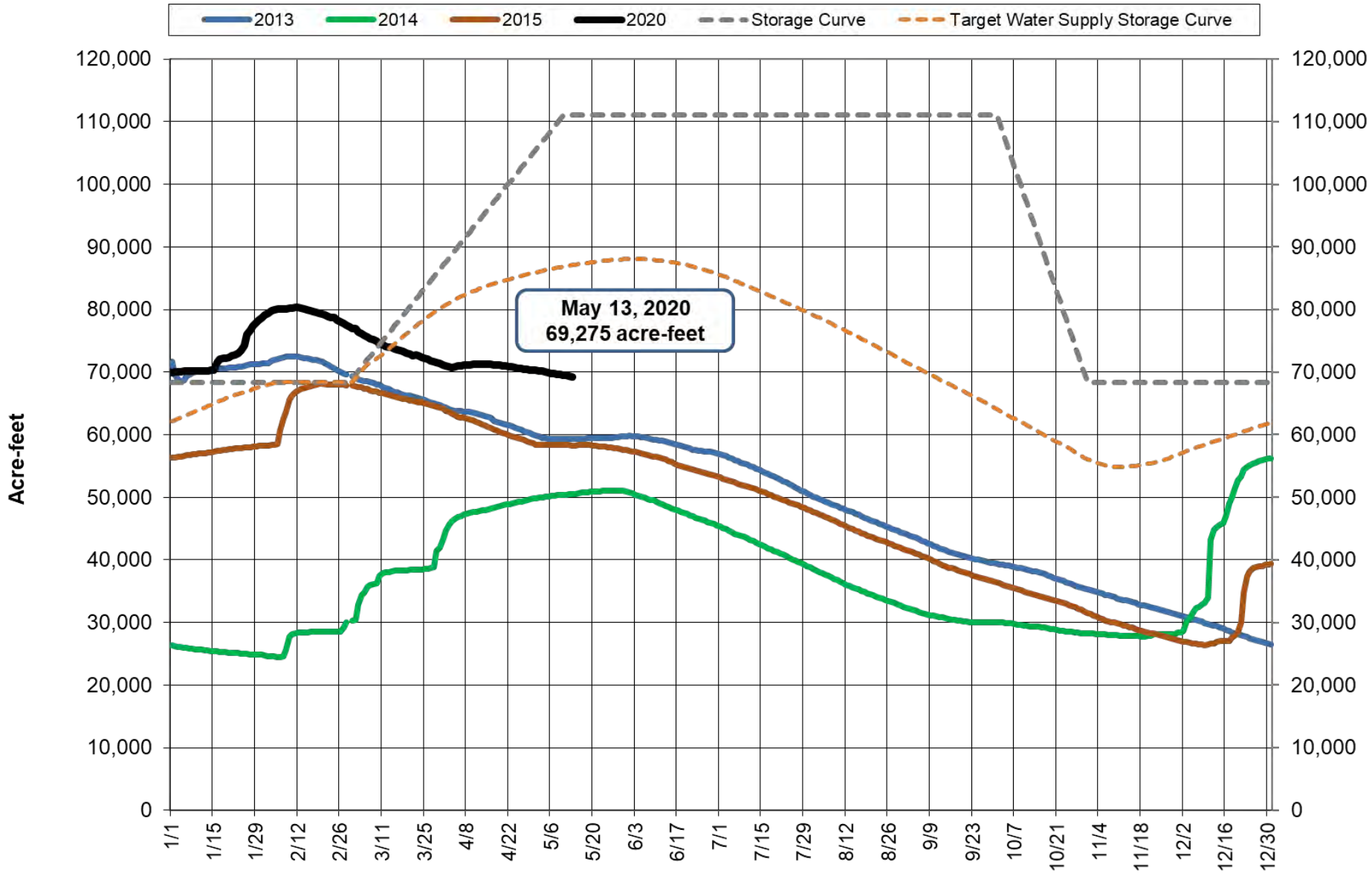
Cc: Service List, P-77-285


Ukiah Cumulative Rainfall Through May 12(Water Year) 1894-2020
May 18, 2020
WAC/TAC Mtg
Agenda Item #8.1
As of May 12, 2020
Ukiah has recorded the third driest Water Year on record going back to 1894 (127 years)
Rainfall (Inches)
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
1977 1924 2020 1931 1898 2014 1976 1920 1990 1939 2009 1929 1934 1918 1987 2018 1991 1994 1955 2001 1947 1912 1933 1972 1944 1964 1899 2015 1981 1926 1959 2007 1949 1932 1937 1922 2012 1979 1960 1988 1957 1908 1910 2013 1992 1950 1917 1913 1923 2008 1989 2002 1930 1945 1948 1911 1925 1968 1962 1935 1985 1961 1900 1936 1954 1903 1916 1966 1928 2000 2016 1919 1946 2011 2005 2004 1901 2010 1971 1943 1999 1975 1896 1905 1973 1997 2019 1940 1906 1897 1967 1902 1951 1984 1953 1963 1894 1980 1996 1986 1993 1921 1942 1952 1927 1907 1915 1970 2003 1978 1969 1895 1965 1956 2017 1914 1958 1941 1982 1904 1938 1974 1909 2006 1995 1983 1998

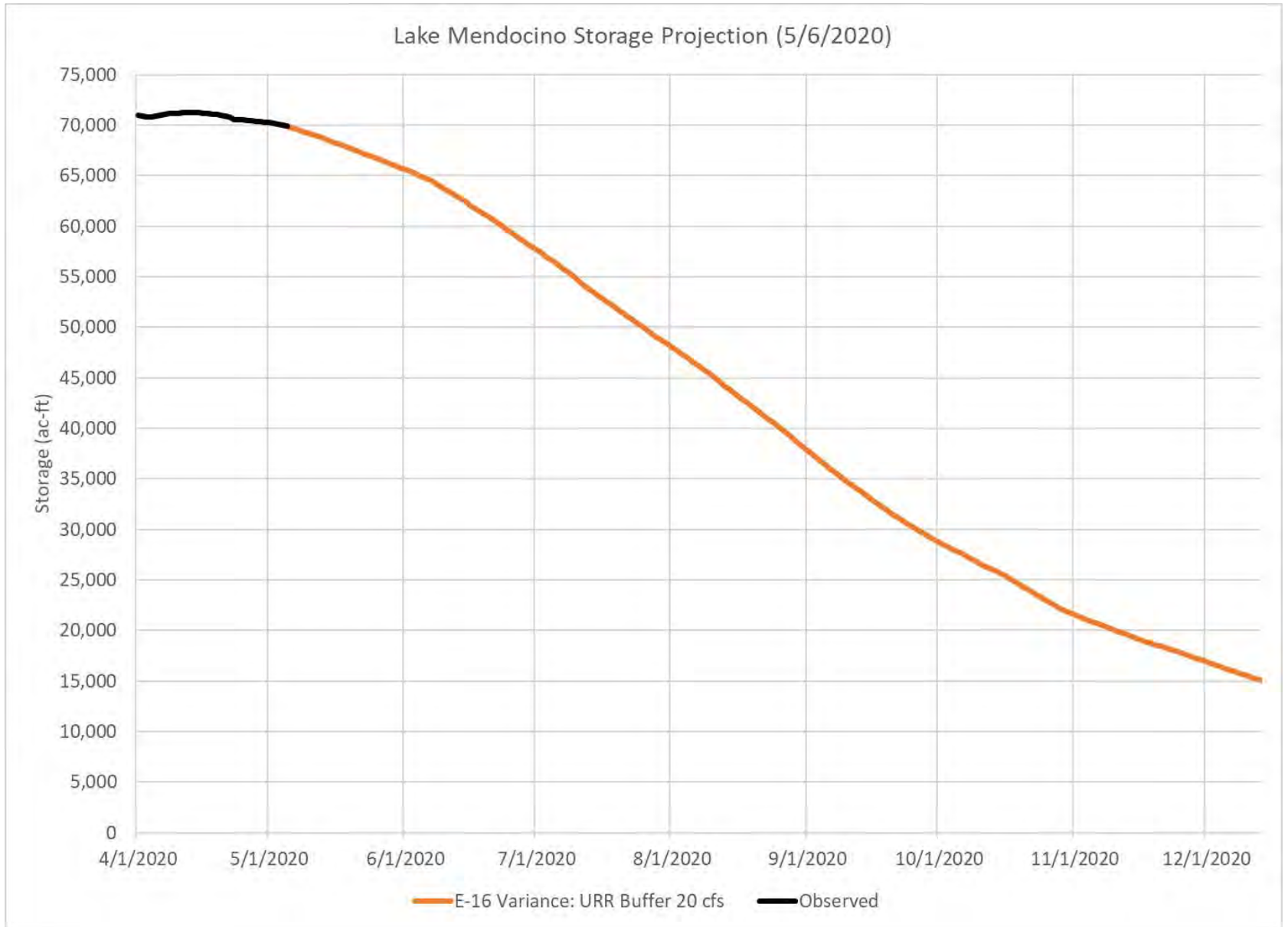
Lake Mendocino Storage



Lake Mendocino Storage - Drought Years



Lake Mendocino Projections



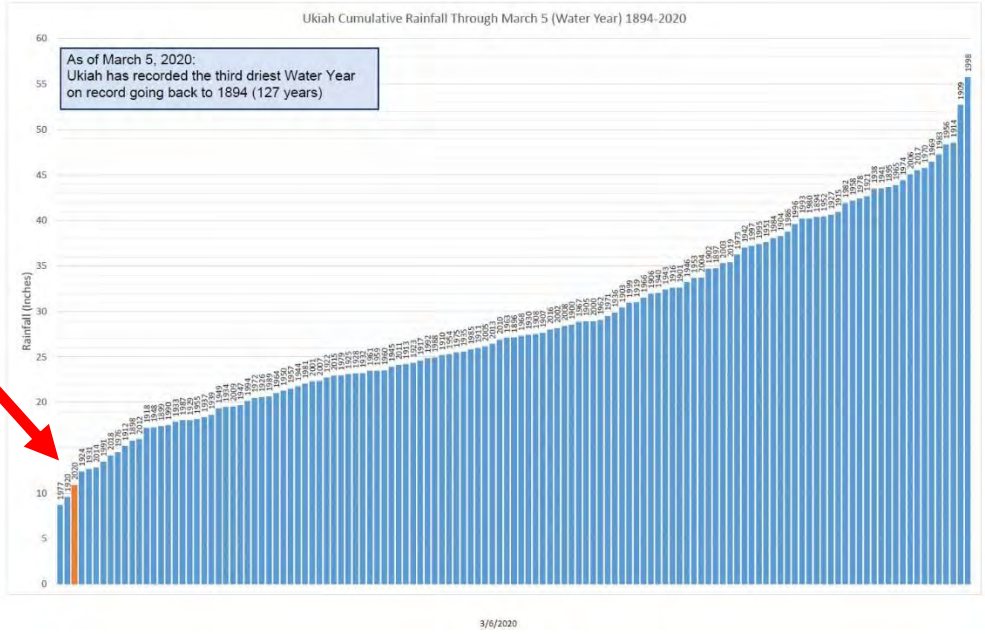
Sonoma Water Prepares For Drought:

Use of Science & Technology in Reservoir Management Pays Real Dividends in Building Drought Resiliency

What Is the Rainfall Situation?

Water Year 2020 (October 1 – September 30) has, to date, been a very dry year in Northern California. As shown in the figure below, the cumulative rainfall total (as of March 5th) is the *third lowest on record* over a period of 127 years (based on Ukiah rain gage).

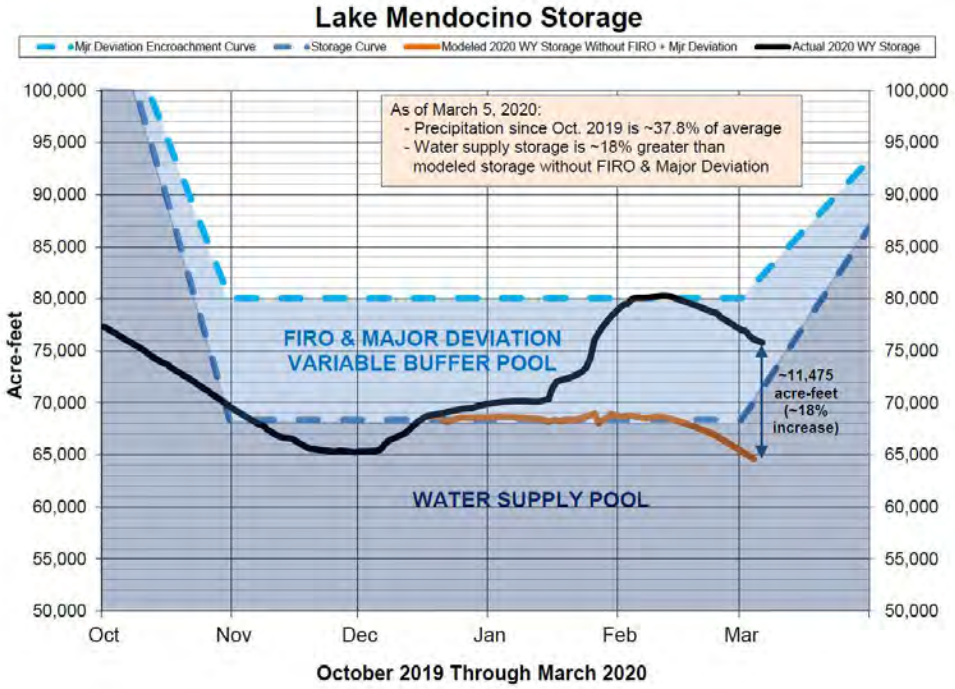
2020
3rd driest year
on record



What is the Reservoir Storage Level at Lake Mendocino?

Despite the extremely low precipitation to date, the storage levels observed in Lake Mendocino will ensure that a robust water supply will be available to meet the needs of municipal/industrial, agriculture and environmental needs through the remainder of the Water Year. As noted in the figure below, use of forecasting tools, as part of an innovative strategy known as Forecast Informed Reservoir Operations (FIRO), by the U.S. Army Corps of Engineers (USACE) has made the most of the little inflow that has occurred. FIRO has allowed early season rainfall to be stored which, along with inter-basin transfers from the Eel River, would normally have been released. This has resulted in about *18% more storage* than modeled storage levels under previous routine operations.

Sonoma Water



How is FIRO Helping Water Management in Lake Mendocino?

Since 2015, Sonoma Water has been working with several partners to evaluate the viability of FIRO in achieving improved flood management, water supply and environmental flows associated with the operation of Lake Mendocino. A Steering Committee, led by Sonoma Water and Scripps Center for Western Weather & Water Extremes, includes USACE, California Department of Water Resources, NOAA (National Marine Fisheries Service, National Weather Service, & Office of Atmospheric Research), U.S. Geological Survey, and the Bureau of Reclamation. In addition to technical and scientific studies, the FIRO program is piloting the operation of Lake Mendocino under a major deviation to the Lake Mendocino reservoir guide curve. The major deviation, authorized by USACE, allows reservoir operators to use forecasts to inform the storage and release of water in a portion of the flood control pool. This "variable buffer pool" within the flood control pool has the potential to increase water supply storage for years where water can be safely retained, while also allowing for pre-releases in advance of storm events to enhance flood management. Improved water storage also benefits stream flows and water quality to support habitat.

Accurate Predictions of Atmospheric Rivers and the Streamflow They Produce Are Key

The ability to mitigate potential impacts of drought through FIRO hinges on accurate forecasts of atmospheric river type storms because they provide roughly half the water supply for the year in just a few storms annually, and yet can also cause flooding. Better atmospheric river forecasts in the future can yield greater water supply reliability and reduce flood damages.

Moving Forward

The Steering Committee is working on a FIRO Final Viability Assessment proposing implementation of an initial FIRO strategy, which is expected to be complete by the end of 2020. Upon completion, Sonoma Water and its partners will support USACE in updating the Water Control Manual for Lake Mendocino for a permanent implementation of FIRO so that long-term drought and flood resiliency can be realized.

Sonoma Water and Water Contractor
Emergency Training & Coordination Program

PURPOSE

Sonoma Water, in partnership with its wholesale water customers, will develop and implement a training and coordination program designed to enhance and refine the interoperability and emergency response and recovery capabilities of the participating agencies. In support of this, an Emergency Training & Coordination Subcommittee will be created subordinate to the Water Contractor Technical Advisory Committee (TAC). This program will not replace individual agency policies, procedures, or priorities nor supersede any Operational Area programs or coordination efforts.

PARTICIPATING AGENCIES

- City of Cotati
- City of Petaluma
- City of Rohnert Park
- City of Santa Rosa
- City of Sonoma
- Marin Municipal Water District
- North Marin Water District
- Sonoma Water
- Town of Windsor
- Valley of the Moon Water District
- County of Sonoma Department of Emergency Management (advisory)

SCOPE

The goals of the coordination and training program are:

- Provide a forum and structure for quarterly, or as needed, coordination meetings and workshops.
- Enhance the working relationship between Sonoma Water and the local retail water agencies (water contractors and Marin Municipal Water District), including through joint trainings and exercises.
- Develop mutual aid processes, systems, trainings, and exercises designed to support enhanced interoperability and coordination.
- Increase regional readiness and response by practicing field command, control, and coordination and operational collaboration
- Opportunistically use scheduled project improvements as training opportunities

ORGANIZATIONAL ROLES

<u>Sonoma Water</u>

- Chair the Emergency Training & Coordination Subcommittee (ET&C)
- Facilitate design and development of training and coordination program as well as establishment of annual program goals
- Provide logistical support and guidance for trainings and coordination meetings
- Identify and seek training opportunities
- Manage training or other type consultant contracts

<u>Technical Advisory Committee (TAC)</u>

- Review and approve final training and coordination program
- Annually review and approve training and coordination program schedule and goals
- Ensure designated representation on the Emergency Training & Coordination Subcommittee

Emergency Training & Coordination Subcommittee (ET&C)

- Participate in the review, development, and implementation of coordination and training program
- Participate in development of annual training and exercise goals
- Participate in development and implementation of trainings and exercises
- Ensure staff participation in program training and exercise goals
- Recommend Sonoma Water training budget sufficient to achieve training program goals

PROGRAM ADMINISTRATION AND BUDGET

- Subcommittee members will participate in the implementation of the training program; assist in pre-planning efforts to identify joint trainings and exercises and budgetary estimates; participate in an annual presentation to the TAC for approval of the training program schedule and goals; will participate in joint training and exercise activities; and will participate in the annual reporting of training program goal accomplishments to the TAC.
- Sonoma Water, based on recommendations from the ET&C Subcommittee, will include in the Water Transmission System budget an annual amount for Joint Emergency Training (based on approval by the Water Contractors).

13

DISBURSEMENTS - DATED JUNE 18, 2020

Date Prepared 6/16/20

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

Seq	Payable To	For	Amount
1	Alpha Analytical Labs	Lab Testing	$445.00
2	Arrow Benefits Group	April Dental Expense	2,151.71
3	Athens Administrators	May Indemnity Review Fee	105.00
4	Automation Direct	Cards/Modem for Programmable Logic Controllers (2)	337.44
5	Borges & Mahoney	Replacement Control Panel for Chlorine Gas Regulator (STP)	6,418.75
6	CDW-Government	Cell Modem Antennas (2) ($20) & Power Supply for Communications ($51)	71.83
7	Cilia, Joseph	Retiree Exp Reimb (June Health Ins)	334.00
8	Clipper Direct	Commuter Benefit Program (2)	107.00
9	Cordes, Corry	Novato "Toilet Rebate" Ultra High Efficiency Program	300.00
10	CSW/Stuber-Stroeh Engineering	Prog Pymt#16: 2020 Additional Survey R/W & Easement for MSN B2 & B3 Projects (Balance Remaining on Contract $19,518)	1,406.25
11		Vision Reimbursement	248.00
12	Energy Systems	10 Year Warranty on STP Generator	4,800.00
13	Enterprise FM Trust	Monthly Leases for Chevy Colorado, F250's (2), Nissan Rouges (2), Nissan Frontier & F150's (4)	7,882.65
14	Evoqua Water Technologies	Service on Deionization System	328.42
15	Fabri, Alessio	Novato "Toilet Rebate" Program ($300) & Refund Alternative Compliance Reg 15 Deposit ($945)	1,245.00
16	Frontier Communications	Leased Lines	1,431.41

Seq	Payable To	For	Amount
17	GHA Technologies	Firewall ($2,092) & Radio ($85) for SCADA Network (4)	2,176.47
18	Grainger	Cooling Hats (2), Bandana, Drill Bit & Light Bulbs for Front Office (36) ($234)	255.62
19	H & R Plumbing and Drain Cleaning	Manhole Rehabilitation for O.M. Infiltration Repair Project	31,000.00
20	Jackson, David	Retiree Exp Reimb (June Health Ins)	987.21
21	Latanyszyn, Roman	Retiree Exp Reimb (June Health Ins)	334.00
22	Lemos, Kerry	Retiree Exp Reimb (June Health Ins)	987.21
23	Marin Landscape Materials	Concrete (42 sacks)	305.32
24	Marin, County of	Annual Septic Permit (25 Giacomini Rd)	505.00
25	North Marin Auto Parts	Parts for Fleet ($510), Service Parts for Light Towers ($343) & Misc Maintenance Parts & Supplies ($909)	1,761.70
26	North Marin Water District SRF	STP State Revolving Fund Loan Principal & Interest (Pymt 22 of 40)	510,504.72
27	North Bay Gas	Welding Gloves (2), Nitrogen & Breathing Air ($136) (STP) & May Cylinder Rental (Lab)	210.46
28	Novato Builders Supply	Cement (3 yds) ($684) & Padlock	705.24
29	Pace Supply	Elbows (17) ($63), Service Saddles (2) ($175), Gaskets (16), Flanges (9) ($207), Nipples (29) ($757), Pipe (360') ($2,246), Plugs (5), Reducers (3) ($60), Corp Stops (40) ($1,065), Tees (4) & Unions (5) ($64)	4,699.09
30	Pape Machinery	Service Parts ('09 JD Backhoe)	328.27
31	Peterson Trucks	Horn ('02 Int'l 5 Yd Dump Truck)	102.75
32	PG&E	Power: Bldgs/Yard ($4,513), Other ($167), Pumping ($41,462), Rect/Controllers ($3,121), Treatment ($180) & Electric Bill for District Apartment ($50)	49,493.70
33	Quincy Compressor	Service on Compressor (STP)	589.50

Seq	Payable To	For	Amount
34	R & B	Hydrant Buries (5) ($1,191), Hydrant Extensions (4) ($633), Cap ($143), Hydrants (3) ($5,312), Meter Boxes (28) ($702), Nipples (6) ($136), Tee ($205) & Flange Spools (7) ($1,086)	9,409.34
35	Red Wing Shoe Store	Safety Boots (Gibbs)	200.00
36	Darlene D. Rhodes	HR Consulting Services (2/26/20-5/25/20)	7,700.00
37	Schultz, Abbie and Brian	Refund Overpayment on Open Account	322.26
38	Shamrock Materials	Fast Setting Concrete (2 yds) (College of Marin/Jonas Center)	663.34
39	Soiland	Asphalt Recycling (6 tons)	60.60
40	Thatcher of California	Ferric Chloride (9 tons) (STP)	6,799.32
41	TPx Communications	June Telephone Charges	581.17
42	Univar	Caustic Soda (3,884 gal) (STP)	5,658.40
43	USA BlueBook	Pump Assemblies (2) ($142), Air Filters (6) ($65) & Turbidity Standard (STP) ($256)	463.37
44	VWR International	Dehydrated Agar (Lab)	155.20
45	Waste Management	Green Waste Disposal (1 yd)	217.98
		TOTAL DISBURSEMENTS	**$664,789.70**

The foregoing payroll and accounts payable vouchers totaling $664,789.70 are hereby approved and authorized for payment.

Julie Blue — 6/15/20

Auditor-Controller — Date

6/15/20

General Manager — Date

Water district board to vote on raising rate

NORTH MARIN

Marin Independent Journal

By Will Houston

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North Marin Water District directors will vote on Tuesday on a one-year water rate hike for Novato area residents, businesses, schools and government agencies.

The meeting that will be held by teleconference at 6 p.m. The agenda and information on how to participate can be found at nmwd.com/about_ agenda.php.

While its larger counterpart, the Marin Municipal Water District, has delayed its scheduled 2020 water rate and fee hikes to January 2021, North Marin Water District staff are recommending the board approve its rate increase to increase revenues by 6%.

The board also will consider policy changes in response to the financial stress caused by the pandemic, General Manager Drew McIntyre said. Changes include a bill discount for low-income residents, extending repayment plans from 12 to 24-month periods and extending the moratorium on water shutoffs for an additional three months after the governor lifts the statewide moratorium.

"Those are directly related to the concern that the board has expressed over the last few meetings on what can be done to help those customers who have some financial difficulties in these difficult times," McIntyre said.

Overall, the district estimates most customers will only see an $8 increase on their bimonthly bills, or $96 per year. To help customers determine how the changes would affect them, the district set up a rate calculator that can be found online at bit.ly/2Ts3I8A.

Earlier this year, the board adopted a $15 discount for low-income single-family households on their bimonthly water bills effective July 1. The discount will be given to ratepayers who show proof that they're already enrolled in PG& E's low-income rate program, California Alternate Rates for Energy. About 800 customers will be eligible for the program, according to the district.

Several residents have written to the district to oppose the rate increase in light of the economic impacts caused by the pandemic.

"While everyone is losing their jobs and (closing) their businesses, companies are making concessions on how they can make life more affordable," Novato resident Alison Van Noland wrote to the board. "There are individuals in Marin County who cannot put food on their table and the NMWD is asking for an 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," wrote Novato resident Judith Morris. "Many people are out of work and having a hard time financially."

RATE HIKE » PAGE 4

Rate hike

FROM PAGE 3

The rate changes are being made in response to a recent rate study. The study found rate increases would be needed over the next five years to cover rising operation costs and to pay for $27.8 million in projects such as replacing aging pipes and increasing storage capacity for fire season. Sonoma Water, which supplies about 74% of the district's total water supply, is set to raise NMWD's rates by 6.8% in July.

If NMWD's rate increases are not adopted, the district's $10 million reserve fund would be depleted by 2024, according to the study.

Under the proposal, the district proposes lowering the water use thresholds that would bump a ratepayer into a higher-paying tier. As a result, some customers in lower-paying tiers may find themselves paying more on their

bimonthly water bills, and vice versa. More than 19,000 residential accounts will be affected.

McIntyre said the restructuring is meant to better reflect the source and costs of the water being delivered as required under Proposition 218.

Commercial rates are based on the time of year, with summer rates higher than winter rates. NMWD is proposing to shorten the summer month range from the five months of June through October to three months of July through September. About 1,200 commercial accounts will be affected.

Rate changes for West Marin are expected to be considered in the 2020-2021 fiscal year.

AWWA: Water sector meeting pandemic challenge

Survey results show face masks, revenue among key concerns listed by respondents.

WaterWorld.

May 12th, 2020

Photo by De an Sun on Unsplash

View Image Gallery

WASHINGTON -- Water utilities are successfully overcoming myriad challenges to continue water and wastewater service without disruption, according to a recent survey conducted by the American Water Works Association (AWWA).

The survey indicated the primary challenges facing utilities are procuring personal protective equipment (PPE) – particularly N95 face masks -- and either current or future revenue reductions resulting from the coronavirus

(COVID-19) pandemic. In a positive development, AWWA, in partnership with other water associations, worked with U.S. Environmental Protection Agency (EPA) and Federal Emergency Management Agency (FEMA) to secure 3 million reusable cloth masks for the water sector, which may free up the high efficiency N95 masks for those essential jobs that require them. Distribution within each state is being coordinated by the respective Water/Wastewater Agency Response Network (WARN), state associations and primacy agencies.

More than half (56 percent) of the utilities surveyed indicate they are experiencing PPE supply chain issues due to the pandemic. Another 23 percent expect to experience these issues soon. One third of the utilities have exhausted their supplies of N95 masks, which mirrors shortages seen in other essential sectors. A third of utilities say they are completely out, and another 17 percent say they have a week's supply. Only 10 percent say they can restock as needed. There has also been an impact on sanitizing products to disinfect workspaces and hand sanitizers. While more than 80 percent of utilities report they have at least a two-week supply, only 30 percent say they can currently restock these products. Other PPE products, such as protective eye wear and nitrile/latex gloves are not affected as much, and many utilities have sufficient inventory on hand and are able to restock.

About 75 percent of utilities surveyed indicate they are either already experiencing or anticipating revenue reductions. More than 40 percent of these utilities predict the shortfall is at least slightly likely to impact their ability to maintain current levels of service.

Nearly all the U.S. utilities surveyed have plans in place to ensure essential operations for employees who can't work from home and more than 80 percent have incorporated policies allowing for social distancing. Virtually all (98 percent) of the responses indicate an effort to maintain social distancing per CDC guidelines at work and are disinfecting and cleaning workspaces. A majority are promoting self-monitoring of symptoms and wearing a mask.

Conducted online from April 17-22, this is the third in a series of surveys of how AWWA member organizations are adapting to impacts of the COVID-19 pandemic. The third survey of AWWA member organizations generated 598 responses, including from 541 different utilities and 52 non-utility

responses (consultants, manufacturers, service providers and others). The responses offer close to a real-time assessment of how water sector organizations are currently managing impacts of the COVID-19 pandemic.

More than 95 percent of surveyed utilities have suspended water shut-offs and some are taking other actions to assist customers unable to pay their bills, such as suspending late payment fees (71 percent) and even returning suspended accounts to service (35 percent). These actions help protect public health but can also lead to a loss of revenue. Financial impacts are resulting in changes to maintenance/repair schedules and capital construction. About 40 percent of utilities have already reduced maintenance/repair schedules, 30 percent are delaying capital construction and 17 percent are suspending capital construction already in progress.

For the service providers who provide critical support to the water sector, almost 30 percent surveyed are already seeing revenue loss with another 50 percent expecting to soon. Many (68 percent) are reducing spending and another 26 percent are anticipating having to do so soon. Finally, 74 percent of service providers surveyed say they have already adjusted staffing protocols to adjust to the changing landscape.

AWWA is offering resources to assist utilities with dealing with the challenges that arise during the pandemic at awwa.org/coronavirus.

County to ask state for faster reopening

CORONAVIRUS

Marin Independent Journal

By Richard Halstead

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Marin County will seek a variance to allow it to reopen businesses faster than the state is recommending.

Marin Public Health Officer Dr. Matt Willis told supervisors Tuesday that it is now possible for Marin to qualify for a state variance because the state has changed its criteria for issuing the exceptions.

Willis said that by the end of the month he expects to approve the reopening of restaurants offering indoor dining, hair salons, gyms, hotel-motels, short-term rentals, camping and kindergarten through 12th-grade schools. He said the state would not allow the reopening of any of these sectors at that time without a variance.

Previously, to receive a variance, counties had to meet specific criteria to demonstrate the requested reopening wouldn't pose undue risk.

"You had to qualify based on a certain number of cases per 100,000 residents over a certain period of time, a certain number of deaths, and other metrics," Willis said.

A spike in the number of Marin residents testing positive for COVID- 19 over recent weeks had made it impossible for the county to qualify for the variance.

"The variance process has been revised," Willis said, "to allow counties that don't meet that numerical criteria to still qualify based on endorsing that they have been able to build the response capacity to respond to case rates they're experiencing."

At their Tuesday meeting, supervisors gave Willis their approval to immediately apply for a variance under the new rules.

Marin County first diverged from the state's prescribed path for reopening at the beginning of June when Willis gave the green light for the reopening of outdoor dining and summer camps.

Willis said Tuesday that while state officials signaled their willingness to permit these sectors to reopen without a variance, they are now insisting that Marin secure a variance before approving more openings.

Willis has said he considers it safe for the county to continue with the reopening process because new hospitalizations in Marin have remained relatively flat despite a significant rise in new infections.

He has attributed most of the new infections to an increase in testing. As of late Tuesday, 20,124 Marin residents had been tested and 3.8% were positive.

Willis told the board early Tuesday that the number of Marin hospitalizations had increased from two to nine over the last week while the number of confirmed cases increased from 620 to 725. He said three of the people hospitalized in Marin were transferred from outside the county and one was an inmate at San Quentin State Prison.

Supervisor Damon Connolly asked why Marin restaurants that have been allowed

to reopen outdoor dining have not been permitted to serve alcoholic beverages.

Willis said the California Department of Alcoholic Beverage Control has denied licenses to restaurants in counties that lack a variance.

Over recent weeks, Connolly has repeatedly pressed Willis on why businesses could not reopen more quickly. Last week, Connolly said he didn't understand why hair salons couldn't be reopened by this week.

Willis said cutting hair is inherently riskier than most other businesses because it requires close proximity over a protracted period of time. Willis said then that under state rules, Marin would be required to get a variance to open hair salons and indoor dining.

Even as the county moved to accelerate its reopening Tuesday, Willis cautioned, "We must not mistake reopening for safety."

Willis said the success of the reopening process depends on people showing responsibility by wearing masks, maintaining social distance, washing their hands often and taking other recommended precautions.

He warned that if Marin residents aren't vigilant the number of people requiring hospitalization could quickly exceed the resources of local hospitals.

Willis said on Friday the county will issue guidance recommending that people interact in groups of 12 or less, if they want to increase socialization.

Virus hardships prompt board to delay increase

NMWD RATES

Marin Independent Journal

By Will Houston

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The North Marin Water District will push off a planned water rate hike and restructuring plan for Novato until fall in response to economic hardships caused by the coronavirus pandemic.

After a nearly two-hour discussion, the district board of directors voted 4-1 on Tuesday to delay changes set to take effect July 1 to Oct. 1.

"There is a downside to this financially and we have got to keep the water district afloat — that's No. 1, period," director Rick Freitas said. "But we weren't counting on this pandemic when we started these discussions and there is a lot of people hurting in our community."

Director Jim Grossi cast the sole dissenting vote, saying that the resulting revenue losses from the delay will have to be made up in the future.

"I would like to see what we're going to lose by pushing it all back," Grossi said, "and I would like to make a statement now that we're going to have to look at a higher rate than 6% next year."

District staff said they plan to bring back a cost estimate for the delay at an upcoming meeting. The losses could be made up by delaying certain projects.

The district said this is the first of five years of planned rate increases needed to pay for rising employee, operations and water delivery costs while also allowing it to invest more into repairing and replacing its aging pipes, storage tanks and other equipment. Pipes and tanks also need to be larger to account for increased

fire risk. In addition to the rate changes, the board voted unanimously to approve several policy changes in response to the pandemic. These included extending a moratorium on water shutoffs due to non-payment by three months past whenever the state moratorium ends; extending repayment plans from a maximum of 12 months to 24 months; and extending a forbearance on late fees by 180 days.

Earlier this year, the district approved a $15 discount on bimonthly water bills for low-income residents who show proof that they are already enrolled in Pacific Gas & Electric Co.'s low-income rate program, California Alternate Rates for Energy. The discount takes effect on July 1.

The district plans to use the rate increases to double its investment in maintaining its infrastructure from $3 million to $6 million per year and pay for $27.8 million in projects ranging from facility upgrades to repairs of aging equipment.

North Marin Water District headquarters — the district delayed rate changes set to take effect July 1to Oct. 1.

ALAN DEP — MARIN INDEPENDENT JOURNAL

The rates are also meant to account for rising costs for employees, operations and a 6.8% rate increase in July from NMWD's main water supplier, Sonoma Water.

If the rate increases are not adopted, the district's $10 million reserve fund would be depleted by 2024, according to a district rate study.

While the water district states its rate increase will bring in about 6% more revenue in 2020-21, how it will impact individual ratepayers' bills is far more complex.

Effective Oct. 1, the district will be significantly lowering the maximum amount of water residential households can use before being bumped up into a higher-paying rate tier.

Currently, Tier 1 customers who use up to 615 gallons per day pay a rate of $5.42 per thousand gallons, Tier 2 customers who use 616 to 1,845 gallons per day pay $8.64 per thousand gallons and Tier 3 customers who use more than 1,845 gallons per day pay $15.05.

Under the new structure, the Tier 1 threshold would drop to 262 gallons per day with a new rate of $5.50 per thousand gallons, Tier 2 would range from 262 to 720 gallons per day at a rate of $6.23 and Tier 3 for use above 720 gallons per day at a rate of $7.67.

These changes only affect the more than 19,000 residential accounts in the Novato area. The district is expected to consider rate changes for its West Marin ratepayers in the coming fiscal year.

Novato ratepayer Diane Schaumleffel said she was caught off guard by the changes because the district's public notices never clearly showed how much residents' water-use thresholds would drop under the new rate structure.

"You're dealing with human beings and we need to have a quality of life that is threatened by

this one third amount of water per household," Schaumleffel said. "It's not livable."

Novato Mayor Pro Tem Pat Eklund said that the rate structure changes would have an "unintended consequence" of adversely affecting families who need to use more water.

"Going from 615 down to 262, to me that is way too much of a reduction, especially for families," Eklund said.

The district essentially has no choice in making these rate structure changes due to recent court interpretations of Proposition 218, specifically a "landmark" case in San Juan Capistrano, according to consultant Mark Hildebrand, who drafted the district's rate plan earlier this year.

In 2015, a state appellate court tossed the San Juan Capistrano's tiered rate structure, which charged higher rates for customers who used more water. The court found that Proposition 218 prohibits water suppliers from charging more than it costs to deliver water.

"It does undermine and tie (water districts') hands in their ability to address the values that districts have such as allowing customers to have the gardens that they want or promoting conservation or providing a lower rate for low-income customers," Hildebrand said of the legal interpretation. "None of those things are essentially allowable under Prop. 218."

NMWD is basing its new tier structure on the proportion and cost of the district's water sources. About 74% of the district's water comes from the Sonoma Water agency and the remainder from Stafford Lake. While the source is closer, Stafford Lake water is about 21% more expensive because it has to undergo more treatment.

Commercial rates, which rise and fall based on the time of year, are also set to change in October. The summer month range, which is higher, will be shortened from June through October to July through September. Winter rates are proposed to decrease from $5.97 to $5.50 per thousand gallons and summer rates are set to increase from $6.42 to $7.67 per thousand gallons.

About 1,210 commercial accounts would be affected.

The district also is proposing to raise its raw and recycled water rates as well as its bimonthly service charge.