

Est. Time	Item	Subject												
6:00 p.m.		<b>CALL TO ORDER</b>												
	1.	<b>APPROVE MINUTES FROM REGULAR MEETING</b> – June 16, 2020												
	2.	<b>APPROVE MINUTES FROM REGULAR MEETING</b> - June 23, 2020												
	3.	<b>GENERAL MANAGER’S REPORT</b>												
	4.	<b>OPEN TIME: (Please observe a three-minute time limit)</b>  This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.												
	5.	<b>STAFF/DIRECTORS REPORTS</b>												
	6.	<b>MONTHLY PROGRESS REPORT w/Customer Service Questionnaire</b>												
		<div><b>CONSENT CALENDAR</b>  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. <table><tr><th colspan="2"><b>Consent - Approve Water Agreement</b></th><th><u>Type</u></th><th><u>DU</u></th><th><u>EU</u></th><th></th></tr><tr><td>7.</td><td>McPhails Phase 2A Water Facilities 5400 Hanna Ranch Rd, APN: 153-220-16, -19</td><td>CM</td><td>0</td><td>0</td><td>Resolution</td></tr></table></div>	<b>Consent - Approve Water Agreement</b>		<u>Type</u>	<u>DU</u>	<u>EU</u>		7.	McPhails Phase 2A Water Facilities 5400 Hanna Ranch Rd, APN: 153-220-16, -19	CM	0	0	Resolution
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7.	McPhails Phase 2A Water Facilities 5400 Hanna Ranch Rd, APN: 153-220-16, -19	CM	0	0	Resolution									
		<b>ACTION ITEMS</b>												
	8.	<b>Approve:</b> Renew Declaration of Local Emergency Related to COVID-19 Pandemic												
	9.	<b>Consider:</b> Request for Additional Bill Adjustment – 12461 Sir Francis Drake Blvd.												
		<b>INFORMATION ITEMS</b>												
	10.	CALPERS Pension Update												
	11.	Administration Office Roof Replacement Project												
	12.	<b>MISCELLANEOUS</b> Disbursements – Dated June 25, 2020 Disbursements – Dated July 2, 2020 Disbursements – Dated July 9, 2020 Disbursements – Dated July 16, 2020 Approved FY 2020-21 Budget Marin County Elections Department Notice of Election, Offices on Ballot and Candidate Filing Deadlines NMWD - Response to Civil Grand Jury Request – Follow-Up Report on Transparency Compensation Practices  <u>News Articles:</u> Judge to OK PG&E bankruptcy plan CalPERS gambling on risky strategy to borrow, invest Experts: Outbreak disaster unfolding – CORONAVIRUS Novato Advance – PAGES FROM THE PAST Editorial – Alternative power source key for Marin												

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
		Reform urged at hospital overseer – MARIN HEALTH CARE DISTRICT
		Editorial – Novato water agency makes the right move
		6-story housing plan seeks quick OK
		Water supply dwindling for small districts
		Novato sued in sewer dispute – HANNAH RANCH
		Napa County-wide agency proposed to deal with all water issues
		West Marin water utilities warn of dwindling supplies
		PG&E's power lines blamed for huge 2019 Sonoma wildfire
		Editorial - Plan is not a fit for Novato's downtown
		Notice of Public Hearing Declaration of a Water Shortage Emergency - IPUD
7:00 p.m.	13.	<b><i>ADJOURNMENT</i></b>

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

(Continued)

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DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
June 16, 2020

**CALL TO ORDER**

President Joly announced that due to the Coronavirus outbreak and pursuant to Executive Order N-29-20 issued by the Governor of the State of California this was a virtual meeting. President Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 6:02 p.m. and the agenda was accepted as presented. President Joly added that there was not a public location for participating in this meeting, but any interested members of the public could participate telephonically by utilizing the access information printed on the agenda. President Joly asked if there were any members of the public participating to announce themselves. In the audience were Mark Hildebrand (NMWD consultant) and Morgan Biggerstaff (NMWD Legal Counsel). Additionally, Pat Eklund, Greg Nelson (V.P. Finance/Ops, College of Marin), Will Houston (Marin IJ reporter) and residents Greg Borchardt, Diane Schaumleffel, June Friedman, and an additional anonymous caller.

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

President Joly announced in the event of technical difficulties during the meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be rescheduled for a future special meeting which shall be open to the public and noticed pursuant to the Brown Act.

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

**MINUTES**

On motion of Director Baker, seconded by Director Petterle the Board approved minutes from the June 2, 2020 regular meeting by the following vote:

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

36 NOES: None

37 ABSTAIN: None

38 ABSENT: None

39 On motion of Director Petterle, seconded by Director Grossi the Board approved minutes  
40 from the June 9, 2020 special meeting by the following vote:

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

42 NOES: None

43 ABSTAIN: None

44 ABSENT: None

45 **PUBLIC HEARING – CONSIDER PROPOSED INCREASE IN WATER RATES FOR NOVATO**  
46 **SERVICE AREA AND RESULTING REVISIONS TO DISTRICT REGULATION 54, WATER**  
47 **RATES**

48 Mr. McIntyre reviewed the public outreach leading up to the hearing. He noted customers  
49 were noticed individually of the proposed increase by letter and a notice of the Public Hearing  
50 was published in the June 4th edition of the Marin Independent Journal. Mr. McIntyre added  
51 during the process the District carried out an extensive Novato Water Rate Study public outreach  
52 campaign that began in October 2019 and included news flashes, a newsletter mailed to all  
53 customers, water bill messages, social media posts, ads in the local newspaper, web notices and  
54 two public workshops.

55 Ms. Blue reported the District received fourteen official protests against the proposed  
56 increase, the same amount as last year. Additionally, five emails in opposition of the rate increase  
57 were received and an additional one was received and sent out today to all the Board of Directors.  
58 Ms. Blue reminded the Board the Water Rate Study was accepted in March by the Board. She  
59 stated the District's consultant Mark Hildebrand will give a presentation summarizing the Water  
60 Rate Study process.

61 Resident Diane Schaumleffel asked when the public would be allowed to ask questions  
62 and Director Joly responded that questions from the public will be taken after the presentation.

63 Mr. Hildebrand gave the final presentation of the draft 2020 Novato and Recycled Water  
64 Rate Study. The presentation reviewed the rate setting process, rate study framework, enterprise

65 fund revenue/expenses, capital spending and reserves, financial forecast and rate structure  
66 design.

67 Director Joly thanked Mr. Hildebrand for the presentation and commented that the Board  
68 is sensitive to the effect the rate increase has on our customers which is why only a single year  
69 rate increase is being considered at this time. He noted the Board is mindful of the recent COVID-  
70 19 pandemic and encourages customer feedback.

71 President Joly opened the hearing for public comment at 6:20 p.m. He asked all members  
72 of the public to identify themselves before speaking.

73 Resident Greg Borchardt asked if North Marin Water has considered looking at other  
74 districts. He stated 54 full time employees (FTE) is high for a water district of our size and we  
75 should eliminate positions to reduce the rate increase from 6% to 2-3%. Mr. McIntyre thanked  
76 Mr. Borchardt for his question. He explained that ten years ago NMWD had 58 FTE and we have  
77 reduced staff down to 54. Mr. McIntyre noted the District has kept 54 employees even though we  
78 did a major recycled water expansion, added two new tanks and added twenty miles of pipeline.  
79 He reported the number of staff for the number of accounts is very efficient when compared to  
80 other agencies and any further reduction would impair our ability to provide safe and reliable water  
81 service to our customers.

82 Greg Nelson from the College of Marin stated the Board needs to understand the large  
83 government account users who rely on tax money, noting an increase in rates could cause an  
84 increase in taxes for the entire county. Mr. Nelson added that he hoped in the future the Board  
85 will take public comment ahead of time. He stated College of Marin has paid a sufficient amount  
86 to the District in connection fees in comparison to what has be paid to MMWD and he also  
87 suggested the District allow more third-party construction instead of using NMWD employees,  
88 claiming it would be more cost effective. Mr. Nelson requested the Board hold off on adopting  
89 the rate increase and advised them to get more input and recommendations going forward.  
90 Director Joly thanked Mr. Nelson for the points he expressed.

91 Resident Diane Schaumleffel emphasized that the tier change was slipped under the rug  
92 in this rate proposal. She stated she talked to a number of people and no one knew the tiers were  
93 changing, they got the flyers but there was nothing about the tier change. Ms. Schaumleffel stated  
94 people are angry because the Water District was not transparent, and the proposed new Tier 1  
95 structure will give customers 1/3 of the water they had before, bumping them to the higher tier  
96 rate. She stated staff said she will be paying less, but how can that be if 2/3 of the use is in a

97 higher tier. Ms. Schaumleffel stated that it is unconscionable to expect people to pay this when  
98 they are out of work, stuck at home and doing victory gardens. She added, not everyone is young  
99 and affluent on social media, some of us do regular mail and need to be informed. Director Joly  
100 thanked Ms. Schaumleffel for her email earlier in the day and thanked her for her comments. He  
101 then asked Mark Hildebrand to address Proposition 218 and how it relates to the Tier 1 water  
102 allocation.

103 Mr. Hildebrand replied that the Water Rate Study did list all the proposed cost for rates  
104 and a full study was on the District website with complete details on how it will be implemented  
105 and noted that the 262 gallon Tier 1 threshold is not an arbitrary number but is based on the  
106 quantity of imported water supply. Ms. Schaumleffel stated that maybe the percent ratio sounds  
107 nice to staff, but the District is dealing with human beings who need a quality of life and instead  
108 they are treated by the reduction of allotted Tier 1 water, we need our environment and our trees,  
109 we are not ratios. Director Joly replied that the Board understands, we are all people and we all  
110 understand the need to protect the environment. Mr. Hildebrand responded that the District  
111 essentially has no choice in making these rate structure changes due to recent court  
112 interpretations of Proposition 218, and referenced a "landmark" case in San Juan Capistrano. He  
113 added the District must justify the amount they can charge their customers in each tier otherwise  
114 they could become vulnerable for a lawsuit. Ms. Blue noted the Tier 2 quantity charge has  
115 decreased substantially and during high use summer months some customers may pay the same  
116 or even less.

117 Pat Eklund thanked the Board for doing a tremendous job at getting the work done and  
118 getting recycled water throughout town. She stated it is remarkable what advances the District  
119 has made and she now has a better understanding of the rational behind the changes. Ms. Eklund  
120 however requested the Board reconsider the rate increase, noting the unintended consequences  
121 for people that have to use more than 262 gallons per day and end up in the higher tier. Reducing  
122 Tier 1 from 615 to 262 gallons per day is too much of a reduction, it impacts the basic cost of  
123 water. She stated she understood Stafford Lake water costs more to produce, but did not  
124 understand why we would be reducing Tier 2 and Tier 3 if it cost more. Ms. Eklund provided an  
125 example that a one-person household may only use 120 gallons per day, but it would be hard for  
126 a family of four to six, or a ninety-three-year-old mom who needs special care to keep their use  
127 under the Tier 1 threshold. She implored the Board to add criteria if possible based on how many  
128 people are in the household, using the census numbers, more people should be allowed more  
129 use. Ms. Eklund stated she understands the cost to provide water is going up, however she highly

suggests the Board make it more equitable to families. Director Joly asked Ms. Eklund if she understood that Sonoma County Water Agency is raising NMWD's rates by 6.79% which affects 75% of our water supply. Director Grossi pointed out that the Tier 1 rate increase is less than 6% and Tier 2 rates are actually decreasing. Mr. McIntyre thanked Ms. Eklund and Ms. Schaumleffel for their comments and expanded on what Director Grossi stated. He explained that the first-tier rate increase is closer to 1%, and each tier has a different increase and threshold. Mr. McIntyre encouraged customers to use the Water Rate Calculator to see how their individual bill is affected due to all the various proposed rate structure changes. Ms. Eklund replied that she did use the calculator, but she was speaking on behalf of family's because they will not be able to stay in Tier 1, noting she is concerned on what they will have to pay in the long run. Director Joly thanked Ms. Eklund for her comments and for her many years of service on the City Council.

Resident Greg Borchardt stated last year in July his bill was around \$580, and equally high in other summer months. He added he collects rain water in drums for irrigation. He stated the taxpayer has had enough and they are tired of using their ATM machine. Mr. Borchardt stated he is retired and this rate increase will add \$100 to his bill, he has to use water to maintain his landscape, enough is enough, adding there are other things the District can do to reduce cost. Mr. Borchardt again asked the Board to reconsider reducing cost by reducing staff. Director Joly thanked Mr. Borchardt for his comments and asked if he used the Water Rate Calculator. Mr. Borchardt replied his bill will go up \$100 in the summer time, be he did not do the whole year only the summer months. Director Joly recognized his comment stating the Board welcomes this input and it is important to them.

Ms. Schaumleffel stated everyone was already angry with the District when everyone had to cut back during the drought and then the District raised their rates because they didn't sell enough water. She asked the District to look into other sources of water, other reservoirs like Soulajule and Nicasio and asked the Board if there is a way to do that. Mr. McIntyre replied that having a local supply is important. He added that NMWD and the other retail water contractors who purchase water from SCWA have funded a Regional Water Supply Resiliency study, and Soulajule reservoir will be looked at. Mr. McIntyre added the District will know more in two to three years; however, the cost will still be higher because of the cost to treat surface water. Director Joly stated as a consumer he appreciates the reliability and good quality of the water the District delivers.

Resident June Friedman stated she is upset with the rate of increase. She added many people are out of work, and it will be especially hard on families during the current pandemic, it is



163 unfair and unfortunate to do this to families now. Director Joly noted the District is providing help  
164 to customers to help them get through this difficult period. Ms. Blue added that later in the meeting  
165 there is an item to mitigate the impact to customers by not charging late fees, extending the time  
166 for payment and making sure there are no issues with providing uninterrupted water service. She  
167 also explained the new Low-Income Rate Assistance program which is effective July 1 and is  
168 designed to help those low-income customers in financial need. Ms. Friedman stated her main  
169 issue is over the last couple of years there has always been a rate increase, it is not right and  
170 they need to give customers a break. She stated it was short notice and the Board should not  
171 assume everyone in Marin County can afford to pay these increases. Ms. Friedman stated there  
172 are other bills to be paid and she would hope the Board makes their decision realizing how the  
173 people in the City of Novato feel about this rate.

174 Mr. Borchardt asked the Board to consider a moratorium for customers who are retired  
175 and exempt seniors from the increase. Mr. McIntyre responded that the Low-Income Rate  
176 Assistance program is tailored to help seniors on a fixed income and under economic stress. Mr.  
177 McIntyre stated the District must remain Prop. 218 compliant, noting the District cannot  
178 supplement this program from rate revenue. Morgan Biggerstaff, District Counsel, also cited the  
179 Capistrano case, and stated the tiered rates must be based on cost of service, the courts say how  
180 the water district must comply with the law. He noted, as Mr. McIntyre stated earlier, Prop. 218  
181 says districts must fund low income rate assistance programs with non-rate revenue. Director  
182 Joly asked if there were any final public comments.

183 Ms. Schaumleffel again expressed that people are upset with the rate increase, with only  
184 getting 1/3 of the water in Tier 1, noting if the rate increase goes through it will be a bad thing for  
185 the customers. Director Joly stated the mutuality of benefits is important to the Board, they don't  
186 want a rate increase to cost the trust of the public, no one wants a rate increase, however; the  
187 District has to continue to deliver reliable safe water, it is the fiduciary position of the Board.

188 President Joly on behalf of the Board thanked all those who wrote letters, emails, and  
189 participated in the public hearing. He added it is important to the Board that they get public  
190 feedback.

191 President Joly announced the public hearing was closed at 7:27 p.m. and brought the  
192 discussion back to the Board.

193 Director Baker stated he appreciated people coming out tonight, noting some issues he  
194 had heard in the past and some he hasn't. He noted the Board's decision to raise rates was

195 largely due the increase of cost from SCWA. In regards to the suggestion to cut back on staff,  
196 Director Baker stated NMWD is a very lean organization for the number of people we serve. He  
197 added cut backs have been made over the last ten years and it would jeopardize our service  
198 reliability and water quality to cut back any more. Director Baker expressed his recommendation  
199 is to adopt the rate increase, as unpopular as it may be, this is a practical matter and consumers  
200 are getting a good product at a reasonable price.

201 Director Fraites stated it is imperative that the District make sure customers understand  
202 the tiers and rate increase as it is required by Prop. 218. He stated he did not think many  
203 understood the rate differential, noting we need to make it easier for them to understand. He  
204 agreed with the low-income rate assistance program the District will be providing, adding it is  
205 important to help those who are low income to get through this time. Director Fraites also pointed  
206 out the District's hands are tied in that we have to comply with Prop. 218, and the Board wants  
207 the public to understand why we are doing this. Director Fraites added that he was concerned  
208 about the timing and wouldn't mind if the rate was delayed three to six months to get through the  
209 pandemic.

210 Director Grossi thanked everyone for expressing their thoughts. He reminded the Board  
211 that the process started in January with the Water Rate Study Subcommittee, and there were  
212 presentations and discussions at several Board meetings which gave the public several  
213 opportunities to comment. He stated he understands the human issues here, but we cannot put  
214 off the rates, noting this is a business discussion and it would be fiscally irresponsible to put off  
215 CIP projects and put off replacing sixty and seventy-year-old pipelines. Director Grossi added he  
216 has not seen other rates go down, the COVID timing is unfortunate, and the District will have  
217 programs in place for those having a hard time financially. He stated the District's responsibility  
218 is to provide good quality and quantity of water, quantity of water includes fire protection which is  
219 becoming more of an issue and that includes added costs for generators to keep our tanks filled,  
220 we have no choice but to move ahead. Director Grossi added he does not want NMWD to be like  
221 other District's who politically put off what needs to be done, and then have to deal with the  
222 consequence later. He added District staff have done an excellent job, from the field all the way  
223 up the ladder and he is prepared to vote for the increase.

224 Director Petterle also thanked all those who joined the conversation. He stated his only  
225 regret is that the Board has had meetings the first and third Tuesday of every month and there  
226 has been so much discussion at that time, and now to boil it down to one hour is frustrating.  
227 Director Petterle added that the Board are customers too, also on a fixed income, noting as

228 Director Grossi indicated a decision needs to be made, and it is the community that asks the  
229 Board members to represent them. Additionally, the District must provide good quality water, and  
230 water must be provided during outages. Director Petterle stated he understood people are upset  
231 with the increase, but also recalls that over the years at the District he has received mostly  
232 complementary calls about the work of the crews, the fast repair of a leak, customer service, leak  
233 detection and help with conservation ideas. He agreed it is frustrating to increase the rates when  
234 people are conserving, but as a District there are fixed costs that have to be covered. It may  
235 seem like we are penalizing those who are conserving, but this is not the case. Director Petterle  
236 sympathized with the comments, and noted the presentation made by Mr. Hildebrand emphasizes  
237 that we need to make sure the cost we charge the customer reflects the true cost for water  
238 delivered to their residence or business. He stated he would support the passage of the rate  
239 increase with a caveat. Director Petterle expressed his empathy during these remarkable times  
240 and would like to move forward so that this summer will be the same rate as in the past.

241 Director Joly stated he also supported a rate increase, but is proposing a delay until  
242 January 2021 with the low-income rate assistance program starting July 1, 2020. He added it  
243 would be an essential gesture of good will to our customers during this extraordinary time.  
244 Director Joly recognized NMWD as a highly regulated agency that must abide by state  
245 requirements including Prop. 218 which is restrictive and costly. Director Joly added recycled  
246 water is now 8% of our water supply and the District received sizable grants to pay for that project  
247 and with the aqueduct energy efficiency project, the District saved \$18M by sharing that cost with  
248 other agencies. He noted staff is diligent to get funding when available. Director Joly stated tank  
249 replacements and maintenance is really costly and we need to keep that in mind. Additionally,  
250 he stated that he is not sure if the public is aware that NMWD is responsible for the hydrants and  
251 for the water used to fight fires at no cost, it is our moral obligation to our customers and the  
252 District. The Board needs to look at the reserves, there is a heavy responsibility for the District to  
253 secure a reliable quality product. Director Joly shared that his rates are going up more than 6%,  
254 understanding how people feel and would be willing to mitigate the implementation date, however  
255 he would like to hear from staff what that would cost the District.

256 Director Grossi stated that he takes pride in the District, it operates without any extras and  
257 everything is done efficiently. He would like to see what the District will lose by pushing projects  
258 back and stated that the Board may have to look at a higher rate than 6% next year to make up  
259 for the loss.

260 Director Baker agreed, stating delaying the increase until January 1<sup>st</sup> will have a huge  
261 impact. He added a lot of work went into what we accomplished, we can justify the rate with the  
262 recent SCWA increase. Director Baker stated the District tried to get SCWA to trim their rates,  
263 but the increase still stands. He added he does not support delaying the rates because putting it  
264 off could have a huge implication on the District.

265 Director Petterle expressed his support for the delay. He stated the increase could be  
266 approved, but a delay will get people through the summer and that will let our customers know  
267 they are important to us.

268 Director Fraites noted there is a financial downside to this delay and the District needs to  
269 stay afloat, adding they were not counting on this pandemic when the Board started these  
270 discussions and knows there are a lot of people hurting in the community. He stated he could  
271 support a delay in the rate increase as a gesture to get people through the summer. He is in favor  
272 of the rate increase, and also in favor of a delay in order to give customers a break.

273 Directory Joly agreed with the sensitivity of the issue and was in support of the goodwill  
274 gesture to delay the rate increase until after the summer.

275 Mr. Hildebrand responded by directing the Board to the financial plan and how the delay  
276 in the rate increase could affect the District. He noted July 1<sup>st</sup> was based on the financial need  
277 and forecast, otherwise you would need to delay certain capital improvement projects. In this  
278 case there is an option to delay the increase for three to six months. Ms. Blue added that she  
279 had discussed this option with Mr. Hildebrand however it is staff's recommendation not to delay  
280 the increase, we need to keep our reserves at a healthy level. She stated she understands the  
281 reason for the delay, but as Director Grossi mentioned there will be a program in place for those  
282 with financial need.

283 Director Joly summarized that it appeared the Board is unanimously in favor of the  
284 increase; however, they need to decide a date to agree on. Mr. McIntyre advised the Board that  
285 a motion could to be made to approve the resolution amending the water rates as presented with  
286 an effective date of July 1, 2020, and if that did not pass then the Board could consider approving  
287 the resolution with a different effective date.

288 Director Petterle made a motion to amend the rates as presented in the resolution,  
289 however change the effective date to November 1<sup>st</sup>. Director Grossi asked if he could make a  
290 comment before putting the vote before the Board. He requested to delay the vote until the next  
291 meeting so the Board knows which projects will be delayed. If the rates are delayed until January

1<sup>st</sup> he will vote against it, the District needs to know how it will affect us going forward and how it could affect an increase in next year's rate increase. Director Fraites offered changing the date to October 1<sup>st</sup>, since this will get our consumers through the summer. Director Petterle amended the motion to reflect the implementation date as of October 1<sup>st</sup>. Director Baker stated September may be tolerable, October is a compromise, he added that the District would just be pushing our problems ahead of us. Either we pay for it now, or pay for it later. Mr. Biggerstaff, District Counsel, stated they can pass the resolution two ways, to amend the resolution with a different date or suspend the resolution if there is no consensus tonight. Director Joly stated he would like to get it on the record tonight. He added October 1 seems to have support by the majority of the Board. Director Baker stated he is still reluctant because it is not prudent. Director Fraites stated he would support approval, but requested at the next agenda the Board is provided as to what projects will be cut back. Director Baker noted the date is arbitrary, and concurred with Director Grossi that it impacts the projects. Director Grossi made a point of order to define the duration of the rate. Mr. Hildebrand responded it would be in perpetuity until the Board voted to change the rate next year. He added if the Board took no action tonight the rates would go back to what they were.

On motion of Director Petterle, seconded by Director Joly the Board approved Resolution 20-12 amending Regulation 54 pertaining to water rates and charges to reflect a global revenue increase of 6% for the customers in the Novato Service Area, with an effective date of October 1, 2020 by the following vote:

AYES: Director Baker, Fraites, Joly and Petterle

NOES: Director Grossi

ABSTAIN: None

ABSENT: None

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

#### **Temporary Urgency Change Petition (TUCP)**

Mr. McIntyre reported that on June 8<sup>th</sup>, the Sonoma County Water Agency (SCWA) submitted a Temporary Urgency Change Petition (TUCP) to the state of California to reduce water releases from Lake Mendocino due to lower than expected Eel River transfers. He stated the request is similar to what was made in 2014. Mr. McIntyre also announced that on June 8<sup>th</sup>, he and Jennifer Burke, Santa Rosa Water, participated in a YouTube video with Supervisor James

Gore to discuss the low flow conditions expected this summer in the Russian River and what the Water Contractors are doing to use water efficiently.

#### Potter Valley Project (PVP)

Mr. McIntyre reported that on June 10<sup>th</sup> he moderated the eighteenth call between the Water Contractors and SCWA regarding the PVP relicensing efforts as part of the Common Interest Agreement approved by the WAC in November 2018.

#### **OPEN TIME**

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

#### **STAFF/DIRECTORS REPORTS**

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

Ms. Blue announced the District filled the HR/Safety Manager position. She noted the new manager has both HR, government and safety experience and will start in July. Director Joly commended Ms. Blue's for her efforts to fill this position.

#### **MONTHLY PROGRESS REPORT**

Mr. McIntyre reviewed the Monthly Progress Report for May. He reported that water production in Novato is up 10% from one year ago and up 6% year to date. In West Marin, water production is up 8% from one year ago and down 7% year to date. Recycled Water production is up 41% from one year ago and up 19% fiscal year to date. Stafford Treatment Plant produced 60 MG during the month of May and production is up 24% fiscal year to date. Mr. McIntyre also advised the Board that Stafford Lake is at 68% capacity, Lake Sonoma is at 77% capacity and Lake Mendocino is at 77% capacity. He added that in Oceana Marin there were no unusual trends. Under Safety and Liability, he noted that we had 133 days without a lost time injury. Under Utility Performance Metric, Mr. McIntyre stated that there were 51 planned disruptions under four hours compared to eight the same time last year. On the Summary of Complaints and Service Orders, the Board was apprised that total numbers are down 44% from May one year ago and there were no unusual trends in complaints and service orders for the month. In addition, Mr. McIntyre noted that the cost for bill adjustments decreased 28% from last year's adjustments.

Ms. Blue reported on the May 2020 Investments, where the District's portfolio holds \$22.4M earning a 1.67% average rate of return. Julie noted that during May the cash balance decreased by \$1,215,551. She also noted the LAIF rate is 1.36%. Ms. Blue stated the District also purchased a CD with a 0.89% interest rate, noting the interest rate is lower than in the past and is a sign of the times.

357 **CONSENT ITEMS**

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

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

361 NOES: None

362 ABSTAIN: None

363 ABSENT: None

364 **TEXT FOR SPRING 2020 NOVATO 'WATERLINE', VOLUME 21, ISSUE 44**

365 The Board approved the text for the Spring 2020 Novato "Waterline", Volume 21, Issue  
366 44.

367 **AMENDMENT No. 2 TO UTILITY AGREEMENT BETWEEN STATE OF CALIFORNIA AND**  
368 **NORTH MARIN WATER DISTRICT FOR CALTRANS' MSN B3**

369 The Board authorized the General Manager to execute Amendment 2 to Utility Agreement  
370 No 1780.1 between the State of California and NMWD for the Caltrans Marin Sonoma Narrow  
371 (MSN) B3 project. Staff has requested this second amendment to enable the District to invoice  
372 Caltrans for another \$73,000 in related expenses incurred by NMWD.

373 **ESA CONSULTING SERVICES AGREEMENT AMENDMENT 2 – ADDITIONAL PERMITTING**  
374 **SERVICES FOR GALLAGHER RANCH (LAGUNITAS CREEK) STREAMBANK**  
375 **STABILIZATION PROJECT**

376 The Board authorized the General Manager to amend the consulting services agreement  
377 with ESA for additional permitting services for Gallagher Ranch (Lagunitas Creek) Streambank  
378 Stabilization Project. ESA requested a contract modification of \$28,590 for pre-construction  
379 surveys and construction monitoring for compliance with all permit conditions.

380 **ACTION ITEMS**

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

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

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

387 He stated the District's staff are physically separated as much as possible by rotating shifts  
388 and having some employees work from home, but all critical operations needed to maintain  
389 essential services continue. Mr. McIntyre also noted relocation of some staff back to the District  
390 buildings, and certain other projects and activities has been occurring over the last couple of

391 weeks and the District is now operating with 75% of staff on-site or in the field. He noted once  
392 our COVID-19 response plan is updated, additional training occurs and physical work space  
393 modifications occur, additional staff will be able to return to work on-site. Mr. McIntyre provided  
394 the Board with an update on current coronavirus conditions in Marin County. He apprised the  
395 Board that currently we have no employees who have been instructed to be isolated or are self-  
396 quarantined. He stated that physical Board meetings will be re-instated as soon as it is safe for  
397 Board members, public and staff to do so.

398 On the motion of Director Fraites, and seconded by Director Petterle the Board approved  
399 renewal of the Declaration of Local Emergency Related to COVID-19 Pandemic by the following  
400 vote:

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

402 NOES: None

403 ABSTAIN: None

404 ABSENT: None

405 **TEMPORARY MEASURES MODIFYING LATE CHARGE AND SHUT-OFF POLICY NO. 6 IN**  
406 **RESPONSE TO POTENTIAL CUSTOMER IMPACTS DUE TO THE COVID-19 PANDEMIC**

407 Ms. Blue reviewed the temporary measures modifying Late Charge and Shut-Off Policy  
408 No. 6 in response to potential customer impacts due to the COVID-19 pandemic. She explained  
409 the proposed temporary changes include (1) an extension of ninety days to the suspension of  
410 disconnections, once the end date of the order has been established, (2) extension of the duration  
411 of payment plans to twenty-four months from the current twelve months as outlined in the policy  
412 and (3) extension of the District's current forbearance of customer late fees for a 180-day duration.  
413 Ms. Blue added that the Low-Income Rate Assistance program is available in July for all single-  
414 family residential customers who are low-income and also participate in Pacific Gas & Electric's  
415 (PG&E) California Alternate Rates for Energy (CARE) program. She stated customers are calling  
416 in for an application due to our public outreach, and those that qualify should see a fifteen-dollar  
417 credit per billing cycle.

418 Director Grossi asked if at some point the Board will know the cost to the District, since at  
419 this time we have no idea, and expressed the need to track it. Ms. Blue agreed, and stated she  
420 will report back to the Board on how the policy impacted our customers and the District and the  
421 variables that will go with that report out. Director Joly asked if this policy will be effective July 1<sup>st</sup>.  
422 Ms. Blue replied that the policy was revised to be effective June 17<sup>th</sup>.

423 On the motion of Director Petterle, and seconded by Director Baker the Board approved  
424 the temporary measures modifying Late Charge and Shut-Off Policy No. 6 in response to potential



customer impacts due to the COVID-19 pandemic by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**NOVATO AND RECYCLED WATER FY 20/21 BUDGETS**

Ms. Blue reviewed the FY 20/21 Budgets for North Marin Water District which include Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. Ms. Blue stated the budget was based on the proposed rate increases for Novato (6%), West Marin Water (4.5%) and Oceana Marin Sewer (5%). She reminded the Board that to date they have reviewed financial forecasts for each service area and these financial forecasts were five-year projections outlining the overall financial status of each service area, explaining the need for District wide rate increases. Ms. Blue summarized the changes made since the last review.

Director Joly requested that based on the changes made to the Novato rate schedule the Board carry over approval of the budgets until the meeting the June 23<sup>rd</sup>. Ms. Blue agreed to delay approval of the budget so she could make adjustments based on the rate increase vote tonight and she will bring it back to the Board with those adjustments. Director Baker asked if she would have enough time to make those adjustments. Ms. Blue responded that she can work it in her schedule and will also consider a delay for West Marin and Oceana Marin. Mr. McIntyre recommended that at the meeting on June 23<sup>rd</sup>, the Board is presented with two scenarios, one to proceed with the original effective date of July 1<sup>st</sup> and the other with replacement pages in the budget adjusting the West Marin potable and OM budgets with similar rate increase delays as what was provided for Novato tonight.

Director Grossi asked where we stood with the virtual meetings. Mr. McIntyre replied that we are not able to hold the meeting at the Dance Palace due to COVID-19 social distancing requirements. He added that staff is working with IT on adding a video option for the June 23<sup>rd</sup> meeting.

**OCEANA MARIN SEWER SERVICE CHARGE INCREASE ORDINANCE -FIRST READING**

Ms. Blue requested the Board approve the first reading of the ordinance for the Oceana Marin Sewer Service Charge Increase.

President Joly read the full title of the proposed Oceana Marin Service Charge Increase Ordinance.

On the motion of Director Grossi, and seconded by Director Fraites the Board approved the first reading of the Oceana Marin Sewer Service Charge Increase Ordinance by the following

459 vote:

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

461 NOES: None

462 ABSTAIN: None

463 ABSENT: None

464 **INFORMATION ITEMS**

465 **FY 19-20 THIRD QUARTER PROGRESS REPORT-WATER QUALITY**

466 Mr. Ramudo reported to the Board on the third quarter FY 19/20 Water Quality Report.  
467 He reported on the Novato and Point Reyes systems. Mr. Ramudo noted that the lab currently  
468 has reduced staffing since the vacant chemist position has not be filled. He stated that during the  
469 third quarter we did not use Stafford Lake water. Systemwide water quality was monitored by the  
470 lab on a bi-weekly basis. He added that in West Marin, staff continues to mitigate the effects of  
471 salinity intrusion to the aquifer. Additionally, he stated that the Point Reyes Treatment Plant  
472 production was optimal and reported the District had no problem meeting the disinfection  
473 byproduct limits during the quarter. Mr. Ramudo noted there was no Novato recycled water to  
474 report since the Deer Island facility was off during this quarter and all recycled water was supplied  
475 by Novato Sanitary District and Las Gallinas. Director Joly thanked Mr. Ramudo for the brilliant  
476 report and asked him to thank his staff for all their work. Mr. Ramudo thanked Director Joly and  
477 said he will pass on the kind words to staff.

478 **NBWA MEETING – JUNE 5, 2020**

479 Director Fraites summarized the NBWA Meeting held on June 5, 2020. He stated Bryan  
480 McFadin, Senior Water Resources Engineer, North Coast RWQCB and Greg Andrews, Fisheries  
481 Program Manager for MMWD were there to provide an overview on state planning efforts  
482 underway to enhance and protect instream flows for fish. Director Fraites reported they discussed  
483 stream conditions that are optimum for fish recovery and discovered that if they measure the pool  
484 ripples they can determine how long the pool will stay filled and support the fish.

485 Additionally, Director Fraites reported that Pam Jeane from Sonoma Water updated the  
486 Board on the Potter Valley Project. Director Joly thanked Director Fraites for attending the  
487 meeting on behalf of the Board.

488 **MISCELLANEOUS**

489 The Board received the following miscellaneous items: Disbursements – Dated June 4,  
490 2020, Disbursements – Dated June 11, 2020, Pt. Reyes Light Newspaper - Declaration of a Water  
491 Shortage Emergency West Marin Service Area – May 14, 2020, SCWA Press Release -Sonoma  
492 Water Temporary Urgent Change Petition, Marin IJ Newspaper - North Marin Water District Water

Rate Hearing – June 4, 2020 and FY21 Insurance Purchase Renewal.

The Board received the following news article: PG&E behind on plan to ease fire shut-offs.

Director Joly complimented reporter Will Houston, his editor, and the Marin IJ for their fine multiple article reporting on the District's Novato water rate study and rate increase. He thanked Mr. Houston for his good and proper reporting which kept the public aware that this rate hearing was happening. Mr. Houston was commended for providing a great service to us all.

Director Joly also thanked water rate consultant Mark Hildebrand for his great presentation and his remarkable work on the rate study. He also thanked Morgan Biggerstaff the District's Legal Counsel and staff for attending this very long and great Board meeting. Additionally, Director Joly thanked the public for their participation, letters, email suggestions, and commended those who participated. He also thanked the Board for participating in this long and professional Board meeting and reminded the Board there will be another meeting next week. Director Petterle thanked Director Joly for the professional manner in the way he handled tonight's meeting. Director Joly responded that it is always an honor.

#### **ADJOURNMENT**

President Joly adjourned the meeting at 8:42p.m.

Submitted by

Theresa Kehoe  
District Secretary

2

DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
June 23, 2020

**CALL TO ORDER**

President Joly announced that due to the Coronavirus outbreak and pursuant to Executive Order N-29-20 issued by the Governor of the State of California this was a virtual meeting. President Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 6:02 p.m. and the agenda was accepted as presented. President Joly added that there was not a public location for participating in this meeting, but any interested members of the public could participate remotely by utilizing the video or phone conference dial-in method using information printed on the agenda.

President Joly welcomed the public to participate in the remote meeting and asked that they mute themselves, except during open time and while making comments on the agenda items. President Joly announced for those joining the virtual meeting from the public to identify themselves, and there was no reply. President Joly noted that due to the virtual nature of the meeting he will conduct a roll call from the Directors. A roll call was done, all were in remote attendance therefore establishing a quorum. Participating remotely were Directors Jack Baker, Rick Fraites, James Grossi, Michael Joly and Stephen Petterle.

President Joly announced in the event of technical difficulties during the meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be rescheduled for a future special meeting which shall be open to the public and noticed pursuant to the Brown Act.

Mr. McIntyre performed a roll call of staff, participating by remotely were Drew McIntyre (General Manager), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Tony Arendell (Construction/Maintenance Superintendent), Pablo Ramudo (Water Quality Supervisor) and Monica Juarez (Cashier/Receptionist). Also participating remotely was Morgan Biggerstaff (NMWD Legal Counsel) and Kevin Cozart (NMWD IT Support).

President Joly reported that since the last meeting was of a long duration, and because of the extra meeting scheduled in June the minutes for June 16, 2020 will be on the July 21, 2020 meeting agenda.

**GENERAL MANAGER'S REPORT**

Old Ranch Road Tank No. 2

Mr. McIntyre reported that the sixth Northern Spotted Owl survey has been completed and it has been confirmed they don't need to conduct any additional surveys at this time.

#### New Website

Mr. McIntyre announced the new website launch date has been pushed back one week and is now scheduled to be live on June 30<sup>th</sup>.

#### Gallagher Ranch Streamback Stabilization Project

Mr. McIntyre reported he received formal approval today of another \$104,000 in grant funding to help offset additional project costs. He added he had a meeting with Marin Agricultural Land Trust (MALT) at the project site on June 22<sup>nd</sup> and they agreed to play a key role in post construction project monitoring, which will help mitigate future costs.

#### Assistant General Manager/Chief Engineer AGM/CE Position

Mr. McIntyre announced the District will be using a professional recruitment firm, Ralph Anderson and Associates to help fill the AGM/CE position that was recently re-opened. He reported this firm recently helped MMWD fill two positions, and they also helped fill an AGM position at Dublin San Ramon Services District last month. Mr. McIntyre stated he will continue to update the Board on their progress.

#### **OPEN TIME**

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

#### **STAFF/DIRECTORS REPORTS**

Ms. Kehoe announced the regularly scheduled meeting on July 7<sup>th</sup> will be cancelled unless the Board feels a need to hold this meeting. There was no response from the Board, therefore the meeting will be cancelled.

#### **PUBLIC HEARING – APPROVE: PROPOSED WEST MARIN WATER RATE INCREASE**

President Joly declared the public hearing for the West Marin Water Rate increase opened at 6:05 p.m.

A Public Hearing was held to consider the proposed 4.5% increase in Water Rates for the West Marin Service Area effective July 1, 2020 and resulting revisions to District Regulation 54 water rates.

Mr. McIntyre reminded the Board that the rates reflect the five-year financial plan previously approved by the Board. He stated if the Board directs staff to delay the effective date, similar to Novato's October 1<sup>st</sup> effective date, staff is prepared to accommodate the change and it is reflected in this agenda item as budget Option 2.

68 Ms. Blue reviewed with the Board the process for the rate increase. She added that all  
69 West Marin customers were noticed by mail of the Public Hearing per Proposition 218  
70 requirements and a Public Hearing notice was also published in the Point Reyes Light paper. She  
71 stated the proposed rate increase is 4.5%, and it will add \$33,000 in revenue. Ms. Blue reported  
72 she received one official written protest and one phone call. She added the five-year financial  
73 plan was reviewed at the last three Board meetings, and the rate increase reflected in the Capital  
74 Improvement Projects was reported on page 2, and included \$1M for the PRE Tank 4A project.  
75 Additionally, she referenced the cost comparison analysis to other agencies, and stated that even  
76 after the rate increase, NMWD's rates are below many of the other small local agencies.

77 President Joly asked for members of the public on the call who would like to express their  
78 opinions on the 4.5% increase effective July 1, 2020 to identify themselves before speaking.

79 President Joly announced that no comments were heard, therefore the public hearing was  
80 closed as of 6:19 p.m. and directed the discussion to the Board.

81 Director Baker made a motion to approve the proposed West Marin water rate increase.  
82 Director Petterle requested that we handle West Marin in the same manner as Novato and  
83 postpone the West Marin increase until October 1, 2020. Director Fraites concurred with Director  
84 Petterle's recommendation. Director Joly summarized the discussion, stating the question is  
85 whether the Board wants to delay the effective dated from July 1<sup>st</sup> to October 1<sup>st</sup> in a similar  
86 fashion as what the Board approved for the Novato water and recycled water rate increase. He  
87 asked for further discussion. Director Grossi replied he has the same opinion as last time.

88 On motion of Director Baker, seconded by Director Grossi the Board voted increase water  
89 rates for West Marin service area by 4.5% with an implementation date of July 1, 2020 and it was  
90 defeated by the following vote:

91 AYES: Director Baker and Grossi

92 NOES: Director Fraites, Joly and Petterle

93 ABSTAIN: None

94 ABSENT: None

95 President Joly noted that the motion was not passed by a majority and went back to the  
96 Board for discussion. He noted the issue seems to be with the implementation date not the  
97 increase. Director Petterle announced he will move the 4.5% rate increase with a delayed

implementation date of October 1, 2020 because of the concern about the economic impact to our customers caused by the Coronavirus.

On motion of Director Petterle, seconded by Director Fraites the Board approved Resolution No. 20-13 amending Regulation 54 pertaining to Water Rates and Charges to reflect a 4.5% increase for the typical residential customer in the West Marin service area, effective October 1, 2020 by the following vote:

AYES: Director Fraites, Joly and Petterle

NOES: Director Grossi

ABSTAIN: Director Baker

ABSENT: None

**PUBLIC HEARING – APPROVE: PROPOSED OCEANA MARIN SEWER RATE INCREASE**

President Joly declared the public hearing for the Oceana Marin Sewer Rate increase opened at 6:25 p.m.

Mr. McIntyre announced the ordinance in front of the Board is for the Oceana Marin proposed 5% rate increase that will be put on the Marin County Property Tax bills. He stated, if the Board elects to treat Oceana Marin the same as Novato and West Marin by changing the implementation date, the way to do this is different. Mr. McIntyre advised since the sewer bill is on the tax bill, the county cannot change the effective date; therefore, a one-time credit of \$15 would yield a similar savings. He noted that should the Board want to provide a credit, it would require taking action on a revised ordinance.

Mr. McIntyre asked Mr. Biggerstaff, District Legal Counsel, how many votes are required to pass the sewer rate increase ordinance. Mr. Biggerstaff replied an ordinance needs a 2/3 approval; therefore, four out of the five votes.

Ms. Blue continued the discussion noting there are 235 customers in Oceana Marin and the District complied with Prop. 218 notification procedures by mailing individual letters and the Public Hearing notice was also published twice in the Point Reyes Light newspaper. Ms. Blue stated this increase will provide \$14,000 in revenue, and there were no official protests and only one email. Ms. Blue added the need for the increase was reviewed by the Board during the financial plan and budget review at the last three Board meetings. She added there are Capital Improvement projects that need to be addressed and if a sewer rate credit is approved to match



the intent of the delayed Novato and West Marin water rate increase implementation date, this will result in approximately \$4,000 lost in revenue.

President Joly asked for members of the public participating in the meeting who would like to address their opinions on the 5% increase effective July 1, 2020 to identify themselves before speaking.

President Joly announced that no comments were heard, therefore the public hearing was closed as of 6:30 p.m. and directed the discussion to the Board.

Director Petterle commented that he did not feel as strongly about changing the effective date since the customers will not get a tax bill until September and payment is not due until December. He added the delay of the implementation date made sense for Novato and West Marin water, because the idea was to delay the rate increase until customers are below their peak water use. Director Petterle stated the delay does not apply in this situation and he would vote to support the motion.

On motion of Director Baker, seconded by Director Grossi the Board approved Ordinance 40 electing to have the Oceana Marin Sewer charges be collected on the tax roll of the County of Marin and approved Resolution No. 20-14 amending Regulation 109, effective July 1, 2020, to increase the Oceana Marin Sewer Service Rate to \$1,176 per dwelling unit per year by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

President Joly announced the 5% Oceana Marin rate increase was approved unanimously by the Board and provided a second reading of Ordinance 40.

#### **CONSENT ITEMS**

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

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

NOES: None

ABSTAIN: None

ABSENT: None

159 **ANNUAL WATER QUALITY REPORT - NOVATO**

160 The Board approved the text for the annual Water Quality Report for Novato. The Safe  
161 Drinking Water Act requires water suppliers to publish and distribute a report of water quality  
162 information to its customers annually.

163 **ANNUAL WATER QUALITY REPORT – POINT REYES AREA**

164 The Board approved the text for the annual Water Quality Report for the Point Reyes area.  
165 The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water  
166 quality information to its customers annually.

167 Director Baker asked if we get much feedback on these reports from the property owners.  
168 Mr. Ramudo confirmed. He stated throughout the year customers go on to our website and look  
169 at the report and reach out to us. Mr. Ramudo added not all tests are provided in the report and  
170 sometimes customers will call about compounds that are not detected in our water supply. He  
171 noted the report would be too large to list everything the District tests for. Director Grossi noted  
172 that on the West Marin Water Quality Report his name was listed twice and Director Baker's was  
173 omitted. Mr. Ramudo responded that this will be corrected, the reports in the agenda packet are  
174 draft reports from the printer and there are a number of corrections to be made. Director Joly  
175 requested that it would be important to add to the report a notation that our water is safe and there  
176 are no contamination issues caused by COVID-19. Mr. Ramudo replied it is entirely possible and  
177 it would be good to add that text in the front part of the report where it talks about meeting all the  
178 state requirements.

179 **ACTION ITEMS**

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

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

183 Mr. McIntyre reminded the Board that staff has been operating under partial Emergency  
184 Operations Center (EOC) activation since March 18<sup>th</sup> and summarized various key measures  
185 implemented by the District's emergency management team since that time. He stated the  
186 District's staff are physically separated as much as possible including having some employees  
187 work from home, but all critical operations needed to maintain essential services continue. Mr.  
188 McIntyre also noted relocation of additional staff back to the District buildings, and certain other  
189 projects and activities has been occurring and we are now operating with 85% of staff on-site or  
190 in the field. He noted once our COVID-19 response plan is updated, additional training occurs  
191 and physical work space modifications are complete, additional staff will be able to return to work  
192 on-site. Mr. McIntyre provided the Board with an update on current coronavirus conditions in

Marin County. He apprised the Board that currently we have no employees who have been instructed to be isolated or are self-quarantined. He advised physical Board meetings will be reinstated as soon as it is safe for Board members, public and staff to do so. Additionally, Mr. McIntyre addressed the question that arose at the last Board meeting in reference to staff tracking the financial impact with customers and delinquent bills. He noted Ms. Blue reviewed the bills over the last three months and spoke with consumer services staff and the current delinquency rate is averaging 1.5% of all customers which is not atypical. Mr. McIntyre reported a more detailed analysis will be provided at a subsequent meeting.

On the motion of Director Fraites, and seconded by Director Joly the Board approved renewal of the Declaration of Local Emergency Related to COVID-19 Pandemic by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**NOVATO, RECYCLED WATER, WEST MARIN & OCEANA MARIN FY 20/21 BUDGETS**

Ms. Blue reminded the Board that on several occasions they reviewed the FY 20/21 Budgets for North Marin Water District which include Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. Ms. Blue stated the budget was based on the proposed rate increases for Novato (6%), West Marin Water (4.5%) and Oceana Marin Sewer (5%). She reminded the Board that to date they have reviewed financial forecasts for each service area and these financial forecasts were five-year projections outlining the overall financial status of each service area, which explained the need for District wide rate increases. Ms. Blue shared that based on last week's meeting and the Board's decision to delay implementation of the Novato rate increase she has put together two options of the budget. She focused on Option 2 for the Novato and West Marin budgets and noted she will put back the \$4,000 revenue loss in the final copy of the budget next meeting since the Oceana Marin rate increase will stay at the original proposed July 1, 2020 implementation date. Ms. Blue stated Option 1 and Option 2 shows the change in revenue and how it effects the bottom line, adding she did not change anything but the revenue numbers. She stated the budget has been reviewed three times, it included all areas, the financial plan, and rate study. Ms. Blue recommended approving Option 2 subject to amendment to put back in the Oceana Marin Budget \$4,000 of additional revenue. She stated that the one-time projected revenue loss will be factored in when developing the five-year CIP

plans and for Novato, this represents a reduction of approximately \$100,000 per year, for the next four years.

Director Joly commended Ms. Blue, stating the memo was extremely well done, noting it was a tremendous accomplishment for her and her staff to have this analysis in place in such a timely manner. Director Grossi stated he would like to echo that comment.

On the motion of Director Petterle, and seconded by Director Fraites the Board approved the modified Option 2 of the Novato, Recycled Water, West Marin and Oceana Marin FY 20/21 Budgets by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

#### **REFINANCING OF EMPLOYER ASSISTED HOUSING LOAN**

Ms. Blue requested authorization for the General Manager to sign the Subordination Agreement for Mr. Rodriguez with Caliber Home Loans, Inc. She stated this loan was part of the Employer Assisted Housing Program which is there to help employees purchase local housing within the District's service territory to rapidly respond to District emergencies.

Ms. Blue stated in 2018 the District approved a home loan with Mr. Rodriguez and two years later he is requesting to refinance the current loan to reduce the current interest rate from over 4% to under 3%. In order to take advantage of the low interest loan a Subordination Agreement must be signed. Ms. Blue noted the agreement was reviewed by District legal counsel and their position is that the risk to the District is minimal.

On the motion of Director Baker, and seconded by Director Fraites the Board approved authorizing the General Manager to sign a subordination agreement to district employee Chris Rodriguez to refinance his senior housing loan by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

#### **INFORMATION ITEMS**

#### **WEST MARIN CAPITAL IMPROVEMENT PROJECTS – FY 19-20 PRELIMINARY YEAR-END PROGRESS REPORT**

Mr. McIntyre reported on the preliminary year-end status report on the District performance in completing budgeted FY 19-20 Capital Improvement Projects (CIPs) in the West

Marin (including Oceana Marin) service territories. He noted a total of eight CIPs were originally budgeted, four projects were added and one was carried over. Out of the thirteen projects, eight projects have been completed and all of the originally budgeted project expenditures were at or below the original budget. Mr. McIntyre added the estimated Oceana Marin project expenses of \$159,500 are \$104,000 above the Oceana Marin CIP budget of \$55,000 which is due to adding the 75% grant funded Oceana Main Treatment Pond Rehabilitation project.

Director Joly thanked Mr. McIntyre for doing a fine job on the memo.

#### **WAC/TAC MEETING – MAY 18, 2020**

Mr. McIntyre presented the draft minutes for the WAC/TAC Meeting for May 18, 2020. He also referenced the attached Potter Valley Project Relicensing Feasibility Study report that was submitted to the Federal Energy Regulatory Commission on May 13, 2020. He noted that this report discusses the potential formation of a Regional Entity to apply for a license and also identifies the project plan showing capital modifications, fisheries restoration and financial impacts. He also discussed current water supply conditions noting that SCWA will be filing a Temporary Urgency Change Petition with the State Water Resource Control Board 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 due to below average rainfall conditions within the Eel and Russian River Watersheds

#### **MISCELLANEOUS**

The Board received the following miscellaneous item: Disbursements – Dated June 18, 2020.

The Board received the following news articles: Water district board to vote on raising rate – NORTH MARIN; AWWA: Water sector meeting pandemic challenge; County to ask state for faster reopening and Virus Hardships prompt board to delay increase – NMWD Rates.

Director Joly thanked Mr. McIntyre and Ms. Blue for their multiple reports, for Mr. Ramudo for his Water Quality Reports, to Ms. Kehoe for setting up the virtual meeting and to Mr. Clark and Mr. Arendell for attending the meeting. He gave special thanks to Mr. Cozart and Ms. Juarez for helping manage the Zoom platform and to Mr. Biggerstaff for his good legal advice. Director Joly reminded the Board the next meeting will be on July 21, 2020 and thanked the Board for their participation in this heavy action meeting.

#### **ADJOURNMENT**

President Joly adjourned the meeting at 7:06 p.m.

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Submitted by  
  
Theresa Kehoe  
District Secretary

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**NORTH MARIN WATER DISTRICT**  
**MONTHLY PROGRESS REPORT FOR June 2020**  
 July 21, 2020

1.

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

Month	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	20 vs 19 %
July	317.7	341.1	331.0	310.3	227.2	-7%
August	287.1	300.9	303.0	299.6	235.2	-5%
September	280.5	255.0	292.4	302.3	210.0	10%
October	286.0	265.6	273.7	202.8	298.6	8%
November	226.3	170.1	163.9	143.8	145.4	33%
December	141.2	157.8	152.1	147.6	145.1	-10%
January	111.9	114.7	130.6	120.8	129.8	-2%
February	120.3	110.9	134.8	118.6	111.3	8%
March	151.8	138.8	130.2	145.8	149.1	9%
April	195.0	143.8	151.7	136.2	151.8	36%
May	217.6	198.6	237.4	232.0	199.6	10%
June	269.1	232.7	291.8	277.3	284.8	16%
<b>FYTD Total</b>	<b>2,604.4</b>	<b>2,429.9</b>	<b>2,592.5</b>	<b>2,437.0</b>	<b>2,288.1</b>	<b>7%</b>

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

Month	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	20 vs 19 %
July	8.9	10.2	9.5	7.9	6.6	-13%
August	8.4	9.9	8.8	7.4	7.0	-16%
September	7.8	9.5	8.4	6.4	6.4	-18%
October	7.5	8.3	7.9	5.2	6.5	-9%
November	6.7	7.3	5.4	4.2	4.7	-7%
December	4.8	5.7	5.1	3.7	3.9	-15%
January	4.1	5.0	4.5	3.6	3.7	-16%
February	4.4	3.5	4.5	3.3	3.8	25%
March	5.2	4.4	5.1	4.4	4.2	18%
April	4.9	4.9	5.1	4.8	4.9	0%
May	6.0	5.5	7.5	6.8	6.5	8%
June	7.4	6.9	9.0	8.1	7.0	8%
<b>FYTD Total</b>	<b>76.2</b>	<b>81.1</b>	<b>80.9</b>	<b>65.8</b>	<b>65.2</b>	<b>-6%</b>

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

Month	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	20 vs 19 %
July	68.2	78.6	112.6	69.9	107.6	-13%
August	103.8	79.3	81.5	90.4	79.4	31%
September	115.0	60.5	122.7	96.9	38.3	90%
October	103.4	74.5	102.3	93.9	49.5	39%
November	102.8	0.0	53.6	63.8	58.3	-
December	0.0	0.0	0.0	0.0	0.0	-
January	0.0	0.0	0.0	0.0	0.0	-
February	0.0	0.0	0.0	0.0	0.0	-
March	0.0	19.2	0.0	38.9	0.0	-100%
April	30.9	60.3	5.4	60.6	48.9	-49%
May	60.2	97.4	85.2	121.9	111.3	-38%
June	101.8	97.1	82.8	119.9	107.7	5%
<b>FYTD Total</b>	<b>685.9</b>	<b>567.0</b>	<b>646.0</b>	<b>756.2</b>	<b>600.9</b>	<b>21%</b>

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

Month	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	20 vs 19 %
July	36.5	30.2	27.7	27.1	21.3	21%
August	33.3	30.6	26.1	26.0	26.2	9%
September	29.7	33.5	25.0	23.5	15.7	-12%
October	26.6	20.1	19.1	8.3	15.8	32%
November	10.8	12.7	2.5	1.2	3.2	-14%
December	0.5	1.5	0.8	0.4	0.8	-63%
January	0.6	0.9	1.0	0.3	0.2	-38%
February	0.6	0.3	3.3	0.0	0.6	82%
March	11.7	0.4	1.7	0.5	0.3	2550%
April	12.5	10.1	5.1	2.7	11.0	24%
May	27.6	19.6	17.0	22.9	20.2	41%
June	38.3	31.2	25.8	30.9	24.0	23%
<b>FYTD Total*</b>	<b>228.6</b>	<b>191.0</b>	<b>155.0</b>	<b>143.8</b>	<b>139.3</b>	<b>20%</b>

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

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## 2. Stafford Lake Data

	June Average	June 2019	June 2020
Rainfall this month	0.20 Inches	0 Inches	0 Inches
Rainfall this FY to date	27.03 Inches	38.75 Inches	18.95 Inches
Lake elevation*	190.2 Feet	193.3 Feet	186.8 Feet
Lake storage**	993 MG	1195 MG	789 MG

\* Spillway elevation is 196.0 feet

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

## Temperature (in degrees)

	Minimum	Maximum	Average
June 2019 (Novato)	51	116	75
June 2020 (Novato)	53	107	72

## 3. Number of Services

June 30	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY20	FY19	Incr %	FY20	FY19	Incr %	FY20	FY19	Incr %	FY20	FY19	Incr %
Total meters installed	20,772	20,752	0.1%	96	95	1.1%	791	791	0.0%	-	-	-
Total meters active	20,554	20,546	0.0%	91	91	0.0%	782	783	-0.1%	-	-	-
Active dwelling units	24,085	24,077	0.0%	-	-	-	832	833	-0.1%	235	235	0.0%

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

Description	June 2019	June 2020
Effluent Flow Volume (MG)	0.474	0.559
Irrigation Field Discharge (MG)	0.680	0
Treatment Pond Freeboard (ft)	6.8	6.9
Storage Pond Freeboard (ft)	8.0	9.0

## 5. Developer Projects Status Report (June)

Job No.	Project	% Complete	% This month
1.2817.03	College of Marin – New Miwok Center	42	0
1.2828.00	Jonas Center (COM)	95	15
1.2795.00	McPhail's	92	2
1.2840.00	Starbucks Redwood	75	75

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

Job No.	Project	% Complete	% This month
1.6112.24	Lynwood Pump Station MCC	16	0
2.6263.20	Replace PRE Tank 4A	40	6
1.7150.00	San Mateo Tank Inlet/Outlet	20	0
1.7183.00	Replace Plastic 4-inch – Scown Lane	30	0
2.7123.27	PB Replacements – Caltrans (WM Highway 1)	50	50

## Employee Hours to Date, FY 19/20

As of Pay Period Ending June 30, 2020

Percent of Fiscal Year Passed = 100%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	2,522	1,400	180%	Construction	2,896	3,740	77%
Engineering	1,722	1,504	114%	Engineering	2,242	3,096	78%

## 6. Safety/Liability

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FY 20 through June

FY 19 through June

Industrial Injury with Lost Time				Liability Claims Paid	
Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
21	\$8,824	3	3	0	\$0
7	\$2,540	2	2	7	\$8,476

Days without a lost time accident through June 30, 2020

7 Days

## 7. Energy Cost

FYE	kWh	June ¢/kWh	Cost/Day	Fiscal Year-to-Date thru June kWh	¢/kWh	Cost/Day
2020 Stafford TP	96,700	19.6¢	\$632	769,012	20.9¢	\$441
Pumping	156,858	25.6¢	\$1,384	1,461,425	23.7¢	\$946
Other*	44,783	31.0¢	\$479	560,536	26.1¢	\$400
	298,341	24.5¢	\$2,495	2,790,972	23.4¢	\$1,787
2019 Stafford TP	89,506	18.9¢	\$563	690,198	20.3¢	\$383
Pumping	151,666	21.5¢	\$1,018	1,383,023	20.8¢	\$783
Other*	50,716	27.0¢	\$428	575,751	24.2¢	\$379
	291,888	21.6¢	\$2,009	2,648,972	21.4¢	\$1,545
2018 Stafford TP	80,554	19.7¢	\$530	701,085	19.6¢	\$376
Pumping	150,187	20.5¢	\$1,028	1,424,591	20.9¢	\$816
Other*	44,046	27.7¢	\$420	495,498	24.9¢	\$338
	274,787	21.4¢	\$1,978	2,621,174	21.3¢	\$1,530

\*Other includes West Marin Facilities

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## 8. Water Conservation Update

	Month of June 2020	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	4	119	4,166
Retrofit Certificates Filed	9	170	6,406
Cash for Grass Rebates Paid Out	0	10	931
Washing Machine Rebates	0	7	6,804
Water Smart Home Survey	0	152	3,899

## 9. Utility Performance Metric

SERVICE DISRUPTIONS (No. of Customers Impacted)	June 2020	June 2019	Fiscal Year to Date 2020	Fiscal Year to Date 2019
PLANNED				
Duration Between 0.5 and 4 hours	12	3	102	97
Duration Between 4 and 12 hours			96	138
Duration Greater than 12 hours				
UNPLANNED				
Duration Between 0.5 and 4 hours	35*	55	98	133
Duration Between 4 and 12 hours			28	
Duration Greater than 12 hours				3
SERVICE LINES REPLACED				
Polybutylene	8	3	73	104
Copper (Replaced or Repaired)	4		15	13

\*33 services under 4hrs – main leak on Devonshire and Eucalyptus Avenue

# NORTH MARIN WATER DISTRICT

## Summary of Complaints & Service Orders June 2020

7/13/2020

Type	Jun-20	Jun-19	Action Taken June 2020
<b><u>Consumers' System Problem</u></b>			
Service Line Leaks	30	56	Notified Consumer
Noisy Plumbing	1	0	Notified Consumer
House Valve / Meter Off	6	9	Notified Consumer
Nothing Found	9	20	Notified Consumer
Low Pressure	3	1	50 PSI @ PRV, drops 4 PSI w/ faucet on. Requires replacement. 60 PSI @ house and 41 PSI w/ water running. Galvanized line. Pressure ok @ 45 PSI w/ no drop when using hose bib.
High Pressure	2	1	50 PSI @ house. 98 PSI in street. Gauge needs replacing Pressure ok @ 75 PSI. Set to 55 per customer request.
<b>Total</b>	<b>51</b>	<b>87</b>	
<b><u>Service Repair Reports</u></b>			
Meter Box Alignment	0	4	~
Water Off/On Due To Repairs	6	9	Notified Consumer
Misc. Field Investigation	8	14	Notified Consumer
<b>Total</b>	<b>14</b>	<b>27</b>	
<b><u>Leak NMWD Facilities</u></b>			
Main-Leak	0	2	~
Service- Leak	4	4	Repaired
Services-Nothing Found	1	2	Notified Consumer
Fire Hydrant-Leak	1	4	Repaired
Fire Hydrants-Nothing Found	0	1	~
Fire Hydrants-Damaged	0	1	~
Meter Leak	1	2	Repaired
Washer Leaks	6	4	Repaired
<b>Total</b>	<b>13</b>	<b>20</b>	
<b><u>High Bill Complaints</u></b>			
Consumer Leaks	1	0	Notified Consumer
Meter Testing	1	0	Notified Consumer
Meter Misread	1	1	Notified Consumer
Nothing Found	0	1	~
Excessive Irrigation	2	5	Notified Consumer
<b>Total</b>	<b>5</b>	<b>7</b>	
<b><u>Water Quality Complaints</u></b>			
Taste and Odor	2	0	<b><i>Customer reported a strange taste and odor for the past three days. (SAN MARIN DR.)</i></b> Water quality test results were normal and typical of SCWA water. No off taste or odor other than chlorine. Customer was advised of results. <b><i>Customer reported that water tasted funny out of their kettles. (MCCLAY RD.)</i></b> Lab staff sampled front house tap. Results were normal for SCWA water. Customer said taste was likely due to build up in kettle. Discussed ways to minimize with RO filtration.
Other	0	2	
<b>Total</b>	<b>2</b>	<b>2</b>	
<b>TOTAL FOR MONTH:</b>	<b>85</b>	<b>143</b>	<b>-41%</b>

# NORTH MARIN WATER DISTRICT

## Summary of Complaints & Service Orders June 2020

7/13/2020

Type	Jun-20	Jun-19	Action Taken June 2020	
<b><u>Fiscal YTD Summary</u></b>				<b><u>Change Primarily Due To</u></b>
Consumer's System Problems	683	874	-22%	Decrease In Nothing Found.
Service Repair Report	220	300	-27%	Decrease In Water Off/On Due to Repairs
Leak NMWD Facilities	177	217	-18%	Decrease In Service Leaks.
High Bill Complaints	77	219	-65%	Decrease In Nothing Found.
Low Bills	0	8	-100%	Decrease In Nothing Found.
Water Quality Complaints	17	25	-32%	Decrease in Other.
Total	<u>1,174</u>	<u>1,643</u>	<u>-29%</u>	

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

<b><u>Check Meter:</u></b> possible consumer/District leak, high bill, flooded, need read, etc.	56	142
<b><u>Change Meter:</u></b> leaks, hard to read	8	22
<b><u>Possible Stuck Meter</u></b>	1	0
<b><u>Replace Boxes/Lids</u></b>	2	0
<b><u>Dig Outs</u></b>	0	2
	<u>67</u>	<u>166</u>

### **Bill Adjustments Under Board Policy: June 20 vs. June 19**

Jun-20	34	\$7,330
Jun-19	15	\$7,231

### **Fiscal Year vs Prior FY**

FY 19/20	290	\$85,024
FY 18/19	298	\$114,328

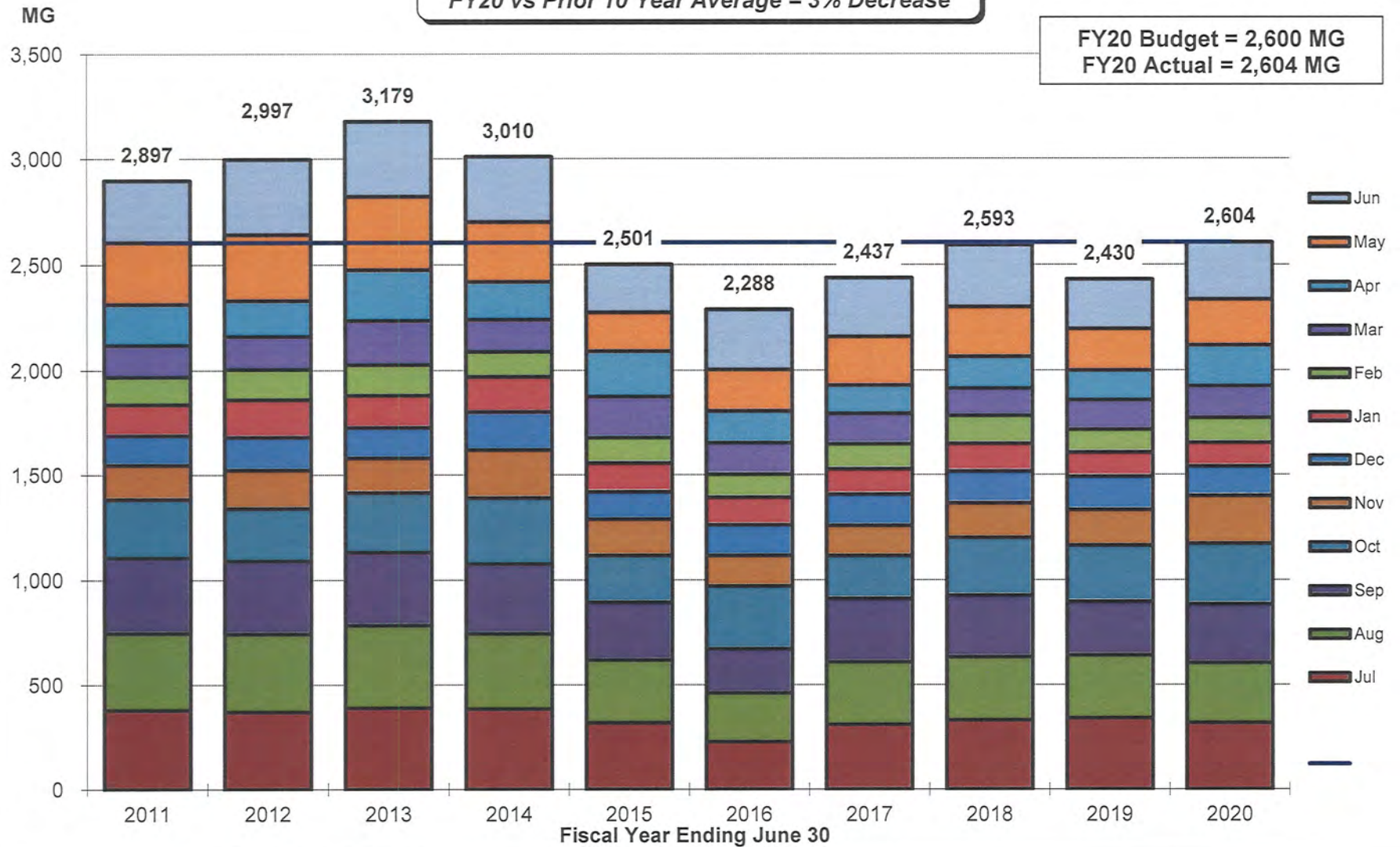
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# Novato Potable Water Production

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**FY20 vs FY19 = 7% Increase**  
**FY20 vs Prior 10 Year Average = 3% Decrease**

**FY20 Budget = 2,600 MG**  
**FY20 Actual = 2,604 MG**





**Customer Service Questionnaire Quarterly Report**  
**Quarter Ending 06/30/2020**



	Response		
	Agree	Neutral	Disagree
<b>Water Quality</b>			
Courteous & Helpful	0	0	0
Accurate Information	0	0	0
Prompt Service	0	0	0
Satisfactorily Resolved	0	0	0
Overall Experience	0	0	0
	0	0	0

	Agree	Neutral	Disagree
<b>Leak</b>			
Courteous & Helpful	17	0	0
Accurate Information	17	0	0
Prompt Service	16	1	0
Satisfactorily Resolved	16	1	0
Overall Experience	17	0	0
	83	2	0

	Agree	Neutral	Disagree
<b>Billing</b>			
Courteous & Helpful	0	0	0
Accurate Information	0	0	0
Prompt Service	0	0	0
Satisfactorily Resolved	0	0	0
Overall Experience	0	0	0
	0	0	0

	Response		
	Agree	Neutral	Disagree
<b>Pressure</b>			
Courteous & Helpful	1	0	0
Accurate Information	0	0	1
Prompt Service	1	0	0
Satisfactorily Resolved	0	0	1
Overall Experience	0	1	0
	2	1	2

	Agree	Neutral	Disagree
<b>Noisy Pipes</b>			
Courteous & Helpful	0	0	0
Accurate Information	0	0	0
Prompt Service	0	0	0
Satisfactorily Resolved	0	0	0
Overall Experience	0	0	0
	0	0	0

	Agree	Neutral	Disagree
<b>Other</b>			
Courteous & Helpful	5	0	0
Accurate Information	4	1	0
Prompt Service	5	0	0
Satisfactorily Resolved	4	1	0
Overall Experience	5	0	0
	23	2	0

<b>Grand Total</b>	108	5	2
	94%	4%	2%

Questionnaires Sent Out	39	100%
Questionnaires Returned	23	59%

# Customer Service Questionnaire Quarterly Report

Quarter Ending 06/30/2020

Customer Comments	Staff Response to Negative Comments	Issues NMWD Should Address In The Future
<p><b>PRESSURE</b></p> <p>Rep told me I should have my main line replaced. I had 2 different plumbers say I did not need any repair or replacement.</p>	Addressed rep and followed up with customer.	
<p><b>LEAK</b></p> <p>Chris was both informative and helpful. Your man found the leak immediately and was very courteous and friendly. I have never had a better customer experience with a public company- EVER! Helpful! Showed me how to read my meter. It's very helpful to know when you have a leak! Very nice service men both times. Chris was professional in helping us shut off the meter to stop the geyser. Very happy, thank you! Very friendly and explained what the issue was. It took a while for someone to come fix the leak but that seemed understandable as it was on the weekend-thank you.</p>		
<p><b>OTHER</b></p> <p>You guys are the best! Too many days are missed for online usage checking.</p>		Street shut off system should be replaced.

## MEMORANDUM

To: Board of Directors

July 17, 2020

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

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

**FINANCIAL IMPACT:** None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$22,154,431 and a market value of \$22,267,425. During June the cash balance decreased by \$206,251. The market value of securities held increased \$112,995 during the month. The ratio of total cash to budgeted annual operating expense stood at 128%, down 1% from the prior month.

At June 30, 2020, 65% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 23% in Time Certificates of Deposit, 4% in US Treasury Notes, 5% in the Marin County Treasury, and 3% retained locally for operating purposes. The weighted average maturity of the portfolio was 92 days, compared to 100 days at the end of May. The LAIF interest rate for the month was 1.22%, compared to 1.36% the previous month. The weighted average Portfolio rate was 1.53%, compared to 1.67% the previous month.

Investment Transactions for the month of June are listed below:

6/1/2020	UBS Bank	US Bank	\$249,036.84	TCD Matured
6/3/2020	LAIF	US Bank	\$100,000.00	Trsf from LAIF account
6/15/2020	BMW Bank	US Bank	\$249,391.77	TCD Matured

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

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis <sup>1</sup>	6/30/2020 Market Value	Yield <sup>2</sup>	% of Portfolio
<b>LAIF</b>	State of CA Treasury	AA-	Various	Open	\$14,309,686	\$14,416,737	1.22% <sup>3</sup>	<b>65%</b>
<b>Time Certificate of Deposit</b>								
TCD	Bank of America	n/a	8/15/18	8/17/20	246,000	246,000	2.75%	1%
TCD	Ally Bank	n/a	9/28/18	9/28/20	246,000	246,000	2.80%	1%
TCD	Barclays Bank	n/a	11/14/18	11/16/20	246,000	246,000	3.00%	1%
TCD	CIT Bank	n/a	12/17/18	12/17/20	246,000	246,000	3.00%	1%
TCD	Reliance Bank	n/a	1/11/19	1/11/21	249,000	249,000	2.70%	1%
TCD	Iberia Bank	n/a	1/25/19	1/25/21	246,000	246,000	2.70%	1%
TCD	Merrick Bank	n/a	2/8/19	2/8/21	249,000	249,000	2.60%	1%
TCD	Eaglebank	n/a	3/15/19	3/15/21	249,000	249,000	2.60%	1%
TCD	Central Bank	n/a	4/18/19	4/19/21	249,000	249,000	2.40%	1%
TCD	Morgan Stanley Private Bank	n/a	5/23/19	5/24/21	247,000	247,000	2.40%	1%
TCD	TIAA Bank	n/a	1/18/19	7/19/21	246,000	246,000	2.75%	1%
TCD	Capital One Bank NA	n/a	8/21/19	8/23/21	247,000	247,000	1.85%	1%
TCD	Capital One Bank USA	n/a	9/6/19	9/7/21	247,000	247,000	1.75%	1%
TCD	Goldman Sachs Bank USA	n/a	10/11/19	10/12/21	247,000	247,000	1.70%	1%
TCD	Flagstar Bank	n/a	11/15/19	11/15/21	247,000	247,000	1.75%	1%
TCD	Synovus Bank	n/a	12/9/19	12/9/21	247,000	247,000	1.65%	1%
TCD	Morgan Stanley Bank	n/a	1/16/20	1/18/22	247,000	247,000	1.75%	1%
TCD	Wells Fargo National Bank	n/a	3/6/20	3/7/22	248,000	248,000	1.35%	1%
TCD	American Express Natl Bank	n/a	4/7/20	4/7/22	248,000	248,000	1.35%	1%
TCD	Synchrony Bank	n/a	4/17/20	4/18/22	248,000	248,000	1.20%	1%
TCD	Pinnacle Bank	n/a	5/7/20	5/9/22	248,000	248,000	0.90%	1%
					<b>\$5,193,000</b>	<b>\$5,193,000</b>	<b>2.14%</b>	<b>23%</b>
<b>US Treasury Notes</b>								
Treas	2.750%	n/a	3/5/19	9/30/20	1,000,536	1,006,480	2.76%	4%
					<b>\$1,000,536</b>	<b>\$1,006,480</b>	<b>2.75%</b>	<b>4%</b>
<b>Other</b>								
Agency	Marin Co Treasury	AAA	Various	Open	\$1,045,101	\$1,045,101	2.22%	5%
Other	Various	n/a	Various	Open	606,107	606,107	0.41%	3%
<b>TOTAL IN PORTFOLIO</b>					<b>\$22,154,431</b>	<b>\$22,267,425</b>	<b>1.53%</b>	<b>100%</b>
Weighted Average Maturity =					<b>92 Days</b>			

LAIF: State of California Local Agency Investment Fund.

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

Agency: STP State Revolving Fund Loan Reserve.

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

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

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

3 Earnings are calculated daily - this represents the average yield for the month ending June 30, 2020.

<b>Interest Bearing Loans</b>	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
StoneTree Golf Loan	6/30/06	2/28/24	\$3,612,640	\$0	2.40%
Marin Country Club Loan	1/1/18	11/1/47	\$1,265,295	\$1,173,730	1.00%
Employee Housing Loans (2)	Various	Various	525,000	525,000	Contingent
<b>TOTAL INTEREST BEARING LOANS</b>			<b>\$5,402,935</b>	<b>\$1,698,730</b>	

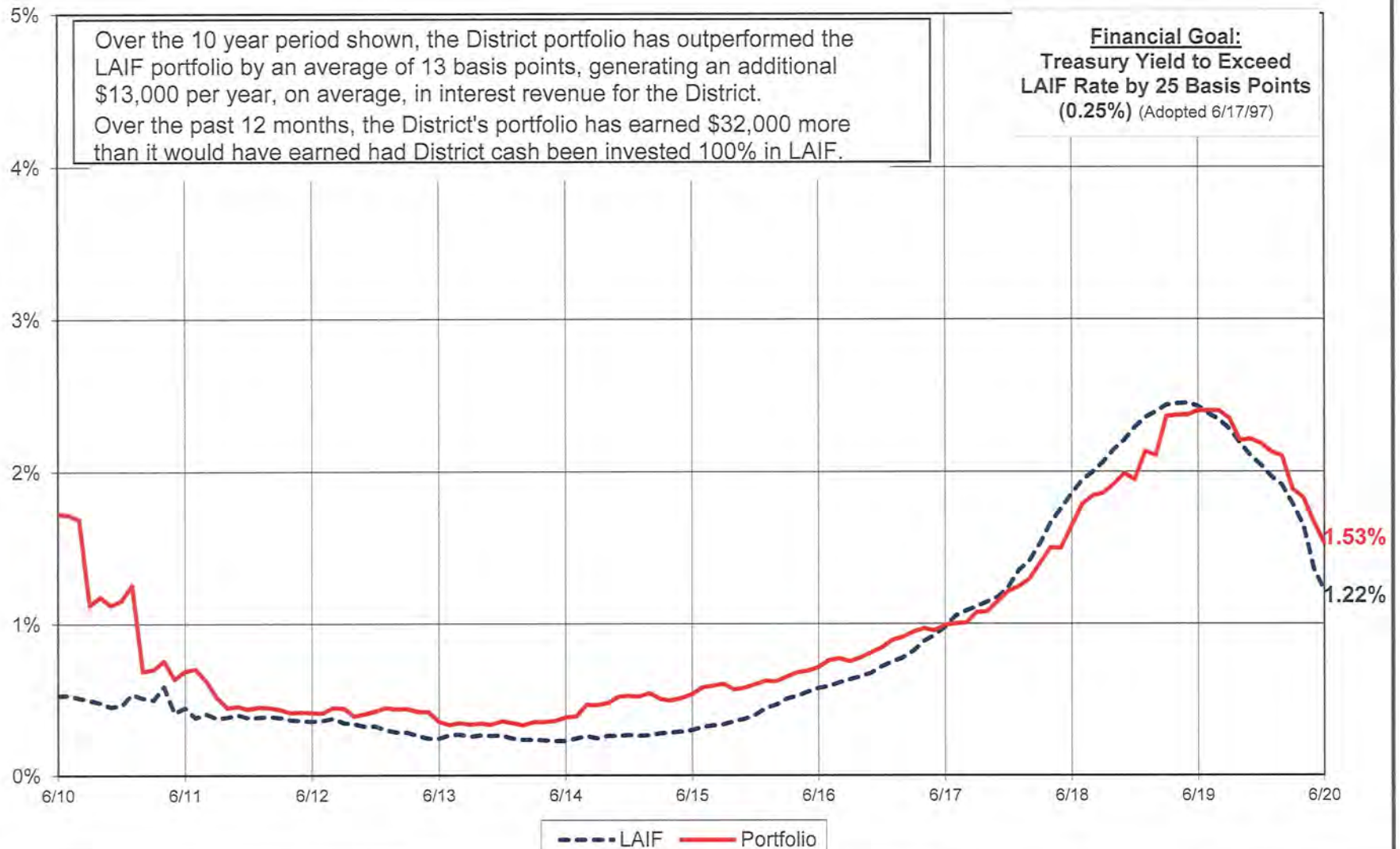
**The District has the ability to meet the next six months of cash flow requirements.**

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7/15/2020

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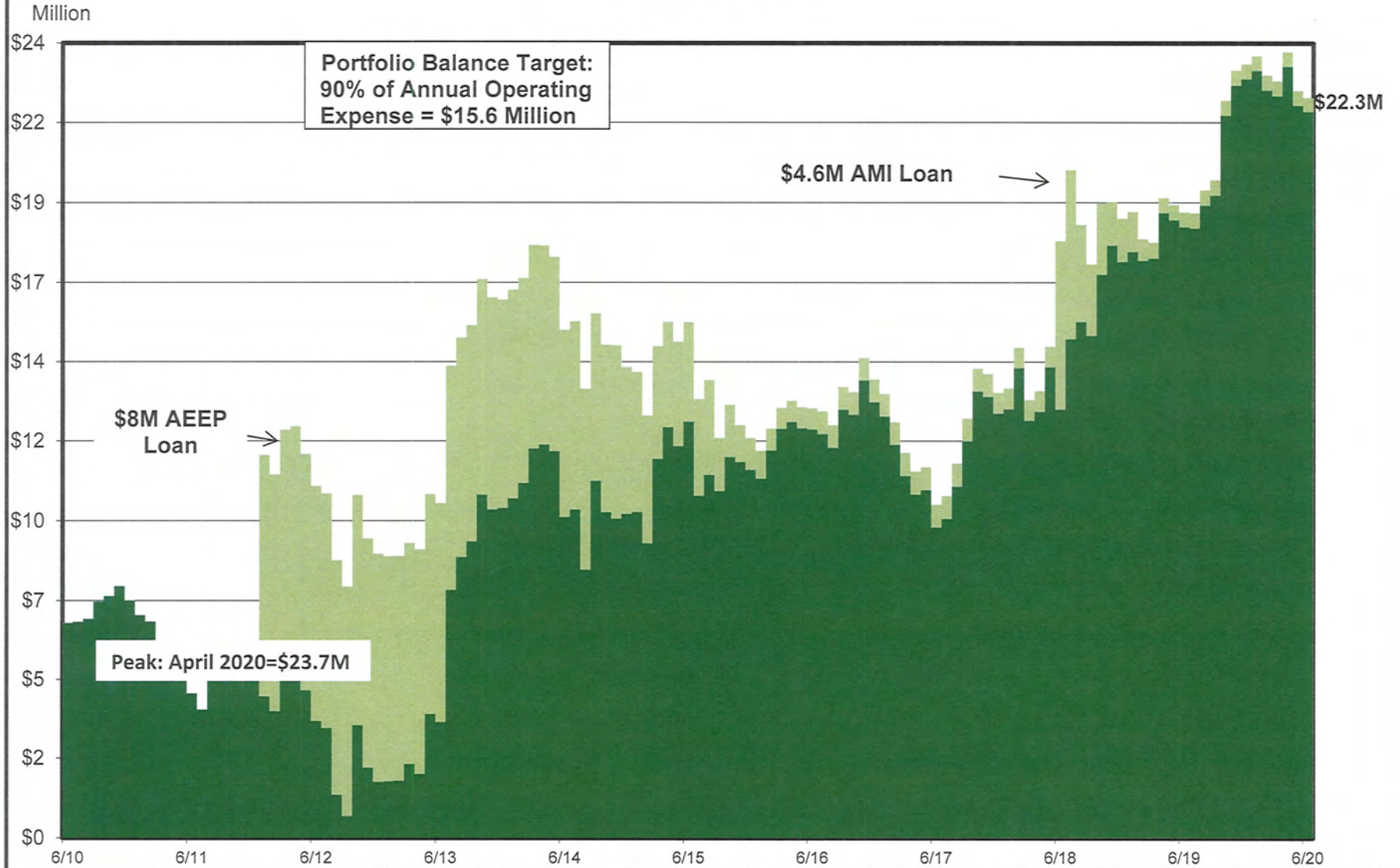
## NMWD Portfolio Rate of Return State of CA Local Agency Investment Fund vs District Portfolio 10-Year History



7/15/2020

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## NMWD Portfolio Balance 10-Year History



**7**



## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, General Manager and Acting Chief Engineer   
Subject: McPhails Phase 2A Water Facilities – 5400 Hanna Ranch Road -APN: 153-220-16 & 19  
r:\folders by job no\2800 jobs\2837 mcphails phase 2\bod memos\2837 mcphails phase 2- bod memo.doc

July 17, 2020

**RECOMMENDED ACTION:** The Board approve authorization of this agreement.

**FINANCIAL IMPACT:** None: Developer Funded

The project site is located east of US Highway 101 and north of State Highway 37, along the northern terminus of Hanna Ranch Road. The project consists of construction of three Office Buildings (A, B and C) in two phases on a 4.91 acre parcel (see attached map). Phase 1 agreement was approved by the board on July 16, 2019 and water facility installations are complete for Building A (pertaining only to Lot 1). Construction of two office buildings (Buildings B & C) in Phase 2 has been delayed due to the current Covid-19 situation. However, the developer has requested partial installation of Phase 2 water facilities (herein called Phase 2A) within areas paved in Phase 1. The Phase 2A agreement is only for extending the 8-inch Phase 1 water main another ~320 feet. Therefore fixed charges will be collected in the future when Phase 2 distribution facilities are completed.

New Zone 1 water facilities include 320 feet of 8-inch PVC main, 20 feet of 6-inch PVC fire hydrant lateral and one commercial fire hydrant. No Facility Reserve Charges are due at this time.


Sewer service is provided by the Novato Sanitary District.

Environmental Document Review

A Mitigated Negative Declaration was approved on December 18, 2017.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM Date 7/17/2020





PROJECT SITE

N.W.P.R.R.

APN 153-220-16

APN 153-220-19

PHASE 1  
(LOT 1)

PHASE 2  
(LOT 2)

HANNA RANCH RD

U.S. HWY 37

MARSH DR

101

U.S. HWY 101

BAYSIDE CT  
LOLITA LN  
SAMOA LN  
FAIRHAVEN WAY  
SCAPE DR  
LOLITA LN  
CHEDA CREEK  
TAHOE CIR  
CROSSROADS CT  
LASSER  
MODOC PL  
PLUMAS CIR

**MCPHAIL'S COMMERCIAL DEVELOPMENT  
PHASE 2A  
APN 153-220-16 AND 19**

DATE	SCALE	JOB. NO.	DWG. NO.
6/30/20	NTS	2837	MAP

RESOLUTION NO. 20-  
AUTHORIZATION OF EXECUTION  
OF  
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT  
WITH  
MCPAHIL'S COMMERCIAL DEVELOPMENT – Phase 2A

---

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and P & K Hanna Ranch, LLC, a California Limited Liability Company, providing for the installation of water distribution facilities to provide domestic and irrigation water service to that certain real property known as 5400 Hanna Ranch Road, Novato, Marin County Assessor's Parcel Number 153-220-16 & -19, NOVATO, CALIFORNIA.

\* \* \*

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 21st day of July, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

---

Theresa Kehoe, Secretary  
North Marin Water District

PART ONE  
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT  
FOR  
MCPHAIL'S COMMERCIAL DEVELOPMENT – Phase 2A

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*THIS AGREEMENT*, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of \_\_\_\_\_, 2020, by and between NORTH MARIN WATER DISTRICT, herein called "District," and P & K Hanna Ranch, a California Limited Liability Company, called "Applicant."

*WHEREAS*, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 153-220-16 & -19 and the project known as MCPHAIL'S COMMERCIAL DEVELOPMENT – Phase 2A, consisting of one (1) lot for commercial development; and

*WHEREAS*, prior to final approval by the City or County of a Subdivision Map, Precise Development Plan, Parcel Map or other land use application and recording of a final map for the project, the Applicant shall enter into an agreement with the District and complete financial arrangements for water service to each lot, unit or parcel of the project; and

*WHEREAS*, the Applicant is the owner of real property in the District commonly known as 5400 Hanna Ranch Road, Novato (Marin County Assessor's Parcel 153-220-16 & -19); and

*WHEREAS*, an agreement for MCPHAIL'S COMMERCIAL DEVELOPMENT – Phase 1 was approved by the Board on July 16, 2019 and the agreement was executed on August 7, 2019 with connection fees paid for 6 EDUs.

*WHEREAS*, McPhails Commercial Development Phase 2A will only extend the Phase 1 project 8-inch water main to facilitate future Phase 2B construction and therefore no fixed charges are due for the Phase 2A project; and

*WHEREAS*, fixed charges will be due in the future Phase 2B project when water facilities for Phase 2 are completed.

NOW THEREFORE, the parties hereto agree as follows:

1. The Applicant hereby applies to the District for water service to said real property and project and shall comply with and be bound by all terms and conditions of this agreement, the District's regulations, standards and specifications and shall construct or cause to be constructed the water facilities required by the District to provide water service to the real property and project. Upon acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 6 of this agreement.

3. Prior to release or delivery of any materials by the District or scheduling of either construction inspection or installation of the facilities by the District, the Applicant shall:

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2837001 - .002, entitled, "MCPHAIL'S COMMERCIAL DEVELOPMENT – Phase 2A", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

b. grant or cause to be granted to the District without cost and in form satisfactory to the District all easements and rights of way shown on Exhibit "A" or otherwise required by the District for the facilities.

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 6 hereof.

4. Except for fire service, new water service shall be limited to the number and size of services for which Initial Charges are paid pursuant to this agreement. Initial Charges for new services, estimated District costs and estimated applicant installation costs are as follows:

**Initial Charges**

Meter Charges (Bldg B) (not set).....	Zero 1 ½-inch @	\$	0.00	\$	0.00
Meter Charges (Bldg C) (not set).....	Zero 1 ½-inch @	\$	0.00	\$	0.00
Reimbursement Fund Charges (Bldg B).....	Zero 1 ½-inch @	\$	0.00	\$	0.00
Reimbursement Fund Charges (Bldg C).....	Zero 1 ½-inch @	\$	0.00	\$	0.00
Facilities Reserve Charges (Bldg B).....	Zero @	\$	28,600.00	\$	0.00

Facilities Reserve Charges (Bldg C).....	Zero @	\$ 28,600.00	\$	0.00
Facilities Reserve Charges (Irrigation).....	Zero @	\$ 28,600.00	\$	0.00
<b>Subtotal - Initial Charges.....</b>			<b>\$</b>	<b>0.00</b>

#### **Estimated District Costs**

Pipe, Fittings & Appurtenances.....	\$	7,429.00
District Construction Labor.....	\$	18,847.00
Engineering & Inspection.....	\$	4,301.00
Bulk Materials.....	\$	4,875.00
<b>Subtotal –Estimated District Costs.....</b>	<b>\$</b>	<b>35,452.00</b>

#### **Estimated Applicant Installation Costs**

Contractor Furnished – Materials.....	\$	5,393.00
Contractor Construction Labor.....	\$	28,750.00
Contractor Furnished Bulk Materials.....	\$	7,088.00
<b>Subtotal- Estimated Applicant Installation Costs.....</b>	<b>\$</b>	<b>41,231.00</b>

**TOTAL ESTIMATED WATER FACILITIES COSTS..... \$ 76,683.00**

(Bulk materials are such items as crushed rock, imported backfill, concrete, reinforcing steel, paving materials, and the like, which are to be furnished by the contractor performing the work.)

5. In addition to the Initial Charges, Estimated District costs and Contributions, and Estimated Applicant Installation costs set forth in Section 4 above, the Applicant shall furnish at no cost to the District all PVC pipe (4-inch diameter and larger), valves and water line fittings shown on Exhibit "A" or otherwise required by the District. The quantities, type and quality of said materials shall be approved by the District prior to purchase by the Applicant and shall conform to District standards as stated and shown on Specifications (15100 Valves, 15056 Pipeline Fittings, 15064 Polyvinyl Chloride (PVC) Pressure Pipe) marked as Exhibit "B" attached hereto and made a part hereof and as otherwise may be required. (For purposes of recording, Exhibit "B" is not attached but is on file in the office of the District.) The cost of said materials is estimated to be **\$5,393**. The District reserves the right to reject and prohibit installation of all nonconforming materials furnished by the Applicant.

6. Financial Arrangements to be made by the Applicant shall consist of the following:

#### **Initial Charges and Estimated District Costs**

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area

the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$35,452**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

#### Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$41,231** conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$10,308** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$76,683** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

Whenever an irrevocable letter of credit is required by this agreement, the Applicant may substitute a certificate of deposit at a financial institution in the Novato area provided the certificate may be cashed at sight by the District at any time.

7. The District has determined that recycled water may be supplied for irrigation in the future and requires that the Applicant's irrigation system be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for connection of Applicant's irrigation system to the recycled distribution main when it becomes available.

In the interim, potable water shall be supplied through a potable irrigation water meter with a reduced pressure principle backflow device. When recycled water becomes available, the irrigation system will be connected to the recycled water distribution main per District requirements at the time the connection is made.

8. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 6 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

9. All extensions of time granted by the City of Novato or the County of Marin for the Applicant to comply with conditions of land use approval or to construct improvements pursuant to a subdivision improvement agreement shall require concurrent extensions of this agreement and shall be cause for review and revision of all Initial Charges and estimated costs set forth in Section 4 hereof. The Applicant shall apply to the District for extension of this agreement prior to approval of the Applicant's requests for such extensions by either the City of Novato or the County of Marin.

10. This agreement shall bind and benefit the successors and assigns of the parties hereto; however, this agreement shall not be assigned by the Applicant without the prior written consent of the District. Assignment shall be made only by a separate document prepared by the District at the Applicant's written request.

**NORTH MARIN WATER DISTRICT**  
"District"

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Michael H. Joly, President                      Date

**ATTEST:**

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Theresa Kehoe, Secretary

(SEAL)

**P & K Hanna Ranch, LLC**  
"Applicant"

(SEAL)

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Paul Thompson, Member

**NOTES:** *If the Applicant executing this agreement is a corporation, a certified copy of the bylaws or resolutions of the Board of Directors of said corporation authorizing designated officers to execute this agreement shall be provided.*

*This agreement must be executed by the Applicant and delivered to the District within thirty (30) days after it is authorized by the District's Board of Directors. If this agreement is not signed and returned within thirty days, it shall automatically be withdrawn and void. If thereafter a new agreement is requested, it shall incorporate the Initial Charges (connection fees) and cost estimates then in effect.*


**ALL APPLICANT SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.**



8

## MEMORANDUM

To: Board of Directors

From: Drew McIntyre, General Manager/Acting Chief Engineer 

Subject: Renew Declaration of Local Emergency Related to COVID-19 Pandemic  
I:\gm\bod misc 2020\renew covid emergency declaration #7 07\_21\_20.doc

July 17, 2020

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

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

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

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

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

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

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

On April 29, 2020, Marin County and the other six Bay Area Public Health Officers issued a new order effective May 4, 2020 through May 31, 2020. 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 July 13, 2020 Governor Newsom issued a statewide order to dial back on recent loosening of restrictions due to a significant increase in the number of confirmed cases. As a result, various activities in Marin County were once again closed down, including: office space for non-essential operations, indoor malls, hair salons/barbershops and indoor seating at restaurants.

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

Since April 21, 2020, the Board of Directors has, at every regular meeting, approved continuation of the local emergency resulting from the COVID-19 pandemic as declared in District Resolution No. 20-07.

District emergency planning has been aggressively implemented since March 16, 2020. Initially approximately 50% 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 additional staff back to the District buildings, and certain other projects and activities has been occurring and the District is now operating with 85% of staff on-site or in the field. The District's COVID-19 Preparedness and Response Plan is now finalized and training has been completed with staff. Additional physical work space modifications are expected to be completed with the next 1-2 weeks. A summary of key emergency actions taken and current estimated costs is provided in Attachment 1.

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.

## Emergency Actions Summary

### Emergency Operations Team Actions

- Water treatment plants have been closed to all non-essential staff and the public; expanded social distancing and safety measures for essential plant staff.
- Public lobby in the District Administration building has been closed and customers have been provided with alternative methods for communicating with District staff.
- Developed guidelines for social distancing in the office and in the field; distributed guidance to all employees and posted social distancing protocol at facility entrances.
- Developed an initial rotational schedule for operations and maintenance staff to reduce staffing density on-site and minimize the number of employees on duty while completing essential work. (This approach reduced productivity, but improved the likelihood of healthy backup staff.)
- During initial response, shifted ~50 percent of employees to rotating schedule and/or rotating work.
- Procured additional District cell phones for field staff to have better access to District communications and direct contact with supervisors.
- Disinfected District vehicles and reconfigured vehicle assignments to accommodate single occupancy to allow for social distancing, including re-deployment of vehicles scheduled for auction
- Suspended discretionary water service turn-offs for the duration of the emergency declaration.
- Continuing coordination with local agency, county and state contracts to share information and implement best practices.
- Participating in twice weekly multi agency coordination calls through Marin County Office of Emergency Services (OES).
- Updating public website, messaging and social media posts as necessary including messages on suspension of walk-in services and water safety and reliability.
- Spring 2020 Waterline newsletter, direct mailed to all customers, included COVID-19 messaging with information on water safety and reliability.
- Posted magnetic signage on vehicles to inform public to respect distancing around crews.
- Issued guidance on face coverings in compliance with Centers for Disease Control and Prevention and County recommendations; revised to address April 29 County order generally requiring members of the public and workers to wear face coverings.
- Developed and rolled out an employee self-assessment screening questionnaire for use by any District employee or vendor prior to entering a District workspace; self-assessment questions are reviewed and update as needed.
- Continue to procure necessary face coverings and personal protective equipment, including disposable masks, face covering and N95 equivalent masks.
- Tracking customer delinquency and comparing to last year to assess potential revenue impacts.

- Developing a living “lessons learned” document.
- Installed hand disinfecting stations at District facilities.
- Expanded use of District’s on-call requirements to ensure construction crew staff maintain their work “bubbles” to ensure adequate back-up staff availability.
- Increased janitorial services to include disinfection of frequently touched areas (door handles, knobs, etc.).

**General Manager Authorizations**

- Extended vacation accrual maximums from July 1, 2020 to August 31, 2020.
- Extended FY 2019/20 vision insurance reimbursement eligibility from July 1 to August 31, 2020.

## COVID Cost Summary

### PROCUREMENT EXPENSES

Vendor Purchases	Procurement Type	Total Purchase Order Amount	Date
Durkin Signs & Graphics	Magnetic "Social Distance" Signs	\$1,077	4/14/2020
Winzer Corporation	Surgical Masks (2,000)	\$3,751	4/15/2020
Boucher Law	COVID Protection Plan	\$3,250	5/26/2020
JCA Construction	Misc. Office Social Distancing Modifications	\$12,427	6/30/2020
Winzer Corporation	Surgical Masks (2,000)	\$1,573	7/6/2020
Novato Glass	Plexiglass	\$3,969	6/9/2020
<b>Total Procurement Amount To-Date</b>		<b>\$26,047</b>	

### Internal Labor Expenses

Increased on-call labor costs    ~\$3,000/week

9



## MEMORANDUM

To: Board of Directors

July 17, 2020

From: Julie Blue, Auditor/Controller 

Subj: Request for Additional Bill Adjustment – 12461 Sir Francis Drake Blvd

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**RECOMMENDED ACTION:** Approve additional adjustment of \$750**FINANCIAL IMPACT:** \$0 - \$1,000

The customer at 12461 Sir Francis Drake Blvd. has requested a bill adjustment to reduce their bill of \$9,536, which includes \$9,484 in water charge usage, incurred over a two-month billing period. In early June 2020 the NMWD SCADA system identified a substantial leak in the West Marin Water System. District staff located the leak, downstream of the residential meter at 12461 Sir Francis Drake Blvd., and shut off the water. The customer contacted a plumber and the leak was fixed the next day. The water loss is approximately 447,000 gallons.

The customer is eligible for a \$6,987 bill adjustment for high use due to a leak during the period of April 1, 2020 through June 3, 2020. This adjustment is based on the Board approved bill adjustment policy and would reduce the customer's bill to \$2,549.

Below is a chart showing the customer's water use which includes the period of high use caused by the leak. See attachment 1 for correspondence from the customer which outlines their request and provides further information. The customer is requesting an additional \$1,000 reduction to their bill. As expressed in the letter the water meter and lines are not easily accessible and staff agrees that leak detection can be challenging in remote wooded areas.

The customers were emailed a link to the agenda on Friday, July 17 and were encouraged to participate in the meeting to further discuss their request for an additional leak adjustment.

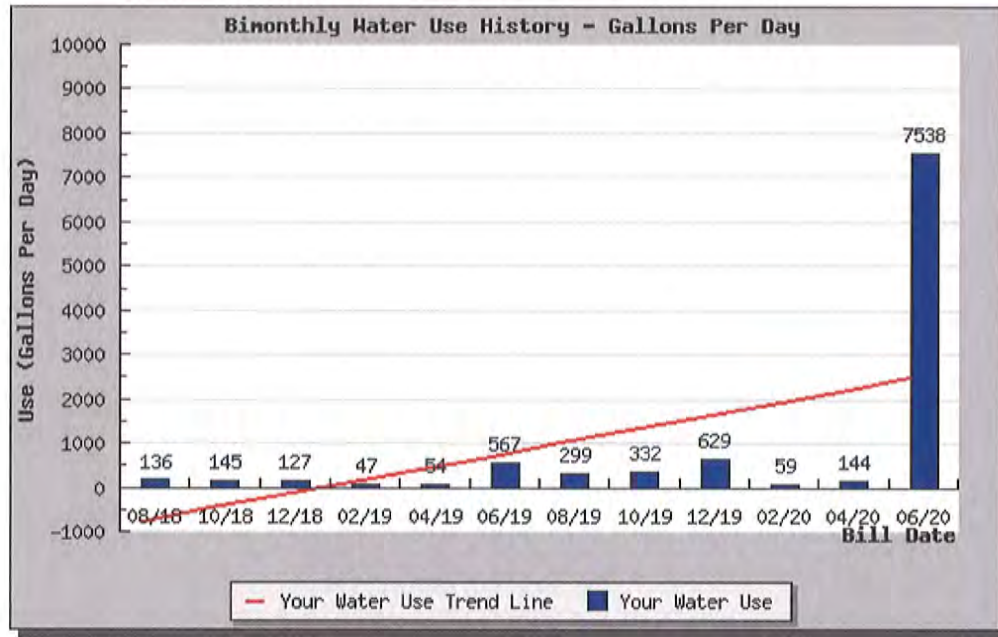
Staff recognizes that even the adjusted bill is a significant amount; however, the 447,000 gallons of water loss is also significant. The District's marginal cost of water lost was \$1,389<sup>1</sup>. If the Board was to approve an additional reduction of \$750 the result would be a revised bill of \$1,803<sup>2</sup>. This reduction would be consistent with previous board approved bill adjustments for customers in this service area with a leak of this magnitude. As recommended in the draft response letter (Attachment 2) the customer has been advised to install a third party

<sup>1</sup>Based on production cost of \$2.13/1,000 gallons and electric cost to pump water to the property at \$0.98/1,000 gallons

<sup>2</sup>Estimated bill of \$414 (excludes water loss due to leak) plus marginal cost of water \$1,389



manufactured leak detection device. The response letter is ready to send to the customer barring changes requested by the Board.



Board options to consider:

- 1) Approve an additional bill adjustment of \$750;
- 2) Approve an additional bill adjustment of \$1,000;
- 3) Deny the request for an additional bill adjustment.

**RECOMMENDATION:**

Consistent with treatment of other customers in similar situations staff recommends Option 1.

June 25, 2020

**TO: NMWD, Board of Directors**  
**FROM: West Marin Customers, Judy Spelman and Rich Schiller**  
**12461 Sir Francis Drake Blvd. Inverness**  
**Re: Leak-related Water Use Charges**

We are writing to thank you for offering to absorb a portion of our leak-related \$9536.06 water usage charge, to explain why the remaining charge is problematic for us and to appeal for a further reduction of \$1000.00, to request information about your 2018 JP Morgan Chase \$4.600,000 loan to, "Improve early leak detection, increase meter reading, water use and customer service efficiency and accuracy, and allow customers to view water use information online", to explain why these upgrades, as currently structured, create two classes of customers for the same service and, lastly, to explore how loan re-payment is structured across the NMWD customer base. We thank Ms. Blue, in advance, for putting our concerns on your July Board of Directors meeting, which we will attend, if that could be helpful.

1. We are seniors, living primarily on Social Security. Before COVID we also had income from Rich's work as a Podiatrist at Point Reyes Station Coastal Health Alliance Clinic, but his services are not being used during the crisis and his contract may not be renewed. For us, a \$2548.69 water use charge is a significant financial burden and we hope you can offer us an additional reduction of \$1000.00.
2. We are 81 and 76 years old. Most of our water pipes are in densely wooded areas that we cannot access safely. We also cannot access our water meter safely. We have no practical way to monitor leaks in these areas. Ms. Blue tells us that it is entirely our responsibility to find and repair leaks and that NMWD has no responsibility or accountability in these matters. The recent Court decision regarding PG&E's policy for a similar problem, that is, blaming customers for fires on their property that were associated with company infrastructure, may serve as a precautionary tale for NMWD.
3. Ms. Blue states that leak technology upgrade was not budgeted for west Marin. The problem for you and for us is that you never told us about your intention to seek a loan for this and other upgrades, and thus you never gave us the opportunity to discuss the merits of the upgrades and pay upgrade charges. I think most of us out here would have approved additional charges for these excellent, practical and potentially money-saving upgrades. In withholding the opportunity for west Marin customers to be a part of the loan and acquire the upgrades, you created two classes of customers, being treated differently for the same service.
4. Ms. Blue says Novato and west Marin residents pay only for capital investments in their own service areas. We reviewed your 2018-2019 fiscal year finance records and find no evidence that Novato customers alone, are paying for the JP Morgan Chase \$4,600,000 loan. We would like to see evidence about how these loan charges are being paid off.

5. Ms. Blue says one of the reasons the loan did not include west Marin customers is because the terrain is different here than in Novato and would require different technology. That's interesting, but does not explain why you decided to obtain technology that would benefit only Novato customers, and which will afford them an enormous financial benefit that west Marin customers will not have. Our \$9536.06 leak related water charge is a perfect example of what these inequities will look like if only Novato customers get the upgraded technology. This is not consistent with standards of fair-mindedness and equitable treatment we expect from US businesses and, it creates two classes of customers being treated unequally.
6. Ms. Blue declares that Novato and west Marin are separate entities. While there may be administrative separations for legitimate practical purposes, we are all NMWD customers and we must be treated equally, in good faith.
7. Ms. Blue wrote that the, "Leak alert system technology is provided to Novato customers as a courtesy". This is a strange statement. Upgrades cannot be both a courtesy and something one pays for. And why would NMWD offer Novato customers this "courtesy" but not offer it to west Marin customers? In offering the courtesy only to Novato customers, you created two classes of customers, being treated unequally.
8. Ms. Blue goes on to say, "We do not notify all customers of leak alerts, as it depends on the size and frequency and ***whether a customer is signed up to receive them.***" We would like to know if all NMWD customers had a chance to sign up for leak alerts. If yes, we would like to know when and how this occurred and whether one can still sign up for the alerts.

As a public entity, we believe you must, and expect that you will, answer our questions and consider our request for reduction of leak-related water use fees.

Warm regards,

Judy Spelman and Rich Schiller.



**NORTH MARIN  
WATER DISTRICT**

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

PHONE  
415-897-4133

EMAIL  
[info@nmwd.com](mailto:info@nmwd.com)

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

## DRAFT

July 21, 2020

Richard Schiller & Judy Spelman  
PO Box 1204  
Point Reyes Station, CA 94956-1204

*RE: Leak at Service Address 12461 Sir Francis Drake Blvd.*

Dear Mr. Schiller and Ms. Spelman,

This letter is in response to your letter dated June 25, 2020. Please see below for responses to your inquiries from your letter dated June 25, 2020.

- (Question 1): The Water District Board of Directors (Board) approved policy allows for a \$6,987 adjustment to your water bill dated June 11, 2020. You are requesting an additional reduction to your June 11, 2020 water bill. This request will be reviewed by the Board at the District's July 21, 2020 Board meeting. Staff is recommending that the Board approve an additional \$750 reduction which reduces your bill to \$1,803 which is the estimated cost of actual water use, the bi-monthly service charge plus the marginal cost of water.
- (Question 2): Water lines extending from a water meter to a customer/property owner's service location are the private property of each customer/property owner, the Water District does not own these facilities. It is the responsibility of each customer/property owner to maintain their private water line and they are responsible for the water used on their property. A solution that would benefit the customer in detecting future leaks would be the installation of a third party manufactured device which will sense when a leak occurs. Once a leak is detected by one of these devices it will alert the customer or in some cases it will shut the water off automatically.
- (Responding to Questions 3, 4, 5, and 7): The Novato and West Marin (WM) water systems are operationally separate and distinct with each requiring its own facilities and infrastructure which are not used or shared. Therefore, revenues and expenses for each system are tracked and kept separate according to generally accepted accounting practices and in compliance with all applicable legal requirements. Rates for the Novato and WM systems are considered and calculated separately to ensure that each system's customers pay only for those costs and facilities properly and legally allocated to each system.

DIRECTORS: JACK BAKER · RICK FRAITES · JAMES GROSSI · MICHAEL JOLY · STEPHEN PETTERLE

OFFICERS: DREW McINTYRE, General Manager/Acting Chief Engineer · TERRIE KEHOE, District Secretary · JULIE BLUE, Auditor Controller

In WM, the current Board adopted Capital Improvement Plan (CIP) consists of projects which are of the highest priority for the service area with the primary focus on providing a safe reliable water supply and providing for fire protection. Over the next five years, the WM CIP focuses on projects to add additional water supply wells and to expand and/or replace aging storage tanks to enhance the reliability of domestic and fire protection water service. Advanced Meter Information (AMI) projects are inherently costly and complicated. Due to technology limitations, WM terrain presents challenges to operating an AMI system distinct from that of Novato that make it particularly challenging and expensive to implement. The feasibility and funding of an AMI project in WM will be reassessed once the higher priority projects noted above are complete. The Board considers CIP priorities for both the WM and Novato systems annually and your input is welcome.

- (Question 6) Revenues and accounts for each service area are reported and kept separately. The loan for \$4.6 million was recorded under the Novato Water service area and the loan proceeds held specifically for payments for the Novato AMI project. Revenue received from customers in the Novato service area is designated to a Novato Water account and payments for the loan are made solely from this account. Revenue from West Marin customers is not used to pay any debt or operating costs for projects or facilities which are solely used to provide service to Novato customers, including the JP Morgan loan. Financial statements are reviewed by the BOD on a quarterly basis with the information provided to them available to the public as part of the Board meeting agenda materials. By reference the most recent financial statement can be accessed on the website at [www.nmwd.com](http://www.nmwd.com) and is included in the May 5, 2020 Board agenda.
- (Question 8): All customers, WM included, have the option to sign up for automatic leak alerts through the WaterSmart portal. The portal shows water use and can be set to send out automatic leak alerts. In the case of WM customers, the leak alert will be sent when a trend of increased water use is detected from one billing period to the next. A customer can sign up for this feature on the District's website at [www.nmwd.com](http://www.nmwd.com) or by calling the billing department at 415-897-4133.

Sincerely,

Drew McIntyre  
General Manager

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## MEMORANDUM

To: Board of Directors

July 17, 2020

From: Julie Blue, Auditor/Controller JB

Subj: CalPERS Pension Update

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**RECOMMENDED ACTION:** Information Only**FINANCIAL IMPACT:** \$1,529,000 Expenses in FY21 – a \$167,000 increase from FY20**Background**

The District offers its employees a defined benefit pension plan through the California Public Employee's Retirement System (CalPERS). All CalPERS participating employers (aka members), with less than 100 employees, are combined into a pooled plan where gains/losses are allocated between the members by a proportionate share based on each agency's accrued liability. There are two types of employee membership classifications, Classic and PEPR. PEPR members were established under the Public Employee Pension Reform Act which took effect in January 2013. PEPR was created to address structural concerns related to California public employees' pensions to help agencies better manage future pension costs.

Under contract or law, each classification of employees is assigned a retirement benefit formula which determines the calculation for retiree pension payments. Three factors are used to calculate the retirement benefit which are service credit (years), multiplied by the benefit factor (% per year), multiplied by the final monthly compensation. The retirement benefit formula for Classic members is 2.5% @ 55 and the PEPR formula is 2% @ 62. The final monthly compensation for Classic members is based on the highest single year of compensation and for PEPR members it is based on the highest average compensation over a three-year period.

**EMPLOYER CONTRIBUTIONS**

The District is responsible for the employer contribution costs associated with the CalPERS pension plan. CalPERS notified the District that its fiscal year 2020-2021 (FY21) employer contributions will increase, from the prior FY, by approximately 2.2% to an equivalent of 28% of payroll earnings. Attachment 1 illustrates the historical employer contributions as a percentage of payroll.

There are two components included in the employer contributions, the Unfunded Accrued Liability (UAL) and the Normal Cost (NC) rate. The UAL for FY21 is \$939,079 which is the amount owed towards the plan for members who are currently receiving benefits and towards active

members. The UAL is paid annually as a lump sum at the beginning of the fiscal year. The NC rate represents the annual cost of service for active employees for the upcoming fiscal year and is estimated to be \$589,490 or 10.8% of payroll. The NC is shown as a percentage of payroll and paid after each semimonthly payroll processing. Additionally, Classic member employees contribute 8% of their earnings and PEPRAs members contribute 6.75% to fund the plan.

### **Plan's Funded Status**

Annually CalPERS provides an actuary report which projects benefits that will be owed to all employees when they retire and calculates how much should be contributed to the plan each year to fund those benefits. The District's net funded liability was \$12.6 million at June 30, 2018 which is a decrease from \$12.8 million from the prior year. The funded ratio is down to 71.8% compared to 73.6% in the prior year. The funded ratio is calculated as the market value of the plan assets divided by the accrued liability. The funded ratio on investment earnings over the past 8 years has varied from 67.3% to 80.7%. The PEPRAs plan, which is currently 33% of payroll, has a funded status of 92.7% compared to 95.4% in the prior FY. The level of funding is dependent on the discount rate, currently 7%, which is the long-term interest rate (assumed rate of return) used to fund future pension benefits.

The collective funded status of the CalPERS Public Employee Retirement Fund (PERF) is 68%. The District's funding status is slightly above this and is comparable to the funding status of local agencies which range from 62% to 76%.

### **COVID-19 Impact**

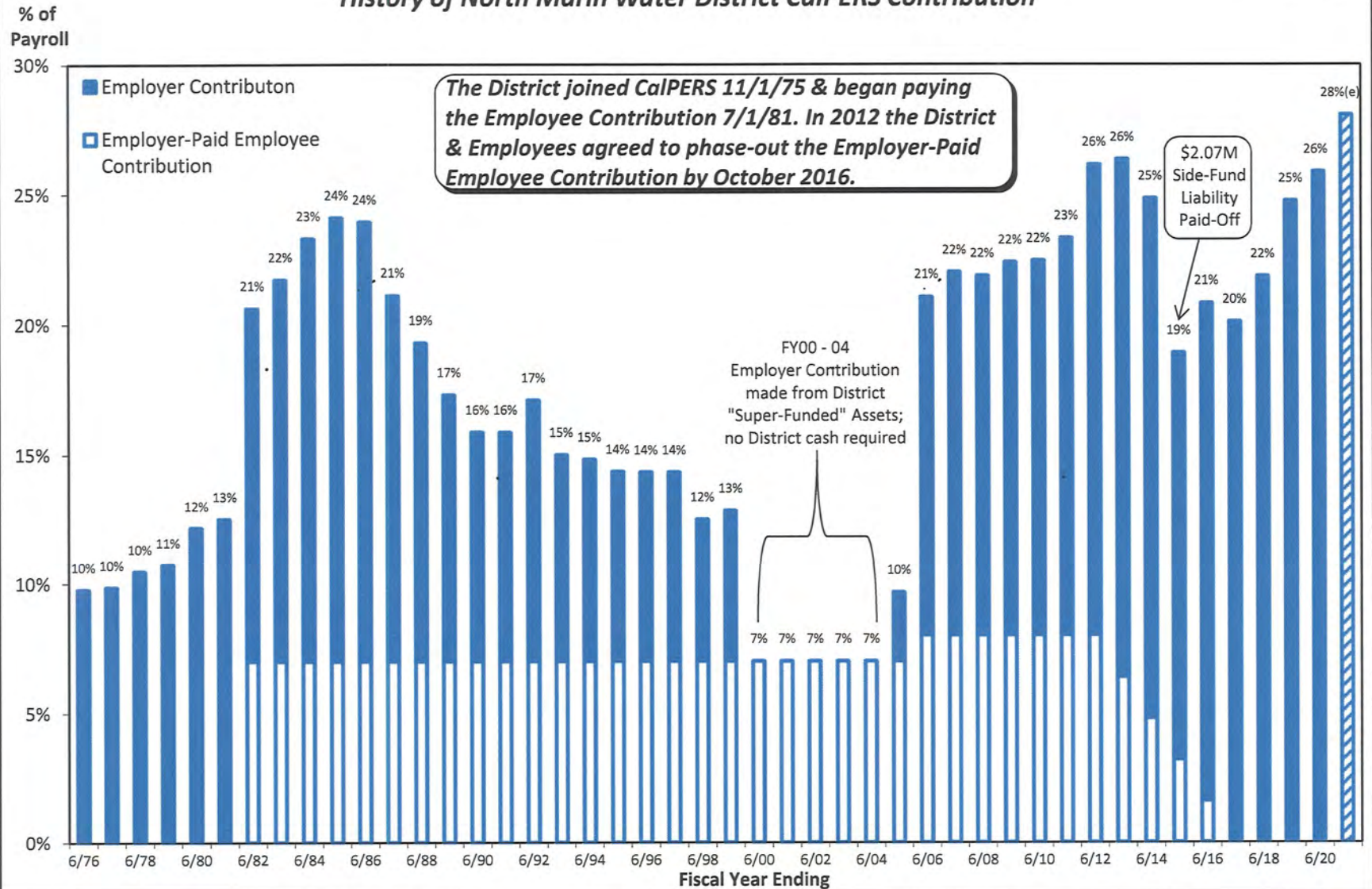
CalPERS estimated rate of return of 7% represents an average expectation over a long-period of time. These expectations are reviewed by CalPERS on a four-year cycle to avoid being overly reactive to circumstances that are currently occurring. CalPERS reported that as of June 30, 2020, their preliminary rate of return was 4.7%. Any investment losses that the funds suffer will be reflected in the June 20, 2020 actuarial valuation report. Payments for any losses will be made beginning in FY 23 and will be made for 20 years.



7/16/2020

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## History of North Marin Water District CalPERS Contribution



11

## MEMORANDUM

To: Board of Directors  
 From: Robert Clark, Operations / Maintenance Superintendent  
 Subj: Administration Office Roof Replacement Project  
\\nmwdserver1\maintenance\maint sup\2021\bod\admin roof replacement closeout.docx

July 17, 2020

**RECOMMENDED ACTION: Information****FINANCIAL IMPACT: \$201,020**

In May 2019 Staff solicited proposals to replace the Administration office roof. During this process Staff found it difficult to attract contractors willing to bid the project due to the size of the project and limited schedule availability. After we met with four contractors to review the scope of work and their approach to the job, Ken Cooper Roofing from San Rafael was the successful bidder.

Vendor	Local Office Location	Roof Bid	HVAC Bid
Ken Cooper	San Rafael, Ca	\$178,765	\$9,500
Pioneer	San Francisco, CA	\$307,000	No Bid
Central Bay	Alameda, CA	\$315,691	No Bid
Highland	Oakland, Ca	\$84,700	No Bid

While Highland provided the lowest bid, their proposal did not meet our specification for a complete removal of the old roofing material, but overlay new roofing materials. As shown in the table above not all of the contractors were willing to include a bid to temporarily remove and replace the HVAC systems. This was not a task our staff was able to complete so we would have had to find an additional contractor to perform this work. The only other HVAC proposal we received was over \$20,000 to remove and reset the units. Ken Cooper was able to include the HVAC work with a local contractor partnership they had. Ken Cooper also included costs to address roof drainage issues with a cricket installation on the East and West sides of the roof.

As part of the scope of work for the roof replacement project Staff included a review with the Architect of the building remodel project. In concert with the Architects plan for the remodel, several roof penetrations were removed and covered over. These included the five exhaust fans that have not been utilized for the past 15-20 years, two skylights over the patio and two old HVAC cooling tower openings.

Because the roof was 55 years old and we were aware of several locations that had leak repairs over the years, staff included a 10% contingency to allow for time and materials to repair the roof sub structure. During the construction the contractors were willing to work late and weekends to limit impacts to staff. The finished product is a roof that meets current California Title 24 efficiency standards and will last the next 25 years or more. See progress photos below.



These photos show a time line of the roof replacement and one of the damaged repair areas near one of the four drain inlets.



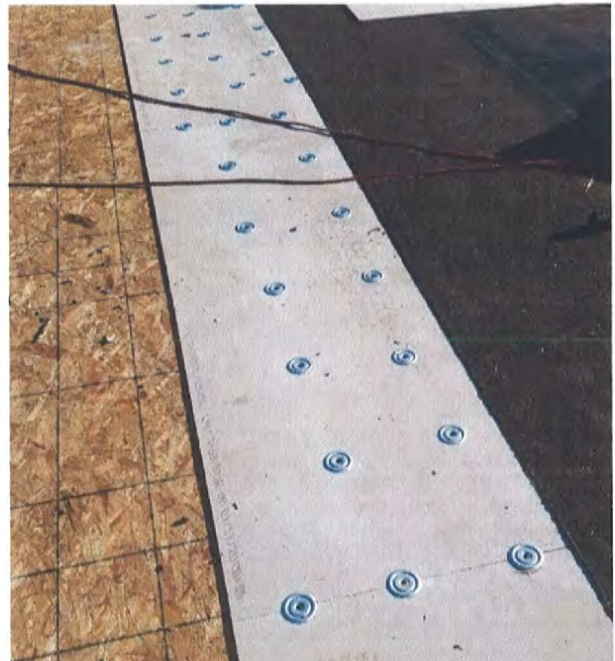
Removal of the rock from existing roof.



Old roofing materials removed to plywood sub straight.



New 2" poly urethane ridge board insulation with a 7/16" OSB board laminated to the top.



On top of the OSB is a 1/4" secure rock primed gypsum-fiber roof board and one layer of Polyglass flex bitumen heat welded to the board.





The top layer is a single layer of Polyglass Polyfresko white granular surfaced fire rated white modified bitumen.

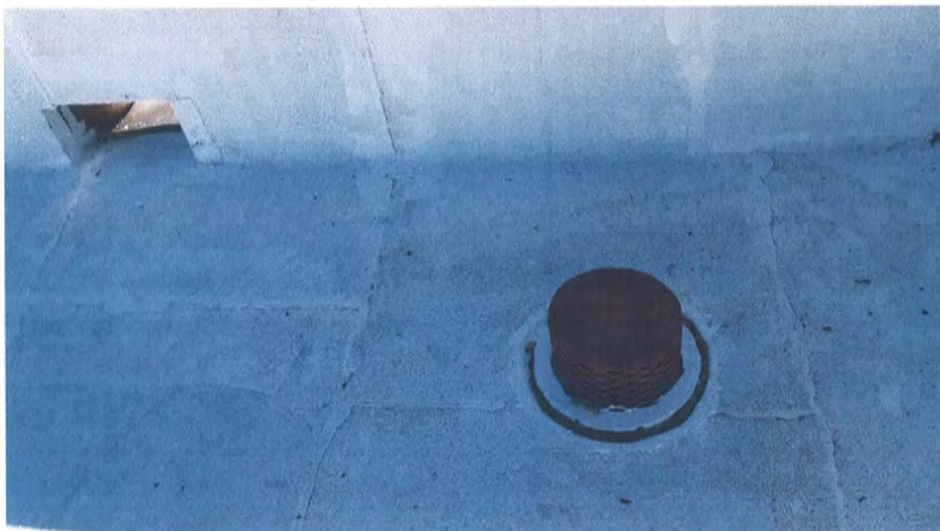


This is the view of the new cricket on the West. Which will eliminate the rain puddling issues we had in the past.



Finished roof with non-essential through holes removed. This will satisfy TITLE 24 requirements.

These three photos show typical damage from previous roof leaks and the repairs. The top photo shows the rotten plywood roof sub straight that was replaced. The second photo shows the new sub straight repair and the third photo is the final roof drain with new roofing materials.



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**DISBURSEMENTS - DATED JUNE 25, 2020**

Date Prepared 6/23/20

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 6/15/20 & Final Payout	\$148,775.67
EFT*	Internal Revenue Service	Federal & FICA Taxes PPE 6/15/20 & Final Payout	66,739.82
EFT*	State of California	State Taxes & SDI PPE 6/15/20 & Final Payout	14,249.09
EFT*	CalPERS	Pension Contribution PPE 6/15/20	37,475.76
EFT*	US Bank	April & May Bank Analysis Charge (Lockbox \$1,824 & Other \$676, Less Interest \$186)	2,314.02
*90283	CalPERs	July Health Insurance Premium (Employees 10,505.96, Retirees \$11,879.45 & Employer Contribution \$47,832)	\$70,217.15
1	Accurate Forklift	Oil Filter for Forklift	15.14
2	Alpha Analytical Labs	Lab Testing	90.00
3	Alphagraphics Marin	W.M. Spring Waterline Newsletter (816) (\$1,136) & Mailing Services (\$216)	1,352.22
4	Amazon/Genuine-Hardware	Utility Tables for Outdoor Board Meeting (2) (\$120), Sunscreen for Const Crew (6) (\$41), Lumbar Support for Desk Chair (\$33), Aerosol Rubber Coating (4) (\$64), Flash Light for Auto Shop (\$153), Tool Box ('20 Chevy Colorado) (\$184), Electric Boxes (2) (\$44) & Side Steps ('15 F250) (\$547)	1,185.57
5	American Family Life Ins	June AFLAC Employee Paid Benefit	3,027.83
6	Arrow Benefits Group	June Dental Admin Fee	282.50
7	AT&T	Leased Lines	66.06
8	Bank of Marin	Bank of Marin Loan Principal & Interest (Pynt #104 of 240) Aqueduct Energy Efficiency Project	46,066.67



Seq	Payable To	For	Amount
9	Boucher Law	May Legal Fees-Covid 19 Infectious Disease Plan and Labor & Employment Law Matters	1,745.00
10	Carrow, Ramsey	Novato "Smart Irrigation Controller" Program	274.79
11	Charles Custom Welding	Misc Welding Services (College of Marin & Bear Valley Projects)	1,160.00
12	Comcast	June Internet Connection	144.92
13	Core Utilities	Consulting Services: May IT Support (\$6,000), IT & SCADA Support for Novato (\$175) & West Marin (\$375) Radio/Cell Modem Sites, CORE Billing Maintenance (\$475), Website Maintenance (\$1,525) & Programming for Inclusion of Weather, SCADA & Lake Level Data for Website (\$700)	9,250.00
14	DeVita, Matt	Novato "Smart Irrigation Controller" Program	253.85
15	Diesel Direct West	Diesel (218 gal) (\$622) & Gasoline (1,141 gal) (\$3,113)	3,735.69
16	Durkin Signs & Graphics	Logos & Truck Decals (15) (\$859) & Vehicles Numbers (19) (\$290)	1,149.23
17	Environmental Science Assoc	Prog Pymt#5: NMWD Gallagher EWP Stream Channel Repair (Balance Remaining on Contract \$1,263)	20,797.69
18	Garcia and Associates	Prog Pymt#2: Provide Surveys for Nesting Birds & Roosting Bats @ Pre Tank 4A (Balance Remaining on Contract \$642)	1,401.58
19	GHD	Prog Pymt#20: (\$1,315), Prog Pymt#21: Water Tank 4A Replacement (\$834) (Balance Remaining on Contract \$27,459) & Prog Pymt#9: O.M. Treatment & Storage Pond Repair Project (\$5,949) (Balance Remaining on Contract \$40,310)	8,098.69
20	Grainger	Elbow, Couplings (10), Preventative Poison Oak Wipes (100) (\$59), Topical Cleanser (10) (\$72) & Flap Disks for Grinder (10) (\$41)	217.46
21	HERC Rentals	Riding Mower Rental (1 month) (for Various Sites)	1,897.86
22	Larsengines	Parts for Small Tools	14.61

Seq	Payable To	For	Amount
23	LeBrun, Kent	Exp Reimb: Drinks for Crews During Heat Wave	48.51
24	Las Gallinas Valley Sanitary	Recycled Water Deliveries (1/1/2020-3/31/2020)	14,137.61
25	Lincoln Life	Deferred Compensation 6/15/20 PPE	8,746.46
26	Maltby Electric	New Meter Main for Crest Pump Station Project (\$2,784), Misc Parts/Hardware for E/M Shop (\$165), PLC Cabinet Plugs & Parts & Maintenance for Tank/PLC Equipment (\$363)	3,315.46
27	McLellan, WK	Misc Paving	10,118.01
28	McMaster-Carr Supply	Gauge Fittings for Cross Connection Control (\$117) & Parts for Plastic Barriers (\$309)	425.97
29	Metrohm USA	Rebuild Kit for Ion Chromatography Pump (Lab)	2,368.95
30	Nationwide Retirement Solution	Deferred Compensation 6/15/20 PPE	920.00
31	Pace Supply	Clamps (2) (24" & 15") (\$626), Service Saddles (6) (\$400), Tapping Sleeves (2) (\$1,348)	2,374.81
32	Piazza Construction	Proj Pymt#2: PreTank 4A Replacement Project (Balance Remaining on Contract \$1,015,963)	32,517.74
33	Piazza Construction Escrow Acct	5% Retainer: Piazza Construction-PRE Tank #4A Replacement	1,711.46
34	Point Reyes Prop Mgmt Assn	June HOA Fee (25 Giacomini Rd)	75.05
35	Sonoma County Water Agency	May Contract Water	452,832.79
36	SPG Solar	May Energy Delivered Under Solar Service Agreement	14,375.10
37	State Water Resources Control	D5 Renewal Certification (Corda) (Budget \$105)	105.00
38		Reimbursement for Travel Expenses for June 9, 2020 Interview for Asst GM/Chief Engineer Position	500.00
39	Syar Industries	Adjustment to Previous Invoice	10.00
40	USA BlueBook	Replacement Air Filters (4) & Sample Tests (10) (STP) (\$258)	298.27
41	US Bank	April Safekeeping Treasury Securities	180.00

Seq	Payable To	For	Amount
42	Volvo Construction Equipment	Service Parts (Compressors)	745.78
43	VWR International	Gravity Convection Oven (Lab)	1,714.01
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$989,519.85</u></b>

The foregoing payroll and accounts payable vouchers totaling \$989,519.85 are hereby approved and authorized for payment.

  
Auditor-Controller

6/23/2020  
Date

  
General Manager

6/24/2020  
Date

## **DISBURSEMENTS - DATED JULY 2, 2020**

Date Prepared 6/30/20

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:

<b>Seq</b>	<b>Payable To</b>	<b>For</b>	<b>Amount</b>
*90292	US Bank Card	Zoom for Board Meetings (\$13), Marin IJ Publication-Water Rate Hearing 6/4 (\$145), Gas Calibration Device (\$347), Hand Sanitizer (24-16 oz Bottles) (\$534), Bluebeam Software for Engineering (\$449), Porta-Potty Rental (1 month) (\$442), Teeny Cakes for Retirement/Last Day for Employee (\$60), Tax Filings for 941 & CA DE-9 (\$48) (Less Credit of \$458 Received for Hotel/Conference Cancellation Due to Covid 19)	\$1,580.49
1	All Star Rents	Propane for Forklift (10 gal) (\$45) & STP (19 gal) (\$82)	127.28
2		Vision Reimbursement	190.00
3	Atco Pest Control	Termite Inspection (25 Giacomini Rd)	250.00
4	Athens Administrators	April Bill Review Fees	127.42
5	AT&T	June Internet Connection	96.30
6	Automation Direct	Analog Input Cards - Bear Valley PRE 1, 2 & 3	394.94
7	Bay Alarm	Quarterly Fire Alarm Monitoring Fee (STP) (7/1/20-10/1/20)	338.19
8	Bold & Polisner	May Legal Fees - General (\$1,365) & Potter Valley-FERC (\$1,218)	2,583.00
9	CDW-Government	PLC Battery Back-ups (2)	222.06
10	Cummings Trucking	Rock (49 yds) (\$2,141) & Sand (15 yds) (\$993)	3,133.82
11	Diesel Direct West	Diesel (413 gal) (\$1,229) & Gasoline (500 gal) (\$1,415)	2,643.54
12	Ditch Witch West	Oil Seal ('19 Ditch Witch)	62.76
13	Environmental Science Assoc	Prog Pymt#1: Gallagher EWP Stream Channel Repair & Restoration (Balance Remaining on Contract \$14,487)	10,513.38

Seq	Payable To	For	Amount
14	Grainger	Chain (100') (for FSR) (\$276), Touchless Switch and power supply for ADA Door (\$353), Cordless Vacuum (STP) (\$178), Check Valve for Norman Tank (\$347), Service Kits for RWF Compressors (2) (\$359), Check Valve for STP (\$347), Pressure Washer Tips (2) (\$162) & Misc Maintenance Parts & Supplies (\$41)	2,062.75
15	Hach	Process Vials for STP Turbidimeter (6)	295.91
16	Haji, Babak	Novato "Smart Irrigation Controller" Program	184.02
17	Hopkins Technical Products	Diaphragm (STP)	366.24
18	Kiosk Creative	Prog Pymt#3: Website Design & Development (\$1,400) (Balance Remaining on Contract \$1,049), Prog Pymt#4: Marketing Communications & Outreach Services (\$1,990) (Balance Remaining on Contract \$50,580) & Prog Pymt#5: Waterline Design Novato (\$1,575) & West Marin (\$700) (Balance Remaining on Contract \$48,305)	5,665.00
19	Leighton Stone	Control Solenoid for Lynwood Tank	95.63
20	Marin Color Service	Paint for Dixon Tank (5 gal)	236.20
21	Marin County Ford	Tailgate Cap ('15 F250) (\$79), Seat ('15 F250) (\$695) & Service Parts ('15 Ford Escape) (\$471)	1,245.69
22	McLellan, WK	Misc Paving	9,523.42
23	McMaster-Carr Supply	Water Screens (3) & Parts for Barriers (\$62)	80.95
24	Novato Sanitary District	April 2020 RW Operating Expense	14,968.50
25	Office Depot	Toner (2) (\$272) & Misc Office Supplies (\$60)	332.32
26	Pace Supply	6" Steel Manifold Assembly (Scown Lane Improvements) (\$1,434), Bushings (10), Cap, Couplings (25) (\$281), Nipples (60) (\$139), Reducers (2), Meter Stops (3) (\$702) & Double Check Valves (4) (\$595)	3,198.97

Seq	Payable To	For	Amount
27	Pape Machinery	Bucket Teeth ('09 JD Backhoe)	117.58
28	Parkinson Accounting Systems	Timesheet Updates to Integrate Into Accounting Software	9,530.00
29	Paso Robles Tank	Prog Pymt#6: Perform Recoating & Rehabilitation of Cherry Hill Tank No. 2 Project (Balance Remaining on Contract \$0)	15,250.05
30	Peterson Trucks	Service Parts ('15 Int'l Dump Truck) (\$167) & Air Filters (2) ('15 Int'l Dump Truck) (\$155)	322.17
31	Point Reyes Light	Legal Notices: Water Rate Increase (\$374) & O.M. Sewer Charges (\$144)	517.50
32	Prunuske Chatham	Prog Pymt#8: Leveroni Rd Culvert Stabilization Project (Balance Remaining on Contract \$19,613)	280.00
33	Quadient	June Postal Meter Rental	143.09
34	R & B	2" Meter Boxes (8) (\$385), Gaskets (35) (\$356), Couplings (78) (\$1,130) & Valves (2) (\$980)	2,851.92
35	Red Wing Shoe Store	Safety Boots (Ielmorini)	191.28
36		Vision Reimbursement	168.00
37	Darlene D. Rhodes	HR Consulting (5/26/20-6/10/20)	2,493.75
38	Scott Technology Group	June Monthly Maintenance on Engineering Copier (6/21/20-7/20/20)	166.51
39	Soiland	Asphalt Recycling (5 tons)	49.90
40	Syar Industries	Asphalt (6 tons)	1,033.84
41	Tamagno Green Products	Sludge Removal @ STP (14 yds)	420.00
42	Thatcher of California	Ferric Chloride (10 tons) (\$7,166) & Freight Charges (\$500) (STP)	7,665.86
43	Thatcher Chemical	Chlorine (4,000 lbs) (STP)	1,705.20
44	Township Building Services	May Janitorial Services	2,035.48
45	Uline	4" Cable Ties for Fire Services (200)	201.41
46	USA BlueBook	Safety Gloves (2,000) (STP)	376.13

Seq	Payable To	For	Amount
47	US Bank	May Safekeeping Treasury Securities	140.00
48	Volvo Construction Equipment	Fuel Cap (Compressor)	70.66
49	VWR International	Autoclave Gloves, Ampules (40) (\$84) & Chloride Standard (\$58) (Lab)	169.52
50	Watersavers Irrigation	Fitting for Backflow Tests (14)	45.00
51	White & Prescott	Prog Pymt#8: AEEP Easement Support B2 Reach A (\$ 3,105) (Balance Remaining on Contract \$27,185) & Prog Pymt#9: Review Alternative A, B & C Driveway Access for Pt. Reyes Treatment Plant (\$135) (Balance Remaining on Contract \$27,050)	3,240.00
52	Winzer	Angle Grinders (20) (\$186) & Razor Blades (100) (\$389)	575.74
53	WRA	Prog Pymt#8: Design Phase Services for the Lagunitas Creek Slope Stabilization Project (Balance Remaining on Contract \$16,024)	5,938.25
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$116,217.62</u></b>

The foregoing payroll and accounts payable vouchers totaling \$116,217.62 are hereby approved and authorized for payment.

	<u>6/30/2020</u>
Auditor-Controller	Date
	<u>7/1/2020</u>
General Manager	Date

## **DISBURSEMENTS - DATED JULY 9, 2020**

Date Prepared 7/7/20

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 6/30/20	\$145,314.18
EFT*	Internal Revenue Service	Federal & FICA Taxes PPE 6/30/20	63,331.31
EFT*	State of California	State Taxes & SDI PPE 6/30/20	13,236.99
EFT*	CalPERS	Pension Contribution PPE 6/30/20	37,090.06
1	Borges & Mahoney	Repair Parts for STP Chlorine Vacuum System	364.20
2	DataTree	June Subscription to Parcel Data Info	100.00
3	Direct Line	July Telephone Answering Service	244.86
4	Dixon Marine Services	Prog Pymt#1: Gallagher Ranch Streambank Stabilization Project (Balance Remaining on Contract \$352,964)	21,731.77
5	Fishman Supply	Ear Plugs (600) (\$112), Safety Glasses (24) (\$74), Anti-Fog Lens Wipes (300) & Safety Gloves (600) (\$84)	292.72
6	Friedman's Home Improvement	Parts for District Apartment	47.75
7	Grainger	Tape (2), Water Filter for Bottle Filling Station (\$106), 5 Gal Beverage Cooler for Construction (\$150), Trim for Office Barriers (25') & Shop Vac Filters (2) (\$39)	333.54
8	Hach	Chlorine Reagent (5) (STP)	378.30
9	Harrington Industrial Plastics	Tubing (50') (STP)	284.82
10	InfoSend	May Processing Fee for Water Bills (\$1,290), Postage (\$3,667) & May Monthly Service Fee (\$809)	5,765.81
11	Kane, Shawn	Exp Reimb: Breakfast & Drinks for Inventory	128.69
12	Larsengines	Parts for Chop Saw	210.52
13	Lincoln Life	Deferred Compensation PPE 6/30/20	8,720.71



Seq	Payable To	For	Amount
14	McMaster-Carr Supply	Metal Frame for Plastic Office Barriers (2)	50.49
15	National Safety Council	Membership Renewal (Clark) (7/20-6/21)	495.00
16	National Response Team	Apartment Mold Cleanup	11,047.23
17	Nationwide Retirement Solution	Deferred Compensation PPE 6/30/20	920.00
18	North Bay Gas	Nitrogen (STP)	824.26
19	Novato Glass	Plexiglass for Office Barriers (18)	3,968.75
20	NTU Technologies	Cationic Coagulant (49,500 lbs) (Used for Water Treatment @ STP)	29,700.00
21	Office Depot	Copy Paper (Letter & Ledger Size) (70 reams) (\$354), Toner (2) (\$131) & Pens (36)	520.20
22	Pace Supply	Corp Stop (\$223), Meter Stops (7) (\$1,637), Parts for STP Booster Station (\$53) & Meter Adaptor (\$161)	2,074.49
23	Ponton Industries	Parts for Olema Wireless Solar Project	4,278.26
24	Recology Sonoma Marin	June Trash Removal	510.80
25	Sage Software	Accounting Software Fixed Assets (Budget \$900) (7/20-7/21)	1,021.00
26	Simpson, Austin	Exp Reimb: Water Distribution System Operation & Maintenance Course (\$140), T3 Exam Fee (\$100)/Cert Fee (\$120), & D2 Exam Fee (\$65)/D2 Cert Fee (\$60)	485.00
27	Soiland	Asphalt Recycling (6 tons)	63.30
28	Staples Business Credit	Toner (\$83) & Misc Office Supplies	147.40
29	Thatcher of California	Ferric Chloride (10 tons) (STP)	7,125.55
30	USA BlueBook	Tubing (30) (STP)	273.11
31	US Geological Survey (USGS)	1/3 Share of FY20 Gallagher Stream Gauge Maintenance	8,765.00

Seq	Payable To	For	Amount
32	Verizon Wireless	Cellular Charges: Data (\$817), Airtime (\$111) & iPads for Asset Management (\$200)	1,127.88
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$370,973.95</u></b>

The foregoing payroll and accounts payable vouchers totaling \$370,973.95 are hereby approved and authorized for payment.

  
Auditor-Controller

7/7/2020  
Date

  
General Manager

7/8/2020  
Date

## ***DISBURSEMENTS - DATED JULY 16, 2020***

Date Prepared 7/14/20

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:

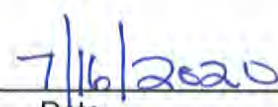
<b>Seq</b>	<b>Payable To</b>	<b>For</b>	<b>Amount</b>
EFT*	US Bank	June Bank Analysis Charge (Lockbox \$912 & Other \$362, Less Interest \$108)	\$1,166.30
1	Able Tire & Brake	Tires (8) ('03 Dodge Dakota \$986 & '17 Ford Escape - \$674) & Alignment	1,767.91
2	Agilent Technologies	Spray Chamber 'O' Ring Kit (Lab)	76.57
3	Allied Electronics	Spare Batteries for Olema Solar	147.80
4	Alpha Analytical Labs	Lab Testing	2,675.00
5	A.S.T.I.	Annual Fire Service Testing (42)	4,295.00
6	Benson, James & Catherine	Novato "Washer Rebate" Program	50.00
7	Block, Louis	Novato "Smart Irrigation Controller" Program	150.00
8	Buck's Saw Service	Parts for Small Gas Equipment	66.25
9	Calgon Carbon	Granular Activated Carbon (150,000 lbs) (STP)	176,715.75
10	Charles Custom Welding	Misc Welding Services	870.00
11	Cilia, Joseph	Retiree Exp Reimb (July Health Ins)	334.00
12	F.N. Cuthbert	Hose Bib Pressure Gauges (50)	988.90
13	Dell Computers	Replacement Computer (Kauwe)	1,036.86
14	Enterprise FM Trust	Monthly Leases for Chevy Colorado, F250'S (2), Nissan Rouges (2), Nissan Frontier & F150's (4)	5,090.04
15		Vision Reimbursement	20.65
16	Fisher Scientific	Standard (\$51) & Vacuum Pump (\$783) (Lab)	833.45
17	Gavazza, Rick & Penny	Novato "Washer Rebate" Program	50.00

Seq	Payable To	For	Amount
18	Grainger	Refrigerated Bottle Filling Station for Construction & Maintenance (\$2,101), Hydrant Couplings (7), Switch for ADA Door (\$311), Tools for E/M Shop (\$153), Starch Indicators (2) (STP), Hand Soap (2), Rebuild Kits (2) (STP) (\$275), Starter Coil for PRE P2 (\$107) & Misc Supplies Construction/Ops/Maint	3,345.81
19	Harrington Industrial Plastics	Pump Parts (STP)	337.77
20	InfoSend	Water Quality Report Insert for Novato (21,000)	866.20
21	International Dioxide	Sensor Flow (STP)	1,681.70
22	Jackson, David	Retiree Exp Reimb (July Health Ins)	987.21
23	JCA Construction	Prog Pymt#1: Office Modifications (\$6,214) (Balance Remaining on Contract \$6,214) & Prog Pymt#1 & 2: Installation of Cabinets, Dishwasher, Countertops, Plumbing & Flooring of District Apartment (\$11,514) (Balance Remaining on Contract \$0)	17,727.50
24	Kehoe, Chris	Exp Reimb: Safety Boots	200.00
25	Khosraviani, Khashayar	Novato "Smart Irrigation Controller" Program	150.00
26	Latanyshyn, Roman	Retiree Exp Reimb (July Health Ins)	334.00
27	Lawler, Richard & Teresa	Novato "Smart Irrigation Controller" Program	255.39
28	Lemos, Kerry	Retiree Exp Reimb (July Health Ins)	987.21
29	Maltby Electric	Lighting Fixtures for Apartment (6)	436.60
30	Marin Landscape Materials	Quik Mix (42 sacks) (\$305), Crushed Rock (1 yd) (\$66) & Cement	389.20
31	Marin County Ford	Lamp Lens ('20 F250) (\$124), Service Parts ('17 F350) (\$115) & Labor to Diagnose Starter Problem ('15 Ford Escape) (\$503)	741.08
32	McMaster-Carr Supply	Hoses (4) ('19 Ditch Witch)	213.29
33	North Marin Auto Parts	Light Bulbs for Fleet (\$85), Towels for Maint/Construction (\$127), Cooling System Tester (\$140), Paint & Primer (\$127), Oil/Oil Filters (\$361) & Service Parts for Various Vehicles (\$403)	1,242.77

Seq	Payable To	For	Amount
34	North Bay Gas	Nitrogen (\$861) (STP) & June Cylinder Rental (Lab)	890.55
35	NMWD Employee Association	Association Dues (4/15/20-6/30/20)	1,435.00
36	O'Reilly Auto Parts	Window Wash (18) (\$78), Brake Cleaner (36) (\$97) & WD-40 (36) (\$273)	448.21
37	Pape Machinery	Oil Cooler Seals (Magnum Generator & Trailer) & Oil Cooler (\$274)	309.06
38	PG&E	Electric Bill for District Apartment (\$10) & Consolidated Bill for all Other Locations: Power: Bldgs/Yard (\$5,372), Other (\$161), Pumping (\$48,067), Rect/Cont (\$500) & T/P (\$154)	54,263.42
39	Point Reyes Light	Legal Notices: W.M. Water Rate Increase (\$374) & O.M. Sewer Charges (\$144)	517.50
40	Pollard Water	Pump Hose Straighteners (3)	85.79
41	Protection Engineering	Zinc Anodes (25)	2,018.10
42	Pumping Solutions	Chlorine Dioxide Pressure Dampener Rebuild Kit (STP)	1,742.45
43	Rader Excavating	Flagging Services (State Rte 1 - Pt. Reyes)	7,533.24
44	Rotary Club of West Marin	Membership Renewal (Clark) (Budget \$170) (6/20-6/21)	190.00
45	Scullion, Georgia	Novato "Toilet Rebate" Program	100.00
46	Solenis	Praestol 2515 (\$3,640) (40) & Praestol 279 (\$7,653) (STP)	11,292.72
47	Steel Structures Painting Council	Membership Renewal (McIntyre) (Budget \$300) (10/20-10/22)	180.00
48	Syar Industries	Asphalt (5 tons)	759.69
49	T & T Valve & Instrument	Speed Controller Elbows (10) (STP)	286.24
50	Tuders, Herman	Novato "Smart Irrigation Controller" Program	166.74
51	Ulrich, Parke	Refund Overpayment on Closed Account	308.59
52	United Parcel Service	Delivery Services: Returned Faulty Conductivity Meter Connector for Lab	8.75

Seq	Payable To	For	Amount
53	Univar	Caustic Soda (3,940 gal) (STP)	5,740.93
54	USA BlueBook	Roller Assembly (STP)	246.97
55	VBS CAL	Engineering Bond Paper (\$115) & Inkjet Vellum (\$87)	202.00
56	Verizon Wireless	SCADA (\$141), AMI Collectors (\$650) & CIMIS Station	805.84
57	Waste Management	Green Waste Disposal	324.96
58	Zaich, Dan	Novato "Smart Irrigation Controller" Program	120.00
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$316,206.96</u></b>

The foregoing payroll and accounts payable vouchers totaling \$316,206.96 are hereby approved and authorized for payment.

	
Auditor-Controller	Date
	
General Manager	Date



**NORTH MARIN  
WATER DISTRICT**

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

**Adopted - June 23, 2020**

# **BUDGETS**

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

FISCAL YEAR

# **2020/21**

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

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





## **INTRODUCTION**

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

**Potable Water Service:**

Novato

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

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

Novato

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

Oceana Marin

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

## **MISSION STATEMENT**

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

## **VISION STATEMENT**

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

## **NMWD VALUES**

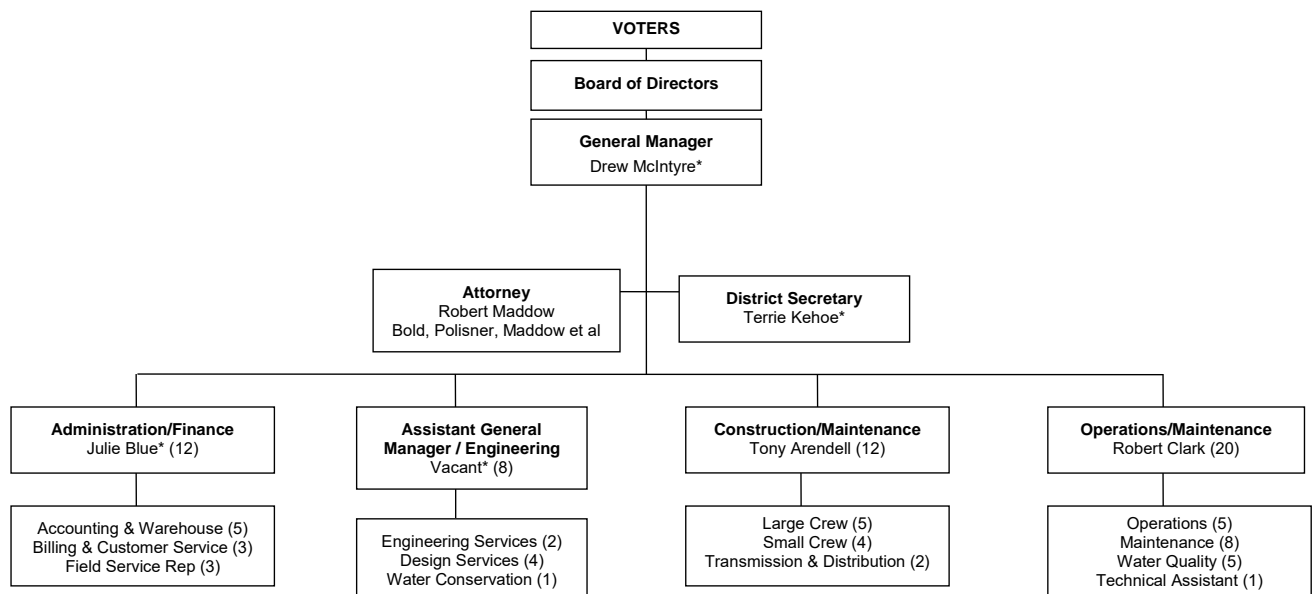
- Accountability – We work transparently and in full view of customers and take responsibility for our work.
- Integrity – Customers can count on quality and fair service from our staff and the District.
- Teamwork – We work cooperatively to accomplish our goals.
- Honesty – We always seek the truth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

## ORGANIZATION FACT SHEET

July 2020

### Organization:

- 5 Directors elected By-Division for 4-year terms
  - Michael Joly (Division 3), President
  - James Grossi (Division 1), Vice-President
  - Jack Baker (Division 2)
  - Rick Fraites (Division 5)
  - Stephen Petterle (Division 4)
- 1 General Manager, Drew McIntyre (serves at the pleasure of the Board of Directors)
- 4 Departments
- 54 Employees (regular full-time-equivalent authorized)



### Authority:

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

### Territory:

100 square miles (see attached map)

### Distribution System Expansion Policy:

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

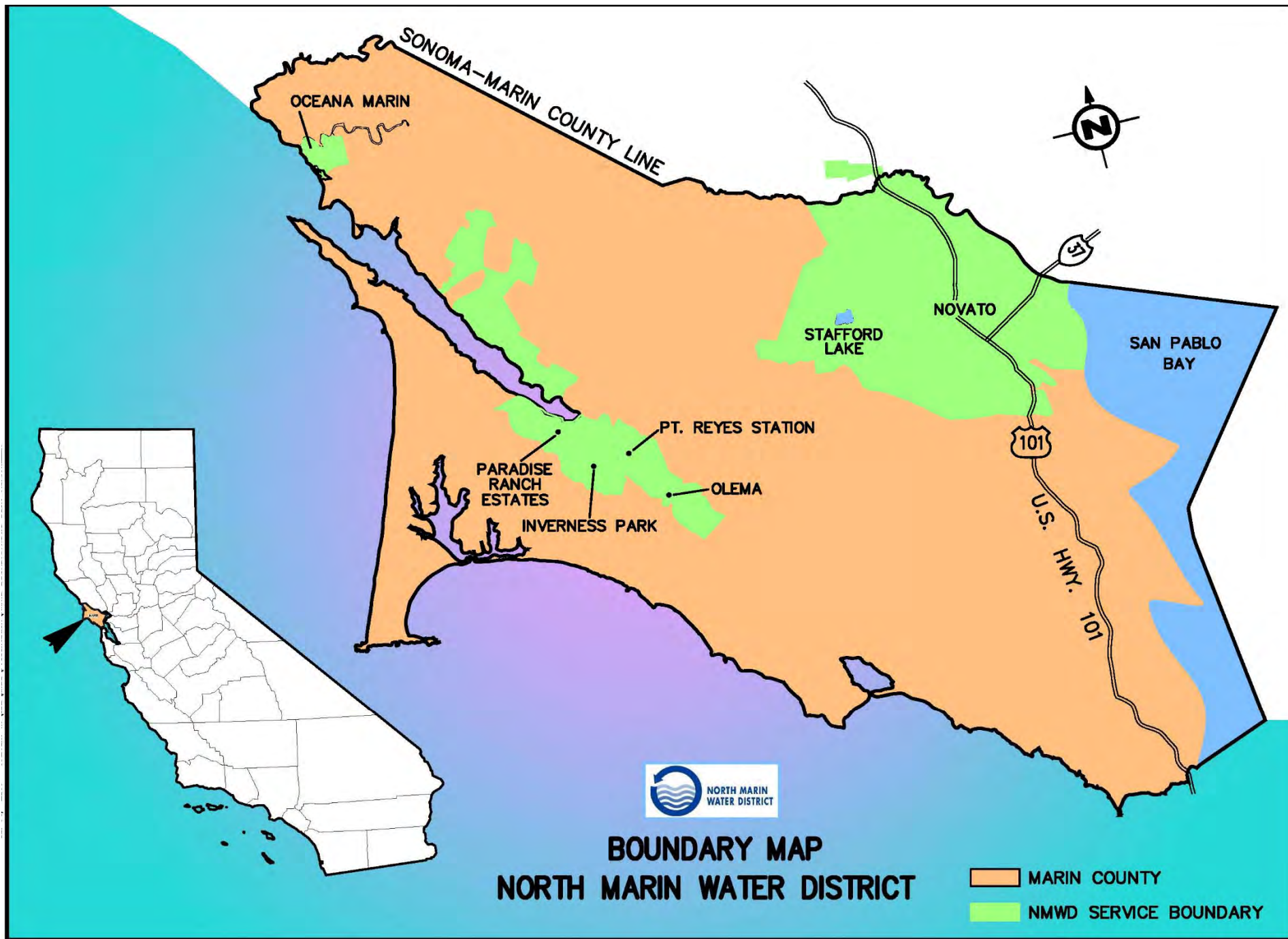


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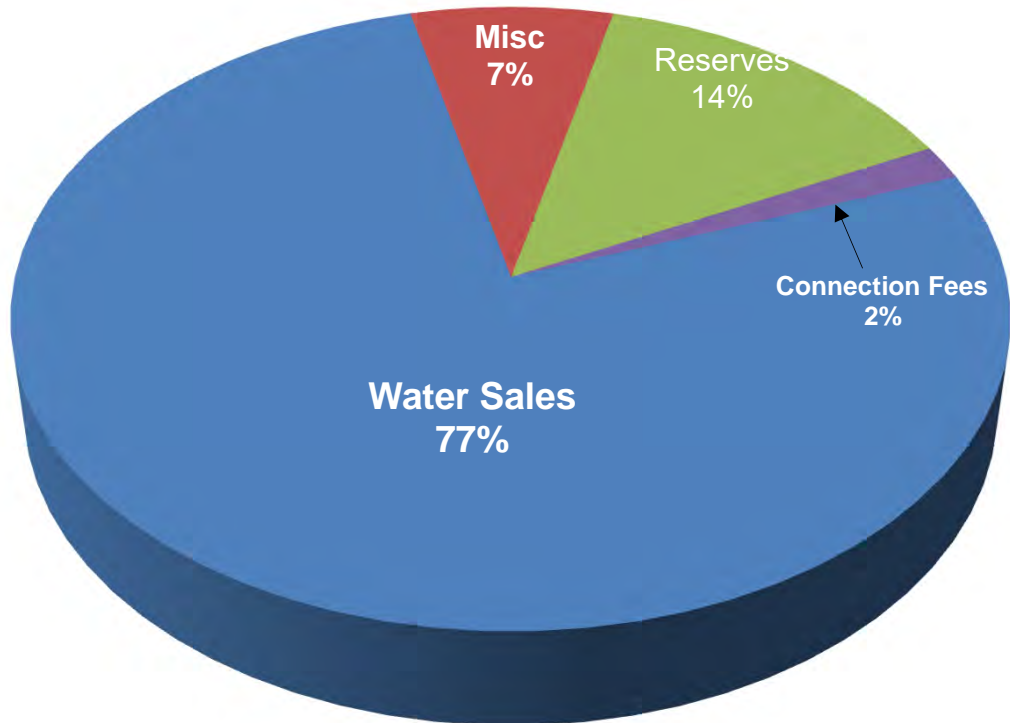
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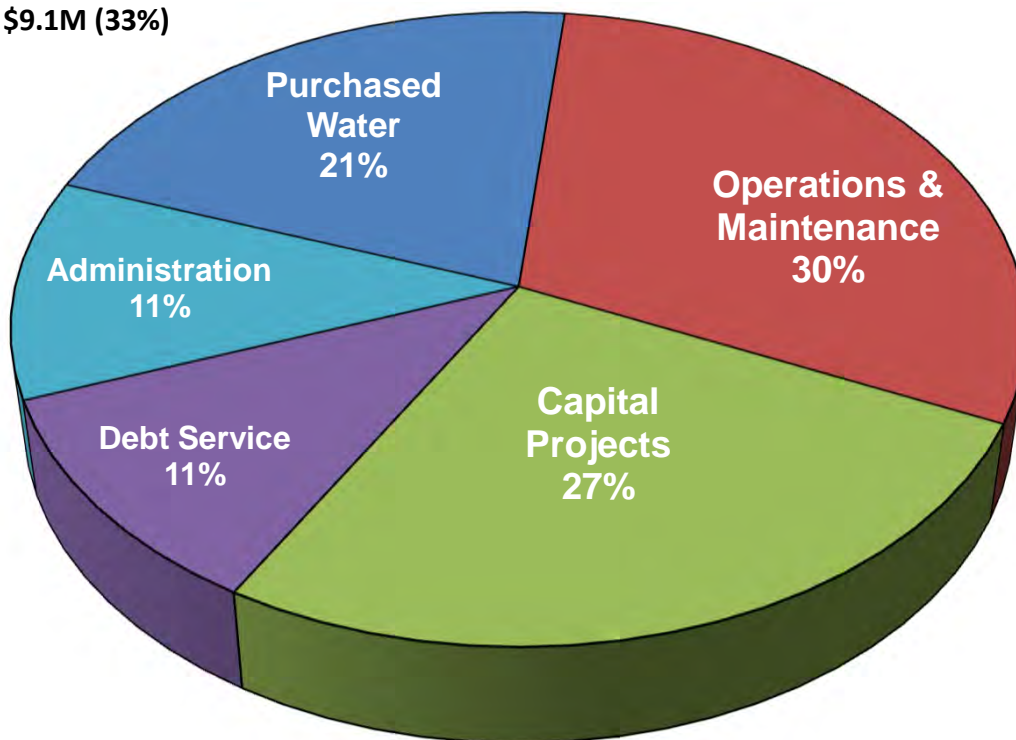
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**NORTH MARIN WATER DISTRICT**  
**FY20/21 BUDGET - ALL SERVICE AREAS COMBINED**  
**SOURCES = \$28,545,000**



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



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

Excludes Depreciation Expense & Developer Funded Costs

## Summary

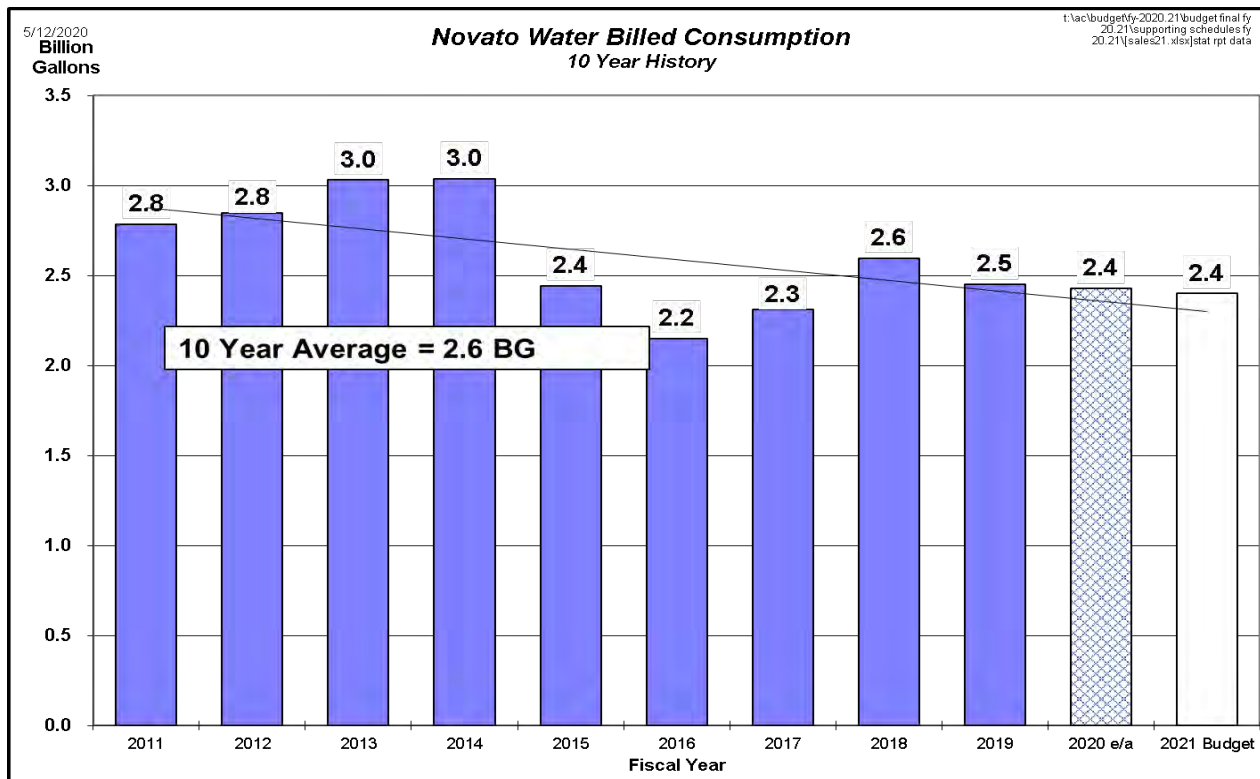
The \$28.5 million consolidated budget projects operating revenue of \$22.6 million and a net income of \$849,000. The FY 20/21 budget incorporates \$6.3 million in internally funded capital improvement projects and \$6 million in water purchases. After payment of \$3.1 million in debt service, the consolidated 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 budget includes a staffing level of 54 full-time equivalent (FTE) employees consistent with the current year budget (chart below).

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

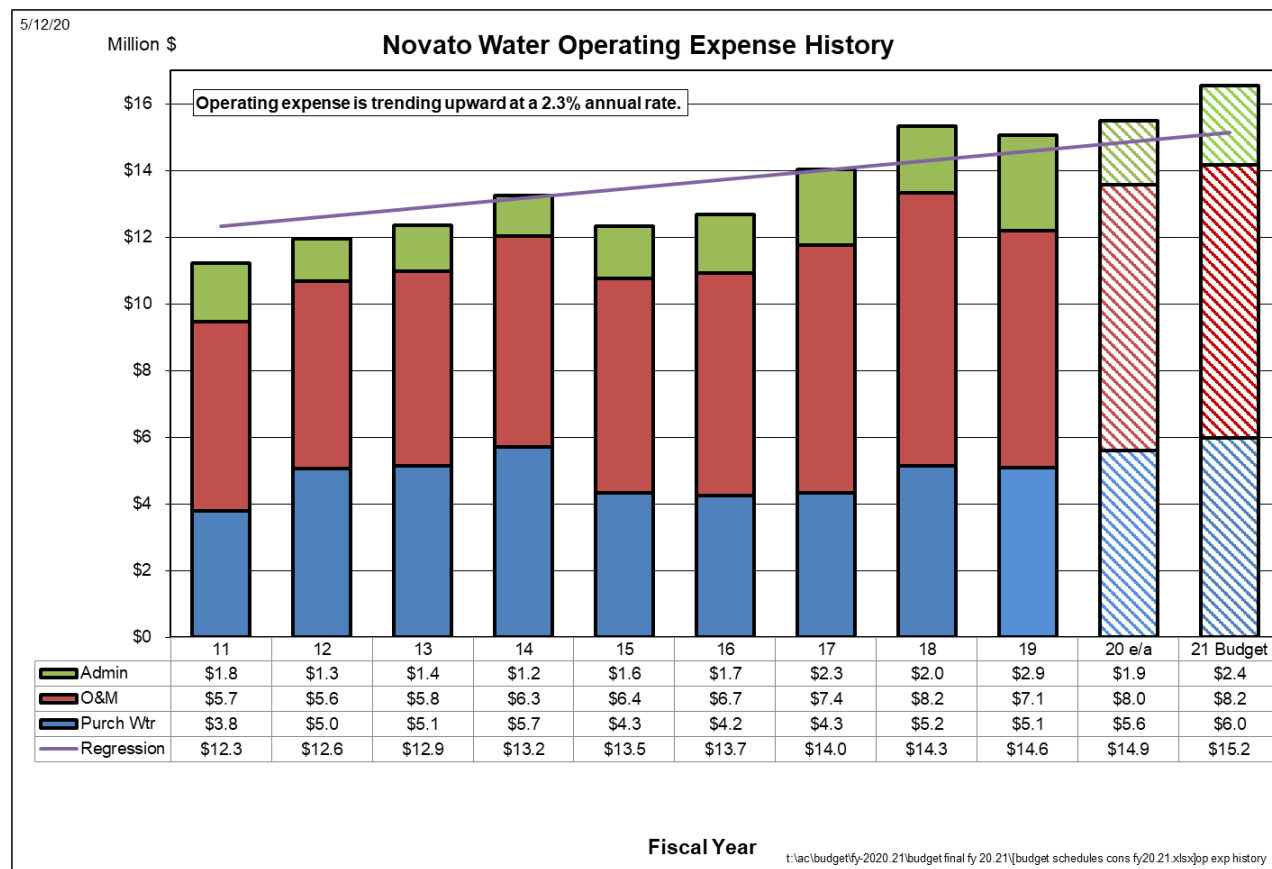
The temporary staffing budget will decrease by 425 hours from the prior year's budget to 7,480 hours. The decrease is due to a reduction in administration hours needed for assistance on special projects.



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.





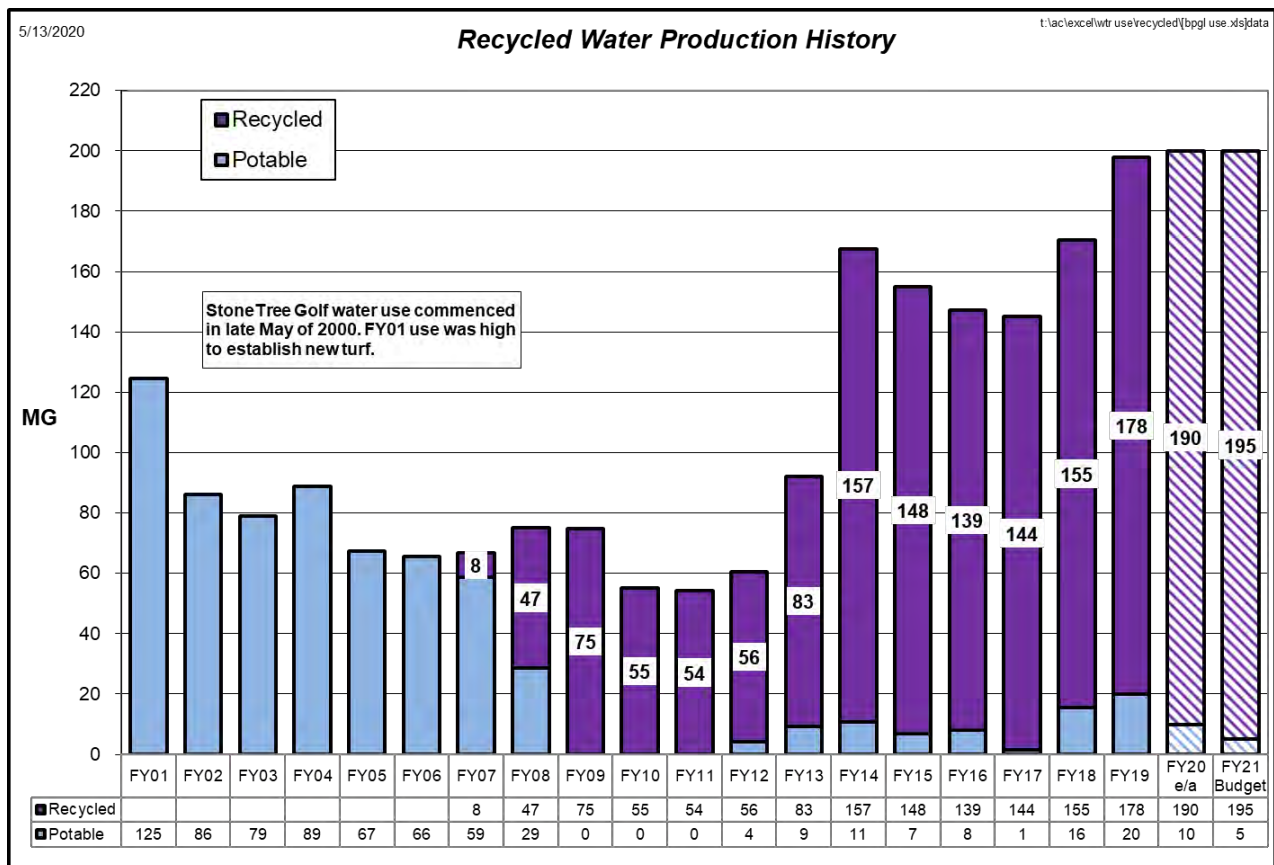
## Recycled Water

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 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.

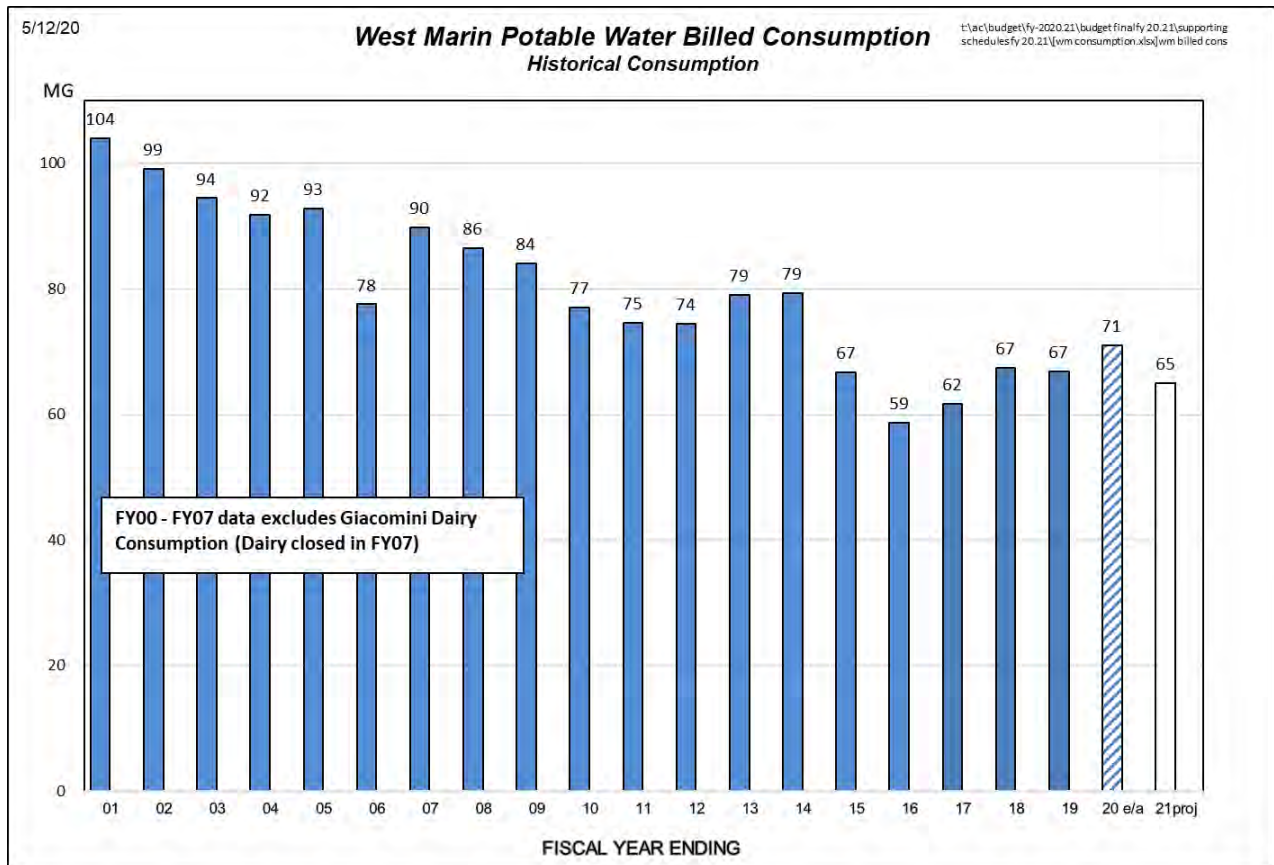


## West Marin Water

The 4.5% rate increase for West Marin (WM) Water customers is 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.

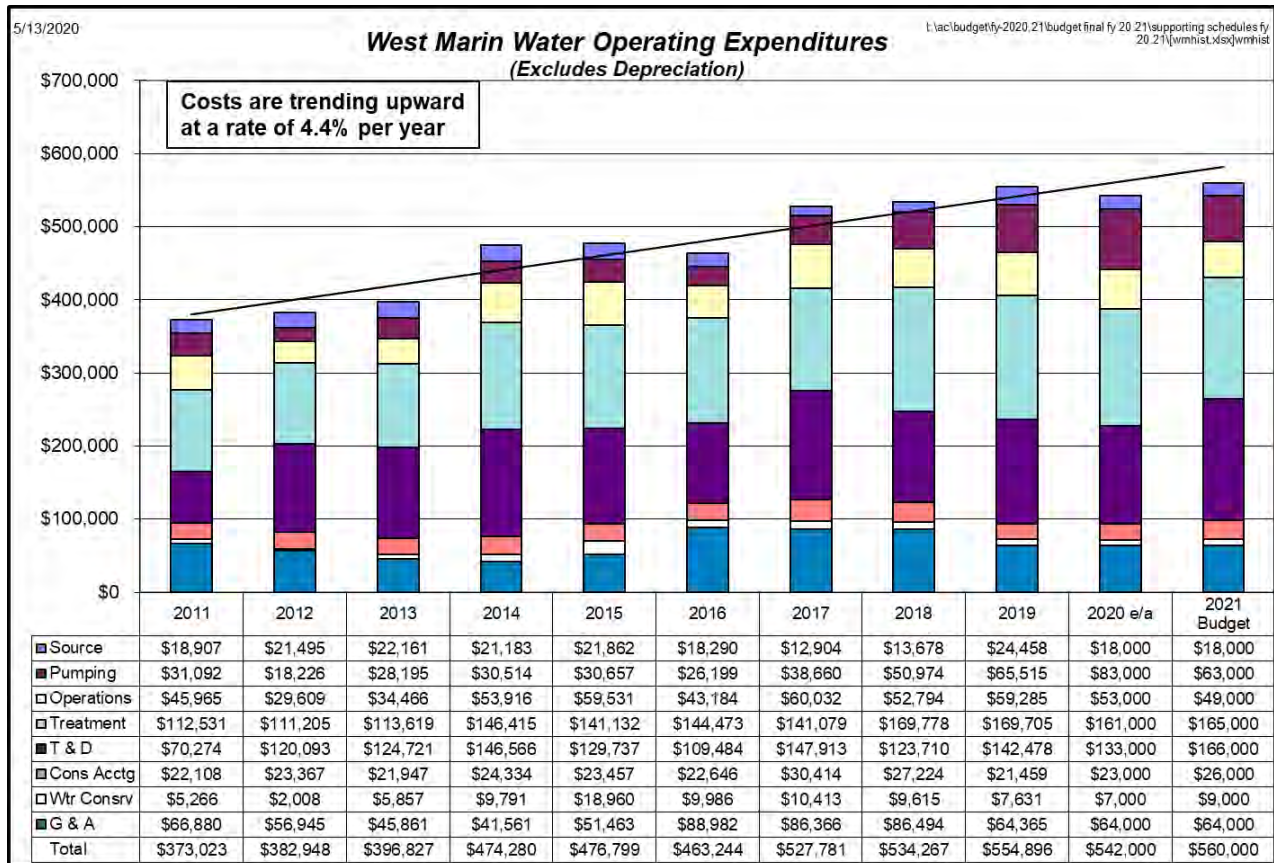
Significant Capital Improvement Projects budgeted for the year include continued work on the \$1.6 million project to replace the Paradise Ranch Estates Tank 4A which is scheduled to be completed in FY 20/21. Additional projects include \$100K towards the Lagunitas Creek Bridge Pipe Replacement project,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



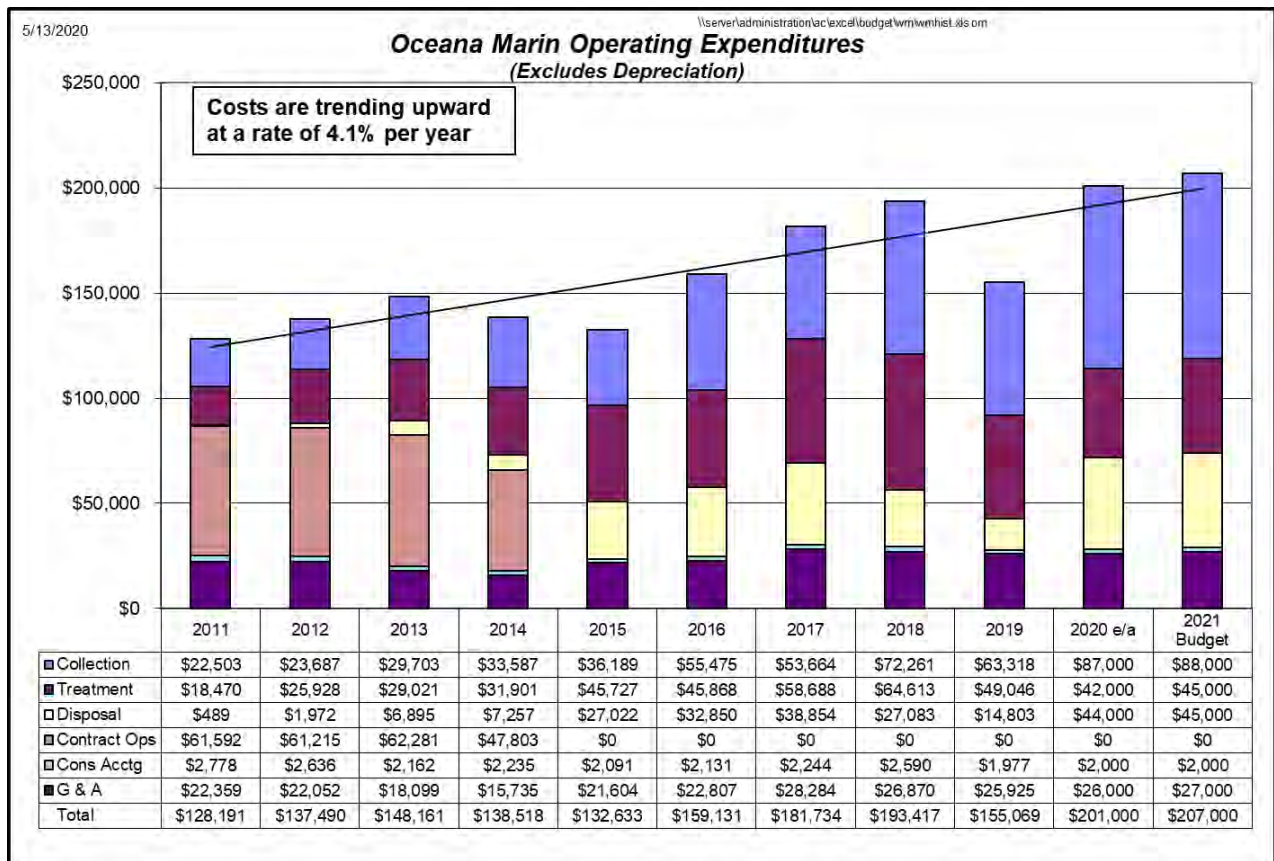
## Oceana Marin Sewer

A 5% increase (\$5/month - to \$1,176/year) in the Oceana Marin Sewer service charge is 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.

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.





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

The 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) to be undertaken over the next two fiscal years. The below table also includes the total cost of the projects which adds all costs occurring within and outside of the two-year budget period.

<b><u>Project</u></b>	<b>FY 20/21</b>	<b>FY 21/22</b>	<b>Total Project Costs</b>
Office/Yard Building Refurbish <sup>1</sup>	\$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	-
<b>Gross Project Outlay</b>	<b>6,862,000</b>	<b>12,715,000</b>	<b>22,801,000</b>
Less Loan/Grant Funding	(610,000)	(9,450,000)	(9,450,000)
<b>Net Project Outlay (internally funded)</b>	<b><u>\$6,252,000</u></b>	<b><u>\$3,265,000</u></b>	<b><u>\$13,351,000</u></b>

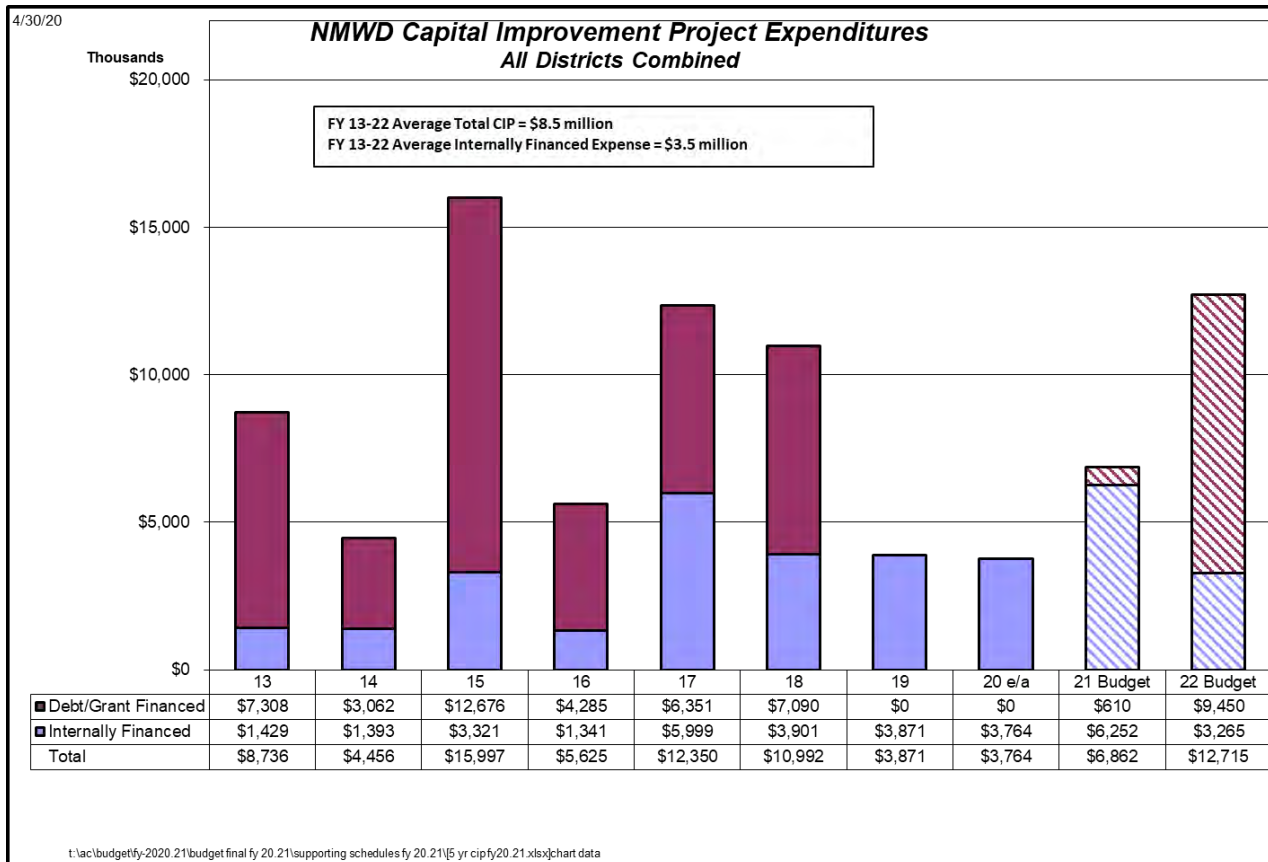
1. This project is scheduled to be completed with an additional \$7M budget in FY 22/23

The 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 CIP budget includes 33 projects in FY 20/21 and 28 projects in FY 21/22. This comprehensive plan is developed to confirm that adequate funding and staffing exists to accomplish the budgeted projects planned for FY 20/21.

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

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.

4/30/20

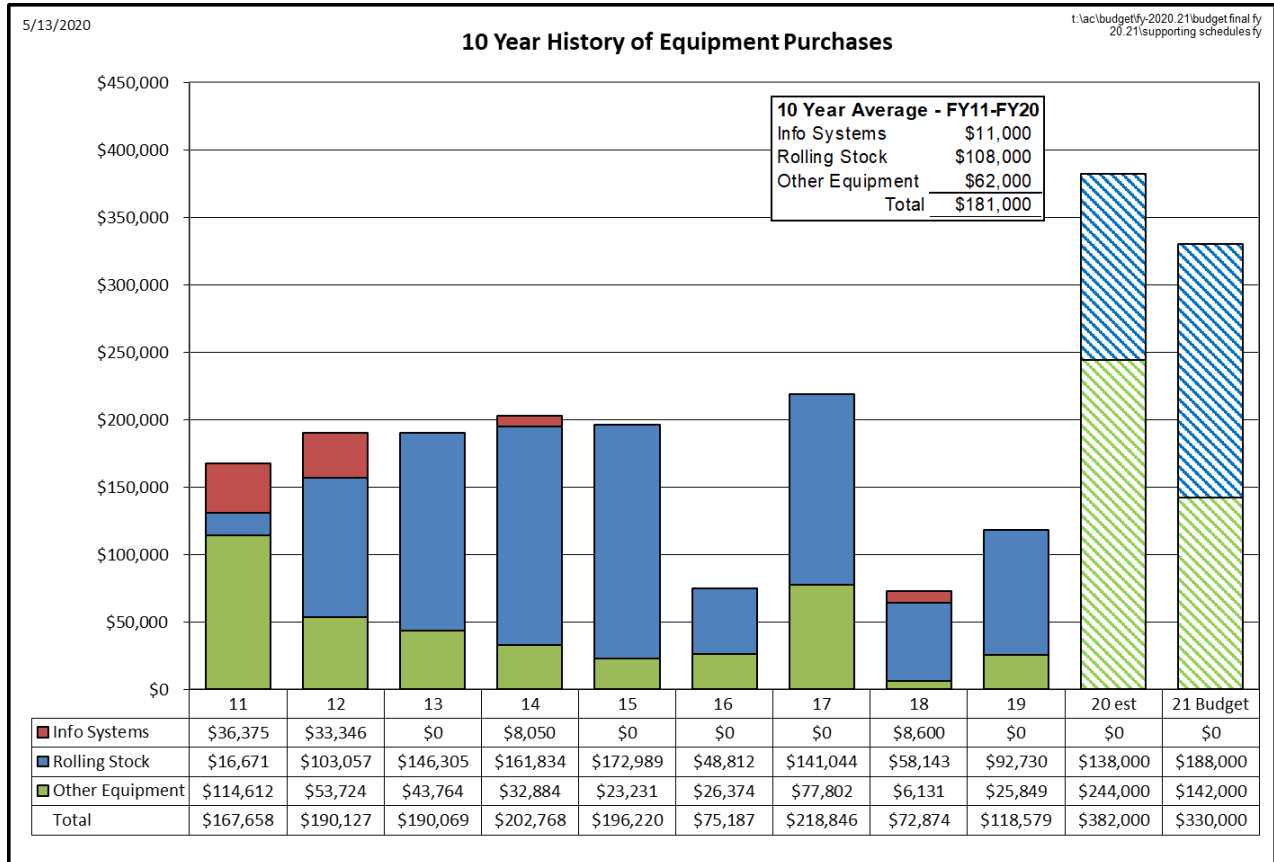


Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$3.5 million annually in internally funded projects, which is within the budget constraints of the five-year plan as established with the Board approved 2020 Novato and Recycled Water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

## Equipment Budget

The 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 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.

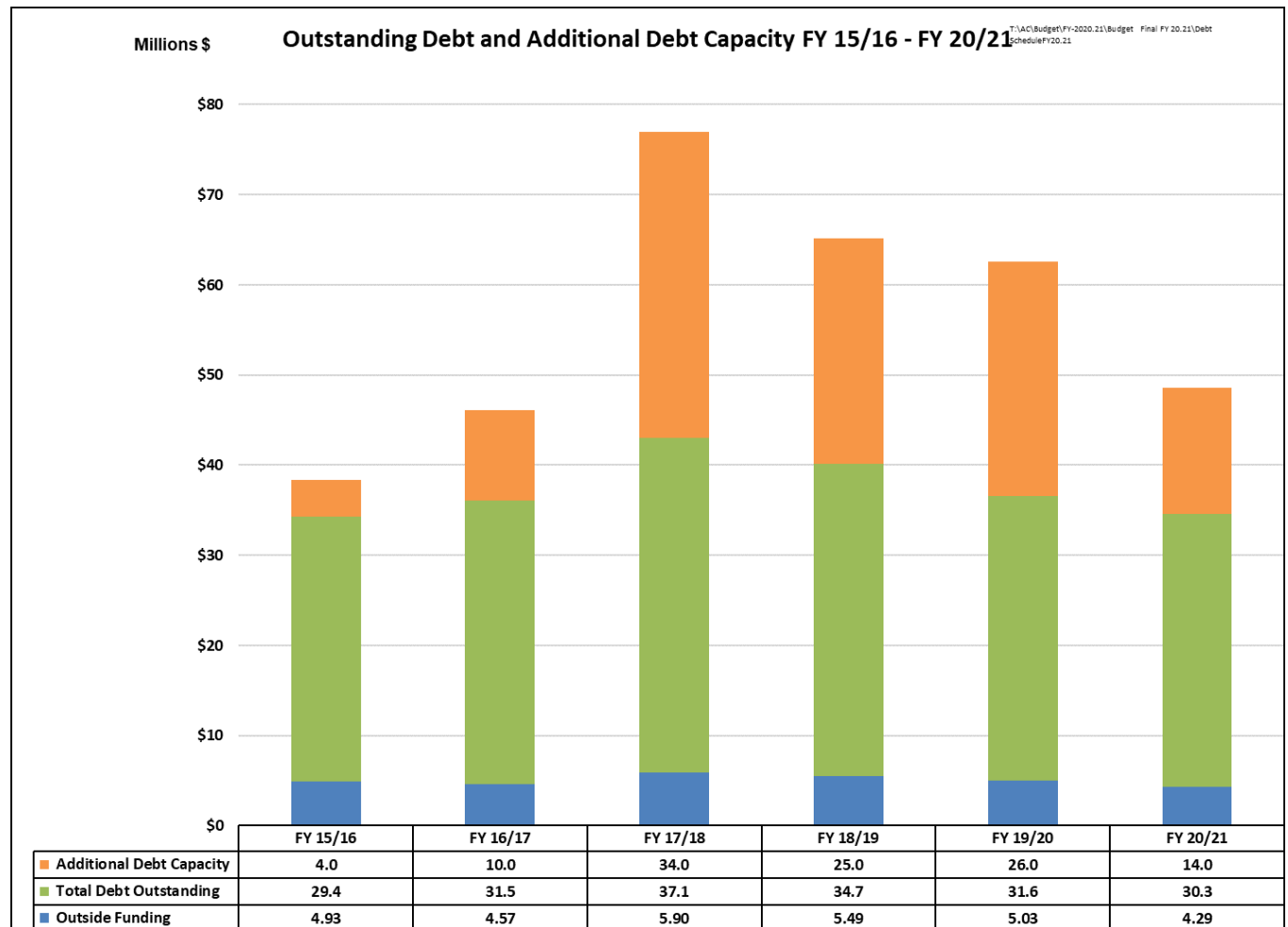


## Debt Service

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.





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

	<i>Approved Budget 2020/21</i>	<i>Estimated Actual 2019/20</i>	<i>Adopted Budget 2019/20</i>
<b>OPERATING INCOME</b>			
1 Water Sales	<b>\$21,940,000</b>	\$21,347,000	\$22,345,000
2 Sewer Service Charges	<b>276,000</b>	262,000	261,000
3 Wheeling & Misc Service Charges	<b>430,000</b>	423,000	392,000
4 <b>Total Operating Income</b>	<b>\$22,646,000</b>	<b>\$22,032,000</b>	\$22,998,000
<b>OPERATING EXPENDITURES</b>			
5 Source of Supply	<b>\$6,286,000</b>	\$5,891,000	\$6,186,000
6 Pumping	<b>567,000</b>	628,000	438,000
7 Operations	<b>857,000</b>	1,029,000	808,000
8 Water Treatment	<b>2,628,000</b>	2,530,000	2,697,000
9 Sewer Service	<b>178,000</b>	173,000	171,000
10 Transmission & Distribution	<b>3,694,000</b>	3,447,000	3,656,000
11 Consumer Accounting	<b>683,000</b>	574,000	644,000
12 Water Conservation	<b>408,000</b>	373,000	399,000
13 General & Administrative	<b>2,520,000</b>	2,089,000	2,383,000
14 Depreciation Expense	<b>3,777,000</b>	3,380,000	3,486,000
15 <b>Total Operating Expenditures</b>	<b>\$21,598,000</b>	\$20,114,000	\$20,868,000
16 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$1,048,000</b>	\$1,918,000	\$2,130,000
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
17 Tax Proceeds	<b>\$118,000</b>	\$116,000	\$116,000
18 Interest Revenue	<b>316,000</b>	591,000	277,000
19 Miscellaneous Revenue	<b>135,000</b>	132,000	133,000
20 Interest Expense	<b>(748,000)</b>	(805,000)	(806,000)
21 Miscellaneous Expense	<b>(20,000)</b>	(2,000)	(20,000)
22 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$199,000)</b>	\$32,000	(\$300,000)
<b>NET INCOME/(LOSS)</b>	<b>\$849,000</b>	\$1,950,000	\$1,830,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
23 Add Depreciation Expense	<b>\$3,777,000</b>	\$3,380,000	\$3,486,000
24 Connection Fees	<b>509,000</b>	1,446,000	340,000
25 Caltrans AEEP Reimbursement	<b>1,000</b>	13,000	1,000
26 MMWD AEEP Capital Contribution	<b>205,000</b>	205,000	205,000
27 Loans/Grants	<b>610,000</b>	-	69,000
28 Stone Tree Golf Principal Repayment	<b>37,000</b>	1,118,000	227,000
29 Transfers Out from Capital Expansion Fund	<b>(369,000)</b>	(305,700)	-
30 Capital Equipment Expenditures	<b>(330,000)</b>	(382,000)	(433,000)
31 Capital Improvement Projects	<b>(6,862,000)</b>	(3,763,500)	(5,713,000)
32 Debt Principal Payments	<b>(2,395,000)</b>	(2,333,000)	(2,333,000)
33 <b>Total Other Sources/(Uses)</b>	<b>(\$4,817,000)</b>	(\$622,200)	(\$4,151,000)
34 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$3,968,000)</b>	\$1,327,800	(\$2,321,000)

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

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

# NOVATO POTABLE WATER

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

Fiscal Year Ending June 30 >		Approved 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
<b>SERVICES</b>						
1	Active Meters @ Fiscal Year End	20,558	20,568	20,578	20,588	20,598
2	Increase for Year - Active Meters	10	10	10	10	10
<b>WATER PRODUCTION (MG)</b>						
3	Stafford Production	650	650	650	650	650
4	Russian River Purchases	1,880	1,880	1,880	1,880	1,880
5	<b>Total Water Production</b>	<b>2,530</b>	<b>2,530</b>	<b>2,530</b>	<b>2,530</b>	<b>2,530</b>
<b>REVENUE &amp; EXPENSE (\$ in 000's)</b>						
<b>OPERATING REVENUE</b>						
6	Potable Water Sales	\$19,774	\$20,960	\$22,218	\$23,551	\$24,964
7	Wheeling & Other Misc Service Charges	365	380	395	411	427
8	<b>Total Operating Revenue</b>	<b>\$20,139</b>	<b>\$21,340</b>	<b>\$22,613</b>	<b>\$23,962</b>	<b>\$25,391</b>
<b>OPERATING EXPENSE</b>						
9	Russian River Water	\$5,740	\$6,084	\$6,449	\$6,836	\$7,247
10	Overheaded Operating Labor	7,220	7,437	7,660	7,889	8,126
11	Purification Chemicals	425	438	451	464	478
12	Electric Power	496	511	526	542	558
13	Other Operating Expenses	2,653	2,733	2,815	2,899	2,986
14	Depreciation	2,868	2,900	2,930	2,960	2,990
15	<b>Total Operating Expense</b>	<b>\$19,402</b>	<b>\$20,102</b>	<b>\$20,831</b>	<b>\$21,591</b>	<b>\$22,385</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>						
16	Interest Revenue	\$150	\$150	\$150	\$150	\$150
17	Interest Expense	(456)	(724)	(961)	(959)	(958)
18	Misc Other Revenue/(Expense)	115	118	122	126	129
19	<b>Total Non-Op Revenue/(Expense)</b>	<b>(\$191)</b>	<b>(\$456)</b>	<b>(\$689)</b>	<b>(\$683)</b>	<b>(\$679)</b>
20	<b>Net Income</b>	<b>\$546</b>	<b>\$782</b>	<b>\$1,093</b>	<b>\$1,687</b>	<b>\$2,327</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>						
21	Add Depreciation Expense	\$2,868	\$2,900	\$2,930	\$2,960	\$2,990
22	Connection Fees	486	486	486	486	486
23	MMWD/Caltrans AEEP Capital Contribution	206	206	206	206	206
24	Loans/Grants	-	8,000	7,000	-	-
25	Capital Equipment Purchases	(330)	(250)	(250)	(250)	(250)
26	Capital Improvement Projects	(4,987)	(9,835)	(9,610)	(3,180)	(4,330)
27	Debt Principal Payments	(1,451)	(1,629)	(1,788)	(1,790)	(1,800)
28	FRC Funds Transferred to Recycled Water	(794)	(747)	(714)	(687)	(656)
29	Working Capital Increase	-	-	-	-	-
30	<b>Total Other Sources/(Uses)</b>	<b>(\$4,002)</b>	<b>(\$869)</b>	<b>(\$1,740)</b>	<b>(\$2,255)</b>	<b>(\$3,354)</b>
31	<b>Cash Increase/(Decrease)</b>	<b>(\$3,456)</b>	<b>(\$87)</b>	<b>(\$647)</b>	<b>(\$568)</b>	<b>(\$1,027)</b>
32	<b>Ending Reserve Balance</b>	<b>\$13,079</b>	<b>\$12,993</b>	<b>\$12,346</b>	<b>\$11,778</b>	<b>\$10,751</b>
33	<b>Target Reserve Balance (90% Op Exp)</b>	<b>\$14,881</b>	<b>\$15,482</b>	<b>\$16,111</b>	<b>\$16,768</b>	<b>\$17,456</b>
34	<b>% Rate Increase<sup>1</sup></b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>5.0%</b>
35	<b>Median Monthly Single-Family Residential Bill</b>	<b>\$61</b>	<b>\$65</b>	<b>\$69</b>	<b>\$72</b>	<b>\$76</b>

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

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

	Approved 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
<b>STATISTICS</b>								
1 Active Meters	20,558	20,548	20,553	20,546	20,543	20,544	20,535	20,498
2 Avg Commodity Rate/1,000 Gal (Net)	\$6.34	\$6.25	\$6.25	\$6.00	\$6.00	\$5.40	\$5.25	\$4.87
3 Potable Consumption (BG)	2.40	2.43	2.60	2.42	2.58	2.31	2.15	2.44
<b>OPERATING INCOME</b>								
4 Water Sales	\$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 <b>TOTAL OPERATING INCOME</b>	<b>\$20,139,000</b>	<b>\$19,554,000</b>	<b>\$20,581,000</b>	<b>\$19,437,324</b>	<b>\$20,019,805</b>	<b>\$16,984,885</b>	<b>\$15,793,138</b>	<b>\$16,414,448</b>
<b>OPERATING EXPENSE</b>								
<b>SOURCE OF SUPPLY</b>								
10 Supervision & Engineering	\$11,000	\$12,000	\$11,000	\$7,564	\$9,303	\$11,264	\$10,586	\$11,641
11 Operating Expense - Source	14,000	10,000	14,000	9,195	6,236	8,513	11,928	11,044
12 Maintenance/Monitoring of Dam	128,000	41,000	67,000	33,686	22,203	24,059	22,796	11,635
13 Maintenance of Lake & Intakes	20,000	19,000	20,000	24,172	10,690	7,575	6,299	511
14 Maintenance of Watershed	45,000	25,000	50,000	4,446	29,646	36,218	17,325	15,151
15 Water Purchased for Resale to MMWD	-	-	-	-	111,891	-	-	-
16 Water Quality Surveillance	15,000	2,000	14,000	1,669	6,728	3,513	3,137	7,467
17 Contract Water - SCWA	5,740,000	5,470,000	5,710,000	5,082,987	5,151,516	4,320,623	3,997,030	4,333,100
18 GASB 68 Adjustment	11,000	10,000	10,000	3,690	8,535	5,682	-	-
19 <b>TOTAL SOURCE OF SUPPLY</b>	<b>\$5,984,000</b>	<b>\$5,589,000</b>	<b>\$5,896,000</b>	<b>\$5,167,409</b>	<b>\$5,356,748</b>	<b>\$4,417,447</b>	<b>\$4,069,101</b>	<b>\$4,390,549</b>
<b>PUMPING</b>								
20 Operating Expense	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$0	\$237
21 Maintenance of Structures/Grounds	32,000	31,000	32,000	56,801	32,611	28,514	26,347	51,544
22 Maintenance of Pumping Equipment	113,000	171,000	53,000	41,304	39,435	30,354	13,507	51,013
23 Electric Power - Pumping	340,000	330,000	288,000	285,772	293,588	246,869	212,207	213,909
24 GASB 68 Adjustment	9,000	8,000	8,000	5,272	6,967	3,496	-	-
25 <b>TOTAL PUMPING</b>	<b>\$497,000</b>	<b>\$540,000</b>	<b>\$384,000</b>	<b>\$389,149</b>	<b>\$372,601</b>	<b>\$309,233</b>	<b>\$252,061</b>	<b>\$316,703</b>
<b>OPERATIONS</b>								
26 Supervision & Engineering	\$163,000	\$230,000	\$158,000	\$215,732	\$253,594	\$234,870	\$256,231	\$241,264
27 Operating Expense	256,000	409,000	238,000	306,774	400,138	343,890	304,897	244,900
28 Maintenance Expense	56,000	40,000	57,000	38,570	50,339	47,202	34,755	37,667
29 Telemetry Equipment/Controls Maint	95,000	64,000	87,000	84,979	94,523	101,568	68,674	86,544
30 Leased Line Expense	20,000	17,000	17,000	16,678	17,414	17,592	17,704	17,986
31 GASB 68 Adjustment	144,000	128,000	128,000	48,442	107,728	63,553	-	-
32 <b>TOTAL OPERATIONS</b>	<b>\$734,000</b>	<b>\$888,000</b>	<b>\$685,000</b>	<b>\$711,175</b>	<b>\$923,736</b>	<b>\$808,675</b>	<b>\$682,261</b>	<b>\$628,361</b>

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

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

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2020/21

	Approved 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
<b>WATER CONSERVATION</b>								
68 Residential	\$243,000	\$200,000	\$255,000	\$246,347	\$235,438	\$270,150	\$320,620	\$410,154
69 Commercial	20,000	7,000	20,000	7,983	5,818	1,702	3,711	5,352
70 Public Outreach/Information	60,000	96,000	44,000	51,040	33,789	30,618	32,287	34,148
71 Large Landscape	28,000	20,000	28,000	19,839	33,662	36,818	24,877	10,747
72 GASB 68 Adjustment	48,000	43,000	43,000	16,575	36,183	21,754	-	-
73 <b>TOTAL WATER CONSERVATION</b>	<b>\$399,000</b>	<b>\$366,000</b>	<b>\$390,000</b>	<b>\$341,784</b>	<b>\$344,890</b>	<b>\$361,042</b>	<b>\$381,495</b>	<b>\$460,401</b>
<b>GENERAL &amp; ADMINISTRATION</b>								
74 Director's Expense	\$41,000	\$37,000	\$41,000	\$36,815	\$37,111	\$34,384	\$34,222	\$30,400
75 Legal Fees	21,000	13,000	21,000	20,853	20,173	28,043	20,488	9,956
76 Human Resources	55,000	47,000	52,000	96,677	62,348	31,451	25,036	33,977
77 Auditing Services	26,000	21,000	21,000	22,731	19,706	16,220	18,770	18,380
78 Consulting Services/Studies	318,000	160,000	195,000	304,645	223,041	51,567	138,735	107,015
79 General Office Salaries	1,250,000	1,090,000	1,211,000	1,083,904	1,441,496	1,492,719	1,309,502	1,191,792
80 Office Supplies	45,000	29,000	47,000	31,761	33,753	35,048	37,709	36,877
81 Employee Events	12,000	12,000	12,000	10,664	10,123	9,726	10,143	7,379
82 Other Administrative Expense	15,000	7,000	15,000	7,289	12,528	13,960	10,427	13,390
83 Election Cost	35,000	-	-	18,915	0	2,077	250	-
84 Dues & Subscriptions	99,000	98,000	95,000	79,986	59,362	59,046	59,271	53,296
85 Vehicle Expense	8,000	8,000	8,000	8,112	8,634	9,325	8,112	8,112
86 Meetings, Conf & Training	192,000	129,000	189,000	107,583	149,670	186,436	139,858	136,863
87 Telephone, Water, Gas & Electricity	48,000	47,000	49,000	38,758	40,595	45,355	42,458	38,580
88 Building & Grounds Maintenance	59,000	55,000	60,000	58,884	75,130	62,856	63,344	48,891
89 Office Equipment Expense	140,000	140,000	129,000	109,014	97,003	95,465	87,141	97,868
90 Insurance Premiums & Claims	155,000	146,000	146,000	99,040	92,292	87,319	140,366	102,073
91 Retiree Medical Benefits	200,000	190,000	172,000	197,855	174,528	164,969	168,935	175,580
92 (Gain)/Loss on Overhead Charges	(140,000)	(162,000)	(120,000)	905,403	(357,925)	(19,931)	(89,626)	(85,682)
93 G&A Distributed to Other Operations	(145,000)	(130,000)	(146,000)	(140,526)	(157,976)	(161,036)	(126,771)	(113,218)
94 G&A Applied to Construction Projects	(477,000)	(399,000)	(326,000)	(374,552)	(346,105)	(290,813)	(359,689)	(353,998)
95 GASB45/75 Adjustment (OPEB)	-	-	-	15,707	(35,788)	120,988	-	-
96 GASB68 Adjustment (Pension Liability)	411,000	396,000	366,000	124,583	342,715	207,182	-	-
97 <b>TOTAL GENERAL &amp; ADMINISTRATION</b>	<b>\$2,368,000</b>	<b>\$1,934,000</b>	<b>\$2,237,000</b>	<b>\$2,864,101</b>	<b>\$2,002,414</b>	<b>\$2,282,356</b>	<b>\$1,738,681</b>	<b>\$1,557,531</b>
98 Depreciation Expense	\$2,868,000	2,674,000	\$2,788,000	2,752,212	\$2,730,867	\$2,710,627	\$2,577,081	\$2,507,124
99 <b>TOTAL OPERATING EXPENSE</b>	<b>\$19,402,000</b>	<b>\$18,177,000</b>	<b>\$18,919,000</b>	<b>\$17,799,855</b>	<b>\$18,063,210</b>	<b>\$16,748,582</b>	<b>\$15,001,502</b>	<b>\$14,825,093</b>
100 <b>NET OPERATING INCOME/(LOSS)</b>	<b>\$737,000</b>	<b>\$1,377,000</b>	<b>\$1,662,000</b>	<b>\$1,637,470</b>	<b>\$1,956,595</b>	<b>\$236,303</b>	<b>\$791,636</b>	<b>\$1,589,355</b>

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

	<b>Approved Budget 2020/21</b>	<b>Estimated Actual 2019/20</b>	<b>Adopted Budget 2019/20</b>
<b>OPERATING INCOME</b>			
1 Recycled Water Sales	\$1,234,000	\$1,194,000	\$1,194,000
2 Bimonthly Service Charge	58,000	43,000	43,000
3 <b>Total Operating Income</b>	<b>\$1,292,000</b>	<b>\$1,237,000</b>	<b>\$1,237,000</b>
<b>OPERATING EXPENDITURES</b>			
4 Purchased Water - NSD	\$213,000	\$213,000	\$212,000
5 Purchased Water - LGVSD	71,000	71,000	63,000
6 Pumping	7,000	5,000	6,000
7 Operations	74,000	88,000	74,000
8 Water Treatment	31,000	7,000	30,000
9 Transmission & Distribution	62,000	38,000	62,000
10 Consumer Accounting	1,000	1,000	1,000
11 General Administration	61,000	65,000	55,000
12 Depreciation	673,000	474,000	474,000
13 <b>Total Operating Expenditures</b>	<b>\$1,193,000</b>	<b>\$962,000</b>	<b>\$977,000</b>
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$99,000</b>	<b>\$275,000</b>	<b>\$260,000</b>
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
15 Interest Revenue	\$140,000	\$153,000	\$45,000
16 Stone Tree Golf/MCC Interest Payments	12,000	22,000	36,000
17 Deer Island SRF Loan Interest Expense	(42,000)	(47,000)	(47,000)
18 Distrib System SRF Loans Interest Exp	(228,000)	(240,000)	(240,000)
19 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$118,000)</b>	<b>(\$112,000)</b>	<b>(\$206,000)</b>
20 <b>NET INCOME/(LOSS)</b>	<b>(\$19,000)</b>	<b>\$163,000</b>	<b>\$54,000</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
21 Add Depreciation Expense	\$673,000	\$474,000	\$474,000
22 Connection Fees Transferred from (to) Novato	794,000	843,000	910,000
23 Transfers Out from Capital Expansion Fund	(369,000)	(305,700)	-
24 Stone Tree Golf/MCC Principal Repayment	37,000	1,118,000	227,000
25 Capital Improvement Projects	(100,000)	(23,000)	(120,000)
26 Deer Island SRF Loan Principal Payments	(232,000)	(226,000)	(226,000)
27 Distrib System SRF Loan Principal Pmts	(663,000)	(650,000)	(650,000)
28 <b>Total Other Sources/(Uses)</b>	<b>\$140,000</b>	<b>\$1,230,300</b>	<b>\$615,000</b>
29 <b>CASH INCREASE/(DECREASE)</b>	<b>\$121,000</b>	<b>\$1,393,300</b>	<b>\$669,000</b>

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

Fiscal Year Ending June 30 >		Approved <b>2021</b>	Projected <b>2022</b>	Projected <b>2023</b>	Projected <b>2024</b>	Projected <b>2025</b>
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
<b>OPERATING REVENUE</b>						
4	Recycled Water Sales	\$1,234	\$1,328	\$1,407	\$1,478	\$1,552
5	Bimonthly Service Charge	58	61	65	69	72
6	<b>Total Operating Revenue</b>	<b>\$1,292</b>	<b>\$1,389</b>	<b>\$1,472</b>	<b>\$1,547</b>	<b>\$1,624</b>
<b>OPERATING EXPENSE</b>						
7	Purchased Water - NSD	\$213	\$219	\$226	\$233	\$240
8	Purchased Water - LGVSD	71	73	75	77	79
9	Overheaded Operating Labor	103	106	109	112	115
10	Electric Power	6	6	6	6	6
11	Other Operating Expenses	128	130	133	136	139
12	Depreciation	673	673	673	673	673
13	<b>Total Operating Expense</b>	<b>\$1,193</b>	<b>\$1,207</b>	<b>\$1,222</b>	<b>\$1,237</b>	<b>\$1,252</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>						
14	Interest Revenue	\$152	\$67	\$70	\$70	\$70
15	Interest Expense	(270)	(231)	(212)	(212)	(212)
16	<b>Total Non-Op Revenue/(Expense)</b>	<b>(\$118)</b>	<b>(\$164)</b>	<b>(\$142)</b>	<b>(\$142)</b>	<b>(\$142)</b>
17	<b>NET INCOME/(LOSS)</b>	<b>(\$19)</b>	<b>\$18</b>	<b>\$108</b>	<b>\$168</b>	<b>\$230</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>						
18	Add Depreciation Expense	\$673	\$673	\$673	\$673	\$673
19	Marin CC Principal Repayment	37	79	81	81	81
20	Novato Potable FRC Fund Trsf	794	747	714	687	665
21	Transfers Out from Capital Expansion Fund	(369)	(416)	(449)	(477)	(507)
22	Capital Improvement Projects	(100)	(100)	(100)	(100)	(100)
23	Deer Island TP Loan Principal Pmt	(232)	(237)	(243)	(243)	(243)
24	Distrib Sys Exp Loan Principal Pmt	(663)	(710)	(722)	(722)	(722)
25	<b>Total Other Sources/Uses</b>	<b>\$140</b>	<b>\$36</b>	<b>(\$46)</b>	<b>(\$101)</b>	<b>(\$153)</b>
26	<b>Cash Increase/(Decrease)</b>	<b>\$121</b>	<b>\$54</b>	<b>\$62</b>	<b>\$67</b>	<b>\$77</b>
27	<b>Ending Reserve Balance</b>	<b>\$4,683</b>	<b>\$4,737</b>	<b>\$4,799</b>	<b>\$4,866</b>	<b>\$4,943</b>
28	<b>% Rate Increase<sup>1</sup></b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>5.0%</b>

<sup>1</sup>Fiscal year 2021 Rate increase 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.



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

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

# WEST MARIN WATER

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

	Approved 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25
<b>BASIC DATA</b>					
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
<b>OPERATING REVENUE</b>					
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 <b>Total Operating Revenue</b>	<b>\$939,000</b>	<b>\$1,015,000</b>	<b>\$1,061,000</b>	<b>\$1,109,000</b>	<b>\$1,158,000</b>
8 Operating Expenditures	\$560,000	\$577,000	\$594,000	\$612,000	\$630,000
9 Depreciation Expense	188,000	213,000	230,000	233,000	243,000
10 <b>Total Operating Expense</b>	<b>\$748,000</b>	<b>\$790,000</b>	<b>\$824,000</b>	<b>\$845,000</b>	<b>\$873,000</b>
11 <b>NET OPERATING INCOME</b>	<b>\$191,000</b>	<b>\$225,000</b>	<b>\$237,000</b>	<b>\$264,000</b>	<b>\$285,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
12 Interest Revenue	\$11,000	\$4,000	\$5,000	\$7,000	\$6,000
13 Interest Expense	(22,000)	(20,000)	(18,000)	(38,000)	(38,000)
14 PR-2 County Tax Allocation	57,000	58,000	59,000	60,000	61,000
15 Miscellaneous	-	-	-	-	-
16 <b>Total Non-Op Revenue/(Expense)</b>	<b>46,000</b>	<b>42,000</b>	<b>46,000</b>	<b>29,000</b>	<b>29,000</b>
17 <b>Net Income</b>	<b>\$237,000</b>	<b>\$267,000</b>	<b>\$283,000</b>	<b>\$293,000</b>	<b>\$314,000</b>
<b>OTHER SOURCES/(USES)</b>					
18 Add Depreciation Expense	\$188,000	\$213,000	\$230,000	\$233,000	\$243,000
19 Connection Fees	23,000	-	23,000	-	23,000
20 Capital Improvement Projects	(1,485,000)	(1,040,000)	(200,000)	(575,000)	(775,000)
21 Grant/Loan Proceeds	385,000	-	-	-	-
22 Loan from Novato Water	-	700,000	(50,000)	(50,000)	(50,000)
23 Debt Principal Payments	(49,000)	(51,000)	(52,000)	(54,000)	(56,000)
24 <b>Total Other Sources/(Uses)</b>	<b>(\$938,000)</b>	<b>(\$178,000)</b>	<b>(\$49,000)</b>	<b>(\$446,000)</b>	<b>(\$615,000)</b>
25 <b>Cash Increase/(Decrease)</b>	<b>(\$701,000)</b>	<b>\$89,000</b>	<b>\$234,000</b>	<b>(\$153,000)</b>	<b>(\$301,000)</b>
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 <b>ENDING CASH BALANCE</b>	<b>\$386,000</b>	<b>\$475,000</b>	<b>\$709,000</b>	<b>\$556,000</b>	<b>\$255,000</b>
<b>% Rate Increase<sup>1</sup></b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>

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

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

	<b>Approved Budget 2020/21</b>	<b>Estimated Actual 2019/20</b>	<b>Adopted Budget 2019/20</b>
<b>OPERATING INCOME</b>			
1 Monthly Sewer Service Charge	<b>\$276,000</b>	\$262,000	\$261,000
2 Misc Service Charges	-	\$3,000	-
3 <b>Total Operating Income</b>	<b>\$276,000</b>	\$265,000	\$261,000
<b>OPERATING EXPENDITURES</b>			
4 Sewage Collection	<b>\$88,000</b>	\$87,000	\$79,000
5 Sewage Treatment	<b>45,000</b>	42,000	46,000
6 Sewage Disposal	<b>45,000</b>	44,000	46,000
7 Consumer Accounting	<b>2,000</b>	2,000	2,000
8 General Administration	<b>27,000</b>	26,000	27,000
9 Depreciation Expense	<b>48,000</b>	46,000	37,000
10 <b>Total Operating Expenditures</b>	<b>\$255,000</b>	\$247,000	\$237,000
11 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$21,000</b>	\$18,000	\$24,000
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
12 OM-1/OM-3 Tax Allocation	<b>\$61,000</b>	\$60,000	\$60,000
13 Interest Revenue	<b>3,000</b>	11,000	8,000
14 <b>Total Non-Op Income/(Expense)</b>	<b>\$64,000</b>	\$71,000	\$68,000
<b>NET INCOME/(LOSS)</b>	<b>\$85,000</b>	\$89,000	\$92,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
15 Add Depreciation Expense	<b>\$48,000</b>	\$46,000	\$37,000
16 Grant/Loan Proceeds	<b>225,000</b>	-	69,000
17 Capital Improvement Projects	<b>(290,000)</b>	(124,500)	(\$55,000)
18 <b>Total Other Souces/(Uses)</b>	<b>(\$17,000)</b>	(\$78,500)	\$51,000
19 <b>CASH INCREASE/(DECREASE)</b>	<b>\$68,000</b>	\$10,500	\$143,000

# OCEANA MARIN SEWER

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

	Approved 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25
<b>BASIC DATA</b>					
1 Number of Connections	235	236	236	237	237
2 Monthly Service Charge	\$98.00	\$103.00	\$108.00	\$113.00	\$119.00
<b>OPERATING REVENUE</b>					
3 Service Charge	\$276,000	\$292,000	\$306,000	\$321,000	\$338,000
4 Miscellaneous Service Charges		-	-	-	-
5 <b>Total Operating Revenue</b>	<b>\$276,000</b>	<b>\$292,000</b>	<b>\$306,000</b>	<b>\$321,000</b>	<b>\$338,000</b>
<b>OPERATING EXPENSE</b>					
6 Operating Expenditures	\$207,000	\$213,000	\$219,000	\$225,000	\$231,000
7 Depreciation Expense	48,000	53,000	82,000	83,000	89,000
8 <b>Total Operating Expense</b>	<b>\$255,000</b>	<b>\$266,000</b>	<b>\$301,000</b>	<b>\$308,000</b>	<b>\$320,000</b>
9 <b>NET OPERATING INCOME</b>	<b>\$21,000</b>	<b>\$26,000</b>	<b>\$5,000</b>	<b>\$13,000</b>	<b>\$18,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
10 Interest Revenue	\$3,000	\$4,000	\$3,000	\$4,000	\$2,000
11 Interest Expense	-	(9,000)	(8,000)	(7,000)	(21,000)
12 OM-1/OM-3 Tax Allocation	61,000	62,000	63,000	64,000	65,000
13 <b>Total Non-Op Revenue/(Expense)</b>	<b>\$64,000</b>	<b>\$57,000</b>	<b>\$58,000</b>	<b>\$61,000</b>	<b>\$46,000</b>
# <b>Net Income</b>	<b>\$85,000</b>	<b>\$83,000</b>	<b>\$63,000</b>	<b>\$74,000</b>	<b>\$64,000</b>
<b>OTHER SOURCES/(USES)</b>					
15 Add Depreciation Expense	\$48,000	\$53,000	\$82,000	\$83,000	\$89,000
16 Connection Fees	-	30,000	-	30,000	-
17 Capital Improvement Projects	(290,000)	(1,740,000)	(40,000)	(340,000)	(440,000)
18 Grant/Loan Proceeds	225,000	1,450,000	-	-	400,000
19 Debt Principal Payments	-	-	(9,000)	(9,000)	(24,000)
20 <b>Total Other Sources/(Uses)</b>	<b>(\$17,000)</b>	<b>(\$207,000)</b>	<b>\$33,000</b>	<b>(\$236,000)</b>	<b>\$25,000</b>
21 <b>Cash Increase/(Decrease)</b>	<b>\$68,000</b>	<b>(\$124,000)</b>	<b>\$96,000</b>	<b>(\$162,000)</b>	<b>\$89,000</b>
22 <b>ENDING CASH BALANCE</b>	<b>\$387,000</b>	<b>\$263,000</b>	<b>\$359,000</b>	<b>\$197,000</b>	<b>\$286,000</b>
<b>% Rate Increase<sup>1</sup></b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>

<sup>1</sup>Fiscal year 2021 Rate increase approved 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			
1.7189.00	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			
1.7007.14	a. DCA Repair/Replace-FY21 (~14/yr)	\$100,000	\$100,000	
1.7090.04	b. Anode Installations-FY21 (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.
1.7190.00	d. San Marin Aqueduct Valve Pit (STP to Zone 2)	\$110,000	-	Piping/Valve modifications to allow downtown Zone 1 water (from STP) to supply San Marin pump station.
	e. Other System Improvements	-	\$200,000	
	TOTAL SYSTEM IMPROVEMENTS	\$245,000	\$310,000	
3.	BUILDING, YARD, STP IMPROVEMENTS			
	a. Administration Building			
1.6501.44	1 Office/Yard Building Renovation (Note 1)	\$1,000,000	\$7,000,000	50-year-old building requires significant upgrading.
		\$1,000,000	\$7,000,000	
	b. Stafford Treatment Plant			
1.6600.69	1 Dam Concrete Repair (Apron)	-	\$50,000	Ongoing patch repairs as needed.
1.6600.96	2 Leveroni Creek Embankment Repair (Note 2)	\$192,000	-	Repair/stabilize culvert embankment under access road to STP/IVGC.
1.6600.xx	3 Other Treatment Plant Improvements	\$100,000	\$50,000	Miscellaneous plant improvements.
1.6600.97	4 Efficiency Improvements	\$100,000	-	Improvement of sludge treatment process as suggested in the Efficiency Study.
1.6600.92	5 STP - Chemical System Upgrades (Tank R&R)	\$75,000	\$75,000	Ongoing replacement of original chemical storage tanks (circa 2006) that are at the end of their useful life.
1.6600.34	6 HSPS #3 Motor R&R	\$20,000	-	Purchase and install new motor for High Service Pump Station Unit #3.
1.6600.83	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.xx	c. PB Replace in Sync w/ County Paving	\$50,000	\$50,000	For 25 replacements.
2-7185-00	d. Gallagher Ranch Streambank Stabilization (Note 3)	\$260,000	-	Hazard mitigation project to stabilize a section of Lagunitas Creek upstream of Gallagher Ranch bridge to protect NMWD well and pipeline from flooding damage.
2.8912.00	e. Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$100,000	\$400,000	Relocate/replace 8-inch water main across Lagunitas Creek Bridge.
2.8737.07	f. Olema Creek Bridge Pipe Replacement (County)	-	\$255,000	
	TOTAL WEST MARIN WATER SYSTEM PROJECTS	<u>\$1,485,000</u>	<u>\$1,040,000</u>	
7.	OCEANA MARIN SEWER SYSTEM			
8.8672.28	a. Infiltration Repair (Manhole Relining)	\$40,000	\$40,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system.
8.7085.05	b. Tahiti Way Lift Pumps Replacement	\$25,000	\$100,000	Replacement of Lift Pumps
8.7173.00	c. OM Treatment Pond Rehab (Note 5)	\$225,000	\$1,600,000	Hazard mitigation project to armor the existing earthen treatment pond berms to minimize storm erosion and damage due to earthquakes.
	TOTAL OCEANA MARIN SEWER SYSTEM PROJECTS	<u>\$290,000</u>	<u>\$1,740,000</u>	



**CAPITAL IMPROVEMENT PROJECTS**

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

**CAPITAL IMPROVEMENT PROJECTS**

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

**CAPITAL IMPROVEMENT PROJECTS**

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

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

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

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

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

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

## EQUIPMENT EXPENDITURES

Fiscal Year 20/21 Budget

		Approved	Description
<b>1 OPERATIONS/MAINTENANCE</b>			
12106.01.00	a. Metals Analyzer	\$85,000	Replace 20-year old metals analyzer as its repair components are no longer available.
12109.01.00	b. Meter Maintenance Program	\$57,000	Equipment to test meters up to 2".
		<b>\$142,000</b>	
<b>2 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b>			
		<u>Rolling Stock to be Transferred &amp; Auctioned or Description</u>	
12104.01.00	a. 5-Yard Dump Truck	\$135,000	Replace #44 Dump Truck (over 110K miles and non-CA exhaust compliant).
12104.01.00	b. 9,000 GVWR Hyd Dump Trailer	\$11,000	Needed for building and grounds maintenance.
12104.01.00	c. 14,000 GVWR Tilt Deck Trailer	\$17,000	Needed for Construction Department to transport BobCat track loader.
12104.01.00	d. Cart-Away 1 Yard Concrete Mixer	\$25,000	Needed for Construction Department for more reliable transport of cement.
		<b>\$188,000</b>	
<b>Total</b>		<b>\$330,000</b>	

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

MARIN COUNTY ELECTIONS DEPARTMENT  
NOTICE OF ELECTION, OFFICES ON BALLOT,  
AND CANDIDATE FILING DEADLINES  
November 3, 2020, General Election

NOTICE IS HEREBY GIVEN TO ALL QUALIFIED PERSONS that a General Election will be held in Marin County on Tuesday, November 3, 2020, for the following school and special district offices.

SCHOOL DISTRICTS

				OPEN SEATS	
				Full Term (4 years)	Short Term (2 years)
County Board of Education					
Trustee Area No.1	-	-	-	1	
Trustee Area No.2	-	-	-	1	
Trustee Area No.4	-	-	-	1	
Trustee Area No.7	-	-	-	1	

QUALIFICATIONS: Registered voter in the trustee area that candidate will represent. Shall be elected by the electors of the trustee area. May not be the County Superintendent of Schools, any member of their staff, or any employee of a school district in the jurisdiction of the Board of Education. (Ed. Code sec. 1000, 1006)

SCHOOL DISTRICTS

				OPEN SEATS	
				Full Term (4 years)	Short Term (2 years)
Bolinas Stinson Union School District	-	-	-	2	
Kentfield School District	-	-	-	2	
Laguna Joint School District *	-	-	-	1	
Lagunitas School District	-	-	-	2	
Larkspur-Corte Madera School District	-	-	-	2	- - - - 1
Lincoln Union School District *	-	-	-	1	
Marin Community College District	-	-	-	4	
Mill Valley School District	-	-	-	2	
Miller Creek Elementary School District	-	-	-	2	
Nicasio School District	-	-	-	1	
Novato Unified School District					
Trustee Area 1	-	-	-	1	
Trustee Area 2	-	-	-	1	
Trustee Area 3	-	-	-	1	
Trustee Area 7	-	-	-	1	
Petaluma Joint Union High School *	-	-	-	2	
Reed Union School District	-	-	-	2	
Ross School District	-	-	-	2	
Ross Valley School District	-	-	-	3	
San Rafael School District **					
Trustee Area 1	-	-	-	1	
Trustee Area 3	-	-	-	1	
Trustee Area 5	-	-	-	1	
Shoreline Unified School District:					
Trustee Area 1	-	-	-	1	
Trustee Area 2	-	-	-	1	
Trustee Area 3	-	-	-	2	
Sausalito-Marín City School District	-	-	-	2	
Tamalpais Union High School District	-	-	-	2	

QUALIFICATIONS: Registered voter in the district who is not disqualified by the Constitution or laws of the state from holding a public office. May not be an employee of the school district. (Ed. Code sec. 35107)

\* Pick up and file papers in the county where you live. For more information: Sonoma County residents call 707-565-6800. Marin County residents call 415-473-6437.

\*\*San Rafael School District candidates: Pick up and file papers with San Rafael City Clerk.

SPECIAL DISTRICTS

				OPEN SEATS	
				Full Term (4 years)	Short Term (2 years)
COMMUNITY SERVICES DISTRICTS					
Bel Marin Keys CSD	-	-	-	3	
Marin City CSD	-	-	-	2	
Marinwood CSD	-	-	-	3	
Muir Beach CSD	-	-	-	2	
Tamalpais CSD	-	-	-	3	
Tomaes Village CSD	-	-	-	2	
FIRE PROTECTION DISTRICTS					
Bolinas Fire District	-	-	-	3	
Kentfield Fire District	-	-	-	2	
Novato Fire District					
District 1	-	-	-	1	
District 2	-	-	-	1	
District 3	-	-	-	1	
Sleepy Hollow Fire District	-	-	-	2	
Southern Marin Fire District	-	-	-	3	- - - - 1
Stinson Beach Fire District	-	-	-	3	
Tiburon Fire District	-	-	-	2	
PUBLIC UTILITY DISTRICTS					
Bolinas Community PUD	-	-	-	2	
Inverness PUD	-	-	-	3	
RECREATION DISTRICTS					
Mesa Park Recreation District	-	-	-	2	- - - - 1
Strawberry Recreation District	-	-	-	2	- - - - 1
SANITARY DISTRICTS					
Alto Sanitary District	-	-	-	3	
Homestead Valley Sanitary District	-	-	-	3	- - - - 1
Las Gallinas Valley Sanitary District	-	-	-	2	
Novato Sanitary District					
District 1	-	-	-	1	
District 4	-	-	-	1	
At Large	-	-	-	-	- - - - 1
Richardson Bay Sanitary District	-	-	-	2	- - - - 1
Sausalito-Marín City Sanitary District	-	-	-	2	
Sanitary District No. 5—Tiburon	-	-	-	3	
WATER DISTRICTS					
Marin Municipal Water District					
Division 2	-	-	-	1	
Division 5	-	-	-	1	
North Marin Water District					
Division 2	-	-	-	1	
Division 3	-	-	-	1	
Division 4	-	-	-	1	
Stinson Beach County Water District	-	-	-	3	

QUALIFICATIONS: Registered voter in the district and qualified to vote for that office at time nomination papers are issued. Reference Elections Code sec. 201, Water Code sec. 71501, Public Resource Code 5784(c).

HEALTHCARE DISTRICT

Marin Healthcare District	-	-	-	-	2
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QUALIFICATIONS: Candidate must be a registered voter in the district (Health & Safety sec. 32100). No person who is a director, employee, or medical staff of a hospital owned or operated by a district shall do either of the following: (1) Possess any ownership interest in any other hospital serving the same area as that served by the district hospital of which the person is a director; (2) Be a director, employee, or medical staff of any hospital serving the same area as the area served by the district hospital unless the boards of directors of the district and the hospital have determined that the situation will further efficient delivery of health care services of the areas served by their respective hospitals, or unless the district and the hospital are affiliated under ownership, lease, or any combination thereof. (Health & Safety sec. 32110).

RESOURCE CONSERVATION DISTRICT

Marin Resource Conservation District	-	-	-	-	3
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QUALIFICATIONS: Candidate shall reside within the district and either own real property in the district or alternatively have served, pursuant to the district's rules, for two years or more as an associate director providing advisory or other assistance to the board of directors; or be a designated agent of a resident landowner within the district (Public Resources Code sec. 9352). Requires signatures of five (5) landowners within the district (Public Resources Code sec. 9352).

CITIES/TOWNS

Candidates for office in the Cities/Towns of Belvedere, Fairfax, San Anselmo, San Rafael, Sausalito, and Tiburon, contact City/Town Clerk for information about nomination papers and procedures.

NOTICE IS FURTHER GIVEN that the official Declaration of Candidacy forms for eligible candidates desiring to file for the school and special district offices listed above are available at the Marin County Elections Department, Room 121, Marin Civic Center, San Rafael, California, from July 13 through August 7, 2020. Declaration of Candidacy forms shall be accepted for filing at the Elections Department during regular office hours weekdays from 8 a.m. to 4:30 p.m., and until 5 p.m. on August 7, 2020. In the event an incumbent officeholder does not file for their district office by August 7, the filing period will be extended for that district until 5 p.m. August 12 for non-incumbent candidates only.

NOTICE IS FURTHER GIVEN that due to the COVID-19 pandemic, the Elections Department has implemented measures and procedures to protect the health and safety of candidates and office staff.

- Appointments are required. If you do not have an appointment when visiting the office, you must wait until all other appointments are completed.
- Face masks are required. Anyone visiting the office without a face mask will not be allowed to enter. Masks must be worn at all times while in the office.
- If you are feeling ill please do not come to the office.
- Certain documents must be either notarized or witnessed in person by election staff. If neither is feasible due to illness or shelter-in-place, we will arrange a virtual witnessing of your signature.
- In order to accommodate virtual filing, you must first inform staff of your intentions. Afterwards specific original documents must be received in the office by the applicable deadline. Otherwise your candidacy will not be qualified.

NOTICE IS FURTHER GIVEN that before receiving nomination documents from the Elections Department you must complete and file a **Candidate Application Form**. This is located online at [www.marinvotes.org](http://www.marinvotes.org). If you cannot access or e-file the application please call 415-473-6437 for assistance.

NOTICE IS FURTHER GIVEN that in the event there are no nominees or an insufficient number of nominees for any governing board member and a petition signed by 10 percent of the voters (or 50 voters, whichever is less) of the district requesting an election be held is not presented to the office of the Registrar of Voters by August 12, 2020, at 5 p.m., an appointment to the elective office will be made as follows: For school districts, by the Governing Board of the School District as prescribed by Education Code sec. 5328. For other districts, pursuant to California Elections Code sec. 10515.

NOTICE IS FURTHER GIVEN that voting locations will be open on Election Day from 7 a.m. until 8 p.m. Due to the COVID-19 pandemic, voting locations will be open for limited times on the three days prior to Election Day. Specific hours will be announced closer to Election Day.

For more information about the General Election, go to [www.marinvotes.org](http://www.marinvotes.org), or call the Marin County Elections Department, Candidate Filing Division at 415-473-6437.

Dated July 9, 2020  
LYNDA ROBERTS  
Registrar of Voters



**NORTH MARIN  
WATER DISTRICT**

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

**PHONE**  
415-897-4133

**EMAIL**  
[info@nmwd.com](mailto:info@nmwd.com)

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

July 10, 2020

The Honorable Judge Andrew Sweet  
Marin County Superior Court  
PO Box 4988  
San Rafael, CA 94913-4988

Lucy Dilworth, Foreperson  
Marin County Civil Grand Jury  
3501 Civic Center Drive, Room #275  
San Rafael, CA 94903

*RE: Follow-Up Report on Web Transparency of Agency Compensation Practices*

The referenced report requests that the North Marin Water District (NMWD) respond to recommendations R4 and R6, listed below. Following the recommendations are responses which summarize the implementation action that has been taken to address each recommendation.

- R4. No Later than 90 days after the date of this report, in addition to any other compensation links, agencies should include a link on their board or council web pages that leads directly to their "Elected Officials" page on the *publicpay.ca.gov* site, conforming to the format suggested on Appendix A.

RESPONSE/IMPLEMENTATION - The link (listed below), as suggested in Appendix A of the Grand Jury report, has been added to the District's website under the about NMWD Board of Directors section of the website (<https://www.nmwd.com/about/board-of-directors>):

<https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2404&rpt=5>

- R6. No later than 120 days after the date of this report, agencies should adopt a practice to compile and publish each year an annual report detailing the compensation actually paid to their elected officials for this previous calendar year. Compensation disclosures should include, at a minimum, salary, meeting fees or stipends (including compensation for serving as liaison to other advisory committees, councils and forums), reimbursements, health and retirement benefits, and other benefits such as equipment. A link to this report should be posted on the agency's board or council web page.

RESPONSE/IMPLEMENTATION—NMWD includes the Board of Directors annual compensation as an agenda item at a public Board Meeting in January of each year. This report includes all payments made to the members of the Board of Directors (BOD) for items

listed in the Grand Jury's recommendation above. The link to this report has been added to the District's website under the about NMWD Board of Directors section of the website ([https://www.nmwd.com/about\\_directors.php](https://www.nmwd.com/about_directors.php)) titled *Annual Report on Board Compensation*. The current memo represents calendar year 2019. All compensation paid to the BOD for 2019 was for compensation for attendance at regular and special meetings, and attendance at Advisory Committees, Councils, and Forums.

With the addition of the above referenced website links NMWD is confident that the recommendations are satisfied as requested by the Marin County Civil Grand Jury.

Sincerely,



Drew McIntyre  
General Manager



# Judge to OK PG&E bankruptcy plan

## 17-MONTH CASE

Decision clears way to pay \$25.5B for losses from devastating fires

## Marin Independent Journal

By Michael Liedtke

*The Associated Press*

A federal judge on Friday said he was approving a \$58 billion plan by Pacific Gas & Electric Co. to end a contentious bankruptcy saga that began after the utility's outdated equipment ignited wildfires in California that killed more than 100 people, wiped out entire towns and led the company to confess to crimes driven by its greed and neglect.

The decision by U.S. Bankruptcy Judge Dennis Montali clears the way for PG& E to pay \$25.5 billion for losses from devastating fires in 2017 and 2018. The judge said he will sign the formal order confirming PG& E's plan late Friday or Saturday after the company's lawyers make a few minor revisions worked out during a two-hour hearing.

PG& E» [PAGE2](#)



Butte County District Attorney Michael Ramsey gestures to the broken "C" hook that investigators determined was the cause of the deadly 2018 Camp Fire.

RICH PEDRONCELLI — AP PHOTO

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PG&E



## **FROM PAGE 1**

“This has been a comprehensive and complex challenge for everyone,” Montali said as he thanked everyone involved in the 17-month bankruptcy case.

Dozens of lawsuits were settled during the ordeal, with \$13.5 billion earmarked for more than 80,000 people who lost family, homes, businesses and other property in the fires.

“This is a great day,” said Robert Julian, a lawyer for the bankruptcy committee representing the interests of wildfire survivors. “We are going to start getting money into the hands of the victims.” It still will likely take two to three months for the plan to become effective and PG& E has raised all the money it needs to start funding the victims’ trust and making other promised payments.

PG& E declined to comment, but it plans to issue a statement after Montali signs the final order. The confirmation comes ahead of a June 30 deadline that the company had to meet to qualify for coverage from a \$21 billion wildfire insurance fund created by California last year. The company still faces formidable challenges: Montali’s decision is allowing the company to emerge from its financial morass just as California heads into a summer expected to bring especially high wildfire risks.

The company plans to find a new CEO to replace Bill Johnson, who will step down June 30 after just 14 months on the job. It has overhauled board of directors, including 11 members who were just recently appointed. PG& E also has committed to slicing up its sprawling territory into regional units to be more responsive to the different needs of the 16 million people who rely on it for power.

Financing the plan requires PG& E to nearly double its debt, saddling the company with a burden its critics fear will make it more difficult to raise the estimated \$40 billion for improvements that the utility still needs to make to its electrical grid.

It’s still uncertain whether PG& E is ready to meet the challenges ahead, although the company insists it’s on a new path that will result in safer and more reliable service. PG& E is still behind in its efforts to trim trees and other vegetation that serve as tinder for its power lines during dry, windy conditions.

“This does not put us into a new chapter at PG& E,” said Will Abrams, a survivor of a 2017 wildfire who had been trying to convince the judge to reject the company’s bankruptcy plan. “This was an opportunity missed.” But Montali

decided PG& E's plan met the bankruptcy code's standard of being "feasible" and asserted he saw no other viable alternative to pay wildfire victims who have been suffering for years.

"Mr. Abrams' desire for a better PG& E, for a better environment and a better Northern California, safe from wildfires, while aspirational and well-intended, is not something the bankruptcy code or this court can deliver," Montali wrote in a memo outlining his decision.

PG& E's shortcomings have infuriated a federal judge in a separate court case. U.S. District Judge William Alsup oversees the company's probation following a felony criminal conviction over a natural

gas explosion in 2010 that killed eight people in the San Francisco Bay Area. He wants to impose more safety requirements on PG& E to reduce wildfire risks posed by its electrical grid, but the company has resisted his efforts so far, saying it is meeting the standards of California regulators.

PG& E also expects to have to turn off power in parts of its service territory later this year to reduce wildfire risks during hot, windy weather.

Planned blackouts last year affected more than 2 million people at certain times, and the utility bungled them so badly that it had to publicly apologize and give \$86 million in customer refunds.

State regulators are still investigating PG& E's mishandling of those deliberate blackouts, which left many wondering how an area that's home to some of the world's most influential technology companies can't find a way to keep the power on for days at a time. PG& E has pledged to better communicate about future outages and take steps to reduce how often they're used.

This marks the second time in 16 years that PG& E has navigated a complex bankruptcy case that has raised questions about how it should operate in the future. The last time the company emerged from bankruptcy, in 2004, electricity rates soared and management focused even more on boosting profits instead of upgrading its power supply.

Earlier this week, PG& E took the extraordinary step of pleading guilty to 84 felony counts of involuntary manslaughter for a horrific November 2018 wildfire that wiped out the town of Paradise. The inferno, known as the Camp Fire, erupted

along a power system with parts that were nearly a century old. Besides the deaths, PG& E also pleaded guilty to one felony count of unlawfully starting a fire.

PG& E will pay a maximum fine of \$4 million for those crimes, a penalty that incited more outrage and indignation among families of the dead who shared their heartbreaking stories before the company's sentencing. The judge said that if the same crimes had been committed by an individual instead of a company, he would have been able to sentence the person to 90 years in prison.



Homes are leveled at the Camp Fire in Paradise. A decision by U.S. Bankruptcy Judge Dennis Montali clears the way for PG& E to pay \$25.5 billion for losses from devastating fires in 2017 and 2018.

NOAH BERGER — AP PHOTO, FILE

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Saturday, 06/20/2020 Page .A01

## ***CalPERS gambling on risky strategy to borrow, invest***

**Marin Independent Journal**

**Dan Walters**

The California Public Employees Retirement System, the nation's largest pension trust, benefited greatly from the runup in stocks and other investments during the last few years, topping \$400 billion early this year.

CalPERS needed it because it was still reeling from a \$100 billion decline in its investment portfolio during the previous decade's Great Recession and was tapping state and local governments for ever-increasing, mandatory "contributions" to keep pensions flowing and reduce its immense "unfunded liability." But it faced a backlash from local officials who said vital services were being cut to make their CalPERS payments.

Just when CalPERS appeared to be climbing out of its hole, the COVID-19 pandemic erupted early this year, sending the economy into a tailspin. Virtually overnight, the fund saw its value take a \$69 billion hit as the stock market — CalPERS' biggest investment sector — tanked.

Stocks have since recovered, but CalPERS is still down about \$13 billion from its high early this year.

Further investment erosions would, almost automatically, trigger even greater CalPERS demands for contributions from government employers, but the recession is also eating into their tax revenues, creating substantial budget deficits.

It underscores CalPERS' vulnerability to capital market gyrations. Investments more immune to fluctuations would be safer but they offer very low returns and CalPERS could not safely meet its lofty earnings goal — an average of 7% a year.

It's a vicious circle of conflicting demands and priorities, driven by an official policy of providing generous, inflation-adjusted pensions for government workers, bolstered by the political clout of public employee unions.

CalPERS desperately needs an escape route and has chosen the perilous path of debt.

It plans to borrow billions of dollars — as much as \$80 billion — to fatten its investment portfolio in fingers-crossed hopes that earnings gains will outstrip borrowing costs. It mirrors the recent and risky practice of local governments borrowing heavily to pay their pension bills via "pension obligation bonds."

"More assets refers to a plan to use leverage, or borrowing, to increase the base of the assets generating returns in the portfolio," the system's chief investment officer, Ben Meng, wrote in the Wall Street Journal recently. "Leverage allows CalPERS to take advantage of low interest rates by borrowing and using those funds to acquire assets with potentially higher returns."

What could possibly go wrong?

The new scheme is an implicit admission that CalPERS can't meet its 7% mark without increasing its exposure to the vagaries of the market. "There are only a few asset classes with a long-term expected return clearing the 7% hurdle," Meng wrote.

Perhaps, then, the real problem is the 7% goal, much higher than those of private industry pension plans.

CalPERS and other public systems use higher earnings projections because they need them to pay for the expensive pensions that politicians have awarded. Inferentially, if they fall short of the mark, they can tap employers — i.e. taxpayers — to close the gap. However, that option is pretty much maxed out, which may explain why the very risky borrow and- invest approach is being adopted.

This is serious stuff, so risky that the Legislature should dump its informal hands-off policy toward CalPERS and order up a comprehensive and independent examination of the system's assets, liabilities and long-term prospects of meeting its pension obligations. *CalMatters is a public interest journalism venture committed to explaining how California's state Capitol works and why it matters. For more stories by Dan Walters, go to [calmatters.org/](http://calmatters.org/) commentary.*

**CalPERS desperately needs an escape route and has chosen the perilous path of debt. It plans to borrow billions of dollars — as much as \$80 billion — to fatten its investment portfolio in fingers-crossed hopes that earnings gains will outstrip borrowing costs.**

**Dan Walters**

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Sunday, 06/21/2020 Page .A16Copyright Terms and T

**Experts: Outbreak disaster unfolding**

## **CORONAVIRUS**

Officials fear resurgence could wipe out progress

# **Marin Independent Journal**

*The Associated Press*

A coronavirus resurgence is wiping out two months of progress in the U.S. and sending infections to dire new levels across the South and West, with hospital administrators and health experts warning Wednesday that politicians and a tired-of-being-cooped-up public are letting a disaster unfold.

In California, which is experiencing a worrisome rise in the number of coronavirus cases and hospitalizations, Gov. Gavin Newsom threatened Wednesday to withhold up to \$2.5 billion in the upcoming state budget from local governments that fail to comply with state mandates on wearing masks, testing and other measures meant to slow the spread of the virus.

“There are some that have made rhetorical comments about not giving a damn,” Newsom said in some of his most strident comments to date. “That’s exactly why I look forward to signing this budget that will afford me a little bit of leverage in that conversation.”

The U.S. recorded a one-day total of 34,700 new confirmed COVID-19 cases, the highest level since late April, when the number peaked at 36,400, according to a count kept by Johns Hopkins University.

While newly confirmed infections have been declining steadily in early hot spots such as New York and New Jersey, several other states set single-day records this week, including Arizona, California, Mississippi, Nevada, Texas and Oklahoma. Some of them also broke hospitalization records, as did North Carolina and South

**VIRUS » PAGE 2**

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**Virus**

**FROM PAGE 1**

Carolina.

“People got complacent,” said Dr. Marc Boom, CEO of the Houston Methodist hospital system. “And it’s coming back and biting us, quite frankly.”

Stocks slid on Wall Street as the news dampened hopes for a quick economic turnaround. The Dow Jones Industrial Average lost over 700 points for a drop of 2.7%. The broader S& P 500 fell 2.6%.

The virus has been blamed for over 120,000 U.S. deaths — the highest toll in the world — and more than 2.3 million confirmed infections nationwide. On Wednesday, the widely cited University of Washington computer model of the outbreak projected nearly 180,000 deaths by Oct. 1.

California reported over 7,100 new cases. Florida's single-day count surged to 5,500, a 25% jump from the record set last week.

In Texas, which began lifting its shutdowns on May 1, hospitalizations have doubled and new cases have tripled in two weeks. Gov. Greg Abbott told KFDA-TV the state is facing a "massive outbreak" and might need new local restrictions to preserve hospital space.

The Houston area's intensive care units are nearly full, and two public hospitals are running at capacity, Mayor Sylvester Turner said.

Houston Methodist's Boom said Texans need to "behave perfectly and work together perfectly" to slow the infection rate.

"When I look at a restaurant or a business where people ... are not following the guidelines, where people are just throwing caution to the wind, it makes me angry," he said.

Just 17 percent of intensive-care beds were available Wednesday in Alabama — including just one in Montgomery — though hospitals can add more, said Dr. Don Williamson, head of the Alabama Hospital Association.

"There is nothing that I'm seeing that makes me think we are getting ahead of this," he said.

In Arizona, emergency rooms are seeing about 1,200 suspected COVID-19 patients a day, compared with around 500 a month ago. If the trends continue, hospitals will probably exceed capacity within the next several weeks, said Dr. Joseph Gerald, a University of Arizona public health policy professor.

"We are in deep trouble," said Gerald, urging the state to impose new restrictions on businesses, which Gov. Doug Ducey has refused to do.

Dr. Peter Hotez, an infectious-disease expert at the Baylor College of Medicine in Texas, said he worries that states will squander what time they have to head off a much larger crisis.

"We're still talking about subtlety, still arguing whether or not we should wear masks, and still not understanding that a vaccine is not going to rescue us," he said.

The Texas governor initially barred local officials from fining or penalizing anyone for not wearing a mask as the state reopened. After cases began spiking, Abbott said last week that cities and counties could allow businesses to require masks. So did Arizona's Ducey, who is a Republican, as is Abbott.

The money Newsom threatened to withhold is intended to help local governments pay for services needed because of the pandemic. But it is contingent upon counties following emergency orders to enforce the safety measures as they gradually reopen the economy.

State officials reported corresponding increases in the rate of people testing positive and hospitalizations. Still, Newsom said the state is prepared to handle the trends.

The nation's top infectious- disease expert, Dr. Anthony Fauci, generally applauded the governor's bully pulpit approach to encouraging Californians to restore the sense of shared urgency they showed early on in the pandemic.

"You've got to get the population to realize that we're all in this together. It is not, 'I'm taking care of myself, I don't really care about you,'" Fauci said in an online event Wednesday with the Sacramento Press Club.

The governor said he views the \$2.5 billion in the budget lawmakers are expected to approve this week as a reward, not a punishment for local government.

"When people simply thumb their nose and do not come with a collaborative spirit ... then by all means the state of California has a responsibility, an obligation — legally and otherwise — to enforce those laws and to utilize the tools that are afforded us," he said.

Newsom said he plans to hand out the money monthly, based on counties' compliance. However, the budget bill before lawmakers leaves it up to local governments to certify to the state that they are complying.

Orange County Board of Supervisors Chairwoman Michelle Steel called the budget measure "an act of extortion, and an arbitrary exercise of power."

Assemblyman James Gallagher, a Republican who is fighting the Democratic governor in court over his orders, said Newsom "is instituting a one-size-fits-all mandate, this time with major financial consequences if, in his sole discretion, we haven't complied."

"And now in our time of greatest need, our federal funds are being held hostage," he added.

The bulk of the funding is from the federal government through the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, including \$550 million for local governments to house people who are homeless or at risk of losing their homes because of the pandemic, and another \$1.8 billion for county and local governments for homelessness, public health, public safety and other pandemic-related services.



Newsom spent much of his hour-long online news conference imploring individuals to practice safety measures to protect themselves and others, at one point even personally demonstrating proper handwashing techniques.

But Fauci said officials nationwide are increasingly being ignored as pandemic numbers rise. Some local officials in California are also sounding an alarm.

“If my reading is correct, we’re showing the first signs of starting to lose this battle against COVID-19 in our county,” Ventura County Public Health Officer Dr. Robert Levin said Tuesday, citing growing case numbers and dwindling compliance. He warned that people who don’t take physical separation and wearing masks seriously risk another strict shutdown.



People dine in Austin, Texas. Texas Gov. Greg Abbott reopened the state in May, but the reopening has backfired, as hospitalizations have doubled and new cases have tripled in two weeks.

ILANA PANICH-LINSMAN — THE NEW YORK TIMES

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# Novato Advance

## **PAGES FROM THE PAST Mike Read | *Pages From The Past***

The week of June 24, 2020

*(Editor's Note: This feature highlights Marin history through the pages of the Novato Advance.)*

### **75 YEARS AGO**

**June 1945**

The Novato Utilities company has warned their water customers of the shortage of water, urging consumers to use only the minimum and refrain from watering lawns, etc., until later. The dry weather also greatly increases the fire hazard in the Novato area.

### **25 YEARS AGO**

**June 1995**

After more than 20 years of fuss, furor and fighting, peace is finally coming to Hamilton Field — at least to a portion of Hamilton Field. The New Hamilton Partners took possession of Phase I of what will eventually be a 400-acre portion of the base from the federal government Monday, June 26 and expect to begin preparing the infrastructure for the largest single development ever in Marin County immediately. The developers expect to complete the transaction for the remainder of the property "within the next 12 months," according to David Martin, of the Martin Group, who along with financial partner Goldman Sachs, form the New Hamilton Partners. When fully completed, the project will include 920 housing units and 825,000 square feet of retail and commercial development,

## *Alternative power source key for Marin*

### **Marin Independent Journal**

#### **Editorial**

Marin County officials are working to keep the county operating if — more likely, when — Pacific Gas and Electric Co. pulls the plug during this fire season.

It's a sign of lessons learned from last fall, when PG& E cut off the power across Marin and much of the Bay Area to reduce the risk of wildfires.

PG& E's approach, regardless of ample public warnings, was clumsy and far too sweeping.

Hopefully, PG& E has fulfilled its promise from last year to come up with ways to focus such emergency power outages to areas that truly are at higher risk.

But the county, expecting more outages, is spending \$1.3 million to install two emergency power generators. Those San Rafael buildings, at 120 North Redwood Drive and Kerner Boulevard — the county's public health campus — were left off the original list for generators because they were equipped with solar power.

Those systems didn't keep the buildings running over the prolonged outage.

In the wake of last year's power shutdown, the county hired an energy consultant to a \$650,000 contract to help identify key county sites in need of backup and design backup systems for them.

That includes the Marin Center, which played host to an emergency shelter for more than 600 evacuees from the Kincadee wildfire in the Healdsburg area. The county was ill prepared as workers had to equip the facility with portable generators.

Work has already been completed at the Exhibit Hall, which was designated as a possible overflow hospital for coronavirus patients.

Supervisors approved the latest work, but not without a political hiccup as Supervisors Kate Sears and Damon Connolly voiced their reservations about the county investing more money in an electrical system powered by fossil based fuel. Their focus on weaning the county off fossil-based power is important, but county staff had looked at creating a bank of emergency backup batteries. They said both the Kerner and Redwood Drive sites lacked the space needed to house the necessary equipment for a solar-run emergency system.

Sears and Connolly would have been more helpful if they had offered practical alternatives, particularly addressing the logistical issue facing county staff.

The move to install the generators is mostly fueled by an urgent need and what is possible at this time, a matter of a few months before we are in the heart of fire season.

The county's action is a reminder that we are once again headed into risky times, when the fire risk and wind speeds and their direction could lead PG& E to turn off the power — for days.

It would be helpful to hear exactly what PG& E has done to better refine and limit the geographic scope of its outages. And, for cell-service providers, what improvements have been made in providing backup power for cell phone antennas after last year when nearly half of Marin's customers lost service?

The bottom line is the county's decisions serve as another warning that we need to make preparations for another round of outages.

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Thursday, 06/25/2020 Page .A11

## Reform urged at hospital overseer

### MARIN HEALTH CARE DISTRICT

Lawyer threatens suit over at-large elections

## Marin Independent Journal

By Richard Halstead

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

The publicly elected board that oversees Marin Health Medical Center might have to switch from at-large to district elections under threat of a lawsuit.

Micah Fargey, a Santa Barbara lawyer, notified the Marin Healthcare District board on June 4 that it has 45 days to adopt a resolution outlining its plan for a transition from at-large to district elections.

Fargey wrote that otherwise he would file suit in Marin County Superior Court on behalf of his client, Edwin Perez-Trujillo, whom he described as a registered voter in the district.

On Friday, Larry Bedard, chairman of the district board, confirmed that the board received the letter and said board members would discuss their response when they meet on July 14.

Recently, it has become common practice for plaintiffs' attorneys to threaten public agencies with litigation under the California Voting Rights Act of 2001. Fargey is asking for \$30,000 to cover his client's costs regardless of whether the district complies.

Enacted in 2002, the law made it easier for minority groups in California to prove that their votes are being diluted in "at-large" elections.

To prove a violation, plaintiffs must demonstrate "racially polarized voting." "Racially polarized voting" occurs when there is a difference between the choice of candidates preferred by voters in a protected class, or minority group, and the choice of candidates preferred by voters in the rest of the electorate.

### HOSPITAL » PAGE 4

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### FROM PAGE 1

One way of proving "racially polarized voting" involves examining the results of elections in which at least one candidate was a member of a protected class.

Neither Fargey nor Perez-Trujillo could be reached for comment Friday. However, Fargey's letter lays out his argument.

Since 1998, Fargey said, only seven of 60 candidates for the district board have been minorities, or members of protected classes; only two of 26 elected candidates have been minorities; and only one Latino has been elected.

Fargey said that two races in particular are relevant in his client's claim of racially polarized voting in the district. In 1998, Bernard Del Santo, San Anselmo's long time police chief, finished fifth in a race for three openings on the district board. Del Santo received 27,238 votes, 15.4% of the vote.

Del Santo retired as police chief after an internal investigation concluded he had engaged in a "longstanding pattern of verbally inappropriate language, including obscenities, sexually derogatory and racially offensive remarks."

The other race that Farbey cited is Archimedes Ramirez's failure to win reelection to the board in 2008. Ramirez finished third in a race for two openings. He received 33,449 votes, or 22.59%.

Fargey said that both Del Santo and Ramirez would have been elected from precincts composed disproportionately of members of protected classes.

Public agencies have had little luck challenging suits brought under the California Voting Rights Act, and many lawsuits have resulted in costly settlements for the public agencies involved. In his letter, Farbey includes a list of examples including a \$4.5 million settlement by the city of Palmdale and a \$3 million settlement by the city of Modesto.

"It will cost us money to do it, but it would cost us way too much money to try to fight it," said district board member Jennifer Rienks. "We don't have the coffers to do that, especially since there have been very little success in mounting challenges."

Bedard said, "It's a no brainer. I think we need to comply with California law. But what happens if no one chooses to run in one of the new districts?"

Rienks said, "I do have some concerns about our ability to attract good candidates once we're not looking at an at-large situation. We tend not to have a huge number of candidates run normally."

"Would it be great to have more representation on the board from minority communities?" she said. "Sure, if we're able to find people who have some knowledge or experience around health care that they can bring to the table."

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## *Novato water agency makes the right move*

### **Marin Independent Journal**

#### **Editorial**

Directors of the North Marin Water District have agreed to share the pain of our pandemic crisis.

On a 4-1 vote, the directors decided to delay a planned hike in residential water rates due to the economic hardships caused by the public health crisis and the long-term lockdown that has cost many customers — residents and businesses — their incomes and their jobs.

In addition, with most of those customers facing stay at-home orders, their water use is likely increasing, along with their bills. Increasing the rates — both in per gallon charges and October's big changes in ratepayer tiers aimed at encouraging customers to use less water — would only compound the pain.

The Marin Municipal Water District also suspended its planned increases in its rates, postponing the increase for six months.

The Sonoma Water Agency, which pipes water to both districts, should consider suspending its 6.8% July increase, as well. For North Marin, however, the delay is only for three months, as directors voted to impose the new rates in October, rather than its plans for a July 1 start. Its plan includes charging new commercial rates in October, as well.

We hope directors remain aware and open to reconsidering even their October plans. They may be overly optimistic about the time needed for local businesses and households to recover from the month's long lockdown.

The board also agreed to extend its moratorium on turning off water for nonpayment and extended the time — up to two years — the district gives for those households and businesses to catch up on their unpaid water bills.

District Director Rick Fraites, a veteran board member, said the board also needs to focus on keeping the district financially afloat.

But like those local households and businesses, the district needs to re-evaluate its costs, projects and programs to cope with the short- and long-term economic fallout of coronavirus.

The rate increase is the start of a five-year stretch of annual increases the board agreed the district needs to cover rising employee costs — salaries and benefits — and increases in operating and water delivery costs. The increases are also going to double the district's pace in repairing and replacing aging and pipes, storage tanks and other equipment.



The lone dissenting vote was cast by Jim Grossi, who warned that the delay would result in subsequently higher rates. In addition, he said, before voting, he wanted to see the facts and figures resulting from the delay.

In a coming meeting, directors will be provided those estimates. Harder to figure will be the hardship on local families as they struggle to pay the current rates. Non-payments are a clue, but they don't reflect the number of customers who, due to lost income caused by the lockdown, are having trouble keeping up with their household "basics" of having water, power and sewage service, but still paying them.

Like all public agencies, the district needs to continue focusing on sharing the pain, not adding to it.

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# 6-story housing plan seeks quick OK

## NOVATO

Builder would use special law, but public raises some concerns

### **Marin Independent Journal**

**By Will Houston**

[whouston@marinij.com](mailto:whouston@marinij.com)

A developer is seeking fast-track approval of a six-story, affordable housing and business complex in downtown Novato under the state's streamlined housing law, SB 35.

The Encino-based developer, AMG & Associates LLC, says the 227-unit affordable housing and commercial building proposed at 1020 Fourth St. near Grant Avenue meets the criteria of Senate Bill 35, which would allow it to bypass normal planning and design review processes and only require ministerial approval by city staff.

The company's principal, Alexis Gevorgian, said they had looked at several properties in Novato because of the city's strong housing demand.

"This will be a much-needed project for housing in Marin County and it will have an affordable component so that people can afford to live in Marin County," Gevorgian said. "It's important to provide housing for all segments of the population."

**NOVATO» [PAGE2](#)**



Rendering of a proposed 227-unit affordable housing complex in downtown Novato.

PROVIDED BY CITY OF NOVATO

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**Novato**

**FROM PAGE 1**

The company chose the Fourth Street location because it was a corner property that could provide retail frontage and would be close to local transit such as bus stops and the downtown SMART station, Gevorgian said.

The 164-foot-by-254-foot building would include five floors of lower-income studio and one-bedroom units. The first floor is proposed to have about 7,500 square feet of commercial space to house three tenants.

The development has been raising hackles among residents over its height — which at 75 feet would make it the tallest building in the city — as well as its downtown location, its lack of parking and its overall design. The project would include 51 parking spaces, far below the 314 spaces that would normally be required under city code. Residents say this will add to downtown's notorious parking issues.

Gevorgian said many tenants wouldn't need cars due to the project's proximity to the SMART station and Marin Transit bus stops. Shuttles would also be provided for residents to nearby transit stations, he said.

"We're providing ample parking for a transit-oriented project," he said.

The project would require demolition of the existing Novato Medical Center at 1316-1320 Grant Ave., which is currently owned by Dr. John Elloway. Gevorgian said they are working to purchase the property from Elloway and that escrow has not yet closed.

Attempts to contact Elloway were unsuccessful.

The city is reviewing whether the project qualifies for streamlined review under SB 35. In an email on Wednesday, Community Development Director Vicki Parker declined further comment about the project or the SB 35 review process.

The city informed AMG & Associates this week that its project application is incomplete and requested it submit a completed application within 120 days. This is separate from the city's ongoing SB 35 review.

Introduced by Sen. Scott Wiener, D-San Francisco, and approved in 2017, SB 35 allows for ministerial approval of certain infill housing projects in jurisdictions such as Novato that have yet to meet state-mandated regional housing targets. If the project meets several criteria — including affordable units, proximity to transit options, conformity to local planning and zoning codes, among others — the project can waive normal mandates for aspects such as parking spaces and project review.

The law does allow for limited public review of projects by bodies such as planning and design review commissions or city councils. However, these must be “objective” reviews of whether the project meets the criteria for streamlined review and adheres to local zoning codes. For this project, these meetings must take place within 180 days and cannot inhibit or preclude a ministerial approval of the project, according to the law.

Gevorgian said he is open to discussing the project’s architectural design and said the public can contact the company by phone or email.

“We want to fit within the community,” Gevorgian said, “and, to the extent that the residents want us to create a design that is consistent with the architecture in the local area, we’re willing to work on that.”

Concerned residents such as Julia Lavaroni said that while the city needs more affordable housing, the project’s location, size and design would result in tenants living in cramped areas with no green space and lacking

other amenities such as adequate parking.

“This is about maximizing return on investment and using this law that runs roughshod over local zoning laws all in the guise of equitable housing,” Lavaroni said.

The project proposes to include about 9,600 square feet of outdoor space on the second floor that would include trellises with picnic areas, barbecues, benches, a community garden and turf.

Novato resident and San Francisco contractor Kevin Jacobs said the project would result in Novato looking similar to downtown Walnut Creek.

“The mass and the height of it is just not consistent with the area,” Jacobs said. “It would be a major building in the middle of town. Something like this with a shorter height on Redwood Boulevard would be much better.”

Kelley Kromhout of the housing advocacy and think tank organization, NextGen Marin, said the need for affordable housing is stronger than ever in Novato, especially with the nearby First Street and Grant Avenue housing project being stalled. As for the size of the Fourth and Grant project, Kromhout said San Rafael has several tall buildings on Fourth Street but doesn’t have the same “‘hustle and bustle’ feeling of San Francisco that so many local residents fear.” “Because all units are proposed to be affordable, this project will help Novato meet its RHNA (Regional Housing Needs Allocation) goals, as well as provide more foot traffic for local businesses on Grant Avenue,” Kromhout wrote in a statement.

Lavaroni said she and other residents are planning a conference call with a staff member of state Sen. Mike McGuire, D-Healdsburg, to discuss the project. The residents are also seeking to speak with Assemblyman Marc Levine, D-Greenbrae. Both Levine and Mc-Guire voted to oppose SB 35 in 2017.

In a statement on Thursday, McGuire said he has not spoken with the developer or done a deep dive review of the project, but is looking forward to talking with residents in the coming weeks.

“On first blush, just looking at the numbers, it definitely seems like a very dense project for that location, and I’ll be interested to see what residents and the City think about it in the months to come,” McGuire wrote.

In an email on Wednesday, Levine’s chief of staff Terry Schanz wrote that Levine does not have a position on the project.

“Since land use is the jurisdiction of local governments (in this case Novato), Mr. Levine would encourage residents to share their opinions of this or any project with their local elected officials,” Schanz wrote.

Councilman Eric Lucan, who represents the downtown district, said there has been much community interest in the project. Lucan said he is limited as to what he can say about the proposal at this time. Should the council end up being a decisionmaker on the project, any evidence of former bias against the project could create a liability or disqualify the council member, he said.

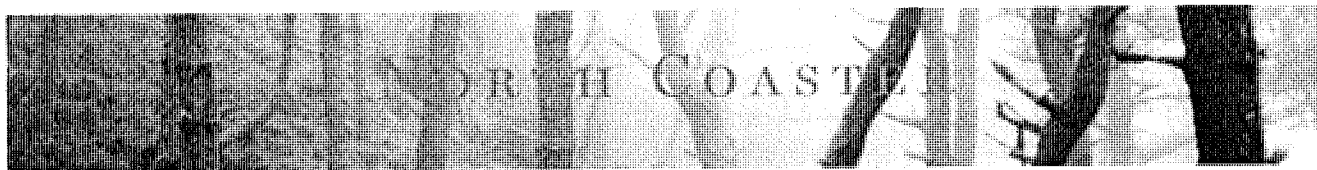
“I think the hard part for the community is they want to hear from the council, but we are limited in what we can say at this stage of the game if we want to be able to participate later on,” Lucan said.

Lucan said this is the first project in the city he’s aware of seeking streamlined approval under SB 35.

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# POINT REYES LIGHT

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## Water supply dwindling for small districts

By Anna Guth  
07/08/2020

The streams and creeks that supply West Marin are running low after the extraordinarily dry winter, and local water system managers are sounding the alarm. The Bolinas Community Public Utility District and North Marin Water District have already imposed water-use reductions, and the Inverness Public Utility District may do so later this month.

While larger providers in the county rely primarily on reservoirs and are still operating at capacity thanks to the wet winter two years ago, smaller water systems on the coast that have less storage are hit hard by a dry year.

“We are very concerned about how we will get through the next five to seven months, until we get to next year’s rains,” said Wade Holland, the customer services manager for IPUD. “This is the driest year IPUD has faced since we bought the water system 40 years ago, in 1980.”

Twenty-three inches of rain fell in Inverness from October through June, compared to the nearly 38-inch average since 1925. Just five other years rivaled this year over the past century, with an all-time annual low in the mid-70s at 18 inches. Even the drought years from 2012 to 2015 saw around five to 10 inches more rain each year in Inverness than fell last year. The rainfall was similar across West Marin.

IPUD, which serves its customers from water caught from streams and creeks that descend from the Inverness Ridge, is in a particular bind: the tanks that are part of the distribution system turn over the water they contain every three days. On July 22, the IPUD board of directors will consider declaring a water-shortage emergency, something it has done only around five times over the past four decades, and most recently in 2014.

The declaration outlines four possible stages. The board is considering passing stage one, which would immediately prohibit the use of water for construction without a permit from the district, for drinking at restaurants unless requested by a customer, for refilling pools, or for washing the exterior of buildings,

among other restrictions. In stage two, washing vehicles is prohibited, and there are heavy restrictions on outdoor watering.

Other districts are also taking action.

In June, the Bolinas Community Public Utility District issued a heightened water conservation alert and asked residents to help bring down the town's overall water usage by 20 to 30 percent. In addition to asking residents to limit outdoor watering and time showers so they don't last longer than three to five minutes, the district reached out directly to 20 percent of the top users.

BCPUD, fed by Arroyo Hondo Creek, has two storage reservoirs, but it generally doesn't dip into them until September; this year, the reservoirs were used in May. "That rang alarm bells," said general manager Jennifer Blackman, especially since those reservoirs are needed for firefighting.

Like IPUD, the Bolinas district has only had to issue a heightened alert a handful of times throughout its history. It rationed water just once, in 2009. That year, many residents bought low-flow toilets and made other improvements, resulting in a sustained overall reduction in use.

Recently, however, BCPUD noticed an upswing in water usage, beginning this Memorial Day weekend. Ms. Blackman said the warm weather, and possibly more gardening while people shelter, could be at fault.

She dispelled rumors that the increase was due to out-of-towners. "People started sheltering here in March, and we didn't see an increase in consumption until Memorial Day weekend. Everyone is guilty," Ms. Blackman said.

BCPUD will monitor the meters on a monthly instead of a quarterly basis. Consumption has already turned down, Ms. Blackman said.

The North Marin Water District, which pulls water from a series of wells along Lagunitas Creek to supply customers in Point Reyes Station, Olema and Inverness Park, has also asked customers to voluntarily reduce their consumption.

At the same time, North Marin enacted its emergency water conservation ordinance, triggered when rainfall falls short of a minimum threshold of 28 inches. As a result, the flow from Kent Lake—which supplements Lagunitas Creek—was reduced by 25 percent, so usage had to decrease by a corresponding 25 percent, in order to protect endangered fish in the creek. This mandatory reduction—compelled by litigation from 2002 and a California State Water Board Order from 1995—was only imposed in one other instance, in 2014.

Yet Drew McIntyre, North Marin's general manager, said the reductions—mandated between July and November—were already within reach. Prior to alerting customers about the needed reduction, actual use was already at least 12 percent less than the baseline year. That's thanks in part to improved practices and infrastructure from customers, Mr. McIntyre said.

The Stinson Beach County Water District, which relies mostly on wells in the Mount Tamalpais watershed, reported no concerns about water supply. The very wet winter in 2018-2019—when rainfall almost doubled averages—helped.

Ed Schmidt, the manager, said the wells were level and the creeks, which account for 30 percent of the district's water, were as dry as they normally are this time of year. "It's a geographical thing," he said. "The west side of Mount Tam, where we get our water from, is so wet: It's a luxury spot."

Marin Municipal Water District is also in good shape. The district, which services almost 200,000 in central and southern Marin, has 75 percent of its water stored in seven reservoirs. As a result of the rains two winters ago, reservoirs are at 78.7 percent capacity, not far below the average capacity for this time of year, 82.73 percent.

## **Novato sued in sewer dispute**

### **HANNA RANCH**

**By Gary Klien**

[gklien@marinij.com](mailto:gklien@marinij.com)

A commercial property developer has filed a lawsuit against Novato alleging the city illegally granted a sewage line easement through its land.

Hanna Ranch Conservation LLC is seeking a judicial order to block the move and remuneration for financial damages. The plaintiff says the city's action, if allowed to stand, will cost it \$12 million in lost development value.

The dispute involves adjacent tracts at the junction of Highway 101 and Highway 37. Hanna Ranch Conservation is the developer of the so-called "Hanna Ranch project," which envisions a hotel, restaurants, office and commercial space near the Vintage Oaks Shopping Center.

P & K Hanna Ranch is developing a tract to the south known as the "McPhail parcel," the site of a former concrete plant. The project involves office and warehouse space.

The city approved the Hanna Ranch project in 2011 and relinquished a public easement it had for a four-lane road and utilities. Hanna Ranch continued to revise the project and filed an updated plan in 2017.

The McPhail project won city approval in 2018, but the developer needed a place to run its sewer lines. It could not run the lines to the south because of the SMART railroad tracks and wetlands, so it sought a route north through the Hanna Ranch site.

Negotiations commenced between McPhail developer and the Hanna Ranch interests. In March of this year, the McPhail developer told the city that its project was nearing completion but the Hanna Ranch owners still had not granted sewer access.

The city drafted a resolution to rescind its earlier decision to surrender its Hanna Ranch easement. The resolution sought to license the easement to the McPhail developer.

The City Council approved the resolution in a 5-0 vote on April 28.

The lawsuit asks a judge to stay the resolution, alleging the city had no legal right to restore the easement it had permanently relinquished. The plaintiffs also say the city only provided a few days' notice that the resolution was on the City Council's agenda.

"Respondent's action was illegal, arbitrary, capricious, entirely lacking in evidentiary support, an abuse of discretion and

**SEWER» PAGE4**





The Hanna Ranch property in Novato in 2012. A plan for a hotel, stores and offices remains unrealized in 2020, and the city has reclaimed a road and utility easement it had granted the developer.

ALAN DEP — MARIN INDEPENDENT JOURNAL

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## **Sewer**

### **FROM PAGE 3**

was made without the required notice and due process,” Hanna Ranch attorney Elizabeth Brekhus wrote in the lawsuit.

City Manager Adam Mc-Gill and the city attorney, Jeffrey Walter, did not respond to a request for comment. But the city’s position is that the Hanna Ranch easement was “conditioned upon the applicant dedicating a replacement easement for public utilities and dedication of an easement to the city for a Class 1 pedestrian and bicycle pathway across the property,” according to a staff report for the April 28 council meeting.

“These conditions were never met,” Christopher Blunk, the public works director, wrote in the staff report.

Furthermore, he wrote, the developer’s tentative map and precise development plan expired in May 2018.

“The Hanna Ranch project applicant has submitted an application to revive and amend the precise development plan to add a fuel station to the project,” he wrote.

The lawsuit also names P & K Hanna Ranch as a defendant. The project developer is Thompson Builders Corp. of Novato.

Casey Clement, a development manager for Thompson Builders Corp., said “there are other much less ideal solutions to explore” if the sewer line cannot run through the Hanna Ranch site, but the company is confident the lawsuit will be dismissed.

“We believe the City Council acted well within its rights to reinstate this easement and the lawsuit filed by Hanna Ranch LLC has no real merit,” she said.

The lawsuit is assigned to Judge James Chou in Marin County Superior Court. An initial hearing is set for Oct. 20.

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# Napa County-wide agency proposed to deal with all water issues

- [Barry Eberling](#)
- Jul 10, 2020
- Jul 10, 2020 Updated Jul 10, 2020

## *Napa Valley Register*



A look at water in its final stage of cleaning, before the filtration process begins at Napa's water treatment plant in Jameson Canyon.

Napa County's water world is a blur of agencies serving busy cities and remote, rural subdivisions, prompting a new study to recommend a degree of unity to face such challenges as water shortages.

A draft Napa Countywide Water and Wastewater study released by the county Local Agency Formation Commission is meant to be a conversation-starter. Discussions begin with a virtual community workshop at 2 p.m. Monday.

Among the big ideas is forming a countywide water district. There are smaller ideas too, with opportunities for collaboration in different ways.

"Get the agencies on the same page, working together, that's our goal here," LAFCO Executive Officer Brendon Freeman said.

At the root of all the study's talk about regulations and bureaucracies is the water that irrigates the region's world-famous vineyards and serves businesses and households.

How this water gets to the county's taps and how it is treated after ending up in sewers is a varied story. Providing these services are 14 agencies serving different parts of the county.

Napa County is unusual in the way each municipality manages its own water supply and charges rates to a relatively small population, the study said. Some California counties such as Marin County have one water authority that manages water treatment and delivery across the county.

"Napa County's separate and autonomous water utilities are a legacy of a rural history and of city-by-city self-funding and self-management," the study said.

The study recommended that local jurisdictions consider creating a countywide water district. Districts can have such powers as developing regulations for distribution and consumption of water, selling water and storing water for future needs, it said.

But the possibility of lumping the county's diverse water needs into one countywide district has raised questions noted in the study. For example, how to ensure that residents in one community don't end up paying to fix problems unique to another community?

The draft study suggested having zones so that each community finances its own operations and infrastructure costs. Regional costs would be shared equitably according to benefit.

Or perhaps a water agency of some type with a less all-encompassing role could be formed. Or perhaps the existing Napa County Flood Control and Water Conservation District could expand its role.

"In particular, there is a need for a single entity leading water resource planning of all sources, similar to a majority of Napa's neighboring counties," the study said.

Another question is whether agencies with different water rights and sources, different challenges and different governance structures can find common ground.

The city of Napa receives water from local Lake Hennessey and Milliken Reservoir. It also pipes in water from the Sacramento-San Joaquin Delta through the State Water Project.

Napa will have enough water until 2035, when total demand will nearly equal the amount available in a dry year. But the city has made conservative supply estimates and should continue having sufficient water depending on State Water Project availability, the study said.

In contrast, St. Helena has inadequate water supplies to meet current demand in some years without imposing emergency water restrictions, the study said. It receives water from Bell Canyon Reservoir, local wells and water bought from the city of Napa.

Circle Oaks County Water District serves a rural community of 471 people in the mountains east of Napa Valley. It has a well and a seasonal spring that marginally meets demand, with no suitable location yet found for another well.

American Canyon has no local reservoirs. It depends on Delta water delivered through the State Water Project and from Vallejo. By 2035, the single-year dry water year shortage is estimated at 6%, the study said.

Lake Berryessa Improvement District serves 489 residents in the remote, northeast county near Lake County. It pumps water from Putah Creek. It faces the challenges of a small district with a limited number of customers to spread the costs over.

There is a menu of recommendations in the draft study for each of the 14 agencies. Monday's community workshop is meant to be the starting point for a larger conversation.

"At this stage, we're setting the framework by providing a great amount of data," Freeman said.

Holding a community workshop amid a pandemic poses challenges. The 2 p.m. Monday session will be done online instead of having a physical meeting location. Go to [www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov) for details on how to participate.

Also available at the LAFCO website is the draft Napa Countywide Water and Wastewater study. Comments are accepted through July 20. The study is by Policy Consulting Associates, LLC and Berkson Associates.



**Barry Eberling**

Napa County Reporter

Barry Eberling covers Napa County government, transportation, the environment and general assignments. He has worked for the Napa Valley Register since fall 2014 and previously worked 27 years for the Daily Republic of Fairfield.



# West Marin water utilities warn of dwindling supplies

## SHORTAGE EMERGENCY

Customers told to cut use or possibly face rationing

### **Marin Independent Journal**

By Will Houston

[whouston@marinij.com](mailto:whouston@marinij.com)

Responding to worsening drought conditions, West Marin water suppliers are petitioning residents to reduce their water use or else face stricter measures such as rationing.

The Inverness Public Utility District plans to declare a water shortage emergency on July 2 in response to historic low rainfall in its watershed.

“We’ve owned the water system for 40 years and this is the driest year we’ve ever seen,” said Wade Holland, a district manager.

Unlike larger suppliers in the county, the Inverness district has no reservoirs and relies on stream flows from the Inverness Ridge to replenish its storage tanks. The district has recorded about 23.03 inches of rain from July 1, 2019, to June 30, which is below its average of 37.37 inches. Holland said this is the lowest rainfall since the 1975-76 drought.

The second half of the rain season is the most valuable for the district, but only 6 inches of the normal 15.5 inches were recorded from February to June, he said.

Water use among the district’s 517 connections has remained normal, which Holland said indicates the issue is primarily due to the lackluster rainfall.

“Our real worry we’re seeing today in the first half of July is the kind of streamflows we normally expect in October and November,” Holland said.

The U.S. Drought Monitor at the University of Nebraska-Lincoln shows Marin County and other regions of the Bay Area are under severe drought conditions.

Various conservation steps would take place before mandatory rationing would be required, Holland said. In recent years, the district has yet to go beyond restricting outdoor watering on certain days.

“We just need everybody to cut back on their water usage and our real concern is we’re probably five to seven months before we get any more rains,” he said. “So it’s looking very ominous in the later summer and early fall.”

Last month, the Bolinas Community Public Utility District issued a conservation alert calling for a 20-30% reduction in water use, or else the district might need to implement water rationing as early as this summer.

## **WATER»PAGE 2**



A small stream from Inverness Ridge flows past the Point Reyes shipwreck in Inverness. The Inverness Public Utility District, which uses water off ridge for its drinking water supply, plans on declaring a water shortage emergency on July 22.

PHOTOS BY ALAN DEP — MARIN INDEPENDENT JOURNAL



A small stream from Inverness Ridge flows into Tomales Bay in Inverness.

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## **Water**

### **FROM PAGE 1**

The district already has a limited water supply from Arroyo Hondo Creek and two emergency reservoirs to the point that it has a moratorium on new connections to its system.

Compounding a less than- average rainfall season in 2019-20 of 22.7 inches — the average being about 33 inches — the district also began seeing between a 20-30% increase in water use after Memorial Day weekend, according to Jennifer Blackman, the general manager.

As a result, the district began tapping into its emergency reservoirs in May, whereas in normal years that would only need to occur in the late fall, if at all, she said.

The district's 587 customers have shown a good response to the conservation alert so far, Blackman said.

"There is a lot of concern in town and a desire for people to do their part. We really appreciate that," Blackman said. "We know it's hard to make these lifestyle changes sometimes, particularly now when we're all under such unprecedented times."

The North Marin Water District has had a 25% water conservation mandate in place for its West Marin service area since July 1. The mandate was put in place after the district declared a water shortage emergency in early May. Customers were under a voluntary 15% conservation advisory in May and June.

Meter readings appear to show that the 1,800 ratepayers in West Marin met or were close to the 15% target, said Drew McIntyre, the district general manager. McIntyre said he has confidence the 25% mandate will be met considering behavioral changes that have taken place in recent decades as well as advancements in low water-use fixtures and appliances.

"Our customers out in West Marin have done a really good job conserving water for the last 20 years," he said. "I just looked at water consumption last year vs. 20 years ago and it's over 40% below what it was 20 years ago."

NMWD's West Marin service area is supplied through wells that are replenished by the Lagunitas Creek watershed. These wells serve communities such as Olema, Point Reyes Station, Inverness Park and Paradise Ranch Estates. If the district appears to be nearing its maximum diversion rate from the creek of 0.67 cubic feet per second, McIntyre said the district can purchase water from Marin Municipal Water District that would be released into the creek.

Marin Municipal Water District's reservoirs are at about 78% capacity with about 62,300 acre-feet of water, below the average of 65,470 acre-feet for this time of year, according to the district.

The district's rainfall records at Lake Lagunitas show it received about 35 inches between July 1, 2019, through June 30, which is less than the average 52.5 inches and significantly less than the 74.1 inches received in the prior year.





A small stream from Inverness Ridge flows past the Point Reyes shipwreck in Inverness. The Inverness Public Utility District, which uses water off Inverness Ridge for its drinking water supply, plans on declaring a water shortage emergency on July 22.

ALAN DEP — MARIN INDEPENDENT JOURNAL

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Thursday, 07/16/2020 Page .A01

# **PG&E's power lines blamed for huge 2019 Sonoma wildfire**

## **KINCADE BLAZE**

### ***Marin Independent Journal***

*The Associated Press*

Pacific Gas & Electric transmission lines sparked a wildfire in Sonoma County last year that destroyed hundreds of homes and caused nearly 100,000 people to flee, fire officials said Thursday.

The California Department of Forestry and Fire Protection, or Cal Fire, said investigators determined that lines northeast of Geyserville were responsible for igniting the Kincade Fire last October that ripped through a wide swath of Sonoma County.

Tinder-dry brush and strong winds combined with warm temperatures and low humidity helped the fire spread at extreme rates, the agency said in a statement.

Cal Fire did not release details of its investigation but said its report had been sent to the county district attorney's office, which will decide whether to file criminal charges.

The fire burned 374 homes and other buildings and injured four people before it was doused two weeks later.

PG& E said Thursday it did not have access to the agency's investigative report or the evidence collected, and that it looked forward to reviewing both. The utility told regulators last year that its lines were the likely cause of the fire.

PG& E is the nation's largest utility and recently emerged from bankruptcy caused by the financial fallout from its role in several devastating wildfires that destroyed more than 27,000 homes and other buildings in 2017 and 2018.

Last month, PG& E took the extraordinary step of pleading guilty to 84 felony counts of involuntary manslaughter for a November 2018 wildfire that largely destroyed the city of Paradise. The inferno, known as the Camp Fire, was the deadliest U. S. wildfire in a century.

A scathing grand jury report released after that fire found that PG& E repeatedly ignored warnings about its failing power lines, performed inadequate inspections to focus on profits and refused to learn from past catastrophes.

PG& E was fined \$4 million by a Butte County Superior Court Judge.

The utility has faced furious criticism from lawmakers and fire victims. It also was blasted for efforts to prevent wildfires last year by turning off power in vast portions of its service territory

during high-risk fire weather to avoid winds from knocking down lines or blowing tree branches into them.



A firefighter sprays water on a burning home as the Kincadee Fire burns in unincorporated Sonoma County in October.

NOAH BERGER — AP PHOTO, FILE

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Friday, 07/17/2020 Page .A04

# ***Plan is not a fit for Novato's downtown***

**Marin Independent Journal**

## **Editorial**

It wasn't that long ago that Novato city leaders were talking about putting a two-story limit along Grant Avenue in order to preserve downtown's rural-suburban character.

Taller office buildings had been built nearby, but the council wanted to keep downtown's architecture lower in height.

Thanks to the state Legislature, such local control is being eroded.

Now a developer is pushing ahead with a six-story 227-unit apartment and retail complex near the corner of Grant and Fourth Street. He's seeking fast-tracked approval under a new state law that limits the time and extent of City Hall and public review.

The city's rules that limited Grant Avenue buildings to two stories were shortsighted. Such additions could have provided opportunities to build apartments above the ground floor retail businesses that line Grant.

But six stories is an eyeopener. It would be the tallest building in the city, sort of Novato's version of the Salesforce Tower.

It is also an example of state lawmakers imposing one-size fits- all laws on communities, opening the doors wider to projects that those legislators not only may never see, but they won't have to live near.

Following the criteria of Senate Bill 35, the project can sidestep normal planning and design review processes. There will be limited public hearings, but the review has to be conducted within 180 days and limited to whether the project meets local zoning rules.

That's good news for Marin developers, who too often have faced dragged-out public reviews, including numerous costly studies, revisions and requirements — all with the financial risk of finally being denied.

That process could be characterized as restrictive, but to many, it's exclusive — which has helped make Marin a political target for Sacramento lawmakers seeking to lower local political hurdles for building housing — not just affordable housing.

This may be Marin's first test of SB 35, passed by the Legislature in response to the state's housing shortage.



There should be no debate that every community should provide its fair share in meeting the regional need for housing. Those communities that over the last 30 to 40 years have approved more tax-generating commercial growth than adding homes need to strike a balance of the two.

But with good planning, that residential growth can be located in the right location and of a size and design that fits into the community, not looms over its neighbors.

The developer AMG & Associates LLC of Encino says the project will help fill Marin's need for affordable housing. It's also close enough to bus stops and the downtown SMART train station to encourage residents to use public transit.

It's also downtown, within walking distance of stores, restaurants and other businesses.

But downtown Novato is not downtown Sacramento, San Francisco, Walnut Creek, Oakland or even San Rafael.

A six-story building is not going to blend in with downtown Novato. It would be a significant change to the local landscape.

It is no wonder that local critics of Novato's recent growth are upset. City Hall's recent approvals look pretty moderate compared to AMG's proposal.

AMG's plans not only call for the city's tallest building, but it only provides 51 parking spaces. The city's rules would require 314.

There's no question that Marin needs more affordable housing. There also no question that building it closer to transit stops, shopping and jobs makes a lot more sense than California's long-favored sprawl.

Besides, Novato has not been one of Marin's foot-dragging cities when it comes to meeting state housing quotas, including building affordable housing.

Building a housing/retail development at that location would make sense if it is designed to fit in. The developer says it is ready and willing to revise its proposed design "to fit within the community."

At six stories, AMG may have some work to do.

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Inverness Public Utility District

**NOTICE OF PUBLIC HEARING**

**DECLARATION OF A WATER SHORTAGE EMERGENCY**

The Board of Directors will accept comments on and consider declaring a Water Shortage Emergency in the District and adopting an Emergency Water Conservation Program, pursuant to Secs. 350-358 of the California Water Code.

The draft resolution declaring a Water Shortage Emergency is posted on the District's website, [www.invernesspud.org](http://www.invernesspud.org), or is available by mail or email by phoning (415) 669-1414 or emailing [admin@invernesspud.org](mailto:admin@invernesspud.org).

**PUBLIC HEARING: Wednesday, July 22, 2020, 9:00 a.m.**

**Location:** Pursuant to the Governor's Executive Order N-29-20, this will be a virtual meeting via teleconferencing. For instructions on accessing and participating in the meeting, including providing oral comments, see the meeting agenda posted on the District's website, [www.invernesspud.org](http://www.invernesspud.org). Written comments submitted in advance will be distributed to the Directors and included in the public record.

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If the resolution adopting a Water Shortage Emergency is adopted by the Board of Directors, the District's management intends to place into effect **immediately** the **Stage 1 prohibitions on water usage**, which include the following prohibitions:

- ▶ All nonessential uses of water
- ▶ Allowing runoff into roadways or gutters
- ▶ Use of water for installing new landscaping at construction or remodeling sites
- ▶ Washing down sidewalks, driveways, patios, game courts, building exteriors, or other outdoor hard-surface areas
- ▶ Vehicle washing (except by handheld hose with a positive shutoff mechanism)
- ▶ Water service to customers in restaurants except on request by the customer
- ▶ Use of water for construction (unless a permit has been issued by the IPUD)
- ▶ Cleaning or filling decorative pools or ponds (except for limited "topping off")
- ▶ Filling swimming pools (except for limited "topping off" and backwashing)
- ▶ Use of water that runs to waste due to broken or defective plumbing or irrigation components

**Future conservation stages may include alternate-day outdoor watering schedules, total prohibition of outdoor watering, and (ultimately) water rationing.**