



NORTH MARIN WATER DISTRICT
AGENDA – REGULAR MEETING
May 4, 2021 – 6:00 p.m.
Location: Virtual Meeting
Novato, California

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

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

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

Video Zoom Method

CLICK ON LINK BELOW:

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

Password: 466521

SIGN IN TO ZOOM:

Meeting ID: 8349174264

Password: 466521

Call in Method:

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

Meeting ID: 834 917 4264#

Participant ID: #

Password: 466521#

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

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

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

Est. Time	Item	Subject
6:00 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , April 20, 2021
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	QUARTERLY FINANCIAL STATEMENT – March 31, 2021
	5.	STAFF/DIRECTORS REPORTS
	CONSENT CALENDAR The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.	
	6.	Consent -Approve: Contract Amendment for Engineering Services - White and Prescott
	7.	Consent -Approve: Contract Amendment to General Services Agreement - Associated Right of Way Services
	ACTION CALENDAR	
	8.	Approve: Text for Spring 2021 Novato "Waterline", Volume 22, Issue 46
	9.	Approve: Accessory Dwelling Units (ADUs) – Direction to Staff
	10.	Approve: ESA Consulting Services Agreement Amendment 2- Supplemental Groundwater, Stream Flow and Biological Monitoring Services for New Gallagher Well No. 2
	11.	Approve: Renew Declaration of Local Emergency Related to COVID-19 Pandemic
	INFORMATION ITEMS	
	12.	NMWD Headquarters Upgrade Schematic Design Overview and Cost
	13.	Initial Review – Capital Project FY21/22 & FY22/23 & Equipment Budget FY21/22
	14.	FY 2020/21 Third Quarter Progress Report -Operations/Maintenance
	15.	Vineyard Road Maintenance Agreement Update
	16.	MISCELLANEOUS Disbursements - Dated April 22, 2021 Disbursements – Dated April 29, 2021 FY21 3 rd Quarter Labor Cost Report Rate Increase Notice on Water Bill – Novato Service Area Rate Increase Notice on Water Bill – West Marin Service Area Direct Mailer - Notice of Proposed Water Rate Increases – Novato Service Area Direct Mailer - Notice of Proposed Water Revenue Increases and Rate Structure Changes – West Marin Service Area Direct Mailer - Notice of Proposed Water Rate Increases – Oceana Marin Sewer Service

Est. Time	Item	Subject
		Area
		<u>News Articles:</u>
		Marin IJ – SLOWING THE FLOW? Reduced water releases from reservoirs under review – MARIN MUNICIPAL WATER DISTRICT
		Marin IJ – ADUs are hot properties, and now often legal, too – AT HOME
		Marin IJ – Limits on water use approved for Marin
		OES News – Governor Newsom Takes Action to Respond to Drought Conditions
		Marin IJ – SMART’s leader to step down from post – RETIRES IN AUGUST
		ACWA – ACWA WEIGHS IN ON STATE WATER AFFORDABILITY LEGISLATION
		Point Reyes Light – Historic sale for Black Mountain
		Point Reyes Light – North Marin’s Gallagher well permit appealed
		Point Reyes Light – Farmers face drought crisis
		Marin IJ - Marin explores pipeline plan -MMWD
		Marin IJ – Senate Dems detail \$3.4B drought plan – CALIFORNIA
		Point Reyes Light – Letters – Well is desperately needed
7:15 p.m.	17.	ADJOURNMENT

1

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 20, 2021

CALL TO ORDER

President Grossi 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 Grossi 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 Grossi 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 Grossi 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 Grossi noted that due to the virtual nature of the meeting he will request a roll call of the Directors. A roll call was done, those in remote attendance established a quorum. Participating remotely were Directors Jack Baker, Rick Fraites, Jim Grossi, Michael Joly and Stephen Petterle.

President Grossi 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 remotely were Drew McIntyre (General Manager), Tony Williams (Assistant GM/Chief Engineer), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Robert Clark (Operations/Maintenance Superintendent), Tony Arendell (Construction/Maintenance Superintendent), Ryan Grisso (Water Conservation Coordinator) and Monica Hernandez-Juarez (Receptionist/Customer Service Assistant).

Mr. McIntyre announced also participating remotely were Morgan Biggerstaff from BPMNJ, District legal counsel and consultant David Umezaki from EKI Environment & Water, Inc.

President Grossi announced for those joining the virtual meeting from the public to identify themselves. Ken Levin and Peggy Day from the Point Reyes Village Association and Will Houston from the Marin IJ were in attendance. Additionally, Jacob C. and an unidentified person also joined remotely.

36 **MINUTES**

37 On motion of Director Baker seconded by Director Petterle the Board approved minutes
38 from the April 6, 2021 Regular Board Meeting by the following vote:

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

40 NOES: None

41 ABSTAIN: None

42 ABSENT: None

43 **GENERAL MANAGER'S REPORT**

44 Dry Year Conditions

45 Mr. McIntyre apprised the Board that in addition to the items on agenda related to dry year
46 conditions, he wanted to report that at the May 3rd Water Advisory Committee (WAC) Meeting he
47 expects to have a resolution for the WAC members to approve calling for an increase in water
48 use efficiency to preserve supplies in Lake Mendocino and in Lake Sonoma. This resolution will
49 also urge customers to reduce water use by 20%.

50 Technical Advisory Committee (TAC)

51 Mr. McIntyre informed the Board that the TAC committee continues to work on an
52 allocation allotment that reduces overall Sonoma County Water Agency (SCWA) deliveries to
53 match a 20% reduction in Russian River diversions to preserve storage in Lake Sonoma. He
54 noted this reduction will be included in the Temporary Urgency Change Petition (TUCP), that is
55 expected to be filed with the state by mid-May.

56 FY 22 SCWA Water Transmission System (WTS) Budget

57 Mr. McIntyre reported he attended a SCWA Board meeting on April 20th in which the
58 Board approved the FY 22 WTS Budget. He stated he had the opportunity to speak in support
59 of the budget and the collaborative negotiation process.

60 Potter Valley Project (PVP)

61 Mr. McIntyre announced on Monday, April 19th he participated in another virtual
62 Congressman Huffman Potter Valley Project Ad Hoc meeting. He stated the primary focus of
63 the meeting was to report out on the Federal Energy Regulatory Commission (FERC)'s study plan
64 determination. Mr. McIntyre noted FERC's overall response was beneficial to the Partners. He
65 added, more information is expected over the next two to four months as the focus now is on
66 obtaining at least \$2M to get started on some of the critical studies.

Director Joly noted that Governor Newsom has not issued any statement about the drought. Director Joly asked if the state or regulatory authorities have addressed this critical area, and if there has been any progress with congress or at the state level with any supply solutions or suggestions. Mr. McIntyre replied that so far, the state has recognized the dry conditions, however there have been no statewide mandates implemented. He added, this could change. Mr. McIntyre reported the federal government has declared some counties in drought conditions which will free up federal funds for agriculture. Director Joly stated it is a supply matter, with the levels of the lakes it is frightening to see the numbers. He added if we have a third consecutive dry year we will be in peril. Mr. McIntyre stated there have been discussions with the water contractors to look at options to increase supply. He noted that elements of the Regional Water Resiliency Supply Study work are being accelerated to identify feasible options this fall. Director Joly replied this strategy makes sense, and stated he appreciates the push to accelerate the study.

OPEN TIME

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

STAFF/DIRECTORS REPORTS

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

Mr. Williams informed the Board that the architects need more time to prepare the schematic design for the District Headquarters Project. He added he will come back to the Board at the first meeting in May with a preliminary design and cost estimate.

Mr. Williams announced a new senior engineer has been hired and will start on May 3rd. He stated the new employee is a local engineer from Novato who came to us from East Bay Municipal Water District. Mr. Williams expressed that he is excited to have this new addition to the department.

Ms. Blue apprised the Board that she and Mr. Williams met with County of Marin staff to discuss using federal emergency rental assistance funds to pay for past due water bills. Ms. Blue noted she will continue to meet with the county and will have more to report later.

MONTHLY PROGRESS REPORT W/CUSTOMER SERVICE QUESTIONNAIRE

The Monthly Progress Report for March was reviewed. Mr. McIntyre reported that water production in Novato was down 19% from one year ago and up 1% fiscal year to date. In West Marin, water production was down 1% from one year ago and down 3% fiscal year to date. Recycled Water production was down 10% from one year ago and up 4% fiscal year to date. The

Board was apprised that Stafford Lake was at 44% capacity, Lake Sonoma was at 63% and Lake Mendocino was at 45% capacity. In Oceana Marin effluent volume was 0.551 MG for March compared to 0.380 MG one year ago; a little higher than last year most likely due to greater visitation due to COVID. Mr. McIntyre added there was good irrigation discharge and overall freeboard levels looked good. Under Safety and Liability, we had 134 days without a lost time injury. Under Utility Performance, Mr. McIntyre reported six copper laterals were replaced on Ganey Court. On the Summary of Complaints and Service Orders, the Board was apprised that total numbers are down 35% from March one year ago. Mr. McIntyre commended staff for doing a great job interacting with the public.

Director Petterle agreed that it feels good to read all the positive comments, and also wanted to congratulate the team for putting their best effort forward. Director Joly concurred, stating the District is blessed to have a courteous, professional and productive staff.

Director Joly noted Stafford Lake is at 51% capacity, and asked when staff will stop the backfeeding into the lake. Mr. McIntyre replied the District will stop backfeeding on April 30th and by that time a little over 1,000 AF will have been backfed into Stafford Lake. Director Joly asked when we will start up the treatment plant again. Mr. McIntyre replied during the period of July through October to make sure we have enough water when SCWA reduces delivery allotments.

Ms. Blue reported on the March 2021 Investments, where the District's portfolio holds \$27M earning a 0.54% average rate of return. She noted that during March the cash balance increased by \$2,355,972. She also noted the Local Agency Investment Fund (LAIF) interest rate was 0.36%.

ACTION ITEMS

ADOPT RESOLUTION TO AMEND EMERGENCY WATER CONSERVATION ORDINANCE 41 IN THE NOVATO SERVICE AREA

Mr. Grisso apprised the Board since the adoption of Ordinance 41, SCWA has indicated that NMWD will likely see a 20% reduction in Russian River deliveries compared to deliveries in 2020. Mr. Grisso explained to adequately respond to the continued water shortage emergency conditions staff recommended amending Section 4 of Ordinance 41 to suspend new connections to the system as of July 1, 2021 and amend Section 6 of Ordinance 41 to include a "Stage 1" 20% voluntary reduction in water use from May 1st to June 30th, a "Stage 2" mandatory 20% reduction in water use from July 1st to November 1st and adding specific types of non-essential water use restrictions in Stage 2. Mr. Grisso reminded the Board that in Stage 2 the drought surcharge would go into effect July 1 through November 1, 2021. He added there is a three day a week limitation on watering landscape unless using drip irrigation or hand watering with a hose. He

135 noted recycled water is not affected by the 20% reduction. Mr. Grisso added there will be
136 limitations on completely filling drained pools, restrictions on washing cars, and staff will provide
137 a proactive approach to help customers achieve these goals. Mr. Grisso informed the Board that
138 there will be communication about the prohibitions in the Spring Waterline Newsletter, on the
139 website and through social media. Additionally, there will be lawn signs for well water and
140 recycled water customers so people understand they are not using potable water. Mr. Grisso
141 stated there will be a form on the website so customers can submit water waste reports and also
142 use the AMI system to manage and conserve levels of compliance.

143 Director Joly asked if the suspension of new connections starts on July 1st and Mr. Grisso
144 confirmed. Director Joly asked when was the last time we enacted a drought surcharge. Mr.
145 Grisso replied in 2014. Director Joly noted Stage 2 will trigger the drought surcharge automatically
146 and asked what the charge will be. Mr. Grisso responded \$1.00 per 1,000 gallons. Director
147 Grossi asked if the new connections affect those people already under contract or if it only affects
148 customers who have not submitted an application. Mr. Grisso replied that it does not affect
149 developer agreements approved by the Board before July 1, 2021.

150 Jacob C. a resident of Novato, referred to the amendment to the Ordinance in reference
151 to filling pools and asked if he will be prohibited from filling his pool. He stated he recently invested
152 money in a new pool, and now he is wondering if that investment is lost. Mr. McIntyre thanked
153 Mr. C. for the question and clarified that the pool prohibition relates to completely filling a drained
154 pool, not topping off the pool due to evaporation. Mr. C. responded with appreciation

155 On the motion of Director Baker, and seconded by Director Petterle the Board approved
156 adoption of Resolution 21-07 amending Emergency Water Conservation Ordinance No. 41 for
157 the Novato Service Area by the following vote:

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

159 NOES: None

160 ABSTAIN: None

161 ABSENT: None

162 **ADOPT ENHANCED WATER CONSERVATION PROGRAM INCENTIVES FOR DROUGHT**
163 **YEAR**

164 Mr. Grisso reminded the Board of the approved adoption of revised resolutions 06-01 and
165 06-02 to enhance the water conservation program incentives during drought years. He stated the
166 updated Resolutions 06-01 and 06-02 includes current incentives and recommended enhanced
167 incentive options which include a 25-100% increase in either rebate amounts or the maximum
168 rebate level, with the exception of the Weather-Based Irrigation Controller which is recommended

to remain at the current level.

Director Joly thanked Mr. Grisso for his good work. He asked if staff would articulate this information on our website so our customers understand what is available. He added, our consumers may not know about our controller rebate and we could help them become more interested and help to enhance conservation. Mr. Grisso replied there will be language in the Spring Waterline Newsletter that will address the increase in rebates in addition to a push on social media and on the NMWD website. Director Petterle stated he believes MMWD has a \$2.00 per square foot lawn rebate, but it must be replaced with low irrigation landscape. Mr. Grisso confirmed, noting our rebate has the same requirement.

On the motion of Director Petterle, and seconded by Director Baker the Board adopted the revised Resolutions 06-01 and 06-02 to increase water conservation program incentives by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

SET PUBLIC HEARING TO CONSIDER APPROVAL OF THE 2020 URBAN WATER MANAGEMENT PLAN AND WATER SHORTAGE CONTINGENCY PLAN FOR NOVATO

Mr. Grisso requested the Board approve setting a public hearing to consider approval of the 2020 Urban Water Management Plan and Water Shortage Contingency Plan for Novato. He stated the 2020 UWMP will include all of the information and analysis required by the Department of Water Resources and the Water Shortage Contingency Plan will result in a stand-alone plan, which is being coordinated with SCWA. He added the UWMP is due July 1, 2021 and is required by all agencies that serve more than 3,000 AF or have more than 3,000 connections. Mr. Grisso noted therefore the 2020 UWMP would only apply to the Novato Service Area.

David Umezaki from EKI Environment & Water, Inc. gave a presentation on the water demand analysis for the 2020 Urban Water Management Plan. Mr. Umezaki summarized the projected potable water demands; savings from water conservation programs; future conservation programs and status of UWMP sections. A general discussion ensued.

Director Petterle stated it would be nice to get a copy of the PowerPoint presentation in the Board packet so the Directors can follow along and no parts are blocked out in the zoom view. He stated in regards to the demand analysis there was no real indication that this is for Novato only, it needs to have more clarification that it is not for the entire NMWD service area. Director Petterle added he could see how consumers from West Marin may be confused. Additionally, he

noted it would make sense to display the divisions on the District map and the Directors that represent each division. Lastly, Director Petterle noted on page 1-1 of the 2020 Water Demand Analysis and Water Conservation Measure Update, it should say Stafford Lake, not Safford. Mr. Umezaki thanked Director Petterle for his input. Director Fraites noted on Zoom if you put the person speaking in the far right then you can see the presentation information more easily. Director Petterle thanked Director Fraites for his suggestion. Director Joly stated he found the study very interesting and noted public supply is a big concern in Novato. He added in emails he has received and through conversation with the San Marin residents in his district, people ask about desalination and sources of supply. Director Joly noted this information still seems to be under review. Mr. Umezaki replied Sections 6 and 7 are in draft form, because staff is waiting to get more information from SCWA and once that is received it will be incorporated in the plan. Director Joly stated the 12.6% growth number is double the job growth number and with current supply constraints and high housing costs he would be curious as to when the supply will impact the quality of life. Mr. McIntyre agreed that supply is an important issue but noted the projected 2045 demand is actually lower than historical demands in the early 2000's. Director Joly added the fact that in 2045 the number is still below that of 2006 is pretty remarkable. Director Grossi stated this is a good base study, however there are so many variables over the next five to thirty years, not only with climate change and rainfall, but with the potential for ABAG to add 14,000 more units in Marin County by 2030. He noted we can't add units without requiring more supply.

Mr. Grisso announced the 2020 UWMP draft will be presented at the June 1st Agenda, and the public hearing will be held on June 15th.

On the motion of Director Joly, and seconded by Director Fraites the Board set the June 15, 2021 regular Board meeting as the date and time to hold a public hearing to consider approval of the 2020 Urban Water Management Plan and Updated Water Shortage Contingency Plan for Novato by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

APPROVE RATE INCREASE LETTER TO NOVATO WATER & RECYCLED WATER CUSTOMERS

Ms. Blue requested the Board approve the rate increase letter to the Novato Water and Recycled Water customers. She reported the proposed commodity and bimonthly service charge rate increase for Novato Water customers is 6% and the median single-family residential

customer will see a \$7.50 increase on their typical bi-monthly bill. Ms. Blue added, the proposed commodity and bimonthly service charge rate increase for Recycled Water customers will be 6% and customers with meters 1-inch and larger will see an additional charge of \$24.11 added to the bi-monthly fixed service charge. Ms. Blue noted the service charge increase conforms with the proposed rates as shown in the 2020 Novato and Recycled Water Rate Study. She noted NMWD rates are right in the middle in comparison to other agencies. Ms. Blue noted if approved by the Board, these letters will be mailed out by April 30th.

Director Petterle stated the letter refers to a proposed rate increase, then reasons for revenue increase. Director Petterle suggested to just use "rate increase" rather than confuse our customers with "revenue increase". She agreed that it should only say rate increase and said she will make the change before the notification is mailed out.

Director Joly asked if the letter should mention the investment in the AMI system since it gives people more control of water usage and Director Fraites agreed. Ms. Blue agreed to make the change. Director Grossi suggested to include the Novato Water Rate Comparison and also post it on social media. Director Baker agreed, stating it provides customers with a better perspective of how we compare to other agencies. Ms. Blue agreed and would make the change.

On the motion of Director Petterle, and seconded by Director Fraites the Board approved mailing a letter notifying customers of a proposed Novato and Recycled Water rate increase and upcoming public hearing by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

APPROVE RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN SEWER CUSTOMERS

Ms. Blue requested the Board approve the rate increase letter to West Marin Water and Oceana Marin sewer customers. She stated the proposed West Marin water rate structure modifications will result in individual customer bills that may increase more or less than the 6% global increase. Ms. Blue noted the typical residential customer, assuming no change in water use, will see an increase of \$8.00 on their bi-monthly bill. She noted this was based on the 2021 West Marin Rate Study that was presented by consultant Mark Hildebrand that addressed changes in commodities rates and structural changes. Ms. Blue noted similar to Novato last year, there are a lot of variables. Ms. Blue added even with the proposed increase, when compared to other coastal water agencies West Marin's water rates are still second to the lowest. She added,

a 5% rate increase, (a \$5 increase per month), was proposed for Oceana Marin sewer customers. Additionally, she stated Oceana Marin is higher than other agencies, due to the continued cost to maintain the system and provide revenue for the necessary capital improvement projects.

Director Petterle stated if you look at the commodity rates some are going down and the zone elevations are reversed for Zones 2 and 3 and that should be clarified. Director Grossi suggested to just put in a sentence explaining this so the public understands this is not an error. Ms. Blue confirmed that she would clarify the zone changes on the notification prior to mailing. Director Petterle suggested perhaps in the future staff can figure out how to change the zone numbers so they are consistent. Director Grossi asked if Mr. Hildebrand will be at the June 22nd Board meeting. Ms. Blue stated that Mark Hildebrand will be at the June 22nd board meeting and will provide a similar presentation to the one he did previously.

Director Joly asked about the rate comparison chart for Oceana Marin and wanted more information. Mr. McIntyre responded that the total cost includes the annual tax revenue and the customer is only directly charged the sewer service charge. Director Joly asked if these communities should consolidate since it is not sustainable with the small populations. Mr. McIntyre replied LAFCo routinely addresses the possibility of consolidation and he expects will do so again for West Marin agencies in the future. Mr. Williams noted Oceana Marin has a unique topographic and geographic setting with a challenging system and you cannot compare it to other systems like Stinson Beach that is in a completely different setting.

On the motion of Director Fraites, and seconded by Director Petterle the Board approved mailing a letter notifying customers of a proposed West Marin and Oceana Marin rate increase and upcoming public hearing by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

RENEW DECLARATION OF LOCAL EMERGENCY RELATED TO COVID-19 PANDEMIC

Mr. McIntyre reminded the Board that staff has been operating under partial Emergency Operations Center (EOC) activation. Mr. McIntyre announced the District emergency planning has been aggressively implemented since March 16, 2020. Mr. McIntyre stated walk in services remain suspended. He noted the financial COVID-19 cost impacts through March 31, 2021 was ~\$175,000.00.

Mr. McIntyre reported the latest news from the state is if current trends continue most of the restrictions may be eliminated by June 15th. He noted there was some discussion that Marin

County could move into the Yellow Tier this week. Director Petterle stated he heard that was no longer the case. Mr. Williams stated he heard Marin County will stay in the Orange Tier for now and possibly move to the Yellow Tier on May 3rd. Mr. McIntyre added there are more shots in the arms now and it seems like Marin County is they are doing a good job making vaccines available.

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

On the motion of Director Joly, and seconded by Director Fraites 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

INFORMATION ITEMS

GALLAGHER WELL NO. 2 COASTAL PERMIT APPEAL

Mr. McIntyre updated the Board on the Gallagher Well No. 2 Coastal Permit Appeal. He reported the design for installation of Gallagher Well No. 2 is complete and staff is ready to move forward with requesting Board approval for advertisement of the well installation phase, however construction of Gallagher Well No. 2 is being suspended due to an appeal. He added staff is consulting with legal counsel on the appeal and the next step will be for the Marin County Planning Commission (MCPC) to hear the appeal. Mr. McIntyre reported the tentative MCPC hearing date is May 24th. Mr. McIntyre apprised the Board that District environmental consultant, ESA, will prepare a response to the Save Our Seashore (SOS) appeal so that it can be submitted to the Marin County Community Development Agency staff in advance of the MCPC Appeal Hearing.

Mr. McIntyre informed the Board that even with the delay staff is moving forward with an expanded well testing study including Lagunitas Creek pre and post biological survey. He stated he has asked ESA to develop a scope of work to conduct the study in advance of approval for the construction of the permanent well. Director Joly asked with the delay of the permitting and planning, how we were looking out for our 785 customers so that the salinity intrusion does not become more onerous. Mr. McIntyre replied staff will be providing a low saline water dispensing station for customers on salt restricted diets, which was something that was not available last year. Mr. McIntyre added the District will continue to operate Gallagher Well No. 1 to keep salinity levels as low as possible, noting however due to dry year conditions we are likely to have a higher salinity level. Director Grossi agreed the District should move ahead with the testing and get that

done. He stated he read the appeal and SOS seems to be appealing many things.

Director Fraites stated it is a serious situation out there, adding he does not understand the motive behind it. He noted, according to the Marin IJ, MMWD is considering cutting water releases into Lagunitas Creek because of the drought. He asked how this will impact us and affect our well and salinity intrusion, adding the release was also supposed to help the fish. Mr. McIntyre replied Mr. Williams has joined the stakeholders' group and therefore be able to better evaluate what MMWD is planning. Mr. McIntyre assured the Board that staff will be keeping a close eye on this to make sure it does not have an impact on our West Marin customers. Director Joly asked to avoid further delay if there is a possibility to approach a third party to do arbitration with SOS. Mr. Levin from the Point Reyes Station Village Association stated he began working behind the scenes when his group became aware that there was going to be an appeal. Mr. Levin stated SOS said they will continue to appeal and sadly we are all impacted and it will cost more for everyone. Mr. Levin added the best approach is for Mr. McIntyre to keep doing what he is doing and pursue his efforts the best he can. Ms. Day also from the Point Reyes Station Village Association commented in agreement with Mr. Levin.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated April 8, 2021 and Disbursements – Dated April 15, 2021.

The Board received the following news articles: Marin IJ – Readers' Forum – North Marin Water must suspend new hookups; Marin IJ – MMWD proposes mandatory water rules -LOW RAINFALL IMPACT; Marin IJ – Hot race expected for Novato supervisor – 5th DISTRICT SEAT; Point Reyes Light – MALT hires new leader; San Francisco Chronicle – Despite second dry year, Newsom resists declaring a drought emergency; Marin IJ – Editorial – Awareness key plan for Marin's water; and Marin IJ – 'ONE DAY AT A TIME'- Marin County ranchers brace for driest year in decades.

The Board received the following social media posts: NMWD Web and Social Media Report – March 2021.

Director Grossi noted the social media numbers are picking up and commended Mr. Grisso for a job well done.

President Grossi adjourned the meeting at 8:06 p.m.

Submitted by

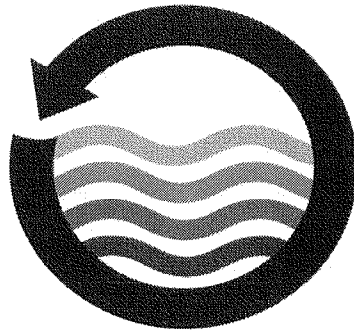
Theresa Kehoe
District Secretary

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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2020-21

March 31, 2021

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
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MEMORANDUM

To: Drew McIntyre, General Manager

April 30, 2021

From: Reviewed by: Julie Blue, Auditor-Controller

Prepared by: Nancy Holton, Accounting Supervisor and Nancy Williamson, Senior Accountant

Subj: Information – FY20/21 March Financial Statement

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FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY

Actual vs. Budget	Mar-21 Actual	FY20/21 Actual YTD	FY20/21 Budget	FYTD / Budget %
Operating Revenue	\$1,322,829	\$17,922,283	\$22,646,000	79%
Operating Expense	2,098,774	17,512,119	21,598,000	81%
Non-Operating Revenue / (Expense)	6,790	(194,690)	(199,000)	98%
Net Income / (Loss)	(\$769,155)	\$215,474	\$849,000	25%
Other Sources / (Uses)*	3,125,127	4,484,368	(4,817,000)	-
Cash Increase / (Decrease)	\$2,355,972	\$4,699,842	(\$3,968,000)	-

* See Page 8.

For the first nine months of fiscal year 2020-2021, the District generated a net income of \$215,474 and saw a net cash increase of \$4,699,842. On a seasonally adjusted basis, Operating Revenue came in 7% over budget and Operating Expense came in 9% over budget. \$2,223,471 (32%) of the Capital Improvement Projects Budget was expended this fiscal year. At month end the ratio of total cash to budgeted annual operating expense (sans depreciation) stood at 151%.

SUMMARY INCOME STATEMENTS BY SERVICE AREA

PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS

NOVATO WATER

Year over Year Comparison	Mar-21 Actual	FY20/21 Actual YTD	FY19/20 Actual YTD	FY21 vs 20 Up/(Down)
Operating Revenue	\$1,199,063	\$15,860,417	\$14,431,314	10%
Operating Expense	1,879,703	15,440,789	13,578,776	14%
Other Income / (Expense)	17,685	(111,150)	(14,822)	650%
Net Income / (Loss)	(\$662,955)	\$308,478	\$837,715	(63%)
Active Accounts	20,589	20,589	20,546	(0%)
Consumption (MG)	117	1,901	1,818	5%
Average Commodity Rate / 1,000 gal	\$6.45	\$6.27	\$5.84	7%
Income / (Loss) / Active Account	(\$32.20)	\$14.98	\$40.77	(63%)
Income / (Loss) / 1,000 Gal	(\$5.66)	\$0.16	\$0.46	(65%)
Connection Fee Revenue	\$1,651,089	\$3,466,089	\$1,445,735	140%
FRC Transfer (to)/from Recycled Water	\$0	(\$793,919)	\$785,838	-
Caltrans Capital Contribution	\$0	\$8,100	\$12,621	(36%)
MMWD AEEP Capital Contribution	(\$205,320)	\$0	\$205,320	(100%)
Developer 'In-Kind' Contributions	\$49,453	\$812,935	\$708,061	15%

Consumption for the fiscal year to date was 5% more than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 10% (\$1,429,103) from the prior year same period. Total operating expense was \$1,862,012 more than last year same period.

The Stafford Treatment Plant produced 211 MG this fiscal year-to-date at a cost of \$6,405/MG¹ versus \$3,071/MG³ from SCWA. The budget for Stafford is 650 MG at a cost of \$3,305/MG.

Staff time (hours) charged to Novato operations was 7% less than last year. Salary and benefit cost was \$4,294,166, which was 66% of the \$6,514,000 budget for Novato operations.

The fiscal year net income (which includes non-operating items such as interest revenue and expense) of \$308,478 compares to a budgeted net income for the year of \$546,000 and to a net income of \$837,715 for the prior year. \$803,831 (16%) of the Novato Water Capital Improvement Project Budget was spent versus \$1,360,727 (32%) for the prior year. \$3,466,089 in connection fees have been collected (\$486,000 is budgeted). Connection Fee reserves totaling \$793,919 were transferred this fiscal year from the Novato Water Fund to the Recycled Water Fund. The Novato Connection Fee Reserve has a net deficit of \$4,475,738 arising from transfers to the RW Fund in advance of Connection Fee receipts. This is down from a net deficit of \$6,275,222 last year. That deficit will be reimbursed by future Connection Fee revenue. The Novato cash balance increased \$2,465,416 in March, and stood at \$20,705,309 at month end, compared to a budgeted projection of \$13,079,000 at fiscal year-end.

<u>NOVATO RECYCLED</u>	Mar-21	FY20/21	FY19/20	FY21 vs 20
Year over Year Comparison	Actual	Actual YTD	Actual YTD	Up/(Down)
Operating Revenue	\$41,425	\$1,102,800	\$883,005	25%
Operating Expense	94,744	1,108,964	705,992	57%
Other Income / (Expense)	(12,178)	(151,453)	(394,501)	(62%)
Net Income / (Loss)	<u>(\$65,497)</u>	<u>(\$157,617)</u>	<u>(\$217,488)</u>	(28%)
Active Accounts	94	94	92	2%
Consumption (MG)	4.7	165.5	139.1	19%
Average Commodity Rate / 1,000 gal (net)	\$6.19	\$6.24	\$5.97	4%
Deer Island Production (MG)	0.0	3.0	6.4	(53%)
Novato Sanitary Production (MG)	10.6	131.8	106.3	24%
Las Gallinas Production (MG)	1.1	22.7	38.3	(41%)
Potable Water Input (MG)	2.3	14.8	8.0	85%
Connection Fee Alloc from Novato	\$0	\$0	\$0	-
Developer 'In-Kind' Contributions	\$0	\$0	\$0	-

165.5 MG was delivered to RW customers this fiscal year-to-date, 19% more than the prior year. Operating revenue was 25% more than last year. Total operating expense was 57% more than the prior year same period. The recycled water was produced at a cost of \$2,171/MG² (including potable water consumed) versus \$3,071/MG³ from SCWA. The budgeted production cost of recycled water is \$2,023/MG.

The fiscal year net loss of \$157,617 compares to a budgeted net loss for the year of \$19,000 and a net loss of \$217,488 for the prior year same period. None of the Capital Improvement Project Budget has been expended this fiscal year-to-date.

The Novato Recycled cash balance stood at \$5,493,608 at month end, \$4.2M of which amount resides in restricted reserves for debt service, the Deer Island Facility Replacement Fund and the Recycled Water Capital Replacement and Expansion Fund.

¹ Stafford production cost = TP op expense (\$766,924) + SRF loan interest (\$148,457) + plant depreciation (\$436,036)/ 211 MG produced

² Recycled Water production cost = purchased water cost (\$245,303) + treatment expense (\$9,795) + Deer Island RW Facility SRF loan interest (\$31,445) + Deer Island plant depreciation (\$86,939)/ 172 MG produced

³ SCWA production cost per MG = O&M charge (\$2,512) + debt service charge (\$207) + Russian River conservation charge (\$326) + Russian River projects charge (\$27)

<u>WEST MARIN WATER</u>	<u>Mar-21</u>	<u>FY20/21</u>	<u>FY19/20</u>	<u>FY21 vs 20</u>
<u>Year over Year Comparison</u>	<u>Actual</u>	<u>Actual YTD</u>	<u>Actual YTD</u>	<u>Up/(Down)</u>
Operating Revenue	\$59,409	\$752,677	\$778,147	(3%)
Operating Expense	106,580	731,654	558,141	31%
Other Income / (Expense)	(302)	29,482	78,985	(63%)
Net Income / (Loss)	<u>(\$47,473)</u>	<u>\$50,506</u>	<u>\$298,991</u>	(83%)
Active Accounts	784	784	783	0%
Consumption (MG)	4.7	52.0	55.0	(5%)
Average Commodity Rate / 1,000 gal (net)	\$9.03	\$11.54	\$11.44	1%
Income/ (Loss) / Active Account	(\$60.55)	\$64.42	\$381.85	(83%)
Income / (Loss) / 1,000 Gal	(\$10.01)	\$0.97	\$5.44	(82%)
Connection Fee Revenue	\$0	\$0	\$0	-
Developer 'In-Kind' Contributions	\$0	\$0	\$0	-

Consumption for the fiscal year was 5% less than the prior year. Operating revenue was 3% less than last year.

Operating expenditures were \$173,513, or 31% more than the previous year same period. The fiscal year net income of \$50,506 compares to a budgeted annual net income of \$237,000 and to a net income of \$298,991 for the prior year same period. \$1,383,428 (93%) of the Capital Improvement Project Budget was expended this fiscal year-to-date, and no connection fees were collected (\$23,000 is budgeted). The West Marin Water cash balance decreased \$99,375 in March and stood at \$406,314 at month end, compared to a budgeted projection of \$386,000 at June 30, 2021.

<u>OCEANA MARIN SEWER</u>	<u>Mar-21</u>	<u>FY20/21</u>	<u>FY19/20</u>	<u>FY21 vs 20</u>
<u>Year over Year Comparison</u>	<u>Actual</u>	<u>Actual YTD</u>	<u>Actual YTD</u>	<u>Up/(Down)</u>
Operating Revenue	\$22,932	\$206,388	\$195,858	5%
Operating Expense	17,747	230,712	181,640	27%
Other Income / (Expense)	1,585	38,431	42,926	(10%)
Net Income / (Loss)	<u>\$6,770</u>	<u>\$14,107</u>	<u>\$57,145</u>	(75%)
Active Accounts	235	235	234	0%
Monthly Sewer Service Charge	\$98	\$878	\$93	844%
Income / (Loss) / Active Account	\$28.81	\$60.03	\$244.21	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$206,388 was 5% more than the previous year due to the 5% rate increase effective July 1, 2020. Operating expenditures were 27% \$49,072 more than the previous year. The fiscal year-to-date net income of \$14,107 compares to a budgeted annual net income of \$85,000 and to a net income of \$57,145 for the prior year. \$36,212 (12%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date.

No connection fees have been collected (\$0 is budgeted). The Oceana Marin cash balance decreased \$13,855 in March and stood at \$343,428 at month end, compared to a budgeted projection of \$387,000 at June 30, 2021.

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING MARCH 31, 2021**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$6,496,575	\$5,104,238	\$1,020,829	\$103,099	\$268,409
Restricted Cash (Note 1)					
Connection Fee Fund	\$0	\$0	\$0	\$0	\$0
Bank of Marin Project Fund	0	0	0	0	0
AMI Project Loan Fund	0	0	0	0	0
Deer Island RWF Replacement Fund	1,840,100	0	1,840,100	0	0
Capital Replacement & Expansion Fund	1,561,481	0	1,561,481	0	0
Tax Receipts Held in Marin Co Treasury	633	0	0	577	56
STP SRF Reserve-Marine Co Treasury	1,046,431	1,046,431	0	0	0
RWS North/South SRF Reserve Fund	614,299	0	614,299	0	0
RW Central Area SRF Reserve Fund	275,773	0	275,773	0	0
Designated Cash (Note 2)					
Liability Contingency Fund	\$1,430,370	\$1,331,485	\$0	\$98,885	\$0
Workers' Compensation Fund	535,006.03	504,163	8,126	16,753	5,964
Retiree Medical Benefits Fund	4,658,025	4,658,025	0	0	0
Maintenance Accrual Fund	2,500,000	2,500,000	0	0	0
Operating Reserve Fund	5,940,000	5,511,000	173,000	187,000	69,000
Total Cash	\$26,898,693	\$20,655,343	\$5,493,608	\$406,314	\$343,428
Gain/(Loss) on MV of Investments	\$49,967	\$49,967	\$0	\$0	\$0
Market Value of Cash & Investments	\$26,948,660	\$20,705,309	\$5,493,608	\$406,314	\$343,428
Current Assets					
Net Receivables - Consumers	\$1,066,372	\$973,080	\$29,461	\$9,440	\$54,390
Accrued Water Sales	1,157,956	936,989	86,389	134,577	0
Accounts Receivable-Other	261,893	118,429	6,113	0	137,351
Prepaid Expense	291,978	290,327	0	0	1,651
Reimbursable Small Jobs	79,997	79,997	0	0	0
Interest Receivable	50,277	50,277	0	0	0
Inventories	699,339	699,339	0	0	0
Deposits Receivable	23,274	23,274	0	0	0
Total Current Assets	\$3,631,086	\$3,171,713	\$121,964	\$144,018	\$193,392

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING MARCH 31, 2021**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$524,996	\$524,996	\$0	\$0	\$0
Other Long Term Receivables (Note 4)	3,309,010	2,079,140	1,229,870	0	0
Loans Receivable	\$3,834,006	\$2,604,136	\$1,229,870	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,675,845	5,183,433	0	492,412	0
Treatment Facilities	22,604,626	18,625,907	2,666,198	454,159	858,362
Storage Facilities	24,593,098	20,844,117	1,643,458	2,105,523	0
Transmission Facilities (16"+)	29,405,627	29,283,304	0	122,324	0
Distribution and Pumping Facilities	107,958,366	70,593,976	31,455,961	5,908,429	0
Sewer Mains, Pumps, & Laterals	1,258,111	0	0	0	1,258,111
Sub-Total	\$192,968,764	\$145,899,608	\$35,765,617	\$9,186,257	\$2,117,282
Less Accumulated Depreciation (Note 5)	(62,557,454)	(52,330,415)	(4,840,058)	(4,262,138)	(1,124,843)
Net Property and Plant	\$130,411,309	\$93,569,192	\$30,925,559	\$4,924,119	\$992,439
Buildings and Equipment (Note 6)					
Buildings	\$2,119,365	\$2,119,365	\$0	\$0	\$0
Office Equipment	840,251	840,251	0	0	0
Laboratory Equipment	313,376	313,376	0	0	0
Trucks & Automobiles	1,287,718	1,287,718	0	0	0
Construction Equipment	974,660	974,660	0	0	0
Tools, Shop Equipment	220,890	220,890	0	0	0
Sub-Total	\$5,756,261	\$5,756,261	\$0	\$0	\$0
Less Accumulated Depreciation (Note 5)	(4,511,040)	(4,511,040)	0	0	0
Net Buildings and Equipment	\$1,245,221	\$1,245,221	\$0	\$0	\$0
Construction In Progress					
Developer	\$1,275,822	\$1,275,822	\$0	\$0	\$0
District	5,742,354	2,234,765	470,660	2,756,188	280,741
Total Construction in Progress	7,018,176	3,510,587	470,660	2,756,188	280,741
Net Utility Plant	138,674,706	98,325,001	31,396,219	7,680,307	1,273,179
Deferred Outflow of Resources-GASB68	2,795,641	2,795,641	0	0	0
Deferred Outflow of Resources-GASB75	341,851	341,851	0	0	0
TOTAL ASSETS	\$176,225,949	\$127,943,650	\$38,241,661	\$8,230,639	\$1,809,999

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING MARCH 31, 2021**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$1,812,919	\$1,714,212	\$51,049	\$47,658	\$0
Reimbursement Prog. Unclaimed Funds	197,932	186,832	0	11,100	0
Loan Debt Principal Payable-Current	1,656,255	858,581	797,674	0	0
Bank of Marin Principal Payable-Current	391,746	341,603	0	50,143	0
JP Morgan/Chase AMI Loan-Current	275,000	275,000	0	0	0
Accrued Interest Payable-SRF Loan	164,807	47,921	116,886	0	0
JP Morgan/Chase AMI Loan Interest Payable	9,307	9,307	0	0	0
Deposits/Performance Bonds	372,504	330,309	0	39,195	3,000
Unemployment Insurance Reserve (Note 8)	22,954	22,954	0	0	0
Workers' Comp Future Claims Payable	23,440	21,682	656	797	305
Payroll Benefits (Note 9)	1,057,562	978,711	31,760	33,950	13,142
Deferred Revenue	68,796	0	0	0	68,796
Total Current Liabilities	\$6,053,222	\$4,787,110	\$998,026	\$182,844	\$85,243
Restricted Liabilities					
Construction Advances	\$623,424	\$548,424	\$0	\$75,000	\$0
Total Restricted Liabilities	\$623,424	\$548,424	\$0	\$75,000	\$0
Long Term Liabilities (Note 7)					
JP Morgan/Chase AMI Loan Payable	\$3,555,000	\$3,555,000	\$0	\$0	\$0
STP Rehab SRF Loan	7,132,774	7,132,774	0	0	0
RWF SRF Loan	1,510,788	0	1,510,788	0	0
RWS North/South Expansion SRF Loan	6,015,730	0	6,015,730	0	0
RWS Central Expansion SRF Loan	6,286,299	0	6,286,299	0	0
Bank of Marin Loan	4,511,396	3,933,937	0	577,459	0
Net Pension Liability @ 6/30/20	13,653,187	13,653,187	0	0	0
Total OPEB Liability (Note 2)	4,658,025	4,658,025	0	0	0
Total Long Term Liabilities	\$47,323,199	\$32,932,923	\$13,812,818	\$577,459	\$0
Deferred Inflow of Resources-GASB 68	801,855	801,855	0	0	0
Deferred Inflow of Resources-GASB 75	121,829	121,829	0	0	0
TOTAL LIABILITIES	\$54,923,529	\$39,192,141	\$14,810,843	\$835,302	\$85,243

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING MARCH 31, 2021**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$86,311,370	\$77,683,138	\$5,810,128	\$2,138,348	\$679,755
Grants in Aid of Construction	13,637,997	426,448	9,961,904	3,163,585	86,060
Connection Fees	42,171,543	28,587,492	10,727,115	2,163,254	693,681
Total Investment	\$142,120,909	\$106,697,079	\$26,499,147	\$7,465,187	\$1,459,496
Restricted Reserves					
Connection Fee Fund	(\$5,369,099)	(\$4,475,738)	\$0	(\$693,375)	(\$199,986)
Bank of Marin Project Fund	0	0	0	0	0
Deer Island RWF Replacement Fund	1,840,100	0	1,840,100	0	0
Capital Replacement & Expansion Fund	1,561,481	0	1,561,481	0	0
RWS North/South SRF Reserve Fund	614,299	0	614,299	0	0
RW Central Area SRF Reserve Fund	275,773	0	275,773	0	0
Designated Reserves					
Liability Contingency Fund	1,430,370	1,331,485	0	98,885	0
Maintenance Accrual Fund	2,500,000	2,500,000	0	0	0
Workers' Compensation Fund	511,566	482,481	7,470	15,956	5,659
Retiree Medical Benefits Fund	2,759,513	2,759,513	0	0	0
Operating Reserve Fund	5,940,000	5,511,000	173,000	187,000	69,000
Earned Surplus - Prior Yrs	(33,038,563)	(26,240,076)	(7,258,665)	81,596	378,582
Net Income/(Loss)	215,474	308,478	(157,617)	50,506	14,107
Transfer (To)/From Reserves (see below)	(59,401)	(122,712)	(124,170)	189,582	(2,101)
Total Restricted & Designated	(\$20,818,489)	(\$17,945,569)	(\$3,068,329)	(\$69,851)	\$265,261
TOTAL NET POSITION	\$121,302,421	\$88,751,510	\$23,430,818	\$7,395,337	\$1,724,757
Transfer (To)/From Reserves					
Connection Fee	\$0	\$0	\$0	\$0	\$0
AMI Project Fund	0	0	0	0	0
Liability Reserve	0	0	0	0	0
Capital Replacement & Expansion Fund	0	0	0	0	0
Maintenance Reserve	0	0	0	0	0
RWF Replacement Fund	(119,038)	0	(119,038)	0	0
Retiree Medical Insurance Fund	0	0	0	0	0
(Gain)/Loss WC Fund	(9,186)	(8,667)	(132)	(286)	(101)
Bank of Marin Project Fund	213,823	19,955	0	193,868	0
Operating Reserve Fund	(145,000)	(134,000)	(5,000)	(4,000)	(2,000)
Total Transfer	(\$59,401)	(\$122,712)	(\$124,170)	\$189,582	(\$2,101)
TOTAL LIABILITIES AND FUND BALANCE	\$176,225,949	\$127,943,650	\$38,241,661	\$8,230,639	\$1,809,999

**NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
FOR THE PERIOD ENDING MARCH 31, 2021**

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$13,561,310	\$16,330,000	83%	\$12,081,884
Bimonthly Service Charge	3,890,092	5,610,000	69%	3,728,226
Sewer Service Charge	206,388	276,000	75%	195,858
Wheeling & Misc Service Charges	264,493	430,000	62%	282,356
TOTAL OPERATING REVENUE	\$17,922,283	\$22,646,000	79%	\$16,288,324
OPERATING EXPENDITURES				
Source of Supply	\$6,147,608	\$6,286,000	98%	\$4,413,898
Pumping	446,672	567,000	79%	503,002
Operations	820,392	857,000	96%	675,252
Water Treatment	1,444,316	2,628,000	55%	1,651,110
Sewer Service	145,391	178,000	82%	117,834
Transmission & Distribution	2,433,794	3,694,000	66%	2,263,238
Consumer Accounting	332,138	683,000	49%	349,303
Water Conservation	254,548	408,000	62%	246,841
General & Administrative	2,608,427	2,520,000	104%	2,264,235
Depreciation	2,878,831	3,777,000	76%	2,539,835
TOTAL OPERATING EXPENDITURES	\$17,512,119	\$21,598,000	81%	\$15,024,550
NET OPERATING INCOME (LOSS)	\$410,164	\$1,048,000	39%	\$1,263,774
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$66,743	\$118,000	57%	\$65,920
Interest Revenue	242,874	316,000	77%	441,478
Miscellaneous Revenue	56,232	135,000	42%	115,678
Bond & Loan Interest Expense	(559,018)	(748,000)	75%	(602,496)
Miscellaneous Expense	(1,520)	(20,000)	8%	(2,280)
Capital Contribution Expense-NSD & LGVSD	0	0	-	(305,711)
TOTAL NON-OP REVENUE/(EXPENSE)	(\$194,690)	(\$199,000)	98%	(\$287,412)
NET INCOME/(LOSS)	\$215,474	\$849,000	25%	\$976,362
OTHER SOURCES/(USES) OF FUNDS				
Add Depreciation Expense	\$2,878,831	\$3,777,000	76%	\$2,539,835
Connection Fees	3,466,089	509,000	681%	1,445,735
Loan Proceeds	0	647,000	0%	0
Grant Proceeds	86,060	0	-	0
Marin County Club Loan Principal Pmts	31,158	0	-	30,725
StoneTree RWF Loan Principal	0	0	-	1,081,103
Caltrans AEEP Capital Contribution	8,100	1,000	810%	12,621
MMWD AEEP Capital Contribution	0	205,000	0%	205,320
Capital Equipment Expenditures	(105,041)	(699,000)	15%	(285,105)
Capital Improvement Projects	(2,223,471)	(6,862,000)	32%	(1,886,054)
Bond & Loan Principal Payments	(1,357,609)	(2,395,000)	57%	(1,528,122)
Change in Working Capital	1,700,251	0	-	1,296,614
TOTAL OTHER SOURCES/(USES)	\$4,484,368	(\$4,817,000)	-	\$2,912,672
CASH INCREASE/(DECREASE)	\$4,699,842	(\$3,968,000)	-	\$3,889,034

**NORTH MARIN WATER DISTRICT
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA
FOR THE PERIOD ENDING MARCH 31, 2021**

<u>SUMMARY INCOME STATEMENT</u>	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$17,922,283	\$15,860,417	\$1,102,800	\$752,677	\$206,388
Operating Expense	17,512,119	15,440,789	1,108,964	731,654	230,712
OPERATING INCOME/(LOSS)	\$410,164	\$419,628	(\$6,164)	\$21,024	(\$24,324)
Non-Operating Revenue/(Expense)	(194,690)	(111,150)	(151,453)	29,482	38,431
NET INCOME/(LOSS)	\$215,474	\$308,478	(\$157,617)	\$50,506	\$14,107
CAPITAL CONTRIBUTIONS					
Developer In-Kind Contributions	\$812,935	\$812,935	\$0	\$0	\$0
Caltrans AEEP Capital Contributions	8,100	8,100	0	0	0
MMWD Capital Contribution	0	0	0	0	0
Connection Fees	3,466,089	3,466,089	0	0	0
FEMA/CAL OES Grant-OM Treatment Pond	86,060	0	0	0	86,060
FRC Transfer	0	(793,919)	793,919	0	0
CAPITAL CONTRIBUTIONS	\$4,373,184	\$3,493,205	\$793,919	\$0	\$86,060
Prior Period Adjustments	0	0	0	0	0
CHANGE IN NET POSITION	\$4,588,658	\$3,801,684	\$636,301	\$50,506	\$100,167
Net Position June 30, 2020	116,713,763	84,949,826	22,794,516	7,344,831	1,624,590
Net Position March 31, 2021	<u>\$121,302,421</u>	<u>\$88,751,510</u>	<u>\$23,430,818</u>	<u>\$7,395,337</u>	<u>\$1,724,757</u>
CASH FLOW STATEMENT					
Net Income/(Loss)	\$215,474	\$308,478	(\$157,617)	\$50,506	\$14,107
Add back Depreciation	2,878,831	2,100,229	595,559	149,764	33,278
Cash Generated From Operations	\$3,094,305	\$2,408,708	\$437,942	\$200,270	\$47,385
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$3,466,089	\$3,466,089	\$0	\$0	\$0
Loan Proceeds	0	0	0	0	0
Grant Proceeds	86,060	0	0	0	86,060
Capital Assets Acquisition	(2,328,512)	(908,872)	0	(1,383,428)	(36,212)
Caltrans AEEP Capital Contribution	8,100	8,100	0	0	0
MMWD AEEP Capital Contribution	0	0	0	0	0
Marin Country Club Loan Principal Pmts	31,158	0	31,158	0	0
Principal Paid on Debt	(1,357,609)	(940,032)	(381,125)	(36,452)	0
Consumer Receivables Decr (Incr)	433,059	130,786	275,239	81,424	(54,390)
Construction Advances (Decr) Incr	76,419	12,919	(10,000)	73,500	0
Other Assets Decr (Incr)	2,467,267	2,153,946	93,937	288,783	(69,398)
Other Liabilities (Decr) Incr	(191,928)	(63,877)	(201,686)	4,789	68,847
Trade Accounts Payable (Decr) Incr	(1,084,566)	(1,117,355)	3,105	29,684	0
Connection Fee Transfer	0	(793,919)	793,919	0	0
Total Other Sources (Uses)	\$1,605,537	\$1,947,785	\$604,546	(\$941,700)	(\$5,094)
Net Cash Provided (Used)	\$4,699,842	\$4,356,493	\$1,042,488	(\$741,431)	\$42,292
MV Cash & Investments June 30, 2020	\$22,248,817	\$16,348,817	\$4,451,119	\$1,147,745	\$301,137
MV Cash & Investments Mar 31, 2021	<u>\$26,948,660</u>	<u>\$20,705,309</u>	<u>\$5,493,608</u>	<u>\$406,314</u>	<u>\$343,428</u>

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$762,508	\$11,979,516	83%	\$10,669,484
Bill Adjustments	(6,479)	(52,067)	72%	(47,554)
Bimonthly Service Charges	415,981	3,673,193	69%	3,531,917
Account Turn-on Charges	0	0	0%	54,154
New Account Charges	495	4,600	66%	4,900
Returned Check Charges	0	126	13%	333
Hydrant Meter Up/Down Charges	600	3,160	63%	3,600
Backflow Service Charges	12,880	113,698	80%	111,865
Lab Service-Outside Clients	526	20,382	62%	29,154
Wheeling Charges - MMWD	12,551	117,809	120%	73,462
TOTAL OPERATING REVENUE	\$1,199,063	\$15,860,417	79%	\$14,431,314
TOTAL EXPENDITURES				
SOURCE OF SUPPLY				
Supervision & Engineering	\$1,465	\$6,577	60%	\$8,660
Operating Expense - Source	358	5,333	38%	7,681
Maint/Monitoring of Dam	143	22,047	17%	30,489
Maint of Lake & Intakes	0	3,863	19%	12,454
Maint of Structures	36	36	1%	0
Maint of Watershed	214	6,954	17%	18,508
Water Quality Surveillance	14	93	1%	1,642
Fishery Maint	664	1,333	-	0
Erosion Control	0	603	-	62
Ground Water Well Monitoring	0	0	-	0
Purchased Water	413,478	5,298,500	92%	4,107,839
Purchased Water-Backfeed	435,934	542,296	-	0
SOURCE OF SUPPLY	\$852,306	\$5,887,635	99%	\$4,187,335
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	6,052	32,218	101%	23,590
Maint of Pumping Equipment	9,172	30,419	27%	156,344
Electric Power	51,483	322,673	95%	247,858
PUMPING	\$66,707	\$385,310	79%	\$427,792
OPERATIONS				
Supervision & Engineering	\$28,665	\$187,967	115%	\$172,815
Operating Expense - Operations	40,658	292,634	114%	306,740
Maintenance Expense	3,664	45,462	81%	29,717
Telemetry Equipment/Controls Maint	3,833	48,353	51%	47,997
Leased Lines	1,566	12,777	64%	12,493
OPERATIONS	\$78,386	\$587,192	100%	\$569,761

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$4,474	\$126,358	85%	\$139,545
Operating Expense - Water Treatment	12,818	132,255	41%	209,230
Purification Chemicals	5,358	87,133	21%	191,438
Sludge Disposal	10,533	70,699	57%	81,102
Maint of Structures & Grounds	6,435	83,535	79%	86,556
Maint of Purification Equipment	11,580	168,712	91%	174,448
Electric Power	13,233	98,232	63%	121,625
Water Quality Programs	7,989	64,154	67%	84,779
Laboratory Direct Labor	33,783	276,649	80%	292,904
Lab Service-Outside Clients	2,074	21,820	48%	33,238
Water Quality Supervision	11,082	64,606	90%	58,405
Laboratory Supplies & Expense	5,270	45,187	55%	49,308
Customer Water Quality	2,108	19,251	31%	30,288
Lab Cost Distributed	(3,008)	(20,241)	81%	(19,004)
WATER TREATMENT	\$123,729	\$1,238,349	58%	\$1,533,862
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$57,517	\$464,897	78%	\$434,128
Maps & Records	10,170	96,359	51%	96,168
Operation of T&D System	27,138	215,910	318%	154,871
Facilities Location	12,932	124,148	88%	124,712
Safety: Construction & Engineering	6,646	34,083	57%	32,755
Customer Service Expense	23,644	191,991	71%	222,713
Flushing	0	3,887	8%	45,960
Storage Facilities Expense	8,545	97,739	80%	72,012
Cathodic Protection	2,489	8,120	48%	10,731
Maint of Valves/Regulators	1,710	82,497	44%	128,301
Maint of Mains	4,925	142,707	88%	122,652
Leak Detection - Mains	1,404	15,503	119%	5,857
Backflow Prevention Program	27,745	176,355	82%	130,724
Maint of Copper Services	29,029	100,599	65%	68,185
Maint of PB Service Lines	28,427	345,269	74%	324,107
Single Service Installations	3,009	31,547	-	22,612
Maint of Meters	7,484	110,655	83%	83,980
Detector Check Assembly Maint	4,509	29,561	36%	55,159
Maint of Hydrants	5,562	62,986	87%	41,230
TRANSMISSION & DISTRIBUTION	\$262,885	\$2,334,811	78%	\$2,176,857
CONSUMER ACCOUNTING				
Meter Reading	\$1,122	\$11,411	11%	\$16,052
Collection Expense - Labor	0	0	0%	18,395
Collection Expense - Agency	134	1,364	68%	555
Billing & Consumer Accounting	16,242	161,213	75%	185,046
Contract Billing	1,360	14,757	82%	11,236
Stationery, Supplies & Postage	4,955	54,550	99%	37,019
Online Payment Processing Fees	8,514	44,641	74%	51,780
Lock Box Service	912	8,262	75%	8,262
Uncollectable Accounts	570	16,253	325%	7,053
Office Equipment Expense	1,625	10,970	17%	7,005
Distributed to West Marin (4.1%)	(1,429)	(12,633)	84%	(12,645)
CONSUMER ACCOUNTING	\$34,005	\$310,788	56%	\$329,757

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER CONSERVATION				
Residential	\$22,552	\$142,681	59%	\$149,312
Commercial	284	2,728	14%	5,169
Public Outreach/Information	10,673	72,053	120%	71,723
Large Landscape	1,196	7,118	25%	15,187
TOTAL WATER CONSERVATION	\$34,706	\$224,580	64%	\$241,391
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$3,747	\$30,477	74%	\$27,789
Legal Fees	976	11,092	53%	9,744
Human Resources	6,827	33,793	61%	27,874
Auditing Fees	0	9,800	38%	15,151
Consulting Services/Studies	3,208	64,863	23%	120,207
General Office Salaries	115,311	923,131	77%	808,035
Safety: General District Wide	3,807	27,653	48%	34,928
Office Supplies	1,291	13,292	30%	20,402
Employee Events	0	1,128	9%	9,060
Other Administrative Expense	2,814	5,903	39%	5,105
Election Cost	0	250	1%	0
Dues & Subscriptions	192	105,211	106%	82,651
Vehicle Expense	676	6,084	76%	6,084
Meetings, Conferences & Training	15,412	59,688	31%	96,809
Recruitment Expense	0	19,592	-	1,105
Gas & Electricity	2,770	28,401	75%	28,344
Telephone	692	6,178	88%	5,147
Water	0	1,751	58%	1,549
Buildings & Grounds Maint	3,349	80,833	137%	41,342
Office Equipment Expense	9,032	90,285	64%	107,239
Insurance Premiums & Claims	10,322	103,986	67%	78,978
Retiree Medical Benefits	17,486	157,677	79%	142,656
(Gain)/Loss on Overhead Charges	(72,139)	(42,449)	30%	(121,307)
G&A Applied to Other Operations (5.9%)	(11,944)	(109,022)	75%	(97,224)
G&A Applied to Construction	(32,519)	(258,975)	54%	(299,623)
GASB68 Adjustment (Pension)	113,219	1,001,273	244%	949,687
GENERAL & ADMINISTRATIVE	\$194,526	\$2,371,894	102%	\$2,101,731
Depreciation (Note 5)	232,454	2,100,229	73%	2,010,291
TOTAL OPERATING EXPENSE	\$1,879,703	\$15,440,789	84%	\$13,578,776
OPERATING INCOME/(LOSS)	(\$680,640)	\$419,628	23%	\$852,537

**NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021**

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	(\$41,853)	\$21,313	28%	\$34,990
Retiree Medical Insurance Fund	21,633	86,025	172%	178,837
Workers' Comp Fund	2,317	9,250	-	20,956
Conservation Incentive Rate Fund	0	0	-	0
Aqueduct Energy Efficiency Proj Fund	39	309	-	1,061
Funds Held in County Treasury	0	6,171	206%	13,407
MMWD Interconnection Agreement Loan	60,352	60,352		0
Total Interest Revenue	\$42,488	\$183,420	142%	\$249,251
Rents & Leases	7,022	62,663	75%	69,025
Other Non-Operating Revenue	195	14,132	27%	31,023
Gain/(Loss) on MV of Investments	5,656	(26,278)	-	10,074
NON-OPERATING REVENUE	\$55,360	\$233,937	89%	\$359,372
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$12,263	\$113,200	75%	\$121,537
STP SRF Loan Interest Expense	16,221	148,457	76%	163,958
JP Morgan/Chase AMI Loan Interest Expense	9,191	82,717	75%	87,380
Other Non-Operating Expense	0	712	4%	1,319
NON-OPERATING EXPENSE	\$37,675	\$345,087	72%	\$374,194
NET INCOME/(LOSS)	(\$662,955)	\$308,478	19%	\$837,715
BEGINNING FUND EQUITY				
		\$84,949,826		\$79,168,973
NET INCOME/(LOSS)	(662,955)	308,478		837,715
Developer 'In-Kind' Contributions	49,453	812,935	-	708,061
Caltrans AEEP Capital Contribution	0	8,100	810%	12,621
MMWD AEEP Capital Contribution	(205,320)	0	0%	205,320
Connection Fees	1,651,089	3,466,089	1019%	1,445,735
FRC Transfer to/from Recycled Water	0	(793,919)	-87%	785,838
Prior Period Adjustment (Note 12)	0	0	-	0
ENDING FUND EQUITY		\$88,751,510		\$83,164,262

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021**

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$29,096	\$1,032,728	84%	\$830,716
Bimonthly Service Charges	11,829	69,272	119%	51,905
Water Loads	500	800	-	300
Account Turn-on Charges	0	0	-	84
TOTAL OPERATING REVENUE	\$41,425	\$1,102,800	85%	\$883,005
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$14,827	\$191,680	90%	\$159,405
Purchased Water - LGVSD	1,771	53,624	76%	53,605
SOURCE OF SUPPLY	\$16,598	\$245,303	86%	\$213,010
PUMPING				
Maint of Structures & Grounds	\$0	\$0	0%	\$0
Maint of Pumping Equipment	232	545	18%	700
Electric Power	0	2,490	83%	3,181
PUMPING	\$232	\$3,035	43%	\$3,881
OPERATIONS				
Supervision & Engineering	\$987	\$11,343	87%	\$8,554
Operating Expense - Operations	0	4,176	32%	6,024
Potable Water Consumed	2,316	150,691	1005%	50,631
Maintenance Expense	0	11,599	116%	663
Telemetry Equipment/Controls Maint	0	2,698	22%	0
OPERATIONS	\$3,303	\$180,506	287%	\$65,873
WATER TREATMENT				
Purification Chemicals	\$0	\$1,350	34%	\$2,748
Maint of Purification Equipment	725	6,495	43%	520
Electric Power	0	1,950	65%	0
Laboratory Direct Labor	0	365	9%	1,118
Lab Expense Distributed from Novato	2	187	6%	601
WATER TREATMENT	\$727	\$10,347	36%	\$4,987
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	(\$150)	(\$87)	0%	\$811
Maps & Records	0	0	0%	0
Operation of T&D System	0	0	0%	0
Facilities Location	394	1,540	154%	831
Cathodic Protection	0	0	0%	0
Customer Service Expense	3,318	9,635	138%	5,315
Storage Facilities Expense	18	1,642	15%	600
Maint of Valves/Regulators	0	3,466	69%	2,547
Backflow Prevention Program	0	0	0%	0
Maint of Meters	0	0	0%	0
Maint of Mains	908	4,058	406%	3,282
Maint of PB Service Lines	0	139	-	0
TRANSMISSION & DISTRIBUTION	\$4,488	\$20,392	35%	\$13,386

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021**

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Distributed from Novato (0.2%)	\$140	\$1,228	123%	\$944
CONSUMER ACCOUNTING	\$140	\$1,228	123%	\$944
GENERAL AND ADMINISTRATIVE				
Legal Fees	\$0	\$270	-	\$0
Consulting Services/Studies	0	0	-	3,250
Distributed from Novato (2.4%)	4,826	44,049	75%	39,092
GASB68 Adjustment	925	8,275	414%	6,197
GENERAL & ADMINISTRATIVE	\$5,751	\$52,594	86%	\$48,539
Depreciation (Note 5)	63,505	595,559	88%	355,371
TOTAL OPERATING EXPENSE	\$94,744	\$1,108,964	94%	\$705,992
OPERATING INCOME/(LOSS)	<u>(\$53,318)</u>	<u>(\$6,164)</u>	(5%)	<u>\$177,013</u>
NON-OPERATING REVENUE				
Interest:				
General Funds	\$33	\$5,062	8%	\$39,639
RWF Replacement Fund	8,387	32,788	\$0	65,452
Self-Insured Workers' Comp Fund	37	149	-	355
StoneTree RWF Loan	957	8,575	71%	17,545
Total Interest Revenue	\$9,415	\$46,574	31%	\$122,991
Other Non-Operating Revenue	0	0	-	0
NON-OPERATING REVENUE	\$9,415	\$46,574	31%	\$122,991
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$3,558	\$31,445	75%	\$35,648
Expansion SRF Loan Interest Expense	18,036	166,582	73%	176,133
Other Non-Operating Expense	0	0	-	0
Capital Contribution Expense-NSD&LGVSD	0	0	-	305,711
NON-OPERATING EXPENSE	\$21,593	\$198,027	73%	\$517,492
NET INCOME/(LOSS)	<u>(\$65,497)</u>	<u>(\$157,617)</u>	5254%	<u>(\$217,488)</u>
BEGINNING FUND EQUITY		\$22,794,516		\$23,421,587
NET INCOME/(LOSS)	(65,497)	(157,617)		(217,488)
Developer 'In-Kind' Contributions	0	0	-	0
State Prop 50 Grant	0	0	-	0
IRWMP Prop 84 Grant	0	0	-	0
Water Smart Grant	0	0	-	0
Federal ARRA Grant	0	0	-	0
FRC Transfer to/from Novato	0	793,919	-87%	(785,838)
ENDING FUND EQUITY		<u>\$23,430,818</u>		<u>\$22,418,262</u>

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021**

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$46,564	\$635,808	87%	\$649,505
Bill Adjustments	(3,736)	(35,475)	-	(20,567)
Bimonthly Service Charges	16,582	147,626	74%	144,404
Account Turn-on Charges	0	0	0%	336
New Account Charges	0	105	11%	95
Returned Check Charges	0	18	-	0
Backflow Service Charges	0	4,595	92%	4,375
TOTAL OPERATING REVENUE	\$59,409	\$752,677	80%	\$778,147
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$2,436	\$3,663	-	\$2,680
Operating Expense	265	1,632	23%	1,388
Maint of Structures	6,841	6,943	46%	9,299
Water Quality Surveillance	0	0	0%	14
Purchased Water - MMWD	0	2,432	-	171
SOURCE OF SUPPLY	\$9,541	\$14,670	64%	\$13,552
PUMPING				
Maint of Structures and Grounds	\$858	\$5,139	51%	\$7,180
Maint of Pumping Equip	8,705	22,001	96%	34,428
Electric Power	2,706	31,187	111%	29,721
PUMPING	\$12,270	\$58,328	96%	\$71,329
OPERATIONS				
Supervision & Engineering	\$7,929	\$19,445	130%	\$11,202
Operating Expense	2,897	16,791	93%	14,802
Maintenance Expense	358	1,617	-	873
Maint of Telemetry Equipment	338	11,704	78%	9,658
Leased Lines	350	3,138	63%	3,084
OPERATIONS	\$11,872	\$52,695	99%	\$39,619
WATER TREATMENT				
Supervision & Engineering	\$3,744	\$16,899	154%	\$10,556
Operating Expense	12,668	42,521	170%	20,437
Purification Chemicals	0	2,232	45%	2,867
Maint of Structures & Grounds	1,040	2,072	207%	308
Maint of Purification Equipment	2,819	18,114	181%	7,558
Electric Power	1,963	20,861	87%	14,716
Laboratory Direct Labor	4,698	35,601	99%	30,098
Laboratory Services	1,446	8,380	120%	5,373
Water Quality Supervision	1,728	20,049	501%	1,682
Customer Water Quality	44	10,609	212%	2,474
Lab Expense Distributed from Novato	2,577	18,285	87%	16,193
WATER TREATMENT	\$32,726	\$195,620	131%	\$112,261

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021**

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$539	\$2,777	35%	\$5,446
Facilities Location - USA	996	9,039	75%	9,447
Customer Service Expense	524	3,825	77%	6,625
Flushing	0	28	-	7,137
Storage Facilities Expense	740	16,789	84%	23,740
Cathodic Protection	0	0	0%	28
Maint of Valves	0	867	43%	705
Valve Operation Program	0	0	0%	0
Maint of Mains	0	3,134	39%	2,887
Water Quality Maintenance	0	4	0%	0
Maint of Backflow Devices	0	0	0%	0
Backflow Dev Inspection/Survey	1,596	3,435	57%	1,057
Maint of Copper Services	0	2,459	82%	845
Maint of PB Service Lines	449	25,066	86%	16,847
Maint of Meters	0	1,457	73%	629
Detector Check Assembly Maint	0	0	0%	1,222
Maint of Hydrants	0	610	61%	0
Hydrant Operation	0	0	0%	0
Single Service Installation	144	9,099	152%	(3,620)
TRANSMISSION & DISTRIBUTION	\$4,988	\$78,591	66%	\$72,995
CONSUMER ACCOUNTING				
Meter Reading	\$1,260	\$8,366	105%	\$6,552
Collection Expense - Labor	0	0	0%	0
Distributed from Novato (3.6%)	1,180	10,326	79%	10,532
CONSUMER ACCOUNTING	\$2,440	\$18,693	85%	\$17,084
WATER CONSERVATION				
Water Conservation Program	\$3,266	\$29,968	333%	\$5,450
TOTAL WATER CONSERVATION	\$3,266	\$29,968	333%	\$5,450
GENERAL AND ADMINISTRATIVE				
Legal Fees	\$1,553	\$1,823	91%	\$0
Consulting Services/Studies	1,315	39,643	113%	0
Distributed from Novato (3.6%)	5,197	47,438	77%	42,589
GASB68 Adjustment (Pension)	4,896	44,423	2221%	43,822
GENERAL & ADMINISTRATIVE	\$12,961	\$133,326	135%	\$86,411
Depreciation (Note 5)	16,517	149,764	80%	139,440
TOTAL OPERATING EXPENSE	\$106,580	\$731,654	101%	\$558,141
OPERATING INCOME/(LOSS)	(\$47,171)	\$21,024	10%	\$220,006

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021**

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest - General Funds	\$1,310	\$6,959	70%	\$39,460
Interest - FRC	0	0	0%	1,996
Interest - Self-Insured WC Fund	77	307	-	701
Interest - Bank of Marin Project Fund	26	1,448	-	17,840
Rents & Leases	0	5,464	-	5,305
Tax Proceeds - OL-2 G.O. Bond	0	2	-	5
Tax Proceeds - PR-2 Tax Allocation	85	32,309	57%	31,909
Other Non-Operating Revenue	0	1	-	2
NON-OPERATING REVENUE	\$1,498	\$46,490	68%	\$97,217
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$1,800	\$16,617	76%	\$17,840
Other Non-Operating Expense	0	391	-	392
NON-OPERATING EXPENSE	\$1,800	\$17,008	77%	\$18,232
NET INCOME/(LOSS)	(\$47,473)	\$50,506	19%	\$298,991
BEGINNING FUND EQUITY		\$7,344,831		\$6,685,965
NET INCOME/(LOSS)	(47,473)	50,506		298,991
CONTRIBUTED CAPITAL				
Gallagher Ranch Streambank Grant	0	0	-	0
Developer 'In-Kind' Contributions	0	0	-	0
Connection Fees	0	0	-	0
ENDING FUND EQUITY		\$7,395,337		\$6,984,956

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021**

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$22,932	\$206,388	75%	\$195,858
TOTAL OPERATING REVENUE	\$22,932	\$206,388	75%	\$195,858
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$676	\$31,370	131%	\$25,265
Inspection	0	0	0%	0
Maps & Records	0	0	-	56
Operating Expense	1,895	12,477	96%	11,051
Facilities Location	0	3,198	80%	1,757
Maint of Telemetry Equipment	811	4,664	93%	3,075
Maint of Lift Stations	370	29,675	424%	17,392
Maint of Manholes	0	0	0%	0
Maint of Sewer Mains	0	11,493	383%	0
Electric Power	1,281	14,096	108%	9,959
SEWAGE COLLECTION	\$5,032	\$106,972	147%	\$68,554
SEWAGE TREATMENT				
Supervision & Engineering	\$256	\$256	-	\$0
Operating Expense	\$771	\$5,814	31%	\$8,595
Maint of Equipment	393	1,514	17%	4,225
Laboratory Direct Labor	807	3,444	69%	4,107
Lab Expense Distributed from Novato	428	1,769	88%	2,210
Electric Power	1,315	10,263	171%	10,728
SEWAGE TREATMENT	\$3,970	\$23,060	56%	\$29,865
SEWAGE DISPOSAL				
Operating Expense	\$935	\$8,491	71%	\$4,095
Maint of Pump Stations	148	4,656	67%	2,096
Maint of Storage Ponds	0	1,395	10%	11,774
Maint of Irrigation Field	439	818	10%	1,450
SEWAGE DISPOSAL	\$1,521	\$15,360	37%	\$19,415
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$0	\$351	-	\$350
Distributed from Novato (0.6%)	109	1,078	54%	1,169
CONSUMER ACCOUNTING	\$109	\$1,429	71%	\$1,518

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021**

	MARCH 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$0	\$18,762	938%	\$0
Legal Fees	0	878	-	0
Distributed from Novato (1.1%)	1,921	17,535	70%	15,543
Liability Insurance	184	1,603	80%	1,584
GASB68 Adjustment	1,313	11,836	-	10,425
GENERAL AND ADMINISTRATIVE	\$3,417	\$50,613	175%	\$27,553
Depreciation (Note 5)	3,698	33,278	69%	34,733
TOTAL OPERATING EXPENSE	\$17,747	\$230,712	99%	\$181,640
OPERATING INCOME/(LOSS)	\$5,185	(\$24,324)	(58%)	\$14,218
NON-OPERATING REVENUE				
Rents & Leases	\$0	\$250	-	\$250
Interest - General Funds	1,468	4,056	135%	8,988
Interest - Self Insured WC Fund	27	109	-	251
Tax Proceeds - OM-1/OM-3 Tax Alloc	90	34,432	56%	34,007
Other Non-Operating Revenue	0	0	-	0
NON-OPERATING REVENUE	\$1,585	\$38,848	61%	\$43,496
NON-OPERATING EXPENSE				
Interest - Advance from Novato (Note 11)	\$0	\$0	-	\$0
County O&M Tax Collection Fee	0	0	-	0
County Tax Administration Expense	0	0	-	0
Other Non-Operating Expense	0	417	-	569
GASB68 Adjustment	0	0	-	0
NON-OPERATING EXPENSE	\$0	\$417	-	\$569
NET INCOME/(LOSS)	\$6,770	\$14,107	13%	\$57,145
BEGINNING FUND EQUITY		\$1,624,590		\$1,522,727
NET INCOME/(LOSS)	6,770	14,107		57,145
CONTRIBUTED CAPITAL				
Contribution in Aid of Construction	0	0	-	0
Connection Fees	0	0	-	0
FEMA/CAL OES Grant-OM Treatment Pond	0	86,060		0
PRIOR YEAR ADJUSTMENTS (Note 11d)	0	0		0
ENDING FUND EQUITY		\$1,724,757		\$1,579,872

**NORTH MARIN WATER DISTRICT
EQUIPMENT EXPENDITURES
PERIOD ENDING MARCH 31, 2021**

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	MARCH 2021	FYTD TOTAL	FY 20/21 BUDGET	(OVER) UNDER	Notes
1 OPERATIONS/MAINTENANCE					
a. Metals Analyzer	\$0	\$61,053	\$85,000	\$23,947	1
b. Meter Maintenance Program	0	0	57,000	57,000	
	<u>\$0</u>	<u>\$61,053</u>	<u>\$142,000</u>	<u>\$80,947</u>	
2 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. 5-Yard Dump Truck	\$0	\$0	\$135,000	\$135,000	1
b. 9,000 GVWR Hyd Dump Trailer	0	7,724	11,000	3,276	
c. 14,000 GVWR Tilt Deck Trailer	0	9,352	17,000	7,648	
d. Cart-Away 1 Yard Concrete Mixer	0	26,913	25,000	(1,913)	
	<u>\$0</u>	<u>\$43,989</u>	<u>\$188,000</u>	<u>\$144,011</u>	
TOTAL EQUIPMENT EXPENDITURES	<u>\$0</u>	<u>\$105,041</u>	<u>\$330,000</u>	<u>\$224,959</u>	

Notes:

(1) Replacement item.

**NORTH MARIN WATER DISTRICT
EXPENDITURES BY CATEGORY
FOR PERIOD ENDING MARCH 31, 2021**

OPERATING EXPENSE		Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
1	Salaries & Benefits	\$4,294,166	\$48,014	\$256,833	\$54,190	\$4,653,203	\$6,360,000	73%	\$4,608,720	0 %
2	Water Purchases	5,298,500	245,303	0	0	5,543,803	5,985,000	93%	4,320,849	28 %
3	Depreciation	2,100,229	595,559	149,764	33,278	2,878,831	3,777,000	76%	2,539,835	13 %
4	Materials, Services & Supplies	1,950,804	155,894	79,570	64,575	2,250,842	2,093,000	108%	1,596,047	41 %
5	Consulting Services/Studies	64,863	0	39,643	18,762	123,268	145,000	85%	123,457	-0 %
6	Chemicals	87,133	1,350	2,232	0	90,714	484,000	19%	197,053	-53 %
7	Electric Power	417,527	4,440	52,048	21,565	495,580	513,000	97%	435,097	13 %
8	Vehicles and Equipment (Distrib)	148,564	2,117	12,742	3,580	167,002	325,000	51%	185,448	-9 %
9	Tools & Supplies (Distrib)	174,690	2,548	18,151	2,710	198,100	180,000	110%	94,344	109 %
10	Retiree Medical Expenses	157,677	0	0	0	157,677	172,000	92%	142,656	10 %
11	Water Conservation Rebates	16,856	0	200	0	17,056	104,000	16%	4,288	297 %
12	Insurance & Claims	103,986	0	0	1,603	105,589	173,000	61%	80,563	31 %
13	Office Supplies & Postage	67,842	0	0	0	67,842	102,000	67%	109,200	-37 %
14	GASB 68 Adjustments	1,001,273	8,275	44,423	11,836	1,065,805	0	-	1,010,132	-
15	Overhead Charges (Gain)/Loss	(42,449)	0	0	0	(42,449)	(39,000)	109%	(121,307)	-65 %
16	Distributed Costs (Lab,G&A,ConsAcctg)	(400,871)	45,465	76,049	18,613	(260,744)	(374,000)	70%	(301,833)	-13 %
17	Total Operating Expense	\$15,440,789	\$1,108,964	\$731,654	\$230,712	\$17,512,119	\$20,000,000	88%	\$15,024,550	16 %
18	Interest Expense & Other	345,087	198,027	17,008	417	560,538	870,000	64%	465,260	20 %
19	Total Expense	\$15,785,875	\$1,306,992	\$748,661	\$231,129	\$18,072,657	\$20,870,000	87%	\$15,489,809	16 %
<u>Warehouse, Shop & Yard</u>										
20	Salaries & Benefits	\$139,951	\$0	\$0	\$0	\$139,951	\$277,000	51%	\$161,150	-13 %
21	Materials, Services & Supplies	283,834	0	0	0	283,834	341,000	83%	\$238,941	18 %
22	Depreciation	49,666	0	0	0	49,666	0	0%	\$117,495	-57 %
23	Distributed Costs	(473,450)	0	0	0	(473,450)	(618,000)	77%	(517,585)	-8 %
24	Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0	-
<u>District Capital Outlay</u>										
25	Salaries & Benefits	\$240,531	\$0	\$88,981	\$6,947	\$336,459	\$645,000	52%	\$339,264	-0 %
26	Equipment Expenditures	105,041	0	0	0	105,041	355,000	30%	285,105	-63 %
27	Debt Principal Payments	665,032	381,125	36,452	0	1,082,609	2,279,000	48%	1,329,407	-18 %
28	Materials, Services & Supplies	563,299	0	1,294,447	29,265	1,887,012	6,418,000	29%	1,546,790	22 %
29	Total District Capital Outlay	\$1,573,904	\$381,125	\$1,419,880	\$36,212	\$3,411,121	\$9,697,000	35%	\$3,500,566	-2 %
<u>Developer Funded Projects</u>										
30	Salaries & Benefits	\$189,794	\$0	\$521	\$0	\$190,315	\$209,000	91%	\$243,912	-21 %
31	Materials, Services & Supplies	373,721	0	452	0	374,173	122,000	307%	480,685	-22 %
32	Total Developer Projects	\$563,515	\$0	\$972	\$0	\$564,488	\$331,000	171%	\$724,597	-22 %
33	Total	\$17,923,294	\$1,688,116	\$2,169,513	\$267,341	\$22,048,265	\$30,898,000	71%	\$19,714,973	11 %

**NORTH MARIN WATER DISTRICT
VEHICLE FLEET ANALYSIS
FOR PERIOD ENDING MARCH 31, 2021**

Fiscal Year to Date								Vehicle Cost per Mile			
Year	Description	Veh#	Assigned	Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Mileage	Life to Date	FYTD21	FYTD20
1	2002 Chev K1500 4x4	47	Construction	2,419	\$1,153	\$2,625	\$1,472	151,788	\$0.38	\$0.48	\$0.60
2	2003 Dodge Dakota 4x4	49	STP	6,398	\$3,313	\$1,757	(\$1,556)	125,323	\$0.43	\$0.52	\$0.51
3	2004 Chev C1500 Xtra Cab	54	Pool	0	(\$0)	\$0	\$0	109,681	\$0.46	(\$0.13)	\$0.35
4	2007 Chev Colorado	504	Pool	0	\$39	\$0	(\$39)	89,496	\$0.42	\$0.00	(\$0.54)
5	2008 Ford F250 4x4	505	Maintenance	465	\$1,531	\$0	(\$1,531)	107,766	\$0.78	\$3.29	(\$1.86)
6	2008 Ford F250 4x4	506	STP	702	\$1,250	\$161	(\$1,089)	80,413	\$0.79	\$1.78	(\$2.42)
7	2008 Chev Colorado 4x4	509	Engineering	5,181	\$3,217	\$6,247	\$3,031	117,091	\$0.37	\$0.62	\$0.49
8	2010 Ford F150 4x4	511	STP	3,232	\$1,555	\$959	(\$596)	94,883	\$0.50	\$0.48	\$0.50
9	2010 Ford F150	512	Elec/Mech	6,102	\$1,882	\$3,269	\$1,387	120,980	\$0.49	\$0.31	\$0.76
10	2010 Ford F150	513	Construction	3,346	\$899	\$1,918	\$1,019	90,851	\$0.47	\$0.27	\$0.69
11	2012 Ford F250	515	Reed	5,155	\$2,353	\$6,153	\$3,800	76,389	\$0.61	\$0.46	\$0.67
12	2012 Ford F250	516	Castellucci	6,546	\$4,184	\$8,526	\$4,342	82,159	\$0.56	\$0.64	\$0.74
13	2014 Ford F150	517	Kurfirist	3,915	\$1,469	\$7,302	\$5,832	19,680	\$0.69	\$0.38	\$2.99
14	2015 Ford F250 4x4	518	Ocodhain	5,742	\$2,012	\$4,424	\$2,412	100,079	\$0.43	\$0.35	\$0.62
15	2015 Ford Escape 4X4	520	Arendell	14,144	\$5,071	\$6,020	\$948	96,648	\$0.29	\$0.36	\$0.35
16	2015 Ford F150 4X4	521	Watkins/Shop	5,724	\$1,810	\$1,887	\$76	49,994	\$0.34	\$0.32	\$0.77
17	2016 Nissan Frontier	522	Roberto	1,476	\$271	\$165	(\$107)	52,200	\$0.38	\$0.18	\$0.42
18	2017 Ford Escape 4X4	523	Lab	3,707	\$978	\$1,478	\$500	28,314	\$0.32	\$0.26	\$0.47
19	2016 Nissan Frontier	524	Bynum	6,993	\$3,070	\$7,322	\$4,252	38,097	\$0.44	\$0.44	\$0.54
20	2018 Ford Cargo Van	526	On-Call	6,808	\$1,633	\$1,338	\$4,252	22,726	\$0.51	\$0.24	\$0.34
21	2018 Dodge Ram 2500	527	Rupp	7,953	\$3,664	\$8,355	(\$295)	26,417	\$0.62	\$0.46	\$0.62
22	2019 Chev Colorado 4x4	528	Stompe	3,654	\$817	\$2,292	\$4,691	11,952	\$0.45	\$0.22	\$0.30
23	2019 NISSAN ROGUE	531	Clark	3,988	\$599	\$1,492	\$1,475	15,113	\$0.32	\$0.15	\$0.37
24	2019 NISSAN ROGUE	532	Eng/Wtr Consv	9,321	\$1,459	\$4,617	\$893	11,123	\$0.25	\$0.16	\$0.63
25	2019 NISSAN FRONTIER	533	Castellucci	6,253	\$1,782	\$8,092	\$3,158	10,238	\$0.35	\$0.28	\$0.30
26	2019 FORD F-150 2WD	534	Grisso	885	\$162	\$1,973	\$6,310	2,073	\$0.41	\$0.18	\$0.58
27	2019 FORD F-150 4x4	535	STP	6,075	\$2,197	\$2,852	\$1,811	10,774	\$0.33	\$0.36	\$0.29
28	2020 CHEVROLET COLORADO 2WI	536	Rodriguez	7,048	\$1,139	\$1,838	\$655	7,288	\$0.33	\$0.16	\$5.21
29	2020 FORD F250 4X4	537	Kehoe, Chris	12,305	\$3,664	\$12,626	\$699	12,921	\$0.42	\$0.30	\$2.85
30	2020 FORD F250 4X4	538	STP	3,879	\$1,125	\$896	\$8,962	3,879	\$0.63	\$0.29	\$0.00
31	2020 FORD F150 2WD	539	Pool	1,765	\$414	\$196	(\$229)	1,765	\$0.00	\$0.00	\$0.00
32	2020 FORD F150 2WD	540	LeBrun	5,717	\$1,600	\$2,450	(\$218)	6,238	\$0.30	\$0.28	\$0.57
Total 3/4 Ton & Under				156,898	\$6,312	109,227	\$6,318	1,774,339	\$0.47	\$0.36	\$0.38
1	1999 Ford F350 W/Svc Body	19	Pool	440	\$469	\$434	(\$35)	138,814	\$0.00	\$1.07	\$1.57
2	2002 Int'l 5 Yd Dump	44	Construction	3,977	\$5,253	\$15,001	\$9,748	113,092	\$1.75	\$1.32	\$2.11
3	1999 Ford F550 3-Yd Dump °	52	Construction	281	\$381	\$364	\$2,261	98,786	\$0.00	\$1.36	\$0.00
4	2006 Int'l 4300 Crew	503	Bergstrom	2,780	\$12,019	\$14,280	\$2,261	51,605	\$2.61	\$4.32	\$2.59
5	2009 Peterbilt 325 Crew	508	Breit/Crew	2,664	\$1,962	\$18,956	\$16,994	41,749	\$2.16	\$0.74	\$14.43
6	2012 Int'l 5 Yd Dump	514	Rupp	3,647	\$4,196	\$12,740	\$8,544	47,826	\$1.44	\$1.15	\$0.00
7	2015 Int'l 5 Yd Dump	519	Sjoblom	5,608	\$6,698	\$12,040	\$5,342	46,330	\$1.32	\$1.19	\$20.77
8	2017 Ford F350 4x4	525	Davenport	6,191	\$5,036	\$11,872	\$6,836	40,843	\$0.63	\$0.81	\$0.00
9	2019 FORD F550 3 YD DUMP	530	Construction	3,370	\$2,431	\$10,612	\$8,181	5,628	\$1.29	\$0.72	\$1.77
Total 1 Ton & Over				28,958	\$38,445	\$96,299	\$60,132	584,673	\$1.37	\$0.72	\$5.76

¹ Expense amount shown excludes depreciation (approximately \$81,000 for FY21).

² Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/17 the recovery rate for vehicles 3/4-ton and under is \$7/hr and the recovery rate for vehicles 1-ton and over is \$14/hr. An additional 50% is charged to developer projects to reflect the fair market value of the vehicle being used.

³ Purchased used in 2004 with 32,500 miles. Mileage shown is total incurred since District purchase.

**NORTH MARIN WATER DISTRICT
WATER CONSERVATION PROGRAM DETAIL
PERIOD ENDING MARCH 31, 2021**

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Description			COST THRU JUNE 2020	MARCH 2021	FYTD TOTAL	FY 20/21 BUDGET	(OVER) UNDER	TOTAL COST
NOVATO								
a. Residential								
1-7700-01	1-7700-26	1 Cash for Grass	\$436,415	\$1,022	\$10,131	\$35,000	\$24,869	\$446,546
1-7700-02	1-7700-27	2 Landscape Efficiency Rebates	24,907	0	610	5,000	4,390	25,518
1-7700-03		3 Fixtures Purchases	53,519	0	0	5,000	5,000	53,519
1-7700-06	1-7700-28	4 Washing Machine Rebates	351,148	193	2,347	5,000	2,653	353,495
1-7700-07		5 Demonstration Garden Improvements	55,105	0	0	1,000	1,000	55,105
1-7700-11	1-7700-29	6 Toilet Rebate SF	1,019,555	1,951	14,750	18,000	3,250	1,034,304
1-7700-12	1-7700-30	7 Toilet Rebate MF	18,507	0	65	2,000	1,935	18,572
1-7700-13		8 Residential Audits	474,729	851	5,728	65,000	59,272	480,457
1-7700-15		9 High Efficiency Toilet Distribution	242,177	0	0	0	0	242,177
1-7700-16		10 Water Waste Ordinance Monitoring	92,739	3,816	4,836	7,000	2,164	97,575
1-7700-17	1-7700-31	11 Swimming Pool Cover Rebate	3,547	0	0	1,000	1,000	3,547
1-7700-19	1-7700-32	12 ET Controller Rebate	41,010	892	6,616	5,000	(1,616)	47,626
1-7700-08		13 Administration	1,650,751	9,499	73,623	130,000	56,377	1,724,374
1-7700-20		14 New Development Wtr Cons Program	116,121	1,560	10,212	15,000	4,788	126,334
1-7700-21	1-7700-33	15 Demand Offset Rebate Program	3,843	0	0	2,000	2,000	3,843
1-7700-23		16 Grant Administration	3,300	0	0	1,000	1,000	3,300
1-7700-24	1-7700-34	17 Hot Water Recirculation Rebate	2,491	75	150	2,000	1,850	2,641
1-7700-25		18 Residential Fill Station	66,421	0	0	0	0	66,421
1-7700-35		19 UWMP	0	2,694	13,613	0	(13,613)	13,613
b. Commercial								
1-7701-02	1-7701-05	1 Toilet Rebate Program	67,561	0	0	10,000	10,000	67,561
1-7701-03	1-7701-04	2 Commercial Audits	35,572	284	2,728	9,000	6,272	38,300
c. Public Outreach/Information								
1-8672-16		1 Fall Newsletter	89,458	0	10,273	8,000	(2,273)	99,731
1-8672-17		2 Spring Newsletter	103,959	3,843	4,047	9,000	4,953	108,006
1-8672-18		3 Summer Newsletter	20,290	0	0	0	0	20,290
1-7700-04		4 Public Outreach / H ₂ O Fair	236,197	6,688	56,542	17,000	(39,542)	292,738
1-7700-05		5 Marketing	172,908	142	1,191	15,000	13,809	174,098
1-7700-22		6 Public Outreach/Leadership Novato	11,327	0	0	0	0	11,327
d. Large Landscape								
1-8653-02		1 Large Landscape Audits	91,788	0	0	3,000	3,000	91,788
1-7702-01		2 Large Landscape Budgets	40,123	204	474	1,000	526	40,597
1-7702-02	1-7702-04	3 Large Landscape Irrig Efficiency Rebates	14,960	0	0	4,000	4,000	14,960
1-8653-01		4 CIMIS Station Maintenance	19,760	0	62	2,000	1,938	19,822
1-7702-03		5 Administration-Large Landscape	103,892	992	6,582	13,000	6,418	110,474
TOTAL NOVATO WATER CONSERVATION			\$5,664,080	\$34,706	\$224,580	\$390,000	\$165,420	\$5,888,661
WEST MARIN WATER								
2-5166-00	a. Water Conservation Program		\$117,535	\$3,266	\$29,968	\$9,000	(\$20,968)	\$147,503
TOTAL WATER CONSERVATION EXPENDITURES			\$117,535	\$3,266	\$29,968	\$9,000	(\$20,968)	\$147,503

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING MARCH 31, 2021**

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Description	COST THRU JUNE 2020	MARCH 2021	FYTD TOTAL	FY 20/21 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS						
a. Main/Pipeline Replacements						
1-7189-00 1 Replace 12" CI Pipe (785LF) S. Novato Blvd	\$0	\$0	\$0	\$100,000	\$100,000	\$0
1-7183-xx 2 Replace Plastic thin Walled Pipe < 4-inch	0	0	0	150,000	150,000	0
1-7183-00 3 Replace Plastic thin Walled Pipe-Scown	15,329	790	127,081	0	(127,081)	142,410
1-7183-01 4 Replace Plastic thin Walled Pipe-Wilson	0	296	16,089	0	(16,089)	16,089
1-7183-03 5 Replace Plastic thin Walled Pipe -Glen Rd & Vonderworth	0	204	1,986	0	(1,986)	1,986
1-7186-00 6 Replace CI Pipe-Grant Ave	5,665	35,277.31	62,847	0	(62,847)	68,512
1-7193-00 7 Replace 6" ACP Pipe (810') Glen Rd	0	152	8,123	0	(8,123)	8,123
1-7194-00 8 Redwood Blvd Pipe Lowering	0	0	10,507	0	(10,507)	10,507
1-7195-00 9 Novato Blvd Widening Diablo to Grant	0	2,912	11,628	0	(11,628)	11,628
10 Other Main Replacements (60+ years old)	0	0	0	200,000	200,000	0
b. Main/Pipeline Additions						
1-7150-00 1 San Mateo Inlet/Outlet Pipe (2,200')	137,340	6,280	63,848	910,000	846,152	201,188
1-7191-00 2 Loop South/North Zone 2-Indian Valley Campus	0	0	8,612	0	(8,612)	8,612
3 Other Main/Pipeline Additions	0			150,000		
c. PB Service Line Replacements						
1-7139-xx 1 Repl PB in Sync w/City Paving (30 Svcs)	0	0	0	70,000	70,000	0
1-7123-xx 2 Other PB Replacements (80 Svcs)	0	0	0	80,000	80,000	0
1-7123-28 3 Repl PB-San Ramon/Vivian/Verismo (47)	0	2,135	82,024	0	(82,024)	82,024
1-7123-29 4 Repl PB-Vineyard/San Joaquin/Wilson/Brooke	0	0	41,497	0	(41,497)	41,497
1-7139-23 5 Repl PB-San Marin Dr/Ignacio Blvd	0	15,997	56,685	0	(56,685)	56,685
d. Relocations to Sync w/City & County CIP						
1-8737-xx 1 Other Relocations	0	0	0	70,000	70,000	0
TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$158,334	\$64,043	\$490,927	\$1,730,000	\$1,089,073	\$649,260
e. Aqueduct Replacements & Enhancements						
1-7118-02 1 MSN B2-Utility Agreement Costs ¹	\$118,247	\$0	\$8,100	\$0	(\$8,100)	\$126,347
1-7118-11 2 AEEP Post Construction Costs	19,507	0	2,160	0	(2,160)	21,667
	\$137,753	\$0	\$10,260	\$0	(\$10,260)	\$148,013
2 SYSTEM IMPROVEMENTS						
1-7007-14 a. Detector Check Assembly Repair/Repl (~14/yr)	\$0	\$0	\$87,259	\$100,000	\$12,741	\$87,259
1-7090-04 b. Anode Installations (150/yr)	264	0	0	10,000	10,000	264
1-7178-00 c. Asset Management Software Procurement/Implementation	276,168	0	6,239	0	(6,239)	282,407
1-7136-00 d. Facilities Security Enhancements	68,635	0	0	25,000	25,000	68,635
1-7190-00 e. San Marin Aqueduct Valve Pit (STP to Zone 2)	0	0	0	110,000	110,000	0
1-7188-00 f. Watershed Property-Vineyard Fence	0	0	35,453	0	(35,453)	35,453
TOTAL SYSTEM IMPROVEMENTS	\$345,067	\$0	\$128,950	\$245,000	\$116,050	\$474,017
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
a. Administration Building						
1-6501-44 1 Office/Yard Building Renovation	\$109,936	\$5,850	\$23,619	\$1,000,000	\$976,381	\$133,554
b. Corp Yard/Warehouse/Construction Office						
1-6502-47 1 Other Yard Improvements	173	0	(173)	0	173	0
c. Stafford Treatment Plant						
1-6600-96 1 Leveroni Creek Embankment Repair	45,724	1,020	1,020	192,000	190,980	46,744
1-6600-xx 2 Other Treatment Plant Improvements	0	0	0	100,000	100,000	0
1-6600-97 3 Efficiency Improvements	0	0	0	100,000	100,000	0
1-6600-92 4 STP-Chemical System Upgrades	68,996	0	0	75,000	75,000	68,996
1-6600-34 5 STP-High Service Pump #3 Replacement	15,803	0	0	20,000	20,000	15,803
1-6600-83 6 Filter Underdrain/Media R&R	0	0	12,002	20,000	7,998	12,002
1-6600-40 7 STP-Upgr Plant Water Booster Pump Station	0	0	4,814	0	(4,814)	4,814
1-6600-39 8 STP-Replace Chlorine Control System	10,787	0	0	0	0	10,787
1-6600-72 9 STP-Discharge/Treatment	0	0	358	0	(358)	358
1-6600-87 10 STP-Coat Top of Concrete Clearwells	0	459	4,321	0	(4,321)	4,321
TOTAL BUILDING, YARD, & STP IMPROVEMENTS	\$251,419	\$7,328	\$45,961	\$1,507,000	\$1,461,039	\$297,380

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING MARCH 31, 2021**

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Description	COST THRU JUNE 2020	MARCH 2021	FYTD TOTAL	FY 20/21 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
4 STORAGE TANKS & PUMP STATIONS						
a. Tank Construction						
1-6207-20 1 Old Ranch Rd Tank Replacement	\$142,752	\$17,137	\$109,725	\$500,000	\$390,275	\$252,477
b. Tank Rehabilitation						
1-7170-00 1 Hydropneumatic Tank Repairs	15,145	0	0	30,000	30,000	15,145
1-6112-24 c. Lynwood Pump Station Motor Control Center	150,067	0	0	400,000	400,000	150,067
1-6141-00 d. Crest P.S.(Design/Const)/Reloc School Rd P.S.	226,865	0	18,008	550,000	531,992	244,873
e. Other Tank & PS Improvements	0	0	0	25,000	25,000	0
TOTAL STORAGE TANKS & PUMP STATIONS	\$534,828	\$17,137	\$127,733	\$1,505,000	\$1,377,267	\$662,562
5 RECYCLED WATER						
a. Other Recycled Water Expenditures	\$0	\$0	\$0	\$100,000	\$100,000	\$0
TOTAL RECYCLED WATER	\$0	\$0	\$0	\$100,000	\$100,000	\$0
6 WEST MARIN WATER SYSTEM						
2-6263-20 a. Replace PRE Tank #4A (25K Gal w/125K Gal)	\$578,764	\$5,513	\$789,518	\$1,000,000	\$210,482	\$1,368,282
2-6609-20 b. New Gallagher Well #2	82,616	51,119	180,069	75,000	(105,069)	262,685
2-8829-00 c. PB Replace in Sync w/County Paving	1,455	0	0	50,000	50,000	1,455
2-7185-00 d. Gallagher Ranch Streambank Stabilization ²	386,826	0	335,832	260,000	(75,832)	722,658
2-8912-00 e. Lagunitas Bridge Pipeline Replacement	32,357	0	736	100,000	99,264	33,093
2-7123-27 f. PB Replace-SR1 PT Reyes Caltrans	75,876	0	38,047	0	(38,047)	113,923
2-6130-23 g. Olema PS Wireless to Tank	8,468	0	168	0	(168)	8,636
4-6133-20 h. PRE P.S. #2 Pumping Equipment	0	0	8,361	0	(8,361)	8,361
2-7192-00 i. Repl PRE 2" Galvanized Pipe-Balboa, Drakes View, Baywood	0	0	5,310	0	(5,310)	5,310
2-7183-02 j. Repl Thin Walled Pipe < 4"-Blackberry Ln	0	0	2,743	0	(2,743)	2,743
2-6602-24 k. Well #2 Rehab	0	22,643	22,643	0	(22,643)	22,643
TOTAL WEST MARIN WATER SYSTEM	\$1,166,360	\$79,275	\$1,383,428	\$1,485,000	\$101,572	\$2,549,788
7 OCEANA MARIN SEWER SYSTEM						
8-8672-28 a. Infiltration Repair (Manhole Relining)	\$77,813	\$0	\$3,950	\$40,000	\$36,050	\$81,763
8-7085-05 b. Tahiti Way Lift Pump Replacement	9,489	0	0	25,000	25,000	9,489
8-7173-00 c. OM Treatment Pond Rehab-404 Grant-FEMA ³	157,227	1,857	32,262	225,000	192,738	189,489
TOTAL OCEANA MARIN SEWER SYSTEM	\$244,529	\$1,857	\$36,212	\$290,000	\$253,788	\$280,741
TOTAL PROJECT EXPENDITURES	\$2,838,290	\$169,640	\$2,223,471	\$6,862,000	\$4,488,529	\$5,061,761

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING MARCH 31, 2021**

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Description	COST THRU JUNE 2020	MARCH 2021	FYTD TOTAL	FY 20/21 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
(Accrued)/Deferred						
a. MSN Aqueduct Caltrans Reimb-Segment B2 ¹	(\$26,372)	\$0	(\$4,058)	\$0	\$4,058	(\$30,430)
b. Gallagher Ranch Streambank Stabilization ²	0	0	75,566	(385,000)		
c. OM Treatment Pond Rehab-404 Grant-FEMA ³	0	(1,393)	61,863	(225,000)		
FUNDING BY OTHERS (ACCRUED)/DEFERRED	(\$26,372)	(\$1,393)	\$133,371	(\$610,000)	\$4,058	(\$30,430)
Received						
a. MSN Aqueduct Caltrans Reimb-Segment B2 ¹	(\$116,642)	\$0	(\$4,042)	\$0	\$4,042	(\$120,684)
b. Gallagher Ranch Streambank Stabilization ²	0	0	(411,398)	(385,000)	\$26,398	(\$411,398)
c. OM Treatment Pond Rehab-404 Grant-FEMA ³	0	0	(86,060)	(225,000)	(\$138,940)	(\$86,060)
FUNDING BY OTHERS RECEIVED	(\$116,642)	0	(\$501,500)	(\$610,000)	(\$1,228,142)	(\$618,142)
NET PROJECT EXPENDITURES	\$2,695,277	\$168,248	\$1,855,342	\$5,642,000	\$3,264,445	\$4,413,190

CIP SUMMARY-GROSS EXPENDITURES:	Current Month	FYTD Total	FY 20/21 Budget	FYTD/ Budget%
Novato Water Capital Projects	\$88,508	\$803,831	\$4,987,000	16%
Novato Recycled Water Capital Projects	0	0	100,000	0%
West Marin Water Capital Projects	79,275	1,383,428	1,485,000	93%
Oceana Marin Sewer Capital Projects	1,857	36,212	290,000	12%
Gross Capital Improvement Project Outlays	\$169,640	\$2,223,471	\$6,862,000	32%

CIP SUMMARY-NET EXPENDITURES:	Current Month	FYTD Total	FY 20/21 Budget	FYTD/ Budget%
Novato Water Capital Projects	\$88,508	\$799,789	\$4,987,000	16%
Novato Recycled Water Capital Projects	0	0	100,000	0%
West Marin Water Capital Projects	79,275	1,047,596	1,100,000	95%
Oceana Marin Sewer Capital Projects	1,857	12,016	65,000	18%
Net Capital Improvement Project Outlays	\$169,640	\$1,859,400	\$6,252,000	30%

Notes to Capital Improvement Projects Schedule:

- (1) Funding provided 100% by Caltrans.
- (2) Gallagher Ranch Streambank Stabilization-\$411,398 funded by others (\$336,398K NRCS, \$42,500K MALT, \$25K MMWD, \$7,500 Gallagher Family Trust)
- (3) OM Treatment Pond Rehab-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.

CONSULTING SERVICES/STUDIES						
1-4055-00	a. Stafford Lake Sanitary Survey	\$26,396	\$0	\$17,041	\$0	(\$17,041)
1-4057-00	b. Local Water Supply Enhancement Study	0	0	0	25,000	25,000
1-4077-00	c. Potter Valley Project FERC Relicensing	12,071	428	4,478	10,000	5,523
1-7140-00	d. Dam Safety Emergency Action Plan	96,878	0	3,433	10,000	6,567
1-7140-01	e. Stafford Dam EAP & Inundation Mapping Updates	14,367	0	3,368	10,000	6,632
1-4050-01	f. Urban Water Management Plan	17,053	1,100	29,524	50,000	20,476
1-6501-43	g. Electronic Document Management System	4,427	0	0	60,000	60,000
8-4080-00	h. Oceana Marin Sewer System Management Plan	0	0	18,762	50,000	31,238
	i. Stafford Lake Sediment Survey	0	0	0	60,000	60,000
2-4082-00	j. West Marin Water Rate Study	0	1,315	39,643	35,000	(4,643)
	k. Design Report (Eagle Dr & Hayden Hydro-P System Upgrade)	0	0	0	20,000	20,000
1-4078-00	l. COVID Impacts-Safety	6,303	0	109	0	(109)
1-4079-00	m. COVID Impacts-Bldg Maintenance	0	0	13,177	0	(13,177)
		\$177,494	2,843	\$129,534	\$330,000	\$200,466
						\$307,028

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

Connection Fee Fund: Cash available from collection of Connection Fees. The fee is charged to developers based upon the estimate of cost necessary to construct capacity to serve the new development. These funds are restricted by law for expansion of the water or sewer facilities within the service area where the development occurs. Funds are disbursed from the Connection Fee Reserve as expenditures are incurred to increase system capacity to serve new development. The fund balance accrues interest monthly.

Bank of Marin Project Fund: The District received an \$8 million loan from the Bank of Marin in October 2011 to fund the Aqueduct Energy Efficiency Project. The 20-year, 3.54% annual percentage rate loan requires monthly payments of \$46,067 and will be fully amortized on 10/27/2031. In June 2012 the Board authorized reallocating \$1 million of this loan to West Marin Water to repay Novato Water \$223,000 owed for previous loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. The unexpended fund balance accrues interest monthly. The West Marin Fund was depleted in November 2020 and the Novato Fund was depleted in January 2021.

Deer Island RWF Replacement Fund: The State Revolving Fund (SRF) loan agreement required the District to agree to establish and maintain a Water Recycling Capital Reserve Fund (WRCRF) for the expansion, major repair, or replacement of the Deer Island Recycled Water Treatment Plant. The WRCRF is maintained in compliance with the "Policy for Implementing the State Revolving fund for Construction of Wastewater Treatment Facilities" in effect at the time the agreement was signed by the District. The September 2003 Recycled Water Master Plan prepared by Nute Engineering recommended limiting the reserve to fund replacement of the RWF electrical and mechanical equipment (including transmission pumps) as they wear out. The cost of said equipment was \$1,483,000 which, at Nute's recommended 6% interest rate factor and 25-year life, renders an annual funding requirement \$115,000. The fund balance accrues interest monthly.

Recycled Water Capital Replacement and Expansion Fund: The 2011 Interagency Agreements for Recycled Water between NSD, LGVSD & NMWD require that any payments to the Distributor (NMWD) by the End User (Consumers) in excess of actual costs (marginal payments) shall be deposited in this fund. Operation and Maintenance Costs are defined as the actual cost of: labor (including general and administrative overhead plus tools and supplies normally applied), equipment and vehicle charges, consumables (such as chemicals and electrical power), and spare parts and/or replaced components necessary to reliably treat and deliver recycled water to the End Users. Operation and Maintenance Costs do not include costs for major capital replacement or process changes. A payment of \$305,711 was made to Novato Sanitary District in December 2019 for the Clearwell Improvement Project.

Tax Receipts held in Marin County Treasury: Balance of tax proceeds collected and disbursed by the County of Marin for repayment of the Olema (OL-2) general obligation bond debt. The County credits interest to these funds quarterly.

STP SRF Reserve Fund – Marin County Treasury: The 2004 Stafford Treatment Plant State Revolving Fund (SRF) loan agreement requires the District to build a Reserve Fund equal to one year of payments (\$1,044,474) in the Marin County Treasury during the first ten years of the 20-year repayment period. Every January 1 and July 1, commencing January 1, 2010, the District deposits with the County 10% of the semi-annual SRF payment. This Reserve Fund was fully funded at 6/30/19. The County credits the fund with interest quarterly, which is applied to the semi-annual payments, and will use the Reserve to pay the last 2 semi-annual SRF loan payments.

RWS North/South SRF Reserve Fund: The State Water Resource Control Board Agreements for the seven Clean Water State Revolving Fund Loans made for expansion of the Recycled Water System distribution system require that the District establish a reserve fund equal to one year's debt service (\$614,299) prior to the construction completion date.

RWS Central SRF Reserve Fund: The State Water Resource Control Board Agreement for the Clean Water State Revolving Fund Loan made for expansion of the Recycled Water System distribution system requires that the District establish a reserve fund equal to one year's debt service (\$275,773) prior to the construction completion date.

Note 2 - Designated Cash

Liability Contingency Fund: Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. In FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In August 2008, \$500,000 was transferred into this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. Currently there is \$525,000 in Employer Assisted Housing Loans outstanding (see Note 3). In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is currently rented. In 2006, \$8,885 was added from the sale of surplus property in West Marin. The fund balance does not accrue interest.

Workers' Compensation Fund: Commencing July 2019, the District switched from self-insuring its workers' compensation liability to 1st dollar workers' compensation insurance with Zenith Insurance Company. The premium for 1st dollar insurance is higher than staying with the SIR plan, but the risk of \$1M out of pocket costs is eliminated.

Retiree Medical Benefits Fund: NMWD pays the cost of health insurance for retirees between the ages of 55 and 65 and spouse under any group plan offered by CalPERS. The retiree must be at least 55 and have a minimum of 12 years (for employees hired on or before September 30, 2018) and a minimum of 20 years (for employees hired after September 30, 2018) of NMWD service at the date of retirement. NMWD's contribution toward the chosen plan is capped in the same manner as all other NMWD employees in the same class. Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare. When the retiree or spouse becomes eligible for Medicare, NMWD pays up to the couple annuitant rate, which is capped at \$3,830 per year (\$319/month). In August 2003, NMWD transferred \$2.55 million (\$2.3 million for current retirees plus \$250,000 for future retirees) from unrestricted cash into a reserve to fund this obligation. In 2010 the Board directed staff to add \$1,500 per employee annually as a payroll overhead to accrue and accelerate amortization of this liability. The accrual is maintained as a Long-Term Liability entitled Total OPEB Liability. In 2020 an Actuarial Analysis calculated NMWD's total actuarial liability at \$4.7 million. The Retiree Medical Benefits cash fund earns interest monthly.

Maintenance Accrual Fund: Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY93. In FY94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$7.0M. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

Operating Reserve Fund: This reserve, comprised of four months of budgeted operating expenditures (less depreciation) as recommended by the District's financial advisors, serves to ensure adequate working capital for operating, capital, and unanticipated cash flow needs that arise during the year. Funds are borrowed from the operating Reserve Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

Note 3 – Employee Loans

Housing Loans: The District's Employer Assisted Housing Program allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District. Repayment is due upon sale, termination of employment, or other event as described in the Program. Interest on the loan is contingent upon and directly proportional to the appreciation in value occurring on the purchased property. There are two employee-housing loans currently outstanding totaling \$525,000: a \$250,000 loan dated March 2015, and a \$275,000 loan dated June 2018.

Note 4 – Other Long Term Receivables

In 2015 the District entered into an agreement with Marin Country Club for their share of the pipeline extension to provide recycled water for the Marin Country Club Golf Course. In 2016 the District received a \$6.6 million 30-year 1.0% SRF loan to finance the Recycled Water Central project, and Marin Country Club agreed to pay the District \$1,265,295 in bimonthly payments of \$8,142 at 1.0% over 30 years for their share of the pipeline extension. Marin Country Club also agreed to pay \$430,463 of the District's local share of the project in bimonthly payments of \$8,242 over 10 years at 2.8%, which is the Novato Potable Fund's weighted average cost of debt. The payments will coincide with Marin Country Club's water service payments. Marin Country Club paid the 10 year loan in full in December 2018. The final payment from Marin Country Club for the 30 year loan is due in November 2047. The Marin Country Club also owes the District \$189,402.89 in previously unbilled water receipts due to a recording error in their 6" AMI meter. \$89,990.87 of this amount was paid by Marin Country Club in October 2020 and the remaining balance due of \$99,412.02 will be re-paid in \$2,000 monthly installment payments and will be paid in full March 2025.

Note 5 – Depreciation

Assets are assigned a useful life based on consultations with the District Chief Engineer and a survey of other water agencies. Depreciation is computed on a straight-line basis over the estimated useful life of the various classes of property as follows:

<u>Facility</u>	<u>Life (Years)</u>
Aqueduct.....	150
Dam.....	100
Buildings & Structures.....	40
Mains.....	50
Pumping Equipment.....	25
Water Treatment Equipment.....	20
Storage & Transmission (16"+) Facilities.....	50
Distribution Facilities (includes Pump Stations).....	50
Office, Laboratory, Construction & Shop Tools & Equipment.....	10
Vehicles 1 ton or greater.....	10
All other vehicles.....	5
Sewer Mains.....	40
Sewer Pumps.....	10

Note 6 - Capitalization Policy

The Government Finance Officers Association *Guide for State and Local Governments* recommends that a capitalization policy incorporate a minimum threshold of \$5,000 and an estimated useful life of at least two years. It also cautions that federal grant and loan requirements prevent the use of capitalization thresholds in excess of \$5,000. Thus NMWD's capitalization threshold is \$5,000.

Note 7 – Bond & Loan Servicing Schedule for Fiscal Year 2020-2021

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY21		6/30/21 Outstanding Balance
							Interest Expense	Principal Paid	
1 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$196,033	\$848,442	\$7,564,614
2 Novato	Bank Loan Marin	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$149,511	\$332,531	\$4,191,417
3 Novato	Chase Bank Loan	2018	2.69%	\$4,600,000	3/1 & 9/1	3/1/33	\$110,290	\$270,000	\$3,830,000
Novato Total							\$455,834	\$1,450,973	\$15,586,031
4 RW TP	SRF Loan	2006	2.4%	\$4,302,560	6/20	6/19/27	\$41,816	\$231,551	\$1,510,788
5 RW North	SRF Loans (4)	2013	2.6%	\$4,375,605	Varies	Varies	\$76,891	\$205,002	\$2,752,334
6 RW South	SRF Loans (3)	2013	2.2%	\$5,361,952	Varies	Varies	\$83,532	\$248,874	\$3,548,055
7 RW Central	SRF Loan	2016	1.0%	\$7,130,503	12/19	12/31/47	\$67,058	\$208,715	\$6,497,101
Recycled Water Total							\$269,297	\$894,142	\$14,308,278
8 WM Water	Bank Loan Marin	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$21,946	\$48,812	\$614,949
West Marin Water Total							\$21,946	\$48,812	\$614,949
FY21 Total							\$747,077	\$2,393,927	\$30,509,258

1. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges. The first payment was made in December 2009.
2. In October 2011 Bank of Marin made a 20-year 3.54% (APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 15 below, and note to loan 9 above.
3. In March 2018 Chase Bank made a 15-year 2.69% (APR) loan of \$4.6 million to fund the District's Automated Meter Information system Project.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. With the addition of \$38,015 in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.

5. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project. The projects were completed on October 31, 2012, and the first payment was made in November of 2012.
6. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$5,361,952 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment was made in December of 2013.
7. In May 2016 the California State Department of Water Resources approved a 1.0% 30-year loan of \$7,130,503 for the Recycled Water Central Service Area Expansion. The project will be completed in December 2017, and the first payment was made December 31, 2018.
8. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 2 above.

Note 8 – Unemployment Insurance Reserve

NMWD uses the "Reimbursable Method" of paying for Unemployment Costs. Under this method, the District reimburses the State Employment Development Department for all unemployment benefits paid on our behalf. The reserve is maintained at an amount equal to the higher of the average claim amount paid over the last 5 years or 52 times the maximum weekly benefit amount (currently \$450 x 52 = \$23,400).

Note 9 – Payroll Benefits

Payroll Benefits payable includes payroll taxes; vacation, sick, and holiday leave; Section 125 payments; cancer, long term care and disability insurance premiums; union dues; and employee benefit fund.

Note 10 - Interest Policy on Inter-District Loans

In the event an improvement district expends all of its Undesignated Funds, it shall borrow funds from that improvement district's Board Designated Fund reserves to meet ongoing requirements. In the event an improvement district expends all of its Board Designated Fund reserves, it may receive a loan from the Novato Improvement District in an amount sufficient to meet its ongoing requirements. Restricted Funds shall not be used to finance ongoing normal operating expenses.

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the higher of: 1. The weighted average interest rate of Novato improvement district debt (2.76% at 6/30/20); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

Note 11 – Budget Augmentations

Note 12 – Prior Period Adjustment

Note 13 – Explanation of Financial Statement Components

The District's financial statement is comprised of four components: 1) Statement of Net Position, 2) Sources and Uses of Funds Statement – All Service Areas Combined, 3) Income Statement and Cash Flow by Service Area, and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position (page 4) reports the District's assets and liabilities and provides information about the nature and amount of investments in resources (assets) and the obligations to the District's creditors (liabilities). The difference between assets and liabilities is reported as *net position*. Over time, increases or decreases in the fund balance may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Sources and Uses of Funds Statement – All Service Areas Combined (page 8) compares fiscal year-to-date performance against the Board approved annual budget – presented in the adopted budget format. This Sources and Uses of Funds Statement varies from the income statement in that it includes capital expenditures, debt principal repayment, connection fee revenue, and cash infusions from debt issuance.

The Income Statement and Cash Flow by Service Area (page 9) presents the net income (loss) for the fiscal year-to-date (FYTD) period for each of the District's four service areas. The income and expenses on this report are presented in conformity with Generally Accepted Accounting Principles (GAAP) and comply with Governmental Accounting Standards Board pronouncements. Accordingly, all income and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement measures the success of each service area's operations and can be used to determine whether the service area has successfully recovered all costs through user fees and other charges.

Also included at the bottom of page 9 is a statement of Cash Flow by Service Area. The primary purpose of this statement is to reconcile in an informative manner the difference between the net income/(loss) for period of each service area with the resultant change in cash balance that occurred over the same period.

Notes to the Financial Statements (page 28) provide a summary of significant accounting policies and assumptions and other information of value to the financial statement reader.

Other Supplementary Information includes Detail Income Statements presented in accordance with GAAP for each of the four service areas (pages 10, 14, 16, 19). These statements present income and expenditures in close detail for further analysis. Other supplementary schedules of note include the Vehicle Fleet Analysis (page 23), Equipment Expenditures (page 21) and Capital Improvement Project Expenditures (page 25), which show outlays to date, compared with budget authority.

Note 14 –Connection Fee Transfers from Novato Water To Recycled Water

The following Connection Fee (FRC) reserve amounts have been transferred to the Recycled Water fund:

Expansion Local Share			SRFRWF Expansion			Transfer		Total	Executed	
North	South	Central	NBWRA	Loan	SRF Loan	BPGI Loan Repayment	CIP			
FY07			\$29,725					\$29,725		
FY08			\$50,478	\$22,795				\$73,273		
FY09			\$150,455	\$22,795				\$173,250		
FY10	\$133,659		\$75,198	\$22,795				\$231,652	\$133,659	\$133,659
FY11			\$133,319	\$22,795				\$156,114		\$1,175,098
FY12	\$233,478	\$265,500	\$115,883	\$22,795				\$637,656		(\$7,088)
FY13			\$315,023	\$22,795	\$464,572			\$802,390	\$1,970,400	\$802,390
FY14	\$236,291	\$723,525	\$4,024	\$63,035	\$22,795	\$500,529		\$1,550,200	\$1,550,200	\$1,550,200
FY15		\$17,563	(\$4,024)	\$38,283	\$22,795	\$614,299		\$688,916	\$688,916	\$688,916
FY16	\$0	\$0	\$66,729	\$102,842	\$22,795	\$614,299		\$806,664	\$806,664	\$806,664
FY17			\$362,524	\$194,636	\$22,795	\$614,299	\$36,687	\$1,230,940	\$1,230,940	\$1,230,940
FY18			\$5,071,512	\$38,908	\$22,795	\$614,299		\$5,747,513	\$5,747,513	\$5,747,513
FY19		(\$2,168,755)	\$6,966	\$22,795	\$890,072			(\$1,248,922)	(\$1,248,922)	(\$1,248,922)
FY20		\$5,499	\$0	\$0	\$350,287	(\$1,046,471)	\$1,084	(\$689,600)	(\$689,600)	(\$689,600)
FY21					\$793,919			\$793,919	\$793,919	\$793,919
\$603,428	\$1,006,589	\$3,337,509	\$1,314,751	\$273,539	\$5,456,575	\$0	\$37,771	\$12,030,161	\$10,983,690	\$10,983,690

Note 15 –Debt Service Coverage Ratio

Debt Service Coverage Ratio is the ratio of net income/(loss) plus interest expense, depreciation, and connection fee revenue for the fiscal year to the sum of the fiscal year's principal and interest payments on the District's total debt.


	FY17	FY18	FY19	FY20	FY21
Net Income/(Loss)	\$597,600	\$1,860,520	\$1,159,000	\$1,830,000	\$849,000
Depreciation	\$3,416,507	\$3,434,069	\$3,528,000	\$3,486,000	\$3,777,000
Interest Expense	\$757,935	\$833,197	\$850,000	\$806,000	\$748,000
Connection Fees	\$1,034,585	\$1,455,400	\$733,000	\$340,000	\$509,000
Total Available For Debt Service	\$5,806,627	\$7,583,186	\$6,270,000	\$6,462,000	\$5,883,000
Annual Debt Service	\$2,527,021	\$2,201,451	\$3,129,000	\$3,139,000	\$3,141,004
Debt Service Coverage Ratio	2.30	3.45	2.01	2.06	1.87

5

6

MEMORANDUM

To: Board of Directors

From: Tony Williams, Assistant General Manager/Chief Engineer 

Re: Contract Amendment for Engineering Services - White and Prescott

April 30, 2021

R:\NON JOB No ISSUES\Consultants\White&Prescott\FY20-21\Agmts__BOD Memos\W&P FY20-21 Contract Amend No. 4 BOD Memo 5-21.doc

RECOMMENDED ACTION: Authorize General Manager to amend the Consulting Services Agreement with White and Prescott

FINANCIAL IMPACT: \$30,000 (no budget augmentation necessary)

Background

At the September 18, 2018 meeting, the Board authorized a new Consulting Services Agreement between the District and White and Prescott for miscellaneous engineering services. At the May 21, 2019 meeting the Board authorized a contract amendment for \$30,000. At the February 3, 2020, a second contract amendment for \$30,000 was authorized. A cost breakdown by task for the \$30,000 FY18-19 contract plus \$60,000 amendments is summarized as follows:

Starting Contract Amount	\$30,000
Carryover from FY16-17 Contract	\$500
Adjusted Contract Balance	\$30,500
Contract Amendment 1	\$30,000
Contract Amendment 2	\$30,000
Adjusted Balance on Contract	\$90,500

Projects (billings to date)

MSN B2/AEEP Easement Support	<\$41,190>
Old Ranch Road Tank Site	<\$21,465>
Crest Pump Station	<\$5,120>
PRE Tank 1 Survey	<\$3,420>
PRE Tank 4A	<\$2,920>
Surplus Property Review	<\$2,700>
Landsea Homes	<\$2,070>
Hamilton Village	<\$1,665>
Park-A-Pup	<\$1,395>
Recycled Water Central – City of Novato Easements	<\$1,360>
Vineyard Rd Maintenance Agreement	<\$1,170>
Starbucks	<\$675>
1758 Indian Valley Rd	<\$450>
Atherton Place	<\$450>

Approved by GM 

Date 4/30/21

Avesta	<\$360>
McPhails Commercial Development	<\$270>
Residence Inn	<\$270>
Novato Public Library	<\$225>
20 Leveroni	<\$225>
Blue Barn	<\$135>
Jerry's Deli	<\$135>
Pt. Reyes Treatment Plant	<\$135>
Total Billings to date	<\$88,345>
Balance on Contract	\$2,155

Expenditures

FY18-19 and FY19-20 White and Prescott expenditures currently total \$88,345 leaving a balance of \$2,155 on the contract. Although the contract amount has not been completely expended, planned expenditures coupled with the following upcoming tasks and future CIP or Developer project support, make a contract amendment necessary:

- On-going High/Low Pressure Notices Support \$5,000
- On-going Easement Support \$5,000

RECOMMENDATION

That the Board authorize the General Manager to amend the Consulting Services Agreement with White and Prescott in the amount of \$30,000.

7

MEMORANDUM

To: Board of Directors April 30, 2021

From: Tony Williams, Assistant General Manager/Chief Engineer *TW*

Re: Contract Amendment to General Services Agreement – Associated Right of Way Services

R:\NON JOB No ISSUES\Consultants\Assoc Right of Way Services\BOD Memos_Agmts_Amendments\ARWS GSA Cont Amend 2 BOD memo 5-21.doc

RECOMMENDED ACTION: Authorize General Manager to amend the General Services Agreement with Associated Right of Way Services

FINANCIAL IMPACT: \$25,000 (no budget augmentation necessary)

Background

At the February 6, 2019 meeting, the Board authorized a new Consulting Services Agreement between the District and Associated Right of Way Services (ARWS) for miscellaneous right of way services. Contract Amendment 1 was issued to ARWS for a time extension to their contract. This request is to approve a second contract amendment for continued miscellaneous right of way services on an as needed basis. A cost breakdown by task for the \$25,000 contract is summarized as follows:

Starting Contract Amount	\$25,000
Contract Amendment 1 (time extension)	\$0
Projects (billings to date)	
New Gallagher Well No. 2	<\$5,133 >
Balance on Contract	\$19,867
Task Orders Recently Issued	
New Gallagher Well No. 2	<\$7,000>
NMWD Surplus Properties	<\$3,000>
Remaining Balance Available	\$9,867

Expenditures

ARWS expenditures and issued task orders currently total \$15,133 leaving a balance of \$9,867 on the contract. Although the contract amount has not been expended, planned expenditures coupled with the following upcoming tasks and other future needs make a contract amendment necessary:

- Surplus Lands (appraisal) \$9,000

RECOMMENDATION

That the Board authorize the General Manager to amend the Consulting Services Agreement with ARWS in the amount of \$25,000.

Approved by GM *TW*

Date 4/30/21

8

MEMORANDUM

To: Board of Directors
From: Ryan Grisso, Water Conservation Coordinator *RG*
Subject: Approve Text for Spring 2021 Novato "*Waterline*", Volume 22, Issue 46
V:\Memos to Board\Spring 2021 Novato Waterline Text.doc

April 30, 2021

RECOMMENDED ACTION: Approve Spring 2021 Novato "*Waterline*" Text

FINANCIAL IMPACT: \$8,000 (Included in FY 2020/2021 Budget)

Draft text and design for the Spring 2021 Novato "*Waterline*", Volume 22, Issue 46 is attached for your review. This issue focuses on the drought and includes a General Manager Message on the current situation, a summary of water-use prohibitions for 2021, and other water conservation offerings to the customers including the Watersmart AMI Portal access, Cash for Grass Rebate, Mulch Rebate, and Drought Drive-up Event. Should any Board member have individual comments please provide them to the General Manager at the Board meeting on May 4, 2021. It is expected the "*Waterline*" will be mailed in mid May 2021.

RECOMMENDATION

Board authorize General Manager to approve final text and design of Spring 2021 Novato "*Waterline*", Volume 22, Issue 46.

It's a Drought – Save Water with Us! Reduce Water Use by 20%

Drew McIntyre, General Manager

We're asking Novato residents to do their part to save water, with a water-reduction goal of 20%. Winter's extremely dry conditions resulted in only 8.6-inches of rainfall this year, less than one third of our average, and insufficient to generate runoff into Stafford Lake. Lake capacity has increased from a low of 29% in early February to just over 50% due to back feeding water from Sonoma County Water Agency (SCWA), to provide local supply this summer.

Sonoma's Russian River water delivery system typically provides 70-80% of our annual supply using water from Lake Sonoma and Lake Mendocino. Following a series of Drought Declarations, the Sonoma County Water Agency may reduce deliveries to retail water contractors, including North Marin Water District, by a minimum of 20% this summer.

In anticipation of this, the North Marin Water District Board of Directors declared a Water Shortage Emergency on March 16, enacted the Novato Water Shortage Contingency Plan and adopted an Emergency Water Conservation Ordinance (No. 41) prohibiting waste and non-essential use of water.

On April 20, our Board of Directors amended Ordinance 41 calling on customers to reduce water use by 20% compared to the same period last year through voluntary (Stage 1) measures until June 30 followed by mandatory (Stage 2) measures from July 1 through November 1. Reductions can be achieved by eliminating water waste and non-essential usage, and by reducing water applied to landscaped areas.



Our Mediterranean climate results in year-to-year rainfall fluctuations. One of our strategic goals is to increase local supply and long-term supply reliability. North Marin Water District is participating in a Regional Water Supply Resiliency Study with SCWA to address this goal. We have also undertaken the largest Capital Improvement project in the District's history, in partnership with Novato and Las Gallinas Valley Sanitary Districts, to increase our drought proof recycled water supply from 2% to over 10% of our summer water demands.

In 2019, NMWD became one of the first California water districts to convert 100% of our water meters from manually read mechanical units to electronic units that offer hourly water usage monitoring and reporting. See below on how you can use the new WaterSmart Portal to view and monitor your water use.

We hope all customers will help us to save water during this dry year, and thank you in advance for your cooperation.

Drought 2021: Summary of Prohibitions

- Gutter flooding (unreasonable irrigation overspray or irrigation run-off onto pavement, down a gutter, ditch or other drain.
- Failure to repair a controllable leak of water within a reasonable time.
- Washing privately-owned motor vehicles, trailers and boats except from a bucket and hose equipped with an automatic shut-off nozzle for a quick rinse.
- Washing down exterior paved areas.
- Re-filling an existing pool drained after July 1, 2021 or initial filling of a new pool after July 1, 2021 .

This list serves only a summary of the water use prohibitions in Emergency Water Conservation Ordinance 41. For the full list of prohibitions, please visit the website at nmwd.com. For questions on the water use prohibitions or to report a violation, call 415-761-8944 or email waterconserve@nmwd.com.

While we're working to reduce overall water usage, residents do have options when it comes to garden watering. Watering of any landscaping is allowed when using hand held hose, drip irrigation system, or a container (for example, a watering can) with the following exceptions:

- Overhead/above ground irrigation is allowed 3 days/week:
 - **Odd numbered addresses can irrigate on:** Monday, Wednesday and Friday
 - **Even numbered addresses can irrigate on:** Tuesday, Thursday and Saturday
- Overhead/ above ground irrigation is only allowed during the hours of 7pm to 9am.
- Customers using more than 300 gallons per day who wish to use overhead/above ground irrigation must maintain a 20% reduction in water use compared to 2020. Unsure if you meet the 20% reduction requirement? Check your WaterSmart Portal at nmwd.com.

Access Your Water Use

A WaterSmart Portal was developed as a part of the new AMI (Advanced Metering Infrastructure) system, and we encourage you to sign up and log in on the portal to get acquainted with the system and learn more about your water use. The portal gives customers access to hourly water use data and the ability to set up alerts for high use and leak events. Please visit the District's new website at nmwd.com to learn more about accessing the WaterSmart Portal (and online bill pay). If you experience any issues registering or logging in to the WaterSmart Portal, please call 415-897-4133, and a staff member can guide you through the process.



Pay your bills online.

Visit onlinebiller.com/nmwd



North Marin Water District Outdoor Programs to Help You Through the Drought

Ryan Grisso, Water Conservation Coordinator

Cash for Grass

North Marin Water District offers a cash incentive for replacing regularly maintained, irrigated lawns with District-approved low water use plantings on drip irrigation. The incentive has been increased for this drought period and we will now pay up to \$100 per 100 square feet (\$1 per square foot) of lawn area if you replace it with qualified low water use planting (up to \$800 per single family dwelling). Pre-qualification site visit and re-landscaping plan approval are required for participation. The District also has a 'Lawn Be Gone' program - visit nmwd.com for details.



Water Smart Landscape Efficiency Mulch Rebate

As a part of NMWD's Water Smart Landscape Efficiency Rebate Program, mulch purchase and installation can be rebated at 50% the cost of approved mulch materials up to \$200 (recently increased during this drought period). Please call 415-761-8944 or email waterconserve@nmwd.com for details on participation. Please remember to follow the Novato Fire Department's guide for mulch application in proximity to your house.



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

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

Water Smart Savings Program

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

Water Smart Home Survey

This free service includes thorough indoor and outdoor water efficiency checks. On hold during Covid-19, but will resume in 2021.

Water Smart Landscape Rebate

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

Pool Cover Rebate

Rebates are available for replacement pool covers.

Cash for Grass Rebate

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

High Efficiency Clothes Washer Rebate

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

Rainwater Catchment Rebate

Rebate for collection and storage of rainwater.

High Efficiency Toilet Rebate

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

Weather-Based Irrigation Controller Rebate

Rebate for weather-based irrigation controllers that use weather data and site information such as plant type and sprinkler system output to automatically adjust watering times and frequency.

Drought Drive-up

COVID safe procedures in place

From 9am

Visit our drive-up for your **FREE Drought Tool Kit**

Free aerator, dye tab, shower head, bucket, nozzle and more!

June 12, 2021
From 9am until 1pm

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

Drought is here. Save Water.




9

MEMORANDUM

To: Board of Directors

April 30, 2021

From: Tony Williams, Assistant GM/Chief Engineer 

Subj: Accessory Dwelling Units (ADUs)

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RECOMMENDED ACTION: Receive the report and direct staff to respond to customer inquiries

FINANCIAL IMPACT: None at this time.

Background

Recently, a few District customers have expressed the need for the District to “follow MMWD’s lead” and not collect any fees or charges for accessory dwelling units (ADUs) smaller than 1,200 square feet, with the requirement that the applicant/owner occupy either structure. In general, Engineering staff receive regular inquiries regarding ADUs and associated District regulations. The purpose of this item is to provide the Board and the general public with some information on state legislation related to ADUs, comparison of other water providers, and to present usage data obtained from actual meter readings.

Legislation and Code

Over the last several years the California Legislature, apparently motivated by the housing crisis, has enacted multiple pieces of legislation intended to facilitate the process by which local agencies with land use powers approve ADUs and junior ADUs (JADUs) and, by restricting the amounts that special districts providing water and service can charge for connecting ADUs and JDUs to their respective systems, to make them less expensive to construct. ADUs are governed by Government Code section 65852.2 and JADUs are governed by Government Code section 65852.22 (which defines a JADU as “unit that is no more than 500 square feet in size and contained entirely within a single-family residence”). In all, sixteen versions of section 65852.2 were enacted into law in 2019, one of which became operative on January 1, 2020, and another which would have become operative in 2025. Four versions of section 65852.2 were enacted by AB 3182 in 2020, one of which became operative on January 1, 2020, and another will by its terms become operative in 2025.

Subdivision (f) of section 65852.2 prohibits the District from imposing “capacity charges” (i.e., the FRC) and “connection fees” (as these two terms are defined in Government Code Section 66013) for certain ADUs in certain circumstances. Unfortunately, inconsistencies within subdivision (f) – specifically between subdivisions (f)(2) and (f)(4) and (f)(5) – have led to

confusion among many potential applicants for water service trying to determine the circumstances in which capacity charges and connection fees may be imposed on an ADU.

Section 65852.2 contemplates that ADUs can be “attached to” or within an existing or proposed “structure” such as a primary dwelling, including an attached garage, a storage area, or an accessory structure; or in a detached structure separate from the primary dwelling but on the same lot as a primary dwelling. Section 65852.2 authorizes land use agencies to adopt a zoning ordinance permitting ADUs that do not exceed 50% of the floor area of the primary dwelling (attached) and do not exceed 1,200 square feet (SF) in total floor area (if detached). If no such ordinance is adopted, the agency has no discretionary review over such ADUs.

After approval of an ADU by the local land use agency (City of Novato or County of Marin, as appropriate), section 65852.2 prohibits the District from imposing a capacity charge (i.e., an FRC) or a connection fee (including the cost for a new service lateral and meter) for the types of ADUs listed below unless the applicant has requested a separate service line or meter:

- An ADU within the existing space of a single-family dwelling.
- An ADU within the existing space of an accessory structure (which may include an expansion of not more than 150 square feet beyond the same physical dimensions as the existing accessory structure, provided that the expansion shall be limited to accommodating ingress and egress).
- An ADU within the proposed space of a single-family dwelling.

For ADUs other than those described in the bullets above, in accordance with Regulation 1, the District is allowed to require a separate service connection and to impose the FRC and any associated new connection fees on the ADU, although subdivision (f)(5) restricts the amount of the connection fee or capacity charge that can be imposed in two respects:

- The fee or charge must “be proportionate to the burden of the proposed accessory dwelling unit, based upon either its square feet or the number of its drainage fixture unit (DFU) values, as defined in the Uniform Plumbing Code adopted and published by the International Association of Plumbing and Mechanical Officials, upon the water or sewer system”; and
- The fee or charge must “not exceed the reasonable cost of providing this service.”

These requirements are codified in District Regulation 1. The District, with the assistance of legal counsel, previously prepared a flowchart (Attachment 1) that describes the different scenarios and whether a fee is charged as an aid to potential applicants.

Comparison with Other Agencies

District staff examined how other water providers in the Bay Area handle ADU applications. The table below provides a summary of the amounts of capacity charges imposed on ADUs by various special districts providing water service.

Agency	ADU Water Service Capacity Charges*		
	Attached (<50% of residence)	Detached (within exist. structure)	New Construction
<i>North Marin WD</i>	\$10,000	\$10,000	\$10,000
Mid-Peninsula WD	\$10,000	\$10,000	\$10,000
Alameda County WD	\$6,862	\$6,862	\$6,862
Contra Costa WD	\$10,669	\$10,669	\$10,669
City of Santa Rosa	\$7,545	\$7,545	\$7,545
Valley of the Moon WD	\$11,697	\$11,697	\$11,697
Marin Municipal WD	\$7,040	\$7,040	\$7,040

*table only shows FRCs or related capacity charges imposed for ADUs that don't meet the conditions for exemption described above (the first three bullets above) and represents FRCs or related capacity charges.

In 2020, MMWD adopted Ordinance No. 446 providing applicants a “pass” on fees and charges for ADUs that are entirely new construction (but not constructed with a new single family home) and that are either (a) attached to an existing single family residence and less than 50% of the square footage of the primary dwelling, or (b) detached from an existing single family residence and less than 1200 SF in size, provided that the following additional conditions are met:

1. The applicant is a current MMWD customer of at least 1-year of continuous service;
and
2. The applicant/property owner will occupy either the primary residence or the new ADU.

Consistent with section 65852.2, current District regulations, specifically District Regulation No. 1, provide two options to an applicant seeking service from the District to an ADU that is *not* within the existing space of a single-family dwelling, the proposed space of a new single family dwelling, or the existing space of an accessory structure (allowing for an additional 150 square feet for access) has two options: 1) obtain a new meter and separate service line to the proposed ADU structure; or 2) if the existing meter and service line have capacity to provide adequate service to the primary dwelling and the ADU, obtain “dual service” using the existing service line to the property but installing a new meter for the proposed ADU.

Water Usage for Existing ADUs

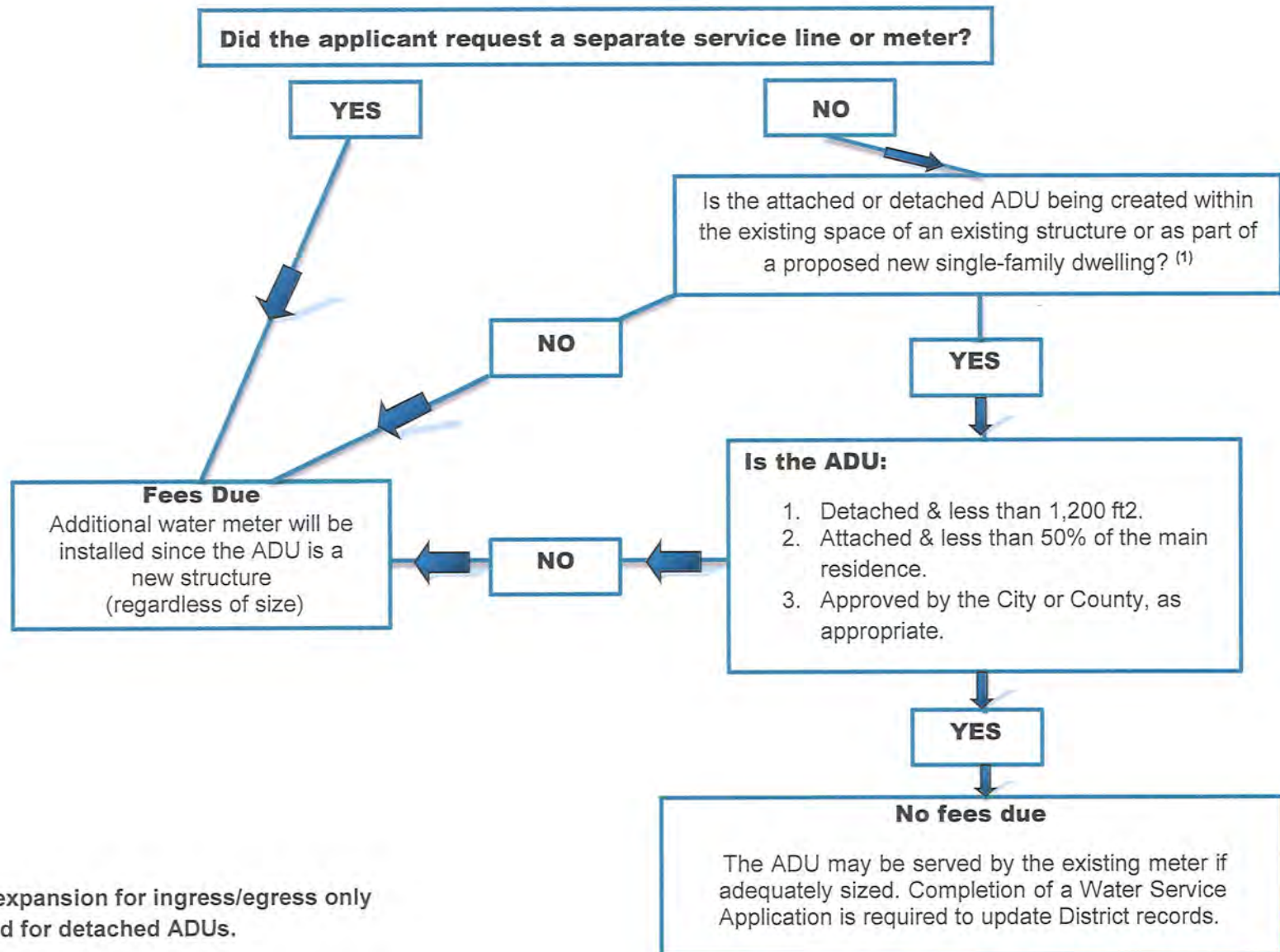
One important element that the Board should keep in mind regarding ADUs in general is water usage. The Engineering Department has been tracking water usage for ADU projects going back to 2004 in the Novato Service Area. The average water usage for the 13 ADUs that were analyzed was 101 gallons per day (gpd), with usage ranging from a high value of 296 gpd to a low value of 24 gpd. The purpose of the District's FRC is to obtain revenue commensurate with the costs to provide capacity for new customers through existing and future water facilities in order to remain in a position to reliably serve those new connections. The tracked data indicates that ADUs do measurably impact the overall demand and resulting capacity needs of District's water system, and that this impact will only grow as more and more are constructed over time. As noted above, section 65852.2 recognizes that an ADU will place a "burden" upon "the water or sewer system."

RECOMMENDATION

The Board direct staff to respond to inquiries about the application of the District's regulations to applications for service to newly created ADUs.

Accessory Dwelling Unit (ADU) Requirements

Attached or Detached from Main Residence



⁽¹⁾ 150 ft² expansion for ingress/egress only allowed for detached ADUs.

10

MEMORANDUM

To: Board of Directors

Date: April 30, 2021

From: Drew McIntyre, General Manager

Subject: Approve ESA Consulting Services Agreement Amendment 2 – Supplemental Groundwater, Stream Flow and Biological Monitoring Services for New Gallagher Well No. 2

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RECOMMENDED ACTION: That the Board authorize the General Manager to amend the agreement with ESA

FINANCIAL IMPACT: \$77,000 with a \$8,000 contingency (Bulk of work is budgeted in FY22)

Background

The existing NMWD Gallagher Well No. 1 safe yield capacity of ~140 gpm has always been much less than the original expected capacity of 300 gpm. Gallagher Well No. 1 was constructed in 1993 and was idle until the Gallagher Well transmission pipeline was constructed in 2015. For over three decades now, the District has been working on expanding water supply sources that are outside the influence of salinity intrusion experienced at our two Point Reyes Station (PRS) wells (at the former Coast Guard Housing property). Gallagher Well No. 1 has proven to provide excellent quality water with very low salinity because the Lagunitas Creek minimum water surface elevation at Gallagher Ranch is ~ 15 feet above mean sea level and is not influenced by coastal tides.

While salinity intrusion at the PRS (aka Coast Guard) wells has been an ongoing problem for many years, it has reached unprecedented levels during dry year conditions in 2020 and corrective action is needed as soon as possible. Constructing a second well at Gallagher Ranch is imperative to achieve the original 1992 expected 300gpm supply from a source that is outside the influence of salinity intrusion.

Consulting Agreement History

At the October 6, 2020 meeting, the Board approved an agreement with ESA for permitting services to prepare an addendum to the 2009 Gallagher Wells and Pipeline Project Initial Study/Mitigated Negative Declaration (IS/MND) for an amount not to exceed \$66,000 (including contingency). This task was completed in February, 2021. At the April 6, 2021 meeting, the Board approved a \$50,000 amendment (including contingency) to ESA's agreement to cover additional efforts expended by ESA including (1) preparing detailed

response to comments received during the Addendum process, (2) providing support to staff in developing a Water Development Plan as required in the MALT easement, (3) supplemental staff report support and presentations to the Board, Lagunitas Creek Technical Advisory Committee and Marin County Local Coastal Permit DZA Hearing, (4) regularly scheduled weekly coordination calls designed to ensure timely permit coordination and (5) additional efforts related to the Coastal Permit Appeal. At the time of Amendment No. 1 approval, staff advised that Board that additional mitigation monitoring and reporting services including more well testing, biological creek studies, additional coordination with Resource Agencies, would be covered under a future amendment(s).

Amendment No. 2

This Amendment is requested to cover mitigation monitoring and reporting efforts outlined in Mitigation Measure BR-2 as revised in the Gallagher Wells and Pipeline CEQA Addendum approved by the Board at the March 2, 2021 meeting. More specifically, Amendment No. 2 covers supplemental groundwater, Lagunitas Creek stream flow and biological monitoring tasks as summarized below:

Task 1. Supplemental Groundwater and Stream Flow Analysis - to further assess whether groundwater pumping at the Gallagher Well Site causes a discernible change in gage height and streamflow in Lagunitas Creek.

Task 2. Biological Resource Monitoring - establish baseline pre-project flow conditions within Lagunitas Creek. Surveys will be conducted by two fisheries biologists over two survey days, during which monitoring stations will be established across a range of functional habitat types (e.g., riffle, pool, run).

Task 3. Draft and Final Technical Memos – Pre and Post Project Conditions- synthesize the analysis and provide a technical memorandum, which will describe results of pump test and field observations, instream habitat assessment observations, and conclusions. The TMs will be updated at various pre and post project stages.

Task 4. Project Management - includes oversight of technical data collection, coordination of access, project safety plan development, and bi-monthly conference calls, and up to 2 meetings with stakeholders to present findings.

Recommendation:

That the Board authorize the General Manager to execute a second amendment to the ESA agreement for services related to the New Gallagher Well No. 2 Project for a not to exceed fee of \$77,000 plus an \$8,000 contingency.

11

MEMORANDUM

To: Board of Directors

April 30, 2021

From: Drew McIntyre, General Manager



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

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

FINANCIAL IMPACT: ~\$174,735 as of March 31, 2021 (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 September 15, 2020, Marin County successfully appealed to the California Department of Public Health (CDPH) to move into Tier 2 in the state's COVID-19 response framework. Moving from Tier 1, or "widespread" COVID-19 community risk (or purple) status, to the Tier 2 "substantial" (or red) status risk category allowing more businesses to reopen.

On October 27, 2020 Marin County was notified that California was moving the county from Tier 2 or "substantial risk" status to the Tier 3 or "moderate risk" level due to fewer daily cases, and a reduction in the positivity rate.

On November 16, Governor Gavin Newsom announced that CDPH officially moved Marin County from orange Tier 3 ("moderate risk") to the more restrictive red Tier 2 ("substantial risk") on its Blueprint for a Safer Economy. The step back comes just three days after the Marin County Department of Health and Human Services (HHS) notified local businesses and agencies about preemptive restrictions to stem the virus' spread locally.

On December 3, 2020 Governor Newsom announced that all sectors other than retail and essential operations will be closed in regions of California when less than 15% of intensive care unit (ICU) beds are available under a new Regional Stay Home Order. Marin County proactively implemented the State's Regional Stay Home Order at noon on December 8th and the state officially

issued said Order to Marin County (as part of the Bay Area region) on December 17th.

On January 25, 2021, CDPH lifted the Regional Stay-Home Order for the Bay Area and statewide. All 11 counties in the Bay Area, including Marin, thereby moved into the purple (or Tier 1) stage within the State's "Blueprint for a Safer Economy".

On February 23, 2021, the State has announced that Marin County will move from "purple"(Tier 1) to "red" (Tier 2) status in the Blueprint for a Safer Economy effective Wednesday, February 24. The move from Tier 1 or "widespread risk" status to the less restrictive Tier 2 or "substantial risk" level is based on consecutive weeks of progress in Marin's COVID-19 case statistics.

On March 11, 2021, the state opened up additional segments as eligible for the COVID-19 vaccination. This includes utility workers who have been reclassified as Emergency Service workers which includes water and wastewater workers and support staff (all NMWD employees)

On March 24th 2021, Marin moved from the Red status (Tier 2) to Orange status (Tier 3). This move relaxed indoor operation restrictions for a number of sectors. Non-essential offices may now reopen again.

On April 6, 2021, Governor Newsom announced that California will lift nearly all of its restrictions on business and gathering on June 15, 2021,

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

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

District emergency planning has been aggressively implemented since March 16, 2020. The District's current COVID-19 Preparedness and Response Plan has been prepared to maintain optimum health and safety working conditions. As a result of the Plan, the District has adopted various housekeeping and physical distancing protocols and also instituted modified work schedules as appropriate. 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 occurred and the District is now operating

with 86% of staff on-site or in the field full time. The balance of staff are teleworking from home with most coming into the office at least one day each week. Walk-in customer service is still suspended. 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 currently ~15% of employees are on full or partial temporary telework assignments.
- 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 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 updated 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.).
- Modified work spaces to improve physical separation between staff.
- Developed a COVID-19 Preparedness and Response Plan and provided training.
- Implemented a daily self-assessment reporting program for all staff reporting to work.
- Modifying District office front lobby in preparation of re-opening walk-in services (Date to be determined).
- Installed “No Touch” drinking fountains in both Administration Building and Construction Building.

General Manager Authorizations

- Extended vacation accrual maximums from July 1, 2020 to September 30, 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 + Ongoing Support	\$12,778	3/2020-2/2021
JCA Construction	Misc. Office Social Distancing Modifications	\$13,177	6/30/2020
Winzer Corporation	Surgical Masks (2,000)	\$1,592	7/6/2020
Novato Glass	Plexiglass	\$3,969	6/9/2020
Amazon	Face Masks (12)	\$54	6/30/2020
USA Bluebook	Digital Forehead Thermometers (2)	\$218	7/30/2020
Amazon	Digital Thermometers (20)	\$144	6/24/2020
Amazon	Face Masks (120)	\$405	8/20/2020
Winzer Corporation	Surgical Masks (2,000)	\$570	1/14/2021
Total Procurement Amount To-Date		\$37,735	

Internal Labor Expenses

Increased on-call labor costs:	~\$87,900 thru February 28, 2021 ~\$94,500 thru March 31, 2021
Families First Coronavirus Response Act (FFCRA) Allows employees to take time off for COVID medical reasons and/or childcare.	~\$33,500 thru February 28, 2021 ~\$33,900 thru March 31, 2021
Payroll Collection Costs	~\$7,060 thru February 28, 2021 ~\$8,600 thru March 31, 2021

Water Bill Delinquency Impacts

	<u>3/2020</u>	<u>3/2021</u>
Customer Accounts Past Due (count)	3.6%	3.7%
Delinquent Balances % Due on Account	9.0%	10.6%
Delinquent Balances \$ Due on Account	\$92,000	\$129,000

12

MEMORANDUM

To: Board of Directors

April 30, 2021

From: Tony Williams, Assistant GM/Chief Engineer 
Robert Clark, Operations/Maintenance Superintendent

Subj: NMWD Headquarters Upgrade Schematic Design Overview and Cost

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RECOMMENDED ACTION: Information Only**FINANCIAL IMPACT:** None at this time.
(Design Services Agreement not to exceed \$1,245,000
authorized at 11/17/2020 BOD Meeting)

At the April 6, 2021 Board meeting, staff provided an update regarding the progress of the NMWD Headquarters Upgrade Project by Noll & Tam Architects (N&T) and the District's Building Committee. In accordance with the current project schedule, a Schematic Design submittal, representing an approximate 25 percent level of design, is being finalized for Phase 1, new laboratory building and Phase 2, renovation of the existing administration building. The current cost estimate for construction (excluding soft costs) of these two Phases is currently \$12,170,005 which is approximately 10 percent over the Master Plan Conceptual Cost of \$10,936,683. The N&T team and the District's Building Committee recently met and identified project elements that can be refined resulting in lower costs. Value engineering analysis and subsequent cost savings is planned to achieve the construction estimate in line with the original budget. In addition, the Building Committee is identifying elements of the projects that may be eligible for future grant funding.

Key members of the N&T team will be providing a short presentation of the Schematic Design elements and the current project cost estimate. The next phase of the Project is the Design Development, the production of an approximate 60 percent level of design completion.



ACCOUNTABILITY
INTEGRITY
TEAMWORK
HONESTY
RESPECT

North Marin Water District

Headquarters Upgrade
Schematic Design Update
April 2021

**NOLL
& TAM**
ARCHITECTS



PHASE 1

LABORATORY & SITE UTILITIES

PHASE 2

RENOVATE ADMINISTRATION BUILDING

SITE WORK & LANDSCAPING & SITE
PAVING

PHASE 3

FUTURE EXPANSION

 SITE WORK

 PAVING AREA

 ELECTRICAL SERVICE

Recap of 2019 Masterplan



MASTERPLAN PROGRAM

- New Water Quality Laboratory
- Flexible Board room and Public Space
- Individual Department Programs
- Planning for Future Expansion

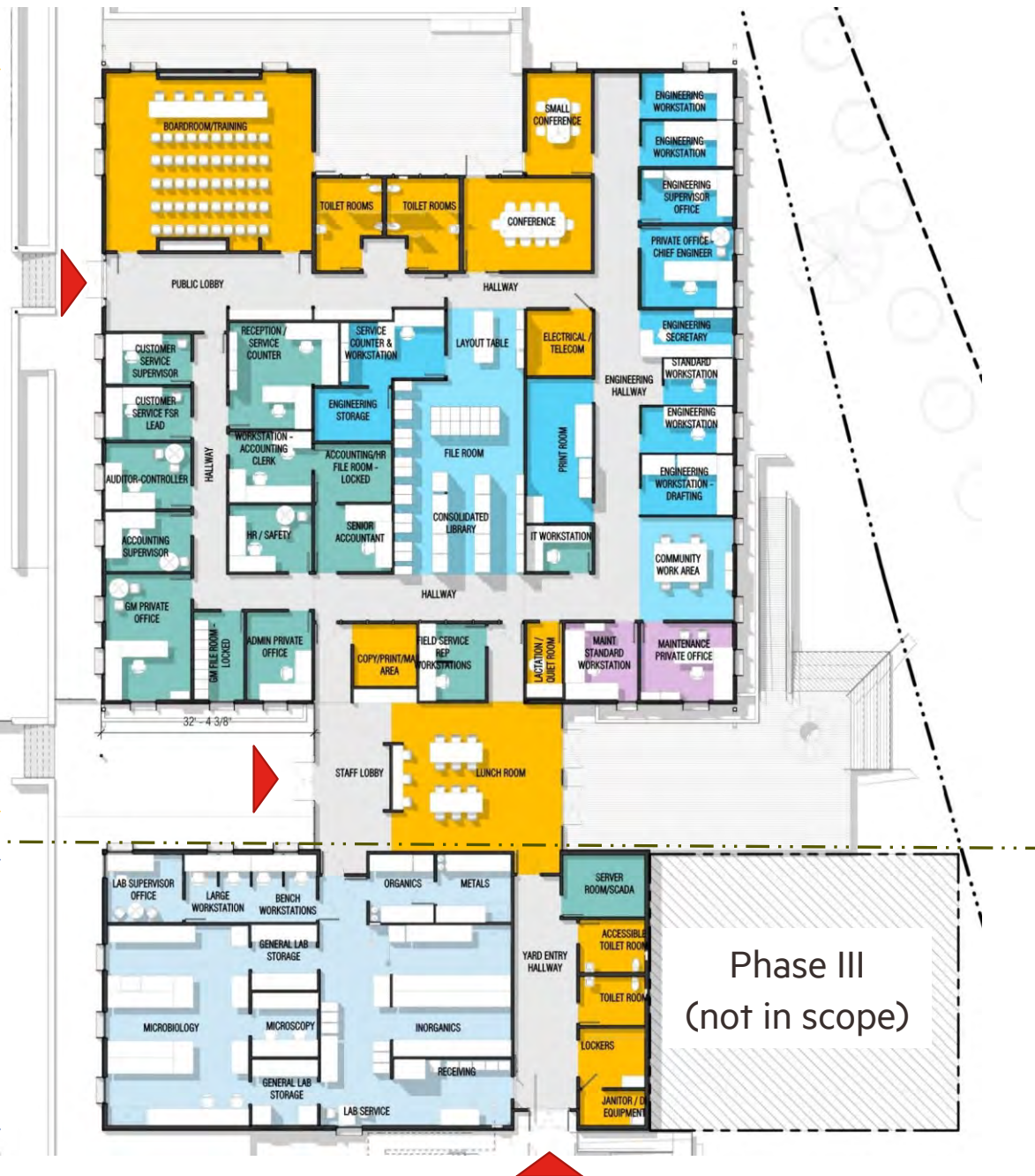
PROGRAM LEGEND

- Administrative Department
- Building Circulation
- Engineering Department
- Water Quality Laboratory
- Operations & Maintenance
- Shared / Public Space

SCHEMATIC PLAN UPDATE

Phase II

Phase I



- 8 Building Committee Meetings
- 2 Site Visits
- 2 Lab Planning Sessions
- Schematic Design Cost estimate

PROGRAM LEGEND

- Administrative Department
- Building Circulation
- Engineering Department
- Water Quality Laboratory
- Operations & Maintenance
- Shared / Public Space



SCHEMATIC LANDSCAPE PLAN



- Water-Efficiency demonstration planting area
- Bird/Bee Planting area
- Dry Shade Planting Area
- Stormwater Planting
- Decomposed Granite
- Pedestrian Concrete
- Permeable Paver



Arrival View from Rush Creek Place

Detail of Staff Entry between Lab and Admin



Detail of North outdoor space from Rush Creek Place



Staff Arrival View from west parking area

PHASE / SCOPE OF PROJECT	SQUARE FEET (APPROX.)	CONCEPT PROJECT COST	SQUARE FEET (APPROX.)	SCHEMATIC PROJECT COST
Phase 1 - New Building Addition New Water Quality Laboratory + associated site utilities, temporary surge space and associated site work	3,219 SF	\$6.5 mil	3,470 SF	\$8.1 mil
Phase 2 - Renovation Administration Building Significant renovation of the existing administration building, de-mobilize temporary surge space and associated site work	9,830 SF	\$8.2 mil	9,678 SF	\$7.8 mil
Total Phase 1 & 2 Project Cost	13,049 SF	\$14.7 mil	13,148 SF	\$ 15.9 mil
Phase 3 – Expansion of New Building Addition New office and work space for the Construction group and Operations & Maintenance departments, site work (Anticipated in 2027)	2,600 SF	\$3.7 mil	2,600 SF	\$3.7 mil
Total Phase 3 Project Cost		\$3.7 mil		\$3.7 mil
Corporation Yard – Flood Mitigation NMWD Scope of work under separate Contract		TBD		TBD
Roof Replacement Project Completed Previously				

CONSTRUCTION COST REDUCTIONS	Goal: Refine project scope to reduce cost by 10% to 12%
Structural Simplification	Revise plan areas to reduce changes to existing seismic structural shear walls and reduce structural connections
Perimeter Landscaping	Propose reduction to overall area of landscaping and irrigation system around buildings
General building finishes and materials Selection	Refine selection of finishes and exterior materials for better value
Exterior Building Enclosure	Reduce window area and select soffit and eave materials for value
NMWD Self Perform Utilities	District to assess trenching runs and site utilities for work to be performed by District crews
Grant Funding Sources	District to explore funding for essential facility and water conservation projects
Reduce Temporary Office Area	District to review leasing fewer temporary office modular buildings and transition staff to remote working during construction
Design / Engineering Contingency	Project cost includes a 10% contingency for design development of scope

PROJECT SCHEDULE UPDATE	Start	End
Scheme Design	January 2021	April 2021
Design Development/Confirm Entitlement Process	May 2021	July 2021
Contract Documents	August 2021	January 2022
City of Novato Permitting	November 2021	February 2022
Project Bid and Contract Award	February 2022	April 2022
Construction Phase 1 - Duration	May 2022	May 2023
Construction Phase 2 – Duration	May 2023	March 2024
Project Closeout	February 2024	April 2024
Construction Phase 3 - Duration	June 2027	March 2028

Questions?

13

MEMORANDUM

To: Board of Directors

April 30, 2021

From: Julie Blue, Auditor-Controller *JB*

Subj: Initial Review – Capital Project FY 21/22 & FY 22/23 & Equipment Budget FY 21/22

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RECOMMENDED ACTION: Initial Review and Provide Direction to Staff

FINANCIAL IMPACT: None at this time – CIP - \$4.9M FY 21/22 & \$4.7M FY 22/23
 Gross Expenditure Budget Proposed for Consideration
 Equipment - \$295K FY 21/22

Capital Improvement Project Budget (CIP)

Attached for review is the proposed Fiscal Year 21/22 (FY22) and FY 22/23 (FY23) Capital Improvement Project (CIP) expenditure budget. As in prior years, a comprehensive 2-year plan is presented (Attachment 1), which includes the 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 and upcoming CIPs. This comprehensive plan is developed to verify that adequate funding and staffing exists to accomplish the 34 budgeted projects planned for FY22. For reference, Attachment 2 shows the District wide 10-year history of capital improvement projects which averages \$8.5 million per year including \$3.7 million of internally (or "Pay-Go") financed projects.

The proposed two-year combined total project outlay, net of grant/loan rate funding, totals \$9.5 million, which approximates the \$9.5 million combined two-year budget adopted last year. The proposed FY22 CIP budget includes 34 projects, which is one more than the number of projects approved for FY21. FY21 estimated actual CIP expenditures are forecast to come in at \$3.7 million.

District	Net Cash Outlay (Pay-go)		Increase (Decrease)
	Proposed FY22 & FY23	Adopted FY21 & FY22	
Novato Water	\$8,850,000	\$7,522,000	\$1,328,000
Recycled Water	450,000	200,000	250,000
WM Water	(209,000)*	1,440,000	(1,649,000)
OM Sewer	510,000	355,000	155,000
Total	\$9,601,000	\$9,517,000	\$84,000

*West Marin is scheduled to borrow \$1.5M from Novato Water to cover CIP expenditures spanning from FY21-23. Cash outlay in FY21 estimated at \$1.4M. Negative cash outlay in FY22&23 due to timing of projects and timing of when the loan will be provided to WM to maintain sufficient cash flows.

Below is a summary identifying the significant projects (totaling \$400,000 or more) proposed to be undertaken over the next two fiscal years. An explanation of each FY21 project is incorporated into the attached CIP detail listing.

<u>Project</u>	FY22	FY23	Total Project Costs
NMWD Headquarters Upgrade	\$3,575,000	\$7,950,000	\$16,200,000
Old Ranch Road Tank No. 2	1,600,000	-	2,300,000
Novato Blvd Widening – Diablo to Grant (4,100')	200,000	1,300,000	1,520,000
Lynwood Recoat/Seismic Upgrade	-	1,000,000	2,000,000
San Mateo 24" Inlet/Outlet Pipe (2,200')	850,000	-	925,000
Lynwood PS Motor Control Center	400,000	-	420,000
Replace Cast Iron Pipe – Atherton Ave. (RW)	50,000	350,000	350,000
Oceana Marin Treatment Pond Rehab	1,450,000	205,000	400,000
New Gallagher Well #2 (WM)	631,000	-	924,000
Lagunitas Creek Bridge Pipe Replacement (WM)	400,000	52,000	477,000
Other Projects	2,094,000	2,019,000	-
Gross Project Outlay	11,250,000	12,876,000	25,516,000
Less Loan/Grant Funding	(6,375,000)	(8,150,000)	(18,520,000)
Net Project Outlay (internally funded)	\$4,875,000	\$4,726,000	\$6,996,000

Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$4 million annually in internally funded projects, which is consistent with the 5-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study.

Reviews of the District wide budgets will occur on May 18 and June 1 which will include the CIP budgets. The Novato and Recycled Water budgets (including the CIP budgets) are scheduled for approval on June 15, 2021. The West Marin Water and Oceana Marin Sewer budgets (including the CIP budgets) will be also be reviewed on May 18 and June 1 with budget approval scheduled for June 22. Board comments and concerns are valued and will be addressed and incorporated into the budget where applicable.

Equipment Budget

Also attached for your initial review is the proposed FY 21/22 (FY22) Equipment Budget (Attachment 3). The proposed budget totals \$295,000, which is \$35,000 lower than the FY21 Equipment Budget of \$330,000. FY21 estimated actual expenditures are forecast to come in at \$240,000.

A significant purchase included in the proposed budget is \$135,000 to replace the cab and chassis on the Peterbilt 335. Additionally, a meter testing bench and equipment for \$120,000 is included. Accompanying this memo is a chart showing ten years of equipment purchases history (Attachment 4). The Equipment Budget will also be reviewed, within the District wide budget, at the May 18 board meeting with approval scheduled for June 15, 2021.

CAPITAL IMPROVEMENT PROJECTS

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		FY22	FY23	FY22 & FY23 Project Description
1.	PIPELINE REPLACEMENTS/ADDITIONS			
	a. Main/Pipeline Replacements			
1.7189.00	1 Replace 12" CI Pipe Novato Blvd (785LF)	-	\$50,000	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 & .01	2 Replace Plastic Thin Walled Pipe < 4-inch	\$150,000	\$150,000	Ongoing systematic replacement of all plastic TW pipe < 4-inch.
1.7195.00	3 Novato Blvd Widening - Diablo to Grant (4100LF)	\$200,000	\$1,300,000	Replaces 60 year old cast iron pipe and replaces 50+ old ACP with 12" PVC; Joint project with City and Novato Sanitary District.
	4 Other Main Replacements (60+ years old)	\$200,000	-	Unplanned repairs/replacements for failing mains.
		\$550,000	\$1,500,000	
	b. Main/Pipeline Additions			
1.7150.00	1 San Mateo 24" Inlet/Outlet Pipe (2,200')	\$850,000	-	
	2 Loop Mariner Way to Redwood Bl.	\$125,000	-	
	3 Loop Los Robles Rd and Posada Del Sol	-	\$125,000	
	4 Other Main/Pipeline Additions	\$150,000	\$150,000	Misc. Projects to loop dead end mains
		\$1,125,000	\$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	Ongoing systematic replacement of PB services.
		\$70,000	\$150,000	
	d. Relocations to Sync w/City & County CIP			
1.8737.xx	1 Other Relocations	\$70,000	\$25,000	Relocate facilities for yet to be identified City/County Projects.
		\$70,000	\$25,000	
	TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$1,815,000	\$1,950,000	

CAPITAL IMPROVEMENT PROJECTS

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		FY22	FY23	FY22 & FY23 Project Description
2.	SYSTEM IMPROVEMENTS			
1.7007.14	a. DCA Repair/Replace-FY21 (~14/yr)	\$100,000	\$100,000	Ongoing program to replace old assemblies
1.7090.04	b. Anode Installations-FY21 (150/yr)	\$10,000	\$10,000	Place anodes on copper laterals for corrosion protection. Prioritize bad sand sites
1.6313.20	c. Pressure Reducing Station - Harbor Drive	\$25,000	-	
1.6302.21	d. Pressure Reducing Station - Blackpoint	\$25,000	-	
1.7136.00	e. Facilities Security Enhancements	-	\$25,000	
1.7190.00	f. San Marin Aqueduct Valve Pit (STP to Zone 2)	\$150,000	-	Piping/Valve modifications to allow downtown Zone 1 water (from STP) to supply San Marin pump station.
	g. Other System Improvements	-	\$200,000	
	TOTAL SYSTEM IMPROVEMENTS	\$310,000	\$335,000	
3.	BUILDING, YARD, STP IMPROVEMENTS			
	a. Administration Building			
1.6501.44	1 NMWD Headquarters Upgrade (Note 1)	\$3,575,000	\$7,950,000	50-year-old building requires significant upgrading; Phases 1 - 2 shown
		\$3,575,000	\$7,950,000	
	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)	\$175,000	-	Repair/stabilize culvert embankment under access road to STP/IVGC.
	3 Concrete Apron Overlay	-	\$100,000	
1.6600.xx	4 Other Treatment Plant Improvements	\$50,000	\$50,000	Miscellaneous plant improvements.
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.
1.6600.83	6 Filter Underdrain/Media R&R	\$20,000	\$20,000	Filter underdrain inspection and media replacement for each filter unit (one per year).
		\$370,000	\$245,000	
	TOTAL BUILDING, YARD, STP IMPROVEMENTS	\$3,945,000	\$8,195,000	

CAPITAL IMPROVEMENT PROJECTS

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		FY22	FY23	FY22 & FY23 Project Description
4.	STORAGE TANKS/PUMP STATIONS			
	a. Tank Construction			
1.6207.20	2 Old Ranch Rd Tank No. 2 (100k gal)	\$1,600,000	-	Award construction in FY21, construction complete FY22
		\$1,600,000	-	
	b. Tank Rehabilitation			
1.7170.00	1 Hydropneumatic Tank Repairs	\$30,000	-	Ongoing program to inspect/Repair the 7 tanks in compliance with State Code.
	2 Garner Tank Recoat (0.1 MG)	-	\$170,000	
	3 Lynwood Recoat/Seismic Upgrade (0.85MG & 0.5MG)	-	\$1,000,000	
		\$30,000	\$1,170,000	
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	\$375,000	-	Replace School Rd PS with new facility on Bahia Drive.
	e. Davies PS Upgrade	-	\$50,000	
	f. Fire Flow Backfeed Valve Nunes Tank	-	\$200,000	
		\$775,000	\$250,000	
	TOTAL STORAGE TANKS/PUMP STATIONS	\$2,405,000	\$1,420,000	
	TOTAL NOVATO SERVICE AREA	\$8,475,000	\$11,900,000	
5.	RECYCLED WATER			
5.7162.xx	a. Replace CI in Atherton Avenue (1320LF)	\$50,000	\$350,000	1950's era cast iron pipe re-purposed for RW. Sliplining maybe used.
5.7162.xx	b. Other Recycled Water Expenditures	\$50,000	-	Retrofit existing potable irrigation customers to RW.
	TOTAL RECYCLED WATER PROJECTS	\$100,000	\$350,000	

CAPITAL IMPROVEMENT PROJECTS

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		FY22	FY23	FY22 & FY23 Project Description
6.	WEST MARIN WATER SYSTEM			
2.6263.20	a. Replace PRE Tank #4A (25K gal w/125K gal)	-	-	Replace and upsize redwood tank destroyed in Vision Fire with concrete tank.
2.6609.20	b. New Gallagher Well #2	\$631,000	-	Permit and construct 2nd well at Gallagher Ranch.
2.8829.xx	c. PB Replace in Sync w/ County Paving	\$50,000	-	For 25 replacements.
2-7185-00	d. Gallagher Ranch Streambank Stabilization (Note 3)	\$4,000	\$4,000	Monitoring costs over 5 years.
2.8912.00	e. Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$400,000	\$52,000	Relocate/replace 8-inch water main across Lagunitas Creek Bridge.
	f. Miscellaneous Water System Improvements	-	\$200,000	
	TOTAL WEST MARIN WATER SYSTEM PROJECTS	<u>\$1,085,000</u>	<u>\$256,000</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	\$100,000	-	Replacement of Lift Pumps
8.7173.00	c. OM Treatment Pond Rehab (Note 5)	\$1,450,000	\$205,000	Hazard mitigation project to armor the existing earthen treatment pond berms to minimize storm erosion and damage due to earthquakes.
	d. North St. Lift Station Bypass	-	-	
	e. Sewer Force Main Improvements	-	\$125,000	adding isolation valves or other appurtenances in the 3,000+ LF FM to allow for repairs in the system
	TOTAL OCEANA MARIN SEWER SYSTEM PROJECTS	<u>\$1,590,000</u>	<u>\$370,000</u>	

CAPITAL IMPROVEMENT PROJECTS

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	FY22	FY23	FY22 & FY23 Project Description
<u>SUMMARY - GROSS PROJECT OUTLAY</u>			
Novato Water	\$8,475,000	\$11,900,000	
Recycled Water	\$100,000	\$350,000	
West Marin Water	\$1,085,000	\$256,000	
Oceana Marin Sewer	\$1,590,000	\$370,000	
GROSS PROJECT OUTLAY	<u>\$11,250,000</u>	<u>\$12,876,000</u>	
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. Office/Yard Building Refurbish (Note 1)	(\$3,575,000)	(\$7,950,000)	
b. WM Novato Water Loan to WM (Note 3)	(\$1,350,000)	(200,000)	
c. OM Treatment Pond Rehab (Note 4)	(\$1,450,000)	-	
TOTAL LOAN/GRANT FUNDS	<u>(\$6,375,000)</u>	<u>(\$8,150,000)</u>	
<u>SUMMARY - NET PROJECT OUTLAY</u>			
Novato Capital Improvement Net Project Outlay	\$4,900,000	\$3,950,000	
Recycled Water	\$100,000	\$350,000	
West Marin Water	(\$265,000)	\$56,000	
Oceana Marin Sewer	\$140,000	\$370,000	
NET PROJECT OUTLAY	<u>\$4,875,000</u>	<u>\$4,726,000</u>	
Total Number of District Projects	34	27	
Novato 5-Year Average of Internally Funded Projects FY21/22-FY25/26	\$4,070,000		
RW 5-Year Average of Internally Funded Projects FY21/22-FY25/26	\$150,000		
West Marin 5-Year Average of Internally Funded Projects FY21/22-FY25/26	\$250,000		
Oceana Marin 5-Year Average of Internally Funded Projects FY21/22-FY25/26	\$240,000		

CAPITAL IMPROVEMENT PROJECTS

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	FY22	FY23	FY22 & FY23 Project Description
NOVATO POTABLE WATER DEBT SERVICE			
a. STP SRF Loan	\$1,044,000	\$1,044,000	
b. AEEP Bank Loan	\$482,000	\$482,000	
c. Advanced Meter Info Retrofit Loan	\$378,000	\$376,000	
d. Admin Building Renovation Loan (Note 1)	1,238,000	1,238,000	
	<u>\$3,142,000</u>	<u>\$3,140,000</u>	
NOVATO RECYCLED WATER DEBT SERVICE			
e. Deer Island Facility SRF Loan	\$273,000	\$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)	\$227,000	\$227,000	
	<u>\$1,114,000</u>	<u>\$1,114,000</u>	
WEST MARIN WATER DEBT SERVICE			
i. TP Solids Handling Bank Loan	\$153,000	\$234,000	
	<u>\$153,000</u>	<u>\$234,000</u>	
OCEANA MARIN SEWER DEBT SERVICE			
j. CIP Financing	-	\$33,000	
	<u>\$0</u>	<u>\$33,000</u>	
TOTAL DEBT SERVICE			
	<u>\$4,409,000</u>	<u>\$4,521,000</u>	
NET PROJECT OUTLAY & DEBT SERVICE			
	<u>\$9,284,000</u>	<u>\$9,247,000</u>	

CAPITAL IMPROVEMENT PROJECTS

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		FY22	FY23	FY22 & FY23 Project Description
STUDIES & SPECIAL PROJECTS				
1.4057.00	a	Local Water Supply Enhancement Study	-	\$150,000
1.7039.02	b	Novato Water Master Plan Update	\$95,000	-
1.6501.43	c	Electronic Document Management System	\$60,000	-
	d	Lynwood/San Marin Zone 2 Pumping Study	-	\$30,000
	e	Cathodic Protection Master Plan	\$20,000	-
	f	Pump Efficiency/Hydraulic Study	\$30,000	-
			<u>\$205,000</u>	<u>\$180,000</u>

Note 1 - \$16.2M NMWD Headquarters Upgrade 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.

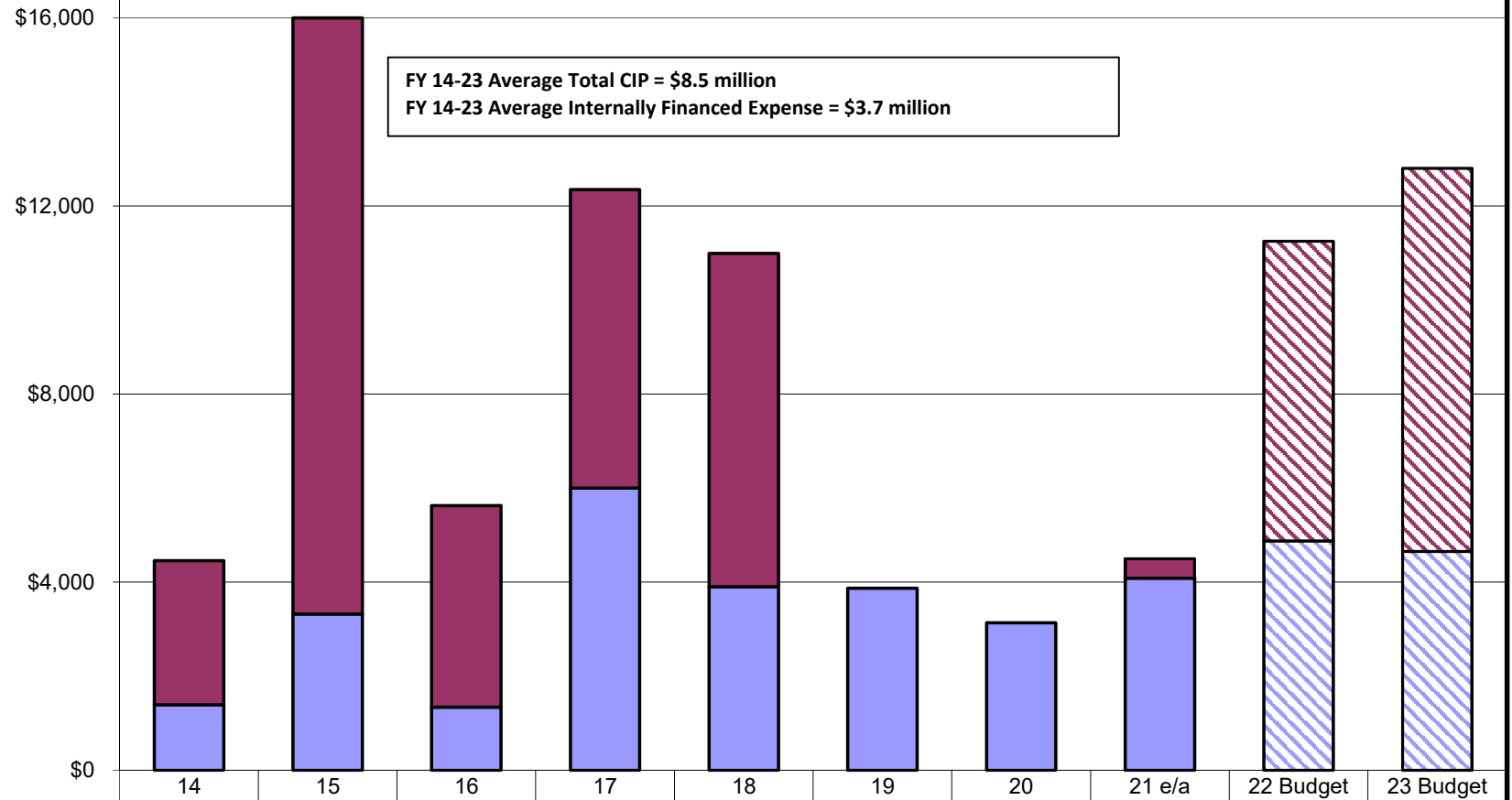
Note 3 - Loan from Novato Water - As included in the 2021 WM Water rate study - to be paid back with interest.

Note 4 - 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.

04/27/21

NMWD Capital Improvement Project Expenditures All Districts Combined

Thousands



	14	15	16	17	18	19	20	21 e/a	22 Budget	23 Budget
■ Debt/Grant Financed	\$3,062	\$12,676	\$4,285	\$6,351	\$7,090	\$0	\$0	\$411	\$6,375	\$8,150
■ Internally Financed	\$1,393	\$3,321	\$1,341	\$5,999	\$3,901	\$3,871	\$3,135	\$4,084	\$4,875	\$4,651
Total	\$4,455	\$15,997	\$5,626	\$12,350	\$10,991	\$3,871	\$3,135	\$4,495	\$11,250	\$12,801

EQUIPMENT EXPENDITURES**Fiscal Year 21/22 Budget**

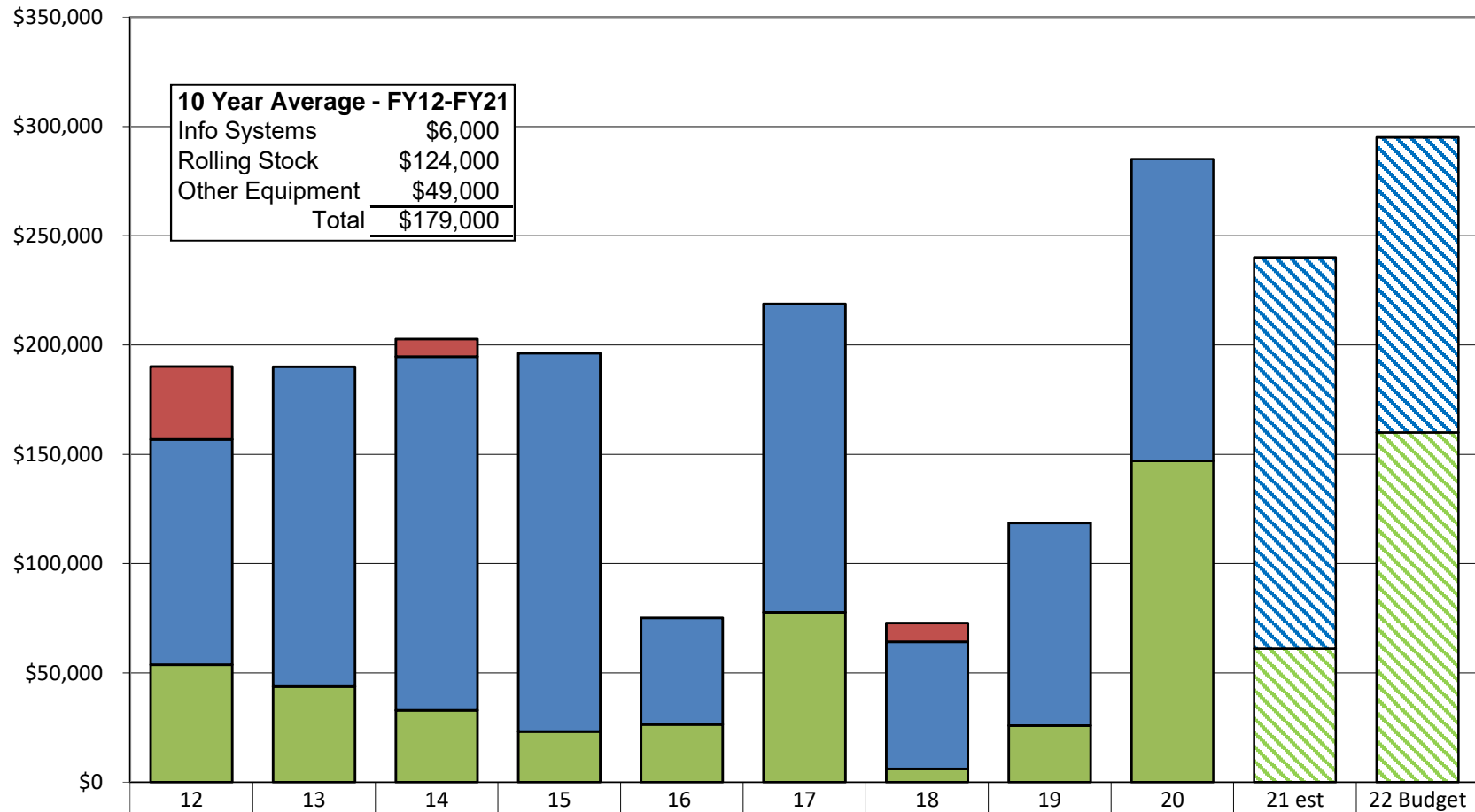
		Approved	Description
1 OPERATIONS/MAINTENANCE			
12106.01.00	a. Meter Maintenance Program	\$120,000	
		\$120,000	
2 Engineering			
12106.01.00	a. File Management System	\$40,000	Replace flat filing system
		\$40,000	
3 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
			<u>Rolling Stock to be Transferred & Auctioned or Description</u>
12104.01.00	a. Peterbilt 335 (#508) cab and chassis	\$135,000	Replace Peterbilt 335 (#508) cab and chassis
		\$135,000	
Total		\$295,000	

	Adopted Budget 2020/21	Estimated Actual 2020/21	Proposed Budget 2021/22
RECAP			
Equipment	\$142,000	\$61,000	\$160,000
Rolling Stock	\$188,000	\$179,000	\$135,000
	\$330,000	\$240,000	\$295,000

4/27/2021

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10 Year History of Equipment Purchases



	12	13	14	15	16	17	18	19	20	21 est	22 Budget
Info Systems	\$33,346	\$0	\$8,050	\$0	\$0	\$0	\$8,600	\$0	\$0	\$0	\$0
Rolling Stock	\$103,057	\$146,305	\$161,834	\$172,989	\$48,812	\$141,044	\$58,143	\$92,730	\$138,170	\$178,989	\$135,000
Other Equipment	\$53,724	\$43,764	\$32,884	\$23,231	\$26,374	\$77,802	\$6,131	\$25,849	\$146,935	\$61,053	\$160,000
Total	\$190,127	\$190,069	\$202,768	\$196,220	\$75,187	\$218,846	\$72,874	\$118,579	\$285,105	\$240,042	\$295,000

14

MEMORANDUM

To: Board of Directors
From: Robert Clark, Operations / Maintenance Superintendent 
Subject: FY 20/21 Third Quarter Progress Report - Operations/Maintenance
X:\MAINT SUP\2021\BOD\Q3 -2120 O&M update.doc

April 30, 2021

RECOMMENDED ACTION: Information**FINANCIAL IMPACT:** None**Novato**

With 8.56 inches of rain or 32 percent of average rainfall during this rainfall season Stafford Lake reached a maximum elevation of 178.4 feet or 29% of full capacity (overflow elevation is 196 feet). Beginning on February 18th Stafford Lake has been filling via a back feed from surplus SCWA water and at the end of March the lake reached an elevation of 183.6 feet or 45% of full capacity. The back feed will continue through the end of April is expected to reach 186 feet or 53% capacity.

Operations staff performed STP maintenance tasks including repairing the filter drain and replacing the filter media in treatment train #3 and replacement of all granular activated carbon. Staff completed annual Bay Area Chemical Consortium bid program for four primary treatment plant chemicals including Ferric Chloride, Chlorine, Sodium Hypo Chloride and Sodium Hydroxide. Staff completed the biannual ground water well inspections in Tomales and Novato as part of the Marin County ground water basin monitoring plan.

Maintenance staff completed scheduled tasks this period including replacement of direct buried TM line with a wireless connection for the San Antonio tank site. There are seven remaining leased lines that will need to be addressed in the future. Expansion of our new asset management program (NexGen) continues with reoccurring maintenance program tasks and equipment data population. District employee Kyle Bergstrom was transferred into the Maintenance group from the Construction group, as an Apprentice Electrical Mechanical Technician.

The 2020 Cross Connection Control (CCC) annual report was completed; highlights from the CCC program include; 90% completion of 2,128 backflow device tests and 100% completion of the commercial fire services testing. City of Novato and Novato Unified School District completed all device testing requirements again this year. Efforts continue towards updating the CCC program with focus on new program tracking software and addressing water front property CCC device installations.

West Marin System / Oceana Marin

Operations staff spent significant time in the West Marin system managing the water quality from the wells. Gallagher well requires an annual cleaning to help maintain flow and the Coast Guard wells had their 5-year cleaning scheduled for this low winter demand period. Increased

sediments in the Gallagher pipeline have led to high turbidity which the plant cannot treat and required staff to flush the 1.25-mile pipeline. Annual maintenance at the Point Reyes Treatment Plant also included cleaning of the contract chamber. Maintenance staff replaced Oceana Marin lift station pump #2 otherwise Oceana Marin was affected by a few PG&E maintenance outages.

15

MEMORANDUM

To: Board of Directors
 From: Tony Williams, Assistant GM/Chief Engineer *ARW*
 Subject: Vineyard Road Maintenance Agreement Update
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April 30, 2021

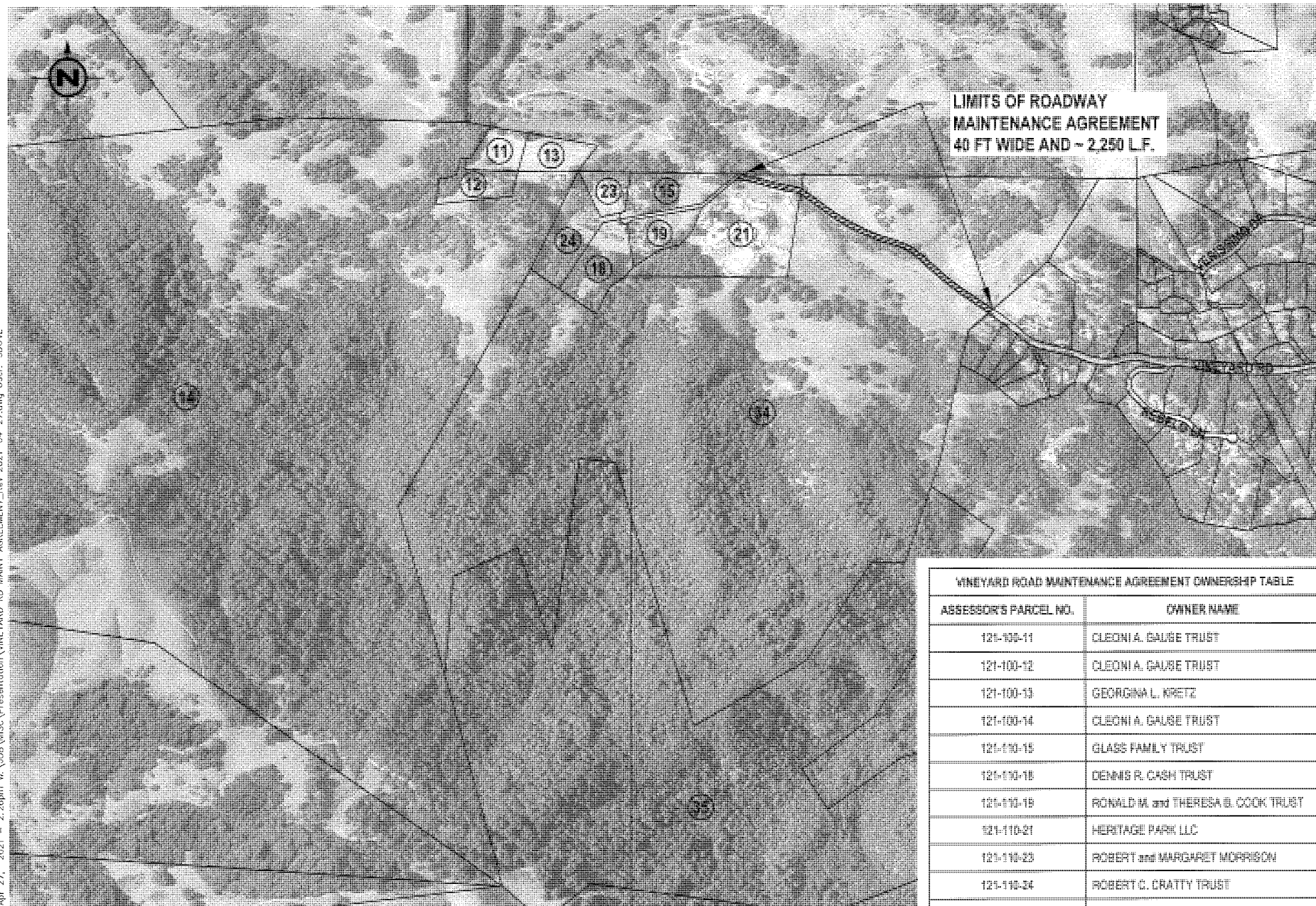
RECOMMENDED ACTION: Information Only
FINANCIAL IMPACT: None at this time.
 (Payment for \$1,041.00 recently made for maintenance work)

Beginning as early as 2007 after direction from the Board, staff have been working with the various stakeholders involved with the dirt road extension of Vineyard Road, past the end of the County-maintained limit. The stakeholders are the various properties owners that either border the existing roadway easement or rely on the roadway easement to access their properties from the County terminus to the intersection with Meadow Lane. The roadway is approximately 2,250 feet long and approximately 40 feet wide. A total of nine properties owners (including NMWD) plus the Marin County Open Space District currently make up the stakeholders involved as shown on the attached map (Attachment 1). The goal is to enter into a long-term Road Maintenance Agreement with all stakeholders that clearly identifies roles and financial responsibilities for the roadway maintenance as well as the scope of the maintenance.

In the interim period without a formal agreement in place, and in accordance with past practice and Board direction, the District will continue to contribute with either a financial contribution or using District materials, equipment and labor, to periodic maintenance of the extension of Vineyard Road across District watershed property. Recently a payment of \$1,041 was made for maintenance to begin this month. The planned work includes grading of the roadway, including resloping of existing drainage ditches, placement of new gravel surfacing and application of a dust palliative. The contribution is based on the District's proportion of the total of cost of work (\$5,250). Contributions by other stakeholders is summarized below:

Seven Landowners (1 share each)	\$2,429.00
District (3 shares)	\$1,041.00
Horse stables (5 shares)	\$1,735.00
Total:	<u>\$5,250.00</u>

Note that the Marin County Open Space District declined to make a financial contribution for this cycle of maintenance activities. However, discussions with them have resumed recently regarding a long-term maintenance agreement between all the stakeholders who use the roadway easement. Visitors to the Open Space District's Indian Tree Preserve use a portion of roadway easement for parking and access to one of the trailheads. The hope is that a formal Vineyard Road Maintenance Agreement will be developed this year that all parties can agree to and that it will be brought back to the Board for final execution.



VINEYARD ROAD MAINTENANCE AGREEMENT STAKEHOLDERS

VINEYARD ROAD MAINTENANCE AGREEMENT OWNERSHIP TABLE	
ASSESSOR'S PARCEL NO.	OWNER NAME
121-100-11	CLEONI A. GAUSE TRUST
121-100-12	CLEONI A. GAUSE TRUST
121-100-13	GEORGINA L. KRETZ
121-100-14	CLEONI A. GAUSE TRUST
121-110-15	GLASS FAMILY TRUST
121-110-16	DENNIS R. CASH TRUST
121-110-19	RONALD M. and THERESA B. COOK TRUST
121-110-21	HERITAGE PARK LLC
121-110-23	ROBERT and MARGARET MORRISON
121-110-34	ROBERT C. CRATTY TRUST
121-110-34	NORTH MARIN COUNTY WATER DISTRICT
121-110-35	MARIN COUNTY OPEN SPACE DISTRICT

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DISBURSEMENTS - DATED APRIL 22, 2021

Date Prepared 4/20/21

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 4/15/21	\$142,152.80
90374*	Internal Revenue Service	Federal & FICA Taxes PPE 4/15/21	64,553.91
90375*	State of California	State Taxes & SDI PPE 4/15/21	14,594.00
90376*	CalPERS	Pension Contribution PPE 4/15/21	38,444.70
EFT*	US Bank	February Bank Analysis Charge (Lockbox \$912 & Other \$347 Less Interest \$70)	\$1,189.75
1	All Star Rents	Propane (16 gal)	67.10
2	Amazon/Genuine-Hardware	Key scan Card Reader for Lab (\$123), Webcams (2) (\$168), Chlorine Reagent Pillows (1,000) (STP) (\$437), Milliamp Meter (\$727), Megohmmeter for E/M (\$163) & Misc Supplies and Equipment (\$284)	1,902.24
3	Associated Right of Way Services	Prog Pymt#6: Right of Way Real Estate Services for Gallagher Well #2 (Balance Remaining on Contract \$19,868)	1,275.00
4	Athens Administrators	March Indemnity Review Fee	105.00
5	AT&T	Leased Lines	66.68
6	Automation Direct	Programmable Logic Controller for San Antonio P/S	292.95
7	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt# 114 of 240) Aqueduct Energy Efficiency Project	46,066.67
8	Caltest Analytical Laboratory	Lab Testing (W.M.)	2,164.40
9	CDW-Government	Wireless Ergonomic Mouse	55.50
10	Cinquini & Passarino	Prog Pymt#5: PRE Tank 4A Survey (Balance Remaining on Contract \$13,578)	1,555.00
11	Clipper Direct	May Commuter Benefit Program	204.00

Seq	Payable To	For	Amount
12	Comcast	April Internet Connection	144.92
13	Digi-Key	Cell Modem Antennas (2)	104.73
14	Evoqua Water Technologies	Service on Deionization System	360.68
15	Frontier Communications	Leased Lines	1,444.50
16	GHD	Prog Pymt#19: Engineering Services for the Oceana Marin Pond Rehab Project (\$1,301) (Balance Remaining on Contract \$12,691) & Prog Pymt#4: Old Ranch Rd Tank No. 2 Design Services (\$14,497) (Balance Remaining on Contract \$25,728)	15,798.44
17	Goerndt, Alfred	Novato "Toilet Rebate" Program	100.00
18	Grainger	Miscellaneous Maintenance Tools & Supplies	955.27
19	HERC Rentals	Utility Truck Rental (4 Weeks)	2,581.72
20	Hildebrand Consulting	Preparation of Drought Surcharge Memo (\$4,830), Prog Pymt#6: 2021 West Marin Rate Study (\$1,260), & Prog Pymt# 2: Financial Model Training (\$1,680) (Balance Remaining on Contract \$2,205)	7,770.00
21	InfoSend	March Processing Fee for Water Bills (\$1,359), Postage (\$3,772) & March Support Fee (\$872)	6,003.81
22	Intellaprint Systems	2nd Quarter Maintenance Engineering Scanner/Copier	447.00
23	Jim-n-i Rentals	Trench Plate Lifters (2)	598.30
24	Kiosk Creative	Prog Pymt#19: District Directed Communication Support (Balance Remaining on Contract \$18,073)	2,718.50
25	Lincoln Life	Deferred Compensation 4/15/21	8,084.98
26	Mallory Safety and Supply	Sales Tax Adjustment from Previous Invoice	46.45
27	Marin Independent Journal	Ordinance 41 & Declaration of a Water Shortage Emergency Ads (3/4 & 3/25)	177.08
28	Nationwide Retirement Solution	Deferred Compensation 4/15/21	920.00
29	Office Depot	Copy Paper (Letter & Tabloid Size) (95 reams)	437.15

Seq	Payable To	For	Amount
30	Pace Supply	Corp Stops (20) (\$446) & Couplings (22) (\$2,923)	3,368.53
31	Pacific Coast Cutters	Saw Cut Pavement (Grant Ave)	1,432.50
32	Parkinson Accounting Systems	Accounting Software Support	585.00
33	PES Environmental	Prog Pymt#9: Consulting Services Gallagher Ranch Well #2 Project (Balance Remaining on Contract \$24,013)	3,465.00
34	Point Reyes Prop Mgmt Assn	April HOA Fees (25 Giacomini Road)	75.05
35	Quadient	May Postal Meter Rental	143.09
36	R & B	Cement Lined Pipe (20') (\$1,128), Elbows (3) (\$1,200) & Flange Adaptors (3) (\$1,996)	4,324.61
37	SMART	Easement Access @ Golden Gate Crossing	848.95
38	Soiland	Rock (24 tons) (\$489) & Asphalt (6 tons) (\$58)	547.87
39	Sonoma County Water Agency	March Contract Water	814,412.67
40	SPG Solar	March Energy Delivered Under Solar Services Agreement	13,051.36
41	Township Building Services	March Janitorial Services	2,035.48
42	TPx Communications	April Telephone Charges	712.71
43	USA BlueBook	Tube & Roller Assemblies (STP) (\$393) & Chemical Injection Quill (PRTP) (\$131)	523.72
44	VWR International	Hydrochloric Acid, Standards (2) (\$71) & Reagent (\$62) (Lab)	184.59
		TOTAL DISBURSEMENTS	<u>\$1,209,094.36</u>

The foregoing payroll and accounts payable vouchers totaling \$1,209,094.36 are hereby approved and authorized for payment.


Auditor-Controller

4/20/2021
Date


General Manager

4/20/2021
Date

DISBURSEMENTS - DATED APRIL 29, 2021

Date Prepared 4/27/21

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:

<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
90377	US Bank Card	Webinar "Management Skills for Support Staff" (\$99), City of Novato "No Parking" Signs (200) (\$300), AWWA D3-D4 Review & Math Webinars (Simpson) (\$350) & Reference Book "Submersible Vertical Turbine Pumps" (\$76), Board of Professional Engineer Recertification (McIntyre) (\$180), Zoom for Board Meetings (\$13) & 1st Quarter State Payroll Tax Return Filing (\$37)	\$1,054.17
1	Alpha Analytical Labs	Lab Testing	55.00
2	American Family Life Ins	April AFLAC Employee Paid Benefit	3,085.53
3	ATT	April Internet Connection	90.25
4	Autoworld	Trailer Brake Controller ('18 Dodge Ram)	737.26
5	Bay Area Barricade Service	Sign Posts (6) (Vineyard Rd)	181.96
6		Vision Reimbursement	368.00
7	ChromaGraphics	Notice of Public Hearing Novato Postage (\$3,945) & Notice of Public Hearing West Marin Postage (\$234)	4,179.00
8	Core Utilities	Consulting Services: March IT Support (\$6,000), SCADA Maintenance (\$1,700), Maintenance on Recycled Water Reports (\$500) & CORE Billing Maintenance (\$625)	8,825.00
9	DeGabriele, Chris	Prog Pymt#12: Consulting Services for Office/Yard Building Refurbish & Gallagher Well #2 Projects (Balance Remaining on Contract \$29,284)	3,308.16
10	Fedak & Brown	March Progress Billing (FY21 Financial Audit) (Balance Remaining on Contract \$17,969)	776.00
11	Ferguson Waterworks	AMI Watersmart Portal Annual Fee (4/21-3/22)	14,000.00

Seq	Payable To	For	Amount
12	Fishman Supply	Safety Supplies	516.80
13	Arthur J. Gallagher	FY21 Property, Excess Liability, Public Official Errors & Omissions, Employee Fidelity & Auto Physical Damages	157,194.00
14	Grainger	Reciprocating Saw Blades (11) (\$404) & Miscellaneous Maintenance Tools & Supplies (\$301)	618.41
15	Home Depot	Garbage Bags (32)	29.56
16	Kaiser	Pre-Employment (Clyde) & DMV/DOT Physical (LeBrun) (\$115)	180.00
17	Kiosk Creative	Novato City Guide (Print Ad Concept, Copy & Design)	500.00
18	Mallory Safety and Supply	Oxygen Sensor for Gas Monitors (STP)	423.16
19	McMaster-Carr Supply	Conduit Clamps for PRE 4C	95.63
20	McPhail Fuel	Propane for Tahiti Way Lift Station Generator	509.44
21	Mitchell, Gary	Refund Overpayment on Closed Account	129.18
22	NMWD Employee Association	Dues 12/15/20 Through 4/15/21	1,975.00
23	Pace Supply	Meter Stops (55) (\$3,968), Tube Nuts (4) (\$515), Unions (4) (\$87), Couplings (6) (\$463), Gaskets (83) (\$506), Nipples (5) (\$62), Tees (6), Polyguard Tape (2) (\$111) & Dual Wedge	5,857.38
24	Preferred Alliance	Pre-Employment Physical (Clyde)	42.00
25	Scott Technology Group	Monthly Maintenance on Engineering Copier (4/21-5/21) (\$183) & Contract Overage Charge	212.46
26	State Water Resources Control	D2 Certification Renewal (Garrett)	150.00
27	SWRCB Accounting Office	Lab Certification	3,500.00
28	Syar Industries	Asphalt (12 tons)	1,881.78
29	United Parcel Service	Delivery Services: Sent Halogen Shut-Off Valve (STP), Water Service Agreement for Hamilton Project & Fire Service Test Forms	38.39
30	Univar	Sodium Bisulfite (8,800 lbs) (STP)	3,960.00

Seq	Payable To	For	Amount
31	US Postal Service	Meter Postage	1,000.00
32	VWR International	Sulfate Standard Solution (Lab)	35.88
33	Waste Management	Green Waste Removal	614.64
		TOTAL DISBURSEMENTS	<u>\$216,124.04</u>

The foregoing payroll and accounts payable vouchers totaling \$216,124.04 are hereby approved and authorized for payment.


Auditor-Controller

4/27/2021
Date


General Manager

4/27/2021
Date

MEMORANDUM

To: Board of Directors
From: Nancy Williamson, Senior Accountant *NW*
Subj: Information – FY21 3rd Quarter Labor Cost Report
t:\acl\word\memo\21\2ns qtr labor cost rpt.doc

April 30, 2021

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Total labor cost increased \$77,948 1.3% from the prior fiscal year. Attached in graphical format is a five-year comparative summary of total labor cost (Attachment A), overtime cost (Attachment B) and temporary employee cost (Attachment C) expended during each fiscal year. Also attached is a summary of total labor cost vs. budget (Attachment D), which shows that labor was 16.4% under budget through the end of the third quarter of the fiscal year.

Department	Increase / (Decrease) in Labor Cost vs prior FY	% Change
Administration	\$53,088	3.4%
Engineering	\$27,377	2.8%
Operations/Maint	(\$54,968)	(2.3%)
Construction/Maint	\$52,451	4.1%
Net Increase/(Decrease)	\$77,948	1.3%

Comment on Change from Prior Year

Administration: Labor Cost increased \$53,088, or 3.4%. The HR/Safety Mgr position, which was vacant the entire prior fiscal year, has been filled for six months through the third quarter of this year. There were also four 5% step increases, two promotions and the 2.0% cost of living adjustment (COLA) effective October 1, 2020. The increase was offset by the retirement of the Consumer Services Supervisor on June 5, 2020, the reorganization of that department and to fewer temporary hours worked.

Engineering: Labor Cost increased \$27,377, or 2.8%. The increase is due to the October 2020 COLA, three 5% step increases and more temporary hours worked. The increase was offset by the retirement of an Assoc Civil Engineer on September 30, 2020 and that position remaining vacant.

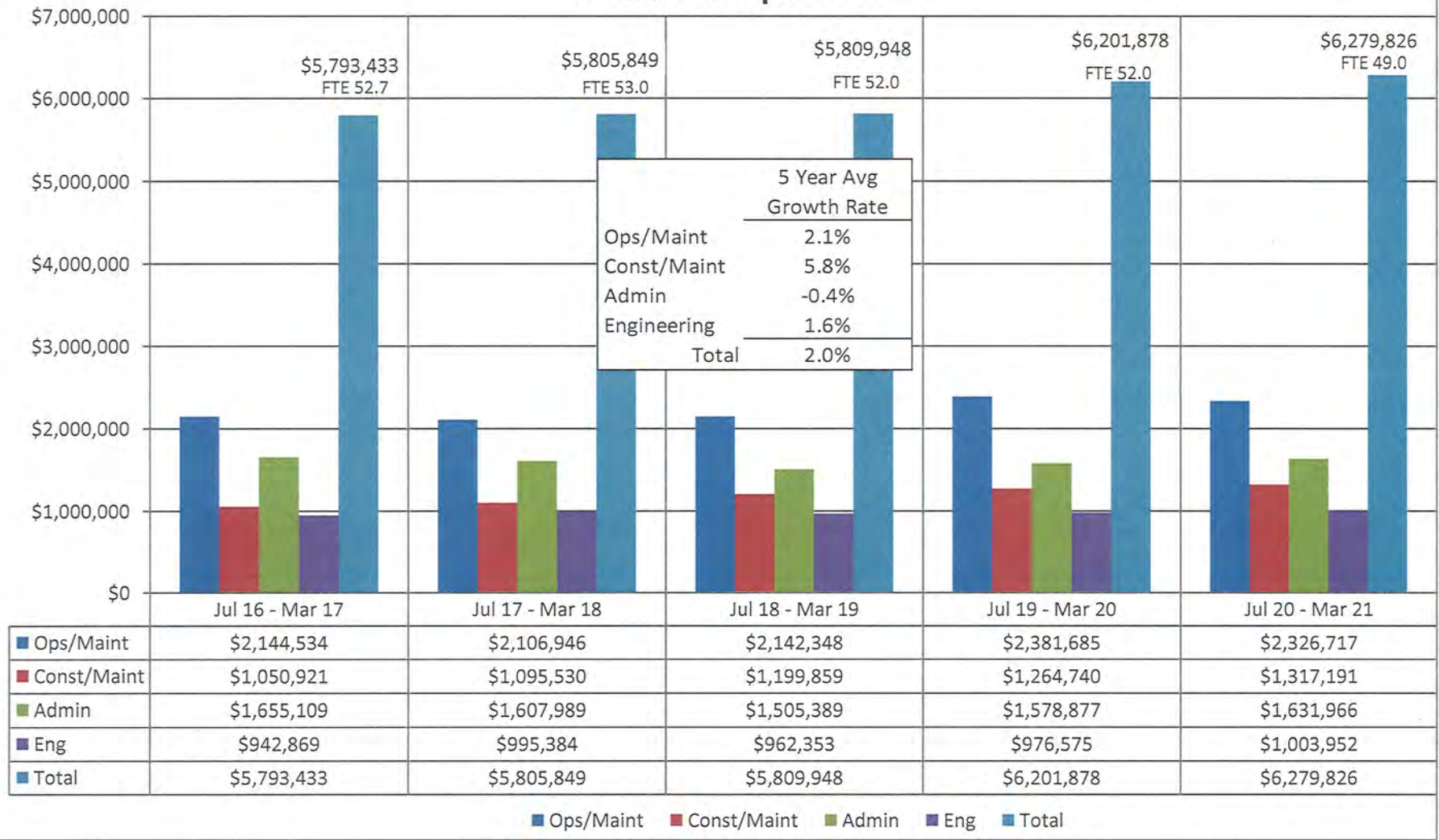
Operations/Maintenance: Labor Cost decreased \$54,968, or 2.3%. The decrease is due a Chemist II position being vacant since February 21, 2020, an Electrical/Mechanical Technician position being vacant from September 11, 2020 until March 1, 2021 and also due to a vacancy of the Assistant Water Distribution & Treatment Plan Operator position since December 2, 2020. The decrease was offset by seven 5% step increases, three promotions and the October 2020 COLA.

Construction/Maintenance: Labor Cost increased \$52,451, or 4.1%. The increase is due to more On Call pay because of an entire crew being on call in order to keep crews separate due to COVID-19 distancing precautions as well as nine 5% step-increases, two promotions and the October 2020 COLA. The increase was offset by various unpaid leave as well as a laborer moving to the Maintenance Department on March 1, 2021 and a laborer position remaining vacant.

4/16/21

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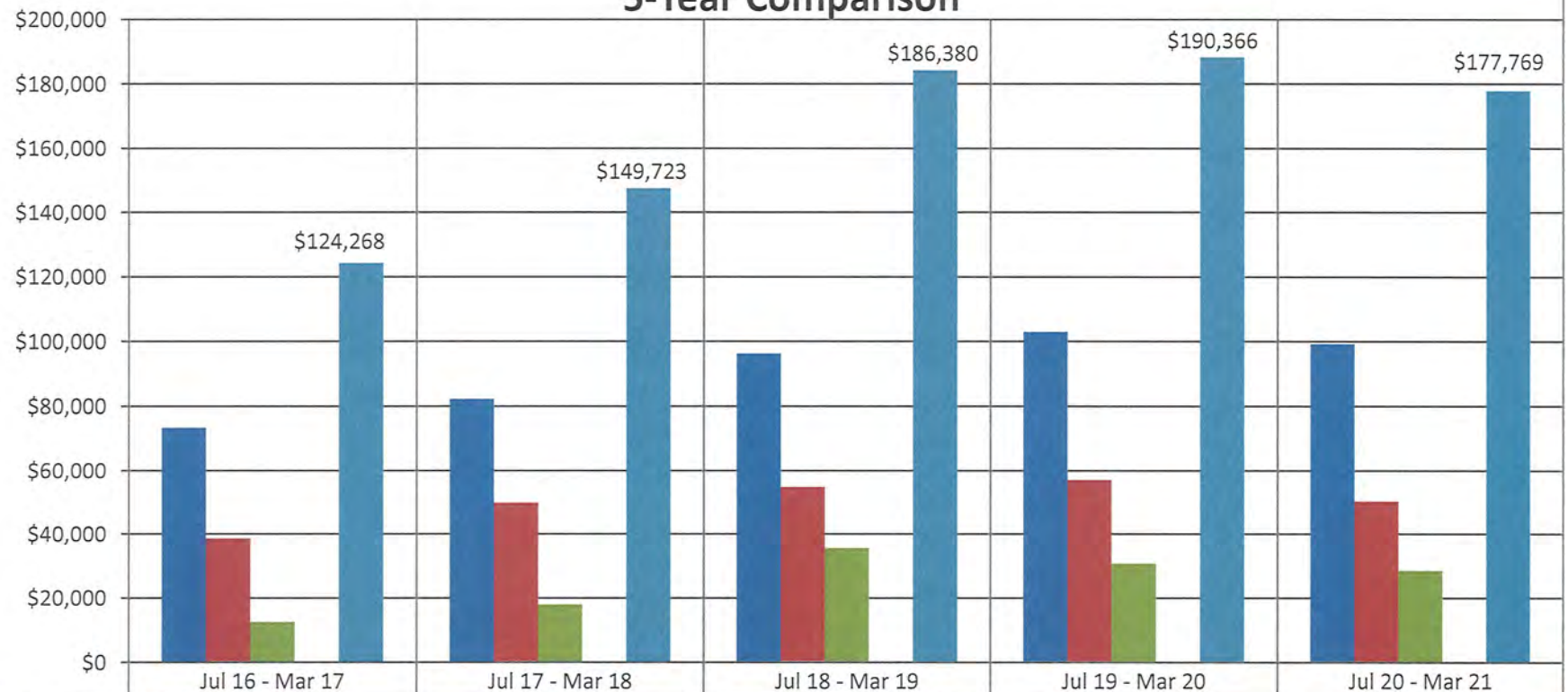
Total Labor Cost NMWD Fiscal Year through March 5-Year Comparison



4/16/21

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Overtime Cost NMWD Fiscal Year through March 5-Year Comparison



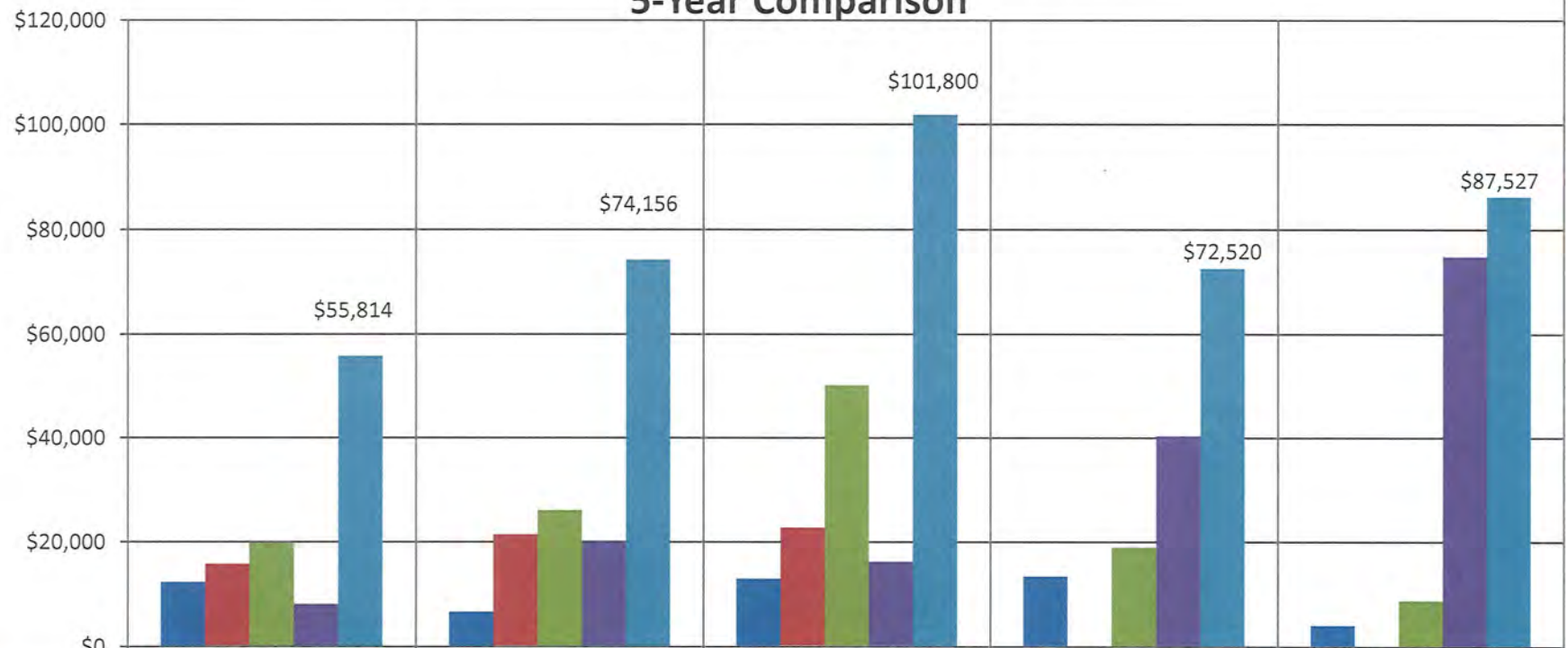
■ Ops/Maint	\$73,285	\$82,171	\$96,142	\$102,848	\$99,154
■ Const/Maint	\$38,475	\$49,682	\$54,750	\$56,937	\$50,166
■ Admin	\$12,425	\$17,870	\$35,489	\$30,582	\$28,450
■ Eng	\$84				
■ Total	\$124,268	\$149,723	\$186,380	\$190,366	\$177,769

■ Ops/Maint ■ Const/Maint ■ Admin ■ Eng ■ Total

4/16/21

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Temporary Employee Cost NMWD Fiscal Year through March 5-Year Comparison



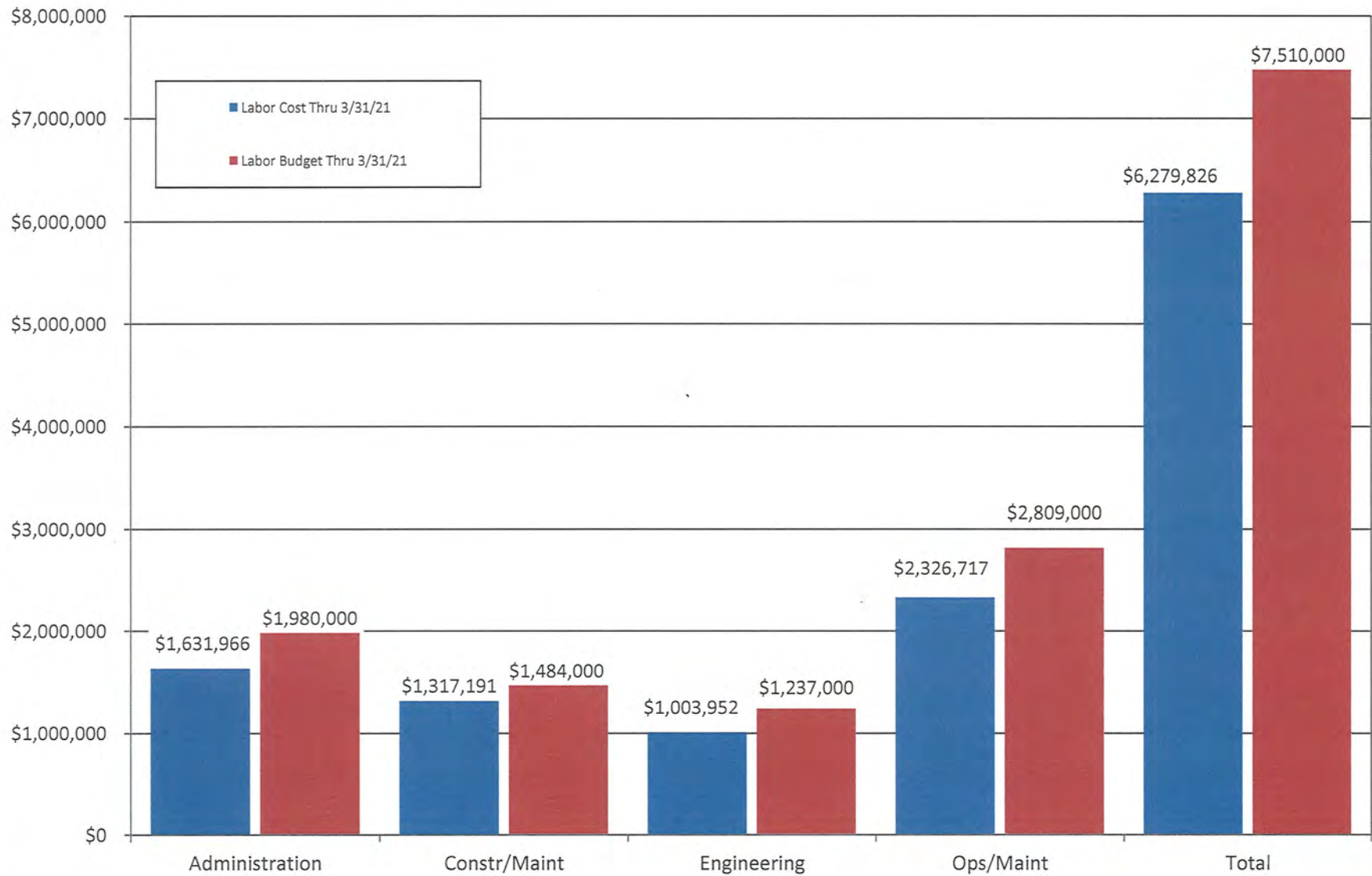
	Jul 16 - Mar 17	Jul 17 - Mar 18	Jul 18 - Mar 19	Jul 19 - Mar 20	Jul 20 - Mar 21
Ops/Maint	\$12,298	\$6,644	\$12,926	\$13,380	\$4,038
Const/Maint	\$15,714	\$21,318	\$22,671		
Admin	\$19,713	\$26,084	\$50,077	\$18,883	\$8,800
Eng	\$8,089	\$20,110	\$16,126	\$40,257	\$74,689
Total	\$55,814	\$74,156	\$101,800	\$72,520	\$87,527

■ Ops/Maint
 ■ Const/Maint
 ■ Admin
 ■ Eng
 ■ Total

4/16/21

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Total Labor Cost vs. Budget NMWD Fiscal Year through March



MEMORANDUM

To: Board of Directors

April 30, 2021

From: Julie Blue, Auditor-Controller *JB*

Subj: Rate Increase Notice on Water Bills – Novato Service Area

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RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: No Cost

At the April 20th NMWD board meeting the Board of Directors approved a customer letter notifying of a proposed increase to water rates and related public hearing. In conjunction with the individually addressed letters to customers regarding the proposed rate increase, the District will include a message on each customer's water bill. The notice will read:

A virtual or physical public hearing will be held on June 15, at 6pm, to consider a 6% rate increase effective July 1, equal to \$3.75 per month for the average residential customer. The impact on your account can be viewed at <https://nmwd.com/account/annual-cost-calculator> or call us at 415-897-4133.

The Annual Water Cost Calculator on the District's website calculates the cost and impact of the proposed increases in dollars and percentages for every customer account based on each account's individual water use history. An example, using NMWD's average single-family customer in Zone A, who uses 91,000 gallons of water annually, is shown on the following page. A similar notice, as the one above, will be placed on the District's website along with a link to the *Annual Water Cost Calculator* and a link to a copy of the rate increase notification letter.

NMWD's customer base is divided into eight groups billed bimonthly. The message will be included on the Novato Service Area water bills mailed between April 22 and June 10, 2021.

NMWD ANNUAL WATER COST CALCULATOR

Service Location: 123 Main Street
Zone: A

Account No: 123456
Meter Size: 0.625"

Basic Data	10/1/2020	7/1/2021
Water Use (Annual Gallons) *	91,000	91,000
Service Charge (Bimonthly)	\$41.46	\$43.95
Water Rate/1,000 Gallons **	\$5.50	\$5.83
Annual Cost		
Service Charge	\$249	\$264
Water Use Charge	\$501	\$531
Total Annual Cost	\$749	\$794
Annual Increase		\$44.97
Percentage Increase		6.0%
Monthly Increase: ***		\$3.75

* Water Use shown is based on your prior 12 months billed consumption.

** Water Rate shown is your annual average. The Water Rate and Water Use Charge assume your seasonal water use pattern remains consistent with your prior 12 months billed consumption.


*** Note that bills are rendered bimonthly (every 2 months).

This Annual Water Cost Calculator is for estimating purposes only and may not provide all of the information contained on your specific customer bill or be precisely accurate. Your future water cost will vary based upon your actual water use. If you have questions about this calculator please call the District at 415.897.4133 and ask for customer service.

MEMORANDUM

To: Board of Directors

April 30, 2021

From: Julie Blue, Auditor-Controller 

Subj: Rate Increase Notice on Water Bill – West Marin Water Service Area

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RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: No Cost

At the April 20th NMWD board meeting the Board of Directors approved a customer letter notifying of a proposed increase to water rates, rate structure changes, and related public hearing for the West Marin Water Service Area. In conjunction with the individually addressed letters to customers regarding the proposed rate increase and rate structure changes, the District will include a message on each customer's water bill. The notice will read:

A virtual or public hearing will be held on June 22, at 6pm, to consider a global 6% revenue increase effective July 1, equal to \$4 per month for the average residential customer. The impact on your account can be viewed at <https://nmwd.com/account/annual-cost-calculator> or call us at 415-897-4133.

The Annual Water Cost Calculator on the District's website calculates the cost and impact of the proposed increases and structure changes in dollars and percentages for every customer account based on each account's individual water use history. The proposed rate structure modifications will result in individual customer bills that may increase more or less than the 6% global revenue increase. An example, using West Marin Water's average single-family customer in Zone 1, who uses 54,000 gallons of water annually, is shown on the following page. A similar notice, as the one above, will be placed on the District's website along with a link to the *Annual Water Cost Calculator* and a link to a copy of the rate increase notification letter.

West Marin Water's customer base is billed every other month. This message will be included on the customer bills on June 10th, prior to the June 22nd public hearing.

NMWD ANNUAL WATER COST CALCULATOR

Service Location: 12345 State Route 1, Point Reyes **Account No:** 2123456
Zone: 1 **Meter Size:** 0.625"

Basic Data	10/1/2020	7/1/2021
Water Use (Annual Gallons) *	54,000	54,000
Service Charge (Bimonthly)	\$35.68	\$42.49
Water Rate/1,000 Gallons **	\$11.43	\$11.52
Annual Cost		
Service Charge	\$214	\$255
Water Use Charge	\$617	\$622
Total Annual Cost	\$831	\$877
Annual Increase		\$45.72
Percentage Increase		5.5%
Monthly Increase: ***		\$3.81

* Water Use shown is based on your prior 12 months billed consumption.

** Water Rate shown is your annual average. The Water Rate and Water Use Charge assume your seasonal water use pattern remains consistent with your prior 12 months billed consumption.

*** Note that bills are rendered bimonthly (every 2 months).

This Annual Water Cost Calculator is for estimating purposes only and may not provide all of the information contained on your specific customer bill or be precisely accurate. Your future water cost will vary based upon your actual water use. If you have questions about this calculator please call the District at 415.897.4133 and ask for customer service.



NOTICE OF PUBLIC HEARING

REGARDING PROPOSED RATE INCREASES

For the Novato Service Area

This Notice provides information about proposed increases to North Marin Water District's water rates and charges for the Novato Service Area. The Board of Directors will hold a public hearing at which public comments will be considered and written protests will be counted before the Board votes on the proposed increases.

HEARING DATE: Tuesday, June 15, 2021
TIME: 6:00 p.m.
LOCATION*: North Marin Water District
999 Rush Creek Place
Novato, CA 94945

The District proposes increasing revenue for fiscal year 2021-2022. If approved at the public hearing on June 15, 2021, the new rates will go into effect on July 1, 2021.

**Should COVID-19 restrictions remain in effect, for in-person meeting attendance in Marin County, at the time of the scheduled public hearing additional information regarding accommodating public participation shall be provided on the District website at www.nmwd.com.*

REASONS FOR THE PROPOSED RATE INCREASE

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

Increased investment in water facilities. The District must continue to invest in facility upgrades and replacements with an approximate cost of \$4 million per year. This will help address the need to properly maintain the District's \$138 million system of pipelines, pumps, reservoirs, treatment plants, valves, hydrants, laboratory, monitoring systems, and more.

Advanced Meter Information (AMI) System. The District invested \$5.8 million dollars to implement an AMI system. This system provides real time meter reads, reduces customer water loss, provides increased accuracy in bi-monthly billing and water use data, and allows customers to view and monitor their individual water use.

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

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

MILLIONS OF DOLLARS SAVED

Cost control is a daily focus of North Marin Water District, which is one reason our rates are the lowest in Marin County and at the median for water agencies around the Bay Area region. Here are some of the ways we have kept rates down.

- We decreased electrical costs by installing clean solar energy systems.
- We obtained over \$10 million in grants for recycled water expansion.
- We saved \$18 million by sharing the cost of a large aqueduct project with other public agencies.
- We reduced future retirement benefit costs for new employees and reduced the number of full-time employees from 58 a decade ago to 54 today.
- The recycled water (RW) system was implemented without additional staffing. RW reduces potable water use.

Details of the Proposal

Proposed 6% rate increase.

Novato Water - North Marin Water District is proposing a 6% rate increase to cover the increasing costs of providing quality potable water service to our Novato Water service area customers.

Recycled Water - A 6% rate increase is proposed for the Recycled Water System. Additionally, for all meters 1" and larger, an additional charge of \$24.11 will be added to the fixed service charge. This additional charge will increase the service charge to conform with the proposed rates as shown in the 2020 Novato and Recycle Water Rate Study.

The typical residential customer (approximately 56% of all customers) will pay about \$3.75 more per month if the changes are approved (\$7.50 on the bi-monthly bill).

PROPOSED BI-MONTHLY FIXED SERVICE CHARGES

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

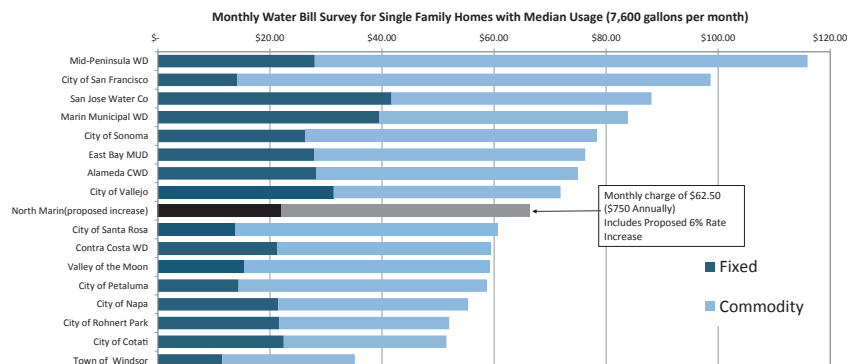
PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR POTABLE WATER		
Meter Size (in inches)	Current Fixed Charge	Proposed Fixed Charge
5/8"	\$41.46	\$43.95
1"	\$74.06	\$78.50
1.5"	\$128.38	\$136.08
2"	\$193.57	\$205.18
3"	\$367.41	\$389.45
4"	\$562.98	\$596.76
6"	\$1,106.23	\$1,172.60
8"	\$1,432.18	\$1,518.11

PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR RECYCLED WATER		
Meter Size (in inches)	Current Fixed Charge	Proposed Fixed Charge
5/8"	\$48.78	\$51.71
1"	\$61.68	\$90.93
1.5"	\$123.35	\$156.31
2"	\$197.36	\$234.76
3"	\$394.72	\$443.96
4"	\$640.86	\$679.31
6"	\$1,233.50	\$1,333.07

To learn how the proposed rates will affect your specific water bill, check out the District's water cost calculator, available at nmwd.com/account/annual-cost-calculator.

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

NOVATO WATER RATE COMPARISON



Proposed Rate Increases

PROPOSED TIERED QUANTITY (USAGE) CHARGES

The Tiered Quantity (Usage) Charges has three tiers that reflect the costs of the different sources of water. Tier 1 (1-262 gallons per day - GPD) is based on the cost of imported water. Tier 2 (263-720 GPD) is based on the cost of locally treated water from Stafford Lake. Tier 3 (>720 GPD) is based on the cost of locally treated water plus the cost of the District's conservation program, which is paid by those customers that use the most water. Usage charges include an **elevation zone charge** to recover the costs of pumping water to higher elevations.

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR RESIDENTIAL POTABLE WATER						
Quantity Charge Per 1,000 Gallons	CURRENT RATES			PROPOSED RATES		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Residential Elevation Zone A	\$5.50	\$6.23	\$7.67	\$5.83	\$6.60	\$8.13
Residential Elevation Zone B	\$6.26	\$6.99	\$8.43	\$6.64	\$7.41	\$8.94
Residential Elevation Zone C	\$7.60	\$8.33	\$9.77	\$8.06	\$8.83	\$10.36

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR COMMERCIAL POTABLE WATER				
Quantity Charge Per 1,000 Gallons	CURRENT RATES		PROPOSED RATES	
	Winter	Summer	Winter	Summer
Commercial Elevation Zone A	\$5.50	\$7.67	\$5.83	\$8.13
Commercial Elevation Zone B	\$6.26	\$8.43	\$6.64	\$8.94
Commercial Elevation Zone C	\$7.60	\$9.77	\$8.06	\$10.36

PROPOSED FIRE SERVICE CHARGES

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

PROPOSED BI-MONTHLY FIRE CONNECTION CHARGE		
Service Size	Current	Proposed
1"	\$14.24	\$15.09
2"	\$18.78	\$19.91
4"	\$52.40	\$55.54
6"	\$73.60	\$78.02
8"	\$97.83	\$103.70
10"	\$128.11	\$135.80

PROPOSED BI-MONTHLY USAGE RATES FOR OTHER WATER SERVICES

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

PROPOSED BI-MONTHLY USAGE RATES		
Quantity Charge Per 1,000 Gallons		
Water Type	Current	Proposed
Raw	\$2.93	\$3.11
Recycled	\$6.24	\$6.61
Temporary	\$6.99	\$7.41



NORTH MARIN WATER DISTRICT

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

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BOARD OF DIRECTORS

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

GENERAL MANAGER

Drew McIntyre

Notice of Public Hearing on Proposed Rate Increases

Where to Learn More, Get Answers, and Make Comments

CONTACT US:

Phone: 415-897-4133
Email: info@nmwd.com

VISIT OUR WEBSITE:

www.nmwd.com

VISIT OUR OFFICE:

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

ATTEND THE BOARD HEARING

The Board will review and consider adopting the rate increases on June 15, 2021, at 6:00 p.m. at North Marin Water District, 999 Rush Creek Place, Novato, CA 94945. Should COVID-19 restrictions remain in effect in Marin County at the time of the scheduled public hearing, additional information regarding accommodating public participation will be provided on the District's website at www.nmwd.com.

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

How to Protest the Proposed Rate Increases

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



NOTICE OF PUBLIC HEARING

REGARDING PROPOSED REVENUE INCREASES AND RATE STRUCTURE CHANGES

For the West Marin Water System Service Area

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

HEARING DATE: Tuesday, June 22, 2021

TIME: 6:00 p.m.

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

The District proposes increasing revenue and revising the water rate structure for fiscal year 2021-2022. If approved at the public hearing on June 22, 2021, the new rates and rate structure changes will go into effect on July 1, 2021.

**Should COVID-19 restrictions remain in effect in Marin County at the time of the scheduled public hearing, additional information regarding accommodating public participation shall be provided on the District website at www.nmwd.com.*

REASONS FOR THE PROPOSED REVENUE INCREASE

The key reasons rate revenue increases are needed are described below.

Continued investment in water facilities. The District must continue to make investments in facility upgrades and replacements that will benefit the West Marin Water System's fire protection, water supply, and aging infrastructure. This will help to properly maintain the service area's treatment plant, 26 miles of pipeline, 7 pump stations, 13 tanks, 3 wells, 168 hydrants, monitoring systems, and more.

Impact of inflation on all costs. The proposed revenue increase is designed to meet all the costs of providing water service, all of which rise every year with inflation. These costs include treating and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

REASONS FOR THE PROPOSED RATE STRUCTURE CHANGES

The cost for serving each class of customers varies over time because of changes in customer water use, state regulations, service costs, and other factors. The District engaged Hildebrand Consulting, an experienced rate consultant, to review its water rate structure for the West Marin Water System Service Area. The proposed changes to the water rate structure are based on the recommendations of the consultant and will ensure that each class of customer continues to pay their fair and proportional share of costs.

DOLLARS SAVED

Cost control is a daily focus of the North Marin Water District, which is one reason our West Marin water rates are the second lowest when compared to other West Marin Coastal Area Retail Water Agencies. Here are some of the ways we have kept rates down.

- We participate in a local agency chemical purchase pool to get the best pricing available based on economies of scale.
- We obtained 57% grant/outside contribution funding for the \$0.7 million Lagunitas Creek Streambank Stabilization project.
- We obtained 98% grant funding for the \$1.3 million Gallagher Well Field Transmission Pipeline project.
- We reduced the number of full-time employees from 58 a decade ago to 54 today.

Details of the Proposed Revenue Inc

Proposed 6% revenue increase. North Marin Water District is proposing a global 6% rate revenue increase in its West Marin Water System in order to cover the increasing costs of providing potable water that is reliable, high quality, environmentally responsible and reasonably priced.

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

PROPOSED BI-MONTHLY FIXED SERVICE CHARGES

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

PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR POTABLE WATER		
Meter Size (in inches)	Current Fixed Charge	Proposed Fixed Charge
5/8"	\$35.68	\$42.59
PRE* 5/8"&1"**	\$54.08	\$42.59
1"**	\$71.36	\$104.80
1.5"	\$87.05	\$208.47
2"	\$135.74	\$332.88
3"	\$268.77	\$664.64
4"	\$431.59	\$1,037.87

*PRE is the area of Paradise Ranch Estates

**Residential accounts that have a 1" meter due to fire requirements, but would otherwise have 5/8" meter, are charged at the 5/8" meter rate.

To learn how the proposed rates will affect your specific water bill, check out the District's water cost calculator, available at nmwd.com/account/annual-cost-calculator.

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

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

Increases and Rate Structure Changes

PROPOSED TIERED QUANTITY (USAGE) CHARGES

The proposed update to Quantity (usage) Charges reflect the cost of the different sources of water in the tiered and seasonal rates. Tier 1* (1-250 gallons per day (GPD)) is based on the cost of drawing water from existing wells and half of the capital costs associated with developing a new well. Tier 2* (251-600 GPD) includes all of Tier 1 costs, as well as the remaining capital costs associated with the new well. Tier 3* (>600 GPD) includes all of the Tier 2 costs, as well as the costs of the District's conservation program. Usage charges may include an **elevation (hydraulic) zone charge** to recover the costs of pumping water to higher elevations.

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR RESIDENTIAL POTABLE WATER						
Quantity Charge Per 1,000 Gallons	CURRENT RATES			PROPOSED RATES		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Residential Elevation Zone 1	\$9.66	\$13.38	\$21.45	\$8.88	\$12.91	\$18.33
Residential Elevation Zone 3**	\$10.61	\$14.33	\$22.40	\$9.98	\$14.01	\$19.43
Residential Elevation Zone 2**	\$9.91	\$13.63	\$21.70	\$11.07	\$15.10	\$20.52
Residential Elevation Zone 4**	\$16.12	\$19.84	\$27.91	\$15.04	\$19.07	\$24.49

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR COMMERCIAL POTABLE WATER				
Quantity Charge Per 1,000 Gallons	CURRENT RATES		PROPOSED RATES	
	Winter	Summer	Winter	Summer
Commercial Elevation Zone 1	\$9.77	\$13.51	\$8.88	\$18.33
Commercial Elevation Zone 3**	\$10.72	\$14.46	\$9.98	\$19.43
Commercial Elevation Zone 2**	\$10.02	\$13.76	\$11.07	\$20.52
Commercial Elevation Zone 4**	\$16.23	\$19.97	\$15.04	\$24.49

*Current Tier Allocations: Tier 1 (0-400 GPD), Tier 2 (401-900 GPD) and Tier 3 (>900 GPD).

** Zone 3 (Olema) is at a lower elevation than Zone 2 (Inverness Park, Bear Valley, and Lower Paradise Ranch Estates)

** Zone 4 (Upper Paradise Ranch Estates).

PROPOSED FIRE SERVICE CHARGES

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

PROPOSED BI-MONTHLY FIRE CONNECTION CHARGE		
Service Size	Current	Proposed
1"	\$17.85	\$15.09
2"	\$17.85	\$19.91
4"	\$32.99	\$55.54
6"	\$64.35	\$78.02
8"	\$98.44	\$103.70
10"	\$128.71	\$135.80

PROPOSED BI-MONTHLY USAGE RATES FOR OTHER WATER SERVICES

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

PROPOSED BI-MONTHLY USAGE RATES		
Quantity Charge Per 1,000 Gallons		
Water Type	Current	Proposed
Temporary	\$19.97	\$15.10
Outside Improvement District	\$3.85	\$4.08



NORTH MARIN WATER DISTRICT

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

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

GENERAL MANAGER

Drew McIntyre

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

Where to Learn More, Get Answers, and Make Comments

CONTACT US:

Phone: 415-897-4133
Email: info@nmwd.com

VISIT OUR WEBSITE:

www.nmwd.com

VISIT OUR OFFICE:

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

ATTEND THE BOARD HEARING

The Board will review and consider adopting the rate increases and rate structure modifications on June 22, 2021, at 6:00 p.m. at the North Marin Water District, 999 Rush Creek Place, Novato, CA 94945. Should COVID-19 restrictions remain in effect in Marin County at the time of the scheduled public hearing, additional information regarding accommodating public participation will be provided on the District's website at www.nmwd.com.

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

How to Protest the Proposed Changes

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



**NORTH MARIN
WATER DISTRICT**

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

PHONE
415-897-4133

EMAIL
info@nmwd.com

WEB
www.nmwd.com

April 30, 2021

RE: Notice of Proposed Oceana Marin Sewer Service Cost Increase

Dear Customer:

This letter is to advise you of a **proposed increase to the Oceana Marin sewer service charge** that would take effect on July 1, 2021. It also provides information about a **Public Hearing scheduled on June 22, 2021**, at which time written protests and oral comments will be considered and a vote on the proposed increase will be taken by the North Marin Water District Board of Directors.

How much is the proposed rate increase?

Current Oceana Marin sewer service charges are \$98/month (\$1,176/year). A **5% increase** is proposed equaling \$103/month (\$1,236/year).

How will the proposed increase affect my sewer bill?

Oceana Marin sewer service charges are collected on the Marin County property tax bill, which is rendered annually for the fiscal year period July 1 through June 30. The proposed sewer service charge increase would add \$5 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for fiscal year 2021/22 of \$1,236 (\$103 per month for July 2021 through June 2022).

Why are rates being increased?

In January 2016 the District concluded a Master Plan Update that identified over \$3 million in projects necessary to improve the reliability and redundancy of the Oceana Marin Wastewater System. Constructing these improvements will be financially challenging for the 235 customers of the Oceana Marin utility. Even if the projects are constructed over a 20-year period, the cost would still average \$150,000 annually. The proposed increase, if enacted, would generate approximately \$14,100 of additional revenue annually (\$60/year X 235 customers). The entire Master Plan Update is available for review at: <https://nmwd.com/wp-content/uploads/2020/04/011916-1.pdf>.

Additional rate increases will be necessary in future years as the District continues to improve the reliability of the existing facilities and to construct redundant facilities in order to protect against potential system failure and sewage spills. Prior years' rate increases were in-line with financing the CIP plan on a pay-go basis while the current 5-year financial plan includes an annual rate increase of 5% for FY 21/22 and 5% thereafter, and forecasts borrowing funds to complete the plan.

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

OFFICERS: DREW McINTYRE, General Manager · TERRIE KEHOE, District Secretary · JULIE BLUE, Auditor-Controller · TONY WILLIAMS, Asst. GM/Chief Engineer

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 6:00 pm, Tuesday, June 22, 2021, at the North Marin Water District, 999 Rush Creek Place in Novato. Should COVID-19 restrictions remain in effect, for in-person meeting attendance in Marin County, at the time of the scheduled hearing additional information regarding participation regarding accommodating public participation shall be provided on the District website at www.nmwd.com.

The Board of Directors will accept and consider all written protests and will hear and consider all verbal comments to the proposed sewer service charge increase at the Public Hearing. Verbal comments must be accompanied by a written protest to qualify as a valid protest. At the conclusion of the Hearing, the Board of Directors will consider adoption of the proposed sewer service charge increase as outlined in this notice. If written protests to the proposed sewer service charge increase are presented by a majority of the property owners, the proposed increase will not be adopted.

Your written protest must be received prior to the close of the June 22, 2021 public hearing. Written protests must: 1) state that the property owner is opposing the proposed increase 2) include the name and signature of the property owner; and 3) must include a description of the parcel (parcel number or service address). Only one written protest will be counted for each property. Send or deliver written protests to:

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

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

Sincerely,



Drew McIntyre
General Manager

SLOWING THE FLOW?

MARIN MUNICIPAL WATER DISTRICT

Reduced water releases from reservoirs under review

Marin Independent Journal

By Will Houston

whouston@marinij.com

In response to paltry rainfall and worsening drought, the Marin Municipal Water District is studying whether it could curtail reservoir water releases meant to support fish in Lagunitas Creek.

The district is required to release water from its largest reservoir at Kent Lake to bolster the fish population, including the largest population of endangered coho salmon remaining between Monterey and Mendocino counties.

The construction of district dams and reservoirs since the 19th century has cut off half of the historic habitat and spawning grounds for the endangered salmon, threatened steelhead trout and other species, significantly reducing their populations. Once believed to run in the tens of thousands, coho salmon have dwindled to dangerously low levels in Lagunitas Creek and are listed as a federally endangered species.

But after two dry winters, including just 20 inches of rain this season — the second-lowest amount in 143 years of records — the water district has been considering several ways to stretch the life of its reservoirs. This month, the district board voted 4-0, with director Monty Schmitt absent, to begin studying whether it would be possible to temporarily reduce water releases into Lagunitas Creek without causing significant harm to the struggling salmon and threatened steelhead populations.

Schmitt, who is a watershed scientist and water project director with the Nature Conservancy, said Friday that Marin is facing dry conditions of “historic proportions.”

“The district is looking at every possible way to save water while meeting our obligations to be good stewards of our natural resources,” he said. “The fisheries study will help us better understand the benefits of flow releases that provide habitat for fish, and in doing so, may also help identify ways to release water more effectively and save some water in the process.”

The district hired the Environmental Services Associates firm to conduct the study by approving a nearly \$306,000 extension to the firm’s contract into July 2022.

The district hired the Environmental Services Associates firm to conduct the study by approving a nearly \$306,000 extension to the firm’s contract into July 2022.

'The district is looking at every possible way to save water while meeting our obligations to be good stewards of our natural resources'

— *Monty Schmitt, MMWD board*



The Marin Municipal Water District is required to release water from Kent Lake to support fish in Lagunitas Creek.

PHOTOS BY SHERRY LAVARS — MARIN INDEPENDENT JOURNAL



Salmon swim near the Leo T. Cronin Fish Viewing Area in Lagunitas.

The state's water regulatory board first ordered the water district to develop a plan in 1995 to address impacts of water diversions on coho, steelhead and other wildlife such as California freshwater shrimp. As part of the state's order, the district is required to maintain adequate flows for the fish throughout the year.

The district releases pulses of water from Kent Lake, its largest reservoir, into the creek between November and January to support the migration of federally endangered coho salmon and threatened

steelhead trout during their spawning seasons. Water releases continue into March to aid with spawning and hatching of the young fish, which in the case of coho must reside in the creeks and tributaries for about 18 months before swimming out to the ocean. Recent water releases range from about 4,700 acre-feet in 2015 to 9,000 acre-feet in 2019, according to the district.

However, the district is able to request a temporary change in these water releases in urgent situations such as a prolonged drought reducing supplies. The district's seven reservoirs are about half full with nearly 42,000 acre-feet stored — about 32,000 acre-feet less than average for this time of year. The district board of directors plans to vote

on mandatory water use restrictions on Tuesday, including a one-day-per-week irrigation limit, in an attempt to preserve its supply.

Local conservation groups and members of the Lagunitas Creek Technical Advisory Committee expressed appreciation that the district is conducting a full study of the potential impacts before making a decision. Committee member Todd Steiner of the Olema based Salmon Protection and Watershed Network organization urged the district to consider all other options before reducing flows for fish.

"People have to be able to drink water, but they don't have to water their lawns and don't have to fill their swimming pools," Steiner said. "We understand the need for balance but we want to ensure all conservation measures are in place at first and that they're strong, effective and enforced."

Committee member Ann Thomas, board secretary for Friends of Corte Madera Creek, said there should always be sufficient water in the creek to support the at-risk salmon population.

"I trust them to do the right thing in this situation but I know there is a lot of pressure for that water," Thomas said. "I think they'll be very careful and I do think it's a good board for something like this. Nobody knows if it's going to rain next year. And that's the problem."



Lagunitas Creek is habitat for endangered salmon and threatened steelhead trout.

SHERRY LAVARS — MARIN INDEPENDENT JOURNAL

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ADUs are hot properties, and now often legal, too

AT HOME

Marin Independent Journal

Last week, I wrote about a young family who, like many others reacting to the pandemic's fallout, fled their condo and life in the big city for a larger home in Marin.

They are among the fortunate.

Their jobs let them work remotely, and they had the resources.

While a city exodus is indeed one of many pandemic- driven housing trends, at the other end of the spectrum are millions whose living arrangements were upended due to job loss, closed college dorms, fear of nursing homes or a need to live near loved ones. Those motives fueled another trend: the rise of the accessory dwelling unit.

Also known as granny flats, casitas, guest houses, pool homes or caretaker quarters, ADUs are, by definition, second, smaller homes on the same property as a main house. They can be separate from the house or attached, but they will have a kitchen, bathroom and an outside entrance. "It has to be a fully functioning little house where someone can prepare basic food and shower," says architect Mary Maydan, of Palo Alto, who has designed five finished ADUs and has four on the drawing board at her firm Maydan Architects. Many will also have separate utility lines, and a dedicated parking place.

Though such living quarters have been around for almost as long as homes themselves, what has changed is that ADUs are hot properties today, and that cities and counties like Marin are relaxing rules so more are allowed, say real estate experts.

"This change is happening across the country," says Corina Rollins, a real estate appraiser who teaches real estate principles and economics at the College of Marin. "In New York, where I grew up, it was common but not legal to turn a basement into a secondary living unit and rent it out. What we're seeing today isn't much different from those bootleg rentals, only now they're more often legal."

Largely in response to the pandemic, cities have begun to relax rules that used to bar ADUs, especially in expensive housing markets that have limited inventory.

“What we’re seeing is a recognition that ADUs are important components of housing,” Rollins says.

Before last year, only about 10% of her residential clients wanted to include an ADU in their home plans; today that number is more than 50%, says Maydan, who built an ADU on her property in 2004 for her parents to live in.

“A year ago, almost no one knew what an ADU was,” Maydan says. “Now everyone does. They are popping up everywhere, helping with the home shortage and providing that instant extra space families have needed. California had a lot of rules back then that made it difficult. But not anymore.

The pandemic has definitely changed the way we are building homes.”

Besides offering more independent living space for aging parents or boomerang kids, ADUs can also be revenue-producing rentals or make great home offices and gyms.

For some, they offer a sort of decompression space, a place to go to get out of the house, which we’ve all needed this past year.

Whatever the purpose, an ADU’s beauty lies in the fact that it is separate but near.

“The legalization of ADUs will continue because they help us offer more efficient housing without the stigma of your neighbor saying he’s going to turn you in,” Rollins says.

If you’re interested in creating one where you live, here’s what to know, so your ADU doesn’t stand for another dumb undertaking: • Check first. Although ADUs are gaining favor among cities, be sure to ask your zoning department about restrictions in your area. “Don’t go by what your friend tells you he did,” Rollins says. “You need to check with your city.”

- Know your options.

Those looking to add an ADU can either convert existing space like a garage, attic or basement, or build a new structure. Traditional construction (called stick built) is one option, but putting up a prefabricated ADU is also popular. Prefab ADUs come in sections assembled off-site, so go up faster and cost less. However, because they aren’t custom, they don’t always go with the main house’s architecture. A third option just coming to the market is the 3D-printed ADU, which I can’t even fathom.

- Tie it to the house: Maydan encourages homeowners to make sure the ADU doesn't look like an afterthought even if it is. Connect it visually to the main house through architectural design or even by just adding stepping stones between the houses. For one homeowner, Maydan retrofitted a prefab ADU to better integrate it architecturally with the main house.
- Make it multipurpose.

The beauty of a well-conceived ADU is that you can build it and find, as your life flows along, the ADU serves different needs, Rollins says. "What serves as your home office today may become a house for your child as he or she transitions from college to career, and later for your aging parents, and after that it might become an income-producing rental."

- Move in yourself.

ADUs can help aging homeowners who don't want to move or sell their homes. If they move into the ADU on their property, they can rent out the main house to a family who needs the space. This lets the owners age in place and get a little income.

- Know your market.

While some studies have shown that homes with ADUs have been selling far faster during the pandemic than homes without and that these dwellings have added a nice bump to the selling price, whether you will recoup your investment depends on many variables, Rollins says. The initial cost and quality, visual appeal, ability to be an income property and the demand in your area all factor in.



The pandemic has pushed the demand for accessory dwelling units, or ADUs, like this one in Palo Alto designed by Maydan Architects.

PHOTO BY DAVE EDWARDS

Marni Jameson

Marni Jameson is the author of six home and lifestyle books, including “Downsizing the Family Home What to Save, What to Let Go” and “Downsizing the Blended Home — When Two Households Become One,” and coming in June “What to Do With Everything You Own to Leave the Legacy You Want.” You may reach her at marnijameson.com.

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Saturday, 04/17/2021 Page .B06Cop

MANDATORY RULES

Limits on water use approved for Marin

Agencies OK restrictions amid drought conditions

Marin Independent Journal

By Will Houston

whouston@marinij.com

Marin's two major water suppliers have approved mandatory use restrictions, becoming the first large utilities in the Bay Area to do so in response to historically low rainfall.

The governing boards of the Marin Municipal Water District and the North Marin Water District both adopted the drought restrictions on Tuesday evening.

The rules came a day before Gov. Gavin Newsom directed state agencies to begin bolstering drought responses. He also declared a drought emergency for the Russian River watershed in Sonoma and Mendocino counties.

The Russian River supplies 75% of the North Marin Water District's supply and 25% of the Marin Municipal Water District's supply.

"California is facing the familiar reality of drought conditions, and we know the importance of acting early to anticipate and mitigate the most severe impacts where possible," Newsom said at a news conference in Mendocino County on Wednesday.

The Marin Municipal Water District rules ban a variety of activities, including washing vehicles at home, washing sidewalks and driveways, power washing, watering public medians and refilling decorative fountains. The district board also considered limiting all outdoor irrigation to one day per week, but asked staff to bring back the proposal in two weeks based on public feedback.

This is the first time since 1988 that the district implemented mandated water restrictions. The rules take effect immediately, but enforcement won't begin until May 1.

Violators will be given a warning at first, a \$25 fine for a second violation and then a \$250 fine for any subsequent rulebreaking. District staff say they will focus on education before having to consider other enforcement methods such as patrols.

Residents can report water waste or violations by calling 415-945-1523 or submitting a complaint online at marinwater.org/forms/ water-waste-report.

The district will consider requests for alternative conservation rules for ratepayers and businesses who might experience hardships, health and safety issues or other emergencies from the mandate.

Customers raised concerns that the one-day watering limit will lead people to drench their lawns. Landscaping-related business owners were concerned about the financial impacts to their businesses.

Other ratepayers called on the district to ban new water connections and to reduce water releases for threatened and endangered fish in Lagunitas Creek. “As a practical matter, the drought cannot be taken seriously until the steps are taken seriously,” Larkspur resident James Holmes told the board. “Your customers should not be stuck with dead plants and dirty toilets when developers get a free ride and fish swim freely.”

The district intends to collectively reduce summer water use by 40%, or by about 7,300 acre-feet, from May to October. This target caused confusion among ratepayers who thought they would have to reduce their individual water use by 40% even if they were already using small amounts of water.

The intent is to keep average water use per customer below 60 gallons per day to achieve that 40% reduction, according to Ben Horenstein, the district’s general manager.

The district, which serves 191,000 residents in central and southern Marin, approved the rules in response to the second-lowest rainfall amount in 143 years of records this season. The district has received about 20 inches of rain, less than the notorious 1976-77 drought and only slightly more than the record low of 18 inches in 1924. The district hopes to have 30,000 acre-feet of water supply by December in its seven reservoirs in the Mount Tamalpais watershed. Any less than that would trigger a mandatory 50% reduction in use. The 30,000 acre-feet figure equates to about a third of the district’s storage capacity.

The water supply as of Tuesday was about 41,400 acre-feet, well below the average 72,800 acre-feet for this time of year.

Horenstein said staff are already exploring backup plans should the drought continue into next winter. The options include temporary desalination and water transfers from the East Bay Municipal Utility District or other utilities.

“Both of these are certainly complex projects,” Horenstein said. In addition, the board delayed a decision on whether to ban pool refilling after several residents raised concerns about health hazards and costly mechanical failures that could result. Board member Larry Bragman suggested the district explore mandating pool coverings. The district also delayed a rule requiring golf courses to limit irrigation to greens and tees at the request of board member Jack Gibson. He said there might be alternative ways for golf courses to achieve the same conservation levels without limiting watering to just one day, a point also raised by ratepayers about their own landscaping.

The board delayed the golf watering restriction to take effect on May 20.

Novato rules

The North Marin Water District board approved a hybrid plan calling on Novato customers to voluntarily conserve by 20% from May 1 through June 30 and then mandating 20% conservation from July 1 to Oct. 31. The target percentages are based on collective water use of all 60,000 Novato customers.

Outdoor watering with sprinklers will be limited to three days per week beginning July 1 so long as customers reduce their overall water use by 20% compared to the same billing period in 2020. Homes with odd numbered addresses can water on Monday, Wednesday and Friday, and homes with even-numbered addresses can water on Tuesday, Thursday and Saturday.

Customers who continue to use less than 300 gallons per day can water three times per week but don't have to meet the 20% conservation target. Customers can still water their landscapes without restrictions if they use a handheld hose with a shutoff nozzle, a container such as a watering can and a drip irrigation system.

Other banned activities include:

- refilling pools
- washing vehicles at home except for quick rinses using a bucket or hose with a shutoff nozzle
- using water for dust control
- watering golf courses, except for tees and greens. Course owners can alternatively reduce overall water use by 25% compared to 2020.
- no new or enlarged water connections after July 1, unless approved before then.

Violators will be given a verbal notice and then a written notice for a subsequent offenses. If the issue is still not addressed, the district can charge an initial fine of \$250 and then impose a \$500 fine and cut off service. The district has never fined anyone for violating similar mandates in the past, according to staff.

"If there is someone found in violation we really try to work with those customers to get the situation resolved," said district water conservation coordinator Ryan Grisso.

The rules also include a drought surcharge of \$1 for every 1,000 gallons used. The district mandated water restrictions in 2007, 2009, 2014 and 2015. They ranged from 15% to 30%.

The district recorded 8 inches of rain this season, its lowest dating back to 1916. The district's main reservoir at Stafford Lake is at 52%, but only because the district has been running Russian River water into it for several weeks. Without that, the reservoir would be below 30% capacity.

No members of the public commented on the regulations at the meeting.



A bridge is revealed by low water levels at Nicasio Reservoir on March 19. The Marin Municipal Water District and the North Marin Water District both adopted drought restrictions on Tuesday.

ALAN DEP — MARIN INDEPENDENT JOURNAL

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Governor Newsom Takes Action to Respond to Drought Conditions

oesnews.com/governor-newsom-takes-action-to-respond-to-drought-conditions/

Alyson Hanner

April 21, 2021



Regional state of emergency proclaimed for Russian River Watershed to protect communities and reduce environmental impacts

UKIAH – With much of the West experiencing drought conditions and California squarely in a second consecutive dry year, Governor Gavin Newsom today directed state agencies to take immediate action to bolster drought resilience and prepare for impacts on communities, businesses and ecosystems if dry conditions extend to a third year.

In addition, the Governor proclaimed a regional drought emergency for the Russian River watershed in Sonoma and Mendocino counties, where reservoirs are at record lows following two critically dry years and accelerated action may be needed to protect public health, safety and the environment.

“California is facing the familiar reality of drought conditions, and we know the importance of acting early to anticipate and mitigate the most severe impacts where possible,” Governor Newsom said. “Climate change is intensifying both the frequency and the severity of dry

periods. This ‘new normal’ gives urgency to building drought resilience in regions across the state and preparing for what may be a prolonged drought at our doorstep.”

The text of today’s emergency proclamation can be found [here](#).



Governor Newsom announces regional drought emergency and executive actions to bolster water resilience.

With an extremely low Lake Mendocino as a backdrop, the Governor today announced that he is directing state agencies to work with regional and local governments – including groundwater sustainability agencies – to identify watersheds, communities, public water

systems and ecosystems that may require coordinated state and local actions to address drought impacts and protect people, natural resources and economic activity.

To encourage Californians to reduce water use and conserve supplies in case drought conditions continue next year, the proclamation also directs state agencies to partner with local water suppliers to promote conservation tips and messages through the Save Our Water campaign. The campaign and website were critical resources for Californians during the 2012-2016 drought and remain a trusted information source on using water wisely.

The proclamation directs additional actions to coordinate with California Native American tribes; accelerate funding for water supply enhancement, conservation and species protection projects; work with counties to encourage and track reporting of household water shortages including dry residential wells; provide technical and financial assistance for water systems at risk of water shortages; support the agricultural economy and food security; and evaluate and take action to protect terrestrial and aquatic species.

To address acute drought impacts in the Russian River watershed, the proclamation directs the State Water Board to consider modifying requirements for reservoir releases or diversion limitations to ensure adequate supplies for critical purposes. The regional state of emergency also enables flexibilities in regulatory requirements and procurement processes to mitigate drought impacts.

Under the Governor's direction, state agencies have been working together since November to prepare for continued dry conditions. The Governor recently formalized that coordination through the Drought Resilience Task Force, which includes the Natural Resources Agency, California Environmental Protection Agency, Department of Food and Agriculture, Department of Water Resources, Department of Fish and Wildlife, State Water Resources Control Board, Department of Finance, Governor's Office of Emergency Services, California Health and Human Services Agency, California Public Utilities Commission and the Labor and Workforce Development Agency.

Other recent actions by state agencies to address dry conditions include:

- The state has launched a new drought preparedness website detailing current conditions, the state's response and informational resources for the public.
- The State Water Board has identified water suppliers at extreme financial risk that may need additional support due to the combined impacts of COVID and drought.
- The Department of Water Resources (DWR) has updated its Dry Well website that tracks reports of water supply outages.
- DWR has drafted a Drought Contingency Plan that explains how it will manage the State Water Project in a manner that protects fish and wildlife.

- The State Water Board has issued letters to approximately 40,000 water right holders across the state, advising them to plan for potential shortages by closely managing water use.
- Last month, DWR released a report, prepared with extensive stakeholder involvement, that evaluates the water shortage risk of more than 4,000 small water providers.
- Informed by that report, this month the State Water Board completed its first-ever comprehensive look at California water systems that are struggling to provide safe drinking water to communities and how to help them. The assessment identifies both failing water systems and those at risk of failing, offering the most in-depth view of long-term drinking water safety the state has ever had.
- CDFA is coordinating closely with the USDA to provide aid to growers and ranchers in the Klamath Basin, and the Department of Fish and Wildlife is working with California Native American tribes and commercial and recreational salmon representatives to manage impacts to iconic salmon in the basin.

The 2012-2016 drought helped usher in some important water resilience policies that position the state to better handle another drought. These include:

- Enactment in 2014 of the Sustainable Groundwater Management Act to require and empower local agencies to bring overdrafted groundwater basins into sustainable conditions by 2042.
- Enactment of legislation to establish new standards for indoor, outdoor and industrial use of water.
- Funding for disadvantaged communities lacking access to safe drinking water through the Safe and Affordable Drinking Water Act.
- Increase in the frequency of water use reporting.
- Expanded state authority to order failing public water systems to consolidate with better-run systems.
- Tighter landscape efficiency standards for new developments.

###

SMART's leader to step down from post

RETIRES IN AUGUST

GM Mansourian praised for launching the system

Marin Independent Journal

By Adrian Rodriguez

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The general manager of Sonoma-Marín Area Rail Transit is stepping down after a 10-year run leading the startup service.

Farhad Mansourian announced at SMART's board meeting on Wednesday that he plans to retire in August. Prior to launching the rail line, he worked at the Marin County Department of Public Works and led it for nine years.

"Before SMART, I served 32 and a half years in Marin County," Mansourian, 67, said in an interview Thursday. "That's 42 years of public service that I'm very proud of. It's time for me to spend more time with my family, as a husband and grandfather."

Mansourian was hired as SMART's top manager in August 2011. His starting salary was \$246,000 a year, and his ending salary is \$319,595.

"It's been an absolute pleasure working with Farhad," said Novato City Councilman Eric Lucan, who has been a SMART board member since 2011.

"Getting this train rolling would have been an accomplishment of a lifetime for anybody, and by my math he did it in about six years. That's just an incredible accomplishment."

Kate Colin, a SMART board member and mayor of San Rafael, called Mansourian "determined and fearless" when it came to creating the rail line. She said he had to solve the puzzle of working with several towns and jurisdictions to lay tracks and get trains running.



Mansourian

“He continued the work that voters started when they passed Measure Q,” Colin said. “It’s not easy to take a concept of something that doesn’t exist and build it out of nothing, and he did that.”

Sonoma County Supervisor David Rabbitt, chair of the SMART board, said he will ask a few directors to come up with options for a succession plan to be presented at an upcoming meeting.

“It’s not an overstatement that SMART would not have been built without Farhad Mansourian, and he remains the glue that holds the organization together,” Rabbitt said during the board meeting.

Mansourian steered the agency as it built a \$650 million, 45-mile rail system with 12 stations in Santa Rosa, Rohnert Park, Cotati, Petaluma, Novato, San Rafael and Larkspur.

Since SMART opened in August 2017, it has been a magnet for critics who say it’s too expensive and will do little to solve the region’s traffic problems. But the rail line is also a symbol of better days for supporters who say it could help clear freeways of commuters who drive alone.

The arguments have been underscored several times as the agency struggled to keep ridership numbers up. It recorded just over 700,000 trips in the first two years of service, a number that dropped dramatically through the pandemic.

Additionally, the agency has hit walls when it comes to completing the promised multiuse path along the rail line.

The most recent setback came last March with the failure of Measure I, which sought to extend the district’s quarter-cent sales tax by 30 years.

“I’ve got to confess that we didn’t always see eye to eye,” said Jack Swearengen, a Santa Rosa resident and chairman of the Friends of SMART community advisory

organization. “But he’s done incredible things in his past 10 years or so. You’ve got to look back and say, wow. I tip my hat to him.”

Not everyone is a fan.

“The departure will provide an opportunity for the board to address some deficiencies and why it lost as bad as it did in March 2020 in the case of Measure I,” said Novato resident Mike Arnold, the campaign treasurer for the Not So SMART opposition to the Measure I initiative and a longtime critic of the agency.

“There has been a lack of transparency and oversight of staff,” he said. “Hopefully in the future the board will step up — they’ve certainly expressed interest in being more transparent — and hopefully the next general manager will too.”

Mansourian, who has lived in Novato for the past 40 years with his wife, has two children, four grandchildren and a fifth grandchild on the way. Reflecting on his career, he said, “We did a terrific job of taking cars off of the Highway 101 corridor.”

“There are things I could have done better here or there, but that is part of learning,” he said.

Mansourian said he is proud of the fact that SMART trains never stopped running through the pandemic and that they provided transportation for essential workers.

He said there is a bigger picture for SMART, with a plan to expand to Cloverdale and the East Bay, as well as completing the bike and pedestrian path.

But he noted that these large infrastructure projects take time. He cited Bay Area Rapid Transit, which is working on its expansion to San Jose after 45 years, as an example.

“I’ve brought SMART 60, maybe 70% of the way,” he said. “It’s up to the next person to finish it off.”

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ACWA WEIGHS IN ON STATE WATER AFFORDABILITY LEGISLATION

BY DAVE EGGERTON MAR 19, 2021 VOICES ON WATER



ACWA and its member agencies care greatly about water affordability and recognize the centrality of this issue during these uniquely challenging times. ACWA is advocating in Washington, D.C. (already with some success) and in Sacramento for federal and state funding to help public water systems and treatment works cover customer arrearages accrued during the pandemic. This funding is needed quickly — through immediate action — as opposed to through the legislative process for long-term policy bills.

Two state policy bills introduced this year and related to water affordability are well-intended but contain fundamental flaws that would make the measures counterproductive.

Sen. Bill Dodd (D-Napa) is the author of companion bills SB 222 and SB 223. At ACWA's March 11 virtual Legislative Symposium, Dodd indicated that he is willing to work with ACWA on the bills. Work to resolve the issues is critical. The first bill, SB 222, would require the State Water Resources Control Board to create an overly broad and costly water and wastewater affordability program with many components, implemented in part by roughly 2,900 public water systems. ACWA has an oppose-unless-amended position and is suggesting, with detailed amendments, that the bill propose one major program — a water and wastewater low-income water rate assistance program. The state should build on an existing low-income financial assistance program, such as CalFresh and the California Food Assistance Program, as opposed to reinventing the wheel. This approach would help low-income households across the state and have much lower administrative costs.

Meanwhile, the second bill, SB 223, would require public water systems to forgive the entire balance of a customer's unpaid water debt if the customer enters into an arrearage management plan. A proposal for a mandate for full or partial water debt forgiveness by public water agencies would be illegal under the state Constitution. Under Proposition 218, public water agencies cannot legally use revenue from some of its customers to subsidize the cost of service for other customers.

In addition to being illegal, the proposal would harm the financial stability of public water agencies and, in doing so, would jeopardize their ability to provide safe drinking water to all customers, comply with other regulatory requirements and replace aging infrastructure.

SB 223 would also re-write the restrictions on discontinuation of residential water service that were put into place by the enactment of SB 998 in 2018, also authored by Dodd. ACWA agrees with Dodd that the conditions on discontinuation of service are important. Also important is the communication between systems and their customers regarding plans for payment. ACWA member agencies have a long history of working with their customers who struggle to pay their bills by creating payment plans.

SB 998, and its new conditions on discontinuation of service, went into full effect in early February of 2020 – two months before Governor Newsom issued the executive order that suspended the authority for discontinuation of service during the pandemic. The reality is that SB 998 has only been in full effect for two months. The Legislature should give that law time to work. ACWA is agreeing to address issues that were not addressed in SB 998 (e.g., expand its scope to smaller systems and work to add reasonable provisions regarding emergency situations, such as a pandemic).

ACWA is making the case to the author, Legislature and sponsors as to why the introduced versions of the bill are problematic. Between now and when the bills are heard in committee in April, ACWA will also work with the author and sponsors on amendments to improve affordability in an effective, efficient, legal and sustainable way.

POINT REYES LIGHT

Historic sale for Black Mountain



David Briggs

The Buddha barn on Point Reyes-Petaluma Road has been spiffed up by the new owner of Black Mountain Ranch, who is finding ways to support local agriculturists on his farmed and grazed lands.

By Braden Cartwright
04/14/2021

Black Mountain Ranch, the 1,200-acre property at the northern entrance to Point Reyes Station, is changing hands. Marcel Houtzager, a Dutch money manager from Ross and a supporter of agriculture in West Marin, is purchasing the land from Dave Osborn for \$8.8 million. They are anticipating finalizing the sale in the coming weeks, and already Mr. Houtzager is making significant improvements. It's only the third sale since Mexico granted the land as a ranch in 1849.

Mr. Houtzager is not a rancher, so he plans to lean on experts at the Marin Agricultural Land Trust, which purchased the property's development rights in 1993. Mr. Houtzager is a donor to MALT, and he views the land trust as a co-owner. He is bringing in new tenants and expanding the operations of existing producers—all in the name of sustainable, organic and local agriculture, fulfilling Mr. Osborn's dream that he did not have the money to carry out. Plenty of work to improve fencing, fire safety, water and septic systems lies ahead.

Fibershed, a nonprofit leader in the "farm-to-closet" movement, is the latest tenant. The company, which has producer members all over Northern California who grow botanic dyes and farm wool, was previously housed in a building in San Geronimo. At Black Mountain Ranch, the headquarters are based in the ranch house while indigo, flax and other plants used in pigments are grown outside. Executive Director Rebecca Burgess joins a group of young and energetic tenants on the ranch: Molly Myerson of Little Wing Farm, Arron Wilder of Table Top Farm and Loren Poncia of Stemple Creek Ranch.

Ms. Myerson has doubled the acreage she is farming and built a new concrete quail coop. Mr. Poncia will add sheep and pigs to a herd of 120 cattle, and plans to improve his rotational grazing practices by adding miles of fencing and several troughs. The ranch's property manager is working on updating the water system, which includes at least 11 springs and eight tanks throughout the property.

One of Mr. Houtzager's priorities is to clean up the gravel pullout where Little Wing Farm sells produce on the honor system. The farmstand has been the target of two attempted thefts: Once, someone tried to pry open the cash box unsuccessfully, and recently, a man attached a tow strap to the box and tried to dislodge it with his car, until someone drove by and stopped him.

Next door, the Buddha barn, named for the 45 buddhas painted on its façade, has been refurbished, and old cars and litter behind the building were cleaned out. Woodworker Ido Yoshimoto is putting out some benches, and Ms. Myerson is planting some trees. The next step is to bring in a tenant who would make the most of the existing organic agriculture. Mr. Houtzager's first choice is Wild West Ferments. "It would be wonderfully synergistic," he said.

But hurdles exist: The building is zoned for agriculture, and food processing would require a new use permit. The septic system is also outdated. Similarly, the prospect of farmworker housing at the site is challenged by current permits, which allow for just two trailers.

The roadside construction has sparked rumors, so last week, Mr. Houtzager spoke to the Point Reyes Station Village Association to fill them in on the transaction. He said he is only interested in agriculture, and either way, the property is protected by MALT, zoning and a Williamson Act contract. Mr. Houtzager spoke with excitement on the Zoom call about organic agriculture before a backdrop of a large, wood-finished library. Members of the village association appeared to be excited.

"I just have to say how captivated I am about your explanation, and just your whole aura and your approach to the use of that land is so extraordinary," Mark Switzer said. "It's just heartwarming to see that possible transition of that land in the spirit that we all appreciate in West Marin."

Mr. Houtzager gave credit to Mr. Osborn, who certified the ranch as organic in 2015 and started to bring in sustainable tenants years ago.

Mr. Houtzager was introduced to the property in 2019 by Jamison Watts, the former director of MALT who knew Mr. Osborn was struggling with upkeep. While Mr. Houtzager was scoping the possibility of a purchase, he leased a portion of the land and helped Mr. Osborn refinance a loan in exchange for the right to buy the entire property later on. The sale was expected to go through on April 1, but they missed one piece of paperwork that will delay the exchange by a couple weeks. The money is in escrow, the documents are signed, and the leases have been transferred.

When it purchased the development rights, MALT at the time did not mandate that agriculture operations continue, as it now does with new purchases. Mr. Houtzager will explore strengthening the easement by completing an agricultural management plan, including a carbon plan and a rotational grazing plan developed by Mr. Poncia, the Marin Resource Conservation District and MALT.

POINT REYES LIGHT

North Marin's Gallagher well permit appealed

By Anna Guth
04/21/2021

Customers serviced by North Marin Water District may be facing another dry season with salty water. The coastal permit the district obtained last month to build a new well that would reduce its reliance on wells suffering from chronic saltwater intrusion has been appealed over a host of environmental concerns, causing delays.

Inverness resident Gordon Bennett filed the appeal on behalf of his organization, Save Our Seashore. Mr. Bennett is concerned that the district has not adequately shown the effect of the proposed well on Lagunitas Creek streamflows and salmonid species. He also questioned the need for a new well as opposed to better district water conservation.

“We request that the permits and authorizations for this second Gallagher well not be issued until a more comprehensive [California Environmental Quality Act] analysis is completed,” Mr. Bennett wrote in a March letter to a group of local and state regulatory agencies.

North Marin Water District has defended its environmental review of the project in response to several letters submitted by Save Our Seashore. As a result of the appeal of the coastal permit approved by the deputy zoning administrator in March, the plans will now be reconsidered by the Marin County Planning Commission next month. The district had hoped to bring the new well online this summer.

A handful of customers wrote to the county expressing their support for the well, saying the salinity intrusion issue has become intolerable. For years, North Marin’s primary water source for its West Marin customers has been two wells adjacent to Lagunitas Creek located at the former Coast Guard property in Point Reyes Station; over the past decade, drought has contributed to increased saltwater intrusion from Tomales Bay. Last year, the water was saltier than ever before, leading some customers to turn to bottled water.

The proposed well would be located far from the bay, on the Gallagher ranch, where an existing well has serviced the district since 2015. Last July, the existing Gallagher well was meeting 38 percent of West Marin’s demand. With a second well, the district intends for the ranch to cover dry season demand, relieving the need for the Coast Guard wells when the water is saltiest.

The proposed well and distribution pipelines would be built 100 feet from Lagunitas Creek. While the existing Gallagher well was expected to pull 300 gallons of water per minute, it routinely underperforms, at around half that capacity; the district hopes the second well will make up the difference.

North Marin conducted an initial environmental review for both wells back in 2009, completing an initial study and mitigated negative declaration under CEQA. Earlier this year, the district produced an addendum to that study to meet new evaluation requirements and to bring the report up to date. During that comment period, Mr. Bennett submitted a letter, as did the San Francisco Bay Regional Water Quality Control Board.

The well is being considered while coastal Marin suffers from two consecutive, record-breaking low rainfall years. Marin Municipal Water District, which releases water from Kent Lake into Lagunitas Creek under water board standards, commissioned a \$305,992 study this month to explore how to reduce releases to conserve water without impacting aquatic species. Both districts are asking customers to reduce usage.

The water board and Mr. Bennett shared several concerns about North Marin's well proposal. In a Feb. 8 letter, the water board asked North Marin to measure the effect on the streamflow of withdrawing water from both wells at once and not during times when water is being released into Lagunitas Creek from Kent Lake by Marin Municipal.

In response, the district argued that it had tested both wells when flows were low. "Impacts associated with the implementation of Gallagher Well [number one and two], or their cumulative pumping would be de minimis," the district wrote to the board.

It added, "Because the pump test was conducted during a dry year and under seasonal low flows, the small observed reductions in gauge height and streamflow can be viewed as a worst-case condition. It is likely that in times of higher creek flows and elevated groundwater levels (i.e., most periods of most years), continued pumping at the site would not register a discernible response in the creek."

But even small changes to streamflow can negatively impact salmonid species, Mr. Bennett argued. "Salmonids move up and down the stream in response to environmental conditions, yet neither the [previous environmental review] nor the addendum have any data on salmonid use of Lagunitas below the Gallagher well site. This points out the need for a stream channel survey and salmonid survey below the wells," he wrote.

In response, the district said while testing the well, the observed reduction in streamflow was very minor—between 0.2 and 0.3 cubic feet per second and causing the surface to drop one-quarter inch, only under drought conditions. The district referred Mr. Bennett to a new mitigation measure.

To further mitigate any impacts from a new well, North Marin revised the addendum to commit to ongoing monitoring in collaboration with the water board in order to confirm that effects on the streamflow are "less than significant."

Drew McIntyre, the general manager, said the district, as the lead agency in the CEQA review, does not need any additional approval from the water board to move ahead with the project. The North Marin board approved the addendum on March 2. On March 5, Mr. Bennett penned a new letter, proposing that the district simply reduce customer water use and continue relying on the existing wells.

Under two new state laws, water use in California must drop to 55 gallons per person per day by 2023, Mr. Bennett underscored. By contrast, North Marin customers are averaging 74 gallons per day per person, a drop from 117 gallons a day in the early 2000s.

The district's need for the well was described in the county staff report on the coastal permit. "Recent salinity intrusion has impacted water quality from the existing Coast Guard wells, threatening public health for municipal water users. This change in conditions has necessitated the construction of this project, Gallagher Well No. 2, as an urgent matter to protect the quality of water served," it stated.

The date for the planning commission's consideration of the project is May 24. This month, North Marin made a contingency plan, committing to setting up temporary fill stations at the Coast Guard site supplied with drinking water from the existing Gallagher well for customers with salt-restricted diets.

Ken Levin, president of the Point Reyes Station Village Association, was among those who urged the county to approve the permit. "West Marin needs a reliable source of salinity and chloride-free water. Thanks to NMWD for planning the necessary infrastructure changes in order to bring this about," he wrote in a March letter. "Low stream flow water release agreements are already in place and promise protection to fish and wildlife in the event of low water levels in the creek."

POINT REYES LIGHT

Farmers face drought crisis

By Anna Guth
04/21/2021

Farmers and ranchers are scrambling to adapt to what may prove to be the driest year in coastal Marin in the last century. Some have halted crop production or turned to dry farming, while others are considering costly mitigations such as trucking water to their parched properties to keep livestock alive.

Local, state and federal agencies are ramping up disaster assistance, and groups like the Marin Agricultural Land Trust have created new programs to fund long-term water conservation. Although coastal food producers rely on myriad sources of water, everyone is feeling the effects of the second consecutive bone-dry winter. In Inverness, 15.2 inches have fallen, less than half the average rainfall and the driest on record since 1925.

Guido Frosini of True Grass Farms in Tomales said he jumped into action in the past month, making an inventory of all the water use on his ranch. "We went from this beautiful spring to realizing in a few weeks that no, it was not going to rain," he said. "I find that in drought, it's a moment in time where we can have more community-driven conversations: We are in this together. Whenever there are environmental disasters, we have the opportunity to look at the systems in place and to think about how we can change them."

Financial aid is coming. For dairies, which generally need more water both for cleaning and for their herds to drink, Marin has made agreements with North Marin and Marin Municipal Water Districts and has set aside \$50,000 for a cost-share program for trucking water. Stefan Parnay, the acting agricultural commissioner, has also requested \$150,000 be pulled from the county's general fund for broader drought relief efforts.

Agriculture departments, cooperative extensions and resource conservation districts in Marin and Sonoma Counties have banded together to start educating ranchers and farmers on funding sources and technical assistance. Loans and grants for losses suffered will be available from programs administered by the United States Department of Agriculture, which this month declared a drought disaster for 50 California counties, including Marin.

In an April letter to state legislators penned by District Four Supervisor Dennis Rodoni, Marin requested state assistance for trucking water, purchasing organic feed while pastures are bare, and developing long-term storage and rainwater capture. Mr. Rodoni referenced a report by the California Department of Water Resources that criticized a slow response to the drought in 1976 and 1977.

"We respectfully urge that we begin to collaborate now for the worst-case scenario and prepare to provide support to agricultural producers," he wrote. "Our food system is the life blood of our society." Supervisor Rodoni said vegetable production in Sonoma and Marin could be halved this year.

Scott Chang-Fleeman, who leases acreage in Bolinas for Shao Shan Farm, said he selected the property after hearing from the previous operator that the 55-year-old pond there had always filled, even during dry years. Last year, he just

scraped by; this year, he has essentially no water, forcing him to downsize production from 40 crops to two. He will dry farm kabocha squash and tomatoes; his revenue will be a sixth of what he expected.

“There just weren’t enough sustained rain events to saturate the soil to get surface runoff. Plus, there was the pattern of rainfall: a quarter-inch here and there and then a couple of dry days. None of that cumulative rainfall ran into the ponds,” Mr. Chang-Fleeman said.

He is looking for a new property to farm.

Jesse and Moira Kuhn, who have operated Marin Roots Farm since 2003 on a lot near the Hicks Valley Fire Station, plan to cease operations this year. The irrigation ponds are dry. “This will be pretty devastating to our business this summer. We mainly specialize in leafy greens, and they all need water,” Ms. Kuhn said.

The drought years in the 1970s are the closest comparison to current conditions. In Inverness, 1976 and 1977 each recorded around 18 inches of rain. Last year, there were 23.08 inches, and this year so far 15.2 inches. That compares to a 38-inch average.

Both North Marin and Marin Municipal Water Districts have agreed to allow ranchers to purchase untreated water from their reservoirs. Although the Nicasio Reservoir and Stafford Lake are at around half their capacity, the districts consider the anticipated reduction for agriculture nominal. For Marin Municipal water, ranchers will pay an initial fee of up to \$1,400 and then 150 percent of what a residential customer pays for service; North Marin is charging the ranchers double.

Bob Giacomini, whose family has 500 cows on 700 acres north of Point Reyes Station, said this will be the first year since starting the operation in 1959 that trucking water will be necessary. The ranch relies on springs, ponds and a well for the residence. “We will be hauling water by midsummer,” he said. “Whatever it is going to cost, we will have to do it.”

This month, MALT announced that it will provide \$250,000 for longer-term water resiliency projects for coastal Marin farmers and ranchers regardless of whether their properties have land trust conservation easements. Possible projects include redeveloping existing springs that may have gone dormant, building rainwater catchment systems, and purchasing and installing water pipelines and solar pumps to help distribute water throughout a ranch to reduce the impacts of cattle on dry land. Drilling wells, though costly, would be considered, according to Eric Rubenstahl, the stewardship program manager.

Marin has been hit by drought harder than other places in the state in several ways, according to Dr. Daniel Swain, a climate scientist at the University of California, Los Angeles. Northern California has received less rainfall than expected compared to the southern part of the state, and Marin does not tie into the larger state reservoirs that benefit from snowmelt. The effect on agriculture and the increased fire threat in coastal forests are among the most prominent and immediate impacts, he said.

Rainfall in California historically has greatly varied year to year, but the effects on the landscape are predicted to intensify, according to Dr. Swain. The amount of rainfall that drops each year is not expected to change, but the patterns of when and how it falls will alter; already, rain is falling in bigger, shorter bursts. This brings an increased risk of flooding and wildfire.

Mr. Frosini, whose cattle ranch relies on springs, seeps, a pond—which is empty—and a well for his residence, said the cost of trucking in water is prohibitive for him. He is considering reducing his herd size; he has yet to apply for assistance.

Albert Straus, the C.E.O. of Straus Family Creamery, said that neither his local supply dairies nor his home ranch need to truck in water, at least for now. The reservoir on his Marshall ranch is around half of normal, meaning he will rely more heavily on a well drilled during the ‘70s drought. Another factor on his mind are the organic certification requirements regarding the amount of time cows must spend on pasture, which is at least 120 days a year.

It is at times like these when Mr. Straus says many best management practices reap benefits. Building organic matter in soil, including by adding compost, can increase the amount of water retained in soil by 3.7 percent, according to the California Department of Agriculture; healthy soil can hold up to 20 times its weight in water.

The Point Reyes National Seashore last month asked ranchers who lease its federal lands to create a drought grazing plan that will illustrate how they will meet residual dry matter standards.

Third-generation Point Reyes beef rancher Kevin Lunny says he is not concerned about meeting those requirements, but producing enough silage for winter feed is looking unlikely for the second year in a row. That will lead to drastically increased feed costs. "It is very disheartening. We have around 200 acres planted and we were hoping to pasture some of it and also make silage and haylage for winter feed. It is not growing," he said.

In the '70s drought, Mr. Lunny said the family sold over half its herd "just to make it through."

Marin explores pipeline plan

MMWD

Drought fuels talks on water duct from East Bay

Marin Independent Journal

By Will Houston

whouston@marinij.com

The potential for water shortages in Marin has become so acute that the Marin Municipal Water District is in early talks with East Bay officials to build a pipeline across the Richmond-San Rafael Bridge to pump water into the county. The last such drastic move was during the 1976-1977 drought, when the district cut water use by 57% and faced running out of water within four months. The 6-mile pipeline gained statewide and federal attention and became a symbol of the state's drought of record. Rebuilding the pipeline is one of several options being considered by the district, including adding a temporary desalination plant, should this upcoming winter be as dry as 2019 and 2020, said Ben Horenstein, the district general manager.



The Marin Municipal Water District, facing diminished reservoir levels, is taking early steps toward a potential supply pipeline along the Richmond-San Rafael Bridge.

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"It's a very complex and costly project and it has a lot of elements that have to come together for it to be successful," Horenstein said. "This would only be considered if the drought continues into a third year or longer."

No cost estimates have been made, but Horenstein said it could likely take tens of millions of dollars to construct such a pipeline, buy the water, treat it and then pump it over the bay.

Jay Lund, co-director of University of California Davis Center for Watershed Sciences, said it's common for water agencies to open up emergency connections with neighboring agencies during a drought.

"It's a deep drought. It's early days," Lund said Wednesday. "All the water utilities and districts ought to be reviewing their options and this sounds like a very prudent thing to do."

While this is the second time such an emergency pipeline to Marin could be constructed, Lund said it's infrequent enough that it likely wouldn't require the district to consider investing in another water source such as a desalination plant or connection to the State Water Project.

"I don't think they're behind the curve on anything in a big way," Lund said.

The 20 inches of rain that fell this winter in Marin is lower than the 1976-77 drought and the second-lowest amount in 143 years of district record keeping, beat only by 1924. In response, the water district approved mandatory water restrictions earlier this month for the first time since the late 1980s and could implement more, including limiting outdoor irrigation to two days per week. The district hopes to have about a year's supply left at the start of December or it could impose stricter conservation rules.

The district serves about 190,000 residents in central and southern Marin. The district relies heavily on rainfall to replenish its seven reservoirs, but also receives 25% of its water from the Russian River through the Sonoma Water agency.

In 1977, the district relied on only five reservoirs, which had just a fifth of their normal supply remaining at the start of the year. The 170,000 residents served by the district faced running out of water in 120 days.

The district completed the bridge pipeline in June 1977 with the aid of a \$5.6 million federal loan, according to a U.S. Controller General report on the drought in 1977. The pipeline was removed in 1982 when the threat of drought was believed to have passed.

Similar to 44 years ago, the Marin Municipal Water District would likely purchase any imported water from the State Water Project. For example, the water could come from an agricultural operator agreeing to fallow the fields for a year, and the district would buy the water rights, Horenstein said.

Getting the water from the state's complex system of canals and dams over to coastal Marin would be "very complicated and expensive," Horenstein said.

The East Bay Municipal Utility District would act as a go-between in the exchange and would work to deliver any water to Marin. Several studies would have to take place to ensure the district has the capacity in its system to handle the project and to determine where the pipeline should connect to, according to district officials.

"It's a bit early still to be able to say how exactly this would happen," said East Bay Municipal Utilities District spokeswoman Andrea Pook. "The engineering studies have not yet been done."

This is not the first time Marin has reconsidered the pipeline. During the drought in 2014, a district study found it could cost about \$45 million to construct a 7-mile pipeline that could transport 5 million gallons of water per day. The idea was also discussed between Caltrans and the water district in 2007. Neither consideration led to any action.

The Marin water district is beginning to lay the groundwork for future discussions about the Richmond- San Rafael Bridge with Caltrans and the Bay Area Toll Authority. The Transportation Authority of Marin, which manages traffic congestion projects and funding, has been in preliminary conversations with the district about this, said executive director Anne Richman. As to where the pipeline would fit on the bridge — especially with the recent addition of the new bicycle and pedestrian path on the top deck — what traffic impacts could result from the construction and where the pipeline would be located in Marin, Richman said, “All those questions remain ahead of us.”

The cost of such a pipeline would eventually come back to ratepayers, perhaps not directly, Horenstein said, but by forcing the delay of other projects such as replacing aging pipes, pump stations and storage tanks.

“To me, all of this is more reasoning to do what we’re doing, which is focusing on water conservation,” Horenstein said.

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Senate Dems detail \$3.4B drought plan

CALIFORNIA

Funds aimed at ongoing projects and programs

Marin Independent Journal

By Adam Beam

The Associated Press

SACRAMENTO» Mired in yet another drought that threatens drinking water, endangered species of fish and the state's massive agriculture industry, Democrats in the California Senate on Thursday detailed a \$3.4 billion proposal designed to gird the state for a new crisis on the heels of a deadly and disruptive pandemic.

The proposal would equal all of the state's combined spending during the previous drought, which lasted from 2012 to 2016, according to the Legislative Analyst's Office. That drought occurred after the Great Recession, when California routinely battled multibillion-dollar budget deficits and struggled to pay for state services.

But this year, California is flush with cash after the forecasts of damaging deficits because of the pandemic never came true. Nine months into California's fiscal year, the state has so far collected \$16.7 billion more in taxes than it had predicted. In addition, the federal government has sent the state \$26 billion as part of a coronavirus relief package with broad authority on how to spend it.

"We live in an unprecedented time and ... I think we shouldn't have unprecedented patience," Atkins said. "We really have an opportunity now and we should take advantage of it."

California gets nearly all of its rain and snow in the winter and early spring. But this year, snowpack in the Sierra Nevada mountains is less than half of normal while most of the state is well below their normal precipitation amounts.

The Senate proposal does not include money for big projects, like building new reservoirs or repairing canals in the Central Valley. Instead, the money would bolster projects and programs the state is already doing, setting them up for the dry, hot months ahead.

“We’ve been working with them to identify noncontroversial early action projects that will assist now — not six months from now, not a year or two or three years from now,” said Danny Merkley, director of water resources for the California Farm Bureau. Merkley said he was involved in the discussions and he is “encouraged” by the proposal.

The Senate, Assembly and Gov. Gavin Newsom’s administration would need to agree on any new spending. Newsom will reveal his updated budget proposal next month. Assembly Democrats updated their “budget blueprint” on Wednesday to include “increased investments” in things like “drought resiliency” and clean water. Assembly Speaker Anthony Rendon said Thursday he looks forward to negotiating with Newsom and Senate leaders on a final proposal.

About \$285 million would be spent protecting fish and wildlife from the drought, including the state buying back water from farmers so it can be returned to the Sacramento and San Joaquin river delta, reducing the salinity of the water and making it safer for fish. It would also spend money on monitoring the salmon, which must swim up the state’s drought-depleted rivers to spawn.

But John McManus, president of the Golden State Salmon Association, worried the proposal didn’t do enough for the state’s endangered fish species.

“All the technology in the world so far is only delivering to us the best documented extinction of native species,” he said, referencing the delta smelt, a small fish native to California that some scientists say is practically extinct in the wild.

About a third of the money, or \$1 billion, would pay off the accumulated debt of unpaid water bills in the state, a problem caused by pandemic-induced economic downturn. That money comes from the federal government, part of the \$1.9 trillion coronavirus relief package President Joe Biden signed in March.

The rest of the money would come from a variety of sources, including state tax dollars.

About half a billion dollars would pay for things like trucking emergency water into cisterns for small communities, rural storage tanks, and construction to connect smaller water systems to bigger ones to ensure access to potable water in summer.

About \$75 million would pay for things like remote sensors and gauges to measure snow and rain to help officials make decisions about how much water they should keep in reservoirs. That money includes \$15 million to help the state better predict

atmospheric rivers — the long, narrow bands of water vapor that form over the ocean and flow through the sky.

This phenomenon creates between 30% and 50% of annual precipitation on the West Coast of the United States, so knowing when and where they will occur can help officials plan on how to capture and store that water and better manage reservoirs.

About \$500 million would pay for things like grants so homeowners and local officials can replace grassy lawns and medians with landscapes that rely on little or no water. The money would also help farmers upgrade their irrigation systems to be more efficient.

Atkins, who lives in San Diego, said she and her spouse have already replaced their lawn to be more water efficient, although they did not take money from a state program.

“That’s very clearly happening throughout communities in California because we understand what’s at stake,” she said.

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April 29, 2021 POINT REYES LIGHT

Well is desperately needed

I was extremely disappointed to read in the Light that Inverness resident Gordon Bennett appealed North Marin Water District's coastal permit approval for a new well on the Gallagher ranch. Mr. Bennett clearly doesn't understand that this new well is desperately needed by our community and that N.M.W.D. has done everything it can to minimize any potential impact on Lagunitas Creek. As most of you know, the sodium level in our water has increased substantially due to saltwater intrusion from Tomales Bay, reaching 400-plus milligrams per liter last year. Many members of our community are forced into purchasing bottled water that is trucked in from over the hill and beyond, wasting both plastic and diesel. We need this well and we need it ASAP—especially with fire season looming.

Joe Soule

Point Reyes Station