



**NORTH MARIN
WATER DISTRICT**

REVISED

**NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
June 22, 2021 – 6:00 p.m.
Location: Virtual Meeting
Novato, California**

NOTE: SUPPLEMENTAL INFORMATION FOR ITEM #4 IS PROVIDED AT THE END OF THE AGENDA PACKET

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:

SIGN IN TO ZOOM:

Go to: <https://us02web.zoom.us/j/82191971947> OR

Meeting ID: 82191971947

Call in Method:

Dial: +1 669 900 9128

Meeting ID: 82191971947#

Participant ID: #

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.	GENERAL MANAGER'S REPORT
	2.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	3.	STAFF/DIRECTORS REPORTS
	4.	PUBLIC HEARING/APPROVE: Resolution Proposed West Marin Water Rate Increase
	5.	PUBLIC HEARING/APPROVE: Resolution Proposed Ocean Marin Sewer Rate Increase
<p>CONSENT CALENDAR</p> <p>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.</p>		
	6.	Consent – Approve: Annual Water Quality Report – Novato
	7.	Consent – Approve: Annual Water Quality Report – Point Reyes
ACTION CALENDAR		
	8.	Approve: West Marin Water & Oceana Marin Sewer FY 21/22 Budgets
	9.	Approve: Agreement with Kiosk for Communications and Public Outreach
	10.	Approve: Scott Foster Engineering General Services Agreement
	11.	Approve: Amend General Services Agreement with Environmental Collaborative
	12.	Approve: Renew Declaration of Local Emergency Related to COVID-19 Pandemic
INFORMATION - WEST MARIN		
	13.	West Marin Capital Improvement Projects – FY 20-21 Preliminary Year-End Progress Report
	14.	MISCELLANEOUS Disbursements – Dated June 17, 2021 Press Release – Sonoma Water – State Board Orders Reduction of Minimum Instream Flows and Diversions from the Russian River
<u>News Articles:</u>		
Marin IJ -MMWD might escalate water-saving measures – DROUGHT Press Democrat – Lower Russian River flows to be halved under state order to preserve stored supplies Point Reyes Light – Letters – Rebuttal to Bennett op-ed Marin IJ – District hikes rate for water in Novato – NORTH MARIN Point Reyes Light – Inverness revises rules for new service in drought		

Est. Time	Item	Subject
7:30 p.m.	15.	<i>ADJOURNMENT</i>

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

(Continued)

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MEMORANDUM

To: Board of Directors

June 18, 2021

From: Julie Blue, Auditor-Controller JB

Subj: Public Hearing – Proposed West Marin Water Rate Increase

t:\act\budget\fy-2021.22\rate increase & prop 218\wm22 water public hearing.docx

RECOMMENDED ACTION: Approve the Proposed Rate Increase**FINANCIAL IMPACT:** Additional \$54,000 in Annual Revenue**WATER RATE INCREASE**

A virtual public hearing to consider adoption of a 6% revenue increase in the cost of water effective July 1, 2021, is scheduled for June 22 at 6:00 pm. Customers were notified individually of the proposed rate increase by mail on April 30, 2021 (Attachment 1) and a notice of public hearing was published in the June 3 and June 10 editions of the Point Reyes Light (Attachment 2). These notices invited customers to participate in the hearing and/or exercise the right to protest the proposed increase. A customer protest of 50% plus one would invalidate the proposed increase.

The outreach to customers generated one letter registering a protest to the increase and one letter in support of the increase (Attachment 3). Five phone calls were also received in which three of the customers inquired about the impact of the rate increase on their individual accounts, one asked about the new tier structure, and one complained about raising the rates on water with high salinity content. The 2021 update of the Coastal Area Annual Water Cost Comparison (Attachment 4) shows that, even with the proposed 6% rate increase, the water cost for the NMWD's West Marin customers remain below that paid by the customers of six of the other seven coastal agencies surveyed.

On March 16, 2021 the Board accepted the 2021 West Marin Water Rate Study Report. The rate study report was designed by collaborating with rate consultant, Mark Hildebrand of Hildebrand Consulting. This comprehensive study was developed through numerous meetings with District staff and the Board's Ad Hoc Water Rate Study Subcommittee over several months. During this process the District carried out extensive West Marin Water Rate Study public outreach efforts that began in December 2020 and included news flashes, water bill messages, social media posts, ads in the local newspaper, web notices, postcard notifications mailed to all customers, and a public workshop.

Mark Hildebrand will make a presentation (Attachment 5) on the need for the proposed

been received by the public the Board President will adjourn the Public Hearing. Once the hearing is closed Staff will provide a tally of the protests. The Board will then deliberate and vote on the proposed rate increase. Attachment 6 is a draft of Regulation 54 incorporating the proposed changes. Attachment 7 is the resolution to approve the amendments to Regulation 54.

STAFF RECOMMENDATION

After closing the public hearing:

1. Approve Resolution 21-XX (Attachment 7) amending Regulation 54 pertaining to Water Rates and Charges to reflect a 6% global revenue increase for the customers in the West Marin Water Service Area effective July 1 of 2021.



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**

PRSRT STD
U.S. POSTAGE
PAID
SANTA ROSA, CA
PERMIT NO 120

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 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.

This space is for the County Clerk's Filing Stamp

PROOF OF PUBLICATION (2015.5 CCP)

STATE OF CALIFORNIA County of Marin

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

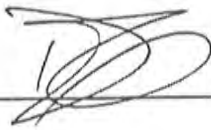
6/10/21

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

Date at Inverness, California, this

6/3/21, 6/10/21

Signature



Proof of Publication

NORTH MARIN WATER

DISTRICT PUBLIC HEARING NOTICE

Purpose: Consider Proposed Rate Increase and Rate Structure Changes.
Impact Area: West Marin Water Service Area
Date and Time: Tuesday, June 22, 2021 at 6:00 p.m.
Place: North Marin Water District, 999 Rush Creek Place, Novato, CA
* Due to ongoing changes in the COVID-19 pandemic guidance and restrictions in Marin County, prior to 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.

PROPOSAL

NMWD is proposing a global 6% rate increase and rate structure changes for West Marin Water customers effective July 1 of 2021.

REASON FOR THE PROPOSED RATE INCREASE

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.

REASON 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 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.

IMPACT

The proposed rate increase and rate structure changes will result in individual customer bills that may

increase more or less than the 6% global increase.

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

PUBLIC HEARING

A public hearing will be held at the NMWD office (999 Rush Creek Place, Novato) at 6:00 p.m. on Tuesday, June 22, 2021, to consider enactment of the proposed increases. You are invited to participate in the hearing, or mail your comments. Due to ongoing changes in the COVID-19 pandemic guidance and restrictions in Marin County, prior to 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. For more information visit NMWD's website or call the District Secretary at (415) 897-4133.
Published in the Point Reyes Light June 3, 10, 2021.

MAY 5, 2021

PROTEST ON RATE INCREASE

NORTH MARIN
WATER DISTRICT

9940 STATE ROUTE 1
AP# 166-203-02

OWNER OF Building
JOSEPH WATT,
J Watt

166-203-02
AP# 166-203-02

RECEIVED

MAY 10 2021

North Marin Water District

RECEIVED

JUN 14 2021

June 10, 2021

North Marin Water District

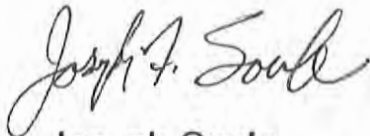
North Marin Water District
PO Box 146
Novato CA 94945

RE: Rate increase proposal

To whom it may concern:

I support the proposed revenue increases and rate structure changes for the West Marin Water Service Area. I have been a customer of yours for over 40 years and appreciate your work.

Thank you.



Joseph Soule
54 Cypress Road Box 382
Point Reyes Station CA 94956-0382

4/13/2021

2021 COASTAL AREA WATER COST COMPARISON

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 7/1/21
Single Family Residence Median Use of 54,000 Gallons Annually (5/8" x 3/4" Meter)

Agency	No. of Water Services	Bimonthly Service Charge	Commodity Rate per 1,000 Gallons		Annual Water Cost¹	Annual Tax Cost²	Total Annual Cost
Bolinas Community PUD	587	\$237.50	\$1.33/\$2.00	(3)	\$1,509	\$634 (4)	\$2,143
Stinson Beach Co Water	731	\$137.72	\$2.61/\$6.26	(5)	\$990	\$833 (6)	\$1,823
Estero Mutual Water District	143	\$207.90	\$7.86/\$11.56	(7)	\$1,608	-	\$1,608
Muir Beach Community Services	159	\$79.73	\$10.10/\$11.51	(8)	\$1,071 (9)	\$300 (10)	\$1,371
Bodega Bay PUD	1,114	\$78.38	\$11.93	(11)	\$686	\$420 (12)	\$1,106
Inverness PUD	516	\$146.00	\$4.01/\$6.68	(13)	\$1,049	-	\$1,049
→ NMWD West Marin Service Area	784	\$42.59 (14)	\$11.52	(15)	\$878	\$77 (16)	\$954
California Water Coast Springs	255	\$63.48	\$7.85/\$9.81		\$903 (17)	-	\$903

Notes:

- (1) Median annual consumption for West Marin Service Area single-family detached home is 54,000 gallons. Use will differ in other areas and microclimates.
- (2) Includes taxes for debt service on outstanding water bonds and loans plus any applicable apportionment of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (3) 1st 15 Ccf quarterly @ \$1.00/Ccf, 16 to 21 Ccf @ \$1.50, 22 - 28 @ \$3.00, 29 - 40 @ \$6.00, 41 - 60 @ \$10, 61 - 75 @ \$15 and 76+ Ccf @ \$18/Ccf (billed quarterly).
- (4) Shares in 1% County levy. This "allocation" is projected by the County of Marin at \$371,916 for Bolinas in 2020/21 of which 100% is credited to the water fund.
- (5) First 4,495 gal @ \$.002603/gal; next 2,991 gal @ \$.006259/gal; next 4,487 gal @ \$.010538/gal; next 2,991 gal @ \$.014447/gal; next 7,479 gal @ \$.022693/gal; next 7,479 gal @ \$.028350/gal; 29,928 gal and over @ \$.036782/gal.
- (6) Stinson Beach shares in 1% County levy. This "allocation" is projected at \$870,102 in 2020/21 of which 70% is credited to the water fund amounting to \$833 per service.
- (7) First 25 cubic meters bimonthly @ \$2.075/cm; next 25 cm @ \$3.051/cm. Drought surcharge of \$20.00/cm for use in excess of 50 cm.
- (8) \$79.73/bimonthly flat rate plus volumetric price per gallon of \$.0202/gallon with conservation discount rates applied of 50% for the first 4,500 gallons, 43% for the next 5,500 gallons, 30% for the next 20,000 gallons and no discount for anything above 30,000 gallons.
- (9) 25% of revenue is allocated to capital improvements.
- (10) The annual \$300 charge is collected via water billings and is allocated to capital improvements.
- (11) \$69.46 bi-monthly water service charge for 0-800 cubic feet, then \$8.92/100 cubic feet for 801 cubic feet and above.
- (12) Based on share of 1% County levy. This "allocation" by the County of Sonoma was estimated at \$467,605 for 19/20, of which 100% was allocated to water amounting to \$420 per service. The 20/21 estimate will not be available until June.
- (13) Tiered Rates of 5-12 ccf @ \$3.00/ccf; 13 to 24 ccf @ \$5.00/ccf, 25 to 36 @ \$6.00/ccf, 37 to 48 @ \$10.00/ccf, 49 to 60 @ \$12.00/ccf and 61+ @ \$28.00/ccf. Each customer is entitled to use up to 4ccf of water (approx 50 gallons a day) over the two-month period at no charge.
- (14) Includes a proposed bi-monthly increase of \$6.91.
- (15) Rate shown is weighted average of Point Reyes Station, Olema, Bear Valley/Inverness Park & Paradise Ranch Estates and includes a Proposed 4.5% commodity rate increase. Tier rate charges do not apply to the typical residential customer as median use does not exceed the 400 gpd tier rate threshold.
- (16) West Marin Service Area receives an allocation of the 1% County levy projected at \$60,000 in 2021/22, amounting to \$77 per service.
- (17) In 2016 the PUC agreed to consolidate Cal Water's Redwood Valley rates with its "Bayshore District" (South Bay) rates. Roughly 2,000 connections in the Redwood Valley District, of which Coast Springs is a part, are now combined with Bayshore's 54,000 connections, resulting in a significant rate reduction for Coast Springs customers.

Public Hearing for proposed changes to West Marin Water Rates

North Marin Water District

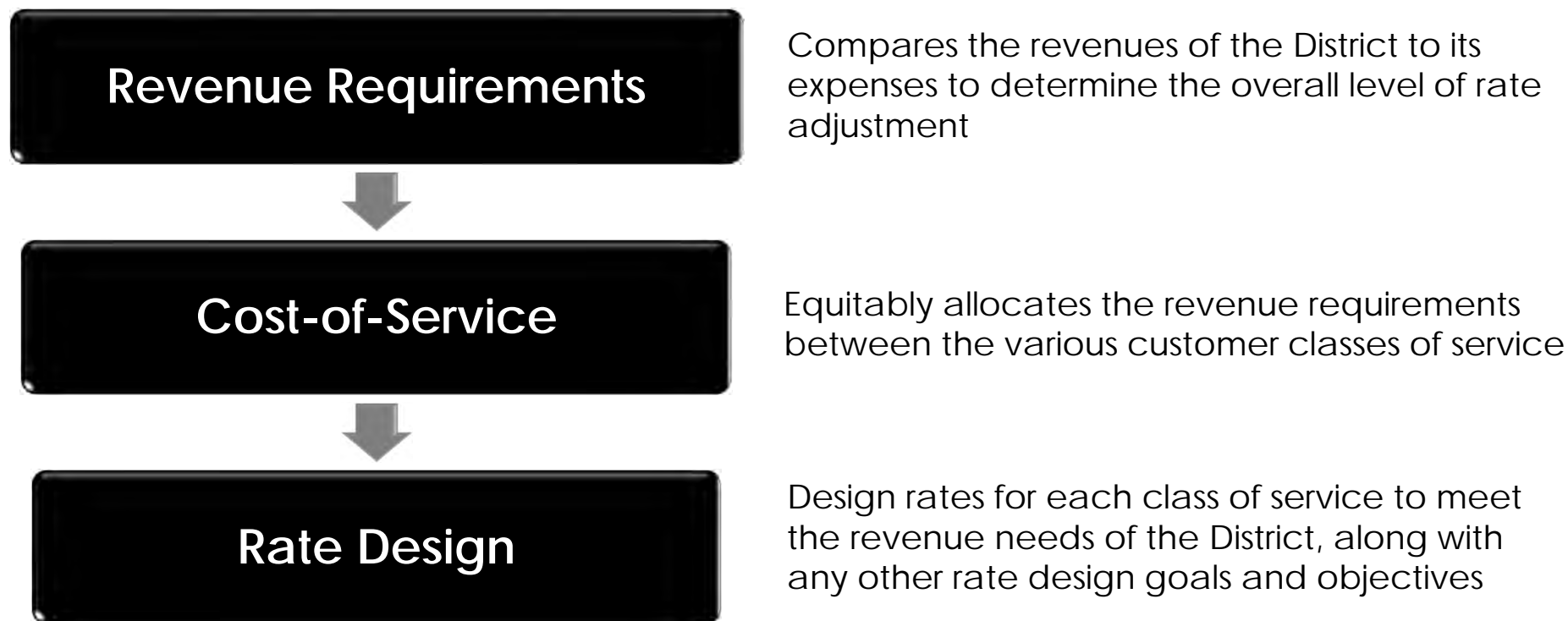
June 22, 2021



Agenda

1. Rate Studies Overview & Scope
2. Financial plan
3. Rate design topics
 - Tiered Rates
 - Meter Equivalency
 - Hydraulic Zone Charge
 - Outside Customer Surcharge
 - Private Fire Charge
4. Proposed Rates and Bill Impacts
5. Project Schedule

The Rate Setting Process



Rate Study Objective

- Establish a secure, multi-year financial plan that supports operating costs and capital spending necessary to provide water services that are reliable, high-quality, environmentally responsible and reasonably priced.
- Develop a rate structure that:
 - ✓ Complies with the requirements of Proposition 218
 - ✓ Is consistent with the historical rate structure

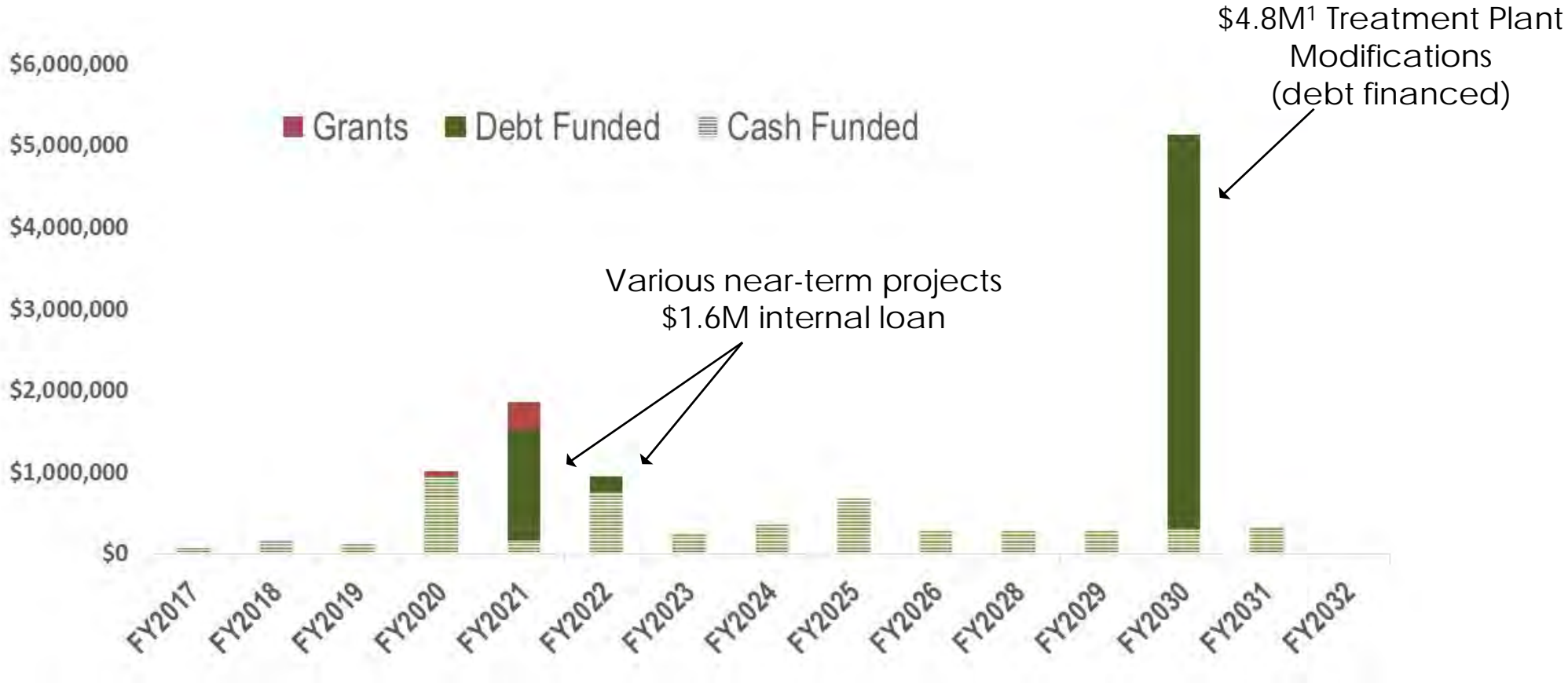
Reserves

The following are the reserve categories that are consistent with the reserve policies for the Novato service area.

Minimum Reserves: } These reserves should always *plan* to be fully funded:
} **Operating Reserve:** 4 months of O&M budget (\$200 thousand)
} **Liability Contingency Reserve** (currently \$98K)

Target Reserves: } This reserve is designed to occasionally be drawn down:
} **Maintenance Accrual Fund:** Equal to the average long-term annual capital spending (\$380K).

West Marin Water System Capital Spending



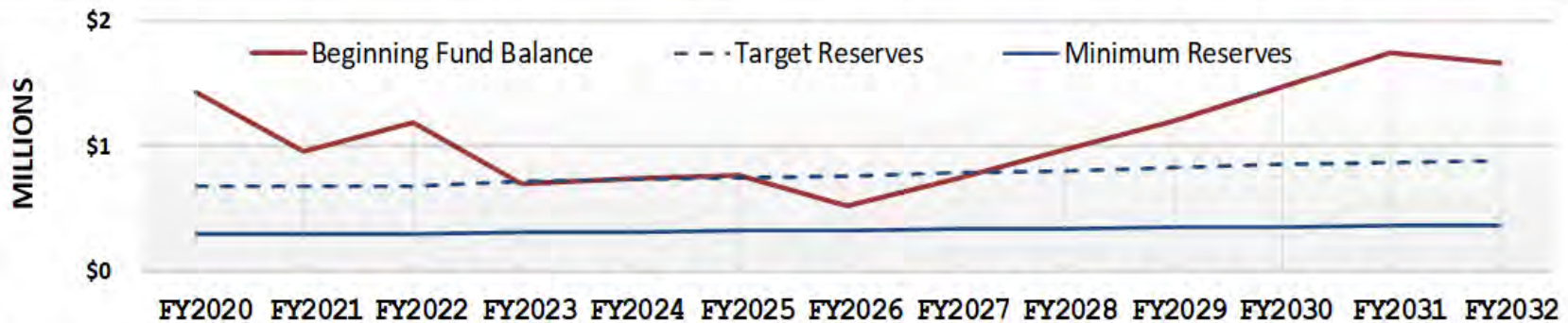
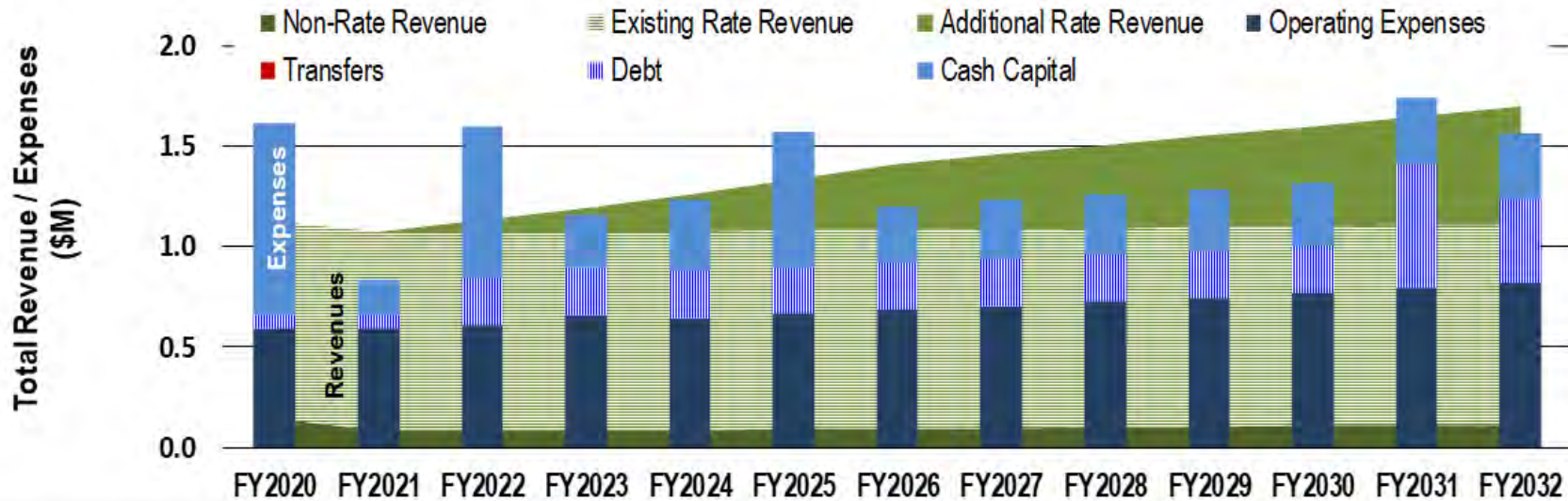
Average capital spending from 2017 - 2019: \$126 thousand
 Average capital spending from 2019 - 2026: \$773 thousand

¹ The Treatment Plant project is estimated to cost \$3.8M in current dollars, which will be approximately \$4.8M after inflation

Detailed List of Near-Term West Marin Water System Capital Spending

	Actual FY 2020	Estimated FY 2021	Forecast FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026
1 Replace PRE Tank #4A (25K gal w/125K gal)	\$343,309	\$1,057,000	\$0	\$0	\$0	\$0	\$0
2 New Gallagher Well #2	\$73,895	\$335,000	\$506,105	\$0	\$0	\$0	\$0
3 PB Replace in Sync w/ County Paving	\$47,256	\$0	\$50,000	\$0	\$51,500	\$0	\$51,500
4 Gallagher Ranch Streambank Stabilization (Note 3)	\$386,826	\$335,000	\$0	\$0	\$0	\$0	\$0
5 PRE Tank #1 & #2 Replacement	\$0	\$0	\$0	\$0	\$0	\$618,000	\$0
6 Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$13,615	\$137,000	\$400,000	\$51,500	\$0	\$0	\$0
7 PB Replacement-Drakes View Dr	\$66,264	\$0	\$0	\$0	\$0	\$0	\$0
8 PS/Tank Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$448,500
9 Olema Creek Bridge Pipe Replacement (County)	\$703	\$0	\$0	\$0	\$255,000	\$0	\$0
10 Olema PS Wireless to Tank	\$8,468	\$0	\$0	\$0	\$0	\$0	\$0
11 PB Replacement-SR 1 Pt Reyes Replacement	\$75,876	\$0	\$0	\$0	\$0	\$0	\$0
12 Olema Pump Station Pump Improvements	\$7,270	\$0	\$0	\$0	\$0	\$0	\$0
13 Miscellaneous Water System Improvements	\$0	\$0	\$0	\$200,000	\$0	\$0	\$0
Capital Spending Totals:	\$1,023,482	\$1,864,000	\$956,105	\$251,500	\$306,500	\$618,000	\$500,000

West Marin Enterprise Financial Forecast



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Proposed Revenue Increases:		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio:	7.5	6.75	5.06	5.17	6.38	7.15	7.93	8.28	8.63	9.03	9.38	1.53	2.14
Net Debt Proceeds:	\$0.0M	\$1.4M	\$0.2M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$4.8M	\$0.0M	\$0.0M

Rate increase drivers:

Increased capital spending

- Near-term projects driven by
 - Fire protection (Tank #4 in PRE)
 - Water quality improvements (Gallagher Well #2)
 - Pipeline encroachment relocation obligations (Caltrans and Marin County bridges),
- Significant treatment plant modification project in the long-term

Inflation

- Half of the proposed rate increases are simply the rising cost of doing business

Cost of Service and Rate Design

Existing Rates

- ❑ Fixed Service Charge by Meter size
 - ✓ Special service charge for Paradise Ranch Estate

- ❑ "Quantity" Charge:
 - ✓ 3 Tiers for Residential
 - ✓ Seasonal rates for Commercial (Non-Residential)
 - ✓ Hydraulic Zone Charge
 - ✓ Drought Surcharge*

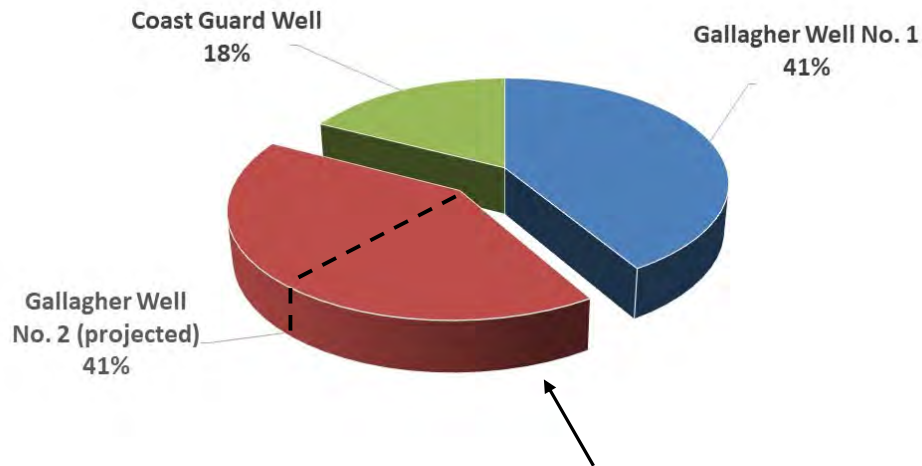
- ❑ Other Charges
 - ✓ Private Fire Service
 - ✓ Temporary (hydrant) Meters
 - ✓ Outside Customer Surcharge*
 - ✓ Backflow Prevention *

* Not part of the current study

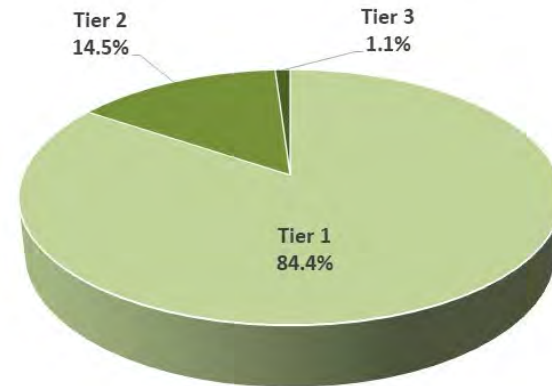
Structuring tiered usage rates based on historical water sources vs. the Gallagher well water supply

- ✓ Tier 2 and 3 rates will be justified based on a *portion* of the cost of adding the new Gallagher well (No. 2) to supplement the water supply
- ✓ Tier allocation will be based on the availability of water from the water supply sources.

Water Volume by Source



Current Volume Sold by Tier



Half of the costs associated with Gallagher Well #2 will be collected through Tier 2 and Tier 3 rates

Tier Allocations

Residential Tier Allocation (gal/day)

Current

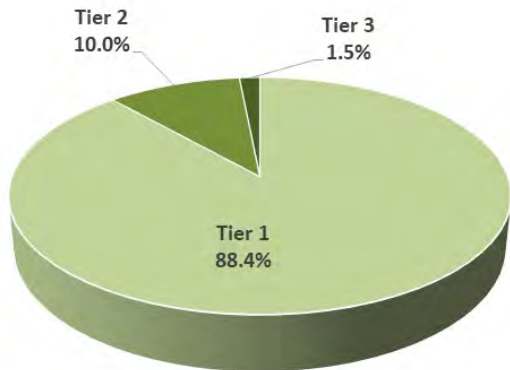
Tier 1: 0 to 400
 Tier 2: 400 to 900
 Tier 3: Above 900

Proposed:

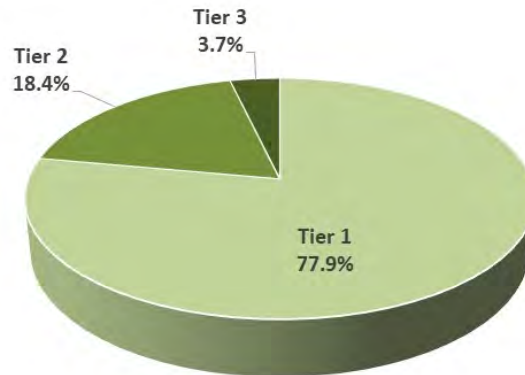
Tier 1: 0 to 250
 Tier 2: 250 to 600
 Tier 3: Above 600

Residential Volume Sold by Tier

Current



Proposed



Commercial Tier Allocation (gal/day)

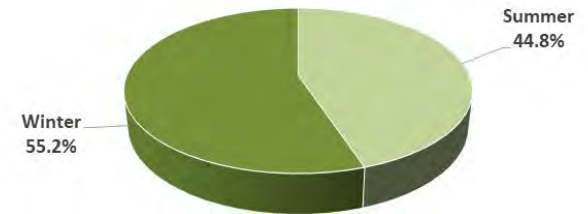
Current:

Summer Rates: June to October (5 months)
 Winter Rates: Nov. to May (7 months)

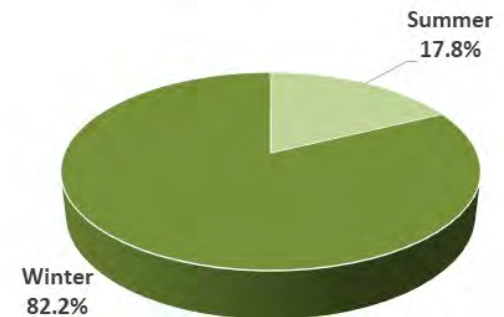
Proposed:

Summer Rates: July to September (3 months)
 Winter Rates: October to June (9 months)

Commercial Current Volume Sold by Tier

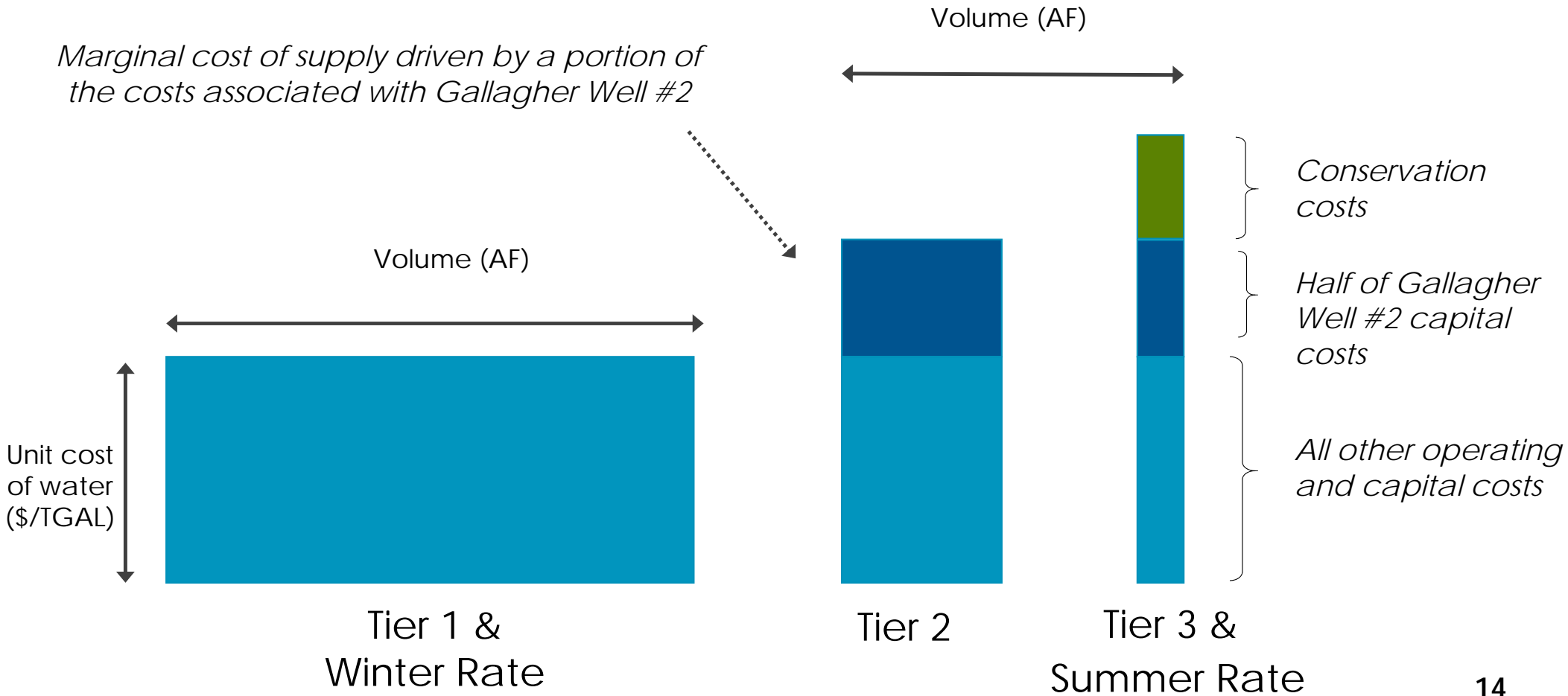


Commercial Proposed Volume by Tier



Proposed Basis for Tiered Water Rates

Marginal cost of supply driven by a portion of the costs associated with Gallagher Well #2



Proposed Meter Equivalency Schedule

- Basis of current rate structure is not well documented
- The proposed meter equivalency schedule uses the hydraulic capacity ratio (which is the industry standard and consistent with Novato rates) and results in a “steeper” ratio.
- The study also allocates some costs on a “per account” basis.

Fiscal impact: more costs will be allocated to larger meters

Meter Size	Meter Type	Rating (gpm)	Proposed Equivalency Schedule	Existing Equivalency Schedule	Increase	Percent of Accounts
5/8"	Displacement	20	1.00	1.00	0%	75%
1"	Displacement	50	2.50	2.00	25%	22%
1 1/2"	Displacement	100	5.00	2.44	105%	2%
2"	Displacement	160	8.00	3.80	110%	1%
3"	Compound Class 1	320	16.00	7.53	112%	0.4%
4"	Compound Class 1	500	25.00	12.10	107%	0.1%

Source: Table B-2 AWWA meter standards, *AWWA M1 Manual*, 7th Ed. (2017)

Hydraulic Zone Charge

Proposed Hydraulic Zone Charge based on:

- Detailed actual electricity usage by zone
- Depreciation expense associated with pump and storage assets

(doesn't include a "Zone 1" charge because all water originates in Zone 1)



* Zone 3 is at a lower elevation than Zone 2

	Annual Depreciation Expense ¹	Replacement Charge (\$/TGAL)	Electricity Charge per TGAL	Proposed Charge (per TGAL)	Current Charge (per TGAL)
Zone 3 (Olema):	\$8,220	\$0.84	+	\$0.26 = \$1.10	\$0.95
Zone 2 (others ²):	\$27,780	\$1.58	+	\$0.61 = \$2.19	\$0.25
Zone 4 (Upper PRE):	\$19,720	\$4.52	+	\$1.64 = \$6.16	\$6.46
	\$49,300				

¹ Assumes a 25 year expected useful life for Pump Station infrastructure and 50-year expected useful life for storage infrastructure (tanks).

² Includes Inverness Park, Bear Valley, and Lower Paradise Ranch Estates

Private Fire Services Charges

- ✓ Fire service charges are based on cost of maintaining fire service lines on private property
- ✓ Our analysis found that it is appropriate to charge West Marin the same rates as those recently adopted for Novato

Outside Surcharge

- ✓ Calculating the appropriate surcharge for outside customers is not within the scope of the current study. Staff recommends keeping the surcharge and increasing it by the general annual rate increases.

Special Service Charge for PRE Accounts

- ✓ At this time, there is no measurable difference in the cost to serve the Paradise Ranch Estate service area.
- ✓ Revenue bonds for PRE have been paid in full as of FY2019.

Proposed Rates (Year 1)

VARIABLE QUANTITY CHARGE (per TGAL)

	PROPOSED RATES		CURRENT RATES		PROPOSED CHANGE							
COMMERCIAL	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>		<u>Summer</u>					
Base Rate	\$8.88	\$18.33	\$9.77	\$13.51	-\$0.89	-9.1%	\$4.82	35.7%				
Zone 3	\$9.98	\$19.43	\$10.72	\$14.46	-\$0.74	-6.9%	\$4.97	34.4%				
Zone 2	\$11.07	\$20.52	\$10.02	\$13.76	\$1.05	10.5%	\$6.76	49.1%				
Zone 4	\$15.04	\$24.49	\$16.23	\$19.97	-\$1.19	-7.3%	\$4.52	22.6%				
RESIDENTIAL	<u>Tier</u>			<u>Tier</u>			<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 3</u>	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>3</u>
Base Rate	\$8.88	\$12.91	\$18.33	\$9.66	\$13.38	\$21.45	-\$0.78	-8.1%	-\$0.47	-3.5%	-\$3.12	-14.5%
Zone 3	\$9.98	\$14.01	\$19.43	\$10.61	\$14.33	\$22.40	-\$0.63	-5.9%	-\$0.32	-2.2%	-\$2.97	-13.3%
Zone 2	\$11.07	\$15.10	\$20.52	\$9.91	\$13.63	\$21.70	\$1.16	11.7%	\$1.47	10.8%	-\$1.18	-5.4%
Zone 4	\$15.04	\$19.07	\$24.49	\$16.12	\$19.84	\$27.91	-\$1.08	-6.7%	-\$0.77	-3.9%	-\$3.42	-12.3%
Outside Surcharge*	\$4.08		\$3.85		\$0.23		6.0%					

FIXED SERVICE CHARGE (bimonthly)

METER SIZE	PROPOSED	CURRENT	CHANGE	
			(dollars)	(percent)
5/8"	\$42.59	\$35.68	\$6.91	19.4%
1" Fire**	\$42.59	\$40.54	\$2.05	5.1%
PRE 5/8" & 1"	\$42.59	\$54.08	-\$11.49	-21.2%
1"	\$104.80	\$71.36	\$33.44	46.9%
1 1/2"	\$208.47	\$87.05	\$121.42	139.5%
2"	\$332.88	\$135.74	\$197.14	145.2%
3"	\$664.64	\$268.77	\$395.87	147.3%
4"	\$1,037.87	\$431.59	\$606.28	140.5%

* As proposed by District staff

** Upsized due to fire code requirements

Bill Impact Drivers for Prop 218:

(why are some customers impacted more than others?)

- 1) Updates to meter equivalency schedule
- 2) Shift in fixed vs. variable revenue
- 3) Change in tier allocations
- 4) Commercial contribution to conservation costs
- 5) Elimination of special charge for PRE accounts
- 6) Update to hydraulic zone charges

Residential Bill Impacts

Single Family

Meter Size	Bimonthly Water Usage (TGAL)		Bi-Monthly Bill		
			Current	Proposed	Change
5/8" (Base zone)	Low	7.0	\$103.30	\$104.75	1.4%
	Median	9.0	\$122.39	\$122.30	-0.1%
	High	25.0	\$314.38	\$304.89	-3.0%
5/8" (Zone 2)	Low	7.0	\$105.05	\$120.08	14.3%
	Median	9.0	\$124.63	\$141.95	13.9%
	High	25.0	\$376.43	\$420.09	11.6%
5/8" & 1" Paradise Ranch Zone 4	Low	7.0	\$166.92	\$147.87	-11.4%
	Median	9.0	\$198.77	\$177.59	-10.7%
	High	25.0	\$494.28	\$458.89	-7.2%
1" (fire) (Base Zone)	Low	7.0	\$108.16	\$104.75	-3.2%
	Median	9.0	\$127.25	\$122.30	-3.9%
	High	25.0	\$319.24	\$304.89	-4.5%

Multi-Family

Meter Size	Typical Water Usage (TGAL)	Bi-Monthly Bill		
		Current	Proposed	Change
Duplex (5/8")	14.0	\$171	\$167	-2.3%
4 Units (1.5")	35.0	\$425	\$519	22.1%
25 Units (1.5")	300.0	\$2,985	\$2,872	-3.8%

Commercial Bill Impacts

Meter Size	Average Monthly Summer Usage (TGAL)	Average Monthly Winter Usage (TGAL)	<u>Summer Month</u>			<u>Winter Month</u>			<u>Annual Total</u>			Percent of Accounts
			Current	Proposed	Change	Current	Proposed	Change	Current	Proposed	Change ¹	
5/8"	4 (low)	4 (low)	\$72	\$95	31.6%	\$57	\$57	-0.2%	\$773	\$795	2.9%	7.0%
	9 (average)	9 (average)	\$139	\$186	33.6%	\$96	\$101	5.4%	\$1,413	\$1,470	4.0%	
	18 (high)	16 (high)	\$261	\$351	34.6%	\$174	\$163	-6.2%	\$2,611	\$2,524	-3.3%	
1"	33 (low)	33 (low)	\$414	\$657	58.8%	\$407	\$345	-15.1%	\$4,925	\$5,081	3.2%	2.2%
	68 (average)	67 (average)	\$819	\$1,299	58.5%	\$788	\$647	-17.8%	\$9,643	\$9,723	0.8%	
	125 (high)	125 (high)	\$1,481	\$2,344	58.2%	\$1,433	\$1,162	-18.9%	\$17,484	\$17,493	0.0%	
1.5"	29	17	\$354	\$636	79.5%	\$210	\$255	21.7%	\$3,383	\$4,204	24.3%	0.4%
2"	107	48	\$1,189	\$2,128	78.9%	\$478	\$593	23.9%	\$10,004	\$11,717	17.1%	0.3%
3"	312	91	\$3,458	\$6,051	75.0%	\$584	\$1,140	95.3%	\$24,250	\$28,417	17.2%	0.1%
4" (Zone 3)	223	164	\$3,050	\$4,852	59.1%	\$1,952	\$2,156	10.4%	\$30,014	\$33,956	13.1%	0.1%

¹ It may appear as though the annual total % change is not consistent with the summer % change and the winter % change, however the reader is reminded that there are three months (June, October and November) which are currently charged at summer rates but are proposed to be charged at winter rates. During those three months the bill impact is expected to be significantly lower, and often a decrease in the bill for that month.

Project Schedule

1. Rate study kickoff meeting	October 21, 2020	Completed
2. Financial planning workshop (Staff)	November 12, 2020	Completed
3. Cost of service (COS) & rate design staff meeting	December 17, 2020	Completed
4. Board Ad-Hoc Committee Meeting #1	January 12, 2021	Completed
5. Board Ad-Hoc Committee Meeting #2	January 26, 2021	Completed
6. Special Board Workshop	February 23, 2021	Completed
7. Regular Board Meeting - Final rate study report presentation	March 16, 2021	Completed
8. Public Hearing to enact new water rates	June 22, 2021, 6 pm	Tonight

Next Steps

1. Public comment
2. Close Public Hearing
3. Tally protest ballots
4. Board deliberation
5. Vote on proposed rates (unless the protest threshold is met)
6. Implement new water rates on July 1, 2021 (if vote passes)

DRAFT
NORTH MARIN WATER DISTRICT
REGULATION 54
WATER RATES

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

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

<u>A BI-MONTHLY SERVICE CHARGE OF:</u>	Rate Effective <u>7/1/21</u>
Standard 5/8-inch meter	\$43.95
For 1-inch meter*	\$78.50
1.5-inch meter*	\$136.08
2-inch meter	\$205.18
3-inch meter	\$389.45
4-inch meter	\$596.76
6-inch meter	\$1,172.60
8-inch meter	\$1,518.11

*(see paragraph f)

<u>RECYCLED WATER</u> <u>A BI-MONTHLY SERVICE CHARGE OF:</u>	Rate Effective <u>7/1/21</u>
Standard 5/8-inch meter	\$51.71
For 1-inch meter	\$90.93
1.5-inch meter*	\$156.31
2-inch meter	\$234.76
3-inch meter	\$443.96
4-inch meter	\$679.31
6-inch meter	\$1,333.07

<u>PLUS, A QUANTITY CHARGE OF:</u>	Rate Effective <u>7/1/21</u>
<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	
First 262 gallons per day (gpd)	\$5.83
263 up to 720 gpd	\$6.60
Use in excess of 720 gpd	\$8.13

<u>Rate for 1,000 Gal for All Other Potable Water Accounts</u>	
Commercial, Institutional & Irrigation Accounts – 10/1 – 6/30	\$5.83
Commercial, Institutional & Irrigation Accounts - 7/1 – 9/30	\$8.13

<u>Rate For 1,000 Gallons For Non-Potable Water</u>	
Recycled Water	\$6.61
Raw (Untreated) Water from Stafford Lake	\$3.11

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

<u>Zone</u>	<u>Elevation</u>	Rate Effective <u>7/1/21</u>
A	0 through 60 feet	\$0.00
B	60 feet – 200 feet	\$0.81
C*	200 feet +	\$2.23

NMWD Regulation 54, adopted 1/65
 Revised: 1/67, 6/67, 1/71, 3/72, 2/74, 5/74, 6/74, 8/75, 3/75, 4/76, 5/77, 7/77, 6/78, 7/78, 7/78, 7/79, 3/80, 7/781, 7/21/81, 11/81, 12/82, 4/84, 2/87, 5/88, 7/89, 9/89, 7/90, 8/90, 3/91, 4/92, 6/92, 7/92, 9/92, 10/92, 3/93, 7/93, 7/94, 8/94, 11/94, 3/95, 4/95, 7/95, 2/96, 5/96, 6/96, 2/97, 6/97, 2/98, 6/98, 7/99, 6/00, 7/00, 12/00, 06/01, 07/01, 1/02, 06/02, 7/02, 06/03, 01/04, 06/04, 07/04, 6/05, 7/05, 06/06, 07/06, 12/06, 07/07, 6/08, 7/08, 7/09, 6/10, 7/10, 6/11, 7/11, 9/11, 7/12, 6/13, 7/14, 5/15, 6/15, 5/16, 6/16, 5/17, 6/17, 5/18, 6/18, 5/19, 6/19, 6/16/20, 6/23/20, 11/3/20, 6/15/21, 6/22/21

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

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

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

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

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

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

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

Size of Detector Assembly

	Novato Rate Effective <u>7/1/21</u>	West Marin Rate Effective <u>10/1/20</u> <u>7/1/21</u>
1 inch	\$15.09	\$17.85 <u>15.09</u>
2 inches	\$19.91	\$17.85 <u>19.91</u>
4 inches	\$55.54	\$32.99 <u>55.54</u>
6 inches	\$78.02	\$64.35 <u>78.02</u>
8 inches	\$103.70	\$98.44 <u>103.70</u>
10 inches	\$135.80	\$128.71 <u>135.80</u>

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

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

<u>BI-MONTHLY SERVICE CHARGE</u>	Rate Effective <u>10/1/20</u> <u>7/1/21</u>
For 5/8 x 3/4-inch meter	\$35.68 <u>42.59</u>
For 1-inch meter*	\$71.36 <u>104.80</u>
For 1 1/2-inch meter*	\$87.05 <u>208.47</u>
For 2-inch meter	\$135.74 <u>332.88</u>
For 3-inch meter	\$268.77 <u>664.64</u>
For 4-inch meter	\$431.59 <u>1,037.87</u>
For all meters in Paradise Ranch Estates	\$54.08 <u>42.49</u>

*(see paragraph f)

PLUS, A QUANTITY CHARGE OF:

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	Rate Effective <u>10/1/2017/1/21</u>
First 400250 gallons per day (gpd).....	\$ 9.668.88
404251 up to 900600 gpd.....	\$ 13.3812.91
Use in excess of 900600 gpd.....	\$ 21.4518.33
 <u>Rate Per 1,000 Gallons for All Other Accounts</u>	
Commercial, Industrial and Irrigation Accounts Nov 4/10/1 – May 3/16/30	\$ 9.778.88
Commercial, Industrial and Irrigation Accounts June 4/7/1 – Oct 3/19/30	\$ 13.5418.33

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

<u>Zone</u>	<u>Hydraulic Zone</u>	Rate Effective <u>10/1/2017/1/21</u>
1	Point Reyes Station	\$ 0.000.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0'–365')	\$ 0.252.19
3	Olema	\$ 0.951.10
4	Upper Paradise Ranch Estates (Elevation 365'+)	\$ 6.466.16

(2) Effective July 1, 2021~~0~~ consumers outside the Improvement District boundary shall pay an additional \$~~3.854.08~~ per 1,000 gallons.

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

Residential Accounts: Use in excess of 200 gallons per day	\$2.50
Commercial, Institutional and Irrigation Accounts: All Use	\$2.50

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

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

<u>Novato Service Area</u>	Rate Effective <u>7/1/21</u>
For each 1,000 gallons	\$7.41

<u>West Marin Service Area</u>	Rate Effective <u>10/1/2017/1/21</u>
For each 1,000 gallons	\$ 19.9715.10

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

e. Not used.

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

Rate Effective 7/1/21

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

Novato: \$43.95
West Marin: ~~\$40.54~~42.59

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

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

District Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u>
Testing, Repair, Replacement	3/4" + 1"	\$14.84
Testing, Repair, Replacement	1 1/2"	\$19.61

Privately Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u>
Testing	3/4" + 1"	\$8.48
Testing	1 1/2"	\$14.84
Testing	2"	\$22.79
Testing	3" + 4"	\$33.39

District Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u>
Testing, Repair, Replacement	3/4" + 1"	\$25.44
Testing, Repair, Replacement	1 1/2" + 2"	\$30.74
Testing, Repair, Replacement	3" + 4"	\$137.80
Testing, Repair, Replacement	6" + 8"	\$296.80

Privately Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u>
Testing	3/4" + 1"	\$15.90
Testing	1 1/2" + 2"	\$29.68
Testing	3" + 4"	\$63.07
Testing	6" + 8"	\$121.90

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

(2) Exemptions

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

	Rate Effective <u>7/1/21</u>
Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of:	\$3.18

RESOLUTION 21-XX**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
AMENDING REGULATION 54 – WATER RATES**

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

WHEREAS, on March 16, 2021, the Board of Directors of the North Marin Water District (the “Board of Directors”) accepted the 2021 West Marin Water Rate Study, dated April 14, 2021 (the “Rate Study”), which described recommendations for cost allocation and rate setting; and

WHEREAS, the Board of Directors has considered the recommendation of the North Marin Water District’s (the “District”) General Manager to increase water rates consistent with the Rate Study in order to achieve a revenue increase of 6 percent; and

WHEREAS, the Board of Directors conducted a duly noticed public hearing on June 22, 2021 on the General Manager’s recommendation, and notice of the hearing was provided to all District customers by mail on April 30, 2021, and the Board has considered all of the information received by the Board regarding the proposed recommendation, including the written protests received prior to and comments received at the public hearing; and

WHEREAS, the Board of Directors accepted and caused a tabulation of all written protests against the proposed treated water rates and based upon the results of the tabulation a majority protest against the proposed rates does not exist; and

WHEREAS, the Board of Directors finds and determines that the District has complied with the procedural and substantive requirements set forth in Article XIII D of the California Constitution (Proposition 218) and all relevant statutes that provide for revisions to property-related rates and charges, including rates for treated water service, and the Board further finds and determines that the recommended revisions to the water rates are in the best interests of the District and will pay for ongoing operations, maintenance, repair and improvements to the District’s facilities; and

WHEREAS, the California Environmental Quality Act (CEQA), Section 15273. Rates, Tolls, Fares, and Charges, states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits;
- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the North Marin Water District hereby declares each of the foregoing recitals true and correct and fully incorporated herein; and

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 54 of the North Marin Water District is adopted as follows, effective on the dates as shown below:

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

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

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

<u>A BI-MONTHLY SERVICE CHARGE OF:</u>	Rate Effective <u>7/1/21</u>
Standard 5/8-inch meter	\$43.95
For 1-inch meter*	\$78.50
1.5-inch meter*	\$136.08
2-inch meter	\$205.18
3-inch meter	\$389.45
4-inch meter	\$596.76
6-inch meter	\$1,172.60
8-inch meter	\$1,518.11

*(see paragraph f)

<u>RECYCLED WATER</u>	Rate
<u>A BI-MONTHLY SERVICE CHARGE OF:</u>	Effective <u>7/1/21</u>
Standard 5/8-inch meter	\$51.71
For 1-inch meter*	\$90.93
1.5-inch meter*	\$156.31
2-inch meter	\$234.76
3-inch meter	\$443.96
4-inch meter	\$679.31
6-inch meter	\$1,333.07

<u>PLUS A QUANTITY CHARGE OF:</u>	Rate Effective <u>7/1/21</u>
--	------------------------------------

Regulation 54, adopted 1/65

Last revised: 0705, 0606, 0706, 12/06, 7/07, 6/08, 7/08, 6/09, 7/09, 6/10, 7/10, 6/10, 7/11, 9/11, 7/12, 5/14, 5/15, 5/16, 5/17, 6/17, 6/18, 6/19, 6/23/20, 6/15/21, 6/22/21

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Residential Rate for Each 1,000 Gallons Per Dwelling Unit

First 262 gallons per day (gpd)	\$5.83
263 up to 720 gpd.....	\$6.60
Use in excess of 720 gpd	\$8.13

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

Commercial, Institutional & Irrigation Accounts - 10/1 – 6/30	\$5.83
Commercial, Institutional & Irrigation Accounts - 7/1 – 9/30	\$8.13

Rate For 1,000 Gallons For Non-Potable Water

Recycled Water	\$6.61
Raw (Untreated) Water from Stafford Lake	\$3.11

PLUS AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Elevation</u>	Rate Effective <u>7/1/21</u>
A	0 through 60 feet	\$0.00
B	60 feet – 200 feet.....	\$0.81
C*	200 feet +	\$2.23

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

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

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

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

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

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

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

Size of Detector Assembly

	Novato Rate Effective <u>7/1/21</u>	West Marin Rate Effective <u>7/1/21</u>
1 inch	\$15.09	\$15.09
2 inches	\$19.91	\$19.91
4 inches	\$55.54	\$55.54
6 inches	\$78.02	\$78.02
8 inches	\$103.70	\$103.70
10 inches	\$135.80	\$135.80

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

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

<u>BI-MONTHLY SERVICE CHARGE</u>	Rate Effective <u>7/1/21</u>
For 5/8 x 3/4-inch meter	\$42.59
For 1-inch meter*	\$104.80
For 1 1/2-inch meter*	\$208.47
For 2-inch meter	\$332.88
For 3-inch meter	\$664.64
For 4-inch meter	\$1,037.87
For all meters in Paradise Ranch Estates	\$42.49

*(see paragraph f)

PLUS A QUANTITY CHARGE OF:

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	Rate Effective <u>7/1/21</u>
First 250 gallons per day (gpd).....	\$8.88
251 up to 600 gpd.....	\$12.91
Use in excess of 600 gpd.....	\$18.33
 <u>Rate Per 1,000 Gallons for All Other Accounts</u>	
Commercial, Industrial and Irrigation Accounts 10/1 –6/30	\$8.88
Commercial, Industrial and Irrigation Accounts 7/1 – 9/30	\$18.33

PLUS A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Hydraulic Zone</u>	Rate Effective <u>7/1/21</u>
1	Point Reyes Station	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0'–365')	\$2.19
3	Olema	\$1.10
4	Upper Paradise Ranch Estates (Elevation 365'+)	\$6.16

Regulation 54, adopted 1/65

Last revised: 0705, 0606, 0706, 12/06, 7/07, 6/08, 7/08, 6/09, 7/09, 6/10, 7/10, 6/10, 7/11, 9/11, 7/12, 5/14, 5/15, 5/16, 5/17, 6/17, 6/18, 6/19, 6/23/20, 6/15/21, 6/22/21

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(2) Effective July 1, 2021 consumers outside the Improvement District boundary shall pay an additional \$4.08 per 1,000 gallons.

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

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

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

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

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

<u>Novato Service Area</u>	Rate Effective <u>7/1/21</u>
For each 1,000 gallons	\$7.41

<u>West Marin Service Area</u>	Rate Effective <u>7/1/21</u>
For each 1,000 gallons	\$15.10

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

e. Not used.

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

	Rate Effective <u>7/1/21</u>
Where a meter larger than is otherwise required is installed solely to provide capacity for private fire sprinklers or other firefighting equipment in single-family residential connections the minimum bi-monthly service charge shall be:	Novato: \$43.95 West Marin: \$42.59

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

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

District Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u>
Testing, Repair, Replacement	3/4" + 1"	\$14.84
Testing, Repair, Replacement	1 1/2"	\$19.61

Privately Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u>
Testing	3/4" + 1"	\$8.48
Testing	1 1/2"	\$14.84
Testing	2"	\$22.79
Testing	3" + 4"	\$33.39

District Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u>
Testing, Repair, Replacement	3/4" + 1"	\$25.44
Testing, Repair, Replacement	1 1/2" + 2"	\$30.74
Testing, Repair, Replacement	3" + 4"	\$137.80
Testing, Repair, Replacement	6" + 8"	\$296.80

Privately Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u>
Testing	3/4" + 1"	\$15.90
Testing	1 1/2" + 2"	\$29.68
Testing	3" + 4"	\$63.07
Testing	6" + 8"	\$121.90

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

(2) Exemptions

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

	Rate Effective <u>7/1/21</u>
Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of:	\$3.18

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and

regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the twenty-second of June 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Theresa Kehoe, District Secretary
North Marin Water District


(SEAL)

5

MEMORANDUM

To: Board of Directors

June 18, 2021

From: Julie Blue, Auditor-Controller Subj: Public Hearing – Proposed Oceana Marin Sewer Rate Increase
t:\ac\budget\fy-2021.22\rate increase & prop 21\om22 sewer public hearing.docx**RECOMMENDED ACTION:** Approve the Proposed Rate Increase**FINANCIAL IMPACT:** Additional \$14,000 in Annual Revenue**SEWER RATE INCREASE**

A virtual public hearing to consider adoption of a 5% increase in the cost of sewer services effective July 1, 2022, is scheduled for June 22 at 6:00 pm. An increase in the sewer service charge, which is collected on the property tax roll, must be adopted by ordinance, which requires reading at a public Board Meeting and publication twice. Customers were notified individually of the proposed rate increase by letter dated April 30, 2021 (Attachment 1) and a notice of public hearing was published in the June 3 and June 10 editions of the Point Reyes Light (Attachment 2). These notices invited customers to participate in the hearing and/or exercise the right to protest the proposed increase. A customer protest of 50% plus one would invalidate the proposed increase. Staff did not receive any protest, emails or phone calls in response to customer notification.

After staff provides information on the proposed sewer rate increase, public comment can be taken. Attachment 3 is a draft of Ordinance 42 incorporating the proposed changes and Attachment 4 is a draft of Resolution No. 21-XX amending Regulation 109.

The five-year financial forecast for Oceana Marin (OM) Sewer was reviewed by the Board of Directors at a public meeting on March 16, 2021. The District wide budgets, including OM, were reviewed by the Board at the public meetings occurring on May 18, June 1, and June 15, 2021.

RATE INCREASE PROPOSAL DETAIL

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

A rate increase of 5% for FY 21/22 and subsequent increases of 5% are included in the 5-year financial budget. This will assist in the funding of \$3 million in Capital Improvement Projects scheduled over the next five years.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

Capital Improvement Projects budgeted for the upcoming fiscal year include:

- \$1.5 million towards the Treatment Pond Rehabilitation Project with completion of the project in FY 22/23 for an additional \$205,000. The costs of this project will be offset with 75% grant funding from the California Office of Emergency Services.
- \$100,000 towards replacement of the Tahiti Way Lift Pump Replacement project.
- \$40,000 for continued infiltration repair work to reduce the amount of rainwater infiltrating into the collection system.

FUTURE PROJECTS

The Oceana Marin Sewer 5-Year Financial Plan includes \$310,000 for the North St. Lift Station Bypass project. Additionally, \$125,000 is budgeted in FY 22/23 towards Sewer Force Main Improvements.

OCEANA MARIN SEWER SYSTEM OPERATING BUDGET

Operating expenditures, before depreciation, are budgeted to increase 1% or \$2,000 from the FY 20/21 adopted budget. The 2021 update of the Coastal Area Annual Sewer Cost Comparison (Attachment 5) shows that, when the County allocation of AB8 tax revenue is included as a ratepayer cost, Oceana Marin sewer service cost will rank highest among the six coastal sewer agencies surveyed.

STAFF RECOMMENDATION

After closing the public hearing:

1. Approve Ordinance 42 (Attachment 3) electing to have the Oceana Marin Sewer Charges be collected on the tax roll of the County of Marin;
2. Approve Resolution No. 21-XX (Attachment 4) amending Regulation 109, effective July 1, 2021, to increase the Oceana Marin Sewer Service Rate to \$1,236 per dwelling unit per year.



**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 equating \$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.

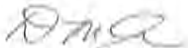
The Board of Directors will accept and consider all written protests and will hear and consider all verbal comments to the proposed sewer service charge increase at the Public Hearing. Verbal comments must be accompanied by a written protest to qualify as a valid protest. At the conclusion of the Hearing, 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

This space is for the County Clerk's Filing Stamp

PROOF OF PUBLICATION (2015.5 CCP)

STATE OF CALIFORNIA County of Marin

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


6/10/21

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

Date at Inverness, California, this

6/3/21, 6/10/21

Signature



Proof of Publication

NORTH MARIN WATER DISTRICT
NOTICE OF PUBLIC HEARING
REGARDING PROPOSED
AMENDMENTS TO ORDINANCE NO. 40, THEREBY INCREASING OCEANA MARIN SEWER SERVICE CHARGES FOR FISCAL YEAR 2021-2022 AND ELECTING TO COLLECT SAID CHARGES ON THE TAX ROLL.

NOTICE IS HEREBY GIVEN that on Tuesday, June 22, 2021 at 6:00 p.m. at a regular Board Meeting of North Marin Water District (NMWD) held at *999 Rush Creek Place, Novato, California, the NMWD Board of Directors will hold a public hearing to consider amending Ordinance No. 40, thereby increasing Oceana Marin sewer service charges for fiscal year 2021-2022 in the amount of \$103 per month (\$1,236 per year) per parcel (a proposed increase of \$5 per month - \$60 annually) and electing to collect said charges on the tax roll as it did for fiscal year 2020-2021 in the same manner as general taxes. NMWD has caused to be filed with its Secretary a written report containing a description of each parcel of real property receiving sanitary sewerage service from said District and the anticipated amount of charges on each such parcel.

* Due to ongoing changes in the COVID-19 pandemic guidance and restrictions in Marin County, prior to 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.

Dated: June 3, 2021
Published in the Point Reyes Light
June 3, 10, 2021.

ORDINANCE NO. 42

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

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

- a. The District has previously developed and instituted a Sewer Service Charge Program to finance the services and facilities furnished by the District in its Improvement Districts No. OM-1 and OM-3 which are herein referred to as Oceana Marin; and
- b. The Board of Directors has reviewed the present sewer service charge and has determined that the sewer service rate should be \$1,236 per equivalent dwelling unit for fiscal year 2021-22;

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

- a. Written notices of the proposed increase in the sewer service charge were sent by first class U.S. mail to every customer in Improvement Districts No. OM-1 and OM-3 prior to the Public Hearing conducted on June 22, 2021 to consider said report and rate increase effective July 1, 2021.
- b. The District prepared and filed a sewer service charge report with the District Secretary.
- c. On June 3, 2021 and June 10, 2021, the District Secretary published a notice of Public Hearing and of the filing of said report in the Point Reyes Light, a newspaper of general circulation printed and published in the County.
- d. At the Public Hearing conducted on June 22, 2021, all written protests against the proposed increase in the sewer service charge, including those provided in person, by facsimile, email and U.S. mail, were considered and tallied, and the District was not presented with protests by a majority of the owners of the

identified parcels affected by this change.

- e. The amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only imposed on those properties actually receiving service or for those which service is immediately available.
- f. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1-4) of the District CEQA Guidelines.

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

c. Sewer Service Rate

For Fiscal Year 2021-22, a sewer service rate of \$1,236 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner."

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

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

Section 6. The Secretary of North Marin Water District is hereby directed to file a copy of said report with the Treasurer-Tax Collector of Marin County on or before July 15, 2021, upon which shall be endorsed, over the Secretary's signature, a statement that the report has been adopted by the Board of Directors of the North Marin Water District.

Section 7. The Treasurer-Tax Collector of Marin County shall, upon receipt of said report, enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2021-2022.

* * * * *

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 22nd day of June 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Theresa Kehoe, Secretary
North Marin Water District

(SEAL)

**RESOLUTION 21-XX
REVISION OF NORTH MARIN WATER DISTRICT
REGULATION 109
OCEANA MARIN SEWER SERVICE - RATES AND CHARGES**

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

c. Sewer Service Rate

For Fiscal Year 2021-22, a sewer service rate of \$1,236 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the twenty-second day of June, 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Theresa Kehoe, District Secretary
North Marin Water District

(SEAL)

NMWD Regulation 109 (6-77)

Revised: 8/78, 1/81, 1/82, 1/84, 6/85, 2/86, 7/89, 7/91, 12/91, 9/92, 10/92, 1/93, 7/93, 7/94, 7/95, 6/96, 7/98, 7/99, 7/00, 7/01, 7/02, 7/04, 6/06, 7/09, 7/10, 7/11, 7/13, 6/14, 6/15, 6/16, 10/16, 6/18, 6/19, 6/20, 6/21
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2021 COASTAL AREA SEWER COST COMPARISON

4/13/2021

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 7/1/21

Agency	No. of Sewer Services	Monthly Service Charge	Annual Tax Revenue ⁽¹⁾	Annual Total
> NMWD Oceana Marin	235	\$103.00 ⁽²⁾	\$272 ⁽³⁾	\$1,508 <
Bolinas Community PUD	163	\$117.58	\$0	\$1,411
Marshall Community Wastewater System	52	\$103.93 ⁽⁴⁾	\$0	\$1,247
Tomales Village CSD	108	\$81.90	\$83 ⁽⁵⁾	\$1,065
Stinson Beach Co Water - Inspection Only	710	\$39.65 ⁽⁶⁾	\$368 ⁽⁷⁾	\$843
Bodega Bay PUD	1,074	\$61.10	\$0	\$733

Notes:

- (1) Includes taxes for debt service on outstanding sewer bonds and loans plus any applicable allocation of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (2) Includes proposed increase of \$5/month.
- (3) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$64,000 for 2021/22 which equates to \$272 per service.
- (4) Community wastewater step-system commenced October 2008. Each parcel has own septic tank, pumped to a community collection tank, then pumped into a community leach field. Rate shown is last year's rate. Rates are based on the Bay Area CPI at April 30th which will be available toward the end of May. Rate used is the April 2020 rate.
- (5) Based on home with net AV of \$413,100 (average 2020/21 AV on 80 single family homes in Tomales) and tax rate of 2.0¢/\$100 AV.
- (6) On-Site Wastewater System - no sewer system. Services provided include septic inspections, ground and surface water monitoring and other inspections required by the State Water Quality Control Board. In addition to the cost paid to Stinson Beach Water Co., each customer must purchase and install their own on-site wastewater system.
- (7) Stinson Beach shares in 1% County levy. This "allocation" was projected by the County of Marin at \$870,102 for 2020/21 of which 30% was allocated to sewer amounting to \$368 per service.

6

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor *PR*
Subject: Annual Water Quality Report- Novato
p:\lab\wq sup\ccr\2020\memo to board re 2020 ccr novato.doc

June 18, 2021

RECOMMENDED ACTION: Approve Text for 2020 Annual Water Quality Report – Novato
FINANCIAL IMPACT: \$1900 (Included in FY 2020/21 Budget)

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

RECOMMENDATION

Approve text and design for the 2020 Annual Water Quality Report (Consumer Confidence Report) for Novato subject to any comments received from the Board of Directors.

Approved by GM *PR*Date 6/18/21



NORTH MARIN WATER DISTRICT

2020 ANNUAL WATER QUALITY REPORT • NOVATO EDITION • PUBLISHED JUNE 2021

Water served by North Marin Water District to its customers comes from protected watersheds and is purified using modern treatment techniques to remove pathogens, including bacteria and viruses. Water is continuously monitored to ensure that it surpasses all state and federal standards for health and safety.

This brochure is a snapshot of water quality monitoring performed in 2020. Included are details about where your water comes from, what it contains, and how it compares to regulatory standards. As you continue to keep your family safe from the (COVID-19) virus you can feel confident that your tap remains a safe and reliable source of clean, good-tasting drinking water. If you have any questions regarding this Water Quality Report, contact Pablo Ramudo, Water Quality Supervisor, (415) 761-8929 or (800) 464-6693.



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

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

Most of Novato's water supply is purchased as treated water from Sonoma County Water Agency (SCWA).

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

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

Este informe contiene información muy importante sobre su agua potable.

Tradúzcalo o hable con alguien que lo entienda bien. Para más información, llame al (415) 761-8929.

TABLE 1 Report on Detected Constituents with a Primary Drinking Water Standard (PDWS)					SONOMA COUNTY WATER AGENCY		STAFFORD WATER TREATMENT PLANT	
CONSTITUENT	UNITS	PHG / [MRDLG] (MCLG)	MCL / [MRDL] (PDWS)	TYPICAL SOURCE	Average	Range	Average	Range
Fluoride	mg/L	1.0	2.0	Erosion of natural deposits	ND	ND	0.11	78
Nitrate (as N)	mg/L	10	10	Soil runoff from fertilizers, leaching from septic systems and sewage	ND	ND	ND	ND
Radioactivity Gross Alpha	pCi/l	0	15	Erosion of natural deposits	ND (1)	ND (1)	ND (2)	ND (2)
					DISTRIBUTION SYSTEM WATER			
Chlorine, Free	mg/L	[4.0]	[4.0]	Drinking water disinfectant added for treatment	Average = 0.78 Range = 0.05 - 1.51			
Total Coliform Bacteria	% of samples positive	(0)	>5% of monthly samples positive	Naturally present in the environment	All Samples negative for coliform bacteria 971 samples collected in 2020			
Total Trihalomethanes (3)	µg/L	n/a	80	By-product of drinking water disinfection	Highest Location Running Annual Average = 57.4 Range of all samples = 9.4 - 109			
Total Haloacetic Acids (3)	µg/L	n/a	60	By-product of drinking water disinfection	Highest Location Running Annual Average = 19.9 Range of all samples = 3.2-58.8			
Copper	µg/L	170	(AL 1300)	Internal corrosion of household plumbing systems	30 samples collected, none above the action level 90th percentile = 100, Range = ND - 120			
Lead	µg/L	2	(AL 15)	Internal corrosion of household plumbing systems	30 samples collected, none above the action level 90th Percentile = ND, Range = ND			

TABLE 2 Constituents With Aesthetic Concerns and/or a Secondary Drinking Water Standard				SONOMA COUNTY WATER AGENCY		STAFFORD WATER TREATMENT PLANT	
CONSTITUENT	UNITS	SMCL	TYPICAL SOURCE	Average	Range	Average	Range
Color	PCU	15	Naturally-occurring organic materials	5	4-9	ND	ND
Odor	TON	3	Naturally-occurring organic materials	ND	ND	NA	NA
Chloride	mg/L	500	Runoff / leaching of natural deposits	5.2	5.1-4.5	76	70-82
Sulfate	mg/L	500	Leaching of natural deposits, treatment chemicals	12	11 - 13	9.7	7.7-12
Turbidity	NTU	5	Soil runoff	0.03	0.013 - 2.0	0.15	0.09 - 0.19
Total Dissolved Solids	mg/L	1000	Runoff / leaching of natural deposits	130	120-150	240	240
Sodium	mg/L	n/a	Naturally-occurring and treatment chemicals	8.3	7.5-9.1	36	30-40
Hardness (4)	mg/L	n/a	Leaching of natural deposits	110	100 - 120	110	110-120
Radon	pCi/l	n/a	See "Radon in Air," back page	103	82.4-114	n/a	n/a
Specific Conductance	µmhos/cm	1600	Substances that form ions in water	240	230-260	420	390-440
Manganese	µg/L	50	Leaching from natural deposits	ND	ND	ND	ND-25

TABLE 3 Unregulated contaminants with no established maximums. The results below are part of monitoring conducted in 2019 in compliance with the Fourth Unregulated Contaminant Monitoring Rule (UCMR4). In addition to the regulated haloacetic acids presented in table 1, detections of other classes of haloacetic acids are presented below. Other contaminants tested in compliance with UCMR4 were not detected in drinking water.							
CONSTITUENT	UNITS	Primary MCL [Notification Level]	State PHG or Federal (MCLG)	TYPICAL SOURCES	System Range	System Average	Meets Regulations (YES/NO)
HAA6Br	µg/L	n/a	n/a	By-product of drinking water disinfection	0.84 - 8.8	5.8	Yes
HAA9	µg/L	n/a	n/a	By-product of drinking water disinfection	2.0 - 2.2	9.6	Yes

LEGEND

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

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

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

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

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

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

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

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

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

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

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

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

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

µmhos/cm = micromhos per centimeter

ND = Not Detected

n/a = Not Applicable

PCU = platinum cobalt units

pCi/l = picocuries per liter

NA=Not analyzed

(1) 2014 Data

(2) 2012 Data

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

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

Concerning Lead and Drinking Water

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

A Message From the United States Environmental Protection Agency

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive materials, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

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

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

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

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

Cryptosporidium & Giardia

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

Radon In Air

Radon is a radioactive gas that can move from decomposed granite soils into a home through cracks and holes in the foundation. Radon can also get into indoor air when running tap water for showering and other household activities. In most cases, radon from tap water is a small source of radon in air. Radon is a known human carcinogen. It can lead to lung cancer. Drinking water containing radon may also cause increased risk of stomach cancer. The SCWA water was tested for Radon and showed an average of 103 and a range of 82.4 – 114 pCi/L (picocuries per liter). There is no federal regulation for radon levels in drinking water. Exposure over a long period of time to air transmitting radon may cause adverse health effects. If you are concerned about radon in your home, **test the air in your home!** Testing is inexpensive and easy. For additional information, call your state radon program or call EPA's Radon Hotline (800-SOS-RADON).

Notice To Kidney Dialysis Patients

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

Drinking Water Source Assessment for SCWA Groundwater Supply

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

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

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

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

A copy of the complete assessment may be reviewed at the California Water Boards-Division of Drinking Water Field Operations Branch office located at 50 D Street, Suite 200, Santa Rosa, CA 95404. You may request a summary of this assessment be sent to you by contacting the Office Representative at 707-876-2145 (voice) or by email to dwpdist18@waterboards.ca.gov.

Drinking Water Source Water Assessment For Stafford Lake

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

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

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MEMORANDUM

To: Board of Directors
 From: Pablo Ramudo, Water Quality Supervisor *PR*
 Subject: Annual Water Quality Report- Point Reyes Area
P:\LAB\WQ Supv\CCR\2020\Memo to board re 2020 CCR PR.doc

June 18, 2021

RECOMMENDED ACTION: Approve Text for 2020 Annual Water Quality Report – Point Reyes Area

FINANCIAL IMPACT: \$800 (Included in FY 2020/21 Budget)

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the sources of water and treatment regimes, as well as general information about water and its chemical constituents. Customers who normally receive a paper bill will also receive an insert informing them that the report is available on our website and that a paper copy can be requested. Customers who receive an electronic bill will be sent an email with a link to the report on our website. We will initially order 150 printed copies of the report to mail to customers who request it and to have available to customers in our lobby. Additional copies will be ordered if necessary.

RECOMMENDATION

Approve text and design for the 2020 Annual Water Quality Report(Consumer Confidence Report) for the Point Reyes system subject to any comments received from the Board of Directors.

Approved by GM *[Signature]*Date *6/18/21*

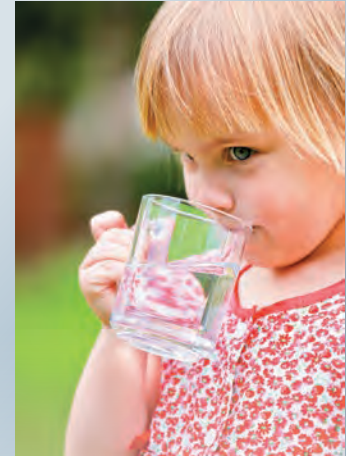


NORTH MARIN WATER DISTRICT

2020 ANNUAL WATER QUALITY REPORT • POINT REYES AREA EDITION • PUBLISHED JUNE 2021

Water ^{served} by North Marin Water District to its customers comes from protected watersheds and is purified using modern treatment techniques to remove pathogens, including bacteria and viruses. Water is continuously monitored to ensure that it surpasses all state and federal standards for health and safety.

This brochure is a snapshot of water quality monitoring performed in 2020. Included are details about where your water comes from, what it contains, and how it compares to regulatory standards. As you make any preparations to deal with the risks of coronavirus (COVID-19) you can feel confident that your tap remains a safe and reliable source of clean, good-tasting drinking water. If you have any questions regarding this Water Quality Report, contact Pablo Ramudo, Water Quality Supervisor, (415) 761-8929 or (800) 464-6693.



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

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

Due to their proximity to Lagunitas Creek and Tomales Bay, the two wells in Point Reyes Station are prone to salt water intrusion ~~during very high tides~~. Once the

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

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

Este informe contiene información muy importante sobre su agua potable.

Tradúzcalo o hable con alguien que lo entienda bien. Para más información, llame al (415) 761-8929.

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

CHEMICAL	UNITS	PHG / [MRDLG] (MCLG)	MCL / [MRDL] (PDWS)	POINT REYES TREATMENT PLANT	POINT REYES DISTRIBUTION SYSTEM	TYPICAL SOURCE OF CHEMICAL
Total Trihalomethanes (1)	µg/L	n/a	80	n/a	Highest Location Running Annual average = 55.1, Range = 31.3 - 82.9	By-product of drinking water disinfection
Haloacetic Acids (1)	µg/L	n/a	60	n/a	Highest Location Running Annual average = 19.7 Range = 3.7– 35.5	By-product of drinking water disinfection
Lead	µg/L	2	(Action level 15)	ND	90th Percentile = 13 None of 10 samples above action level	Internal corrosion of household water plumbing system and fixtures
Copper	µg/L	170	(Action level 1300)	ND	90th Percentile = 480 None of 10 samples above action level.	Internal corrosion of household water plumbing system and fixtures
Fluoride	mg/L	1.0	2.0	Average = ND, Range = -.10	n/a	Erosion of natural deposits
Chlorine, free	mg/L	[4.0]	[4.0]	n/a	Average = 0.35 Range = 0.04 - 0.87	Drinking water disinfectant
Coliform Bacteria	# of positive samples per month	0	2 or more positive monthly samples	n/a	All samples negative for coliform bacteria, 91 samples collected in 2020	Naturally present in the Environment
Barium	µg/L	2	1	Average = ND, Range = ND - 0.130	n/a	Erosion of natural deposits
Arsenic	µg/L	0.004(0)	10	Average = ND, Range = ND - 2.0	n/a	Erosion of natural deposits; runoff from orchards

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

LEGEND

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

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

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

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

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

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

SMCL (Secondary Maximum Contaminant Level): Non-enforceable levels set to protect the odor, taste, and appearance of drinking water.

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

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

Abbreviations

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

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

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

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

n/a = not applicable

ND = Not Detected at testing limit

µmhos/cm = micromhos per centimeter

PCU = platinum cobalt units

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

CONSTITUENT	UNITS	SMCL	POINT REYES AVERAGE	POINT REYES RANGE	TYPICAL SOURCES
Chloride	mg/L	(500)	170	14 – 780	Runoff/leaching from natural deposits; seawater influence
Color	PCU	(15)	ND	ND	Naturally-occurring organic materials
Hardness	mg/L	n/a	210	120 – 500	Generally found in ground and surface water
Manganese	µg/L	(50)	ND	ND	Leaching from natural deposits
Specific Conductance	µmhos/cm	(1600)	710	250 – 2700	Substances that form ions when in water; seawater influence
pH	n/a	(8.5)	7.0	6.9 – 7.1	
Total Dissolved Solids	mg/L	(1000)	520	170 – 1200	Runoff/leaching from natural deposits
Turbidity	NTU	5	0.05	0.03 – 0.06	Soil runoff
Sodium	mg/L	n/a	61	11 – 260	Generally found in ground and surface water; seawater influence

Salinity Intrusion

North Marin Water District is experiencing salinity intrusion at two of our three wells, these being the wells situated adjacent to the former Coast Guard housing facility. Our third well, situated on the Gallagher ranch, is not affected by salinity intrusion. Throughout the cooler months we were able to supply our customers water almost solely from our Gallagher Well, but during the higher-demand summer months our system will be supplemented with higher salinity water from the Coast Guard wells.

We test our water supply weekly for a number of chemical and microbial constituents, including those associated with higher salts like sodium, chloride, conductance, and total dissolved solids. There are no health-based regulations for these mineral constituents in public drinking water, however there are aesthetic standards as detailed in the table above. In 2020 the water served by NMWD was above these aesthetic standard for several months, the water having an undesirable salty taste that was noted by many customers.

Sodium is an essential nutrient for the body, necessary for proper nerve function. The FDA recommends a dietary intake of 2300 milligrams per day, but most Americans consume between 2700 to 7000 milligrams per day. Some medical conditions make reducing sodium necessary with the most severe restrictions limiting sodium intake to no more than 1375-1800 milligrams per day. NMWD publishes the weekly sodium and chloride levels in the Point Reyes Light when the sodium level rises above 50 milligrams per liter so that those of our customers advised by their physicians to account for sodium in their diets can adjust their sodium intake as needed.

For those customers on a salt restricted diet we have developed a plan to make water from the Gallagher well available at fill stations on the former Coast Guard property. The fill stations will be available on specified days when the sodium concentration in the water served to customers' homes reaches 115 milligrams per liter. This value is derived from the FDA recommended sodium intake of 2300 milligrams per person per day and represents a contribution from drinking water of 10% based on the typical drinking water consumption of 2 liters per day. For details about the fill stations including directions and hours of operations please visit our website www.nmwd.com/wq

A Message From the United States Environmental Protection Agency

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

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

Contaminants that may be present in source water include:

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

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

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

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

Radon In Air

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

Source Water Assessment

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

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

Board of Directors

James Grossi
President

Stephen Petterle
Vice President

Jack Baker
Rick Fraites
Michael Joly

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

Concerning Lead and Drinking Water

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

8

MEMORANDUM

To: Board of Directors

June 18, 2021

From: Julie Blue, Auditor-Controller *JB*Subj: Approve – West Marin Water & Oceana Marin Sewer FY 21/22 Budgets
t:\acl\budget\fy-2021.22\budget final fy 21 22\wm & om budget approve june 22 fy 21 22.docx**RECOMMENDED ACTION:** Approve – West Marin Water & Oceana Marin Sewer FY 21/22 Budgets**FINANCIAL IMPACT:** Total \$2.1 Million Expenditure Plan
Capital/Equipment/Debt Service - \$2.8 Million
Operations - \$0.8 Million

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

To date, the Board of Directors (BOD) have reviewed financial forecasts for each service area including OM in March and WM included with the 2021 West Marin Water Rate Study in March. These financial forecasts were 5-year projections outlining the overall financial status of each of these service areas and conveyed the need for rate increases.

The BOD first reviewed the FY 21/22 Capital Improvement Project Budget (CIP) and Equipment Budget at the May 4, 2021 meeting. The District wide budget, (including CIP/Equipment) was presented at the May 18, June 1, and June 15 Board meetings for review and Board member input. The Board approved the Novato and Recycled Water Budgets at the June 15, 2021 meeting. There have been no changes made to the West Marin Water and Oceana Marin Sewer Budgets since the last review.

West Marin Water and Oceana Marin Sewer Budget Approval

The FY 21/22 budget totals for West Marin Water and Oceana Marin Sewer are as follows:

Budget Category	West Marin	Oceana Marin	Total
Capital Improvement Projects	\$1,085,000	\$1,590,000	\$2,675,000
Debt Service	171,000	-	171,000
Operations & Maintenance	520,000	196,000	716,000
Administration	90,000	14,000	104,000
Total WM & OM FY 21/22 Budget	\$1,866,000	\$1,800,000	\$3,666,000

Budget Schedule:

The West Marin and Oceana Marin sections of the budget are presented for approval at this Board meeting. The recommended action is to approve the West Marin Water and Oceana Marin Sewer Operations, Capital, and Equipment Budgets.

The schedule below outlines the activities that have occurred related to the budget review and approval process. This schedule was approved by the BOD at the March and April meetings. Approval of the West Marin Water and Oceana Marin Sewer Budgets will conclude the budget approval process.

Date	Item	Review/Approve	Rate Hearing	Status	Service Area
March 16	Financial Plan Update (Water Rate Study Approved)	Review Only		Complete	West Marin Water
March 16	Financial Plan Update	Review Only		Complete	Oceana Marin Sewer
April 6	Financial Plan Update	Review Only		Complete	Novato/RW
April 20	Review and Approve Prop 218 Letters to be sent to customers	Approve		Complete	Novato/RW/WM/OM
May 4	Capital Project & Equipment Budget Schedules	Review Only		Complete	Novato/RW/WM/OM
May 18	Operations & Maintenance and Capital Budget - District	Review Only		Complete	Novato/RW/WM/OM
June 1	Operations & Maintenance and Capital Budget - District	Review Only		Complete	Novato/RW/WM/OM
June 15	Operations & Maintenance and Capital Budget - Novato and Recycled Water	Approve	X	Complete	Novato/Recycled Water
June 22	Operations & Maintenance and Capital Budget - West Marin Water	Approve	X	Current	West Marin Water
June 22	Operations & Maintenance and Capital Budget - Oceana Marin Sewer	Approve	X	Current	Oceana Marin Sewer

Recommendation:

Approve the West Marin Water & Oceana Marin Sewer FY 21/22 Budgets.



**NORTH MARIN
WATER DISTRICT**

North Marin Water District

Budgets

Novato & West Marin Service Areas

Draft June 22, 2021

**Fiscal
Year
2021/22**

NORTH MARIN WATER DISTRICT
NMWD.COM
999 RUSH CREEK PLACE
NOVATO, CALIFORNIA 94945

INTRODUCTION

This document contains the fiscal year 2021/22 budgets for North Marin Water District's various enterprise service districts located in Marin County. These are:

Potable Water Service:

Novato

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

Recycled Water Treatment, Transmission and Distribution:

Novato

Sewage Collection, Treatment & Reuse/Disposal:

Oceana Marin

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

MISSION STATEMENT

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

VISION STATEMENT

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

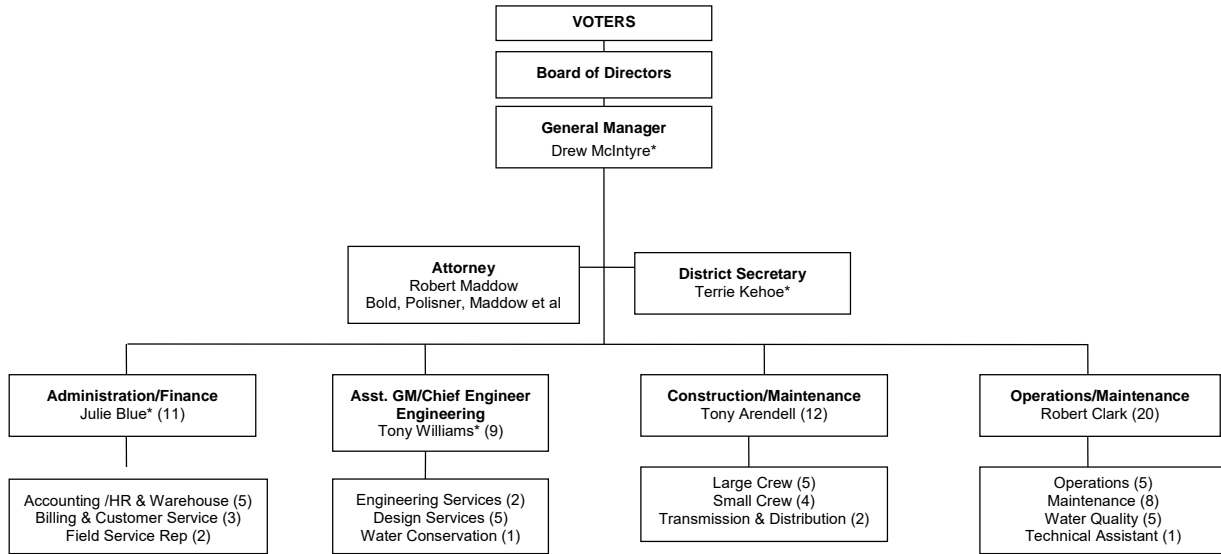
NMWD VALUES

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

ORGANIZATION FACT SHEET
July 2021

Organization:

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



Authority:

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

Territory:

100 square miles (see attached map)

Distribution System Expansion Policy:

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

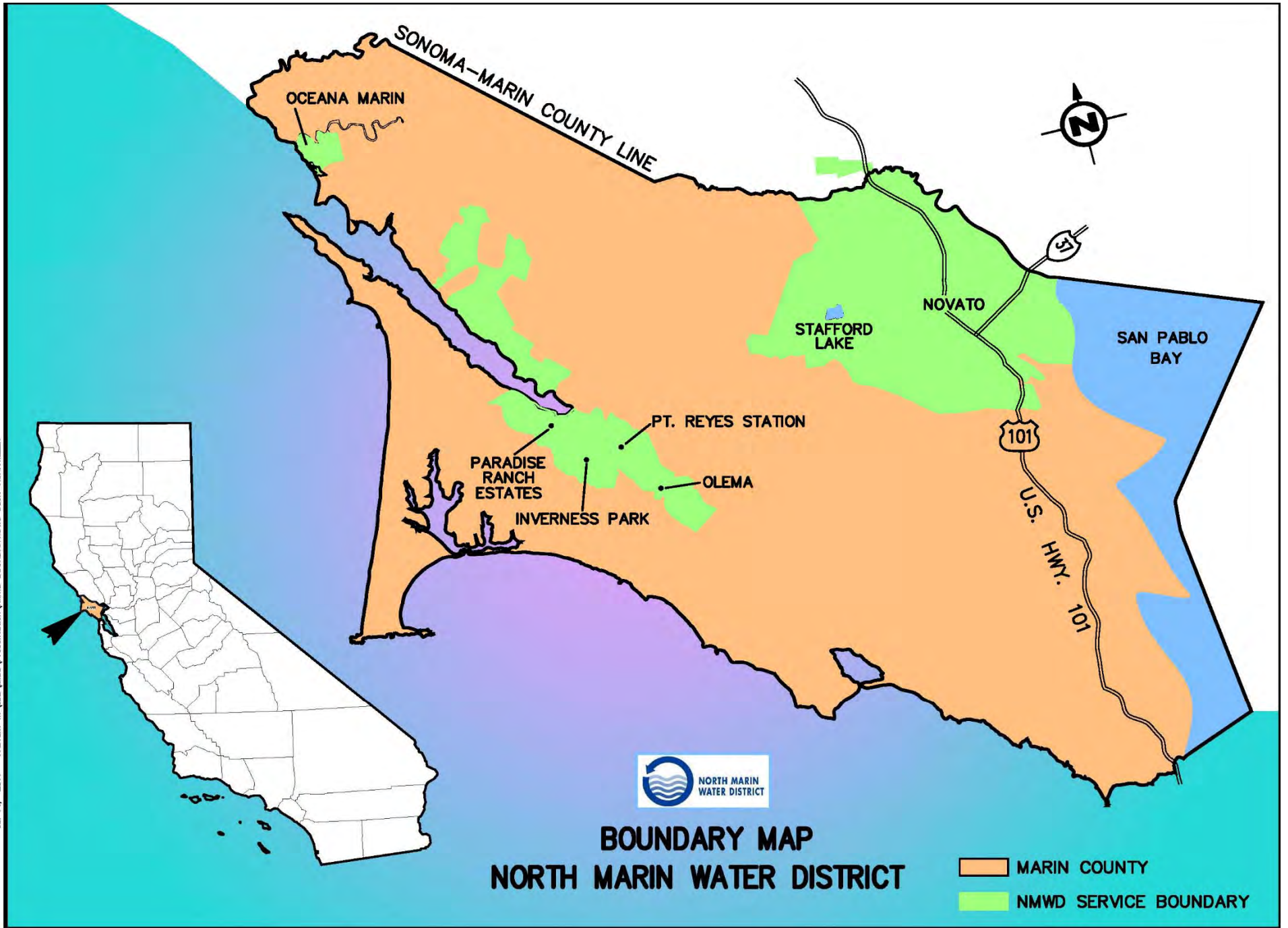
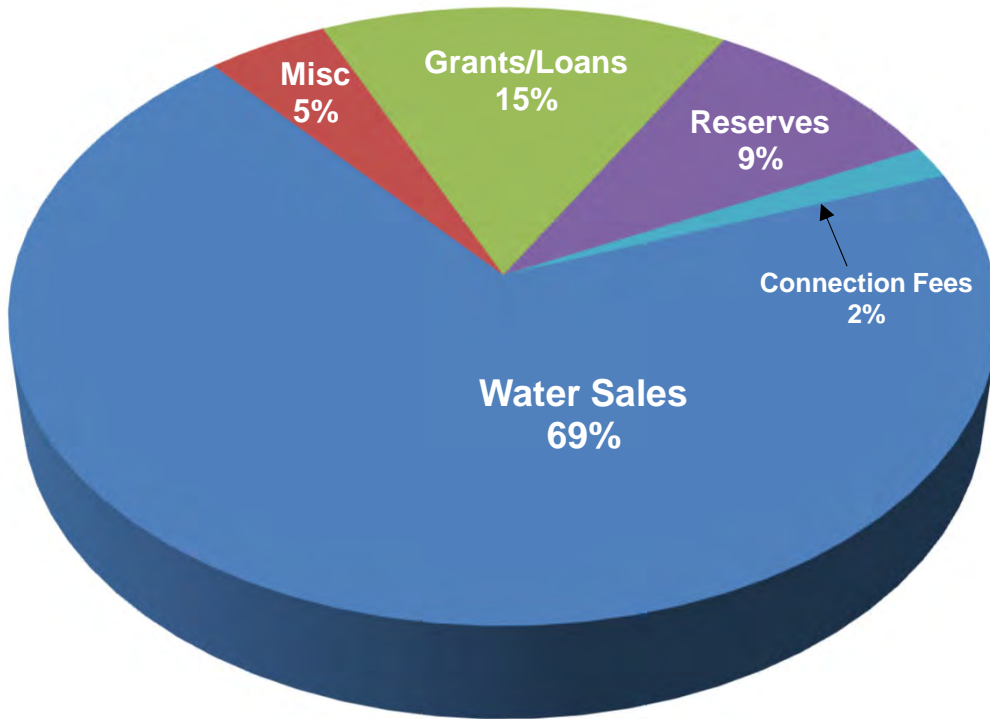


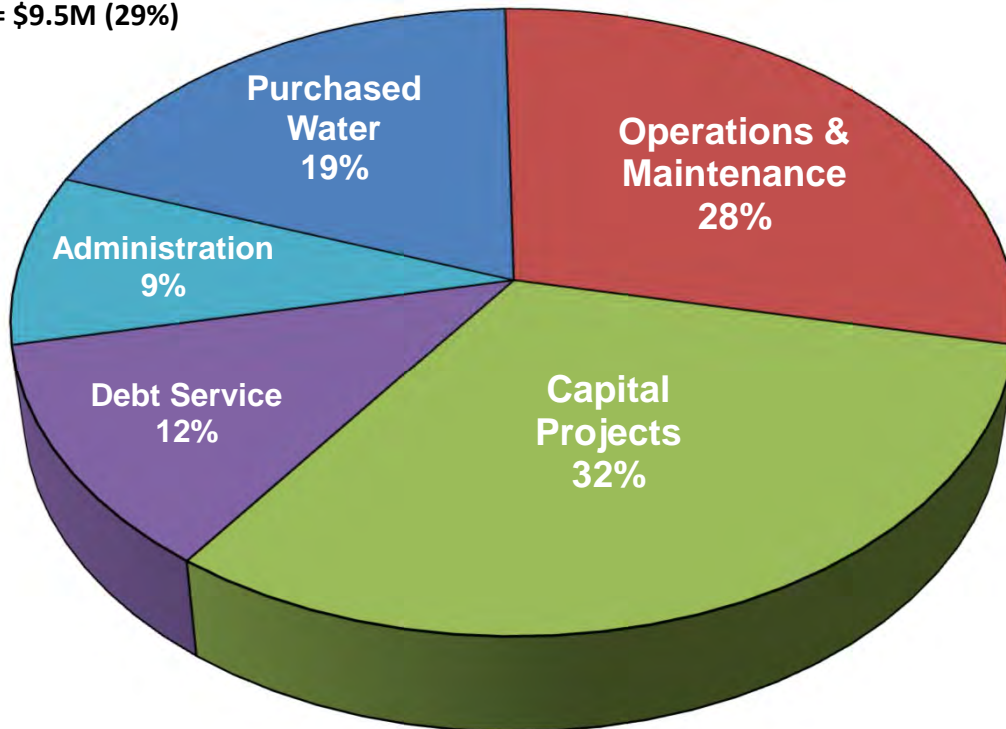
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NORTH MARIN WATER DISTRICT
FY21/22 DRAFT BUDGET - ALL SERVICE AREAS COMBINED
SOURCES = \$33,145,000



Labor = \$9.5M (29%)



USES = \$33,145,000

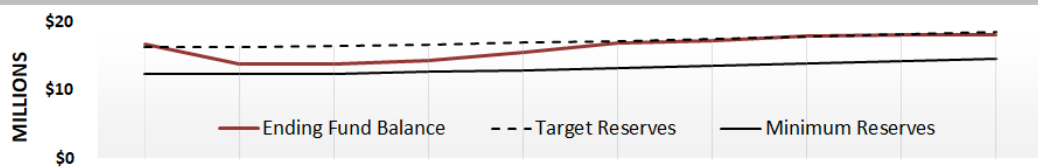
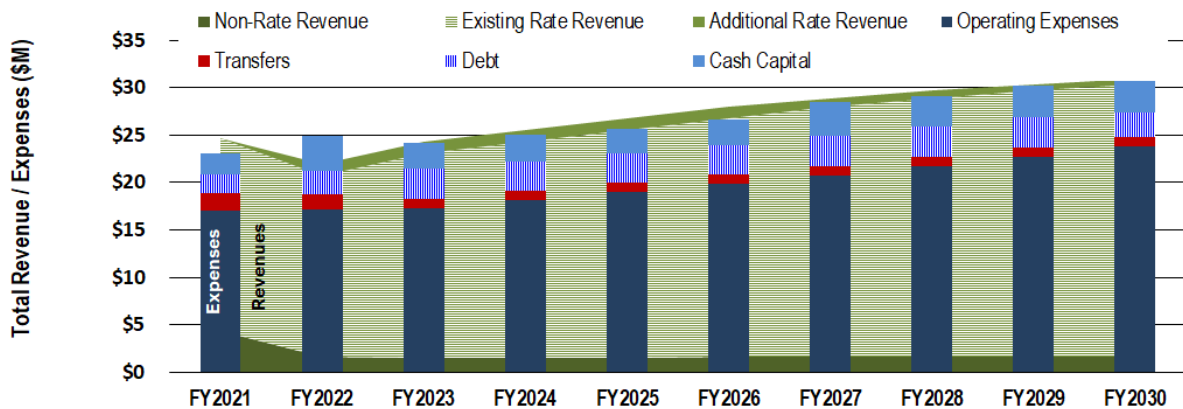
Excludes Depreciation Expense & Developer Funded Costs

Summary

The \$33.1 million consolidated budget projects operating revenue of \$23.7 million and a net operating income of \$1.2 million. The FY 21/22 budget incorporates \$5.7 million in internally funded capital improvement projects and \$6.3 million in water purchases. After payment of \$3.9 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of \$3 million.

Novato Water

The Novato Potable Water System budget projects a \$3 million cash decrease over the fiscal year. A 6% rate increase in both the commodity and service charge, effective July 1, 2021, will be considered by the Board of Directors at a public hearing occurring on June 15, 2021. Total budget outlay, which includes \$4.9 million in capital improvement projects, is projected at \$24.9 million which is \$0.3M higher than the FY 20/21 budget. The below chart shows that the Novato Water financial plan will maintain sufficient cash reserves aiming towards the designated targets and remaining above the minimum level, as established during the 2020 Novato and Recycled Water Rate Study.

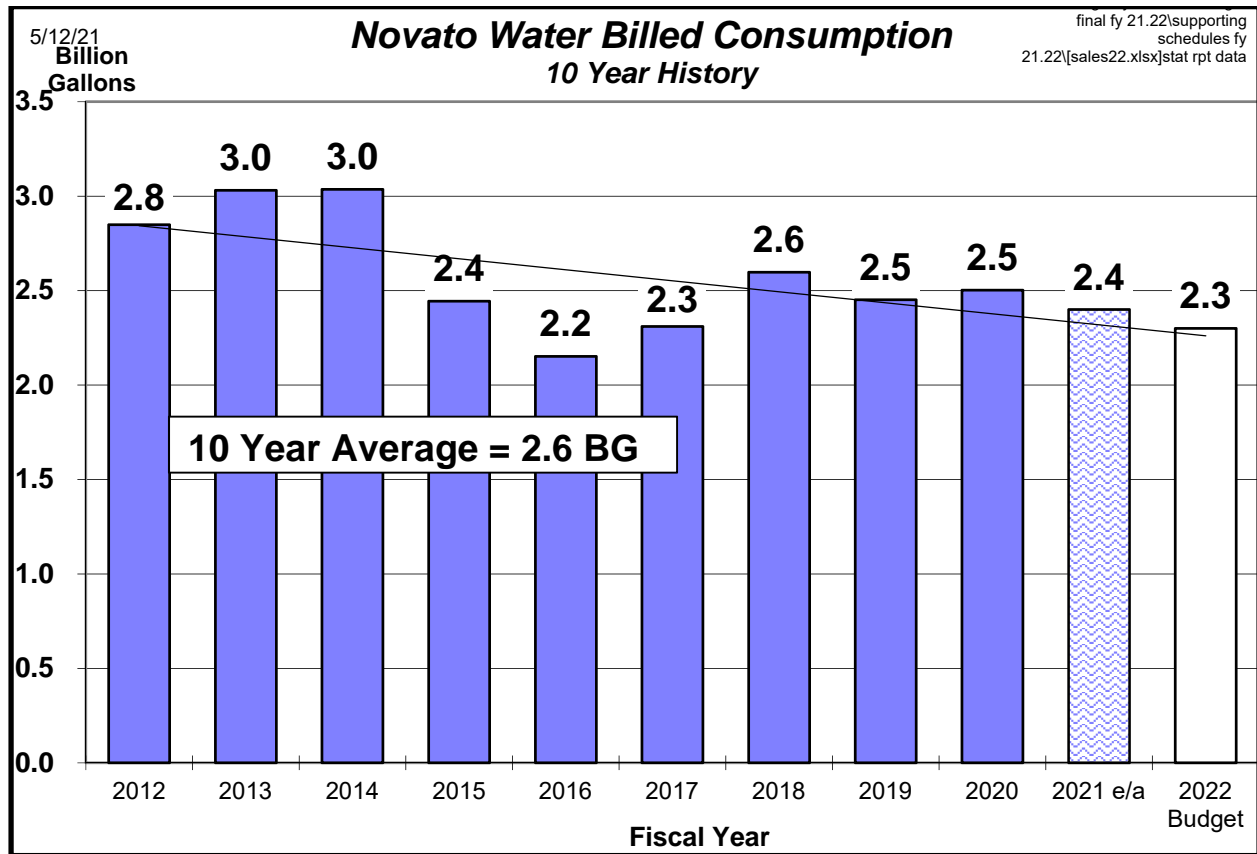


	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Debt Coverage Ratio:	0.0%	6.0%	6.0%	5.0%	5.0%	5.0%	3.0%	3.0%	2.0%	2.0%
Net Debt Proceeds:	\$0.0M	\$3.6M	\$8.0M	\$3.6M	\$0.9M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M

Operating Revenue

Water Sales - Water sales volume is budgeted at 2.3 billion gallons (BG) which is a 7% decrease from the FY 20/21 budget. The decrease is primarily due to the voluntary call for 20% water conservation through June 30th followed by a mandatory water conservation order to reduce water consumption by 20% in the months of July 2021 through October 2021, as a result of the current two year drought condition. The projected revenue lost from the reduced consumption is budgeted

at (\$1,062,000). The 6% rate increase, effective July 1, 2021 is projected to increase revenues by \$1,223,000 but is highly dependent on water sales volume. The following chart shows a 10-year history of billed consumption for the Novato Potable Water System.



Other Revenue – Connection Fee revenue is budgeted at \$558,000. Connection Fee revenue of \$1.5 million for 54 Equivalent Dwelling Units (EDUs) was collected in FY 19/20. The annual average connections have been 39 EDUs (FY 15/16 through FY 19/20). Included in the projections is annual Connection Fee revenue equivalent to 20 EDUs or about half of the actual five-year average.

The wheeling charge to Marin Municipal Water District is budgeted at \$101,000. This is based on the average revenue collected in the past five years, increased for inflation. In addition, MMWD will pay the annual fixed AEEP capital contribution of \$205,000 in accord with the terms of the 2014 Interconnection Agreement. Miscellaneous Revenue includes \$94,000 in combined income from the rental of the Point Reyes home, the Little Mountain cell phone tower lease, Indian Valley Golf Club lease, three grazing leases, rental of the District's security apartment, and rental of the Pacheco Valle tennis courts.

Operating Expenditures

Operating expenses (excluding depreciation) are budgeted to increase 3.8% or \$634,000 from the FY 20/21 budget. The increase is primarily due to inflation adjustments of approximately 3%, increases in the cost to purchase water, increases in the electrical costs of pumping, insurance costs, and increases in personnel costs. Water purchases, and some operational costs are variable and dependent on the volume of water produced and purchased while other

expenses such as salaries, benefits, general liability insurance, and other administrative costs are fixed. More details are outlined in this budget report.

Source of Supply – The purchase price of water from Sonoma Water (SW) (AKA Sonoma County Water Agency) is projected to increase 4.63% in FY 21/22. This change will result in a cost per acre-foot of \$1,047 for FY 21/22 versus \$1,001 for the current fiscal year and is estimated to increase the cost to purchase water by \$270,000.

Stafford Treatment Plant (STP) Water Production – STP water production is projected at 490 MG in FY 21/22 which is lower than the 10-year average annual production of 586 MG. The decrease in expected water production is due to a lower volume of water in the lake, due to the drought, which reduces the amount of water available to treat. The cost of production at the end of FY 19/20 was \$3,338/MG and varies depending on the volume and length of production.

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

Personnel Costs - The budget includes a staffing level of 54 full-time equivalent (FTE), see table below. There is an increase of one FTE in the Engineering Department to address an increase in workload demands and succession planning needs. This increase is offset by a decrease of one FTE in the Consumer Services Department. The Consumer Services Department FTE reduction aligns with planned staffing changes resulting from the implementation of the Automated Meter Information (AMI) system. The temporary staffing budget remains unchanged from the prior year’s budget at 7,480 hours.

<u>FTE Staffing</u>	<u>FY22</u>	<u>FY21</u>
Administration	8.0	8.0
Consumer Services	5.0	6.0
Construction/Maintenance	12.0	12.0
Engineering	9.0	8.0
Maintenance	9.0	9.0
Operations	6.0	6.0
Water Quality	<u>5.0</u>	<u>5.0</u>
	<u>54.00</u>	<u>54.00</u>

In accordance with the Employee Association and NMWD’s Memorandum of Understanding (MOU), a 3.0% cost-of-living salary increase, has been factored into the budget effective October 1, 2021. The MOU links an annual cost-of-living adjustment (COLA) to the change in the Consumer Price Index (CPI). The District entered into a 5-year MOU with the NMWD Employee Association beginning on October 1, 2018. The current MOU established a COLA minimum of 2.0% and a maximum of 4%. The 3.0% cost-of-living increase is staff’s best projection at this time.

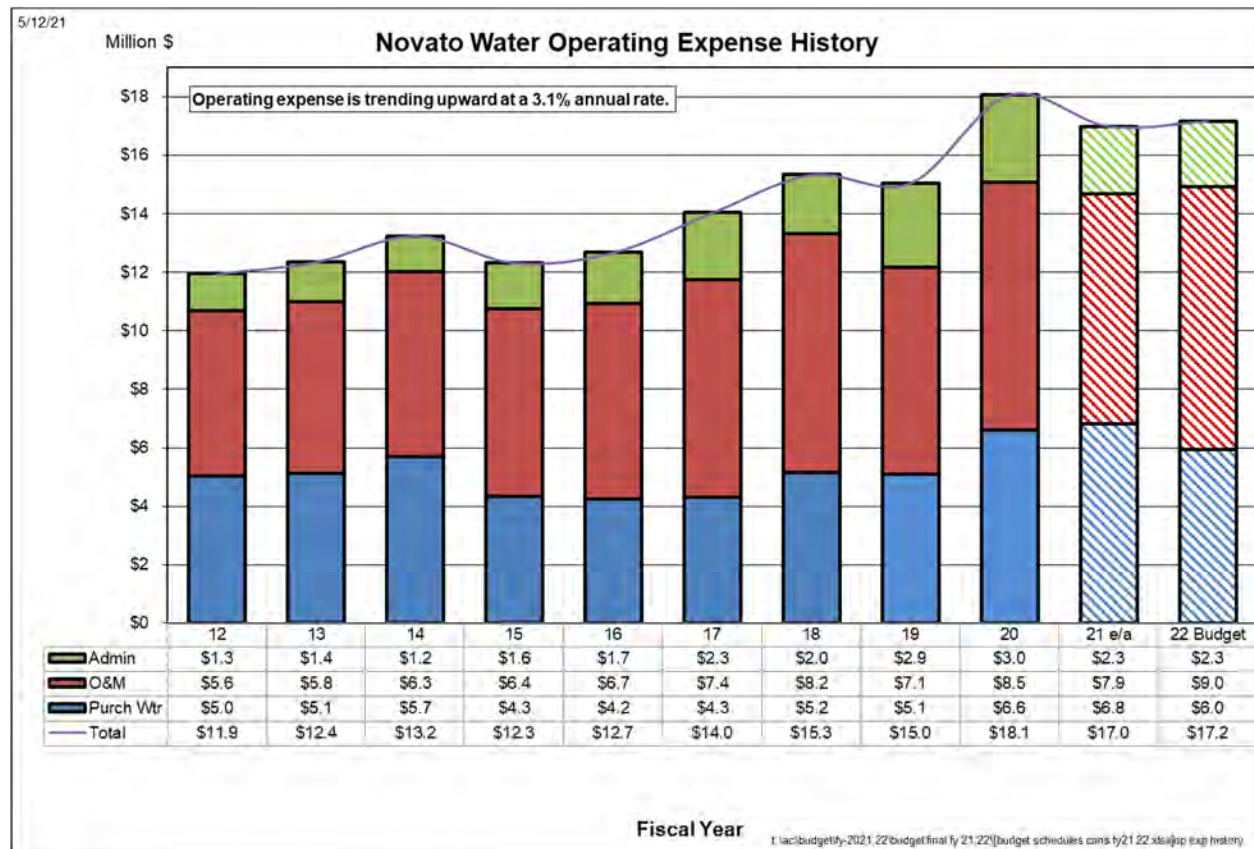
The District's average CalPERS retirement contribution rate will increase 0.6%, to 29.2% of earnings, compared to 28.6% from the rate budgeted last year. When applied to the FY 21/22 budgeted earnings this equates to an increase in pension expense of \$182,000. For context

the rate in FY 16/17 was 20.2% of earnings and any increases in pension expense has a compounding impact when tied to annual COLA increases. All employees now pay 100% of the CalPERS employee contribution. For budgeting purposes, group health insurance rates remained constant. This cost increased minimally in 2021 and in prior years.

Other Operations & Maintenance Expenses –

- Debt issuance costs totaling \$200,000 are included in the FY 21/22 budget. This is a one-time expense to secure funding for the NMWD Headquarter Upgrade Project.
- Electrical costs are budgeted to increase 5% over actual expected FY 20/21 costs and 22% over the prior year’s budget. This is due to Pacific Gas & Electric’s rate increases and time of use changes, a reduction in rebates to be received through Marin Clean Energy’s Net Energy Metering Cash Out Program, and a budget correction from the prior year’s budget.
- \$51,000 annual cost increase for lease of additional vehicles through the District Enterprise Fleet Management Program which were previously budgeted and purchased through the equipment budget.

The following chart shows the past 10-years of operating expense (excluding depreciation) for Novato Water. The five-year average increase to actual expenses is 8% which is influenced by a one-time payment of \$1.1M in FY 19/20 for bond issued debt service made to SCWA. The ten-year actual average increase is 4.3%.



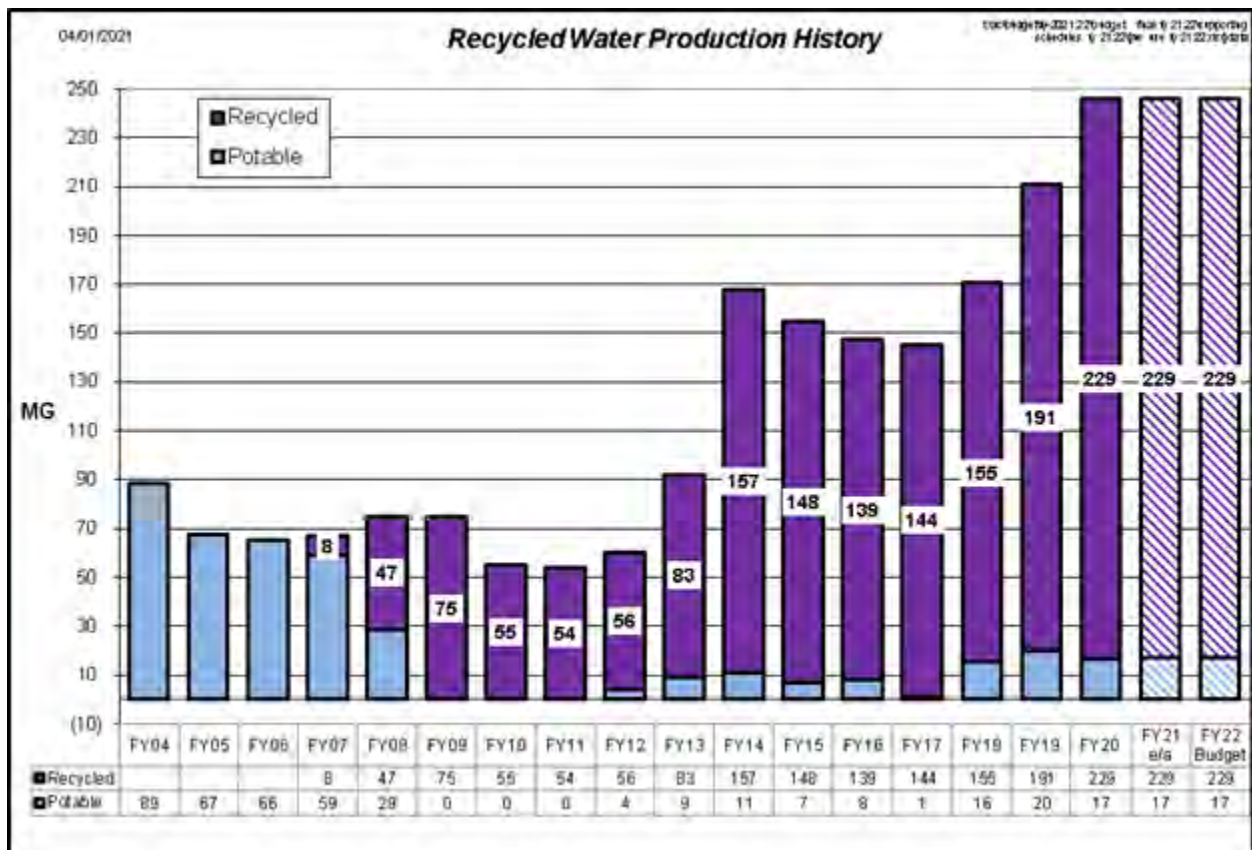
Recycled Water

The FY 21/22 Recycled Water (RW) System Budget projects demand of 235MG which is consistent with the volume budgeted in FY 20/21. Over the past few years, sales have increased primarily due to the Central expansion project completion in FY 17/18. The budget projects purchase of 180MG of tertiary treated water from Novato Sanitary District for approximately \$1,500/MG and 50MG from Las Gallinas Valley Sanitary District, at an average rate of \$2,400/MG. The Deer Island Plant is budgeted to produce 5MG during the summer, to keep it operating, and will serve as a back-up facility.

Consistent with the potable water increase, a 6% commodity rate and bimonthly service charge increase is proposed to be effective July 1, 2021. The increase is projected to generate \$88,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to increase 28% or \$148,000 from the FY 20/21 budget. This increase is primarily due to a budget correction in prior years to properly reflect the cost of water from the local Sanitary Districts. The RW system is projected to show a net operating income of \$223,000 and an increase of cash for the year of \$247,000.

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

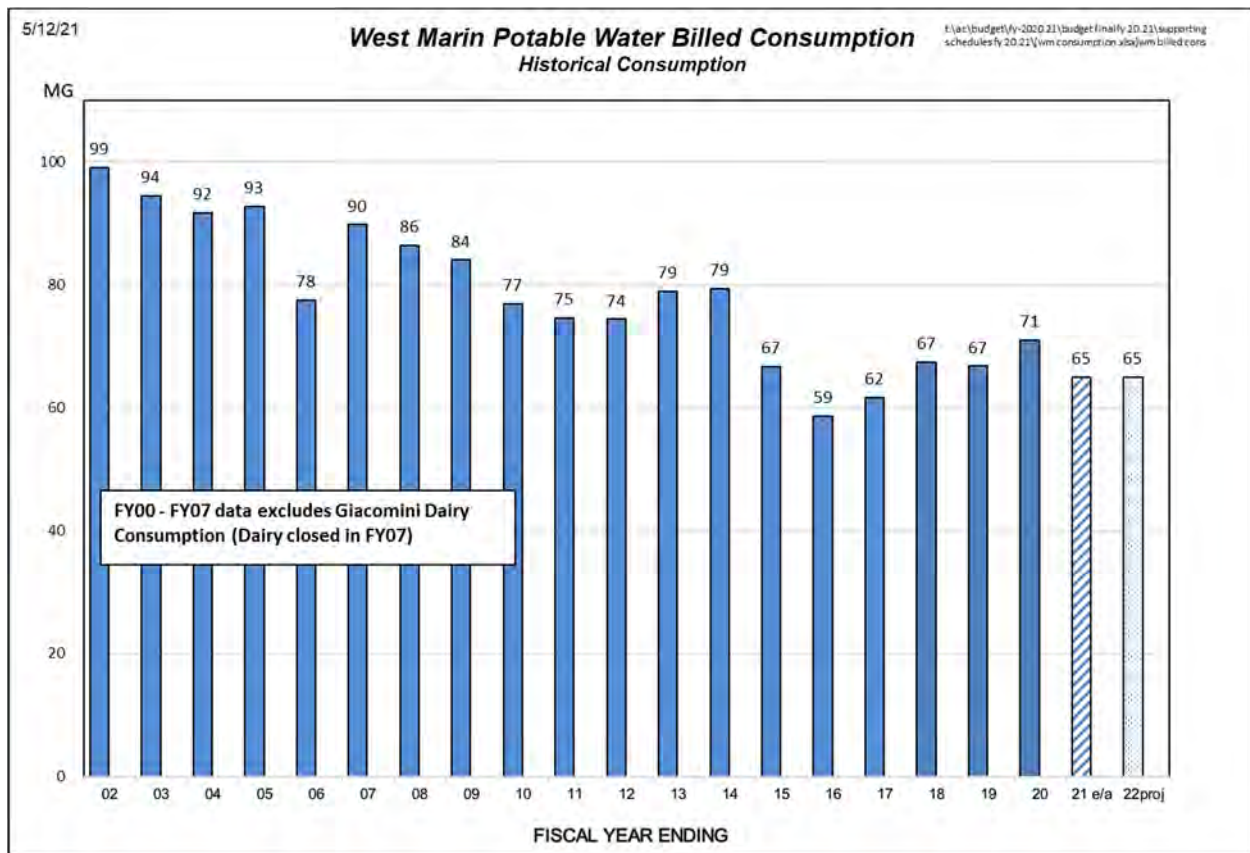


West Marin Water

Incorporated in the West Marin Water budget are proposed structural and rate changes to the commodity and bimonthly service which will generate 6% in revenue. The proposed 6% rate changes for West Marin (WM) Water customers, effective July 1, 2021, will be considered by the Board of Directors at public hearing on June 22, 2021. Growth in the past three years has remained stable. There are no connection fees budgeted for FY 21/22. Included in the 5-year financial forecast is revenue for one new connection every other year.

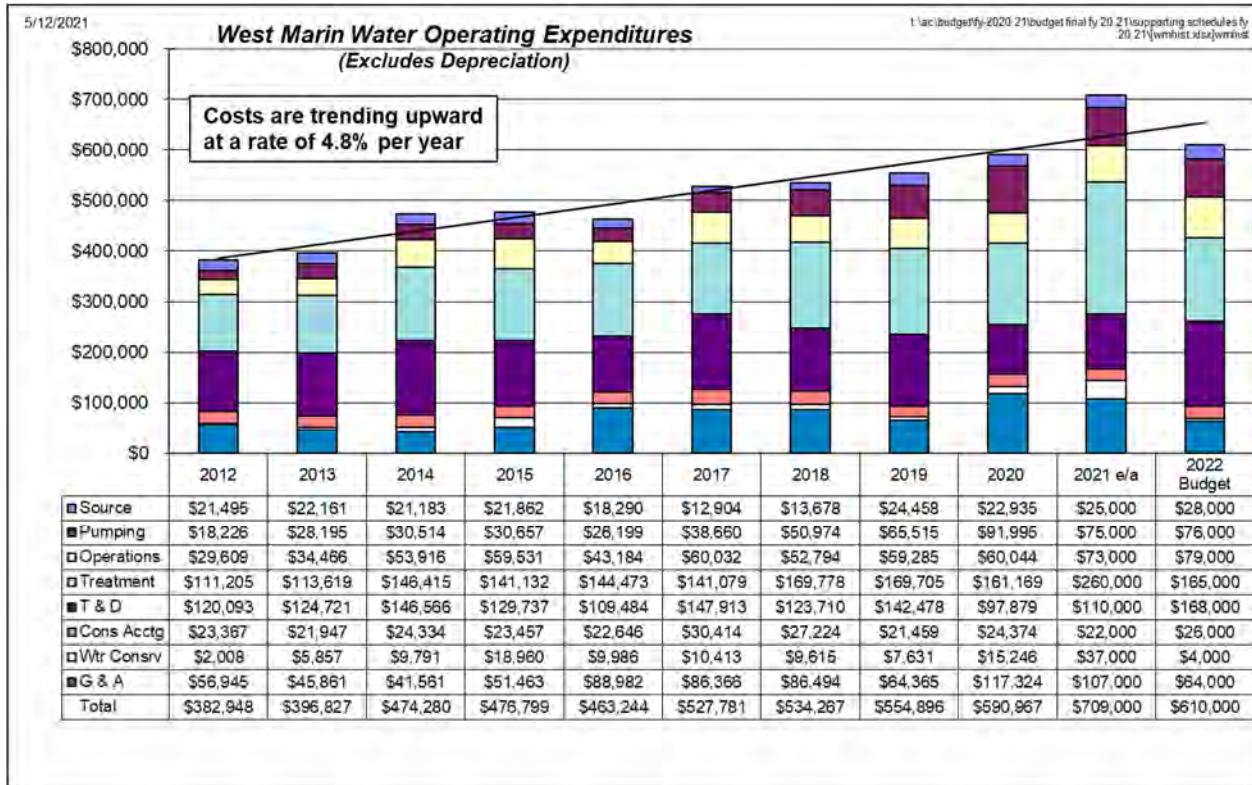
Significant Capital Improvement Projects budgeted for the year include \$400K towards the Lagunitas Creek Bridge Pipe Replacement project, and \$631K for the Gallagher Well #2 project.

FY 21/22 water sales volume is budgeted at 65MG and is based on the average of five years of actual sales (FY 15/16-FY 19/20) and is lower than the prior three years to adjust for the impact of the declaration of water shortage emergency and current drought. See the below chart for the historical consumption for the WM service area.



WM operating expenditures, before depreciation, are budgeted at \$610,000 which is an increase of \$50,000 or 9% from the FY 20/21 adopted budget of \$560,000. The increase is 3% or \$19,000 higher than the FY 19/20 actual expenditures. The budget projects a net operating income of \$133,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$242,000.

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



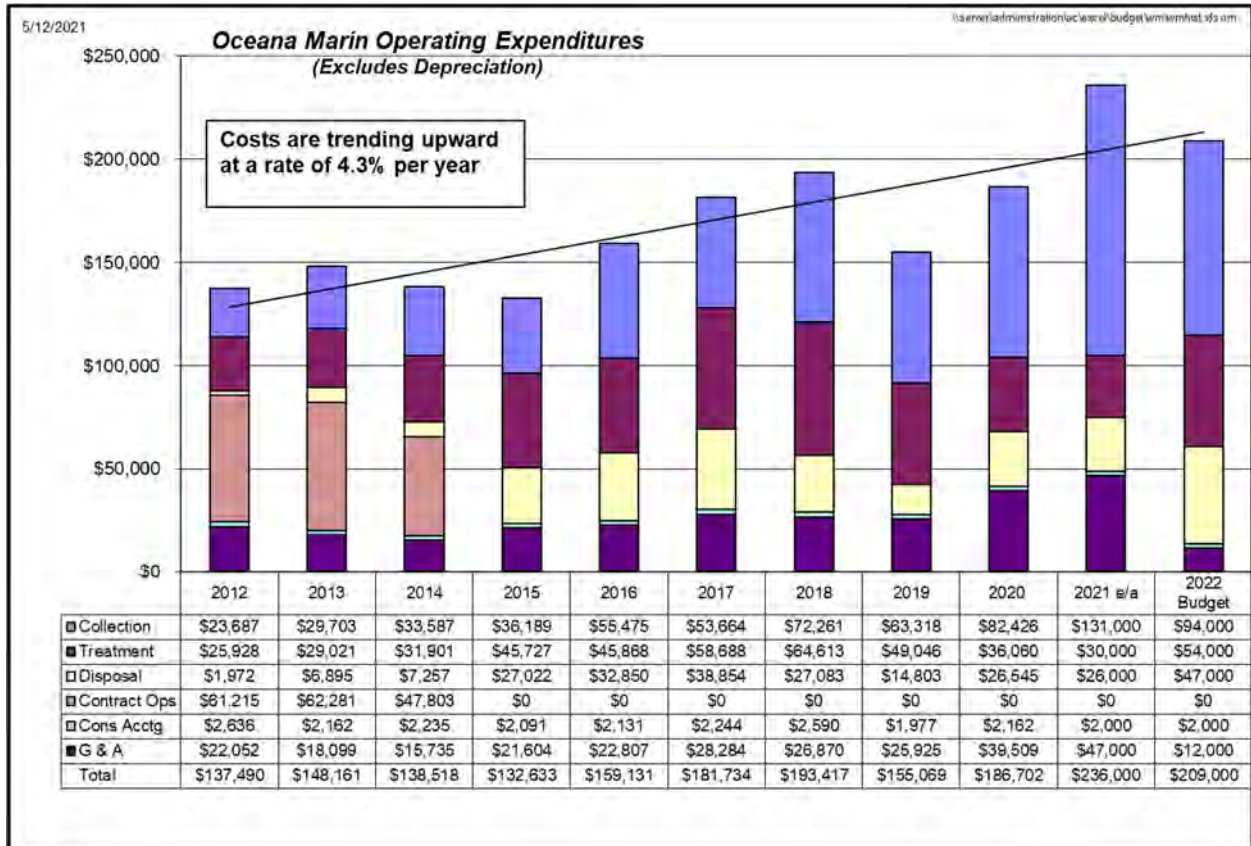
Oceana Marin Sewer

A 5% increase (\$5/month - to \$1,236/year) in the Oceana Marin Sewer service charge to be effective July 1, 2021, is projected to add \$14,000 in additional annual revenue. Growth in the past three years has remained relatively stable so conservatively there is no new connection fee budgeted for FY 21/22. Included in the 5-year financial forecast is revenue for one connection every other year.

Capital Improvement Projects budgeted for the year include the Treatment Pond Rehab with a projected cost in FY 21/22 of \$1,450,000 and a total cost of \$1,900,000. This project is expected to be 75% grant funded. It is also planned to have the Tahiti Way Lift Pumps replaced with a projected cost in FY 21/22 of \$100,000 and a total cost of \$150,000. Additionally, \$40,000 is budgeted for the ongoing Capital work to identify and repair collection pipelines to prevent inflow and infiltration.

FY 21/22 OM operating expenditures, before depreciation, are budgeted at \$209,000 which is an increase of \$2,000 or 1% from the FY 20/21 adopted budget of \$207,000. The increase is primarily due to inflation. The budget projects a net operating income of \$32,000 and, after capital outlay and debt service, the system is projected to show a cash increase for the year of \$1,000.

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



Capital Improvement Project Budget (CIP)

The Fiscal Year 21/22 and FY 22/23 Capital Improvement Project (CIP) budget includes projects recommended for Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. Also included is a debt service schedule detailing the principal and interest payment required to fund prior CIPs.

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

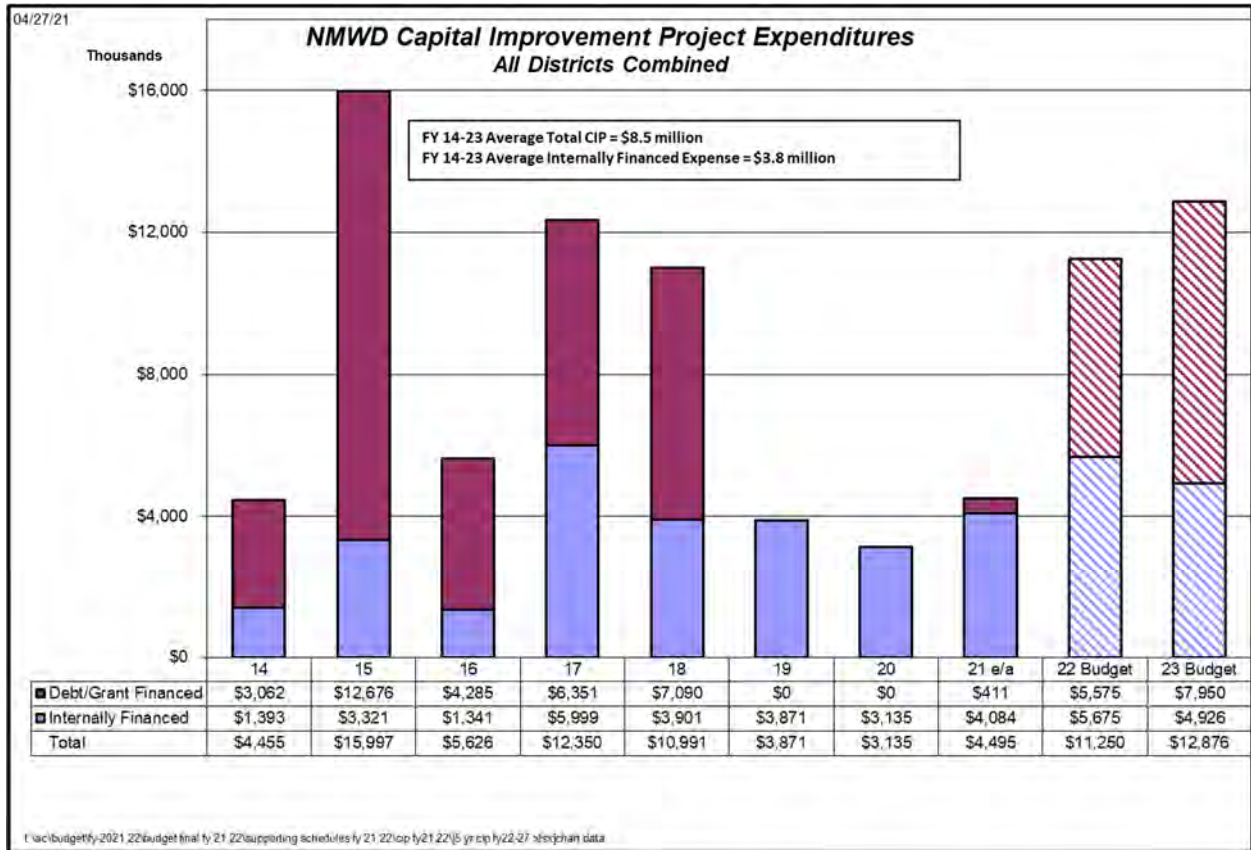
Project	FY21/22	FY22/23	Total Project Costs
NMWD Headquarters Upgrade ¹	\$3,475,000	\$7,950,000	\$16,200,000
Old Ranch Road Tank No. 2	1,600,000	-	1,900,000
Oceana Marin Treatment Pond Rehab	1,450,000	205,000	1,850,000
San Mateo 24" Inlet/Outlet Pipe (2,200')	850,000	-	925,000
New Gallagher Well #2 (WM)	631,000	-	924,000
Lagunitas Creek Bridge Pipe Replacement (WM)	400,000	52,000	477,000
Crest PS/Relocate School Rd PS	375,000	-	642,000
Novato Blvd Widening – Diablo to Grant (4,100')	200,000	1,300,000	1,520,000
Lynwood PS Motor Control Center	525,000	-	545,000
Lynwood Recoat/Seismic Upgrade	-	1,000,000	2,000,000
Replace Cast Iron Pipe – Atherton Ave. (RW)	50,000	350,000	400,000
Other Projects	<u>1,694,000</u>	<u>2,019,000</u>	-
Gross Project Outlay	11,625,000	12,876,000	27,383,000
Less Loan/Grant Funding	<u>(5,575,000)</u>	<u>(7,950,000)</u>	<u>(19,000,000)</u>
Net Project Outlay (internally funded)	<u>\$5,675,000</u>	<u>\$4,926,000</u>	<u>\$8,383,000</u>

1. This project is scheduled to be completed with an additional \$3.6M budget in FY 23/24 and \$0.9M in FY 24/25

The two-year combined total project outlay, net of grant/loan funding, totals \$10.6M, which is \$1.1M more than the \$9.5M combined two-year budget adopted last year. The CIP budget includes 34 projects in FY 21/22 and 27 projects in FY 22/23. This comprehensive plan is developed to confirm that adequate funding and staffing exists to accomplish the budgeted projects planned for FY 21/22.

	Net Cash Outlay (Pay-go)		
District	Proposed FY22 & FY23	Adopted FY21 & FY22	Increase (Decrease)
Novato Water	\$8,850,000	\$7,522,000	\$1,328,000
Recycled Water	450,000	200,000	250,000
WM Water	791,000	1,440,000	(649,000)
OM Sewer	510,000	355,000	155,000
Total	<u>\$10,601,000</u>	<u>\$9,517,000</u>	<u>\$1,084,000</u>

The below chart shows the District wide 10-year history of capital improvement projects which averages \$8.5M per year including \$3.8M of internally (or “Pay-Go”) financed projects.

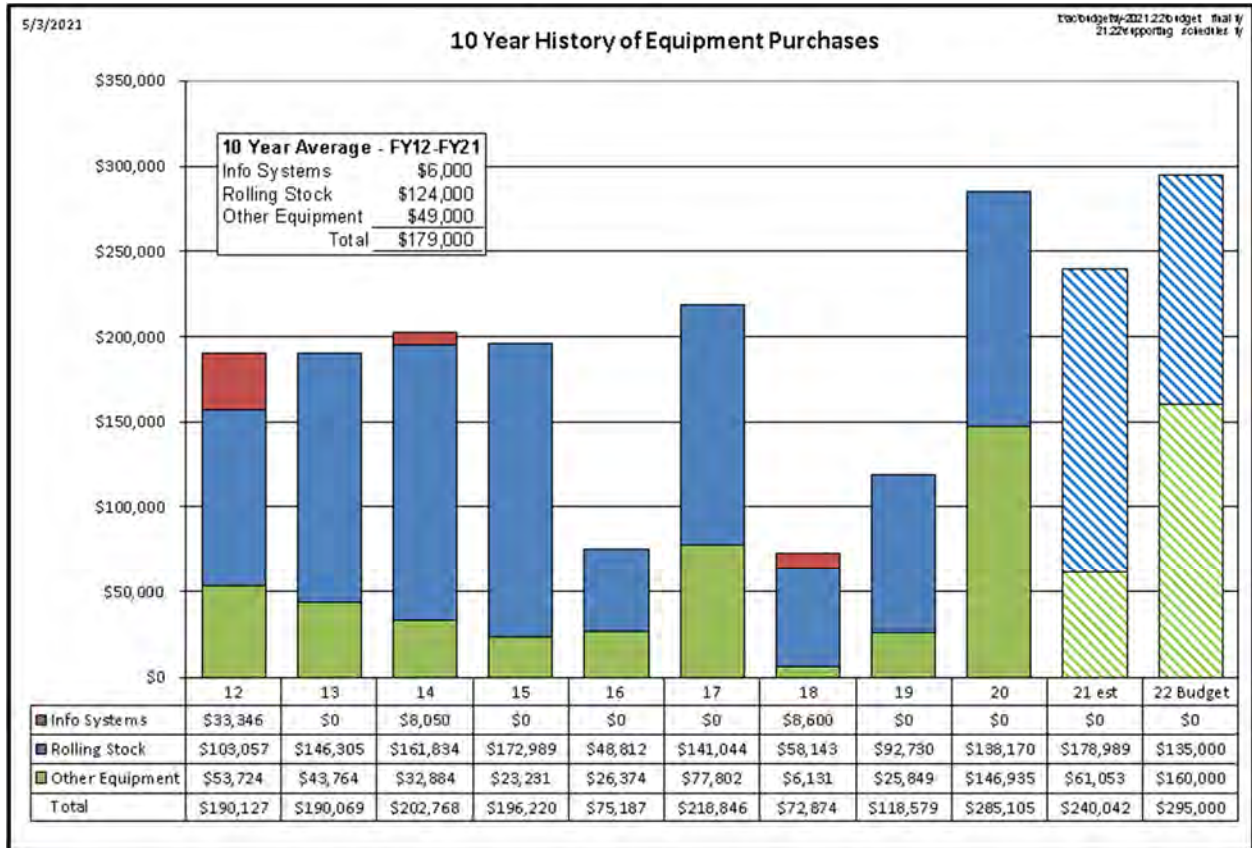


Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$4.1 million annually in internally funded projects, which is within the budget constraints of the five-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study.

Equipment Budget

The FY 21/22 Equipment Budget totals \$295,000. This is \$35,000 lower than the FY 20/21 Equipment Budget of \$330,000. FY 20/21 estimated actual expenditures are forecast to come in at \$240,000 which is \$90,000 below budget.

A significant purchase included in the budget is \$135,000 to replace the cab and chassis on the Peterbilt 335 Dump Truck. Additionally, a meter testing bench and equipment for \$120,000 is included. The following chart shows the ten-year history of equipment purchases.



Debt Service

Principal and interest payments totaling \$3.9 million are budgeted as the annual obligation on \$30.5 million in outstanding debt (as of June 30, 2021), comprised of:

- 1.) \$3.8 million at 2.7% for a bank loan used to fund the Advanced Meter Information (AMI) project;
- 2.) \$7.6 million at 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 3.) \$12.8 million in SRF loans (with interest varying from 1%-2.6%) used to finance the recycled water distribution system;
- 4.) \$4.8 million at 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 5.) \$1.5 million at 2.4% SRF loan used to finance the Deer Island Recycled Water Facility.

The Capital Improvement schedule includes additional debt service for loans to be obtained in FY 21/22. Additional debt capacity remains available and the debt financing planned in the CIP budget will allow the District to maintain an average debt service ratio of 1.5 as required by the Board approved Debt Policy.

NORTH MARIN WATER DISTRICT
BUDGET SUMMARY - ALL SERVICE AREAS COMBINED
Fiscal Year 2021/22

	<i>Proposed Budget 2021/22</i>	<i>Estimated Actual 2020/21</i>	<i>Adopted Budget 2020/21</i>
OPERATING INCOME			
1 Water Sales	\$22,957,000	\$22,645,000	\$21,940,000
2 Sewer Service Charges	290,000	276,000	276,000
3 Wheeling & Misc Service Charges	470,000	417,000	430,000
4 Total Operating Income	\$23,717,000	\$23,338,000	\$22,646,000
OPERATING EXPENDITURES			
5 Source of Supply	\$6,559,000	\$7,283,000	\$6,286,000
6 Pumping	646,000	602,000	567,000
7 Operations	1,026,000	1,185,000	857,000
8 Water Treatment	2,794,000	2,218,000	2,628,000
9 Sewer Service	195,000	187,000	178,000
10 Transmission & Distribution	4,086,000	3,701,000	3,694,000
11 Consumer Accounting	528,000	539,000	683,000
12 Water Conservation	381,000	383,000	408,000
13 General & Administrative	2,440,000	2,520,000	2,520,000
14 Depreciation Expense	3,904,000	3,815,000	3,777,000
15 Total Operating Expenditures	\$22,559,000	\$22,433,000	\$21,598,000
16 NET OPERATING INCOME (LOSS)	\$1,158,000	\$905,000	\$1,048,000
NON-OPERATING INCOME/(EXPENSE)			
17 Tax Proceeds	\$116,000	\$114,000	\$118,000
18 Interest Revenue	241,000	316,000	316,000
19 Miscellaneous Revenue	136,000	82,000	136,000
20 Interest Expense	(1,372,000)	(748,000)	(748,000)
21 Transfers Out from Capital Expansion Fund	(501,000)	-	(369,000)
22 Miscellaneous Expense	(3,000)	(3,000)	(20,000)
23 Total Non-Operating Income/(Expense)	(\$1,383,000)	(\$239,000)	(\$567,000)
	NET INCOME/(LOSS)	\$666,000	\$481,000
OTHER SOURCES/(USES) OF FUNDS			
24 Add Depreciation Expense	\$3,904,000	\$3,815,000	\$3,777,000
25 Connection Fees	558,000	3,515,000	509,000
26 MMWD AEEP Capital Contribution	205,000	205,000	205,000
27 Loans/Grants	5,125,000	497,000	610,000
28 Marin Country Club Principal Repayment	38,000	37,000	37,000
29 Capital Improvement Projects	(11,250,000)	(4,084,000)	(6,862,000)
30 CIP Efficiency Adjustment	1,558,000	-	-
31 Capital Equipment Expenditures	(295,000)	(240,000)	(330,000)
32 Low Income Rate Assistance	(86,000)	(20,000)	-
33 Debt Principal Payments	(2,541,000)	(2,395,000)	(2,395,000)
34 Total Other Sources/(Uses)	(\$2,784,000)	\$1,330,000	(\$4,449,000)
35 CASH INCREASE/(DECREASE)	(\$3,009,000)	\$1,996,000	(\$3,968,000)

**NOVATO POTABLE WATER
BUDGET SUMMARY
Fiscal Year 2021/22**

	<i>Proposed Budget 2021/22</i>	<i>Estimated Actual 2020/21</i>	<i>Adopted Budget 2020/21</i>
OPERATING INCOME			
1 Water Sales	\$20,398,000	\$20,228,000	\$19,774,000
2 Wheeling & Misc Service Charges	347,000	340,000	365,000
3 Total Operating Income	\$20,745,000	\$20,568,000	\$20,139,000
OPERATING EXPENDITURES			
4 Source of Supply	\$6,141,000	\$6,900,000	\$5,984,000
5 Pumping	561,000	523,000	497,000
6 Operations	850,000	922,000	734,000
7 Water Treatment	2,594,000	1,944,000	2,432,000
8 Transmission & Distribution	3,853,000	3,564,000	3,466,000
9 Consumer Accounting	498,000	513,000	654,000
10 Water Conservation	377,000	346,000	399,000
11 General Administration	2,294,000	2,296,000	2,368,000
12 Depreciation Expense	2,807,000	2,785,000	2,868,000
13 Total Operating Expenditures	\$19,975,000	\$19,793,000	\$19,402,000
14 NET OPERATING INCOME (LOSS)	\$770,000	\$775,000	\$737,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$150,000	\$224,000	\$150,000
16 Miscellaneous Revenue	136,000	82,000	136,000
17 Interest Expense	(1,088,000)	(456,000)	(456,000)
18 Miscellaneous Expense	(2,000)	(2,000)	(20,000)
19 Total Non-Operating Income/(Expense)	(\$804,000)	(\$152,000)	(\$190,000)
20 NET INCOME/(LOSS)	(\$34,000)	\$623,000	\$547,000
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$2,807,000	\$2,785,000	\$2,868,000
22 Connection Fees	558,000	3,515,000	486,000
24 MMWD AEEP Capital Contribution	205,000	205,000	205,000
25 Loans/Grants	3,575,000	-	-
26 Loan Repayment West Marin	100,000	-	-
27 Low Income Rate Assistance Program	(86,000)	(20,000)	-
28 Capital Equipment Expenditures	(295,000)	(240,000)	(330,000)
29 Capital Improvement Projects	(8,475,000)	(2,043,000)	(4,987,000)
30 CIP Efficiency Adjustment	1,558,000	-	-
31 Debt Principal Payments	(1,488,000)	(1,451,000)	(1,451,000)
32 Connection Fee Transfer from (to) RW	(890,000)	(894,000)	(794,000)
33 Loan Transfer to WM	(550,000)	(1,000,000)	-
34 Total Other Sources/(Uses)	(\$2,981,000)	\$857,000	(\$4,003,000)
33 CASH INCREASE/(DECREASE)	(\$3,015,000)	\$1,480,000	(\$3,456,000)

NOVATO POTABLE WATER		Budget	Forecast	Forecast	Forecast	Forecast
FY 21/22 Five-Year Financial Forecast		FY2022	FY2023	FY2024	FY2025	FY2026
1		6.00%	6.00%	5.00%	5.00%	5.00%
Rate Revenue						
2	Water Rate Revenue	\$20,294,000	\$21,532,000	\$22,840,000	\$23,999,000	\$25,216,000
3	Change due to Growth	\$15,000	\$16,000	\$17,000	\$17,000	\$18,000
4	Change due to 20% Use Reduction	(\$1,062,000)				
5	Increase due to Rate Adjustments	\$1,223,000	\$1,292,000	\$1,142,000	\$1,200,000	\$1,261,000
6	Bill Adjustments	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)
Non-Rate Revenues						
7	Wholesale Rate Revenue	\$101,000	\$104,000	\$107,000	\$110,000	\$113,000
8	Other Charges	\$246,000	\$253,000	\$261,000	\$269,000	\$277,000
9	Interest Earnings	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
10	Connection Fees	\$558,000	\$558,000	\$558,000	\$558,000	\$558,000
11	Misc. Revenue	\$134,000	\$134,000	\$134,000	\$134,000	\$134,000
12	Loan Repayment WM	\$100,000	\$163,000	\$163,000	\$163,000	\$163,000
13	MMWD AEEP Contributions	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
14	Total Revenue	\$21,892,000	\$24,340,000	\$25,515,000	\$26,748,000	\$28,043,000
O&M Costs						
15	Source of Supply	\$6,141,000	\$5,969,000	\$6,427,000	\$6,913,000	\$7,428,000
16	Pumping	\$561,000	\$578,000	\$595,000	\$613,000	\$631,000
17	Other Operations	\$850,000	\$876,000	\$902,000	\$929,000	\$957,000
18	Water Treatment	\$2,594,000	\$2,672,000	\$2,752,000	\$2,835,000	\$2,920,000
19	Transmission & Distribution	\$3,853,000	\$3,969,000	\$4,088,000	\$4,211,000	\$4,337,000
20	Consumer Accounting	\$498,000	\$513,000	\$528,000	\$544,000	\$560,000
21	Water Conservation	\$377,000	\$388,000	\$400,000	\$412,000	\$424,000
22	General Administration	\$2,294,000	\$2,363,000	\$2,434,000	\$2,507,000	\$2,582,000
23	Total Operating Expenses	\$17,168,000	\$17,328,000	\$18,126,000	\$18,964,000	\$19,839,000
Capital Costs						
24	Total Capital Spending	\$8,770,000	\$11,900,000	\$7,545,000	\$4,605,000	\$3,800,000
25	Debt Funded Capital	\$3,575,000	\$7,950,000	\$3,575,000	\$900,000	-
27	Existing Debt Service	\$1,904,000	\$1,902,000	\$1,905,000	\$1,907,000	\$1,904,000
28	Cash Funded Capital Projects	\$5,195,000	\$3,950,000	\$3,970,000	\$3,705,000	\$3,800,000
29	CIP Efficiency Adjustment	(\$1,558,000)	(\$1,185,000)	(\$1,191,000)	(\$1,111,000)	(\$1,140,000)
30	New Debt Service	\$672,000	\$1,238,000	\$1,238,000	\$1,238,000	\$1,238,000
31	Total Capital Expenses	\$6,213,000	\$5,905,000	\$5,922,000	\$5,739,000	\$5,802,000
Transfers						
32	Transfer Out to Recycled Water	\$890,000	\$890,000	\$890,000	\$890,000	\$890,000
33	Transfer Out to WM/OM	\$550,000				
34	Funding for Affordability Program	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000
35	Total Revenue Requirement	\$24,907,000	\$24,209,000	\$25,024,000	\$25,679,000	\$26,617,000
36	Beginning Year Balance	\$16,758,000	\$13,743,000	\$13,874,000	\$14,365,000	\$15,434,000
37	Surplus/(Shortfall)	(\$3,015,000)	\$131,000	\$491,000	\$1,069,000	\$1,426,000
38	End of Year Balance	\$13,743,000	\$13,874,000	\$14,365,000	\$15,434,000	\$16,860,000
39	<i>Minimum Reserves (by policy)</i>	\$12,322,667	\$12,376,000	\$12,642,000	\$12,921,333	\$13,213,000
40	<i>Available Cash</i>	\$1,420,333	\$1,498,000	\$1,723,000	\$2,512,666	\$3,647,000
41	Debt Coverage Ratio	1.90	1.95	2.06	2.19	2.32

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2021/22

	Proposed Budget 21/22	Estimated Actual 20/21	Adopted Budget 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16
STATISTICS								
1 Active Meters	20,616	20,606	20,558	20,554	20,546	20,543	20,544	20,535
2 Avg Commodity Rate/1,000 Gal (Net)	\$6.72	\$6.34	\$6.34	\$6.37	\$6.00	\$6.00	\$5.40	\$5.25
3 Potable Consumption (BG)	2.30	2.40	2.40	2.40	2.42	2.58	2.31	2.15
OPERATING INCOME								
4 Water Sales	\$20,470,000	\$20,294,000	\$19,846,000	\$20,709,608	\$19,145,251	\$19,645,814	\$16,772,060	\$15,489,903
5 Bill Adjustments	(72,000)	(66,000)	(72,000)	(59,788)	(72,061)	(143,395)	(130,587)	(64,461)
6 Sales to MMWD	-	-	-	-	-	155,846	-	-
7 Wheeling Charges-MMWD	101,000	153,000	98,000	104,765	97,866	92,977	91,374	90,217
8 Miscellaneous Service Revenue	246,000	187,000	267,000	257,864	266,268	268,563	252,038	277,479
9 TOTAL OPERATING INCOME	\$20,745,000	\$20,568,000	\$20,139,000	\$21,012,449	\$19,437,324	\$20,019,805	\$16,984,885	\$15,793,138
OPERATING EXPENSE								
SOURCE OF SUPPLY								
10 Supervision & Engineering	\$12,000	\$9,000	\$11,000	\$13,274	\$7,564	\$9,303	\$11,264	\$10,586
11 Operating Expense - Source	15,000	7,000	14,000	8,289	9,195	6,236	8,513	11,928
12 Maintenance/Monitoring of Dam	69,000	29,000	128,000	30,588	33,686	22,203	24,059	22,796
13 Maintenance of Lake & Intakes	21,000	5,000	20,000	14,240	24,172	10,690	7,575	6,299
14 Maintenance of Watershed	46,000	9,000	45,000	19,689	4,446	29,646	36,218	17,325
15 Water Purchased for Resale to MMWD	0	-	-	-	-	111,891	-	-
16 Water Quality Surveillance	18,000	-	15,000	1,642	1,669	6,728	3,513	3,137
17 Contract Water - SCWA	5,950,000	6,830,000	5,740,000	6,623,534	5,082,987	5,151,516	4,320,623	3,997,030
18 GASB 68 Adjustment	10,000	11,000	11,000	7,592	3,690	8,535	5,682	-
19 TOTAL SOURCE OF SUPPLY	\$6,141,000	\$6,900,000	\$5,984,000	\$6,718,848	\$5,167,409	\$5,356,748	\$4,417,447	\$4,069,101
PUMPING								
20 Operating Expense	\$3,000	-	\$3,000	-	-	-	-	-
21 Maintenance of Structures/Grounds	33,000	43,000	32,000	34,416	56,801	32,611	28,514	26,347
22 Maintenance of Pumping Equipment	55,000	41,000	113,000	158,903	41,304	39,435	30,354	13,507
23 Electric Power - Pumping	450,000	430,000	340,000	341,401	285,772	293,588	246,869	212,207
24 GASB 68 Adjustment	20,000	9,000	9,000	14,298	5,272	6,967	3,496	-
25 TOTAL PUMPING	\$561,000	\$523,000	\$497,000	\$549,018	\$389,149	\$372,601	\$309,233	\$252,061
OPERATIONS								
26 Supervision & Engineering	\$171,000	\$251,000	\$163,000	\$232,895	\$215,732	\$253,594	\$234,870	\$256,231
27 Operating Expense	319,000	390,000	256,000	507,830	306,774	400,138	343,890	304,897
28 Maintenance Expense	56,000	61,000	56,000	52,959	38,570	50,339	47,202	34,755
29 Telemetry Equipment/Controls Maint	96,000	64,000	95,000	61,798	84,979	94,523	101,568	68,674
30 Leased Line Expense	20,000	17,000	20,000	16,656	16,678	17,414	17,592	17,704
31 GASB 68 Adjustment	188,000	139,000	144,000	136,794	48,442	107,728	63,553	-
32 TOTAL OPERATIONS	\$850,000	\$922,000	\$734,000	\$1,008,932	\$711,175	\$923,736	\$808,675	\$682,261

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2021/22

	Proposed Budget 21/22	Estimated Actual 20/21	Adopted Budget 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16
WATER TREATMENT								
33 Supervision & Engineering	\$157,000	\$168,000	\$149,000	\$170,261	\$156,176	\$169,851	\$168,945	\$130,358
34 Operating Expense	353,000	176,000	324,000	284,929	228,878	276,795	349,671	313,024
35 Purification Chemicals	435,000	116,000	425,000	503,664	376,960	438,348	247,260	378,562
36 Sludge Disposal	130,000	94,000	123,000	93,987	88,352	100,305	107,942	90,043
37 Maintenance of Structures/Grounds	108,000	111,000	106,000	93,901	53,090	50,913	78,910	68,351
38 Purification Equipment Maintenance	193,000	225,000	186,000	200,107	162,714	212,385	186,246	150,989
39 Electric Power - Treatment	156,000	150,000	156,000	160,692	122,831	157,374	129,652	113,223
40 Laboratory Expense (net)	726,000	629,000	679,000	729,142	649,647	758,936	768,965	705,212
41 GASB 68 Adjustment	336,000	275,000	284,000	244,230	107,310	212,624	150,494	-
42 TOTAL WATER TREATMENT	\$2,594,000	\$1,944,000	\$2,432,000	\$2,480,913	\$1,945,958	\$2,377,531	\$2,188,085	\$1,949,762
TRANSMISSION & DISTRIBUTION								
43 Supervision & Engineering	\$636,000	\$620,000	\$596,000	\$600,516	\$534,500	\$659,085	\$569,303	\$559,007
44 Maps & Records	163,000	128,000	189,000	121,602	132,053	159,512	168,267	110,877
45 Operation of T&D System	674,000	760,000	590,000	890,714	720,417	594,175	582,483	509,160
46 Storage Facilities Expense	147,000	141,000	139,000	113,029	107,033	110,077	155,641	150,066
47 Maintenance of Valves & Regulators	193,000	110,000	186,000	135,586	87,285	173,762	196,162	189,372
48 Maintenance of Mains	204,000	211,000	170,000	168,454	167,959	190,307	149,584	215,077
49 Backflow Prevention Program	243,000	235,000	216,000	187,669	231,822	186,692	155,536	150,298
50 Maintenance of Copper Services	215,000	176,000	159,000	131,389	182,789	157,337	159,769	142,083
51 Maintenance of PB Service Lines	498,000	460,000	466,000	443,334	558,788	471,527	473,695	532,436
52 Maintenance of Meters	145,000	148,000	133,000	96,608	113,810	126,985	66,356	100,402
53 Detector Check Assembly Maint	74,000	39,000	83,000	81,718	80,416	46,056	72,208	54,586
54 Maintenance of Hydrants	79,000	84,000	72,000	48,301	25,607	18,087	51,020	34,311
55 GASB 68 Adjustment	582,000	452,000	467,000	423,300	199,802	349,390	228,385	-
56 TOTAL TRANSMISSION & DISTRIB	\$3,853,000	\$3,564,000	\$3,466,000	\$3,442,219	\$3,142,281	\$3,242,992	\$3,028,409	\$2,747,675
CONSUMER ACCOUNTING								
57 Meter Reading & Collection	\$142,000	\$15,000	\$141,000	\$38,348	\$99,549	\$190,554	\$182,663	\$189,262
58 Billing & Accounting	135,000	217,000	215,000	248,703	210,805	280,268	289,503	281,010
59 Contract Billing	18,000	20,000	18,000	13,742	15,484	16,395	16,692	17,160
60 Postage & Supplies	55,000	73,000	55,000	48,071	51,267	52,735	56,373	58,903
61 Credit Card Fees	65,000	60,000	60,000	64,242	55,709	46,678	29,685	24,592
62 Lock Box Service	11,000	11,000	11,000	10,998	10,944	10,944	10,944	10,944
63 Uncollectible Accounts	5,000	22,000	5,000	8,362	14,994	12,352	12,709	15,382
64 Office Equipment Expense	35,000	15,000	63,000	35,601	12,675	45,256	11,350	23,091
65 Distributed to Other Operations	(15,000)	(17,000)	(15,000)	(17,814)	(15,104)	(19,008)	(17,161)	(16,959)
66 GASB 68 Adjustment	47,000	97,000	101,000	56,438	29,463	75,257	49,950	-
67 TOTAL CONSUMER ACCOUNTING	\$498,000	\$513,000	\$654,000	\$506,690	\$485,786	\$711,431	\$642,708	\$603,385

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2021/22

	Proposed Budget 21/22	Estimated Actual 20/21	Adopted Budget 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16
WATER CONSERVATION								
68 Residential	\$252,000	\$190,000	\$243,000	\$198,881	\$246,347	\$235,438	\$270,150	\$320,620
69 Commercial	7,000	4,000	20,000	6,481	7,983	5,818	1,702	3,711
70 Public Outreach/Information	98,000	96,000	60,000	125,537	51,040	33,789	30,618	32,287
71 Large Landscape	19,000	9,000	28,000	17,317	19,839	33,662	36,818	24,877
72 GASB 68 Adjustment	1,000	47,000	48,000	34,547	16,575	36,183	21,754	-
73 TOTAL WATER CONSERVATION	\$377,000	\$346,000	\$399,000	\$382,764	\$341,784	\$344,890	\$361,042	\$381,495
GENERAL & ADMINISTRATION								
74 Director's Expense	\$42,000	\$41,000	\$41,000	\$40,873	\$36,815	\$37,111	\$34,384	\$34,222
75 Legal Fees	21,000	15,000	21,000	16,569	20,853	20,173	28,043	20,488
76 Human Resources	51,000	71,000	55,000	52,870	96,677	62,348	31,451	25,036
77 Auditing Services	20,000	13,000	26,000	19,651	22,731	19,706	16,220	18,770
78 Consulting Services/Studies	351,000	86,000	318,000	142,010	304,645	223,041	51,567	138,735
79 General Office Salaries	1,158,000	1,268,000	1,250,000	1,157,428	1,083,904	1,441,496	1,492,719	1,309,502
80 Office Supplies	42,000	18,000	45,000	33,783	31,761	33,753	35,048	37,709
81 Employee Events	12,000	2,000	12,000	9,369	10,664	10,123	9,726	10,143
82 Other Administrative Expense	15,000	8,000	15,000	6,281	7,289	12,528	13,960	10,427
83 Election Cost	0	0	35,000	0	18,915	0	2,077	250
84 Dues & Subscriptions	97,000	140,000	99,000	83,386	79,986	59,362	59,046	59,271
85 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,634	9,325	8,112
86 Meetings, Conf & Training	194,000	80,000	192,000	111,593	107,583	149,670	186,436	139,858
87 Telephone, Water, Gas & Electricity	52,000	48,000	48,000	46,251	38,758	40,595	45,355	42,458
88 Building & Grounds Maintenance	60,000	108,000	59,000	77,130	58,884	75,130	62,856	63,344
89 Office Equipment Expense	120,000	120,000	140,000	143,224	109,014	97,003	95,465	87,141
90 Insurance Premiums & Claims	163,000	180,000	155,000	109,939	99,040	92,292	87,319	140,366
91 Retiree Medical Benefits	224,000	210,000	200,000	186,221	197,855	174,528	164,969	168,935
92 (Gain)/Loss on Overhead Charges	(90,000)	(57,000)	(140,000)	(322,446)	905,403	(357,925)	(19,931)	(89,626)
93 G&A Distributed to Other Operations	(135,000)	(145,000)	(145,000)	(130,592)	(140,526)	(157,976)	(161,036)	(126,771)
94 G&A Applied to Construction Projects	(501,000)	(345,000)	(477,000)	(389,809)	(374,552)	(346,105)	(290,813)	(359,689)
95 GASB45/75 Adjustment (OPEB)	-	-	-	20,250	15,707	(35,788)	120,988	-
96 GASB68 Adjustment (Pension Liability)	390,000	427,000	411,000	1,558,480	124,583	342,715	207,182	-
97 TOTAL GENERAL & ADMINISTRATION	\$2,294,000	\$2,296,000	\$2,368,000	\$2,980,572	\$2,864,101	\$2,002,414	\$2,282,356	\$1,738,681
98 Depreciation Expense	\$2,807,000	\$2,785,000	\$2,868,000	\$2,660,688	2,752,212	\$2,730,867	\$2,710,627	\$2,577,081
99 TOTAL OPERATING EXPENSE	\$19,975,000	\$19,793,000	\$19,402,000	\$20,730,643	\$17,799,855	\$18,063,210	\$16,748,582	\$15,001,502
100 NET OPERATING INCOME/(LOSS)	\$770,000	\$775,000	\$737,000	\$281,805	\$1,637,470	\$1,956,595	\$236,303	\$791,636

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2021/22

	<i>Proposed Budget 2021/22</i>	<i>Estimated Actual 2020/21</i>	<i>Adopted Budget 2020/21</i>
OPERATING INCOME			
1 Recycled Water Sales	\$1,554,000	\$1,466,000	\$1,234,000
2 Bimonthly Service Charge	116,000	70,000	58,000
3 Total Operating Income	\$1,670,000	\$1,536,000	\$1,292,000
OPERATING EXPENDITURES			
4 Purchased Water - NSD	270,000	\$262,000	\$213,000
5 Purchased Water - LGVSD	120,000	96,000	71,000
6 Pumping	9,000	4,000	7,000
7 Operations	97,000	190,000	74,000
8 Water Treatment	35,000	14,000	31,000
9 Transmission & Distribution	65,000	27,000	62,000
10 Consumer Accounting	2,000	2,000	1,000
11 General Administration	70,000	70,000	61,000
12 Depreciation	779,000	786,000	673,000
13 Total Operating Expenditures	\$1,447,000	\$1,451,000	\$1,193,000
14 NET OPERATING INCOME (LOSS)	\$223,000	\$85,000	\$99,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$70,000	62,000	\$140,000
16 MCC Interest Payments	11,000	12,000	12,000
17 Transfers Out from Capital Expansion Fund	(501,000)	-	(369,000)
18 Deer Island SRF Loan Interest Expense	(36,000)	(42,000)	(42,000)
19 Distrib System SRF Loans Interest Exp	(215,000)	(228,000)	(228,000)
20 Total Non-Operating Income/(Expense)	(\$671,000)	(\$196,000)	(\$487,000)
21 NET INCOME/(LOSS)	(\$448,000)	(\$111,000)	(\$388,000)
OTHER SOURCES/(USES) OF FUNDS			
22 Add Depreciation Expense	\$779,000	\$786,000	\$673,000
23 Connection Fees Transferred from (to) Novato	890,000	894,000	794,000
24 MCC Principal Repayment	38,000	37,000	37,000
25 Capital Improvement Projects	(100,000)	(100,000)	(100,000)
26 Deer Island SRF Loan Principal Payments	(237,000)	(232,000)	(232,000)
27 Distrib System SRF Loan Principal Pmts	(675,000)	(663,000)	(663,000)
28 Total Other Sources/(Uses)	\$695,000	\$722,000	\$509,000
29 CASH INCREASE/(DECREASE)	\$247,000	\$611,000	\$121,000

NOVATO RECYCLED WATER
FY 21/22-Five-Year Financial Forecast

Fiscal Year Ending June 30 >		Budget	Forecast	Forecast	Forecast	Forecast
		2022	2023	2024	2025	2026
1	Active Services @ Fiscal Year End	96	96	96	96	96
2	Commodity Rate/1,000 Gal	\$6.61	\$7.01	\$7.36	\$7.73	\$8.12
3	Consumption (MG)	235	235	235	235	235
OPERATING REVENUE						
4	Recycled Water Sales	1,554,000	1,648,000	1,730,000	1,817,000	1,907,000
5	Bimonthly Service Charge	116,000	123,000	129,000	135,000	142,000
6	Total Operating Revenue	1,670,000	1,771,000	1,859,000	1,952,000	2,049,000
OPERATING EXPENSE						
7	Purchased Water - NSD	270,000	278,000	286,000	295,000	304,000
8	Purchased Water - LGVSD	120,000	124,000	128,000	132,000	136,000
9	OPERATING EXPENSE					
10	Other Operating Expenses	278,000	292,000	307,000	322,000	338,000
11	Depreciation	779,000	779,000	779,000	779,000	779,000
12	Total Operating Expense	1,447,000	1,473,000	1,500,000	1,528,000	1,557,000
NON-OPERATING REVENUE/(EXPENSE)						
13	Interest Revenue	70,000	70,000	70,000	70,000	70,000
14	Interest Expense	(251,000)	(210,000)	(195,000)	(192,000)	(190,000)
15	Transfers Out from Capital Expansion Fund	(501,000)	(538,000)	(569,000)	(601,000)	(635,000)
16	Other Revenue/(Expense)	11,000	11,000	11,000	11,000	11,000
17	Total Non-Op Revenue/(Expense)	(671,000)	(667,000)	(683,000)	(712,000)	(744,000)
18	NET INCOME/(LOSS)	(448,000)	(369,000)	(324,000)	(288,000)	(252,000)
OTHER SOURCES/(USES) OF FUNDS						
19	Add Depreciation Expense	779,000	779,000	779,000	779,000	779,000
20	Loan Principal Repayment Received	38,000	39,000	40,000	41,000	42,000
21	Novato Potable FRC Fund Trsf	890,000	714,000	687,000	665,000	665,000
22	Capital Improvement Projects	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
23	Deer Island TP Loan Principal Pmt	(237,000)	(243,000)	(246,000)	(249,000)	(251,000)
24	Distrib Sys Exp Loan Principal Pmt	(675,000)	(710,000)	(722,000)	(722,000)	(722,000)
25	Total Other Sources/Uses	695,000	479,000	438,000	414,000	413,000
26	Cash Increase/(Decrease)	247,000	110,000	114,000	126,000	161,000
27	Ending Reserve Balance	4,930,000	5,040,000	5,154,000	5,280,000	5,441,000
28	% Rate Increase¹	6.0%	6.0%	5.0%	5.0%	5.0%

¹Fiscal year 2022 Rate increase to be reviewed for approval by the Board of Directors on June 15, 2021. FY 2023 through 2026 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

NMWD DRAFT BUDGET

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2021/22

	<i>Proposed Budget 2021/22</i>	<i>Estimated Actual 2020/21</i>	<i>Adopted Budget 2020/21</i>
OPERATING INCOME			
1 Water Sales	\$1,005,000	\$951,000	\$932,000
2 Misc Service Charges	7,000	7,000	7,000
3 Total Operating Income	\$1,012,000	\$958,000	\$939,000
OPERATING EXPENDITURES			
4 Source of Supply	\$28,000	\$25,000	\$18,000
5 Pumping	76,000	75,000	63,000
6 Operations	79,000	73,000	49,000
7 Water Treatment	165,000	260,000	165,000
8 Transmission & Distribution	168,000	110,000	166,000
9 Consumer Accounting	26,000	22,000	26,000
10 Water Conservation	4,000	37,000	9,000
11 General Administration	64,000	107,000	64,000
12 Depreciation Expense	269,000	200,000	188,000
13 Total Operating Expenditures	\$879,000	\$909,000	\$748,000
14 NET OPERATING INCOME (LOSS)	\$133,000	\$49,000	\$191,000
NON-OPERATING REVENUE/(EXPENSE)			
15 PR-2 County Tax Allocation	\$56,000	\$55,000	\$57,000
16 Interest Revenue	6,000	12,000	11,000
17 Loan Interest Expense	(30,000)	(22,000)	(22,000)
18 Total Non-Operating Income/(Expense)	\$32,000	\$45,000	\$46,000
19 NET INCOME/(LOSS)	\$165,000	\$94,000	\$237,000
OTHER SOURCES/(USES) OF FUNDS			
20 Add Depreciation Expense	\$269,000	\$200,000	\$188,000
21 Connection Fees	-	-	23,000
22 Grant/Loan Proceeds	550,000	1,411,000	385,000
23 Capital Improvement Projects	(1,085,000)	(1,831,000)	(1,485,000)
24 Loan Principal Payments	(141,000)	(49,000)	(49,000)
25 Total Other Sources/(Uses)	(\$407,000)	(\$269,000)	(\$938,000)
26 CASH INCREASE/(DECREASE)	(\$242,000)	(\$175,000)	(\$701,000)

WEST MARIN WATER
FY 21/22-Five-Year Financial Forecast

	Budget 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26
BASIC DATA					
1 Active Meters	785	786	786	787	787
2 Avg Commodity Rate/1,000 Gal	\$12.21	\$12.94	\$13.72	\$14.54	\$15.42
3 Potable Consumption (MG)	65.0	67.0	67.0	67.0	67.0
OPERATING REVENUE					
4 Commodity Charge	\$794,000	\$867,000	\$919,000	\$974,000	\$1,033,000
5 Bimonthly Service Charge	211,000	224,000	237,000	251,000	251,000
6 Miscellaneous Service Charges	7,000	7,000	7,000	7,000	7,000
7 Total Operating Revenue	\$1,012,000	\$1,098,000	\$1,163,000	\$1,232,000	\$1,291,000
8 Operating Expenditures	\$610,000	\$628,000	\$647,000	\$666,000	\$686,000
9 Depreciation Expense	269,000	287,000	291,000	296,000	306,000
10 Total Operating Expense	\$879,000	\$915,000	\$938,000	\$962,000	\$992,000
11 NET OPERATING INCOME	\$133,000	\$183,000	\$225,000	\$270,000	\$299,000
NON-OPERATING REVENUE/(EXPENSE)					
12 Interest Revenue	\$6,000	\$4,000	\$5,000	\$5,000	\$3,000
13 Interest Expense	(30,000)	(48,000)	(42,000)	(38,000)	(32,000)
14 PR-2 County Tax Allocation	56,000	57,000	58,000	59,000	60,000
15 Total Non-Op Revenue/(Expense)	32,000	13,000	21,000	26,000	31,000
16 Net Income	\$165,000	\$196,000	\$246,000	\$296,000	\$330,000
OTHER SOURCES/(USES)					
17 Add Depreciation Expense	\$269,000	\$287,000	\$291,000	\$296,000	\$306,000
18 Connection Fees	-	23,000	-	23,000	-
19 Capital Improvement Projects	(1,085,000)	(256,000)	(311,000)	(624,000)	(504,000)
20 Grant/Loan Proceeds	-	-	-	-	-
21 Loan from Novato Water	550,000	(134,000)	(130,000)	(140,000)	(146,000)
22 Debt Principal Payments	(141,000)	(52,000)	(54,000)	(56,000)	(56,000)
23 Net Change in Working Capital	-	-	-	-	-
24 Total Other Sources/(Uses)	(\$407,000)	(\$132,000)	(\$204,000)	(\$501,000)	(\$400,000)
25 Cash Increase/(Decrease)	(\$242,000)	\$64,000	\$42,000	(\$205,000)	(\$70,000)
26 Operating Reserve	\$203,300	\$209,300	\$215,700	\$190,300	\$197,000
27 System Expansion Reserve	92,700	150,700	186,300	(25,000)	(101,700)
28 Liability Contingency Reserve	99,000	99,000	99,000	99,000	99,000
29 ENDING CASH BALANCE	\$395,000	\$459,000	\$501,000	\$296,000	\$226,000
% Rate Increase¹	6.0%	6.0%	6.0%	6.0%	6.0%

¹Fiscal year 2022 Rate increase to be reviewed for approval by the Board of Directors on June 22, 2021. FY 2023 through 2026 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

**OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2021/22**

	<i>Proposed Budget 2021/22</i>	<i>Estimated Actual 2020/21</i>	<i>Adopted Budget 2020/21</i>
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$290,000	\$276,000	\$276,000
2 Misc Service Charges	-	-	-
3 Total Operating Income	\$290,000	\$276,000	\$276,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$94,000	\$131,000	\$88,000
5 Sewage Treatment	54,000	30,000	45,000
6 Sewage Disposal	47,000	26,000	45,000
7 Consumer Accounting	2,000	2,000	2,000
8 General Administration	12,000	47,000	27,000
9 Depreciation Expense	49,000	44,000	48,000
10 Total Operating Expenditures	\$258,000	\$280,000	\$255,000
11 NET OPERATING INCOME (LOSS)	\$32,000	(\$4,000)	\$21,000
NON-OPERATING REVENUE/(EXPENSE)			
12 OM-1/OM-3 Tax Allocation	\$60,000	\$59,000	\$61,000
13 Interest Revenue	4,000	6,000	3,000
14 Interest Expense	(3,000)	-	-
15 Miscellaneous Expense	(1,000)	(1,000)	-
16 Total Non-Op Income/(Expense)	\$60,000	\$64,000	\$64,000
	NET INCOME/(LOSS)	\$60,000	\$85,000
OTHER SOURCES/(USES) OF FUNDS			
17 Add Depreciation Expense	\$49,000	\$44,000	\$48,000
18 Connection Fees	-	-	-
19 Grant/Loan Proceeds	1,450,000	86,000	225,000
20 Capital Improvement Projects	(1,590,000)	(110,000)	(\$290,000)
21 Total Other Sources/(Uses)	(\$91,000)	\$20,000	(\$17,000)
22 CASH INCREASE/(DECREASE)	\$1,000	\$80,000	\$68,000

OCEANA MARIN SEWER
FY 21/22-Five-Year Financial Forecast

	Budget 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26
BASIC DATA					
1 Number of Connections	235	236	236	237	237
2 Monthly Service Charge	\$103.00	\$108.00	\$113.00	\$119.00	\$125.00
OPERATING REVENUE					
3 Monthly Service Charge	\$290,000	\$306,000	\$320,000	\$338,000	\$356,000
4 Miscellaneous Service Charges	-	-	-	-	-
5 Total Operating Revenue	\$290,000	\$306,000	\$320,000	\$338,000	\$356,000
OPERATING EXPENSE					
6 Operating Expenditures	\$209,000	\$215,000	\$221,000	\$227,000	\$233,000
7 Depreciation Expense	49,000	76,000	82,000	88,000	96,000
8 Total Operating Expense	\$258,000	\$291,000	\$303,000	\$315,000	\$329,000
9 NET OPERATING INCOME	\$32,000	\$15,000	\$17,000	\$23,000	\$27,000
NON-OPERATING REVENUE/(EXPENSE)					
10 Interest Revenue	\$4,000	\$4,000	\$4,000	\$2,000	\$3,000
11 Interest Expense	(3,000)	(3,000)	(2,800)	(2,500)	(6,500)
12 OM-1/OM-3 Tax Allocation	60,000	61,000	62,000	63,000	64,000
13 Miscellaneous Expense	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
14 Total Non-Op Revenue/(Expense)	\$60,000	\$61,000	\$62,200	\$61,500	\$59,500
15 Net Income	\$92,000	\$76,000	\$79,200	\$84,500	\$86,500
OTHER SOURCES/(USES)					
16 Add Depreciation Expense	\$49,000	\$76,000	\$82,000	\$88,000	\$96,000
17 Connection Fees	-	30,000	-	30,000	-
18 Capital Improvement Projects	(1,590,000)	(370,000)	(350,000)	(452,000)	(282,000)
19 Grant/Loan Proceeds	1,450,000	250,000	-	400,000	-
20 Debt Principal Payments	-	(30,000)	(30,200)	(30,500)	(72,000)
21 Total Other Sources/(Uses)	(\$91,000)	(\$44,000)	(\$298,200)	\$35,500	(\$258,000)
22 Cash Increase/(Decrease)	\$1,000	\$32,000	(\$219,000)	\$120,000	(\$171,500)
23 ENDING CASH BALANCE	\$382,000	\$414,000	\$195,000	\$315,000	\$144,000
% Rate Increase¹	5.0%	5.0%	5.0%	5.0%	5.0%

¹Fiscal year 2022 Rate increase to be reviewed for approval by the Board of Directors on June 22, 2021. FY 2023 through 2026 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

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.xx	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 Los Robles Rd and Posada Del Sol	-	\$125,000	
	3 Other Main/Pipeline Additions	\$150,000	\$150,000	Misc. Projects to loop dead end mains
		\$1,000,000	\$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	\$1,690,000	\$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)	\$3,475,000	\$7,950,000	50-year-old building requires significant upgrading; Phases 1 - 2 shown
		\$3,475,000	\$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	\$3,845,000	\$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	1 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	\$130,000	-	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	
		\$130,000	\$1,170,000	
1.6112.24	c. Lynwood P.S. Motor Control Center	\$525,000	-	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	
		\$900,000	\$250,000	
	TOTAL STORAGE TANKS/PUMP STATIONS	\$2,630,000	\$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	\$1,085,000	\$256,000	
7. OCEANA MARIN SEWER SYSTEM			
8.8672.28 a. Infiltration Repair (Manhole Relining)	\$40,000	\$40,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system.
8.7085.05 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	\$1,590,000	\$370,000	

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	\$11,250,000	\$12,876,000	
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)	(\$550,000)	-	
c. OM Treatment Pond Rehab (Note 4)	(\$1,450,000)	-	
TOTAL LOAN/GRANT FUNDS	(\$5,575,000)	(\$7,950,000)	
<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	\$535,000	\$256,000	
Oceana Marin Sewer	\$140,000	\$370,000	
NET PROJECT OUTLAY	\$5,675,000	\$4,926,000	
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	\$450,000		
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
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
1.4077.00	d.	Potter Valley FERC Relicensing	\$5,000	-
1.6501.43	c.	Electronic Document Management System	\$60,000	-
	d.	District Boundary Election Map Review and Redraw e.	\$40,000	-
		Lynwood/San Marin Zone 2 Pumping Study	-	\$30,000
	f.	Cathodic Protection Master Plan	\$20,000	-
	g.	Pump Efficiency/Hydraulic Study	\$30,000	-
	h.	Crest/Black Point Zone Modification Eval.	-	\$27,000
			<u>\$305,000</u>	<u>\$152,000</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. Loan to occur in FY21 & FY22.

The timing of the loan will be dependent on the progress of construction of PRE Tank#4A which is uncertain due to a current appeal.

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.

NMWD DRAFT BUDGET

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

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MEMORANDUM

To: Board of Directors
 From: Ryan Grisso, Water Conservation Coordinator *RG*
 Subject: Approve – Agreement with Kiosk for Communications and Public Outreach
V:\Memos to Board\Kiosk Public Communications Agreement FY22.doc

June 18, 2021

RECOMMENDED ACTION: Approve Agreement with Kiosk Creative LLC.
FINANCIAL IMPACT: Up to \$60,000 (Included in FY22 Budget)

BACKGROUND

As a result of the North Marin Water District 2018 Strategic Plan, a series of goals were developed. Goal 2, Customer Engagement and Service, focused on increased communication with customers to improve public understanding and support for District policies and to facilitate customer input and engagement. To accomplish this goal, development of an annual public communications (or public outreach) plan, including a strategy for more effective social media outreach was recommended. To develop this comprehensive and strategic communications plan, staff solicited the services of Kiosk Creative LLC. (Kiosk), a local Novato full service marketing firm with extensive project experience. Kiosk completed a draft Public Communications Strategy and Plan (Plan) and presented their findings and recommendations to the Board at the September 3, 2019 Board meeting, the initial draft plan was presented to the Board at the September 17, 2019 Board meeting, and the Board adopted at the October 1, 2019 Board meeting.

At the October 15, 2019 Board meeting, the General Manager was authorized to enter into a consulting agreement with Kiosk to assist in implementing staff selected first-year recommended actions in the adopted Public Communications Strategy and Plan. The Board also separately authorized the General Manager to enter into an agreement with Kiosk to create a new District website, which went live in June of 2020. Kiosk has successfully implemented many public outreach related tasks through the current agreement as evidenced in the monthly social media and web report. Other tasks as a part of the current agreement were the professional photography, which was only partially completed due to limitations from COVID-19, and design of the "Waterline" newsletters for both service areas, and continued creative and technical support for the website.

PATH FORWARD

To continue this communications and outreach effort with Kiosk a new agreement is needed. The draft agreement and scope are included for your review (Attachment 1). The scope includes website news story creation, social media post creation and management, website hosting and security services, and website form hosting.

Staff recommends continuing this cooperative effort with Kiosk to maintain the improve-

ments, quality and quantity of the District's public outreach and communications, and recommends the Board authorize the General Manager to execute this agreement.

RECOMMENDATION

Board authorize the General Manager to execute Agreement with Kiosk to assist in continued communication and public outreach implementation in an amount not to exceed \$60,000.

DRAFT AGREEMENT FOR CONSULTING SERVICES

The following is an agreement between **North Marin Water District**, hereinafter "**NMWD**", and **Kiosk Creative LLC**, hereinafter, "**Consultant**".

WHEREAS, Consultant is a duly qualified consulting firm, experienced in developing marketing and communication initiatives for public sector clients,

WHEREAS, in the judgment of the Board of Directors of the NMWD, it is necessary and desirable to employ the services of the Consultant to implement specific tasks from the 2019 Communications Strategy and Plan as identified by NMWD,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

PART A -- SPECIFIC PROVISIONS:

- 1. DESCRIPTION OF SERVICES AND PAYMENT:** Except as modified in this agreement, the services to be provided and the payment schedule are:
 - a. The scope of work and fee amount covered by this agreement shall be that specified on a task-by-task basis. Attachment A of this agreement shall serve as Task 1.
 - b. The fee for the work shall not exceed \$60,000 without prior written authorization by NMWD.

PART B -- GENERAL PROVISIONS

1. ASSIGNMENT/DELEGATION: Except as above, neither party hereto shall assign, sublet or transfer any interest in or duty under this agreement without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

2. STATUS OF CONSULTANT: The parties intend that the Consultant, in performing the services hereinafter specified, shall act as an independent contractor and shall have the control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of NMWD, and is not entitled to participate in any pension plan, insurance, bonus or similar benefits NMWD provides its employees.

3. INDEMNIFICATION: NMWD is relying on the professional ability and training of the Consultant as a material inducement to enter into this agreement. The Consultant hereby warrants that all its work will be performed in accordance with generally accepted professional practices and standards, as well as the requirements of applicable federal, state and local laws, it being understood that neither acceptance of the Consultant's work by NMWD nor Consultant's failure to perform shall operate as a waiver or release.

- a. With respect to design professional services provided under this agreement, Consultant shall assume the defense of and defend NMWD, its directors, officers, agents, and employees in any action at law or in equity to the extent that liability is claimed or alleged to arise out of, pertain to, or relate to, either directly or indirectly,

the intentional or willful misconduct, recklessness, or negligent act, error, or omission of Consultant (or any person or organization for whom Consultant is legally liable) in the performance of the activities necessary to perform the services for District and complete the task provided for herein. In addition, Consultant shall indemnify, hold harmless, and release NMWD, its directors, officers, agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs, that may be asserted by any person or entity including the Consultant, to the extent arising out of, pertaining to, or relating to, the negligent acts, errors or omissions, recklessness, or intentional or willful misconduct of the Consultant (or any consultant or subcontractor of Consultant) in connection with the activities necessary to perform the services and complete the task provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

- b. With respect to all services other than design professional services provided under this agreement, Consultant shall indemnify, hold harmless, release and defend NMWD, its agents and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that may be asserted by any person or entity, including the Consultant, arising out of or in connection with the activities necessary to perform those services and complete the tasks provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

This indemnification is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the NMWD or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

4. PROSECUTION OF WORK: The execution of this agreement shall constitute the Consultant's authority to proceed immediately with the performance of this contract. Performance of the services hereunder shall be completed by December 31, 2022, provided, however, that if the performance is delayed by earthquake, flood, high water or other Act of God or by strike, lockout or similar labor disturbance, the time for the Consultant's performance of this contract shall be extended by a number of days equal to the number of days the Consultant has been delayed.

5. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS: All notices, bills and payment shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

North Marin Water District
P.O. Box 146
Novato, CA 94948
Attention: Ryan Grisso

Consultant:
Kiosk Creative LLC
750 Grant Ave, #200
Novato, CA 94945
Attention: Claire Knoles

and when so addressed, shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of

actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this paragraph.

6. MERGER: This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms of the agreement, pursuant to California Code of Civil Procedure Section 1856 and as a complete and exclusive statement of the terms of the agreement. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

7. SEVERABILITY: Each provision of this agreement is intended to be severable. If any term of any provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this agreement and shall not affect the validity of the remainder of the agreement.

8. TERMINATION: At any time and without cause the NMWD shall have the right in its sole discretion, to terminate this agreement by giving written notice to the Consultant. In the event of such termination, NMWD shall pay the Consultant for services rendered to such date.

9. TRANSFER OF RIGHTS/OWNERSHIP OF DATA: The Consultant assigns to NMWD all rights throughout the work in perpetuity in the nature of copyright, trademark, patent, and right to ideas, in and to all versions of any plans and specifications, reports and document now or later prepared by the Consultant in connection with this contract.

The Consultant agrees to take such actions as are necessary to protect the rights assigned to NMWD in this agreement, and to refrain from taking any action which would impair those rights. The Consultant's responsibilities under this contract will include, but not be limited to, placing proper notice of copyright on all versions of any plans and specifications, reports and documents as NMWD may direct, and refraining from disclosing any versions of the reports and documents to any third party without first obtaining written permission of NMWD. The Consultant will not use, or permit another to use, any plans and specifications, reports and document in connection with this or any other project without first obtaining written permission of NMWD.

All materials resulting from the efforts of NMWD and/or the Consultant in connection with this project, including documents, reports, calculations, maps, photographs, computer programs, computer printouts, digital data, notes and any other pertinent data are the exclusive property of NMWD. Re-use of these materials by the Consultant in any manner other than in conjunction with activities authorized by NMWD is prohibited without written permission of NMWD.

Consultant shall deliver requested materials to NMWD in electronic format including but not limited to engineering calculations, plans (AutoCad, current edition) and specifications (MS Word, current edition).

10. COST DISCLOSURE: In accordance with Government Code Section 7550, the Consultant agrees to state in a separate portion of any report provided NMWD, the numbers and amounts of all contracts and subcontractors relating to the preparation of the report.

11. NONDISCRIMINATION: The Consultant shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition or physical handicap.

12. EXTRA (CHANGED) WORK: Extra work may be required. The Consultant shall not proceed nor be entitled to reimbursement for extra work unless it has been authorized, in writing, in advance, by NMWD. The Consultant shall inform the District as soon as it determines work beyond

the scope of this agreement may be necessary and/or that the work under this agreement cannot be completed for the amount specified in this agreement. Said review shall occur before consultant incurs 75% of the total fee approved for any phase of the work. Failure to notify the District shall constitute waiver of the Consultant's right to reimbursement.

13. CONFLICT OF INTEREST: The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Consultant further covenants that in the performance of this contract no person having any such interest shall be employed.

14. INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the consultant, his agents, representatives, employees or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Commercial General Liability coverage
2. Automobile Liability
3. Workers' Compensation insurance as required by the State of California.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability (including operations, products and completed operations.): **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation Insurance: as required by the State of California.

Verification of Coverage

Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require at any time complete and certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Subcontractors

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the District for review and approval. All coverage for subcontractors shall be subject to all of the requirements stated herein.

Self-Insured Retentions

Any self-insured retentions must be declared to and approved by the District. At the option

of the District, either: the insurer shall reduce or eliminate such self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District (such as a surety bond) guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

15. DISPUTE RESOLUTION: Any dispute or claim in law or equity between District and Consultant arising out of this agreement, if not resolved by informal negotiation between the parties, shall be mediated by referring it to the nearest office of Judicial Arbitration and Mediation Services, Inc. (JAMS) for mediation. Mediation shall consist of an informal, non-binding conference or conferences between the parties and the judge-mediator jointly, then in separate caucuses wherein the judge will seek to guide the parties to a resolution of the case. If the parties cannot agree to mutually acceptable member from the JAMS panel of retired judges, a list and resumes of available mediators numbering one more than there are parties will be sent to the parties, each of whom will strike one name leaving the remaining as the mediator. If more than one name remains, JAMS arbitrations administrator will choose a mediator from the remaining names. The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution.

At the sole election of the District, any dispute or claim in law or equity between District and Consultant arising out of this agreement which is not settled through mediation shall be decided by neutral binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of Judicial Arbitration Mediation Services, Inc. (JAMS). The parties to an arbitration may agree in writing to use different rules and/or arbitrators.

16. BILLING AND DOCUMENTATION: The Consultant shall invoice NMWD for work performed on a monthly basis and shall include a summary of work for which payment is requested. The invoice shall state the authorized contract limit, the amount of invoice and total amount billed to date. The summary shall include a narrative description of work accomplished, and an estimate of work completed to date.

17. REASONABLE ASSURANCES: Each party to this agreement undertakes the

obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise, with respect to performance of either party, the other may, in writing, demand adequate assurance of due performance and until the requesting party receives such assurance may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of the party with respect to performance under this agreement but also conduct with respect to other agreements with parties to this agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, not to exceed 30 days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

18. PREVAILING WAGE REQUIREMENTS: Prevailing Wage Rates apply to all Consultant personnel performing work under the Agreement for which wage determinations have been made by the Director of Industrial Relations pursuant to California Labor Code Sections 1770– 1782,. Consultant shall comply with all applicable prevailing wage labor code requirements.

**NORTH MARIN WATER DISTRICT
"NMWD"**

Dated: _____

Drew McIntyre, General Manager

**KIOSK CREATIVE LLC
"CONSULTANT"**

Dated: _____

Claire Knoles, Chief Operating Officer

Exhibit A
Services, Deliverables and Costs


Task/ Service/ Deliverable	One Time Costs (July 2021- Dec 2022)	Total for 12 Months (July 2021 - June 2022)	Costs Each Month
One (1) web news story per month		\$4,200.00	\$350.00
Social media support monthly (3 platforms) (writing, image sourcing, creating graphics, planning month ahead, client revisions, posting, boosting, managing boost budget)		\$9,450.00	\$787.50
Monthly web & social report		\$4,200.00	\$350.00
Client meetings (2 per month)		\$4,200.00	\$350.00
Project management, client liaison, web support as needed		\$10,500.00	\$875.00
Social "boosts" budget		\$672.00	\$56.00
Social "LinkTree" cost		\$72.00	\$6.00
Quarterly web review to check for stale content and ad hoc fixes (\$700 per quarter)	\$2,800.00		
Waterlines - design and copy x 3 issues	\$4,815.00		
Photography budget (stock and ad hoc local)	\$700.00		
Web Hosting for 12 months: renews 06/30/2021	\$500.00		
SSL Certificate for 12 months: renews 06/30 2021	\$199.00		
FormStack secure PII system license for 12 months: renews 09/20/2021	\$1,200.00		
Ad hoc communications and outreach services, as directed by Ryan Grisso or Drew McIntyre	\$16,492.00		
Sub Totals	\$26,706.00	\$33,294.00	\$2,774.50
Grand Total	\$60,000.00		
Total Project Costs		\$60,000.00	

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MEMORANDUM

To: Board of Directors

Date: June 18, 2021

From: Tony Williams, Assistant GM/Chief Engineer Subject: Approve Scott Foster Engineering General Services Agreement
R:\NON JOB No ISSUES\Consultants\Scott Foster Engineering\S. Foster Surge Analysis GSA BOD Memo June2021.doc**RECOMMENDED ACTION:** That the Board authorize the General Manager to execute a General Consulting Services Agreement with Scott Foster Engineering, Inc.**FINANCIAL IMPACT:** \$20,000 plus \$2,500 contingencyBackground

Since completion of the Aqueduct Energy Efficiency Project in 2015, the Sonoma County Water Agency no longer operates the Kastania Pump Station to deliver water to North Marin Water District and Marin Municipal Water District via the North Marin aqueduct. In May of this year, the Marin Municipal Water District (MMWD) Board of Directors approved the Kastania Pump Station Rehabilitation Project which would re-activate the pump station as early as November of this year. In order to fully understand the impacts of the pump station operations on the North Marin aqueduct itself, as well as key elements of the Novato distribution system, staff is recommending that a pressure surge analysis be performed. Similar prior analysis was performed in the past by Flow Science out of Pasadena, in 1991 and again in 2012. Unfortunately, Flow Science is unable to support the project at this time but one of the lead engineers from the 2012 analysis, Scott Foster (of Scott Foster Engineering, Inc.) is available and was recommended by Flow Science.

Based on the need to fully understand the impacts, if any, from MMWD's proposed operation of the pump station, it is prudent to request specialized hydraulic analysis services on an as-needed basis. The purpose of this memo is to request a new consulting services agreement with Scott Foster Engineering for specialized hydraulic pressure analysis to assist staff with the evaluation of MMWD's project as well as future possible operational changes that may be implemented by MMWD.

Attached is an agreement for Scott Foster Engineering, Inc. to provide said engineering services with a not to exceed limit of \$20,000 (Attachment 1). If approved, the consulting services agreement will be executed based on individual task orders basis. The first task order will be to evaluate pressure surge analysis from the Kastania Pump Station operation based on MMWD's design and proposed operation under their new project.

RECOMMENDATION

That the Board authorize the General Manager to execute a General Services Consulting Agreement with Scott Foster Engineering, Inc. to provide hydraulic pressure surge analysis services on as needed basis in the amount of \$20,000 plus a contingency of \$2,500.

AGREEMENT FOR CONSULTING SERVICES

The following is an agreement between **North Marin Water District**, hereinafter “**NMWD**”, and **Scott Foster Engineering, Inc.**, hereinafter, “**Consultant**”.

WHEREAS, Consultant is a duly qualified consulting firm, experienced in experienced in hydraulic pressure surge analysis of water system pipelines.

WHEREAS, in the judgment of the Board of Directors of the NMWD, it is necessary and desirable to employ the services of the Consultant to provide miscellaneous environmental consulting services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

PART A -- SPECIFIC PROVISIONS:

1. DESCRIPTION OF SERVICES AND PAYMENT: Except as modified in this agreement, the services to be provided and the payment schedule are:

- a. Water transmission or distribution pipelines pressure surge analysis for NMWD’s water systems. The scope of work and fee amount covered by this agreement shall be that specified on a task by task basis.
- b. The fee for the work shall be on a time and expense (T & E) basis utilizing the fee schedule included in Attachment A of this agreement and shall not exceed \$20,000 without prior written authorization by NMWD.

PART B -- GENERAL PROVISIONS

1. ASSIGNMENT/DELEGATION: Except as above, neither party hereto shall assign, sublet or transfer any interest in or duty under this agreement without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

2. STATUS OF CONSULTANT: The parties intend that the Consultant, in performing the services hereinafter specified, shall act as an independent contractor and shall have the control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of NMWD, and is not entitled to participate in any pension plan, insurance, bonus or similar benefits NMWD provides its employees.

3. INDEMNIFICATION: NMWD is relying on the professional ability and training of the Consultant as a material inducement to enter into this agreement. The Consultant hereby warrants that all its work will be performed in accordance with generally accepted professional practices and standards, as well as the requirements of applicable federal, state and local laws, it being understood that neither acceptance of the Consultant's work by NMWD nor Consultant's failure to perform shall operate as a waiver or release.

ATTACHMENT 1

- a. With respect to design professional services provided under this agreement, Consultant shall assume the defense of and defend NMWD, its directors, officers, agents, and employees in any action at law or in equity to the extent that liability is claimed or alleged to arise out of, pertain to, or relate to, either directly or indirectly, the intentional or willful misconduct, recklessness, or negligent act, error, or omission of Consultant (or any person or organization for whom Consultant is legally liable) in the performance of the activities necessary to perform the services for District and complete the task provided for herein. In addition, Consultant shall indemnify, hold harmless, and release NMWD, its directors, officers, agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs, that may be asserted by any person or entity including the Consultant, to the extent arising out of, pertaining to, or relating to, the negligent acts, errors or omissions, recklessness, or intentional or willful misconduct of the Consultant (or any consultant or subcontractor of Consultant) in connection with the activities necessary to perform the services and complete the task provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

- b. With respect to all services other than design professional services provided under this agreement, Consultant shall indemnify, hold harmless, release and defend NMWD, its agents and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that may be asserted by any person or entity, including the Consultant, arising out of or in connection with the activities necessary to perform those services and complete the tasks provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

This indemnification is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the NMWD or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

4. PROSECUTION OF WORK: The execution of this agreement shall constitute the Consultant's authority to proceed immediately with the performance of this contract. Performance of the services hereunder shall be completed by June 15, 2022, provided, however, that if the performance is delayed by earthquake, flood, high water or other Act of God or by strike, lockout or similar labor disturbance, the time for the Consultant's performance of this contract shall be extended by a number of days equal to the number of days the Consultant has been delayed.

5. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS: All notices, bills and payment shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

North Marin Water District
P.O. Box 146
Novato, CA 94948
Attention: Anthony Williams, PE

Consultant:
Scott Foster Engineering, Inc.
2222 Foothill Blvd, Suite E321
La Canada Flintridge, CA 91011
Attention: Scott Foster, PE

and when so addressed, shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this paragraph.

6. MERGER: This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms of the agreement, pursuant to California Code of Civil Procedure Section 1856 and as a complete and exclusive statement of the terms of the agreement. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

7. SEVERABILITY: Each provision of this agreement is intended to be severable. If any term of any provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this agreement and shall not affect the validity of the remainder of the agreement.

8. TERMINATION: At any time and without cause the NMWD shall have the right in its sole discretion, to terminate this agreement by giving written notice to the Consultant. In the event of such termination, NMWD shall pay the Consultant for services rendered to such date. Consultant shall have the right to terminate this Agreement upon giving NMWD ten (10) calendar days prior written notice for breach by NMWD of any material term of this Agreement, including but not limited to Payment Terms.

9. TRANSFER OF RIGHTS/OWNERSHIP OF DATA: The Consultant assigns to NMWD all rights throughout the work in perpetuity in the nature of copyright, trademark, patent, and right to ideas, in and to all versions of any plans and specifications, reports and document now or later prepared by the Consultant in connection with this contract, contingent upon payment.

The Consultant agrees to take such actions as are necessary to protect the rights assigned to NMWD in this agreement, and to refrain from taking any action which would impair those rights. The Consultant's responsibilities under this contract will include, but not be limited to, placing proper notice of copyright on all versions of any plans and specifications, reports and documents as NMWD may direct, and refraining from disclosing any versions of the reports and documents to any third party without first obtaining written permission of NMWD. The Consultant will not use, or permit another to use, any plans and specifications, reports and document in connection with this or any other project without first obtaining written permission of NMWD.

All materials resulting from the efforts of NMWD and/or the Consultant in connection with this project, including documents, reports, calculations, maps, photographs, computer programs, computer printouts, digital data, notes and any other pertinent data are the exclusive property of NMWD. Re-use of these materials by the Consultant in any manner other than in conjunction with activities authorized by NMWD is prohibited without written permission of NMWD.

Consultant shall deliver requested materials to NMWD in electronic format including but not limited to engineering calculations, plans (AutoCad, current edition) and specifications (MS Word, current edition).

10. COST DISCLOSURE: In accordance with Government Code Section 7550, the Consultant agrees to state in a separate portion of any report provided NMWD, the numbers and amounts of all contracts and subcontractors relating to the preparation of the report.

11. NONDISCRIMINATION: The Consultant shall comply with all applicable federal, state

and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition or physical handicap.

12. EXTRA (CHANGED) WORK: Extra work may be required. The Consultant shall not proceed nor be entitled to reimbursement for extra work unless it has been authorized, in writing, in advance, by NMWD. The Consultant shall inform the District as soon as it determines work beyond the scope of this agreement may be necessary and/or that the work under this agreement cannot be completed for the amount specified in this agreement. Said review shall occur before consultant incurs 75% of the total fee approved for any phase of the work. Failure to notify the District shall constitute waiver of the Consultant's right to reimbursement.

13. CONFLICT OF INTEREST: The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Consultant further covenants that in the performance of this contract no person having any such interest shall be employed.

14. INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the consultant, his agents, representatives, employees or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Commercial General Liability coverage
2. Automobile Liability
3. Workers' Compensation insurance as required by the State of California.
4. Professional Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability (including operations, products and completed operations.): **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation Insurance: as required by the State of California.
4. Professional Liability, **\$1,000,000** per occurrence.

Verification of Coverage

Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require at any time complete and certified copies of all required insurance policies, including endorsements

affecting the coverage required by these specifications.

Subcontractors

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the District for review and approval. All coverage for subcontractors shall be subject to all of the requirements stated herein.

Self-Insured Retentions

Any self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District (such as a surety bond) guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by U.S. First-Class mail; has been given to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

15. DISPUTE RESOLUTION: Any dispute or claim in law or equity between District and Consultant arising out of this agreement, if not resolved by informal negotiation between the parties, shall be mediated by referring it to the nearest office of Judicial Arbitration and Mediation Services, Inc. (JAMS) for mediation. Mediation shall consist of an informal, non-binding conference or conferences between the parties and the judge-mediator jointly, then in separate caucuses wherein the judge will seek to guide the parties to a resolution of the case. If the parties cannot agree to mutually acceptable member from the JAMS panel of retired judges, a list and resumes of available mediators numbering one more than there are parties will be sent to the parties, each of whom will strike one name leaving the remaining as the mediator. If more than one name remains, JAMS arbitrations administrator will choose a mediator from the remaining names. The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution.

At the sole election of the District, any dispute or claim in law or equity between District and Consultant arising out of this agreement which is not settled through mediation shall be decided by neutral binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of Judicial Arbitration Mediation Services, Inc. (JAMS). The parties to an arbitration may agree in writing to use different rules and/or arbitrators.

16. BILLING AND DOCUMENTATION: The Consultant shall invoice NMWD for work performed on a monthly basis and shall include a summary of work for which payment is requested. The invoice shall state the authorized contract limit, the amount of invoice and total amount billed to date. The summary shall include time and hourly rate of each individual, a narrative description of work accomplished, and an estimate of work completed to date.

17. PREVAILING WAGE REQUIREMENTS: Prevailing Wage Rates apply to all Consultant personnel performing work under the Agreement for which wage determinations have been made by the Director of Industrial Relations pursuant to California Labor Code Sections 1770– 1782,. Consultant shall comply with all applicable prevailing wage labor code requirements.

**NORTH MARIN WATER DISTRICT
"NMWD"**

Dated: _____

Drew McIntyre, General Manager

"CONSULTANT"

Dated: _____

Scott Foster Engineering, Inc.

Attachment A

Scott Foster Engineering, Inc.

2021 Hourly Billing Rates

CLASSIFICATION TITLE	HOURLY RATE
Principal Engineer	\$190

ITEMS/EXPENSES
Printing \$0.15/page
Outside printing services, at cost
Travel, car, mileage at IRS rate
Travel, train/metro/etc., at cost

11

MEMORANDUM

To: Board of Directors June 18, 2021
From: Tony Williams, Assistant GM/Chief Engineer 
Subject: Amend General Services Agreement with Environmental Collaborative
r:\non job no issues\consultants\environmental collaborative\bod memos\approve amend 1 ec_gsa bod memo.doc

RECOMMENDED ACTION: Authorize the General Manager to amend the General Consulting Services Agreement with Environmental Collaborative

FINANCIAL IMPACT: \$20,000 (No budget augmentation needed at this time)

On April 7, 2020, the Board approved a \$20,000 General Consulting Services Agreement with Environmental Collaborative (EC). EC has been providing necessary environmental support services for several Capital Improvement Projects (CIP) including Old Ranch Road Tank No. 2 and the San Mateo Tank 24-inch Transmission Main projects. Continued support is needed for these projects as they transition into construction, including pre-construction bird and rare plant surveys. Additional environmental support is anticipated for other CIP projects as well, including the Oceana Marin Ponds Rehabilitation project.

Total billings as of the end of May 2021 are \$14,410, leaving a balance of \$5,590 on the contract. Recent field work consisting of a rare plant survey for the San Mateo Tank 24-inch Transmission Main Project will likely exhaust the remaining balance on the contract. A required bird survey later this month, prior to the construction start of the Old Ranch Road Tank No. 2 Project, requires an amendment.

RECOMMENDATION

That the Board authorize the General Manager to amend General Services Agreement with Environmental Collaborative, and increase the budget by \$20,000, and an extension of time from December 31, 2021 to December 31, 2022.

12

MEMORANDUM

To: Board of Directors June 18, 2021
From: Drew McIntyre, General Manager
Subject: Renew Declaration of Local Emergency Related to COVID-19 Pandemic
t:\gmlbod misc 2021\renew covid emergency declaration #30 6_18_21.doc

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

FINANCIAL IMPACT: ~\$204,235 as of May 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 limited 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 7, 2020, the Board of Directors approved Resolution No. 20-07 proclaiming the existence of a local emergency, granting the General Manager to take actions necessary for emergency response due to the COVID-19 pandemic until the State of Emergency is terminated.

On April 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 June 1, 2021, Marin moved from the Orange Status (Tier 3) to Yellow Status (Tier 4) which means more reopening of the economy and another step toward pre-pandemic normalcy.

On June 15, 2021, Governor Newsom terminated the executive orders that put into place the Stay Home Order and the Blueprint for a Safer Economy. He also phased out the vast majority of executive actions put in place since March 2020 as part of the pandemic response, leaving a subset of provisions that facilitate the ongoing recovery.

On June 17, 2021 the Cal-OSHA Board adopted revisions to the COVID-19 Prevention Emergency Temporary Standards and Governor Newsom quickly moved to issue an executive order to allow the revisions to immediately take effect on June 17. The revised regulations reflect the state's latest COVID-19 public health guidance. The updates include

changes to face coverings and physical distancing requirements in the workplace. The Cal-OSHA board is looking at further revising the rule at its next subcommittee meeting on Monday, June 21.

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. District staff and our HR legal counsel will be reviewing the recent COVID workplace regulation changes as we develop a plan to gradually transition back to "normal" operations. The key elements of this plan include updating the District's COVID Preparedness document to ensure it aligns with the new local, state and Cal/OSHA requirements; reopening of the District Office to the public, developing a phased approach for returning our few remaining remote workers to onsite work and resuming of in-person Board meetings.

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	\$14,278	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		\$39,235	

Internal Labor Expenses

Increased on-call labor costs:	~\$102,300 thru April 30,2021 ~\$112,400 thru May 31,2021
Families First Coronavirus Response Act (FFCRA) Allows employees to take time off for COVID medical reasons and/or childcare.	~\$40,500 thru April 30, 2021 ~\$42,200 thru May 31, 2021
Payroll Collection Costs	~\$9,800 thru April 30, 2021 ~\$10,400 thru May 31, 2021

Water Bill Delinquency Impacts

	<u>5/2019</u>	<u>5/2020</u>	<u>5/2021</u>
Customer Accounts Past Due (count)	2.0%	3.5%	3.2%
Delinquent Balances % Due on Account	5.3%	6.3%	8.3%
Delinquent Balances \$ Due on Account	\$45,000	\$86,000	\$110,000

13

MEMORANDUM

To: Board of Directors

June 18, 2021

From: Tony Williams, Assistant GM / Chief Engineer 

Subject: West Marin Capital Improvement Projects – FY20-21 Preliminary Year-End Progress Report

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

The purpose of this memo is to provide a preliminary year-end status report to the Board on the District's performance in completing budgeted FY20-21 Capital Improvement Projects (CIPs) in the West Marin (including Oceana Marin) service territories. A final fiscal year-end report will be presented to the Board at a later meeting once the FY20-21 financial information is complete. This preliminary progress report is being presented to take advantage of the fact that the June 22nd meeting is focused on West Marin budget items.

Performance Status for Capital Improvement Projects

A total of seven (7) CIPs were originally budgeted in FY20-21 for the West Marin water and Oceana Marin (OM) sewer service areas but during the year, six projects were added and none were carried over or deferred/deleted for a total of thirteen (13) projects. The table below provides a summary and status of the 13 projects:

DESCRIPTION	PROJECT COSTS AS OF MAY 31, 2021		END OF FY21	% COMPLETE
	Budget	Actual	Forecast	
West Marin Water System Improvements				
Replace PRE Tank #4A	\$1,000,000	\$810,283	\$856,283	100
New Gallagher Well #2 (1st of 2 years)	\$75,000	\$236,049	\$250,000	25
PB Replace in Sync w/County Paving	\$50,000	-	-	-
Gallagher Ranch Streambank Stabilization	\$260,000	\$335,832	\$335,832	100
Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$100,000	\$846	\$1,000	5
PB Repl: SR1 Pt. Reyes - Caltrans	\$0	\$38,848	\$38,848	100
PRE PS #2 Pumping Equipment	\$0	\$8,361	\$8,361	100
Repl PRE 2" Galv Pipe - Balboa, Drakes View, Baywood	\$0	\$5,363	\$6,500	10
Replace Plastic Thin Walled Pipe <4" - Blackberry Ln	\$0	\$2,796	\$3,500	5

DESCRIPTION	PROJECT COSTS AS OF MAY 31, 2021		END OF FY21	% COMPLETE
	Budget	Actual	Forecast	
West Marin Water System Improvements				
Pt Reyes Well #2 Rehab	\$0	\$22,643	\$22,643	100
Subtotal (West Marin)	\$1,485,000	\$1,461,189	\$1,523,135	
Oceana Marin Sewer System				
Infiltration Repair	\$40,000	\$3,950	\$8,500	100
Tahiti Way Lift Pump 1 Assembly	\$25,000	\$0	\$25,000*	*
OM Treatment and Storage Pond Rehabilitation	\$225,000	\$32,531	\$35,000	10
Subtotal (Oceana Marin)	\$290,000	\$36,481	\$68,500	
Total West Marin	\$1,775,000	\$1,497,670	\$1,591,635	

Table Notes:

Baseline projects with revised forecast budget increases (indicated by shaded box)

New projects added (indicated in bold)

*Available budget from this project will likely be used for upgrades to the Tahiti Way PS Generator.

Out of the ensuing thirteen projects, six projects have been completed (constructed). The engineering and design have also been completed for two remaining projects, Gallagher Well No. 2 and the OM Treatment Pond Rehabilitation projects. However, these two projects are unable to proceed to construction pending approvals or authorizations from outside agencies. Overall earned value progress in completing West Marin CIPs as of May 31, 2021 was 84% and is forecasted to be approximately 90% by the end of the fiscal year. Based on a review of total project expenditures for the West Marin Water CIPs, the combined West Marin Water projects are forecasted to be above the initial budget by 3% but with additional grant proceeds \$26,400 above original estimate for the Gallagher Ranch Streambank Stabilization Project, estimated total District funding expenditures may be slightly above the budget total of ~\$12,000 (or <1%). End of fiscal year forecasted Oceana Marin project expenses of \$68,500 are well below the Oceana Marin CIP budget of \$290,000. The design for the grant funded Oceana Marin Treatment and Storage Pond Rehabilitation project was completed in November 2020 but is awaiting approval from FEMA and Cal OES for the construction phase funding which accounts for this underage. The available budget for Tahiti Way Lift Pump 1 project will likely be used to fund a new pending project to upgrade the Tahiti Way Pump Station Back-up/Emergency Generator.

14

DISBURSEMENTS - DATED JUNE 17, 2021

Date Prepared 6/15/21

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:

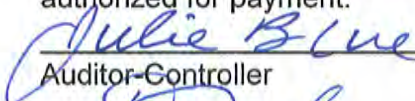
Seq	Payable To	For	Amount
1	ACI Payments	Return Payment-Not Our Customer	\$684.37
2	Allied Mechanical	Front Office Boiler Repairs (\$2,899), HVAC Repairs in Lab (\$1,114) & Quarterly HVAC Maintenance (\$430)	4,442.81
3	All Star Rents	Breaker Bit for Hammer Drill	22.41
4	Aramayzi, Hasan	Reissue Check-Original Lost in Mail - Overpayment on Closed Account	195.55
5	Athens Administrators	May Indemnity Review Fee	105.00
6	Badger Meter	1" Meters (80)	16,389.96
7	Bousquet, Margie	Novato "Pool Cover Rebate" Program	75.00
8	Buck's Saw Service	Brush Cutter for Buildings/Grounds Maintenance	759.39
9	Calpico	Anodes (220)	8,354.50
10	Chandrasekera, Carmela	Retiree Exp Reimb (June Health Ins)	1,063.97
11	ChromaGraphics	Novato Spring Waterline (18,300)	7,640.67
12	Cilia, Joseph	Retiree Exp Reimb (June Health Ins)	372.37
13	Clements, David	Novato "Washer Rebate" Program	50.00
14	Clipper Direct	July Commuter Benefit Program	29.00
15	Eade, George	Novato "Pool Cover Rebate" Program	75.00
16	Engineering Supply	Tripod (Engineering)	242.00
17	Environmental Collaborative	Prog Pymt#2: Biological Monitoring-San Mateo Tank Project (Balance Remaining on Contract \$8,090)	1,864.80


Seq	Payable To	For	Amount
18	Fritz, James	Reissue Check-Original Lost in Mail - Retiree Health Insurance	1,088.28
19	Frontier Communications	Leased Lines	1,444.50
20	Grainger	Miscellaneous Maintenance Tools & Supplies	2,934.90
21	Jackson, David	Retiree Exp Reimb (June Health Ins)	1,063.97
22	JD Management Group	Refund Excess Advance over Actual Pre-Agreement Engineering Job Costs-Perros Grooming Salon (Facility Change Not Needed, Project Cancelled)	1,200.00
23	Ken Grady Co.	Free Chlorine Analyzer (STP)	2,905.51
24	KP Promotions	Uniforms for New Employees	205.35
25	Larsengines	Carburetor for Leaf Blower	105.99
26	Latanzsyn, Roman	Retiree Exp Reimb (June Health Ins)	372.37
27	Lemos, Kerry	Retiree Exp Reimb (June Health Ins)	1,063.97
28	Madfes, Ian	Novato "Hot Water Recirculation System"	100.00
29	Manzoni, Alicia	Retiree Exp Reimb (June Health Ins)	1,063.97
30	Marin County Ford	Service Parts ('12 F250-\$71, '20 F250-\$97) & Seat Belt Assembly ('12 F250)	224.38
31	County of Marin	Encroachment Permit (100-350 Atherton Ave-Novato)	2,174.47
32	Marin County Dept of Finance	STP SRF Loan Semi-Annual Principal & Interest (#24 of 40)	519,722.66
33	Marin, County of	Annual Septic Permit (25 Giacomini Rd)	505.00
34	McLellan, WK	Misc Paving	54,434.59
35	McMaster-Carr Supply	Mesh Screen	23.62
36	Metrohm USA	Annual Supplies to Perform Preventative Maintenance on Ion Chromatography	1,289.77
37	Michael Baker International	Prog Pymt#9: Engineering Services-Prepare Additional Inundation Map & EAP for Stafford Dam (Balance Remaining on Contract \$4,900)	1,589.00

Seq	Payable To	For	Amount
38	Muggenthaler, Bill	Novato "Pool Cover Rebate" Program	50.00
39	Northen, Brian	Exp Reimb: D1 Certification Fee	70.00
40	O'Reilly Auto Parts	Coolant & Wiper Fluid for Fleet	117.05
41	PG&E	Power: Bldgs/Yard (\$4,311), Other (\$134), Pumping (\$45,639), Rect/Controllers (\$1,259) & Treatment (\$174)	51,517.72
42	Piazza Construction	Prog Pymt#10: PRE Tank 4A Replacement Project (Balance Remaining on Contract \$123,018) (\$11,053) & Refund Security Deposit on Hydrant Meter Less Final Bill (\$551)	11,604.60
43	Piazza Construction Escrow Acct	5% Retainer: Piazza Construction-PRE Tank #4A Replacement	581.75
44	Pini Hardware	Miscellaneous Maintenance Tools & Supplies	1,616.09
45	Planned Environments	Refund Security Deposit on Hydrant Meter Less Final Bill	575.69
46	Prunuske Chatham	Reissue Check-Original Lost in Mail - Hydrant Meter Deposit Refund	788.76
47	R & B	Couplings (\$3,816) (132), Corp Stops (4) (\$139), Elbows (2), Nipple & Valves (2) (\$1,226)	5,300.66
48	Redwood-Novato	Refund Excess Advance Over Actual Construction Job Costs-Jerry's Delicatessen	5,938.83
49	Smith, Lowell W.	Novato "Washer Rebate" Program	50.00
50	Suen, Yun	Novato "Water Smart Efficiency Rebate" Program Residential	168.75
51	United Parcel Service	Delivery Services: Sent Weights & Thermometer for Recalibration & Phone to Employee Working Remotely	59.15
52	Univar	Sodium Hypochlorite (RWF) (800 gal)	560.08
53	USA BlueBook	Screws for O.M. Pump	26.30

Seq	Payable To	For	Amount
54	Wildenrad, Carl	Refund Excess Advance Over Actual Construction Job Costs-4 Thomas Court	369.25
		TOTAL DISBURSEMENTS	<u>\$715,273.78</u>

The foregoing payroll and accounts payable vouchers totaling \$715,273.78 are hereby approved and authorized for payment.


6/14/2021
 Auditor-Controller Date


6/14/2021
 General Manager Date



PRESS RELEASE

FOR IMMEDIATE RELEASE

June 14, 2021

CONTACT

Barry Dugan

Sonoma Water

707-331-2040

barry.dugan@scwa.ca.gov

State Board Orders Reduction of Minimum Instream Flows and Diversions from the Russian River

(Santa Rosa, CA) – In response to worsening drought conditions in the Russian River Watershed, the State Water Resources Control Board (SWRCB) today issued an order that will reduce minimum instream flow requirements in the lower Russian River from 85 cubic feet per second (cfs) to 35 cfs. The Temporary Urgency Change Order (TUCO) also requires that Sonoma Water and its water contractors reduce total diversions from the Russian River by 20% compared to the same period of 2020 from July 1 through mid-December, 2021. The order, issued at the request of the Sonoma County Water Agency (Sonoma Water), will allow the agency to preserve storage in Lake Sonoma, which is the primary source of drinking water for more than 600,000 people in Sonoma and Marin counties.

The Russian River watershed is in a severe drought. Both the Governor and County of Sonoma have declared a drought emergency for the Russian River watershed. The SWRCB order changes the water supply classification to Critical for the Upper Russian River and the Lower Russian River.

Minimum instream flows in the upper Russian River will be reduced to 25 cfs. This will help preserve storage in Lake Mendocino, which provides water to communities in Mendocino and northern Sonoma counties and is a critical source of water for Chinook salmon.

Sonoma County Supervisor and Sonoma Water Board of Directors Chair Lynda Hopkins said, “This action by the State Water Resources Control Board will help preserve water in the Russian River watershed. Releasing less water from Lake Sonoma and reducing the amount of water pumped from the Russian River are critical methods to saving water for our communities and environment. At the same time, we urge our community to implement water saving measures. There is no water to waste and everyone in our community has a part in saving water during this drought. If you have a lawn, let it go brown or remove it. If you have a leak, fix it. Reduce your showers by two-minutes, or better yet, shower less often. Drastic times call for drastic measures and we all need to contribute to beat this drought.”

Lower minimum flows will allow for less water to be released from both Lake Sonoma and Lake Mendocino. The storage goal at Lake Mendocino is 20,000 acre-feet on October 1 (there is currently 33,162 acre-feet in Lake Mendocino). The storage goal for Lake Sonoma is greater than 100,000 acre-feet on October 1 (there is currently 134,551 acre-feet in Lake Sonoma).

The TUCO requires Sonoma Water to regularly monitor water quality and aquatic habitat for salmon and steelhead at multiple locations from Calpella (near Lake Mendocino) to Jenner.

Based on the effectiveness of the proposed temporary order to prevent Lake Mendocino and Lake Sonoma from declining to unsafe levels, Sonoma Water may request additional changes to meet human health and safety needs, in consultation with staff from the State Water Resources Control Board, North Coast Regional Water Quality Control Board, National Marine Fisheries Service and California Department of Fish and Wildlife.

To read the TUCP and learn more about the drought, please visit <https://www.sonomawater.org/tucp>

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Sonoma Water provides water supply, flood protection and sanitation services for portions of Sonoma and Marin counties. Visit us on the Web at www.sonomawater.org

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Principal Programs Specialist
Community and Government Affairs
Sonoma Water
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sonomawater.org



MMWD might escalate water-saving measures

DROUGHT

Utility considers tighter limit on sprinklers, irrigation

Marin Independent Journal

By Will Houston

whouston@marinij.com

The majority of Marin County residents might soon only be allowed to use sprinklers on one assigned day per week in response to lackluster conservation efforts and harrowing water supply forecasts.

The Marin Municipal Water District board plans to vote on the proposal and others on July 6 as a way to tighten its mandatory water use restrictions during the drought.

“We all are in alignment that we need to be increasing our urgency at several levels,” Cynthia Koehler, the board president, said during its meeting on Tuesday.

The new rules would limit outdoor sprinkler use to one day per week on a yet-to-be-assigned day. Under rules adopted in May, the district limits sprinkler use to two days per week but allows residents to pick those days. Designating a set day of the week will also allow staff to better educate residents and enforce against violations, staff said.

“We will be able to largely find out who is not aware of the requirements or just not supporting them,” Ben Horenstein, the district’s general manager, told the board.

Additionally, the board will consider limiting drip irrigation to two days per week, down from three, and acting to discourage new plantings. Hand watering would continue to be exempt from the restrictions.

Violations could result in fines as large as \$250, the same as they are now.

'We all are in alignment that we need to be increasing our urgency at several levels.'

— *Cynthia Koehler, Marin Municipal Water District*



Donald Gallerani, a county landscaping supervisor, checks a sprinkler at Lagoon Park in San Rafael on Wednesday. The irrigation system at the park uses reclaimed nonpotable water.

SHERRY LAVARS — MARIN INDEPENDENT JOURNAL



Exposed tree stumps dot the receding shoreline at the Nicasio Reservoir on Thursday. The Marin Municipal Water District's seven reservoirs are at about half the normal level for this time of year.

ALAN DEP — MARIN INDEPENDENT JOURNAL

At the July 6 meeting, the board also plans to hold a discussion on other water restrictions, including a proposal to suspend most new water hookups.

The district estimates that a one-day sprinkler limit would save about 7,300 acre feet of water, or about 9% of the district's total capacity.

The district's seven reservoirs in the Mount Tamalpais watershed were about 45% full as of Tuesday when they would normally be closer to about 86% full at this time of year. The reservoirs make up 75% of the district's supply, with the rest coming from

Sonoma Water. The imports are set to be cut by 20% on July 1 because of Sonoma's own water shortages.

If the Marin Municipal Water District's supply is below 30,000 acre-feet as of Dec. 1, it would trigger a 50% conservation mandate. Total storage was about 36,300 acre-feet on Tuesday, with projections showing supplies dipping below 30,000 acrefeet by late August.

The district mandated its 191,000 customers in central and southern Marin to collectively cut back water use by 40% compared to average use between 2018 and 2020. Residents and businesses have fallen short, with only 18% conservation reported at the end of last week.

Should residents continue to conserve by just 20% and winter remains as dry, the district estimates it will use up its entire local water supply by late August 2022.

Despite the mandatory restrictions, many residents continue to water their landscapes multiple times a week, according to district staff. Data collected from about 700 customers with wireless meters found that 42% were irrigating three or more days per week, with 13% irrigating more than five days in May and June. One customer's water demand increased from 150 gallons per day to 2,500 gallons while watering.

"It's incredible," Carrie Pollard, the district's water efficiency manager, told the board.

Water demand typically increases by 50% during the summer largely because of outdoor watering, according to district staff. Adopting the one-day sprinkler limit at the start of July will be key to cutting back use during the peak demand period, Horenstein said.

Some ratepayers questioned how effective the new limit would be.

"How long per day? If you're going to water one day but for two hours, that's not saving much water," Terra Linda resident David Smith told the board.

Many ratepayers called on the board to suspend new water hookups. Should the district adopt the hookup ban, staff estimated it would save about one one-thousandth of its annual water demand, or about 20 to 60 acre-feet of water in the next year. The estimate is based on three projects nearing completion.

Mill Valley resident Paul Kayfetz said the estimates are deceptive and ignore larger housing developments that have been proposed, such as a 1,300-apartment complex in Terra Linda. District staff say these projects are many years from completion.

“How can you have water police dealing out misdemeanors and fines for existing users taking showers or trying to save their landscaping while these projects are given free rein?” Kayfetz told the board. “It’s not fair. It’s going to discourage existing users from entering the conservation program.”

Rather than have the district merely discourage new planting, said board member Larry Bragman, it should consider banning new vegetation planting on new developments, similar to the policy of the North Marin Water District.

The board is set to hold an operations committee hearing at 9 a.m. Friday to hear an update on potential emergency water supply projects, including a potential water pipeline across the Richmond- San Rafael Bridge and a temporary desalination plant.

More information about the district’s drought restrictions and rebate programs can be found at marinwater.org/waterrules.



Sprinklers spray the grass with reclaimed water at Lagoon Park near the Marin County Civic Center in San Rafael on Wednesday.

SHERRY LAVARS — MARIN INDEPENDENT JOURNAL

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Lower Russian River flows to be halved under state order to preserve stored supplies

MARY CALLAHAN
THE PRESS DEMOCRAT
June 14, 2021, 7:36PM



During this time in 2020, a dry year on the Russian River, the water was past the knees of Isual Macias of Hoot Owl Vineyards in the Alexander Valley. On Thursday afternoon, May 27, 2021 the water is even lower. (Kent Porter / The Press Democrat)

State hearing on Russian River water rights

What: State Water Resources Control Board hearing on curtailment order affecting 2,400 water rights

When: 9 a.m. Tuesday

For online links and more information: https://www.waterboards.ca.gov/board_info/agendas/2021/jun/06_15_21_agenda_links.pdf.

The Sonoma County water agency received permission Monday to immediately cut stream flows in the lower Russian River by more than half in an effort to conserve water stored in Lake Sonoma.

Instream flows in the upper river, above Dry Creek, which is fed by releases from Lake Sonoma, already are being maintained at a very low threshold to keep as much water as possible in Lake Mendocino, the smaller of the two reservoirs.

The state decision means Sonoma Water, the county agency, and its contractors — the cities of Santa Rosa, Sonoma, Rohnert Park, Windsor, Petaluma and Cotati, and the Valley of the Moon, Marin Municipal and North Marin water districts — will have to use 20% less water from the Russian River, as well.

Both lakes Sonoma and Mendocino reservoirs are their lowest levels ever for this early in the year, with the warmest, driest months still ahead.

Healdsburg adopts new 40% mandatory water conservation level



Water rationing begins in Sonoma County as region wrestles with drought

Most of the [affected cities that get water from the lower Russian River](#) already have asked for 20% reductions from customers.

Others on the upper river have had to cut deeper. [Healdsburg last week ordered its residents to reduce their use by 40%](#) compared to a year ago — double the mandatory 20% conservation level established in May that the city so far has been unable to meet.

Sonoma Water, which manages summertime releases from the reservoirs, is required to maintain minimum instream flows to protect habitat for protected salmon and steelhead trout. It can only lower those levels with permission from the State Water Resources Control Board.

The water agency had been restricting flows in the upper Russian River for most of the past year, with a minimum flow rate of 25 cubic feet per second, but now has

permission to reduce the lower river flows from 85 cfs to 35 cfs, which will be noticeable to recreational users.

The water agency is hoping that reducing flows will allow it to maintain small reserves in the reservoirs in the event a third successive dry winter lies ahead.

The State Water Board also is expected to act Tuesday on emergency regulations that would allow it to suspend up to 2,400 water rights within the Russian River watershed, depending how severe the drought situation becomes. More than 900 water right holders, including grape growers, rural residents and municipal entities, already have been notified that there is too little water for them to exercise their claims to water this year.

You can reach Staff Writer Mary Callahan at 707-521-5249 or mary.callahan@pressdemocrat.com. On Twitter @MaryCallahanB.

Letters

Rebuttal to Bennett op-ed

Last week's letter from Gordon Bennett titled "North Marin Water misses mark with drought plan, rate hike" mixes up two related but separate issues: the proposed revenue increases and rate structure changes that will be considered at a public hearing on June 22, and our efforts to address salinity in the West Marin water supply by building another well at the Gallagher ranch, for which Bennett is the sole protestant. Here is our response to his assertions.

"The rate increase... encourages excessive landscape use." Reductions to existing tier rate usage thresholds will ensure that water rates reflect the cost of providing service, as required by law. This change does not encourage excessive outside use.

"By failing to create conservation tiers that reflect a sustainable yield, the district is able to use salt intrusion as a false justification for rushing to build another well." The rate changes are proposed to ensure full compliance with Proposition 218. Salinity intrusion is real and not going away without a physical solution.

"The drought plan discriminates against those already conserving." Our West Marin Emergency Water Conservation Ordinance remains in effect for a second year in a row. Many customers have already reduced water use to less than mandatory

levels; customers using less than 200 gallons a day are already in compliance.

"North Marin's well at the Gallagher ranch, which is not subject to salt intrusion, pumps at 140 gallons per minute, more than enough to meet demand." West Marin customers have done a great job conserving water over the years; current water use is 30 percent less than demands in the early 2000s. Even with this level of conservation, the Gallagher well cannot meet demand.

"The Coast Guard wells can be pumped for any extra demand during lower tides... There are also engineered solutions—injection wells and subsurface barriers—that keep saltwater at bay and boost sustainable yields." During this drought, salinity concentrations in the Coast Guard wells has risen to levels that are independent of tidal fluctuations. With the removal of the Giacomini summer dam across Lagunitas Creek and restoration of the Giacomini Wetlands, salinity intrusion has progressively worsened water quality. After the dam was removed in 1997, N.M.W.D. envisioned a future need to construct a new salinity intrusion barrier (a dam) on Lagunitas Creek, but that was an environmentally sensitive, complex and expensive solution. We believe another well at the Gallagher ranch will avoid the need for a dam. As for other engineered solutions, we could consider desalination, but this technology has other challenges, including high operating costs and significant energy consumption.

"The rate increase's proposed tier 1 al-

lows 250 gallons per 2.06-person household—an astonishing 121 gallons per person per day. That compares to the state goal of 55 gallons per person per day." The new tier 1 use threshold is proposed at 250 g.p.d., 37.5 percent less than current use. The state's goal of 55 gallons per person per day is for indoor use only, and has no bearing on what we need to consider when setting our rates. That said, current residential indoor water use in West Marin is already below that goal.

"Whether or not we need a new well, any construction should be preceded by environmental studies on possible salmon impacts." We conducted a CEQA review for construction of the second well in 2009. Together with a March 2021 addendum, that review establishes that the second well would not have an effect on sensitive species habitat.

"The regional water board requested studies in February, but North Marin has been slow to respond." We moved as quickly as possible to contract with an experienced environmental consultant, develop a detailed scope of work, and solicit input from interested resource agencies and stakeholders, including Bennett, on the proposed study plan. Field study work started last week.

"North Marin appears to have been taking salmon water before doing the studies to determine if it is harming salmon." We have not yet installed the second Gallagher well. We are working with the California Department of Fish and Wildlife on

a mitigation monitoring plan to ensure the project does not harm fish. This is exactly what was done in 2015 before initiating operation of the first Gallagher well.

West Marin customers are invited to attend the public hearing on the proposed revenue increases and rate structure changes on Tuesday, June 22. And N.M.W.D. will remain in full compliance with provisions in its water right license for the diversion of water from Lagunitas Creek.

**Drew McIntyre, General Manager
North Marin Water District**

District hikes rate for water in Novato

NORTH MARIN

Marin Independent Journal

By Will Houston

whouston@marinij.com

The North Marin Water District board has voted unanimously to hike rates for its customers in the Novato area by 6% beginning July 1. The rate increase is expected to raise about \$1.5 million in new revenue in the next year. The hike will affect about 19,000 residential accounts and 1,200 business accounts.

The district board approved the change on Tuesday. Most customers will see bimonthly bills increase by \$7.50, according to Drew McIntyre, the district's general manager.

The increase is the second in a five-year plan the district says is needed to pay for rising employee, operations and water delivery costs that would otherwise deplete the district's \$10 million reserve funds in 2024. The rate hike will also allow the district to increase investments from \$2.5 million to about \$4 million each year for about \$28 million in projects, including replacing aging pipes, storage tanks and other equipment.

"A lot of these capital improvement projects are not only for addressing aging infrastructure but also to improve our service area's capability for fire protection both in storage and supply in the event of a fire," McIntyre said.

Among the projects the rate hikes will fund is \$15.2 million for accessibility upgrades to the district's 50-year-old administrative building and testing laboratory; \$6.8 million to replace pipelines that are up to 70 years old; \$650,000 for improving pipe leaks and rust detection; \$163,000 for new asset management software; and \$3.8 million to construct and increase the capacity of water storage tanks to respond to fire risks.

One project — to increase the pipe size from the district's San Mateo storage tank in San Marin to bolster fire flow — is kicking off, and a similar project for a tank at Old Ranch Road was just approved on Tuesday, McIntyre said.

The district's first rate increase was set to take effect in June 2020, but the district delayed it to October 2020 in response to financial hardships caused by the pandemic. The district lost out on about \$370,000 of revenue as a result, but it will still be able to retain adequate reserves and move forward on the projects.

Several residents wrote in to oppose the rate hike, some questioning why the district is raising rates while asking residents to cut back water use by 20% during the drought.

“Constant fee increases and taxes from our government and special districts are driving the working class, middle class and seniors out of Novato, and out of the state,” Novato resident Toni Shroyer wrote to the board. “I know this because I am selling their houses in Novato!”

“We are retired and on fixed income and this increase would be onerous to our budget,” Novato resident Greg Borchardt wrote to the district. “We believe that NMWD should learn to live within their budget just like everyone else, and stop treating your customers like an ATM machine.”

In addition to Novato, the board will also consider a 6% rate increase for its 1,800 customers in Point Reyes Station, Olema Bear Valley, Inverness Park and Paradise Ranch Estates at 6 p.m. June 22.

North Marin Water District customers can determine how the rate increase will impact their bills by visiting nmwd.com/account/annual-cost-calculator/.

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POINT REYES LIGHT

Inverness revises rules for new service in drought

By Braden Cartwright
06/16/2021

Plans for a new home have prompted the Inverness Public Utility District to update its rules for new water connections during a drought. If the latest version of regulation 117 is approved, property owners would be allowed to connect to the water system only if they agree to defer landscaping.

The change is one of many that water districts are making these days as suppliers grapple with how best to conserve water amid a historic drought. Banning new connections is one way, but it is largely symbolic when compared to conservation measures by existing customers.

“We know the big draw in our usage is outdoor watering, not toilets, so why not make it easier for the handful of folks that are affected?” said Wade Holland, the district’s customer services manager.

Nicole Bartolini and Joshua Garcia purchased an undeveloped property on Vision Road in January with plans to build a family home next spring. The property had permits and planning approvals, and they said they were unaware when they made the investment that IPUD had banned new connections—a move it made last July.

The couple asked the board of directors for an exception, offering to defer landscaping until after the water shortage emergency ended. But regulation 117 allows only for an unconditional exception or a denial, so the board did a bit of administrative gymnastics. Dakota Whitney recused herself from a vote because she is too close with the owners, and Kathryn Donahue was absent at the May 26 meeting. Brent Johnson and Ken Emanuels voted to deny the appeal, and Dave Press voted to make the exception. Without a majority of the board on either side, a decision was delayed until June 3, when Ms. Donahue joined the meeting, and the appeal was denied by a 3-1 vote.

At the same time, the board agreed to update regulation 117 at their June 23 meeting to allow for a deferred landscaping exception. “I understand this is sort of circular, folks, but we’ll get there,” board president Ken Emanuels said.

Once the new rules take effect, Ms. Bartolini and Mr. Garcia could move forward with building permits and construction. Because they are far from the nearest water main, they will have to install a 300-foot main and a fire hydrant to meet fire code.

Their appeal also led to changes in how the district communicates about water emergencies, because the two sides were at odds over whether the details were adequately publicized. IPUD advertised in the Light, sent brochures and emails to all customers, and included information in water bills and at the top of the website. Last summer, the town was blanketed with yard signs calling attention to the emergency. But Ms. Bartolini said she talked to multiple real estate agents and residents, and they knew about the water shortage but not about the moratorium on new connections. In response, IPUD will now inform other governmental agencies and local agents about restrictions.

Three other properties in Inverness have applied for a water meter, but none of the owners hold the urgency felt by Ms. Bartolini and Mr. Garcia. One property already has a home built on it, so it presumably has access to private water. The other two properties are owned by the same person who has no immediate plans to build.

IPUD was already in the process of updating its drought rules to allow for more flexibility if water rationing is enacted. The board currently has three options: ration by meter, ration by resident or ration by a percentage reduction. The new ordinance additionally allows for rationing water on a per-person basis, with smaller allocations for larger households, or by giving each meter a baseline amount, with additional water allowed for each fulltime resident.

Any rationing program ultimately selected by the board would challenge staff. The district has just three people working on the operations side, and Mr. Holland and clerk Shelley Redding are running the show on the administrative side. Employees would be hard-pressed to read meters and process the data, communicate with customers and handle appeals on top of their usual tasks. Staff is recommending a temporary hire to manage rationing.

Similar conversations about new connections are underway at Marin Water, which serves the San Geronimo Valley and most residents in southern and central Marin. The implications are greater there because a moratorium would make it harder to build housing in areas that the Marin Countywide Plan intends for development. Staff estimates that a suspension would reduce consumption by less than 0.1 percent of annual water demand; by contrast, customers are being asked to reduce water use by 40 percent. The board is considering a moratorium, with exceptions for affordable housing projects.

The North Marin Water District approved a suspension on new connections in Point Reyes Station, Inverness Park and Olema on March 16, with an exception if landscaping is deferred, like IPUD will have. The Bolinas Community Public Utility District has been operating with a moratorium on new connections since 1971, without exceptions.

**SUPPLEMENTAL
INFORMATION
PROVIDED AT
MEETING**

**SUPPLEMENTAL
INFORMATION FOR
ITEM #4**

Public Hearing: Proposed West Marin Water Rate Increase
June 18, 2021
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water revenue increase, after which the Board can accept public comment. Once comments have been received by the public the Board President will adjourn the Public Hearing. Once the hearing is closed Staff will provide a tally of the protests. The Board will then deliberate and vote on the proposed rate increase. Attachment 6 is a draft of Regulation 54 incorporating the proposed changes. Attachment 7 is the resolution to approve the amendments to Regulation 54.

STAFF RECOMMENDATION

After closing the public hearing:

1. Approve Resolution 21-XX (Attachment 7) amending Regulation 54 pertaining to Water Rates and Charges to reflect a 6% global revenue increase for the customers in the West Marin Water Service Area effective July 1 of 2021.

Kathleen Carolan
40 Sunnyside Dr
Inverness CA 94937

June 18, 2021

Re Account #2064502

I oppose the West Marin rate increase and request that you review your drought plan for West Marin.

Kathleen Carolan

Kathleen Carolan

RECEIVED BY MAIL 6/22/2021 AFTER
THE AGENDA WAS POSTED ON
6/18/2021

RECEIVED

JUN 22 2021

North Marin Water District