



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
December 7, 2021 – 6:00 p.m.
Location: Virtual Meeting
Novato, California

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

ATTENTION: This will be a virtual meeting of the Board of Directors pursuant to Assembly Bill 361 issued by the Governor of the State of California.

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

Video Zoom Method

CLICK ON LINK BELOW:

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

Password: 466521

SIGN IN TO ZOOM:

Meeting ID: 821 9197 1947

Password: 466521

Call in Method:

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

Meeting ID: 821 9197 1947#

Participant ID: #

Password: 466521#

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

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

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

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

Est.
Time
6:00 p.m.

Item

Subject

CALL TO ORDER

1. **REORGANIZATION OF BOARD:**

1. Election of President
2. Election of Vice President
3. Establishment of Meeting Times and Place
4. Establishes the Manner of Calling Special Meetings
5. Appointment of District Officers
6. Confirm Board Meeting Schedule for 2022
7. Committee Appointments

2. **APPROVE MINUTES FROM REGULAR MEETING**, November 16, 2021

3. **APPROVE MINUTES FROM SPECIAL MEETING**, November 30, 2021

4. **GENERAL MANAGER'S REPORT**

5. **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.

6. **STAFF/DIRECTORS REPORTS**

CONSENT CALENDAR

The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.

7. **Consent - Approve:** Re-Authorizing Meetings by Teleconference of Legislative Bodies of North Marin Water District Resolution
8. **Consent - Approve:** Draft Annual Report Fiscal Year 2020-21

ACTION CALENDAR

9. **Approve:** Consideration of Approval of the Kastania Pump Station Rehabilitation Project (incl: 2021 Kastania Pump Station Transfer Agreement and 2021 Amended and Restated Interconnection Agreement) Resolution
10. **Approve:** Consulting Services Agreement for Financial Consulting with NHA Advisors, LLC

INFORMATION ITEMS

11. Initial Review – Salary, Terms and Conditions of Employment – General Manager
12. 2020 Census Redistricting Process
13. Old Ranch Road Tank No. 2 Project – Construction Project Update
14. FY 2021/22 First Quarter Progress Report – Engineering Department
15. FY 2021/22 First Quarter Progress Report – Operations/Maintenance

Est. Time	Item	Subject
	16.	WAC/TAC Meeting – November 1, 2021
	17.	MISCELLANEOUS Disbursements – Dated November 18, 2021 Disbursements – Dated November 24, 2021 Disbursements – Dated December 2, 2021 Point Reyes Light - Salinity Notice – November 18, 2021 Point Reyes Light - Salinity Notice – November 24, 2021 Point Reyes Light - Salinity Notice – December 2, 2021 NOAA Three Month Precipitation Outlook – December, January, February ACWA News – October 15, 2021 Marin IJ – NMWD AD No. 3 -Did you know? – November 19, 2021 Marin IJ – NMWD AD No. 4 -Did you know? – November 26, 2021 Marin IJ – NMWD AD No. 5 -Did you know? – December 3, 2021 District Apartment Rental History Stafford Lake Water Year 2021 Spill/Rainfall History <u>News Articles:</u> Journal AWWA – Letter to the Editor -Semantics and Solutions Marin IJ – Editorial – Sonoma water partnership key for Marin Marin IJ – Statewide measure pushed to construct water projects – NOVEMBER 2022 BALLOT Marin IJ – Novato agency to store water from Russian River – DROUGHT RESPONSE Marin IJ – Drought will have big impacts on new building – MARIN COUNTY The Press Democrat – PD Editorial – It's time to weigh a water plan minus Potter Valley plant
	18.	CLOSED SESSION: In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager
8:30 p.m.	19.	ADJOURNMENT

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)

1

MEMORANDUM

To: Board of Directors
From: Terrie Kehoe, District Secretary 
Subj: Reorganization of Board of Directors in a Non-Election Year
t:\bod\annual reorg\2021\reorganization non election.doc

December 3, 2021

Following is an outline of procedures that may be followed at the December 3, 2021 meeting to meet the requirements of the County Water District Law and the California Election Code concerning organization of the Board of Directors after the election of Directors. Since there was no Board election this fall, reorganization is not required this year. However, the Board has traditionally (since 1971) reorganized every year (Attachment 1).

The current President calls the meeting to order. He may conduct the nominations or he may instruct the Secretary to assume the Chair.

1. Election of President. Nominations are received for the office of President of the Board. Directors vote on nominated candidates for President.
2. Election of Vice - President. The elected President assumes the Chair and presides over the election of Vice President. Nominations are received for the office of Vice President of the Board. Directors vote on the nominated candidates for Vice President.
3. Establishment of Meeting Times and Place. By motion, the Board establishes the time and place of holding its regular meetings: first and third Tuesdays of each month at 6:00 p.m. at the District office with a meeting to be held in West Marin at a place and time to be determined.
4. Establishing the Manner of Calling Special Meetings. By motion, the Board establishes the manner of calling special meetings (under provisions of Section 54956 of the Government Code). The Board President, on their own initiative or at the request of two or more Directors, may call a special meeting of the Board of Directors, or as otherwise provided for by law. All special meetings shall be noticed and held in compliance with the Ralph M. Brown Act.
5. Appointment of District Officers. By motion, the Board appoints a General Manager, Chief Engineer, Secretary, and Auditor-Controller, and any other officers necessary and convenient to the District.
6. Confirm Board Meeting Schedule for 2022. By motion, the Board accepts the proposed meeting dates for the upcoming calendar year with the understanding that the calendar may be adjusted as needed (Attachment 2).
7. Committee Appointments. Board review committee appointments recommended by the President (Attachment 3).

**NORTH MARIN WATER DISTRICT
BOARD OF DIRECTORS
COMMITTEE/ASSOCIATION ASSIGNMENTS
2022**

<u>EXTERNAL Committees</u>	<u>NMWD Representative(s)/Alternate</u>
North Bay Watershed Association 1 meeting per month – Friday 9:30 a.m. – 11:30 a.m. Petaluma / Novato	Rick Fraites/Jack Baker
Russian River Public Policy Facilitation Committee (Russian River Biological Assessment/Opinion) 1 meeting per year – Friday 9:00 a.m. – Noon Santa Rosa/Ukiah	Steve Petterle/Jim Grossi
<u>Water Advisory Committee</u> 1 meeting per quarter – Monday 9:00 a.m. – Noon Santa Rosa	Jack Baker/Michael Joly
<u>North Bay Water Reuse Authority/NorthBay Water</u> 1 meeting per quarter – Monday 9:30 a.m. Novato Sanitary District/Novato City Hall	Jack Baker/Jim Grossi
<u>Novato Watershed Policy Advisory Committee</u> As needed	Rick Fraites/Jack Baker
<u>INTERNAL Committees</u>	
<u>Recycled Water Subcommittee</u> As needed	Jack Baker/Steve Petterle
<u>NMWD Public Outreach Ad Hoc Committee</u> As needed	Steve Petterle/Rick Fraites
<u>NMWD Water Rate Study Ad Hoc Committee</u> As needed	Mike Joly/ Jim Grossi

Note: ad Hoc Committees are deleted off the list once no longer in use

NMWD BOARD OF DIRECTORS
OFFICER ROTATION

Year	President	Vice President
2022	Steve Petterle	Rick Fraites
2023	Rick Fraites	Jack Baker
2024	Jack Baker	Mike Joly
2025	Michael Joly	Jim Grossi
2026	Jim Grossi	Steve Petterle

2022 SCHEDULE
NORTH MARIN WATER DISTRICT
BOARD OF DIRECTORS MEETINGS

MONTH	DATE	TIME
January	4 (Tentative)	6:00 p.m.
	18	6:00 p.m.
	25 (Local Water SES Workshop)	6:00 p.m.
February	1	6:00 p.m.
	15	6:00 p.m.
March	1	6:00 p.m.
	15	6:00 p.m.
April	5	6:00 p.m.
	19	6:00 p.m.
May	3	6:00 p.m.
	17	6:00 p.m.
June	7	6:00 p.m.
	21	6:00 p.m.
	28 (Point Reyes)	6:00 p.m.
July	19	6:00 p.m.
August	2	6:00 p.m.
	16	6:00 p.m.
September	6 (Tentative)	6:00 p.m.
	20	6:00 p.m.
October	4	6:00 p.m.
	18	6:00 p.m.
November	1 (Tentative)	6:00 p.m.
	15	6:00 p.m.
December	6	6:00 p.m.
	20	6:00 p.m.

All Board meetings are typically held the first and third Tuesday of the month at the District's headquarters, 999 Rush Creek Place, Novato, except one meeting to be scheduled in West Marin (and any others on an 'as-needed' basis).

If you would like information regarding agenda items, please contact District Secretary Terrie Kehoe at (415) 761-8921.

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
November 16, 2021

CALL TO ORDER

President Grossi announced that due to the Coronavirus outbreak and pursuant to the Brown Act as modified by Assembly Bill 361, this was a virtual meeting. President Grossi called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. and the agenda was accepted as presented. President Grossi added that there was not a public location for participating in this meeting, but any interested members of the public could participate remotely by utilizing the video or phone conference dial-in method using information printed on the agenda. President Grossi announced in the event of technical difficulties during the meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be rescheduled for a future special meeting which shall be open to the public and noticed pursuant to the Brown Act.

President Grossi welcomed the public to participate in the remote meeting and asked that they mute themselves, except during open time and while making comments on the agenda items. President Grossi noted that due to the virtual nature of the meeting he will request a roll call of the Directors. A roll call was done, those in remote attendance established a quorum. Participating remotely were Directors Jack Baker, Rick Fraites, Jim Grossi, Michael Joly and Stephen Petterle.

President Grossi announced all public attendees will be invited to speak and will need to use the raised hand icon in Zoom or dial *9 to be called upon.

Mr. McIntyre performed a roll call of staff, participating remotely were Drew McIntyre (General Manager), Tony Williams (Assistant GM/Chief Engineer), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Tony Arendell (Construction/Maintenance Superintendent) Robert Clark (Operations/Maintenance Superintendent) and Ryan Grisso (Water Conservation Coordinator). Also participating remotely were Jay Jasperse (Sonoma County Water Agency), Mark Hildebrand (Hildebrand Consulting), Morgan Biggerstaff (Legal Counsel) and IT consultant Kevin Cozart (Core Utilities).

President Grossi announced for those joining the virtual meeting from the public to identify themselves. Participating remotely was Will Houston (Marin IJ) .

PRESENTATION BY SCWA ON REGIONAL WATER SUPPLY RESILIENCY STUDY

35 A presentation was given by Jay Jasperse from SCWA on the Regional Water Supply
36 Resiliency Study. Ms. Jasperse provided an overview of the study stating the objective of the
37 Study is to develop a regional water supply decision support tool that can be used to evaluate the
38 impacts from short-term and long-term water shortages and develop operational strategies and
39 water supply capital projects to improve the region's water supply resiliency.

40 Director Joly thanked Mr. Jasperse for the presentation and asked how long it will take to
41 obtain full operation of the three Santa Rosa Plain groundwater wells. Mr. Jasperse replied that
42 the Todd Road well is already in operation and the Sebastopol well should be operational by early
43 spring 2022. He noted the Occidental Road well may be ready for operation late summer, 2022.

44 Director Grossi stated there are a number of aquifers, some deep and some shallow; and
45 asked if they will recharge them all or if it will be a select few. Mr. Jasperse replied they will focus
46 on the deeper aquifers in the Santa Rosa Plain Basin.

47 Director Joly asked how much rain will we need through April to bring Lake Sonoma to
48 50%. Mr. Jasperse responded the watershed is off to a great start, stating if we have a modestly
49 dry year we will still be in good shape, noting Lake Sonoma won't run out of water in the reservoir.
50 Director Joly stated we are next to the largest lake in the world and asked if desalination could be
51 done in a cost-effective manner. Mr. Jasperse replied that Sonoma Water does not eliminate
52 options, but there are other feasible options that take priority, since they are more cost effective
53 when you consider energy use and disposal of the brine. He added people assume the climate
54 will be all drought here on out, however that is not the case, wet years are predicted to be wetter
55 and the dry years drier. Mr. Jasperse noted in reference to climate change they do look at how
56 the increase in temperature increases the drought. He added the system is reliant and the
57 challenge is to store the water in wetter years, noting the biggest reservoirs in Sonoma county
58 are the groundwater basins.

59 President Grossi asked if there were any comments from the public and there were none.

60 **MINUTES**

61 On motion of Director Petterle seconded by Director Joly, the Board approved the minutes
62 from the November 2, 2021 Regular Board Meeting by the following vote:

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

64 NOES: None

65 ABSTAIN: None

66 ABSENT: None

67 **GENERAL MANAGER'S REPORT**

68 Regional Water Supply Resiliency Coordination

69 Mr. McIntyre reported that as an extension of the regular WAC meetings, he and Director
70 Baker participated in a recent meeting between Sonoma County Water Agency (SCWA) and
71 Marin Municipal Water District (MMWD) to discuss how to best leverage integration of the initial
72 SCWA Regional Water Supply Resiliency Study modeling work being performed by Jacobs
73 Engineering Group with previous similar MMWD models. He apprised the Board that future
74 periodic update meetings are anticipated.

75 Marin County Ag Hydrant Meter

76 Mr. McIntyre announced after the significant October 23rd-24th rainfall event, AG hydrant
77 use essentially dropped to zero.

78 NBWRA Meeting

79 Mr. McIntyre reported the next NBWRA virtual meeting will be held on Monday, November
80 29th at 9:30 a.m.

81 **OPEN TIME**

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

84 **STAFF/DIRECTORS REPORTS**

85 President Grossi asked if any Directors or staff wished to bring up an item not on the
86 agenda and there was no response.

87 **MONTHLY PROGRESS REPORT**

88 The Monthly Progress Report for October was reviewed. Mr. McIntyre reported that water
89 production in Novato was down 36% from one year ago. He noted the variability in water
90 reductions over the last two months was due to different SCWA read dates therefore, it is better
91 to look at the 22% savings fiscal year to date. In West Marin, water production was down 25%
92 from one year ago and down 29% fiscal year to date. Recycled Water production was down 20%
93 from one year ago and up 6% fiscal year to date. Stafford Treatment Plant production was down
94 20% fiscal year to date. He noted Operations staff did a good job running the treatment plant late
95 in the season to meet our 20% allocation reduction target from SCWA. The Board was apprised
96 that Stafford Lake is at 37% capacity, Lake Sonoma is at 49% and Lake Mendocino is at 36%
97 capacity. In Oceana Marin effluent volume was 0.560 MG for October compared to 0.528MG one
98 year ago. He noted pond freeboard looked good and the storage pond is currently not in use.
99 Under Safety and Liability, we had 24 days without a lost time injury. Under Utility Performance
100 Mr. McIntyre reviewed planned versus unplanned service disruptions. Under Summary of

COVID-19 costs, water bill impacts were up approximately 0.3% from last month and water bill delinquency costs were up 6% from last month. On the Summary of Complaints and Service Orders, the Board was apprised that total numbers were down 13% from October one year ago.

Ms. Blue reported on the October 2021 Investments, where the District's portfolio holds \$26.4M earning a 0.29% average rate of return. Ms. Blue noted that during October the cash balance increased by \$472,707. She also noted the LAIF rate is 0.20% . Ms. Blue added one CD matured with an interest rate of 1.7%.

Director Petterle commented on variability and timing of reading the meters and requested a staff report on the concept of sending out bills monthly. He added with our new AMI system this could help with conservation. Additionally, Director Petterle stated it would help our customers keep track of their bills since other utilities statements come monthly.

QUARTERLY FINANCIAL STATEMENT

The Quarterly Financial Statement for Fiscal Year 2021-22 was presented by Ms. Blue. She reviewed the Novato, West Marin, Oceana Marin, and Recycled Water budgets and net income revenue. The District generated a net income of \$939,273 and noted at year end the ratio of total cash to budgeted annual operating expense stood at 139%. Ms. Blue noted the FY 2020-21 finalized audit will be on our website, however a printed copy can be provided upon request. Additionally, she announced the audit will support the Government Finance Officers Association (GFOA) award for financial reporting.

CONSENT CALENDAR

On the motion of Director Joly, and seconded by Director Fraites the Board approved the following item on the consent calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

RE-AUTHORIZING MEETINGS BY TELECONFERENCE OF LEGISLATIVE BODIES OF NORTH MARIN WATER DISTRICT

Resolution 21-27 will extend the continuation of teleconference meetings and "Finding Proclaimed State of Emergency, that Local Officials Continue to Recommend Physical Distancing, and that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees; and Re-Authorizing Meeting by Teleconference of Legislative Bodies of North Marin Water District" from November 16, 2021 through December 16, 2021 Pursuant to Brown Act provisions.

135 **ACTION CALENDAR**

136 **STAFFORD LAKE BACKFEEDING – 2022 WATER YEAR**

137 Mr. McIntyre stated the 2021 water year was the lowest rainfall year on record since 1916.
138 He stated we have no guarantees on how much additional rainfall will occur this winter and noted
139 reservoir storage levels are low in both Stafford Lake and Lake Sonoma. Mr. McIntyre added
140 given the recent two-year epic drought and low reservoir storage levels, he recommended that
141 NMWD proceed to backfeed Stafford Lake on or about December 1st. He noted there is a risk
142 that the benefit of backfeeding water into Stafford Lake could be negated if more winter rains
143 result in filling and overflow at Stafford Lake. Mr. McIntyre assured the Board that in order to
144 minimize this risk, staff will try to manage backfeeding operation in concert with actual rainfall
145 events.

146 Director Petterle asked if there was any target amount. Mr. McIntyre replied if it is a dry
147 year then at least 1100-acre feet which is similar to last year. However, he is hoping the
148 backfeeding will be interrupted by rain. A general discussion ensued. Director Joly stated he is
149 comfortable with authorizing the backfill of the lake, but he would hate to spend money and then
150 the lake spills over when we get rain in December and January. He asked how can it be monitored
151 so we do not spend money unnecessarily. Mr. McIntyre replied there is no guarantee that if we
152 backfeed in December we won't get another atmospheric river rainfall in January, however staff
153 will monitor rainfall forecasts as best as possible to reduce the potential for backfeeding when it
154 looks likely that Stafford Lake may fill due to rainfall. Director Grossi noted the ground is saturated
155 now and if we got four inches of rain in twenty-four hours we might have a full lake. He added if
156 we get rain in the next month we will have a better idea. Director Petterle stated he would rather
157 have more water than not enough and trusts Mr. McIntyre's judgement. He noted we are nearing
158 December and we have had no significant rain since the last storm.

159 President Grossi asked if there were any comments from the public and there were none.

160 On the motion of Director Petterle, and seconded by Director Joly the Board authorized
161 backfeeding of Russian River water into Stafford Lake on or about December 1, 2021 by the
162 following vote:

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

164 NOES: None

165 ABSTAIN: None

166 ABSENT: None

167 **CONSULTING SERVICES AGREEMENT FOR DROUGHT SURCHARGE STUDY WITH**
168 **HILDEBRAND CONSULTING**

Ms. Blue apprised the Board that the scope of study will include a water shortage financial analysis, a drought surcharge structure analysis, report and Proposition 218 notice, presentations and financial planning and rate setting services as needed. She added the Drought Surcharge Study will be for both the Novato and West Marin service areas with a not to exceed cost limit of \$29,440.

President Grossi asked if there were any comments from the public and there were none.

On the motion of Director Joly, and seconded by Director Fraites the Board authorized the General Manager to execute an agreement between Hildebrand Consulting, and the District for a Drought Surcharge Study for the Novato Service Area and the West Marin Service Area with a not to exceed limit of \$29,474 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**CONSULTING SERVICES AGREEMENTS WITH WEST YOST ASSOCIATES, GHD AND EKI
ENVIRONMENT & WATER**

Mr. Williams stated the District has historically relied on consultant services to assist with the planning, engineering support and design of Capital Improvement Projects or special studies to supplement in-house staff. Mr. Williams noted these consulting services agreements will have a not to exceed limit of \$200,000 each through June 30, 2023.

President Grossi asked if there were any comments from the public and there were none.

On the motion of Director Joly, and seconded by Director Petterle the Board authorized the General Manager to execute consulting services agreements with West Yost Associates, EKI Environment & Water and GHD with a not to exceed limit of \$200,000 each through June 30, 2023 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

**KASTANIA PUMP STATION REHABILITATION PROJECT, INCLUDING THE DRAFT 2021
KASTANIA PUMP STATION TRANSFER AGREEMENT AND THE DRAFT 2021 AMENDED
AND RESTATED INTERCONNECTION AGREEMENT BETWEEN NORTH MARIN WATER
DISTRICT AND MARIN MUNICIPAL WATER DISTRICT**

Mr. McIntyre provided a status report on the Kastiana Pump Station Rehabilitation Project, including the Draft 2021 Kastania Pump Station Transfer Agreement and the Draft 2021 Amended and Restated Interconnection Agreement Between NMWD and MMWD. He stated in connection with the 2021 drought, MMWD proposes to reacquire Kastania Pump Station (KPS) from SCWA, rehabilitate the pumps, reconnect KPS to the North Marin Aqueduct, which will enable MMWD operational flexibility to meet its water supply needs when they cannot be met through gravity flow. A general discussion ensued.

Mr. McIntyre apprised the Board that the governing boards of MMWD and SCWA have already approved these agreements and after receipt of comments, staff and legal counsel will negotiate the final edits to the agreements. He added staff anticipates presenting both agreements to the Board for approval at the December 7, 2021 Board meeting.

FY 2021/22 FIRST QUARTER PROGRESS REPORT – WATER CONSERVATION

Mr. Grisso presented the FY 2021/22 First Quarter Water Conservation Progress Report. He reported on public outreach and conservation marketing; budget and staffing; water conservation and outreach expenditures. Mr. Grisso noted water conservation participation has increased significantly in the first quarter of this fiscal year mainly due to customer drought response and the increase in rebate levels approved by the Board in May of 2021.

FY 2019 THROUGH FY 2021 STAFFORD DAM ACTIVITIES REPORT

Mr. Williams reported on the FY 2019 through FY 2021 Stafford Dam activities. He gave a general overview of Stafford Dam and updated the Board on inspections and monitoring; recent Division of Safety of Dams (DSOD) regulations improvements and other activities.

Mr. Williams recognized Mr. Clark and his Treatment Plant Operators for the day to day management of the dam.

Director Joly asked if there were other dams in Marin or Sonoma counties that are categorized as extremely high hazard. Mr. Williams confirmed, stated there are twelve in Marin county alone and it is based on where the population is compared to the location of the dam. He added two of the dams are categorized as extremely high hazard, Phoenix Lake Dam and Stafford Lake Dam. Director Petterle commented if they had not drained Phoenix Lake before this last atmospheric river event it would have flooded Ross, Fairfax and San Anselmo. He added they were lucky the lake was pretty empty and could handle that large onset of water.

Director Fraites noted the road from Novato Blvd. to the Treatment Plant is a terrible mess and asked what the status was to repair this road. Mr. Williams replied there is a CIP to repair the culvert under the road, and part of the FEMA grant request is for a road overlay, arguing unless it is repaired it could cripple access to the Stafford Treatment Plant. Director Grossi asked

if the plan will include an effort to make the Novato Blvd. entrance better. Mr. Williams replied he is not aware of any studies being done to improve the entrance off Novato Blvd.

CYBER SECURITY EVALUATION AND PLAN UPDATE

Mr. Clark updated the Board on the Cyber Security Evaluation and Plan. He stated a risk and resilience assessment was done for the District using EPA's Vulnerability Self-Assessment Tool to help assess all of the Districts vulnerabilities, noting staff concentrated on the cyber security portion of the tool. Mr. Clark announced a consultant will be hired in FY 2022-23 to complete an overall review of our Emergency Operations Plan to identify any vulnerabilities.

Director Joly commended Mr. Clark for a great memo and noted the importance of security and emergency issues in order to secure our water supply and infrastructure.

NORTH BAY WATER REUSE AUTHORITY BOARD MEETING – SEPTEMBER 27, 2021

Mr. McIntyre summarized the North Bay Water Reuse Authority Board Meeting for September 27, 2021. He stated the future direction and next steps for NBWRA will focus on continuing recycled water projects, potable reuse assessments, coordinated drought contingency planning and sea level rise adaptation.

NBWA MEETING – NOVEMBER 5, 2021

Director Fraites reported on the NBWA meeting that was held on November 5, 2021. He updated the Board on the One Water Policy, Orange Memorial Park Regional Stormwater Capture Project and SCWA Water and Energy Education Program, A Call to Action.

Director Fraites expressed he thoroughly enjoyed the presentation on the SCWA education program.

Director Joly stated he thought the school program was terrific.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated November 4, 2021, Disbursements – Dated November 11, 2021, Point Reyes Light -Salinity Notice – November 4, 2021, Point Reyes Light - Salinity Notice – November 11, 2021, Marin IJ – NMWD AD No. 1 -Did you know? – November 9, 2021 and Marin IJ – NMWD AD No. 2 -Did you know? – November 12, 2021.

The Board received the following news articles: Marin IJ – Marin County Drought Tracker - October 30, 2021; Marin IJ – Marin County Drought Tracker - November 6, 2021; Marin IJ – Recent rains bring drought relief; Marin IJ – Upgrade Sonoma wells could help Marin supply – COPING WITH DROUGHTS; Marin IJ – Appeal fails in battle on well – NORTH MARIN WATER DISTRICT and Marin IJ – Storms hike water supply, but conservation still urged.

The Board received the following social media posts: NMWD Web and Social Media

271 Report – October 2021.

272 **CLOSED SESSION**

273 President Grossi adjourned the regular session at 6:48 p.m. and the Board began the
274 closed session at 6:58 p.m. in accordance with Conference with Legal Counsel –Significant
275 Exposure to Litigation Pursuant to California Government Code Section 54956.9(d)(2) One
276 Potential Case.

277 **OPEN SESSION**

278 Upon returning to the regular session at 7:25 p.m., President Grossi announced the Board
279 had not taken any reportable action during closed session.

280 **ADJOURNMENT**

281 President Grossi adjourned the meeting at 7:25 p.m.

282 Submitted by

283

284 Theresa Kehoe
285 District Secretary
286

3

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS
November 30, 2021

CALL TO ORDER

President Grossi announced that due to the Coronavirus outbreak and pursuant to the Brown Act as modified by Assembly Bill 361, this was a virtual meeting. President Grossi called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. and the agenda was accepted as presented. President Grossi added that there was not a public location for participating in this meeting, but any interested members of the public could participate remotely by utilizing the video or phone conference dial-in method using information printed on the agenda. President Grossi announced in the event of technical difficulties during the meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be rescheduled for a future special meeting which shall be open to the public and noticed pursuant to the Brown Act.

President Grossi welcomed the public to participate in the remote meeting and asked that they mute themselves, except during open time and while making comments on the agenda items. President Grossi noted that due to the virtual nature of the meeting he will request a roll call of the Directors. A roll call was done, those in remote attendance established a quorum. Participating remotely were Directors Jack Baker, Rick Fraites, Jim Grossi, Michael Joly and Stephen Petterle.

President Grossi announced all public attendees will be invited to speak and will need to use the raised hand icon in Zoom or dial *9 to be called upon.

Mr. McIntyre performed a roll call of staff, participating remotely was Drew McIntyre (General Manager). Also participating remotely was Chris Boucher, District legal counsel (Boucher Law).

President Grossi announced for those joining the virtual meeting from the public to identify themselves and there was no response.

OPEN TIME

President Grossi asked if anyone in the audience or staff wished to bring up an item and there was no response.

CLOSED SESSION

President Grossi adjourned the regular session at 6:08 p.m. and the Board began the closed session at 6:12 p.m. in accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager.

OPEN SESSION

35 Upon returning to the regular session at 6:57 p.m., President Grossi announced the Board
36 had not taken any reportable action during closed session.

37 **ADJOURNMENT**

38 President Grossi adjourned the meeting at 6:57 p.m.

39 Submitted by

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Theresa Kehoe
District Secretary

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MEMORANDUM

To: Board of Directors

December 3, 2021

From: Drew McIntyre, General Manager 

Subject: Re-Authorizing – Meetings by Teleconference of Legislative Bodies of North Marin Water District

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RECOMMENDED ACTION: Adopt Resolution No. 21-XX: "Resolution Finding Proclaimed State of Emergency, That Local Officials Continue to Recommend Physical Distancing, and that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees; and Re-Authorizing Meetings by Teleconference of Legislative Bodies of North Marin Water District from December 7, 2021 through January 6, 2022 Pursuant to Brown Act Provisions".

FINANCIAL IMPACT: None

As authorized by the Governor's Executive Order N-29-20, Board meetings have been held virtually since March 17, 2020 to protect attendees, including members of public, District employees, and Board members, from potential exposure to the novel coronavirus disease 2019 ("COVID-19"). On June 11, 2021, the Governor issued Executive Order N-08-21 which rescinded these temporary modifications to the Brown Act, effective September 30, 2021. On September 16, 2021, the Governor signed Assembly Bill 361 (2021) ("AB 361") amending the Brown Act to allow local legislative bodies to continue to conduct meetings virtually under specified conditions and pursuant to special rules on notice, attendance, and other matters. AB 361 took full effect on October 1, 2021.

AB 361 authorizes the Board of Directors to meet virtually during declared states of emergency without noticing the location of individual Board Members or requiring such locations to be open to the public if certain findings are made and certain procedures are followed. Where a virtual meeting is held pursuant to AB 361, the members of the public must be able to observe and participate during the meeting.

The Governor's March 4, 2021 declaration of a State of Emergency remains in effect and the State currently requires masks for all unvaccinated individuals and recommends all vaccinated individuals wear masks indoors, CDC, Cal/OSHA, and OSHA continue to recommend physical distancing of at least six feet to protect against transmission of COVID-19. Marin County

Approved by GM Date 12/3/21

continues to recommend following CDC guidance on physical distancing as a layer of protection against transmission of COVID-19. Therefore, the current circumstances support a determination by the Board that meeting in person would continue to present imminent risks to the health and safety of attendees.

On October 5, 2021, the Board adopted Resolution 21-22, thereby finding a proclaimed state of emergency, that local officials continue to recommend physical distancing, and that meeting in person would present imminent risks to the health or safety of attendees; and authorizing meetings by teleconference of legislative bodies of North Marin Water District from October 5, 2021 through November 4, 2021 pursuant to Brown Act provisions.

On November 2 and 16, 2021, the Board adopted Resolutions 21-26 and 21-27 respectively, thereby finding a proclaimed state of emergency, that local officials continue to recommend physical distancing, and that meeting in person would present imminent risks to the health or safety of attendees; and re-authorizing meetings by teleconference of legislative bodies of North Marin Water District for 30 days pursuant to the Brown Act provisions.

If adopted, Resolution No. 21-XX will allow the Board to continue to meet virtually for another 30 days, after which the Board will need to reconsider its findings and confirm the need to hold virtual meetings. This reconsideration and confirmation will need to occur every thirty days until the Board determines it is safe to meet in person.

RECOMMENDED ACTION:

Adopt Resolution No. 21-XX: "Resolution Finding Proclaimed State of Emergency, That Local Officials Continue to Recommend Physical Distancing, and that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees; and Re-Authorizing Meetings by Teleconference of Legislative Bodies of North Marin Water District from December 7, 2021 through January 6, 2022 Pursuant to Brown Act Provisions".

RESOLUTION NO. 21-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT FINDING PROCLAIMED STATE OF EMERGENCY, THAT LOCAL OFFICIALS CONTINUE TO RECOMMEND PHYSICAL DISTANCING, AND THAT MEETING IN PERSON WOULD PRESENT IMMINENT RISKS TO THE HEALTH OR SAFETY OF ATTENDEES; AND RE-AUTHORIZING MEETINGS BY TELECONFERENCE OF LEGISLATIVE BODIES OF NORTH MARIN WATER DISTRICT FROM DECEMBER 7, 2021 THROUGH JANUARY 6, 2022 PURSUANT TO BROWN ACT PROVISIONS

WHEREAS, all meetings of the legislative bodies of the North Marin Water District ("District") are open and public, as required by the Ralph M. Brown Act ("Brown Act"), Government Code Section 54950, *et seq.*, and any member of the public may observe, attend, and participate in the business of such legislative bodies; and

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency as a result of the rapid spread of the novel coronavirus disease 2019 ("COVID-19"); and

WHEREAS, on March 10, 2020, the Board of Supervisors of the County of Marin ratified proclamations of health and local emergency due to COVID-19; and

WHEREAS, on March 16, 2020, the City Council of the City of Novato ratified and confirmed a proclamation of local emergency due to COVID-19;

WHEREAS, on March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Brown Act in order to allow local legislative bodies to conduct meetings telephonically or by other means, after which District staff implemented virtual meetings for all meetings of legislative bodies within the District; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, which terminated the provisions of Executive Order N-29-20 that allows local legislative bodies to conduct meetings telephonically or by other means effective September 30, 2021; and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 (2021) ("AB 361"), which amended the Brown Act to allow local legislative bodies to continue to conduct meetings by teleconference under specified conditions and pursuant to special rules on notice, attendance, and other matters; and

WHEREAS, AB 361, pursuant to Executive Order N-15-21, took full effect on October 1, 2021, and makes provisions under Government Code section 54953(e) for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or, local officials have recommended, measures to promote social distancing, or, the legislative body must find that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on October 5, 2021, the Board of Directors previously adopted Resolution No. 21-22, finding that the requisite conditions exist for the legislative bodies of North Marin Water District ("District") to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, on November 2, 2021, the Board of Directors previously adopted Resolution No. 21-26, reaffirming the finding that the requisite conditions exist for the legislative bodies of North Marin Water District to continue to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, on November 16, 2021, the Board of Directors previously adopted Resolution No. 21-27, reaffirming the finding that the requisite conditions exist for the legislative bodies of North Marin Water District to continue to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953 (e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions continue to persist in the District, specifically, the State of Emergency for the State of California declared by Governor Newsom as a result of the COVID-19 pandemic remains in effect; and

WHEREAS, the Centers for Disease Control and Prevention ("CDC") and Marin County continue to recommend physical distancing of at least six feet from others outside of the household; and

WHEREAS, "Protecting Workers: Guidance on Mitigating and Preventing the Spread of COVID-19 in the Workplace," promulgated by the Occupational Safety and Health Administration ("OSHA") under the United States Department of Labor, provides that "[m]aintaining physical distancing at the workplace for [unvaccinated and at-risk] workers is an important control to limit the spread of COVID-19" and recommends that employers train employees about the airborne nature of COVID-19 and importance of exercising multiple layers of safety measures, including physical distancing, and that employers implement "physical distancing in all communal work areas for unvaccinated and otherwise at-risk workers," including physical distancing from members of the public, as a "key way to protect such workers"; and

WHEREAS, Title 8, Section 3205, subdivision (c)(5)(D) of the California Code of Regulations, promulgated by the Division of Occupational Safety and Health of the California Department of Industrial Relations ("Cal/OSHA"), requires employers to provide instruction to employees on using a combination of "physical distancing, face coverings, increased ventilation indoors, and respiratory protection" to decrease the spread of COVID-19; and

WHEREAS, the Board of Directors recognizes the recommendations by state and local officials to use physical distancing as a layer of protection against COVID-19 and desires

to continue to provide a safe workplace for its employees and a safe environment for the open and public meetings of the District's legislative bodies; and

WHEREAS, due to the continued threat of COVID-19, the District continues to implement multiple layers of protection against COVID-19, including physical distancing, for the safety of employees and members of the public; and

WHEREAS, while the District believes District work-related activities may be conducted safely in person through imposition of various safety protocols, Board meetings continue to present a unique challenge due to their being open to the public generally, with limited space in the boardroom, and no ability to verify vaccination status or to provide contact tracing for potentially exposed individual attendees; and

WHEREAS, the Board of Directors hereby finds that the presence of COVID-19 and the increase of cases due to the Delta variant has caused, and will continue to cause, conditions of concern to the safety of certain persons within the District, including older and immunocompromised individuals that are likely to be beyond the control of the services, personnel, equipment, and facilities of the District, and, therefore, continues to present imminent risks to the health or safety of attendees, including members of the public and District employees, should meetings of the District's legislative bodies be held in person; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the legislative bodies of North Marin Water District shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the District will continue to conduct meetings for all meetings of legislative bodies within the District virtually (i.e. through the use of Zoom, or similar virtual meeting provider) and/or telephonically, in conformance with requirements under the Brown Act.

THEREFORE, BE IT RESOLVED by the Board of Directors of the North Marin Water District as follows:

1. The above recitals are true and correct and hereby incorporated into this Resolution.
2. In compliance with the special teleconference rules of Section 54953 of the Government Code, as established by Assembly Bill 361 (2021), the Board of Directors hereby makes the following findings:
 - a. The Board of Directors has considered the circumstances of the state of emergency; and
 - b. The states of emergency, as declared by the Governor, , continue to impact directly the ability of the District's legislative bodies, as well as staff and members of the public, to safely meet in person;

- c. The CDC, and Cal/OSHA continue to recommend physical distancing of at least six feet to protect against transmission of COVID-19; and
 - d. Meeting in person would continue to present imminent risks to the health and safety of members of the public, members of the District's legislative bodies, and District employees due to the continued presence and threat of COVID-19.
- 3. The District's legislative bodies may continue to meet remotely from December 7, 2021 through January 6, 2022 in compliance with the special teleconference rules of Section 54953 of the Government Code, as amended by Assembly Bill 361 (2021), in order to protect the health and safety of the public.
 - 4. The Board of Directors will review these findings and the need to conduct meetings by teleconference within thirty (30) days of adoption of this resolution.

* * * * *

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 7th day of December 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Theresa Kehoe, Secretary
North Marin Water District

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MEMORANDUM

To: Board of Directors

December 3, 2021

From: Terrie Kehoe, District Secretary 

Subj: Draft Annual Report Fiscal Year 2020-21

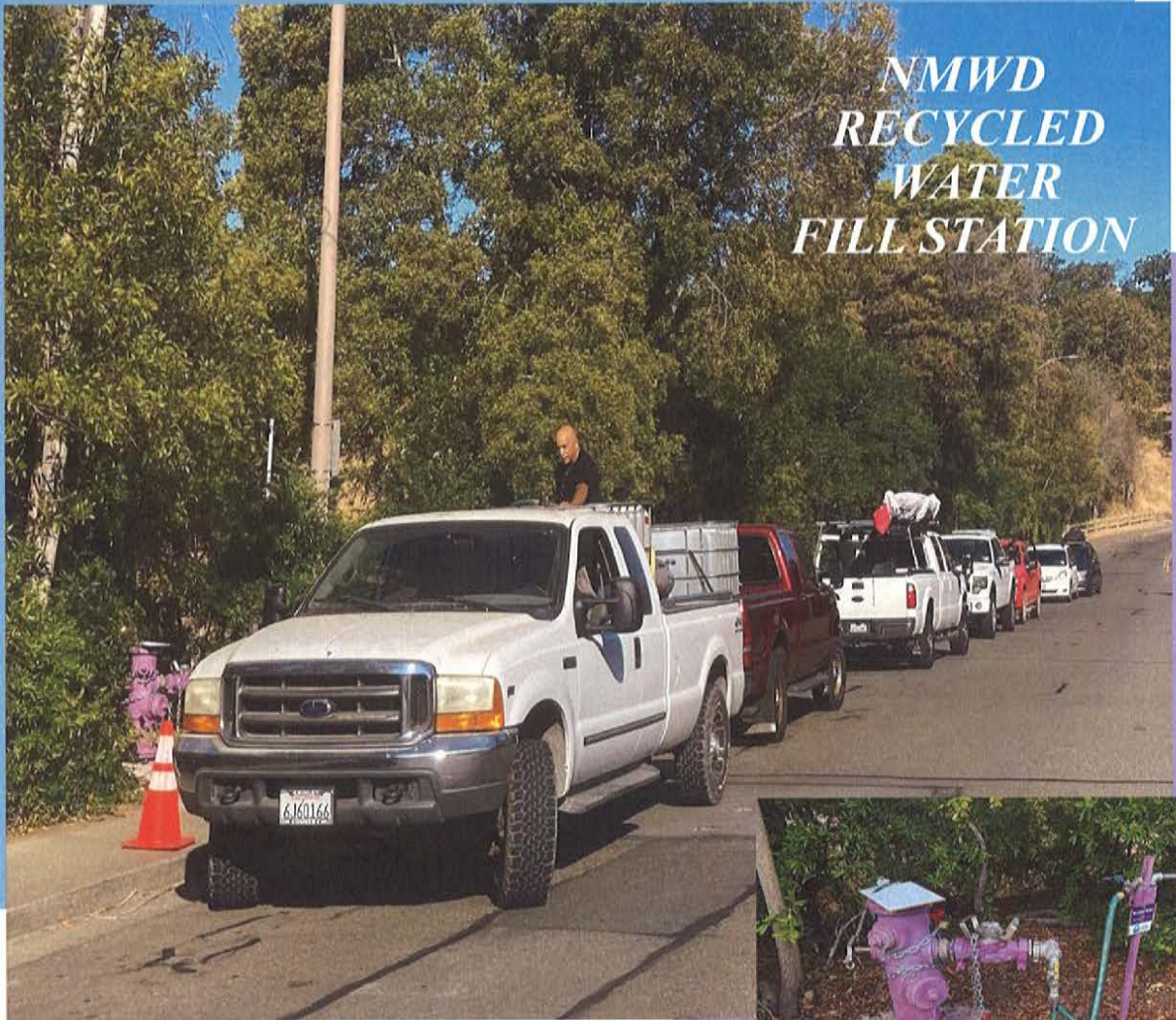
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RECOMMENDED ACTION: Information Only**FINANCIAL IMPACT:** None at this time

Attached is the Draft Annual Report for Fiscal Year 2020-21 for your review. Please submit comments for incorporation into the annual report to me by Wednesday, December 15, 2021. After which comments will be incorporated and the finished product will be submitted for approval at the December 21, 2021 Board meeting.

Approved by GM Date 12/3/21

*NMWD
RECYCLED
WATER
FILL STATION*



**DRAFT
NORTH MARIN
WATER DISTRICT
ANNUAL REPORT
FISCAL YEAR 2020-21**

NORTH MARIN WATER DISTRICT

BOARD OF DIRECTORS

Jack Baker, served since 1983 (Division 2)
Rick Fraites, served since 2003 (Division 5)
James Grossi, served since 2017 (Division 1)
Michael Joly, served since 2017 (Division 3)
Steve Petterle, served since 2001 (Division 4)

OFFICERS

Drew McIntyre, General Manager, appointed 1998
Terrie Kehoe, District Secretary, appointed 2018
Julie Blue, Auditor-Controller, appointed 2018
Tony Williams, Assistant General Manager/Chief Engineer, appointed 2020

DEPARTMENT MANAGERS

Administration & Finance Julie Blue
Construction/Maintenance Tony Arendell
Engineering Tony Williams
Operations/Maintenance Robert Clark

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.

BOARD MEETINGS

Regular Board meetings are held on the first and third Tuesday of each month at 6:00 p.m. Meetings are normally held at North Marin Water District headquarters, 999 Rush Creek Place, Novato. For meeting agendas, contact the District Secretary at 415-761-8921 or visit the website at www.nmwd.com

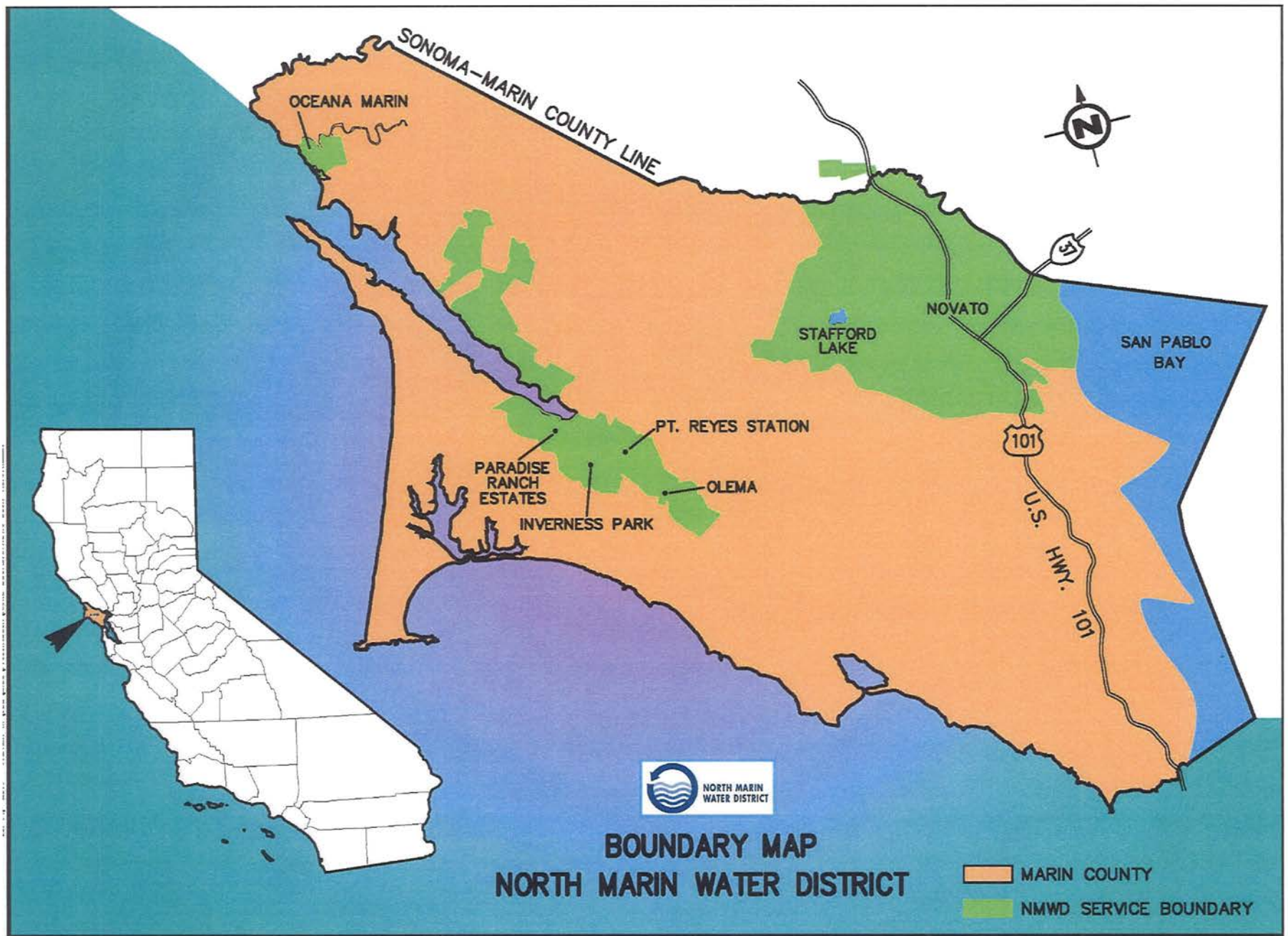
(Front cover photo: Recycled Water Filling Station)

HISTORICAL HIGHLIGHTS

- 1948** The Novato community approves formation of North Marin Water District and purchase of the Novato Water Company.
- 1949** Novato voters impose a significant tax upon themselves (77¢/\$100 assessed value) to finance a \$2 million bond issue to purchase and upgrade the private water system and to construct a dam at Stafford Lake and build a water treatment plant.
- 1951** Contractor T.E. Connolly of San Francisco constructs Stafford Lake Dam, designed by Kennedy Engineers, to impound 560 million gallons (MG) of water.
- 1952** Stafford Water Treatment Plant, designed by Kennedy Engineers and built by C. Norman Peterson, goes into operation. It has a capacity of 3.75 million gallons per day (mgd).
- 1954** The spillway at Stafford Lake is raised to increase the reservoir capacity to 1.45 billion gallons, boosting the annual safe yield of Stafford Lake to 620MG.
- 1960** Voters approve a \$3.79 million bond issue to finance system improvements, Notably construction an aqueduct connecting Novato to the Russian River.
- 1961** The North Marin Aqueduct, a 9.4-mile, 30" pipeline from Petaluma to Novato is completed.
- 1963-66** Multiple water storage tanks are constructed, increasing storage from 2MG to 16MG.
- 1970s** Five small West Marin improvement districts are annexed into NMWD at the request of West Marin citizens: Oceana Marin Sewer in 1969; Point Reyes Station/Inverness Park Water in 1970; Olema Water in 1973; Tomales Sewer in 1975; and Paradise Ranch Estates Water in 1979.
- 1973-75** System storage capacity is increased to 26MG with construction of the Atherton (5MG welded steel) and Pacheco (5MG concrete) Tanks.
- 1974** Stafford Treatment Plant is modified to increase production capacity to 6.3 mgd.
- 1980s** North Marin assumes a leadership role in the water conservation field, pioneering programs such as connection fee discounts for installation of xeriscapes in new residential construction and "Cash-For-Grass" rebates for existing customers who replace irrigated turf with xerophytic plants.
- 1983** The US Army Corps of Engineers completes the construction of the Warm Springs Dam, creating a water supply pool in Lake Sonoma of 69 billion gallons.
- 1990s** Marin United Taxpayers twice touts NMWD as the Best Managed Public Agency in Marin County.
- 1998** The District celebrated 50 Golden Years of Quality, Excellent Service and Tradition.
- 2001** Marin Municipal Water District agrees to reorganize boundaries at Hamilton AFB to be coincident with Novato city limits, enabling NMWD to serve areas within Novato formerly served by MMWD.
- 2002** Amaroli Tank, a 4.5MG buried concrete tank adjacent to Highway 101 on Ammo Hill, is completed and increases total Novato area storage capacity to 33MG.
- 2005** A 180,000-gallon concrete storage tank is constructed in Point Reyes Station to replace a 36-year-old 100,000-gallon redwood tank serving the West Marin community.
- 2006** The Restructured Agreement for Water Supply with Sonoma County Water Agency (SCWA) is executed, authorizing SCWA to construct facilities to increase North Marin's water delivery entitlement to meet Novato's future needs consistent with the community general plan.
- 2006** The Stafford Water Treatment Plant \$16 million reconstruction project is completed enabling Stafford Lake water to meet anticipated future water quality standards.
- 2007** The 0.5 mgd Deer Island Recycled Water Facility, located adjacent to Highway 37 immediately south of Deer Island, commenced operation in June 2007 serving Stone Tree Golf Course.

- 2008** The 500,000-gallon Center Road Tank in west Novato is completed.
- 2009** Palmer Drive Tank is completed adding 3MG of first-zone storage in southern Novato, and increasing total Novato area storage capacity to 37MG.
- 2013** Expansion of the recycled water distribution system to north and south Novato is completed. Utilizing federal grant and loan funds and recycled water from both Novato & Las Gallinas Valley Sanitary Districts, the project will provide 130MG annually to large-landscape customers.
- 2015** The Gallagher Well Pipeline is completed principally with state grant financing, connecting the West Marin system to a new well located further upstream of Point Reyes Station in Lagunitas Creek, which is less susceptible to salt water intrusion.
- 2016** The \$22 million "Aqueduct Energy Efficiency Project" is completed, replacing the North Marin Aqueduct 30" diameter pipeline with a 42" pipeline from South Petaluma to Redwood Landfill, thereby eliminating the need for the Kastania Pump Station.
- 2017** To improve water use efficiency, accuracy and customer service, the District implemented an Advance Meter Information System (AMI) pilot project. The AMI project replaces the mechanical water meter register with an electronic register that transmits water use data securely to NMWD headquarters.
- 2018** Expansion of the recycled distribution system to Central Novato is completed. Using federal and state grant and loan funds and recycled water from Novato Sanitary District the project will provide at least 65 MG annually to large-landscape customers, including Marin Country Club Golf Course.
- 2019** During a series of public hearings held between April and June 2019, the District established five electoral Divisions in order to transition to a Division-based election in which each Board member is elected by a specific Division within the District. All five board members will continue to participate and vote on district wide matters regardless of what division they represent.
- 2020** The Board accepted the 2020 Novato and Recycled Water Rate Study after a series of several meetings with District Staff, the Board's Ad Hoc Subcommittee and two public workshops. This is the first comprehensive water rate study for Novato in over twenty years.
- 2021** The Board accepted the 2021 West Marin Water Rate Study after a series of several meetings with District Staff, the Board's Ad Hoc Subcommittee and two public workshops. This is the first comprehensive water rate study for West Marin in over twenty years.

For a narrative description of North Marin Water District history of formation and expansion in Novato and West Marin, please visit our website at www.nmwd.com and click on About/History.



MESSAGE FROM THE GENERAL MANAGER ... *Drew McIntyre*

The North Marin Water District (North Marin) carries out its Mission with a highly-motivated and competent staff empowered to meet the expectations of our customers in providing services that are reliable, high-quality, environmentally responsible and reasonably priced. Each day, District employees strive to carry out their work mindful of these basic principles: Good Water, Good Service, Good Value, and A Safe Place to Work. This annual report updates customers on North Marin accomplishments in Fiscal Year (FY) 2020-21 and provides a snapshot of our current efforts and financial performance.

The last couple of years have presented many challenges, including an historic two-year drought with record low winter rainfalls, regional wildfires, ongoing power shut-offs and a continuing global health pandemic due to COVID-19. This year local water supply from Stafford Lake totaled only 211 MG and provided up to 31% of peak summer (i.e., July 2020) demand on a monthly basis and only 8% of annual demand. Rainfall in Novato totaled 8.6" which was 31% of average, the lowest rainfall year on record since 1916. There was no increase in Lake storage levels in the winter of 2021 due to record low rainfall and Stafford Lake storage only increased due to backfeeding of approximately 1100 acre-feet of Russian River winters flows. Consequently, maximum storage capacity this year peaked at El. 186.1 (54% capacity) in late April 2021.

The Russian River water delivery system operated by Sonoma County Water Agency (Agency) typically provides 70-75% of Novato's water supply. However, due to low rainfall as stated above, imported water represented 92% of potable water and 83% of total water supply (i.e., potable and recycled). As a result of the two-year drought, the District adopted Emergency Water Conservation Ordinance 41 in March, 2021 for the Novato Service Area. This Ordinance was revised later to enact Stage 1 20% voluntary reduction in water use from May 1 to June 30 and Stage 2 mandatory reduction in water use effective July 1. Ordinance 41, as modified, also enacted the drought surcharge as long as Stage 2 mandatory reductions remain in effect. In the Russian River Watershed due to worsening drought conditions, the State Water Resources Control Board (SWRCB) issued an order on June 14, 2021 that reduced 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 required that the Agency and its water contractors reduce total diversions from the Russian River by 20% compared to the same period of 2020 from July 1 through October 31. The order, issued at the request of the Agency,

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.

In cooperation with Novato Sanitary and Las Gallinas Valley Sanitary Districts, North Marin significantly expanded its distribution of recycled water since 2012, which supplies large landscape irrigation customers and various commercial car washes in Novato.

Recycled water customers have increased from 44 to 91 over the last eight years. In total at 257MG, recycled water delivery capacity almost reached 40% of Stafford Treatment Plant's annual 650 MG production goal. This directly addresses the District's 2018 Strategic Plan Goal No. 1: to increase local control and long-term water supply reliability.

To improve water use efficiency, accuracy and customer service, North Marin completed an Advanced Meter Information (AMI) project in 2020. With the AMI system, the customer's mechanical water meter register is replaced with an electronic register allowing digital meter data to be transmitted securely to North Marin's headquarters via wireless communication providing early leak detection and real time water use information

In West Marin, dry year water supply conditions on Lagunitas Creek became effective on May 5, 2020 (FY20) when a water shortage was declared and Emergency Water Conservation Ordinance 39 was enacted. Dry year conditions continued in FY21 with total rainfall of 21" well short of the normal year minimum threshold of 28". Consequently, Ordinance 39 restrictions remained in place including Stage 2 25% mandatory water use reductions and drought surcharges. On July 1, 2020, a 6% Novato revenue rate increase became effective. At \$750 per year, the cost of water service for a typical Novato single family home using 91,000 gallons of water a year is at the median of Bay Area urban area water agencies (see chart on page 18). Water remains a good value for Novato customers.

WATER SUPPLY

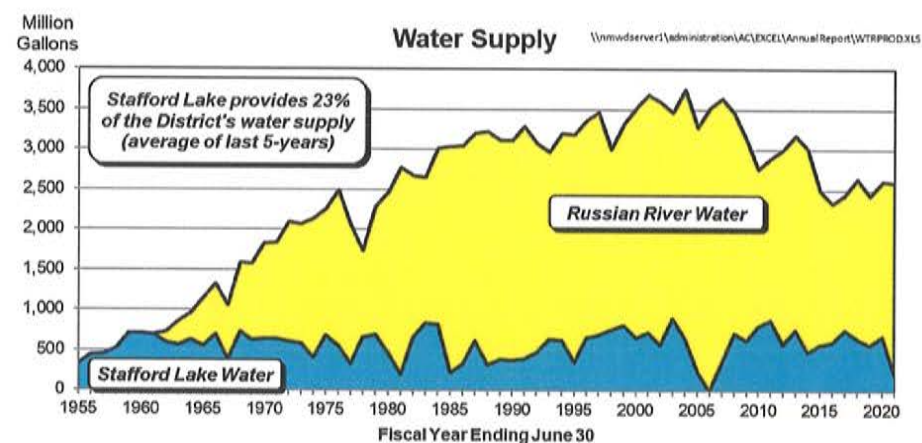
STAFFORD LAKE – Local Source Provides 25% of North Marin's Supply

Stafford Lake lies four miles west of downtown Novato and collects the runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450-acre feet or 1,450 million gallons (MG) of water. Water from Stafford Lake is fed into the Stafford Lake Water Treatment Plant, (located just below the dam) at a maximum rate of 6 million gallons per day (MGD). In FY 2020-21, 648acre feet (211 MG) of water was produced from the facility.

RUSSIAN RIVER – Provides 70-75% of North Marin’s Annual Supply

Russian River water originates from both the Eel River and the Russian River watersheds northeast of the City of Ukiah (Lake Mendocino) and west of Healdsburg (Lake Sonoma). The Coyote Dam at Lake Mendocino impounds the Eel River diversions and winter runoff from the local watershed. Warm Springs Dam at Lake Sonoma impounds winter runoff from the Dry Creek and Warm Springs local watersheds. Lakes Mendocino and Sonoma combined can store 367,500-acre feet to meet regional water supply needs, which totaled 51,800-acre feet in FY 2020-21. Releases from the lakes flow to a point about 10 miles upstream of Guerneville (see map on page 17 of this report), where six collector wells draw river water that has been filtered through 60 to 90 feet of natural sand and gravel to perforated pipes located at the bottom of each well. The thick layer of sand and gravel through which the water must pass before reaching the intake pipes provides a highly-efficient, natural filtration process which, with chlorination treatment, produces a clear, potable, bacteria-free water. This water is then fed directly into the SCWA aqueduct system.

In FY 2020-21, North Marin received 8,400-acre feet (2,740MG) of Russian River water. North Marin has an agreement in place with SCWA to provide sufficient supply and meet Novato's current and future water supply needs. There continues to be competing interests for Russian River water, principally to protect steelhead and salmon listed as threatened or endangered species under the Endangered Species Act.



ADMINISTRATION

The Administration Department is comprised of the Administrative Services, Consumer Services, Finance, Human Resources and Information Systems.

CONSUMER SERVICES

Consumer Services is responsible for accurate and timely meter reading and billing of approximately 158,000 bills and reminder notices annually. During the year, field staff responded to 952 customer calls for water service assistance and received a 98% positive response from customers related to the services provided.

- A rate study for Novato Potable and Recycled Water was approved in March, 2020. The rate study included a five-year financial forecast which was updated as part of the FY 20/21 budget. A 6% rate increase was approved by the Board of Directors effective October 1, 2020. The rates conform to California Law requiring that each class of customer (residential and commercial) pay their proportionate share of the cost to serve them.
- In recognition of the COVID-19 pandemic the Board of Directors delayed the effective date of the rate increases from July 2020 to October 2020.
- A rate study for West Marin Water was approved in March, 2021. As a result of the study a 6% rate increase was approved by the Board of Directors effective July 1, 2021.
- In March, the District's 2021 Monthly Water Bill Survey for Single Family Homes (see chart on page 18) showed that North Marin's cost of water service ranked 9th out of the seventeen urban agencies serving the greater San Francisco Bay Area.

ACCOUNTING

The Accounting Department is responsible for general accounting and budgeting, payroll, purchasing, treasury management, risk management, materials inventory and human resources. The accounting staff completes a full financial statement monthly with extensive cost-accounting detail allowing District managers to closely monitor revenue and expenditures relative to the adopted budget.

The Government Finance Officers Association (GFOA) has awarded the District a Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for fiscal year ended June 30, 2020. This is the twelfth consecutive year the District has received this award. The GFOA states that this Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its

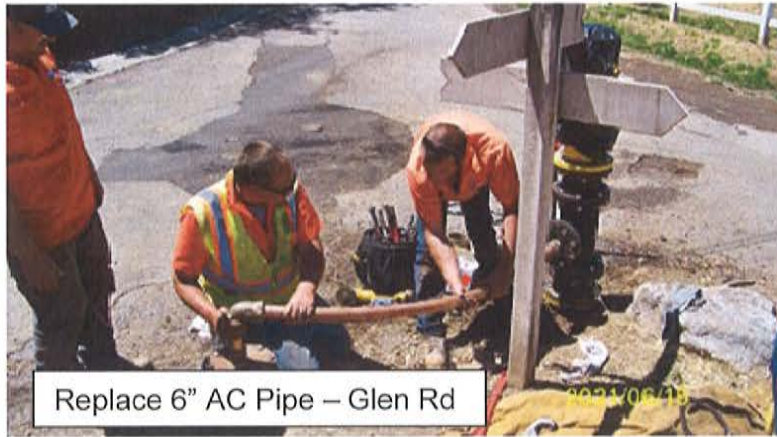
attainment represents a significant accomplishment by a government and its management. The following staff members made significant contributions to the Comprehensive Annual Financial Report: General Manager Drew McIntyre, Julie Blue, Nancy Holton, and Nancy Williamson. The approved audited financial statements for fiscal year ended June 30, 2021 will be submitted to GFOA for award consideration in December 2021.

Fiscal Year 2021 financial highlights include:

- The District, on a consolidated basis, received 112% of budgeted operating revenue and expended 114% of budgeted operating expenditures, resulting in a net income of \$451 thousand. Three million (49%) of the Capital Improvement Project Budget was expended. The year ended with a cash balance of \$24.6 million, an increase of \$2.3 million from the prior year.
- Novato potable water consumption increased 3% from the prior fiscal year. Stafford Lake Water Treatment Plant produced 211 MG, down 69% from the prior fiscal year. The net income of \$463 thousand was lower than the \$546 thousand budgeted net income, and compares to a net income of \$309 thousand the prior fiscal year. Novato Water ended the fiscal year with a cash balance of \$18.7 million. A 6% rate increase applicable to Novato water customers was approved effective October 1, 2020.
- The Novato Sanitary District and Las Gallinas Valley Sanitary District, along with the Deer Island Recycled Facility combined to produce 256 MG of Recycled Water, up 9% from the prior fiscal year. The fiscal year net loss of \$52 thousand was greater than the \$19 thousand budgeted net loss. Recycled Water ended the fiscal year with a cash balance of \$5.3 million. A 6% rate increase applicable to Recycled water customers was approved effective October 1, 2020.
- West Marin Water consumption was down 3% from the prior fiscal year. The \$8 thousand net loss compares to a budgeted net income of \$237 thousand and to net income of \$322 thousand from the prior fiscal year. West Marin Water ended the fiscal year with a cash balance of \$211 thousand. A 4.5% rate increase applicable to West Marin Water customers was approved effective October 1, 2020.
- Oceana Marin Sewer's net income of \$48 thousand compares to a budgeted net income of \$85 thousand and to net income of \$102 thousand from the prior fiscal year. Oceana Marin ended the year with a \$443 thousand cash balance. A 5% increase applicable to Oceana Marin Sewer customers was approved effective July 1, 2020.

ENGINEERING

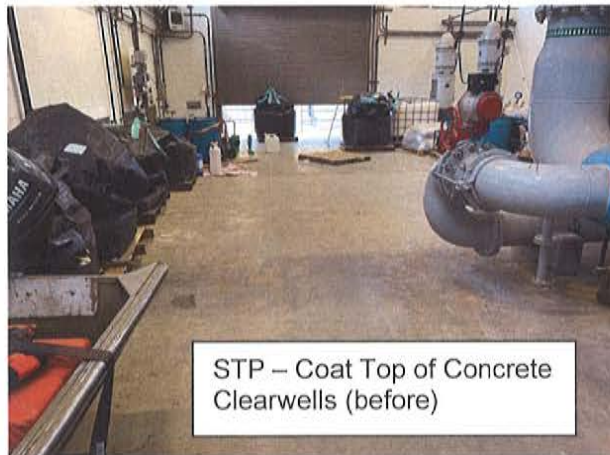
ENGINEERING



Replace 6" AC Pipe – Glen Rd

The Engineering Department consists of professional and technical staff that oversee the planning, permitting, design, construction and project management of water supply, treatment, transmission and distribution facilities necessary to serve North Marin's customers in Novato and West Marin. Engineering functions for wastewater-related facilities are

also provided by the Engineering Department to support North Marin's wastewater collection, treatment and disposal system in Oceana Marin. Property owners or developers desiring new water or wastewater service or an upgrade to their existing service are assisted by the Engineering Department pursuant to North Marin regulations.

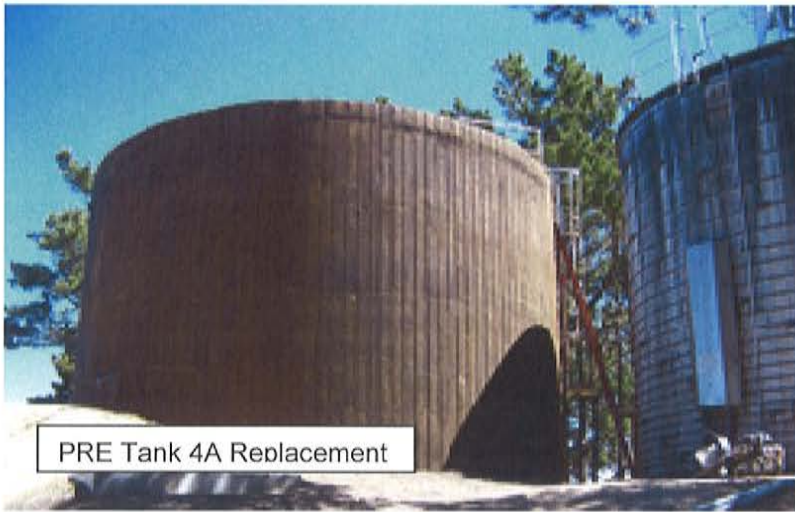


STP – Coat Top of Concrete Clearwells (before)



STP – Coat Top of Concrete Clearwells (after)

In the Novato service area, seventeen capital projects were originally budgeted. An additional eleven projects were added, four projects were carried over from the previous fiscal year, and no projects were deferred, resulting in an adjusted total of thirty-two projects. The Engineering Department oversaw twenty-three of the thirty-two projects, and sixteen of the total number of projects were completed within the fiscal year. Total expenditures equaled \$1,780,882. Some of the significant projects were the Replace 6" AC Pipe (810') – Glen Rd and the Stafford Treatment Plant (STP) Coat Top of Concrete Clearwells (Acti-floc Filter clearwell and Finish water clearwell) projects.



In the West Marin service area, including Oceana Marin, seven projects were originally budgeted, four projects were added, none were carried over or deferred, resulting in a total of eleven projects. The Engineering Department oversaw eight of the eleven projects, and total combined fiscal year expenditures equaled \$1,543,724. The most significant project in West Marin was the Paradise Ranch Estates (PRE) Tank 4A Replacement Project.

WATER CONSERVATION AND PUBLIC INFORMATION

North Marin Water District implements a comprehensive and innovative Water Conservation Program aimed at both residential and non-residential customers (commercial and large landscape). Each program element is analyzed to assure that it will efficiently produce long-lasting water savings mutually worthwhile to the customer and the District. Toward the end of the fiscal year, all incentive-based programs were increased due to the drought and effort to get more program participants.



Residential activities include residential water use surveys (on hold due to COVID – 19)), high-efficiency washing machine (HEW) rebates (26 rebates), high-efficiency toilet (HET) replacements (109 rebates), a Cash-for-Grass Program (12 rebates), toilet flapper rebates, weather-based irrigation controller rebates, landscape efficiency rebates, a plumbing retrofit-on-resale program (toilets, showerheads, and bathroom sink faucets)

and rainwater collection and gray water rebates. Hot water recirculation and pool cover rebates were added during the 2014-2016 drought along with the Lawn be Gone sheet mulching lawn removal program. Water conservation programs for non-residential customers include HET rebates, high-efficiency washing machine rebates, and free water audits/surveys. Large landscape audits and landscape efficiency upgrade rebates are also offered to mixed-use accounts and dedicated metered sites. Most rebates and incentives were increased in May 2021 in response to the current drought.



The Public Information Program includes a School Education Program (in cooperation with SCWA) and comprehensive Communications Program. In FY21, the District continued with Kiosk to implement the public communications plan (or public outreach plan) in response to a goal from the 2018 Strategic Plan. As a part of the plan, Kiosk completely re-designed the Fall 2020 issue of the Novato “Waterline” (distributed in November 2020). This was followed up with Kiosk’s redesign of the Spring

“Waterline” newsletter for both Novato (distributed in May 2021) and West Marin (distributed in

June 2021). Kiosk continued maintenance of the re-designed District website which included a fresh and modern design along with ADA complaint and mobile configuration attributes. Other communications actions implemented included the redevelopment of the District "Brand" documents including logo and Brand guidelines, new photography of the Board (for the website and other outreach efforts), initiation of refreshment and redesign of District communications materials, and the initiation of a year-long social media campaign aimed at increasing the quality and frequency of the social media posts on Facebook, Instagram and Twitter.

The District actively maintains a Facebook, Nextdoor, Twitter and Instagram page with regular updates on water use efficiency, construction projects and other appropriate District outreach material. Staff also used the WaterSmart AMI dashboard and customer portal as a public outreach tool to help inform customers on water use patterns and leaks and to also get information to the customers on the drought and other related public workshops and hearings.



Finally, the District requires new development to meet stringent water-use efficiency standards, including: installation of a high-efficiency washing machine, high-efficiency toilets, weather-based irrigation controllers, a maximum of 600 square feet of turf for new residential development and no turf for new commercial development, soil amendment and mulching requirements, drip or other subsurface irrigation for all irrigated non-turf areas, and other landscape irrigation efficiency measures that exceed the requirements of the updated State

Model Water Efficient Landscape Ordinance.

OPERATIONS AND MAINTENANCE DEPARTMENT

The Operations and Maintenance Department is comprised of three groups –Operations, Maintenance and Water Quality – which work together to provide Novato and West Marin customers with good water and good service at good value while continuing to provide a safe place to work. Along with these groups, the O&M Technical Assistant provides document control for the Cross Connection Control, Maintenance Management and Asset Management programs, as well as managing the District's Recycled Water Monitoring and water loss Programs. Additional programs managed by the O&M staff include Environmental, Water Treatment and Distribution operational permits, Waste Water operational permits and Water Quality compliance reporting.

OPERATIONS

The Operations Group is comprised of six staff that are certified in water distribution and treatment operations as well as two operators that are certified to operate our waste water collection and treatment facilities in Oceana Marin. This staff works closely with the Water Quality Group, sharing the responsibility of monitoring the Stafford Lake watershed and working cooperatively with landowners, including the Indian Valley Golf Course and the Marin County Parks and Open Space District. The Group manages the potable water supply and distribution systems for Novato and West Marin communities and the waste water system in Ocean Marin as well as the Novato recycled water transmission and distribution systems. Also in Novato, this department balances the tasks of treating and distributing water from Stafford Lake and imported Russian River water while maintaining appropriate water storage and pressure levels to reliably meet all water system demands and fire protection requirements.

Photo of Operator reinstalling an anode for the prevention of the sludge thickener steel structure from corrosion.



In Novato, the group manages storage of up to 37 million gallons (MG) of potable finished water in 35 tanks through four hydraulic pressure zones with 27 pump stations. There are 1.5 million gallons of recycled water storage and 17 miles of distribution mains providing 95 customer sites with recycled water from the Deer Island, Novato Sanitary District and the Las Gallinas Valley Sanitary District Recycled Water Treatment Facilities. In fiscal year 2020-21 recycled water was 9% of the

water supplied to our Novato customers with 7% from Stafford Treatment Plant and the remaining 84% from Sonoma County Water Agency.

In West Marin, the group operates the Lagunitas Creek wells, Point Reyes Treatment Plant, six pump stations and thirteen storage tanks in Point Reyes Station, Olema, Inverness Park, Paradise Ranch Estates, and Bear Valley. Additionally the department operates and maintains nine miles of sewer collection piping and a 90,000 gallon per day facultative waste water treatment pond with an eight acre irrigation field for the wastewater system in Oceana Marin.

Operations activities and accomplishments during FY2020-21 included various improvement projects during the winter shutdown and over 800 routine maintenance tasks throughout the year. Including Stafford Lake Aeration Project, Filter #3 under drain repair and media replacement, Carbon media replacement and the relocation of the chlorine feed line in the contact chamber.

MAINTENANCE

The Maintenance Group is comprised of seven technicians including Electrical/Mechanical (E/M), Building/Grounds, Fleet, Distribution Cross Connection Control and a Technical Program Administrator and are responsible for all maintenance tasks throughout the Novato, West Marin and Oceana Marin service areas.

Maintenance works closely with Engineering and Construction on new projects for electrical and mechanical installations and with Operations to ensure proper operation of Treatment and Distribution facilities for continuous service to our customers. Throughout the service area the E/M team maintains the Supervisory Control and Data Accusation (SCADA), Advanced Meter Infrastructure (AMI) and computer network communication systems.

In Novato, facilities include the Stafford Lake Water Treatment plant, Deer Island Recycled Water Treatment Facility, pump stations, tanks, pressure regulators and cross connection devices while also maintaining the Office and Corporation yard facilities.

In West Marin, the Maintenance group maintains the Lagunitas Creek wells, Point Reyes treatment plant, tanks and pump stations. Additionally, the group maintains the collection and wastewater treatment operations in Oceana Marin.

Maintenance accomplishments during FY2020-21 included five facilities improvement projects and over 500 routine maintenance tasks. Staff continued to execute the day-to-day activities while performing various projects including STP Generator installation, state required pressure vessel inspections, front office touch-less entry sensors/door operators, signage for COVID Safety, Oceana Marin ponds transfer pump replace, San Antonio Wireless Bridge install, Coast Guard, Gallagher Wells, cleaning & pump/Motor replace.

This is a photo of the Stafford Treatment Plant emergency generator.



WATER QUALITY

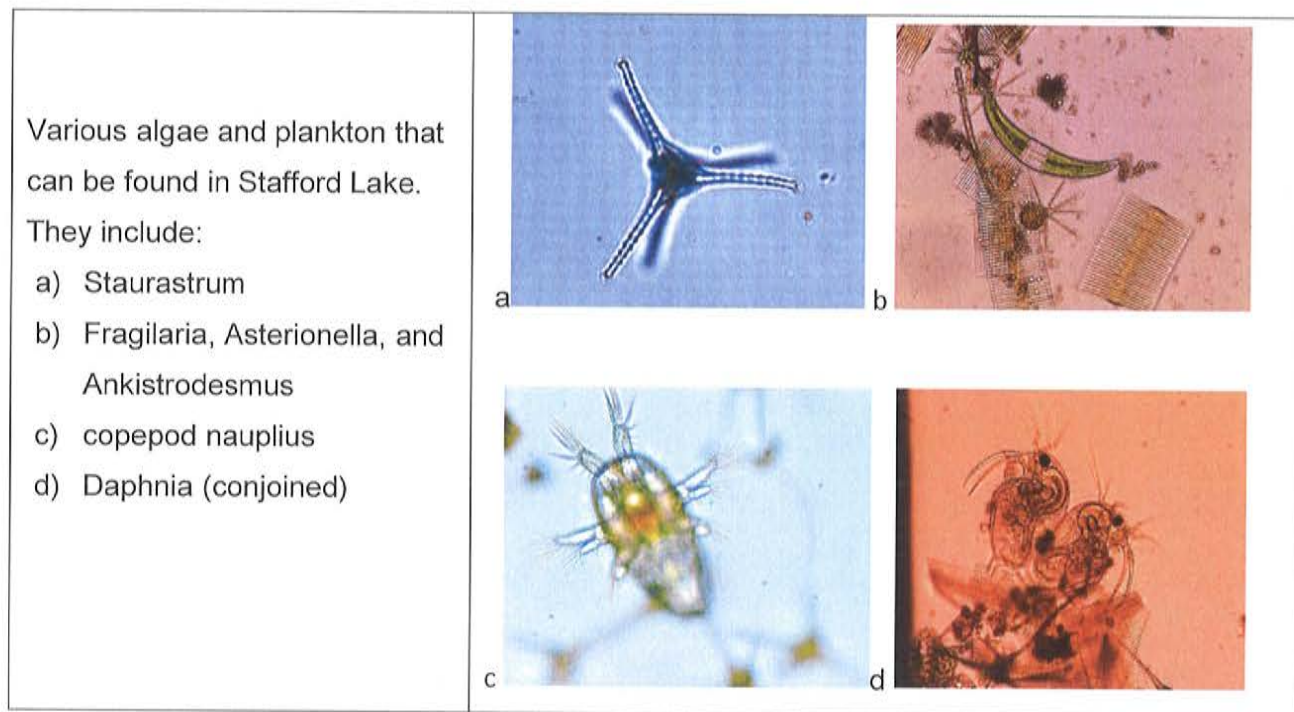
The Water Quality Group is comprised of five employees, chemists and lab technicians providing oversight to all aspects of North Marin operations to ensure that water quality is protected, using a multi-barrier approach. Surveillance and monitoring is performed at multiple points from source to tap. North Marin's laboratory performed over thirteen thousand water quality tests as required by state and federal drinking water regulations and to support the work performed by other District departments. Annually, a water quality report is sent to all District customers in both Novato and West Marin. In addition, Water Quality staff responds to customer calls with specific information on water quality.

The primary goal of North Marin Water District is for water at every tap to be safe and taste good. The objectives toward meeting this goal, collaboratively established by the District's Board of Directors and staff, are to meet or exceed all regulatory standards, work to control or prevent all adverse tastes and odors and work with appropriate agencies to protect public health.

North Marin Water District's Water Quality Division prides itself on providing exceptional customer service based on a commitment to public health and a safe water supply. The District's Water Quality laboratory is certified by the California Environmental Laboratory Accreditation Program to perform analyses for both regulated and unregulated contaminants. The laboratory provides testing services to other District divisions for quality control of the water supply as well as testing in response to customer concerns. Monitoring is from source to tap. The laboratory also provides the Novato Sanitary District with sample collection, analysis and reporting.

Routine tests are performed on the bacterial, algal and chemical conditions of the source water in Stafford Lake and the Point Reyes wells. High nutrient levels can increase algal growth, which can result in taste and odor problems. Tests are also conducted on the water purchased from

Sonoma County Water Agency. Source monitoring in the Point Reyes system focuses on a well quality. Salinity levels continue to rise above NMWD's customer notification level (50mg/L sodium) despite the blending of the Gallagher well water with the Coast Guard wells. The laboratory supports the Operations staff with monitoring of Stafford Treatment plant to evaluate the effectiveness of the various treatment processes.



The quality of water in the Novato and Point Reyes distribution system met all regulatory requirements. Operational controls to maintain chlorine residuals were effective in maintaining disinfection. The distribution water quality programs including flushing and cross-connection control were performed. Storage tanks were given their full annual inspection by the Operations and Maintenance staff, which helps determine tank-cleaning priorities. During the year, Water Quality staff completed the Stafford Lake sanitary survey that assessed all property owners on the watershed, assisted the Division of Drinking Water on the West Marin system permit inspection and the Novato Sanitary District on the inspection of the Stafford Lake Treatment Plant discharge permit.

CONSTRUCTION/MAINTENANCE DEPARTMENT

The Construction/Maintenance Department installs repairs and replaces water main pipelines and their appurtenances (valves, hydrants, services and meters, etc.) in upgrading and maintaining our facilities. The Construction/Maintenance Department may be contracted by developers to install new water mains, services, fire hydrants and fire services. In addition, staff upgrades $\frac{3}{4}$ " service lines to 1" and 2" to comply with the Novato Fire Protection District's requirements for sprinklers in new building construction. Staff is on call at all times and may be the first to respond to emergencies such as service leaks, main breaks, or knocked-over hydrants. Construction/Maintenance staff work hand-in-hand with the public, City and developers to install high-quality and reliable facilities to serve North Marin customers.

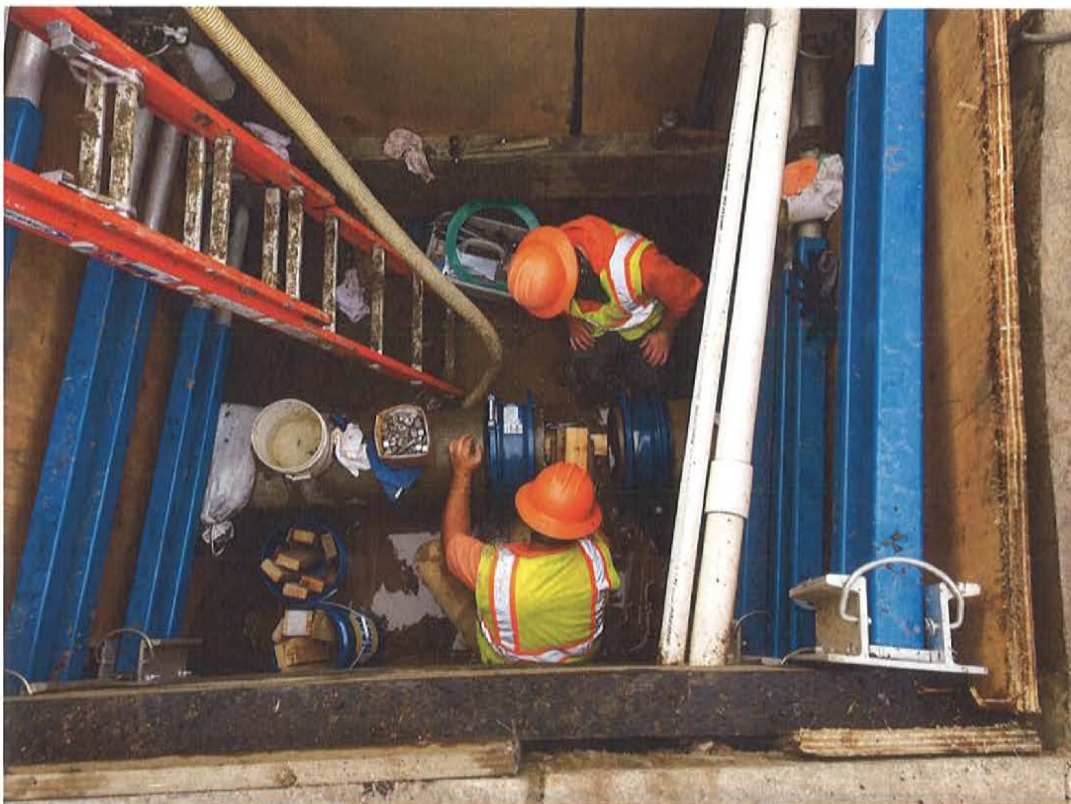


Crew working on air valve testing and repair.

During FY 2020/21, North Marin Water District's Construction crews, replaced 82 polybutylene water services, 19 copper water service laterals because of leaks in Novato and West Marin service areas. 13 water mains were repaired do to leaks. The Crews upsized 22 service laterals for residential fire service. The Crews replaced 12 fire DCDA Fire service for commercial buildings.

The Construction Crews work with developers on jobs, including Bahia Heights, Landsea Homes, McPhails Commercial Ph 2, IVC Miwok Center and Fire Service & Hydrant for the Marin Public Library.

Crews worked on the following Capital Improvement Projects in Novato: the Grant Avenue Bridge Project. In Point Reyes PRE-Tank 4A replacement. Crews replaced 53 PB services during the annual PB replacement projects. In Novato services on Vivian Ct, Joaquin Ct, Vineyard Rd, West Brooke, and a number of streets in Black point. In Point Reyes on Drakes PRE-Tank 4A replacement.

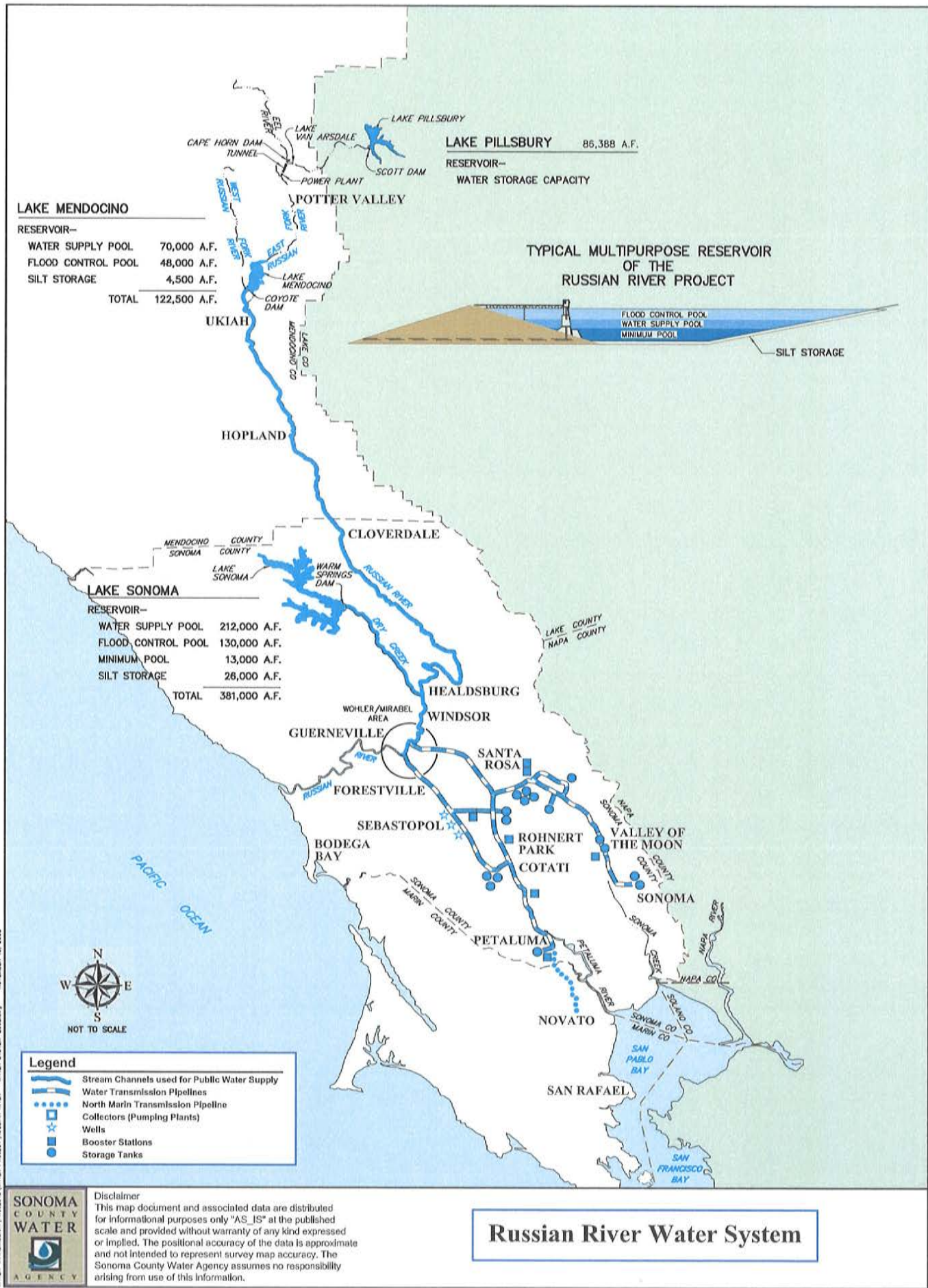


Crews working on installing a New 12" valve at Novato Blvd and Diablo Ave.

The Crews work on all types of leaks, in the water and wastewater systems of NMWD. Some of the more notable leaks are as follows: The 6" Main on Glen Road, Fire Hydrant run at 52 Oak Valley Drive, a 6"x2" Tee on Posada Del Sol, and 8" AC main at School Road Pump Station. In Oceana Marin the 6" Force Main was repaired on a hillside.

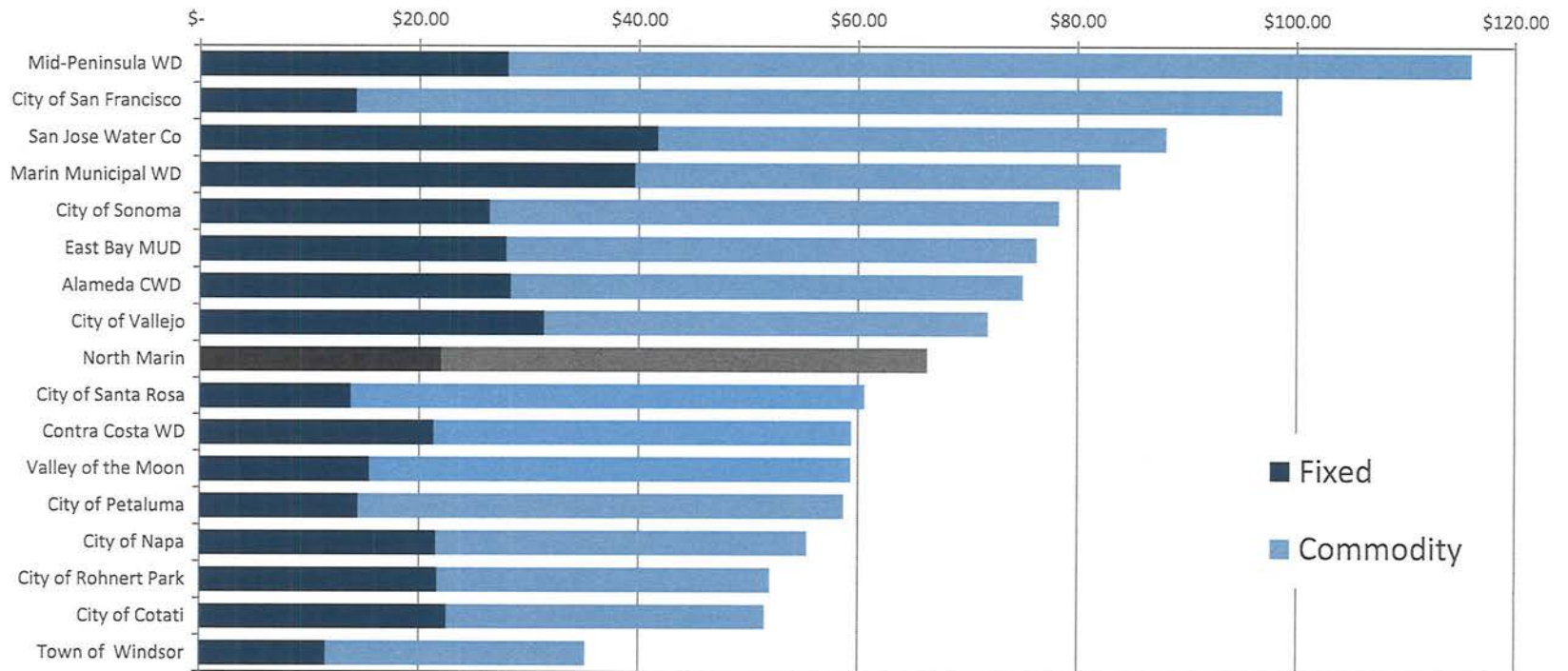


Crews working to repair an 8" ACP Main and Service on Atherton Ave. The Crew installed an 8" Full Circle Repair clamp tapped for 1" service to repair the leak and restore service to the consumers.



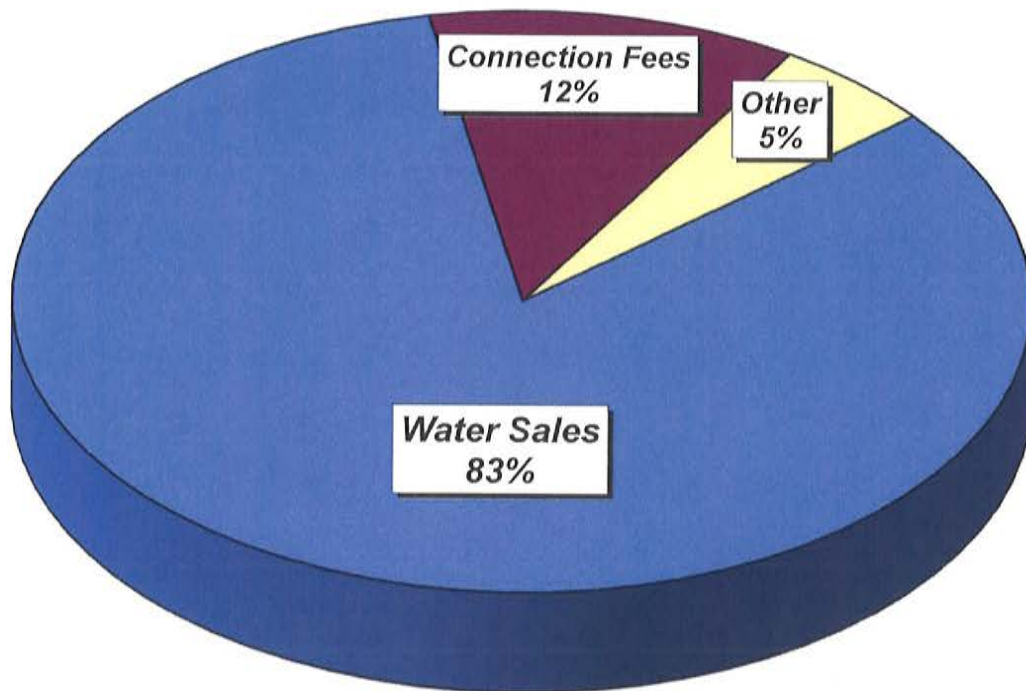
WATER TRANSMISSION PROJECT / RUSSIAN RIVER - WATER SYSTEM - 2008.dwg NOVEMBER 18, 2008

Monthly Water Bill Survey for Single Family Homes with Median Usage (7,600 gallons per month)

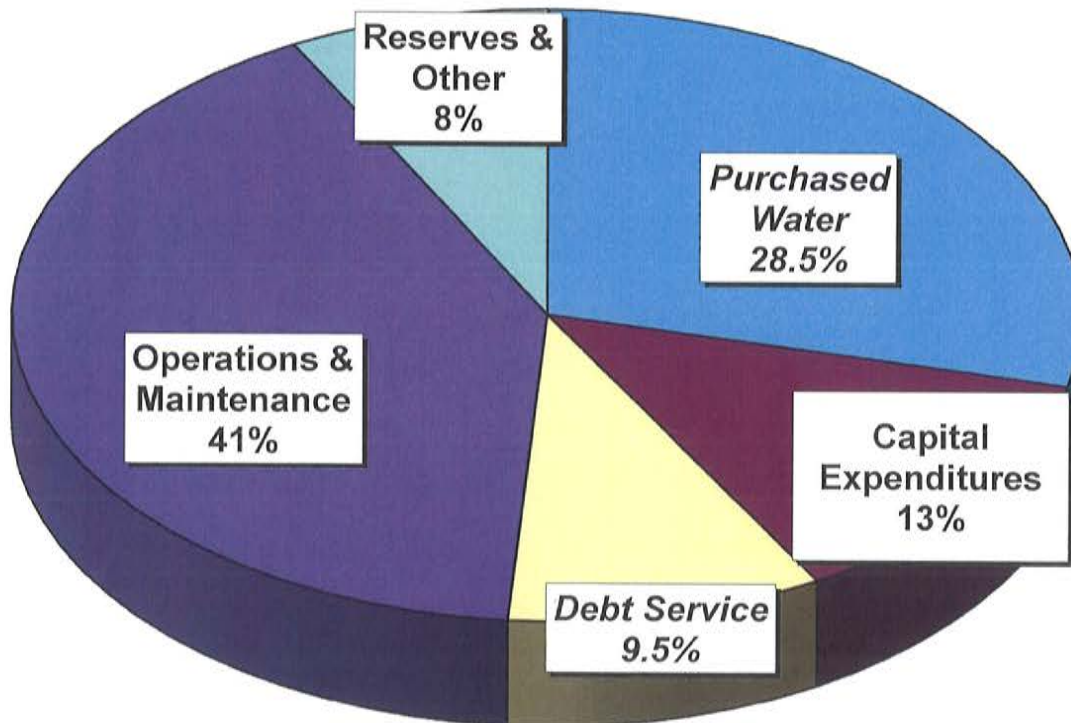


North Marin Water District - Fiscal Year 2020-21

Source of Funds: \$27.4 Million



Use of Funds: \$27.4 Million



CHARACTERISTICS OF SERVICE AREAS

Statistics (at June 30, 2021)	Water		Sewer	Total
	Novato Potable & RW	West Marin Service Area	Oceana Marin	
Service Area (Square Miles)	75	24	1	100
Active Connections	20,703	785	235	21,723
Dwelling Units	24,094	836	235	25,165
Estimated Population	61,655	1,800	500	63,955
Average Household Size (People)	2.6	2.2	2.1	2.5
FTE Employees	50.0	-	-	50.0
Fire Hydrants	2,714	172	-	2,886
Miles of Pipeline	335	26	5	366
Storage (million gallons)	39.0	1.0	-	40.0

Annual Water Volumes (MG) (FY2020-21)

Russian River Water Purchases	2,393			2,393
Stafford Water Treatment Plant	211			211
Recycled Water	257			257
Point Reyes Water Treatment Plant		74		74
Oceana Marin Wastewater Treatment			6	6
Total Water Production	2,861	74	6	2,941
RR Water Wheeled to MMWD	2,566			2,566

Annual Budget - FY2020-21

Operating Revenue	\$21,431,000	\$939,000	\$276,000	\$22,646,000
Connection Fees/Misc	1,166,000	91,000	64,000	1,321,000
Grant/Loan Proceeds	-	385,000	225,000	610,000
Contribution (To)/From Reserves	3,335,000	701,000	(68,000)	3,968,000
Total Sources	\$25,932,000	\$2,116,000	\$497,000	\$28,545,000
Operating Labor	\$6,402,000	\$349,000	\$95,000	\$6,846,000
Other Operating Expense (less Deprec)	10,652,000	211,000	112,000	10,975,000
Capital Expenditures	5,786,000	1,485,000	290,000	7,561,000
Debt Service & Other Expenditures	3,092,000	71,000	0	3,163,000
Total Outlays	\$25,932,000	\$2,116,000	\$497,000	\$28,545,000

Annual Water/Sewer Cost (FY2020-21)

to Typical Single-Family Detached Residence				
Service Charge	\$41.46/2 mo.	\$35.68/2 mo.	\$98.00/mo.	
Annual Consumption (Typical)	91,200 gal	54,000 gal		
Wt'd Avg Water Rate / 1,000 gal ¹	\$6.68	\$11.10		
Typical Annual Cost:				
Service Charge	\$249	\$214	\$1,176	
Commodity Charge	\$609	\$599	\$0	
Allocated Tax ²	\$0	\$77	\$272	
Total Annual Cost	\$858	\$890	\$1,448	

Notes

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¹ FY20 weighted average commodity rate. Rates vary by elevation zone to reflect different energy, pumping and storage costs. Novato rates ranged from \$5.50 to \$7.60 per 1,000 gallons, and in West Marin from \$9.66 to \$16.12. Average excludes tier rate charges as typical residential consumption is below tier threshold.

² FY21 allocated share of Marin County 1% ad valorem tax per active connection. Tax is collected by the County and allocated by formula to the West Marin districts.

SUMMARY FINANCIAL INFORMATION

June 30, 2021

NET ASSETS

	Total	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer
Assets					
Cash & Investments	\$24,597,552	\$18,662,406	\$5,280,747	\$211,380	\$443,019
Receivables & Other Assets	13,497,926	11,696,181	1,606,472	194,173	1,100
Construction-in-Progress	7,403,767	3,882,372	470,660	2,768,953	281,782
Property, Plant & Equipment (net)	131,938,165	95,236,112	30,730,706	4,990,001	981,346
Total Assets	\$177,437,410	\$129,477,071	\$38,088,585	\$8,164,507	\$1,707,247
Liabilities					
Current Liabilities	\$6,056,564	\$4,717,192	\$1,060,094	\$262,604	\$16,674
Long-Term Debt	49,696,682	35,736,289	13,395,688	564,705	-
Total Liabilities	\$55,753,246	\$40,453,481	\$14,455,782	\$827,309	\$16,674
Net Assets					
Invested in Capital Assets	\$142,839,171	\$107,248,024	\$26,595,300	\$7,536,351	\$1,459,496
Restricted & Designated Reserves	12,380,866	7,675,540	5,292,525	(461,867)	(125,332)
Earned Surplus	(33,535,873)	(25,899,973)	(8,255,022)	262,714	356,408
Net Assets	\$121,684,164	\$89,023,591	\$23,632,803	\$7,337,198	\$1,690,572

REVENUE & EXPENSE

Operating Revenue	\$25,378,535	\$22,434,080	\$1,686,124	\$981,971	\$276,360
Operating Expense	24,624,169	21,761,527	1,529,983	1,039,650	293,009
Operating Income/(Loss)	\$754,366	\$672,553	\$156,141	(\$57,679)	(\$16,649)
Non-Operating Revenue/(Expense)	(303,499)	(209,914)	(207,926)	49,215	65,126
Net Income/(Loss)	\$450,867	\$462,639	(\$51,785)	(\$8,464)	\$48,477

CASH FLOW

Net Income/(Loss)	\$450,867	\$462,639	(\$51,785)	(\$8,464)	\$48,477
Add Back Depreciation	3,887,096	2,857,337	786,073	199,315	44,371
Cash Generated	\$4,337,963	\$3,319,976	\$734,288	\$190,851	\$92,848

Other Sources/(Uses)

Connection Fees	\$3,496,089	\$3,496,089	-	-	-
Capital Asset Acquisition	(3,853,557)	(2,305,508)	-	(1,510,796)	(37,253)
Principal Paid on Debt	(2,111,920)	(1,379,754)	(683,339)	(48,827)	-
Grant Proceeds	86,060	-	-	-	86,060
Caltrans Capital Contributon	10,733	10,733	-	-	-
Connection Fee Transfer	-	(890,072)	890,072	-	-
Working Capital & Miscellaneous	383,367	62,126	(111,395)	432,406	230
Total Other Sources/(Uses)	(\$1,989,228)	(\$1,006,386)	\$95,338	(\$1,127,216)	\$49,036
Net Cash Generated/(Used)	\$2,348,734	\$2,313,590	\$829,627	(\$936,365)	\$141,882

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HISTORICAL STATISTICS

Fiscal Year Ending June 30:		2021	2020	2019	2018	2017
Active Services	-Novato Water	20,607	20,554	20,546	20,543	20,544
	-Novato Recycled	96	91	91	66	47
	-West Marin Water	785	782	783	783	780
	-Oceana Marin Sewer	235	235	234	234	231
Total Active Services		21,723	21,662	21,654	21,626	21,602

Full-Time Equivalent (FTE) Employees	50.0	50.0	52.0	53.0	53.7
FTE Employees per 1,000 Active Services	2.3	2.3	2.4	2.5	2.5
Property, Plant and Equipment (millions)	\$207.5	\$202.6	\$198.5	\$194.1	\$182.8
FTE Employees per \$1M Capital Assets	0.24	0.25	0.26	0.27	0.29
Miles of Pipeline	366	365	364	364	364
Storage (MG)	40.0	40.0	40.0	40.0	39.4

Water Production (MG)

Point Reyes Treatment Plant	74	76	81	81	66
Stafford Treatment Plant	211	686	567	646	756
Recycled Water	257	229	191	155	144
Russian River Water Purchases	2,380	1,919	1,863	1,947	1,681
Total Water Production	2,923	2,910	2,702	2,829	2,647
Wheeled to Marin Municipal WD	2,566	1,800	1,728	1,683	1,670

Novato Service Area Average Day Potable Water Production (MG)

Annual	7.1	7.1	6.7	7.1	6.7
Peak Month	11.6	14.5	11.9	10.7	10.0
Peak Week	12.7	16.2	11.4	10.3	10.6
Peak Day	14.4	18.1	13.7	13.2	15.6

Financial History

Source of Funds

Water Sales	\$24,756,773	\$23,162,788	\$21,147,467	\$21,328,795	\$18,136,626
Investment Earnings	215,069	632,208	484,686	243,752	156,662
Tax Revenue	125,416	120,821	115,706	109,908	107,089
Grant Proceeds	86,060	336,398	20,191	592,907	5,061,105
Connection Fees	3,496,089	1,531,535	1,492,380	1,455,400	1,034,585
Loan Proceeds	-	-	-	6,393,836	1,899,538
Other Sources	1,114,838	3,718,247	1,698,238	1,413,583	5,981,896
Reserves	(2,348,734)	(3,310,144)	(2,058,410)	(5,011,576)	2,937,250
	<u>\$27,445,511</u>	<u>\$26,191,853</u>	<u>\$22,900,258</u>	<u>\$26,526,605</u>	<u>\$35,314,751</u>

Use of Funds

Purchased Water	\$8,536,957	\$6,978,395	\$5,383,444	\$5,350,855	\$4,469,632
Operation & Maintenance	12,200,113	12,428,759	10,987,701	11,110,175	10,630,056
Debt Service	2,849,550	2,920,230	2,749,713	2,201,451	2,527,022
Capital Expenditures	3,853,557	3,419,820	3,989,561	11,270,831	12,488,621
Other Uses	5,334	444,649	(210,161)	(3,406,707)	5,199,420
	<u>\$27,445,511</u>	<u>\$26,191,853</u>	<u>\$22,900,258</u>	<u>\$26,526,605</u>	<u>\$35,314,751</u>

Net Assets

Assets	\$177,437,410	\$174,194,976	\$167,702,424	\$166,351,644	\$159,886,280
Liabilities	55,753,246	57,481,213	56,903,171	59,528,196	55,974,308
Net Assets	<u>\$121,684,164</u>	<u>\$116,713,763</u>	<u>\$110,799,253</u>	<u>\$106,823,448</u>	<u>\$103,911,972</u>

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9

MEMORANDUM

To: Board of Directors

December 3, 2021

From: Drew McIntyre, General Manager
Morgan Biggerstaff, BPMNJSubject: Consideration of approval of the Kastania Pump Station Rehabilitation Project
(incl: 2021 Kastania Pump Station Transfer Agreement and 2021 Amended
and Restated Interconnection Agreement)

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RECOMMENDED ACTION: Adopt Resolution 21-XX approving the Kastania Pump Station Rehabilitation Project, authorizing the General Manager to execute any and all agreements, licenses and/or permits including the 2021 Kastania Pump Station Transfer Agreement and the 2021 Amended and Restated Interconnection Agreement in order to carry out the project as approved, finding the Project is exempt from the provisions of the California Environmental Quality Act (CEQA), and directing staff to file a Notice of Exemption with the Sonoma County Clerk.

FINANCIAL IMPACT: None at this time

Overview

In connection with the 2021 drought, Marin Municipal Water District (MMWD or Marin Water) is pursuing avenues to improve water supply reliability, including the rehabilitation and recommissioning of the Kastania Pump Station (KPS) located at 4100 Kastania Road in Petaluma, CA. MMWD proposes to reacquire KPS from Sonoma County Water Agency (SCWA or Sonoma Water), rehabilitate the pumps, and reconnect KPS to the North Marin Aqueduct, which will enable MMWD operational flexibility to meet its water supply needs when they cannot be met through gravity flow such as during dry years, anticipated dry years, drought, and emergencies (Kastania Pump Station Rehabilitation Project).

The Kastania Pump Station Rehabilitation Project requires North Marin Water District (NMWD) to approve the 2021 Kastania Pump Station Transfer Agreement (a three-party property transfer agreement between MMWD, Sonoma Water, and NMWD) and the 2021 Amended and Restated Interconnection Agreement Between North Marin Water District and Marin Municipal Water District (2021 Amended and Restated Interconnection Agreement). MMWD, NMWD, Sonoma Water, and the City of Petaluma are also finalizing the 2021 Memorandum of Understanding for the Operation of the Kastania Pump Station and Operation

of the Ely Booster Pump Station, which is a staff-level document intended to deal with specific operational details.

Background

In 1974 NMWD and MMWD entered into an intertie agreement that provided for the delivery of SCWA Russian River water to MMWD subject to the availability of capacity in NMWD's North Marin aqueduct. In 1975, MMWD began importing water from SCWA through NMWD's North Marin Aqueduct to MMWD's pipeline in Novato (near San Marin and Redwood Blvd).

In 1977, MMWD designed and built KPS to increase the flow and pressure in the North Marin Aqueduct and offset the hydraulic impact of increased consumption of imported water by the City of Petaluma and NMWD. MMWD completed construction of the pump station in September 1977.

In 1993, NMWD and MMWD entered into a new Intertie Agreement (1993 Intertie Agreement) with the basic objective to provide a mechanism whereby NMWD and MMWD could utilize their respective water systems, surplus water and surplus system capacity in a coordinated manner to the benefit of the customers of both Districts.

MMWD owned and operated KPS until 1999 when, NMWD, SCWA and MMWD executed the "Agreement Among the Sonoma County Water Agency, the North Marin Water District and the Marin Municipal Water District for Acquisition of a Portion of the North Marin Aqueduct and the Kastania Pump Plant," dated April 13, 1999, and the following actions occurred:

1. MMWD transferred ownership of the KPS to the Sonoma County Water Agency; and
2. NMWD transferred ownership of the Kastania Pipeline, which was the portion of the North Marin Aqueduct connecting Sonoma Water's Petaluma Aqueduct from the intersection of McNear Avenue and Petaluma Blvd. with SCWA's Kastania Reservoir and terminating at the 30-inch wye at the connection of MMWD's 30-inch Kastania Pump Station discharge pipeline with the North Marin Aqueduct in Kastania Road.

Approximately five years later, the California Department of Transportation (CalTrans) began planning its Marin-Sonoma Narrows US 101 highway-widening project (CalTrans

MSN Project), which required relocation of portions of NMWD's North Marin Aqueduct and ultimately led to the development of NMWD's Aqueduct Energy Efficiency Project (AEEP). The AEEP enabled transport of water by gravity flow through upsized portions of the aqueduct, thereby eliminating the need for NMWD to utilize the pumps at KPS to meet existing or projected future demand. Upon completion of the AEEP in August 2015, NMWD discontinued operation of the KPS, which was decommissioned and has been out of operation ever since.

The AEEP and planned decommissioning of KPS necessitated modifications to the 1993 Intertie Agreement, which was accomplished via the 2014 Interconnection Agreement between NMWD and MMWD (MMWD-NMWD 2014 Interconnection Agreement). The 2014 Interconnection Agreement encompassed various modifications to the 1993 Intertie Agreement including: (1) added language that KPS is being taken out of service; (2) added new wheeling charges; (3) provided for MMWD payment for a portion of the AEEP capital cost; and (4) enabled MMWD and NMWD to cooperate in a future agreement for a potential MMWD pipeline from Redwood Landfill to Kastania.

2021 Kastania Pump Station Transfer Agreement

Attached for Board review is a draft of the 2021 Kastania Pump Station Transfer Agreement (Attachment 1). The purpose of this Agreement is to provide for: 1) the transfer of the Kastania Pump Station from Sonoma Water to MMWD, 2) the subsequent conveyance of easements to NMWD to operate and maintain those portions of the Kastania Pipeline and the North Marin Aqueduct located in and under the Kastania Pump Station property, and 3) to provide easements to Sonoma Water and NMWD to operate and maintain their existing and future telemetry equipment located at the Kastania Pump Station. The 2021 Kastania Pump Station Transfer Agreement also anticipates the future transfer of a portion of the Kastania Pipeline from Sonoma Water to NMWD.

2021 Amended and Restated Interconnection Agreement

Attached for Board review is the 2021 Amended and Restated Interconnection Agreement, which revises the (Clean and strike-out versions in Attachment 2) to address MMWD's re-acquisition, rehabilitation, and recommissioning of Kastania Pump Station. The 2021 Amended and Restated Interconnection Agreement: acknowledges the 2021 statewide emergency drought and MMWD's intent to rehabilitate the Kastania Pump Station to increase

operational efficiency of water transmission which has become more acute during drought conditions; includes new indemnification language pertaining to the proposed KPS project; and includes miscellaneous updates to reflect current operating conditions and payment provisions.

2021 Memorandum of Understanding for the Operation of the Kastania Pump Station and Operation of the Ely Booster Pump Station

The Kastania Pump Station will be operated in accordance with the revised 2021 Memorandum of Understanding for the Operation of the Kastania Pump Station and Operation of the Ely Booster Pump Station (2021 MOU)(see draft in Attachment 3). The 2021 MOU sets forth the operational parameters for KPS among the District, SCWA, MMWD, and the City of Petaluma and establishes operating conditions of KPS based on water action levels in Kastania Tank – a water storage tank owned and operated by SCWA. The 2021 MOU includes a provision for annual review and to make necessary modifications pursuant to the 2021 MOU to avoid operational conditions that may adversely affect any party. The 2021 MOU has been reviewed by staff and District counsel and will be executed once finalized by all parties.

Environmental Review

MMWD is lead agency for the Kastania Pump Station Rehabilitation Project and previously filed a Notice of Exemption under the California Environmental Quality Act (CEQA) in May 2021 asserting two exemptions. Based on the CEQA Memo produced by MMWD's consultant, GHD, and the findings and determinations made by both the MMWD Board and SCWA Board (see Attachments), staff has determined that the KPS Project is statutorily exempt under CEQA Statute 21080(b)(4) as a specific action necessary to mitigate an emergency; and categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301(b) as it includes the operation, repair, and minor alteration of existing facilities involving no expansion of use (Class 1, "Existing Facilities"), and Section 15269(b)(c) because the Project involves emergency repairs to publicly owned service facilities necessary to maintain essential public health, safety, and welfare and prevent an emergency ("Emergency Projects"). The General Manager has determined that the Kastania Pump Station project is being constructed solely to benefit MMWD and will not adversely affect NMWD in any way. Accordingly, staff has prepared a Notice of Exemption in accordance with CEQA (see Attachment 4).

RECOMMENDATION:

Adopt Resolution 21-XX approving the Kastania Pump Station Rehabilitation Project, authorizing the General Manager to execute any and all agreements, licenses and/or permits including the 2021 Kastania Pump Station Transfer Agreement and the 2021 Amended and Restated Interconnection Agreement in order to carry out the Project as approved, finding the Project is exempt from the provisions of the California Environmental Quality Act (CEQA), and directing staff to file a Notice of Exemption with the Sonoma County Clerk.

ATTACHMENTS:

- 1) Draft 2021 Kastania Pump Station Transfer Agreement
- 2) Draft 2021 Amended and Restated Interconnection Agreement Between North Marin Water District and Marin Municipal Water District
- 3) Draft 2021 MOU for Operation of the Katania Pump Station and Operation of the Ely Booster Pump Station
- 4) NMWD CEQA Notice of Exemption
- 5) MMWD Board of Directors May 18, 2021 KPS Agenda Item
- 6) SCWA Board of Directors November 2, 2021 KPS Agenda Item

RESOLUTION NO. 21-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT APPROVING THE KASTANIA PUMP STATION REHABILITATION PROJECT

WHEREAS, in 1974, NMWD and MMWD entered into an intertie agreement that provided for the delivery of Sonoma County Water Agency (Sonoma Water) Russian River water to MMWD subject to the availability of capacity in NMWD's North Marin aqueduct; and

WHEREAS, in 1977, the Marin Municipal Water District (MMWD) constructed the Kastania Pump Station at 4100 Kastania Road, Petaluma to facilitate delivery of its imported water supply from Sonoma Water; and

WHEREAS, MMWD owned and operated the Kastania Pump Station (KPS) from 1977 to 1999; and

WHEREAS, in 1993, the District and MMWD entered into a new Intertie Agreement (1993 Intertie Agreement) with the basic objective to provide a mechanism whereby the District and MMWD could utilize their respective water systems, surplus water and surplus system capacity in a coordinated manner to the benefit of the customers of both Districts; and

WHEREAS, in accordance with the "Agreement Among the Sonoma County Water Agency, the North Marin Water District and the Marin Municipal Water District for Acquisition of a Portion of the North Marin Aqueduct and the Kastania Pump Plant," dated April 13, 1999, MMWD transferred ownership of KPS to Sonoma Water and the District transferred ownership of the Kastania Pipeline to Sonoma Water; and

Whereas, in 2014, the District and MMWD executed the 2014 Interconnection Agreement (MMWD-NMWD 2014 Interconnection Agreement), which encompassed various modifications to the 1993 Intertie Agreement including: (1) added language that KPS is being taken out of service; (2) added new wheeling charges; (3) provided for MMWD payment for a portion of the AEEP capital cost; and (4) enabled MMWD and the District to cooperate in a future agreement for a potential MMWD pipeline from Redwood Landfill to Kastania; and

WHEREAS, in 2014, construction commenced on the District's Aqueduct Energy Efficiency Project (AEEP), which enlarged the North Marin Aqueduct from Kastania Pump Station to Redwood Landfill Road, including the North Marin Aqueduct sections requiring relocation due to the California Department of Transportation (CalTrans) US Highway 101 Marin-Sonoma Narrows Project, thereby enabling transport of water by gravity flow and eliminating the need for the District to utilize the pumps at KPS; and

WHEREAS, upon completion of the AEEP in August 2015, pumping operation at KPS was discontinued; and

WHEREAS, KPS is in a state of disrepair, is not connected to the North Marin Aqueduct, and is not available to be used to improve the operational efficiency of MMWD's imported water supply; and

WHEREAS, on April 20, 2021, the Board of Directors of Marin Municipal Water District (MMWD Board) adopted Resolution 8630 declaring a water shortage emergency and adopted Ordinance 449 implementing mandatory water conservation measures; and

WHEREAS, in connection with the 2021 drought water shortage emergency, MMWD proposes rehabilitation and recommissioning of the Kastania Pump Station ("KPS Rehabilitation Project") to increase operational efficiency of water transmission through the North Marin Aqueduct which has become more acute during drought conditions; and

WHEREAS, MMWD staff engaged GHD to review the proposed KPS Rehabilitation Project and provide a recommendation for compliance under the California Environmental Quality Act (CEQA), and GHD concluded in its May 3, 2021 Memorandum (CEQA Memo) that the KPS Rehabilitation Project would qualify for exemptions under CEQA Guidelines Section 15269 "Emergency Projects" and CEQA Guidelines Section 15301 "Existing Facilities"; and

WHEREAS, on May 18, 2021, on recommendation of staff, the MMWD Board adopted Resolution No. 8635 approving the KPS Rehabilitation Project, finding the Project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Sections 15301(b) and 15269 (b)(c), and directing staff to file a Notice of Exemption (NOE) with the Sonoma County Clerk; and

WHEREAS, in support of drought response efforts, the District, Sonoma Water, and MMWD have developed the 2021 Kastania Pump Station Transfer Agreement to provide for the transfer of the Kastania Pump Station to MMWD and a portion of the Kastania Pipeline to the District from Sonoma Water, along with the subsequent conveyance of easements from MMWD to the District over the pump station property necessary for the District to operate and maintain its pipeline and telemetry equipment; and

WHEREAS, the District and MMWD have developed the 2021 Amended and Restated Interconnection Agreement Between North Marin Water District and Marin Municipal Water District which updates the provisions contained in MMWD-NMWD 2014 Interconnection Agreement to address MMWD's re-acquisition, rehabilitation, and recommissioning of Kastania Pump Station; and

WHEREAS, on November 2, 2021, the MMWD Board authorized the General Manager to finalize and execute the 2021 Kastania Pump Station Transfer Agreement and 2021 Memorandum of Understanding for Operation of the Kastania Pump Station and Operation of the Ely Booster Pump Station; and

WHEREAS, on November 2, 2021, the Sonoma County Board of Supervisors adopted a resolution determining that the proposed transfer of property will not adversely affect Sonoma Water

in any respect and will not have a significant adverse effect on the environment, and authorize the General Manager to execute an Agreement, in a form approved by County Counsel, between Sonoma Water, MMWD, and the District to transfer ownership of Kastania Pump Station and a portion of Kastania Pipeline; and

WHEREAS, based on the CEQA Memo produced by MMWD's consultant, GHD, and the findings and determinations made by both the MMWD Board and the Sonoma County Board of Supervisors, District staff has determined that the transaction is statutorily exempt under CEQA Statute 21080(b)(4) as a specific action necessary to mitigate an emergency, and categorically exempt from CEQA pursuant to CEQA Guidelines Sections 150301 and 15269; and

WHEREAS, the District has prepared a Notice of Exemption in accordance with CEQA, the State CEQA Guidelines; and

WHEREAS, the District's General Manager finds that the Kastania Pump Rehabilitation Project will not adversely affect North Marin Water District in any respect.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the North Marin Water District (Board) finds and determines that the foregoing Recitals are true and correct and incorporates these Recitals as if fully set forth herein.
2. The Board hereby finds and determines that the Kastania Pump Rehabilitation Project will not adversely affect North Marin Water District in any respect.
3. The Board hereby approves the Kastania Pump Station Rehabilitation Project and authorizes the District's General Manager to finalize and execute any and all agreements, licenses and/or permits in order to carry out the project as approved including the 2021 Kastania Pump Station Transfer Agreement and the 2021 Amended and Restated Interconnection Agreement Between North Marin Water District and Marin Municipal Water District.
4. The Board finds the Kastania Pump Station Rehabilitation Project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to 14 CCR 15061(b)(1), (2), based on the following categorical and statutory exemptions:
 - a. The Project is exempt under CEQA Guidelines Section 15269(b)(c) because the Project involves emergency repairs to publicly owned service facilities necessary to maintain essential public health, safety, and welfare and prevent an emergency ("Emergency Projects").
 - b. As a separate and independent basis for finding exemption under CEQA, the Project is exempt pursuant to CEQA Guidelines Section 15301(b) as it includes the operation, repair, and minor alteration of existing facilities

involving no expansion of use (Class 1, "Existing Facilities").

- c. As a separate and independent basis for finding exemption under CEQA, the Project is exempt pursuant to Section 21080(b)(4) of the Public Resources Code as a specific action necessary to mitigate an emergency.

5. Pursuant to 14 CCR Section 15062, the Board directs staff to file a Notice of Exemption for the Kastania Pump Station Rehabilitation project with the Sonoma County Clerk, which shall constitute Project approval as defined in 14 CCR Section 15352(a).

* * * * *

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 7th of December 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

(SEAL)

Theresa Kehoe, District Secretary
North Marin Water District

2021 KASTANIA PUMP STATION TRANSFER AGREEMENT

This 2021 Kastania Pump Station Transfer Agreement (hereinafter “Agreement”) is made and entered into by and between the Sonoma County Water Agency (“Sonoma Water”), the Marin Municipal Water District (“MMWD” or “Marin Water”) and the North Marin Water District (“NMWD” or “North Marin”).

Recitals

- A. Pursuant to the terms of the “Agreement Among the Sonoma County Water Agency, The North Marin Water District And The Marin Municipal Water District For Acquisition Of A Portion Of The North Marin Aqueduct And The Kastania Pumping Plant” dated April 13, 1999 (the “Initial Transfer Agreement”), MMWD transferred ownership of the Kastania Pump Station to Sonoma Water, and NMWD transferred ownership of a portion of the existing North Marin Aqueduct to Sonoma Water. Said portion of the North Marin Aqueduct was designated as the “Kastania Pipeline”.
- B. In 2014, construction commenced on NMWD’s Aqueduct Energy Efficiency Project (AEEP), which enlarged the North Marin Aqueduct from Kastania Pump Station to Redwood Landfill Road, including the North Marin Aqueduct sections requiring relocation due to the California Department of Transportation (CalTrans) US Highway 101 Marin-Sonoma Narrows Project, thereby enabling transport of water by gravity flow and eliminating the need for North Marin to utilize the pumps at Kastania Pump Station. At that time, Sonoma Water and NMWD discussed an arrangement for transfer of ownership of Kastania Pump Station from Sonoma Water to NMWD, but the property transfer was not consummated due to the desire by NMWD to wait until all the right of way acquisitions and relinquishments by CalTrans were formally recorded.
- C. Upon completion of the AEEP in August 2015, North Marin discontinued pumping operation of Sonoma Water’s Kastania Pump Station.
- D. In connection with the 2021 drought water shortage emergency, Marin Water proposes rehabilitation and recommissioning of the Kastania Pump Station (“KPS Rehabilitation Project”) to increase operational efficiency of water transmission through the North Marin Aqueduct which has become more acute during drought conditions. The parties agree that it is necessary and appropriate to transfer the ownership of the Kastania Pump Station from Sonoma Water to Marin Water as part of the KPS Rehabilitation Project.

E. In conjunction with the KPS Rehabilitation Project, Sonoma Water desires to transfer ownership of the Kastania Pump Station to Marin Water, and to transfer to NMWD ownership of that portion of the Kastania Pipeline extending south from the Kastania Meter Station under Kastania Road and ending at the "WYE" south of Kastania Pump Station, and that portion of the Kastania Pipeline branching off to the southeast from Kastania Road, running under the parcel denoted as 61873-1 as depicted on Exhibit A, attached hereto and incorporated by reference. Marin Water desires to accept the transfer of ownership of Kastania Pump Station, and NMWD desires to accept ownership of the designated portions of the Kastania Pipeline.

F. Marin Water desires to subsequently convey easements on the Kastania Pump Station property in favor of NMWD as described in Sections 1.4, 2.2, and 2.3 of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises made herein, the parties hereto hereby mutually covenant and agree as follows:

PART 1 - GENERAL

1.1 Incorporation of Recitals

The recitals stated above are true and correct and are incorporated into this Agreement.

1.2 Definitions

When used herein, unless otherwise distinctly expressed or manifestly incompatible with the intent of this Agreement, the terms:

- a) "Kastania Pump Station" means the twin 400 horsepower pumps and motors (1 Duty, 1 Standby), pump house, piping connections to the Kastania Pipeline and the North Marin Aqueduct, site improvements and appurtenances including the real property, as shown in Exhibit A hereto and described in the Form of Grant Deed at Exhibit B, all in its "as-is" condition as of the effective date of this Agreement.
- b) "Kastania Pipeline" means:
 - 1. The portion of the 30-inch cement mortar-lined steel aqueduct defined and transferred to Sonoma Water pursuant to the Initial Transfer Agreement and described or depicted on the following:
 - 2. 30-inch aqueduct relocation modifications by CalTrans MSN B2 Project shown on CalTrans' record drawings for the Marin-Sonoma Narrows Segment B-2 project (Contract No. 04-2640U4), dated 6-30-2017, sheets 330 (U-20) through 332 (U-22) of 918, from Station "W1"10+03.64 to "W1"42+53.31 (CalTrans MSN B2 Record Drawings); and
 - 3. Contract Change Order revisions to the 30-inch aqueduct from Station "W1"15+80.62 to "W1"16+95.42, dated 11-15-18 and shown on sheet 183B (U-

26) of 604 for the CalTrans' MSN B2 Project (CalTrans MSN B2 Change Order Drawings); and

4. All portions of the 30-inch welded steel pipe (WSP) shown on the General Piping Plan (drawing M1/19) of MMWD's Kastania Pump Station as-installed drawings, dated 9/77 (MMWD KPS as-installed drawings).
- c) "Telemetry Equipment" means telemetry equipment installed at the Kastania Pump Station property, including SCADA, any power conduit, antennae or other ancillary facilities, some of which is owned and operated by Sonoma Water, which is further described in the Form of Grant Deed at Exhibit B, and some of which is owned and operated by NMWD, as more specifically described in the Form of Easement for Telemetry Equipment at Exhibit D.

1.3 Exhibits

- a) Exhibit A: Map of the Kastania Pump Station property and a portion of Kastania Pipeline; and
- b) Exhibit B: Form of Grant Deed for Transfer of Kastania Pump Station from Sonoma Water to Marin Water; and
- c) Exhibit C: Form of Easement Deed for Kastania Pipeline and North Marin Aqueduct from Marin Water to NMWD; and
- d) Exhibit D: Form of Easement Deed to convey an easement from Marin Water in favor of NMWD for Telemetry Equipment; and
- e) Exhibit E: Form of Quitclaim Deed for Transfer of a portion of Kastania Pipeline from Sonoma Water to NMWD.
- f) Exhibit F-1: CalTrans MSN B2 Record Drawings
- g) Exhibit F-2: CalTrans MSN B2 Change Order Drawings
- h) Exhibit F-3: MMWD KPS as-installed drawings.

1.4 Purpose

The purpose of this Agreement is to provide for: 1) the transfer of the Kastania Pump Station from Sonoma Water to Marin Water, as described in Section 2.1 of this Agreement, and as shown on Exhibit A hereto, thereby enabling construction and operation of the KPS Rehabilitation Project; 2) the subsequent conveyance of easements necessary to assure that NMWD may own, operate, and maintain those portions of the Kastania Pipeline and the North Marin Aqueduct located in and under the Kastania Pump Station property, and to assure that NMWD may own, operate, and maintain its existing, and any future, Telemetry Equipment located at the Kastania Pump Station; and 3) the transfer of a portion of the Kastania Pipeline from Sonoma Water to NMWD, as described in Section 2.4 of this Agreement, and as shown on Exhibit A attached hereto, thereby enabling NMWD's ownership, operation, and maintenance

of the portion of the Kastania Pipeline located between the Kastania Meter Station and the Kastania Pump Station.

1.5 Effective Date of Agreement

This Agreement shall become effective upon its execution by all of the parties hereto.

PART 2 – TRANSFER OF KASTANIA PUMP STATION AND KASTANIA PIPELINE

2.1 Transfer of the Kastania Pump Station

Except for rights described in this Agreement to be reserved unto Sonoma Water, Sonoma Water hereby agrees to transfer and convey to Marin Water all existing rights, title and interest of Sonoma Water in and to the Kastania Pump Station and all associated piping and appurtenances located upon the real property, shown on Exhibit A and further described in the Form of Grant Deed set forth at Exhibit B, subject to the reservation of rights required by Sonoma Water to maintain, install, adjust, repair, remove, replace and operate electrical, SCADA, Telemetry Equipment and other related equipment, together with and including reasonable ingress and egress over adjoining lands, provided that same shall not interfere with the rights of the District to use the property as water transfer pump station, both attached hereto and made part of this Agreement.

2.2 Kastania Pipeline Easement in Favor of North Marin

Marin Water hereby agrees to grant an easement together with a right of ingress and egress over, under, through and across the Kastania Pump Station to NMWD for purposes of owning, operating, maintaining, repairing or replacing the Kastania Pipeline and the North Marin Aqueduct located on the Kastania Pump Station property, in the location as generally depicted on the map at Exhibit A and more specifically described in the Form of Easement Deed for Kastania Pipeline and North Marin Aqueduct as set forth at Exhibit C, attached hereto and made part of this Agreement ("Kastania Pipeline and North Marin Aqueduct Easement").

2.3 Telemetry Equipment Easement

Marin Water hereby agrees to convey an easement to NMWD over, under, through and across the Kastania Pump Station property as necessary for NMWD to own, operate, install, access, maintain, adjust, repair or replace its electrical, Telemetry Equipment, and other equipment within the Kastania Pump Station property as more specifically described and set forth in the Form of Easement Deed to convey an easement from Marin Water in favor of NMWD for Telemetry Equipment as set forth at Exhibit D, attached hereto and made part of this Agreement ("Easement for Telemetry Equipment from Marin Water to NMWD").

2.4 Transfer of the Kastania Pipeline

Once Sonoma Water receives fully executed and recorded easement conveyance documents from CalTrans, and in accordance with Section 2.5b, Sonoma Water hereby agrees to transfer and convey to NMWD all existing rights, title and interest of Sonoma Water in and to the portion of the Kastania Pipeline located between the Kastania Meter Station and Kastania Pump Station and all associated appurtenances, shown on Exhibit A and further described in Recital E and the Form of Quitclaim Deed for Transfer of a portion of Kastania Pipeline from Sonoma Water to NMWD as set forth at Exhibit E, attached hereto and made part of this Agreement.

2.5 Execution, Delivery and Recordation of Conveyance Documents

a) Within 10 days following the full execution of this Agreement, Marin Water will prepare the clean and recordable Grant Deed and Easement Deeds in the forms set forth at Exhibits B through D of this Agreement and work to collect all signatures necessary for recordation of said conveyance documents, including but not limited to, any notaries and certificates of acceptance. Sonoma Water and NMWD agree to work cooperatively and promptly with Marin Water to provide all necessary signatures on said conveyance documents. Once the three conveyance documents have been fully executed, Marin Water will cause the conveyance documents to be recorded in the Official Records of Sonoma County, together and in the following priority:

1. Grant Deed (Exhibit B) – Transfer of Kastania Pump Station from Sonoma Water to Marin Water
2. Easement Deed (Exhibit C) – Kastania Pipeline and North Marin Aqueduct Easement
3. Easement Deed (Exhibit D) – Easement for Telemetry Equipment from Marin Water to NMWD

Marin Water will obtain conformed copies of all recorded conveyance documents and return a conformed copy of the Grant Deed and the conformed copy of the Kastania Pipeline and North Marin Aqueduct Easement Deed and NMWD Telemetry Equipment Easement Deed to NMWD within five business days from the date of said recording.

b) Within 60 days following receipt of fully executed and recorded easement conveyance documents received by Sonoma Water from CalTrans for the portion of the Kastania Pipeline located between the Kastania Meter Station and Kastania Pump Station, Sonoma Water will prepare the clean and recordable Quitclaim Deed for Transfer of a portion of Kastania Pipeline from Sonoma Water to NMWD in the form set forth at Exhibit E of this Agreement and work to collect all signatures necessary for recordation of said conveyance documents, including but not limited to, any notaries and certificates of acceptance. NMWD agrees to work cooperatively and promptly with

Sonoma Water to provide all necessary signatures on said conveyance documents. Once said conveyance documents have been fully executed, Sonoma Water will cause the conveyance documents to be recorded in the Official Records of Sonoma County. Sonoma Water will obtain conformed copies of the recorded conveyance documents and return a conformed copy of the Quitclaim Deed to NMWD within five business days from the date of said recording.

2.6 Operation and Maintenance

- a) Upon recordation of the Grant Deed in favor of Marin Water, Marin Water shall have full responsibility for the operation and maintenance of the Kastania Pump Station. The preceding sentence notwithstanding, NMWD shall maintain operational control of Kastania Pump Station and shall operate same in accordance with the 2021 Amended and Restated Interconnection Agreement between North Marin Water District and Marin Municipal Water District, dated December __, 2021, and the 2021 Memorandum of Understanding for Operation of the Kastania Pump Station and Operation of the Ely Booster Station agreed to by Sonoma Water, NMWD, Marin Water, and City of Petaluma subsequent to execution of this Agreement. Upon recordation of the Kastania Pipeline and North Marin Aqueduct Easement, NMWD shall maintain full responsibility for the operation and maintenance of that portion of the Kastania Pipeline and North Marin Aqueduct located on the Kastania Pump Station property and any connection to that portion of the North Marin Aqueduct, including but not limited to any intertie or connection necessary to facilitate the KPS Rehabilitation Project, which shall be pursuant to the 2021 Amended and Restated Interconnection Agreement between North Marin Water District and Marin Municipal Water District, dated December __, 2021, as executed concurrently with this Agreement.
- b) Upon recordation of the Quitclaim Deed for Transfer of a portion of Kastania Pipeline from Sonoma Water to NMWD, NMWD shall have full responsibility for the operation and maintenance of that portion of the Kastania Pipeline located between the Kastania Meter Station and Kastania Pump Station.

2.7 Rights Reserved

Part 3 of the Initial Transfer Agreement is herewith no longer in effect and is superseded by this Agreement. All other provisions of said Initial Transfer Agreement remain in full force and effect including NMWD's exclusive right to sell water to existing and new customers in the South Petaluma Boulevard Industrial area from existing turnouts connected to the Water Agency's Kastania Pipeline.

2.8 Costs

- a) In consideration of said transfer and conveyance described in this PART 2, Marin Water shall pay to Sonoma Water the sum of one dollar within 60 days from the effective date of this Agreement.
- b) All costs related to the KPS Rehabilitation Project including: planning, permitting, design, and construction (materials, equipment and labor including necessary piping intertie or connection to the Kastania Pipeline and North Marin Aqueduct), construction management, inspection; and ongoing operations, maintenance and replacement costs, shall be borne solely by Marin Water. Marin Water agrees to reimburse NMWD and Sonoma Water the fully loaded rates for construction support, including construction management, inspection and operations and maintenance support within thirty (30) days of receipt of an invoice from Sonoma Water for these services.

Part 3 – Miscellaneous

3.1 Enforcement

Each and all of the provisions of this Agreement shall be enforceable by action brought by any party hereto for specific performance or any other appropriate action at law for damages or in equity for other appropriate relief to the end that no party hereto shall suffer from the default of any other party.

3.2 Severability

If any one or more sections, provisions, promises or conditions of this Agreement are declared void or voidable for any reason by a final judgment or order of a court of competent jurisdiction, it is hereby declared to be the intention of each party and agreed that each and all of the other sections, provisions, promises and conditions of this Agreement shall be and remain in full force and effect.

3.3 Waiver of Breach

The waiver by any party of either breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

3.4 Construction

To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the

provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

3.5 Drafter

Marin Water, NMWD and Sonoma Water hereby acknowledge that they have each contributed to the making of this Agreement and have an opportunity for their respective legal counsel to review and contribute to this Agreement. In the event of a dispute over the interpretation of this Agreement, the parties hereto hereby agree that the language of the Agreement will not be construed against one party in favor of the other.

3.6 Third-Party Beneficiary

Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

3.7 Section Headings

The section headings in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

3.8 Merger

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

3.9 Pronoun Number and Gender

As required by the context of this Agreement, each pronoun and parenthetical reference shall mean and be construed to include the singular and plural, and the masculine, feminine, and neuter.

3.10 California Environmental Quality Act

Pursuant to the California Environmental Quality Act, Marin Water is designated as the lead agency for any environmental documentation that may be required for restoration of the Kastania Pump Station, this Agreement, the 2021 Amended and Restated Interconnection Agreement between North Marin Water District and Marin Municipal Water District, dated December __, 2021, and the 2021 Memorandum of Understanding for Operation of the Kastania Pump Station and Operation of the Ely Booster Pump Station (collectively the "Kastania Pump Station Restoration Project").

Remainder of Page Intentionally Left Blank

The Parties below have executed this Agreement effective as of the last date set forth below.

Sonoma County Water Agency

APPROVED AS TO FORM:

By: _____
Grant Davis, General Manager

Date: _____

Attest:

By: _____
Clerk of the Board

Sonoma County Counsel's Office

North Marin Water District

APPROVED AS TO FORM:

By: _____

North Marin Legal Counsel

(Please print name here)

Date: _____

Marin Municipal Water District

APPROVED AS TO FORM:

By: _____
Bennett Horenstein, General Manager

Molly MacLean, General Counsel

Date: _____

Exhibit A To 2021 KPS Transfer Agreement

[Insert map]



Exhibit B To 2021 KPS Transfer Agreement

For Benefit of Grantee, standard Recording Fee

Value less than \$100.00, Documentary Transfer Tax = 0

Signature of Agent Determining Tax

When recorded mail a copy to:

Stanley Graham
Marin Municipal Water District
220 Nellen Avenue
Corte Madera CA 94925

GRANT DEED

APN:

THIS GRANT DEED, made as of _____, by and between the **SONOMA COUNTY WATER AGENCY** a body corporate and politic organized under the laws of the State of California, hereinafter called "**Sonoma Water**" and **MARIN MUNICIPAL WATER DISTRICT**, a public corporation, hereinafter called "**District**."

WITNESSETH:

That Sonoma Water, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant unto District, their successors and assigns, forever, all of the right, title and interests of Sonoma Water in the real property in the County of Sonoma, State of California, more particularly described in Exhibit A, attached hereto and incorporated herein.

Reserving therefrom a nonexclusive easement in gross for Sonoma Water to maintain, install, adjust, repair, remove, replace and operate electrical, SCADA, telemetry equipment, and other related equipment, including reasonable ingress and egress over adjoining lands, provided that same shall not interfere with the rights of the District to use the property as a water transfer pump station.

IN WITNESS WHEREOF, the parties have executed these presents the day and year first written above.

SEAL:

SONOMA COUNTY WATER AGENCY

By _____
Grant Davis, General Manager

ATTACHMENTS:

Exhibit A – Legal Description of the Property

Notary Acknowledgement

Certificate of Acceptance



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of _____

On _____ before me,
_____, Notary Public, personally appeared,
_____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in the real property conveyed by the Easement Agreement, dated _____, 2021 from the **SONOMA COUNTY WATER AGENCY**, a public corporation, to **MARIN MUNICIPAL WATER DISTRICT**, a public corporation, was hereby accepted by the **BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT** on _____, 2021 subject to the terms and conditions of said Easement Agreement, and **MARIN MUNICIPAL WATER DISTRICT** consents to the recordation thereof by its duly authorized Officer.

DATED: _____ **BY:** _____

**Exhibit C To 2021 KPS Transfer Agreement
Kastania Pipeline and North Marin Aqueduct Easement**

Recording for the Benefit of MMWD, No Fee, Gov't. Code 27383.
Value less than \$100.00

Recording Requested By:
Tony Williams
Asst. GM/Chief Engineer

When recorded return to:
North Marin Water District
999 Rush Creek Place
Novato CA 94945

EASEMENT AGREEMENT

APN:

THIS AGREEMENT AND GRANT OF EASEMENT, is made and entered into this ____ day of _____, by and between the **MARIN MUNICIPAL WATER DISTRICT**, a body corporate and politic, hereinafter called "Grantor", and the **NORTH MARIN WATER DISTRICT**, a local governmental agency, hereinafter called "Grantee."

WITNESSETH:

For good and valuable consideration, receipt of which is hereby acknowledged, Grantor hereby grants to Grantee and Grantee hereby accepts from Grantor a perpetual non-exclusive easement together with a right of ingress and egress in, under, over, along, and across that certain real property in the County of Sonoma, State of California, located at 4100 Kastania Road. The specific area of the easement ("Easement Area") is depicted on Detail B of "Exhibit C-1," which is attached hereto and incorporated herein by this reference.

The purpose of the easement is for Grantee to own, operate, lay down, install, construct, reconstruct, maintain, remove, repair or replace, as the Grantee may see fit, for the transmission and distribution of water, a pipe or pipes and all necessary braces, connections, fastening, and other appliances and fixtures for use in connection therewith or appurtenant thereto, in, under, on, along, and throughout the Easement Area.

Grantor hereby further grants Grantee, its employees, consultants, contractors, and other agents access throughout the entirety of said Easement Area. Grantor and Grantor's heirs, successors or assigns will not permit, place, or construct any building or structure within the Easement Area, or within the appurtenant ingress and egress areas, which will prevent Grantee staff/Grantee contractors, vehicles and equipment from operating anywhere therein. Grantor and Grantor's heirs, successors or assigns will not excavate or permit excavation to be

made closer than three (3) feet away from the Easement Area without prior written consent of Grantee, not to be unreasonably withheld.

This grant specifically includes the right of Grantee, without obtaining any consent from Grantor, its successors or assigns, to authorize its consultants, contractors, or other agents to use the Easement to access said property for those purposes set forth herein, provided that same does not interfere with Grantor's use of the property. Grantee, at its sole cost and expense, shall take all action necessary to maintain and repair all of its improvements damaged by the Grantee and/or its Licensees within the Easement Area. Except in the case of emergency, Grantee shall make reasonable efforts to notify, and coordinate access with, Grantor prior to carrying out any activity within the Easement Area, including but not limited to construction, maintenance, or repair.

It is the intent of the parties hereto that this document be recorded in the Official Records of Sonoma County, and that said document shall be binding upon the successors and assignees of the parties.

IN WITNESS WHEREOF, Grantor has executed these presents the day and year first above written.

MMWD SEAL:

MARIN MUNICIPAL WATER DISTRICT

Date: _____

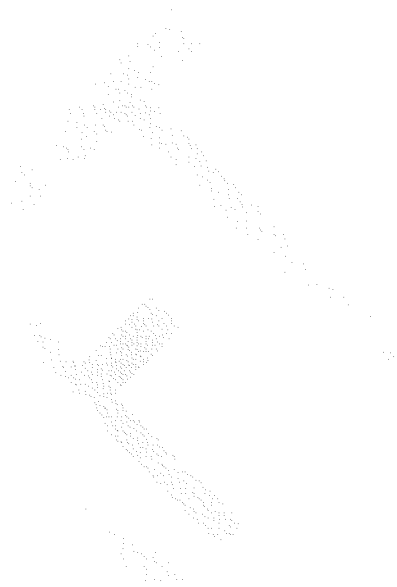
By _____
Bennett Horenstein
General Manager

ATTACHMENTS:

Exhibit C-1: Map depicting pipeline easement area on Kastania Pump Station
Notary Acknowledgement
Certificate of Acceptance

Exhibit C-1

[Insert map depicting pipeline easement area on Kastania Pump Station]



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Marin

On _____ before me, Stanley P. Graham, Notary Public, personally appeared, Bennett Horenstein, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in the real property conveyed by the Easement Agreement, dated _____, 2021 from the **MARIN MUNICIPAL WATER DISTRICT**, a public corporation, to **NORTH MARIN WATER DISTRICT**, a local governmental agency, was hereby accepted by the **BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT** on _____, 2021 subject to the terms and conditions of said Easement Agreement, and **NORTH MARIN WATER DISTRICT** consents to the recordation thereof by its duly authorized Officer.

DATED: _____ **BY:** _____

**Exhibit D To 2021 KPS Transfer Agreement
Easement for Telemetry Equipment from Marin Water to NMWD**

Recording for the Benefit of MMWD, No Fee, Gov't. Code 27383.

Value less than \$100.00

Recording Requested By:

Tony Williams

Asst. GM/Chief Engineer

When recorded return to:

North Marin Water District

999 Rush Creek Place

Novato CA 94945

EASEMENT AGREEMENT

APN:

THIS AGREEMENT AND GRANT OF EASEMENT, is made and entered into this ____ day of _____, by and between the **MARIN MUNICIPAL WATER DISTRICT**, a body corporate and politic, hereinafter called "Grantor", and the **NORTH MARIN WATER DISTRICT**, a local governmental agency, hereinafter called "Grantee."

WITNESSETH:

For good and valuable consideration, receipt of which is hereby acknowledged, Grantor hereby grants to Grantee and Grantee hereby accepts from Grantor a perpetual non-exclusive easement together with a right of ingress and egress in, under, over, along, and across that certain real property in the County of Sonoma, State of California, located at 4100 Kastania Road, for purposes of owning, operating, laying down, installing, constructing, reconstructing, maintaining, removing, repairing, and replacing SCADA and telemetry equipment as Grantee may elect to install on, in, under, across, along, and throughout the real property located at 4100 Kastania Road, and as depicted on **Exhibit D-1** (attached hereto and incorporated herein by reference), upon the terms and condition set forth herein.

This grant specifically includes the right of Grantee, without obtaining any consent from Grantor, its successors or assigns, to authorize its consultants, contractors, or other agents to use the Easement to access said property for the purposes set forth herein. Grantee, at its sole cost and expense, shall take all action necessary to maintain and repair all of its improvements damaged by the Grantee and/or its Licensees within the Easement Area. Except in the case of emergency, Grantee shall make reasonable efforts to notify, and coordinate access with, the Grantor prior to carrying out any activity within the Easement Area, including but not limited to construction, maintenance, or repair of improvements.

It is the intent of the parties hereto that this document be recorded in the Official Records of Sonoma County, and that said document shall be binding upon the successors and assignees of the parties.

IN WITNESS WHEREOF, Grantor has executed these presents the day and year first above written.

MMWD SEAL:

DISTRICT: MARIN MUNICIPAL WATER DISTRICT

Dated: _____ By: _____
Bennett Horenstein
General Manager

ATTACHMENTS:

Exhibit D-1 – Map of the Kastania Pump Station Property

Notary Acknowledgement

Certificate of Acceptance

Exhibit D-1

[Insert Map Depicting Kastania Pump Station property]

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

State of California

County of Marin

On _____ before me, Stanley P. Graham, Notary Public, personally appeared, Bennett Horenstein, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in the real property conveyed by the Easement Agreement, dated _____, 2021 from the **MARIN MUNICIPAL WATER DISTRICT**, a public corporation, to **NORTH MARIN WATER DISTRICT**, a local governmental agency, was hereby accepted by the **BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT** on _____, 2021 subject to the terms and conditions of said Easement Agreement, and **NORTH MARIN WATER DISTRICT** consents to the recordation thereof by its duly authorized Officer.

DATED: _____ **BY:** _____

Exhibit E To 2021 KPS Transfer Agreement

RECORDED AT NO FEE PER
GOVERNMENT CODE § 6103
RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Sonoma County Water Agency
404 Aviation Boulevard
Santa Rosa, CA 95403

Exempt from the fee per GC 27388.1 (a) (2);
Executed or recorded by a government agency.

Deed to Public Agency
Tax \$0 Exempt from Transfer Tax R&T 11922

QUITCLAIM DEED

APN:

THIS QUITCLAIM, made as of _____, by and between the **SONOMA COUNTY WATER AGENCY** a body corporate and politic, organized and existing under and by virtue of the laws of the State of California, hereinafter called "**Sonoma Water**" and **NORTH MARIN WATER DISTRICT**, a local governmental agency, hereinafter called "**District**."

WITNESSETH:

That Sonoma Water, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby remise, release, and forever quitclaim unto District, their successors and assigns, forever, all of the right, title and interests of the Water Agency in the real property in the County of Sonoma, State of California, more particularly described in Exhibit E-1 and depicted on Exhibit E-2, attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the parties have executed these presents the day and year first written above.

SEAL:

SONOMA COUNTY WATER AGENCY

By _____
Grant Davis, General Manager

ATTACHMENTS:

Exhibit E-1: Legal Description of the Easement Area
Exhibit E-2: Map Depicting Easement Area
Notary Acknowledgement

Certificate of Acceptance

Exhibit E-1

[Insert Legal Description of Easement Area]



Exhibit E-2
[Insert Map Depicting Easement Area]



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of _____

On _____ before me,
_____, Notary Public, personally appeared,
_____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

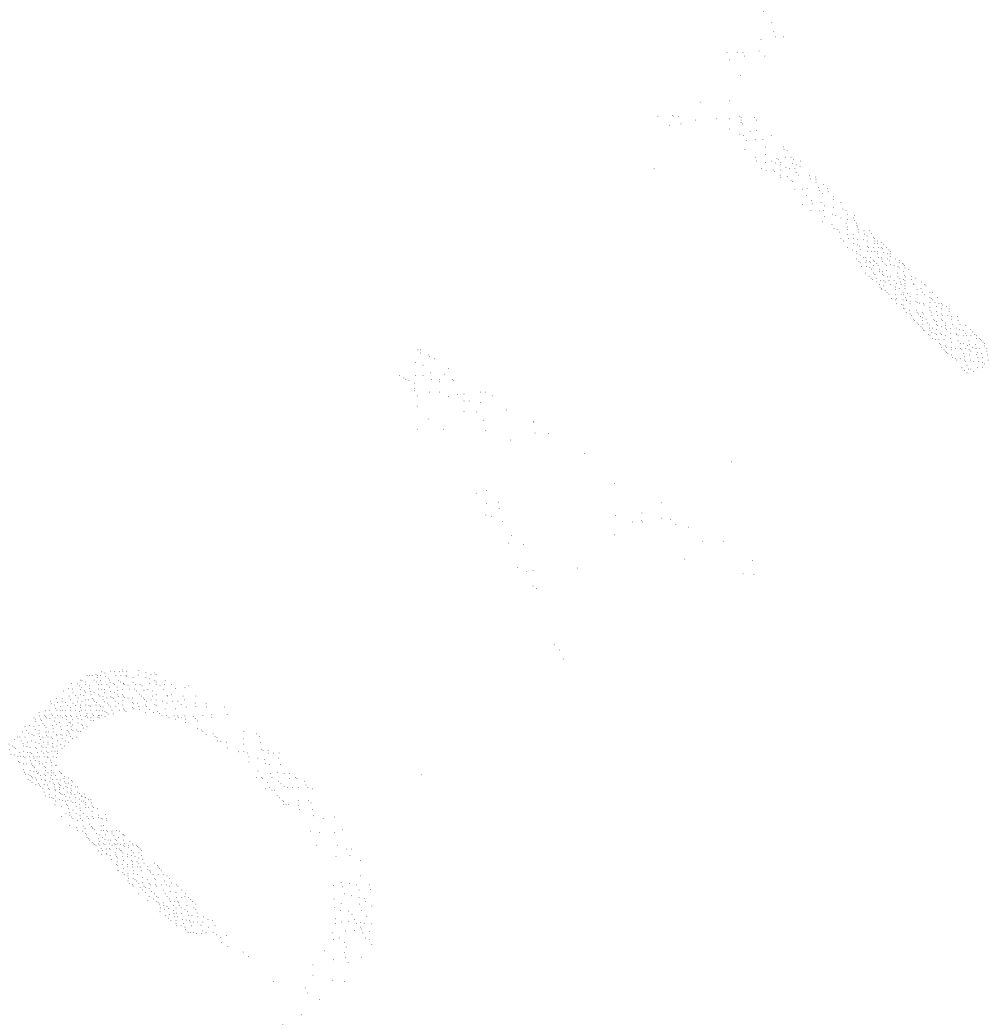
WITNESS my hand and official seal.

Signature _____

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in the real property conveyed by the Quitclaim Deed, dated _____, 2021 from the **SONOMA COUNTY WATER AGENCY**, a body corporate and politic, organized and existing under and by virtue of the laws of the State of California, to **NORTH MARIN WATER DISTRICT**, a public corporation, was hereby accepted by the **BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT** on _____, 2021 subject to the terms and conditions of said Quitclaim Deed, and **NORTH MARIN WATER DISTRICT** consents to the recordation thereof by its duly authorized Officer.

DATED: _____ **BY:** _____



STRIKEOUT
DRAFT
2021 AMENDED AND RESTATED
INTERCONNECTION AGREEMENT

between

North Marin Water District
and
Marin Municipal Water District

~~February, 2014~~
December __, 2021

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2021 AMENDED AND RESTATED
INTERCONNECTION AGREEMENT

THIS AGREEMENT, made this 5 day of ~~February, 2014~~December, 2021 by and between NORTH MARIN WATER DISTRICT, a public body, ~~(herein called "North Marin,")~~ and MARIN MUNICIPAL WATER DISTRICT, a public body, ~~(herein called "Marin Municipal,")~~(North Marin and Marin Municipal shall be collectively referred to as "Parties").

RECITALS

- A. From time to time there exists surplus capacity in the North Marin water system.
- B. From time to time there exists surplus capacity in the Marin Municipal water system.
- C. Pursuant to the ~~existing agreement between Marin Municipal and Sonoma Agency, Sonoma Agency~~Fourth Amended Offpeak Water Supply Agreement and the Second Amended Agreement for the Sale of Water (as these agreements are defined in Section 1(s) of this Agreement), Sonoma County Water Agency ("Sonoma Water") delivers Marin Municipal's Russian River water to the North Marin Aqueduct at the Kastania meter station, North Marin's metered turnout: as depicted on Exhibit A. It is expected that pursuant to any amendment to said agreement deliveries will continue to the same location.
- D. Pursuant to the ~~existing agreement between North Marin, Sonoma Agency, Forestville County~~Restructured Agreement for Water District, Valley Supply (as this term is defined in Section 1(r) of the Moon Water District and the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Windsor and Sonoma, Sonoma Agencythis Agreement), Sonoma Water delivers North Marin's Russian River water to the North Marin Aqueduct. It is expected that pursuant to any amendment to said agreement deliveries will continue to the same location.
- E. During certain times of the year it is anticipated there will be surplus capacity in the North Marin Aqueduct.
- F. North Marin owns certain pipeline and construction easements which contain the North Marin Aqueduct and which were planned to accommodate a second aqueduct.
- G. Marin Municipal desires to utilize finished water reservoir storage available in North Marin's water system, including the Atherton, Lynwood, Palmer Drive and Amaroli Tanks, to balance pump operations upstream and downstream of Reach 3. North Marin desires to augment deliveries to finished water storage reservoirs in the south end of its water system from Reach 1, 2, and 3.
- H. Marin Municipal has the capability of releasing water from its reservoirs into Nicasio or Lagunitas Creek for the benefit of North Marin which extracts water

from stream side wells located downstream.

- I. Caltrans ~~is widening~~ undertook a project to widen US Highway 101 between Novato and Petaluma, the Marin-Sonoma Narrows Project, that ~~requires~~ required relocation of the North Marin Aqueduct adjacent to the highway.

- ~~J. The existing North Marin Aqueduct and Kastania Pump Station average monthly capacity of 18 mgd is insufficient to deliver the combined full amount of water included in the North Marin and Marin Municipal contracts with Sonoma Agency. As of the effective date of this agreement average daily combined flow delivery entitlements in the summer months totals 32.7 mgd (19.9 mgd for North Marin and 12.8 mgd for Marin Municipal).~~
- ~~K. Under current conditions the electric motor driven pumps at the Kastania Pump Station must remain in service at all times during the summer months if North Marin and Marin Municipal are to meet the needs of their customers.~~
- ~~L. The State of California has found that greenhouse gas emissions (GHG) are a major factor contributing to climate change and has promulgated laws and regulations requiring a reduction in GHG emissions.~~
- ~~M. Elimination of the Kastania Pump Station will reduce GHG emissions by at least 300 tons per year.~~

~~North Marin is constructing~~

- ~~N.J. North Marin constructed the Aqueduct Energy Efficiency Project (AEEP) to upsize the North Marin Aqueduct from Kastania Pump Station to Redwood Landfill Road, including the North Marin Aqueduct sections requiring relocation due to the Caltrans US Highway 101 Marin-Sonoma Narrows Project. The AEEP will enable elimination of the need for North Marin to utilize the pumps at Kastania Pump Station while maintaining the to meet existing or projected future demand. Once the upsized aqueduct was operational as part of the AEEP, North Marin decommissioned and disconnected the Kastania Pump Station from the North Marin Aqueduct average monthly delivery capacity of 18 mgd.~~
- ~~K. Decommissioning and disconnecting the Kastania Pump Station from the North Marin Aqueduct reduced GHG emissions by at least 300 tons per year by curtailing the energy use associated with the former pumping operations at the Kastania Pump Station.~~
- ~~L. On April 21, 2021, the Governor of California issued a proclamation directing state agencies to take immediate action to bolster drought resilience and prepare for impacts on communities, businesses, and ecosystems, and proclaiming a State of Emergency to exist in Mendocino and Sonoma counties due to severe drought conditions in the Russian River Watershed, which was extended to Marin County on July 8, 2021.~~
- ~~M. In connection with the 2021 drought, Marin Municipal proposes the rehabilitation and recommissioning of the Kastania Pump Station, which will enable Marin Water the operational flexibility to meet its water supply needs when they cannot be met through gravity flow on the North Marin Aqueduct, in particular to address temporary facility disruption or outages and anticipated water shortages due to dry years, drought, and emergencies.~~

~~0.N.~~ North Marin operates its Stafford Lake Water Treatment facility during summer months to utilize local water supply and partially offset North ~~Marin's~~ Marin's Russian River water deliveries, thereby increasing surplus capacity in the North Marin Aqueduct.

NOW, THEREFORE, in consideration of these recitals and the mutual promises made herein, North Marin and Marin Municipal agree as follows:

2.1.DEFINITIONS

As used herein, the terms:

- (a) "Annually," "per annum" or "fiscal year" means a twelve-month period commencing July 1 and ending June 30.
- (b) "Intertie Facilities" means all the interconnecting facilities of Marin Municipal and North Marin through which water can flow for the benefit of one or the other party including all attached and appurtenant facilities such as valves, meters, blow-offs, control cables and devices, cathodic protection equipment, and electrical services and comprised of the following principal components shown on the schematic diagram attached hereto and marked "Exhibit A":

- (1) Reach 1, consisting of approximately 4,300 feet of 18-inch and 16-inch pipeline extending from Big Rock Ridge north to the Main Gate Road;
- (2) Reach 2, consisting of approximately 11,100 feet of 30-inch pipeline extending north from Main Gate Road to a point near the Highway 101 and Highway 37 interchange where said 30-inch pipeline connects with a 24-inch and 36-inch pipeline at a connection called the Wye;
- (3) Reach 3 contains two parallel pipeline systems; one owned by North Marin called the North Marin Intertie consisting of approximately 4,980 feet of 24-inch pipeline extending from the westerly end of Branch 2 north to Redwood Blvd and Sunset Parkway and approximately 14,300 feet of 28.5-inch pipeline north of said intersection to a point of connection with the 28.5-inch North Marin Aqueduct at the San Marin Control Station; and the other owned by Marin Municipal called the Novato Bypass consisting of approximately 20,100 feet of 36-inch pipeline extending from the Wye north to a point of connection with the 28.5-inch North Marin Aqueduct immediately north of the San Marin Control Station;
- (4) Reach 4, also called the North Marin Aqueduct, consisting of approximately 17,000 feet of 28.5-inch pipeline extending from the northern terminus of Reach 3 to Redwood Landfill Road (Reach 4a) and approximately 24,000 feet of 28.5-inch pipeline extending from Redwood Landfill Road to the Sonoma Agency pipeline near Water Kastania Pump Station Pipeline just downstream of the Sonoma Water billing and process meters (Reach 4b); ~~Reach 4b will be upsized to a 42-inch pipeline as part of the AEEP, enabling elimination of Kastania Pump Station operation;~~
- (5) "Hamilton Bypass" means the 36-inch pipeline that parallels Reach 1 extending from Big Rock Ridge north to the Main Gate Road;
- (6) "Pacheco Tanks" means the two tanks on Big Rock Ridge at the terminus of the Hamilton bypass;
- (7) "Branch 1" consisting of approximately 3,190 feet of 18-inch, 12-inch and 8-inch pipeline connecting to Reach 1 at Bolling Drive and extending south and then easterly to Air Base Tank;
- (8) "Branch 2" consisting of 1,492 feet of 24-inch pipeline extending from the Wye north then westerly across Highway 101 to a connection with a 24-inch pipeline; (also referred to as the "North Marin Intertie");
- (9) Lynwood, Amaroli and Palmer Tanks including pipelines connecting same to Branch 2 and Reach 2;
- (10) Atherton Tank including pipelines connecting same to Reach 3;

~~(11) Kastania, including Kastania Tank and Kastania Pump Station;~~

(11) "Kastania," including Kastania Pipeline (Kastania Pipeline is that portion of the 30-inch cement mortar-lined steel aqueduct defined and transferred to Sonoma Water pursuant to the Agreement Among the Sonoma County Water Agency, The North Marin Water District And The Marin Municipal Water District For Acquisition Of A Portion Of The North Marin Aqueduct And The Kastania Pumping Plant" dated April 13, 1999), Kastania Tank and Kastania Pump Station;

(12) Pacheco Valle Interconnection (Reach 1);

(13) Hamilton Main Gate Road Interconnection (where Reach 1 meets Reach 2);

(14) Bel Marin Keys Interconnection (Reach 2);

(15) Wye Interconnection (on Branch 2 where Reach 2 meets Reach 3);

(16) San Marin Interconnection (where Reach 3 meets Reach 4).

- (c) "Other interconnections" means other interconnections or facilities in place or from time to time constructed and added to either the Marin Municipal or North Marin water system which the parties hereto mutually agree are needed to effectively carry out the provisions of this agreement.
- (d) "North Marin Aqueduct" means Intertie Facility (b) (4) or Reach 4, North ~~Marin's~~Marin's pipeline extending south from the Sonoma ~~Agency~~Water pipeline near Kastania Pump Station to the San Marin Control Station in Novato.
- (e) "Marin ~~Municipal's~~Municipal's Russian River water" means water furnished and delivered by Sonoma ~~Agency~~Water to Marin Municipal at Kastania.
- (f) "Marin Municipal Water System" means all the reservoirs, both raw water and finished water, pumps, aqueducts, pipelines, treatment plants, and other appurtenant facilities owned and operated by Marin Municipal for the purpose of providing water service to its customers.
- (g) "mgd" means millions of gallons per day, a rate of flow.
- (h) "North ~~Marin's~~Marin's Russian River water" means water furnished and delivered by Sonoma ~~Agency~~Water to North Marin at Kastania.
- (i) "North Marin Water System" means all the reservoirs, both raw water and finished water, pumps, aqueducts, pipelines, treatment plants, and other appurtenant facilities owned and operated by North Marin for the purpose of providing water service to its customers.
- ~~U)~~(j) "Novato Bypass" means Marin ~~Municipal's~~Municipal's 36-inch pipeline extending -from the Wye north to a point just north of North ~~Marin's~~Marin's San

Marin Control Station.

(k) "Operational Control" means defining and transmitting real time level and pressure set point ranges from within the North Marin water distribution system to determine whether or not the Kastania Pumps can be operated by Marin Municipal. Also refer to Section 5.A.1 of this Agreement.

~~(k)~~(l) "Point(s) of delivery" means any point or points from time to time mutually agreed to by the parties which are located within, are part of, or are connected to, the Intertie Facilities or other point or points of delivery mutually agreed to by the parties. As of the date of this agreement, the following points of delivery exist:

- (1) "Pacheco Valle: the point of ~~interconnectee1-on~~interconnection between the most southerly 18-inch segment of Marin ~~Municipal's~~Municipal's Reach 1 pipeline and North ~~Marin's~~Marin's 18 inch and 14-inch Pacheco Valle pipeline, near Pacheco Valle.
 - (2) Main Gate Road: two points of interconnection: one being south, between Hamilton Bypass and the most northerly 18-inch segment of the North Marin portion of the Reach 1 pipeline located near the Hamilton School and the second being to the north, between Marin ~~Municipal's~~Municipal's 30-inch Reach 2 pipeline and the Lanham Village distribution system.
 - (3) Bel Marin ~~—~~Keys: the point of interconnection between Marin ~~Municipal's~~Municipal's 30-inch Reach 2 pipeline and North ~~Marin's~~Marin's 16-inch Bel Marin Keys pipeline.
 - (4) San Marin Control Station: the point of interconnection between Reach 4 facilities and Reach 3 facilities.
 - (5) Nicasio Creek: the downstream end of the pipe located at the base of Seeger Dam (Nicasio Lake) used to release water to Nicasio Creek.
 - (6) Lagunitas Creek: the downstream end of the pipe located at the base of Peters Dam (Kent Lake) used to release water to Lagunitas Creek.
 - (7) The Wye: the point of interconnection between Reach 2 and Reach 3 facilities.
- (l) "Release" means, the release of water to North ~~Marin's~~Marin's West Marin Service Area, at either the Lagunitas Creek or Nicasio Creek points of delivery from Kent or Nicasio Lakes.
- (m) "Replacement cost" means the cost associated with, or the act of, acquisition of material and installation of same for the correction of irreparable wear or other deterioration of parts or elements of a given structure or facility.
- (n) "Sonoma ~~Agency~~"Water" means Sonoma County Water Agency, a public body.
- (o) "Summer months" means May, June, July, August and September.
- (p) "Surplus capacity" means the capacity of any facility of the watersystem of one of the parties hereto which said party solely and conclusively determines is in excess of the needs of its customers.
- (q) "Caltrans" mean the State of California Department of Transportation.

- (r) ~~" "Restructured Agreement for Water Supply-"~~ means the agreement between North Marin and ~~a number~~Forestville County Water District, Valley of water providers in the Moon Water District and the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma ~~County and Windsor~~ and the Sonoma ~~Agency~~Water that became effective on June 23, 2006.
- (s) ~~"Supplemental"~~Fourth Amended Offpeak Water Supply Agreement~~" and the "Second Amended Agreement for the Sale of Water"~~ means the ~~agreement~~agreements between Marin Municipal and ~~the~~ Sonoma ~~Agency~~Water dated ~~January 9, 1996~~Water that became effective on July 1, 2015.
- (t) ~~"Intertie"~~Interconnection Agreement~~"~~ means the agreement between Marin Municipal and North Marin dated ~~March 11, 1993.~~
- ~~(u)(t) "Hamilton Agreement" means the agreement entitled "Agreement for Water Service Boundary Reorganization at the Former Hamilton Air Base, Novato, California" between Marin Municipal and North Marin dated December 18, 2004~~February 5, 2014.

3.2. PURPOSE OF AGREEMENT

The purpose of this agreement is to provide the basis for and mechanism whereby Marin Municipal and North Marin can each, as a first priority, continue to meet the needs of their respective customers, and simultaneously, to the extent feasible, utilize their respective water systems and surplus system capacity in a coordinated manner for the benefit of the customers of both Districts.

4.3. WATER DELIVERY PROVISIONS

- A. North ~~Marin's~~Marin's Delivery of Marin ~~Municipal's~~Municipal's Russian River Water
 - 1. North Marin shall deliver Marin ~~Municipal's~~Municipal's Russian River water through the North Marin Water System at such point or points of delivery, at such times and at such rates of flow as determined by Marin Municipal, subject, however, to the availability of surplus capacity and provided such deliveries may be made in a manner that will not prevent North Marin from meeting its contractual obligations to Sonoma ~~Agency~~Water and will normally not lower the water level in North ~~Marin's~~Marin's Atherton, Palmer Drive, Lynwood or Amaroli Tanks below operating levels determined by North Marin.
 - 2. North Marin will endeavor in good faith to produce 1,300 AF of treated potable water at its Stafford Lake water treatment facility during the period of May 15 through September 15 each calendar year.
 - 3. North Marin will maintain Operational Control over the Kastania Pump Station, which will be operated consistent with this Agreement and the Kastania Pump Station Operations MOU. Marin Municipal will operate the Kastania Pump Station to address its operational efficiency and maintenance needs, including system outages, planned maintenance

and system upgrades that may disrupt normal operations; and anticipated water shortfalls due to dry years, drought, and other emergencies.

B. Marin Municipal's Delivery of North Marin's Russian River Water

Marin Municipal shall deliver North Marin's Russian River water through the Marin Municipal Water System at such point or points of delivery, at such time and at such rates of flow as determined by North Marin, subject to the availability of surplus capacity and provided such deliveries may be made in a manner that will not prevent Marin Municipal from meeting its contractual obligations to Sonoma Water.

~~a manner that will not prevent Marin Municipal from meeting its contractual obligations to Sonoma Agency.~~

C. Marin Municipal's Delivery to Nicasio or Lagunitas Creek

On North Marin's request, when flow in Lagunitas Creek is determined by North Marin to be low or when the dry year condition described in State Water Resources Control Board Order 95-17 occurs, Marin Municipal shall release to Nicasio Creek or Lagunitas Creek for North Marin's benefit up to 250 acre-feet per year. Said water shall be used by North Marin within its Inverness-Point Reyes Annexation Territory as same is recorded in Volume 2118 of the official Records of Marin County at Page 304 through 314. Additional amounts of water may be released by Marin Municipal upon North Marin's request subject to the availability of surplus water, as determined solely by Marin Municipal. Whether releases of requested water are made from Seeger Dam / Nicasio Lake or Peters Dam / Kent Lake shall be determined by Marin Municipal. All deliveries made by Marin Municipal pursuant to this section shall be over and above those releases that Marin Municipal must make to meet instream flow and water rights requirements as ordered by the State Water Resources Control Board.

In addition, if in any year that North Marin requests water under this Section and Marin Municipal has requested voluntary or mandatory water use reductions of its customers in eastern Marin County, North Marin shall require its customers in its Inverness-Point Reyes Annexation Territory to reduce ~~water~~ use ~~by to~~ an equal or greater percentage, using the methodology included in North Marin's "Water Shortage Contingency Plan for West Marin Service Area", dated August 23, 2002, or any subsequent Plan.

D. Marin Municipal Deliveries to North Marin at the Pacheco Valle, Main Gate Road and Bel Marin Keys Interconnections

At North Marin's request and subject to availability of supply and capacity in Marin Municipal's Water System, Marin Municipal shall deliver to North Marin such quantities of water as North Marin requires to augment supply to the south end of its water system at its Pacheco Valle, Main Gate Road and Bel Marin Keys interconnections. Prior to said deliveries of water to North Marin, North Marin, at its expense, shall install metering facilities acceptable to Marin Municipal.

E. Risk of Loss

Risk of loss and responsibility for the handling and control of all water delivered hereunder shall pass from the party making the delivery to the party receiving the delivery at the point of delivery or release thereof. The parties agree to exercise due diligence in inspecting their various pipelines and appurtenances and to take steps to guard against unreasonable loss of water.

F. Water Quality

The quality of water delivered by North Marin to Marin Municipal shall be equivalent to the quality of water served by North Marin in its potable Novato area water system. The quality of water delivered by Marin Municipal -to North Marin, with the exception of water delivered pursuant to Section 3.C. hereof, which shall be untreated water, and water from Sonoma AgencyWater delivered through the Marin Municipal Water System upstream of the Ignacio pump station, shall be equivalent to the quality of water leaving Marin Municipal's Ignacio Pump Station, including any fluoridation and corrosion control treatment conducted by Marin Municipal.

G. Meters for Deliveries to Marin Municipal

Meters used to measure deliveries made to Marin Municipal shall be tested for accuracy at least once annually by Marin Municipal at Marin Municipal's expense. North Marin shall be provided with a report of said test. North Marin shall have the right to make additional tests at any time at its expense. A meter shall be recalibrated if it is found to be inaccurate by more than two percent and in such event delivery data and corresponding payments or exchanges of water will be adjusted by the amount above or below said two percent accuracy standard as appropriate from the last date that the meter was known to be operating properly or, if such date cannot be determined, from a date midway between the date the meter was last tested and the date correct readings again commenced. However, under no circumstances shall the adjustment period exceed one year. North Marin shall read such meters and make an accounting to Sonoma AgencyWater and Marin Municipal.

H. Meters for Deliveries to North Marin

Meters used to measure deliveries made to North Marin, excluding deliveries at Kastania, Nicasio Creek or Lagunitas Creek, shall be tested for accuracy at least once annually by North Marin at North Marin's expense. MarinMunicipal shall be provided with a report of said test. Marin Municipal shall have the right to make additional tests at any time at its expense. A meter shall be recalibrated if it is found to be inaccurate by more than two percent and in such event delivery data and corresponding payments or exchanges of water will be adjusted by the amount above or below said two percent accuracy standard as appropriate from the last date that the meter was known to be operating properly or, if such date cannot be determined, from a date midway between the date the meter was last tested and the date correct readings again commenced. However, under no circumstances shall the adjustment period exceed one year. North Marin shall read such meters and make an accounting to Sonoma AgencyWater and Marin Municipal.

5.4. OWNERSHIP OF FACILITIES

- A. Marin Municipal owns the portion of Reach 1 south of the Pacheco Valle Interconnection, including the valve that connects the North Marin and Marin

Municipal Water Systems at that point, the Hamilton Bypass Pipeline,

Reach 2, including the valves that connect it to the Main Gate Road Interconnection and the Novato Bypass pipeline in Reach 3, Pacheco Tanks and the Ignacio Pump Station; and will own the Kastania Pump Station in Reach 4 pursuant to the 2021 Kastania Pump Station Transfer Agreement.

- B. North Marin owns Branches 1 and 2, the portion of Reach 1 north of the Pacheco Valle Interconnection, all other pipelines in Reach 3 and Reach 4, Air Base Tank, the Lynwood, Atherton, Palmer Drive and Amaroli Tanks and the San Marin Control Station.
- C. Sonoma AgencyWater owns, operates and maintains Kastania Tank and ~~the Kastania Pump Station~~billing meter vault.

6.5. OPERATION AND MAINTENANCE

A. Operation of Facilities

- 1. Marin Municipal shall be responsible for the operation, maintenance, repair and replacement of the facilities it owns. Control of flow in Reach 3 and Reach 4 shall be dictated by the Kastania Pump Station Operations MOU and Atherton, Lynwood and Palmer Drive Tank levels such that the hydraulic grade line in Reach 4 at the point of connection with Reach 3 does not fall below operation levels of these tanks as determined by North Marin. North Marin shall inform Marin Municipal prior to modifying the minimum operation levels of the tanks that dictate the control of flow in Reach 3 and Reach 4.
- 2. North Marin shall be responsible for operation, maintenance, repair and replacement of the facilities it owns and ~~shall coordinate the operation~~Operational Control of the Kastania Pump Station, ~~subject to Section 5.A.3 below.~~

~~3. Operation of Kastania Pump Station~~

~~The Kastania Pump Station, constructed to benefit both Marin Municipal and North Marin, shall be operated as follows:~~

- ~~(a)3.~~ North Marin shall have the right ~~to use the pump station~~ to meet the needs of its customers including backfeeding water from the North Marin Aqueduct to Stafford Lake. Before backfeeding any water North Marin shall consult with Marin Municipal and Sonoma AgencyWater and will make every reasonable attempt to develop a plan of operation that will minimize disruption of deliveries of Marin Municipal's Russian River water.
- ~~(b)4.~~ The rehabilitated and recommissioned Kastania Pump Station is constructed to solely benefit Marin Municipal and Marin Municipal shall have the right to use the capacity of the Kastania Pump Station to the extent that surplus capacity exists in North Marin's system to transfer water to Marin Municipal.

~~(c) — Once Reach 4b is upsized to a 42-inch pipeline as part of the AEEP and the AEEP is operational, Kastania Pump Station will no longer be operated and Sections 5.A.3 (a) and (b) will no longer be in effect.~~

B. Standards of Maintenance

The party assigned responsibility for operation, maintenance, repair and replacement of the Intertie Facilities shall at all times keep said facility in good repair and working order throughout the term of this Agreement.

7.6. PAYMENT AND EXCHANGE PROVISIONS

A. Payment for Delivery of Marin Municipal's Russian River Water

1. Marin Municipal shall pay North Marin a wheeling charge for all Marin Municipal's Russian River water delivered pursuant to Section 3. On the effective date of this agreement the wheeling charge shall be ~~\$12.00~~15.39 per acre-foot as the base charge, plus an additional ~~\$4.00~~5.14 per acre-foot set aside charge. Together the total wheeling charge shall be ~~\$16.00~~20.53 per acre-foot, ~~\$4.00~~5.14 per acre-foot of which shall be allocated and credited to Marin Municipal's share of the future replacement costs of the North Marin Aqueduct, including the escalation as described below. The wheeling charge and set aside charge shall be increased on July 1 of each subsequent year, beginning July 1, ~~2014~~2022, to reflect the change in the ~~Engineering News-Record Construction Cost Index~~ ~~for~~ the San Francisco Bay area for the preceding 12 months (the "escalator"). The escalator on the wheeling and set aside charges shall be no greater than 4% per year and no less than 2% per year.
2. In recognition of North Marin's investment in the AEEP, Marin Municipal ~~shall pay~~has made principal payments to North Marin ~~\$480,000 within 30 days from~~the date the Interconnection Agreement is executed ~~amount of \$1,692,645~~ and shall make annual payments to North Marin in the amount of ~~\$245,000~~205,320 each July 1, from ~~2014~~2022 through 2032 as fair compensation for the AEEP capital cost. The parties agree that the AEEP project's actual costs, exclusive of those costs paid by Caltrans, ~~are subject to verification and will be trued up~~ total \$7,103,691 and such that Marin Municipal's share of the final actual costs of the AEEP are equal to 51 percent and North Marin's share of the final actual costs of the AEEP are equal to 49 percent. ~~After those final actual AEEP costs are verified by the parties, the adjustment to Marin Municipal's annual payment on a going forward basis will be jointly reviewed and considered during the 6-month period immediately following such joint verification and Marin Municipal's future annual payments of \$245,000 will be adjusted to reflect actual costs incurred by North Marin for the AEEP Project. Marin Municipal's adjusted annual payments will be memorialized in a letter jointly prepared and affirmed by signature of the parties, and the parties will be bound by such letter without the need to further amend this agreement.~~

B. Payment for Delivery of North Marin's Russian River Water

North Marin shall pay Marin Municipal a wheeling charge for all North Marin's

water delivered pursuant to Section 3. On the effective date of this agreement the wheeling charge shall be \$~~3.00~~84 per acre-foot. The wheeling charge shall

be increased on July 1 of each subsequent year, beginning July 1, ~~2014~~2022, to reflect the change in the Engineering News Record Construction Cost Index for the San Francisco Bay area for the preceding 12 months (the "escalator"). The escalator on the wheeling charge shall be no greater than 4% per year and no less than 2% per year.

Payment for water delivered to North Marin pursuant to Section 3.0., Pacheco Valle, Main Gate Road, and Bel Marin Keys Interconnections, will be by exchange, as provided in Section 6.0., below.

In addition, for each acre-foot of water delivered to North Marin pursuant to Section 3.0., Pacheco Valle, Main Gate Road and Bel Marin Keys Interconnections, North Marin shall pay Marin Municipal the wheeling charge.

For all such water delivered to North Marin downstream of Ignacio Pump Station, North Marin shall pay Marin Municipal a charge per acre-foot equal to the total annual out-of-pocket cost of energy consumed and treatment chemicals provided by Marin Municipal at the Ignacio Pump Station divided by the total volume of water pumped during the same period.

C. Compensation for Nicasio or Lagunitas Creek Deliveries and Other Water Delivered by Marin Municipal

For each acre-foot of water delivered by Marin Municipal to North Marin pursuant to Section 3.C., Lagunitas or Nicasio Creek, North Marin shall pay Marin Municipal \$~~190~~243.68 / acre-foot. This charge shall be increased on July 1 of each subsequent year, beginning July 1, ~~2014~~2022, to reflect the change in the Engineering News Record Construction Cost Index for the San Francisco Bay area for the preceding 12 months (the escalator). The escalator shall be no greater than 4% per year and no less than 2% per year.

D. Exchange Deliveries by North Marin

On the terms and conditions set forth in this sub paragraph 6. D. North Marin shall deliver to Marin Municipal water referred to as "exchange water" equal to the quantity of water delivered to North Marin pursuant to Sections 3.0. At the end of each fiscal year North Marin shall subtract from its reporting to Sonoma ~~Agency~~Water of Marin Municipal use of Russian River -water -for -the month of June of said fiscal year an amount of water equal to the total amount of water delivered to North Marin under the terms of said Section.

E. Payment of North Marin's Expenses for Operating Intertie Facilities

Annual expenses incurred by North Marin in operating, maintaining, repairing and replacing the Intertie Facilities it owns shall be, unless expressly provided for in this agreement, the responsibility of and paid by North Marin.

F. Payment of MannMarin Municipal's Expenses for Operating Intertie Facilities

Annual expenses incurred by Marin Municipal in operating, maintaining, repairing, and replacing the Intertie Facilities it owns shall be, unless expressly provided for in this agreement, the responsibility of and paid by Marin Municipal. Costs related to rehabilitating and recommissioning Kastania Pump Station including: planning, permitting, design, construction (materials, equipment and labor including the necessary piping tie-ins to the Kastania Pipeline and North Marin Aqueduct) and ongoing operations, maintenance and replacement costs shall be borne solely by Marin Municipal.

G. Billing and Payment

The party delivering water pursuant to this agreement for which a unit charge in dollars per acre-foot is assessed shall bill not more frequently than monthly for same and the receiving party shall pay the amount of such billing within 30 days of receipt of same. For all other charges due under this agreement, the billing party shall prepare a bill which the receiving party shall pay within 30 days of receipt of same. Notwithstanding any dispute between the parties hereto, the receiving party shall pay all bills when due and shall not withhold all or any part of any payment pending the final resolution of such dispute. In the event of a dispute, the receiving party may pay its bills under protest and if the resolution of the dispute results in a refund, said refund shall be paid within 30 days.

8.7. COOPERATION PROVISIONS

A. General

Upon request, the parties will support and assist the efforts of each other to maintain and enhance the reliability of their water supplies from Sonoma AgencyWater, provided said support and assistance, as determined by said party, will not have an adverse impact on its customers nor be in conflict with law, regulation or the established policies of said party.

B. Corrosion Protection

North Marin maintains an extensive cathodic protection system for the North Marin Aqueduct. Marin Municipal shall consult North Marin in designing the cathodic protection system for its existing or any future Intertie Facilities and agrees to design and install a system at its sole cost that will be fully compatible with North Marin's system and not contribute to the deterioration of the North Marin Aqueduct.

C. Stafford Lake Treatment Plant Operations

1. North Marin will endeavor in good faith to produce 2,000 acre-feet of treated potable water at its Stafford Lake water treatment facility each

year through the term of this agreement.

2. Notwithstanding the cooperative pledge of Section 3.A.2 and Section 7.C.1, the parties acknowledge and agree that there may be periods when insufficient inflow to Stafford Lake or other operational constraints may prevent North Marin from meeting the Stafford Lake Water

treatment facility potable water production goals stated in Section 3.A.2 and Section 7.C.1.

3. In such periods when insufficient inflow to Stafford Lake prevents North Marin from meeting the Stafford Lake water treatment facility goals pursuant to Section 3.A.2 or Section 7.C.1 of this agreement, Marin Municipal may request North Marin to backfeed Marin Municipal's Russian River water into Stafford Lake pursuant to a Stafford Lake Agreement in form similar to that executed on February 20, 2009 and updated with then current and pertinent Diversion, Delivery and Payment provisions. Before backfeeding any water, North Marin shall consult with Marin Municipal and Sonoma AgencyWater and will make every reasonable attempt to develop a plan of operation that will minimize disruption of deliveries of Marin Municipal's Russian River water.

D. Joint Projects and/or Programs for Future Integrated Water Supply Operations

North Marin and Marin Municipal will evaluate and consider joint project(s) and/or program(s) for future integrated water supply operations. The parties will jointly determine which party will be the lead agency for purposes of environmental review pursuant to the California Environmental Act ("CEQA"). For each proposed joint project or program, the parties will share costs of the project and environmental review in proportion to each district's respective share of the water supply capacity or yield from the proposed project and/or program, regardless of which party is the lead agency.

E. Future Replacement of the North Marin Aqueduct

North Marin will replace the North Marin Aqueduct, including Reach 4a, when necessary due to condition or other factors, at a time yet to be determined. Said replacement may be solely a North Marin project or combined projects of North Marin, and Marin Municipal, as jointly determined by the parties. Marin Municipal's share of the costs for future replacement of the North Marin Aqueduct shall be the subject of a future agreement between the parties, taking into account the future replacement payment already made by Marin Municipal for such purpose pursuant to section 6(A)(1).

F. Option for Marin Municipal to Make Use of North Marin's Existing Easements and for Future Marin Municipal Pipeline.

1. North Marin has pipeline easements for the North Marin Aqueduct. These easements were originally acquired by North Marin with the plan that a second North Marin aqueduct would eventually be constructed. If Marin Municipal elects and North Marin consents to locate facilities in right-of-ways in which North Marin has existing easements, North Marin will cooperate in efforts by Marin Municipal to obtain property interests Marin Municipal deems necessary for installation and operation of said facilities. To the extent any existing easement held by North Marin is utilized by Marin Municipal, said utilization shall be the subject of a future agreement between the parties.

2. If Marin Municipal develops a pipeline project that would be parallel to Reach 4A and that would include an interconnection to the North Marin Aqueduct at or above Reach 4A, upon execution -and- implementation of the agreement between the parties identified in this ~~paragraph~~Section 7.F.2 and subject to compliance with CEQA, North Marin will support the proposed project and the interconnection will be completed upon Marin Municipal's determination to interconnect. The terms of that agreement will address the following: the location of the proposed project and the appropriate time of the interconnection to accommodate the shutdown of the North Marin Aqueduct, environmental review, engineering, construction, operation, maintenance and replacement of the facilities, and indemnification. ~~Approval~~Subject to compliance with CEQA, approval of said agreement shall not be unreasonably withheld. The project will be subject to CEQA documentation for which Marin Municipal will be the lead agency. North Marin will be a responsible agency under CEQA, but nothing in this section shall affect North Marin's legal responsibilities under CEQA.

9.8. MISCELLANEOUS PROVISIONS

A. California Environmental Quality Act

Pursuant to the California Environmental Quality Act, ~~North-Marin Municipal~~ is designated as the lead agency for any environmental documentation that may be required for this Agreement. North Marin ~~is was~~ the lead agency for the AEEP, for which the Final EIR was certified and the project approved on July 19, 2011. Marin Municipal is designated as the lead agency for any environmental documentation that may be required for restoration of the Kastania Pump Station, this Agreement, the 2021 Kastania Pump Station Transfer Agreement, and the Memorandum of Understanding for Operation of the Kastania Pump Station and Operation of the Ely Booster Pump Station (collectively the "Kastania Pump Station Restoration Project").

B. Indemnification

Marin Municipal shall indemnify and defend North Marin, and its Board members, officers, agents and employees (each an "Indemnified Party" and collectively "Indemnified Parties") from and against any and all claims, demands, causes of action, damages, costs, expenses (including legal, expert witness, and consulting fees and costs, any judgment or other award of attorneys' fees or costs and any costs of record preparation), losses, or liabilities, in law or equity, or alleged by any third parties arising directly out of, or resulting directly from, any and all litigation, lawsuits, claims, or causes of action challenging any approval of the Kastania Pump Station Restoration Project and its associated agreements. In the event any action or proceeding is brought against an Indemnified Party by reason of a claim arising out of any loss for which Marin Municipal has indemnified the Indemnified Party, and upon written notice from such Indemnified Party, Marin Municipal shall at its sole expense answer and otherwise defend such action or proceeding. The indemnity shall include, without limitation, Marin Municipal's obligation to pay

reasonable attorney's fees and costs, reasonable fees of consultants and experts, and related costs.

B.C. Termination of Existing Agreements

The "~~Intertie~~Interconnection Agreement" ~~and the "Hamilton Agreement"~~
~~are dated February 2014 is hereby terminated.~~superseded by this agreement
and is no longer in effect.

G.D. Method and Place of Giving Notice and Making Payments

All notices shall be in writing and notices and payments may be given by personal delivery or by mail. Notices and payments sent by mail shall be addressed as follows:

North Marin: North Marin Water District
 Attn: General Manager
 P.~~00~~. Box 146
 Novato, CA 94948-0146

Marin Municipal: Marin Municipal Water District
 Attn: General Manager
 220 Nellen Avenue
 Corte Madera, CA 94925

Changes may be made in the addresses of the persons to whom notices and payments are to be given by giving notice pursuant to this section.

D. Third Party Beneficiaries

No third-party beneficiaries are intended or established by this agreement.

E. Representation by Counsel

North Marin and Marin Municipal each were represented by independent counsel in the negotiation and execution of this agreement. For the purposes of interpretation of this agreement, neither party shall be deemed to have been the drafter of this agreement.

F. Mediation

Any dispute occurring under this Agreement shall first be reviewed by the parties, who shall meet and attempt in good faith to resolve the dispute through negotiation. In the event that the parties cannot resolve any such dispute between them, then, upon 30-days' notice, the parties shall submit such dispute to mediation by a mutually acceptable neutral mediator. If any such dispute is not resolved through mediation, unless the parties agree in writing upon an alternative form of and forum for dispute resolution, each party shall have the right to pursue any remedies it may have in law or in equity. Any such litigation concerning claims and disputes related to this Agreement shall be filed in the Superior Court in and for Marin County, and each Party hereby waives its right to move to change venue.

G. Severability

If any one or more sections, provisions, promises or conditions of this agreement is declared null and void or voidable for any reason by a final judgment or order of a court of competent jurisdiction, it is hereby declared to be the intention of both parties and agreed that each and all of the other sections, provision, promises and conditions of this agreement shall be and remain in full force and effect.

H. Term of Agreement

The term of this agreement shall extend from the date of execution hereof until June 30, 2040 or the expiration of the Restructured Agreement for Water Supply, together with any renewals thereof or of a successor agreement to the Restructured Agreement for Water Supply, whichever shall occur later.

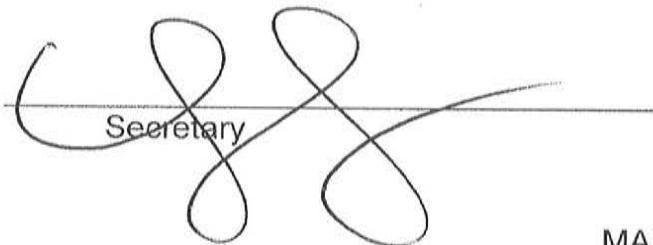
IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first above written.

NORTH MARIN WATER DISTRICT


President, Board of Directors

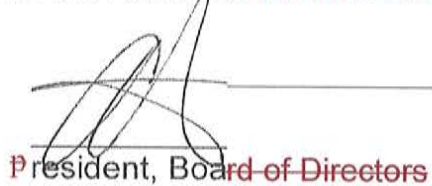
President, Board of Directors

ATTEST:

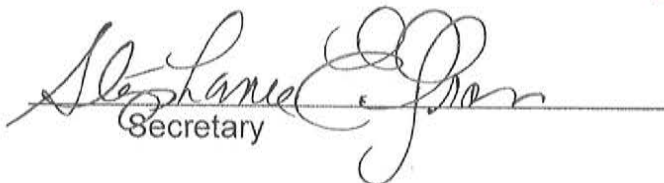

Secretary

Dis

MARIN MUNICIPAL WATER


President, Board of Directors

MARIN MUNICIPAL WATER DISTRICT


Secretary

President, Board of Directors

ATTEST:

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District Secretary

CLEAN

DRAFT

2021 AMENDED AND RESTATED
INTERCONNECTION AGREEMENT

between

North Marin Water District
and
Marin Municipal Water District

December __, 2021

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2021 AMENDED AND RESTATED
INTERCONNECTION AGREEMENT

THIS AGREEMENT, made this ___ day of December, 2021 by and between NORTH MARIN WATER DISTRICT, a public body (herein called "North Marin") and MARIN MUNICIPAL WATER DISTRICT, a public body (herein called "Marin Municipal")(North Marin and Marin Municipal shall be collectively referred to as "Parties").

RECITALS

- A. From time to time there exists surplus capacity in the North Marin water system.
- B. From time to time there exists surplus capacity in the Marin Municipal water system.
- C. Pursuant to the Fourth Amended Offpeak Water Supply Agreement and the Second Amended Agreement for the Sale of Water (as these agreements are defined in Section 1(s) of this Agreement), Sonoma County Water Agency ("Sonoma Water") delivers Marin Municipal's Russian River water to the North Marin Aqueduct at the Kastania meter station, North Marin's metered turnout as depicted on Exhibit A. It is expected that pursuant to any amendment to said agreement deliveries will continue to the same location.
- D. Pursuant to the Restructured Agreement for Water Supply (as this term is defined in Section 1(r) of this Agreement), Sonoma Water delivers North Marin's Russian River water to the North Marin Aqueduct. It is expected that pursuant to any amendment to said agreement deliveries will continue to the same location.
- E. During certain times of the year it is anticipated there will be surplus capacity in the North Marin Aqueduct.
- F. North Marin owns certain pipeline and construction easements which contain the North Marin Aqueduct and which were planned to accommodate a second aqueduct.
- G. Marin Municipal desires to utilize finished water reservoir storage available in North Marin's water system, including the Atherton, Lynwood, Palmer Drive and Amaroli Tanks, to balance pump operations upstream and downstream of Reach 3. North Marin desires to augment deliveries to finished water storage reservoirs in the south end of its water system from Reach 1, 2, and 3.
- H. Marin Municipal has the capability of releasing water from its reservoirs into Nicasio or Lagunitas Creek for the benefit of North Marin which extracts water from stream side wells located downstream.
- I. Caltrans undertook a project to widen US Highway 101 between Novato and Petaluma, the Marin-Sonoma Narrows Project, that required relocation of the North Marin Aqueduct adjacent to the highway.

- J. North Marin constructed the Aqueduct Energy Efficiency Project (AEEP) to upsize the North Marin Aqueduct from Kastania Pump Station to Redwood Landfill Road, including the North Marin Aqueduct sections requiring relocation due to the Caltrans US Highway 101 Marin-Sonoma Narrows Project. The upsized aqueduct enabled transport of water by gravity flow, thereby eliminating the need for North Marin to utilize the pumps at Kastania Pump Station to meet existing or projected future demand. Once the upsized aqueduct was operational as part of the AEEP, North Marin decommissioned and disconnected the Kastania Pump Station from the North Marin Aqueduct.
- K. Decommissioning and disconnecting the Kastania Pump Station from the North Marin Aqueduct reduced GHG emissions by at least 300 tons per year by curtailing the energy use associated with the former pumping operations at the Kastania Pump Station.
- L. On April 21, 2021, the Governor of California issued a proclamation directing state agencies to take immediate action to bolster drought resilience and prepare for impacts on communities, businesses, and ecosystems, and proclaiming a State of Emergency to exist in Mendocino and Sonoma counties due to severe drought conditions in the Russian River Watershed, which was extended to Marin County on July 8, 2021.
- M. In connection with the 2021 drought, Marin Municipal proposes the rehabilitation and recommissioning of the Kastania Pump Station, which will enable Marin Water the operational flexibility to meet its water supply needs when they cannot be met through gravity flow on the North Marin Aqueduct, in particular to address temporary facility disruption or outages and anticipated water shortages due to dry years, drought, and emergencies.
- N. North Marin operates its Stafford Lake Water Treatment facility during summer months to utilize local water supply and partially offset North Marin's Russian River water deliveries, thereby increasing surplus capacity in the North Marin Aqueduct.

NOW, THEREFORE, in consideration of these recitals and the mutual promises made herein, North Marin and Marin Municipal agree as follows:

1. DEFINITIONS

As used herein, the terms:

- (a) "Annually" "per annum" or "fiscal year" means a twelve-month period commencing July 1 and ending June 30.
- (b) "Intertie Facilities" means all the interconnecting facilities of Marin Municipal and North Marin through which water can flow for the benefit of one or the other party including all attached and appurtenant facilities such as valves, meters, blow-offs, control cables and devices, cathodic protection equipment, and electrical services and comprised of the following principal

components shown on the schematic diagram attached hereto and marked "Exhibit A":

- (1) Reach 1, consisting of approximately 4,300 feet of 18-inch and 16-inch pipeline extending from Big Rock Ridge north to the Main Gate Road;
- (2) Reach 2, consisting of approximately 11,100 feet of 30-inch pipeline extending north from Main Gate Road to a point near the Highway 101 and Highway 37 interchange where said 30-inch pipeline connects with a 24-inch and 36-inch pipeline at a connection called the Wye;
- (3) Reach 3 contains two parallel pipeline systems; one owned by North Marin called the North Marin Intertie consisting of approximately 4,980 feet of 24-inch pipeline extending from the westerly end of Branch 2 north to Redwood Blvd and Sunset Parkway and approximately 14,300 feet of 28.5-inch pipeline north of said intersection to a point of connection with the 28.5-inch North Marin Aqueduct at the San Marin Control Station; and the other owned by Marin Municipal called the Novato Bypass consisting of approximately 20,100 feet of 36-inch pipeline extending from the Wye north to a point of connection with the 28.5-inch North Marin Aqueduct immediately north of the San Marin Control Station;
- (4) Reach 4, also called the North Marin Aqueduct, consisting of approximately 17,000 feet of 28.5-inch pipeline extending from the northern terminus of Reach 3 to Redwood Landfill Road (Reach 4a) and approximately 24,000 feet of primarily 42-inch pipeline extending from Redwood Landfill Road to the Sonoma Water Kastania Pipeline just downstream of the Sonoma Water billing and process meters (Reach 4b);
- (5) "Hamilton Bypass" means the 36-inch pipeline that parallels Reach 1 extending from Big Rock Ridge north to the Main Gate Road;
- (6) "Pacheco Tanks" means the two tanks on Big Rock Ridge at the terminus of the Hamilton bypass;
- (7) "Branch 1," consisting of approximately 3,190 feet of 18-inch, 12-inch and 8-inch pipeline connecting to Reach 1 at Bolling Drive and extending south and then easterly to Air Base Tank;
- (8) "Branch 2," consisting of 1,492 feet of 24-inch pipeline extending from the Wye north then westerly across Highway 101 to a connection with a 24-inch pipeline(also referred to as the "North Marin Intertie");
- (9) Lynwood, Amaroli and Palmer Tanks including pipelines connecting same to Branch 2 and Reach 2;
- (10) Atherton Tank including pipelines connecting same to Reach 3;

- (11) "Kastania," including Kastania Pipeline (Kastania Pipeline is that portion of the 30-inch cement mortar-lined steel aqueduct defined and transferred to Sonoma Water pursuant to the Agreement Among the Sonoma County Water Agency, The North Marin Water District And The Marin Municipal Water District For Acquisition Of A Portion Of The North Marin Aqueduct And The Kastania Pumping Plant" dated April 13, 1999), Kastania Tank and Kastania Pump Station;
- (12) Pacheco Valle Interconnection (Reach 1);
- (13) Hamilton Main Gate Road Interconnection (where Reach 1 meets Reach 2);
- (14) Bel Marin Keys Interconnection (Reach 2);
- (15) Wye Interconnection (on Branch 2 where Reach 2 meets Reach 3);
- (16) San Marin Interconnection (where Reach 3 meets Reach 4).
- (c) "Other interconnections" means other interconnections or facilities in place or from time to time constructed and added to either the Marin Municipal or North Marin water system which the parties hereto mutually agree are needed to effectively carry out the provisions of this agreement.
- (d) "North Marin Aqueduct" means Intertie Facility (b) (4) or Reach 4, North Marin's pipeline extending south from the Sonoma Water pipeline near Kastania Pump Station to the San Marin Control Station in Novato.
- (e) "Marin Municipal's Russian River water" means water furnished and delivered by Sonoma Water to Marin Municipal at Kastania.
- (f) "Marin Municipal Water System" means all the reservoirs, both raw water and finished water, pumps, aqueducts, pipelines, treatment plants, and other appurtenant facilities owned and operated by Marin Municipal for the purpose of providing water service to its customers.
- (g) "mgd" means millions of gallons per day, a rate of flow.
- (h) "North Marin's Russian River water" means water furnished and delivered by Sonoma Water to North Marin at Kastania.
- (i) "North Marin Water System" means all the reservoirs, both raw water and finished water, pumps, aqueducts, pipelines, treatment plants, and other appurtenant facilities owned and operated by North Marin for the purpose of providing water service to its customers.
- (j) "Novato Bypass" means Marin Municipal's 36-inch pipeline extending from the Wye north to a point just north of North Marin's San Marin Control Station.
- (k) "Operational Control" means defining and transmitting real time level and pressure set point ranges from within the North Marin water distribution system

to determine whether or not the Kastania Pumps can be operated by Marin Municipal. Also refer to Section 5.A.1 of this Agreement.

- (l) "Point(s) of delivery" means any point or points from time to time mutually agreed to by the parties which are located within, are part of, or are connected to, the Intertie Facilities or other point or points of delivery mutually agreed to by the parties. As of the date of this agreement, the following points of delivery exist:
 - (1) "Pacheco Valle: the point of interconnection between the most southerly 18-inch segment of Marin Municipal's Reach 1 pipeline and North Marin's 18 inch and 14-inch Pacheco Valle pipeline, near Pacheco Valle.
 - (2) Main Gate Road: two points of interconnection: one being south, between Hamilton Bypass and the most northerly 18-inch segment of the North Marin portion of the Reach 1 pipeline located near the Hamilton School and the second being to the north, between Marin Municipal's 30-inch Reach 2 pipeline and the Lanham Village distribution system.
 - (3) Bel Marin Keys: the point of interconnection between Marin Municipal's 30-inch Reach 2 pipeline and North Marin's 16-inch Bel Marin Keys pipeline.
 - (4) San Marin Control Station: the point of interconnection between Reach 4 facilities and Reach 3 facilities.
 - (5) Nicasio Creek: the downstream end of the pipe located at the base of Seeger Dam (Nicasio Lake) used to release water to Nicasio Creek.
 - (6) Lagunitas Creek: the downstream end of the pipe located at the base of Peters Dam (Kent Lake) used to release water to Lagunitas Creek.
 - (7) The Wye: the point of interconnection between Reach 2 and Reach 3 facilities.
- (l) "Release" means, the release of water to North Marin's West Marin Service Area, at either the Lagunitas Creek or Nicasio Creek points of delivery from Kent or Nicasio Lakes.
- (m) "Replacement cost" means the cost associated with, or the act of, acquisition of material and installation of same for the correction of irreparable wear or other deterioration of parts or elements of a given structure or facility.
- (n) "Sonoma Water" means Sonoma County Water Agency, a public body.
- (o) "Summer months" means May, June, July, August and September.
- (p) "Surplus capacity" means the capacity of any facility of the watersystem of one of the parties hereto which said party solely and conclusively determines is in

excess of the needs of its customers.

- (q) "Caltrans" mean the State of California Department of Transportation.
- (r) "Restructured Agreement for Water Supply" means the agreement between North Marin and Forestville County Water District, Valley of the Moon Water District and the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma and Windsor and the Sonoma Water that became effective on June 23, 2006.
- (s) "Fourth Amended Offpeak Water Supply Agreement" and the "Second Amended Agreement for the Sale of Water" means the agreements between Marin Municipal and Sonoma Water that became effective on July 1, 2015.
- (t) "Interconnection Agreement" means the agreement between Marin Municipal and North Marin dated February 5, 2014.

2. PURPOSE OF AGREEMENT

The purpose of this agreement is to provide the basis for and mechanism whereby Marin Municipal and North Marin can each, as a first priority, continue to meet the needs of their respective customers, and simultaneously, to the extent feasible, utilize their respective water systems and surplus system capacity in a coordinated manner for the benefit of the customers of both Districts.

3. WATER DELIVERY PROVISIONS

A. North Marin's Delivery of Marin Municipal's Russian River Water

- 1. North Marin shall deliver Marin Municipal's Russian River water through the North Marin Water System at such point or points of delivery, at such times and at such rates of flow as determined by Marin Municipal, subject, however, to the availability of surplus capacity and provided such deliveries may be made in a manner that will not prevent North Marin from meeting its contractual obligations to Sonoma Water and will normally not lower the water level in North Marin's Atherton, Palmer Drive, Lynwood or Amaroli Tanks below operating levels determined by North Marin.
- 2. North Marin will endeavor in good faith to produce 1,300 AF of treated potable water at its Stafford Lake water treatment facility during the period of May 15 through September 15 each calendar year.
- 3. North Marin will maintain Operational Control over the Kastania Pump Station, which will be operated consistent with this Agreement and the Kastania Pump Station Operations MOU. Marin Municipal will operate the Kastania Pump Station to address its operational efficiency and maintenance needs, including system outages, planned maintenance and system upgrades that may disrupt normal operations; and anticipated water shortfalls due to dry years, drought, and other emergencies.

B. Marin Municipal's Delivery of North Marin's Russian River Water

Marin Municipal shall deliver North Marin's Russian River water through the Marin Municipal Water System at such point or points of delivery, at such time and at such rates of flow as determined by North Marin, subject to the availability of surplus capacity and provided such deliveries may be made in a manner that will not prevent Marin Municipal from meeting its contractual obligations to Sonoma Water.

C. Marin Municipal's Delivery to Nicasio or Lagunitas Creek

On North Marin's request, when flow in Lagunitas Creek is determined by North Marin to be low or when the dry year condition described in State Water Resources Control Board Order 95-17 occurs, Marin Municipal shall release to Nicasio Creek or Lagunitas Creek for North Marin's benefit up to 250 acre-feet per year. Said water shall be used by North Marin within its Inverness-Point Reyes Annexation Territory as same is recorded in Volume 2118 of the official Records of Marin County at Page 304 through 314. Additional amounts of water may be released by Marin Municipal upon North Marin's request subject to the availability of surplus water, as determined solely by Marin Municipal. Whether releases of requested water are made from Seeger Dam / Nicasio Lake or Peters Dam / Kent Lake shall be determined by Marin Municipal. All deliveries made by Marin Municipal pursuant to this section shall be over and above those releases that Marin Municipal must make to meet instream flow and water rights requirements as ordered by the State Water Resources Control Board.

In addition, if in any year that North Marin requests water under this Section and Marin Municipal has requested voluntary or mandatory water use reductions of its customers in eastern Marin County, North Marin shall require its customers in its Inverness-Point Reyes Annexation Territory to reduce use to an equal or greater percentage using the methodology included in North Marin's "Water Shortage Contingency Plan for West Marin Service Area", dated August 23, 2002, or any subsequent Plan.

D. Marin Municipal Deliveries to North Marin at the Pacheco Valle, Main Gate Road and Bel Marin Keys Interconnections

At North Marin's request and subject to availability of supply and capacity in Marin Municipal's Water System, Marin Municipal shall deliver to North Marin such quantities of water as North Marin requires to augment supply to the south end of its water system at its Pacheco Valle, Main Gate Road and Bel Marin Keys interconnections. Prior to said deliveries of water to North Marin, North Marin, at its expense, shall install metering facilities acceptable to Marin Municipal.

E. Risk of Loss

Risk of loss and responsibility for the handling and control of all water delivered hereunder shall pass from the party making the delivery to the party receiving the delivery at the point of delivery or release thereof. The parties agree to exercise due diligence in inspecting their various pipelines and appurtenances

and to take steps to guard against unreasonable loss of water.

F. Water Quality

The quality of water delivered by North Marin to Marin Municipal shall be equivalent to the quality of water served by North Marin in its potable Novato area water system. The quality of water delivered by Marin Municipal to North Marin, with the exception of water delivered pursuant to Section 3.C. hereof, which shall be untreated water, and water from Sonoma Water delivered through the Marin Municipal Water System upstream of the Ignacio pump station, shall be equivalent to the quality of water leaving Marin Municipal's Ignacio Pump Station, including any fluoridation and corrosion control treatment conducted by Marin Municipal.

G. Meters for Deliveries to Marin Municipal

Meters used to measure deliveries made to Marin Municipal shall be tested for accuracy at least once annually by Marin Municipal at Marin Municipal's expense. North Marin shall be provided with a report of said test. North Marin shall have the right to make additional tests at any time at its expense. A meter shall be recalibrated if it is found to be inaccurate by more than two percent and in such event delivery data and corresponding payments or exchanges of water will be adjusted by the amount above or below said two percent accuracy standard as appropriate from the last date that the meter was known to be operating properly or, if such date cannot be determined, from a date midway between the date the meter was last tested and the date correct readings again commenced. However, under no circumstances shall the adjustment period exceed one year. North Marin shall read such meters and make an accounting to Sonoma Water and Marin Municipal.

H. Meters for Deliveries to North Marin

Meters used to measure deliveries made to North Marin, excluding deliveries at Kastania, Nicasio Creek or Lagunitas Creek, shall be tested for accuracy at least once annually by North Marin at North Marin's expense. Marin Municipal shall be provided with a report of said test. Marin Municipal shall have the right to make additional tests at any time at its expense. A meter shall be recalibrated if it is found to be inaccurate by more than two percent and in such event delivery data and corresponding payments or exchanges of water will be adjusted by the amount above or below said two percent accuracy standard as appropriate from the last date that the meter was known to be operating properly or, if such date cannot be determined, from a date midway between the date the meter was last tested and the date correct readings again commenced. However, under no circumstances shall the adjustment period exceed one year. North Marin shall read such meters and make an accounting to Sonoma Water and Marin Municipal.

4. OWNERSHIP OF FACILITIES

A. Marin Municipal owns the portion of Reach 1 south of the Pacheco Valle

Interconnection, including the valve that connects the North Marin and Marin Municipal Water Systems at that point, the Hamilton Bypass Pipeline, Reach 2, including the valves that connect it to the Main Gate Road Interconnection and the Novato Bypass pipeline in Reach 3, Pacheco Tanks and the Ignacio Pump Station; and will own the Kastania Pump Station in Reach 4 pursuant to the 2021 Kastania Pump Station Transfer Agreement.

- B. North Marin owns Branches 1 and 2, the portion of Reach 1 north of the Pacheco Valle Interconnection, all other pipelines in Reach 3 and Reach 4, Air Base Tank, the Lynwood, Atherton, Palmer Drive and Amaroli Tanks and the San Marin Control Station.
- C. Sonoma Water owns, operates and maintains Kastania Tank and billing meter vault.

5. OPERATION AND MAINTENANCE

A. Operation of Facilities

- 1. Marin Municipal shall be responsible for the operation, maintenance, repair and replacement of the facilities it owns. Control of flow in Reach 3 and Reach 4 shall be dictated by the Kastania Pump Station Operations MOU and Atherton, Lynwood and Palmer Drive Tank levels such that the hydraulic grade line in Reach 4 at the point of connection with Reach 3 does not fall below operation levels of these tanks as determined by North Marin. North Marin shall inform Marin Municipal prior to modifying the minimum operation levels of the tanks that dictate the control of flow in Reach 3 and Reach 4.
- 2. North Marin shall be responsible for operation, maintenance, repair and replacement of the facilities it owns and Operational Control of the Kastania Pump Station.
- 3. North Marin shall have the right to meet the needs of its customers including backfeeding water from the North Marin Aqueduct to Stafford Lake. Before backfeeding any water North Marin shall consult with Marin Municipal and Sonoma Water and will make every reasonable attempt to develop a plan of operation that will minimize disruption of deliveries of Marin Municipal's Russian River water.
- 4. The rehabilitated and recommissioned Kastania Pump Station is constructed to solely benefit Marin Municipal and Marin Municipal shall have the right to use the capacity of the Kastania Pump Station to the extent that surplus capacity exists in North Marin's system to transfer water to Marin Municipal.

B. Standards of Maintenance

The party assigned responsibility for operation, maintenance, repair and replacement of the Intertie Facilities shall at all times keep said facility in good repair and working order throughout the term of this Agreement.

6. PAYMENT AND EXCHANGE PROVISIONS

A. Payment for Delivery of Marin Municipal's Russian River Water

1. Marin Municipal shall pay North Marin a wheeling charge for all Marin Municipal's Russian River water delivered pursuant to Section 3. On the effective date of this agreement the wheeling charge shall be \$15.39 per acre-foot as the base charge, plus an additional \$5.14 per acre-foot set aside charge. Together the total wheeling charge shall be \$20.53 per acre-foot, \$5.14 per acre-foot of which shall be allocated and credited to Marin Municipal's share of the future replacement costs of the North Marin Aqueduct, including the escalation as described below. The wheeling charge and set aside charge shall be increased on July 1 of each subsequent year, beginning July 1, 2022, to reflect the change in the Engineering News Record Construction Cost Index for the San Francisco Bay area for the preceding 12 months (the "escalator"). The escalator on the wheeling and set aside charges shall be no greater than 4% per year and no less than 2% per year.
2. In recognition of North Marin's investment in the AEEP, Marin Municipal has made principal payments to North Marin in the amount of \$1,692,645 and shall make annual payments to North Marin in the amount of \$205,320 each July 1, from 2022 through 2032 as fair compensation for the AEEP capital cost. The parties agree that the AEEP project's actual costs, exclusive of those costs paid by Caltrans total \$7,103.691 and such that Marin Municipal's share of the final actual costs of the AEEP are equal to 51 percent and North Marin's share of the final actual costs of the AEEP are equal to 49 percent.

B. Payment for Delivery of North Marin's Russian River Water

North Marin shall pay Marin Municipal a wheeling charge for all North Marin's water delivered pursuant to Section 3. On the effective date of this agreement the wheeling charge shall be \$3.84 per acre-foot. The wheeling charge shall be increased on July 1 of each subsequent year, beginning July 1, 2022, to reflect the change in the Engineering News Record Construction Cost Index for the San Francisco Bay area for the preceding 12 months (the "escalator"). The escalator on the wheeling charge shall be no greater than 4% per year and no less than 2% per year.

Payment for water delivered to North Marin pursuant to Section 3.0., Pacheco Valle, Main Gate Road, and Bel Marin Keys Interconnections, will be by exchange, as provided in Section 6.0., below.

In addition, for each acre-foot of water delivered to North Marin pursuant to Section 3.0., Pacheco Valle, Main Gate Road and Bel Marin Keys Interconnections, North Marin shall pay Marin Municipal the wheeling charge.

For all such water delivered to North Marin downstream of Ignacio Pump Station, North Marin shall pay Marin Municipal a charge per acre-foot equal to the total annual out-of-pocket cost of energy consumed and treatment chemicals provided by Marin Municipal at the Ignacio Pump Station divided by the total volume of water pumped during the same period.

C. Compensation for Nicasio or Lagunitas Creek Deliveries and Other Water Delivered by Marin Municipal

For each acre-foot of water delivered by Marin Municipal to North Marin pursuant to Section 3.C., Lagunitas or Nicasio Creek, North Marin shall pay Marin Municipal \$243.68 / acre-foot. This charge shall be increased on July 1 of each subsequent year, beginning July 1, 2022, to reflect the change in the Engineering News Record Construction Cost Index for the San Francisco Bay area for the preceding 12 months (the escalator). The escalator shall be no greater than 4% per year and no less than 2% per year.

D. Exchange Deliveries by North Marin

On the terms and conditions set forth in this sub paragraph 6. D. North Marin shall deliver to Marin Municipal water referred to as "exchange water" equal to the quantity of water delivered to North Marin pursuant to Sections 3.0. At the end of each fiscal year North Marin shall subtract from its reporting to Sonoma Water of Marin Municipal use of Russian River water for the month of June of said fiscal year an amount of water equal to the total amount of water delivered to North Marin under the terms of said Section.

E. Payment of North Marin's Expenses for Operating Intertie Facilities

Annual expenses incurred by North Marin in operating, maintaining, repairing and replacing the Intertie Facilities it owns shall be, unless expressly provided for in this agreement, the responsibility of and paid by North Marin.

F. Payment of Marin Municipal's Expenses for Operating Intertie Facilities

Annual expenses incurred by Marin Municipal in operating, maintaining, repairing, and replacing the Intertie Facilities it owns shall be, unless expressly provided for in this agreement, the responsibility of and paid by Marin Municipal. Costs related to rehabilitating and recommissioning Kastania Pump Station including: planning, permitting, design, construction (materials, equipment and labor including the necessary piping tie-ins to the Kastania Pipeline and North Marin Aqueduct) and ongoing operations, maintenance and replacement costs shall be borne solely by Marin Municipal.

G. Billing and Payment

The party delivering water pursuant to this agreement for which a unit charge

in dollars per acre-foot is assessed shall bill not more frequently than monthly for same and the receiving party shall pay the amount of such billing within 30 days of receipt of same. For all other charges due under this agreement, the billing party shall prepare a bill which the receiving party shall pay within 30 days of receipt of same. Notwithstanding any dispute between the parties hereto, the receiving party shall pay all bills when due and shall not withhold all or any part of any payment pending the final resolution of such dispute. In the event of a dispute, the receiving party may pay its bills under protest and if the resolution of the dispute results in a refund, said refund shall be paid within 30 days.

7. COOPERATION PROVISIONS

A. General

Upon request, the parties will support and assist the efforts of each other to maintain and enhance the reliability of their water supplies from Sonoma Water, provided said support and assistance, as determined by said party, will not have an adverse impact on its customers nor be in conflict with law, regulation or the established policies of said party.

B. Corrosion Protection

North Marin maintains an extensive cathodic protection system for the North Marin Aqueduct. Marin Municipal shall consult North Marin in designing the cathodic protection system for its existing or any future Intertie Facilities and agrees to design and install a system at its sole cost that will be fully compatible with North Marin's system and not contribute to the deterioration of the North Marin Aqueduct.

C. Stafford Lake Treatment Plant Operations

1. North Marin will endeavor in good faith to produce 2,000 acre-feet of treated potable water at its Stafford Lake water treatment facility each year through the term of this agreement.
2. Notwithstanding the cooperative pledge of Section 3.A.2 and Section 7.C.1, the parties acknowledge and agree that there may be periods when insufficient inflow to Stafford Lake or other operational constraints may prevent North Marin from meeting the Stafford Lake Water treatment facility potable water production goals stated in Section 3.A.2 and Section 7.C.1.
3. In such periods when insufficient inflow to Stafford Lake prevents North Marin from meeting the Stafford Lake water treatment facility goals pursuant to Section 3.A.2 or Section 7.C.1 of this agreement, Marin Municipal may request North Marin to backfeed Marin Municipal's Russian River water into Stafford Lake pursuant to a Stafford Lake Agreement in form similar to that executed on February 20, 2009 and updated with then current and pertinent Diversion, Delivery and Payment

provisions. Before backfeeding any water, North Marin shall consult with Marin Municipal and Sonoma Water and will make every reasonable attempt to develop a plan of operation that will minimize disruption of deliveries of Marin Municipal's Russian River water.

D. Joint Projects and/or Programs for Future Integrated Water Supply Operations

North Marin and Marin Municipal will evaluate and consider joint project(s) and/or program(s) for future integrated water supply operations. The parties will jointly determine which party will be the lead agency for purposes of environmental review pursuant to the California Environmental Act ("CEQA"). For each proposed joint project or program, the parties will share costs of the project and environmental review in proportion to each district's respective share of the water supply capacity or yield from the proposed project and/or program, regardless of which party is the lead agency.

E. Future Replacement of the North Marin Aqueduct

North Marin will replace the North Marin Aqueduct, including Reach 4a, when necessary due to condition or other factors, at a time yet to be determined. Said replacement may be solely a North Marin project or combined projects of North Marin, and Marin Municipal, as jointly determined by the parties. Marin Municipal's share of the costs for future replacement of the North Marin Aqueduct shall be the subject of a future agreement between the parties, taking into account the future replacement payment already made by Marin Municipal for such purpose pursuant to section 6(A)(1).

F. Option for Marin Municipal to Make Use of North Marin's Existing Easements and for Future Marin Municipal Pipeline.

1. North Marin has pipeline easements for the North Marin Aqueduct. These easements were originally acquired by North Marin with the plan that a second North Marin aqueduct would eventually be constructed. If Marin Municipal elects and North Marin consents to locate facilities in right-of-ways in which North Marin has existing easements, North Marin will cooperate in efforts by Marin Municipal to obtain property interests Marin Municipal deems necessary for installation and operation of said facilities. To the extent any existing easement held by North Marin is utilized by Marin Municipal, said utilization shall be the subject of a future agreement between the parties.
2. If Marin Municipal develops a pipeline project that would be parallel to Reach 4A and that would include an interconnection to the North Marin Aqueduct at or above Reach 4A, upon execution and implementation of the agreement between the parties identified in this Section 7.F.2 and subject to compliance with CEQA, North Marin will support the proposed project and the interconnection will be completed upon Marin Municipal's determination to interconnect. The terms of that agreement will address the following: the location of the proposed project and the appropriate time of the interconnection to accommodate the shutdown of the North Marin Aqueduct, environmental review, engineering, construction,

operation, maintenance and replacement of the facilities, and indemnification. Subject to compliance with CEQA, approval of said agreement shall not be unreasonably withheld. The project will be subject to CEQA documentation for which Marin Municipal will be the lead agency. North Marin will be a responsible agency under CEQA, but nothing in this section shall affect North Marin's legal responsibilities under CEQA.

8. MISCELLANEOUS PROVISIONS

A. California Environmental Quality Act

Pursuant to the California Environmental Quality Act, Marin Municipal is designated as the lead agency for any environmental documentation that may be required for this Agreement. North Marin was the lead agency for the AEEP, for which the Final EIR was certified and the project approved on July 19, 2011. Marin Municipal is designated as the lead agency for any environmental documentation that may be required for restoration of the Kastania Pump Station, this Agreement, the 2021 Kastania Pump Station Transfer Agreement, and the Memorandum of Understanding for Operation of the Kastania Pump Station and Operation of the Ely Booster Pump Station (collectively the "Kastania Pump Station Restoration Project").

B. Indemnification

Marin Municipal shall indemnify and defend North Marin, and its Board members, officers, agents and employees (each an "Indemnified Party" and collectively "Indemnified Parties") from and against any and all claims, demands, causes of action, damages, costs, expenses (including legal, expert witness, and consulting fees and costs, any judgment or other award of attorneys' fees or costs and any costs of record preparation), losses, or liabilities, in law or equity, or alleged by any third parties arising directly out of, or resulting directly from, any and all litigation, lawsuits, claims, or causes of action challenging any approval of the Kastania Pump Station Restoration Project and its associated agreements. In the event any action or proceeding is brought against an Indemnified Party by reason of a claim arising out of any loss for which Marin Municipal has indemnified the Indemnified Party, and upon written notice from such Indemnified Party, Marin Municipal shall at its sole expense answer and otherwise defend such action or proceeding. The indemnity shall include, without limitation, Marin Municipal's obligation to pay reasonable attorney's fees and costs, reasonable fees of consultants and experts, and related costs.

C. Termination of Existing Agreements

The "Interconnection Agreement" dated February 2014 is hereby superseded by this agreement and is no longer in effect.

D. Method and Place of Giving Notice and Making Payments

All notices shall be in writing and notices and payments may be given by

personal delivery or by mail. Notices and payments sent by mail shall be addressed as follows:

North Marin: North Marin Water District
 Attn: General Manager
 P.O. Box 146
 Novato, CA 94948-0146

Marin Municipal: Marin Municipal Water District
 Attn: General Manager
 220 Nellen Avenue
 Corte Madera, CA 94925

Changes may be made in the addresses of the persons to whom notices and payments are to be given by giving notice pursuant to this section.

D. Third Party Beneficiaries

No third-party beneficiaries are intended or established by this agreement.

E. Representation by Counsel

North Marin and Marin Municipal each were represented by independent counsel in the negotiation and execution of this agreement. For the purposes of interpretation of this agreement, neither party shall be deemed to have been the drafter of this agreement.

F. Mediation

Any dispute occurring under this Agreement shall first be reviewed by the parties, who shall meet and attempt in good faith to resolve the dispute through negotiation. In the event that the parties cannot resolve any such dispute between them, then, upon 30-days' notice, the parties shall submit such dispute to mediation by a mutually acceptable neutral mediator. If any such dispute is not resolved through mediation, unless the parties agree in writing upon an alternative form of and forum for dispute resolution, each party shall have the right to pursue any remedies it may have in law or in equity. Any such litigation concerning claims and disputes related to this Agreement shall be filed in the Superior Court in and for Marin County, and each Party hereby waives its right to move to change venue.

G. Severability

If any one or more sections, provisions, promises or conditions of this agreement is declared null and void or voidable for any reason by a final judgment or order of a court of competent jurisdiction, it is hereby declared to be the intention of both parties and agreed that each and all of the other sections, provision, promises and conditions of this agreement shall be and remain in full force and effect.

H. Term of Agreement

The term of this agreement shall extend from the date of execution hereof until June 30, 2040 or the expiration of the Restructured Agreement for Water Supply, together with any renewals thereof or of a successor agreement to the Restructured Agreement for Water Supply, whichever shall occur later.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first above written.

NORTH MARIN WATER DISTRICT

President, Board of Directors

ATTEST:

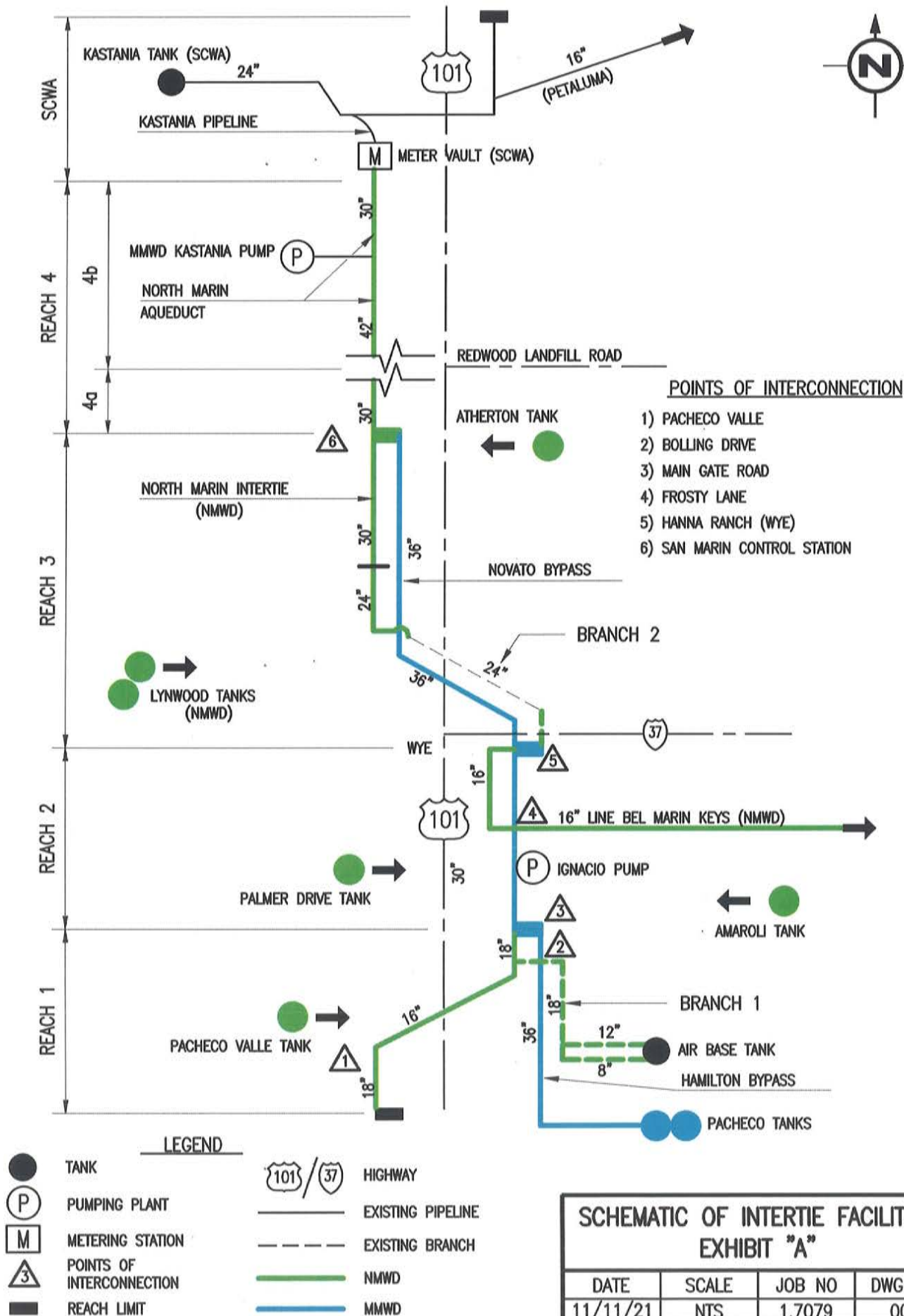
District Secretary

MARIN MUNICIPAL WATER DISTRICT

President, Board of Directors

ATTEST:

District Secretary



SCHEMATIC OF INTERTIE FACILITIES
EXHIBIT "A"

DATE	SCALE	JOB NO	DWG NO
11/11/21	NTS	1.7079	001

**2021 MEMORANDUM OF UNDERSTANDING
FOR
OPERATION OF THE KASTANIA PUMP STATION
AND
OPERATION OF THE ELY BOOSTER PUMP STATION**

This Memorandum of Understanding for Operation of the Kastania Pump Station and the Ely Booster Pump Station (hereinafter "MOU") is made and entered into by and between the Sonoma County Water Agency ("Sonoma Water"), the Marin Municipal Water District ("Marin Water"), the North Marin Water District ("NMWD"), and the City of Petaluma (Petaluma) as of _____, 2021.

Background

A. Pursuant to the terms of the "2021 Kastania Pipeline and Pump Station Transfer Agreement" dated _____, 2021 ("Transfer Agreement"), Sonoma Water, NMWD and Marin Water have agreed, among other provisions, to transfer ownership of Kastania Pump Station from Sonoma Water to Marin Water, subject to reservation of certain easement rights, to transfer ownership of a portion of Kastania Pipeline from Sonoma Water to NMWD, and Marin Water has agreed to convey certain easements to NMWD. In accordance with the Transfer Agreement, Marin Water, effective as of the date of the conveyance has full responsibility for operation and maintenance of the Kastania Pump Station. The preceding sentence notwithstanding, NMWD shall maintain operational control of the Kastania Pump Station by defining and transmitting real time set points from within the North Marin water distribution system to determine whether or not the Kastania Pumps can be operated by Marin Municipal and shall operate same in accordance with this MOU.

B. Sonoma Water's Ely Pump Station pumps water into the southern portion of the Petaluma Aqueduct, which serves Petaluma, NMWD, and Marin Water and delivers water to Sonoma Water's Kastania Tank, the North Marin Aqueduct, and Marin Water's Kastania Pump Station. Marin Water's Kastania Pump Station delivers water to Marin Water via the North Marin Aqueduct. Sonoma Water has full responsibility for operation and maintenance of the Ely Booster Pump Station and shall operate same in accordance with this MOU. It is recognized by the parties to this MOU that at times the Ely Pump Station may not have sufficient capacity to meet all of the water demands of the Petaluma Aqueduct customers. At those times, Kastania Tank may reach levels that will reduce the reliability of water service provided by the facility.

PART 1 – ACTION LEVELS

1.1 Kastania Tank Water Level at 34-feet

Anytime the water level in Kastania Tank reaches 34-feet, Sonoma Water shall operate or continue operating all pumps at the Ely Pump Station until the water level at Kastania Tank reaches at least 38-feet.

1.2 Kastania Tank Water Level at 20-feet

Anytime the water level in Kastania Tank reaches 20-feet, Marin Water will turn off all pumps at the Kastania Pump Station until the water level exceeds 25-feet, at which time Marin Water may resume operation of the pumps at Kastania Pump Station...

Part 2 –Modifications

2.1 General and Water Quality

The parties to this MOU recognize and understand that events such as non-drought emergencies, maintenance activities, construction, or similar circumstances, may require operation of the Kastania Pump Station and Ely Pump Station to temporarily deviate from this MOU. During such occurrences, the parties to this MOU shall communicate and work cooperatively with each other to address the particular circumstance. During low demand periods or when a party to this MOU requests, the SCWA may draw down the Kastania tank level to 15-feet to preserve water quality upon notification to, and in coordination with, the parties to this MOU.

2.2 Annual Review

On or about April 1 of each year the signatories herewith shall review this MOU and make necessary modifications to avoid operational conditions which may adversely affect any party. The signatories agree to consider amendments to this MOU to address modifications to non-temporary operating procedures to provide the maximum benefits while minimizing adverse effects on each party.

Part 3 – Term

The term of this MOU shall be the same as the term of the Restructured Agreement for Water Supply or any renewals, amendments or replacement agreements to the Restructured Agreement for Water Supply.

The Parties below have executed this MOU effective as of the last date set forth below.

Sonoma County Water Agency

Grant Davis, General Manager

Pamela Jeane, Assistant General Manager – Water
and Wastewater Operations

Date

North Marin Water District

Drew McIntyre, General Manager

Robert Clark, Operations Superintendent

Brad Stompe, Distribution and Treatment Plant
Supervisor

Date

Marin Municipal Water District

Ben Horenstein, General Manager

Paul Sellier, Director of Operations

Erik Westerman, Superintendent of Operations

Date

City of Petaluma

Christopher J. Bolt, Director of Public Works and
Utilities

Mike Ielmorini, Operations Supervisor

Date



Notice of Exemption

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
Via CEQAnet Web Portal

County Clerk, Sonoma County
Sonoma County Clerk
585 Fiscal Drive, Room 103
Santa Rosa, CA 95403

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

Project Title: Kastania Pump Station Rehabilitation Project

Project Location - Specific: 4100 Kastania Road (APN 019-320-014), Petaluma, CA

Project Location - County: Sonoma

Description of Nature, Purpose, and Beneficiaries of Project: Marin Municipal Water District (MMWD) proposes to rehabilitate and operate Kastania Pump Station (KPS) to address emergency drought conditions and other emergencies. Minor modifications include refurbishment and operation of one of the existing pump sets. All improvements will be contained within the existing KPS site. To complete rehabilitation, MMWD will need to execute a property transfer agreement with North Marin Water District and Sonoma County Water Agency. MMWD is Lead Agency for this Project under the California Environmental Quality Act (CEQA) and filed its Notice of Exemption in May of 2021. North Marin Water District is a Responsible Agency for this Project under CEQA.

Name of Public Agency Approving Project: North Marin Water District

Name of Person or Agency Carrying Out Project: Marin Municipal Water District

CEQA Exemption Status: The Project qualifies for a statutory exemption pursuant to Section 21080(b)(4) Public Resources Code. As a separate and independent basis for determining the project to be exempt, the Project qualifies for a categorical exemption under CEQA Guidelines Section 15301(b) "Existing Facilities". As a separate and independent basis for determining the project to be exempt, the Project qualifies for an exemption under CEQA Guidelines Section 15269(b) and (c) "Emergency Projects".

Reasons why project is exempt:

The Project qualifies for a statutory exemption pursuant to Section 21080(b)(4) Public Resources Code as a specific action necessary to mitigate an emergency. The Project is exempt under CEQA Guidelines Section 15301(b) as it includes the operation, repair, and minor alteration of existing public facilities involving no expansion of use. The Project is exempt under CEQA Guidelines Section 15269(b) and (c) because it involves repairs to publicly owned service facilities necessary to maintain essential public health, safety, and welfare and to mitigate emergency.

Lead Agency Contact Person: Crystal Yeeman, P.E., Director of Engineering, Marin Municipal Water District (415) 945-1100

Responsible Agency Contact Person: Tony Williams, P.E., Assistant General Manager/Chief Engineer, North Marin Water District (415) 761-8945

Signature: _____ Date: _____
Title: _____

Approval Item

TITLE

Resolution Approving the Kastania Pump Station Rehabilitation Project and Authorizing the General Manager to Execute a Professional Services Agreement with Carollo Engineers

RECOMMENDATION

Adopt a resolution approving the Kastania Pump Station Rehabilitation Project, authorizing the General Manager to execute a professional services agreement with Carollo Engineers, finding the Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), and directing staff to file a Notice of Exemption with the Sonoma County Clerk.

SUMMARY

The District's imported water supply, delivered through the North Marin Aqueduct, annually provides 25% of the District's water supply. The Kastania Pump Station, which served to facilitate delivery of the District's imported water supply from 1977 through 2015, has been disconnected from the aqueduct and is no longer in service, limiting the District's ability to access its imported water supply. Due to the drought, immediate action is required to rehabilitate and operate the Kastania Pump Station to facilitate delivery of the District's imported water supply and ensure a continued supply of safe drinking water to the District's customers. Staff recommends the Board adopt the Resolution approving the Kastania Pump Station Rehabilitation Project, authorizing the General Manager to execute a professional services agreement with Carollo Engineers in support of the Kastania Pump Station Rehabilitation Project, finding the Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), and directing staff to file a Notice of Exemption with the Sonoma County Clerk.

DISCUSSION

After two successive dry winters with below average rainfall, District reservoir storage volumes are at historically low levels. Reservoir storage as of May 1, 2021 was 40,167 acre-feet (AF), which was 50% of capacity, 32,152 AF below the historic average of 72,319 AF on this date, and was the lowest storage level in 38 years since Kent Dam was raised and the total capacity of the District's reservoir system was increased to 79,566 AF. Total rainfall from July 1, 2020 to May 1, 2021, as measured at the District's Lagunitas rain gauge, was 20.6 inches, approximately 41% of average rainfall for this time of year (as of May 1). Total rainfall from January 1, 2020 through May 1, 2021 was approximately 32 inches, the lowest total rainfall for the 16 month period in 142 years. As a result of this drought, District reservoirs are at 56% of average storage volume for this date and are projected to have as little as 22,000 to 25,000 AF in storage on December 1, 2021 in the absence of above average rainfall and runoff over the remainder of the year.

To preserve the District's limited water supply, the District's Board of Directors (Board) adopted Resolution 8624 on February 16, 2021 providing initial drought water conservation actions for District customers to voluntarily reduce their water usage. The Board also authorized the General Manager to execute a professional services agreement with Carollo Engineers to evaluate rehabilitation of the Kastania Pump Station.

At the April 6th, 2021 meeting, the Board discussed the preliminary results of Carollo Engineers' evaluation of the Kastania Pump Station, which determined that rehabilitating and operating the Kastania Pump Station would improve the operational efficiency of the District's imported water supply and that rehabilitating the Kastania Pump Station could be completed in approximately seven months under Option 1 – Immediate Recommissioning.

At the April 20th, 2021 meeting, the Board adopted Resolution 8630 declaring a water shortage emergency and adopted Ordinance No. 449 setting forth a comprehensive list of mandatory water conservation measures and water use restrictions. At the May 4, 2021 meeting, the Board adopted Ordinance No. 450 adding additional mandatory water conservation measures.

Kastania Pump Station History

The Kastania Pump Station (KPS), located at 4100 Kastania Road in Petaluma (see Attachment 2), was constructed in 1977. At that time, the facility was designed to increase the flow and pressure in the North Marin Aqueduct (a pipeline operated by North Marin Water District from just north of the KPS to North Marin's distribution system in Novato) and offset the hydraulic impact of increased consumption of imported water by Petaluma and the North Marin Water District. The North Marin Aqueduct conveys water to both North Marin Water District and the District. The District operated the KPS until 1999 when ownership was transferred to the Sonoma County Water Agency (now known as Sonoma Water).

After operating for 38 years, the KPS was taken off-line in August 2015, after Caltrans completed the Marin-Sonoma Narrows High Occupancy Vehicle Widening Project (Caltrans Project). Implementation of the Caltrans Project interfered with the North Marin Aqueduct which ran parallel to the west side of the freeway, requiring relocation of the Aqueduct out of the Caltrans Project footprint. As part of the relocation, much of the North Marin Aqueduct was upgraded from a 30-inch diameter pipe to a 42-inch diameter pipe which would, under normal conditions, allow water deliveries to gravity flow year-round to the District's Ignacio Pump Station in Novato, thus eliminating the need for operation of the KPS.

Summary of District Water Supply Sources

Approximately 75% of the District's water supply comes from water stored in seven reservoirs on Mount Tamalpais and in west Marin, and approximately 25% of the water supply is imported from Sonoma Water via the North Marin Aqueduct. The District's contracts with Sonoma Water identify the maximum volumes to be imported: 12.8 mgd during the months of May to

September and 17 to 23 mgd from October to April.¹ However, the District has never needed the maximum volumes, averaging 8.81 mgd during peak months over the last 5 years², with a high of 10.07 mgd in 2016.

The ability of the District to efficiently access its contracted water supply is impacted by hydraulic constraints in the imported water supply pipe network both upstream and downstream of the KPS and, in particular, by non-operation of the KPS. Rehabilitation and operation of the KPS would allow the District to more efficiently operate its water supply system, especially in time of dry years or drought.

Project Description

Existing Conditions

The KPS is located on a 0.83-acre parcel and includes a 1,200-square-foot building which houses two pumps (referred to as Pump No. 1 and Pump No. 2) and associated electrical facilities. Both pumps are driven by 400-hp motors. In an evaluation of its condition, the KPS was found to generally be in good condition, except for Pump No. 1 which has sustained fire damage and can no longer be used. Pump No. 2 appears to be in good condition, requiring minimal refurbishment to function properly. The building is set into the hill at the southeast corner of the site.

Exterior improvements include a driveway, buried yard piping, and a gate and fencing. Much of the unimproved portion of the site is ruderal grassland, with two mature oak trees centrally located.

Operations

Prior to being taken off-line in 2015, imported water was conveyed via gravity through the North Marin Aqueduct (beneath Kastania Road) and bypassed the KPS during periods of low demand. During periods of high demand, water was delivered to the KPS from the North Marin Aqueduct³ in Kastania Road by a 30-inch wye fitting. After leaving the KPS, imported water entered a 30-inch discharge pipe which connected back to the North Marin Aqueduct at a point further south on Kastania Road.

After installation of the relocated 42-inch North Marin Aqueduct, water deliveries now bypass the KPS just north of the facility, crossing east under Highway 101 and continuing south via the relocated Aqueduct. The KPS has not been used since 2015, when the relocated Aqueduct came online.

¹ The District has two agreements with Sonoma County Water Agency, last updated in July 2015, detailing the flow rate for both the sale of water and off-peak deliveries. The actual flow rates are variable in any given month.

² Peak delivery months for the District occur in the winter, typically November through April.

³ The North Marin Aqueduct begins at the metering point approximately 800 feet north of the KPS.

Proposed Rehabilitation

Proposed minor modifications within the existing 1,200 square-foot pump house building include:

- Refurbish Pump No. 2 (replace motor coupling and mechanical seal);
- Relocate solenoid valve from Pump No. 1 to Pump No. 2; and
- Install pressure transmitter.

Proposed yard improvements include:

- Install approximately 100 linear feet of 30-inch yard piping;
- Install a 6-foot by 8-foot flowmeter vault;
- Install a 1-inch conduit to the new flowmeter vault; and
- Repair existing 1,630-square-foot driveway with all-weather road surface.

All improvements would be contained within the existing site. Yard improvements would be at or below grade and would be outside the dripline of the two oak trees. No off-site improvements would be needed. Construction would take approximately 3 months and occur in late summer or early fall of 2021.

No change would occur to the District's existing contracted water delivery volumes with Sonoma Water. Bringing Pump No. 2 back in service would allow the District to maintain a constant delivery rather than a fluctuating water delivery that is subject to constraints in the system.

To complete the rehabilitation, the District would need to execute a lease, license, or property transfer with Sonoma Water for the KPS site. This would occur prior to the start of construction.

ENVIRONMENTAL REVIEW

The Project was reviewed relative to the CEQA Guidelines to determine if it qualifies under a class of projects that has been determined not to have a significant effect on the environment and which may be exempted. This review finds that the Project qualifies for a Statutory Exemption under Section 15269 Emergency Projects and meets the criteria for a Categorical Exemption under Section 15301 Existing Facilities as described in further detail below.

Section 15269 Emergency Projects

Under Section 15269, the following emergency projects are statutorily exempt from the requirements of CEQA:

(b) Emergency repairs to publicly or privately owned service facilities necessary to maintain service essential to the public health, safety or welfare. Emergency repairs include those that require a reasonable amount of planning to address an anticipated emergency.

(c) Specific actions necessary to prevent or mitigate an emergency. This does not include long-term projects undertaken for the purpose of preventing or mitigating a situation that has a low probability of occurrence in the short-term, but this exclusion does not apply (i) if the anticipated period of time to conduct an environmental review of such a long-term project would create a risk to public health, safety or welfare, or (ii) if activities (such as fire or catastrophic risk mitigation or modifications to improve facility integrity) are proposed for existing facilities in response to an emergency at a similar existing facility.

As described earlier, the District has experienced two successive dry winters with below average rainfall, resulting in reservoir storage volumes at historically low levels. At its April 20th, 2021 meeting, the Board Resolution 8630 declaring a water shortage emergency. To help manage the water shortage emergency the District proposes to rehabilitate the KPS to assist in maintaining the essential public service of water delivery to its customers and operate the KPS to mitigate the emergency. The Project is consistent with the intent of the Emergency Project exemption.

Section 15301 Existing Facilities

Under Section 15301, the following projects are categorically exempt from the requirements of CEQA:

Operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The key consideration is whether the project involves negligible or no expansion of use. Examples include:

- (a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances.*
- (b) Existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services.*

Rehabilitation of the KPS would include the repair and minor alteration of an existing public facility. The existing Pump No. 2 would be repaired, and minor alterations would be made to the yard piping. There would be few visible changes at the site. Constructed in 1977, the site has functioned as a pump station for nearly 44 years, albeit idle for the past 5 years. After the proposed improvements are complete, the site would continue to serve as a pump station facility. There would be no change in use. The Project is consistent with the intent of the Existing Facilities exemption.

Section 15300.2 Exceptions

Section 15300.2 of the CEQA Guidelines includes a list of circumstances in which a categorical exemption cannot be used. As part of the review for the Existing Facilities exemption, the Project was evaluated against each of the applicable exceptions, including cumulative impacts,

significant effects due to unusual circumstances, scenic highways, hazardous waste sites, and historical resources.

Cumulative Impact. CEQA Guidelines Section 15300.2(b) specifies that a Categorical Exemption shall not be used when the cumulative impact of successive projects of the same type in the same place over time is significant. There are no known projects within the vicinity of the KPS site that would be under construction at the same time as the proposed improvements. After the improvements are complete, use of the site would remain the same as historic conditions. Therefore, the cumulative impact exception under Section 15300.2(b) does not apply.

Significant Effect from Unusual Circumstances. CEQA Guidelines Section 15300.2(c) specifies that a Categorical Exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. The proposed improvements are consistent with exempt classes of projects, and the Project does not have a feature that distinguishes it from other examples in the exempt classes, such as size or location. The Project would not impact an environmental resource of hazardous or critical concern. The improvements would avoid the two oak trees. No unusual circumstances have been identified, and no potentially significant impacts that could occur due to the Project have been identified. Therefore, the exception under Section 15300.2(c) is not applicable.

Scenic Highways. CEQA Guidelines Section 15300.2(d) specifies that a Categorical Exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a State scenic highway. There are no State-designated scenic highways adjacent to the Project site⁴. Therefore, the exception under Section 15300.2(d) is not applicable.

Hazardous Waste Sites. CEQA Guidelines Section 15300.2(e) specifies that a Categorical Exemption shall not be used for a project located on a site which is included on a list compiled pursuant to Section 65962.5 of the Government Code. To determine if any portion of the Project would be located on such a list, the online data resources that provide information on facilities or sites pursuant to Section 65962.5, as well as relevant reports to any listed hazardous waste sites were reviewed. These include:

- Department of Toxic Substances Control EnviroStor database;
- List of Leaking Underground Storage Tank Sites from the Water Board GeoTracker database;
- List of solid waste disposal sites identified by the Water Board with waste constituents above hazardous waste levels;
- List of "active" Cease and Desist Orders and Cleanup and Abatement Orders from the Water Board;

⁴ California State Scenic Highway System Map, reviewed online on 4/26/2021.

- List of hazardous waste facilities subject to corrective action pursuant to Section 25187.5 of the Health and Safety Code.

No designated hazardous waste sites are recorded on the KPS site. One Leaking Underground Storage Tank site designated as open for monitoring is located approximately 0.3 miles to the south of the KPS site. However, given the distance of the open site to the Project site, the Project is not anticipated to encounter any contaminated hazardous waste site pursuant to Section 65962.5 of the Government Code. Therefore, as the Project site is not located on a designated hazardous waste site, the exception under Section 15300.2(e) is not applicable.

Historical Resource. CEQA Guidelines Section 15300.2(f) specifies that a Categorical Exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. During the original construction of the KPS, significant grading occurred in the side of the hill to accommodate the pump station building and create a flat pad. No historic resources were encountered at that time. The proposed improvements, including yard piping, would be located within previously disturbed areas. Therefore, Project activities are not expected to cause negative impact to any known or potential historical resources; the exception under Section 15300.2(f) is not applicable.

Conclusion

The Project qualifies for exemptions under 15269 Emergency Projects and 15301 Existing Facilities of the CEQA Guidelines. The environmental review and documentation reported above did not identify any significant effects that would occur from the Project, and the exceptions listed in Section 15300.2 of the CEQA Guidelines were found not to apply to the Project. A copy of the draft Notice of Exemption is provided in Attachment 3. A copy of the technical memorandum prepared by GHD regarding CEQA review of the Project is provided in Attachment 4.

KASTANIA PUMP STATION REHABILITATION PROJECT

As discussed at the April 6th, 2021 meeting, the District intends to pursue Option 1 – Immediate Recommissioning of the Kastania Pump Station. In order to proceed with the Kastania Pump Station Rehabilitation Project, the services of a professional engineering firm are needed to prepare detailed design of the project and provide engineering services during construction. District staff recommends the District hire Carollo Engineers for this phase of the project. Carollo Engineers is an experienced consulting engineering firm with expertise in civil, mechanical, electrical, structural and hydraulic engineering of water systems, and conducted the preliminary evaluation of the Kastania Pump Station Rehabilitation Project and has prepared a draft basis of design report for the Kastania Pump Station Rehabilitation Project.

As shown below, the project is anticipated to be completed in November 2021.

Project Implementation:

Professional Services Agreement:	May 18, 2021
Complete Construction Documents:	July 15, 2021
Construction Quotes Due:	August 4, 2021
Award Construction Contract:	August 17, 2021
Start Construction:	September 12, 2021
Complete Construction:	November 19, 2021

FISCAL IMPACT

As shown in Table 1, the total cost for the contract with Carollo Engineers is \$392,662, with a staff requested contingency of \$40,000, for a total authorized amount of \$432,662.

Table 1
Kastania Pump Station Rehabilitation Project
Detailed Design and Engineering Services During Construction
Scope of Work Summary


Task Description	Budget
Task 1 – Project Management and Project Meetings: This task includes managing the project team, the scope of work, the project schedule and budget, and the coordination of, and documentation of, project meetings. Additionally, the project management task includes Carollo's quality management program and providing monthly progress reports to the District to accompany the invoices for the services provided by Carollo related to the project.	\$46,528
Task 2 – Site Visit and Operational Testing: This task includes a site by Carollo to assist in the detailed design of the electrical components of the KPS, and developing and implementing an on-site operational test plan to support rehabilitation of the pump station. It is anticipated the test plan will take two days to complete.	\$9,248
Task 3 – Detailed Design: This task includes completing detailed design of the Project, including civil, mechanical, electrical, and control/instrumentation. Detailed plans will be prepared at the 90% level for review and comment by the District. Following District's review, Carollo will prepare final design and a 100% complete set of construction contract documents suitable for contractor quotes. Carollo estimates the design will require approximately 40 detailed design sheets.	\$231,808
Task 4 – Bid Phase Support Services: Carollo will develop the agenda for, and conduct, the prebid meeting for prospective contractors. Carollo will prepare addendum as required, and analyze the quotes received to verify conformance with contract requirements. Upon issuance of notice of award, Carollo will prepare Conformed Documents by incorporating all changes by the addendum into the final documents for construction.	\$12,792
Task 5 – Engineering Services During Construction: Carollo will attend weekly construction progress meetings; review submittals, RFIs and Change Orders; conduct final site inspection and develop a punch list; and, upon completion of the project, produce an end-of-project set of as-built record drawings. Carollo will also prepare an Operations and Maintenance (O&M) Manual for the Kastania Pump Station. The O&M manual will address safety, operating strategies and procedures, alarms, troubleshooting, and include equipment and vendor information.	\$92,286
TOTAL	\$392,662
Contingency	\$40,000

Total Authorized Amount	\$432,662
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In summary, District staff request the Board authorize the General Manager to execute a professional services agreement with Carollo Engineers for detailed design and engineering services during construction for the Kastania Pump Station Rehabilitation Project in the amount of \$392,662, plus a contingency of \$40,000, for a total authorized amount of \$432,662.

ATTACHMENT(S)

1. Resolution
2. Site Map
3. Draft Notice of Exemption
4. Kastania Pump Station Rehabilitation – Preliminary Review for CEQA Compliance (*GHD, May 3, 2021*)

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Engineering	 Michael Ban Director of Engineering	 Ben Horenstein General Manager

MARIN MUNICIPAL WATER DISTRICT

RESOLUTION NO.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER
APPROVING THE KASTANIA PUMP STATION REHABILITATION PROJECT**

WHEREAS, in 2020, the District received just over 20 inches of rain, the second lowest rainfall total for the District's watershed in 90 years; and

WHEREAS, on January 19, 2021, the Board identified numerous actions the District is taking in order to preserve the District's water supply, including evaluating the rehabilitation of the Kastania Pump Station; and

WHEREAS, on February 16, 2021, the Board adopted Resolution 8624 declaring initial drought water conservation actions and requesting District customers to voluntarily reduce their water usage; and

WHEREAS, on April 1, 2021, total storage in the District's reservoirs was 43,485 acre-feet (AF), the lowest storage level in 38 years since Kent Dam was raised and the total capacity of Marin Water's reservoir system was increased to 79,566 AF, with District reservoirs projected to be as low as 24,000 – 28,000 AF on December 1, 2021 in the absence of above average rainfall and runoff; and

WHEREAS, on April 20, 2021, the Board adopted Resolution 8630 declaring a water shortage emergency and adopted Ordinance 449 implementing mandatory water conservation measures; and

WHEREAS, on May 4, 2021, the Board adopted Ordinance 450 to add additional mandatory water conservation measures; and

WHEREAS, the District has contracted with the Sonoma County Water Agency to import water through the North Marin Aqueduct since 1975; and

WHEREAS, to facilitate delivery of its imported water supply, the District constructed the Kastania Pump Station in 1977 at 4100 Kastania Road, Petaluma; and

WHEREAS, the District owned and operated the Kastania Pump Station from 1977 to 1999 to facilitate delivery of its imported water supply; and

WHEREAS, the District transferred ownership of the Kastania Pump Station to the Sonoma County Water Agency in 1999 in accordance with the “Agreement Among the Sonoma County Water Agency, the North Marin Water District and the Marin Municipal Water District for Acquisition of a Portion of the North Marin Aqueduct and the Kastania Pump Plant,” dated April 13, 1999; and

WHEREAS, the Sonoma County Water Agency operated the Kastania Pump Station from 1999 to 2015 to facilitate delivery of the District’s imported water supply; and

WHEREAS, the Sonoma County Water Agency discontinued operating the Kastania Pump Station on August 13, 2015, following completion of the North Marin Water District’s Aqueduct Energy Efficiency Project; and

WHEREAS, the Kastania Pump Station is in a state of disrepair, is not connected to the North Marin Aqueduct and is not available to be used to improve the operational efficiency of the District’s imported water supply; and

WHEREAS, without operation of the Kastania Pump Station, the limited capacity of the North Marin Aqueduct is not sufficient to meet the District’s imported water needs, especially during drought and increased fire risk; and

WHEREAS, because the Kastania Pump Station is not available to improve the operational efficiency of the District’s imported water supply, the District’s imported water supply has been reduced during the drought, with the reduced capacity expected to continue into the summer; and

WHEREAS, on February 16, 2021, the District authorized the General Manager to execute a professional services agreement with Carollo Engineers to undertake preliminary analysis of available options for the Kastania Pump Station; and

WHEREAS, on April 6, 2021, the Board considered the results of Carollo Engineers’ efforts to evaluate rehabilitation of the Kastania Pump Station, which determined that rehabilitating and operating the Kastania Pump Station would improve the operational efficiency of the District’s imported water supply and that rehabilitating the Kastania Pump Station could be completed in approximately seven months under Option 1 – Immediate Recommissioning (Kastania Pump Station Rehabilitation Project (Project or proposed project)); and

WHEREAS, as part of the preliminary evaluation of the Kastania Pump Station Rehabilitation, staff also considered the proposed project pursuant to the California Environmental Quality Act (CEQA) and found that based on the existence of the drought emergency and the pressing need for water delivery flexibility as well as the limited work to be completed at the existing site of the Kastania Pump Station for

the Option One Rehabilitation, the proposed project would qualify for CEQA Exemptions pursuant to CEQA Guidelines Section 15269 Emergency Projects and CEQA Guidelines 15301 Existing Facilities in that the Project is necessary to improve the operational efficiency of the District's imported water supply which has been reduced during the drought, with the reduced capacity expected to continue into the summer and will entail only minor repairs and alterations to the existing facilities as further discussed in that Memorandum prepared by GHD for the District dated May 3, 2021 and attached to the staff report herewith; and

WHEREAS, in order to proceed with the Kastania Pump Station Rehabilitation Project, the services of a professional engineering firm are needed to prepare a detailed design and to provide engineering services during construction; and

WHEREAS, Carollo Engineers is an experienced consulting engineering firm with expertise in civil, mechanical, electrical, structural and hydraulic engineering of water systems, and conducted the preliminary evaluation of the Kastania Pump Station Rehabilitation Project; and

WHEREAS, the cost for professional engineering services in support of the Kastania Pump Station Rehabilitation Project is \$392,662, with a staff requested contingency of \$40,000 for a total authorized amount of \$432,600.

NOW, THEREFORE, THE BOARD OF DIRECTORS RESOLVES AS FOLLOWS:

- A. The Board of Directors find as follows:
 - 1. The above recitals are true and accurate and are incorporated herein by this reference.
 - 2. Rehabilitating the Kastania Pump Station and returning it to service is needed to improve the operational efficiency of the District's imported water supply, especially during increased fire risks and drought.
- B. The Board of Directors hereby approves the Kastania Pump Station Rehabilitation Project and authorizes the General Manager to execute a professional services agreement with Carollo Engineers for a detailed design and engineering services during construction for the Kastania Pump Station Rehabilitation Project in the amount of \$392,662, with a contingency of \$40,000, for a total authorized amount of \$432,600.
- C. The Project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 CCR Section 15061 (b)(1), (2), based on the following categorical and statutory exemptions:

1. The Project is exempt under CEQA Guidelines Section 15301 (b) as it includes the operation, repair, and minor alteration of existing public facilities involving no expansion of use (Class I, "Existing Facilities").
2. The Project is exempt under CEQA Guidelines Section 15269 (b)(c) because the Project involves emergency repairs to publicly owned service facilities necessary to maintain essential public health, safety and welfare and prevent an emergency ("Emergency Projects").
3. Application of the categorical exemption is not barred by any of the exceptions set forth in 14 CCR Section 15300.2.
4. Pursuant to 14 CCR Section 15062, the Board of Directors directs staff to file a Notice of Exemption for the Project with the Sonoma County Clerk within five (5) days of adoption of this Resolution, which shall constitute Project approval as defined by 14 CCR Section 15352(a).

PASSED AND ADOPTED this 18th day of May, 2021, by the following vote of the Board.

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

Board Secretary



Kastania Pump Station, 4100 Kastania Road, Petaluma



Notice of Exemption

TO: Office of Planning and Research P.O. Box 3044, Room 113 Sacramento, CA 95812-3044 Via CEQAnet Web Portal County Clerk County of Sonoma 585 Fiscal Drive, Room 103 Santa Rosa, CA 95403	FROM: Marin Municipal Water District 220 Nellen Ave Corte Madera, CA 94925 Attn: Michael Ban, P.E., Director of Engineering
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Project Title: Kastania Pump Station Rehabilitation Project

Project Location - Specific: 4100 Kastania Road (APN 019-320-014), Petaluma, CA

Project Location – County: Sonoma

Project Description: The Marin Municipal Water District proposes to rehabilitate and operate the Kastania Pump Station (KPS) to address the emergency drought conditions. Minor modifications include refurbishment and operation of one of the existing pump sets, installation of approximately 100 linear feet of 30-inch yard piping and a 6-foot by 8-foot flowmeter vault, and resurfacing of existing driveway. All improvements will be contained within the existing KPS site. Construction will take approximately 3 months and occur in late summer or early fall of 2021. To complete the rehabilitation, the District will need to execute a lease, license, or property transfer with Sonoma Water. This will occur prior to the start of construction.

Public Agency Approving Project: Marin Municipal Water District

Name of Person or Agency Carrying Out Project: Marin Municipal Water District

CEQA Exemption Status: The Project is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301 (b) "Existing Facilities" (Class 1) and exempt under CEQA Guidelines Section 15269 (b) and (c) "Emergency Projects".

Reason for Exemption: The Project is exempt under CEQA Guidelines Section 15301 (b) as it includes the operation, repair, and minor alteration of existing public facilities involving no expansion of use. The Project is exempt under CEQA Guidelines Section 15269 (b) and (c) because it involves repairs to publicly owned service facilities necessary to maintain essential public health, safety and welfare and to mitigate an emergency.

Project Approval: The Marin Municipal Water District Board of Directors approved Resolution No. XXXX at a meeting of the Board of Directors on May 18, 2021.

Lead Agency Contact Person: Michael Ban, P.E., Director of Engineering

Telephone: (415) 945-1435

Michael Ban, P.E., Director of Engineering

May 19, 2021
Date



Memorandum

3 May 2021

To	Mike Ban, Director of Engineering, Marin Municipal Water District		
From	Kristine Gaspar, Environmental Planner, GHD Pat Collins, Environmental Planner, GHD	Tel	707-523-1010
Subject	Kastania Pump Station Rehabilitation – Preliminary Review for CEQA Compliance	Project no.	11224707

Introduction and Summary

The Marin Municipal Water District (District) proposes to rehabilitate and operate the Kastania Pump Station (KPS) to address the emergency drought conditions. Rehabilitating and bringing the KPS back on-line would allow the District to manage their water deliveries more efficiently and access their contracted water deliveries during high demand periods and during periods when the capacity of the North Marin Aqueduct is limited by demands upstream of the District's Ignacio Pump Station. This has become more acute during the drought, reducing the District's ability to receive their typical water deliveries for this time of year. The District engaged with GHD to review the proposed rehabilitation of the KPS and provide a recommendation for CEQA compliance if such a rehabilitation were approved. This memorandum summarizes the findings of that review and concludes that rehabilitation of the KPS would qualify for an exemption under CEQA Guidelines Section 15269 Emergency Projects and CEQA Guidelines 15301 Existing Facilities.

Environmental Setting

Continuing Drought Conditions and Water Emergency Declaration

After two successive dry winters with below average rainfall, the District reservoir storage volumes are at historically low levels. Reservoir storage as of April 1, 2021 was 43,385 acre-feet (AF), the lowest storage level in 38 years since Kent Dam was raised and the total capacity of the District's reservoir system was increased to 79,566 AF. Total rainfall from July 1, 2020 to April 1, 2021, as measured at the District's Lagunitas rain gauge, was 20.3 inches, approximately 43% of average rainfall for this time of year (as of April 1). As a result of this drought, the District reservoirs are at 59% of average storage volume for this date and are projected to have as little as 24,000 to 28,000 AF in storage on December 1, 2021 in the absence of above average rainfall and runoff over the remainder of the water year.¹

To preserve the District's limited water supply, the District's Board of Directors (Board) adopted Resolution 8624 on February 16, 2021 providing initial drought water conservation actions for District customers to voluntarily reduce their water usage. At the April 20, 2021 meeting, the Board adopted Resolution 8630 declaring a water shortage emergency and adopted an ordinance setting forth a comprehensive list of mandatory water conservation measures and water use restrictions.

Kastania Pump Station History

The KPS, located at 4100 Kastania Road in Petaluma, was constructed in 1977. At that time, the facility was designed to increase the flow and pressure in the North Marin Aqueduct (a pipeline operated by North Marin Water District from just north of the KPS to North Marin's distribution system in Novato) and offset the hydraulic impact of increased consumption of imported water by Petaluma and the North Marin Water District.

¹ Marin Municipal Water District Board Meeting, April 20, 2021. Agenda Item #6.

The North Marin Aqueduct conveys water to both North Marin Water District and the District. The District operated the KPS until 1999 when ownership was transferred to the Sonoma County Water Agency (now known as Sonoma Water).

After operating for 38 years, the KPS was taken off-line in August 2015, after Caltrans completed the Marin-Sonoma Narrows High Occupancy Vehicle Widening Project (Caltrans Project). Implementation of the Caltrans Project interfered with the North Marin Aqueduct which ran parallel to the west side of the freeway, requiring relocation of the Aqueduct out of the Caltrans Project footprint. As part of the relocation, much of the North Marin Aqueduct was upgraded from a 30-inch diameter pipe to a 42-inch diameter pipe, which would, under normal conditions, allow water deliveries to gravity flow year-round to Ignacio Pump Station in Novato, thus eliminating the need for operation of the KPS.

Summary of District Water Supply Sources

Approximately 75% of the District's water supply comes from water stored in seven reservoirs on Mount Tamalpais and in west Marin, and approximately 25% of the water supply is imported from Sonoma Water via the North Marin Aqueduct. Both the District and the North Marin Water District receive their imported water supply via the North Marin Aqueduct, which is owned by the North Marin Water District. The District's imported water supply is received at its Ignacio Pump Station in Novato, which is located downstream of the North Marin Water District's Aqueduct turnouts.

The District's contracts with Sonoma Water identify the maximum volumes to be imported: 12.8 mgd during the months of May to September and 17 to 23 mgd from October to April.² However, to date, the District has never needed the maximum volumes, averaging 8.81 mgd during peak months over the last 5 years³, with a high of 10.07 mgd in 2016.

The ability of the District to efficiently access its contracted water supply is impacted by hydraulic constraints in the imported water supply pipe network both upstream and downstream of the KPS and, in particular, by non-operation of the KPS. Rehabilitation and operation of the KPS would allow the District to efficiently operate its water supply system.

Project Description

Existing Conditions

The KPS is located on a 0.83-acre parcel and includes a 1,200-square-foot building which houses two pumps (referred to as Pump No. 1 and Pump No. 2) and associated electrical facilities. Both pumps are driven by 400-hp motors. In an evaluation of its condition, the KPS was found to generally be in good condition, except for Pump No. 1 which has sustained fire damage and can no longer be used. Pump No. 2 appears to be in good condition, requiring minimal refurbishment to function properly. The building is set into the hill at the southeast corner of the site.

Exterior improvements include a driveway, buried yard piping, and a gate and fencing. Much of the unimproved portion of the site is ruderal grassland, with two mature oak trees centrally located.

Operations

Prior to being taken off-line in 2015, imported water was conveyed via gravity through the North Marin Aqueduct (beneath Kastania Road) and bypassed the KPS during periods of low demand. During periods of high demand, water was delivered to the KPS from Sonoma Water's Kastania Pipeline⁴ in Kastania Road by a 30-inch wye fitting. After leaving the KPS, imported water entered a 30-inch discharge pipe which connected back to the North Marin Aqueduct at a point further south on Kastania Road.

² The District has two agreements with Sonoma County Water Agency, last updated in July 2015, detailing the flow rate for both the sale of water and off-peak deliveries. The actual flow rates are variable in any given month.

³ Peak delivery months for the District occur in the winter, typically November through April.

⁴ The Kastania Pipeline begins at the connection to Sonoma Water's Petaluma Aqueduct at the Veterans Hall near the intersection of Petaluma Blvd. South and McNear Avenue and terminates at the 30-inch wye at the connection of the KPS discharge pipeline with the North Marin Aqueduct

After installation of the relocated 42-inch North Marin Aqueduct, water deliveries now bypass the KPS just north of the facility, crossing east under Highway 101 and continuing south via the relocated Aqueduct. The KPS has not been used since August 2015, when the relocated Aqueduct came online.

Proposed Rehabilitation

Proposed minor modifications within the existing 1,200 square-foot pump house building include:

- Refurbish Pump No. 2 (replace motor coupling and mechanical seal);
- Relocate solenoid valve from Pump No. 1 to Pump No. 2; and
- Install pressure transmitter.

Proposed yard improvements include:

- Install approximately 100 linear feet of 30-inch yard piping;
- Install a 6-foot by 8-foot flowmeter vault;
- Install a 1-inch conduit to the new flowmeter vault; and
- Repair existing 1,630-square-foot driveway with all-weather road surface.

All improvements would be contained within the existing site. Yard improvements would be at or below grade and would be outside the dripline of the two oak trees. No off-site improvements would be needed. Construction would take approximately 3 months and occur in late summer or early fall of 2021.

No change would occur to the District's existing contracted water delivery volumes with Sonoma Water. Bringing Pump No. 2 back in service would allow the District to maintain a constant delivery rather than a fluctuating water delivery that is subject to constraints in the system.

To complete the rehabilitation, the District would need to execute a lease, license, or property transfer with Sonoma Water. This would occur prior to the start of construction.

Review of CEQA Exemption

The Project was reviewed relative to the CEQA Guidelines to determine if it qualifies under a class of projects that has been determined not to have a significant effect on the environment and which may be exempted. This review finds that the Project qualifies for a Statutory Exemption under Section 15269 Emergency Projects and meets the criteria for a Categorical Exemption under Section 15301 Existing Facilities as described in further detail below.

Section 15269 Emergency Projects

Under Section 15269, the following emergency projects are statutorily exempt from the requirements of CEQA:

(b) Emergency repairs to publicly or privately owned service facilities necessary to maintain service essential to the public health, safety or welfare. Emergency repairs include those that require a reasonable amount of planning to address an anticipated emergency.

(c) Specific actions necessary to prevent or mitigate an emergency. This does not include long-term projects undertaken for the purpose of preventing or mitigating a situation that has a low probability of occurrence in the short-term, but this exclusion does not apply (i) if the anticipated period of time to conduct an environmental review of such a long-term project would create a risk to public health, safety or welfare, or (ii) if activities (such as fire or catastrophic risk mitigation or modifications to improve facility integrity) are proposed for existing facilities in response to an emergency at a similar existing facility.

As described earlier, the District has experienced two successive dry winters with below average rainfall, resulting in reservoir storage volumes at historically low levels. At its April 20th, 2021 meeting, the Board adopted Resolution 8630 declaring a water shortage emergency. To manage the water shortage emergency the District proposes to rehabilitate the KPS to assist in maintaining the essential public service of water

delivery to its customers and operate the KPS to mitigate the emergency. The Project is consistent with the intent of the Emergency Project exemption.

Section 15301 Existing Facilities

Under Section 15301, the following projects are categorically exempt from the requirements of CEQA:

Operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The key consideration is whether the project involves negligible or no expansion of use. Examples include:

(a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances.

(b) Existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services.

Rehabilitation of the KPS would include the repair and minor alteration of an existing public facility. The existing Pump No. 2 would be repaired, and minor alterations would be made to the yard piping. There would be few visible changes at the site. Constructed in 1977, the site has functioned as a pump station for nearly 44 years, albeit idle for the past 5 years. After the proposed improvements are complete, the site would continue to serve as a pump station facility. There would be no change in use. The Project is consistent with the intent of the Existing Facilities exemption.

Section 15300.2 Exceptions

Section 15300.2 of the CEQA Guidelines includes a list of circumstances in which a categorical exemption cannot be used. As part of the review for the Existing Facilities exemption, the Project was evaluated against each of the applicable exceptions, including cumulative impacts, significant effects due to unusual circumstances, scenic highways, hazardous waste sites, and historical resources.

Cumulative Impact. CEQA Guidelines Section 15300.2(b) specifies that a Categorical Exemption shall not be used when the cumulative impact of successive projects of the same type in the same place over time is significant. There are no known projects within the vicinity of the KPS site that would be under construction at the same time as the proposed improvements. After the improvements are complete, use of the site would remain the same as historic conditions. Therefore, the cumulative impact exception under Section 15300.2(b) does not apply.

Significant Effect from Unusual Circumstances. CEQA Guidelines Section 15300.2(c) specifies that a Categorical Exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. The proposed improvements are consistent with exempt classes of projects, and the Project does not have a feature that distinguishes it from other examples in the exempt classes, such as size or location. The Project would not impact an environmental resource of hazardous or critical concern. The improvements would avoid the two oak trees. No unusual circumstances have been identified, and no potentially significant impacts that could occur due to the Project have been identified. Therefore, the exception under Section 15300.2(c) is not applicable.

Scenic Highways. CEQA Guidelines Section 15300.2(d) specifies that a Categorical Exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a State scenic highway. There are no State-designated scenic highways adjacent to the Project site⁵. Therefore, the exception under Section 15300.2(d) is not applicable.

Hazardous Waste Sites. CEQA Guidelines Section 15300.2(e) specifies that a Categorical Exemption shall not be used for a project located on a site which is included on a list compiled pursuant to Section 65962.5 of the Government Code. To determine if any portion of the Project would be located on such a list, the online data resources that provide information on facilities or sites pursuant to Section 65962.5, as well as relevant reports to any listed hazardous waste sites were reviewed. These include:

⁵ California State Scenic Highway System Map, reviewed online on 4/26/2021.

- Department of Toxic Substances Control EnviroStor database;
- List of Leaking Underground Storage Tank Sites from the Water Board GeoTracker database;
- List of solid waste disposal sites identified by the Water Board with waste constituents above hazardous waste levels;
- List of "active" Cease and Desist Orders and Cleanup and Abatement Orders from the Water Board;
- List of hazardous waste facilities subject to corrective action pursuant to Section 25187.5 of the Health and Safety Code.

No designated hazardous waste sites are recorded on the KPS site. One Leaking Underground Storage Tank site designated as open for monitoring is located approximately 0.3 miles to the south of the KPS site. However, given the distance of the open site to the Project site, the Project is not anticipated to encounter any contaminated hazardous waste site pursuant to Section 65962.5 of the Government Code. Therefore, as the Project site is not located on a designated hazardous waste site, the exception under Section 15300.2(e) is not applicable.

Historical Resource. CEQA Guidelines Section 15300.2(f) specifies that a Categorical Exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. During the original construction of the KPS, significant grading occurred in the side of the hill to accommodate the pump station building and create a flat pad. No historic resources were encountered at that time. The proposed improvements, including yard piping, would be located within previously disturbed areas. Therefore, Project activities are not expected to cause negative impact to any known or potential historical resources; the exception under Section 15300.2(f) is not applicable.

Conclusion

The Project qualifies for exemptions under 15269 Emergency Projects and 15301 Existing Facilities of the CEQA Guidelines. The environmental review and documentation reported above did not identify any significant effects that would occur from the Project, and the exceptions listed in Section 15300.2 of the CEQA Guidelines were found not to apply to the Project.



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 11/2/2021

To: Board of Directors, Sonoma County Water Agency

Department or Agency Name(s): Sonoma County Water Agency

Staff Name and Phone Number: Kent Gylfe- 529-4177 Jennifer Willits- 494-3094

Vote Requirement: 4/5th

Supervisory District(s): Second

Title:

Approval of agreement to transfer ownership of Kastania Pump Station and portion of Kastania Pipeline.

Recommended Action:

- A) Adopt a Resolution determining that the proposed transfer of property will not adversely affect Sonoma County Water Agency in any respect and will not have a significant adverse effect on the environment, and authorize the General Manager to execute an Agreement, in a form approved by County Counsel, between Sonoma County Water Agency, Marin Municipal Water District, and North Marin Water District to transfer ownership of Kastania Pump Station and a portion of Kastania Pipeline (4/5th Vote Required).
- B) Authorize General Manager to execute a Memorandum of Understanding, in a form approved by County Counsel, between Sonoma County Water Agency, Marin Municipal Water District, North Marin Water District, and City of Petaluma for operation of Kastania Pump Station and Ely Booster Pump Station.

(4/5th Vote Required)(Second District)

Executive Summary:

To address drought conditions and support Marin Municipal Water District's (Marin Water) proposed Kastania Pump Station Rehabilitation Project (Project), this item requests Board of Directors approval of an agreement to transfer ownership of the Kastania Pump Station and a portion of the Kastania Pipeline from the Sonoma County Water Agency (Sonoma Water) to Marin Water and North Marin Water District (NMWD), respectively; and requests a determination that the transfer will not adversely affect Sonoma Water in any respect. The Project and associated property assets proposed for transfer are located at the southern-most end of Sonoma Water's water supply transmission system, south of Petaluma along Kastania Road. This item also requests approval of a Memorandum of Understanding (MOU) between Sonoma Water, Marin Water, NMWD, and the City of Petaluma for future operation of the Kastania Pump Station and the Ely Booster Pump Station that would become effective upon commissioning of the Project.

Discussion:

Marin Water has contracted with the Sonoma Water for a portion of its water supply since 1975, which is delivered via the North Marin Aqueduct, a pipeline owned and operated by NMWD. To facilitate delivery of its imported water supply, Marin Water constructed the Kastania Pump Station (KPS) in 1977. The KPS, located at 4100 Kastania Road in Petaluma (APN 019-320-014), increased the flow and pressure in the North Marin Aqueduct, from the KPS to NMWD's distribution system in Novato. The North Marin Aqueduct conveys water

to both the NMWD and Marin Water. Marin Water operated the KPS until it transferred ownership to Sonoma Water in 1999.

After operating for 38 years, the KPS was taken off-line in August 2015, after Caltrans completed the Marin-Sonoma Narrows High Occupancy Vehicle Widening Project (Caltrans Project). Implementation of the Caltrans Project interfered with the alignment of the North Marin Aqueduct, which ran parallel to the west side of the freeway, requiring relocation of the Aqueduct out of the Caltrans Project footprint. As part of the relocation, much of the North Marin Aqueduct was upgraded from a 30-inch diameter pipe to a 42-inch diameter pipe, which would, under normal conditions, allow water deliveries to flow via gravity year-round to Marin Water's Ignacio Pump Station in Novato, thus eliminating the need for operation of the KPS.

In January 2021, in response to drought conditions, Marin Water began evaluating the feasibility and impact of operating the Kastania Pump Station and determined that rehabilitating and operating Kastania Pump Station would enable Marin Water to more efficiently operate its water supply system, especially in times of dry years or drought. On May 18, 2021, the Board of Directors of Marin Water adopted Resolution No. 8635, which approved the Kastania Pump Station Rehabilitation Project, authorized an agreement with Carollo Engineers for detailed design and engineering services during construction, and found the Project categorically exempt from CEQA under CEQA Guidelines Sections 15301(b) and 15269 (b)(c).

As noted previously, the Kastania Pump Station is currently owned by Sonoma Water and has not been operational for pumping purposes since 2015. Sonoma Water also currently owns the active 30-inch diameter Kastania Pipeline within Kastania Road that feeds water to NMWD's 42-inch diameter North Marin Aqueduct as well as the inlet piping to the KPS. Both Sonoma Water and NMWD have active telemetry and communications equipment on the KPS property.

TRANSFER AGREEMENT

In support of the Project, Sonoma Water, Marin Water and NMWD have developed the 2021 Kastania Pump Station Transfer Agreement (Transfer Agreement). The purpose of this Transfer Agreement is to provide for the transfer of the Kastania Pump Station from Sonoma Water to Marin Water, along with the subsequent conveyance of easements over the KPS property necessary to assure that NMWD maintains access to those portions of the North Marin Aqueduct located within the Kastania Pump Station property and that Sonoma Water and NMWD maintain access to their existing and future telemetry equipment located at the Kastania Pump Station. The Transfer Agreement will also provide for the transfer of a portion of the above-referenced 30-inch Kastania Pipeline located between the KPS property and Sonoma Water's Kastania Meter Station (metering station for water deliveries to Marin), located approximately 600 feet north (upstream) of the KPS property.

Following transfer of these property assets, Sonoma Water's water supply transmission system pipeline will terminate at the Kastania meter station, and Marin Water and NMWD will have operational and maintenance responsibility for all facilities south of the Kastania Meter Station (with the exception of some remaining Sonoma Water communication and telemetry equipment on the KPS site.)

Key provisions of the draft Transfer Agreement include:

- No cost transfer of the Kastania Pump Station from Sonoma Water to Marin Water
- No cost transfer of the Kastania Pipeline south of the Kastania Meter Station from Sonoma Water to

NMWD

- Grant of an easement for maintenance of the North Marin Aqueduct on the Kastania Pump Station property from Marin Water to the North Marin Water District
- Grant of easements from Marin Water to Sonoma Water and the North Marin Water District for telemetry equipment

OPERATIONAL MEMORANDUM OF UNDERSTANDING

In support of the Transfer Agreement, Sonoma Water, Marin Water, NMWD, and the City of Petaluma have also been coordinating on the development of operating procedures for the Kastania Pump Station (to be operated by NMWD) and the Ely Booster Pump Station (to continue being operated by Sonoma Water). The proposed operating procedures reflect similar operational procedures as had previously been agreed to among these same entities in 2001 under a separate temporary MOU. The operating procedures identify the manner in which the Kastania and Ely Pump Stations will be operated in order to maintain minimum water levels in Sonoma Water's 12 million gallon Kastania Tank, located in the general vicinity of Kastania Meter Station, south of Petaluma. The draft MOU identifies specific water levels in the tank at which the pump stations shall be turned on or turned off, including levels at which operation of the Kastania Pump Station shall cease when water levels in the tank decline to less than half of the tank's capacity. The MOU also provides for certain temporary deviations from these operational parameters under special conditions such as emergencies, maintenance activities, and water quality conditions.

Marin Water is also coordinating with NMWD to amend the 2014 Interconnection Agreement between NMWD and Marin Water to reflect operation of the Kastania Pump Station. The 2014 Interconnection Agreement provides a framework for NMWD to wheel Marin Water's imported water supply through its North Marin Aqueduct.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The General Manager has determined that the project is statutorily exempt under California Environmental Quality Act (CEQA) Statute 21080(b)(4) and categorically exempt from CEQA pursuant to CEQA Guidelines Sections 15301 and 15269. Staff has prepared a Notice of Exemption in accordance with CEQA, the State CEQA Guidelines and Sonoma Water's Procedures for the Implementation of CEQA.

Section 9 of Sonoma Water's enabling legislation provides that a right-of-way or easement may be released or conveyed to another public entity with or without consideration. In 1999, ownership of the KPS and Kastania Pipeline facilities was conveyed from Marin Water and NMWD to Sonoma Water for one dollar (\$1.00). As such, staff is recommending no consideration be required for reconveyance of these facilities back to these entities. On August 27, 2021, Permit Sonoma issued Sonoma Water a General Plan consistency determination letter for the proposed transfer plan, in accordance with Government Code Section 65402. Sonoma Water Staff have determined that the ownership transfer would not adversely impact Sonoma Water's ability to operate its water supply transmission system in any respect. In accordance with Section 9 of Sonoma Water's enabling legislation, this item was considered by the Board at a previous Board Meeting.

Prior Board Actions:

10/26/2021: Consideration of agreement to transfer ownership of Kastania Pump Station and portion of Kastania Pipeline.

Agenda Date: 11/2/2021

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY22-23 Projected	FY 23-24 Projected
Budgeted Expenses	\$0		
Additional Appropriation Requested			
Total Expenditures	\$0		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$0		
Use of Fund Balance			
Contingencies			
Total Sources	\$0		

Narrative Explanation of Fiscal Impacts:

No fiscal impact. The work includes a no cost transfer of the Kastania Pump Station from Sonoma Water to Marin Water and a no cost transfer of the Kastania Pipeline south of the Kastania Meter Station from Sonoma Water to NMWD. Staff costs are nominal operating costs under Sonoma Water's drought response activities.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Resolution

Related Items "On File" with the Clerk of the Board:

None

Date: November 2, 2021

Item Number: _____

Resolution Number: _____

☒ 4/5 Vote Required

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY WATER AGENCY DETERMINING THAT THE TRANSFER OF PROPERTY WILL NOT ADVERSELY AFFECT SONOMA WATER IN ANY RESPECT AND WILL NOT HAVE A SIGNIFICANT ADVERSE EFFECT ON THE ENVIRONMENT, AND AUTHORIZING GENERAL MANAGER TO EXECUTE AN AGREEMENT TO TRANSFER OWNERSHIP OF KASTANIA PUMP STATION AND A PORTION OF KASTANIA PIPELINE. (4/5 VOTE REQUIRED).

Whereas, after operating for 38 years, Kastania Pump Station was taken offline due to alignment changes as part of the Caltrans US 101 widening project and associated North Marin Aqueduct upgrades by the North Marin Water District ("NMWD") as part of the realignment; and

Whereas, the realigned North Marin Aqueduct allows water deliveries from Sonoma County Water Agency ("Sonoma Water") to flow via gravity year-round to NMWD and Marin Municipal Water District ("Marin Water"); and

Whereas, due to the current emergency drought conditions, Marin Water has evaluated recommissioning the Kastania Pump Station as part of a drought response plan; and

Whereas, the Kastania Pump Station is currently owned by Sonoma Water and has not been operational since 2015; and

Whereas, in support of drought response efforts, Sonoma Water, Marin Water, and NMWD have developed the 2021 Kastania Pump Station Transfer Agreement to provide for the transfer of the Kastania Pump Station to Marin Water and a portion of the Kastania Pipeline to NMWD from Sonoma Water, along with the subsequent conveyance of easements from Marin Water to Sonoma Water and NMWD, respectively, over the pump station property necessary to assure access and maintain telemetry equipment; and,

Whereas, on May 18, 2021, the Board of Directors of Marin Water adopted Resolution No. 8635, which approved the Kastania Pump Station Rehabilitation Project, and found the Project categorically exempt from CEQA pursuant to CEQA Guidelines Sections 15301(b) and 15269 (b)(c); and

Whereas, Sonoma Water's General Manager has determined that the transaction is statutorily exempt under California Environmental Quality Act (CEQA) Statute 21080(b)(4) and categorically exempt from CEQA pursuant to CEQA Guidelines Sections 15301 and 15269; and

Whereas, Sonoma Water has prepared a Notice of Exemption in accordance with CEQA, the State CEQA Guidelines and Sonoma Water's Procedures for the Implementation of CEQA.

Now, Therefore, Be It Resolved that the Board of Directors of the Sonoma County Water Agency hereby finds, determines, and declares as follows:

1. The above recitals are true and correct.
2. This Board hereby determines that the transfer of the Kastania Booster Station and a portion of the Kastania Pipeline from Sonoma Water to Marin Water and NMWD, respectively, will not have a significant adverse effect on the environment.
3. This Board hereby finds and determines that the transfer of the Kastania Booster Station and a portion of the Kastania Pipeline from Sonoma Water to Marin Water and NMWD, respectively, will not adversely affect Sonoma Water in any respect.
4. The Board hereby authorizes Sonoma Water's General Manager to execute the 2021 Kastania Pump Station Transfer Agreement with Marin Municipal Water District and North Marin Water District, in a form approved by County Counsel.

Directors:

Gorin: Rabbitt: Coursey: Gore: Hopkins:

Ayes: Noes: Absent: Abstain:

So Ordered.

10

MEMORANDUM

To: Board of Directors

December 3, 2021

From: Julie Blue, Auditor/Controller JB

Subj: Consulting Services Agreement for Financial Consulting with NHA Advisors, LLC

t:\ac\board reports\board memos\2021\aha advisors\financial consulting - third party contract - 12.03.docx

RECOMMENDED ACTION: Authorize the General Manager to execute an agreement with NHA Advisors, LLC for Financial Consulting Services to secure financing for the District's Headquarters Upgrade Project

FINANCIAL IMPACT: Not to exceed \$47,500 (Included in FY 21/22 CIP Budget)

Background

As of the date of this memo, the schematic and development design phases of the NMWD Headquarters Upgrade Project are substantially complete. Noll & Tam Architects have worked with staff over the last year to complete these phases and are currently developing construction documents with a projected advertisement to bid for construction in February 2022. The project is budgeted over a four-year span, fiscal year 21/22 through fiscal year 24/25, for a total of \$16 million. A total of \$855 thousand has been spent through October 2021.

Objective

The District is evaluating its options for financing the headquarters upgrade project which include renovations to the administrative building and laboratory. In order to explore all viable financing options, the District seeks to engage a professional financial advisory firm, NHA Advisors, LLC. The consultant will assist with the preliminary financial analysis and will provide subsequent professional advisory services during the financing process. Options discussed during preliminary meetings with NHA Advisors, LLC include the State Infrastructure Bank loan program, direct bank loans or a traditional bond financing.

Consultant Selection

NHA Advisors, LLC is headquartered in San Rafael, CA and provides funding solutions and comprehensive financial strategies to California public agencies. In addition to many government agencies throughout the state, NHA Advisors, LLC has provided financial consulting services to local agencies including Novato Sanitary District, the Town of Corte Madera, the City of Napa, the Ross Valley Sanitary District and the West County Wastewater District (Contra Costa County). Craig Hill, Managing Principal of NHA Advisors, LLC, is a resident of Novato and has over 30 years of experience in providing financial consulting to local governments. Mr. Hill and Vice President Rob Schmidt both possess their Series 50 (SEC certification) and will be responsible for working with the District staff to develop a financing plan for the project. This

requirement of the Municipal Securities Rulemaking Board (MSRB) before advice can be provided to any public agency. THE MSRB was established by Congress in 1975 and is charged with a mandate to protect municipal securities investors, municipal entities, obligated persons and the public interest. As outlined above, the selection of the consultant is based on the firm's qualifications, level of expertise, and positive references from other public agencies. Additionally, the cost of their services were lower when compared to a similar firm.

Agreement and Scope of Work

NHA Advisor's agreement and proposed scope of work is included as Attachment 1. The agreement terms and conditions have been reviewed and approved by District counsel. The scope of work is divided into four tasks listed below:

1. General Financial Assistance
2. Project Management
3. Quantitative Analysis and Financial Structuring
4. Project Implementation

The total fee for these tasks is estimated at a maximum of \$47,500 and will be billed based on actual hours worked at the rates established in Exhibit B, page 18 of Attachment 1. The cost for these services is included in the total budget for debt issuance costs as approved in the FY 21/22 Budget.

Schedule

The financial analysis and exploration of financing options will begin in December 2021. The goal is to secure financing for the building remodel at the start of construction, or shortly thereafter, approximately in April of 2022. Once the financing options are analyzed and the type of financing is selected a more refined schedule will be presented at a future board meeting.

RECOMMENDATION:

Authorize the General Manger to execute an agreement between NHA Advisors, LLC and the District for Financial Consulting Services with a not to exceed limit of \$47,500.

**MUNICIPAL ADVISOR AGREEMENT
BETWEEN
NORTH MARIN WATER DISTRICT
AND
NHA ADVISORS, LLC**

THIS AGREEMENT for consulting services is made by and between the North Marin Water District (the "District") and NHA Advisors, LLC ("Consultant") (together referred to as the "Parties") as of December 8, 2021 (the "Effective Date").

The District is evaluating its options for financing renovations to its administrative offices and water testing facility ("Project"). The District seeks to engage a professional financial advisory firm (NHA Advisors, LLC) to assist with the preliminary analysis and professional advisory services of an independent registered municipal advisor.

SECTION 1 – SERVICES

As the District's registered municipal advisor, subject to the terms and conditions set forth in this Agreement, Consultant shall provide to the District the services described in the Scope of Services attached as Exhibit A, and incorporated herein, at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

If acting in the capacity of an Independent Registered Municipal Advisor ("IRMA") with regards to the "IRMA exemption" of the SEC Rule, Consultant will review all third-party recommendations submitted to the District if requested in writing.

Recommendation. If Consultant makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the District and is within the scope of the engagement, Consultant will determine, based on the information obtained through reasonable diligence of Consultant whether a municipal securities transaction or municipal financial product is suitable for the District. In addition, Consultant will inform the District of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Consultant reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the District; and
- whether Consultant has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the District's objectives.

If the District elects a course of action that is independent of or contrary to the advice provided by Consultant, Consultant is not required on that basis to disengage from the District.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall end on December 31, 2022, or upon completion of the Scope of Services described in Exhibit A, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Consultant to complete the services

required by this Agreement shall not affect the District's right to terminate the Agreement, as referenced in Section 8.

- 1.2 Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event the District, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from the District of such desire of the District, reassign such person or persons.
- 1.4 Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Consultant's obligations hereunder.

SECTION 2 - COMPENSATION

The District hereby agrees to pay Consultant compensation for services outlined in the Scope of Services (Exhibit A) under the Compensation Schedule (Exhibit B).

The District shall pay Consultant for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from the District to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all invoices to the District in the manner specified herein. Except as specifically authorized by the District in writing, Consultant shall not bill the District for duplicate services performed by more than one person.

Consultant and the District acknowledge and agree that compensation paid by the District to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. The District therefore has no responsibility for such contributions beyond compensation required under this Agreement.

- 2.1 Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:
 - The beginning and ending dates of the billing period.
 - At the District's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense.
 - For work performed on an hourly Compensation Schedule, the total number of hours of work performed under the Agreement by Consultant and each

employee, agent, and subcontractor of Consultant performing services hereunder.

- 2.2 Monthly Payment.** The District shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. The District shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.
- 2.3 Final Payment.** The District shall pay the final sum due pursuant to this Agreement within 60 days after completion of the services and submittal to the District of a final invoice, if all services required have been satisfactorily performed.
- 2.4 Total Payment.** The District shall pay for the services to be rendered by Consultant pursuant to this Agreement. The District shall not pay any additional sum for any expense or cost whatsoever incurred by Consultant in rendering services pursuant to this Agreement. The District shall make no payment for any extra, further, or additional service pursuant to this Agreement.
- In no event shall Consultant submit any invoice for an amount more than the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.
- 2.5 Hourly Fees.** Fees for work performed by Consultant on an hourly basis shall not exceed the amounts shown on the compensation schedule attached hereto as Exhibit B.
- 2.6 Reimbursable Expenses.** Reimbursable expenses are specified in Exhibit B. Expenses will typically include third-party data collection or services not provided by the District. Reimbursable expenses are in addition to the total amount of compensation provided under this Agreement that shall not be exceeded.
- 2.7 Payment of Taxes.** Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.
- 2.8 Payment upon Termination.** In the event the District or Consultant terminates this Agreement pursuant to Section 8, the District shall compensate Consultant for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Consultant shall maintain adequate logs and timesheets to verify costs incurred to that date.
- 2.9 Authorization to Perform Services.** Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

SECTION 3 - FACILITIES AND EQUIPMENT

Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. The District shall make available to Consultant only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

The District shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Consultant's use while consulting with the District employees and reviewing records and the information in possession of the District. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of the District. In no event shall the District be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

SECTION 4 - INSURANCE REQUIREMENTS

Before beginning any work under this Agreement, Consultant, at its own cost and expense, unless otherwise specified below, shall procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by Consultant and its agents, representatives, employees, and subcontractors. Consistent with the following provisions, Consultant shall provide proof satisfactory to the District of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects, and that such insurance is in effect prior to beginning work to the District. Consultant shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in Consultant's bid. Consultant shall not allow any subcontractor to commence work on any subcontract until Consultant has obtained all insurance required herein for the subcontractor(s) and provided evidence that such insurance is in effect to the District. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Consultant shall maintain all required insurance listed herein for the duration of this Agreement.

4.1 Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for all persons employed directly or indirectly by Consultant. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than \$1,000,000 per accident. In the alternative, Consultant may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against the District and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General Requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than \$1,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities

contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum Scope of Coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

4.2.3 Additional Requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a) The Insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- b) The District, its officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of work or operations performed by or on behalf of Consultant; or automobiles owned, leased, hired, or borrowed by Consultant.
- c) For any claims related to this Agreement or the work hereunder, Consultant's insurance covered 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 Consultant's insurance and shall not contribute with it.
- d) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after 30 days' prior written notice has been provided to the District.

4.3 Professional Liability Insurance.

4.3.1 General Requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than \$1,000,000 covering the licensed professionals' errors and omissions. Any deductible or self-insured retention shall not exceed \$250,000 per claim.

4.3.2 Claims-Made Limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

- a) The retroactive date of the policy must be shown and must be before the date of the Agreement.

- b) Insurance must be maintained, and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
- c) If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must purchase an extended period coverage for a minimum of five years after completion of work under this Agreement.
- d) A copy of the claim reporting requirements must be submitted to the District for review prior to the commencement of any work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Acceptability of Insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.2 Verification of Coverage. Prior to beginning any work under this Agreement, Consultant shall furnish the District with complete copies of all policies delivered to Consultant by the insurer, including complete copies of all endorsements attached to those policies. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf. If the District does not receive the required insurance documents prior to Consultant beginning work, it shall not waive Consultant's obligation to provide them. The District reserves the right to require complete copies of all required insurance policies at any time.

4.4.3 Deductibles and Self-Insured Retentions. Consultant shall disclose to and obtain the written approval of the District for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, employees, and volunteers; or Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

4.4.4 Wasting Policies. No policy required by this Section 4 shall include a "wasting" policy limit (i.e., limit that is eroded by the cost of defense).

4.4.5 Waiver of Subrogation. Consultant hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to affect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the contractor, its employees, agents, and subcontractors.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein.

4.5 Remedies. In addition to any other remedies the District may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, the District may, at its sole option exercise any of the following remedies, which are alternatives to other remedies the District may have and are not the exclusive remedy for Consultant's breach:

- obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
- terminate this Agreement.

SECTION 5 – CONSULTANT'S RESPONSIBILITIES AND INDEMNIFICATION

Consultant is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, Consultant has a fiduciary duty to the District and must provide both a Duty of Care and a Duty of Loyalty that entail the following.

Duty of Care:

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide the District with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to the District's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the District; and
- d) undertake a reasonable investigation to determine that Consultant is not forming any recommendation on materially inaccurate or incomplete information; Consultant must have a reasonable basis for:
 - i. any advice provided to or on behalf of the District;
 - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the District, any other party involved in the municipal securities transaction or municipal financial product, or investors in the District securities; and
 - iii. any information provided to the District or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

Consultant must deal honestly and with the utmost good faith with the District and act in the District's best interests without regard to the financial or other interests of Consultant. Consultant will eliminate or provide full and fair disclosure (included herein) to the District about each material conflict of interest (as

applicable). Consultant will not engage in municipal advisory activities with the District as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the District's best interests.

Conflicts of Interest and Other Matters Requiring Disclosures

As of the commencement date of the Project, there are no actual or potential material conflicts of interest, other than those noted below, that Consultant is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If Consultant becomes aware of any material potential conflict of interest that arises after this disclosure, Consultant will disclose the detailed information in writing to the District in a timely manner.

The following are potential conflicts of interest to be considered.

- Consultant's fees under this Project are based on hourly fees of Consultant's personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for Consultant to recommend alternatives that would result in more hours worked. This conflict of interest will not impair Consultant's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the District.
- The fee paid to Consultant increases the cost of investment to the District. The increased cost occurs from compensating Consultant for municipal advisory services provided.
- Consultant serves a wide variety of other clients that may, from time to time, have interests that could have a direct or indirect impact on the interests of another Consultant client. For example, Consultant serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the District. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, Consultant could potentially face a conflict of interest arising from these competing client interests. Consultant fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the District.
- Consultant does not have any affiliate that provides any advice, service, or product to or on behalf of the District that is directly or indirectly related to the municipal advisory activities to be performed by Consultant.
- Consultant has not made any payments directly or indirectly to obtain or retain Consultant's municipal advisory business.
- Consultant has not received any payments from third parties to enlist Consultant's recommendation to the District of its services, any municipal securities transaction, or any municipal finance product.
- Consultant has not engaged in any fee-splitting arrangements involving Consultant and any provider of investments or services to the District.
- Consultant does not have any legal or disciplinary event that is material to the District's evaluation of the municipal advisory or the integrity of its management or advisory personnel.

- Consultant does not act as principal in any of the transaction(s) related to this Project.
- During the term of the municipal advisory relationship, this disclosure will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this disclosure and the revised writing will be promptly delivered to the District.

Pursuant to MSRB Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- Consultant is currently registered as a Municipal Advisor with the SEC and the MSRB.
- Within the MSRB website at www.msrb.org, District may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Recommendations

If Consultant makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the District and is within the scope of the engagement, Consultant will determine, based on the information obtained through reasonable diligence of Consultant whether a municipal securities transaction or municipal financial product is suitable for the District. In addition, Consultant will inform the District of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Consultant reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the District; and
- whether Consultant has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the District's objectives.

If the District elects a course of action that is independent of or contrary to the advice provided by Consultant, Consultant is not required on that basis to disengage from the District.

Record Retention

Effective July 1, 2014, pursuant to the Securities and Exchange Commission (SEC) record retention regulations, Consultant is required to maintain in writing, all communication and created documents between Consultant and the District for five (5) years.

Indemnification

Consultant shall indemnify, defend with counsel acceptable to the District, and hold harmless the District and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, claims, expenses, and costs (including without limitation, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature arising out of or in connection with Consultant's

performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except such Liability caused by the sole negligence or willful misconduct of the District.

Consultant's obligation to defend and indemnify shall not be excused because of Consultant's inability to evaluate Liability or because Consultant evaluates Liability and determines that Consultant is not liable to the claimant. Consultant must respond within 30 days, to the tender of any claim for defense and indemnity by the District, unless this time has been extended by the District. If Consultant fails to accept or reject a tender of defense and indemnity within 30 days, in addition to any other remedy authorized by law, so much of the money due Consultant under and by virtue of this Agreement as shall reasonably be considered necessary by the District, may be retained by the District until disposition has been made of the claim or suit for damages, or until Consultant accepts or rejects the tender of defense, whichever occurs first.

With respect to third party claims against Consultant, Consultant waives all rights of any type to express or implied indemnity against the Indemnitees.

Notwithstanding the forgoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code Section 2782, as may be amended from time to time, such duties of Consultant to indemnify shall not apply when to do so would be prohibited by California Civil Code Section 2782.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the District, Consultant shall indemnify, defend, and hold harmless the District for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the District.

SECTION 6 - STATUS OF CONSULTANT

6.1 Independent Contractor. At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of the District. The District shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise the District shall not have the right to control how Consultant accomplishes services rendered pursuant to this Agreement. Notwithstanding any other District, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by the District, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of the District and entitlement to any contribution to be paid by the District for employer contributions and/or employee contributions for PERS benefits.

6.2 Consultant Not an Agent. Except as the District may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of the District in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind the District to any obligation whatsoever.

SECTION 7 - LEGAL REQUIREMENTS

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which the District is bound by the terms of such fiscal assistance program.
- 7.4 Licenses and Permits.** Consultant represents and warrants to the District that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to the District that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from the District.
- 7.5 Legal Events and Disciplinary History.** Consultant does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation. The District may electronically access Consultant's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

- 7.6 Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, based on a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Consultant shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

SECTION 8 - TERMINATION AND MODIFICATION

- 8.1 Termination.** The District may cancel this Agreement at any time and without cause upon written notification to Consultant.

Consultant may cancel this Agreement upon 45 days' written notice to the District and shall include in such notice the reasons for cancellation.

In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; the District, however, may condition payment of such compensation upon Consultant delivering to the District any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the District in connection with this Agreement.

- 8.2 Extension.** The District may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Consultant understands and agrees that, if the District grants such an extension, the District shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, the District shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.

- 8.3 Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

- 8.4 Assignment and Subcontracting.** The District and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to the District for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

- 8.5 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between the District and Consultant shall survive the termination of this Agreement.

- 8.6 Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, the District's remedies shall include, but not be limited to, the following:

8.6.1 Immediately terminate the Agreement

8.6.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement

- 8.6.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant
- 8.6.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that the District would have paid Consultant pursuant to Section 2 if Consultant had completed the work

SECTION 9 - MISCELLANEOUS PROVISIONS

- 9.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 9.2 **Venue.** If either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Marin.
- 9.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 9.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 9.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 9.6 **Use of Recycled Products.** Consultant shall prepare and submit all reports, written studies, and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.
- 9.7 **Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of the District or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any the District official in the work performed pursuant to this Agreement. No officer or employee of the District shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Consultant hereby warrants that it is not now, nor has it been in the previous 12 months, an employee, agent, appointee, or official of the District. If Consultant was an employee, agent, appointee, or official of the District in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement.

Consultant understands that, if this Agreement is made in violation of Government Code § 1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Consultant will be required to reimburse the District for any sums paid to Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

As of the date of the Agreement, there are no actual or potential conflicts of interest that Consultant is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If Consultant becomes aware of any potential conflict of interest that arise after this disclosure, Consultant will disclose the detailed information in writing to the District in a timely manner.

The fee paid to Consultant increases the cost of investment to the District. The increased cost occurs from compensating Consultant for municipal advisory services provided.

Consultant does not act as principal in any of the transaction(s) related to this Agreement.

During the term of the municipal advisory relationship, this agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this agreement and the revised writing will be promptly delivered to the District.

- 9.8 Solicitation.** Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 9.9 Contract Administration.** This Agreement shall be administered by the District General Manager ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.
- 9.10 Notices.** Any written notice to Consultant shall be sent to:

Craig Hill, Managing Principal
NHA Advisors, LLC
4040 Civic Center Drive, Suite 200
San Rafael, CA 94903

Any written notice to the District shall be sent to:

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

- 10.11 Integration.** This Agreement, including the Scope of Services attached hereto and incorporated herein as Exhibits A and B represents the entire and integrated agreement

between the District and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral.

Exhibit A: Scope of Services

Exhibit B: Compensation Schedule

10.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

The Parties have executed this Agreement as of the Effective Date.

NORTH MARIN WATER DISTRICT

NHA ADVISORS, LLC



Drew McIntyre, General Manager

Craig Hill, Managing Principal

EXHIBIT A

SCOPE OF SERVICES FINANCIAL CONSULTING AND MUNICIPAL ADVISORY SERVICES

The scope of work will generally include, but will not be limited to, the following services:

◆ General Financial Assistance

- Work with District staff to review proposed Project cost estimates.
- Develop financial models for funding the Project.
- Assist in appropriate disclosure for annual financial reporting (if required).
- Assist in appropriate continuing disclosure for outstanding obligations requiring annual filing (if required).
- Review and respond to general questions related to public finance .
- Assist staff with reports or information items related to financing strategies or funding options.
- Respond to general inquiries from District staff or the Board of Directors.
- Review the District's existing obligations.
- Develop financial model addressing coverage requirements and future parity capacity.

◆ Project Management

- Provide information and advice on the timing of the financing process and develop timeline (schedule) of tasks.
- Work with District staff to engage the California Infrastructure and Economic Development Bank ("IBank") or other financial institution.
- Solicit and select a registered broker-dealer (underwriter or placement agent), bond/disclosure counsel, trustee service provider, or other consultants that may be required as part of financing process. Provide recommendation(s) and negotiate preferred terms and pricing for said consultant(s).

◆ Quantitative Analysis and Financial Structuring

- Prepare, review, analyze, and provide structuring advice for the proposed financing.

◆ Project Implementation

- Provide advice on the financing structure for incorporation into financing documents.

- Coordinate the efforts of bond counsel, disclosure counsel, and/or any other legal counsel to prepare the financing documents for approval by the District Board (as required).
- Review financing documents to ensure accuracy with the financing plan.
- Upon request, Consultant will make presentations or attend meetings with the District Board or stakeholders to answer questions about the financing and process.
- Work with selected financing partner or funding source to determine optimal bond structure, including serial/term bonds, premium/discount bonds, and redemption provisions.
- Direct Placement:
 - Prepare credit package.
 - If a placement agent has been engaged, work with placement agent to solicit bids from various banks that invest in municipal debt.
 - Manage bond or loan pricing and final financing structure (debt service and bond terms).
 - Coordinate the delivery, final approval of legal documents, and the preparation of closing certificates.
- Work with legal counsel to finalize documents for execution by the District.
- Prepare or coordinate preparation of a closing memorandum outlining a detailed flow of funds at the time of closing.

EXHIBIT B

COMPENSATION SCHEDULE

Budget

For work described in the Scope of Services, Consultant will be compensated based on time and materials required at the hourly rate schedule shown below. The not-to-exceed budget for these services, without further approval from the District, shall be \$47,500.

Staff Allocation	Hourly Rate
Principal	\$325
Director / Senior Vice President	\$300
Vice President	\$275
Assist. Vice President / Sr. Associate	\$250
Associate	\$225
Senior Analyst	\$200
Analyst	\$175
Administrative	\$ 75

Expenses (Out-of-Pocket)

All expenses will be billed directly at cost to the District. Expenses will be limited to those necessary for completion of the project.

11

MEMORANDUM

To: Board of Directors December 3, 2021

From: James Grossi, Board President (2021)

Subj: Initial Review - Salary, Terms and Conditions of Employment – General Manager
(Board Resolution 21-XX amending Prior Board Resolution 20-26)
t:\gm\staff\2021\gm conditions of employment memo 12.03.docx

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: \$8,880 + \$2,600 in benefits (per year)

The Board has recently met to discuss the General Manager's performance review and the terms and conditions of the General Manager's employment. The Board recognizes that the General Manager's most recent salary increase was in October 2020 and desires to authorize a annual base salary increase, retroactively effective on October 1, 2021, in the amount of \$8,880 (or equivalent to 3.7% of the General Manager's current base salary).

In addition to an annual salary increase of \$8,880, payroll costs that are a function of salary, including employer retirement contributions will increase by approximately \$2,470 annually and employer payroll taxes will increase by \$130.

The increase of 3.7% is consistent with the increases approved by the Board on September 21, 2021 for all other District employees in accordance with the Memorandum of Understanding with the North Marin Water District Employee Association (MOU)¹ as well as for the Unrepresented Employees.

In accordance with applicable CalPERS' regulations, 2 CCR § 570.5, authorization is also requested from the Board to approve Resolution 21-XX (Attachment 1) to update the publicly available pay schedule for the General Manager position. After factoring in the above adjustments, the annual base salary for the General Manager position will be \$248,580, effective October 1, 2021.

For procedural purposes, this agenda item was initially presented to the Board at its December 7, 2021 meeting for discussion, and the Board will subsequently consider approval of the item at the December 21 meeting.

Recommendation:

No Action at this time but to consider the above changes to the General Manger's Salary.

1 Specifically, Section 22 of the 2018-2023 MOU provides for a cost of living adjustment (COLA) equal to the percentage change in the CPI as measured by the CPI-U San Francisco Bay Area (September 1 of the previous year through August 31 of the current year), with a minimum (Floor) of 2.0% and a maximum (Ceiling) of 4.0%. The SF Bay Area All Urban Consumers Index at 08/31/21 = 311.167; at 08/31/20 = 300.182; 311.167 / 300.182 = 3.7%.

RESOLUTION No. 21-XX
OF
THE NORTH MARIN WATER DISTRICT
CONDITIONS OF EMPLOYMENT - GENERAL MANAGER

WHEREAS: Drew Douglas McIntyre was hired as Chief Engineer of the District on October 12, 1998; and

WHEREAS: Mr. McIntyre was appointed Assistant General Manager/Chief Engineer of the District by unanimous vote of the Board of Directors on July 21, 2015; and

WHEREAS: Mr. McIntyre's appointment as General Manager became effective by unanimous vote of the Board of Directors on May 2, 2017; and

WHEREAS: as appropriate, the Board may amend the terms and conditions of Mr. McIntyre's employment as General Manager; and

WHEREAS: the Board desires to amend Mr. McIntyre's terms and conditions of employment as provided for under prior Board Resolution No. 20-26; and

WHEREAS: Effective October 1, 2021 the following provisions apply:

WHEREAS: Mr. McIntyre serves at the pleasure of the Board and shall:

- a. Have full charge and control of the maintenance, operation and construction of the water and wastewater systems of the District,
- b. Have full power and authority to employ and discharge all employees (excluding the District Secretary, Auditor and Chief Engineer),
- c. Be designated as the District's Director of Emergency Services for the purposes of disaster management pursuant to the California Emergency Services Act, Government Code section 8630.
- d. Have full power to determine the duties of employees,
- e. Set the compensation of employees subject to Board policy,
- f. Represent the District at various public entities/private groups and perform other duties as requested by the Board, and
- g. Report to the Board in accordance with Board policy.

NOW, THEREFORE, BE IT RESOLVED that the conditions of Mr. McIntyre's employment, remuneration and benefits are:

1. Annual base salary of \$248,580 per year to be paid in semi-monthly installments, effective October 1, 2021. Said salary shall be reviewed annually.

2. Reimbursement of business or business related mileage incurred on privately owned vehicle at the normal rate per mile authorized by the District plus payment by District of \$338 per month. General Manager's use of privately owned vehicle is for the convenience of the District and required as a condition of employment. General Manager shall maintain in force liability insurance on private vehicle of not less than \$250,000 for one individual and \$500,000 per accident.

3. Reimbursement of all reasonable expenses incurred in connection with the conduct or furtherance of District business and affairs.

4. Other benefits as are from time to time afforded all District unrepresented employees with the exception of overtime compensation. Except for vacation, such benefits, which are a function of time in service, shall be calculated from the date first employed by the District.

5. The right to reside in any area within the District territorial boundaries.

6. The General Manager will schedule a "closed session" meeting on the Board's agenda each year for the purpose of his performance evaluation.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted/amended by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 21st day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)


Theresa Kehoe, District Secretary
North Marin Water District

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12

MEMORANDUM

To: Board of Directors, North Marin Water District December 3, 2021

From: Morgan Biggerstaff, BPMNJ
 Thomas A. Willis and Kristen Mah Rogers, Olson Remcho LLP
 Drew McIntyre, General Manager 

Subject: 2020 Census Redistricting Process
t:\gm\california voting rights act cvra- 2021\california voting rights act - 2021\board memo olson remcho llp for 12.7 meeting final clean.docx

RECOMMENDED ACTION: Provide Direction to Staff and Legal Counsel

FINANCIAL IMPACT: None at this time

Background

On August 6, 2019, the Board of Directors adopted corrected Ordinance No. 38 to transition from an at-large to a division-based election system in conformance with the California Voting Rights Act of 2001 ("CVRA"). The director elections (for divisions 2, 3, and 4) in November 2020 were held under the new by-division election system.

Section 22000 of the Elections Code requires the Board of Directors to adjust the boundaries of its divisions following the federal census that occurs every ten years. In adjusting those boundaries, the Board is required to draw divisions that meet the following legal requirements:

- Each division shall contain nearly equal population, with any deviations justified by other traditional redistricting criteria.
- Each division shall be drawn in a manner that complies with the state and federal Constitutions, the Federal Voting Rights Act, and state law.
- Consistent with the principles established by the United States Supreme Court in *Shaw v. Reno*, 509 U.S. 630 (1993), divisions shall not be drawn with race as the predominant factor.
- Each division shall be contiguous, meaning that there are no islands or parts of the division that are not attached to the whole.

Elections Code Section 22000 provides that the Board of Directors may also take into consideration the following factors: (1) topography, (2) geography, (3) cohesiveness, contiguity, integrity and compactness of territory, and (4) community of interests of the division. Essentially, these criteria mean that the Board may consider:

- Keeping communities of interest, such as neighborhoods, school district boundaries, etc., undivided by a division boundary, to the extent feasible.
- Respecting visible natural and man-made geographical and topographical features when drawing division boundaries, as much as possible.
- Having compactness of divisions, including their shape and appearance.
- Identifying changes to the housing stock, including areas of population growth, if any, since lines were drawn in 2019, keeping in mind, however, that divisions will have to contain nearly equal population based on the 2020 Census data.
- Including public facilities in each division, to the extent feasible.
- Including commercial interests in each division, to the extent feasible.

The additional criteria may or may not be applicable or appropriate in the District's service area. The community should be encouraged to provide input on some or all of these additional criteria and may also provide input on or suggest other criteria not mentioned above.

Procedural Requirements

The District's demographer, Redistricting Partners, has determined that the 2020 Census data did not reveal significant population shifts that require adjustments in division lines. In fact, the 2020 Census data show improved population equality among the District's five electoral divisions, meaning that the current districts as drafted comply with the constitutional requirement that the districts have equal population. The relevant standard is that a plan with total deviation of less than 10% among all districts is presumed constitutional. The current total deviation among all districts using 2020 census data is 7.7%, well within that standard.

Public Outreach

The redistricting process will be informed by public input. To support the public in providing input, a map of the current District divisions is incorporated in the PowerPoint presentation attached to this memorandum. District staff has developed a public outreach strategy to help inform the public on division-based elections and to encourage and obtain feedback and input, using the following methods:

- Establish a dedicated web page on the District's website to provide information regarding the 2021 redistricting process; and
- Create a tab on the District's website home page that promotes the meetings and links to the dedicated web page; and

- Post ongoing social media outreach to Facebook, Twitter, and Nextdoor; and
- Issue a press release to inform residents and businesses in the District's service areas about they can participate in the process; and
- Publish public notices in the Marin IJ and Point Reyes Light newspapers to inform residents and businesses in the District's service areas about how they can participate in the process.

Next Steps and Recommendations

The Board has three options:

1. If the Board would like to re-adopt its current plan, it may provide direction to staff and legal counsel to prepare materials for the current plan to be considered at a public hearing during its January 18, 2022 Board Meeting and invite the public to provide input on the proposal to re-adopt the current plan during that public hearing. The Board could then re-adopt that plan via resolution at a second public hearing to be held at its February 15, 2022 meeting, after inviting public input on the plan.
2. If the Board would like to make minor changes to the current plan, the Board may provide direction to staff regarding specific changes it would like to consider in new draft plans. Our Demographer, Redistricting Partners would then prepare draft maps to be published online and presented to the Board at the January 18, 2022 hearing. The public would be invited to provide input on those draft maps, and after public comment the Board could select one plan to advance to a second hearing. The Board could then adopt that new plan via resolution at a second public hearing to be held at its February 15, 2022 meeting, after inviting public input on the plan.
3. If the Board would like to make more extensive changes, the Board could discuss those changes with staff and legal counsel at the January 18, 2022 meeting, ask the demographer to propose two or more maps that incorporate those changes at its February 15, 2022 public hearing and invite the public to provide input on those draft maps. The Board could then select a final plan and take public comment, or if more changes are needed, schedule an additional public hearing/s. At the end of the public hearing/s, the Board can choose one map, publish it, and then adopt it at a subsequent public hearing.

The deadline for adjusting the boundaries is April 17, 2022. Staff recommends that the Board begin public outreach to engage the community in the redistricting process as quickly as possible and hold its first public hearing on January 18, 2022, with a final vote on the new division boundaries to be held at a second public hearing on February 15, 2022.

Attachments

PowerPoint Presentation



North Marin Water District

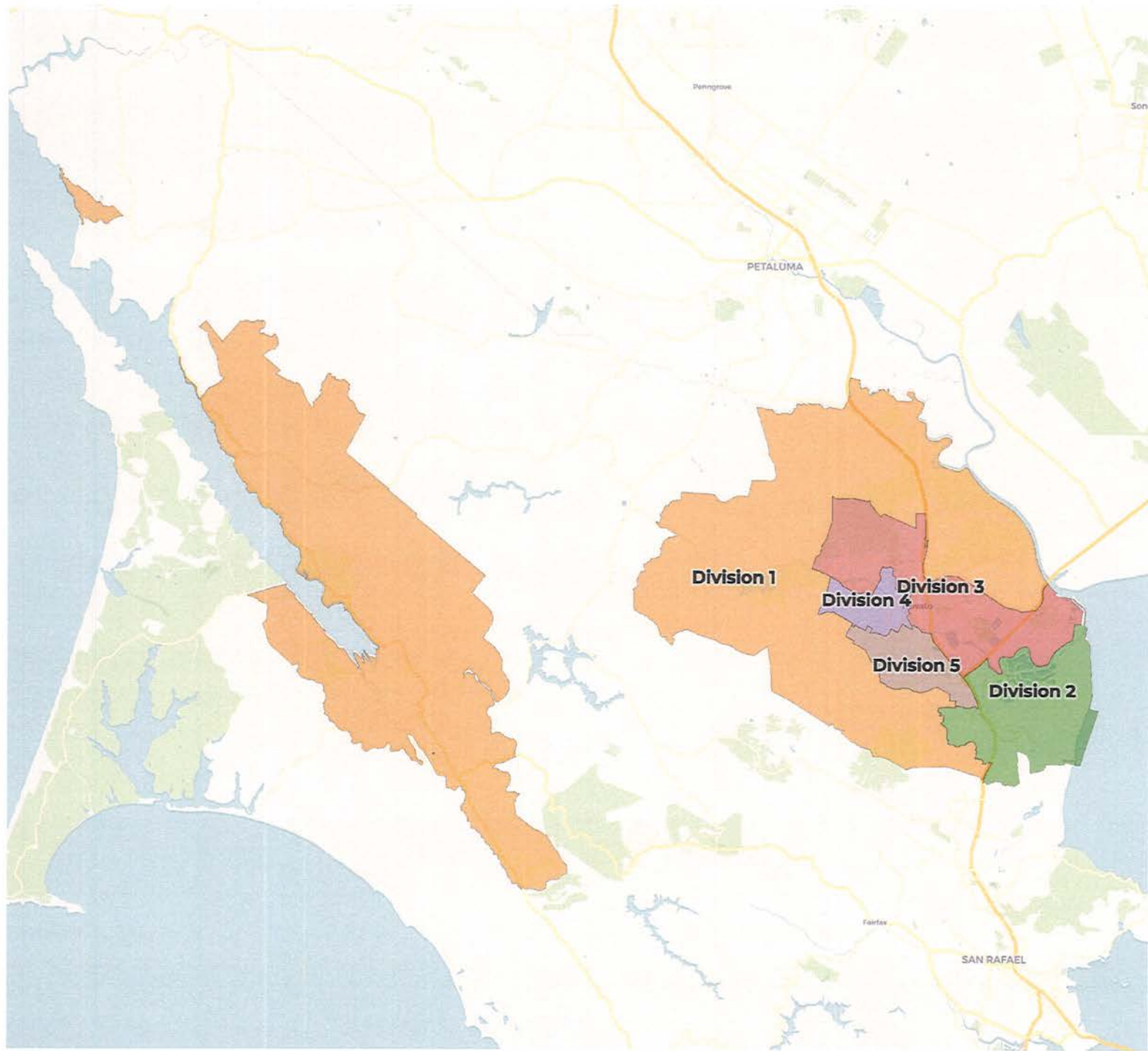
Redistricting 101

December 7, 2021

Overview

This presentation will cover a range of topics and expand on the technical aspects of the redistricting process.

- Current District Population
- What is Districting/Redistricting?
- Traditional Redistricting Principles
- Redistricting Process & Public Input



2010 Census

	Division 1	Division 2	Division 3	Division 4	Division 5
Population	12,890	12,300	12,451	12,158	11,739
Deviation	582	-8	143	-150	-569
Deviation %	4.7%	-0.1%	1.2%	-1.2%	-4.6%
Other	11,011	7,709	9,482	8,210	7,822
Other %	85.4%	62.7%	76.2%	67.5%	66.6%
Latino	1,250	7,201	1,055	2,000	2,722
Latino %					23.2%
Asian					830
Asian %	3.8%	6.9%	6.6%	5.9%	7.1%
Black	133	462	190	342	365
Black %	1.0%	3.8%	1.5%	2.8%	3.1%

Total Deviation of 9.3%

Citizen Voting Age Population (CVAP)

	Division 1	Division 2	Division 3	Division 4	Division 5
Total CVAP	9,292	7,531	8,508	7,975	7,737
Other CVAP	8,194	5,996	6,973	6,843	5,810
Other CVAP %	88.2%	79.6%	82.0%	85.8%	75.1%
Latino CVAP	633	738	790	438	1,165
Latino CVAP %	6.8%	9.8%	9.3%	5.5%	15.1%
Asian CVAP	333	613	622	438	504
Asian CVAP %	3.6%	8.1%	7.3%	5.5%	6.5%
Black CVAP	133	184	123	256	258
Black CVAP %	1.4%	2.4%	1.5%	3.2%	3.3%

2020 Census

	Division 1	Division 2	Division 3	Division 4	Division 5
Population	13,180	12,321	13,076	12,535	12,202
Deviation	517	-342	413	-128	-461
Deviation %	4.1%	-2.7%	3.3%	-1.0%	-3.6%
Other	10,722	7,201	9,384	7,754	7,479
Other %	81.4%	58.4%	71.8%	61.9%	61.3%
Latino	1,676	3,566	2,581	3,588	3,372
Latino %	12.7%	28.9%	19.7%	28.6%	27.6%
Asian	1,074	1,074	1,074	1,074	1,074
Asian %	4.7%	8.0%	6.7%	5.9%	8.8%
Black	157	433	220	342	277
Black %	1.2%	3.5%	1.7%	2.7%	2.3%

Total Deviation of 7.7%

Citizen Voting Age Population (CVAP)

	Division 1	Division 2	Division 3	Division 4	Division 5
Total CVAP	10,026	9,096	10,051	9,641	8,340
Other CVAP	8,754	6,800	8,219	7,985	6,636
Other CVAP %	87.3%	74.8%	81.8%	82.8%	79.6%
Latino CVAP	676	836	1,217	931	896
Latino CVAP %	6.7%	9.2%	12.1%	9.7%	10.7%
Asian CVAP	549	845	557	477	522
Asian CVAP %	5.5%	9.3%	5.5%	4.9%	6.3%
Black CVAP	47	616	59	249	285
Black CVAP %	0.5%	6.8%	0.6%	2.6%	3.4%

What is Redistricting?

Redistricting is the process of adjusting district lines every 10 years after the release of the U.S. Census. The well-known examples are Congress and the Legislature.

Within the U.S., redistricting has become an extremely politicized process and has been the subject of more high-profile Supreme Court decisions than any other part of our elections system.

What is Redistricting?

Redistricting is at its core the act of equalizing population among districts.

This is necessary in order to meet two requirements - one constitutional, one from Supreme Court precedent:

- *Equal Representation (14th Amendment)* - how effective any resident can be at advocating for themselves or being represented within a jurisdiction.
- *One Person One Vote* - equal ability to elect a candidate of choice.

Redistricting Principles

Federal law and the Elections Code § 22000 define criteria
Special Districts consider when redistricting:

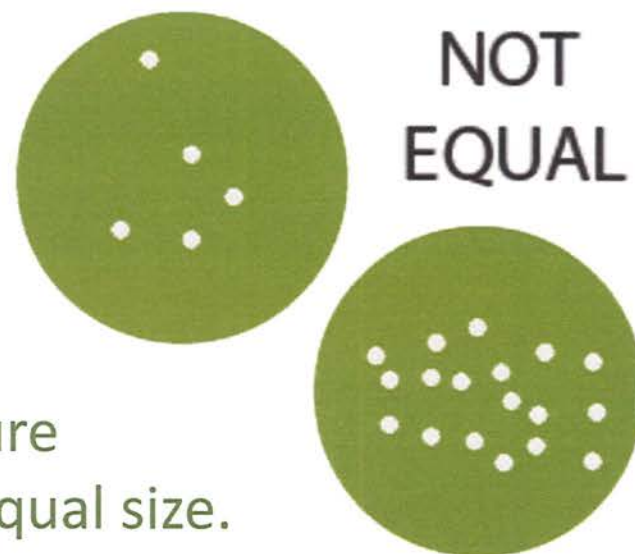
- Relatively equal population - people, not citizens
- Voting Rights Act
- *Shaw v. Reno*
- Topography
- Geography
- Cohesiveness, contiguity, integrity and compactness
- Community of interests

Equal Population

Utilizing the U.S. Census Decennial File

What is “equal” population has been a key subject in redistricting litigation.

- Population Equality is based on “People” not citizens or voters or other metrics.
- The metric used is called “deviation” which is a measure of how close a district is to equal size.



Voting Rights

Voting Rights Act (1965)

- Must draw districts to ensure minority groups' ability to elect candidates of choice
- Requires majority-minority districts

Shaw v. Reno (1993)

- Districts cannot be drawn with race as the predominant factor

Local Government Lines

The existing underlying governmental structure

Water Districts often have a geographic relationship with the cities and communities they serve.

- Underlying City Boundaries
- Unincorporated County areas, that are often rural and agricultural areas

Contiguity

Two definitions for what is contiguous

Contiguity should be thought of as
“literal” and “functional.”

1. An area that is one whole piece is
“literally contiguous.”
2. An area that represents how the
population or how people are
connected is “functionally
contiguous.”



Compactness

Determining what is “compact”

The measure of compactness can get complicated.

- Ratio of the circumference of a district and the area of a district.
- Measuring the number of distinct straight lines and the number of kinks and bends.
- Simply outlawing funny shapes.

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COMPACT

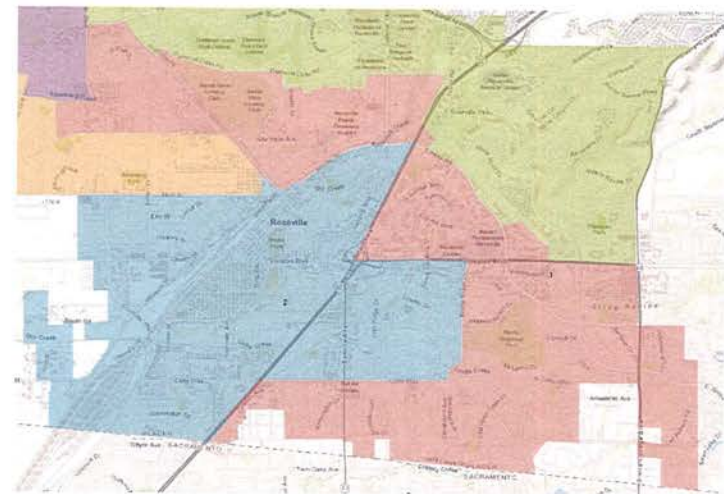
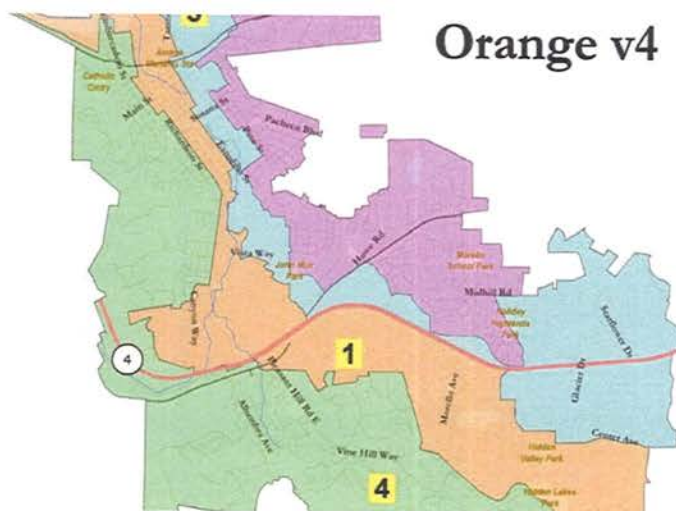


Compactness

Determining what is “compact”

California has a rather elegant/simple definition.

- Not bypassing nearby populated areas in favor of more distant populated areas



Communities of Interest

A community of interest is defined as:

“a contiguous population which shares common social and economic interests that should be included within a single district for purposes of its effective and fair representation.” Cal. Const. art. XXI, § 2(d)(4).

- Examples:

- Senior Citizens or Students
- Downtown / Urban
- Rural or Agricultural
- Homeowners or Renters

Communities of Interest

Bringing like people together for representation

What are you looking for in trying to judge the applicability of a Community of Interest to the redistricting process?

- Group with shared culture / characteristics
- Geographic Nature / Density / Ability to be mapped
- Relationship to Agency / Policies

Additional Redistricting Rules

Optional, Additional Criteria

Water Districts often expand beyond these traditional principles. Examples can include:

- Taking into consideration future growth
- Balancing the rural / urban interface between districts

North Marin Water District Redistricting

Timeline for Upcoming Meetings

December 7 th	Redistricting 101 Presentation Consideration of Current Plan & 2020 Census
January 15 th	Hearing #1 Consideration of Draft Maps and Current Map Public Hearing to receive input
February 18 th	Hearing #2 Public Hearing to receive input Approval of Final Map



REDISTRICTING


PARTNERS

13

MEMORANDUM

To: Board of Directors

Date: December 3, 2021

From: Tim Fuelle, Senior Engineer 

Re: Old Ranch Road Tank No. 2 Project - Construction Project Update

r:\folders by job no\6000 jobs\6207.20 old ranch rd tank repl\7. bod memos\2021-12\orr project update 12-3-21.doc

RECOMMENDATION: Information Only**FISCAL IMPACT:** NoneBackground

On June 15, 2021, the Board authorized the General Manager to execute an agreement with Maggiora & Ghilotti Inc. (MGI) in the amount of \$1,187,187 and approved a contingency of \$145,000. The Notice to Proceed for construction was issued on August 24, 2021. The required date of Substantial Completion is May 11, 2022.

Construction Status

The project is approximately 35% complete. Site clearing, grubbing, and grading for both the new access road and tank pad is complete. The 6" diameter inlet/outlet and site drainage piping is currently being installed and subsequent activities include, hydrostatic and water quality testing of the inlet/outlet pipeline as well as road base and pavement installation. The tank submittal is being reviewed and once complete, tank fabrication will take place in mid-December with delivery anticipated in February 2022. The tank installation and testing should occur in March 2022 followed by overall project completion in April 2022.

Project Cost Variances

The current total contract cost is \$1,235,018, or 107% of the awarded amount. Four contract-change-orders have been issued, for a net contract increase of \$82,000.

CHANGE ORDER NO.	ACTIVITY	CONTRACT AMOUNT CHANGE	CONTRACT DURATION CHANGE
1	Additional Tree Removal	\$23,905	0 days
2	Install Subsurface Drainage	\$4,950	0 days
3	Grout Fill Abandoned Pipe	\$5,096	1 days
4	Access Road Grade Change	\$13,880	2 days

Construction Highlights

- Neighbors living on Old Ranch Road continue to be concerned about potential damage to the road from heavy construction equipment use. To reduce damage, MGI used a rubber mat system when mobilizing their largest piece of equipment, a CAT 336 excavator, and will be using the same system upon demobilization. The contractor did make some surface markings (non-structural) with hauling trucks in a newly repaved section of the roadway. MGI has confirmed with both the neighbors and NMWD that these areas will be repaired to like new condition. In addition, MGI has staged equipment on District site off-road rather than designated area on Old Ranch Road adjacent to several neighboring driveways.
- Trees: 35 additional trees needed to be removed because they leaned into or were immediately located adjacent to work limit that prevented access of MGI's road excavation equipment.

14

MEMORANDUM

To: Board of Directors

December 3, 2021

From: Tony Williams, Assistant GM / Chief Engineer *ABW*

Subject: FY2021/22 First Quarter Progress Report – Engineering Department

R:\CHIEF ENG\WILLIAMS\BUDGETS\FY21-22\1st Quarter\1st Qtr FY21-22 BOD Memo.doc

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

The primary purpose of this memorandum is to provide a year-end status report to the Board on the District's performance in completing budgeted FY2021/22 Capital Improvement Projects (CIPs) in Novato and West Marin (including Oceana Marin) service territories as well as an overview of Special Studies managed by the Engineering Department. The memorandum also provides a summary of the total labor hours expended for both CIP and Developer projects. There continues to be a significant number of developer projects either in design or in construction in FY2021/22 which did have an overall impact on the District's ability to execute the planned CIP projects. The following table provides an overall summary of the District's CIP expenditures for all service areas.

SUMMARY (CIP)

Service Areas	CIP Project Costs (\$)		% Complete (1 st Qtr)	
	Budget (\$)	Actual (\$)	Planned	Actual
Novato Water	8,475,000	771,157	20%	15%
Novato Recycled	100,000	27,184	11%	12%
West Marin (including OM)	2,675,000	102,297	10%	2%
TOTAL	11,250,000	900,638	15%	8%

The following table provides a summary of the various Special Studies undertaken by the Engineering Department.

SUMMARY (Studies)

Study Name	Costs (\$)		% Complete (1 st Qtr)	
	Budget (\$)	Actual (\$)	Planned	Actual
Local Water Supply Enhancement Study	\$225,000	\$312	5%	1%
Kastania Pump Station Rehabilitation (MMWD)	\$0	\$17,854	-	15%
Recycled Water Program Strategy	\$0	\$2,342	50%	50%

Performance Status for Capital Improvement Projects

A total of twenty-four (24) CIPs were originally budgeted in FY2021/22 for the Novato, West Marin Water and Oceana Marin (OM) service areas but during this first quarter of the fiscal year, eight (8) projects were added, and five (5) were carried over from the prior year, for a total of thirty-seven (37) projects. Of these 37 projects, 28 are under the lead responsibility of the Engineering Department for completion (21 in Novato and 7 in West Marin). The remaining projects are under the responsibility of the other departments. The tables below provide a summary and status of all 37 projects (24 Novato, 3 Recycle and 10 West Marin). Note that the budgets for various CIP line items used as placeholders are shown in the tables so that the total budgets shown by service area align with the budgets in the financial statements:

Novato Service Area

DESCRIPTION	PROJECT COSTS As of Sept 30, 2021		% COMPLETE	
	Budget	Actual	Forecast	Actual
<i>Replace 12" CI Pipe-Grant Ave (785 lf)</i>	\$0	\$1,583		100%
<i>Replace 6" ACP Pipe (810') Glen Rd</i>	\$0	\$27,605		100%
Novato Blvd Widening Diablo to Grant	\$200,000	\$4,055	5%	2%
Remove/Replace 12" Valves-Center Rd	\$0	\$0		
San Mateo Transmission Pipeline (1,500')	\$850,000	\$1,026	10%	10%
Replace PB-San Marin Dr/Ignacio Blvd	\$0	\$1,214		5%
<i>MSN B2 Utility Agreement Costs</i>	\$0	\$8,145		
Detector Check Assembly Repair/Replace	\$100,000	\$3,012	5%	3%
Anode Installations	\$10,000	\$0		
San Marin Aqueduct Valve Pit (STP to Zone 2)	\$150,000	\$0		
Rehab Black Pt Pressure Regulating Station	\$25,000	\$4,719	5%	19%
Rehab Harbor Dr Pressure Regulating Station	\$25,000	\$0		
Frosty Lane Intertie Ball Valve Upgrade	\$0	\$0		
Office/Yard Building Renovation	\$3,475,000	\$311,212	10%	9%
Dam Concrete Repair	\$50,000	\$0		
Leveroni Creek Embankment Repair	\$175,000	\$5,520	\$10,000	5%
STP – Chemical System Upgrades	\$75,000	\$0		
Filter Underdrain/Media R&R	\$20,000	\$0		
<i>STP – High Service Pump #3 Replacement</i>	<i>\$0</i>	<i>\$0</i>		
Old Ranch Rd Tank No. 2	\$1,600,000	\$381,356	25%	24%
Hydro-pneumatic Tank Repairs	\$130,000	\$8,289	10%	6%
Lynwood Pump Station Motor Control Center	\$525,000	\$0		
Crest PS Design/Construct, Rel. School Rd PS	\$375,000	\$10,274	2%	3%
Trumbull PS/Replace Discharge Flange	\$0	\$6,510		10%
Various Placeholder Line Items	\$690,000			

DESCRIPTION	PROJECT COSTS As of Sept 30, 2021		% COMPLETE	
	Budget	Actual	Forecast	Actual
Subtotal (Novato)	\$8,475,000	\$771,157	11%	10%
RW Replace CI on Atherton Ave (1320 lf)	\$50,000	\$0		5%
RW Carwash Retrofit -128 Vintage Way	\$0	\$1,151		5%
RW Truck Filling Load Expansion 2021	\$0	\$27,184	0%	95%
Recycled Water Placeholder	\$50,000			
Total Novato and Recycled Water	\$8,575,000	\$798,341	11%	12%

West Marin Service Area

DESCRIPTION	PROJECT COSTS As of Sept 30, 2021		% COMPLETE	
	Budget	Actual	Forecast	Actual
West Marin Water System Improvements				
<i>Replace PRE Tank #4A</i>	\$0	\$13,661		95%
New Gallagher Well #2	\$631,000	\$51,366	55	5%
Gallagher Ranch Streambank Stabilization	\$4,000	\$2,073	50%	50%
Lagunitas Ck Bridge Pipeline Repl (Caltrans)	\$400,000	\$1,442	5%	2%
Silver Hills Culvert Replacement	\$0	\$638	0%	5%
WM Placeholder – PB replacement	\$50,000			
Subtotal (West Marin)	\$1,085,000	\$69,180	15%	6%
Oceana Marin Sewer System				
Infiltration Repair	\$40,000	\$31,350	75%	80%
Tahiti Way Lift Pump 1 Assembly	\$100,000	\$0		
OM Treatment Pond Rehabilitation	\$1,450,000	\$1,148	5%	1%
OM Treatment Pond Rehab – Grant Management*	\$0	\$619		-
Replace OM Generator				
Subtotal (Oceana Marin)	\$1,590,000	\$33,117	10%	3%
Total West Marin	\$2,675,000	\$102,297	25%	5%

Table Notes:

Carry forward projects in italics

New projects added (**indicated in bold**)

Line items in gray font are placeholders (only total budget shown)

*required for tracking grant-funded management costs

Of the total 24 Novato Service Area projects, at total of fifteen (15) are currently active, including Old Ranch Road Tank No. 2 which is under construction. The project design is completed for two major projects: San Mateo Tank 24-inch Transmission Line, and the Crest Pump Station and grant applications have been submitted for these two projects as well as the Leveroni Creek Embankment Repair project. Significant progress was made on the design

Office Building and Laboratory Renovation project and the Novato Boulevard Widening project this quarter. A total of six (6) new projects were added in the first quarter which has impacted the initiation of work on other budgeted projects, such as Anode Installation, San Marin Aqueduct Valve Pit, and Lynwood Pump Station. These projects were included in the approved FY 2021-22 CIP budget.

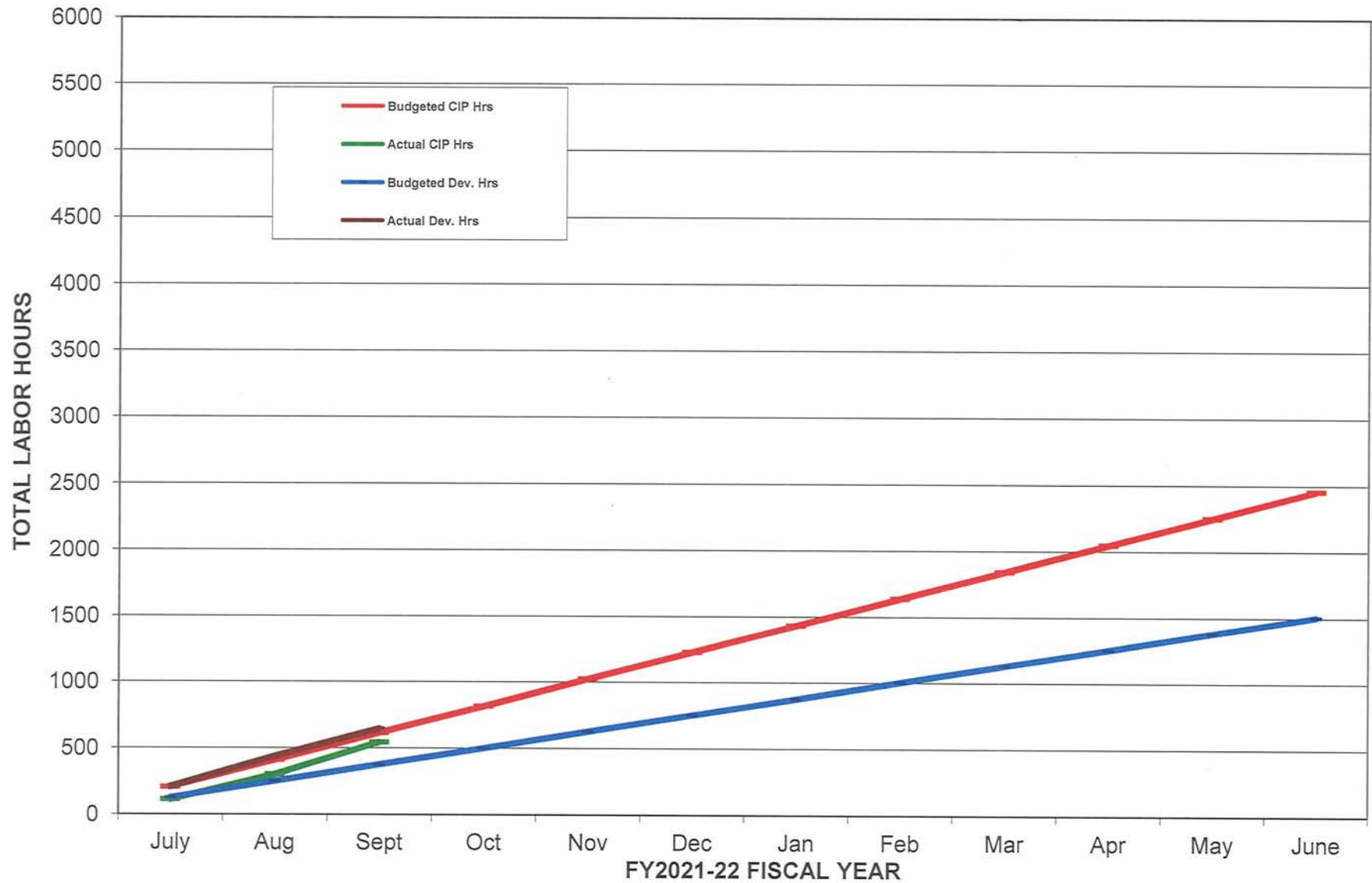
Of the total ten (10) West Marin projects, two major projects have completed designs and are ready for construction: Gallagher Well No. 2 and the Oceana Marin Pond Rehabilitation projects. The OM Pond Rehabilitation project is awaiting final approval from Cal OES and FEMA for construction. Two (2) new projects have been added to the CIP project list; one in West Marin (Silver Hills Culvert Replacement) and one in Oceana Marin (replacement of the OM Generator).

Engineering Department Labor Hours

The Engineering Department provides a multitude of functions supporting overall operation, maintenance and expansion of water facilities. The major work classifications are: (1) General Engineering, (2) Developer Projects and (3) District (i.e., CIP) Projects. Out of the approximately 15,640 engineering labor hours available annually (less Conservation), the FY2021-22 labor budget for Developer Projects and District Projects is 1,504 (10% of total) and 2,452 (16% of total), respectively. A chart of actual hours expended versus budgeted hours for both Developer and District projects during the first quarter FY2021-22 is provided in Attachment 1. At the end of the first quarter, actual engineering labor hours expended for Developer work was 1,293 hours (versus 549 hours in FY2020-21) which is 43% of budget. With respect to District Projects, a total of 957 engineering labor hours have been expended (versus 709 hours in FY2020-21) on Capital Improvement Projects, which is 22% of budget.

During this first quarter, the Engineering Department relied on outside consultants for assistance on many of the CIP projects throughout all service areas. Out of the total CIP expenditure of \$900,638, approximately \$366,845 was consultant expense in this first quarter (40%). The majority of consultant time was used on one major project: The Office Building and Laboratory Renovation project.

ENGR. DEPT DEVELOPER & DISTRICT CAPITAL IMPROVEMENT PROJECTS (CIPs)



15

MEMORANDUM

To: Board of Directors December 3, 2021
From: Robert Clark, Operations / Maintenance Superintendent *RC*
Subject: FY 21-22 First Quarter Progress Report - Operations and Maintenance
x:\maint sup\2022\bod\q1 21-22 o&m update.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Maintenance Summary

Staff stayed on schedule with routine maintenance tasks, completing planned maintenance work orders along with several unplanned work orders. Project work included public access modifications to the office and yard, security enhancements in lobby and front driveway, the Frosty Lane motor operated valve leak repair, the Black Point pressure regulator temporary repair to address a leak. Completion of Paradise Ranch Estates Tank 4 landscaping and the operation of the residential recycled water fill station for 66 customers.

Operations Summary

The Stafford Treatment Plant began the period under continuing drought water supply conditions producing 140 MG of water. Novato received 711 MG in total water produced with a peak day of 9.9 MG on July 8th. The Stafford Treatment Plant produced 20% of the Novato water supply during the period. During the period Staff was required to utilize Stafford Lake storage to ensure SCWA supply did not exceed NMWD's reduced allotment (~20% reduction). The Point Reyes Treatment plant produced 17.6 MG with a peak day of 295,360 gallons on September 7th. During the period Staff operated the system to minimize the use of the Coast Guard wells in order to limit the salinity intrusion from these wells. The recycled water facilities delivered 115.2 MG to our Novato customers and Deer Island produced 6.0 million gallons of water for the Stone Tree golf course. Staff also saw an increase in commercial truck hauling of recycled water as well as the residential recycled water fill station program.

Water Quality Summary

With the assistance of Operations' staff, Construction/Maintenance staff and additional contract vendors, the District is on track to complete all the required annual backflow testing by mid-December. Annual inspection of the waste discharge facilities at STP by the Novato

Sanitary District staff resulted in satisfactory findings. Water Quality staff along with Operations and Maintenance were able to set up the temporary clean water tank and fill station in Point Reyes to allow for customers to receive low sodium water. Laboratory staff continued to monitor the Point Reyes Coast Guard well salinity intrusion levels and provide community updates. With Continued drought conservation measures in place Operations has been able to avoid extended use of the coast guard well allowing for a low overall salinity in the system through the period.

16

***DRAFT Minutes of Water Advisory Committee and Technical Advisory Committee
Virtual Meeting – No Physical Location
November 1, 2021**

Attendees: Susan Harvey, City of Cotati
Mike Healy, City of Petaluma
Walter Linares, City of Rohnert Park
Tom Schwedhelm, City of Santa Rosa
Jack Ding, City of Sonoma
Jack Baker, North Marin Water District
Sam Salmon, Town of Windsor
Jon Foreman, Valley of The Moon Water District
Jack Gibson, Marin Municipal Water District
Craig Scott, City of Cotati
Mike Ielmorini, City of Petaluma
Mary Grace Pawson, City of Rohnert Park
Jennifer Burke, City of Santa Rosa
Colleen Ferguson, City of Sonoma
Drew McIntyre, North Marin Water District
Cristina Goulart, Town of Windsor
Matt Fullner, Valley of The Moon Water District
David Rabbitt, County of Sonoma/Sonoma Water
Roberta Atha, City of Santa Rosa
Priscilla Reyes, City of Santa Rosa

Staff/Alternates: Grant Davis, SCWA
Pam Jeane, SCWA
Don Seymour, SCWA
Paul Piazza, SCWA
Jay Jasperse, SCWA
Barry Dugan, SCWA
Steven Hancock, SCWA
Jake Spaulding, SCWA
Lynne Rosselli, SCWA
Colin Close, City of Santa Rosa
Claire Nordlie, City of Santa Rosa
Shannon Cotulla, Town of Windsor
Chelsea Thompson, City of Petaluma
James Grossi, North Marin Water District Director
Tony Williams, NMWD
Larry Russell, Marin Municipal Water District Director
Ben Horenstein, Marin Municipal Water District

Public: Paul Selsky, Brown & Caldwell
Armin Munevar, Jacobs Engineering
David Keller, FOER
Bob Anderson, United Wine Growers
Margaret DiGenova, California American Water
Veronica Blette, EPA WaterSense

1. Check-in

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

2. Adopt Resolution Finding Proclaimed State of Emergency and that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees; and Authorizing Meetings by Teleconference of Legislative Bodies

Drew McIntyre, North Marin Water District. (*Refer to handouts.*) The Governor's Executive Order N-29-20 regarding modifications to the Brown Act related to virtual meetings expired on September 30th. The Governor signed AB361 on September 16th which allows legislative bodies to continue virtual meetings when a proclaimed State of Emergency is in effect. AB361 requires findings be made every 30 days that in-person meetings would present risk to the health and safety of attendees. A Resolution was presented to the WAC for consideration and adoption.

Moved by Jon Foreman, Valley of the Moon Water District, seconded by Mike Healy, City of Petaluma, to adopt a Resolution Finding Proclaimed State of Emergency and that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees and Authorizing Meetings by Teleconference of Legislative Bodies; unanimously approved by all eight water contractors. No public comments.

3. Public Comment

No public comments.

4. Recap from the September 13, 2021 Special WAC/TAC Meeting and Approval of Minutes

Moved by Mike Healy, City of Petaluma, seconded by Jon Foreman, Valley of the Moon Water District; unanimously approved. No public comments.

5. Recap from the October 4, 2021 TAC Meeting and Approval of Minutes

Moved by Colleen Ferguson, City of Sonoma, seconded by Craig Scott, City of Cotati; unanimously approved. No public comments.

6. Water Supply Coordination Council – October 25, 2021

Susan Harvey, WAC Chair. The Water Supply Coordination Council met October 25 and created the agenda for today's WAC/TAC meeting. No public comments.

7. Approve – 2022 WAC/TAC Meeting Schedule

Susan Harvey, WAC Chair. (*Refer to handout.*) The draft 2022 WAC/TAC meeting schedule was presented for review and accepted with no changes. No public comments.

8. Water Supply Conditions and TUCO Update

Don Seymour, SCWA. Storage at Lake Mendocino is currently 18,000 acre-feet (AF), a gain of 6,000 AF, and storage at Lake Sonoma is currently 120,000 acre-feet (AF), a gain of 15,000 AF, following the Atmospheric River storm of October 23 and 24. Both reservoirs are still rising slightly allowing releases to be minimized. Lake Pillsbury gained 23,000 – 24,000 AF and has storage of 40,000 AF following the storm. PG&E's variance expired and the facility is now operating under the regular license. The State Board temporarily suspended curtailments to water rights for both the upper and lower Russian River. The Board will periodically analyze water availability, but, with the amount of natural flow and predicted future precipitation events, the curtailments are likely lifted through the end of November. The State Board also issued an amended order to the TUCP which ties the 20% mandatory reduction to curtailments, so that reduction is no longer a requirement. The Governor's November 19 proclamation requiring a 15% reduction is still in effect and SCWA is working with the contractors on how to use Russian River supply to offset local groundwater and surface water sources. Sonoma Water is preparing

a new TUCP since the current TUCO expires on December 10. The new petition will be similar to the January 2021 petition and apply to the entire Russian River. The petition will request that water year classification be based on storage in Lake Mendocino. The transformer bank at the Potter Valley powerhouse has failed and PG&E estimates an 18 to 24 month lead time for replacement at an estimated cost of \$5 - \$10 million. The bypass piping is being utilized solely to meet the 45 cfs obligation to the Potter Valley Irrigation District. Russian River water users are meeting with PG&E as the circumstances unfold. Drew McIntyre, TAC Chair, asked if meetings with Upper Russian River water managers were being scheduled. Don Seymour, SCWA, responded several had been included in the last meeting and that should continue. Public Comment: David Keller, FOER, asked how Potter Valley diversions could benefit Lake Mendocino when the current diversions to the east branch of the Russian River end in May. Don Seymour, SCWA, said diversions via bypass would be limited to 135 cubic feet per second (cfs) and would be a benefit to reservoir storage. No other public comments.

a. SCWA Temporary Allocation of Water Deliveries – November-December 2021

Don Seymour, SCWA. Based on conditions in the Russian River watershed, the suspension of curtailments and meeting the 20% reduction in diversions, the temporary allocation of water deliveries is not necessary at this time. No public comments.

9. Regional Water Supply Resiliency Study – Drought Management Options

a. Overview

Jay Jasperse, SCWA. *(Refer to handout.)* The study recognizes the regional system as a series of interconnected local systems and evaluates all natural and built infrastructure. Jacobs Engineering developed a model to test various water shortage scenarios, identify vulnerable areas and identify available mitigation efforts, with a recent focus on a drought scenario. The model validation assumptions were developed from historical data from 2009 to 2017. Jacobs Engineering is also meeting with retail customers to develop a range of drought management options. Public Comment: David Keller, FOER, asked whether the assumptions accounted for projected population increases in service areas. Jay Jasperse, SCWA, said the assumptions included both urban and agricultural conservation and leveraged a lot of the work related to the GSA/GSP process. David Keller, FOER, asked if the model, given the current Potter Valley Project transfers, accounted for wintertime transfers to Lake Mendocino. Jay Jasperse, SCWA, replied there may be an indirect impact, but further evaluation will be needed for the new conditions.

b. Approve – WAC Letter of Support for Santa Rosa Plain Drought Resiliency Project Grant Application

Jay Jasperse, SCWA. *(Refer to handout.)* WAC approval requested for a letter of support for a grant application to help fund repairs to the Occidental Road and Sebastopol Road wells that were installed in 1977 and are managed by Sonoma Water. State Board regulatory changes between 2016 and present regarding chlorine contact prevented operation of the wells. The Todd Road well was recently repair utilizing funds provided by the County of Sonoma. Once repaired, the wells can be used to recharge the Santa Rosa Plain aquifer during the wintertime and provide drought resiliency for the Sonoma Water contractors.

There were no objections from the WAC members and the Letter of Support will be submitted. No public comment.

c. WaterSmart Water and Energy Efficiency Study Grant Application – SMSWP

Paul Piazza, SCWA. *(Refer to handout.)* The Partnership is submitting an application to the U.S. Bureau of Reclamation. The grant would primarily fund turf removal programs, along with efficient clothes washer rebates and a home water monitoring device. The total project cost is estimated at \$4,111,369. The maximum amount of the three-year grant is \$2 million.

10. Sonoma Marin Saving Water Partnership (TAC)

a. 2021 Water Production Relative to 2013 Benchmark and TUCO Cumulative Russian River Diversion Reductions Relative to 2020 Benchmark

Drew McIntyre, North Marin Water District. *(Refer to handout.)* Water usage was down 28% compared to the 2013 benchmark year and down 9% compared to the 2020 benchmark year. Cumulative Russian River diversions, tracked by Sonoma Water, are down 23.5% compared to 2020, meeting and exceeding the 20% ordered by the State Board. No public comments.

b. Drought Outreach Messaging

Barry Dugan and Paul Piazza, SCWA. *(Refer to handout.)* The October 9 Drought Drop By was another successful event. Ongoing bilingual drought messaging will focus on “Turn Your Irrigation Off” and may have some minor changes to inform customers that one storm doesn’t end the drought. The Graywater Webinar Series was completed with 125 participants for the first two sessions. The Super Water Saver campaign is ongoing. Drew McIntyre, TAC Chair, asked if the webinar series was recorded. Paul Piazza, SCWA, said it was recorded and there were plans to send it to people who registered and were unable to attend. No public comments.

c. 2021 EPA WaterSense Excellence Awards

Paul Piazza, SCWA, and Veronica Blette, EPA WaterSense. *(Refer to handout.)* The Sonoma Marin Saving Water Partnership (SMSWP) is the recipient of the 2021 WaterSense Sustained Excellence Award for the Qualified Water Efficient Landscaper (QWEL) program. Staff were recognized for their ability to quickly transition to online training and proctoring. The program has been made available to 20 other agencies in five western states and one Canadian province. Veronica Blette, EPA WaterSense, spoke about the goals of the WaterSense Branch of the EPA. She spoke of the well-deserved recognition for the SMSWP and looks forward to what the Partnership does in the future to help everyone save water. No public comments.

11. Biological Opinion Status Update

Pam Jeane, SCWA. *(Refer to handout.)*

Fish Flow Project- Recirculation of a Draft EIR is anticipated for 2022 due, in part, to the changes at PGE’s Potter Valley Project which impacts the EIR’s project description.
Dry Creek Habitat Enhancement Project

Construction- Hanford ARC completed construction of the two remaining Phase III Reach 5A project elements in late September and has fully demobilized.

Habitat Monitoring and Maintenance- Environmental Staff continue physical and biological surveys on constructed projects to quantify the habitat and to identify any maintenance needs. A drone flight is scheduled to assess any damage from the recent storm.

Phases IV-VI- Bid documents for Phase IV are ready to go. The Corps completed review of the right-of-way agreement modifications requested by some of the property owners participating in the project and provided those results to Sonoma Water. SCWA staff are reaching out to the property owners with feedback or possible revised agreements, as needed. Construction on Phase IV is anticipated for 2022. Phases V and

VI 99% design submittals are complete. Construction on Phase V is anticipated to begin in 2023 and construction on Phase VI is anticipated to begin in 2024.

Fish Monitoring- The underwater camera at Mirabel fish ladder had to be removed prior to the October 23-24 storm and SCWA staff is unsure if it will be reinstalled. Before the camera was removed, there were sightings of 38 Chinook and a few Steelhead.

Russian River Estuary Management- The lagoon management season ended in mid-October. Weekly pinniped monitoring continues. The mouth of the Russian River closed on September 28, but the recent storm caused flooding in the estuary (reaching approximately 11.2 feet) and the barrier self-breached.

Interim Flow Changes- Reported on earlier in the meeting by Don Seymour, SCWA.

No public comments.

12. Potter Valley Project Relicensing

Pam Jeane, SCWA. The Russian River partners are developing an application for the Department of Water Resources (DWR) Urban and Multi-Benefit Drought Relief Grant Program to assist with a couple of tasks for the FERC process. There are three components to the grant application: 1) development of a Russian River water user form to educate people about the source of water, the benefit received from the Potter Valley Project and if there is interest in financial participation to facilitate a continued transfer of water through the project whether or not it is operating as a hydro-electric power plant; 2) an assessment of the physical facilities and associated operational costs; and 3) a reach-specific water reliability assessment for Potter Valley to identify groundwater or storage facility options and undertake some modeling. The partners submitted an abeyance request in early September for an extension until the end of May 2022. FERC responded on September 23 and requested the Two-Basin Solution Partners file a new license application by April 14, 2022 and file status reports in November 2021 and January 2022. If the partners don't file a new license application, FERC may instruct PG&E to commence license surrender proceedings. The partners will file a November status report and are working on a draft response to FERC. Jennifer Burke, City of Santa Rosa, asked if a subset of the NOI parties is applying for the DWR grant. Pam Jeane, SCWA said that was correct and the partners to the north are working on a separate grant application targeted toward habitat and fisheries restoration. Jennifer Burke, City of Santa Rosa, asked if Sonoma Water will be the grant applicant. Pam Jeane, SCWA, confirmed they will be the grant applicant. Susan Harvey, WAC Chair, asked if the Potter Valley Basin needed to go through a SGMA process. Pam Jeane, SCWA, replied they did not. No public comments.

a. Approve – WAC Comment Letter Supporting Partnership Abeyance Request to FERC

Drew McIntyre, North Marin Water District. (*Refer to handouts.*) WAC approval requested for a letter to FERC supporting the Partners' abeyance request for more time for additional studies and continued due diligence and reiterating the water contractors' support for the Two-Basin Solution. WAC approval was also requested for a second letter to the State supporting the DWR grant application.

There were no objections from the WAC members and both Letters of Support will be submitted. No public comment.

13. Integrated Regional Water Management Plan(s) Update

Grant Davis, SCWA. (*Refer to handout.*) Shared a San Francisco Chronicle front page article on the Advanced Quantitative Precipitation Information (AQPI) project in the Bay Area region IRWM Plan. The article provided a good graphic representation of what AQPI will do and information about current and future sites for the Nexrad Radar Stations. The project

will not only benefit water purveyors, but will also assist emergency management and flood agencies. Water contractors and partners need to continue to work together to secure funding from the significant \$15 billion climate resilience package passed and signed by the Governor in September.

10. Items for Next Agenda

No agenda items were suggested by the WAC/TAC members.

No public comments.

11. Check Out

Meeting adjourned at 11:16 a.m.

17

DISBURSEMENTS - DATED NOVEMBER 18, 2021

Date Prepared 11/16/21

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	Able Tire & Brake	Tires (12) ('12 F250 - \$1,077, '20 F250 - \$1,046, '18 Ford Transit Cargo Van - \$546), Alignments (3) (\$405) & Tire Repair (Vac Excavator) (\$58)	\$3,131.65
2	ACWA	Annual Dues (McIntyre) (1/22-12/22) (Budget \$21,600)	23,705.00
3	Alexander, Eric	Novato "Washer Rebate" Program	100.00
4	Arrow Benefits Group	October Dental Claims Expense	8,499.63
5	Athens Administrators	October Indemnity Review Fee	105.00
6	Automation Direct	PLC Parts	347.20
7	Backflow Distributors	Repair Parts for NMWD Owned Backflow Assemblies	9,824.51
8	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 121 of 240) Aqueduct Energy Efficiency Project	46,066.67
9	R Basham	Refund Overpayment on Closed Account	207.71
10	Bearings & Hydraulics	Parts for Front Office HVAC (\$434), Hose, Fittings ('12 F250) (\$579), Couplers (2) (\$72) & Hose Guard ('12 F250)	1,109.87
11	Boucher Law	October Labor & Law Employment Matters	12,632.10
12	California Water Service	Water Service (O.M.) (10/1-10/29/21)	28.35
13	James Campbell Co. LLC	Refund Excess Advance Over Actual Construction Job Costs-Vintage Oaks Pad W	6,445.26
14	Chandrasekera, Carmela	Retiree Exp Reimb (Nov Health Ins)	1,063.97
15	Christiansen, John & Linda	Novato "Washer Rebate" Program	100.00
16	Cilia, Joseph	Retiree Exp Reimb (Nov Health Ins)	372.37
17		Vision Reimbursement	265.00

Seq	Payable To	For	Amount
18	Clipper Direct	December Commuter Benefit Program	29.00
19	Core & Main	PVC Pipe (700') (\$11,848), Bolts (400) (\$1,628), Nuts (400) (\$412), Bushings (2), Trans Couplings (6) (\$1,823), Hydrant Ext (5) (\$586) & Gate Valves (6) (\$4,004)	20,347.00
20	Cummings Trucking	Sand (\$350) (23 yds) & Rock (\$490) (48 yds)	840.00
21	DeRosa, Gerald	Novato "Pool Cover" Rebate Program	75.00
22	Engineering Supply Company Inc	Battery Charger	140.15
23	Environmental Express	Chlorite Standard (Lab)	63.77
24	Environmental Science Assoc	Prog Pymt #12: Gallagher Ranch Streambank Stabilization Project (\$230) (Balance Remaining on Contract \$19,069) & Prog Pymt#8: Gallagher Well No. 2 (\$21,756) (Balance Remaining on Contract \$32,032)	21,986.06
25	Evoqua Water Technologies LLC	Service on Deionization System	322.99
26	Fedak & Brown LLP	October Progress Billing (Financial Statement Audit FY20/21) (Balance Remaining on Contract \$4,779)	1,550.00
27	Fishman Supply Co	Nitrile Gloves (1,000)	275.70
28	Fisher Scientific	Chlorine Test Reagents (\$208) & Batteries for Recording Temp Probe (2) (\$124) (Lab)	332.09
29	FLW, Inc.	Parts for Valve Control	194.64
30	Frontier Communications	Leased Lines	1,444.50
31	Joan Gard	Refund Overpayment on Closed Account	150.12
32	GHD Inc.	Prog Pymt#21: (\$1,171) & Prog Pymt#22: (\$445) O.M. Treatment & Storage Pond Repair (Balance Remaining on Contract \$18,026)	1,616.00
33	Grainger	Bumpers for Gate (2) (\$72), 1/2 HP Motor (OM) (\$216), Plug in Utility Pump (STP) (\$423) & Miscellaneous Maintenance Tools & Supplies (\$1,667)	2,378.41
34	Hakoupian, Zorik	Novato "Hot Water Recirculation System"	100.00

Seq	Payable To	For	Amount
35	HERC Rentals Inc.	Generator Rental (1 week) (\$1,025) & Excavator Rental (1 week) (\$807)	1,832.53
36	InfoSend, Inc.	Oct Processing Fee for Water Bills (\$1,262), Postage (\$3,752) & October Support Fee (\$915)	5,929.83
37	Jackson, David	Retiree Exp Reimb (Nov Health Ins)	1,063.97
38	Kelly Services, Inc.	Organic Chemist Temp Services (Lab) (36 hrs)	2,231.55
39	Kellen, Stephanie	Novato "Washer Rebate" Program	100.00
40	Larsen, Leonard	Refund of Deposit/New Development/WC Restriction-Novato	1,000.00
41	Latanyshyn, Roman	Retiree Exp Reimb (Nov Health Ins)	372.37
42	Lemos, Kerry	Retiree Exp Reimb (Nov Health Ins)	1,063.97
43	Freddie Liversidge	Refund Overpayment on Closed Account	112.32
44	Diane Livoti & Todd Perlman	Refund Excess Advance Over Actual Construction Job Costs-Livoti Perlman Annexation	363.58
45	Madruga Iron Works, Inc.	Vault Lids (2)	5,916.06
46	Manzoni, Alicia	Retiree Exp Reimb (Nov Health Ins)	1,063.97
47	Marin Independent Journal	Legal Ad: Ordinance 41 Summary on 10/27/21	145.12
48	McPhail Fuel Company	Propane Tank Lease (25 Giacomini Rd)	64.95
49	North Marin Auto Parts	Service Parts ('20 Chevy Colorado, '02 Chevy K1500, '02 Chevy Silverado & '12 F250) (\$264) & Miscellaneous Maintenance Tools & Supplies (\$149)	412.67
50	Pace Supply	Nipples (11), 6" Gaskets (10), Hydrants (4) (\$12,547), 8" DCDA (\$5,210), Box Lids (4) (\$170), Ball Valves (20) (\$840) 6" Flanges (4) (\$170) & Steel Cover (\$665)	19,776.60
51	Pacelli, Tom & Maricor	Novato "Washer Rebate" Program	50.00
52	Pacific Gas & Electric Co	Power: Bldgs/Yard (\$5,058), Other (\$202), Pumping (\$39,269), Rect/Controllers (\$560) & Treatment (\$128)	45,216.79

Seq	Payable To	For	Amount
53	Point Reyes Light	Legal Ads: Ordinance 39 Summary on 10/28/21 (\$387) & Salinity Intrusion Into Pt Reyes Station Well Supply on 10/28 & 11/4/21 (\$390)	777.00
54	Quest UCCS	Quarterly Phone System Maintenance	446.70
55	RAE Products & Chemicals Corp.	Valve Marking (9 rolls)	2,976.20
56	RH & Sons Water Services	Backflow Testing (135)	8,775.00
57	Schaible, Jennifer	Novato "Cash for Grass" Rebate Program	800.00
58	Scott Technology Group	Service on Canon Copier	131.83
59	Six Robblees' Inc.	Parts for T2D Trailer	388.89
60	Soiland Co., Inc.	Rock (37 yds) (\$1,174) & Asphalt Recycling (19 tons) (\$378)	1,551.93
61	Solenis LLC	Praestol K279 (4,580 lbs) (STP)	9,541.06
62	Syar Industries Inc	Replacement Check-Original Lost in Mail-Sand (15 yds)	933.34
63	Tamagno Green Products	Sludge Removal from STP (120 yds)	4,200.00
64	TPx Communications	October Telephone Charges	654.68
65	Trattoria Ghiringhelli	Deposit for Holiday Grab & Go Lunch	1,000.00
66	Unicorn Group	West Marin (\$868) (750) & Novato (\$3,834) (25,388) Waterline Printing & Mailing Services	4,702.11
67	United Parcel Service	Delivery Service: Algal Toxic Sample Sent to Outside Lab for Analysis	290.56
68	US Bank	October Safekeeping Treasury Securities	59.00
69	VWR International LLC	Safety Gloves (\$355), Sulfate Standard, Ammonium Molybdate (\$73), Funnel (\$127) & Lab Labeling Tape (2) (\$108) (Lab)	700.13
70	Wehrman, Sean	Novato "Washer Rebate" Program	100.00
71	West Coast Energy Systems	O.M. Generator Repairs	912.50
72	Whitman, Carol	West Marin "Washer Rebate" Program	100.00

Seq	Payable To	For	Amount
73	HD-Supply - White Cap Construction Company	Fencing Material (\$145) & Visqueen (2-20' x 100') (\$314)	458.42
74	Winzer Corporation	Misc Heat Shrink for Auto Shop	19.00
75	West Yost Associates	Prog Pymt#2: Recycled Water Program Strategy (Balance Remaining on Contract \$413)	2,530.75
		TOTAL DISBURSEMENTS	<u>\$294,615.10</u>

The foregoing payroll and accounts payable vouchers totaling \$294,615.10 are hereby approved and authorized for payment.

Julie Blue 11/16/2021
Auditor-Controller Date

[Signature] 11/16/2021
General Manager Date

DISBURSEMENTS - DATED NOVEMBER 24, 2021

Date Prepared 11/22/21



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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 11/15/21	\$155,182.41
90435*	Internal Revenue Service	Federal & FICA Taxes PPE 11/15/21	64,882.82
90436*	State of California	State Taxes & SDI PPE 11/15/21	14,991.95
90437*	CalPERS	Pension Contribution PPE 11/15/21	40,617.44
EFT*	US Bank	October Bank Analysis Charge (Lockbox \$912 & Other \$365 Less Interest \$57)	1,220.18
1	Alameda Electrical Distributors	Nuts (100)	388.85
2	All Star Rents	Propane (5 gal)	24.37
3	Alpha Analytical Labs	Lab Testing	240.00
4	Amazon/Genuine-Hardware	Miscellaneous Office Supplies (\$1,133), Lab Supplies (\$122), Hex Wrench (\$91), Card Reader for Gate (\$126), Coolers (2) (\$331) (Lab), Rubber Boots (2) (Kurfist & Watkins) (\$380), Service Awards (4) (\$424), Mount LED Light ('17 F350) (\$129), Carpet for STP Boat (\$107), AC Remote Control (Warehouse) (\$54), Submersible Electric Pump (\$411), Wireless Intercom Doorbells (2) (\$108) & Bravo Safety Awards (4-\$50 cards)	3,615.76
5	AT&T	Leased Lines	66.68
6	Clyman, Michael	Novato "Washer Rebate" Program	100.00
7	Comcast	November Internet Connection	144.92
8	Consolidated CM	Prog Pymt#5: Construction Management Services for NMWD Building Renovation Project (Balance Remaining on Contract \$94,584)	7,714.00

Seq	Payable To	For	Amount
9	Core Utilities, Inc	Consulting Services: October IT Support (\$6,000), SCADA Support (\$1,425), Maint of Telemetry Equipment (\$150), P RTP (\$200), CORE Billing Maintenance (\$525), Front Office Network Design Review (\$125) & Board Assistance (\$275)	8,700.00
10	Diesel Direct West	Diesel (693 gals) (\$3,373) & Gasoline (1,400 gals) (\$6,362)	9,735.12
11	Environmental Resource Assoc	Performance Testing (Lab)	3,222.60
12	Eurofins Eaton Analytical, Inc	Algal Toxin Monitoring for Harmful Algae Bloom in Stafford Lake	1,450.00
13	Frank Fontes	Refund Excess Advance for Engineering Over Actual Job Costs (3357 Petaluma Blvd South-Fontes)	1,270.06
14	Grainger	Pressure Washer Parts (\$880) & Miscellaneous Maintenance Tools & Supplies (\$893)	1,773.25
15	Hernandez, Tori	Novato "Washer Rebate" Program	100.00
16	Kelly Services, Inc.	Organic Chemist Temp Services (Lab) (38 hrs)	2,359.59
17	Kiosk Creative LLC	Oct. 2021 Marketing Communication & Outreach Services (Balance Remaining on Contract \$40,024)	3,493.50
18	Lincoln Life Employer Serv	Deferred Compensation PPE 11/15/21	10,574.35
19	MBL Properties, LLC	Refund Excess Advance for Engineering Over Actual Job Costs (Marin Biologic Lab-Fire Service)	525.82
20	McAghon, Andrew	Lawn Be Gone Sheet Mulching Program (800 sq ft)	572.00
21	McLellan Co, WK	Misc Paving	16,253.59
22	McQuinn, Suzanne	Novato "Toilet Rebate" Program	125.00
23	Nationwide Retirement Solution	Deferred Compensation PPE 11/15/21	920.00
24	Nerviani's Backflow	Annual Backflow Testing for District/Customer Owned DC (58) (\$4,060) & RP Devices (67) (\$4,020)	8,080.00

Seq	Payable To	For	Amount
25	Northen, Brian	Exp Reimb: Safety Boots	200.00
26	Oberkamper & Associates	Prog Pymt #1: Topo Survey for the Leveroni Creek Embankment Repair Project (Balance Remaining on Contract \$310)	4,690.00
27	Office Depot	Miscellaneous Office Supplies	54.65
28	Pace Supply	Reducer	120.16
29	Parkinson Accounting Systems	October Accounting Software Support	97.50
30	Pearlman, Avram	Exp Reimb: CA Board for Professional Engineering Membership Renewal (\$180) & Sept-Nov Mileage (\$134)	313.62
31	Point Reyes Prop Mgmt Assn	November HOA Fee (25 Giacomini Rd)	75.05
32	Red Wing Shoe Store	Safety Boots (Simpson)	200.00
33		Vision Reimbursement	665.98
34	Scott Technology Group	Monthly Maintenance on Engineering Copier (11/21-12/20/21)	201.48
35	Sonoma County Water Agency	October Contract Water	547,344.59
36	Township Building Services	Oct Janitorial Services	2,035.48
37	Van Dine, James	Refund Excess Advance Over Actual Construction Job Costs-McClay Land Division	2,376.35
38	VWR International LLC	Membrane (Lab)	217.88
39	Water Works Engineers LLC	Develop Cyber Security Emergency Response Plan	2,612.50
TOTAL DISBURSEMENTS			<u>\$919,549.50</u>

The foregoing payroll and accounts payable vouchers totaling \$919,549.50 are hereby approved and authorized for payment.

	11/22/21
Auditor-Controller	Date
	11/22/21
General Manager	Date

DISBURSEMENTS - DATED DECEMBER 2, 2021

Date Prepared 11/29/21

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	American Family Life Ins	AFLAC-November 2021 Employee Paid Benefit	3,085.53
2	Arreaga, Gloria	Refund Overpayment on Closed Account	207.85
3	Arrow Benefits Group	November Dental Admin Fee	271.20
4	Automation Direct	Electric Wiring Trough (PRE 4C)	181.20
5	Blue Earth Labs, LLC	Iron & Manganese Stain Remover for STP Filters (10 gal)	545.40
6	Cole-Parmer Instrument	Cover Slips for Microscopes (2) (Lab)	98.91
7	Core & Main	Couplings (4)	1,020.98
8	Demartini, Sandro	Novato "Toilet Rebate" Program	125.00
9	Ditch Witch West	Parts for Major Service on Vac #97 ('19 Ditch Witch)	1,021.65
10	Dolar, Steve	Novato "Toilet Rebate" Program	125.00
11	Evoqua Water Technologies LLC	Service on Deionization System (Lab)	322.99
12	Ferguson Waterworks	AMI Antennas (50)	1,384.19
13	Fishman Supply Co	Rain Pants (2) & Rain Jackets (2) (\$144)	204.37
14	Fisher Scientific	Petri Dishes (1,200) (\$276) & Ion Chromatography Standard (Lab)	318.42
15	Freyer & Laureta, Inc.	Prog Pymt#2: Provide Engineering & Design Services for NMWD Hydropneumatic Pressure Stations (Balance Remaining on Contract \$81,334)	12,236.00
16	Goodpaster, Stacie	Exp Reimb: Data Integrity & Ethics in the Laboratory Training (11/10)	113.03
17	Grainger	Fall Protection Gear for Climbing Tanks & Entering Vaults (\$2,548) & Miscellaneous Maintenance Tools & Supplies (\$1,205)	3,752.99

Seq	Payable To	For	Amount
18	Ignacio Place Apartments	Refund Overpayment on Open Account	480.58
19	JW Mobile	Hose ('09 JD Backhoe)	217.95
20	Maggiora & Ghilotti	Prog Pymt#2: Old Ranch Road Tank No. 2 Construction Services (Balance Remaining on Contract \$817,057)	75,319.03
21	County of Marin	Renewal of Annual Encroachment Permit	490.00
22	MRC Global	Replacement Actuator for 24" Aqueduct Valve	10,847.21
23	Mutual of Omaha	December Group Life Insurance Premium	1,144.74
24	Office Depot	Misc Office Supplies	134.93
25	Peterson Trucks	Replacement Interior Door Panel ('12 Int'l 5 yd Dump Truck) (\$864) & Pedal Sensor ('02 Int'l 5 yd Dump Truck) (\$557)	1,420.38
26	PISF XIV-C C/O Prof. Financial	Refund Overpayment on Open Account	2,354.79
27	Point Reyes Light	Legal Notices on 11/11, 11/18 & 11/24/21- Salinity Intrusion into Pt. Reyes Well Supply	450.00
28	R & B Company	1" Meter Boxes (30) (\$1,074) & Brass Caps (5)	1,083.39
29	Roy's Sewer Service	Cleaned Clogged Sewer Line @ STP	300.00
30	Sanitation Services, Inc.	Portable Toilet Rental (Pt. Reyes)	165.83
31	Snap-On Industrial	Software Upgrade for Solus Edge (Vehicle Diagnostic Software)	860.27
32	State Water Resources Control	Clean Water SRF Loan Principal & Interest-RW North Segment 1 (Pymt#10 of 20)	40,196.44
33	Syar Industries Inc	EZ Street Asphalt (6 tons)	1,066.04
34	Allen, Todd	Refund Overpayment on Closed Account	2,179.65
35	Trattoria Ghiringhelli Catering	Balance Due on Holiday Grab & Go Lunch	1,010.61
36	VWR International LLC	Silver Nitrate, Cubitainer (\$63), Pipet Tips (1,000), Standards (3) (\$101) & Medium (\$196) (Lab)	442.54
37	ZORO	Maintenance Supplies for Front Office	51.68
		TOTAL DISBURSEMENTS	<u>\$165,230.77</u>

Seq	Payable To	For	Amount
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The foregoing payroll and accounts payable vouchers totaling \$165,230.77 are hereby approved and authorized for payment.


Auditor-Controller

11/29/2021
Date


General Manager

11/29/2021
Date

Notice:

Seasonal salinity intrusion has occurred into two of North Marin Water District's wells serving the West Marin communities of Point Reyes Station, Olema, Inverness Park, and Paradise Ranch Estates. While the sodium concentration remains above 50 mg/L, North Marin Water District will be publishing this notice weekly to keep you informed about the sodium level in drinking water so you may be able to make informed dietary choices.

The table below lists the most recent concentrations for sodium in the West Marin water supply. While there is no direct health concern from salt for most people at this concentration, customers that are on sodium restricted diets should consult their physicians to see if additional sodium is a concern for them.

Date	Sodium	Chloride	Units
11/15/21	12.2 - 40.1*	13.9 - 86.5*	mg/L *
11/8/21	12.5 - 65.4	14.4 - 156	mg/L *
10/31 - 11/1/21	19.5 - 72.6*	30.6 - 161	mg/L *
10/25/21	35.7 - 79.3*	66.4 - 170*	mg/L *

mg/L= milligrams per liter

* This is a range from four different sample sites across the span of NMWD's distribution system.

More information about NMWD's water quality programs including the annual report summarizing the high quality of the drinking water we serve to your tap can be found at www.nmwd.com/wq.

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Date	Sodium	Chloride	Units
11/22/21	11.1 - 55.1*	13.4 - 128*	mg/L*
11/15/21	12.2 - 40.1*	13.9 - 86.5*	mg/L*
11/8/21	12.5 - 65.4*	14.4 - 156	mg/L*
10/31 - 11/1/21	19.5 - 72.6*	30.6 - 161	mg/L*

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POINT REYES LIGHT December 2, 2021

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Date	Sodium	Chloride	Units
11/29/21	11.4 - 48.1*	13.4 - 102*	mg/L*
11/22/21	11.1 - 55.1*	13.4 - 128*	mg/L*
11/15/21	12.2 - 40.1*	13.9 - 86.5*	mg/L*
11/8/21	12.5 - 65.4*	14.4 - 156*	mg/L*

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Three-Month Outlooks

Revised OFFICIAL Forecasts

November 2021

Precipitation Probability

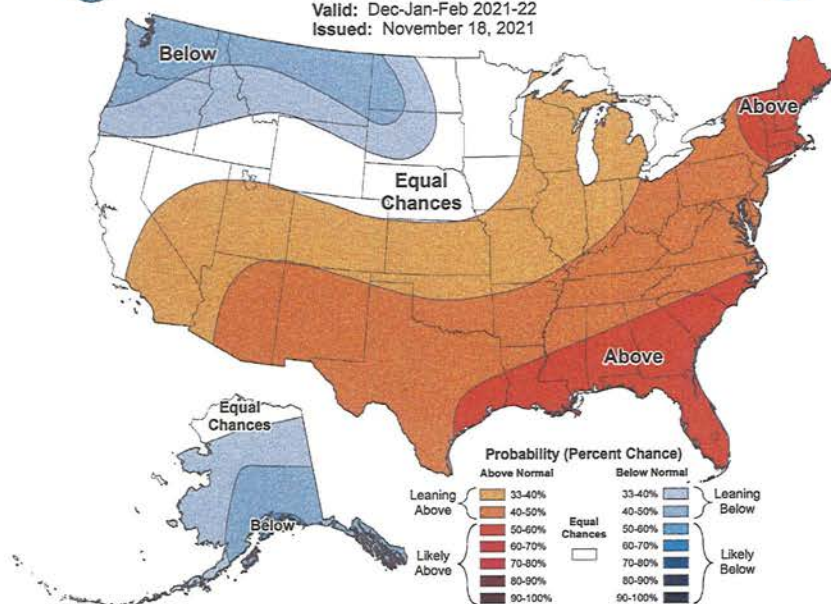
(December- January-February_ 2021/22)

[Climate Prediction Center - Seasonal Outlook \(noaa.gov\)](https://climatepredictioncenter.noaa.gov)



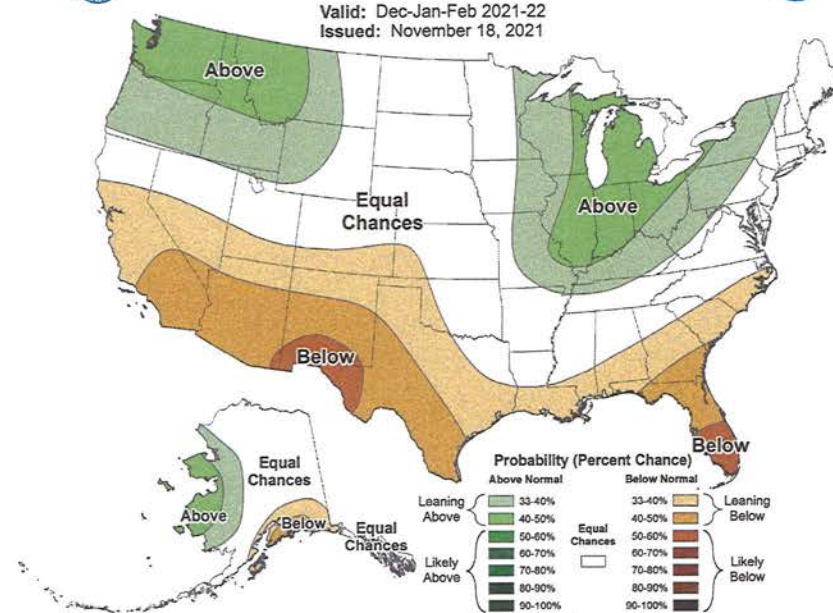
Seasonal Temperature Outlook

Valid: Dec-Jan-Feb 2021-22
Issued: November 18, 2021



Seasonal Precipitation Outlook

Valid: Dec-Jan-Feb 2021-22
Issued: November 18, 2021



[UPDATED MONTHLY FORECASTS SERVICE CHANGE NOTICE]

[EXPERIMENTAL TWO-CLASS SEASONAL FORECASTS]



WATER PROFESSIONALS APPRECIATION WEEK



I am a WATER PROFESSIONAL

When you work in the water industry, you are contributing to people. You're providing a vital service that is necessary for us to live.

WATER PROFESSIONALS APPRECIATION WEEK



Water is Essential and so are You!



WATER PROFESSIONALS WEEK

Cucamonga Valley Water District
@cvwdwater

Today, we're kicking off Water Professionals Appreciation Week! 🎉

Hats off to all of our #WaterPros and those throughout the sunshine state of California ☀️ for the important work they do to keep water flowing safely and reliably, 24/7! 💧💙

#CVWDwaterpros #WeAreCAWater 💧



WE ARE ESSENTIAL WORKERS

WATER PROFESSIONALS APPRECIATION WEEK SCV WATER



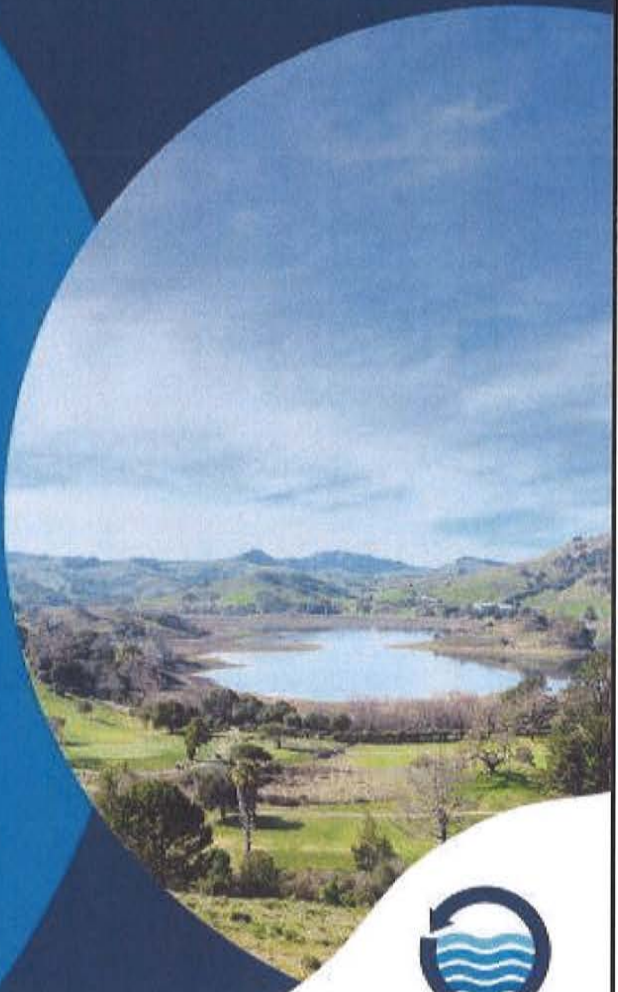
Did you know?

North Marin Water District refilled Stafford Lake last winter by importing water.

Last winter Stafford Lake fell to one-quarter full. Anticipating summer needs, we started importing water. By the end of April, the lake was over half full again.

This extra Stafford Lake supply was saved for customers as the drought deepened. We are planning to import more water this winter.

Continue to conserve.
For more info visit:
nmwd.com/drought



**NORTH MARIN
WATER DISTRICT**

Did you know?

**North Marin Water District
has been providing
drought-proof recycled
water since 2007.**

Today, recycled water is
10% of our community's
water supply. Each gallon of
recycled water used saves a
gallon of potable water for all
other customers.

**Continue to conserve.
For more info visit:**
nmwd.com/drought



**NORTH MARIN
WATER DISTRICT**

Did you know?

North Marin Water District has been using recycled water to help keep our community green.

We are delivering high quality recycled water to large landscapes and car washes with our partners Novato Sanitary District and Las Gallinas Valley Sanitation District.

Each gallon of recycled water used saves a gallon of potable water for all other customers.

Continue to conserve.
For more info visit:
nmwd.com/drought

Irrigated with recycled water
Do not drink No tomar



North Marin Water District



RECYCLED
WATER
PROGRAM



NORTH MARIN
WATER DISTRICT

MEMORANDUM

To: Board of Directors

December 3, 2021

From: Julie Blue, Auditor/Controller JB

Subj: District Apartment Rental History

t:\ac\board reports\board memos\2021\district apartment\district apartment 2021.docx

RECOMMENDED ACTION: Information Only

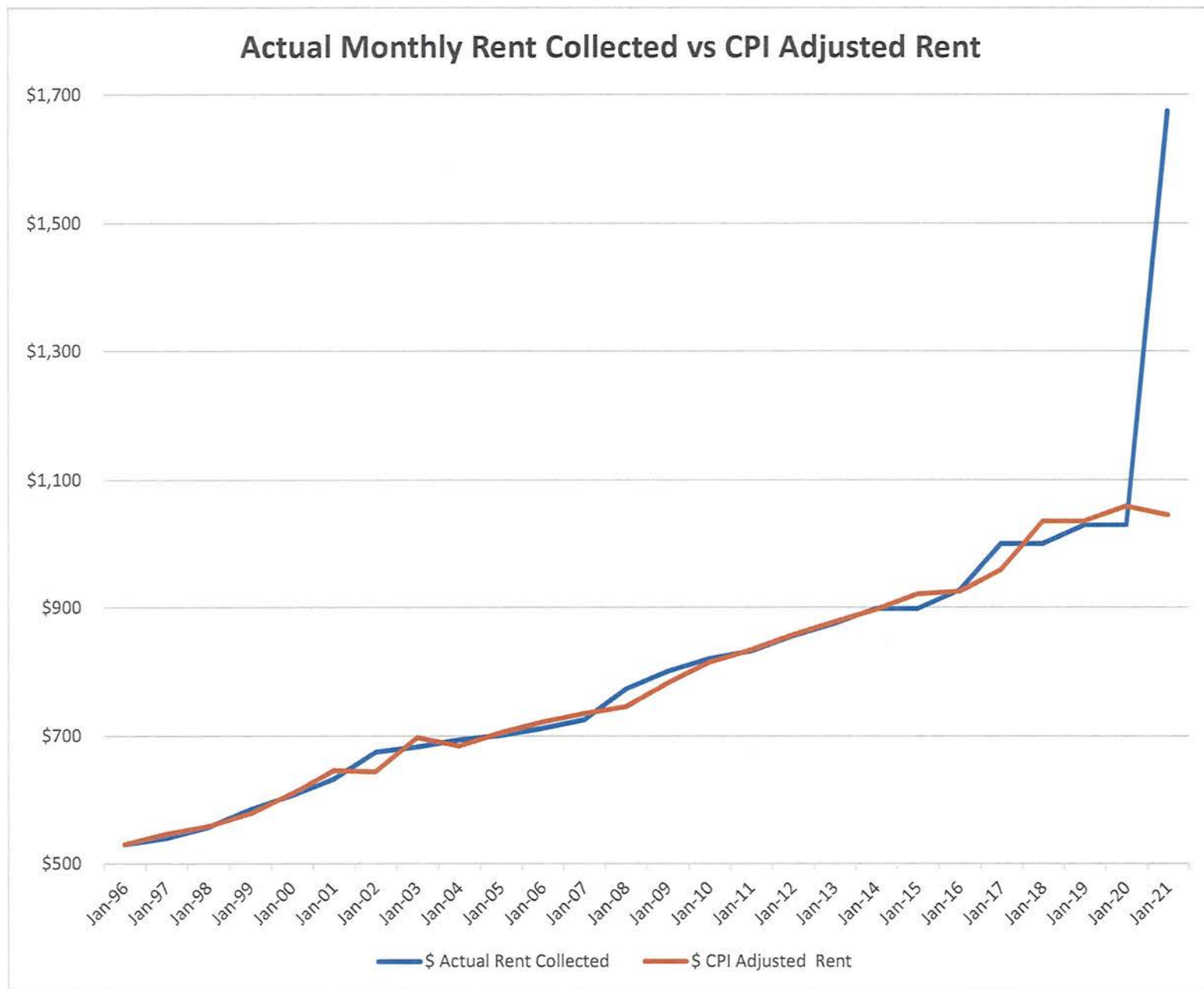
FINANCIAL IMPACT: None

The headquarters for North Marin Water District is located at 999 Rush Creek Place in Novato. In addition to the main office building, warehouse, and construction offices there is a one bedroom one bathroom 2nd floor apartment on the property. Since 1990, the apartment has been rented out, in most cases to employees. Renting the apartment provides an after hours onsite presence, enhancing security on the premises and deterring vandalism and theft.

In reviewing the last 25 years of rental history, 14 of those years the apartment was rented to four employees who were employed at the time of the rental. For 12 years the unit was rented to two family members of employees. These tenants were charged a reduction in rent of about 30% in exchange for providing onsite monitoring of the premises. Per their lease agreements, they committed to monitoring the property and agreed to call the Novato police department, and District Staff, if they witnessed suspicious activity on the property.

The apartment was vacant in 2021 and at that time Prandi Property Management was enlisted to rent and manage the property. They charge a leasing fee of 7% of the monthly rent for their services. Although employees were given priority to rent the apartment, ultimately it was rented to a Novato resident with no prior affiliation with the Water District. The tenant moved in on June 1, 2021 and currently pays \$1,675 per month which is approximately 10% below market. The reduction in rent is due to the current lease including a similar clause regarding monitoring of the property as was included in prior years. The tenant is responsible for all utilities with the exception of water and gas which is provided by the District.

The rent during the 25 years discussed above ranged from \$540 in 1996 to \$1,675 in 2021. For reference, Attachment 1 shows the actual historical rent collected versus the estimated CPI adjusted rent.



MEMORANDUM

To: Board of Directors

December 3, 2021

From: Robert Clark, Operations / Maintenance Superintendent *RAC*

Subject: Stafford Lake Water Year 2021 Spill/Rainfall History

x:\maint sup\2022\bod\stp spill - rain history1121.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Over the past 20 years, Stafford Lake has reached full capacity and has spilled over in 13 of the 20 years presented. Stafford Lake did not reach full capacity again for two consecutive years (2020 and 2021).

MAXIMUM ELEVATION FOR NON-SPILL YEARS	
MONTH/YEAR	WATER ELEVATION
May 2021	186'
April 2020	191'
April 2018	191'
April 2014	189'
April 2012	189'
March 2009	196'
March 2001	192'

To help illustrate the annual Stafford Lake capacity fluctuations, I have attached two charts. First is the Stafford Lake Spill History chart (Attachment 1) that includes two columns for rainfall data and a line for minimum pool storage with the date when the lake reached full capacity.

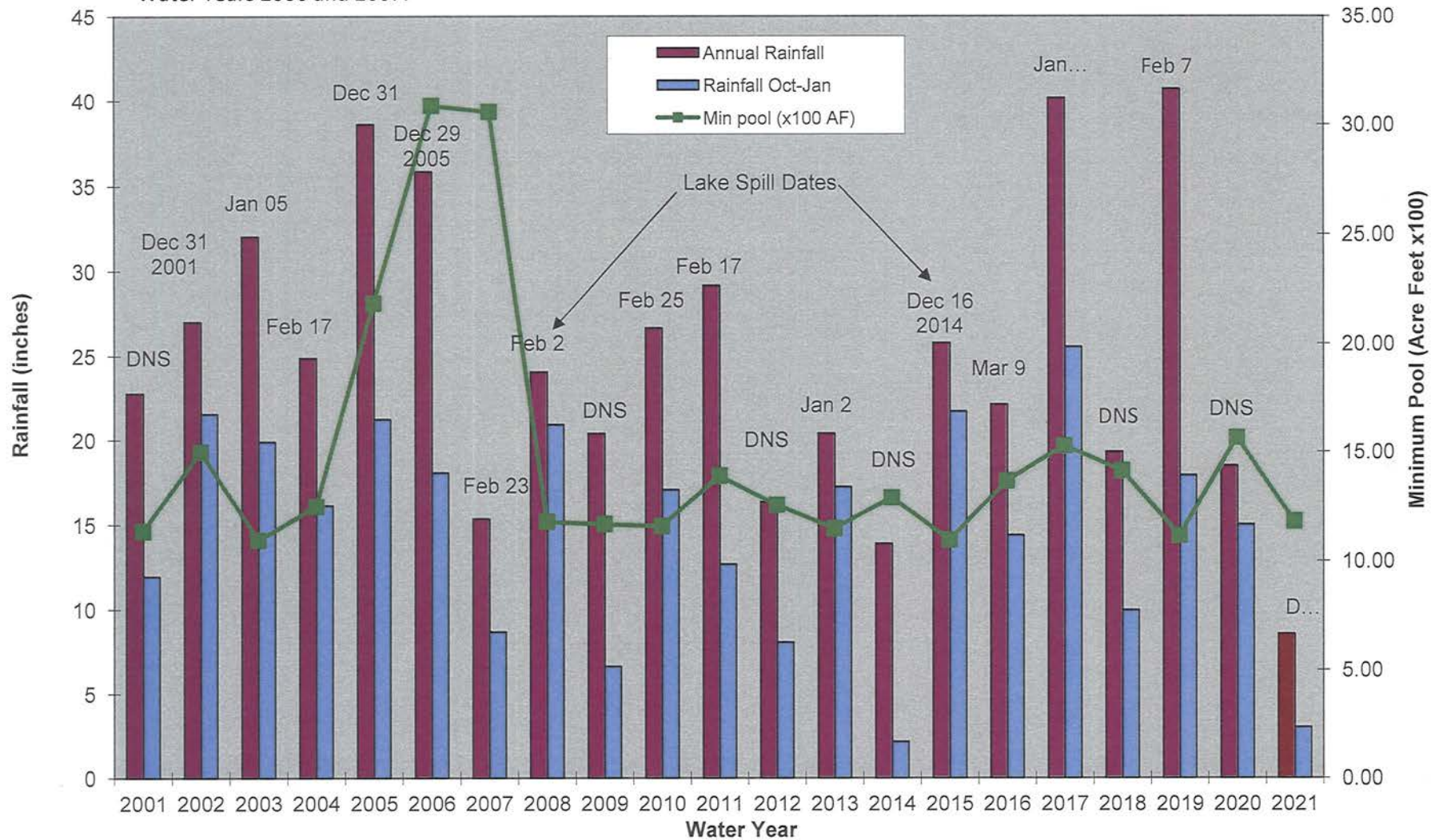
- The Annual Rainfall (indicated by the Red column) is based on a Water Year (from the beginning of October of the previous year indicated, through the end of September of the year indicated). This is measured in inches of rain along the left side of the chart.

- The Rainfall Oct – Jan (indicated by the Blue column) is a water year to date from the beginning of October of the previous year through the end of January of the year indicated. This is measured in inches of rain along the left side of the chart.
- The Minimum Pool (indicated by the green line) is the lowest level of Stafford Lake measured in the fall of the previous year. This is measured in acre-feet along the right side of the chart (the number must be multiplied by 100).
- The dates above the annual rainfall (red) column data indicate the day the lake reached full capacity and spilled during that water year or did not spill (DNS).

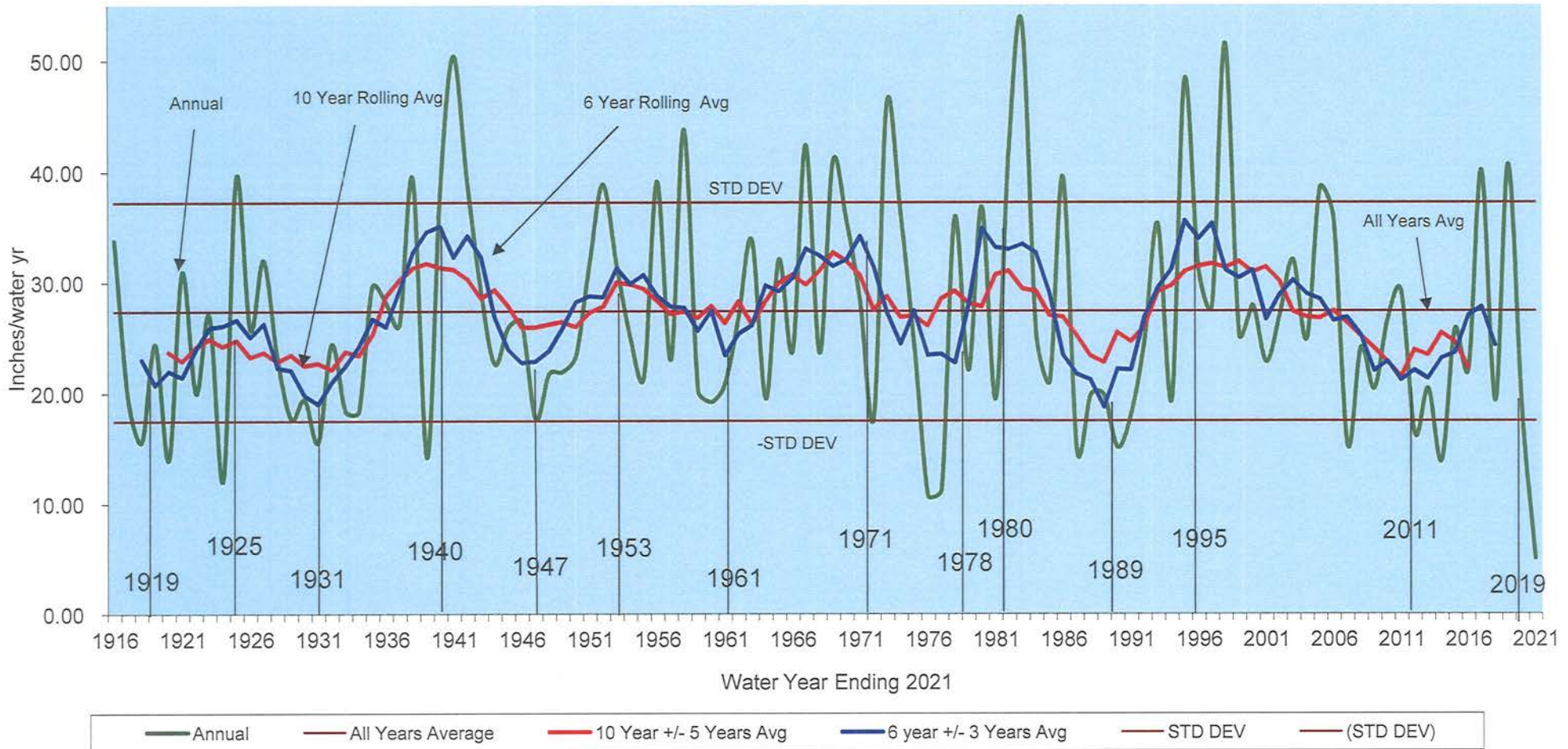
A chart of historical Water Year Rainfall data for the Novato area is provided in Attachment 2. This chart has the annual rainfall data in green, a 6-year rolling average shown in blue and a ten-year rolling average in red. There is also an all year average line at 27" of rain with a standard deviation of 9.7 inches which indicates a high variability in the annual rainfall data.

Stafford Lake Spill History

During the 2005/06 Stafford Treatment Plant Rebuild no water was Produced. Therefore the minimum pool was high in Water Years 2006 and 2007.



Water Year Rainfall Novato, Ca.



Semantics and Solutions

I want to thank you for the editorial on the semantics of reuse. I have long felt that the terminology for reuse is more promotional than accurate. While the water industry as a whole likes to promote the concept of "one water," it's really nothing new. In water-scarce areas like California—where I live—recycling wastewater has been practiced for many years and increasingly is used for nonpotable purposes.

One of the world's premier examples of reuse is Orange County, Calif., where the treated effluent is pumped underground and then, with additional treatment, is extracted for potable use. It is in no sense direct potable reuse, yet I have heard it referred to as "direct potable," and sometimes I think this is confused on purpose. Reuse for irrigation (both for landscapes and crops) requires much less treatment and no storage buffer—an alternative that should be considered. Regardless of the way it's described, water reuse should be considered to diversify sources and increase regional supply reliability. Water professionals should instinctively consider all reasonable alternatives in a region's water supplies.

I can't help but also comment on the extended article on taste and odor. While the number of contaminants of concern for drinking water has increased dramatically, more attention should be given to the aesthetics of our water supplies. The past aesthetic quality that has allowed consumers to enjoy tap water for so many years is diminishing across the nation. Source water quality in many areas seems to have deteriorated, particularly during droughts, and the extensive use of chlorine to meet today's standards can produce unwanted tastes and odors.

Although a bit simplified, there is an obvious solution. In its suit against the US Environmental Protection Agency in 1981, if AWWA had opted for a regulation that specified carbon and ozone as the national treatment technology—instead of the professionally preferred option to develop treatments locally—we could be better off today. This is particularly true with the reduction of trace contaminants

and the amount of chlorine necessary to meet standards. Many water systems have rejected activated carbon and ozone treatment processes because of the associated cost. But total water capital and operations and maintenance costs make carbon/ozone treatment a small part of the bill—drinking tap water because it tastes good is a genuine public health benefit!

Keep up the great work with *Journal AWWA*.

Jerry Gilbert
Past AWWA President
Kentfield, Calif.



* PAST NMWD GM Editor-in-Chief Response

I'm always encouraged when readers are excited about one story, so what struck me first about Jerry Gilbert's letter was that he was intrigued by two topics: reuse and taste and odor. The role of water professional requires one to stay engaged on a wide range of issues that often diffuse into the larger challenges that we face as a society, and that's one reason that *Journal AWWA* tries to cover as many topics as possible.

On the semantics of reuse, community growth can strain water sources, so reuse comes up much more frequently as a water supply option than it did in the past. We sorely need to improve how we communicate the paradigm of water reuse, especially to communities that

are new to the idea. And while taste and odor issues trouble too many communities, as do disinfection byproducts, I'm not sure that treatment should be restricted to ozone and activated carbon. Still, I can't help but admire Mr. Gilbert's confidence in these robust technologies and his passion for drinking water that is safe and tastes great. ●

Kenneth L. Mercer
Editor-in-Chief, *Journal AWWA*
AWWA
Denver, Colo.

<https://doi.org/10.1002/awwa.1761>

Sonoma water partnership key for Marin

Editorial

Marin Independent Journal

When it comes to water supply, Marin and Sonoma counties are joined at the hip.

That political realization has led, in recent years, to North Bay water agencies working more closely together when it comes to supplying and conserving water.

That collaboration cannot be more important than it is today when the two counties are grappling with a drought and, until recent rains, a perilously reduced supply.

Even with recent rains, water agency leaders aren't taking the brakes off strict conservation measures and goals.

Meanwhile, they are working on ways to expand sources and their storage capacity.

That's why the Marin Municipal Water District is working on a multimillion-dollar investment to build a new pipeline across the Richmond-San Rafael Bridge to import water for Sacramento Valley sources.

It's also why MMWD and North Marin Water District are considering investing in reactivating and upgrading wells in Sonoma County to provide additional storage capacity.

Given dire predictions of a deepening drought, it's obvious that while local conservation is important in preserving local water supplies, it is not enough. MMWD's recent scramble for additional sources is a prime example that its long-term water supply strategy still fell short when it came to fulfilling its mission of meeting the water needs of local residents and businesses.

The wells are expected to produce about 6 million gallons per day. For local water agencies, upgrading the wells will preserve its draw from the Sonoma County Water Agency from being curtailed by state orders aimed at protecting the flow of water on Russian River. Because of the regional importance of improving these wells, they should be considered prime candidates for state and federal funding.

MMWD is also working

with the Sonoma County Water Agency to pump water directly into MMWD's supply rather than to the district's reservoirs. At the same time, MMWD is also planning to reactivate the Kastania Pump Station near the Marin-Sonoma border in order to maximize its contractual draw from Sonoma and reduce limitations created by the gravity system now relied on for the bi-county pipeline.

That work could be completed by January.

The pump station and the wells are examples of water agencies in the two counties working together to meet the needs of residents, businesses and institutions on both sides of the county line.

In many cases, they are not only serving the same communities, but share a responsibility in protecting the region's environment.

Water and politics have long had a place in California. All too often, those politics have been focused on local self-interests, singular goals of controlling water sources and cashing in on those supplies.

Recent years' work in building a stronger North Bay regional outlook and awareness is paying off. Local political leaders' and agency staffs' willingness to work together on drought-generated solutions is encouraging and a sign of a collaborative focus on finding ways of helping meet the needs of communities, regardless of jurisdictional boundaries.

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Statewide measure pushed to construct water projects

NOVEMBER 2022 BALLOT

Political showdown expected if plan gets enough signatures

By Paul Rogers

Marin Independent Journal

Bay Area News Group

California has not built enough new reservoirs, desalination plants and other water projects because there are too many delays, too many lawsuits and too much red tape.

That's the message from a growing coalition of Central Valley farmers and Southern California desalination supporters who have begun collecting signatures for a statewide ballot measure that would fast-track big water projects and provide billions of dollars to fund them — potentially setting up a major political showdown with environmentalists next year shaped by the state's ongoing drought.

The measure, known as the "Water Infrastructure Funding Act of 2022," needs 997,132 signatures of registered voters by April 29 to qualify for the November 2022 statewide ballot.

If approved by a majority of voters, it would require that 2% of California's general fund — about \$4 billion a year — be set aside for projects to expand water supplies. Those could include new dams and reservoirs, desalination plants, recycled water plants, and other projects like upgrading canals and pipes.

The money would continue flowing each year until 5 million acre-feet of new water supply was created, an increase of about 13% in the roughly 39 million acre-feet used in an average year by all the state's residents, farmers and businesses. That could take several decades and cost \$100 billion, according to an analysis by the non-partisan state Legislative Analyst's Office.

"We think conservation has an important role to play," said Edward Ring, a spokesman for the campaign, known as More Water Now. "But you can't get there any more just with conservation. If you want to be resilient against a prolonged drought, you have to have new supplies."



Pictures taken in January 2019, left, and September 2021 show the impact of the California drought on the San Luis Reservoir in Merced County. A coalition of Central Valley farmers and Southern California desalination supporters are organizing a statewide ballot measure that would fast-track big water projects.

NHAT V. MEYER — BAY AREA NEWS GROUP



California Coastal Commission Executive Director Jack Ainsworth said the proposed measure would “significantly weaken” the state’s coastal protections.

MARK RIGHTMIRE — ORANGE COUNTY REGISTER/SCNG

Supporters say California hasn't kept pace expanding its water supplies, leading to severe shortages for farmers in recent years and likely water rationing next year for many urban residents if the state's two-year drought continues.

With climate change, they note, scientists say California's droughts are becoming more severe. The state needs more reservoirs to save water in wet years, they say, particularly as hotter temperatures melt the Sierra Nevada snowpack.

"When we have big storm events, there is surplus water and we need to harvest it," Ring said.

The measure has already been endorsed by 27 state lawmakers, including 18 Republicans, one independent and eight Democrats. One is from the Bay Area: Assemblyman Tim Grayson, D-Concord.

Environmentalists say the measure goes too far, and are preparing to fight it.

"For next November's ballot, this is the No. 1 priority of environmental groups," said Jonas Minton, a water adviser to the Planning and Conservation League, a Sacramento nonprofit. "That's due to the destruction to California's environment that would result from the unsupervised spending of billions of dollars each year without environmental oversight."

Marin Municipal Water District board member Larry Bragman said the measure would "circumvent very important environmental protections" for the Sacramento-San Joaquin River Delta, rivers and water resources in the state.

"It's not just fast-tracking it, it's really ramming it," Bragman said of the measure.

Marin Conservation League board member Larry Minikes said the measure appears largely geared toward Central Valley and large water users, but said it could potentially provide some funding opportunities for Marin.

"I would be cautious on this because this could be a quote-unquote agribusiness initiative and we'll have to look very closely at it one way or the other," Minikes said.

Under the measure, the money would be spent each year by the California Water Commission, a nine-member panel appointed by the governor.

The measure would streamline environmental reviews. For water projects on the coast, the California Coastal Commission would be required to make a decision within 90 days, and could be overruled by the state's secretary for natural resources.

Jack Ainsworth, executive director of the coastal commission, said the measure would “significantly weaken” the state’s coastal protections.

“Drought in California is our new normal and the commission understands that responsibly designed desalination facilities will be an important part of California’s water portfolio going forward,” Ainsworth said. “We don’t need to gut the Coastal Act in order to provide safe, reliable, affordable drinking water.”

Environmental impact reports would still be required. But if opponents filed lawsuits, courts would be required to rule on them within 270 days.

Minton noted that many of the state’s political power players could oppose the measure because money

guaranteed for water projects means less for other spending in the state budget.

“This is the largest scam in California history to take over \$100 billion of taxpayer funds away from nurses, teachers and firefighters in order to pay for the sponsors’ special interest projects,” he said.

Political observers say the measure will have a challenge collecting enough signatures to qualify for the ballot. But if the drought continues and water restrictions are tightened statewide, as local and state water officials have predicted will occur, it could become a populist issue that might have a chance at passage.

“The drier it gets, the better the prospects for this measure,” said Jack Pitney, a professor of political science at Claremont McKenna College in Los Angeles County.

“If I were running the no campaign, I would frame it as a giveaway to agribusiness,” he said. “But for a lot of Californians, if we get to August and are in a severe drought, the attitude is going to be ‘to heck with the environment, I want my shower.’” Supporters have so far raised about \$100,000, mostly from Central Valley farm interests. The organizers include Wayne Western Jr., a board member of the California Farm Water Coalition; Geoffrey Vanden Heuvel, director of regulatory and economic affairs for the California Milk Producers Council; and several supporters of building a new desalination plant in Huntington Beach: Steve Sheldon, president of the Orange County Water District board of directors and Shawn Dewane, a member of the Mesa Water District board of directors in Costa Mesa.

California voters approved a major water bond, Proposition 1, in November 2014 during the last drought. That \$7.45 billion measure has funded projects from upgrades

to drinking water plants to recycled water efforts. It also included \$2.7 billion for new storage projects.

But none has been built yet. In 2018, the California Water Commission approved spending \$2.5 billion on eight storage projects — four new dams and four underground storage projects — including expanding Los Vaqueros Reservoir in Contra Costa County and building a new reservoir in Santa Clara County near Pacheco Pass.

But before the projects can receive the money, they need to obtain all permits, finish environmental studies and identify other funds to pay more than 50% of their costs. *IJ reporter Will Houston contributed to this report.*



The Carlsbad desalination plant borders Interstate 5 on one side and the Pacific Ocean on the other. A coalition of Central Valley farmers and Southern California desalination supporters are organizing a statewide ballot measure that would fast-track big water projects.

LENNY IGNELZI — THE ASSOCIATED PRESS

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Novato agency to store water from Russian River

DROUGHT RESPONSE

Supplies will be stockpiled into Stafford Lake reservoir

Marin Independent Journal

By Will Houston

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To ensure its only reservoir for the Novato area doesn't go dry if the drought persists, the North Marin Water District plans to spend potentially hundreds of thousands of dollars to stockpile imported Russian River water this winter.

The district, which serves 60,000 Novato area residents, has employed the same strategy in past droughts, including last winter when it pumped in \$405,000 worth of Russian River water into its Stafford Lake reservoir in anticipation of a dry year.

The district's prediction proved true: The winter of 2020-2021 was the district's driest on record. Stafford Lake would have gone dry this summer had the district not added the extra supplies.

Stafford Lake provides 25% of the district's water supply and is mostly tapped during the summer months when water use typically doubles because of outdoor irrigation. The remaining supply comes from Russian River water purchased from the Sonoma Water agency. Sonoma cut imports to Marin by 20% this summer in response to its own water shortage issues.

This time around, the North Marin Water District plans to begin feeding Russian River water into Stafford Lake much earlier, beginning in early December. Staff also indicated that the agency could purchase nearly double what it did last year if needed.

"We will continue to watch the rainfall events and try to manage it as best as possible," Drew McIntyre, the district general manager, told the agency's board on Tuesday. "However, at the end, I still think it's prudent to move forward now rather than waiting a couple months and hoping that the rains will come."

Buying the water earlier is a gamble. Typically, Marin receives the majority of its rainfall in December and January. The imported water comes at a cost of about \$400

per acre-feet, not including treatment costs, with 2,000 acre-feet costing roughly \$800,000.



Stafford Lake, the Novato reservoir for the North Marin Water District, will be used to stockpile water from the Russian River to keep supplies up if the drought continues.

PHOTOS BY ALAN DEP — MARIN INDEPENDENT JOURNAL



Stafford Lake would have gone dry this summer had the district not added the extra supplies.

“I’d hate to spend a lot of money and then we spill because we have a decent amount in December and January,” district board member Mike Joly said Tuesday.

McIntyre said the agency would continue to monitor the rainfall and has the ability to cut off Russian River imports should the rains prove ample in the coming weeks.

“It’s not just turn on the valves and walk away,” McIntyre said.

District board member Steve Petterle said he would rather be in a position of having too much water than not having enough.

“I’d rather take our chances here and make sure our customers have drinking water next year,” Petterle said.

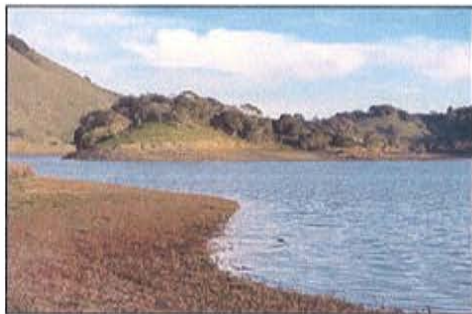
The district stockpiled Russian River water in its reservoir during the droughts of 1988-1991, 2009, 2014 and 2018.

While two significant storms in late October and early November provided a slight boost to Stafford Lake supplies, storage levels said are still just about one third of capacity.

Stafford Lake can hold about 4,300 acre-feet of water, with one acre-foot being almost 326,000 gallons. From February through April, the district pumped in 1,100 acre-feet of Russian River water purchased from the Sonoma Water agency. Storage levels had dropped to a low of 1,060 acre-feet in the week before the major storm in late October.

As of Thursday, the lake had about 1,600 acre-feet of water, or 37% of capacity.

Since Oct. 1, the district has received nearly 9 inches of rain, more than it received during the entire winter of 2020-2021. McIntyre said another 10 inches of rain this winter is needed to refill the reservoir.



Stafford Lake, the Novato reservoir for the North Marin Water District, will be used to stockpile water from the Russian River to keep supplies up if the drought continues.

ALAN DEP — MARIN INDEPENDENT JOURNAL

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Drought will have big impacts on new building

MARIN COUNTY

Marin Municipal weighs development restrictions

Marin Independent Journal

By Will Houston

whouston@marinij.com

Developers in central and southern Marin County could be required to pay tens of thousands of dollars in new fees or add water-saving upgrades to their projects under a proposal to reduce demand on water supplies.

After facing the potential of running out of water during the drought, the Marin Municipal Water District board is considering requiring future projects in its jurisdiction to have a net-zero demand on reservoirs.

While recent rains have eased concerns about the district's water supply, board members say the drought has shown the need for new approaches for conservation, including for developments.

"Something we're starting to see around the West is requiring that new connections not provide additional burdens onto strained water supply systems," Cynthia Koehler, president of the district board, said on Tuesday.

"The basis of this is to have a sustainable way to accommodate new connections without having an impact on our current water supply," board member Larry Russell said.

Critics said the proposal could drive up development costs for affordable housing projects that will already be water-efficient by design. They advocated that the board include an exemption for affordable housing projects.

"Land and labor costs are already very expensive in Marin," Bob Pendoley, chairman told the board. "We're concerned that these offset fees would be a real deal-killer for deed-restricted, low income housing so badly needed in Marin."

The district already has banned developers from installing landscaping that requires drinking water supplies until the drought emergency is past. The proposals discussed on Tuesday would implement a permanent change to future developments by requiring water they draw to be made up for either through fees or water efficiency upgrades, such as using recycled water.

Fee revenue could be used by the district to pay for water-saving projects such as turf replacement incentives, expansion of its recycled water system, leak detection improvements, wireless water meter installations and groundwater storage, according to Lucy Croy, the district water quality manager. Fees could be based on each additional acre-foot of yearly water demand.

The fees and water-saving requirements are used in place of an outright moratorium on new developments,

Croy said, which some residents in Marin have called for.

Other communities such as Ventura, St. Helena, Cambria and Napa have adopted similar demand reduction requirements for developers in the last several decades.

District staff estimated the agency could see an additional 490 acre-feet of annual water demand based on known projects, including pending water connection applications and long-term developments still early in the process. The amount equates to about 1.7% of the district's annual potable water demand in 2020 of about 28,200 acre-feet.

The district board plans to continue discussing the proposal and could adopt the new requirements in the coming months.

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The Press Democrat

PD Editorial: It's time to weigh a water plan minus Potter Valley plant



Andy Mattern walks to the middle of a dried-out Lake Mendocino. (JOHN BURGESS / The Press Democrat)

THE EDITORIAL BOARD

November 21, 2021, 12:16AM

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It's getting hard to find the lake at Lake Mendocino.

A bed of cracked, dry dirt grows steadily as the shoreline recedes, exposing abandoned homesteads that had been submerged for decades. State officials warn that the lake could go dry — a first for a major California reservoir.

Lake Mendocino is a crucial link in the North Coast's water supply chain, and even a drought-busting winter won't ensure its recovery.

The reservoir, which serves farms and towns from Ukiah to Healdsburg, usually receives about 30% of its water via the Potter Valley Project, a century-old hydroelectric plant that relies on water diverted through a mile-long tunnel from the Eel River and into the east fork of the Russian River.

PG&E owns the money-losing plant and plans to surrender its license when it expires in April.

A bid by North Coast water users to acquire the license hit what may be an insurmountable roadblock when federal regulators refused to extend the deadline for studies that would cost an estimated \$18 million — if the money could be found.

That isn't the only obstacle. A transformer failure has shut down the power plant and drastically curtailed water diversions from the Eel. Repairs would cost at least \$5 million, maybe twice as much, and take as long as 24 months — if PG&E chooses to fix the transformer. Faced with millions in decommissioning costs, it wouldn't be a surprise if PG&E doesn't undertake any repairs.

It's a grim picture for anyone who depends on Lake Mendocino for water, and it may be time to imagine a future without the Potter Valley power plant.

What is unimaginable is a future upper Russian River without water from the Eel.

The water users pursuing the Potter Valley license formed a group called the Two-Basin Partnership. Members include Sonoma Water, the Mendocino County Inland Water and Power Commission, Humboldt County, the Round Valley Indian tribes and California Trout. They have been working closely with Rep. Jared Huffman, D-San Rafael.

Their objectives include restoring flows on the Eel River, which once supported a flourishing salmon population, without the upper Russian going dry in the summer. To accomplish that, they want to limit diversions to wet winter months and store water in Lake Mendocino. To keep the Eel from running dry, they would remove Scott Dam, which creates Lake Pillsbury and provides a year-round water supply for the Potter Valley hydro plant.

Huffman raised some eyebrows with a suggestion that the recent setbacks may show "a faster and easier way" to the two-basin solution. But he may be on to something.

Operating the power plant would be a financial drain on the partnership, just as it has been for PG&E. Decommissioning would take less time than transferring the license, Huffman said, and PG&E is on the hook for those costs. The Two-Basin Partnership still could seek PG&E's Eel River water rights and develop a plan to repurpose the diversion tunnel to direct winter flows for storage in Lake Mendocino, without the power plant.

“The key is keeping this two-basin coalition together,” Huffman said in an interview.

With a transfer of the Potter Valley power plant looking like the longest of long shots, this modified approach may be the last best hope for achieving two essential results for the North Coast: restoring the Eel River and preserving a vital water supply for Mendocino and Sonoma counties.

You can send letters to the editor to letters@pressdemocrat.com.

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