



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
April 5, 2022 – 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 pursuant to the authorizations provided by Government Code section 54953(e)."

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	Item	Subject
6:00 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , March 15, 2022
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	STAFF/DIRECTORS REPORTS
		<div> 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. </div>
	5.	Consent – Approve: Re-Authorizing Meetings by Teleconference of Legislative Bodies of North Marin Water District Resolution
	6.	Consent – Approve: Records Retention Program – Destruction of Records Resolution
		ACTION CALENDAR
	7.	Approve: Novato Potable Water and Recycled Water Financial Plan Update FY 22/23
	8.	Approve: West Marin Water System Financial Plan Update FY 22/23
	9.	Approve: Oceana Marin Sewer System Financial Plan Update FY 22/23
	10.	Approve: Amend General Services Agreement – GHD, Inc.
		INFORMATION ITEMS
	11.	Local Water Supply Enhancement Study Update
	12.	FY 2021-22 Second Quarter Progress Report – Water Quality
	13.	Resignation and Retirement from NMWD
	14.	WAC/TAC Meeting – February 7, 2022
	15.	MISCELLANEOUS Disbursements – March 17, 2022 Disbursements – March 24, 2022 Disbursements – March 31, 2022 State Water Board Letter -Partnership and Regionalization Opportunities Update - Polybutylene Pipe Population
		<u>News Articles:</u> Marin IJ – Californians falling short of water savings targets – DROUGHT Marin IJ – Marin studies new water sources

Est. Time	Item	Subject
	16.	<i>CLOSED SESSION:</i> <ul style="list-style-type: none"><i>Public Employee Appointment (§ 54957)</i> <i>Title: General Manager</i><i>Conference with Labor Negotiators (§ 54957.6)</i> <i>Unrepresented employee: General Manager</i>
8:00 p.m.	17.	<i>ADJOURNMENT</i>

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

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 15, 2022

CALL TO ORDER

President Petterle 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 Petterle 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 Petterle 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 Petterle announced that 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 Petterle 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 Petterle 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 Petterle announced that 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; Morgan Biggerstaff (Legal Counsel), Lynne Rosselli (SCWA), Jake Spaulding (SCWA) and IT consultant Clay Smedshammer (Core Utilities).

President Petterle requested that for those joining the virtual meeting from the public to identify themselves. Also participating remotely were Novato resident James Petray and Point Reyes Station resident Ken Levin (Point Reyes Station Village Association).

MINUTES

On motion of Director Joly seconded by Director Fraites, the Board approved the minutes from the March 1, 2022 Regular Board Meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Assistant General Manager/Chief Engineer (AGM/CE) Recruitment

Mr. McIntyre reminded the Board that at the second meeting in January they approved hiring a professional recruiter for the impending AGM/CE vacancy. He reported the recruiter prepared a brochure and ran a six-week solicitation that closed on March 7th. Mr. McIntyre stated that there are eight applicants for which the recruiter will complete the initial screening interviews and then recommend a short list of candidates. He noted that interviews will be first with staff followed by a Closed Session interview with the Board. Mr. McIntyre added that the Board interviews will most likely be in-person interviews with the Board via a Special Board Meeting at a yet to be determined date.

Indian Valley Golf Course (IVGC) Meeting

Mr. McIntyre apprised the Board that he and Mr. Williams have scheduled a lunch meeting on March 16th to introduce Mr. Williams to Jeffy McAndrew and Terry Leach.

Amendment to Recycled Water Interagency Agreements

Mr. McIntyre informed the Board that staff has been working on updates to the existing Recycled Water Interagency Agreement with both Novato Sanitary District (NSD) and Las Gallinas Valley Sanitary District (LGVSD). He announced that prior NMWD General Manager Chris DeGabriele has been brought back by LGVSD for a second time as interim General Manager as they begin a search for a new General Manager. Mr. McIntyre added he plans to make outreach to Mr. DeGabriele as it relates to updating the current Recycled Water Interagency Agreements. He noted that the same will be done with Sandeep Karkal, General Manager at Novato Sanitary District.

President Petterle asked if the Directors had any questions or comments.

Director Grossi asked if the Special Board Meeting in April will be in person. He added that he may have a conflict in his schedule. Mr. McIntyre requested that Director Grossi provide the dates he will be unavailable to Ms. Kehoe.

68 Director Joly asked if there were any questions or feedback at the recent Leadership
69 Novato presentation. Mr. McIntyre replied his presentation was brief, noting Mr. Clark had a
70 longer presentation at the Treatment Plant in the morning. Mr. Clark stated that he started the
71 Treatment Plant tour at the top of the dam. He noted that there were several questions about
72 water supply, adding most did not know where their water came from, and he explained Stafford
73 Lake water versus supply from Sonoma County Water Agency. Mr. Clark stated that many of the
74 participants were surprised we had recycled water and asked about getting recycled water for
75 their homes. He explained how the residential recycled water program worked to the participants.

76 President Petterle asked if there were any comments or questions from the public and
77 there was no response.

78 **OPEN TIME**

79 President Petterle asked if anyone from the public would like to speak.

80 Ken Levin stated that most of the Point Reyes residents are aware of where their water
81 supply comes from. He stated that many residents are concerned with the present direction of
82 housing that Marin County is considering, noting Director Fraites has mentioned the process in
83 the past and he appreciated the Board paying attention. Mr. Levin added people in West Marin
84 are concerned about the 150 new housing units proposed over the next eight years. He noted
85 that there are currently 300 plus units in town now and this new development will require 50%
86 more water. Mr. Levin stated that it would be appreciated if the Board and staff contemplate that
87 and communicate suggestions and solutions coming forth. He added there is not enough water
88 now and that should be a good enough reason not to build any more housing. Mr. Levin
89 expressed his hope that this housing mandate will be overturned, but he did not have a lot of
90 hope. He thanked the Board for giving him the opportunity to bring this to their attention.

91 James Petray thanked the Board for their service and time. He stated that he had three
92 points that he would like to bring up. First, in reference to the building renovation, he stated that
93 inflation is high, there is discussion about a drought surcharge and that being said he wondered
94 if this is the right time to be renovating the building. Mr. Petray added the public will be asked to
95 pay more during the drought and getting less, asking the Board to consider public perception.
96 Additionally, he stated that he hoped the Board would consider the pros and cons for traditional
97 financing and floating bonds.

98 Secondly, Mr. Petray noted that he understood desalination is a complicated process and
99 that is a valid concern. That being said, perhaps the District should start on the feasibility of
100 desalination now.

101 Lastly, Mr. Petray commented on the proclamation from the state, stating he does not
102 share their view on housing and we should fight back. He noted that the reality is we are in dire
103 straits with water supply, we are all conserving and yet the state wants to add 13,000 more units
104 in Marin County. Mr. Petray stated that we need to push back, we have no resources and we
105 cannot make it rain. He emphasized that there are some very tough years ahead and this is a
106 serious matter.

107 Director Petterle stated that public meeting protocol states the Board cannot comment on
108 open time items. However, Director Petterle stated that all comments are noted and advised Mr.
109 Petray to keep an eye on the agenda to learn more about our water supply.

110 **STAFF/DIRECTORS REPORTS**

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

113 Mr. Clark announced that staff will start up the residential recycled water program soon.
114 He added David Ladd has been in communication with MMWD and they are going to start their
115 program up the first week in April and we are looking to do the same. Mr. Clark noted that we
116 have the same temporary staff as last year so we are prepared and ready for the program to
117 begin.

118 Ms. Kehoe reminded the Board that completion of the Ethics Training and the Form 700's
119 are due April 1st.

120 Director Petterle stated that as we continue to read in all the newspapers we are still in a
121 drought. He noted that if you look at tonight's agenda we will be reviewing that topic as well.

122 **MONTHLY PROGRESS REPORT**

123 The Monthly Progress Report for February was reviewed. Mr. McIntyre reported on key
124 areas such as water production, local and regional lake/reservoir capacity, Oceana Marin effluent,
125 safety, COVID financial impact and delinquent bill impacts and customer complaints and service
126 orders. Ms. Blue reported on the February 2022 Investments.

127 President Petterle asked if there were any comments or questions from the Directors.

128 Director Grossi asked if staff were thinking anymore about backfeeding Stafford Lake. Mr.
129 McIntyre replied that Stafford Lake is already at 75% capacity, noting we are in a good position
130 for the Plant to achieve typical summer production levels.

131 Director Joly asked if there has been a slowdown in COVID costs for the District. Mr.
132 McIntyre replied that there was an uptick from picking up sick leave time for those employees who
133 had to quarantine or had COVID in November and December. He added that due to the Omicron
134 variant surge in late December through early February, additional overtime costs were incurred

as construction crews had to be separated again lessening the pool of potential on-call staff. Mr. McIntyre reported now that the Omicron outbreak is flattening, he expects costs should flatten off as well. Director Joly asked how much the refund dropped the delinquencies. Ms. Blue replied \$85,000 and West Marin got \$20,000 of that.

Director Joly asked about the increase in reported tags for leaks. Mr. McIntyre replied that he talked to staff about it and it was due to the field staff revamping the protocol on how to create tags and work orders. He added that this new protocol is doing a better job of tracking, and now with the COVID cases dropping, staff can do more field visits than before and do a better job out in the field with customer interactions. Director Petterle asked if the 36% year to date increase in leak tags could also be attributed to the AMI system. He noted that now customers can go online and see their usage, they can contact the District right away when they notice excessive use. Mr. McIntyre confirmed.

President Petterle asked if anyone from the public would like to speak and there was no response.

CONSENT CALENDAR

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

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

NOES: None

ABSTAIN: None

ABSENT: None

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

Resolution 22-05 will extend the continuation of teleconference meetings.

After approval of the Consent Calendar, Director Joly asked if staff had any idea of when we may be able to go back to in person meetings. Mr. McIntyre responded that the county and state are saying indoor meetings must be social distanced with six feet of separation and face masks are strongly recommended. He added that the Governor's emergency order is still in place and remote meetings can still be held. Mr. McIntyre stated that he does not recommend being one of the first public agencies to return to in-person meetings, since we are constantly being surprised with new COVID variants. He apprised the Board that when talking with legal counsel, he was informed there are some potential changes in the Brown Act that might make it more flexible for remote meetings in the future, however he still favors in-person meetings.

ACTION CALENDAR

169 **DROUGHT SURCHARGE REVIEW AND PROPOSED REVISIONS TO DISTRICT**
170 **REGULATION 54(a)(3) AND (c)(3)**

171 Ms. Blue apprised the Board on the Drought Surcharge Review and revisions to District
172 Regulation 54(a)(3) & (c)(3).

173 Consultant Mark Hildebrand provided a brief Drought Surcharge Review Presentation to
174 the Board. He provided information on purposes of drought surcharges; current drought
175 surcharges and drought surcharge analysis.

176 President Petterle asked if there were any comments or questions from the Directors.

177 Director Grossi asked if we are looking at the drought surcharge uniformly for everyone.
178 Mr. Hildebrand confirmed.

179 Director Joly stated that he previously spent an hour with Ms. Blue and Mr. Hildebrand to
180 help clarify some of the questions he had. He noted that Proposition 218 does not apply to
181 recycled water unless the Board chooses to do so. Director Joly stated that he hated to ask
182 anyone to pay more, but he felt the surcharge was worthy. Mr. Biggerstaff clarified the comment
183 in regards to recycled water charges and Proposition 218. He stated that there are instances in
184 which recycled water can be treated in the same manner, but in this case, it does not change the
185 analysis made.

186 President Petterle asked if anyone from the public would like to speak and there was no
187 response.

188 On the motion of Director Grossi, and seconded by Director Fraites the Board accepted
189 the Drought Surcharge Review-Proposed Revisions to District Regulation 54(a)(3) and (c)(3) and
190 directed staff to prepare a Proposition 218 Notice of Public hearing on the proposed drought
191 surcharges by the following vote:

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

193 NOES: None

194 ABSTAIN: None

195 ABSENT: None

196 **AUTHORIZE AFFIRMATIVE VOTE FOR SCWA FY2022-23 WATER TRANSMISSION SYSTEM**
197 **BUDGET**

198 Mr. McIntyre reported that the Water Advisory Committee Ad Hoc Finance Subcommittee,
199 which included Ms. Blue, met twice in February 2022. He stated that the TAC unanimously
200 approved the proposed FY 2022-23 SCWA Water Transmission System Budget on March 7,
201 2022. Mr. McIntyre added that a special WAC meeting will be held on April 4, 2022 to consider
202 budget approval.

Mr. McIntyre introduced Lynne Rosselli, SCWA Finance Director who provided a presentation of the Draft FY2022-23 SCWA WTS Budget.

Ms. Rosselli reported that the budget proposes NMWD water purchases next fiscal year at \$1,101.82 per acre-foot, versus \$1,047.34 per acre-foot this current fiscal year. The increase in water rates account for an estimated increase in annual purchased water of \$280,000. As previously reported to the Board, SCWA's rate increase for NMWD will be 5.2%.

Mr. McIntyre stated, absent any objections by Board members, he recommended that the NMWD WAC representative, Director Baker, vote in favor of the budget as presented.

President Petterle thanked Ms. Rosselli for the presentation, and asked if there were any comments or questions from the Directors.

Director Joly also thanked Ms. Rosselli and Mr. Spaulding for the wonderful presentation, and noted that he was pleased to see water supply and security were both addressed. He also noted that he was happy NMWD has a mutual beneficial relationship with SCWA. Director Joly asked about some of the data in the presentation and a discussion ensued.

Mr. McIntyre complimented SCWA and stated that the agency continues to make great strides in obtaining grant funding for capital improvement projects, which help offset rate increases.

President Petterle asked if anyone from the public would like to speak and there was no response.

On the motion of Director Joly, and seconded by Director Baker the Board authorized WAC representative Jack Baker, to vote in favor of the FY 2022-23 SCWA Water Transmission System Budget by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

FY 2021-22 SECOND QUARTER PROGRESS REPORT – OPERATIONS/MAINTENANCE

Robert updated the Board on the FY 2021-22 Second Quarter Progress Report for Operations/Maintenance. Mr. Clark provided a general overview of activities. He summarized completion of maintenance tasks and operation of the Stafford Lake and Point Reyes Treatment Plants. In addition, Mr. Clark reported on Water Quality as it related to support from the Construction, Maintenance and Operations staff.

President Petterle asked if there were any comments or questions from the Directors.

237 Director Grossi asked if the work order system is part the of the Next Gen system. Mr.
238 Clark confirmed it was.

239 Director Grossi stated that College of Marin has a Tesla Battery, and suggested Mr. Clark
240 may want to talk to Greg Nelson to get more information on how it works and its benefits. Director
241 Joly stated that electric costs are soaring, and asked how staff will be able to control the electricity
242 cost increase. Mr. Clark replied staff try to avoid higher rates by avoiding peak rate pricing.
243 Additionally, he added staff are evaluating the District's pump stations, changing out motors, and
244 replacing them with a high efficiency ones.

245 Director Joly asked about any supply restraints staff might be encountering, including the
246 purchase of chemicals. Mr. Clark replied that the biggest issue is the vendors don't give quotes
247 anymore because the materials are so hard to find. He added that everything is going up, blaming
248 supply and the current rise in gas prices as the main drivers.

249 President Petterle asked if anyone from the public would like to speak and there was no
250 response.

251 **PREPARING FOR DRY YEAR CONDITIONS -2022**

252 Mr. McIntyre talked about preparing for dry year conditions, updating the Board on
253 Lagunitas Creek, Stafford Lake and SCWA water supply.

254 Mr. McIntyre noted, similar to last year, it is likely that SCWA will need to submit another
255 Temporary Urgency Change Petition to the State Water Board in May to maintain storage in both
256 reservoirs via reduced water releases. He added that it is expected the new Order in June of this
257 year will include provisions similar to last year, wherein water diversions from Lake Sonoma must
258 be reduced by 20% compared to 2020.

259 Mr. McIntyre reported Stafford Lake storage is at 3,240 AF or 75% capacity this year due
260 to early winter rainfall and noted that we are in a much better situation than in 2021. He reminded
261 the Board that at that time the District purchased natural Russian River water flow water from
262 SCWA to backfeed the lake. He stated that Operations staff still expect to meet a FY23 production
263 goal of 500MG, which is approximately 80% of our normal water year production goal.

264 President Petterle asked if there were any comments or questions from the Directors.

265 Director Joly commended Mr. McIntyre for a great report. He stated that it looks as though
266 Novato will stay in Stage 2 for now. He added that until looking at the chart, it had never occurred
267 to him that the atmospheric river in October was a miracle and gave us half of our normal rainfall.
268 Director Petterle stated that if we had rain in January, February and March we might have had a
269 normal year of rain. Director Grossi stated that next year we will probably have floods.

270 President Petterle asked if anyone from the public would like to speak and there was no
271 response.

272 **NBWRA MEETING – FEBRUARY 28, 2022**

273 Mr. McIntyre reported on the NBWRA Meeting held on February 28, 2022. He noted
274 that the next NBWRA meeting will be held on March 28, 2022.

275 President Petterle asked if there were any comments or questions from the Directors and
276 there was no response.

277 President Petterle asked if anyone from the public would like to speak and there was no
278 response.

279 **NBWA MEETING – MARCH 4, 2022**

280 Director Fraites reported on the NBWA meeting that was held on March 4, 2022. He
281 announced that there will be a NBWA virtual conference on April 8th that will cover various topics
282 including climate change and sea-level rise. Director Fraites stated that he will send an email to
283 all Directors, noting it would be beneficial for them to attend.

284 President Petterle asked if there were any comments or questions from the Directors and
285 there was no response.

286 President Petterle asked if anyone from the public would like to speak and there was no
287 response.

288 **MISCELLANEOUS**

289 The Board received the following miscellaneous items: Disbursements – Dated March 3,
290 2022 and Disbursements – Dated March 10, 2022.

291 The Board received the following news article: Marin IJ – MMWD delays decision on
292 desalination measure – DROUGHT OPTIONS.

293 The Board received the following social media posts: NMWD Web and Social Media
294 Report – February 2022.

295 President Petterle asked if there were any comments or questions from the Directors and
296 there was no response.

297 President Petterle asked if anyone from the public would like to speak and there was no
298 response.

299 **ADJOURNMENT**

300 President Petterle adjourned the meeting at 7:50 p.m.

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Submitted by

Theresa Kehoe
District Secretary

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MEMORANDUM

To: Board of Directors
 From: Drew McIntyre, General Manager 
 Subject: Re-Authorizing – Meetings by Teleconference of Legislative Bodies of North Marin Water District
t:\gm\bod misc 2022\board of directors meetings by teleconference 4.1.2022 final.doc

April 1, 2022

RECOMMENDED ACTION: Adopt Resolution No. 22-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 April 5, 2022 through May 5, 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. On December 15, 2021, the State reinstated a universal masking requirement for all individuals while indoors to help combat the surge in COVID-19 cases due to the Omicron variant. On December 30, 2021, Marin County Health and Human Services issued new guidance changing the local rules on masking to align with the State mandate. On February 7, 2022, the State issued a new health order.

Approved by GM 

Date 4/1/22

effective February 16, 2022, which limits indoor masking requirements to specified indoor settings and unvaccinated individuals. However, both the State and Marin County Health and Human Services continue to recommend wearing masks while indoors. CDC, OSHA, and Cal/OSHA continue to recommend mask wearing and physical distancing of at least six feet while indoors to protect 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, 2021, November 16, 2021, December 7, December 21, 2021, January 18, 2022, February 15, 2022, and March 15, 2022 the Board adopted Resolutions 21-26, -27, -28, -30, 22-01 -04 and -05 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. 22-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. 22-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 April 5, 2022 through May 5, 2022 Pursuant to Brown Act Provisions".

RESOLUTION NO. 22-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 APRIL 5, 2022 THROUGH MAY 5, 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 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, on December 7, 2021, the Board of Directors previously adopted Resolution No. 21-28, 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 December 21, 2021, the Board of Directors previously adopted Resolution No. 21-30, 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 January 18, 2022, the Board of Directors previously adopted Resolution No. 22-01, 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 February 15, 2022, the Board of Directors previously adopted Resolution No. 22-04, 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 March 15, 2022, the Board of Directors previously adopted Resolution No. 22-05, 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”) recommends physical distancing of at least six feet from unvaccinated individuals while indoors; 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 Omicron 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 April 5, 2022 through May 5, 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 5th day of April 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Theresa Kehoe, Secretary
North Marin Water District

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6

MEMORANDUM

To: Board of Directors

April 1, 2022

From: Terrie Kehoe, District Secretary and Records Retention Manager

Subject: Records Retention Program – Destruction of Records

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RECOMMENDED ACTION: Approve Destruction of Records**FINANCIAL IMPACT:** Estimated at \$400 for document shredding

The District's Policy for the Retention of Documents and Destruction of Specified Documents was approved by the Board in 2002 and revised in 2003. The Policy states that once a year, after Board approval, the documents designated as eligible will be destroyed in an appropriate manner.

Attached is a proposed resolution for the Board to approve the destruction of certain records for this year. Exhibit A of the proposed resolution is the Request for Destruction of Records forms for documents to be eliminated. The lists of files to be destroyed have been reviewed and approved by: (1) Department Head, (2) Records Retention Manager, (3) Auditor-Controller and (4) General Manager.

RECOMMENDATION

Approve resolution authorizing the Destruction of Certain Records in the manner consistent with District Policy.

Approved by GM



Date

4/1/22

RESOLUTION 22-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT TO APPROVE DESTRUCTION OF CERTAIN RECORDS

WHEREAS, California Government Code §60200, et seq., authorizes the legislative body of a district to authorize the destruction of certain documents without retaining copies and authorizes the destruction of documents not expressly required by law to be maintained, if conditions are complied with as specified in Government Code §60203, and

WHEREAS, The Board of Directors of the North Marin Water District adopted Resolution 02-20 on June 4, 2002 establishing a policy for retention of documents and destruction of specified documents, and

WHEREAS, revisions to said policy were approved by the Board of Directors on July 15, 2003, and

WHEREAS, the Request for Destruction of Record forms describing the document or documents to be destroyed, with the written approval of the District's Department Heads, Records Retention Manager, Auditor-Controller and General Manager appearing thereon, is attached as Exhibit A.

NOW, THEREFORE, be it resolved by the Board of Directors of the North Marin Water District, that the records described in Exhibit A attached are hereby approved for destruction as soon as possible in an appropriate manner.

* * * * *

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 fifth day of April 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

Theresa Kehoe
District Secretary

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Admin. – Accounting

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Admin. – Accounting

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

Box No.	RECORD NAME	DATE RANGE		NMWD Retention Period
		From	To	
AC-15-6	Original Journal Entries Batches 5454-5712	6/16/2014	8/15/2014	CY+6
AC-16-29	Accounts Payable Check Register	8/15/2012 7/3/2014	6/15/2013 4/30/2015	CY+6
AC-16-29	Accounts Payable Posting Registers	12/3/2013	10/10/2014	CY+4
AC-16-31	Cancelled Checks Scanned Copies	2011	6/30/2013	CY+6
AC-16-31	Deduction Register	3/15/2013	4/30/2014	CY+ 4
AC-16-31	WIP Posting Register	1/31/2014	4/30/2015	CY+6
AC-16-33	Disbursements A-MISC – BAY001	7/2014	6/2015	CY+6
AC-16-34	Disbursements BAWW01-D MISC	7/2014	6/2015	CY+6
AC-16-35	Disbursements DATA02-GRAINGER	7/2014	6/2015	CY+6
AC-16-36	Disbursements GRAY02-MARI09	7/2014	6/2015	CY+6
AC-16-37	Disbursements MARI10-NOVA24	7/2014	6/2015	CY+6
AC-16-38	Disbursements NSIS01-PARK02	7/2014	6/2015	CY+6
AC-16-39	Disbursements PDM001- S-MISC	7/2014	6/2015	CY+6
AC-16-40	Disbursements SAGE01-USAB01	7/2014	6/2015	CY+6
AC-16-41	Disbursements USBA01-ZENI1	7/2014	6/2015	CY+6
AC-21-9	Payroll Tax Forms	2007	2008	CY+6
AC-21-9	Timesheets	1/1/2013	7/1/2013	CY+6
AC-18-1	Vehicle Timesheets FY17	7/1/2016	6/30/2017	CY+4

Request prepared by: District Secretary, Terrie Kehoe		Date: March 11, 2022
DESTRUCTION APPROVALS SIGNATURES		
Department Head <i>Julie Blue</i>	Date Approved <i>03/28/22</i>	
Auditor-Controller <i>Julie Blue</i>	Date Approved <i>03/28/22</i>	
Records Retention Manager <i>T. Kehoe</i>	Date Approved <i>3/28/2022</i>	
General Manager <i>[Signature]</i>	Date Approved <i>3/28/22</i>	
BOD Meeting Approval		
Certificate of Destruction completed: Date: _____ No. _____ By: _____		
SUGGESTED METHOD OF DESTRUCTION		
<input checked="" type="checkbox"/> Shredding <input type="checkbox"/> Other _____ <input type="checkbox"/> Waste Paper (Recycled) Note: Confidential records will be destroyed by shredding		

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Admin. – Accounting

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

Box No.	RECORD NAME	DATE RANGE		NMWD Retention Period	Request prepared by: District Secretary, Terrie Kehoe	Date: March 11, 2022
		From	To			
AC-18-1	Net Book Value Rpts FY17	7/1/2016	6/30/2017	CY+4		
AC-18-1	Depreciation Expense Rpts FY17	7/1/2016	6/30/2017	CY+4		
AC-18-4	AR Sales Journals	10/7/2014	9/23/2016	CY+4		
AC-18-4	AR Cash Receipt Journals	1/1/2016	12/31/2016	CY+4		
AC-18-4	Job Posting Register	6/15/2016	11/30/2016	CY+ 4		
AC-18-7	Overhead Analysis	FY 2008	FY 2013	CY+4		
AC-18-7	Vehicle Analysis	FY 2002	FY 2009	CY+4		
AC-18-7	Diesel Tax Returns	3/2000	6/2016	CY+4		
AC-18-8	Cash Receipts #19437-19814	4/11/2016	5/31/2017	CY+4		
AC-18-8	US Bank Investment Acct Stmt	1/2015	12/2016	CY+4		
AC-19-4	Job Cost Work Order Changes	2/2016	9/2017	CY+4		
AC-19-4	Job Transaction Registers	8/2017	1/16/2018	CY+4		
AC-19-8	A/R Cash Receipts Journal	1/3/2017	6/29/2018	CY+4		
AC-19-8	Bank Reconciliation Transaction Register	2/21/2018	6/29/2018	CY+4		
AC-19-8	Inventory Transaction Register	4/5/2017	6/27/2018	CY+4		
AC-19-8	A/R Sales Journal	10/5/2016	6/26/2018	CY+4		
AC-19-8	Recurring Journal Entries	8/2007	10/2017	CY+4		
AC-19-10	Quarterly Tax Returns	2013	2015	CY+6		

DESTRUCTION APPROVALS SIGNATURES	
Department Head <i>Julie Blue</i>	Date Approved <i>03/28/22</i>
Auditor-Controller <i>Julie Blue</i>	Date Approved <i>03/28/22</i>
Records Retention Manager <i>T. Kehoe</i>	Date Approved <i>3/28/2022</i>
General Manager <i>DE</i>	Date Approved <i>3/28/22</i>
BOD Meeting Approval	
Certificate of Destruction completed: Date: _____ No. _____ By: _____	
SUGGESTED METHOD OF DESTRUCTION	
<input checked="" type="checkbox"/> Shredding <input type="checkbox"/> Other _____ <input type="checkbox"/> Waste Paper (Recycled) Note: Confidential records will be destroyed by shredding	

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Admin. – Accounting

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Admin. - Billing

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

Box No.	RECORD NAME	DATE RANGE		NMWD Retention Period
		From	To	
B-18-05	2014 New Service Orders	2014	2014	CY+4
B-18-05	2017 Return APS US Bank	2017	2017	CY+4
B-18-05	2017 Old Close List	2017	2017	CY+4
B-18-05	2016 New Service Orders	2016	2016	CY+4
B-18-05	2017 APS Bank Draft	2017	2017	CY+4
B-19-02	2018 Returned Mail, Sent to Collection, Cash Receipt Book, Bill Adjustment Form	2018	2018	CY+3
B-20-09	Old Close List	2019	2019	CY+2
B-20-09	Backflow Charges Info	2018	2018	CY+3
B-21-03	Customer Service Questionnaire	2020	2020	CY+1
B-21-03	Closed Acct Mail Returns	2019	2019	CY+2
B-21-03	Backflow Charges Info	2018	2018	CY+3
B-21-03	Hydrant Meter Applications	2018	2018	ACT+3
B-21-03	Meter Edits	2019	2019	CY+2
B-21-03	Return Checks & Letters	2019	2019	CY+2
B-21-03	Corrected Bills	2019	2019	CY+2
B-21-03	Customer Correspondence	2019	2019	CY+2
B-21-06	2017 Service Orders A-M	2017	2017	CY+4
B-21-07	2017 Service Orders N-Z	2017	2017	CY+4
B-22-01	2018 Collection List	2018	2018	CY+2

Request prepared by: District Secretary, Terrie Kehoe		Date: March 11, 2022
DESTRUCTION APPROVALS SIGNATURES		
Department Head	Date Approved	
<i>Julie Blue</i>	03/28/22	
Auditor-Controller	Date Approved	
<i>Julie Blue</i>	03/28/22	
Records Retention Manager	Date Approved	
<i>T. Kehoe</i>	3/28/2022	
General Manager	Date Approved	
<i>[Signature]</i>	3/28/22	
BOD Meeting Approval		
Date: _____		
Certificate of Destruction completed:		
Date: _____ No. _____ By: _____		
SUGGESTED METHOD OF DESTRUCTION		
<input checked="" type="checkbox"/> Shredding <input type="checkbox"/> Other _____		
<input type="checkbox"/> Waste Paper (Recycled) Note: Confidential records will be destroyed by shredding		

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Admin. - Billing

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Admin. - GM

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Maintenance

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]

**R MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS
Water Conservation**

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]

[illegible]

1-25-22

- ☐ Shredding ☐ Other _____
☐ Waste Paper (Recycled) Note: Confidential records will be destroyed by shredding

7

MEMORANDUM

To: Board of Directors

April 1, 2022

From: Julie Blue, Auditor-Controller 

Subj: Novato Potable Water and Recycled Water Financial Plan Update FY 22/23

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RECOMMENDED ACTION: Accept FY 22/23 Novato Potable Water and Recycled Water Financial Plan Update and Direct Staff to Prepare a Proposition 218 Notice of Public Hearing on Proposed Rate Increase

FINANCIAL IMPACT: None at this time

NOVATO

The fiscal year (FY) 22/23 financial forecast (Attachment 1) summarizes the Novato Water System's financial plan for the next five years, through FY 26/27. This updated five-year financial plan aligns with the board approved 2020 Novato and Recycled Water Rate Study and the prior year's budget. One of the primary goals of the financial plan is to maintain sufficient reserves that aim towards a designated target and remain above a minimum reserve level as shown in Attachment 2.

The Novato Water financial plan assumptions for FY 22/23 through FY 26/27 are as follows:

1. Water Rate Increase

Assumption: A 6% water rate increase, structured as a 6% commodity rate increase and 6% bimonthly service charge increase, is proposed effective July 1, 2022, followed by 5% rate increases for FY 23/24 through FY 26/27.

Sensitivity: A 1% change in the rate increase assumption results in a \$200,000 change in the FY 22/23 ending cash reserve balance.

Comment: The 2020 Novato and Recycled Water Rate study forecasted 6% annual rate increases for FY 20/21, FY 21/22, and FY 22/23, and 5% rate increases for FY 23/24 and FY 24/25. The rate increase for FY 20/21 was originally scheduled with an effective date of July 2021 but was delayed by three months to address the potential financial impacts of the COVID-19 pandemic to our customers. These projected rate increases are unchanged in the updated financial plan. The increase to the median single-family residential customer using 8,050 gallons per month would approximate \$4.50 per month (\$54/year).

2. Water Sales Volume

Assumption: FY 22/23 sales volume is projected at 2.1 billion gallons (BG) annually. Attachment 3 shows the Novato Water 10-year historical billed consumption.

Sensitivity: A 100 MG (0.1 BG) change in the FY 22/23 projected sales volume assumption results in a \$386,000 change in the fiscal year-end cash reserve balance.

Comment: The FY 22/23 sales volume of 2.1 BG sales volume assumes a 9% decrease from the current fiscal year budget. The decrease is primarily driven by the continuation of mandatory water conservation orders due to ongoing drought conditions and is equivalent to the estimated sales for FY 21/22. In projected years FY 23/24 through FY 26/27 2.2 BG is budgeted which is a conservative estimate, well below the actual five-year average of 2.5 BG. Projected water sales for FY 21/22 include estimated drought surcharges currently in effect for the full FY. Forecasted water sales for FY 22/23 include estimated proposed drought surcharges with an estimated effective date of July 1, 2022 through the end of the FY.

3. **Russian River Water Cost**

Assumption: Cost is projected to increase 5.2% in FY 22/23, and 6% annually thereafter.

Sensitivity: A 1% change in the FY 22/23 projected cost increase assumption results in a \$60,000 change in the fiscal year-end cash reserve balance.

Comment: For FY 22/23, NMWD's rate increase budgeted by the Sonoma County Water Agency is 5.2%. Going forward, a projected increase of 6% annually is forecasted. The purchased water cost increase was 4.63% in FY 21/22 and 6.79% the prior year. The 6% rate increase projection going forward is consistent with the forecast last year.

4. **Operations and Maintenance (O&M) Expenses**

Assumption: Operations and Maintenance expenses, including labor costs, are projected to increase 4% annually.

Sensitivity: A 1% change in the FY 22/23 projected O&M cost assumption results in a \$116,000 change in the fiscal year-end cash reserve balance.

Comment: The 4% forecasted increase is slightly higher than the prior year's budget due to estimated inflationary costs. Included in this expense is labor expenses. The District entered into a five-year MOU with the NMWD Employee Association beginning on October 1, 2018. The current MOU established a COLA minimum of 2.0% and a maximum of 4%. The 4.0% increase for labor and other O&M expenses is staff's best projection at this time. A

5. Capital Improvement Projects (CIP)

Assumption: CIP is budgeted to average \$4 million per year funded on a "pay-go" basis, i.e., expenditures excluding grant and debt funded projects. The CIP budget for FY 22/23 has been reduced by 5% assuming continued Stage 2 drought conditions adjusted to align with recommendations in the 2022 Drought Surcharge Rate Report.

Sensitivity: A dollar for dollar change in the year-end cash reserve.

Comment: The Capital Improvement Project Plan prepared in combination with this financial plan stays within the \$4 million average "pay-go" approved by the Board with the approval of the 2020 Novato and Recycled Water Rate Study. In addition, \$16-20 million for the Administration and Laboratory Upgrade Project and other major CIP is forecasted to be debt financed with receipt of funds expected in May of FY 21/22 and principal payments commencing in FY 22/23.

6. Connection Fee Revenue – Additional Equivalent Dwelling Units (EDUs)

Assumption: Connection fee revenue is projected at 31 EDUs for FY 22/23 and going forward.

Sensitivity: The Connection fee for each equivalent dwelling unit is \$28,600, which is applied directly to the year-end cash reserve balance, net payments towards the Recycled Water annual debt service.

Comment: Connection fee revenue of \$3.5 million for 122 EDUs was collected in FY 20/21 and \$850 thousand for 30 EDUs has been collected year to date in FY 21/22. Over the past five years the annual average increase has been 61 EDUs. Included in the projections is annual revenue equivalent to 31 EDUs or approximately half of the five-year average. Connection fee revenue is allocated to the Recycled Water annual debt service which is paid by the Novato Potable Water system.

7. Stafford Water Treatment Plant Production

Assumption: Production is projected at 500 MG (1,840 AF) in FY 22/23 and 650 MG each year thereafter.

Sensitivity: A 100 MG change in FY 22/23 production results in a \$338,000 change in the fiscal year-end cash reserve balance, which is the cost to purchase water from SCWA. This does not account for the cost to treat the water at the treatment plant.

Comment: Average annual production over the past 10 years was 544 MG.

8. Debt Service

Assumption: Up to \$20 million dollars will be borrowed in FY 21/22. This loan will cover the \$16 million Administration and Laboratory Upgrade Project, potential projects identified by the Local Water Supply Enhancement Study, and other major CIP projects as needed. The loan terms are estimated using a 2.9% interest rate and a repayment period of 20-years.

Sensitivity: The additional debt service will add \$1,332,000 to the District's annual debt service obligation.

Comment: The District financed the FY 18/19 AMI Project with a \$4.6 million 2.7% 15-year bank loan. In addition to the debt service on the Stafford Treatment Plant Rehabilitation and the Aqueduct Energy Efficiency Projects, the Novato Potable Water System also pays the Recycled Water System debt service from its Connection Fee Reserve. The Recycled Water debt service (net of Marin Country Club payments) is \$1,114,000 annually. Payment of the Recycled Water debt service will continue to require revenue from new development connection fees annually for approximately 20-25 years.

RECYCLED WATER

The FY 22/23 financial forecast (Attachment 4) summarizes the Recycled Water (RW) System's financial plan for the next five years, through FY 26/27. The FY 22/23 Recycled Water System budget projects demand of 249 MG (see chart of historical water production - Attachment 5), which is equivalent to the FY 21/22 budgeted consumption and projected sales. Consistent with the potable water rate increase, a 6% commodity rate and bimonthly service charge increase is proposed to be effective July 1, 2022. The proposed increase is projected to generate \$99,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to increase 3% (\$20,000) from the existing FY 21/22 budget, primarily due to inflation. The FY 22/23 budget includes the purchase of 180 MG (\$270,000) of treated water from Novato Sanitary District, for approximately \$1,500/MG and 50 MG (\$110,000) from Las Gallinas Valley Sanitary District, for approximately \$2,200/MG. The Deer Island Plant is budgeted to produce 5 MG during the summer to keep it operational, as it will continue to serve as a backup facility.

Major projects to expand recycled water distribution facilities in Novato were completed in FY 17/18. The capital budget for FY 22/23 includes \$100,000 to retrofit existing potable irrigation customers. The FY 22/23 RW budget transfers in \$731,000 in Connection Fees from the Novato potable water system to cover the cost of debt service.

BUDGET/RATE INCREASE SCHEDULE

Below is a schedule of activities for the FY 22/23 rate increases and budget. The budget will be reviewed at subsequent meetings allowing time for Board, Staff and Public input.

Date	Item	Review/ Approve	Rate Hearing	Status	Service Area
April 6	Financial Plan Update	Review Only		Current	Novato/RW/WM/OM
April 19	Review and Approve Prop 218 Letters to be sent to customers	Approve		Upcoming	Novato/RW/WM/OM
May 3	Capital Project & Equipment Budget Schedules	Review Only		Upcoming	Novato/RW/WM/OM
May 17	Operations & Maintenance and Capital Budget - District	Review Only		Upcoming	Novato/RW/WM/OM
June 7	Operations & Maintenance and Capital Budget - District	Review Only		Upcoming	Novato/RW/WM/OM
June 21	Operations & Maintenance and Capital Budget - Novato and Recycled Water	Approve	X	Upcoming	Novato/Recycled Water
June 28	Operations & Maintenance and Capital Budget - West Marin Water	Approve	X	Upcoming	West Marin Water
June 28	Operations & Maintenance and Capital Budget - Oceana Marin Sewer	Approve	X	Upcoming	Oceana Marin Sewer

RECOMMENDATION:

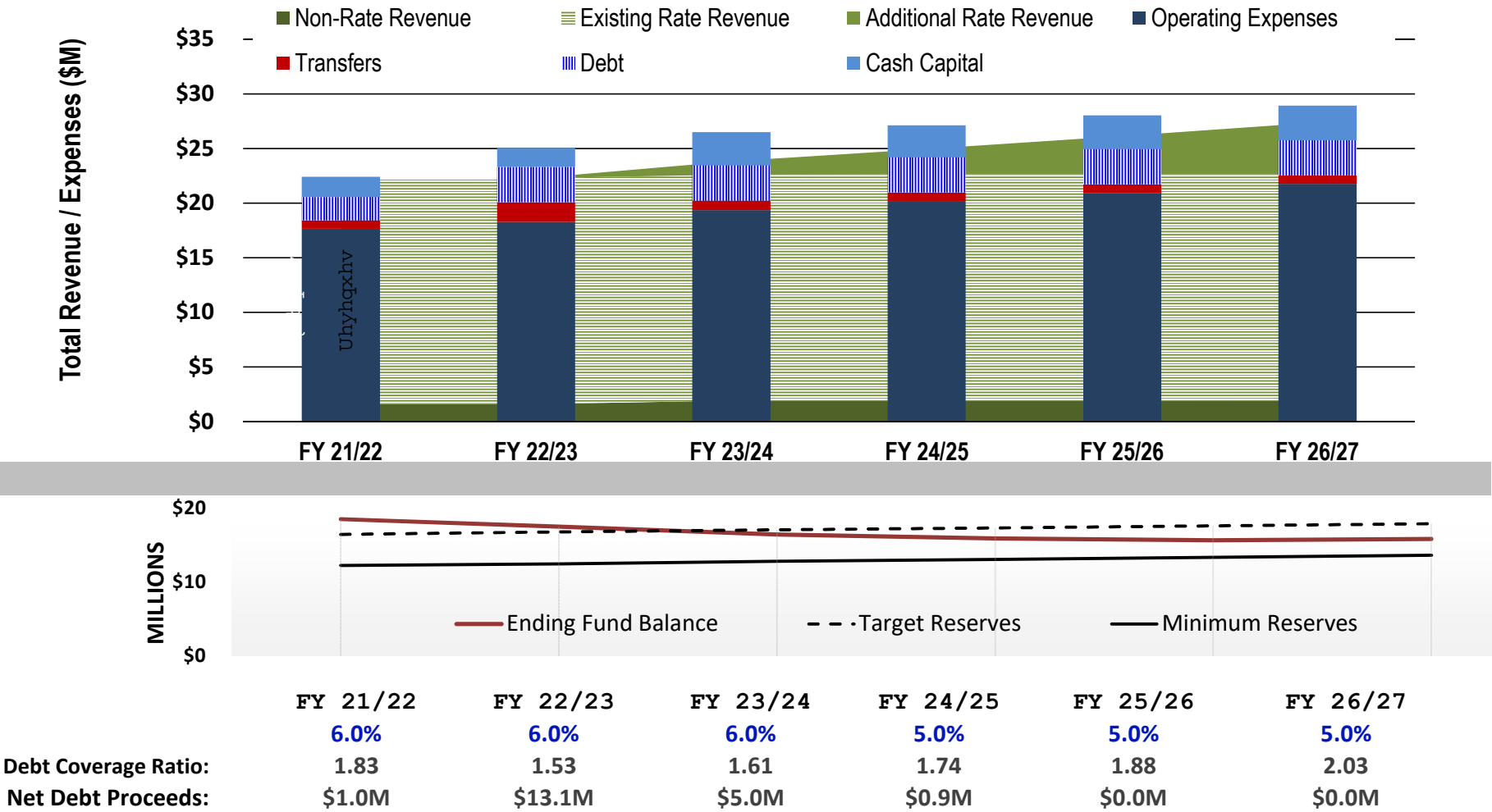
Accept FY 22/23 Novato Potable Water and Recycled Water Financial Plans and direct Staff to draft a letter to Novato and RW customers for Board review noticing a public hearing on June 21 to consider a 6% rate increase.

**Novato Potable Water System
FY 22/23 Five-Year Financial Forecast**

ATTACHMENT 1

	Projected FY 21/22	Forecast FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
1	6.00%	6.00%	5.00%	5.00%	5.00%	5.00%
Rate Revenue						
2	Water Rate Revenue	\$20,143,000	\$20,143,000	\$22,377,000	\$23,496,000	\$24,671,000
3	Drought Surcharge	\$570,000	\$750,000			
4	Change due to growth		\$15,000	\$16,000	\$17,000	\$18,000
5	Increase due to rate adjustments		\$1,209,000	\$1,119,000	\$1,175,000	\$1,234,000
Non-Rate Revenues						
6	Wholesale Rate Revenue	\$101,000	\$104,000	\$107,000	\$110,000	\$114,000
7	Other Charges	\$182,000	\$182,000	\$182,000	\$182,000	\$182,000
8	Interest Earnings	\$143,000	\$280,000	\$278,000	\$263,000	\$247,000
9	Connection Fees	\$850,000	\$872,000	\$872,000	\$872,000	\$872,000
10	Operating Revenue	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
11	Misc. Revenue	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000
12	Loan Repayment WM	-	\$150,000	\$150,000	\$150,000	\$150,000
13	MMWD AEEP Contributions	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
14	Total Revenue	\$22,321,000	\$24,037,000	\$25,433,000	\$26,597,000	\$27,820,000
O&M Costs						
15	Source of Supply	\$6,458,000	\$6,749,000	\$7,493,000	\$7,955,000	\$8,429,000
16	Pumping	\$536,000	\$552,000	\$569,000	\$571,000	\$574,000
17	Other Operations	\$969,000	\$998,000	\$1,028,000	\$1,059,000	\$1,091,000
18	Water Treatment	\$2,150,000	\$2,215,000	\$2,281,000	\$2,331,000	\$2,382,000
19	Transmission & Distribution	\$3,411,000	\$3,513,000	\$3,619,000	\$3,727,000	\$3,839,000
20	Consumer Accounting	\$417,000	\$430,000	\$442,000	\$455,000	\$468,000
21	Water Conservation	\$377,000	\$388,000	\$400,000	\$412,000	\$424,000
22	General Administration	\$3,329,000	\$3,429,000	\$3,532,000	\$3,626,000	\$3,723,000
23	Total Operating Expenses	\$17,647,000	\$18,274,000	\$19,364,000	\$20,136,000	\$20,930,000
Capital Costs						
24	Total Capital Spending	\$2,870,000	\$15,542,000	\$9,337,000	\$5,070,000	\$4,537,000
25	Debt Funded Capital	\$1,000,000	\$13,100,000	\$5,000,000	\$900,000	\$0
26	Existing Debt Service	\$1,905,000	\$1,902,000	\$1,905,000	\$1,907,000	\$1,904,000
27	Cash Funded Capital Projects	\$1,870,000	\$1,726,900	\$3,036,600	\$2,919,000	\$3,083,500
28	New Debt Service	\$213,000	\$1,332,000	\$1,332,000	\$1,332,000	\$1,332,000
29	Total Capital Expenses	\$3,988,000	\$4,960,900	\$6,273,600	\$6,158,000	\$6,319,500
Transfers						
30	Transfer Out to Recycled Water	\$768,000	\$731,000	\$782,000	\$750,000	\$716,000
31	Transfer Out to WM/OM		\$1,000,000			
32	Funding for Affordability Program	\$22,000	\$86,000	\$86,000	\$86,000	\$86,000
33	Total Revenue Requirement	\$22,425,000	\$25,051,900	\$26,505,600	\$27,130,000	\$28,051,500
34	Beginning Year Balance	\$18,662,000	\$18,558,000	\$17,543,000	\$16,470,000	\$15,937,000
35	Surplus/(Shortfall)	(\$104,000)	(\$1,014,900)	(\$1,072,600)	(\$533,000)	(\$231,500)
36	Restricted Reserves	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000
37	End of Year Balance	\$18,558,000	\$17,543,100	\$16,470,400	\$15,937,000	\$15,877,100
38	Minimum Reserves (by policy)	\$12,491,000	\$12,855,000	\$13,112,000	\$13,377,000	\$13,654,000
39	Available Cash (Unrestricted)	\$5,022,000	\$3,643,100	\$2,313,400	\$1,515,000	\$1,006,500
40	Intra-district Balance (FRCs RW)	(\$4,827,000)	(\$4,737,000)	(\$4,615,000)	(\$4,459,000)	(\$4,073,000)
41	Debt Coverage Ratio	1.83	1.53	1.61	1.74	1.88

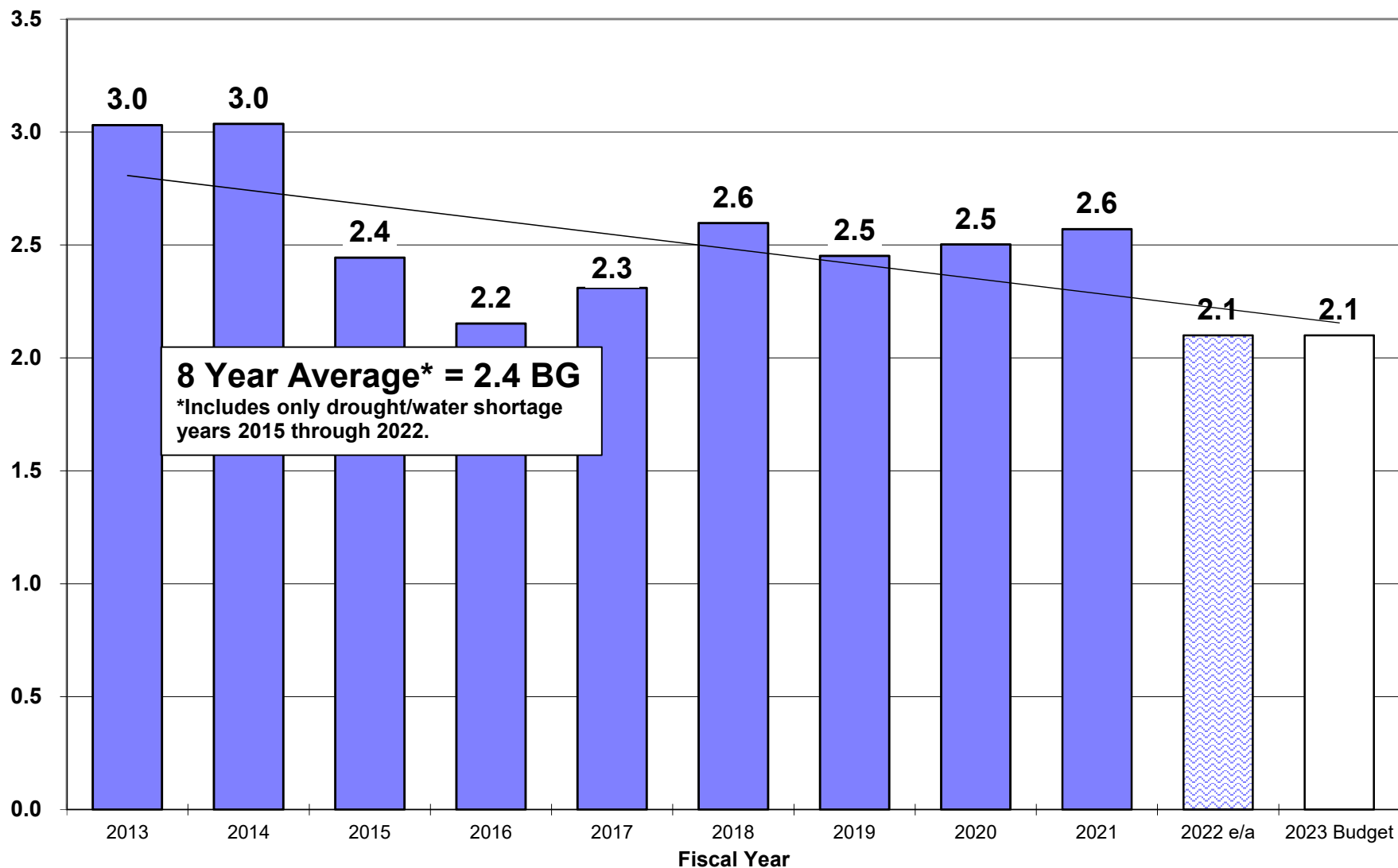
Novato Potable Water System
Cash Reserves & Debt Coverage Ratio
FY 22/23 Five-Year Financial Forecast



4/1/2022
Billion
Gallons

Novato Water Billed Consumption 10 Year History

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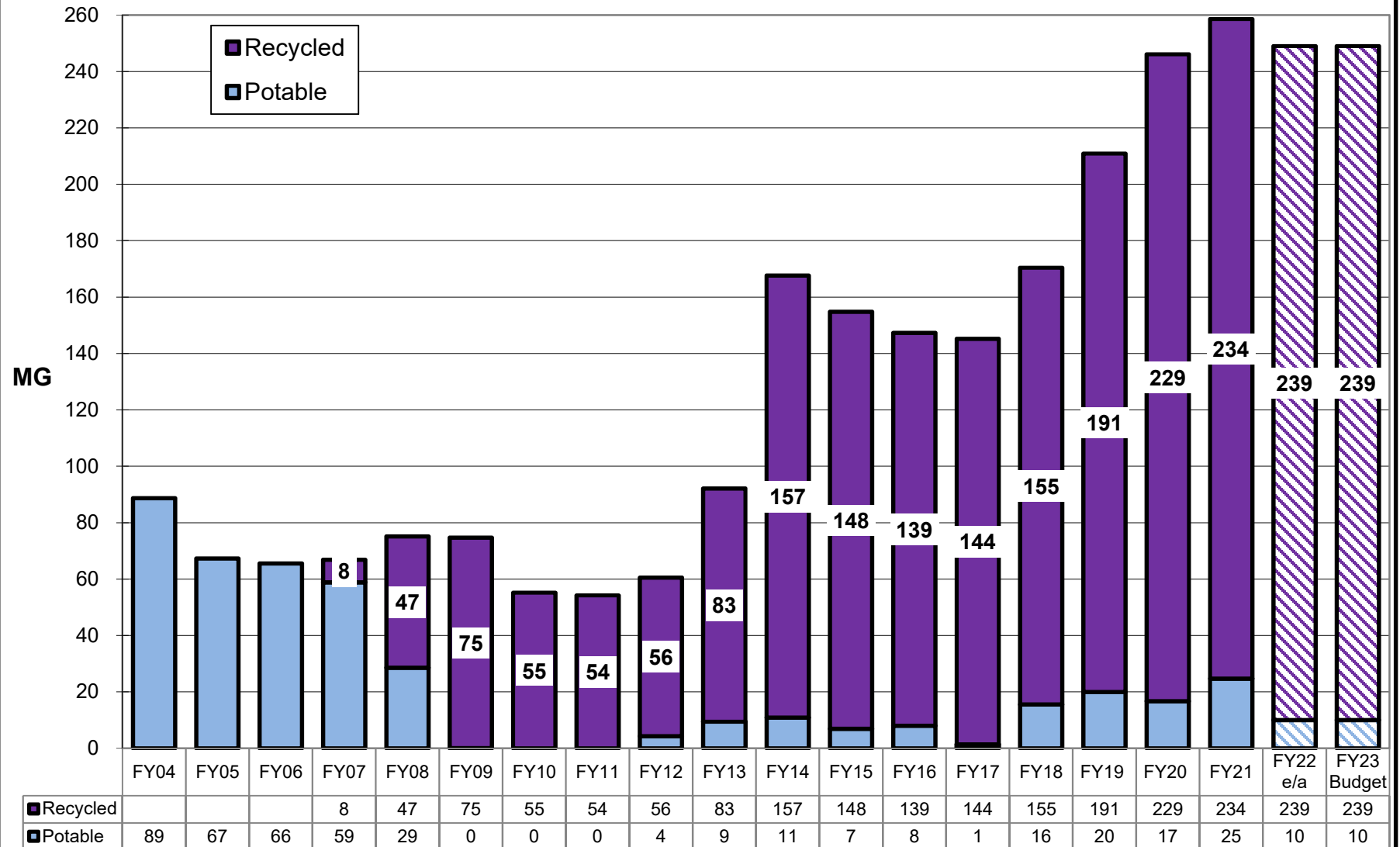


NOVATO RECYCLED WATER
FY 22/23-Five-Year Financial Forecast

Fiscal Year Ending June 30 >		Projected FY 21/22	Forecast FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
1	Active Services @ Fiscal Year End	96	96	96	96	96	96
2	Commodity Rate/1,000 Gal	\$6.61	\$7.01	\$7.36	\$7.73	\$8.12	\$8.52
3	Consumption (MG)	249	249	224	224	224	224
OPERATING REVENUE							
4	Recycled Water Sales	1,647,000	1,746,000	1,650,000	1,732,000	1,819,000	1,910,000
5	Bimonthly Service Charge	97,000	103,000	108,000	113,000	119,000	125,000
6	Water Loads & Turn on Charges	1,600	1,600	1,600	1,600	1,600	1,600
7	Total Operating Revenue	1,745,600	1,850,600	1,759,600	1,846,600	1,939,600	2,036,600
OPERATING EXPENSE							
8	Purchased Water - NSD	264,000	270,000	278,000	286,000	295,000	304,000
9	Purchased Water - LGVSD	110,000	110,000	110,000	110,000	110,000	110,000
10	Other Operating Expenses	288,000	308,000	317,000	327,000	337,000	347,000
11	Depreciation	768,000	768,000	768,000	768,000	768,000	768,000
12	Total Operating Expense	1,430,000	1,456,000	1,473,000	1,491,000	1,510,000	1,529,000
NON-OPERATING REVENUE/(EXPENSE)							
13	Interest Revenue	70,000	70,000	70,000	70,000	70,000	70,000
14	Interest Expense	(251,000)	(232,000)	(213,000)	(193,000)	(190,000)	(185,000)
15	Transfers Out from Capital Expansion F	-	(581,000)	(527,000)	(562,000)	(599,000)	(638,000)
16	Other Revenue/(Expense)	-	-	-	-	-	-
17	Total Non-Op Revenue/(Expense)	(181,000)	(743,000)	(670,000)	(685,000)	(719,000)	(753,000)
18	NET INCOME/(LOSS)	134,600	(348,400)	(383,400)	(329,400)	(289,400)	(245,400)
OTHER SOURCES/(USES) OF FUNDS							
19	Add Depreciation Expense	768,000	768,000	768,000	768,000	768,000	768,000
20	Loan Principal Repayment Received	37,000	37,000	37,000	37,000	37,000	37,000
21	Novato Potable FRC Fund Trsf	768,000	682,000	736,000	701,000	664,000	625,000
22	Capital Improvement Projects	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
23	Deer Island TP Loan Principal	(237,000)	(243,000)	(246,000)	(249,000)	(251,000)	(253,000)
24	SRF Loan Principal - System Expansion	(675,000)	(688,000)	(704,000)	(721,000)	(722,000)	(725,000)
25	Total Other Sources/Uses	561,000	456,000	491,000	436,000	396,000	352,000
26	Cash Increase/(Decrease)	695,600	107,600	107,600	106,600	106,600	106,600
27	Ending Reserve Balance	5,976,346	6,083,947	6,191,547	6,298,147	6,404,748	6,511,348
28	% Rate Increase¹	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%

¹Fiscal year 2023 Rate increase to be reviewed for approval by the Board of Directors on June 21, 2022. FY 2024 through 2027 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

4/1/2022

Recycled Water Production HistoryT:\ACI\Budget\FY-2022.23\Budget Final FY 22.23\Supporting
Schedules FY22.23[RW Use FY 22.23.xlsx]Data

8

MEMORANDUM

To: Board of Directors

April 1, 2022

From: Julie Blue, Auditor-Controller JB

Subj: West Marin Water System Financial Plan Update FY 22/23

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RECOMMENDED ACTION: Accept FY 22/23 West Marin Water Financial Plan Update and Direct Staff to Prepare a Proposition 218 Notice of Public Hearing on Proposed Rate Increase

FINANCIAL IMPACT: None at this time

The fiscal year (FY) 22/23 financial forecast (Attachment 1) summarizes the West Marin Water System's financial plan for the next five years, through FY 26/27. This updated five-year financial plan aligns with the board approved 2021 West Marin Water Rate Study and the prior year's budget.

Significant assumptions in the budget include:

- 1) Rate Increase: A 6% water rate increase, structured as a 6% commodity rate increase and 6% bimonthly service charge increase, is proposed effective July 1, 2022, followed by 6% rate increases for FY 23/24 through FY 26/27. Rate increases for FY 21/22 through FY 25/26 were included in the 2021 West Marin Water Rate study and were reviewed and accepted by the board in March of 2021. The increase to the median single-family residential customer using 4,360 gallons per month would approximate \$4.45 per month (\$53/year).
- 2) Water Sales Volume: FY 22/23 sales volume is projected at 63 MG and is based on the estimated 60 MG sales for FY 21/22, adjusted up by 5% for the anticipated slight rebound due to normal year water conditions in Lagunitas Creek. The projections for outlying years are budgeted at 65 MG, slightly below the actual five-year average of 67.5 MG.
- 3) New Connections: A new connection every other year is forecasted. There have been 3 new meters installed in the past year, two of which are accessory dwelling units. The current active meter count is 789.
- 4) Loan from Novato Water: Funds to be borrowed from Novato Water to assist with cash flow variability to be utilized to fund WM's capital improvement plan, which will be repaid over time with interest.
- 5) Capital Improvement Projects: The 5-year projection includes completion of the Gallagher Well #2 Project (partially grant funded), PRE Tank #1 & #2 Replacement Project and the Lagunitas Creek Bridge Pipeline Replacement Project (assuming grant funded). The Capital Improvement Project Plan prepared in combination with this financial plan stays

thousand average “pay-go” approved by the Board with the approval of the 2021 West Marin Water Rate Study.

Recommendation:

Accept FY 22/23 West Marin Water Financial Plan and direct Staff to draft a letter to customers for Board review noticing a public hearing on June 28 to consider a 6% rate increase.

WEST MARIN WATER**FY 22/23-Five-Year Financial Forecast**

	Projected FY 21/22	Forecast FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
BASIC DATA						
1 Active Meters	789	789	790	790	791	791
2 Avg Commodity Rate/1,000 Gal	\$12.21	\$12.94	\$13.72	\$14.54	\$15.41	\$16.34
3 Potable Consumption (MG)	61.0	63.0	65.0	65.0	65.0	65.0
OPERATING REVENUE						
4 Commodity Charge	\$792,000	\$815,000	\$892,000	\$945,000	\$1,002,000	\$1,062,000
5 Bimonthly Service Charge	240,000	254,000	269,000	285,000	285,000	285,000
6 Miscellaneous Service Charges	7,000	7,000	7,000	7,000	7,000	7,000
7 Total Operating Revenue	\$1,039,000	\$1,076,000	\$1,168,000	\$1,237,000	\$1,294,000	\$1,354,000
8 Operating Expenditures	\$686,000	\$707,000	\$728,000	\$750,000	\$773,000	\$796,000
9 Water Purchased from MMWD	0	0	0			
9 Depreciation Expense	201,000	208,000	217,000	229,000	255,000	263,000
10 Total Operating Expense	\$887,000	\$915,000	\$945,000	\$979,000	\$1,028,000	\$1,059,000
11 NET OPERATING INCOME	\$152,000	\$161,000	\$223,000	\$258,000	\$266,000	\$295,000
NON-OPERATING REVENUE/(EXPENSE)						
12 Interest Revenue	\$2,000	\$2,000	\$10,000	\$7,000	\$7,000	\$6,000
13 Interest Expense	(20,000)	(19,000)	(32,000)	(31,000)	(30,000)	(29,000)
14 PR-2 County Tax Allocation	59,000	60,000	61,000	62,000	63,000	64,000
15 Miscellaneous	5,000	5,000	5,000	5,000	5,000	5,000
16 Total Non-Op Revenue/(Expense)	46,000	48,000	44,000	43,000	45,000	46,000
17 Net Income	\$198,000	\$209,000	\$267,000	\$301,000	\$311,000	\$341,000
OTHER SOURCES/(USES)						
18 Add Depreciation Expense	\$201,000	\$208,000	\$217,000	\$229,000	\$255,000	\$263,000
19 Connection Fees	39,000	-	23,000	-	23,000	-
20 Capital Improvement Projects	(436,000)	(515,000)	(727,000)	(1,560,000)	(506,000)	(4,005,000)
21 Grant/Loan Proceeds	-	182,000	100,000	1,100,000	-	3,300,000
22 Loan from Novato Water	-	800,000	(74,000)	(75,000)	(76,000)	(77,000)
23 Debt Principal Payments	(51,000)	(52,000)	(54,000)	(56,000)	(58,000)	(60,000)
24 Total Other Sources/(Uses)	(\$247,000)	\$623,000	(\$515,000)	(\$362,000)	(\$362,000)	(\$579,000)
25 Cash Increase/(Decrease)	(\$49,000)	\$832,000	(\$248,000)	(\$61,000)	(\$51,000)	(\$238,000)
26 Operating Reserve	\$163,000	\$235,700	\$243,000	\$250,000	\$258,000	\$265,300
27 System Expansion Reserve		660,300	405,000	337,000	278,000	32,700
28 Liability Contingency Reserve		99,000	99,000	99,000	99,000	99,000
29 ENDING CASH BALANCE	\$163,000	\$995,000	\$747,000	\$686,000	\$635,000	\$397,000
30 % Rate Increase¹	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

¹Fiscal year 2023 Rate increase to be reviewed for approval by the Board of Directors on June 28, 2022. FY 2024 through 2027 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

9

MEMORANDUM

To: Board of Directors

April 1, 2022

From: Julie Blue, Auditor-Controller 

Subj: Oceana Marin Sewer System Financial Plan Update FY 22/23

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RECOMMENDED ACTION: Accept FY 22/23 Oceana Marin Sewer Financial Plan Update and Direct Staff to Prepare a Proposition 218 Notice of Public Hearing on Proposed Rate Increase

FINANCIAL IMPACT: None at this time

The fiscal year (FY) 22/23 financial forecast (Attachment 1) summarizes the Oceana Marin Sewer System's financial plan for the next five years, through FY 26/27.

Significant assumptions include:

- 1) Capital Improvement Project Program: Within the upcoming five-year financial plan three major projects are scheduled. In FY 22/23 \$1,200,000 is budgeted towards the Treatment Pond Rehabilitation project with completion of the project in FY 23/24 for an additional \$205,000. The costs of this project will be offset with approximately 60% grant funding from the California Office of Emergency Services (CalOES). CalOES and FEMA have reviewed and approved the project design and final environmental review. Currently approval from FEMA for Phase 2 construction funding is pending. Additionally, \$310,000 is budgeted in FY 23/24 for the North St. Lift Station Bypass project and \$412,000 is budgeted in FY 24/25 for the ACP Sewer Reline.
- 2) Rate Increase: A 5% increase to the sewer service charge is incorporated into FY 22/23 followed by 5% increases for each of the subsequent years. If the Board approves a 5% increase at its June 28, 2022 public hearing, the sewer service charge would increase to \$108/month effective July 1, 2022, which is \$1,296 annually billed on the property tax bill.
- 3) Connection Fee: A new connection every other year is forecasted with one new connection budgeted in FY 22/23. There has been no new growth in the past four years but the capacity is available.

The 5% proposed rate increases are consistent with the prior year's five-year financial plan and budgeted to finance a portion of the CIP plan on a pay-go basis. These increases are needed to fund the capital improvement plan which will address deferred major capital projects. Completion of these projects is necessary to maintain a well-functioning sewer system. The forecast also includes borrowing of \$250,000 in FY 22/23 and \$400,000 in FY 24/25 to further support the CIP plan with major projects listed above. The financial plan shown will keep the Oceana Marin System solvent through FY 26/27.

RECOMMENDATION:

Accept FY 22/23 Oceana Marin Sewer Financial Plan and direct Staff to draft a letter to customers for Board review noticing a public hearing on June 28 to consider a 5% rate increase.

OCEANA MARIN SEWER**FY 22/23-Five-Year Financial Forecast**

	Projected FY 21/22	Forecast FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
1 Number of Connections	235	236	236	237	237	237
2 Monthly Service Charge	\$103.00	\$108.00	\$113.00	\$119.00	\$125.00	\$131.00
OPERATING REVENUE						
3 Monthly Service Charge	\$290,000	\$306,000	\$320,000	\$338,000	\$356,000	\$373,000
4 Total Operating Revenue	\$290,000	\$306,000	\$320,000	\$338,000	\$356,000	\$373,000
OPERATING EXPENSE						
5 Operating Expenditures	\$209,000	\$215,000	\$221,000	\$227,000	\$233,000	\$239,000
6 Depreciation Expense	47,000	48,000	71,000	80,000	88,000	93,000
7 Total Operating Expense	\$256,000	\$263,000	\$292,000	\$307,000	\$321,000	\$332,000
8 NET OPERATING INCOME	\$34,000	\$43,000	\$28,000	\$31,000	\$35,000	\$41,000
NON-OPERATING REVENUE/(EXPENSE)						
9 Interest Revenue	\$4,000	\$5,000	\$3,000	\$3,000	\$5,000	\$4,000
10 Interest Expense	-	(3,000)	(5,800)	(5,500)	(9,500)	(9,500)
11 OM-1/OM-3 Tax Allocation	62,000	63,000	64,000	65,000	66,000	67,000
12 Miscellaneous Expense	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
13 Total Non-Op Revenue/(Expense)	\$65,000	\$64,000	\$60,200	\$61,500	\$60,500	\$60,500
14 Net Income	\$99,000	\$107,000	\$88,200	\$92,500	\$95,500	\$101,500
OTHER SOURCES/(USES)						
15 Add Depreciation Expense	\$47,000	\$48,000	\$71,000	\$80,000	\$88,000	\$93,000
16 Connection Fees	-	30,000	-	30,000	-	-
17 Capital Improvement Projects	(42,000)	(1,365,000)	(555,000)	(452,000)	(282,000)	(312,000)
18 Grant/Loan Proceeds & Debt Service	-	700,000	421,000	381,000	(19,000)	(19,000)
19 Total Other Sources/(Uses)	\$5,000	(\$337,000)	(\$63,000)	\$39,000	(\$213,000)	(\$238,000)
20 Cash Increase/(Decrease)	\$104,000	(\$230,000)	\$25,200	\$131,500	(\$117,500)	(\$136,500)
21 ENDING CASH BALANCE	\$547,000	\$317,000	\$342,000	\$474,000	\$357,000	\$221,000
22 % Rate Increase¹	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%


¹Fiscal year 2023 Rate increase to be reviewed for approval by the Board of Directors on June 28, 2022. FY 2024 through 2027 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

10

MEMORANDUM

To: Board of Directors

April 1, 2022

From: Tony Williams, Assistant GM/Chief Engineer 

Re: Amend General Services Agreement – GHD, Inc.

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RECOMMENDED ACTION: Authorize General Manager to Amend the General Services Agreement with GHD, Inc.

FINANCIAL IMPACT: \$200,000 (included in various CIP budget line items)

Considering existing and future grant funding opportunities from state and federal resources, assistance was needed to ensure timely and effective applications as well as tracking and evaluating available opportunities. The District has historically relied on consultant services via qualified engineering and other professional services firms to assist with the planning, engineering support and design of Capital Improvement Projects (CIP) or special studies to supplement in-house staff. On November 16, 2021, the Board approved an Agreement with GHD, Inc. (GHD) for grant funding support, as well as non-grant related CIP support, and established an initial budget of \$200,000. The purpose of this memo is to request a first amendment to the General Services Agreement with GHD.

A cost breakdown by task order since the contract was awarded is summarized as follows:

TABLE 1

Starting Contract Amount	\$200,000
Projects (Authorized Task Orders)	
Gallagher Wells (Bridge)	<\$6,920>
STP Corrosion Assessment	<\$24,846>
<i>FEMA Hazard Mitigation Grant Applications</i>	
Preliminary Benefit Cost Analysis	<\$9,832>
Grant Application Assistance	<\$123,958>
Crest PS/San Mateo Tank Pipeline	
Lagunitas Creek Bridge Pipeline	
Stafford Access Rd/Leveroni Creek	
Back-up Generators (4 sites)	
Remaining Balance on Contract	\$34,444

This amendment will increase funds for GHD to continue to provide as-needed engineering and environmental support services for CIP projects, especially grant funding support. Currently their contract term goes through June 30, 2023.

RECOMMENDATION

That the Board authorize the General Manager to amend the General Services Agreement between NMWD and GHD, Inc., and increase the budget by \$200,000.

11

MEMORANDUM

To: Board of Directors

Date: April 1, 2022

From: Tony Williams, Assistant GM/Chief Engineer 

Subject: Local Water Supply Enhancement Study Update

R:\Folders by Job No\4000 jobs\4057 Local Water Enhancement Study\BOD memos\4057 LWSES Update BOD Memo4-5-22.doc

RECOMMENDED ACTION: Information Only**FINANCIAL IMPACT:** None at this timeSCWA Regional Study

One of the District's 2018 Strategic Plan goals is to increase long term water supply reliability. To this end, NMWD and the other retail water contractors who purchase wholesale water from Sonoma County Water Agency (SCWA) funded a forward-looking study of the resilience of the regional water system. The Regional Water Supply Resiliency Study (Resiliency Study) seeks to identify the key factors impacting regional water supply resiliency and identify promising opportunities for SCWA and its retail contractors to improve regional resilience. The Resiliency Study includes the development of a Decision Support Model (DSM) to evaluate various risks to water supply including wildfire, earthquakes, flooding, and drought. Due to the extreme drought currently present in the Russian River watershed, the Project Team (SCWA, Water Contractors and Jacobs) accelerated a portion of the Resiliency Study to prioritize the resiliency assessment for the drought risk scenarios. Various presentations during the development of the drought resiliency portion of the Resiliency Study were made beginning in November 2021 as summarized below:

- November 1, 2021 WAC/TAC
- November 16, 2021 Presentation to District BOD
- December 6, 2021 TAC meeting
- February 7, 2022 WAC Tac meeting
- February 15, 2022 Presentation to District BOD

As a result of this fast-track schedule, Drought Management Options for drought risk scenarios have been developed the Project Team for four main categories: 1) Increase Supply, 2) Reduce Demand, 3) Improve Operations, and 4) Modify Policy and Regulations. Using available historical hydrology data (1910-2017) as well as current storage conditions for Lake Pillsbury, Lake Mendocino, Lake Sonoma, and MMWD reservoirs, the hydrology of water year 1976-1977 period represents the most severe two-year extended drought scenario. Therefore, the various Drought Management Options were evaluated using the current 2020-2021 drought followed by the future period of 2022-2026 represented by the dry hydrological sequence of 1976-1980. Based on this analysis, the several near-term drought resiliency options were developed. These actions and the current status of their implementation regionally are summarized in the table below:

Near-Term Drought Management Options

Resiliency Option	Status
Maximize Delivery of Natural Flows in the Russian River (RR)	NMWD purchased available RR water to backfeed Stafford Lake
Kastania Pump Station Rehabilitation	MMWD completed construction in January 2022 and NMWD working closely on start-up/operations
Increase Groundwater Production	SCWA's Santa Rosa Plain Drought Resiliency Project includes 3 wells; Todd Rd well online in October 2021 1.4 mgd available now, additional 4.1 mgd by year end
Regulatory Flexibility (through TUCPs)	TUCO issued in December 2021 lowering minimum instream flows for RR
Water Conservation and Water Use Efficiency	NMWD Ord No. 41 in place with 20% reductions

The Resiliency Study also evaluated other long-term Drought Management Options including regional groundwater banking, aquifer storage and recovery (ASR), flood managed aquifer recharge (FloodMAR), expanding recycled water, water transfers and interconnections with Bay Area Water Agencies, ocean desalination and brackish groundwater desalting.

NMWD Local Supply Study

In late July 2021, staff presented the Board with a draft Request for Proposal (RFP) document for a study to evaluate a list of potential water supply alternatives and associated evaluation criteria. The Board requested that study include desalination as an alternative. The RFP was subsequently released on July 28, 2021 for the NMWD Local Water Supply Enhancement Study (Local Supply Study) with the intent to be a companion study to the Resiliency Study. The study focuses on the Novato Water System only. In September 2021, after a comprehensive review and evaluation of the consultant proposals received, the Board approved an agreement for the work with West Yost. The primary goal of the study is to identify potential local supplies that could provide at least 1,000 acre-feet (AF) and potentially as much as 2,000 AF of water supply. West Yost's scope includes the evaluation of the following alternative water supplies:

- Aquifer storage recovery (ASR) in the "Novato Valley Basin" aquifer
- Recycled water system expansion
- Indirect Potable Reuse (IPR) water use options
- Improve Stafford Treatment Plant Process Water Recapture Efficiency

- Capture and Conveyance of Stormwater into Stafford Lake from nearby watersheds
- Increasing Stafford Lake water storage capacity
- Desalination using brackish groundwater or bay water supplies

The Board held a Public Workshop on January 25, 2022 and the District's consultant West Yost provided a detailed overview of the water supply alternatives listed above. In addition, the proposed evaluation criteria were presented: a) Water Supply Yield and Reliability; b) Cost; c) Operational Impacts; d) Regulations and Permitting; e) Public and Institutional Considerations; and f) "other" considerations.

Based on West Yost's evaluations completed to date, several alternatives have been deemed not feasible on a local level based on the criteria established. Aquifer Storage and Recovery in the Novato Valley Basin (the local groundwater basin) is very limited based on the aquifer characteristics and other factors with an estimated yield of only 50-100 AF. Indirect Potable Reuse (IPR) which has two associated storage options, groundwater recharge or surface water storage, is also very limited. This determination is based on the conditions within the Novato Valley Basin described above and the limited capacity of Stafford Lake and the distance to existing wastewater treatment facilities (NSD or LGVSD). Desalination is being evaluated under the Resiliency Study; was previously evaluated by Marin Municipal Water District (MMWD); and is currently being re-evaluated by MMWD. Desalination is expensive, has specific siting requirements for discharge of brine reject water, and would not be prudent for the District to pursue alone. However, these alternatives are potentially more promising under a regional approach and partnership with other agencies.

Public Outreach

Staff have performed significant public outreach efforts to date related to the Local Supply Study including advertisement for the public workshop held in January 2022. A summary of outreach activities is provided below:

- New Water Supplies "News Story" - September 16 2021
- New Water Supplies Second Website "News Story" - September 30, 2021:
- Fall 2021 Waterline Newsletter (Novato) - October 2021.
- Marin IJ Op-Ed (Marin Voice) - October 1, 2021
- New Water Supplies Webpage: Originally posted November 2021
- Marin IJ "Did You Know" Water Supply Advertisement Campaign:
 - Weekly ads (6 total) placed from November 2021 through January 2022
 - 7th advertising the January 25th workshop.
- Social Media "Did You Know" campaign
 - 7 similar to the Marin IJ ads but customized for Facebook, Instagram and Twitter.

- Ran concurrently (weekly) with the IJ ads from November to January
- Novato Advance “City Guide” Advertorial - February 2021
- Water Supply Workshop “News Story” - January 2022.
 - Versions published both before and after the workshop.
 - Link to the power point presentation from the January 25th workshop provided
- Marin IJ article (Will Houston) - January 30, 2022

Staff will be reviewing draft chapters of the Local Supply Study over the next few weeks. The goal is to release a draft study report in mid-April for review by the Board and the public. A second Public Workshop is proposed for April 26th to review the conclusions and recommendations. This workshop will be a Special Meeting of the Board.

12

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor *PR*
Subject: FY 2021-22 Second Quarter Progress Report – Water Quality
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April 1, 2022

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

The water served to the communities of Novato and Point Reyes met federal and state primary and secondary water quality standards during the second quarter of fiscal year 2021-2022.

Following is a review of the activities and water quality issues in regards to:

- Source Water
- Treatment Performance
- Distribution System Water Quality
- Novato Recycled Water

NOVATO SYSTEM**Source Water: Stafford Lake**

Stafford Lake water was used as a source of drinking water during the second quarter until October 25th. Water quality was monitored on a biweekly basis for chemical and mineral components as well as microbiological activity.

Algae were identified and enumerated monthly from the raw water in October and November. Algae numbers were high with low diversity. Five species of algae were recorded in large numbers, including one diatom, one green alga, and three of cyanobacteria (blue-green algae) capable of producing compounds which can affect taste and odor and produce toxins.

Weekly monitoring for algal toxins that began in August under guidance of the California Water Board's Harmful Algal Bloom program continued until December 21st when cyanotoxin levels fell below the tier 1 notification level. Signs warning visitors to Stafford Lake of the risks associated with algal toxin exposure were posted at Stafford Lake Park and other access points from August until satisfactory results of the last sampling were received in January.

Treatment Performance: Stafford Treatment Plant

Total organic carbon (TOC) removal was excellent, well above the 30% requirement of the Enhanced Surface Water Treatment Rule. Operators were able to achieve 80% TOC removal with a finished water TOC concentration of 2.3 mg/L, just above the district's goal of a maximum 2.0 mg/L.

Cyanotoxins were not detectable in any samples taken from drinking water produced at the Stafford Lake Treatment Plant. Although the toxins are a concern from recreational exposure, the toxins are easily inactivated and removed by the treatment elements used by NMWD.

Distribution System: Novato

Of the 264 samples collected for compliance with the Total Coliform Rule, none were positive for coliform bacteria. Disinfection byproducts were low during the quarter and well within standards of the Stage 2 Disinfection By-Product Rule.

POINT REYES SYSTEM

Source Water: Coast Guard Wells

Raw water quality, by most measures, was good throughout the quarter, however water quality parameters affected by salt water were elevated throughout the quarter. These peaked in the previous quarter and then fell slowly throughout this quarter. The sodium concentration ranged from 220-320 mg/L and chloride ranged from 390 to 780 mg/L. Bromide, the seawater constituent that has been responsible for short-term exceedances of trihalomethane (THMs) regulatory limits, decreased from 2.7 to 1.4 mg/L.

Source Water: Gallagher Well

Raw water quality was good throughout the quarter. Water quality parameters affected by saltwater are very low from this source and because the well is not prone to seawater intrusion, concentrations of salts are very steady. The average concentration of sodium was 10 mg/L, chloride was 12 mg/L, and the bromide concentration was 0.06mg/L.

Treatment Performance: Point Reyes Treatment Plant

The Point Reyes Treatment Plant is designed to provide disinfection and to remove iron and manganese, the two primary groundwater contaminants in the area. Treatment in these respects was excellent, neither iron or manganese being detectable in finished water and all bacterial tests were clean.

Water was primarily sourced from Gallagher Well when possible. This was supplemented with water from the Coast Guard Wells only during times of higher demand or when operation of the

treatment plant required a higher flow rate of water, such as after backwashes. Water from the two sources were blended prior to treatment.

Distribution System: Point Reyes

There were 23 samples collected for routine monitoring and compliance with the total coliform rule, none tested positive for coliform bacteria. Chlorine residual concentrations throughout our distribution system were actively managed to provide adequate disinfection while keeping the potential for formation of disinfection by products as low as possible.

Even though there were increased salt levels in raw water from the Coast Guard Wells, thanks to customers' successful efforts to conserve, the vast majority of finished water was produced solely from the Gallagher Well. The salty or metallic taste widely reported by many of our customers during the same period in 2020 was not as prevalent or frequent in 2021. The low-sodium bottle fill station that was set up for customers with low sodium diets to collect water for cooking and drinking was open from October 15th until November 5th.

Disinfection byproducts increased during the quarter, with the sample collected at the sample station representing the highest water-age resulting in total trihalomethanes above the value of the maximum contaminant limit. Since compliance with the Disinfection Byproduct Rule is based on a running annual average at each location, the exceedance did not result in a violation of the rule. We have observed that when bromide concentrations are high due to salinity intrusion at the Coast Guard Wells, there will be a corresponding increase in trihalomethanes. We have developed operational strategies to mitigate this potential and have been able to lower the concentration of trihalomethanes when the risk for their formation is the greatest.

NOVATO RECYCLED WATER

Deer Island Recycled Water Facility

The Deer Island facility was off during the quarter.

13



*Good Water
Good Service
Good Value
Safe Place to Work*

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, General Manager 
Subject: Resignation and Retirement from NMWD
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April 1, 2022

At the January 18, 2022 meeting, I informed the NMWD Board of my intent to retire in May of this year. This memorandum formalizes my decision to resign and retire from NMWD effective May 4, 2022. My last day of work and final Board of Directors meeting will be on Tuesday, May 3, 2022.

In many respects, it is hard to believe that I have been working for my local water district for nearly 24 years. I clearly remember my pre-NMWD days, when I made the daily commute from Novato to my job at a private consulting firm in Oakland. Little did I know then that my future awaited me just a few hundred yards from my vanpool pick-up spot at the southbound 101 Atherton Ave on-ramp. I'm not sure I knew at that time that North Marin Water District and its dedicated team of professionals were situated directly behind me as I awaited my ride to work each day, but I was certainly aware that the District provided my household with water service that was reliable, and of good quality and value. When the time came to make a change from my consulting job, it was my very good fortune to be selected as NMWD's new Chief Engineer. That was the start of a very rewarding new chapter in my life.

I am so thankful to have had the opportunity to work at the District during the second half of my career under the invaluable vision, oversight and governance of the Board of Directors. I am also proud to have served alongside every member of the NMWD family in delivering quality service to our customers. I am especially grateful for the many good memories I have of working with my NMWD co-workers every day. Collaborating with the District's highly professional, committed and caring colleagues has been the highlight of my tenure at NMWD, and for that, I wish to thank all the staff – current and past – who I had the opportunity to share hard work and good laughs with at this great organization.

I also want to thank the Board of Directors and former General Manager Chris DeGabriele for providing me the opportunity to join Team NMWD in 1998, and for their ongoing guidance and support throughout my tenure.

Resignation and Retirement from NMWD
April 1, 2022
Page 2

As I move on to pursue new opportunities in life, I am confident that my successor, Tony Williams, has the expertise, work ethic, vision, humor and dedication to be an exceptional General Manager who will lead NMWD successfully into the future

I wish everyone the best and look forward to joining the select society of NMWD Retirees!

14

Item #14

***DRAFT Minutes of Water Advisory Committee and Technical Advisory Committee
Virtual Meeting – No Physical Location
February 7, 2022**

Attendees: Susan Harvey, City of Cotati
Mike Healy, City of Petaluma
Walter Linares, City of Rohnert Park
Natalie Rogers, 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
Matt Wargula, City of Sonoma
Drew McIntyre, North Marin Water District
Cristina Goulart, Town of Windsor
Matt Fullner, Valley of The Moon Water District
Paul Sellier, Marin Municipal Water District
David Rabbitt, Sonoma Water Director
Roberta Atha, City of Santa Rosa
Easter Ledesma, City of Santa Rosa

Staff/Alternates: Grant Davis, SCWA
Pam Jeane, SCWA
Don Seymour, SCWA
Paul Piazza, SCWA
Jay Jasperse, SCWA
Barry Dugan, SCWA
Brad Sherwood, SCWA
Steven Hancock, SCWA
Jake Spaulding, SCWA
Lynne Rosselli, SCWA
Ann DuBay, SCWA
Colin Close, City of Santa Rosa
Claire Nordlie, City of Santa Rosa
Elise Miller, City of Santa Rosa
Kimberly Zunino, City of Santa Rosa
Peter Martin, City of Santa Rosa
Shannon Cotulla, Town of Windsor
Christopher Bolt, City of Petaluma
Chelsea Thompson, City of Petaluma
Pat Echols, City of Sonoma
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
R. Dowd
Mark Millan
Monty Schmitt
Congressman Jared Huffman
Jenny Callaway, Office of Congressman Huffman
Phone Participant: 6131

1. Check-in

Susan Harvey, WAC Chair, called the meeting to order at 9:01 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 Mike Healy, City of Petaluma, seconded by Jack Baker, North Marin Water District, 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 seven water contractors (City of Sonoma absent). No public comments.

3. Public Comment

No public comments.

4. Appointment of 2022 WAC Leadership (2-year terms)

Susan Harvey, WAC Chair, Mike Healy, WAC Vice Chair and Drew McIntyre, TAC Chair. (*Refer to handout.*) Moved by Jon Foreman, Valley of the Moon Water District, seconded by Jack Baker, North Marin Water District to appoint Mike Healy, City of Petaluma, as WAC Chair and Natalie Rogers, City of Santa Rosa, as WAC Vice Chair; unanimously approved (City of Sonoma absent). No public comments.

(Susan Harvey, City of Cotati, left the meeting at 9:10 am.)

5. Recap from the November 1, 2021 WAC/TAC Meeting and Approval of Minutes

Moved by Jack Baker, North Marin Water District, seconded by Jon Foreman, Valley of the Moon Water District; unanimously approved (City of Cotati and City of Sonoma absent). No public comments.

6. Recap from the December 6, 2021 TAC Meeting and Approval of Minutes

Moved by Craig Scott, City of Cotati, seconded by Jennifer Burke, City of Santa Rosa; unanimously approved. No public comments.

7. New WAC Member Orientation

Drew McIntyre, TAC Chair. (*Refer to handouts.*) There is one new WAC member/alternate, Director Brooke Harland from Valley of the Moon Water District. Orientation materials as outlined in the memo will be provided by Melissa James, SCWA. Due to the pandemic and meeting virtually, several members have not had an opportunity to tour Sonoma Water facilities. Grant Davis, SCWA, is hopeful for this to resume when County health orders allow. No public comments.

8. Water Supply Coordination Council – January 20, 2022

Drew McIntyre, TAC Chair. The Water Supply Coordination Council met January 20 and created the agenda for today's WAC/TAC meeting. No public comments.

9. Water Supply Conditions and Temporary Urgency Change Order

Don Seymour, SCWA. Storage at Lake Mendocino is currently 42,600 acre-feet (AF) compared to 29,700 AF at this time last year, and storage at Lake Sonoma is currently 151,500 acre-feet (AF) compared to 157,700 AF last year. No precipitation is predicted for the next 15 days. Hacienda Bridge flows are currently 470 cubic feet per second (cfs) with a fair amount of tributary inflow; however, flows are declining higher up in the watershed. The Lake Mendocino water supply pool is variable and current levels are 62% of the winter level and 38% of the maximum level.

Sonoma Water filed a new Temporary Urgency Change Petition (TUCP) in mid-November and the State Board issued an order effective December 11, 2021 moving the hydrologic index from cumulative flow at Lake Pillsbury to storage thresholds developed at Lake Mendocino. The storage threshold on January 1 exceeded normal water supply conditions (41,000 AF). Due to an extremely dry January and the requirement to maintain 150 cfs minimum instream flow for the entire reach of the upper Russian River, storage decreased by 2,000 AF during the month. Water supply conditions were reassessed on February 1 and determined to be "dry," decreasing flows in the upper Russian River to 75 cfs and 85 cfs in the lower Russian River. Another assessment will occur on March 1 and is anticipated to be determined as "critical." This will decrease flows to 25 cfs (upper Russian River) and 35 cfs (lower Russian River). The State Board did a water supply availability analysis for February and determined there is enough natural flow in the Russian River to meet water right demands, so the curtailment is still suspended until the next analysis in March.

Grant Davis, SCWA, asked for a description of the importance of changing the hydrologic index. Don Seymour, SCWA, responded Decision 1610 of the water rights permit was a 1980's determination when the Potter Valley Project was transferring approximately 160,000 AF per year to the Russian River watershed. PG&E's FERC license was amended in 2006 and changed the relationship between the Eel and Russian River watersheds, decreasing the transfer to approximately 60,000 AF per year. This resulted in Sonoma Water filing more than a dozen TUCP's over the last 15 years to manage conditions in the Russian River watershed and reservoirs. The recent electrical equipment failure at the Potter Valley PG&E facility has further reduced the water transfer and will take millions of dollars and years to repair. The hydrologic index should be based on the Russian River watershed rather than on historical Lake Pillsbury criteria. Sonoma Water is working with the State Board and fisheries resource agencies on a longer-term process to move the hydrologic index to storage levels at Lake Mendocino.

Jennifer Burke, City of Santa Rosa, asked if the current Temporary Urgency Change Order expires in June 2022 and, if so, whether another TUCP will be filed at that time. Don Seymour, SCWA, responded it is likely another TUCP will be filed in late-April or May and, if storage conditions do not improve, the situation will be similar to last year. Public Comment: David Keller, FOER, asked when Sonoma Water will file a formal request with the State Board

regarding Decision 1610. Don Seymour, SCWA, replied with changing conditions at the Potter Valley Project since issuing the Draft EIR for the Fish Flow Project, assumptions are no longer representative of conditions. Sonoma Water hopes to start the process by the end of 2022. No other public comments.

(Agenda was re-ordered for comments from Congressman Jared Huffman.)

12. Regional Water Supply Resiliency Study Update

Jay Jasperse, SCWA, and Armin Munevar, Jacobs Engineering. *(Refer to handout.)* The study recognizes the regional system as interconnected infrastructure rather than jurisdictions and how that collective system can respond to a stress test (drought, seismic) through operational adjustments or projects with a regional benefit. The current focus is on drought scenarios – both near-term (acute/severe) and long-term (chronic and lasting 10 or more years).

Congressman Jared Huffman spoke about Federal financial support through passage of the 2021 Infrastructure, Investments and Jobs Act for projects to improve water supply systems and resiliency in the North Bay. There is \$55 billion in new federal investments for multiple aspects of water infrastructure projects. He identified two factors driving success for funded projects: equity (projects for underserved populations) and regional collaboration and resiliency. Congressman Huffman offered support from his office and staff and said a guidebook on funding opportunities is available on his website. Congressman Huffman described recent negotiations and collaboration between Sonoma Water, Marin Municipal Water District (MMWD) and North Marin Water District to discuss strategies to address worst-case drought and water supply scenarios. He is hopeful this collaboration leads to future benefits for MMWD, Sonoma Water and the North Bay contractors.

Armin Munevar, Jacobs Engineering, discussed development of 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.

Mike Healy, WAC Chair, asked about the status of the Kastania Pump upgrades. Paul Sellier, MMWD, responded they are substantially complete and some final testing is being done. Matt Fullner, VOMWD, asked how groundwater and declining groundwater levels during a drought was taken into account in the model. Armin Munevar, Jacobs Engineering, responded groundwater supplies were provided by customers and declining levels were not simulated in the model. Public Comment: David Keller, FOER, said approximately 15% of the water right holders didn't comply during the recent curtailment and asked if Sonoma Water would ask the State Water Board for a higher level of enforcement. Grant Davis, SCWA, responded the Upper Russian River areas are not Sonoma Water customers and enforcement would depend on the urgency of the State Water Board. Sonoma Water is working with the board on moving the hydrologic index and that is the most compelling need at this time. No other public comments.

10. 2022 Annual Water Supply and Demand Assessment Planning

Paul Piazza, SCWA. The 2020 Urban Water Management Plan update cycle included new regulations from the State requiring an Annual Water Supply and Demand Assessment and an annual water shortage assessment report due to the Department of Water Resources (DWR) on July 1 of each year beginning in 2022. Sonoma Water and its water contractors have been doing this on a regional basis for many years and each water contractor included this component in their updated Water Shortage Contingency Plans. Sonoma Water has received annual demands for the next two years from the water contractors and are converting the information into a monthly step. Once the monthly demands are approved by the contractors,

Sonoma Water engineering staff will develop a supply assessment, including both hydrologic and regulatory conditions, and share it with the contractors for inclusion in their annual reports to the DWR. The data and report will determine the level of the water shortage plan to implement and the steps needed to achieve it. No public comments.

a. Water Shortage Allocation Methodology Update

Paul Piazza, SCWA. Following approval and recommendation of the updated Water Shortage Allocation Methodology and model by the Water Advisory Committee in September 2021, the Sonoma Water Board of Directors adopted the model update on January 4, 2022. The Board authorized Grant Davis, General Manager, to approve some final, minor work on the model for some Agency customers and the model is anticipated to be complete in a couple of months. Drew McIntyre, NMWD, reminded the group that the allocation methodology wasn't in place last year and, if reduced diversions from the Russian River are required this year, allocations will be based on the approved methodology. No public comment.

11. Sonoma Marin Saving Water Partnership (TAC)

a. 2021 Water Production Relative to 2013 Benchmark and 2021 River Diversion Reductions Relative to 2020 Benchmark

Drew McIntyre, North Marin Water District. *(Refer to handout.)* The Partnership reduced water usage by 23% for the 2021 calendar year compared to 2013. Cumulative Russian River diversions, tracked by Sonoma Water, were down 22.7% compared to 2020. The Temporary Urgency Change Order terminated on December 10, 2021, and the water contractors 22.7% reduction exceeded the State Board's 20% mandated reduction. No public comments.

b. Drought Outreach Messaging

Barry Dugan and Paul Piazza, SCWA. *(Refer to handout.)* The winter campaign continues with "Drought is Here" messaging. Outreach will focus on indoor water savings in February and "Fix a Leak Week" in March. Bilingual messaging includes social media ads, bill inserts and post cards in collaboration with the Partnership. No public comments.

13. TAC Finance Subcommittee Update – FY2022-23 Draft SCWA Water Transmission System Budget

Kimberly Zunino, City of Santa Rosa. *(Refer to handout.)* The subcommittee had its first meeting last week. Lynne Rosselli, SCWA, reviewed the proposed budget and the subcommittee members posed questions and provided comments. The subcommittee is scheduled to meet again on Thursday, February 10. No public comments.

14. Biological Opinion Status Update

Pam Jeane, SCWA. *(Refer to handout.)*

Fish Flow Project- Since assumptions in the Draft EIR are no longer accurate, staff is re-running modeling and doing an impact analysis prior to its recirculation.

Dry Creek Habitat Enhancement Project

Construction- There is no construction activity at this time.

Habitat Monitoring and Maintenance- Drone flights were done in October 2021 – before and after the storm event – and follow-up flights were done in January 2022. Some willow planting and invasive plant removal is underway.

Phases IV-VI- Phases IV – VI of the Dry Creek Habitat Enhancement Project are being implemented under a cost-share partnership where the Corps of Engineers covers 65% of the cost and manages the actual construction. Bid documents for Phase IV are

complete and the project is expected to go to construction in Summer 2022. SCWA staff and attorneys are in the final steps of executing right-of-way agreements. 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- Sonoma Water partnered with California Sea Grant to perform spawner surveys in Russian River tributaries to measure progress toward recovery of coho salmon and steelhead populations in the Russian River.

Russian River Estuary Management- The mouth of the Russian River is open and the monitoring season starts in May. Drew McIntyre, NMWD, asked how long the monitoring needs to continue. Pam Jeane, SCWA, replied it will continue through the current Biological Opinion which expires in 2023.

Interim Flow Changes- Reported on earlier in the meeting by Don Seymour, SCWA.

No public comments.

15. Potter Valley Project Update

Pam Jeane, SCWA. (*Refer to handouts.*) The Two-Basin Solution Partnership (NOI Parties) submitted an abeyance request to the Federal Energy Regulatory Commission (FERC) in early September for an extension until the end of May 2022. FERC responded on September 23, 2021 and requested the Partnership file a new license application by April 14, 2022, and file status reports in November 2021 and January 31, 2022. Most recently, the Partnership submitted the January status report informing FERC that it would not be filing a license application and had secured funding to work on a non-licensed scenario. FERC is anticipated to request a surrender of license and timeline from PG&E. There was reference to a Press Democrat editorial in the February 6 issue. Drew McIntyre, NMWD, acknowledged the good work by SCWA staff in obtaining State grant funds. Public comments: Mark Millan stated the Press Democrat editorial and other news articles related to the Two-Basin Solution are available on the website: <https://www.twobasinsolution.org/>. No other public comments.

16. Integrated Regional Water Management Plan(s) Update

Grant Davis, SCWA. The Bay Area region IRWM is managing a \$20 million Advanced Quantitative Precipitation Information (AQPI) radar program to assist with near-term precipitation and better inform emergency management agencies. The Governor's task force on forestry management will likely be in Sonoma County under Chair Gore's invitation to discuss watershed management efforts. No public comments.

17. Items for Next Agenda

No agenda items were suggested by the WAC/TAC members.

No public comments.

18. Check Out

Meeting adjourned at 11:03 a.m.

15

DISBURSEMENTS - DATED MARCH 17, 2022

Date Prepared 3/14/22

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	Tire Repair ('12 F250)	\$32.99
2	AC3	Annual Crane Inspections	1,200.00
3	All Star Rents	Propane (21 gals)	90.04
4	Alpha Analytical Labs	Lab Testing (Pt Reyes-\$585 & Novato-\$325)	910.00
5		Vision Reimbursement	368.00
6	Arrow Benefits Group	February 2022 Dental Claims Expense	2,980.42
7	Athens Administrators	February Indemnity Review Fee	105.00
8	Beale, Steve	Refund Overpayment on Closed Account	38.88
9	Borges & Mahoney	Maintenance on Treatment Plant Equipment	1,495.45
10	Cavanaugh, Grace	Refund Overpayment on Closed Account	212.83
11	Chandrasekera, Carmela	Retiree Exp Reimb (Mar Health Ins)	1,137.78
12	Cilia, Joseph	Retiree Exp Reimb (Mar Health Ins)	409.28
13	Core & Main	6" Elbow (\$193), G-5 Traffic Boxes (4) (\$143), Valve (\$1,910), Caps (4), Bolts & Nuts (320 ea) (\$851), Hydrant Extensions (2) (\$430), Copper Pipe (60') (\$1,367), Couplings (2) (\$293) & Service Saddles (4) (\$410)	5,622.50
14	E & M	New Enclosures & Variable Frequency Drives for High Service Pumps @ STP	45,173.27
15	Ferguson Waterworks	Elbows (24) (\$356) & Copper Pipe (200') (\$3,754)	4,109.98
16	Fiserv/Bastogne Inc.	Unable to Locate Account	115.00
17	Fisher Scientific	Chlorine Test Kits (2) (\$95) & Pipette Tips (960) (Lab)	140.38
18	Foge, Matthew	Refund Excess Advance Over Actual Construction Job Coasts (464 Alameda De La Loma)	2,651.46

Seq	Payable To	For	Amount
19	Forevergreen Landscape	Landscaping Services @ 999 Rush Creek Place	1,385.00
20	Freyer & Laureta, Inc.	Prog Pymt#5: Provide Engineering & Design Services for NMWD Hydropneumatic Pressure Stations (Balance Remaining on Contract \$53,867)	2,342.50
21	Frontier Communications	Leased Lines	1,729.74
22	Grainger	Ball Valves (2) (\$43), Couplings (2) & Threaded Rod (4) (\$89)	145.19
23	Harrington Industrial Plastics	Parts to Rebuild Sodium Hydroxide Suction Line (STP)	559.68
24	Ignacio Creek HOA	Novato "Smart Irrigation Controller" Program	840.00
25	Jackson, David	Retiree Exp Reimb (Mar Health Ins)	1,137.78
26	JW Mobile	Tool Rental to Drill Holes in Hitch Plate ('21 Int'l Dump Truck)	350.00
27	Kane, Shawn	Exp Reimb: Breakfast for Crew During Asbestos Training	79.64
28	Kelly Services, Inc.	Organic Chemist Temp Services (Lab) (24 hrs)	1,477.44
29	Koenig, Eric	Novato "Toilet Rebate" Program	250.00
30	Latanyshyn, Roman	Retiree Exp Reimb (Mar Health Ins)	409.28
31	Lemos, Kerry	Retiree Exp Reimb (Mar Health Ins)	1,137.78
32	Manzoni, Alicia	Retiree Exp Reimb (Mar Health Ins)	1,137.78
33	Marin Glen HOA	Novato "Smart Irrigation Controller" Program (2)	2,910.00
34	McMaster-Carr Supply Co	Parts for Equipment (\$191) & Black Point Tank (\$316)	506.91
35	Miller Pacific Engineering	Prog Pymt#20: NMWD Admin Building Renovation Project (\$1,012) & Prog Pymt#21: Access Road Over Leveroni Creek-Novato (\$1,409) (Balance Remaining on Contract \$6,261)	2,420.40
36	MSI Litho	Printing 2020 Novato Annual Water Quality Report (500)	680.82
37	New Pig Corporation	Haz Mat Chemical Absorbent Pads (3) (STP)	480.47

Seq	Payable To	For	Amount
38	North Marin Auto Parts	Water Pump ('10 F150) (\$58), Batteries (2) ('15 Int'l Dump Truck) (\$285), Hose & Clamp ('02 Int'l Dump Truck) (\$49) & Brake Controller ('21 Int'l Dump Truck) (\$244)	635.50
39	North Bay Gas	Acetylene (Lab) (\$347), Carbon Dioxide (\$93), Argon & Wire for Weld Shop (\$475) & February Cylinder Rental (\$113)	1,027.97
40	O'Reilly Auto Parts	Brake Cleaner	36.33
41	Orrell, Frank	Refund Excess Advance Over Actual Construction Job Coasts (25 Montego Key Paving Moratorium)	3,151.46
42	Pace Supply	Magnetic Cover Lifter (\$340), Elbows (6) (\$989), Bolts (500) (\$1,382), Nuts (500) (\$346) & Nipples (2) (\$49)	3,105.91
43	Peach, Krista	Refund Excess Advance Over Actual Construction Job Costs-300 Montego Key	2,651.46
44	Peterson Trucks	Gear Box ('02 Int'l Dump Truck) (\$1,461) & Replacement 2022 5yd Dump Truck (\$123,931)	125,391.92
45	Pacific Gas & Electric Co	Power: Bdgs/Yard (\$4,637), Other (\$185), Pumping (\$32,989), Rect/Controls (\$596) & Treatment (\$108)	38,515.76
46	Pini Hardware	Miscellaneous Maintenance Tools & Supplies	402.86
47	Quadient, Inc.	April Postal Meter Rental	143.09
48	Ralph Andersen & Associates	Prog Pymt#1: Recruitment of Assistant General Manager/Chief Engineer (Balance Remaining on Contract \$19,275)	7,725.00
49	Robello Plumbing & Northbay Backflow	Backflow Services @ 65 Los Padres Circle	1,618.54
50	Smith, Matt M.	Novato "Ultra High Efficiency Toilet" Program	600.00
51	Syar Industries Inc	Sand (16 yds) (\$989) & EZ Street Asphalt (6 tons) (\$1,060)	2,049.31
52	Telstar Instruments	Annual Flow Meter Calibrations	2,690.00
53	Tube Service Inc	6" Aluminum Pipe (200')	3,262.50
54	USA BlueBook	Turbidity Standard (STP)	476.35
55	US Bank	February Safekeeping Treasury Securities	92.50

Seq	Payable To	For	Amount
56	Van Bebber Bros	Beam (6X15)	262.34
57	Verizon Wireless	February SCADA & AMI Collectors (\$650)	810.70
58	VWR International LLC	Sodium Standard (\$60), Chlorine Reagent, Pipet Tips (2 cs) (\$71), Potassium Chromate & Phosphate Buffer (\$102) (Lab)	256.24
59	Waste Management	Green Waste Removal	70.32
60	Wood Rodgers, Inc.	Prog Pymt#5: Provide Engineering & Hydrogeological Services (Balance Remaining on Contract \$21,324)	665.00
61	West Yost Associates	Prog Pymt#5: Provide Local Water Enhancement Study (Balance Remaining on Contract \$78,738)	35,981.75
62	ZORO	Adjustable Wrench (\$81), Tamping Rod, Anti Seize Compound (8) (\$143) & Lube for Pipe Joints (12) (\$113)	363.93
TOTAL DISBURSEMENTS			<u>\$318,760.41</u>

The foregoing payroll and accounts payable vouchers totaling \$318,760.41 are hereby approved and authorized for payment.


Auditor-Controller

03/15/2022
Date


General Manager

3/15/2022
Date

DISBURSEMENTS - DATED MARCH 24, 2022

Date Prepared 3/21/22

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 3/15/22	\$155,200.09
90469*	Internal Revenue Service	Federal & FICA Taxes PPE 3/15/22	70,304.63
90468*	State of California	State Taxes & SDI PPE 3/15/22	15,468.99
90470*	CalPERS	Pension Contribution PPE 3/15/22	42,964.70
EFT*	US Bank	February Bank Analysis Charge (Lockbox \$912 & Other \$354 Less Interest \$64)	1,201.63
1	Able Fence Company	Labor & Materials to Repair Damaged Fence/Gates Next to STP	4,595.00
2	Amazon/Genuine-Hardware	Sockets for Auto Shop (\$98), Office Supplies (\$138), Intrusion Switches (10) (\$228), Misc Computer Equipment (\$525) & Concrete Mixing Mats (4) (\$404)	1,392.24
3	Arrow Benefits Group	March 2022 Dental Admin Fees	276.85
4	AT&T	Leased Lines	67.94
5	Backflow Distributors	Replacement 6" Fire Service (\$3,690) & Backflow Parts (\$263)	3,952.92
6	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 125 of 240) (Aqueduct Energy Efficiency Project)	46,066.67
7	Battle Born Media-Marin	Ads Novato Advance - City Guide Publication	550.00
8	Bay Area Air Quality Mgmt Dist	STP Generator Permit Fees	433.00
9	Buck Institute for Research on Aging	Quarterly Lease for Lab Department (2/16/22-5/15/22)	26,892.00
10	California Water Service	Water Service (OM)	29.11
11	Charlton, Karin	Refund Overpayment on Closed Account	162.40

Seq	Payable To	For	Amount
12	Clipper Direct	April Commuter Benefit Program	76.00
13	Comcast	Internet for Lab @ Buck Institute	351.55
14	Consolidated CM	Prog Pymt#9: Construction Management Services for NMWD Building Renovation Project (Balance Remaining on Contract \$24,833)	11,469.50
15	Core & Main	Anodes (6) (\$1,009), Coal Tar Tape (8) (\$590), Nipples (11) (\$448), PVC Pipe (80') (\$4,861), Bell Restrainers (3) (\$280), Valves (13) (\$5,706), Couplings (25) (\$1,061), Accessory Set (8) (\$538), Copper Pipe (300') (\$2,067) & Meter Boxes (20) (\$866)	17,425.99
16	Cummings Trucking	Sand (23 yds) (\$350) & Rock Delivery (144 yds) (\$1,470)	1,820.00
17	Dailey, Jacob	Refund Overpayment on Closed Account	26.42
18	Diesel Direct West	Diesel (527 gals) (\$2,887) & Gasoline (1,215 gals) (\$5,865)	8,752.02
19	Fedak & Brown LLP	February Progress Billing Financial Statement Audit FY21/22 (Balance Remaining on Contract \$18,885)	500.00
20	Fishman Supply Co	Rain Jacket (Boynton)	72.02
21	GHD Inc.	Prog Pymt#20: STP Corrosion Assessment Project (\$10,992) (Balance Remaining on Contract \$8,943) & Prog Pymt #11: Old Ranch Road Tank No 2 Design Services (\$1,339) (Balance Remaining on Contract \$32,642)	12,330.63
22	Grainger	Miscellaneous Maintenance Tools & Supplies	1,523.94
23	Hildebrand Consulting LLC	Prog Pymt#3: Drought Surcharge Study - Novato (\$7,015) & West Marin (\$7,015) (Balance Remaining on Contract \$4,370)	14,030.00
24	Idexx Laboratories	Colilert Media for Recycled Water Testing	2,249.87
25	InfoSend, Inc.	February Processing Fee for Water Bills (\$1,283), Postage (\$3,552) & Monthly Support Fee (\$922)	5,756.95
26	Kelly Services, Inc.	Organic Chemist Temp Services (68 hrs) (Lab)	4,201.47

Seq	Payable To	For	Amount
27	Kennedy Jenks	Prog Pymt#4: NMWD On-Call Hydraulic Modeling-777 San Marin Dr. (\$475) & MMWD Kastania P/S (\$1,610)	2,085.23
28	Kiosk Creative LLC	Marketing Communication & Outreach Services (Balance Remaining on Contract \$25,703)	6,398.00
29	Lincoln Life Employer Serv	Deferred Compensation 3/15/22 PPE	15,591.28
30	Real Manage	Return Payment - Not Our Customer	649.96
31	Nationwide Retirement Solution	Deferred Compensation 3/15/22 PPE	1,195.00
32	Noll & Tam Architects	Prog Pymt #11: Provide NMWD Headquarters Upgrade A/E Services (Balance Remaining on Contract \$115,956)	60,822.50
33	Novato Sanitary District	Semi Annual Billing for Yard/Office Sewer Charge (FY22)	2,191.10
34	Office Depot	Miscellaneous Office Supplies	702.04
35	OMW Corporation	Machine & Welding Services (Trumbull P/S)	1,350.00
36	Pace Supply	Dual Fords (6)	274.34
37	Parkinson Accounting Systems	Accounting Software Support	1,500.00
38	Peterson Trucks	Service Parts ('02 5yd Dump Truck) (\$405) & Pedal Sensor Accel Kit ('0 5yd Dump Truck) (\$592) (Less Credit Received for \$586 for Core Deposit)	411.14
39	Point Reyes Prop Mgmt Assn	March HOA Fee (25 Giacomini Dr)	75.05
40	Scott Technology Group	Monthly Maintenance on Engineering Copier (\$201) & Contract Overage Amount	208.81
41	Soiland Co., Inc.	Rock (16 yds) (\$492) & Asphalt Recycling (6 tons) (\$84)	576.21
42	Sonoma County Water Agency	February Contract Water	381,289.46
43	SPG Solar Facility XII, LLC	February Energy Delivered Under Solar Services Agreement	11,049.70
44	State Water Resources Control	D3 Certification Renewal (Foster)	90.00
45	Township Building Services	February Janitorial Services	2,157.61

Seq	Payable To	For	Amount
46	Unicorn Group	Recycled Water Banners (4)	379.75
47	USA BlueBook	2" Gaskets (2) & Aggressive Sorbent Pads (2) (STP) (\$191)	245.54
48	VWR International LLC	Syringes (100) (Lab)	54.23
49	White & Prescott	Prog Pymt#15: AEEP Easement Support - B2 Reach A (Balance Remaining on Contract \$50,780)	810.00
50	Wood Rodgers, Inc.	Prog Pymt#6: Provide Engineering & Hydrogeological Services-Gallagher Well #2 (Balance Remaining on Contract \$20,074)	1,250.00
51	Jerry & Don's Yager Pump&Well	Parts for Gallagher Well #2	12,159.47
52	ZORO	Couplings (4)	186.87
TOTAL DISBURSEMENTS			<u>\$953,847.82</u>

The foregoing payroll and accounts payable vouchers totaling \$953,847.82 are hereby approved and authorized for payment.

Julie Blue 03/22/22
Auditor-Controller Date

[Signature] 3/22/2022
General Manager Date

DISBURSEMENTS - DATED MARCH 31, 2022

Date Prepared 3/28/22

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

<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
90472*	CALPERs	April Insurance Premium (Employer \$50,022, Retirees \$11,389 & Employee Contribution \$8,883)	\$70,293.67
90471*	US Bank Card	Travel Expenses for CA Society of Municipal Finance Officers Conference (\$717), Router for Lab @ Buck Institute (\$591), Email Licensing Jan & Feb 2022 (\$587), Programmable Timer Relay (\$128), Water Jet Eductor for Granulated Activated Carbon @ STP (\$188), Solid State Drives (4) (\$1,220), Zoom for Board Meetings (\$47), AWWA Webinar for Engineering (\$75), & Sonoma County Recorder-Copy of Quitclaim Deed (\$6), Less Misc. Credits (\$387)	3,171.99
1	100 Wood Hollow	Deposit for Lease at 100 Wood Hollow	5,000.00
2	Allied Mechanical	Front Office HVAC Repairs	2,189.93
3	Alpha Analytical Labs	Water Quality Monitoring (Novato)	1,855.00
4	American Family Life Ins	AFLAC-March Employee Paid Benefit	3,402.29
5	Anayas, Russell	Novato "Toilet Rebate" Program	125.00
6	Athens Administrators	Refund Payment-Sent to NMWD in Error	120.00
7	AT&T	March Internet Service	100.95
8	Badger Meter	1" Meters (80)	17,437.80
9	Bearings & Hydraulics	Tie Down Straps (4)	155.31
10	Bold & Polisher	February Legal Fees -General (\$4,568), Redistricting (\$3,060), Novato/WM Water Rights Review (\$7,667) & Potter Valley FERC NMWD Portion (\$405)	15,699.50
11	Borges & Mahoney	Maintenance on Equipment (\$964) & Battery for Chlorine Valves (\$108) (STP)	1,072.81
12	Bucy, Ada	Novato "Toilet Rebate" Program	152.00

Seq	Payable To	For	Amount
13	Chor, Tat	Novato "Washer Rebate" Program	100.00
14	Core Utilities, Inc	Consulting Services: February IT Support (\$6,000), CORE Billing Maintenance (\$775) & Prog Pymt#5: Front Office Network Design Review, Temp Office Relocation & Construction Inspections (\$4,400) (Balance Remaining on Contract \$3,550)	11,175.00
15	Environmental Management	Driveway Repair & Improvement Regarding PRE Tank 4A (420 Drakes View Drive)	3,271.76
16	Evoqua Water Technologies LLC	Service on Deionization System (Lab)	333.99
17	Fiserv/Bastogne Inc.	Return Payment-Not Our Customer	351.23
18	Fishman Supply Co	Safety Glasses & Waterproof Pants (Lab)	187.15
19	Grainger	Repair Parts for PRTP Chlorine Line (\$197), Sump Pump (Harbor Drive) (\$301) & Miscellaneous Maintenance Tools & Supplies (\$219)	716.95
20	Home Depot	Rapid Set Concrete (50 bags) (\$745) & Router for Elect/Mech (\$293)	1,038.20
21	Kelly Services, Inc.	Organic Chemist Temp Services (38 hrs) (\$2,355) & Conversion Fee (\$3,924) (Lab)	6,278.59
22	Maloney Jr., James P.	Novato "Washer Rebate" Program	100.00
23	County of Marin	Cost to Adjust Utilities (2021 Northern Region Road Rehabilitation Phase 2-Adjust 13 Water Valves)	2,860.00
24	McKissack, Cathy	Novato "Toilet Rebate" Program	125.00
25	Mutual of Omaha	April 2022 Life Insurance Premium	1,127.39
26	NMWD Employee Association	Dues (12/15/21-3/15/22)	1,370.00
27	Pace Supply	Pipe (\$110), Grate & 8" Tapping Sleeve	1,225.25
28	Pearce, Robert	Exp Reimb: D2 Online Training Course	171.53
29	PES Environmental, Inc.	Prog Pymt#7: NMWD Pre-Renovation Building Survey (Balance Remaining on Contract \$6,745)	1,520.50

Seq	Payable To	For	Amount
30	North Marin Water Petty Cash	Dam Safety Class (\$25), Boat Licenses for STP (2) (\$20), Safety Supplies (\$22) & Supplies for Patio Picnic (\$35)	102.09
31	Rader Excavating	Traffic Control Services (Redwood Credit Union)	7,612.18
32	Sachdeva, Stuti & Tarun	Refund Overpayment on Open Account	1,500.00
33	Sessions Rise HOA	Return Payment-Not Our Customer	4,823.74
34	Sonoma County Water Agency	Conservation Support Program (7/1/21-9/30/21)	1,417.15
35	Syar Industries Inc	Sand (16 yds)	970.58
36	USA BlueBook	Pump for Oceana Marin	163.71
37	US Postal Service	Meter Postage	1,000.00
38	Waste Management	Green Waste Disposal	99.10
39	Weigel, Anna	Novato "Cash for Grass" Rebate Program	437.00
40	Winzer Corporation	Grinder Disks (70)	413.16
41	ZORO	Umbrella Base	55.70
		TOTAL DISBURSEMENTS	<u>\$171,323.20</u>

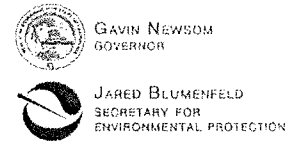
The foregoing payroll and accounts payable vouchers totaling \$171,323.20 are hereby approved and authorized for payment.


Auditor-Controller

03/28/2022
Date


General Manager

03/28/2022
Date



BOARD MISC

State Water Resources Control Board
Division of Drinking Water

RECEIVED

March 8, 2022

MAR 17 2022

Drew McIntyre
North Marin Water District
999 Rush Creek Place
Novato, Ca 94948

North Marin Water District

**North Marin Water District CA2110003
Water Partnership and Regionalization Opportunities**

Dear Drew McIntyre,

In recognition of the challenges of increasing droughts, fires and aging infrastructure, the State Water Resources Control Board's (State Water Board) Division of Drinking Water is working to facilitate water partnerships and decrease water infrastructure fragmentation to help increase water resiliency across California.

North Marin Water District is in close proximity to or encompasses several small public water systems. Please see the attached map for more information. Due to close proximity, we encourage you to explore whether water partnership or consolidation is an option for your system and these nearby communities.

The State Water Board is also emphasizing consolidation and regionalization opportunities that occur via state funding by providing financial incentives to larger water systems. Incentives for consolidation may include, but are not limited to:

- Principle forgiveness/grant funding of up to \$5,000 per connection when consolidating a small, disadvantaged water system, and up to \$10,000 per connection for a small, severely disadvantaged water system, with maximum of \$5 million per water system. Grant funding will be prioritized for addressing health-based violations for the small water system (Funding category A-C). This is in addition to any funding for the construction of the consolidation project.
- Up to \$10 million in zero percent (0%) interest rate financing from available sources for a construction project that solely benefits a receiving PWS when the

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

March 8, 2022

PWS fully consolidates one or more small water systems or extends service to one or more communities having at least 15 service connections or a year-round population of at least 25 people that are not currently served by a PWS; the Deputy Director may approve an interest rate for repayable DWSRF financing for the consolidation project not less than 0%.

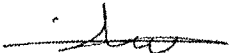
- Eligible principal forgiveness/grant funding to increase a receiving public water system's (PWS) water supply capacity if the PWS does not have sufficient capacity to serve the additional customers of the subsumed PWS; if repayable financing is needed to provide additional capacity to consolidate a PWS, it will be provided at zero percent (0%).
- Prioritization of consolidation projects for Drinking Water State Revolving Fund (DWSRF) and associated drinking water funding.

We hope that you consider these financial incentives and reach out to neighboring water systems to hold discussions on the possibilities of water partnerships and regionalization. The State Water Board's Engagement Units can assist in facilitating individual outreach to nearby water systems or setting up meetings and calls. Examples of highlighted success stories can be found on our website at:

www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/engagement_unit.html

To further discuss the benefits of water partnerships, consolidations and regionalization in your area and to facilitate local introductions, please contact me via email at Sarah.Mahdi@waterboards.ca.gov.

Sincerely,



Sarah Mahdi
Water Resource Control Engineer, Northern Engagement Unit
State Water Resources Control Board, Division of Drinking Water

COAST SPRINGS - CAL WATER SERVICE (PUC) - LAWSON'S LANDING

PETALUMA, CITY OF

WALKER CREEK RANCH EDUCATIONAL CENTER

SPEEDWAY SONOMA

CSP - TOMALES BAY ST PARK

INVERNESS PUBLIC UTILITY DIST

NORTH MARIN WATER DISTRICT

NORTH MARIN WD PT REYES

SKYWALKER RANCH

NPS PRNS - BEACHES

CSP - SAMUEL TAYLOR ST PARK

NPS PRNS - LIGHTHOUSE

CAMP TAMARANCHO

NPS PRNS - GLEN AND WILDCAT CAMPGROUNDS

MARIN MUNICIPAL WATER DISTRICT

AUDUBON CANYON RANCH - MGP VOLUNTEER

STINSON BEACH COUNTY WTR DIST

CSP - ANGEL ISLAND

NPS GGNRA

TREAS

San Pablo Bay Wildlife Area

San Rafael

MEMORANDUM

To: Board of Directors

April 1, 2022

From: Julie Blue, Auditor-Controller *JB*
Nancy Williamson, Senior Accountant *NW*

Subj: Update – Polybutylene Pipe Population
t:\ac\board reports\board memos\2022\pb population update fy22.docx

RECOMMENDED ACTION: None

FINANCIAL IMPACT: None

In December 2010 the final product liability settlement agreement was reached with the manufacturers, extruders, and distributors of Polybutylene (PB) pipe in regards to premature failure of PB pipe. A 2011 Memorandum recounting the liability claim settlement is attached (Attachment A). This memo provides the status of the replacement plan of PB pipe.

To date the District has replaced 94% of the installed PB pipe population. Attachment B shows that the PB pipe annual failure rate jumped to over 3% of the population beginning in FY08, and has steadily climbed running at an average of 12.5% in the last 5 fiscal years. Assuming the failure rate remains constant at 12.5% and 50 services are pre-emptively replaced annually, the entire PB population will be replaced by 2027 (Attachment C).

Note on Attachment D that the number of failures occurring annually over the past 25 years averaged 94 per year. The number of failures occurring annually over the past 10 years averaged 108 per year, demonstrating that the pipe has reached the end of its useful life and that maintaining the planned replacement program is worthwhile.

MEMORANDUM

To: Board of Directors

April 1, 2011

From: David L. Bentley, Auditor-Controller

Subj: Information – Polybutylene Pipe Product Liability Claim Close
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The District's polybutylene (PB) pipe product liability claim settlement agreement with Shell Oil concluded in December 2010. Following is a wrap-up report.

Background

The District began using PB pipe in place of copper for its service line installations in fiscal year 1970/71. PB pipe sold for pennies on the dollar compared to copper, and was warranted to have the same life as copper. The District installed 6,510 PB services through FY1984/85. Commencing in the early 1980s the District began to recognize an increasing rate of premature failure in the PB service lines, primarily cracking and pinholes near the main and meter fittings, but also longitudinally along the center of the span. Response from the manufacturer was that the District was not installing the product correctly.

Crews experimented with a variety of installation techniques, yet the failures escalated. Circa 1985/86, the District learned about a product liability claim by the City of San Antonio, Texas, regarding PB pipe. The District contacted San Antonio's legal counsel, accumulated data, and filed claim against the manufacturers, extruders, and distributors of PB pipe, as well as the manufacturers of compression fittings used for installation of the pipe. The District's claim asserted that the pipe is "subject to failure in the nature of cracking, splitting, shearing and pinholing, the pipe is not durable, prematurely deteriorates and decays, and is wholly unsatisfactory for use in the District's water distribution system." Six years later, settlement was reached with all seven defendants. Cash settlement money received totaled \$1,088,500.

Resin Manufacturers

Mobil Oil (1,718 services installed 1971-73).....	\$100,000
Witco (2,100 services installed 1974-78).....	495,000
Shell Oil (2,326 services installed 1978-85)	42,000

Extruder

Wesflex	100,000
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Distributor

P.E. O'Hair	175,000
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Fittings Manufacturers

Ford Meter Box	150,000
Mueller	26,500

Total settlement money received	<u>\$1,088,500</u>
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Prospective Agreements

In addition to the cash settlements, the District entered into prospective agreements with Shell Oil and P.E. O'Hair for further reimbursement. Shell Oil agreed to share in the cost of replacement of certain PB failures occurring in pipe installed after July 1, 1978 (the date Shell assumed ownership of the resin manufacturing company) through 2010. In addition, P.E. O'Hair agreed to sell the District \$175,000 of Type K copper service line at its wholesale cost. The amount received from these defendants under the prospective agreements (now concluded) totaled \$214,504.

Shell Oil reimbursement	\$195,691
P.E. O'Hair wholesale discount	<u>18,813</u>
Received under prospective agreements	<u>\$214,504</u>

The District installed 2,326 services with Shell PB resin from July 1978 through December 1985. Since the settlement with Shell, the District experienced 423 Shell service line failures subject to reimbursement. Total settlement and prospective agreement money received was \$1,303,004.

Total settlement money received	\$1,088,500
Received under prospective agreements	<u>214,504</u>
Total settlement	<u>\$1,303,004</u>

Cost of Litigation

The District spent \$393,061 in legal and expert witness fees to obtain the settlements achieved. Staff time incurred in researching and documenting the claim, the majority of which was expended by Chief Engineer Jim Fritz, and miscellaneous other expenses, totaled \$65,521. Staff time does not include District administrative staff, which was not accounted for separately.

Legal Expense:

Edward L. Kurth, Attorney at Law	\$38,679
Jones Kurth & Treat	90,673
Sawtelle Goode et al	204,731
Bold & Polisner	26,111
Bianchi Engel et al	11,112
Ragghianti Lusse et al	6,350
Expert Witness Fees	<u>15,406</u>
Total Legal Expense	<u>\$393,061</u>

Staff & Other Miscellaneous Expense:

Staff time	\$62,468
Other miscellaneous expense	<u>3,053</u>
Total Staff & Other	<u>\$65,521</u>

Total Legal & Staff Expense	<u>\$458,583</u>
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Damages Incurred

From 1971 through 1985, the District installed 6,143 PB services. In addition, 367 PB services that failed prior to 1986, before the problem was identified as a defective product, were replaced with new PB. Through June 30, 2010, the District suffered 2,012 service line failures and replaced 1,825 services on a pre-emptive basis (i.e., replacement prior to failure). Thus, there are 2,306 PB services remaining in the system. The repair and replacement cost of the PB thus far has been:

		Avg cost per service
PB Replacement Expense through 6/30/10		
1,645 Emergency Repairs (Post 1985).....	\$3,174,089	\$1,930
367 Emergency Repairs (Pre 1985) ¹	500,000	1,362
1,825 Pre-emptive Replacements	<u>1,721,674</u>	<u>943</u>
Total PB Replacement Expense to date.....	\$5,395,763	\$1,406

Estimated Future Damages

The District has replaced 59% of the installed PB pipe population. Attachment A shows that the PB pipe annual failure rate jumped to over 3% of the population beginning in FY08 and has remained there, running in excess of 3% again in FY11. The Novato Water System Master Plan forecasts replacement of 100 PB services annually, up from the historical average of 70 per year as shown on Attachment B. Assuming the failure rate remains constant at 3% and 100 services are pre-emptively replaced annually, 740 additional failures will occur over the next 19 years, at which time the entire PB population will have been replaced. This forecast exceeds the 22 year period based on the historical trend (Attachment C).

The average cost to repair a service on a pre-emptive basis was \$1,453 over the past five years, compared to \$2,622 when done on an emergency basis. The District therefore faces another \$4,700,000² in estimated future cost to replace the remaining PB services. To recap:

Cost:

PB Repair Cost Incurred to Date	\$5,395,763
Expected Future PB Repair Cost.....	<u>4,700,000</u>
Subtotal.....	\$10,095,763
Cost to Wage Lawsuit	<u>458,583</u>
Total Cost.....	\$10,554,346

Cost Recovery:

Money Received from Lawsuit.....	\$1,303,004
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Net Out-Of-Pocket

Due to Defective PB Product.....	<u>\$9,251,342</u>
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Path Forward

¹ Amount is estimated - actual cost of emergency PB repairs prior to 1985 was not accounted for separately.

² Pre-emptive replacement of 1,900 services at \$1,453 plus emergency replacement of 740 services at \$2,622 = \$4,700,980.

The cost of repairing a service on a planned pre-emptive basis averaged \$1,453 over the past five years, compared to \$2,622 when done on an emergency basis. Obviously it is advantageous to replace services in mass on a pre-emptive basis in those areas where frequent failure is experienced.

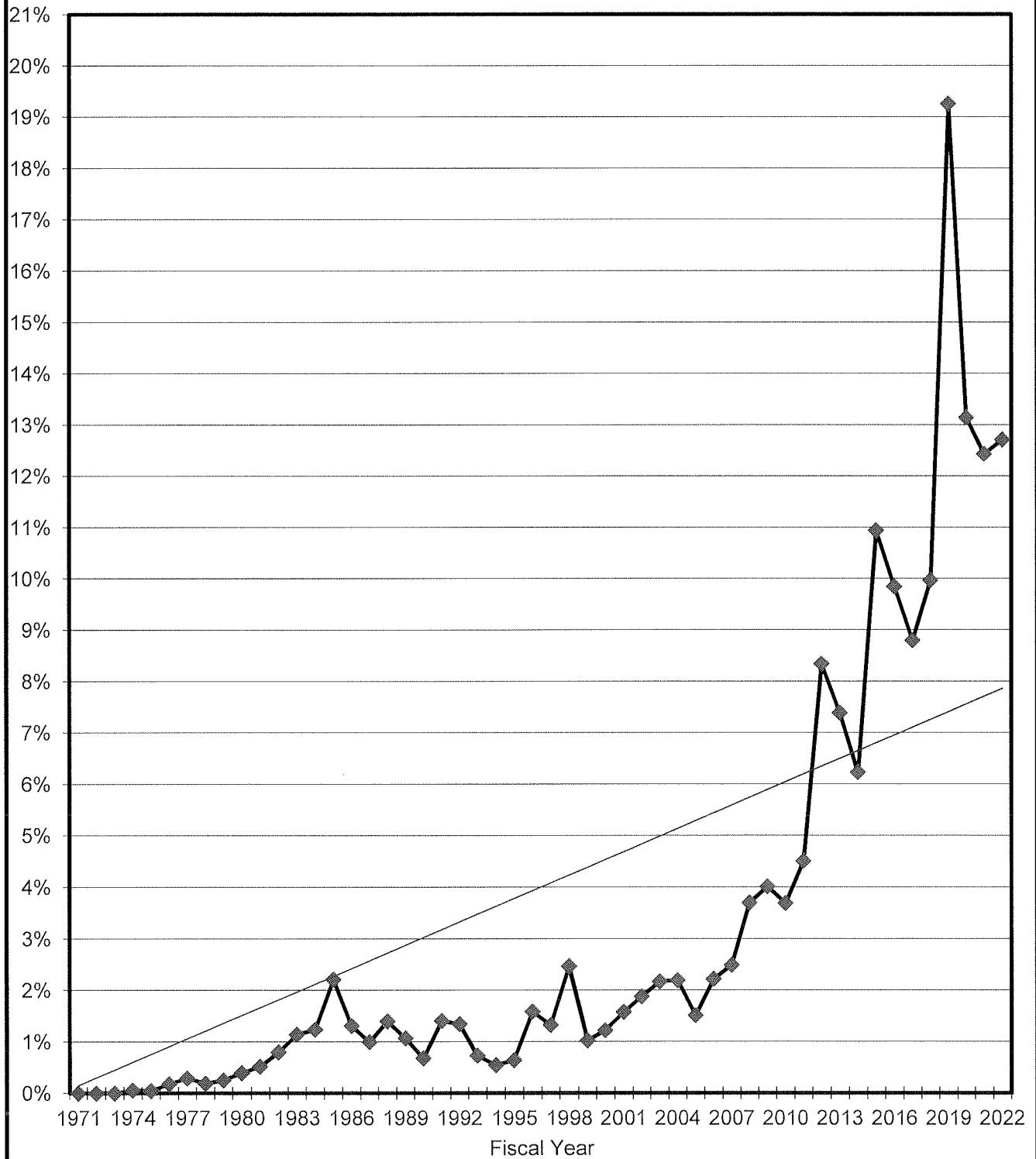
Note on Attachment D that the number of failures occurring annually over the past 25 years is trending upward, and averaged over 100 during the past three years. This is a 67% increase over the prior 10-year period, suggesting that the pipe is reaching the end of its useful life and that maintaining the planned replacement program is worthwhile. Note the contrast with copper service line failures, which, as a percentage of the population of pipe in the ground, are remaining relatively constant at less than 0.5%, while PB failures over the past five years have spiked to 3% (Attachment E).

However, the rate of Shell pipe failures, tracked separately under the settlement agreement, is declining (Attachment F). This gives some credence to Shell's argument that the resin formula and extrusion process was corrected under their ownership so that the premature failure problem was resolved. In fact, over 80% of the installed Shell pipe remains in service³. T

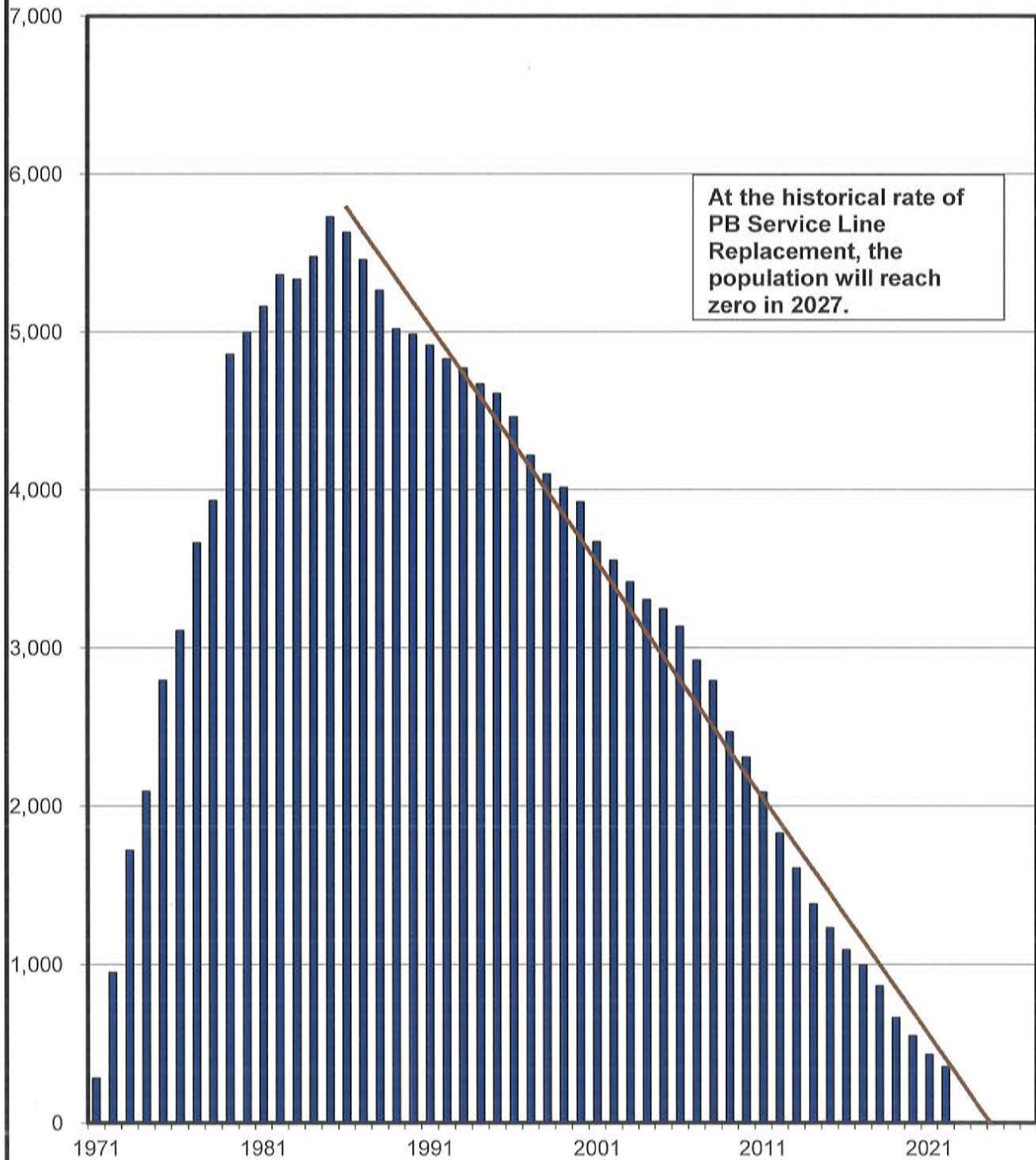
Therefore, the preplanned replacements will be targeted to replace the Mobil and Witco services installed between 1971 and 1978. We will continue to monitor the Shell pipe failures before moving to pre-emptively replace them.

³ Services installed with Shell resin comprised 2,326 (36%) of the 6,510 total PB services installed. At 6/30/10 Shell's 1,891 remaining services comprised 71% of the 2,673 PB services remaining.

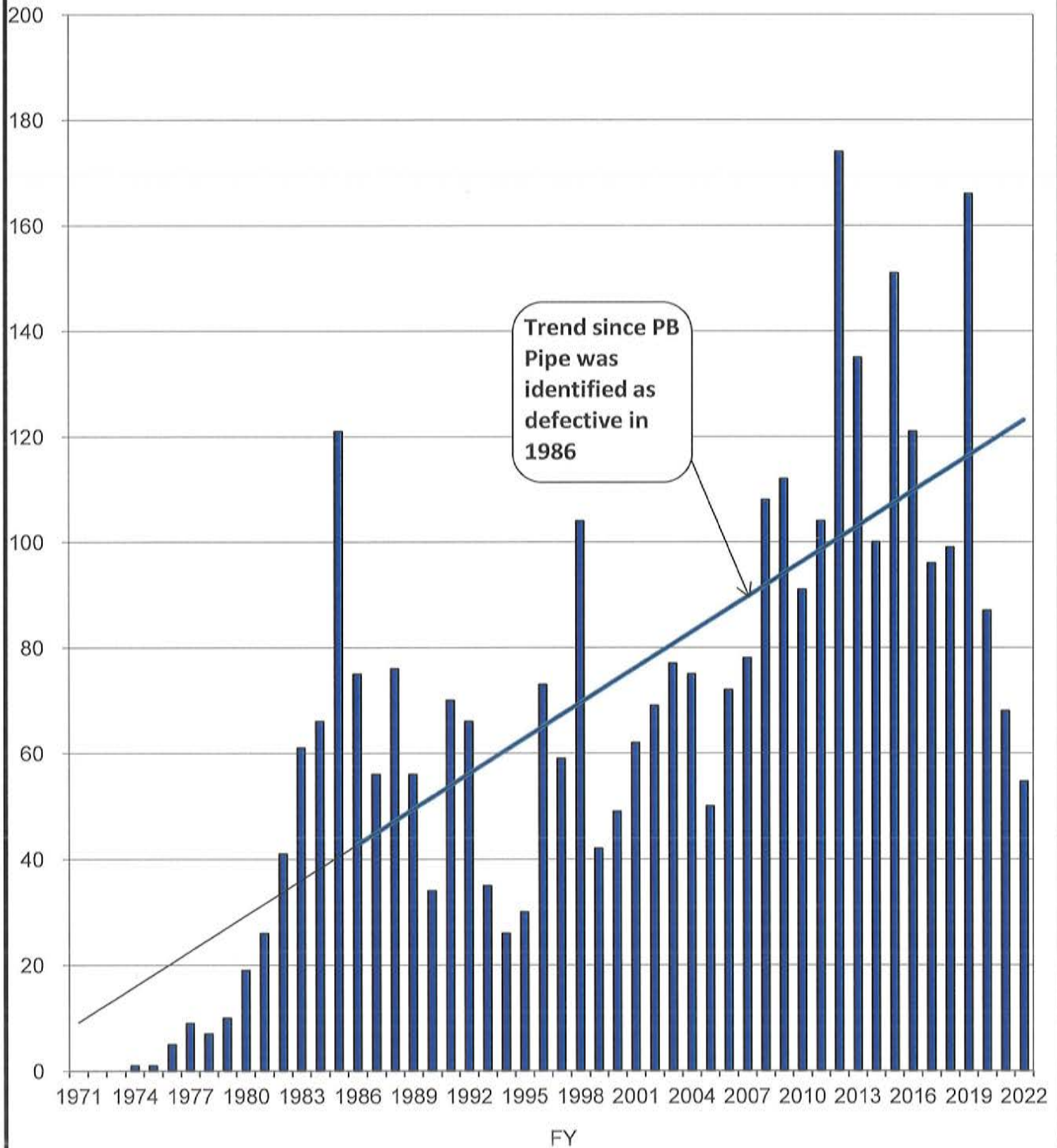
% of Polybutylene Pipe Population Failing by Fiscal Year



NMWD Polybutylene Pipe Service Line Population



Polybutylene Pipe Failures by Fiscal Year



Californians falling short of water savings targets

DROUGHT

MMWD conservation ranks better than majority of state

Marin Independent Journal

By Paul Rogers

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As California's severe drought worsens, with reservoir levels falling and the Sierra Nevada snow pack shrinking, the state's residents are failing by a large margin to hit voluntary water conservation targets set by Gov. Gavin Newsom.

Last July, Newsom declared a drought emergency and asked Californians to cut urban water use 15% compared to 2020 levels.

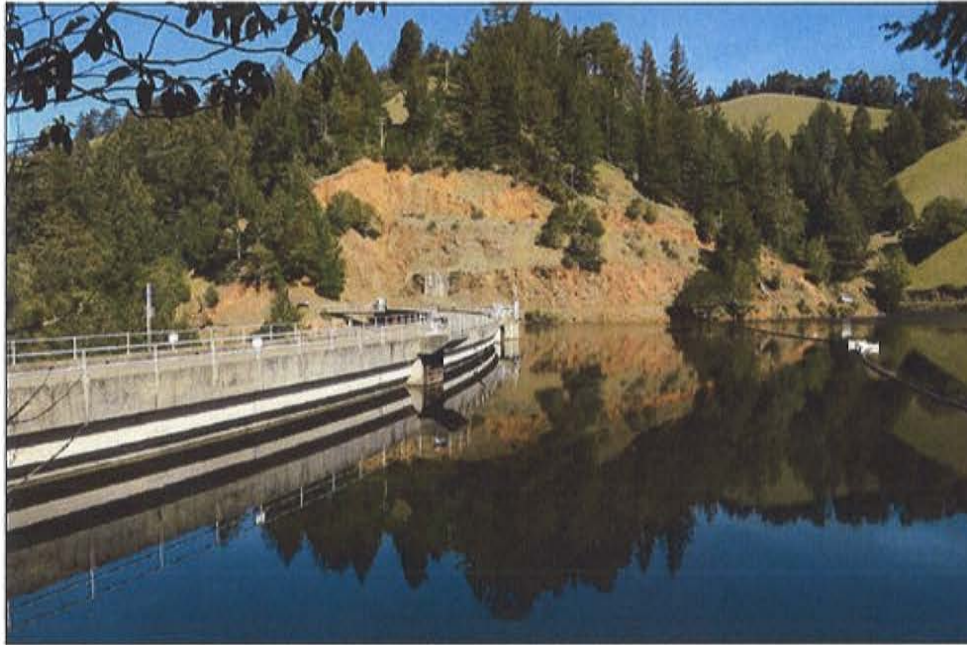
But in January, they did the opposite, increasing water use 2.6% compared to January 2020, according to new data released Tuesday by the State Water Resources Control Board.

Cumulatively, from July to January, Californians reduced urban water use statewide by 6.4% — less than half of Newsom's target, compared to the same time period in 2020.

"There's a lot of untapped potential," said Charlotte Ely, a conservation supervisor with the State Water Resources Control Board. "There's a lot more that we can do. We can get there. We will get there. These numbers are a good wake-up call that we need to buckle up and get going."

In Marin, the Marin Municipal Water District had better conservation compared to the majority of the state in January, cutting water use by about 9.5% compared to January 2020. The district, which serves 191,000 residents in central and southern Marin, is not facing as immediate a water shortage crisis as other areas across California. The district's seven reservoirs in the Mount Tamalpais watershed were nearly refilled after rains in late 2021 and were about 93% full as of the end of Tuesday. In response, the district relaxed some of the restrictions adopted last year, including replacing the ban on outdoor watering with a two-day-per week limit. "Our storage projection does indicate we're going to be near average levels for the end of the water year even if we have no additional rain," Paul Sellier, a district official, told the board of directors on

Tuesday. “Recognizing that the state is still in drought conditions and we’re a little bit better off than our peers in the Bay Area, our messaging and actions for our customers is really to continue to use water wisely.”



Alpine Lake at Alpine Dam in Fairfax on Wednesday. The Marin Municipal Water District’s seven reservoirs were nearly refilled after rains in late 2021 and were about 93% full as of the end of Tuesday.

PHOTOS BY SHERRY LAVARS — MARIN INDEPENDENT JOURNAL



A sign posted by MarinWater.org along the Miracle Mile on Red Hill Road in San Anselmo encourages water conservation.

The North Marin Water District increased its water use by 5.4% in January compared to the same month two years ago, according to the state data. However, data submitted to the state for January 2022 included 32 days of water use compared to just 28 days submitted for January 2020, said Drew McIntyre, the utility's general manager.

“When taking into account the number of billing days, actual daily water use in January 2022 was about 3.7 million gallons per day,” McIntyre wrote in an email. “This is about 7.5% less than the 4 MGD water use in January 2020.”

With wildfires, the pandemic and now a war in Europe, the public has spent the past two years immersed in crises. Some experts say that has made it more difficult for people to realize the severity of California's drought.

“People are just not paying attention that much,” said Newsha Ajami, a hydrologist and research director with Lawrence Berkeley National Laboratory. “Drought is a topic, but it is not the topic. The public is not getting the message. This is a serious drought. Our reservoirs and groundwater basins are still below normal. And our water system is under so much stress. People should be taking out their lawns and watering landscaping no more than one day a week.”

Across the state, most cities and local water districts have asked — not ordered — customers to conserve water, and to limit the number of days they irrigate landscaping. Agencies have increased conservation incentives, like offering rebates to people who buy water-efficient appliances.

But in many communities, including most Bay Area cities, there are no consequences for missing water targets, and no enforcement of existing rules for those who waste water.

The central question now with a long, hot summer looming is whether Newsom will shift his water conservation call from voluntary to mandatory, with financial penalties for cities and water districts that fail to hit the targets.

On Monday, Newsom announced \$8 million in new state funding for a public outreach campaign to boost conservation. But his office has not announced new funding for water storage projects, or said whether conservation rules will become mandatory.

During California's last drought, from 2012 to 2016, former Gov. Jerry Brown at first issued a voluntary call for conservation. But when Californians failed to meet his targets and the drought worsened, Brown issued a 25% mandatory urban water use rule, with targets and fines for agencies that failed to meet them. Some water agencies complained

because local water agencies make less money when they sell less water, unless they raise water rates. But Brown achieved the conservation target.

California's current drought is now moving into a third year. After a rainy October and December, January and February were the driest combined first two months of a year since records began in 1921.

The Sierra Nevada snowpack — the source of nearly one-third of California's drinking water — hit 168% of normal on New Year's Day, boosting hopes that the drought was ending. But with almost no rain and snow since then, those hopes were dashed: On Tuesday the snowpack was just 58% of its historical average, with winter nearly over.

Conditions in 2020, 2021 and 2022 are drier and hotter than conditions during the peak of California's last drought, which was considered the most severe in the state's history back to 1850.

"We're on pace to outdo the driest three years of that drought — 2013, 2014 and 2015," said Michael Anderson, state climatologist with the California Department of Water Resources.

Water use numbers released Tuesday show that Northern California residents continue to conserve more water than Southern California residents.

Cumulatively, from July 2021 to January 2022, Bay Area residents reduced water use by 11% compared with July 2020 to January 2021. But residents of the "South Coast" area, which includes Los Angeles, San Diego and Orange County, reduced use by less than half that, 5.1%.

Droughts always have been a part of California's weather. Climate change is making them worse, scientists say, with hotter temperatures that melt snowpack more quickly, increase fire risk and dry out soil and vegetation.

"We're beginning to see the progression that you would see with climate change," Anderson said.

A study published last month by scientists at UCLA and other universities found that the past 22 years in California and the West have been the driest 22-year period of any in the past 1,200 years, based on an analysis of tree rings. Conditions weren't drier and hotter in 800 A.D., the researchers said, it's only that tree ring records only accurately go back that far.

Meanwhile, reservoir levels across much of California remain below average and are falling with little rain to fill them.

California's largest reservoir, Shasta Lake, near Redding, was 38% full Tuesday, and its second largest, Lake Oroville, in Butte County, was 46% full.

The U.S. Drought Monitor, a weekly federal report, said Thursday that despite December rains that helped reduce drought severity, 87% of California remains in a severe drought, including all of the Bay Area. And 13% of the state — including Mendocino County, and parts of Inyo and San Bernardino — are mired in extreme drought.

Since nobody knows how many more years this drought will last, it's common sense to save water, Ajami said.

"If you weren't sure you were going to have a job next year, you wouldn't spend all your money this year," she said. "You would be much more thoughtful. Water is the same thing." *Independent Journal reporter Will Houston contributed to this report.*



David Supan of San Francisco stops to check out the water level while riding past Alpine Lake in Fairfax on Wednesday. The Marin Municipal Water District's seven reservoirs were nearly refilled after rains in late 2021 and were about 93% full as of the end of Tuesday.

SHERRY LAVARS — MARIN INDEPENDENT JOURNAL

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Thursday, 03/17/2022 Page .A01Copyright Terms and T

Marin studies new water sources

MMWD STRATEGY

Options sought to help handle future droughts

Marin Independent Journal

By Will Houston

whouston@marinij.com

The Marin Municipal Water District has launched an effort to explore new sources of water and study how it might help the county weather future droughts.

The study comes after the district and the 191,000 residents in central and southern Marin it serves faced potentially depleted reservoirs following two years of drought.

To prevent running out of water, the district scrambled to plan a \$100 million emergency pipeline across the Richmond-San Rafael Bridge to pump in water purchased from the Sacramento Valley before mid-2022.

But heavy rains in late 2021 worked to nearly refill the district's reservoirs, allowing the district to take a step back from the emergency and take a more in-depth look at new supply options, Paul Sellier, a district official, said during a public workshop this month.

"We have a little bit more time with the water supply that we now have, and that's going to allow us to take this strategic water supply assessment," Sellier said. "The result of the assessment will be a road map toward water supply resiliency."

A variety of options is on the table for the assessment, including the bridge pipeline, also called intertie; a desalination plant; raising dams at reservoirs; expanding the recycled water system; and groundwater banking in partnership with the Sonoma Water agency.



Water rushes down the spillway at Peters Dam at Kent Lake near Lagunitas on Jan. 6.

The assessment will be performed by the Texas based Jacobs Engineering Group. The company's project manager, Armin Munevar, said the study will have two main phases.

The first is to study how the district's two-year water supply could be affected by future changes such as increased demand, a variety of drought scenarios and climate projections. The group will also run these same stress tests against scenarios where the district has more water supplies to see how they compare.

"What we're attempting to do is explore different futures, droughts, demands, policies, et cetera, and ensure that the system is resilient given those plausible futures," Munevar said. "We're not trying to predict one particular outcome."

The study will then look at a variety of new water sources and evaluate their costs, their resiliency in future droughts, environmental impacts and social factors.

"What we may find is some of the alternatives work best in combination with other alternatives," Munevar said. "So, there is likely a process where we'll develop portfolios of a combination of alternatives."

A second public workshop set to take place in May or June will provide an update on some of these efforts. In June and July, the study will review the water sources and prepare a final report. A third public workshop will be held in July or August.

Ratepayers who attended the March 9 workshop had questions and comments ranging from desalination options to the role of conservation to housing development impacts.

“Could our potential intertie be able to connect us to a future desalination plant in the San Pablo Bay so we can draw from that source rather than needing our own desal system?” Beryn Hammill asked district staff.

Steve Isaacs asked the board whether it has given Jacobs Engineering Group a set water supply target it wants to achieve.

“A two-year water supply for Marin has been an acceptable strategy for the MMWD board, and that has been a disaster,” Isaacs said.

Ben Horenstein, the district’s general manager, said the first part of the study will be exploring the amount of water the utility might want to obtain rather than setting a specific target now.

“I’m really not seeing the disaster,” Horenstein said. “What I’m seeing is a district responding to the external change of climate change in a similar fashion as we did in the late 70s and early 80s when we had the record drought back then.”

Sellier said the district can’t arbitrarily select a number for storage.

“It needs to have some basis, and that’s what we’re trying to do with this water supply assessment,” Sellier said.

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Sunday, 03/20/2022 Page .A01