



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
June 21, 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 , June 7, 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
	5.	MONTHLY PROGRESS REPORT
	CONSENT CALENDAR The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.	
	6.	Consent - Approve: Re-Authorizing Meetings by Teleconference of Legislative Bodies of North Marin Water District Resolution
	ACTION CALENDAR	
	7.	Approve: Consulting Services Agreement with PES Environmental
	8.	Approve: Revised Inter-Agency Agreement for Recycled Water between Las Gallinas Valley Sanitation District and North Marin Water District
	INFORMATION ITEMS	
	9.	2022 Drought Update and District Response
	10.	FY 2020/21 Third Quarter Progress Report -Water Quality
	11.	MISCELLANEOUS Disbursements – Dated June 9, 2022 Disbursements – Dated June 16, 2022 Point Reyes Light – NMWD Public Hearing Notice – West Marin Water Service Area Point Reyes Light – NMWD Public Hearing Notice – Oceana Marin Sewer Service Marin IJ – NMWD Public Hearing Notice - Novato FY22/23 Insurance Renewal <u>News Articles:</u> Marin IJ – Novato set to overhaul service fees – SEPT. 1 START Marin IJ – System delivers modest rain to parched region – BAY AREA Marin IJ – Lawmakers weigh buying out farmers to save water – STATE LEGISLATURE Mendocino County Public Broadcasting – Requested variance would result in drastic curtailments Mendo County Water News – PG&E Requests Variance from FERC for Lake Pillsbury Diversions Marin IJ – Editorial -Smart meters a key tool for conservation Marin IJ – California water use ignores drought – URBAN AREAS

Est. Time	Item	Subject
		Marin IJ – Spread of virus still up, but flat
		Marin IJ – Biologists: Late-2021 rains were big boost for salmon – WEST MARIN
		Marin IJ – Editorial – Agricultural water waste must be curbed
		Novato Advance – Drought stalks Marin once again – Marin County
		Marin IJ – Opinion – MMWD incumbents address water supply question
		Marin IJ – Opinion – Agricultural water waste must be curbed
7:30 p.m.	12.	<i>ADJOURNMENT</i>

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 7, 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 Rick Fraites, Jim Grossi, Michael Joly and Stephen Petterle. Director Baker joined the meeting shortly after roll call.

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. Williams performed a roll call of staff, participating remotely were, Tony Williams (General Manager/Chief Engineer), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Robert Clark (Operations/Maintenance Superintendent), Ryan Grisso (Water Conservation Coordinator) and Pete Castellucci (Distribution/Maintenance Foreman) and Tony Arendell (Construction/Maintenance Superintendent) joined the meeting shortly after roll call. Additionally, District employee Connie Filippi (Accounting Clerk II) joined the meeting. Also participating remotely were Craig Judson (Legal Counsel) and IT consultant Clay Smedshammer (Core Utilities).

President Petterle requested that for those joining the virtual meeting from the public to identify themselves. Participating remotely were Steve Gogler and Roger Burstrem.

36 **MINUTES**

37 On motion of Director Joly seconded by Director Fraites, the Board approved the minutes
38 from the May 17, 2022 Regular Board Meeting by the following vote:

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

40 NOES: None

41 ABSTAIN: None

42 ABSENT: None

43 **GENERAL MANAGER'S REPORT**

44 Mr. Williams reminded the Board that at the last meeting there was a discussion as to
45 whether we needed to hold the scheduled June 21st regular meeting. He stated that, at this time
46 staff does have some items for Board consideration, therefore we plan to hold the meeting. Mr.
47 Williams added that the meeting should be relatively short.

48 Mr. Williams reported that per the District Stafford Rain Gauge as well as two county
49 gauges, Novato recorded 0.12 inches of rain over the weekend. He stated that although this
50 added precipitation, it does not help with drought relief. Mr. Williams added June rains are always
51 appreciated.

52 Mr. Williams announced the Closed Session item is scheduled directly after the end of the
53 open session. He noted that the attorney will be available around 7:00 p.m. due to an engagement
54 with another agency and he hoped to be close to that timeline.

55 Mr. Williams apprised the Board that in Marin and the Bay Area in general, there has been
56 a spike in COVID-19 cases. He added that the District has recently seen a spike, and noted that
57 he has also been out with symptoms and is awaiting test results.

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

60 **OPEN TIME**

61 President Petterle asked if anyone from the public wished to bring up an item not on the
62 agenda.

63 Roger Burstrem stated that he lives in the Hamilton area of Novato and has been on the
64 Meadow Park Homeowners Association Board for eleven years, where he serves as treasurer.
65 He added that he is concerned about the water supply and noted that 85% of the irrigation in
66 Meadow Park uses recycled water, but there in one area that is still using potable water and asked
67 if the District would be looking into it, noting the homeowners would love to see this on the agenda.

Director Petterle thanked Mr. Burstrem for coming to the meeting, however he noted that since this was not an item placed on the agenda, it is not up for discussion. He added that the General Manager or other staff members will contact him directly. Director Petterle thanked Mr. Burstrem for bringing it to the Board's attention.

STAFF/DIRECTORS REPORTS

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

Ms. Blue announced that on May 31st the bank loan for the Administration and Lab Renovation Project closed with a 3.11% interest rate. She noted that the cost of issuance was \$124,000 and we are ready to go forward with the building remodel. Director Joly asked if this included the building permit. Ms. Blue clarified that she only reporting on the funding part of the project. Director Petterle congratulated Ms. Blue for her good work and success with securing the loan. Director Joly also congratulated Ms. Blue.

Mr. Castellucci reported there was a main break on Arthur Street which involved a 90-degree elbow on a pipe that was over 50 years old. Director Joly asked if there was any damage to private property. Mr. Castellucci confirmed there was some landscape damage and he told the consumer to send the District the bill from her landscaper once it was repaired. He added that the consumer was very nice and understanding of the emergency situation. Director Joly stated that this was a good response. Director Baker asked if that pipe was scheduled for replacement, or was it just a problem with that location. Mr. Arendell replied that the pipe was approaching the end of its useful life, but noted that the problem may have been the 90-degree elbow was not originally addressed properly. Director Baker stated that Arthur Street is a bad location for a major leak, especially if there was a repeat occurrence. He suggested staff might want to consider preventive measures. Director Joly asked if staff knew forensically what caused the situation. Mr. Williams replied that staff were still evaluating the failure. He noted that it was an old asbestos cement pipe and they are vulnerable. Director Petterle thanked the crew for their good work out in the field.

CONSENT CALENDAR

Director Joly had a question about Item 8, therefore it was removed from the Consent Calendar for additional discussion. He asked if the total soft costs were correct and Mr. Williams confirmed. Director Joly asked if some of the soft costs included the cost of financing and what that cost was. Ms. Blue confirmed, that the cost of financing was \$124,000 included in the soft costs; which included the NHA Advisors consultants, the cost for legal counsel to review the transaction and two state fees. Director Joly asked if there will be no more soft costs for

management in addition to Noll & Tam and CCM. Mr. Williams replied that there is one additional consultant PES Environmental who will perform abatement and another firm will perform geotechnical engineering as required for the project. He added that the PES contract will be on the June 21st agenda and is estimated at \$16,500. Director Joly asked if the total soft cost all together would not exceed \$3M and Mr. Williams noted that excluding some of the previous work such as master planning that was done years ago, the total soft costs will be under the \$3M amount. Director Grossi stated that with these types of projects it is not unusual for the soft costs to go up to 25% and since the District is under 20% we are in good shape compared to other projects of this size. Director Petterle agreed, stating that the soft costs are not out of the ordinary for the size of the project.

On the motion of Director Baker, and seconded by Director Joly the Board approved the following Items 5, 6, 7 and 9 on the consent calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

ITEM #5 -RE-AUTHORIZING MEETINGS BY TELECONFERENCE OF LEGISLATIVE BODIES OF NORTH MARIN WATER DISTRICT

The Board approved Re-Authorizing Meetings by Teleconference of Legislative Bodies of North Marin Water District. Resolution 22-17 will extend the continuation of teleconference meetings effective June 7, 2022 through July 7, 2022 pursuant to Brown Act provisions.

ITEM #6 -ASSISTANT GENERAL MANAGER/CHIEF ENGINEER APPOINTMENT

The Board appointed Eric Miller as the Assistant General Manager/Chief Engineer of the North Marin Water District effective June 16, 2022.

ITEM #7- AGREEMENT WITH KIOSK FOR COMMUNICATIONS AND PUBLIC OUTREACH

The Board approved the agreement with Kiosk for communications and public outreach implementation in an amount not to exceed \$60,000.

ITEM #9 - PIPELINE DISPOSITION AGREEMENT WITH PACIFIC GAS & ELECTRIC

The Board approved the Pipeline Disposition Agreement for Rush Creek Place with Pacific Gas and Electric.

ITEM #8 - NMWD ADMINISTRATION AND LABORATORY UPGRADE PROJECT – ARCHITECTURAL AND CONSTRUCTION MANAGEMENT SERVICES

After discussion as described above, the Board approved the NMWD Administration and Laboratory Upgrade Project for architectural and construction management services.

On the motion of Director Joly, and seconded by Director Baker the Board approved Item 8 on the Consent Calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

ACTION CALENDAR

RESOLUTION OF APPRECIATION FOR ANTHONY ARENDELL

President Petterle read Mr. Arendell's Resolution of Appreciation, 22-18. He stated that Mr. Arendell is retiring after almost thirty-six years of service. President Petterle stated that, Anthony (Tony) Arendell was hired on October 16, 1986 as a "Laborer" at North Marin Water District and promoted through the ranks of Pipeman Apprentice (1988), Pipeman (1990), Pipeline Foreman (2005), and culminating his career with the District as Construction Superintendent and Construction/Maintenance Department Head from 2014 to 2022. President Petterle noted that Mr. Arendell performed all his duties with deep commitment and dedication. The Construction/Maintenance Department, under Mr. Arendell's leadership, strengthened its "workforce" and continued its longstanding and well-deserved reputation of being a highly competent, hardworking, efficient, proud and a close-knit group. He added that, Mr. Arendell presented a competent and helpful demeanor to customers and persons he did business with on behalf of the District and pursued his work in a professional and businesslike fashion. President Petterle noted that Mr. Arendell held the respect of his men, fellow District employees and District managers he served, the Board of Directors, contractors, developers and engineers. He stated that Mr. Arendell developed and maintained strong and trustworthy relationships with local and regional partners such as City of Novato, Novato Sanitary and County of Marin. Mr. Arendell's devotion to the District is exemplified by his willingness to try new construction techniques and equipment in the field, and his "can do" attitude to accomplish work assigned. President Petterle added Mr. Arendell's knowledge of the District's distribution system combined with his expertise has been instrumental in ensuring quality designs of District projects.

President Petterle thanked Mr. Arendell for his amazing career and service to the District and stated that he will be missed.

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

Ms. Kehoe stated that she has worked with Mr. Arendell at the District for almost 35 years. She stated that Mr. Arendell always had a positive attitude and was always a team player offering his help without hesitation. Ms. Kehoe wished Mr. Arendell all the best and stated that he will be

missed by all.

Director Grossi commended Mr. Arendell on his level of excellence when working with outside contractors. He stated that he never heard any complaints, he always did an excellent job and carried forth the legacy of field crews and staff.

Mr. Castellucci congratulated Mr. Arendell on a well-deserved retirement. Mr. Castellucci stated he has learned a lot from Mr. Arendell over the last sixteen years. He added that Mr. Arendell's knowledge of the North Marin Water District and the City of Novato are unmatched. Mr. Castellucci thanked Mr. Arendell and expressed that he hoped he will keep in touch.

Director Joly stated that it was like looking at the American Dream, the fact that Mr. Arendell started as a laborer and then became the head of the Construction/Maintenance Department, noting that it was an incredible accomplishment. He added that Mr. Arendell and Ms. Kehoe collectively have worked for the District for 71 years, which is incredible since the District is 74 years old.

Mr. Clark stated that Mr. Arendell was a great asset to the District, noting he could always locate problems in the distribution system. He added that he could not say enough about how helpful Mr. Arendell was and he has learned a lot from him. Mr. Clark gave Mr. Arendell some retirement advice, to put a leash on his coffee cup. Mr. Arendell replied that he was considering an electronic device. Mr. Clark wished Mr. Arendell the best of luck in his retirement.

Director Fraites stated that Mr. Arendell has been solid as a rock during his employment at the District. He added that Mr. Arendell is one of the most stunning employees on staff. Director Fraites thanked Mr. Arendell for his service and for helping NMWD to be one of the leading water districts in the state.

Director Baker agreed with the comments from his colleagues, adding Mr. Arendell was responsible, knowledgeable and took good care of his crew.

Mr. Williams stated that on behalf of the Engineering Department, he would like to acknowledge Mr. Arendell's ability to review projects and offer his ideas for a better design. He noted that he will miss the conversations they had on a daily basis.

Director Petterle stated that Mr. Arendell was always professional and treated people with respect. He added that Mr. Arendell had the patience to explain questions that would arise and helped the Board understand any given situation. Director Petterle congratulated Mr. Arendell on his retirement.

Mr. Arendell stated that his legacy will carry on as there is a good guy taking over for him. He added that the men in the department go all out and asked that the District take care of them. Mr. Arendell stated that he believes most of his men will work for NMWD as long as he did,

because it is a really good place to work.

It was acknowledged by both the Board of Directors and staff that he will be greatly missed at the District.

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 adopted Resolution 22-18 in appreciation of Anthony Arendell who was retiring after almost 36 years of employment with North Marin Water District by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

CONSIDER APPROVAL OF RESOLUTION 22-19 AUTHORIZING IMPOSITION OF A \$1,000 ADMINISTRATIVE FINE FOR VIOLATIONS OF SECTION 6(B)(1) AND AMENDING SECTION 8 OF EMERGENCY WATER CONSERVATION ORDINANCE NO. 41

Mr. Grisso apprised that the Board of Resolution 22-19 which would authorize an imposition of a \$1,000 administrative fine for violation of Section 6(b)(1) and amending Section 8 of Emergency Water Conservation Ordinance No. 41. He stated that after one year of enforcement and much discussion and comment, staff found the current enforcement procedure in Section 8(b) of Ordinance 41 to be inefficient. Moreover, staff learned that the administrative fines for first and second violations of Ordinance 41 may not be effectively dissuading some people from initially filling swimming pools and/or refilling completely drained swimming pools.

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

Director Joly stated that he was surprised that people would violate this ordinance during the drought to fill their pools, when the District has made is robustly clear that it is forbidden. Mr. Grisso replied that the current language in Ordinance 41 is written so that staff can only give a warning. Mr. Grisso noted that the District's legal counsel has stated that the \$1,000 was the limit for the fine per the Water Code. Director Grossi stated that someone who is building a pool will likely not be stopped by a \$1,000 fine. He added that we need a higher rate to make a statement. Mr. Grisso noted that MMWD previously had a \$1,000 fine and in the District's Ordinance in 2014 there was a \$500 fine for filling a pool. Mr. Grisso added that if there is a leak or if the pool needs to be repaired for health and safety reasons, the consumer could be allowed a variance. He stated that he can go back to legal counsel to see if there is a way to increase the penalty limit. Director Joly asked if staff knew when someone was filling a pool. Mr. Grisso replied that staff

has a permit list from the City of Novato and hourly data from the AMI system, which is our proof of actual filling. Director Petterle noted that regulations and infractions usually only have small fines, and the fines can increase the more violations you have, but still remain remarkably low. Director Petterle recommended that the Board approve the item as written, but directed Mr. Grisso to have an additional discussion with legal counsel to see if he can come back to the Board with a higher amount. Director Joly agreed that it should be brought back soon. He added that a statement needs to be made on social media to remind customers that the Ordinance forbids the filling of pools. Director Grossi agreed, stating that a higher fee makes a statement.

Mr. Grisso added that the other change in Ordinance 41 also addresses more efficient enforcement of other prohibitions including overspray and watering on the wrong day which are more frequent offenses. Director Fraites agreed to see if the fine can be increased. Director Fraites stated that we need to emphasize to our customers that they cannot fill their pools, it is irresponsible during a drought. Director Grossi agreed to approve Ordinance 41 as written and come back to the Board in six months to see about increasing the fine for violation. Director Joly stated that he would like to see a shorter time period than six months. Director Joly asked for a point of clarification, if the six-month duration was part of the motion. Director Joly asked if staff could come back sooner. Mr. Grisso replied that he will review with legal counsel again and come back to the Board soon with more information. Director Petterle requested that in the case legal counsel confirms \$1,000 is the limit, he would like to see supporting information so we can explain to the public why the fine is so low.

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

On the motion of Director Grossi, and seconded by Director Baker the Board approved Resolution 22-19 authorizing imposition of a \$1,000 administrative fine for violations of Section 6(b)(1) and amending Section 8 of Emergency Water Conservation Ordinance No. 41 in the Novato Service Area by the following vote:

AYES: Director Baker, Fraites Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

BOARD OF DIRECTORS HYBRID MEETING PLAN

Mr. Williams provided a review of the draft Board of Directors Hybrid Meeting Plan. He noted that the Board has the option of continuing with a full virtual meeting setting, or

implementing a hybrid meeting setting. Mr. Williams added that due to the consideration of the recent public health recommendations, and considering the construction schedule for the renovation of the existing District Administration building, as well as the logistics of the temporary move to the Wood Hollow office, the earliest a hybrid meeting start date couldn't be until August 2nd. Mr. Williams apprised that the Board that the Directors and Officers of the Board would be the only people physically attending the meeting, the public and consultants would participate via Zoom. He added that there is a lot of cost-effective technology available and there is a lot of flexibility with the new building space.

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

Director Baker asked if the Board Room in the renovated building will be set up similar to Novato Sanitary. Mr. Williams confirmed that it would be a dedicated room, noting the layout will be more symmetrical with respect to the Board and there will be built-in screens and projectors for presentations. Mr. Williams acknowledged that Ms. Kehoe, Kiosk and Core Utilities did the legwork on this plan.

Director Grossi asked for clarification, that when the hybrid meetings start it will be the Board members and all staff. Mr. Williams replied that it would be the Board, and likely only appointed Ms. Blue, Mr. Miller, Ms. Kehoe and himself; other staff would present virtually when needed.

Director Petterle requested that the layout would take safety into consideration.

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

BUDGET REVIEW – PROPOSED FY 22/23 BUDGETS NOVATO AND WEST MARIN SERVICE AREAS

Ms. Blue reviewed the proposed FY 22/23 Budgets for the Novato and West Marin Service Areas with a PowerPoint presentation. She noted the changes since the last review and provided a budget and rate hearing schedule. Ms. Blue reported on key assumptions, the consolidated budget, capital improvement projects, equipment budget, studies, special projects, outstanding debt and a Novato water summary.

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

Director Joly stated that he went over the budget in detail and he was concerned with the flatness of the revenue and the rapid growth of expenses. He noted that this is the first time that our debt will be larger than our annual revenue and reserves. He recognized the current inflationary environment, and noted that the financial integrity of the District is paramount and sounded caution to the Board. He added that in 2030 the District will need to work on

improvements at the West Marin Treatment Plant, noting expenses are starting to escalate. Director Fraites stated that every year we raise the rates, from 5 to 6% per year, and it looks like we will need to continue to raise the rates. He added that it is bothersome to him and the Board should look at not raising rates each year. Director Fraites understands that SCWA increases our costs to purchase water 5% each year which affects our budget, so he doesn't know the answer. Ms. Blue responded that SCWA is estimating a 6% increase every year, a cost that the District has no control of, adding there are many variables to consider. Director Fraites stated that in the future we need to look at cutting our spending. Ms. Blue replied that another rate study will be done in five years and that could smooth out our rate increase. She added that pension costs are expected to go down as people retire and new employees fall under PEPRA. Director Fraites asked if there was anything that could be done to further reduce costs. Director Grossi stated that inflation is at 8.3%, and assumed the next study will be one the Board will not want to see, noting everything is costing more. Director Petterle stated that we have a 60-year-old building that needs to be replaced and hundreds of miles of pipeline that are 50-70 plus years old. He noted that those pipes will eventually need to be replaced, adding he does not see there will be a day that we won't need to raise rates.

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

FY 2021/22 THIRD QUARTER PROGRESS REPORT – OPERATIONS/MAINTENANCE

Mr. Clark reported on the FY 2021/22 Third Quarter Progress Report for the Operations/Maintenance Department. He reviewed the activities performed in the Novato, West Marin and Oceana Marin service areas. Mr. Clark reported that since there is not as much water to treat there will be some savings there. Additionally, Mr. Clark reported that all chemical costs in the Bay Area have gone up, and noted that due to the participation with the Bay Area Chemical Consortium Bid Program the District received better prices from the vendors and a guaranteed supply.

Mr. Clark acknowledged the rain events that recently occurred, and noted that it helped with evaporation in the lake, but it did not add to the volume. He also reported on the Cross-Connection program and the pressure regulator work completed in the Black Point area of Novato.

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

Director Baker asked if the chemicals have a shelf life, or can they sit for a while. Mr. Clark replied that the chemicals can last through a season, but not a year or two since they lose effectiveness with age.

Director Fraites commended Mr. Clark for his report. He stated that he knows staff is doing everything they can to save money, however the District needs to let the public know, in general terms, where the District is spending their money.

Director Joly also thanked Mr. Clark for the pump station in San Marin that is providing more efficiency to the District.

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

NBWA MEETING- JUNE 3, 2022

Director Fraites reported on the NBWA meeting that was held on June 3, 2022. He updated the Board on the Bay Area Integrated Regional Water Management Plan (IRWMP)'s recent activities and upcoming engagement opportunities for the North Bay Region. Director Fraites stated that the focus is on disadvantaged communities and providing the grant money to improve their water quality.

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

Mr. Williams stated that the only service area that qualifies as disadvantaged within the District's territory is a small portion of Point Reyes Station.

President Petterle asked if the Board or the public had any comments or questions and there was no response.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated May 19, 2022; Disbursements – Dated May 26, 2022 and Disbursements – Dated June 2, 2022.

The Board received the following news articles: Marin IJ – County approves rules for housing – BOARD OF SUPERVISORS; Marin IJ – Experts fear reinfections pose big risk – COVID-19 PANDEMIC; Marin IJ – Marin Voice – Opportunities to diversify water supply still in reach; Marin IJ – Opinion – District should keep all drought rules permanent Ideas for water sources have always been here; Marin IJ – Dick Spotwood – Public meetings on Zoom require more transparency; Marin IJ – Newsom threatens to restrict water – DROUGHT; Marin IJ – Three-year rollout of new water meters eyed – MMWD; Marin IJ – Decorative grass irrigation limited – STATE DROUGHT ORDER; Marin IJ – New tool monitors water supplies – MMWD; Marin IJ – Four strategies for managing state's crucial watershed and Marin IJ – COVID-19 variants drive surge - PANDEMIC• The Board received the following social media posts: NMWD Web and Social Media Report – May 2022.

Director Joly thanked Ms. Blue and staff for the great financial reports provided, which provides great transparency and allows us to see the flow of money throughout the District. Ms.

Blue replied that if anyone has any further questions to feel free to contact her, noting the item will be presented again to the Board on June 28th. Director Petterle thanked Ms. Blue for the providing the PowerPoint at the meeting, noting it really summarized the information well and was very helpful. Ms. Blue stated that she will try to provide more PowerPoint presentations in the future.

CLOSED SESSION

President Petterle adjourned the regular session at 7:43 p.m. and convened to closed session at 7:55 p.m. in accordance with Public Employee Performance Evaluation as allowed under Government Code Section 54957, Employee: General Counsel (law firm of Bold, Polisner, Maddow, Nelson and Judson)

OPEN SESSION AND REPORT OUT

The Board reconvened into open session at 8:15 p.m., President Petterle announced the Board had not taken any reportable action.

ADJOURNMENT

President Petterle adjourned the meeting at 8:15 p.m.

Submitted by

Theresa Kehoe
District Secretary

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NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR May 2022
June 21, 2022

1.

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

Month	FY21/22	FY20/21	FY19/20	FY18/19	FY17/18	22 vs 21 %
July	282.9	341.7	317.7	341.1	331.0	-17%
August	212.4	290.1	287.1	300.9	303.0	-27%
September	214.5	225.6	280.5	255.0	292.4	-5%
October	198.5	307.8	286.0	265.6	273.7	-36%
November	94.1	201.6	226.3	170.1	163.9	-53%
December	137.1	183.0	141.2	157.8	152.1	-25%
January	118.3	156.6	111.9	114.7	130.6	-24%
February	118.6	110.5	120.3	110.9	134.8	7%
March	130.3	124.1	151.8	138.8	130.2	5%
April	137.7	225.4	195.0	143.8	151.7	-39%
May**	204.7	209.9	217.6	198.6	237.4	-2%
FYTD Total	1,849.3	2,376.1	2,335.3	2,197.1	2,300.7	-22%

*Excludes water backfed into Stafford Lake: FY22=12.82 MG.

**May 2022 totals are based on Operations production data. SW invoice of 262MG was overbilled and is under review.

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

Month	FY21/22	FY20/21	FY19/20	FY18/19	FY17/18	22 vs 21 %
July	6.0	8.2	8.9	10.2	9.5	-26%
August	5.7	9.2	8.4	9.9	8.8	-38%
September	5.9	7.9	7.8	9.5	8.4	-26%
October	5.1	6.7	7.5	8.3	7.9	-25%
November	3.5	5.8	6.7	7.3	5.4	-39%
December	4.0	5.1	4.8	5.7	5.1	-21%
January	3.8	4.2	4.1	5.0	4.5	-11%
February	3.8	3.8	4.4	3.5	4.5	1%
March	4.1	5.1	5.2	4.4	5.1	-21%
April	4.9	4.8	4.9	4.9	5.1	1%
May	4.7	7.3	6.0	5.5	7.5	-36%
FYTD Total	51.4	68.1	68.7	74.2	71.8	-24%

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

Month	FY21/22	FY20/21	FY19/20	FY18/19	FY17/18	22 vs 21 %
July	67.0	105.8	68.2	78.6	112.6	-37%
August	31.3	81.1	103.8	79.3	81.5	-61%
September	41.7	16.1	115.0	60.5	122.7	159%
October	28.2	7.7	103.4	74.5	102.3	266%
November	0.0	0.6	102.8	0.0	53.6	-100%
December	0.0	0.0	0.0	0.0	0.0	-
January	0.0	0.0	0.0	0.0	0.0	-
February	0.0	0.0	0.0	0.0	0.0	-
March	0.0	0.0	0.0	19.2	0.0	-
April	0.0	0.0	30.9	60.3	5.4	-
May	0.0	0.0	60.2	97.4	85.2	-
FYTD Total	168.1	211.3	524.0	372.5	478.1	-20%

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

Month	FY21/22	FY20/21	FY19/20	FY18/19	FY17/18	22 vs 21 %
July	42.9	39.0	36.5	30.2	27.7	10%
August	41.4	43.2	33.3	30.6	26.1	-4%
September	39.6	29.5	29.7	33.5	25.0	35%
October	18.3	22.8	26.6	20.1	19.1	-20%
November	0.8	10.9	10.8	12.7	2.5	-92%
December	0.3	0.2	0.5	1.5	0.8	50%
January	0.8	0.3	0.6	0.9	1.0	150%
February	1.3	0.5	0.6	0.3	3.3	147%
March	14.3	11.4	11.7	0.4	1.7	25%
April	16.7	18.1	12.5	10.1	5.1	-8%
May	32.7	39.2	27.6	19.6	17.0	-17%
FYTD Total*	209.1	215.2	190.4	159.9	129.3	-3%

*Excludes potable water input to the RW system: FY22=10 MG; FY21=24.7 MG; FY20=16.7; FY19=20.0 MG; FY18=15.8MG

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2. Regional and Local Water Supply

Lake Sonoma

	Current	2021
Lake Storage*	45,120 MG	46,000 MG
Supply Capacity	56.5 %	57 %

*Normal capacity = -245,000 AF (79,833.5 MG)

Lake Mendocino

	Current	2021
Lake Storage *	16,463 MG	11,080 MG
Supply Capacity	57 %	38.6 %

*Normal capacity = 70,000-110,000 AF (22,800-35,840MG)

3. Stafford Lake Data

	May Average	May 2022	May 2021
Rainfall this month	0.57 Inches	0.00 Inches	0.00 Inches
Rainfall this FY to date	26.41 Inches	18.13 Inches	8.57 Inches
Lake elevation*	191.1 Feet	191.0 Feet	185.5 Feet
Lake storage**	1051 MG	1048 MG	718 MG
Supply Capacity	---	75 %	51 %

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
May 2022 (Novato)	39	97	61
May 2021 (Novato)	48	108	65

4. Number of Services

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May 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY22	FY21	Incr %	FY22	FY21	Incr %	FY22	FY21	Incr %	FY22	FY21	Incr %
Total meters installed	20,853	20,808	0.2%	101	99	2.0%	799	793	0.8%	-	-	-
Total meters active	20,695	20,606	0.4%	96	96	0.0%	788	785	0.4%	-	-	-
Active dwelling units	24,097	24,094	0.0%	-	-	-	835	836	-0.1%	235	235	0.0%

5. Oceana Marin Monthly Status Report (May)

Description	May 2022	May 2021
Effluent Flow Volume (MG)	0.405	0.513
Irrigation Field Discharge (MG)	0.447	0.000
Treatment Pond Freeboard (ft)	6.8	5.5
Storage Pond Freeboard (ft)	9.2	10.0

6. Developer Projects Status Report (May)

Job No.	Project	% Complete	% This month
1.2836.00	Residence Inn	10	0
1.2858.00	North Bay Children's Center	20	5
1.2859.00	Station House Café	20	5
1.2855.00	NSD Ignacio Plant	20	5
1.2860	Habitat Redwood Blvd	5	5

District Projects Status Report - Const. Dept. (May)

Job No.	Project	% Complete	% This month
1.1798.00	Replace Valves on Center Road	10	0
2.6609.20	Gallagher Well No. 2	35	10
1.7205	Replace Copper Laterals – Jamison Ct	90	90

Employee Hours to Date, FY 22/21

As of Pay Period Ending May 31, 2022

Percent of Fiscal Year Passed = 92%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	1,302	1,400	93%	Construction	2,240	3,988	56%
Engineering	1,783	2,290	78%	Engineering	2,324	4,323	54%

7. Safety/Liability

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FY 22 through May

FY 21 through May

Days since lost time accident through May 31, 2022

Industrial Injury with Lost Time				Liability Claims Paid	
Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
108	\$40,510	3	3	0	\$0
23	\$10,120	3	3	2	\$11,092

193 Days

8. Energy Cost

FYE	kWh	May ¢/kWh	Cost/Day	Fiscal Year-to-Date thru May kWh	¢/kWh	Cost/Day
2022 Stafford TP	75,282	22.2¢	\$539	530,886	22.0¢	\$349
Pumping	117,524	27.3¢	\$1,108	1,165,622	27.7¢	\$968
Other ¹	38,794	29.8¢	\$399	453,739	31.0¢	\$423
	231,600	26.1¢	\$2,046	2,150,248	27.0¢	\$1,740
2021 Stafford TP	78,021	21.6¢	\$562	517,467	21.6¢	\$333
Pumping	154,064	25.7¢	\$1,365	1,699,271	25.4¢	\$1,294
Other ¹	38,844	30.0¢	\$402	530,867	27.0¢	\$430
	270,929	25.1¢	\$2,329	2,747,604	25.0¢	\$2,057
2020 Stafford TP	57,534	25.1¢	\$465	672,311	21.0¢	\$422
Pumping	140,536	24.5¢	\$1,110	1,304,567	23.5¢	\$908
Other ¹	42,191	34.8¢	\$474	515,753	25.7¢	\$393
	240,261	26.4¢	\$2,049	2,492,631	23.3¢	\$1,723

¹Other includes West Marin Facilities

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9. Water Conservation Update

	Month of May 2022	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	9	115	4,390
Retrofit Certificates Filed	20	150	6,682
Cash for Grass Rebates	7	67	1,215
Washing Machine Rebates	2	32	6,862
Water Smart Home Survey	0	7	3,906

10. Utility Performance Metric

SERVICE DISRUPTIONS (No. of Customers Impacted)	May 2022	May 2021	Fiscal Year to Date 2022	Fiscal Year to Date 2021
PLANNED	9			
Duration Between 0.5 and 4 hours	9	11	119	111
Duration Between 4 and 12 hours			17	2
Duration Greater than 12 hours				
UNPLANNED	21			
Duration Between 0.5 and 4 hours	2	22	116	54
Duration Between 4 and 12 hours	19		19	29
Duration Greater than 12 hours				1
SERVICE LINES REPLACED				
Polybutylene	1	7	36	80
Copper Replaced or Repaired)	7	4	17	18

Planned:

There were 6 planned services were replaced on Jamison Ct. and 3 ADU upgrades.

Unplanned:

There was 1 PB leak in Point Reyes and 1 copper leak in Novato. We also had a 4in water main break on Lolita Ln where 19 homes experienced unplanned service disruptions.

11. Summary of COVID-19 Costs and Water Bill Delinquency Impacts - to Date

	May Total	April Total
Increase in on-call Labor Costs	\$ 137,000	\$ 136,900
Payroll Accounts Receivable Collection Costs	\$ 15,200	\$ 15,200
Time off to Employees for COVID related reasons* -	\$ 82,300	\$ 78,900
Vendor Expenses - Including Legal Fees	\$ 47,000	\$ 46,800
Total Covid-19 Costs to Date	\$ 281,500	\$ 277,800

* Families First Coronavirus Response Act (FFCRA) & CA Supplemental Paid Sick Leave (SPSL)
Allows employees to take time off for COVID medical reasons including vaccination.

Water Bill Delinquency Impacts

	2 Years Ago 05/2020	Last Year 05/2021	This Year 05/2022
Customer Accounts Past Due (count)	3.5%	3.2%	1.8%
Delinquent Balances % Due on Account	6.3%	8.3%	2.6%
Delinquent Balances \$ Due on Account*	\$ 86,000	\$ 110,000	\$ 40,000

* High balance on record of \$159K in 12/2021.

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NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2022

Tag Breakdown:

Total: 271 Consumer: 83 Office: 188

Type	May-22	May-21	Added Notes
<u>Billing</u>			
High Bill	1	1	
Low Bill	1	0	
Total	2	1	
<u>Meter Replacement</u>	8	8	
Total	8	8	
<u>Need Read</u>	3	7	
Total	3	7	
<u>No-Water</u>	2	0	
Total	2	0	
<u>Leak</u>			
Consumer	198	69	
District	18	18	
Total	216	87	
<u>Turn Off / On</u>	26	16	
Total	26	16	
<u>Other</u>	14	16	
Total	14	16	
<u>TOTAL FOR MONTH:</u>	<u>271</u>	<u>135</u>	<u>101%</u>

Fiscal YTD Summary

Billing	12	42	-71% Decrease in Billing
Meter Replacement	100	81	23% Increase in Meter Replacements
Need Read	23	8	100% Increase in Reads
No-Water	19	0	100% Increase in No-Water
Leak	1,525	978	56% Increase in Leaks
Water Quality	4	1	300% Increase in Water Quality
Noisy Pipes	1	0	100% Increase in Noisy Pipes
Pressure	10	9	11% Increase in Water Pressure
Turn Off / On	201	170	18% Increase in Water On/Off
Other	72	70	3% Increase in Misc. Tags
Total	<u>1,967</u>	<u>1,359</u>	<u>45%</u> Increase overall

Change Primarily Due To

Bill Adjustments Under Board Policy:

May 22 vs. May 21

May-22	14	\$3,580
May-21	4	\$591

Fiscal Year vs Prior FY

21/22 FY	165	\$64,940
20/21 FY	196	\$82,679

MEMORANDUM

To: Board of Directors

May 21, 2022

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

Subj: Auditor-Controller's Monthly Report of Investments for May 2022
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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$44,670,707 (which includes a \$20 million loan from Webster Bank acquired for the Admin Building Renovation Project and CIP Projects) and a market value of \$44,434,415. During May the cash balance increased by \$19,312,503. The market value of securities held decreased \$236,292 during the month. The total unrestricted cash balance at month end was \$3,948,824 and 99.2% of the Designated Cash Reserves are funded.

At May 31, 2022, 47% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 6% in Time Certificates of Deposit, 2% in the Marin County Treasury, and 45% retained locally for operating purposes. The weighted average maturity of the portfolio was 33 days, compared to 53 days at the end of April. The LAIF interest rate for the month was 0.68%, compared to 0.52% the previous month. The weighted average Portfolio rate was 0.47%, compared to 0.56% for the prior month.

Investment Transactions for the month of May are listed below:

5/9/2022	Pinnacle Bank	US Bank	\$249,119.06	TCD Matured
5/9/2022	US Bank	American Express Natl Bank	\$246,087.62	Purchase 2.60% TCD due 5/6/24
5/10/2022	US Bank	LAIF	\$500,000.00	Trsf to LAIF account
5/19/2022	LAIF	US Bank	\$625,000.00	Trsf from LAIF account
5/26/2022	LAIF	US Bank	\$380,000.00	Trsf from LAIF account

NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
May 31, 2022

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	5/31/2022 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	\$21,010,334	\$20,774,042	0.68% ³	47%
Time Certificate of Deposit								
TCD	Enerbank	n/a	9/25/20	9/25/24	249,000	249,000	0.45%	1%
TCD	Sallie Mae Bank	n/a	8/18/21	8/18/23	249,000	249,000	0.35%	1%
TCD	UBS Bank	n/a	9/9/21	9/11/23	249,000	249,000	0.35%	1%
TCD	BMW Bank	n/a	8/20/21	2/20/24	249,000	249,000	0.45%	1%
TCD	Goldman Sachs Bank	n/a	1/19/22	1/19/24	249,000	249,000	0.75%	1%
TCD	Ally Bank	n/a	2/24/22	2/23/24	248,000	248,000	1.30%	1%
TCD	Greenstate Credit Union	n/a	3/15/22	3/15/24	249,000	249,000	1.60%	1%
TCD	Capital One Bank	n/a	4/7/22	4/8/24	247,000	247,000	2.20%	1%
TCD	Capital One Bank, N.A.	n/a	4/20/22	4/22/24	247,000	247,000	2.35%	1%
TCD	American Express Natl Bank	n/a	5/4/22	5/6/24	246,000	246,000	2.60%	1%
					\$2,482,000	\$2,482,000	1.24%	6%
Other								
Agency	Marin Co Treasury	AAA	Various	Open	\$1,045,312	\$1,045,312	0.22%	2%
Other	Various	n/a	Various	Open	20,133,061	20,133,061	0.41%	45%
TOTAL IN PORTFOLIO					\$44,670,707	\$44,434,415	0.47%	100%

Weighted Average Maturity = **33 Days**

LAIF: State of California Local Agency Investment Fund.

TCD: Time Certificate of Deposit.

Agency: STP State Revolving Fund Loan Reserve.

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

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

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

3 Earnings are calculated daily - this represents the average yield for the month ending May 31, 2022.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Marin Country Club Loan	1/1/18	11/1/47	\$1,265,295	\$1,098,813	1.00%
Marin Municipal Water - AEEP	7/1/14	7/1/32	\$3,600,000	\$1,930,238	2.71%
Employee Housing Loan (1)	3/30/15	3/30/30	250,000	250,000	Contingent
TOTAL INTEREST BEARING LOANS			\$5,115,295	\$3,279,051	

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

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MEMORANDUM

To: Board of Directors
 From: Tony Williams, General Manager *AW*
 Subject: Re-Authorizing – Meetings by Teleconference of Legislative Bodies of North Marin Water District

June 21, 2022

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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 June 21, 2022 through July 21, 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

Approved by GM *AW*Date *6/16/22*

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, 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, March 15, 2022, April 5, 2022, May 3, 2022, May 17, 2022, and June 7, 2022 the Board adopted Resolutions 21-26, -27, -28, -30, 22-01, -04, -05, -06, -12, -15, and -17 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

Memo re Board of Directors Meetings by Teleconference
June 21, 2022
Page 3 of 3

Teleconference of Legislative Bodies of North Marin Water District from June 21, 2022 through July 21, 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 JUNE 21, 2022 THROUGH JULY 21, 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, on April 5, 2022, the Board of Directors previously adopted Resolution No. 22-06, 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 May 3, 2022, the Board of Directors previously adopted Resolution No. 22-12, 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 May 17, 2022, the Board of Directors previously adopted Resolution No. 22-15, 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 June 7, 2022, the Board of Directors previously adopted Resolution No. 22-17, 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 June 21, 2022 through July 21, 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 21st day of June 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Theresa Kehoe, Secretary
North Marin Water District

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7



MEMORANDUM

To: Board of Directors
From: Tony Williams, General Manager *BN*
Subject: Consulting Services Agreement with PES Environmental
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Date: June 21, 2022

RECOMMENDED ACTION: Authorize General Manager to Amend the General Services Agreement with PES Environmental

FINANCIAL IMPACT: \$25,000 (included in various CIP budget line items)

Background

At the August 10, 2019 meeting, the Board authorized a new Consulting Services Agreement between the District and PES Environmental for miscellaneous engineering services in the amount of \$60,000. At the August 4, 2020 meeting, the Board authorized Amendment No. 1 in the amount of \$70,000. The following cost breakdown is provided for the various project support provided by PES:

A cost breakdown for the contract by changes and tasks is summarized as follows:

Starting Contract Amount	\$60,000
Amendment No. 1	\$70,000
Adjusted Contract Balance	\$130,000
Projects (billings to date)	
Gallagher Well No. 2	<\$83,223>
Gallagher Well No. 2	<\$22,764>
NMWD Admin & Lab Upgrade	<\$18,250>
Remaining Balance on Contract	\$5,763

Expenditures

PES Environmental expenditures currently total \$124,237 leaving a balance of \$5,763 on the contract. Although the contract amount has not been completely expended, planned expenditures coupled with the following upcoming tasks make a contract amendment necessary:

- NMWD Admin and Lab Upgrade - Materials Abatement Monitoring \$16,500
- FY22-23 CIP Project Abatement Assistance \$12,500

RECOMMENDATION

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

8



MEMORANDUM

To: Board of Directors Date: June 21, 2022

From: Tony Williams, General Manager *[Signature]*

Subject: Revised Inter-Agency Agreement for Recycled Water between Las Gallinas Valley Sanitation District and North Marin Water District
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RECOMMENDED ACTION: That the Board Approve Revision 2 of Inter-Agency Agreement for Recycled Water between Las Gallinas Valley Sanitary District and North Marin Water District

FINANCIAL IMPACT: None at this Time

Attached is a draft second revision to the existing agreement for interagency cooperation to develop and distribute recycled water with Las Gallinas Valley Sanitary District (LGVSD). The current agreement was presented to the Board at the January 18, 2011 meeting and was fully executed as "Revision 1" on April 19, 2011 by both agencies. A similar agreement is in place between NMWD and the Novato Sanitary District (NSD) for the North and Central recycled water distribution facilities.

The draft revised agreement (Attachment 1), which was provided to LGVSD in April, contains revisions to the current agreement. These revisions were originally developed as early as 2016, and more recently in 2021, with the primary intent of clarifying how the Recycled Water Capital Replacement and Expansion Fund is funded and how the funds are divided between the two agencies. The following are a list of changes that are being proposed for Section 6 of Article D:

1. Create two Funds rather than one in order to establish how much money is available for projects at LGVSD's Recycled Water Treatment Facility (RWTF) and how much money is available for projects in NMWD's South Service Area recycled water distribution facilities.
2. Establish clear principles for the methodology of funding each Fund including:
 - a. Further define what constitutes net revenue (i.e., the "leftover" revenue that is available to fund the Funds).
 - b. How to distribute the net revenue into the respective Funds. We are proposing to split the net revenue based on each agency's relative annual depreciation expense (specific to the applicable recycled water infrastructure to serve NMWD's South Service Area) since this is the most equitable measure of the capital re-investment needs of the respective systems.

3. Building on past practices/requirements, NMWD will provide an annual report that summarizes the calculation of net revenue and resultant contributions to each Fund, as well as any distributions from the Funds, in order to maintain a consistent record of the available funds in each respective Fund.

In addition to the changes proposed above, other minor revisions are proposed in Section 2 of Article D that gives LGVSD the opportunity to review NMWD's operating costs (which is simply reciprocating NMWD's existing opportunity to review LGVSD's operating costs). Finally, after legal counsel review by each agency, new indemnification language has replaced the original language in Section 9 of Article F. Attachment 2 is the April 2022 version of the agreement with the proposed indemnification changes as well as other minor changes that in the opinion of staff are acceptable.

The LGVSD Board of Directors approved the agreement revisions (Attachment 2) at their June 2, 2022 meeting. The revised agreement is presented to the NMWD Board for consideration and approval.

RECOMMENDATION

The Board authorize Revision 2 (dated June 2022) to the Inter Agency Agreement between LGVSD and NMWD.

Draft
SECOND REVISED
INTER AGENCY AGREEMENT
FOR RECYCLED WATER
BETWEEN
LAS GALLINAS VALLEY SANITARY DISTRICT
AND
NORTH MARIN WATER DISTRICT

~~MAY 2011~~October 2016APRIL 2022
REVISION ~~1~~2

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ATTACHMENT 1

TABLE OF CONTENTS

RECITALS	1
AGREEMENT PROVISIONS	2
ARTICLE A. INTRODUCTORY PROVISIONS	2
1. Definitions	2
2. Term and Renewal	2
ARTICLE B. RECYCLED WATER SERVICE PROVISIONS	332
1. Recycled Water Delivery Limitations	332
2. Recycled Water Delivery Quantities	3
3. Metering and Measurement of Flows	443
4. Recycled Water Quality and Pressure	4
5. Recycled Water Limitations of Use	5
6. Permits	5
ARTICLE C. RECYCLED WATER FACILITIES	665
1. Initial Construction	665
2. Master Plan	665
3. Construction of Facilities	6
4. Ownership, Operation and Maintenance of Facilities	887
5. Monitoring	998
6. Reporting	9
ARTICLE D. PAYMENT PROVISIONS	10409
1. Recycled Water Pricing Policy	10409
2. Recycled Water Rate Review	10409
3. Billings	114140
4. Obligation to Pay for Available Water	114140
5. Time and Method of Payment	114140
ARTICLE E. TERMINATION	124240
1. General	124240
2. Failure to Initiate Initial Construction	124240
3. Non-Renewal	124240
4. Cause	124240
5. Failure to Approve Annual Funding	124244
6. Decision by Distributor to Cease Distributing Recycled Water	134344
7. Impasse over Rates	134344
8. Buyout Upon Termination	134344
ARTICLE F. GENERAL PROVISIONS	134342
1. Good Faith	134342
2. Amendments	141442
3. Notices	141442
4. Severability	141443
5. Paragraph Headings	154543
6. Successors and Assigns	154543
7. Assignment	154543
8. Remedies	154543
9. Indemnification	154543
10. Dispute Resolution	154544

11. Governing Law	<u>161614</u>
12. Further Assurances	<u>161614</u>
13. Waiver	<u>161614</u>
14. Presumptions	<u>161614</u>
15. Counterparts	<u>161614</u>
16. Entire Agreement	<u>161615</u>
17. Insurance	<u>161615</u>

Exhibit A Point of Connection Detail

Exhibit B User Connection Schedule

Exhibit C Producer's Schedule of Sampling and Analysis

**INTER AGENCY AGREEMENT
FOR RECYCLED WATER
BETWEEN
LAS GALLINAS VALLEY SANITARY DISTRICT
AND
NORTH MARIN WATER DISTRICT**

This Agreement is made and entered into on this _____ day of _____, ~~2011~~2022~~16~~, (the "Effective Date") between the Las Gallinas Valley Sanitary District (referred to as "Producer") and the North Marin Water District herein (hereinafter referred to as "Distributor"). Producer and Distributor may be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

- A. Producer and Distributor are actively involved in local and regional efforts to develop recycled water supplies and promote recycled water use.
- B. Producer and Distributor recognize that sustainable water resource management requires integration of water supply and wastewater discharge limitations.
- C. Provisions of this agreement are consistent with conditions established pursuant to the Final Environmental Impact Report/Environmental Impact Statement (FEIR/EIS) for the North San Pablo Bay Restoration and Reuse Project (Project) also known as the North Bay Water Recycling Program as published in the Code of Federal Register (CFR) Volume 75, Number 108 dated June 7, 2010.
- D. Included within said Project are facilities to treat such recycled water at the Producer's wastewater treatment site, hereinafter referred to as the Recycled Water Treatment Facility (the "RWTF").
- E. The RWTF and recycled water distribution system will be permitted by the State of California San Francisco Bay Regional Water Quality Control Board to treat and distribute and use treated effluent as recycled water.
- F. Recycled water to be delivered by Producer to Distributor will be disinfected tertiary recycled water, in accordance with the provisions of Title 22 of the California Code of Regulations and applicable requirements of the ~~California Department of Public Health~~State Water Resources Control Board.
- G. Distributor has developed a recycled water master plan for future long-term distribution of recycled water in the Novato area of Marin County, California.
- H. Distributor wishes to acquire from Producer the quantity of recycled water which it can sell to End Users (as defined in Article B2).
- I. City of Novato, Novato Unified School District playing fields and residential common area landscaping at Hamilton Field in South Novato will be the ~~initial~~ End Users of recycled water and other end users may be served in the vicinity of the recycled water pipeline to be constructed from the RWTF to Hamilton Field wherein said projected ~~future~~ use of recycled water in the Distributor's Service Area is reflected in the Distributor's Urban Water Management Plan.

1 **AGREEMENT PROVISIONS**

2 For and in consideration of the foregoing recitals and of the mutual promise and covenants
3 herein contained, the Parties hereto agree as follows:

4 **ARTICLE A. INTRODUCTORY PROVISIONS**

5 **1 Definitions**

6 When used in this Agreement, the following terms shall have the meanings
7 hereinafter set forth:

- 8 a. "End User" shall mean the ultimate user of recycled water.
- 9 b. "Fiscal Year" shall mean each 12-month period during the term of this
10 Agreement commencing July 1 of one year and terminating June 30 of the
11 next succeeding year, both dates inclusive.
- 12 c. "Operation and Maintenance Costs" shall mean the actual cost of: labor
13 (including general and administrative overhead plus tools and supplies
14 normally applied), equipment and vehicle charges, consumables (such as
15 chemicals and electrical power), and spare parts and/or replaced
16 components necessary to reliably treat and deliver recycled water to the End
17 Users pursuant to this agreement. Operation and Maintenance Costs shall
18 not include costs for major capital replacement or process changes.
- 19 d. "Point of Connection" shall mean a recycled water connection between
20 Producer's RWTF and Distributor's distribution system. See Exhibit "A"
21 attached hereto and incorporated herein by this reference.
- 22 e. "RWTF" shall mean the Recycled Water Treatment and Pumping Facilities
23 required to deliver recycled water from the Producer to the "Point of
24 Connection."
- 25 f. "Distribution" system shall mean the recycled water transmission/distribution
26 pipelines and storage facilities.

27 **2. Term and Renewal**

28 This Agreement shall commence on the Effective Date and be in force for
29 ~~twenty-three~~ (2030) years. Following the original ~~twenty-three~~ (2030) year
30 Agreement term, the Agreement term shall be automatically renewed and
31 extended for consecutive one (1) year terms, unless terminated in accordance
32 with the provisions of Article E herein.

33
34 **3. Previous Agreement Terminated**

35 The First Revised This-Inter-Agency Agreement for Recycled Water between
36 Las Gallinas Valley Sanitary District and North Marin Water District dated
37 April 19, 2011 is terminated as of the effective date of this agreement.
38

1 **ARTICLE B. RECYCLED WATER SERVICE PROVISIONS**

2 **1. Recycled Water Delivery Limitations**

- 3 a. Distributor understands and acknowledges that Producer is charged with the
4 responsibility to operate its sewerage systems in a manner which it
5 reasonably determines to be most beneficial to the users thereof. The rights
6 of Distributor to recycled water under this Agreement pertain only to the
7 recycled water which actually is produced at the RWTF. Nothing contained
8 herein shall be construed to qualify in any manner Producer's right to
9 operate the RWTF at such rates of flow as Producer reasonably determines
10 to be appropriate so as to comply with Producer's NPDES permit.
- 11 b. Nothing herein shall be construed to commit any portion of the recycled
12 water from the RWTF beyond that which will be delivered by Distributor to its
13 customers for reasonable beneficial uses. Producer shall provide to
14 Distributor at least 30 days advance written notice of any non-emergency
15 planned reduction that would reduce the availability of recycled water to
16 Distributor. Distributor shall have ample opportunity to meet and confer with
17 the Producer on the issue of reduced availability of recycled water.
- 18 c. Any circumstances beyond Producer's control which cause an unplanned
19 reduction in the recycled water available for distribution from the RWTF may,
20 at the discretion of Producer, result in a temporary decrease in recycled
21 water available to Distributor under this Agreement. The reduced availability
22 of recycled water will continue in effect until such time as the RWTF has
23 been restored to normal operations, provided the Producer must use its
24 reasonable best efforts to restore the RWTF to normal operations as soon
25 as possible. Producer shall ~~inform—notice~~ Distributor ~~on a weekly~~
26 ~~frequency~~ pursuant to Article B.4.c regarding such unplanned reduction and
27 status of restoration of the RWTF to normal operation.
- 28 d. The Parties acknowledge that in unusual conditions, an emergency diversion
29 of recycled water by Producer may be necessary, and such diversion shall
30 be made to an effluent storage pond or wet weather basin, treatment plant or
31 other authorized location to receive such diversion by the Regional Water
32 Quality Control Board and shall not be deemed a violation of this Agreement.

33 **2. Recycled Water Delivery Quantities**

- 34 a. Subject to the provisions herein, Producer agrees to make available to
35 Distributor each Fiscal Year during the term hereof, recycled water produced
36 at the RWTF in the anticipated minimum annual delivery quantity of ~~220-204~~
37 acre feet per year (the "Annual Delivery Quantity") with a firm maximum day
38 capacity of 0.7 MGD and peak hour delivery rate of 1,460 GPM at the
39 minimum stated operating pressure in Article B.4.a and pursuant to the User
40 Connection Schedule (Exhibit ~~GB~~).
- 41 b. Annually, Producer and Distributor shall meet and confer in good faith to
42 mutually determine any adjustments to the Annual Delivery Quantity
43 ~~Quantity and anticipated production schedule for each month for the ensuing~~
44 ~~Fiscal Year and to project minimum Annual Delivery Quantities for the next~~
45 ~~ensuing three Fiscal Years.~~ The purpose of this determination is to provide
46 the Producer with information necessary to plan production at the RWTF

including staffing, chemical purchases, maintenance and coordination of operations at the RWTF.

- c. Producer and Distributor acknowledge that circumstances such as drought may require additional Annual Delivery Quantities or a prolonged schedule of operation at the RWTF and agree to use reasonable best efforts to meet such additional requirements.
- d. Distributor shall make reasonable efforts to provide back-up source(s) of water for the distribution system that will provide a reliable flow of water to End Users in the event that circumstances beyond Producer's control cause a reduction or temporary loss of flow of recycled water from Producer.

3. Metering and Measurement of Flows

- a. Producer will measure all recycled water delivered to Distributor at the point of connection. This point of connection delivery (master) metering will be in addition to any retail (customer) metering conducted by the Distributor and/or End Users (collectively, the "Customer Metering"). The Master Metering shall govern billings to Distributor and shall also be used for reporting Distributor's recycled water usage to regulatory agencies. Where either Distributor or Producer acts as End Users, they shall also report usage by metering.
- b. The Producer shall field test the accuracy of the Master Metering not less frequently than annually and provide the Distributor with a report of such test. The Distributor shall have the right at any time and at its expense to make additional tests of the Master Metering. If the Master Metering is found to be reading 2 percent or more fast or slow, it shall immediately be recalibrated, repaired or replaced by the Producer to bring it within 2 percent accuracy.
- c. Title to and risk of loss and responsibility for the handling and control of all recycled water which meets the quality criteria shall pass from the Producer to the Distributor at the point of connection. The Producer and Distributor agree to exercise due diligence in inspecting their various pipelines and appurtenances and take steps to guard against unreasonable loss of recycled water. Should unreasonable loss of recycled water occur, the parties shall meet in good faith to determine a fair allocation of the cost thereof.

4. Recycled Water Quality and Pressure

- a. All recycled water to be delivered by Producer to Distributor pursuant to the terms of this Agreement will be of such quality that the same may be used for all purposes from time to time allowed for disinfected tertiary recycled water. The recycled water to be delivered to Distributor at the Point of Connection pursuant to this Agreement shall ~~range~~ have a minimum in pressure ~~from XX to~~ of 80 pounds per square inch (psig) and conform to the quality requirements set forth in the then current disinfected tertiary recycled water quality and monitoring regulations specified in Title 22, Division 4, Chapter 3: Wastewater Reclamation Criteria (California Code of Regulations), as further regulated by the State of California Regional Water Quality Control Board, the California Department of Public Health and all

other federal, state and local agencies having jurisdiction over recycled water quality.

- b. The Parties recognize that factors beyond the control of Producer could cause operational difficulties at the RWTF resulting in the temporary production of recycled water which does not meet the current requirements referenced in the previous subparagraph for the intended uses of the End Users. In such cases, Producer shall temporarily suspend deliveries of recycled water to Distributor from Producer's facilities. Producer shall use its best efforts to reestablish the production of recycled water of a suitable quality and pressure as soon as reasonably possible and shall reestablish Distributor's supply of such water accordingly.
- c. Producer shall immediately notify Distributor if recycled water from the RWTF does not meet the currently applicable regulatory requirements and its deliveries of recycled water will be suspended. Such notice shall be given to Distributor, via control system alarm, e-mail (info@nmwd.com) or telephone (415) 897-4133 with a follow-up written confirmation on the same day automatic notice is given, or on the next business day if automatic notice is not given during normal business hours. Said notice shall contain the date and time delivery was interrupted and the date and time delivery resumed or is scheduled to resume.
- d. From time to time, it may be necessary for the parties to develop, agree upon and implement detailed operating criteria and procedures. Distributor agrees to provide real time recycled water storage level data to facilitate such operating criteria for the RWTF.

5. Recycled Water Limitations of Use

Distributor agrees to provide the recycled water it receives hereunder only for the use of those End Users who have obtained the appropriate permits to use recycled water. Distributor shall be responsible for establishing the required Administrative Procedures and End User Rules and Regulations, for issuing permits to End Users, and for providing regulatory oversight of End User sites.

6. Permits

This Agreement is based on the necessary permitting requirements under the ~~current San Francisco Regional Water Quality Control Board Order 96-014 General Water Reuse Requirements for Wastewater and Water Agencies, future State General Order WQ 2016--0068-DDW Water Reclamation Requirments for Recycled Water Use~~ and the ~~Department of Public HealthState Water Resources Control Board~~ Title 22 water reuse criteria relating to the use of recycled water and the development and construction of a recycled water production and distribution system. Each of the Parties undertakes and agrees, severally and jointly as appropriate, to file any and all applications and Engineering Reports, and undertake such proceedings as may be necessary to enable each Party to carry out the undertaking contemplated herein, and to pursue each application and proceedings in good faith and due diligence. Distributor will act as lead agency in obtaining, complying with and maintaining the permits that are applicable to the construction and initial permitting of the distribution system. Producer will act as lead agency in obtaining, complying with, and maintaining the permits that are applicable to the operation of the

1 RWTF. However, both Producer and Distributor agree to cooperate in obtaining
2 and complying with permits necessary to carryout the provisions of this
3 agreement and are responsible, where applicable to their role as Producer or
4 Distributor, to comply with the requirements set forth in these permits.

6 **ARTICLE C. RECYCLED WATER FACILITIES**

7 **1. Initial Construction**

- 8 a) The Parties have worked together to develop planning, permitting and
9 preliminary engineering design for a RWTF and distribution system to serve
10 the City of Novato, Novato Unified School District playing fields and
11 residential common area landscaping at Hamilton Field as the ~~first~~ End User.

12 **2. Master Plan**

- 13 a) The Distributor has prepared and approved a ~~focused master plan~~ 2006
14 Recycled Water Implementation Plan (the "Master Implementation Plan") for
15 contemplated expanded distribution and/or treatment facilities for the
16 distribution of recycled water in the service area of Distributor (the
17 "Expanded Facilities"). The ~~focused Master Implementation~~ Plan was
18 prepared by Nute Engineering and promotes the use of recycled water
19 throughout the service area of Distributor, and is consistent with Distributor's
20 overall water supply planning.

21 ~~Arrangements between the parties relating to permitting, design and~~
22 ~~construction of Expanded Facilities beyond that contemplated herein shall~~
23 ~~be addressed in one or more future agreements.~~

24 **3. Construction of Facilities**

- 25 a) Each party shall be solely responsible for obtaining all permits, contracts,
26 approvals, easements, land rights, or other permission or consent necessary
27 to proceed with its recycled water facilities, as ~~contemplated described~~ by
28 this Agreement.
- 29 b) Recycled water delivered to Distributor pursuant to this Agreement shall be
30 provided by Producer from the RWTF facility. ~~Initial e~~Construction of the
31 RWTF shall be administered, managed and financed by the Producer with a
32 California State Water Resources Control Board State Revolving Fund low
33 interest loan, bank loan and/or grant funding.

34 ~~Initial e~~Construction of Recycled Water distribution facilities shall be
35 administered, managed and financed by the Distributor with a California
36 State Water Resources Control Board State Revolving Fund Low Interest
37 Loan, bank loan and/or grant funding. Repayment of any said loan financing
38 shall be pursuant to Distributor Water Connection Fees paid by Distributor
39 customers.

- 40 ~~e) Initial Construction Costs (including engineering support, construction~~
41 ~~management and administration) for the RWTF are estimated to be~~
42 ~~\$4,899,025 pursuant to the Phase 3 Engineering and Economic/Financial~~
43 ~~Analysis Report for the Project by Camp Dresser McKee (CDM, June 2008)~~
44 ~~with revised project summary costs (CDM, November 2009 costs) or 48% of~~
45 ~~the total Initial Construction Costs, and allocated to the Producer.~~

Initial Construction Costs for the Recycled Water distribution facilities are estimated to be \$5,385,900 pursuant to the revised GDM, November 2009 costs, or 52% of the total initial construction costs and allocated to the Distributor.

d) Federal Funding Grant Allocation

The Producer has entered into an agreement with Sonoma County Water Agency (SCWA) on behalf of Producer and Distributor for up to 25% federal grant funding for the Expanded Facilities, also known as the "Novato South Service Area Recycled Water" projects as defined by the North San Pablo Bay Restoration and Reuse Project EIR/EIS (ESA 2010). Federal grant funds are anticipated from the American Reinvestment and Recovery Act (ARRA) and Title XVI Grants awarded by the U.S. Bureau of Reclamation (USBR). Until such a time that Distributor is a direct recipient of ARRA or Title XVI grant funds from SCWA, Distributor agrees to abide by all the terms and conditions of said agreement between Producer and SCWA, attached hereto as Exhibit D.

i. Allocation of ARRA Grant Funds

It is anticipated that of the \$7,328,000 ARRA grant funds eligible for payment to SCWA by USBR, \$1,425,500 is to be allocated by SCWA to Producer for the Expanded Facilities Novato South Service Area Recycled Water. The aforementioned ARRA grant fund allocation is based on the Expanded Facilities Novato South Service Area project total cost estimate of \$8,729,300, 39% allocated for Distributor's storage and pipeline components, expected to include 3.4 miles of pipeline, and 61% allocated for Producer's treatment and pumping components. It is agreed that the ARRA grant funds will be shared proportionately between the Producer and Distributor using the above-stated percentages after accounting for the grant administration expenses.

The anticipated total ARRA grant funds available to Producer at this time is 16.3% of the above mentioned Expanded Facilities Novato South Service Area project total cost estimate of \$8,729,300. Should additional ARRA funds become available through the NBWRA Program, the Producer and Distributor will share in those funds until each has reached a 25% federal funding match.ii. Allocation of Title XVI Funds

Notwithstanding the allocation methodology provided above for the ARRA grant allocation, any future Title XVI grant funding allocation will be based upon the amounts identified in Exhibit C of the North Bay Water Reuse Authority Second Amended Memorandum of Understanding (Exhibit D). It is further anticipated that any future grant application and funding disbursement will be structured so that SCWA distributes grant funds directly to Distributor as a Member Agency of NBWRA and Recipient under a future Agreement for Grant Facilitation Services for North San Pablo Bay Restoration and Reuse Project.

c) State and Federal Funding Grant Allocation

It is also further understood that should State of California or Title XVI federal grant funds become available that can reimburse the Producer up to 25% federal grant funding of the Initial Construction Costs pursuant to Article

~~C.3.e)~~, that the Distributor will support the Producer in securing those funds. Furthermore, the Producer will support the Distributor in obtaining State of California or Title XVI federal grant funds to reach its 25% share federal grant funding of the Initial Construction Costs pursuant to Article C.3.e), including ~~the balance of pipeline work in the Novato South Service Area distribution system.~~

ee) State and Federal Funding Grant Allocation

~~—Allocation of any grant funding from the State of California for the expanded facilities shall be shared proportionately between the Producer and Distributor using the percentages stated in Article C. Section 3.d)i.~~

fed) Expansion of the RWTF and Expanded Distribution Facilities will may be undertaken from time to time at the discretion of the as subject to any other future agreements executed between Producer and Distributor respectively.

Planned capital improvements or replacements projects to the RWTF shall be coordinated with Distributor sufficiently in advance to ensure adequate funds are available to carry out said projects

4. Ownership, Operation and Maintenance of Facilities

Distributor shall own, operate and maintain at no cost to Producer, all of its distribution facilities from the Point of Connection up to the End User meter.

Producer shall own, operate and maintain at no cost to Distributor all of the RWTF up to the designated Point of Connections. Distributor shall pay for recycled water pursuant to Article D. Payment Provisions. At Distributor's request or as necessary to comply with permit conditions of state or federal law, Producer may assist with the maintenance and emergency repair of Distributor's distribution facilities. Distributor shall reimburse Producer for reasonable and necessary expenses incurred in carrying out such maintenance or repair. At Producer's request or as necessary to comply with permit conditions of state or federal law, Distributor may assist with the maintenance and emergency repair of Producer's ~~distribution~~ RWTF facilities. Producer shall reimburse Distributor for reasonable and necessary expenses incurred in carrying out such maintenance or repair.

Producer agrees to provide the Distributor the uninterrupted right of ingress to and egress from the recycled water pipeline route on Producer's property and the right at all times to enter in, over and upon and to use said recycled water pipeline route and every part thereof for all purposes connected with the laying down, constructing, reconstructing, replacing, removing, repairing, maintaining, operating and using said distribution facilities.

Producer agrees not to do anything which may interfere with Distributor's full rights for the purposes noted above including without limitation the following: placing or permitting to be placed on said recycled water pipeline route any building or structure (including without limitation new fences not approved by Distributor) or deck(s), tree(s), large shrub(s), or rock(s) weighing more than 50 pounds;

1 Subject to the foregoing provisions, Producer may excavate or change the
2 grade of the surface of said recycled water pipeline route way for the Producer's
3 continued operation and maintenance of the existing wastewater facility
4 operations, provided that before making any such change, Producer shall notify
5 Distributor of the proposed change and enable Distributor the opportunity to
6 raise or lower distribution facilities as solely determined by Distributor if
7 Distributor determines in its sole discretion that the change of the grade
8 necessitates that any Distributor facilities be raised or lowered.

9 Producer may cultivate and landscape the surface of said recycled water
10 pipeline route and may construct a roadway thereon provided that such actions
11 do not in any way conflict with or violate any of the preceding limitations.

12 Producer reserves the right to change the location of said recycled water
13 pipeline route on Producer's property to a new location agreeable to Distributor,
14 provided that the full expense of relocating the recycled water pipeline and
15 appurtenant facilities to the new location shall be funded from the Recycled
16 Water Capital Replacement and Expansion Fund.

17 Distributor shall be under no obligation to install or maintain a roadway or
18 pavement or other surfacing upon the recycled water pipeline route except such
19 as may be convenient for its own purposes. (Any surface changes, such as
20 paving, need to be approved by Producer.)

21 5. Monitoring

22 Producer's responsibility for management and monitoring the recycled water
23 delivered hereunder shall be limited only to recycled water production at the
24 RWTF and shall cease upon delivery to Distributor at the Point of Connection.
25 Operation, management, maintenance, permitting and monitoring of facilities
26 under the control of the Distributor shall be the sole responsibility of Distributor.
27 Distributor agrees to accept Producer's reporting responsibility for conformance
28 to all monitoring, reporting, and any other requirements assigned to the
29 "recycled water agency" in Title 22 of the California Code of Regulations, all
30 applicable regulations of the State of California Regional Water Quality Control
31 Board and the ~~California Department of Health Services and Order 96-011~~
32 ~~(General Water Reuse Requirements for Municipal Wastewater and Water~~
33 ~~Agencies) and future State General Order WQ 2016-0068-DDW Water~~
34 ~~Reclamation Requirements for Recycled Water Use.~~

35 6. Reporting

36 As a condition of, and to provide assistance sufficient to enable Distributor to
37 carry out this reporting responsibility undertaken by Distributor, Producer shall
38 provide Distributor with the following reporting information:

- 39 a) Quarterly (or annual, at Distributor's option) recycled water production and
40 monitoring records certified by Producer to meet quality pursuant to Exhibit
41 ~~B-C~~ within 30 days of the close of each fiscal quarter (or Calendar Year, as
42 the case may be) to the extent permissible by law.
- 43 b) Adequate notifications of Producer inspections, start-ups, shutdowns and
44 disconnections, or violations, if any.

1 **ARTICLE D. PAYMENT PROVISIONS**

2 **1. Recycled Water Pricing Policy**

3 The Parties agree that the rates charged by Producer to Distributor shall be in
4 the amount required to reimburse Producer's actual RWTF Operation and
5 Maintenance Costs. Rates charged by Distributor to End Users shall cover
6 Producer's actual RWTF Operation and Maintenance Costs and Distributor's
7 actual Operation and Maintenance Costs of the distribution facilities, ~~plus an~~
8 ~~amount for maintenance and replacement.~~ Any payments to the Distributor by
9 the End User in excess of actual costs (marginal payments) shall be deposited
10 in a Recycled Water Capital Replacement and Expansion Fund.

11 **2. Recycled Water Rate Review**

12 Producer shall charge for the delivery of recycled water in accordance with the
13 rate schedule for recycled water service as such rate schedule is established by
14 the Producer and approved by Producer's governing board. Producer shall
15 review and establish said rate schedule based on the the above policy of
16 reimbursing Producer's RWTF actual Operation and Maintenance Costs every
17 Fiscal Year. ~~Producer shall charge for the delivery of recycled water in~~
18 ~~accordance with the rate schedule for recycled water service as such rate~~
19 ~~schedule is established by the producer and approved by Producer's governing~~
20 ~~board. Producer shall review and establish said rate schedule based on the~~
21 ~~above-described policy of reimbursing Producer's RWTF actual Operation and~~
22 ~~Maintenance Costs every Fiscal Year.~~ Distributor shall be given ample
23 opportunity to meet and confer upon the ~~intended application of the pricing~~
24 ~~policy and Producer's RWTF Operation and Maintenance Costs to ensure~~
25 compatibility with the intent of this Agreement. ~~proposed recycled water rates~~
26 ~~with Producer prior to final determination of Producer's shall be given ample~~
27 ~~opportunity to meet and confer upon the Distributors Operation and~~
28 ~~Maintenance Cost of the distribution facilities prior to final determination of~~
29 ~~Producer's recycled water rates, to ensure compatibility with the intent of this~~
30 ~~Agreement.~~ ~~recycled water rates, to ensure compatibility with the intent of this~~
31 ~~Agreement.~~

32 Notwithstanding any other provisions of this agreement, the cost of planned
33 capital improvements or replacement projects to the RWTF shall not be included
34 in Producer's recycled water rates but shall instead be reimbursed from the
35 Recycled Water Capital Replacement and Expansion Fund 30 days after receipt
36 of invoice subject to compliance with Article D, Section 6. ~~Notwithstanding any~~
37 ~~other provision of this Agreement, the cost of planned capital improvements or~~
38 ~~replacement projects to the RWTF shall not be included in Producer's recycled~~
39 ~~water rates but shall instead be reimbursed from the Recycled Water Capital~~
40 ~~Replacement and Expansion Fund 30 days after receipt of invoice.~~

1 **3. Billings**

2 Distributor agrees to make quarterly (or annual, at Producer's option) payments
3 for the total amount of recycled water delivered pursuant to Article B.3 in each
4 fiscal quarter (or Fiscal Year, as the case may be) ~~at the rates set~~RWTF for the
5 Operation and Maintenance Costs according to the procedures herein.

6 **4. Obligation to Pay for Available Water**

7 Distributor is obligated to pay Producer for the Annual Delivery Quantity of
8 recycled water for each Fiscal Year, assuming such quantity of recycled water is
9 made available to it by Producer. Producer shall bill Distributor at the close of
10 each quarter (or each Fiscal Year) for the actual quantity of recycled water
11 taken by Distributor pursuant to Article B.3 during that quarter (or Fiscal Year).

12 **5. Time and Method of Payment**

13 Payments shall be made by Distributor in response to, and within 30 days of,
14 billing by Producer.

15 **6. Recycled Water Capital Replacement and Expansion Fund**

16 ~~Notwithstanding any other provision of this Agreement, the cost of repair,~~
17 ~~replacement or expansion planned capital improvements or replacement~~
18 ~~projects to the RWTF to meet the delivery obligations to the Distributor shall not~~
19 ~~be included in Producer's recycled water rates but shall instead be reimbursed~~
20 ~~from the Las Gallinas Recycled Water Capital Replacement and Expansion~~
21 ~~Fund ("LGRW Fund") 30 days after receipt of invoice. The cost of repair,~~
22 ~~replacement or expansion capital improvement projects to the recycled water~~
23 ~~distribution system that is used to distribute Las Gallinas RWTF water~~
24 ~~(Distribution Facilities) shall be reimbursed from the North Marin Recycled~~
25 ~~Water South Service Area Capital Replacement and Expansion Fund ("NMRW-~~
26 ~~South Fund").~~

27 ~~Both the LGRW Fund and NMRW-South Fund Recycled Water Capital~~
28 ~~Replacement and Expansion Fund will be maintained by the Distributor and~~
29 ~~isare intended to assist funding repair and replacement of exisiting facilities at~~
30 ~~the end of their useful life or expanding/improving the facilities as mutually~~
31 ~~agreed by both Parties. Following the end of each fiscal year, Distributor shall~~
32 ~~deposit the appropriate portion (as defined in the next paragraph) of new~~
33 ~~revenue (if any) into the respective funds. For purposes of this Agreement, new~~
34 ~~revenue shall be equal to the total rate revenues collected from retail customers~~
35 ~~of recycled water delivered to Distributor from the RWTF less the Distributor's~~
36 ~~direct and indirect operating expenses associated with purchasing and~~
37 ~~delivering recycled water to those customers. The allocation of the Distributor's~~
38 ~~direct and indirect operating costs shall be done equitably and transparently as~~
39 ~~part of the annual reporting.~~

40 ~~As referenced above, the portion of net revenue to be deposited in the LGRW~~
41 ~~Fund shall be based on the relative value of that year's depreciation expense for~~
42 ~~the RWTF (accounting solely for the portion of the facilities capacity designated~~
43 ~~to serve the Distributor as opposed to any other recycled water distributions~~
44 ~~systems) as compared to that year's depreciation expense of North Marin's~~
45 ~~Distribution Facilities used to deliver Las Gallinas Recycled Water. The~~
46 ~~remaining net revenue shall be deposited in the NMRW Fund. As part of the~~

1 annual reconciliation process, each Party shall provide their annual depreciation
2 expense, as referenced above, and provide details for the basis of the value
3 upon request.

4 —Distributor shall provide annual reports of the fund to the Producer, including a
5 summary of the prior year's net revenue calculation and the basis of any
6 applicable deposit to the LGRW Fund and NMRW Fund. Any expenditure from
7 either the fund shall be jointly approved in advance by both the Producer and
8 Distributor, based on pro-rata allocation of initial facilities asset value among the
9 Distributor and Producer (both Novato Sanitary District and Las Gallinas Valley
10 Sanitary District).

11 **ARTICLE E. TERMINATION**

12 **1. General**

13 This Agreement may be terminated upon the occurrence of the events
14 described in the following paragraphs.

15 **2. Failure to Initiate Initial Construction**

16 ~~—If the initial construction is not initiated by the second anniversary of the~~
17 ~~Effective Date of this Agreement (the "Plan Date"), then either Party may elect~~
18 ~~to terminate this Agreement by serving a written notice (the "Termination~~
19 ~~Notice") on the other Party within 180 days following the Plan Date. In the event~~
20 ~~of such termination:~~

21 ~~a) This Agreement shall be deemed terminated as of the last day of the Fiscal~~
22 ~~Year during which the Termination Notice was given.~~

23 **32. Non-Renewal**

24 Following the expiration of the original 2030-year term of this Agreement, either
25 Party may serve upon the other no later than 30 days prior to the next occurring
26 anniversary of the Effective Date a notice of intent to terminate this Agreement.
27 Such termination shall become effective upon said next occurring anniversary of
28 the Effective Date.

29 **43. Cause**

30 This Agreement may be terminated by either Party at any time for good cause
31 upon 60-days' written notice to the other Party. However, if the good cause is
32 the breach of the other Party, this Agreement may not be terminated under this
33 section unless such breach is not cured by the breaching Party during such 60-
34 day period. Notwithstanding the foregoing, if a cure of any such breach by any
35 Party hereto cannot practicably be affected within such 60-day period, and the
36 breaching Party, upon receiving such written notice, promptly initiates efforts to
37 cure such failure within such 60-day period, and diligently pursues such cure,
38 this Agreement may not be terminated under this section.

39 **54. Failure to Approve Annual Funding**

40 The Parties acknowledge that each Party undergoes an annual budgeting
41 process and that neither Party is obligated to expend additional funds or to
42 construct additional facilities in any given year unless the applicable Party's
43 governing board has budgeted money for that purpose. Notwithstanding the
44 foregoing, failure to budget such funds may constitute good cause for
45 termination of this Agreement under paragraph 4-3 above.

1 **65. Decision by Distributor to Cease Distributing Recycled Water**

2 This Agreement shall be terminated in the event that Distributor determines that
3 it no longer intends to be a purveyor of recycled water within its service area.
4 Such termination shall be effective at the end of the Fiscal Year following the
5 Fiscal Year in which notice of Distributor's desire to terminate this Agreement
6 pursuant to this Paragraph is furnished to Producer.

7 In the event of termination pursuant to this Section, the Producer and Distributor
8 agree to meet and consider arrangements to insure water service is maintained
9 as necessary to customers historically receiving recycled water.

10 **76. Impasse over Rates**

11 If following mediation as provided for herein, Distributor is unwilling to accept a
12 new ~~annual rate set~~planned cost for recycled water by Producer then this
13 Agreement shall be deemed terminated at the end of the Fiscal Year for which
14 such impasse is reached. If Producer, following mediation as provided for
15 herein, declares an impasse due to Distributor setting rates that do not recover
16 costs necessary to adequately fund recycled water production, then this
17 Agreement shall be terminated at the end of the Fiscal Year for which such
18 impasse is reached.

19 **87. Buyout Upon Termination**

20 If this Agreement is terminated in accordance with the provisions of Paragraphs
21 2, 3, 4, 5, 6 or ~~7-6~~ of this Article, then Producer shall have the option to
22 purchase from Distributor those portions of the Distribution Facilities (along with
23 any appurtenances necessary to distribute recycled water in Producer's service
24 area) that have been constructed or are then under construction from
25 Distributor, including easements and any associated real estate required for
26 their use or maintenance. Producer may exercise this option on the following
27 terms:

- 28 a. Producer shall give written notice of its intent to purchase said facilities
29 within 180 days following the effective date of the termination.
- 30 b. The purchase price for Distributor's facilities shall be negotiated in good
31 faith. Upon request, Distributor shall furnish appropriate accounting data
32 and information to Producer to establish the purchase price.
- 33 c. Distributor shall assign to Producer all water delivery contracts with End
34 Users using the Distribution Facilities along with any applicable consulting
35 or construction contracts.

36 **ARTICLE F. GENERAL PROVISIONS**

37 **1. Good Faith**

38 This Agreement is the result of good faith negotiations entered into by the
39 Parties willingly, with due diligence, and with full advice of legal counsel, and it
40 is the intent of the Parties that all aspects of performance of this Agreement will
41 be undertaken in the same manner. The Parties acknowledge and agree that it
42 is not possible to anticipate every issue, situation or problem that might arise or
43 be encountered during the term of this Agreement. As to any issue, situation, or
44 problem not expressly provided for in this Agreement, each Party agrees to
45 refrain from doing anything (1) to injure the right of each other Party to receive

the benefits of this Agreement, or (2) to frustrate the purpose for which this Agreement was executed. Each Party further agrees that in the event any such unanticipated issue, situation or problem arises, they will meet and confer in furtherance of the implied covenant of good faith and fair dealing in order to find a mutually acceptable solution.

2. Amendments

This Agreement may be amended at any time by mutual written agreement of the Parties. The Parties agree that in the event of action by an outside governmental body producing a prospective change in the volume or use of recycled water by Distributor's customers, the Parties will make such amendments to this Agreement as the circumstance may reasonably and equitably require.

3. Notices

All notices or other writings in this Agreement to be given by either Party to the other, shall be deemed to have been given or when made in writing and either (i) delivered personally, or (ii) sent by facsimile transmission to the Fax numbers set forth below with the original deposited in the U.S. mail, postage pre-paid, first class, addressed as set forth below, or (iii) deposited in the United States mail, registered, or certified, postage prepaid, and addressed as follows:

To Distributor

General Manager
North Marin Water District
P.O. Box 146
Novato, CA 94948-0146
Phone: (415) 897-4133
FAX: ~~(415) 892-8043~~ 897-2049

To Producer

General Manager
Las Gallinas Valley Sanitary District
300 Smith Ranch Road
San Rafael, CA 94903
Phone: (415) 472-1734
FAX: ~~(415) 499-7715~~

The address of either Party may be changed upon written notice given by such Party as above provided. Notices shall also be deemed given when delivered by personal delivery, with a confirmation copy by first class mail.

4. Severability

If any one or more of the covenants or agreements set forth in this Agreement on the part of Producer or Distributor, or either of them, to be performed should be contrary to any provision of law or contrary to the policy of law to such extent as to be unenforceable in any court of competent jurisdiction, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed severable from the remaining covenants and agreements and shall not affect the validity of this Agreement.

1 **5. Paragraph Headings**

2 Paragraph headings in this Agreement are for convenience only and are not to
3 be construed as part of this Agreement or any way limiting or amplifying the
4 provisions here.

5 **6. Successors and Assigns**

6 Subject to the provisions of the succeeding Paragraph hereof, this Agreement
7 and all the terms, covenants, agreements, and conditions herein contained shall
8 inure to the benefit of and be binding upon the successors and assigns of the
9 Parties hereto.

10 **7. Assignment**

11 No assignment or transfer by Distributor of this Agreement or any part hereof, or
12 of any rights hereunder or interest herein of Distributor, shall be valid unless
13 approved by Producer, which approval shall not be unreasonably withheld.

14 No assignment or transfer by Producer of this Agreement or any part hereof, or
15 of any rights hereunder or interest herein of Producer, shall be valid unless
16 approved by Distributor, which approval shall not be unreasonably withheld.

17 **8. Remedies**

18 Notwithstanding any other language in the Agreement, the Parties agree that
19 neither Producer nor Distributor shall be liable for monetary damages for a
20 breach of this Agreement, a tort relating to the Agreement or any other Cause of
21 Action. The Parties also agree that no third party is a beneficiary of this
22 Agreement such that any third party would have standing to seek either a
23 monetary or nonmonetary remedy regarding this Agreement. The Parties may
24 seek injunctive relief or mandamus relief under this Agreement to the extent
25 such a remedy exists.

26 **9. Indemnification**

27 Producer shall save Distributor, its officers, agents and employees, free and
28 harmless from any and all cost liability, damages or health-related claims arising
29 out of any act or omission to act, including any negligent act, by Producer, its
30 officers, agents or employees arising out of the Producer's performance of its
31 obligation under this Agreement. Distributor shall save Producer, its officers,
32 agents and employees, free and harmless from any and all cost liability,
33 damages or health-related claims arising out of any act or omission to act,
34 including any negligent act, by Distributor, its officers, agents or employees
35 arising out of the Distributor's performance of its obligation under this
36 Agreement.

37 **10. Dispute Resolution**

38 Any controversies between the Parties regarding the construction or application
39 of this Agreement, and claims arising out of this Agreement or its break, shall be
40 submitted to mediation within 30 days of the written request of a Party after the
41 service of that request on the other Party. The Parties may agree on one
42 mediator. If they cannot agree on one mediator, the Party demanding mediation
43 shall request that the Presiding Judge of the Superior Court of Marin County
44 appoint a mediator. The mediation meeting shall not exceed one day (eight
45 hours), unless the Parties agree to extend said time. The cost of the mediator

shall be borne by the Parties equally. Mediation under this section is a condition precedent to filing an action in any court.

The Parties shall make good faith efforts to resolve all claims and disputes related to this Agreement at the lowest possible cost. Unless the Parties agree upon an alternative forum of dispute resolution, any litigation concerning claims and disputes related to this Agreement shall be filed in and timely prosecuted to conclusion in the Superior Court in and for Marin County, and each party hereby waives its right to move to change venue.

11. Governing Law

This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California.

12. Further Assurances

Each of the Parties agrees to execute, and deliver to the other parties, such documents and instruments, and take such actions, as may reasonably be required to effectuate the terms and conditions of this Agreement; provided, however, such covenant shall not have the effect of increasing the obligations of any Party pursuant to this Agreement or require any representations and warranties by any Party in addition to those of such party set forth herein.

13. Waiver

No waiver of any right or obligation of any of the parties shall be effective unless in writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by any of the parties of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

14. Presumptions

Because all of the parties have participated in preparing this Agreement, there shall be no presumption against any party on the ground that such party was responsible for preparing this Agreement or any part hereof.

15. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

16. Entire Agreement

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and thereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

17. Insurance

Each Party shall be responsible for requiring all contractors that it retains for the construction and construction-related tasks related to this Agreement to provide insurance in the amounts and with the coverages consistent with its policies and practice for projects involving similar construction costs and risks. Each Party shall be responsible for obtaining from each such contractor a certificate of insurance evidencing such coverage, and policy endorsements adding both

1 Parties, and their respective directors, officers, employees, agents, and
2 authorized volunteers as additional insureds to the contractor's Commercial
3 General Liability and Comprehensive Automobile Liability insurance policies,
4 which shall be provided to both Parties prior to the commencement of the
5 construction and/or construction-related tasks.
6

1 IN WITNESS WHEREOF, Producer and Distributor have caused this Agreement to be
2 executed by their respective duly authorized officers effective as of the day and year first herein
3 written below.
4

**LAS GALLINAS VALLEY SANITARY
DISTRICT**

By: _____
Board President

Dated: _____

Attest: _____
Board Secretary

Approved as to Form:

Las Gallinas Valley Sanitary District
Attorney

NORTH MARIN WATER DISTRICT

By _____
Board President

Dated: _____

Attest: _____
Board Secretary

Approved as to Form:

North Marin Water District Attorney

1 EXHIBITS:

2 Exhibit A Point of Connection Detail

3 Exhibit ~~BC~~ ~~Producer's Schedule of Sampling and Analysis~~ User Connection Schedule

4 Exhibit ~~GB~~ ~~User Connection Schedule~~ Producer's Schedule of Sampling and Analysis

5

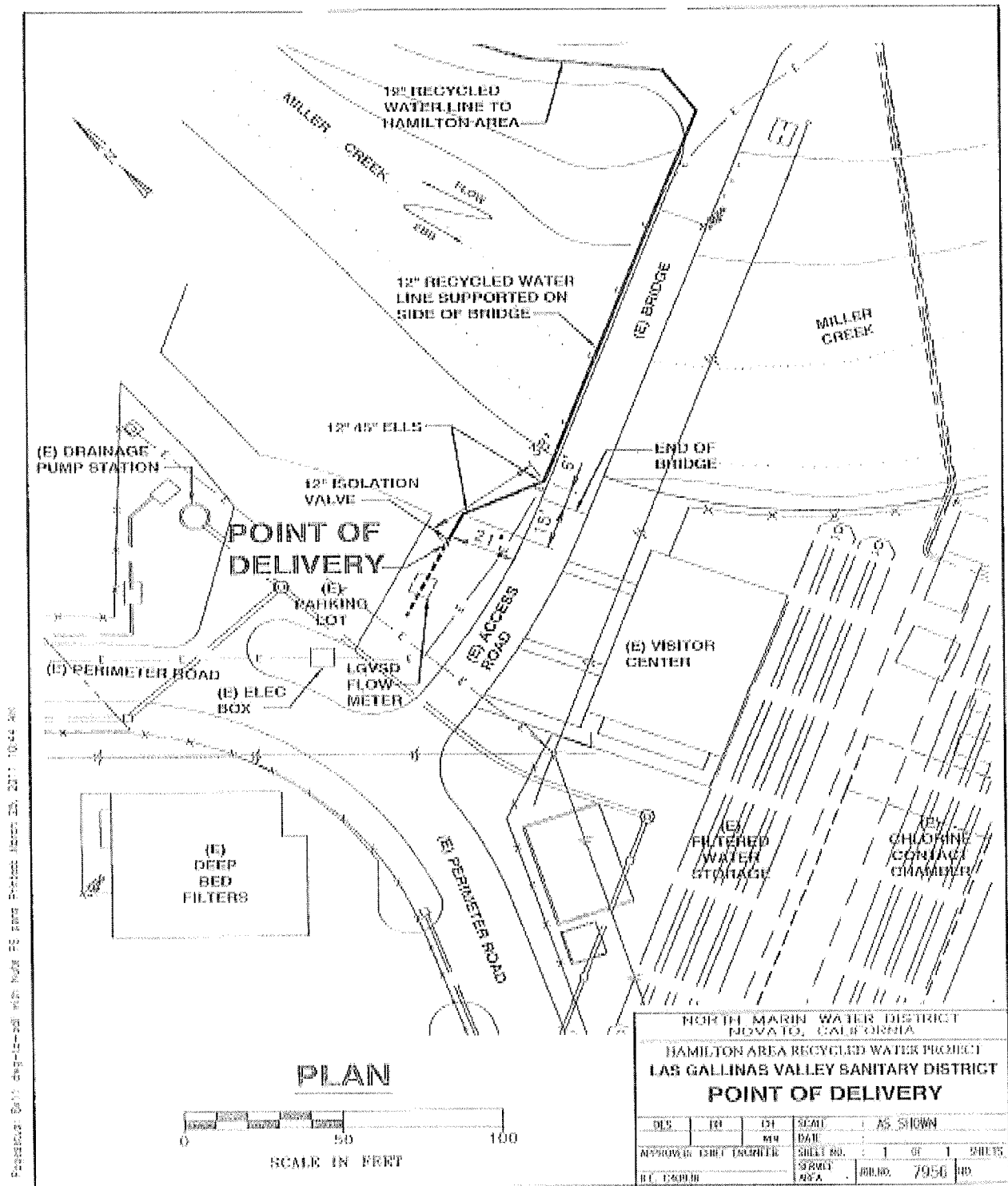


EXHIBIT A

EXHIBIT B

Recycled Water Expansion Project - South Service Area North Main Water District CWSRF No. 5211-110 User Connection Schedule										
Map Designation	User Site	User Site Owner	Estimated Usage (AFY) ¹	Type of Use ²	User Status Detailing or Future ³	Projected Connection Date	User Assurance Type ⁴	Retreat Required (Yes/No)	Current Status	Water Supplier
SERVICE AREA 5-E (HAMILTON)										
Phase 1 - Services completed Sept 2013										
3	741 Hamilton Hwy	City of Novato	0.4	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
12	900 Palm Drive	Gray in North	1.0	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
17	840 Rolling Circle	City of Novato	2.0	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
19	100 Rolling Circle	Meadow Park HOA	1.7	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
20	440 Rolling Circle	Meadow Park HOA	3.7	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
21	8 Hawthorn Dr	Bay Vista Apartments	2.3	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
22	7 Hawthorn Dr	Bay Vista Apartments	1.9	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
27	4 Kelly Drive	Meadow Park HOA	0.6	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
31	40 Randolph Dr	Shed Properties	2.1	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
33	37 Kelly Drive	Shed Properties	2.3	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
34	50 Deland Circle	Meadow Park HOA	1.4	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
37	18 Tinker Way	Meadow Park HOA	1.1	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
39	900 Rolling Circle	Meadow Park HOA	2.2	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
42	910 Rolling Circle	Meadow Park HOA	3.3	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
43	100 McNeil Dr	Meadow Park HOA	6.7	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
46	81 Rolling Circle	Meadow Park HOA	0.7	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
48	430 Rolling Circle	Meadow Park HOA	9.0	Landscape Irrigation	Y	Sept 2013	See note 4	Y	NMWD	
			Total Phase 1 = 100.0							
Phase 2 - Service connections Sept 2014										
3	40 Lombard Way	Lanham Village HOA	3.8	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
4	512 Hamilton Ave	Hamilton Mann	9.7	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
5	1 Ward Way	Hamilton Park HOA	4.2	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
8	841 Hamilton Ave	City of Novato	2.0	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
10	848 Hamilton Ave	City of Novato	5.5	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
14	201 Hamilton Hwy	Novato Public Phone Network	4.8	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
16	1100 Hamilton Hwy	City of Novato	3.6	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
18	751 Hamilton Highway	City of Novato	2.0	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
23	600 G Street	Novato Unified School District	4.7	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
27	10 Hamilton Lanes	Hamilton Mann LLC	4.4	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
32	Main Gate Rd	City of Novato	5.2	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
34	1 Main Gate Rd	Novato Unified School District	5.5	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
39	30 Caslin Ridge Circle	Meadow Park HOA	3.1	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
44	50 Caslin Ridge Circle	Meadow Park HOA	1.1	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
48	146 Alameda Way	Hamilton Field of Marsh HOA	0.5	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
52	200 Hanger Ave	City of Novato Santa Fe	7.2	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
53	14 San Pablo Ave	City of Novato	0.4	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
57	1 Alameda Way	Hamilton Field of Marsh HOA	0.7	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
61	200 Hanger Ave	City of Novato	2.4	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
62	410 South Palm Ave	Novato Santa Fe Village LP	5.0	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
63-1	Main Gate Rd/San Pablo Ave	U.S. Government	14.7	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
63-2	Hanger Ave/San Pablo Ave	U.S. Government	11.2	Landscape Irrigation	Y	Sept 2014	See note 4	Y	NMWD	
			Total Phase 2 = 119.9							
Average Annual Deliveries ¹ Ag Irrigation, Landscape Irrigation, Industrial Use, Ground Water Recharge, Etc. ² Y = Use SRA water and currently uses fresh water ³ U = Use site under development and will be ready to take water upon completion of construction of water recycling project ⁴ N = Use site will not be developed to take water until after completion of construction of water recycling project ⁵ Mandatory Use Ordinance or User Contract										

EXHIBIT BC

PRODUCER'S SCHEDULE OF SAMPLING & ANALYSIS¹

Constituent (units)	Limit	Type of sample	Frequency
Flow Rate (gallons/day)	700,000	Observation	Daily
Total Coliform (MPN/100 ml)	2.2 median	Grab (7 days)	Daily
	23 maximum	Grab (not to exceed in more than 1 sample in a 30-day period)	Daily
Turbidity (NTU)			
	0.2 maximum	No more than 5% of the time in a 24 hr period	Continuous
	0.5 maximum	At any time	Continuous
Dissolved Oxygen (mg/l)	1.0 minimum	Grab	3/week
Dissolved Sulfide (mg/l)	0.1 maximum	Grab	3/week (only if D.O. ≤ 1.0 mg/l)

¹ Or as required under the applicable RWQCB order.

Draft
SECOND REVISED
INTER AGENCY AGREEMENT
FOR RECYCLED WATER
BETWEEN
LAS GALLINAS VALLEY SANITARY DISTRICT
AND
NORTH MARIN WATER DISTRICT

~~JUNE~~APRIL 2022

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TABLE OF CONTENTS

RECITALS	1
AGREEMENT PROVISIONS	2
ARTICLE A. INTRODUCTORY PROVISIONS	2
1. Definitions	2
2. Term and Renewal	2
3. Previous Agreement Terminated	2
ARTICLE B. RECYCLED WATER SERVICE PROVISIONS	3
1. Recycled Water Delivery Limitations	3
2. Recycled Water Delivery Quantities	3
3. Metering and Measurement of Flows	4
4. Recycled Water Quality and Pressure	4
5. Recycled Water Limitations of Use	5
6. Permits	5
ARTICLE C. RECYCLED WATER FACILITIES	6
1. Initial Construction	6
2. Master Plan	6
3. Construction of Facilities	6
4. Ownership, Operation and Maintenance of Facilities	78
5. Monitoring	89
6. Reporting	89
ARTICLE D. PAYMENT PROVISIONS	810
1. Recycled Water Pricing Policy	810
2. Recycled Water Rate Review	810
3. Billings	911
4. Obligation to Pay for Available Water	911
5. Time and Method of Payment	911
6. Recycled Water Capital Replacement and Expansion Fund	9
ARTICLE E. TERMINATION	1012
1. General	1012
2. Failure to Initiate Initial Construction	Error! Bookmark not defined.
23. Non-Renewal	1012
34. Cause	1012
45. Failure to Approve Annual Funding	1012
56. —Decision by Distributor to Cease Distributing Recycled Water	1013
67. Impasse over Rates	1113
78. Buyout Upon Termination	1113
ARTICLE F. GENERAL PROVISIONS	1113
1. Good Faith	1113
2. Amendments	1214
3. Notices	1214
4. Severability	1214
5. Paragraph Headings	1215
6. Successors and Assigns	1315
7. Assignment	1315
8. Remedies	1315

9.	Indemnification	<u>1345</u>
10.	Dispute Resolution	<u>1446</u>
11.	Governing Law	<u>1446</u>
12.	Further Assurances	<u>1446</u>
13.	Waiver	<u>1446</u>
14.	Presumptions	<u>1446</u>
15.	Counterparts	<u>1446</u>
16.	Entire Agreement	<u>1546</u>
17.	Insurance	<u>1546</u>

Exhibit A	Point of Connection Detail
Exhibit B	User Connection Schedule
Exhibit C	Producer's Schedule of Sampling and Analysis

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**INTER AGENCY AGREEMENT
FOR RECYCLED WATER
BETWEEN
LAS GALLINAS VALLEY SANITARY DISTRICT
AND
NORTH MARIN WATER DISTRICT**

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This Agreement is made and entered into on this _____ day of _____, 2022, (the "Effective Date") between the Las Gallinas Valley Sanitary District (referred to as "Producer") and the North Marin Water District herein (hereinafter referred to as "Distributor"). Producer and Distributor may be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

- 14 A. Producer and Distributor are actively involved in local and regional efforts to develop recycled water supplies and promote recycled water use.
- 16 B. Producer and Distributor recognize that sustainable water resource management requires integration of water supply and wastewater discharge limitations.
- 18 C. Provisions of this agreement are consistent with conditions established pursuant to the Final Environmental Impact Report/Environmental Impact Statement (FEIR/EIS) for the North San Pablo Bay Restoration and Reuse Project (Project) also known as the North Bay Water Recycling Program as published in the Code of Federal Register (CFR) Volume 75, Number 108 dated June 7, 2010.
- 20 D. Included within said Project are facilities to treat such recycled water at the Producer's wastewater treatment site, hereinafter referred to as the Recycled Water Treatment Facility (the "RWTF").
- 22 E. The RWTF and recycled water distribution system will be permitted by the State of California San Francisco Bay Regional Water Quality Control Board to treat and distribute and use treated effluent as recycled water.
- 24 F. Recycled water to be delivered by Producer to Distributor will be disinfected tertiary recycled water, in accordance with the provisions of Title 22 of the California Code of Regulations and applicable requirements of the State Water Resources Control Board
- 26 G. Distributor has developed a recycled water master plan for future long-term distribution of recycled water in the Novato area of Marin County, California.
- 28 H. Distributor wishes to acquire from Producer the quantity of recycled water which it can sell to End Users (as defined in Article B2).
- 30 I. City of Novato, Novato Unified School District playing fields and residential common area landscaping at Hamilton Field in South Novato will be the End Users of recycled water and other end users may be served in the vicinity of the recycled water pipeline to be constructed from the RWTF to Hamilton Field wherein said projected use of recycled water in the Distributor's Service Area is reflected in the Distributor's Urban Water Management Plan.

1 **AGREEMENT PROVISIONS**

2 For and in consideration of the foregoing recitals and of the mutual promise and covenants
3 herein contained, the Parties hereto agree as follows:

4 **ARTICLE A. INTRODUCTORY PROVISIONS**

5 **1 Definitions**

6 When used in this Agreement, the following terms shall have the meanings
7 hereinafter set forth:

- 8 a. "End User" shall mean the ultimate user of recycled water.
- 9 b. "Fiscal Year" shall mean each 12-month period during the term of this
10 Agreement commencing July 1 of one year and terminating June 30 of the
11 next succeeding year, both dates inclusive.
- 12 c. "Operation and Maintenance Costs" shall mean the actual cost of: labor
13 (including general and administrative overhead plus tools and supplies
14 normally applied), equipment and vehicle charges, consumables (such as
15 chemicals and electrical power), and spare parts and/or replaced
16 components necessary to reliably treat and deliver recycled water to the End
17 Users pursuant to this agreement. Operation and Maintenance Costs shall
18 not include costs for major capital replacement or process changes.
- 19 d. "Point of Connection" shall mean a recycled water connection between
20 Producer's RWTF and Distributor's distribution system. See Exhibit "A"
21 attached hereto and incorporated herein by this reference.
- 22 e. "RWTF" shall mean the Recycled Water Treatment and Pumping Facilities
23 required to deliver recycled water from the Producer to the "Point of
24 Connection."
- 25 f. "Distribution" system shall mean the recycled water transmission/distribution
26 pipelines and storage facilities.

27 **2. Term and Renewal**

28 This Agreement shall commence on the Effective Date and be in force for thirty
29 (30) years. Following the original thirty (30) year Agreement term, the
30 Agreement term shall be automatically renewed and extended for consecutive
31 one (1) year terms, unless terminated in accordance with the provisions of
32 Article E herein.

33
34 **3. Previous Agreement Terminated**

35 The First Revised Inter-Agency Agreement for Recycled Water between Las
36 Gallinas Valley Sanitary District and North Marin Water District dated April 19,
37 2011 is terminated as of the effective date of this agreement.

1 **ARTICLE B. RECYCLED WATER SERVICE PROVISIONS**

2 **1. Recycled Water Delivery Limitations**

- 3 a. Distributor understands and acknowledges that Producer is charged with the
4 responsibility to operate its sewerage systems in a manner which it
5 reasonably determines to be most beneficial to the users thereof. The rights
6 of Distributor to recycled water under this Agreement pertain only to the
7 recycled water which actually is produced at the RWTF. Nothing contained
8 herein shall be construed to qualify in any manner Producer's right to
9 operate the RWTF at such rates of flow as Producer reasonably determines
10 to be appropriate so as to comply with Producer's NPDES permit.
- 11 b. Nothing herein shall be construed to commit any portion of the recycled
12 water from the RWTF beyond that which will be delivered by Distributor to its
13 customers for reasonable beneficial uses. Producer shall provide to
14 Distributor at least 30 days advance written notice of any non-emergency
15 planned reduction that would reduce the availability of recycled water to
16 Distributor. Distributor shall have ample opportunity to meet and confer with
17 the Producer on the issue of reduced availability of recycled water.
- 18 c. Any circumstances beyond Producer's control which cause an unplanned
19 reduction in the recycled water available for distribution from the RWTF may,
20 at the discretion of Producer, result in a temporary decrease in recycled
21 water available to Distributor under this Agreement. The reduced availability
22 of recycled water will continue in effect until such time as the RWTF has
23 been restored to normal operations, provided the Producer must use its
24 reasonable best efforts to restore the RWTF to normal operations as soon
25 as possible. Producer shall notice Distributor pursuant to Article B.4.c
26 regarding such unplanned reduction and status of restoration of the RWTF
27 to normal operation.
- 28 d. The Parties acknowledge that in unusual conditions, an emergency diversion
29 of recycled water by Producer may be necessary, and such diversion shall
30 be made to an effluent storage pond or wet weather basin, treatment plant or
31 other authorized location to receive such diversion by the Regional Water
32 Quality Control Board and shall not be deemed a violation of this Agreement.

33 **2. Recycled Water Delivery Quantities**

- 34 a. Subject to the provisions herein, Producer agrees to make available to
35 Distributor each Fiscal Year during the term hereof, recycled water produced
36 at the RWTF in the anticipated ~~minimum~~ annual delivery quantity of 204 acre
37 feet per year (the "Annual Delivery Quantity") with a firm maximum day
38 capacity of 0.7 MGD ~~and peak-hour delivery rate of 1,460 GPM at the~~
39 ~~minimum stated operating pressure in Article B.4.a~~ and pursuant to the User
40 Connection Schedule (Exhibit B).
- 41 b. Annually, Producer and Distributor shall meet and confer in good faith to
42 mutually determine any adjustments to the Annual Delivery Quantity. The
43 purpose of this determination is to provide the Producer with information
44 necessary to plan production at the RWTF including staffing, chemical
45 purchases, maintenance and coordination of operations at the RWTF.

- 1 c. Producer and Distributor acknowledge that circumstances to include but not
2 limited to reduced wastewater supply to the RWTF brought on by such as
3 drought or other circumstances, which may require at the discretion of the
4 Producer, a reduction of the additional Annual Delivery Quantities or an
5 adjustment of the a prolonged schedule of operation at the RWTF. Producer
6 and Distributor agree to use reasonable best efforts to meet such additional
7 requirements.
- 8 d. Distributor shall make reasonable efforts to provide back-up source(s) of
9 water for the distribution system that will provide a reliable flow of water to
10 End Users in the event that circumstances beyond Producer's control cause
11 a reduction or temporary loss of flow of recycled water from Producer.

12 3. Metering and Measurement of Flows

- 13 a. Producer will measure all recycled water delivered to Distributor at the point
14 of connection. This point of connection delivery (master) metering will be in
15 addition to any retail (customer) metering conducted by the Distributor
16 and/or End Users (collectively, the "Customer Metering"). The Master
17 Metering shall govern billings to Distributor and shall also be used for
18 reporting Distributor's recycled water usage to regulatory agencies. Where
19 either Distributor or Producer acts as End Users, they shall also report
20 usage by metering.
- 21 b. The Producer shall field ~~test~~verify the accuracy of the Master Metering by
22 comparing against baseline reading not less frequently than annually and
23 provide the Distributor with a report of such test. The Distributor shall have
24 the right at any time and at its expense to make additional tests of the
25 Master Metering. If the Master Metering is found to be reading 2 percent or
26 more fast or slow, it shall immediately be recalibrated, repaired or replaced
27 by the Producer to bring it within 2 percent accuracy.
- 28 c. Title to and risk of loss and responsibility for the handling and control of all
29 recycled water which meets the quality criteria shall pass from the Producer
30 to the Distributor at the point of connection. The Producer and Distributor
31 agree to exercise due diligence in inspecting their various pipelines and
32 appurtenances and take steps to guard against unreasonable loss of
33 recycled water. Should unreasonable loss of recycled water occur, the
34 parties shall meet in good faith to determine a fair allocation of the cost
35 thereof.

36 4. Recycled Water Quality and Pressure

- 37 a. All recycled water to be delivered by Producer to Distributor pursuant to the
38 terms of this Agreement will be of such quality that the same may be used
39 for all purposes from time to time allowed for disinfected tertiary recycled
40 water. The recycled water to be delivered to Distributor at the Point of
41 Connection pursuant to this Agreement shall have a minimum pressure of 80
42 pounds per square inch (psig) and conform to the quality requirements set
43 forth in the then current disinfected tertiary recycled water quality and
44 monitoring regulations specified in Title 22, Division 4, Chapter 3:
45 Wastewater Reclamation Criteria (California Code of Regulations), as further
46 regulated by the State of California Regional Water Quality Control Board,

the California Department of Public Health and all other federal, state and local agencies having jurisdiction over recycled water quality.

- b. The Parties recognize that factors beyond the control of Producer could cause operational difficulties at the RWTF resulting in the temporary production of recycled water which does not meet the current requirements referenced in the previous subparagraph for the intended uses of the End Users. In such cases, Producer shall temporarily suspend deliveries of recycled water to Distributor from Producer's facilities. Producer shall use its best efforts to reestablish the production of recycled water of a suitable quality and pressure as soon as reasonably possible and shall reestablish Distributor's supply of such water accordingly.
- c. Producer shall immediately notify Distributor if recycled water from the RWTF does not meet the currently applicable regulatory requirements and its deliveries of recycled water will be suspended. Such notice shall be given to Distributor, via control system alarm, e-mail (info@nmwd.com) or telephone (415) 897-4133 with a follow-up written confirmation on the same day automatic notice is given, or on the next business day if automatic notice is not given during normal business hours. Said notice shall contain the date and time delivery was interrupted and the date and time delivery resumed or is scheduled to resume.
- d. From time to time, it may be necessary for the parties to develop, agree upon and implement detailed operating criteria and procedures. Distributor agrees to provide real time recycled water storage level data to facilitate such operating criteria for the RWTF.

5. Recycled Water Limitations of Use

Distributor agrees to provide the recycled water it receives hereunder only for the use of those End Users who have obtained the appropriate permits to use recycled water. Distributor shall be responsible for establishing the required Administrative Procedures and End User Rules and Regulations, for issuing permits to End Users, and for providing regulatory oversight of End User sites.

6. Permits

This Agreement is based on the necessary permitting requirements under the current State General Order WQ 2016-0068-DDW Water Reclamation Requirements for Recycled Water Use and the State Water Resources Control Board Title 22 water reuse criteria relating to the use of recycled water and the development and construction of a recycled water production and distribution system. Each of the Parties undertakes and agrees, severally and jointly as appropriate, to file any and all applications and Engineering Reports, and undertake such proceedings as may be necessary to enable each Party to carry out the undertaking contemplated herein, and to pursue each application and proceedings in good faith and due diligence. Distributor will act as lead agency in obtaining, complying with and maintaining the permits that are applicable to the construction and initial permitting of the distribution system. Producer will act as lead agency in obtaining, complying with, and maintaining the permits that are applicable to the operation of the RWTF. However, both Producer and Distributor agree to cooperate in obtaining and complying with permits necessary to carryout the provisions of this agreement and are responsible,

where applicable to their role as Producer or Distributor, to comply with the requirements set forth in these permits.

ARTICLE C. RECYCLED WATER FACILITIES

1. Construction

- a) The Parties have worked together to develop planning, permitting and preliminary engineering design for a RWTF and distribution system to serve the City of Novato, Novato Unified School District playing fields and residential common area landscaping at Hamilton Field as the End User.

2. Master Plan

- a) The Distributor has prepared and approved a 2006 Recycled Water Implementation Plan (the "Implementation Plan") for contemplated expanded distribution and/or treatment facilities for the distribution of recycled water in the service area of Distributor (the "Expanded Facilities"). The Implementation Plan was prepared by Nute Engineering and promotes the use of recycled water throughout the service area of Distributor, and is consistent with Distributor's overall water supply planning.

3. Construction of Facilities

- a) Each party shall be solely responsible for obtaining all permits, contracts, approvals, easements, land rights, or other permission or consent necessary to proceed with its recycled water facilities, as described by this Agreement.
- b) Recycled water delivered to Distributor pursuant to this Agreement shall be provided by Producer from the RWTF facility. Construction of the RWTF shall be administered, managed and financed by the Producer with a California State Water Resources Control Board State Revolving Fund low interest loan, bank loan and/or grant funding.

Construction of Recycled Water distribution facilities shall be administered, managed and financed by the Distributor with a California State Water Resources Control Board State Revolving Fund Low Interest Loan, bank loan and/or grant funding. Repayment of any said loan financing shall be pursuant to Distributor Water Connection Fees paid by Distributor customers.

c) —e) — State and Federal Funding Grant Allocation

—It is also further understood that should State of California or Title XVI federal grant funds become available that can reimburse the Producer up to 25% that the Distributor will support the Producer in securing those funds. Furthermore, the Producer will support the Distributor in obtaining State of California or Title XVI federal grant funds to reach its 25% share-.

- d) e)**—Expansion of the RWTF and Expanded Distribution Facilities may be undertaken from time to time at the discretion of the Producer and Distributor respectively.

Planned capital improvements or replacements projects to the RWTF shall be coordinated with Distributor sufficiently in advance to ensure adequate funds are available to carry out said projects

4. Ownership, Operation and Maintenance of Facilities

Distributor shall own, operate and maintain at no cost to Producer, all of its distribution facilities from the Point of Connection up to the End User meter.

Producer shall own, operate and maintain at no cost to Distributor all of the RWTF up to the designated Point of Connections. Distributor shall pay for recycled water pursuant to Article D. Payment Provisions. At Distributor's request or as necessary to comply with permit conditions of state or federal law, Producer may assist with the maintenance and emergency repair of Distributor's distribution facilities. Distributor shall reimburse Producer for reasonable and necessary expenses incurred in carrying out such maintenance or repair. At Producer's request or as necessary to comply with permit conditions of state or federal law, Distributor may assist with the maintenance and emergency repair of Producer's RWTF facilities. Producer shall reimburse Distributor for reasonable and necessary expenses incurred in carrying out such maintenance or repair.

Producer agrees to provide the Distributor the uninterrupted right of ingress to and egress from the recycled water pipeline route on Producer's property and the right at all times to enter in, over and upon and to use said recycled water pipeline route and every part thereof for all purposes connected with the laying down, constructing, reconstructing, replacing, removing, repairing, maintaining, operating and using said distribution facilities.

Producer agrees not to do anything which may interfere with Distributor's full rights for the purposes noted above including without limitation the following: placing or permitting to be placed on said recycled water pipeline route any building or structure (including without limitation new fences not approved by Distributor) or deck(s), tree(s), large shrub(s), or rock(s) weighing more than 50 pounds.

Subject to the foregoing provisions, Producer may excavate or change the grade of the surface of said recycled water pipeline route way for the Producer's continued operation and maintenance of the existing wastewater facility operations, provided that before making any such change, Producer shall notify Distributor of the proposed change and enable Distributor the opportunity to raise or lower distribution facilities as solely determined by Distributor if Distributor determines in its sole discretion that the change of the grade necessitates that any Distributor facilities be raised or lowered.

Producer may cultivate and landscape the surface of said recycled water pipeline route and may construct a roadway thereon provided that such actions do not in any way conflict with or violate any of the preceding limitations.

Producer reserves the right to change the location of said recycled water pipeline route on Producer's property to a new location agreeable to Distributor, provided that the full expense of relocating the recycled water pipeline and appurtenant facilities to the new location shall be funded from the Recycled Water Capital Replacement and Expansion Fund.

Distributor shall be under no obligation to install or maintain a roadway or pavement or other surfacing upon the recycled water pipeline route except such as may be convenient for its own purposes. (Any surface changes, such as paving, need to be approved by Producer.)

5. Monitoring

Producer's responsibility for management and monitoring the recycled water delivered hereunder shall be limited only to recycled water production at the RWTF and shall cease upon delivery to Distributor at the Point of Connection. Operation, management, maintenance, permitting and monitoring of facilities under the control of the Distributor shall be the sole responsibility of Distributor. Distributor agrees to accept Producer's reporting responsibility for conformance to all monitoring, reporting, and any other requirements assigned to the "recycled water agency" in Title 22 of the California Code of Regulations, all applicable regulations of the State of California Regional Water Quality Control Board and the State General Order WQ 2016-0068-DDW Water Reclamation Requirements for Recycled Water Use.

6. Reporting

As a condition of, and to provide assistance sufficient to enable Distributor to carry out this reporting responsibility undertaken by Distributor, Producer shall provide Distributor with the following reporting information:

- a) Quarterly (or annual, at Distributor's option) recycled water production and monitoring records certified by Producer to meet quality pursuant to Exhibit C within 30 days of the close of each fiscal quarter (or Calendar Year, as the case may be) to the extent permissible by law.
- b) Adequate notifications of Producer inspections, start-ups, shutdowns and disconnections, or violations, if any.

ARTICLE D. PAYMENT PROVISIONS

1. Recycled Water Pricing Policy

The Parties agree that the rates charged by Producer to Distributor shall be in the amount required to reimburse Producer's actual RWTF Operation and Maintenance Costs. Rates charged by Distributor to End Users shall cover Producer's actual RWTF Operation and Maintenance Costs and Distributor's actual Operation and Maintenance Costs of the distribution facilities. Any payments to the Distributor by the End User in excess of actual costs (marginal payments) shall be deposited in a Recycled Water Capital Replacement and Expansion Fund.

2. Recycled Water Rate Review

Producer shall charge for the delivery of recycled water in accordance with the rate schedule for recycled water service as such rate schedule is established by the Producer and approved by Producer's governing board. Producer shall review and establish said rate schedule based on the the above policy of reimbursing Producer's RWTF actual Operation and Maintenance Costs every Fiscal Year. Distributor shall be given ample opportunity to meet and confer upon the Producer's RWTF Operation and Maintenance Costs to ensure compatibility with the intent of this Agreement. ~~Producer shall be given ample opportunity to meet and confer upon the Distributors Operation and~~

1 Maintenance Cost of the distribution facilities prior to final determination of
2 Producer's recycled water rates, to ensure compatibility with the intent of this
3 Agreement.

4
5 Notwithstanding any other provisions of this agreement, the cost of planned
6 capital improvements or replacement projects to the RWTF shall not be included
7 in Producer's recycled water rates but shall instead be reimbursed from the
8 Recycled Water Capital Replacement and Expansion Fund 30 days after receipt
9 of invoice subject to compliance with Article D, Section 6.

10 **3. Billings**

11 Distributor agrees to make quarterly (or annual, at Producer's option) payments
12 for the total amount of recycled water delivered pursuant to Article B.3 in each
13 fiscal quarter (or Fiscal Year, as the case may be) RWTF for the Operation and
14 Maintenance Costs according to the procedures herein.

15 **4. Obligation to Pay for Available Water**

16 Distributor is obligated to pay Producer for the Annual Delivery Quantity of
17 recycled water for each Fiscal Year, assuming such quantity of recycled water is
18 made available to it by Producer. Producer shall bill Distributor at the close of
19 each quarter (or each Fiscal Year) for the actual quantity of recycled water
20 taken by Distributor pursuant to Article B.3 during that quarter (or Fiscal Year).

21 **5. Time and Method of Payment**

22 Payments shall be made by Distributor in response to, and within 30 days of,
23 billing by Producer.

24 **6. Recycled Water Capital Replacement and Expansion Fund**

25 Notwithstanding any other provision of this Agreement, the cost of repair,
26 replacement or expansion capital improvement projects to the RWTF to meet
27 the delivery obligations to the Distributor shall be reimbursed from the Las
28 Gallinas Recycled Water Capital Replacement and Expansion Fund ("LGRW
29 Fund"). The cost of repair, replacement or expansion capital improvement
30 projects to the recycled water distribution system that is used to distribute Las
31 Gallinas RWTF water (Distribution Facilities) shall be reimbursed from the North
32 Marin Recycled Water South Service Area Capital Replacement and Expansion
33 Fund ("NMRW-South Fund").

34 Both the LGRW Fund and NMRW-South Fund will be maintained by the
35 Distributor and are intended to assist funding repair and replacement of existing
36 facilities at the end of their useful life or expanding/improving the facilities as
37 mutually agreed by both Parties. Following the end of each fiscal year,
38 Distributor shall deposit the appropriate portion (as defined in the next
39 paragraph) of new revenue (if any) into the respective funds. For purposes of
40 this Agreement, new revenue shall be equal to the total rate revenues collected
41 from retail customers of recycled water delivered to Distributor from the RWTF
42 less the Distributor's direct and indirect operating expenses associated with
43 purchasing and delivering recycled water to those customers. The allocation of
44 the Distributor's direct and indirect operating costs shall be done equitably and
45 transparently as part of the annual reporting.

As referenced above, the portion of net revenue to be deposited in the LGRW Fund shall be based on the relative value of that year's depreciation expense for the RWTF (accounting solely for the portion of the facilities capacity designated to serve the Distributor as opposed to any other recycled water distributions systems) as compared to that year's depreciation expense of North Marin's Distribution Facilities used to deliver Las Gallinas Recycled Water. The remaining net revenue shall be deposited in the NMRW Fund. As part of the annual reconciliation process, each Party shall provide their annual depreciation expense, as referenced above, and provide details for the basis of the value upon request.

Distributor shall provide annual reports of the fund to the Producer, including a summary of the prior year's net revenue calculation and the basis of any applicable deposit to the LGRW Fund and NMRW Fund. Any expenditure from either fund shall be jointly approved in advance by both the Producer and Distributor.

ARTICLE E. TERMINATION

1. General

This Agreement may be terminated upon the occurrence of the events described in the following paragraphs.

2. Non-Renewal

Following the expiration of the original 30-year term of this Agreement, either Party may serve upon the other no later than 30 days prior to the next occurring anniversary of the Effective Date a notice of intent to terminate this Agreement. Such termination shall become effective upon said next occurring anniversary of the Effective Date.

3. Cause

This Agreement may be terminated by either Party at any time for good cause upon 60-days' written notice to the other Party. However, if the good cause is the breach of the other Party, this Agreement may not be terminated under this section unless such breach is not cured by the breaching Party during such 60-day period. Notwithstanding the foregoing, if a cure of any such breach by any Party hereto cannot practicably be affected within such 60-day period, and the breaching Party, upon receiving such written notice, promptly initiates efforts to cure such failure within such 60-day period, and diligently pursues such cure, this Agreement may not be terminated under this section.

4. Failure to Approve Annual Funding

The Parties acknowledge that each Party undergoes an annual budgeting process and that neither Party is obligated to expend additional funds or to construct additional facilities in any given year unless the applicable Party's governing board has budgeted money for that purpose. Notwithstanding the foregoing, failure to budget such funds may constitute good cause for termination of this Agreement under paragraph 3 above.

5. Decision by Distributor to Cease Distributing Recycled Water

This Agreement shall be terminated in the event that Distributor determines that it no longer intends to be a purveyor of recycled water within its service area.

Such termination shall be effective at the end of the Fiscal Year following the Fiscal Year in which notice of Distributor's desire to terminate this Agreement pursuant to this Paragraph is furnished to Producer.

In the event of termination pursuant to this Section, the Producer and Distributor agree to meet and consider arrangements to insure water service is maintained as necessary to customers historically receiving recycled water.

6. Impasse over Rates

If following mediation as provided for herein, Distributor is unwilling to accept a new planned cost for recycled water by Producer then this Agreement shall be deemed terminated at the end of the Fiscal Year for which such impasse is reached. If Producer, following mediation as provided for herein, declares an impasse due to Distributor setting rates that do not recover costs necessary to adequately fund recycled water production, then this Agreement shall be terminated at the end of the Fiscal Year for which such impasse is reached.

7. Buyout Upon Termination

If this Agreement is terminated in accordance with the provisions of Paragraphs 2, 3, 4, 5, or 6 of this Article, then Producer shall have the option to purchase from Distributor those portions of the Distribution Facilities (along with any appurtenances necessary to distribute recycled water in Producer's service area) that have been constructed or are then under construction from Distributor, including easements and any associated real estate required for their use or maintenance. Producer may exercise this option on the following terms:

- a. Producer shall give written notice of its intent to purchase said facilities within 180 days following the effective date of the termination.
- b. The purchase price for Distributor's facilities shall be negotiated in good faith. Upon request, Distributor shall furnish appropriate accounting data and information to Producer to establish the purchase price.
- c. Distributor shall assign to Producer all water delivery contracts with End Users using the Distribution Facilities along with any applicable consulting or construction contracts.

ARTICLE F. GENERAL PROVISIONS

1. Good Faith

This Agreement is the result of good faith negotiations entered into by the Parties willingly, with due diligence, and with full advice of legal counsel, and it is the intent of the Parties that all aspects of performance of this Agreement will be undertaken in the same manner. The Parties acknowledge and agree that it is not possible to anticipate every issue, situation or problem that might arise or be encountered during the term of this Agreement. As to any issue, situation, or problem not expressly provided for in this Agreement, each Party agrees to refrain from doing anything (1) to injure the right of each other Party to receive the benefits of this Agreement, or (2) to frustrate the purpose for which this Agreement was executed. Each Party further agrees that in the event any such unanticipated issue, situation or problem arises, they will meet and confer in furtherance of the implied covenant of good faith and fair dealing in order to find a mutually acceptable solution.

1 **2. Amendments**

2 This Agreement may be amended at any time by mutual written agreement of
3 the Parties. The Parties agree that in the event of action by an outside
4 governmental body producing a prospective change in the volume or use of
5 recycled water by Distributor's customers, the Parties will make such
6 amendments to this Agreement as the circumstance may reasonably and
7 equitably require.

8 **3. Notices**

9 All notices or other writings in this Agreement to be given by either Party to the
10 other, shall be deemed to have been given or when made in writing and either
11 (i) delivered personally, or (ii) sent by facsimile transmission to the Fax numbers
12 set forth below with the original deposited in the U.S. mail, postage pre-paid,
13 first class, addressed as set forth below, or (iii) deposited in the United States
14 mail, registered, or certified, postage prepaid, and addressed as follows:

15 To Distributor

16 General Manager
17 North Marin Water District
18 P.O. Box 146
19 Novato, CA 94948-0146
20 Phone: (415) 897-4133

21
22 To Producer

23
24 General Manager
25 Las Gallinas Valley Sanitary District
26 300 Smith Ranch Road
27 San Rafael, CA 94903
28 Phone: (415) 472-1734
29

30 The address of either Party may be changed upon written notice given by such
31 Party as above provided. Notices shall also be deemed given when delivered
32 by personal delivery, with a confirmation copy by first class mail.

33 **4. Severability**

34 If any one or more of the covenants or agreements set forth in this Agreement
35 on the part of Producer or Distributor, or either of them, to be performed should
36 be contrary to any provision of law or contrary to the policy of law to such extent
37 as to be unenforceable in any court of competent jurisdiction, then such
38 covenant or covenants, agreement or agreements, shall be null and void and
39 shall be deemed severable from the remaining covenants and agreements and
40 shall not affect the validity of this Agreement.

41 **5. Paragraph Headings**

42 Paragraph headings in this Agreement are for convenience only and are not to
43 be construed as part of this Agreement or any way limiting or amplifying the
44 provisions here.

1 **6. Successors and Assigns**

2 Subject to the provisions of the succeeding Paragraph hereof, this Agreement
3 and all the terms, covenants, agreements, and conditions herein contained shall
4 inure to the benefit of and be binding upon the successors and assigns of the
5 Parties hereto.

6 **7. Assignment**

7 No assignment or transfer by Distributor of this Agreement or any part hereof, or
8 of any rights hereunder or interest herein of Distributor, shall be valid unless
9 approved by Producer, which approval shall not be unreasonably withheld.

10 No assignment or transfer by Producer of this Agreement or any part hereof, or
11 of any rights hereunder or interest herein of Producer, shall be valid unless
12 approved by Distributor, which approval shall not be unreasonably withheld.

13 **8. Remedies**

14 Notwithstanding any other language in the Agreement, the Parties agree that
15 neither Producer nor Distributor shall be liable for monetary damages for a
16 breach of this Agreement, a tort relating to the Agreement or any other Cause of
17 Action. The Parties also agree that no third party is a beneficiary of this
18 Agreement such that any third party would have standing to seek either a
19 monetary or nonmonetary remedy regarding this Agreement. The Parties may
20 seek injunctive relief or mandamus relief under this Agreement to the extent
21 such a remedy exists.

22 **9. Indemnification**

23 ~~Producer shall save Distributor, its officers, agents and employees, free and~~
24 ~~harmless from any and all cost liability, damages or health-related claims arising~~
25 ~~out of any act or omission to act, including any negligent act, by Producer, its~~
26 ~~officers, agents or employees arising out of the Producer's performance of its~~
27 ~~obligation under this Agreement. Distributor shall save Producer, its officers,~~
28 ~~agents and employees, free and harmless from any and all cost liability,~~
29 ~~damages or health-related claims arising out of any act or omission to act,~~
30 ~~including any negligent act, by Distributor, its officers, agents or employees~~
31 ~~arising out of the Distributor's performance of its obligation under this~~
32 ~~Agreement.~~The Parties, their officers, employees, staff, and agents shall use
33 ordinary care and reasonable diligence in the exercise of their powers and in the
34 performance of their duties pursuant to this Agreement.

35 No Party, its officers, directors, or employees shall be responsible for any action
36 taken or omitted by any other Party, or its officers, directors, or employees. To
37 the extent allowed by law, the Parties repudiate the provision for joint and
38 several tort liability provided under Government Code Section 895.2, and agree,
39 pursuant to Government Code Section 895.4, that each Party shall fully
40 indemnify and hold harmless each other Party and its agents, officers,
41 employees, and contractors from and against all claims, damages, losses,
42 judgments, liabilities, expenses, and other costs, including litigation costs and
43 attorney fees, arising out of, resulting from, or in connection with any negligent
44 or wrongful act or omission of such Party in the performance of this Agreement,
45 and the Parties intend that each Party provide indemnity or contribution in
46 proportion to that Party's responsibility for any such claim, damage, loss,

1 judgment, liability, expense or other cost, as determined under principles of
2 comparative negligence.

3 **10. Dispute Resolution**

4 Any controversies between the Parties regarding the construction or application
5 of this Agreement, and claims arising out of this Agreement or its break, shall be
6 submitted to mediation within 30 days of the written request of a Party after the
7 service of that request on the other Party. The Parties may agree on one
8 mediator. If they cannot agree on one mediator, the Party demanding mediation
9 shall request that the Presiding Judge of the Superior Court of Marin County
10 appoint a mediator. The mediation meeting shall not exceed one day (eight
11 hours), unless the Parties agree to extend said time. The cost of the mediator
12 shall be borne by the Parties equally. Mediation under this section is a condition
13 precedent to filing an action in any court.

14 The Parties shall make good faith efforts to resolve all claims and disputes
15 related to this Agreement at the lowest possible cost. Unless the Parties agree
16 upon an alternative forum of dispute resolution, any litigation concerning claims
17 and disputes related to this Agreement shall be filed in and timely prosecuted to
18 conclusion in the Superior Court in and for Marin County, and each party hereby
19 waives its right to move to change venue.

20 **11. Governing Law**

21 This Agreement shall be governed, construed and enforced in accordance with
22 the laws of the State of California.

23 **12. Further Assurances**

24 Each of the Parties agrees to execute, and deliver to the other parties, such
25 documents and instruments, and take such actions, as may reasonably be
26 required to effectuate the terms and conditions of this Agreement; provided,
27 however, such covenant shall not have the effect of increasing the obligations of
28 any Party pursuant to this Agreement or require any representations and
29 warranties by any Party in addition to those of such party set forth herein.

30 **13. Waiver**

31 No waiver of any right or obligation of any of the parties shall be effective unless
32 in writing, specifying such waiver, executed by the party against whom such
33 waiver is sought to be enforced. A waiver by any of the parties of any of its
34 rights under this Agreement on any occasion shall not be a bar to the exercise
35 of the same right on any subsequent occasion or of any other right at any time.

36 **14. Presumptions**

37 Because all of the parties have participated in preparing this Agreement, there
38 shall be no presumption against any party on the ground that such party was
39 responsible for preparing this Agreement or any part hereof.

40 **15. Counterparts**

41 This Agreement may be executed in two or more counterparts, each of which
42 shall be deemed an original, but all of which shall constitute one and the same
43 instrument.

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16. Entire Agreement

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and thereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

17. Insurance

Each Party shall be responsible for requiring all contractors that it retains for the construction and construction-related tasks related to this Agreement to provide insurance in the amounts and with the coverages consistent with its policies and practice for projects involving similar construction costs and risks. Each Party shall be responsible for obtaining from each such contractor a certificate of insurance evidencing such coverage, and policy endorsements adding both Parties, and their respective directors, officers, employees, agents, and authorized volunteers as additional insureds to the contractor's Commercial General Liability and Comprehensive Automobile Liability insurance policies, which shall be provided to both Parties prior to the commencement of the construction and/or construction-related tasks.

1 IN WITNESS WHEREOF, Producer and Distributor have caused this Agreement to be
2 executed by their respective duly authorized officers effective as of the day and year first herein
3 written below.

4

**LAS GALLINAS VALLEY SANITARY
DISTRICT**

By:

Board President

Dated: _____

Attest:

Board Secretary

Approved as to Form:

Las Gallinas Valley Sanitary District
Attorney

NORTH MARIN WATER DISTRICT

By

Board President

Dated: _____

Attest:

Board Secretary

Approved as to Form:

North Marin Water District Attorney

5

6

1 EXHIBITS:

2 Exhibit A Point of Connection Detail

3 Exhibit B~~C~~ User Connection Schedule

4 Exhibit C~~B~~ Producer's Schedule of Sampling and Analysis

5

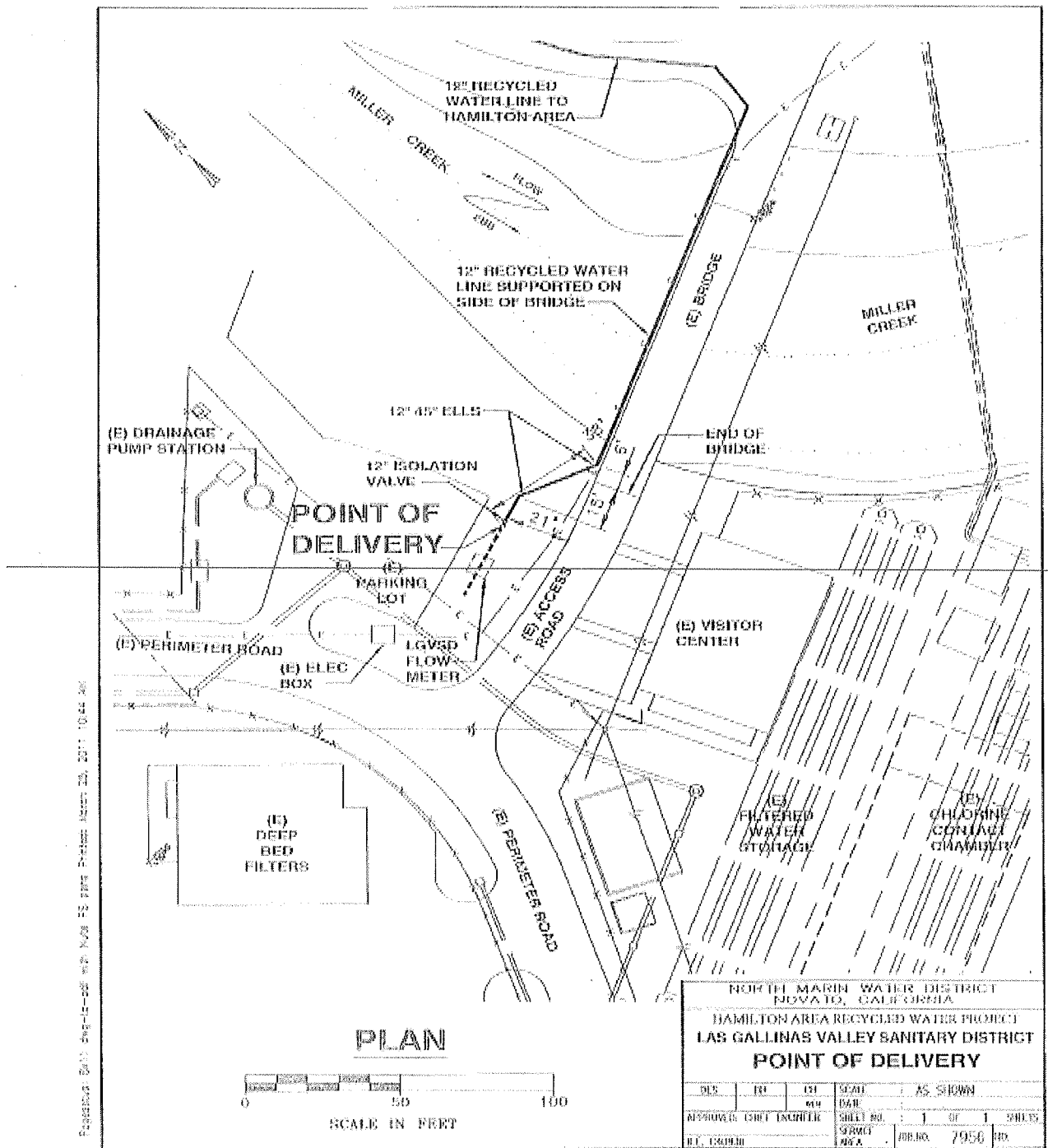


EXHIBIT A

EXHIBIT B

Recycled Water Expansion Project - South Service Area North Marin Water District									
CWSRF No. 5211-110 User Connection Schedule									
Map Designation	User Site	User Site Owner	Estimated Usage (AFY) ¹	Type of Use ²	User Status Existing or Future ³	Projected Connection Date	User Assurance Type ⁴	Retrofit Required (Yes/No)	Current Fresh Water Supplier
SERVICE AREA S-6 (HAMILTON)									
Phase 1 - services connected Sept 2013									
9	791 Hamilton Pkwy	City of Novato	9.4	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
12	600 Palm Drive	Unity In Marin	1.8	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
17	520 Bolling Circle	City of Novato	2.0	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
19	369 Bolling Circle	Meadow Park HOA	7.1	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
20	440 Bolling Circle	Meadow Park HOA	8.1	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
21	9 Hathaway Dr	Bay Vista Apartments	9.3	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
22	7 Hutchins Way	Bay Vista Apartments	7.6	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
30	9 Kelly Drive	Meadow Park HOA	8.6	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
31	20 Randolph Dr	Shea Properties	0.7	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
32	37 Kelly Drive	Shea Properties	9.5	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
36	89 Bolling Circle	Meadow Park HOA	7.8	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
37	18 Tinker Way	Meadow Park HOA	1.1	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
38	928 Bolling Circle	Meadow Park HOA	2.6	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
39	930 Bolling Circle	Meadow Park HOA	3.3	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
45	100 Moffet Ct	Meadow Park HOA	8.7	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
46	87 Bolling Circle	Meadow Park HOA	6.3	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
48	933 Bolling Circle	Meadow Park HOA	9.0	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
Total Phase 1 =			103.0						
Phase 2 - Services connected Sept 2014									
2	60 Lovejoy Wy	Lanham Village HOA	4.6	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
4	676 Hangar Ave	Hamilton Marin	9.7	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
6	1 Gann Way	Hamilton Park HOA	4.2	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
8	551 Hangar Ave	City of Novato	2.6	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
13	549 Hangar Ave	City of Novato	6.5	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
14	601 Hamilton Pkwy	Novato Public Finance Authority	4.5	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
16	1100 Hamilton Pkwy	City of Novato	2.6	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
18	781 Hamilton Parkway	City of Novato	2.5	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
23	940 C Street	Novato Unified School District	4.7	Landscape Irrigation	F	Sept 2014	See note 4	Y	NMWD
27	10 Hamilton Landing	Hamilton Marin LLC	4.4	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
33	Main Gate Rd	City of Novato	6.2	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
34	1 Main Gate Rd	Novato Unified School District	8.5	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
40	20 Captain Nurse Circle	Meadow Park HOA	5.1	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
44	80 Captain Nurse Circle	Meadow Park HOA	7.1	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
53	146 Alconbury Way	Hamilton Field of Marin HOA	0.6	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
56	206 Hangar Ave.	City of Novato Sports Field	7.2	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
59	1A San Pablo Ave	City of Novato	0.4	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
60	1 Alconbury Way	Hamilton Field of Marin HOA	0.2	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
61	206 Hangar Ave.	City of Novato	2.4	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
62	410 South Palm Ave.	Novato Senior Village LP	6.0	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
CG-1	Main Gate Rd/San Jose Ave	U S Government	15.7	Landscape Irrigation	F	Sept 2015	See note 4	Y	NMWD
CG-2	Hangar Ave/San Pablo Ave	U S Government	11.2	Landscape Irrigation	F	Sept 2015	See note 4	Y	NMWD
Total Phase 2 =			116.9						
Average Annual Deliveries ¹ Ag Irrigation, Landscape Irrigation, Industrial Use, Ground Water Recharge, Etc. ² E = Use Site exists and currently uses fresh water ³ D = Use site under development and will be ready to take water upon completion of construction of water recycling project F = Use site will not be developed to take water until after completion of construction of water recycling project ⁴ Mandatory Use Ordinance or User Contract									

JuneApril 2022

[illegible]

EXHIBIT C

PRODUCER'S SCHEDULE OF SAMPLING & ANALYSIS¹

Constituent (units)	Limit	Type of sample	Frequency
Flow Rate (gallons/day)	700,000	Observation	Daily
Total Coliform (MPN/100 ml)	2.2 median	Grab (7 days)	Daily
	23 maximum	Grab (not to exceed in more than 1 sample in a 30-day period)	Daily
Turbidity (NTU)			
	0.2 maximum	No more than 5% of the time in a 24 hr period	Continuous
	0.5 maximum	At any time	Continuous
Dissolved Oxygen (mg/l)	1.0 minimum	Grab	3/week
Dissolved Sulfide (mg/l)	0.1 maximum	Grab	3/week (only if D.O. \leq 1.0 mg/l)

¹ Or as required under the applicable RWQCB order.

9



MEMORANDUM

To: Board of Directors

June 21, 2022

 From: Tony Williams, General Manager *APW*
 Ryan Grisso, Water Conservation Coordinator *RG*

 Subject: 2022 Drought Update and District Responses
v:\memos to board\board memo-2022 drought update 1 final.docx
RECOMMENDED ACTION: Information Only**FINANCIAL IMPACT:** Information Only

Ad Hoc Drought Committee: As we navigate through the current drought and the various District actions, staff has discussed establishing an Ad Hoc Drought Committee, made up of two Board members. During the drought, this temporary committee would meet and discuss with staff on future updates to Ordinance No. 41 (Novato Service Area) and Ordinance No. 39 (West Marin Service Area) with changing drought conditions, public communications, and frequent State and regional regulatory changes impacting the compliance and effectiveness of the Ordinances. Staff is proposing the Ad Hoc Drought Committee meet on an as needed basis via zoom during normal work hours and expect the committee to last through the duration of either Ordinance No. 41 and/or Ordinance No. 39 and which point would cease when both Ordinances are rescinded. The Board President would assign the two Directors who will comprise this temporary committee.

Update on Administrative Fine Limits: At the June 7, 2022 Board meeting, there was an extensive discussion on the maximum dollar amount limit of an administrative fine for a customer found in violation of Ordinance No. 41. The Board requested that staff confirm with legal on the maximum amount they can approve. Based on discussions with legal counsel it was confirmed that that any administrative fine above the \$1,000 level would be difficult for the District to support and enforce at this time. There are civil administrative penalties pursuant to Water Code Section 376 that can range up to \$10,000 per violation; but these come with longer imposition timeframes (up to several months), require that "continuing" violations be shown (which don't neatly fit the situation of a pool filling violation), and would require more formalistic drafting of complaints, consideration of responses, and holding of administrative hearings along with other procedural due process requirements. There would need to be significant amendments made to Ordinances

39 and 41 to provide for these more significant administrative procedures, including delegating issuance of formal complaints to the General Manager and providing a structured framework for the administrative hearing and appeals process.

10



MEMORANDUM

To: Board of Directors

Date: June 21, 2022

From: Pablo Ramudo, Water Quality Supervisor *PR*

Subject: FY 2021-22 Third Quarter Progress Report – Water Quality

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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 third 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 not used as a source of drinking water during the third quarter. Water quality in the lake was monitored on a monthly basis for chemical and mineral components as well as microbiological activity.

Algae were identified and enumerated from the raw water. Algae diversity was low and started the quarter in low numbers but exploded in a large bloom in March. Six species of algae were recorded in appreciable numbers, all of them cyanobacteria (blue-green algae) capable of producing compounds which can affect taste and odor as well as toxins.

Treatment Performance: Stafford Treatment Plant

The Stafford Treatment Plant remained off for the season.

Distribution System: Novato

Of 242 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. Water quality parameters affected by salt water that were near historic highs at the end of 2021 decreased throughout the quarter.

The sodium concentration dropped from 310 to 120 mg/L and chloride dropped from 590 to 86 mg/L. Bromide, the seawater constituent that has been responsible for previous exceedances of trihalomethane (THMs) regulatory limits, decreased from 2.1 to 0.32 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 intrusion from seawater, concentrations of salts are very steady. The average concentration of sodium was 10 mg/L, chloride was 13 mg/L, and the bromide concentration was 0.065 mg/L.

Treatment Performance: Point Reyes Treatment Plant

The Point Reyes Treatment Plant is designed to provide disinfection and to remove iron, manganese and other metals. Treatment in these respects was excellent, no metals being detectable in finished water and all bacterial tests were clean.

Water was primarily sourced from Gallagher Well, while water produced from the Coast Guard wells only used when plant operations require additional flow, such as after a backwash.

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 adequate to maintain proper disinfection. Disinfection byproducts were low during the quarter.

NOVATO RECYCLED WATER

Deer Island Recycled Water Facility

The Deer Island facility was off during the quarter.



North Marin Water District- 3rd Quarter FY2021 / 2022

Bacteriological Quality Monitoring

Novato: 242 Samples Analyzed. No samples positive for coliform bacteria
 Point Reyes: 23 Samples analyzed. No samples positive for coliform bacteria.

Chemical Quality Monitoring

Constituent	Units	Maximum Contaminant level	SCWA North Marin Aqueduct	Stafford Treatment Plant	Point Reyes Treatment Plant
Conductivity	umhos/cm	900 *	296	NA	278
TDS	mg/L	500 *	170	NA	164
Hardness	mg/L	-	122	NA	118
Alkalinity	mg/L	-	131	NA	106
Calcium	mg/L	-	24.5	NA	22.8
Magnesium	mg/L	-	15.0	NA	16.0
Copper	mg/L	1.0*	ND	NA	ND
Iron	mg/L	0.3*	ND	NA	ND
Manganese	mg/L	0.05 *	ND	NA	ND
Zinc	mg/L	5.0 *	ND	NA	ND
Sodium	mg/L	-	18.1	NA	11.5
Chloride	mg/L	250 *	7.45	NA	14.8
Sulfate	mg/L	250 *	14.8	NA	8.42
Fluoride	mg/L	2.0 (1.4-2.4)	0.0768	NA	0.0899
Nitrite as N	mg/L	1.0	ND	NA	ND
Nitrate as N	mg/L	10	0.619	NA	0.918
pH	pH units	8.5 *	8.32	NA	7.10
Turbidity	NTU	5	0.04	NA	0.04
Color	PCU	15	<2.5	NA	<2.5
Free Chlorine	mg/L	4.0	0.71	NA	0.95
Total Chlorine	mg/L	4.0	0.85	NA	1.03
Temperature	° C	-	14.9	NA	13.3
Odor	TON	3		NA	

*Indicates secondary drinking water standard

ND = Not Detected
 NA = Not Analyzed

11

DISBURSEMENTS - DATED JUNE 9, 2022

Date Prepared 6/6/22



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 5/31/22	\$160,891.70
90491*	Internal Revenue Service	Federal & FICA Taxes PPE 5/31/22	71,680.38
90490*	State of California	State Taxes & SDI PPE 5/31/22	15,937.88
90492*	CalPERS	Pension Contribution PPE 5/31/22	41,202.32
60838*	CentraPro Painters	Deposit on Interior Painting (100 Wood Hollow)	4,497.62
1	All-American Printing Services	Customer Service Questionnaires (600)	303.69
2	Alpha Analytical Labs	Lab Testing	570.00
3		Vision Reimbursement	531.72
4	Arendell, Tony	Exp Reimb: Breakfast for Crew During a Main Break	44.27
5	AT&T	Telephone (\$69), Fax (\$56), Leased Lines (\$142) & Data (\$254)	521.35
6	Automation Direct	1.5 HP Variable Frequency Drive	268.46
7	Bay Area Barricade Service	Spray Chalk (5) (\$294), Striping Paint, Purple Marking Paint (\$118) & Safety Cones (25) (\$471)	958.65
8	Bibeault, Donald	Novato "Cash for Grass" Rebate Program	800.00
9	Core & Main	Brass Unions (2)	91.63
10	DataTree	May Subscription to Parcel Data Info	100.00
11	Diesel Direct West	Gasoline (833 gals)	4,883.93
12	Direct Line Inc	May & June Telephone Answering Service	660.24
13	Fisher Scientific	Calcium Standard (Lab)	38.80

Seq	Payable To	For	Amount
14	GHD Inc.	Prog Pymt#13: Old Ranch Road Tank No. 2 Design Services (\$1,899) & Prog Pymt#14: STP Corrosion Assessment Project (\$2,998) (Balance Remaining on Contract \$27,212)	4,896.89
15	Grainger	Parts for Gallagher Well #2 (\$196), Parts for 100 Wood Hollow (\$154) & Miscellaneous Maintenance Tools & Supplies (\$1,186)	1,536.50
16	Hach Co.	Calcium Indicator (Lab)	60.76
17	HERC Rentals Inc.	Forklift Rental (1 Day) (STP)	601.08
18	Idexx Laboratories	Colilert Media (400) (\$1,885), Colilert Vessels (2) & Quanti Tray Pack (100) (Lab)	2,503.90
19	Lincoln Life Employer Serv	Deferred Compensation PPE 5/31/22	11,699.40
20	Marin County Dept of Finance	STP SRF Loan Semi-Annual Principal & Interest (#26 of 40)	521,992.85
21	Martinez, Susana	Refund of Deposit/New Develop/WC Restriction-	1,000.00
22	McLellan Co, WK	Misc Paving	36,347.05
23	Nationwide Retirement Solution	Deferred Compensation PPE 5/31/22	1,195.00
24	NEXGEN	Prog Pymt#10-14: Provide Assistance for Asset Management Software Procurement & Implementation	55,188.80
25	Pace Supply	Bell Restrainers (2) (\$265), Meter Boxes (40) (\$2,026), Couplings (7) (\$1,537), Pipe (100') (\$975) & Corp Stops (12) (\$882)	5,685.10
26	Portman, Janet	Novato "Toilet Rebate" Program	125.00
27	Postmaster Novato	Annual Post Office Box Fee	436.00
28	Preferred Alliance, Inc.	Pre-Employment Physicals (McDonald & Boynton)	84.00
29	Recology Sonoma Marin	May Trash Removal	571.16
30		Vision Reimbursement	470.45
31	Sadler, John	Novato "Washer Rebate" Program	100.00
32	Soiland Co., Inc.	Rock (16 yds) (\$541) & Asphalt Recycling (6 tons) (\$86)	628.07

Seq	Payable To	For	Amount
33	Syar Industries Inc	Sand (15 yds) (\$951), Hot Asphalt (1 yd) (\$160) & EZ Street Asphalt (4 yds) (\$1,068)	2,179.00
34	US Postal Service	Meter Postage	1,500.00
35	Verizon Wireless	Cellular Chargers: Data (\$1,226), Airtime (\$70) & iPads for Asset Management (\$200)	1,496.73
36	VWR International LLC	Evaporation Basin & Calcium (100) (\$83) (Lab)	102.34
37	HD-Supply - White Cap Construction Company	Rice Straw for Erosion Control (\$1,057) & Wood Stakes (75)	1,124.47
38	Winzer Corporation	Cut Off Wheels (20) (\$110) & Misc Hardware Supplies for Auto Shop (\$374)	484.20
39	ZORO	Parts for 100 Wood Hollow	33.58
		TOTAL DISBURSEMENTS	<u>\$956,024.97</u>

The foregoing payroll and accounts payable vouchers totaling \$956,024.97 are hereby approved and authorized for payment.

	<u>06/07/22</u>
Auditor-Controller	Date
	<u>6/7/2022</u>
General Manager	Date

DISBURSEMENTS - DATED JUNE 16, 2022

Date Prepared 6/13/22

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>
1	Able Tire & Brake	Tires & Alignment ('12 F250-\$1,355, Trailer-\$1,599 & '18 Ram 2500-\$1,352) & Valves Stems (4) (\$165)	\$4,471.85
2	Alpha Analytical Labs	Lab Testing	750.00
3	Arrow Benefits Group	June Dental Admin Fees	282.50
4	Bobcat of Santa Rosa	Belt (Track Loader)	31.76
5	Calcon Systems	Variable Frequency Drive Replacement (STP)	9,547.60
6	Caltest Analytical Laboratory	Standards (Lab)	95.80
7	CertaPro Painters	Interior Office Painting @ 100 Wood Hollow	13,492.87
8	Chandrasekera, Carmela	Retiree Exp Reimb (June Health Ins)	1,137.78
9	Chelemedos, Rick	Refund Overpayment on Closed Account	61.35
10	ChromaGraphics	Notice of Public Hearing Novato	5,617.28
11	Cilia, Joseph	Retiree Exp Reimb (June Health Ins)	409.28
12	Core & Main	Couplings (12) (\$1,322), Ball Valve (\$888), Box Lids (15) (\$2,030) & Pipe (\$709)	4,948.19
13	Enterprise FM Trust	Monthly Leases for Chevy Colorado, Ford Ranger, F250's (2), Nissan Rogues (2), Nissan Frontiers (2) & F150's (7)	7,669.56
14	ETS	Prog Pymt#5: Environmental Testing Services on Fill Material (Balance Remaining on Contract \$7,810)	2,205.00
15		Vision Reimbursement	20.70
16	Forevergreen Landscape	Landscaping Services for Amaroli Tank (\$1,975), Hamilton Airbase (\$2,185), Lynwood Tank Site (\$3,285) & Stafford Dam Weed Abatement (\$7,685)	15,130.00

Seq	Payable To	For	Amount
17	Freyer & Laureta, Inc.	Prog Pymt#8: Provide Engineering & Design Services for NMWD Hydropneumatic Pressure Stations (Balance Remaining on Contract \$41,578)	7,157.00
18	Friedman's Home Improvement	Parts for Pump Station (\$128), Plywood & Hasp	158.32
19	Frontier Communications	Leased Lines	1,895.66
20	Grainger	Safety Vests (18) (\$301) & Miscellaneous Maintenance Tools & Supplies (\$136)	437.70
21	Jxom Watercare Inc.	Replacement Parts for Solar Bee	4,161.11
22	Jackson, David	Retiree Exp Reimb (June Health Ins)	1,137.78
23	Kennedy Jenks	Prog Pymt#5: Kastania P/S Evaluation & Comparison (\$1,589) & Stafford Lake Backfilling (\$3,529) (Balance Remaining on Contract \$9,184)	5,118.89
24	Latanyszyn, Roman	Retiree Exp Reimb (June Health Ins)	409.28
25	Lemos, Kerry	Retiree Exp Reimb (June Health Ins)	1,137.78
26	Loesch, Richard and/or Wendy	Refund Overpayment on Closed Account	175.80
27	Manzoni, Alicia	Retiree Exp Reimb (June Health Ins)	409.28
28	Marin Color Service	Paint for Maintenance Office	16.83
29	Marin Landscape Materials	Soil (2 yds) (Jamison Ct)	93.10
30	Marin County Ford	Service Parts ('21 Ford Ranger-\$69, '10 F150-\$87) & Antifreeze (\$81)	237.29
31	Marin, County of	Encroachment Permits (90 Alameda De la Loma & 385 Alameda Del Prado)	897.08
32	Marin, County of	Annual Septic Permit (25 Giacomini Rd)	505.00
33	McLellan Co, WK	Misc Paving	6,891.40
34	Noll & Tam Architects	Prog Pymt#14: Provide NMWD Headquarters Upgrade A/E Services (Balance Remaining on Contract \$84,174)	25,903.55
35	North Marin Auto Parts	Miscellaneous Maintenance Tools & Supplies	1,155.84

Seq	Payable To	For	Amount
36	North Bay Gas	Welding Supplies, Carbon Dioxide & May Cylinder Rental (\$113)	200.65
37	Office Depot	Misc Office Supplies (\$586) & Scanner (Lab) (\$465)	1,052.01
38	Pini Hardware	Shovels (10) (\$490) & Miscellaneous Maintenance Tools & Supplies (\$1,402)	1,891.80
39	Pollard Water	Pipe	443.55
40	Quadient, Inc.	July Postal Meter Rental	142.76
41	Ramudo, Pablo	Exp Reimb: ELAP Assessment Lunch Meeting	155.00
42	Service Station Systems	Air Quality Testing for Fuel Tanks	950.00
43	Soiland Co., Inc.	Asphalt Recycling (7 tons)	153.15
44	Sonoma County Water Agency	Conservation Support Program (1/1/22-3/31/22)	852.96
45	Syar Industries Inc	Sand (16 yds)	966.89
46	Township Building Services	May Janitorial Services (\$2,157) & Carpet Cleaning for 100 Wood Hollow (\$1,883)	4,040.61
47	TPx Communications	June Telephone Charges	733.27
48	US Bank	May Safekeeping Treasury Security	95.75
49	Verizon Wireless	May SCADA & AMI Collectors (\$650)	810.78
50	West Yost Associates	Prog Pymt#8: Local Water Supply Enhancement Study (Balance Remaining on Contract \$1,037)	5,399.25
51	ZORO	Soap for Dispensers (2)	93.45
TOTAL DISBURSEMENTS			<u>\$141,752.09</u>

The foregoing payroll and accounts payable vouchers totaling \$141,752.09 are hereby approved and authorized for payment.


Auditor-Controller

06/13/2022
Date


General Manager

6/14/2022
Date

POINT REYES LIGHT June 9, 2022

NORTH MARIN WATER DISTRICT PUBLIC HEARING NOTICE

Purpose: Consider Proposed Rate
Increase and Rate Structure Changes
Impact Area: West Marin Water

Service Area

Date and Time: Tuesday, June 28, 2022
at 6:00 p.m.

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

* Due to ongoing Covid-19 related risks
to public health and safety, the public
hearing is scheduled to be conducted
via Zoom. The Zoom link for public
participation can be found below or at
www.nmwd.com.

PROPOSAL

NMWD is proposing an increase in water
rates and charges of 6% for West Marin
Water customers effective July 1 of 2022.

REASON FOR THE PROPOSED RATE INCREASE

Continued investment in water facilities.

The District must continue to make
investments in facility upgrades and
replacements that will benefit the West
Marin Water System's fire protection,
water supply, and aging infrastructure.

This will help to properly maintain the
service area's treatment plant, 26 miles
of pipeline, 7 pump stations, 13 tanks, 3

wells, 168 hydrants, monitoring systems,
and more.

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

IMPACT

For the typical West Marin Water single-
family residence, the proposed increase
would add \$4.45 per month (\$8.90
per bimonthly bill) to the cost of water
beginning July 1, 2022.

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

PUBLIC HEARING

A public hearing will be held via Zoom
at 6:00 p.m. on Tuesday, June 28, 2022,
to consider enactment of the proposed
increases. You are invited to participate in
the hearing via Zoom at <https://us02web.zoom.us/j/82191971947>. Meeting ID:

821 9197 1947. Password: 466521, or mail
your comments to PO Box 146, Novato,
CA 94948. For more information visit
NMWD's website at www.nmwd.com
or call the District Secretary at (415)
897-4133.

Published in the Point Reyes Light, June
9, 2022.

POINT REYES LIGHT June 9, 2022

**NORTH MARIN WATER DISTRICT
NOTICE OF PUBLIC HEARING
REGARDING PROPOSED AMEND-
MENTS TO ORDINANCE NO. 43,
THEREBY INCREASING OCEANA
MARIN SEWER SERVICE CHARGES
FOR FISCAL YEAR 2022-2023
AND ELECTING TO COLLECT SAID
CHARGES ON THE TAX ROLL**

NOTICE IS HEREBY GIVEN that on Tuesday, June 28, 2022 at 6:00 p.m. at a regular Board Meeting of North Marin Water District (NMWD) which will be held virtually via Zoom. The NMWD Board of Directors will hold a public hearing to consider amending Ordinance No. 43, thereby increasing Oceana Marin sewer service charges for fiscal year 2022-2023 in the amount of \$108 per month (\$1,296 per year) per parcel (a proposed increase of \$5 per month - \$60 annually) and electing to collect said charges on the tax roll in the same manner as general taxes.

A public hearing will be held via Zoom at 6:00 p.m. on Tuesday, June 28, 2022, to consider enactment of the proposed increases. You are invited to participate in the hearing via Zoom at <https://us02web.zoom.us/j/82191971947>. Meeting ID:

821 9197 1947, Password: 466521, or mail your comments to PO Box 146, Novato, CA 94948. For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Published in the Point Reyes Light, June 9, 2022.

Marin Independent Journal

Legal Notice	Legal Notice	Legal Notice
<p align="center">NORTH MARIN WATER DISTRICT PUBLIC HEARING NOTICE</p> <p>Purpose: Consider Proposed Rate Increase Impact Area: Greater Novato Area Date and Time: Tuesday, June 28, 2022 at 6:00 p.m. Place: North Marin Water District, 999 Rush Creek Place, Novato, CA ¹ Due to ongoing Covid-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom. The Zoom link for public participation can be below or at www.nmwd.com.</p> <p>PROPOSAL NMWD is proposing an increase in water rates and charges of 6% for Novato customers effective July 1 of 2022. REASON FOR THE PROPOSED INCREASE Increased investment in water facilities. The District must continue to invest in facility upgrades and replacements with an approximate cost of \$4 million per year. This will help to address the need to properly maintain the District's \$132 million system of pipelines, pumps, reservoirs, treatment plants, valves, hydrants, laboratory, monitoring systems, buildings and more. Rising costs to purchase imported water. The District imports 75% of its water from Sonoma County Water Agency. The cost of purchasing imported water accounts for 30% of the budget and the water supplier has forecast that the costs will continue to increase by 6% every year. Impact of inflation on all costs. The proposed revenue increase is designed to meet all the costs of providing water service. This includes purchasing, treating, and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock. IMPACT Residential Accounts: For the typical Novato single-family residence, the proposed increase would add \$4.50 per month (\$9.00 per bimonthly bill) to the cost of water beginning July 1, 2022. Non-Residential Accounts (Commercial, Institutional & Irrigation): Non-residential accounts would see a 6% increase beginning July 1, 2022. Customers can determine the increase in their annual water cost based on their water use over the past year from NMWD's website. Insert your NMWD account number and the name on your account into the Annual Water Cost Calculator on NMWD's website at https://nmwd.com/account/annual-cost-calculator/ PUBLIC HEARING A public hearing will be held via Zoom at 6:00 p.m. on Tuesday, June 28, 2022, to consider enactment of the proposed increases. You are invited to participate in the hearing via Zoom at https://us02web.zoom.us/j/82191971947, Meeting ID: 821 9197 1947, Password: 466521, or mail your comments to PO Box 146, Novato, CA 94948. For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.</p> <p>June 14, 2022</p>		



MEMORANDUM

To: Board of Directors

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

Subject: FY 22/23 Insurance Renewal
t:\ac\word\insurance\23\fy23 ins memo updated.docx

Date: June 21, 2022

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$297,132 – Included in Fiscal Year (FY) 22/23 Operations Budget

Arthur J. Gallagher & Co. Insurance Brokers of CA, Inc., in San Francisco, has been the District's brokerage firm the past ten years. Three years ago we entered into a three-year contract for Property and Liability coverage package with JPRIMA (CalMutuals Joint Powers Risk and Insurance Management Authority) and Workers' Compensation coverage with JPRIMA-Zenith Insurance Company.

JPRIMA's proposal for Property and Liability coverage is \$181,730 compared to \$157,194 last year and their 1st dollar worker's compensation coverage plan came in at \$129,352 compared to \$117,363 last year. This coverage is for a pooled type deductible plan.

Prior to FY20, the District self-insured the first \$1 million of its general and auto liability since 1989, which is also known as a Self-Insured Retention (SIR). By selecting the deductible plan package proposal, the District's risk is reduced by \$900,000 to a maximum of \$100,000 per claim.

Created in 2016, JPRIMA is a pooled insurance program designed specifically for mutual water companies, as well as smaller water programs. The Authority provides customized insurance solutions to small water systems throughout California whose operations comprise the development, transportation, management, storage, treatment or distribution of water. JPRIMA is operated by Allied Public Risk, a Managing General Underwriter (MGU) that sees to the day-to-day operations and internal practices of the pool.

The total package, including Workers Compensation, reflects a cost increase of \$30,626 (11%) from the current year premium. General liability and auto increased \$16,808 (12%), workers comp increased \$11,989 (10%) and Cyber liability increased \$1,829 (37%).

INSURANCE MARKET RECAP

The deterioration in the pricing available for Liability and Property rates levied against all California municipalities is continuing. Average increases seen for similar risks are in the 20-50% range. There is a wave of contributing factors in addition to market-driven rate increases known as Nuclear Verdicts. A Nuclear Verdict is defined as an exceptionally high jury award that surpasses what should be a reasonable or rational amount. In many cases jurors will look at the insurer as a large, faceless entity attempting to target others. Cyber carriers are continuing to triple deductibles, removing ransomware and increasing rates between 100-300%. This year we have found that no line of coverage, regardless of how well it has performed, is immune to premium increase.

PROPOSAL SUMMARY

Below is a summary which outlines the total cost of insurance by type. This table compares the cost of insurance for FY 21/22 to FY 22/23.

Insurance Proposal	FY21/22	FY22/23	% Δ
Property (Includes Crime)	\$65,625	\$68,401	4%
Liability ¹ (Includes Auto & PO/Mgmt Liability)	\$78,546	\$92,578	18%
Workers' Comp	\$117,363	\$129,352	10%
Cyber Liability	\$4,972	\$6,801	37%
Total Cost	\$266,506	\$297,132	11%

A further breakdown is shown in the table below which outlines the total coverage, deductibles, and premiums by type of insurance. This table also compares these variables related to insurance for FY 21/22 compared to FY 22/23. Following the table are descriptions of the types of insurance policies obtained by the District in FY 22/23.

CARRIER	TYPE	FY 2021/22 Actual			FY 2022/23 Renewal		
		COVERAGE	DEDUCTIBLE	PREMIUM	COVERAGE	DEDUCTIBLE	PREMIUM
JPRIMA-ALLIED WORLD	Property Insurance	\$70,653,000	\$25,000	\$65,625	\$77,518,398	\$25,000	\$68,401
JPRIMA-ALLIED WORLD	General Liability	10,000,000	100,000	78,546	10,000,000	100,000	92,578
JPRIMA-ALLIED WORLD	Vehicle-Physical Damage	905,423	5,000	Included	1,039,431	25,000	Included
JPRIMA-ALLIED WORLD	Public Officials/Employment Pract. Liability	1,000,000	100,000	Included	1,000,000	100,000	Included
JPRIMA-ALLIED WORLD	Employee Fidelity (Crime)	\$250K-\$1M	100,000	Included	\$250K-\$1M	100,000	Included
JPRIMA-Zenith	Workers' Compensation	Statutory	-	117,363	Statutory	-	129,352
Great American	Cybercrime Insurance	1,000,000	10,000	4,972	1,000,000	10,000	6,801
	Total Cost			\$266,506			\$297,132

PROPERTY INSURANCE

Property insurance protects the District against loss or damage that occurs to the District's buildings, equipment and water storage tanks. Structures and tanks are insured in an amount up

¹ Liability amounts shown are NMWD's net cost after MCWCFCD's contribution (\$13,022 in FY22 & \$20,751 in FY23).

to the value of the asset. Equipment coverage is provided on an agreed value basis. In December 2015 the District obtained a certified appraisal of its buildings, pump stations and water storage tanks to minimize negotiation in the event of a property loss. The insured value of the District's property, excluding fleet vehicles increased 9% from the prior year, to \$78 million.

GENERAL AND AUTO LIABILITY UMBRELLA INSURANCE

General and Auto Liability umbrella coverage provides a backstop in the event of a large liability claim (bodily injury, property damage, personal injury) where the damage exceeds both the deductible and primary General Liability coverage limit. The umbrella covers subsidence, failure to supply, inverse condemnation, eminent domain and dam failure. A 1985 agreement with the Marin County Flood Control and Water Conservation District (MCFCWCD) requires North Marin to maintain a minimum \$10 million liability policy and obligates MCFCWCD to pay the incremental cost of increasing the limit from \$5 million to \$10 million. JPRIMA's General Liability package insures the first \$1million and their Excess Liability package insures the next \$9 million, providing total coverage of \$10 million. Under JPRIMA's proposed policy, MCFCWCD's share of the cost will be \$20,751 next fiscal year for the \$5 million in additional coverage required under the agreement.

VEHICLE PHYSICAL DAMAGE INSURANCE

Comprehensive & Collision insurance for District autos and trucks protects the District against physical damage occurring due to collision, fire, theft, etc., on an agreed value basis. The insured value of the District's vehicle fleet increased 15% to \$1,039,431 over the prior FY.

PUBLIC OFFICIALS ERRORS & OMISSIONS AND EMPLOYEMENT PRACTICES LIABILITY

Errors and Omissions is a form of liability coverage that insures the District Board and Officers against claims made for "breach of duty" occurring through negligence, error or unintentional omission. It also includes Directors' and Officers' Employment Practice Liability Insurance, covering claims for wrongful termination, discrimination, harassment, etc.

EMPLOYEE FIDELITY (CRIME) INSURANCE

The employee blanket fidelity bond insures the District against loss occurring through dishonesty (fraud) on the part of District employees. Crime coverage includes employee theft and electronic funds transfer fraud.

WORKERS' COMPENSATION INSURANCE

In 2019 the District entered into a 1st dollar workers' compensation plan with a 3-year commitment with Zenith Insurance Company. This type of plan is a pooled plan which eliminates

the risk of \$1M out of pocket costs as with a Self-Insured Retention plan as well as reduced administrative costs.

CYBER LIABILITY INSURANCE

The District first purchased a Cyber Liability policy in FY15. Cyber Liability coverage insures against loss of sensitive or personally identifiable information (such as social security numbers, credit card numbers, etc.) and third-party claims.

Novato set to overhaul service fees

SEPT. 1 START

Officials say increases needed to cover costs

Marin Independent Journal

By Will Houston

whouston@marinij.com

For the first time since 2006, Novato is set to overhaul what it charges for services such as building permits, inspections, vehicle impounds and renting city facilities.

Most of the fee changes the City Council voted to adopt will result in price increases, although a few costs will decrease. The city will also begin charging fixed fees rather than having customers pay a deposit for more commonly requested permits such as building permits. City staff said the change will provide more transparency about the costs and allow customers to plan better for their project expenses.

City officials said the fee increases are needed because Novato is not recovering enough fee revenue to cover the cost of the services. A city review found the fees for development cover only \$1.8 million of the \$4.6 million in costs, with the remaining amount absorbed by the city's general fund.

"We are not in a position budget wise to keep absorbing," Councilwoman Denise Athas said before the council adopted the fee changes last week. "It's not a good business model at all to keep paying for something that we're losing on."

The new fees are set to take effect Sept. 1. They will not cover all of the city's costs but will provide an additional \$1.2 million in annual revenue.

"We don't believe its practical to recover all of these costs from fees," Terry Madsen, a financial consultant to the city, told the council last week. "I think that the change required would be too significant, but we do think that you could correct a lot of it."

The fee increases come as the city works to address longstanding complaints among residents and developers about its building and construction permitting. Some of the more common frustrations the city found in a 2020 audit occurred during project plan checks and inspections. Customers and some council members have complained of a

lack of continuity among inspectors, a lack of education about the permitting process and the need for more online services. As a result, the audit found that as many as half of project planners did not seek permits.

The city is making several changes in its processes, including more online permitting capabilities, more straightforward instructions for permitting, staff training and filling vacant positions to free up more staff time.

Rick Wells, chief executive officer of the Marin Builders Association, said he is concerned about raising the fees without showing how they will improve the efficiency of the city's permitting process.

"Essentially, our concern is that we have yet to see any evidence of correlation between the fee increases and any plan to improve the permitting experience for building professionals and homeowners," Wells said. "We have made ourselves available and are looking forward to the opportunity to work with the permitting offices to help improve the process for both contractors and Novato residents."

The Marin Builders Association conducted the city's 2020 audit of its building permitting process.

Responding to these concerns, City Manager Adam McGill told the council that the purpose of the fee increases is about cost recovery, while the permitting process changes are a separate issue.

"Combining these concerns, in staff's view, is incongruent," McGill told the council last week.

Mayor Eric Lucan cast the sole dissenting vote on the fee changes last week. He was concerned about raising fees for projects such as housing development and solar installation.

"We're trying to encourage even if that means we'll be subsidizing it a little bit," Lucan said of housing and solar installation.

He also raised concerns that the vehicle impound fee would be financially detrimental on top of the towing and storage fees.

A list of the upcoming fee changes can be found online at bit.ly/3NRDCVM

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Saturday, 06/04/2022 Page .A01

System delivers modest rain to parched region

BAY AREA

Marin Independent Journal

By Jakob Rodgers

Bay Area News Group

Some much-needed rain fell over parts of the Bay Area on Saturday night and early Sunday morning, wetting the region's soils and briefly easing fire conditions in the North Bay and parts of the East Bay Hills.

Most of the precipitation fell over the North Bay, where 0.52 inches was measured in Tiburon and 0.75 inches fell in Mill Valley. By far the heaviest rains were reported over Mount Tamalpais, which received 2.33 inches of rain by about 8 a.m. Sunday.

Brooke Bingaman, a National Weather Service meteorologist, said 0.32 inches of rain fell in Kentfield, nearly its entire average of 0.33 inches for the month of June.

The storm brought a steady, light rain that came as a welcome sight amid deteriorating fire conditions across much of the Bay Area. Still, the precipitation was only expected to ease the threat of fire for a few days — perhaps a week — amid an ongoing historic drought that's left much of Northern California parched and tinder-dry.

"We're pleased with how it's progressing and bringing a little bit of June rain into the Bay Area," said Ryan Walburn, a National Weather Service meteorologist. "By June standards, it's definitely been a nice little rainstorm."

As of about 8 a.m. Sunday, downtown Oakland received 0.18 inches of rain, while San Francisco received about 0.15 inches of rain, according to the weather agency. Parts of the Oakland Hills received a quarter of an inch of rain. But only a few hundredths of an inch fell over most of Contra Costa County.

Similar June storms aren't uncommon for the Bay Area, with the much of the region typically receiving at least a tenth of an inch of rain this month. Yet with so much of the state mired in a historic drought, every bit of precipitation is critical to forestalling the worst of fire season, meteorologists say.

Nearly all of California — 98% of the state — is a severe drought, and about 60% of the state is experiencing extreme drought, according to the U.S. Drought Monitor. Snowpack readings in the Sierra Nevada also are downright paltry, measuring at only 4% of normal for this time of year, according to the California Department of Water Resources.

Hot, dry conditions appear likely to return in just a few days. A ridge of high pressure is expected to make its way into the Bay Area and Northern California later this week, raising temperatures and drying out any vegetation that was moistened by this weekend's storm.

Parts of the East Bay, including Oakland, should see temperatures rise into the high 70s by the middle of the week and into the 80s by Friday and the weekend, according to the National Weather Service. San Jose could see temperatures rise into the low 90s by week's end, while inland areas of Contra Costa County could see temperatures swell into the high 90s by Friday and Saturday.

While this weekend's storms should help ease fire conditions for a few days, the looming warm-up could spell the return of dangerous fire conditions, Walburn said.

The storm "gives us a couple days of reprieve, but it'll be old news pretty much a week from now," Walburn said. *The Independent Journal contributed to this report.*

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Monday, 06/06/2022 Page .A05

Lawmakers weigh buying out farmers to save water

STATE LEGISLATURE

By Adam Beam

The Associated Press

SACRAMENTO >> After decades of fighting farmers in court over how much water they can take out of California's rivers and streams, some state lawmakers want to try something different: use taxpayer money to buy out farmers.

A proposal in the state Senate would spend up to \$1.5 billion to buy "senior water rights" that allow farmers to take as much water as needed from the state's rivers and streams to grow their crops. If state officials owned those rights, they could leave the water in the rivers to benefit endangered species of salmon and other fish.

California has been mired in drought for most of the last two decades, prompting intense scrutiny of the state's complex water system and how it might be modified to ensure steady supplies during exceptionally dry periods — including a separate state proposal that would pay farmers to grow fewer crops to save water.

Current readings show about 98% of the state has severe drought conditions as California heads into summer months that rarely produce any significant precipitation. Many areas have begun restricting water use for homeowners, largely by reducing outdoor use such as lawn irrigation. And farmers have had their allocation from the two major state-owned water systems reduced — in some cases down to zero.

Legally, all of the water in California is the property of the government. But farmers have "water rights" that let them take water for agriculture. Farmers have used those rights — governed by a complicated system based on seniority and other factors — to turn California's Central Valley into an agricultural powerhouse that provides much of the nation's fruits, nuts and vegetables.

But siphoning off all that water also has disrupted the fragile ecosystem of the San Joaquin/Sacramento river delta, the largest estuary on the West Coast and home to endangered salmon and other fish. Environmental groups and farmers have battled for years over state and federal rules governing just how much water can be diverted for agriculture, which uses far more water than any other sector of the economy.

Now, with California having a record budget surplus of nearly \$100 billion, Democrats in the state Senate have proposed using up to \$1.5 billion to buy senior water rights —

by either buying the land associated with the rights, buying just the right itself, or putting an easement on the land that requires the water to be used for fish and other fauna and flora.

The proposal is part of budget negotiations between lawmakers and Gov. Gavin Newsom's administration that should wrap up by the end of this month.

"It's like we're taking a page from corporate America and we're buying back stock," said state Sen. Bob Wieckowski, a Democrat who represents the San Francisco Bay Area and is chair of a budget subcommittee overseeing environmental spending.

While \$1.5 billion sounds like a lot of money, it wouldn't buy that much water. Regulators measure water by "acre foot," defined as enough water to cover 1 acre (0.4 hectares) of land to a depth of 1 foot (30 centimeters). That's the equivalent of 325,851 gallons (1.2 million liters).

A typical household uses 1-acre foot of water each year. Farmers collectively use up to 35 million-acre feet of water each year, according to the Water Education Foundation.

The \$1.5 billion would be enough to buy about 200,000-acre feet of water, based on an average price of \$7,500 per acre foot, according to Tom Birmingham, general manager of Westlands Water District, the largest agricultural water district in the country.

Still, Birmingham says the idea "makes an awful lot of sense" because "it is a means by which conflict can be avoided."

Right now, the only way to get more water flowing in rivers and streams is to get state and federal regulators to change the rules. They can do that by requiring more water be left in rivers and streams, but that means less water for farmers. Those rule changes often prompt lawsuits, which can take a decade or longer to resolve, said Lester Snow, a former secretary of the California Natural Resources Agency and regional director of the U.S. Bureau of Reclamation.

"We need a way to take much quicker action. And I think acquiring water rights for that purpose is one of the ways to do that," he said. "With climate change, we just don't have that kind of time."

For this to work, farmers would have to voluntarily sell their valuable water rights — something Birmingham says shouldn't be a problem. Lots of farmers try to sell their water rights to Westlands Water District every year, Birmingham said.

“For many farmers ... their children simply are not interested in continuing to farm,” Birmingham said.

But state Sen. Brian Dahle, a republican running for governor whose family has been farming in California for 92 years, said the only reason farmers would be willing to sell is because state officials are driving them out of business with burdensome regulations.

“This makes my blood boil. It’s ridiculous,” Dahle told his colleagues during a legislative hearing on the proposal. “You are forcing them into a corner where they have no other option.”

John McManus, executive director of the Golden State Salmon Association, said as with any legislative proposal “the devil will be in the details.” He said he’d want to see rules that make sure any additional water purchased by the state will remain in the rivers and not be removed by someone else with water rights farther downstream.

But he is hopeful the program will work because he said there are about six native fish species that are “on life support right now because we don’t have enough water flowing through the Delta.”

“So, anything that can be done to address that problem is appreciated,” he said.



Water flows through an irrigation canal to crops near Lemoore, Kings County. Current readings show that about 98% of the state has severe drought conditions heading into summer.

RICH PEDRONCELLI — THE ASSOCIATED PRESS

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Tuesday, 06/07/2022 Page .A05

Requested variance would result in drastic curtailments

Mendocino County Public Broadcasting | By [Sarah Reith](#)

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Lake Pillsbury seen from above on May 20.

PG&E has requested permission to release five cubic feet per second from Lake Pillsbury into the East Fork of the Russian River, which would have a significant impact on Lake Mendocino and associated water rights.

May 31, 2022 — Russian River water users are preparing for another dry year, with water rights curtailments for those who depend on Lake Mendocino, and the possibility of just a trickle coming out of Lake Pillsbury.

PG&E, which still owns and operates the Potter Valley Project under an annual license, has asked the Federal Energy Regulatory Commission (FERC) to give it permission to release five cubic feet of water per second from Lake Pillsbury into the East Branch of the

Russian River, which flows into Lake Mendocino. This is a variance from the 75 cubic feet per second that's otherwise required for this time of year.

Elizabeth Salomone, the General Manager of the Russian River Flood Control and Water Conservation Improvement District, says that although last year's variance was the same, water managers were expecting five times as much this year. That was based on the storage levels in Lake Pillsbury, which filled during winter storms, and the terms of the license. "In other words, the request for five cfs is a significant change from the current license," she asserted; "and I believe there will be questions. What is the justification for that great change, from the expected 25, based on conditions, and what they've asked for. The five."

Last year, PG&E aimed to have 12,000 acre feet in Lake Pillsbury by the end of the water year in the fall. This year, after consulting with the Round Valley Indian Tribes and state and federal regulators, PG&E wants to make sure it maintains at least 30,000 acre feet in the reservoir. That's to create cold water pools below Scott Dam, for the benefit of endangered salmonids.

Alicia Hamann, the Executive Director of Friends of the Eel River, says it's time to face the facts of water scarcity. "I think that makes it eight of the last ten years that they've required a variance to operate the project," she said; "and it's just really telling that the status quo is not sustainable... It's not sustainable for the interests in the Eel River, nor for water users in the Russian River. And I think seeking a new future for the (Potter Valley) Project and for the Pillsbury Basin is just in the interests of everyone."

In a letter to FERC, PG&E wrote that if it has to continue releasing 75 cubic feet per second, Lake Pillsbury will be drawn down so low that its banks could be destabilized, which could affect the safety of Scott Dam. Janet Pauli, of the Potter Valley Irrigation District, expects the District to continue getting its 50 cubic feet per second on demand; "but the minimum instream flow going to five without a buffer is a dramatic decrease...If we start the year off as a dry year, that would give us a 25 cubic feet per second buffer, and then what we believe is they should watch the lake level carefully. If it gets to a point where it drops too precipitously, they could incrementally reduce the diversion rates through the Project."

The irrigation district also submitted a letter to FERC, complaining that PG&E had not consulted with a full range of stakeholders before requesting the variance. Last year, FERC required PG&E to consult with a drought working group to have the same variance approved.

In its proposal to FERC, PG&E wrote that it does plan to reconvene the drought working group, but if the full group is unable to agree on flow adjustments, the determination will be settled on by the Round Valley Indian Tribes, the California Department of Fish and Wildlife, and the National Marine Fisheries Service. The letter also says that according to the contract with the Potter Valley Irrigation District, PG&E has the discretion to limit deliveries.

The district differs on that interpretation, writing that it's still entitled to 50 cubic feet per second, but that it's been requesting less water to conserve the infrastructure at Lake Pillsbury. And the district declares that the new minimum storage target of 30,000 acre feet "is not supported by any definitive studies or modeling of prior year conditions and is clearly outside of the existing license requirements."

Salomone says the variance would have a significant impact on water users further downriver, too. "That 25 cfs that was expected would satiate some of the demand for the appropriative rights along the Upper Russian River," she explained. "The Flood Control District has one of those appropriative rights. But so do many others, including urban water suppliers and agriculture. At five cfs, preliminary analysis is that the State Water Board would need to curtail all post-1914 water rights. The water rights system is based on priority dates, so the older your water right, the higher priority. It will cause curtailments to go back as far as 1914, and possibly earlier."

Salomone does expect some minor differences between this year and last. "This year it does protect an amount for human health and safety for all urban water users and domestic diversions," she said. "And there is a small amount for the highest priority appropriative water rights. Last year, the State issued full curtailments. No appropriative rights or riparian rights were able to pump. They were all curtailed. So it's a tiny, tiny bit better this year. But a very, very small amount of better."

Sarah Reith

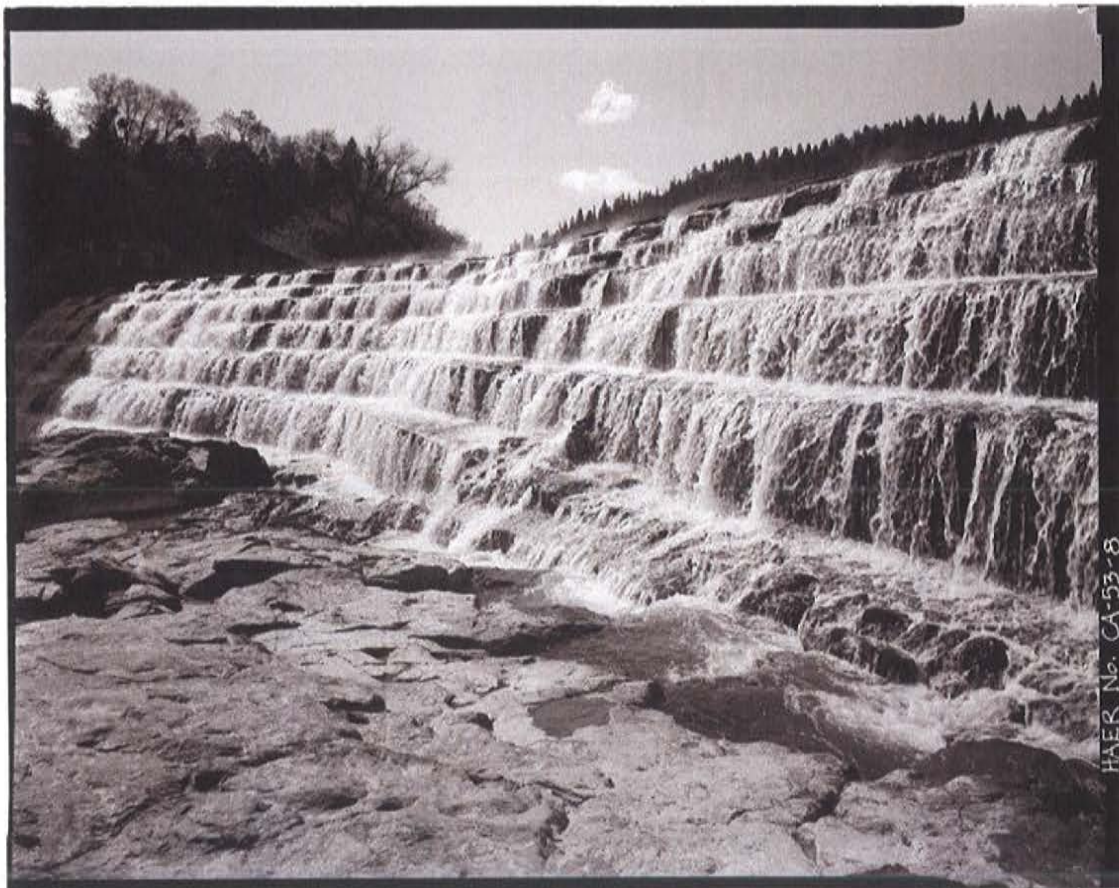
News Reporter

Sarah Reith is the lead reporter for KZYX News. She joined the KZYX News team in 2017, and covers local politics, water, law enforcement and the arts in Mendocino County



**It's A Dry Year.
Save Water With Us.**

PG&E Requests Variance from FERC for Lake Pillsbury Diversions



As the state enters its third year of severe drought and what water officials say is the state's driest year on record, Russian River water users are now preparing for the possibility of a significantly reduced diversion from Lake Pillsbury. **In a request to the Federal Energy Regulatory Commission (FERC), PG&E, which owns and operates the Potter Valley Project under an annual license, wants to release five cubic feet of water per second from Lake Pillsbury into the East Branch of the Russian River, which flows into Lake Mendocino.** This is a variance from the **75 cubic feet** per second required this time of year under normal conditions.

By the end of the water year last year, the utility aimed to have 12,000-acre feet of water in Lake Pillsbury. This year, after consulting with the Round Valley Indian Tribes and state and federal regulators, PG&E wants to maintain at least 30,000-acre feet in the reservoir. In a letter to FERC, PG&E states that "due to current drought conditions and operating restrictions, the storage in Lake Pillsbury is severely depleted and is expected to reach critical levels later in the summer, whereby bank sloughing in the vicinity of the outlet works and impaired flow releases may occur. Therefore, in order to conserve water and ensure project operability, PG&E is proposing to reduce minimum flow releases to the East Russian River from the current dry water year requirement of 25 cubic feet per second (cfs) to a critically dry water year requirement of 5 cfs."

According to Elizabeth Salomone, general manager of the Russian River Flood Control and Water Conservation Improvement District, **although variances last year were the same, water managers expected five times more this year.** This assumption was based on the water levels in Lake Pillsbury, which filled during winter storms, as well as the Potter Valley Project license terms. "In other words, the request for five cfs is a significant change from the current license," she asserted. "And I believe there will be questions. What is the justification for that great change, from the expected 25, based on conditions, and the five they've

asked for?" FERC has also received a letter from [The Potter Valley Irrigation District](#) complaining that PG&E has not consulted with a full range of stakeholders before requesting the variance, noting that the new minimum storage target of 30,000 acres is "not supported by any definitive studies or modeling of prior year conditions and is clearly outside the existing license requirements." PG&E written that it plans to re-convene the drought working group, but that if the full group cannot agree on flow adjustments, it will be decided by the Round Valley Indian Tribes, the California Department of Fish and Wildlife, and the National Marine Fisheries Service.

Read More:

[KZYX - Requested Variance Would Result in Drastic Curtailments](#)

[MendoFever - Russian River Water Users Could See Significant Curtailments After PG&E Requests Flow Variance](#)

Smart meters a key tool for conservation

Marin Independent Journal

Editorial

Keeping an eye on your water use is much easier if you have a real-time count on how well you are doing in meeting local conservation measures.

Having to wait for bimonthly billings means you have already used the water that you could have been saving if you had a better idea of how you were doing in meeting the state's conservation goal of 15%.

That's why Marin Municipal Water District is considering installing electronic "smart" devices to customers' meters, providing them with up -to- date figures that they can track online.

North Marin Water District customers have had them for several years and they have proved to be a useful tool, helping enable the district to meet its conservation goals.

MMWD has also considered districtwide installation of smart meters before, but shelved the idea when Pacific Gas and Electric Co.'s rollout of its electronic meters met with local protests.

Politically, the idea, at the time, was too hot to handle for the MMWD board.

But in 2019, as a grant funded pilot program, the district installed 5,000 meters. The results showed that those customers were able to save 6% to 12% more water by getting real-time information.

Those figures are hard to ignore.

But today, in the midst of a prolonged drought and pressure to focus more on conserving, the meters are a tool MMWD customers have been missing.

The district has offered similar devices for sale at a discounted price, but it could get better results by converting to smart meters.

MMWD officials say that in addition to giving customers an easy-to-use tool to track their water use, the devices can also help detect leaks that are wasting water.

It also saves MMWD the cost of having staff manually check the meters.

The district is hoping to get a federal grant to help defray the estimated \$25 million it could cost to replace 58,000 analog meters.

It won't be surprising if some customers balk at the devices, just as they did over PG&E's meters. In those cases, the district might consider allowing those customers to optout and pay a surcharge to cover the cost of district staff having to manually read their meters.

The district routinely urges its customers to be conscious and conscientious about the use of water. That's even more important during this drought. Smart meters can provide MMWD customers with an effective and easy-to-check tool to increase their household or business conservation.

It sounds like a smart investment.

It won't be surprising if some customers balk at the devices.

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Friday, 06/10/2022 Page .A11

California water use ignores drought

URBAN AREAS

Marin Independent Journal

By Will Houston

whouston@marinij.com

Despite worsening drought conditions, urban areas of California have continued to ignore calls for conservation and increased water use in April by nearly 20%.

Conservation data released this week by the State Water Resources Control Board showed the state's 420 largest water suppliers increased water use in April by 17.6% compared to the same month in the baseline year of 2020. Southern California increased water use by 25% to 40% that month.

By contrast, Marin's two main water suppliers — the Marin Municipal Water District and North Marin Water District — both exceeded the statewide target of 15% conservation compared to 2020 water use and conserved by 16% and 29%, respectively, in April.

“Getting in compliance with the governor's request without having to harangue to get there is just a really nice thing,” Larry Russell, president of the Marin Municipal Water District board, said during a meeting this week.

While Marin is meeting the target, the continued lack of conservation at a statewide level could result in the state adopting sweeping conservation mandates. Frustrated by months of increased water use, Gov. Gavin Newsom warned last month that he would consider reinstating mandatory water use targets for suppliers similar to those during the drought in 2012-2017. In that drought, the Marin Municipal Water District and the North Marin Water District were mandated to cut water use by 20% and 25%, respectively, compared to 2013 water use, or face penalties.

“I think that is something the administration has been very reluctant to consider because of all the concerns that it raised during the last drought,” said Charlotte Ely, a conservation supervisor with the State Water Resources Control Board. “But certainly, if there is no more improvement I think that that would be one of the options that the state of California does consider moving toward.”

The Marin Municipal Water District, which serves 191,000 residents in the central and southern parts of the county, has continued to meet Newsom's target even though its reservoirs were nearly refilled by the heavy rains late last year.

Last year, the district faced the possibility of depleting its reservoirs by mid-2022 if it experienced a third consecutive dry winter.

The district's seven reservoirs hold about a two-year supply of water and make up about three fourths of the district's supply. The remaining 25% comes from Russian River imports from Sonoma Water, which also provides about 75% of the North Marin Water District's supply. Facing its own water supply concerns, Sonoma Water has petitioned the state to allow it to temporarily reduce the amount of water it releases from its reservoirs at Lake Sonoma and Lake Mendocino to maintain flows for wildlife. As part of the request, the agency would also cut water imports by 20% to customers such as the Marin utilities.

If approved, the reduction would take effect July 1 through Oct. 31. Sonoma Water previously cut diversions by 20% last summer through the end of October.

The state could decide on the request as soon as next week, according to Sonoma Water engineer Don Seymour.

The North Marin Water District relies on Sonoma Water for the bulk of its supply. To prepare for potential reductions, the district had been feeding Sonoma Water into its Stafford Lake reservoir this winter just as it did in 2020-2021, said Tony Williams, the district general manager.

Stafford Lake makes up about a quarter of the district's supply and is typically tapped during the summer months when water demand is higher. The lake is about 75% full. Williams said district plans to use about 15% of the lake's supply, or 162 million gallons, to cover the reduction of its Sonoma supplies.

The unknown is whether the Sonoma import reductions will be extended, as they were last year through early December, Williams said.

"Fortunately, we feel we have enough storage in Stafford to stretch production to early December if needed," Williams said.

The district has been mandating 20% conservation since April 2021 because of the low Sonoma Water supplies. Williams does not expect the mandate to change with the reduced imports.

The Marin Municipal Water District has also drawn more Sonoma Water in recent months as a strategy to reduce demand on its reservoirs for the summer. The district's reservoirs are about 87% full, which is just above average for this time of year.

Paul Sellier, a district official, said the 20% reduction does not apply equally to all of Sonoma Water's import customers but is based on their water needs and the availability of supplies.

"This year our local supplies are doing really well so our reductions will be maybe a little bit more than say Santa Rosa, because Santa Rosa has no local supply and are 100% dependent on the Russian River," Sellier said.

However, the district has been able to draw more Russian River water since January than it could before because of upgrades to its Kastania Pump Station outside Petaluma. The \$2 million project will allow the district to draw its full allotment of 14,300 acre-feet of Russian River water per year — a volume similar to a full Nicasio Reservoir — compared to 9,000 acre-feet before.

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Friday, 06/10/2022 Page .A01

Spread of virus still up, but flat

COVID-19 IN MARIN

County infection rate holding high ‘plateau’

Marin Independent Journal

By Richard Halstead

rhalstead@marinij.com

A surge of new COVID-19 cases in Marin that began in late April has plateaued, but infection rates in the county remain high, Marin County’s public health officer said Monday.

Dr. Matt Willis said that while the rate of infection is no longer rising, “we’re at a high rate of transmission, and we’ve had a plateau now that has been about three weeks long without seeing a significant decrease.”

On June 7, the county reported a seven-day rolling average of 147.3 new COVID-19 cases per day, up from a seven-day rolling average of 25.7 on March 3.

Willis said this has been Marin’s second largest surge of cases since the pandemic first hit the county in 2020. The good news is that the county has not experienced a concurrent rise in the number of residents hospitalized due COVID-19 or deaths caused by the virus.

“The uncoupling between case counts and hospitalizations has been dramatic,” Willis said.

On June 9, there were six people hospitalized in Marin due to COVID-19, including one person in intensive care. By comparison, during the county’s biggest surge on Jan. 27, Marin County reported a seven-day rolling average of 256.6 cases per day. At that time, there were 28 people hospitalized in Marin due to COVID-19, including five in intensive care.

There are several reasons why hospitalization rates in Marin aren’t higher despite high rates of transmission, Willis said.

One reason is because the new omicron variants of the virus, despite being more infectious, are less virulent. Another reason is Marin's vaccination rate; more than 95% of the county's population has received at least one dose of a vaccine.

Yet another factor is the increasingly common use of the antiviral drug Paxlovid to treat people who become infected and are at high risk of hospitalization or death from COVID-19.

"Virtually all pharmacies in Marin County now carry Paxlovid," Willis said. "Our physicians are prescribing it regularly for the patients who need it."

The Marin public health office is also making the antiviral drug available to low income and uninsured residents at certain locations, such as San Rafael's Canal neighborhood.

Last week, the federal Centers for Disease Control and Prevention moved Marin County from its classification as a community with a high rate of community transmission to a community with medium transmission. San Francisco and Sonoma counties are also in the medium, or yellow, tier of the federal ranking, but Alameda, Contra Costa, Solano and Napa counties all remain in the high, or red, tier.

On June 5, Alameda reinstated a mask mandate for most indoor spaces, becoming the first county in the state to do so since the end of the winter omicron surge. Marin has no mask mandate.

"We've shifted from public- wide mandates for the population as a whole to more individual responsibility," Willis said.

Marin County Sheriff Robert Doyle said on Monday that the county has allowed 29 of his deputies who refused to get a county-mandated COVID-19 vaccination to continue working on the condition that they wear masks and get tested for COVID- 19 twice a week.

Eight of the deputies requested medical exemptions, and 21 asked for religious exemptions. Doyle said no exemptions were granted.

"The county basically gave them a pass," he said.

In February, county health officials issued a mandate that all first responders be fully vaccinated and boosted by April 15. The only exceptions allowed were for people who qualified for a medical or religious exemption. In April, Willis reported that 88% of Marin County's 371 first responders — law enforcement officers, firefighters and probation officers — had met the requirement.

Willis said the county is recommending four key strategies for getting through the summer as safely as possible. First, the public health office is recommending that for their own protection residents voluntarily cover their faces when in indoor, public settings, particularly if they are age 65 or older or have medical conditions that place them at higher risk.

Second, Willis said, “we want all families to have home test kits at hand so they can test if they develop symptoms and know if they’re infected.”

Willis said people attending indoor gatherings should test prior to the event.

“It’s not 100%,” he said, “but it’s a good way to limit the risk.”

Third, Willis said, now is a good time for anyone eligible for a second booster shot to get one.

Finally, he said, anyone who does become infected should seek treatment as soon as possible.

Willis said the county is working with nursing homes and residential care centers to ensure that residents at these facilities receive treatment as soon as possible after becoming infected. He said outbreaks are continuing to occur at long-term care centers, despite mandatory masking and vaccination requirements.

“It’s really difficult to control spread in an institutional setting,” Willis said.

As of Friday, there were 86 patients and 68 staff members at long-term care centers who were infected with COVID-19. Two residents at Marin facilities died within the last two weeks.

Willis said, “While it is increasingly clear that COVID- 19 is going to be an ongoing part of our lives, we’re learning that by utilizing vaccines, testing and treatments we can restore some semblance of normalcy.”



Canal Alliance volunteer Aurelia Vargas hands out free COVID-19 home tests outside the San Rafael nonprofit in February.

SHERRY LAVARS — MARIN INDEPENDENT JOURNAL

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Tuesday, 06/14/2022 Page .A01

Biologists: Late-2021 rains were big boost for salmon

WEST MARIN

Marin Independent Journal

By Will Houston

whouston@marinij.com

The heavy downpours in late 2021 not only helped relieve Marin County's drought but also created some of the best conditions in several years for endangered coho salmon, according to local biologists.

On Lagunitas Creek, which has the largest population of coho salmon between Monterey Bay and Mendocino County, fish surveyors saw one of the largest runs of coho in the last decade.

"We had a decent amount of rain that just allowed fish to spawn everywhere," said Eric Ettlinger, a Marin Municipal Water District ecologist who monitors Lagunitas Creek. "For the public, it was an amazing year because they were all over the watershed. People were seeing them in popular spots like Devil's Gulch and Leo T. Cronin Fish Viewing Area and spawning over an extended period of time. They said they had not seen so many salmon in years and that this year was the best viewing they had ever seen."

Once believed to number in the tens of thousands, coho salmon in Marin have dwindled to the hundreds. The decline is attributed largely to habitat loss caused by land-use changes and development such as dams, which blocked access to about half of the salmon's historic habitat and caused creeks to fill in with more sediment.

Coho salmon return from the ocean to Marin creeks to spawn each winter and rely on heavy rainfall to allow them to swim upstream to their nesting grounds. After two years of drought, conditions on the creek and its tributaries were looking dismal until a series of downpours from late October and through December.



A sign in San Geronimo Valley trail alerts visitors to the sensitive fish habitat in Lagunitas Creek. Habitat loss has severely diminished the local coho salmon population.

SHERRY LAVARS — MARIN INDEPENDENT JOURNAL

By the end of the spawning season in early February, Ettlinger and his team had counted nearly 330 coho egg nests, known as redds, which is the second highest count in the past decade. Nearly 370 nests were counted during the winter of 2018-2019, which also had significant rainfall.

But a much different story could have played out had the storms not arrived last year, Ettlinger said.

Facing the potential depletion of its reservoir supplies by mid-2022, the Marin Municipal Water District received approval from the state to reduce the amount of reservoir water it releases into Lagunitas Creek for returning coho spawners. The district is required to release dam water during the spawning season and during the remainder of the year when the hatchlings are rearing in the creek.

Fortunately for both the salmon and the water district, the storms in the final months nearly refilled the district's reservoirs and allowed normal dam releases to resume.

"We dodged a drought bullet this year," Ettlinger said.

The intense rainfall also allowed fish to access smaller tributaries higher up in the Lagunitas Creek and Redwood Creek watersheds where they hadn't been seen for years or even decades. The Salmon Protection and Watershed Network in Olema, or SPAWN,

monitors spawning in San Geronimo Creek, a tributary of Lagunitas Creek. The group found salmon eggs in Larson Creek and Montezuma Creek — tributaries of San Geronimo Creek — for the first time since 2004 and 2006.

About 36 coho nests were found in the San Geronimo Creek and its tributaries, according to SPAWN biologist Ayano Hayes.

While the number of returning spawners is encouraging, the population still has a long road to recovery. To be removed from their federal endangered status, Lagunitas Creek coho will need to lay at least 1,600 nests for three consecutive winters. But in more than 25 years of monitoring, the counts have never reached half that amount.

While adult spawners require lots of rainfall and flowing water to reach their nesting grounds, their eggs and young hatchlings require a delicate balance: enough water to keep them covered, but not so much as to scour the creek bed and wash them away.

Late-spring rains this year will work to benefit the salmon fry that recently hatched, Ettlinger said. Coho salmon rear in freshwater for a year-and-a half after they are born. After another year-and-a-half in the ocean, they return to the creeks they were born in to spawn the next generation.

While spawning salmon were able to reach high up into the watershed, the dry period from January through March might have put some egg nests at risk of drying out.

“Then we got some late rains that covered those redds back up again,” Ettlinger said. “I’m hopeful that the fry that were still kind of trapped in those redds were able to come out once the rain came. We don’t know. That’s the only kind of potential impact or bad thing that has happened this year.”

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Tuesday, 06/14/2022 Page .A03

Drought stalks Marin once again

Marin County

Novato Advance

Special to Marinscope

As California and the West Coast enter their third year of drought, Marin County and the state's other 57 counties have been declared primary disaster areas by the U.S. Department of Agriculture. The dry conditions are bad news for Marin's farmers and ranchers, but the disaster designation status makes available emergency loans for agricultural businesses.

Additionally, the Small Business Administration (SBA) is offering Economic Injury Disaster Loans to non-farm small businesses that do business directly with farmers and ranchers, such as truckers and suppliers of agricultural equipment or services. Eligible businesses may apply for disaster loans through Dec. 8.

Farmers and ranchers interested in a disaster loan can apply on the USDA website. Small, nonfarm businesses, small agricultural cooperatives, and most private nonprofits can apply for the loans by contacting the SBA at 1 (800) 659-2955 or by email. Hearing impaired individuals may call 1 (800) 877-8339.

On June 7, state regulators ordered thousands of farmers, irrigation districts and municipal water agencies to stop making draws from rivers and creeks.

The order forces water users, from individual landowners to utilities serving tens of thousands of people, to turn to alternative sources of water, if they have it. Some growers and small water providers without a backup supply may be forced to go without water entirely.

"We want to raise awareness of the financial opportunities this drought designation provides because it may help some of these small businesses hampered by our continuing severe drought conditions," said Marin County Agricultural Commissioner Stefan Parnay.

The federal commitment to assist businesses because of drought-related hardship extends to 23 other western states in addition to California. Small nonfarm businesses, small agricultural cooperatives, and most private nonprofits of any size may qualify for

SBA Economic Injury Disaster Loans to help meet financial obligations and operating expenses that could have been met had the drought not occurred.

In July 2021, the State of California added Marin to its list of counties falling under its state of emergency for drought and record-breaking high temperatures statewide. Governor Gavin Newsom made the drought official in 50 of the state's 58 counties. Since then, state agencies partnered with local water suppliers to promote conservation tips through the Save Our Water campaign.

The Marin County Board of Supervisors voted unanimously May 18, 2021, to declare a local emergency and acknowledge the imminent threat of disaster and the severe effect on dairies and ranchers in West Marin. It also made the County eligible for California Disaster Assistance and other forms of state funding and resources. The local declaration cleared the way for state authorities to aid response and recovery efforts available to the County, water suppliers, farmers, impacted businesses and residents.



The federal drought designation may help some of Marin's small businesses hampered by the chronically dry conditions.

Marin Water, the municipal water district serving the majority of water customers in the county, and the Novato-based North Marin Water District (NMWD) are staying in contact with the County about drought conditions. Both water districts have declared water shortage emergencies and enacted mandatory conservation measures. Marin Water serves more than 191,000 customers in central and southern Marin. NWMD serves a customer base of about 64,000 in and around Novato and parts of coastal West Marin. For localized details, see the water rules webpages for Marin Water and NMWD.

Marin residents have been asked to support local agricultural producers who have been affected by the drought right on the heels of the COVID-19 pandemic. In 2021 numerous Marin ranchers had to import water by truck to keep their animals alive while

also reducing their herds. With far less vegetation for grazing because of the ongoing drought, animals are eating imported feed shipped from other states at extremely high costs to the ranchers. Additionally, a few Marin crop producers had to import water by truck to keep crops alive and fallowed approximately 150 acres, or about 50% of the 300 crop acres in the county.

“As the region enters its third year of drought, this season is going to take a significant toll on our agricultural industry,” Parnay said.

The Board of Supervisors last year approved \$150,000 in drought relief funds for the agricultural industry and another \$250,000 for general drought relief needs to augment other state and federal aid.

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06/15/2022 Page .A01

MMWD incumbents address water supply question

Marin Independent Journal

OPINION

Dick Spotswood

This coming November the prime election for Central and Southern Marin voters is for three directors on the five-member Marin Municipal Water District board. One incumbent, Cynthia Koehler, just made the surprise announcement that she won't file for reelection. Incumbents Jack Gibson and Larry Bragman will run.

Given long-term drought and climate change, the key question in this election deals with water supply. My question for all of the so-far declared candidates: What specific actions should MMWD take to satisfy its customers' water supply and water demands needs?

Today Gibson and Bragman reply. On Sunday, we'll see responses from three newcomers running for the water board. These comments are unedited except for space demands. I'll reserve my reaction for future columns.

Veteran MMWD director Gibson represents Division 1, encompassing Marinwood, parts of North San Rafael, San Anselmo and Terra Linda. His reply: "I'm fully committed to efforts to secure more water supply. Conservation alone will not satisfy our water needs.

"The district is currently undergoing a complete review by San Diego's Jacobs Engineering of all sources, including the East Bay intertie, North Bay intertie, expansion of local storage, expanded water reuse, desalination, expanded Sonoma water use based on Sonoma groundwater and greater capturing of winter water from the Russian River.

"Sonoma Water is also using Jacobs Engineering to perform a similar evaluation for their water system. I am in favor of the study and favor moving forward on any of these projects once details fall into place.

"I've advocated greater integration of water infrastructure between MMWD, Sonoma Water and North Marin Water. When our reservoirs are lower, we should be able to store water for Sonoma and North Marin. We should consider a non-creek reservoir in

Marin which could be used to store some Russian River winter water, benefiting all three water districts. I see desalination for Marin, but as a regional project, perhaps located at the mouth of Petaluma River.”

Bragman represents Division 3, which includes Ross and San Geronimo valleys, Ross, Greenbrae and Kentfield. His reply: “Marin Water needs to assess the feasibility of installing spillway gates at one of our existing dams at Kent, Nicasio or Soulajule reservoirs. North Marin Water has undertaken a detailed study of supply options and found that installation of spillway gates at Stafford Lake is a cost-effective means of increasing reservoir storage capacity.

“The district should explore the feasibility of adding a reverse osmosis water filtration system at the Central

Marin Sanitary Agency treatment plant. Improving the quality and quantity of this treated water would allow it to be pumped to San Quentin Prison — the largest single-site water user in Marin.

“(Other priorities include) bolstering the vegetation management of our most important water source: Mount Tam watershed. Strategic reduction of overgrown ‘ladder fuel’ plants not only decreases fire risk, it will increase the runoff into our reservoirs.

“Marin Water is in the midst of a water supply assessment study to compare the feasibility and cost of all available additional water supply sources including the construction of a transmission pipeline over the Richmond Bridge; constructing or leasing a local desalination plant; joining with Sonoma to rehabilitate groundwater pumping facilities and create drought proof emergency supply in underground aquifers in Santa Rosa and Petaluma basins; and reaching out to our East Bay neighbors to coordinate a regional desalination facility which would spread the enormous cost over a broader rate base.

“The assessment study needs to be completed so that Marin Water and the community can determine the feasibility, costs and timing of potential supply options.” *Columnist Dick Spotswood of Mill Valley writes on local issues Sundays and Wednesdays. Email him at spotswood@comcast.net.*

What specific actions should MMWD take to satisfy its customers’ water supply and water demands needs?

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A11, June 15, 2022

Agricultural water waste must be curbed

Editorial

OPINION

Marin Independent Journal

With limited options for new California water sources, it's time to stop wasting the precious supply we have.

Gov. Gavin Newsom should muster the political will to enforce Article X, Section II of the state Constitution that requires "reasonable and beneficial" use of the state's water supply. The current waste must not continue.

A handful of entities are using water that drains from the Sierra as they see fit. As a result, the state's agriculture sector uses about 75% of the state's available water.

Almond growers alone account for about 10% of California's water use. Ten percent — just for almonds. Almond growers have tripled their orchard acreage from 400,000 acres in 1990 to 1.36 million acres in 2018.

While almond farmers have become more efficient in water use in recent years, it still takes about a gallon of water to grow a single almond in California. California almond growers harvested an estimated 2.5 billion pounds of almonds in 2018 and sent about 65% of their crop to India and China.

That's not a responsible use of our precious water supply. It's time for the governor and the Legislature to step in and insist that California make more responsible use of the limited water it has.

Climate change ensures the state's water shortage will only worsen if our leaders fail to act.

Sadly, when it comes to water, Newsom has no political backbone, which helps explain his near-inaction during his three-plus years in office.

He can't even manage to impose mandatory water conservation rules for urban users during the current drought out of fear he'll alienate voters during his reelection

campaign — a race in which he has no serious opposition and will likely win in a landslide.

Taking on farmers for the good of the state seems beyond him.

Meanwhile, the state is failing to act on the voters' mandate for more storage. Californians approved Proposition 1 in 2014, a \$7.5 billion bond that dedicated \$2.7 billion for new water-storage projects.

But none of the state's dam proposals is anywhere near ready to move forward.

Raising the height of the dam for Los Vaqueros Reservoir in Contra Costa County by 55 feet, for example, makes sense. It would increase reservoir capacity by about 72%, from 160,000 acre-feet to 275,000 acre-feet, at a cost of nearly \$1 billion.

It's less clear that the water storage achieved by other dam proposals are worth the billions in costs. It's time to figure that out.

As for alternative sources, some, including the governor, want the state to invest in desalination plants. Newsom was pushing for the \$1.4 billion Huntington Beach plant to move forward.

But the California Coastal Commission, including the governor's appointees, rejected the project, citing its impact on marine life, energy use, its vulnerability to sea-level rise and the potential to drive up water rates for low-income residents.

It's time for the governor to stop fiddling and act. As we stand today, despite Proposition 1, there is little sign of new storage or alternative sources for water. In the meantime, we are wasting too much of what we have.

It's time for conservation mandates for urban users and enforcement of the state Constitution to ensure farmers use water only for reasonable and beneficial uses.

Written by the Bay Area News Group editorial board.

While almond farmers have become more efficient in water use in recent years, it still takes about a gallon of water to grow a single almond in California.

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Tuesday, 06/14/2022 Page .A09