

REVISED



**NORTH MARIN  
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT  
AGENDA - REGULAR MEETING**  
April 4, 2023 – 4:00 p.m.  
District Headquarters  
Location: 100 Wood Hollow Dr  
Novato, California

**NOTE: INFORMATION HAS BEEN PROVIDED FOR ITEM #10, PGS 2-6**

Information about and copies of supporting materials on agenda items are available for public review at the District Office, at the Reception Desk, by calling the District Secretary at (415) 897-4133 or on our website at nmwd.com. 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.

Est. Time	Item	Subject
4:00 p.m.	<b>CALL TO ORDER</b>	
	1. <b>APPROVE MINUTES FROM REGULAR MEETING, March 21, 2023</b>	
	2. <b>GENERAL MANAGER'S REPORT</b>	
	3. <b>OPEN TIME: (Please observe a three-minute time limit)</b>	
		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. <b>STAFF/DIRECTORS REPORTS</b>	
		<b>CONSENT CALENDAR</b>
		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.
	5. <b>Consent – Approve:</b> Amend General Services Agreements with Miller Pacific Engineering Group, Kennedy-Jenks, and Freyer & Laureta	
	6. <b>Consent – Approve:</b> Amend General Services Agreement with Genterra Inc.	
		<b>ACTION CALENDAR</b>
	7. <b>Approve:</b> Declaration of Local Emergency Related to Severe Storms	RESOLUTION
	8. <b>Approve:</b> Adoption of Ordinance No. 44 Declaring End of Water Shortage Emergency Condition	
	9. <b>Approve:</b> Adoption of Ordinance No. 45 Declaring End of Water Shortage Emergency Condition	
	10. <b>Approve:</b> Novato Potable Water and Recycled Water Financial Plan Update FY 23/24	
	11. <b>Approve:</b> West Marin Water System Financial Plan Update FY 23/24	
	12. <b>Approve:</b> Oceana Marin Sewer System Financial Plan Update FY 23/24	

All times are approximate and for reference only.

The Board of Directors may consider an item at a different time than set forth herein.

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
	<b>INFORMATION ITEMS</b>	
	13.	WAC Meeting – February 6, 2023
	14.	TAC Meeting – March 6, 2023
	15.	NBWRA Meeting – March 27, 2023
	16.	<b>MISCELLANEOUS</b>
		Disbursements – March 23, 2023
		Disbursements – March 30, 2023
		Auditor-Controller’s Monthly Report of Investments for February 2023
		Letter to Bureau of Reclamation re Marin Water 2023 Water SMART Brackish Water Desalination Grant Application
		<u>News Articles:</u>
		Marin IJ – Water bills could increase 20% - MARIN MUNICIPAL
		Marin IJ – MMWD board president outlines actions, rate increase
		Marin IJ – Drinking water protection limits ‘forever chemicals’ – EPA PROPOSAL
		Marin IJ – Novato slide triggered by storm threatens water and gas lines – REDWOOD BOULEVARD
		Marin IJ - Slide stabilizes, but significant work remains – NOVATO
		Marin IJ - MMWD seeks desalination grant - \$200,000 REQUEST
		Marin IJ – Show how rate hike will help water supply – EDITORIAL
		Marin IJ – Marin drenched again, but no serious damage - WEATHER OUTLOOK
		Marin IJ – Novato looks at financial overhaul – BUDGET WOES
		Novato Advance: Mudslide buckles road in Novato
		Mendocino Voice – Potter Valley Project: Russian River Water Forum forms to advise on decommissioning, Scott Dam spillway to remain open
5:30 p.m.	17.	<b>ADJOURNMENT</b>

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**DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MARCH 21, 2023**

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**CALL TO ORDER**

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, Ken Eichstaedt, and Stephen Petterle. Also present were General Manager Tony Williams, District Secretary Eileen Mulliner, Auditor-Controller Julie Blue and AGM/Chief Engineer Eric Miller.

District employees, Robert Clark (Maintenance/Operations Superintendent), and Chris Kehoe (Construction Superintendent) were also in attendance. Anne Sands of the Rotary Club of West Marin, and Lynne Rosselli and Jake Spaulding from Sonoma County Water Agency (SCWA) were also in the audience.

**MINUTES**

On motion of Director Baker, seconded by Director Joly the Board approved the minutes from the March 7, 2023 meeting as presented by the following vote:

- AYES: Director(s) Baker, Eichstaedt, Fraites, Joly and Petterle
- NOES: None
- ABSENT: None
- ABSTAIN: None

**GENERAL MANAGER’S REPORT**

During the General Manager’s report, Mr. Williams mentioned to the Board that NMWD receives water quality data from SCWA and that data is used by Pablo Ramudo, NMWD Water Quality Supervisor, to prepare NMWD’s water quality report. Mr. Williams noted that the SCWA report included information on the Todd Rd well which was in production last summer and produced 110 million gallons, approximately 337 acre feet, and it is anticipated that SCWA will get two more wells up and running in the coming years to bolster water supply.

Mr. Williams also said that the WAC Ad-hoc committee regarding the Potter Valley Project did convene last week, and that there is an item in the Miscellaneous part of the current agenda packet regarding the result of the committee meeting.

**SPECIAL STAFF RECOGNITION**

Mr. Williams introduced Anne Sands of Rotary of West Marin. Ms. Sands addressed the

1 Board and explained that she was there to recognize Robert Clark. She said that Mr. Clark  
2 volunteers for the Rotary of West Marin and has helped with many community projects including  
3 building raised garden beds, assisted with Western Weekend event, the Rotary's chili cookoff, and  
4 manned a NMWD water station among other contributions. She explained that Rotary of West  
5 Marin has a Paul Harris Fellow award given to those who excel in helping others and since Mr. Clark  
6 has donated at least \$3,000 since joining in 2013, he is eligible for the Paul Harris Fellow Level 2  
7 award. Ms. Sands then presented the Paul Harris Fellow pin to Mr. Clark commemorating his  
8 achievement and thanked him for his contributions. Mr. Clark thanked Ms. Sands.

9 Ms. Sands left the meeting.

#### 10 **OPEN TIME**

11 President Fraites asked if anyone in the audience wished to bring up an item not on the  
12 agenda and there was no response.

#### 13 **STAFF/DIRECTORS REPORTS**

14 President Fraites asked if staff or Directors wished to bring up an item not on the agenda.

15 Robert Clark stated that the Stafford Treatment Plan has started up early and that Stafford  
16 Dam is spilling.

17 Director Petterle stated that Jean Berensmeier had passed away. Director Baker said that  
18 he had worked with her on many projects when he worked at the County of Marin. Director Fraites  
19 said that he had worked with her over the years as well. All directors that knew her noted what a  
20 great person she was and that she will be greatly missed.

#### 21 **ACTION CALENDAR**

#### 22 **AUTHORIZE AFFIRMATIVE VOTE FOR SCWA FY2023-24 WATER TRANSMISSION SYSTEM** 23 **BUDGET**

24 Lynne Rosselli, Administrative Services Division Manager, and Jack Spaulding, Finance  
25 Manager, from SCWA gave a power point presentation to the Board on the SCWA FY2023-24  
26 Water Transmission System Budget which outlined the need for infrastructure upgrades due to  
27 aging infrastructure, ongoing maintenance needs, increased repairs, and natural hazard  
28 vulnerabilities. An increase in emergency repairs has been noticed in the last several years and  
29 \$6.4 million has been budgeted for hazard mitigation projects to reduce risks and another \$5.94  
30 million has been budgeted in other capital projects to increase resiliency. \$40.4 million for  
31 Operations & Maintenance (O&M) projects, such as the aqueduct cathodic protection, emergency  
32 inventory procurement, has been budgeted and \$9.78 million for the Russian River biological  
33 opinion, water supply planning and water conservation. The cost of O&M divided by the volume of

1 water sold (revenue), determines the cost per acre foot, and since the volume of water sold has  
2 decreased from last year, a rate increase is necessary. SCWA will also have to dip into their  
3 reserves due to revenue shortfall. The proposed rate increase compared to the previous year is  
4 12.51% for the NMWD. It was emphasized that lower water deliveries are the major reason. The  
5 Water Advisory Committee (WAC) will be voting on the budget at the April 3, 2023 meeting. The  
6 budget is anticipated to be adopted by SCWA's Board at their April 18, 2023 meeting. Mr.  
7 Spaulding and Ms. Rosselli answered questions from the Board, and addressed the many factors  
8 for lower water deliveries: drought, State requirements for reductions due to dry conditions, and in  
9 past years SCWA kept rates down because of the Sonoma County fires and COVID. Ms. Rosselli  
10 also noted that several projects have received FEMA funding which helps offset capital spending.  
11 Ms. Rosselli noted that the rate calculation is based on the provision in the "restructured Agreement  
12 between SCWA and the Water Contractors, including NMWD which has a unique calculation  
13 method. Director Joly asked if the agreement was fair to NMWD and she replied that it was fair to  
14 NMWD.

15 On the motion of Director Joly, and seconded by Director Baker, the Board approved by the  
16 following vote:

17 AYES: Director(s) Baker, Eichstaedt, Frites, Joly, and Petterle

18 NOES: None

19 ABSENT: None

20 ABSTAIN: None

21 Ms. Rosselli and Mr. Spaulding left the meeting.

22 **AUTHORIZE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH KOFF &**  
23 **ASSOCIATES TO CONDUCT COMPENSATION STUDY**

24 Mr. Williams explained that the current Employee Memorandum of Understanding (MOU) will  
25 be expiring September 30, 2023. In a Side Letter Agreement with the Employee Association it was  
26 stipulated that "The District shall use the Board-approved methodology and criteria to conduct an  
27 updated salary survey" prior to the expiration of the agreement. A Request for Proposal (RFP) was  
28 developed and advertised on the District's website. Three proposals were received. After review of  
29 the proposals, Koff & Associates from Berkeley was recommended to provide a comprehensive  
30 compensation study for the District. Director Eichstaedt asked if the firm's references were checked  
31 and Mr. Williams said that Karen Clyde, NMWD HR/Safety Manager, did check their references and  
32 Koff & Associates came very highly recommended, and has the most experience with similar  
33 agencies.

1 On the motion of Director Joly, and seconded by Director Baker, the Board approved by the  
2 following vote:

3 AYES: Director Baker, Eichstaedt, Fraites, Joly, and Petterle

4 NOES: None

5 ABSENT: None

6 ABSTAIN: None

7 **FACILITY RESERVE CHARGE ADJUSTMENTS**

8 Mr. Williams reminded the Board that the District had lowered the Accessory Dwelling Unit  
9 (ADU) Facility Reserve Charge (FRC) based on historical water use as part of the December 2022  
10 Regulation 1 update. Due to the partial refund that was approved by the Board at the March 7, 2023  
11 meeting, staff evaluated all customers that had paid FRC fees and that have had no water use for 6  
12 month and 1-year periods. After the research, there are only 6 customers who had similar  
13 conditions for the 1-year period, and going back 6 months there are only 2 customers. The Board  
14 agreed to offer a partial refund to the 2 customers who fall within similar conditions as the customer  
15 granted a refund at the March 7, 2023 meeting.

16 On the motion of Director Joly, and seconded by Director Baker, the Board approved by the  
17 following vote:

18 AYES: Director Baker, Eichstaedt, Fraites, Joly, and Petterle

19 NOES: None

20 ABSENT: None

21 ABSTAIN: None

22 **INFORMATION ITEMS**

23 **STAFFORD DAM ADJUSTABLE SPILLWAY GATE PROJECT UPDATE**

24 Eric Miller provided an update on the Stafford Dam Adjustable Spillway Gate project. He  
25 explained that the proposed project includes installing a gate over the notch in the dam's spillway to  
26 increase lake capacity. He noted that permitting will likely take a couple of years. Director Fraites  
27 asked if there will be flooding onto the shoreline if the lake comes up to level of the proposed gate.  
28 Mr. Miller responded that there could be some flooding on a small portion of the golf course but we  
29 will work to mitigate that. Mr. Miller did say that the shoreline will rise and notes that some of the  
30 facilities that are provided by the County Parks would more than likely be inundated during the winter  
31 months but not during the summer when they would be in use. Mr. Miller stated that we have a  
32 CEQA consultant developing the best approach and we will be hiring a geotechnical consultant to  
33 prepare a report and gather more information over the summer.

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1 **FINAL ANNUAL REPORT FISCAL YEAR 2021-22**

2 Mr. Williams presented to the Board the final Annual Report for Fiscal Year 2021/22. He  
3 explained that, although the department heads provided the content, Kiosk Communications put  
4 together the design of the report this time. In the past, the District put the annual reports together in-  
5 house. The Board commended Kiosk for such a good job and expressed how much they liked how  
6 it looked. Mr. Williams explained that Kiosk has provided the template for the report so that the  
7 District can use it for future annual reports to be done in-house.

8 **MISCELLANEOUS**

9 The Board received the following miscellaneous items: Disbursements-Dated March 9, and  
10 March 16, 2023, Monthly Progress Report, Agricultural Resilience in the Face of Extreme Dry  
11 Conditions: A Marin and Sonoma Partnership Response and Recommendations, ACWA –  
12 Infrastructure Funding for SB 867, WAC Comment Letter to FERC\_Post-Technical Meeting March  
13 13, 2023, USACE announces high-flow release from Warm Springs Dam at Lake Sonoma, NOAA  
14 Seasonal Drought Outlook 3-16-23.

15 The Board also received the following news articles: Marin IJ – Marin IJ – District unveils  
16 strategy for new water supplies – MARIN MUNICIPAL, Key supplier of water for Marin seeks rate  
17 hikes – NORTH BAY, Novato Advance - Your local water district for the greater Novato area.

18 The Board received the following Social Media Posts: NMWD Web and Social Media Report  
19 – February 2023.

20 **ADJOURNMENT**

21 President Fraites adjourned the meeting at 7:30 p.m.

22 Submitted by

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26 Eileen Mulliner  
27 District Secretary  
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## MEMORANDUM

To: Board of Directors April 4, 2023  
 From: Eric Miller, Assistant GM/Chief Engineer   
 Subject: Amend General Services Agreements with Miller Pacific Engineering Group, Kennedy Jenks, and Freyer & Laretta

r:\non job no issues\consultants\mpegyfy22-23\bod memos\_agmts\mpege genl servs amendment 2 bod memo 4\_4.doc

**RECOMMENDED ACTION:** Authorize the General Manager to amend the General Consulting Services Agreement with Miller Pacific Engineering Group, Kennedy Jenks, and Freyer & Laretta

**FINANCIAL IMPACT:** \$60,000 (funds available in current FY approved budget)

District staff became aware of a landslide along Redwood Blvd in the unincorporated Marin County area between the Birkenstock building (McGraw Hill) and Olompali State Park on the morning of March 22, 2023. At approximately 8 A.M., senior staff from the District visited the site to assess the potential damage to the nearby 30-inch welded steel aqueduct that provides approximately 75% of the annual water supply for the District's Novato Service Area.

During the subsequent days, District staff worked closely with Novato public safety officials, Pacific Gas & Electric, Marin Water, Sonoma County Water Agency, Caltrans, and Marin County Public Works to minimize immediate impacts to the public, implement interim measures, and begin working on short and long-term solutions for the threatened infrastructure. As part of these efforts, staff identified a need for specialized engineering firms to assist in our efforts for various aspects of this emergency.

The purpose of this memo is to request contract amendments to the General Consulting Services Agreements (GSA) with Miller Pacific Engineering Group (MPEG), Kennedy Jenks (KJ), and Freyer & Laretta (F&L) for professional services related to the Redwood Blvd landslide located just north of the Novato city limits.

#### Background

Much is still unknown about the landslide and potential impacts that earth movement is having on the North Marin Aqueduct (NMA). Pacific Gas & Electric was in full control of the site until recently due to the proximity of their facilities to the slide area. Recent storms continue to keep the area saturated and subsurface investigations have been discouraged by experts involved until the area has an opportunity to dry out. Under this amendment, MPEG would provide

Approved by GM 3/31/23

Date EW

the following services, including but not limited to; represent the District in technical conversations regarding the landslide area, advise the District on geotechnical options related to the NMA, comment on proposals by stakeholder agencies for earthen improvements of the landslide area, and other needs that may arise. MPEG is a local consulting firm that has served the District for many years. Their extensive knowledge of the area gives confidence to District staff that we would be well represented in this situation.

The District's interim measures and long-term solution options involve detailed analysis of pipe conditions along the NMA as well as system modeling to identify viable options. Both KJ and F&L are engineering firms currently under contract with the District for various other projects that have a proven track record in providing high level services. Under this amendment, KJ would use their existing knowledge of the NMA to develop scenarios that consider full, partial, and no access to water supply through the NMA during peak summer months. As more information is gathered about the landslide impact on the NMA, having looked at various scenarios will allow the District to be more proactive in our decision making.

Similarly, under this amendment, F&L will refine their existing model of the southern portion of our distribution system to develop scenarios that involve transfer of water from Marin Water into our system near the Loma Verde and Hamilton neighborhoods. An existing agreement between the two Districts has provisions to allow for water transfer in either direction, although there are many hydraulic unknowns that F&L's model will help solve.

#### Scope of Work

Due to the emergency nature of this situation, the three contract amendments would not include specific scope and fee. Rather, a Task Order would be issued to each firm on a time & material basis with engineering staff responsible for monitoring budget and deliverables on an ongoing basis.

#### RECOMMENDATION

That the Board authorize the General Manager to amend General Services Agreements with Miller Pacific Engineering Group (MPEG), Kennedy Jenks (KJ), and Freyer & Lauretta (F&L) for an additional \$20,000 per firm, totaling \$60,000.

#### ATTACHMENTS:

1. MPEG hourly fee schedule
2. KJ hourly fee schedule
3. F&L hourly fee schedule

**Client/Address:** North Marin Water District  
 PO Box 146  
 Novato, CA 94948

**Contract/Proposal Date:** 3/30/2023

## Schedule of Charges

January 1, 2023

### PERSONNEL COMPENSATION

Classification	Hourly Rate
Engineer-Scientist-Specialist 1 .....	\$150
Engineer-Scientist-Specialist 2 .....	\$180
Engineer-Scientist-Specialist 3 .....	\$200
Engineer-Scientist-Specialist 4 .....	\$220
Engineer-Scientist-Specialist 5 .....	\$240
Engineer-Scientist-Specialist 6 .....	\$260
Engineer-Scientist-Specialist 7 .....	\$285
Engineer-Scientist-Specialist 8 .....	\$305
Engineer-Scientist-Specialist 9 .....	\$320
Senior CAD-Designer .....	\$185
CAD-Designer .....	\$170
Senior CAD-Technician .....	\$155
CAD-Technician .....	\$140
Project Assistant.....	\$140
Administrative Assistant.....	\$120
Aide .....	\$95

In addition to the above Hourly Rates, an Associated Project Cost charge of \$9.74 per hour will be added to Personnel Compensation for costs supporting projects including telecommunications, software, information technology, internal photocopying, shipping, and other support activity costs related to the support of projects.

### Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost plus ten percent for items such as:

- a. Maps, photographs, 3rd party reproductions, 3rd party printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, contractors, and other outside services.
- c. Rented vehicles, local public transportation and taxis, travel and subsistence.
- d. Project specific telecommunications and delivery charges.
- e. Special fees, insurance, permits, and licenses applicable to the work.
- f. Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for vehicles used in connection with the work will be at the federally approved mileage rates or at a negotiated monthly rate.

If prevailing wage rates apply, the above billing rates will be adjusted as appropriate.

Overtime for non-exempt employees will be billed at one and a half times the Hourly Rates specified above.

Rates for professional staff for legal proceedings or as expert witnesses will be at rates one and one-half times the Hourly Rates specified above.

Excise and gross receipts taxes, if any, will be added as a direct expense.

The foregoing Schedule of Charges is incorporated into the agreement for the services provided, effective January 1, 2023 through December 31, 2023. After December 31, 2023, invoices will reflect the Schedule of Charges currently in effect.



## CHARGE RATE SCHEDULE

**PROFESSIONAL & TECHNICAL SERVICES** of Freyer & Laureta, Inc. Staff are provided on a fixed fee, or an hourly rate basis as follows:

### FIXED FEE

Where a definitive scope of work can be established, many of our clients prefer that a specific fee be agreed upon in advance. Billings are submitted monthly based upon percent complete as of the last accounting day of the month.

### HOURLY RATE

Applicable to Plan Preparation, Design and Report services where the scope of work must remain open. Freyer & Laureta, Inc. utilizes the following hourly charge rate basis for billing purposes.

Production Aide – Clerical	\$ 100.00
Drafter I - Technical Typist - SurveyTech II	\$ 105.00
Drafter II - Word Processor	\$ 110.00
Engineering Tech I - Drafter III	\$ 125.00
Staff Engineer I - Engineering Tech II - SurveyTech III	\$ 145.00
Staff Engineer II - Engineering Tech III - SurveyTech IV	\$ 150.00
Staff Engineer III - Senior Engineering Tech	\$ 155.00
Staff Engineer IV - Survey Tech V – Construction Inspector	\$ 170.00
Associate Engineer - Associate Surveyor (L.L.S.)	\$ 185.00
Senior Engineer - Construction Manager	\$ 195.00
Senior Construction Inspector	\$ 195.00
Project Manager – Principal Surveyor (L.L.S.)	\$ 210.00
Senior Project Manager – Principal Surveyor (L.L.S.)	\$ 225.00
Associate Principal	\$ 235.00
Principal	\$ 250.00
Forensic Engineering	\$ 340.00
Deposition and Court Appearance	\$425.00

Subconsultant, Reproduction, Printing, Travel, Mailing, and Delivery - Cost plus 10%

**INTEREST CHARGE** - Billings are due and payable within 30 days. A monthly interest charge equal to the Federal Discount Rate plus 5% will be applied on the next billing beyond the 30-day payment period.

The foregoing Charge Rate Schedule is incorporated into the Agreement for the Services of Freyer & Laureta, Inc. and may be updated annually.





**MILLER PACIFIC ENGINEERING GROUP**  
a California corporation

**SCHEDULE OF CHARGES**  
**PROFESSIONAL ENGINEERING AND TESTING SERVICES**

<u>Professional and Technical Personnel</u>	<u>Hourly Rate</u>
Project Assistant/Word Processor.....	\$85
Engineering Technician.....	\$120
Senior Technician.....	\$130
Prevailing Wage.....	\$150
Staff Engineer/Geologist.....	\$150
Project Engineer/Geologist.....	\$170
Senior Engineer/Geologist.....	\$200
Associate Engineer/Geologist.....	\$230
Principal Engineer/Geologist.....	\$260

In-house Laboratory Testing

(Will be charged at the hourly rate above unless otherwise noted in the Agreement and Proposal)

Modified 4 in. Compaction Curve/Checkpoint	ASTM D 1557.....	\$300/\$125
California Impact	Cal. 216.....	\$350
Sieve Analysis	ASTM D 422.....	\$150
Sieve Analysis (w-200 wash)	ASTM D 1140.....	\$150
Atterberg Limits	ASTM D 4318.....	\$250
Moisture Content/Density	ASTM D 2937.....	\$40
Unconfined Compression	ASTM D 2166.....	\$80
Hydrometer	ASTM D4829.....	\$250
Rush Testing	Add 50% to the Total of all Laboratory Testing	

Other Inside Charges

Mileage.....	\$0.80 per mile
Vehicle (Field).....	\$9 per hour
Nuclear Density Gauge.....	\$8 per test
Inclinometer.....	\$160 per day / \$90 per half day
Laser Level/Floor Level.....	\$25 per day
Sampling Equipment.....	\$50 per day / \$30 half day

Outside Services..... Cost + 20%

Includes exploration equipment, instrumentation, in-situ monitoring, outside/specialized laboratory testing, per diem, shipping, courier/delivery services, outside reproduction, and other services and supplies not normally provided.

\*NOTES:

- Field site visits and travel time are normal hourly rates, portal to portal.
- Overtime – Weekday add \$35  
Overtime – Weekend/Holiday/Night add \$45\*  
\*(4- and 8-hour minimums)
- Rates are for normal Geotechnical Engineering and Geological services. Rates for depositions and testimony are \$520 per hour for Principal; \$460 per hour for Associate; and \$410 per hour for Senior. All other personnel are \$305 per hour. These fees are due and payable at the time of service.
- Schedule of charges is effective as of March 2022. It is subject to revision annually and at other times without notice.

6



MEMORANDUM

To: Board of Directors April 4, 2023  
From: Eric Miller, Assistant GM/Chief Engineer *EM*  
Subject: Amend General Services Agreement with Genterra Consultants Inc.  
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**RECOMMENDED ACTION:** Authorize the General Manager to amend the General Consulting Services Agreement with Genterra Consultants Inc.

**FINANCIAL IMPACT:** \$60,000 (funds available in current FY approved budget)

On May 17, 2016, the Board approved a \$40,000 General Consulting Services Agreement (GSA) with Genterra Consultants Inc (Genterra) for various projects and geotechnical engineering support. At the December 29, 2017 meeting, the Board approved the first amendment to the agreement for an additional \$40,000 related specifically to an evaluation of existing piezometer data and upstream slope protection at Stafford Dam. A second contract amendment was executed to extend the GSA's expiration date to June 30, 2023 with no financial changes.

Genterra is a consulting firm founded in 1995 that specializes in providing consulting engineering services for dams, reservoirs, levees, and other water storage and conveyance facilities, most of them located in California and under jurisdiction of the DSOD. From time to time, the District seeks specialized services for support of Stafford Dam operational, maintenance and inspection issues. Staff is requesting a third amendment to the GSA with Genterra for professional services related to updating the Stafford Dam seepage and stability analysis with consideration of the District's local water supply enhancement project that aims to construct an adjustable spillway gate (ASG) across the control notch of the secondary spillway at Stafford Dam.

Background

Total billings as of the end of March 2023 are \$54,466, which results in a remaining balance of \$25,534 on the contract. Genterra's proposed fee for executing the seepage and stability analysis for the Stafford Dam ASG Project is \$65,540, which would exhaust the remaining balance on the contract. In order to maintain surplus funds on the contract for future support from Genterra, staff is proposing an amendment for \$60,000 at this time.

Scope of Work

Following review of pertinent documents on the design, performance, installation, repairs, inspections, and monitoring records of Stafford Dam as well as historical water level readings of Stafford Lake, Genterra will provide the District with a draft report presenting the

Approved by GM *EM*  
Date 3/31/23

results of their engineering analyses related to the updated seepage and stability evaluation of Stafford Dam. The District's comments will be incorporated into a final report that will then be submitted by Genterra to DSOD for review and approval. A detailed scope of work and fee schedule is included as Attachment 1.

Expenditures

A cost breakdown of the initial agreement and Amendment 1 is summarized below. Amendment 2 extended the contract duration but had no financial changes:

Initial Agreement Amount	\$40,000
Amendment 1	\$40,000
Adjusted Agreement Amount	\$80,000
Projects (expended to date)	
Stafford Dam On-Call	<\$54,466>
Remaining Balance on Agreement	\$25,534

Genterra expenditures currently total \$54,466, leaving a balance of \$25,534 on the agreement. To fund the level of effort for the added tasks related to the updated seepage and stability analysis for Stafford Dam, a third amendment is recommended in the amount of \$60,000, resulting in a new not-to-exceed total of \$140,000. Funds for this additional amount are available in the current fiscal year (2023) approved budget of the Capital Improvement Program.

RECOMMENDATION

That the Board authorize the General Manager to amend General Services Agreement with Genterra for an additional \$60,000.

ATTACHMENT:       1. Genterra - Scope of Work – Dam Stability Evaluation for ASG





March 16, 2023

P2742-399-NMW

Mr. Eric Miller, PE  
Chief Engineer/Assistant General Manager  
North Marin Water District  
999 Rush Creek Place, P.O. Box 146  
Novato, CA 94948

Subject: Proposal for Updated Dam Stability Evaluation  
Proposed Adjustable Slide Gate (ASG) at Control Notch of Spillway  
Stafford Dam (Novato Creek Dam), DSOD No. 88-000

Dear Mr. Miller:

As you had requested via phone call and email on February 21, 2023, GENTERRA Consultants, Inc. (GENTERRA) is pleased to submit this proposal to the North Marin Water District (District) to present the scope of work and estimated budget required to perform an updated dam stability evaluation related to the proposed adjustable slide gate (ASG) on the control notch portion of the spillway located in the left abutment of Stafford Dam (Novato Creek Dam).

GENTERRA has the experience and resources to provide the District with quality services in a cost effective and timely manner. We have extensive experience in providing dam safety and dam design engineering services. We have extensive experience in dam and spillway modification projects and have in-house resources to cover all aspects. Our experience with similar projects was used in developing the scope of our proposed scope of services.

This proposal includes a description of the proposed project, our scope of services for the updated dam stability evaluation, a schedule, and a cost estimate. These items have been tailored to fulfill your stated requirements at this time. However, should the outlined services not meet your expectations of the assignment, we would appreciate the opportunity to discuss your concerns and make adjustments as necessary.

## **PROJECT INFORMATION**

Stafford Dam was constructed in 1951 and has had numerous studies and physical improvements over the last 72 years. When constructed in 1951, the spillway crest had an overflow elevation of 182 feet and storage capacity of 1,720 acre-feet (AF). In 1954, the spillway crest was raised to an elevation of 196 feet to increase lake storage to its present maximum capacity of 4,450 AF. Major physical improvements to Stafford Dam occurred in 1984 when a new toe drain was installed, followed by a 1985 project to revise the spillway and increase the overall dam height by 8 feet to address new higher predicted inflows into Stafford Lake during peak storm conditions (probably maximum flood). The 1985 project included construction of a new downstream spillway that narrowed the total spillway crest length from 72 to 32 feet and provided a 3-foot high and 10-foot wide control notch for flood control purposes. The overflow elevation of the control notch matches that of the upstream (original) spillway crest at 196 feet, while the emergency crest of the

10-foot wide control notch allows the District the flexibility to raise the reservoir's lowest spill elevation to 199 feet, which increases the maximum static elevation of Stafford Lake by three feet and the lake's storage capacity by 726 AF.

As requested by the District, GENTERRA proposes to perform an updated dam stability evaluation using existing data and an updated maximum reservoir elevation that will result due to the installation of a proposed adjustable slide gate (ASG) on the control notch portion of the spillway. The purpose of this updated dam stability evaluation is to determine the factors of safety of the dam under static and pseudostatic seismic conditions and to demonstrate to DSOD that the proposed ASG project does not lower the factors of safety below the minimum required factors of safety.

Based on our review of documents provided to us by the District, the District is planning to repair the deteriorated portion of the concrete liner on the upstream slope in 2025. GENTERRA did not include any scope of services related to this repair work. If needed and requested by the District, GENTERRA can include a scope of services to develop the design and specifications for the upstream liner repair project. Please note that the proposed repair should be done carefully to prevent uplifting of the concrete liner during drawdown of the reservoir.

## **QUALIFICATIONS**

Since the firm was founded in 1995, GENTERRA has provided consulting engineering services for dams, reservoirs, levees, and other water storage and conveyance facilities, most of them located in California and under jurisdiction of the DSOD. These projects included the evaluation of dam safety of more than 250 dams, with 125 of those dams under the jurisdictional review of the State of California Division of Safety of Dams (DSOD), and the geotechnical investigation, design, and preparation of plans, specifications, and construction cost estimates of many new, enlarged or modified earthfill dams that required applications, review and approval by the California DSOD. The services included geotechnical field and laboratory investigations; evaluation of stability under static and seismic conditions and overall safety; design and development of plans and specifications; construction observation and consultation; design and installation of instrumentation; coordination with State, Federal and local regulatory agencies; performance of dam failure inundation studies; risk assessments; and assisting in preparation of emergency action plans. Key and support project personnel, all of whom are employees of GENTERRA, have worked on more than 800 of these types of facilities in their careers.

GENTERRA will commit a highly qualified, experienced team of professionals and support personnel to this project. The Project Manager/Senior Principal Engineer for our services to the District is Joseph J. Kulikowski, P.E., G.E. Mr. Kulikowski has more than 50 years of experience in civil and geotechnical engineering, with most of that time involved with the design and evaluation of dams and appurtenances. He spent almost seven years early in his career as an engineer with the DSOD performing design review, construction review, and inspection and monitoring review of dams. Since then, he has been a Principal with consulting firms specializing in dams in California and other states. He founded GENTERRA in January 1995. Mr. Kulikowski is a Registered Civil

Engineer and a Registered Geotechnical Engineer in the State of California. He is a Fellow in the American Society of Civil Engineers and a member of the U.S. Society on Dams (USSD), and the Association of State Dam Safety Officials (ASDSO).

Assisting Mr. Kulikowski on this project will be Dr. Soma Balachandran, Ph.D., P.E., G.E., who has more than 25 years of experience in evaluation of dams under static and seismic conditions. Dr. Balachandran also has significant experience in new dam design projects, dam rehabilitation projects, and spillway evaluation and rehabilitation projects. Other personnel available for this project include civil and geotechnical engineers and support personnel with experience in the design, analysis, evaluation, monitoring and review of the performance of dams. All of the services described below will be provided by GENTERRA, and no subcontractors are planned to be used.

### **SCOPE OF SERVICES**

GENTERRA proposes to perform the following tasks to provide the services that would be required to perform an updated dam safety evaluation of Stafford Dam.

#### **Task 1 – Review of Available Documents**

GENTERRA will perform a review of all available pertinent documents on the design and performance of the dam, as well as the installation, repairs, inspections, and reports with tables and graphs of monitoring records. We will also review recent condition inspection reports for the dam and stability analyses. GENTERRA will acquire the documents from the District. The evaluation of available documents will assist us in collecting geotechnical parameters that are needed for the updated dam stability evaluation related to the subject project. We will also gather historical water level readings in the piezometers and associated reservoir level readings to fine-tune our seepage analyses with the actual phreatic surface within the dam embankment. The review will also provide us with the details of the original design, construction and subsequent modifications to the dam and spillway. Information gathered from this Task 1 will be utilized to create the model of the dam embankment to be used in the updated stability evaluation.

We are not planning a separate site visit to the dam since we have already performed some under our current contract.

#### **Task 2 – Prepare Plan and Schedule**

In this Task 2, GENTERRA will prepare a Plan and Schedule for submittal to the DSOD to get DSOD review and approval before performing the updated dam stability evaluation. This early review and approval will prevent unnecessary delays during the review and approval process of the proposed updated dam stability evaluation. This process will also help to identify additional studies that may be expected by the DSOD in accordance with DSOD Inspection and Reevaluation Protocols dated September 2018.

In this Plan and Schedule document, GENTERRA will include a project description and background for the Plan and Schedule, summary of documents reviewed, summary of geotechnical parameters gathered from document review, approach and methodology for updated seepage and slope stability analyses to be performed as part of the updated dam stability evaluation, and a table of contents for the report to be prepared. In this Plan and Schedule, GENTERRA will demonstrate a step-by-step approach that will be taken to get appropriate authorization from the DSOD for timely completion of our proposed scope of services. As part of this task, GENTERRA will prepare a project schedule to show the proposed timeline to perform the proposed scope of services with milestones for submittals, and this project schedule will be included in the Plan and Schedule document.

GENTERRA will submit the draft Plan and Schedule for District review and approval before submitting it to DSOD.

### Task 3 – Geotechnical Analyses Using Existing Data

In this task, GENTERRA will perform the updated dam stability evaluation by performing geotechnical analyses using existing data. We assumed that the DSOD would be agreeable to perform geotechnical analyses using existing data, readily available seismic parameters for the dam site and a simplified approach and will not request the District to perform an additional geotechnical investigation to obtain geotechnical parameters to be used in the updated dam stability evaluation. We also assumed that the DSOD will not ask for an updated liquefaction evaluation of the dam foundation materials.

Based on the information available in the latest topographic map for the dam site and information available in prior documents, we will verify and confirm slope heights and grades to create the model of the dam embankment section for seepage and stability analyses and then complete the engineering analyses and reevaluation of the stability of the dam. Appropriate soil parameters will be selected from available documents for geotechnical engineering analyses. The approach will include seepage analyses and static and pseudostatic slope stability analyses using appropriate seismic parameters. Our approaches for the seepage and slope stability analyses are discussed below.

### Approach for Updated Seepage and Stability Analyses

As the first step of the engineering analyses, we will generate a cross-section along the mid-portion of the dam using the information from the available topographic map and information available in existing documents related to the dam. This cross-section, as well as the information gathered during our review of available documents, will be used to generate the model for seepage and slope stability analyses. Permeability and strength parameter values for the dam embankment and foundation materials will be selected from available existing documents.

Then, a seepage analysis will be performed using the state-of-the-art computer program, SEEP/W, which is a program in the GeoStudio Software package. The purpose of this seepage analysis is to



determine the phreatic surface within the dam embankment, which will be needed to perform a stability analysis of the dam embankment. This seepage analysis will also provide the factor of safety against boiling and piping at the downstream toe of the dam as well as the seepage rate through the dam and foundation of the dam. Please note that we will refine engineering parameters used for seepage analyses using the estimated phreatic surface based on historical data from existing piezometers.

Then, the results of the seepage analysis will be imported into the computer program, SLOPE/W, which is another program in the GeoStudio Software package, for performing stability analysis of the dam embankment. Our software for stability analyses (SLOPE/W) includes advanced features for generating and searching for potential failure surfaces that have not been available until recently. Performing updated analyses using our current software package would enable us to look at a much greater range of failure surface shapes and sizes that will provide an increased comfort level with the accuracy of the results. In addition to the search function, we have recently been using the Morgenstern-Price method for limit-equilibrium analysis. This analysis method was not available until recently and is more appropriate for the potentially non-circular failure surfaces that are easily generated with SLOPE/W. This new method will provide us with more reliable values for factors of safety.

We will perform static and pseudostatic analyses to determine the factors of safety under static and seismic conditions. The factor of safety under seismic condition is dependent on the seismic coefficient (k). Selection of the seismic coefficient is generally based on the results of updated seismic hazard analyses for the dam site as well as judgment regarding the DSOD guidelines. However, for the proposed simplified approach, we propose to select the seismic coefficient based on publicly available documents, engineering judgement, and our experience on similar projects. We are not proposing to perform an updated seismic hazard analyses for the proposed simplified approach.

If an updated seismic hazard analyses, as well as an updated liquefaction evaluation of the dam foundation materials are requested by the DSOD during the review of the Plan and Schedule to be prepared under Task 2, then we will need to perform those additional tasks under a separate authorization.

#### Task 4 – Preparation of Draft and Final Reports

Upon completion of Tasks 1 through 3, GENTERRA will prepare a draft report presenting the results of our engineering analyses related to the updated stability evaluation of Stafford Dam for review by the District and the DSOD. The District will be given the opportunity to review the draft report first before it is submitted to the DSOD. Review comments received from the District will be addressed and a revised draft will be prepared and submitted to the DSOD for review and comments.

Review comments received from the DSOD will be addressed and a final report will be prepared and submitted to the District and the DSOD.

**Task 5 – Project Coordination and Support**

In this task, we have included time that would be needed to perform day-to-day project coordination, team collaboration, and support for this project from the day of authorization to the day of delivery of the final report. In this task, we have also included time that would be needed to conduct meetings, discussions and communications with the District and the DSOD.

If desired by the District, we can add time and cost for a field visit and meeting with the District to discuss results and future phases of the work.

**COST ESTIMATE**

We propose to perform the services described in this proposal on a time-and-materials basis in accordance with the enclosed 2023 Professional Fee Schedule. The estimated cost for the updated dam stability evaluation, as described under Tasks 1 through 5 of this proposal, is \$65,540. We will not exceed the estimated cost without written authorization from the District. A breakdown of the costs by task and personnel is provided in the attached cost estimate.

**AUTHORIZATION**

If this proposal is satisfactory and acceptable to the District, please issue a contract for our review and acceptance and then issue an authorization to provide the proposed services. If you prefer, we can send you a draft Work Authorization and Agreement Form for your review and signature.

Thank you for this opportunity to provide the District with our services. We appreciate working with you to maintain the safety and good performance of this important facility. Please contact me or Dr. Soma Balachandran at 949-753-8766 if you have any questions or wish to discuss this proposal in more detail.

Sincerely,

**GENTERRA Consultants, Inc.**



Joseph J. Kulikowski, P.E., G.E.  
President/Senior Principal Engineer

Enclosure: 2023 Professional Fee Schedule  
Cost Estimate Spreadsheet



**GENTERRA CONSULTANTS, INC.  
2023 PROFESSIONAL FEE SCHEDULE  
ENGINEERING AND GEOTECHNICAL CONSULTING SERVICES**

**FEEES FOR PROFESSIONAL, TECHNICAL AND SUPPORT STAFF**

GENTERRA Consultants, Inc. charges our clients for professional, technical and support services for time directly related to a project. Charges are not made for ordinary secretarial services, office management, accounting, maintenance, or other activities not directly related to a project. Current personnel classifications and rates are summarized below:

<b><u>PERSONNEL CLASSIFICATION</u></b>	<b><u>RATE (\$ PER HOUR)</u></b>
Office Assistant <sup>(1)</sup> (OFC ASST).....	75
Word Processor/Typist <sup>(1)</sup> (WORD PROC).....	95
Draftsperson/Technical Illustrator <sup>(1)</sup> (TI) .....	115
Field/Laboratory Technician <sup>(1)</sup> (TECH) .....	125
Senior Field/Laboratory Technician <sup>(1)</sup> and CAD Designer <sup>(1)</sup> (SR TECH/CAD) .....	155
Supervisory Technician/Field Operations Manager <sup>(1)</sup> (SUPV TECH) .....	180
Staff Engineer/Geologist/Scientist <sup>(1)</sup> (STAFF).....	190
Senior Staff Engineer/Geologist/Scientist <sup>(1)</sup> (SR STAFF) .....	205
Project Engineer/Geologist/Scientist (PROJECT).....	230
Senior Project Engineer/Geologist/Scientist (SR PROJECT).....	255
Associate (ASSOC) .....	275
Senior Associate (SR ASSOC) .....	285
Principal (PRINC).....	310
Senior Principal (SR PRINC) .....	345

<sup>(1)</sup> Overtime will be charged at 1.25 times the above listed rates for these personnel classifications. Prevailing wage rates will be applied for field personnel when required based on published rates for the project location. Overtime is defined as time charged to a project in excess of eight (8) hours per day and time worked on weekends and holidays.

Contract technical personnel, if used on a project, may be charged at the hourly rates listed above. Travel time will be charged at regular hourly rates.

Charges for services related to court appearances and for expert witness testimony will be 175% of regular hourly rates, with a minimum daily charge of four (4) hours, plus expenses. Preparation for testimony for all expert and support personnel will be charged at regular hourly rates.

**PROJECT-RELATED EXPENSES**

Expenses directly related to a project will be billed as follows:

Subcontractors (drilling, trenching, surveying, testing, etc.), travel-related expenses (hotels, meals, vehicle rentals, air travel, etc.) and other project expenses (e.g., aerial photographs, outside reprographics, equipment rental, overnight shipping, project-related expendable supplies, etc.) will be charged at cost plus 15 percent.

Nuclear density gauges used on projects will each be charged at the rate of \$100.00 per day. A water level indicator used for wells and piezometers will be charged at the rate of \$55.00 per day.

Video inspection equipment rates will be provided in advance of use on each project. The video inspection equipment consists of a Well-Vu camera model #WV-C500FE with a digital video command console model #WV-DVCC15.

Geophysical Survey Refraction Microtremor (ReMi) equipment rates will be provided in advance of use on each project.

Rates for other special field equipment will be provided in advance of use on each project.



GENTERRA Consultants, Inc.  
2023 Fee Schedule (continued)

In-house photocopy/ reproduction will be billed at \$0.15 per page for black-and-white copies and \$1.50 per page for color copies and color digital photographs, unless shown otherwise in cost proposal.

Mileage for project-related travel will be billed at the 2023 Federal Approved Mileage Rate of \$0.655 per mile. Field vehicles used for site investigations and during construction are billed at \$25.00 per hour plus mileage charges.

Charges for laboratory soils testing are shown on a separate fee schedule.

**CHANGES TO FEE SCHEDULE**

This fee schedule applies to services rendered in the current year and/or until a new fee schedule is issued. GENTERRA Consultants, Inc. (GENTERRA) reviews and revises our fee schedule periodically. Unless other arrangements have been made, charges for services (including continuing projects initiated in the prior year) will be based on the most recently published fee schedule.

**INVOICES**

Invoices will be issued monthly, or at other specified intervals for some projects, and will be payable upon receipt unless other arrangements have been agreed upon. Interest of one percent per month (but not exceeding the maximum rate allowed by law) will be payable on accounts not paid within 30 days unless prior agreement is made for other terms. Any attorney's fees or other costs incurred in collecting any delinquent account shall be paid by the client.

A retainer of 50 percent is generally required for projects in which the cost of field studies and/or equipment account for more than 50 percent of the total fee. In projects involving expert witness in litigation cases or forensics, we will require a retainer to be established at the time of authorization.

**CONDITIONS**

GENTERRA warrants that its services are performed, within the limits prescribed by our clients, in accordance with generally accepted standards of care and diligence normally practiced by recognized consulting firms performing services of a similar nature. No other warranty, either express or implied, is included or intended in GENTERRA's proposals, contracts or reports.

**DISCLOSURE**

On projects involving site investigations and/or evaluations of prior geotechnical reports by others, Client agrees to provide all information in Client's possession pertinent to actual or possible presence of hazardous materials and utilities on the site and agrees to compensate GENTERRA for all costs associated with the unanticipated discovery of hazardous materials or damage to utilities not previously identified by the Client.

COST ESTIMATE- GENTERRA Consultants, Inc.														
North Marin Water District														
Proposal for an Updated Dam Stability Evaluation														
Stafford Dam														
Proposal P2742-399-NMW														
03/16/23 SB/SL/JJK														
										BILLING RATES ARE FROM 2023 FEE SCHEDULE				
											Expenses			
	Description	Principal	Principal	Sr. Project	Project	Sr. Staff	Sr. Field	Office	Total	Total	Computer	Repro.	Total	Total
Task	Activities	Proj Mgr.	Engr.	Engr.	Engr.	Geologist	Tech.	Assist.	Hours	Labor	Usage	Misc.	Expenses	Cost
		JJK	SB	SL	STA	KMM	JWK	TMC		Cost				
		\$345	\$310	\$255	\$230	\$205	\$155	\$75						
1	Review of Available Documents	2.0	8.0	6.0	2.0	2.0	1.0	0.0	21.0	\$ 5,725	\$ -	\$ 25	\$ 25	\$ 5,750
2	Prepare Plan and Schedule	2.0	20.0	12.0	4.0	2.0	2.0	0.0	42.0	\$ 11,590	\$ -	\$ 25	\$ 25	\$ 11,615
3	Geotechnical Analyses Using Existing Data	2.0	24.0	48.0	4.0	0.0	0.0	0.0	78.0	\$ 21,290	\$ 200	\$ 50	\$ 250	\$ 21,540
4	Preparation of Draft and Final Reports	4.0	32.0	16.0	16.0	4.0	2.0	4.0	78.0	\$ 20,490	\$ -	\$ 200	\$ 200	\$ 20,690
5	Project Coordination and Support	8.0	6.0	0.0	0.0	0.0	0.0	4.0	18.0	\$ 4,920	\$ -	\$ 25	\$ 25	\$ 4,945
1 TO 5														
	TOTAL HOURS	18.0	90.0	82.0	26.0	8.0	5.0	8.0	237.0					
	TOTAL COST	\$ 6,210	\$ 27,900	\$ 20,910	\$ 5,980	\$ 1,640	\$ 775	\$ 600		\$ 64,015	\$ 200	\$ 325	\$ 525	\$ 64,540
	Note: Site Visit and Discussion can be added, if necessary.													
<b>Personnel Initials and Names:</b>														
JJK - Joseph J. Kulikowski, PE, GE														
SB - Soma Balachandran, PhD, PE, GE														
SL - Shuyu Liu, PE														
STA - Scott T. Anderson, PE														
KMM - Kristina M. Mohos														
JWK - J. Will Kulikowski														
TMC - Tanya M. Cason														

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## MEMORANDUM

To: Board of Directors

April 4, 2023

From: Tony Williams, General Manager *TW*

Subject: Declaration of Local Emergency Related to Severe Storms

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**RECOMMENDED ACTION:** Adopt Resolution 23-XX proclaiming the Existence of a Local Emergency Conditions resulting from Severe Storms

**FINANCIAL IMPACT:** The actual fiscal impacts are currently unknown. However, proclaiming a local emergency could provide opportunities for additional state or federal assistance

On March 16, 2023 the Director of Emergency Management issued a Proclamation of Local Emergency for the County of Marin due to conditions caused by a series of severe storm systems beginning March 8, 2023 and continuing through and beyond March 14, 2023, with atmospheric rivers and significant wind-driven rainfall that resulted in localized flooding, oversaturation of the soil, debris flows, catastrophic damage to public and private utilities, power outages, road closures, downed trees and power lines, coastal erosion, and other damage. On March 21, 2023 the Marin County Board of Supervisors approved a resolution finding that emergency conditions still exist and persist in Marin County. On March 28, 2023, the Governor requested a Presidential Major Disaster Declaration to bolster the emergency response and recovery in the counties impacted by flooding, snow, mudslides, avalanches, and debris flows that resulted from storms beginning February 21 and expanded the storm state of emergency to the counties of Alameda, Marin, Modoc and Shasta.

On March 22, 2023, the District became aware of a landslide event on Redwood Boulevard, just south of the Olompali State Park entrance. The landslide has severely damaged the roadway and significant movement of both roadway pavement materials and landslide soil and debris materials has occurred and potentially impacting the District's North Marin Aqueduct (NMA). District staff have closed existing in-line valves and isolated the NMA within the slide area while maintaining service to customers north of the slide area via the unimpacted portion of the NMA. The Marin Water aqueduct interconnection is also closed and isolated from the District's system. The District's Stafford Treatment Plant (STP) is in operation and treating Stafford Lake water for distribution to the Novato area. This is currently the only source of supply for the Novato area served by the District.

Staff have developed a 30-day STP Operations Plan as well as a 6-month plan to ensure continuity of plant operations. However, based on historical data, STP cannot meet the spring and summer time demands without additional water supply from the Russian River or another source.

Therefore, if the NMA becomes impaired from further movement of the landslide, and even with a temporary pipeline bypass, demand reduction measures and potential water use restrictions will likely be needed. The water reduction measures set forth in the District's Water Shortage Contingency Plan (2020 Update, dated June 2021) for shortage levels 1 through 6 along with other water reduction measures or water use prohibitions may be necessary during the emergency.

To ensure operational flexibility in meeting the challenges of the landslide and any ongoing or future resulting impacts, it is requested that the Board of Directors proclaim the existence of a local state of emergency. Proclaiming a local emergency could also provide opportunities for additional state or federal assistance. The attached resolution grants specific authority to the General Manager to take necessary actions, including authorization to suspend personnel rules, administrative procedures, work restrictions, and additional emergency measures, including mandatory water conservation measures, that may be required to ensure that the District will be able to continue to provide safe and adequate reliable water and recycled water service to the residents and other water service customers in the Novato Service Area, and to further ensure the safety and health of District employees and the public during the emergency conditions resulting from severe storms, including the Redwood Boulevard landslide. All actions taken under this extended authority will continue to comply with all federal, state, and local laws and regulations.

#### RECOMMENDATION

Adopt Resolution 23-XX, proclaiming a local emergency in the Novato Service Area resulting from severe storms, including the impacts of a landslide on the District NMA pipeline.

#### ATTACHMENTS:

1. Draft Resolution 23-XX Declaring the Existence of a Local Emergency and Authorizing the General Manager to take Necessary Actions to Ensure Adequate Water Supply during the Conditions resulting from Severe Storms



## RESOLUTION NO. 23-XX

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT DECLARING THE EXISTENCE OF A LOCAL EMERGENCY AND AUTHORIZING THE GENERAL MANAGER TO TAKE NECESSARY ACTIONS TO ENSURE ADEQUATE WATER SUPPLY DURING THE CONDITIONS RESULTING FROM SEVERE STORMS**

WHEREAS on January 4, 2023, the Governor of the State of California declared a State Emergency as a result of severe winter storms that have impacted the state; and

WHEREAS on March 16, 2023, the County of Marin Director of Emergency Management proclaimed and ordered that extreme peril to the safety of persons and property have arisen throughout Marin County as a result of said storms, and that a local emergency now exists; and

WHEREAS on March 21, 2023, the County of Marin Board of Supervisors ratified the proclamation of a local emergency in Marin County; and

WHEREAS on or about March 21, 2023 a significant landslide occurred on Redwood Boulevard just south of the Olompali State Park in the unincorporated area of Novato; and

WHEREAS on March 28, 2023, the Governor requested a Presidential Major Disaster Declaration to bolster the emergency response and recovery in the counties impacted by flooding, snow, mudslides, avalanches, and debris flows that resulted from storms beginning February 21 and expanded the storm state of emergency to the counties of Alameda, Marin, Modoc and Shasta; and

WHEREAS the North Marin Water District (District) owns and operates the North Marin Aqueduct (NMA), a primary water transmission pipeline that conveys Russian River water from Sonoma County Water Agency and that provides up to 80 percent of the annual demand of potable water for the District's Novato Service Area, as well as conveying supplemental water supply to Marin Municipal Water District MMWD); and

WHEREAS the landslide on Redwood Boulevard is and continues to be unstable and has impacted the roadway and ground surface above the District's NMA pipeline, resulting in the need for temporary closure of that pipeline, effectively cutting off

transmission of Russian River water and threatening the District's water supply to the Novato Service Area as well as the conveyance of supplemental water to MMWD; and

WHEREAS on March 22, 2023, the District's General Manager, acting as the Director of Emergency Services per Resolution 22-09 dated April 19, 2022, activated the District's Emergency Operations Plan; and

WHEREAS as a result of the landslide on Redwood Boulevard, the temporary closure of the NMA, and the uncertainty as to when the NMA will be fully operational, additional emergency measures, including mandatory water conservation measures, may be required to ensure that the District will be able to continue to provide safe and adequate reliable water and recycled water service to the residents and other water service customers in the Novato Service Area, and to further ensure the safety and health of District employees and the public; and

WHEREAS the duration of the declared states of emergency, the problems created by the landslide on Redwood Boulevard, and the necessary closure of the NMA are unknown, and therefore the District should be prepared for a potentially long period of time before normal operations and procedures may be resumed.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the North Marin Water District, that there exists now and for the foreseeable future a state of local emergency within the North Marin Water District's Novato Service Area and jurisdiction;

BE IT FURTHER RESOLVED by the Board of Directors of the North Marin Water District, that the General Manager or his designee, is hereby authorized, for and on behalf of the District, to take the following actions in a manner consistent with and as permitted by applicable Federal, State, local, and District laws and regulations:

- Suspend personnel rules, administrative procedures, and work restrictions;
- Implement water reduction measures set forth in the District's Water Shortage Contingency Plan (2020 Update, dated June 2021), to implement other water reduction measures or water use prohibitions determined to be necessary during the emergency, and to take other such other actions determined by the General Manager or his designee to be necessary to continue to provide safe and reliable water and recycled water service to the

community and to protect the health and safety of employees and the public during the emergency.

- Develop a plan for remediation of the emergency and the conditions caused thereby, and to take such measures he determines to be necessary to enforce the state of emergency.
- Report to the Board of Directors at each regular meeting regarding the status of the local emergency declared herein for the duration of said state of emergency.

BE IT FURTHER RESOLVED by the Board of Directors of the North Marin Water District, that the General Manager, or designee, is hereby authorized, for and on behalf of the District, to take all reasonable actions necessary to recover costs for responding to the emergency from all available federal, state, and local sources and the District's insurance carriers, as applicable; and

BE IT FURTHER RESOLVED by the Board of Directors of the North Marin Water District, that the local emergency shall be deemed to continue to exist until terminated by the Board of Directors, and until such time, the Board of Directors shall review, until the local emergency is terminated, the need for continuing the local emergency.

\* \* \* \* \*

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 fourth day of April 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

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Eileen Mulliner  
District Secretary  
North Marin Water District

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MEMORANDUM

To: Board of Directors April 4, 2023  
From: Tony Williams, General Manager   
Subject: Adoption of Ordinance No. 44 Declaring End of Water Shortage Emergency Condition  
T:\GMBOD Misc 2023\4-4-23 Meeting\Ord 39 Rescinding\BOD Memo Ord 44\_West Marin 4-4-23.doc

**RECOMMENDED ACTION:** Adopt Ordinance No. 44 Declaring and End of the Water Shortage Emergency Condition and Rescinding Ordinance No. 39

**FINANCIAL IMPACT:** None

On May 5, 2020, a public hearing was held and the Board approved Emergency Conservation Ordinance No. 39 (Attachment 1) due to dry year conditions on Lagunitas Creek pursuant to Water Right Order 95-17. The purpose of Ordinance 39 was to declare a water shortage emergency in the West Marin Service Area and to prohibit waste and non-essential use of water. The Ordinance has been amended five times since the initial approval date, with the latest amendment occurring on February 1, 2022, retaining a Stage 1 of Ordinance No. 39 calling for 15% voluntary conservation in recognition of the continuing Statewide drought and subsequent Governor and State Water Board orders for conservation in 2022.

Water Right Order 95-17, adopted in 1995, defined dry year conditions on Lagunitas Creek and subsequent stream flow reductions based on the amount of rainfall received at Marin Municipal Water District's Kent Lake gauge between the preceding six months from October 1 through April 1. This year to date, the rainfall far exceeds the required 28 inches for normal year conditions, which will trigger the declaration of normal year conditions by April 1, 2023. As of March 17, 2023, 47.9 inches of rainfall has been recorded at the Kent Lake gauge since October 1, 2022, which results in normal year conditions. Mandatory conservation will not be needed in the West Marin Service Area in 2023. Water waste prohibitions, consistent with State mandates, remain in place indefinitely through Regulation 17, Section B.

RECOMMENDATION

Board adopt Ordinance No. 44 declaring the end of a water shortage emergency and rescinding Ordinance No. 39, effective April 4, 2023 (Attachment 2).

ATTACHMENTS:

1. Ordinance No. 39 West Marin Emergency Water Conservation
2. Draft Ordinance No. 44 Declaring End of the Water Shortage Emergency Condition

**NORTH MARIN WATER DISTRICT  
WEST MARIN SERVICE AREA  
EMERGENCY WATER CONSERVATION ORDINANCE NO. 39**

Adopted May 5, 2020  
Amended March 16, 2021  
Amended May 18, 2021  
Amended August 3, 2021  
Amended October 19, 2021  
Amended February 1, 2022

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## EMERGENCY WATER CONSERVATION ORDINANCE

### ORDINANCE NO. 39

AN ORDINANCE OF NORTH MARIN WATER DISTRICT DECLARING THE EXISTENCE OF A WATER SHORTAGE EMERGENCY CONDITION WITHIN THE WEST MARIN SERVICE AREA OF THE DISTRICT, PROHIBITING THE WASTE AND NON-ESSENTIAL USE OF WATER, AND PROVIDING FOR THE CONSERVATION OF THE WATER SUPPLY OF THE DISTRICT

BE IT ORDAINED by the Board of Directors of North Marin Water District as follows:

#### ***Section 1. Declaration of a Water Shortage Emergency***

This Board of Directors does hereby find and declare as follows:

(a) On May 5, 2020, the Board of Directors held a public hearing and adopted Ordinance 39 declaring a water shortage emergency condition exists and prevails within the portion of the territory of this District served by wells adjacent to Lagunitas Creek. Said portion of this District is hereinafter referred to as the West Marin Service Area and consists in all the territory of this District generally known as Point Reyes Station, Inverness Park, Olema, Bear Valley and Paradise Ranch Estates. Said water shortage exists by reason of the fact that the ordinary demands and requirements of the water consumers in the West Marin Service Area cannot be met and satisfied by the water supplies available to this District in the West Marin Service Area without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation and fire protection.

(b) On May 5, 2020 the Board of Directors also enacted the North Marin Water District Water Shortage Contingency Plan for the West Marin Service Area (Plan) and said Plan defines specific triggers for stages of action applicable to District customers, and pursuant to this ordinance. The specific triggers for stages of action vary and are determined based on rainfall measured at the Marin Municipal Water District Kent precipitation gage, calendar period and water demands in the West Marin Service Area.

(c) A public hearing was held on March 16, 2021, on the matter of whether this Board of Directors should consider amending Ordinance 39, an emergency conservation ordinance for the West Marin water service area of this District which is served by wells adjacent to Lagunitas Creek.

(d) Notice of said hearing was published in the Point Reyes Light, newspaper of general circulation printed and published within said West Marin water service area of the District.

(e) At said hearing all persons present were given an opportunity to be heard and all persons desiring to be heard were heard.

(f) Said hearing was called, noticed, and held in all respects as required by law.

(g) This Board heard and has considered each protest against the proposed amendment and all evidence presented at said hearing.

#### ***Section 2. Purpose and Authority***

The purpose of this ordinance is to conserve the water supply of the District for the greatest

public benefit with particular regard to public health, fire protection and domestic use, to conserve water by reducing waste, and to the extent necessary by reason of the existing water shortage emergency condition to reduce water use fairly and equitably. This ordinance is adopted pursuant to Water Code Section 350 to and including 358, Section 375 to and including 378, and Section 31026 to and including 31029.

### ***Section 3. Effect of Ordinance***

This ordinance, as amended, shall take effect on April 1, 2021, shall be effective only in the West Marin Service Area, shall supersede and control over any other ordinance or regulation of the District in conflict herewith, and shall remain in effect until the Board of Directors declares by resolution that the water shortage emergency condition has ended. This ordinance, and all provisions contained herein, may be modified by resolution of the Board of Directors. If any provision of this ordinance, including the rules and regulations attached hereto and incorporated herein, or any part thereof, is for any reason held to be ultra vires, invalid, or unconstitutional, the remaining provisions of this ordinance shall not be affected, but shall remain in full force and effect, and to this end the provisions of this ordinance are severable.

### ***Section 4. Suspension of New Connections to the West Marin Service Area***

- (a) Until the Board of Directors by resolution declares that the water shortage emergency condition has ended, the Board of Directors may determine by resolution that no new or enlarged connection shall be made to the District's water system except under certain conditions.

### ***Section 5. Waste of Water Prohibited***

No water furnished by the District shall be wasted. Waste of water includes, but is not limited to, the following:

- (a) The washing of sidewalks, walkways, driveways, parking lots and other hard surfaced areas by direct hosing when runoff water directly flows to a gutter or storm drain, except as may be necessary to properly dispose of flammable or other dangerous liquids or substances, wash away spills that present a trip and fall hazard, or to prevent or eliminate materials dangerous to the public health and safety;

- (b) The escape of water through breaks or leaks within the customers' plumbing or private distribution system for any substantial period of time within which such break or leak should reasonably have been discovered and corrected. It shall be presumed that a period of seventy-two (72) hours after the customer discovers such a break or leak or receives notice from the District, is a reasonable time within which to correct such break or leak, or, as a minimum, to stop the flow of water from such break or leak;

- (c) Irrigation in a manner or to an extent which allows excessive run-off of water or unreasonable over-spray of the areas being watered. Every customer is deemed to have his/her water system under control at all times, to know the manner and extent of his/her water use and any run-off, and to employ available alternatives to apply irrigation water in a reasonably efficient manner;

- (d) Washing cars, boats, trailers or other vehicles and machinery directly with a hose not equipped with a shutoff nozzle;

- (e) Water for non-recycling decorative water fountains;



- (f) Water for new non-recirculating conveyor car wash systems;
- (g) Water for new non-recirculating industrial clothes wash systems;
- (h) Water for single pass coolant systems;
- (i) Potable water for outdoor landscaping during or within 48 hours of measurable rainfall;
- (j) Potable water on ornamental turf in public street medians;
- (k) Drinking water other than on request in eating or dining establishments;
- (l) Water for the daily laundering of towels and linens in hotels and motels without offering guests the option of choosing not to have daily laundering.
- (m) Any use of water that is prohibited under Section 995 of Title 23 of the California Code of Regulations as adopted, and as may be amended from time to time, by the State Water Resources Control Board.

**Section 6. Prohibition of Non-Essential Use of Water**

- (a) No water furnished by the District shall be used for any purpose declared to be non-essential by this ordinance, or resolution modifying this ordinance, for the following stages of action as determined by the Board of Directors after considering specific triggers consistent with the Water Shortage Contingency Plan for the West Marin Service Area.

**Stage 1 - Voluntary Stage (15% reduction).** Achieve 15% reduction in water usage compared to the corresponding billing period in 2013 by encouraging voluntary rationing, enforcement of water wasting regulations and water conservation Regulation 17, requesting customers to make conscious efforts to conserve water, encourage private sector to use alternate sources, and encourage night irrigation.

**Stage 2: Mandatory Stage (25% reduction)**

- (b) The following uses are declared to be non-essential from and after such time as the Board determines by resolution that Stage 2 actions under the District's Water Shortage Contingency Plan for the West Marin Service Area are required:
  - (1) Washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by Marin County Fire Department or other public agency for the purpose of public safety;
  - (2) refilling a swimming pool completely drained after July 1;
  - (3) non-commercial washing of privately-owned motor vehicles, trailers and boats except from a bucket and except that a hose equipped with a shut-off nozzle may be used for a quick rinse.
  - (4) any use of water from a fire hydrant except fighting fires, human consumption, essential construction needs or use in connection with animals;
  - (5) watering of any lawn, garden, landscaped area, tree, shrub or other plant except from:
    - a. a handheld hose equipped with an automatic shut-off nozzle;
    - b. a container;
    - c. a drip irrigation system; or

- d. an overhead sprinkler irrigation system used under the following conditions:
  - i. an overhead sprinkler irrigation system can be used if the customer maintains an overall 25% reduction in water use compared to the corresponding billing period in 2013, (customers using less than 200 gallons per day are permitted to water their landscape without a 25% reduction) and properly operates the irrigation system in a non-wasteful manner on those days as specified in Section 6(c)(3) below and between the hours of 7:00 p.m. and 9:00 a.m. the next day. If overhead sprinkler water is used in a wasteful manner, the General Manager may prohibit sprinkling by that customer.
- (6) watering more than 3 days per week using overhead spray irrigation;
- (7) watering within 48 hours of measurable rainfall;
- (8) irrigating lawn area on public street medians;
- (9) use of water for dust control, soil compaction, or backfill consolidation at construction sites;
- (10) initial filing of any swimming pool for which application for a building permit was made;
- (11) use by a vehicle washing facility in excess of 25% less than the amount used by it during the corresponding billing period in 2013. If the facility was not operating in 2013, an assumed amount shall be computed by the District from its records.
- (12) any non-residential use in excess of 25% less than the amount used by the customer during the corresponding billing period in 2013. If connection to the District system was not in existence or use in 2013, an assumed amount will be computed from the District's records;
- (13) Intertie deliveries to Inverness Public Utilities District (IPUD), except for critical needs as determined by the General Manager;
- (14) Deliveries to customers outside the service area except as needed for human consumption, sanitation and public safety or as stipulated in outside service agreements.

### **Section 7. Variances**

Applications for a variance from the provisions of Section 6 of this ordinance may be made to the General Manager. The General Manager may grant a variance to permit a use of water otherwise prohibited by Section 6 if the General Manager determines that the variance is reasonably necessary to protect the public health and safety and/or economic viability of a commercial operation. Any decision of the General Manager under this section may be appealed to the Board of Directors.

### **Section 8. Violations**

(a) After the publication or posting of this ordinance as provided in Water Code Section 31027, it is a misdemeanor for any person to use or apply water received from the District contrary to or in violation of Section 5 or Section 6 of this ordinance. Pursuant to the authority provided in Government Code section 53069.4, the District may impose administrative fines and penalties against any person found to be in violation of this ordinance. The purpose of the administrative

finances and penalties assessed pursuant to this ordinance is to assure future compliance by customers through the imposition of increasingly significant fines and penalties so as to create a meaningful disincentive to commit future violations of the rules and regulations contained and referenced herein.

(b) If and when the District becomes aware of any violation of any provision of Section 5 or 6 of this ordinance, a verbal warning will be given, then if the violation continues or is repeated, a written notice shall be placed on the property where the violation occurred and mailed to the person who is regularly billed for the service where the violation occurs and to any other person known to the District who is responsible for the violation or its correction. Said notice shall describe the violation and order that it be corrected, cured and abated immediately or within such specified time as the General Manager determines is reasonable under the circumstances. If said order is not complied with, the District shall impose an administrative fine of not more than two hundred fifty dollars (\$250) for a first offense, and five hundred dollars (\$500) for a second offense, and may disconnect the service where the violation occurs.

(c) A fee of \$35 during normal business hours and \$60 during after-hours and weekends shall be paid for the first reconnection of any service disconnected pursuant to this ordinance during the suspension period. For each subsequent disconnection, the fee for reconnection shall be \$35 during normal business hours and \$60 during after-hours and weekends.

(d) No service which is disconnected twice because of a violation of Section 5 or 6 of this ordinance during the suspension period, shall be reconnected unless a device supplied by the District which will restrict the flow of water to said service is installed. Furthermore, the fee for installation of such a flow restriction device during the suspension period shall be \$100 in addition to the fee required by subsection (c) hereof.

(e) Violations of this ordinance, and the rules and regulations contained and referenced herein, shall remain subject to administrative fines and penalties, until this ordinance has been repealed, or the Board of Directors declares by resolution that the water shortage emergency condition has ended. Violations pursuant to other District rules, regulations, or federal or state law shall not be affected by this section and shall continue to be enforced pursuant to their terms. The District reserves the right to pursue, in its sole discretion, any additional remedies available to it by law, including criminal, civil, and administrative remedies as necessary.

(e) District determinations made pursuant to this Ordinance may be appealed in writing to the District's General Manager or his designee, whose decision shall be final and binding.

### ***Section 9. Signs on Lands Supplied from Private Wells***

The owner or occupant of any land within the West Marin water service area that is supplied with water from a private well shall post and maintain in a conspicuous place thereon a sign furnished by the District giving public notice of such supply.

### ***Section 10. Drought Surcharge***

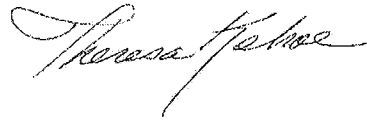
Notwithstanding anything to the contrary in District Regulation 54, in the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented by resolution of the Board of Directors simultaneous with, or subsequent to, enactment of the mandatory stage, in the sole discretion of the Board of Directors. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as to offset the cost for water purchased from Marin Municipal Water District (MMWD) under the Interconnection Agreement

between North Marin Water District and MMWD triggered by dry year conditions. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as specified in District Regulation 54. Any Drought Surcharge shall be adopted and implemented in compliance with applicable law, including Article XIIC of the California Constitution.

\* \* \* \* \*

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted on May 5, 2020 and amended by the Board of Directors of North Marin Water District at a regular meeting thereof held on February 1, 2022 by the following vote:

AYES: Directors Baker, Fraites, Grossi, Joly, Petterle  
NOES: None  
ABSENT: None  
ABSTAINED: None



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Theresa Kehoe  
District Secretary  
North Marin Water District

(SEAL)

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**ORDINANCE NO. 44**  
**AN ORDINANCE OF NORTH MARIN WATER DISTRICT DECLARING**  
**END OF THE WATER SHORTAGE EMERGENCY CONDITION IN THE DISTRICT**  
**AND RESCINDING ORDINANCE NO. 39**

BE IT ORDAINED by the Board of Directors of North Marin Water District as follows:

Section 1. The Board of Directors of North Marin Water District finds and declares that the Water Shortage Emergency conditions within the portion of the territory of the District known as the West Marin Service Area has ended.

Section 2. Effective forthwith, Ordinance No. 39 is rescinded.

\* \* \* \* \*

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of North Marin Water District at a regular meeting thereof held on April 4, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Eileen Mulliner  
District Secretary

(SEAL)

9



MEMORANDUM

To: Board of Directors April 4, 2023  
From: Tony Williams, General Manager *TW*  
Subject: Adoption of Ordinance No. 45 Declaring End of Water Shortage Emergency Condition  
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**RECOMMENDED ACTION:** Adopt Ordinance No. 45 Declaring an End of the Water Shortage Emergency Condition and Rescinding Ordinance No. 41

**FINANCIAL IMPACT:** None

On March 16, 2021 the Board approved Emergency Conservation Ordinance 41 (Attachment 1). The purpose of Ordinance 41 was to declare a water shortage emergency and to prohibit waste and non-essential use of water. It was enacted in response to dry conditions and uncertainty of the regional water supply. The Ordinance has since been amended three times to address the changing drought conditions since the Ordinance approval.

Beginning late December 2022, ample rainfall events have occurred filling Stafford Lake and our region's water supply reservoirs, Lake Sonoma and Lake Mendocino. In addition, compliance with the State Water Resources Control Board (State Water Board) adopted emergency water conservation regulation (2022-0606-03) calling for demand reduction measures for a water shortage level of 20 percent is effectively terminated by the Governor's recent Executive Order N-5-23 dated March 24, 2023. The mandated water waste and non-essential water use requirements in Stage 1 and Stage 2 of Ordinance 41 are no longer needed and staff recommends rescinding the Ordinance. Rescinding Ordinance 41 also eliminates the suspension of new connections and the drought surcharge. The action to rescind the current Ordinance 41 is included as draft Ordinance No. 45 (Attachment 2).

RECOMMENDATION

Board adopt Ordinance No. 45, declaring the end of a water shortage emergency and rescinding Ordinance No. 41, effective April 4, 2023 (Attachment 2).

ATTACHMENTS:

1. Ordinance No. 41 Emergency Water Conservation
2. Draft Ordinance No. 45 Declaring End of the Water Shortage Emergency Condition



**NORTH MARIN WATER DISTRICT  
NOVATO SERVICE AREA  
EMERGENCY WATER CONSERVATION ORDINANCE NO. 41**

Adopted March 16, 2021  
Amended April 20, 2021  
Amended October 19, 2021  
Amended June 7, 2022

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## EMERGENCY WATER CONSERVATION ORDINANCE

### ORDINANCE NO. 41

AN ORDINANCE OF NORTH MARIN WATER DISTRICT DECLARING THE EXISTENCE OF A WATER SHORTAGE EMERGENCY CONDITION WITHIN THE NOVATO SERVICE AREA OF THE DISTRICT, PROHIBITING THE WASTE AND NON-ESSENTIAL USE OF WATER, AND PROVIDING FOR THE CONSERVATION OF THE WATER SUPPLY OF THE DISTRICT

BE IT ORDAINED by the Board of Directors of North Marin Water District as follows:

#### ***Section 1. Declaration of a Water Shortage Emergency***

This Board of Directors does hereby find and declare as follows:

(a) A public hearing was held on March 16, 2021, on the matter of whether this Board of Directors should declare a water shortage emergency condition exists within the Novato water service area of this District which is served by Stafford Lake and the North Marin Aqueduct.

(b) Notice of said hearing was published in the Marin Independent Journal, newspaper of general circulation printed and published within said water service area of the District.

(c) At said hearing all persons present were given an opportunity to be heard and all persons desiring to be heard were heard.

(d) Said hearing was called, noticed, and held in all respects as required by law.

(e) This Board heard and has considered each protest against the declaration and all evidence presented at said hearing.

(f) A water shortage emergency condition exists and prevails within the portion of the territory of this District served by Stafford Lake and the North Marin Aqueduct. Said portion of this District is hereinafter referred to as the Novato Service Area and consists in all the territory of this District except the portions hereof in the western part of Marin County denominated Annexations 2, 3, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15 and 16 generally known as Point Reyes Station, Inverness Park, Olema, Oceana Marin, and territories on the east shore of Tomales Bay. Said water shortage exists by reason of the fact that the ordinary demands and requirements of the water consumers in the Novato Service Area cannot be met and satisfied by the water supplies available to this District in the Novato Service Area without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation and fire protection.

(g) On June 15, 2021, following a properly noticed and duly held public hearing at its regular meeting, the Board of Directors adopted the North Marin Water District Water Shortage Contingency Plan 2020 Update for the Greater Novato Service Area (2020 WSCP) and said Plan defines specific triggers for stages of action applicable to District customers. The specific triggers for stages of action vary and are determined based on advice and action of Sonoma County Water Agency regarding water supply conditions on the Russian River and in Lake Sonoma from which approximately eighty percent of the District's water supply for the Novato Service Area is delivered through the North Marin Aqueduct.

#### ***Section 2. Purpose and Authority***

The purpose of this ordinance is to conserve the water supply of the District for the greatest public benefit with particular regard to public health, fire protection and domestic use, to conserve

water by reducing waste, and to the extent necessary by reason of the existing water shortage emergency condition to reduce water use fairly and equitably. This ordinance is adopted pursuant to Water Code Section 350 to and including 358, Section 375 to and including 378, and Section 31026 to and including 31029.

### **Section 3. Effect of Ordinance**

This ordinance shall take effect on April 1, 2021, shall be effective only in the Novato Service Area, shall supersede and control over any other ordinance or regulation of the District in conflict herewith, and shall remain in effect until the Board of Directors declares by resolution that the water shortage emergency condition has ended. This ordinance, and all provisions contained herein, may be modified by resolution of the Board of Directors. If any provision of this ordinance, including the rules and regulations attached hereto and incorporated herein, or any part thereof, is for any reason held to be ultra vires, invalid, or unconstitutional, the remaining provisions of this ordinance shall not be affected, but shall remain in full force and effect, and to this end the provisions of this ordinance are severable.

### **Section 4. Suspension of New Connections to the Novato Service Area**

- (a) Until the Board of Directors declares by resolution that the water shortage emergency condition has ended, the Board of Directors may determine by resolution that no new or enlarged connection shall be made to the District's water system except under certain conditions.
- (b) As provided for in Section 4(a) above, from July 1, 2021 until the Board of Directors by resolution declares that the water shortage has ended, which period is hereinafter referred to as the suspension period, no new or enlarged connection shall be made to the Greater Novato Service Area except the following:
  - (1) connection pursuant to the terms of connection agreements which prior to July 1, 2021, had been executed or had been authorized by the Board of Directors to be executed;
  - (2) connections of fire hydrants;
  - (3) connections of property previously supplied with water from a well which runs dry.
  - (4) connection of property for which the Applicant agrees to defer potable water irrigated landscape installation until after the suspension period.
- (c) During the suspension period applications for water service will be processed only if the Applicant acknowledges in writing that such processing shall be at the risk and expense of the Applicant and that if the application is approved in accordance with the District's regulations, such approval shall confer no right upon the Applicant or anyone else until the suspension period has expired, and that the Applicant releases the District from all claims of damage arising out of or in any manner connected with the suspension of connections.
- (d) Upon the expiration of the suspension period, the District will make connections to its water system in accordance with its regulations and the terms of connection agreements for all said applications approved during the suspension period. The water supply then available to the District will be apportioned equitably among all the customers then being served by the District without discrimination against services approved during the suspension period.
- (e) Nothing herein shall prohibit or restrict any modification, relocation or replacement of a connection to the District's system if the General Manager determines that the demand upon the District's water supply will not be increased thereby.

## **Section 5. Waste of Water Prohibited**

No water furnished by the District shall be wasted. Waste of water includes, but is not limited to, the following:

(a) The washing of sidewalks, walkways, driveways, parking lots and other hard surfaced areas by direct hosing when runoff water directly flows to a gutter or storm drain, except as may be necessary to properly dispose of flammable or other dangerous liquids or substances, wash away spills that present a trip and fall hazard, or to prevent or eliminate materials dangerous to the public health and safety;

(b) The escape of water through breaks or leaks within the customers' plumbing or private distribution system for any substantial period of time within which such break or leak should reasonably have been discovered and corrected. It shall be presumed that a period of seventy-two (72) hours after the customer discovers such a break or leak or receives notice from the District, is a reasonable time within which to correct such break or leak, or, as a minimum, to stop the flow of water from such break or leak;

(c) Irrigation in a manner or to an extent which allows excessive run-off of water or unreasonable over-spray of the areas being watered. Every customer is deemed to have his/her water system under control at all times, to know the manner and extent of his/her water use and any run-off, and to employ available alternatives to apply irrigation water in a reasonably efficient manner;

(d) Washing cars, boats, trailers or other vehicles and machinery directly with a hose not equipped with a shutoff nozzle;

(e) Water for non-recycling decorative water fountains;

(f) Water for new non-recirculating conveyor car wash systems;

(g) Water for new non-recirculating industrial clothes wash systems;

(h) Water for single pass coolant systems:

(i) Potable water for outdoor landscaping during or within 48 hours of measurable rainfall;

(j) Potable water on ornamental turf in public street medians;

(k) Drinking water other than on request in eating or dining establishments; and

(l) Water for the daily laundering of towels and linens in hotels and motels without offering guests the option of choosing not to have daily laundering.

## **Section 6. Prohibition of Non-Essential Use of Water**

(a) No water furnished by the District shall be used for any purpose declared to be non-essential by resolution of the Board of Directors and in accordance with the 2020 WSCP.

**Stage 1 - Voluntary Stage (10% reduction).** Achieve up to 10% reduction in water usage compared to the corresponding billing period in 2020 by: encouraging non-commercial washing of privately-owned motor vehicles, trailers and boats except from a bucket and except that a hose equipped with a shut off nozzle may be used for a quick rinse; requesting restaurants, hotels, cafes, cafeterias, bars or other public places where food or drink are served/purchased to serve water only upon request; promoting "navy showers" (e.g. turn on water to wet person or persons, turn off water, lather up, scrub, then turn on water for a quick rinse, then turn off shower with free push button showerhead control valves available to customers upon request); requesting hotel and motel operators to provide guests with the option of choosing not to have

towels and linens laundered daily; voluntary rationing; enforcing water waste prohibitions as defined in District Regulation 15, Section B; requesting customers to make conscious efforts to conserve water; encouraging private sector to use alternate sources; and encouraging night irrigation.

- (b) As provided for in Section 6(a) above, the following uses are declared to be non-essential from and after July 1, 2021, until such time as the Board determines by subsequent resolution that Stage 2 of the 2020 WSCP is no longer in effect:

**Stage 2: Mandatory Stage (20% reduction)**

- (1) Refilling a completely drained swimming pool and/or initial filling of any swimming pool for which application for a building permit was made after July 1, 2021;
- (2) Non-commercial washing of privately-owned motor vehicles, trailers and boats except from a bucket and except that a hose equipped with a shut off nozzle may be used for a quick rinse;
- (3) Any use of potable water from a fire hydrant except for fighting fire, human consumption, essential construction needs or use in connection with animals;
- (4) Watering of any lawn, garden landscaped area, tree, shrub or other plant except from:
  - a. A handheld hose equipped with an automatic shut-off nozzle;
  - b. A container;
  - c. A drip irrigation system; or
  - d. An overhead sprinkler irrigation system used more than three (3) days per week.
    - i. Odd numbered street addresses are authorized to irrigate using an overhead sprinkler irrigation system on Monday, Wednesday and Friday and even numbered street addresses are authorized to irrigate using an overhead sprinkler irrigation system on Tuesday, Thursday and Saturday provided that the customer maintains an overall 20% reduction in water use compared to the corresponding billing period in 2020 and properly operates the irrigation system in a non-wasteful manner between the hours of 7:00 p.m. and 9:00 a.m. the next day.
    - ii. Exemptions may be granted for irrigation of commercial or government owned recreational landscape areas provided a 20% reduction in water use compared to the corresponding billing period in 2020 is maintained.
    - iii. Customers using less than 300 gallons per day are permitted to water their landscapes without the required 20% reduction).
- (5) Use of potable water, soil compaction or backfill consolidation for dust control at construction sites or other locations; and

(6) Watering any portion of a golf course with potable or raw water except the tees and greens unless the customer can maintain a 25% reduction in water use as compared to 2020; and

(7) Failing to repair leaks within 48 hours.

### **Section 7. Variances**

Applications for a variance from the provisions of Section 6 of this ordinance may be made to the General Manager. The General Manager may grant a variance to permit a use of water otherwise prohibited by Section 6 if the General Manager determines that the variance is reasonably necessary to protect the public health and safety and/or economic viability of commercial operation. Any decision of the General Manager under this section may be appealed to the Board of Directors.

### **Section 8. Violations**

(a) After the publication or posting of this ordinance as provided in Water Code Section 31027, it is a misdemeanor for any person to use or apply water received from the District contrary to or in violation of Section 5 or Section 6 of this ordinance. Pursuant to the authority provided in in Government Code section 53069.4, the District may impose administrative fines and penalties against any person found to be in violation of this ordinance. The purpose of the administrative fines and penalties assessed pursuant to this ordinance is to assure future compliance by customers through the imposition of increasingly significant fines and penalties so as to create a meaningful disincentive to commit future violations of the rules and regulations contained and referenced herein.

(b) If and when the District becomes aware of any violation of any provision of Section 5 or 6 of this ordinance, a written notice shall be placed on the property where the violation occurred and/or mailed to the person who is regularly billed for the service where the violation occurred and to any other person known to the District who is responsible for the violation or its correction. Said notice shall describe the violation and order that it be corrected, cured and abated immediately or within such specified time as the General Manager determines is reasonable under the circumstances. If said order is not complied with, the District may impose an administrative fine of not more than two hundred fifty dollars (\$250) for a first offense, and five hundred dollars (\$500) for a second offense, and may disconnect the service where the violation occurs. The preceding language in this Section 8(b) notwithstanding, in the event the District determines that water furnished by the District has been used to fill a swimming pool in violation of Section 6(b)(1) of this ordinance, the District may impose an administrative fine of one thousand dollars (\$1,000) and will apply this fine to the next water bill of the person who is regularly billed for the service where the violation occurred. Any person who wishes to appeal imposition of the \$1000 administrative fine, may do so by submitting a written request to the District's General Manager within twenty days after receipt of the water bill indicating the \$1000 administrative fine has been imposed.

(c) A fee of \$35 during normal business hours and \$60 during after-hours and weekends shall be paid for the first reconnection of any service disconnected pursuant to this ordinance during the suspension period. For each subsequent disconnection, the fee for reconnection shall be \$35 during normal business hours and \$60 during after-hours and weekends.

(d) No service which is disconnected twice because of a violation of Section 5 or 6 of this ordinance during the suspension period, shall be reconnected unless a device supplied by the District which will restrict the flow of water to said service is installed. Furthermore, the fee for installation of such a flow restriction device during the suspension period shall be \$100 in addition to the fee required by subsection (c) hereof.

**Section 9. Signs on Lands Supplied from Private Wells or Recycled Water**

The owner or occupant of any land within the Novato water service area that is supplied with water from a private well or with recycled water shall post and maintain in a conspicuous place thereon a sign furnished by the District giving public notice of such supply.

**Section 10. Drought Surcharge**

In the event a mandatory reduction in water use is triggered (at Stage 2 or higher), a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the liquidated damages assessed by the Sonoma County Water Agency pursuant to the water shortage and apportionment provisions of the Restructured Agreement for Water Supply. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as specified in District Regulation 54.

\* \* \* \* \*

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of North Marin Water District at a regular meeting thereof held on March 16, 2021 and amended on June 7, 2022 by the following vote:

AYES: Directors Baker, Fraites, Grossi, Joly, Petterle  
NOES: None  
ABSENT: None  
ABSTAINED: None



(SEAL)

---

Theresa Kehoe  
District Secretary  
North Marin Water District



**ORDINANCE NO. 45**  
**AN ORDINANCE OF NORTH MARIN WATER DISTRICT DECLARING**  
**END OF THE WATER SHORTAGE EMERGENCY CONDITION IN THE DISTRICT**  
**AND RESCINDING ORDINANCE NO. 41**

BE IT ORDAINED by the Board of Directors of North Marin Water District as follows:

Section 1. The Board of Directors of North Marin Water District finds and declares that the Water Shortage Emergency conditions within the portion of the territory of the District served by Stafford Lake and the North Marin Aqueduct, known as the Novato Service Area, has ended.

Section 2. Effective forthwith, Ordinance No. 41 is rescinded.

\* \* \* \* \*

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of North Marin Water District at a regular meeting thereof held on April 4, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Eileen Mulliner  
District Secretary

(SEAL)

10



**MEMORANDUM**

To: Board of Directors

April 4, 2023

From: Julie Blue, Auditor-Controller *JB*

Subj: Novato Potable Water and Recycled Water Financial Plan Update FY 23/24

t:\acl\budget\fy-2023-24\board memos\financial plan updates fy 23-24\novato water financial plan update fy 24.docx

**RECOMMENDED ACTION:** Accept FY 23/24 Novato Potable Water and Recycled Water Financial Plan Update and Direct Staff to Prepare a Proposition 218 Notice of Public Hearing on Proposed Rate Increase

**FINANCIAL IMPACT:** None at this time

**NOVATO**

The fiscal year (FY) 23/24 financial forecast (Attachment 1) summarizes the Novato Water System's financial plan for the next five years, through FY 27/28. There are two primary goals of the financial plan, to maintain sufficient cash reserves that aim towards a designated target and remain above a minimum reserve level, and to retain a debt service coverage ratio at or above 1.5, see Attachment 2.

This updated five-year financial plan shows some variations from the board approved 2020 Novato and Recycled Water Rate Study and the prior year's budget. The largest discrepancies, from the rate study and prior year financial projections, is the increase in the cost of water from Sonoma Water, decrease in water sales, and increasing operating expenses. Due to the updated variables staff recommends updating the rate study in FY 23/24, which is one year prior to its original expiration date.

*The Novato Water financial plan assumptions for FY 23/24 through FY 27/28 are as follows:*

**1. Water Rate Increase**

Assumption: A 9.5% water rate increase, structured as a 9.5% commodity rate increase and 9.5% bimonthly service charge increase, is proposed effective July 1, 2023, followed by an 8.5% rate increase in FY 24/25 and 7% rate increases in FY 25/26 through FY 27/28.

Sensitivity: A 1% change in the rate increase assumption results in a \$204,000 change in the FY 23/24 ending cash reserve balance.

Comment: The 2020 Novato and Recycled Water Rate study forecasted 6% annual rate increases for FY 20/21, FY 21/22, and FY 22/23, and 5% rate increases for FY 23/24 and FY 24/25. These projected rate increases are updated to reflect the increased cost to purchase water from Sonoma Water (SW), estimated decrease in water sales, and increased operating

expenses. The 9.5% increase to the median single-family residential customer using 5,900 gallons per month would approximate \$6.00 per month (\$72/year).

## 2. **Water Sales Volume**

Assumption: FY 23/24 sales volume is projected slightly lower than 2.1 billion gallons (BG) annually. Attachment 3 shows the Novato Water 10-year historical billed consumption.

Sensitivity: A 100 MG (0.1 BG) change in the FY 23/24 projected sales volume assumption results in a \$366,000 change in the fiscal year-end cash reserve balance.

Comment: The FY 23/24 sales volume of approximately 2.1 BG sales volume is equivalent to the current fiscal year budget. In projected years FY 24/25 through FY 27/28 2.1 BG is budgeted which is a conservative estimate, below the actual ten-year average of 2.3 BG. This conservative estimate is indicative of the current environmental and economic conditions where historical trends are less predictive of future outcomes. Projected water sales for FY 22/23 include estimated drought surcharges currently in effect with an estimated end date in April 2023.

## 3. **Sonoma Water Purchase Cost**

Assumption: Cost is projected to increase 12.5% in FY 23/24, and projected rate increases range from 7.4%-11.5% for FY 24/25 through FY 27/28.

Sensitivity: A 1% change in the FY 23/24 projected cost increase assumption results in a \$55,000 change in the fiscal year-end cash reserve balance.

Comment: For FY 23/24, NMWD's rate increase budgeted by SW is 12.51%. The rate study, and previous financial forecasts, included the cost of water to increase 6% annually, as projected by SW. The actual SW rate increase for FY 23/24 is 12.51% and projected rate increases range from 7.4%-11.5% for FY 24/25 through FY 27/28. The purchased water cost increase was 5.2% in FY 22/23 and 4.6% the prior year. The increase in the cost to purchase water contributes 3-4% to the overall rate increase to NMWD's customers.

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

Assumption: Operations and Maintenance expenses (excluding water purchases), are projected to increase 8.6% in FY 23/24 and then 6% annually.

Sensitivity: A 1% change in the FY 23/24 projected O&M cost assumption results in a \$130,000 change in the fiscal year-end cash reserve balance.

Comment: The 8.6% forecasted increase aligns with current inflationary rates of approximately 5-6% and other cost drivers as further explained below. The increase is also

considered as the cost in supplies, materials, and chemicals as well as insurance costs continue to rise. Staff costs are budgeted to increase due to an increase in pension costs of 7% and the addition of a full-time employee (FTE) in the Administration department and one FTE added to Operations. The increased headcount is budgeted to assist with excess workload, new and existing regulation compliance, and redundancy coverage and preparedness for emergency events. Additionally, the District entered into a five-year MOU with the NMWD Employee Association which expires on September 30, 2023. Negotiations for an updated contract are in progress.

**5. Capital Improvement Projects (CIP)**

Assumption: CIP is budgeted to average \$4 million per year funded on a "pay-go" basis, i.e., expenditures excluding grant and debt funded projects.

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

Comment: The Capital Improvement Project Plan prepared in combination with this financial plan stays within the \$4 million average "pay-go" approved by the Board with the approval of the 2020 Novato and Recycled Water Rate Study.

**6. Facility Reserve Charge Revenue – Additional Equivalent Dwelling Units (EDUs)**

Assumption: Facility Reserve Charge revenue is projected at 28 EDUs for FY 23/24 and going forward.

Sensitivity: The Facility Reserve Charge for each equivalent dwelling unit is \$28,310, which is applied directly to the year-end cash reserve balance, net payments towards the Recycled Water annual debt service.

Comment: Facility Reserve Charge revenue of \$900 thousand for 31 EDUs was collected in FY 21/22. Over the past five years the annual average connections are 56 EDUs. Included in the projections is annual revenue equivalent to 28 EDUs or approximately half of the five-year average. Facility Reserve Charge revenue is allocated to the Recycled Water annual debt service which is paid by the Novato Potable Water system.

**7. Stafford Water Treatment Plant Production**

Assumption: Production is projected at 650 MG (1,995 AF) in FY 23/24 and 650 MG each year thereafter.

Sensitivity: A 100 MG change in FY 23/24 production results in a \$380,000 change in the fiscal year-end cash reserve balance, which is the cost to purchase water from SCWA. This does not account for the cost to treat the water at the treatment plant.

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

## 8. Debt Service

Assumption: A \$20 million-dollar loan was borrowed in FY 21/22. The loan is being used to cover the cost of the \$16 million Administration and Laboratory Upgrade Project, potential projects identified by the Local Water Supply Enhancement Study, and other major CIP projects as needed. The loan has a 3.11% interest rate and a repayment period of 20-years.

Sensitivity: The additional debt service adds \$1,348,000 to the District's ongoing annual debt service obligation.

Comment: The District financed the FY 18/19 AMI Project with a \$4.6 million 2.7% 15-year bank loan. In addition to the debt service on the Stafford Treatment Plant Rehabilitation and the Aqueduct Energy Efficiency Projects, the Novato Potable Water System also pays the Recycled Water System debt service from its Connection Fee Reserve. The Recycled Water debt service (net of Marin Country Club payments) is \$1,114,000 annually. Total debt service for Novato Water is projected at approximately \$3,250,000 per fiscal year. Payment of the Recycled Water debt service will continue to require revenue from new development connection fees annually for approximately 20-25 years.

## RECYCLED WATER

The FY 23/24 financial forecast (Attachment 4) summarizes the Recycled Water (RW) System's financial plan for the next five years, through FY 27/28. The FY 23/24 Recycled Water System forecast projects demand of 235 MG (see chart of historical water production - Attachment 5), which is a slight reduction from the FY 22/23 projections with expected reduced recycled water use assuming a non-drought year. Consistent with the 2020 Novato and Recycled Water Rate Study recommendation an increase of 5.3% (current rate of inflation) for the commodity rate and bimonthly service charge is proposed to be effective July 1, 2023 followed by 5% rate increases in FY 24/25 through FY 27/28. The proposed increase is projected to generate \$95,000 in additional revenue next fiscal year. The RW rates will be reviewed in an updated rate study in FY 23/24.

Operating expenses (excluding depreciation) are budgeted to increase approximately 5% (\$35,000) from the projected FY 22/23 actuals, primarily due to inflation. The FY 23/24 budget

includes the purchase of 180 MG (\$283,000) of treated water from Novato Sanitary District (NSD), for approximately \$1,570/MG and 50 MG (\$113,000) from Las Gallinas Valley Sanitary District (LGVSD), for approximately \$2,250/MG. The Deer Island Plant is budgeted to produce 5 MG during the summer to keep it operational and as a condition of the State Revolving Fund (SRF) loan that was borrowed in 2006 to construct the plant.

Major projects to expand recycled water distribution facilities in Novato were completed in FY 17/18. The capital budget for FY 23/24 includes \$100,000 to repair a leak at the Reservoir Hill Tank.

Agreements with NSD and LGVSD allocate net operating revenues to a reserve fund titled Capital Replacement and Expansion Fund. These funds are allocated to each agency, including NMWD, and are designated for CIP related projects for the individual RW systems. Since the net revenues are allocated, by agreement for this specific purpose, Facility Reserve Charges from the Novato potable water system are transferred annually to cover the cost of debt service. The FY 23/24 RW budget transfers for the cost of debt service is \$745,000.

**BUDGET/RATE INCREASE SCHEDULE**

Below is a schedule of activities for the FY 23/24 rate increases and budget. The budget will be reviewed at subsequent meetings allowing time for Board, Staff and Public input.

<b>Date</b>	<b>Item</b>	<b>Review/Approve</b>	<b>Rate Hearing</b>	<b>Status</b>	<b>Service Area</b>
April 4	Financial Plan Update	Review Only		Current	Novato/RW/WM/OM
April 18	Review and Approve Prop 218 Letters to be sent to customers	Approve		Upcoming	Novato/RW/WM/OM
May 2	Capital Improvement Plan Review	Review Only		Upcoming	Novato/RW/WM/OM
June 6	Operations & Maintenance and Capital Budget - District	Review Only		Upcoming	Novato/RW/WM/OM
June 20	Operations & Maintenance and Capital Budget - Novato and Recycled Water	Approve	X	Upcoming	Novato/Recycled Water
June 27	Operations & Maintenance and Capital Budget - West Marin Water	Approve	X	Upcoming	West Marin Water
June 27	Operations & Maintenance and Capital Budget - Oceana Marin Sewer	Approve	X	Upcoming	Oceana Marin Sewer



**RECOMMENDATION:**

Accept FY 23/24 Novato Potable Water and Recycled Water Financial Plans and direct Staff to draft a letter to Novato and RW customers for Board review noticing a public hearing on June 20, 2023 to consider a 9.5% rate increase for Novato Potable Water customers and a 5.3% rate increase for Recycled Water customers.

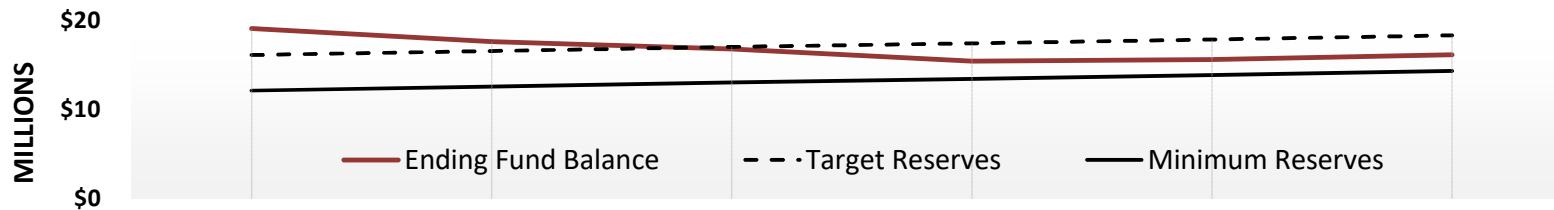
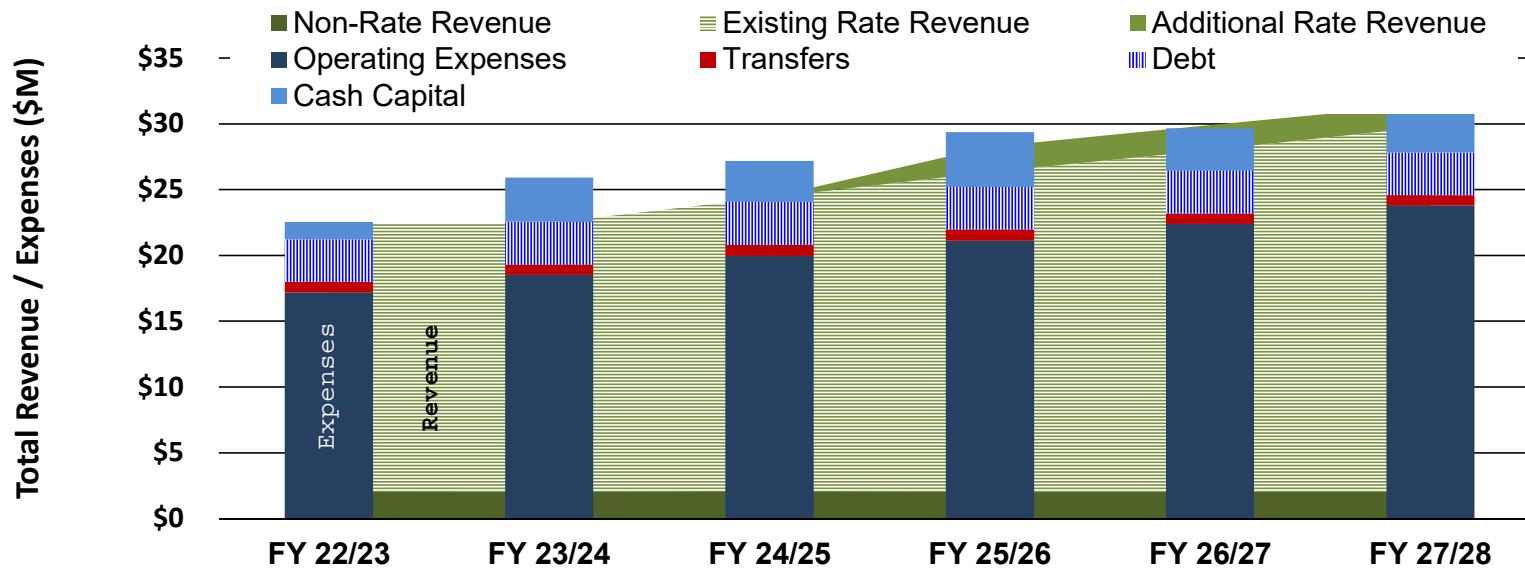
- ATTACHMENTS:
1. Novato Water FY 23/24 Financial Forecast
  2. Novato Water Cash Reserve & Debt Coverage Ratio
  3. Novato Water Billed Consumption
  4. Recycled Water FY 23/24 Financial Forecast
  5. Recycled Water Production History

**Novato Potable Water System  
Fiscal Year 23/24 Five-Year Financial Forecast**

ATTACHMENT 1

	Projected FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27	Forecast FY 27/28
<b>Water Rate Increase:</b>	<b>6.00%</b>	<b>9.50%</b>	<b>8.50%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>
<b>Rate Revenue</b>						
<b>Water Rate Revenue</b>	\$20,402,000	\$20,402,000	\$22,340,000	\$24,239,000	\$25,936,000	\$27,752,000
Drought Surcharge	\$540,000					
Change due to growth		\$28,000	\$30,000	\$33,000	\$35,000	\$38,000
Increase due to rate adjustments		\$1,938,000	\$1,899,000	\$1,697,000	\$1,816,000	\$1,943,000
<b>Non-Rate Revenues</b>						
Wholesale Rate Revenue	\$99,000	\$102,000	\$105,000	\$108,000	\$111,000	\$115,000
Other Charges	\$298,000	\$268,000	\$268,000	\$268,000	\$268,000	\$268,000
Interest Earnings	\$279,000	\$280,000	\$286,000	\$264,000	\$252,000	\$231,000
Facility Reserve Charges	\$500,000	\$793,000	\$793,000	\$793,000	\$793,000	\$793,000
Operating Revenue	\$279,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000
Misc. Revenue	\$234,000	\$181,000	\$181,000	\$181,000	\$181,000	\$181,000
Loan Repayment WM	\$116,000	\$116,000	\$116,000	\$116,000	\$116,000	\$116,000
MMWD AEEP Contributions	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
<b>Total Revenue</b>	<b>\$22,952,000</b>	<b>\$24,424,000</b>	<b>\$26,334,000</b>	<b>\$28,015,000</b>	<b>\$29,824,000</b>	<b>\$31,753,000</b>
<b>O&amp;M Costs</b>						
Source of Supply	\$5,316,200	\$5,649,000	\$6,298,600	\$6,934,800	\$7,628,300	\$8,447,600
Pumping	\$469,200	\$497,400	\$527,200	\$548,300	\$570,200	\$593,000
Other Operations	\$1,091,000	\$1,156,500	\$1,225,900	\$1,274,900	\$1,325,900	\$1,378,900
Water Treatment	\$2,602,200	\$2,878,300	\$3,051,000	\$3,173,000	\$3,299,900	\$3,431,900
Transmission & Distribution	\$3,887,665	\$4,120,900	\$4,368,200	\$4,542,900	\$4,724,600	\$4,913,600
Consumer Accounting	\$483,000	\$512,000	\$542,700	\$564,400	\$587,000	\$610,500
Water Conservation	\$444,300	\$471,000	\$499,300	\$519,300	\$540,100	\$561,700
General Administration	\$2,878,000	\$3,234,700	\$3,428,800	\$3,566,000	\$3,708,600	\$3,856,900
<b>Total Operating Expenses</b>	<b>\$17,171,565</b>	<b>\$18,519,800</b>	<b>\$19,941,700</b>	<b>\$21,123,600</b>	<b>\$22,384,600</b>	<b>\$23,794,100</b>
<b>Capital Costs</b>						
<b>Total Capital Spending</b>	<b>\$7,311,700</b>	<b>\$15,282,000</b>	<b>\$5,449,000</b>	<b>\$6,585,000</b>	<b>\$4,585,000</b>	<b>\$4,875,000</b>
<b>Debt Funded Capital</b>	<b>\$6,000,000</b>	<b>\$10,500,000</b>	<b>\$1,000,000</b>	<b>\$665,493</b>	<b>\$0</b>	<b>\$0</b>
Existing Debt Service	\$3,250,000	\$3,253,000	\$3,255,000	\$3,252,000	\$3,253,000	\$3,250,000
Cash Funded Capital Projects	\$1,311,700	\$3,347,000	\$3,114,000	\$4,144,000	\$3,210,000	\$3,413,000
<b>Total Capital Expenses</b>	<b>\$4,561,700</b>	<b>\$6,600,000</b>	<b>\$6,369,000</b>	<b>\$7,396,000</b>	<b>\$6,463,000</b>	<b>\$6,663,000</b>
<b>Transfers &amp; Other Cash Changes</b>						
Transfer Out to Recycled Water	\$768,000	\$745,000	\$782,000	\$750,000	\$716,000	\$679,000
Funding for Affordability Program	\$27,300	\$31,000	\$86,000	\$86,000	\$86,000	\$86,000
<b>Total Revenue Requirement</b>	<b>\$22,528,565</b>	<b>\$25,895,800</b>	<b>\$27,178,700</b>	<b>\$29,355,600</b>	<b>\$29,649,600</b>	<b>\$31,222,100</b>
<b>Beginning Year Balance</b>	<b>\$18,662,000</b>	<b>\$19,085,000</b>	<b>\$17,613,000</b>	<b>\$16,768,000</b>	<b>\$15,427,000</b>	<b>\$15,601,000</b>
<b>Surplus/(Shortfall)</b>	<b>\$423,435</b>	<b>(\$1,471,800)</b>	<b>(\$844,700)</b>	<b>(\$1,340,600)</b>	<b>\$174,400</b>	<b>\$530,900</b>
Restricted Reserves	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000
<b>End of Year Balance</b>	<b>\$19,085,435</b>	<b>\$17,613,200</b>	<b>\$16,768,300</b>	<b>\$15,427,400</b>	<b>\$15,601,400</b>	<b>\$16,131,900</b>
<i>Minimum Reserves (by policy)</i>	\$12,123,855	\$12,573,267	\$13,047,233	\$13,441,200	\$13,861,533	\$14,331,367
<i>Available Cash (Unrestricted)</i>	\$6,961,580	\$5,039,933	\$3,721,067	\$1,986,200	\$1,739,867	\$1,800,533
<b>Debt Coverage Ratio</b>	<b>1.53</b>	<b>1.58</b>	<b>1.70</b>	<b>1.86</b>	<b>2.04</b>	<b>2.21</b>

**Novato Potable Water System  
Cash Reserves & debt Coverage Ratio  
Fiscal Year 23/24 Five-Year Financial Forecast**

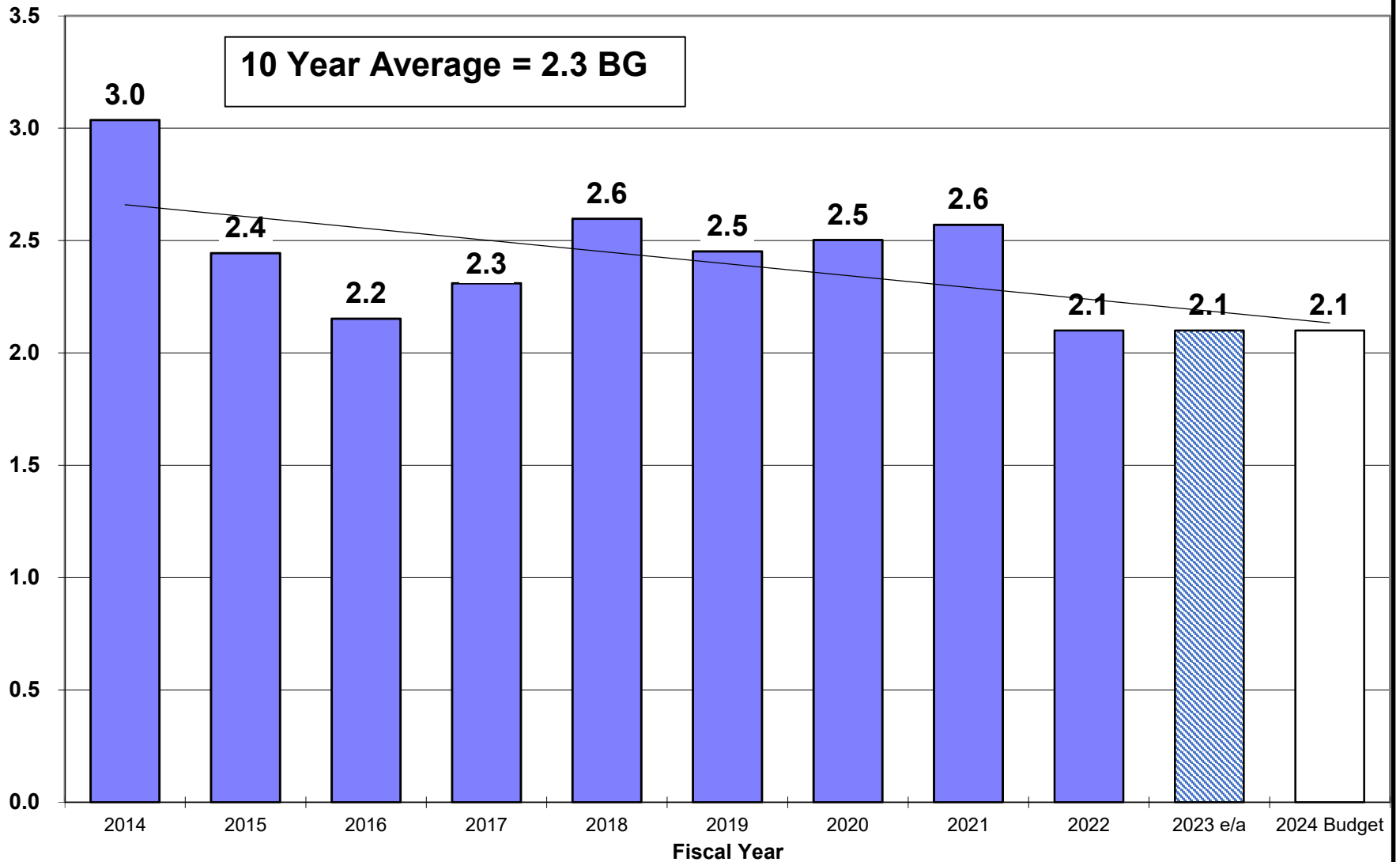


	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Proposed Rate Increases:	6.0%	9.5%	8.5%	7.0%	7.0%	7.0%
Debt Coverage Ratio:	1.53	1.58	1.70	1.86	2.04	2.21
Net Debt Proceeds:	\$6.0M	\$10.5M	\$1.0M	\$0.7M	\$0.0M	\$0.0M

3/27/2023  
Billion  
Gallons

### Novato Water Billed Consumption 10 Year History

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schedules\sales24.xlsx\stat rpt data



**Novato Recycled Water System  
Fiscal Year 23/24 Five-Year Financial Forecast**

ATTACHMENT 4

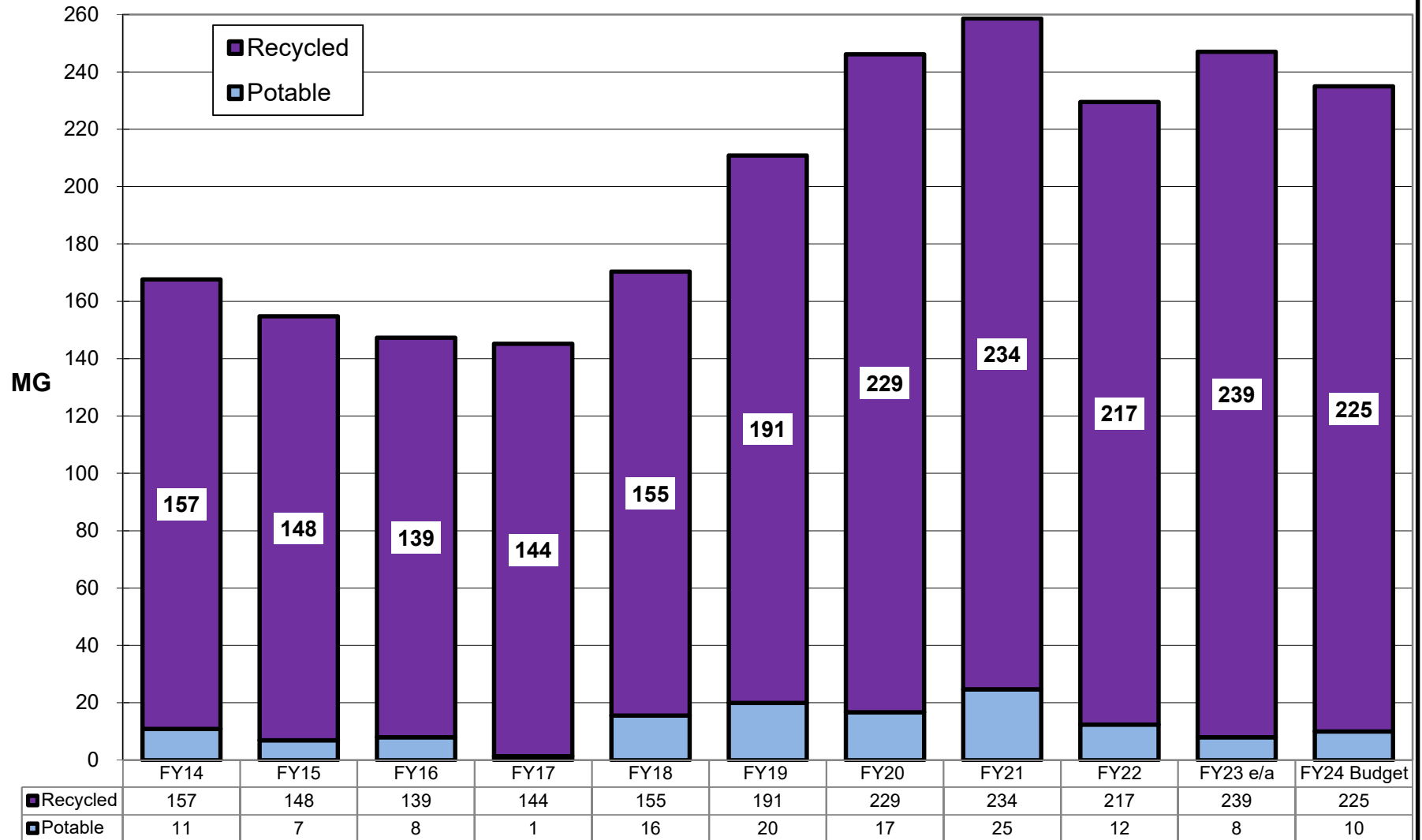
	Projected FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27	Forecast FY 27/28
<b>Recycled Water Rate Increase<sup>1</sup>:</b>	<b>6.00%</b>	<b>5.30%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
1 Active Services @ Fiscal Year End	100	100	100	100	100	100
2 Commodity Rate/1,000 Gal	\$7.01	\$7.38	\$7.75	\$8.14	\$8.55	\$8.97
3 Consumption (MG)	247	235	235	235	235	235
<b>Operating Revenue</b>						
4 Recycled Water Sales	\$1,733,000	\$1,735,000	\$1,821,000	\$1,912,000	\$2,008,000	\$2,108,000
5 Bimonthly Service Charge	128,000	135,000	142,000	149,000	156,000	164,000
6 Water Loads & Turn on Charges	15,000	15,000	15,000	15,000	15,000	15,000
7 <b>Total Operating Revenue</b>	<b>\$1,876,000</b>	<b>\$1,885,000</b>	<b>\$1,978,000</b>	<b>\$2,076,000</b>	<b>\$2,179,000</b>	<b>\$2,287,000</b>
<b>Operating Expense</b>						
8 Purchased Water - NSD	\$270,000	\$283,000	\$298,000	\$314,000	\$331,000	\$349,000
9 Purchased Water - LGVSD	110,000	\$113,000	\$119,000	\$125,000	\$132,000	\$139,000
10 Other Operating Expenses	362,000	381,000	401,000	422,000	444,000	468,000
11 Depreciation	788,000	788,000	788,000	788,000	788,000	788,000
12 <b>Total Operating Expense</b>	<b>\$1,530,000</b>	<b>\$1,565,000</b>	<b>\$1,606,000</b>	<b>\$1,649,000</b>	<b>\$1,695,000</b>	<b>\$1,744,000</b>
<b>Non-Operating Revenue/(Expense)</b>						
13 Interest Revenue	\$97,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000
14 Interest Expense	(232,000)	(213,000)	(193,000)	(173,000)	(152,000)	(131,000)
15 Transfers Out - Capital Expansion Fund	(544,000)	(532,000)	(557,000)	(583,000)	(611,000)	(639,000)
16 Other Revenue/(Expense)	-	-	-	-	-	-
17 <b>Total Non-Op Revenue/(Expense)</b>	<b>(\$679,000)</b>	<b>(\$676,000)</b>	<b>(\$681,000)</b>	<b>(\$687,000)</b>	<b>(\$694,000)</b>	<b>(\$701,000)</b>
18 <b>NET INCOME/(LOSS)</b>	<b>(\$333,000)</b>	<b>(\$356,000)</b>	<b>(\$309,000)</b>	<b>(\$260,000)</b>	<b>(\$210,000)</b>	<b>(\$158,000)</b>
<b>Other Sources/(Uses) of Funds</b>						
19 Add Depreciation Expense	\$788,000	\$788,000	\$788,000	\$788,000	\$788,000	\$788,000
20 Loan Principal Repayment Received	38,000	39,000	39,000	39,000	40,000	40,000
21 Novato Potable FRC Fund Trsf	768,000	745,000	782,000	750,000	716,000	679,000
22 Capital Improvement Projects	-	(150,000)	(350,000)	(150,000)	(150,000)	(150,000)
23 Transfers In from Capital Expansion Fund	-	150,000	350,000	150,000	150,000	150,000
24 Deer Island TP Loan Principal	(243,000)	(246,000)	(249,000)	(251,000)	(253,000)	-
25 SRF Loan Principal - System Expansion	(689,000)	(704,000)	(721,000)	(740,000)	(760,000)	(725,000)
26 <b>Total Other Sources/Uses</b>	<b>\$662,000</b>	<b>\$622,000</b>	<b>\$639,000</b>	<b>\$586,000</b>	<b>\$531,000</b>	<b>\$782,000</b>
27 <b>Cash Increase/(Decrease)</b>	<b>\$329,000</b>	<b>\$266,000</b>	<b>\$330,000</b>	<b>\$326,000</b>	<b>\$321,000</b>	<b>\$624,000</b>
28 Capital Replacement Expansion Fund	\$4,724,600	\$5,106,600	\$5,313,600	\$5,746,600	\$6,206,600	\$6,695,600
29 SRF Reserve Fund	890,000	890,000	890,000	890,000	890,000	890,000
30 Deer Island Replacement Fund	215,000	215,000	215,000	215,000	215,000	215,000
31 Unrestricted Cash	718,279	602,279	725,279	618,279	479,279	614,279
32 <b>Ending Cash Reserve Balance</b>	<b>\$6,547,879</b>	<b>\$6,813,879</b>	<b>\$7,143,879</b>	<b>\$7,469,879</b>	<b>\$7,790,879</b>	<b>\$8,414,879</b>

<sup>1</sup>Fiscal year 23/24 Rate increase to be reviewed for approval by the Board of Directors on June 20, 2023. FY 24/25 through FY 27/28 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

3/20/2023

### Recycled Water Production History

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11





## MEMORANDUM

To: Board of Directors

April 4, 2023

From: Julie Blue, Auditor-Controller *ABW*  
*for*

Subj: West Marin Water System Financial Plan Update FY 23/24

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**RECOMMENDED ACTION:** Accept FY 23/24 West Marin Water Financial Plan Update and Direct Staff to Prepare a Proposition 218 Notice of Public Hearing on Proposed Rate Increase

**FINANCIAL IMPACT:** None at this time

The fiscal year (FY) 23/24 financial forecast (Attachment 1) summarizes the West Marin Water System's financial plan for the next five years, through FY 27/28. This updated five-year financial plan aligns with the board approved 2021 West Marin Water Rate Study and the prior year's budget.

**Significant assumptions in the budget include:**

- 1) Rate Increase: A 6% water rate increase, structured as a 6% commodity rate increase and 6% bimonthly service charge increase, is proposed effective July 1, 2023, followed by 6% rate increases for FY 24/25 through FY 27/28. Rate increases for FY 21/22 through FY 25/26 were included in the 2021 West Marin Water Rate study and were reviewed and accepted by the board in March of 2021. The increase to the median single-family residential customer using 4,360 gallons per month would approximate \$5.25 per month (\$63/year).
- 2) Water Sales Volume: FY 23/24 sales volume is projected at 53 MG and is based on the estimated 53 MG sales for FY 22/23. The projections for outlying years are budgeted at 56.5 MG, substantially below the actual five-year average of 62.8 MG. This conservative estimate is indicative of the current environmental and economic conditions where historical trends are less predictive of future outcomes.
- 3) New Connections: A new connection every year is forecasted. There have been 3 new meters installed in the past three years. The current active meter count is 792.
- 4) Capital Improvement Projects: The 5-year projection includes completion of the Gallagher Well #2 Project (partially grant funded), PRE Tank #1 & #2 Replacement Project and the Lagunitas Creek Bridge Pipeline Replacement Project (assuming grant funded). The Capital Improvement Project Plan prepared in combination with this financial plan stays within the \$380 thousand average "pay-go" approved by the Board with the approval of the 2021 West Marin Water Rate Study.

- 5) Due to the estimated decline in water sales, from the 2021 West Marin Water Rate Study and prior years budgets, the five-year forecast does not provide long-term financial resiliency over the period presented. The FY 23/24 rate increase of 6% will provide management and the Board of Directors time to review and evaluate the financial status of the West Marin Water System and assess the potential rebound from the drought and conservation efforts. The current projected sales volume is 19% below the average five-year actual sales, and lower than any single year in the last 35 years – see Attachment 2. Because of the small size of the system, the uncertainty of water sales volumes creates a vulnerability in the stability of rates and financial resiliency. If sales do not rebound to previously projected volumes, staff expects rates to increase above the values shown in the financial projection in subsequent years.

**Recommendation:**

Accept FY 23/24 West Marin Water Financial Plan and direct Staff to draft a letter to customers for Board review noticing a public hearing on June 27 to consider a 6% rate increase.

**ATTACHMENTS:**

1. West Marin Water System FY 23/24 Five-Year Financial Forecast
2. West Marin Water Historical Billed Consumption

# West Marin Water System

## Fiscal Year 23/24 Five-Year Financial Forecast

ATTACHMENT 1

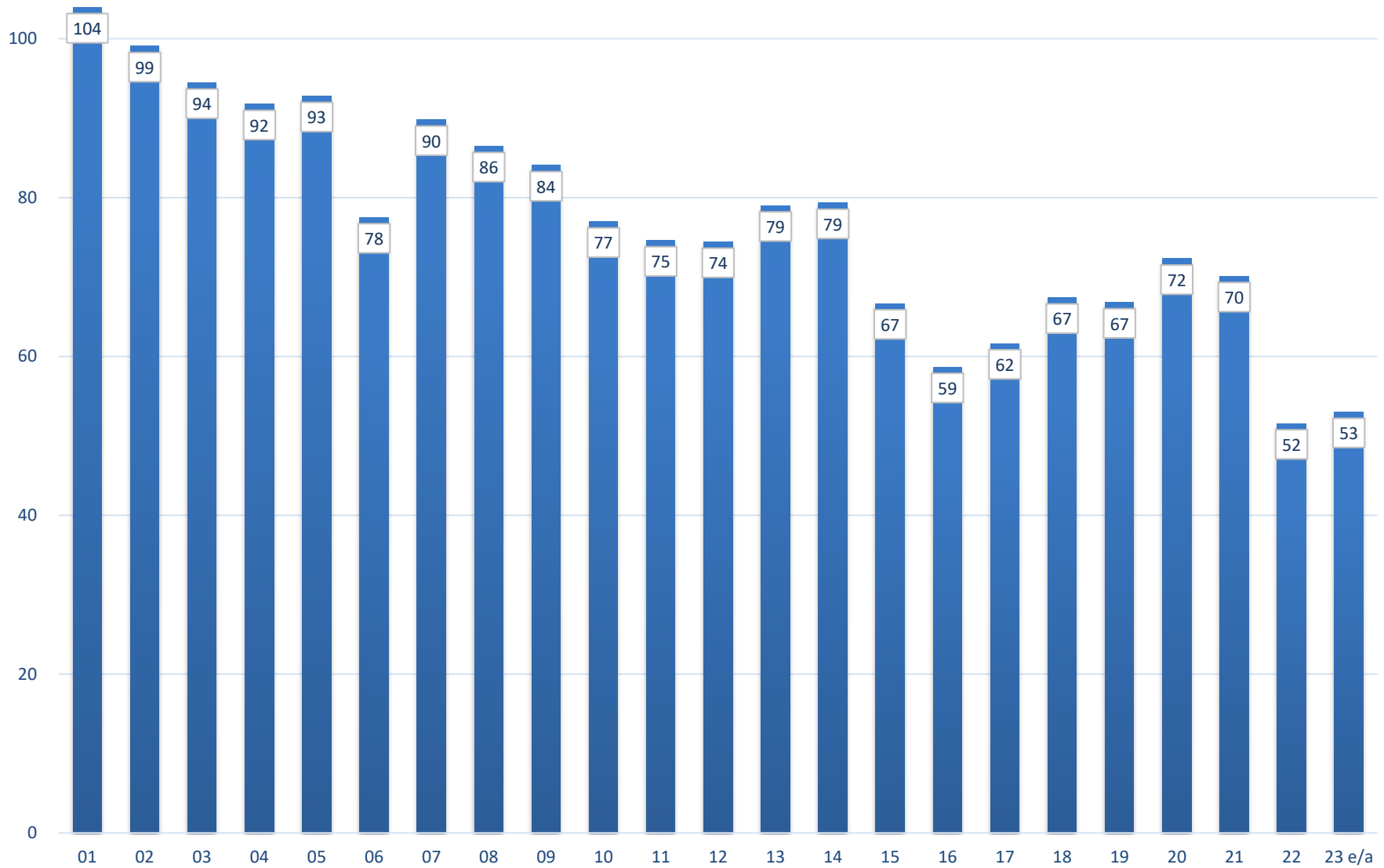
	Projected FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27	Forecast FY 27/28
<b>Water Rate Increase<sup>1</sup>:</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>
1 Active Meters	792	793	794	805	806	806
2 Avg Commodity Rate/1,000 Gal	\$13.17	\$13.96	\$14.80	\$15.69	\$16.63	\$17.62
3 Potable Consumption (MG)	53.0	53.0	56.5	56.5	56.5	56.5
<b>OPERATING REVENUE</b>						
4 Commodity Charge	\$698,000	\$740,000	\$836,000	\$886,000	\$939,000	\$996,000
5 Bimonthly Service Charge	266,000	282,000	299,000	319,000	338,000	358,000
6 Miscellaneous Service Charges	11,000	11,000	11,000	11,000	11,000	11,000
<b>7 Total Operating Revenue</b>	<b>\$975,000</b>	<b>1,033,000</b>	<b>1,146,000</b>	<b>\$1,216,000</b>	<b>\$1,288,000</b>	<b>\$1,365,000</b>
8 Operating Expenditures	823,000	\$814,000	\$855,000	\$898,000	\$943,000	\$990,000
9 Depreciation Expense	234,000	241,000	253,000	279,000	287,000	287,000
<b>10 Total Operating Expense</b>	<b>1,057,000</b>	<b>1,055,000</b>	<b>1,108,000</b>	<b>\$1,177,000</b>	<b>\$1,230,000</b>	<b>\$1,277,000</b>
<b>11 Net Operating Income</b>	<b>(82,000)</b>	<b>(22,000)</b>	<b>38,000</b>	<b>\$39,000</b>	<b>\$58,000</b>	<b>\$88,000</b>
<b>Non-Operating Revenue/(Expense)</b>						
12 Interest Revenue	10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
13 Interest Expense	(46,000)	(42,000)	(37,000)	(33,000)	(28,000)	(23,000)
14 Miscellaneous	9,000	9,000	9,000	9,000	9,000	9,000
<b>15 Total Non-Op Revenue/(Expense)</b>	<b>(27,000)</b>	<b>(23,000)</b>	<b>(18,000)</b>	<b>(\$14,000)</b>	<b>(\$9,000)</b>	<b>(\$4,000)</b>
<b>16 Net Income (Loss)</b>	<b>(109,000)</b>	<b>(45,000)</b>	<b>20,000</b>	<b>\$25,000</b>	<b>\$49,000</b>	<b>\$84,000</b>
<b>Other Sources/(Uses) of Funds</b>						
17 Add Depreciation Expense	\$234,000	\$241,000	\$253,000	\$279,000	\$287,000	\$287,000
18 Connection Fees	-	21,000	21,000	21,000	21,000	21,000
19 Capital Improvement Projects	(398,500)	(456,000)	(332,000)	(1,096,000)	(380,000)	(380,000)
20 Grant/Loan Proceeds	340,000	205,000	180,000	900,000	-	-
21 Loan from Novato Water Principal	(88,000)	(91,000)	(93,000)	(96,000)	(98,000)	(101,000)
22 Debt Principal Payments	(52,000)	(54,000)	(56,000)	(58,000)	(60,000)	(62,000)
<b>24 Total Other Sources/(Uses)</b>	<b>\$35,500</b>	<b>(\$134,000)</b>	<b>(\$27,000)</b>	<b>(\$50,000)</b>	<b>(\$230,000)</b>	<b>(\$235,000)</b>
<b>25 Cash Increase/(Decrease)</b>	<b>\$ (73,500)</b>	<b>\$ (179,000)</b>	<b>\$ (7,000)</b>	<b>\$ (25,000)</b>	<b>\$ (181,000)</b>	<b>\$ (151,000)</b>
26 Operating Reserve	\$241,000	\$271,300	\$285,000	\$292,000	\$314,000	\$177,000
27 System Expansion Reserve	380,000	170,700	150,000	118,000	-	-
28 Liability Contingency Reserve	99,000	99,000	99,000	99,000	14,000	-
29 Unrestricted Cash	-	-	-	-	-	-
<b>30 Ending Cash Balance</b>	<b>\$720,000</b>	<b>\$541,000</b>	<b>\$534,000</b>	<b>\$509,000</b>	<b>\$328,000</b>	<b>\$177,000</b>

<sup>1</sup>Fiscal year 23/24 Rate increase to be reviewed for approval by the Board of Directors on June 27, 2023. FY 24/25 through FY 27/28 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

3/30/23

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### West Marin Water Historical Billed Consumption (Net of Giacomini Dairy) FY 99/01 through FY 22/23



12





MEMORANDUM

To: Board of Directors

April 4, 2023

From: Julie Blue, Auditor-Controller *JB*

Subj: Oceana Marin Sewer System Financial Plan Update FY 23/24

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**RECOMMENDED ACTION:** Accept FY 23/24 Oceana Marin Sewer Financial Plan Update and Direct Staff to Prepare a Proposition 218 Notice of Public Hearing on Proposed Rate Increase

**FINANCIAL IMPACT:** None at this time

The fiscal year (FY) 23/24 financial forecast (Attachment 1) summarizes the Oceana Marin Sewer System's financial plan for the next five years, through FY 27/28.

**Significant assumptions include:**

- 1) Capital Improvement Project Program: Within the upcoming five-year financial plan there are two major projects scheduled. In FY 23/24 \$810,000 is budgeted towards the Treatment Pond Rehabilitation project with completion of the project in FY 24/25 for an additional \$1,010,000. The costs of this project will be offset with approximately 75% grant funding from the California Office of Emergency Services (CalOES). Additionally, \$125,000 is budgeted in FY 26/27 for the design costs for the second phase of Sewer Force Main (1B) improvements.
- 2) Rate Increase: A 6% increase to the sewer service charge is incorporated into FY 23/24 followed by 6% increases for each of the subsequent years. If the Board approves a 6% increase at its June 27, 2023 public hearing, the sewer service charge would increase to \$1,374/year effective July 1, 2023, which is billed on the customer's property tax bill.
- 3) Connection Fee: A new connection every other year is forecasted with one new connection budgeted in FY 24/25. There has been no new growth in the past five years but the capacity is available.

The 6% proposed rate increases are slightly higher than the prior year's five-year financial plan due to increasing expenses and the cost of inflation. These increases are needed to cover operations and to fund the capital improvement plan which will address deferred major capital projects. Completion of these projects is necessary to maintain a well-functioning sewer system. The forecast also includes borrowing of \$250,000 in FY 24/25 and \$300,000 in FY 25/26 to further support the CIP plan with major projects listed above. The financial plan shown will keep the Oceana Marin System financially stable through FY 27/28.

**RECOMMENDATION:**

Accept FY 23/24 Oceana Marin Sewer Financial Plan and direct Staff to draft a letter to customers for Board review noticing a public hearing on June 27, 2023 to consider a 6% rate increase.

ATTACHMENTS: 1. Oceana Marin Sewer FY 23/24 Financial Forecast

Oceana Marin Sewer System  
Fiscal Year 23/24 Five-Year Financial Forecast

	Projected FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27	Forecast FY 27/28
<b>Sewer Rate Increase<sup>1</sup>:</b>	<b>5.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>
1 Number of Connections	235	235	236	236	236	237
2 Annual Sewer Service Charge	\$1,296	\$1,374	\$1,456	\$1,543	\$1,636	\$1,734
<b>Operating Revenue</b>						
3 Sewer Service Charges	\$304,560	\$322,890	\$343,616	\$364,148	\$386,096	\$410,958
4 <b>Total Operating Revenue</b>	<b>\$304,560</b>	<b>\$322,890</b>	<b>\$343,616</b>	<b>\$364,148</b>	<b>\$386,096</b>	<b>\$410,958</b>
<b>Operating Expense</b>						
5 Operating Expenditures	\$251,000	\$266,000	\$282,000	\$299,000	\$317,000	\$336,000
6 Depreciation Expense	47,000	49,000	65,000	83,000	84,000	87,000
7 <b>Total Operating Expense</b>	<b>\$298,000</b>	<b>\$315,000</b>	<b>\$347,000</b>	<b>\$382,000</b>	<b>\$401,000</b>	<b>\$423,000</b>
8 <b>Net Operating Revenue</b>	<b>\$6,560</b>	<b>\$7,890</b>	<b>(\$3,384)</b>	<b>(\$17,852)</b>	<b>(\$14,904)</b>	<b>(\$12,042)</b>
<b>Non-Operating Revenue/(Expense)</b>						
9 Interest Revenue	\$10,000	\$7,000	\$2,000	\$2,000	\$6,000	\$3,000
10 Interest Expense	-	-	(8,000)	(16,000)	(15,000)	(14,000)
11 Miscellaneous Revenue/(Expense)	100	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
12 <b>Total Non-Op Revenue/(Expense)</b>	<b>\$10,100</b>	<b>\$6,000</b>	<b>(\$7,000)</b>	<b>(\$15,000)</b>	<b>(\$10,000)</b>	<b>(\$12,000)</b>
13 <b>Net Income</b>	<b>\$16,660</b>	<b>\$13,890</b>	<b>(\$10,384)</b>	<b>(\$32,852)</b>	<b>(\$24,904)</b>	<b>(\$24,042)</b>
<b>Other Sources/(Uses)</b>						
14 Add Depreciation Expense	\$47,000	\$49,000	\$65,000	\$83,000	\$84,000	\$87,000
15 Connection Fees	-	-	30,000	-	-	30,000
16 Capital Improvement Projects	(110,000)	(955,000)	(1,075,000)	(70,000)	(190,000)	(65,000)
17 Grant/Loan Proceeds	12,000	600,000	1,000,000	300,000	-	-
18 Debt Principal Payments	-	-	(22,000)	(48,000)	(50,000)	(53,000)
19 <b>Total Other Sources/(Uses)</b>	<b>(\$51,000)</b>	<b>(\$306,000)</b>	<b>(\$2,000)</b>	<b>\$265,000</b>	<b>(\$156,000)</b>	<b>(\$1,000)</b>
20 <b>Cash Increase/(Decrease)</b>	<b>(\$34,340)</b>	<b>(\$292,110)</b>	<b>(\$12,384)</b>	<b>\$232,148</b>	<b>(\$180,904)</b>	<b>(\$25,042)</b>
21 <b>Ending Cash Balance</b>	<b>\$450,000</b>	<b>\$158,000</b>	<b>\$146,000</b>	<b>\$378,000</b>	<b>\$197,000</b>	<b>\$172,000</b>

<sup>1</sup>Fiscal year 23/24 Rate increase to be reviewed for approval by the Board of Directors on June 27, 2023.

FY 24/25 through FY 27/28 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.



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\*DRAFT Minutes of Water Advisory Committee and Technical Advisory Committee  
Utilities Field Operations (UFO) Training Center  
35 Stony Point Road  
February 6, 2023

Attendees: Mike Healy, City of Petaluma  
Natalie Rogers, City of Santa Rosa  
Jack Baker, North Marin Water District  
Laura Sparks, City of Cotati  
David Rabbitt, Sonoma County Water Agency (SCWA or Sonoma Water)  
Sam Salmon, Town of Windsor  
Jon Foreman, Valley of The Moon Water District  
Jed Smith Marin Municipal Water District  
Craig Scott, City of Cotati  
Dan Herrera, City of Petaluma  
Mary Grace Pawson, City of Rohnert Park  
Jennifer Burke, City of Santa Rosa  
Matt Wargula, City of Sonoma  
Tony Williams, North Marin Water District  
Cristina Goulart, Town of Windsor  
Matt Fullner, Valley of The Moon Water District  
Paul Sellier, Marin Municipal Water District  
Dina Manis, City of Santa Rosa

Staff/Alternates: Sylvia Lemus, City of Cotati  
Andrea Rodriguez, SCWA  
David Royall, SCWA  
Kevin Booker, SCWA  
Dale Roberts, SCWA  
Lynne Rosselli, SCWA  
Don Seymour, SCWA  
Paul Piazza, SCWA  
Pam Jeane, SCWA  
Grant Davis, SCWA  
Chelsea Thompson, City of Petaluma  
Robert Rogers, SCWA  
Kent Gylfe, SCWA  
Jake Spaulding, SCWA  
Shannon Cotulla, Town of Windsor  
Peter Martin, City of Santa Rosa  
Claire Nordlie, City of Santa Rosa  
Colin Close, City of Santa Rosa  
Elise Miller, City of Santa Rosa  
Eric Miller, North Marin Water District  
Public: Bob Anderson

1. Check-in  
Mike Healy, WAC Chair, called the meeting to order at 9:07 a.m.
2. Public Comments  
No public comments.
3. Recap from November 7, 2022 WAC/TAC Meeting and Approval of Minutes  
Moved by Jon Foreman, Valley of the Moon, seconded by Town of Windsor.  
**No public comments.** Unanimously approved with City of Rohnert Park and City of Sonoma absent.
4. Recap from the January 9, 2023, TAC Meeting and Approval of Minutes (TAC)  
Moved Matt Fullner, Valley of the Moon, seconded by Mary Grace Pawson, City of Rohnert Park.  
**No public comments.** Unanimously approved with Craig Scott, City of Cotati abstaining.
5. New WAC Member Orientation  
Grant Davis, SCWA, presented. A binder of materials has been prepared for each new WAC member, WAC Alternate, TAC member and TAC alternate and was provided at the meeting.  
**No public comments.**
6. Water Supply Coordination Council – January 27, 2023  
Mike Healy, WAC Chair, presented. The Water Supply Coordination Council met on January 27, 2023 and created the agenda for today’s WAC/TAC meeting.  
**No public comments.**
- 6a. SCWA Board of Directors Special Meeting – February 21, 2023.  
David Rabbitt, SCWA Board of Directors, announced that the Board of Director’s Special Meeting is being moved to February 27, 2023. Topics will include strategic planning, water supply, flood control and sanitation.  
Jennifer Burke, TAC Chair, asked for confirmation of start time. Grant Davis, SCWA, responded that the meeting is tentatively scheduled from 8:30am-2:00pm, and will be held in the Board of Supervisor’s Chamber.  
**No public comments.**
7. Water Supply Conditions and Temporary Urgency Change Order (TUCO)  
Don Seymour, SCWA, presented. Lake Mendocino is at 80,050 acre-feet (af), and Lake Sonoma is at about 240,000af, both of which are in better condition than last year at this time. The Temporary Urgency Change Order (TUCO) issued by the State Water Board Division of Water Rights (State Board) in May 2022 expired on December 14, 2022 and on the same date the State Board issued a new TUCO in response to the Temporary Urgency Change Petition (TUCP) filed by Sonoma Water in October 2022. The TUCP requested that the Russian River minimum instream flow requirements be based on storage in Lake Mendocino rather than cumulative storage in Lake Pillsbury.

As of February 1, 2023, hydrological conditions remain in “normal” conditions, with minimum instream flow requirements of 150 cubic feet per second (cfs) for the Upper Russian River, and 125 cfs for the Lower Russian River. The condition will be assessed monthly through June 2023. Based on the current storage level at Lake Mendocino, the Russian River water supply condition will likely remain Normal until at least the end of March.

**No public comments.**

8. Sonoma Marin Saving Water Partnership (TAC)

a. 2022 Water Production Relative to 2013 Benchmark and River Diversion Reductions Relative to 2020 Benchmark

Jennifer Burke, TAC Chair, presented. *(Refer to handout.)* Water usage continues to be tracked based on 2013 benchmark, and conservation efforts continue to be impactful. December water usage was a 31% reduction compared to the December 2013 benchmark. Cumulative Russian River diversions are down 27% compared to 2020.

**No public comments.**

b. Water Use Efficiency Outreach Messaging

Andrea Rodriguez, SCWA, presented. *(Refer to handout.)* The outreach campaign shifted focus to Water Use Efficiency rather than Drought messaging. Outreach messaging now includes upgrading household fixtures, Load Up to Save Water, Take A Power Shower, Fix a Leak week (March 20-26), and the Dye Tab Challenge running February 1 to March 31. Advertising and outreach efforts include print ads and posts to various social media platforms.

**No public comments.**

9. TAC Finance Subcommittee Update – FY FY2023-24 Draft SCWA Water Transmission System Budget (TAC)

Shannon Cotulla, Town of Windsor, presented information as detailed in the handout. *(Refer to handout)*

**No public comments.**

10. SCWA Infrastructure Update

a. Computerized Maintenance Management System (CMMS) Presentation

David Royall, SCWA, presented. *(Refer to handout)* SCWA is replacing their Maximo CMMS system with NEXGEN for a more dynamic infrastructure asset management system that utilizes GIS technology. The implementation of NEXGEN kicked off in January 2023 and is scheduled to go live in November 2023. Dan Herrera, City of Petaluma asked what other platforms were evaluated before selecting NEXGEN. David Royall and Kevin Booker stated they would share that information post-meeting. Jed Smith, Marin Municipal Water District, asked if there will be training opportunities for partner agencies to get familiar with the software. David

Royall confirmed that as inter-agency topics came up, he would share those opportunities.

**No public comments.**

b. Russian River Crossing Video

Andrea Rodriguez, SCWA, showed the video on the recent Russian River Pipeline Crossing project (<https://www.youtube.com/watch?v=qmTpBjPj2l>). The video was the third installment in a series of updates addressing the aging infrastructure and how Sonoma Water is investing in upgrades to provide safe and secure water.

**No public comments.**

11. Biological Opinion Status Update

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

Fish Flow Project – SCWA continues work on revisions in anticipation of recirculating the Draft EIR in 2023.

Dry Creek Habitat Enhancement Project – The Army Corps of Engineers (The Corps) continues construction of Phase IV, at Reach 10 and 13. Most of Reach 13 has been completed this year. Reach 10 will be constructed next year.

Phases V-VI – The Corps continues work on Phases V and VI. The Phase V design review process is complete, and the next portion should be advertised in early 2023, with construction to begin in summer of 2023. SCWA staff is working on initial right-of-way with regards to the Phase VI work. The additional Phase V site in Reach 5B is in the 60% design phase and efforts on right-of-way continue.

Construction – The Corps is constructing Phase IV of the Dry Creek Project. McCullough Construction completed both Reach 13 sites in 2022, with the exception of the inlet to the 13B site of Reach 10 which will be constructed in 2023. Sonoma Water is planning to advertise for the 13B inlet construction in mid-to-late February 2023 and the Corps plans to advertise Phase V in late February 2023.

Habitat Monitoring and Maintenance – Environmental staff continue physical and biological surveys and monitoring using a variety of tools. Additionally, they are using drones to evaluate the conditions at the constructed projects following the high flows during the recent rain events in late December and early January.

Public Outreach – No update provided.

Fish Monitoring – SCWA have observed 1,180 adult Chinook, 67 coho salmon, and 3 steelhead were observed in 2022.

Russian River Estuary Management – The mouth of the Russian River is open. Sonoma Water will be working on the draft 2023 Adaptive Management Plan (AMP).

Interim Flow Changes – Addressed under Item 7 on the agenda.

Biological Assessment – SCWA is working with National Marine Fisheries Service (NMFS), the U.S. Army Corps of Engineers (USACE), and California Department of Fish and Wildlife (CDFW) to reinitiate consultation and develop a Biological Assessment (BA) for continuation of the USACE and Sonoma Water operations in the Russian River watershed. A draft Biological Assessment was submitted to NMFS and CDFW on December 9. A final Biological Assessment will be submitted in late February or early March.

Grant Davis, SCWA asked why we chose to take on the fish monitoring in-house. Pam Jeane, SCWA responded that the California Sea Grant Salmonid Monitoring program was being performed on behalf of The Corps, but due to the inability to fund the program, Sonoma Water took up the monitoring efforts. SCWA may enter into an agreement The Corps for future monitoring requirements. Jed Smith, Marin Municipal Water District, commented that Marin's coho count was great as compared to prior counts.

**No public comments.**

#### 12. Potter Valley Project Update

Pam Jeane, SCWA, reported that on January 10, 2023, the Federal Energy Regulatory Commission (FERC) held a meeting to discuss the possible re-opening of the FERC license for the Potter Valley Project. The National Marine Fisheries Service (NMFS) has requested additional interim measures be incorporated into the annual license. As a result of this meeting, FERC is opening a formal comment period related to the January 10 meeting. SCWA continues to work with partners on the grant from California Department of Water Resources (DWR), which is funding three projects including: a facilities assessment of the Potter Valley Project, currently in progress by McMillen; an assessment of water supply resources in Potter Valley; and the continued development of the Russian River Water Forum (Forum). Sonoma Water is applying for a second grant to continue the work of the Forum.

Jennifer Burke, TAC Chair, asked when the public comment period will close related to the January 10 meeting. Pam Jeane, SCWA, responded that she will confirm the close date and send information after the WAC-TAC meeting.

**No public comments.**

#### 13. SCWA Government Affairs Update

David Rabbitt, Sonoma Water Board of Directors, provided a report on the recently signed Consolidated Appropriations Act of 2023 which provides funding for a number of regional programs. Director Rabbitt also reported on the recent Sonoma Water lobby day on February 2, 2023 in Sacramento. The delegation met with key officials and staff to discuss regional issues. SCWA will provide a tour of their water system to Town of Windsor on February 7, 2023, and also recently provided tours for Valley of the Moon Water District and North Marin Water District.

**No public comments.**

#### 14. Integrated Regional Water Management (IRWM) Plan(s)

Grant Davis, SCWA, provided a report on the AQPI appropriations and the direct link to IRWM plans efforts. The North Coast region IRWM will present a strategic plan for their regional program in May. Jed Smith, Marin Municipal Water District, expressed appreciation of the inter-agency work and hopes of building an even stronger two-way partnership between Marin and Sonoma Counties.

**No public comments.**

#### 15. Items for Next Agenda (next combined WAC/TAC meeting is April 3, 2023)

None.

16. Check Out

Chair Healy adjourned the meet at 10:12 a.m.

**14**



Draft Minutes of Technical Advisory Committee  
Utilities Field Operations Training Center  
35 Stony Point Road, Santa Rosa, CA  
March 6, 2023

Attendees: Craig Scott, City of Cotati  
Mike Ielmorini, City of Petaluma  
Jennifer Burke, City of Santa Rosa  
Peter Martin, City of Santa Rosa  
Matt Wargula, City of Sonoma  
Mike Berger, City of Sonoma  
Cristina Goulart, Town of Windsor  
Tony Williams, North Marin Water District  
Eric Miller, North Marin Water District  
Matt Fullner, Valley of The Moon Water District  
Mary Grace Pawson, City of Rohnert Park  
Michelle Montoya, City of Santa Rosa

Staff/Alternates: Grant Davis, Sonoma County Water Agency (SCWA)  
Pam Jeane, SCWA  
Colin Close, City of Santa Rosa  
Andrea Rodriguez, SCWA  
Don Seymour, SCWA  
Paul Piazza, SCWA  
Brad Sherwood, SCWA  
Jake Spaulding, SCWA  
Kent Gylfe, SCWA  
Lynne Rosselli, SCWA  
Robert Rogers, SCWA  
Emma Walton, SCWA  
David Royall, SCWA  
Sylvia Lemus, City of Cotati  
Dina Manis, City of Santa Rosa  
Eric Ballinger, City of Santa Rosa  
Paul Sellier, Marin Municipal Water District

Public: Duane DeWitt  
Bob Anderson  
Brenda Adelman, Russian River Watershed Protection  
Glen Wright, Board of Public Utilities  
Margaret DiGenova, California American Water

1. Check-in  
Jennifer Burke, TAC Chair, called the meeting to order at 9:06 a.m.
2. Public Comments  
Duane Dewitt, Roseland resident, spoke about Roseland Creek and groundwater recharge projects. He shared concerns about pollution of creeks and suggested

that less pavement and car parking next to creeks will help reduce pollutants getting into the water supply.

Brenda Adelman spoke in support of looking for natural solutions for aquifer recharge and suggested that “surplus Russian River water” be defined.

3. Approve – FY2023-24 Draft SCWA Water Transmission System Budget

a. TAC Ad Hoc Budget Subcommittee Recommendation

Jake Spaulding, SCWA, presented. (*Refer to handouts.*)

An overview of the proposed water transmission system budget and corresponding water rate increases was presented. It was confirmed that the budget includes multiple water transmission system activities and funds. It was also shared that some of the upcoming challenges include aging infrastructure, maintenance needs, increased repairs, and natural hazard vulnerabilities. This budget includes: \$6.34 million for hazard migration projects to reduce risks, \$5.94 million for capital projects to increase resiliency, \$40.4 million for operations and maintenance projects and studies, and \$9.78 million for Biological Opinion, Water Supply Planning and Water Conservation. The proposed rates for FY23-24 are \$1,173.09 per acre-foot for the Santa Rosa Aqueduct, a 10.56% increase; \$1,162.09 per acre-foot for the Petaluma Aqueduct, a 9.42% increase; and \$1,348.67 per acre-foot for the Sonoma Aqueduct, a 10.56% increase. The upcoming schedule was shared with presentations on the budget to the Water Contractor Boards and Councils in March, the Water Advisory Committee on April 3, and the Sonoma Water Board of Directors on April 18.

Cristina Goulart, Town of Windsor, gave a brief summary of the TAC Ad Hoc Budget Subcommittee meeting held on February 23, 2023. The TAC Ad Hoc Budget Subcommittee was comprised of representatives from Santa Rosa, Cotati, Rohnert Park, Valley of the Moon Water District, Windsor, Marin Municipal Water District, and North Marin Water District. During that meeting, there was no consensus for recommending approval of the proposed budget with City of Cotati and Town of Windsor voting yes, North Marin Municipal Water District, City of Sonoma, and Valley of the Moon Water District abstaining, and Santa Rosa voting no.

Tony Williams, North Marin Water Distract, asked what the next several years look like for average rate increases. Lynne Rosselli, SCWA, answered that rate increases will be, on average, 9% to 10% over the next five years.

**No public comments.** Moved by City of Sonoma, seconded by Valley of the Moon Water District to recommend approval of the FY2023-24 Draft SCWA Water Transmission System Budget to the Water Advisory Committee (WAC). The recommendation passed with 7 affirmative votes, with City of Santa Rosa voting no.

4. Water Supply Conditions and Temporary Urgency Change Order

Don Seymour, SCWA, presented. Water supply conditions are fuller than full, with Lake Mendocino at approximately 85K acre-feet and Lake Sonoma at approximately 245K acre-feet of storage. Since both of the reservoirs are in the flood control pool, the Army Corps is managing the releases, when necessary. The last time the reservoirs were in this type of storage condition was 2019 and we are going into Spring with remarkable water supply storage. The current Temporary Urgency Change Order is set to expire June 12. Sonoma Water anticipates filing a new Temporary Urgency Change Petition in late April to comply with the Biological Opinion.

**No public comments.**

5. Sonoma Marin Saving Water Partnership

a. 2023 Water Production Relative to 2013 Benchmark

Jennifer Burke, Santa Rosa Water, presented. *(Refer to handouts.)* Water usage as a whole is down 20%, both for the month and the year to date.

Brenda Adelman asked if percentages were based on 2013 and asked if it would be better to base it on the prior year. Jennifer Burke, Santa Rosa Water, confirmed that it is based on 2013 as that is what is required by the state.

b. Water Use Efficiency Outreach Messaging

Andrea Rodriguez, SCWA, presented. *(Refer to handouts.)* March is not only “Fix A Leak Week”, but also the “Dye Tab Challenge” which began in February and runs through the end of March. The dye tabs allow customers to check toilets for leaks, and the public can go online and share their results, which will enter them to win gift cards.

**No public comments.**

6. Biological Opinion Status Update

Pam Jeane, SCWA, presented. *(Refer to handouts.)*

Fish Flow Project - Not a lot of changes to report. Work continues on revisions to the Draft Environmental Impact Report, in order to recirculate it. As of now, there is no time frame for release.

Dry Creek Habitat Enhancement Project - Currently implementing Phases IV-VI. Portion of Phase IV was constructed in 2022, and anticipate it being finished this year. Phase V will begin construction this year, with Phase VI tentatively scheduled to begin in 2024. Phase IV began last year, but there was a small piece that the Army Corps could not complete due to right of way issues. Sonoma Water will be completing the work on this piece. The Corps also plans to issue a Notice to Proceed in March for Phase V and will begin construction on June 15.

Public Outreach – Public Policy Facilitating Committee is looking for a date to meet this year.

Fish Monitoring – Has not changed since the last meeting.

Russian River Estuary Management - Mouth of the Russian River is open currently. Sonoma Water is working on this year's Adaptive Management Plan for the Estuary, but do not expect any significant changes from last year's plan.

Biological Assessment for New Biological Opinion – Current Biological Opinion expires in September of this year. Sonoma Water has submitted a draft to the California Department of Fish and Wildlife (CDFW) in December 2022, and Sonoma Water is addressing comments CDFW made on the document, and hosting topic specific workshops to receive CDFW comments and to understand their concerns.

Peter Martin, Santa Rosa Water, shared his appreciation of the progression photos.

Brenda Adelman stated that 15 years ago the Estuary Project's intent was to increase and improve habitat for the Steelhead. Asked if there were any fish studies to see if there has been any success with this project. Ms. Adelman also stated that she does not support lowering flows in the Russian River if it is not supporting fish recovery and believes there needs to be a scientific evaluation of the last 15 years of the project.

Pam Jeane, SCWA, responded that there have been numerous fish studies completed and studies have found that the Steelhead do thrive in estuaries.

#### 7. Potter Valley Project Update

Pam Jeane, SCWA, presented. PG&E is currently operating the project without a variance. There is a lot of water in the watershed and a lot of snow. Date to close the Scott dam gates will be dependent on what is going on with the snow shed. The surrender and decommissioning of the Potter Valley Project is still on schedule but not getting a lot of information from PG&E. Last week Sonoma Water submitted comments on the Federal Energy Regulatory Commission (FERC) technical conference that was held in early January to consider whether or not to re-open the license for the Potter Valley Project to incorporate the interim measures proposed by the National Marine Fisheries Service.

Jennifer Burke, Santa Rosa Water, mentioned that the WAC Potter Valley ad hoc committee will consider a letter supporting Sonoma Water's comments.

#### No public comments.

#### 8. SCWA Government Affairs Update

Brad Sherwood, SCWA, presented. *(Refer to handouts.)*

Shared gratitude for all those who participated in Sacramento Lobby Day. Planning a follow-up for May or June. Also shared gratitude for all those who have submitted letters of support for AB30. Community Fund Project Requests (Earmarks) – Deadline to submit letters to Senator Padilla's office has passed. Sonoma Water was able to send in five letters. March 19 is Congressman Huffman's deadline. Sonoma Water will submit the same request that was submitted to Padilla's Office and will be asking for support letters again as it is a very competitive process. Association of California Water Agencies (ACWA) recognized all of the efforts of Sonoma Water and they received the

Federal Affairs Outreach award for 2022. Sonoma Water continues to offer water supply tours and asked that everyone please come out and see the facilities.

Tony Williams, North Marin Water District, thanked Sonoma Water for coordinating the Sacramento Lobby Day. Mentioned North Marin Water District will be submitting a letter of support for AB30. Jennifer Burke, Santa Rosa Water, also shared gratitude for the coordination of the Sacramento Lobby Day and shared that Santa Rosa Water was able to give Congressman Huffman a tour of the Laguna Treatment Plant.

**No public comments.**

9. Summary of SCWA Board of Directors February 27th Special Meeting

Grant Davis, SCWA, shared that the SCWA Board of Directors met on February 27<sup>th</sup> regarding SCWA core functions and highlighted the four main areas including Water Supply, Flood Control and Stream Maintenance, Sanitation, and Climate Change. Hopeful to hold similar meeting once per year and shared that this year's meeting can be viewed on the Board of Supervisor's website if anyone would like to view it.

**No public comments.**

10. Items for Special WAC/TAC meeting (April 4, 2023)

Chair Burke gave a reminder that the special WAC/TAC meeting will take place on April 4 where the Sonoma Water water transmission system budget will be considered.

11. Check Out

Chair Burke adjourned at 10:09 a.m.

15



## NORTH BAY WATER REUSE PROGRAM

*Expanding Water Supplies with Regional Reuse*



### BOARD OF DIRECTORS MEETING

#### AGENDA

**Monday, March 27, 2023**  
**9:30 AM**

**Due to Shelter in Place Orders, and Board Policy this meeting will be a Zoom Meeting only. Meeting participants and the public may participate via the following:**

#### **Join Zoom Meeting**

<https://us02web.zoom.us/j/83910720383>

**Meeting ID: 839 1072 0383**

**One tap mobile +16699009128, 83910720383# US (San Jose)**

**Dial in +1 669-900-9128 US (San Jose)**

**Meeting ID: 839 1072 0383**

**1. Call to Order (1 minute)**

**2. Roll Call (1 minute)**

**3. Public Comment (3 minutes)**

(Any member of the public may address the Board at the commencement of the meeting on any matter within the jurisdiction of the Board. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Board limit their presentation to three minutes. Non-English speakers using a translator will have a time limit of six minutes. Any member of the public desiring to provide comments to the Board on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)

**4. Introductions (2 minutes)**

Action  
Pages 4 – 6

**5. Board Meeting Minutes of June 27, 2022 (2 minutes)**

(The Board will consider approving the minutes from the June 27, 2022 Board meeting.)

Action  
Page 7

**6. Election of Officers (5 minutes)**

(The Board will elect a Chair and Vice Chair for 2023.)

**North Bay Water Reuse Authority • c/o Sonoma County Water Agency, 404 Aviation Boulevard, Santa Rosa, CA 95403**  
**707-235-8965 • NBWRA.org**

Information  
Page 8

7. **Report from the Chair (5 minutes)**  
(The Chair will report on items of interest to the Board.)

Pages 9 - 62

- 7.a Report from the Technical Advisory Committee (5 minutes)**  
(The Board will review the Report on the TAC meetings of November 3, 2022 and February 2, 2022 and consider recommendations from the TAC included in this agenda.)

Pages 63 - 67

- 7.b Consultant Progress Reports (5 minutes)**  
(The Board will review the consultant progress reports.)

Information  
Pages 68 - 84

8. **History of NBWRA (10 minutes)**  
(The Board will receive a brief report on the history of NBWRA for the benefit of new Board members and staff from the member agencies.)

Information  
Pages 85 - 87

9. **Financial Reports for the Fiscal Years Ending June 30, 2022 and June 30, 2023 (5 minutes)**  
(The Board will review the Financial Reports for Fiscal Years Ending June 30, 2022 and June 30, 2023.)

Action  
Page 88 - 95

10. **Approval of the Amended Scope of Work for the Sea Level Rise Adaptation Vision (5 minutes)**  
(The Board will consider approving the Amended Scope of Work for the Sea Level Rise Adaptation Vision with no change in the originally approved budget.)

Information  
Pages 96 - 97

11. **Status of Phase 1 Reconciliation and Closeout Activities (5 minutes)**  
(The Board will be updated on Phase 1 status of reconciliation and closeout activities.)

Discussion  
Page 98 - 102

12. **Status of Phase 2 and Financial Capability Analysis Report Update (10 minutes)**  
(The Board will be updated on the status of the Phase 2 EIR/EIS and the funding application to USBR.)

Discussion  
Page 103

13. **Items for the Next Agenda (5 minutes)**  
(The Board will consider items for the next Agenda.)

Discussion

14. **Comments from the Chair, Board, and Member Agencies (5 minutes)**  
(The Board will discuss items for future discussion and the Chair, Board, or Member Agencies may make brief announcements or reports on their own activities, pose questions for clarification, and/or request that items be placed on a future agenda. Except as authorized by law, no other discussion or action may be taken.)

15. **Adjournment (1 minute)**

**Next Board Meeting  
Tentatively Scheduled April 24, 2023**

(In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a Board meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Program Manager at (510) 410-5923. Notification of at least 48 hours prior to the meeting or time when services are needed will assist in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. A copy of all the documents constituting the agenda packet

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County of Marin • Las Gallinas Valley Sanitary District • Novato Sanitary District • Marin Municipal Water District • North Marin Water District • Sonoma County Water Agency  
City of Petaluma • Sonoma Valley County Sanitation District • County of Napa • Napa Sanitation District • City of American Canyon



is available for public inspection prior to the meeting at 404 Aviation Boulevard, Santa Rosa, CA 95403. Any person may request that a copy of the agenda or the agenda packet be mailed to them for a fee of \$.10 per page plus actual mailing costs. If you wish to request such a mailing, please contact Chuck Weir, Weir Technical Services, 3026 Ferndale Court, Pleasanton, CA 94588, 510-410-5923, [chuckweir@sbcglobal.net](mailto:chuckweir@sbcglobal.net). The agenda for each meeting is also available on-line at [www.nbwra.org](http://www.nbwra.org) and will be available at the meeting.)

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County of Marin • Las Gallinas Valley Sanitary District • Novato Sanitary District • Marin Municipal Water District • North Marin Water District • Sonoma County Water Agency  
City of Petaluma • Sonoma Valley County Sanitation District • County of Napa • Napa Sanitation District • City of American Canyon

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**DISBURSEMENTS - DATED MARCH 23, 2023**

Date Prepared 3/20/23

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

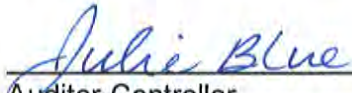
Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 3/15/23	\$174,896.06
00000*	Internal Revenue Service	Federal & FICA Taxes PPE 3/15/23	77,642.19
00000*	State of California	State Taxes & SDI PPE 3/15/23	16,594.84
00000*	CalPERS	Pension Contribution PPE 3/15/23	44,213.13
EFT*	US Bank	February Bank Analysis Charge (Lockbox \$912 & Other \$384 Less Interest \$73)	1,223.71
1	Allied Mechanical	Maintenance on HVAC System (Dist Yard) & Parts/Labor to Repair Failed HVAC System in Warehouse (\$8,370)	8,799.51
2	Amazon Capital Services, Inc.	Computer Supplies, Coffee (2), Fuel Gauge Window, Gasket, Rubber Bands, Thermal Labels (Lab), Headset & Fuel Injection Test Set	1,290.11
3	Athens Administrators	February Indemnity Review Fee	105.00
4	Automation Direct	Supplemental Power/Surge Protection Device & Direct LOGIC Analog Input Module	514.30
5	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt #137 of 240) Aqueduct Energy Efficiency Project	46,066.67
6	Bay Area Air Quality Mgmt Dist	Annual Permit Renewal Fees (To Operate Generators)	1,023.00
7	Borges & Mahoney	Annual Maintenance on Treatment Plant Equipment	312.61
8	Boucher Law, PC	November Labor & Law Matters	2,335.00
9	Calcon Systems	SCADA Programming (18 Hrs)	3,480.00
10	California Water Service	Water Service (O.M.)	32.06
11	Cendak, Wendy	Novato "Toilet Rebate" Program	125.00

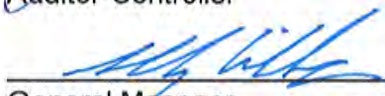
Seq	Payable To	For	Amount
12	Comcast	March Internet @ Buck Institute	356.55
13	Core Utilities, Inc	Consulting Services: February IT Support (\$6,000), SCADA Programming for Novato/WM & Integration with New Fiber Internet (\$1,520)	8,220.00
14	Core & Main	Brass Reducers (6), Couplings (4) (\$1,476), Gaskets (20) & Check Valve (3) (\$3,249)	5,291.77
15		Vision Reimbursement	75.00
16	Digi-Key	Cell Modem (O.M. Lift Station)	516.87
17	Ditch Witch West	Unloader Valve ('19 Ditch Witch)	244.34
18	Frontier Communications	Leased Lines	1,781.76
19	Frontier Communications	March Internet @ STP	640.11
20	Grainger	Miscellaneous Maintenance Tools & Supplies	2,180.84
21	Harrington Industrial Plastics	Parts Used to Connect Distribution System w/ Chemical Generator (STP)	1,179.61
22	HERC Rentals Inc.	Service Truck Rental (1 month)	2,758.89
23	Hughes, Elaine	Novato "Toilet Rebate" Program	125.00
24	InfoSend, Inc.	February Processing Fee for Water Bills (\$1,259), Postage (\$3,839) & Monthly Support Fee	6,066.30
25	Kaiser Foundation Health Plan	Pre-Employment Physical (DeMartini)	65.00
26	Kwan, Susan & Rosenbush, Mark	Refund Over Payment on Closed Account	64.02
27	Lincoln Life Employer Serv	Deferred Compensation 3/15/23 PPE	11,834.88
28	Madruga Iron Works, Inc.	Bolts & Nuts for Fire Service Vaults	260.40
29	Nationwide Retirement Solution	Deferred Compensation 3/15/23 PPE	2,035.00
30	Noll & Tam Architects	Prog Pymt#22: Consulting Services for NMWD Headquarters Upgrade A/E Services (Balance Remaining on Contract \$129,919)	47,973.50
31	ODP Business Solutions, LLC	Misc Office Supplies	295.28
32	Pace Supply	Fire Department Connection Kit	3,486.57

Seq	Payable To	For	Amount
33	Peterson Trucks	Opacity Test ('12 International 5 yd Dump Truck)	104.89
34	Pacific Gas & Electric Co	Power: Bldgs/Yard (\$2,732), Other (\$9), Pumping (\$25,578), Rect/Cont (\$39) & Treatment (\$-17)	28,340.71
35	Piper, Vance	Novato "Water Smart Landscape Efficiency Rebate" Program Residential	200.00
36	Point Reyes Prop Mgmt Assn	March Property Management HOA Fees (25 Giacomini Rd)	75.05
37	Quadient, Inc.	April Postage Meter Rental	143.09
38	Rajagopal, Udipi	Novato "Cash for Grass" Rebate Program	675.00
39	Redistricting Partners	Professional Services for Redistricting & Mapping of Demographics	32,000.00
40	Safety Center Incorporated	Safety Training (Traffic Control & Flagging-\$2,400 & Excavation & Trenching-\$2,500)	4,900.00
41	Scott Technology Group	Monthly Maintenance on Admin Copier	137.01
42	Soiland Co., Inc.	Asphalt Recycling (3 yds)	99.80
43	Sonoma County Water Agency	February Contract Water (\$355,484) & Conservation Support Program (10/1/22-12/31/22) (\$1,388)	356,872.49
44	SPG Solar Facility XII, LLC	February Energy Delivered Under Solar Services Agreement	8,857.53
45	Tamagno Green Products	Sludge Removal @ STP (15 yds)	630.00
46	Thatcher Company of California	Chlorine (4,000 lbs) (STP)	3,866.00
47	Township Building Services	February Janitorial Services (Dist Yard-\$1,155 & STP)	1,522.86
48	United Parcel Service	Delivery Services: Sent Lab Weight for Calibration	28.57
49	Univar	Sodium Hypochlorite (200 gal) (STP)	292.80
50	USA Bluebook	Tank Mixing Eductor (STP)	118.25
51	VWR International LLC	Phosphate, Nitrate & Kwik Sticks (6) (Lab)	372.80

Seq	Payable To	For	Amount
52	White & Prescott	Prog Pymt#22: AEEP Easement Support - B2 Reach A (Balance Remaining on Contract \$37,640)	900.00
53	Winzer Corporation	Miscellaneous Hardware	249.46
54	ZORO	Socket Set	90.06
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$914,581.25</u></b>

The foregoing payroll and accounts payable vouchers totaling \$914,581.25 are hereby approved and authorized for payment.


03/21/2023  
 \_\_\_\_\_  
 Auditor-Controller Date


3/21/2023  
 \_\_\_\_\_  
 General Manager Date

## DISBURSEMENTS - DATED MARCH 30, 2023

Date Prepared 3/27/23

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
90573*	US Bank Card	Microsoft Monthly Subscription, Powerflex-Electronic Car Charge Fee, Zoom for Board Meetings, AT&T (Internet for PRTP & Gallagher Well #2), CSMFO-Virtual Conference, Netting to Camouflage Old Ranch Road Tank (\$1,041), Board Meeting Table & AWWA Webinar for Engineering	\$2,325.51
1	100 Wood Hollow Drive Owner	April Wood Hollow Rent	28,294.75
2	Alpha Analytical Labs	Lab Testing (Novato)	530.00
3	American Family Life Ins	March 2023 Employee Paid Benefit	3,582.90
4	AT&T	Leased Lines	68.08
5	Automation Direct	Analog Input Cards for Novato & West Marin for Programmable Logic Controllers (43)	6,485.05
6	Backflow Distributors	1" Check Module Kit, 1" Relief Valve Kit, Backflow Test Kits (3), Hose Filters (6), Gaskets (6) & Valve Assembly	636.90
7	Bay Alarm Company	Quarterly Fire Alarm Monitoring Fee (4/1/23-7/1/23)	338.19
8	Bearings & Hydraulics	Hose Fittings ('19 Ditch Witch)	167.93
9	Bold & Polisner	February Legal Fees-General (\$2,768) & NMWD Portion-Pottery Valley FERC	2,992.50
10	California Water Efficiency Partnership	Membership Dues (Grisso) (1/23-12/23) (Budget \$3,800)	3,950.35
11	Consolidated CM	Prog Pymt#22: Provide Construction Management Services for NMWD Admin Building Renovation (Balance Remaining on Contract \$465,292)	61,134.79


Seq	Payable To	For	Amount
12	Diesel Direct West	Diesel (612 gal) (\$2,901) & Gasoline (2,080 gal) (\$9,369)	12,269.68
13	Electrical Equipment Co	Parts & Materials to Wire New Eyewash Water Heater @ STP	1,816.75
14	Environmental Resource Assoc	Simple Nutrients (Lab)	219.88
15	D.L. Falk Construction, Inc.	Prog Pymt #8 Perform NMWD Admin & Lab Building Upgrades (Balance Remaining on Contract \$8,507,503)	429,658.53
16	D.L. Falk Construction Escrow Acct	5% Retainer: DL Falk Construction-CA Bank of Commerce-Admin Bldg & Lab Upgrade	22,613.62
17	Fisher Scientific	Sodium Standard & Chlorite (Lab)	220.37
18	Freyer & Laureta, Inc.	Prog Pymt#5: Engineering & Design Services for Lynwood Pump Station (\$9,372) (Balance Remaining on Contract \$109,491) & Prog Pymt#16: Engineering & Design Services for Hydropnematic Pressure Stations (\$5,848) (Balance Remaining on Contract \$19,644)	15,220.00
19	Grainger	Miscellaneous Supplies	216.52
20	Kane, Shawn	Exp Reimb: Donuts-Asbestos Class on 3/21/23	19.00
21	Kehoe, Chris	Exp Reimb: Donuts for Department Meeting	40.25
22	Kiosk Creative LLC	Marketing Communication & Outreach Services (Balance Remaining on Contract \$26,691)	4,369.42
23	Lucan, Eric	Board Approved Partial Refund of ADU Facility Reserve Charges	2,360.00
24	McLellan Co, WK	Misc Paving	4,274.34
25	Mutual of Omaha	April 2023 Group Life Insurance Premium	1,196.48
26	Network Adjusters, Inc.	Claim Settlement - Landscape Repair due to Water Line Break (Taft Ct)	1,077.42
27	North Bay Gas	Nitrogen (STP)	735.41
28	Nute Engineering	Prog Pymt#6: Engineering Services for Oceana Marin Force Main 1A Project (Balance Remaining on Contract \$73,989)	1,791.00



Seq	Payable To	For	Amount
29	ODP Business Solutions, LLC	Misc Office Supplies & Toner	704.91
30	Peterson Trucks	Opacity Test & Cruise/Throttle Switch ('15 International Dump Truck)	434.04
31	Prandi Property Mgmt Trust Acct	Refund Excess Advance Over Actual Construction Job Costs-Station House Cafe	32,871.98
32	Preferred Alliance Inc.	Pre-Employment Test (DeMartini)	42.00
33	Redwood Health Services, Inc.	March 2023 Dental Claims & Fees Expense	5,538.95
34	Rice Lake Weighing Systems	Annual Lab Recertification	535.00
35	Scott Technology Group	Monthly Maintenance on Engineering & Admin Copier & Contract Overage Charge	378.45
36	SWK Technologies, Inc.	IT Support on Accounting Software	50.00
37	Unicorn Group	Annual Reports (7) & Postage for Spring 2023 Novato Waterline (\$4,757)	4,932.50
38	USA BlueBook	Polyurethane Element (2) & Ammonium Hydroxide (STP)	156.94
39	Watkins, Jeff	Exp Reimb: ASE Testing Materials	140.00
40	Winzer Corporation	Hardware for Auto Shop	27.61
41	Wood Rodgers, Inc.	Prog Pymt#6: Gallagher Well #1 Assessment/Rehab (Balance Remaining on Contract \$2,991)	5,627.50
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$660,045.50</u></b>

The foregoing payroll and accounts payable vouchers totaling \$660,045.50 are hereby approved and authorized for payment.


03/28/23  
 \_\_\_\_\_  
 Auditor-Controller Date


3/28/23  
 \_\_\_\_\_  
 General Manager Date



**MEMORANDUM**

To: Board of Directors

April 4, 2023

From: Julie Blue, Auditor-Controller *JB*  
 Nancy Williamson, Accounting Supervisor *NW*

Subj: Auditor-Controller's Monthly Report of Investments for February 2023  
t:\acl\word\invest\23\investment report 0223.doc

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$40,371,481 and a market value of \$39,988,694. During February the cash balance decreased by \$2,161,318. The market value of securities held decreased \$2,118,513 during the month. The total unrestricted cash balance at month end was \$3,789,857 and 105.0% of the Designated Cash Reserves are funded.

At February 28, 2023, 57% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 15% in Time Certificates of Deposit, 25% in a Treasury Note, 2% in the Marin County Treasury, and 1% retained locally for operating purposes. The weighted average maturity of the portfolio was 86 days, the same as at the end of January. The LAIF interest rate for the month was 2.62%, compared to 2.43% the previous month. The weighted average Portfolio rate was 4.15%, compared to 3.93% for the prior month.

Investment Transactions for the month of February are listed below:

2/2/2023	LAIF	US Bank	\$250,000.00	Trsf from LAIF account
2/9/2023	LAIF	US Bank	\$1,000,000.00	Trsf from LAIF account
2/17/2023	US Bank	First Tech FSTTEC CD	\$249,000.00	Purchase 4.85% TCD due 2/18/25
2/17/2023	LAIF	US Bank	\$150,000.00	Trsf from LAIF account
2/23/2023	LAIF	US Bank	\$900,000.00	Trsf from LAIF account

**NORTH MARIN WATER DISTRICT  
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS  
February 28, 2023**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis <sup>1</sup>	2/28/2023 Market Value	Yield <sup>2</sup>	% of Portfolio
<b>LAIF</b>	State of CA Treasury	AA-	Various	Open	\$22,926,177	\$22,499,503	2.62% <sup>3</sup>	<b>57%</b>
<b>Time Certificate of Deposit</b>								
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%
TCD	BMO Harris Bank	n/a	6/10/22	6/10/24	246,000	246,000	2.80%	1%
TCD	GE Credit Union	n/a	6/29/22	6/28/24	249,000	249,000	3.25%	1%
TCD	Beal Bank	n/a	7/13/22	7/10/24	246,000	246,000	3.05%	1%
TCD	Synchrony Bank	n/a	8/5/22	8/5/24	245,000	245,000	3.30%	1%
TCD	Discover Bank	n/a	9/13/22	9/13/24	245,000	245,000	3.40%	1%
TCD	Sharonview Credit Union	n/a	10/17/22	10/17/24	249,000	249,000	4.35%	1%
TCD	Popular Bank	n/a	11/9/22	11/7/24	247,000	247,000	4.75%	1%
TCD	Dannemora Fed Credit Union	n/a	11/10/22	11/10/23	249,000	249,000	4.70%	1%
TCD	Greenwood Credit Union	n/a	11/21/22	11/21/23	248,000	248,000	4.85%	1%
TCD	Alabama Credit Union	n/a	11/22/22	11/22/24	248,000	248,000	4.90%	1%
TCD	Community West Credit Union	n/a	12/19/22	12/19/24	249,000	249,000	4.78%	1%
TCD	Connexus Credit Union	n/a	12/20/22	12/20/23	248,000	248,000	5.00%	1%
TCD	Austin Telco Fed Credit Union	n/a	1/27/23	1/27/25	248,000	248,000	4.90%	1%
TCD	First Tech Fed Credit Union	n/a	2/17/23	2/18/25	249,000	249,000	4.85%	1%
					<b>\$5,948,000</b>	<b>\$5,948,000</b>	<b>2.54%</b>	<b>15%</b>
<b>US Treasury Notes</b>								
Treas	Treasury Note	n/a	12/21/22	5/18/23	\$9,998,765	\$10,042,651	4.47%	25%
<b>Other</b>								
Agency	Marin Co Treasury	AAA	Various	Open	\$1,047,297	\$1,047,297	0.20%	2%
Other	Various	n/a	Various	Open	451,242	451,242	0.10%	1%
<b>TOTAL IN PORTFOLIO</b>					<b>\$40,371,481</b>	<b>\$39,988,694</b>	<b>4.15%</b>	<b>100%</b>

Weighted Average Maturity = **86 Days**

LAIF: State of California Local Agency Investment Fund.

TCD: Time Certificate of Deposit.

Treas: US Treasury Notes with maturity of 5 years or less.

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 February 28, 2023.

<b>Interest Bearing Loans</b>	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Marin Country Club Loan	1/1/18	11/1/47	\$1,265,295	\$1,073,506	1.00%
Marin Municipal Water - AEEP	7/1/14	7/1/32	\$3,600,000	\$1,777,295	2.71%
Employee Housing Loan (1)	3/30/15	3/30/30	250,000	250,000	Contingent
<b>TOTAL INTEREST BEARING LOANS</b>			<b>\$5,115,295</b>	<b>\$3,100,801</b>	

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



**NORTH MARIN  
WATER DISTRICT**

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

PHONE  
415-897-4133

EMAIL  
[info@nmwd.com](mailto:info@nmwd.com)

WEB  
[www.nmwd.com](http://www.nmwd.com)

February 28, 2023

Bureau of Reclamation  
Attn: Ms. Sheri Looper  
Mail Code: MP-400  
2800 Cottage Way  
Sacramento, California 95825

**Re: Marin Water 2023 WaterSMART Brackish Water Desalination Grant Application**

Dear Ms. Looper:

I write to you today to offer my strong support for the application of the Marin Municipal Water District to the Bureau of Reclamation for the 2023 WaterSMART Desalination Planning and Feasibility Funding program for the Petaluma Aquifer Brackish Desalination Feasibility Project.

The Marin Municipal Water District (Marin Water) proposes to investigate the feasibility of brackish desalination in the Petaluma Aquifer in collaboration with the City of Petaluma and other interested regional partners. The project concept was previously identified in a Regional Water Supply Resiliency Study conducted by Sonoma County Water Agency in 2022. We understand funds will be used to perform site selection analysis for facilities, groundwater yield, water quality studies and studies to support the disposal of brine.

The project proposed by Marin Water encapsulates the goals of the WaterSMART funding program, and I thank you for the opportunity to submit a letter of support. Should you have any questions, please contact my office at (415) 897-4133.

Sincerely,

Tony Williams  
General Manager

T:\GM\2023 Misc\MMWD WaterSmart grant\Draft letter to MMWD\_BUR.docx

MARIN MUNICIPAL

# Water bills could increase 20%

## Proposed rate hikes to address financial issues, recent drought

BY WILL HOUSTON

[WHOUSTON@MARINIJ.COM](mailto:WHOUSTON@MARINIJ.COM)

Most Marin Municipal Water District ratepayers could see their water bill costs increase by 20% this summer under a proposed rate plan released this week.

The proposed rate hikes under the four-year plan are significantly larger than those approved in recent decades. District staff and governing board members said the increases are necessary to address several pressing priorities and challenges the utility faces in the aftermath of the recent drought.

These include balancing the utility's finances after a reduction in water sales, saving to secure new sources of water to weather future droughts and addressing a backlog of maintenance for the water supply system.

"We need to make some changes, not just with adjusting for the cost of inflation. That would be so simple in many ways," district board president Monty Schmitt said during a presentation of the rate plan on Tuesday. "We are really addressing a number of different challenges that are facing the resiliency of our district to be able to meet our core mission of providing safe and reliable and affordable water supplies to our community."

"We are really making a really big swipe and a big stride at taking care of a lot of the problems that have existed for a while and not kicking the can down the road," board member Matt Samson said during the meeting.

A public hearing on the rate changes is being scheduled for May. If adopted, the changes would take effect July 1.

Board members and staff said the new rate model encourages conservation. While a median single-family home would have a 20% cost increase on its bimonthly bill during the first year, customers with the lowest water use would see an increase of about 9.6%.

"To be clear for our customers, what we are asking them is to follow the climate," board member Jed Smith said during the meeting. "Climate change is the driver here. And as drought kicks in, use less water and your bills won't go up as much. That's the clear message."

For about half of the district's single-family home accounts, bimonthly bills would increase

by about \$28 during the first year depending on the water use. Customers who use more water could see bimonthly bill charges increase by \$75 or even \$220 for the largest water users. By comparison, customers who consume low volumes of water would only see their bimonthly bills increase by about \$10.

The district plans to put a rate calculator on its website to allow residents to see how their bills would change under the plan.

The first year would have the largest spike in rates, with the increases being comparatively lower in the following three years.

The plan seeks to overhaul several aspects of the rate and fee structure.

The district charges water rates under a four-tiered structure based on a customer's water use. Customers who use more water are bumped into tiers with higher rates. The proposed plan would lower the threshold for when customers are bumped into a rate tier with higher prices, meaning some customers in a lower-rate tier could be bumped into a higher-rate tier beginning this summer.

To make up for reduced water use sales during droughts, the plan would allow the district to add a drought surcharge to rates. The utility also plans to eliminate seasonal rates, which allowed customers to use more water during the summer months when water use is at its peak without being bumped into a higher-rate tier.

Additionally, the district is proposing to lower the proportion of fixed fees ratepayers pay on their bills.

The district will continue to provide discounts to low-income water users.

"Equity and affordability are really critical here," board member Larry Russell said during the meeting. "We need to be very careful that we're thinking about the entire community when we're looking at these kinds of rate increases."

Members of the public who attended the meeting on Tuesday had mixed views on the proposed overhaul.

"I think this is more fair and rewards conservation," said Mimi Willard, president of the Coalition of Sensible Taxpayers, a nonprofit organization.

Larkspur resident James Holmes told the board that the "staggering" rate increase could come as a surprise to many ratepayers, especially as the district has yet to decide which new water supply options it will pursue.

"I can't help but think that many ratepayers confronted with a 10% to 20% or greater increase will think that the board has put the rate increase cart before the supply increase horse," Holmes said.

The district, which serves 191,000 central and southern Marin residents, faces a \$20.7 million deficit in the 2023-2024 fiscal year. Bret Uppendahl, the district finance director,



said the shortfall is the result of several factors, including inflation and a sustained reduction in water sales from the drought.

“We’re not expecting any kind of miracle rebound in our water consumption,” Uppendahl told the board.

With no changes to the rates or rate structure, the deficit would continue to climb each year until it reached nearly \$38 million in 2026-2027, according to staff projections. Under that scenario, the district would need to continue to draw down its emergency reserve fund, which would be depleted in the 2024-2025 fiscal year, Uppendahl said.

“Each year throughout the four-year rate cycle, we’d fall farther behind,” Uppendahl said.

The rates are meant to make up for these losses while also rebuilding the district’s emergency reserve fund, which has about \$24 million. The reserve fund was about \$60 million at the start of the drought in 2020.

After the recent drought put the district at risk of depleting its seven local reservoirs as soon as mid-2022, the district completed a yearlong study of new water supplies. Earlier this month, the district produced a list of supply options to pursue or study in the coming years, including expanding reservoir storage capacity, bolstering conservation programs and installing a brackish desalination plant on the Petaluma River, among other ideas.

Under the four-year plan, the district has targeted funding for projects that could be completed in the near term while saving up for more costly and complicated supply projects in the future.

The initiatives that could be funded under the plan include a \$6.4 million project to connect the Soulajule Reservoir to the electric grid, which would allow the utility to pump water out without generators, as is currently required.

Another \$4.4 million would go to create a permanent connection from the Phoenix Lake reservoir to the nearby Bon Tempe treatment plant. Phoenix Lake is only used during dry periods and requires portable pump stations to transfer water to the treatment plant. The process can take about a month to complete before the water can be drawn.

Other proposed investments include \$6.8 million for conservation programs; \$9.6 million to import more Russian River water as needed, especially during the winter months; reserving \$10 million for future water supply projects; and \$10.9 million to begin studies and predesign of new supply projects.

Responding to board member concerns about committing to these exact dollar figures, Uppendahl said the financial plan does not bind the district to spend this much in each category.

“This does not tie our hands in any way,” Uppendahl said

Additionally, the district proposes to spend \$30 million to address a backlog of maintenance in its water system; \$10.4 million on debt service for larger, critical repair projects; and

\$10.7 million toward installing wireless water meters and associated software. Another \$2 million would go toward reducing fire fuels in the watershed and \$800,000 toward ranger positions, among other investments.

More information about the rate plan can be found at [marinwater.org/2023RateSetting](https://www.marinwater.org/2023RateSetting).



MARIN VOICE

## **MMWD board president outlines actions, rate increase**

For over 110 years, the Marin Municipal Water District has delivered clean, reliable and affordable water to customers.

To maintain this record of service, we must not only increase our resilience to drought and climate change with new water supplies, but also fund the replacement and modernization of aging infrastructure and work to reduce the risk of catastrophic wildfire on our watershed lands.

The MMWD Board of Directors, bolstered by three new members elected last November, is united with dedicated district staff, in partnership with our customers, to forge a path forward to implement the following actions.

On Feb. 28, the district adopted a water supply roadmap based on our strategic water supply assessment pairing immediate and long-term actions to increase our water supplies. Our initial commitment will develop an estimated 3,500 acre-feet of new water by the end of 2025 through several measures:

- Supply permanent power to enable increased water supplies from Soulajule Reservoir.
- Increase yield from Phoenix Lake by building a direct connection to Bon Tempe Treatment Plant.
- Improve management of water supplies and flow releases through better forecasting of storms.
- Optimize water purchases from Sonoma Water.
- Expand conservation investments to increase efficient water use.

Simultaneously, Marin Water will pursue options to achieve longer-term supply goals — this includes exploring the feasibility of groundwater banking and increases to local surface storage, enhancing local water supplies.

Most of our water comes from 22,000 acres of protected lands around Mount Tamalpais and in the hills of West Marin. Rainfall from these watersheds flows into seven reservoirs before being treated and delivered to customers' taps.

To safeguard this precious resource, Marin Water is expanding efforts to reduce the risk of catastrophic wildfire, manage recreational use of our lands and protect the ecological health of our watersheds.

Our infrastructure enables us to provide clean drinking water to your taps. But years of focus on keeping costs down has led to a significant backlog of maintenance on this aging system, where some elements are nearing 100 years of use. When old cast iron pipes break, it disrupts service and repairs are more costly. To ensure the reliability of our system to deliver water now and for future generations, we are implementing a program of ongoing, steady long-term investment in our infrastructure.

Foundational to a future with continued reliable water is a sustainable financial plan to create new water supplies, keep our system in a state of good repair, and protect the watersheds that provide our water.

Achieving these critical initiatives requires targeted, forward-thinking investments. That is why as part of our current rate-setting process Marin Water is proposing a strategic rate increase.

In doing so, Marin Water will fund long-term water supply goals while also prioritizing financial sustainability amid reduced water sales driven by drought and impacts tied to record inflation and increasing costs that we are all experiencing at the grocery store.

We know any rate increase may feel impactful for some customers, but we also know continuing to kick the can down the road undermines our water system's resilience and unfairly saddles future generations with escalating costs.

Marin Water will also continue to provide one of the best low-income bill assistance programs in the Bay Area to maintain affordability for ratepayers most in need. Through the rate-setting process, we are also proposing to restructure our tiered rates in a way that allows customers greater control over their water bills.

Marin Water is moving past planning and is ready to implement these actions and set the District on a path toward a resilient future.

This work must be collaborative, among Marin Water leaders and you, our community of customers. We all ask for your engagement and support.

*Monty Schmitt is president of the Marin Municipal Water District Board of Directors. He represents San Rafael's District 2. For more information about the programs and initiatives referenced, go to [marinwater.org](http://marinwater.org).*

EPA PROPOSAL

# Drinking water protection limits ‘forever chemicals’

Marin officials have found no detections in supply



The Bon Tempe water treatment plant sits on Mount Tamalpais in Fairfax. The Environmental Protection Agency has proposed lowering the level of toxic chemicals in drinking water. PHOTOS BY ALAN DEP — MARIN INDEPENDENT JOURNAL, FILE





Water flows into a tank at the Bon Tempe water treatment plant in Fairfax.

BY MICHAEL PHILLIS AND MATTHEW DALY

THE ASSOCIATED PRESS

WASHINGTON >> The Environmental Protection Agency has proposed the first federal limits on harmful “forever chemicals” in drinking water, a long-awaited protection the agency said will save thousands of lives and prevent serious illnesses, including cancer.

The plan would limit toxic PFAS chemicals to the lowest level that tests can detect. PFAS, or per- and polyfluorinated substances, are a group of compounds that are widespread, dangerous and expensive to remove from water. They don’t degrade in the environment and are linked to a broad range of health issues, including low birthweight and kidney cancer.

“The science is clear that long-term exposure to PFAS is linked to significant health risks,” Radhika Fox, assistant EPA administrator for water, said in an interview.

Marin County’s main water suppliers say past tests they have conducted have not detected PFAS in both local reservoir storage and water imports from the Russian River. The Marin Municipal Water District conducted PFAS tests in 2020 as well as 2013-2014 and found no detections. The North Marin Water District, which serves the greater Novato area and parts of western Marin, conducted tests in 2014-2015 and found no detection.

“The sources of PFAS are usually industrial sources that contaminate groundwater or

surface water,” said Lucy Croy, water quality manager at the Marin Municipal Water District. “We’re fortunate to have what we call pristine water from our watershed in Mount Tamalpais, Nicasio and West Marin as well as the Russian River. All of those watersheds, when you look across the country, are very pristine compared to other areas where you could have more contamination from industrial sites.”

Both water districts are set to begin testing for PFAS again under a separate EPA program, which they said could help inform ongoing testing requirements under the proposed new rule.

“I can’t see us having any significant detections or the presence of these chemicals in any amount that would be of concern,” said Pablo Ramudo, water quality supervisor with the North Marin Water District.

Croy said the utility expects the new rule will require testing for PFAS every year. Conducting these tests should not come as a significant cost to either water agency unless PFAS is detected, which will impose new treatments to remove it.

Tony Williams, general manager of the North Marin Water District, said the new rules seem to place the burden on water users and suppliers rather than companies that manufacture these chemicals.

“We would like to see more federal regulations or legislative actions that address the manufacturer of these chemicals as opposed to allowing them in the marketplace and making water and wastewater agencies deal with them,” Williams said.

Fox called the federal proposal a “transformational change” for improving the safety of drinking water in the United States. The agency estimates the rule could reduce PFAS exposure for nearly 100 million Americans, decreasing rates of cancer, heart attacks and birth complications.

The chemicals had been used since the 1940s in consumer products and industry, including in nonstick pans, food packaging and firefighting foam. Their use is mostly phased out in the U.S., but some still remain.

The proposal would set strict limits of 4 parts per trillion, the lowest level that can be reliably measured, for two common types of PFAS compounds called PFOA and PFOS. In addition, the EPA wants to regulate the combined amount of four other types of PFAS. Water providers will have to monitor for PFAS.

The public will have a chance to comment, and the agency can make changes before issuing a final rule, expected by the end of the year.

The Association of State Drinking Water Administrators called the proposal “a step in the right direction” but said compliance will be challenging. Despite available federal money, “significant rate increases will be required for most of the systems” that must remove PFAS, the group said Tuesday.

Environmental and public health advocates have called for federal regulation of PFAS

chemicals for years. Over the last decade, the EPA has repeatedly strengthened its protective, voluntary health thresholds for the chemicals but has not imposed mandatory limits on water providers.

Public concern has increased in recent years as testing reveals PFAS chemicals in a growing list of communities that are often near manufacturing plants or Air Force bases.

Until now, only a handful of states have issued PFAS regulations, and none has set limits as strict as what the EPA is proposing. By regulating PFOA and PFOS at the minimum amounts that tests can detect, the EPA is proposing the tightest possible standards that are technically feasible, experts said.

“This is a really historic moment,” said Melanie Benesh, vice president of government affairs at the Environmental Working Group. “There are many communities that have had PFAS in their water for decades who have been waiting for a long time for this announcement to come out.”

The agency said its proposal will protect everyone, including vulnerable communities, and reduce illness on a massive scale. The EPA wants water providers to do testing, notify the public when PFAS are found and remove the compounds when levels are too high.

Utilities that have high levels of a contaminant are typically given time to fix problems, but they could face fines or loss of federal grants if problems persist.

The American Chemistry Council, which represents large chemical companies, slammed EPA’s “misguided approach” and said, “these low limits will likely result in billions of dollars in compliance costs.”

In a statement Tuesday, the group said it has “serious concerns with the underlying science used to develop” the proposed rule, adding: “It’s critical that EPA gets the science right.”

The proposal would also regulate other types of PFAS such as GenX Chemicals, which manufacturers used as a substitute when PFOA and PFOS were phased out of consumer products. The proposal would regulate the cumulative health threat of those compounds and mandate treatment if that threat is too high.

“Communities across this country have suffered far too long from the ever-present threat of PFAS pollution,” EPA Administrator Michael Regan said. The EPA’s proposal could prevent tens of thousands of PFAS-related illnesses, he said, and stands as a “major step toward safeguarding all our communities from these dangerous contaminants.”

Emily Donovan, co-founder of Clean Cape Fear, which advocates for cleaning up a PFAS-contaminated stretch of North Carolina, said it was important to make those who released the compounds into the environment pay cleanup costs.

The EPA recently made \$2 billion available to states to get rid of contaminants such as PFAS and will release billions more in coming years. The agency also is providing technical support to smaller communities that will soon be forced to install treatments systems, and there’s funding in the 2021 infrastructure law for water system upgrades.

Still, it will be expensive for utilities to install new equipment, and the burden will be especially tough for small towns with fewer resources.

“This is a problem that has been handed over to utilities through no fault of their own,” said Sri Vedachalam, director of water equity and climate resilience at Environmental Consulting & Technology Inc.

Many communities will need to balance the new PFAS requirements with removing poisonous lead pipes and replacing aged water mains prone to rupturing, Vedachalam said.

Fox said there “isn’t a one-size answer” to how communities will prioritize their needs but said billions of dollars in federal resources are available for water improvements.

With federal help, water providers that serve metropolitan areas should be able to spread out costs in a way “no one will notice,” said Scott Faber, senior vice president of government affairs at the Environmental Working Group, an advocacy organization that works to get toxic chemicals out of food, water, clothing and other items.

Several states have already imposed PFAS drinking water limits. Officials in Michigan, which has the tightest standards of any state, said costs to remove PFAS in communities where it was found were reasonable.

Erik Olson of the Natural Resources Defense Council called the EPA proposal crucial to protect public health. “Setting strong standards will help ensure the fundamental right of every family to have safe water flowing from their kitchen tap,” he said.

*Independent Journal reporter Will Houston contributed to this report.*

REDWOOD BOULEVARD

# Novato slide triggered by storm threatens water and gas lines

BY GIUSEPPE RICAPITO AND WILL HOUSTON

MARIN INDEPENDENT JOURNAL

Marin picked up the pieces after another powerful storm slammed into Marin, triggering a mudslide in Novato that threatened water and gas lines that distribute throughout the county.

The Tuesday night landslide destroyed a section of Redwood Boulevard north of the city that runs adjacent to Highway 101. The slide caused a large segment of the road to buckle, blocking access to Olompali State Park and bending a PG&E power pole.

The “bomb cyclone” storm that ripped through the county on Tuesday resulted in downed trees into homes and widespread outages that left areas of Woodacre and Sausalito especially hard hit. The swirling low pressure system deepened quickly, increasing wind speed. Tuesday broke the all-time record for the lowest barometric pressure ever recorded in March at San Francisco International Airport.

The rare event killed three people in the Bay Area. Falling trees killed a homeless man in Oakland near Lake Merritt, an elderly man sitting in a car in the Walnut Creek community of Rossmoor, and a man driving a truck in Portola Valley.

Dial Hoang, a meteorologist with the National Weather Service, said in the 48-hour period ending at 5 p.m. on Wednesday, some parts of the county received nearly two and a half inches of rain.

San Rafael received 1.66 inches; Mount Tamalpais received 2.40 inches; Novato received 2.41 inches; Mill Valley received 1.98 inches; Point Reyes Station received 1.71 inches and Kentfield received 2.09 inches.

High wind speeds topped out at 68 mph on Wolfback Ridge; 58 mph near Nicasio; 55 mph near Woodacre; 51 mph near Marinwood; 53 mph near Novato and 45 mph near Point Reyes Station. Flooding was also reported adjacent to the Highway 1 and Highway 101 interchange near Mill Valley, Hoang said.

Jeff Whittet, a battalion chief with the Novato Fire District, said the slide was first reported at 7:25 p.m.

Between 75 and 100 feet of a nearby hillside fell 20 feet down the hill, severely damaging Redwood Boulevard near Buck Center Drive in Novato. The slide buckled the asphalt and



undermined the road with liquid and mud, rendering the road impassable. The slide also displaced a power pole, leaving about 150 customers without power.

Whittet said the power was back on as of Wednesday afternoon. Officials, including a 24-hour security team, remain at the site, which is closed to the public. There is no loss of services at this time, he said, though officials are still evaluating the impacts to water and gas lines.

Megan McFarland, a spokesperson for PG&E, said two underground gas transmission lines were affected by the slide. One was exposed at the top of the mudslide and one is buried in the slide.

PG&E cannot visually assess the second buried pipeline and has reduced operating pressure on it.

“Safety remains our first responsibility,” she said. “We immediately dispatched a PG&E crew to the scene, notified local first responders and worked together to assess the situation and make the area safe. At this time, we have identified no risk to the general public and do not anticipate a disruption to gas service.”

The landslide also occurred near the main aqueduct pipeline that transports Russian River water to Marin County’s two largest water suppliers, Marin Municipal Water District and North Marin Water District.

Marin County fire Battalion Chief Todd Overshiner said the gas lines feed all of Marin County.

Overshiner said county emergency and fire officials were required to shut down one of the gas lines.

“If they had to shut down both they will have to shut down gas to all of Marin County,” he said. “As far as I know, they have not had to go to that extreme.”

North Marin Water District General Manager Tony Williams said the slide did not damage the water pipeline, but that the pipe has been shut off as a precaution.

“In case the slide got worse or was to move and destroy the pipe we didn’t want thousands and thousands of gallons of water gushing into Highway 101,” Williams said.

Williams said there is currently no estimate on when the pipeline will be turned back on. The district is waiting to begin any work until PG&E clears a PG&E power pole that was bent as a result of the slide. Williams said they’re hoping the county will begin coordinating with PG&E and Caltrans.

“We’re good in the short term but there would be other factors where we would need to turn that back on,” Williams said.

Marin Municipal Water District communications director Adriane Mertens said the agencies will be shutting down its Ignacio treatment plant, Ignacio boosters and the North Redwood pumps for at least the next week.

“The district has also deployed mobile generators to pump stations that could be impacted by temporary power shutdowns,” Mertens wrote in an email. “Marin Water is actively working to finalize temporary operations plans, which will likely include greater reliance on the San Geronimo Water Treatment Plant in San Rafael.”

Elsewhere in the county, Overshiner said there were reports of downed trees and power lines, including on San Geronimo Valley Road in Woodacre.

Ross Valley fire Battalion Chief Gavin Illingworth said a new mudslide was reported on Bolinas Road. The slide added to a slide that had occurred from a previous storm, he said.

Illingworth also said there were new reports of trees down on Cascade Drive and Buena Vista Drive in Fairfax.

In Southern Marin, Battalion Chief Doug Paterson said the department was fielding reports of downed trees, but said the day was “moderately quiet” compared to Tuesday.

Forecasters said dry weather is expected Thursday through Sunday, with another storm system possible next Monday.

“Things will dry out,” said Alexis Clouser, a meteorologist with the National Weather Service. “Enjoy it.”

*Bay Area News Group contributed to this report.*

NOVATO

## Slide stabilizes, but significant work remains

BY WILL HOUSTON

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A mudslide that severely damaged a Novato road and threatened utility lines along Highway 101 has stabilized, and work is underway to prepare for another potential storm next week, officials said Thursday.

“The hillside is not actively sloughing,” said Battalion Chief Jeff Whittet of the Novato Fire Protection District. “It has significantly slowed but there is still movement because the ground is very saturated with all of the rain.”

The incident Tuesday evening caused about 75 to 100 feet of a hillside to fall 20 feet. The slide caused significant damage to a 100-foot section of Redwood Boulevard near Buck Center Drive and has blocked access to Olompali State Historic Park indefinitely.

“If you’ve ever seen photos of Loma Prieta earthquake, it really does look like that,” Whittet said of the road damage.

Whittet said there is no damage estimate or estimated time of repair. The county says there is no threat to nearby residents or to Highway 101.

Work to stabilize the area further and divert rainfall from the site might begin on Friday, Whittet said.

Utilities said they do not anticipate disruption to electrical, gas or water service because of the slide.

The mudslide threatened two underground Pacific Gas & Electric Co. gas lines and moved PG&E power poles and transmission lines. The gas lines at the site serve 93,000 residents.

One gas line was exposed in the slide while the other was buried, according to PG&E spokesperson Megan McFarland. Both gas lines were undamaged and no leaks were detected, Whittet said.

PG&E reduced pressure on the buried gas line but is still able to serve all its customers without disruption using the single gas line, McFarland said. Electrical lines in the area were turned off and power was diverted to other lines without interruption to service.

A pipeline transporting Russian River water to Marin suppliers was also undamaged by the slide, but it remains shut off in case of further movement.

The North Marin Water District receives about 75% of its water supply from the Russian River for nearly 60,000 residents in the greater Novato area. Until the pipeline can be turned back on or an interim transmission line set up, the agency will use water from its reservoir at Stafford Lake. The lake holds about 25% of the district's supply and is usually used during the warmer months when water consumption peaks.

Tony Williams, general manager of the North Marin Water District, said using Stafford Lake is only a short-term solution.

The county's largest water supplier, the Marin Municipal Water District, receives about 25% of its supply from the pipeline and the rest from its reservoirs. Crystal Yezman, the district engineering director, said the utility has ample supply from the winter storms to serve its 191,000 customers in central and southern Marin. The district's reservoirs hold about a two-year supply of water.

"We're a lot better off than North Marin, I'd say," Yezman said.

The Novato mudslide is the second this week that threatened a major Marin Municipal Water District water line.

On Monday, the district was informed that a January mudslide along a fire road in the Loma Alta Preserve had moved after the weekend rainfall. The slide at the intersection of the Old Railroad Grade Fire Road and Gun Sight Fire Road near Fairfax was near the main water transmission line that serves San Rafael, San Anselmo, Fairfax, Corte Madera and Larkspur.

Yezman said the pipe is uphill from the slide and not at risk. The district is collaborating with the county parks department to design a long-term repair of the site, which might include a retaining wall, she said.

"It's still far enough away from our pipeline that we're not concerned about the pipeline," she said. "They went out and retarped everything. It looks very stable."

The estimated cost of the long-term repair project is about \$400,000. The project is eligible for reimbursement from the Federal Emergency Management Agency, Yezman said.

**\$200,000 REQUEST**

## **MMWD seeks desalination grant**

Funds would be used to study plant on Petaluma River



The estimated yield from the desalination plant would be comparable to adding a second Bon Tempe reservoir.

**BY WILL HOUSTON**

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Marin Municipal Water District is seeking a \$200,000 federal grant to study the possibility of building a brackish water desalination plant on the Petaluma River.

The district's board voted 4-0 on Tuesday, with Jed Smith abstaining, to retroactively authorize an application to the U.S. Bureau of Reclamation for the study. The district submitted the grant application in late February.

While the district has studied a desalination plant on San Francisco Bay in the past, officials said a plant in brackish water on the Petaluma River is a newer concept that has not been examined.

“There is not a lot of real data,” Paul Sellier, the district water resources director, told the board on Tuesday. “And we need to get that data so we can present information to you so that can make an informed decision one way or another.”

The grant application is one of several actions the district is taking in its exploration of new water supplies to weather future droughts. Earlier this month, the board approved a “roadmap” of potential projects it could pursue, including expanding reservoir storage, desalination, increasing conservation incentives and maximizing imports from the Russian River.

The list resulted from a nearly yearlong study that began during the recent drought, when the district and the 191,000 residents it serves faced the possibility of depleting local reservoir supplies as early as mid-2022.

Unlike previous tests of desalination of bay water near San Rafael, the Petaluma River plant would be located in shallow, brackish water south of Petaluma. District staff said treating brackish water would require less energy, would reduce costs and produce less brine waste as a result of the lower salt concentration compared to bay water.

The district study estimated the project could cost \$122 million to nearly \$194 million to construct and produce about 5,325 acre-feet of water per year for the district at a cost of \$1,800 to \$2,900 per acre-foot.

For comparison, the district’s seven reservoirs hold about 80,000 acre-feet of water, which is about a two-year supply. The cost to treat reservoir water ranges from roughly \$300 to \$450 per acre-foot.

The estimated yield from the desalination plant would be comparable to adding a second Bon Tempe Reservoir, which is the district’s fifth-largest reservoir and can store about 4,000 acre-feet of water.

Ben Horenstein, the district general manager, said there is still a “fair amount of uncertainty” about the potential water yield and brine discharge of such a facility, which the study would seek to address.

The estimates assume that the district would share the plant with the North Marin Water District, which serves the greater Novato area.

The federal grant application has received support from Petaluma and the North Marin Water District. The grant would require the Marin Municipal Water District to make a matching contribution of \$200,000, which would need to be approved by the board.

Past efforts by the district to explore desalination have been controversial among ratepayers. The efforts led to litigation and the passage of a voter initiative in 2010 requiring ratepayer

approval before such a plant would be allowed to be built. The proposed study would not require voter approval, according to the district.

Concerns raised about desalination include its significant costs, its energy requirements and the environmental effects of brine waste. Supporters state it would provide a reliable source of supply during droughts. The water district tested desalination twice in the past 30 years, using pilot plants on the bay in 1990 and from 2005 to 2007, but shelved the idea in both cases.

Smith abstained from Tuesday's vote based on staff noticing and procedural concerns about the grant proposal.

"My abstention from the vote did not lean into the merit of wanting to understand this more," Smith said during the meeting.

Staff told the board that it had been eyeing the grant since January and had already submitted an application in February. Smith said he and some other board members were only notified about the details of the grant shortly before the meeting Tuesday.

"I feel like we've had a lot of pushback from our community about study after study that we just approve, and this one we haven't even actually reviewed and it's been on the desk for two months," Smith said.

Horenstein said the board gave direction to pursue all grant opportunities, but that the board does not need to accept the grants if awarded or approve any matching funds.

While recognizing Smith's concerns about the noticing, other board members supported the grant application.

"None of the items that are on the roadmap are going to move forward without additional studies," Ranjiv Khush said.

"This is the kind of work we need to do," Matt Samson said, "and if we can get someone else to help us contribute to that, it allows us to spend our money in other ways exploring other options."

In addition to the desalination project, the district has submitted an application for \$1 million to the U.S. Environmental Protection Agency to expand wireless meter installation to 2,000 homes in disadvantaged communities. About 5,000 wireless meters have been installed in the district's service area in central and southern Marin. The meters allow ratepayers and the district to see water use data immediately.



**EDITORIAL**

# Show how rate hike will help water supply

The Marin Municipal Water District's directors are on a political hot seat.

They are considering a four-year plan of raising rates, possibly as much as 20% for most customers, to right MMWD's fiscal ship and pay for expanding the district's storage capacity and make needed repairs.

A 20% increase is tough to swallow at any time, but the timing of the proposed increase is also frustrating.

After several years of drought, including the 2022 threat that the district could run out of water, MMWD customers have been conserving water.

Historically, that creates an economic equation that also means a significant drop in MMWD's revenues.

The less water we use, the less we pay to MMWD, leaving the district in a budgetary bind of having less cash to cover its operational costs and to pay for longterm repairs and improvements.

That leaves many ratepayers understandably feeling that they are paying more for using less water.

On top of that, in recent years, the district has included fees to watershed maintenance and capital upkeep to ratepayer charges.

The threat that the district might run out of water fueled voters in November to elect three new directors.

They are trying to lift the district out of its budgetary dilemma while at the same time fulfilling voters' hope that the district will be in a stronger position to weather the next drought.

Recent rains bought them some valuable time in terms of bolstering the district's storage capacity, but it's not lifting the district out of its budgetary dilemma.

MMWD officials don't expect the wet winter and spring to dampen customers' conservation ways.

Directors have also made a point of emphasizing that the district needs to get its budget and its system, from water sources to delivery, right with the ongoing challenges of climate change.

As board president Monty Schmitt put it, the district needs to build a strategy for "resiliency."



The district also needs to make a case to its ratepayers, clearly detailing how the increased revenue will be spent toward that goal; that such a significant increase will make a significant difference in making the district's water supply more resilient.

That includes making improvements and repairs that are needed, but in past years have been postponed, and increasing the district's supply to avoid another 2021 close call.

No one really expected that increasing the district's supply and storage capacity would be cheap. That investment would surely affect rates.

The district is also proposing instituting a drought surcharge, bumping up rates to make up for reduced water sales during prolonged dry periods.

The overall size of the increase, however, is jolting.

By conserving more, ratepayers can still qualify for lower tiers and see less of an increase — less than 10%.

Three new directors were elected to put the district on a new path, one away from the cycle where customers were routinely told to reduce their water consumption and then saw their rates and bills rise.

Given the size and timing of the proposed increase, directors need to show, in promise and in action, that this plan will make a significant difference, one that's in line with the change voters called for in November.

WEATHER OUTLOOK

# Marin drenched again, but no serious damage

One more day of rain likely before break from storms



Traffic heads up the Waldo Grade on Highway 101 in Sausalito during the storm Tuesday. PHOTOS BY SHERRY LAVARS — MARIN INDEPENDENT JOURNAL





Students keep dry under umbrellas in Mill Valley on Tuesday.

BY GIUSEPPE RICAPITO

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Marin County avoided serious damage Tuesday as yet another storm passed over the county, officials said.

As of about 5 p.m. Tuesday, the storm had delivered 2.01 inches in Fairfax and 1.90 inches on Mount Tamalpais, according to the National Weather Service. Other rain totals included 1.89 inches in Point Reyes Station, 1.38 inches in San Rafael, 0.98 inches in Mill Valley and 0.90 inches in Novato.

More rain is expected today. Thunderstorms are possible, said Sarah McCorkle, a meteorologist with the National Weather Service.

“The rain isn’t over,” she said Tuesday afternoon. “The tail end of the system is right now offshore of Northern California.”

The system could bring an additional half an inch to an inch of rain through Wednesday morning, McCorkle said.

Wind speeds reached 73 mph near Big Rock Ridge, 62 mph near Wolfback Ridge in Sausalito and 49 mph winds in the Marinwood area, McCorkle said. Most wind speeds have been between 25 to 30 mph.

In Novato, geotechnical experts from various agencies monitored the site of a mudslide near Mount Burdell for further erosion Tuesday, said Laine Hendricks, a county spokesperson. The slide last week severely damaged a 100-foot section of Redwood

Boulevard near Buck Center Drive.

Hendricks said there was some minor rain runoff at the site, but no damage or additional landslides.

The mudslide threatened two underground Pacific Gas & Electric Co. gas lines and moved power poles and transmission lines. The gas lines at the site serve 93,000 residents.

Denny Boyles, a PG&E spokesperson, said a bypass gas line was installed and tested overnight. It became operational at 3:30 a.m.

Boyles said it was installed to ensure the safe flow of gas during the current storm.

“This is a temporary solution due to the landslide,” Boyles said. “Following the storm and when the area is safe, a permanent replacement will be designed and installed that will avoid the landslide.”

Elsewhere in the county Tuesday, several roads were closed because of the storm, said Battalion Chief Todd Overshiner of the Marin County Fire Department.

On Mount Tamalpais, East Ridgecrest Boulevard and West Ridgecrest Boulevard will be closed into today, Overshiner said. In western Marin, Bear Valley Road in the Point Reyes Station area was closed because of flooding, and a fallen fir tree closed lower Conifer Way and Park Street in Woodacre, he said.

California Highway Patrol Officer Darrel Horner reported some spinouts due to wet weather but no crashes with injuries.

McCorkle said the storm might not be the end of rainy season, with more precipitation possible early next week. Dry weather and high temperatures in the mid to upper 50s are forecast from this evening through the weekend, she said.

Meanwhile, after a dozen previous atmospheric rivers and blizzards fueled by arctic air, the water content of California’s Sierra Nevada snowpack is more than double normal overall, and nearly triple in the southern Sierra.

Damage since the onslaught began in late December includes buildings crushed by snow, flooding of communities and farm fields and homes threatened by landslides.

Crews on Monday tore down a historic pier in Santa Cruz County that was in danger of collapse. The 500-foot-long wooden pier at Seacliff State Beach was severely damaged by big surf in January. Built in 1930, the pier connected the beach to SS Palo Alto, a grounded World War I-era steamship known as the “cement ship.”

On the positive side, the storms have brought much-needed water. The state’s two largest reservoirs, Shasta and Oroville, have risen above their historical averages to date after being significantly depleted.

Cities and farmers that rely on the Central Valley Project, the federally managed water system, got a big boost in their allocations Tuesday.

BUDGET WOES

## Novato looks at financial overhaul

Debits increasing; reserves in danger

BY WILL HOUSTON

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As Novato faces a nearly \$2 million budget deficit this year and continued shortfalls in years to come, the City Council is considering creating a plan aimed at balancing the city's finances into the future.

The council voted unanimously on Tuesday to direct city staff to develop an outline of the costs, timelines and potential workload needed to begin creating the fiscal sustainability plan.

Councilman Tim O'Connor, who served on the city's citizens finance advisory committee before his appointment to the council this year, proposed the plan this month.

"Ultimately, we have a significant structural deficit," O'Connor said. "We don't have a plan to address it and we're running out of time. Our reserves are going to be fully expended within the next three to five years, I would estimate."

O'Connor said some options for the plan could include hiring a consultant to do a deep dive into department staffing, workload and structure; a review of city-owned property; and creating long-term financial models based on various staffing and expense scenarios, among other items.

The latest budget projects show the city faces a nearly \$1.8 million deficit at the end of the fiscal year on June 30, according to city Administrative Services Director Amy Cunningham. This is an increase from the estimated \$1.6 million deficit estimated when the budget was adopted last year.

"I'm actually kind of surprised it's not higher than this," Cunningham said of the new deficit figure during a council budget discussion earlier this month.

Since the start of the coronavirus pandemic, the city has been able to cover its budget shortfalls using federal stimulus dollars, most recently through the \$1 trillion American Rescue Plan Act passed in 2021, and one-time city funds from property sales, development and agreements.

City officials say Novato has faced an ongoing budget shortfall for several years in the face of rising expenses. Utility rate increases, liability insurance hikes and city payments toward its unfunded liabilities with the state pension program, CalPERS, accounted for \$1.7 million in increased expenses in the city's current budget.

The city's liability insurance costs were budgeted to increase by 56%, or about \$802,000, this year while pension liability payments, set by the state, were set to increase by 17%, or \$728,000.

Additionally, the city lost about \$1.2 million in annual tax revenue beginning in 2021. The revenue was from a voter-approved half-percent sales tax measure that was in effect from 2010 to 2016. Voters replaced the tax measure with a quarter-percent sales tax in 2016.

Without more ongoing revenue or reduced spending, the city will continue to face growing deficits that will require the city to tap into its emergency reserve funds.

The city previously completed a fiscal sustainability plan in 2014 as it was emerging from the impacts of the Great Recession.

Councilwoman Pat Eklund raised concerns about the possibility of creating a new plan given that the 2014 plan took two years to complete.

She said the city still has not completed audits for past fiscal years as a result of previous city administrative management, which she said needs to be the priority of the city's financial staff.

"Rather than redoing the fiscal sustainability plan, why don't we ask what it would take to update the existing one that we have and just focus on that?" Eklund said to O'Connor during the meeting Tuesday. "You have so many items in your proposal that is attached to the agenda that it's confusing, and I think we need to take it slow because I will not support this effort at all if it's going to adversely impact our audits being completed."

O'Connor said his request was only to have staff return with a general overview of the workload and costs that might come with drafting a new plan. However, he said that a new plan will likely be needed, but should not take two years to draft given the pressing financial strains the city is already experiencing.

"The plan is 10 years old. It's obsolete," O'Connor told Eklund.

Mayor Susan Wernick, Mayor Pro Tem Mark Milberg and Councilwoman Rachel Farac supported the concept of a new financial plan.

"It could be a blueprint for balancing the budget," Wernick said.

The council directed staff to return with its overview of the financial plan before the end of May.



### Mudslide buckles road in Novato

Aside from tree falls all over Marin – some of them landing on houses and causing power outages – the most visible sign of the massive line of winter storms to hit Marin County is the dangerous mudslide that developed last week above Redwood Boulevard, just west of Gness Field.

That came in the teeth of the 12th atmospheric river-fueled storm to hit the county. A 13th was expected to hit Marin this week. It is expected to bring powerful winds and another round of heavy rain.

That has first responders and county disaster responders actively monitoring the mudslide. While the movement slowed last week, the 13th storm could activate movement again.

The earth began to slough on Tuesday evening (March 21) on a slope that is state property within unincorporated Marin and Novato Fire District.

The slip caused significant erosion on the hill side, uncovering one of two PG& E gas main lines and possibly creating pressure on a North Marin Water District aqueduct that runs from Sonoma County to Marin. No gas line or waterline breach has occurred to date. No observable movement has occurred since Tuesday night and there is no immediate threat to residents.

PG& E and North Marin Water were on scene assessing options to stabilize the hill and prevent further slip to protect infrastructure. PG& E also de-pressured lines out of an abundance of caution. In addition, the slide moved a significant amount of water and mud in the immediate area and caused parts of the road below to buckle and break between an approximate 100-foot stretch of road. That portion of the frontage road, which runs adjacent to Highway 101 Southbound, will remain closed until further notice. While authorities said there was no threat to Highway 101, the highway was closed last weekend as PG& E did work on their lines.

There are no residential structures in the immediate area. Current conditions do not warrant evacuation of the broader area.

Marin County Office of Emergency Management will continue to coordinate with PG& E to gather updated information about the incident and any change in conditions that may threaten the safety of residents. If conditions change, the Office of Emergency Management will send emergency alerts via AlertMarin.

In the meanwhile, the U.S. Small Business Administration added Marin County to its list of disaster- stricken counties eligible to apply for personal and business loans. That means that some Marin residents and businesses now qualify for aid if the storms that began on Dec. 27 causes financial losses.



This is the scene at the Novato mudslide in the area of Olompali State Historic Park.

PHOTO BY NOVATO FIRE DISTRICT



Another view of the road that has buckled. Highway 101, below this road, was closed last weekend as PG& E did work on their lines.

PHOTO BY NOVATO FIRE DISTRICT

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# Potter Valley Project: Russian River Water Forum forms to advise on decommissioning, Scott Dam spillway to remain open

By Kate Fishman |



*Spillway gates will remain open in the spring indefinitely at Scott Dam due to risk of seismic activity, amid the uncertain future of the Potter Valley Project. (Kyle Schwartz/CalTrout)*

MENDOCINO Co, CA, 3/26/23 — Pacific Gas and Electric (PG&E) is about eight months into a 30-month planning timeline for the license surrender of the Potter Valley Project, a system of dams and hydroelectric power that has diverted water from the Eel River to the Russian River since 1908 and made a lasting mark on the region's productivity, environment, and lifeways. But the way forward is uncertain. In 2025, PG&E could decide that one or both of the project's dams will be removed, the project could continue to run under a new license operator, or one of myriad options in between.

Further, a variety of factors complicating the already controversial project have emerged — and last week, PG&E announced that the spillway gates at Scott Dam will remain open this spring and in future years due to the potential for seismic activity in the area. This will mean less water storage in Lake Pillsbury, complicating the usual systems of water flow ahead of any infrastructure changes at the dams.

Also last week, a new working group under the name of the Russian River Water Forum has been formed by local water leaders to explore ways forward for the project and to negotiate with PG&E. This new group could be viewed as a second coming of the Two-Basin Partnership, a now-dissolved initiative to form a regional entity to take over the license from PG&E that was led by Representative Jared Huffman.

The summer's news also remains a factor in the project's future. After PG&E announced its decision not to renew its 50-year license from the Federal Energy Regulatory Commission (FERC), taking up an interim annual license for the duration of the project decommissioning, the National Marine Fisheries Service (NMFS) wrote to FERC saying that project operations were negatively impacting salmon and steelhead survival to an extent not permitted under the Endangered Species Act (ESA). In response, multiple local fish and fisheries advocacy groups sued FERC over unauthorized "take" of (or harm to) endangered fish.

Whole landscapes and communities of Northern California have been defined and changed by the Potter Valley Project. As rancher Frost Pauli told The Mendocino Voice, his family moved to Potter Valley in the 1920s "as a direct result of water being available there for agriculture — and we've been farming there ever since."

"It's much bigger than a single project or a single piece of infrastructure," Frost Pauli reflected. "It's a regional issue that affects six different counties, hundreds of thousands of people, thousands of acres of land, and of course, two huge river systems and the environment in those river systems. ... [Resolution] is going to be a marathon, not a sprint."

## **Scott Dam news: the tension between infrastructure and water supply**

New analyses have forecast that Scott Dam, the project's diversion mechanism at Lake Pillsbury, is threatened by possible seismic activity, the impacts of which could be exacerbated by greater water storage. Keeping the spillway gates open is a decision made "in the interest of community safety," due to new information as the capacity to study earthquake potential continues to advance.

"While risks to the dam remain very low, by reducing water levels in the reservoir we can mitigate against risk," said Jan Nimick, vice president of Power Generation at PG&E. "Storing less water in the reservoir (a 26% reduction compared to a full reservoir) lowers the water load on the dam, thereby significantly reducing the risk during or after a seismic event."

More water will likely flow in the Eel River this spring, but less water will be stored in Lake Pillsbury for summer and fall water releases that support cold water fisheries below Scott Dam, Russian River agricultural interests, and recreation on the lake. According to PG&E's release, the flow to the Russian River — which the utility plans to apply for a variance from FERC to decrease — will probably mimic drought-stricken summers such as 2020 and 2021, despite our dramatic rain and snowfall this year.

"Today's announcement from PG&E makes it clear that maintaining the status quo for the Potter Valley Project is no longer an option," fisheries advocacy nonprofit California

Trout said in a statement. “We continue to encourage Russian River water users that have benefited from Eel River water diversions for the past century to plan for a future without those diversions, or to explore options for an ecologically sound, dam-free diversion facility.”

Janet Pauli, who has served on the Potter Valley Irrigation District Board of Directors since 1988 and represented the district at the Mendocino County Inland Water and Power Commission (IWPC) since 1996, said the IWPC will likely be involved in the variance request proceedings as well as looking to longer-term solutions to compensate for water storage at Lake Pillsbury.

“It’s a very serious concern, and something that we actually hadn’t anticipated at this point in time,” she said.

Elizabeth Salomone, general manager of the Russian River Flood Control & Water Conservation District (RRFC) is charged with maintenance of 86 diversions along the Russian River (primarily for agriculture customers). Because this water is not necessarily the only supply for many of those customers, she feels that this year could go okay; they have greater reserves to draw from than after recent dry seasons. But that’s not a long-term solution.

“If we don’t get significant rainfall in this next winter, we could be looking at some very dire circumstances,” she said. “We really can’t afford to miss another wet winter. We’re going to need above-average rainfall pretty much every winter to keep us afloat.”

Further, Salomone says that our drier, hotter summers increase the need for irrigation and further burden the water supply. This pendulum of extremes — with a torrent of atmospheric rivers moving through California this winter — is not very conducive to stable water supply.

“We don’t have the capacity to benefit from that as far as storage,” she said. “Our reservoirs fill up, the ground fills up, the natural waterways fill up. There’s only so many buckets and barrels you can put out. We just don’t have any more room.”

## **How does the Russian River Water Forum factor in?**

Between months three and eight of its schedule for establishing a decommissioning plan, PG&E had planned to “conduct initial outreach to agencies and other stakeholders to solicit relevant information for the preparation of the surrender application and decommissioning plan.” Multiple sources interviewed for this article told The Voice that PG&E had not formally engaged their organizations in discussion around the project during recent months.

“PG&E is probably not interested in dealing with a lot of different individual entities,” Janet Pauli explained. “They want a formed, functioning regional group that represents everyone but can speak almost independently, and is capable of taking on a project that won’t be cheap to operate.”

After PG&E announced plans not to renew its 50-year license expiration, Huffman tried to answer this call with the Two-Basin Partnership. The partnership brought together California Trout, Humboldt County, IWPC, the Round Valley Indian Tribes, and Sonoma

County Water Agency. It initiated discussions across a variety of different interests, and commissioned studies on solutions that would balance water supply needs; thriving ecosystems; and public health.

But the partnership failed to meet FERC's Apr. 14, 2022 license application deadline.

"We prepared quite a lot of information," Janet Pauli said. "It wasn't as if we didn't have anything done, but we didn't get enough done by the end to be able to prepare a license application by the date it was required by FERC. We ran out of time and money."

Almost a year later, enter the Russian River Water Forum. The project's website launched last week, created by Sonoma County Water Agency and other regional partners, with funding from the California Department of Water Resources.

"The Water Forum will seek to identify water-supply resiliency solutions that respond to PG&E's planned decommissioning of the Potter Valley Project while protecting Tribal interests and supporting the stewardship of fisheries, water quality, and recreation in the Russian River and Eel River basins," the website details. "More broadly, the Water Forum will support ongoing regional collaboration on water supply and watershed restoration issues in the Russian River and Eel River basins."

Once its charter is finalized, the forum's Planning Group will include 30 members from Lake, Sonoma, Mendocino, and Humboldt counties, and will hold public meetings and workshops throughout 2023.

"How do we maintain some amount of diversion from the Eel to the Russian that is fair and equitable?" Salomone said, outlining the Forum's guiding questions. "All the stakeholders can have a voice in that and raise concerns, and develop a local solution to that continued diversion, however it may look. Another focus will be general water resiliency in the watershed, [in addition to] water reliability and availability. When we do have these really difficult times, how do we sustain ourselves through them?"

An eventual goal would be for the Forum to build capacity to carry the project forward into the next stage of its life — and as Janet Pauli points out, "speed is of the essence."

"We hope that a regional entity will form from the feedback and advice of this group, and then that entity will become a legal one that can begin those formal discussions with PG&E and FERC," Salomone confirmed. "Because someone's going to have to take over the project, the diversion in the water, and then deliver that water to the Russian River."

## **What's the best way forward?**

In the midst of these significant new developments around the Potter Valley Project's uncertain future, a new study was published by the Bay Area Council Economic Institute forecasting the economic impact that removal of both Scott and Cape Horn dams could have on the project's five immediate surrounding counties.

The study's introduction argues that removal of both dams is a likely outcome because of the "reasonable initial capital outlay for PG&E and the minimal long-term operation and maintenance costs associated with dam removal relative to long-term operations and maintenance costs coupled with ongoing state and federal liabilities surrounding fish

passage, environmental compliance, and dam safety without a continued revenue source.”

According to its look at the immediate impacts of removal, the projects would support 1,037 to 1,332 full-time equivalent job years in the five-county region, and around \$203 million to \$278 million of economic output for that region alone.

“There’s this paradigm of fish versus people or nature versus people that’s something that we always battle in the environmental space, because it’s just not true,” Charlie Schneider of California Trout told The Voice. “Studies like this are really helpful in showing that the removal is essentially a big construction and restoration project, and there are economic benefits to the community that come from doing that kind of work.”

Schneider said that promoting fisheries interests can feel like an uphill battle, especially when protected fish in the Eel River system have been depleted to the tune of less than 10% of their historic populations.

“Are we going to right this?” he asked. “Salmon populations are in dire shape up and down the state as evidenced by the closure of this year’s salmon season. It’s important to realize the impact of that is lost jobs, lost livelihoods on the coast and a loss of part of their culture for Eel River and other tribes. There are solutions that can benefit fish and people. I think decision makers are starting to lose sight of that because that story isn’t being told anymore, because there are so few salmon fishermen. ... It’s been so many bad years in a row, in part because of decisions around how we steward our rivers and whose interests get prioritized.”

For farmers in the Russian River watershed, water from the diversions is essential for agricultural supply, meaning that removal is not necessarily the obvious solution. Frost Pauli, of Pauli Ranch and the Mendocino County Farm Bureau, explained that from the bureau perspective, the status quo has been working well. But in advocating for these solutions, the volunteer-governed farm bureau favors outcomes that make sense across a variety of different interests in the century-old project.

“We are not opposed to dam removal,” Frost Pauli said. “If it makes sense for the environment, and if it makes sense for the economy, and if it makes sense for the safe operation of this infrastructure to the benefit of both basins. ... If all of those concerns can be met, then dam removal makes sense.”

Janet Pauli has been involved in feasibility studies for different solutions projects, including raising Coyote Valley Dam by 30 feet, or engineering a dam at the north end of Potter Valley to augment existing storage at Lake Mendocino.

“There’s a lot of work that still has to be done to ensure that is possible,” she explained. “And that’s what we’ve been working on.”

## **“When people don’t get involved, they’re just abdicating their power”**

Salomone believes that the formation of the Russian River Water Forum is an “important and significant step,” but also notes that these opportunities for engagement in the future of both basins are only as good as who shows up.

“I attend a lot of public meetings of those who are managing water, and I rarely see the public there,” she said. “And I get it ... but it’s time for folks to figure out where they’re getting their water [and] what condition their water supplier is in. Is it really stable — they have a lot of revenue and a lot of reserve, they have resiliency projects, and they have a diverse portfolio of the water sources — or are they a sole-source water supplier, and that source is threatened? I’ll tell you, in the greater Ukiah area, we have both extremes. ... It’s really important for people to understand where they are on the spectrum of water reliability.”

Janet Pauli agrees, saying “our project has never been easy in terms of discussions, because this has always been controversial.” But from her perspective, representing a diversity of interests is critical to find a viable solution.

“It requires our diligence in moving forward,” she said. “The more voices we have at the table [the better], so we can understand the concerns of all groups, including folks on the Eel River side, Lake County, tribal members on both watersheds, environmentalists, agencies who are charged with protecting the fishery in both watersheds, water suppliers, or local government. ... I’m hopeful that we will get to a place where we can continue the diversion, which is what we agreed upon in the [Two-Basin Partnership], and at the same time, be more protective of rivering conditions on the Eel, and not forget the conditions on the Russian River that are important for listed fish here as well.”

As Salomone put it: “When people don’t get involved, they’re just abdicating their power.”