Date Posted: 4/10/2025

NORTH MARIN WATER DISTRICT

NORTH MARIN WATER DISTRICT
AGENDA – REGULAR MEETING
April 15, 2025 – 4:00 p.m.
Location: 999 Rush Creek Place
Novato, California

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Item	Subject

CALL TO ORDER

1. ***APPROVE:*** Minutes from Regular Meeting - April 1, 2025
2. ***GENERAL MANAGER'S REPORT***
3. ***OPEN TIME: (Please observe a three-minute time limit)***
   This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
4. ***STAFF/DIRECTORS REPORTS***

ACTION CALENDAR

5. ***Approve:*** Accept 2025 West Marin Water Rate Study Draft Report and Approve West Marin Water Rate Increase Notice (Prop 218)
6. ***Approve:*** Rate Increase (Prop 218) Notice to Oceana Marin Sewer Customers
7. ***Approve:*** Strategic Planning Update and Development of a 5-Year Strategic Plan
8. ***INFORMATION ITEMS***
9. WAC/TAC Meeting Agenda – April 7, 2025
10. NBWA Meeting Agenda – April 4, 2025
11. ***MISCELLANEOUS***
    Disbursements – Dated April 3, 2025
    Disbursements – Dated April 10, 2025
    Monthly Progress Report
    Letter to County re Oceana Marin
    ASCE Report Card - Dams
    News Articles:
    Marin IJ – Marin Oks $9.39M more for rural housing plan
    Marin IJ – Developer challenges county planners – POINT REYES
    Pt. Reyes Light – NMWD West Marin Water Rate Study ad
    Social Media Posts:
    NMWD Web and Social Media Report – March 2025
12. ***ADJOURNMENT***

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

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DRAFT

NORTH MARIN WATER DISTRICT

MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 1, 2025

CALL TO ORDER

President Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 4:00 p.m. at the District Headquarters, and the agenda was accepted as presented. Present were Directors Jack Baker, Ken Eichstaedt, Rick Fraites, Michael Joly, 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 Chris Kehoe, Construction Superintendent, Robert Clark, Operations and Maintenance Superintendent, Ryan Grisso, Avram Pearlman, and Vincent Verissimo were also in the audience.

MINUTES

On motion of Director Petterle, seconded by Director Baker, the Board approved the minutes from the March 18, 2025, meeting by the following vote:

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

GENERAL MANAGER'S REPORT

Tony Williams gave a brief update on the Operations/Maintenance Manager position recruitment. He said it's been going well for having only been out for a week. He said we have received 6 applications so far and several are very impressive. He noted that Karen Clyde, HR Manager, has taken the lead on getting the message out through several outlets and said he will bring back more information at a future meeting.

Mr. Williams said the new laboratory is in the process of certification. We have hired a third party company that is approved by the State to help expedite and make sure the process goes smoothly. He said this process will continue into June and we expect to be fully up and running and certified by July.

Mr. Williams said he has been tracking ACWA's priority issues bulletins and will continue to add them to the Miscellaneous section of the agenda.

Mr. Williams told the Board that on March 27, NMWD hosted a virtual and in-person meeting with the City of Napa. Their Utilities Director gave a presentation on how they responded to the 2014 Napa earthquake, specifically to their water system. He said it was a good presentation and that 20 NMWD staff members attended, mostly from Operations and Construction, as well as the

Engineering team. He said it was a good opportunity to share their lessons learned on their earthquake response and how we can learn from that.

Mr. Williams reminded the Board that there is a closed session at the end of the meeting.

President Joly asked about Dillon Beach. Mr. Williams said that Mark Hildebrand gave us a revised cost and that we are waiting on input from one of our consultants. He said his goal is to get a letter out to the County by Friday. Director Baker asked for clarification. Mr. Williams said that this was in regard to the County's study that looked at adding Dillon Beach to Oceana Marin. He said the County's costs looked very low to do this and staff fells that it is quite a bit more and the study is missing what it would actually cost from a connection fee standpoint. He said they used our standard $30,000 connection cost which really only applies to properties within the Oceana Marin area that aren't connected to our system and that is an old calculation. In updating the connection fee, it's looking at what the true cost of the infrastructure would be and the what it would cost for service for new customers.

OPEN TIME

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

STAFF/DIRECTORS REPORTS

President Joly asked if there were any staff or director's reports and there was no response.

CONSENT CALENDAR

On the motion of Director Petterle, and seconded by Director Baker, the Board approved the Consent Calendar by the following vote:

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

AUDIT SERVICES AGREEMENT RENEWAL FOR FISCAL YEARS 2024/2025 – 2026/2027

C.J. Brown & Company, CPAs, has performed the District's audits for the past two fiscal years at competitive rates. They have submitted a three-year proposal for their audit services covering FY 2024/25 – 2026-27 at a fixed rate of $28,850, with optional extensions for the following two fiscal years at the same rate. This rate is a 39% increase driven by one, the number of audit hours has increased and two, professional rates have risen industry-wide. Even with the increase, the proposed fee is reasonable given the level of expertise and service provided.

ACTION CALENDAR

APPROVE: CREST PUMP STATION – ADDITIONAL CONSTRUCTION CONTINGENCY

Eric Miller said this item and the next on the agenda are related. He gave a brief history of the Crest Pump Station. He said the project is to replace the pump station we currently have on

School Road. He said construction has been going on and should be completed by the end of the fiscal year. He said that there have been some change orders which have increased the base contract but the changes were necessary. He said we are asking for $90,000 for additional construction contingency, and although he doesn't anticipate that all of that will be used, but it will give a buffer in the event something else comes up towards closeout. President Joly asked Mr. Miller if he was ok with the increase and Mr. Miller said he is.

On the motion of Director Eichstaedt, and seconded by Director Joly, the Board approved Crest Pump Station – Additional Construction Contingency by the following vote:

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

APPROVE: CREST PUMP STATION – CONSTRUCTION MANAGEMENT SERVICES CONTRACT AMENDMENT

Eric Miller said that GHD is providing Construction Management Services for the Crest Pump Station project. He noted that as part of a constructability review they have helped run different scenarios on the pump design. He also said that because the construction duration time has increased so has their time which is the reason for the requested contract amendment. Director Eichstaedt asked for a brief history of the project. Mr. Miller said that in 2017 the project was shelved for various reasons and then brought back in 2022. He said the original designer was Kennedy Jenks but they weren't able to work on the project at the later date. Mr. Miller said the plans were finalized and put out to bid and we hired GHD to be the construction manager (CM) on the project. They reviewed the plans but did not design the project. Director Fraites asked if there have been any complaints from the neighbors. Avram Pearlman, project engineer, answered and said the structure is done, the pump is in place, and the electrical work will be done later in the week. He said he has engaged with the local HOA and sent updates during construction. He said there has been some foot traffic with people walking in the area, but no complaints have been made. The neighbors seem to understand that this is good for the community from a water delivery and fire prevention standpoint. Director Fraites said good job. Mr. Williams noted that the District purchased the property from the City of Novato.

On the motion of Director Fraites, and seconded by Director Eichstaedt, the Board approved the Crest Pump Station – Construction Management Services Contract Amendment by the following vote:

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

INFORMATION ITEMS

REVIEW OF WEST MARIN WATER PROP 218 NOTICE

Tony Williams said the item in the agenda is the early draft of the Prop 218 notice that will be mailed to our West Marin customers. He noted that some of the language is required to be included by law. He said that Mark Hildebrand will at the next Board meeting to present his final rate study. Mr. Williams said the notice captures the 5 year rate increase and the different changes that occur, including commodity and fixed charges. He also said that the notice shows a comparison of other agencies and how we compare. He said that any feedback should come before we finalize the agenda for the next Board meeting. He noted that there is a lot of information on the first page, but we used bold text and colors to help draw the reader's attention. He also mentioned that the notice has been sent to Mark Hildebrand, legal counsel, and Kiosk for review and this draft is based on their input. We will need to mail it out soon after the April 15 Board meeting because there is a tight notification window to meet. Director Eichstaedt asked if the notice will be included with the water bills or mailed separately, Julie Blue and Mr. Williams said it will be mailed separately. Director Eichstaedt also said, that as a customer, it may be too much information, it may be helpful to use bullets to list the projects. President Joly agreed. He asked if we show the rate increase by percentage, Mr. Williams said it is shown in dollars in the table. Ms. Blue said that some customers may have to pay more than others, the table shows what a typical customer will pay and Mr. Williams reminded the Board that the 19% increase is a revenue increase amount not the direct rate amount. Director Petterle noted that Marin Municipal Water District was criticized for using percentage instead of dollars when they did a rate increase. President Joly asked why we are using uniform rates as opposed to seasonal for commercial customers. Ms. Blue said that seasonal rates are not very common anymore and that uniform rates were determined to be more fair. President Joly mentioned that the treatment plant rehab is a big contributing factor for the increase and could be another bullet item. Director Fraites said he liked the comparison chart and the notice. Director Petterle said he was a little confused on the chart heading and the chart, he said it should be more clear, especially clarifying that the chart is in dollars. He said the notice was well written but the last page could be rewritten. Mr. Williams said that Attachment 2 to the Board memo shows that we have a communication plan, and he said that it started last year when he and Mr. Miller were on a local radio broadcast describing the planned CIP. He said the plan demonstrates what we have done so far and what we will be doing for communication. He said a newspaper ad is being drafted and will be published soon. President Joly said that it is good we are doing this and getting the message out to the community.

ADMIN & LAB BUILDING – DEDICATION PLAQUE

Eric Miller gave a presentation on the proposed dedication plaque for the new Admin & Lab building. He showed a mock up of the plaque and the three options for placement and then opened

it up for comments from the Board. Director Petterle like the location next to the front doors but was concerned if the door would block it if it were propped open. President Joly also liked the front portal location as did Director Fraites. The patio wall was not preferred by any of the Directors. President Joly noted on the wording that the community should be listed first, then staff. Director Baker suggested only noting past and present employees, not future. President Joly thanked Mr. Miller for doing the plaque.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated March 20 and 27, 2025, Auditor-Controller's Monthly Report of Investments for February 2025, NOAA Three Month Outlook Precipitation Probability – March 20, 2025, NOAA Seasonal Drought Outlook – March 20, 2025, ACWA Update on Priority Issues.

The Board received the following news articles: Marin IJ – Pipeline is best toward MMWD goals – EDITORIAL, Marin IJ – John Eyler Obituary, Marin IJ – Increase in costs to connect for water – MARIN MUNICIPAL, Marin IJ – Water diversion raises concerns about supply – RUSSIAN-EEL RIVER PLAN.

Director Eichstaedt asked about one of the disbursements to the DelToro family. Mr. Miller explained that this was a refund of estimated fee advance that were not all used on a developer project.

President Joly recessed the Board at 4:48 p.m. before entering closed session.

CLOSED SESSION

President Joly President Joly convened the Board into closed session at 4:57 p.m. to discuss the litigation with JM Manufacturing regarding PVC pipe. Craig Judson of Bold Polisner, Maddow, Nelson, and Judson was also present via telephone.

OPEN SESSION

Upon returning to regular session at 5:19 p.m., President Joly reported that the Board directed Mr. Judson to notify the attorneys involved in the JM Manufacturing case that NMWD was not pursuing the matter further.

ADJOURNMENT

President Joly adjourned the meeting at 5:20 p.m.

Submitted by

Eileen Mulliner
District Secretary

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NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors April 15, 2025

From: Tony Williams, General Manager
Julie Blue, Auditor-Controller

Subj: Accept 2025 West Marin Water Rate Study Draft Report and Approve West Marin Water Rate Increase Notice (Prop 218)
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RECOMMENDED ACTION: That the Board:
1. Accept 2025 West Marin Water Rate Study Draft Report;
2. Approve West Marin Water Rate Increase Notice (Prop 218)

FINANCIAL IMPACT: $1,040 for Printing and Mailing Services

Background

The 2025 West Marin Water Rate Study was presented to the Board at the March 18, 2025 regular Board Meeting. The 2025 West Marin Water Rate Study (Attachment 1) was prepared by rate consultant Mark Hildebrand and developed through multiple discussions with District Staff and the Board's Ad hoc West Marin Services Subcommittee, comprised of Directors Fraites and Eichstaedt.

The objective of the Water Rate Study is to develop water rates that are fair and equitable and to ensure that the District's water rates comply with California Constitution Article XIII D, Section 6 (commonly referred to as Proposition 218). In order to maintain compliance, the rate structure should generate revenue from each class of customers in proportion to the cost to serve each customer. Prop 218 requires that customers be notified of proposed increases in rates or charges not less than 45 days prior to the public hearing where the Board considers adoption of the proposed rate increases. The public hearing is scheduled for Tuesday, June 17, 2025 at 4:00 PM. The June 17 hearing date requires that the notification be mailed by May 2, 2025.

Rate Study Discussion

The rate study prepared multi-year financial plans and reviewed the District's rate structure components to develop 5-year rate schedules for the West Marin Water service area. The financial plans incorporate historical and budgeted financial data, including operational costs, a multi-year capital improvement program, and outstanding and proposed debt service obligations. The analysis identifies a revenue shortfall in future years, reinforcing the need for rate adjustments.

Mark Hildebrand will give a presentation outlining the rate setting process, rate study framework, enterprise fund revenue/expenses, capital spending and reserves, financial forecast and rate structure design.

Following the presentation, questions and comments are welcome from the Board and members of the public. At the close of the presentation and discussion, the Board will consider accepting the 2025 West Marin Water Rate Study and approving the five-year rate increase notice (Prop 218) to be mailed to all West Marin Water customers. The rate increase notice, included as Attachment 3, provides specific rate adjustments and will announce the public hearing, to occur on June 17, 2025 at a regularly scheduled Board Meeting. The notice has been reviewed by rate consultant Mark Hildebrand, marketing consultant, Kiosk, and District's legal counsel.

To secure necessary financing, Financial Consultant NHA Advisors recommends a five-year Proposition 218 noticing period in order to build a strong credit rating, as well as ensure long-term financial stability and system resiliency.

Public Outreach

At the April 1, 2025 regular Board Meeting, staff presented a comprehensive communications campaign to ensure customers are well-informed about the rate study and public hearing process. Attachment 4 outlines the past and ongoing outreach efforts, including media engagements, website updates, mailed notifications, and social media outreach.

RECOMMENDATION

That the Board:

1. Accept the Draft 2025 West Marin Water Rate Study;
2. Approve West Marin Water Rate Increase Notice (Prop 218)

ATTACHMENTS:

1. Draft 2025 West Marin Water Rate Study
2. West Marin Water Rate Study Presentation
3. West Marin Water – Proposition 218 Customer Notification
4. 2024-2025 Communications Campaign for West Marin Water Rate Study

ATTACHMENT 1

NORTH MARIN WATER DISTRICT

2025 West Marin Water Rate Study

Draft Report

April 15, 2025

HILDEBRAND CONSULTING

Mr. Tony Williams
General Manager
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

Re: 2025 West Marin Water Rate Study

Dear Mr. Williams,

Hildebrand Consulting is pleased to present this 2025 Water Rate Study (Study) for the West Marin Water System that was performed for North Marin Water District (District). We appreciate the helpful assistance provided by you and all of the members of the District staff who participated in the Study.

If you or others at the District have any questions, please do not hesitate to contact me at:

mhildebrand@hildco.com
(510) 316-0621

We appreciate the opportunity to be of service to the District and look forward to the possibility of doing so again in the near future.

Sincerely,

Mark Hildebrand
Hildebrand Consulting, LLC

Enclosure

TABLE OF CONTENTS

List of Acronyms

AWWA	American Water Works Association
CIP	capital improvement program
COS	cost of service
DCR	debt service coverage ratio
DWR	Department of Water Resources
FY	fiscal year (which ends on June 30 for the District)
gpm	gallons per minute
O&M	operations and maintenance
OPEB	Other Post-Employment Benefits
pay-go	“pay as you go” (i.e., cash financing for capital projects)
TGAL	thousand gallons
PRE	Paradise Ranch Estates
PRS	Pt. Reyes Station
PRTP	Pt. Reyes water treatment plant
R&R	repair and rehabilitation (capital projects)
RCNLD	replacement cost new less depreciation

Section 1. INTRODUCTION

Hildebrand Consulting, LLC has been retained by North Marin Water District (District) to conduct a rate study (Study) for the West Marin Water service area (also referred to as the West Marin Water enterprise). This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

1.1 UTILITY BACKGROUND

The District's West Marin Water service area serves primarily the Point Reyes Station (PRS), Olema, Bear Valley, Inverness Park and Paradise Ranch Estates (PRE) communities and parcels later annexed into the PRS and PRE-improvement district within NMWD's West Marin service area in Marin County, encompassing approximately 24 square miles. During fiscal year (FY) 2023/24[1], the West Marin Service area had approximately 775 active service connections (excludes fire services). The estimated service area population is 1,800.

The North Marin Water District was formed by voter approval in April 1948 pursuant to provisions of the County Water District Law and is governed by a five-member Board of Directors, elected by division from within the District's service area.

The water supply for the West Marin Water System is currently derived from two sources: wells located on the former Coast Guard housing facility property in Point Reyes Station (referred to as the "Coast Guard Wells") and Gallagher Well #1 & #2 which are 1.3 miles northeast of Highway 1 within the Gallagher Ranch. All groundwater is

[1] Fiscal years are sometimes indicated by their ending years. For example, FY 2024/25, starts on July 1, 2024 and ends on June 30, 2025, can also be expressed as FY 2025.

treated at the Point Reyes Water Treatment Plant (PRTP) before entering the potable water distribution system.

Due to the Coast Guard Wells' location in the lower tidal reach of Lagunitas Creek, they are subject to periodic salinity intrusion and occasional flooding. Gallagher Well #1 is located upstream of any tidal reach of Lagunitas Creek. Due to continued water quality issues at the Coast Guard Wells, the District recently installed a second well on the Gallagher Ranch (Gallagher Well #2).

1.2 SCOPE & OBJECTIVES OF STUDY

The scope of this Study is to prepare multi-year financial plans, review the rate structures, and propose a 5-year rate schedule.

The primary objectives of this Study are to:

i. Develop a multi-year financial management plan that integrates operational and capital project funding needs.
ii. Identify future rate adjustments to water rates to help ensure adequate revenues to meet the West Marin Water enterprise's ongoing financial obligations.
iii. Determine the cost of providing water service using industry-accepted methodologies.
iv. Recommend specific modifications to the District's existing rate structures in order to ensure that the District is equitably recovering the cost of service and comporting with industry standards and California's legal requirements.

1.3 STUDY METHODOLOGY

This Study applied methodologies to comply with all applicable laws, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218. The methodologies are also aligned with industry standard practices for rate setting as laid out in the American Water Works Association (AWWA) M1 Manual.

The Study began with a review of the West Marin Water enterprise's current financial dynamics and latest available data for the utility's operations. A multi-year financial management plan was then developed to determine the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using an MS Excel©-based financial planning model which was customized to reflect the enterprise's financial dynamics and latest available data for the utility's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements calculated for the fiscal year ending June 2026 (FY 2025/26) were then used to perform a detailed cost-of-service (COS) analysis. The COS analysis and rate structure design were conducted based upon principles outlined by AWWA, legal requirements (Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service.

Section 2. FINANCIAL PLAN

This section presents the 10-year financial plan, including a description of the source data, assumptions, and the District's financial policies. The District provided historical and budgeted financial information associated with operation of the West Marin Water service area, including historical and budgeted operating costs, a multi-year capital improvement program (CIP), and outstanding debt service obligations. District staff also assisted in providing other assumptions and policies, such as reserve targets and escalation rates for operating costs (all of which are described in the following subsections).

The 10-year financial plan was developed through multiple interactive work sessions with both District staff and the District Board's Ad Hoc West Marin Services Subcommittee. As a result of this process, the Study has produced a robust financial plan that will allow the District to meet revenue requirements and achieve financial performance objectives throughout the projection period while striving to minimize rate increases.

The analysis identifies a revenue shortfall in upcoming years as a result of a significant increase in capital reinvestment, which leads to a conclusion that revenue adjustments are required for the West Marin Water service area. The schedules attached to this report include detailed data supporting the financial plan discussed herein.

2.1 BEGINNING FUND BALANCES

The ending cash balances for FY 2023/24 were used to establish the FY 2024/25 beginning balances, as outlined in **Table 1**.

Table 1: West Marin Enterprise FY 2024/25 Beginning Cash Balance

Undesignated Cash	$101,000
Liability Contigency Fund	$99,000
Operating Reserve Fund	$292,000
Total Unrestricted:	**$492,000**

2.2 WEST MARIN AREA CUSTOMER GROWTH

Over the past four years the Connection Fee[2] revenue collected from new customers connecting to the system has been as much as $68 thousand and as little as $0. Growth in this area is expected to be limited [3]. Based on recent trends, this Study assumes that the service area will receive one new connection every two years. This corresponds with a growth rate of approximately 0.05%. This Study assumes that this rate of growth will continue over the next 10-year planning period, while also recognizing that actual growth may turn out to be materially higher.

2.3 RATE REVENUES

Rate revenue is the revenue generated from customers for water service. The District collects rate revenue from water customers based on a fixed "Service Charge" (assessed based on meter sizes) and a water usage "Quantity Rate." Customers receive a bi-monthly bill. The rate revenue for FY 2024/25 in the financial plan is based on year-to-date projection for the end of the fiscal year. Future rate revenues include assumed customer growth (see Section 2.2) as well as the annual rate revenue adjustments proposed by this Study. Budgeted and projected rate revenues (including proposed rate adjustments) are detailed in **Schedule 1**.

[2] The District's "Connection Fees" are known as "Capacity Charges" per Government Code Section 66013.

[3] There is a known development project underway ("Point Reyes Coast Guard Affordable Housing") but the connection fees for that project have already been paid.

2.4 NON-RATE REVENUES

In addition to rate revenue, the District receives some "non-rate revenue" from sources such as miscellaneous service fees, Connection Fees revenue, grants (on occasion), and interest revenue on investments. Projections of most non-rate revenues were based on FY 2024/25 budgeted revenues. Connection fee revenue for FY 2024/25 was set based on receipts to date, which is approximately $32 thousand. Interest income was calculated annually (starting in FY 2024/25) based upon projected fund balances and assumed interest rate of 2.0% on invested funds, which is consistent with the District's historical interest earnings. Budgeted non-rate revenues are depicted in Figure 2 below and listed in detail in Schedule 1.

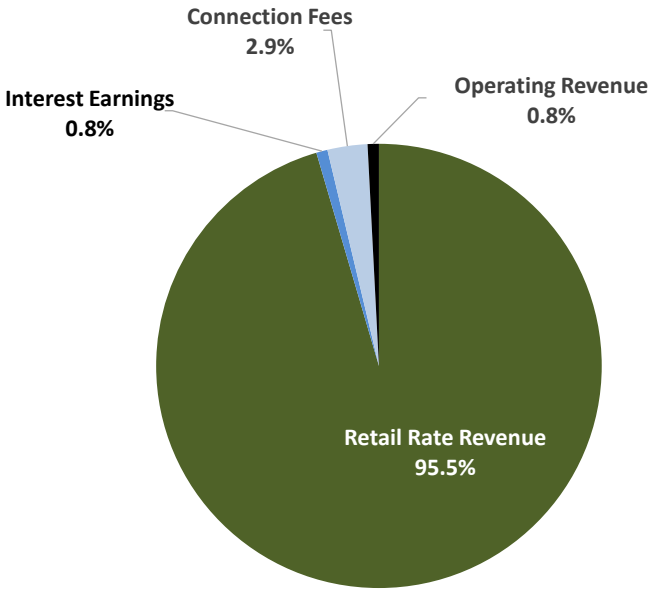


Figure 1: Budgeted Revenue Categories (FY 2024/25)

2.5 OPERATING AND DEBT EXPENSES

West Marin Water enterprise expenses include operating and maintenance (O&M) expenses and debt service. Capital spending is addressed in Section 2.7. The current outstanding debt includes the West Marin Water enterprise's portion of the 2008 loan from Bank of Marin (an $8.0 million loan of which $1 million was spent on West Marin Water System capital projects) and a $1 million internal loan taken from the Novato Enterprise in 2022. The annual debt service for the Bank of Marin debt is $71 thousand

and will be paid off in FY 2031/32. The annual debt service for the internal loan is $116 thousand and will be paid off in FY 2032/33.

Future operating expenses were projected based upon the budgeted expenditures from FY 2024/25 and adjusted for inflation (see Section 2.6).

Budgeted expense categories for FY 2024/25 are depicted in **Figure 2**. Budgeted and projected operating and debt expenses are listed in detail in **Schedule 2**.

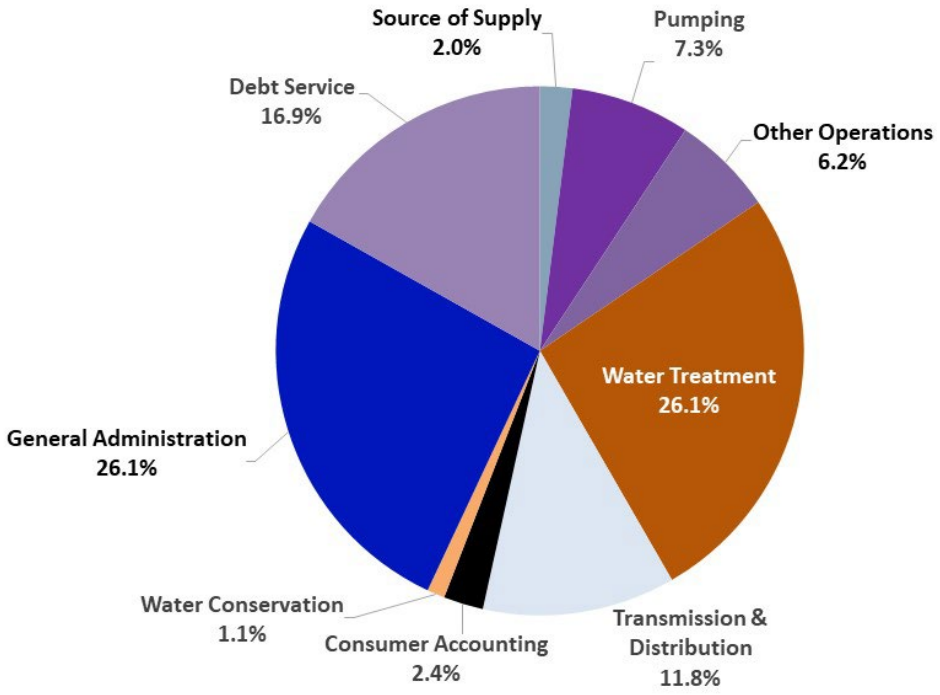


Figure 2: Budgeted Expense Categories (FY 2024/25)

2.6 COST ESCALATION

Annual cost escalation factors for expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff. During the projection period, the cost of utilities, chemicals and supplies are projected to increase at a rate of 5.0 percent per year. All

other expenses are projected to increase at a rate of 3.0 percent. It is acknowledged that these assumptions are relatively optimistic given recent inflation trends.

2.7 CAPITAL IMPROVEMENT PROGRAM & DEBT STRATEGY

Capital spending in West Marin between FY 2016/17 and FY 2023/24 has averaged $552 thousand per year, much of which was made possible by a $1 million internal loan from the Novato Enterprise as well as a $621 thousand "Drought Relief" grant from the Department of Water Resources (DWR). The average annual capital spending is higher than was forecasted by the 2021 Rate Study and the average annual spending is forecasted to increase further to $1.8 million over the next 10 years. In the immediate term (over the next 5 years), West Marin will experience a spike in capital spending as depicted in Figure 3 and detailed in Table 2. This spike is driven by four large capital projects that need to be delivered in the near-term. These include:

- Lagunitas Creek Bridge Pipe Replacement (a pipeline relocation project that is required by Caltrans)
- Olema Creek Bridge Pipe Replacement (a pipeline relocation project that is required by the County of Marin)
- Gallagher Well #3 (necessary for water supply, replaces the failing Gallagher Well #1)
- Pt. Reyes water treatment plant (PRTP) rehabilitation project

In addition to the above, the West Marin Water service area has an extensive list of necessary repair and rehabilitation (R&R) capital projects. After the above four projects have been addressed, West Marin will need to begin a more proactive program of addressing the rehabilitation needs of aging infrastructure. This financial plan assumes that West Marin will begin spending an average of $700 thousand per year (in 2025 dollars) in capital R&R projects starting in FY 2029/30.

West Marin's current cash reserves and rate revenue are insufficient to pay for the four near-term projects discussed above, therefore this financial plan proposes that all four projects be debt financed. This debt is assumed to have an interest rate of 5.0 percent

and a repayment period of 20 years. The first loan for approximately $4.0 million is assumed to be issued in 2026 (with the first debt payment in 2027) and have annual debt service payments of approximately $318 thousand. The second loan for approximately $5.2 million is assumed to be issued in 2030 (with the first debt payment in 2031) and has annual debt service payments of $454 thousand.

This financial plan also assumes that half of the PRTP rehabilitation project will be funded with grants (source to be determined).

The District has a policy of maintaining a debt service coverage ratio (DCR) of 1.50. Based on published guidance from Fitch Ratings, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service. As per the District's debt management policy (Policy No. 47), a DCR of at least 1.50 is forecasted to be maintained starting in FY 2027/28.

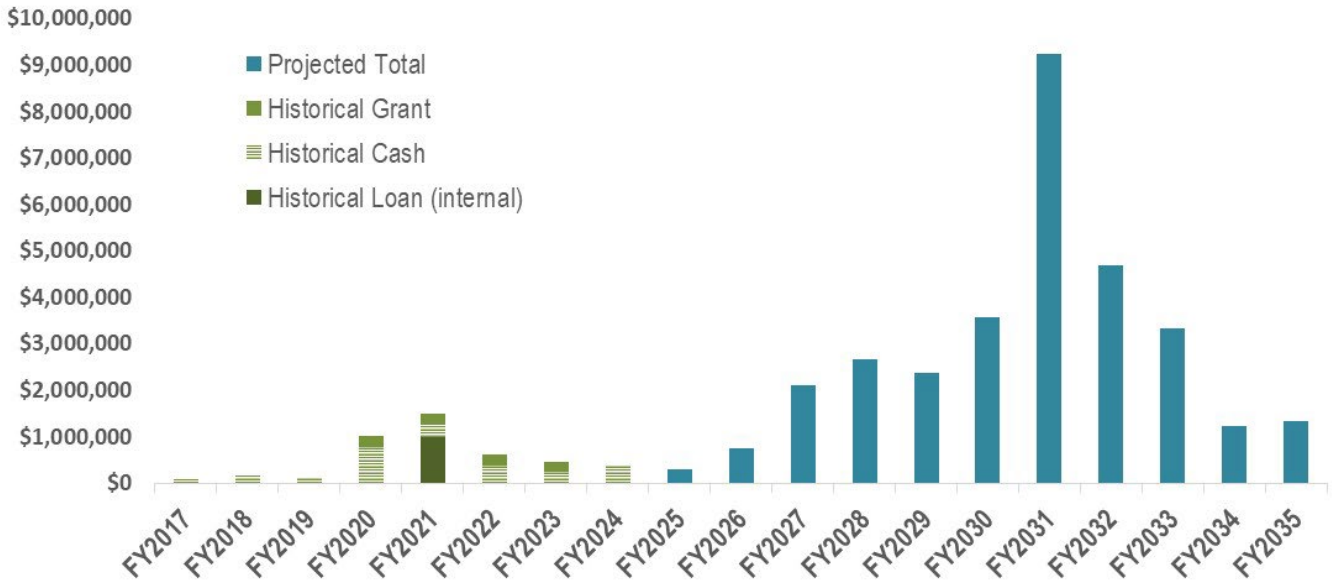


Figure 3: Historic and projected capital spending (after projected inflation)

Table 2: Projected Capital Spending Details

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Lagunitas Creek Bridge Pipe Replacement (Caltrans)	$250,000	$500,000	$500,000							
Olema Creek Bridge Pipe Replacement (County)		$250,000	$500,000	$500,000						
Gallagher Well No. 3 (replace No. 1)	$150,000	$150,000	$200,000	$500,000	$500,000					
Treatment Plant Full Scale Rehabilitation			$250,000	$250,000	$500,000	$5,000,000	$2,500,000			
Cash Funded R&R					$700,000	$700,000	$700,000	$700,000	$700,000	$700,000
Capital Spending Totals:	**$400,000**	**$900,000**	**$1,450,000**	**$1,250,000**	**$1,700,000**	**$5,700,000**	**$3,200,000**	**$700,000**	**$700,000**	**$700,000**
Capital Spending After Inflation:	**$400,000**	**$927,000**	**$1,538,000**	**$1,366,000**	**$1,913,000**	**$6,608,000**	**$3,821,000**	**$861,000**	**$887,000**	**$913,000**

2.8 RESERVE TARGETS

Target reserves for utilities are cash balances retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year financial plan. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans.

The District has formal reserve policies (Policy No. 45, last revised on May 1, 2018) which includes three reserve targets that are relevant to the West Marin Water enterprise, as summarized below. The target levels of the policies below are consistent with 1) the findings of reserve studies conducted by AWWA; 2) a healthy level of reserves for a utility per the evaluation criteria published by rating agencies (e.g., Fitch, Moody's, and Standard & Poor's); and 3) Hildebrand Consulting's industry experience for similar systems.

Operating Reserve – The Operating Reserve is comprised of a minimum of four months of budgeted operating expenditures as established by previous financial analyses and consistent with standard industry practices. This reserve serves to ensure adequate working capital for operating, capital, and unanticipated cash flow needs that arise during the year.

Given the budgeted FY 2024/25 O&M budget of $922 thousand, the Operating Reserve target is currently **$307 thousand**.

Liability Contingency Reserve – This reserve was originally established when the District first elected to self-insure its general liability risk. The District is no longer self-insured and the total reserve target is $2 million based on the financial assessment of the District's current liabilities. The West Marin Water enterprise's proportionate responsibility for that reserve is **$99 thousand** based on the relative number of accounts in its service area.

Maintenance Accrual Fund Reserve – This reserve provides a source of funds for the replacement of treatment, storage, transmission, and distribution facilities as they wear out. The target for this reserve is proposed to be **$1.86 million**, based on the anticipated average annual capital spending over the next ten years.

This Study proposes that the District distinguish between "**Minimum Reserves**" and "**Reserve Targets**." The first two reserve targets above (the Operating Reserve target and Liability Contingency Reserve target, which add up to approximately $406 thousand) are maintained for the purpose of mitigating unexpected expenses or events. For this reason, the District should always plan to have these reserves fully funded in order to protect the District from unexpected events. On the other hand, the Maintenance Accrual Fund Reserve is intended to be more flexible, as it is designed to give the District some "cushion" in order to smooth out the peaks and valleys in the pay-go capital spending program. It makes sense to draw-down on this reserve during years of higher-than-average pay-go spending and replenish the reserve during years with lower-than-average spending. As such, the Maintenance Accrual Fund Reserve is treated as a "target" rather than a "minimum."

The minimum reserves and target reserves by year are shown in the 10-Year Cash Flow Proforma (see **Schedule 3,** rows 30 & 31), which shows that cash reserves are currently below the suggested minimum levels but, with the proposed rate increases, are expected to meet minimum reserve levels by FY 2026. It will take longer to meet target reserve levels, depending on the rate increases that are planned between FY 2031 and FY 2035.

2.9 PROPOSED RATE REVENUE INCREASES

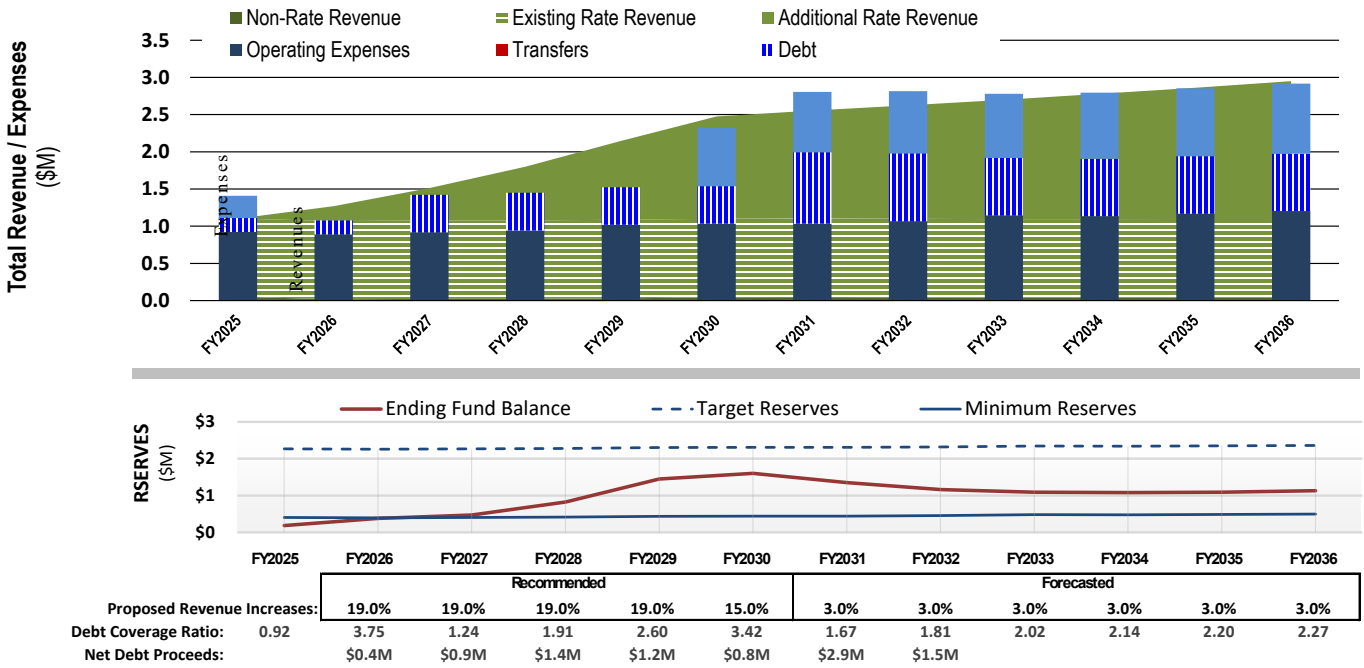
All of the above information was entered into the financial planning model to produce a 10-year projection of the sufficiency of revenues to meet current and projected financial requirements and determine the level of rate revenue increases necessary in each year of the projection period.

Based upon the previously discussed financial data, assumptions, policies, and debt strategy (two bond issues for a total of $9.2 million, see Section 2.7), this Study proposes a 5-year schedule of rate adjustments as detailed in **Table 3**.

Table 3: Recommended West Marin Water System Rate Revenue Increase

Rate Adjustment Date	Proposed Rate Increase
July 1, 2025	19.0%
July 1, 2026	19.0%
July 1, 2027	19.0%
July 1, 2028	19.0%
July 1, 2029	15.0%

The numbers provided in **Schedule 3** (cash flow proforma) are summarized graphically in **Figure 4**, which shows that minimum cash reserves and DCR targets are maintained starting in FY 2026.



	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
		Recommended					Forecasted					
Proposed Revenue Increases:		19.0%	19.0%	19.0%	19.0%	15.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio:	0.92	3.75	1.24	1.91	2.60	3.42	1.67	1.81	2.02	2.14	2.20	2.27
Net Debt Proceeds:		$0.4M	$0.9M	$1.4M	$1.2M	$0.8M	$2.9M	$1.5M				

Figure 4: Financial Projection with Recommended Rate Increases

After the final recommended increase in FY 2029/30, it is projected that minimal (approximately inflationary) increases will be necessary going forward, contingent on actual changes in future costs and the District's future decision regarding how quickly to achieve targeted reserve levels.

Section 3. COST OF SERVICE & RATE STRUCTURE

The cost-of-service (COS) analysis evaluates the cost of providing water service and allocates those costs to rate structure components to ensure the proposed rates are aligned with costs to provide service. The COS analysis is done in order to comply with Proposition 218, which requires water rates to be equitably apportioned and proportional to the cost of providing water service.

Upon completion of the COS analysis, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate schedules for implementation in FY 2025/26. The complete schedule of proposed rates for FY 2025/26 through FY 2029/30 is detailed in **Schedule 5**.

The rate structure proposed by this Study is designed to:

- Meet the requirements of all applicable law
- Fairly and equitably recover costs through rates
- Conform to accepted industry practice and legal requirements
- Improve fiscal stability through the recovery of utility fixed costs

This Study employed a COS methodology that is consistent with the "commodity-demand" COS methodology promulgated in AWWA's *Manual M1: Principles of Water Rates, Fees, and Charges (M1)*. This is a well-established methodology as recognized by AWWA and other accepted industry standards.

3.1 CURRENT RATES

West Marin's current water rates follow a common industry practice with a two-part structure that is comprised of a fixed Service Charge and a consumption-based Quantity Charge. In addition, some water customers pay an additional Hydraulic Zone Charge, which is a consumption-based charge based on the elevation of the property or distance away from the primary distribution zone (Pt. Ryes Station).

The Service Charge is scaled based on the individual account's meter size and currently recovers approximately 27 percent of rate revenue. The relative cost of Service Charges is based on a meter equivalency schedule, which is an industry-standard factor used to represent the relative capacity associated with various meter sizes based on their hydraulic flow capacity (measured in gallons per minute (gpm)). This Study retains the existing meter equivalency table, which comes from AWWA's M1 manual as shown in **Table 4**. The application of this meter equivalency schedule is discussed further in Section 3.2.3.

Table 4: Meter Equivalency Schedule

Meter Size	Meter Type	Rating (gpm)	Equivalency Schedule
5/8"	Displacement	20	1.00
1"	Displacement	50	2.50
1 1/2"	Displacement	100	5.00
2"	Displacement	160	8.00
3"	Compound Class 1	320	16.00
4"	Compound Class 1	500	25.00

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

The Quantity Charge is assessed based on actual water usage (measured in thousand-gallon increments or "TGALs") and the rate varies by customer class. Residential water customers pay inclining block rates (three tiers) and receive water allocations for each tier as summarized in **Table 5**.

Table 5: Current Residential Tiered Rates

Tier	Rate (per TGAL)	Allocation (gallons per day per dwelling unit)	Range of Usage
1	$10.57	250	0 - 250
2	$15.37	350	250 - 600
3	$21.83	na	Greater than 600

Commercial (i.e., all non-residential) water customers currently pay a uniform season rate as shown in **Table 6**.

Table 6: Current Commercial Seasonal Rates

Season	Rate (per TGAL)
Winter	$10.57
Summer	$21.83

The Hydraulic Zone Charge is a surcharge added to the water Quantity Rates.

The District currently assesses a surcharge of $4.85 per TGAL to customers that are located outside of District boundaries. The outside customer surcharge was not included in the scope of this Study.

The District charges a private fire service charge for the cost of maintaining fire service line valve assemblies on private property. This charge is set equal to the charge assessed by the Novato Enterprise and therefore not updated by this study.

3.2 RATE STRUCTURE DEVELOPMENT

The following section presents a detailed description of the process for developing the water rate structure for the West Marin Water enterprise using cost of service principles. A complete schedule of proposed rates for the next 5 years is provided in **Schedule 5**.

3.2.1 Proposed Rate Structure Changes

While West Marin's current rate structure is consistent with common industry practices, this Report recommends that Residential customers be charged with a 2-tier Quantity rate structure rather than a 3-tier rate structure and commercial customers be charged a uniform Quantity charge rather than a seasonal Quantity rate structure. These modifications are recommended in order to reflect the current cost to provide service.

The cost justification for the two-tier Residential rates comes from recovering only "Variable and Water Supply" costs (see Section 3.2.2) through the Tier 1 rates and

recovering both Variable and Water Supply as well as "Marginal Water Management" costs through Tier 2 rates. Commercial customers also pay for Marginal Water Management costs, but those costs are included in all water usage. **Figure 5** presents a graphical depiction of the cost basis for tiered rates.

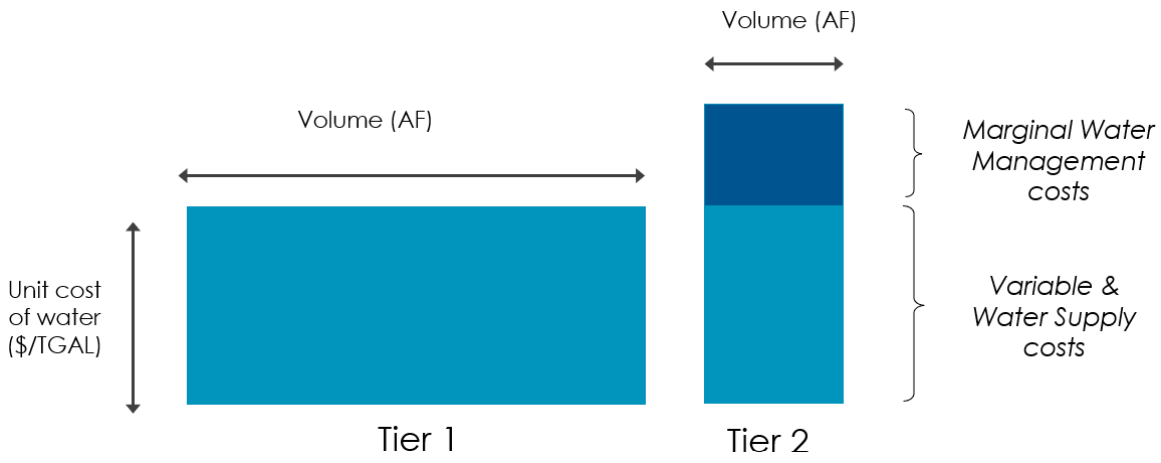


Figure 5: Basis for Tiered Rate Structure

The basis for proposed rates is detailed in the following subsections.

3.2.2 Cost Functions

All costs for the West Marin Water enterprise's FY 2025/26 ("Test Year") are first allocated to four different cost categories: costs associated with managing customers and accounts, costs that are generally fixed or related to the distribution system, costs that are generally variable or associated with water supply, and costs associated with water supply management. These grouped costs will eventually form the basis of the proposed Service Charges and Quantity Charges (as illustrated in **Figure 6)**.

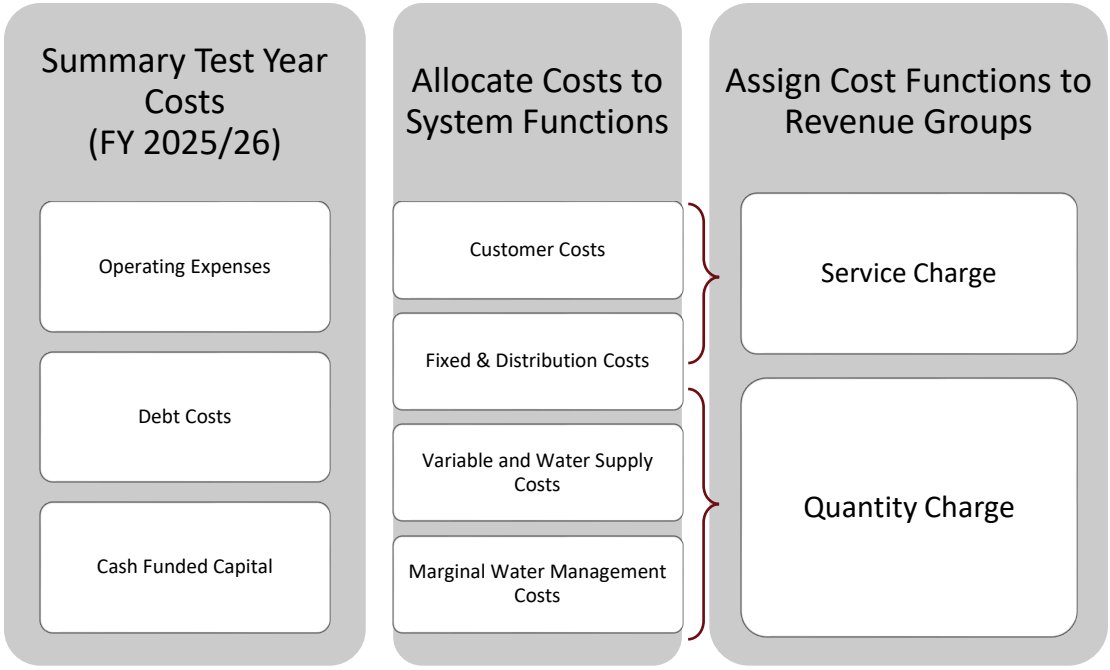


Figure 6: Allocation of Cost Categories

Operating and capital line-item expenses are assigned to a specific system function or activity. The following explains the percentage allocations that are detailed in **Schedule 4**:

- Direct allocations - Some costs can be allocated directly to a functional component. For example, Water Treatment costs (see Rows 13 through 23 of Schedule 4) are allocated almost entirely to the Variable & Water Supply function. Customer Accounting costs (see Row 39 & 40) are allocated to the Customer function.
- General Operations – Most other operational costs are allocated 70/30 between the Fixed & Water Distribution function and the Variable & Water Supply function (respectively). These percentages are consistent with staff's estimate of time and materials spent on operating the distribution system versus the water supply system.
- Marginal Water Supply Management – West Marin has limited water supply and a portion of the budget is spent in managing this resource limitation through programs such as rebates for low flow devices and appliances, incentives for

replacement of automatically irrigated lawn and other rebate and incentive program costs. All of these costs (Row 42) are allocated to this function and a portion (10 percent) of some operating costs are also allocated to the additional effort required by staff and infrastructure to operate within the constraints of limited water supply.

- Capital Spending – Capital expenses and debt service costs (Rows 45 & 46) are split 30 /70 between Fixed & Water Distribution and Variable & Water Supply (respectively) based on the fact that recent capital spending (Gallagher Well #2) and upcoming capital spending (Gallagher Well #3 and the PRTP rehabilitation) is more heavily weighted toward water supply costs.
- Indirect cost allocation – The change in fund balance (i.e., the cost of drawing down on reserves, see Row 48) is allocated using the indirect cost allocation method, which is based on the proportionate allocation of costs that were previously allocated to the respective system functions (see Row 47).
- Non-Rate Revenue – In order to fully account for rate revenue requirements, other revenue sources are accounted for in Rows 49 through 53. The non-rate revenue is predominantly used to offset fixed costs.

3.2.3 Units of Service

As explained in Section 3.2.2, the revenue requirements established for each system function (see bottom row of Schedule 4) are recovered through the Service Charges and Quantity Charges. The unit cost of those charges is calculated by dividing the rate revenue requirement of each system function by an appropriate metric. For example, the revenue requirement for Customer Costs is divided by the number of accounts in the West Marin Water service area to calculate a cost per account.

The following describe units of service that were quantified for this Study.

Accounts – There are 775[4] water accounts within the West Marin Water System.

[4] Does not include private fire services or temporary hydrant meters

Equivalent Meters –**Table 7** shows the calculation of the total equivalent meters for water accounts in the West Marin Water service area. The concept of meter equivalency is explained in Section 3.1.

Table 7: Water Meter Equivalencies

Meter Size:	5/8"	1"	1.5"	2"	3"	4"	Total
Residential:	674	11	10	0	0	0	**695**
Commercial:	55	17	4	2	1	1	**80**
Total:	**729**	**28**	**14**	**2**	**1**	**1**	**775**
Meter Equivalency:	1.0	2.5	5.0	8.0	16.0	25.0	
Equivalent Meters:	**729**	**70**	**70**	**16**	**16**	**25**	**926**

Water Supply – The total amount of water that is delivered to the West Marin Service Area is approximately 56.1 million gallons per year. This is based on the amount of water sold in FY 2023/24 plus 5 percent based on the fact that the water sold that year was below the recent historical average.

Marginal Water Supply – The amount of water that is considered to be "marginal" water supply has been quantified based on the amount of water sold in excess of the current Tier 1 allocation for Residential accounts (250 gallons per day per dwelling unit). When applied equitably across all customers, the volume of "marginal" water is about 10.9 million gallons (the last 19 percent of water sold). The unit cost of marginal water is different for Commercial customers versus Residential customers because the cost is applied to all water usage for Commercial customers and applied to only Tier 2 rates for Residential customers. The unit costs are shown in Table 8.

3.2.4 Unit Costs

The revenue requirements for each system function (from Row 54 of Schedule 4) are divided by the appropriate units of service in order to calculate the unit costs that are used to build the rate structure. These calculations are shown in Table 8.

Table 8: Calculation of Unit Costs

System Function:	Customer Costs	Fixed & Distribution Costs	Variable & Water Supply Costs	Marginal Water Supply Management
Units of Service:	775 Accounts	926 Equivalent Meters	56,100 TGALs	10,900 TGALs
Revenue Requirement:	$13,800	$314,600	$768,800	$44,400
Unit Costs:	**$17.84** per account per year or **$2.97** per account per bi-month	**$339.75** Per equivalent meter per year or **$56.63** per equivalent meter per bi-month	**$13.70** Tier 1 & Uniform Rate	**$4.06** additional for Tier 2 rates **$0.79** additional for all Commercial water

3.2.5 Service Charges

The fixed Service Charge is made up of an account charge ($2.97 per bi-month) and a meter charge ($56.63 per equivalent meter per bi-month). Table 9 provides a complete schedule for all meter sizes.

Table 9: Proposed Service Charges

Meter Size	Account Charge	Meter Charge	Bi-Monthly Service Charge
5/8"	$2.97	$56.63	$59.60
1" Fire*	$2.97	$56.63	$59.60
1"	$2.97	$141.58	$144.55
1 1/2"	$2.97	$283.15	$286.12
2"	$2.97	$453.04	$456.01
3"	$2.97	$906.08	$909.05
4"	$2.97	$1,415.75	$1,418.72

** Residential accounts that have a 1" meter due to fire requirements, but would otherwise have a 5/8" meter, are charged at the 5/8" meter rate.*

3.2.6 Hydraulic Zone Charge

All water in the West Marin Water service area is pressurized when delivered to customers. The District must provide additional pressurization to deliver water to customers located at higher elevations or distances away from the primary distribution zone (Pt. Reyes Station).

The cost of lifting water to higher elevations or distances includes capital costs and energy (electricity). First the "replacement cost new less depreciation" (RCNLD) of the pumping assets at each zone is quantified based on asset records (see column b in Table 10). The annual depreciation expense is then calculated based on the expected useful life for different types of assets (see footnotes to table below). From this value a replacement charge is calculated by dividing column c by the annual water usage at the pump station (see column a). The electricity charge is calculated by dividing the annual cost of electricity (column e) by the annual water usage (column a). Together these two charges yield the proposed charge by hydraulic zone.

Table 10: Hydraulic Zone Charge Calculation

	(a) **Annual Water Usage** (TGAL)	(b) **Asset Value** (RCNLD)	(c) **Annual Depreciation Expense**[1]	(d) **Replacement Charge** ($/TGAL)	(e) **Annual Electricity Costs**	(f) **Electricity Charge** ($/TGAL)	(g) **Proposed Hydraulic Zone Charge** ($/TGAL)
Zone 3[2] **(Olema):**	9,100	$268,000	$6,160	$0.68	$2,800	$0.31	$0.99
Zone 2 (others[3]**):**	12,900	$1,048,000	$24,260	$1.88	$12,200	$0.95	$2.83
Zone 4[4] **(Upper PRE):**	5,100	$1,156,000	$23,300	$4.57	$8,200	$1.61	$9.01
	27,100				**$23,200**		

[1] Assumes a 25 year expected useful life for Pump Station infrastructure and 50-year expected useful life for storage infrastructure (tanks).
[2] The historical naming convention for the zone is not consistent with the actual elevation differences. Zone 2 is in fact a higher
[3] Includes Inverness Park, Bear Valley, and Lower Paradise Ranch Estates
[4] Zone 4 water is first pumped through the Zone 2 pump station, therefore the hyraulic charge includes the Zone 2 charge.

3.2.7 Total Quantity Charge

The Residential and Commercial Quantity Charges are calculated by combining the unit costs shown in Table 8 and Table 10. For example, the Tier 1 unit cost from Table 8 ($13.70 per TGAL) is combined with the Zone 3 Hydraulic Zone Charge ($0.99) for a total

of $14.69 for Tier 1 Zone 3. The various components of the Quantity Charges are summarized below in Table 11.

Table 11 also shows that Temporary Meters will be charged $20.59 per TGAL (which is the Tier 2, Zone 2 Quantity Charge). It is reasonable to charge Temporary Meter customers for the District's more costly source of water (reflected in Tier 2 rates) and for the "middle" elevation zone (Zone 2) since tracking actual locations is not administratively feasible. Temporary Meters are also assessed a fixed Service Charge based on the size of the construction meter.

Table 11: Proposed Quantity Charges

Residential Quantity Charges ($/TGAL)	
Tier 1*	$13.70
Tier 2	$17.76
Commercial Quantity Charges ($/TGAL)	
Uniform	$14.49
Hydraulic Zone Charge ($/TGAL)	
Zone 3	$0.99
Zone 2	$2.83
Zone 4	$9.01
Other Quantity Charges ($/TGAL)	
Temporary Meter	$20.59

* For the first 250 gallons per day

3.3 PRIVATE FIRE SERVICE CHARGE

The District provides maintenance services for private fire service valve assemblies, which is a service that is not provided to other customers. By District policy, West Marin Water charges the same fire service charges as assessed by the Novato service area.

3.4 ADOPTION OF PROPOSED RATES

This Study has calculated, and is proposing, a 5-year schedule of water rates (see Schedule 5). All rates are proposed to be effective as of July 1.

The water rates will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed charges to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

Section 4. CONCLUSION

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable laws, including California's Proposition 218. The proposed annual adjustments to the rates will allow the District to continue to provide reliable service to customers while meeting operational and infrastructure needs of the service area. The modifications to the rate structure will provide revenue stability, improve the defensibility of the water rates, and continue to equitably and proportionately recover costs from the customers. A complete schedule of rates over the 5-year planning period is summarized in Schedule 5.

It is important to note that this study proposes changes to both the total amount of rate revenue being collected by the West Marin Water enterprise as well as the structure of the rates. Consequently, the results of the rate changes will vary among different customers in Year 1 due to the proposed rate structure adjustments. To be clear, some customers' bills will increase by more than rate revenue increase of 19% in Year 1, while other customers' bills will increase by less than that amount. Starting in Year 2 (FY 2026/27), all customers will experience the same uniform percentage change to their bill.

SCHEDULES

Schedule 1 – Budgeted and Projected Cash Inflows
Schedule 2 - Budgeted and Projected Cash Outflows
Schedule 3 - Cash Flow Pro Forma
Schedule 4 – Allocation of Costs to System Functions
Schedule 5 – Schedule of Proposed Rates

Schedule 1 – Budgeted and Projected Cash Inflows

		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35
1	Growth in Water Accounts	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
2	Proposed Water Rate Increase	19.0%	19.0%	19.0%	19.0%	15.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	Rate Revenue										
3	Water Rate Revenue	$1,053,000	$1,254,000	$1,493,000	$1,778,000	$2,117,000	$2,436,000	$2,510,000	$2,586,000	$2,665,000	$2,746,000
4	Increase due to growth	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
5	Increase due to new rate adjustments	$200,000	$238,000	$284,000	$338,000	$318,000	$73,000	$75,000	$78,000	$80,000	$82,000
6	**Total Rate Revenue**	**$1,254,000**	**$1,493,000**	**$1,778,000**	**$2,117,000**	**$2,436,000**	**$2,510,000**	**$2,586,000**	**$2,665,000**	**$2,746,000**	**$2,829,000**
	Other Revenue:										
7	Account Turn-On Charges	$2,000	$2,100	$2,100	$2,200	$2,200	$2,300	$2,300	$2,300	$2,400	$2,400
8	LIRA Bill Adjustments-WM	($1,000)	($1,000)	($1,100)	($1,100)	($1,100)	($1,100)	($1,100)	($1,200)	($1,200)	($1,200)
9	Reg 15 Forfeiture:West Marin:Dist	$2,000	$2,000	$2,100	$2,100	$2,200	$2,200	$2,300	$2,300	$2,300	$2,400
10	Interest Earned	$4,000	$8,000	$9,000	$17,000	$29,000	$32,000	$27,000	$23,000	$22,000	$22,000
11	Capacity Charges	$10,300	$10,500	$10,700	$11,000	$11,200	$11,400	$11,600	$11,900	$12,100	$12,300
12	**Total Other Revenue**	**$17,300**	**$21,600**	**$22,800**	**$31,200**	**$43,500**	**$46,800**	**$42,100**	**$38,300**	**$37,600**	**$37,900**
13	**TOTAL REVENUE**	**$1,271,300**	**$1,514,600**	**$1,800,800**	**$2,148,200**	**$2,479,500**	**$2,556,800**	**$2,628,100**	**$2,703,300**	**$2,783,600**	**$2,866,900**

Schedule 2 - Budgeted and Projected Cash Outflows (1 of 2)

		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35
	SOURCE OF SUPPLY										
1	Supervision & Engineering	$6,200	$6,400	$6,600	$6,800	$7,000	$7,200	$7,400	$7,600	$7,800	$8,100
2	Operating Labor	$2,100	$2,100	$2,200	$2,300	$2,300	$2,400	$2,500	$2,500	$2,600	$2,700
3	Maintenance Of Structures	$13,400	$13,800	$14,200	$14,600	$15,100	$15,500	$16,000	$16,500	$17,000	$17,500
4	Fines Penalties & Fees	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
	PUMPING										
5	Maintenance Of Structures & Grounds	2,100	2,100	2,200	2,300	2,300	2,400	2,500	2,500	2,600	2,700
6	Maintenance Of Pumping Equipment	12,400	12,700	13,100	13,500	13,900	14,300	14,800	15,200	15,700	16,100
7	Electric Power	70,400	73,900	77,600	81,400	85,500	89,800	94,300	99,000	103,900	107,100
	OPERATIONS										
8	Supervision & Engineering	25,800	26,500	27,300	28,100	29,000	29,900	30,700	31,700	32,600	33,600
9	Operating Labor & Expense	23,700	24,400	25,100	25,900	26,700	27,500	28,300	29,100	30,000	30,900
10	Maintenance Expense	1,000	1,100	1,100	1,100	1,200	1,200	1,200	1,300	1,300	1,300
11	Maintenance Of Telemetering Equipment	15,500	15,900	16,400	16,900	17,400	17,900	18,400	19,000	19,600	20,200
12	Leased Lines Expense	5,200	5,300	5,500	5,600	5,800	6,000	6,100	6,300	6,500	6,700
	WATER TREATMENT										
13	Supervision & Engineering	15,500	15,900	16,400	16,900	17,400	17,900	18,400	19,000	19,600	20,200
14	Purification Expense	62,800	64,700	66,700	68,700	70,700	72,800	75,000	77,300	79,600	82,000
15	Purification Chemicals	9,500	9,700	10,000	10,300	10,600	11,000	11,300	11,600	12,000	12,300
16	Maintenance Of Structures	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800	8,100
17	Maintenance Of Equipment	26,800	27,600	28,400	29,300	30,100	31,000	32,000	32,900	33,900	34,900
18	Electric Power	26,300	27,600	28,900	30,400	31,900	33,500	35,200	36,900	38,800	39,900
19	Laboratory Labor	74,200	76,400	78,700	81,000	83,500	86,000	88,600	91,200	93,900	96,800
20	Lab Services/Expense	22,700	23,300	24,000	24,800	25,500	26,300	27,100	27,900	28,700	29,600
21	Customer Water Quality	8,200	8,500	8,700	9,000	9,300	9,600	9,800	10,100	10,400	10,800
22	Water Quality Supervision	9,300	9,500	9,800	10,100	10,400	10,700	11,100	11,400	11,700	12,100
23	Distributed To West Marin	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000
	TRANSMISSION & DISTRIBUTION										
24	Supervision & Engineering	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000
25	Facilities Location - USA	9,300	9,500	9,800	10,100	10,400	10,700	11,100	11,400	11,700	12,100
26	Customer Service Expense	8,200	8,500	8,700	9,000	9,300	9,600	9,800	10,100	10,400	10,800
27	Flushing	5,200	5,300	5,500	5,600	5,800	6,000	6,100	6,300	6,500	6,700
28	Storage Facilities Expense	45,300	46,700	48,100	49,500	51,000	52,500	54,100	55,700	57,400	59,100
29	Cathodic Protection	1,000	1,100	1,100	1,100	1,200	1,200	1,200	1,300	1,300	1,300
30	Maint Of Valves, Reliefs & Reg	1,000	1,100	1,100	1,100	1,200	1,200	1,200	1,300	1,300	1,300
31	Maintenance Of Mains	4,100	4,200	4,400	4,500	4,600	4,800	4,900	5,100	5,200	5,400
32	Backflow Device Insp/Testing (Small)	4,100	4,200	4,400	4,500	4,600	4,800	4,900	5,100	5,200	5,400
33	Backflow Device Insp/Testing (Large)	2,100	2,100	2,200	2,300	2,300	2,400	2,500	2,500	2,600	2,700
34	Maintenance Of Copper Services	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800	8,100
35	Maintenance Of Plastic Services	31,900	32,900	33,900	34,900	35,900	37,000	38,100	39,300	40,400	41,700
36	Maint Of D.C./Fire Line Services	4,100	4,200	4,400	4,500	4,600	4,800	4,900	5,100	5,200	5,400
37	Single Service Installation	5,200	5,300	5,500	5,600	5,800	6,000	6,100	6,300	6,500	6,700
38	Maintenance Of Meters	4,100	4,200	4,400	4,500	4,600	4,800	4,900	5,100	5,200	5,400

Schedule 2 - Budgeted and Projected Cash Outflows (2 of 2)

		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35
	CONSUMER ACCOUNTING										
39	Meter Reading Expense	12,400	12,700	13,100	13,500	13,900	14,300	14,800	15,200	15,700	16,100
40	Collection Expense - District	1,000	1,100	1,100	1,100	1,200	1,200	1,200	1,300	1,300	1,300
41	Distributed To West Marin Water	14,400	14,900	15,300	15,800	16,200	16,700	17,200	17,700	18,300	18,800
	GENERAL ADMINSTRATION										
42	G&A Consultants:West Marin-Admin	0	0	0	45,000	0	0	0	45,000	0	0
43	Distributed-West Marin Water	107,100	110,300	113,600	117,100	120,600	124,200	127,900	131,700	135,700	139,800
44	GASB68 Adjustment - G&A	129,800	133,700	137,700	141,800	146,100	150,500	155,000	159,600	164,400	169,300
	WATER CONSERVATION										
45	Water Conservation Program	12,400	12,700	13,100	13,500	13,900	14,300	14,800	15,200	15,700	16,100
	DEBT SERVICE										
46	Existing Debt Service	71,000	71,000	71,000	71,000	71,000	71,000	24,000	0	0	0
47	New Internal Loan Repayments	116,000	116,000	116,000	116,000	116,000	116,000	116,000	0	0	0
48	New Debt Service	0	318,000	318,000	318,000	318,000	772,000	772,000	772,000	772,000	772,000
49	**Total Operating & Debt Expenses**	**1,076,000**	**1,421,000**	**1,450,000**	**1,524,000**	**1,539,000**	**1,995,000**	**1,980,000**	**1,918,000**	**1,908,000**	**1,941,000**

Schedule 3 – Cash Flow Proforma

		Budget FY 2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034	Forecast FY2035
1	**Water Rate Revenue Increase:**		19.00%	19.00%	19.00%	19.00%	15.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Rate Revenue											
2	**Water Rate Revenue**	$1,053,000	$1,053,000	$1,254,000	$1,493,000	$1,778,000	$2,117,000	$2,436,000	$2,510,000	$2,586,000	$2,665,000	$2,746,000
3	Change due to growth & use		$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
4	Increase due to rate adjustments		$200,000	$238,000	$284,000	$338,000	$318,000	$73,000	$75,000	$78,000	$80,000	$82,000
	Non-Rate Revenues											
5	Interest Earnings	$9,000	$4,000	$8,000	$9,000	$17,000	$29,000	$32,000	$27,000	$23,000	$22,000	$22,000
6	Connection Fees	$32,000	$10,000	$11,000	$11,000	$11,000	$11,000	$11,000	$12,000	$12,000	$12,000	$12,000
7	Operating Revenue	$9,000	$3,000	$3,100	$3,100	$3,200	$3,300	$3,300	$3,400	$3,500	$3,500	$3,600
8	**Total Revenue**	**$1,103,000**	**$1,271,000**	**$1,515,100**	**$1,801,100**	**$2,148,200**	**$2,479,300**	**$2,556,300**	**$2,628,400**	**$2,703,500**	**$2,783,500**	**$2,866,600**
	O&M Costs											
9	Source of Supply	$22,000	$23,000	$23,000	$24,000	$25,000	$55,000	$26,000	$27,000	$28,000	$28,000	$29,000
10	Pumping	$81,000	$85,000	$89,000	$93,000	$97,000	$102,000	$107,000	$111,000	$117,000	$122,000	$126,000
11	Other Operations	$69,000	$71,000	$73,000	$75,000	$78,000	$80,000	$82,000	$85,000	$87,000	$90,000	$93,000
12	Water Treatment	$290,000	$298,000	$307,000	$315,000	$324,000	$333,000	$343,000	$353,000	$363,000	$373,000	$384,000
13	Transmission & Distribution	$131,000	$135,000	$139,000	$143,000	$147,000	$152,000	$156,000	$161,000	$166,000	$171,000	$176,000
14	Consumer Accounting	$27,000	$28,000	$29,000	$30,000	$30,000	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000
15	Water Conservation	$12,000	$12,000	$13,000	$13,000	$14,000	$14,000	$14,000	$15,000	$15,000	$16,000	$16,000
16	General Administration	$290,000	$237,000	$244,000	$251,000	$304,000	$267,000	$275,000	$283,000	$336,000	$300,000	$309,000
17	***Total Operating Expenses***	**$922,000**	**$889,000**	**$917,000**	**$944,000**	**$1,019,000**	**$1,034,000**	**$1,035,000**	**$1,068,000**	**$1,146,000**	**$1,135,000**	**$1,169,000**
	Capital Costs											
18	**Total Capital Spending**	**$300,000**	**$400,000**	**$927,000**	**$1,538,000**	**$1,366,000**	**$1,913,000**	**$6,608,000**	**$3,821,000**	**$861,000**	**$887,000**	**$913,000**
19	**Bond Funded Capital**	**$0**	**$400,000**	**$927,000**	**$1,406,000**	**$1,229,000**	**$844,000**	**$2,898,000**	**$1,493,000**	**$0**	**$0**	**$0**
20	Cash Funded Capital Projects	$300,000	$0	$0	$0	$0	$788,000	$811,000	$836,000	$861,000	$887,000	$913,000
21	Grant Funded Capital Projects	$0	$0	$0	$133,000	$137,000	$281,000	$2,898,000	$1,493,000	$0	$0	$0
22	Existing Debt Service	$71,000	$71,000	$71,000	$71,000	$71,000	$71,000	$71,000	$24,000	$0	$0	$0
23	Internal Loan	$116,000	$116,000	$116,000	$116,000	$116,000	$116,000	$116,000	$116,000	$0	$0	$0
24	New Debt Service	$0	$0	$318,000	$318,000	$318,000	$318,000	$772,000	$772,000	$772,000	$772,000	$772,000
25	***Total Capital Expenses***	**$487,000**	**$187,000**	**$505,000**	**$505,000**	**$505,000**	**$1,293,000**	**$1,770,000**	**$1,748,000**	**$1,633,000**	**$1,659,000**	**$1,685,000**
26	**Total Revenue Requirement**	**$1,409,000**	**$1,076,000**	**$1,422,000**	**$1,449,000**	**$1,524,000**	**$2,327,000**	**$2,805,000**	**$2,816,000**	**$2,779,000**	**$2,794,000**	**$2,854,000**
27	**Beginning Year Balance**	**$492,000**	**$186,000**	**$381,000**	**$474,000**	**$826,000**	**$1,450,000**	**$1,602,000**	**$1,353,000**	**$1,165,000**	**$1,090,000**	**$1,080,000**
28	**Surplus/(Shortfall)**	**($306,000)**	**$195,000**	**$93,100**	**$352,100**	**$624,200**	**$152,300**	**($248,700)**	**($187,600)**	**($75,500)**	**($10,500)**	**$12,600**
29	**End of Year Balance**	**$186,000**	**$381,000**	**$474,100**	**$826,100**	**$1,450,200**	**$1,602,300**	**$1,353,300**	**$1,165,400**	**$1,089,500**	**$1,079,500**	**$1,092,600**
30	*Minimum Reserves*	$406,000	$395,000	$405,000	$414,000	$439,000	$444,000	$444,000	$455,000	$481,000	$477,000	$489,000
31	*Reserve Target*	$2,268,000	$2,257,000	$2,267,000	$2,276,000	$2,301,000	$2,306,000	$2,306,000	$2,317,000	$2,343,000	$2,339,000	$2,351,000
32	**Debt Coverage Ratio**	**0.92**	**3.75**	**1.24**	**1.91**	**2.60**	**3.42**	**1.67**	**1.81**	**2.02**	**2.14**	**2.20**

Schedule 4 – Allocation of Costs to System Functions (1 of 2)

			Percent Allocation to System Functions			Cost Allocation to System Functions			
	Budget Line Items	Test Year Budget	Customer Costs	Fixed & Distribution Costs	Variable & Water Supply Costs	Marginal Water Management Costs	Customer Costs	Fixed & Distribution Costs	Baseline Water Supply	Marginal Water Management Costs
	SOURCE OF SUPPLY									
1	Supervision & Engineering	$6,200			90%	10%			$5,580	$620
2	Operating Labor	$2,100			100%				$2,100	
3	Maintenance Of Structures	$13,400			100%				$13,400	
4	Fines Penalties & Fees	$1,000			100%				$1,000	
	PUMPING									
5	Maintenance Of Structures & Grounds	$2,100		70%	30%			$1,470	$630	
6	Maintenance Of Pumping Equipment	$12,400		70%	30%			$8,680	$3,720	
7	Electric Power	$70,400		70%	30%			$49,280	$21,120	
	OPERATIONS									
8	Supervision & Engineering	$25,800		60%	30%	10%		$15,480	$7,740	$2,580
9	Operating Labor & Expense	$23,700		60%	30%	10%		$14,220	$7,110	$2,370
10	Maintenance Expense	$1,000		60%	30%	10%		$600	$300	$100
11	Maintenance Of Telemetering Equipment	$15,500		60%	40%			$9,300	$6,200	
12	Leased Lines Expense	$5,200		60%	40%			$3,120	$2,080	
	WATER TREATMENT									
13	Supervision & Engineering	$15,000			100%				$15,000	
14	Purification Expense	$63,000			100%				$63,000	
15	Purification Chemicals	$9,000			100%				$9,000	
16	Maintenance Of Structures	$6,000			100%				$6,000	
17	Maintenance Of Equipment	$27,000			100%				$27,000	
18	Electric Power	$26,000			90%	10%			$23,400	$2,600
19	Laboratory Labor	$74,000			100%				$74,000	
20	Lab Services/Expense	$23,000			100%				$23,000	
21	Customer Water Quality	$8,000			100%				$8,000	
22	Water Quality Supervision	$9,000			100%				$9,000	
23	Distributed To West Marin	$37,000			100%				$37,000	

Schedule 4 – Allocation of Costs to System Functions (2 of 2)

			Percent Allocation to System Functions				Cost Allocation to System Functions			
	Budget Line Items	Test Year Budget	Customer Costs	Fixed & Distribution Costs	Variable & Water Supply Costs	Marginal Water Management Costs	Customer Costs	Fixed & Distribution Costs	Baseline Water Supply	Marginal Water Management Costs
	TRANSMISSION & DISTRIBUTION									
24	Supervision & Engineering	$3,100		70%	30%			$2,170	$930	
25	Facilities Location - USA	$9,300		70%	30%			$6,510	$2,790	
26	Customer Service Expense	$8,200		70%	30%			$5,740	$2,460	
27	Flushing	$5,200		70%	30%			$3,640	$1,560	
28	Storage Facilities Expense	$45,300		70%	30%			$31,710	$13,590	
29	Cathodic Protection	$1,000		70%	30%			$700	$300	
30	Maint Of Valves, Reliefs & Reg	$1,000		70%	30%			$700	$300	
31	Maintenance Of Mains	$4,100		70%	30%			$2,870	$1,230	
32	Backflow Device Insp/Testing (Small)	$4,100		70%	30%			$2,870	$1,230	
33	Backflow Device Insp/Testing (Large)	$2,100		70%	30%			$1,470	$630	
34	Maintenance Of Copper Services	$6,200		70%	30%			$4,340	$1,860	
35	Maintenance Of Plastic Services	$31,900		70%	30%			$22,330	$9,570	
36	Maint Of D.C./Fire Line Services	$4,100		70%	30%			$2,870	$1,230	
37	Single Service Installation	$5,200		70%	30%			$3,640	$1,560	
38	Maintenance Of Meters	$4,100		70%	30%			$2,870	$1,230	
	CONSUMER ACCOUNTING									
39	Meter Reading Expense	$12,400	100%				$12,400			
40	Collection Expense - District	$1,000	100%				$1,000			
41	Distributed To West Marin Water	$14,400	50%	50.0%			$7,200	$7,200		
	WATER CONSERVATION									
42	Water Conservation Program	$12,400				100%				$12,400
	GENERAL AND ADMINISTRATIVE									
43	Distributed-West Marin Water	$107,100		60%	30%	10%		$64,260	$32,130	$10,710
44	GASB68 Adjustment - G&A	$129,800		60%	30%	10%		$77,880	$38,940	$12,980
	Total Operating Costs	**$887,800**					**$20,600**	**$345,920**	**$476,920**	**$44,360**
	CAPITAL AND DEBT									
45	Debt Service	$187,000		30.0%	70.0%			$56,100	$130,900	
46	Capital Spending	$795,000		30.0%	70.0%			$238,500	$556,500	
	Total Costs	**$1,869,800**					**$20,600**	**$640,520**	**$1,164,320**	**$44,360**
47						**Indirect Calculation:**	**1.1%**	**34.3%**	**62.3%**	**2.4%**
	REVENUES AND CREDITS									
48	Change in Fund Balance & Transfers	($600,000)	1.1%	35.1%	63.8%		($6,771)	($210,531)	($382,698)	
49	Non-Rate Revenue	($17,000)		90.0%	10.0%			($15,300)	($1,700)	
50	Temporary Meters	($12,300)		90.0%	10.0%			($11,070)	($1,230)	
51	Elevation Surcharge	($77,000)		90.0%	10.0%			($69,300)	($7,700)	
52	Outside Surcharge	($17,900)		90.0%	10.0%			($16,110)	($1,790)	
53	Private Fire Service Charge	($4,000)		90.0%	10.0%			($3,600)	($400)	
54	**Totals:**	**$1,141,600**				**Totals (rounded):**	**$13,800**	**$314,600**	**$768,800**	**$44,400**

Schedule 5 – Proposed Rates for FY 2025/26 through FY 2029/30

	Effective Date				
	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
Residential Quantity Charges ($/TGAL)					
Tier 1[1]	$13.70	$16.30	$19.40	$23.09	$26.55
Tier 2	$17.76	$21.14	$25.16	$29.94	$34.43
Commercial Quantity Charges ($/TGAL)					
Uniform	$14.49	$17.25	$20.53	$24.43	$28.09
Hydraulic Zone Charge ($/TGAL)					
Zone 3	$0.99	$1.18	$1.40	$1.67	$1.92
Zone 2	$2.83	$3.37	$4.01	$4.77	$5.49
Zone 4	$9.01	$10.72	$12.76	$15.18	$17.46
Other Quantity Charges ($/TGAL)					
Temporary Meter	$20.59	$24.50	$29.16	$34.70	$39.91
Service Charges (bi-monthly fixed charge based on meter size)					
5/8"	$59.60	$70.92	$84.39	$100.42	$115.48
1" Fire[2]	$59.60	$70.92	$84.39	$100.42	$115.48
1"	$144.55	$172.01	$204.69	$243.58	$280.12
1 1/2"	$286.12	$340.48	$405.17	$482.15	$554.47
2"	$456.01	$542.65	$645.75	$768.44	$883.71
3"	$909.05	$1,081.77	$1,287.31	$1,531.90	$1,761.69
4"	$1,418.72	$1,688.28	$2,009.05	$2,390.77	$2,749.39

[1] Allocation is 250 gpd per dwelling unit

[2] Only for 1" residential meters that are upsized from 5/8" due to fire code requirements

ATTACHMENT 2

2025 West Marin Water Rate Study

Board Presentation – Final Recommendation

April 15, 2025

HILDEBRAND CONSULTING

Agenda

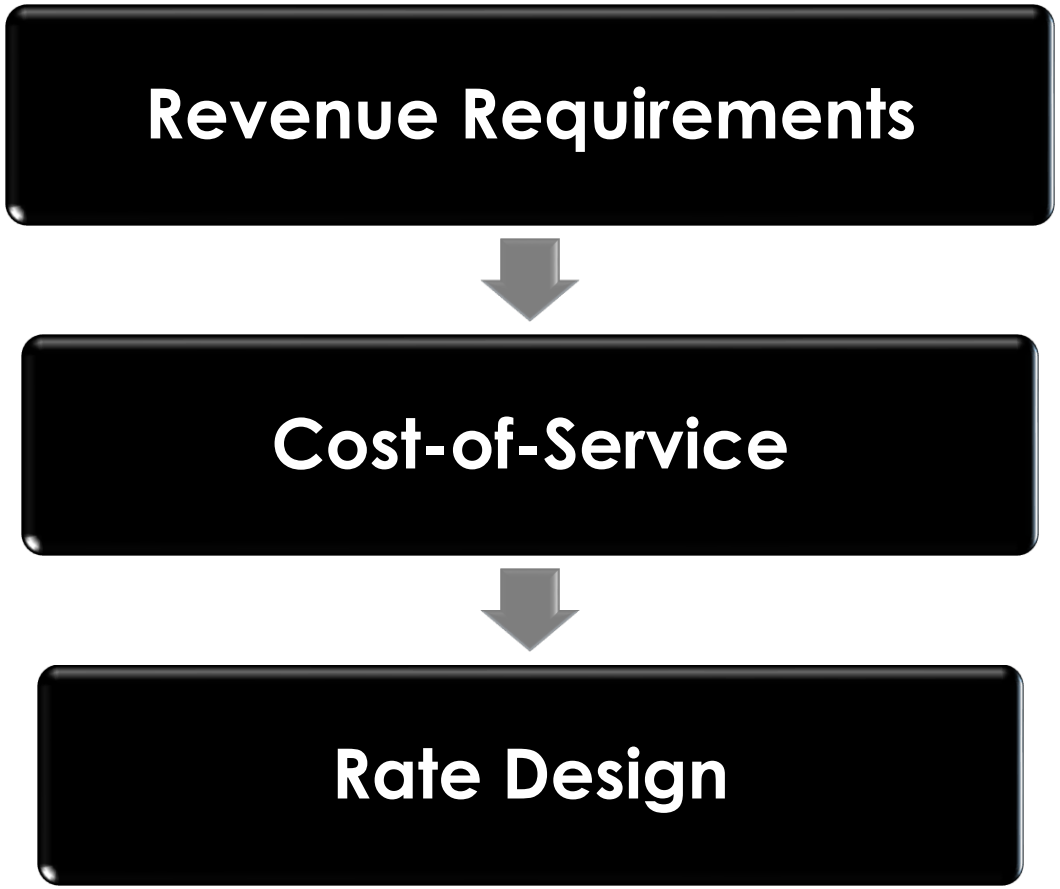
1. Rate studies overview & scope
2. Review financial plan
3. Proposed Capital Spending Plan
4. Rate design & structure topics
5. Project schedule

Rate Study Objective

- Establish a secure, multi-year financial plan that supports operating costs and capital spending necessary to provide water services that are reliable, high-quality, environmentally responsible and reasonably priced.

- Ensure that the rate structure complies with the (evolving) requirements of Proposition 218.

The Rate Setting Process



Compares the revenues of the utility to its expenses to determine the overall level of rate adjustment

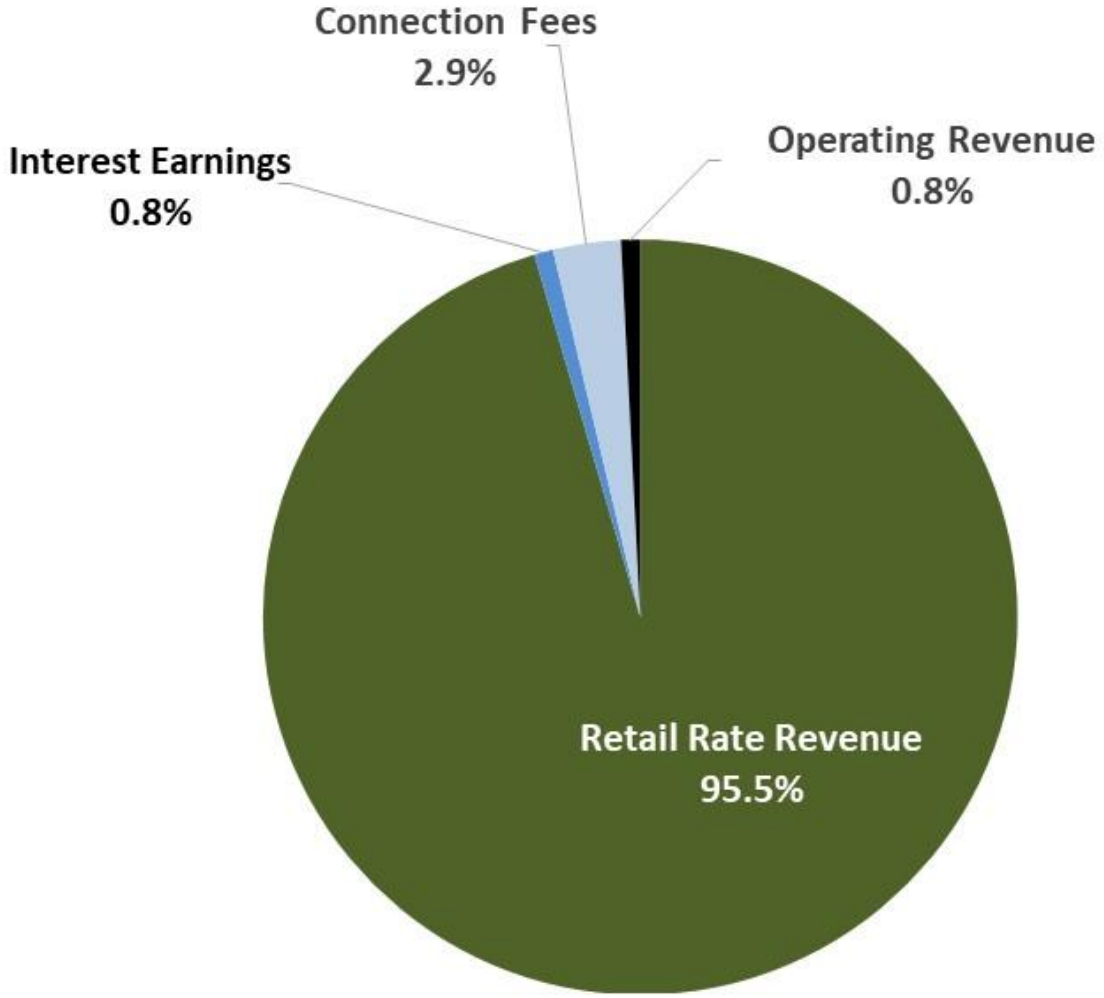
Equitably allocates costs by customer classes (business, low water user, high water user, etc.) in proportion to the costs each class of customers places on the system to meet their needs

Design rates for each class of service to meet the revenue needs of the utility, along with any other rate design goals and objectives

West Marin Enterprise Revenue

FY2024/25 Budget

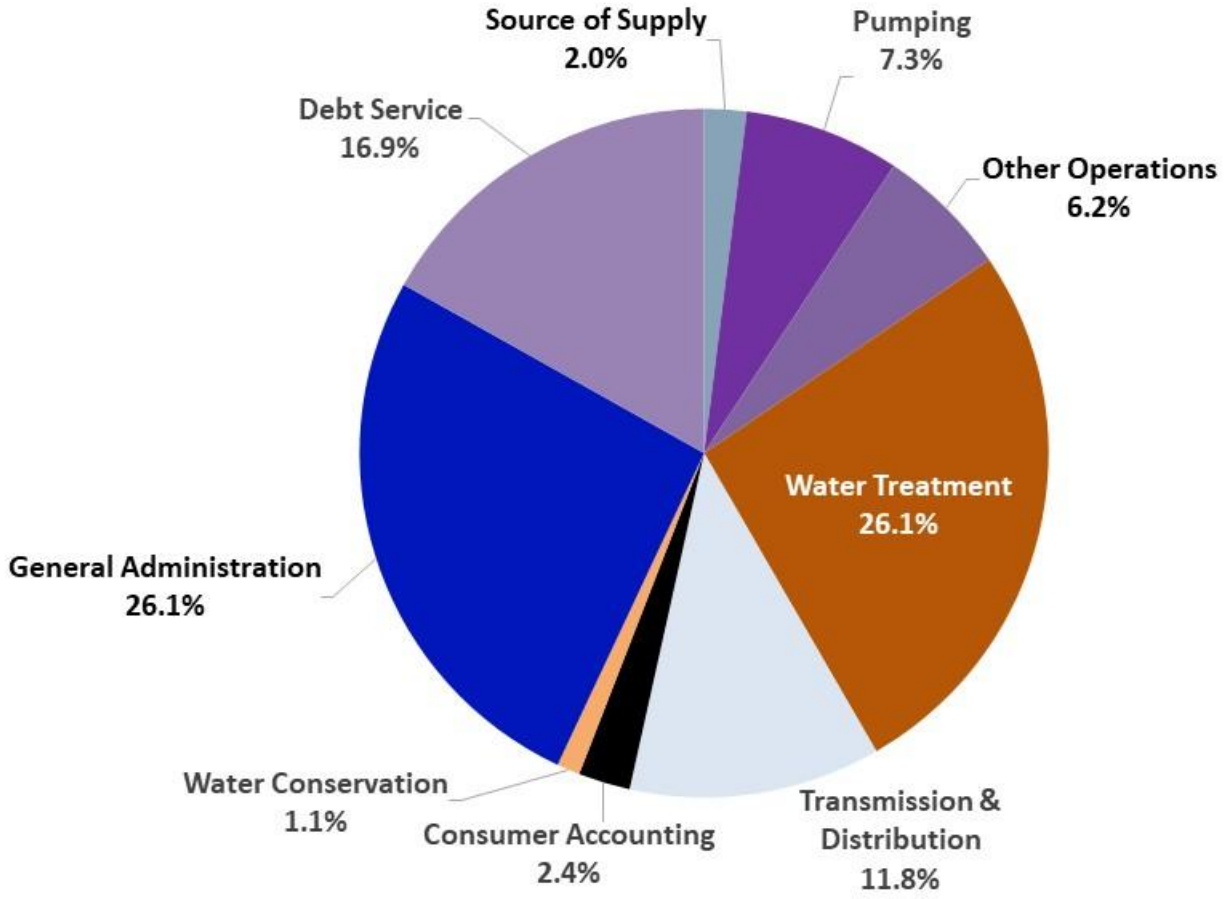
Retail Rate Revenue		$1,053,000
Non-Rate Revenue		
Interest Earnings		$9,000
Connection Fees		$32,000
Operating Revenue		$9,000
	Total:	**$1,103,000**



West Marin Enterprise Operating Expenses & Debt Service

FY2024/25 Budget

Source of Supply	$22,000
Pumping	$81,000
Other Operations	$69,000
Water Treatment	$290,000
Transmission & Distribution	$131,000
Consumer Accounting	$27,000
Water Conservation	$12,000
General Administration	$290,000
Debt Service	$187,000
Total Budget:	**$1,109,000**



Cost Escalation Assumptions

- Utilities, chemicals, supplies – 5% per year
- All other costs – 3% per year
- Sensitivity analysis was conducted with less "optimistic" (i.e., higher) inflation assumptions, which would have resulted in larger proposed rate increases. Ultimately the study proceeded with lower inflation assumptions (a) to minimize the rate impact to customers and (b) because the financial plan is a 20-year period, which is unlikely to sustain high inflation rates.

Rate increase drivers:

Significant increase in capital spending

- In the near-term, costs are driven by two bridge projects (required by CalTrans/County) and Gallagher Well No.3 (needed for water supply)
- Also notable is a major water treatment plant (WTP) rehabilitation
- The majority of the system is reaching the end of design life
- See Slides 11 through 17

Inflation & Increases in Operations and Maintenance Costs

- Operating cost in FY2025 are budgeted at $922 vs. $664 thousand forecasted by 2021 Financial Plan (an increase of $258 thousand, or 39%)
  - Primarily from treatment, electric, and labor costs

Revenue

- Reduction in property tax revenue (about $60 thousand per year)
- Reductions in water usage

Reserves

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

Minimum Reserves:

These reserves should always *plan* to be fully funded:

Operating Reserve: 4 months of O&M budget ($307 thousand)

Liability Contingency Reserve (currently $99K)

Target Reserves:

This reserve is designed to occasionally be drawn down:

Maintenance Accrual Fund: Equal to the average long-term annual capital spending (approx. $1.86 million depending on scenario).

West Marin Enterprise
Proposed Capital Spending Plan

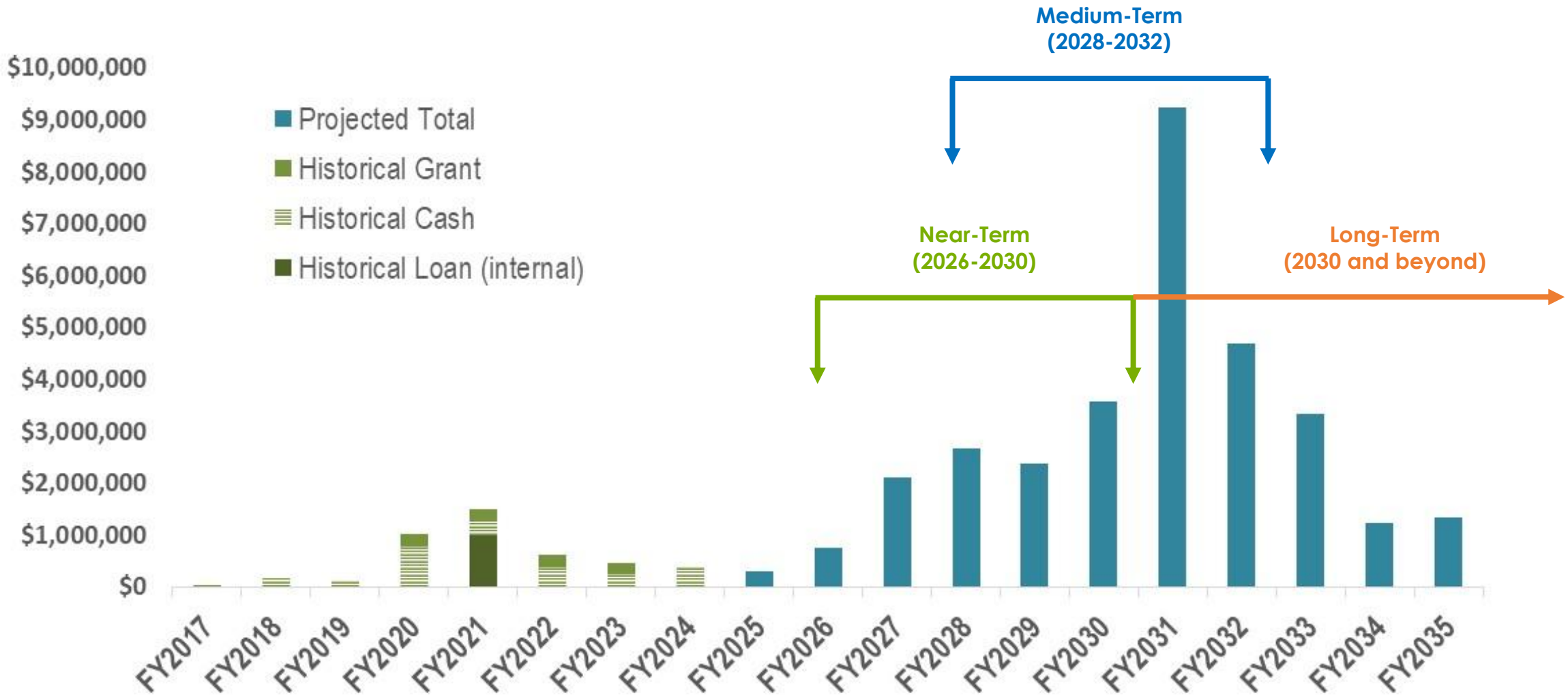
Proposed Capital Spending Plan

- Near-Term (FY26 – 30) ($4,250,000)
  - 2 bridge pipelines, Gallagher Well #3 (replace #1)
  - Treatment Plant Interim Rehabilitation
  - 100% debt financed

- Medium-Term (FY28 – 32) ($10,000,000)
  - Treatment Plant Full-Scale Rehabilitation
  - Assumed 50% grant funded

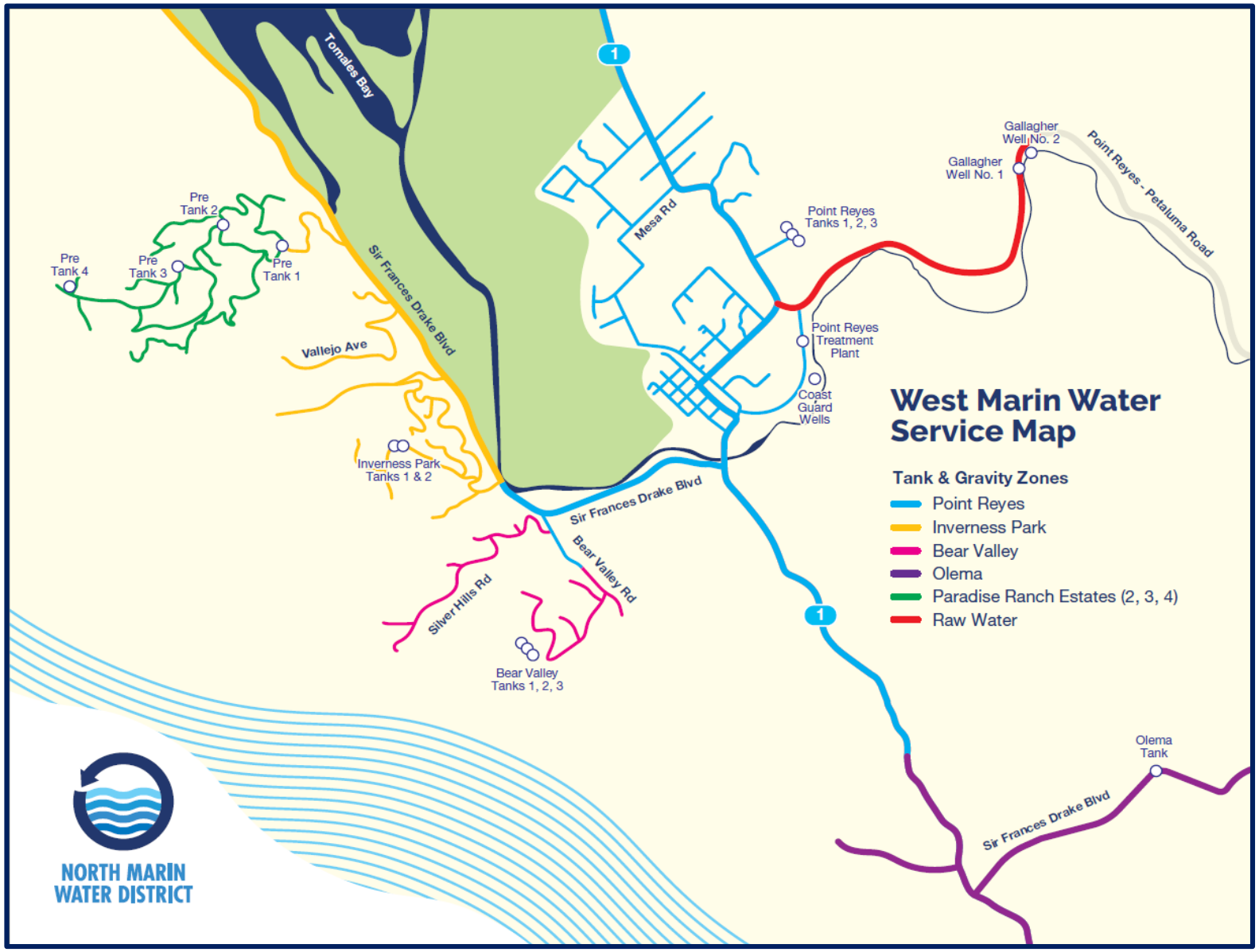
- Long-Term (FY30 and beyond) ($12,000,000)
  - Pipeline, Tank, and Pump Station rehabilitation & replacements
  - $700,000 annual pay-go

West Marin Enterprise Capital Spending Needs



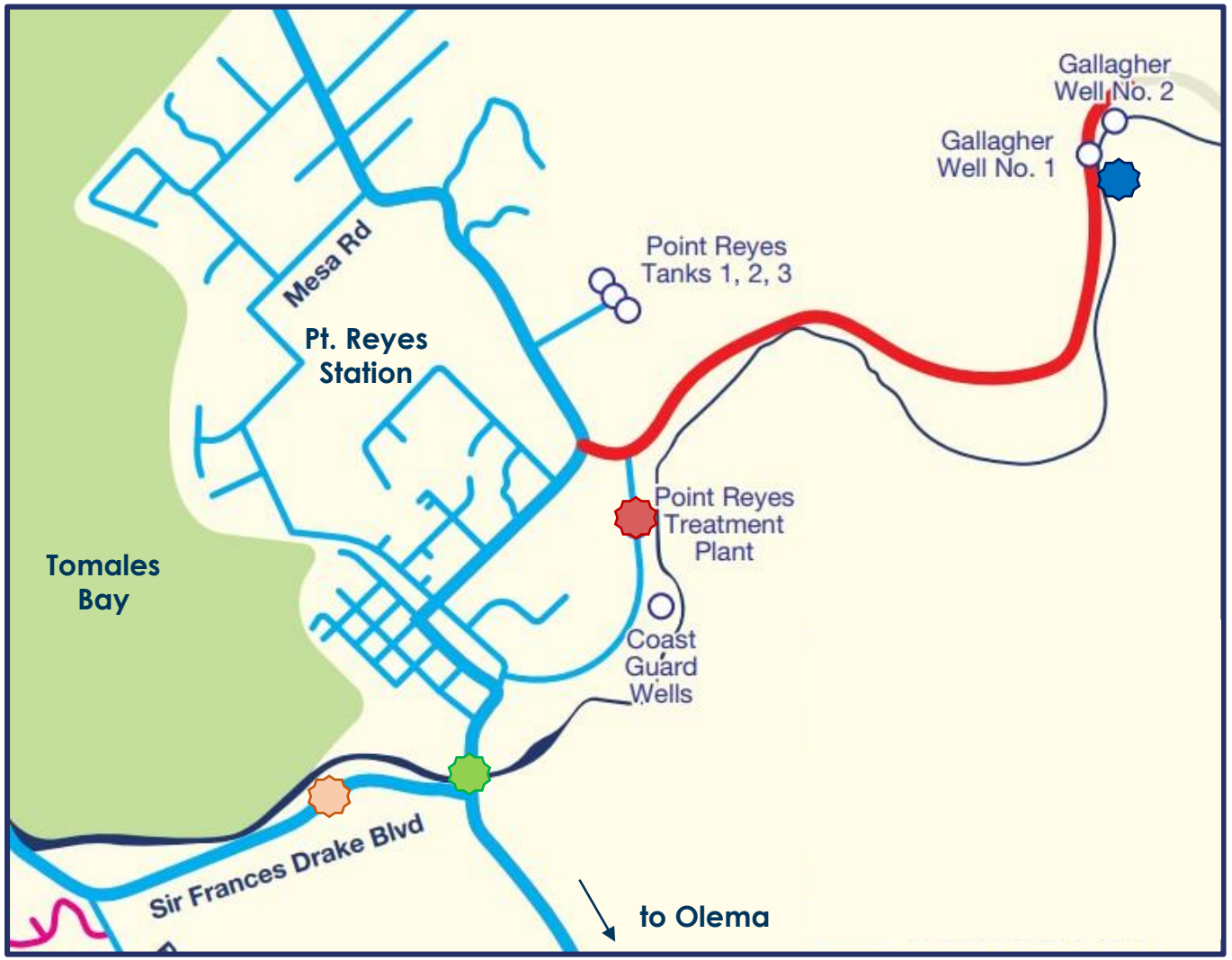
Average Historical (7 years): $552 thousand
Projected Average (Full List): $2.9 million

West Marin Enterprise Planned Projects 2026-2045



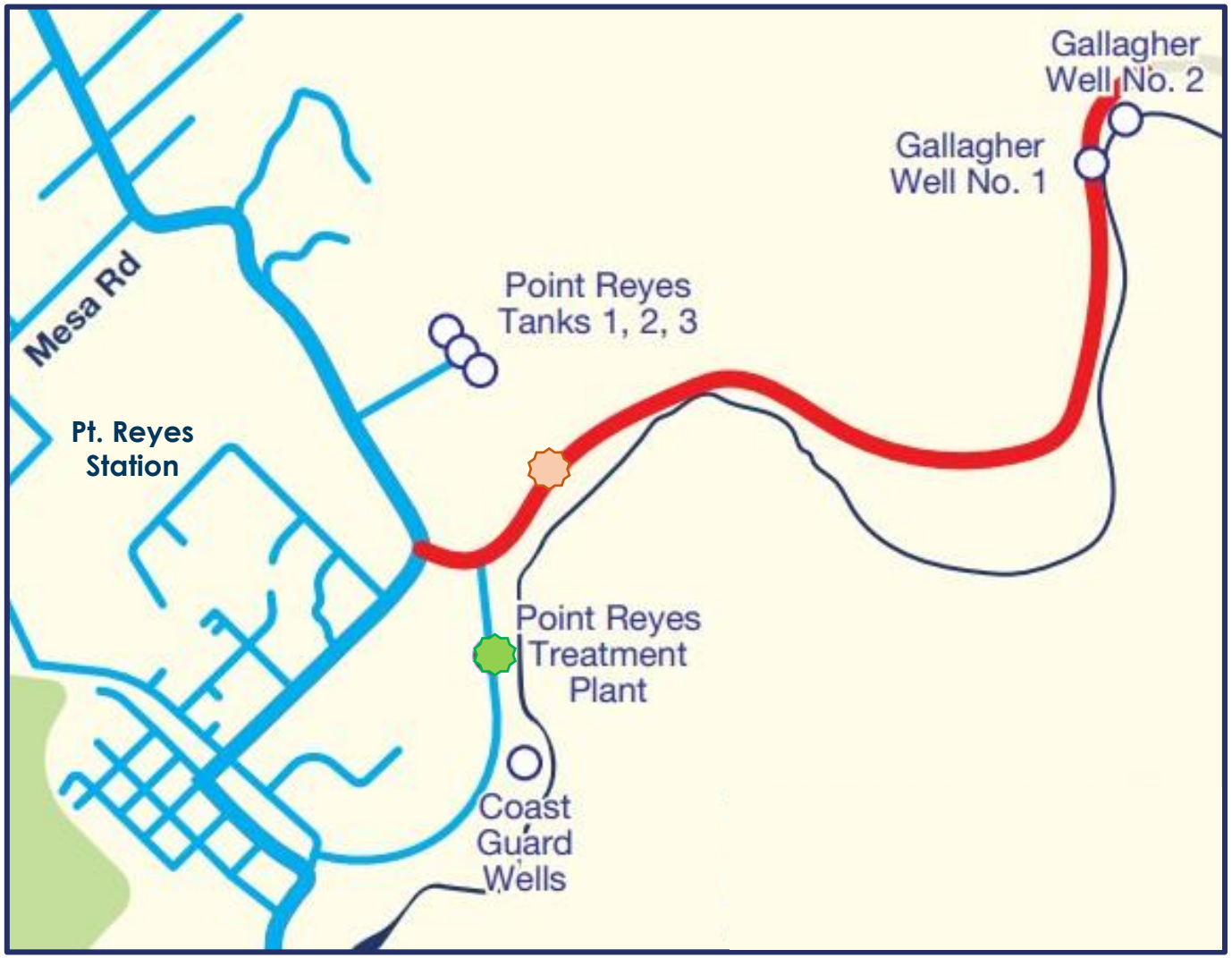
Near-Term Project Focus (2026-2030)

- Lagunitas Creek Bridge Pipe Replacement $1,250,000
- Olema Creek Bridge Pipe Replacement $1,250,000
- Gallagher Well No.3 $1,500,000
- Point Reyes Treatment Plant Interim Rehabilitation $250,000



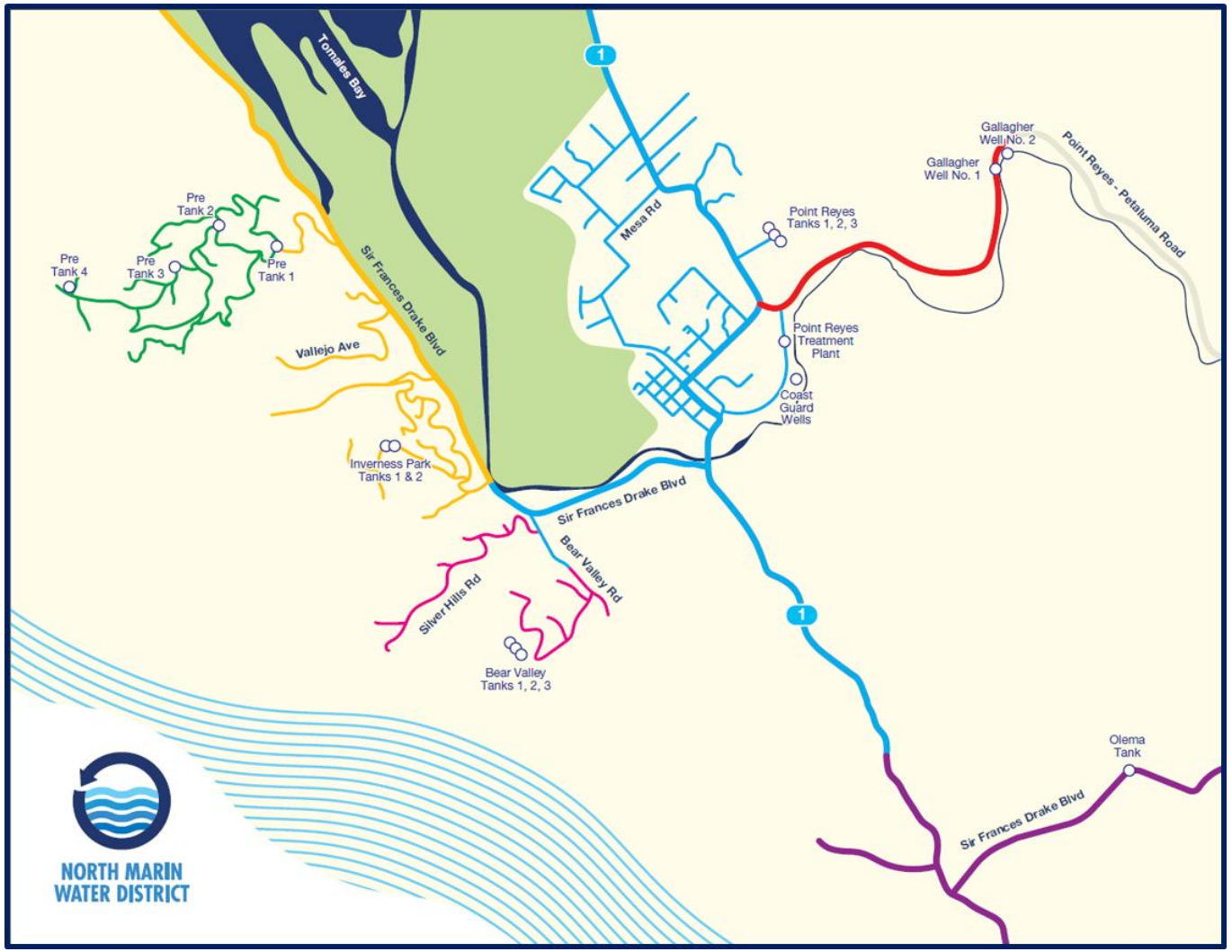
Medium-Term Project Focus (2028-2032)

- Point Reyes Treatment Plant Full-Scale Rehabilitation $8,500,000
- Raw Water Line Modification $1,500,000



Long-Term Project Focus (2030 and beyond)
Pipelines - $4,000,000

- Replace Backbone Distribution Pipeline
- Replace Polybutylene Service Lines
  - 10 Services
- Replace Thin Wall Plastic Pipe
  - 5,300 feet approx.
  - 2" → 6"
- Replace Galvanized Steel Pipe
  - 2,600 feet approx.
  - 2"→ 6"

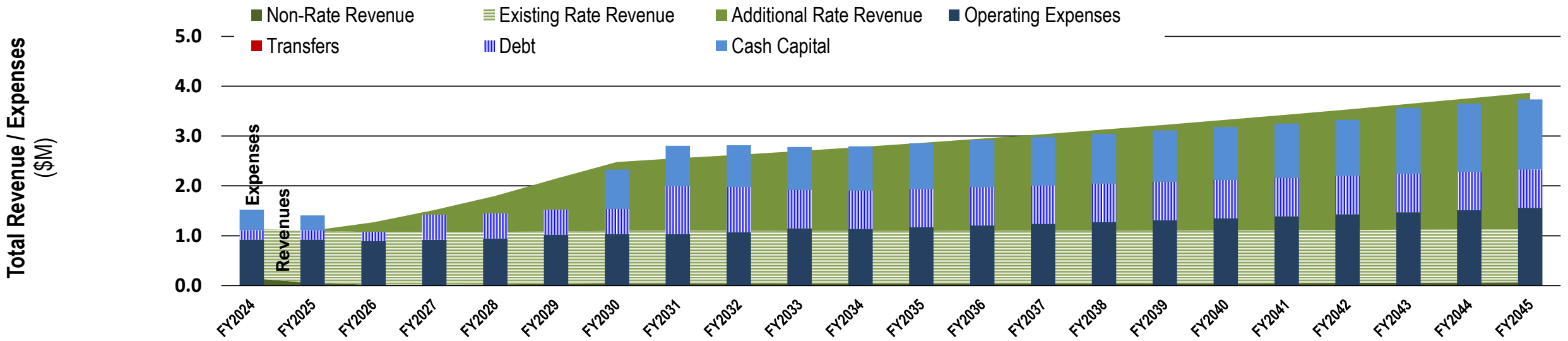


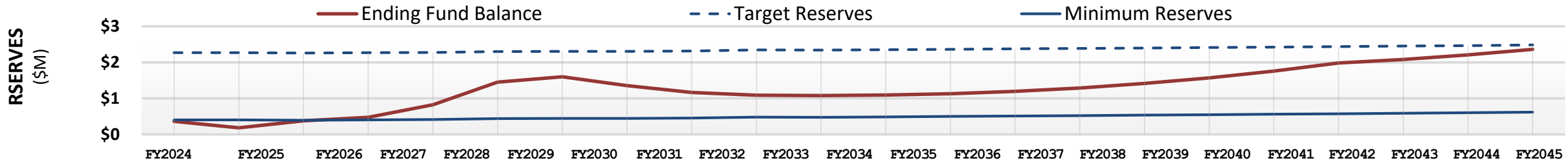
Long-Term Project Focus (2030 and beyond)
Tank & Pump Stations - $8,000,000

- Olema Pump Station Flood Protection
- Olema Tank Communication Improvements
- PRE Tank No. 1 Replacement
- PRE Tank No. 2 Replacement
- Pt Reyes Tank No. 1 Rehabilitation
- Pt Reyes Tank No. 2 Replacement
- Pt Reyes Tank No. 3 Rehabilitation
- Bear Valley Tanks Access Improvements
- Bear Valley Pump Station Rehabilitation
- Inverness Park Pump Station Rehabilitation
- Inverness Park Tanks (2x) Rehabilitation
- Water Supply Redundancy

Cost of Service Study and Rate Structure Design

West Marin Enterprise Financial Forecast





			Recommended					Forecasted													
Proposed Revenue Increases:			19.0%	19.0%	19.0%	19.0%	15.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio:	1.4	0.92	3.75	1.24	1.91	2.60	3.42	1.67	1.81	2.02	2.14	2.20	2.27	2.34	2.41	2.49	2.57	2.66	2.74	2.84	2.93	3.02
Net Debt Proceeds:			$0.4M	$0.9M	$1.4M	$1.2M	$0.8M	$2.9M	$1.5M												

Two Debt Issues: $4.0M & $5.2M

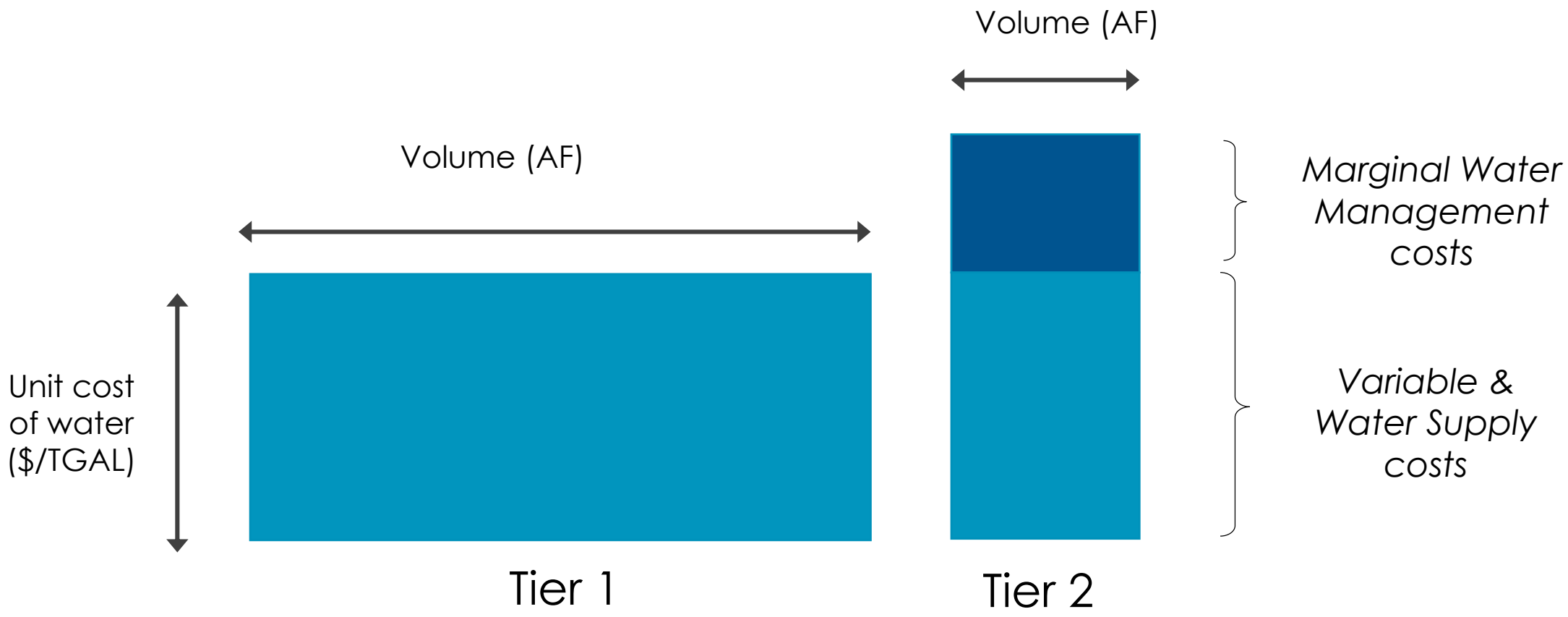
20-Year Cumulative Rate Increases: **259%**

Existing Rates

- Fixed Service Charge
  - ✓ By Meter size

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

Proposed Basis for Tiered Water Rates*



** Seasonal rates for commercial accounts are proposed to be replaced with uniform rates*

Hydraulic Zone Charge

Proposed Hydraulic Zone Charge based on:

- Detailed actual electricity usage by zone
- Depreciation expense associated with associated pump and storage assets [1]

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

	Replacement Charge ($/TGAL)		Electricity Charge ($/TGAL)		Proposed Hydraulic Zone Charge ($/TGAL)	Current Charge (per TGAL)	Change
Zone 3[2] (Olema):	$0.68	+	$0.31	=	$0.99	$1.32	-25%
Zone 2 (others[3]):	$1.88	+	$0.95	=	$2.83	$2.61	8%
Zone 4[4] (Upper PRE):	$4.57	+	$1.61	=	$9.01	$7.34	23%

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

[2] The historical naming convention for the zone is not consistent with the actual elevation

[3] Includes Inverness Park, Bear Valley, and Lower Paradise Ranch Estates

[4] Zone 4 water is first pumped through the Zone 2 pump station, therefore the hydraulic charge includes the Zone 2 charge.

Proposed Rates (Year 1)

VARIABLE QUANTITY CHARGE (per TGAL)

	PROPOSED RATES		CURRENT RATES			PROPOSED CHANGE					
COMMERCIAL	**Uniform**		**Winter**	**Summer**		**Winter**		**Summer**			
Base Rate	$14.49		$10.57	$21.83		$3.92	37.1%	-$7.34	-33.6%		
Zone 3	$15.48		$11.89	$23.15		$3.59	30.2%	-$7.67	-33.1%		
Zone 2	$17.32		$13.18	$24.44		$4.14	31.4%	-$7.12	-29.1%		
Zone 4	$23.50		$17.91	$29.17		$5.59	31.2%	-$5.67	-19.4%		
	Tier		**Tier**								
RESIDENTIAL	**1**	**2**	**1**	**2**	**3**	**Tier 1**		**Tier 2**		**Tier 3**	
Base Rate	$13.70	$17.76	$10.57	$15.37	$21.83	$3.13	29.6%	$2.39	11.0%	-$4.07	-18.6%
Zone 3	$14.69	$18.75	$11.89	$16.69	$23.15	$2.80	23.5%	$2.06	8.9%	-$4.40	-19.0%
Zone 2	$16.53	$20.59	$13.18	$17.98	$24.44	$3.35	25.4%	$2.61	10.7%	-$3.85	-15.8%
Zone 4	$22.71	$26.77	$17.91	$22.71	$29.17	$4.80	26.8%	$4.06	13.9%	-$2.40	-8.2%
Outside Surcharge*	$4.85		$4.85								

FIXED SERVICE CHARGE (bimonthly)

METER SIZE	PROPOSED	CURRENT	CHANGE (dollars)	CHANGE (percent)
5/8"	$59.60	$50.73	$8.87	17.5%
1" Fire**	$59.60	$50.73	$8.87	17.5%
1"	$144.55	$124.80	$19.75	15.8%
1 1/2"	$286.12	$248.29	$37.83	15.2%
2"	$456.01	$396.46	$59.55	15.0%
3"	$909.05	$791.60	$117.45	14.8%
4"	$1,418.72	$1,236.12	$182.60	14.8%

* No change proposed

** Upsized due to fire code requirements

Residential Bill Impacts

Single Family

Meter Size	Bimonthly Water Usage		Bi-monthly Current Bill	Bi-monthly Proposed Bill	Change	
5/8" (Base zone)	Low	4.0	$93.01	$114.40	23.0%	34.5% of all accounts
	Median	5.2	$105.69	$130.84	23.8%	
	Average	8.0	$135.29	$169.20	25.1%	
	High	30.0	$439.83	$531.53	20.8%	
5/8" (Zone 2)	Low	4.0	$103.45	$125.72	21.5%	20.8% of all accounts
	Median	5.2	$119.27	$145.56	22.0%	
	Average	8.0	$156.17	$191.84	22.8%	
	High	30.0	$590.13	$677.30	14.8%	
5/8" (Zone 4)	Low	4.0	$122.37	$150.44	22.9%	7.9% of all accounts
	Median	5.2	$143.86	$177.69	23.5%	
	Average	8.0	$194.01	$241.28	24.4%	
	High	30.0	$588.03	$801.80	36.4%	
1" (fire) (Base Zone)	Low	4.0	$93.01	$114.40	23.0%	7.5% of all accounts
	Median	5.2	$105.69	$130.84	23.8%	
	Average	8.0	$135.29	$169.20	25.1%	
	High	30.0	$439.83	$531.53	20.8%	

Multi-Family

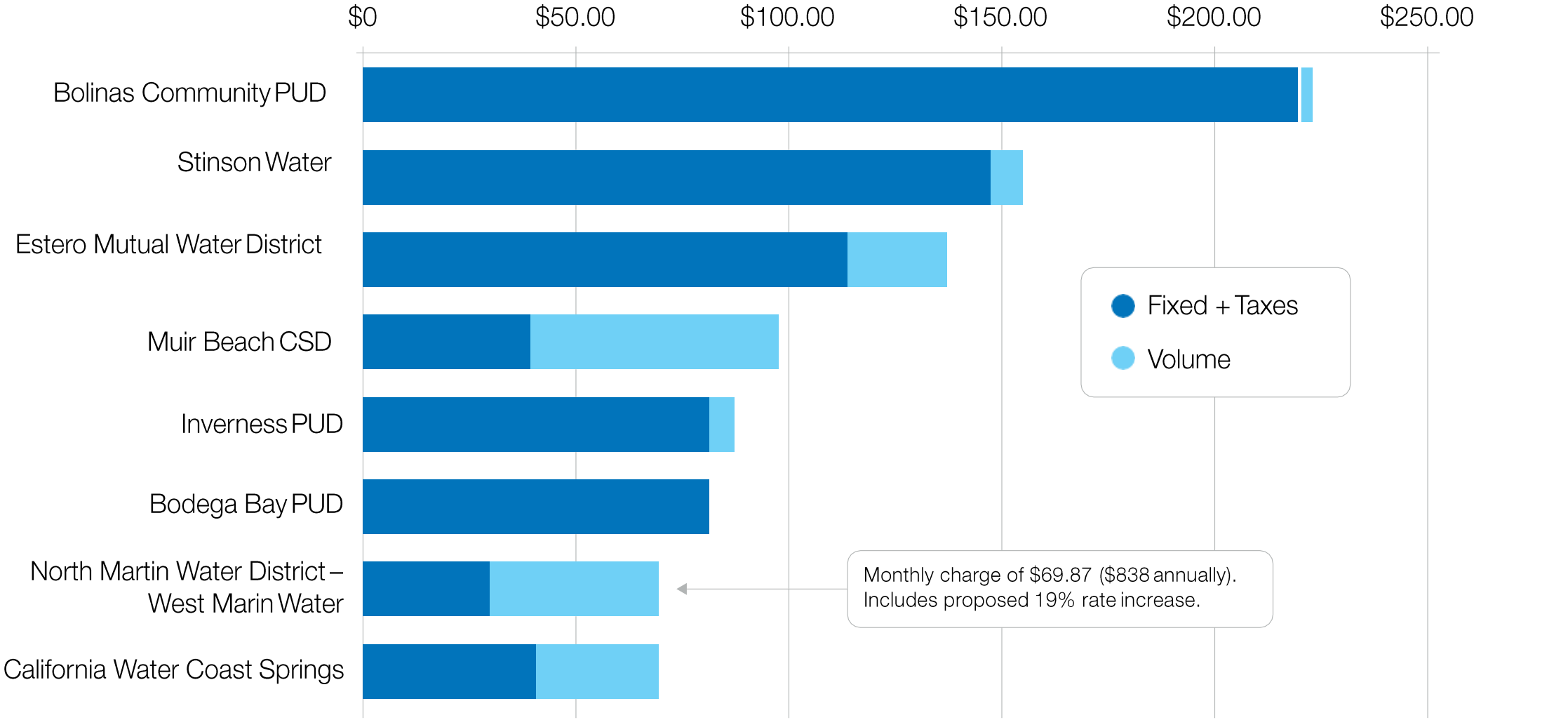
Meter Size	Typical Water Usage (TGAL)	Bi-monthly Current Bill	Bi-monthly Proposed Bill	Change
Duplex (5/8")	10.0	$156	$197	25.7%
4 Units (1.5")	25.0	$513	$629	22.6%
25 Units (1.5")	180.0	$2,151	$2,752	28.0%

Commercial Bill Impacts

Meter Size	Average Monthly Summer Usage (TGAL)	Average Monthly Winter Usage (TGAL)	Summer Month [1] Current	Summer Month [1] Proposed	Summer Month [1] Change	Winter Month [1] Current	Winter Month [1] Proposed	Winter Month [1] Change	Percent of Accounts
5/8"	3 (low)	2 (low)	$91	$73	-19.4%	$47	$59	26.4%	7.0%
	6 (average)	5 (average)	$156	$117	-25.3%	$78	$102	30.7%	
	18 (high)	16 (high)	$418	$291	-30.5%	$194	$262	34.5%	
1"	25 (low)	25 (low)	$608	$435	-28.6%	$327	$435	33.0%	2.2%
	40 (average)	40 (average)	$936	$652	-30.3%	$485	$652	34.4%	
	84 (high)	83 (high)	$1,896	$1,289	-32.0%	$940	$1,275	35.7%	
1.5"	7	4	$277	$244	-11.7%	$166	$201	20.8%	0.5%
2"	181	82	$4,149	$2,851	-31.3%	$1,065	$1,416	33.0%	0.26%
3"	362	105	$8,298	$5,700	-31.3%	$1,506	$1,976	31.2%	0.13%
4" (Zone 3)	94	69	$2,794	$2,164	-22.5%	$1,438	$1,777	23.6%	0.13%

[1] Seasonal rates are proposed to be eliminated but a comparison to current rates requires a comparison to the existing seasonal rates.

Water bill survey* for single-family homes with median usage (2,930 gallons per month)



*Survey results as of March 2025 using data available at the time the survey was compiled. Actual rates and comparisons may change.

Schedule

✓ West Marin Services Ad-Hoc Committee Meeting #1	Jan 14th
✓ West Marin Services Ad-Hoc Committee Meeting #2	Feb 12th
✓ Board Meeting - Draft Recommendation Presentation	March 18th
✓ Board Meeting - Final Recommendation Presentation	April 15th
❑ Mail Notification	May 2nd
❑ Public Hearing to enact new water rates	June 17th
❑ Implement New Water Rates	July 1st

Notice of public hearing regarding proposed rate increases and rate structure changes for the West Marin Water Service Area

Hearing Date: Tuesday, June 17, 2025
Time: 4:00pm
Location: 999 Rush Creek Place, Novato, CA 94945

NORTH MARIN WATER DISTRICT

This Notice provides information about proposed increases to North Marin Water District's West Marin Service Area water rates and proposed rate structure modifications. The Board of Directors will hold a public hearing to consider public comments before voting on the proposed changes.

The District proposes increasing rates and updating the water rate structure for a five-year period starting with Fiscal Year (FY) 2025-2026.

If approved at the public hearing on June 17, 2025, the new rates and rate structure changes will go into effect on July 1, 2025.

Where to learn more, get answers, and make comments

Call: 415-897-4133
Email: info@nmwd.com
Visit: nmwd.com or nmwd.com/wmrates2025

Attend the board hearing
The Board of Directors will review and consider adopting the rate increases at a public meeting on June 17, 2025, at 4:00pm at 999 Rush Creek Place in Novato.

In FY 25/26, the typical residential customer (approximately 55% of all customers) may pay about $25.58 more bimonthly if the changes are approved ($12.79 per month).

Critical Upgrades to the West Marin Water System

The West Marin Water System requires significant infrastructure improvements to ensure continued and reliable service. Key projects include:

- **Pipeline Upgrades Due to Bridge Replacements:** Our pipelines are located on two bridges that are being replaced by other agencies. As a result, we are required to upgrade these pipelines to accommodate the bridge projects.
- **Storage Tank Replacement:** Aging redwood storage tanks, which are vulnerable to fire damage, will be replaced.
- **Water Treatment Plant Upgrade:** The existing treatment plant has reached the end of its useful life and will be replaced to ensure safe and consistent water quality.
- **System-Wide Infrastructure Renewal:** The water system has reached the end of its 50-year lifespan, necessitating critical upgrades to maintain service reliability.

Lagunitas Creek Bridge

Proposed tiered quantity (usage) charges

Residential customers will continue to pay tiered quantity (usage) charges made up of two tiers that reflect the cost of managing West Marin's limited water resources.

Tier 1 is based on North Marin Water District's standard costs to deliver water. Tier 2 includes all of Tier 1 costs, as well as costs associated with managing West Marin's marginal water resources such as the cost of the conservation program. Usage charges include a **hydraulic zone charge** to recover the costs of pumping water to various locations within the service area.

	Current Rates	Effective July 1, 2025	Effective July 1, 2026	Effective July 1, 2027	Effective July 1, 2028	Effective July 1, 2029
Residential quantity charges (per 1,000 gallons)*						
Tier 1	$10.57	$13.70	$16.30	$19.40	$23.09	$26.55
Tier 2	$15.37	$17.76	$21.14	$25.16	$29.94	$34.43
Tier 3	$21.83	N/A	N/A	N/A	N/A	N/A
Commercial, industrial, institutional, and irrigation quantity charges (per 1,000 gallons)						
Uniform	Winter - $10.57 Summer - $21.83	$14.49	$17.25	$20.53	$24.43	$28.09
Other quantity charges (per 1,000 gallons)						
Temporary Meter	$17.98	$20.59	$24.50	$29.16	$34.70	$39.91
Hydraulic zone charge (per 1,000 gallons)						
Zone 2	$2.61	$2.83	$3.37	$4.01	$4.77	$5.49
Zone 3	$1.32	$0.99	$1.18	$1.40	$1.67	$1.92
Zone 4	$7.34	$9.01	$10.72	$12.76	$15.18	$17.46

* Tier 1 allocation is the first 250 gallons per day (gpd) per dwelling unit and Tier 2 allocation is greater than 251 gallons per day (gpd). Tier 3 will be eliminated effective July 1, 2025.

Proposed bimonthly fixed service charges

The bimonthly fixed service charge is made up of an account charge and a meter charge. The meter charge is assigned based on meter size. Most single-family residential customers have a 5/8" meter. Residential accounts that have a 1" meter due to fire requirements, but would otherwise have a 5/8" meter, are charged at the 5/8" meter rate.

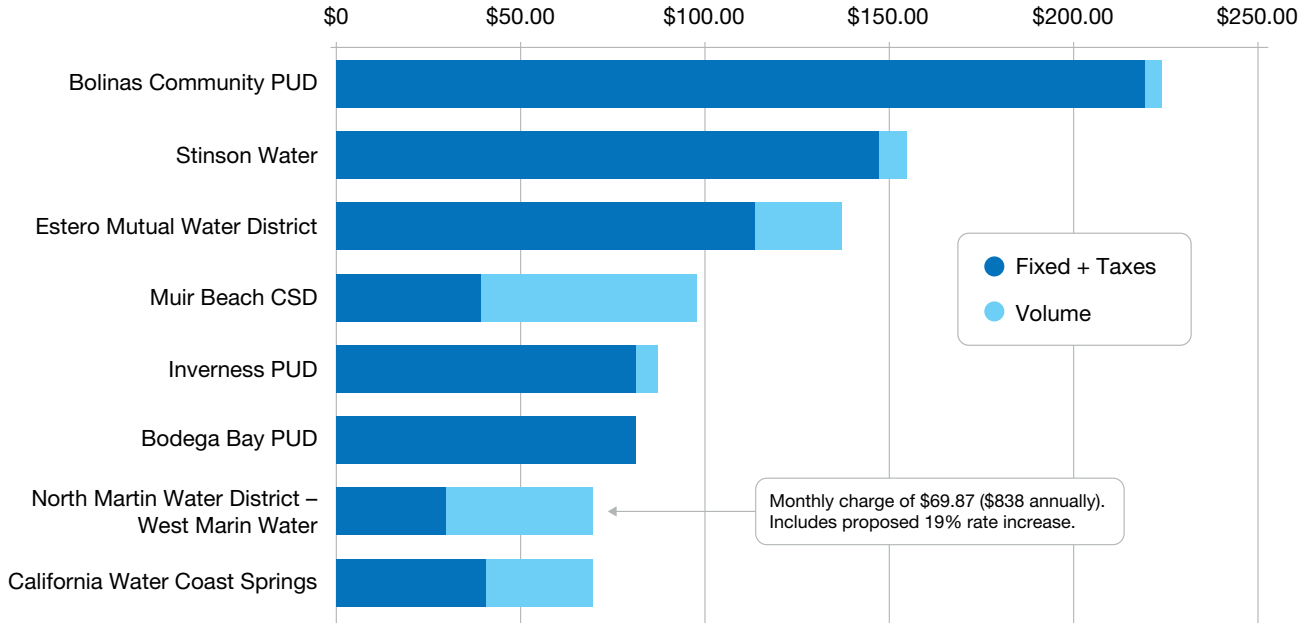
	Current Rates	Effective July 1, 2025	Effective July 1, 2026	Effective July 1, 2027	Effective July 1, 2028	Effective July 1, 2029
Potable water bimonthly service charge						
5/8"	$50.73	$59.60	$70.92	$84.39	$100.42	$115.48
1"	$124.80	$144.55	$172.01	$204.69	$243.58	$280.12
1 1/2"	$248.29	$286.12	$340.48	$405.17	$482.15	$554.47
2"	$396.46	$456.01	$542.65	$645.75	$768.44	$883.71
3"	$791.60	$909.05	$1,081.77	$1,287.31	$1,531.90	$1,761.69
4"	$1,236.12	$1,418.72	$1,688.28	$2,009.05	$2,390.77	$2,749.39
Proposed bimonthly private fire service charge						
1"	$17.98	$20.15	$21.36	$22.21	$23.10	$24.02
2"	$23.71	$26.56	$28.15	$29.28	$30.45	$31.67
4"	$66.15	$74.14	$78.59	$81.73	$85.00	$88.40
6"	$92.92	$104.16	$110.41	$114.83	$119.42	$124.20
8"	$123.51	$138.43	$146.74	$152.61	$158.71	$165.06
10"	$161.74	$181.29	$192.17	$199.86	$207.85	$216.17

Rate comparison

In FY 2025/26, the water bill for single-family homes with median water usage West Marin water rates will be the second lowest when compared to the other West Marin coastal area retail water agencies show in the figure below.

The maximum rates that may be imposed are shown in this document. Prior to implementing the rates, the Board of Directors may choose to implement the full amount or less, but not more.

Water bill survey* for single-family homes with median usage (2,930 gallons per month)



*Survey results as of March 2025 using data available at the time the survey was compiled. Actual rates and comparisons may change.

Reasons for the proposed rate structure changes:

The District regularly reviews its water rate structure to ensure that each residential and commercial, industrial, institutional, and irrigation customer continues to pay their fair and proportional share of costs. The cost for serving each type of customer varies over time because of changes in customer water use, state regulations, service costs, and other factors.

Proposed rate increases
North Marin Water District is proposing a five-year schedule of rate increases to cover the increasing costs of providing quality water service to our West Marin Service Area customers. The District engaged experienced rate consultant Hildebrand Consulting to review its water rates for the West Marin Water Service Area. The proposed changes to the water rates and structure are based on the recommendations of the consultant and will ensure that each customer pay their proportionate share of the cost to provide them water, as required by law.

Replacement of commercial, industrial, and irrigation customers seasonal usage rates with a year-round uniform rate
An additional structural change for commercial, industrial, and irrigation customers involves replacing the current seasonal quantity charges (higher rates during summer months) with a uniform rate that will be effective during all months.

Reasons for the proposed rate increase:

The majority of the District's West Marin water system infrastructure, including the treatment system, pipelines, pump stations and storage tanks is reaching the end of its useful life. The District has developed a 20-year capital improvement program that includes upgrades and replacements that benefit fire protection, water supply and the delivery of water to each customer. This long-term investment plan will help ensure the current and future resiliency of the system's 26 miles of pipeline, 7 pump stations, 13 storage tanks, 172 hydrants, treatment plant and 4 supply wells.

Impact of inflation on all costs
The proposed rate increases are designed to cover the costs of providing water service, all of which rise every year with inflation. These costs include treating and delivering safe, high quality, reliable water to your home or business.

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NORTH MARIN
WATER DISTRICT

Public Hearing on Proposed Water Rate Charges
June 17, 2025
The Board of Directors welcomes input from the community regarding the proposed water rate changes. At the public hearing, the Board will review all written protests and listen to verbal comments from the public.

To count as a valid protest, verbal comments must be accompanied by a written protest. At the conclusion of the hearing, the Board will decide whether to adopt the proposed rate changes as outlined in this notice. If a majority of affected property owners or tenants submit written protests, the proposed rate changes will not be adopted.

How to submit a protest to the proposed rate increases
If you are the owner of the property or are a tenant who directly pays the water bill for a parcel affected by the proposed rate changes, you have the right to submit a written protest. Only one protest per parcel will be counted.

To be valid written protests must: (1) clearly state that the property owner or tenant is opposing the proposed increases; (2) include the location of the parcel (by street address, assessor's parcel number, or customer account number); and (3) include the name and signature of the property owner or tenant submitting the protest. You can submit your protest in person at the public hearing or by mail to:

North Marin Water District
Attn: West Marin Water Rate Hearing
PO Box 146, Novato, CA 94948-0146

All written protests must be received prior to the close of the public input portion of the public hearing. Protests submitted via email or other electronic means will not be accepted.

Pursuant to Government Code Section 53759(d) there is a 120-day statute of limitation for any challenge to the new, increased or extended fee or charge.

nmwd.com/wmrates2025

Phone: 415-897-4133 (Weekdays 8am – 5pm)
Email: info@nmwd.com
Website: nmwd.com
Mailing Address: PO Box 146, Novato, CA 94948-0146

NORTH MARIN WATER DISTRICT

2024-2025 Communications Campaign for West Marin Water Rate Study and Rate Increase Process

July 2024: KWMR radio interview to discussing the overall state of the West Marin Water System and previewing the upcoming Capital Improvement Program.

February 2025: Follow up interview on KWMR to discuss proposed rates, infrastructure needs, and opportunities to participate in the rate development process.

February 2025: Website news story published on the West Marin Water Rate Study, including Board meeting presentations and information on the June Public Hearing. The story referenced the newly created West Marin Water Rates 2025 webpage and was featured in the home page news story rotation for increased visibility. (nmwd.com/wmrates2025)

February/March 2025: A dedicated webpage (nmwd.com/wmrates2025) was created for the 2025 West Marin Water Rate Study and Hearing process. This page includes excerpts from the Rate Study Presentation, the West Marin Water Fact Sheet and other relevant information. It will be regularly updated as the Rate Study is finalized and will include a link to a copy of the Prop 218 Notice.

March 2025: Website Banner (red banner on the top of the website) was deployed referencing the West Marin Rate Study and linking to the West Marin Water Rates webpage.

March 2025: West Marin Waterline was mailed out two months early to inform all West Marin Water customers of the Rate Study presentations and June rate hearing.

March 2025: An email blast of the West Marin Waterline was sent to approximately 300 registered customers via the WaterSmart portal.

March 2025: Staff met with Kiosk consultants to review the current messaging and communications plan for the West Marin Water rate setting process. Kiosk confirmed that our approach was effective and well executed. They will continue to support and provide insights to ensure the strongest possible outreach effort.

March 2025: Added a West Marin Water “Future” Projects webpage to highlight planned projects for the next 10 years: (nmwd.com/business/current-projects/west-marin-system-future-projects/).

February through June 2025: Social media posts on Facebook, Instagram and X promoting the Rate Study process, upcoming Board presentations, and public hearing. Posts will continue through June with boosted outreach in the West Marin Water service area.

April and June 2025: Advertisements in the Pt. Reyes Light about the Rate Study and public hearing process.

April and June 2025: Public Service Announcement (PSA) to be sent to the KWMR radio station inviting customers to the West Marin rate presentations and public hearing.

April 2025: The Prop 218 notice will be reviewed by Board of Directors, rate consultant, legal counsel, Kiosk consultants and District staff. Kiosk re-branded the prop 218 for Board review.

May 2025: Prop 218 notice to be mailed to all customers.

May 2025: Follow up email blast of the Prop 218 notice after the hard copy mailing.

6

NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors April 15, 2025

From: Julie Blue, Auditor-Controller

Subj: Rate Increase (Prop. 218) Notice to Oceana Marin Sewer Customers
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RECOMMENDED ACTION: Approve Oceana Marin Rate Increase Notice (Prop 218)

FINANCIAL IMPACT: $250 Expense

This memo provides an overview of the proposed 8% sewer service charge increase for the Oceana Marin Sewer System, outlines the associated financial plan for fiscal years 25/26 through 29/30, and details the required Proposition 218 notification process in advance of the scheduled public hearing.

Section 6 of Article XIIID of the California Constitution, a provision added with the passage of Proposition 218 in 1996 (Prop 218), requires that customers be notified of proposed increases at least 45 days prior to the public hearing where the Board considers adoption of the proposed rate increases. The public hearing is scheduled for Tuesday, June 17, 2025 at 4:00 PM. To meet the 45-day notice requirement, customer notifications must be mailed by May 2, 2025. Notification letters for the Oceana Marin Sewer System will be printed in-house, with a total estimated cost of $250 for printing and postage.

Financial Plan

The fiscal year (FY) 25/26 financial forecast (Attachment 1) outlines the Oceana Marin Sewer System's five-year financial plan through FY 29/30.

Significant Assumptions:

1) *Rate Increases:* An 8% increase in the sewer service charge is proposed for FY 25/26, with continued 8% annual increases projected for the subsequent years. Subject to Board approval, the annual charge would increase from $1,456 to $1,572, effective July 1, 2025, billed via property tax statements.
2) *Capital Improvement Projects:* Within the upcoming five-year financial plan there is one significant project scheduled based on the 2015 Master Plan. A budget of $125,000 is included in FY 27/28 for the design costs for the Sewer Force Main (1B) improvements, although funding for the construction phases of both (1A) and (1B) projects has not been secured.

3) *Operating & Maintenance Costs:* These costs are forecasted to rise annually at a rate of 3% to accommodate inflation, in line with the average Consumer Price Index (CPI). Additionally, there is $50,000 budgeted in FY 25/26 to facilitate an update to the Master Plan. This update will reassess the assumptions and projections within the current plan to ensure their alignment with the changing and aging infrastructure needs of the Oceana Marin Sewer System. Infiltration repair is scheduled annually and is projected to cost $35,000-$40,000 per year.
4) *Sewage Facilities Connection Fees:* The forecast projects a new connection every other year, with no new connection fees budgeted in FY 25/26. No fees have been collected to date in FY 24/25.

Sewer Service Charge Rate Increase and Public Hearing Information

The 8% proposed rate increases align with the prior year's five-year financial plan and the 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 $200,000 in FY 27/28 to further support the CIP and operations. Once the Force Main project design is complete, the District will pursue grant funding for construction. The current financial plan ensures system stability through FY 29/30.

As outlined in the attached Proposition 218 notification (Attachment 2), the proposed 8% increase would raise the annual sewer service charge for Oceana Marin customers by $116, bringing the total to $1,572 per year. Charges will continue to be collected via property tax bills. The attached draft notification is submitted for Board review and approval.

RECOMMENDATION

Approve Oceana Marin Sewer rate increase notice (Prop 218) notifying customers of proposed increases and upcoming public hearing.

ATTACHMENTS:

1. Oceana Marin Sewer FY 25/26 Financial Plan Update
2. Oceana Marin Sewer– Proposition 218 Customer Notification

Oceana Marin Sewer

Five-Year Financial Forecast

Fiscal Year 25/26

		Budget FY 25/26	*Forecast FY 26/27*	*Forecast FY 27/28*	*Forecast FY 28/29*	*Forecast FY 29/30*
1	**Sewer Rate Increase**	**8.00%**	**8.00%**	**8.00%**	**8.00%**	**8.00%**
	Operating Revenue					
2	**Number of Connections**	240	241	241	242	242
3	Annual Sewer Service Charge	$1,572	$1,698	$1,834	$1,981	$2,139
4	**Operating Revenue Sewer Service Charges**	$377,000	$409,000	$442,000	$479,000	$518,000
	Operating Expenditures					
5	Sewage Collection	$141,000	$145,000	$149,000	$153,000	$158,000
6	Sewage Treatment	118,000	122,000	126,000	130,000	134,000
7	Sewage Disposal	49,000	50,000	52,000	54,000	56,000
8	Consumer Accounting	4,000	4,000	4,000	4,000	4,000
9	General Administration	125,000	79,000	81,000	83,000	85,000
10	**Total Operating Expenditures**	**$437,000**	**$400,000**	**$412,000**	**$424,000**	**$437,000**
11	***Net Operating Revenue***	**($60,000)**	**$9,000**	**$30,000**	**$55,000**	**$81,000**
	Non-Operating Revenue/(Expenditures)					
12	Interest Earnings	$5,000	$3,000	$2,000	$2,000	$2,000
13	Miscellaneous Revenue/Expense	1,000	1,000	1,000	1,000	1,000
14	**Total Non-Operating Revenue/Expenditures**	**$6,000**	**$4,000**	**$3,000**	**$3,000**	**$3,000**
	Other Sources/(Uses) Of Funds					
15	Total Capital Spending	($25,000)	($25,000)	($150,000)	($25,000)	($35,000)
16	Loan from Novato Water	-	-	200,000	-	-
17	**Cash Funded Capital Projects**	**($25,000)**	**($25,000)**	**$50,000**	**($25,000)**	**($35,000)**
18	Debt Service	($47,000)	($47,000)	($67,000)	($67,000)	($67,000)
19	Sewage Facilities Connection Charges	-	30,000	-	30,000	-
20	**Total Other Sources/(Uses)**	**($72,000)**	**($42,000)**	**($17,000)**	**($62,000)**	**($102,000)**
21	**Beginning Cash Reserve Balance**	**$256,000**	**$130,000**	**$101,000**	**$117,000**	**$113,000**
22	**Cash Increase/(Decrease)**	**($126,000)**	**($29,000)**	**$16,000**	**($4,000)**	**($18,000)**
23	**Ending Cash Reserve Balance**	**$130,000**	**$101,000**	**$117,000**	**$113,000**	**$95,000**

ATTACHMENT 2

NORTH MARIN WATER DISTRICT

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

PHONE 415-897-4133
EMAIL info@nmwd.com
WEB www.nmwd.com

May 2, 2025

RE: Notice of Proposed Oceana Marin Sewer Service Charge Increase

Dear Customer:

This letter provides important information regarding a proposed increase to the Oceana Marin sewer service charge scheduled to take effect on July 1, 2025. It also provides information about a Public Hearing scheduled on June 17, 2025, where written protests and oral comments will be considered before the North Marin Water District Board of Directors votes on the proposal.

How much is the proposed rate increase?

Current Oceana Marin sewer service charges are $1,456 per year. A proposed 8% increase would add $116 per year, bringing the total to $1,572 per year.

How will the proposed increase affect my sewer bill?

The sewer service charge is collected annually via the Marin County property tax bill for the fiscal year occurring July 1 through June 30. If approved, the new charge of $1,572 will apply for Fiscal Year 2025–2026.

Why are rates being increased?

In 2016, the District adopted a Master Plan Update identifying over $3 million in improvements needed to enhance the reliability and redundancy of the Oceana Marin Wastewater System. With only 240 customers in the system, the financial burden is significant—even when spread over 20 years, the cost averages $150,000 annually.

If adopted, the proposed increase will generate an estimated $28,000 in additional annual revenue. The current Master Plan is available online at:

https://nmwd.com/wp-content/uploads/2020/10/4046-Oceana-Marin-2015-Master-Update-Final.pdf

An updated Master Plan is scheduled for 2026. This will reassess the current plan's assumptions and projections in light of the aging infrastructure and evolving needs of the Oceana Marin Sewer System.

Further increases are anticipated in future years to support capital improvements and ensure the system's long-term reliability. The District's current 5-year financial plan includes annual rate increases of 8% through FY 29/30 and assumes borrowing to complete the Capital Improvement Program.

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 4:00 pm, Tuesday, June 17, 2025 at:

999 Rush Creek Place, Novato, CA 94945

The Board of Directors will accept and consider all written protests and will hear and consider all verbal comments to the proposed sewer service charge increase at the Public Hearing. Verbal comments must be accompanied by a written protest to qualify as a valid protest. At the conclusion of the Hearing, the Board of Directors will consider adoption of the proposed sewer service charge increase as outlined in this notice. If written protests to the proposed sewer service charge increase are presented by a majority of the property owners, the proposed increase will not be adopted.

Your written protest must be received prior to the close of the June 17, 2025 public hearing. Written protests must: 1) state that the property owner is opposing the proposed increase 2) include the name and signature of the property owner; and 3) must include a description of the parcel (parcel number or service address). Only one written protest will be counted for each property. Please send protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

Pursuant to Government Code Section 53759(d) there is a 120-day statute of limitation for any challenge to the new, increased or extended fee or charge.

For more information about the North Marin Water District, including a history of the Oceana Marin Sewer System, or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the office at (415) 897-4133.

Sincerely,

Tony Williams, PE
General Manager

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7

NORTH MARIN WATER DISTRICT

ITEM #7

MEMORANDUM

To: Board of Directors Date: April 15, 2025

From: Tony Williams, General Manager

Subject: Strategic Planning Update and Development of a 5-Year Strategic Plan
\\nmwdfileserver\administration\gm\bod memos 2025\4-15-25 meeting\strategic plan update\4-15-25 bod memo strategic plan update.docx

RECOMMENDED ACTION: That the Board:

1. Receive a Report from Kiosk on Strategic Planning Outcomes
2. Authorize the General Manager to Execute Agreement with Kiosk Creative LLC

FINANCIAL IMPACT: $19,400 (included in FY25 Budget; and planned for FY26)

At the November 7, 2023 Board meeting, the final 2018-2023 Strategic Plan status report was presented by Staff. Additionally, the consideration of an interim strategic planning process was presented and discussed in lieu of launching a new 5-year Plan. At the February 6, 2024, meeting, the Board authorized an agreement with District's public relations and communications consultant, Kiosk Creative LLC ("Kiosk"), in the amount of $24,620. During the remainder of calendar year 2024, Kiosk conducted research of comparable water providers, conducted a series of staff engagements, including a comprehensive survey and one-on-one interviews at all levels, and conducted interviews of the Board of Directors. In addition, Kiosk conducted a review of organizational needs and potential structural changes, using comparisons of organizational charts from other agencies as well as two focused meetings with the District's department heads.

Kiosk has prepared a presentation that summarizes the interim planning activities, including surveys and interviews; research of other similar agencies; the resulting key themes that emerged; and proposed the next steps for final development of a 5-year Strategic Plan. A copy of the Presentation is provided as Attachment 1. Staff met with the Employee Association leadership on March 21 to preview these strategic planning efforts outcome and encouraged staff to attend tonight's meeting.

Staff and Kiosk have developed a scope of work that will allow development of a 5-year Strategic Plan (Plan). The scope is broken down into two phases of work, allowing time for input of a new Operations and Maintenance Manager before finalizing. That proposed scope and associated fee are provided as Attachment 2. Kiosk's proposed scope includes input from the Employee Association leadership as part of the Plan development. In parallel with the

development of the Plan, Staff is proposing that Kiosk also provide additional support and consultancy towards a specific action under one of the themes identified in the interim planning phase – *Organizational Structure Review & Leadership Succession*. This work would start at the beginning of the upcoming fiscal year and the proposed outcome of this effort includes the development of short- and long-term organizational charts for potential implementation by the District. The proposed scope of work and fee for this work is provided as Attachment 3. The timeline for completing the various tasks described above is fall of 2025. A presentation of the Strategic Plan to the Board is targeted for the October 21st Meeting.

Staff is recommending to the Board to proceed with the final development of a 5-year Strategic Plan with the support of Kiosk. The total fee for this support is $12,855. As a separate task, Staff is also recommending to the Board that Kiosk supports a specific action to review the District's organizational structure, including crafting of an organizational chart that supports efficiency and a sustainable succession of District leadership. The cost of this additional scope is $6,545, resulting in a total agreement cost of $19,400 which will be spread over the current and the upcoming fiscal years.

RECOMMENDATION

That the Board: 1) Receive the Report from Kiosk on the results of Interim Planning Efforts; and 2) Authorize the General Manager to Execute an Agreement with Kiosk Creative LLC in the amount of $19,400 for development of a 5-Year Strategic Plan.

ATTACHMENTS:

1. Presentation – Project to Identify Focus Areas/Themes for Strategic Planning
2. Proposed Scope of Work and Fee – Strategic Plan Development (Phases 2 and 3)
3. Proposed Scope of Work and Fee- Organizational Review

ATTACHMENT 1

Project to identify focus areas / themes for Strategic Planning

April 15, 2025

NORTH MARIN WATER DISTRICT

Project to identify focus areas/themes for Strategic Planning

Dedicated Project Team

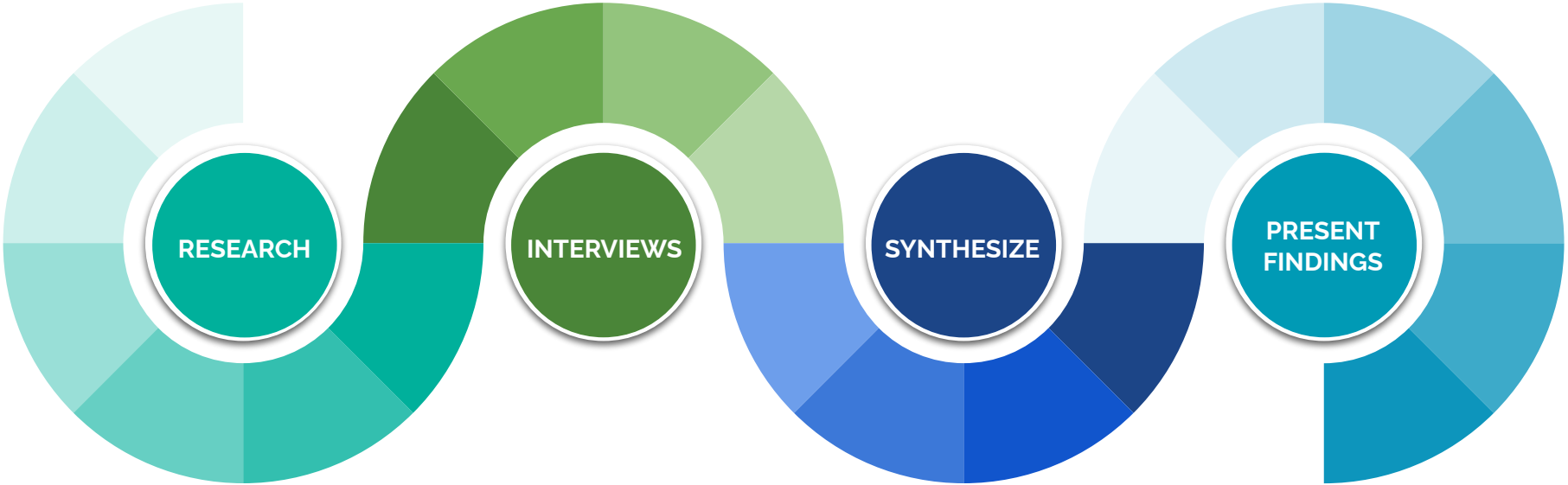
Camille Milliner
Project Lead / Account Executive

Claire Garvie
Lead Consultant

David Neugebauer
Strategy & Research Consultant

Alan Raistrick
Strategy & Research Consultant

Project Process Summary



Research
- Briefing
- Define process
- Desk research:
  - Review previous plans
  - Review structure
  - Peer org research (Org structures + plans)

Interviews & Survey
- Prepare Employee Survey
- Conduct Employee Survey
- Interview questions prep
- Stakeholder interviews:
  - 7 x staff
  - 5 x Board directors
  - 5 x Department Heads
- Transcripts

Synthesize
- Summarize results
- Review internally
- Derive key insights/themes
- Thoughts on org structure
- Share with Senior Mgmt
- Adjustments as needed

Present Findings
- Final Docs/Presentations:
- Strategic Focus Areas/Themes and Priorities document (3-6 pp)
- Present summary to Board of Directors

Project to identify focus areas/themes for Strategic Planning

Research & Inputs

Review Current Info

Customer Survey

Employee Survey

Peer Org Org Structure Review

Peer Org Best Practice Research

Stakeholder Interviews

Project to identify focus areas/themes for Strategic Planning

Peer Strategic Plan Reviews

Fiscal Years 2023–2027

FIVE

Securin

Strategic Plan

Vision

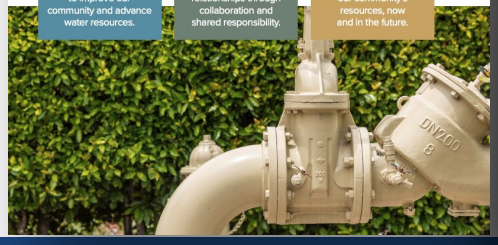
East Valley Water District aspires to be a beacon of excellence and innovation within the water industry. Through visionary leadership, we strive for a sustainable, transparent, and accountable future.

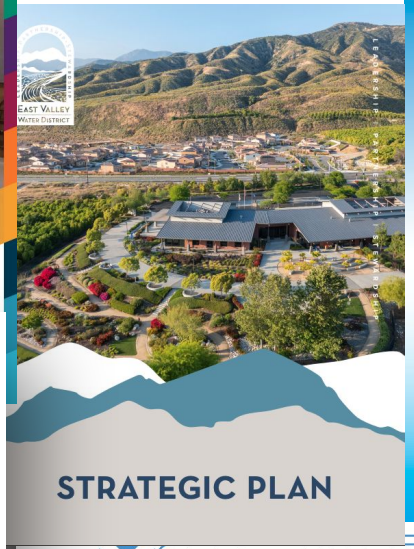
Mission

Provide our community with exceptional water and wastewater services by prioritizing sustainability, efficiency, innovation, and ongoing collaboration.

Core Values

LEADERSHIP	PARTNERSHIP	STEWARDSHIP
Inspiring people to improve our community and advance water resources.	Developing relationships through collaboration and shared responsibility.	Protecting our community's resources, now and in the future.





STRATEGIC PLAN

FY 20/21	• Implement asset management and electronic workorder system • Complete Urban Water Management Plan and develop plan for additional future supply • Launch consumer engagement portal and finish transition to AMI water meters • Perform bi-annual customer feedback surveys, starting in 2020
FY 21/22	• Complete mandated EPA Risk, Resiliency and Emergency Plan • Identify additional employee retention strategies • Create an internship program to help develop potential future staff • Adopt a Groundwater Sustainability Plan by 2022; Enforce basin management objectives
FY 22/23	• Perform bi-annual customer feedback surveys • Develop a carbon footprint inventory and reduction plan • Earn the California Special District Association's District of Distinction • Perform a cost of service study for alternative water supplies
FY 23/24	• Approve a long-range capital improvement plan • Achieve state mandated indoor and outdoor conservations levels • Reduce non-revenue water to industry leading low levels through previous deployment of system wide water audits and advanced technologies

Goals & Objectives

The goal of this Strategic Communications Plan is to revolutionize water conservation for our customers to reach a sustainable water future. The District's objective is to elevate the value of water through effective communication and proactive support of customers' conservation efforts.

GOAL #1 – IMPLEMENT A COMMUNICATIONS STRATEGY THAT GUIDES CUSTOMERS TOWARDS INFORMED WATER USE DECISIONS.

OBJECTIVE 1

Consistency in communication efforts and brand identity.

- Provide customers with high value and consistent messaging that integrates water use efficiency and conservation into daily life.
- Provide community members such as educators, elected officials, city staff, and community advocates with the information they need to serve as an extension of the District known as "Water Ambassadors."

OBJECTIVE 2

Connect customers with new and effective conservation tools and resources.

- Customer recognition of the value of water being worth more than what is displayed on a monthly water bill.
- Integrate SMART technology (customer portal) that connects customers to their water usage, encourages behavior change, and results in District-wide water savings.
- Develop a customer base that is engaged, proactive, and believes that they have the power to control and measure the quality, accessibility and affordability of their water.
- Integrate data-driven results into each facet of our communications plan to measure program effectiveness and impact.

OBJECTIVE 3

District action that reflects internal commitment to mission, goals, and objectives.

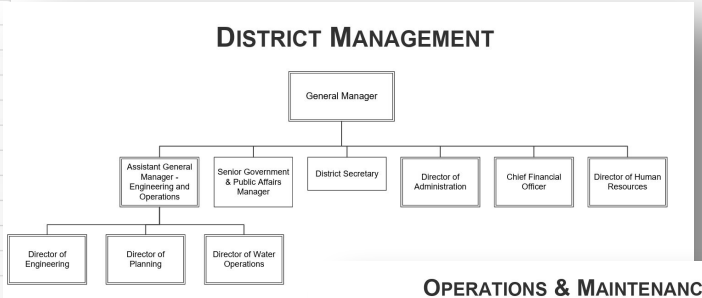
- Develop personal connections with every person that interacts with District representatives built on empathy and compassion.
- Support a workforce culture based on educational, professional, and cultural growth.
- Reinforce our commitment to public service by anticipating and responding to customer needs.

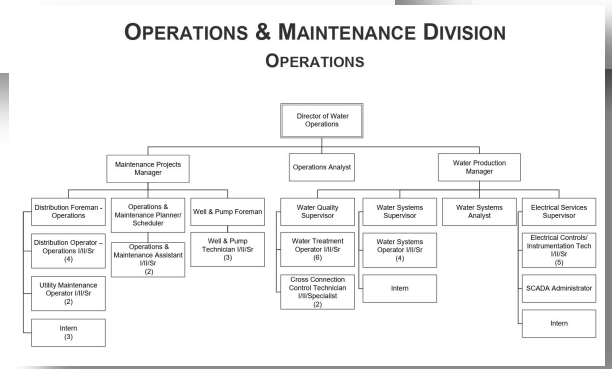
8

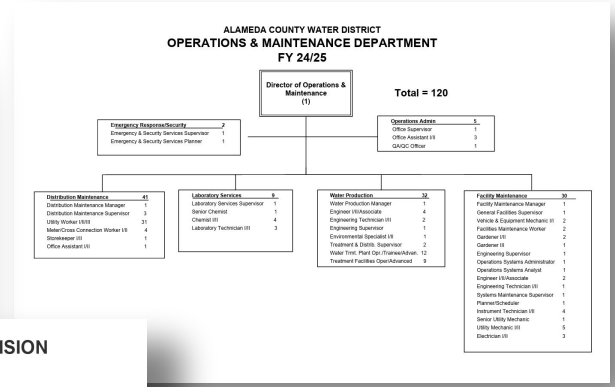
Project to identify focus areas/themes for Strategic Planning

Peer Organizational Chart Reviews

NMWD: Peer Agency Review 2025 # Positions Per Department	Engineering
Amador Water Agency	2
Beaumont-Cherry Valley Water District	5
Big Bear City Community Services District	
Citrus Heights Water District	6
Diablo Water District	
East Valley Water District	4
Goleta Water District	53
Hi-Desert Water District	
Kern County Water Agency	7
Kern Delta Water District	1
Las Virgenes Municipal Water District	37
Marina Coast Water District	14
Mesa Water District (Orange)	4
Mission Springs Water District	5
Monte Vista Water District	3
North Marin Water District	11
Olivenhain Municipal Water District	14
Padre Dam Municipal Water District	13
Palmdale Water District	12
Placer County Water Agency	
Ramona Municipal Water District	
Running Springs Water District	
San Juan Water District	5
Solano County Water Agency	2
Soquel Creek Water District	7
Sweetwater Authority	24
Walnut Valley Water District	
West Basin Municipal Water District	9
West Valley Water District	10







Key Themes for Strategic Planning

NORTH MARIN WATER DISTRICT

1. Infrastructure Resilience

Proactive infrastructure upgrades, expanding capacity, enhancing emergency preparedness, addressing single-source vulnerabilities, securing funding for improvements, continued regional collaboration, and leveraging technology should be explored further as possible goals.

These initiatives aim to strengthen system reliability, reduce costly emergency repairs, improve resilience to natural disasters, and ensure long-term infrastructure stability while maintaining affordability and public trust.

2. Water Supply & Regional Partnerships

Water storage capacity, strengthening regional partnerships, advocating for better representation in regional agencies, increasing recycled water use, enhancing public engagement, and securing state and federal grants should be explored further as possible goals.

These initiatives aim to improve supply resilience, secure long-term water sources, diversify supply options, and ensure financial sustainability while preparing for future droughts and emergencies.

3. Safety & Regulatory Compliance

Strengthening regulatory compliance, improving safety culture, reducing dependency on individuals, standardizing emergency training, integrating safety with infrastructure planning, and implementing centralized compliance tracking should be explored further as possible goals.

These initiatives aim to enhance worker protection, ensure regulatory compliance, improve emergency preparedness, and create a more proactive and structured safety framework.

4. Organizational Structure Review & Leadership Succession

Organizational structure, leadership succession planning, expanding mid-level leadership roles, improving internal communications, fostering a unified team culture, and developing future leaders should be explored further as possible goals.

These initiatives aim to balance workloads, enhance decision-making, ensure regulatory compliance, support career progression, and create a more connected and resilient workforce.

5. Workforce Development & Retention

Employee retention, succession planning, workload management, leadership capacity, career development, and fostering a long-term career culture should be explored further as possible goals.

These initiatives aim to reduce turnover, prevent knowledge loss, improve work-life balance, create clear advancement opportunities, and position the District as an employer of choice in a competitive labor market.

6. Financial Sustainability & Cost Management

Gradual and predictable rate management, addressing deferred maintenance, securing external funding, improving financial planning, enhancing public transparency, and ensuring the sustainability of the Point Reyes system should be explored further as possible goals.

These initiatives aim to balance affordability with necessary investments, improve long-term financial stability, and build public trust in the District's cost management strategies.

7. Emergency Preparedness & Risk Mitigation

Reviewing potential aqueduct vulnerability scenarios, storage capacity, cross-departmental emergency training, supply chain preparedness, cybersecurity, long-term alternative supply options, and reviewing potential vulnerabilities in single-source supply lines should be explored further as possible goals.

These initiatives aim to enhance resilience, improve coordination, ensure staff readiness, and proactively mitigate risks to safeguard water supply reliability, systems and staff safety in emergencies.

8. Public Engagement & Education

Proactive communication, financial transparency, water supply education, diversified outreach, misinformation prevention, expanded use of video, and community trust-building should be explored further as possible goals.

These initiatives aim to enhance public understanding, foster support for infrastructure and rate decisions, and create a more informed and engaged customer base.

9. Technology & Operational Efficiency

Modernizing IT systems, improving data integration, greater use of AI, reducing IT dependency risks, risk-assessing SCADA and remote monitoring, strengthening cybersecurity, and investing in real-time data tools should be explored further as possible goals.

These initiatives aim to enhance operational efficiency, improve decision-making, reduce vulnerabilities, and ensure the District can adapt to future technological demands.

10. Governance & Board Effectiveness

Enhancing long-term strategic focus, clarifying oversight roles, improving board training for new directors, board materials and preparation, strengthening board-staff communication, increasing public engagement with board meetings, and improving governance policies should be explored further as possible goals.

These initiatives aim to create a more informed and effective Board that can continue to deliver strong governance and long-term district stability.

Next Steps

NORTH MARIN
WATER DISTRICT

Preparing the 5-Year Strategic Plan

Next Phase (Phase Two)

April - June, 2025

Two Review Workshops with Leadership

Distill Themes into Goals & first working Plan draft

Review & Input Meeting with Departments Heads

Review & Input Meeting with Employee Association

Review & Input Meeting with Partner Agencies

Consultants to rewrite/include feedback

Deliver Text Version of Strategic Plan

Text version of Strategic Plan approved by Leadership

Preparing the 5-Year Strategic Plan

Final Phase (Phase Three)

July - September, 2025

Review and input meeting with new Ops/ Maint. Manager

Consultants to rewrite/include feedback

Final version of Strategic Plan approved by Leadership

Strategic Plan typeset with graphics and images

Summary of Strategic Goals for general public

Present to Board & Staff and publish on website

Thank You

NORTH MARIN
WATER DISTRICT

Kiosk Reference K-1045

Exhibit A
Consultancy Services for 5-Year Strategic Plan

Services, Deliverables and Costs

Summary.

Kiosk Creative LLC (DBA "Kiosk") will provide facilitation and consultancy services to progress the development of the next North Marin Water District 5-Year Strategic Plan, in an amount not to exceed $7,220.

Services and Deliverables.

Kiosk will provide the following services and deliverables under this Agreement:

1. Leadership Workshops.

- Kiosk consultants will facilitate two (2) workshops with the NMWD leadership team to review the *Strategic Focus Areas/Themes and Priorities* document, and to then rationalize and prioritize the District's goals and objectives for the next Strategic Plan.

2. Consultancy Services for first draft.

- Kiosk will distill the feedback from both workshops to write and produce a working first draft of the Strategic Plan.

3. Review and Input Meetings.

- Kiosk consultants will facilitate up to three (3) Strategic Plan review and input meetings, to include:
  - ➢ One (1) x workshop with department heads
  - ➢ One (1) x review and input meeting with Employee Association representatives
  - ➢ One (1) x review and input meeting with partner agencies

4. Consultancy Services for Revisions to Draft Strategic Plan.

- Kiosk will incorporate additional feedback into the working draft accordingly.

5. Strategic Plan Deliverable.

- Kiosk will produce a proposed text version of the 5-Year Strategic Plan, delivered via email to the General Manager in MS Word format.

Dedicated Project Team.

Kiosk will assign a dedicated project team for the duration of the project, as follows.

- Camille Milliner: Project Manager
- Claire Garvie: Lead Consultant
- Alan Raistrick: Strategy Consultant

As project manager, Camille will ensure that the project runs within the timeline and agreed budget, and will support the consultants to schedule meetings and deliverables.

Timeframe.

This is a 6-10 week project. Work is expected to commence in April 2025, and be completed by June 30, 2025.

Project Costs.

Task/ Service/ Deliverable	One Time Costs	Delivery Date / Invoice Date
1. Two (2) workshops with NMWD leadership to rationalize and prioritize goals	$1,740	Apr 30, 2025
2. Consultant time to distill themes into goals and actions for a first draft working Strategic Plan	$2,740	May 31, 2025
3. Up to three (3) review and input meetings, to include: a. One (1) x workshop with department heads b. One (1) x review meeting with Employee Association representatives c. One (1) x review meeting with partner agencies	$1,500	June 30, 2025
4. Consultant time for feedback - document edits	$685	June 30, 2025
5. Produce text version of 5-Year Strategic Plan in MS Word format [project deliverable]	$185	June 30, 2025
Account management/ project management/ scheduling	$370	June 30, 2025
Total Project Costs	**$7,220**	

Exhibit A-1
Consultancy Services for 5-Year Strategic Plan

Services, Deliverables and Costs

Summary.

Kiosk Creative LLC (DBA "Kiosk") will provide facilitation and consultancy services to finalize, design and deliver the next North Marin Water District 5-Year Strategic Plan, in an amount not to exceed $5,635.

Services and Deliverables.

Kiosk will provide the following services and deliverables under this Agreement:

1. Review and Input Meeting.

- Kiosk consultants will facilitate one (1) Strategic Plan review and input meeting with the District's new Operations & Maintenance Manager.

2. Consultancy Services for Revisions to Draft Strategic Plan.

- Kiosk will incorporate additional feedback into the working draft accordingly, and produce a new working draft.

3. Typeset and Design of Strategic Plan, to include project process

- On approval of this latest version of the Strategic Plan, Kiosk will typeset and design a first layout of the document.
- Kiosk will incorporate up to two rounds of revisions to the design layout, and produce a print-ready and/or web-ready version of the final Plan.

4. Typeset and Design of Summary Strategic Plan

- Once the general design of the Strategic Plan document is approved, Kiosk will begin typesetting and designing the first layout of the Summary Strategic Plan. This version will highlight the District's key goals and objectives in a simpler, accessible format.
- Kiosk will incorporate up to two rounds of revisions to the design layout, and produce a print-ready and/or web-ready version of the final Summary Strategic Plan.

5. Presentation at the Board Meeting

- Kiosk consultants will present the final Strategic Plan at the board meeting, including sharing how the public can access the full Plan and the Summary Plan.

Dedicated Project Team.

Kiosk will assign a dedicated project team for the duration of the project, as follows.

- Camille Milliner: Project Manager
- Claire Garvie: Lead Consultant
- Alan Raistrick: Strategy Consultant
- Kristina Fishman: Design Director

As project manager, Camille will ensure that the project runs within the timeline and agreed budget, and will support the consultants to schedule meetings and deliverables.

Timeframe.

This is a 6-10 week project. Work is expected to commence in July 2025, and be completed by September 30, 2025.

Project Costs.

Task/ Service/ Deliverable	One Time Costs	Delivery Date / Invoice Date
1. One (1) review meeting with new Operations & Maintenance Manager	$500	Jul 31, 2025
2. Revisions to Strategic Plan according to feedback	$435	Jul 31, 2025
3. Design layout of full Strategic Plan (~20 pages), including two rounds of feedback/ revisions	$2,100	Aug 31, 2025
4. Design Summary of Strategic Plan (~4 pages), including two rounds of feedback/ revisions	$1,360	Aug 31, 2025
5. Presentation of final project to the Board	$500	Sep 30, 2025
Account management, project management, proof-reading, scheduling	$740	Aug 31, 2025
Total Project Costs	**$5,635**	

Kiosk Reference K-1047

Exhibit A
Organizational Structure Review & Recommendations

Services, Deliverables and Costs

Summary.

Kiosk Creative LLC (DBA "Kiosk") will provide facilitation and consulting services to support a review and discussion of the District's organizational structure, including the development of organizational charts and recommendations for improvement, in an amount not to exceed $6,545.

Services and Deliverables.

Kiosk will provide the following services and deliverables under this Agreement:

1. **Leadership Workshops.**

- Kiosk consultants will facilitate up to four (4) workshops with the NMWD leadership team to review and discuss the District's organizational structure and succession plans.

2. **Consultancy Services.**

- Kiosk will distill the feedback from all workshops, and produce a summary of recommendations, including proposed short term and long term organizational charts.
- Delivery a summary of recommendations, including proposed short term and long term organizational charts.

Dedicated Project Team.

Kiosk will assign a dedicated project team for the duration of the project, as follows.

- Camille Milliner: Project Manager
- Claire Garvie: Lead Consultant
- Alan Raistrick: Strategy Consultant

As project manager, Camille will ensure that the project runs within the timeline and agreed budget, and will support the consultants to schedule meetings and deliverables.

Timeframe.

This is a 4 week project. Work is expected to commence on August 1, 2025, and be completed by August 31, 2025.

Project Costs.

Task/ Service/ Deliverable	One Time Costs	Delivery Date / Invoice Date
1. Consultancy Services to support organizational structure review and leadership succession plan	$5,740	August 31, 2025
2. Output of final Org Charts for presentation	$435	August 31, 2025
Account management, project management, proof-reading, scheduling	$370	August 31, 2025
Total Project Costs	**$6,545**	

8

FOR ACCESSIBLE
MEETING INFORMATION
CALL: (707) 543-3350
ADD: (707) 543-3031

SPECIAL WATER ADVISORY COMMITTEE
AND
TECHNICAL ADVISORY COMMITTEE

MONDAY: APRIL 7, 2025

Utilities Field Operations Training Center
35 Stony Point Road, Santa Rosa, CA

9:00 a.m.

This is a combined WAC and TAC meeting.

1. Check In
2. Public Comment
3. Recap from the February 3, 2025 WAC/TAC Meeting and Approval of Minutes
4. Recap from the March 3, 2025 TAC Meeting and Approval of Minutes **(TAC)**
5. Water Supply Coordination Council – March 24, 2025
6. Presentation of Draft FY2025-26 SCWA Water Transmission System Budget and Rates
7. Recommendation to Sonoma Water Board of Directors - FY2025-26 SCWA Water Transmission System Budget and Rates
8. Water Supply Conditions and Temporary Urgency Change Order
9. Eel Russian Project Authority and Potter Valley Project Update
10. Items for Next Agenda (next combined WAC/TAC meeting is May 5, 2025)
11. Check Out

9

ITEM #9

North Bay Watershed Association
Board Meeting - Agenda

April 4, 2025| 9:30 – 11:30 a.m.

MEETING WILL BE HELD AT THE
City of American Canyon - City Council Chambers

4381 Broadway, Suite 201, American Canyon, CA 94503

For those wishing to attend virtually
Join Zoom Meeting:
https://us02web.zoom.us/j/81630673971?pwd=dm94TXJCRWMyWFBLc3U5V2pTSmNRZz09
Webinar ID: 816 3067 3971 **Password**: 216460

Agenda and materials will be available the day of the meeting at: www.nbwatershed.org

AGENDA

Time	Agenda Item	Proposed Action
9:30	**Welcome and Call to Order – Roll Call and Introductions** *Jean Mariani, Chair*	*N/A*
9:35	**General Public Comments** This time is reserved for the public to address the Committee about matters NOT on the agenda and within the jurisdiction of the Committee.	*N/A*
9:40	**Agenda and Past Meeting Minutes Review** *Jean Mariani, Chair* **Treasurer's Report** *Jean Mariani, Chair*	*Approve/ Accept*
9:45	**Guest Presentation— Golden Mussel Prevention Program for Lake Berryessa** *Drew Gantner, Manager of Water Resources, Solano County Water Agency* Drew will provide an overview of the Lake Berryessa Mussel Prevention Program, which has gone through some dramatic changes in the past several months due to the recent discovery of invasive golden mussels in the Sacramento-San Joaquin Delta. Drew will cover the history of global and regional spread, biology, effects of these mussels, the current status of the mussel prevention program, as well as the role SCWA is taking with its partners at Lake Berryessa.	*Presentation slides*

10:20	**Executive Director Report** *Andy Rodgers, Executive Director* Andy will provide updates and solicit board input on activities since the March 7 Board meeting, including association administration updates, and other activities, programs and communications.	*ED updates, Board questions, and input*
10:25	**Overview of Draft NBWA FY 2025/26 Workplan** *Andy Rodgers, Executive Director* Andy will provide an overview of a draft FY 2025/26 workplan including calculation and incorporation of annual member dues in accordance with the MOU and solicit feedback.	*Presentation slides* *Vote*
10:40	**Board Information Exchange and Updates** *Members* Members will highlight issues and share items of interest.	*N/A*
10:55	**Overview of Special Tour: Napa River Ecology Center at the American Canyon Wetlands** (205 Wetlands Edge Road) Just a six minute drive from City Hall! Learn about this special opportunity to tour the Napa River Ecology Center, a public-private partnership repurposing an industrial site into a world class education and conservation hub scheduled to open to the public in early 2026. The project enhances public access, wildlife education, and climate resilience while addressing neighborhood compatibility. Staff will share project plans, timeline, and lead a site tour.	*N/A*
11:00	**Announcements/Adjourn** **Next Board Meeting: May 2 at North Marin Water District**	*N/A*

10

DISBURSEMENTS - DATED APRIL 3, 2025

Date Prepared 3/31/25

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

Seq	Payable To	For	Amount
1	ACC Environmental Consultants	Prog Pymt#4: Update Risk Management Program for STP (Balance Remaining on Contract $13,343)	$14,830.00
2	Alameda Electrical Distributors	Quick Jack Supports (15) ($318) & Circuit Breaker	515.57
3	Clean Earth Inc.	Hazardous Waste Disposal (Lab)	200.00
4	Cole-Parmer Instrument	Thermometer (Lab)	197.54
5	Core & Main	Welding Rings (60) & 12" Couplings (2) ($2,500)	2,770.00
6	Crochet, Melissa	Refund Alternative Compliance Reg 15 Deposit	945.00
7	DaSilva, Bene	Refund of Deposit/New Development/Water Conservation Restriction-Novato	1,000.00
8	Ditch Witch West	Replacement Starter ($1,848) & Service Parts ($360) ('19 Ditch Witch)	2,208.13
9	Dominican University of Calif	Leadership Academy (2 Employees)	5,200.00
10	Eads, Brian	Refund Over Payment on Closed Account	140.60
11	Fairway Design & Construction	Refund Excess Advance Over Actual Job Cost	630.73
12	Ferguson Waterworks	Coupling Flange Adaptors (10)	5,285.60
13	Fiserv/Bastogne Inc.	Refund-Unable to Located Account	181.36
14	Fisher Scientific	Bromide Standard (Lab)	66.66
15	Freyer & Laureta, Inc.	Prog Pymt#29: Engineering & Design Services for Lynwood Pump Station ($730) (Balance Remaining on Contract $67,167), Prog Pymt#14: ($1,764) & Prog Pymt#15: ($26,860) 2025 Master Plan Update (Balance Remaining on Contract $327,476)	29,353.08

Seq	Payable To	For	Amount
16	GHD Inc.	Prog Pymt#5: Engineering Services for Oceana Marin Treatment & Storage Pond Repair (Balance Remaining on as needed Contract $172,385)	12,244.53
17	Grainger	Enclosures for Thorsson Bridge Chlorine Station (4) ($2,000), Padlock Handles (2) ($462), Miscellaneous Tools & Supplies	3,815.27
18	Home Depot	Rapid Set Concrete (50) ($839), Waterproof Wire Connectors (20) & 32' Extension Ladder ($480)	1,341.31
19	Kirkland, Adam	Exp Reimb: Water Treatment Plant Operator Course	213.25
20	LeBrun, Kent	Exp Reimb: Safety Boots	284.65
21	Lee, Kathy	Novato "Hot Water Recirculation System" Rebate Program	100.00
22	Maggiora & Ghilotti	Prog Pymt#8: Crest Pump Station Project (Balance Remaining on Contract $441,628)	87,219.50
23	Marin County Ford	Service Parts ('23 Ford Ranger, '24 F250 & '20 F250)	391.85
24	McDonald, Daniel	Exp Reimb: Safety Boots	321.50
25	McMaster-Carr Supply Co	Tube Brush Set & Connecting Link (STP)	81.99
26	Chris Medeiros	Exp Reimb: D2 Course	238.25
27	MG West	Delivery & Installation for Furniture (Admin & Lab Offices)	16,371.85
28	Mutual of Omaha	April 2025 Group Life/ADD Insurance Premium ($1,485) & Vision ($824)	2,309.72
29	Nerviani's Backflow	Backflow Testing (65)	4,225.00
30	New Pig Corporation	Chemical (3) & Acid Neutralizing Absorbent Mat Pads (STP)	616.36
31	O'Brien, Ralph	Claim for Water Damage from Main Break (Feliz & Shady Lane)	413.57
32	ODP Business Solutions, LLC	Miscellaneous Office Supplies	123.87

Seq	Payable To	For	Amount
33	Pace Supply	Couplings (2), Elbows (10), Bushings (10), Clamp, Nipples (33) & Flange Spool ($585)	1,101.85
34	Paseo Properties	Refund-Not Our Customer	41.76
35	Redwood Health Services, Inc.	February 2025 Dental Claims & Fees Expense	6,568.61
36	Sabah International	Prog Pymt#5: Security & Access Control Hardware & Install for Admin & Lab Building (Balance Remaining on Contract $15,805)	11,727.00
37	Thomas Scientific	Utility Cart & Lab Standards (6) ($427) (Lab)	670.68
38	United Site Services	Portable Restroom Rental (Construction Locker Room Renovation Project - 3/22/25-4/21/25)	4,243.02
39	USA BlueBook	Orion Sealed Triode ($406), Replacement Calibration Standards ($742), Turbidity Standards ($429) (STP) & Wooden Plugs (6) (Const)	1,657.44
40	Vanguard Cleaning Systems	Janitorial Supplies	474.67
41	VWR International LLC	Lab Standards (5) ($503) , Alcohol Reagent & EDTA Titrant (1 gal) (Lab)	636.78
42	Ward, Sharon	Refund Excess Advance Over Actual Job Costs	4,000.00
43	Waste Management	Waste Disposal	39.95
44	Williamson, Matthew	Exp Reimb: Mailing Costs for D3 Cert	17.95
45	ZORO	Buoy Hardware (STP), Building Wire (1,000') ($406), Hand Soap Cartridge, Lithium Jump Starter ($401) (Maint) & Reclosable Fasteners (3)	1,071.77
		TOTAL DISBURSEMENTS	**$226,088.22**

The foregoing payroll and accounts payable vouchers totaling $226,088.22 are hereby approved and authorized for payment.

Julie Blue 04/01/25

Auditor-Controller Date

04/01/2025

General Manager Date

DISBURSEMENTS - DATED APRIL 10, 2025

Date Prepared 4/7/25

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 3/31/25	$197,231.65
90851*	Internal Revenue Service	Federal & FICA Taxes PPE 3/31/25	91,967.30
90852*	State of California	State Taxes & SDI PPE 3/31/25	21,392.82
90853*	CalPERS	Pension Contribution PPE 3/31/25	59,239.45
90850*	CalPERS	April 2025 Health Insurance Premium (Employer $66,158, Retirees $13,497 & Employees $8,927)	88,582.18
90852*	Nationwide	Deferred Compensation-457 PPE 3/31/25	16,801.02
90853*	Nationwide	Deferred Compensation 3/31/25-401A Match	2,853.87
1	Able Tire & Brake	Service on Tire Pressure Sensor Monitors ('12 F250) & Tires (4) ('24 F250) ($1,875)	1,934.79
2	Alameda Electrical Distributors	Electrical Supplies	205.05
3	Allquip Universal Inc	Pressure Washer Parts ('13 Vac Excavator & Trailer)	1,585.64
4	Alpha Analytical Labs	Lab Testing	580.00
5	American Family Life Ins	March 2025 Employee Paid Benefit	4,416.55
6	Backflow Distributors	2" Hydrant Backflow Meters (2)	8,131.86
7	Bay Alarm Company	STP Fire Alarm Monitoring Upgrade - 50% Deposit	6,250.00
8	Mulliner, Eileen	Exp Reimb: Retirement Book for Employee	277.00
9	Building Supply Center	Nipple & Tee	10.80
10	Comcast	April Phone Service (Rush Creek Pl, Buck Inst & STP) & March Phone Services (Rush Creek)	3,008.10
11	Comcast	April Internet Services (999 Rush Creek Pl)	1,573.65

*Prepaid

Seq	Payable To	For	Amount
12	DataTree	March Subscription to Parcel Data	100.00
13	Diesel Direct West	Gasoline (788 gal)	3,681.06
14	Direct Line Inc	March Telephone Answering Service	190.00
15	East Bay MUD	Bay Area Chemical Consortium Participation Fee (5/25-5/26)	1,746.60
16	Environmental Science Assoc	Prog Pymt#1: Construction Compliance Support for San Mateo Tank Project (Balance Remaining on Contract $106,909)	2,591.36
17	Frontier Communications	Leased Lines	1,790.07
18	Frontier Communications	April Internet (STP)	640.00
19	Grainger	Reference Solution & Standard, Utility Pump ($386) (STP), Fuses (5), Cable Ties, Cable Protectors (2) ($210) & Safety Glasses (24) ($195)	970.65
20	International Dioxcide Inc	Sodium Chlorite (44,960 lbs) ($31,922) & Service on Chlorine Dioxide Generator ($6,087) (STP)	38,008.75
21	Integrity Shred LLC	Document Shredding (3-64 gal cans)	450.00
22	Lincoln Life Employer Serv	Deferred Compensation 3/31/25	7,400.31
23	Noll & Tam Architects	Prog Pymt#45: Architecture & Engineering Services Admin & Lab Upgrade Project (Balance Remaining on Contract $19,452)	5,801.25
24	North Marin Auto Parts	Miscellaneous Maintenance Tools & Supplies	994.09
25	North Bay Gas	Nitrogen	126.57
26	Novato Builders Supply	Lumber, Rebar, Concrete & Cement	353.26
27	Outlander Construction, Inc.	Prog Pymt#5: Construction Locker Room Remodel Project (Balance Remaining on Contract $125,000)	30,000.00
28	Pace Supply	12" Coupling ($909),Service Saddles (2) ($568), Mega Lug Accessory Set, Flange Adaptor (3) ($622),Gaskets (10), Spool ($585) & Clamp ($412)	3,204.94

*Prepaid

Seq	Payable To	For	Amount
29	Peterson Trucks	Opacity Test ('09 Peterbilt 335)	220.30
30	Pini Hardware	Miscellaneous Maintenance Tools & Supplies	773.31
31	Point Reyes Light	Subscription Renewal (5/1/2025-5/1/2026)	78.00
32	Recology Sonoma Marin	March Waste Removal	696.33
33	Regal Systems	Remote Meter Panel Assemblies (3) (STP)	2,022.53
34	Soiland Co., Inc.	Rock (39 yds)	1,238.07
35	SWRCB	Recycled Water Distribution Use Fee	1,500.00
36	Uline	Chair Mats (2)	391.11
37	Unicorn Group	Mailer Required for LAFCo Deannexation of West Marin Water Service Areas (1,411)	3,213.81
38	US Postal Service	Meter Postage	1,500.00
39	Vanguard Cleaning Systems	Janitorial Services (Yard $4,500 & STP $920)	5,420.00
40	Verizon Wireless	March Cellular Charges	1,624.53
41	Villaluna, Angela	Novato "Cash for Grass" Rebate Program	234.00
42	ZORO	Building Wire (500')	279.91
		TOTAL DISBURSEMENTS	**$623,282.54**

The foregoing payroll and accounts payable vouchers totaling $623,282.54 are hereby approved and authorized for payment.

Julie Blue 04/08/25

Auditor-Controller Date

4/8/2025

General Manager Date

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR MARCH 2025
April 15, 2025

1.

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

Month	*FY24/25*	*FY23/24*	*FY22/23*	*FY21/22*	*FY20/21*	*25 vs 24 %*
July	264.8	218.6	224.5	282.9	341.7	21%
August	252.9	230.9	235.9	212.4	290.1	10%
September	237.7	212.4	203.5	214.5	225.6	12%
October	237.2	197.0	191.6	198.5	307.8	20%
November	166.5	145.7	137.4	94.1	201.6	14%
December	137.9	121.6	106.6	137.1	183.0	13%
January	139.1	122.4	113.8	118.3	156.6	14%
February	118.0	117.5	105.2	118.6	110.5	0%
March	129.7	121.0	123.1	130.3	124.1	7%
FYTD Total	1,683.8	1,487.1	1,441.5	1,506.8	1,940.8	13%

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

Month	*FY24/25*	*FY23/24*	*FY22/23*	*FY21/22*	*FY20/21*	*25 vs 24 %*
July	8.9	7.1	6.3	6.0	8.2	25%
August	8.7	7.5	6.8	5.7	9.2	17%
September	7.9	6.7	6.3	5.9	7.9	18%
October	7.6	6.4	5.7	5.1	6.7	20%
November	5.7	5.0	4.6	3.5	5.8	13%
December	5.1	4.2	4.3	4.0	5.1	22%
January	5.1	4.6	3.9	3.8	4.2	12%
February	4.2	3.7	3.3	4.0	3.8	14%
March	4.8	5.1	3.7	4.1	5.1	-7%
FYTD Total	58.0	50.2	45.0	42.0	56.0	16%

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

Month	*FY24/25*	*FY23/24*	*FY22/23*	*FY21/22*	*FY20/21*	*25 vs 24 %*
July	0.0	67.0	56.3	67.0	105.8	-
August	0.0	98.3	67.9	31.3	81.1	-
September	0.0	112.6	57.8	41.7	16.1	-
October	0.0	109.4	54.0	28.2	7.7	-
November	0.0	21.8	30.0	0.0	0.6	-
December	0.0	0.0	0.0	0.0	0.0	-
January	0.0	0.0	0.0	0.0	0.0	-
February	24.3	0.0	0.0	0.0	0.0	
March	41.3	0.0	50.5	0.0	0.0	
FYTD Total	65.6	409.1	316.5	168.1	211.3	-84%

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

Month	*FY24/25*	*FY23/24*	*FY22/23*	*FY21/22*	*FY20/21*	*25 vs 24 %*
July	54.6	31.0	43.1	42.9	39.0	76%
August	50.1	34.8	41.6	41.4	43.2	44%
September	41.0	26.1	29.2	39.6	29.5	57%
October	28.9	22.4	24.7	18.3	22.8	29%
November	11.4	3.6	5.1	0.8	10.9	216%
December	3.9	0.4	0.3	0.3	0.2	791%
January	1.8	0.4	0.4	0.8	0.3	403%
February	1.6	0.9	0.4	1.3	0.5	79%
March	1.6	0.9	0.4	14.3	11.4	81%
FYTD Total*	195.0	120.5	145.3	159.8	157.8	62%

*Excludes potable water input to the RW system: FY25=5MG, FY24=13.8MG, FY23=10.8 MG FY22=10 MG; FY21=24.7 MG

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2. Regional and Local Water Supply

Lake Sonoma

	Current	2024
Lake Storage*	86,075 MG	86,854 MG
Supply Capacity	100 %	101 %

*Normal capacity =-245,000 AF (79,833.5 MG); deviation storage pool of 264,000 AF (86,025 MG)

Lake Mendocino

	Current	2024
Lake Storage *	31,015 MG	31,432 MG
Supply Capacity	99 %	100 %

*Normal capacity = 70,000-110,000 AF (22,800-35,840 MG); FIRO pool 26,000-36,170 MG

3. Stafford Lake Data

	March Average	March 2025	March 2024
Rainfall this month	3.54 Inches	2.80 Inches	4.19 Inches
Rainfall this FY to date	24.26 Inches	25.29 Inches	26.89 Inches
Lake elevation*	193.41 Feet	196.1 Feet	197.5 Feet
Lake storage**	1,209 MG	1,404 MG	1,512 MG
Supply Capacity	86.5 %	100 %	108 %

* Spillway elevation is 196.0 feet (NGVD29)
** Lake storage less 390 MG = quantity available for normal delivery

Temperature (in degrees)

	Minimum	Maximum	Average
March 2025 (Novato)	33.1	93.3	55.3
March 2024 (Novato)	36.2	84.2	56.5

4. Number of Services

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March 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Sewer		
	FY25	FY24	Incr %	FY25	FY24	Incr %	FY25	FY24	Incr %	FY25	FY24	Incr %
Total meters installed	21,025	21,012	0.1%	106	103	2.9%	810	801	1.1%	-	-	-
Total meters active	20,878	20,860	0.1%	104	101	3.0%	801	792	1.1%	-	-	-
Active dwelling units	24,091	24,096	0.0%	-	-	-	837	836	0.1%	240	236	1.7%

5. Oceana Marin Monthly Status Report

Description	March 2025	March 2024
Effluent Flow Volume (MG)	.499	.727
Irrigation Field Discharge (MG)	.755	1.166
Treatment Pond Freeboard (ft)	4.7	5.3
Storage Pond Freeboard (ft)	3.0	5.2

6. Safety/Liability

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	Industrial Injury with Lost Time				Liability Claims Paid		
	Lost Days	OH Cost of Lost Days ($)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) ($)	
FY 24/25 through Mar	0	$0	0	0	3	$55,792	(a)
FY 23/24 through Mar	1	$368	1	1	2	$13,624	(b)

Days since lost time accident through March 31, 2025 **622** **Days**

(a) FY24/25 Water Damage from main break Feliz Dr. & Shady Lane (3 claims)

(b) FY23/24 Vehicle damage by NMWD valve cap (1), Planter/Driveway Repair Highland Drive (2) & Homeward Bound Lightpole damage (3).

7. Energy Cost

		March			*Fiscal Year-to-Date thru March*		
FYE		*kWh*	*¢/kWh*	*Cost/Day*	*kWh*	*¢/kWh*	*Cost/Day*
FY 24/25	Stafford TP	48,988	24.3¢	$384	420,648	24.0¢	$368
	Pumping	87,720	37.8¢	$1,069	1,140,015	40.3¢	$1,682
	Other[1]	27,595	53.4¢	$476	284,117	48.5¢	$505
		164,303	36.4¢	$1,928	1,844,780	37.8¢	$2,555
FY 23/24	Stafford TP	50,400	23.6¢	$383	467,187	23.4¢	$394
	Pumping	69,838	38.0¢	$855	1,007,572	34.9¢	$1,274
	Other[1]	32,398	40.4¢	$422	306,510	42.5¢	$472
		152,636	33.7¢	$1,660	1,781,268	33.2¢	$2,140
FY 22/23	Stafford TP	46,374	22.9¢	$342	442,398	22.4¢	$361
	Pumping	68,409	30.4¢	$716	988,964	28.3¢	$1,023
	Other[1]	40,025	37.7¢	$520	305,622	32.7¢	$365
		154,808	30.0¢	$1,578	1,736,984	27.6¢	$1,749

[1]Other includes West Marin Facilities

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8. Water Conservation Update

	Month of March 2025	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	7	163	4,727
Retrofit Certificates Filed	34	161	7,083
Cash for Grass Rebates	0	12	1,101
Washing Machine Rebates	1	1	6,950
Water Smart Home Survey	0	14	3,952

9. Utility Performance Metric

March 2025 Service Disruptions

SERVICE DISRUPTIONS (No. of Customers Impacted)	**March 2025**	**March 2024**	**Fiscal Year to Date 2025**	**Fiscal Year to Date 2024**
PLANNED				
Duration Between 0.5 and 4 hours	10	6	66	98
Duration Between 4 and 12 hours	0	5	41	31
Duration Greater than 12 hours	0	0	0	0
UNPLANNED				
Duration Between 0.5 and 4 hours	12	2	93	61
Duration Between 4 and 12 hours	0	0	27	108
Duration Greater than 12 hours	0	0	2	0
SERVICE LINES REPLACED				
Polybutylene	2	2	20	41
Copper Replaced or Repaired)	8	9	46	34

March 2025 Service Disruptions

Planned: For the month of March, we had 10 planned service disruptions.

Plastic: There were 2 plastic service leaks on Leafwood Dr and Johnson St.
Copper: We replaced 8 copper services on Malobar Dr, Rowe Ranch Ct, Hatch Rd, Pinyon Pl., and Lambert Way.

Unplanned: There was an 8” AC main failure on Scotia Ln. that affected 12 customers.

10. Summary of Complaints and Service Orders – March 2025

Tag Breakdown:

Total: 172 **Consumer:** 54 Office: 118

Type	Mar-25	Mar-24	Added Notes
Billing			
High Bill	2	4	
Low Bill	1	0	
Total	**3**	**4**	
Meter Replacement	32	18	
Total	**32**	**18**	
Need Read	1	3	
Total	**1**	**3**	
No-Water	0	3	
Total	**0**	**3**	
Leak			
Consumer	61	45	
District	10	8	
Total	**71**	**53**	
Water Quality			
Illness	0	1	
Other	0	1	
Color	0	1	
Total	**0**	**3**	
Noisy Pipes	0	1	
Total	**0**	**1**	
Check Pressure	3	2	
Total	**3**	**2**	
Turn Off / On	30	21	
Total	**30**	**21**	
Other	32	13	
Total	**32**	**13**	
TOTAL FOR MONTH:	**172**	**121**	**42%**

Bill Adjustments Under Board Policy:

March 25 vs. March 24

Mar-25	26	$11,415
Mar-24	5	$1,887

Fiscal Year vs Prior FY

FY 24/25	257	$110,481
FY 23/24	130	$33,659

Customer Service Questionnaire Quarterly Report

Quarter Ending 3/31/2025

NMWD

	Response		
Water Quality	Agree	Neutral	Disagree
Courteous & Helpful	0	0	0
Accurate Information	0	0	0
Prompt Service	0	0	0
Satisfactorily Resolved	0	0	0
Overall Experience	0	0	0
	0	0	0

	Response		
Pressure	Agree	Neutral	Disagree
Courteous & Helpful	4	0	0
Accurate Information	4	0	0
Prompt Service	4	0	0
Satisfactorily Resolved	4	0	0
Overall Experience	4	0	0
	20	0	0

Leak	Agree	Neutral	Disagree
Courteous & Helpful	34	1	0
Accurate Information	34	1	0
Prompt Service	30	4	0
Satisfactorily Resolved	30	2	1
Overall Experience	34	1	0
	162	9	1

Noisy Pipes	Agree	Neutral	Disagree
Courteous & Helpful	0	0	0
Accurate Information	0	0	0
Prompt Service	0	0	0
Satisfactorily Resolved	0	0	0
Overall Experience	0	0	0
	0	0	0

Billing	Agree	Neutral	Disagree
Courteous & Helpful	2	1	0
Accurate Information	2	1	0
Prompt Service	3	0	0
Satisfactorily Resolved	2	0	1
Overall Experience	2	1	0
	11	3	1

Other	Agree	Neutral	Disagree
Courteous & Helpful	5	0	0
Accurate Information	5	0	0
Prompt Service	5	0	0
Satisfactorily Resolved	5	0	0
Overall Experience	5	0	0
	25	0	0

Grand Total	218	12	2
	94%	5%	1%

Questionnaires Sent Out	97	100%
Questionnaires Returned	47	48%

NORTH MARIN WATER DISTRICT

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

PHONE 415-897-4133
EMAIL info@nmwd.com
WEB www.nmwd.com

April 9, 2025

Marin County Community Development Agency
3501 Civic Center Drive
San Rafael, CA 94903
Attention: Sarah Jones, Director
Sent via email: Sarah.Jones@MarinCounty.gov

RE: Sewer Service to Dillon Beach Village by North Marin Water District

Dear Ms. Jones:

The North Marin Water District (District) has been in various discussions with the Community Development Agency Environmental Health Services staff since the completion of the 2022 Dillon Beach Village Wastewater Feasibility Study (DBV Study) prepared by Questa Engineering Corporation. As you are aware, NMWD provides sewer services (collection and treatment) to properties in the Oceana Marin development adjacent to DBV community in West Marin County. Only properties located within the established boundary of the Oceana Marin Improvement District are eligible for sewer services by NMWD.

Previously in 1995, again in 2013, and recently in 2022 NMWD has stated its position regarding new connections from the DBV area to the Oceana Marin (OM) system. Other than limited parcels located on Ocean View Avenue which front an existing sewer main, NMWD has indicated that it would not consider any new annexations to the Improvement District. In 2024, Marin LAFCo adopted their Municipal Service Review, Multi-Regional Services Study which included review of the District's services, including wastewater services to OM. That Study confirmed the current boundary and Sphere of Influence (SOI) of the OM system which is shown on LAFCo's map viewer available on their website[1].

Despite the District's established position as well as the established boundary and SOI for the area, the 2022 DBV Study identified two preferred alternatives (3a and 3b) that propose connecting properties in the DBV area to the existing NMWD OM System. Specifically, the study's Alternative 3b, which consists of connecting the "Village Area" to OM for a total of 152 equivalent single-family dwellings, is the top ranked alternative. The next top ranked alternative, Alternative 3a, is connection of the entire study area to OM (190 equivalent single-family dwellings).

Since completion of the report, subsequent community meetings have been held between the County and the Dillon Beach Village community. In addition, several meetings have been held by the County with District staff participation, as well as informal meetings with Marin LAFCo after the completion of the report. Based on meetings with County staff, there appears to be a strong desire to move forward with the expansion of the OM system, including annexation of the properties identified in the top ranked alternatives. However, District staff feel that the conclusion of the Report is misleading to residents affected by the top-ranked alternatives, specifically with respect to costs and the annexation process. As discussed with County staff during a meeting in February of 2023 and again in August of 2024, additional information regarding the preferred

1 https://marinlafco.maps.arcgis.com/apps/webappviewer/index.html?id=357a2744762c4f2da5094955125329e5

alternatives identified in the DBV Study is needed. To effectively communicate the overall costs associated with a potential annexation and connection to NMWD's OM System, a connection fee and rate study is necessary. The scope of work is summarized below:

- Independent Review of Proposed New Infrastructure and Costs: this task includes review of the various sewer infrastructure elements (collection pipelines, force mains, lift stations, leach field expansion, etc.) described in the DBV Study and associated costs, as well as other costs. The reviewed/updated costs will be used for the tasks below;

- Develop a Financial Plan: this task includes the development of a long-range financial planning model as well as a short-term/initial rate schedule;

- Cost of Service Analysis: this task is required because of potential commercial accounts and to ensure compliance with Prop 218;

- Facility Connection Charge Calculations: this task includes the analysis and calculation of connection charges[1];

- Recommendations and Final Report: this task includes presentation of draft findings and preparation of an administrative draft and final study report to establish true costs to a property owner.

District staff have made it clear to the County that the cost for conducting a connection fee and rate study can't be borne by the District. However, staff see a benefit in directly managing such an effort if the work is included in the District's overall workplan. Staff plan to use Hildebrand Consulting for the necessary connection fee and rate study with support from Nute Engineering for an independent review of the infrastructure costs included in the DBV Study[2]. The estimated cost for this work is $66,769 which includes minimal District Operations and Engineering staff time to oversee and review the efforts by the consultants. The work will also require staff time for the District's General Manager and Auditor-Controller, but these costs are not included in the total above but rather represent a cost share contribution.

The County has previously indicated that funding for this proposed effort will be provided to the District. As part of the workplan and budget for Fiscal Year (FY) 2025-26, District staff are planning to include a line item in the OM Operating Budget under "Special Studies" for the connection fee and rate study (scope described above). It is anticipated that the work would not begin until early spring 2026 given other District priorities.

Based on direction received direction received from the District Board of Directors at the March 4, 2025 Regular meeting[3], prior to initiating the work described herein, there will be two conditions that have to be met: 1) County confirms the necessary funding is available; and 2) all outstanding reimbursements for the *OM Wastewater Treatment and Storage Pond Repair Project* (J-8.7173) are received from FEMA. If either of these two conditions are not met during the next fiscal year period, the connection fee and rate study will not be initiated.

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1 The DBV Study used the District's existing connection fee in the District's Regulation 109. However, this fee is based on incremental cost methodology and capital projects for the existing sewer system and not for major expansion of the system as proposed in the DBV Study.

2 In previous correspondence with Arti Kundu (NMWD memo dated 3-10-2023) independent cost review by a 3rd party was recommended and assumed to be directed by the County. However, NMWD has included this work in the overall scope described above.

3 See Item #8: https://nmwd.com/wp-content/uploads/2025/02/030425.pdf; and minutes from this meeting: https://nmwd.com/wp-content/uploads/2025/03/030425-minutes.pdf

We look forward to hearing from you regarding this proposed FY 2025-26 effort and the associated funding support from the County. Should you have any questions please contact me at (415) 897-4133 or twilliams@nmwd.com.

Sincerely,

Anthony Williams, P.E.
General Manager

cc (via email):
NMWD West Marin Services Ad-hoc Committee
Greg Pirie, EHS
Arti Kundi, EHS
Jason Fried, Executive Officer, Marin LAFCo
File

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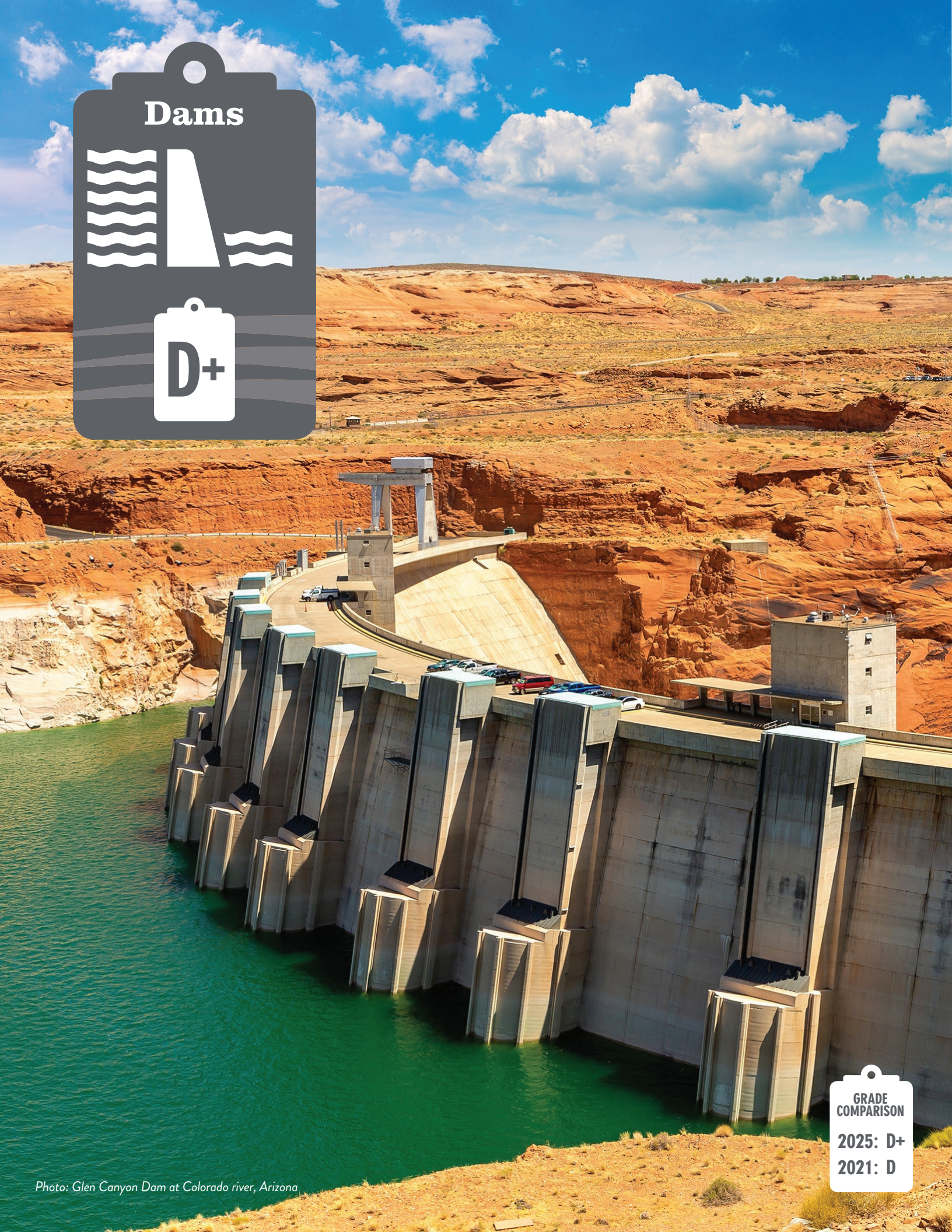


Photo: Glen Canyon Dam at Colorado river, Arizona

DAMS

EXECUTIVE SUMMARY

There are more than 92,000[1] dams in the U.S. that generate electricity, supply drinking water, and protect communities and critical infrastructure. Nearly 17,000 of these dams are considered high hazard potential, meaning there is likelihood of deadly harm to residents and property in the case of a dam failure. The cost of maintaining, upgrading, and repairing these structures has increased significantly since the beginning of the 21st century because of an increase in extreme weather events, growing populations downstream, and the outdated design challenges of aging structures. The average age of our nation's dams is over 60 years, while 7 of 10 dams nationwide are expected to reach 50 years by 2025. The Infrastructure Investment and Jobs Act (IIJA) provided approximately $3 billion to improve dam safety, although Congress redirected $364 million of that funding for other purposes. Furthermore, federal dam safety programs continue to receive annual appropriations below their authorized funding levels. Despite these challenges, IIJA funding, combined with other Congressional actions, provided a needed boost to overall dam safety and rehabilitation. However, without a more significant commitment to dam safety through increased annual investment in inspection, monitoring, planning, and necessary dam repairs, the cost to bring the nation's dams into a state of good repair will continue to rise and downstream communities will face a greater risk of danger from potential dam failure.

BACKGROUND

The U.S. is home to more than 92,000 dams, which are responsible for flood control, irrigation, water supply and conservation, river navigation, hydropower generation, mine waste storage, and recreation. Of those, only 4% are owned by the federal government, with the remaining 95% owned by state or local government, a public utility, or a private owner. More than 16,800 dams are classified as high hazard potentia, meaning that loss of life and significant property destruction is likely in the event of a dam failure. More than 38,000 of the nation's dams support recreational activities and therefore experience significant public access. On average, the nation's dams are 64 years old and need significant repair and upgrades. The structural integrity and performance of many of the nation's dams are increasingly affected by extreme weather, with frequent and intense rain events placing a significant strain on dams and their ability to hold water, threatening the safety of downstream communities.

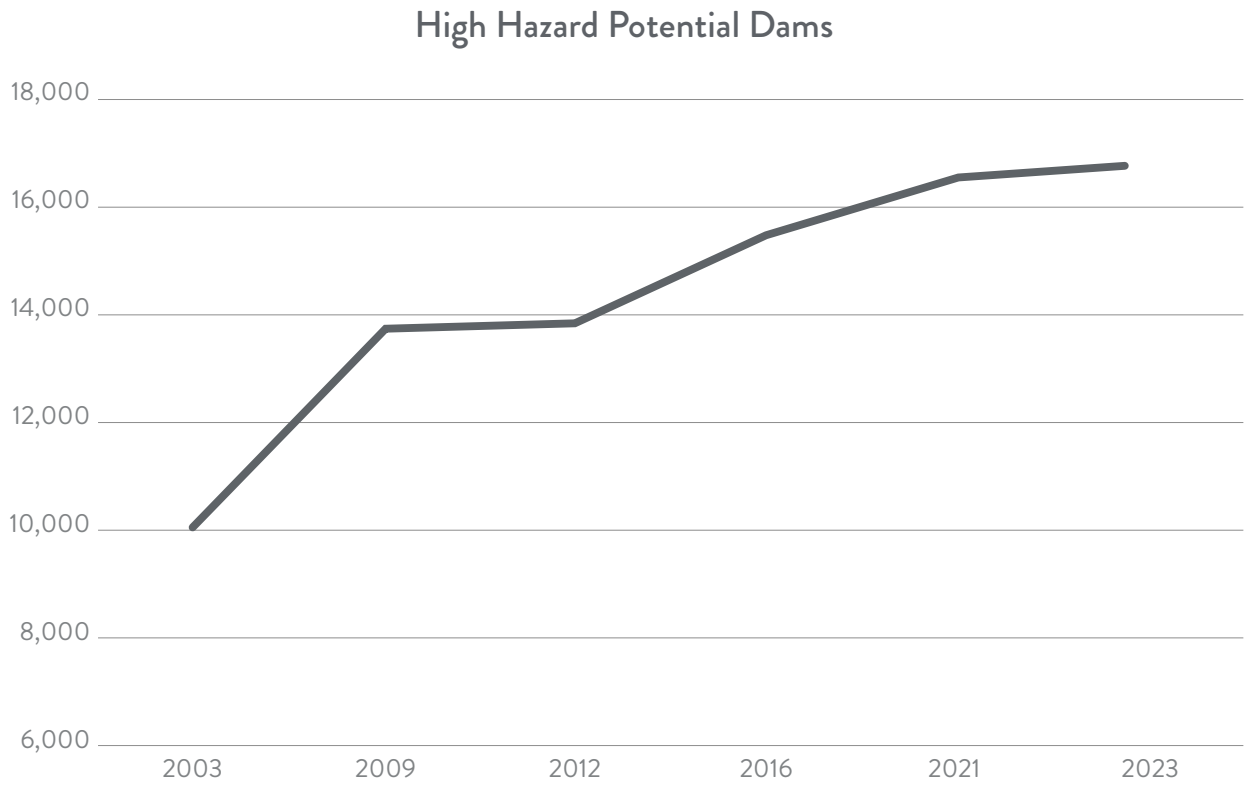
CAPACITY AND CONDITION

Dams are classified by their hazard potential, or the risk posed to downstream communities in the event of a dam failure. In the U.S., more than 16,700 dams are classified as high hazard potential as of August 2024, which means that if one of these dams should fail, the likely result would be loss of life and significant destruction to property. While such a classification highlights risk to communities, hazard potential does not indicate a dam's condition. Approximately 15%, or more than 2,500, of the nation's high hazard–potential dams are assessed to be in poor or unsatisfactory condition.[2] While a dam's hazard potential can often be determined by factors such as downstream development, condition assessments are primarily affected by the relative age of the structure, updated science and techniques for evaluating conditions, weather events, and climate change. High hazard–potential dams nationwide have increased by 20% since 2012, driven mostly by increased development in downstream areas.[3]

On average, the nation's dams are currently 64 years old,[4] and significant repair and upgrades are needed. According to the Association of State Dam Safety Officials (ASDSO), by 2025, 7 of 10 dams in the U.S. will be more than 50 years old.[5] Aging infrastructure and more frequent and intense rain events cause additional strain to the nation's dams. For example, in Vermont, the average age of the state's dams is 89 years. Because of this, many of Vermont's dams were not built using modern codes and standards; thus, they are not designed to withstand increasingly heavy and frequent rain events. Unfortunately, in July 2023, prolonged heavy rainfall over 48 hours produced between three and nine inches of rain in some parts of the state, which resulted in historic flooding and placed significant strain on Vermont's aging dams. Following the flooding, state dam inspectors assessed 400 dams across the state and found that 57 dams were overtopped by flooding, 50 dams sustained "notable damage," and five dams failed.[6]

Photo: Fairfax Falls Hydroelectric Dam, Fairfax, VT, on July 11, 2023, following historic flooding; University of Vermont, Spatial Analysis Laboratory

Increasingly severe rain events are affecting aging dams in other regions of the country as well. Since 2018, heavy rains have resulted in approximately 30 dam failures or near failures across the Midwest.[7] In June 2024, the western abutment of Minnesota's Rapidan Dam failed after several days of heavy rain. The flooding that caused the abutment's failure was the equivalent of a once-in-a-century flooding event and resulted in the destruction of a power station and destroyed part of a riverbank.[8] The Rapidan Dam, which had completed construction in 1910, had gone through several rounds of repairs since 2002 and was assessed to be in poor condition in 2023.[9] In 2021, an engineering report estimated that the cost of repairing the dam would be more than $15 million in addition to more than $6 million that had already been spent on the dam since 2002.[10]



Source: National Inventory of Dams

FUNDING AND FUTURE NEED

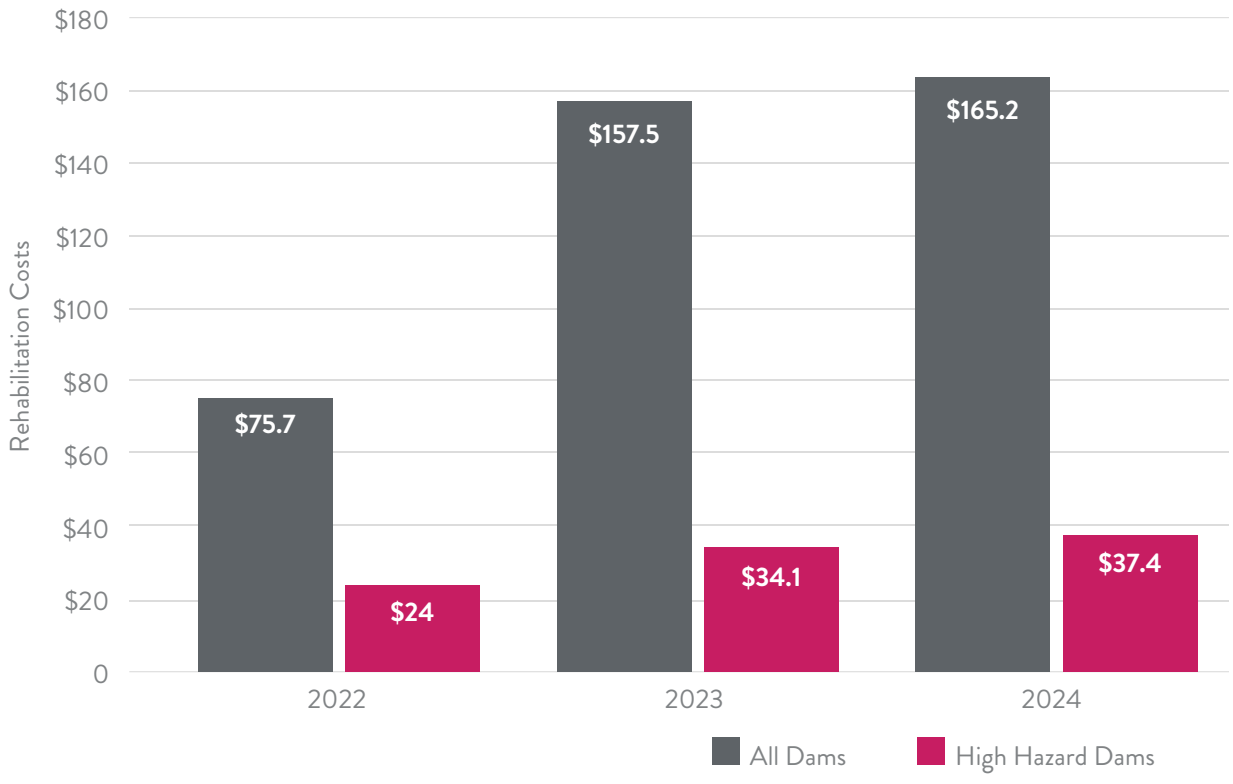
The National Dam Safety Program (NDSP) is the primary source of federal funding for states to improve their dam safety programs that support activities such as inspection and monitoring, emergency preparedness, and staffing needs. This program is only authorized to receive $13.9 million annually. The High Hazard Potential Dam Rehabilitation Grant Program (HHPD) Grant Program, which provides competitive grants to states to support repairs for dams posing the greatest risk to downstream communities, is authorized at $60 million annually. In 2021, the IIJA provided a total of $800 million for these programs as a one-time injection of much-needed support for dam safety. Furthermore, the U.S. Army Corps of Engineers' Water Infrastructure Financing Program (CWIFP), which supports non-federal dam safety projects through low-interest loans, received $75 million under IIJA. Meanwhile, the Department of Agriculture's Natural Resources Conservation Service administers a dam rehabilitation grant program through its Small Watershed Program, which receives about $10 million annually and $118 million in additional funds through IIJA.

Although there are multiple federal funding streams for dam safety, and the IIJA made historic one-time investments in dam safety, the totality of approved resources has not been made available to sustain the focus on safety needs at chronically underfunded structures. Only a portion of IIJA funding for the NDSP and the HHPD Grant Program will ever go to its intended purpose because nearly 50% of this total was redirected in 2024 by Congress and the U.S. Department of Homeland Security for other purposes.

The NDSP has consistently received less than $10 million in annual funding of its $13.9 million yearly authorization. The HHPD Grant Program has not received anywhere near the $60 million it could receive by law. In fact, the program received no federal funding in both Fiscal Years 2023 and 2024. Failure to fund the HHPD Grant Program diminishes the purchasing power of these investments, resulting in insufficient resources to support state program needs such as hiring qualified engineers to conduct dam inspection and monitoring. The lack of funding will also result in fewer resources to repair and rehabilitate high hazard–potential dams, which means that the condition of many of these dams will continue to deteriorate and raise rehabilitation costs that much higher.

In 2024, ASDSO determined that the current cost of repairing the nation's non-federal dams is $165.2 billion, with $37.4 billion needed for just non-federal, high hazard–potential dams.[11] The cost estimate increased by more than $120 billion between 2003 and 2022 primarily due to the growing number of dams being tracked in the National Inventory of Dams, providing a more accurate picture of total need.[12] Individual dam rehabilitation projects can reach over $1 billion, as was the case to repair California's Oroville Dam after its spillway failed in 2017.[13]

Estimated Non-Federal Dam Rehabilitation Cost Needs Over Time in Billions



Source: Association of State Dam Safety Officials

OPERATION AND MAINTENANCE

Nearly every state has a fully operational dam safety program. These programs allow states to receive federal funds to perform necessary dam safety operation and maintenance activities such as developing emergency action plans (EAPs), conducting public outreach, and undertaking regular dam inspection and monitoring. Until recently, Alabama was the only state that did not have a state dam safety program. However, in 2023 and 2024, Alabama took legislative action to create an opt-in dam safety program, allowing for inspection and monitoring of state-owned and privately owned dams. These initiatives move the state closer to eligibility for NDSP State Assistance Grants. State dam safety programs are eligible to receive state assistance grants if they meet certain criteria, including authority to require inspection of all dams to for risk every five years.

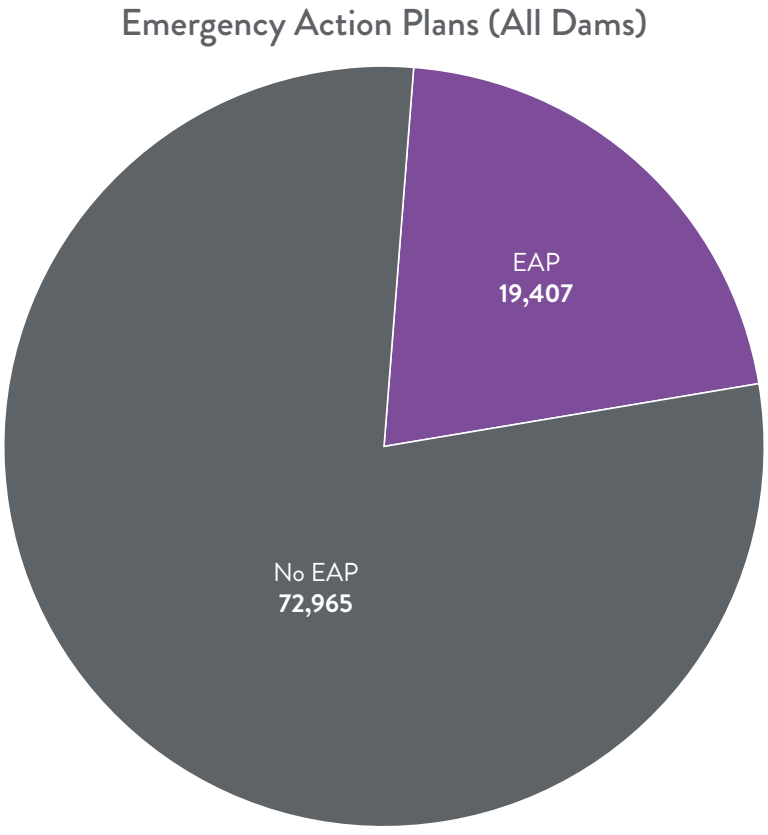
Reduced federal funding for the National Dam Safety Program has limited resources available to states. In turn, reduced funding has compelled states to extend their already constricted resources, putting additional strain on state budgets and stretching state dam safety programs. The consequences of lower funds affect critical components of state dam safety programs such as staffing. State assistance grants may help increase the number of trained engineers on staff to conduct inspections. On average, there are approximately 1,700 regulated dams per state. However, with an average of nine dam inspectors per state, a single dam inspector can be responsible for overseeing the safety of 190 existing dams and the construction of new dams.[14]

Photo: A home before partially collapsing into the Blue Earth River in Mankato, MN, following the 2024 partial failure of the Rapidan Dam; Andrew Weinzierl/AW Aerial

PUBLIC SAFETY

Dam failures can pose significant challenges to impacted communities. In addition to causing billions of dollars in economic losses and the potential loss of life, dam failures can result in damage to interconnected infrastructure systems. Flooding from dam failures can impact bridges and roadways, threaten drinking water supplies, place excessive strain on stormwater infrastructure, and damage levee systems that protect floodplains. Emergency action plans are critical to minimizing damage caused by a dam failure. EAPs identify potential emergency conditions at a dam, specify preplanned actions to reduce property damage and loss of life should those conditions occur, and are initiated in the event of an impending dam failure or other uncontrolled release of water. In May 2020, the Edenville Dam in Michigan failed after significant rainfall. It was later determined that an exercise as part of the dam's EAP was critical to informing evacuation plans, which led to "well-organized and orderly" evacuations of downstream communities.[15] As a result, there were no reported casualties. As of 2024, more than 11,000 state-regulated high hazard–potential dams (nearly 82% of state-regulated high hazard dams, about equal to 2021) have an EAP.[16]

"Low-head dams" pose ongoing safety concerns. A low-head dam is a relatively small, man-made structure spanning a river or stream where water flows over the entire length of the dam. Moderate-to-high flows over these dams create turbulent and recirculating currents that can pull and trap individuals underwater. Because low-head dams can be inconspicuous, people are often unaware of the dangers of these structures. Fortunately, Congress recognized this danger, and in 2022 the Water Resources Development Act authorized the creation of a National Low-Head Dam Inventory, and in 2024 passed legislation to incorporate low-head dams into the National Inventory of Dams. This new inventory will allow not only for low-head dams to be better identified but also will allow for clear warnings about the presence of low-head dams and the danger they pose to human life. Congress authorized $30 million to establish the inventory, and U.S. Army Corps of Engineers received $400,000 in FY24 appropriations to begin work on the inventory.



Source: National Inventory of Dams

Photo: Great Falls Park,McLean, VA; Mark Stenglein

RESILIENCE AND INNOVATION

Worsening rainfall patterns and flooding increasingly strain the structural integrity of the nation's dams. Heavy rainfall contributed to the failure of the Rapidan Dam in Minnesota in 2024, the Edenville Dam in Michigan in 2020, and the Oroville Dam's flood control outlet spillways in 2017. The intensity and frequency of extreme precipitation and flooding are projected to continue increasing in several regions. Further, in many areas (e.g., West, Northwest, the New Madrid zone), non-climatic hazards like earthquakes compound the risk posed by climatic extremes to the nation's dams.

In 2022, Congress took action to address this challenge by passing the Providing Research and Estimates of Changes in Precipitation (PRECIP) Act to help improve how the National Oceanic and Atmospheric Administration (NOAA) estimates probable maximum precipitation (PMP) to better account for changes in rain frequency and intensity. In 2024, the National Academies of Science, Engineering, and Medicine published a report on the current state of PMP estimation and its shortcomings. The report recommended a phased approach to modernizing PMP to a long-term model-based approach that accounts for the effects of extreme weather on precipitation and PMP estimates.[17] Through this renewed effort, enhanced collection of more accurate data on rainfall events will be critical to the engineering community in designing dams and developing better standards, ultimately leading to the construction of dams better able to withstand increased water levels, resulting in fewer flood-related incidents.

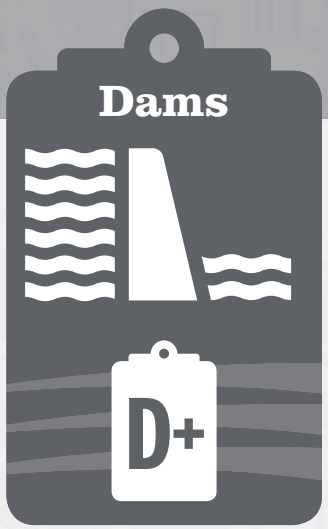
In recent years, dam safety officials and engineers have increasingly used risk-informed decision-making (RIDM) as an approach to dam safety. RIDM approaches decision-making by identifying and assessing existing risks, determining if those risks are tolerable (e.g., impracticable, cost-effective based on improvements gained), and whether existing risk mitigation measures are adequate. Since the 2017 failure of the Oroville Dam spillway, there have been more federal and state efforts to incorporate RIDM into dam management

practices, such as comprehensive inspections over visual inspections.[18] However, implementing RIDM comes with challenges requiring both significant financial resources, which many smaller state and federal agencies do not have, and very particular dam inspection expertise.[19]

Greater use of unmanned aerial vehicles (UAVs) or drones also provides innovative new approaches to dam safety. The ability to equip drones with equipment such as sensors, cameras, and infrared lenses can provide better access to higher and harder to access dam structures and can provide a lower-cost way to improve safety for dam inspectors.[20] Drones also have the potential to be used to prevent invasive plant and vegetation growth around dams. In recent years, the Tennessee Valley Authority has worked with dam safety professionals to test the use of drones to deploy herbicides to control vegetation growth around dam embankments, because the root structures of trees and heavy brush can pose dangers to structures and dam safety.[21]

Removal is also an increasingly appealing option for dams that no longer provide significant benefits. The IIJA made nearly $900 million available to support dam removal projects. Dam removal can produce tangible benefits such as restoring riverine ecosystems and removing hazards incited by dam failure. Removal is also an intervention that can restore or rectify environmental conditions caused by dam construction and ongoing operations placed on nearby communities. In 2014, the City of Manchester, Iowa, removed a 110-year-old low-head dam along the Maquoketa River, resulting in restored riverbanks, improved habitats for fish and other wildlife, and increased access to the river for recreational purposes through the development of a whitewater park.[22] On the other hand, dam removal may also produce unintended consequences such as excessive reservoir erosion, release of toxic and contaminated sediment, increased prevalence of invasive species, and ensuing legal conflicts.[23] Significant uncertainty remains about both the unintended consequences and long-term effects of dam removal, primarily due to limited experience with and lack of data from extensive monitoring of such projects, especially for large dams. It is essential to carefully examine key benefits and trade-offs, set practical goals for environmental recovery after removal, recognize limitations, and ensure effective data sharing from past and future dam removal projects. Cooperation and public engagement should be emphasized throughout planning for dam removal projects to ensure that dams do not become irreversible structures for decades to come. As a result, decision-making regarding dam removal can prioritize better projects balancing public safety with environmental concerns.[24]

Photo: Clementine Dam in Auburn, CA; Karen Donohue



RECOMMENDATIONS TO RAISE THE GRADE

- Fully fund the National Dam Safety Program and High Hazard Potential Dam Rehabilitation Grant Program, ensuring that adequate federal funds can support state dam safety programs and repairs to dams most in need and that pose the most significant risk to communities.
- Continue to build on progress by ensuring that all high hazard–potential dams have an emergency action plan by 2030.
- Complete implementation of a National Low-Head Dam Inventory by 2030, as authorized and prescribed in the Water Resources Development Acts of 2022 and 2024.
- Modernize methods of estimating probable maximum precipitation, as laid out in the 2024 report from the National Academies, to better determine the effects of extreme shifts in rainfall patterns, leading to better data for the engineering community to use in dam design and development of resiliency measures.
- Encourage improved land use planning at the local level so that communication about how dams affect local areas is more accurately known and considered in future planning.
- Carefully examine key benefits and trade-offs of dam removal and set practical goals for environmental recovery after removal, ensure effective data sharing from removal projects, and emphasize public engagement and cooperation throughout the removal process to balance public safety with environmental concerns.

SOURCES

1. U.S. Army Corps of Engineers, "National Inventory of Dams," 2024.
2. Ibid.
3. Association of State Dam Safety Officials, "The Cost of Rehabilitating Dams in the U.S.: A Methodology and Estimate," 2023.
4. U.S. Army Corps of Engineers, "National Inventory of Dams," 2024.
5. Association of State Dam Safety Officials, "The Cost of Rehabilitating Dams in the U.S.: A Methodology and Estimate," 2023.
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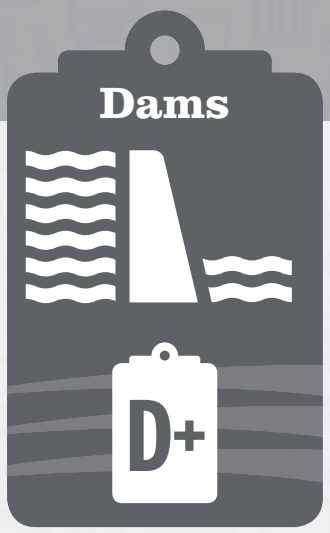

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Marin OKs $9.39M more for rural housing plan

BY RICHARD HALSTEAD

RHALSTEAD@MARINIJ.COM

Marin County supervisors have allocated another $9.39 million to help convert a former Coast Guard property in Point Reyes Station into 54 affordable homes. The allotment increases the amount of money the county has contributed to about $14.68 million. The county, which purchased the property from the federal government in 2018 for $4.3 million, is selling it to the developers, the Community Land Trust Association of West Marin and Eden Housing, for $1.

It previously allocated over $900,000 to the project to pay for predevelopment costs and environmental review.

“This is a community driven solution to a long-term crisis in West Marin,” said Jarrod Russell, director of the Community Land Trust Association. “Families living in substandard insecure housing on ranches is an example of the broader challenge we face. We need more housing.”

In April, the association and Eden Housing intend to apply for a $6.7 million grant from the state’s Joe Serna Jr. Farmworker Housing Grant Program. The program helps fund housing for agricultural workers.

“This is only a once-a-year funding source,” said Sarah Allen, a project developer with Eden Housing. “If we miss it this time, we would have to wait essentially another year.”

Allen said the developers also hope to receive $30 million in low-income housing tax credits. Developers generally sell the credits to private investors to obtain funding.

The county’s latest allocation is coming from two sources: the county’s housing trust and proceeds from Measure W, which increased the transient occupancy tax that visitors to West Marin must pay.

Half of the revenue from the Measure W tax increase is earmarked for enhanced fire and emergency services in West Marin, while the other half is reserved to support long-term community housing in the area.

Nearly $5 million of the new allocation will come from Measure W proceeds. The Measure W fund balance, however, only amounts to $2.1 million.

“What we are proposing to you for this project,” said Leelee Thomas, deputy director of the Marin County Community Development Agency, “is that we front the dollars with the housing trust dollars and then pay the housing trust back over the next five years.”

Other financial contributions include an $850,000 federal earmark secured by Rep. Jared Huffman in 2023 and a $1 million grant commitment from the Marin Community Foundation.

Supervisor Stephanie Moulton-Peters noted that the project has been in the works for nearly a decade and asked why it is taking so long to complete.

Thomas said the federal government built the Coast Guard site without a wastewater treatment facility.

“So that has been a significant cost to the project and something that has taken a long time,” she said.

In addition, Thomas said there are wells on the site that the larger community uses for drinking water.

“So we really need to ensure that whatever happens with the wastewater facility doesn’t impact the water for the rest of the community,” she said.

Sarah Jones, director of the Marin County Community Development Agency, said time and money were saved by not doing a full environmental impact report on the project. Something known as a “mitigated negative declaration,” a shorter process with fewer requirements, was done instead.

Public support for the allocation was not lacking. Supervisors received more than 90 messages, many of them formulaic emails, urging them to approve the funding, and a number of people made statements of support during the meeting.

“These are the types of urgent projects that need and deserve to be supported with the extreme housing crisis in West Marin presently,” said Ashley Harriman of Point Reyes.

Harriman highlighted the fact that some 40 people, a majority of them Latino residents, are living on the Martinelli ranch near Point Reyes Station in substandard conditions, and an additional 90 people, also mostly Latino residents, will soon be evicted from ranches and dairies in the Point Reyes National Seashore. The operations are closing as part of a settlement with environmental organizations.

Harriman also noted that 60 Latino workers had been living in substandard conditions on the Tacherra ranch for years before the Bolinas Community Land Trust secured 27 recreational vehicles to temporarily house them in 2023.

Jasmine Bravo, a representative of Voices of Las Familias Afectadas de Rancho de Point Reyes National Seashore, said, “This would help many people, mostly Latino people, to stay in West Marin. It would help the workforce continue.”

Contacted after the meeting, Allen said 15 of the dwellings could be reserved for agricultural workers if the project is awarded a Serna housing grant. She added, however, that families in West Marin couldn’t be given special preference. She said federal fair housing laws require that all of the residences be awarded by lottery.

Nevertheless, Thomas said she expected that the overwhelming majority of the 54 residences, which contain a total of 134 bedrooms, would go to people already living in the area.

“The developers will conduct what’s called affirmative marketing,” Thomas said, “meaning they will reach out to those who are least likely to apply for this housing and have historically faced housing discrimination.”

“In addition to affirmative marketing, the developer will also be doing targeted marketing,” she said. “That means that you reach out to local residents and workforce who are income eligible and make sure they are aware of the housing and encouraged to apply.”

The plan is to make the rental homes affordable to people earning between 30% and 60% of the area median income. That equates to a household income between $58,740 and $117,480 for a household of four.

Thomas said those rent levels might have to be increased if some assumed funding sources fail to pan out.

Supervisor Eric Lucan said, “If we can pull this one off, I think we could do just about anything when it comes to housing.”

POINT REYES

Developer challenges county planners

Plan would create 37 lots by subdividing 82-acre site

BY RICHARD HALSTEAD

RHALSTEAD@MARINIJ.COM

A developer seeking one of the larger residential projects ever seen in West Marin has challenged a decision by Marin County planners that the proposal must comply with the county's Local Coastal Program.

Yan Cui, a San Diego businessman, wants to subdivide an 82-acre property adjacent to Point Reyes Station into 37 lots. Five would be designated for affordable housing, while the rest would be designated for market-rate housing. No residences have been proposed yet.

The lots would range from 44,343 square feet to 358,281, with an average of 91,288.

The project also calls for roads to access the lots, storm drains, water service by North Marin Water District and a community septic system to treat wastewater."I don't know when Marin had a subdivision of this scale anywhere in the rest of the county," said Steve Antonaros, president of the Point Reyes Station Village Association. "It is very likely these will be second homes."

Antonaros said about 20 people attended a midday community meeting that Ross Guehring, a spokesperson for the developer, convened on March 6 to discuss the plans.

"We had a couple of neighbors who were very upset," Antonaros said. "There was a general sense that this looks like a suburban subdivision from the 1970s. It's not really taking into consideration the topography, the biology and the water issues."

Cui's appeal was scheduled to be heard by Marin County supervisors on April 22, but he withdrew it Wednesday after county planners told him they intended to submit the issue to the California Coastal Commission for an opinion. A ruling by the commission's executive director is expected by Monday and could still be appealed to the full commission or the county supervisors.

Cui recently hired former Marin County supervisor Steve Kinsey and Andrew Giacomini, a lawyer whose father was former Marin County supervisor Gary Giacomini, to represent him.

The elder Giacomini was often lauded for the role he played during the 1970s in derailing Marincello — a massive development plan backed by Gulf Oil that called for 16-story apartment houses, townhouses, a resort hotel and scores of retail shops and light industrial development.

Cui, who has said he immigrated to the United States from China about 10 years ago, purchased the property from the family of Toby Giacomini, Andrew's cousin, for about $3.5 million in 2023.

"I had no involvement with their efforts to develop it or the sale," Andrew Giacomini said.

The property consists of four contiguous parcels bounded by Point Reyes-Petaluma Road and Lagunitas Creek to the south; Highway 1 to the west; rural residential housing to the north; and open pasture to the east. Most of the land is undeveloped and consists of pasture, but there is a farmhouse on a parcel near the southwestern end of the property.

Cui says his project need not comply with Marin County's Local Coastal Program, the general plan governing the county's coastal zone. The zone is a strip of land and water defined by the California Coastal Act of 1976 that extends along the Pacific Ocean. Approvals of development within the coastal zone may be appealed to the California Coastal Commission.

Cui maintains that his project qualifies for an exemption created by an order adopted by county supervisors in 1980. The action categorically excluded certain types of development from California Coastal Act permitting requirements within specified areas.

The order was designed to encourage developments within a designated Point Reyes Station expansion area and excluded the construction of houses and land divisions in this expansion area from coastal permit requirements.

In letter on Feb. 26, however, county planner Kathleen Kilgariff informed Cui that his proposed subdivision fails to qualify and will be required to secure a coastal development permit from the county.

In an email to the development team the next day, Kilgariff explained that while the exclusion order exempted land divisions in the area where his property is located, his project is too large to qualify.

She said a letter from former Marin County administrator Mark Riesenfeld in 1982 makes clear that the order applies only to land divisions of four parcels or less.

“I strongly disagree with this finding,” Cui wrote in his appeal.

Cui contends that Riesenfeld misinterpreted the order in his letter. Cui wrote that the order “does not distinguish the type of subdivision — instead, it applies to all land divisions in the community of Point Reyes Station.”

In an initial pre-application filed with the county in January 2024, Cui outlined a plan to divide his property into 27 parcels. The property is zoned for a density of one residence per 3 acres.

In January 2025, however, Cui filed a subdivision application requesting a California Coastal Commission categorical exclusion. The application stated that because the county requires that 20% of the parcels be deed-restricted affordable housing, the project qualifies for a 35% density bonus under state law. That boosted the number of residences to 37.

The county and the developer disagree on how many of the parcels must be affordable to meet the 20% requirement. The developer says five affordable parcels, 20% of the originally proposed 27, satisfies the requirement.

The county calculates the 20% requirement differently, using the total after the density bonus residences have been added. The county insists that seven must be made affordable.

Kilgariff said the project’s final approval will be discretionary and that the supervisors would have the authority to deny it. She also said that it would have to comply with the California Environmental Quality Act.

Nevertheless, developers whose projects qualify for state density law entitlements gain a great deal of latitude. They can request a number of exemptions and waivers from local zoning and building requirements. State law directs the California Coastal Act and state density bonus law to be “harmonized so as to achieve the goal of increasing the supply of affordable housing in the coastal zone while also protecting coastal resources and coastal access.”

West Marin Water Rate Study

North Marin Water District has conducted a rate study to address future critical facility and capital improvement project needs, rising costs, and to plan for a sustainable future. Customers are encouraged to attend scheduled board meetings.

Investing in your water system

April 15, 2025
Water rate study presentation and board approval at regular board meeting

May 6, 2025
Capital Improvement Program presentation at regular board meeting

June 17, 2025
Board meeting/public hearing to consider enacting new water rates at regular board meeting

All meetings are at
999 Rush Creek Place, Novato at 4pm

Learn more at
nmwd.com/wmrates2025

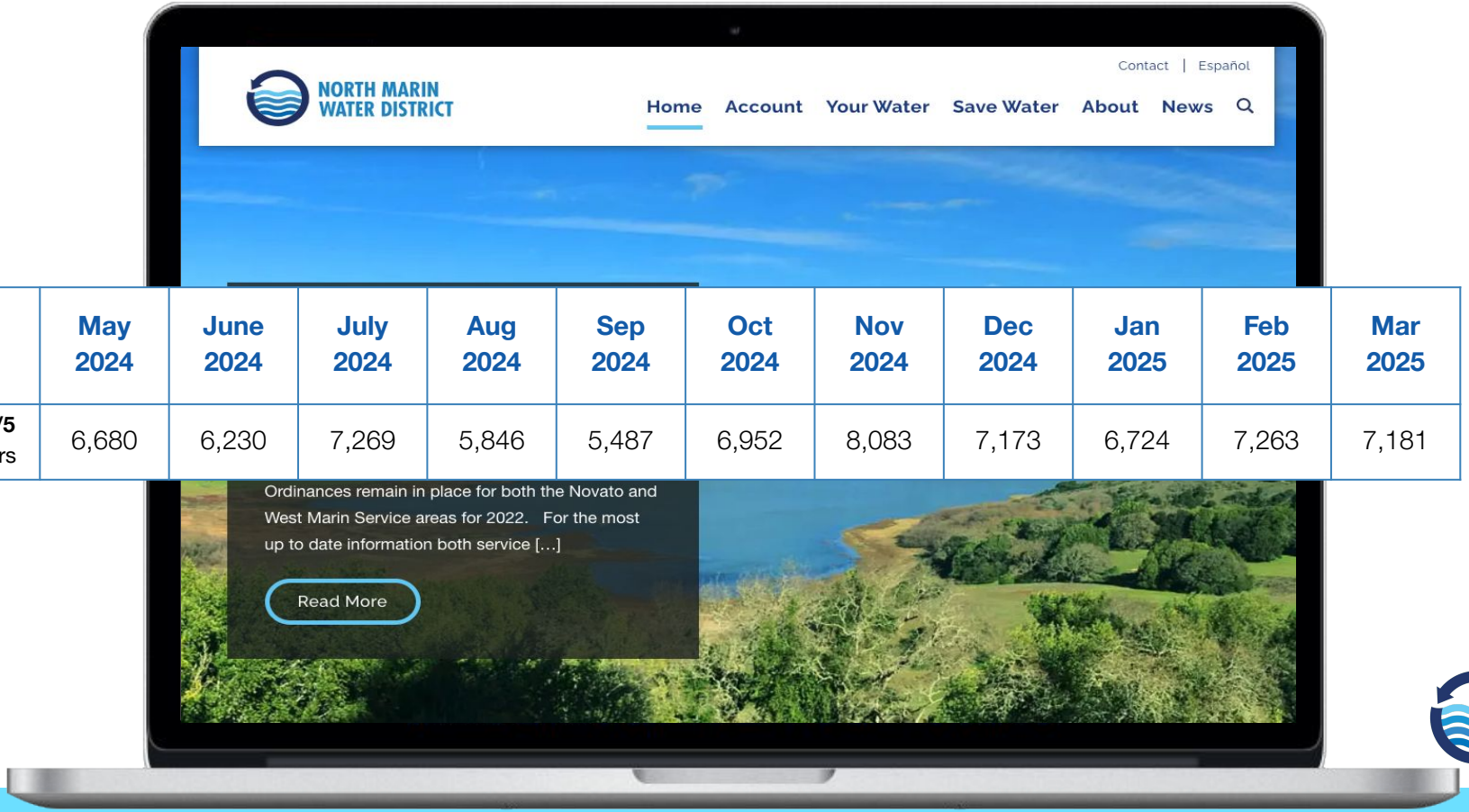
NORTH MARIN WATER DISTRICT

NORTH MARIN
WATER DISTRICT

Web & Social Media Report

March 2025

Website Statistics



	May 2024	June 2024	July 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025
2024/5 Visitors	6,680	6,230	7,269	5,846	5,487	6,952	8,083	7,173	6,724	7,263	7,181

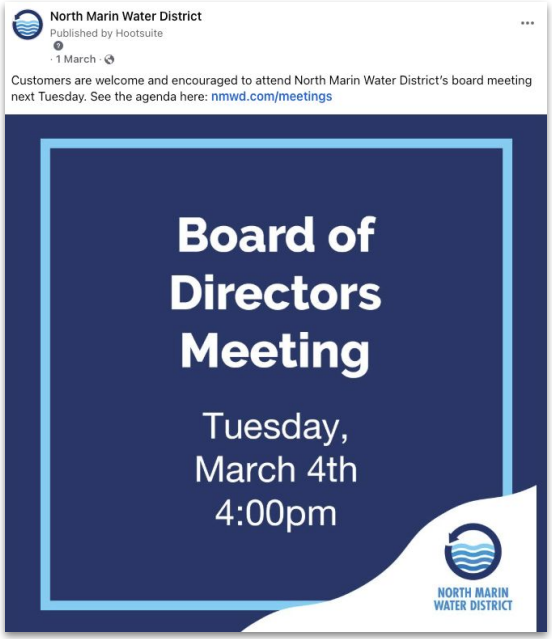
Social Media Followers

	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025
Facebook Followers	2,606	2,627	2,658	2,671	2,685	2,697	2,712	2,731	2,764	2,785	2,795
X (Twitter) Followers	132	132	133	131	132	129	124	124	124	121	121
Instagram Followers	914	922	928	937	938	947	954	957	965	977	977

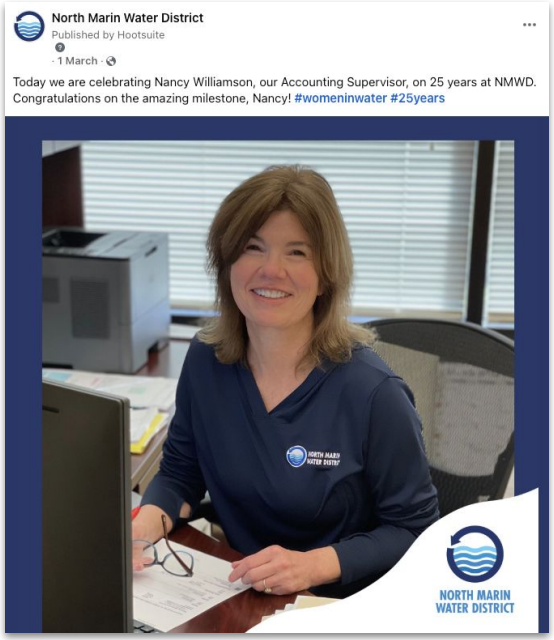
NMWD Most Visited Pages

Pages	Views
Home	3,908
Online Billing	2,875
Weather & Production Statistics	1,115
My Water Usage (WaterSmart Portal)	695
Employment Opportunities	395
What Is An Acre Foot?	279
Meetings 2025	198
Human Resources	190
Contact	176

March Social Media Highlights | Facebook



104 people reached | 6 engagements

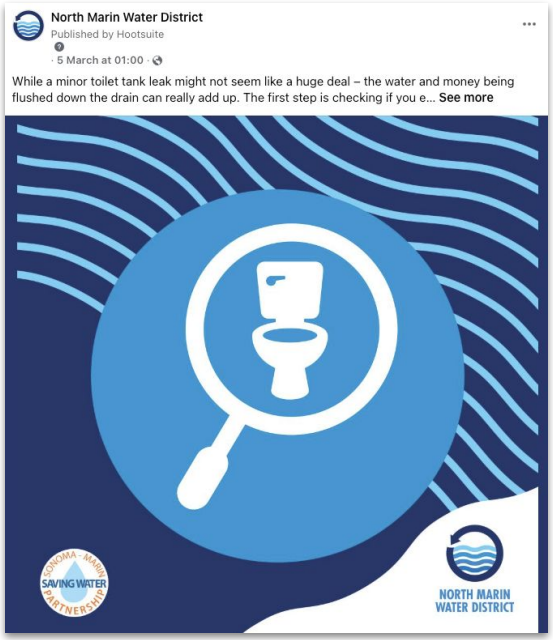


183 people reached | 17 engagements

99 people reached | 4 engagements

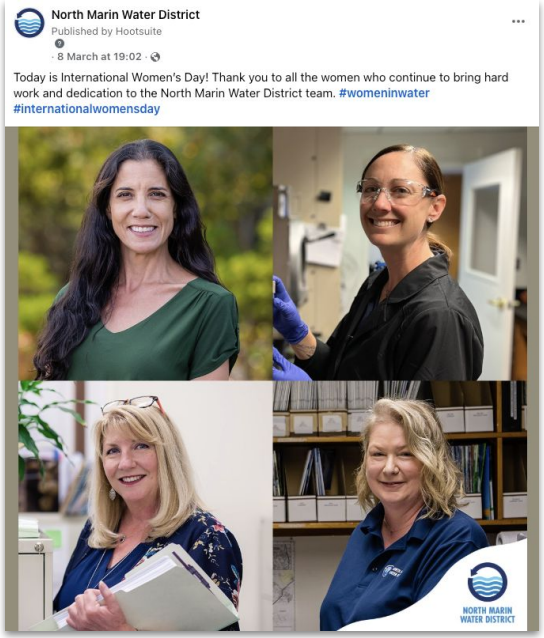
Engagements include likes, reactions, clicks and comments

March Social Media Highlights | Facebook



85 people reached | 1 engagements

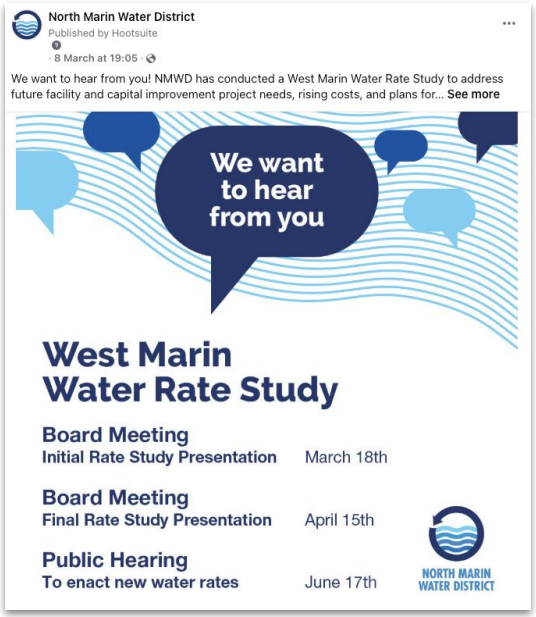
173 people reached | 6 engagements



218 people reached | 22 engagements

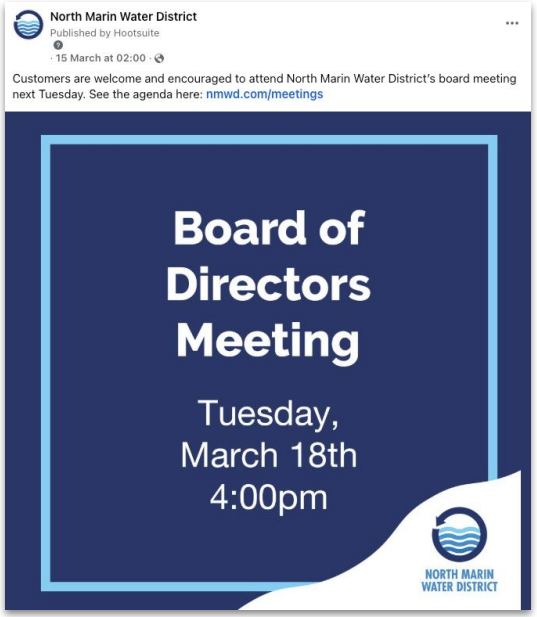
Engagements include likes, reactions, clicks and comments

March Social Media Highlights | Facebook



89 people reached | 4 engagements

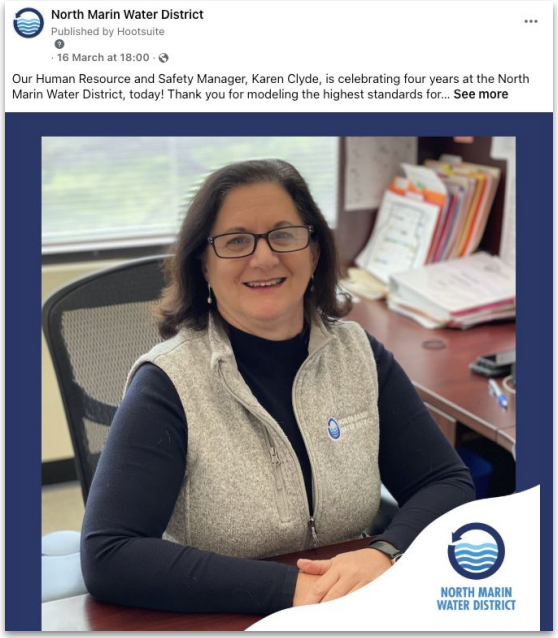
83 people reached | 3 engagements



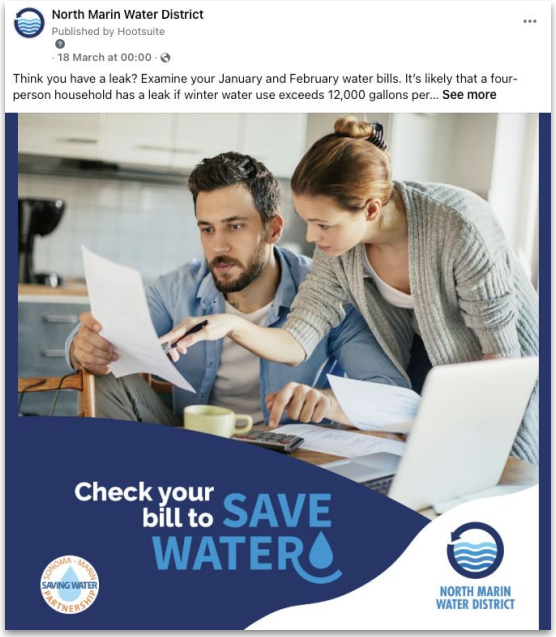
85 people reached | 1 engagements

Engagements include likes, reactions, clicks and comments

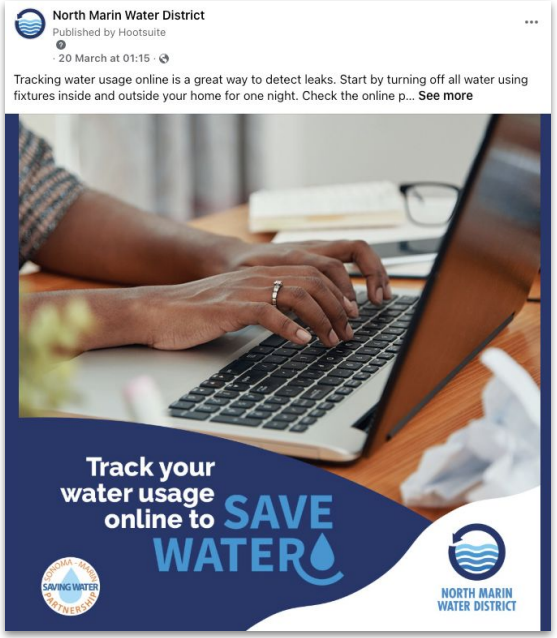
March Social Media Highlights | Facebook



160 people reached | 8 engagements



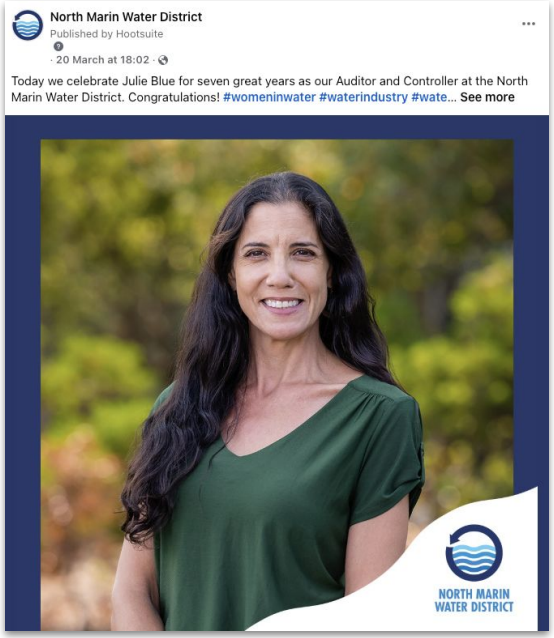
75 people reached | 3 engagements



82 people reached | 4 engagements

Engagements include likes, reactions, clicks and comments

March Social Media Highlights | Facebook



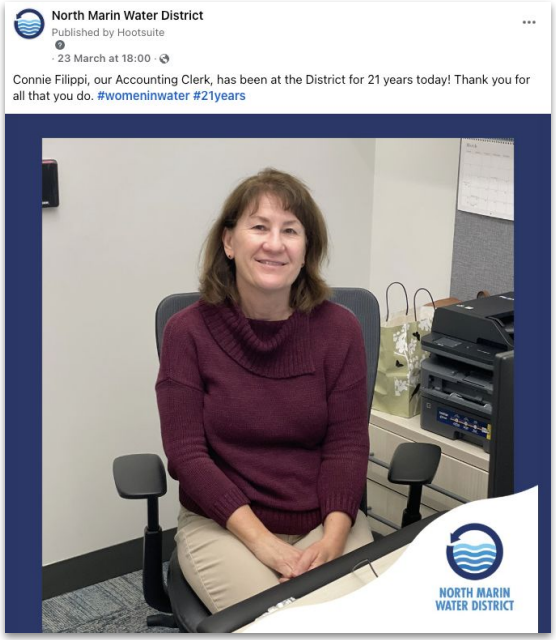
195 people reached | 15 engagements

90 people reached | 2 engagements

94 people reached | 5 engagements

Engagements include likes, reactions, clicks and comments

March Social Media Highlights | Facebook



210 people reached | 15 engagements

78 people reached | 2 engagements

112 people reached | 6 engagements

Engagements include likes, reactions, clicks and comments

March Social Media Highlights | Facebook

59 people reached | 2 engagements

Engagements include likes, reactions, clicks and comments

March Social Media Highlights | Instagram

Posts

19
posts

Post engag...

140
engagements

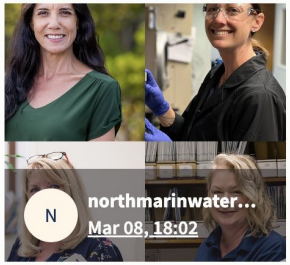
Average po...

10.12%
engagement rate

Post impre...

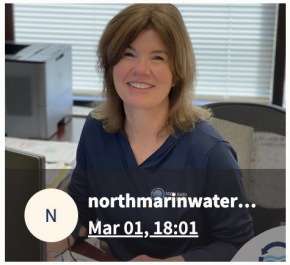
1,305
impressions

Top posts



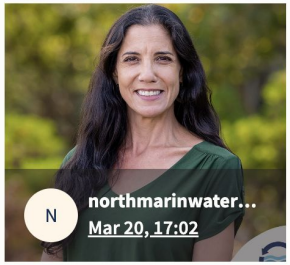
Today is International Women's Day! Thank you to all the women who continue to bring hard work and dedication to the North Marin Water District team. #womeninwater #internationalwomensday

24 engagement



Today we are celebrating Nancy Williamson, our Accounting Supervisor, on 25 years at NMWD. Congratulations on the amazing milestone, Nancy! #womeninwater #25years

16 engagement



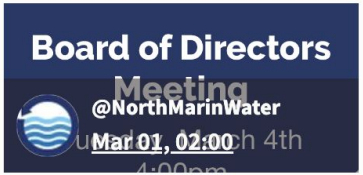
Today we celebrate Julie Blue for seven great years as our Auditor and Controller at the North Marin Water District. Congratulations! #womeninwater #waterindustry #waterprofessionals #7years

15 engagement

March Social Media Highlights | X (Twitter)

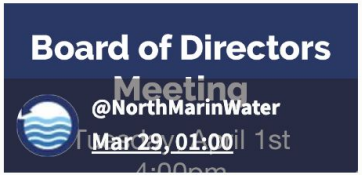
Tweets	Post engag...	Post impre...	Post user p...
19 tweets	0.35% engagement rate	333 impressions	0 clicks

Top tweets



Customers are welcome and encouraged to attend North Marin

6.67% engagement rate



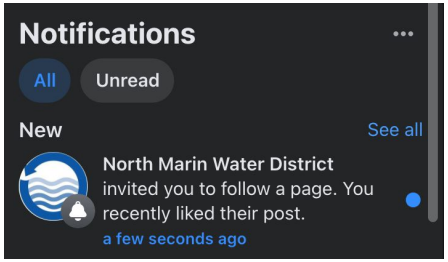
Customers are welcome and encouraged to attend North Marin

0% engagement rate

Come visit our demo garden at NMWD. One standout is the Fernleaf Yarrow

0% engagement rate

Facebook Likes Campaign - March Report



We are running an evergreen ad which encourages customers in the NMWD service areas to 'like' (follow) the NMWD Facebook page. We selected images that have historically performed the best to drive more likes.

Spend in March 2025	**Reach** (Number of people who saw the ad)	**Impressions**	**Results** (New Page Likes)	**Cost Per New Page Like**
$46.46	2,755	5,137	23	$2.02

*This month, we were able to reach over **2,700** people with the Likes Campaign*

What's Next?

- Kiosk to highlight Voices & Visions: An April Art Showcase In partnership with leadership Novato and Alchemia
- Kiosk to highlight the WM rate study outreach materials on social channels
- Kiosk to continue with a new social campaign on drought tolerant plants featured in the new demonstration garden at the NMWD office
- Kiosk to begin work on an educational social media campaign
- Social media posts will also feature employees on their work anniversaries, as well as highlight rebates and West Marin Rate Study
- Kiosk continues to work with staff to get photos of construction and maintenance projects throughout Novato and West Marin

Thank You