Date Posted: 10/3/2025

NORTH MARIN WATER DISTRICT

NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
October 7, 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***, September 16, 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:*** Authorize Affirmative Vote for Water Advisory Committee Statement of Interests Related to the Proposed New Eel-Russian Facility
6. ***Approve:*** Appeal of ADU Facility Reserve Charge and Separate Water Meter Requirements

INFORMATION ITEMS

7. 5-Year Strategic Plan Development Update
8. TAC Meeting Agendas – September 8 and October 6, 2025
9. ***MISCELLANEOUS***
   Disbursements - Dated September 18, 2025
   Disbursements – Dated September 25, 2025
   Disbursements – Dated October 2, 2025
   Auditor-Controller's Monthly Report of Investments for July 2025
   NOAA Seasonal Outlook Drought Probability – Sept 30, 2025
   NOAA Three-Month Outlook Precipitation Probability – Sept 18, 2025
   NMWD-MMWD Board-to-Board Ad-hoc Meeting – Sept 26, 2025
   ACWA Election Results
   Marin Water Atmospheric River Capture (ARC) Project Presentation
   Marin Water Atmospheric River Capture (ARC) Project Flyer
   SWRCB – Potter Valley Project Notice of Preparation and Scoping Meetings for EIR
   Newspaper Articles
   Marin IJ – Affordable housing plans get state help
   Pt. Reyes Light – Subdivision plan lacking, county finds

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

Item	Subject
10.	***ADJOURNMENT - OPEN SESSION***
11.	***CONVENE IN CLOSED SESSION***
12.	***CLOSED SESSION: Conference with Legal Counsel – Anticipated Litigation*** (Gov. Code § 54956.9) Potter Valley Hydroelectric Project and PG&E's Final Application for Surrender of License and Application for Non-Project Use of Project Lands
13.	***CLOSED SESSION: Conference with Real Property Negotiator*** (California Government Code Section § 54956.8). Property: APN 119-270-04; Agency Negotiators: General Manager, Assistant General Manager/Chief Engineer, and District Counsel; Under Negotiation: Price
14.	***RECONVENE IN OPEN SESSION***
15.	***ADJOURNMENT***

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DRAFT

NORTH MARIN WATER DISTRICT

MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
September 16, 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, AGM/Chief Engineer Eric Miller, and Auditor-Controller Julie Blue.

District employees Chris Kehoe, Construction Superintendent, Robert Clark, Operations and Maintenance Manager, Tim Kennedy, incoming Operations and Maintenance Manager, Ryan Grisso, Avram Pearlman, and Vincent Verissimo.

MINUTES

On the motion of Director Baker, seconded by Director Petterle, the Board approved the minutes of the August 19, 2025, regular meeting, with one spelling error corrected on page 2, 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 Potter Valley Project update saying that a Statement of Interest has been worked on by the TAC and will be brought to the November WAC meeting. He said the statement supports Sonoma Water's effort on the project but highlights the costs and will be shared by the beneficiaries. He said the final version will be brought to the next Board meeting for approval. He also mentioned two articles in Miscellaneous regarding the PVP.

Mr. Williams noted that an updated version of the Waterline newsletter has been handed out to the Board for discussion later in the Agenda.

Mr. Williams stated that there will be a Board-to-Board Ad hoc meeting on September 26, at Marin Water. He said this is the second ad hoc meeting and that agenda items are being developed with Ben Horenstein, GM for Marin Water.

Mr. Williams reminded the Board that the Open House is coming up on Friday, September 19. He noted the schedule of events to take place. Director Petterle asked if there would be any Brown Act issues with all five directors in attendance, Mr. Williams said as long as they don't gather

in groups of 3 or more there won't be any issues. He also noted that there will be a photographer at the event.

President Joly asked about cost escalation of the Administration building from the 1965 construction to 2025 upgrade. Mr. Williams said he will go through that at the Open House ceremony. President Joly noted it went up 60-fold in 60 years.

Director Fraites said in relation to Potter Valley, that people in that area are opposed to removing the dam and that the President of the United States seems to be now involved. He said it could get problematic. Mr. Williams said that it is a private company, PG&E, which is taking the dam down and not a governmental entity and that makes it hard for the federal government to weigh in.

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.

Director Eichstaedt said he visited the Van Arsdale Reservoir (part of the Potter Valley Project) and went on a tour of the fish ladder. He said the project is very interesting. He also said that he spoke with the General Manager at Inverness Public Utilities District and asked if they could put together a letter to CLAM regarding NMWD's property at 25 Giacomini in Pt. Reyes Station. He said he spoke to people at CLAM, and they said the house is a good possibly purchase for their use to support the community.

Eric Miller said the Administrative Draft of the Master Plan will be ready for the proposed workshop on October 14, from 10-12. He said this workshop will be similar to the one held for the Strategic Plan. He said he will follow up with all the directors and finalize the date. Mr. Miller also mentioned that construction has started on the San Mateo Tank Transmission Line Project and that all is going great so far. He said the construction will last through October.

CONSENT CALENDAR

NOTICE OF COMPLETION FOR CREST PUMP STATION PROJECT

The Notice of Completion for the Crest Pump Station project was approved by the Board.

On the motion of Director Eichstaedt, seconded by Director Petterle, the Board approved the Notice of Completion for Crest Pump Station Project by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

TEXT FOR FALL 2025 NOVATO "WATERLINE", ISSUE 55

On the motion of Director Joly, seconded by Director Baker, the Board approved the Text for Fall 2025 Novato "*Waterline*", Issue 55 by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

INFORMATION ITEMS

PRELIMINARY FY 24/25 FINANCIAL STATEMENT

Julie Blue presented an overview of the Preliminary FY 24/25 Financial Statement. She said that the statement is preliminary since the District is in the middle of the annual financial statement audit. She said the audit was going well so far and that the audited financial statement will be presented to the Board at a future meeting for review and acceptance by the end of December. Ms. Blue referenced the consolidated summary and reported that revenue was 106% of budget and expenses were over budget by 7%. She explained that the revenue variance is due to increased water sales, and the expense variance is primarily due to Sonoma Water purchases. Ms. Blue said that for the capital plan, the three largest projects completed during the fiscal year were the Administration & Laboratory Building Upgrade, the Crest Pump Station, and the Oceana Marin Treatment Pond Rehabilitation Project. For Novato Water, estimated consumption was 2.3BG, and that system ended the fiscal year with a net income of $632K. She commented that connection fees came in somewhat low at $154K. For the Novato Recycled Water System, 223MG were consumed which is a 24% increase from last year. She also said that Recycled Water revenues covered debt service without borrowing from the Novato enterprise. For the West Marin Water System, there was a 13% increase in consumption from the prior fiscal year, and the next loss was approximately $140K. For the Oceana Marin Sewer System, there were 241 active accounts, operating revenue was $347K, and a net loss was $23K.

President Joly said it was a very good job and thanked Ms. Blue and her staff.

FY 2024/25 END OF YEAR PROGRESS REPORT – WATER CONSERVATION AND PUBLIC COMMUNICATIONS

Ryan Grisso spoke to the Board and gave a presentation on the FY 2024/25 End of Year Progress Report for Water Conservation and Public Communications. He said that 175 toilets and 25 washing machines were replaced, 17 home surveys were conducted, 189 rebates were given for retrofits, 18 for Cash for Grass, 10 landscape efficiency rebates, 19 weather-based irrigation controller rebates, and 23 pool cover rebates. Mr. Grisso also reminded the Board that the District submitted its first Annual Urban Water Use Objective (UWUO) and Water Use Report to SWRCB back in December 2024 and the District was well below the UWUO water budget.

Mr. Grisso presented the District's Public Communications, starting with some data on the website which is the main source of information and very popular. The home page ranks first in hits, followed by online billing, and weather and production statistics. Mr. Grisso noted that the WaterSmart dashboard is a useful tool for customers to monitor their water use and possible leaks and also used to send out email blasts for the digital waterline and construction project information. He said our social media continues to grow and that there is a mix of water conservation information, staff highlights, other District information and Board meeting dates. He said that in the future we will be adding more information on our facilities, recognizing our tanks and pump stations, a little less on staff. He said that we will continue to send out the Waterline newsletter in both hard copy and digital version via email.

Mr. Grisso gave a recap of the Marin County Fair where we participated in a joint booth and branded water station sponsoring with Marin Water early in FY25. He said that there were interactive stations focusing on water conservation that also included QR codes for each of the two water district websites. He also mentioned the 2025 Eco Friendly Garden Tour that toured two gardens in Novato, and the District staffed a table at one of the gardens. He said about 250 people visited each garden.

Director Eichstaedt asked about water loss and Mr. Williams directed him to the table on page 9 of the PowerPoint presentation where the Actual Use is compared to the Urban Water Use Objective in detail. Mr. Grisso said that a certain amount of loss is allocated per customer for the entire system.

President Joly asked Julie Blue if a lot of customers pay their bill online and she said yes, many pay over the phone as well as autopay. She noted that the number of shut off notices or shut offs have gone from about 30 a week to about 7 or 8 a week.

The Board thanked Mr. Grisso.

FY 2024/25 END OF YEAR PROGRESS REPORT – ENGINEERING DEPARTMENT

Eric Miller gave a summary of the Engineering Department's FY 2024/25 End of Year Progress Report. He highlighted the projects the department has worked on during the fiscal year. He noted that Capital Improvement Program (CIP) project costs incur both soft costs and construction costs. He said that the costs are tracked and reported from when the project is initially scoped through the Notice of Completion. Mr. Miller said the department accomplished approximately 75% of what they set out to do for the year. In addition to the planned and budgeted projects, often times there are projects that come up throughout the year that require realignment of priorities. He said that the San Mateo Tank Transmission Line, and the Novato Blvd. Widening from Diablo to Grant projects are moving forward and the Notice of Completion for the Crest Pump Station has been filed with the County. He noted that the Cherry Hill Pump Station Retaining Wall project repaired a retaining wall that collapsed over the previous winter. President Joly asked which

are the District's five largest pump stations and Mr. Miller replied that they are Lynwood, San Marin, Cherry Hill, and the new Crest Pump Station and Mr. Clark added the Trumbull pump station. Mr. Miller said that the new bathroom/locker room in the Construction building has been completed, and the crews are very happy with it.

President Joly asked about the Water Supply Enhancements – Spillway ASG (Adjustable Sliding Gate) project at Stafford Dam. Mr. Williams answered and said that the District partnered with the Marin County Flood Control District to perform a revised hydrology study on the watershed that considered climate change and atmospheric rivers.

In West Marin, Mr. Miller said that we replaced galvanized pipe in the system in two locations, and that the Lagunitas Bridge Pipeline Replacement project is moving forward and that public noticing is going out for preliminary work by District crews later this year. He also said that the Oceana Marin Treatment Plant Rehab project is in the closeout stage.

Mr. Miller mentioned the table in his memo on staff time and noted that it shows that approximately 13% of staff time is for developer projects. He said the amount of effort for developer projects varies each year and can have a measurable impact on CIP projects, and that 13% is higher than it has been in recent years.

Director Fraites asked if there will be any planting done around Crest Pump Station. Mr. Miller said that at this point there will not due to fire safety requirements and that there is no irrigation on site. Director Fraites also asked about the possibility of putting our logo somewhere on the pump station, but Mr. Williams said that we do not do this for security reasons. Director Petterle said that he thought landscaping had been discussed in the past for the pump station, Mr. Miller said he would look into the possibility.

The Board thanked Mr. Miller.

President Joly mentioned the memoriam in Miscellaneous part of the agenda packet for Jerry Gilbert. Mr. Williams said it was from the AWWA magazine. President Joly asked how long he had been the General Manager, Mr. Williams said 10 years, and he will be mentioning him at the Open House.

Director Fraites noted that he attended the NBWA meeting recently and that it was held at the Napa Sanitation offices. He said that at the meeting they were shown how, if a pipe were broken, a plastic liner material can be inserted into the pipe and when it expands it cuts off the leak and can last possibly 100 years. He said this seemed like a great cost savings but wondered if it would work for water pipes. Mr. Miller said that it may not work for water pipes. Chris Kehoe said that it wouldn't be cost effective and the process could affect customers compared to standard pipe replacement. Mr. Williams also mentioned that he thinks this material could have PFAS in it and we would not want use such material in the water system.

President Joly shared that Eric Lucan, County Supervisor, had called him about a water flow issue at a Novato recently and that Mr. Kehoe had investigated as well as the on-call staff member and they discovered it was not a water district issue. President Joly said it good to see our response team work so well.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated August 21 and 28, September 4 and 11, 2025, Monthly Progress Report, U.S. Seasonal Drought Outlook – August 31, 2025, 2025-2026 Climate Bond Implementation Request, In Memoriam: Jerome B. Gilbert, Response to Sept 11, 2025 C$T letter.

The Board also received the following articles: Marin IJ Larger housing project sought – POINT REYES STATION, San Francisco Chronicle – California dam removal plan blasted by Trump administration, Lost Coast Outpost – Trump Administration Slams Eel River Dam Removal Plan, but Huffman is Confident the Project Can't be Stopped.

The Board also received the NMWD Web and Social Media Report – August 2025.

ADJOURNMENT

President Joly adjourned the meeting at 5:03 p.m.

Submitted by

Eileen Mulliner
District Secretary

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ITEM #5

NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors October 7, 2025

From: Tony Williams, General Manager

Subj: Water Advisory Committee Statement of Interests Related to the Proposed New Eel-Russian Facility
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RECOMMENDED ACTION: Authorize WAC Representative to vote in favor of Statement of Interests related to the New Eel-Russian Facility and Associated Water Diversion Agreement

FINANCIAL IMPACT: None

Background

The proposed New Eel-Russian Facility (NERF) and associated Water Diversion Agreement undertaken by the Eel Russian Project Authority will allow continued water diversions from the Eel River into the Upper Russian River (East Fork). The Eel-Russian Project Authority (ERPA) is a joint powers authority between the County of Sonoma, Sonoma County Water Agency (Sonoma Water) and the Mendocino County Inland Water and Power Commission (IWPC). Round Valley Indian Tribes (RVIT) has a seat on the five-member Board of Directors, which is comprised of two representatives from IWPC, one from Sonoma Water, one from the County of Sonoma, and one from Round Valley Indian Tribes. ERPA was established to allow negotiation with Pacific Gas and Electric Company (PG&E) as the utility moves ahead with plans to surrender operations of the Potter Valley Hydroelectric Project and to decommission the Scott and Cape Horn dams on the Eel River. The Eel-Russian Project Authority will also have the legal capacity to own, construct and operate a new water diversion facility near the Cape Horn Dam.

PG&E submitted their final License Surrender Application and Decommissioning Plan to the Federal Energy Regulatory Commission (FERC) on July 25, 2025. This application also included a Non-Project Use of Project Lands (NPUPL) Application that recognizes future diversions by allowing ERPA to construct the NERF as well as take over certain existing facilities from PG&E to allow such future diversions.

Future NERF Costs

The Water Diversion Agreement, which was executed on July 29, 2025, provides details on various charges and costs associated with the NERF construction, water transfers, Eel River restoration and Russian River water supply reliability efforts. The water transfer payments, known

as “Use Charges,” in the WDA, will be made by ERPA to RVIT, and the Eel River restoration funds (Restoration Payment) will be managed by RVIT. The following table outlines these costs as stipulated in the WDA:

Purpose	Amount	Frequency	Notes
Initial Term (30 years)			
Use Charge	$1M*	Annual	For water diversions using RVIT water rights
Restoration Payment	$750K - $1M*	Annual	Sliding scale depending on funding
Renewal Term (years 31 to 50)			
Use Charge	$ TBD	Annual	50% of bond retirement savings; or 15% incr.
Restoration Payment	$ TBD	Annual	“ “
“Additional Funding”			
Eel Riv. Restoration (1)	$50M	n/a	Incl. annual restoration payments; 1st phase
NERF Implementation	$50M	n/a	Excludes bond funding
Eel Riv. Restoration (2)	$100M	n/a	Second phase
Russian River Basin	$100M	n/a	For water supply reliability

**includes an annual CPI adjustment (no less than 3%, no more than 10%*

The WDA also includes water diversion rules and monitoring requirements for ERPA to follow. Construction of the NERF is currently estimated to be $50 million. Initial costs for NERF annual operations and maintenance, including ERPA administration are $3 million based on information from Sonoma Water. The WDA also stipulates a future removal of the NERF at the end of its useful life or upon termination of the WDA. The cost of this removal has not been identified by Sonoma Water (or ERPA) but has been raised by the Water Contractors. Prior to the WDA signing, CDFW has committed $18M toward this partnership; $9M for the NERF, and $9M for Eel River restoration.

WAC Statement of Interests

Overall, the Water Contractors are supportive of future diversions as recognized in prior Water Advisory Committee “Statement of Interests” documents. The critical element for the Water Contractors moving forward is that any future costs associated with the New Eel-Russian Facility be proportionate to the benefits received from the water transfers, especially in light of fisheries interests and other water users in Mendocino and Sonoma Counties that don’t currently contribute financially to the overall Russian River management and environmental stewardship efforts by Sonoma Water but otherwise rely on Russian River. To date, the Water Contractors have collectively contributed over $50 million to restoration of the Russian River since 2006 through sub charges assessed through water sales. A Water Advisory Committee (WAC) vote is required to approve the Statement of Interests. The Technical Advisory Committee will be recommending

the WAC to approve the 2025 Statement of Interests at the October 6, 2025 Meeting. A copy of the Statement of Interests document is provided as Attachment 1.

RECOMMENDATION

Board authorizes the WAC representative to vote in favor of the 2025 Statement of Interests at the November 3, 2025 WAC Meeting.

ATTACHMENTS:

1. Draft 2025 WAC Statement of Interests

Water Advisory Committee to Sonoma County Water Agency Statement of Interests related to the proposed New Eel-Russian Facility and the Associated Water Diversion Agreement undertaken by the Eel Russian Project Authority

The Water Advisory Committee (WAC) and Technical Advisory Committee (TAC) represent the municipal water suppliers (Water Contractors) located in central and southern Sonoma County and Marin County that receive wholesale water supply from Sonoma County Water Agency (Sonoma Water), which receives its water from the Russian River System. The WAC and TAC support and request Sonoma Water continue to identify and implement water supply resiliency solutions in response to the planned Federal Energy Regulatory Commission (FERC) license surrender and decommissioning of Pacific Gas & Electric's (PG&E) Potter Valley Hydroelectric Project (PVP). The WAC has adopted the following Statement of Interests to guide Sonoma Water's participation in the Eel-Russian Project Authority (ERPA):

1. Recognize that Russian River water supply is significantly different north and south of the Russian River confluence with Dry Creek (Confluence). Water supplies north of the Confluence are almost entirely reliant on the PVP diversion, runoff, and Lake Mendocino storage, while supplies south of the Confluence principally rely on Lake Sonoma storage.
2. Recognize the continued diversion of water from the PVP and planned through the proposed New Eel-Russian Facility (NERF) into the Russian River watershed supports overall water supply reliability, fisheries, and operations of Lake Mendocino, as well as, particularly during dry periods, providing water volume to supplement releases from Lake Sonoma thereby preserving storage.
3. Recognize that with the surrender of the PVP license, Sonoma Water will need to modify its water rights to no longer rely on cumulative inflow into Lake Pillsbury to determine the type of hydrologic year. Support Sonoma Water in modifying its Russian River water rights to align with water supply sources and by reflective of how the Russian River system operates.
4. As outlined in the Water Diversion Agreement, support ERPA in evaluating all possible alternatives to a continued diversion from the Eel River to the Russian River. The analysis should be transparent, include representation from the Water Contractors, identify cost effective, resilient, and environmentally beneficial solutions to ensure the reliability of the fisheries, recreation and water supply for agriculture, domestic and municipal purposes.
5. Ensure any outcomes or recommendations by the ERPA Board maintain water supply reliability of the Russian River, support the significant investments made by Sonoma Water and the Water Contractors in Russian River ecosystem and fishery restoration initiatives, and costs are allocated based on benefit received.
6. Provide ongoing opportunities for meaningful input and representation in any forum that evaluates water supply resiliency solutions for the Russian River.

7. Ensure any decisions regarding the PVP and NERF are consistent with the 2006 Restructured Agreement for Water Supply between Sonoma Water and the Water Contractors (Restructured Agreement) including, but not limited to, Section 2.4, Potter Valley Project. Request Sonoma Water, as a member of ERPA, advocate for decisions consistent with the Restructured Agreement.
8. Support the actions stipulated in Section 2.4 of the Restructured Agreement and do not support reopening the Restructured Agreement prior to the current term date of 2040.
9. Recognize that the parties to the Water Diversion Agreement (WDA) represent multiple interests and include California Department of Fish and Wildlife (CDFW), California Trout, ERPA, County of Humboldt, Mendocino County Inland Water and Power Commission (IWPC), Round Valley Indian Tribes (RVIT), County of Sonoma, Sonoma County Water Agency (Sonoma Water), and Trout Unlimited (Parties).
10. Recognize that the Water Contractors are not a party to the WDA and therefore any obligations under the WDA do not bind the Water Contractors.
11. Recognize that the Water Contractors have significant, state-mandated obligations to continuously provide safe and reliable water supplies for the communities that they serve.
12. Recognize that certain water rights currently used by PG&E for PVP will be ultimately transferred to the RVIT (Project Water Rights) and the use of those Project Water Rights for NERF diversions will come at a significant cost (Lease Payments) both annually and in total for the duration of the Initial and Renewal Terms of the WDA.
13. Recognize that in addition to the significant costs associated with Lease Payments, the Parties (except CDFW) to the WDA have committed to raise $50 million during the Initial Term and have an aspirational goal of $100 million during the Renewal Term for the restoration of the Eel River as well as $100 million to enhance water supply reliability in the Russian River. These amounts are significant, and the source of the funding is unknown.
14. Recognize that the combination of capital costs, operations & maintenance costs, future decommissioning costs, and the lease and restoration payments paid by ERPA will have a profound effect on the overall cost of the diverted water. It is critical that Sonoma Water, and ERPA, recognize the multiple beneficiaries and proportionality of their demand when devising a revenue plan. The Contractors would not support a revenue scheme that has a disproportionate financial effect on a beneficiary, or group of beneficiaries and support a fair distribution, based on benefits received, amongst all the various Russian River water users (recreation, environment, agriculture, residential, municipal and industrial) who will benefit from the NERF.
15. Recognize that the California Constitution places limits on the amounts that may be charged by Sonoma Water to the Water Contractors, and on the amounts that each Water Contractor is authorized to include in its retail water

rates. Accordingly, any costs to the Water Contractors related to the continued diversion of water through the planned NERF must be proportionate to the benefit received by each Water Contractor.

16. Ask Sonoma Water and ERPA to request that the State Water Board enforce limits on water use, especially in the upper Russian River (north of the Dry Creek confluence), in order to maintain the benefits of any future Eel River Diversions.
17. Recognize that since 2006, the Water Contractors (and thereby the residents and businesses of those cities and districts in Sonoma and Marin Counties) have, through their water purchases from Sonoma Water, collectively contributed approximately **$50.6 Million** to the restoration of the Russian River watersheds, and compliance with the Biological Opinion, both of which have benefits well beyond that of municipal water supply and that these contributions will continue accruing significantly throughout the full duration of the 2006 Restructured Agreement.

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NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors Date: October 7, 2025

From: Eric Miller, Assistant General Manager/Chief Engineer EM

Subj: Appeal of ADU Facility Reserve Charge and Separate Water Meter Requirements
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RECOMMENDED ACTION: Provide direction to staff

FINANCIAL IMPACT: Unknown at this time

Background

The District customer that owns the parcel known as 746 Diablo Avenue (property owner) recently appealed to a decision made at staff-level on the implementation of two separate District Regulations.

District Regulation 1, New or Upgraded Water Service Connections, requires that a customer applying for service pay fees including a Facilities Reserve Charge (FRC) based on the type of water use, in this case an Accessory Dwelling Unit (ADU). District Regulation 4, Multiple Service, requires that each dwelling unit be individually metered unless such metering is specifically prohibited either by Government Code (GC) 65852.2 or exempted by Water Code 537.

Staff determined that the ADU at 746 Diablo Avenue is not exempted by either piece of state legislature listed above, therefore imposed requirements consistent with District regulations that the property owner install a new and separate water meter serving the ADU and pay the associated fees, including the $7,640 FRC amount.

Basis for Appeal

The property owner has appealed to the FRC on the basis that staff are misapplying state legislature, specifically GC Section 65852.2(f)(2), which states,

> *"An accessory dwelling unit shall not be considered by a local agency, special district, or water corporation to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service, unless the accessory dwelling unit was constructed with a new single-family dwelling."*

The property owner states that based on the verbiage above, they "believe the ADU qualifies for the exemption from being treated as a new residential use for the FRC."

Additionally, the property owner has appealed the requirement for a new and separate water meter on the following basis, "I recognize that GC 65852.2(f)(5) allows NMWD to require one *[new meter]* for new-construction ADUs outside the existing footprint, as noted in your letter

and supported by Regulation 4. However, my ADU's low water demand (13-15 DFUs, within the existing ¾" meter's capacity) suggests a single meter could suffice, consistent with the HCD's intent to reduce ADU costs (Handbook, p. 27)."

Governing Legislation

California GC 65852.2, which established standards for ADUs and junior ADUs (JADUs), has been significantly updated in recent years to incentivize development of these types of units. Unfortunately, code documents are written in a way that is necessary for legislation but often contain circular references and/or lean on semantics to convey nuanced details. One example of this being GC 65852.2(f)(2).

The section prohibits agencies from treating an ADU the same as a single-family dwelling (or, "new residential use") when determining the associated connection fees (or, FRCs). For this reason, the District's 2022 FRC Study1[1] does not treat these types of uses the same but instead considers historical water use data of the different dwelling types to determine fees of $28,310 for single-family dwellings and $7,640 for ADUs.

The property owner in this instance has interpreted the code to mean that their new ADU is exempt from the FRC fee because it was not constructed with a new single-family dwelling. This interpretation is incorrect. Perhaps the misunderstanding lies with the phase "for the purposes of calculating connection fees" and thinking that it means "when determining which fees apply", rather than its actual meaning of "when calculating the fee amount appropriate for an ADU when compared to a single-family dwelling".

Nevertheless, it is clear that GC 65852.2(f)(2) does not exempt anything from fees but is actually guidance for calculation of fee amounts. This is also supported by GC 65852.2(f)(5), which contains explicit language about the applicability of fees in this instance (emphasis added),

> *"For an **ADU that is not**… within the existing space of a single-family dwelling or accessory structure… a special district… **may require a new or separate utility connection** directly between the ADU and the utility. Consistent with Section 66013, the connection **may be subject to a connection fee** or capacity charge…"*

The language in GC 65852.2(f)(5) above is also explicit that the ADU at 746 Diablo Avenue is not exempt from the requirement to install a new and separate water meter. The property owner has acknowledged this interpretation but is requesting that the District consider waving its requirement for a new and separate water meter for the ADU.

[1] https://nmwd.com/wp-content/uploads/2022/11/2022-North-Marin-WD-Facility-Reserve-Charge-Study-Final-11.15.22.pdf

As stated earlier, their request is based on the capacity of the existing 5/8-inch water meter and its ability to convey peak flows for both the existing main residence and the new ADU. Staff has not reviewed the hydraulic adequacy of the existing meter because that information is not relevant when determining requirements set forth by District Regulation 4.

History of District Regulation 4

The Water Measurement Law (Water Code Sections 520 - 537.5) has required every water purveyor, since 1992, to require the installation of a water meter to measure water usage as a condition of new water service. Water Code Section 520, enacted as part of the bill that codified the Water Measurement Law in 1991, stated the purpose as follows: "The Legislature hereby finds and declares that… to prevent waste, unreasonable use, or unreasonable method of use, it is necessary to determine the quantities of water in use throughout the state to the maximum extent that is reasonable to do so."

In 2005, the Water Measurement Law was amended to further explain the purpose of the Law: "Water furnished or used without any method of determination of the quantities of water used by the person to whom the water is furnished has causes, and will continue to cause, waste and unreasonable use of water, and that this waste and unreasonable use should be identified, isolated, and eliminated." (Water Code Section 521, subd. (a).) The legislative intent of the Water Measurement Act was clearly to require water metering whenever possible in order to encourage water conservation, consistent with the over-arching mandate of reasonable use found in Article X, Section 2 of the California Constitution.

In 2016, the Legislature, by enacting California Senate Bill 7 (SB 7), amended the Water Measurement Law to add… "the requirement that a water purveyor that provides water service to a newly constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure that submits an application for a water connection after January 1, 2018, measure the quantity of water supplied to each individual dwelling unit as a condition of new water service." (Legislative Counsel Digest of SB 7 (2016).)

In response to the enactment of SB 7, the NMWD Board approved revisions to District Regulation 4, Multiple Service, District Regulation 7, Use of Water, and District Regulation 52, Meter Reading at the January 2, 2018 Board meeting. More specifically, District Regulation 4, Multiple Service was amended to include the following requirement (emphasis added);

b. Multiple Service

*(1) **Each dwelling unit** or other point of connection, including newly constructed multiunit residential structures or newly constructed mixed-use residential/commercial structures, **for which an application for one or more water connections is submitted after January 1, 2018, shall be individually metered** unless such metering is specifically prohibited either by subdivision (f) of Government Code 65852.2 or exempted by subdivision (a) of Water Code 537.*

Therefore, District Regulation 4, Multiple Service, requires that customers applying for one or more water connections for a new dwelling unit must be individually metered except in scenarios that are either specifically prohibited by subdivision (f) of GC 65852.2, which states, in part, that;

"For an ADU within the proposed space of a single-family dwelling or existing space of a single-family dwelling or accessory structure… a… special district… shall not require the applicant to install a new or separate utility connection directly between the ADU and the utility… "

or in scenarios that are specifically exempted by subdivision (a) of Water Code Section 537 that states, in part, that

"The structures in all of the following categories shall be exempt from this article: "Low-income housing" [which] means a residential building financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, for which the rents of the occupants in lower income households, … , do not exceed rents prescribed by deed restrictions or regulatory agreements… "

The exemptions in GC 65852.2 incentivize ADUs and JADUs created within the space of existing structures. Meaning, for example, that garage and spare room conversions do not trigger as many requirements. These exemptions acknowledge that reduction of one dwelling to create a new dwelling can offset the impact on utility systems that serve those dwellings, while creation of a new dwelling without reduction of an existing one can have a compounding impact on the utility systems that serve those dwellings.

As previously stated, Section 537 subd. (a) is found in Chapter 8 "Water Measurement", and more specifically found in Article 5 "Multi-Unit Structures" of the Water Management Act. This exemption exists for a practical purpose, which is to relieve government subsidized multi-unit housing projects of requirements that would otherwise require installation of dozens of water meters, often resulting in large meter banks in public sidewalks that create logistical challenges.

746 Diablo Avenue

The property owner has constructed a new standalone structure in the east corner of their parcel that will serve as an ADU, which was not created within the space of an existing dwelling or accessory structure. Engineering staff reviewed the project application and determined that the existing water service lateral sizing was adequate to allow for conversion to a dual-service. Meaning that, the District will allow the existing service lateral to serve both the primary dwelling unit and the ADU. However, per District Regulation 4, Multiple Service, the District will require installation of a new water meter to serve the ADU individually. A cost estimate for the project was provided to the property owner as follows;

New water meter	$610
Backflow assembly (ADU)	$451
Backflow assembly (SFR)	$451
Dual service conversion	$425
Water conservation deposit	waived
Facilities reserve charge (FRC)	$7,640
Subtotal	$9,577

The FRC for ADUs was lowered from $10,000 to the current amount of $7,640 via Board action approving revised Regulation 1, New Service Connections, in December 2022, following approval of the District's 2022 FRC Study. The water conservation deposit of $1,000 has been waived because the customer already completed construction of their ADU prior to paying District fees.

The cost estimate of $9,577 includes the FRC and fixed costs for the District to complete the work listed above. In addition to that amount, the property owner will need to install a private on-site water lateral from the new water meter to the new ADU structure. Depending on the size of the parcel and existing on-site improvements, the cost of the private on-site water lateral varies substantially.

The City building permit application is dated 07/02/2024, the issue date is 11/04/2024, and the total permit fees paid to the City were $7,758.80. The District provided its initial response on 07/24/2024, approved the application for water service on 01/23/2025, and notified the applicant that fees were due in the amount of $10,577 (included the $1,000 water conservation deposit). No response was received.

On 09/10/2025, the property owner requested that the District sign-off on project occupancy despite never responding to the District's January 2025 correspondence. When the property owner was informed that District sign-off would be withheld until requirements are met,

the property owner requested that the issue be escalated to District management. Management (Assistant GM/Chief Engineer and GM) confirmed that the requirements were applied correctly and that the related costs were appropriate.

The property owner requested that all requirements and fees be waived for reasons previously stated, which was denied by District management. The property owner returned on 09/17/2025 to pay the fees of $9,577 under protest and requested that the Board hear the details of the situation.

Staff has received guidance from District Legal Counsel regarding the relevant State legislation in prior situations similar to this instance as well as again in this particular instance. Legal Counsel will be available by phone during the Board Meeting to answer any questions from Board members.

Financial Impact

Waiving the requirement for the property owner to pay the ADU FRC would lower the District cost estimate above by $7,640. This action would violate Proposition 218 as the impact of the new ADU on the water system would be distributed to all customers rather than those specific customers responsible for the impact.

Waiving the requirement for a new and separate water meter would lower the District cost estimate above by $1,937, as the new water meter ($610), dual service conversion ($425), and both backflow assemblies ($451 + $451) would not be required. Other cost savings to the property owner would result from less or no private on-site water lateral construction costs, which are unknown and outside of the District's purview.

Customers pay fixed costs related to installation of new water service laterals and water meters. For this reason, the financial impact of this action could be as much as $9,577, which does not include the staff resources used administering this appeal.

RECOMMENDATION

That the Board provide direction to staff on implementation of District Regulation 1, New or Upgraded Water Service Connections and District Regulation 4, Multiple Service.

ATTACHMENTS:

1. District Response Letter to Initial Project Application, dated 07/24/2024
2. District Regulation 1, New or Upgraded Water Service Connections
3. District Regulation 4, Multiple Service

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

July 24, 2024

Community Development Department
CITY OF NOVATO
922 Machin Avenue
Novato, CA 94945

Re: Bedell ADU
APN 140-201-02
Permit #B2024-1395
746 Diablo Avenue, Novato

Ladies and Gentlemen:

The North Marin Water District currently provides potable domestic water service to the above referenced property from a 3/4-inch service lateral with a 5/8-inch water meter.

Fire Sprinklers

If fire sprinklers are required by the local fire authority, replacement and upsizing of both the service lateral and water meter will be necessary in order to provide adequate water flow required by the new sprinkler system.

This response regards potential fire protection requirements. The owner should be directed to the local fire authority for determination of all final fire requirements for the project. The North Marin Water District should be informed of any changes or new requirements related to fire protection.

Accessory Dwelling Units (ADU)

Facility Reserve Charges (aka connection fees) and new water service facilities will be required for all projects that include construction of an ADU that is not created within the space of a previously existing structure. This requirement is valid for both attached and detached structures, as well as manufactured ADUs. Please visit www.nmwd.com for additional information on ADU requirements. If applicable, the applicant is responsible for contacting the District to apply for installation of these new water service facilities. Please visit https://nmwd.com/business/engineering-services/ to apply with the District. Occupancy approval will not be granted until fees are paid and water service upgrades are complete.

Water Conservation

The project must conform to the North Marin Water District's Mandatory Water Conservation Measures. For the full scope of the required water conservation measures for both indoor fixtures/appliances and landscaping refer to District Regulation 15 (section e. and f.) at www.nmwd.com/about/regulations/.

Occupancy approval will not be granted until compliance with water conservation measures, as applicable, can be verified. Please contact the District Water Conservation Coordinator at (415) 761-8933 if you have any question regarding clarification of required water conservation measures or plan submittal requirements.

Cross-Connection and Backflow Protection

Installation of an above-ground, reduced pressure principle (RPP) backflow prevention device at the meter is required in accordance with District Regulation 6 at www.nmwd.com/about/regulations/ and California Department of Health Regulations (Title 17).

Upon installation, an inspection report (including device testing) must be completed and returned to the District prior to the commencement of business activities. Please contact our Cross-Connection Control Technician at (415) 761-8948 or backflow@nmwd.com if you have any questions regarding clarification of cross-connection and/or backflow protection requirements.

Should you have any questions regarding this matter, please contact our Engineering Services Representative at (415) 761-8935.

Sincerely,

Lia Solar

Lia Solar
Engineering Services Rep.

Cc: Fire Marshal
Novato Fire Protection District
95 Rowland Way
Novato, CA 94945

Sunny Jhutti
270 Crest Road
Novato, CA 94945

Jason Bedell
105 Truman Drive
Novato, CA 94947

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NORTH MARIN WATER DISTRICT

REGULATION 1

NEW OR UPGRADED WATER SERVICE CONNECTIONS

a. Application for Service and Processing

Application for service must be made to the District in writing on the District's form by the property owner or his/hers/its authorized agent. An online application process is available on the District's website at: http://nmwd.com. Applications must be supported by data as required by the District, including but not limited to, a map and/or legal description of the property to be served, the name of the property owner, a description or plan showing intended water fixtures, a plan showing lawn and garden areas, a fire sprinkler plan and design, if applicable, documentation for the fire agency having jurisdiction, if applicable, and an estimate of amount of water to be used. The size of the meter and service connection will be determined by the District at its sole discretion based on the information supplied and other pertinent information in the District's possession.

Applications requiring a single service having a meter size equal to or less than one and one-half inch will be processed in the order of the date the application is received provided all requirements of the District are met. All other applications will be processed in the order of the date the application is received provided the Applicant meets all District requirements within 30 days of said date. If District requirements are not met within said 30 days, the application shall be null and void and must be resubmitted to the District. The General Manager may extend the 30-day compliance period by no more than an additional 30-days, if the General Manager determines, in their sole discretion, that the failure to meet this requirement is due to workload limits of the District

District receipt of an application shall in no way represent a commitment or agreement by the District to serve water. Said commitment will be made only at the time service actually commences or when a water service agreement is fully executed, whichever shall first occur. Notwithstanding the foregoing, prior to commencement of service, should the District be limited in serving new connections by local ordinance or resolution, or by any action of any State regulatory agency or department, service to the applicant may be delayed or denied. In the case of a water service agreement, the commitment of the District to supply water shall be limited to the number of connections to be installed pursuant thereto and in accordance with the terms thereof. Additional requirements for recycled water service are included in Regulation 18.

b. Conditions Precedent to Service

Water service will be provided subject to:

(1) The existence of a main of adequate capacity and pressure abutting the property to be served, or the construction of adequate mains, pumps and storage facilities under the provisions of Part B of these Regulations;

(2) The advance payment of the District's initial charge for service as provided in Regulation 1 c.; and

(3) Compliance with the other applicable provisions of these regulations.

c. Initial Charges for Service

Prior to commencement of service the Applicant shall pay an initial charge for service which shall be the total of the Meter Charge, the Service Line Charge, the Reimbursement Fund

Revised 4/73, 7/85, 7/86, 4/88, 4/89, 5/89, 7/89, 9/89, 11/89, 6/90, 4/91, 7/91, 11/91, 4/92, 5/92, 12/92, 6/93, 1/94, 1/96, 1/96, 7/97, 6/98, 6/99, 01/00, 7/00, 7/01, 11/01, 01/02, 05/03, **03/05, 0306, 6/06, 10/06, 1/07, 1/08, 10/08, 7/09, 12/13, 08/15, 07/16, 08/21, 12/6/2022**

Charge and the Facilities Reserve Charge computed as set forth below. In accordance with Regulation 30, the Reimbursement Fund Charge is used to fund the District's Reimbursement Program which transfers these funds to subdividers and individuals who have built extensions of water distribution systems that benefit others ("Extenders"). A Facilities Reserve Charge includes the costs to provide capacity through existing and future water facilities in order to serve new and upgraded connections. "Est." shown in the tables below, means the cost of the meter and/or the service line as estimated by the District; "d.u." means dwelling unit. The Reimbursement Fund Charge shall not apply to recycled water service. Applications for a single service connection having a meter size equal to or less than one and one-half-inch shall pay a Meter Charge and a Service Line Charge as set forth below, which comprise the estimated costs of providing those respective services. Applications requiring more than one meter or requiring a meter size greater than one and one-half-inch shall pay a Meter Charge and a Service Line Charge based on the actual cost of said meter and service line installation(s) incurred by the District.

The Facilities Reserve Charge will depend on the type of use as shown in the table below and shall be based on the District's estimate of the quantity of water that will be used on the average day of the maximum month expressed in "equivalent single-family dwelling units" (EDUs) of 385 gallons each for Novato and Recycled Water, and 210 gallons each for West Marin. The District shall determine Facilities Reserve Charges for those consumers served prior to May 1, 1973 by its estimate of gallons per day of water use on the average day of the maximum month divided by 385 for Novato, or 210 for West Marin, over the first ten years of service or less as applicable. If at any time a consumer's use exceeds the estimate used in fixing the charge the District may require the consumer to either reduce its maximum usage to the appropriate EDU amount, or to pay an additional Facilities Reserve Charge at the rate then in effect for each EDU of such excess. Once Facilities Reserve Charges are paid and service actually commences or when a water service agreement is fully executed, a water entitlement is established for the property. The entitlement stays with the property and cannot be reassigned or transferred to another property even if there is common ownership.

(1) Novato Service Area – Effective December 6, 2022

Meter Size Inches	Meter Charge	Service Line Charge	Reimbursement Fund Charge
5/8	$610	$4,760	$ 420
1	710	4,760	1,055
1-1/2	980	7,560	1,540
2	Est.	Est.	3,140
3	Est.	Est.	4,680
4	Est.	Est.	7,310
6	Est.	Est.	14,360
8	Est.	Est.	31,250
10	Est.	Est.	41,610

	Effective 12/6/2022 Facilities Reserve Charge
Single family detached residences and duplexes (each d.u)	$28,310
Townhouses and condominiums (3 units or more) (each d.u)	19,250
Mobile home (each d.u.)	11,040
Apartment houses - 5 units or more, (each d.u.)	13,870

Second d.u. or Accessory Dwelling Unit (ADU), including manufactured ADUs, up to 1,200 square feet in size and not exceeding 50 percent of the size of the existing primary dwelling on a parcel in undivided ownership	7,640
Non-residential uses and master metered residential uses with a history of water consumption: the District shall determine EDU's by its estimate of gallons per day of potential water use on the average day of the maximum month divided by 385 (each EDU)	28,310

Also see Regulation 29 regarding extension of District facilities.

(2) West Marin Service Area – Effective December 6, 2022

Meter Size (Inches)	Meter Charge	Service Line Charge	Reimbursement Fund Charge
5/8	$610	$4,760	$1,950
1	710	4,760	4,950
1-1/2	980	7,560	7,200
2	Est.	Est.	14,700
3	Est.	Est.	21,900
4 (and greater)	Est.	Est.	34,200

Effective 12/6/2022

Facilities Reserve Charge

Single family detached residences and duplexes (each d.u)	$20,660
Townhouses and condominiums (3 units or more) (each d.u)	14,050
Mobile home (each d.u.)	8,060
Apartment houses - 5 units or more, (each d.u.)	10,120
Second d.u. or Accessory Dwelling Unit (ADU), including manufactured ADUs, up to 1,200 square feet in size and not exceeding 50 percent of the size of the existing primary dwelling on a parcel in undivided ownership	5,580
Non-residential uses and master metered residential uses with a history of water consumption: the District shall determine EDU's by its estimate of gallons per day of potential water use on the average day of the maximum month divided by 210 (each EDU)	20,660

Also see Regulation 29 regarding extension of District facilities.

(3) Recycled Water Service Areas – Effective December 6, 2022

Meter Size (Inches)	Meter Charge	Service Line Charge
5/8	$610	$4,760
1	710	4,760
1-1/2	980	7,560
2	Est.	Est.
3	Est.	Est.
4	Est.	Est.

Effective12/06/22

Facilities Reserve Charge

Recycled water for commercial or multi-unit residential common area irrigation or other approved uses: District shall determine EDU's by its estimate of gallons per day of potential water use on the average day of the maximum month divided by 385 (each EDU) $28,310

Also see Regulation 18 regarding recycled water service.

(4) Charge for Annexation - All Service Areas

In addition to the other charges specified, no property shall be annexed to an improvement district unless an annexation fee is paid. The annexation fee shall be equal to the following:

(a) an annexation recovery fee of $1,000 representing the approximate revenue from tax on land (not improvements), including interest on that tax, that the District would have received had the property to be annexed been within the improvement district from the date of its formation, and;

(b) any applicable current Local Agency Formation Commission and/or State Board of Equalization fees for annexation, and;

(c) estimated cost of District staff time and expenses incurred to process the annexation application. The full cost of any annexation feasibility studies including preparation of environmental documents, shall be borne by the person or entity requesting water service. Before commencing such studies said person or entity shall advance the District's estimated cost of such studies. If, after pursuing such studies, the District determines additional funds are needed to cover estimated costs, said person or entity shall advance said additional estimated required funds. Upon completing said studies any costs incurred by the District which were not covered by an advance(s) shall be paid by said person or entity upon presentation of an invoice therefore. Any unexpended funds held by the District resulting from an advance(s) shall be refunded to said person or entity.

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(5) Single Service Connection Requests - Deposit Requirement for Water-Saving Devices and Restrictions

A $1,000 deposit must be paid to the District before a single water service connection is provided to assure compliance with all Water-Saving Devices and Restrictions for New Development pursuant to Regulation 15.e and 17.e. Upon inspection that requirements

for all Water-Saving Devices and Restrictions have been met, the $1,000 deposit will be refunded to the applicant.

(6) Initial charges for Affordable Housing

Payment of Initial Charges for water service to Applicant projects that include housing units affordable to lower income households, as defined in Government code Section 65589.7(d)(1), may be deferred for affordable units only until such time as a certificate of occupancy is issued by the city or county and meters thereto are authorized to be set or a period of two years from the date of the Applicant's Water Service Agreement, whichever duration is less. Said deferred payment shall include interest calculated at the rate earned on the District investment portfolio over the deferral period as determined solely by the District.

(7) Excavation Prohibitions, Street Moratoriums and Pavement Restoration

If installation of a new service connection requires excavation within a City of Novato street that is under a Prohibition of Excavation, as defined by the City of Novato Municipal Code or in a street that is listed in the County of Marin's Street Moratorium, then the District will levy a charge for the cost of pavement restoration (as will be determined by the District). In addition, the District reserves the right to levy a charge for the cost of pavement restoration in certain other circumstances where the District determines, in its sole discretion, that the charge is warranted, in addition to the fixed charges listed in (1), (2), and (3) above.

d. (This section left intentionally blank)

e. Location of Service Connection

Service will be provided at a meter abutting a major frontage of the consumer's property at a point determined by the District. The consumer may indicate the point on his/hers/its property where they desire the service. However, the final location will be determined solely by the District.

f. Facilities Reserve Charge for Public Parks - All Service Areas

The Facilities Reserve Charge for public parks shall be the amount charged for a 5/8-inch meter serving a single dwelling unit irrespective of the actual size of the meter provided each and all of the following conditions are met:

(1) The public park is owned, operated, maintained, and managed by a public agency and is open and accessible to the public for active recreational uses. For the purposes of this regulation landscaped areas along roadways and surrounding public buildings and landscaped areas in privately owned recreational areas or in areas where use is limited to a select group, such as a homeowners association are not public parks. Golf courses, whether privately or publicly owned or any other enterprise which charges a use fee, are not public parks. A community recreation facility that is not developed, constructed, operated, or maintained with public funds is not a public park.

(2) The public agency owning the park enters into a service agreement with the District providing:

(a) Water shall be used only during such off-peak hours as shall be therein specified by the District with the exception that water can be used during peak periods for special limited and unusual circumstances such as system testing, germination of newly seeded turf, major turf renovation projects, irrigation following fertilization or herbicide applications, irrigation required prior to aeration and minor hand irrigation required for plant establishment, and

(b) Water use shall be discontinued or reduced as directed by the District at any time it determines that a threatened water shortage exists and so notifies the consumer.

(c) Water applied to turf and other landscape areas shall be through an irrigation system that complies with all applicable requirements of Regulation 15f or Regulation 17f as demonstrated by design drawings and specifications and which contain the following features:

(i) Use of sprinkler heads, sprinkler head components and/or control schedules which achieve precipitation rates which match the water absorption capacity of the sod/soil column.

(ii) Sprinkler head spacing that is not greater than 50% of the diameter of the precipitation pattern thrown by the sprinkler head (i.e., head-to-head spacing) at the minimum delivery pressure available at the site based on field measurements or pressure data supplied by the District. This 50% diameter spacing requirement can be varied provided the requirements of Section 1(f)(2)(c)(ix) are met.

(iii) Sizing and layout of pipe laterals and selection and grouping of sprinkler heads and nozzles in a manner which assures that the pressure requirement of each sprinkler head is achieved.

(iv) Separation of valves such that valves serving turf sprinklers do not include sprinklers irrigating non-turf landscape which has a different water requirement.

(v) A valve in every head may be required by the District to control drain down and optimize distribution control.

(vi) Control of all turf valves by a District approved weather-based irrigation controller with remote ability to shut off the controller and capable of programming each valve for the following variables:

(1) Irrigation days,

(2) Minimum of three independently scheduled start times per irrigation day.

(3) Minutes of run time per start time cycle.

(vii) . This section left intentionally blank.

(viii) Controller shall accommodate a rain shut-off feature which automatically shuts down irrigation when it is raining.

(ix) The irrigation distribution system shall be designed to achieve a lower quartile distribution uniformity of at least 80%. This distribution uniformity shall be verified after installation by field precipitation tests performed by a competent expert selected by the District and paid for by the applicant public agency. In the event said uniformity is not achieved, the applicant public agency shall make changes to the system until subsequent tests by said expert, and also paid for by the applicant agency, demonstrate achievement of said distribution uniformity. The lower-quartile uniformity coefficient, an approximation of overall irrigation system uniformity, shall be determined by sampling the precipitation pattern or "footprint" of the irrigation system with catch cans. The coefficient is determined by arraying the resulting data expressed as inches per catch can (or volume of water in can if cans are of uniform size) in descending order of magnitude, determining the mean of the lower one fourth of the catch-can data, and dividing it by the mean value for all of the cans.

(d) In designing the irrigation system, the applicant agency shall conduct field tests to determine typical infiltration rates for the sub-turf soil. Design precipitation rates shall, as near as practicable, be matched to or not exceed said infiltration rates

(e) Consumer or consumer's operator of the turf irrigation system shall apply water pursuant to an irrigation schedule developed for the site and based on applied water advice made available by the District or said turf irrigation system shall be controlled by moisture sensing devices which are operated to achieve efficient irrigation.

(f) In the case of recycled water service, exceptions to this section may be made or additional requirements imposed as determined by the District to assure optimum soil moisture conditions are maintained and slime growth in the private distribution system is minimized.

g. Land Use Approval Established

An application for service to unimproved land shall not be processed to completion by the District unless the Applicant presents to the District a document from the city or county entity having jurisdiction verifying that a:

(1) Valid Building Permit has been issued; or

(2) Preliminary Division of Land has been approved; or

(3) Tentative Subdivision Map has been approved; or

(4) Planned Unit Development Precise Development Plan has been approved; or

(5) Conditional Use Permit has been approved.

The word unimproved as used herein means land on which no improvements exist or land which although improved to a degree is being further improved and said further improvement is the cause for augmented water service and requires one or more of the above listed land use approvals. The District may process an application for service to unimproved land prior to obtaining the land use approvals stated above for non-residential uses such as irrigation, at the sole discretion of the General Manager. Water service approval is also subject to the District's review and confirmation that planned or future land use is consistent with local zoning requirements. In these cases, the service may require future additional water facility

construction or other modifications at the sole cost of the applicant to satisfy fire department requirements once land use approval is obtained.

h. Wastewater Disposal Established

Water service will not be furnished to any building unless it is connected to a public sewer system or to a wastewater disposal system approved by all governmental entities having regulatory jurisdiction. This subsection shall not apply to service during construction or service provided under Regulation 5.

i. Initial Charges for Service to Residential Connections with Fire Fighting Equipment

(1) Where a meter larger than is otherwise necessary for consumption needs is installed solely to provide capacity for private fire sprinklers, fire hydrants or other fire fighting equipment in residential connections, the applicable Reimbursement Fund Charge shown in Column (3) of subsections c. (1) and c. (2) that shall apply shall be the corresponding charge for the next smaller size meter in accordance with Regulation 54 regarding minimum service charges.

(2) Where new fire fighting equipment such as private fire sprinklers are required for a residential structure where the existing service is part of a dual service, a new separate service line will be required as determined by the District.

j. Landscape Plans

If the city or county requires an approvable landscape plan as part of its land use approval process said plan must be submitted to the District before an application shall be processed to completion.

k. Private Domestic Water Supply Wells

The District does not have jurisdiction for approval of a private domestic water supply well. However, if the property upon which a new private well is being proposed has an existing water service from the District, then the District reserves the right to review the well installation and improvement plans for cross-connection and backflow requirements.

l. Temporary Water Service

The District will consider an application for temporary water service to improved or unimproved land. The District may process an application for temporary water service for irrigation or construction purposes, or in other cases, at the sole discretion of the General Manager. Water service approval is also subject to the District's review and confirmation that planned or future land use is consistent with local zoning requirements. The applicant must sign an Agreement for Temporary Water Service before service may commence. Temporary water service, if approved by the District, will expire after the period stated in the Agreement, or upon issuance of a permanent water service agreement. See District Regulation 5 for more details on Temporary Service.

NORTH MARIN WATER DISTRICT

REGULATION 4

MULTIPLE SERVICE

a. General

Except as otherwise expressly authorized by this regulation, a single service connection shall serve no more than one separate dwelling unit (including townhouse and condominium units) or one separate commercial, agricultural or industrial enterprise.

b. Multiple Service

(1) Each dwelling unit or other point of connection, including multiunit residential structures or mixed-use residential/commercial structures, shall be individually metered unless such metering is specifically prohibited either by subdivision (f) of Government Code 65852.2 or exempted by subdivision (a) of Water Code 537.

(2) Each commercial, industrial and institutional building shall have a dedicated landscape irrigation meter.

(3) Except as specified in subsection b.(2) of this regulation, if separate service connections present substantial mechanical problems or extraordinary expense as conclusively determined by the District, service through a single connection equipped with a master meter may be allowed to any of the following:

(i) a, duplex, triplex, apartment, multiunit residential structure, or mixed-use residential/commercial structure, in undivided ownership, provided that each residential dwelling unit therein is equipped with a submeter, as defined in subsection b.(4) of this regulation, except as otherwise specified in subsection b.(1) of this regulation;

(ii) a commercial or industrial building (without residential units) in undivided ownership;

(iii) a building or group of non-residential buildings owned or exclusively occupied by a public entity or entities;

(4) A submeter is defined in Water Code section 517 as an individual meter(s) located downstream of a master meter, which meter is owned and operated by the owner of the multiunit residential structure or the owner's agent, and which, in compliance with subdivision (b) of Water Code section 537, measures the quantity of water used by an individual residential dwelling unit. The District shall be responsible only for the master meter and has no obligation to fund or assume responsibility for ensuring compliance with any law or regulation governing the approval of submeter types or the installation, maintenance, reading, billing, and testing of submeters and associated onsite plumbing.

c. Subdivision of Ownership

If the ownership of a structure receiving service through a single service connection pursuant to subsection b.(1) of this regulation is subdivided, service may be continued without requiring new service connections and payment therefor, but only if service is thereafter furnished under a contract between the District and a responsible owners' association.

d. Charges for Multiple Service

The District will not render separate statements to each dwelling unit or enterprise served by a single meter. The party in whose name the service is registered will be responsible for all charges for all services through the meter.

e. Connections Prior to April 7, 1962

The preceding subsections of this regulation shall not apply to dwellings which have been continuously served through a single service connection installed prior to April 7, 1962. The minimum and quantity rates for each dwelling unit so served shall be computed as though each unit were served with a meter of the size installed on the single service connection as though the quantity delivered to each unit were the quantity of the water measured by the installed meter divided by the number of dwelling units connected thereto.

7

ITEM #7

NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors Date: October 7, 2025

From: Tony Williams, General Manager

Subject: 5-Year Strategic Plan Development Update
t:\gm\bod memos 2025\10-7-25 meeting\strategic plan update\10-7-25 bod memo strategic plan update.docx

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None, included in FY26 Budget

Strategic Planning Workshop

On July 30, 2025, the North Marin Water District (District) held a Special Board meeting for a Strategic Plan Workshop. The proposed Strategic Goals developed from previous workshops were reviewed during the Workshop, and are listed below:

- Strengthen Infrastructure Resilience
- Foster Organizational Excellence
- Ensure a Resilient Water Supply
- Enhance Customer Understanding & Engagement
- Optimize Operational Performance
- Maintain Effective & Transparent Governance

At the Workshop, the Directors and staff, with facilitation by Claire Garvie of Kiosk, reviewed and discussed the draft Strategic Goals and associated Actions. In addition to breakout group discussions, the workshop included a "dot voting" exercise for each strategic action. The voting resulted in a majority vote for six top actions and no votes for two actions. A summary of the voting is provided in Table 1.

Table 1

Strategic Action (number and description)	Voting (# of votes)
1.1 Replace aging infrastructure with a phased approach	**11**
5.1 Modernize District IT systems and digitize operations	**8**
4.1 Develop and launch a public education campaign	**6**
2.1 Undertake a comprehensive organizational structure review to improve District effectiveness	**5**
3.2 Conduct a district-wide water infrastructure vulnerability assessment	**5**
6.2 Support Board's ability to focus on strategic issues	**5**
2.7 Foster a positive and inclusive workplace to support staff retention	4
1.4 Pursue diversified funding for capital projects	4
2.6 Strengthen succession planning, mentorship, and career development	4
4.2 Develop a multi-year community engagement plan	4

Table 1

Strategic Action (number and description)	Voting (# of votes)
6.1 Establish a comprehensive Board onboarding, training, and development program	4
2.2 Standardize safety training and emergency preparedness using new Emergency Response Plan (ERP) as guide	3
2.4 Improve internal communication and team cohesion	3
5.3 Review and upgrade the SCADA system and telemetry infrastructure	3
3.1 Strengthen regional partnerships and maintain strong representation	2
5.4 Enhance and adapt GIS and GPS tools to better support District operations	2
2.5 Explore ”shared resources” opportunities and alternative models	1
1.3 Leverage proven technology to establish a comprehensive asset management and preventative maintenance program	1
2.3 Establish a centralized compliance tracking and audit system	1
3.3 Maintain and strengthen regional emergency water-sharing agreements	1
3.4 Implement drought contingency and water redundancy strategies	1
4.3 Build a rapid response strategy for misinformation	1
5.6 Modernize customer service and billing systems	1
4.6 Increase visibility of District leadership in the community	**0**
6.5 Provide quarterly public-facing Board action summaries	**0**

Strategic Plan Development

Based on the feedback from the Board Workshop as well as subsequent internal meetings with Staff, the final draft version of the Strategic Actions, including milestones, was developed. The draft Strategic Actions doesn't include original actions 4.6 and 6.5 based on the results of the workshop voting exercise. Otherwise, the remaining actions presented at the Workshop remain. Some of the action descriptions were re-written for clarity and in some cases broken down into sub actions to allow for better implementation. A copy of the final version of the Strategic Actions and associated milestones for completion is provided as Attachment 1. Kiosk is preparing the overall Strategic Plan which, in addition to these actions and milestones, includes an introduction section, a restatement of the District's mission and vision statements, a description of the Plan development, and a conclusion section, as well as graphics and supporting content.

Staff are seeking any last input or comments from the Board prior to finalizing the 2025 Strategic Plan) which will be presented to the Board at the October 21st or November 5th Regular Meeting.

ATTACHMENTS:

1. Final Draft 2025 Strategic Actions

1. Strengthen Infrastructure Resilience

#	Action Item [DRAFT]	Target Completion (Fiscal Year)
1.1	**Replace aging infrastructure using a phased approach** Use Master Planning and condition assessments to update and implement a multi-year capital improvement plan (CIP) that prioritizes aging assets - including high-risk facilities to reduce dependence on emergency repairs.	2026
1.2	**Implement system redundancy as part of the overall CIP** *1.2.1 Identify Water System Vulnerabilities* Identify vulnerabilities in the water distribution system e.g. single-source pipelines and pump stations. *1.2.2 Identify Opportunities to Add System Redundancy* Identify redundancy opportunities such as looping and bypass solutions to prevent service disruptions to critical customers. Program attainable solutions in the multi-year CIP or identify opportunities within new development in accordance with District Regulation 13.	2026 2027
1.3	**Leverage proven technology to establish a comprehensive asset management and preventative maintenance program** Expand the use of NEXGEN AM for all District Work Orders, existing GIS mapping, and new technologies to more effectively monitor system functionality, prioritize repairs, reduce lifecycle costs, and extend the life of critical assets.	2028
1.4	**Pursue diversified funding for capital projects** Identify and apply for eligible state and federal grants, pursue low-interest loans, and explore regional cost-sharing opportunities to help finance priority infrastructure upgrades or water supply projects, with the goal of keeping rates affordable.	2026
1.5	**Strengthen seismic and rural resilience** Upgrade infrastructure in seismically-vulnerable zones to ensure continued service and structural stability during natural disasters. Where feasible, improve site access for remote facilities to support emergency response and maintenance.	2028

1.6	**Collaborate with neighboring agencies to identify interconnection opportunities** Work jointly with regional partners to explore interconnections and system looping to enhance water supply reliability, operational flexibility, and emergency preparedness.	2027

Total Actions = 7

2. Foster Organizational Excellence

#	Action Item [DRAFT]	Target Completion (Fiscal Year)
2.1	**Undertake a comprehensive organizational structure review to improve District effectiveness** The review will examine: (a) the District's org chart, roles, responsibilities, and reporting lines to strengthen capacity and review use of third parties, including for IT and OT (SCADA); (b) centralizing oversight of district-wide safety, security, training, emergency management, and regulatory compliance to improve accountability and reduce risk; (c) the role and structure of the Water Quality Division to ensure strategic focus and capacity to meet growing regulatory demands; (d) adjusting senior leadership and department-level reporting lines to improve clarity and collaboration; (e) rebalancing management workloads by assessing span of control and better aligning staffing levels with functional needs.	2026
2.2	**Standardize safety training and emergency preparedness using new Emergency Response Plan (ERP) as a guide** Implement mandatory annual safety training, department-wide emergency drills, and a uniform onboarding safety curriculum for all employees to reinforce a culture of safety and preparedness within the District. Perform annual audits to ensure adequate supplies of personal protective equipment (PPE) and other safety equipment and supplies.	2028
2.3	**Establish a centralized compliance tracking and audit system** Create a digital system for monitoring regulatory deadlines, documentation, policy, and District Regulations updates. Consider using NEXGEN.	2029
2.4	**Improve internal communication and team cohesion** Hold regular all-staff meetings, consider launching an intranet, and identify cross-department initiatives to foster collaboration and morale.	2028
2.5	**Explore shared resources opportunities and alternative models** Collaborate with neighboring water agencies to explore shared staffing or regional apprenticeship models, especially for remote or hard-to-staff areas. Explore use of contract services for West Marin and Oceana Marin.	2029
2.6	**Strengthen succession planning, mentorship, and career development** Prepare staff and the District for the future by: (a) defining clear and transparent pathways for professional development, career growth, and	2027

#	Action Item [DRAFT]	Target Completion (Fiscal Year)
	promotion (b) establishing a structured mentorship program to pair experienced staff with emerging leaders (c) supporting cross-training and leadership development (d) developing a succession plan that invests in internal talent, including identifying key roles at risk of turnover and documenting institutional knowledge to ensure continuity.	
2.7	**Foster a positive and inclusive workplace to maintain high staff retention** Launch an employee engagement and retention program that ensures staff feel consistently supported, valued, and empowered. To include: (a) strategies to provide competitive compensation and promote work-life balance (b) ways to strengthen an inclusive and respectful workplace culture (c) establishing channels for regular employee feedback, with follow-up action on key concerns (d) formalizing recognition of employee contributions and service milestones (e) updating the performance evaluation process to enhance two-way communication and professional growth.	2027

Total Actions = 7

3. Ensure a Resilient Water Supply

#	Action Item [DRAFT]	Target Completion (Fiscal Year)
3.1	**Strengthen regional partnerships and maintain strong representation** Continue building collaborative partnerships with neighboring districts and water agencies to align on shared goals, pursue joint funding, and address regional water challenges. Maintain influence and equitable representation in Sonoma Water's Water Advisory Committee (WAC) and Technical Advisory Committee (TAC) to protect the District's interests in cost and supply negotiations.	2028
3.2	**Strengthen Infrastructure Resilience through Assessment and Contingency Planning** *3.2.1 Conduct a District-Wide Supply Infrastructure Vulnerability Assessment* Evaluate the District's water transmission systems to identify weak points, single-source dependencies, and areas most at risk from drought, seismic events, or failures. Use asset data and system modeling to guide capital investment priorities, long-term strategies for West Marin supply, and optimization of existing infrastructure to improve conveyance efficiency, reduce water loss, and maximize resources under both normal and emergency conditions. *3.2.2 Establish a Major Asset Contingency Program* Using the assessment findings, create a program to ensure rapid response to critical failures of supply transmission systems, including pre-purchased spare parts, rapid repair contracts, mobile treatment or pumping assets, and scenario-based emergency planning to maintain service continuity.	2027 2028
3.3	**Maintain and strengthen regional emergency water-sharing agreements** Regularly review and update existing agreements with neighboring agencies (e.g. Marin Municipal Water District, Inverness PUD, Sonoma Water) to ensure they remain current, actionable, and effective in supporting mutual aid during droughts or supply disruptions.	2030
3.4	**Implement drought contingency and water redundancy strategies** Develop and update drought response plans using the current Water Shortage Contingency Plan (Novato) and Annual Water Supply and Demand Assessments, explore additional interconnections and bypasses, and improve conveyance efficiency.	2029

Total Actions = 5

4. Enhance Customer Understanding and Engagement

#	Action Item [DRAFT]	Target Completion (Fiscal Year)
4.1	**Develop and launch a public education campaign** ***4.1.1 Develop the Campaign Plan*** Design a branded, district-wide initiative using multiple communication channels to improve water literacy and build community understanding of the District's supply challenges, infrastructure needs, and long-term plans. The plan will define key messages, audiences, and channels so customers know where their water comes from, how it is treated and delivered, and why conservation and infrastructure investment are essential. It will outline strategies to raise awareness of supply risks, storage limitations, and the need for diversification, and set an outreach schedule aligned with seasonal water use patterns, drought conditions, and major project milestones. ***4.1.2 Execute the Campaign*** Implement the campaign across digital, print, local media, and social outlets, delivering engaging content supported by a library of brochures, explainer videos, infographics, and FAQs on topics such as rate structures, drought preparedness, and project funding. Use meetings, outreach, and storytelling to make complex issues accessible, relevant, and actionable for the community.	2026 2027
4.2	**Develop a multi-year community engagement plan** Identify key community events - such as farmers markets, school visits, and open houses - for outreach and relationship-building outside of crisis moments. Community events may include periodic open house events at Stafford Treatment Plant, Rush Creek Place (RCP), or key pump stations.	2027
4.3	**Build a rapid response strategy for misinformation** Develop a clear process for monitoring misinformation and potentially responding quickly with fact-based communications to maintain public trust. A multi-departmental team should be prepared to address misinformation on topics such as: finances, rates, projects, regulations, the dam, the lake, water quality, development, water supply, etc.	2026

4.4	**Provide regular financial planning and rate forecast updates** Issue accessible, jargon-free summaries of financial plans, budgets and upcoming projects to prepare the public for necessary rate changes and infrastructure investments.	2028
4.5	**Expand multi-lingual and multi-channel communications** Ensure materials are translated into Spanish and other key languages (as needed), and use diverse communication methods - such as social media, mailers, radio, and events - to reach all demographics.	2028

Total Actions = 6

5. Optimize Operational Performance Readiness

#	Action Item [DRAFT]	Target Completion (Fiscal Year)
5.1	**Modernize District IT systems and digitize operations** ***5.1.1 Develop the IT Modernization Plan*** Evaluate the District's existing IT infrastructure and create a long-term, District-wide modernization plan that supports remote access, system integration, and operational efficiency. The plan will set priorities for replacing legacy systems and manual processes with secure, cloud-based or subscription-based platforms, consolidating data across departments to improve analytics and coordination, and adopting proven and innovative technologies to enhance performance. It will also establish strategies for equipping field staff with mobile tools and digital workflows, ensuring structured role-specific training, and reducing vendor dependency through process documentation and building internal IT capacity. ***5.1.2 Implement the IT Modernization Plan*** Phase upgrades to software, hardware, and networks according to operational priorities, deploying new systems in a way that minimizes disruption and maximizes adoption. Execute the plan's technology replacements, integrations, and mobile tool rollouts while maintaining robust onboarding and training programs, ensuring all staff can use the new systems effectively and securely.	2027 2030
5.2	**Strengthen cybersecurity through a comprehensive audit and district-wide program** Engage a third-party firm to assess vulnerabilities across all IT systems, including SCADA, remote monitoring, and proprietary software. Use findings to establish a formal cybersecurity program with protocols for intrusion detection, data backup, ransomware response, and ongoing staff training—ensuring operational resilience and data security.	2027
5.3	**Review and consider modernizing the SCADA system and telemetry infrastructure** Replace or modernize aging SCADA components and expand telemetry capabilities to enable real-time monitoring, faster emergency response, and better operational visibility.	2028

5.4	**Enhance and adapt GIS and GPS tools to better support District operations** Build on the District's existing ArcGIS platform by customizing tools and workflows to improve infrastructure mapping, field data collection, asset tracking, and long-term planning accuracy.	2028
5.5	**Leverage existing smart meter data and implement predictive analytics** Use data from smart water meters to improve demand forecasting, and apply predictive models that help identify system vulnerabilities and optimize maintenance planning.	2030
5.6	**Modernize customer service and billing systems** Upgrade billing software and customer engagement platforms to reduce manual errors, improve responsiveness, and streamline service interactions.	2029

Total Actions = 7

6. Maintain Effective and Transparent Governance

#	Action Item [DRAFT]	Target Completion (Fiscal Year)
6.1	**Establish a comprehensive Board onboarding, training, and development program** Create a formal orientation and continuing education program to ensure all Board members understand their governance role, responsibilities, and strategic priorities. The program will provide training on Board functions, financial oversight, strategic planning, and public communication, and will identify ways to participate in relevant conferences, workshops, and regional governance forums. It will include regular reviews and updates to the Board Manual, to ensure Directors have a resource that reflects current policies, responsibilities, and best practices.	2027
6.2	**Support the Board's ability to focus on strategic issues** Review and update the Board Manual to reinforce the Board's role in setting policy and providing oversight. Strengthen the use of tools such as the consent calendar to streamline routine approvals and ensure that Board meetings allow sufficient time for discussion of long-term priorities and strategic matters.	2026
6.3	**Increase Board involvement in policy advocacy and funding efforts** Encourage Board participation in regional, state, and federal forums to advocate for funding, legislation, and regional water policy priorities.	2029
6.4	**Strengthen Board-staff communication protocols** Create a standardized process for sharing information between staff and the Board—such as Ad-hoc Committees, pre-meeting briefings, monthly reports/dashboards, and follow-up Board summaries.	2028
6.5	**Establish a Board mentorship program** Pair experienced Board members with new directors to support institutional continuity and faster onboarding of governance best practices.	2029

Total Actions = 5

8

ITEM #8

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

TECHNICAL ADVISORY COMMITTEE

MONDAY: SEPTEMBER 8, 2025

Utilities Field Operations Training Center

35 Stony Point Road, Santa Rosa, CA

9:00 a.m. Utilities Field Operations Training Center 35 Stony Point Road, Santa Rosa, CA

1. Check In
2. Public Comment
3. Water Supply Conditions and Temporary Urgency Change Order
4. Sonoma Marin Saving Water Partnership
    a. 2025 Water Production Relative to 2013 Benchmark
    b. Water Use Efficiency Outreach Messaging
5. Sonoma Water Operations Update
6. Biological Opinion Status Update
7. Eel Russian Project Authority and Potter Valley Project Update
8. Business Services and External Affairs Division Update
9. Items for Next Agenda – October 6, 2025
10. Check Out

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

TECHNICAL ADVISORY COMMITTEE

MONDAY: OCTOBER 6, 2025

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

9:00 a.m. Utilities Field Operations Training Center 35 Stony Point Road, Santa Rosa, CA

1. Check In
2. Public Comment
3. Santa Rosa Junior College Water Resources Technology Program Presentation
4. Recap from the September 8, 2025 TAC Meeting and Approval of Minutes
5. Water Supply Conditions and Temporary Urgency Change Order
    a. Lake Mendocino Water Control Manual Signing Ceremony, October 22, 2025 from 11 am – 2 pm
6. Sonoma Marin Saving Water Partnership
    a. 2024 Water Production Relative to 2013 Benchmark
    b. Water Use Efficiency Messaging
7. Biological Opinion Status Update
8. Eel Russian Project Authority and Potter Valley Project Update
9. Business Services and External Affairs Division Update
10. Bay Area Integrated Regional Water Management Program (IRWMP) Advanced Quantitative Precipitation Information (AQPI) Update and Ceremony
11. WAC Statement of Interests Regarding New Eel Russian Facility (NERF)
    a. Consider Recommendation of WAC Statement of Interests Regarding NERF
12. Items for Next Agenda – November 3, 2025
13. Check Out

9

DISBURSEMENTS - DATED SEPTEMBER 18, 2025

Date Prepared 9/15/25

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	Able Tire & Brake	Tire Repair ('22 Ford Ranger)	$44.29
2	Allquip Universal Inc	Valves (5) ('13 Vac Excavator)	961.64
3		Retiree Exp Reimb (Sept Health Ins)	1,572.71
4	Bank of Marin	Bank of Marin Principal & Interest (Pymt 167 of 240) Aqueduct Energy Efficiency Project	46,066.67
5	Bearings & Hydraulics	Hose & Fittings	140.78
6	Buck's Saw Service	Mowing Head	78.64
7		Retiree Exp Reimb (Sept Health Ins)	595.05
8	California Water Service	September Water Service	35.43
9		Retiree Exp Reimb (Sept Health Ins)	626.75
10		Retiree Exp Reimb (Sept Health Ins)	626.75
11	C.J. Brown & Company, CPAs	August Progress Billing Financial Statement Audit FY24/25 (Balance Remaining on Contract $28,382)	713.00
12	Clyde, Karen	Exp Reimb: Food for Staff During Inventory Software Training	41.17
13	Comcast	Final Internet Bill ($220) (Buck Institute) & September Internet ($224) (1250 Lynwood Dr)	444.41
14	Cummings Trucking	Sand (17 yds) & Rock (17 yds)	595.00
15	Enterprise FM Trust	Monthly Leases for Nissan Rogue (2), Nissan Frontier, F-150's (6), F-250's (5), Ford Rangers (6), Chevy Bolts (2) & Nissan Leaf	12,367.67
16	Ferguson Waterworks	Hydrant Meter Registers (5)	1,181.54
17	Fisher Scientific	Safety Gloves (200) (Lab)	114.39

*Prepaid

Seq	Payable To	For	Amount
18	Goodpaster, Stacie	Exp Reimb: Shipping Expenses for Lab Samples	234.95
19	Grainger	Plastic Sheets (4) ($180), Battery Charger ($148) & Miscellaneous Tools & Supplies	720.93
20	High-Value Writing	Business Writing Workshop for Staff & Management on 9/9/25 (14 Employees)	4,211.89
21	InfoSend, Inc.	August Processing Fee for Water Bills ($1,458), Postage ($4,805) & Monthly Support Fee ($1,077)	7,340.68
22		Retiree Exp Reimb (Sept Health Ins)	626.75
23		Retiree Exp Reimb (Sept Health Ins)	1,572.71
24	Maggiora & Ghilotti	Prog Pymt#11: Crest Pump Station Project (Final Payment)	28,929.79
25	Marin County Ford	Load Liner ($218) ('25 F150), Radio, Fan & Motor ($552) ('12 F250) & Service Parts ($91) ('12 F250)	861.11
26	Martinez, Teresa	Refund Over Payment on Open Account	115.93
27	ODP Business Solutions, LLC	Toner ($172) & Ink Cartridges ($148) & Miscellaneous Office Supplies	525.19
28	O'Reilly Auto Parts	Wiper & Diesel Exhaust Fluids	198.66
29	Pace Supply	Couplings (10)	232.87
30	Pencco	Ferric Chloride (9 dry tons) (STP)	15,072.12
31	Peterson Trucks	Smog Test ('09 Peterbilt $337, '12 Int'l-$217) & Door Actuator (3) ('12 Int'l Dump Truck-$215)	769.13
32	Redwood Health Services, Inc.	July 2025 Dental Claims & Sept 2025 Fees Expense	8,225.80
33		Retiree Exp Reimb (Sept Health Ins)	626.75
34	Sigma-Aldrich Inc.	Chlorite Standard (Lab)	96.97
35	Silver Frost LLC	Refund Security Deposit on Hydrant Meter Less Final Bill	850.00
36		Retiree Exp Reimb (Sept Health Ins)	1,572.71

Seq	Payable To	For	Amount
37	Tamagno Green Products	Sludge Removal from STP (150 yds)	6,750.00
38	Team Ghilotti Inc.	Prog Pymt#1: San Mateo Tank Transmission Project (Balance Remaining on Contract $1,201,406)	239,410.93
39	Uline	Cable Ties (400)	434.91
40	Unicorn Group	Printing of Outreach Event Cards (1,000) ($749) & Lagunitas Creek Bridge Pipe Replacement Postcards (825) ($1,020)	1,769.47
41	USA BlueBook	Turbidity Standard ($367) & Lamp Assembly ($501) (STP) (Less Credit of $386 Received for Returned Triode)	482.29
42	Vanguard Cleaning Systems	Janitorial Supplies	740.40
43	VWR International LLC	Standards (2) (Lab)	175.59
44	Winzer Corporation	Miscellaneous Hardware	458.95
		TOTAL DISBURSEMENTS	**$389,213.37**

The foregoing payroll and accounts payable vouchers totaling $389,213.37 are hereby approved and authorized for payment.

Julie Blue 09/16/25

Auditor-Controller Date

9/16/2025

General Manager Date

DISBURSEMENTS - DATED SEPTEMBER 25, 2025

Date Prepared 9/22/25

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 P/E 9/15/25	$209,614.61
90931	Internal Revenue Service	Federal & FICA Taxes PPE 9/15/25	94,866.60
90930*	State of California	State Taxes & SDI PPE 9/15/25	23,445.88
90932*	CalPERS	Pension Contribution PPE 9/15/25	59,282.73
90928*	Nationwide	Deferred Compensation-457 PPE 9/15/25	17,002.69
90929*	Nationwide	Deferred Compensation 9/15/25-401A Match	2,950.06
90925	NMWD/FSA Payment	Replenish Flexible Spending Bank Account	11,000.00
EFT*	US Bank	August Bank Analysis Charge (Lockbox $920 & Other Fees $432 Less Interest $209)	1,144.70
90926	US Bank Card	State Water Board Lab Fees ($2,004), GFOA Webinars (2) ($145), Internet PRTP & Gallagher Well #2, Zoom Subscription, Starlink Internet Backup Kit ($639), Drinks for HR Forum, Food for Staff Event ($1,604), Computer Supplies ($381), Framing Services ($1,661), Voice Over Internet @ STP ($348), Router for Telemetering Equip ($415) & ACWA Event Registration ($75)	7,701.65
90927*	Amazon	Computer Supplies ($888), Office Supplies ($1,231), Kitchen Supplies ($138), Saw Blades, Lab Supplies, Tie Downs ($149) & Service Award	2,593.92
1	All Star Rents	Propane (40 gal) ($190) & Material Lift Rental	279.18
2	Alpha Analytical Labs	Lab Testing	5,357.00
3	American Family Life Ins	AFLAC-September 2025 Employee Paid Benefit	4,370.26
4	Anderson, Thomas	Refund Overpayment on Closed Account	77.52

Seq	Payable To	For	Amount
5	Associated Right of Way Services	Prog Pymt#15: Valuation Services for Lynwood Pump Station (Balance Remaining on Contract $20,140)	172.50
6	AT&T	Leased Lines	62.90
7	Bay Alarm Company	Quarterly Fire Alarm Monitoring Fee (10/1/25-12/31/25) (STP)	518.19
8	Bold & Polisner	August Legal Fees-General ($3,972) & NMWD Portion Potter Valley Project ($1,137)	5,109.76
9	Campways	Loadable Rack ('25 F250)	2,162.06
10	Canyon Rock Co., Inc.	Sand (17 yds)	1,234.48
11	CDW-Government, Inc.	Routers (3)	416.50
12	Cla-Val	3/4" Pressure Reducing Valve (Lagunitas Creek Bridge Project)	812.82
13	Diesel Direct West	Gasoline (974 gal)	4,168.08
14	Ditch Witch West	Pressure Washer Nozzles (5) ('19 Ditch Witch)	1,769.00
15	Durkin Signs & Graphics	Safety Labels for Maintenance Department (18)	137.85
16	Fiserv/Bastogne Inc.	Refund-Not Our Account	184.19
17	Forevergreen Landscape and Maintenance	Plant Installation for Bio Planter (Admin Bldg)	965.00
18	Foster & Foster Actuaries & Consultants	GASB 75 OPEB Actuarial Valuation FY 24/25	1,000.00
19	Grainger	Water Hose Assembly ($461), Two-Way Radios (2) ($283), USB Tool Chargers (6) ($325) & Miscellaneous Tool & Supplies	1,697.86
20	Hanson, Gina	Exp Reimb: Lodging, Meals & Parking While Attending Backflow Class 9/15/25-9/20/25	1,078.94
21	Kehoe, Chris	Exp Reimb: Food for Crew During Yard Cleanup for Open House	193.27
22	Kiosk Creative LLC	5-Year Strategic Plan Consulting August 2025	10,745.00
23	LeBrun, Kent	Exp Reimb: Drinks for Crew During Yard Cleanup for Open House	61.72

Seq	Payable To	For	Amount
24	Lincoln Life Employer Serv	Deferred Compensation PPE 9/15/25	7,663.36
25	McLellan Co, WK	Miscellaneous Paving	2,567.04
26	MSI Litho	Doorhangers-Notice to Consumer for Construction (1,000)	434.99
27	Mutual of Omaha	Oct 2025-Group Life/ADD & Vision Insurance	2,457.48
28	NMWD Employee Association	Dues (5/15/25-9/15/25)	2,250.00
29	ODP Business Solutions, LLC	Miscellaneous Office Supplies	386.79
30	Pace Supply	Flange Adapter Coupling ($915), 14" Flanges (2) ($431), Gasket Kits (2) ($517), Bolts (500) ($669), Gaskets (15), Couplings (2), Double Check Detector Assembly ($6,226), Leak Bands (10) ($486) & 3/4" Meter Boxes (56) ($2,518)	11,860.44
31	Red Wing Business Advantage	Safety Boots (Reed)	301.95
32	Rolling Suds of San Ramon-Danville	Building Exterior Cleaning ($2,775) & Window Washing ($450) (District Yard)	3,225.00
33	ScanForce	Customization Extend Description on Labels - Inventory Management Software	975.00
34	Soiland Co., Inc.	Rock (21 yds)	659.79
35	Sonoma County Water Agency	August Contract Water	673,183.10
36	SPG Solar Facility XII, LLC	August Energy Delivered Under Solar Services Agreement	16,194.87
37	Telstar Instruments	Emergency Diagnostic Work on Flow Meter @ STP	1,988.00
38	Thatcher Company	Chlorine (2,000 lbs) (STP)	5,798.00
39	Thomas Scientific	Cleaner (4 lbs) & Safety Gloves (20) (Lab)	140.04
40	Underground Republic Water Works, Inc.	Box Lids (4) ($838), Service Saddles (11) ($2,186), Accessory Sets (25) ($4,610), Couplings (6) ($2,374), Gaskets (40) ($481), Hydrant Extensions (4) ($948), Bell Restrainers (10) ($2,261), Meter Stops (2) ($574), Double Check Detector Assembly ($4,299), Hardware for Accessory Sets & Bell Restrainers ($400) & 3/4" Meter Boxes (45) ($2,124)	23,789.58

Seq	Payable To	For	Amount
41	Unicorn Group	NMWD Stickers (300)	179.36
42	Univar	Sodium Hypochlorite (300 gal) (PRTP)	975.00
43	US Postal Service	Meter Postage	1,500.00
44	VBS CAL LLC	Photo Paper (3' x 100')	207.44
45	White & Prescott	Prog Pymt#57: Fire Service Review (Balance Remaining on as needed Contract $13,160)	540.00
46	ZORO	Spring Nuts (25), Cordless String Trimmer ($197) & Picture Hangers (16)	278.91
		TOTAL DISBURSEMENTS	**$1,229,733.06**

The foregoing payroll and accounts payable vouchers totaling $1,229,733.06 are hereby approved and authorized for payment.

Julie Blue 09/23/25

Auditor-Controller Date

9/23/2025

General Manager Date

DISBURSEMENTS - DATED OCTOBER 2, 2025

Date Prepared 9/29/25

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	Alpha Analytical Labs	Lab Testing	$263.00
2	Mulliner, Eileen	Exp Reimb: Kitchen & Office Supplies	96.71
3	Caltest Analytical Laboratory	Lab Testing	465.30
4	Consolidated CM	Prog Pymt#54: Construction Management for Admin & Lab Upgrade Project (Balance Remaining on Contract $18,092)	812.00
5	Environmental Express	Jugs (2) (Lab)	79.38
6	Fisher Scientific	Metal Reagent (Lab)	94.04
7	Freyer & Laureta, Inc.	Prog Pymt#21: Master Plan Update ($53,480) (Balance Remaining on Contract $104,960) & Prog Pymt#35: Engineering & Design for Lynwood Pump Station ($480) (Balance Remaining on Contract $59,513)	53,960.25
8	GHD Inc.	Prog Pymt#11: Construction Management Services for Crest Pump Station ($3,314) (Balance Remaining on Contract $18,531) & Prog Pymt# 27: GIS Conversion to ESRI & Mapping Support ($544) (Balance Remaining on Contract $11,198)	3,858.67
9	Grainger	Chlorine Reagents ($742) (2,000) (STP), Water Cooler Filter ($243), 50' Extension Cords (3) ($426), Power Conditioner ($301) & Miscellaneous Tools & Supplies	2,508.90
10	Home Depot	Strainer, Office Supplies ($351), Reciprocating Saw & Battery ($219), & Laminated Sheet	658.79
11	Home Ground Habitats	Seed Packets (Water Conservation)	240.00
12	International Dioxcide Inc	Sodium Chlorite (43,820 lbs) (STP)	31,112.20

Seq	Payable To	For	Amount
13	Kiosk Creative LLC	August Marketing Communication & Outreach Services (Balance Remaining on Contract $79,684)	4,504.98
14	Kathleen Pickens - KP Prom.	Uniform Order	16,847.97
15	Madgetech	Probe (Lab)	171.99
16	County of Marin	Application Fee ('B' Street & Hwy 1-Pt. Reyes Station-Cancelled Encroachment Permit)	65.00
17	McLellan Co, WK	Miscellaneous Paving	1,944.13
18	Nave Motors	Service & Parts ('21 F150 & '22 Ford Ranger-$185)	258.96
19	Pace Supply	Nipples (52) ($3,431), Corp Stops (18) ($2,181), Meter Stops (10) ($814) Pipe (20) ($787) & Valves (21) ($11,155)	18,367.98
20	Pape Machinery Inc.	Diagnose Coolant Leak & Repair ($2,035) ('24 JD Backhoe) & Miscellaneous Hardware ($318) ('04 Backhoe)	2,353.08
21	Pencco	Ferric Chloride (9 dry tons) (STP)	15,351.80
22	Prismic Photography	Photography Services (09/19/25 Event)	450.00
23	Scott Technology Group	September Monthly Maintenance on Engineering & Admin Copiers & Contract Overage Charge	484.22
24	Sevieri, Matthew	Novato Cash for Grass Rebate Program	1,420.50
25	Thomas Scientific	Light Bulbs (2) (Lab)	110.85
26	Unicorn Group	Water Quality Reports (Novato & West Marin) (60)	298.36
27	VWR International LLC	Sodium Hypochlorite, Standards (7) ($184) & Potassium Nitrate (Lab)	319.89
28	Waste Management	Waste Disposal	253.47
29	Watersavers Irrigation Inc.	Elbows (4) & Nipples (2) ($328)	429.63
30	Willens, Mark & Laura	Refund Overpayment on Closed Account	19.80

Seq	Payable To	For	Amount
31	ZORO	Padlocks (12) ($162) & Pressure Gauges (2)	219.86
		TOTAL DISBURSEMENTS	**$158,021.71**

The foregoing payroll and accounts payable vouchers totaling $158,021.71 are hereby approved and authorized for payment.

Julie Blue 09/30/25

Auditor-Controller Date

Erin M 9/30/2025

General Manager Date

NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors October 7, 2025

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

Subj: Auditor-Controller's Monthly Report of Investments for July 2025
t:\ac\word\invest\26\investment report 0725.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of $20,055,662 and a market value of $20,066,419. During July the cash balance decreased by $1,613,470. The market value of securities held decreased $1,614,855 during the month. The total unrestricted cash balance at month end was $101,041, 63% of the Target Reserves are funded and 90% of the Minimum Reserves are funded.

At July 31, 2025, 63% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 25% in Time Certificates of Deposit, 5% in the Marin County Treasury, and 7% retained locally for operating purposes. The weighted average maturity of the portfolio was 104 days, compared to 104 days at the end of June. The LAIF interest rate for the month was 4.26%, compared to 4.27% the previous month. The weighted average Portfolio rate was 3.82%, compared to 3.87% for the prior month.

Investment Transactions for the month of July are listed below:

7/9/2025	LAIF	US Bank	$1,000,000	Trsf from LAIF account
7/15/2025	CA State Treasurer	LAIF	$170,321	4-6/25 Quarterly LAIF interest credit
7/16/2025	LAIF	US Bank	$300,000	Trsf from LAIF account
7/24/2025	LAIF	US Bank	$500,000	Trsf from LAIF account

ATTACHMENTS:
1. Monthly Report of Investments – July 2025

ATTACHMENT 1

NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
July 31, 2025

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis[1]	7/31/2025 Market Value	Yield[2]	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	$12,666,998	$12,677,754	4.26% [3]	**63%**
Time Certificate of Deposit								
TCD	Farmers Ins Credit Union	n/a	1/18/24	1/20/26	249,000	249,000	4.50%	1%
TCD	Eagle Bank	n/a	2/21/24	2/23/26	244,000	244,000	4.60%	1%
TCD	Bank of America	n/a	2/22/24	2/23/26	244,000	244,000	4.65%	1%
TCD	Pacific Premier	n/a	3/15/24	3/16/26	244,000	244,000	4.75%	1%
TCD	Valley National Bank	n/a	4/9/24	4/9/26	244,000	244,000	4.70%	1%
TCD	Wells Fargo Nat'l Bank	n/a	6/11/24	6/11/26	248,000	248,000	5.10%	1%
TCD	First Merchant Bank	n/a	6/28/24	6/29/26	244,000	244,000	4.80%	1%
TCD	BMW Bank NA	n/a	7/9/24	7/13/26	244,000	244,000	4.70%	1%
TCD	Israel Disc Bk Ny	n/a	9/13/24	9/14/26	245,000	245,000	4.00%	1%
TCD	Ally Bank Sandy Utah	n/a	10/3/24	9/28/26	245,000	245,000	3.80%	1%
TCD	Utah First Fec CR UN Salt Lake	n/a	10/18/24	10/19/26	249,000	249,000	4.00%	1%
TCD	American Express Nat'l Bank	n/a	11/7/24	11/6/26	245,000	245,000	4.00%	1%
TCD	Bank of Hapoalim NY	n/a	11/26/24	11/23/26	245,000	245,000	4.10%	1%
TCD	Dr Bank Darien	n/a	12/20/24	12/21/26	249,000	249,000	4.10%	1%
TCD	Goldman Sachs Bk USA	n/a	1/28/25	1/28/27	244,000	244,000	4.15%	1%
TCD	Oregon Community CU	n/a	2/24/25	2/24/27	249,000	249,000	4.30%	1%
TCD	Security First Bk	n/a	3/21/25	3/22/27	245,000	245,000	4.00%	1%
TCD	Toyota Fncl Svgs BK NV	n/a	4/10/25	4/12/27	245,000	245,000	4.00%	1%
TCD	Transportation Alliance Bk	n/a	5/12/25	5/12/27	249,000	249,000	3.95%	1%
TCD	B1 Bank Baton Rouge La	n/a	6/30/25	6/30/27	249,000	249,000	4.00%	1%
					$4,920,000	**$4,920,000**	**4.31%**	**25%**
MM	US Bank Mmda Global Fund		Various	Open	**$32,506**	**$32,506**	**4.11%**	**0%**
Other								
Agency	Marin Co Treasury	AAA	Various	Open	$1,057,328	$1,057,328	1.10%	5%
Other	Various	n/a	Various	Open	1,378,831	1,378,831	0.19%	7%
			TOTAL IN PORTFOLIO		**$20,055,662**	**$20,066,419**	**3.82%**	**100%**

Weighted Average Maturity = **104 Days**

LAIF: State of California Local Agency Investment Fund.

TCD: Time Certificate of Deposit.

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

Agency: STP State Revolving Fund Loan Reserve.

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

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

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

3 Earnings are calculated daily - this represents the average yield for the month ending July 31, 2025.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Marin Country Club Loan	1/1/18	11/1/47	$1,265,295	$977,089	1.00%
Marin Municipal Water - AEEP	7/1/14	7/1/32	$3,600,000	$1,293,114	2.71%
Employee Housing Loan	Various	Various	$850,000	$850,000	Contingent
TOTAL INTEREST BEARING LOANS			**$5,715,295**	**$3,120,203**	

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

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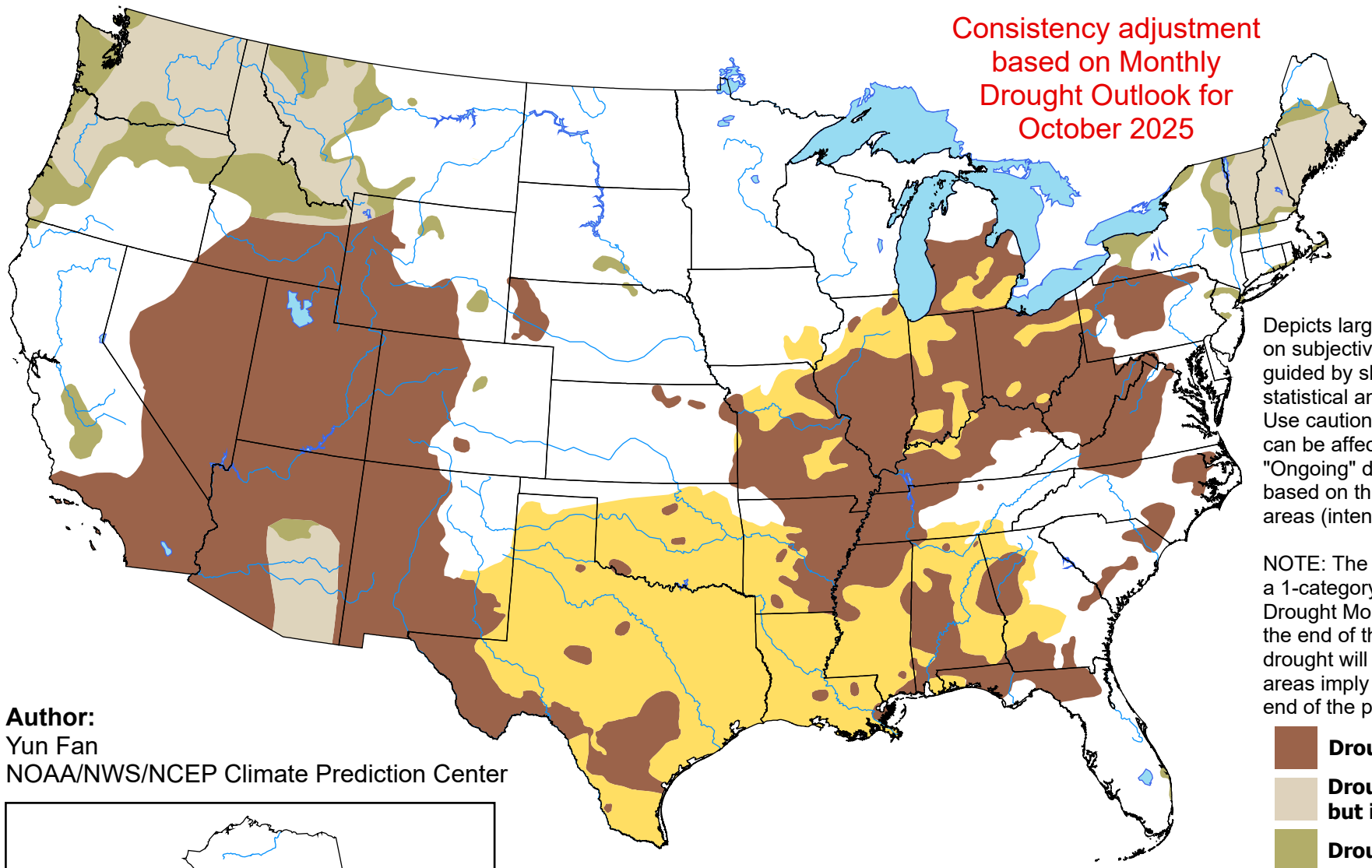
U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for October 1 - December 31, 2025
Released September 30, 2025

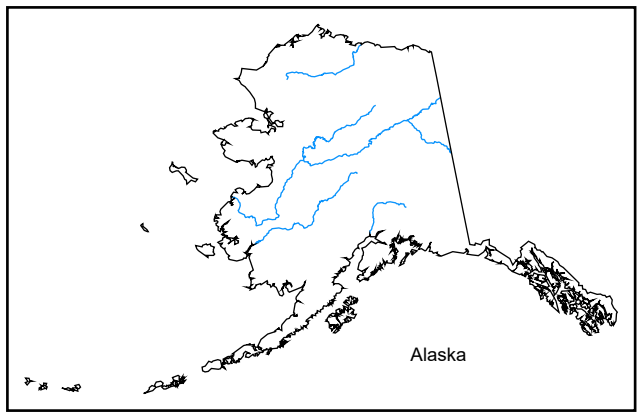


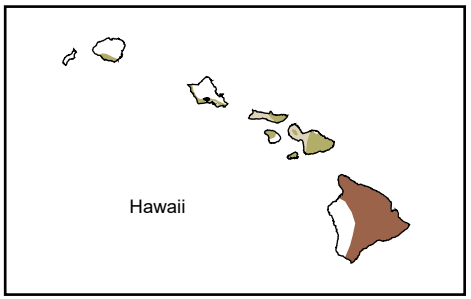
Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

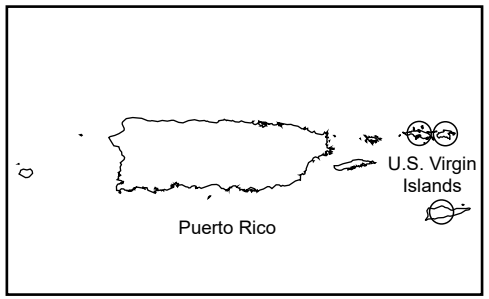
NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- **Drought persists**
- **Drought remains, but improves**
- **Drought removal likely**
- **Drought development likely**
- **No drought**

Author:
Yun Fan
NOAA/NWS/NCEP Climate Prediction Center



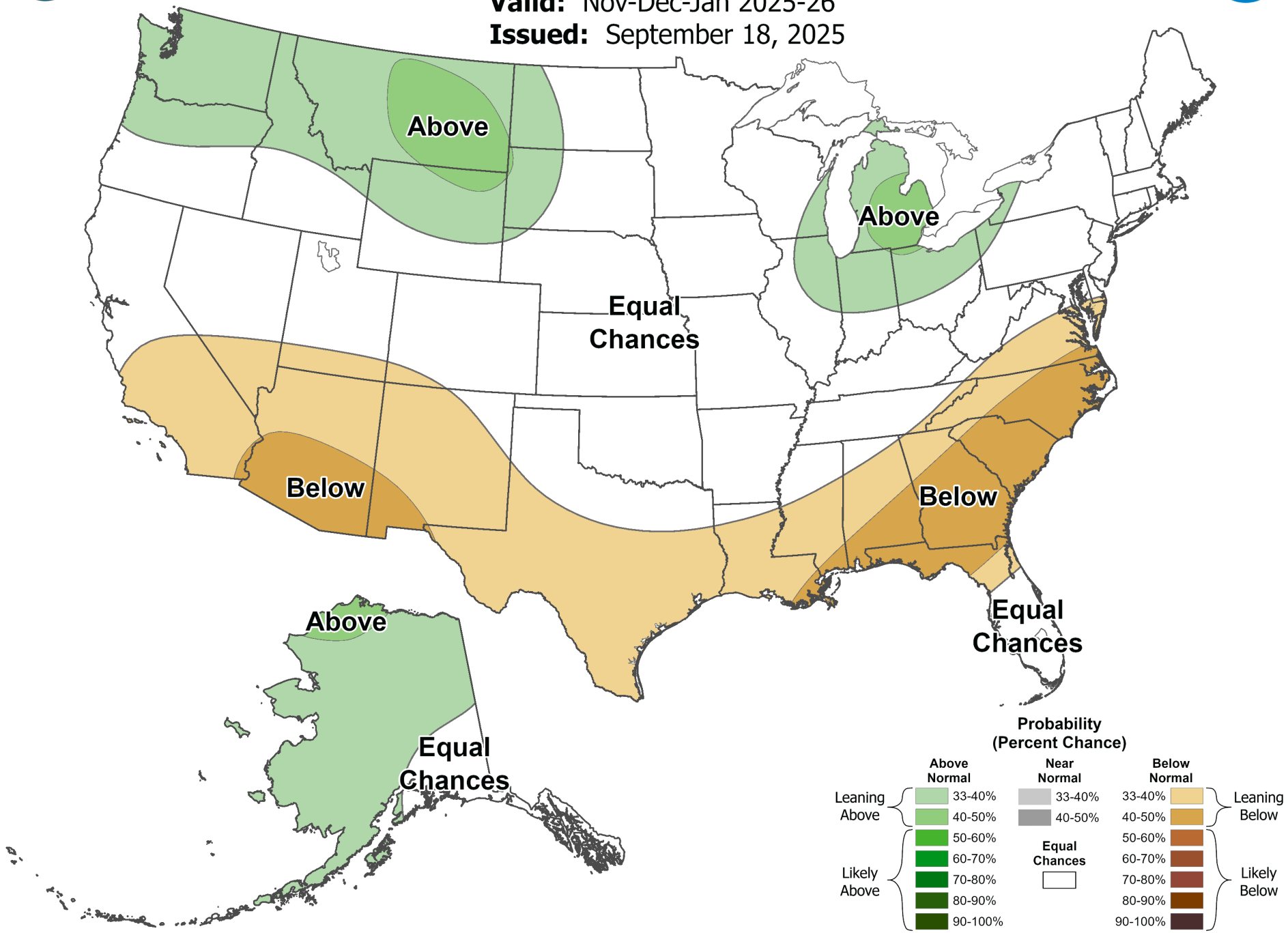




https://go.usa.gov/3eZ73

Seasonal Precipitation Outlook

Valid: Nov-Dec-Jan 2025-26
Issued: September 18, 2025



North Marin – Marin Water Collaboration Discussion (Board-to-Board Ad Hoc)

Meeting 2

Marin Water Main Office
220 Nellen Ave.
Corte Madera, CA 94925

Friday, September 26, 2025
9am to 10:30am

- Introductions

  Diana, Larry
  Mike, Steve

- Agenda Review

- Revisit Potential Areas of Collaboration (from prior meeting)
  - See attached

- Atmospheric River Capture Project Update

- Ad Hoc Meeting Schedule

- Next Steps/Action Item Review

Possible Areas of Collaboration

Water Conservation

- General water conservation program assistance/cooperation.
- Co-branding, co-hosting, and cost-sharing for regional public events:
    - Portable Water Fill Stations

Emergency Response

- Develop MOU for mutual aid
    - For emergencies and non-emergencies
- Potential for joint exercises/drills

Operations – Facility Inspections and Response

- Ignacio PS, Kastania PS, transmission line, Lagunitas wells
- Include in proposed MOU

Existing Aqueducts and Transmission Pipelines

- NMA - Reach 4a upgrade
- Interconnections at southern end of Novato

Legislative Affairs

- General coordination
- Future joint DC trip

2025 ACWA ELECTIONS

ACWA members have elected a new President, Vice President and region boards of directors for the 2026-’27 term, which begins Jan. 1, 2026. Use the dropdown menus below to view the election results.

Board Officers

ACWA President

Ernesto (Ernie) Avila, PE, Board President, Contra Costa Water District

ACWA Vice President

Carol Lee Gonzales-Brady, Director, Rancho California Water District

2025 ACWA ELECTIONS

ACWA members have elected a new President, Vice President and region boards of directors for the 2026-’27 term, which begins Jan. 1, 2026. Use the dropdown menus below to view the election results.

Board Officers

Region 1 Board Members

	**Region 1 Chair** **David Rabbitt** Director Sonoma County Water Agency
	**Region 1 Vice Chair** **Ranjiv Khush** Director Marin Municipal Water District
City of Santa Rosa CALIFORNIA	**Board Member** **Peter Martin** Deputy Director Water Resources City of Santa Rosa Water

	**Board Member** **Dennis Mayo** Director McKinleyville Community Services District
	**Board Member** **Bruce Rupp** Director Humboldt Bay Municipal Water District

Region 2 Board Members

Region 3 Board Members

Region 4 Board Members

Region 5 Board Members

Region 6 Board Members

Region 7 Board Members

Region 8 Board Members

MARIN WATER

Atmospheric River Capture (ARC) Project

NOVATO CITY COUNCIL

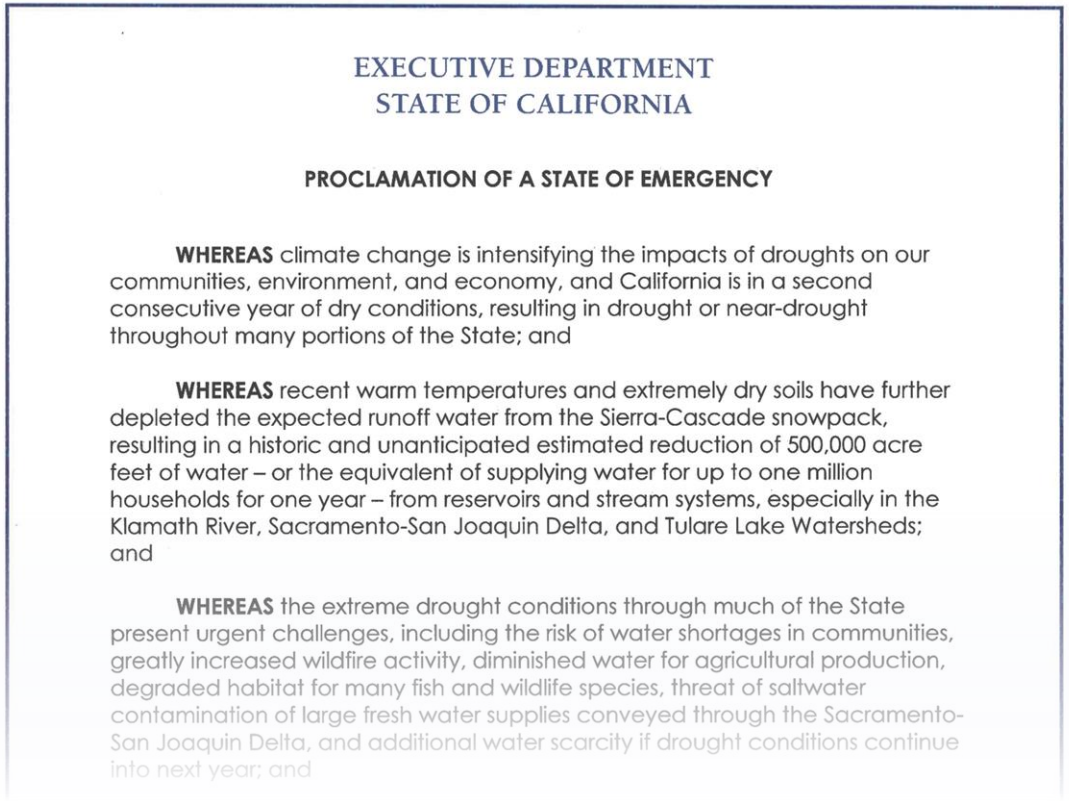
SEPTEMBER 23, 2025

Agenda

- Project Background & Overview
- Regional Water Supply Benefits
- Project Schedule & Outreach
- Next Steps

Background: Drought Emergency

- Spring 2021: Drought Emergency declared in Marin and Sonoma counties
- Local reservoir storage levels dropped historically low
  - Lake Sonoma: 109 TAF (44%)
  - Lake Mendocino: 15 TAF (22%)
  - Marin Water Reservoirs: 25 TAF (33%)
- Statewide drought emergency declared in summer/fall 2021
- Fortunately, heavy rainfall received in winter 2021



EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS climate change is intensifying the impacts of droughts on our communities, environment, and economy, and California is in a second consecutive year of dry conditions, resulting in drought or near-drought throughout many portions of the State; and

WHEREAS recent warm temperatures and extremely dry soils have further depleted the expected runoff water from the Sierra-Cascade snowpack, resulting in a historic and unanticipated estimated reduction of 500,000 acre feet of water – or the equivalent of supplying water for up to one million households for one year – from reservoirs and stream systems, especially in the Klamath River, Sacramento-San Joaquin Delta, and Tulare Lake Watersheds; and

WHEREAS the extreme drought conditions through much of the State present urgent challenges, including the risk of water shortages in communities, greatly increased wildfire activity, diminished water for agricultural production, degraded habitat for many fish and wildlife species, threat of saltwater contamination of large fresh water supplies conveyed through the Sacramento-San Joaquin Delta, and additional water scarcity if drought conditions continue into next year; and

May 2021 Governor Declaration of drought

Background: Post-Drought Resiliency Efforts

- Marin Water established water supply goal of 6,500 - 8,500 acre-feet per year (AFY)
- Identified and evaluated over 30+ water supply alternatives
- Selected Atmospheric River Capture (ARC) Project

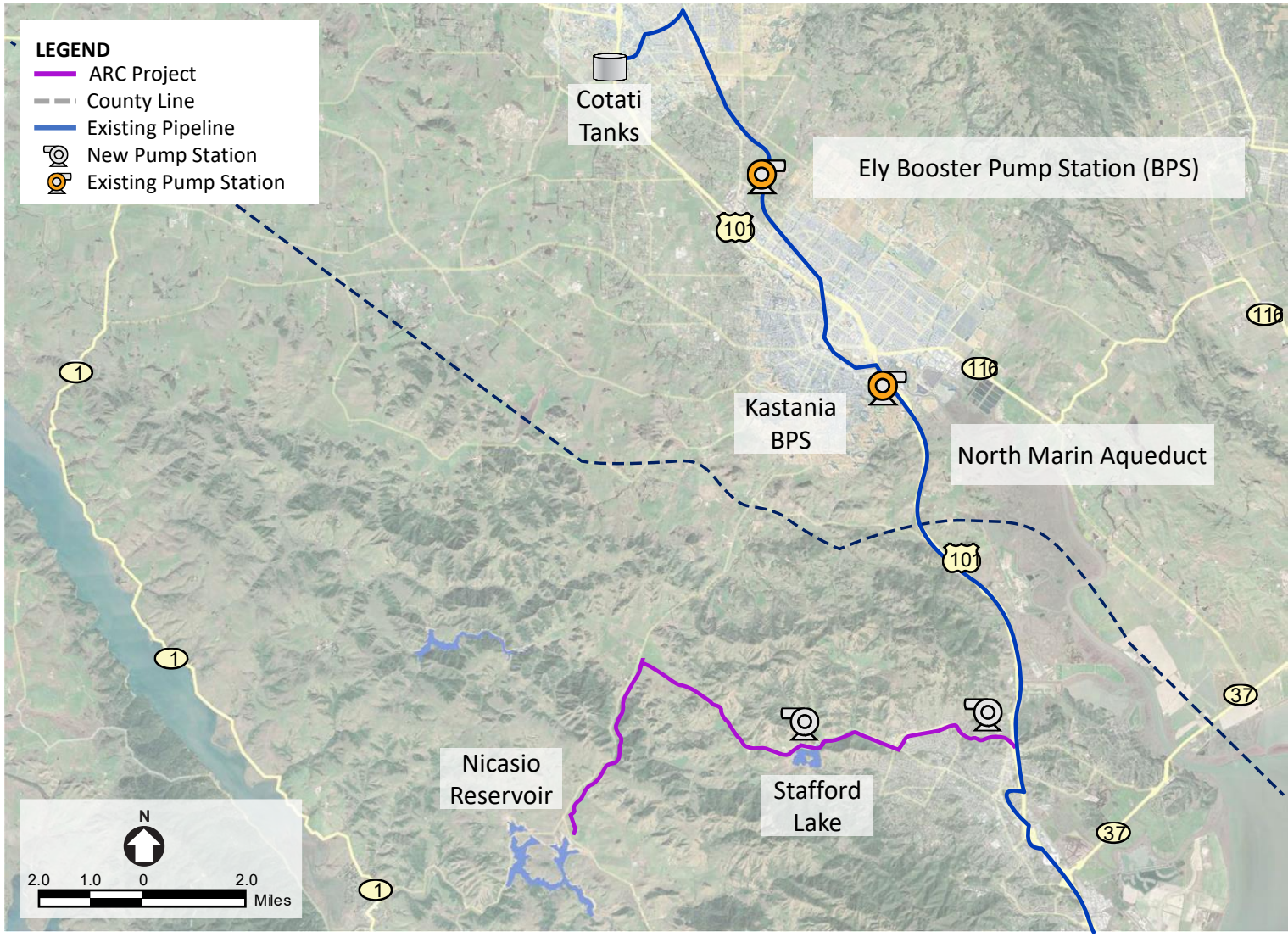
Evaluation Summary of Alternatives

Code	Name	Yield Rating	Cost Rating	Timing Rating	Reliability Rating	Flexibility Rating	Feasibility Rating	Environmental ..	Energy Rating	Permitting/Lega..	Social Rating	Jurisdiction Rat..	Public Acceptan..
DS1A	Marin Regional Desalination Facility- 5 MGD Stand Alone	2	5	4	1	4	2	4	5	5	2	2	3
DS1B	Marin Regional Desalination Facility - 5 MGD Expandable	2	5	4	1	4	2	4	5	5	2	2	3
DS1C	Marin Regional Desalination Facility - 10 MGD Expandable	1	5	4	1	4	2	4	5	5	2	2	3
DS1D	Marin Regional Desalination Facility - 15 MGD	1	5	4	2	4	2	4	5	5	2	2	3
DS2	Containerized Desalination Facility	2	5	3	1	4	3	4	5	5	2	2	3
DS3	Bay Area Regional Desalination Facility	2	5	5	1	4	2	4	4	5	2	3	3
DS4	Petaluma Brackish Groundwater Desalination Facility	2	3	3	3	3	2	3	3	3	2	3	2
LS1A	Soulajule Enlargement	2	3	4	2	4	3	4	1	4	5	4	4
LS1B	Nicasio Enlargement	2	3	4	2	4	3	4	1	4	4	4	4
LS1C	Kent Enlargement	2	3	4	2	4	3	4	1	4	3	4	3
LS2A	Halleck Reservoir	3	5	5	4	5	4	5	1	5	5	5	5
LS2B	Devil's Gulch Reservoir	3	5	5	4	5	4	5	1	5	5	5	5
LS3A	Movable Spillway Gates - Soulajule	5	2	2	2	2	2	2	1	2	2	1	1
LS3B	Movable Spillway Gates - Nicasio	5	2	2	2	2	2	2	1	2	2	1	1
LS3C	Movable Spillway Gates - Kent	5	2	2	2	2	2	2	1	2	2	1	1
LS3D	Movable Spillway Gates - Alpine	5	2	2	2	2	2	2	1	2	2	1	1
LS4	Phoenix Lake - Bon Tempe Lake Connection	5	1	1	1	2	1	2	2	2	2	1	1
LS5	Soulajule Electrification	5	1	1	1	2	1	2	1	2	2	1	1
SM1	Maximize Use of Sonoma Water - Existing Facilities	4	1	1	3	1	1	2	2	1	2	2	1
SM2A	Maximize Use of Sonoma Water - Resolve Bottlenecks	3	3	2	3	1	1	2	2	1	2	2	1
SM2B	Maximize Use of Sonoma Water - Resolve Bottlenecks+South Transmission	3	4	3	2	3	1	3	2	2	2	2	1
SM3A	Maximize Use of Sonoma Water - Dedicated Conveyance Stafford to Nicasio	4	4	2	4	2	1	2	2	2	2	2	2
SM3B	Maximize Use of Sonoma Water - Dedicated Conveyance Kastania to Nicasio	2	4	3	2	3	1	3	3	3	3	3	2
SM3C	Maximize Use of Sonoma Water - Dedicated Conveyance Cotati to Soulajule	2	4	3	2	3	1	3	3	3	3	3	2
SM4	Regional Groundwater Bank	4	2	3	3	3	2	2	2	3	2	3	1
WC01	Temporary Urgency Change Permits (TUCPs)	4	1	1	2	1	1	3	1	3	2	4	2
WC02	Water Shortage Contingency Plan (WSCP) - Stage 1-3	1	2	1	2	1	1	1	1	1	2	1	3
WC1	Water Conservation Program	2	2	1	1	1	1	1	1	1	2	1	1
WC2	Regulatory Driven Program	2	5	2	2	1	1	1	1	1	2	1	3
WP1	EBMUD Intertie	2	4	3	4	4	1	3	3	4	3	5	2
WP2	CCWD Intertie	2	5	4	3	4	1	3	3	4	3	4	2
WP3A	NBA Intertie - MMWD	2	5	4	3	4	1	3	3	4	3	4	2
WP3B	NBA Intertie - Sonoma Aqueduct	2	5	4	3	4	1	3	3	4	3	4	2
WP5	SFPUC Intertie	4	5	4	3	4	1	4	2	4	3	4	3
WR1A	Recycled Water Expansion - Peacock Gap	5	5	3	1	3	1	2	2	2	3	1	1
WR1B	Recycled Water Expansion - San Quentin	5	5	3	1	3	1	2	2	2	3	1	1
WR2	Regional Indirect Potable Reuse (IPR)	1	5	5	1	5	4	4	5	4	3	2	4
WR3A	CMSA Direct Potable Reuse (DPR) - Raw Water Augmentation	2	5	5	2	4	5	4	5	5	4	2	5
WR3B	CMSA Direct Potable Reuse (DPR) - Treated Water Augmentation	2	5	5	2	4	5	4	4	5	4	2	5
WR4	Regional Direct Potable Reuse (DPR)	1	5	5	2	5	5	4	5	5	4	2	5

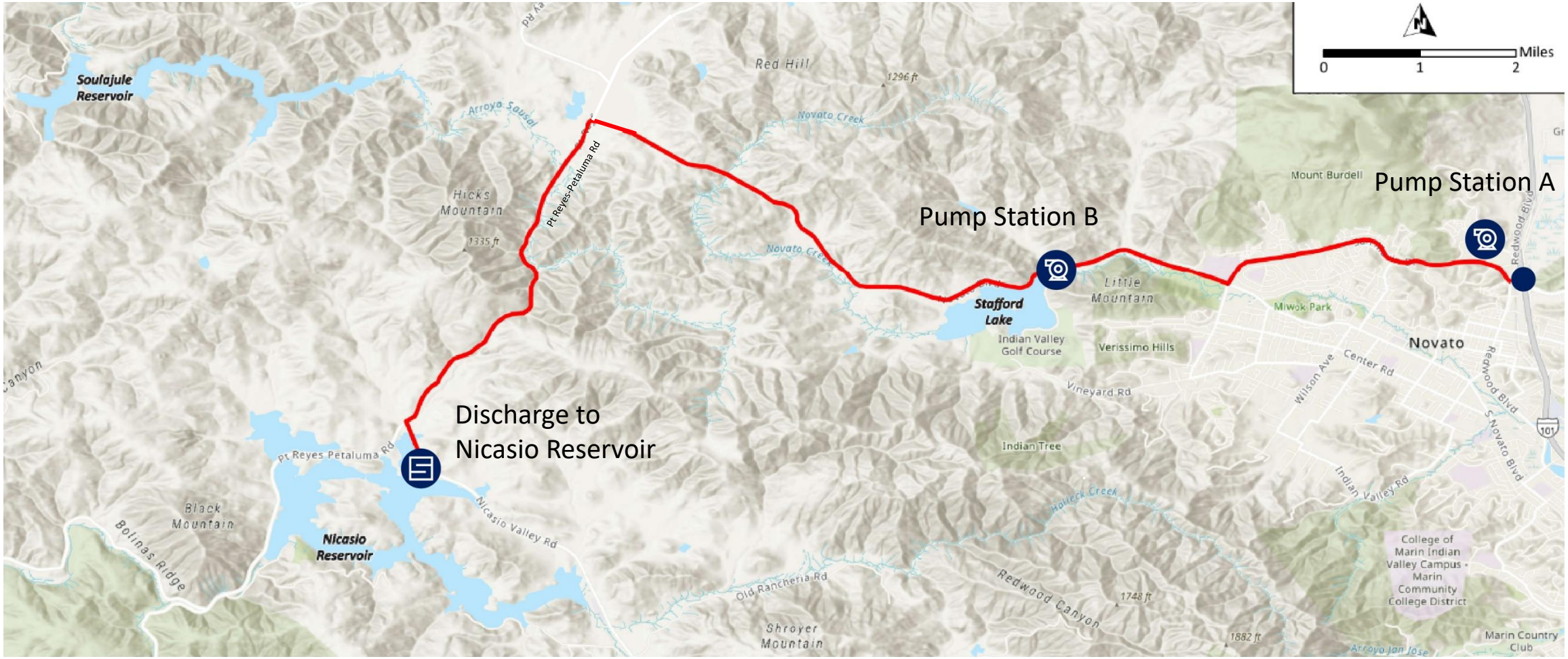
Strategic Water Supply Alternative evaluation analysis

Project Overview: Atmospheric River Capture (ARC) Project

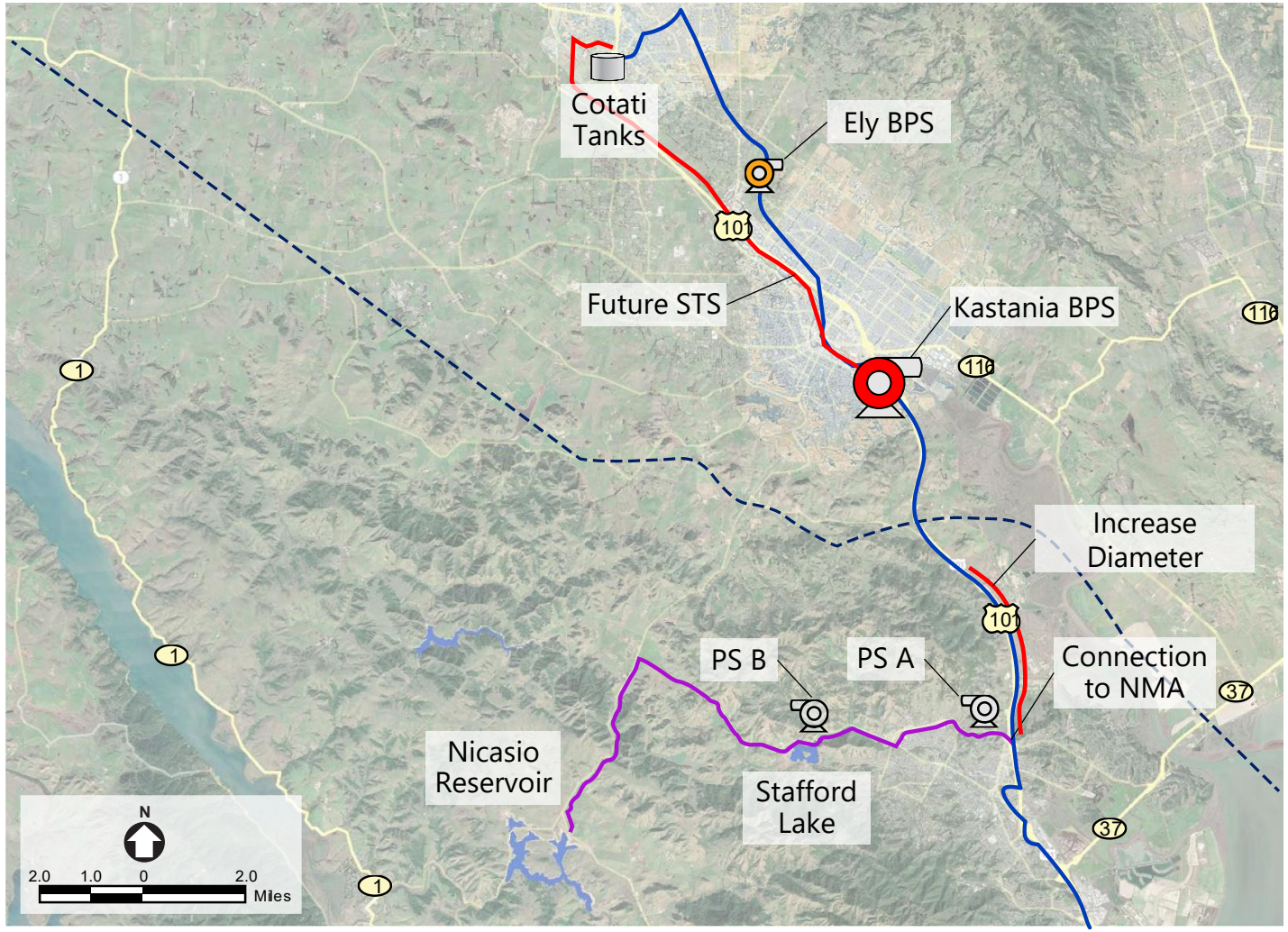
- Capture excess winter flows in Russian River and store for later use, including during drought
- Additional water supply yield ~ 3,800 AFY to 4,800 AFY
- Requires 13.2 miles of pipeline and two pump stations
- Potential future phases to yield up to 9,600 AFY



Project Overview: Preliminary Alignment



Project facilities will consider future expansion

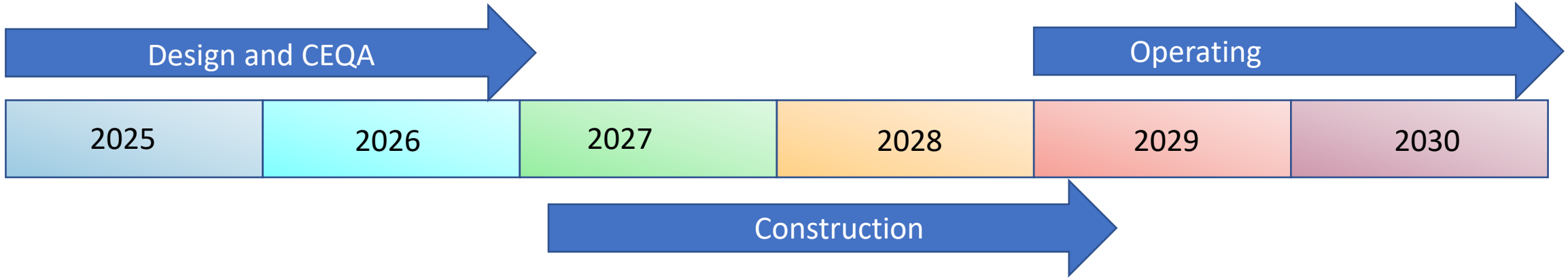


Initial and future design flow (15/30 mgd)

Regional Water Supply Benefits

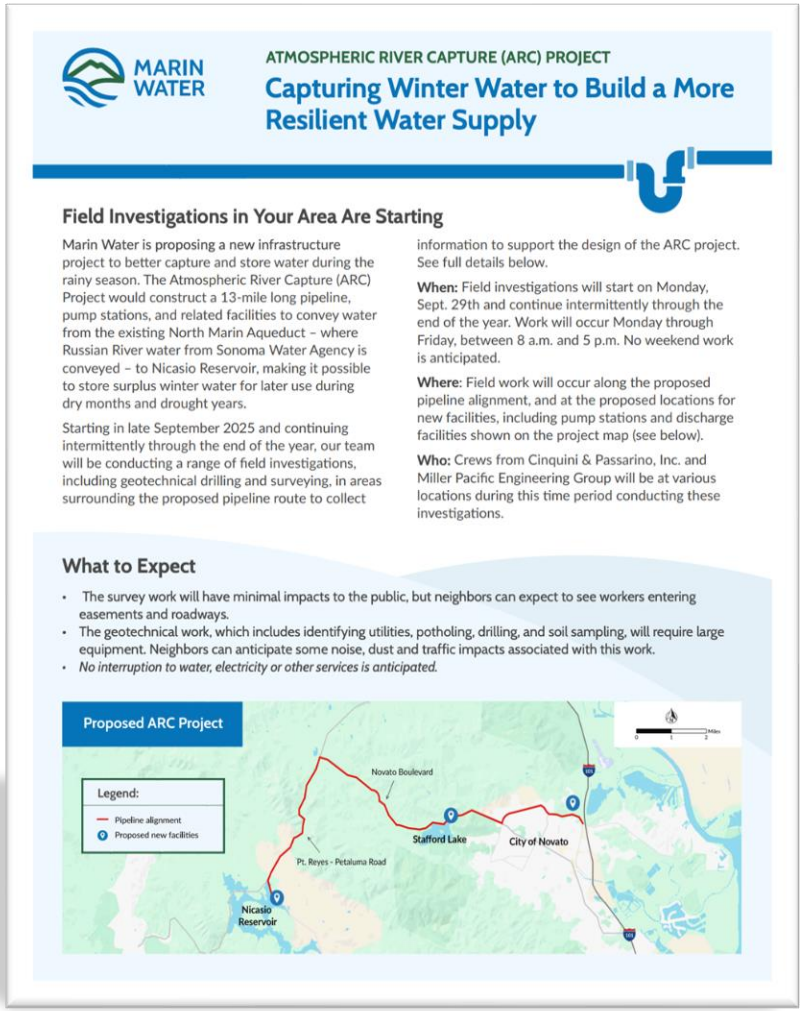
- **Improved Drought Resilience for the Region:** Captures surplus winter water from Russian River watershed, such as during atmospheric river events, and stores it in local reservoirs for use during dry periods
- **Regional Collaboration:** Strengthens regional water supply resiliency by connecting to existing North Marin Aqueduct shared with North Marin Water District, creating opportunities to support mutual aid and supplies during future droughts
- **Potential for banking water:** Future project expansion would potentially allow for banking of water in local reservoirs for regional use

Project Schedule



Community Outreach & Next Steps

- Continue to collaborate and work with key project stakeholders as project progresses, including holding regular multi-agency meetings to provide updates on the project
- Development of outreach materials to nearby community to inform early of project and potential construction impacts



MARIN WATER

ATMOSPHERIC RIVER CAPTURE (ARC) PROJECT

Capturing Winter Water to Build a More Resilient Water Supply

Field Investigations in Your Area Are Starting

Marin Water is proposing a new infrastructure project to better capture and store water during the rainy season. The Atmospheric River Capture (ARC) Project would construct a 13-mile long pipeline, pump stations, and related facilities to convey water from the existing North Marin Aqueduct – where Russian River water from Sonoma Water Agency is conveyed – to Nicasio Reservoir, making it possible to store surplus winter water for later use during dry months and drought years.

Starting in late September 2025 and continuing intermittently through the end of the year, our team will be conducting a range of field investigations, including geotechnical drilling and surveying, in areas surrounding the proposed pipeline route to collect information to support the design of the ARC project. See full details below.

When: Field investigations will start on Monday, Sept. 29th and continue intermittently through the end of the year. Work will occur Monday through Friday, between 8 a.m. and 5 p.m. No weekend work is anticipated.

Where: Field work will occur along the proposed pipeline alignment, and at the proposed locations for new facilities, including pump stations and discharge facilities shown on the project map (see below).

Who: Crews from Cinquini & Passarino, Inc. and Miller Pacific Engineering Group will be at various locations during this time period conducting these investigations.

What to Expect

- The survey work will have minimal impacts to the public, but neighbors can expect to see workers entering easements and roadways.
- The geotechnical work, which includes identifying utilities, potholing, drilling, and soil sampling, will require large equipment. Neighbors can anticipate some noise, dust and traffic impacts associated with this work.
- *No interruption to water, electricity or other services is anticipated.*

MARIN WATER

ATMOSPHERIC RIVER CAPTURE (ARC) PROJECT

Capturing Winter Water to Build a More Resilient Water Supply

Field Investigations in Your Area Are Starting

Marin Water will soon begin field investigations to help support the preliminary design of the proposed Atmospheric River Capture (ARC) Project – a water infrastructure effort to capture and store water during the rainy season to improve drought resilience.

The ARC Project would construct a 13-mile long pipeline, pump stations, and related facilities to convey water from the existing North Marin Aqueduct – where Russian River water from Sonoma County Water Agency is conveyed – to Nicasio Reservoir, making it possible to store surplus winter water for later use during dry months and drought years.

A range of field investigations will be conducted, including geotechnical drilling and surveying, in areas surrounding the proposed pipeline route to collect information for the project's design.

When: Starting Monday, Sept. 29 and continuing intermittently through the end of the year. Work will occur Monday through Friday, between 7 a.m. and 6 p.m.

Where: Along the proposed pipeline alignment and at the proposed locations for new facilities, including pump stations and discharge facilities shown on the project map (see below).

Who: Crews from Cinquini & Passarino, Inc. and Miller Pacific Engineering Group will be at various locations conducting these investigations.

What to Expect

- The survey work will have minimal impacts to the public, but neighbors can expect to see workers entering easements and roadways.
- Most survey work will be limited to the public right-of-way and designated areas, but in some cases, access will be needed to private parcels. Advanced notification to owners will be provided.
- The geotechnical work, which includes identifying utilities, potholing, drilling, and soil sampling, will require large equipment. Neighbors can anticipate some noise, dust and traffic impacts associated with this work. No interruption to water, electricity or other services is anticipated.

We appreciate your patience as we complete these important field investigations to support the design for this proposed project.

For questions or concerns, please email:
ARCproject@marinwater.org

Scan the QR code to visit the project web page or go to marinwater.org/ARCproject

Project Overview

Even in dry years, atmospheric river storms can bring intense rainfall to Northern California, temporarily swelling the Russian River with more water than is required for environmental flows.

Much of this surplus currently flows out to the ocean. Unlike Marin's smaller 33-square-mile watershed, the Russian River's 1,500-square-mile basin has historically generated reliable winter runoff even during droughts – drawing from seasonal rainfall, not stored supplies.

Marin's reservoirs don't always fill in winter, especially in dry years. The ARC Project would add a dedicated connection and pumping system to transport the excess winter water from the North Marin Aqueduct to Nicasio Reservoir. This would allow for the storage and capture of seasonal surpluses for later use during dry months.

Benefits

- Improved Drought Resilience – Captures surplus winter water, such as during atmospheric river events, and stores it in local reservoirs for use during extended dry periods.
- Regional Collaboration – Strengthens regional water resiliency by connecting to existing infrastructure shared with neighboring agencies, creating opportunities to support mutual aid and coordinated planning of access to shared water sources during future droughts.

This map shows the proposed route of a new pipeline in brown that would bring winter water from the Russian River to Marin Water storage facilities.

Next Steps

The preliminary design for the project will continue over the next year. As required under the California Environmental Quality Act (CEQA), Marin Water will conduct a full Environmental Impact Report (EIR) for the proposed project. This process will evaluate potential impacts on wildlife, waterways, air quality, traffic and other factors. It will also include opportunities for public input. To subscribe for project updates, visit the project web page.

State Water Resources Control Board

NOTICE OF PREPARATION AND SCOPING MEETINGS FOR AN ENVIRONMENTAL IMPACT REPORT FOR THE POTTER VALLEY HYDROELECTRIC PROJECT SURRENDER AND DECOMMISSIONING FEDERAL ENERGY REGULATORY COMMISSION PROJECT NO. 77

To: Responsible and Trustee Agencies, Interested Parties, California Native American Tribes, and Governor's Office of Land Use and Climate Innovation

Notice is hereby given that pursuant to the California Environmental Quality Act (CEQA)[1], the State Water Resources Control Board (State Water Board) plans to prepare an environmental impact report (EIR) for the Potter Valley Hydroelectric Project Surrender and Decommissioning (Proposed Project).

Applicant: Pacific Gas and Electric Company (PG&E)

Project Name: Potter Valley Hydroelectric Project Surrender and Decommissioning

Project Location: The Proposed Project is located on the Eel River and East Branch Russian River in Mendocino and Lake counties, California. The nearest city is Ukiah, approximately 15 miles southwest of the Potter Valley Powerhouse.

Overview

PG&E owns and operates the Potter Valley Hydroelectric Project (Hydroelectric Project), which is licensed by the Federal Energy Regulatory Commission (FERC). PG&E proposes to decommission the Hydroelectric Project and surrender its FERC license. The Proposed Project broadly involves the removal of Hydroelectric Project facilities (including Scott Dam and Cape Horn Dam), the removal of the Hydroelectric Project from FERC jurisdiction (i.e., surrender of the FERC license), and the cessation of Hydroelectric Project operations and maintenance. As part of the Proposed Project, Hydroelectric Project water diversions from the Eel River to the East Branch Russian River will cease.

The Eel-Russian Project Authority[2] has proposed the concurrent construction of the New Eel-Russian Facility (NERF) using portions of the Hydroelectric Project's existing facilities. Following its construction, the NERF will divert water from the Eel River

[1] Pub. Res. Code, § 21000 et seq.

[2] The Eel-Russian Project Authority is a joint powers authority formed by a joint exercise of powers agreement between the County of Sonoma, Sonoma County Water Agency, and the Mendocino County Inland Water and Power Commission.

through portions of the Hydroelectric Project's existing water diversion system to the East Branch Russian River. As part of the Proposed Project PG&E requests that FERC include a condition in the Surrender Order to remove all lands and Hydroelectric Project works necessary for the NERF from the Hydroelectric Project boundary and FERC jurisdiction immediately after: (1) PG&E's decommissioning work at Cape Horn Dam and other Hydroelectric Project works necessary for the NERF is complete; (2) the NERF has been constructed; and (3) a completion report is filed with FERC on these actions.

The State Water Board is <u>not</u> the CEQA lead agency for the new NERF facility. The construction, operation, and maintenance of the NERF facility will be analyzed separately by the Eel-Russian Project Authority. The State Water Board is soliciting comments related only to activities associated with the Proposed Project (i.e., the decommissioning and surrender of the Hydroelectric Project, as described further below).

The State Water Board is seeking comments from trustee agencies, responsible agencies, Tribes, and interested persons concerning the scope and content of the environmental information to be included in the EIR. Please send comments to Wilhelmina Chon, Hydroelectric Project Manager, at the address shown in the *Submittal of Written Comments* section below.

<u>Description of the Existing Potter Valley Hydroelectric Project</u>

The Hydroelectric Project includes Scott Dam, Lake Pillsbury Reservoir, Cape Horn Dam, Van Arsdale Reservoir, water diversion facilities, the Potter Valley Powerhouse, recreation facilities at Lake Pillsbury Reservoir and Van Arsdale Reservoir, power lines and communication lines, access roads and trails, and gages. Each of these elements are generally illustrated in Figures 1-4 and summarized below:

- <u>Scott Dam</u>: Scott Dam is a 130-foot-tall concrete gravity dam located on the Eel River approximately 168.5 river miles upstream of the Pacific Ocean. The dam has five radial gates and 26 steel slide gates. Scott Dam has a low-level outlet capable of releasing 400 cubic feet per second (cfs).
- <u>Lake Pillsbury Reservoir</u>: Lake Pillsbury Reservoir is formed by Scott Dam and has an estimated gross storage capacity of 59,871 acre-feet (ac-ft) with a maximum surface area of 2,275 acres, when the spillway gates are closed (53,248 ac-ft when the spillway gates are open).
- <u>Cape Horn Dam</u>: Cape Horn Dam is a 63-foot-tall earth-fill and concrete gravity dam located on the Eel River approximately 156.7 miles upstream of the Pacific Ocean. The dam has an uncontrolled overflow spillway and east and west release gates at the center of the dam. Additionally, Cape Horn Dam has fish passage facilities, that include support buildings, a pool-and-weir fish ladder with a 10-12 cfs capacity, and a corrugated pipe along the ladder that provides alternative passage for pacific lamprey. Ladder attraction flows of approximately 100 cfs are provided by a weir across the Eel River below Cape Horn Dam.
- <u>Van Arsdale Reservoir</u>: Van Arsdale Reservoir is formed by Cape Horn Dam and has an estimated storage capacity of 390 ac-ft.

- Water Diversion Facilities: Water diversion facilities include: (1) an intake structure with two fish screens[3] located approximately 400 feet upstream of Cape Horn Dam at Van Arsdale Reservoir, capable of diverting 320 cfs; (2) Tunnel No. 1 (5,826-feet-long), Conduit No.1 (457-feet-long), Tunnel No. 2 (807-feet-long), and Conduit No. 2 (367-feet-long), totaling 7,457 feet, that convey water from Van Arsdale Reservoir to two approximately 1,800-foot-long penstocks that flows into Potter Valley Powerhouse.
- Potter Valley Powerhouse: Potter Valley Powerhouse and associated facilities include three generating units with a combined capacity of 9.2 megawatts and a switchyard. After passing through the powerhouse, water is either immediately diverted to Potter Valley Irrigation District canals or discharged to the East Branch Russian River.
- Power Lines and Communication Lines: There are six lines that provide communication and power to the Hydroelectric Project's valve houses, slide gates, ancillary facilities, and to the Van Arsdale fish passage support buildings.
- Lake Pillsbury Reservoir and Van Arsdale Reservoir Recreation Facilities: Recreation facilities include six campgrounds (Fuller Grove Campground; Navy Campground; Oak Flat Campground; Pogie Point Campground; Sunset Point Campground; and Trout Creek Campground); two group campgrounds (Fuller Grove Group Campground and Trout Creek Group Campground) and five day use facilities (Eel River Visitor Information Kiosk; Fuller Grove Day Use Area and Boat Launch; Pillsbury Pines Day Use Area and Boat Launch; Pogie Point Day Use Area; and Lake Pillsbury Low Level Boat Launch). There are 13 recreation facility access roads.
- Access Roads and Trails: There are nine access roads and trails, totaling approximately 10,015 feet, used exclusively for routine operation and maintenance of the Hydroelectric Project.
- Gages: There are five existing gages associated with the Hydroelectric Project: (1) PG&E Gage No. E-1 located at Lake Pillsbury Reservoir; (2) PG&E Gage No. E-2 located in the Eel River downstream of Scott Dam; (3) PG&E Gage No. E-11 located in the Eel River downstream of Cape Horn Dam; (4) PG&E Gage No. E-16 located at the Potter Valley Powerhouse Intake; and (5) PG&E Gage Nos. E-5 and E-6 located at the Potter Valley Irrigation District Canal gates downstream of the Potter Valley Powerhouse.

In general, water stored in Lake Pillsbury Reservoir on the Eel River is released at Scott Dam, from which it flows downstream and is impounded in Van Arsdale Reservoir. Water is then: (1) released downstream of Cape Horn Dam to meet minimum instream flow requirements in the Eel River, or (2) diverted to the Potter Valley Powerhouse for hydropower generation,[4] contract deliveries to Potter Valley Irrigation District, and to meet minimum instream flow requirements in the East Branch Russian River. The

[3] The fish screens were designed to pass 480 cfs but have been derated by 50 percent (240 cfs) due to mechanical limitations. The diversion structure as built is capable of diverting up to 320 cfs.

[4] PG&E has not generated power at the Potter Valley Powerhouse since July 2021 due to a transformer that did not meet operating standards.

Potter Valley Powerhouse[5] makes releases into the East Branch Russian River, which then flows approximately 11 miles into Lake Mendocino.[6]

Proposed Project Description

The Proposed Project is to surrender and decommission the Hydroelectric Project. The Proposed Project involves:

- Decommissioning and removal of Scott Dam and associated facilities and features.
- Decommissioning and removal of Cape Horn Dam and associated facilities and features, except for those needed for the Eel-Russian Project Authority's New Eel-Russian Facility or NERF (i.e., water diversion facilities, including the penstocks, Potter Valley Powerhouse, and associated facilities).
- Restoration of the remnant inundation zones of Lake Pillsbury Reservoir and Van Arsdale Reservoir, including adjacent riparian habitat, wetlands, and upland areas affected by decommissioning.
- Removal and restoration of certain recreational facilities (e.g., campgrounds, day-use facilities, a kiosk, and boat ramps) located on United States Forest Service and PG&E lands.
- Decommissioning, removal, or abandonment-in-place of the remaining Hydroelectric Project facilities, and other features.
- Implementation of PG&E's proposed construction plans, avoidance and protection measures, and best management practices (BMPs) to address and reduce potential effects to environmental and cultural resources during and following decommissioning of the Hydroelectric Project. To date, these plans and measures have not been fully developed, but have been identified as:
    - Construction Management Plan (including Restoration)
        - *General Construction Measures and BMPs*
        - *Water Quality and Erosion Control BMPs and Measures*
        - *General Wildlife Protection and Botanical Construction Measures*
        - *Osprey Construction Measures*
        - *American Peregrine Falcon Construction Measures*
        - *Other Raptors Construction Measures*
        - *Other Special-status Birds and Game Birds Construction Measures*
        - *Special-status Bats Construction Measures*
        - *Special-status Mesocarnivore Construction Measures*
        - *Monarch Butterfly Construction Measures*
        - *Special-status Plant Construction Measures*
        - *Invasive Weed Construction Measures*
        - *Riparian and Wetland Protection Measures*
        - *Construction Erosion Prevention Plan*
        - *Hazardous Materials Measures*
        - *Construction Fire Plan*
        - *Land Use Measures*

[5] While the Hydroelectric Project has not generated electricity since 2021, water continues to be discharged into the East Branch Russian River.

[6] Lake Mendocino is operated and managed by the United States Army Corps of Engineers for the purposes of flood control and water supply and serves as the limit of anadromy in the Russian River. Lake Mendocino is not part of the Hydroelectric Project.

        - *Sediment Disposal Plan*
        - *Construction Recreation Plan*
    - Construction Site Water Diversion, Dewatering, and Drawdown Plan
    - East Branch Russian River Diversion Plan
    - Public Safety Measures
    - Water Quality and Water Temperature Monitoring Plan
    - Aquatic Resource Management Plan
        - *Construction Non-native Invasive Aquatic Species Management Plan*
        - *Aquatic Species Management and Monitoring Plan*
        - *Estuary Protection Plan*
    - Sediment/Channel Monitoring and Response Plan
        - *Tributary-Mainstem Connectivity Plan*
        - *Mainstem Fish Passage Plan*
        - *Infrastructure Monitoring (bridges, diversions)*
        - *Floodplain Sediment Deposition Plan*
    - Flood Monitoring Plan
    - Terrestrial Wildlife Management Plan
        - *Wildlife Stranding Measures*
        - *Tule Elk and Game Mammals Measures*
    - Bald Eagle Conservation Plan
    - Northern Spotted Owl Measures
    - Scott Dam Slope Stability Monitoring Plan
    - Memorandum of Understanding for Known Historic Properties and a Historic Properties Management Plan that will be developed in consultation with Native American Tribal entities and consider tribal cultural properties.

PG&E filed an application with FERC for Non-Project Use of Project Lands. FERC's approval of the Non-Project Use of Project Lands would authorize PG&E to allow the Eel-Russian Project Authority to modify existing Hydroelectric Project works and begin construction of the Eel-Russian Project Authority's New Eel-Russian Facility or NERF while the Hydroelectric Project remains under FERC jurisdiction. The Proposed Project does not include construction of new facilities necessary for the NERF or the operation of the NERF by the Eel-Russian Project Authority. The Eel-Russian Project Authority will evaluate the potential environmental impacts of construction, operation, and maintenance of the NERF in a separate CEQA document. The State Water Board's EIR will evaluate the potential cumulative impacts of the Proposed Project (i.e., surrender and decommissioning of the Hydroelectric Project) together with construction and operation of the NERF.

Scoping Meetings

The State Water Board will hold scoping meetings to provide information about the Proposed Project, the CEQA process, and to receive written or oral comments from trustee agencies, responsible agencies, Tribes, and other interested persons concerning the range of alternatives, potential significant effects, and mitigation measures that should be analyzed in the EIR. The time allotted for each individual or organization to provide oral comments may be limited if the number of people in attendance so requires. Scoping meetings will conclude after all interested persons have provided their comments. The scoping meetings will be recorded and documented by transcript.

The scoping meetings will be held in-person and/or virtually as follows:

Wednesday, October 15, 2025 (In-person Only)
11:30 a.m. to 1:30 p.m.
Ukiah Valley Conference Center, Cabernet 1 and 2 Rooms
200 South School Street
Ukiah, CA 95842

Wednesday, October 15, 2025 (In-person Only)
5:30 to 7:30 p.m.
North Coast Regional Water Quality Control Board Office
DCJ Hearing Room
5550 Skylane Boulardvd, Suite A
Santa Rosa, CA 95403

Friday, October 17, 2025 (In-person and Virtual)
12:30 to 2:30 p.m.
CalEPA Building, Byron Sher Auditorium
1001 I Street, 2nd Floor
Sacramento, CA 95814
and
Via Zoom:
https://waterboards.zoom.us/j/86984608826
Call in number: +1 669 444 9171 US
Meeting ID: 869 8460 8826

It is possible that one or more State Water Board members will attend one or more of the scoping meetings. A quorum of the State Water Board may be present at the scoping meetings. However, no State Water Board action will be taken.

If you have questions related to these meetings or would like to make a request for reasonable accommodations for a disability, please contact Wilhelmina Chon, Hydroelectric Project Manager, by email to: Wilhelmina.Chon@waterboards.ca.gov or phone call to: (916) 319-0745.

Submittal of Written Comments
The State Water Board is seeking comments from trustee agencies, responsible agencies, Tribes, and interested persons concerning the scope and content of the environmental information to be included in the EIR. Please provide the name and contact information for a person that may be contacted if there are questions about the comment(s). **The comment deadline is 4:00 pm on Monday, November 3, 2025. Please title your comments as "Potter Valley NOP Comments"** and send them to Wilhelmina Chon, Hydroelectric Project Manager, by:

Email (preferred) to:
Wr401program@waterboards.ca.gov

or

Mail to:
Wilhelmina Chon
State Water Resources Control Board
Division of Water Rights – Water Quality Certification Program
P.O. Box 2000
Sacramento, CA 95812-2000

Additional information regarding the Proposed Project is available on the State Water Board's Potter Valley Hydroelectric Project webpage[7].

State Water Board's Water Quality Certification

Section 401 of the Clean Water Act (33 U.S.C. § 1341) requires every applicant for a federal license or permit for an activity that may result in a discharge into navigable waters to provide the federal licensing or permitting agency with certification that the activity will comply with state water quality standards and other appropriate requirements of state law. Section 401 provides that conditions of certification shall become conditions of any federal license or permit for the project. The State Water Board is the agency in California that is responsible for issuing Section 401 certifications for hydroelectric facilities licensed by FERC. (Wat. Code, § 13160; Cal. Code Regs., tit. 23, § 3855, subd. (b).)

When the State Water Board considers issuing a water quality certification for a project, it evaluates whether the project will comply with applicable water quality standards and other appropriate requirements of state law and determines conditions necessary to protect water quality. In California, water quality standards are established in regional water quality control plans and state water quality control plans or policies. Water quality control plans designate the beneficial uses of waters to be protected and establish the water quality objectives necessary to protect those uses, as required under section 303 of the Clean Water Act (33 U.S.C. § 1313) and sections 13240 and 13241 of the California Water Code.

Here, the State Water Board may issue a certification if it determines that the Proposed Project will comply with specified provisions of the Clean Water Act, including water quality standards and implementation plans, and other appropriate requirements of state law. The State Water Board must determine whether the Proposed Project adequately protects the beneficial uses and meets the water quality objectives for waterbodies in the Proposed Project area. Pertinent beneficial uses and water quality objectives are listed in the North Coast Regional Water Quality Control Board's *Water Quality Control Plan for the North Coast Region* (Basin Plan). Additional information concerning the Basin Plan and designated beneficial uses are available at the North Coast Regional Water Quality Control Board's Basin Planning webpage.[8]

[7] https://www.waterboards.ca.gov/waterrights/water_issues/programs/water_quality_cert/potter_valley_ferc77.html
[8] https://www.waterboards.ca.gov/northcoast/water_issues/programs/basin_plan/basin_plan_documents/

CEQA Information

Issuance of a water quality certification is a "discretionary action" requiring compliance with CEQA. The State Water Board, as lead agency under CEQA, plans to prepare a draft EIR for the Proposed Project.

Environmental Factors Potentially Affected

The EIR will evaluate potentially significant impacts of the Proposed Project in a wide range of resource areas. The State Water Board has identified the following list of probable environmental effects of the Proposed Project.

- Aesthetics
  - The Proposed Project has the potential to temporarily or permanently adversely affect a scenic vista or damage a scenic resource.
  - The Proposed Project has the potential to create a new source of lighting or glare which could affect day or nighttime views.
- Air Quality
  - The Proposed Project has the potential to temporarily affect air quality by increasing greenhouse gas emissions, dust, and criteria pollutant levels caused by the operation of off-road construction equipment, on-road vehicles, and helicopter use.
- Biological Resources
  - The Proposed Project has the potential to affect, either directly or through habitat modifications, species identified as threatened, endangered, candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife, National Marine Fisheries Service, or the United States Fish and Wildlife Service.
  - The Proposed Project has the potential to affect the movement of native resident or migratory fish or wildlife species or impede the use of native wildlife nursery sites.
- Cultural Resources
  - The Proposed Project has the potential to cause a substantial adverse change in the significance of historical resources and archaeological resources.
  - The Proposed Project has the potential to disturb human remains, including those interred outside of dedicated cemeteries.
- Geology and Soils
  - The Proposed Project has the potential to cause soil erosion or activate landslides from ground disturbance activities, soil contamination from accidental spill of fuels or other hazardous substances, and slope instability resulting in increased sediment to the Eel River.
- Greenhouse Gases
  - The Proposed Project has the potential to generate greenhouse gas emissions, either directly or indirectly, which may have an adverse effect on the environment.

- Hydrology and Water Quality
  - The Proposed Project has the potential to temporarily violate water quality standards or waste discharge requirements and degrade surface water quality.
  - The Proposed Project has the potential to expose people or structures to a significant risk of loss, injury, or death due to altered hydrology and peak runoff off changes.
  - The Proposed Project has the potential to temporarily adversely impact downstream drinking water supplies due to elevated sediment concentrations.
  - The Proposed Project has the potential to temporarily and permanently alter the distribution of state and federally protected wetlands.
  - The Proposed Project has the potential to temporarily reduce groundwater recharge and deplete surface water and groundwater supplies in the Upper Eel River and East Branch Russian River watersheds.
- Land Use
  - The Proposed Project has the potential to impact land use and potentially result in the conversion of forest or farmland to other uses through exposure of the reservoir bed, restoration activities, dam removal activities (including roads, staging areas, recreational facilities, and debris disposal).
- Noise and Vibration
  - The Proposed Project has the potential to affect sensitive areas with brief and unavoidable adverse noise and vibration effects associated with construction.
- Recreation
  - The Proposed Project has the potential to result in the permanent closure and decommissioning of recreational facilities or the construction or expansion of recreational facilities that may have an adverse physical effect on the environment.
  - The Proposed Project has the potential to impact the safety and availability of contact recreation and non-contact recreation.
- Population and Housing
  - Employment for the Proposed Project has the potential to result in new jobs, including potential temporary increase in population and housing needs for any non-local employees.
- Transportation/Traffic
  - The Proposed Project has the potential to adversely affect traffic and emergency access as a result of road improvements and transportation of materials and workers to and from the work areas (e.g., by helicopter and truck).
  - The Proposed Project has the potential to increase traffic hazards due to design features.
- Tribal Cultural Resources
  - The Proposed Project has the potential to affect tribal cultural resources including the physical destruction or damage of all or part of the resource's significant features, alteration of property, and effects on

known and unknown tribal cultural resources due to impacts associated with construction and restoration activities as well as through sediment transport and changes in flows.

- Utilities/Public Services
  - The Proposed Project has the potential to disturb and expose communication lines and cables in the Lake Pillsbury Reservoir area, which could disrupt communications.
- Wildfire
  - The Proposed Project has the potential to increase wildfire risk, both directly through use of equipment for dam removal, demolition, and other Proposed Project activities, and indirectly by eliminating waterbodies that are created by the Hydroelectric Project (e.g., Lake Pillsbury Reservoir) as a potential water supplies for firefighting.

Federal Energy Regulatory Commission Process

FERC is the federal agency that regulates the construction, operation, and decommissioning of most non-federal hydroelectric dams in the United States. On July 25, 2025, PG&E filed with FERC a final license surrender application and an application for Non-Project Use of Project Lands. Any conditions included in a State Water Board-issued water quality certification for the Proposed Project will become conditions of any new FERC license surrender order issued for the decommissioning of the Hydroelectric Project.

KEEP INFORMED OF PROPOSED PROJECT MILESTONES

To receive emails related to the Potter Valley Hydroelectric Project Surrender and Decommissioning and other projects pursuing certifications managed by the Division of Water Rights, interested persons should enroll in the "Water Rights Water Quality Certification" e-mail notification service. Instructions on how to sign up for the State Water Board's Email Subscription List are outlined below:

1. Visit the Board's Email Subscription List webpage.[9]
2. Provide your email in the required fields, then click the "Submit" button.
3. On the next page, below Subscription Topics, select "Water Rights," then "Water Rights Water Quality Certification".
4. Click the "Submit" button.
5. An email will be sent to you. You must respond to the email message to confirm your membership on the selected topic(s).

By enrolling in this email list, you will receive notices for other current projects in the Division of Water Rights' Water Quality Certification Program, including the Potter Valley Hydroelectric Project Surrender and Decommissioning. You can enroll or un-enroll from the email notification service at any time. If you do not have internet access or do not wish to participate in the email notification list, you may contact Wilhelmina Chon by phone call to: (916) 319-0745 to request to receive notices by mail.

[9] http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.shtml#rights

Questions and Additional Information

If you have questions regarding this notice the best means of contact is by email. General questions regarding the water quality certification and CEQA processes for the Proposed Project should be directed to Wilhelmina Chon, Project Manager, by email to: Wilhelmina.Chon@waterboards.ca.gov, or by phone call to: (916) 319-0745.

Sincerely,

Parker Thaler

September 22, 2025

Parker Thaler
Water Quality Certification Program Manager
Division of Water Rights

Date

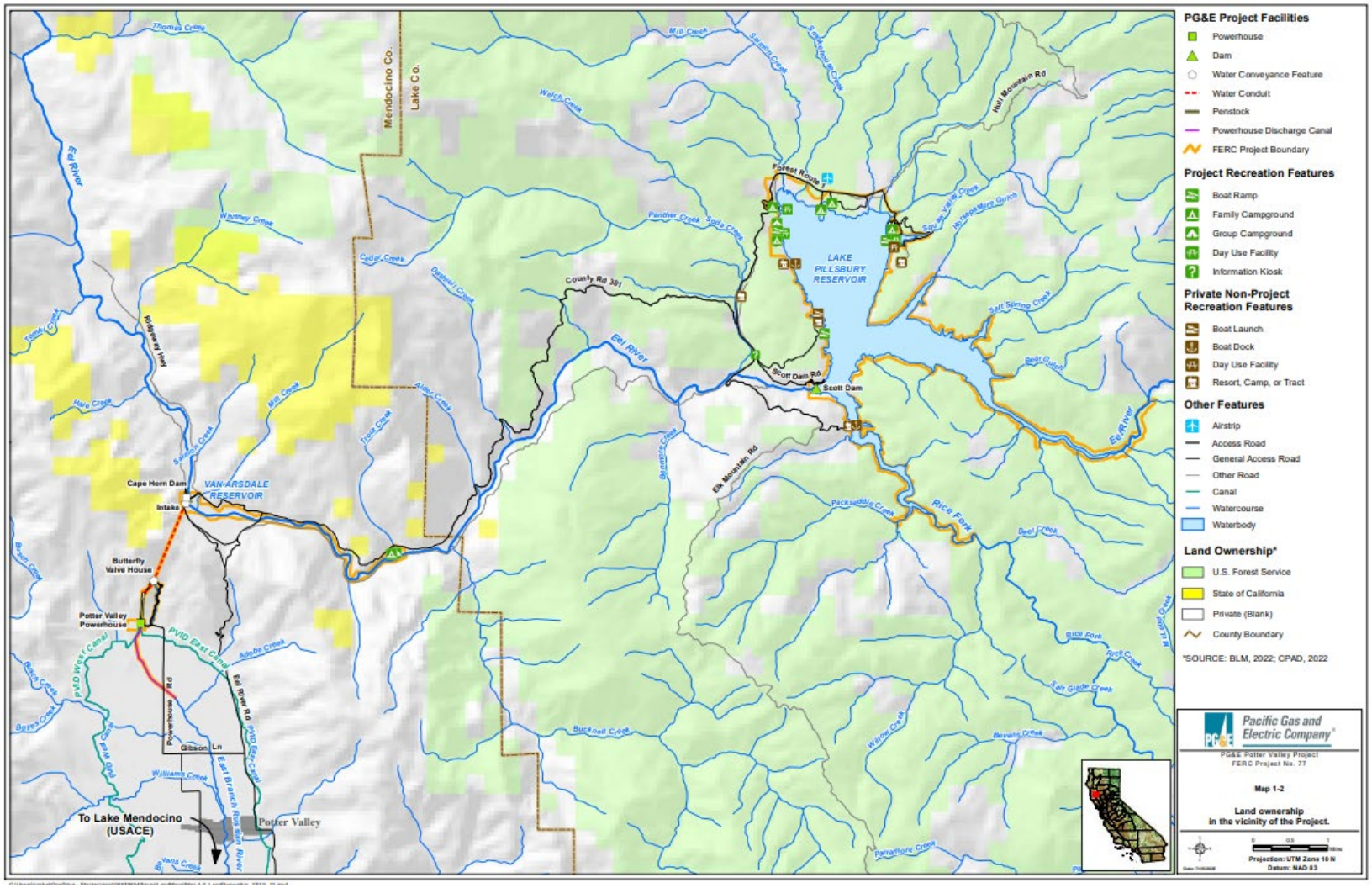


Figure 1. Potter Valley Hydroelectric Project Vicinity Map[10]

[10] Source: PG&E's July 2025 Final Application for Surrender of License and Application for Non-Project Use of Project Lands

Figure 2. Potter Valley Hydroelectric Scott Dam Area[11]

[11] Source: PG&E's July 2025 Final Application for Surrender of License and Application for Non-Project Use of Project Lands

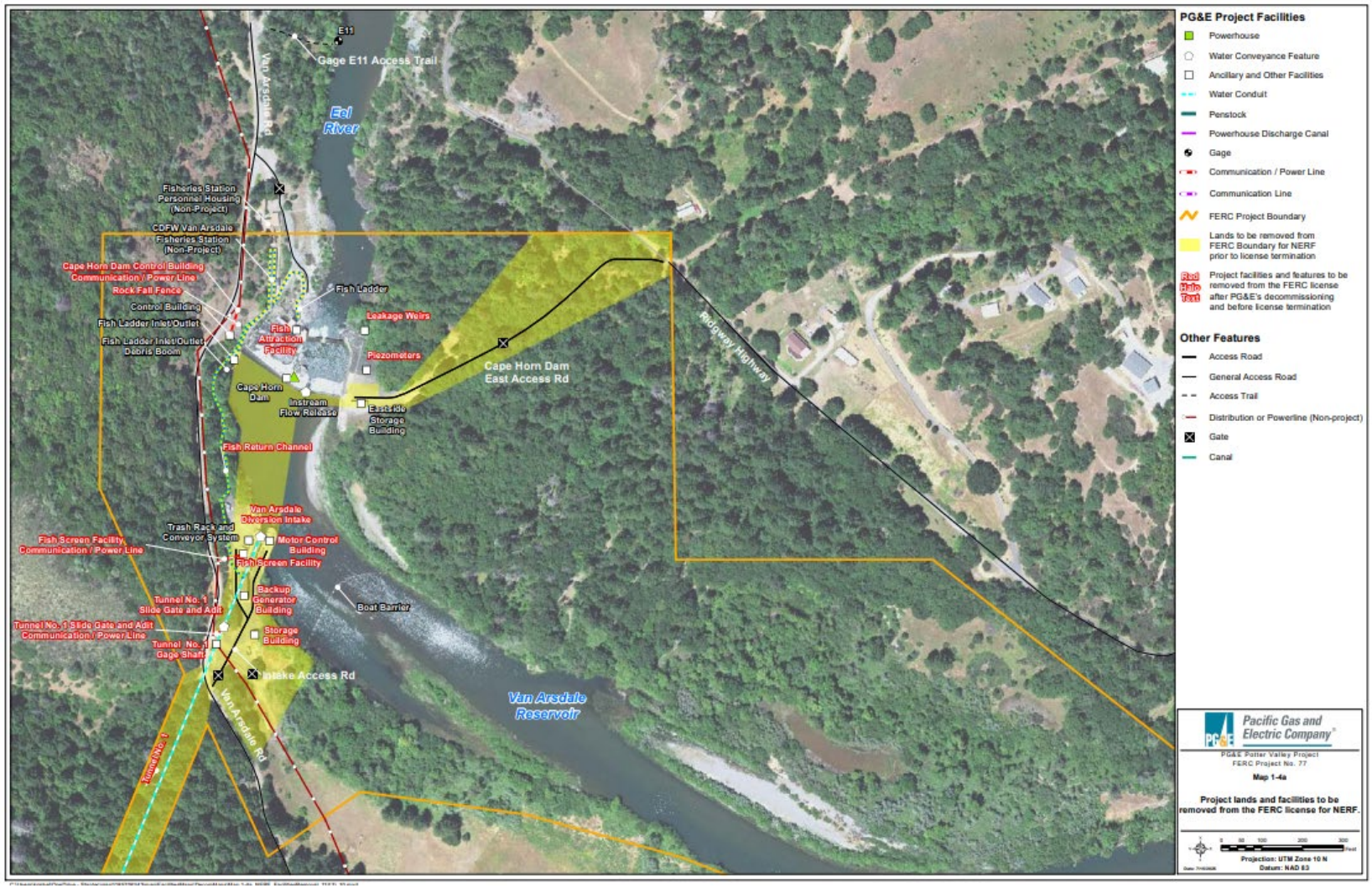


Figure 3. Potter Valley Hydroelectric Cape Horn Dam Area[12]

[12] Source: PG&E's July 2025 Final Application for Surrender of License and Application for Non-Project Use of Project Lands

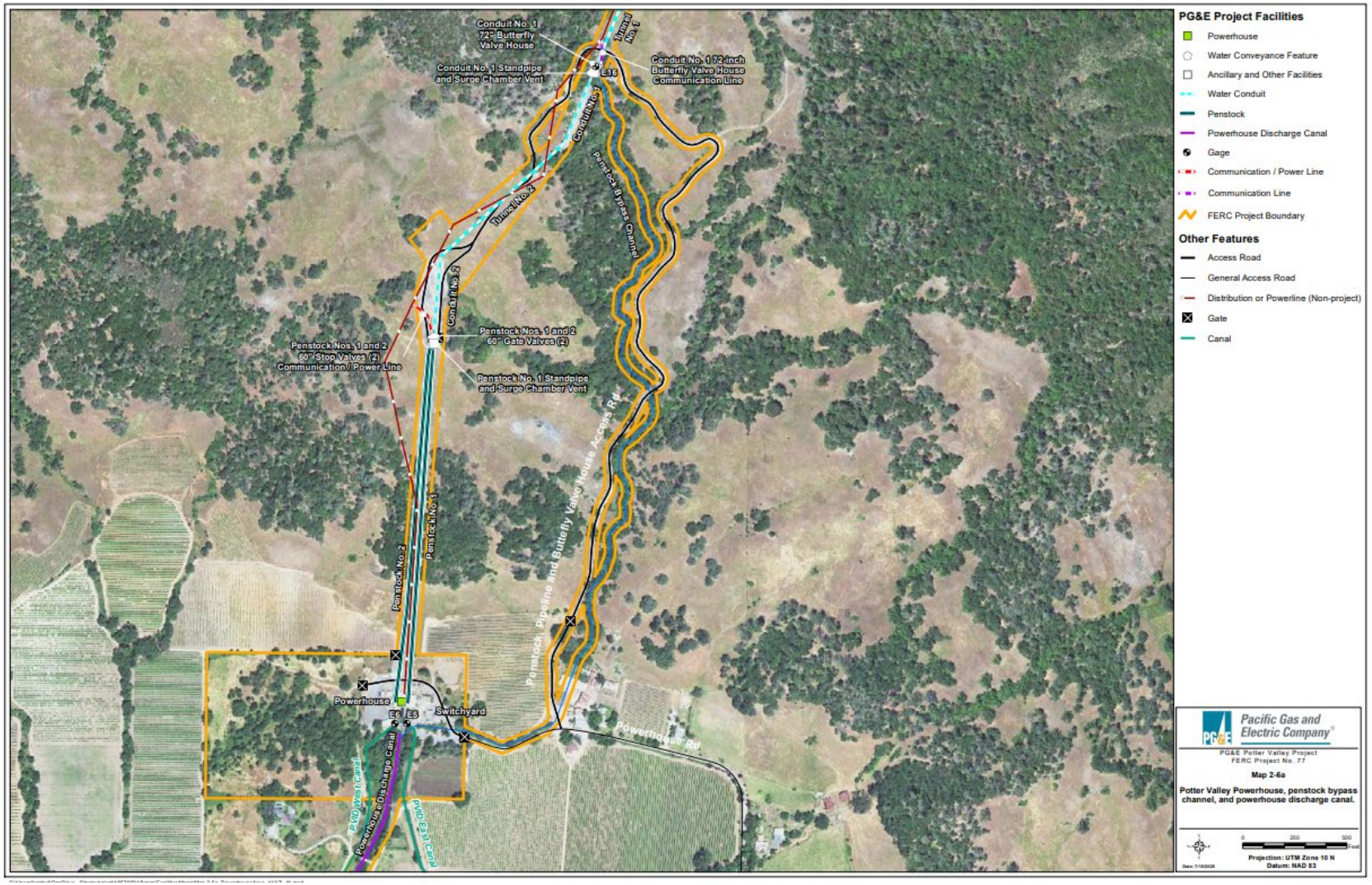


Figure 4. Potter Valley Hydroelectric Project Powerhouse Area[13]

[13] Source: PG&E's July 2025 Final Application for Surrender of License and Application for Non-Project Use of Project Lands

Affordable housing plans get state help

Loans for West Marin site, area near San Quentin

BY RICHARD HALSTEAD

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Two Marin County affordable housing projects will receive sizable long-term loans from the state.

A plan to build 115 dwellings on a Larkspur parcel near San Quentin prison will receive a $41.9 million loan, and a proposal to convert a former Coast Guard property in Point Reyes Station into 54 homes has been awarded a $11.5 million loan.

Both loans have a 55-year term and 3% interest rate on the principal.

Teddy Newmyer of Eden Housing, the developer of the Larkspur project, said the loan is "really the majority of our gap funding."

Eden Housing, which is based in Hayward, is also developing the Coast Guard property in partnership with the Community Land Trust Association of West Marin.

The loans were among $414 million announced by the state last week as part of its "super notice of funding availability" program. It consolidated the application process for four multifamily housing funding programs, allowing for a single application.

Newmyer said Eden Housing submitted applications for the Larkspur project the previous two years but was passed over."You basically get more points based on readiness," he said. "Now because the project is more ready to proceed, we got more points."

Newmyer said the project also received extra points because it will be built on surplus land dedicated by the state. In 2021, the state announced that it was making the 5-acre parcel available to two developers to build 250 affordable rental apartments.

The other proposed development at the site, called the Village at Oak Hill, is being overseen by the Marin County Public Financing Authority, a joint powers authority formed in 2023 by the county and the Marin County Office of Education. The authority's plan is to build 135 apartments on a portion of the parcel that will be reserved for school and county employees.

That project was facing a potentially fatal budget gap until state Sen. Mike McGuire recently helped secure a $7.5 million infusion of state funds through a trailer bill to the state budget. In a statement issued Friday, McGuire celebrated the new state loans.

"The state has been laser-focused on California's housing crisis for years," McGuire wrote, "and we're starting to see real results."

Newmyer said Eden's project isn't facing the same financing challenges as the Village at Oak Hill because it is less reliant on rate-dependent debt financing. That is because its 115 apartments will be more affordable than those at the Village at Oak Hill.

Eden's apartments are slated to be affordable to households earning between 30% and 60% of the area median income for Marin County. The Village at Oak Hill is intended to be affordable for households earning between 50% and 80%.

Before Eden can start constructing its Larkspur project, it must secure about $41 million worth of tax credits from the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee. The credits are sold to investors to generate additional equity for affordable housing projects.

Eden has applied for the credits and expects to find out by mid-November if it will receive them. Newmyer said that if it is successful, Eden could break ground on the project in the second quarter of 2026, about the same time as the Village at Oak Hill planners hope to begin construction.

Tom McCafferty, director of properties at the Community Land Trust Association of West Marin, said the $11.5 million award for the Point Reyes project "is a huge step forward."

"With this funding we can proceed to apply for low-income housing tax credits for the project, and if successful we would have a fully funded project," McCafferty said.

He said the $55 million project needs about $24 million in tax credit equity to begin construction. The land trust and Eden expect to apply for the credits in February or March and estimate it will be several months before they find out if they've been successful. That means the project isn't likely to break ground before November 2026.

In March, Marin County supervisors allocated another $9.39 million to the project, boosting the county's total contribution to $14.68 million. Other contributions have included an $850,000 federal earmark secured by Rep. Jared Huffman in 2023 and a $1 million grant commitment from the Marin Community Foundation.

The project must secure a wastewater permit from the Regional Water Quality Control Board. The site includes wells that the broader community uses for drinking water.

Subdivision plan lacking, county finds

By Sophia Grace Carter

A proposal to build what could become the largest housing development in West Marin has run into an early roadblock, with county planners for the second time declaring the application incomplete and requiring sweeping revisions before it can move forward.

In a Sept. 25 letter, the Marin County Planning Division told the developers of a project dubbed "Rancho Los Reyes" that their filing

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Subdivision plan found lacking

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omitted key details on 18 points, ranging from road design and fire access to septic feasibility and affordable-housing requirements. The applicant, Yan Cui, a San Diego businessman who bought the 82-acre site for $3.5 million in 2023, now has 30 days to supply missing documents or request an extension. Without that, the application will expire, though the developers could also appeal the finding to the Board of Supervisors.

"We just don't have enough information to really understand the full project scope at this time," said Kathleen Kilgariff, a county planner. "They didn't calculate net lot area, so we don't know how much land can actually be subdivided. We don't know if they can manage the wastewater on site. They don't have water at this time. There are all these big items that they need to address before we can get into the merits of the project."

The subdivision, imagined for a hillside at the eastern edge of Point Reyes Station, has drawn scrutiny since Mr. Cui first proposed it last year. That plan proposed 27 homes. The latest plan more than triples that figure, with 62 market-rate homes and 22 affordable units.

Under the Local Coastal Program, the property is zoned for one dwelling per three acres. But Mr. Cui cites a 2023 amendment to California's density-bonus law, which requires agencies to apply the most generous density standard when at least 20 percent of units are as affordable. He argues that standard entitles him to one home per acre under the Marin Countywide Plan, or 83 homes before any bonus.

Ms. Kilgariff said conflicts between state housing mandates and the L.C.P. are still new territory. A recent case involved a proposal for the Point Reyes gas station, where local rules limiting commercial space and prohibiting ground-floor residences clashed with state law. The county ultimately approved a larger store and five apartments, two of them affordable, citing the state density bonus.

Neighbors have called the scale of Mr. Cui's project "outrageous," and they flocked to a recent meeting of the Point Reyes Station Village Association.

"Make no mistake, this case could be of statewide significance," said Chris Desser, a former planning commissioner. "It is testing all these new laws, seeing how far they are going to be able to push the envelope on any number of things—the number of waivers they can get, the power of the coastal commission, the efficacy of local rules and regulations and the stream protection ordinance. This will be a very big deal because it is a case of first impression on all of this."

Planners said the filing lacked fundamental materials, including boundary surveys and site plans. They requested a biologist's assessment and a map showing how creeks, wetlands and sensitive habitats intersect with the proposed construction.

The treatment of affordable housing drew particular scrutiny. Mr. Cui's team has pitched the subdivision as a response to the housing shortage and pledged to build the affordable homes first. But the county's Housing and Federal Grants division said clustering the 22 units on four parcels violates L.C.P. rules requiring that affordable housing be dispersed and "comparable [in] exterior appearance, design, materials, and construction quality" to market-rate homes. County planners requested a new plan showing how the homes would be distributed and phased, whether they would be single-family houses, duplexes or multi-unit lots, and how they would be priced.

Other agencies flagged additional hurdles. Environmental Health Services said septic percolation tests were performed without oversight and are invalid, and for new lots, only mound systems and sand filters are permitted, not the proposed subsurface drip systems. North Marin Water District said the project is "infeasible" as currently submitted, and that a new storage tank, pump station and wells could cost an estimated $2.5 million.

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CLOSED SESSION ITEM

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CLOSED SESSION ITEM

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