



NOTICE OF THE AMENDED - BOARD OF DIRECTORS' REGULAR BI-MONTHLY MEETING

Tuesday, October 24, 2023 at 6:30 PM

AGENDA

LOCATIONS:

Open Session to start at or after 6:30 p.m.

Marin Water Board Room – 220 Nellen Avenue, Corte Madera, CA 94925

Outside location for Director Larry Russell – Il Fornaio, 520 Cowper Street, Palo Alto, CA 94301

Director Monty Schmitt will participate in-person.

Closed Session to immediately follow

Marin Water Mt. Tam Conference Room, 220 Nellen Avenue, Corte Madera, CA 94925

Public Participation:

The public may attend this meeting in-person or remotely using one of the following methods:

On a computer or smart device, go to: <https://us06web.zoom.us/j/88134852296>

By phone, dial: **1-669-444-9171** and use Webinar ID: **881 3485 2296**

HOW TO PROVIDE PUBLIC COMMENT:

During the Meeting: Typically, you will have 3 minutes to make your public comment, however, the board president may shorten the amount of time for public comment due to a large number of attendees. Furthermore, pursuant to Government Code, section 54954.2 (the Brown Act), the Board may not take action or discuss any item that does not appear on the agenda.

-- **In-Person Attendee:** Fill out a speaker card and provide to the board secretary. List the number/letter (ex: 6a) of the agenda item(s), for which you would like to provide a comment. Once you're called, proceed to the lectern to make your comment.

-- **Remote Attendee:** Use the "raise hand" button on the bottom of the Zoom screen. If you are joining by phone and would like to comment, press *9. The board secretary will use the last four digits of your phone number to call on you (dial *6 to mute/unmute).

In Advance of the Meeting: Submit your comments by email in advance of the meeting to boardcomment@marinwater.org. To ensure that your comment is provided to the Board of Directors prior to the meeting, please email your comment 24 hours in advance of the meeting start time. Comments received after this cut off time will be sent to the Board after the meeting. Please do not

include personal information in your comment such as phone numbers and home addresses.

AGENDA ITEMS:

- 1. Call to Order and Roll Call**
- 2. Adoption of Agenda**
- 3. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s) - None.**
- 4. Reconvene to Open Session; Closed Session Report Out - Not applicable.**
- 5. Public Comment on Non-Agenda Matters**

This is the time when any person may address the Board of Directors on matters not listed on this agenda, but which are within the subject matter jurisdiction of the Board.

- 6. Directors' and General Manager's Announcements (6:40 p.m. – Time Approximate)**
- 7. Consent Items (6:45 p.m. – Time Approximate)**

All Consent Items will be enacted by a single action of the Board, unless specific items are pulled from Consent by the Board during adoption of the agenda for separate discussion and action.

- a.** Minutes of the Board of Directors' Regular Meeting of October 10, 2023

RECOMMENDATION: Approve the minutes of the Board of Directors' Regular Meeting of October 10, 2023

- b.** General Manager's Report September 2023

RECOMMENDATION: Approve Report

- 8. Regular Items (6:50 p.m. – Time Approximate)**

- a.** Board Policy #46: Reserves

RECOMMENDATION: Approve recommended revisions to Board Policy #46: Reserves

- b.** Letter of Support for Proposed Eel-Russian River Facilities

RECOMMENDATION: Approve joining a letter of support for the new proposed Eel-Russian River facilities

- c.** Water Supply Update

RECOMMENDATION: Receive staff update on Water Supply Conditions

- d.** Strategic Plan Development

RECOMMENDATION: Receive staff and consultant update on the development of goals for the District's next five-year strategic plan

- 9. Future Board and Committee Meetings and Upcoming Agenda Items**

This schedule lists upcoming board and committee meetings as well as upcoming agenda items for the next month. The schedule is tentative and subject to change pending final publication and posting of the meeting agendas. (not numbered)

- a.** Upcoming Meetings

10. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s)

Following announcement of Closed Session items and prior to recess into Closed Session, the public may speak up to three minutes on items to be addressed in Closed Session. The Board will convene to Closed Session in the Mt. Tam Conference Room after public comment.

a. Conference with Legal Counsel – Anticipated Litigation
(Government Code §54956.9)

Workers Compensation Claims

Number of Cases: One

Adjourn closed session and reconvene to open session in the Board Room and via Zoom.

11. Reconvene to Open Session; Closed Session Report Out

12. Adjournment (8:35 p.m. – Time Approximate)

ADA NOTICE AND HEARING-IMPAIRED PROVISIONS

In accordance with the Americans with Disabilities Act (ADA) and California Law, it is Marin Water’s policy to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are an individual with a disability and require a copy of a public hearing notice, an agenda, and/or agenda packet in an appropriate alternative format, or if you require other accommodations, please contact the Board Secretary/ADA Coordinator at 415.945.1448, at least two business days in advance of the meeting. Advance notification will enable Marin Water to make reasonable arrangements to ensure accessibility.

Information agendas are available for review at the Civic Center Library, Corte Madera Library, Fairfax Library, Mill Valley Library, Marin Water Administration Building, and marinwater.org.

Posted: 10-20-2023



NOTICE OF THE BOARD OF DIRECTORS REGULAR MEETING

Tuesday, October 10, 2023 at 6:00 PM

MINUTES

LOCATIONS:

Open Session to start at or after 6:30 p.m.

Marin Water Board Room – 220 Nellen Avenue, Corte Madera, CA 94925

Outside location for Director Monty Schmitt – Jug Handle Creek Farm and Nature Center Meeting Room, 15501 CA-1, Caspar, CA 95420

Closed Session begins at 6:00 p.m.

Marin Water Mt. Tam Conference Room, 220 Nellen Avenue, Corte Madera, CA 94925

Public Participation:

The public may attend this meeting in-person or remotely using one of the following methods:

On a computer or smart device, go to: <https://us06web.zoom.us/j/88134852296>

By phone, dial: 1-669-444-9171 and use Webinar ID: 881 3485 2296

AGENDA ITEMS:

1. Call to Order and Roll Call

Vice President Ranjiv Khush opened the meeting at 6:00 p.m.

DIRECTORS PRESENT:

Larry Russell

Matt Samson

Jed Smith

Monty Schmitt

Ranjiv Khush

2. Adoption of Agenda

A motion was made by Director Smith, and seconded by Director Samson to adopt the agenda.

Voting Yea: Directors Russell, Samson, Smith, Schmitt, and Khush

There were no public comments for this agenda item.

3. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s)

There was no public comment for the Closed Session item.

The Board convened to Closed Session at 6:03 p.m. and went to the Mt. Tam Conference Room.

a. Conference With Real Property Negotiators

(California Government Code 54956.7)

Property: Mt. Tamalpais Telecommunications Site, Marin County Assessor's Parcel Numbers 197-120-21 and 197-120-40

Agency Negotiator: Ben Horenstein, General Manager

Negotiating Parties: Justin White, American Tower Corporation

Under Negotiation: Price and Terms of Lease Termination Agreement

4. Reconvene to Open Session; Closed Session Report Out

The Board reconvened to Open Session at 6:32 p.m. Vice President Khush reported that the Closed Session adjourned at 6:30 p.m. with no actions to report.

5. Public Comment on Non-Agenda Matters

There were five (5) public comments.

6. Directors' and General Manager's Announcements

- Director Russell reported that last week he attended the Water Environment Federation's Technical Exhibition Conference (WEFTEC) in Chicago.
- Director Samson provided highlights on what took place at the Watershed Committee Meeting of Sept. 15 and reported his attendance at the Tomales Bay Conference.

7. Consent Items

- a. Minutes of the Board of Directors' Special Meeting of September 12, 2023 and Regular Meeting of September 19, 2023

Recommendation: Approve the minutes of the Board of Directors' Special Meeting of September 12, 2023 and Regular meeting of September 19, 2023

- b. Professional Services Agreement for Petaluma River Brackish Desalination Investigation with Kennedy/Jenks Consultants, Inc.

Recommendation: Authorize the General Manager to finalize a Professional Services Agreement with Kennedy/Jenks Consultants, Inc. not to exceed \$124,643 to investigate subsurface conditions and feasibility of desalination of the Petaluma River near San Pablo Bay

- c. Grant of Easement for Sanitary Sewer Lateral – Spring Lane Tanks site, Tiburon

Recommendation: Authorize General Manager to execute an Easement Agreement conveying an easement for private sanitary sewer piping to Peter Winterhof, owner of 9 Stevens Court, Tiburon

A motion was made by Director Samson and seconded by Director Smith to approve the Consent Calendar.

Voting Yea: Directors Russell, Samson, Smith, Schmitt, and Khush

There were no public comments.

8. Regular Items

- a. Overview of Website Homepage Improvements and Meetings/Agendas Hub

Recommendation: Receive staff update on website homepage improvements and the new Meetings/Agendas Hub

Communications & Public Affairs Manager Adriane Mertens demonstrated new features on the website, including the new Meetings and Agendas Hub. The board praised staff and provided some feedback.

There were two public comments.

This was an informational report. The Board did not take any formal action.

- b. Water Supply Roadmap Update

Recommendation: Receive staff update on Water Supply Roadmap Projects

Water Resources Director Paul Sellier provided a presentation showing updates on the Water Supply Roadmap Projects and shared how staff applied for several grants to help fund the roadmap projects.

Discussion followed.

There were three (3) public comments.

This was an information item. The Board did not take any formal action.

9. Future Board and Committee Meetings and Upcoming Agenda Items

- a. Upcoming Meetings

The board secretary reported on upcoming internal and external meetings.

There were no public comments.

This was an information item. There were no formal actions taken by the Board.

10. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s)

There were none.

11. Reconvene to Open Session; Closed Session Report Out

This was not applicable.

12. Adjournment

Vice President Khush adjourned the meeting at 7:54 p.m. in memory of Roger Roberts, an active community member who served on the District's community advisory committee on rates.

Board Secretary



STAFF REPORT

Meeting Type: Board of Directors
Title: General Manager's Report September 2023
From: Ben Horenstein, General Manager
Meeting Date: October 24, 2023

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Approve Report

SUMMARY:

A. HIGHLIGHTS:

- The daily average net production for the month of September 2023 was 24.9 MGD compared to 22.9 MGD for the month of September 2022. Typical usage for September is 30.1 MGD.
- The daily average flow from Sonoma County Water Agency for the month of September 2023 was 12.4 MGD compared to 2.8 MGD for the month of September 2022.
- The District completed the review of the 90% Plans, Specification and Engineers estimate of the Pine Mountain Tunnel Phase 2 project to construct the two 2-million gallon pre stressed water storage tanks. This project is on schedule to advertise later in 2024 for construction in August 2025. This is the final phase of construction that will allow the District to permanently eliminate the use of Pine Mountain Tunnel for water storage purposes.
- Staff replaced a 60 foot water service to a sewer pump station near #50 Bon Air Shopping Center. This problematic plastic service forced the emergency shut down of water to the Bon Air Shopping Center because of a leak. The full renewal of the water service included moving the water meter from an enclosed fence line to more readily access the meter in the future.
- System Maintenance Crews replaced a broken check valve on the outlet piping for Crescent Ave Pump. During the installation, a broken main line valve was also discovered. Staff replaced the swing check valve with a pump control valve and replace the broken main line valve. This work upgrades this older pump station to be more in line with standardized system piping and allows better operation.
- Staff identified cavitation noise at the Santa Margarita Pump. After conducting an investigation into the issue, it was determined that the cavitation was a result of a change in state in that specific part of the distribution system, resulting in lower suction pressure at the pump station. To temporarily address this problem, a butterfly valve was throttled to equalize backpressure at the pump. Staff then made modifications to the relief pilot valve and two small solenoid

controlled check valves to eliminate the need to throttle the butterfly valve. This adjustment allows the distribution system to adapt to pump suction pressures eliminating the cavitation noise.

- The District was awarded a grant for \$4,659,898 through the CDFW Watershed Restoration Grants Program to fund implementation of six restoration sites on Lagunitas Creek. Two seasonal Aides began annual juvenile salmonid population monitoring and tagging surveys throughout the Lagunitas Creek watershed. Collaboration continued with the National Park Service and Sonoma Water on plans to install a PIT tag antenna in Olema Creek to inform regional monitoring.
- The District continued Year 5 of the Biodiversity Fire, & Fuels Integrated Plan with continued Forest Fuel Reduction work in the Below Filter Plant Project Area and up at South Potrero Meadow. Additionally the district coordinated multiple PG&E Pole Replacements along the Bolinas Ignacio Transmission Line.
- AmeriCorps fellow from UC Berkeley began his 10-month term; he will support forest health initiatives, volunteer engagement, and public outreach. The District carried out a trail volunteer day along the Azalea Hill Trail Restoration Project with volunteer support from the Marin County Bicycle Coalition. The District took part in State Park's Science Quest Day with activities supporting forest health and prescribed fire in the Rock Spring corridor.

MARIN WATER GRANT STATUS

PROJECT DETAILS						REQUIREMENTS	BUDGET		
OPPORTUNITY	FUNDER	FUNDER PRIORITIES	APPLICATION DATE	MATCHING PROJECT	DESCRIPTION	STATUS	PREREQUISITE	FUNDS REQUESTED	MATCH REQUIREMENT %
CURRENT APPLICATIONS								\$69,821,698	
Local Water Supply Storage Projects	DWR	Water Supply	1/9/23	Water Supply	Three projects: recycled water, local storage enhancement, and winter water conveyance	Open	UWMP Compliance	\$53,000,000	50
Desal Feasibility Study	USBR	Desalination	2/28/23	Desalination	Exploring new brackish desal in Petaluma	Open	None	\$200,000	50
Local Storage Supply Enhancement	USBR	Environmental + Water Supply	3/28/23	Water Supply	Evaluating increasing storage locally	Open	None	\$662,000	50
Prop. 1. Round 2 IRWM Disadvantaged Community	DWR	Water Infrastructure	12/1/22	Marin City/San Rafael Infrastructure	Replacing aging transmission lines and laterals in Marin City and San Rafael's Canal District	Funded	IRWM CC Approval	\$6,500,000	0
Forestry Corps	CCNB	Vegetation Management	Jan 2023	Ongoing Forestry work	Workforce development; state funding directly to CCNB to fund crews working on the watershed	Funded	Corps Partnership	\$500,000	0
Pre-application for Coastal Access Projects	State Coastal Conservancy	Recreation/Coastal Access	Dec. 2024	Trail work	Watershed trail improvements	Open	None	\$1,000,000	0
Fisheries Restoration Grant Program	COFW	Fisheries	4/20/23	Lagunitas Creek Restoration	Funding for Phase II site design and CEQA	Funded	30% designs	\$723,000	5
Lagunitas Creek Salmonid Spawning Gravel Improvement Project	DWR Riverine	Fisheries	11/1/22	Lagunitas Creek Restoration	Gravel augmentation for Lagunitas Creek	Funded	None	\$590,000	0
Prop 1. Fisheries Restoration	COFW	Fisheries	7/1/23	Lagunitas Creek Restoration	Lagunitas Creek Restoration Sites 1-6	Funded	60% designs	\$4,659,898	0
One Tam Forest Health Strategy	CA OPR	Forestry Restoration	8/29/23	BFFIP Implementation	BFFIP Implementation for 2-3 years	Open	CEQA	\$1,900,000	0
Quagga & Zebra Mussel Infestation Prevention	DBW	Water Quality	9/1/23	EDMMD	Amount of award up to \$86,800.00	Funded	N/A	\$86,800	0
UPCOMING OPPORTUNITIES								\$0	
Hazard Mitigation Program	FEMA	Natural Hazards	Summer 2023	Treatment Plant Clarifiers	Funds to address seismic hazards in water treatment facilities	TBD	NOI APPROVAL	TBD	
Small Storage Program	USBR	Water Supply	Fall 2023	Phoenix Lake	Funding for new water supply projects	TBD	Approved Feasibility Study	TBD	
WaterSMART Planning & Design	USBR	Water Supply	4/2/2024	Water Supply Planning	Funding for advancing implementation of Strategic Water Supply Projects	Open	TBD	TBD	
WaterSMART Applied Science	USBR	Fisheries	10/15/2023	Advanced Weather Modeling	Funding for weather modeling to inform water resources man	Open	TBD	TBD	
LONG TERM OPPORTUNITIES (ongoing development)									
2024 Water Bond	State of CA	Water supply projects	Fall 2024	SWSA Water Supply Projects	Currently in Legislature	In legislature	Voter approval; District participation	TBD	
Water Resources Development Act	Army Corps of Engineers	Water supply projects	FY 2024	SWSA Water Supply Projects	Pursuing for No Regrets and regional projects	In appropriations	Authorization (secured 2022)	\$28,000,000.00	

DISCUSSION

B. SUMMARY:

- AF = Acre Feet
- Mg/L = milligrams per liter
- MPN = most probable number
- MPY = mils per year
- MG = million gallons
- NTU = nephelometric turbidity units

1. Water Production:

	FY 2023/24		FY 2022/23	
	(million gallons)	(acre-feet)	(million gallons)	(acre-foot)
Potable				
Total production this FY	2,333	7,159	2,137	6,558
Monthly production, September	756	2,319	684	2,100
Daily average, September	25.19	77.30	22.81	69.99
Recycled				
Total production this FY	74.75	229.4	96.22	295.29
Monthly production, September	2.24	6.87	29.96	91.94
Daily average, September	0.07	0.23	1.00	3.06
Raw Water				
Total production this FY	54.70	167.87	34.59	106.15
Monthly production, September	32.55	99.89	11.26	34.56
Daily average, September	1.09	3.33	0.38	1.15
Imported Water				
Total imported this FY	1,113	3,417	291	894
Monthly imported, September	373	1,146	83	253
Reservoir Storage				
Total storage	22,301	68,439	19,118	58,6722
Storage change during September	-757	-2,324	-900	-2,761
Stream Releases				
Total releases this FY	727	2,230	611	1,874
Monthly releases, September	271	832	208	637

2. Precipitation:

	<u>FY 2023/24 (in.)</u>	<u>FY 2022/23 (in.)</u>
Alpine	0.44	0.62
Bon Tempe	0.20	0.77
Kent	0.45	0.70
Lagunitas *	0.14	1.49
Nicasio	0.12	0.86
Phoenix	0.07	1.23
Soulajule	0.10	0.87

* Average to date = 0.06 inches

3. Water Quality:

<u>Laboratory:</u>	<u>FY 2023/24</u>	<u>FY 2022/23</u>
Water Quality Complaints:		
Month of Record	7	10
Fiscal Year to Date	22	50
 Water Quality Information Phone Calls		
Month of Record	2	3
Fiscal Year to Date	6	27

The WQ lab ensured that the water supplied met or surpassed water quality regulations by collecting and analyzing 705 analyses on treatment plants and distribution system samples.

Mild steel corrosion rates averaged 2.28 (0.4 – 4.08) MPY. The AWWA has recommended an operating level of <5 MPY with a goal of <1 MPY.

Complaint Flushing: No flushing events were performed for this month on record.

Tank Survey Program: 9 water storage tank sanitary surveys were performed during the month. 59.69 % planned survey program has been completed for calendar year 2023.

Disinfection Program: No new water mains were disinfected during the month of September. Performed chlorination’s on 29 water storage tanks to ensure compliance with bacteriological water quality regulations.

Tank Water Quality Monitoring Program: Performed 37 water quality-monitoring events on storage tanks for various water quality parameters this month to help ensure compliance with bacteriological water quality regulations.

Summary:

The lab performed 9 sanitary tank surveys, treated 29 tanks for low chlorine, and check an additional 37 tanks for low chlorine residual in September 2023.

4. Water Treatment:

<u>Treatment Results</u>	<u>San Geronimo</u>		<u>Bon Tempe</u>		<u>Ignacio</u>	
	Average	Monthly Goal	Average	Monthly Goal	Average	Monthly Goal
Turbidity (NTU)	0.05	≤ 0.10	0.04	≤ 0.10	0.04	≤ 0.10
Chlorine residual (mg/L)	2.70	2.75 *	2.72	2.75 *	2.83	2.75 *
Color (units)	0.6	≤ 15	0.6	≤ 15	0.2	≤ 15
pH (units)	7.8	7.8*	7.9	7.8*	8.0	8.1**

- * Set monthly by Water Quality Lab
- ** pH to Ignacio is controlled by SCWA

5. Capital Improvement:

- a. Pine Mountain Tank Phase 1 – Rough Grading Project (D21043): The Pine Mountain Tunnel Tanks Replacement Project is a multi-year two-phased project that will replace the existing Pine Mountain Tunnel. This project (Phase 1) will excavate approximately 45,000 cubic yards of hillside and will install a soil nail retaining wall in preparation for a future project that will install two 2-million gallon pre-stressed concrete storage tanks (Phase 2). This Phase 1 project will also perform site grading and drainage improvements.
 - Project Budget: \$7,734,575
 - Monthly Activities: The Contractor has completed the installation of the vehicular guardrail on Sky Oaks Road, some storm drain improvements, and site clearing and grubbing. The contractor has also installed 3 inclinometers to monitor the movement of the hillside during the soil nail retaining wall installation. Topsoil off-haul began on September 5 and was completed on September 22. The new berms have been installed on the watershed roads and full restoration of the roads should be completed by October 6. The next order of work is to complete installation of storm drains and catch basins. Also, the Contractor’s sub will begin drilling soil nail wall anchors, they will likely start on October 3. Shaver Grade, Phoenix Lake Road, and the majority of bisecting trails will be fully reopened thereafter. Concrete Pipe Road between Taylor Trail and Fairfax-Bolinas Road will remain closed Monday through Friday 8:00 AM to 5:00 PM throughout the duration of the project. Project will close down and winterize for the rest of the calendar year once full rain weather begins, and will restart in 2024 after the Nesting Owl closure times out (August).

- b. Worn Spring Road Slide Repair Project (D23017): This project will install a 60-foot long soldier pile retaining wall with concrete lagging and a guardrail on Worn Spring Road on Marin watershed lands approximately 400 feet from Phoenix Lake.
 - Project Budget: \$289,910
 - Monthly Activities: The Contractor has completed installation of a cast-in-place concrete lagging wall, guardrail, final grading, and slope stabilization. Work that still remains is fencing, site winterization, and punch list. The project is anticipated to be complete in October.

- c. Bolsa Tank Removal Project (D16006): This project installed approximately 90 feet of 6-inch pipe and a new pressure regulator valve to permanently decommission and remove the 45-year-old 200,000-gallon leak prone redwood Bolsa Tank located in the City of Mill Valley
 - Project Budget: \$246,900
 - Monthly Activities: The contractor completed final connections to the Mill Valley pressure zone, demolition of Bolsa Tank including removal and recovery of redwood siding, and they finished site clean-up and have demobilized. The project has been completed.

- d. Spillway Condition Assessment Phase II (CN2006): This project is considered Phase II of a multi-phase project that will investigate the concrete spillways at Peters Dam (Kent Lake), Seeger Dam (Nicasio Reservoir), and Soulajule Dam. Assessment work includes concrete coring, ground penetrating radar (GPR), video inspection and cleaning of sub-drains, and visual observation.
 - Project Budget: \$680,106
 - Monthly Activities: Contract execution is currently underway and the Contractor is preparing submittals and the baseline construction schedule. The first order of work includes the identification and installation of fall protection anchorage, which is followed by the assessment and inspection. Pre-Construction meeting with the Contractor is scheduled for October 3.

6. Other:

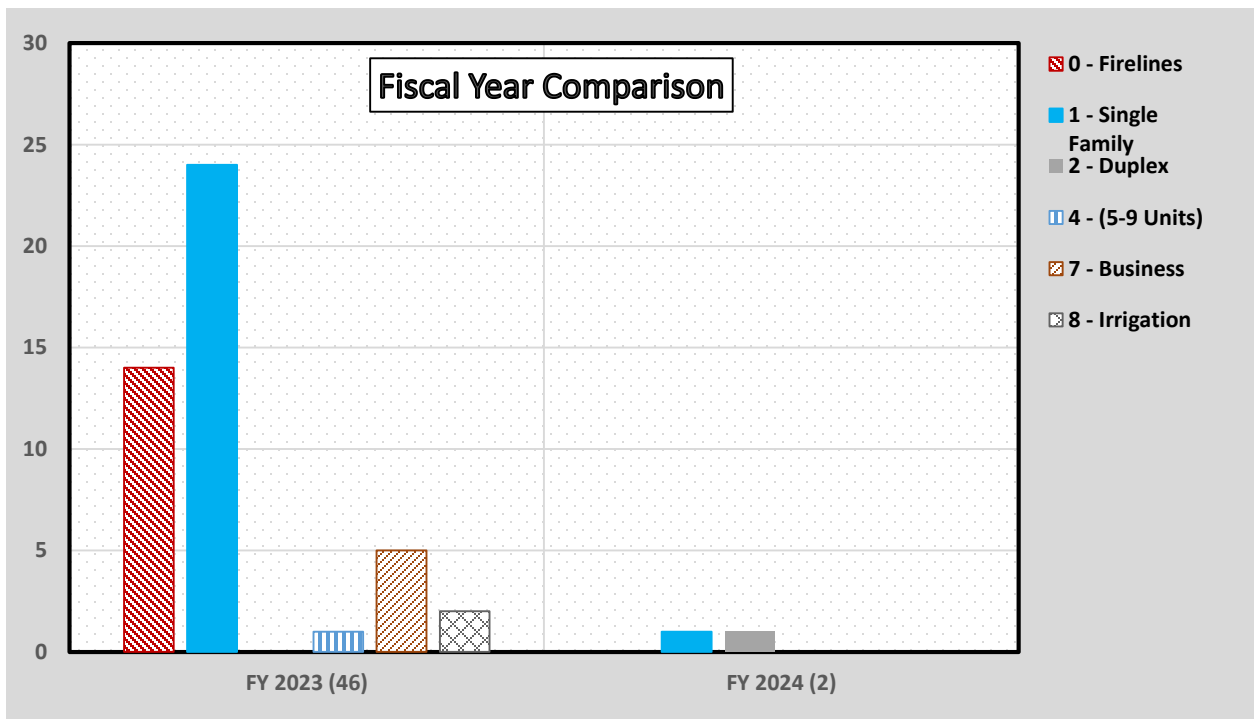
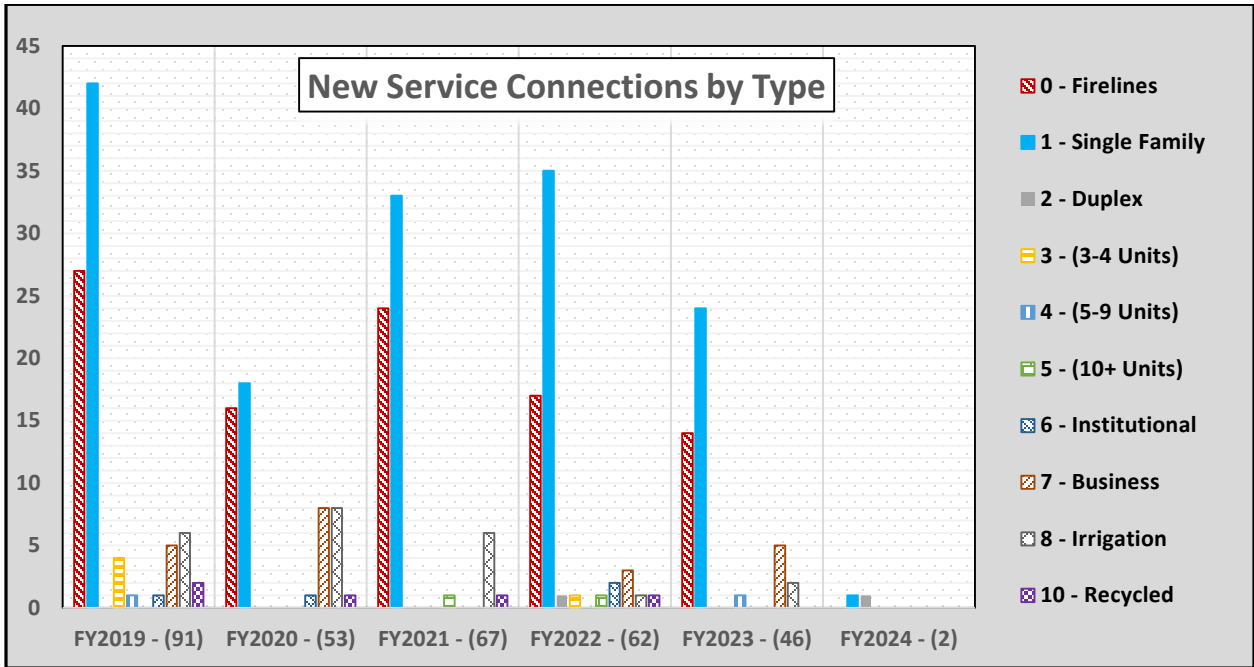
<u>Pipeline Installation</u>	<u>FY2023/24</u>	<u>FY2022/23</u>
Pipe installed during September (feet)	114	406
Total pipe installed this fiscal year (feet)	508	3,681
Total miles of pipeline within the District	908*	908*

** Reflects adjustment for abandoned pipelines*

<u>Pipe Locates (1,157 Responses)</u>	<u>FY2023/24</u>	<u>FY2022/23</u>
Month of September (feet)	32,204	28,570
Total this fiscal year (feet)	109,336	101,632

<u>Main Line Leaks Repaired:</u>	<u>FY2023/24</u>	<u>FY2022/23</u>
Month of September	8	15

Total this fiscal year	37	34
<u>Services:</u>	<u>FY2023/24</u>	<u>FY2022/23</u>
Service upgrades during July	15	13
Total service upgrades this FY	50	44
Service connections installed during September	2	1
Total active services as of August 1, 2023	61,834	61,822



7. Demand Management:

	Sep-23	FY 23/24 TOTAL	FY 22/23 TOTAL	FY 21/22 TOTAL
WATER-EFFICIENCY PROGRAMS				
Water-Use Site Surveys				
Conservation Assistance Program (CAP) Consultations				
Residential properties resi 1-2 (single-family)	27	61	291	731
Residential properties resi 3-5 (multi-family units)	0	0	3	7
Non-residential properties resi 6-7 (commercial)	0	0	3	1
Dedicated irrigation accounts resi 8-10 (large landscape)	0	0	0	3
Marin Master Gardeners' Marin-Friendly Garden Walks				
Residential garden walks	5	19	72	100
Public Outreach and Education, Customer Service				
Public outreach events (number of people attending)	1,000	1022	1775	1602
Public education events (number of participants)	0	0	328	536
Customer calls/emails admin staff	338	971	4150	9508
Outreach to new Marin Water customers (letters sent)	125	366	0	0
School Education				
School assemblies				
Number of activities	0	0	0	0
Number of students reached	0	0	0	0
Field trips				
Number of activities	2	2	15	0
Number of students reached	33	33	307	0
Classroom presentations				
Number of activities	2	2	17	0
Number of students reached	65	65	531	0
Other (e.g. booth events, school gardens)				
Number of activities	0	0	1	0
Number of students reached	0	0	480	0
Incentives				
Number of HECWs approved	2	22	103	190
Number of Rain Barrel/Cisterns approved	0	2	15	76
"Cash for Grass" Turf Replacements approved	6	14	116	402
Number of Laundry-to-Landscape Systems (kits) approved	0	0	7	27
Hot water recirculating system rebates	0	2	30	122
Pool Cover rebates	3	6	27	298
HET rebates	1	2	22	92
Number of Smart Controllers rebates approved	2	14	35	69
Number of Smart Home Water Monitor "Flume Direct Distribution" redeemed	34	77	271	1568
Number of Smart Controllers "Rachio Direct Distribution" approved	5	91	77	178
Advanced Metering Infrastructure (AMI)				
AMI leak letters sent to customers (>200 GPD)	158	392	1168	1050
ORDINANCES				
Water Waste Prevention				
Water Waste Reports Received	26	75	392	4451
Water Waste Notifications Sent	6	12	81	0
Landscape Plan Review				
Plans submitted	7	23	88	77
Plans exempt	1	5	5	1
Plans completed	2	10	20	17
Plans in workflow (pass & fail)	12	54	145	123
Tier 4 Exemption				
Inspections that resulted in a pass	0	2	1	1
Graywater Compliance Form				
Applications Received (as of Dec 2019)	6	37	123	57
Systems installed	0	4	23	13

8. Watershed Protection:

Rangers Makes Arrest

On September 7th, Ranger, Michael Krakauer, and training officer Matt Cerkel, responded to Lake Nicasio for a report of a swimmer in the reservoir. While enroute, the Marin County



Booking Photo

Sheriff dispatched Deputies for a report of trespasser who made death threats to workers at a nearby ranch. The suspect had fled and jumped into the Nicasio Reservoir.

Rangers realized the incidents were likely related. Rangers arrived on-scene and observed the suspect in the middle of the Nicasio Reservoir. With the help of the CHP helicopter, the suspect was brought to shore where he was detained in handcuffs. Ranger Krakauer and Deputies then interviewed the ranch workers and determined the suspect had made criminal threats and had illegally trespassed on a ranch. Ranger Krakauer then place the suspect under arrest. The suspect was transported and booked into the Marin County Jail. The suspect was had there on \$50,000 bail.

Rangers Find Illegally-Built Mountain Bike Trail

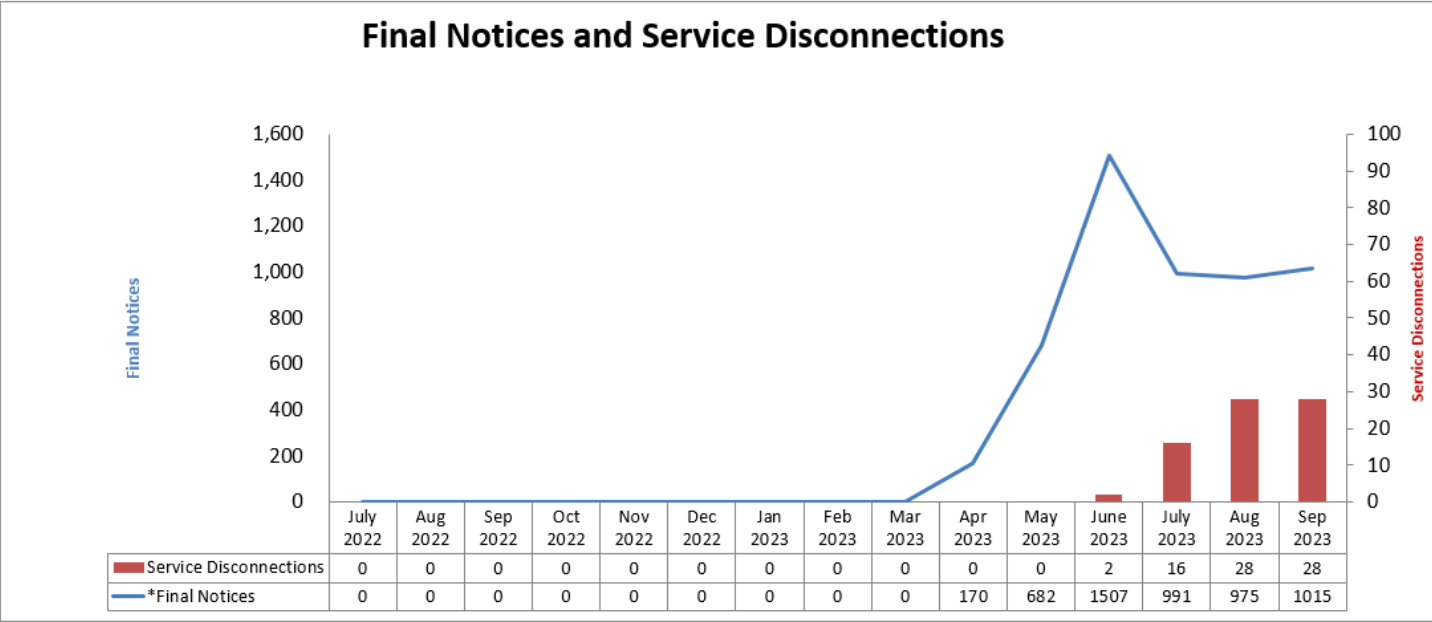
The Rangers located a newly built illegal downhill mountain bike trails that runs from Bolinas Ridge to Peters Dam. There was significant environmental along the route of the trail and would likely see serious erosion during the raining season. The trail is tentatively scheduled for decommissioning later this month. An investigation is on-going.



Incidents and Events	1021
Visitor Assists	559
Warnings	238
Citations	70
Dam Check	56
Assist Watershed Maintenance	39
Vandalism	13
Fish and Game Checks	12
Medical Aid	7
Suspicious Circumstance	4
Assist Fire/EMS	4
Assist Other Agency	3
Misc Law Enforcement Calls	2
Misc. Calls for Service	2
Watershed Parking Lot(s) at Capacity	2
Lost Property	2
Citizen Complaint: Illegal Bike Use	1
Smoke Check	1
Search and Rescue	1
Citizen Complaint: Bike Speed	1
Ranger Callout	1
Resist Peace Officer	1
Humane/Animal Related Calls	1
Found Property	1

Citations	70
Non-Payment of Parking Fees	63
Dog off Leash	1
Obstruct Traffic/Parking within 6' of Center	1
Boating	2
Expired Registration	1
Fishing without a License	1
Parking After Sunset	1

9. Shutoff Notices and Disconnections:




DISCUSSION: None.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Office of the General Manager	_____ Ben Horenstein General Manager	 _____ Ben Horenstein General Manager



STAFF REPORT

Meeting Type: Board of Directors
Title: Board Policy #46: Reserves
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: October 24, 2023

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Approve recommended revisions to Board Policy #46: Reserves

SUMMARY: The District maintains fiscal policies that collectively provide guidance for prudent financial management and long term financial planning. Board Policy #46: ‘Reserves’ details the District’s existing reserve funds. During the Finance and Administration Committee meetings on August 24th and September 28th District staff provided an overview of District fiscal policies and provided initial recommended revisions to Board Policy #46 (Reserve Policy).

DISCUSSION: Within the existing Reserve Policy, there are six separate funds established for specific purposes. The last update to the Reserve Policy was the addition of the Water Supply Project Fund in April 2023. Prior to the addition of the Water Supply Project Fund, the Reserve Policy was last updated in 2013 with the addition of the Rate Stabilization Fund.

Based upon the District’s current Reserve Policy, if all funds were fully funded, the result would be a cash reserve balance of \$111.1 million. As part of the 2023 rate setting process, staff provided information regarding reserve targets and noted that the District’s current reserve balances are below the levels outlined in the Board’s Reserve Policy. This is due, in part, to planned use of reserves during the recent drought.

In recent years, local governments have been ‘rethinking’ reserves to account for recent trends such as increased risk and uncertainty, changes in the climate and insurance landscape, and resource constraints. A risk-based approach that is tailored to the specific needs of the local organization includes ensuring sufficient cash balances to withstand revenue fluctuations, providing resources for emergency response, smoothing out the fiscal impacts to the ratepayer base, and strategically building up reserves for future investment.

During the last Finance Committee Meeting, staff presented a risk-based analysis that indicated a range between \$38 million and \$110 million for the District’s total cash reserves. In addition to reviewing the District’s current fiscal policies, staff has also conducted a review of other comparable water utilities in the Bay Area. While Marin Water’s overall cash balance requirement is comparable to other agencies, there are differences in the underlying fiscal policy language with regard to the definition of the purpose for each reserve fund and the inclusion of both minimum balances and target balances for each reserve fund.

As detailed in Attachment 2, staff recommends that the Board revise Board Policy #46 to better define the purpose of each reserve fund, to refine the minimum balances for each fund, and to establish target balances where appropriate. In addition to revising current reserve balances, staff recommends that the Board establish a new reserve fund for ‘Pension Stabilization’. Although the Board approved a Pension Reserve fund in 2018, the new reserve fund has not previously been formally incorporated in Board Policy #46.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: There is no immediate fiscal impact as a result of the recommended revisions to the Reserve Policy. The recommended policy revisions will result in a minimum reserve balance of \$53.7 million and a target balance of \$81.2 million.

ATTACHMENT(S):

- 1) Existing Board Policy #46
- 2) Recommended Revisions to Board Policy #46 (redline)
- 3) Recommended Revisions to Board Policy #46 (clean)

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Administrative Services Division	 Bret Uppendahl Finance Director	 Ben Horenstein General Manager



MARIN MUNICIPAL WATER DISTRICT

BOARD POLICY

No.: 46

DATE: 12/17/13

LAST REVISED: 04/04/23

SUBJECT: RESERVES

Introduction

The purpose of this document is to establish a consistent policy for establishing the minimum reserve levels to be maintained by the District.

Scope

It is intended that this policy cover all reserve funds currently or to be established and held by the District. This policy shall not pertain to reserves held for the benefit of the District by others or reserves established as the result of the borrowing money or the issuance of debt by the District.

General

The Board recognizes the need and benefit of maintaining reserves for various purposes. It is the goal of this policy to establish those reserve funds and the minimum amount to be maintained by each.

Policy

The Board of Directors of the Marin Municipal Water District shall review the level of reserves held in each fund annually and at the time of adopting the two-year preliminary or proposed operating and/or capital budget. Only those reserve funds held by the District are subject to this policy.

The Board authorizes and directs that the following reserve funds be established and further directs that the minimum amount of each reserve fund shall be, or shall be calculated to be, as follows:

- 1) Insurance Reserve Fund: This fund is established to pay exceptionally large self-insured claims. The fund shall maintain a minimum balance equivalent to six times the District's self-insured retention.

- 2) Workers Compensation Reserve Fund: This fund is established to accumulate reserves sufficient to pay current and future workers compensation claims and operating expenses. The minimum balance shall be that set by the actuary. An actuarial study shall be conducted as required by state law but no less frequently than bi-annually.

- 3) Capital Reserve Fund: This fund is established to accumulate reserves that may be used for current and future capital construction and equipment purchases. The fund shall accumulate funds from annual transfers from operating revenues, funds received from one time “windfall” revenues and revenues from the sale of capital assets. The minimum balance shall be equivalent to the annual budget for capital expenditures.

- 4) Unrestricted/Undesignated Reserve Fund: This fund is established to accumulate reserves which may be used for any purpose of the District. A minimum balance equivalent to six months of the annual operating budget shall be maintained. At the time this reserve fund is reviewed, the Board shall adopt a level of reserve desired ten years from the date of review. This level shall then be used in the rate model when setting rates, fees, and charges.

- 5) Rate Stabilization Fund: This fund is established to accumulate reserves which may be used for transfer to gross revenues to be used in the calculation of the District’s debt coverage ratio or for any other lawful purpose of the District. The Rate Stabilization Fund is increased by deposits of gross revenues made 180 days following the end of a fiscal year by Board approval.

- 6) Water Supply Project Fund: This fund is established to accumulate reserves to support water supply enhancement and resiliency projects. Beginning FY 2023-24, \$2.5 million will be transferred to the Water Supply Project Fund annually.



MARIN MUNICIPAL WATER DISTRICT

BOARD POLICY

No.: 46

DATE: ~~12/17/13~~10/24/2023

LAST REVISED:

~~04/04/23~~04/04/2023

SUBJECT: RESERVES

Introduction

The purpose of this document is to establish a consistent policy for establishing the minimum and target reserve levels to be maintained by the District.

Scope

It is intended that this policy cover all reserve funds currently or to be established and held by the District. This policy shall not pertain to reserves held for the benefit of the District by others or reserves established as the result of the borrowing money or the issuance of debt by the District.

General

The Board recognizes the need and benefit of maintaining reserves to ensure that sufficient funding is available for operating, capital and debt service needs. Reserve funds will be accumulated and managed in a manner which allows the District to maintain daily operations and planned capital investments during times of economic uncertainty and to utilize reserves to stabilize long term water rates. for various purposes. It is the goal of this policy to establish the purpose for each ~~those~~ reserve fund, as well as the s and the minimum amount and target balances to be maintained by each.

Policy

The Board of Directors of the Marin Municipal Water District shall review the level of reserves held in each fund annually and at the time of adopting the two-year ~~preliminary or proposed~~ operating and/or capital budget. ~~Only those reserve funds held by the District are subject to this policy.~~

The Board authorizes and directs that the following reserve funds be established and further directs that the minimum amount and target balance of each reserve fund shall ~~be -be, or shall be~~ calculated ~~to be,~~ as follows:

Formatted: Indent: Left: 0.35", Space Before: 24 pt

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

- 1) Insurance Reserve Fund: This fund is established to provide funding for the self-insured retention portion of insured loss claims~~pay exceptionally large self-insured claims~~. The fund shall maintain a minimum balance equivalent to six times~~the~~ District's total annual self-insured retention. The target balance shall be two times the District's total annual self-insured retention.

- 2) Workers Compensation Reserve Fund: This fund is established to accumulate reserves sufficient to pay current and future workers compensation claims and operating expenses. The minimum balance shall be ~~that set~~ by an actuarial review of the District's net claim liabilities~~by the actuary~~. An actuarial study shall be conducted as required by state law but no less frequently than bi-annually.

- 3) Capital Reserve Fund: This fund is established to accumulate reserves that may be used for ~~current and future~~ capital construction projects, and equipment purchases, and grant matching purposes for capital projects. The fund shall accumulate unspent funds from annual transfers from operating revenues, unspent prior year Capital Maintenance Fee revenues and Connection Fees, funds received from one time "windfall" revenues and revenues from the sale of capital assets. The minimum balance shall be equivalent to 25 percent of the annual Capital Maintenance Fee revenue budget. The target balance shall be equivalent to 50 percent the annual Capital Maintenance Fee revenue budget.~~annual budget for capital expenditures~~.

- 4) Unrestricted/Undesignated Operating Reserve Fund: This fund is established to accumulate reserves which may be used for any purpose of the District, including but not limited to unanticipated expenditures, emergency response, grant matching or pilot projects. A minimum balance equivalent to six-two months of the annual operating budget shall be maintained. The target balance shall be equivalent to three months of the annual operating budget. ~~At the time this reserve fund is reviewed, the Board shall adopt a level of reserve desired ten years from the date of review. The target is~~ level shall ~~then be used~~ incorporated in the rate model when setting the District's water rates, fees, and charges.

- 5) Rate Stabilization Fund: This fund is established to accumulate reserves which may be used for to mitigate the impact of revenue shortfalls attributable to reduced water sales, or to transfer ~~to~~ gross revenues to be used in the calculation of the District's debt coverage ratio, or for any other lawful purpose of the District. ~~The Rate Stabilization Fund is increased by deposits of gross revenues made 180 days following the end of a fiscal year by Board approval.~~ The minimum balance shall be equivalent to ten percent of the District's variable water revenue. The target balance shall be equivalent to twenty percent of the District's variable water revenue. The target level shall be incorporated in the rate model when setting the District's water rates, fees and charges.

Formatted: Body Text Char, Font: 11 pt

Formatted: Body Text Char, Font: 11 pt, Not Expanded by / Condensed by

Formatted: Body Text Char, Font: 11 pt

6) Water Supply Project Fund: This fund is established to accumulate reserves to support large scale investments and grant matching requirements related to supplemental water supply enhancement and resiliency projects. Beginning FY 2023-24, \$2.5 million will be transferred to the Water Supply Project Fund annually. The annual transfer shall be incorporated in the rate model when setting the District's water rates, fees and charges.

6)7) Pension Stabilization Fund: This fund is established to provide funding for required Unfunded Accrued Liability (UAL) payments resulting from investment market shortfalls and/or actuarial assumption changes. The minimum balance shall be equivalent to thirty five percent of the District's annual UAL payment. The target balance shall be equivalent to sixty percent of the District's annual UAL payment. The target level shall be incorporated in the rate model when setting the District's water rates, fees and charges.

- Formatted: Indent: Left: 0.85", No bullets or numbering
- Formatted: Underline
- Formatted: No underline
- Formatted: No underline
- Formatted: Underline



MARIN MUNICIPAL WATER DISTRICT

BOARD POLICY

No.: 46

DATE: 10/24/2023

LAST REVISED: 04/04/2023

SUBJECT: RESERVES

Introduction

The purpose of this document is to establish a consistent policy for establishing the minimum and target reserve levels to be maintained by the District.

Scope

It is intended that this policy cover all reserve funds currently or to be established and held by the District. This policy shall not pertain to reserves held for the benefit of the District by others or reserves established as the result of the borrowing money or the issuance of debt by the District.

General

The Board recognizes the need and benefit of maintaining reserves to ensure that sufficient funding is available for operating, capital and debt service needs. Reserve funds will be accumulated and managed in a manner which allows the District to maintain daily operations and planned capital investments during times of economic uncertainty and to utilize reserves to stabilize long term water rates. It is the goal of this policy to establish the purpose for each reserve fund, as well as the minimum amount and target balances to be maintained by each.

Policy

The Board of Directors of the Marin Municipal Water District shall review the level of reserves held in each fund annually and at the time of adopting the two-year operating and capital budget.

The Board authorizes and directs that the following reserve funds be established and further directs that the minimum amount and target balance of each reserve fund shall be calculated as follows:

- 1) Insurance Reserve Fund: This fund is established to provide funding for the self-insured retention portion of insured loss claims. The fund shall maintain a minimum balance equivalent to the District's total annual self-insured retention. The target balance shall be two times the District's total annual self-insured retention.

- 2) Workers Compensation Reserve Fund: This fund is established to accumulate reserves sufficient to pay current and future workers compensation claims and operating expenses. The minimum balance shall be set by an actuarial review of the District's net claim liabilities. An actuarial study shall be conducted as required by state law but no less frequently than bi-annually.
- 3) Capital Reserve Fund: This fund is established to accumulate reserves that may be used for capital construction projects, equipment purchases, and grant matching purposes for capital projects. The fund shall accumulate unspent funds from annual transfers from operating revenues, unspent prior year Capital Maintenance Fee revenues and Connection Fees, funds received from one time "windfall" revenues and revenues from the sale of capital assets. The minimum balance shall be equivalent to 25 percent of the annual Capital Maintenance Fee revenue budget. The target balance shall be equivalent to 50 percent the annual Capital Maintenance Fee revenue budget.
- 4) Undesignated Operating Reserve Fund: This fund is established to accumulate reserves which may be used for any purpose of the District, including but not limited to unanticipated expenditures, emergency response, grant matching or pilot projects. A minimum balance equivalent to two months of the annual operating budget shall be maintained. The target balance shall be equivalent to three months of the annual operating budget. The target level shall be incorporated in the rate model when setting the District's water rates, fees, and charges.
- 5) Rate Stabilization Fund: This fund is established to accumulate reserves which may be used to mitigate the impact of revenue shortfalls attributable to reduced water sales, or to transfer gross revenues to be used in the calculation of the District's debt coverage ratio, or for any other lawful purpose of the District. The minimum balance shall be equivalent to ten percent of the District's variable water revenue. The target balance shall be equivalent to twenty percent of the District's variable water revenue. The target level shall be incorporated in the rate model when setting the District's water rates, fees and charges.
- 6) Water Supply Project Fund: This fund is established to accumulate reserves to support large scale investments and grant matching requirements related to supplemental water supply enhancement and resiliency projects. Beginning FY 2023-24, \$2.5 million will be transferred to the Water Supply Project Fund annually. The annual transfer shall be incorporated in the rate model when setting the District's water rates, fees and charges.
- 7) Pension Stabilization Fund: This fund is established to provide funding for required Unfunded Accrued Liability (UAL) payments resulting from investment market shortfalls and/or actuarial assumption changes. The minimum balance shall be equivalent to thirty five percent of the District's annual UAL payment. The target balance shall be equivalent to sixty percent of the District's annual

UAL payment. The target level shall be incorporated in the rate model when setting the District's water rates, fees and charges.



STAFF REPORT

Meeting Type: Board of Directors Meeting
Title: Letter of Support for Proposed Eel-Russian River Facilities
From: Paul Sellier, Water Resources Director
Through: Ben Horenstein, General Manager
Meeting Date: October 24, 2023

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Approve joining a letter of support for the new proposed Eel-Russian River facilities

SUMMARY: As a follow-up to PG&E's decision to decommission the Potter Valley Project, the Mendocino County Inland Water and Power Commission, Round Valley Indian Tribes, and the Sonoma County Water Agency (Sonoma Water) submitted a Proposal (see attached) to PG&E that advances a regional solution for preserving flows and fisheries in the Russian River and improving Eel River fisheries. The Proposal is intended to provide a means for the diversion of Eel River water to continue while achieving the goals of improving the Eel River fishery as well as flows and fisheries in the Russian River.

DISCUSSION: The Potter Valley Project (PVP) includes Scott Dam, Cape Horn Dam and a tunnel that are operated to divert water from the Eel River basin to the Potter Valley Power House located in the Russian River basin for the purpose of generating electricity. A portion of this diverted water serves the Potter Valley Irrigation District (approximately 7,000 acres of productive farmland) and the remaining water flows into Lake Mendocino and is a critical source of supply for the Russian River system. A recent decision by Pacific Gas and Electric (PG&E) to *not* renew its license to continue to operate the hydroelectric facilities has resulted in uncertainty over the continued diversion of water to the Russian River basin.

PG&E is preparing an initial draft surrender application which includes a decommissioning plan with the final surrender application due by January 2025. Recently, PG&E indicated that they would include the Proposal in their initial draft surrender application. While inclusion of the Proposal in the initial surrender application is a positive step, there are many aspects of the Proposal not yet fully defined. Some of those details include formation of a regional entity to operate and maintain the diversion facilities, agreement on the terms of any purchase from PG&E, development of the financial capacity for construction and operation, and apportionment of the associated costs. The loss of water from the



Potter Valley Diversion would have a detrimental impact on the region’s water supply. Specifically, Sonoma Water estimates that Lake Mendocino would experience water shortages in 8 out of 10 years, and run dry 5 out of 10 years. For the reasons noted, staff recommends the District support Sonoma Water’s efforts to continue the diversion by joining the letter of support.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

- 1. Joint Letter of Support for Proposal of New Eel-Russian Facility
- 2. Proposal for PG&E Draft License Surrender Application

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Water Resources	 _____ Paul Sellier Water Resources Director	 _____ Ben Horenstein General Manager

NOTE: LOGOS OF ALL AGENCIES THAT SIGN-ON WILL BE INCLUDED AT THE TOP OF THE LETTER

Date

The Honorable FIRST & LAST NAME

Address

Subject: Water Suppliers' Support for New Eel-Russian Facility

Dear TITLE LAST NAME,

Water suppliers in Sonoma, Mendocino and Marin counties strongly support the Proposal submitted to Pacific Gas and Electric Company (PG&E) by the Mendocino County Inland Water and Power Commission, Round Valley Indian Tribes, and the Sonoma County Water Agency (Sonoma Water), which advances a regional solution for preserving flows and fisheries in the Russian River and improving Eel River fisheries.

PG&E plans to decommission its Potter Valley Hydroelectric Project, and in the absence of a proposal, end water diversions from the Eel River into the Russian River. The Proposal seeks to maintain these diversions while not delaying PG&E's plans to remove Scott Dam and Cape Horn Dam. The proposed New Eel-Russian Facility would provide for effective and timely fish migration past the new diversion facilities while allowing water to be transferred to the Russian River when flows are high enough in the Eel River. These diversions are critical to the health of the Russian River watershed, to ongoing water supply for numerous communities in Sonoma, Mendocino and Marin counties, and to Russian River fisheries. Based on records from 1911-2017, without the Potter Valley Diversion, Lake Mendocino would have gone dry 56 out of 108 years (unless intervening measures were taken).

Russian River water users have made significant strides in reducing water use, improving water use efficiency, and developing alternative supplies (for example, Sonoma Water and its retail water customers take nearly 40 percent less water from the Russian River than they did 20 years ago, despite a growing population). However, halting the diversions, even temporarily, would directly threaten the drinking water supply for more than 97,000 people living in Russian River communities -- and would make the drinking water supply for 600,000 additional people less reliable.

The lack of diverted water would cause tens of millions of dollars of economic damage per year, result in drastic conservation measures and increased water rates, curtail needed new housing, and increase the region's vulnerability to droughts, wildfires and climate change.

For these reasons, Sonoma, Mendocino and Marin county water suppliers hope that we can count on your support of the Proposal now, through the regulatory process, and as the Proposal proponents seek state and federal funding for completing the project design, environmental review and, ultimately, construction.

Thank you for your consideration,

NAMES

TITLES, AGENCY REPRESENTED

Federal and State Legislative Representatives

The Honorable Mike Thompson
United States House of Representatives
2300 County Center Drive
Santa Rosa, CA 95403
Dear Mr. Thompson

The Honorable Jared Huffman
United State House of Representatives
999 Fifth Ave.
San Rafael, CA 95901
Dear Mr. Huffman

The Honorable Mike McGuire
50 D Street, Suite 120A
Santa Rosa, CA 95404
Dear Senator McGuire

The Honorable Bill Dodd
50 D Street, Suite 300
Santa Rosa, CA 95404
Dear Senator Dodd

The Honorable Cecilia Aguiar-Curry
2721 Napa Valley Corporate Drive
Napa, CA 94558
Dear Assemblymember Aguiar-Curry

The Honorable Jim Wood
50 D Street, Suite 450
Santa Rosa, CA 95404
Dear Assemblymember Wood

The Honorable Damon Connolly
50 D Street, Suite 301
Santa Rosa, CA 95404
Dear Assemblymember Connolly

**PROPOSAL FOR PACIFIC GAS & ELECTRIC COMPANY,
DRAFT LICENSE SURRENDER APPLICATION, POTTER VALLEY PROJECT (P-77)**

Sonoma County Water Agency, Mendocino County Inland Water and Power Commission, and Round Valley Indian Tribes

July 31, 2023, updated August 3, 2023

PG&E is considering a proposal for Cape Horn Dam and Van Arsdale Diversion advanced by Sonoma County Water Agency, Mendocino County Inland Water and Power Commission, and Round Valley Indian Tribes. This proposal is called the New Eel-Russian Facility.

PG&E will include the proposal in the final license surrender application if, consistent with the schedule attached as Attachment 1, a Regional Entity has:

- (1) been formed and has the legal, and is developing the financial, capacity to be responsible for ownership, construction, and operation of the Facility;*
- (2) selected a design that, as documented in a design report, fully implements co-equal objectives of fish migration and water diversions. The Facility will be designed for upstream and downstream fish migration with a goal of achieving naturally reproducing, self-sustaining and harvestable native anadromous fish populations. The Facility will include the physical capacity for material and continued water diversion through the existing tunnel from the Eel River into the Russian River. Fish migration and Eel River diversions in the selected design will be on conditions, mutually agreeable to the Proponents, that protect the fishing rights and water rights of the Round Valley Indian Tribes;*
- (3) agreed with PG&E on terms for a Purchase and Sale Agreement for the project works listed in Attachment 2, which agreement: (a) assures that this entity will bear the additional costs, risks, and liabilities of this proposal relative to what would otherwise be PG&E's decommissioning plan, (b) provides appropriate consideration for the purchase of the project works, and (c) provides for closing and transfer of fee title to the project works listed in Attachment 2, concurrent with partial transfer of P-77 license; and*
- (4) received support for the proposal from National Marine Fisheries Service and California Department of Fish and Wildlife, and from representative governmental and non-governmental entities from the Russian and Eel River basins.*

The final license surrender application will request that FERC create a nonpower license for the project works listed in Attachment 2, to be held by the Regional Entity. The nonpower license will authorize construction of the Facility. This nonpower license will be effective once FERC issues the license surrender order for the remaining P-77 project works and further, PG&E and the proponents confirm that the license surrender order and nonpower license are consistent with the relevant terms of the Purchase and Sale Agreement.

PVP Proposal (July 31, 2023, updated August 3, 2023)

Attachment 1.
Schedule for Coordination with PG&E in Further Development of Proposal Leading to Filing of License Surrender Application

Date	Event
August 15, 2023	Sonoma County Water Agency, Mendocino County Inland Water and Power Commission, and Round Valley Indian Tribes (Proponents) and PG&E begin discussions on a Purchase and Sale Agreement (PSA). Proponents are proxy for the Regional Entity.
October 31, 2023	Proponents report to PG&E on outcome of preliminary consultation with NMFS, CDFW, and stakeholders in the Russian and Eel River Basins to support incorporation of proposal in draft license surrender application. Proponents consult on the options described in Attachment 3. By this time, Proponents also convene a table to negotiate a settlement with respect to the approach to the Eel-Russian Facility in the license surrender application.
November 30, 2023	PG&E releases draft license surrender application for its own stakeholder consultation.
December 31, 2023	Proponents form a JPA as Regional Entity. This entity and original Proponents coordinate with respect to subsequent steps. This entity becomes PG&E’s counter-party in the PSA negotiations.
March 31, 2024	Per Proposal paragraph (2), Proponents tentatively select a design option, for the purpose of continuing consultation with agencies and stakeholders.
May 31, 2024	PG&E releases revised draft license surrender application. Before this date, Proponents submit to PG&E a draft of the license surrender application that deals with Eel-Russian Facility, proposing a nonpower license. This application reflects progress on Proposal paragraphs (1) – (4) as needed for a complete draft application.
November 30, 2024	PG&E and Regional Entity reach agreement on the PSA terms (binding Term Sheet).
November 30, 2024	Proponents reach agreement (Term Sheet or Agreement in Principle) with agencies and representative stakeholders on key terms related to the license surrender application dealing with the Eel-Russian Facility.
January 31, 2025	PG&E files the license surrender application with FERC. Regional Entity is co-applicant for that part of the application dealing with Eel-Russian Facility.

Attachment 2.
Project Facilities Proposed to be Transferred to Regional Entity

Project Facility/Feature
River Gages
E2 - Eel R BL Scott Dam NR Potter Valley CA (11470500)
Project Facility Access Roads
Gage E2 Access Rd
Penstock, Pipeline and Butterfly Valve House Access Rd
Powerhouse Main Access Rd
Intake Structures
Van Arsdale Diversion Intake
Tunnels and Adits
Tunnel No. 1
Tunnel No. 2
Tunnel No. 1 Slide Gate and Adit
Tunnel No. 1 Gage Shaft
Conduits, Penstocks, Control and Valve Houses
Conduit No. 1 (Upper Wood Stave, Steel Pipe and Components)
Conduit No. 2 (Lower Wood Stave, Steel Pipe and Components)
Conduit No. 1, 72-inch Butterfly Valve House
Conduit No. 1 Standpipe and Surge Chamber Vent
Penstock No. 1
Penstock No. 2
Penstock Nos. 1 and 2, 60-inch Gate Valves (2)
Penstock Bypass Channel
Powerhouse Bypass System
Powerhouse, Switchyard, and Tailrace
Potter Valley Powerhouse
Potter Valley Powerhouse Tailrace, Radial Gate, and Venturi Flume
Potter Valley Powerhouse Discharge Canal
Diversion Gages
E5 - Potter Valley Irrig CN E5 NR Potter Valley CA (11471105)
E6 - Potter Valley Irrig CN E6 NR Potter Valley CA (11471106)
E16 - Potter Valley PH Intake near Potter Valley CA (11471000)
River Gages
E11 - Eel River at Van Arsdale Dam near Potter Valley CA (11471500)
Leakage Weirs and Piezometers
Cape Horn Dam Leakage Weirs

Project Facility/Feature
Cape Horn Dam Piezometers
Fish Screen and Associated Facilities
Van Arsdale Fish Screen Facility
Van Arsdale Fish Screen Facility Back-up Generator Building
Van Arsdale Fish Screen Facility Motor Control Building
Van Arsdale Fish Return Channel
Storage Building
Project Communication/Power Lines
Conduit No. 1, 72-inch Butterfly Valve House Communication
Cape Horn Dam Control Building Communication/Power Line
Fish Screen Facility Communication/Power Line
Tunnel No. 1 Slide Gate and Adit Communication/Power Line
Penstock Nos. 1 and 2, 60-inch Stop Valves Communication/Power Line
Helicopter Landing Sites
Potter Valley Powerhouse Helicopter Landing Site
Ancillary and Support Facilities
Potter Valley Powerhouse Operators Office
Potter Valley Powerhouse Maintenance Office
Potter Valley Powerhouse Operators Restrooms
Potter Valley Powerhouse Weather Station (USACE owns a station, discuss fate outside process)
Project Facility Access Roads
Cape Horn Dam East Access Rd
Intake Access Rd
Penstock, Pipeline and Butterfly Valve House Access Rd (Access for private landowner)
Powerhouse Main Access Rd
Project Facility Access Trails
Gage E11 Access Trail
Project Water Rights
The 1905 water right owned by PG&E that authorizes diversions from the Eel River
Project Communication Line
Scott Dam Block Building Communication Line* - <i>only if needed for E2 gage</i>

Potter Valley Project Facilities and Features Partial Transfer – Open to Discussion	
Dam and Associated Facility/Features	
	<i>Cape Horn Dam - condition of transfer requires more discussion. Either PG&E or Diverters will remove CHD pending discussions and PSA. The preliminary removal parameters are outlined in Attachment 3.</i>
	<i>Cape Horn Dam Instream Flow Release - condition of transfer requires more discussion. Either PG&E or Diverters will remove CHD pending discussions and PSA. The preliminary removal parameters are outlined in Attachment 3.</i>
Reservoir	
	<i>Van Arsdale Reservoir - condition of transfer requires more discussion. Either PG&E or Diverters will remove CHD pending discussions and PSA. The preliminary removal parameters are outlined in Attachment 3.</i>
Powerhouse, Switchyard, and Tailrace	
	<i>Potter Valley Powerhouse Switchyard - distribution switchyard to be partitioned and retained by PG&E, Diverters would like to retain station service transformers and access to south side of powerhouse. Balance of switchyard can remain with PG&E or be transferred to Diverters, with easements granting access as needed to the other party.</i>
Fish Ladder and Associated Facilities	
	<i>Fish Attraction Facility - condition of transfer requires more discussion. Either PG&E or Diverters will remove CHD pending discussions and PSA. The preliminary removal parameters are outlined in Attachment 3.</i>

Attachment 3.
Design Options for Eel-Russian Facility

Cape Horn Dam and Van Arsdale Reservoir will be substantially removed, although parts of foundations and the right abutment will be retained to provide the anchorage for diversion or passage elements. The details and extent of the removal will be further developed along with the design for the new diversion and fish screening facilities. Two alternatives are currently under consideration for CHD removal, and the current preliminary descriptions, are below. Preliminary drawings follow at the end of this attachment.

Alternative C1 – Control Section with Pump Station

Alternative C1 would include lowering a section of the concrete gravity portion of Cape Horn Dam from elevation 1,490.4 feet down to about 1,452.0 feet to create a control section, then fitting a pump station adjacent to the control section. The final height and dimensions of the control section, and the potential need for a bladder dam, are currently the subject of hydraulic modeling.

The portion removed would begin at the concrete retaining wall and would be relatively flat and would extend toward river left approximately 70 feet. At that point, the crest would slope downward at 3H:1V for 15 feet to reach an elevation of 1447.0. From there the remainder of the control section would continue at elevation 1,447.0 feet for another 15 feet. This latter portion of the control section would help ensure adequate flow depths at low flow, while the upper portion would provide adequate flow area for high flows. In total, the control section would be approximately 100 feet long and would pass all Eel River flows, except for those diverted. At the end of the control section a vertical section of the dam would remain up to elevation 1,477.0, beyond which the dam would slope at about a 3H:1V slope to match the existing crest elevation of 1,490.4 feet.

The section of dam lowered to elevation 1,477.0 feet would marry up with a new reinforced concrete pump station.

Due to the existing top elevation of the retaining wall at 1,519.0 feet and the proposed lowered dam crest elevation between 1,447.0 and 1,452.0 feet, the retaining wall would be 67 feet tall. Due to this excessive height and the concern for stability, the maximum elevation of the retaining wall is proposed to be lowered to elevation 1,472.0 feet, leaving a retaining wall that is approximately 20 feet tall. Lowering the retaining wall would require excavating out the earth fill portion of the dam down to an approximate elevation of 1,467.0 feet. This excavation will include partial demolition of the mass concrete core wall and possibly some of the reinforced concrete core wall. Rock riprap removed during earth fill excavation would then be re-placed and augmented with armor material to convert the earth fill portion of the dam to an auxiliary spillway. The auxiliary spillway would be activated at elevation 1,467.0 feet and would flow approximately 10 feet deep before overtopping the new lowered section of the dam and the intake pump station.

Alternative C1 includes lowering a 100-foot section of Cape Horn Dam by 38.4 and 43.4 feet. The new control section will include a 10-foot-wide low flow section set to elevation 1,447.0 feet that slopes up at 3H:1V to a 70-foot-long section set to elevation 1,452.0 feet. Downstream of the low flow section approximately 100 feet, the existing fish hotel and exclusion barrier would be removed down to elevation 1,446.0, with the area between the two vertical controls occupied by a deep pool. And downstream of the lower fish hotel and exclusion barrier approximately 100 to 125 feet, an existing bedrock control maintains a riffle at an approximate elevation of 1,445.0 feet. From a fish passage perspective, upstream migrants would first encounter the existing plunge pool, followed by a maximum vertical drop of 1 foot at the former exclusion barrier. Just upstream, migrants would encounter another deep pool, followed by another maximum drop of 1 foot at the control section.

PVP Proposal (July 31, 2023, updated August 3, 2023)

Alternative C2 – Roughened Channel with Gravity Supply

Alternative C2 considers the complete removal of the concrete gravity portion of Cape Horn Dam and construction of a roughened channel and new diversion weir near the intake to the Van Arsdale Diversion facility. The length and dimensions of the roughened channel are currently the subject of hydraulic modeling.

Alternative C2 would include lowering the entire concrete gravity portion of Cape Horn Dam from elevation 1,490.4 feet down to about 1,457.5 feet. Roughly 100 feet downstream of the dam, the fish hotel and exclusion barrier would also be lowered, from a variable elevation down to about elevation 1,453.7 feet. The remainder of the concrete dam and fish hotel/exclusion barrier would maintain vertical control at those locations. Approximately 280 feet downstream of the exclusion barrier, vertical control is maintained at about 1,445.0 feet by an existing bedrock control. Between the downstream bedrock control and the fish hotel/exclusion barrier a roughened channel is proposed. The roughened channel would resemble a boulder cascade, with very large rock material providing hydraulic complexity and channel stability sufficient to withstand extreme high flow events. A similar roughened channel would extend upstream of the dam approximately 420 feet, terminating at a sheet pile control weir with a maximum crest elevation set to 1,473.0 feet. The upstream sheet pile control weir would include a low flow section approximately 20 feet wide with a crest elevation of 1,470.0 feet.

The entire roughened channel would be approximately 800 feet long and would be about 10 to 15 feet deep on average. Areas on river left near the existing dam would likely not require hardening due to the presence of significant bedrock. The roughened channel would include a low flow corridor that matches the existing channel at the downstream terminus and matches the low flow section at the upstream control weir. The overall planform of the channel includes a single valley-wide bend with a radius of curvature of about 400 to 500 feet. The low flow corridor would include two smaller bends with a radius of curvature of approximately 80 to 100 feet. The slope of the roughened channel thalweg would be roughly 3.1 percent.

The upstream control weir would span the channel, connecting on river left to the existing diversion facility and on river right to a reinforced concrete extension of the existing dam wingwall. The wall extension would be approximately 150 feet long. The upstream control weir would serve as a backwater control for a modified diversion structure.

Dewatering and Construction Sequencing

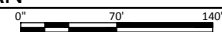
Cape Horn Dam removal can take place either before or after Scott Dam removal. Hydraulic modeling currently underway will help to determine if removal before or after Scott Dam is preferred or advantageous. If Cape Horn Dam is removed prior to Scott Dam removal, the new diversion and conveyance facility to Potter Valley would be up and running when demolition begins on Scott Dam. Also, delivery of water to Potter Valley could take place in the summer months, as under existing conditions, or in the winter and spring months, provided that infrastructure and operations are in place on the Russian River to accommodate the additional stored volume of water. However, there would be no way to control the short- and mid-term impacts due to sediment releases from Scott Dam. By comparison, constructing the new diversion and conveyance at Cape Horn Dam at some point after removal of Scott Dam would allow the Eel River to potentially reach a new equilibrium bed profile, or perhaps close, potentially mitigating some of the greater risks associated with sediment

transport after Scott Dam removal. For this reason, it is assumed here that Cape Horn Dam removal activities and construction of a new diversion and conveyance system would take place after Scott Dam removal.

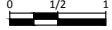


ALTERNATIVE C-1 PLAN

SCALE: 1" = 70'



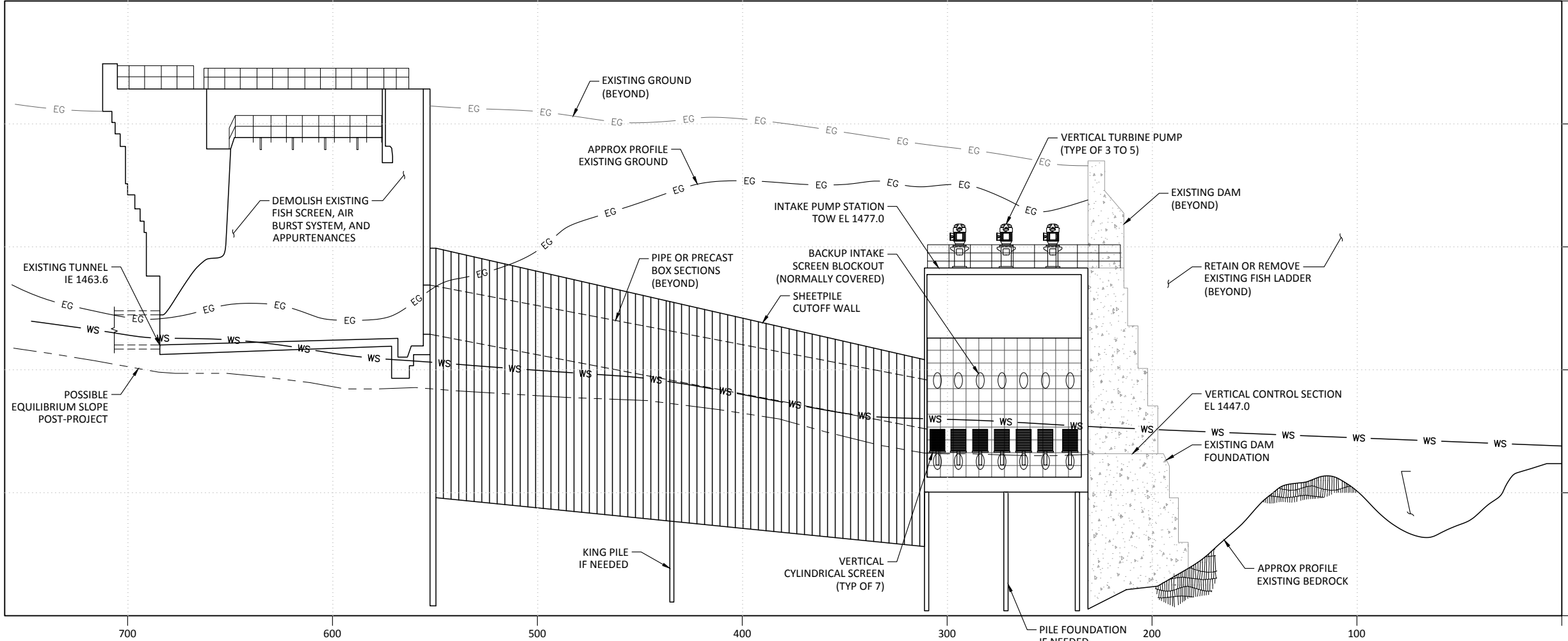
REV	DATE	BY	DESCRIPTION
A	07/14/21	KRJ	DRAFT FEASIBILITY STUDY

WARNING

 IF THIS BAR DOES NOT MEASURE 1" THEN DRAWING IS NOT TO SCALE.



CALTROUT
 POTTER VALLEY PROJECT FEASIBILITY STUDY

CAPE HORN DAM REMOVAL
 ALTERNATIVE C-1 PLAN



SECTION
 SCALE: HORIZ 1" = 30'
 VERT 1" = 10'

REV	DATE	BY	DESCRIPTION
A	07/14/21	KRJ	DRAFT FEASIBILITY STUDY

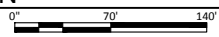
WARNING
 IF THIS BAR DOES NOT MEASURE 1" THEN DRAWING IS NOT TO SCALE.



CALTROUT
 POTTER VALLEY PROJECT FEASIBILITY STUDY
 CAPE HORN DAM REMOVAL
 ALTERNATIVE C-1 SECTION



ALTERNATIVE C-2 PLAN
SCALE: 1" = 70'



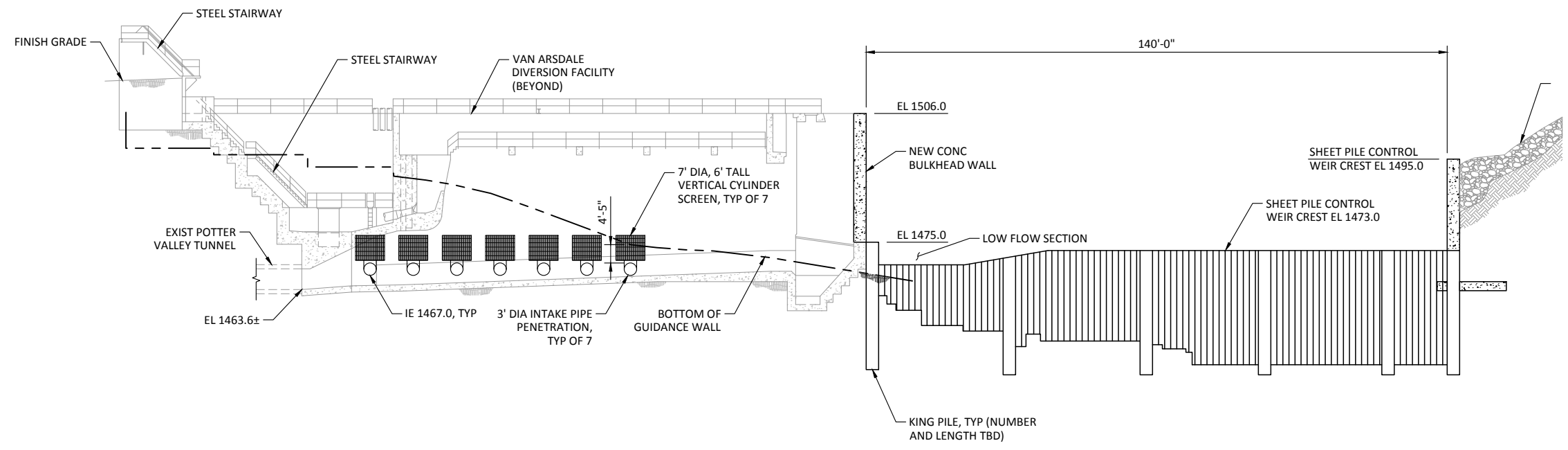
WARNING
IF THIS BAR DOES NOT MEASURE 1" THEN DRAWING IS NOT TO SCALE.



CALTROUT
POTTER VALLEY PROJECT FEASIBILITY STUDY

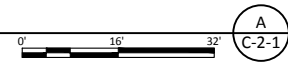
CAPE HORN DAM REMOVAL
ALTERNATIVE C-2 PLAN

REV	DATE	BY	DESCRIPTION
A	07/14/21	KRJ	DRAFT FEASIBILITY STUDY



SECTION

SCALE: 1/16" = 1'-0"



REV	DATE	BY	DESCRIPTION
A	07/14/21	KRJ	DRAFT FEASIBILITY STUDY

WARNING
 IF THIS BAR DOES NOT
 MEASURE 1" THEN
 DRAWING IS NOT TO SCALE.



CALTROUT
 POTTER VALLEY PROJECT FEASIBILITY STUDY

CAPE HORN DAM REMOVAL
 ALTERNATIVE C-2 SECTION



STAFF REPORT

Meeting Type: Board Meeting
Title: Water Supply Update
From: Paul Sellier, Water Resources Director
Through: Ben Horenstein, General Manager
Meeting Date: October 24, 2023

TYPE OF ACTION: Action X Information Review and Refer

RECOMMENDATION: Receive staff update on Water Supply Conditions

SUMMARY: Staff will provide an update on current and future water supply conditions.

DISCUSSION: The District relies on local reservoir storage to provide approximately 75% of our water supply with the other 25% coming from the Russian River. Overall, Marin Water’s local reservoir storage is 84.8% of capacity and 125% of the average storage for this date. Additionally, the water level in Lake Sonoma is approximately 96% of the water supply pool and 140% of average for this time of year. Lake Mendocino water level is 75% of the water supply storage pool. The favorable water supply conditions will allow the District to provide water for both potable demands and environmental releases in the coming year. In addition to providing a review of the 2023 water year, including a summary of supplemental water purchases, staff will also review current and projected future water supply conditions.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.



STAFF REPORT

Meeting Type: Board of Directors
Title: Strategic Plan Development
From: Adriane Mertens, Communications & Public Affairs Manager *am*
Through: Ben Horenstein, General Manager *BH*
Meeting Date: October 24, 2023

TYPE OF ACTION: Action X Information Review and Refer

RECOMMENDATION: Receive staff and consultant update on the development of goals for the District’s next five-year strategic plan.

SUMMARY: Continuing with its 5-year strategic planning process, staff and the District’s consultant will present on how the District will develop strategic plan goals that support fulfillment of its mission.

DISCUSSION: The District is currently engaged in the development of a strategic plan to lay out the goals and objectives the organization intends to accomplish over the next five-year period, FY 2025 – FY 2030. To help with guiding development of the strategic plan, the District has contracted with The Catalyst Group, Inc.

At a Board of Directors Meeting on September 19, 2023, The Catalyst Group led the Board through evaluation and discussion of the District’s vision, mission and values statements which will set the framework for a new Strategic Plan. The Catalyst Group has collected previous input from individual Board members, senior leadership staff, and staff throughout the organization on the vision, mission and values statements as well as broader input that will be helpful in development of other components of the plan, including the plan’s goals and objectives. During the Board meeting, the Board provided further input into the development of the vision, mission and values statements. The mission, vision and values statements will continue to be refined to be included with the adoption of the new strategic plan.

The next step of the strategic plan development process involves determining the plan goals, which describe the outcomes and results the District will work toward achieving to fulfill its mission. During the presentation, members of The Catalyst Group will provide potential draft strategic plan goals developed based on prior input from the board and staff.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.



UPCOMING MEETINGS

This schedule lists upcoming Marin Water Board of Directors meetings and committee meetings as well as upcoming agenda items for the next month. The schedule is tentative and subject to change pending final publication and posting of each meeting agenda.

Internal Meetings		
Meeting Date	Meeting Type	Key Item(s)
Friday, Oct. 26, 2023 9:30 a.m.	Finance & Administration Committee Meeting/ Special Meeting of the Board of Directors	Grant Funding for Lagunitas Creek
Tuesday, Nov. 7, 2023 6:30 p.m.	Board of Directors' Regular Bi-Monthly Meeting	Wildfire Preparedness Plan Update
Friday, Nov. 17, 2023 9:30 a.m.	Operations Committee Meeting/ Special Meeting of the Board of Directors	Valve Cluster Update

External Meetings	
Meeting Date	Meeting Type
Saturday, Oct. 28, 2023 11:00 a.m.	Annual Volunteer Appreciation Event Sponsored by Marin Water, One Tam, and Marin County Parks Located at Paradise Beach Park, Tiburon
Friday, Nov. 3, 2023 9:30 a.m.	North Bay Watershed Association
Friday, Nov. 3, 2023 9:00 a.m.	Lagunitas Creek Technical Advisory Committee
Monday, Nov. 6, 2023 9:00 a.m.	Sonoma Water Advisory Committee/ Technical Advisory Committee Meeting