



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

Tuesday, August 19, 2025 at 5:00 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

Closed Session begins at 5:00 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://marinwater.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)**

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**
(Significant Exposure to Litigation pursuant to §54956.9(b))

Number of Cases: Unknown

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

4. **Reconvene to Open Session; Closed Session Report Out**
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 (6:35 p.m. – Time Approximate)**
7. **Board Committee Reports**

Each Committee Chair or Vice Chair will provide a report on recent committee meetings. Directors may ask questions or provide brief comments or requests for additional information on an item.

8. **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. July 15, 2025 Board Meeting Minutes

RECOMMENDATION: Approve the minutes of the Board of Directors' Regular Bi-Monthly Meeting on July 15, 2025

- b. General Manager's Report July 2025

RECOMMENDATION: Approve Report

- c. General Services Agreements for BFFIP Maintenance and BFFIP Forestry and Pile Burn Support (Contract Number 2050 & Contract Number 2051)

RECOMMENDATION: Authorize the General Manager to execute two General Services Agreements, (CN-2050 and CN-2051) with Forster and Kroeger Inc., the lowest qualified bidder, in the amounts of \$5,101,440 for 'BFFIP Maintenance' and \$2,757,630 for 'BFFIP Forestry and Pile Burn Support', 2025- 2028

d. Wildlife Conservation Board Grant Resolution

RECOMMENDATION: Approve a grant resolution for the Wildlife Conservation Board (WCB) to support the submittal of a grant application for the Lagunitas Creek Enhancement Project Phase 2 and authorize the General Manager to execute a resulting grant agreement and subsequent amendments, if applicable

e. Professional Services Agreement for Mt. Tamalpais Bat Monitoring (Miscellaneous Agreement No. 6454)

RECOMMENDATION: Authorize the General Manager to execute Professional Services Agreement MA-6454 with Stillwater Sciences in the amount of \$269,000, with a 10% contingency for a total not to exceed \$295,900, for Mt. Tamalpais Bat Monitoring work related to the E-Bike Pilot

f. One Tam Extension of Cooperative Agreement and Approval of Watershed Projects

RECOMMENDATION: Approve an Extension to the Cooperative Agreement for One Tam and Project Statements and Funding for 1) Sky Oaks Watershed Conceptual Plan in the amount of \$200,000 and 2) BFFIP and E-Bike Pilot Early Detection Rapid Response and Rare Plant Monitoring in the amount of \$55,218

g. Acceptance of Permanent Grant of Easement to Marin Municipal Water District for Existing Water Facilities Off Paradise Drive, Tiburon, APNs: 058-011-13 and 058-031-12

RECOMMENDATION: Approve the acceptance of a permanent grant of easement in favor of the District and authorize the General Manager to accept and execute the easement agreement

h. Award of Contract No. 2036 Canal Pipeline Replacement Project (GC25005)

RECOMMENDATION: Approve 1) a resolution authorizing award of Contract No. 2036, Canal Pipeline Replacement Project, to Maggiora & Ghilotti, Inc. in the amount of \$2,188,870 and 2) a funding memorandum of understanding (MOU), by motion, in the amount of \$100,000 to the Multicultural Center of Marin to support community outreach efforts related to the Project and authorize the General Manager to negotiate and execute the MOU on behalf of the District

i. Award of Laboratory Services Contract to Alpha Analytical Laboratories

RECOMMENDATION: Authorize the General Manager to execute a professional services agreement with Alpha Analytical Laboratories for water quality laboratory services in an amount not to exceed \$319,219 for fiscal year 2026

9. Regular Items (6:55 p.m. – Time Approximate)

a. Water Supply Agreement with Sonoma Water

RECOMMENDATION: Approve the *Amended and Restated Water Supply Agreement by and between The Marin Municipal Water District and Sonoma County Water Agency* for fifteen-year term expiring June 30, 2040

b. Water Supply Roadmap Update

RECOMMENDATION: Receive an update on the Water Supply Roadmap, including additional cost information on the proposed Nicasio Spillway Modification Project and the work commencing on the proposed Atmospheric River Capture Project

10. 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, which may include Board interest in adding future meeting items. The schedule is tentative and subject to change pending final publication and posting of the meeting agendas.

a. Upcoming Meetings

11. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s) - None.

12. Reconvene to Open Session; Closed Session Report Out - Not applicable.

13. Adjournment (8:00 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: 08-15-2025



STAFF REPORT

Meeting Type: Board of Directors
Title: July 15, 2025 Board Meeting Minutes
From: Terrie Gillen, Board Secretary
Through: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve the minutes of the Board of Directors' Regular Bi-Monthly Meeting on July 15, 2025

SUMMARY: The Board of Directors held their regular bi-monthly meeting on July 15, 2025. The minutes of that meeting are attached for your approval.

DISCUSSION: None.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Draft July 15, 2025 Regular Meeting Minutes

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Communications & Public Affairs Department	 Terrie Gillen Board Secretary	 Ben Horenstein General Manager



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Tuesday, July 15, 2025 at 5:30 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 Jed Smith - 105 Herring Pond Road, Plymouth, MA 02360

Closed Session begins at 5:30 p.m.

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

Public Participation:

The public attended this meeting in-person or remotely using one of the following methods: on a computer or smart device: <https://marinwater.zoom.us/j/88134852296>, or by phone: 1-669-444-9171 using Webinar ID #: 881 3485 2296.

AGENDA ITEMS:

1. Call to Order and Roll Call

Board President Matt Samson called the meeting to order at 5:30 p.m.

DIRECTORS PRESENT

Diana Maier

Larry Russell

Jed Smith

Matt Samson

DIRECTOR ABSENT

Ranjiv Khush

2. Adoption of Agenda

Director Maier made the motion to adopt the agenda. Director Russell seconded the motion.

There were no public comments.

Voting Yea: Directors Maier, Russell, Smith, and Samson

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

There were no public comments regarding the Closed Session item.

The Board left the Board Room and convened to Closed Session in the Mt. Tam Conference Room at 5:31 p.m.

a. Conference with Legal Counsel - Anticipated Litigation

(Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9)

Number of Potential Cases: Unknown

The Board adjourned the closed session and reconvened to open session in the Board Room and via Zoom.

4. Reconvene to Open Session; Closed Session Report Out

At 6:40 p.m., the Board reconvened in the Board Room. President Samson stated that no reportable action was taken.

5. Public Comment on Non-Agenda Matters

There were five (5) public comments on matters not on the agenda.

6. Directors' and General Manager's Announcements

- Vice President Smith reported on the status of the Marin-Sonoma water contract and that the next Sonoma Water Advisory Committee meeting will take place on August 4.
- President Samson acknowledged the employee recognition event on July 10. He also indicated that based on discussions with staff there was no need to hold the August 5 Board meeting and suggested it be cancelled. With none from the Board opposed, staff took direction to cancel the August 5 Board meeting.

7. Board Committee Reports

President Samson mentioned that he and Director Russell attended the North Bay Watershed Association (NBWA) meeting and reported on their upcoming events.

8. Consent Items

- a. July 1, 2025 Board Meeting Minutes
RECOMMENDATION: Approve the minutes of the Board of Directors’ Regular Bi-Monthly Meeting on July 1, 2025
- b. General Manager's Report June 2025
RECOMMENDATION: Approve Report
- c. Purchase of 18-Inch Actuated Butterfly Valves to Replace Valves at the San Geronimo Treatment Plant
RECOMMENDATION: Authorize the General Manger to execute a purchase order for replacement valves from Southwest Vales & Equipment, LLC to replace leaking filter rate control valves at the San Geronimo Treatment Plant in the amount of \$135,442.43
- d. FY 2026 Pay Schedule for District Employees
RECOMMENDATION: Adopt a resolution approving the updated pay schedule effective the first full pay period following July 1, 2025 for District Employees to reflect the CPI increase and cost of living adjustments approved by the Board in November 2023 (*Resolution No. 8813*)
- e. Request to Fill Natural Resources Technician II (Vegetation Management)
RECOMMENDATION: Approve adding a Natural Resources Technician (Vegetation Management) II position as an additional Full Time Equivalent (FTE) position to be filled on an as need bases as a 2 –year limited duration assignment in the Watershed Division

Director Maier made the motion to approve the Consent Calendar items. Vice President Smith seconded the motion.

There were no public comments.

Voting Yea: Directors Maier, Russell, Smith, and Samson

9. Regular Items

- a. Watershed Prescribed Burn
RECOMMENDATION: Receive staff presentation on Mt. Tamalpais Knob II Prescribed Burn Project

Watershed Director Shaun Horne and Watershed Equipment Operator & Technical Lead for Fire & Prescribed Burning Pile Kevin Cook presented this item.

Board comments ensued.

There was one (1) public comment.

This was an information item. No formal action was taken.

b. FY26 Engineering Capital Projects Update

RECOMMENDATION: Receive staff update on Fiscal Year 2026 Capital Projects

Engineering Director Alex Anaya and Engineering Design Manager Zak Talbott presented this item.

Brief discussion occurred throughout the presentation between staff and the directors.

There was one (1) public comment.

No formal action was taken. This was an information item.

10. Future Board and Committee Meetings and Upcoming Agenda Items

a. Upcoming Meetings

The board secretary announced the remaining meetings in July.

11. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s) - None.

12. Reconvene to Open Session; Closed Session Report Out - Not applicable.

13. Adjournment

There being no further business, the Board of Directors adjourned the meeting at 7:48 p.m.

Board Secretary



STAFF REPORT

Meeting Type: Board of Directors
Title: General Manager's Report July 2025
From: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve Report

SUMMARY:

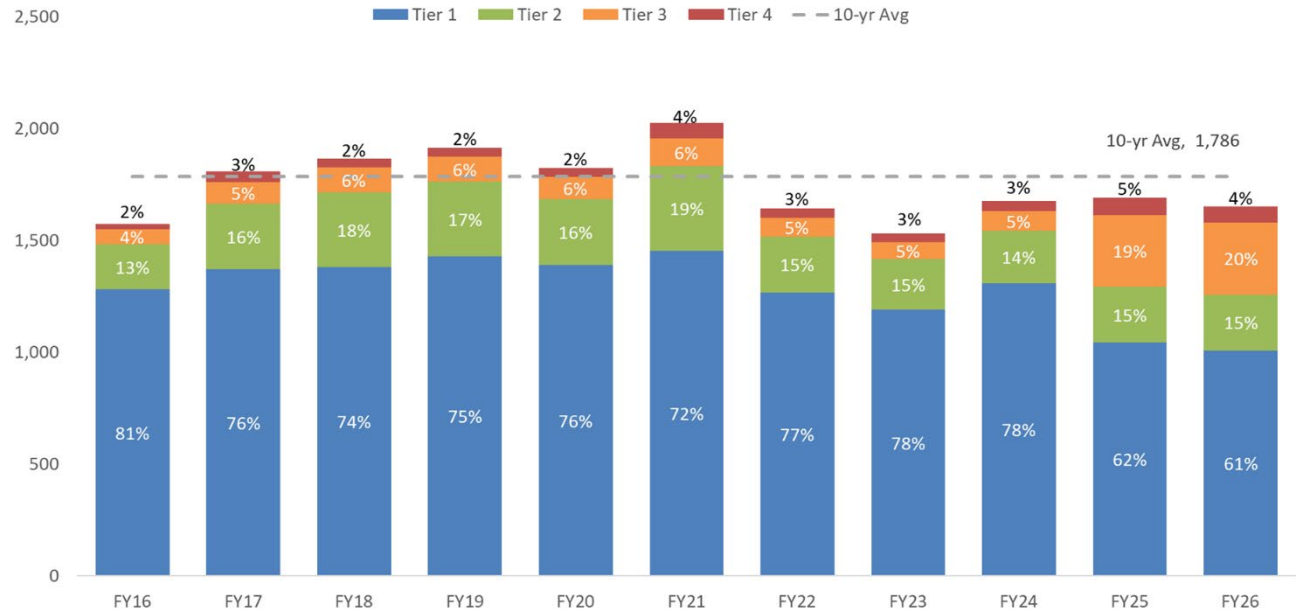
A. HIGHLIGHTS:

- The daily average net production for the month of July 2025 was 24.1 MGD compared to 26.8 MGD for the month of July 2024. Typical usage for July is 32.2 MGD.
- Staff received 60% plans for the Tocaloma Pump Station Rehabilitation Project, which will improve system reliability and operation efficiency by replacing aging mechanical and electrical equipment with new energy efficient equipment and fire hardening the pump station. The project is on track to advertise for construction this year.
- Staff issued a statement of qualification for two on-call professional services agreements from two engineering consulting firms to provide engineering services for complex treatment plant, pump station and storage tank projects. Establishing two on-call contracts provides staff flexibility and streamlines the engineering workflow process, ensuring the District capital program stays on track.
- Staff participated in a safety training with a PG&E Damage Investigator. The training covered safe excavation techniques around underground utilities, Underground Service Alert instruction and provided a unique understanding of PG&E gas main locations throughout Marin County.
- Fourteen distribution tanks were cleaned and inspected by contract specialty divers. The floor of the tanks were vacuumed and the contractor was able to thoroughly inspect the interior tank while in service. There are no significant issues to report.
- Hawthorne Hills Tank is a two million gallon transmission tank which can be supplied by either the Fairfax Transmission Line or the North Marin Line. The Hawthorne Hills Bypass valve can be operated remotely to bypass the tank and connect the two transmission lines. This month, staff were unable to operate the valve remotely which triggered an immediate inspection. The gear box for the actuator was removed and taken to the shop where water intrusion was observed in the gear box which rusted out the upper bearing on the worm gear. Because the

manufacturer no longer offers rebuild kits for the product, staff ordered and installed new bearings, and cleaned and rebuilt the gear box to get the actuator back into operation.

- Rectifiers help protect District facilities by impressing PG&E power onto a water main and surrounding District facilities. The process provides electrons to the piping that would have been lost into the ground if left unprotected and extends the life of the pipeline. This last month, repairs were made to the Whiskey Springs rectifier in Sausalito. After a functional test it was found that the rectifier was no longer operating. The below ground, oil filled rectifier was disassembled and pulled from the box. The oil was drained and rectifier removed. The rectifier was bench tested and found that the shunt was bad. A used shunt was pulled from an old parts rectifier in the Corrosion back stock and installed in the Whiskey Springs rectifier. The rectifier was re-installed in Sausalito and is back in service.
- The District started BFFIP Year 7 in July 2025 with a 40 acre prescribed burn just north of Bon Tempe Reservoir. The burn was conducted in Oak Woodland habitat and objectives focused on fuels reduction, habitat preservation, smoke management, and safety were met.
- The Fisheries staff conducted snorkel surveys in the Phase 1A Lagunitas Creek Enhancement Project reach, completed last summer, and observed a ten-fold increase in the number of juvenile coho and steelhead compared with pre-project counts.
- The District submitted a pre-grant application and was invited to submit a full grant application to the Wildlife Conservation Board to partially fund Phase 2 of the Lagunitas Creek Enhancement project – a request for approximately \$2M is being prepared.

TIER CONSUMPTION AS OF JULY 2025 (Acre Feet)



AWARDED GRANTS							
PROJECT	FUNDER	FUNDER PRIORITIES	FUNDING OPPORTUNITY	MATCHING PROJECT	DESCRIPTION	STATUS	AWARD AMOUNT
Prop.1. Round 2 IRWM Disadvantaged Community	DWR	Water Infrastructure	Prop.1. Round 2 IRWM Disadvantaged Community	Marin City/San Rafael Infrastructure	Replacing aging transmission lines and laterals in Marin City and San Rafael's Canal District	Awarded; in progress and on track. In the process of getting the community agreement in place for Canal District.	\$6,408,000
Forestry Corps	CCNB	Vegetation Management		Ongoing Forestry work	Workforce development; state funding directly to CCNB to fund crews working on the watershed	Awarded; in progress and on-track.	\$500,000
Fisheries Restoration Grant Program	CDFW	Fisheries	Fisheries Restoration Grant Program (FRGP)	Lagunitas Creek Restoration	Lagunitas Creek Coho Habitat Enhancement Plan - 100% Designs for Phase 2 Sites (7, 8, 9, 10, 11); CEQA	Awarded; in progress and on-track.	\$599,689
Lagunitas Creek Salmonid Spawning Gravel Improvement Project	DWR	Fisheries	Riverine Stewardship Program (RSP)	Lagunitas Creek Restoration	Gravel augmentation for Lagunitas CreekThe Lagunitas Creek Salmon Spawning Gravel Project will inject 1,700 tons of clean river-run gravel just below Peters Dam and Kent Lake at two sites within Lagunitas Creek. This project is part of a larger 13-site project with over 100 large wood structures and gravel to restore 4 miles of Lagunitas Creek to its historical geomorphic condition. This would be the first time that gravel augmentation would be conducted in Lagunitas Creek.	Awarded; in progress and on-track.	\$590,000
Lagunitas Creek Salmonid Spawning Gravel Improvement Project	USBR Environmental Restoration Project	Fisheries		Lagunitas Creek Restoration	Gravel augmentation for Lagunitas Creek Sites 1-3	Awarded; in progress and on-track.	\$1,400,000
Rain Water Harvesting Project	MCSTOPP	Conservation		Conservation	Barrels for customers	Awarded; in progress and on-track.	\$15,032
Urban Multi-Benefit Drought Relief (UMDR)	DWR	Water Resources	Urban Multi-Benefit Drought Relief (UMDR)	SWSA	Strategic Water Supply Assessment	All funds spent down; working on final reports/invoices and closeout items	\$2,000,000
Water Conservation: turf rebates	USBR	Conservation	Water and Energy Efficiency Grant (WEEG)	Conservation		Term goes through September 2026 but we've spent nearly all of these funds.	\$722,925
Prop 1. Fisheries Restoration Grants Concept Proposals	CDFW	Fisheries	Lagunitas Creek Coho Enhancement Project Phase 1	Lagunitas Creek Restoration	Lagunitas Creek Restoration Sites 1-6	Awarded; in progress and on track - just submitted 2025 Q1 report	\$4,659,898
CA Division of Boating & Waterways	NRA	Water Quality		Reservoir Water Quality	Monitor and prevent infestation of quagga and zebra mussels		\$86,800
Azalea Hill Trail Restoration	California State Parks	Trail Restoration	Recreational Trails Program (RTP)	Watershed	Azalea Hill Restoration	Awarded; in progress and on-track.	\$952,657
One Tam Regional Forest Health Project	CA WCB	Forestry Restoration		BFFIP Implementation		Awarded; in progress and on-track.	\$4,260,000
WaterSMART Applied Science	USBR	Water Resources		Advanced Weather Modeling	Funding for weather modeling to inform water resources management	Awarded; in progress.	\$150,628.00
One Tam Regional Forest Health Project Phase II	CAL FIRE	Forestry Restoration	California Climate Investments Department of Forestry and Fire Protection Forest Health Program 2023-2024	BFFIP Implementation	BFFIP Implementation for 2-3 years	Awarded; in progress and on-track.	\$6,966,078
TOTAL FUNDED:							\$29,311,707

PENDING GRANTS							
PROJECT	FUNDER	FUNDER PRIORITIES	OPPORTUNITY	DATE SUBMITTED	AMOUNT REQUESTED	DESCRIPTION	STATUS
Lagunitas Creek Coho Enhancement Phase 2	Wildlife Conservation Board	Restoration	Pre-Application	5/27/2025	\$6,212,000	Short pre-application submitted to WCB for review 5/27/25. The District was invited to submit a full proposal on 7/10.	Pending; we are targeting an 8/28 full proposal submission to be considered at the November WCB board meeting.
One Tam Block Grant	California Natural Resources Agency	Forestry Restoration	Block Grant	7/2/2025	\$10,371,070	One Tam block grant request to CNRA to increase the pace and scale of forestry work between FY26 and FY32. Total request across One Tam agencies is \$28,378,435. MMWD's request of \$10,371,070 would enable us to complete an estimated 2,700 additional treatment acres during the project period.	Pending

UPCOMING GRANTS							
PROJECT	FUNDER	FUNDER PRIORITIES	OPPORTUNITY	DESCRIPTION		STATUS	
Prop. 4 Bond Funding	Various		TBD			Monitoring	

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 2025/26		FY 2024/25	
	(million gallons)	(acre-feet)	(million gallons)	(acre-feet)
Potable				
Total production this FY	749	2,299	801	2,458
Monthly production, July	749	2,299	801	2,458
Daily average, July	24.16	74.16	25.83	79.28
Recycled				
Total production this FY	35.05	107.56	38.23	117.31
Monthly production, July	35.05	107.56	38.23	117.31
Daily average, July	1.13	3.47	1.23	3.78
Raw Water				
Total production this FY	11.58	35.54	10.81	33.17
Monthly production, July	11.58	35.54	10.81	33.17
Daily average, July	0.37	1.15	0.35	1.07
Imported Water				
Total imported this FY	313	962	272	835
Monthly imported, July	313	962	272	835
Reservoir Storage				
Total storage, July	22,812	70,006	23,151	71,049
Storage change during July	-1,415	-4,342	-1,075	-3,299
Stream Releases				
Total releases this FY	224	688	221	678
Monthly releases, July	224	688	221	678

2. <u>Precipitation:</u>	<u>FY 2025/26 (in.)</u>	<u>FY 2024/25 (in.)</u>
ALPINE	0.00	0.00
BON TEMPE	0.00	0.00
KENT	0.00	0.00
LAGUNITAS	0.00	0.00
NICASIO	0.00	0.00
PHOENIX	0.00	0.00
SOULAJULE	0.00	0.00
Average to date = 0.00 inches		

3. Water Quality:

<u>Laboratory</u>	<u>FY 2025/26</u>	<u>FY 2024/25</u>
Water Quality Complaints:		
Month of Record	11	19
Fiscal Year to Date	11	19
Water Quality Informational Inquiries:		
Month of Record	11	15
Fiscal Year to Date	11	15

The WQ Lab ensured that the water supplied met or surpassed water quality regulations by collecting and analyzing 1,510 analyses on treatment plants and distribution system samples.

Mild steel corrosion rates averaged 2.35 (0.39 – 5.40) MPY. The AWWA has recommended an operating level of <5 MPY with a goal of <1 MPY.

Complaint Flushing: No flushing events for the month on record.

Disinfection Program: 3,783’ of new pipeline was disinfected during the month of July. Performed chlorination on 26 water storage tanks to ensure compliance with bacteriological water quality regulations.

Tank Water Quality Monitoring Program: Performed 84 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 analyzed 1,510 treatment plant and distribution water samples, and the water quality department treated 26 tanks for low chlorine and checked an additional 84 tanks for low chlorine residual in July 2025.

4. Water Treatment:

<u>Treatment Results</u>	<u>San Geronimo</u>		<u>Bon Tempe</u>		<u>Ignacio</u>	
	Average	Monthly	Average	Monthly	Average	Monthly
	Goal		Goal		Goal	
Turbidity (NTU)	0.05	≤ 0.10	0.05	≤ 0.10	0.04	≤ 0.10
Chlorine residual (mg/L)	2.73	2.75 *	2.77	2.75 *	2.87	2.75 *
Color (units)	0.3	≤ 15	0.4	≤ 15	0.2	≤ 15
pH (units)	7.8	7.8*	7.8	7.8*	8.0	8.1**

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

5. Capital Improvement:

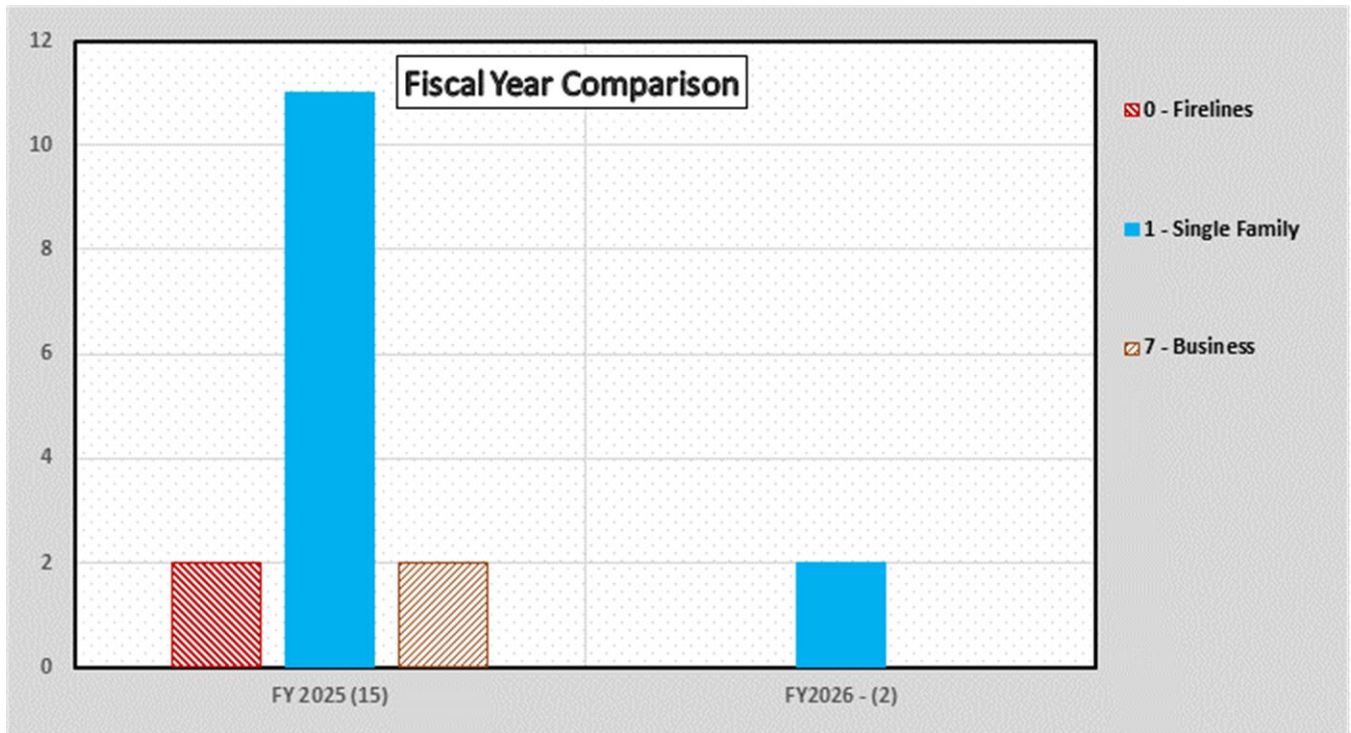
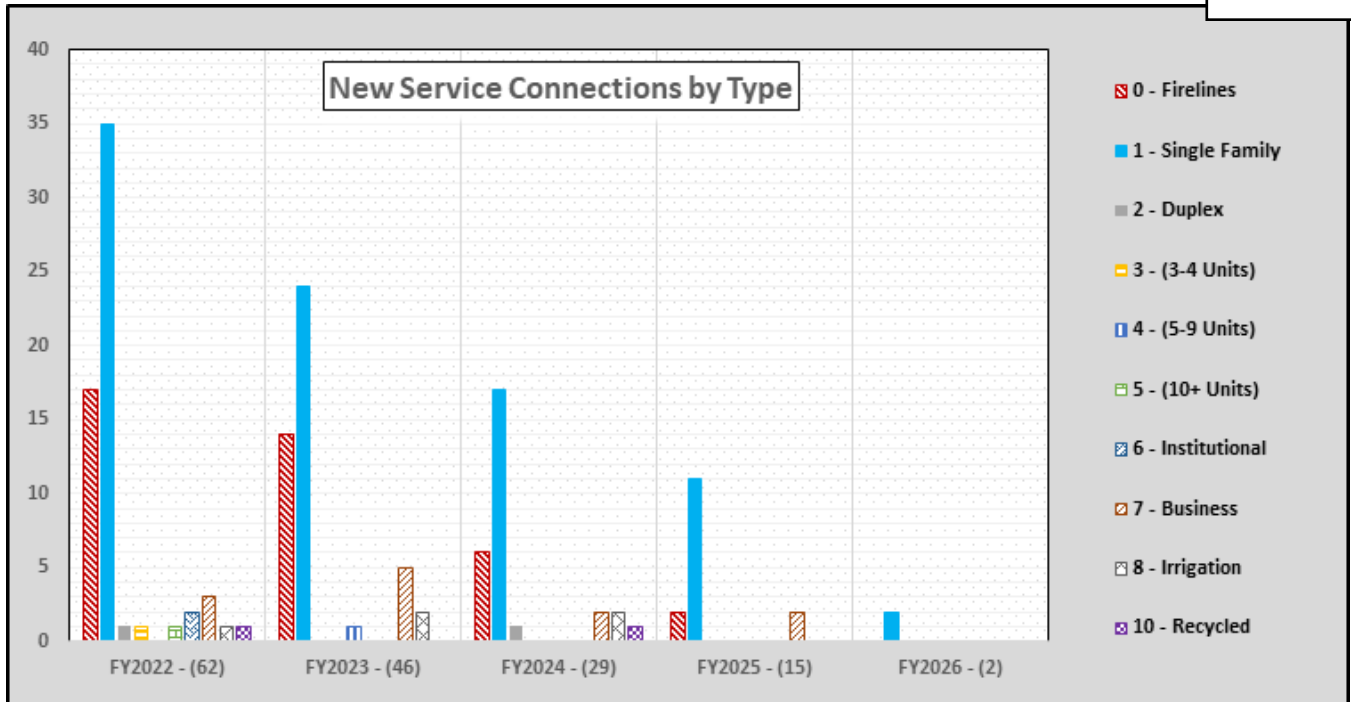
- a. Pine Mountain Tank Phase 2 – New Water Tanks Project (D21043): The Pine Mountain Tunnel Tanks Replacement Project is a multi-year two-phased project that will replace the existing Pine Mountain Tunnel. The current project (Phase 2) will construct two 90-foot inside diameter pre-stressed concrete potable water storage tanks, will install yard piping and control systems, and will then complete final site grading.
 - Project Budget: \$19,142,500
 - Monthly Activities: The District’s team is continuing to review submittals. The contractor is currently performing underground storm drain installations and preparing the tank pad for the installation of the concrete tank foundations.

- b. Wolfback Ridge Tanks Rehabilitation Project (D20009): This project will replace the roof and recoat both the interior and exterior of each tank at Wolfback Ridge in Sausalito.
- Project Budget: \$950,000
 - Monthly Activities: The Contractor has completed the tank rehabilitation and the both storage tanks have been placed back into service.
- c. San Geronimo Treatment Plant Roof Replacement Project (D21034): The San Geronimo Treatment Plant Roof Replacement Project is a component of the District's Capital Improvement Program. This project will remove and replace the existing leaky roof membrane with a new Class A Fire Rated Thermoplastic Polyolefin (TPO) and add fall protection to the San Geronimo Treatment Plant and North Marin Line Pump Station.
- Project Budget: \$1,495,747.00
 - Monthly Activities: The Contractor is preparing submittals in advance of mobilizing to the treatment plant. Project completion estimated in October 12, 2025.
- d. Park Road Pipeline Replacement Project (D25019): The Park Road Pipeline Replacement Project is a component of the District's Capital Improvement Program. This project will install approximately 1,670 feet of 8-inch, 6-inch, and 4-inch welded steel pipe to replace old, leak-prone cast iron and asbestos cement pipe installed as early as 1954. This Project will be constructed in coordination with the Town of Fairfax's upcoming storm drain installation and road restoration project to minimize inconvenience to the public.
- Project Budget: \$1,152,000
 - Monthly Activities: The Contractor has completed installation of the new water mains and services and is closing out the project. The project will be complete in August.
- e. Glenwood Transmission Pipeline Replacement/Fire Flow Improvement Project: The Glenwood Transmission Pipeline Replacement Project is a component of the District's Fire Flow Improvement Program. This Project will install approximately 6,470 feet of new 18", 16", 12", 8", 6", and 4" welded steel pipe to replace the old, leak-prone, fire flow deficient piping installed as early as 1928.
- Project Budget: \$4,962,000
 - Monthly Activities: The Contractor began installing pipe on June 12 and has been averaging installation of 185 linear feet per day. Work continues primarily along Lochinvar. Project completion is estimated in January 2026.
- f. Bridgeway Pipeline Replacement Project (D24027): The Bridgeway Pipeline Replacement Project is a component of the District's Capital Improvement Program. The Project will install approximately 870 feet of 12, 8 and 6-inch welded steel pipe to replace old, leak-prone cast iron, and asbestos cement pipe installed as early as 1943.
- Project Budget: \$677,000

Monthly Activities: The Board awarded the project on June 17, and contracts have been executed. District construction submittal review is currently underway and the Contractor is anticipated to mobilize in August. Project completion is estimated in September 2025.

6. Other:

Pipeline Installation	FY 2025/26	FY 2024/25
Pipe installed during July (feet)	1,314	4,413
Total pipe installed this fiscal year (feet)	1,314	4,413
Total miles of pipeline within the District	909*	908*
<i>* Reflects adjustment for abandoned pipelines</i>		
Pipe Locates (1,165 Responses)	FY 2025/26	FY 2024/25
Month of July (feet)	50,340	40,289
Total this fiscal year (feet)	50,340	40,289
Main Line Leaks Repaired	FY 2025/26	FY 2024/25
Month of July	18	13
Total this fiscal year (7/1/25-5/31/26)	18	13
Services	FY 2025/26	FY 2024/25
Service upgrades during July	30	18
Total service upgrades this FY	30	18
Service connections installed during July	1	0
Total active services as of August 1st, 2025	60,536	60,579
(Total Including firelines)	61,921	61,965



7. Recruitments and Hires

The District recruited for the following positions:

1. Mechanical & Electrical Maintenance Worker III/IV
2. Associate Engineer (2 Positions)
3. Welder/Fabricator
4. Superintendent of Operations - Water Distribution and Controls
5. Superintendent of Operations - Mechanical, Electrical, and Corrosion (posted 8/4/2025)
6. Water System Technician (2 Positions – Internal Recruitment)
7. Natural Resources Technician I/II (Limited Term) - Vegetation Management
8. Watershed Aide – Maintenance (2 positions)
9. Watershed Aide – Fisheries (2 positions)

The District hired new employees for the following positions:

1. Field Pipeline Locator Intern
2. Watershed Aide – Maintenance
3. Summer Intern – Finance

Employees promoted through competitive process:

1. Business Systems Analyst III
2. Utility Crew Leader

8. Demand Management:

	Jul-25	FY 25/26 TOTAL	FY 24/25 TOTAL	FY 23/24 TOTAL
WATER-EFFICIENCY PROGRAMS				
Water-Use Site Surveys				
Conservation Assistance Program (CAP) Consultations				
Residential properties resi 1-2 (single-family)	87	87	681	404
Residential properties resi 3-5 (multi-family units)	0	0	9	6
Non-residential properties resi 6-7 (commercial)	0	0	0	0
Dedicated irrigation accounts resi 8-10 (large landscape)	1	1	7	0
Marin Master Gardeners' Marin-Friendly Garden Walks				
Residential garden walks	21	21	151	173
Public Outreach, Education, Customer Service				
Public outreach events (number of people attending)	0	0	3503	7022
Public education events (number of participants)	0	0	635	425
Department customer calls/emails	505	505	6124	4485
Outreach to new Marin Water customers (letters sent)	78	78	1483	1908
School Education				
School assemblies				
Number of activities	0	0	18	19
Number of students reached	0	0	7212	21850
Field trips				
Number of activities	0	0	22	16
Number of students reached	0	0	471	343
Classroom presentations				
Number of activities	0	0	12	14
Number of students reached	0	0	344	457
Other (e.g. Earth Day booth events, school gardens)				
Number of activities	0	0	2	3
Number of students reached	0	0	225	400
Incentives				
Rain Barrel/Cisterns approved	0	0	14	9
Rain Barrel/Cisterns gallons	0	0	5560	0
Rain Barrel Give-a-way (Gallons)	1100	1100	33660	4840
"Cash for Grass" Lawn Replacements total properties approved	3	3	83	61
"Cash for Grass" (Best Practices) square ft. lawn replaced	1130	1130	6199	0
"Cash for Grass" (Standard) square ft. lawn replaced	10197	10197	71726	0
"Cash for Grass" (MCSTOPP) square ft. lawn replaced	480	480	4780	0
Number of Laundry-to-Landscape Systems (kits) approved	0	0	0	1
Hot water recirculating system rebates	0	0	5	11
Pool Cover rebates	1	1	25	35
Number of Smart Home Water Monitor "Flume Direct Distribution" redeemed	40	40	456	544
Number of Smart Controllers MW rebates approved	1	1	37	49
Number of Smart Controllers "Rachio Direct Distribution" approved	24	24	184	219
Custom Rebate - Commercial and Multi-Family	0	0	1	0
Advanced Metering Infrastructure (AMI)				
AMI leak letters sent to customers (>200 GPD)	116	116	1319	1330
ORDINANCES				
Water Waste Prevention				
Water Waste Reports Received	21	21	176	224
Water Waste Notifications Sent	3	3	34	49
Landscape Plan Review				
Plans submitted	12	12	88	117
Plans exempt	3	3	14	23
Plans completed	2	2	22	30
Plans in workflow (pass & fail)	29	29	133	172
Tier 4 Exemption				
Inspections that resulted in a pass	0	0	1	2

9. Watershed Protection:

Dramatic Trail Rescue July 4th

On July 4th, a hiker broke their ankle near the Swede George Bridge on the Helen Markt Trail. This location is one of the most remote locations on the Watershed, requiring a hike of over an hour from the nearest road. Knowing this, the Rangers coordinated with the responding Firefighters and put the Ranger Patrol Boat on Alpine Lake to reduce the response time to 15 minutes. A rescue helicopter from the Sonoma County Sheriff's Office was also requested. Firefighters and Rangers hiked into the patient and splinted her ankle. It was decided to use the helicopter, which performed a longline rescue. The patient was then flown to Bon Tempe Dam, where the ambulance was staged. From there they were then taken by ambulance to the hospital.



The Patrol Boat transporting Firefighters and Rangers on July 4th

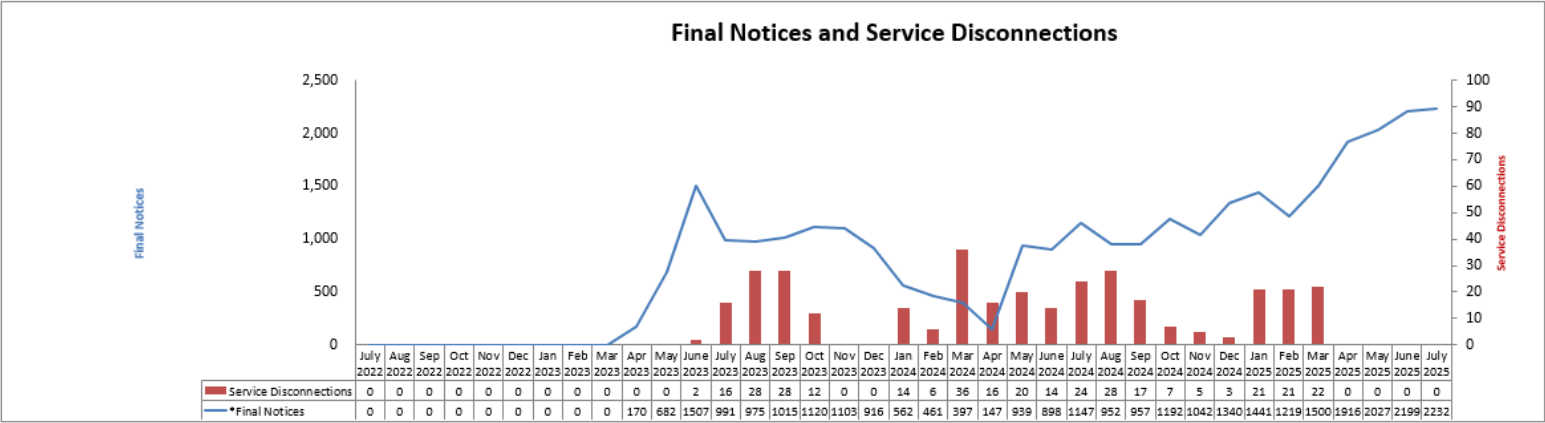
Senior Ranger Phil Johnson Retires

Senior Park Ranger Phil Johnson retired in July. Phil served as a Ranger on the Watershed since 1992. Before that, he served as a Lifeguard and as a Ranger with the City of Santa Cruz. During his time with the District, he served as a Defensive Tactics Instructor, Field Training Officer, and as the Rangers' Training Manager. He also served as a member of the Marin County Urban Search and Rescue Team and the North Bay Incident Management Team (NBIMT). As part of the NBIMT Phil responded to the 2014 Napa Earthquake and numerous large fires, including the 2020 Woodward Fire. He was also known as avid birder, often leading Ranger Walks where he shared his knowledge with the visitors. Phil's vast Park Ranger and public safety experience along with his knowledge of the Watershed will be sorely missed.

RANGER ACTIVITIES	
Law Enforcement	#
MMWD Ordinance Violations	
• Cites	82
▪ Swimming	1
▪ Parking	81
Penal Code Violations	
• Vandalism	22
• Theft	2
Vehicle Code Violations	
• Failure to Stop for Stop Signs	6
• Parking Violations	2
• Misc. Vehicle Code	1
Fish and Wildlife	
• License Checks	2
Warnings	
• All	154
Other	
• Irate/Uncooperative Visitors	3
Medical/Fire	#
Responses	
• Medical Calls on Watershed	8
• Assist with off Watershed Calls	3
• Assist with Prescribed Burn	1
Search and Rescue	
#	
Calls	
• Lost Hiker	1
• Preventive Search and Rescue	2
General	
#	
Visitor Assists	221
Dam Checks	66
Assist MMWD groups	56
Assist Other Agencies	1
Watershed Observation Reports	
▪ Received	5
Additional Patrols	
▪ Foot	53 miles
▪ Bike	66 miles
▪ ATV/UTV	62 miles
▪ LIDAR	8
▪ Boat	3


10. Shutoff Notices and Disconnections:

*Final Notices
Service Disconnections
* Includes 10 day and final notices



FISCAL IMPACT: None.

ATTACHMENT(S): None.

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Office of the General Manager	<div>_____</div> <div>Ben Horenstein General Manager</div>	<div></div> <div>Ben Horenstein General Manager</div>



STAFF REPORT

Meeting Type: Board of Directors

Title: General Services Agreements for BFFIP Maintenance and BFFIP Forestry and Pile Burn Support (Contract Number 2050 & Contract Number 2051)

From: Shaun Horne, Director of Watershed Resources

Through: Ben Horenstein, General Manager

Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Authorize the General Manager to execute two General Services Agreements, (CN-2050 and CN-2051) with Forster and Kroeger Inc., the lowest qualified bidder, in the amounts of \$5,101,440 for 'BFFIP Maintenance' and \$2,757,630 for 'BFFIP Forestry and Pile Burn Support', 2025- 2028

SUMMARY: Staff is requesting that the Board of Directors approve and authorize the General Manager to sign two General Service Agreements (GSAs) in the amounts of \$5,101,440 (CN-2050) and \$2,757,630 (CN-2051) with Forester and Kroeger Inc. to provide three years of continued Biodiversity, Fire and Fuels Integrated Plan (BFFIP) support for both 'Maintenance' and 'Forestry and Pile Burn Support' work. The District reviewed the two contracts with the Watershed Committee at the June 12, 2025 meeting. On June 10, 2025, the District publicly advertised two 'Notice Inviting Bids' (NIBs) for 'BFFIP Maintenance' (CN-2050) and BFFIP 'Forestry and Pile Burn Support' (CN-2051) in accordance with contracting procedures. The District received and publicly opened nine bids on July 24, 2025, Forester and Kroeger Inc. was the lowest qualified and responsive bidder on both CN-2050 and CN-2051. Staff is recommending that the Board authorize the General Manager to execute both contracts and any and all future amendments to the Contract, deemed necessary, so long as those amendments to the Contract do not exceed \$510,144 or ten percent (10%) of the contract award for a total authorization not to exceed \$5,611,584 for CN 2050 and \$275,763 or ten percent of the contract award for a total authorization not to exceed \$3,033,393 for CN 2051.

DISCUSSION: In October of 2019, the District adopted the BFFIP, and associated Programmatic Environmental Impact Report (PEIR), which describes the actions the District will implement to reduce wildfire hazards and to maintain and enhance ecosystem function. Vegetation management under the BFFIP aims to reduce fuel loads, maintain fuelbreak infrastructure, preserve defensible space, and reduce invasive weed species. Vegetation management is conducted continuously throughout the year with the chief goal of reducing fuel loads and maintaining the watershed's biological diversity. The District is currently in year seven of implementation of the BFFIP that was adopted in 2019.

For the past six years, Watershed Staff and contractors have successfully implemented vegetation Management Actions (MAs) outlined within the BFFIP. Implementation of MAs requires multiple contractors with a range of technical skills to conduct over 1,500 acres of annual vegetation treatments described in the BFFIP under MA-20, 'Fuelbreak Construction', MA-21 'Fuelbreak Construction', MA-23, 'Forest Stand Structure Improvement' and MA 24, 'Grassland and Oak Woodland Improvement'. These new BFFIP Maintenance and BFFIP Forestry and Pile Burn Support GSAs will provide skilled technical labor, necessary to continue conducting planned BFFIP MAs.



The District reviewed the two proposed contracts with the Watershed Committee at the June 12, 2025 meeting. Both contracts are replacing existing BFFIP contracts that expired in June of 2025. The District publically advertised two Notice Inviting Bids on June 10, 2025 in accordance with the District's contracting procedures for BFFIP Maintenance (CN-2050) and BFFIP Forestry and Pile Burn Support (CN-2051). District staff reviewed all bids received and found Forster and Kroeger as the lowest qualified bidder for both CN-2050 and CN-2051.

ENVIRONMENTAL REVIEW: The District, as the Lead Agency on this project, has prepared a Programmatic Environmental Impact Report (PEIR) pursuant to the provisions of the California Environmental Quality Act for the Biodiversity, Fire and Fuels Integrated Plan (BFFIP) which was adopted in 2019 and covers all work being proposed under both the new 'BFFIP Maintenance' and BFFIP Forestry and Pile Burn Support' contracts.

FISCAL IMPACT: Staff estimate the costs to perform the BFFIP Maintenance and BFFIP Forestry and Pile Burn Support contracts over the initial three years, during FY26, FY27 & FY28, will be \$5,101,440 (CN-2050) and \$2,757,630 (CN-2051). Funds for both of these contracts will be paid out of a combination of District BFFIP Operations and Capital funding, as well as with a secured Wildlife Conservation Board Grant and Cal Fire Forest Health Grants.

ATTACHMENT(S):

1. Resolution approving CN-2050 for BFFIP Maintenance
2. Resolution approving CN-2051 for BFFIP Forestry and Pile Burn Support

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Watershed	 Shaun Horne Watershed Resources Director	 Ben Horenstein General Manager

Attachment 1

MARIN MUNICIPAL WATER DISTRICT

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT APPROVING CONTRACT NUMBER 2050 FOR BIODIVERSITY, FIRE AND FUELS INTEGRATED PLAN MAINTENANCE

WHEREAS, the District advertised Contract No. 2050 for Biodiversity, Fire and Fuels Integrated Plan Maintenance on June 10, 2025; and

WHEREAS, the District received and publicly opened nine bids on July 24, 2025, of which Forster and Kroeger, Inc. was lowest responsible and responsive bidder.

NOW, THEREFORE, THE BOARD OF DIRECTORS RESOLVES that:

1. The bid of \$5,101,440 submitted by Forster and Kroeger, Inc. for BFFIP Maintenance under Contract No. 2050 ("Contract") was the lowest responsive and responsible bid submitted therefor, and said bid is hereby accepted.
2. A Contract for this project shall be awarded to said low bidder, and the General Manager is authorized and directed to execute said Contract on behalf of the District upon receipt of a payment bond, proof of insurance, and the executed contract for the work from said bidder.
3. The General Manager is authorized to execute any and all future amendments to the Contract, which he deems necessary, without further Board approval, so long as those amendments to the Contract do not exceed \$561,158.
4. Upon complete execution of said Contract, the bonds and/or checks of the other bidders are to be returned to said other bidders, and all bids other than that of Forster and Kroeger, Inc. are to be rejected.
5. The project is covered by the Biodiversity Fire, and Fuels Integrated Plan Program Environmental Impact Report (EIR) under Public Resources Code section § 21000 *et seq.* and the Guidelines for Implementation of California Environmental Quality Act, California Code of Regulations Title 14, § 15000 *et seq.*

PASSED AND ADOPTED this 19th day of August, 2025, by the following vote of the Board of Directors.

AYES:

NOES:

ABSENT:

Matt Samson
President, Board of Directors

ATTEST:

Terrie Gillen
Board Secretary

Attachment 2

MARIN MUNICIPAL WATER DISTRICT

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT APPROVING CONTRACT NUMBER 2051 FOR BIODIVERSITY, FIRE AND FUELS INTEGRATED PLAN FORESTRY AND PILE BURN SUPPORT

WHEREAS, the District advertised Contract No. 2051 for Biodiversity, Fire and Fuels Integrated Plan Forestry and Pile Burn Support on June 10, 2025; and

WHEREAS, the District received and publicly opened four bids on July 24, 2025, of which Forster and Kroeger, Inc. was lowest responsible and responsive bidder.

NOW, THEREFORE, THE BOARD OF DIRECTORS RESOLVES that:

1. The bid of \$2,757,630 submitted by Forster and Kroeger, Inc. for BFFIP Forestry and Pile Burn Support under Contract No. 2051 ("Contract") was the lowest responsive and responsible bid submitted therefor, and said bid is hereby accepted.
2. A Contract for this project shall be awarded to said low bidder, and the General Manager is authorized and directed to execute said Contract on behalf of the District upon receipt of a payment bond, proof of insurance, and the executed contract for the work from said bidder.
3. The General Manager is authorized to execute any and all future amendments to the Contract, which he deems necessary, without further Board approval, so long as those amendments to the Contract do not exceed \$275,763.
4. Upon complete execution of said Contract, the bonds and/or checks of the other bidders are to be returned to said other bidders, and all bids other than that of Forster and Kroeger, Inc. are to be rejected.
5. The project is covered by the Biodiversity Fire, and Fuels Integrated Plan Program Environmental Impact Report (EIR) under Public Resources Code section § 21000 *et seq.* and the Guidelines for Implementation of California Environmental Quality Act, California Code of Regulations Title 14, § 15000 *et seq.*

PASSED AND ADOPTED this 19th day of August, 2025, by the following vote of the Board of Directors.

AYES:

NOES:

ABSENT:

Matt Samson
President, Board of Directors

ATTEST:

Terrie Gillen
Board Secretary



STAFF REPORT

Meeting Type: Board of Directors
Title: Wildlife Conservation Board Grant Resolution
From: Shaun Horne, Director of Watershed Resources
Through: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve a grant resolution for the Wildlife Conservation Board (WCB) to support the submittal of a grant application for the Lagunitas Creek Enhancement Project Phase 2 and authorize the General Manager to execute a resulting grant agreement and subsequent amendments, if applicable

SUMMARY: On May 27, 2025, the District submitted a pre-application to the Wildlife Conservation Board (WCB). On July 10, 2025, WCB invited the District to submit a full application for funding that would support the implementation of the Lagunitas Creek Coho Habitat Enhancement Project, Phase 2. Staff is recommending the approval of an authorizing grant resolution to support the District's submission of a full grant application to the WCB.

DISCUSSION: Over the past five years, the District and its consultant, Environmental Science Associates (ESA), have been working collaboratively with the Lagunitas Technical Advisory Committee and State and Federal agencies to develop an extensive set of habitat enhancement plans for Lagunitas Creek from Peters Dam through Samuel P. Taylor Park. The planning effort for phases 1A and 1B was funded with grants from California Department of Fish and Wildlife (CDFW). The implementation of phases 1A and 1B are being funded with grants totaling \$6,649,898 from CDFW, U.S. Bureau of Reclamation (USBR), and the State of California Department of Water Resources (DWR). In parallel with the implementation of Phase 1, the District and ESA have advanced design work for five Phase 2 sites with grant funding from CDFW in the amount of \$599,689.



Staff is now working to secure grant funding to implement Phase 2, which is estimated to cost approximately \$6,212,000. Staff submitted a pre-application to the WCB on May 27, 2025. Staff have also met with WCB and have received positive feedback, along with an invitation to submit a full application. Staff is requesting that the Board of Directors consider approving the required grant resolution for the WCB grant proposal and authorize the General Manager to sign grant agreements and other documents necessary for acceptance and amendments of the grant awards on behalf of the District.

ENVIRONMENTAL REVIEW: Staff has reviewed the Lagunitas Creek Restoration Project pursuant to the California Environmental Quality Act (CEQA) and has found that the Project is Statutorily Exempt pursuant to Section 21080.56 of the California Public Resources Code, known as the Statutory Exemption for Restoration Projects (SERP). The Project qualifies for exemption pursuant to Section 21080.56 inasmuch as project is a restoration project for fish and wildlife meeting the conditions of SERP as stated in Section 21080.56.

FISCAL IMPACT: Not applicable.

ATTACHMENT(S):

- 1. Lagunitas Creek Phase 2 Grant Resolution

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Watershed	<div> Shaun Horne Watershed Resources Director</div>	<div> Ben Horenstein General Manager</div>

MARIN MUNICIPAL WATER DISTRICT**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE MARIN MUNICIPAL WATER DISTRICT APPROVING THE APPLICATION FOR GRANT FUNDS
FROM THE WILDLIFE CONSERVATION BOARD FOR THE LAGUNITAS CREEK COHO HABITAT
ENHANCEMENT PHASE 2**

WHEREAS, funds were made available to the Wildlife Conservation Board for the enhancement or restoration of fish and wildlife habitat and for the development of public access facilities for hunting, fishing or other wildlife-oriented recreational uses; and

WHEREAS, as part of the District's watershed stewardship commitments to benefit the recovery of Central California Coast Coho Salmon and Central California Coast steelhead, Marin Municipal Water District (Applicant) desires to construct habitat enhancement sites in Lagunitas Creek as part of the Lagunitas Creek Coho Habitat Enhancement Project, Phase 2, to benefit these species.

NOW, THEREFORE, BE IT RESOLVED that the Marin Municipal Water District Board of Directors hereby:

1. Approves the filing of an application for funding from the Wildlife Conservation Board; and
2. Certifies that said Applicant will comply with all federal, state and local environmental, public health, and other appropriate laws and regulations applicable to the project and will obtain or will ensure that the other project partners obtain all appropriate permits applicable to the project; and
3. Further commits to the terms and conditions specified in the grant agreement; and
4. Appoints the General Manager as a representative of Marin Municipal Water District to conduct negotiations, execute, submit and sign all documents including but not limited to applications, agreements, amendments, payment requests, and other documents which may be necessary for the completion of the proposed project.

PASSED AND ADOPTED this 19th day of August, 2025, by the following vote of the Board of Directors.

AYES:

NOES:

ABSENT:

Matt Samson
President, Board of Directors

ATTEST:

Terrie Gillen
Board Secretary



STAFF REPORT

Meeting Type: Board of Directors
Title: Professional Services Agreement for Mt. Tamalpais Bat Monitoring (Miscellaneous Agreement No. 6454)
From: Shaun Horne, Director of Watershed Resources
Through: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Authorize the General Manager to execute Professional Services Agreement MA-6454 with Stillwater Sciences in the amount of \$269,000, with a 10% contingency for a total not to exceed \$295,900, for Mt. Tamalpais Bat Monitoring work related to the E-Bike Pilot

SUMMARY: In early 2025, the District solicited proposals from six local firms in accordance with contracting procedures, and selected Stillwater Sciences for their regional experience and ability to meet tight timelines. The initial contract expired on June 30, 2025; this new agreement will continue bat monitoring required under the E-Bike Pilot and build on baseline data collected during the initial phase.

DISCUSSION: At the September 3, 2024 Board of Directors meeting, the Board approved the Trail Sharing Pilot Program and E-Bike Class I Trial. On October 1, 2024, the California Native Plant Society, the Marin Audubon Society and the Marin Conservation League filed a lawsuit against the District alleging that it failed to comply with the California Environmental Quality Act (CEQA) in its adoption of these programs and obtained a temporary restraining order to stop the District's implementation of the Trail Sharing Pilot and E-Bike Class I Trial.

The District entered into a Final Settlement Agreement (dated April 30, 2025), which, among other mandates, describes a bat study that "aligns with the broader One Tam monitoring efforts but with a focus on periodic monitoring and data collection pre-project and during the term of the e-bike pilot."

In alignment with the District's contracting procedures, the District requested proposals from six locally qualified firms for the bat monitoring work. District staff reviewed the two proposals received and selected Stillwater Sciences as the most qualified firm due to their staff expertise, regional experience, and capacity to implement the project within the compressed timelines required.

Prior to the E-Bike Pilot launch on July 1, 2025, staff worked with Stillwater Sciences under Miscellaneous Agreement No. 6432, which provided funding for the initial 'Mt. Tamalpais Bat

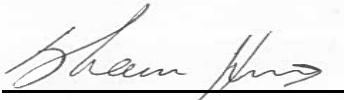

Monitoring’ effort to collect existing GIS data, to select (8) acoustic monitoring stations on the watershed, met with Stakeholders to review site selections, followed by the full deployment of all (8) monitors and retrieval of the first round of baseline data.

Miscellaneous Agreement No. 6432 ended on July 1, 2025. A scope and budget was provided to establish a second Professional Services Agreement to build off of and complete the required two-year monitoring efforts as described in the E-bike Pilot Settlement Agreement.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: The total cost to complete the Mt. Tamalpais Bat Monitoring Project is estimated at a not to exceed amount of \$295,900, inclusive of contingencies. Funding for this project is included in the Capital Improvement Budget (FY 2025) within the Roads and Trails Improvement Fund.

ATTACHMENT(S): None.

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Watershed	<div> Shaun Horne Watershed Resources Director</div>	<div> Ben Horenstein General Manager</div>



STAFF REPORT

Meeting Type: Board of Directors
Title: One Tam Extension of Cooperative Agreement and Approval of Watershed Projects
From: Shaun Horne, Director of Watershed Resources
Through: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve an Extension to the Cooperative Agreement for One Tam and Project Statements and Funding for 1) Sky Oaks Watershed Conceptual Plan in the amount of \$200,000 and 2) BFFIP and E-Bike Pilot Early Detection Rapid Response and Rare Plant Monitoring in the amount of \$55,218

SUMMARY: The One Tam MOU approved in 2024 formalized the willingness for land managers to work together by coordinating efforts and sharing resources for shared benefit. Under the prior MOU put in place in March of 2014, the GGNPC and District entered into a Cooperative Agreement to outline the roles and responsibilities of each organization consistent with the MOU. The Cooperative Agreement expired in 2024. Staff is recommending that the Board of Directors approve extending the Cooperative Agreement to align with the terms of the current MOU establishing a new expiration date of June 30, 2034. Under the One Tam partnership and as described in the Cooperative Agreement, a Project Statement is the mechanism utilized to provide the details for project specific resource sharing and collaborative efforts, including roles, responsibility, work tasks and funding. Staff is further recommending the Board of Directors approve One Tam Project Statements and Funding for 1) Sky Oaks Watershed Conceptual Plan in the amount of \$200,000, and 2) BFFIP and E-Bike Pilot Early Detection Rapid Response and Rare Plant Monitoring in the amount of \$55,218.

DISCUSSION: In 2014, the four land management agencies on and around Mt. Tamalpais: the Marin Municipal Water District, National Parks Service, California State Parks, Marin County Parks, and the Golden Gate National Parks Conservancy (GGNPC) launched the Tamalpais Lands Collaborative-now called One Tam. The original MOU was signed by the partner agencies in March of 2014 for a ten-year term and has effectively guided collaboration since that time. The District and the GGNPC entered into a Cooperative Agreement to elaborate further on the efforts and work identified in the MOU. The Cooperative Agreement expired on June 30, 2024. On March 14, 2024, the Memorandum of Understanding was updated and signed by the Tamalpais Lands Collaborative (One Tam or collaborative) partner agencies, but the Cooperative Agreement has not yet been extended. Under the

One Tam partnership and the Cooperative Agreement, a Project Statement is the means by which resource sharing and collaborative efforts are described and agreed upon. The District and GGNPC have identified opportunities for collaboration for two new project areas, conceptual planning and EDRR monitoring, which necessitate the approval of two Project Statements and the revival and extension of the Cooperative Agreement.

At the April 1, 2025 Board of Directors Meeting, the Board approved a grant award of \$200,000 from the Mt. Tamalpais Watershed Fund to advance a Watershed Facilities Assessment and Conceptual Plan. The District is seeking to advance the Conceptual Plan in partnership with the GGNPC who will be responsible for managing the consultant contracts, budget, and development of the Conceptual Plan. The Conceptual Plan will evaluate existing watershed staff facilities, housing infrastructure and visitor day use areas in the Sky Oaks Corridor. The Project Statement documents these tasks and provides \$200,000 in funding from the Mt. Tamalpais Watershed Fund to the GGNPC to support the development of the Conceptual Plan.

In October of 2019, the District adopted the Biodiversity, Fires, and Fuels Integrated Plan (BFFIP) which described the actions the District would implement to reduce wildfire hazards and to maintain and enhance ecosystem function on the District's watershed lands. At the May 6, 2025 Board of Directors Meeting the Board approved the establishment of a two-year E-Bike Class I Pilot Program. The E-Bike Pilot Program and BFFIP include Early Detection Rapid Response (EDRR) and rare plant priorities. To support EDRR surveys, data management and treatment work along fire roads over the two-year E-Bike Pilot Program the District will work with the GGNPC to prioritize and train contractors and seasonal staff. Similarly, to support watershed projects and planning, the GGNPC will provide staff with botanical expertise to help conduct rare plant monitoring work and data collection. The Project Statement documents these tasks and provides funding to the GGNPC in the total amount of \$55,218.26 over two-years to help the District meet the E-Bike Pilot and BFFIP EDRR and rare plant priorities. Over the two-year E-Bike Pilot Program the District will work with the GGNPC and a contractor to conduct EDRR surveys and treatment efforts along the entire Mt. Tamalpais Watershed fire road network.

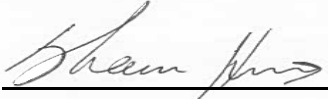

Staff is recommending that the Board of Directors approve an Extension of the Cooperative Agreement for One Tam, which will extend the term of the Cooperative Agreement to 2034 consistent with the MOU. Staff is also recommending that the Board of Directors approve two Project Statements and Funding for 1) Sky Oaks Watershed Conceptual Plan in the amount of \$200,000, and 2) BFFIP and E-Bike Pilot Early Detection Rapid Response and Rare Plant Monitoring in the amount of \$55,218.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: The Sky Oaks Watershed Conceptual Plan is being funded with a grant from the Mt. Tamalpais Fund in the amount of \$200,000 that was approved by the Board of Directors at the April 1, 2025 Board of Directors Meeting. The BFFIP and E-Bike Pilot Early Detection Rapid Response and Rare Plant Monitoring contracts total is \$55,218 and is budgeted in the District's Watershed Capital Budget A1 E05 for Watershed Roads.

ATTACHMENT(S):

1. Proposed Extension to the Cooperative Agreement

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Watershed	 Shaun Horne Watershed Resources Director	 Ben Horenstein General Manager

**EXTENSION OF THE COOPERATIVE AGREEMENT BETWEEN
THE GOLDEN GATE NATIONAL PARKS CONSERVANCY AND
THE MARIN MUNICIPAL WATER DISTRICT**

This Extension of the Cooperative Agreement between the Golden Gate National Parks Conservancy and the Marin Municipal Water District for the Creation of the Tamalpais Lands Collaborative is entered into by and between Marin Municipal Water District (“District”) and the Golden Gate National Parks Conservancy (“Conservancy”).

Section 1. Recitals:

- A. In March 2014 and again on March 14, 2024, the four land management agencies on and around Mt. Tamalpais: the Marin Municipal Water District, National Parks Service, California State Parks, Marin County Parks, and the Golden Gate National Parks Conservancy, entered into a Memorandum of Understanding (“MOU”) launching and formalizing the Tamalpais Lands Collaborative (One Tam or collaborative), which outlines the individual agencies’ responsibilities and role of the Conservancy as the non-profit sponsor.
- B. The District and the Conservancy also entered into a Cooperative Agreement (the “2014 Cooperative Agreement”) to elaborate further the mutual efforts and work of both agencies under the MOU, the term of which 2014 Cooperative Agreement expired on June 30, 2024.
- C. The parties now desire to enter into this Extension of the Cooperative Agreement to revive and extend the 2014 Cooperative Agreement to allow their mutual work thereunder to continue.

Section 2. Terms:

Term of Cooperative Agreement. The 2014 Cooperative Agreement is hereby revived and extended on the same terms and provisions as set forth in the 2014 Cooperative Agreement (copy attached hereto and made part hereof) and shall remain in effect until June 30, 2034, in coordination with the MOU. Except as set forth herein, all other terms of the Cooperative Agreement shall remain unchanged and be of full force and effect through this stated term.

In WITNESS HEREOF, the Parties hereto have signed their names and executed this Extension of the Cooperative Agreement as of the last date set below.

Dated: _____ **GOLDEN GATE NATIONAL PARKS CONSERVANCY**

By _____
Christine Lehnertz
President and CEO

Dated: _____ **MARIN MUNICIPAL WATER DISTRICT**

By _____
Bennett Horenstein
General Manager

ATTACHMENT: **2014 Cooperative Agreement**

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COOPERATIVE AGREEMENT
 between the
GOLDEN GATE NATIONAL PARKS CONSERVANCY
 and the
MARIN MUNICIPAL WATER DISTRICT
 for
THE CREATION OF THE TAMALPAIS LANDS COLLABORATIVE

THIS COOPERATIVE AGREEMENT ("Agreement") is made and entered by and between the MARIN MUNICIPAL WATER DISTRICT (District) and the GOLDEN GATE NATIONAL PARKS CONSERVANCY (Conservancy), which may hereinafter be referred to as a "PARTY," or collectively the "PARTIES."

For good and valuable consideration, the Parties agree as follows:

Article 1. Background

- A. Mt. Tamalpais, is an iconic natural landmark in the San Francisco Bay Area, and an important source of drinking water, recreational opportunities, and ecologically significant protected natural habitats as part of the California Central Coast Biosphere Reserve (per 1992 MOU signed by the National Park Service (NPS), California State Parks, and the District).
- B. The District is a public agency established in 1912 that provides high-quality drinking water to residents in south and central Marin County from its 21,250 acres of Mt. Tamalpais watershed lands (Marin Municipal Water District Code, (Ord. 300 1(part), 1989).
- C. The Conservancy is a California not-for-profit public benefit corporation organized and operated exclusively for charitable purposes, including a primary purpose to cooperate with the NPS and with other relevant public agencies and nonprofit organizations in accomplishing educational, interpretive, conservation, research, fiscal agency, planning and improvement projects and programs.
- D. The District and the Conservancy have entered into a Memorandum of Understanding (MOU) for the creation of the Tamalpais Lands Collaborative (TLC), dated March 21, 2014 acknowledging that the PARTIES may enter into further agreements to complete plans, programs and services of mutual interest in furtherance of the MOU objectives.

Article 2. Purpose and Vision

- A. The District is seeking outside support, through a nonprofit partner, to cultivate, nurture and deliver philanthropic and volunteer support for its mission and goals; and
- B. The PARTIES believe a collective vision to preserve, restore, and interpret Mt. Tamalpais will galvanize public support, volunteerism and philanthropy; and
- C. The PARTIES share overall goals to promote, advance, and secure philanthropic donations, government grants and other sources of funds to increase resources in support of resource management, visitor experience, volunteer stewardship, research and education; and

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- D. The District does not itself have the financial and personnel resources to provide all of the programs and services of the kind herein described and therefore desires that the Conservancy, under the general oversight of and subject to the approval of the District's Board of Directors, provide supplemental support and organizational infrastructure to expand, develop, establish and operate various programs and services that may be prioritized and implemented over time; and
- E. The District and the Conservancy desire to enter into an agreement to provide for projects and programs on District lands, and to memorialize and set the terms of a cooperative relationship to plan and implement future projects and activities.

The PARTIES agree that this Agreement shall benefit the PARTIES through greater efficiency and cost savings derived from cooperative fundraising, resource stewardship, signage, project management and implementation, education and outreach.

GENERAL TERMS

Article 3. Statement of Work

- A. The terms of the Memorandum of Understanding among the District, and the National Park Service and the State of California, Department of Parks and Recreation's Marin District and the Marin County Open Space District and the Marin County Parks and the Golden Gate National Parks Conservancy for the Creation of the Tamalpais Land Collaborative (MOU) is incorporated herein. If there is a conflict between the MOU or the Agreement, the terms of the Agreement shall apply.
- B. To the extent deemed appropriate, each PARTY at its own discretion, shall:
 - 1. Utilize their respective resources, staff, equipment and facilities for the common protection, enhancement and restoration of resources contained within District lands, as well as for the appropriate enjoyment and appreciation of the same by the public.
 - 2. Designate staff as needed for purposes of working cooperatively to develop shared work plans, prioritize and manage projects, plan and execute programs and discuss and resolve coordination matters. Executive management staff will resolve substantive issues, including those not resolved at the staff level.
 - 3. To the extent practicable and subject to this Agreement, develop and employ operating procedures and standards to ensure accomplishment of agreed upon activities, subject to District oversight and District Board approvals. This may include but is not limited to: resource monitoring and restoration, community engagement, interpretation and publications, volunteer management, resource management, research, project design and construction, planning, trail improvements and signage.
 - 4. To the extent practicable, produce, review and approve documents for this partnership by cooperative means. Existing District plans will serve as current direction, pending their revision or replacement. The PARTIES shall coordinate review of other documents that affect their collective interests.
 - 5. Designate equipment and facilities as necessary for purposes of implementing this Agreement and meeting operational priorities.

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6. Enter into Addenda to this Agreement for other specific activities and areas of responsibilities as needed. Any Addenda shall hereby incorporate the applicable provisions of this Agreement and the TLC MOU dated March 21, 2014 and the provisions of said Addenda are hereby incorporated.
- A. The District, in consultation and cooperation with the Conservancy, shall carry out the objectives of this Agreement including, but not limited to, the following:
1. Ensure that planned visitor improvements are compatible with MMWD's primary mission to deliver drinking water, as well as its plans, policies, operations and safety and security requirements including District Code of Regulations, Board Policies and Management Plans.
 2. Provide Board of Directors review and approval of the construction of new facilities; any major modification of use or physical alteration of existing facilities, lands or resources; and any proposed plans for projects located within or affecting watershed lands and any projects in which MMWD will participate.
 3. Provide staff support, advisement and expertise on required compliance and statutory requirements, and upon review and as appropriate, issue environmental documents, consistency determinations, research or other permits as required.
 4. Permit the Conservancy to conduct mutually agreed upon projects, programs and other activities on District properties and share District equipment, when approved by the District Board, to accomplish shared goals.
 5. Contribute staff and resources to priority planning, projects and programs as available.
 6. Provide when practicable, information, sources, material, staff expertise, access to historic collections and oral histories that may be relevant to improving the interpretation and visitor experience of Mt. Tamalpais.
 7. Monitor programs and services provided by the Conservancy in the furtherance of this Agreement, provided that in all situations requiring the written approval of the District unless specified otherwise, every attempt shall be made by District to give said approval, disapproval or other determination in response to the Conservancy request within sixty (60) days of receipt thereof by the District.
- B. The Conservancy, in consultation and cooperation with the District, shall carry out the objectives of this Agreement including, but not limited to, the following:
1. Serve as the philanthropic lead to cultivate and secure philanthropic contributions from individuals, foundations, corporations, government grants, mitigation fund sources and sources of pro bono expertise relative to the purposes of the Agreement.
 2. Serve as spokesperson to all donors, grantors, volunteers or other external funding sources and provide for donor appreciation, other communications, meetings and funding reports for projects and programs developed under this Agreement.

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3. Work closely with District staff to inventory shared program opportunities, expand existing and develop new program priorities that build on the momentum of existing District programs.
4. As practicable, facilitate the planning, funding and completion of the District-approved projects by using non-District funds or by leveraging limited amounts of District funds, when available.
5. Bring specialized knowledge of fee-based visitor programs and facilities, interpretive sales, community outreach and philanthropy to planning and project advanced through this Agreement.
6. Identify, develop and administer a platform to strategically partner with environmental groups across the watershed for stronger coordination of volunteer capacity, fundraising, planning and knowledge sharing.
7. Collaboratively maximize educational opportunities provided within the watershed possibly including guided hikes, docent programs, workshops/symposia and/or lectures focused on the ecology and resources of Mt. Tamalpais as well as emerging regional issues.
8. Operate in accordance with the District's land use policies and District Board direction.
9. Not engage in advocacy regarding District plans or policies.
10. Not consider the employees of the Conservancy to be agents or employees of the District, and Conservancy employee and agents are not entitled to participate in any District pension plan, insurance, bonus or similar benefits the District provides its employees.

Article 4. Philanthropic Approach and Expenditure of Funds and Resources

- A. The Conservancy shall work closely with the District and community volunteers to identify funding sources for priority collaborative projects and activities identified under this Agreement. In light of the Conservancy's unique fundraising capability and experience as a philanthropic organization, it shall assume responsibility for carrying out fundraising feasibility assessments, campaigns and activities.
- B. The PARTIES agree that funds and resources shall be allocated and shared as follows:
 1. The Conservancy will restrict contributions to specific projects and programs when requested by a donor or donors, provided these funds benefit the general interests of the Agreement.
 2. All funds received and all funds expended by the Conservancy under this Agreement shall be maintained as specific accounts through the Conservancy.
 3. The Conservancy will report on the status of funds relative to this Agreement to the District on an annual basis or upon specific request, though no more frequently than quarterly.

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4. The Conservancy shall cover direct costs of its staff, consultants, communications materials and other expenses specifically hired, allocated or procured for the purposes of this Agreement from funds raised for the Tamalpais Lands Collaborative.
5. The Conservancy will provide the general services of its existing senior management staff at no cost to the District unless approved by District Board.
6. The District shall make available administrative and project office space, sufficient for joint operations at no cost to the Conservancy.
7. The Conservancy will maintain all financial accounts for philanthropic and external funds supporting and ensuring their compliance with GAAP (Generally Accepted Accounting Principles) and FASB (Financial Accounting Standards Board) standards, including filing of all state and federal reports.
8. The Conservancy will conduct annual financial audit and provide independent auditor's report and financial statement upon request.
9. The capability of the District to provide financial assistance, if at all, shall be determined on a year-by-year, project-by-project basis, and is subject to the availability of funds in the discretion of the District Board. It is not expected that water utility revenues will be used. Any commitment of the District revenues shall require approval by the District's Board of Directors.
10. Any tools, equipment, material or other personal property shall remain the property of the party that supplied them.
11. The commitment of District funds in furtherance of this Agreement may be authorized by individual Project Statements appended to this Agreement after District Board approval. When work to be accomplished and a cooperative work program are mutually agreed upon by both PARTIES, an appropriate Project Statement shall be consummated by obligating funds.
12. The District and the Conservancy shall agree to the projected costs of component projects, and determine the level of funding available when developing cooperative work plans. Once the Projects Statements are mutually agreed to by the PARTIES, those Project Statements shall only be changed by written mutual agreement by the PARTIES in advance of any expenditure of additional funds.
13. Fees and assessments for late payments shall be waived, subject to any applicable laws. All direct costs relating to a specific project shall be reimbursed by the PARTIES as mutually agreed upon.
14. Each of the PARTIES agrees to make good faith efforts to implement this Agreement and will contribute use of its available staff, equipment and facilities as mutually agreed upon toward implementation of this Agreement at their discretion, but nothing in this Agreement shall be construed as obligating the PARTIES in the expenditure of funds, staff, property or other resources. The PARTIES agree that implementation of this Agreement is subject to funding and staff limitations, as well as other priorities of each Party.

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Article 5. Reports

- A. **Accounting System:** The Conservancy maintains an accounting system which identifies all revenues, expenses, assets, liabilities and net-assets in accordance with current Generally Accepted Accounting Principles (GAAP) and in compliance with all applicable FASB (Financial Accounting Standards Board) standards. The Conservancy shall administer all financial functions. All revenues and expenses associated with capital projects, restoration efforts, program support, retail, visitor experience activities or related functions, all underwriting, sponsorship and support shall be recorded and managed by the Conservancy. All assets and liabilities shall be recorded and managed solely by the Conservancy. Detailed accounting records shall be maintained in a manner which easily satisfies reasonable reporting requirements of either party and is consistent with current provisions of GAAP.

The Conservancy shall annually submit a Statement of Financial Activities (including gross sales, cost of merchandise, labor costs and other related expenses) for all donations, sales, programs, activities and sales covered by this Agreement.

The Conservancy shall also submit separate audited financial statements for the preceding fiscal year to the District. Such statements shall be submitted to the District upon completion of the Conservancy's annual audit. The financial statements shall be audited by an independent certified public accountant or by an independent licensed public accountant who has been certified or licensed in the State of California and is mutually agreed to by the PARTIES.

- B. **Inspection of Records:** the District and any of its duly authorized representatives shall, until the expiration of five (5) calendar years after the close of the business year of the Conservancy and its cooperators and contractors, have access to and the right to examine any of the pertinent books, documents, papers and financial records related to this Agreement, including Federal and State information returns.
- C. **Annual Reports:** The Conservancy shall prepare and submit to the District an annual report of the Conservancy's activities after the close of each Conservancy fiscal year during the term of this Agreement. The report shall include, but need not be limited to the following:
1. Statement of achievements during the preceding year; and
 2. Description of activities and services offered in furtherance of this Agreement; and
 3. Financial statements as required above; and
 4. Other information as may be requested by the District.

Article 6. Indemnification

- A. The Conservancy hereby warrants that all its work will be performed in accordance with generally accepted professional practices and standards, as well as the requirements of applicable federal, state and local laws and District ordinances and policies. It is understood that acceptance of the Conservancy's work by the District shall not operate as a waiver or release.
- B. The District and the Conservancy shall each indemnify, defend, save and hold harmless the other Party, its Directors, Officers, employees, agents, and volunteers from any and all claims, demands, damages, losses, penalties, fines, costs, liabilities, causes of action, orders, judgments, expenses for any loss or destruction of, or damage to, any property, or for the

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death of or injury to any person, of any nature whatsoever and by whomever made, which may arise out of the actions or inactions, or the contract responsibilities, of the indemnifying Party.

- C. This indemnification is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the District or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

Article 7. Insurance

A. General

1. The types and amounts of insurance coverage purchased by the Conservancy shall, as a minimum, meet requirements detailed in this Article. Said insurance shall be reviewed annually for adequacy by the District. The District reserves the right to direct adjustments in the Conservancy's insurance program, after consultation with the Conservancy, as the District deems necessary to insure the protection of its interests.
2. The Conservancy shall annually, or at the time insurance is purchased, provide the District with Certificates of Insurance, to evidence compliance with this section and shall provide the District thirty (30) days advance written notice of any material change in the Conservancy's approved insurance program hereunder.
3. The District will not be responsible for any omissions or inadequacies of insurance coverage and amounts in the event the insurance purchased by the Conservancy proves to be inadequate or otherwise insufficient for any reason whatsoever.
4. All insurance policies required by this Agreement shall specify that the insurance companies shall have no right of subrogation against the District; and shall provide that the District, its Directors, officers, employees and agents are named as additional insured; and shall provide that the insurance companies shall have no recourse against the District for payment of any premiums or assessments.
5. The Conservancy shall not commence work nor shall it allow its employees or subcontractors or anyone to commence work until all insurance required hereunder has been submitted and approved.
6. The District shall maintain documentation of all Conservancy employees permitted to operate District owned vehicles, clearly establishing the District's consent to such use. The District shall maintain sufficient and appropriate liability insurance or equivalent coverage necessary to protect and hold harmless any and all Conservancy employees who, in the course of approved work on District properties, operate District owned motor vehicles.

B. Workers' Compensation Insurance

1. The Conservancy shall furnish to the District satisfactory proof, for the period covered by the proposed contract, of worker's compensation insurance with an insurance carrier satisfactory to the District. Such insurance shall cover all persons employed, directly or through subcontractors, in carrying out the work contemplated under the contract in accordance with the Act of the Legislature of the State of California known as the

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"Workers' Compensation Insurance and Safety Act", approved May 26, 1913, and all acts amendatory thereof or supplemental thereto. Such insurance shall be maintained in full force and effect during the period covered by the contract.

2. All workers' compensation policies shall be endorsed with the following specific language:

"This policy shall not be cancelled without first giving thirty (30) days prior notice to Marin Municipal Water District by certified mail."

3. If the Conservancy fails to maintain such insurance, the District may take out compensation insurance to cover any compensation which the District or Conservancy might be liable to pay under the provisions of said Act, as amended, by reason of any employee of the Conservancy being injured or killed while engaged in the execution of the work covered by the contract. The District will then deduct and retain the amount of the premiums for such insurance from any sums due the Conservancy under this Agreement.
4. If any injury occurs to any employee of the Conservancy for which the employee, or his dependents in the event of his death, is entitled to compensation from the District under the provisions of said Act as amended, or for which compensation is claimed from the District, the District may retain out of the sums due the Conservancy under the Agreement an amount sufficient to cover such compensation as fixed by said Act as amended, until such compensation is paid or until it is determined that no compensation is due. If the District is compelled to pay such compensation, it will deduct and retain from such sums the amount so paid.
5. The Conservancy shall require all subcontractors similarly to provide proof of Workers' Compensation Insurance as required by the Labor Code of the State of California for all of the subcontractors' employees.

C. Commercial General Liability Insurance

1. The Conservancy shall purchase and maintain during the term of this Agreement Comprehensive General Liability insurance against claims occasioned by actions or omissions of the Conservancy in carrying out the activities authorized by this Agreement.
2. Such insurance shall be in amounts approved by the District that shall be commensurate with the degree of risk and the scope and size of specific projects undertaken and activities authorized herein.
3. Conservancy shall furnish to the District, satisfactory proof of the Commercial General Liability insurance required herein, which shall be provided either by insurers admitted to do business in the State of California with at least an A.M. Best rating "A" or by non-admitted insurers with at least an A.M. Best rating of "A", to protect against losses from liability for damages on account of bodily injuries, death, and/or property damage (including loss of use suffered or alleged to have been suffered by any person or persons), caused by or arising from the Conservancy's performance under this Agreement. The District shall have the right to approve/disapprove any insurance carriers or forms.

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4. The Conservancy shall provide Personal Injury/Bodily Injury and Property Damage Insurance for all activities of the Conservancy and its subcontractors arising out of or in connection with this Contract, written on a commercial liability form including contractor's protective coverage and completed operations insurance in a amount not less than \$1,000,000 combined single limit for each occurrence. The PARTIES anticipate that the Conservancy shall provide additional insurance for specific projects undertaken which will be evaluated at that time in terms of the insurance amounts required by the District.
5. The Conservancy shall also provide the District with automobile insurance including non-owned automobile liability coverage in an amount not less than \$1,000,000 per occurrence. The District may require the Conservancy to provide additional insurance based upon the risk involved in any specific project undertaken by the PARTIES.
6. The Conservancy shall provide the District with crime insurance which includes coverage for money and security losses, employee dishonesty, forgery and alteration, computer fraud and funds transfer fraud in the amount of \$500,000 or up to policy limits, whichever is greater.
7. Additional Requirements Commercial General Liability Insurance and Automobile Liability Insurance:
 - A. In addition to a satisfactory certificate of insurance, a list of the exclusion endorsements in the policy must be provided. Coverage must be provided for subsidence, explosion, collapse, and underground excavation (General Liability).
 - B. The Insurance requirements under the Agreement shall be the greater of (1) the full insurance coverages and limits carried by the Conservancy, including applicable Umbrella or Excess coverage limits, or (2) the minimum Insurance requirements shown in this Agreement. It is agreed that these insurance requirements shall not in any way act to reduce coverage that is broader or that includes higher limits than the minimums required here. No representation is made that the minimum insurance requirements required in the Agreement are sufficient to cover the obligations of the Conservancy under this Agreement.
 - C. The Commercial General Liability must be an occurrence form, rather than claims made.
 - D. The insurance carriers must be financially credible, with a rating from A.M. Best of at least "A".
 - E. The Conservancy shall provide either the District's Additional Insured Endorsement form (attached as Exhibit A) or CG 20 10 04 13 and CG 20 37 04 13 forms that contain the following endorsements:
 - i. Names The Marin Municipal Water District, its officers, directors, officials, agents, employees and volunteers (MMWD) designers and subcontractors, construction managers and subcontractors, and other consultants as additional insureds.

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ii. Insurance shall be primary concerning MMWD, and any insurance or self-insurance maintained by MMWD shall not be required to contribute with it.

iii. Notice of cancellation as follows: The insurance afforded by this policy shall not be cancelled except after thirty days prior written notice by certified mail return receipt requested has been given to the MMWD.

A severability of interests provision shall apply for all the Additional Insureds, ensuring that the Conservancy's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. Each such policy shall be endorsed with the "Additional Insured Endorsement" form attached hereto as Exhibit A.

D. Additional Insurance Coverage

1. The Conservancy shall also obtain the following additional coverage:
 - a. The Conservancy shall purchase and maintain during the term of this Agreement extensions of the Comprehensive General Liability coverage which provide, at the same limits, Product Liability and Contractual Liability and Liquor Liability if liquor is served.
 - b. The Conservancy shall require all contractors and agents acting under the provisions of sub agreements with the Conservancy to carry insurance at levels approved by the District during the course of the subcontractors' activities related to this Agreement, or that such activities are covered by the Conservancy's insurance.

Article 8. Health and Safety

- A. The Conservancy shall provide for the safety of its employees, contractors, field program staff, volunteers and the general public in their use of any the District property or facilities under this Agreement. The Conservancy shall take such steps as are necessary to ensure a safe and healthful work environment for its employees, contractors, volunteers and the general public.
 1. The Conservancy shall designate a staff person with authority to represent and to carry out the Conservancy's responsibilities for health and safety under this Agreement.
 2. The Conservancy must also comply with current applicable requirements promulgated by the United States Department of Labor pursuant to the Occupational Safety and Health Act of 1970 (OSHA) and California OSHA, and with those provisions outlined in the District's safety policies.
 3. The Conservancy shall, in consultation with the District and other appropriate inspection officials, participate in a regular program of Fire and Safety Inspections covering all facilities and programs authorized under this Agreement.
 4. The Conservancy shall provide and maintain adequate first aid equipment and qualified personnel to serve the potential needs of the Conservancy's employees, volunteers and the public in the use of any facilities assigned to the Conservancy under this Agreement.

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5. The Conservancy shall take immediate steps to correct health and safety and sanitation infractions called to its attention by the District and other Federal, State, or local inspection officials when such infractions, in the reasonable opinion of the inspecting official, pose an immediate threat to the health and/or safety of persons or property.
 6. The Conservancy shall take steps to ensure that all accidents involving personal injury (other than minor first aid) and/or property damage and all fires occurring within the facilities assigned under this Agreement are reported immediately to the District's authorized representative.
- B. The Conservancy shall be responsible for the security of any buildings that may be assigned under this Agreement and property contained therein. Discovery of any break in or other criminal act shall be immediately reported to the District's authorized representative.
 - C. The District will provide appropriate levels of day-to-day routine law enforcement and shall undertake to enforce, as deemed appropriate, all applicable laws and regulations pertaining to the conduct of persons at activities conducted by the Conservancy.
 - D. The Conservancy shall propose a safety plan which includes traffic control plans for projects located on watershed roads and trails. Those plans are subject to District review and approval.

Article 9. Miscellaneous

- A. Use of Area: This Agreement is entered into by the Conservancy with the knowledge that the historic, natural and recreational qualities of the District lands are to be preserved. The Conservancy shall not use any premises, or exercise any of the rights or privileges herein provided for, except to the extent necessary for the purposes of this Agreement and unless authorized in advance by the District.
- B. Non-Profit Status: During the term of this Agreement, the Conservancy shall retain its non-profit status pursuant to the Non-Profit Corporation Law of the State of California. Loss of this status shall be cause for termination of this Agreement. This provision does not apply to any financially independent subsidiary of the Conservancy.
- C. Taxes: Any and all taxes which may be lawfully levied by the State of California or its political subdivisions upon the property or business of the Conservancy shall be paid by the Conservancy based on terms and conditions imposed by the taxing agent. No delinquencies shall be allowed to accrue. Delinquencies are grounds for termination of this Agreement.
- D. Officials Not To Benefit: In connection with the performance of work under this Agreement, the Conservancy agrees not to employ, enter into any contract with, or provide any benefit arising from this Agreement to, employees and/or members of the Board of Trustees of the Conservancy or the District Directors, officers or employees.
- E. Nondiscrimination: The Conservancy shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition or physical handicap.
- F. Interns and Volunteers: Interns and volunteers who volunteer at the District on District projects and programs shall be subject to the District's Workers' Compensation Insurance.

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- G. **Dispute Resolution:** Any dispute or claim in law or equity between the District and Conservancy arising out of this agreement, if not resolved by informal negotiation between the PARTIES, shall be mediated by the PARTIES. The PARTIES shall mutually select a mediator. The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution. If there is no possibility of resolution through the mediation process, either party may avail itself of all available remedies.
- H. **Headings:** The headings throughout this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.
- I. **Invalidity:** If any provisions of this Agreement or its application to any person or any circumstances shall be invalid and unenforceable, the other provisions of this Agreement shall not be affected by such invalidity or unenforceability.
- J. **Integration Clause:** This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms of the Agreement, pursuant to California Code of Civil Procedure Section 1856 and as a complete and exclusive statement of the terms of the Agreement.
- K. **Notices:**
1. Any notice which the Conservancy may desire or may be required hereunder to give or deliver to the District shall be deemed sufficiently given or delivered if in writing and sent by registered or certified mail, return receipt requested, first class, postage prepaid, addressed to General Manager, Marin Municipal Water District, 220 Nellen Ave., Corte Madera, CA 94925, or such other person and/or address as the District may designate by written notice to the other PARTIES. The time of delivery of such notice shall be deemed to be the time when the same is received.
 2. Any notice which the District may desire or may be required hereunder to give or deliver to the Conservancy shall be deemed sufficiently given or delivered if in writing and sent by registered or certified mail, return receipt requested, first class, postage prepaid, addressed to Executive Director, Golden Gate National Parks Conservancy, Building 201, Fort Mason, San Francisco, CA 94123 or such other person and/or address as the Conservancy may designate by written notice to the other PARTIES. The time of the delivery of such notice shall be deemed to be the time when the same is received.

Article 10. Term of Agreement

- A. This Agreement shall remain in effect for a period not to exceed ten (10) years or until June 30 2024, unless prior thereto it is terminated or modified pursuant to the provisions of Article 9 hereof or of any applicable law or regulation.
- B. The PARTIES may elect to renew this agreement for an additional five (5) year term by doing so in writing, and attaching an amendment to this agreement.

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Article 9. Modification and Termination

- A. **Modification:** This Agreement may only be modified by written mutual agreement of the PARTIES which include mutual consent and signatures of all PARTIES. Request for modifications will be forwarded in writing by one party to the other, enclosing the proposed form of modification, at least sixty (60) days prior to the proposed date of said modification(s).
- B. **Assignment/Delegation:** Neither party hereto shall assign, or transfer any interest in or duty under this Agreement without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.
- C. **Severability:** Each provision of this agreement is intended to be severable. If any term of any provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this agreement and shall not affect the validity of the remainder of the agreement.
- D. **Termination:**
1. **Termination for Cause:** Termination of the Agreement means the cancellation of this Agreement, in whole or in part, at any time prior to the completion of the Term of the Agreement. Either party may terminate this Agreement in whole or in part at any time, whenever such party reasonably determines that the other party has failed to comply with the conditions of the Agreement. The terminating party shall notify the other party in writing of such determination and the reasons for the termination, together with the effective date of the termination which must provide at least ninety (90) days' notice and opportunity to correct the perceived failure. The Conservancy shall not incur new obligations after receipt of such termination notice and shall cancel as many outstanding obligations as possible. Payments made to the Conservancy or recoveries by the District under Agreements terminated for cause shall be in accordance with the legal rights and liabilities of the PARTIES.
 2. **Termination for Convenience:** Notwithstanding the Termination for Cause provision contained above, this Agreement may be terminated in whole or in part whenever the Conservancy or the District determines, in its sole discretion, that the continuation of the Agreement or any part of it will not produce beneficial results commensurate with the further expenditure of funds. The Conservancy and the District shall agree upon the termination conditions, including the effective date of such termination and, in the case of partial termination, the portion of the work to be terminated.
- In the event that the Conservancy and the District cannot agree on such termination conditions, they each reserve the right to unilaterally terminate the Agreement by giving 30 days written notice of termination to the other party. The Conservancy shall not incur new obligations for the terminated portion after the effective date of such termination notice and shall cancel as many outstanding obligations as possible.

Article 11. Multiple Originals, Counter Parts

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Agreement Number MA - 5311

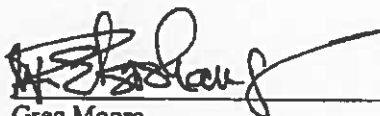
Article 12: Authorized Signatures**A. For the Conservancy:**

Greg Moore
President & CEO
Golden Gate National Park Conservancy
Fort Mason, Building 201
San Francisco, CA 94123

B. For the District:

General Manager
Marin Municipal Water District
220 Nellen Ave.
Corte Madera, CA 94925

IN WITNESS HEREOF, the PARTIES hereto have signed their names and executed this Cooperative Agreement.



Greg Moore
President & CEO
Golden Gate National Parks Conservancy

Date 12.19.14

Krishna Kumar
General Manager
Marin Municipal Water District

Date 01.12.15



STAFF REPORT

Meeting Type: Board of Directors

Title: Acceptance of Permanent Grant of Easement to Marin Municipal Water District for Existing Water Facilities Off Paradise Drive, Tiburon, APNs: 058-011-13 and 058-031-12

From: Alex Anaya, Director of Engineering

Through: Ben Horenstein, General Manager

Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve the acceptance of a permanent grant of easement in favor of the District and authorize the General Manager to accept and execute the easement agreement

SUMMARY: The District seeks to secure an easement for water facilities installed within private property.

DISCUSSION: As a result of a private improvement project, and in order to continue to provide adequate flow and pressure to existing customers, a 230 foot section of 2-inch District pipeline was recently replaced with 4-inch pipe. The water main, located along a private driveway off Paradise Drive, provides water service to six residential properties just east of Paradise Cove.

Given the uncertainty of the location of the new pipeline within the existing easement and the historical documentation between the District and the property owner on the location of this easement, the property owners agreed to grant the District an easement over the location of the new pipeline alignment. The signed easement agreement, easement legal description and map have been prepared and are attached to this report.

Easement Characteristics


- Easement Length 294-linear-feet
- Easement Area 2,107-square-feet

ENVIRONMENTAL REVIEW: Staff finds that this easement agreement provides documentation for the existing facilities and therefore there is no possibility that the acceptance of the easement may have a significant impact on the environment and it thus exempt for further review under the California Environmental Quality Act.

FISCAL IMPACT: None

ATTACHMENT(S):

1. Easement Agreement with Legal Description and map

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Engineering	 Alex Anaya Engineering Director	 Ben Horenstein General Manager

Recording for the Benefit of MMWD, No Fee, Gov't. Code 27383.
Value less than \$100.00

Recording Requested By:
Marin Municipal Water District

When recorded return to:
Real Property Agent
Marin Municipal Water District
220 Nellen Avenue
Corte Madera CA 94925-1169

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("Agreement"), is made and entered into as of this _____ day of _____, 2025, by and between **JEFFERY C. HAWKINS AND JANET L. STRAUSS, as trustees of the STRAUSS HAWKINS TRUST under trust document dated April 17, 1991** ("Grantor"), and the **MARIN MUNICIPAL WATER DISTRICT**, a municipal corporation ("District").

For valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

Section 1. Recitals:

- A. Grantor is the owner of a certain piece of real property described in Document Numbers 2014-0007781 and 2008-0042284 in the Official Records of Marin County, California ("Property").
- B. There are existing water facilities located on the Property that are part of the District's water system including a 4-inch water main, service laterals, water meter boxes and water meters.
- C. Grantor desires to convey a non-exclusive easement over a portion of the Property to the District on the terms and conditions set forth herein.

Section 2. Grant of Easements:

- A. As owners of the Property, Grantor hereby grants to the District and its successors and assigns in interest, a non-exclusive easement described in "Exhibit A", attached hereto and incorporated herein as if fully set forth ("Easement").
- B. The Easement described in Section 2(A) shall be held subject to the following terms and conditions:
 - i. The Easement granted herein is non-exclusive. The District is granted the right to lay, maintain, repair, remove, replace and operate a pipeline or pipelines of such dimension or dimensions as the District elects to install or has already installed, together with the right to construct and maintain such meters, valves and other facilities as may be necessary or convenient in connection with storage, transmission and delivery of water, including reasonable ingress and egress over adjoining lands

for the construction, replacement, repair and maintenance of such pipeline(s) and facilities ("Improvements").

- ii. Grantor reserves the right to use the Easement for any and all purposes that will not interfere with District's use of the Easement and operation of the Improvements. No structures, fill, or other improvements shall be placed on or over the Easement that interferes with or impedes access to the use, repair, replacement, or maintenance of the Improvements in the Easement. Provided there is no interference with the District's use as described herein and subject to all applicable terms and conditions herein, Grantor may use or grant additional easements to other property owners for uses including, but not limited to, ingress and egress.
- iii. Grantor reserves and shall have the right to revise the grade of the surface or the location of the Easement, if and when Grantor shall first pay to the District the full expense of changing the grade or location of the Improvements therein. In the event that Grantor seeks a change in grade within the Easement, Grantor shall first notify the District so that the District may determine if the grade change requires the raising or lowering of any of the Improvements. The District, in its sole discretion, shall determine all costs associated with the change in grade. If Grantor desires a change in the location of the Easement, Grantor shall first grant a suitable new easement acceptable to the District.
- iv. The District is under no obligation to install or to maintain any additional paving or other surfacing on the Easement or to access the Easement. The District shall not be liable for any contribution under the provisions of California Civil Code Section 845. If the District desires, in its sole discretion, to install or maintain any paving or surfacing in the Easement it shall only be responsible for standard asphaltic concrete (Uniform Standards All Cities and County of Marin Drawing No. 330) and concrete (brush or exposed finish with 2.0 lb. lampblack per yard) that meets construction industry standards, or as required by local encroachment permits. The District shall have no responsibility for upgraded paving or surfacing materials desired by Grantor.

Section 3. Construction of Improvements:

The District may construct, repair, maintain or replace the Improvements in the Easement as described in Section 2(B)(i). The District shall give Grantor at least ten (10) business days written notice prior to the commencement of work on the Property. Except as expressly provided herein, if any portion of the Property is damaged as a result of the construction project, the District shall assume the reasonable loss for any such damage.

Section 4. Damages to the Property:

If any portion of the Property is damaged by reason of leakage or other failure of any part of the underlying existing District owned pipelines or facilities (which excludes private service laterals) resulting from a District action or omission, or by reason of the District, its officers', agents', employees' and/ or contractors' actions in gaining access to the Easement in order to access District facilities, underlying pipelines and Improvements for purposes of repair, maintenance, or connection, other than that resulting from Grantor's interference with said access, then the

District shall assume the loss and pay for the reasonable repair of such damage taking into consideration issues of depreciation and betterment.

If the District undertakes any repair on any portion of the Property, the District's work shall conform to applicable standards of the construction industry. The District shall replace or repair any portion of the Property damaged by the District as a result of its work on the Property, as reasonably as possible, to the conditions that previously existed subtracting any reasonable depreciation taking into consideration issues of depreciation and betterment.

Section 5. Damages to the Improvements:

Any damage to the Improvements by Grantor, directly or indirectly, to (a) the District's pipelines or other District facilities maintained in the Easement, or (b) to property in the Easement for which the District is held responsible, shall be assumed by Grantor, and Grantor agrees to and will pay the entire cost of the loss sustained by the District.

Section 6. Hold Harmless:

Grantor, for themselves, their heirs, executors, administrators, successors, assigns and for any person or company in the Easement by invitation expressed or implied, shall indemnify, hold harmless, release and defend the District, its officers, directors, volunteers, agents and employees, from any and all liability, actions, claims, damages, costs or expenses, including attorneys' fees and costs and expenses of suit which may be asserted by any person, including Grantor, arising out of or in connection with this Agreement, except an action to enforce the terms of this Agreement.

Section 7. Representation:

This Agreement is executed voluntarily by each of the parties hereto, all of whom have had the opportunity to obtain legal advice by independent counsel of their choice as to the content and effect of this Agreement.

Section 8. Authorization:

Each signatory to this Agreement warrants that he or she has full authority to execute this Agreement on behalf of and thus bind the individual, or entity represented.

Section 9. Entire Agreement:

This Agreement contains the entire agreement and understanding between the parties.

Section 10. Binding on Successors:

This Agreement shall bind and inure to the benefit of the respective successors, assigns, legatees, heirs, executors, administrators and estates of each of the parties.

Section 11. Paragraph Headings:

Paragraph headings are used for reference purposes only and are not intended to describe, interpret, define or limit the scope or extent of this Agreement or any of its provisions.

Section 12. Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of the state of California.

Section 13. Counterparts:

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together, shall constitute one instrument.

Section 14. No Presumption Regarding Drafter:

The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this Agreement reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretation hereto, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

Section 15. Mediation:

Any dispute or claim in law or equity between Grantor and the District arising out of this Agreement, if not resolved by informal negotiation between the parties, shall be mediated by referring it to the nearest office of Judicial Arbitration and Mediation Services, Inc. (JAMS) for mediation. Each party shall provide the others with a list of four mediators. The parties shall confer on the list and select a mutually agreeable mediator. Mediation shall consist of an informal, non-binding conference or conferences between the parties and the judge-mediator jointly, then in separate caucuses wherein the judge-mediator will seek to guide the parties to a resolution of the case. If the parties cannot agree to a mutually acceptable member from the JAMS panel of retired judges, a list and resumes of available mediators with substantial experience in mediating claims of the type at issue between the parties, numbering one more than there are parties, will be sent to the parties, each of whom will strike one name leaving the remaining name as the mediator. If more than one name remains, JAMS arbitration administrator will choose a mediator from the remaining names. The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution.

[Signatures on Next Page]

OWNER: JEFFREY C. HAWKINS and JANET L. STRAUSS, Trustees of the STRAUSS-HAWKINS TRUST under trust document dated April 17, 1991

Dated: May 15, 2025 Signed: Janet L Strauss
Name: Janet L Strauss

Dated: MAY 15, 2025 Signed: J-SS Hawk
Name: JEFF HAWKINS

DISTRICT: MARIN MUNICIPAL WATER DISTRICT

Dated: _____ By: _____
Bennett Horenstein
General Manager

Attest: _____
Secretary

Total number of pages with Exhibits: 8

Attachments:
Exhibit A – Legal description/Record Map

MMWD Seal:

Certificate of Acceptance

THIS IS TO CERTIFY that the interest in the real property conveyed by the Easement Agreement, dated _____, 20__ from _____ to the **MARIN MUNICIPAL WATER DISTRICT**, a local public agency, was hereby accepted by order of the **BOARD OF DIRECTORS** of the **MARIN MUNICIPAL WATER DISTRICT** on _____, subject to the terms and conditions of said Easement Deed, and the **MARIN MUNICIPAL WATER DISTRICT** consents to the recordation thereof by its duly authorized Officer.

DATED: _____ BY: _____
Real Property Department

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of MARIANA

On 5/15/25 before me, Tim Solomon, Notary Public
(insert name and title of the officer)

personally appeared Janet L Strauss, Jeff Hawkins,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

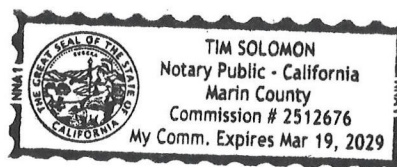
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Tim Solomon

(Seal)



Legal Description
Water Line Easement
Lands of Hawkins and Strauss

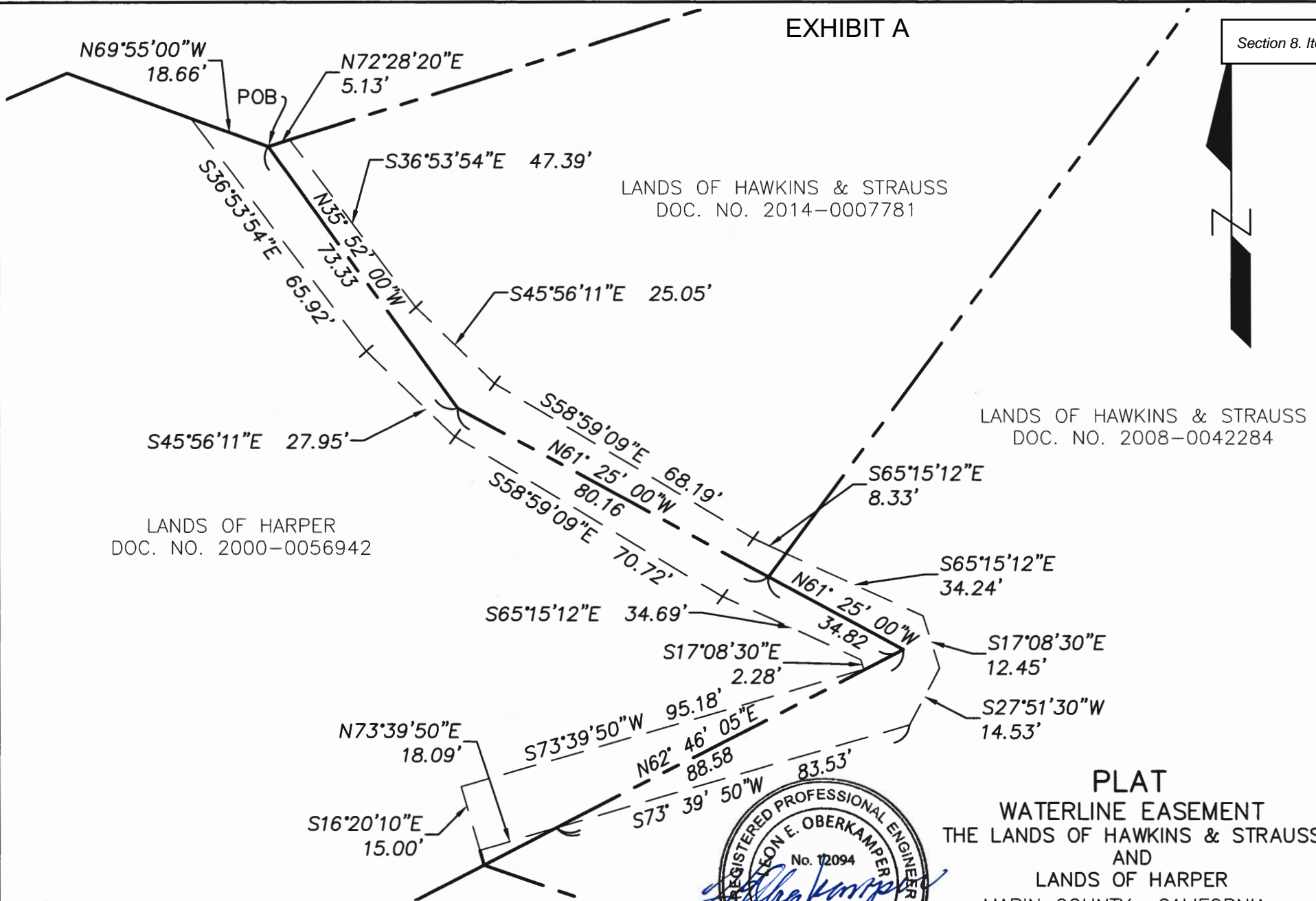
That certain real property situate in the County of Marin, State of California, being a part of Document Number 2014-0007781 and Document Number 2008-0042284 Marin County Records, more particularly described as follows:

Beginning at the most Westerly corner of the property described in Document Number 2014-0007781 and running along the Westerly boundary of said property North $72^{\circ}28'20''$ East, 5.13 feet; thence leaving said Westerly boundary South $36^{\circ}53'54''$ East, 47.39 feet; thence South $45^{\circ}56'11''$ East, 25.05 feet; thence South $58^{\circ}59'09''$ East, 68.19 feet; thence South $65^{\circ}15'12''$ East, 8.33 feet to the common line of Document Number 2014-0007781 and Document Number 2008-0042284; thence passing through 2008-0042284 South $65^{\circ}15'12''$ East, 34.24 feet; thence South $17^{\circ}08'30''$ East, 12.45 feet; thence South $27^{\circ}51'30''$ West, 14.53 feet; thence South $73^{\circ}39'50''$ West, 83.53 feet to the boundary of said property, (2008-0042284); thence along said boundary North $62^{\circ}46'05''$ East, 88.58 feet, North $61^{\circ}25'00''$ West, 34.82 feet to the common corner of 2008-0042284 and 2014-0007781; thence along the boundary of 2014-0007781 North $61^{\circ}25'00''$ West, 80.16 feet and North $35^{\circ}52'00''$ West, 73.33 feet to the Point of Beginning.



EXHIBIT A

Section 8. Item #g.



LINETYPE LEGEND

- — — — — PROPERTY LINE
- — — — — EASEMENT LINE



Jan 15, 2025

SCALE: 1"=30'

DECEMBER 2024
JOB#: 23-119

PLAT
WATERLINE EASEMENT
THE LANDS OF HAWKINS & STRAUSS
AND
LANDS OF HARPER
MARIN COUNTY CALIFORNIA
OBERKAMPER & ASSOCIATES
CIVIL ENGINEERS INC.
7200 REDWOOD BLVD SUITE 308
NOVATO CA 94945
(415)897-2800



STAFF REPORT

Meeting Type: Board of Directors
Title: Award of Contract No. 2036 Canal Pipeline Replacement Project (GC25005)
From: Alex Anaya, Director of Engineering
Through: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information Review and Comment

RECOMMENDATION: Approve 1) a resolution authorizing award of Contract No. 2036, Canal Pipeline Replacement Project, to Maggiora & Ghilotti, Inc. in the amount of \$2,188,870 and 2) a funding memorandum of understanding (MOU), by motion, in the amount of \$100,000 to the Multicultural Center of Marin to support community outreach efforts related to the Project and authorize the General Manager to negotiate and execute the MOU on behalf of the District

SUMMARY: This item was reviewed by the District Planning Committee on July 22, 2025. The Canal Pipeline Replacement Project will install approximately 3,800 feet of new pipe to replace old, leak-prone pipe in the City of San Rafael within the County of Marin, California.

DISCUSSION: The Canal Pipeline Replacement Project is a component of the District's Capital Improvement Program. This Project will install approximately 3,800 feet of new 12", 8", 6", and 4" welded steel pipe to replace asbestos-cement pipe and leak-prone plastic service laterals installed as early as 1951.

The project will take place in the locations described in Table 1 and shown on the map provided in Attachment 1.

Table 1

STREET	LENGTH	INSTALLATION DATE	EXISTING SIZE & TYPE*
Canal St	1300'	1967, 1971	4" ACP, 6" ACP, 8" ACP
Harbor St	550'	1951, 1967	4" ACP, 6" ACP
Larkspur St	660'	1964	6" ACP
Fairfax St	120'	1992	6" WSP, 8" WSP
Sonoma St	120'	1977	6" WSP, 12" WSP
Charlotte Dr	345'	1962	6" ACP
Elaine Way	345'	1962	6" ACP
Marian Ct	360'	1963	4", 6" ACP

*ACP = Asbestos Cement Pipe, **WSP = Welded Steel Pipe

These street segments were evaluated for the installation of recycled water piping. The nearest existing recycled water pipeline is approximately 3.0 miles away, located on the intersection of San Pedro Road and Sequoia Road in the community of Los Ranchitos. The closest wastewater treatment plant, Central Marin Sanitary Agency, is located 2.0 miles away; however, this facility is not equipped to provide tertiary recycle water.

On July 29, 2025, the District opened eight (8) bids, as shown in Table 2, for the Canal Pipeline Replacement Project. Maggiora & Ghilotti, Inc. submitted the lowest responsive and responsible bid in the amount of \$2,188,870. Therefore, staff recommends that the Board of Directors approve a resolution awarding Contract No. 2036 to Maggiora & Ghilotti, Inc. in the amount of \$2,188,870 and authorizing the General Manager to execute any necessary amendments to Contract No. 2036, which do not exceed \$220,000. Authorize the General Manager to enter into a memorandum of understanding (MOU) with the Multicultural Center of Marin to provide funding in the amount of \$100,000 that will support community outreach efforts in support of the Project, consistent with Bay Area Integrated Regional Water Management (IRWM) Proposition 1 Round 2 grant that will provide funds for this Project.

Table 2
Bid Results
Canal Pipeline Replacement Project

Bid Rank	Contractor Name	Bid Amount
1.	Maggiora & Ghilotti, Inc.	2,188,870.00
2.	Argonaut Constructors	2,205,049.00
3.	W.R. Forde Associates	2,240,660.00
4.	Team Ghilotti	2,287,287.00
5.	Westrock Engineering	2,364,280.00
6.	Mitchell Engineering	2,448,040.00
7.	Azul Works, Inc.	2,553,348.80
8.	D&D Pipelines	Non-Responsive

Engineer’s Estimate: \$2,100,000

Budget:

Contract Award:	\$2,188,870
Contingency (10%):	\$220,000
Materials:	\$380,000
District Labor/Inspection:	\$170,000
Total Budget:	\$2,958,870
Budget Category:	A1A02A

Project Implementation:

Project Advertisement:	July 15, 2025
Bid Opening:	July 29, 2025

Project Award:

August 19, 2025

Estimated Completion Date:

January 26, 2026

Duration:

160 days

Funding Memorandum of Understanding with the Multicultural Center of Marin

The District was awarded a Bay Area Integrated Regional Water Management (IRWM) Proposition 1 Round 2 grant in the amount of \$6,408,000 to implement the Marin City/San Rafael Water Supply Resilience Project. The grant also includes funding for community partners to conduct project-related outreach to support implementation and community based water education activities. Critical to this project is outreach in advance of and during construction to prepare the community for any associated impacts from construction such as traffic, noise, etc., and to help educate the community on the benefits to the water infrastructure replacement. District staff have worked with the Multicultural Center of Marin (MCM) to draft a work plan and funding memorandum of understanding (MOU) in the amount of \$100,000 that will support these community outreach efforts. MCM will outreach to community members in advance of and during the Canal Pipeline Replacement project to help inform the community of the benefits of the project and to prepare the community for potential construction-related impacts in the area. MCM will also support coordinating conversations with the community and the District about public water infrastructure. To help build community trust in local water quality, MCM will also implement a community water education ambassador program to help inform the community about the local source of their drinking water and the journey it travels to be treated and pumped to get to their tap.

ENVIRONMENTAL REVIEW: The Director of Engineering has found that the Project is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guideline Section 15302 (c), Replacement or Reconstruction, and statutorily exempt under Public Resources Code section 21080.21, Pipelines less than one mile. The Project qualifies for exempt pursuant to Section 15302 (c) inasmuch as it is the replacement of existing water pipeline involving negligible or no expansion of capacity and statutorily exempt pursuant to Public Resources Code section 21080.21 since the Project will replace less than one mile of pipe within the public right of way or street.

FISCAL IMPACT: The District was awarded a Bay Area Integrated Regional Water Management (IRWM) Proposition 1 Round 2 grant in the amount of \$6,408,000. The IRWM grant selected Marin City and San Rafael to receive funding for water resiliency projects. The Canal Pipeline Replacement Project will be cost shared with grant funding from the IRWM and the District’s Capital Program. The \$100,000 funding MOU with MCM will be funded by the IRWM grant.

The total cost to complete the Canal Pipeline Replacement Project is estimated at \$2,958,870, inclusive of District Labor, materials, and contingencies.

ATTACHMENT(S):

- 1. Proposed Resolution to Award Contract
- 2. Site Map
- 3. Draft Notice of Exemption

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Engineering	 Alex Anaya Engineering Director	 Ben Horenstein General Manager

MARIN MUNICIPAL WATER DISTRICT**RESOLUTION NO.****A RESOLUTION OF THE BOARD OF THE MARIN MUNICIPAL WATER DISTRICT
APPROVING AWARD OF CONSTRUCTION CONTRACT NO. 2036 TO MAGGIORA &
GHILOTTI, INC. FOR THE CANAL PIPELINE REPLACEMENT PROJECT**

WHEREAS, on July 15, 2025, the District advertised Contract No. 2036, Canal Pipeline Replacement Project (GC25005), which will replace approximately 3,800 feet of piping; and

WHEREAS, the District received and publicly opened eight (8) bids on July 29, 2025, of which the Maggiora & Ghilotti, Inc. bid of \$2,188,870 was the lowest responsive and responsible bid.

NOW, THEREFORE, THE BOARD OF DIRECTORS RESOLVES THAT:

1. The bid of \$2,188,870 submitted by Maggiora & Ghilotti, Inc. for the Capital Improvement Program – Canal Pipeline Replacement Project under Contract No. 2036 (“Contract”) was the lowest responsive and responsible bid submitted therefor, and said bid is hereby accepted.
2. A Contract for this project be awarded to said low bidder, and the General Manager is authorized and directed to execute said Contract on behalf of the District upon receipt of a performance bond, payment bond, proof of insurance, and the executed contract for the work from said bidder.
3. The General Manager is authorized to execute any and all future amendments to the Contract, which he deems necessary, without further Board approval, so long as those amendments to the Contract do not exceed \$220,000.
4. Upon complete execution of said Contract, the bonds and/or checks of the other bidders are to be returned to said other bidders, and all bids other than that of Maggiora & Ghilotti, Inc. are to be rejected.
5. The project is Categorically Exempt from review under Section 15302(c) of the CEQA Guidelines inasmuch as it is the replacement of existing water pipeline involving negligible or no expansion of capacity.
6. The project is statutorily exempt pursuant to the California Public Resources Code Division 13 Environmental Quality Section 21080.21

inasmuch as the project involves the replacement of less than one mile of pipeline.

PASSED AND ADOPTED this 19th day of August, 2025, by the following vote of the Board of Directors.

AYES:

NOES:

ABSENT:

Matthew Samson
President, Board of Directors

ATTEST:

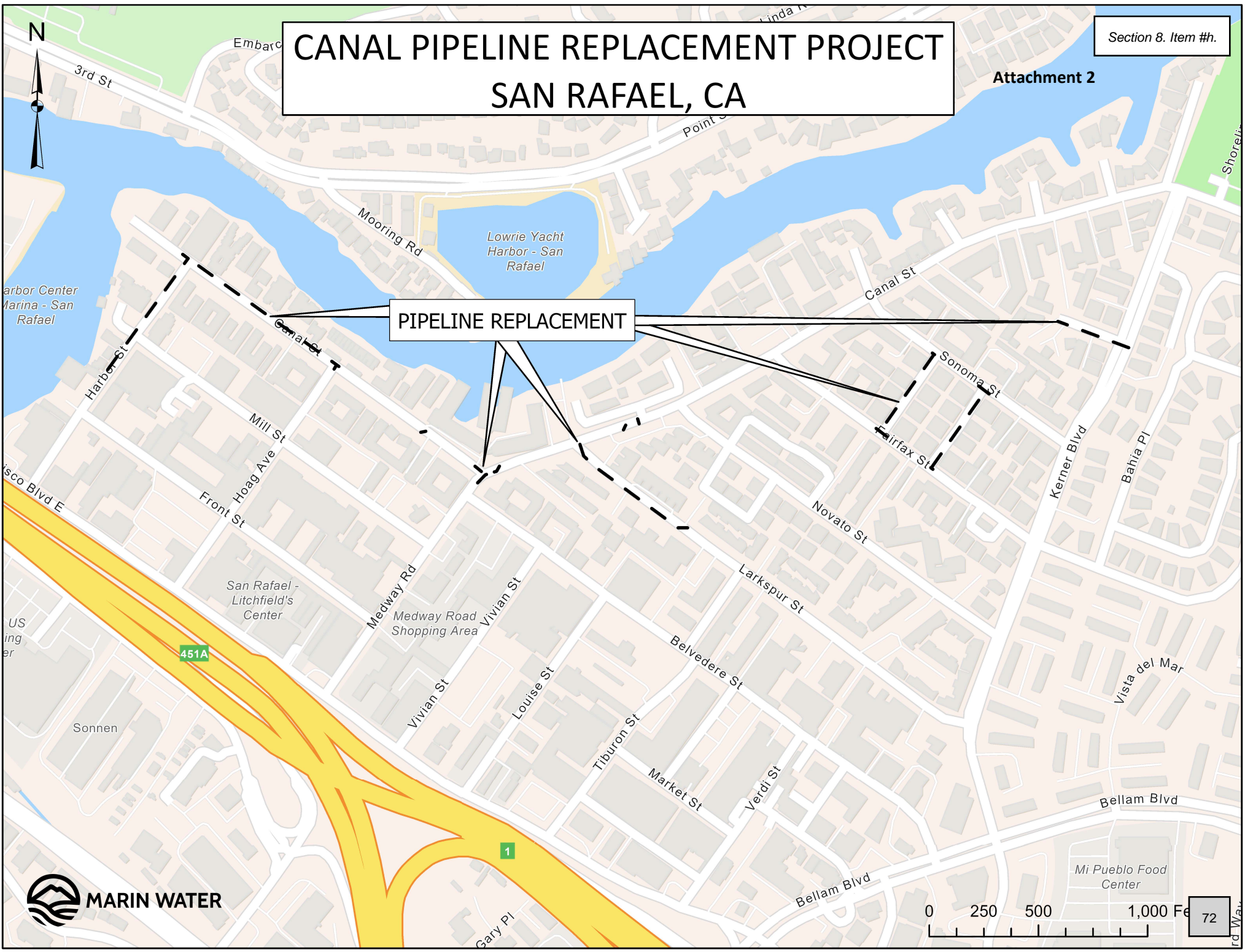
Terrie Gillen
Board Secretary

CANAL PIPELINE REPLACEMENT PROJECT SAN RAFAEL, CA

Section 8. Item #h.

Attachment 2

PIPELINE REPLACEMENT



Notice of Exemption

Attachment 3



Filing Requested By and When Filed Return To:

Marin Municipal Water District
220 Nellen Ave
Corte Madera, CA 94925
Attn: Alex Anaya, Director of Engineering

Project Title: Capital Improvement Program – Canal Pipeline Replacement Project (GC25005)

Project Location: City of San Rafael

Project Location – County: Marin

Project Description: This Project will install approximately 3,800 feet of new 12, 8, 6, and 4-inch welded steel pipe to replace asbestos cement pipe and leak prone plastic service laterals as part of the District's Capital Improvement Program.

The project will take place in the locations described in Table 1 and shown in Figure 1.

Table 1

STREET	LENGTH	INSTALLATION DATE	EXISTING SIZE & TYPE*
Canal St	1300'	1967, 1971	4" ACP, 6" ACP, 8" ACP
Harbor St	550'	1951, 1967	4" ACP, 6" ACP
Larkspur St	660'	1964	6" ACP
Fairfax St	120'	1992	6" WSP, 8" WSP
Sonoma St	120'	1977	6" WSP, 12" WSP
Charlotte Dr	345'	1962	6" ACP
Elaine Way	345'	1962	6" ACP
Marian Ct	360'	1963	4", 6" ACP

*ACP = Asbestos Cement Pipe, **WSP = Welded Steel Pipe

Public Agency Approving Project: Marin Municipal Water District

Name of Person or Agency Carrying Out Project: Marin Municipal Water District

CEQA Exemption Status: Categorical Exemption Section 15302(c), Replacement or Reconstruction and California Public Resource Code Division 13 Environmental Quality Section 21080.21, less than one mile of pipeline.

Reason for Exemption: This project qualifies for exemption pursuant to Section 15302(c) of the CEQA Guidelines inasmuch as it is the replacement of existing water pipelines involving negligible or no expansion of capacity. This project is also statutorily exempt pursuant to the California Public Resource Code Division 13 Environmental Quality Section 21080.21 inasmuch as the project involves the replacement of less than one mile of pipeline.

Project Approval: The Marin Municipal Water District Board of Directors approved the award of a contract for project construction, which represents project approval as defined by Section 15352 of the Guidelines for Implementation of the California Environmental Quality Act, at their regularly scheduled meeting on August 19, 2025.

Lead Agency Contact Person: Alex Anaya, Marin Municipal Water District

Telephone: (415) 945-1588

Alex Anaya, Director of Engineering

Date

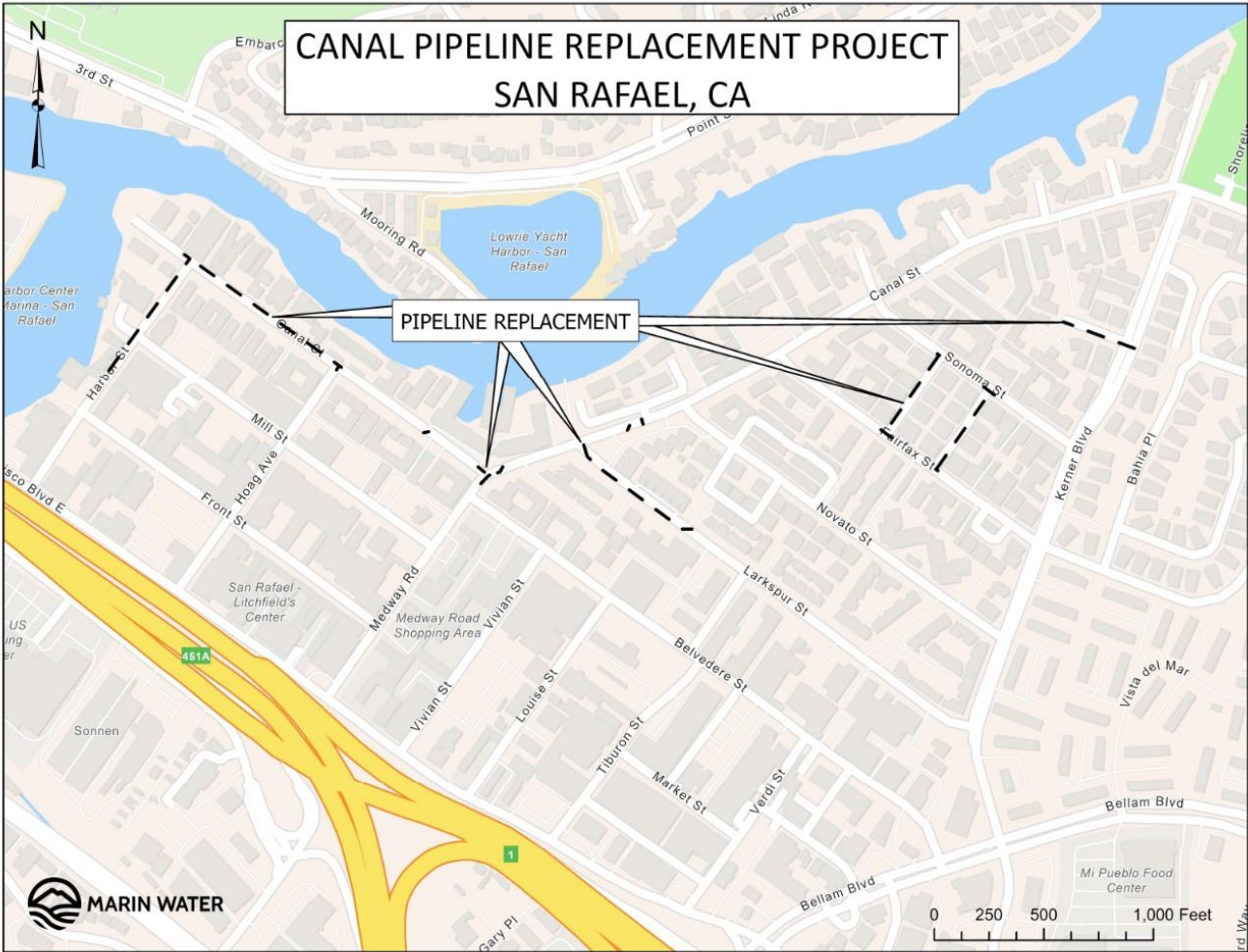


Figure 1. Site Map for the Capital Improvement Program – Canal Pipeline Replacement Project.



STAFF REPORT

Meeting Type: Board of Directors
Title: Award of Laboratory Services Contract to Alpha Analytical Laboratories
From: Paul Sellier, Director of Water Resources
Through: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Authorize the General Manager to execute a professional services agreement with Alpha Analytical Laboratories for water quality laboratory services in an amount not to exceed \$319,219 for fiscal year 2026

SUMMARY: Each year, the District performs extensive water quality sampling and monitoring throughout the water system to ensure compliance with state and federal regulations. Samples collected from the water system must be analyzed at a state certified ELAP (Environmental Laboratory Accreditation Program) laboratory as required under the District's water supply permit to operate a public water system. Staff recommends the Board authorize the General Manager execute a professional services agreement with Alpha Analytical Laboratories to perform laboratory water quality analyses.

DISCUSSION: The District takes many steps to ensure the water delivered to customers is of the highest quality, including managing our watershed lands and reservoirs, 24/7 operation of water treatment processes, monitoring of a complex distribution system, and maintaining and upgrading our facilities. Each year, the District conducts more than 115,000 water quality and process control tests to ensure water provided to customers continues to meet or exceed all state and federal drinking water standards and is safe to drink. This monitoring program includes ongoing process control testing at our treatment plants as well as laboratory testing of our water samples in compliance with the District's water supply permit issued by the State Water Resources Control Board (SWRCB). Monitoring of water quality is required in conformance with state and federal regulations including: State of California Title 22 Drinking Water, Revised Total Coliform Rule, Lead and Copper Rule, and Disinfectant Byproduct Rule Stage II.

In April 2025, the District reorganized the District's on site laboratory to achieve greater efficiency by focusing personnel resources on field work and contracting out additional routine water quality analytical services to two main water quality labs. In addition to the services proposed by Alpha, the District also uses another ELAP certified lab called Eurofins for longer hold time items. The costs for

services provided by Eurofins are not typically of an amount to require board approval. For example, this fiscal year it is anticipated that the services provided by Eurofins will be approximately \$85,000. Eurofins was not included in the current proposal for additional ELAP laboratory services because they are not able to meet the short hold times required for these types of analyses; however, they provide excellent value for the longer hold time samples.

In May 2025, District staff requested proposals for laboratory services for fiscal year 2026 from three local environmental laboratories: Alpha Analytical Laboratories, McCampbell Analytical, and CalTest Analytical Laboratories. All three laboratories submitted proposals that were reviewed by Water Quality staff. Alpha Analytical Labs was selected due to competitive cost and ability to regularly provide courier service for sample pick up.

Table 1: Proposed Costs for Laboratory Services

ELAP Laboratory	FY26 Proposed Cost
Alpha Analytical Labs	\$319,219
McCampbell Analytical	\$341,647
CalTest Analytical Labs	\$395,795



Alpha Analytical is a California ELAP certified lab network with multiple labs located in California, including in Petaluma, Livermore, and Ukiah that frequently analyze drinking water samples for a variety of compliance parameters including microbiology. The analyses included for FY26 are primarily short-hold time analyses requiring analysis preparation within 8-28 hours after sample collection in the field, including microbiology, wet chemistry parameters (pH, color, turbidity), nitrate, nitrite, orthophosphate, alkalinity, etc. The District has contracted laboratory analysis services to Alpha Analytical for many years and continues to be very satisfied with the service and work provided by Alpha.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: The total cost impact associated with the agreement is \$319,219. Funds are included in the FY 2025-26 Budget.

ATTACHMENT(S):

1. FY25-26 Water Quality Analysis Cost

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

Attachment 1

Alpha				Caltest		McCampbell	
Analysis	~ # of samples	\$/sample	Cost	\$/sample	Cost	\$/sample	Cost
Micro (P/A)	2740	\$25.00	\$68,500.00	\$21.00	\$57,540.00	\$60.00	\$164,400.00
Micro (MPN)	420	\$60.00	\$25,200.00	\$54.00	\$22,680.00	\$51.00	\$21,420.00
HPC	2	\$60.00	\$120.00	\$57.60	\$115.20	\$41.00	\$82.00
Color	1390	\$25.00	\$34,750.00	\$50.00	\$69,500.00	\$21.00	\$29,190.00
pH	1720	\$25.00	\$43,000.00	\$32.00	\$55,040.00	\$17.00	\$29,240.00
Turbidity	1430	\$25.00	\$35,750.00	\$32.00	\$45,760.00	\$21.00	\$30,030.00
TON	345	\$25.00	\$8,625.00	\$142.20	\$49,059.00	\$0.00	\$0.00
TDS	130	\$30.00	\$3,900.00	\$62.10	\$8,073.00	\$21.00	\$2,730.00
TOC	295	\$80.00	\$23,600.00	\$95.40	\$28,143.00	\$37.00	\$10,915.00
TOC - 5d TAT	10	\$100.00	\$1,000.00	\$95.40	\$954.00	\$37.00	\$370.00
TSS	24	\$30.00	\$720.00	\$45.90	\$1,101.60	\$21.00	\$504.00
Fluoride	385	\$30.00	\$11,550.00	\$56.70	\$21,829.50	\$25.00	\$9,625.00
Fluoride - 3d TAT	30	\$45.00	\$1,350.00	\$56.70	\$1,701.00	\$25.00	\$750.00
Phosphate	225	\$35.00	\$7,875.00	\$70.20	\$15,795.00	\$30.00	\$6,750.00
Phosphate - 3d TAT	30	\$52.50	\$1,575.00	\$70.20	\$2,106.00	\$30.00	\$900.00
Nitrate-N	72	\$35.00	\$2,520.00	\$56.70	\$4,082.40	\$50.00	\$3,600.00
Nitrite-N	72	\$35.00	\$2,520.00	\$49.50	\$3,564.00	\$50.00	\$3,600.00
Nitrate+Nitrite	48	\$20.00	\$960.00	\$56.70	\$2,721.60	\$90.00	\$4,320.00
Sulfate	48	\$30.00	\$1,440.00	\$56.70	\$2,721.60	\$90.00	\$4,320.00
Chlorate	12	\$40.00	\$480.00	\$134.00	\$1,608.00	\$90.00	\$1,080.00
Dissolved Copper	21	\$40.00	\$840.00	\$81.00	\$1,701.00	\$31.00	\$651.00
Handling & Disposal	2954	\$6.00	\$17,724.00	\$0.00	\$0.00	\$5.00	\$14,770.00
CLIP DW Data Upload	48	\$15.00	\$720.00	\$0.00	\$0.00	\$50.00	\$2,400.00
Courier - Friday Rate	52	\$75.00	\$3,900.00	\$0.00	\$0.00	\$0.00	\$0.00
Courier - Holiday Rate	12	\$200.00	\$2,400.00	\$0.00	\$0.00	\$0.00	\$0.00
Courier - Saturday Rate	52	\$175.00	\$9,100.00	\$0.00	\$0.00	\$0.00	\$0.00
Courier - Sunday Rate	52	\$175.00	\$9,100.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			\$319,219.00		\$395,795.90		\$341,647.00



STAFF REPORT

Meeting Type: Board of Directors
Title: Water Supply Agreement with Sonoma Water
From: Paul Sellier, Director of Water Resources
Through: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve the *Amended and Restated Water Supply Agreement by and between The Marin Municipal Water District and Sonoma County Water Agency* for fifteen-year term expiring June 30, 2040

SUMMARY: The District currently obtains wholesale water supplies from Sonoma Water pursuant to the 2015 Renewal of the *Third Amended Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District* (2015 Renewal Agreement). The 2015 Renewal Agreement took effect July 1, 2015, with a ten-year term that expired on June 30, 2025. At the June 3, 2025 Board of Directors meeting, staff received authorization for a 6-month extension of the existing agreement to allow the District to complete and execute a revised agreement later this year.

The District and Sonoma Water staff have prepared the *Amended and Restated Water Supply Agreement by and between The Marin Municipal Water District and Sonoma County Water Agency* (Water Supply Agreement) in order to consolidate, amend, and extend the 2015 Renewal Agreement with a proposed 15-year term expiring in 2040. The intent of this Water Supply Agreement is to provide a single agreement consolidating the terms of the 2015 Renewal Agreement and its Exhibits, eliminating or changing certain provisions of the 2015 Renewal Agreement that do not serve either party's interests under current conditions and extending the term for a period of 15 years through June 30, 2040. The proposed Water Supply Agreement, given the changes to certain provisions, is subject to approval by the Water Advisory Council (WAC) and was considered and approved at the August 4, 2025 Water Advisory Council (WAC) meeting. Some of the changes, such as the simplified delivery caps, support the District's Atmospheric Capture Project. Staff recommends the Board approve the proposed Water Supply Agreement.

DISCUSSION: Since 1975, the District has entered into a series of contracts to import wholesale water supplies from the Sonoma County Water Agency (Sonoma Water). In a typical year, approximately 20 percent of the District's potable water supply is purchased from Sonoma Water. The District and

Sonoma Water staff have jointly prepared the *Amended and Restated Water Supply Agreement by and between The Marin Municipal Water District and Sonoma County Water Agency* (Water Supply Agreement) which consolidates, amends, and restates the 2015 Renewal Agreement with a proposed 15-year term expiring in 2040. The Draft Agreement pulls forward most of the provisions of the 2015 Renewal Agreement, including further renewal upon request of the District, with the exception of the following key provisions, which are new or revised:

- **Capital investment:** The District will provide twelve million five hundred thousand (\$12,500,000) for regional water resiliency projects.
- **Addition of a roll over provision:** In cases where Sonoma Water is unable to deliver the 5,300 acre feet of minimum take-or-pay water in any given year, the proposed Water Supply Agreement would allow the District to pay for any remaining undelivered balance and take that balance in the following fiscal year, subject to availability;
- **Elimination of the ramp-up/ramp-down provision:** Existing provision that limited the District's water purchases based on prior year water purchase amounts has been eliminated;
- **Simplified Delivery Caps:** The proposed Water Supply Agreement provides a simplification and revision to the previous delivery caps, eliminating seasonal acre foot limitations;
- **Infrastructure Planning Shift:** The proposed Water Supply Agreement eliminates provisions regarding a new segment of aqueduct parallel to the Petaluma line, but instead includes mention of the District's consideration of a new aqueduct from the North Marin Aqueduct to Nicasio and/or Soulajule Reservoirs;
- **Extended Agreement Term:** The term of the proposed Water Supply Agreement would run for fifteen (15) years through June 30, 2040, as opposed to the ten (10) year term of the 2015 Renewal Agreement; and
- **Participation in Future Planning Discussions:** the proposed Water Supply Agreement includes Sonoma Water's statement of support for Marin Water's participation in discussions regarding the extension or renewal of the 2006 Restructured Agreement, which expires June 30, 2040.

The 14,300 acre feet per year (AFY) water quantity remains unchanged, the 5,300 AFY annual minimum take-or-pay amount also remains unchanged, and the transmission system capacity requirements and water shortage allocation approaches remain unchanged. Overall the Amended and Restated Agreement simplifies the terms for future water managers, supports winter water projects such as ARC, secures an important water supply for the District and supports the District's continued partnership with Sonoma Water and their other water contractors.



ENVIRONMENTAL REVIEW: In June 1980, Sonoma Water certified its final environmental impact report on Proposed Amendments of Permits on Applications 12919A, 15736, 15737 and 19351. In July 1984, Sonoma Water certified its supplemental environmental impact report covering Proposed Coordinated Use of the Water Supply of Lake Mendocino and Lake Sonoma, Russian River Project. On November 14, 1990, the District certified its Water Supply Plan Program Final Environmental Impact Report. On September 24, 1991, the District certified its Water Supply Project Final Environmental Impact Report. These reports together satisfy the requirements of the California Environmental Quality Act (Pub. Res. Code § 21000, et seq.) for ongoing water sales pursuant to this proposed Water Supply Agreement.

FISCAL IMPACT: The District will make a one-time \$12,500,000 payment to Sonoma Water -- \$9,000,000 will fund regional water resiliency projects in the Russian River watershed and \$3,500,000

will support Sonoma Water's efforts to improve winter water delivery capacity. Funding for this payment is available in the District's Undesignated Operating Reserve Fund. The Board's approval of this one-time payment will utilize reserve funds to increase Operating Fund budget appropriations by \$12,500,000 in FY 2025-26.

ATTACHMENT(S):

1. Proposed Amended and Restated Water Supply Agreement by and between The Marin Municipal Water District and Sonoma County Water Agency
2. 2015 Renewal Agreement
3. Memorandum Summarizing Differences between 2015 Renewal and Proposed Amended and Restated Water Supply Agreement

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

DRAFT

Amended and Restated Water Supply Agreement
by and between
The Marin Municipal Water District
and
The Sonoma County Water Agency

Amended and Restated Water Supply Agreement
by and between
The Marin Municipal Water District
and
The Sonoma County Water Agency

This Amended and Restated Water Supply Agreement ("Agreement") is made by and between the Marin Municipal Water District ("MMWD") and the Sonoma County Water Agency ("Sonoma Water") (each referred to individually as "Party" and collectively as "Parties") and is effective as of _____, 2025

Section 1: Recitals.

- A) Sonoma Water was formed and operates pursuant to Appendix 53 of the California Water Code, which authorizes Sonoma Water to enter into contracts to provide a firm supply of water within or outside of Sonoma Water’s jurisdictional boundaries to any municipal corporation or agency (Water Code Appendix 53-9).
- B) MMWD was formed and operates pursuant to the Municipal Water District Act of 1911, which authorizes MMWD to acquire and distribute water for the beneficial use of its residents (Cal. Water Code § 71610).
- C) Sonoma Water entered into contracts with the United States Government to secure the construction of Coyote Valley Dam on the east fork of the Russian River and Warm Springs Dam on Dry Creek (hereafter "Russian River Project").
- D) The Coyote Valley Project was authorized by the Flood Control Act of 1950 (Pub. L. No. 81-516) and was completed by the U. S. Army Corps of Engineers in 1958. This component of the Russian River Project includes the impoundment of Lake Mendocino, which has a capacity of 122,500 acre feet of which between 64,800 acre feet and 111,000 acre feet, depending on the time of year, is allocated to storage for water supply.
- E) In 1955, Sonoma Water (then called the "Sonoma County Flood Control

and Water Conservation District”) sold general obligation bonds to raise \$5,650,000, which it paid to the United States for the reimbursable costs of the water-storage element of the Coyote Valley Project. Parts of the property taxes paid since 1955 by taxpayers within Sonoma County have been used to make payments on these bond obligations and to fulfill other obligations to the United States Government for the Russian River Project.

- F) The Warm Springs Dam Project was authorized by the Flood Control Act of 1962 (Pub. L. No. 87-874) and was completed by the U.S. Army Corps of Engineers in 1984. This component of the Russian River Project includes the impoundment of Lake Sonoma, which has a capacity of 381,000 acre feet, of which 245,000 acre feet is allocated to storage for water supply.
- G) Sonoma Water contracted with the United States to make annual payments to the U.S. for portions of the construction, operation, maintenance, major-replacement and major-rehabilitation costs of the Warm Springs Dam Project. Parts of the property taxes paid since 1971, including future taxes to be paid, by taxpayers within Sonoma County have been paid into a sinking fund that was established to fund Sonoma Water’s payment obligations, and to fulfill other obligations, to the United States Government for the Russian River Project.
- H) In October 1974, Sonoma Water entered into a contract with the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Forestville County Water District, the Valley of the Moon Water District, and the North Marin Water District entitled “Agreement for Water Supply and Construction of Russian River-Cotati Intertie Project”, which was last amended June 23, 2006 (hereafter the “Restructured Agreement for Water Supply”).
- I) The Restructured Agreement for Water Supply authorizes the use of certain water transmission facilities (hereinafter “Transmission System”) for the purpose of Sonoma Water delivering water to MMWD, under prescribed terms and conditions, water which is available in the Russian River and the Santa Rosa Plain groundwater wells.
- J) On July 3, 1975, Sonoma Water and MMWD entered into an agreement entitled “Offpeak Water Supply Agreement”, which provides for Sonoma

Water to deliver up to 4,300 acre feet of water per fiscal year, subject to specified terms and conditions, which Offpeak Water Supply Agreement was amended on August 28, 1984, on May 3, 1988, and on January 25, 1995. On October 22, 1991, Sonoma Water and MMWD entered into an agreement entitled the "Agreement for Sale of Water between the Sonoma County Water Agency and the Marin Municipal Water District" for the delivery of up to 10,000 acre feet of water per fiscal year from Sonoma Water to MMWD, under prescribed terms and conditions. On January 25, 1996, Sonoma Water and MMWD entered into a "Supplemental Water Supply Agreement", which amended and incorporated the "Third Offpeak Water Supply Agreement" as Exhibit A thereto and the "Amended Agreement for Sale of Water between the Sonoma County Water Agency and the Marin Municipal Water District" as Exhibit B thereto, which Supplemental Water Supply Agreement was renewed and extended pursuant to the "Renewal of the Third Amended Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District" effective July 1, 2015 through June 30, 2025 (hereinafter the "2015 Renewal Agreement").

- K) Pursuant to the Restructured Agreement for Water Supply and the Off Peak Water Supply Agreement, the North Marin Water District and MMWD, respectively, have paid Sonoma Water a Russian River Conservation Charge, the proceeds of which have been paid into the sinking fund established to fund Sonoma Water's obligations to the United States for the Russian River Project, as described in Recitals E and G above.
- L) Sonoma Water currently utilizes the Transmission System to supply water to the Water Contractors under the Restructured Agreement for Water Supply, as well as Other Agency Customers under other agreements. Payments by the Water Contractors under the Restructured Agreement for Water Supply were and are being used to fund payments on the bonds sold to finance the construction of, and upgrades to, the Transmission System and to directly fund the construction of parts of the Transmission System. Other customers of Sonoma Water divert water directly from the Russian River.
- M) In June 1980, Sonoma Water certified its final environmental impact report

- on Proposed Amendments of Permits on Applications 12919A, 15736, 15737 and 19351. In July 1984, Sonoma Water certified its supplemental environmental impact report covering Proposed Coordinated Use of the Water Supply of Lake Mendocino and Lake Sonoma, Russian River Project. On November 14, 1990, MMWD certified its Water Supply Plan Program Final Environmental Impact Report. On September 24, 1991, MMWD certified its Water Supply Project Final Environmental Impact Report. These reports together satisfy the requirements of the California Environmental Quality Act (Pub. Res. Code § 21000, et seq.) for ongoing water sales pursuant to this Agreement.
- N) Sonoma Water holds Water Right Permits 12947A, 12949, 12950 and 16596, which were issued by the State Water Resources Control Board and its predecessors pursuant to Applications 12919A, 12920A, 15736, 15737 and 19351, which Permits authorize Sonoma Water to divert Russian River water and to redivert water previously stored in Lake Mendocino and Lake Sonoma, subject to specific terms and conditions.
- O) Recital E. in the Supplemental Agreement recognized that one of the reasons for that agreement was “to accommodate the Agency’s [Sonoma Water] efforts to attempt to ensure a continuation of Pacific Gas and Electric Company’s historic diversions of Eel River water to the Russian River and to increase the reliability of the water supply deliverable to [MMWD].” The need to ensure the continuation of such flows for the benefit of all of Sonoma Water’s Water Contractors was heightened by the amendments made by the Federal Energy Regulatory Commission in 2004 to Pacific Gas & Electric Company’s (PG&E) license for the Potter Valley Project, which reduced such flows and subsequently by PG&E’s decision to pursue surrender of its license to operate the Potter Valley Project and propose its decommissioning. By entering into this Agreement, the parties recognize the ongoing importance of the continuation of flows from the Eel River to the Russian River for the benefit of all of Sonoma Water’s customers.
- P) MMWD and Sonoma Water recognize the need for a regional approach to water supply, water conservation, fishery and water reuse issues.
- Q) In May 1984, June 1996 and June 2005, MMWD made payments to

Sonoma Water of \$168,348, \$2,837,344 and \$6,326,257, respectively, and MMWD made the latter two payments pursuant to Section 8 of the Water Sale Agreement for the purpose of securing firm water, which lump sum payments represent a share of the Warm Springs Dam sinking fund and principal payments made to the United States Government by Sonoma Water for Lake Sonoma water storage space corresponding to a potential additional 10,000 acre feet per annum of the 75,000 acre feet per annum net firm yield of the Warm Springs Dam Project, which increased MMWD's total potential net yield of the Warm Springs Dam Project to 14,300 acre feet per fiscal year.

- R) Due to changes in circumstances since the Offpeak Agreement and the Water Sale Agreement were agreed upon, some provisions are no longer relevant and impose obligations and procedures on MMWD and Sonoma Water that are no longer necessary and provide undue burden to the Parties. The Parties wish to update the agreements and consolidate them into one document for ease of use. As of the effective date of this Agreement, this Agreement will replace all prior water sales agreements between Sonoma Water and MMWD including the 2015 Renewal Agreement.

Now, therefore, in consideration of the foregoing recitals, which are incorporated herein and made part of this Agreement, and of the prior agreements between the parties, and of the promises made herein, MMWD and Sonoma Water agree as follows:

Section 2: Definitions.

When used in this Agreement, unless otherwise distinctly expressed or manifestly incompatible with the intent of this Agreement, capitalized terms shall have the meanings set forth below or, if not defined below, the meanings set forth in the Restructured Agreement for Water Supply:

- (a) "Sonoma Water" means the Sonoma County Water Agency or any successor thereto.
- (b) "Sonoma Water's Water Rights Permits" means water rights permits 12947A, 12949, 12950 and 16596, which the State Water Resources Control Board and its predecessors issued to Sonoma Water

pursuant to Applications 12919A and 12920A, 15736, 15737 and 19351, as such permits now exist or in the future may exist (including any licenses that may be issued to replace these permits).

- (c) "Agreement" means this Amended and Restated Water Supply Agreement.
- (d) "Fiscal Year" means the financial accounting year beginning on July 1 and ending on June 30.
- (e) "MMWD" means the Marin Municipal Water District or any successor thereto.
- (f) "Potter Valley Project" means the hydroelectric project owned and operated by the Pacific Gas and Electric Company and licensed by the Federal Energy Regulatory Commission as Project No. P-77.
- (g) "Other Agency Customers" means Sonoma Water, the County of Sonoma, California American Water Company (with respect to the Larkfield Water District), Forestville Water District, Lawndale Mutual Water Company Kenwood Village Water Company, Penngrove Water Company, the City of Sebastopol, the State of California, and Santa Rosa Junior College.
- (h) "Regular Customers" means any of the Water Contractors or Other Customers.
- (i) "Restructured Agreement for Water Supply" means the Restructured Agreement for Water Supply between Sonoma Water and the Cities of Cotati, Petaluma, Santa Rosa, Rohnert Park, and Sonoma, the Town of Windsor, and Forestville, Valley of the Moon, and North Marin Water Districts, executed on June 23, 2006, and any amendments or successor agreements thereto.
- (j) "Russian River Conservation Charge" means the charge described in Section 5(b) of this Agreement.

- (k) "Russian River Projects Charge" means the charge described in Section 5(c) of this Agreement.
- (l) "Transmission System" means the water-supply facilities financed and constructed pursuant to the Restructured Agreement for Water Supply and its predecessor agreements.
- (m) "Water Contractor" means a party signatory to the Restructured Agreement for Water Supply executed on June 23, 2006, and any amendments or successor agreements thereto.

Section 3: Sonoma Water Delivery of Water to MMWD.

- (a) Subject to all of the terms and conditions of this Agreement, and subject to the provisions of the Restructured Agreement for Water Supply (as now existing or as may be amended in the future), MMWD may purchase water from Sonoma Water pursuant to this Agreement in any Fiscal Year in an amount not less than 5,300 acre feet but not to exceed 14,300 acre-feet.
- (b) Sonoma Water shall deliver water at the requested rate to MMWD only to the extent that water supply is available and the Transmission System has capacity in excess of that required by Sonoma Water to supply the Water Contractors, but not less than 5,300 acre feet per fiscal year.
- (c) In September each year, Sonoma Water and MMWD will meet to determine MMWD's likely water demand for the coming fiscal year and whether MMWD's potential water supply needs can likely be supported by anticipated Sonoma Water's water supply availability and Transmission System capacity. Notwithstanding the foregoing, the maximum delivery rate to MMWD shall be limited to 25 million gallons per day (MGD) during the calendar months of January, February, March, April, November and December, and shall be limited to 12.8 mgd between the months of May through October. In the event that, in any given year, MMWD has a desire for a greater maximum mgd deliveries, MMWD may request the same from Sonoma Water and provided that there is sufficient Transmission System capacity and available water, Sonoma Water will not unreasonably withhold such additional deliveries to MMWD. MMWD agrees to provide written notice to all members of the Technical Advisory Committee, as that term is defined in the Restructured Agreement, of any such request by MMWD as well as the correspondent determination made by Sonoma

Water.

- (d) All water furnished by Sonoma Water to MMWD hereunder shall be delivered at a separately metered turnout or through the North Marin Water District's metered turnout(s) at MMWD's option.
- (e) Water received by MMWD pursuant to this Agreement shall only be used within the sphere of influence (as such term is defined in section 56076 of the Government Code) of the MMWD.

Section 4: Shortage and Impairment.

Except as otherwise provided herein, Sonoma Water shall release water from storage in Lake Mendocino or Lake Sonoma when necessary to make available in the Russian River sufficient water to make the deliveries provided for herein. If by reason of drought, environmental laws or regulations, other causes beyond the control of Sonoma Water, a deficiency does occur, then Sonoma Water shall not be liable to MMWD for any damage resulting therefrom. In the event of an impairment of or limitation on the use or capacity of the Transmission System, or other facility that affects Sonoma Water's ability to deliver water to MMWD pursuant to this Agreement, by reason of natural disaster, sabotage, legal impediment or other cause beyond the control of Sonoma Water, Sonoma Water shall not be liable to MMWD for any damage arising therefrom, provided however, that in such event MMWD shall have the right to roll any remaining undelivered allotment below the minimum 5,300 acre feet minimum fiscal year requirement into the following Fiscal Year such that the minimum take for that year is the 5,300 AF minimum and the undelivered water from the prior fiscal year so long as MMWD pays for the full 5,300 acre feet at the end of the fiscal year in which it was to be delivered at the then current rates if Sonoma Water reasonably determines that it has water available.

In the event of shortage of water in the Russian River or the Russian River Project that requires Sonoma Water to apportion available supply of water, Sonoma Water shall apportion the available water supply in accordance with the shortage and apportionment provisions in the Restructured Agreement section 3.5, so that it may make deliveries as follows:

- (a) First, Sonoma Water shall deliver to each of its Regular Customers, not in excess of the respective entitlements set forth in Sections 3.1, 3.2 and 3.3 of the Restructured Agreement for Water Supply or any amendments or

successor agreements thereto, authorize Sonoma Water's Russian River customers to divert or redivert not in excess of the amounts for which those customers have contracted to purchase from Sonoma Water, and deliver water to MMWD not in excess of the amounts set forth in Section 3 of this Agreement, the quantities of water required by each for human consumption, sanitation and fire protection, as determined by Sonoma Water after taking into consideration all other sources of potable water then available to said customer;

- (b) Second, to the extent additional water is available to Sonoma Water, Sonoma Water shall deliver such water to Sonoma Water's Regular Customers, authorize Sonoma Water's Russian River customers, to divert or redivert such water and deliver such water to MMWD in proportion to the respective entitlements set forth in Section 3.1, 3.2 and 3.3 of the Restructured Agreement for Water Supply, or any amendment or successor agreements thereto, the agreements between Sonoma Water and its Russian River customers, and section 3 of this Agreement, provided, however, that no customer shall receive under subdivisions (a) and (b) hereof a total quantity of water in excess of its reasonable requirements or its said entitlement or contracted amount, whichever is less.

Section 5: Charges and Payment.

For all water delivered under this Agreement, MMWD shall pay Sonoma Water each of the following charges:

- (a) A per-acre-foot charge equal to the highest rate per acre-foot then charged by Sonoma Water to any party to the Restructured Agreement for Water Supply for water taken from either the Petaluma Aqueduct or the Santa Rosa Aqueduct, multiplied by 1.11; provided, however, that the 20% surcharge imposed on the Town of Windsor under Section 4.17(a) of the Restructured Agreement for Water Supply shall not be included in determining the highest rate per acre-foot for water taken from the Santa Rosa Aqueduct or Petaluma Aqueduct. Seven and four hundred thirty-two one-thousandths percent (7.432%) of this per-acre-foot charge shall be placed in the Russian River Projects Fund; two and four hundred seventy-seven thousandths percent (2.477%) of this per-acre-foot charge shall be used, at the discretion of Sonoma Water, to pay for the costs of Common Facilities, to pay the Capital Costs of Aqueduct Facilities relating to the Santa Rosa or Petaluma Aqueducts, or to pay operations and maintenance

costs; and the remainder shall be applied pursuant to the Restructured Agreement for Water Supply, with the water delivered to MMWD considered to be delivered from the Petaluma Aqueduct.

- (b) A per-acre-foot Russian River Conservation Charge in lieu of the property taxes levied by Sonoma Water on property in Sonoma County, to pay the capital, operation and maintenance costs associated with the Warm Springs Dam Project and the Russian River Project. The charge shall be determined annually on or before April 30 preceding each September 30. The Russian River Conservation Charge shall be determined by multiplying the tax rate levied by Sonoma Water in the then current Fiscal Year to pay the costs associated with the Warm Springs Dam Project times the total assessed value of secured and unsecured property situated within the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Valley of the Moon Water District, and the Town of Windsor, and dividing the product by the total number of acre feet of water delivered to said public agencies pursuant to Section 3.1 and 3.3 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, during the twelve month period ending on March 31.
- (c) A per-acre-foot Russian River Projects Charge in lieu of the property taxes levied on property in Sonoma County and other Sonoma Water general fund monies which are transferred by Sonoma Water to Sonoma Water's Russian River Projects Fund and expended to pay for or partially pay for:
- (1) carrying out Sonoma Water's Coyote Valley Dam Project and Warm Springs Dam Project channel-stabilization works obligations to the United States Government and the State of California under Sonoma Water Board of Directors Resolutions No. 6847 adopted May 24, 1955, No. 7798 adopted September 27, 1955, No. DR00793-1 adopted September 25, 1961 and Resolution No DR68485 adopted December 23, 1980;
 - (2) securing and defending appropriative water rights which are necessary for the realization of the full benefits of the Coyote Valley Dam and Warm Springs Dam Projects;
 - (3) Sonoma Water's share of the United States Government's investment, operation and maintenance costs associated with the Coyote Valley Dam and Warm Springs Dam Projects;
 - (4) the acquisition of all or part of the Potter Valley Project, contributions made to the Potter Valley Project owner, or its successor, to insure the continued operation of all or part of the Potter Valley Project or its successor; and
 - (5) fishery mitigation and enhancement projects undertaken by Sonoma

Water in the Russian River and Eel River and their tributaries. The Russian River Projects Charge shall be determined by dividing the total amount of Sonoma Water monies expended from Sonoma Water's Russian River Projects Fund in the preceding ten Fiscal Years, exclusive of the funds contributed to the Fund by MMWD and the North Marin Water Districts and interest earnings attributable to funds contributed by MMWD and the North Marin Water District, by the sum of the total acre-feet of water delivered by Sonoma Water to the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, and Sonoma, the Valley of the Moon Water District, and the Town of Windsor (plus amounts diverted by the Town of Windsor via its own facilities under Sonoma Water's water rights) pursuant to Sections 3.1 and 3.3 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, during the preceding ten Fiscal Years and multiplying the quotient by the ratio that the assessed value of secured and unsecured property situated within the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Valley of the Moon Water District, and the Town of Windsor bears to the assessed value of all secured and unsecured property within Sonoma County, provided however, in no event shall the Russian River Projects Charge exceed \$20.00 per acre-foot. Sonoma Water shall keep proper books, records and accounts in which complete and accurate entries shall be made of all Sonoma Water general fund monies transferred to Sonoma Water's Russian River Projects Fund and all expenditures made from the fund for the purposes described in this paragraph. Sonoma Water shall maintain a separate account within the Russian River Projects Fund for monies contributed by MMWD and the North Marin Water District. Monies expended from the Russian River Projects Fund shall be deemed to have been expended from the MMWD and North Marin Water District account in the proportion that the balance of the account bears to the total Russian River Projects Fund balance at the end of the Fiscal Year quarter preceding the expenditure.

- (d) A lump sum payment which shall be determined by multiplying the Russian River Conservation Charge times the difference between 14,300 acre-feet and the sum of the total acre-feet of water delivered under this agreement during the prior Fiscal Year plus the total acre-feet of water for which payments have been made in lieu of delivery pursuant to Section 5(f) of this Agreement during the prior Fiscal Year.

- (e) A lump sum payment which shall be determined by multiplying the Russian River Projects Charge times the difference between 14,300 acre-feet and the sum of the total acre-feet of water delivered under this Agreement during the prior Fiscal Year plus the total acre-feet of water for which payments have been made in lieu of delivery pursuant to Section 5(f) of this Agreement during the prior Fiscal Year.
- (f) A lump sum payment, calculated as follows: If the total amount of water delivered to MMWD pursuant to this Agreement is less than 5,300 acre-feet in any Fiscal Year, then Sonoma Water shall include in the bill for the month of August the difference between the actual amount of water delivered during the previous Fiscal Year and 5,300 acre-feet, and MMWD shall pay for such amount at the same rate as though such water had been delivered, if and to the extent that such water was available to MMWD. Water shall be deemed to have been available to MMWD during the previous Fiscal Year if MMWD could have taken delivery of such water at any time during such Fiscal Year at delivery rates not exceeding available Transmission System capacity. Sonoma Water shall keep and make available for review by MMWD operating records indicating the availability of water to MMWD.
- (g) MMWD Payment to Support Regional Water Resiliency. Within sixty (60) days following full execution of this Agreement, MMWD will pay to Sonoma Water an amount equal to Twelve Million Five Hundred Thousand Dollars (\$12,500,000), a portion of which funds, specifically Nine Million Dollars (\$9,000,000) will be used by Sonoma Water for projects to enhance water resiliency within the Russian River System. The remaining portion, Three Million Five Hundred Thousand Dollars (\$3,500,000) will be used by Sonoma Water for projects to enhance Sonoma Water's ability to deliver winter water. Sonoma Water shall be responsible for conducting any environmental review that may be required under the California Environmental Quality Act for all such projects.
- (h) Notwithstanding any dispute between Sonoma Water and MMWD, MMWD shall pay all bills made by Sonoma Water pursuant to this Agreement when due and shall not withhold all or any part of any amount billed pending the final resolution of such dispute. In the event of a dispute, MMWD may pay its bills under protest, and if necessary under the ultimate resolution of the dispute, Sonoma Water shall make an

appropriate refund to MMWD, including interest on the overpaid amount at the rate obtained by Sonoma Water as a result of investment of the disputed amount. If MMWD does not pay any bill by the due date for such bill, then, in addition to the principal amount due, MMWD also shall pay Sonoma Water interest on this principal amount due, calculated from the due date until the payment date at the legal rate per annum established pursuant to section 685.010 of the Code of Civil Procedure.

Section 6: Construction of New Aqueduct.

Sonoma Water acknowledges that MMWD is evaluating the feasibility and efficacy of constructing, at MMWD's sole cost and expense, a new aqueduct from the existing North Marin Aqueduct to MMWD's Nicasio and/or Soulajule Reservoirs to enhance water resiliency and reliability consistent with long term planning for the Russian River Project. MMWD will continue to actively communicate with Sonoma Water regarding project design and development and Sonoma Water and if requested by MMWD, will provide available information and data necessary to project planning and assessment of project benefits and impacts. In connection with the foregoing, MMWD will be solely responsible for the completion of any analysis required pursuant to the California Environmental Quality Act.

Section 7: Sonoma Water Petitions and Applications with State Water Resources Control Board.

MMWD acknowledges that the existing 75,000 acre foot per year limit on diversions and rediversions in Sonoma Water's Water Right Permits does not allow Sonoma Water to utilize the entire yield of the Russian River Project, and that Sonoma Water may from time to time file petitions or applications with the State Water Resources Control Board ("State Board") to increase this or future limits or otherwise provide water to Sonoma Water customers. MMWD also acknowledges that Sonoma Water has filed petitions with the State Board requesting changes in minimum instream flow requirements and other changes in its water rights permits to respond to hydrologic conditions or any environmental release requirements, or both. MMWD recognizes and agrees that it will be in the public interest for the State Board to grant such petitions and applications.

Section 8: Waiver and Indemnity.

- (a) MMWD waives, releases and forever discharges Sonoma Water, its officers, agents and employees from any and all liabilities, claims, demands, losses and costs relating to any of the following: (1) any property damage or personal injury arising from any non-delivery of water requested by MMWD pursuant to this Agreement, or for any property damage or personal injury arising from the quality of water delivered pursuant to this Agreement, if such property damage or personal injury is caused by lack of available capacity in the Transmission System, drought, earthquake or other Act of God, strike or other labor dispute, partial or total dam, gate or tunnel loss, dam, gate or tunnel repairs, water pollution, or any factor beyond the control of Sonoma Water (whether or not such factor is listed in this sentence); and (2) any property damage or personal injury arising from any decision of Sonoma Water regarding: (a) determinations of the availability of water for sale by Sonoma Water to MMWD pursuant to this Agreement; (b) allocation of transmission system capacity; (c) proposed expansions of the Transmission System; or (d) repair (or non-repair) of the Potter Valley Project, Coyote Valley Dam or Warm Springs Dam. MMWD's waiver, release and discharge described in this paragraph shall apply to any of the property damages or personal injuries described in this paragraph, whether or not such property damages or personal injuries were caused by Sonoma Water's negligence, unless such property damages or personal injuries resulted from Sonoma Water's negligence, willful misconduct or violation of law.
- (b) MMWD shall indemnify, hold harmless, protect and defend Sonoma Water, its officers, agents and employees from and against any and all liabilities, claims, demands, damages, losses, disabilities or expenses (including attorney fees and litigation costs) of every nature arising out of, or in connection with: (1) the lack of quantity of water that has been delivered by Sonoma Water to MMWD pursuant to this Agreement; or (2) the control, conveyance and disposition of water that has been delivered by Sonoma Water to MMWD pursuant to this Agreement. For the purposes of this section, the point of delivery shall be as specified in Section 3 of this Agreement. MMWD shall provide such indemnification, holding harmless, protection and defense whether or not such liabilities, claims, demands, damages, losses, disabilities or expenses are based on Sonoma Water's negligence, unless such liabilities, claims, demands, damages, losses,

disabilities or expenses are based on Sonoma Water's sole negligence, willful misconduct or violation of law.

- (c) This section shall not apply to any construction activities, or construction contracts, relating to the construction described in Section 6 of this Agreement. The provisions in this section regarding attorney fees shall not apply to any other section of this Agreement.

Section 9: Water Conservation; Coordination on Urban Water Management Planning.

- (a) MMWD and Sonoma Water will comply with all applicable state laws related to water conservation planning and implementation, including the Urban Water Management Planning Act, Water Code sections 10610-10655 (as such act now exists or in the future may exist). MMWD shall implement or use its best efforts to secure the implementation of any water conservation requirements that may be added as terms or conditions of Sonoma Water's appropriative water rights permits or licenses, or with which the Agency must comply under compulsion of regulation or law.
- (b) MMWD and Sonoma Water shall coordinate the preparation of their respective Urban Water Management Plans required by the Urban Water Management Planning Act. MMWD shall provide Sonoma Water MMWD's projections of projected future water demands, conservation, recycled water use, and other non-Sonoma Water water supplies, and the methodology and assumptions used by MMWD to produce those projections. Sonoma Water shall review the projections and may provide comments on the projections, and shall provide MMWD with projections of the amount of water to be provided by Sonoma Water to MMWD to be used in MMWD's and the Sonoma Water's Urban Water Management Plans, provided, however, that nothing in this Section 9, including any lack of compliance, shall impact the other provisions of this Agreement nor any obligation hereunder.

Section 10: Water Quality.

Water delivered by Sonoma Water to MMWD pursuant to this Agreement shall be of the same general quality as water delivered by Sonoma Water from the transmission system to the Water Contractors in compliance with California

drinking water standards. Except as expressly stated in the preceding sentence, Sonoma Water does not make any express or implied warranty regarding the quality of the water delivered pursuant to this Agreement. The payment obligations of MMWD set forth in Section 5 shall not be affected in any manner by the quality of the water delivered by Sonoma Water hereunder.

Section 11: CEQA for Future Projects.

Pursuant to section 15051(d) of the State CEQA Guidelines, MMWD is designated as the lead agency under the California Environmental Quality Act for the construction of any new aqueduct to be constructed by MMWD pursuant to Section 6 of this Agreement. Sonoma Water is designated as the lead agency for any other projects north of Kastania Reservoir that Sonoma Water may construct to implement this Agreement.

Section 12: CEQA for this Agreement.

Pursuant to section 15061 of the California Environmental Quality Act (CEQA) Guidelines, the parties have evaluated this Agreement and have concluded that their approval of this Agreement is exempt from the provisions of CEQA under Section 15301 of the CEQA Guidelines because MMWD fully exercised its right to delivery of water under the 2015 Renewal Agreement, the not to exceed amount of water to which MMWD is entitled under this Agreement is unchanged from the amounts included under the 2015 Renewal Agreement and future levels of diversions and use of water by MMWD under this Agreement will not be significantly different from present levels of diversion and use. Accordingly, the parties will file, pursuant to CEQA Guidelines section 15062, notices of exemption with the Marin and Sonoma County Clerks and the State Clearinghouse of the Office of Planning and Research.

Section 13: Term.

This Agreement supersedes the 2015 Renewal Agreement. This Agreement shall be effective on July 1, 2025 and shall remain in effect until June 30, 2040. Upon the request of MMWD, Sonoma Water agrees to enter into renewal agreements for periods not to exceed the then-existing term of the Restructured Agreement for Water Supply or any renewals or amendments to the Restructured Agreement for Water Supply upon the same terms and conditions contained herein, except that Sonoma Water may make reasonable adjustments to the charges under Section 5 of this Agreement, and any such reasonable adjustments then shall be

included in any renewal agreement. Sonoma Water acknowledges that the expiration date of the Restructured Agreement for Water Supply is June 30, 2040. Based upon MMWD's longstanding and ongoing participation and support of Sonoma Water's Russian River Project, including lump sum capital payments and other payments made by MMWD in parity with Sonoma Water's Water Contractors, Sonoma Water agrees to advocate to include MMWD in any discussions related to any renewal or extension of the Restructured Agreement for Water Supply. If at the expiration date of this Agreement and the Restructured Agreement for Water Supply has been terminated or has expired without either being renewed or replaced by another agreement pertaining to water supply, then upon the request of MMWD, Sonoma Water shall enter into renewal agreements for periods not to exceed forty (40) years upon the same terms and conditions contained herein, except that Sonoma Water may make reasonable adjustments to the charges under Section 5 of the Agreement and any such reasonable adjustment then shall be included in any renewal agreement.

Section 14: Modifications:

This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and conditions and as a complete and exclusive statement of the terms of the agreement. Pursuant to Code of Civil Procedure section 1856, no modification of the Agreement shall be effective unless and until such modification is evidenced by a writing signed by all parties.

Section 15: Equitable Remedies.

Because water is a scarce and precious resource, MMWD will not have an adequate remedy at law, and thus may request a court of competent jurisdiction to order equitable remedies, to compel Sonoma Water to deliver the water that MMWD is entitled to receive pursuant to this Agreement. Such equitable remedies shall be MMWD's sole and exclusive remedies in actions brought by MMWD relating to the amounts of water that Sonoma Water must deliver to MMWD pursuant to this Agreement.

Section 16: Notices.

All notices shall be in writing and notices and payments may be given by personal delivery or by mail. Notices and payments sent by mail shall be addressed as follows:

To Sonoma Water:
General Manager,
Sonoma County Water Agency,
404 Aviation Boulevard, Santa Rosa, CA 95403;

To MMWD:
General Manager,
Marin Municipal Water District,
220 Nellen Avenue, Corte Madera, CA 94925

When so addressed, a notice shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices and payments shall be deemed given at the time of actual delivery. Changes may be made to the names and addresses of the person to whom notices and payments are to be given by giving notice pursuant to this section.

Section 17: Demand for Assurances. When reasonable grounds for insecurity arise with respect to the performance of either party, the other party may, in writing, demand adequate assurance of due performance and, until it receives such assurance, may, if commercially reasonable, suspend any performance for which the agreed return performance has not been received. "Commercially reasonable" includes not only the conduct of either party with respect to performance under this Agreement, but also conduct with respect to other agreements with the other party to this Agreement or others. After receipt of a justified demand, the failure to provide within a reasonable time, but not exceeding 30 days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

Section 18: No Third-Party Beneficiaries.

No third-party beneficiaries are intended or established by this Agreement.

Section 19: Representation by Counsel.

Sonoma Water and MMWD each was represented by independent counsel in the negotiation and execution of this Agreement. For the purposes of interpretation of this Agreement, neither party shall be deemed to have been the drafter of this Agreement.

Section 20: Merger.

This Agreement is intended both as a final expression of the agreement between the parties hereto with respect to the included terms and conditions and as a complete and exclusive statement of the terms of the Agreement.

ATTEST:

MARIN MUNICIPAL WATER DISTRICT

Board Secretary

By: _____
Matt Samson, President
Board of Directors

Reviewed As To Form:

Molly MacLean, General Counsel

ATTEST:

SONOMA COUNTY WATER AGENCY

Deputy Clerk of the
Board of Directors

By: _____
Chair, Board of Directors

DATE: _____

Reviewed As To Substance By
Sonoma County Water Agency:

Grant Davis, General Manager

Reviewed As To Form:

Deputy County Counsel

**Renewal of the Third Amended Offpeak Water Supply Agreement and the
Amended Agreement for the Sale of Water between the Sonoma County Water
Agency and Marin Municipal Water District**

This Renewal of the Third Amended Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District ("Renewal Agreement") is made by and between the Marin Municipal Water District ("MMWD") and the Sonoma County Water Agency ("Agency") and is effective as of July 1, 2015.

Recitals

A. Agency and MMWD are parties to a Supplemental Water Supply Agreement dated January 25, 1996, which incorporates two agreements between the Agency and MMWD that are attached as exhibits to the Supplemental Water Supply Agreement, the Third Amended Offpeak Water Supply Agreement (Exhibit A, referred to herein as the "Offpeak Agreement") and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District (Exhibit B, referred to herein as the "Water Sale Agreement").

B. The Offpeak Agreement and the Water Sale Agreement by their terms remain in effect until June 30, 2015 as provided in the Amendment To and Temporary Extension of the Supplemental Water Supply Agreement between MMWD and the Agency dated June 27, 2014.

C. MMWD has requested that the Offpeak Agreement and the Water Sale Agreement be renewed pursuant to Section 7 of the Offpeak Agreement and Section 18 of the Water Supply Agreement.

D. In September 2008, the National Marine Fisheries Service issued its *Russian River Biological Opinion*, which requires the Agency to implement certain activities and projects in the Russian River watershed to improve habitat for listed salmonid species as a condition to receiving "incidental take" authorization in connection with its operation of the Russian River Project and the Water transmission system. MMWD also has listed salmonid species present in streams within its water service area. The protection and recovery of listed salmonid species is a high priority for the Agency and for MMWD.

E. The Supplemental Water Supply Agreement recognized that one of the reasons for that agreement was "to accommodate the Agency's efforts to attempt to ensure a continuation of Pacific Gas and Electric Company's historic diversions of Eel

River water to the Russian River and to increase the reliability of the water supply deliverable to [MMWD].” The need to ensure the continuation of such flows was heightened by the amendments made by the Federal Energy Regulatory Commission in 2004 to Pacific Gas & Electric Company’s license for the Potter Valley Project, which reduced such flows. By entering into this Renewal Agreement, the parties recognize the ongoing importance of the continuation of such flows.

Agreement

Wherefore, in consideration of the foregoing and the mutual promises set forth herein, Agency and MMWD agree as follows:

1. This Renewal Agreement shall be effective on July 1, 2015. On the effective date of this Renewal Agreement, the Offpeak Agreement shall be amended as indicated in the attached Exhibit A and the Water Sale Agreement shall be amended as indicated in the attached Exhibit B.

2. Pursuant to section 15051(d) of the CEQA Guidelines, MMWD is designated as the lead agency under the California Environmental Quality Act for the execution of this Renewal Agreement, and for any projects south of Kastania Reservoir that MMWD may construct to implement this Renewal Agreement. Agency is designated as the lead agency for any projects north of Kastania Reservoir that Agency may construct to implement this Renewal Agreement.

3. MMWD shall indemnify Agency and its officers, agents and employees for any and all liabilities, claims, demands, damages, losses, disabilities and expenses (including attorney fees and litigation costs) of every nature arising out of, or in connection with, any legal proceeding that is commenced against the Agency and that alleges that Agency’s execution of this Renewal Agreement violates the California Environmental Quality Act or the CEQA Guidelines. MMWD shall provide such indemnification whether or not such liabilities, claims, demands, damages, losses, disabilities or expenses are based on Agency’s negligence, unless such liabilities, claims, demands, damages, losses, disabilities or expenses are based on Agency’s sole negligence, willful misconduct or violation of law. The provisions in this section regarding attorney fees shall not apply to any other section of this Renewal Agreement.

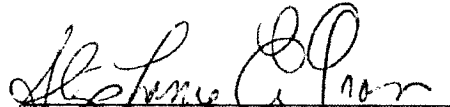
4. This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and conditions and as a complete and exclusive statement of the terms of the Renewal Agreement. Pursuant to Code of Civil Procedure section 1856, no modification of the Renewal Agreement shall be effective unless and until such modification is evidenced by a writing signed by all parties.


5. No third party beneficiaries are intended or established by this Renewal Agreement.

6. Agency and District each was represented by independent counsel in the negotiation and execution of this Renewal Agreement. For the purposes of interpretation of this Renewal Agreement, neither party shall be deemed to have been the drafter of this Renewal Agreement.

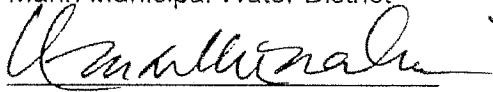
ATTEST:

MARIN MUNICIPAL WATER DISTRICT



Board Secretary

By: 
John C. Gibson, President
Board of Directors

Reviewed As To Substance By
Marin Municipal Water District



Krishna Kumar
General Manager

Reviewed As To Form:


Mary R. Casey
General Counsel

ATTEST:

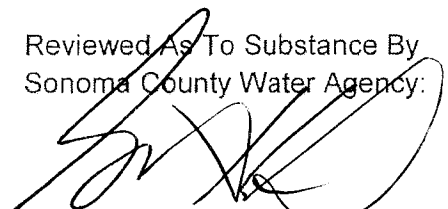
SONOMA COUNTY WATER AGENCY


Deputy Clerk of the
Board of Directors

By: 
Chair, Board of Directors

DATE: 6/16/15

Reviewed As To Substance By
Sonoma County Water Agency:


Grant Davis, General Manager

Reviewed As To Form:



Steven S. Shupe
Deputy County Counsel

Exhibit A**Amendments To Third Amended Offpeak Water Supply Agreement****FOURTH AMENDED
OFFPEAK WATER SUPPLY AGREEMENT**

This Fourth Amended Offpeak Water Supply Agreement ("Offpeak Agreement") is made and entered into effective this July 1, 2015, by and between the Marin Municipal Water District, a public body, hereinafter called "Marin" and the Sonoma County Water Agency, a public body, hereinafter called "Agency".

WITNESSETH:

WHEREAS, Agency entered into contracts with the United States Government to secure the construction of Coyote Valley Dam on the East Fork Russian River and Warm Springs Dam on Dry Creek (hereinafter "Russian River Project"); and

WHEREAS, Agency entered into a contract with the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, and Sonoma, the Forestville County Water District, the Valley of the Moon Water District, and the North Marin Water District (hereinafter "North Marin") entitled, Agreement for Water Supply and Construction of Russian River-Cotati Intertie Project, dated October 25, 1974, and last amended June 23, 2006 (hereinafter "Restructured Agreement for Water Supply").

WHEREAS, said Restructured Agreement for Water Supply authorizes the use of certain water transmission facilities (hereinafter

"Transmission System") for the purpose of delivering to Marin, under prescribed terms and conditions, water which is available in the Russian River; and

WHEREAS, Agency entered into a contract with Marin entitled Second Amended Offpeak Water Supply Agreement, dated May 3, 1988, which provides for the delivery to Marin by Agency, under prescribed terms and conditions, of not to exceed 4,300 acre feet of Russian River water per fiscal year; and

WHEREAS, parts of the property taxes paid since 1971 by the taxpayers of Sonoma County have been paid into a sinking fund that was established to fund Agency's payment obligations to the United States Government for the Warm Springs Dam Project and parts of the property taxes that will be paid in the future by the taxpayers of Sonoma County will likewise be paid into this sinking fund; and WHEREAS pursuant to the Second Amended Offpeak Water Supply Agreement Marin has paid Agency a Russian River Conservation Charge, the proceeds of which were in the past paid into the sinking fund described in the previous recital; and

WHEREAS Agency entered into a contract with Marin dated October 22, 1991 and entitled Agreement for the Sale of Water between the Sonoma County Water Agency and the Marin Municipal Water District (now referred to as the "Water Sale Agreement"), which provides for the delivery to Marin by Agency, under prescribed terms and conditions, of up to 10,000 acre-feet of water per fiscal year; and

WHEREAS, Agency and Marin entered into a Supplemental Water Supply Agreement dated January 25, 1996, which amended and

incorporated two agreements between the Agency and Marin that are attached as exhibits to the Supplemental Water Supply Agreement, those agreements being known as the Third Amended Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District, to accommodate the Agency's efforts to attempt to ensure a continuation of the Pacific Gas and Electric Company's historic diversions of Eel River water to the Russian River and to increase the reliability of the water supply deliverable to Marin; and

WHEREAS, the Third Amended Offpeak Water Supply Agreement by its terms remain in effect until June 30, 2015 as provided in the Amendment To and Temporary Extension of the Supplemental Water Supply Agreement between Marin and the Agency dated June 27, 2014; and

WHEREAS, Marin has requested that the Third Amended Offpeak Water Supply Agreement be renewed.

NOW, THEREFORE, the parties hereto agree as follows:

1. Subject to all the terms and conditions of this Offpeak Agreement and the relevant provisions of the Restructured Agreement for Water Supply, Agency shall deliver water to Marin either through separately metered turnout at Agency's Kastania Reservoir or through North Marin's meter(s) at Marin's option. Should Marin desire a separate metered turnout, it shall pay to Agency the actual cost of installation of such metered turnout. Such water shall be made available to Marin in an amount not to exceed 4,300 acre feet per fiscal year and at delivery rates as requested by Marin but not to exceed 760 acre feet per calendar month. During the five

month period May 1 through September 30 the delivery rate shall not exceed 360 acre feet per calendar month without the prior written consent of the Agency and the total quantity of water delivered shall not exceed 1,800 acre feet. "Fiscal year" means the year beginning on July 1 and ending on the following June 30.

2. Marin shall pay for water delivered pursuant to this Offpeak Agreement at a rate equal to the highest rate per acre-foot then charged by the Agency to any party to the Restructured Agreement for Water Supply (or pursuant to any amendment or successor agreement to the Restructured Agreement for Water Supply) for water taken from either the Petaluma Aqueduct or the Santa Rosa Aqueduct, multiplied by 1.11; provided, however, that the 20% surcharge imposed on the Town of Windsor under Section 4.17(a) of the Restructured Agreement shall not be included in determining the highest rate per acre-foot for water taken from the Santa Rosa Aqueduct or Petaluma Aqueduct. Seven and four hundred thirty-two one-thousandths percent (7.432%) of this per-acre-foot charge shall be placed in the Russian River Projects Fund; two and four hundred seventy-seven thousandths percent (2.477%) of this per-acre-foot charge shall be used, at the discretion of the Agency, to pay for the costs of Common Facilities, to pay the Capital Costs of Aqueduct Facilities relating to the Santa Rosa or Petaluma Aqueducts, or to pay operations and maintenance costs; and the remainder shall be applied pursuant to the Restructured Agreement for Water Supply (or pursuant to any amendment or successor agreement to the Restructured Agreement for Water Supply), with the water delivered to Marin considered to be delivered from the Petaluma Aqueduct. Agency shall bill Marin monthly for the quantity of water

measured from Marin's metered turnout or from the accounting provided by North Marin and Marin shall pay the amount of such billing within 30 days after receipt of the bill. Notwithstanding any dispute between Agency and Marin, Marin shall pay all its bills when due and shall not withhold all or any part of any payment pending the final resolution of such dispute. In the event of a dispute, Marin may pay its bills under protest and if the resolution of the dispute results in a refund to Marin, Agency shall make refund plus any interest earned by investment of the disputed funds.

3. If the total amount of water delivered to Marin pursuant to this Offpeak Agreement is less than 4,300 acre-feet in any fiscal year, then Agency shall include in the bill for the month of July the difference between the actual amount of water delivered during the previous fiscal year and 4,300 acre-feet, and Marin shall pay for such amount at the same rate as though such water had been delivered, if and to the extent that such water was available to Marin. Water shall be deemed to have been available to Marin during the previous fiscal year if Marin could have taken delivery of such water at any time during such fiscal year at delivery rates not exceeding the rates specified in Section 1 of this Offpeak Agreement. Agency shall keep and make available for review by Marin operating records indicating the availability of water to Marin.

4. Except as otherwise provided herein, Agency shall release water from storage in Lake Mendocino or Lake Sonoma when necessary to make available in the Russian River sufficient water to make the deliveries provided for herein. If by reason of drought or other physical cause or legal impediment beyond the control of the Agency, a shortage in the water

available from the Russian River or the Russian River Project occurs, then Agency shall not be liable to Marin for any damage resulting therefrom.

In the event of shortage of water in the Russian River or the Russian River Project that requires the Agency to apportion available water, Agency shall apportion the available water so that it may make deliveries as follows:

First, Agency shall deliver to each of its regular customers, not in excess of the respective entitlements set forth in Sections 3.1, 3.2 and 3.3 of the Restructured Agreement for Water Supply or any amendments or successor agreements thereto, authorize Agency's Russian River customers to divert or redivert not in excess of the amounts for which those customers have contracted to purchase from the Agency, and deliver to Marin not in excess of the amounts set forth in Section 1 of this Offpeak Agreement and paragraph (f) of Section 8 of the Water Sale Agreement, the quantities of water required by each for human consumption, sanitation and fire protection, as determined by the Agency after taking into consideration all other sources of potable water then available to said customer;

Second, to the extent additional water is available to the Agency, Agency shall deliver such water to Agency's regular customers, authorize Agency's Russian River customers, to divert or redivert such water and deliver such water to Marin in proportion to the respective entitlements set forth in Sections 3.1, 3.2 and 3.3 of the Restructured Agreement for Water Supply, or any amendments or successor agreements, thereto, the agreements between the Agency and its Russian River customers, and Section 1 of this Offpeak Agreement and paragraph (f) of Section 8 of the Water Sale Agreement, provided, however, that no customer shall receive under subdivisions "First" and "Second" hereof a total quantity of water in

excess of its reasonable requirements or its said entitlement or contracted amount, whichever is less.

Agency shall make all reasonable efforts to deliver water to Marin at Kastania Reservoir or at North Marin's meter, as specified in Section 1 of this Offpeak Agreement, using all facilities available to Agency. However, Marin acknowledges that priorities of use of delivery capacity in Agency's facilities have been allocated to others who are not parties to this Offpeak Agreement, and that capacity to make deliveries of water to Marin at the rates in Section 1 of this Offpeak Agreement may not always be available to Agency. Agency shall keep, and make available to Marin on an annual basis in July of each year, records indicating the availability of capacity to deliver water to Marin, up to the limits set forth in Section 1 of this Offpeak Agreement and in Section 2 of the Water Sale Agreement, for each month of the previous fiscal year. During July of each year, Agency also shall provide Marin with an estimate of the capacity that will be available to deliver water to Marin pursuant to this Offpeak Agreement and the Water Sale Agreement during each remaining month of the then present fiscal year. If these reports indicate that delivery capacity is insufficient, or soon will be insufficient, to provide deliveries at the rates specified in Section 1 of this Offpeak Agreement, then Agency shall use its best efforts to secure an alternative means, solely at Marin's expense, to accomplish the purposes of this Offpeak Agreement.

In the event of an impairment of or limitation on the use or capacity of the Transmission System, or other facility that affects the Agency's ability to deliver water to Marin pursuant to this Offpeak Agreement, by reason of natural disaster, sabotage, legal impediment or other cause beyond the control of the Agency, the Agency shall not be liable to Marin for any damage

arising therefrom. In such event, the Agency shall use the available Transmission System capacity to make deliveries as follows:

First, deliver to each of its regular customers the quantity of water, not in excess of its respective entitlement set forth in Sections 3.1 and 3.2 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, required by it for human consumption, sanitation and fire protection as determined by the Agency after taking into consideration all other sources of potable water then available to said customer;

Second, to the extent additional Transmission System capacity is available to the Agency, deliver a quantity of water to the regular customers in proportion to their respective entitlements set forth in Section 3.1 and 3.2 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, provided, however, that no regular customer shall receive under the paragraphs "first" and "second" a total quantity of water in excess of its reasonable requirements or its said entitlement, whichever is less;

Third, to the extent additional Transmission System capacity is available, deliver water to regular customers in excess of their entitlements, pursuant to section 3.3 of the Restructured Agreement for Water Supply;

Fourth, to the extent additional Transmission System capacity is available, deliver water to Marin Municipal Water District, not in excess of the delivery limitations in Section 1 of this Offpeak Agreement;

Fifth, to the extent additional Transmission System capacity is available, deliver surplus water to the water contractors;

Sixth, to the extent additional Transmission System capacity is available, delivery surplus water to other Agency customers;

The terms "regular customers", "Russian River customers" and "water contractors" in this Offpeak Agreement shall have the same meanings that they have in the Restructured Agreement for Water Supply.

5. In addition to the rates and charges required to be paid by Marin pursuant to Section 2 hereof, Marin shall pay the following additional charges on or before each September 30 during the term of this Offpeak Agreement.

a. Marin shall pay a Russian River Conservation Charge in lieu of the property taxes levied by the Agency on property in Sonoma County, to pay the capital, operation and maintenance costs associated with the Warm Springs Dam Project. The Russian River Conservation Charge shall be a charge per acre foot which shall be applied to Marin's total 4,300 acre feet per annum entitlement under this Offpeak Agreement. The charge shall be determined annually on or before April 30 preceding each September 30. The Russian River Conservation Charge shall be determined by multiplying the tax rate levied by the Agency in the then current fiscal year to pay the costs associated with the Warm Springs Dam Project times the total assessed value of secured and unsecured property situated within the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Forestville County Water District, and the Valley of the Moon Water District, and dividing the product by the total number of acre feet of water delivered to said public agencies pursuant to Section 3.1 and 3.3 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, during the twelve month period ending on March 31.

b. Marin shall pay a Russian River Projects Charge in lieu of the property taxes levied on property in Sonoma County and other Agency

general fund monies which are transferred by the Agency to the Agency's Russian River Projects Fund and expended to pay for or partially pay for: (1) carrying out the Agency's Coyote Valley Dam Project and Warm Springs Dam Project channel-stabilization works obligations to the United States Government and the State of California under Agency Board of Directors Resolutions No. 6847 adopted May 24, 1955, No. 7798 adopted September 27, 1955, No. DR00793-1 adopted September 25, 1961 and Resolution No DR68485 adopted December 23, 1980; (2) securing and defending appropriative water rights which are necessary for the realization of the full benefits of the Coyote Valley Dam and Warm Springs Dam Projects; (3) the Agency's share of the United States Government's investment, operation and maintenance costs associated with the Coyote Valley Dam and Warm Springs Dam Projects; (4) the acquisition of all or part of the Potter Valley Project, or contributions made to the Project owner to insure the continued operation of all or part of the Project; and (5) fishery mitigation and enhancement projects undertaken by the Agency in the Russian River and Eel River and their tributaries. The Russian River Projects Charge shall be determined by dividing the total amount of Agency monies expended from the Agency's Russian River Projects Fund in the preceding ten fiscal years, exclusive of the funds contributed to the Fund by Marin and North Marin Water Districts and interest earnings attributable to funds contributed by Marin and North Marin Water District, by the sum of the total acre-feet of water delivered by the Agency to the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, and Sonoma, the Forestville County Water District, and the Valley of the Moon Water District pursuant to Section 3.1 and 3.3 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, during the preceding ten

fiscal years and multiplying the quotient by the ratio that the assessed value of secured and unsecured property situated within the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Forestville County Water District, and the Valley of the Moon Water District bears to the assessed value of all secured and unsecured property within Sonoma County, provided, however, in no event shall the Russian River Projects Charge exceed \$20.00 per acre-foot. Agency shall keep proper books, records and accounts in which complete and accurate entries shall be made of all Agency general fund monies transferred to the Agency's Russian River Projects Fund and all expenditures made from the fund for the purposes described in this paragraph. The Agency shall maintain a separate account within the Russian River Projects Fund for monies contributed by Marin and North Marin Water District. Monies expended from the Russian River Projects Fund shall be deemed to have been expended from the Marin and North Marin Water District account in the proportion that the balance of the account bears to the total Russian River Projects Fund balance at the end of the fiscal year quarter preceding the expenditure.

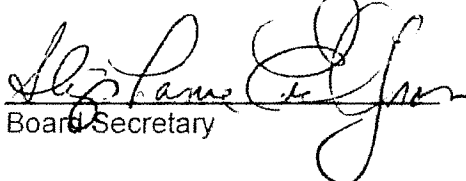
c. All money received by the Agency from the Russian River Conservation Charge and the Russian River Projects Charge on water sold to Marin shall be credited to the Agency's Russian River Projects Fund and shall be used only for the purposes set forth in Paragraph (b) of this section.

6. The annual quantity of water provided to Marin by Agency pursuant to this Offpeak Agreement shall be in addition to the annual quantity of water provided to Marin by Agency pursuant to the Sale of Water Agreement.

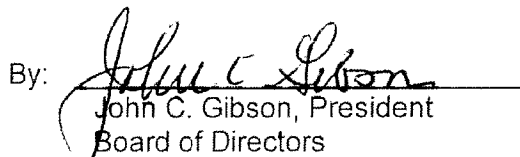
7. This Offpeak Agreement supersedes the Third Amended Offpeak Water Supply Agreement between Marin and Agency. This Offpeak Agreement shall be effective on July 1, 2015 and shall remain in effect until June 30, 2025. Upon the request of Marin, Agency agrees to enter into renewal agreements for periods not to exceed the then-existing term of the Restructured Agreement for Water Supply or any renewals, amendments or replacement agreements to the Restructured Agreement for Water Supply upon the same terms and conditions contained in this Offpeak Agreement, except that the Agency may make reasonable adjustments to the charges under Section 5 of this Offpeak Agreement, and any such reasonable adjustments then shall be included in any renewal agreement. If the Restructured Agreement for Water Supply has been terminated or has expired without being renewed, amended or replaced by another agreement pertaining to water supply, then upon the request of Marin, the Agency shall enter into renewal agreements for periods not to exceed forty (40) years upon the same terms and conditions contained in this Offpeak Agreement, except that the Agency may make reasonable adjustments to the charges under Section 5 of this Offpeak Agreement and any such reasonable adjustment then shall be included in any renewal agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date hereinabove first written.

ATTEST:


Board Secretary

MARIN MUNICIPAL WATER DISTRICT

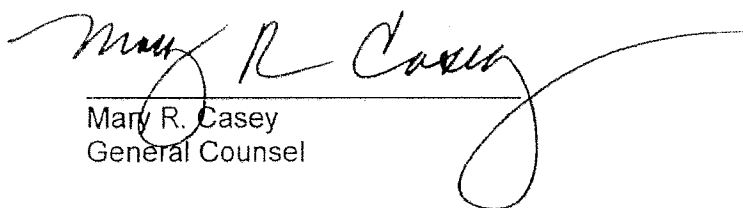
By: 
John C. Gibson, President
Board of Directors

Reviewed As To Substance By
Marin Municipal Water District



Krishna Kumar
General Manager

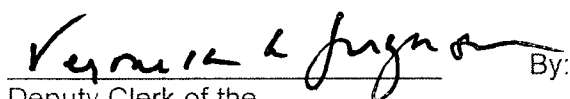
Reviewed As To Form:



Mary R. Casey
General Counsel

ATTEST:

SONOMA COUNTY WATER AGENCY



Deputy Clerk of the
Board of Directors

By:

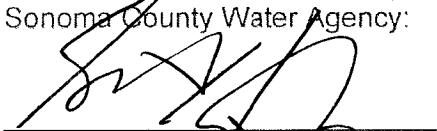


Chair, Board of Directors

DATE:

6/16/15

Reviewed As To Substance By
Sonoma County Water Agency:



Grant Davis, General Manager

Reviewed As To Form:



Steven S. Shupe
Deputy County Counsel

Exhibit B**Amendments to Amended Agreement for the Sale of Water between
the Sonoma County Water Agency and Marin Municipal Water District****SECOND AMENDED AGREEMENT FOR THE SALE OF
WATER BETWEEN THE SONOMA COUNTY WATER
AGENCY AND THE MARIN MUNICIPAL WATER
DISTRICT**

This agreement is made this 22nd day of October, 1991, and is amended and effective this July 1, 2015, by and between the Sonoma County Water Agency, hereinafter called "Agency," and the Marin Municipal Water District, hereinafter called "District" hereinafter ("Water Sale Agreement.")

RECITALS

A. District operates a municipal water system to supply water to customers within its boundaries. District's water system is supplied by water from reservoirs owned and operated by District, and by water purchased from Agency pursuant to Fourth Amended Offpeak Water Supply Agreement ("Offpeak Agreement") and this Water Sale Agreement.

B. District and Agency now wish to revise this Water Sale Agreement to accommodate the Agency's effort to attempt to ensure a continuation of the Pacific Gas and Electric Company's historic diversions of Eel River water to the Russian River and to increase the reliability of the water supply deliverable to District.

C. The Coyote Valley Project was authorized by the Flood Control Act of 1950 (Pub. L. No. 81-516), and was completed by the U. S. Army Corps of Engineers in 1958. This project includes Lake Mendocino, which has a capacity of 122,500 acre-feet, of which 70,000 acre-feet is allocated to storage for water supply.

D. In 1955, Agency (then called the "Sonoma County Flood Control and Water Conservation District") sold general obligation bonds to raise \$5,650,000, which it then paid to the United States for the reimbursable costs of the water-storage element of the Coyote Valley Project. Parts of the property taxes paid since 1955 by the taxpayers of Sonoma County have been used to make payments on these bonds.

E. The Warm Springs Dam Project was authorized by the Flood Control Act of 1962 (Pub. L. No. 87-874), and was completed by the United States Army Corps of Engineers in 1984. This project includes Lake Sonoma, which has a capacity of 381,000 acre-feet, of which 212,000 acre-feet is allocated to storage for water supply.

F. Agency contracted with the United States to make annual payments to the United States for portions of the construction, operation, maintenance, major-replacement and major-rehabilitation costs of the Warm Springs Dam Project. Parts of the property taxes paid since 1971 by the taxpayers of Sonoma County have been paid into a sinking fund that was established to fund Agency's payment obligations to the United States for this project. Parts of the property taxes that will be paid in the future by the taxpayers of Sonoma County will likewise be paid into this sinking fund.

G. Pursuant to the Restructured Agreement for Water Supply, the North Marin Water District has paid Agency a Russian River Conservation Charge. Pursuant to the Offpeak Water Supply Agreement and its two amendments, District also has paid Agency a Russian River Conservation Charge. The proceeds of these payments were in the past paid into the sinking fund described in the preceding paragraph.

H. Agency currently utilizes the Transmission System to supply water to the Water Contractors and some of Agency's Other Customers and Contractors pursuant to the Restructured Agreement for Water Supply and other agreements. Payments made by the Water Contractors pursuant to the Restructured Agreement for Water Supply were and are being used to fund payments on the bonds sold to finance the construction of parts of the Transmission System and to fund directly the construction of other parts of the Transmission System.

I. Some of Agency's Other Customers and Contractors divert water purchased from Agency directly from the Russian River.

J. Agency holds Permits 12947A, 12949, 12950 and 16596, which were issued by the State Water Resources Control Board and its predecessors pursuant to Applications 12919A, 12920A, 15736, 15737 and 19351. These permits authorize Agency to divert Russian River water, and to redivert water previously stored in Lake Mendocino and Lake Sonoma, subject to specified terms and conditions.

K. On July 3, 1975, Agency and District entered into an agreement entitled, "Offpeak Water Supply Agreement." Agency and

District amended that agreement on August 28, 1984, May 3, 1988, January 25, 1995, and June 27, 2014. That agreement, now entitled "Fourth - Amended Offpeak Water Supply Agreement" and referred to herein as the "Offpeak Agreement" provides for Agency to deliver up to 4,300 acre-feet of water per year pursuant to Permits 12947A, 12949, 12950 and 16596, subject to specified terms and conditions.

L. In June 1980, Agency certified its final environmental impact report on Proposed Amendments of Permits on Applications 12919A, 15736, 15737 and 19351. In July 1984, Agency certified its supplemental environmental impact report covering Proposed Coordinated Use of the Water Supply of Lake Mendocino and Lake Sonoma, Russian River Project. On November 14, 1990, District certified its Water Supply Plan Program Final Environmental Impact Report. On September 24, 1991, District certified its Water Supply Project Final Environmental Impact Report. These reports together satisfy the environmental-impact-report requirements of the California Environmental Quality Act for this Water Sale Agreement.

M. Agency's January 1991 "Urban Water Management Plan" concluded that Agency's direct-diversion rights and its share of the Coyote Valley and Warm Springs Dam Projects together will have yield sufficient to supply District with additional water according to the terms of this Water Sale Agreement.

N. Agency has the capacity to produce water from groundwater wells and intends, if authorized by an amendment to the Restructured Agreement for Water Supply, to develop additional emergency groundwater wells, aquifer storage and recovery wells or other offstream

water-production facilities, to improve the reliability of the delivery capacity of the Transmission System.

O. At the present time and under normal circumstances, the Transmission System has excess capacity that may be used by Agency to supply District with water pursuant to this Water Sale Agreement. In order for the Transmission System in the future to continue to have such excess capacity under normal circumstances, Agency will need to construct elements of a new aqueduct from the Russian River to the Ely Pumping Plant, roughly paralleling portions of the existing Cotati Intertie and Petaluma Aqueduct, at an earlier date than would be necessary absent this Water Sale Agreement, and Agency will need to construct a new aqueduct from the Ely Pumping Plant to Kastania Reservoir, roughly paralleling portions of the existing Petaluma Aqueduct, which would not be necessary absent this Water Sale Agreement.

P. Agency and District entered into a Supplemental Water Supply Agreement dated January 25, 1996, which amended and incorporated two agreements between the Agency and MMWD that are attached as exhibits to the Supplemental Water Supply Agreement, the Third Amended Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District. The Amended Agreement for the Sale of Water by its terms remain in effect until June 30, 2015 as provided in the Amendment To and Temporary Extension of the Supplemental Water Supply Agreement between MMWD and the Agency dated June 27, 2014.

Q. District has requested that the Third Amended Offpeak Water Supply Agreement be renewed. Agency is willing to sell water to District,

and District is willing to purchase such water from Agency, pursuant to the terms and conditions of this Water Sale Agreement.

NOW, THEREFORE, in consideration of these recitals and the mutual promises made herein, Agency and District agree as follows:

Section 1. Definitions.

When used in this Water Sale Agreement, unless otherwise distinctly expressed or manifestly incompatible with the intent of this Water Sale Agreement, the following terms shall have the following meanings:

- a. "Restructured Agreement for Water Supply" means the agreement between Agency and the Water Contractors entitled Restructured Agreement for Water Supply, executed on June 25, 2006.
- b. "Fiscal Year" means each year that begins on July 1 and ends on the following June 30.
- c. "Maximum Delivery Limit" means the maximum amount of water that Agency is required to deliver and that District may take pursuant to this Water Sale Agreement in any Fiscal Year, and which is described in Section 4 of this Water Sale Agreement.
- d. "Other Customers and Contractors" means the North Marin Water District and all present and future Agency customers within Sonoma County, including all entities within Sonoma County that receive or will receive water from the Transmission System or other water conveyance facilities, and all entities within Sonoma County that divert or will divert water purchased from Agency directly from the Russian River or Dry Creek.
- e. "Permits 12947A, 12949, 12950 and 16596" mean water rights permits 12947A, 12949, 12950 and 16596, which the State Water Resources Control Board and its predecessors issued to Agency pursuant

to Applications 12919A and 12920A, 15736, 15737 and 19351, as such permits now exist or in the future may exist (including any licenses that may be issued to replace these permits).

f. "Prudent Storage Reserve" means a quantity of water in storage in Lake Sonoma, Lake Mendocino and Lake Pillsbury sufficient to assure both that the level of Lake Sonoma would not drop below 292 feet and the level of Lake Mendocino would not drop below 685 feet, with reference to the National Geodetic Vertical Datum of 1929, during the fall of the calendar year following the calendar year in which the determination of availability is made under Section 7 of this Water Sale Agreement, if the most severe hydrologic period of record were to recur.

g. "Russian River Conservation Charge" means the charge that District pays and will pay Agency in lieu of the property taxes levied by the Agency on property in Sonoma County to pay the capital, operation and maintenance costs associated with the Warm Springs Dam Project, and which is described In Section 10 of this Water Sale Agreement.

h. "Russian River Projects Charge" means the charge which is described in Section 10 of this Water Sale Agreement that the District will pay Agency in lieu of the property taxes levied on property in Sonoma County and other Agency general fund monies which are transferred by the Agency to the Agency's Russian River Projects Fund and expended to pay for or partially pay for: (1) carrying out the Agency's Coyote Valley Dam Project and Warm Springs Dam Project channel-stabilization works obligations to the United States Government and the State of California under Agency Board of Directors Resolutions No. 6847 adopted May 24, 1955, No. 7798 adopted September 27, 1955, No. DR00793-1 adopted September 25, 1961 and Resolution

No. DR68485 adopted December 23, 1980; (2) securing and defending appropriative water rights which are necessary for the realization of the full benefits of the Coyote Valley Dam and Warm Springs Dam Projects; (3) the Agency's share of the United States Government's investment, operation and maintenance costs associated with the Coyote Valley Dam and Warm Springs Dam Projects; (4) the acquisition of all or part of the Potter Valley Project, or contributions made to the Project owner to insure the continued operation of all or part of the Project; and (5) fishery mitigation and enhancement projects undertaken by the Agency in the Russian River and Eel River and their tributaries.

i. "Offpeak Agreement" means the July 1, 2015 agreement between Agency and District that is described in recital K of this Water Sale Agreement.

j. "Transmission System" means the water-supply facilities financed and constructed pursuant to the Restructured Agreement for Water Supply and its predecessor agreements, including the remaining features of the Russian River-Cotati Intertie authorized by the Restructured Agreement for Water Supply but not yet constructed.

k. "Water Contractors" means the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Town of Windsor, the Valley of the Moon Water District, and the North Marin Water District.

Section 2. Agency Deliveries of Water to District.

Subject to all of the terms and conditions of this Water Sale Agreement, and subject to all relevant present and future provisions of the Restructured Agreement for Water Supply, District may purchase water from Agency pursuant to this Water Sale Agreement in any Fiscal Year in an

amount not to exceed either 10,000 acre-feet or the District's Maximum Delivery Limit for that Fiscal Year. Upon request by District and subject to all of the terms of this Water Sale Agreement, Agency shall make such water available to District at Agency's Kastania Reservoir at delivery rates specified by District, but not to exceed rates calculated by dividing the District's Maximum Delivery Limit by 10,000 acre feet and multiplying this quotient by the following amounts: (a) 9 million gallons per day between May 1 and October 31 of each year; (b) 12 million gallons per day during the months of April and November of each year; and (c) 15 million gallons per day during all other times.

To the extent permissible under the Offpeak Agreement, the first 360 acre-feet of water received by District from Agency in any month shall be accounted for as being received pursuant to that agreement.

District may not receive any water pursuant to this Water Sale Agreement in any month unless or until one of the following two events has occurred: (1) District already has received in that month at least 360 acre-feet pursuant to the Offpeak Agreement; or (2) District already has received in that Fiscal Year the maximum amount of water that it may receive pursuant to that Offpeak Agreement.

Section 3. Meter, Connections and Delivery.

Agency will install a turnout, a meter, and appropriate appurtenances at its Kastania Reservoir so that the water delivered to District pursuant to this Water Sale Agreement may be accurately measured and delivered to District's water system. District shall take delivery of water purchased from Agency pursuant to this Water Sale Agreement immediately after the water has passed through this meter.

After installation of this turnout, meter and appurtenances, Agency shall bill District for their cost. District shall pay Agency the amount of this bill within 30 days after receipt of the bill.

Agency shall keep accurate records of the amounts of water delivered to District at this meter, and shall allow District to inspect these records during regular business hours.

Section 4. Maximum Delivery Limit.

a. In the Fiscal Year commencing July 1, 1995, District's Maximum Delivery Limit shall be 5,000 acre-feet. If District takes delivery of, or makes payments in lieu of delivery pursuant to Section 5 of this Water Sale Agreement for, at least 90 percent of the Maximum Delivery Limit in any Fiscal Year, then its Maximum Delivery Limit for the following Fiscal Year shall be increased by 1,000 acre-feet, but never to exceed 10,000 acre-feet.

b. Beginning with the Fiscal Year immediately following District's completion of transmission facilities sufficient to take delivery of at least 5,000 acre-feet of water pursuant to this Water Sale Agreement, or with the July 1, 1996 to June 30, 1997 Fiscal Year, whichever occurs first, if District does not take delivery pursuant to this Water Sale Agreement of, or make payments in lieu of delivery for, at least 90 percent of its Maximum Delivery Limit in any Fiscal Year, then District's Maximum Delivery Limit for the following Fiscal Year shall be decreased by 1,000 acre-feet, except:

The Maximum Delivery Limit shall not decrease for the Fiscal Year following any Fiscal Year in which District requests delivery of at least 90 percent of the Maximum Delivery Limit and either (1) Agency determines,

pursuant to Section 7 of this Water Sale Agreement, that less than 90 percent of the Maximum Delivery Limit is available; or (2) Agency determines pursuant to Section 9 of this Water Sale Agreement that Transmission System capacity will not be available to deliver District pursuant to this Water Sale Agreement at least 90 percent of the Maximum Delivery Limit.

Section 5. Payments In Lieu of Delivery.

District may elect to make payments to Agency in lieu of delivery to prevent any reduction of District's Maximum Delivery Limit for the following Fiscal Year.

Within 10 days after the end of any month in which District makes such an election, it shall notify Agency in writing of the number of acre-feet for which District elects to make payments in lieu of delivery. The total of this number of acre-feet plus the number of acre-feet of water actually delivered during the month pursuant to this Water Sale Agreement shall not exceed the volume equal to the number of days in the month times the applicable maximum daily delivery limit specified in Section 2 of this Water Sale Agreement. If at the end of May of any fiscal year District has not taken delivery pursuant to this Water Sale Agreement of at least 172 acre-feet of water during the fiscal year, District shall be deemed to have elected to make a payment in lieu of delivery during the month of May for the difference between 172 acre-feet and the amount of water for which delivery already has been taken, or for which payments in lieu of delivery already have been made, pursuant to this Water Sale Agreement. If at the end of June of any fiscal year District has not taken delivery pursuant to this Water Sale Agreement of at least 1000 acre-feet of water during the fiscal year, District

shall be deemed to have elected to make a payment in lieu of delivery during the month of June for the difference between 1000 acre-feet and the amount of water for which delivery already has been taken or payments in lieu of delivery already have been made, pursuant to this Water Sale Agreement.

After receipt of such notice from District, and in instances when District shall be deemed to have elected to make payments in lieu of deliveries, Agency shall bill District for the appropriate number of acre-feet at the rate determined pursuant to Section 10 of this Water Sale Agreement, less Agency's estimated average, system wide per-acre-foot costs (as calculated by Agency) for the energy and chemicals necessary to operate the Transmission system during the preceding month. When the actual average, system wide per-acre-foot costs (as calculated by Agency) for the energy and chemicals necessary to operate the Transmission System during any month in which District has elected to make payments in lieu of delivery are known, Agency shall make an appropriate adjustment to the amount previously billed to District pursuant to this section, and credit or debit the District for the adjustment.

District shall pay the amount of each bill made pursuant to this section within 30 days after receipt of the bill. No such billing or payment shall affect District's obligations to make payments to Agency pursuant to any other section of this Water Sale Agreement.

In calculating District's Maximum Delivery Limit for the following Fiscal Year, Agency shall add to the amount of water that District received pursuant to this Water Sale Agreement during the current Fiscal Year the number of acre-feet for which District made such payments in lieu of delivery during the current Fiscal Year.

Section 6. Annual Request by District.

On or before May 1 of each year, District shall submit a written request to Agency, stating the amount of water that District requests to purchase pursuant to this Water Sale Agreement and the Offpeak Agreement during the following Fiscal Year.

Section 7. Availability.

Except as otherwise provided in Section 8 of this Water Sale Agreement, water shall be deemed to be available for sale by Agency to District pursuant to this Water Sale Agreement if Agency has water in excess of the amounts that it needs to supply all of its Other Customers and Contractors, to meet its obligations under the Offpeak Agreement, to meet its obligations under any contract between Agency and the Mendocino County Russian River Flood Control and Water Conservation Improvement District in existence on October 22, 1991, to meet its obligations to appropriative water rights owners, to meet instream flow requirements, and to maintain a Prudent Storage Reserve, considering hydrologic conditions, Agency's offstream water production capacity, the probable effects of water conservation efforts on water demand and other relevant factors.

On or before March 1 of each year, Agency shall estimate the amount of water that will be available during the next Fiscal Year for sale to District pursuant to this Water Sale Agreement, and advise the District of this estimate. On or before June 1 of each year, Agency shall, to the extent that it can, make a final determination of the amount of water that will be available the next Fiscal Year for sale to District pursuant to this Water Sale Agreement, and advise the District of this amount.

If Agency notifies District pursuant to this section on March 1 of any year that the amount of water that will be available for delivery by Agency to District pursuant to this Water Sale Agreement during the following Fiscal Year will be less than District's Maximum Delivery Limit for that following Fiscal Year, then District may elect in writing to defer until July, August, September or October of the following Fiscal Year delivery of up to one-half of the undelivered water that District otherwise would be entitled to receive pursuant to this Water Sale Agreement during the current Fiscal Year. If District makes such an election, then none of the maximum daily delivery limits specified in Section 2 of this Water Sale Agreement shall be exceeded by the total of all water delivered by Agency to District pursuant to this Water Sale Agreement. If District makes such an election and receives the deferred-delivery water during the following Fiscal Year, then for the purposes of Section 4 of this Water Sale Agreement such water shall be treated as if District had taken delivery of it during the current Fiscal Year.

Section 8. Firm Water Supply.

a. No later than July 31, 1996, District shall pay to the Agency a lump sum representing a share of the Warm Springs Dam sinking fund and principal payments made to the United States Government by Agency for Lake Sonoma water storage space corresponding to 5,000 acre-feet per annum of the 75,000 acre-feet per annum net firm yield of the Warm Springs Dam Project.

b. At any time that is after District has made the payment described in paragraph (a) of this section and prior to July 1, 2005 District shall have the option to pay to the Agency a lump sum representing a share of the Warm Springs Dam sinking fund and principal payments made to the United

States Government by Agency for Lake Sonoma water storage space corresponding to an additional 5,000 acre-feet per annum of the 75,000 acre-feet per annum net firm yield of the Warm Springs Dam Project.

c. The amount of the lump sum payments referred to in paragraphs (a) and (b) of this section shall be determined by the following formula:

$$C = (A + B) \times O / (75,000 \text{ acre-feet} - O)$$

In this formula *C* is the lump sum payment representing a share of the Warm Springs sinking fund corresponding to an additional 5,000 acre-feet per annum of the 75,000 acre-feet per annum net firm yield of the Warm Springs Dam Project; *A* is the balance of cash and market value of investments held by the Agency's Warm Springs Dam Sinking fund on the last day of the fiscal year quarter immediately preceding the date of the payment provided for in paragraph (a) or (b) of this section; *B* is the total amount of the principal payments which have been made by the Agency to the United States Government for water storage space in Lake Sonoma as of the date of the payment provided for in paragraph (a) or (b) of this section; and *O* is the 5,000 acre-feet of annual firm water to be made available to MMWD pursuant to paragraphs (a) or (b) of this section.

d. In lieu of the determination of availability provided for in Section 7 of this Water Sale Agreement, Agency shall release water from storage in Lake Mendocino or Lake Sonoma when necessary to make available in the Russian River sufficient water to make deliveries of the first 5,000 acre-feet per annum of water provided for by this Water Sale Agreement, but subject to the provisions of paragraph (f) of this section.

e. If District makes the payment pursuant to paragraph (b) of this section, then in lieu of the determination of availability provided for in Section 7 of this Water Sale Agreement, Agency shall release water from storage in

Lake Mendocino or Lake Sonoma when necessary to make available in the Russian River sufficient water to make the deliveries of all the water provided for by this Water Sale Agreement, but subject to the provisions of paragraph (f) of this section.

f. With respect to the releases provided for in paragraphs (d) and (e) of this section, if by reason of drought or other physical cause or legal impediment beyond the control of the Agency, a shortage in the water available from the Russian River or the Russian River Project occurs, then Agency shall not be liable to District for any damage resulting therefrom. In the event of a shortage of water in the Russian River or the Russian River Project that requires the Agency to apportion available water, Agency shall apportion the available water so that it may make deliveries as follows:

First, Agency shall deliver to each of its regular customers, not in excess of the respective entitlements set forth in Sections 3.1, 3.2 and 3.3 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, authorize Agency's Russian River customers to divert or redivert not in excess of the amounts for which those customers have contracted to purchase from the Agency, and deliver to District not in excess of the amounts set forth in Section 1 of the Offpeak Agreement, paragraph (d) of this section, and (if District makes the payment pursuant to paragraph (b) of this section) paragraph (e) of this section, the quantities of water required by each for human consumption, sanitation and fire protection, as determined by the Agency after taking into consideration all other sources of potable water then available to said customer;

Second, to the extent additional water is available to the Agency, Agency shall deliver such water to Agency's regular customers, authorize

Agency's Russian River customers to divert or redivert such water, and deliver such water to the District, in proportion to the respective entitlements set forth in Sections 3.1, 3.2 and 3.3 of the Restructured Agreement For Water Supply, or any amendments or successor agreements thereto, the agreements between the Agency and its Russian River customers, Section 1 of the Offpeak Agreement, paragraph (d) of this section and (if District makes the payment pursuant to paragraph (b) of this section) paragraph (e) of this section, provided, however, that no customer shall receive under subdivisions "First" and "Second" hereof a total quantity of water in excess of its reasonable requirements or its said entitlement or contracted amount, whichever is less.

The terms "regular customers", "Russian River customers" and "water contractors" in this Water Sale Agreement shall have the same meanings that they have in the Restructured Agreement for Water Supply.

Section 9. Delivery Schedule.

Notwithstanding a determination of availability of water pursuant to Section 7 or Section 8 of this Water Sale Agreement, Agency shall be obligated to release water from storage or deliver water to District pursuant to this Water Sale Agreement only to the extent that the Transmission System has capacity in excess of that required by Agency to supply all of its Other Customers and Contractors, and District under the Offpeak Agreement. However, Agency shall not curtail deliveries pursuant to this section because of inadequate capacity in any new Ely-to-Kastania Aqueduct constructed pursuant to Section 13 of this Water Sale Agreement.

On or before June 1 of each year, Agency shall submit a written estimate to District of the capacity of the Transmission System that is

expected to be available to deliver water pursuant to this Water Sale Agreement for each month of the following Fiscal Year. Fifteen days before the first day of each month, District shall notify the Agency of its planned rate of delivery for that month pursuant to this Water Sale Agreement and the Offpeak Agreement. Such notice may be by telephone unless written notice is requested by Agency.

Section 10. Water Charges.

On or before April 30 of each year, Agency shall establish a per-acre-foot water rate applicable to all water delivered pursuant to this Water Sale Agreement for the following Fiscal Year. This rate shall be the sum of the following three per-acre-foot charges:

a. A per acre foot charge equal to the highest rate per acre-foot then charged by the Agency to any party to the Restructured Agreement for Water Supply (or pursuant to any amendment or successor agreement to the Restructured Agreement for Water Supply) for water taken from either the Petaluma Aqueduct or the Santa Rosa Aqueduct, multiplied by 1.11; provided, however, that the 20% surcharge imposed on the Town of Windsor under Section 4.17(a) of the Restructured Agreement shall not be included in determining the highest rate per acre-foot for water taken from the Santa Rosa Aqueduct or Petaluma Aqueduct. Seven and four hundred thirty-two one-thousandths percent (7.432%) of this per-acre-foot charge shall be placed in the Russian River Projects Fund; two and four hundred seventy-seven thousandths percent (2.477%) of this per-acre-foot charge shall be used, at the discretion of the Agency, to pay for the costs of Common Facilities, to pay the Capital Costs of Aqueduct Facilities relating to the Santa Rosa or Petaluma Aqueducts, or to pay

operations and maintenance costs; and the remainder shall be applied pursuant to the Restructured Agreement for Water Supply (or pursuant to any amendment or successor agreement to the Restructured Agreement for Water Supply), with the water delivered to Marin considered to be delivered from the Petaluma Aqueduct.

b. A Russian River Conservation charge which shall be paid in lieu of the property taxes levied by the Agency on property in Sonoma County, to pay the capital, operation and, maintenance costs associated with the Warm Springs Dam Project. The Russian River Conservation Charge shall be determined by multiplying the tax rate levied by the Agency in the then current fiscal year to pay the costs associated with the Warm Springs Dam Project times the assessed value of secured and unsecured property situated within the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Forestville County Water District, and the Valley of the Moon Water District, and dividing the product by the total number of acre-feet of water delivered to said public agencies pursuant to Section 3.1 and 3.3 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, during the twelve month period ending on March 31.

c. A Russian River Projects Charge which shall be paid in lieu of the property taxes levied on property in Sonoma County and other Agency general fund monies which are transferred to the Agency's Russian River Projects Fund and expended for the purposes enumerated in subsection (h) of Section 1. The Russian River Projects Charge shall be determined by dividing the total amount of Agency monies expended from the Agency's Russian River Projects Fund in the preceding ten fiscal years, exclusive of the funds contributed to the Fund by District and North Marin Water District,

and interest earnings attributable to funds contributed by District and North Marin Water District, by the sum of the total acre-feet of water delivered by the Agency to the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Forestville County Water District, and the Valley of the Moon Water District pursuant to Sections 3.1 and 3.3 of the Restructured Agreement for Water Supply, or any amendments or successor agreements thereto, during the preceding ten fiscal years and multiplying the quotient by the ratio that the assessed value of the secure and unsecured property situated within the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, the Forestville County Water District and the Valley of the Moon Water District bears to the assessed value of all secured and unsecured property within Sonoma County, provided, however, in no event shall the Russian River Projects Charge exceed \$20.00 per acre-foot. Agency shall keep proper books, records and accounts in which complete and accurate entries shall be made of all Agency general fund monies transferred to the Agency's Russian River Projects Fund and all expenditures made from the fund for the purposes described in this paragraph. The Agency shall maintain separate account within the Russian River Projects Fund for monies contributed by District and North Marin Water District. Monies expended from the Russian River Projects Fund shall be deemed to have been expended from the District and North Marin Water District account in the proportion that the balance of that account bears to the total Russian River Projects Fund balance at the end of the fiscal year quarter preceding the expenditure.

Agency shall bill District each month for all of these charges, based on the quantity of water delivered to District pursuant to this Water Sale

Agreement during the preceding month. District shall pay the amount of each such billing within 30 days after receipt of the bill.

If in any fiscal year the sum of the total amount of water delivered under this Water Sale Agreement plus the total amount of water for which payments are made in lieu of delivery pursuant to Section 5 of this Water Sale Agreement is less than the total amount of water for which District has made firm water supply payments pursuant to subsections (a) and (b) of Section 8 of this Water Sale Agreement, District shall pay the following additional payments:

d. An additional lump sum payment which shall be determined by multiplying the Russian River Conservation Charge times the difference between the total acre-feet of water for which District has made firm water supply payments pursuant to subsections (a) and (b) Section 8 of this Water Sale Agreement and the sum of the total acre-feet of water delivered under this Water Sale Agreement during the prior fiscal year plus the total acre-feet of water for which payments have been made in lieu of delivery pursuant to Section 5 of this Water Sale Agreement during the prior fiscal year.

e. An additional lump sum payment which shall be determined by multiplying the Russian River Projects Charge times the difference between the total acre-feet of water for which District has made firm water supply payments pursuant subsection (a) and (b) of Section 8 of this Water Sale Agreement and the sum of the total acre-feet of water delivered under this Water Sale Agreement during the prior fiscal year plus the total acre-feet of water for which payments have been made in lieu of delivery pursuant to Section 5 of this Water Sale Agreement during the prior fiscal year.

Agency shall bill District for these additional lump sum payments within 30 days after the end of each fiscal year. District shall pay the amount of each such billing within 30 days after receipt of the bill.

Section 11. Payment.

Notwithstanding any dispute between Agency and District, District shall pay all bills made by Agency pursuant to this Water Sale Agreement when due and shall not withhold all or any part of any amount billed pending the final resolution of such dispute. In the event of a dispute, District may pay its bills under protest, and if necessary under the ultimate resolution of the dispute, Agency shall make an appropriate refund to District, including interest on the overpaid amount at the rate obtained by Agency as a result of investment of the disputed amount. If District does not pay any bill by the due date for such bill, then, in addition to the principal amount due, District also shall pay Agency interest on this principal amount due, calculated from the due date until the payment date at the legal rate per annum established pursuant to Section 685.010 of the Code of Civil Procedure.

Section 12. Acceleration of Construction of New Aqueduct Elements.

If the financing and construction by Agency of a new aqueduct from the Russian River to the Ely Pumping Plant, roughly paralleling portions of the existing Cotati Intertie and Petaluma Aqueduct, is authorized by an amendment to the Restructured Agreement for Water Supply or successor agreement, then Agency shall annually provide District with a copy of its long-range capital improvement program. District may from time to time make written requests to Agency, requesting Agency to construct one or more elements of this new aqueduct at dates earlier than the dates planned

by Agency. If Agency, after considering the availability of funds and other relevant matters, agrees to accelerate the construction of any element or elements of this new aqueduct, then District shall commit in writing to reimburse Agency for the interest revenue foregone, or interest paid by Agency, as the result of such accelerated construction. Upon receipt of such written commitment acceptable to Agency in form and substance, Agency shall construct such element or elements. Agency shall bill District annually at least 30 days in advance of each bill's due date pursuant to such commitment and District shall pay each bill by its due date.

Construction of the new aqueduct elements shall be financed by Agency. Title to all elements of this new aqueduct shall vest with Agency, which shall operate and maintain this new aqueduct as part of the Transmission System. Construction of this new aqueduct shall not change any of the delivery limits, availability provisions or other terms of this Water Sale Agreement.

Section 13. Construction of New Ely-To-Kastania Aqueduct.

If Agency initiates construction of a new aqueduct roughly paralleling the portion of the existing Petaluma Aqueduct that extends from the junction of that aqueduct and the Cotati Intertie to the Ely Pumping Plant, then District may make a written request to Agency, requesting Agency to construct at District's expense an aqueduct roughly paralleling the portion of the existing Petaluma Aqueduct that extends from the Ely Pumping Plant to Kastania Reservoir, with sufficient capacity to meet the maximum delivery limits specified in Section 2 of this Water Sale Agreement and the maximum delivery limit specified in the Offpeak Agreement, taking into account surplus capacity in that portion of the existing Petaluma Aqueduct.

Construction of this new Ely-To-Kastania aqueduct shall be financed by cash deposits and payments from District. Title to this new aqueduct shall vest with Agency, which shall operate and maintain this new aqueduct as part of the Transmission system. Construction of this new aqueduct shall not change any of the delivery limits, availability provisions or other terms of this Water Sale Agreement.

Upon receipt of such a written request from District, Agency shall prepare and deliver to District design plans and a schedule for the construction of this new aqueduct, and a schedule for payment by District to Agency of appropriate deposits and payments for such plans and construction. If District commits in writing to pay such deposits and payments to Agency according to this payment schedule, then Agency shall construct this new aqueduct, and shall bill District for such deposits and payments according to this payment schedule. Agency shall bill District at least 30 days in advance of each bill's due date and District shall pay each bill by its due date.

Section 14. Place of Use.

Water received by District pursuant to this Water Sale Agreement and the Offpeak Agreement shall only be used within the sphere of influence (as such term is defined in Section 56076 of the Government Code) of the District on [insert effective date].

Section 15. Water Conservation.

District and Agency will comply with all applicable state laws related to water conservation planning and implementation, including the Urban Water Management Planning Act, Water Code Sections 10610-10655 (as such act now exists or in the future may exist). Whenever District files any urban water management plan, or any amendment or change to such a plan, with the Department of Water Resources or any other state agency, District shall, upon request from Agency, at the same time submit a copy of the plan amendment or change to Agency. Whenever Agency files any urban water management plan, or any amendment or change to such a plan, with the Department of Water Resources or any other state agency, Agency shall, upon request from District, at the same time submit a copy of the plan, amendment or change to District.

Section 16. California Environmental Quality Act.

Pursuant to Section 15051(d) of the State CEQA Guidelines, District is designated as the lead agency under the California Environmental Quality Act for the execution of this Water Sale Agreement, and for any projects south of Kastania Reservoir that District may construct to implement this Water Sale Agreement. Agency is designated as the lead agency for any projects north of Kastania Reservoir that Agency may construct to implement this Water Sale Agreement.

Section 17. Future Agency Application to Increase Limit on Diversions and Rediversions in Permit 16596.

District acknowledges that the 75,000 acre foot per year limit on diversions and rediversions in term 5 of Permit 16596 does not allow

Agency to utilize the entire yield of the Warm Springs Dam Project, and that Agency intends to file in the future an application with the State Water Resources Control Board to increase this limit. District recognizes and agrees that it will be in the public interest for the State Board to grant any such application.

Section 18. Effective Date, Term and Termination.

This Water Sale Agreement shall be effective July 1, 2015 and shall remain in effect until June 30, 2025. Upon the request of District, Agency shall enter into renewal agreements for periods not to exceed the then-existing term of the Restructured Agreement for Water Supply or any renewals, amendments or replacement agreements to the Restructured Agreement for Water Supply upon the same terms and conditions contained in this Water Sale Agreement, except that the Agency may make reasonable adjustments to the charges under Section 10 of this Water Sale Agreement, and any such reasonable adjustments then shall be included in any renewal agreement. If the Restructured Agreement for Water Supply has been terminated or has expired without being renewed, amended or replaced by another agreement pertaining to water supply, then upon the request of District, the Agency shall enter into renewal agreements for periods not to exceed forty (40) years upon the same terms and conditions contained in this Water Sale Agreement, except that the Agency may make reasonable adjustments to the charges under Section 10 of this Water Sale Agreement and any such reasonable adjustment then shall be included in any renewal agreement.

Section 19. Merger.

This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and conditions and as a complete and exclusive statement of the terms of the Water Sale Agreement. Pursuant to Code of Civil Procedure Section 1856, no modification of the Water Sale Agreement shall be effective unless and until such modification is evidenced by a writing signed by all parties.

Section 20. Equitable Remedies.

Because water is a scarce and precious resource, District will not have an adequate remedy at law, and thus may request a court of competent jurisdiction to order equitable remedies, to compel Agency to deliver the water that District is entitled to receive pursuant to this Water Sale Agreement. Such equitable remedies shall be District's sole and exclusive remedies in actions brought by District relating to the amounts of water that Agency must deliver to District pursuant to this Water Sale Agreement.

Section 21. Waiver and Indemnification.

District waives, releases and forever discharges Agency, its officers, agents and employees from any and all liabilities, claims, demands, losses and costs relating to any of the following: (1) any property damage or personal injury arising from any non-delivery of water requested by District pursuant to this Water Sale Agreement, or for any property damage or personal injury arising from the quality of water delivered pursuant to this Water Sale Agreement, if such property damage or personal injury is caused by lack of available capacity in the Transmission System, drought, earthquake or other Act of God, strike or other labor dispute, partial or total

dam, gate or tunnel loss, dam, gate or tunnel repairs, water pollution, or any factor beyond the control of Agency (whether or not such factor is listed in this sentence); and (2) any property damage or personal injury arising from any decision of Agency or the Water Contractors regarding:

(a) determinations of the availability of water for sale by Agency to District pursuant to this Water Sale Agreement; (b) allocation of Transmission System capacity; (c) proposed expansions of the Transmission System; or (d) repair (or non-repair) of the Potter Valley Project, Coyote Valley Dam or Warm Springs Dam. District's waiver, release and discharge described in this paragraph shall apply to any of the property damages or personal injuries described in this paragraph, whether or not such property damages or personal injuries were caused by Agency's negligence, unless such property damages or personal injuries resulted from Agency's sole negligence, willful misconduct or violation of law.

District shall indemnify, hold harmless, protect and defend Agency, its officers, agents and employees from and against any and all liabilities, claims, demands, damages, losses, disabilities or expenses (including attorney fees and litigation costs) of every nature arising out of, or in connection with: (1) the lack of quantity of water that has been delivered by Agency to District pursuant to this Water Sale Agreement; or (2) the control, conveyance and disposition of water that has been delivered by Agency to District pursuant to this Water Sale Agreement. For the purposes of this section, the point of delivery shall be as specified in Section 3 of this Water Sale Agreement. District shall provide such indemnification, holding harmless, protection and defense whether or not such liabilities, claims, demands, damages, losses, disabilities or expenses are based on Agency's negligence, unless such liabilities, claims,

demands, damages, losses, disabilities or expenses are based on Agency's sole negligence, willful misconduct or violation of law.

This section shall not apply to any construction activities, or construction contracts, relating to the construction described in Section 13 of this Water Sale Agreement. The provisions in this section regarding attorney fees shall not apply to any other section of this Water Sale Agreement.

Section 22. Water Quality.

Water delivered by Agency to District pursuant to this Water Sale Agreement shall be of the same general quality as water delivered by Agency from the Transmission System to the Water Contractors. Except as expressly stated in the preceding sentence, Agency does not make any express or implied warranty regarding the quality of the water delivered pursuant to this Water Sale Agreement.

Section 23. No Effect on Offpeak Agreement.

Except as stated in Section 14 of this Water Sale Agreement, nothing in this Water Sale Agreement shall be construed as affecting or amending the Offpeak Agreement.

Section 24. Method and Place of Giving Notice and Making Payments.

All notices shall be in writing and notices and payments may be given by personal delivery or by mail. Notices and payments sent by mail shall be addressed as follows;

Agency: General Manager
Sonoma County Water Agency
404 Aviation Boulevard
Santa Rosa, CA 95403

District: General Manager
Marin Municipal Water District
220 Nellen Avenue
Corte Madera, CA 94925

When so addressed, a notice shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to who notices and payments are to be given by giving notice pursuant to this section.

Section 25. Demand for Assurance.

When reasonable grounds for insecurity arise with respect to the performance of either party, the other party may, in writing, demand adequate assurance of due performance and, until it receives such assurance, may, if commercially reasonable, suspend any performance for which the agreed return performance has not been received. "Commercially reasonable" includes not only the conduct of either party with respect to performance under this Water Sale Agreement, but also conduct with respect to other agreements with the other party to this Water Sale Agreement or others. After receipt of a justified demand, the failure to provide within a reasonable time, but not exceeding 30 days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Water Sale Agreement. Acceptance of any improper delivery, service, or payment does not

prejudice the aggrieved party's right to demand adequate assurance of future performance.

Section 26. Third Party Beneficiaries.

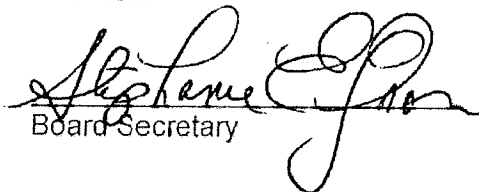
No third party beneficiaries are intended or established by this Water Sale Agreement.

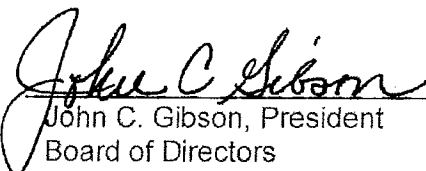
Section 27. Representation by Counsel.

Agency and District each was represented by independent counsel in the negotiation and execution of this Water Sale Agreement. For the purposes of interpretation of this Water Sale Agreement, neither party shall be deemed to have been the drafter of this Water Sale Agreement.


ATTEST:

MARIN MUNICIPAL WATER DISTRICT

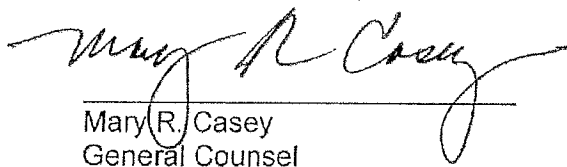

Board Secretary

By: 
John C. Gibson, President
Board of Directors

Reviewed as to Substance
Marin Municipal Water District

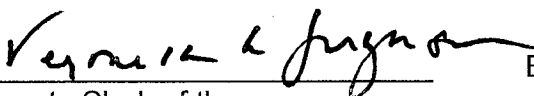

Krishna Kumar
General Manager

Reviewed As To Form:


Mary R. Casey
General Counsel

ATTEST:

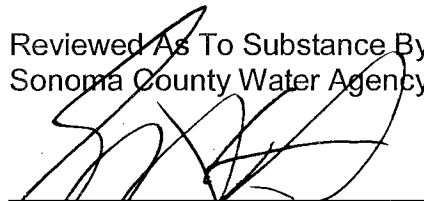
SONOMA COUNTY WATER AGENCY


Deputy Clerk of the
Board of Directors


By: 
Chair, Board of Directors

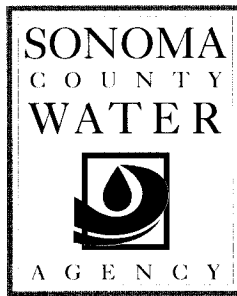
DATE: 6/16/15

Reviewed As To Substance By
Sonoma County Water Agency:


Grant Davis, General Manager

Reviewed As To Form:


Steven S. Shupe
Deputy County Counsel



CF/60-62-21.5 MARIN MUNICIPAL WATER DISTRICT (NON-PRIME
WATER SERVICE AGREE) TW NO (ID 1576)

June 23, 2015

Marin Municipal Water District
Attn: Krishna Kumar, General Manager
220 Nellen Avenue
Corte Madera, CA 94925-1169

Dear Mr. Kumar:

RE: RENEWAL OF WATER SUPPLY AGREEMENTS

On June 16, 2015, the Sonoma County Water Agency Board of Directors approved the water supply agreements that are part of the *Renewal of the Third Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District*. The agreements are effective July 1, 2015 and shall remain in effect until June 30, 2025. Your copy of the executed agreements is enclosed.

If you have any questions, please contact me at (707) 524-1173.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd J. Schram". The signature is fluid and cursive, with a large loop at the end.

Todd J. Schram, P.E.
Senior Water Agency Engineer

Encl

c: G. Davis, P. Jeane, J. Jasperse, D. Seymour — Sonoma County Water Agency
C. O'Donnell, S. Shupe — Sonoma County Counsel
Alan Lilly — Bartkiewicz, Kronick & Shanahan

pa\T\Pinks\06-22-15\Transmittal_ExecutedCopy_22jun15.docx



DATE: May 2, 2025

TO: Ben Horenstein, Marin Water General Manager

FROM: Molly MacLean, Marin Water General Counsel
Paul Sellier, Marin Water - Water Resources Director

SUBJECT: Review of Proposed Changes to the Sonoma Water – Marin Municipal Water District Water Supply Agreement

EXECUTIVE SUMMARY

The purpose of this memorandum is to provide an evaluation of the proposed draft Amended and Restated Water Supply Agreement (“Draft Agreement”) between the Marin Municipal Water District (“Marin Water” or “District”) and the Sonoma County Water Agency (“Sonoma Water” or “Agency”) in comparison to the current agreement for water supply between the Marin Water and the Sonoma Water entered into in 2015. The District currently obtains wholesale water supplies from Sonoma Water pursuant to the 2015 Renewal of the Third Amended Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District (“2015 Renewal Agreement”). The 2015 Renewal Agreement took effect July 1, 2015, with a ten-year term that expires on June 30, 2025. Exhibit A to the 2015 Renewal Agreement is the Fourth Amended Offpeak Water Supply Agreement (“Offpeak Agreement”), while Exhibit B is titled Amendments to Amended Agreement for the sale of Water between Sonoma County water Agency and Marin Municipal Water District (“Water Sale Agreement”). Additional details of each of these can be found in the attached Background.

In advance of the 2015 Renewal Agreement’s expiration, District staff met with Sonoma Water staff to discuss the extension of the 2015 Renewal Agreement. Although initial discussions focused on extension (or, renewal without amendments), subsequent discussions landed on a proposed amended and restated agreement that would provide a more clear, single agreement, which would also eliminate or change certain provisions of the 2015 Renewal Agreement that do not serve either party’s interests under current conditions.

The Draft Agreement, though restated into a single, comprehensive agreement, pulls forward most of the provisions of the 2015 Renewal Agreement, with the exception of the following key provisions:

- New lump sum payment by Marin Water for regional water resiliency projects.

- Addition of a roll over provision to address Sonoma Water’s inability to deliver the 5,300 acre feet of minimum take-or-pay water in any given year, which would allow the District to pay for any remaining undelivered balance and take that balance in the following fiscal year, subject to availability;
- Elimination of the ramp-up/ramp-down provision that limited Marin Water’s water purchases based on prior year water purchase amounts;
- Simplification and revision to the delivery caps, eliminating seasonal acre foot limitations and revising the caps on gallons per day deliveries to Marin Water;
- Elimination of provisions regarding a new segment of aqueduct parallel to the Petaluma line, but including added mention of Marin Water’s consideration of a new aqueduct from the North Marin Aqueduct to Nicasio and/or Soulajule Reservoirs¹;
- The Term of the Draft Agreement runs for fifteen (15) years, as opposed to the ten (10) year term of the 2015 Renewal Agreement; and
- Renewal provision includes Sonoma Water’s statement of support for Marin Water’s participation in discussions regarding the extension or renewal of the 2006 Restructured Agreement

Despite these changes, however, the 14,300 AFY water quantity remains unchanged, the 5,300 annual minimum take-or-pay amount remains unchanged, and the transmission system capacity requirements and water shortage allocation approaches remain unchanged. Meaning that the operation of the Draft Agreement will continue the prioritization of transmission system capacity in favor of the Water Contractors² under the 2006 Restructured Agreement for Water Supply between Sonoma Water and the Water Contractors (“2006 Restructured Agreement”) and will continue the same allocation of water supplies among the Water Contractors and Marin Water.

EVALUATION OF PROPOSED 2025 DRAFT AGREEMENT

The remainder of this memorandum sets forth key provisions of the proposed 2025 Draft Agreement and evaluates them in comparison to the 2015 Renewal Agreement and includes a review for consistency with the 2006 Restructured Agreement between Sonoma Water and its Water Contractors.³

Proposed 2025 Draft Agreement Versus 2015 Renewal Agreement

Recitals: Compared to the 2015 Renewal Agreement, the proposed 2025 Draft Agreement includes the same or similar recitals but also includes additional recitals providing a more detailed background on Sonoma Water’s role in developing and paying for the Russian River Project. The more fulsome recitals

¹ The Atmospheric River Capture Project has not been approved and is only in early stages of design and environmental review.

² “Water Contractors” means the City of Cotati, City of Petaluma, City of Rohnert Park, City of Santa Rosa, City of Sonoma, North Marin Water District, Valley of the Moon Water District, and Town of Windsor.

³ Capitalized terms not otherwise defined herein, including in Exhibit A, have the meaning ascribed in the Draft Agreement.

trace the evolution of Marin Water's agreements with Sonoma Water, including documenting the three lump-sum payments made by the District to Sonoma Water totaling \$9,331,949 for parity with the investment made by the Water Contractors in the Russian River System and to secure the District's 14,300 AFY of firm Agency water supply.

Water Amount and Delivery Rates: The Draft Agreement's 14,300 acre feet per year ("AFY") amount and 5,300 AFY minimum take-or-pay amount remain unchanged. The Draft Agreement would eliminate the 2015 Renewal Agreement's mechanisms for ratcheting each year's water availability up or down based on the amount of water delivered to Marin Water the prior year. (Compare 2025 Draft Agreement § 3 at pp. 9-10 to 2015 Water Sale Agreement § 4(a)-(b) at pp. 10-11.) In most years the availability of water and of Transmission System capacity have served as the practical limit on the District's ability to take Agency water to the extent requested by Marin Water.

The 2015 Renewal Agreement also imposes certain maximum delivery rates on the District that would be simplified and revised by the proposed Draft Agreement. Specifically, the Offpeak Agreement states deliveries to the District may not exceed 760 AF per month, and for the five-month period May 1 through September 30 may not exceed 360 AF per month without the prior consent of Sonoma Water, while the total quantity delivered during this five-month period may not exceed 1,800 AF, (Offpeak Agreement § 1 at pp. 3-4). The Water Sale Agreement augments these provisions and allows additional deliveries, which vary by season and based on prior year deliveries. The 2006 Restructured Agreement currently limits the District's delivery rate to 12.8 MGD between May 1 and October 31. (Restructured Agreement § 3.12 at p. 35.) In practice, the availability of water and of Transmission System capacity have served as the actual limit on the District's ability to take Agency water requested by the District.

The Draft Agreement instead proposes to establish new delivery caps, specifically the Draft Agreement would limit deliveries during the months of May through October to 12.8 mgd and limit deliveries to Marin Water during the months of November through March to 25 mgd. The proposed Draft Agreement would continue to consider Transmission System capacity in that it provides that: "Sonoma Water shall deliver water at the requested rate to [the District] only to the extent that the Transmission System has capacity in excess of that required by Sonoma Water to supply the Water Contractors, but not less than 5,300 acre feet per fiscal year." (Draft Agreement § 3(b).) This approach is similar to the one applied to Marin Water in the 2006 Restructured Agreement, which states Sonoma Water "may deliver water to Marin Municipal when and to the extent that the Transmission System has capacity in excess of that required by Agency to supply its Regular Customers the[ir] Entitlements" (Restructured Agreement § 3.12 at p. 35; *id.* § 3.5(b)(2) at pp. 30-31 [allocating Transmission System capacity during temporary impairment].)

The Draft Agreement also contains a new provision that would allow the District, in the event of inability to deliver water to Marin Water, to pay for the 5,300 AF minimum take or pay amount and roll any undelivered portion of that 5,300 AF into the following fiscal year, if Sonoma Water determines that water is then available. Marin Water shall be required to take or pay for 5,300 AF each fiscal year and Marin Water shall take delivery of any amount undelivered amount rolled over into storage in addition to the 5,300 AF minimum take or pay in the following fiscal year. This provision was added to address situations like the slide impacting the North Marin Aqueduct in 2023 where Marin Water was unable to receive its minimum take-or-pay allotment.

Water Shortage Allocation: The proposed Draft Agreement's Section 4 shortage provisions would first allocate health and safety water to Sonoma Water's Regular Customers, Russian River Customers, and

Marin Water, after considering other potable water sources available to each customer, and then allocate any additional supply to the same entities in proportion to their respective contract amounts. (Draft Agreement § 3(a) at p. 9.) These provisions are unchanged from those water-shortage provisions in the 2015 Renewal Agreement, (Offpeak Agreement § 4 at pp. 5-7; Water Sale Agreement § 8 at p. 17). Water allocation during a shortage is critically important to all Sonoma Water's water service customers, and this provision would continue the same allocation and curtailment process currently in place, consistent with the Restructured Agreement.

Payment: The proposed payments in the Draft Agreement are unchanged from those in the 2015 Renewal Agreement, with the sole exception of the lump sum payment for regional water resiliency projects from Marin Water to Sonoma Water. (Draft Agreement § 5.) The Draft Agreement details how revenue from the District's payments is to be allocated among specified Agency fund accounts. (*Ibid.*) The Draft Agreement would continue to impose a per-acre-foot Russian River Conservation Charge and Russian River Projects Charge (the latter not to exceed \$20 per AF) — both in lieu of property taxes levied on property in Sonoma County. (*Id.*) The Draft Agreement applies the take-or-pay approach for the 5,300 AFY. (*Ibid.*)

Transmission System Capacity: The 2015 Renewal Agreement's Offpeak and Water Sale agreements acknowledge that, as of 2015, Sonoma Water had "excess capacity" in its Transmission System to meet the District's delivery requests for its existing contract water amounts but anticipated that more capacity might be needed in the future. To that end, the Offpeak Agreement explains:

... Marin acknowledges that priorities of use of delivery capacity in Agency's facilities have been allocated to others who are not parties to this Offpeak Agreement, and that capacity to make deliveries of water to Marin at the rates in Section 1 of this Offpeak Agreement may not always be available to Agency. ... If [Agency's annual] reports indicate that delivery capacity is insufficient, or soon will be insufficient, to provide deliveries at the rates specified in Section 1 of this Offpeak Agreement, then Agency shall use its best efforts to secure an alternative means, solely at Marin's expense, to accomplish the purposes of this Offpeak Agreement.

(Offpeak Agreement § 4 at p. 7.)

The Water Sale Agreement explains:

At the present time and under normal circumstances, the Transmission System has excess capacity that may be used by Agency to supply District with water pursuant to this Water Sale Agreement. In order for the Transmission System in the future to continue to have such excess capacity under normal circumstances, Agency will need to construct elements of a new aqueduct from the Russian River to the Ely Pumping Plant, roughly paralleling portions of the existing Cotati Intertie and Petaluma Aqueduct, at an earlier date than would be necessary absent this Water Sale Agreement, and Agency will need to construct a new aqueduct from the Ely Pumping Plant to Kastania Reservoir, roughly

paralleling portions of the existing Petaluma Aqueduct, which would not be necessary absent this Water Sale Agreement.

(Water Sale Agreement Recital O at p. 5.)

Section 13 of the Water Sale Agreement provides:

If Agency initiates construction of a new aqueduct roughly paralleling the portion of the existing Petaluma Aqueduct that extends from the junction of that aqueduct and the Cotati Intertie to the Ely Pumping Plant, then District may make a written request to Agency, requesting Agency to construct at District's expense an aqueduct roughly paralleling the portion of the existing Petaluma Aqueduct that extends from the Ely Pumping Plant to Kastania Reservoir, with sufficient capacity to meet the maximum delivery limits specified in Section 2 of this Water Sale Agreement and the maximum delivery limit specified in the Offpeak Agreement, taking into account surplus capacity in that portion of the existing Petaluma Aqueduct.

(*Id.* § 13 at p. 23.)

As of 2025, the new delivery capacity described above has not been added to Sonoma Water's Transmission System as additional capacity was not required to meet Marin Water's supply needs. The Draft Agreement would omit any reference to the earlier approach of expanding delivery capacity in parallel with the Petaluma Aqueduct from the Ely Pumping Plant to Kastania Reservoir.

The Draft Agreement does acknowledge that the District is investigating the potential to build a pipeline connecting the existing Transmission System to the District's Nicasio or Soulajule reservoirs,⁴ so that the District may store Agency water there for later recovery and use to help meet Marin Water service area demand during dry years. To that end, section 6 of the 2025 Draft Agreement provides:

Sonoma Water acknowledges that [the District] is evaluating the feasibility and efficacy of constructing, at [the District's] sole cost and expense, a new aqueduct from the existing North Marin Aqueduct to [the District's] Nicasio and/or Soulajule Reservoirs to enhance water resiliency and reliability consistent with long term planning for the Russian River Project. [The District] will continue to actively communicate with Sonoma Water regarding project design and development and Sonoma Water, if requested by [the District], will provide available information and data necessary to project planning and assessment of project benefits and impacts.

(2025 Draft Agreement § 6.)

Despite this provision, however, the 14,300 AFY water quantity remains unchanged, the 5,300 AFY take-or-pay amount remains unchanged, and the Transmission System capacity requirements and water

⁴ The Atmospheric River Capture Project has not been approved and is only in early stages of design and environmental review.

shortage allocation approaches remain unchanged. Meaning that, even if this project is developed at some future date, the provision of water to this project would continue to be subject to the constraints set forth in the Draft Agreement and allocation of water among the Water Contractors.

Support for SCWA Water Right Changes: The Draft Agreement’s Section 7 says the District acknowledges that the 75,000-AFY limit on Sonoma Water’s water rights prevents full use of the Russian River Project’s water supply yield, that Sonoma Water has previously filed applications and petitions asking the State Water Resources Control Board (“State Board”) to increase the limit to provide water to Sonoma Water customers and to modify instream fish-flow requirements in response to federal fish-protection mandates or hydrologic conditions. (Draft Agreement § 7.) The Draft Agreement says “[the District] recognizes and agrees that it will be in the public interest for the State Board to grant such petitions and applications.” (*Ibid.*) A similar provision is include in the Water Sale Agreement (Water Sale Agreement, § 17).

Waiver and Indemnity: The Draft Agreement’s Section 8 waivers and indemnity in favor of Sonoma Water are essentially the same as those in the 2015 Renewal Agreement. (*Compare* Sale of Water Agreement § 21 to Draft Agreement § 8).

Term; Renewal: The 2015 Renewal Agreement had a ten-year term with renewal rights. (Offpeak Agreement § 7 at p. 12 and Water Sale Agreement §18 at p. 26) The Draft Agreement proposes a 15 year term, to June 30, 2040, with similar rights of renewal, but also includes recognition of the concurrent expiration of the 2006 Restructure Agreement, and provides that “Sonoma Water agrees to advocate to include MMWD in any discussions related to any renewal or extension of the Restructured Agreement” . (Draft Agreement § 13)

Water Quality: The Draft Agreement’s Section 10 would require Sonoma Water to deliver water to Marin Water that has the same quality as water delivered through the Transmission System to the Water Contractors *and* that complies with California drinking water standards. That would improve upon the water quality language in the Water Sale Agreement, which omits any reference to drinking water standards. (Water Sale Agreement § 22 at p. 29.)

COMPARISON TABLE

The following table sets forth a comparison of key provisions of the Draft Agreement relative to the 2015 Renewal Agreement, as well as how these provisions relate to the 2006 Restructured Agreement for Water Supply.

<u>Key Provision</u>	<u>2025 Draft Agreement</u>	<u>2015 Renewal Agreement</u>	<u>2006 Restructured Agreement</u>
Total Water Amount:	14,300 AFY	14,300 AFY	Consistent
Take-or-Pay Amount:	5,300 AFY	5,300 AFY	Consistent
Annual Ramp-up:	No	Yes	Silent/Consistent

Water Shortage Allocation Priorities:	Yes	Yes	Consistent
Transmission System Capacity Allocation Priorities:	Yes	Yes	Consistent
Payment @ 111% of highest Petaluma/Santa Rosa Aqueduct Charge:	Yes	Yes	Consistent
Reference to Potential New Aqueduct:	To Nicasio/Soulajule	Parallel to Petaluma Aqueduct	N/A
MMWD Support SCWA Water Right Changes:	Yes	Yes, Offpeak Agreement	Silent
MMWD Waiver, indemnity:	Yes	Yes, Water Sale Agreement	Similar to Water Agreement
Renewal:	Yes	Yes	Consistent

BACKGROUND

Since 1975, Marin Municipal Water District (“Marin Water” or “District”) has entered into a series of contracts to import wholesale water supplies from Sonoma County Water Agency (“Sonoma Water” or “Agency”). The District uses the imported Sonoma Water supplies to supplement the water supplies developed by the District’s local reservoirs to provide retail public water service within Marin Water’s sphere of influence. From 2015 through 2020, about 77 percent of MMWD’s average annual water supply originated from its local reservoirs, while about 23 percent was imported from Sonoma Water.

The District currently obtains wholesale water supplies from Sonoma Water pursuant to the 2015 Renewal of the Third Amended Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District (“**2015 Renewal Agreement**”). The 2015 Renewal Agreement took effect July 1, 2015, with a ten-year term that expires on June 30, 2025. Exhibit A to the 2015 Renewal Agreement is the Fourth Amended Offpeak Water Supply Agreement (“**Offpeak Agreement**”), while Exhibit B is titled Amendments to Amended Agreement for the sale of Water between Sonoma County water Agency and Marin Municipal Water District (“**Water Sale Agreement**”).

2015 Renewal Agreement

As stated above, the 2015 Renewal Agreement is comprised of two separate components, the Offpeak Agreement, which evolved from the initial series of agreements between the District and Sonoma Water, and the Water Sale Agreement, which augments the Offpeak Agreement. In 1996, these two agreements were incorporated into one, the Supplemental Water Supply Agreement, which was renewed and extended pursuant to the current 2015 Renewal Agreement.

1. Exhibit A - Offpeak Agreement

The 2015 Renewal Agreement’s Exhibit A - Offpeak Agreement provides that Sonoma Water shall deliver to Marin Water up to 4,300 acre-feet per year (“AFY”) of water at delivery rates not to exceed 760 AF per month. (Renewal Agreement, Exhibit A, § 1 at p. 3.) For the five-month period May 1 through September 30, the delivery rate shall not exceed 360 AF per month without the prior consent of Sonoma Water, and the total quantity delivered during this period shall not exceed 1,800 AF. (*Id.* at pp. 3-4.)

The Offpeak Agreement’s Section 3 requires the District to pay Sonoma Water for at least 4,300 AFY of water, regardless of whether the District actually requests or receives this amount (commonly called a “take-or-pay” amount). (*Id.* § 3 at p. 5.)

The Offpeak Agreement’s Section 2 requires the District to pay for water at a rate of 111 percent of the highest rate that Sonoma Water’s primary wholesale water contractors pay for Agency water they take from the Petaluma Aqueduct or Santa Rosa Aqueduct. (*Id.* § 2 at p. 4.) Section 5 requires the District to pay a Russian River Conservation Charge and a Russian River Projects Charge. (*Id.* § 5(a)-(b) at pp. 9-10.)

The Offpeak Agreement’s Section 4 provides that the District shall release stored water from lakes Mendocino or Sonoma when needed to meet Sonoma Water’s delivery obligations to Marin Water. (*Id.* § 4 at p. 5.) Section 4 describes how Sonoma Water will allocate available water among competing customers during a shortage caused by factors outside the Agency’s control:

- First, health-and-safety deliveries to Marin Water and Sonoma Water’s “regular customers”⁵ and “Russian River customers”⁶ based on quantities required for human consumption, sanitation, and fire protection in consideration of other potable water sources available to each such customer; and
- Second, additional water beyond health-and-safety deliveries is allocated to regular customers, Russian River Customers, and Marin Water in proportion to each customer’s respective contract quantity, but not to exceed specified average monthly delivery rates or each customer’s contract amount or reasonable need.

The Offpeak Agreement’s Section 4 also allocates capacity in the Agency’s Transmission System. With respect to Marin Water, Section 4 provides in part:

Agency shall make all reasonable efforts to deliver water to Marin at Kastania Reservoir or at North Marin's meter, as specified in Section 1 of this Offpeak Agreement, using all facilities available to Agency. However, Marin acknowledges that priorities of use of delivery capacity in Agency's facilities have been allocated to others who are not parties to this Offpeak Agreement, and that capacity to make deliveries of water to Marin at the rates in Section 1 of this Offpeak Agreement may not always be available to Agency.

(*Id.* at p. 7.)

If Transmission System capacity is limited for reasons beyond Sonoma Water’s control, the available capacity is generally allocated as follows:

- First, capacity for health-and-safety deliveries first goes to Sonoma Water’s Regular Customers;
- Second, additional capacity is allocated to Regular Customers in proportion to their respective contract amounts, but not to exceed their reasonable needs;
- Third, additional capacity is allocated to Regular Customers in excess of their entitlements, but subject to certain limits;

⁵ “**Regular Customers**” collectively means “Water Contractors” and “Other Customers.” “**Water Contractors**” means the City of Cotati, City of Petaluma, City of Rohnert Park, City of Santa Rosa, City of Sonoma, North Marin Water District, Valley of the Moon Water District, and Town of Windsor. “**Other Customers**” means Sonoma Water, the County of Sonoma, California American Water Company (with respect to the Larkfield Water District), Forestville Water District, Lawndale Mutual Water Company, Kenwood Village Water Company, Penngrove Water Company, the City of Sebastopol, the State of California, and Santa Rosa Junior College. (Offpeak Agreement § 4 at p. 9 [incorporating definitions from 2006 Restructured Agreement]; 2006 Restructured Agreement § 1.2(g)(5) at p. 3 [defining “Regular Customer”]; *id.* § 1.2(g)(1) at p. 2 [defining “Water Contractor”]; *id.* § 1.2(g)(2) at p. 3 [defining “Other Agency Customer”].)

⁶ “Russian River Customer” means any Sonoma Water customer within Sonoma County who has or in the future will have contracts with Sonoma Water to divert or redivert water directly from the Russian River or Dry Creek without the use of the Transmission System.” (2006 Restructured Agreement § 1.2(gg) at p. 7.)

- Fourth, additional capacity is allocated to Marin Water;
- Fifth, additional capacity is allocated to deliver surplus water to the Water Contractors;
- Sixth, additional capacity is allocated to deliver surplus water to Other Customers.

(*Id.* at p. 8.)

The Offpeak Agreement's Section 6 states that the water provided to the District here is in addition to the water provided under the Sale of Water Agreement (Exhibit B to the 2015 Renewal Agreement, which is described below).

The Offpeak Agreement's Section 7 says its term starts July 1, 2015, and remains effective until June 30, 2025, and that the District has the following right to renew:

Upon the request of Marin, Agency agrees to enter into renewal agreements for periods not to exceed the then-existing term of the Restructured Agreement for Water Supply or any renewals, amendments or replacement agreements to the Restructured Agreement for Water Supply upon the same terms and conditions contained in this Offpeak Agreement, except that the Agency may make reasonable adjustments to the charges under Section 5 ...

(*Id.* § 7 at p. 12.)

2. Exhibit B Sale of Water Agreement

The 2015 Renewal Agreement's Exhibit B Water Sale Agreement provides that Sonoma Water shall deliver to the District up to 10,000 AFY or the District's "Maximum Delivery Limit." (Water Sale Agreement § 3 at pp. 9-10.) the District's Maximum Delivery Limit started at 5,000 AFY in 1995 and could be increased in a following year by up to 1,000 AFY by Marin Water taking or paying for at least 90 percent of its then-current limit in any year. (*Id.* § 4(a), which is referred to as the "ramp-up".) The District's Maximum Delivery Limit may be decreased by the District not taking at least 90 percent of its then-current limit in any year in which sufficient Agency water supply and Transmission System capacity were available. (*Id.* § 4(b).)

The Water Sale Agreement's Section 5 allows the District to pay Sonoma Water in lieu of taking delivery of water to prevent any reduction in the District's Maximum Delivery Limit for the next year. (*Id.* § 5 at p. 11.) Section 5 essentially requires the District to take or pay for 1,000 AFY of water, under the Water Sale Agreement, (*ibid.*), which creates a total combined take-or-pay obligation of 5,300 AFY under the Offpeak Agreement and Water Sale Agreement.

Consistent with Section 2 of the Offpeak Agreement, the Water Sale Agreement's Section 10 requires Marin Water to pay for water at a rate of 111 percent of the highest rate of Sonoma Water's primary wholesale water contractors pay for Agency water they take from the Petaluma Aqueduct or Santa Rosa Aqueduct. (*Id.* § 10(a) at p. 18.) Section 10 requires the District to pay a Russian River Conservation Charge and a Russian River Projects Charge. (*Id.* § 10(b)-(c) at pp. 19-20.) Section 10 requires additional payments when the amount of water Sonoma Water delivers to the District and the amount of water for which the District has made payments in lieu of delivery is less than the 10,000 AFY of firm water supply

for which the District made lump-sum firming payments pursuant to Section 8 of the Water Sale Agreement. (*Id.* § 10(c)-(e).)

Consistent with Section 4 of the Offpeak Agreement, the Water Sale Agreement's Section 8 provides that Sonoma Water shall release stored water from lakes Mendocino or Sonoma when needed to meet Sonoma Water's delivery obligations to Marin Water. (*Id.* § 8(d)-(e) at pp. 12-14.)

The Water Sale Agreement's Section 8 uses the same priority principles as the Offpeak Agreement to allocate available Agency water among competing customers during a shortage caused by factors outside Sonoma Water's control:

- First, health-and-safety deliveries to Marin Water and Sonoma Water's "regular customers"⁷ based on quantities required for human consumption, sanitation, and fire protection in consideration of other potable water sources available to each such customer; and
- Second, additional water beyond health-and-safety deliveries is allocated to regular customers, Russian River Customers, and Marin Water in proportion to each customer's respective contract quantity, but not to exceed specified average monthly delivery rates or each customer's contract amount or reasonable need.

(*Id.* § 8 at p. 17.)

In practice, any curtailments under the 2015 Renewal Agreement rely on the water shortage methodology employed by Sonoma Water with respect to all Water Contractors and Marin Water.

The Water Sale Agreement's Section 2 states that the first 360 AF of water the District receives from Sonoma Water in any month shall be accounted for as being received pursuant to the Offpeak agreement. (*Id.* § 2 at p. 9.) Further, the District may not receive any water under the Water Sale Agreement in any month unless (1) the District already has received in that month at least 360 AF pursuant to the Offpeak Agreement, or (2) the District already has received in that year the maximum amount of water allowed by the Offpeak Agreement. (*Ibid.*)

The Water Sale Agreement's Section 9 allocates capacity in the Agency's Transmission System, stating:

... Agency shall be obligated to release water from storage or deliver water to District pursuant to this Water Sale Agreement only to the extent that the Transmission System has capacity in excess of that required by Agency to supply all of its Other Customers and Contractors, and District under the Offpeak Agreement.

(*Id.* § 9 at p. 17.) The Water Sale Agreement's Section 1 defines "Other Customers and Contractors" to mean:

... the North Marin Water District and all present and future Agency customers within Sonoma County, including all entities within Sonoma

⁷ Consistent with the Offpeak Agreement, the Water Sale Agreement defines "regular customers" consistent with the 2006 Restructured Agreement. (*Id.* § 8(f) at p. 17; see, supra, note 1 [defining "Regular Customers"].)

County that receive or will receive water from the Transmission System or other water conveyance facilities, and all entities within Sonoma County that divert or will divert water purchased from Agency directly from the Russian River or Dry Creek.

(*Id.* § 1(d) at p. 6.)

The Water Sale Agreement's Section 18 says its term starts July 1, 2015, and remains effective until June 30, 2025, and that Marin Water has the following right to renew:

Upon the request of District, Agency shall enter into renewal agreements for periods not to exceed the then-existing term of the Restructured Agreement for Water Supply or any renewals, amendments or replacement agreements to the Restructured Agreement for Water Supply upon the same terms and conditions contained in this Water Sale Agreement, except that the Agency may make reasonable adjustments to the charges under Section 10

(*Id.* § 18 at p. 26.)



STAFF REPORT

Meeting Type: Board of Directors
Title: Water Supply Roadmap Update
From: Paul Sellier, Director of Water Resources
Through: Ben Horenstein, General Manager
Meeting Date: August 19, 2025

PS
BH

TYPE OF ITEM: Action X Information

RECOMMENDATION: Receive an update on the Water Supply Roadmap, including additional cost information on the proposed Nicasio Spillway Modification Project and the work commencing on the proposed Atmospheric River Capture Project

SUMMARY: On February 28, 2023, the Board selected the Integrated Roadmap for improved water supply resiliency (Roadmap) that included short-term actions or projects that could potentially be implemented prior to the return of drought conditions, and longer-term actions that would be designed to alleviate long-term vulnerability to drought. After developing and analyzing the long-term water supply alternatives, staff presented the evaluation to the Board and in February of 2025 the Board selected the Atmospheric River Capture Project as the preferred longer-term project. Staff will review all Roadmap projects underway, including the proposed Nicasio Spillway Modification Project.

DISCUSSION: The overarching goal of the Roadmap is to enhance the reliability, flexibility, and resiliency of the District's water system to improve service to Marin Water customers. The Roadmap is designed to be adaptable and more water supply was identified in the development of the Roadmap than required to meet the District's water supply goal. It was anticipated that not all projects would come to fruition as conceived in the planning stages and that inevitably some projects would ultimately not move forward. The design of the Roadmap allows the District to reprioritize projects to ensure that adequate supplies are being developed to address the ongoing vulnerability to drought conditions. In addition to the short term actions, the Roadmap consists of five broad strategies for achieving water supply resiliency including Water Efficiency, In-District Improvements, Sonoma-Marín Partnership, Local Storage Enlargement, and New Supply Development, which includes desalination and recycled water. Staff will provide a review and status update of the Water Supply Roadmap projects, including the short term actions.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.



UPCOMING MEETINGS

This schedule lists upcoming board and committee meetings as well as upcoming agenda items for the next month, which may include Board interest in adding future meeting items. 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)
Tuesday, Aug. 26, 2025 9:30 a.m.	Planning Committee Meeting/Special Meeting of the Board of Directors	Marin City Pipeline Replacement Project Phase II, Recycled Water Update
Thursday, Aug. 28, 2025 9:30 a.m.	Finance Committee Meeting	Human Resources Update
Tuesday, Sep. 2, 2025 6:30 p.m.	Board of Directors' Regular Bi-Monthly Meeting	

External Meetings	
Meeting Date	Meeting Type
Wednesday, Aug. 20, 2025 3:00 p.m.	Tomaes Bay Foundation
Friday, Sep. 5, 2025 9:30 a.m. – 11:30 a.m.	North Bay Watershed Association