

BOARD OF DIRECTORS
Regular Meeting Agenda
March 12th, 2024, 6:30 p.m.
Board Room
19039 Bay Street, El Verano
(707) 996-1037

Board of Directors
Jon Foreman, President
Gary Bryant, Vice President
Steven Caniglia
Steve Rogers
Colleen Yudin-Cowan

PUBLIC NOTICE

Members of the public may participate in this open, public meeting in person.

Time will be provided for public comment. Any member of the public wishing to speak will be allowed 3 minutes to make a statement. Board President will call for comments prior to the Board deliberating on pending action. However, please note that no action can be taken on any item unless printed on the agenda and included with the meeting notice. Therefore, any item discussed by members of the public and not shown on the agenda will only be received for information. The Board of directors may choose to set such item for future discussion and staff report. A full agenda packet is available at the District office for public view. A fee may be charged for copies. During the meeting, information and supporting materials are available in the Boardroom. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District as soon as possible, but at least two days prior to the meeting.

All open meetings are recorded. Recordings for each meeting are retained for a minimum of 90 calendar days and may be heard upon request, at no cost. Please contact a member of the District staff for assistance. ITEMS ON THIS AGENDA MAY BE TAKEN OUT OF THE ORDER SHOWN.

Any writings or documents provided to a majority of the Board regarding any item on this agenda will be made available for public inspection in the VOMWD office located at the above address during normal business hours.

1. CALL TO ORDER – PLEDGE – ROLL CALL

2. PUBLIC COMMENTS:

This section of the agenda is provided so that the public may express comments on any item within the District's jurisdiction not listed on the agenda. Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or follow Board procedures to direct staff to place a matter of business on a future agenda. The public may express comments on agenda items at the time of Board consideration.

3. CONSENT CALENDAR

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board without discussion. If any Board member or interested party requests that an item be removed from the Consent Agenda for discussion, it will be considered separately. The consent calendar may be approved by a single motion.

Item 3.A Minutes of the February 6th, Board of Directors Special Meeting

4. PUBLIC PRESENTATION, HEARING OR WORKSHOP

Item 4.A EKI Presentation on 810 West Agua Caliente Road Water Supply Assessment and the District's "Global" Water Supply Assessment Tool

5. FINANCE, ADMINISTRATIVE & OPERATIONAL REPORTS

Item 5.A Monthly Financial Reports & Disbursements
Staff Recommendation: Receive, and approve by roll call vote, the monthly financial reports & disbursements for the month of January 2024 in the amount of \$643,756.04

Item 5.B Administrative Report

Item 5.C Water Source Report

Item 5.D Operational Updates

6. DIRECTORS' & COMMITTEE REPORTS

7. GENERAL MANAGER'S AND DISTRICT COUNSEL'S REPORTS

Item 7.A March 4th Technical Advisory Committee (TAC) Meeting Updates

8. DISCUSSION AND ACTION (GENERAL BUSINESS)

Item 8.A Employee Handbook Update, Resolution No. 240301

Item 8.B Approval of 810 West Agua Caliente Road Water Supply Assessment, Resolution No. 240302

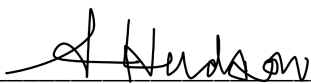
Item 8.C Supporting a Water Supplier's Common Interest Statement on Local Groundwater Sustainability Agency Funding

9. CLOSED SESSION

10. REQUEST FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT

The next scheduled Board meeting is a regular meeting at 6:30 p.m. April 2nd, 2024. Posted this 8th day of March, online and in three public places.


Amanda Hudson, Board Secretary

VALLEY OF THE MOON WATER DISTRICT
BOARD OF DIRECTORS
SPECIAL MEETING MINUTES
February 6, 2024

A Special Meeting of the Board of Directors of the Valley of the Moon Water District was held on February 6, 2024. **Members of the public were provided the opportunity to participate in this open, public meeting in person.**

1. CALL TO ORDER - PLEDGE OF ALLEGIANCE - ROLL CALL
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President Foreman called the meeting to order at 6:30 P.M. PST.

Roll Call by **Secretary Hudson** noted the following present:

Directors:	Gary Bryant Steven Caniglia Jon Foreman Stephen Rogers Colleen Yudin-Cowan
District Counsel	Tamar Burke
District Personnel:	Matthew Fullner, General Manager Amanda Hudson, Administration Manager Oscar Madrigal, Finance Manager
Public:	See sign-in sheet

2. PUBLIC COMMENTS

None

3. CONSENT CALENDAR

Item 3.A Minutes of the January 4th, Board of Directors Regular Meeting

The Consent Calendar was approved unanimously by voice vote.

4. PUBLIC PRESENTATION, HEARING OR WORKSHOP
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February 6, 2024 - Draft Minutes until signed
by Board President & Secretary

None

5. FINANCE, ADMINISTRATIVE & OPERATIONAL REPORTS

Item 5.A Monthly Financial Reports & Disbursements

Staff Recommendation: Receive, and approve by roll call vote, the monthly financial reports & disbursements for the month of December 2023 in the amount of \$1,112,149.91

Director Rogers asked when the audit would be completed. **Finance Manager Madrigal** said it's a top priority. There were setbacks with the accounting system which have been resolved. The first audit should be completed in the next couple of months. The issues weren't with the numbers but with the reports. The programmer changed how some reports are generated.

Director Rogers made a motion, seconded by **Director Caniglia**, to receive and approve by roll call vote, the monthly financial reports & disbursements for the month of December 2023 in the amount of \$1,112,149.91

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Caniglia	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

Item 5.B Administrative Report

Director Rogers asked how the Unavoidable Annual Real Losses figure is calculated. **Administration Manager Hudson** said that it is a systematic calculation based on miles of main, system pressure, and connections. **Director Rogers** asked how the District's Standard for Real Losses is calculated. **Administration Manager Hudson** said this is a standard provided by the state and that she hasn't been able to find a calculation connecting to that figure.

Director Rogers said he doesn't want the District to move toward monthly billing. **Administration Manager Hudson** said staff is proposing to evaluate solutions such as a billing audit before throwing any costly solutions at the issue.

Item 5.C Water Source Report

General Manager Fullner said that he wanted to confirm from the last meeting that Lake Sonoma is in the FIRO pool.

President Foreman asked how it is determined how much water to draw out of each well. **General Manager Fullner** said that it is indicated by the water level; when air is drawn it is too much.

Director Rogers asked if all of the wells were running, would the District have enough for wintertime demand? **General Manager Fullner** said yes.

President Foreman asked if the District is still conducting periodic testing on Verano. **General Manager Fullner** because there will be ASR there, there will be a full slate of testing. PFAS testing was just done there.

A member of the public asked if the District is required or able to monitor how deep you go to get the water; recent years won't help with percolation. How often do you have to monitor? **General Manager Fullner** said the data is here in terms of how much has been pulled; in terms of measuring groundwater the District has records but it isn't required to be reported.

Item 5.D Operational Updates

President Foreman asked if there is any info from PG&E about a new transformer. **General Manager Fullner** said that the last update said 45 days out and that was about 25 days ago or so.

Director Rogers asked if there is an update on the seismic vulnerability assessment. **General Manager Fullner** said that the assessment was budgeted at \$20,000-30,000 to do through the LHMP through FEMA. Staff did take initial steps but there is \$2 million nationwide available for these types of projects and it's very competitive. Staff was advised by FEMA to maybe wait and come back when there is a shovel-ready project. This is something that needs to be addressed as part of budgeting. **Director Rogers** asked what \$20,000 would get in terms of an assessment. **General Manager Fullner** said an engineering assessment would cost \$150,000.

Director Bryant asked if staff could create an assessment from known vulnerabilities. **General Manager Fullner** said the LHMP has a series of maps of fault lines, but that doesn't come with the deeper analysis of liquefaction, breaks, shoreline adjustments, and their specific locations. An example is if there is a tank without proper bolting based on current-day standards. It may not be prioritized appropriately that way. **Director Rogers** an assessment seems like a wise way to address it; small dollars compared to CIP budget.

President Foreman asked about the energy efficiency report. **General Manager Fullner** said it is going well. They have all the data and working on the report now.

6. DIRECTORS' COMMITTEE REPORTS
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Item 6.A Sonoma Developmental Center (SDC) Ad Hoc Subcommittee Update

General Manager Fullner said that there was a Notice of Intent (NoI) distributed by LAFCO

informing the District that a group would be circulating a petition to start the “Sonoma Mountain Community Services District”.

A member of the public, Matthew Dickey, asked if as a Glen Ellen customer, does that mean that they would be moved as customers. **General Manager Fullner** that isn't what he understands; there is a map on the NOI that addresses that. **Matthew Dickey** asked if they live north of SDC, would they continue to be served by VOMWD. **General Manager Fullner** said as far as he knows; he doesn't know the full intentions right now.

Matthew Dickey asked if it's a petition effort would the District eventually take a position. **General Manager Fullner** said it depends on what the intentions are and the source documents are. **Director Rogers** said the Board would take a position and when water at SDC is addressed it is of the District's interest.

A member of the public, Jim Price, said he is hoping to hear more about what is going on at SDC; he is aware that water is one of the elements. He would want to know about the District's negotiations with Robel. He understands that Robel is getting rights but not responsibility for the water. **General Manager Fullner** said there hasn't been much regarding negotiation. Things are in a holding pattern due to a lawsuit with EIR. That has put a hold on any open discussion. **Director Bryant** said it's between the State, County of Sonoma, and Robel. **General Manager Fullner** said at one point the District issued a conditional will serve to Robel; it was general. Permits and land use are through the County of Sonoma. VOMWD only has a say over water supply and infrastructure that has to do with water supply.

Jim Price said that as a customer who has conserved, to approve a 940 new unit development feels like he has been conserving on behalf of Robel. He asked where will the water come from. **General Manager Fullner** said the State had a Water Supply Assessment done specifically for SDC and the findings are that the District shouldn't use its own water sources but only the water sources at SDC itself. That is ultimately what would be used to serve that property. It wouldn't affect the water supply to the rest of the valley. The faster it's brought online, the faster the valley will have fire protection.

Jim Price asked why has it not been used. **Director Bryant** said that the District doesn't have access to that water yet.

Matthew Dickey asked if SDC is a stand-alone, not part of the District's water system. **Director Bryant** said that is correct, it always has been. **Matthew Dickey** asked how would it be billed, monitored, and managed. **General Manager Fullner** said that it would need to be annexed. It is currently only in the District's sphere of influence.

Matthew Dickey asked if would ratepayers be bonded for that expanded use and improvements required. **Director Bryant** said it is already established that the developer has to bear the costs to bring the system into compliance. **Director Rogers** said he would not like SDC treated as a separate area. He would like it treated as regular VOMWD customers. The developer pays for infrastructure

and then turns over to the District. This is a significant advantage to having SDC water online for all of VOMWD and valley customers. **General Manager Fullner** said that the valley is at the very end of the Sonoma aqueduct, the farthest point from the Russian River. There are lots of potential failure points.

Item 6.B January 29th Sonoma Valley Groundwater Sustainability Agency Meeting Update

Director Bryant asked for confirmation regarding de minimis vs non-de minimis well metering.

Director Rogers confirmed metering is only being suggested for non-de minimis wells at this point.

7. GENERAL MANAGER'S AND DISTRICT COUNSEL'S REPORTS
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Item 7.A January 8th Technical Advisory Committee (TAC), and February 5th Water Advisory Committee (WAC) and TAC Meeting Updates

General Manager Fullner gave the following update from the February 5th WAC/TAC Meeting:

Water Supply Update:

Lake Mendocino: currently at 88k AF which is 8k AF above the FIRO pool

Lake Sonoma is: currently at 288k AF which is 45k AF above the FIRO pool

The water year has been reassessed from “dry” to “normal”

Regional Study:

Sonoma Water’s consultant (Armin with Jacobs Engineering) gave an update on the Regional Water Supply Resiliency Study, which is now focused on seismic modeling, project identification, and recovery.

Conservation:

Conservation compared to 2013: in December the contractors conserved 31% for the month and 27% YTD.

The public messaging will focus on “fix-a-leak-week” and the “die-tab-challenge” in March. The SMSWP website also has an irrigation scheduling tool that will be highlighted.

Budget:

A brief update was given on the development of the Sonoma Water Budget. A vote was then held by both the TAC and the WAC to recommend that the budget be based on the three-year average water deliveries, rather than the lower one-year water delivery figures, recognizing that the drought is over and we should see some water sales recovery.

Biological Opinion:

Sonoma Water is in the process of communicating with landowners to evaluate the feasibility of replacing the remaining two-grade control sills on Dry Creek with engineered riffles.

ERPA:

The newly created JPA, the Eel Russian Project Authority (ERPA), has now held its first meeting, with the next planned for some time in mid-March. ERPA is the regional entity that many in the area (water contractors included) hope will eventually control the flows from the Eel River into the Russian via the old Potter Valley Project facilities.

The following video was also shared at the meeting:

https://youtu.be/kDFKiYt_t94?si=pWKuqPPmmsfeUPdT

8. DISCUSSION AND ACTION (GENERAL BUSINESS)
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Item 8.A District Code Update Re: Returned Check Fees, Resolution No. 240201

Director Yudin-Cowan made a motion, seconded by **Director Bryant**, to adopt Resolution No. 240201 approving the above-outlined updates to the District Code.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Caniglia	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

Item 8.B District Electronic Device Policy Update, Resolution No. 240202

Director Bryant made a motion, seconded by **Director Yudin-Cowan**, to adopt Resolution No. 240202 approving the above-outlined updates to the Electronic Device Policy.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Caniglia	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

Item 8.C District Drug and Alcohol Policy Update, Resolution No. 240203

General Manager Fullner said that one of the Board members noticed that Appendix B was not updated. Legal counsel has recommended to adopt the policy as is and the job titles on Appendix B can be updated at a future Board meeting.

Director Rogers made a motion, seconded by **Director Caniglia**, to adopt Resolution No. 240203 approving the above-outlined updates to the Drug and Alcohol Policy.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Caniglia	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

Item 8.D Adoption of Updated Regular Board Meeting Schedule for Calendar Year 2024

Director Yudin-Cowan made a motion, seconded by **Director Bryant**, to approve the 2024 Regular Board Meeting Schedule and direct staff to post it on the District's website for the remainder of the calendar year.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Caniglia	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

Item 8.E Approval of 810 West Agua Caliente Road Water Supply Assessment, Resolution No. 240204

Director Caniglia asked how the assessment calculated projected water demands per unit. **General Manager Fullner** said this is usually based on how many bedrooms, fixtures, and flow demand. In addition, if there is an irrigation area or if it's part of a master metered common area this can cause vastly different figures.

Director Caniglia said he would like to understand the assumptions better.

General Manager Fullner said he can arrange for EKI to be at the following meeting to answer questions. If questions can be submitted in advance, he can get answers.

Director Rogers said that it is too important to move forward without clarification.

President Foreman moved to table this until next month's meeting.

Director Caniglia asked when questions about the assessment should be submitted. **General Manager Fullner** said at least a week before the next Board meeting.

Item 8.F Motion Approving the Board Secretary as the District's Loyalty Oath Giver

Director Rogers made a motion, seconded by **Director Bryant**, to approve the position of the Board Secretary as the District's Loyalty Oath Giver and direct the Board Secretary to administer the above Loyalty Oath to all current and future District employees.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Caniglia	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

9. CLOSED SESSION

10. REQUEST FOR FUTURE AGENDA ITEMS

None

11. ADJOURNMENT

President Foreman adjourned the meeting at 8:15 P.M. PST.

Amanda Hudson, Board Secretary

Jon Foreman, Board President

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: EKI Presentation on 810 West Agua Caliente Road Water Supply Assessment and the District's "Global" Water Supply Assessment Tool

Background:

At the February Board Meeting, the Water Supply Assessment (WSA) for the proposed development at 810 West Agua Caliente Road was discussed. The Board requested that the engineering firm that had conducted the analysis (EKI Environment and Water) provide a presentation on the WSA at the next meeting. Staff also felt that the time could be used to provide the Board and interested members of the public with an update on the "Global WSA Tool" that was developed by EKI for the District in June of 2023.

Recommendation:

Receive the presentation and take part in the question-and-answer period.

Attached:

- EKI Presentation Slides

810 W Agua Caliente Development Project WSA Overview

VALLEY OF THE MOON WATER DISTRICT (DISTRICT)

12 MARCH 2024

AGENDA

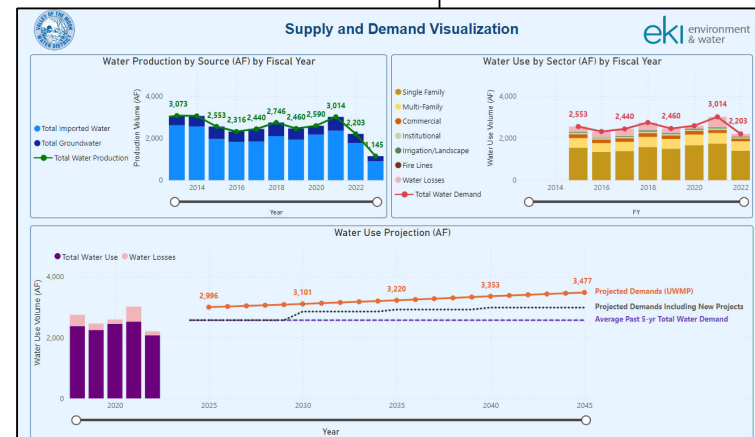
- Water Supply Assessment (WSA) overview
- Proposed Project Summary
- Agua Caliente WSA Findings and Conclusions
- Global WSA Tracking Tool



Water Supply Assessment for the 810 W Agua Caliente Development Project

Valley of the Moon Water District

February 2024
EKI C.30140.00



www.ekiconsult.com
Unipera Serna Blvd, Suite 300 • Daly City, CA 94014

WSA REQUIREMENTS

- Senate Bill 610: **Water Supply Assessment (WSA)** is required for any **proposed Project** that is subject to the California Environmental Quality Act (CEQA)
- **Purpose:** Evaluate if a water provider has sufficient water supply to meet the current and planned water demands within its service area, including the demands associated with the **proposed Project**, during **normal, single dry, and multiple dry** water years over a 20-year time horizon
- If the water supplies are, or will be, insufficient, the water system shall provide plans in the WSA for acquiring additional water supplies, or setting forth the measures that are being undertaken to acquire and develop those water supplies

☑ CWC § 10910 (a)

Any city or county that determines that a project, as defined in Section 10912, is subject to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) under Section 21080 of the Public Resources Code shall comply with this part.

☑ CWC § 10912

For the purposes of this part, the following terms have the following meanings:

(a) "Project" means any of the following:

(1) A proposed residential development of more than 500 dwelling units.

(2) A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space.

(3) A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space.

(4) A proposed hotel or motel, or both, having more than 500 rooms.

(5) A proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area.

(6) A mixed-use project that includes one or more of the projects specified in this subdivision.

(7) A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.

(b) If a public water system has fewer than 5,000 service connections, then "project" means any proposed residential, business, commercial, hotel or motel, or industrial development that would account for an increase of 10 percent or more in the number of service connections, or a mixed-use project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.

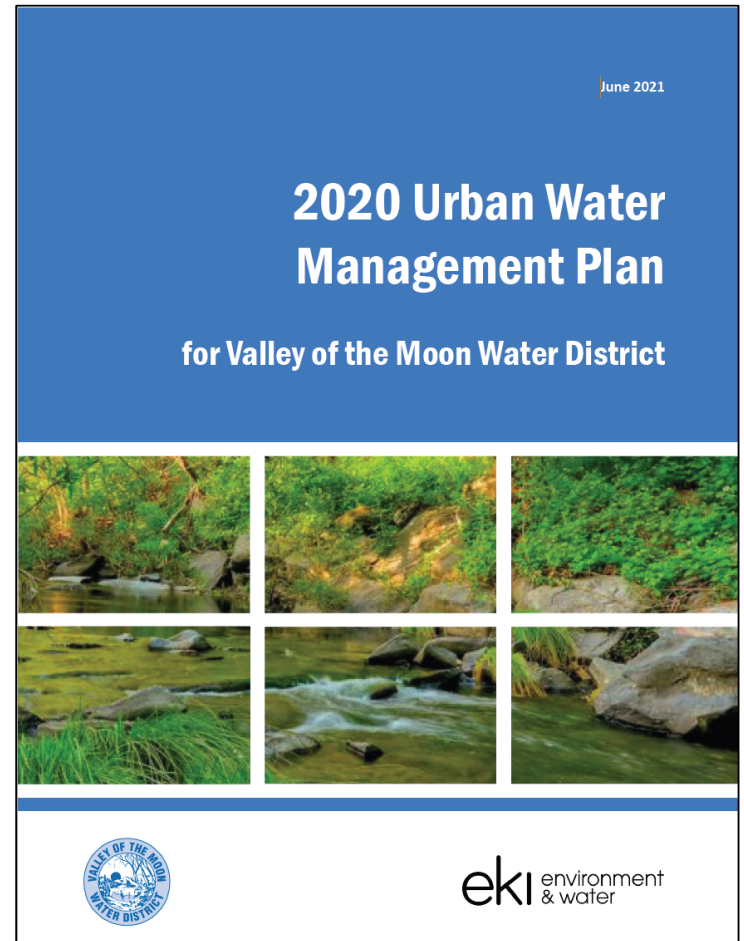
What Triggers a WSA?

WSA DEVELOPMENT PROCESS

- EKI developed a Global WSA Tracking Tool for the VOMWD in June 2023
- Coordinated with VOMWD and Hanna Boys Center (developer) to prepare a WSA between September 2023 and March 2024
 - Scheduled multiple check-in meetings
 - Worked with VOMWD on historical and existing water use information for the Proposed Project land
 - Worked with VOMWD to verify methodology to compare projected demand and supply
 - Conducted preliminary assessment to determine if VOMWD's Urban Water Management Plan (UWMP) demand projections are inclusive of the Proposed Project's demand
 - Provided draft WSA for VOMWD and Hanna Boys Center to review
 - Finalized WSA

VOMWD'S 2020 UWMP

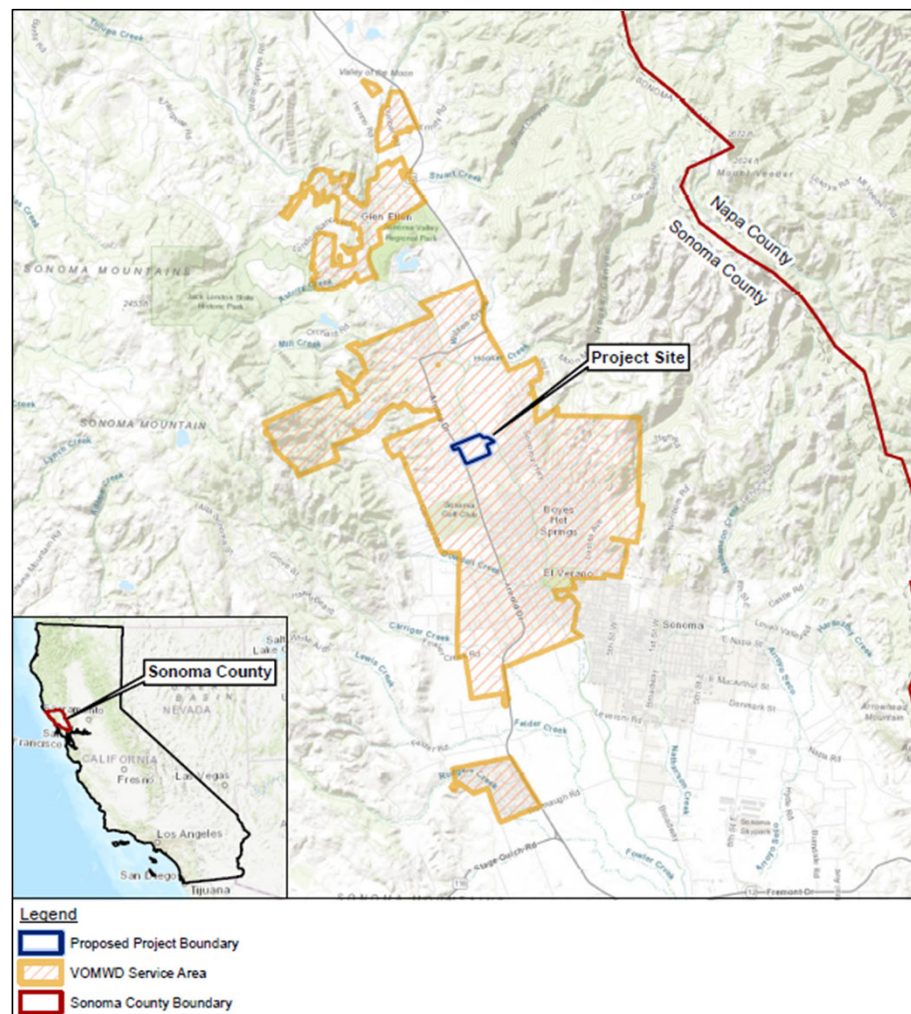
- VOMWD's 2020 UWMP included increased demand projections and sufficient supply from multiple sources to meet demands
 - Sonoma County Water Agency (SCWA)
 - Groundwater
- In case of supply shortage, SCWA and VOMWD will enact their Water Shortage Contingency Plans (WSCPs)
- The Potter Valley project is considered in both UWMPs



PROJECT SUMMARY

The 810 W Agua Caliente Development (Project) is a ~61-acre mixed use development that includes:

- Hotel and its associated facilities;
- Residential community comprising of townhomes and affordable housing;
- Retirement community made up of memory care, assisted, and independent living units;
- Retail and office building;
- Childcare facility;
- Adult day care facility;
- Vocational training center; and
- Open space including landscape



WSA FINDINGS: ESTIMATED PROJECT DEMANDS

- **Total Project Demands: 150 AFY**
 - Hotel Community: 21 AFY
 - Retirement Community: 31 AFY
 - Residential Community: 52 AFY
 - Other Development*: 37 AFY
 - Distribution System Losses: 8.6 AFY
 - Existing Site Demand**: 0.59 AFY

Project demands were estimated “conservatively”, or in a risk-averse approach that is likely to result in higher demands, to account for uncertainties

Table 2
Proposed Project Water Demand Estimates
 810 W Agua Caliente Development, Sonoma County, California

Land Use	Land Use at Full Buildout	Land Use Units	Demand Factor (a)	Demand Factor Units	Estimated Water Use (AFY)				
					2025	2030	2035	2040	2045
Hotel Community									
Hotel Guest Rooms	119	room	134	gpd/room	0	18	18	18	18
Branded Residences (b)	20	du	100	gpd/du	0	2.2	2.2	2.2	2.2
Hotel Restaurant	2,321	sq ft	0.075	gpd/sq ft	0	0.20	0.20	0.20	0.20
Hotel Kitchen	2,279	sq ft	0.084	gpd/sq ft	0	0.21	0.21	0.21	0.21
Food Services	5,425	sq ft	0.069	gpd/sq ft	0	0.42	0.42	0.42	0.42
Retail	423	sq ft	0.032	gpd/sq ft	0	0.015	0.015	0.015	0.015
Pools, Spa, and Water Feature (c)	3,049	sq ft	--	--	0	0.27	0.27	0.27	0.27
Retirement Community									
Apartment Style Independent Living (b)	80	du	100	gpd/du	0	9.0	9.0	9.0	9.0
Independent Living Casitas	120	du	119	gpd/du	0	16	16	16	16
Assisted Living	28	du	91	gpd/du (d)	0	2.9	2.9	2.9	2.9
Memory Care	24	du	91	gpd/du (d)	0	2.4	2.4	2.4	2.4
Restaurant	7,730	sq ft	0.075	gpd/sq ft	0	0.65	0.65	0.65	0.65
Kitchen	3,515	sq ft	0.084	gpd/sq ft	0	0.33	0.33	0.33	0.33
Pool and Water Feature (c)	1,742	sq ft	--	--	0	0.15	0.15	0.15	0.15
Residential Community									
Townhomes (e)	142	du	244	gpd/du	0	39	39	39	39
Affordable Housing (b)	120	du	100	gpd/du	0	13	13	13	13
Other Development									
Retail	6,500	sq ft	0.069	gpd/sq ft	0	0.50	0.50	0.50	0.50
Office	3,500	sq ft	0.055	gpd/sq ft	0	0.22	0.22	0.22	0.22
Childcare Facility	4,000	sq ft	0.055	gpd/sq ft	0	0.25	0.25	0.25	0.25
Adult Day Care Facility	5,600	sq ft	0.055	gpd/sq ft	0	0.35	0.35	0.35	0.35
Vocational Training Center	10,000	sq ft	0.055	gpd/sq ft	0	0.62	0.62	0.62	0.62
Irrigated Landscaping (c)	839,229	sq ft	--	--	0	34.7	34.7	34.7	34.7
Distribution System Losses (f)	--	--	5.7%	--	0	8.6	8.6	8.6	8.6
Existing Site Demand (g)	--	--	--	--	0	0.59	0.59	0.59	0.59
Total (h)					0	150	150	150	150

*Includes the retail, office, childcare and adult care facilities, vocational training center, and irrigated landscaping.

**Existing site land use is one single-family home and open space.

WSA FINDINGS: ESTIMATED PROJECT DEMANDS

- **Total Project Demands: 150 AFY**
 - Hotel Community: 21 AFY
 - Retirement Community: 31 AFY
 - Residential Community: 52 AFY
 - Other Development*: 37 AFY
 - Distribution System Losses: 8.6 AFY

The gpd/du values are based on the partial rebound demand factors used in the UWMP, which are based on historical average per account water use for selected time periods

Table 2
Proposed Project Water Demand Estimates
810 W Agua Caliente Development, Sonoma County, California

Land Use	Land Use at Full Buildout	Land Use Units	Demand Factor (a)	Demand Factor Units	Estimated Water Use (AFY)				
					2025	2030	2035	2040	2045
Hotel Community									
Hotel Guest Rooms	119	room	134	gpd/room	0	18	18	18	18
Branded Residences (b)	20	du	100	gpd/du	0	2.2	2.2	2.2	2.2
Hotel Restaurant	2,321	sq ft	0.075	gpd/sq ft	0	0.20	0.20	0.20	0.20
Hotel Kitchen	2,279	sq ft	0.084	gpd/sq ft	0	0.21	0.21	0.21	0.21
Food Services	5,425	sq ft	0.069	gpd/sq ft	0	0.42	0.42	0.42	0.42
Retail	423	sq ft	0.032	gpd/sq ft	0	0.015	0.015	0.015	0.015
Pools, Spa, and Water Feature (c)	3,049	sq ft	--	--	0	0.27	0.27	0.27	0.27
Retirement Community									
Apartment Style Independent Living (b)	80	du	100	gpd/du	0	9.0	9.0	9.0	9.0
Independent Living Casitas	120	du	119	gpd/du	0	16	16	16	16
Assisted Living	28	du	91	gpd/du (d)	0	2.9	2.9	2.9	2.9
Memory Care	24	du	91	gpd/du (d)	0	2.4	2.4	2.4	2.4
Restaurant	7,730	sq ft	0.075	gpd/sq ft	0	0.65	0.65	0.65	0.65
Kitchen	3,515	sq ft	0.084	gpd/sq ft	0	0.33	0.33	0.33	0.33
Pool and Water Feature (c)	1,742	sq ft	--	--	0	0.15	0.15	0.15	0.15
Residential Community									
Townhomes (e)	142	du	244	gpd/du	0	39	39	39	39
Affordable Housing (b)	120	du	100	gpd/du	0	13	13	13	13
Other Development									
Retail	6,500	sq ft	0.069	gpd/sq ft	0	0.50	0.50	0.50	0.50
Office	3,500	sq ft	0.055	gpd/sq ft	0	0.22	0.22	0.22	0.22
Childcare Facility	4,000	sq ft	0.055	gpd/sq ft	0	0.25	0.25	0.25	0.25
Adult Day Care Facility	5,600	sq ft	0.055	gpd/sq ft	0	0.35	0.35	0.35	0.35
Vocational Training Center	10,000	sq ft	0.055	gpd/sq ft	0	0.62	0.62	0.62	0.62
Irrigated Landscaping (c)	839,229	sq ft	--	--	0	34.7	34.7	34.7	34.7
Distribution System Losses (f)	--	--	5.7%	--	0	8.6	8.6	8.6	8.6
Existing Site Demand (g)	--	--	--	--	0	0.59	0.59	0.59	0.59
Total (h)					0	150	150	150	150

*Includes the retail, office, childcare and adult care facilities, vocational training center, and irrigated landscaping.

**Existing site land use is one single-family home and open space.

WSA FINDINGS: ESTIMATED PROJECT DEMANDS

- **Total Project Demands: 150 AFY**
 - Hotel Community: 21 AFY
 - Retirement Community: 31 AFY

Demand factors are selected based on actual District's data (i.e. demand factors for residential units) or values used in available studies if available for specific land uses

The gpd/du values are based on the partial rebound demand factors used in the UWMP, which are based on historical average per account water use for selected time periods

Table 2
Proposed Project Water Demand Estimates
810 W Agua Caliente Development, Sonoma County, California

Land Use	Land Use at Full Buildout	Land Use Units	Demand Factor (a)	Demand Factor Units	Estimated Water Use (AFY)				
					2025	2030	2035	2040	2045
Hotel Community									
Hotel Guest Rooms	119	room	134	gpd/room	0	18	18	18	18
Branded Residences (b)	20	du	100	gpd/du	0	2.2	2.2	2.2	2.2
Hotel Restaurant	2,321	sq ft	0.075	gpd/sq ft	0	0.20	0.20	0.20	0.20
Hotel Kitchen	2,279	sq ft	0.084	gpd/sq ft	0	0.21	0.21	0.21	0.21
Food Services	5,425	sq ft	0.069	gpd/sq ft	0	0.42	0.42	0.42	0.42
Retail	423	sq ft	0.032	gpd/sq ft	0	0.015	0.015	0.015	0.015
Pools, Spa, and Water Feature (c)	3,049	sq ft	--	--	0	0.27	0.27	0.27	0.27
Retirement Community									
Apartment Style Independent Living (b)	80	du	100	gpd/du	0	9.0	9.0	9.0	9.0
Independent Living Casitas	120	du	119	gpd/du	0	16	16	16	16
Assisted Living	28	du	91	gpd/du (d)	0	2.9	2.9	2.9	2.9
Memory Care	24	du	91	gpd/du (d)	0	2.4	2.4	2.4	2.4
Restaurant	7,730	sq ft	0.075	gpd/sq ft	0	0.65	0.65	0.65	0.65
Kitchen	3,515	sq ft	0.084	gpd/sq ft	0	0.33	0.33	0.33	0.33
Pool and Water Feature (c)	1,742	sq ft	--	--	0	0.15	0.15	0.15	0.15
Residential Community									
Townhomes (e)	142	du	244	gpd/du	0	39	39	39	39
Affordable Housing (b)	120	du	100	gpd/du	0	13	13	13	13
Other Development									
Retail	6,500	sq ft	0.069	gpd/sq ft	0	0.50	0.50	0.50	0.50
Office	3,500	sq ft	0.055	gpd/sq ft	0	0.22	0.22	0.22	0.22
Childcare Facility	4,000	sq ft	0.055	gpd/sq ft	0	0.25	0.25	0.25	0.25
Adult Day Care Facility	5,600	sq ft	0.055	gpd/sq ft	0	0.35	0.35	0.35	0.35
Vocational Training Center	10,000	sq ft	0.055	gpd/sq ft	0	0.62	0.62	0.62	0.62
Irrigated Landscaping (c)	839,229	sq ft	--	--	0	34.7	34.7	34.7	34.7
Distribution System Losses (f)	--	--	5.7%	--	0	8.6	8.6	8.6	8.6
Existing Site Demand (g)	--	--	--	--	0	0.59	0.59	0.59	0.59
Total (h)					0	150	150	150	150

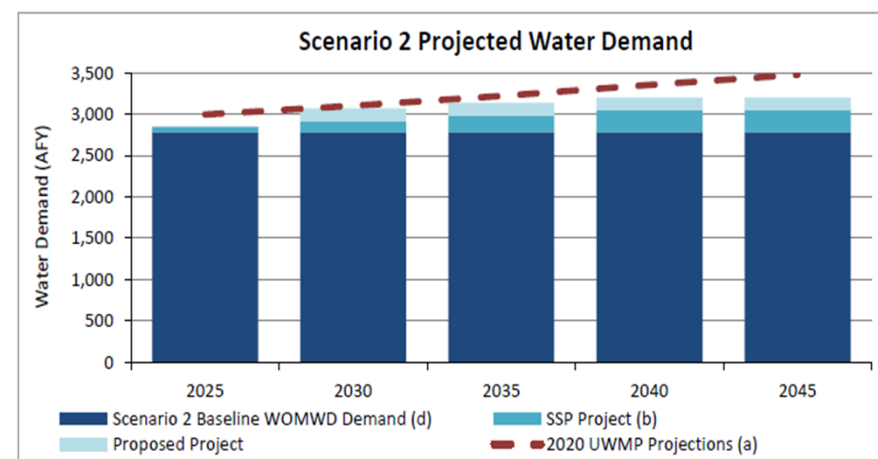
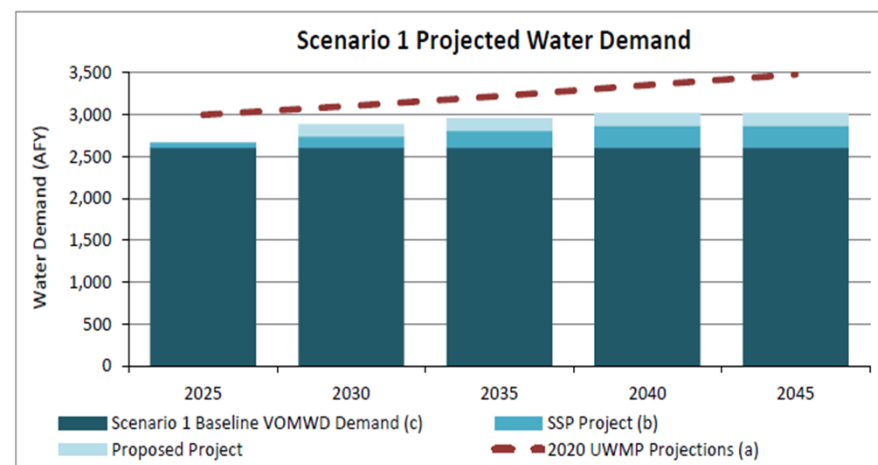
*Includes the retail, office, childcare and adult care facilities, vocational training center, and irrigated landscaping.

**Existing site land use is one single-family home and open space.

WSA FINDINGS: PROJECT INCLUSION IN 2020 UWMP

- Compared 2020 Urban Water Management Plan (UWMP) projected demands with the sum of the District's baseline demand and projected demands from known proposed projects (Project and SSP)
- Two scenarios were analyzed for the District's baseline demand:
 - **Scenario 1** (average of the District's total annual water demand over the past five years): District baseline demand = 2,603 AFY
 - **Scenario 2** (average of the District's three highest annual water demand over the past five years): District baseline demand = 2,783 AFY
- Under both scenarios, the total demands (District baseline, Project, and the SSP Project) are below the District's UWMP growth projections

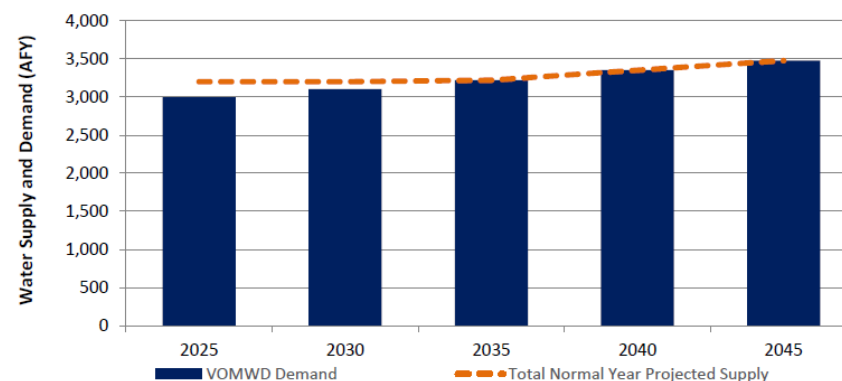
Project is therefore assumed to be included within the District's 2020 UWMP demand projections



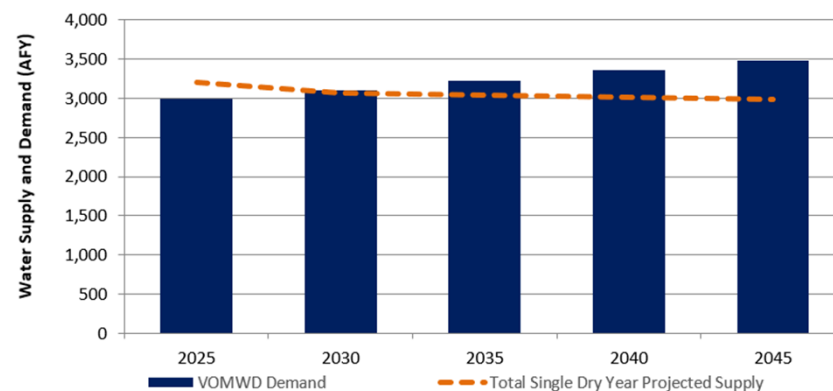
WSA FINDINGS: SUPPLY AND DEMAND COMPARISON

- The 2020 UWMP finds that the District is projected to have sufficient supplies to meet demands in normal and multiple dry years
- The District is projected to have a shortfall during single dry year (1% shortfall in 2030 to 14% shortfall in 2045)
- Shortfalls that may occur in the future would be managed through the implementation of the District's adopted Water Shortage Contingency Plan (WSCP)

Projected Normal Year Water Supply and Demand



Projected Single Dry Year Water Supply and Demand

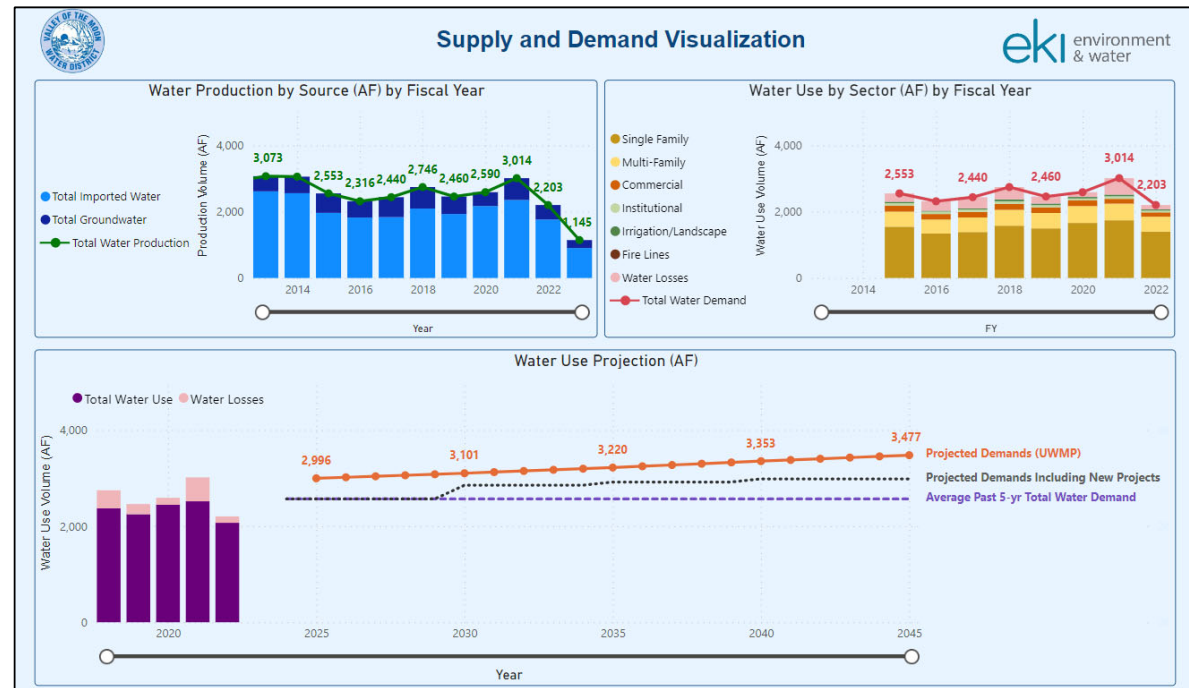


WSA CONCLUSIONS

- The Project is not anticipated to adversely affect water supply reliability within the District's service area.
- The District expects to be able to meet all future demands within its existing service area, inclusive of the Project, in normal and multiple dry hydrologic years from 2025 through 2045.
- The shortfalls that are currently projected during single dry years will be addressed through planned implementation of the District's WSCP.

GLOBAL WSA TRACKING TOOL

- The Global WSA Tracking Tool (Tool) was developed for the District to standardize and track development water service requests
- The objective of the Tool is to compare actual water demand patterns against projections



THE TOOL INCLUDES A DEMAND CALCULATOR

- The **Demand Calculator** included in the tool can be used to estimate the water demands associated with proposed projects

The screenshot displays the 'Project Demand Calculator' interface. On the left, a form titled 'New Project Information and Demand Factors' contains the following fields:

- * ID: 1
- Development Name: 810 W Agua Caliente Development
- * Year of Full Buildout: 2030
- Address: 810 Agua Caliente Rd W, Sonoma, CA 95476
- Number of Single Family Residential Accounts: 172
- Single Family Residential Demand Factor (gpd/account): 244
- Number of Multi-Family Residential Accounts: (empty)
- Multi-Family Residential Demand Factor (gpd/account): (empty)

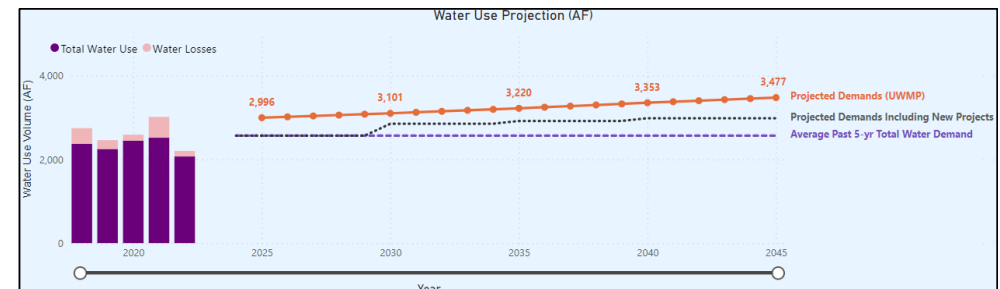
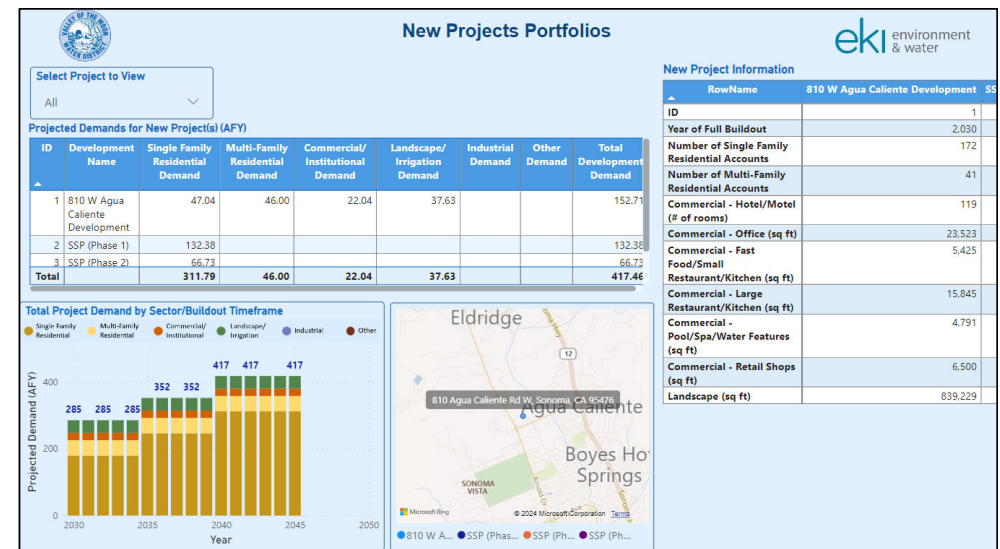
On the right, a bar chart titled 'Projected Demands by New Projects' shows the projected demand in AFY for four developments. The legend indicates the following categories: Single Family Residential (yellow), Multi-Family Residential (orange), Commercial/Institutional (green), Landscape/Irrigation (blue), Industrial (purple), and Other (brown).

Development Name	Projected Demand (AFY)
SSP (Phase 1)	132
SSP (Phase 2)	67
SSP (Phase 3)	66
810 W Agua Caliente Development	153

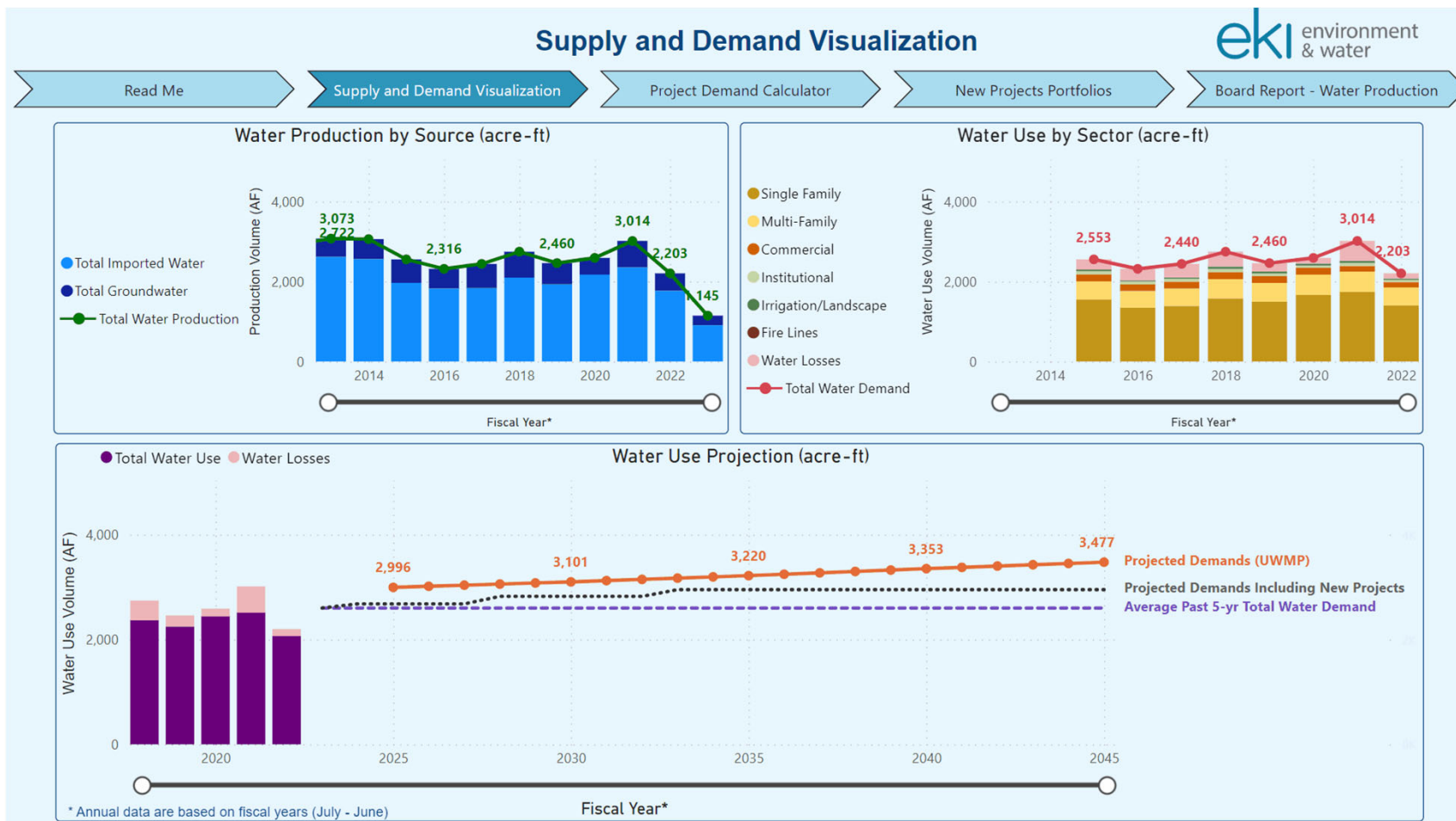
Note that the SSP project demands are added by phases for illustration purpose only

APPLICATION OF THE TOOL

- Customized visualizations show project information, historical water demand and production data, and UWMP information
- Comparison of UWMP projected demands with the sum of the District's baseline demand and projected demands from known proposed projects are used to check the District's ability to meet demands
- The Tool can also be used to track actual water use against projections



GLOBAL WSA TRACKING TOOL DEMONSTRATION



QUESTIONS



MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Oscar Madrigal, Finance Manager

SUBJECT: Monthly Financial Reports & Disbursements for January 2024

Revenue

- January's operating revenue was \$498,690, which was over budget by \$65,519 when periodized and under budget by \$152,491 when using a straight-line average. January operating revenue was \$70,776 more than last fiscal year.
- Recovery has been holding steady for the last few months. We are \$61,157 behind forecasted figures through January.

Salaries

- Salaries were under budget by 6% for January. This was partially due to the first quarter's vacant Water System Operator position. Salaries are also periodized and consider employees' step increases and other earnings paid at specific times during the year.

Purchased Water

- Purchased water for January was over budget by \$9,937 when periodized.
- Water deliveries decreased from December to January. Well water production decreased while the agency-purchased water increased.

Transfer to/from reserves

- The annual O&M allocation to CIP is \$682,323. Year to date, the District has transferred \$398,022 to CIP.
- There is no annual budgeted transfer amount from undesignated reserves to O&M this fiscal year.
- O&M is anticipated to have a budget surplus of 1.2 million at the end of the fiscal year. The surplus will help fund the next fiscal year's capital plan.
- Year to date, the O&M budget surplus is \$1,127,880.

CIP

- YTD expenditures for CIP as of January 31, 2024, are \$1,786,399. This includes \$1,075,813 in expenditures for rollover CIP projects from FY 2022/23.

Report of Investment

- The Undesignated Reserves are positive \$522,742; this includes cash outflow of grant-funded CIP projects.

- The Undesignated Reserves are positive \$853,715 when adjusted for pending grant reimbursements. We did receive a grant reimbursement in January for \$547,080.

Expenses

- Expenses without purchased water were under budget by 10%. Some expense accounts are over budget due to purchasing budgeted items early in the fiscal year or other unforeseen costs. Total expenses are within budget, even with purchased water at 12% over budget.

Audit Update

- We continue to work with the auditors to complete the FY 2020-2021 audit. This is our top priority, and we estimate that the audit report will be completed by May. We will provide a further update next month.

Recommendation:

Receive and approve, by roll call vote, the monthly financial reports and disbursements in the amount of \$643,756.04 for the month of January.

Attachments:

Monthly Financial Disbursements

Board of Directors Disbursements

Monthly Revenue & Expense Comparison Report

Report of Investments

Capital Improvement Project Summary

Capital Improvement Project – ASR Well Reports

VALLEY OF THE MOON WATER DISTRICT
Monthly Financial Disbursements
JANUARY 2024

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

CK # Vendor Name	Invoice Description	Amount
40804 ACWA	2024 AGENCY DUES	17200
40805 ACWA/JPIA	GROUP INSURANCES (FEB)	2934.46
40806 AFLAC	AFLAC PREMIUM (DEC)	1164.66
40807 AT&T	TELEPHONE - ADMIN OFFICES 11/22/23-12/21/23	56.96
40808 CALIFORNIA WATER EFFICIENCY PA	MD-2024-353 CALWEP & AWE DUES 2024	3270
40809 CAL-WEST RENTALS INC.	EQUIPMENT RENTAL - EXCAVATOR	5078
40810 CINTAS	AED LEASE AGREEMENT AND SERVICE TO REPLENISH EMERGENCY SUPPLIES	296.33
40811 CORBIN WILLITS SYS'S, INC	MONTHLY ACCOUNTING & BILLING SOFTWARE (JAN)	959.87
40812 SWRCB ACCOUNTING OFFICE	SYSTEM 4910013-CONNECTIONS 0-15,000 7/1/23-6/30/24	39992.92
40813 EKI ENVIRONMENT & WATER	ALTIMIRA FF; CHESTNUT EXPL, VERANO & PARK WELL ASR; WELL NO.11 REDRILL; PROF.ENGR/HYDROL-PED WELL	13474.02
40814 FAUSTINO ENTERPRISES, INC	VEHICLE MTNC - TRUCK#44	758.52
40815 FRIEDMAN'S HOME IMPROVEMENT	SMALL TOOLS & EQUIP; EQUIP MTNC/REPAIRS, PARTS & MATERIALS PRESSURE ZONE 3D FF IMPROV-MATERIALS	1442.19
40816 GRAINGER	WATER PUMP	230.17
40817 INFOSEND, INC	DECEMBER STATEMENT : BILL PROCESSING AND POSTAGE	2290.51
40818 NICK BARBIERI TRUCKING, LLC	FUEL	1006.6
40819 PACE SUPPLY CORP.	INVENTORY SUPPLIES; GLEN ELLEN BOOSTER PUMP STATION; PRESSURE ZONE 3D FIRE FLOW IMPROV - MATERIALS	96357.85
40820 PARSONS LUMBER & HARDWARE	PARTS & MATERIALS: PRESSURE ZONE 3D FIRE FLOW IMPROV; PROPANE; SMALL TOOLS & EQUIP.	346.89
40821 PACIFIC GAS & ELECTRIC CO	UTILITIES (DEC)	18587.64
40822 SMILE BUSINESS PRODUCTS	MONTHLY PRINTER LEASE 12/10/23-1/09/24	36.31
40823 SONOMA VALLEY PEST CONT.	OUTSIDE SERVICES - PEST CONTROL	105
40824 SONOMA MATERIALS	SLURRY MIX AND ACCELERATOR	6797.55
40825 STANDARD INSURANCE CO.	GROUP INSURANCES LTD (DEC)	337.69
40826 STATIONARY ENGINEERS, LOCAL 39	UNION DUES FOR O&M (DEC)	809.75
40827 STAPLES BUSINESS ADVANTAGE	OFFICE SUPPLIES	152.36
40828 SOILAND CO., INC.	ROCK MATERIAL	521.62
40829 VERIZON WIRELESS	MACHINE TO MACHINE 11/13/23-12/12/23	185.4
40830 COLEMAN CONSTRUCTION	CUSTOMER REFUND	105.54
40831 DIRT DUDES EXCAVATING	CUSTOMER REFUND	710.8
40832 MAGGIE HUFFMAN	CUSTOMER REFUND	31.01
40833 ANELSY HURTADO	CUSTOMER REFUND	3.71
40834 SCOTT LEWIS	CUSTOMER REFUND	2.84
40835 GARRY SCOTT	CUSTOMER REFUND	166.85
40836 TAP EXCAVATION, INC.	PAVING - G.E. FIRE FLOW & TRANS. IMPROV	101990
40837 ANDERSON'S TREE SERVICE	TREE REMOVAL/HAULING (CLEAN UP)-DONALD AVE TANK	2800
40838 BSK ASSOCIATES	WATER QUALITY TESTING	366.25
40839 B.W.S. DISTRIBUTORS, INC	SAFETY MATERIALS	182.56
40840 CALTEST LABORATORY	ROUTINE WATER TESTING (NOV & DEC)	2023
40841 CAL-WEST RENTALS INC.	EQUIPMENT RENTAL - DUMP TRUCK	2850
40842 CERVANTES LANDSCAPE, LLC	LANDSCAPING SERVICES (DEC); MULBERRY TREE PRUNING & DUMP FEES	2592
40843 COMCAST	INTERNET SERVICE (JAN)	285.87
40844 CORE UTILITIES, INC.	CONSULTING SERVICES (DEC)	2700
40845 NICK CREWS	CELLPHONE REIMBURSEMENT (SEPT23,OCT23,NOV23,DEC23)	120
40846 EKI ENVIRONMENT & WATER	VERANO & PARK WELL ASR; WELL NO.11 REDRILL, CHESTNUT EXPLOR. WELL, PREP LAFCO ANNEXATION FOR SDC	1952.88
40847 FEDEX	POSTAGE TO BSK - ROUTINE WATER TESTING	121.06
40848 HONEY BUCKET NORTH BAY	TRAILER UNIT AND SERVICE 01/01/24-01/28/24	205.98
40849 JD STRAND TRUCKING, INC.	HAULING SERVICES	425
40850 RONALD LEE	WASHING MACHINE REBATE - 17267 HILLCREST AVE	50
40851 KEVIN LOPEZ	O&M CLOTHING ALLOWANCE - PANTS AND BOOTS	550
40852 NICK BARBIERI TRUCKING, LLC	FUEL	1176.12
40853 PITNEY BOWES, INC.	POSTAGE FROM CREDIT LINE	184.89
40854 SUZANNE LARBRE	WATER PURCHASES: LARBRE WELL (DEC)	4077.28
40855 RECOLOGY SONOMA MARIN	TRASH DISPOSAL	537.72
40856 REPUBLIC SERVICES OF SONOMA CO	YARD WASTE DISPOSAL/COMPOST	157.86
40857 NAPA AUTO PARTS	VEHICLE MTNC - PARTS AND MATERIALS	87.48
40858 SONOMA CO. WATER AGENCY	WATER PURCHASES 11/30/23-12/28/23	99938.35
40859 STAPLES BUSINESS ADVANTAGE	OFFICE SUPPLIES	58.69
40860 UNITED RENTALS (NORTH AMERICA)	PRESSURE ZONE 3D FIRE FLOW IMPROV- MATERIALS	3449.73
40861 VERIZON WIRELESS	CELLPHONE SERVICE 12/04/23-01/03/24	316.8
40862 WATER FARM LLC	WATER PURCHASES: CRAIG WELL (DEC)	3946.28
40863 WHELAN, CASEY	REIMBURSEMENT FOR T2 CERT RENEWAL	60
ACH CALIFORNIA EMPLOYMENT DEVELOPMENT	STATE PAYROLL TAXES 01/11/24	3276.03
ACH CALIFORNIA EMPLOYMENT DEVELOPMENT	STATE PAYROLL TAXES 01/25/24	3319.01
ACH EFTPS FEDERAL TAX WITHHOLDING	FEDERAL PAYROLL TAXES 01/11/24	16536.92
ACH EFTPS FEDERAL TAX WITHHOLDING	FEDERAL PAYROLL TAXES 01/25/24	16620.75
ACH EXPERTPAY.COM	PERSONNEL-RELATED DISBURSEMENT PAYROLL 01/11/24 AND PAYMENT FEE	541.5
ACH EXPERTPAY.COM	PERSONNEL-RELATED DISBURSEMENT PAYROLL 01/25/24 AND PAYMENT FEE	541.5
ACH FIRST BANKCARD CENTER	GM & ADMIN TRAVEL EXPENSES - ACWA CONFERENCE	181.56
ACH PAYMENTUS CORPORATION	TRANSACTION FEES FOR DEC 2023	1110.15
ACH PERS	CLASSIC RETIREMENT CONTRIBUTION PAYROLL 01/11/24	2847.51
ACH PERS	CLASSIC RETIREMENT CONTRIBUTION PAYROLL 01/25/24	2832.11

VALLEY OF THE MOON WATER DISTRICT
Monthly Financial Disbursements
JANUARY 2024

CK #	Vendor Name	Invoice Description	Amount
ACH PERS		DEFERRED COMP CONTRIBUTION PAYROLL 01/11/24	1800
ACH PERS		DEFERRED COMP CONTRIBUTION PAYROLL 01/25/24	1800
ACH PERS		HEALTH INSURANCE PREMIUM (JAN)	31493.18
ACH PERS		PEPRA RETIREMENT CONTRIBUTION PAYROLL 01/11/24	7996.89
ACH PERS		PEPRA RETIREMENT CONTRIBUTION PAYROLL 01/25/24	8104.69
ACH RETIREES		RETIREES BENEFITS (JAN)	1981.89
ACH VALIC		401A CONTRIBUTION PAYROLL 01/11/24	250
ACH VALIC		401A CONTRIBUTION PAYROLL 01/25/24	250
ACH VALIC		DEFERRED COMP CONTRIBUTION PAYROLL 01/11/24	1750
ACH VALIC		DEFERRED COMP CONTRIBUTION PAYROLL 01/25/24	1750
ACH WESTAMERICA BANK		OFFICE PHONES/SUPPLIES;ACWA CONF; SUBSCRIPTIONS; EE RELATIONS; TRAINING; PRESS ZONE 3D FIRE FLOW	3451.41

Net Payroll (After Deductions) 86,701.12

BOARD PRESIDENT

643,756.04

GENERAL MANAGER

Board of Directors
January Disbursement

Regular Board Meeting 01/04/24	Pay Date	Bryant	Foreman	Caniglia	Rogers	Yudin-Cowan
	1/11/2024	216.00	216.00	216.00	216.00	216.00
<hr/>						
	Total	216.00	216.00	216.00	216.00	216.00

42% of year remaining

	Actual	Actual	Approved Budget	Approved Budget (Monthly)	Current Month Actual	Variance (Mo)	Budget (YTD)	Fiscal Year To Date Actual	Variance (YTD)	Budget Remaining	% Remaining	Forecasting Notes & Significant Changes for 2023-2024
	21-22	22-23	23-24	JANUARY	JANUARY	JANUARY	07/23-06/24	07/23-06/24	07/23-06/24	23-24	23-24	
Revenues												
Interest Income	\$ 19,274	\$ 71,846	\$ 50,000	\$ 4,167	28,130	23,963	\$ 29,167	\$ 111,923	\$ 82,756	\$ (61,923)	-124%	Interest yield higher than projected
Gain on Sale of Assets	-	-	-	\$ -	-	-	\$ -	-	\$ -	-	-	-
Operating Revenue	6,525,838	6,362,546	7,814,166	\$ 433,171	498,690	65,519	\$ 4,912,236	4,851,079	\$ (61,157)	2,963,087	38%	Recovery lower than anticipated
Backflow Testing Revenue	21,357	45,681	53,821	\$ 4,485	2,188	(2,297)	\$ 31,396	25,323	\$ (6,073)	28,498	53%	This account offsets the backflow outside service expense account
Customer Penalties & Fees	38,091	63,987	23,211	\$ 1,934	5,186	3,252	\$ 13,540	36,908	\$ 23,368	(13,697)	-59%	
Misc. Income	80,673	31,884	12,000	\$ 1,000	3,949	2,949	\$ 7,000	22,722	\$ 15,722	(10,722)	-89%	
Leak Adjustments	(4,287)	(8,393)	(9,613)	\$ (533)	(943)	(411)	\$ (6,043)	(4,971)	\$ 1,072	(4,642)	48%	
Total Revenue	6,680,946	6,567,551	7,943,586	444,224	537,200	92,975	4,987,295	5,042,984	55,688	2,900,602	37%	
Expenses												
Salaries:												
O&M - Operating Wages	900,786	962,035	1,156,283	\$ 86,118	79,501	(6,618)	\$ 650,905	557,781	(93,124)	598,502	52%	
Stand-By	33,313	32,103	32,098	\$ 2,675	2,620	(55)	\$ 18,724	18,643	(81)	13,455	42%	
Net O&M Operating Wages	934,099	994,138	1,188,380	88,793	82,121	(6,672)	669,628	576,424	(93,204)	611,956	51%	
Administration	543,911	613,051	688,660	52,212	52,772	560	\$ 399,062	404,051	4,989	284,609	41%	
Temporary Employees	-	-	-	-	-	-	\$ -	-	-	-	-	
Total Salaries	1,478,010	1,607,189	1,877,041	141,005	134,893	(6,112)	1,068,690	980,475	(88,215)	896,566	48%	
Weighted Wages Transferred to Capital Projects	(553,515)	(601,892)	(469,260)	(34,950)	(33,723)	1,227	\$ (264,160)	(245,119)	19,041	(224,141)	48%	
Net Operating Wages	924,495	1,005,297	1,407,781	106,055	101,169	(4,885)	804,530	735,356	(69,174)	672,424	48%	Net Wages used to calculate Net Position

VALLEY OF THE MOON WATER DISTRICT MONTHLY REVENUE AND EXPENSE COMPARISON PERIOD ENDING JANUARY 31, 2024												
42% of year remaining												
	Actual	Actual	Approved Budget	Approved Budget (Monthly)	Current Month Actual	Variance (Mo)	Budget (YTD)	Fiscal Year To Date Actual	Variance (YTD)	Budget Remaining	% Remaining	Forecasting Notes & Significant Changes for 2023-2024
	21-22	22-23	23-24	JANUARY	JANUARY	JANUARY	07/23-06/24	07/23-06/24	07/23-06/24	23-24	23-24	
Benefits:												
O&M - Operating & Maintenance	173,563	195,575	226,708	18,892	20,713	1,821	\$ 132,247	129,196	(3,051)	97,512	43%	
Administration	102,724	122,828	128,668	10,722	10,477	(245)	\$ 75,056	73,353	(1,703)	55,315	43%	
Retirees	66,250	62,324	66,702	5,558	5,308	(250)	\$ 38,909	29,936	(8,973)	36,766	55%	
Total Benefits	342,537	380,727	422,078	35,173	36,498	1,325	246,212	232,485	(13,727)	189,593	45%	
Mandatory Costs												
Workers Comp:												
Operating & Maintenance	39,666	50,657	55,671	4,639	-	(4,639)	\$ 32,474	23,604	(8,870)	32,067	58%	
Acct/Administration	6,318	6,814	7,519	627	-	(627)	\$ 4,386	3,650	(736)	3,869	51%	
FICA/Medicare:												
Operating & Maintenance	71,069	76,190	86,354	7,196	6,184	(1,012)	\$ 50,373	43,911	(6,462)	42,443	49%	
Administration	37,152	41,731	50,662	4,222	3,780	(442)	\$ 29,553	26,733	(2,820)	23,929	47%	
District Portion/Retirement:												
Operating & Maintenance	82,289	88,765	100,007	8,334	7,687	(647)	\$ 58,337	53,866	(4,471)	46,141	46%	
Administration	59,223	65,275	77,033	6,419	5,988	(431)	\$ 44,936	44,290	(646)	32,743	43%	
CalPERS Accrued Liability	217,969	241,836	235,000	19,583	19,153	(431)	\$ 137,083	134,070	(3,014)	100,930	43%	
Total Mandatory Costs	513,686	571,268	612,245	51,020	42,792	(8,229)	357,143	330,124	(27,019)	282,121	46%	
Travel & Training												
Operating & Maintenance	3,924	4,066	8,466	705	60	(645)	\$ 4,938	4,668	(270)	3,798	45%	Bloodborne pathogens course
Administration	4,041	3,547	12,768	1,064	10	(1,054)	\$ 7,448	4,462	(2,986)	8,306	65%	
Total Travel & Training	7,965	7,613	21,234	1,769	70	(1,699)	12,386	9,130	(3,256)	12,104	57%	
Board of Directors:												
Meeting Compensation	17,269	19,235	33,580	2,798	1,163	(1,635)	\$ 19,588	8,138	(11,450)	25,442	76%	
Travel & Training	4,045	3,334	9,363	780	19	(761)	\$ 5,462	217	(5,245)	9,146	98%	
Total Board Expenses	\$ 21,314	\$ 22,569	\$ 42,943	\$ 3,579	1,182	(2,397)	25,050	8,355	(16,695)	34,588	81%	
Purchased Water												
Purchased Water	\$ 2,051,745	\$ 1,900,631	\$ 2,279,970	126,388	136,325	9,937	\$ 1,433,262	1,600,982	167,720	678,988	30%	Water deliveries increased
GSA Fee	25,000	7,393	\$ 15,000	1,250	619	(631)	\$ 8,750	4,331	(4,419)	10,669	71%	
Total Purchased Water	\$ 2,076,745	\$ 1,908,024	\$ 2,294,970	\$ 127,638	\$ 136,944	\$ 9,306	\$ 1,442,012	\$ 1,605,313	\$ 163,301	\$ 689,657	30%	

VALLEY OF THE MOON WATER DISTRICT MONTHLY REVENUE AND EXPENSE COMPARISON PERIOD ENDING JANUARY 31, 2024											
42% of year remaining											
	Actual	Actual	Approved Budget	Approved Budget (Monthly)	Current Month Actual	Variance (Mo)	Budget (YTD)	Fiscal Year To Date Actual	Variance (YTD)	Budget Remaining	% Remaining
	21-22	22-23	23-24	JANUARY	JANUARY	JANUARY	07/23-06/24	07/23-06/24	07/23-06/24	23-24	23-24
	Forecasting Notes & Significant Changes for 2023-2024										
Services & Supplies											
Safety & Clothing Allowance	16,082	16,522	24,573	2,048	550	(1,498)	\$ 14,334	11,786	(2,548)	12,787	Budgeted items purchased early in the
COVID-19 Response	1,315	593	-	-	-	-	\$ -	-	-	-	52% fiscal year - portable radios
Vehicle Maintenance	14,749	18,608	9,150	763	3,028	2,265	\$ 5,338	14,464	9,126	(5,314)	Dump truck repair and other vehicle
Election Costs	-	25,854	-	-	-	-	\$ -	-	-	-	-58% maintenance
Employee Relations	3,850	3,956	4,570	381	555	174	\$ 2,666	2,657	(9)	1,913	42%
Legal Fees	78,483	114,012	84,000	7,000	12,739	5,739	\$ 49,000	74,549	25,549	9,451	11% Labor negotiations
SDC Expenses	-	-	30,000	2,500	3,709	1,209	\$ 17,500	10,610	(6,890)	19,390	65%
HR Expenses	-	-	10,000	833	1,103	269	\$ 5,833	1,103	(4,731)	8,898	89%
Engineering General Support	-	2,045	3,830	319	1,185	866	\$ 2,234	7,275	5,041	(3,445)	-90% Hydraulic modeling services
Advertising	945	732	4,000	333	748	415	\$ 2,333	948	(1,385)	3,052	76%
Outside Services	26,355	32,992	43,143	3,595	1,162	(2,433)	\$ 25,167	11,775	(13,392)	31,368	73%
Outside Services Backflow	15,992	23,374	53,821	4,485	-	(4,485)	\$ 31,396	-	(31,396)	53,821	100%
Annual Audit	7,956	-	20,651	1,721	-	(1,721)	\$ 12,046	-	(12,046)	20,651	100%
Bad Debts/Collections	12,032	26,950	16,000	1,333	-	(1,333)	\$ 9,333	4,229	(5,104)	11,771	74%
Building MTNC.	7,149	8,573	11,026	919	792	(127)	\$ 6,432	14,899	8,467	(3,873)	-35% AC unit replacement
Dues and Subscriptions	15,998	24,984	26,801	2,233	5,168	2,935	\$ 15,634	16,100	466	10,701	40%
Equipment MTNC./Repairs	18,666	23,795	30,856	2,571	156	(2,415)	\$ 17,999	15,904	(2,095)	14,952	48%
Fees (County/State)	53,760	63,441	71,248	5,937	1,388	(4,549)	\$ 41,561	55,658	14,097	15,590	22% SWRCB (system connections)
Fuel	31,084	33,775	34,739	2,895	2,011	(884)	\$ 20,265	20,192	(73)	14,547	42%
Bank Charges	8,937	11,297	16,003	1,334	480	(854)	\$ 9,335	10,801	1,466	5,202	33% WestAmerica fees increased
Liability Ins. (Incl. Losses)	54,033	70,079	87,664	7,305	7,697	392	\$ 51,137	50,273	(864)	37,391	43%
Postage	24,663	20,663	26,600	2,217	1,965	(252)	\$ 15,517	12,846	(2,671)	13,754	52%
Public Information	15,641	6,324	5,723	477	-	(477)	\$ 3,338	454	(2,884)	5,269	92%
Service Contracts	53,813	68,448	82,511	6,876	5,029	(1,847)	\$ 48,131	32,890	(15,241)	49,621	60%
Office Supplies	9,359	12,563	11,485	957	373	(584)	\$ 6,699	3,871	(2,828)	7,614	66%
Telephone-Internet	14,490	16,243	16,980	1,415	1,387	(28)	\$ 9,905	9,812	(93)	7,168	42%
Small Tools & Equipment	7,142	19,590	30,812	2,568	295	(2,273)	\$ 17,973	19,975	2,002	10,837	Budgeted items purchased early in the
Trash Disposal	7,964	6,133	6,357	530	538	8	\$ 3,708	3,967	259	2,390	35% fiscal year.
Utilities - PG&E	135,454	181,618	170,240	14,187	20,333	6,146	\$ 99,307	106,866	7,559	63,374	38%
Professional Services	116,666	124,312	123,211	10,268	1,080	(9,188)	\$ 71,873	17,902	(53,971)	105,309	37% High peak months early in the FY
Water Testing	31,742	46,360	48,076	4,006	4,232	226	\$ 28,044	18,733	(9,311)	29,343	85%
Water Main Maintenance	86,465	5,142	48,412	4,034	732	(3,302)	\$ 28,240	2,127	(26,113)	46,285	61%
Service Line Maintenance	5,941	6,190	10,959	913	-	(913)	\$ 6,393	539	(5,854)	10,420	96%
Hydrant Repairs	2,282	1,414	4,256	355	-	(355)	\$ 2,483	125	(2,358)	4,131	95%
Misc. System Maintenance	4,369	6,243	7,858	655	382	(273)	\$ 4,584	2,706	(1,878)	5,152	97%
Wells Maintenance	7,733	12,305	13,723	1,144	46	(1,098)	\$ 8,005	3,477	(4,528)	10,246	66%
Pump Maintenance	2,412	9,224	10,621	885	101	(784)	\$ 6,196	18,768	12,572	(8,147)	75%
Storage Tank Maintenance	16,026	8,930	8,512	709	3,197	2,488	\$ 4,965	11,298	6,333	(2,786)	-77% Pump & Motor; G.E. Booster Pump
Water Conservation Program	40,454	18,486	19,000	1,583	50	(1,533)	\$ 11,083	5,899	(5,184)	13,101	-33% Annual service on 8 water tanks
Interest Expense	18,905	(38)	0	0	-	-	\$ -	-	-	-	69%
Equipment Replacement	2,288	3,020	3,000	250	104	(146)	\$ 1,750	842	(908)	2,158	0%
Total Services & Supplies	971,195	1,074,752	1,230,411	102,534	82,315	(20,219)	717,740	596,319	(121,421)	634,092	72%
Total Expenses	4,857,937	4,970,250	6,031,661	427,769	400,970	(26,798)	3,605,073	3,517,082	(87,991)	2,514,579	52%
Revenues Less Expenses	1,823,009	1,597,301	1,911,924	16,456	136,230	119,774	1,382,222	1,525,902	143,680	386,023	42%
O&M Allocation to CIP	(1,998,898)	(2,494,894)	(682,323)	(56,860)	(56,860)	-	\$ (398,022)	(398,022)	-	(284,301)	20%
Transfer to/from Undesignated Reserves	\$ (175,889)	\$ (897,592)	\$ 1,229,601	\$ (40,405)	\$ 79,369	\$	984,200	\$ 1,127,880	\$ 143,680	\$ 101,722	8%

VALLEY OF THE MOON WATER DISTRICT
REPORT OF INVESTMENTS AND RESERVES
For the Month Ended January 2024

Start of Fiscal Year

	LAIF	\$	3,186,228
	SCIP		623,332
Westamerica Bank Checking/Petty Cash			518,516
	TVI		511,592
Total Beginning Cash	\$		<u>4,839,668</u>

Average Rate of
Interest

Year To Date

	LAIF	\$	1,725,193	4.012%
	SCIP		126,753	3.114%
	TVI		2,036,013	5.080%
Westamerica Bank Checking/Petty Cash			744,061	
Total ending Cash	\$		<u>4,632,020</u>	

	Outstanding Payments	\$	(105,316)
	Adjusted Cash/Investment Balance		<u>4,526,703</u>
<hr/>			
(1) Board Designated Reserves (Board Approved with 23/24 Budget)			
(a) Operations & Maintenance Reserve (3 Months Operations)			(1,509,932)
(b) Rate Stabilization Reserve			(642,828)
(c) Capital Improvement Program			(870,000)
	Total Board Designated Reserves		<u>(3,022,760)</u>
	Remaining Cash/Investment Balance	\$	<u>1,503,943</u>
<hr/>			
	Previous Capacity Fees Balance		(1,300,015)
(2) Year To Date Capacity Fees Collected FY 23/24			(125,007)
	Capacity Fees to CIP FY 23/24		1,200,000
	Total Capacity Fees Restricted Funds		<u>(225,022)</u>
<hr/>			
(3) FY 2023-2024 Board Approved Capital Projects			(1,874,494)
Year to Date Capital Project Disbursements			710,587
Remaining Transfer of Current Year Revenues to Capital Project Fund			781,039
	Rollover Projects FY22-23		(1,449,124)
	Year to Date Rollover Projects Disbursements		1,075,813
	YTD Capital Project Unexpended funds		<u>(756,179)</u>
<hr/>			
Undesignated Reserves- funding for remaining 5-Year Capital Plan	\$		<u>522,742</u>
<hr/>			
	Pending Grant Expense Reimbursements	\$	330,973
	Adjusted Undesignated Reserves	\$	<u>853,715</u>
<hr/>			
	Remaining 5-Year Capital Plan	\$	<u>9,766,631</u>

Project #	Project	Improvement Description	CIP Roll Over	Current CIP Budget	Total CIP Budget	Current Month - JAN	YTD Expenditures	Budget Remaining	% Remaining
			2022/23	2023/24	2023/24				
Facilities and Maintenance Projects									
CIP-3006	Install EV Plugs and Solar on Office/Shop	Solar on shop, office, and shade structure. Install EV plugs in yard and office parking for District EVs	127,979		127,979	-	97,979	30,000	23%
CIP-3013	Replace #32 & #33 with F250 or F350 utility body trucks	These two vehicles were purchased at the same time about 20 years ago and have higher mileage. Replacement is needed to maintain fleet reliability.	23,718	-	23,718	-	16,031	7,687	32%
CIP-3015	Caltrans Project on Hwy 12	Work done by Caltrans affecting District facilities.	50,000	-	50,000	-	-	50,000	100%
CIP-5107	County of Sonoma Paving Projects requiring adjustments and or relocation of District facilities	Work done by the County of Sonoma affecting District facilities on Cherry Avenue and Riverside Drive.	-	78,327	78,327	-	-	78,327	100%
CIP-6001	New Services	Customer pays 100%.	-	-	-	(38,009)	27,530		
CIP-6004	All Service Replacements	All service replacements combined.	-	38,076	38,076	732	40,433	(2,357)	-6%
CIP-8100	Valve Replacement Program	Valve replacement for system reliability and control.	-	31,484	31,484	-	3,859	27,625	88%
CIP-9300	Meter Replacement Program	Part "roll-over" moving to supported software and shifting from a physical server to cloud based. Remainder is to buy and install one new AMI collector for better system backhaul. The AMI meters will need to be replaced beginning year 7 to stay ahead of battery life expectancy.	8,909	16,318	25,227	-	3,339	21,888	87%
CIP-3017	Installation of generator at Donald Booster	Using a generator purchased in previous fiscal year. Installation cost only.	6,623		6,623	-	3,855	2,768	42%
CIP-3047	Seismic Vulnerability Assessment (LHMP)	From LHMP. FY1: application for grant funding FY2: carry out assessment. 25% district match. Outsource grant management.	-	21,758	21,758	-	-	21,758	100%
CIP-3050	Lead Service Line Inventory	LCRR - Required by federal EPA.	-	195,818	195,818	3,912	32,726	163,092	83%
CIP-3051	Emergency Preparedness	Update parts and repair clamps in the emergency trailer. Provide MREs and emergency response PPE to ensure system reliability in the days following a major disaster.	-	32,636	32,636	-	-	32,636	100%
CIP-3045	Energy Consumption Evaluation	Engineering level energy evaluation. May result in additional CIP recommendations that will help reduce overall power consumption saving the District money and reducing greenhouse gas emissions.	-	32,636	32,636	12,507	17,829	14,808	45%
Total Facilities and Maintenance Projects			217,229	447,054	664,282	(20,858)	243,580	420,702	63%

Project #	Project	Improvement Description	CIP Roll Over	Current CIP Budget	Total CIP Budget	Current Month - JAN	YTD Expenditures	Budget Remaining	% Remaining
			2022/23	2023/24	2023/24				
Pipeline Projects									
CIP-2996	WMP: P-2. Glen Ellen Transmission and Fire Flow Improvement	Replace existing 6-inch and 8-inch steel and ACP water mains with new 10-inch and 12-inch PVC water mains, replace existing service connections, and replace existing fire hydrants. RFP sent 03/2020. Engineering 07/2020, Construction to begin Spring 2021.	164,916	-	164,916	109	469,328	(304,412)	-185%
CIP-3021	WMP: P-5A. Pressure Zone 3D Fire Flow Improvement	Replace existing 4-inch ACP, PVC, and DIP water mains with new 8-inch PVC throughout PZ-3D, replace eight existing service connections, and replace one existing fire hydrants. <u>Model 1800 Conveyor included.</u>	-	565,697	565,697	38,725	190,699	374,998	66%
CIP-3022	WMP: P-7. Altamira Middle School Fire Flow Improvement	Replace existing 6-inch and 8-inch PVC and ACP water mains with new 12-inch PVC water mains along Arnold Drive, replace existing 6-inch pipe with new 8 and 12-inch pipe adjacent to Altamira Middle School, replace 15 existing service connections, and <u>replace three existing fire hydrants.</u>	-	191,467	191,467	4,684	5,467	186,000	97%
Total Pipeline Projects			164,916	757,163	922,079	43,517	665,493	256,586	28%

Project #	Project	Improvement Description	CIP Roll Over	Current CIP Budget	Total CIP Budget	Current Month - JAN	YTD Expenditures	Budget Remaining	% Remaining
			2022/23	2023/24	2023/24				
Wells, Pumping, & Supply									
CIP-2987	Chestnut Exploratory Well	Develop a minimum 100gpm District owned Well.	197,920	501,656	699,576	-	528,295	171,282	24%
CIP-2989	Redrill Park	Drilled next to & operated with existing well. Develop a minimum 100gpm District owned Well.	869,059	-	869,059	-	287,361	581,698	67%
CIP-3026	VFDs on all well pumps	Install VFDs at AC and Donald	-	32,636	32,636	-	-	32,636	100%
CIP-3046	Pump Station Battery Wall	A battery wall would operate the remote site during power outages unless a large power demand occurs (i.e. water pumps are called by SCADA) in which case the existing generator would turn on and supply the needed power. This would reduce the number of fuel deliveries needed in an emergency , increasing the District's staff time to respond to the emergency in other ways (i.e. leak response/system inspections etc.)	-	54,394	54,394	240	240	54,154	100%
Total Wells			1,066,979	588,687	1,655,666	240	815,895	839,771	51%
Tanks									
CIP-3032	Tank Site Solar upgrade	Right size the solar equipment and use industry standard batteries and enclosures. Engineered by professional and installed by VOMWD staff.	-	81,591	81,591	1,954	61,431	20,160	25%
Total Tanks			-	81,591	81,591	1,954	61,431	20,160	25%
		Total	FY 22-23	FY 23-24	FY 23-24	Current Month - JAN	YTD Expenditures	Budget Remaining	% Remaining
		Total Water System Improvements:	\$ 1,449,124	\$ 1,874,494	\$ 3,323,618	\$ 24,852	\$ 1,786,399	\$ 1,537,219	46%
ASR Projects						Current Month - JAN	Net Project Expenditures		
CIP-3038	Park Well ASR	Grant Funded Projects	-	-	-	(521,124)	5,485	-	
CIP-3039	Verano Well ASR	Grant Funded Projects	-	-	-	(24,364)	325,487	-	
Total ASR Projects			-	-	-	(545,488)	330,973	-	-

MONTHLY REVENUE AND EXPENSE COMPARISON

PERIOD ENDING JANUARY 31, 2024

Current Month Actual

Project To Date Actual

PARK WELL ASR - CIP 3038

Jan-24

Jun 2022 - Jan 2024

Notes

Revenues

Grant Revenue	521,200	767,873
Total Revenue	521,200	767,873

Expenses

Salaries:

O&M - Operating Wages	-	2,257
Administration	76	1,867
Total Salaries	76	4,123

Services & Supplies

Services & Supplies	-	769,235
Total Services & Supplies	-	769,235
Total Expenses	76	773,359
Revenues Less Expenses	521,124	(5,485)

MONTHLY REVENUE AND EXPENSE COMPARISON
PERIOD ENDING JANUARY 31, 2024

Current Month Actual

Project To Date Actual

VERANO WELL ASR - CIP 3039

Jan-24

Jun 2022 - Jan 2024

Notes

Revenues

Grant Revenue	24,440	71,140
Total Revenue	24,440	71,140

Expenses

Salaries:

O&M - Operating Wages	-	1,045
Administration	76	3,946
Total Salaries	76	4,991

Services & Supplies

Services & Supplies	-	391,636
Total Services & Supplies	-	391,636
Total Expenses	76	396,627
Revenues Less Expenses	24,364	(325,487)

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Amanda Hudson, Administration Manager

SUBJECT: Administrative Report

Delinquent Payments & Shut off for Non-pay

- Currently, there are four (4) customers on deferred payment plans as of March 8, 2024. This is four (4) less than reported last month.
- There were 21 shut-offs for non-payment in the month of February; this is seven (7) less than last month.

Final Low Income Household Water Assistance Program (LIHWAP) Payment

- The District has received a total of 11 payments as a part of this program
- Customers can apply through March 31, 2024
- These customers may receive an additional \$200-\$300 payment as a "Final LIHWAP Payment"

FEMA

Saddle Tank project \$659,422 / Admin time toward FEMA projects \$16,892

- All information requested by CalOES for the Saddle Tank project has been submitted.
- Our CalOES Closeout Specialist believes our package has moved on from CalOES to FEMA
- Last contact with our Closeout Specialist was at the end of December 2023. Our next date for follow-up is the end of March 2024.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

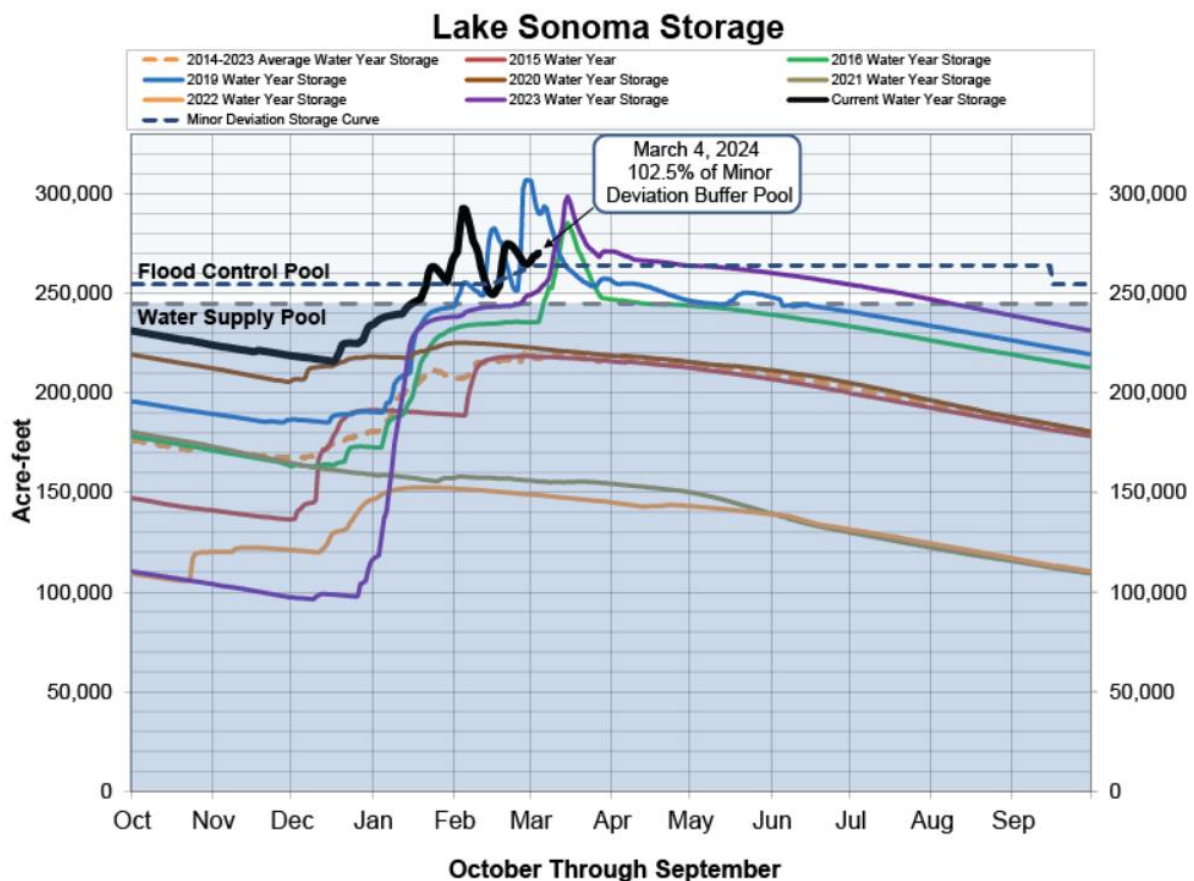
FROM: Brian Larson, Water System Manager

SUBJECT: Water Supply & Water Source Update

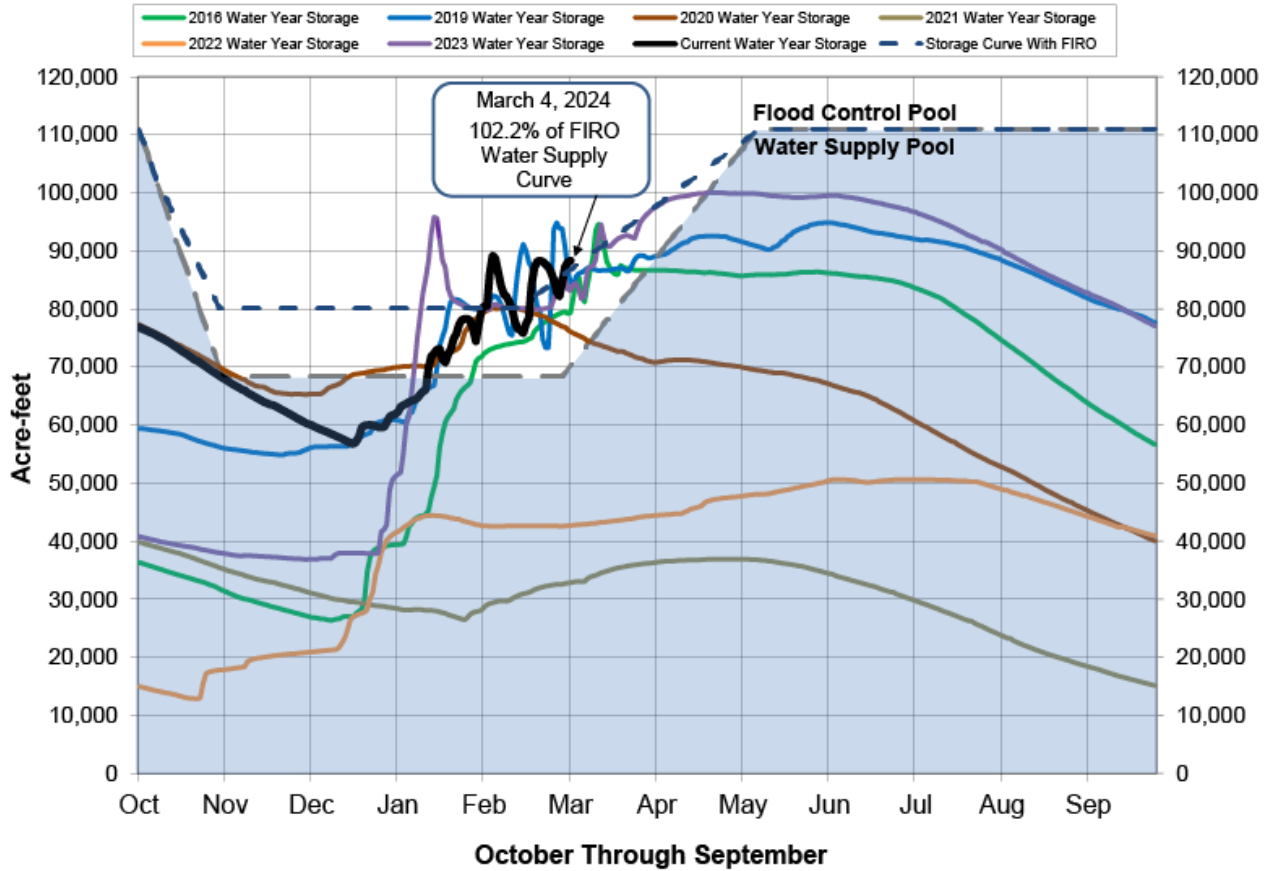
Water source report:

The wells produced over 26% of the District's overall demand for the month of January.

Lake Sonoma was 102.5% of the minor deviation buffer pool, and Lake Mendocino was 102.2% (FIRO) of the Target Curve as of March 4, 2024.

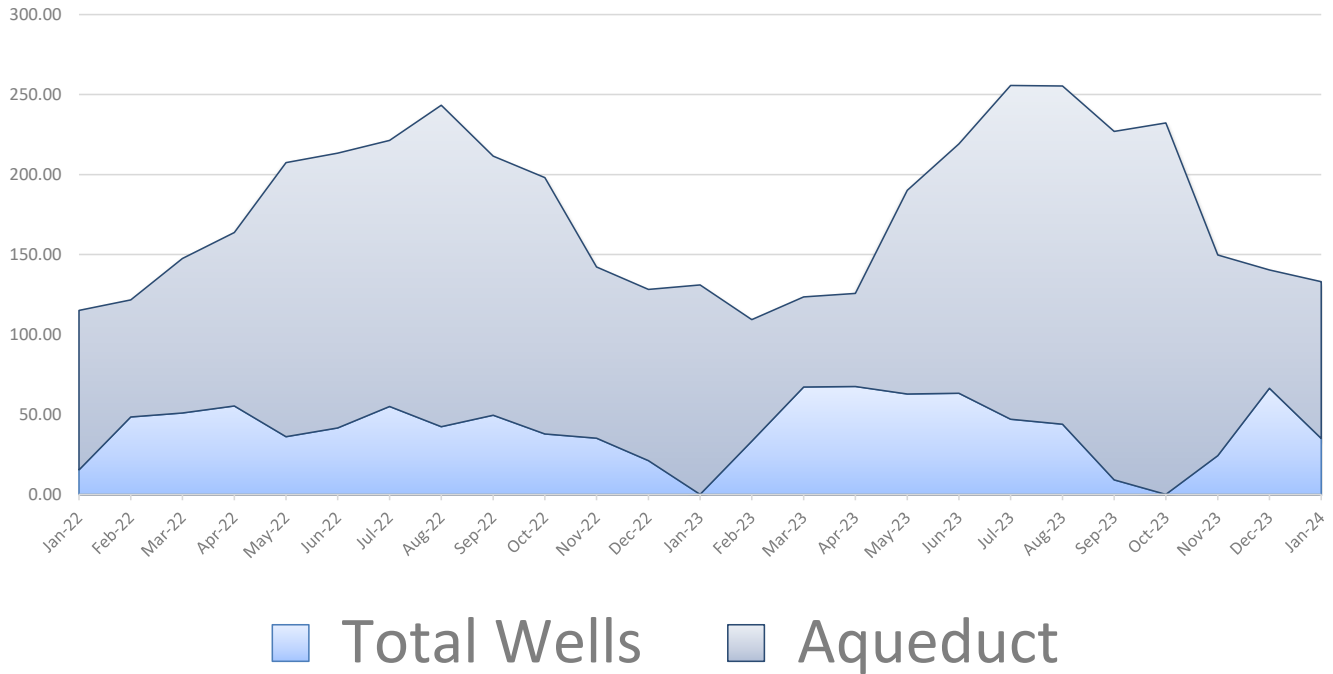


Lake Mendocino Storage



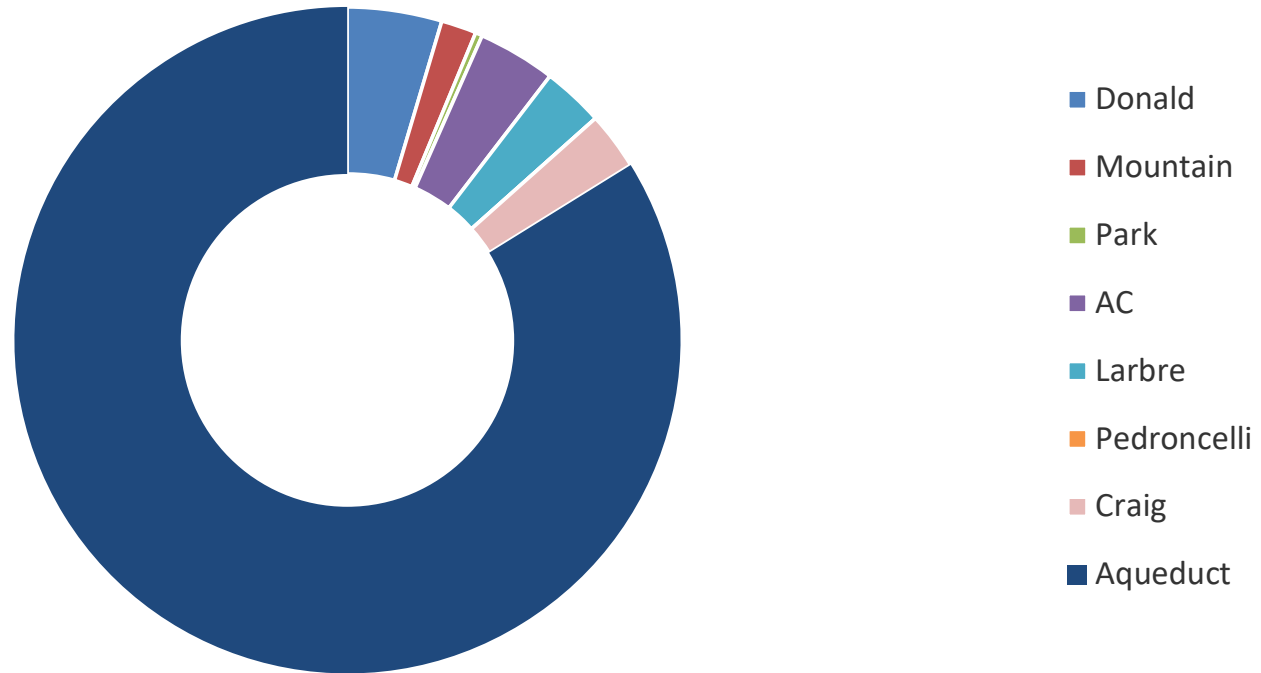
Water Supply Sources - Valley of the Moon Water District

Acre Feet Per Month



Month	Donald	Mt Ave	Park Ave	Agua Cal	Larbre	Pedroncelli	Craig	Aqueduct	Total Wells	Wells %	Total AF Produced	Total AF Deliveries
Jan-22	4.34	2.51	0.06	4.97	3.42			99.69	15.29	13.30%	114.99	110.00
Feb-22	12.27	7.24	4.02	12.19	12.67			73.20	48.39	39.80%	121.59	105.55
Mar-22	12.16	6.86	9.48	8.53	13.89			96.54	50.92	34.53%	147.46	127.09
Apr-22	15.24	3.06	7.71	13.90	15.29			108.54	55.20	33.71%	163.74	162.19
May-22	11.97	1.24	0.00	10.21	12.67			171.28	36.09	17.40%	207.37	147.34
Jun-22	12.00	4.39	0.00	11.73	13.39			171.77	41.51	19.46%	213.28	194.74
Jul-22	14.57	7.90	2.26	13.95	16.32			166.28	55.00	24.85%	221.27	192.42
Aug-22	11.21	5.67	4.65	9.94	10.87			200.95	42.33	17.40%	243.28	228.25
Sep-22	13.74	2.48	6.06	13.31	13.93			162.02	49.51	23.41%	211.53	203.41
Oct-22	10.71	0.00	4.78	9.88	4.77	0.02	7.58	160.39	37.73	19.04%	198.12	215.41
Nov-22	9.72	0.00	3.97	8.53	9.44	0.00	3.51	107.02	35.16	24.73%	142.19	149.59
Dec-22	5.89	0.00	2.47	5.77	5.56	0.00	1.37	107.10	21.05	16.43%	128.15	148.32
Jan-23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	130.94	0.00	0.00%	130.94	114.47
Feb-23	8.75	3.14	1.36	7.33	7.48	0.00	5.22	76.00	33.28	30.45%	109.28	101.69
Mar-23	14.89	8.92	6.51	9.68	15.46	0.00	11.64	56.32	67.10	54.37%	123.41	107.96
Apr-23	13.76	7.43	5.10	13.73	13.34	0.00	14.15	58.18	67.52	53.72%	125.69	108.20
May-23	13.87	7.11	0.00	13.64	14.22	0.00	13.97	127.30	62.82	33.04%	190.11	120.92
Jun-23	17.14	1.06	0.00	15.53	15.34	0.00	14.24	155.84	63.31	28.89%	219.15	179.91
Jul-23	13.62	3.25	0.00	12.33	10.66	0.00	7.14	208.67	47.00	18.38%	255.66	183.25
Aug-23	13.33	7.69	0.00	9.59	4.31	0.00	8.99	211.39	43.91	17.20%	255.31	244.45
Sep-23	2.92	1.72	0.00	2.36	0.00	0.00	2.02	217.91	9.02	3.98%	226.94	218.98
Oct-23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	232.29	0.00	0.00%	232.29	245.00
Nov-23	7.06	2.54	0.00	6.21	3.43	0.00	4.98	125.39	24.22	16.19%	149.61	170.32
Dec-23	17.11	7.73	1.70	14.38	15.12	0.00	10.25	74.10	66.29	47.22%	140.40	168.50
Jan-24	9.74	0.85	3.03	8.00	7.64	0.00	5.75	97.91	35.02	26.35%	132.93	120.81
FY to date (Acre Feet)	63.78	23.78	4.73	52.88	41.15	-	39.15	1,167.67	225.47	16.18%	1,393.14	1,351.31

Water Production



Actual Month	Wells								Aqueduct	Total	Wells %	Aqueduct flow rate*
	Donald	Mountain	Park	AC	Larbre	Pedroncelli	Craig	Total				
Jul-23	13.62	3.25	0.00	12.33	10.66	0.00	7.14	47	208.67	256	18%	2.19
Aug-23	13.33	7.69	0.00	9.59	4.31	0.00	8.99	44	211.39	255	17%	2.22
Sep-23	2.92	1.72	0.00	2.36	0.00	0.00	2.02	9	217.91	227	4%	2.37
Oct-23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	232.29	232	0%	2.44
Nov-23	7.06	2.54	0.00	6.21	3.43	0.00	4.98	24	125.39	150	16%	1.36
Dec-23	17.11	7.73	1.70	14.38	15.12	0.00	10.25	66	74.10	140	47%	0.78
Jan-24	9.74	0.85	3.03	8.00	7.64	0.00	5.75	35	97.91	133	26%	1.03
Feb-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0	0%	0.00
Mar-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0	0%	0.00
Apr-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0	0%	0.00
May-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0	0%	0.00
Jun-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		0	0%	0.00
Sub-Total	64	24	5	53	41	0	39	225	1,168	1,393	16%	
* Average daily rate of flow during the month (in millions of gallons per day)												
Annual Target	104	65	28	119	94	0	55	465	1,739	2,204	21%	
% of Target	61%	37%	17%	44%	44%		72%	48%	67%	63%		

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Brian Larson, Water System Manager

SUBJECT: Operations Update

CIP Project Update:

- **CIP 3021: Pressure Zone 3D Fire Flow Improvement Chestnut:**
The crew is making good progress and all the main has been installed with a total of 1100'. We are preparing for tie-ins next week and starting the cleanup process. The project will continue as the weather permits. We are still on track to complete by the end of the fiscal year.
- **CIP 3022: Altimira Fire Flow**
EKL is currently designing the project, consisting of 4000+/- feet of 12" PVC. There has been correspondence with EKL on the placement and location of the new main. This project will be ready for construction in July of 2024.
- **CIP 3032: Tank Site Solar Upgrade**
We have two tank sites in this project, Sobre Vista 210K and Temelec 1Mil. Sobre Vista site will be complete in a week, and weather permitting, we will start Temelec. We are still on track to complete by the end of the fiscal year.
- **CIP 3045: Energy Consumption Evaluation**
San Timoteo Energy Associates (STEA) was hired to evaluate the energy consumption of the District. STEA has completed a final report on District water infrastructure complete with recommendations for equipment changes, an opinion of probable cost for each, and an estimated payback timeline. This will help inform the District's 5-year capital plan. One additional report evaluating the District's shop and office facilities is expected later this month.
- **3051: Emergency Preparedness**
This project is to help the District prepare for a major disaster. We are in the process of purchasing parts and equipment as delineated in the project description. Among the purchases, are meals-ready-to-eat (MRE's) and sleeping cots for staff, should an extended stay be necessary following a major disaster.

The table below shows a subjective percentage completed for each of the CIP projects based on an estimate of the time requirement remaining. The percentage will not match the one shown on the CIP budget update, because that number accounts only for the budget remaining.

Project Number and Description	Percent Complete
Project: Equipment purchases (Various Accounts)	50%
Project 2987: Chestnut Exploratory Well	100%
Project 2989: Park Well Drilling	100%
Project 2996-P-2: Glen Ellen Transmission and Fire Flow Improvement	100%
Project 3006: Solar – Office/Shop	100%
Project 3013: Replacement of vehicles #32 and #33	100%
Project 3021: Pressure Zone 3D Fire Flow Improvement Chestnut	85%
Project 3022: Altimira School Fire Flow Engineering	20%
Project 3026: VFD's at Donald and AC Wells	0%
Project 3046: Pump Station Battery Bank	25%
Project 5107: County Paving	100%
Project 9300: AMI Collector	15%
Project 3050: Lead Service Inventory	45%
Project 3051: Emergency Preparedness	35%
Project 3045: Energy Consumption Evaluation	95%
Project TBD: Seismic Vulnerability	0%
Project 3032: Tank Site Solar Upgrade (2023)	60%
Average Percent Complete	61%

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: March 4th Technical Advisory Committee (TAC) Meeting Updates

General Manager Fullner attended the March 4th TAC Meeting and acted as Chair in the absence of Chair Burke. The following are highlights from that meeting:

Consider Recommendation – FY2024-25 Draft SCWA Water Transmission System Budget and Rates:

Sonoma Water staff, Jake Spaulding, gave an update and presentation of the draft FY 24-25 Budget. Cristina Goulart of the TAC Finance Subcommittee then reported out that the committee was in support of the Budget as drafted. The TAC then voted to recommend that the WAC approve the Budget at the next WAC meeting in April.

Water Supply and Temporary Urgency Change Order Updates:

- Lake Mendocino is at 88,000 AF and Lake Sonoma is at 270,000 AF. Both are above the FIRO pool (in excess of 100% full).
- The water year is still classified as “normal” and will be evaluated every two weeks.

Sonoma Marin Saving Water Partnership

a. 2024 Water Production Relative to 2013 Benchmark

The SMSWP partners continue to do very well compared to the 2013 benchmark with an overall savings of -17% for the month of January and YTD. The District has seen a savings of -24% for January and YTD.

b. Water Use Efficiency Messaging

The messaging continues to focus on “Fix-a-Leak-Week” and the “Dye Tab Challenge”. Spring messaging is coming soon.

Biological Opinion Status Update

There continue to be very high flows in the system. So far it looks like the new construction in Dry-Creek is holding up well, but that will be verified after the flows recede.

Potter Valley Project Update

The newly formed Eel Russian Project Authority (ERPA) is holding its next meeting on the 19th in Ukiah. The main topic will be selecting a preferred option for the new diversion design to advance engineering and construction through the PG&E project abandonment process.

SCWA Government Affairs Update:

The State budget deficit is now estimated to be \$74 billion, meaning that funds for a state water bond are unlikely in the coming fiscal year.

On the federal side, the Army Corps was able to secure funding for vegetation management at both reservoirs, and SCWA was able to secure funding for atmospheric river (AR) observation aircraft from the Air Force.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: District Employee Handbook Update, Resolution No. 240301

Background:

Each year, new laws that affect the employer/employee relationship are passed, and every few years, a new MOU is negotiated. The District's staff and Legal Counsel check in annually to make sure the Employee Handbook is still in alignment with the law and any changes to the MOU to the degree possible. Occasionally, changes are needed to maintain compliance with the law or consistency with the MOU. This year, staff recommends that the following changes or additions be made:

- Cannabis-related updates
- Long-Term Disability – previously in Handbook as applicable after six months of employment; staff verified with the insurance company that referenced an elimination period (i.e., six months of a plan-defined disability before the policy kicks in, not a “waiting period”) and was directed to update to coincide with Dental and Vision waiting period
- Compensatory Time Off – update to coincide with MOU
- On-Call Duty/Call Back – update to reference MOU as opposed to specific rate for on-call pay
- Added Juneteenth to District holidays – update to coincide with MOU
- Bereavement Leave – update to coincide with MOU
- Use of sick leave – updated with California Labor Code section
- Sick Leave Donation – eliminate maximum numbers that can be donated; the minimum balance a donating employee can have is sufficient
- Leave for Reproductive Loss – 2024 law update
- Section X – Acknowledgment of Receipt of Handbook and Harassment, Discrimination, and Retaliation-Free Work Environment Policy – disclaimer for represented employees

Recommendation:

Adopt Resolution No. 240301 approving the above-outlined updates to the District's Employee Handbook

Attached:

- Resolution No. 240301
- Draft revised Employee Handbook

RESOLUTION NO. 240301
A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY OF THE MOON WATER DISTRICT
(DISTRICT) AMENDING THE DISTRICT’S EMPLOYEE HANDBOOK

WHEREAS, due to changing laws and MOU updates, it is necessary to conduct an annual review of the District’s Employee Handbook and for staff and legal counsel to recommend changes to keep the document consistent with the law and other policies; and

WHEREAS, the review carried out in 2024, resulted in a recommendation that the following changes be made:

- Cannabis-related updates
- Long-Term Disability waiting period
- Compensatory Time Off – update to coincide with MOU
- On-Call Duty/Call Back – update to reference MOU as opposed to specific rate for on-call pay
- Added Juneteenth to District holidays – update to coincide with MOU
- Bereavement Leave – update to coincide with MOU
- Use of sick leave – updated with California Labor Code section
- Sick Leave Donation – eliminate maximum numbers that can be donated while keeping the minimum balance for a donating employee
- Leave for Reproductive Loss – 2024 law update
- Section X – Acknowledgment of Receipt of Handbook and Harassment, Discrimination, and Retaliation-Free Work Environment Policy – disclaimer for represented employees

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Valley of the Moon Water District hereby amends the District’s Employee Handbook, as shown in Attachment A.

THIS RESOLUTION PASSED AND ADOPTED THIS 12TH DAY OF March 2024, by the following votes:

Director Bryant _____

Director Caniglia _____

By _____
President

Director Foreman _____

Director Rogers _____

By _____
Secretary

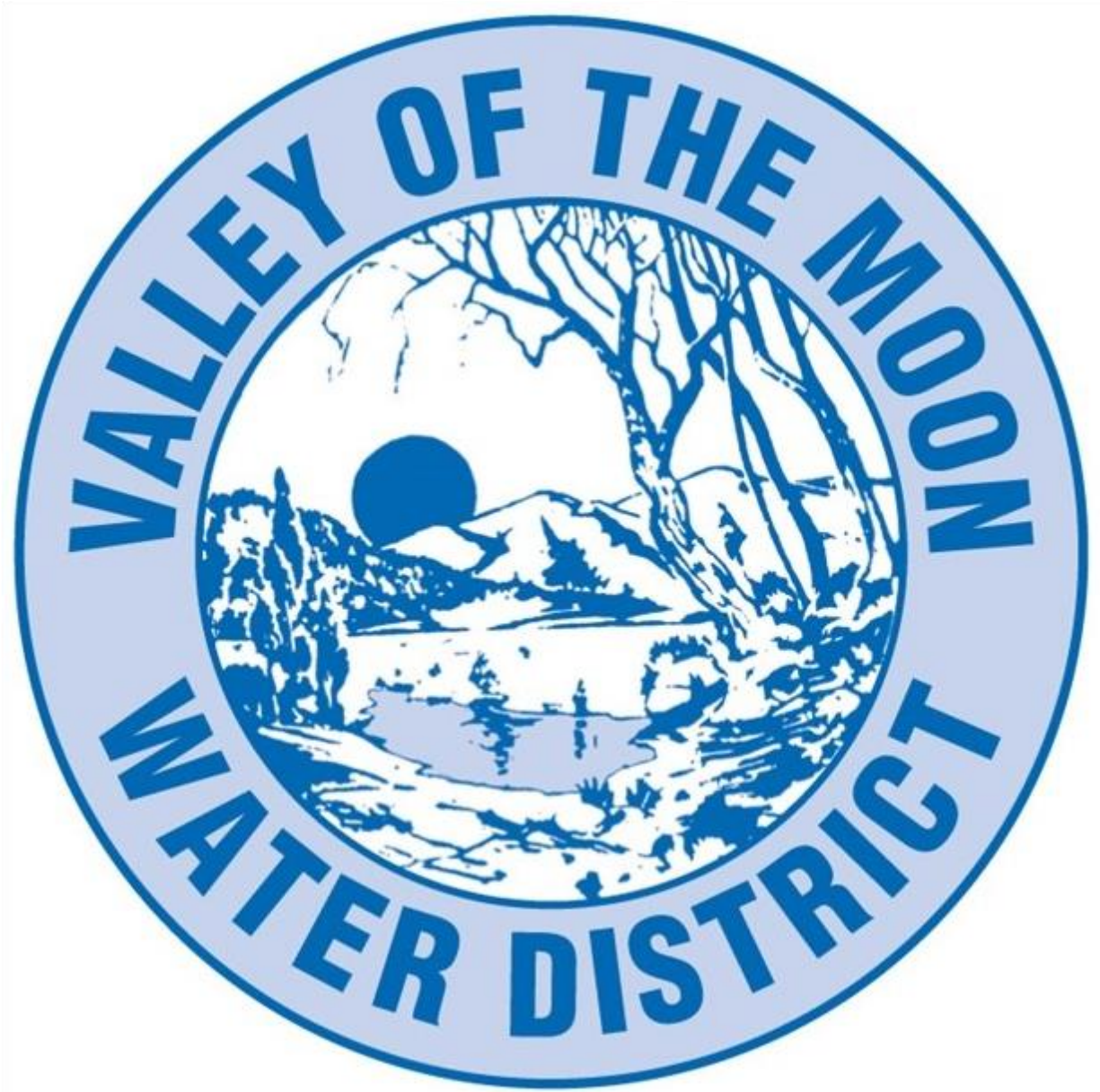
Director Yudin-Cowan _____

AYES _____ NOES _____ ABSTAIN _____ ABSENT _____

I HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of Valley of the Moon Water District, held on the 12th day of March, of which meeting all Directors were duly notified and at which meeting a quorum was present at all times and acting.

By _____
Secretary

EMPLOYEE HANDBOOK



~~2023~~2024

VALLEY OF THE MOON WATER DISTRICT'S MISSION STATEMENT

It is the mission of the Valley of the Moon Water District to provide its customers with reliable, safe water at an equitable price, and to ensure the fiscal and environmental vitality of the District for future generations.

HISTORY OF THE VALLEY OF THE MOON WATER DISTRICT

The Valley of the Moon Water District encompasses a significant portion of the area known as “The Valley of the Moon.” This well-known phrase supposedly comes from the Native American word “Sonoma.” The City of Sonoma, adjacent to Valley of the Moon Water District, is the oldest town north of the San Francisco Bay and is the site of the northern-most mission of the 21 California missions. In 1834, the Mexican government sent General Mariano Vallejo to colonize the Sonoma area. In 1836, he was named Commanding General of all Mexican military forces in California and remained the ruler of lands north of the San Francisco Bay while California was under Mexican rule.

In 1846, while the United States was at war with Mexico, Sonoma and California became officially occupied by the United States. Sonoma was incorporated as a City in 1850 and then unincorporated in 1862 over various boundary disputes. The City was then reincorporated in 1883 after the boundary disputes were settled. Since mid-1880, small unincorporated centers northwest of the City of Sonoma, such as El Verano, Boyes Hot Springs, Agua Caliente, and Fetters Hot Springs, were established as spas and resorts around the natural mineral hot springs and were promoted by the railroad companies. These communities are now all within the service area of the Valley of the Moon Water District.

Water service in the Valley of the Moon and City of Sonoma area was originally provided by private water companies, including Sonoma Water and Irrigation District, one of the oldest companies with an incorporation date of 1904. In 1921, a major consolidation of water companies took place when the Sonoma Water and Irrigation District purchased the Sonoma Valley Water, Light, and Power District, the Sonoma Vista Water District, and the Sonoma Water Works. The Sonoma Water Works system, which served the area within the City of Sonoma boundaries, was sold to the City of Sonoma in 1933. The Sonoma Water and Irrigation District then purchased the Boyes Hot Springs District and the Agua Caliente Water Works in 1927, the Boyes Springs Park District in 1943, and the Donaghy Water District in 1959.

Another major water district serving this area was established in 1921 by the late N. M. Petersen, Sr. He bought four smaller water companies and combined them as the Mountain Avenue Water System. Acquisitions of other water systems by the Mountain Avenue Water System continued through 1935.

In 1957, the Valley of the Moon Fire District was evaluated by the Pacific Fire Board, which noticed the lack of a dependable water supply source. Subsequent inquiries by Fire District Board Members J. Udvic., Thomas Polidori, and F. Serres revealed that many wells in the area were failing due to drops in the groundwater levels in the Valley. Early attempts to have Sonoma County build an aqueduct from Santa Rosa to the Sonoma Water and Irrigation District failed due to the inability of the latter to deposit a \$25,000 cash bond with the County.

Through the efforts of Mr. Polidori, representing the Valley of the Moon Fire Commission, and Supervisor Mitchell, an election was scheduled for the purpose of organizing a public water district, and

to authorize the issuance of bonds. Proceeds of the bond issue were to be used for the acquisition of the two major private water companies operating in the area, for the installation of new mains connecting the distribution systems of the two companies, and for providing a tie to the future Sonoma Aqueduct. The special election was held on May 24, 1960, and by a margin of 9 to 1, the voters approved the issuance of bonds and the formation of the Valley of the Moon Water District (the “District”) The District’s first five-member Board of Directors consisted of the following: Thomas F. Polidori, who served as President; A. L. Ford; Martin Carlson; Oscar M. Larson; and Arnold E. Griewe. The District’s first staff included: Wes Hill, General Manager; Alma Loyal, Secretary; Jack Coffey, Legal Advisor; and Richard Thomssen, Auditor.

Acquisition of the Sonoma Water and Irrigation District and the Mountain Avenue Water System was completed in early 1962, and the Valley of the Moon County Water District started management and operation of the systems on June 1, 1962.

As was pointed out in an engineering report prepared at the time of the formation of the Valley of the Moon County Water District, additional water supply sources needed to be developed to allow normal growth of the communities served. Accordingly, in 1955, voters in the Sonoma County Water Conservation and Flood Control District approved the issuance of bonds for projects to provide water to different parts of the County. The Sonoma County Water Conservation and Flood Control District later called the Sonoma County Water Agency, awarded a construction contract for the first of those projects, the Santa Rosa Aqueduct, in 1956. In 1963, the construction of the Sonoma Aqueduct project was completed. This project consisted of a booster pump in Santa Rosa, 17 miles of 16” and 20” diameter pipeline from Santa Rosa through the center of the Valley of the Moon and El Verano to the City of Sonoma, and one 2.5-million gallon tank and two 2-million gallon tanks.

To the north of the service area of the Valley of the Moon County Water District is the community of Glen Ellen. Water distribution in this area dates back to the 1890s when the Chauvet family agreed to supply some of their neighbors with drinking water. Different private parties operated water systems in this area until 1963 when the newly-formed Valley of the Moon County Water District acquired the facilities of the Glen Ellen Water District and annexed its service area.

Until 1979, water districts organized under the California Water Code included the term “County Water District” in their name. In late 1979, state legislators approved a change in the law that allowed such water districts to drop the word “County” from their titles. On January 21, 1980, the Board of Directors of the Valley of the Moon County Water District passed a resolution to change the name to Valley of the Moon Water District. Today, the District is a public agency that provides high-quality drinking water to more than 23,000 people in a 12-square-mile area in the Sonoma Valley.

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Section I — Handbook Interpretation and Introduction

This Employee Handbook is intended to provide you with a general understanding of the human resource policies, benefits, and rules of Valley of the Moon Water District (the “District”). It is intended to familiarize you with important information about the District as well as information regarding your own privileges and responsibilities as a District employee. It is important that all employees read, understand, and follow the provisions of the Handbook. Employees who fail to comply with any policy in the Handbook are subject to discipline, up to and including termination.

The Handbook may be revised from time to time by the District, and you will be notified in writing of any substantive amendments, deletions, and/or additions to these policies and procedures. This Handbook supersedes and voids all previous Employee Handbooks, policies, and practices that may be inconsistent in any way with that stated herein.

This Handbook works in conjunction with the Memorandum of Understanding (“MOU”), which is provided to all union employees. That is, to the extent any policy in this Handbook is inconsistent with any MOU provision, the terms of the MOU govern for represented employees.

This Handbook cannot anticipate every situation, or answer every question, about employment. You should talk to your supervisor if you have questions or seek clarification.

The District is constantly striving to improve its operations, the services that it provides to customers, and its employee relations. You are encouraged to bring suggestions for improvements to the attention of your supervisor or the General Manager.

Section II — Introduction to Employment

A. *Open Door Policy*

The District is interested in the happiness and well-being of all of its employees. Accordingly, the District promotes an atmosphere in which employees can talk freely with management. Employees are encouraged to discuss with their supervisor, or any District manager, any work-related suggestions or problems so appropriate action may be taken.

B. *Equal Employment Opportunity*

It is the continuing policy of the District to provide equal employment opportunities for all individuals regardless of race, color, religion (including religious dress and religious grooming practices), creed, sex (including pregnancy, childbirth, breastfeeding, reproductive health decision-making, or related medical conditions), gender, gender identity, gender expression, national origin, ancestry, citizenship, age, mental disability or physical disability, medical condition, genetic information, military and/or veteran status, marital status, domestic partner status, sexual orientation, [use of cannabis off the job and away from the workplace \(except as may be required by federal law\), prior cannabis use, and/or](#) or any other basis protected by law.

The District also makes reasonable accommodations as required by law, e.g.: for disabled applicants and employees; for pregnant employees who request an accommodation for pregnancy, childbirth, or related medical conditions; for employees who are victims of domestic violence, sexual assault, or stalking; and for applicants and employees based on their religious beliefs and practices.

All employee decisions, including but not limited to recruitment, hiring, performance appraisal, promotion, training, termination, compensation, or other personnel-related activities are based upon policies and practices that further the principles of equal employment opportunity.

1. **Disability Accommodation**

The District makes reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee, to the extent required by law.

Any applicant or employee who requires an accommodation to perform the essential functions of the job should contact their immediate supervisor or the General Manager and discuss the need for an accommodation. Any supervisor made aware of the need for accommodation will bring it to the attention of the Administration Manager and the General Manager.

The District will then engage in an interactive process to identify possible accommodations if any, that will enable the applicant or employee to perform the job.

2. **Interactive Process**

The interactive process is a timely good faith communication process where management and the individual discuss the accommodation request and possible reasonable accommodation(s). In general, the District initiates an interactive process when: (1) an applicant or employee with a known disability requests a reasonable accommodation, or (2) the District becomes aware of the need for an accommodation through a third party or by observation, or otherwise.

If an accommodation request is made, the District will initiate the interactive process and confer with the individual applicant or employee, as necessary and appropriate, until the interactive process is complete and/or a reasonable accommodation, if any, is determined.

C. Harassment, Discrimination, and Retaliation-Free Work Environment

Harassment and discrimination in employment on the basis of sex (including pregnancy, childbirth, breastfeeding, or related medical condition), gender, race, color, national origin, ancestry, citizenship, religion, creed, age, physical or mental disability, medical condition, sexual orientation, gender identity or gender expression, military or veteran status, marital status, registered domestic partner status, genetic information, reproductive health decision making, [use of cannabis off the job and away from the workplace \(except as may be required by federal law\), prior cannabis use, and/or](#) any other protected basis (collectively the “Protected Characteristics”) is unlawful under federal and state law. Every individual is entitled to work free of discrimination or harassment based on any Protected Characteristic. The law prohibits all employees (including coworkers, supervisors, and managers), as well as third parties with whom the employee comes into contact, from engaging in this impermissible conduct. Accordingly, the District does not tolerate discrimination or harassment in the workplace or a work-related situation. Unlawful discrimination and harassment violate the District’s rules of conduct.

Unlawful harassment in employment may take many different forms. Some examples are:

- Verbal conduct such as epithets, derogatory comments, slurs, or unwanted comments and jokes;
- Visual conduct such as derogatory posters, cartoons, drawings, or gestures;
- Physical conduct such as blocking normal movement, restraining, touching, or otherwise physically interfering with the work of another individual;
- Threatening or demanding that an individual submit to certain conduct or to perform certain actions in order to keep or get a job, to avoid some other loss, or as a condition of job benefits, security, or promotion; and
- Retaliation by any of the above means for having reported harassment or discrimination, or having assisted another employee to report harassment or discrimination.

Sexual harassment under these laws includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or

- such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Internal Complaint Procedure

Discrimination and harassment in employment are not tolerated. In addition, the District prohibits retaliation for having made a report, and/or otherwise participating in the reporting or investigative process, under this policy. Violation of this policy will result in disciplinary action up to, and including immediate discharge.

Any individual who believes they are the object of harassment or discrimination on any prohibited basis, who has observed such harassment or discrimination, or who believes they have been subjected to retaliation, should notify their supervisor, any District manager, or the General Manager. Supervisors who receive a complaint under this policy will report it to the General Manager. The District will conduct a fair, timely, and thorough investigation, and will do so in a confidential manner, to the extent possible. The investigation will be performed by impartial and qualified personnel and will be appropriately documented. Following the investigation, the District will take such action as is warranted under the circumstances, and will timely close the matter.

Agency Complaint Procedure

Both the state and federal governments have agencies whose purpose is to address unlawful discrimination in the workplace. If an individual who provides services to the District believes they have been harmed by an unlawful practice and is not satisfied with the District's response to the problem, they may file a written complaint with these agencies. For the State of California, the agency is called the Civil Rights Department ("CRD"). The local address for the CRD is 2218 Kausen Drive, #100, Elk Grove, California 95758, or <https://calcivilrights.ca.gov/>. For the federal government, the agency is called the Equal Employment Opportunity Commission ("EEOC"). The local address for the EEOC is 1301 Clay Street, #1170, Oakland, California 94612, or www.eeoc.gov.

If, after an investigation and hearing, either of these agencies finds that unlawful discrimination has occurred, the injured employee may, depending on the circumstances, be entitled to reinstatement or promotion, with or without back pay.

Retaliation

Retaliation against any individual for making a report, or for participating in an investigation, under this policy is strictly prohibited. Individuals are protected by law and by District policy from retaliation for opposing unlawful discriminatory practices, for filing an internal complaint under this policy or for filing a complaint with the CRD or EEOC, or for otherwise participating in any proceedings conducted by the District under this policy and/or by either of these agencies.

Training

All employees of the District are required to undergo harassment prevention training as required by applicable law. For more information on this training requirement, employees can visit <https://www.civilrights.ca.gov/shpt>.

D. *Employment of Relatives*

The District's policy is to hire, promote, and transfer employees on the basis of individual merit and to avoid any actual or perceived favoritism or unlawful discrimination in making such decisions.

The District may refuse to hire relatives of present employees if doing so could result in actual or potential problems in supervision, security, safety, or morale, or if doing so could create potential conflicts of interest. For purposes of this policy, the District defines "relatives" as spouses, registered domestic partners, children, siblings, parents, in-laws, and step-relatives.

This policy also applies to employees who marry, or who become relatives, or develop a personal relationship, while employed. Development of such a relationship while employed may necessitate that one or both of the employees leave employment with the District.

E. *New Employees*

New employees are provided an orientation that includes: an initial meeting with their manager; a tour of the local facilities; a meeting with the Administration Manager to review the benefits, office procedures, and employee handbook; training as needed for their position; and a meeting with the General Manager.

1. Anniversary Date of Employment

Every employee shall have an anniversary date, which is the first day of their active employment with the District.

2. Initial Salary

New employees are generally hired at the entry-level position and compensation for each classification unless an appropriate exception is approved by the General Manager.

3. Salary Deductions

All persons employed by District are hired subject to salary deductions covering Federal Income Tax, State Income Tax, State Disability Insurance, State of California Public Employee's Retirement System, and Social Security/Medicare. Other, voluntary salary deductions may be made at the request of the employee.

4. Probationary Period

The District recruits carefully with the goal of hiring the best employee for each position. It is in the interest of both the District and the employee to have an initial period of employment in which the new employee has time to appraise the District and job duties, and the District has a similar initial opportunity to evaluate the new employee's job performance.

Thus, each new employee must satisfactorily complete a probationary period of twelve (12) months measured from the initial date of employment. At the successful completion of the

twelve (12) month probationary period, and upon written notice by the General Manager confirming same, the probationary employee becomes a regular employee. Becoming a “regular employee” does not affect or alter the at-will status of any employee.

The General Manager has the discretion to extend the probationary period.

a. Benefits during Probationary Period

All employees are eligible to receive all legally-required benefits (e.g., Social Security, State Disability Insurance, Unemployment Insurance and Workers’ Compensation benefits, paid sick leave, etc.) from their date of hire. Full-time and part-time employees are also eligible to participate in the District’s Pension Plan from their date of hire. Full-time employees may participate in the District’s health insurance coverage beginning on the first day of the first full month of their employment. For full-time employees only, Group Dental~~and~~, Vision Care, and Long-Term Disability plans will commence on the first day after two complete calendar months of employment. (For example, if employment starts on June 10, coverage would begin on Sept 1). For more on employee benefits, please refer to Section IV or speak to the Administration Manager.

b. Termination

Either the District or the employee may terminate the employment relationship at any time during the probationary period for any reason or no reason, with or without cause, and with or without advance notice.

5. Initial Work Plan

As part of the hiring process, the manager will generally create an initial work plan for newly-hired employees within the first thirty (30) days on the job. This work plan will provide expectations, goals, and objectives to be completed according to timelines set for a particular position. All tasks required by the work plan must be completed satisfactorily as part of the twelve (12) month probationary period.

F. Employee Classifications

District employees are classified into one of the following categories.

1. Full-Time Regular Employee

Defined as employees who have successfully completed their initial probationary period, and are assigned a regular work schedule of thirty (30) hours or more per week.

2. Part-Time Regular Employee

Defined as employees who have successfully completed their initial probationary period, and are assigned a regular work schedule of at least twenty (20), but fewer than thirty (30) hours per week.

3. Temporary Employees

Defined as an employee who is hired to perform a specific task or to be employed for a temporary period of time. Temporary employees are limited to six months on the job for full-time employment, but in any event, no more than one thousand (1,000) hours or one hundred twenty-five (125) days in a fiscal year.

4. Probationary Employee

Defined as an employee who is in their first 12 months of employment, or in their initial probationary period. (See Probationary Period policy, above.)

In addition, employees are also classified as either Non-Exempt/Hourly or Exempt/Salaried.

a. Non-Exempt/Hourly Employee

Defined as an employee who is paid wages for each hour of work performed and who is eligible to receive overtime pay according to federal law.

b. Exempt/Salaried Employee

Defined as an executive/management/professional employee who is paid on a salary basis for all work performed, and who is not eligible for overtime pay. Exempt personnel are expected to work those hours necessary to complete their duties and responsibilities.

G. Promotions

It is the District's intent to promote from within when possible. It is in the District's best interests to fill all positions with the best-qualified individual, however. When job opportunities occur within the organization, promotions and transfer decisions are based on an employee's qualifications and work performance.

H. Work Schedule and District Workweek

Employees generally work a 9/80 schedule. The 9/80 schedule is 80 working hours over nine days or a two-week period. The schedule consists of working eight, nine-hour days, an eight-hour day, and a day off. Typically, Monday through Thursday are nine-hour days, Friday is an eight-hour day, and the following Friday is off. The District reserves the right to terminate this alternate work schedule based on operational needs.

For payroll purposes, the workweek for employees working a 9/80 schedule is as follows:

For non-exempt Operations and Maintenance employees, the workweek starts at 11:00 AM on Friday and ends the following Friday at 10:59 AM.

For non-exempt Administrative employees, the workweek starts at 12 noon on Friday and ends the following Friday at 11:59 AM.

If changes in the employee's work schedule are required or desired, their manager will notify them or respond to their change request at the earliest opportunity. Employees may be required to work overtime or hours other than those normally scheduled. It is the District's intent to allow employees maximum flexibility in scheduling their time while still meeting the needs of the organization.

I. Overtime

Due to varying workloads and cycles throughout the year, a manager may ask an employee to work beyond their normal shift. For non-exempt employees, overtime is any time worked in excess of forty (40) hours per workweek. Any paid time off work (e.g., vacation, holiday, paid sick time) does not count as hours worked for purposes of overtime for non-represented employees.

Overtime is compensated at the rate of one and one-half (1½) times the employee's regular rate of pay.

No employee is permitted to work overtime unless the work is authorized in advance by the District. Generally, overtime work is not authorized except in cases of emergency or when public necessity so requires it.

Employees are required to report all hours worked, including any overtime work, to the District on their time record.

J. Compensatory Time Off

Any non-exempt employee required to work overtime may elect to receive compensatory time off (CTO) in lieu of overtime compensation. To make such an election, the non-exempt employee must voluntarily elect CTO in writing, and in advance of performing the overtime work. No employee shall be eligible to earn CTO on a day when any type of leave is taken; if eligible, overtime will be paid instead.

Non-exempt employees may accrue up to a maximum of 40-60 CTO hours at any time. CTO is provided at a minimum of 1.5 hours of paid time off for each overtime hour worked. Each employee who is separated from the District service shall be entitled to payment for accrued compensatory time at the employee's base hourly rate at the time of separation.

K. On Call Duty/Call Back

An employee required to be "on call" shall be paid the on-call rate ~~of \$5.00~~ currently in effect per the MOU for each hour "on call" in addition to compensation at the employee's regular hourly pay for any work actually performed while "on call." Any employee who is "called back" shall be paid their regular hourly rate, or the overtime rate, if applicable, for the time they are "called back."

L. Attendance

The District relies on its employees to help fulfill its Mission Statement consistently "to provide its customers with reliable, safe water at an equitable price, and to ensure the fiscal and environmental vitality of the District for future generations." Good attendance is essential to meeting these objectives and is an indicator of effective employee performance.

It is recognized that employees may need occasional absences for illness or personal matters, but recurring and excessive absences and/or tardiness adversely affects productivity, morale, workflow, and service, and directly impacts the District's ability to meet its challenging goals.

The District intends to maintain a positive environment that supports its mission while recognizing individual needs and circumstances. If attendance issues arise, employees should speak with their

manager who can discuss the impact of their attendance on the District's goals and their individual performance.

If an employee's absences or tardiness is excessive, or otherwise impacting District operations, they may be subject to corrective action, at the discretion of the District, to make them aware of the problem and/or to create an action plan to resolve issues.

Employees who fail to report to work for three consecutive workdays without notice or approval by their manager may be deemed to have abandoned their job, and as a result, may be subject to termination.

M. Lunch and Rest Periods

Non-exempt employees working a minimum eight (8) hour workday are encouraged to take two fifteen-minute paid breaks per workday, one in the morning and one in the afternoon. Employees working more than four (4) hours, but fewer than six hours in a workday, are entitled to one fifteen (15) minute work break. Work breaks should be taken as scheduled by the supervisor and cannot be used to offset early departure, extend a lunch period, or other such unauthorized use.

Employees working at least eight hours in the workday are expected to take a minimum of thirty minutes for an unpaid duty-free lunch break each day.

N. Lactation Accommodation Policy

The District provides a reasonable amount of break time to accommodate an employee's need to express breast milk for the employee's infant child. The District makes reasonable efforts to provide the employee with the use of a room or other location in close proximity to the employee's work area for the employee to express milk in private. Such space will meet legal requirements, including a surface on which to place a breast pump and personal items, a place to sit, access to electricity, and a nearby sink with running water and a refrigerator for storing breast milk.

An employee may request accommodation for lactation breaks by submitting a request to the Administration Manager. The District will confirm the request in writing and indicate the parameters of the approved accommodation.

The requested break time should, if possible, be taken concurrently with other scheduled break periods. Non-exempt employees must clock out for any lactation breaks that do not run concurrently with normally-scheduled paid rest periods. Any such additional breaks will be unpaid.

O. Performance Evaluations

The District maintains a policy of evaluating its employees' job performance, generally on an annual basis, as a means of measuring the efficiency and effectiveness of operations and providing them with meaningful information about their work. Effective performance appraisals also aid in making personnel decisions related to such areas as training, merit pay increases, promotion, job assignments, retention, and long-range planning. The process is intended to be participatory in nature, involving the employee and their manager.

The process is designed to be as objective as possible, focusing on overall performance in relation to job responsibilities. Performance evaluations also take into account other factors, including but not limited to: conduct, demeanor, and attendance.

In addition to annual reviews, special written performance appraisals may be conducted by the employee's manager at any time to advise them of the existence of particular performance or disciplinary problems.

P. Updates and Access to Personnel Records

It is important that District personnel files contain current information regarding each employee. Employees must inform the Administration Manager as soon as possible in writing or via email whenever there are changes in their personal data such as address, telephone number, marital status, number of dependents, and person(s) to notify in case of emergency.

Employees have the right to inspect their personnel file maintained on them by the District at reasonable times on reasonable written notice to the Administration Manager. A personnel records request and authorization form is available in the office of the Administration Manager.

An employee may also obtain copies of documents in their personnel file to the extent required by law.

Employee files are the confidential property of the District. Access to employee files is limited only to District employees with a "need to know."

Q. At-Will Employment

All non-union personnel of the District are employed on an at-will basis. Employment at-will may be terminated for any reason or no reason, with or without cause and with or without advance notice, at any time, by the employee or the District. Nothing in this Handbook limits the right to terminate at-will employment. No manager, supervisor, or employee of the District, other than the General Manager, has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the General Manager has the authority to make any such agreement, which is binding only if it is in writing and signed by the GM.

Section III — Payroll Administration

A. Time Sheets

Non-exempt employees are required to keep an accurate record of their time on the forms provided by the District. The use of time sheets assures proper cost accounting. Employees must submit signed time sheets on a weekly basis to the supervisor. The time sheet should be completed in a neat and orderly manner (so that all entries are easily read) and must be submitted to the immediate supervisor by the end of the employee's work week.

Vacation, sick, holiday time, and any other non-work time, must be entered on the time sheet and on the absence form.

Exempt employees are generally expected to work during District business hours and must track only their use of accrued paid and/or unpaid time off. Exempt time-off records must be submitted to Payroll.

B. Paydays

Employees of the District are paid bi-weekly, every other Thursday, with the payroll period ending on the previous Friday. Paychecks are generally distributed by noon on Thursday paydays. Employees who elect direct deposit will have their pay available on that payday Thursday. If the pay date lands on a holiday, paychecks will be distributed on the closest business day before the holiday.

C. Direct Deposit

Direct deposit of an employee's paycheck is available. To take advantage of this service, the employee needs to complete the "Direct Deposit" form, attach a voided check, and return these items to Payroll.

D. Deferred Compensation

If an employee wishes to make any changes that affect the amount of money they elect to have deducted from their paycheck, it is their responsibility to provide a copy of the necessary paperwork to Payroll so that changes can be made to their paycheck.

Section IV — Employee Benefits

A. Introduction

The District has developed a broad and comprehensive set of employee benefit programs to supplement regular wages. The District investigates opportunities to improve its benefits package as budget limitations permit.

These employee benefit programs consist of two categories: insured and uninsured. Insured benefits are those that the District pays for through an outside source. Examples of these benefits are Medical, Vision, Dental, Life, and Disability insurance.

Examples of uninsured benefits are vacation, sick, and holiday pay. These are benefits that are paid for directly by the District and are available to eligible employees according to conditions and specifications summarized in these policies.

B. Leaves and Time Off

1. Paid Time Off Policy

Eligible employees accrue paid time off in accordance with their employment status and length of service, and under the guidelines stated in this policy. Regular part-time employees' paid time off accrual is pro-rated according to their scheduled work hours. Categories of paid leave are outlined below:

a. Vacation Policy

The District has established a vacation plan to provide eligible employees with a period of rest and relaxation without loss of pay or benefits. All eligible employees begin accruing vacation benefits on their date of hire.

Under this policy, eligible employees are full-time and part-time employees of the District. Temporary employees are not eligible to accrue paid vacation.

b. Vacation Accrual and Cap:

Accrual. Full-time employees of the District accrue vacation time of up to a maximum of ten (10) working days per year. For purposes of this policy, a "working day" is defined as an 8-hour day.

At the beginning of the employee's fifth (5th) year of employment, the accrual rate increases to a maximum of fifteen (15) working days per year. At the beginning of the employee's tenth (10th) year of employment, the employee's maximum annual accrual increases to twenty (20) working days per year. At the beginning of the employee's twentieth (20th) year of employment and beyond, the employee's accrual increases to a maximum of twenty-five (25) working days per year.

Part-time employees accrue vacation on a pro-rata basis.

Vacation Cap. Eligible employees are permitted to accrue up to a maximum of 2 times their total annual accrual at any time. So, for example, a full-time employee in their third year of service may accrue up to 20 working days (or 160 hours) of paid vacation. Once the employee hits this vacation cap, they will cease to accrue any additional paid vacation until they use sufficient paid vacation time to bring their total accrual below the cap.

2. Vacation Scheduling

Vacation shall be taken at a time approved by Management and on the basis of employment seniority. Vacation requests for five (5) consecutive workdays or more must be requested in writing and submitted to the supervisor by December 1 for the following calendar year. All vacation requests for fewer than five consecutive days require at least two weeks advance notice.

Approved vacation requests may only be changed with the advance approval of Management. Not more than one-third of each department (i.e., either Office or Field) will be granted vacation simultaneously, subject to the operational needs of the District. Vacation requests for longer than three (3) consecutive weeks in duration are generally not approved.

- An employee who leaves the District's service for any reason will be paid out for any accrued but unused vacation upon separation.
- District-paid holidays that occur during an employee's paid vacation shall not be counted as days of vacation. Instead, the employee will be credited with the holiday pay.
- Vacation continues to accrue while the employee is in District-paid status, including during a paid vacation or paid sick time. Vacation does not accrue while the employee is in District-unpaid status.

3. Mandatory Vacation Policy:

All employees listed below who handle cash payments, inventory, or work in financial and/or information systems technology areas are required to take a minimum of three consecutive working days off each year. This policy applies to employees working in the following classifications:

General Manager
Water System Manager
Accounting Specialist
Administrative Specialist
Administration Manager
Finance Manager

4. District Holidays

The District observes the following holidays:

- New Year's Day — January 1
- Martin Luther King's Birthday — Third Monday in January
- Presidents' Day — Third Monday in February
- Memorial Day — Last Monday in May
- Juneteenth — June 19
- Independence Day — July 4
- Labor Day — First Monday in September
- Veterans' Day — November 11
- Thanksgiving Day — Fourth Thursday in November
- Day after Thanksgiving — Fourth Friday in November
- Christmas Day — December 25
- Day after Christmas — December 26
- Two (2) Floating Holidays

Regular full-time employees who do not work on a District-designated holiday will receive eight (8) hours of pay for the holiday.

If a District holiday falls on an employee's regularly-scheduled day off ("RDO"), the employee will receive pay for the holiday and will take the business day immediately preceding the holiday as their alternate RDO.

Part-time regular employees who do not work on a District designated holiday will receive pro rata holiday pay. Temporary employees are not eligible to receive holiday pay but may receive an unpaid day off for the District holiday.

Holidays falling on Saturday are observed on the preceding Friday. Holidays falling on Sunday are observed the following Monday.

All eligible employees shall be paid regular straight time for the holiday. Any employee who is required to work on a District paid holiday shall receive, in addition to that regular straight-time pay, their regular compensation for all hours worked on the District holiday.

5. Floating Holidays

On January 1 and on July 1 of each year, full-time and part-time employees are granted one floating holiday. The floating holidays may be requested and taken only with advance approval of the employee's supervisor or the General Manager, and only in accordance with the operational needs of the District.

Employees may have a maximum of two years' accumulation of floating holidays (i.e., a maximum of four floating holidays) in their bank at any time. Therefore, the District encourages employees to use their floating holidays in the calendar year in which they are granted. If an employee's floating holiday bank is already at its maximum on either January 1 or July 1, the employee will not be granted any

additional floating holiday time.

Floating holidays must be used in increments of a minimum of one (1) day.

Temporary employees are not eligible to receive floating holidays.

6. Bereavement Leave

District employees who have been employed for at least 30 days will be provided up to five (5) days of bereavement leave upon the death of a family member to attend to the necessary obligations and related commitments. A “family member” for the purpose of this policy is defined as: child, parent, grandparent, grandchild, sibling, spouse, domestic partner, or parent-in-law as defined by California Government Code section 12945.2.

Leave may only be taken on regularly scheduled workdays. Leave does not need to be taken on consecutive days, but is only available during the three (3) months following the family member’s death.

For full-time employees, the first three (3) days per calendar year of bereavement leave will be paid at the employee’s base rate of pay at the time of the absence. The remaining two (2) days of bereavement leave may be taken unpaid, but employees may use other accrued paid time off (vacation, sick, comp time, etc.) to receive pay while on bereavement leave. In the event that the deceased family member resided out of state, an additional two (2) days of bereavement leave will be paid at the employee’s base rate of pay at the time of the absence.

Employees must inform their supervisor prior to commencing bereavement leave. The District may require verification of death and relation to the deceased. Leave provided pursuant to this policy will run concurrently with any other applicable leave of absence for covered reasons, to the maximum extent permitted by applicable law.

7. Time Off To Vote

If an employee’s work hours do not allow sufficient time off to vote in a statewide election, the District will provide up to a maximum of two hours of paid time off to allow them to vote. To receive time off for voting, the employee must notify their manager in advance of election day. Time taken for the purposes of voting must be either at the beginning or end of the normal work day.

8. Paid Sick Time

Paid sick time is provided to employees to minimize the economic hardship that may result from the need to take time off for, e.g., short-term illness or injury to employees or their family members, and otherwise in accordance with the law.

Time off for medical and dental appointments also qualifies as a reason to take paid sick time. Sick time may not be used for vacation or other personal time off.

a. Amount of Paid Sick Leave

i. Prior to March 1, 2023 – Accrual Method

Prior to March 1, 2023, the District utilized the following accrual method for paid sick leave:

- During an employee's initial probationary period, paid sick time is accrued at the rate of four hours per month of service beginning on the date of hire and accrued paid sick time can be used beginning on the 90th day of service.
- After completion of the initial probationary period, paid sick time for full-time, regular employees accrues at the rate of eight (8) hours per month of service.
- Part-time regular employees are eligible for paid sick time on a pro-rated basis in accordance with their specific workweek.
- Temporary employees are provided three days (i.e., 24 hours) of paid sick leave upon the date of hire, and can request to use paid sick time beginning on the 90th day of service.

ii. On or After March 1, 2023 – Front-Load Method

Beginning March 1, 2023, the District will utilize a front-load method for paid sick leave in lieu of the accrual method.

- Current Full-Time, Regular Employees: On March 1, 2023, all full-time, regular employees will be provided with a grant of 80 hours of paid sick leave for the 2023 calendar year. (Full-time regular employees accrued 16 hours of paid sick leave in January and February combined, leaving 80 hours still to be accrued in 2023 under the previous accrual method.) These employees will be provided with a new grant of 96 hours of paid sick leave each calendar year thereafter on January 1st. To receive the new grant, the employee must be in active paid status. If not actively working, the employee will be provided the grant of sick leave upon return to active paid status.
- New Employees:
 - New employees are provided 48 hours of paid sick leave at the time of hire. New employees may start using sick leave on their 90th day of employment.
 - During their initial probationary period, new employees are provided a new grant of 48 hours of paid sick leave each calendar year thereafter on January 1st.
 - At the completion of the initial probationary period, new full-time, regular employees are provided with additional 48 hours of paid sick leave so that they receive a total of 96 hours of paid sick leave for the calendar year (January 1st to December 31st). The full-time, regular employee will be provided with a new grant of 96 hours of paid sick leave each calendar year thereafter on January 1st.
 - To receive the new grant of paid sick leave, the employee must be in active paid status. If not actively working, the employee will be provided the grant of sick leave upon return to active paid status.
- Part-Time Regular Employees: Part-time regular employees are provided paid sick time similar to full-time, regular employees, but on a pro-rated basis in accordance with their specific workweek.
- Temporary employees: Temporary employees are provided with a new grant of three days (i.e., 24 hours) each calendar year thereafter on January 1st. To receive the new grant, the employee must be in active paid status. If not actively working, the employee will be provided the grant of sick leave upon return to active paid status.

All previously accrued sick leave hours under the accrual method that was utilized prior to March 1, 2023, will carry over. For example, if a full-time, regular employee has 50 hours of accrued paid sick leave remaining at the end of February 28, 2023, the employee will have a total of 130 hours of accrued paid sick on March 1, 2023 (i.e., 50 hours of accrued paid sick time + 80 hours of front-loaded paid sick time = 130 hours of paid sick time).

Moreover, any unused front-loaded sick time carries over from one calendar year to the next.

b. Use of sick leave: Paid sick time may be used for any reason permitted by law, including but not limited to the diagnosis, care, or treatment of existing health conditions or preventative care for the employee or an employee's family member. For purposes of this policy, [as defined by California Labor Code section 245.5](#), a "family member" includes the employee's spouse, registered domestic partner, child, [grandchild](#), parent, legal guardian or ward, sibling, grandparent, or designated person (which is a person identified by the employee at the time the employee requests paid sick leave). Once designated, an employee cannot change their designated person until at least 12 months have passed. Employees requesting to identify or change a designated person should contact the Administration Manager.

Employees who are victims of domestic violence, sexual assault, or stalking may also use paid sick time to seek aid, treatment, or related assistance. Sick time may also be used, with prior management approval, for health care appointments.

c. Procedure: To receive compensation for paid sick time, the employee shall notify the District office orally or in-writing at least one (1) hour prior to the time set for beginning the employee's daily duties, if at all possible. In the event of absence due to the employee's extended illness (i.e. in excess of three (3) consecutive days), a physician's certificate may be required to verify the illness. Paid sick time may be requested for use in minimum increments of one hour. Non-exempt employees will be paid at their regular rate of pay for sick leave hours used. Exempt employees will be paid for sick leave hours used as the rate that applies to other paid time off hours.

d. Conversion at retirement: Provided the employee is eligible to receive CalPERS retirement benefits and has been an employee of the District for at least ten consecutive years before retirement, then any paid sick time accumulated and unused upon retirement shall be applied to the employee's CalPERS account based on the rules established by CalPERS.

e. Pay for Unused Sick Time: Any employee who has accumulated more than twenty (20) days (i.e. more than 160 hours) of paid sick time may be eligible to receive compensation for unused sick leave if they meet the following:

1. The employee's accumulated paid sick time bank may not be less than twenty (20) days (i.e., 160 hours) at the time of the irrevocable written election on December 1st.

2. The employee may not have taken off fifty-six (56) hours or more of paid sick time at the time of the irrevocable written election on December 1st for any purpose during the previous twelve (12) months (i.e., Year 1).

3. Compensation for unused paid sick time will be made, if approved, during the first half of the following December (i.e., irrevocable written election may be made by a qualifying employee on December 1st of Year 1 to be paid during the first half of December in Year 2).

4. If an employee elects, the employee can receive compensation for unused paid sick time, hour for hour, up to fifty-six (56) hours per year maximum. The irrevocable written election made by qualifying employees on December 1 of Year 1 is to receive cash for part of the unused paid sick time that would otherwise accrue in the immediately following eleven (11) month period, but not to exceed fifty-six (56) hours that will be earned from January 1 through November 30.

5. Any paid sick time actually taken by the employee will be subtracted first from any carryover hours which existed at the end of the prior year (Year 1) and then from the paid sick time hours accrued in the current year (Year 2) for which no election was made.

9. Sick Leave Donation

In the event an employee requests, and takes, a leave of absence under the California Family Rights Act ("CFRA"), they may be eligible to receive donations of accrued paid sick leave from other District employees. Employees may donate a limited amount of their unused accrued paid sick time balances to eligible employees.

To be eligible to receive paid sick leave donations, an eligible employee:

1. Must qualify for and take an approved CFRA leave; and
2. Must have exhausted all their accrued paid leave balances.

Conditions for employees donating hours:

1. Only unused, accrued paid sick time hours may be donated;
2. The employee must have a minimum balance of 80 hours of paid sick time remaining after the donation of hours;
- ~~3. Each employee may donate up to a maximum of 16 hours of unpaid accrued sick time; and~~
- ~~4.~~3. Hours not used by receiving employees will be returned to donating employees at the end of each calendar year.

10. Other Types of Leave and Time Off

Several other types of leaves of absence are available to eligible employees under the District's policies and applicable law. A summary of the various types of leaves is provided below. If employees have additional questions regarding any leaves, they should contact the Administration Manager.

1. General Guidelines

A summary of the rules generally applicable to unpaid leaves of absence is provided below:

- a. The leaves of absence described below are provided without pay from the District. However, employees may request or may be required, to exhaust applicable accrued District-paid time off during an otherwise unpaid leave. Also, employees may be eligible to apply to the State to receive some forms of wage replacement while on certain leaves.
- b. While an employee is on an unpaid leave of absence, they are not eligible to accrue paid vacation or paid sick time off.
- c. If a paid holiday falls during the period an employee is on an unpaid leave of absence, they will not be eligible for the holiday pay.
- d. Unless otherwise required by law, employees on an unpaid leave of absence are generally not eligible for health insurance benefits, except to the extent the employee is eligible for, and elects, continuation coverage pursuant to COBRA.

2. Family and Medical Leave of Absence

Employees may be entitled to an unpaid leave of absence under the Family and Medical Leave Act ("FMLA") and/or the California Family Rights Act ("CFRA"). This policy is intended to provide employees with information concerning FMLA/CFRA entitlements and obligations they may have during such leaves. If employees have any questions regarding FMLA/CFRA leave, they should contact the Administration Manager.

ELIGIBILITY FOR FMLA/CFRA LEAVE

The FMLA and CFRA provide eligible employees with a right to leave, health insurance benefits, and, with some exceptions, job restoration. To be eligible for FMLA/CFRA leave, an employee must:

- Have been employed by the District for at least 12 months (which need not be consecutive); and
- Have worked for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave.

An employee who is not eligible for FMLA/CFRA leave at the start of a leave because the employee has not met the 12-month length of service requirement can meet this requirement while on leave because leave to which the employee is otherwise entitled counts toward the length of service requirement.

EMPLOYEE ENTITLEMENTS FOR FMLA/CFRA LEAVE

Basic FMLA/CFRA Leave Entitlement. FMLA/CFRA provides eligible employees up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. For purposes of FMLA/CFRA leave, the 12-month is determined by a rolling 12-month period measured backward from

the date an employee uses any FMLA/CFRA leave. This means that when an employee requests leave for a qualifying reason, the District will look back over the past 12-month period to determine whether the employee has any FMLA/CFRA time available to them. Leave may be taken for anyone, or for a combination, of the following reasons:

- Disability due to pregnancy, childbirth, or related medical condition (counts only toward FMLA leave and the California Pregnancy Disability Leave (“PDL”) entitlements);
- For bonding and/or caring for a new child by birth or by placement of a new child with the employee for adoption or foster care (counts toward FMLA and CFRA leave entitlements; must be taken within one year of the child’s birth or placement);
- For a serious health condition (excluding pregnancy-related disability) that makes the employee unable to perform one or more of the essential functions of the employee’s position (counts towards FMLA and CFRA leave entitlements);
- To care for the employee’s spouse, child, or parent (not including parent-in-law) with a serious health condition (counts toward FMLA and CFRA leave entitlements);
- To care for the employee’s registered domestic partner, grandparent, grandchild, parent-in-law, sibling, or designated person selected at the time leave is requested (an employee is limited to one designated person per 12-month period) who has a serious health condition (counts towards CFRA entitlements only, except when grandparent, grandchild, or sibling meets FMLA definition of parent or child); and
- For a variety of “qualifying exigencies” arising out of the fact that an employee’s spouse, domestic partner, son, daughter, or parent is on covered active duty or been notified of an impending call or order to covered active duty in the Armed Forces. “Qualifying exigencies” may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, caring for the parents of the military member on covered active duty and attending post-deployment reintegration briefings (counts toward FMLA/CFRA leave entitlements, except that leave taken for registered domestic partners or parent-in-law counts toward CFRA leave entitlement only).

Under the FMLA, a “serious health condition” is an illness, injury, impairment, or physical or mental condition that involves a period of incapacity or treatment connected with inpatient care (e.g., an overnight stay) in a medical care facility, hospice, or residential health care facility; or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee’s job or prevents the qualified family member from participating in school or other daily activities.

Under the CFRA, a “serious health condition” is an illness, injury, impairment, or physical or mental condition that involves either inpatient care in a hospital, hospice, or residential health care facility, any subsequent treatment in connection with such inpatient care or any period of incapacity; or continuing

treatment by a health care provider, including but not limited to treatment for substance abuse. The CFRA defines "inpatient care" broadly and includes a stay in a hospital, hospice, or residential health care facility, any subsequent treatment in connection with inpatient care, or any period of incapacity. A person will be considered an "inpatient" when formally admitted to a health care facility with the expectation that they will remain at least overnight and occupy a bed, even if ultimately discharged or transferred to another facility and do not actually remain overnight. The CFRA defines "incapacity" as the inability to work, attend school, or perform other regular daily activities due to a serious health condition, its treatment, or the recovery that it requires.

Under the FMLA and CFRA, subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, caring for the parents of the military member on covered active duty, and attending post-deployment reintegration briefings.

A leave of absence in connection with a workers' compensation injury/illness or for which an employee receives disability or State of California Paid Family Leave benefits shall run concurrently with FMLA/CFRA leave.

Additional Servicemember Leave Entitlement. In addition to basic FMLA/CFRA leave entitlement described above, an eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered servicemember is entitled to take up to 26 weeks of leave during a 12-month period to care for the servicemember with a serious injury or illness. Leave to care for a servicemember shall only be available during a single 12-month period and, when combined with other FMLA-qualifying leave, may not exceed 26 weeks during the single 12-month period. The single 12-month period begins on the first day an eligible employee takes leave to care for the injured servicemember.

A "covered servicemember" is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is on the temporary retired list, for a serious injury or illness. These individuals are referred to in this policy as "current members of the Armed Forces." Covered servicemembers also include a veteran who is discharged or released from military service under conditions other than dishonorable at any time during the five (5) year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation or therapy for a serious injury or illness. These individuals are referred to in this policy as "covered veterans."

The FMLA definition of a serious illness or injury for current Armed Forces members and covered Veterans is distinct from the definition of “serious health condition” applicable to leave to care for a family member or the employee’s own illness or injury.

Intermittent Leave and Reduced Leave Schedules. FMLA/CFRA leave usually will be taken for a period of consecutive days, weeks, or months. However, employees also are entitled to take FMLA/CFRA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered servicemember. Intermittent or reduced work schedule leave may be taken for absences where the employee or family member is incapacitated or unable to perform the essential functions of the position because of a chronic serious health condition, even if they do not receive treatment by a health care provider. Intermittent or reduced work schedule leave also may be taken for any qualifying exigency.

Employees also are eligible for intermittent leave for bonding with a child following birth or placement. Intermittent leave for bonding purposes generally must be taken in two (2) week increments, but the District permits two (2) occasions where the leave may be for less than two (2) weeks.

Health Insurance Benefits. During FMLA/CFRA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued work.

Restoration of Employment and Benefits. At the end of FMLA/CFRA leave, employees generally have a right to return to the same or comparable position they held before the FMLA/CFRA leave. There may be exceptions for “key employees” under the FMLA. The District will provide notice if an employee qualifies as a “key employee” if it intends to deny reinstatement and any applicable rights in such instances.

Use of FMLA/CFRA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee's FMLA/CFRA leave.

NOTICE OF ELIGIBILITY FOR, AND DESIGNATION OF, FMLA/CFRA LEAVE

Employees requesting FMLA/CFRA leave are entitled to receive written notice from the District telling them whether they are eligible for FMLA/CFRA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA/CFRA leave, employees are entitled to receive written notice of: 1) their rights and responsibilities in connection with such leave; 2) the District's designation of leave as FMLA/CFRA-qualifying or non-qualifying; if FMLA/CFRA-qualifying, the reasons why; and 3) the amount of leave, if known, that will be counted against the employee's leave entitlement.

The District will respond to a leave request within five (5) business days. Once given, approval shall be deemed retroactive to the date of the first day of the leave. The District may designate FMLA/CFRA leave retroactively with appropriate notice provided that doing so does not cause harm or injury to the employee. In other cases, the District and employee can mutually agree that leave is retroactively designated as FMLA/CFRA leave.

EMPLOYEE OBLIGATIONS FOR CFRA LEAVES

Provide Notice of the Need for Leave. Employees who take FMLA/CFRA leave must timely notify the District of their need for FMLA/CFRA leave. The following describes the content and timing of such notices:

1. ***Content of Employee Notice.*** To trigger FMLA/CFRA leave protections, employees must inform the District's Administrative Manager of the need for FMLA/CFRA-qualifying leave and the anticipated timing and duration of the leave, if known. This may be accomplished by either requesting FMLA/CFRA leave specifically or explaining the reasons for leave so as to allow the District to determine that the leave is FMLA/CFRA-qualifying. For example, employees might explain that:

- a medical condition renders them unable to perform the functions of their job;
- they are pregnant;
- they or a covered family member have been hospitalized overnight;
- they or a covered family member are under the continuing care of a health care provider;
- the leave is due to a qualifying exigency caused by a military member being on covered active duty or called to covered active duty status; or
- if the leave is for a family member, that the condition renders the family member unable to perform daily activities, or that the family member is a covered servicemember with a serious injury or illness.

Calling in sick, without providing the reasons for the needed leave, will not be considered sufficient notice for FMLA/CFRA leave under this policy. Employees must respond to the District's lawful questions to determine if absences are potentially FMLA/CFRA-qualifying.

If employees fail to explain the reasons for FMLA/CFRA leave, the leave may be denied. When employees seek leave due to FMLA/CFRA-qualifying reasons for which the District has previously provided FMLA/CFRA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA/CFRA leave.

2. ***Timing of Employee Notice.*** Employees must provide 30 days' advance notice of the need to take FMLA/CFRA leave when the need is foreseeable. When 30 days' notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must notify the District of the need for leave as soon as practicable under the circumstances. Employees who fail to give 30 days' notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA/CFRA notice obligations, may have FMLA/CFRA leave delayed or denied.

Cooperating in the Scheduling of Leave. When planning medical treatment for themselves or their family members or requesting to take leave on an intermittent or reduced schedule work basis, employees must consult with the District and make a reasonable effort to schedule treatment to minimize disruption to District operations. Employees must consult with the District prior to the

scheduling of treatment in order to work out a treatment schedule that best suits the needs of both the District and the employees, subject to the approval of the applicable health care provider. To the extent permitted by applicable law, when employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including a period of recovery from a serious health condition, the District may temporarily transfer employees to alternative positions with equivalent pay and benefits for which they are qualified and which better accommodate recurring periods of leave.

Submit Initial Medical Certifications Supporting Need for Leave (Unrelated to Requests for Military Family Leave). Depending on the nature of FMLA/CFRA leave sought, employees may be required to submit medical certifications supporting their need for FMLA/CFRA-qualifying leave. As described below, there generally are three types of FMLA/CFRA medical certifications: an initial certification, a recertification, and a return to work/fitness for duty certification.

It is the employee's responsibility to provide the District with timely, complete, and sufficient medical certifications. Whenever the District requests employees to provide FMLA/CFRA medical certifications, employees must provide the requested certifications within 15 calendar days after the request, unless it is not practicable to do so despite diligent, good-faith efforts. The District will inform employees if submitted medical certifications are incomplete or insufficient and provide employees with at least seven (7) calendar days to address deficiencies. The District will delay or deny FMLA/CFRA leave to those who fail to address deficiencies or otherwise fail to submit requested medical certifications in a timely manner.

The District (through individuals other than the employee's direct supervisor) may contact the employee's health care provider to authenticate a medical certification.

Whenever the District deems it appropriate to do so, it may waive its right to receive timely, complete, and/or sufficient FMLA/CFRA medical certifications.

1. ***Initial Medical Certifications.*** Employees requesting leave because of their own, or a covered family member's, serious health condition must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of their covered family member. If employees provide at least 30 days' notice of medical leave, they should submit the medical certification before leave begins.

If the District has reason to doubt the validity of an initial medical certification regarding the employee's own serious health condition, it may require the employee to obtain a second opinion at the District's expense. If the opinions of the initial and second health care providers differ, the District may, at its expense, require employees to obtain a third, final, and binding certification from a health care provider designated or approved jointly by the District and the employee. The District will reimburse employees for any reasonable out-of-pocket travel expenses incurred to obtain second or third medical opinions.

2. *Medical Recertification.* Depending on the circumstances and duration of FMLA/CFRA leave, the District may require employees to provide recertification of medical conditions giving rise to the need for leave. The District will notify employees if recertification is required and will give them at least 15 calendar days to provide medical recertification. Recertification will be requested only when the original certification has expired and additional leave is requested.

3. *Return to Work Release.* Unless notified that providing such certifications is not necessary, employees returning to work from FMLA/CFRA leaves that were taken because of their own serious health conditions must provide a release to return to work from their healthcare provider stating they are able to resume work. Employees taking intermittent leave may be required to provide a return-to-work release for such absences up to once every 30 days if reasonable safety concerns exist regarding their ability to perform their duties. The District may delay and/or deny job restoration until employees provide return-to-work releases.

4. *Submit Certifications Supporting Need for Military Family Leave.* Upon request, the first time employees seek leave due to qualifying exigencies arising out of the covered active duty or call to covered active duty status of a military member, the District may require them to provide: 1) a copy of the military member's active duty orders or other documentation issued by the military indicating the military member is on covered active duty or call to active duty status and the dates of the military member's covered active duty service; and 2) a certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military for leaves arising out of qualifying exigencies arising out of a different covered active duty or call to covered active duty status of the same or a different military member.

When leave is taken for a covered servicemember with a serious injury or illness, the District may require employees to obtain certifications completed by an authorized health care provider of the covered servicemember. In addition, and in accordance with the FMLA regulations, the District may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered servicemember confirming entitlement to such leave.

5. *Reporting Changes to Anticipated Return Date.* If the employee's anticipated return to work date changes and it becomes necessary for them to take more or less leave than originally anticipated, they must provide the District with reasonable notice (i.e., within two (2) business days) of the changed circumstances and new return to work date. If employees give the District unequivocal notice of their intent not to return to work, they will be considered to have voluntarily resigned and the District's obligation to maintain health benefits (subject to COBRA requirements) and to restore their positions will cease.

Substitute Paid Leave for Unpaid FMLA/CFRA Leave. Employees may elect to use vacation and sick leave during the time they are not receiving any wage replacement benefits such as Paid Family Leave, State Disability Insurance, or worker's compensation benefits. However, sick leave may only be used if the reason for the leave is a sick leave reason pursuant to California law.

Pay Employees' Share of Health Insurance Premiums. As noted above, during FMLA/CFRA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. If paid leave is substituted for unpaid family/medical leave, the District will deduct employees' shares of the health plan premium as a regular payroll deduction. If FMLA/CFRA leave is unpaid, employees must pay their portion of the premium per a monthly invoice provided by the Administration Manager. The District's obligation to maintain health care coverage ceases if the employee's premium payment is more than 30 days late. If the premium payment is more than 15 days late, the District will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date.

If employees do not return to work for at least 30 calendar days after the end of the leave period (unless they cannot return to work because of a serious health condition or other circumstances beyond their control) they will be required to reimburse the District for the cost of the premiums the District paid for maintaining coverage during their unpaid FMLA/CFRA leave.

COORDINATION OF FMLA/CFRA LEAVE WITH OTHER LEAVE POLICIES

The FMLA/CFRA does not affect any federal, state, or local law prohibiting discrimination, or supersede any federal, State, or local law which provides greater family or medical leave rights. For additional information concerning leave entitlements and obligations that might arise when FMLA/CFRA leave is either not available or exhausted, please consult the District's other leave policies in this Handbook or contact the District's Administration Manager.

QUESTIONS AND/OR COMPLAINTS ABOUT FMLA/CFRA LEAVE

If employees have questions regarding this policy, they should contact the District's Administration Manager. The District is committed to complying with the FMLA/CFRA and will interpret and apply this policy in a manner consistent with the FMLA/CFRA.

3. Personal Leaves of Absence

- a. General:** Employees who have been continuously employed with the District for at least one (1) year may, due to special circumstances, request a personal leave of absence without pay. A personal leave may be granted for up to a maximum of sixty (60) days. Requests for a personal leave will be considered on the basis of length of service, performance, responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact on the District.
- b. Requests:** A request must be submitted in writing to the General Manager, and is subject to the GM's approval before a leave begins. Any request for an extension of a personal leave must be submitted in writing and is subject to approval by the General Manager before any extended period begins.
- c. Status of Employee Benefits During A Personal Leave:** The District does not pay for group health insurance premiums during any portion of an unpaid leave of absence beyond the end of the month in which the unpaid leave begins. Accordingly, employees on an unpaid personal leave who wish

to retain health insurance coverage may be eligible to elect such coverage at their own expense pursuant to COBRA.

d. Reinstatement: While the District will attempt to reinstate an employee returning from an approved personal leave, there is no guarantee of reinstatement. Employees who fail to return to work upon the expiration of their approved personal leave will be deemed to have voluntarily resigned.

4. Pregnancy Disability Leave

Any employee who is disabled by pregnancy, childbirth, or a related medical condition will, upon request and subject to medical certification from their treating healthcare provider, be granted a pregnancy disability leave (PDL) without pay not to exceed four months. Pregnancy-related disability leaves may be taken intermittently, or on a reduced-hours schedule, as medically necessary.

An employee who is granted a PDL may utilize any accrued paid sick time and accrued but unused vacation during the PDL leave. Any portion of the leave that occurs after all paid sick and vacation benefits have been exhausted shall be without pay.

An employee may be entitled to a reasonable accommodation for pregnancy, childbirth, or related medical condition. In addition to other forms of reasonable accommodation, a pregnant employee may request to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if the transfer request is supported by proper medical certification.

Employees returning from a PDL shall be required to provide a physician's statement that indicates that they are medically able to return to work, with or without restrictions.

Group insurance benefits ordinarily provided by the District will remain in effect while an employee is on PDL until the end of the month when the approved leave terminates.

If an employee requires a PDL, they must notify their manager as soon as possible. The written notice should specify the commencement date of the leave, the expected duration of the leave, and must be accompanied by a signed physician's statement.

For employees returning from an approved PDL, the District guarantees reinstatement to the same or similar job to the extent required by law.

5. Jury Duty

Any full-time regular employee who is required to report to jury duty is eligible to receive regular pay for such absence from work for up to a maximum of two weeks. Part-time regular employees are granted paid jury duty on a pro-rata basis.

Employees who wish to receive their regular District pay must endorse to the District any checks or warrants received from the Court in payment of jury duty, exclusive of mileage or other out-of-pocket expenses incurred due to jury duty. If the jury duty continues past two weeks, the District will grant unpaid leave for the remainder of the period until the employee's jury service is complete.

For all other employees, the District grants unpaid leave to serve on a jury.

6. Military Duty Leave

Employees shall be granted military leave in accordance with all applicable laws.

7. School Activity Leave

Any employee who is the parent or guardian of a child in kindergarten through grade twelve (12) may request up to forty (40) hours of unpaid time off work per school year for the purpose of participating in school activities. This time will be unpaid unless the employee chooses to use vacation or compensatory time off for this purpose. Employees will be limited to no more than eight hours off for this purpose in any one calendar month. Upon request, the District reserves the right to require documentation from the school as proof that the employee participated in the school activity. This request must be made in writing with as much advance notice as possible.

If an employee who is the parent or guardian of a child facing suspension from school is summoned to the school to discuss the matter, the employee should alert their supervisor as soon as possible before leaving work. No discriminatory action will be taken against an employee who takes time off for this purpose.

8. Medical Leave

Employees who are not eligible for CFRA leave may nonetheless request an unpaid leave of absence due to the employee's own medical condition that temporarily prevents them from working. A physician's statement must be provided verifying the need for a medical leave of absence and stating the beginning and expected ending dates of the requested medical leave. As soon as an employee becomes aware of the need for a medical leave of absence, they should request a leave from the Administration Manager.

Non-CFRA medical leave may be generally granted for a period of up to 12 weeks in any 12-month period. Employees must take any available and appropriate accrued paid time off in conjunction with the approved period of leave.

Paid time off benefits will continue to accrue as long as the employee on medical leave is in District-paid status. The District maintains health care coverage for employees taking an approved medical leave of absence for as long as the employee is in paid status, or otherwise as required by law. Employees should work with the Administration Manager to make arrangements to pay their share of health plan premiums while on unpaid leave.

When the leave ends, the District will ordinarily return the returning employee to the same position, if it is available, or to a similar available position for which they are qualified. However, the District cannot guarantee reinstatement.

At the conclusion of the leave, the employee must provide a written notice from the health care provider authorizing the employee's return to work. The written notice from the doctor should state work restrictions, if any, and the duration of any such work restrictions.

9. Temporary Light Duty

Employees returning from a leave of absence who are released to work, but who are temporarily medically precluded from performing the full range of their normal duties with or without reasonable accommodation, may be assigned to temporary light duty, if available. The light duty assignment must be one for which they are qualified, and which accords with their medical restrictions.

Any light duty assignment is permitted only pursuant to a written light duty agreement between the employee, the supervisor, and the General Manager that is entered into prior to the start of the assignment.

Any light duty assignment is temporary, generally lasting no longer than thirty days. If an employee on light duty reaches the end of the assignment but remains medically unable to perform the essential functions of their regular position, with or without reasonable accommodation, the employee may be accommodated with a temporary medical leave of absence.

10. Leave for Reproductive Loss

District Employees who have been employed for at least 30 days will be provided up to five (5) days of unpaid leave due to reproductive loss event. A "reproductive loss" for the purpose of this policy is defined as: miscarriage, failed surrogacy, stillbirth, unsuccessful assisted reproduction (such as artificial insemination or embryo transfer), and failed adoption.

Leave for reproductive loss does not need to be taken on consecutive days, but is only available during the three (3) months following the reproductive loss event.

District employees who suffer more than one reproductive loss even within a 12-month period may get up to twenty (20) days of leave within the 12-month period. District employees will not be provided with more than five (5) days per reproductive loss under this policy.

The District will not require documentation to verify a reproductive loss event.

Although leave under this policy is unpaid, employees may use other accrued paid time off (vacation, sick, comp time, etc.) to receive pay while on leave for reproductive loss.

The District will maintain the confidentiality of any employees requesting use of reproductive loss leave. The District will not retaliate against District employees for requesting or taking leave for reproductive loss or sharing information related to leave under this policy.

C. Insurance

The District pays a portion of the premium for group major medical, dental, vision, life insurance, and Section 125 cafeteria plan for eligible employees and eligible dependents. Employees will receive information about such benefits during the new employee orientation.

Eligible employees are full-time and part-time employees as defined in this Handbook.

It is the employee's responsibility to notify the District upon any event (e.g., marriage, divorce, birth of a child, etc.) that may change the status of dependency and/or insurance eligibility.

The following are the types of insurance plans available at the District to eligible employees and their dependents:

- Medical Insurance Plan
- Dental Insurance
- Vision Care Insurance
- Life Insurance
- Section 125 Cafeteria Plan

Please see the actual plan document, or speak with the Administration Manager, for further information.

Workers' Compensation

The District provides workers' compensation coverage to all employees. This coverage protects employees if they sustain an illness or injury on the job. It also provides medical, surgical, and hospital treatment in addition to some payment for loss of earnings that result from work-related injuries.

During a workers' compensation leave, and while receiving workers' compensation benefits, the employee must exhaust their paid time off banks. The employee's accrued paid time off will be coordinated with workers' compensation benefits to bring the employee's compensation up to, but not greater than, the employee's regular pay.

If an employee is injured while working, they must immediately report such injuries to their manager, or another manager, regardless of how minor the injury might be. If there are any questions regarding this workers' compensation coverage, please contact the Administration Manager.

D. Other Benefits

1. California Public Employee Retirement System (CalPERS)

The District contracts with the California Public Employees Retirement System (CalPERS) for employee retirement benefits.

2. Social Security/Medicare Benefits

All Employees of the District are covered by Social Security and Medicare in accordance with the law.

3. Long-Term Disability

The District employees are eligible for long-term disability coverage, ~~beginning six (6) months after the first full month of employment, and otherwise~~ in accordance with the long-term disability policy.

4. Tax Deferred Compensation Plan and After-Tax Deferral Plan

The District provides the opportunity for eligible employees to enroll in a payroll tax deferral plan called "Deferred Compensation 457." All contributions to this plan are made by the employee on a voluntary basis, and by payroll deduction. Such amounts deducted for these voluntary contributions are not included currently in the employee's taxable income. Thus, if an employee elects to participate in this plan and has amounts deducted from their pay, they will see a reduction in salary. The District also provides an after-tax deferral plan called "Roth Elective Deferrals". All contributions to this plan are made by the employee on a voluntary basis, and by payroll deduction.

5. Educational Assistance

Recognizing the mutual benefits derived from personal growth and increased work competence of its employees, the District may provide some financial assistance to regular full-time employees interested in furthering their formal education. To be eligible for such educational assistance, an employee must have completed their initial probationary period and must submit an Application for Educational Assistance for approval.

To receive financial assistance under this program, the requests must be approved in advance by the employee's manager, by the Administration Manager, and by the General Manager. The Educational Assistance Program is further outlined below.

a. Degree/Certification/Professional Designation Programs

Upon appropriate written approval, the District may reimburse an employee for the cost of tuition, books, and parking fee for job-related educational expenses of up to five hundred dollars (\$500.00) per semester with an annual maximum of one thousand dollars (\$1,000.00) per fiscal year. The employee's application for educational reimbursement must include: a description of the entire program, a listing of classes required, an explanation of job-relatedness to the District, a targeted career path with the District, and a defined timeline for completion of courses. A copy of the course description and necessary classes from the school catalog should be included with the request.

b. Additional Requirements

The employee must submit to the General Manager the receipts of their payment for educational expenses for which they request reimbursement along with evidence of satisfactory completion of the approved course with a "C" or better. It is the employee's responsibility to provide their manager and the Administration Manager with transcripts after completion of the course.

Section V — Employee Relations

A. Unacceptable Conduct

The following is intended to provide employees with some guidance concerning unacceptable workplace behavior. Please note that it is impossible to provide an exhaustive list of behaviors that are not acceptable. The following is therefore intended simply to provide some examples:

- Unsatisfactory performance.
- Unprofessional or disrespectful conduct, including but not limited to: using abusive, rude, or vulgar language, or causing inappropriate disruption to the workplace or to fellow employees or visitors, vendors, suppliers, or customers.
- Unsatisfactory attendance, including absenteeism or tardiness.
- Misuse or unauthorized possession/removal of the District's equipment, property, or monies.
- Violation of any District policy, specifically including but not limited to its policy prohibiting workplace harassment, discrimination, and retaliation
- Falsification of District forms, records, or reports including, but not limited to: time sheets, employment applications, and member records.
- Possessing or bringing inappropriate materials (including firearms, weapons, open containers of alcohol, illegal drugs, or chemicals) on or to the District's property.
- Bullying, threatening, or intimidating other employees, supervisors, visitors, and customers.
- Any other conduct unbecoming a District employee and/or any conduct that adversely affects the District's reputation or operations.

The Disciplinary Process:

Employees who engage in workplace misconduct or unsatisfactory performance are subject to discipline, up to and including termination. Some disciplinary steps the District may take include, for example: oral or written counseling, written reprimand, suspension, demotion, and/or termination. At the District's sole discretion, it will decide what disciplinary step or steps to take. Depending on the particular circumstances, the District may decide to move to termination as a first step.

Nothing in this policy requires the District to engage in any particular sequence of disciplinary steps, and nothing in this policy alters or affects the District's policy of at-will employment.

Notice of Proposed Serious Discipline.

If the District proposes to issue serious discipline (i.e., termination, demotion, or an unpaid suspension of longer than five days) to a regular employee, it will provide notice to the employee of the proposed serious discipline, and the reasons underlying the proposed discipline. The District will permit the regular employee an opportunity to respond in writing to the proposed discipline before it becomes final. To respond, the employee must provide a written response to the General Manager within five business days of the issuance of the proposed discipline. The General Manager will review the proposed discipline and the employee's response, if any, and determine whether to uphold, amend, or dismiss the proposed discipline. The General Manager's decision is final.

Employees in any status other than "regular," including probationary employees, are not entitled either to a notice of or to respond to, proposed discipline.

B. Alcohol and Drug-Free Workplace

Behavior resulting from the use of alcohol and/or drugs may detrimentally affect the safety and work performance of District employees and can present a risk to the health and welfare of employees and the public.

In recognition of the District's objective to maintain a safe and productive work environment and the employee's responsibility to perform safely and effectively, the District prohibits substance abuse in the workplace or a work-related situation. For the purpose of this policy, prohibited conduct includes, but is not limited to, the use or possession of illegal drugs or alcohol, or the abuse of prescription drugs, which could impair the employee's work performance and/or ability to perform the job safely.

While at work or in a work-related situation (including driving a vehicle on District business or operating District equipment), it is mandatory that:

- Employees shall not have any amount of alcohol or drugs in their system which would result in their being "under the influence";
- Employees shall not use alcohol, possess open containers of alcohol, or use or possess illegal drugs;
- Employees shall not manufacture, distribute, dispense, sell or provide illegal drugs or alcohol to any person.

If the use of a prescription or over-the-counter drug combined with the duties of the required job creates an unsafe working condition, impacts the employee's ability to work safely or effectively, or may/does render the employee "under the influence," they must report this fact to their supervisor or the Administration Manager immediately, and preferably prior to reporting to work.

[This policy does not apply to cannabis use by an employee off the job and away from the workplace, unless an exception applies. However, employee may not possess, use, or be impaired by cannabis while on duty or at work..](#)

Reasonable Suspicion Testing

Employees may be subject to drug and alcohol testing when District management has a reasonable suspicion that the employee is "under the influence" at work or in a work-related situation.

C. Outside Relations/Media Contact

All requests from the media shall be routed to the General Manager.

Employees are generally not permitted to give or report any confidential information about District operations customers, other employees, outside vendors, or consultants to anyone outside of the District, except as authorized by their job duties or the General Manager. Employees should forward any such request for information, whether oral or written, to the General Manager for handling.

D. Workplace Violence

The District expects that interaction between employees and the public in the course of business shall be conducted with civility and professionalism. The safety and security of employees are of primary importance to the District and the objective of this Policy is to preserve a violence-free workplace for all employees. The following behavior is not tolerated while on District property or while performing work for the District:

- Threats against District employees, customers, visitors, or other individuals;
- Threatening, aggressive, or bullying behavior;
- Acts or threats of violence.

Any person who engages in behavior in violation of this policy may be removed from the premises as quickly as safety permits and may remain off District premises pending the outcome of an investigation. The District will investigate the situation and take appropriate corrective action.

Every District employee has an obligation immediately to report conduct perceived to violate this policy, including bullying, violence, or threat of violence, at work or in a work-related situation. This report should be made as quickly as possible – e.g., in person, by paging system, radio, or telephone, etc. – regardless of the time of day or night. Reports should be made to either the General Manager or the most senior supervisor on site. Supervisors have the duty to inform the General Manager of the report. If the situation warrants, the Sonoma Police Department or Sonoma County Sheriff may also be notified.

To the extent possible, an employee reporting conduct that allegedly violates this policy will be accorded confidentiality. However, the identities of individuals making such reports may be revealed when required, such as during the course of an investigation. Investigation records are maintained in confidence, to the extent permitted by law. The privacy rights of all parties involved in an investigation are protected to the extent possible.

Employees reporting actual or perceived threats in good faith are not subject to retaliation. Whether or not discipline results from an investigation under this Policy, the District does not condone retaliation of any kind against a reporting employee or anyone who participates in the investigation. Employees who believe they are being subjected to retaliation, or who observe retaliation, must report this to a department head or to the General Manager.

Any reports made under this Policy must be factual and based upon witnessed events, without assuming or guessing about motives, reasons, intentions, or making other subjective observations about an employee's behavior.

E. Employment Reference Checks

All outside inquiries regarding a current or former District employee must be referred to the Administration Manager or the General Manager.

Should an employee receive a written or oral request for a reference, or other information, regarding current or former employees, they must refer the request to the Administration Manager for handling. Employees must not issue a reference letter on behalf of any current or former employee or release any employee information.

In response to an outside request for information regarding a current or former District employee, the Administration Manager will verify only an employee's name, dates of employment, and job title. No other data regarding any current or former District employee will be released unless the employee provides written authorization to the District to release such information, or unless the District is required by law to furnish any information.

F. Off-Duty Conduct/Outside Employment

Employees are expected to conduct their personal affairs in a manner that does not adversely affect the District's operations, integrity, reputation, or credibility. Conduct on the part of an employee that adversely affects the District's business interests or the employee's ability to perform their job safely and effectively is not permitted.

While employed by the District, employees are expected to devote their energies to their jobs with the District. Outside employment is not permitted if it:

- Conflicts with an employee's work schedule, duties, and/or responsibilities;
- Creates a conflict of interest or otherwise is incompatible with the employee's District employment;
- Impairs or has a detrimental effect on the employee's work performance with the District;
- Requires the employee to conduct work or related activities on the District's property, during the District's working hours, or using the District's facilities and/or equipment; or
- Directly or indirectly competes with the business or the interests of the District.

Employees who wish to engage in outside employment must submit a written request to the General Manager that explains the details of the outside employment and explains how such outside employment does not violate this Policy.

G. Anti-Fraud/Ethics Policy

Employees must, at all times, comply with all applicable laws and regulations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their manager.

The District requires its employees to conduct themselves in a businesslike manner and perform duties conscientiously, honestly, and in accordance with the best interests of the organization and its goal of service to the community it serves.

Regardless of circumstances, if an employee is concerned about, or observes, that a course of work-related action may involve a conflict of interest, fraud, and/or dishonesty, they should immediately communicate this concern to their manager or the General Manager.

Section VI — Safety

A. Injury Prevention Program

Safety and accident prevention are of primary importance in all phases of District operation and administration.

It is the intention of the District to provide safe and healthful working conditions and to establish and enforce safe work practices at all times. To attain this goal, the District requires all employees to follow all safety rules and practices.

Supervisors are required to ensure workplace safety is an integral part of their regular management functions. It is each employee's duty to understand and follow established safety rules and procedures.

Employees are provided with workplace safety training. However, if an employee is in doubt about how to do a job safely, it is their duty to ask a qualified person for help. Supervisors are responsible for providing safety instruction and for ensuring that all safety rules are followed by all employees under their supervision.

Employees are expected to assist management in accident prevention activities. Employees must report to their supervisor any actual or potentially unsafe conditions immediately. Everyone is responsible for the housekeeping duties that pertain to their job.

Any injury which occurs on the job must be reported to management as soon as possible and, in any event, the employee must report the workplace injury no later than the shift during which it occurs.

If the supervisor is unable immediately to correct any unsafe condition, then the supervisor must report to the General Manager all unsafe conditions or practices observed by them or brought to their attention.

B. Driving on the Job/Vehicle Use

While driving on the job, employees are expected to make driving their number one priority. Accordingly, making phone calls, text messaging, reading and/or writing emails, or engaging in any other distracting activity while driving and or operating heavy equipment for the District is not permitted.

C. Assignment of Vehicles

- A.) District vehicles shall be assigned for use only to employees whose positions or duties require the use of vehicles.
- B.) District vehicles may be assigned for use other than during normal working hours, but only to the following categories of employees and with authorization from the General Manager:
 - i.) Managers and supervisors who frequently need to use District vehicles outside normal working hours to perform work assignments;
 - ii.) Employees whose duties involve emergency work and who are regularly subject to call-outs; or

- iii.) Employees whose duties require that they begin or end the workday at locations other than their normal reporting locations.
- C.) Employees may be permitted to take a work vehicle home only if they comply with all of the following:
- i.) Meet one or more of the requirements in section B above;
 - ii.) Drive to/from home directly to/from a job site or work-related activity only. No other driving of a work vehicle is permitted; and
 - iii.) Passengers, except for co-employees with a current work-related need to be a passenger, are not allowed in the vehicle.
- D.) Parking of District Vehicles
- i.) District vehicles taken home after regular working hours shall be parked at the employee's residence with all windows closed, keys removed, equipment secured and appropriately concealed, security alarm set (when equipped with an alarm), and doors locked.

Section VII — Staff Expense Reimbursement Guidelines

A. Travel Policy

Employees are reimbursed for reasonable expenses incurred in connection with approved travel on behalf of the District. Travel requests to attend conferences, seminars, meetings, and other programs away from the work site must be approved in advance by the supervisor and the GM. Employees traveling for business are expected to incur the lowest reasonable travel expenses. All travel expense receipts must be turned in to Finance within two working days of returning to the District office.

B. Credit Card Use

Credit cards are issued to specific employees who either travel on a regular basis on District business or who are authorized to purchase supplies or services regularly on behalf of the District.

Use of the District credit cards is permitted only for the legitimate, approved business of the District.

C. Employee Incurred Expenses

From time to time staff may need to obtain small items to facilitate the District's operations. Per District Purchasing Policy, petty cash can be used to purchase these items, or alternatively to reimburse staff for these items.

If the cost for the District-related purchase is greater than the amount specified in the District Purchasing Policy, staff must seek reimbursement by completing and submitting an expense report to the supervisor initially, and then to the GM for final review/approval. All work-related expenses must be approved by management prior to purchase.

D. Mileage

The mileage reimbursement rate to an employee who is required to use their own personal vehicles for official District business is the Internal Revenue Service (IRS) rate in effect at the time the expense is incurred. To request reimbursement, the employee should calculate the mileage distance from destination to destination and submit it to their supervisor.

Mileage for the normal commute from the employee's home to work is not reimbursable.

E. Expense Reports

All employee expense reports seeking reimbursement of business-related expenses must be turned in to Finance within two business days of incurring the work-related expense.

Section VIII — Around the Office & Field

A. Dress & Grooming Standards

The District expects its employees to present a professional image to its customers, suppliers and the public. Accordingly, all employees must dress in a manner consistent with good hygiene, safety, and professionalism.

B. Telephone Calls

The District understands that employees may need to speak with their family or tend to non-business activities at times during the work day, but employees should limit any non-worked related calls to break time only, except in cases of emergency.

C. Electronic Communications Policy

To support its business operations, the District uses various forms of electronic communications systems including, but not limited to computers, email, telephones, cell phones, text messages, internet, PDAs, etc. (collectively, the “District Systems”). All District Systems are the property of the District. The District reserves the right to access and disclose all messages, documents, and communications sent through, received by, created on, or maintained on, the District Systems for any purpose. Accordingly, District employees have no right to privacy with respect to any such messages, documents, or communications.

The District Systems should be used to accomplish business-related tasks or any communication directly related to District business, administration, or practices. Incidental and occasional personal use of the District Systems may be permitted, provided any such use is confined to non-working hours, such as break time.

D. Security and Searches

Security is important to everyone. Employees must not discuss the security measures taken to protect the District premises or services with any individual not employed by the District unless that individual has an authorized “need to know.”

As the District does not take any liability for an employee’s personal belongings, employees should leave personal items of value at home.

The District retains the right to search its property and facilities (including employee-assigned lockers, desks, files, and computer systems and including anything brought onto District parking lots) at any time. Moreover, the District reserves the right to search any item of a personal nature that is brought onto District property, including briefcases, purses, or lunch bags. If an employee has anything of a private nature that they do not wish to be subjected to a search, they should leave these items at their home.

E. Break Room

The District has a “kitchen” for employees’ use during breaks and at lunch. It is important that employees clean up after themselves. For example, an employee should clean up their dirty dishes, wipe off the counters, and clean the inside of the microwave if their food splatters during cooking.

F. Supplies

The District provides employees with the supplies needed to do the job. Basic supplies are kept in the supply room. Any special orders should be made by completing the special order forms provided to each department. Special orders must have the approval of the employee’s manager and the Administration Manager before the order can be placed.

Section IX — Leaving the District

A. Voluntary Termination

The District will consider an employee to have voluntarily terminated their employment if the employee elects to resign or retire from the District.

Employees who resign are asked to provide two weeks' advance notice of their intended resignation date. Employees who resign are expected to cooperate fully with the District in concluding any pending work and assisting with an orderly transfer of responsibilities to other District employees.

B. Involuntary Termination

An employee may be terminated involuntarily for reasons including, but not limited to, poor performance, misconduct, or other violations of the District's rules of conduct.

An employee may be subject to involuntary termination if they fail to return from an approved leave of absence upon expiration of the leave. In addition, an employee may be terminated if they fail to report for work without notice to the District for three or more consecutive working dates.

In any event, the District reserves the right to discharge its "at will" employees for any reason or no reason, with or without cause, and with or without prior notice.

C. Termination due to Reorganizations, Economics, or Lack of Work

From time to time, the District may need to terminate an employee as a consequence of a reorganization, job elimination, economic downturn in business, or lack of work. Should the District consider such an economic termination necessary, the District will attempt to provide all affected employees with advance notice when practical.

D. Resignation/Exit Interview

If an employee decides to resign for any reason, their manager, the General Manager, and/or the Administration Manager may meet with them in an exit interview to get their feedback about their employment experience at the District.

E. Property Return Agreement

Upon employment with the District, each employee completes a Property Return Agreement if they receive any District property. District property includes, but is not limited to, laptops, cell phones, PDAs, equipment, keys, any item with a logo (shirts, jackets, ID badges, etc.), reports, records, proprietary information, and any other job-related materials.

All District property must be returned prior to an employee's departure from the District for any reason.

F. Final Paycheck

Employees who separate from employment with the District will be provided their final paycheck no later than the next payroll period following their separation. Employees will be paid out at that time for all accrued but unused unrestricted paid time off, including paid vacation, floating holidays, and CTO. Employees are not paid out for restricted paid time off, such as paid sick time.

G. CalPERS

Employees nearing retirement are urged to avail themselves of the retirement pre-counseling and planning available to them through CalPERS. CalPERS requires at least ninety (90) days notice in advance of the planned retirement date. However, the District recommends employees anticipating retirement make their inquiries at least six (6) months to one (1) year in advance of their planned retirement date to allow sufficient time to address any unforeseen obstacles.

The Administration Manager can provide employees with the contact information of personnel at CalPERS who can assist in retirement planning. It is the employees' responsibility to initiate and fill out all required CalPERS retirement paperwork.

Section X — Acknowledgment of Receipt of Handbook and Harassment, Discrimination, and Retaliation-Free Work Environment Policy

Please review the below upon your receipt of the Valley of the Moon Water District Employee Handbook. Please sign and date the Acknowledgment of Receipt. Return the original to the District, and keep a copy for your records.

Valley of the Moon Water District Employee Handbook Receipt

I have received my copy of the District's Employee Handbook. I understand and agree that it is my responsibility to read and familiarize myself with, and to comply with, the policies and procedures contained in the Handbook. I understand my employment is governed by the contents of this Handbook.

In addition, I acknowledge I have received a copy of the Harassment, Discrimination, and Retaliation Prevention Policy (the "Policy"). I have read the Policy, understand it, and understand I am expected to follow it. I understand any employee who engages in conduct prohibited by the Policy will be subject to disciplinary action, up to and including termination.

I further acknowledge that I have received the California Civil Rights Department's Publication entitled, "Sexual Harassment Fact Sheet."

I understand that any and all policies contained herein, with the exception of the concept of at-will employment, can be changed at any time by the District, in its sole discretion, and with or without advance notice.

I understand and agree that other than the General Manager of the District, no manager, supervisor, or representative of the District has the authority to enter into any agreement, expressed or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the General Manager has the authority to make any such agreement and then only in a writing signed by the General Manager.

I also understand and agree that, for represented employees, if the Memorandum of Understanding between the Valley of the Moon Water District and the International Union of Operating Engineers, Stationary Engineers, Local 39 AFL-CIO ("MOU") and Handbook conflict then the MOU will supersede the Handbook.

Employee Signature: _____ Date: _____

Employee Name (Printed) _____

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Approval of 810 West Agua Caliente Road Water Supply Assessment, Resolution No. 240302

Background:

When a City or County is reviewing certain types of proposed projects under CEQA¹, the California Water Code requires that the City or County obtain a Water Supply Assessment ("WSA") for consideration during its environmental review of the proposed project. (Water Code § 10910.) The City or County does so by requesting that the public water system(s) whose service area includes the project site prepare a WSA for the project. Upon such a request, the public water system is to prepare a WSA, and its governing body is to approve and submit it to the City or County within 90 days or seek an extension of up to 30 days. The governing body's approval is required to take place at a regular or special meeting of the governing body.

Discussion:

In this case, the Hanna Boys Center Project team ("Project Proponent") for the 810 W Agua Caliente Development (Proposed Project) notified Sonoma County in its project application materials that it planned to work with the District on preparing a WSA.

A WSA was prepared by EKI Environment and Water, concerning the Proposed Project. The WSA has been carefully reviewed by both District staff and legal counsel. The Proposed Project is a mixed-use development comprised of approximately 61 acres across two parcels. The Proposed Project includes the construction of a hotel and its associated branded residences, a residential community comprising of townhomes and affordable housing, a retirement

¹ The types of projects requiring a WSA are listed at Water Code section 10912, and include, for example, a proposed residential development of more than 500 dwelling units.

community made up of memory care, assisted, and independent living units, a retail and office building, a childcare facility, an adult day care facility, a vocational training center, and open space including landscape features.

Based on the methodologies and assumptions outlined in the WSA for the Proposed Project, the total potable water demand associated with the Proposed Project is conservatively estimated to be 157 acre-feet per year (AFY) by full buildout in 2030. The WSA concludes that the Proposed Project will not adversely affect water supply reliability within the District's service area. Based on currently available information and conservative estimates of projected demand, the District expects to be able to meet all future demands within its existing service area, inclusive of the Proposed Project, in normal and multiple dry hydrologic years from 2025 through 2045. The proposed project falls within the assumed demand projections of the District's 2020 Urban Water Management Plan/Water Shortage Contingency Plan (UWMP/WSCP). As outlined in the UWMP/WSCP, supply shortfalls relative to total demands during single dry years are estimated to range between 1.0% in 2030 and 14% in 2045. The shortfalls that are currently projected during single dry years will be addressed through planned implementation of the District's WSCP.

To approve the WSA, the District would adopt Resolution No. 240302.

Recommendation:

Adopt Resolution No. 240302 approving the above-outlined Water Supply Assessment for the proposed project.

Attached:

- Resolution No. 240302
- 810 West Agua Caliente Road Water Supply Assessment

Resolution No. 240302

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON WATER DISTRICT APPROVING A WATER SUPPLY ASSESSMENT FOR THE PROPOSED DEVELOPMENT OF 810 WEST AGUA CALIENTE ROAD IN SONOMA COUNTY, CALIFORNIA

WHEREAS, California state law (Water Code Section 10910 et seq.) requires a water supply and demand analysis (Water Supply Assessment) for projects of a certain type;

WHEREAS, the proposed development of 810 West Agua Caliente Road (Project), which encompasses an approximately 61-acre area in the Sonoma Valley north of Agua Caliente Road and East of Arnold Drive within the Valley of the Moon Water District boundaries, seeks to develop:

- A hotel and its associated branded residences;
- A residential community comprising of townhomes and affordable housing;
- A retirement community made up of memory care, assisted, and independent living units;
- A retail and office building;
- A childcare facility;
- An adult day care facility;
- A vocational training center; and
- Open space including irrigated landscape features;

WHEREAS, in October of 2023, the proponents of the Project informed Sonoma County in its project application that they would work with Valley of the Moon Water District to proactively prepare a Water Supply Assessment concerning water availability for the proposed Project;

WHEREAS, a Water Supply Assessment was subsequently prepared by EKI Environment and Water;

WHEREAS, the Water Supply Assessment evaluates projected water supplies, determined to be available by the District for the project during normal, single dry and multiple dry years over a 20-year period, based on the adopted Urban Water Management Plan and finds that the proposed project demands fall within those projections;

WHEREAS, on March 12th, 2024, the Valley of the Moon Water District Board of Directors conducted a duly noticed public meeting at which the Board was available to receive and consider public comments concerning the Water Supply Assessment; and

WHEREAS, the Board of Directors has had an opportunity to review this Water Supply Assessment and finds that it is adequate and accurate;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON WATER DISTRICT,

- 1. Finds that the above recitals are true and correct.
- 2. Finds that the Water Supply Assessment is accurate as it relies on the water demand projections as part of the District’s Urban Water Management Plan, which was previously approved by the Board of Directors in June of 2021.
- 3. Finds that the Water Supply Assessment for the Proposed Project will require approximately 152 acre-feet per year of additional water supply by the full buildout date, expected to be in 2030.
- 4. The Water Supply Assessment concludes that the District will have sufficient water, during a normal year, single dry year, and multiple dry years, to supply and serve the proposed Project, as well as existing customers, upon full buildout.
- 5. Based on the verbal and documentary evidence received at the regular meeting on March 12th, 2024, the Valley of the Moon Water District Board of Directors have determined there is an adequate water supply for the Proposed Project and approves the Water Supply Assessment attached as Exhibit A.

THIS RESOLUTION PASSED AND ADOPTED THIS 12TH DAY OF MARCH 2024 by the following votes:

Director Bryant	_____	By _____
Director Caniglia	_____	President
Director Foreman	_____	By _____
Director Rogers	_____	Secretary
Director Yudin-Cowan	_____	

AYES _____ NOES _____ ABSENT _____ ABSTAIN _____

I HEREBY CERTIFY that the foregoing Resolution was duly adopted at a special meeting of the Board of Directors of Valley of the Moon Water District held on the 12th day of March 2024, of which meeting all Directors were notified and at which meeting a quorum was present at all times and acting.

By _____
Secretary



Water Supply Assessment for the 810 W Agua Caliente Development Project

Valley of the Moon Water District

**March 2024
EKI C30140.00**

Water Supply Assessment

810 W Agua Caliente Development Project
Valley of the Moon Water District

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APPENDICES

Appendix A	Restructured Agreement for Water Supply
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1 INTRODUCTION

Included herein is a Senate Bill (SB) 610-compliant water supply assessment (WSA) in support of the proposed 810 W Agua Caliente Development (Proposed Project). The Proposed Project site is located in Sonoma County, California and comprises approximately 61 acres across two parcels with the address 810 W Agua Caliente Road (Impact Urban LLC, 2023a; **Figure 1**). The Proposed Project includes the construction of a hotel and its associated branded residences, a residential community comprising of townhomes and affordable housing, a retirement community made up of memory care, assisted, and independent living units, a retail and office building, a childcare facility, an adult day care facility, a vocational training center, and open space including landscape features (Impact Urban LLC, 2023a; Hanna Boys Center, 2023). The Proposed Project is located within the Valley of the Moon Water District (VOMWD or District) service area (**Figure 2**) and the District will be the water service provider for the Proposed Project.

The information provided in this WSA is consistent with California Water Code (CWC or Water Code) §10910-10912 requirements and the California Department of Water Resources' (DWR's) *Guidebook for Implementation of Senate Bill 610 and Senate Bill 221 of 2001: To Assist Water Suppliers, Cities, and Counties in Integrating Water and Land Use Planning*, dated 8 October 2003. The text of specific sub-sections of the Water Code is included in grey boxes and italicized font at the beginning of specific sections of this WSA. The information presented in those respective sections, and the associated tables and figures, respond directly to Water Code requirements.

The purpose of this WSA is to evaluate whether sufficient water supplies are available to meet future demands within the VOMWD service area, including demands associated with the Proposed Project, during normal, single dry, and multiple dry hydrologic years for a 20-year time horizon.¹ More specifically, this WSA includes:

- A summary of the WSA requirements articulated in Water Code §10910-10912 and a description of how they apply to the Proposed Project;
- A description and analysis of the current and projected future water demands of the Proposed Project through the year 2045;
- A description and analysis of the historical, current, and projected future water demands for the VOMWD service area through the year 2045;
- A description and analysis of the current and projected future water supplies for the VOMWD service area through the year 2045; and
- A comparison of the water supplies and demands for the VOMWD service area, including the projected water demands and supplies associated with the Proposed Project.


¹ The Water Code specifies that a WSA must look at supplies and demand on a 20-year horizon (i.e., to 2043), but given the available data, this WSA looks beyond that to 2045.

The information contained in this WSA is based on the 2020 Urban Water Management Plan (UWMP) prepared for the VOMWD, except where updated with relevant water demand and supply reliability and other information provided by the District.

This WSA concludes that the Proposed Project will not affect water supply reliability within the VOMWD service area. Based on currently available information and conservative estimates of projected demand, the VOMWD expects to be able to meet all future demands within its existing service area, inclusive of the Proposed Project, in normal and multiple dry hydrologic years from 2025 through 2045. The shortfalls that are currently projected during single dry years will be addressed through planned implementation of the VOMWD Water Shortage Contingency Plan (WSCP).



Legend

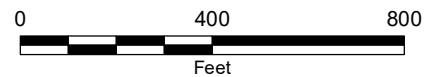
 Proposed Project Boundary

Notes

1. All locations are approximate.

Sources

1. Proposed Project boundary provided by Hanna Boys Center on 25 May 2023.
2. Basemap is ESRI's ArcGIS Online world aerial map, obtained 6 March 2024.



Proposed Project Location

810 W Agua Caliente Development

Sonoma County, CA

March 2024

EKI C30140.00

Figure 1

eki environment
& water

2 GENERAL REQUIREMENTS FOR THE PREPARATION OF A WATER SUPPLY ASSESSMENT

The purpose of this section is to outline what types of projects require the preparation of a WSA, who is responsible for its preparation, and the necessary components of a WSA.

2.1 Applicability of Senate Bill 610 to the Project

☒ CWC § 10910 (a)

Any city or county that determines that a project, as defined in Section 10912, is subject to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) under Section 21080 of the Public Resources Code shall comply with this part.

☒ CWC § 10912

For the purposes of this part, the following terms have the following meanings:

(a) "Project" means any of the following:

- (1) A proposed residential development of more than 500 dwelling units.*
 - (2) A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space.*
 - (3) A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space.*
 - (4) A proposed hotel or motel, or both, having more than 500 rooms.*
 - (5) A proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area.*
 - (6) A mixed-use project that includes one or more of the projects specified in this subdivision.*
 - (7) A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.*
- (b) If a public water system has fewer than 5,000 service connections, then "project" means any proposed residential, business, commercial, hotel or motel, or industrial development that would account for an increase of 10 percent or more in the number of the public water system's existing service connections, or a mixed-use project that would demand an amount of water equivalent to, or greater than, the amount of water required by residential development that would represent an increase of 10 percent or more in the number of the public water system's existing service connections.*

The Proposed Project is a mixed-use project that includes over 500 residential dwelling units and therefore satisfies the definition of a "project" requiring a WSA pursuant to SB 610 (Water Code §10910(a)).

2.2 Responsibility for Preparation of the Water Supply Assessment

☒ CWC § 10910 (b)

The city or county, at the time that it determines whether an environmental impact report, a negative declaration, or a mitigated negative declaration is required for any project subject to the California Environmental Quality Act pursuant to Section 21080.1 of the Public Resources Code, shall identify any water system that is, or may become as a result of supplying water to the project identified pursuant to this subdivision, a public water system, as defined in Section 10912, that may supply water for the project. If the city or county is not able to identify any public water system that may supply water for the project, the city or county shall prepare the water assessment required by this part after consulting with any entity serving domestic water supplies whose service area includes the project site, the local agency formation commission, and any public water system adjacent to the project site.

The Proposed Project is located within the VOMWD service area (**Figure 2**) and the water for the Proposed Project will be supplied by VOMWD. Therefore, in accordance with Water Code §10910(b), VOMWD is the entity responsible for adopting the WSA for the Proposed Project.

2.3 Components of a Water Supply Assessment

☒ CWC § 10910 (c) (4)

If the city or county is required to comply with this part pursuant to subdivision (b), the water supply assessment for the project shall include a discussion with regard to whether the total projected water supplies, determined to be available by the city or county for the project during normal, single dry, and multiple dry water years during a 20-year projection, will meet the projected water demand associated with the proposed project, in addition to existing and planned future uses, including agricultural and manufacturing uses.

☒ CWC § 10911

(b) The city or county shall include the water supply assessment provided pursuant to Section 10910, and any information provided pursuant to subdivision (a), in any environmental document prepared for the project pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code.

(c) The city or county may include in any environmental document an evaluation of any information included in that environmental document provided pursuant to subdivision (b). The city or county shall determine, based on the entire record, whether projected water supplies will be sufficient to satisfy the demands of the project, in addition to existing and planned future uses. If the city or county determines that water supplies will not be sufficient, the city or county shall include that determination in its findings for the project.

As listed above in Water Code §10910(c)(4), the primary purpose of a WSA is to evaluate whether sufficient water supply is available to meet future demands within the water supplier's service area, including those associated with the Proposed Project, during normal and dry hydrologic years for a 20-year time horizon. Therefore, the following information is included in this WSA:

- A description and analysis of the current and projected future water demands of the Proposed Project through the year 2045;
- A description and analysis of the historical, current, and projected future water demands for the VOMWD service area through the year 2045;

- A description and analysis of the current and projected future water supplies for the VOMWD service area through the year 2045; and
- A comparison of the water supplies and demands for the VOMWD service area, including the projected water demands and supplies associated with the Proposed Project.

3 PROJECT DESCRIPTION

The Proposed Project is a mixed-use development comprised of approximately 61 acres located in Sonoma County, California. The Proposed Project is mainly located on Assessor Parcel Number (APN) 133-112-020 and a small portion of the Proposed Project, approximately two acres, is located on APN 133-220-003 and APN 133-220-001 (Impact Urban LLC, 2023a; CSDA Design Group, 2024). The Proposed Project site is bordered by a residential community to the North, Sonoma Creek to the East, West Agua Caliente Road to the South, and Arnold Drive to the West (**Figure 1**).

The Proposed Project would construct a hotel community, retirement community, and residential community. More detailed information on the land uses associated with each community and other planned developments are provided below and in **Table 1** (Impact Urban LLC, 2023a; 2023b; 2023c; Hanna Boys Center, 2023;2024; HKIT Architects, 2024; City Ventures, 2024, SWA Group, 2024a; 2024b; CSDA Design Group, 2024):²

- The hotel community will comprise of a 119-room hotel, 20 branded residences, a 2,321 square foot (sq ft) hotel restaurant, a 2,279 sq ft hotel kitchen, 5,425 sq ft of food services (which include a rooftop bar & lounge, a café, and pool bar), a 423 sq ft retail space, and 3,049 sq ft of pools, spas, and water features.
- The retirement community will be made up of 80 apartment style independent living dwelling units, 120 independent living casitas, 28 assisted living dwelling units, 24 memory care dwelling units, a 7,730 sq ft community restaurant, a 3,515 sq ft restaurant kitchen, and 1,742 sq ft of community pool and water features.
- The residential community will include 142 townhomes and 120 affordable housing units. The townhomes community will include 142 for-sale solar, all-electric townhomes ranging from approximately 1,773 to 1,926 net sq ft. The affordable housing units shall be conventional three-story walk-up types with a mix of flats and two-story units designed primarily for families, with units ranging from approximately 623-1,350 net sq ft.
- The other development associated with the Proposed Project also include the following:
 - A 10,000 sq ft building comprised of a first floor 6,500 sq ft retail space and a second floor 3,500 sq ft office space. The retail space will potentially include a café or bakery and will be divisible for boutique retail shops and potentially two kiosks for smaller businesses. The office space will likely be used for small professional offices such as legal, real estate, and design practices.
 - A 4,000 sq ft childcare facility, a 5,600 sq ft adult day care facility, and a 10,000 sq ft vocational training center. The childcare facility will be provided for children ages two to five, with play areas and assigned indoor and outdoor spaces. The adult day care facility will include an activity room, sleeping rooms, and indoor

² These estimated land use units and square footages are approximate, and the exact values may change in the future. However, these changes are anticipated to be minor and therefore will not affect the outcome of this WSA.

and outdoor accessory spaces. The vocational training center will include studios and associated classrooms, a student resource center, and administrative offices.

- Irrigated landscaped area of approximately 839,229 sq ft. The landscaped area includes 55,325 sq ft associated with the retail space, vocational training, and child and adult care facilities, 294,030 sq ft associated with the hotel community, 309,712 sq ft associated with the retirement community, 42,938 sq ft associated with the affordable housing, and 137,224 sq ft associated with the townhomes.

As shown in **Table 1**, the full buildout of the Proposed Project is conservatively estimated to be 2030 (Impact Urban LLC, 2023d).

The Proposed Project site currently consists of one single family home, which is planned to be demolished as a part of the Proposed Project (Impact Urban LLC, 2023c). Historical water use at the site ranged between 0.43 and 0.65 acre-feet per year (AFY) between Fiscal Years 2019 and 2023, and averaged 0.59 AFY (VOMWD, 2023b). The Proposed Project is located within the VOMWD service area and potable water service will be provided by VOMWD (**Figure 2**).

Table 1
Proposed Project Land Use Assumptions
810 W Agua Caliente Development, Sonoma County, California

Land Use	Total Land Use (a)	Land Use Units	Cumulative Buildout (b)					Notes
			2025	2030	2035	2040	2045	
Hotel Community								
Hotel Guest Rooms	119	room	0	119	119	119	119	Total floor area of 141,100 sq ft.
Branded Residences	20	du	0	20	20	20	20	Total floor area of 55,000 sq ft.
Hotel Restaurant	2,321	sq ft	0	2,321	2,321	2,321	2,321	Includes 1,885 sq ft of hotel restaurant and 436 sq ft of private dining.
Hotel Kitchen	2,279	sq ft	0	2,279	2,279	2,279	2,279	
Food Services	5,425	sq ft	0	5,425	5,425	5,425	5,425	Includes a 3,432 sq ft roof top bar & lounge, a 571 sq ft café, and a 1,422 sq ft pool bar.
Retail	423	sq ft	0	423	423	423	423	
Pools, Spa, and Water Feature (c)	3,049	sq ft	0	3,049	3,049	3,049	3,049	
Retirement Community								
Apartment Style Independent Living	80	du	0	80	80	80	80	
Independent Living Casitas	120	du	0	120	120	120	120	
Assisted Living	28	du	0	28	28	28	28	
Memory Care	24	du	0	24	24	24	24	
Restaurant	7,730	sq ft	0	7,730	7,730	7,730	7,730	Includes 4,420 sq ft from the apartment style independent living community, 1,825 sq ft from the assisted living community, 978 sq ft from the memory care community, and 507 sq ft of staff dining.
Kitchen	3,515	sq ft	0	3,515	3,515	3,515	3,515	Includes 2,448 sq ft from the apartment style independent living community, 646 sq ft from the assisted living community, and 421 sq ft from the memory care community.
Pool and Water Feature (c)	1,742	sq ft	0	1,742	1,742	1,742	1,742	
Residential Community								
Townhomes	142	du	0	142	142	142	142	The all-electric townhome unit will range between approximately 1,773 to 1,926 sq ft.
Affordable Housing	120	du	0	120	120	120	120	Includes 30 one-bedroom units, 60 two-bedroom units, and 30 three-bedroom units. Units will range between 623-1,350 sq ft.
Other Development								
Retail	6,500	sq ft	0	6,500	6,500	6,500	6,500	The approximately 10,000 sq ft two story building will include a first floor retail space and upstairs office space. The retail space will potentially include a café or bakery.
Office	3,500	sq ft	0	3,500	3,500	3,500	3,500	
Childcare Facility	4,000	sq ft	0	4,000	4,000	4,000	4,000	
Adult Day Care Facility	5,600	sq ft	0	5,600	5,600	5,600	5,600	
Vocational Training Center	10,000	sq ft	0	10,000	10,000	10,000	10,000	
Irrigated Landscaping	839,229	sq ft	0	839,229	839,229	839,229	839,229	

Abbreviations:

"du" = dwelling units

"sq ft" = square feet

Notes:

- (a) Land use information per References 1 through 10.
- (b) Buildout estimates per Reference 11.
- (c) Square footage for the pools, spa, and water features are surface area square footages.

Table 1
Proposed Project Land Use Assumptions
810 W Agua Caliente Development, Sonoma County, California

References:

- 1. Impact Urban LLC, 2023a. Request for Information, provided by Impact Urban LLC on 22 September 2023.
- 2. Impact Urban LLC, 2023b. Information provided by Impact Urban LLC on 27 September 2023.
- 3. Impact Urban LLC, 2023c. Information provided by Impact Urban LLC on 2 October 2023.
- 4. Hanna Boys Center, 2023. Proposal Statement for the Hanna Mixed-Use Housing Development, submitted by the Hanna Boys Center on 19 October 2023, provided by Michael R. Woods: A Professional Corporation on 13 December 2023.
- 5. HKIT Architects, 2024. Information provided by HKIT Architects on 9 January 2024.
- 6. City Ventures, 2024. Information provided by City Ventures on 31 January 2024.
- 7. Hanna Boys Center, 2024. Information provided by Hanna Boys Center, 8 February 2024.
- 8. SWA Group, 2024a. Information provided by SWA group on 15 February 2024.
- 9. SWA Group, 2024b. Information provided by SWA group on 20 February 2024.
- 10. CSDA Design Group, 2024. Information provided by CSDA Design Group on 27 February 2024.
- 11. Impact Urban, 2023d. Information provided by Impact Urban LLC on 11 October 2023.

4 PROJECT WATER DEMAND

Sonoma County has adopted green building standards and water efficient landscaping ordinances consistent with previous versions of the CalGreen building standards and the California Model Water Efficient Landscape Ordinance (MWELo; California Code of Regulations, Title 23, Division 2, Chapter 2.7). As part of state requirements, all new developments must comply with these efficiency standards. As such, the Proposed Project development is expected to include several water-efficient features, including, but not limited to:

- Use of low-flow lavatory faucets, kitchen faucets, toilets, and urinals in accordance with CalGreen Code; and
- Inclusion of low-water use landscaping and high-efficiency irrigation systems to minimize outdoor water use in accordance with MWELo.

As described below, the average annual water demands associated with the residential portions (the branded residences, apartment style independent living units, townhomes, and affordable housing units) of the Proposed Project were estimated based on water demand factors developed in support of the District's 2020 UWMP (VOMWD, 2021). The District evaluated a range of water demand factors using three water use scenarios, based on recent historical average per account water use for selected time periods, representing pre-drought water use rates, post-drought water use rates, and a partial rebound to pre-drought water use rates. Specifically:

1. **Pre-drought demand factors** based on the maximum per account water use by sector for 2011 through 2013, generally representing higher water use before drought restrictions were put in place;
2. **Post-drought demand factors** based on the maximum per account water use by sector for 2017 through 2019, generally representing lower water use than pre-drought conditions but with some amount of rebound; and
3. **Partial rebound demand factors** estimated as the midpoint of the pre-drought and post-drought demand factors, representing an average of the two scenarios.

For the purposes of developing the District's 2020 UWMP demand projections, the District elected to apply the partial rebound demand factors to all sectors. As such, partial rebound demand factors were applied herein to estimate the average annual water demand for the residential portions of the Proposed Project.

Table 2 includes a summary of the water demand projections associated with the proposed land uses through buildout of the Proposed Project, including assumed distribution system losses. As described in Section 3, it is assumed that full Project buildout will be achieved by 2030.

Table 2 Proposed Project Water Demand Estimates 810 W Agua Caliente Development, Sonoma County, California									
Land Use	Land Use at Full Buildout	Land Use Units	Demand Factor (a)	Demand Factor Units	Estimated Water Use (AFY)				
					2025	2030	2035	2040	2045
Hotel Community									
Hotel Guest Rooms	119	room	134	gpd/room	0	18	18	18	18
Branded Residences (b)	20	du	100	gpd/du	0	2.2	2.2	2.2	2.2
Hotel Restaurant	2,321	sq ft	0.075	gpd/sq ft	0	0.20	0.20	0.20	0.20
Hotel Kitchen	2,279	sq ft	0.084	gpd/sq ft	0	0.21	0.21	0.21	0.21
Food Services	5,425	sq ft	0.069	gpd/sq ft	0	0.42	0.42	0.42	0.42
Retail	423	sq ft	0.032	gpd/sq ft	0	0.015	0.015	0.015	0.015
Pools, Spa, and Water Feature (c)	3,049	sq ft	--	--	0	0.27	0.27	0.27	0.27
Retirement Community									
Apartment Style Independent Living (b)	80	du	100	gpd/du	0	9.0	9.0	9.0	9.0
Independent Living Casitas	120	du	119	gpd/du	0	16	16	16	16
Assisted Living	28	du	91	gpd/du (d)	0	2.9	2.9	2.9	2.9
Memory Care	24	du	91	gpd/du (d)	0	2.4	2.4	2.4	2.4
Restaurant	7,730	sq ft	0.075	gpd/sq ft	0	0.65	0.65	0.65	0.65
Kitchen	3,515	sq ft	0.084	gpd/sq ft	0	0.33	0.33	0.33	0.33
Pool and Water Feature (c)	1,742	sq ft	--	--	0	0.15	0.15	0.15	0.15
Residential Community									
Townhomes (e)	142	du	244	gpd/du	0	39	39	39	39
Affordable Housing (b)	120	du	100	gpd/du	0	13	13	13	13
Other Development									
Retail	6,500	sq ft	0.069	gpd/sq ft	0	0.50	0.50	0.50	0.50
Office	3,500	sq ft	0.055	gpd/sq ft	0	0.22	0.22	0.22	0.22
Childcare Facility	4,000	sq ft	0.055	gpd/sq ft	0	0.25	0.25	0.25	0.25
Adult Day Care Facility	5,600	sq ft	0.055	gpd/sq ft	0	0.35	0.35	0.35	0.35
Vocational Training Center	10,000	sq ft	0.055	gpd/sq ft	0	0.62	0.62	0.62	0.62
Irrigated Landscaping (c)	839,229	sq ft	--	--	0	34.7	34.7	34.7	34.7
Distribution System Losses (f)	--	--	5.7%	--	0	8.6	8.6	8.6	8.6
Existing Site Demand (g)	--	--	--	--	0	0.59	0.59	0.59	0.59
Total (h)					0	150	150	150	150

Abbreviations:

"AFY" = acre-feet per year
"du" = dwelling units
"DWR" = California Department of Water Resources
"FY" = fiscal year
"MAWA" = Maximum Applied Water Allowance

"MWELo" = Model Water Efficient Landscaping Ordinance
"Proposed Project" = 810 W Agua Caliente Development
"sq ft" = square feet
"VOMWD" = Valley of the Moon Water District

- Notes:
- (a) Water use demand factors for the branded residences, apartment style independent living, townhomes, and affordable housing uses are per Reference 1, the hotel, assisted living, and memory care uses per Reference 2, the restaurant, kitchen, food services, and the retail per Reference 3, the independent living casitas per Reference 4, and the office, childcare facility, adult day care facility, and the vocational training center use per Reference 8.

(b) The multi-family residential water use factor per Reference 1 is used for calculating the water demand associated with the branded residences, independent living, and affordable housing land uses.

(c) Estimates of landscape irrigation, community pools and spas, and the water features are based on MWELo MAWA calculations per Reference 5. See Table 3 for MWELo MAWA.

(d) Water demand factor per Reference 2 is 91 gpd/bed. Assuming one bed per du.

(e) The single-family residential water use factor per Reference 1 is used for calculating the water demand associated with the townhomes.

(f) Estimated distribution system water loss is calculated using the VOMWD's FY 2021-2022 DWR Water Audit Report percent water loss (i.e., 5.7% of project demands), per Reference 6 and includes both real and apparent losses.

(g) Existing site demands per Reference 7. Existing demands are subtracted from total projected water demands to show the incremental increase in demands associated with the Proposed Project (i.e., the net increase in water demand). Existing demands are estimated as the average of the last five years of water use at the project site based on available metered data (FY 2019-2023).

(h) Totals may not sum due to rounding.

References:

1. VOMWD, 2021. 2020 Urban Water Management Plan for VOMWD, dated June 2021.

2. City of Ventura, 2020. Final Water Demand Factor Study, City of Ventura, prepared by Wood Rodgers, dated 8 April 2020.

3. USEIA, 2012. US Energy Information Administration 2012 Commercial Buildings Energy Consumption Survey: Water Consumption in Large Buildings Summary, dated 2012.

4. David Taussig & Associates, 2018. City of Redlands Impact Fees and Capacity Fees for Accessory Dwelling Units, dated 31 August 2018.

5. California Code of Regulations, Title 23, Division 2, Chapter 2.7, Model Water Efficient Landscape Ordinance.

6. DWR, 2023. WUEdata - 2021 Water Audit Report:VOMWD, accessed 21 September 2023, (https://wuedata.water.ca.gov/awwa_plans).

7. VOMWD, 2023. Metered water consumption data provided by VOMWD on 21 September 2023.

8. Genentech Campus Master Plan Update Draft Environmental Impact Report, Prepared by Lamphier-Gregory, dated October 2019.

4.1 Indoor Water Use

4.1.1 Hotel Community Water Use

4.1.1.1 Hotel Guest Room Use

As described in Section 3, the hotel will consist of 119 guest rooms. Water demand associated with hotel room use is estimated based on a factor of 134 gallons per day (GPD)/room based on information in the 2020 City of Ventura Water Demand Factor Study (City of Ventura, 2020). Based on this demand factor, the water demand associated with the hotel guest room uses is estimated to be 18 AFY at full buildout.

4.1.1.2 Branded Residence Use

The proposed hotel community will include 20 branded residences. The water demands for the branded residences uses are estimated based on the multi-family residential (MFR) demand factor of 100 GPD/dwelling unit (du) from the District's 2020 UWMP mentioned above in Section 4. Based on this demand factor, the total estimated branded residence indoor water use is estimated to be 2.2 AFY at full buildout.

4.1.1.3 Amenities

The hotel amenities include a retail space, a hotel restaurant and kitchen, and other food services including a rooftop bar & lounge, café, and pool bar. Water demands factors used in calculating the demands associated with the retail space, hotel restaurant, hotel kitchen, and other food services are from the United States Energy Information Administration (USEIA) Water Consumption in Large Buildings Summary (USEIA, 2012). The retail space was estimated using a demand factor of 0.032 GPD/sq ft, the hotel restaurant use was estimated using a demand factor of 0.075 GPD/sq ft, the hotel kitchen use was estimated using a demand factor of 0.084 GPD/sq ft, and the other food services were estimated using a demand factor of 0.069 GPD/sq ft. Based on these factors and the Proposed Project's planned land uses, water demand associated with the indoor amenities portion of the hotel is estimated to be 0.84 AFY at full buildout.

4.1.2 Retirement Community Water Use

4.1.2.1 Residential Use

The proposed residential community will comprise of 80 apartment style living units, 120 independent living casitas, 28 assisted living units, and 24 memory care units. The water demand associated with the apartment style living units is estimated based on the MFR demand factor of 100 GPD/du per the District's 2020 UWMP. The independent living casitas water use is estimated based on the water demand factor of 119 GPD/du per the City of Redlands Impact Fees and Capacity Fees for Accessory Dwelling Units Memorandum (David Taussig & Associates, 2018). The water use estimation for the assisted living units and the memory care units assumes the same demand factor of 91 GPD/du from the 2020 City of Ventura Water Demand Factor Study for estimating the associated water demands (City of Ventura, 2020). Based on the factors identified, the total water demand associated with the indoor residential portion of the retirement community is estimated to be 30 AFY at full buildout.

4.1.2.2 Amenities

The retirement community amenities include a restaurant and kitchen. Similar to the demand calculation in Section 4.1.3, the demand factors used in estimating the restaurant and kitchen water use are 0.075 GPD/sq ft and 0.084 GPD/sq ft, respectively. Based on these demand factors, the water use associated with the indoor amenities portion of the retirement community is estimated to be 0.98 AFY at full buildout.

4.1.3 Residential Community Water Use

The residential community portion of the Proposed Project will include 142 townhomes and 120 affordable housing units. Water demand for the townhomes is estimated based on the single-family residential (SFR) demand factor of 244 GPD/du from the District's 2020 UWMP, and the water demand associated with the affordable housing units is estimated based on the MFR demand factor of 100 gpd/du. Based on these demand factors, the indoor water use associated with the residential community is estimated to be 52 AFY at full buildout.

4.1.4 Other Development

4.1.4.1 Retail and Office Water Use

The Proposed Project will include construction of a 10,000 sq ft building comprised of a 6,500 sq ft retail space on the first floor and a 3,500 sq ft office space on the second floor. The water demand for the retail use is estimated based on the USEIA factor of 0.069 GPD/sq ft (USEIA, 2012), and the office use is estimated based on the demand factor of 0.055 GPD/sq ft based on information from the Draft Environmental Impact Report (EIR) for the Genentech Campus Master Plan Update (Genentech, 2019). Using the demand factors identified above, the total estimated retail and office space water use for the Proposed Project by full buildout is estimated to be 0.50 AFY and 0.22 AFY, respectively.

4.1.4.2 Educational and Care Facilities Water Use

The Proposed Project will include a 4,000 sq ft childcare facility, a 5,600 sq ft adult day care facility, and a 10,000 vocational training center. A water demand factor of 0.055 GPD/sq ft is used for each of these uses (Genentech, 2019), and the total water demand associated with the educational and care facilities is estimated to be 1.2 AFY at full buildout.

4.1.5 Total Indoor Water Use

Based on the above calculations and assumptions, total indoor water use for the Proposed Project is estimated to be 106 AFY at full buildout.

4.2 Community Landscaping and Pools Water Use

The Proposed Project includes several pools, spas, and water features (collectively referred to as "water features"), and general landscaping. The projected water demands for the community landscaping and water features were estimated based on the Maximum Applied Water Allowance (MAWA) per the MWELO (California Code of Regulations, Title 23, Division 2, Chapter

2.7). The MWELO requires that the annual estimated total water use for landscape irrigation and water features not exceed the MAWA. As shown below, the MAWA is calculated based on the regional reference evapotranspiration rate, an evaporation adjustment factor, the total landscaped area, and the area of “special landscaped area.”³ We have conservatively assumed that water use for the Proposed Project landscaping irrigation and water features will be equal to the MAWA, which is the upper limit of annual applied water for established landscaped areas and water features.

The MAWA is calculated using the following equation:

$$\text{MAWA} = \text{ETo} \times [(\text{ETAF} \times \text{LA}) + (1 - \text{ETAF}) \times \text{SLA}]$$

where:

ETo	=	The regional reference evapotranspiration rate ⁴
ETAF	=	Evapotranspiration Adjustment Factor
		For parks (SLAs) = 1.0
		For non-residential landscape corridors = 0.45
		For residential landscaping = 0.55
		For water features = 1
LA	=	Total landscape area (including SLA)
SLA	=	Special Landscape Area

Based on the above methodology, the annual water use for the community landscaping is estimated to be 34.7 AFY at full buildout (excluding the distribution system losses discussed in Section 4.4).

The water use associated with the water features planned as part of the Proposed Project is estimated to be 0.42 AFY by full buildout. The total water demand associated with the community landscaping and water features is estimated to be 35 AFY, as calculated in **Table 3**.

³ Special Landscaped Area includes landscaping dedicated solely to edible plants, recreational areas, areas irrigated with recycled water, or water features using recycled water.

⁴ Location-specific ETo data is required for calculating the MAWA. Reference evapotranspiration data were obtained from Appendix A of the MWELO (California Code of Regulations, Title 23, Division 2, Chapter 2.7) based on values for the Valley of the Moon. The total annual reference evapotranspiration is 46.1 inches as shown in **Table 3**.

Table 3
Proposed Project Landscaping Water Demand Estimates
810 W Agua Caliente Development, Sonoma County, California

Landscaping Land Use	[A] Area of Land Use at Full Buildout (ac) (a)	[B] Annual Reference Evapotranspiration Rate (in) (b)	[C] Evapotranspiration Adjustment Factor (ETAF) (c)	[D] MAWA at Full Buildout (AFY) D = A * B * C (d)	MAWA (AFY)				
					2025	2030	2035	2040	2045
Irrigated Landscaping									
Affordable Housing	0.99	46.1	0.55	2.1	0	2.1	2.1	2.1	2.1
Townhomes	3.2			6.6	0	6.6	6.6	6.6	6.6
Hotel	6.8		0.45	12	0	12	12	12	12
Retirement Community	7.1		0.45	12	0	12	12	12	12
Retail, Child and Adult Care Facilities, and Vocational Training	1.3		0.45	2.2	0	2.2	2.2	2.2	2.2
Water Features									
Hotel	0.070	46.1	1.0	0.27	0	0.27	0.27	0.27	0.27
Retirement Community Pools, Spas, and Water Features	0.040			0.15	0	0.15	0.15	0.15	0.15
Estimated Total Outdoor Water Use (f)					0	35	35	35	35

Abbreviations:

"ac" = acre

"AFY" = acre-feet per year

"ETAF" = Evapotranspiration Adjustment Factor

"in" = inches

"MAWA" = Maximum Applied Water Allowance

Notes:

- (a) Land use square footages per References 1 through 4.
- (b) Annual reference evapotranspiration rate for the Valley of the Moon area per Reference 5.
- (c) The ETAF is assumed to be 0.45 for non-residential areas and 0.55 for residential areas per Reference 6, and 1.0 for water features per References 7.
- (d) The MAWA calculations are described in Reference 7.
- (e) Includes the landscaping areage associated with the retirement community.
- (f) Totals may not sum due to rounding.

Table 3
Proposed Project Landscaping Water Demand Estimates
810 W Agua Caliente Development, Sonoma County, California

References:

1. HKIT Architects, 2024. Information provided by HKIT Architects on 9 January 2024.
2. City Ventures, 2024. Information provided by City Ventures on 31 January 2024.
3. SWA Group, 2024a. Information provided by SWA group on 15 February 2024.
4. SWA Group, 2024b. Information provided by SWA group on 20 February 2024.
5. California Department of Water Resources, 2012. California Irrigation Management Information System Reference Evapotranspiration Zones, January 2012.
6. California Code of Regulations, Title 23, Division 2, Chapter 2.7, Model Water Efficient Landscape Ordinance.
7. California Department of Water Resources, 2021. Draft Model Water Efficient Landscape Ordinance Guidebook, dated 2021.

4.3 Distribution System Losses

Water distribution systems experience a degree of water loss over the course of transmission from the source to the customer. Although losses from the newly-constructed portion of the system's infrastructure associated with the Proposed Project would initially be expected to be minimal, it is conservatively assumed that distribution system losses associated with delivering water to the Proposed Project will ultimately be consistent with the average percentage of real and apparent water losses per the validated 2021-2022 Fiscal Year water loss audit submitted to the DWR for VOMWD (i.e., 5.7% of Proposed Project demands; DWR, 2023c). It should be noted that while these losses represent a demand on the system, a portion of the water lost through the distribution system returns to the underlying groundwater basin and thus augments the groundwater supply used elsewhere by VOMWD. However, for purposes of this WSA, all water loss is conservatively considered a demand. **Table 2** shows that the distribution system losses associated with the Proposed Project are estimated to be 8.6 AFY at buildout.

4.4 Existing Water Demand on the Proposed Project Site

As described in Section 3, the Proposed Project site is currently developed with one single-family home. Historical water use at the Proposed Project site averaged approximately 0.59 AFY between Fiscal Years 2019 and 2023. Water demand by the new development associated with the Proposed Project is considered incremental to this existing demand, and thus, as shown in **Table 2**, the average of the last five Fiscal Years of existing site demand is subtracted from the estimated demands associated with the Proposed Project.

4.5 Total Project Water Demand

Based on the above methodologies and assumptions, the total annual water demand for the Proposed Project at full buildout and occupancy is conservatively estimated to be 150 AFY, as shown in **Table 2**.

5 VALLEY OF THE MOON WATER DISTRICT WATER DEMAND

☒ CWC § 10910 (c)

(1) The city or county, at the time it makes the determination required under Section 21080.1 of the Public Resources Code, shall request each public water system identified pursuant to subdivision (b) to determine whether the projected water demand associated with a proposed project was included as part of the most recently adopted urban water management plan adopted pursuant to Part 2.6 (commencing with Section 10610).

(2) If the projected water demand associated with the proposed project was accounted for in the most recently adopted urban water management plan, the public water system may incorporate the requested information from the urban water management plan in preparing the elements of the assessment required to comply with subdivisions (d), (e), (f), and (g).

(3) If the projected water demand associated with the proposed project was not accounted for in the most recently adopted urban water management plan, or the public water system has no urban water management plan, the water supply assessment for the project shall include a discussion with regard to whether the public water system's total projected water supplies available during normal, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed project, in addition to the public water system's existing and planned future uses, including agricultural and manufacturing uses.

Consistent with the UWMP Act (CWC §10610-10656), the 2020 UWMP presents estimates of projected future water demand for the VOMWD service area in five-year increments, between the years 2025 and 2045 (VOMWD, 2021). Projected water demand is subdivided between the following six customer sectors or use types: (1) SFR, (2) MFR, (3) commercial/institutional, (4) landscape/irrigation, (5) other, and (6) system losses. As discussed further below, the District's 2020 UWMP demand projections account for: (1) demands for the existing service area and accounts, (2) projected growth based on population and employment estimates, and (3) all anticipated new development based on information available to VOMWD at the time of plan preparation.

5.1 Historical Water Demand Within the VOMWD District Service Area

Historical water demand within the VOMWD from 2011 through 2022 is summarized in **Table 4**. Based on water use data from 2018-2022, the majority of the water demand within the VOMWD is from the SFR sector, which represented 68% of the demand. The remainder of the demand was split between MFR (21% of overall demand), commercial/institutional (9.7% of overall demand), landscape/irrigation (2.0% of overall demand), and other (0.019% of overall demand) (VOMWD, 2023a).

As shown in **Table 4**, water demand within the VOMWD service area increased from 2011 to 2013, a period that generally corresponds with the recovery from the 2007-2009 drought and economic downturn. Then, a significant drop in water demand occurred in 2015, corresponding with the historic drought and mandatory state-wide water use restrictions and water conservation targets. Average water demand from 2016 to 2022 was approximately 2,538 AFY within the VOMWD service area. Total water demand within the VOMWD service area was 3,014 AFY in 2021 based on recent water demand data provided by VOMWD (VOMWD, 2023a).

5.2 Planned Development Projects within the VOMWD Service Area

Water demands for the VOMWD service area were estimated through 2045 in support of the District's 2020 UWMP (VOMWD, 2021). The 2020 UWMP demand projections incorporate current and historical water usage within the VOMWD service area, which reflect VOMWD's best efforts to include the development and growth that has occurred and is projected to occur within the VOMWD service area to date (VOMWD, 2021).

The Springs Specific Plan Project (SSP Project) is another known development within the District's service area that is considered to be included within VOMWD's growth projections. The SSP Project is a planning document that provides the framework for future development projects that would allow for increased opportunities for housing, recreation, commercial, and office space on a 180-acre portion of the unincorporated area of Sonoma County, north of the City of Sonoma (Sonoma County, 2022). The demands associated with the SSP Project are estimated to be 226 AFY by full buildout (VOMWD, 2019), which is assumed to be by 2040 (Sonoma County, 2022).⁵

In addition to this known development, the District recently completed a WSA for the Sonoma Developmental Center Specific Plan (SDC Project), a mixed-use, multi-building development located in the community of Eldridge in Sonoma County, California comprising of approximately 945 acres. The water demands associated with the SDC Project are estimated to be 342 AFY by full buildout in 2045, and unlike the Proposed Project and the SSP Project, are not included in VOMWD's projected growth. The additional demand associated with the SDC Project are planned to be met with the existing local surface water supplies at the SDC property and thus the SDC Project is not anticipated to adversely affect water supply reliability within the VOMWD service area (EKI, 2022).

5.3 Review of Proposed Project's Inclusion in 2020 UWMP Growth Projections

To determine whether the Proposed Project was included within the District's growth projections, the 2020 UWMP projected demands were compared to the sum of the District's baseline demands, demand projections for the Proposed Project, and the demands associated with the SSP Project, which is discussed in more detail in Section 5.2. As shown in **Table 5**, two Scenarios for the District's baseline demands were analyzed. Scenario 1 assumes that the VOMWD baseline demand is 2,603 AFY, which is the average of VOMWD's total annual water demand over the past five years (2018-2022). Scenario 2 assumes that the VOMWD demand is 2,783 AFY, which is the average of the VOMWD's three highest annual water demand over the past five years.

As seen in **Table 5**, under both scenarios the demands associated with the baseline VOMWD demand and the Proposed Project and the SSP Project are below the growth projections assumed

⁵ Based on the SSP Draft EIR, the buildout schedule for the project is assumed to be 25% by 2025, 50% by 2030, 75% by 2035, and 100% by 2040.

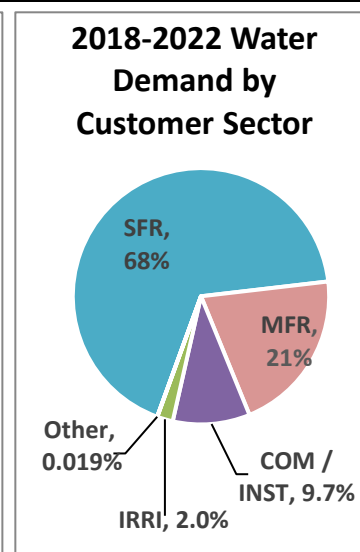
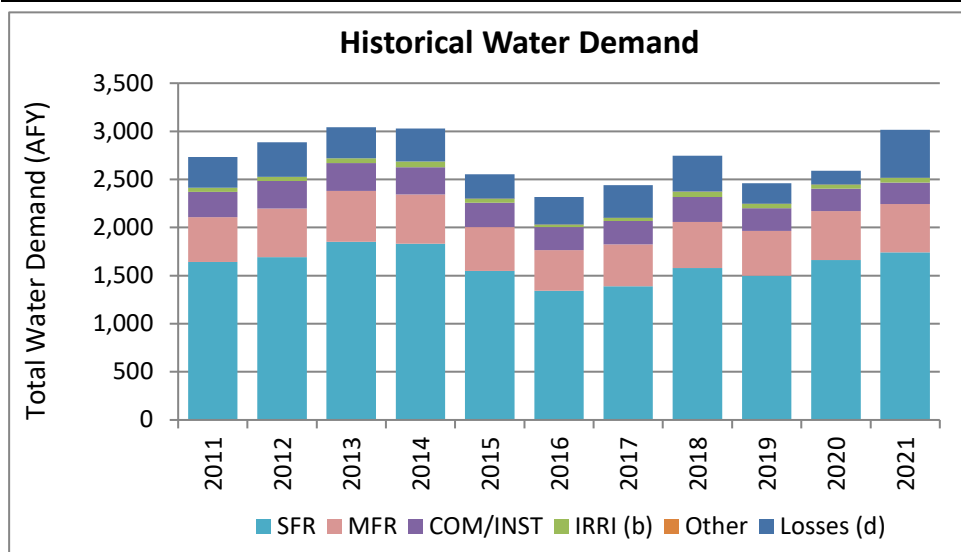
by the District. Therefore, the Proposed Project is assumed to be included within the District's 2020 UWMP demand projections.

5.4 Total Projected VOMWD Water Demand (Inclusive of the Proposed Project)

Table 6 shows the projected water demands for the District inclusive of the estimated Proposed Project water demands. As shown, the Proposed Project is assumed to be within the District's growth projections and will not increase VOMWD's projected demand beyond what was planned for in the 2020 UWMP.

Table 4
Historical Water Demand for Valley of the Moon Water District
810 W Agua Caliente Development, Sonoma County, California

Category	Historical Annual Water Demand (AFY) (a)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SFR	1,643	1,693	1,853	1,830	1,548	1,344	1,388	1,578	1,498	1,662	1,742	1,399
MFR	466	503	529	515	456	420	439	480	466	509	503	451
COM/INST	260	287	289	282	255	241	241	258	238	231	221	186
IRRI (b)	44	43	47	58	42	24	33	56	47	45	51	33
Other (c)	--	--	--	--	0.083	0.18	0.29	0.44	0.42	0.53	0.33	0.53
Losses (d)	320	360	324	344	253	286	339	374	211	143	496	133
Total Water Demand	2,733	2,886	3,042	3,029	2,553	2,316	2,440	2,746	2,460	2,590	3,014	2,203



Abbreviations:

"AFY" = acre-feet per year

"COM" = commercial

"INST" = institutional

"IRRI" = landscape/irrigation

"MFR" = multi-family residential

"OTH" = other

"SFR" = single-family residential

"VOMWD" = Valley of the Moon Water District

Notes:

- Historical water supply demand data for 2011-2014 per Reference 1, 2015-2022 per Reference 2. All data reported in fiscal year.
- Landscape / Irrigation is a combination of multi-family irrigation, commercial irrigation, and landscape sectors.
- "Other" is a water demand category only between fiscal years 2015 - 2022 and is a combination of unbilled and unmetered consumption such as fire flow, system flushing, etc.
- Losses for 2011 - 2014 per References 1. For 2015-2022 where losses data was unavailable, the water loss was calculated by subtracting the total demand from total supply per Reference 2.

References:

- VOMWD, 2016. 2016 Urban Water Management Plan, dated June 2016.
- VOMWD, 2023. Historical Demand and Supply Data, provided by VOMWD on 7 March 2023.

Table 5
Projected Water Demand of Other Known Developments in the Valley of the Moon Water District's Service Area

810 W Agua Caliente Development, Sonoma County, California

Water Demand	Projected Water Demand (AFY)				
	2025	2030	2035	2040	2045
2020 UWMP Projections (a)	2,996	3,101	3,220	3,353	3,477
Proposed Project	0	150	150	150	150
SSP Project (b)	67	133	200	266	266
Scenario 1 Baseline VOMWD Demand (c)	2,603	2,603	2,603	2,603	2,603
Remaining 2020 UWMP Projected Demand under Scenario 1	327	216	268	335	459
Scenario 2 Baseline WOMWD Demand (d)	2,783	2,783	2,783	2,783	2,783
Remaining 2020 UWMP Projected Demand under Scenario 2	146	35	88	154	278

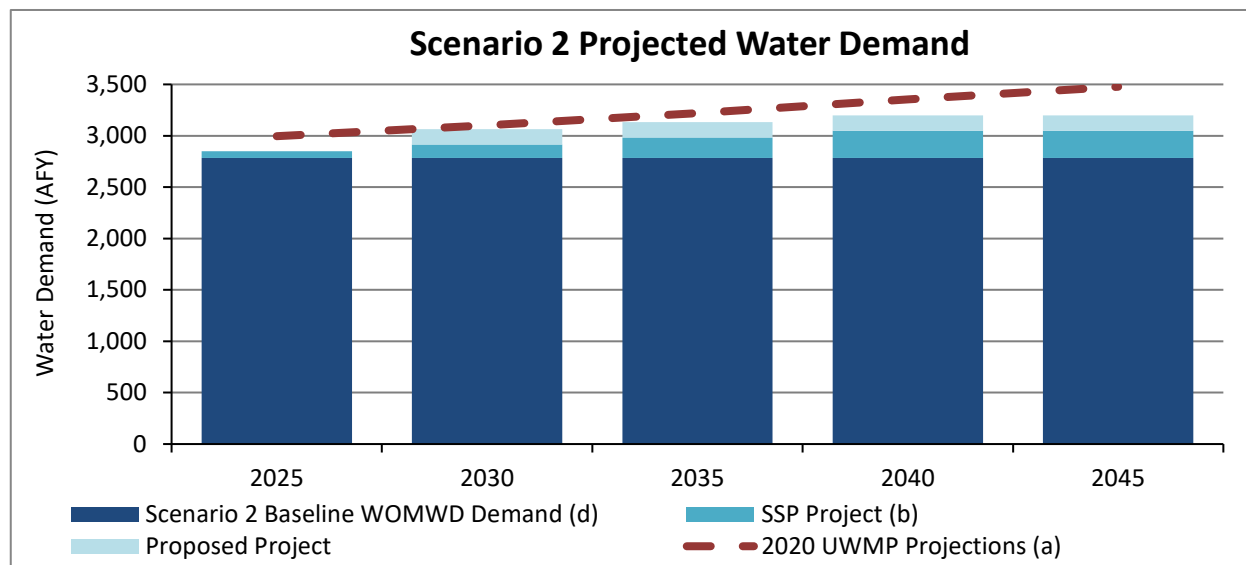
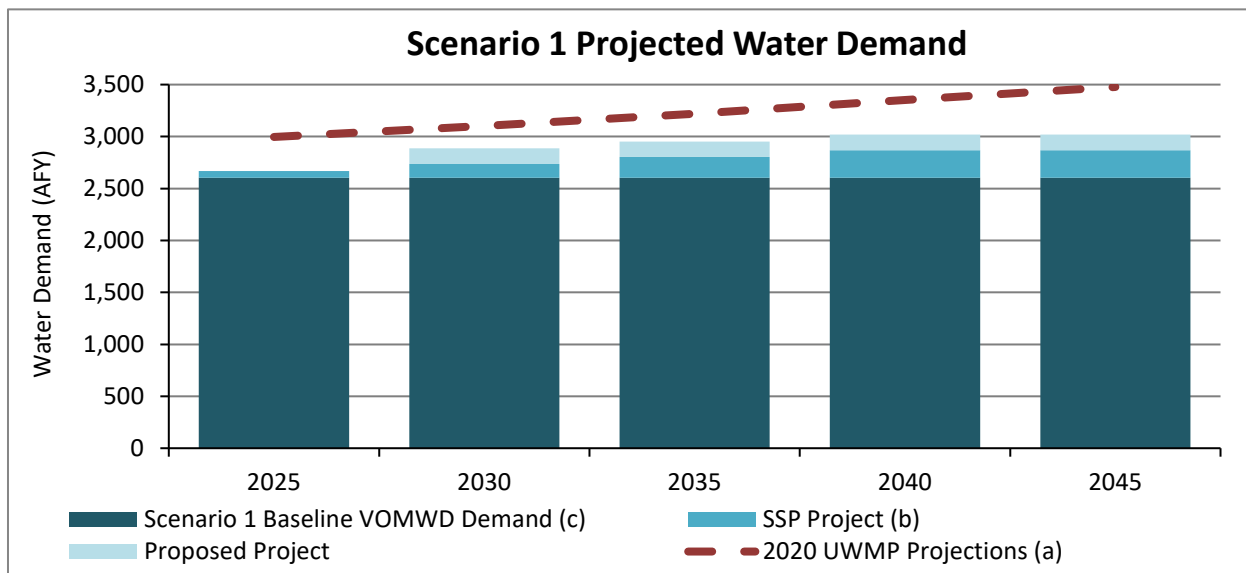


Table 5
Projected Water Demand of Other Known Developments in the Valley of the Moon Water District's Service Area

810 W Agua Caliente Development, Sonoma County, California

Abbreviations:

"AFY" = acre-feet per year

"VOMWD" = Valley of the Moon Water District

"Proposed Project" = 810 W Agua Caliente Development

"UWMP" = Urban Water Management Plan

"SSP" = Spings Specific Plan

Notes:

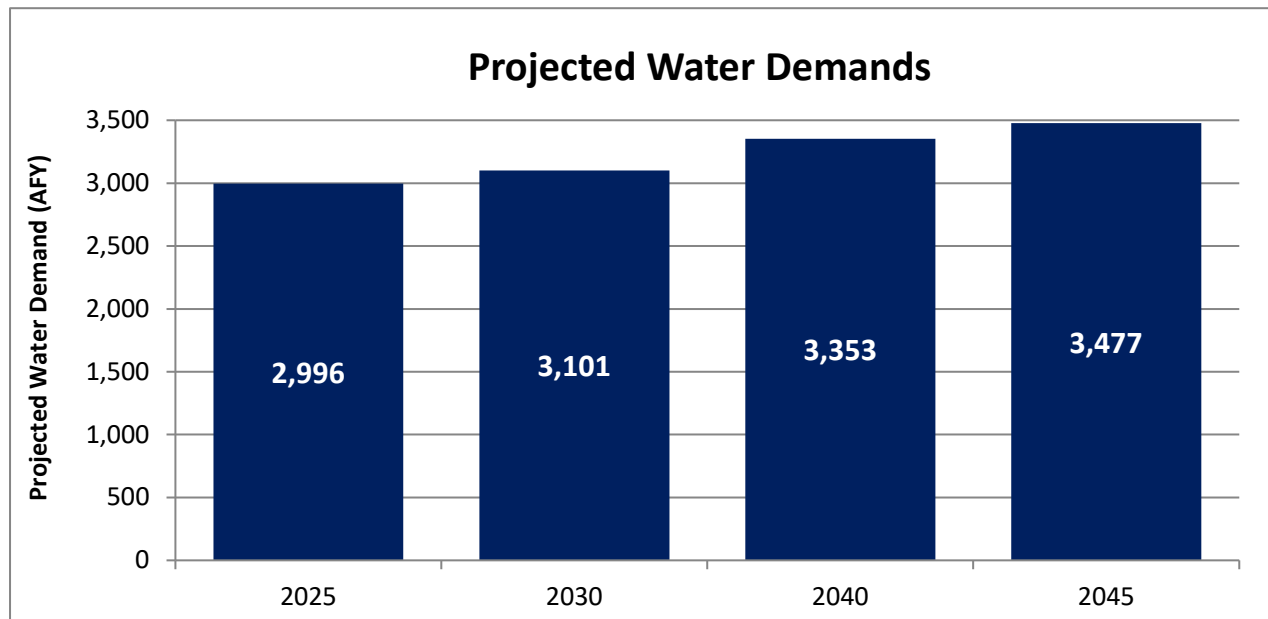
- (a) Water demand projections for VOMWD are presented per Reference 1.
- (b) Projected demand at full buildout associated with the SSP Project is per Reference 2 and the buildout schedule is per Reference 3.
- (c) Projected VOMWD demands are assumed to 2,603 AFY, which is the average of VOMWD's total annual water demands over the past five years.
- (d) Projected VOMWD demands are assumed to 2,783 AFY, which is the average of the VOMWD's three highest annual water demands over the past five years.

References:

- 1. VOMWD, 2021. 2020 Urban Water Management Plan, dated June 2021.
- 2. VOMWD, 2019. Water Master Plan, prepared by EKI Environment & Water, Inc. for VOMWD, dated April 2019.
- 3. Sonoma County, 2022. Draft Environmental Impact Report for the Springs Specific Plan, dated May 2022.

Table 6
Projected Future Water Demand for the Valley of the Moon Water District
810 W Agua Caliente Development, Sonoma County, California

Water Demand	Projected Annual Water Demand (AFY)				
	2025	2030	2035	2040	2045
VOMWD 2020 UWMP (a)	2,996	3,101	3,220	3,353	3,477
Proposed Project	Included in VOMWD Demand Projections (b)				
Total Water Demand	2,996	3,101	3,220	3,353	3,477



Abbreviations:

"AFY" = acre feet per year

"Proposed Project" = 810 W Agua Caliente Development

"VOMWD" = Valley of the Moon Water District

"UWMP" = Urban Water Management Plan

Notes:

(a) Water demand projections for VOMWD were updated in 2021, and are presented per Reference 1.

(b) The demands associated with the Proposed Project are within the growth anticipated for VOMWD and are accounted for in the 2020 UWMP demand projections.

References:

1. VOMWD, 2021. 2020 Urban Water Management Plan, dated June 2021.

6 VALLEY OF THE MOON WATER DISTRICT WATER SUPPLY

This section identifies the water supplies for the VOMWD and discusses the variability of the different supplies based on drought and other factors affecting water supply reliability. The VOMWD's water supplies presently come from a combination of imported water from Sonoma County Water Agency (SCWA or Sonoma Water) and, to a lesser degree, local groundwater pumped by the District from the Sonoma Valley Subbasin of the Napa-Sonoma Valley Groundwater Basin (DWR Basin No. 2-2.02) and from areas within the District's service area outside of the Sonoma Valley Subbasin.⁶ The VOMWD's historical water supplies from 2011 through 2022 are summarized in **Table 7**. VOMWD's existing and planned water supplies are described further in the following sections.

6.1 Identification of Water Supply Rights

☒ **CWC § 10910 (d)(1)**

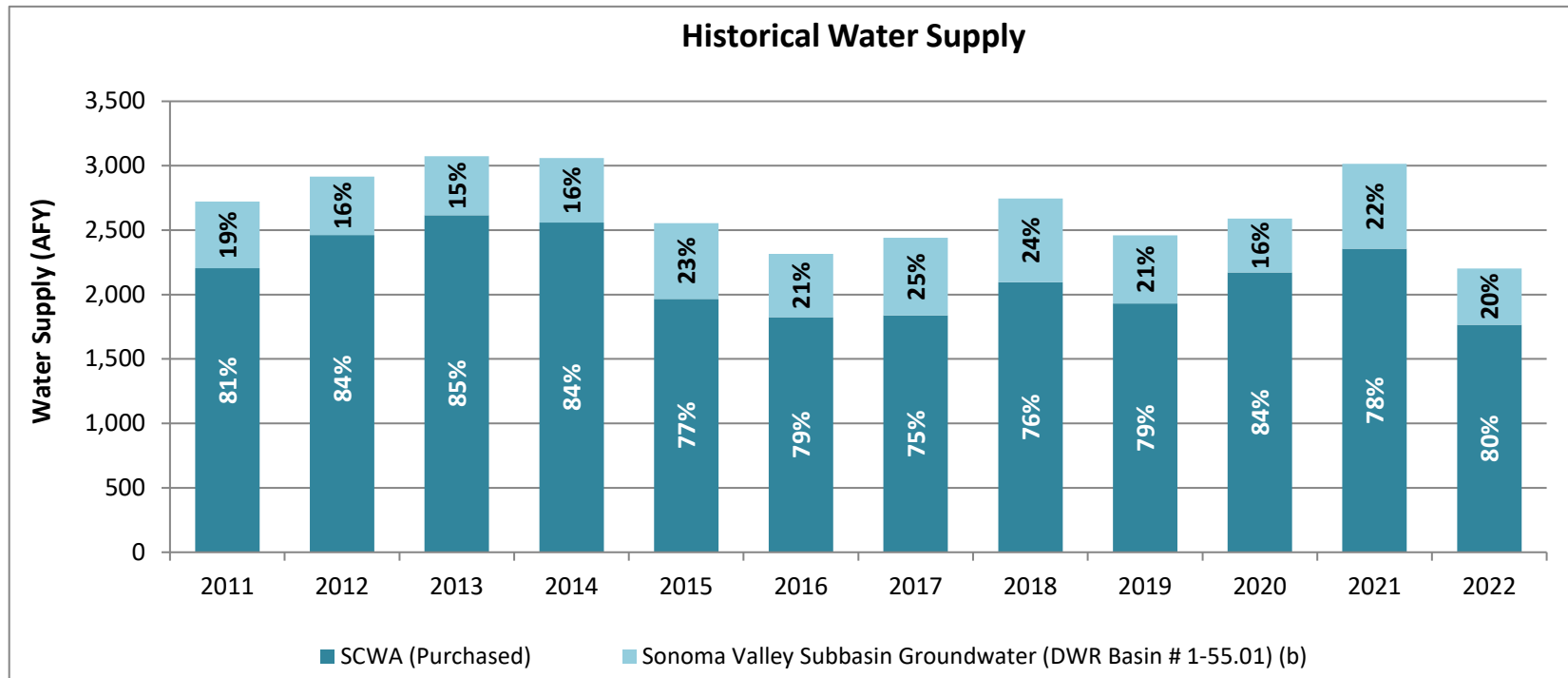
The assessment required by this section shall include an identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project, and a description of the quantities of water received in prior years by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), under the existing water supply entitlements, water rights, or water service contracts.

Pursuant to Water Code §10910(d)(1), a WSA is required to include identification of all water supply entitlements, water rights, and water service contracts relevant to the identified water supply for the Proposed Project. In accordance with these requirements, this WSA includes a summary of each of VOMWD's current and anticipated supply sources in the VOMWD service area.

⁶ VOMWD also holds water diversion rights for springs located on Sonoma Mountain. These water rights are not currently in use and are assumed to not be used to serve the Proposed Project. Thus, these water rights are not discussed further herein.

Table 7
Historical Water Supply for Valley of the Moon Water District
810 W Agua Caliente Development, Sonoma County, California

Water Supply Source	Historical Water Supply (a) (AFY)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SCWA (Purchased)	2,205	2,461	2,616	2,559	1,966	1,824	1,838	2,097	1,932	2,171	2,355	1,766
Sonoma Valley Subbasin Groundwater (DWR Basin # 1-55.01) (b)	517	454	457	500	587	491	602	649	528	419	659	437
Total Water Supply	2,722	2,916	3,073	3,059	2,553	2,316	2,440	2,746	2,460	2,590	3,014	2,203



Abbreviations:

"AFY" = acre-feet per year

"DWR" = California Department of Water Resources

"SCWA" = Sonoma County Water Agency

"VOMWD" = Valley of the Moon Water District

Table 7

Historical Water Supply for Valley of the Moon Water District

810 W Agua Caliente Development, Sonoma County, California

Notes:

- (a) Historical water supply data from per Reference 1. All data reported in fiscal year.
- (b) Note that a portion of the VOMWD's groundwater production included herein is from groundwater wells located outside of the Sonoma Valley Subbasin boundaries.

References:

- 1. VOMWD, 2023. Historical Demand and Supply Data, provided by VOMWD on 7 March 2023.

6.2 Local Surface Water

6.2.1 VOMWD Surface Water Rights

The VOMWD holds water diversion rights for springs located on Sonoma Mountain. These water rights are not currently in use and are assumed to not be used to serve the District in the future. Thus, these water rights are not discussed further herein.

6.3 Purchased Water

6.3.1 Sonoma County Water Agency Surface Water Supply

The District receives its primary water supply from SCWA's transmission system, which provides treated water purchased from SCWA's Russian River Project. The Russian River flows are augmented by Pacific Gas and Electric's (PG&E's) Potter Valley Project, which diverts a portion of the Eel River flows to the East Fork of the Russian River. Water is diverted and extracted from the stretch of the Russian River located in the vicinity of Wohler Bridge via six radial wells known as "Ranney collectors." The diverted river water percolates through sand and gravel and only needs the addition of chlorine and caustic soda to meet drinking water quality standards. Although the water extracted via Ranney collectors does percolate through the ground, due to the connection to the surface water source, this diversion is considered and is permitted as a surface water supply under existing surface water rights to the Russian River and Dry Creek water (SCWA, 2016). As discussed further under Section 6.4, the SCWA supply also includes a relatively small amount of groundwater from groundwater supply wells located in the central Santa Rosa Plain Subbasin (SCWA, 2016).

The District, along with other SCWA contractors, signed the Restructured Agreement for Water Supply (Agreement; included in **Appendix A**) in 2006. The Agreement provides for the financing, construction, and operation of diversion facilities, transmission lines, storage tanks, booster pumps, conventional wells, and appurtenant facilities. As described in Section 3.1 of this Agreement, SCWA:

...shall deliver to each Water Contractor [i.e., each signatory to the Agreement] at the points of delivery hereinafter set forth such quantities of water as the Water Contractor shall from time to time require at such rates of flow as are necessary to meet its peak day's demand, subject to the following:

SCWA shall not be obligated to deliver water in excess of the following:

<i>Water Contractor/ Aqueduct</i>	<i>Average Daily Rate of Flow During Any Month</i>	<i>Annual Amount During Fiscal Year (Excluding Surplus Water)</i>
<i>Valley of the Moon from Sonoma Aqueduct</i>	<i>8.5 million gallons per day</i>	<i>3,200 acre-feet</i>

6.3.2 Sonoma County Water Agency Surface Water Rights

According to SCWA's 2020 UWMP (SCWA, 2021), four water rights permits (Permits 12947A, 12949, 12950, and 16596) issued by the State Water Resources Control Board (SWRCB) authorize SCWA to store up to 122,500 AFY of water in Lake Mendocino and up to 245,000 AFY of water in Lake Sonoma, and to divert or redivert up to 180 cubic feet per second (cfs) of water from the Russian River with a limit of 75,000 AFY. The permits also establish minimum instream flow requirements for fish and wildlife protection and recreation. These minimum instream flow requirements vary based on the hydrologic classifications of normal, dry, and critical water supply conditions as defined by SCWA's water rights permits and SWRCB Decision 1610, adopted in 1986 (SCWA, 2021). SCWA meets the various instream flow requirements by making releases from Coyote Valley Dam and Warm Springs Dam (SCWA, 2021). The Russian River Biological Opinion requires modification of minimum instream flow requirements on the Russian River and Dry Creek to maintain the Incidental Take Statement provided by the Biological Opinion (SCWA, 2021). SCWA's evaluation of future Russian River supply availability is based upon the assumption that proposed changes to the minimum instream flow requirements under Decision 1610 set forth in the Biological Opinion are implemented (SCWA, 2021). The SCWA 2020 UWMP assumes the existing overall annual diversion and re-diversion limit of 75,000 AF in SCWA's water rights permits will be adequate to meet future demands through 2045 and that it is no longer necessary for SCWA to make filings with the SWRCB to increase its annual diversion and re-diversion limit of Russian River water by 1,000 AF by 2045, as was assumed in the SCWA 2015 UWMP (SCWA, 2016), due to conservation and the resulting lower demand projections.

6.3.3 Sonoma County Water Agency Groundwater Supply

SCWA pumps a portion of its supply from the Santa Rosa Plain Subbasin of the Santa Rosa Valley Basin (DWR Basin No. 1-55.01). Groundwater is used primarily as a drought period supply, or when Russian River supplies are otherwise constrained (SCWA, 2021). In 2020, SCWA did not produce any groundwater; through 2045, groundwater is projected to make up 3.0% of SCWA's supplies in normal year conditions (SCWA, 2021). It cannot be discerned what specific amount of SCWA supply provided to the District consists of groundwater; however, it is assumed to be proportionate to the overall percentage of groundwater used within SCWA's system. SCWA's groundwater supply is discussed further in Section 6.4.

6.4 Groundwater Supply

☒ CWC § 10910 (f)

If a water supply for a proposed project includes groundwater, the following additional information shall be included in the water supply assessment:

(1) A review of any information contained in the urban water management plan relevant to the identified water supply for the proposed project.

(2)(A) A description of any groundwater basin or basins from which the proposed project will be supplied.

(B) For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has the legal right to pump under the order or decree.

(C) For a basin that has not been adjudicated that is a basin designated as high- or medium-priority pursuant to Section 10722.4, information regarding the following:

(i) Whether the department has identified the basin as being subject to critical conditions of overdraft pursuant to Section 12924.

(ii) If a groundwater sustainability agency has adopted a groundwater sustainability plan or has an approved alternative, a copy of that alternative or plan.

(D) For a basin that has not been adjudicated that is a basin designated as low- or very low priority pursuant to Section 10722.4, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current bulletin of the department that characterizes the condition of the groundwater basin, and a detailed description by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), of the efforts being undertaken in the basin or basins to eliminate the long-term overdraft condition.

(3) A detailed description and analysis of the amount and location of groundwater pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), for the past five years from any groundwater basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), from any basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(5) An analysis of the sufficiency of the groundwater from the basin or basins from which the proposed project will be supplied to meet the projected water demand associated with the proposed project. A water supply assessment shall not be required to include the information required by this paragraph if the public water system determines, as part of the review required by paragraph (1), that the sufficiency of groundwater necessary to meet the initial and projected water demand associated with the project was addressed in the description and analysis required by paragraph (4) of subdivision (b) of Section 10631.

Groundwater pumped from the Sonoma Valley Subbasin constitutes a portion of supply to the District. Additional details regarding basin description, groundwater management, and historical groundwater use are included below.

6.4.1 Basin Description and Status

As described in Section 6.3.3, SCWA pumps a portion of its supply from the Santa Rosa Plain Subbasin, which makes up 3.0% of total SCWA supplies projections. The District's purchase of SCWA water is supplemented by local groundwater supply wells which overlie the Sonoma Valley Subbasin. In a normal water year, approximately 20-30% of the District's water supply is from local groundwater supply wells.

6.4.1.1 Sonoma Valley Subbasin (Local Groundwater Supply)

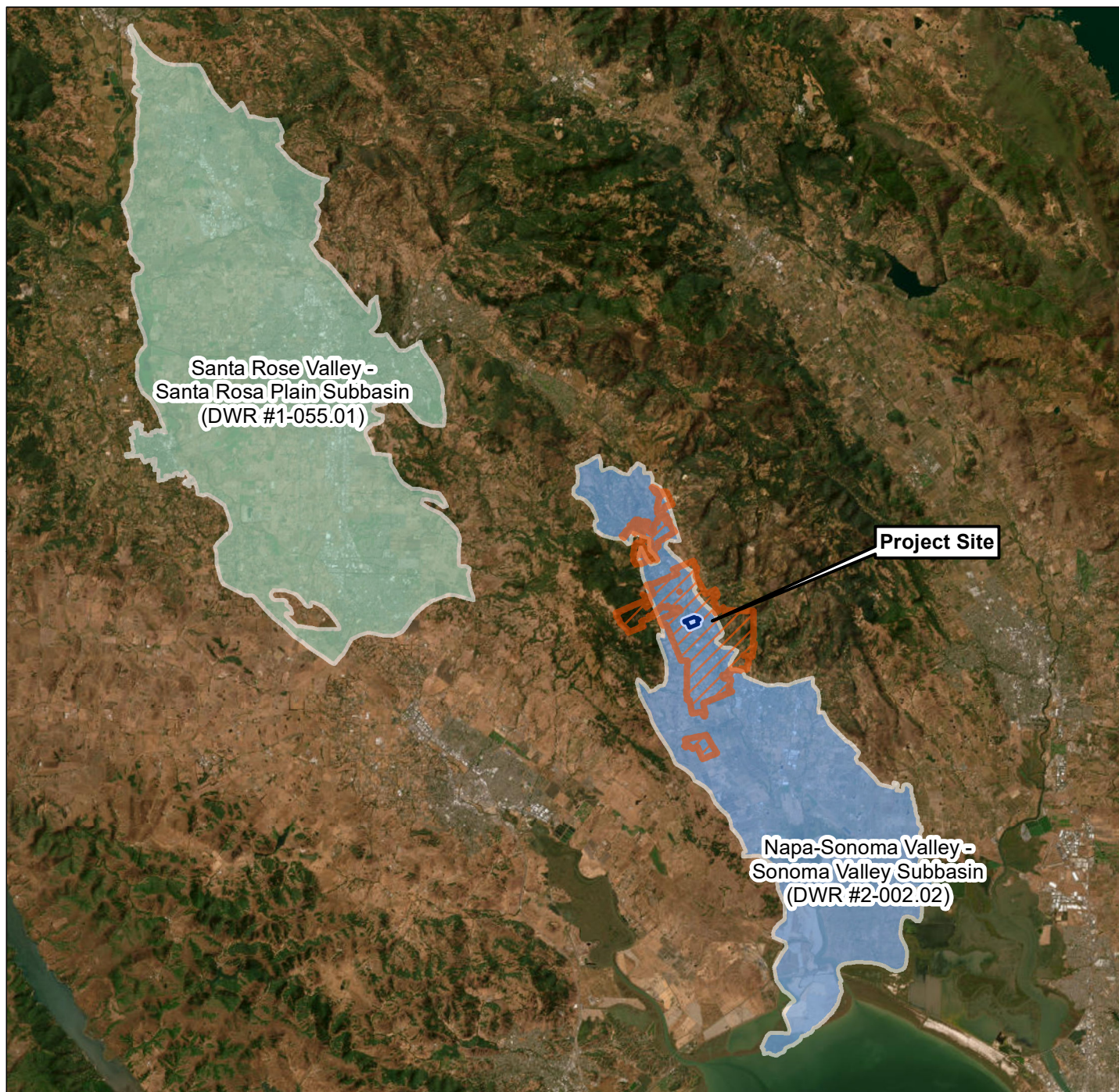
As shown on **Figure 3**, the Proposed Project site overlies the Sonoma Valley Subbasin of the Napa-Sonoma Valley Groundwater Basin (DWR Basin No. 2-002.02). The Sonoma Valley Groundwater Basin is one of three subbasins that drain south-southeast into San Pablo Bay (DWR, 2003). The Sonoma Valley Subbasin is not adjudicated, and the basin is not in a condition of critical overdraft.

The Sonoma Valley Subbasin is designated as a high priority basin under DWR's 2019 Phase 2 Basin Prioritization (DWR, 2020). Under this prioritization process, basins are ranked on eight components, and if a basin is assigned more than 21 total points, it is defined as "high priority." The main factors driving the Sonoma Valley Subbasin's designation include the density of public supply wells (4 out of 5 possible points), the density of total wells (4 out of 5 possible points), irrigated acreage per square mile (3 out of 5 possible points), groundwater reliance (3 out of 5 possible points), and documented impacts including declining groundwater levels and subsidence (3 out of 5 possible points).⁷




As a DWR-designated high priority basin, the Sonoma Valley Subbasin is subject to the requirements of the Sustainable Groundwater Management Act (SGMA), including the requirement to be covered by one or more GSAs and to prepare and submit to DWR one or more Groundwater Sustainability Plans (GSPs).

The Sonoma Valley Subbasin covers an area of approximately 44,626 acres (70 square miles) and occupies a northwest trending structural depression in the coastal mountain ranges immediately north of San Pablo Bay. The Subbasin is one of three subbasins of the Napa-Sonoma Valley Groundwater Basin and is bounded on the west by the Sonoma Mountains and on the east by the Mayacamas Mountains. The Sonoma Valley Subbasin extends from San Pablo Bay northward to about 2 miles south of the Town of Kenwood where the alluvial plain terminates. The principal stream draining the Subbasin is Sonoma Creek, which is tidally influenced from Schellville downstream to its mouth at San Pablo Bay (DWR, 2006).

⁷ DWR's 2019 Phase 2 Basin Prioritization used the basin's total possible ranking points assigned to each of the eight components to determine the priority. A basin is defined as High Priority if it has more than 21 total ranking points.



Legend

	Proposed Project Boundary		Napa-Sonoma Valley - Sonoma Valley
	VOMWD Service Area		Santa Rosa Valley - Santa Rosa Plain

Abbreviations

DWR = California Department of Water Resources
VOMWD = Valley of the Moon Water District

Notes

1. All locations are approximate.

Sources

1. Proposed Project boundary provided by Hanna Boys Center on 25 May 2023.
2. VOMWD service area boundary provided in 2021 by VOMWD for preparation of VOMWD's 2020 Urban Water Management Plan.
3. Basemap is ESRI's ArcGIS Online world aerial map, obtained 6 March 2024.
4. DWR groundwater basins are based on the boundaries defined in California's Groundwater, Bulletin 118-2016 Update.



Regional Setting and Groundwater Basins

810 W Agua Caliente Development

Sonoma County, CA

March 2024

EKI C30140.00

Figure 3

eki environment
& water

Further description of the Sonoma Valley Subbasin is included in the Basin Setting chapter of the GSP, including the hydrogeologic conceptual model, and current and historical groundwater conditions (Sonoma Valley Groundwater Sustainability Agency, 2021). The Sonoma Valley Subbasin GSP is available on the DWR SGMA portal website: <https://sgma.water.ca.gov/portal/gsp/all>

6.4.1.2 Santa Rosa Plain Subbasin (SCWA Groundwater Supply)

As noted in Section 6.3.3, a small portion of the SCWA water supply (i.e., approximately 3.0%) purchased by VOMWD is comprised of groundwater from the Santa Rosa Plain Subbasin of the Santa Rosa Valley Basin (DWR Basin No. 1-55.01). Given this, in accordance with CWC §106319(b), characteristics and groundwater management of the Santa Rosa Plain Subbasin are provided below.

The Santa Rosa Subbasin is not adjudicated, and in its recent evaluation of California groundwater basins, DWR determined that the Basin is not in a condition of critical overdraft (DWR, 2020). The Santa Rosa Plain Subbasin is currently categorized by the DWR program as a medium priority basin (DWR, 2020) and is also subject to the requirements of SGMA.

Further description of the Santa Rosa Subbasin is included in the Basin Setting chapter of the GSP, including the hydrogeologic conceptual model, and current and historical groundwater conditions (Santa Rosa Plain Groundwater Sustainability Agency, 2021). The Santa Rosa Subbasin GSP is available on the DWR SGMA portal website: <https://sgma.water.ca.gov/portal/gsp/all>.

6.4.2 Groundwater Management

Actions related to management of the Sonoma Valley Subbasin and Santa Rosa Plain Subbasin both currently and under SGMA are described in the next sections.

6.4.2.1 Non-SGMA Groundwater Management

6.4.2.1.1 Sonoma Valley Subbasin (Local Groundwater Supply)

Prior to the passage of SGMA, a coalition of local stakeholders participated in the development of a Sonoma Valley Groundwater Management Plan (Sonoma Valley GMP), which was completed in 2007 (SCWA, 2007). This plan was prepared to inform and guide SCWA and other stakeholders in maintaining a sustainable, high-quality groundwater resource for the users of the groundwater basin underlying the Sonoma Valley. Stakeholders that participated in the development of the Sonoma Valley GMP were SCWA, the District, the City of Sonoma, and the Sonoma Valley County Sanitation District (SVCS D). Guidance for the Sonoma Valley GMP effort was provided by a Basin Advisory Panel (BAP), which included additional stakeholders including agricultural interests, local citizen groups, environmental groups, and business interests. Primary components of the Sonoma Valley GMP were grouped into several categories, including: (1) stakeholder involvement, (2) groundwater monitoring, (3) groundwater quality protection, (4) groundwater sustainability, and (5) planning integration. The Sonoma Valley GMP identified a range of

voluntary management actions, including groundwater recharge, groundwater banking, increased water use efficiency, and greater use of recycled water to reduce demand for groundwater. The BAP held its last meeting in August 2016 and the Sonoma Valley GMP has been superseded by the GSP for the Sonoma Valley Subbasin as described in Section 6.4.2.2.1.

6.4.2.1.2 Santa Rosa Plain Subbasin (SCWA Groundwater Supply)

The Santa Rosa Plain Subbasin was previously managed under the Santa Rosa Plain Watershed Groundwater Management Plan (Santa Rosa Plain GMP), developed by the Santa Rosa Plain Advisory Panel (Santa Rosa Plain Advisory Panel, 2014). The stated goal of the Santa Rosa Plain GMP was “to proactively coordinate public and private groundwater management efforts and leverage funding opportunities to maintain a sustainable, locally-managed, high-quality groundwater resource for current and future users, while sustaining natural groundwater and surface water functions.” The Santa Rosa Plain GMP outlined 18 Basin Management Objectives and grouped them into seven key management components, including: (1) stakeholder involvement and public awareness, (2) monitoring and modeling program, (3) groundwater protection, (4) increasing water conservation and efficiency, (5) increasing groundwater discharge, (6) increasing water reuse, and (7) integrated groundwater management. The Santa Rosa Plain GMP has been superseded by the GSP for the Santa Rosa Plain Subbasin as described in Section 6.4.2.2.2.

6.4.2.2 SGMA Groundwater Management

6.4.2.2.1 Sonoma Valley Subbasin (Local Groundwater Supply)

As discussed in Section 6.4.1.1, the Sonoma Valley Subbasin is designated by DWR as a high priority basin and is subject to the requirements of SGMA, which include the formation of a one or more GSAs and the development and implementation of one or more GSPs.

The Sonoma Valley Groundwater Sustainability Agency (Sonoma Valley GSA) was formed in June 2017 through a Joint Powers Agreement (JPA) entered into by the County of Sonoma, the City of Sonoma, the District, Sonoma Resource Conservation District, SCWA, and North Bay Water District. The Sonoma Valley GSA is governed by six board members and alternates from the six member organizations. The Board of Directors is advised by an Advisory Committee of 12 members consisting of six at-large members appointed by the six member agencies, and six interest-based members appointed by the Sonoma Valley GSA Board of Directors, representing various other stakeholders.

The GSP for the Santa Rosa plain Subbasin was completed and submitted to DWR by the statutory deadline of 31 January 2022. The GSP was approved by DWR in January 2023 and DWR provided recommended Corrective Actions to be addressed in the 2027 GSP update (DWR, 2023a).

6.4.2.2.2 Santa Rosa Plain Subbasin (SCWA Groundwater Supply)

As discussed in Section 6.4.1.2, the Santa Rosa Plain Subbasin is designated by DWR as a medium priority basin (DWR, 2020) and is subject to the requirements of SGMA, which include the formation of one or more GSAs and the development and implementation of one or more GSPs.

The Santa Rosa Plain GSA was formed in June 2017 through a JPA entered into by the SCWA, City of Cotati, City of Rohnert Park, City of Santa Rosa, City of Sebastopol, Town of Windsor, County of Sonoma, Gold Ridge Resource Conservation District, Sonoma Resource Conservation District, Branger Mutual Water Company, California American Water, Willowside Mutual Water Company, and Penngrove Water Company, and covers the entire subbasin. The Santa Rosa Plain GSA is governed by a nine-member Board of Directors, which includes a position held by SCWA. The Board of Directors is advised by an Advisory Committee that includes 18 members appointed by the Board of Directors, representing various stakeholders.

The GSP for the Santa Rosa Plain Subbasin was completed and submitted to DWR by the statutory deadline of 31 January 2022. The GSP was approved by DWR in January 2023 and DWR provided recommended Corrective Actions to be addressed in the 2027 GSP update (DWR, 2023b).

6.4.3 Groundwater Use

The District owns four active municipal production wells and leases two active municipal production wells. The District also owns one inactive well that is not planned for public water supply (VOMWD, 2022), and has lease agreement in place for another inactive well. The capacities of the active wells range from 55 to 120 gallons per minute (gpm). The District cycles through its wells, and each well typically pumps for 7.5 months and then remains offline for the remaining months for recovery and maintenance. The District's existing total groundwater capacity is approximately 510 gpm (VOMWD, 2022).

Table 7 lists the amount of groundwater pumped by the District between 2011 and 2022. The District pumped an average of 538 AFY over the 5-year time period between 2018 and 2022, and a maximum of 659 AF in 2021. The available groundwater supply and the purchased water supply have been sufficient to meet all of the District's demands in the past five years and all prior years.

6.4.4 Analysis of Sufficiency of Groundwater Supply

As noted in Section 6.4.3, the District currently owns four active municipal production wells and one inactive wells, and leases two active wells. Existing total capacity of the active wells is approximately 510 gpm. The total estimated sustainable capacity of the groundwater supply wells was calculated based on a conservative assumption of 7.5 months per year of operation, which allows for 4.5 months of lost operation time due to recovery, mechanical, treatment, and/or power issues, and an assumption that three new groundwater supply wells will be installed prior to 2025. Based on these assumptions, the total estimated capacity of the groundwater supply wells is projected to be 940 AFY (VOMWD, 2021).

The District will continue to use its wells to supplement its purchased SCWA water but plans to manage the use of the wells over time as the District implements additional water conservation programs. Groundwater production will be expanded to meet demands in the case of a drought or a decrease in SCWA water supply.

The District's projected use of groundwater was incorporated into the Sonoma Valley GSP, and as a member of the Sonoma Valley GSA, the District will continue to be actively involved in all groundwater management actions and decisions to ensure the long-term sustainability and sufficiency of the groundwater resource.

6.5 Recycled Water

The District does not use recycled water and has no plans for recycled water use within the planning horizon of the 2020 UWMP. In order to further supplement and enhance the District's water supply sources, the District has previously explored the option of acquiring recycled water from SVCSD. The District recognizes the benefit of expanded recycled water use to offset agricultural groundwater pumping in the southern portion of Sonoma Valley. However, extensive pipeline construction would be required to convey recycled water from the Sonoma Valley Water Treatment Plant, owned and operated by SVCSD, to the District's service area. As a result, implementation of a recycled water program in the District's service area is cost-prohibitive in the near-term. That being said, the District will continue to explore opportunities to utilize recycled water in the future in conjunction with others.

6.6 Total Projected Potable Supply in Normal, Single Dry, and Multiple Dry Years

As discussed above, the water supply for the VOMWD is a combination of imported water from SCWA and, to a lesser degree, local groundwater pumped by the District from the Sonoma Valley Subbasin of the Napa-Sonoma Valley Groundwater Basin and from areas within the District's service area located outside of the Sonoma Valley Subbasin boundaries.

The SCWA 2020 UWMP states that it will be able to serve 100% of projected customer demands in normal years and multiple-dry years. SCWA's water supplies were estimated based on modeling of the Russian River system consisting of the statistical evaluation of multiple scenarios. For evaluation of single dry years, the model was based on hydrologic conditions in 1977, the driest single year on record. The model outputs indicate that starting in 2030, water demands will exceed water supplies due to Lake Sonoma declining below 100,000 AF before July 15, which triggers a requirement pursuant to SCWA's water rights to decrease diversions by 30% (SCWA, 2021). If such a scenario were to arise, SCWA would work with its customers to reduce water demands as described in SCWA's WSCP and look to utilize local supplies (SCWA, 2021).

Projected supplies (groundwater pumping and water purchased from SCWA) and demands through 2045 for the District are provided in **Tables 8, 9, and 10**. In all hydrologic year scenarios (normal, single dry, and multiple dry), it is assumed that groundwater will be used to meet projected system demands up to the projected groundwater pumping capacity. In normal years, the groundwater pumping capacity is estimated to be 940 AFY, but only a portion of this capacity

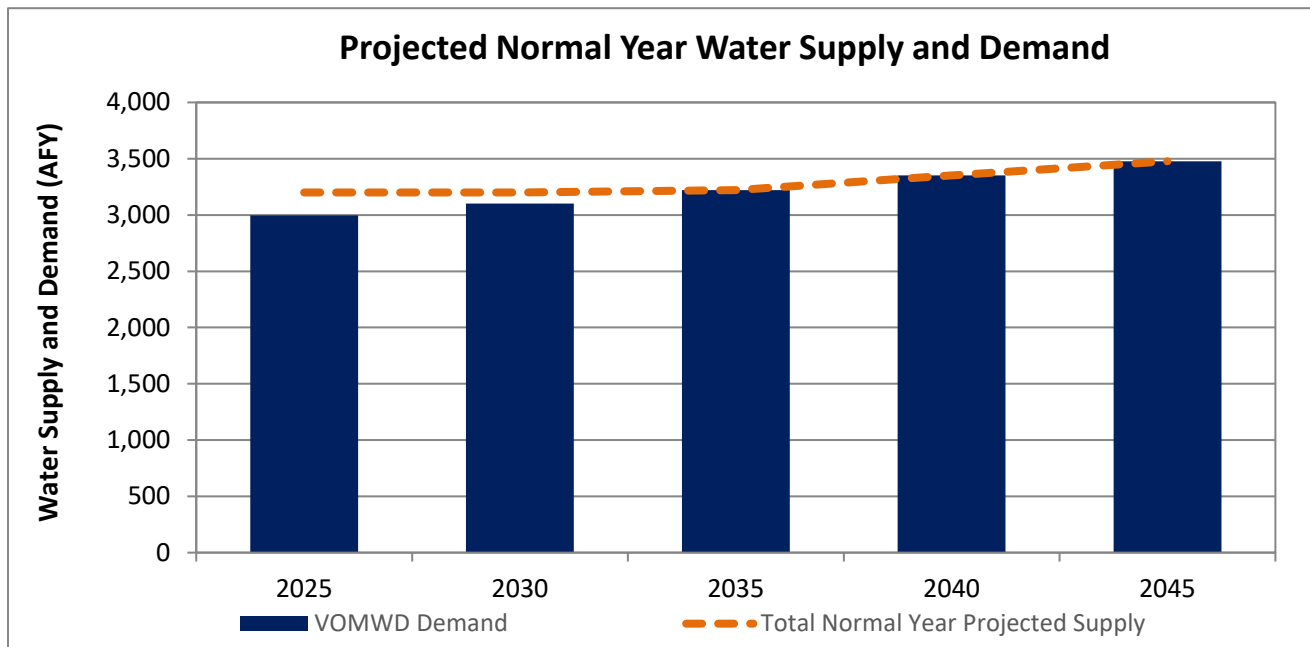
is needed to meet demands. During single dry years and multiple dry years, the groundwater pumping capacity is assumed to be 378 AFY.⁸

The District is projected to have sufficient supplies to meet projected demands in normal years (**Table 8**) and multiple dry years (**Table 10**) through 2045. However, the annual supply in single dry years will be reduced to 2,982 AFY by 2045. Supply shortfalls relative to total demands during single dry years are estimated to range between 1.0% in 2030 and 14% in 2045 (see **Table 9**). As described in more detail in Section 7, these shortfalls will be addressed through planned implementation of VOMWD's WSCP.

⁸ The pumping capacity in dry years is based on a production spreadsheet provided by District staff on 3 May 2021, which reflects an assumption of no flow from Verano, New Labre, Pedroncelli, and Park Wells, and a reduced flow of 50 gpm from Mountain Well.

Table 8
Projected Normal Year Water Supply and Demand
810 W Agua Caliente Development, Sonoma County, California

Supply and Demand	Projected Normal Year Supply and Demand (AFY)				
	2025	2030	2035	2040	2045
Supply (a)					
SCWA Purchases	3,200	3,200	3,200	3,200	3,200
Local Groundwater	0	0	20	153	277
Total Normal Year Projected Supply	3,200	3,200	3,220	3,353	3,477
Demand					
VOMWD Demand	2,996	3,101	3,220	3,353	3,477
Proposed Project	Included in VOMWD Demand Projections (b)				
Total Potable Water Demand Inclusive of Project	2,996	3,101	3,220	3,353	3,477
Supply Shortfall (% demand)	None	None	None	None	None



Abbreviations:

"AFY" = acre-feet per year

"Proposed Project" = 810 W Agua Caliente Development

"UWMP" = Urban Water Management Plan

"VOMWD" = Valley of the Moon Water District

Notes:

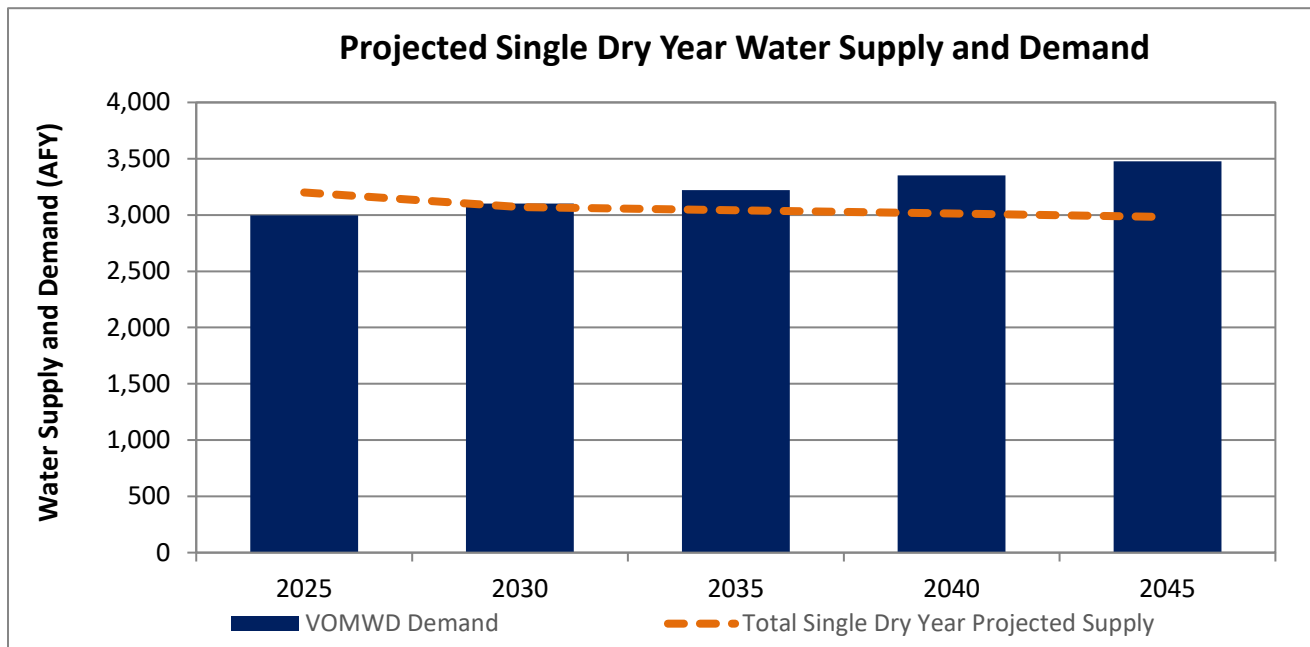
- (a) Projected supplies and demands for VOMWD are per Reference 1.
- (b) The demands associated with the Proposed Project are within the growth anticipated for VOMWD and are accounted for in the 2020 UWMP demand projections.

References:

1. VOMWD, 2021. 2020 Urban Water Management Plan for VOMWD, dated June 2021.

Table 9
Projected Single Dry Year Water Supply and Demand
810 W Agua Caliente Development, Sonoma County, California

Supply and Demand	Projected Single Dry Year Supply and Demand (AFY)				
	2025	2030	2035	2040	2045
Supply (a)					
SCWA Purchases	3,200	2,691	2,665	2,636	2,604
Local Groundwater	0	378	378	378	378
Total Single Dry Year Projected Supply	3,200	3,069	3,043	3,014	2,982
Demand					
VOMWD Demand	2,996	3,101	3,220	3,353	3,477
Proposed Project	Included in VOMWD Demand Projections (b)				
Total Potable Water Demand Inclusive of Project	2,996	3,101	3,220	3,353	3,477
Supply Shortfall (% demand)	None	1.0%	5.5%	10%	14%



Abbreviations:

"AFY" = acre-feet per year

"Proposed Project" = 810 W Agua Caliente Development

"UWMP" = Urban Water Management Plan

"VOMWD" = Valley of the Moon Water District

Notes:

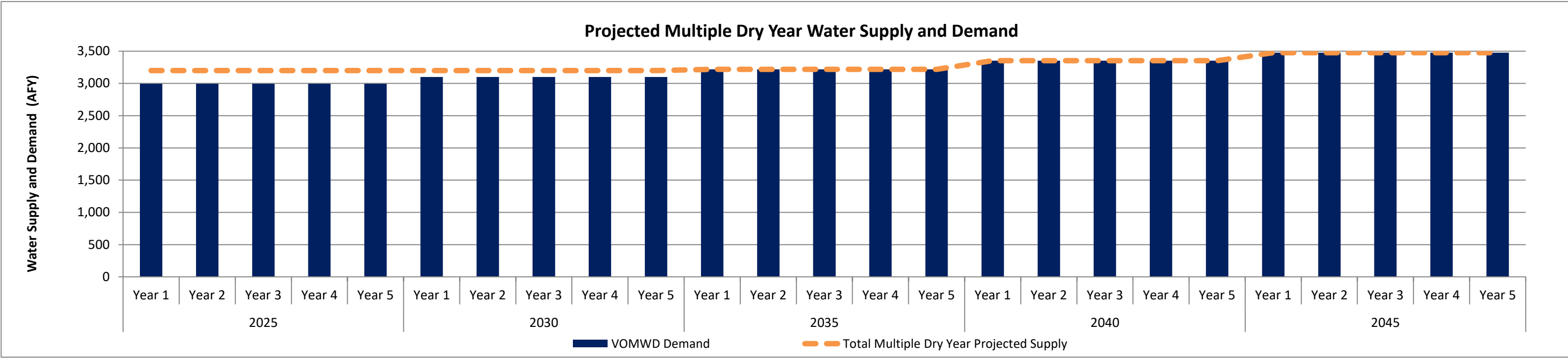
- (a) Projected supplies and demands for VOMWD are per Reference 1.
- (b) The demands associated with the Proposed Project are within the growth anticipated for VOMWD and are accounted for in the 2020 UWMP demand projections.

References:

1. VOMWD, 2021. 2020 Urban Water Management Plan for VOMWD, dated June 2021.

Table 10
Projected Multiple Dry Year Water Supply and Demand
810 W Agua Caliente Development, Sonoma County, California

Supply and Demand	Projected Water Supply and Demand During Multiple Dry Years (AFY)																								
	2025					2030					2035					2040					2045				
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
Supply (a)																									
SCWA Purchases	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Local Groundwater	0	0	0	0	0	0	0	0	0	0	20	20	20	20	20	153	153	153	153	153	277	277	277	277	277
Total Multiple Dry Year Projected Supply	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,220	3,220	3,220	3,220	3,220	3,353	3,353	3,353	3,353	3,353	3,477	3,477	3,477	3,477	3,477
Demand																									
VOMWD Demand	2,996	2,996	2,996	2,996	2,996	3,101	3,101	3,101	3,101	3,101	3,220	3,220	3,220	3,220	3,220	3,353	3,353	3,353	3,353	3,353	3,477	3,477	3,477	3,477	3,477
Proposed Project	Included in VOMWD Demand Projections (b)																								
Total Potable Water Demand Inclusive of Project	2,996	2,996	2,996	2,996	2,996	3,101	3,101	3,101	3,101	3,101	3,220	3,220	3,220	3,220	3,220	3,353	3,353	3,353	3,353	3,353	3,477	3,477	3,477	3,477	3,477
Supply Shortfall (% demand)	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None



Abbreviations:
"AFY" = acre-feet per year
"Proposed Project" = 810 W Agua Caliente Development
"UWMP" = Urban Water Management Plan
"VOMWD" = Valley of the Moon Water District

Notes:
(a) Projected supplies for VOMWD are per Reference 1.
(b) The demands associated with the Proposed Project are within the growth anticipated for VOMWD and are accounted for in the 2020 UWMP demand projections.

References:
1. VOMWD, 2021. 2020 Urban Water Management Plan for VOMWD, dated June 2021.

7 COMPARISON OF SUPPLY AND DEMAND

☒ CWC § 10910 (c)(3)

If the projected water demand associated with the proposed project was not accounted for in the most recently adopted urban water management plan, or the public water system has no urban water management plan, the water supply assessment for the project shall include a discussion with regard to whether the public water system's total projected water supplies available during normal, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed project, in addition to the public water system's existing and planned future uses, including agricultural and manufacturing uses.

☒ CWC § 10911 (a)

If, as a result of its assessment, the public water system concludes that its water supplies are, or will be, insufficient, the public water system shall provide to the city or county its plans for acquiring additional water supplies, setting forth the measures that are being undertaken to acquire and develop those water supplies. If the city or county, if either is required to comply with this part pursuant to subdivision (b), concludes as a result of its assessment, that water supplies are, or will be, insufficient, the city or county shall include in its water supply assessment its plans for acquiring additional water supplies, setting forth the measures that are being undertaken to acquire and develop those water supplies. Those plans may include, but are not limited to, information concerning all of the following:

(1) The estimated total costs, and the proposed method of financing the costs, associated with acquiring the additional water supplies.

(2) All federal, state, and local permits, approvals, or entitlements that are anticipated to be required in order to acquire and develop the additional water supplies.

(3) Based on the considerations set forth in paragraphs (1) and (2), the estimated timeframes within which the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), expects to be able to acquire additional water supplies.

☒ CWC § 10911 (c)

The city or county may include in any environmental document an evaluation of any information included in that environmental document provided pursuant to subdivision (b). The city or county shall determine, based on the entire record, whether projected water supplies will be sufficient to satisfy the demands of the project, in addition to existing and planned future uses. If the city or county determines that water supplies will not be sufficient, the city or county shall include that determination in its findings for the project.

As discussed further in Section 5, based on a review of the projected District growth assumptions, VOMWD has determined that the Proposed Project is within the growth anticipated within the District and thus is accounted for in the 2020 UWMP demand projections. Therefore, pursuant to CWC §10910(c)(3), the WSA may rely upon the 2020 UWMP for its analysis of normal, single dry, and multiple dry water years.

This WSA includes an estimate of the projected water supplies available to the District under normal, single dry, and multiple dry years, and a discussion of whether those supplies will meet the projected demand associated with the Proposed Project, in addition to the water system's existing and planned future uses. This assessment is parallel to the multiple-dry year supply reliability analysis required for UWMPs under CWC §10635. In 2018, CWC §10635 was revised to require UWMPs to extend this analysis to consider "a drought lasting five consecutive water

years.” Although CWC §10910(c)(3) has not yet been updated to require this for WSAs, a five-year drought scenario is also evaluated herein.

Tables 8, 9, and 10 provide a comparison of the demands and supplies, inclusive of the Proposed Project, in normal year, single-dry year, and multiple-dry year hydrologic scenarios respectively for the District. As discussed above, the 2020 UWMP finds that the District is projected to have sufficient supplies to meet projected demands in normal years and multiple dry years through 2045. However, during single dry years, the District is projected to have a shortfall starting in 2030, which increases from a 1.0% shortfall in 2030 and up to a 14% shortfall in 2045.⁹

Shortfalls resulting from any cause (e.g., droughts, impacted distribution system infrastructure, regulatory-imposed shortage restrictions, etc.) that could occur in the future would be managed through the implementation of the VOMWD’s Water Shortage Contingency Plan (WSCP). The overall reduction goals in the WSCP are established for six drought stages ranging from 10% to greater than 50% shortfalls. As a customer within the District, the Proposed Project would be obligated to comply with the demand reduction efforts imposed by the VOMWD through implementation of the WSCP in any future water shortage conditions.

In 2016, Governor Brown signed Executive Order B-37-16 Making Water Conservation a California Way of Life (EO) and subsequently SB 606 and Assembly Bill (AB) 1668 were passed. SB 606/AB 1668 set new requirements for urban water agencies to continue to increase water efficiency beyond the 2020 water use targets developed under the Water Conservation Act of 2009 (Senate Bill X7-7). Beginning in 2023, agencies will be required to report on and comply with “annual water use objectives”. The specific standards that will be used to determine an agency’s annual water use objectives are currently under development but are expected to result in continued increases in efficiency for all urban water suppliers in the state. In addition, SB 606/AB 1668 add new requirements related to drought planning and WSCPs, including requirements for agencies to: (1) conduct a drought risk assessments part of their future UWMPs to assess water supply reliability for a period of drought lasting five consecutive water years (CWC §10635(b)), and (2) conduct annual water supply and demand assessments to determine its water supply reliability for the current year and one dry year (CWC §10632(a)). These elements are included in the VOMWD’s 2020 WSCP. During the 2015/2016 drought, VOMWD was subject to the SWRCB’s mandatory water reduction target at 20% between June 2015 and June 2016 (SWRCB, 2016). During this period, VOMWD surpassed its reduction targets and achieved an average water demand reduction of 23% compared to its water use in 2013 (VOMWD, 2016).

On 8 July 2021, in response to the recent drought conditions, Governor Newsom signed EO N-10-21 calling Californians to voluntarily reduce water use by 15% compared to 2020 levels.

⁹ It should be noted that under an “extreme drought scenario” that goes beyond the DWR requirements, the VOMWD could experience even larger shortfalls than those included as part of the 2020 UWMP. The VOMWD experienced an extreme drought scenario in 2021, when critically low rainfall resulted in historically low reservoir storage levels for SCWA. Drought emergency conditions were declared for Sonoma County by the Sonoma County Board of Supervisors, Governor Newsom, and the Secretary of the United States Department of Agriculture.

The District enacted Stage 2 of its WSCP on 6 July 2021 and implemented numerous drought response actions, including, but not limited to, irrigation day restrictions, obligations to fix leaks, and penalties (VOMWD, 2021). The District demands decreased by 14% in 2022 compared to its 2020 demands.

Additionally, VOMWD is exploring potential supply augmentation projects to increase available supplies to the District's service area. For example, VOMWD is exploring the option to capture "natural flows" which can be diverted by Sonoma Water from the Russian River in the wintertime without increasing lake releases. VOMWD could capture these flows and pump the available volume to fill the lakes at the Sonoma Developmental Center Property, which is located within the District's Sphere of Influence, allowing for local drought hardening and mitigating demand on the Sonoma Water system later in the year.¹⁰ In addition, VOMWD has received funding through DWR's Drought Relief Grant Program for two Aquifer Storage and Recovery (ASR) projects, which will enhance VOMWD's resilience against drought.¹¹

Therefore, based on: (1) the projected reliability of the supply sources available to the VOMWD, (2) the increasing efficiency and drought planning requirements from the state, (3) the demonstrated effectiveness of VOMWD's WSCP in the case of supply shortages, and (4) supply augmentation projects being explored by the VOMWD, sufficient water supply is estimated to be available to the VOMWD to meet future demands within its existing service area and the Proposed Project.

¹⁰ VOMWD would retain rights to the captured and stored water regardless of development of the Sonoma Developmental Center property.

¹¹ Operating wells as ASR facilities may reduce the overall time available for pumping, but the ASR projects will enhance long-term supply reliability. Therefore, it is not anticipated to have a negatively impact VOMWD's groundwater supply.

8 CONCLUSIONS

As listed in CWC §10910(c)(4), the primary purpose of this WSA is to evaluate whether sufficient water supply is available to meet future water demands within the water supplier's service area, including those associated with the Proposed Project, during normal, single dry, and multiple dry hydrologic years for a 20-year time horizon.

As described in Section 4, the water demand of the Proposed Project (i.e., 150 AFY at buildout) has been conservatively estimated, and as discussed in Section 5.1, the Proposed Project is considered to be within growth projected in VOMWD's 2020 UWMP and is not expected to result in a net increase in water demands for VOMWD.

This WSA concludes that the Proposed Project will not adversely affect water supply reliability within the VOMWD service area. Based on currently available information and conservative estimates of projected demand, VOMWD expects to be able to meet all future demands within its existing service area, inclusive of the Proposed Project, in normal and multiple dry hydrologic years from 2025 through 2045. The shortfalls that are currently projected during single dry years will be addressed through planned implementation of the VOMWD WSCP.

9 REFERENCES

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- City Ventures, 2024. Information provided by City Ventures on 31 January 2024.
- CSDA Design Group, 2024. Information provided by CSDA Design Group on 27 February 2024.
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Appendix A

Restructured Agreement for Water Supply

RESTRUCTURED AGREEMENT FOR WATER SUPPLY

by and between

SONOMA COUNTY WATER AGENCY
CITY OF COTATI
CITY OF PETALUMA
CITY OF ROHNERT PARK
CITY OF SANTA ROSA
CITY OF SONOMA
FORESTVILLE WATER DISTRICT
NORTH MARIN WATER DISTRICT
VALLEY OF THE MOON WATER DISTRICT
TOWN OF WINDSOR

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RESTRUCTURED AGREEMENT FOR WATER SUPPLY

THIS AGREEMENT is made on _____ by and between the following public entities:

SONOMA COUNTY WATER AGENCY, herein called "Agency",
CITY OF COTATI, herein called "Cotati",
CITY OF PETALUMA, herein called "Petaluma",
CITY OF ROHNERT PARK, herein called "Rohnert Park",
CITY OF SANTA ROSA, herein called "Santa Rosa",
CITY OF SONOMA, herein called "Sonoma",
FORESTVILLE WATER DISTRICT, herein called "Forestville",
NORTH MARIN WATER DISTRICT, herein called "North Marin",
VALLEY OF THE MOON WATER DISTRICT, herein called "Valley of the Moon", and
TOWN OF WINDSOR, herein called "Windsor",

The parties hereto hereby mutually covenant and agree as follows: .

PART 1 - GENERAL

1.1 Recital of Purposes

Among the purposes of this Agreement are to provide a water supply or a supplemental water supply for each of the Water Contractors, to encourage water conservation and recycled water use that reduces potable water use, to provide environmental improvements and enhancements to allow for sustainable and continued use of Russian River Project water, to encourage the development of local supply projects to offset potable water use, and to provide for payment to the Agency for water delivered hereunder sufficient to enable it to pay the capital costs of major replacements and additions to the Transmission System and to meet its Revenue Bond Obligations and its expenses of operating and maintaining the Transmission System.

1.2 Definitions

When used herein, unless otherwise distinctly expressed or manifestly incompatible with the intent of this Agreement, the terms:

- (a) "Acre feet" and "AF" mean one acre-foot or 325,850 gallons of water.
- (b) "Additional Facilities" means the additional facilities that must be constructed or acquired after the completion of the Russian River-Cotati Intertie in order for the Agency to be able to make the deliveries authorized by Sections 3.1 and 3.2, including, but not limited to: an aqueduct generally paralleling the Intertie Aqueduct; an aqueduct generally paralleling the south part of the Petaluma Aqueduct from the Intertie Aqueduct to Kastania Reservoir; an aqueduct generally paralleling the Sonoma Aqueduct; an aqueduct connecting the Kawana Springs and Ralphine reservoirs; the transmission line pumping plants necessary to regulate flows to Storage Facilities; 55.5 million gallons of reservoir storage; 56.9 mgd of Russian River water production capacity; water-treatment facilities; and Emergency Wells.
- (c) "Aqueduct Facilities" means the pipelines of the Intertie, Petaluma, Santa Rosa and Sonoma Aqueducts, an additional pipeline to be constructed generally paralleling the Intertie Aqueduct, a pipeline to be constructed generally paralleling the south part of the Petaluma Aqueduct from the Intertie Aqueduct to Kastania Reservoir, and a pipeline to be constructed or acquired generally paralleling the Sonoma Aqueduct.
- (d) "Capital Cost" means the total funds expended for capital improvements, major replacements, or portions thereof, as context requires, including, but not limited to, planning, engineering, environmental impact analysis, right of way, financial and legal fees, interest during construction, and materials, construction, and replacement costs.
- (e) "Common Facilities" means all Transmission System facilities except Storage Facilities and Aqueduct Facilities, but including additional facility aqueduct capacity constructed specifically to make the deliveries that have been authorized by Section 3.12, and including the Potter Valley Project or portion thereof if acquired pursuant to Section 2.4.
- (f) "Corporate Territory" means the boundary from time to time existent of a city, agency, district or other governmental entity with powers to accept and distribute water.
- (g) "Customer" means any of the following customers of the Agency:
- (1) "Water Contractor" means a party signatory to this Agreement except the Agency and Forestville.

(2) "Other Agency Customer" means the Agency, 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.

(3) "Marin Municipal" means the Marin Municipal Water District.

(4) "Russian River Customer" means any Agency customer within Sonoma County who has or in the future will have contracts with the Agency to divert or redivert water directly from the Russian River or Dry Creek without the use of the Transmission System.

(5) "Regular Customer" means the any of the Water Contractors or the Other Agency Customers.

(h) "Emergency Wells" means auxiliary groundwater production wells that may be utilized to provide additional delivery capacity when necessary due to drought, equipment failure, or other transmission capacity impairment, inability to divert Russian River Project water (for water quality reasons or otherwise), or any other reason beyond the control of the Agency.

(i) "Entitlement" means the quantity of water a Regular Customer shall from time to time require at such rates of flow as are necessary to meet its peak day's demand, subject to the delivery limitations set forth in Sections 2.2, 3.1, 3.2, and 3.5.

(j) "Entitlement Limits" means the maximum amounts of water the Agency is obligated to deliver to any Regular Customer from the Transmission System, as specified in Sections 3.1(a), 3.2(a), 3.2(c), and 3.2(d).

(k) "Fiscal Year" (abbreviated FY) means the period from July 1 through the following June 30.

(l) "Forestville Aqueduct" means the existing pipeline from the Santa Rosa Aqueduct to Forestville, the existing booster pumping plant, the existing 300,000-gallon reservoir, and all other facilities financed with the proceeds of the sale of Series E of the Agency's 1955 Bonds.

- (m) "Intertie Aqueduct" means the existing 48-inch inside diameter pipeline extending from the Mirabel Park intake facilities on the Russian River to the Petaluma Aqueduct in the vicinity of Cotati with appurtenances thereto including turnouts to serve Forestville, Santa Rosa, Cotati and Rohnert Park. The Intertie Aqueduct consists of three reaches: "Reach 1" from the Mirabel intake facilities to Forestville, "Reach 2" from Forestville to the extension of Hall Road and "Reach 3" from the extension of Hall Road to the junction with the Petaluma Aqueduct at Cotati. Reach 3 is further divided into "Reach 3a" from the extension of Hall Road to Occidental Road, "Reach 3b" from Occidental Road to the Cotati reservoirs and "Reach 3c" from the Cotati reservoirs to the Petaluma Aqueduct.
- (n) "Kawana Pipeline" means the pipeline connecting the Reach 3a of the Intertie Aqueduct with Kawana Springs Reservoirs.
- (o) "Local Supply Project" means a water supply project undertaken by one or more Water Contractors, which reduces demand on the Transmission System during the months of June, July, August, or September.
- (p) "Marin Municipal" means the Marin Municipal Water District.
- (q) "mgd" means a million gallons of water per day.
- (r) "Oakmont Pipeline" means that certain pipeline and appurtenances generally paralleling the Sonoma Aqueduct that were constructed by the Agency pursuant to an agreement between the City of Santa Rosa and Agency dated April 29, 1986.
- (s) "Operation and Maintenance Costs" means the Agency's costs of operating the Transmission System including its power costs, costs of maintaining the Transmission System in a good state of repair, payments made to the owner of the Potter Valley Project to insure the continued operation of the Potter Valley Project provided they are annually approved by the Water Advisory Committee, regardless of whether or not such payments result in the ultimate transfer of title to all or part of the Potter Valley Project to the Agency, and costs of administering the Transmission System and furnishing the water supplies pursuant to this Agreement; provided, however, that costs relating to the use of Transmission System facilities for public recreation purposes, except (1) costs to permit limited passive public recreation on Transmission System lands not in conflict with operational or water quality requirements, or (2) necessary

costs associated with land ownership, shall not constitute "Operation and Maintenance Costs."

(t) "Ordinance No. 1" means Ordinance No. 1 of the Agency adopted on December 28, 1970, providing for the issuance of the Revenue Bonds, together with any other ordinances of the Agency supplemental thereto or amendatory thereof.

(u) "Other Agency Customer" means the Agency, 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.

(v) "Petaluma Aqueduct" means the existing pipeline and appurtenances, including turnouts, from the Santa Rosa Aqueduct to Petaluma. The "south part" of the Petaluma Aqueduct means the portion thereof south of the junction thereof with the Intertie Aqueduct and the "north part" means the portion north of said junction to Scenic Avenue.

(w) "Potter Valley Project" means Federal Energy Regulatory Commission Project No. 77.

(x) "Recycled Water" means wastewater treated to applicable standards set forth in Title 22 of the California Code of Regulations, Division 4 Environmental Health, as may be amended from time to time.

(y) "Recycled Water and Local Supply Sub-Charge" and "Recycled Water and Local Supply Fund" mean the sub-charge and fund established by the Agency under Section 4.15.

(z) "Recycled Water Project"[®] means any programs, projects, or facilities that produce or deliver recycled water, provided that the recycled water produced or delivered by such projects or facilities (1) results in a reduction in use of potable water from the Transmission System, (2) reduces the amount of water diverted from the Russian River or its tributaries, (3) provides an environmental benefit which increases or avoids reduction to the water supply or Transmission System capacity available to the Water Contractors, or reduces the cost of providing such supply or capacity, or (4) assists the Agency to comply with the federal or state Endangered Species Act or any other environmental law or regulation, which compliance is required for the Agency to

provide the water supply or Transmission System capacity to the Water Contractors as provided in this Agreement.

(aa) "Regular Customer" means the any of the Water Contractors or the Other Agency Customers.

(bb) "Remaining Facilities" means those portions of the Russian River-Cotati Intertie authorized to be constructed or acquired by the Tenth Amended Agreement For Water Supply and Construction of the Russian River-Cotati Intertie Project, dated November 14, 1997, which have not been constructed or acquired on the effective date of this Agreement, including, but not limited to, 20 mgd of standby pump and collector capacity; the Wohler-Forestville pipeline; the Eldridge-Madrone pipeline; Collector No. 6, and the Oakmont Pipeline.

(cc) "Revenue Bond Obligations" means the payment of principal of and interest on the Revenue Bonds and all other obligations and covenants of the Agency with respect to the Revenue Bonds, including specifically any covenant to establish and maintain rates and charges to provide revenue coverage in excess of a specified amount.

(dd) "Revenue Bonds" means any of the following if issued or entered into for sole purpose of financing the Capital Cost of Transmission System facilities or other facilities authorized to be constructed, acquired, or funded under this Agreement: (1) all series or issues of revenue bonds issued pursuant to ordinances and resolutions of the Agency or of any joint powers authority of which the Agency is a member or (2) any loan agreement, grant agreement, lease-purchase agreement, certificate of participation agreement, note, commercial paper, or other debt or financing agreement entered into by the Agency or by any joint powers authority of which the Agency is a member. As used in this Agreement, the term "issue Revenue Bonds" includes entering into any of the agreements set forth in clause (2) of the preceding sentence, and the term "holders of Revenue Bonds" includes any holders of or counterparties to any such agreements.

(ee) "Russian River Conservation Charge" means the charge established in Subsection (a) of Section 4.18 of this Agreement.

(ff) "Russian River-Cotati Intertie" means the Intertie Aqueduct and associated intake facilities on the Russian River, including the diversion dam, intake works, infiltration ponds, collectors, water treatment facilities, groundwater wells having a minimum production capacity of 7 mgd, a Russian River water quality monitoring system,

pumps, telemetry equipment and related buildings and appurtenances, and associated storage facilities.

(gg) "Russian River Customer" means any Agency customer within Sonoma County who has or in the future will have contracts with the Agency to divert or redivert water directly from the Russian River or Dry Creek without the use of the Transmission System.

(hh) "Russian River Project" means Coyote Valley Dam/Lake Mendocino on the Russian River, Warm Springs Dam/Lake Sonoma on Dry Creek, and related works as contemplated by House Document Number 585, 81st Congress, 2nd Session, House Document Number 547, Eighty-Seventh Congress, 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, or any agreement between the Agency and the United States related to Coyote Valley Dam or Warm Springs Dam.

(ii) "Russian River Projects Charge" means the charge established in Subsection (b) of Section 4.18.

(jj) "Russian River Projects Fund" means the fund established by the Agency to pay 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, and major replacement 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.

(kk) "Santa Rosa Aqueduct" means the existing pipeline and appurtenances, including turnouts, from the collector wells at Wohler to the Ralphine Tank farm on the east extension, and to Scenic Avenue on the south extension.

(ll) "Sonoma Aqueduct" means the existing pipeline and appurtenances, including turnouts, from the Ralphine reservoirs to Sonoma. The Sonoma Aqueduct consists of two reaches: "Reach 1" from the Ralphine reservoirs to Pythian Road and "Reach 2" from Pythian Road to the Sonoma reservoirs.

(mm) "Storage Facilities" means all reservoirs on the Transmission System, the pipeline connecting the Kawana Springs Reservoirs with the Intertie Aqueduct; the pipeline connecting the Kawana Springs and Ralphine reservoirs; the Oakmont Pipeline; the pipeline connecting the Kastania reservoir with the Petaluma Aqueduct; the existing booster pumping plant and the existing 300,000-gallon reservoir components of the Forestville Aqueduct; and transmission line pumping plants necessary to regulate flows to storage facilities.

(nn) "Surplus Customer" means any person or entity who, as of the date of this agreement, was being served Surplus Water by the Agency.

(oo) "Surplus Water" has the meaning defined in subsection (a) of Section 3.4 of this Agreement.

(pp) "Transmission System" means the Agency's water production, storage, treatment and transmission facilities, including but not limited to the Santa Rosa, Petaluma, and Sonoma Aqueducts, the Russian River-Cotati Intertie, Emergency Wells, the Warm Springs Hydroelectric Project, future water production, storage, treatment and transmission facilities to be constructed as set forth in Sections 2.2 and 2.3, and the Potter Valley Project, if acquired by the Agency pursuant to Section 2.4.

(qq) "Trustee" means the Trustee or Trustees for the Agency (or for any joint powers authority of which the Agency is a member) and the holders of the Revenue Bonds appointed pursuant to ordinances or resolutions of the Agency relating to Revenue Bonds, or any successor(s) or assignee(s) thereof.

(rr) "Warm Springs Dam Project" means that certain project authorized for the Russian River, Dry Creek, California, by the Flood Control Act of 1961, enacted October 23, 1962 (Public Law 874, 87th Congress).

(ss) "Warm Springs Hydroelectric Project" means Federal Energy Regulatory Commission Project No. 3351.

(tt) "Water Advisory Committee" means the advisory committee established in Part 5 of this Agreement.

(uu) "Water Conservation Project" means (1) any program, project, or activity that will reduce potable water use within a Regular Customer's service area (including, but not limited to, activities undertaken pursuant to Section 1.12 of this Agreement, but excluding Recycled Water Projects or Local Supply Projects approved after the date of this Agreement), or (2) any materials, supplies, Agency staff time, or contractor services provided by the Agency in support of any Regular Customer's Water Conservation Project.

(vv) "Water Contractor" means a party signatory to this Agreement except the Agency and Forestville.

1.3 Term of Agreement

This Agreement shall become effective upon its execution by all the parties hereto and shall remain in effect until June 30, 2040, or, if any Revenue Bonds are outstanding on June 30, 2040, until such date as all Revenue Bonds shall have been paid in full and all obligations and covenants of the Agency with respect to any Revenue Bonds shall have been discharged. The Agency shall enter into renewal agreements for periods not to exceed forty years each with any or all of the Water Contractors requesting the same for water supplies within the delivery capabilities of the Agency's Transmission System, at a cost no greater than the Agency's Operation and Maintenance Costs and unreimbursed Capital Costs allocated on a proportionate use basis, it being understood that such renewal agreements shall provide for Entitlements and Entitlement Limits for each customer as set forth herein.

1.4 Previous Agreements Terminated or Modified

(a) The Eleventh Amended Agreement for Water Supply, dated January 26, 2001, between the Agency and the Water Contractors is terminated as of the effective date of this Agreement and superseded by this Agreement.

(b) Existing agreements between the Agency and Windsor are terminated and amended as follows, effective as of the effective date of this Agreement:

(1) All prior agreements between the Agency and Windsor for water deliveries from the Transmission System are terminated as of the effective date of this

Agreement, including the Application for Water Service, dated April 1, 1987. All water deliveries to Windsor from the Transmission System shall be made in accordance with this Agreement.

(2) The Agreement for the Sale of Water between the Sonoma County Water Agency and the Windsor Water District, dated June 8, 1991, is amended as follows:

(i) By deleting the text of Section 4 ("Shortage of Water and Apportionment") thereof and replacing it with the following: "In the event of a shortage in the quantity of water available to its customers, including the Town of Windsor, the Agency shall apportion water as provided in the Restructured Agreement for Water Supply, dated _____. In such event, (1) the Town of Windsor shall limit its total diversions and rediversions of water from the Russian River, including both diversion and rediversions pursuant to this agreement and all of its other diversions and rediversions, to the amounts of water that the Agency allocates to the Town of Windsor, and (2) in determining the amount of water available for allocation, the Agency shall include the amount of water available for diversion or rediversion by the Town of Windsor under its water rights in addition to the amount available to the Agency under its own water rights."

(ii) By adding at the end of Section 10 ("Payment") the following: "The Town of Windsor shall also pay any charges required by the Restructured Agreement for Water Supply, dated _____, including the charges required by Section 4.17(b) of that agreement."

1.5 Enforcement

The failure of any Water Contractor to perform its obligations hereunder shall not excuse the remaining Water Contractors from performing their obligations hereunder nor excuse the Agency from performing its obligations hereunder to said remaining Water Contractors. Each and all of the provisions of this Agreement shall be enforceable by action brought by any party hereto for specific performance or any other appropriate action at law for damages or in equity for other appropriate relief to the end that no party hereto shall suffer from the default of any other party. Nothing in this Agreement shall preclude any Water Contractor from seeking unilateral redress under the law from the Agency, or any other party, Customer, or entity. Any owner or holder

of Revenue Bonds may also enforce any provision of this Agreement inuring to the benefit of the holders of the Revenue Bonds.

1.6 Amendments

- (a) Except as hereafter provided, this Agreement may be amended only with the consent of all the parties hereto.
- (b) Any annual delivery limit contained in Section 3.1 may be modified by written Agreement between the Agency and the Water Contractor to which such annual delivery limit applies without the consent of the other parties to this Agreement for the purpose of conforming such annual delivery limits to a general plan which is applicable to the service area of such Water Contractor. Copies of any such written agreements shall be provided to all the parties to this Agreement.
- (c) As of the effective date of this Agreement, Forestville is no longer a Water Contractor, and this Agreement may be amended without the consent of Forestville, provided, however, that Forestville's consent shall only be required for any amendment that impairs or affects any then-existing obligation of the Agency to supply water to Forestville from the Transmission System.
- (d) If any amendment to this Agreement reduces the revenues to be received by the Agency or otherwise impairs the ability of the Agency to meet its Revenue Bond Obligations, then such amendment shall be effective only with the consent of the Trustee. The Trustee shall give such consent if the Trustee determines that, following such amendment, the Water Contractors will be obligated under this Agreement to make payments to the Agency sufficient to enable the Agency to pay principal of and interest on the Revenue Bonds and to meet all its other Revenue Bond Obligations. In making such determination, the Trustee may rely upon such certificates or opinions from qualified attorneys, engineers or accountants as the Trustee may deem necessary and obtain from the Agency.

1.7 Pledge of Revenues

Each party hereto acknowledges that anything herein to the contrary notwithstanding, all sums paid to the Agency pursuant to this Agreement are "Revenues of the Transmission System" of the Agency as defined in Ordinance No. 1, except (a) the payments and credits set forth in Section 4.4, (b) the payments of the Russian River Conservation Charge and the Russian River Projects Charge made

pursuant to Section 4.11 and 4.18, (c) the payments of the Water Management Planning Sub-Charge made pursuant to Section 4.13, (d) the payments of the Watershed Planning and Restoration Sub-Charge made pursuant to Section 4.14, (e) the payments of the Recycled Water and Local Supply Sub-Charge made pursuant to Section 4.15, and (f) the payments of the Water Conservation Sub-Charge made pursuant to Section 4.16, and are pledged to the payment of the Agency's Transmission System Revenue Bond Obligations. All said sums shall be received, allocated and paid out pursuant to and consistent with Ordinance No. 1 and other obligations and covenants of the Agency with respect to Revenue Bonds. All references in this Agreement to the accounting for, allocating, paying, and crediting of monies are subject to the priority established by Ordinance No. 1 on all such revenues.

The parties hereto recognize that the Revenue Bonds are to be paid from revenues, as provided herein, and that it is the intention of the parties that the charges set forth herein will be sufficient to pay the Revenue Bonds and to meet the Revenue Bond Obligations not met from other sources of funds. The Water Contractors, therefore, agree to pay promptly such charges notwithstanding any deficiency in the quantity or quality of water to which they or any of them would be entitled pursuant to this Agreement. The provisions of this Agreement are made for the benefit of the owners and holders from time to time of the Revenue Bonds and may be enforced by or on behalf of any such owner or holder.

1.8 Books, Records and Accounts

The Agency shall keep or cause to be kept, proper books, records and accounts in which complete and accurate entries shall be made of all monies received from all entities, including the Agency's Regular Customers, and of the basis for and application of said money, including detailed sub accounts showing expenditures made from Operation and Maintenance Charge revenues for Water Conservation Projects, Recycled Water Projects, Local Supply Projects, water management planning, and watershed planning and restoration. Said books, records and accounts will be available during normal business hours for inspection by the Water Contractors or their authorized representatives. The Agency will transmit to the Water Contractors two reports each year of the receipts and expenditures of the Transmission System. The first report will be issued no later than February 1 and shall be accompanied by a preliminary budget for the following Fiscal Year, and will show expenditures for the first half of the Fiscal Year together with estimated year-end expenditures and estimated expenditures for the following Fiscal Year. The second report will be issued after the end of each Fiscal Year and will contain a budgetary accounting of Transmission System expenditures,

revenues and balances for the Fiscal Year. Each month the Agency shall supply each Water Contractor with a summary showing the amount of water delivered during the preceding month to each Regular Customer and Surplus Customer.

1.9 Water Contractors' Duty to Provide Funds

Each Water Contractor shall use any and all means legally available to it (including, without limitation, the enactment and maintenance in effect of legislation establishing fees, tolls, rates and charges pertaining to the operation of its water distribution system) so as to produce monies sufficient in amount to meet the monetary obligations incurred by it pursuant to this Agreement and to enable it to maintain its water distribution system in good working order.

1.10 Severability

If any one or more sections, provisions, promises, or conditions of this Agreement is declared void or voidable for any reason by a final judgment or order of a court of competent jurisdiction, it is hereby declared to be the intention of each party and agreed that each and all of the other sections, provisions, promises and conditions of this Agreement shall be and remain in full force and effect.

1.11 Third Party Beneficiaries

Except for the holders of the Revenue Bonds, no third party beneficiaries are intended or established by this Agreement.

1.12 Water Conservation Requirements

(a) The Regular Customers of the Agency, and the Agency, shall (1) become members of the California Urban Water Conservation Council ("CUWCC") within six months of the effective date of this Agreement and remain as members in good standing; (2) sign the "Memorandum of Understanding Regarding Urban Water Conservation in California" ("MOU") maintained by the CUWCC and implement the Best Management Practices ("BMPs") of water conservation as are promulgated by CUWCC from time to time, or implement alternative water conservation measures that secure at least the same level of water savings, and shall complete and file the annual CUWCC report form; and (3) implement or use their best efforts to secure the implementation of any water conservation requirements that may be added as terms or conditions of the Agency's appropriative water rights permits or licenses, or with which the Agency must

comply under compulsion of regulation or law. In addition to and notwithstanding the foregoing, all Regular Customers of the Agency shall require metered billing of all customer accounts they serve.

(b) Should the Water Advisory Committee determine and so notify any Water Contractor that its efforts to achieve compliance with the water conservation practices required by this Section 1.12 are unsatisfactory, then such Water Contractor shall bring its water conservation program into compliance within six months after such notice, or within such additional time as may be granted by the Water Advisory Committee. Should such Water Contractor's noncompliance as determined by the Water Advisory Committee continue for six months after such notice of noncompliance, or beyond such additional time as may be granted by the Water Advisory Committee, then the Water Contractor shall thereafter pay a surcharge on all water delivered by the Agency pursuant to this Agreement equal to ten percent of the Operation and Maintenance Charge until the Water Advisory Committee determines that such Water Contractor is in compliance. The proceeds of any surcharge paid pursuant to this section shall be deposited and paid out in the same manner as the proceeds of the Water Conservation Fund.

(c) The Agency shall use its best efforts to modify its rules and regulations and existing contracts with Other Agency Customers to implement the water conservation requirements set forth in Section 1.12(a) and the default provisions set forth in Section 1.12(b). With respect to Russian River Customers, the Agency shall use its best efforts to encourage and, where and when possible, require said customers to sign the "MOU" maintained by the CUWCC and implement the "BMPs" of water conservation as are promulgated by CUWCC from time to time.

(d) Nothing in this section shall limit Regular Customers to implementing only those Water Conservation Projects contemplated by the CUWCC BMPs. Regular Customers are encouraged to implement Water Conservation Projects that go beyond the CUWCC BMPs.

1.13 Recycled Water and Local Supply Project Requirements

Within ten (10) years from the effective date of this Agreement, the Water Contractors shall use their best efforts to carry out or participate in Recycled Water or Local Supply Projects capable of delivering Recycled Water or potable water sufficient to reduce the Water Contractors' collective deliveries from the Transmission System (including, in the case of Windsor, reductions in withdrawals from Windsor's Russian

River wells), by at least 7,500 acre-feet per year, with approximately 50% of such reduction resulting from Recycled Water Projects.

1.14 Transitional Provisions Applicable to Forestville

As of the effective date of this Agreement, the Agency's right, title, and interest in facilities comprising the Forestville Aqueduct shall be transferred as follows:

(a) The existing Forestville pipeline from the Santa Rosa Aqueduct to Forestville and the storage building at the existing booster pumping plant shall be transferred to Forestville.

(b) The existing booster pumping plant and the existing 300,000-gallon reservoir shall become Storage Facilities.

(c) Subject to the limitation in subsection (d) of this section, the Agency shall provide funding to Forestville for the Capital Costs of an 8" pipeline to be constructed by Forestville from the Intertie Aqueduct at the extension of Templeman Road, west on Templeman Road to State Highway 116, then north on State Highway 116 West to Kay Lane. The pipeline shall be funded as a common facility. Forestville shall commence construction on the pipeline within five years of the effective date of this Agreement; provided, however, that if the commencement of construction is delayed due to the application to Forestville of any circumstance specified in the second paragraph of Section 2.2 of this Agreement, then the Agency's General Manager/Chief Engineer may authorize an extension of the commencement date.

(d) The Agency's funding obligation under this section shall be limited to \$690,000, increased by the change in the ENR Construction Cost Index between the effective date of this Agreement and the date of commencement of construction of the pipeline.

1.15 Local Production Capacity Goal

In order to mitigate against drought, earthquakes, spills, temporary impairments, and other events impacting the quantity or quality of water available from the Transmission System, and other emergencies that can befall an urban water supply system, it is highly desirable that each Water Contractor achieve and maintain local water production capacity capable of satisfying approximately forty percent (40%) of the Water Contractor's average day of the maximum month demand.

PART 2 - PLANNING, FINANCING, ACQUISITION, CONSTRUCTION, OPERATION AND MAINTENANCE

2.1 Financing Additions to the Existing Transmission System

The Agency will, subject to all applicable limitations specified in this Agreement and all applicable legal and regulatory limitations, finance additions to the Transmission System with cash available pursuant to Sections 3.6, 4.2, 4.6, 4.7, 4.8, 4.12, payments made by Marin Municipal pursuant to Section 4.11, payments made by North Marin pursuant to Section 4.4 and 4.9, any state, federal, or other grants or loans which may become available, and, if the Agency decides to issue new series or issues of Revenue Bonds, proceeds from the sale of Revenue Bonds.

2.2 Scheduling of Additions and Replacements to the Existing Transmission System

Subject to the availability of sufficient cash or proceeds from the sale of Revenue Bonds (if the Agency decides to issue new series or issues of Revenue Bonds) and any state, federal, or other grants or loans which may become available, and subject to all applicable limitations specified in this Agreement, the Agency will (1) construct or acquire additions to the existing Transmission System sufficient to meet the delivery Entitlements set forth in Section 3.1 and 3.2 at such times as may be necessary to enable it to reliably deliver to each of the Water Contractors such Entitlements at the time that each contractor shall require the same and to make the deliveries authorized pursuant to Section 3.12; (2) construct additional Russian River water production facilities (up to a total capacity of 168.9 mgd) so that the total water production capacity available at all times is not less than the average daily delivery to the Regular Customers and Marin Municipal (excluding Surplus Water and water in excess of Entitlement Limits) during the month of highest historical use plus 20 mgd; (3) construct, acquire, or lease Emergency Wells with capacities which are from time to time determined by the Water Advisory Committee; (4) construct Additional Facilities (up to a total capacity of 174.3 million gallons) to the extent necessary to maintain a quantity of water in storage equal to 1.5 times the average daily delivery to the Regular Customers except North Marin during the month of highest historical use; and (5) replace existing facilities and construct Additional Facilities, related buildings and appurtenances as necessary to insure the reliable and efficient operation of the Transmission System and to insure that the quality of the water delivered complies with all applicable state and federal water quality requirements.

The time within which the Agency shall be obligated to construct such additions and replacements to the existing Transmission System shall be extended, however, as a result of any delays caused by fire, earthquake, other acts of God, acts of the public enemy, riots, insurrections, governmental regulations on the sale or transportation of materials or supplies, strikes affecting such construction or transportation of materials or supplies in connection therewith, any State or Federal environmental regulations or restrictions, shortages and/or delay in the obtaining of materials, shortages of or allocations of fuel and other sources of energy, litigation resulting in court orders restraining the construction of such additions and replacements, inability of Agency for any reason to deliver the Revenue Bonds or any series thereof, or any other causes beyond the control of Agency or any contractor constructing any part of such additions and replacements.

2.3 Further Modifications to Transmission System

(a) With the approval of the Water Advisory Committee and subject to the availability of sufficient funds, the Agency may undertake studies, and prepare technical reports, financial plans, and environmental documents for Transmission System facilities in addition to those authorized to be constructed by this Agreement. If such activities are undertaken pursuant to this paragraph, the cost thereof shall be considered to be costs of Common Facilities and shall be paid from funds available pursuant to subsection (c) of Section 4.2, or from the proceeds of Revenue Bonds and payments made by North Marin pursuant to Section 4.4. If the cost is paid from the proceeds of Revenue Bonds and payments made by North Marin, the cost shall be allocated as provided in subsection (b), paragraph 9 of Section 4.3 and Section 4.9.

(b) Except for the facilities described in Section 2.2, the Agency will not construct or acquire additions to the Transmission System that would increase the charges payable by, or diminish or impair the water available to, any of the Water Contractors except on such terms and conditions as may be agreed upon in writing by the Agency and each Water Contractor who would be required to make any additional payment by reason of such construction or whose water supply might be diminished or impaired by such construction. If such addition is a booster pump or any other device, method, or system that would enlarge or increase the capacity of any one customer to the detriment of other users, then such addition or alteration shall not be made by Agency except by amendment to this Agreement. If a question arises as to whether an addition or alteration to the Transmission System requires an amendment of this Agreement pursuant to this section, then such question shall be submitted to the Water Advisory Committee and its decision shall be conclusive.

2.4 Potter Valley Project

- (a) All or part of the Potter Valley Project may be acquired upon a determination by the Board of Directors of the Agency that such acquisition is necessary to insure the Agency's continued ability to make the water deliveries authorized by this Agreement and maintain fisheries and other incidental benefits to the Russian River basin, provided, however, that no part nor all of the Potter Valley Project shall be acquired without the affirmative vote of at least six (6) representatives of the Water Contractors on the Water Advisory Committee representing at least two-thirds of the total weighted votes as calculated pursuant to Section 5.3(a). The Agency shall not be liable to any of its Customers for any damage resulting from any Agency decision regarding the acquisition or non-acquisition of any part or all of the Potter Valley Project.
- (b) The Agency shall commence a process upon the effective date of this Agreement to evaluate the water supply and fisheries benefits provided by the Potter Valley Project within the Russian River watershed, the economic and operational feasibility of acquiring the Potter Valley Project, and whether alternative actions could reduce the need for the Agency to acquire the Potter Valley Project. Alternative actions to be evaluated may include the increased use of recycled water to reduce agricultural and other diversions from the Russian River and its tributaries; the modification of instream flow requirements in the Russian River; and the completion of state and/or federal recovery plans for salmonid species listed as threatened or endangered in the Russian River watershed. The cost of such evaluations shall be paid from Watershed Planning and Restoration Sub-Charge funds available pursuant to subsection 4.14; however, the Agency shall use its best efforts to obtain the agreement of other interested parties who divert water from the Russian River or its tributaries (including municipal and agricultural diverters) to pay for a portion of such costs and to participate in the implementation of such alternative actions. Before acquiring the Potter Valley Project, the Agency shall conduct an environmental analysis of the acquisition pursuant to CEQA, which analysis may include an evaluation of alternative flow regimes from the Potter Valley Project into the Russian River and the Eel River.
- (c) Upon determination by Agency that alternative actions could reduce the need for the Agency to acquire the Potter Valley Project, the Agency and the Water Contractors shall engage in a cooperative process to implement said other actions.

2.5 Water Conservation Projects

Subject to the restrictions set forth in Section 4.16, the Agency may undertake or fund any cost-effective Water Conservation Project that has been approved by the Water Advisory Committee.

2.6 Recycled Water and Local Supply Projects

Subject to the approval of the Water Advisory Committee, the Agency may (a) construct, fund, or partially fund studies or investigations or the Capital Cost of local Recycled Water Projects and Local Supply Projects, or (b) enter into agreements for the acquisition and sale of Recycled Water (or the rights to Recycled Water). The Agency and the Water Contractors shall seek financial contributions for local Recycled Water and Local Supply Projects funded under this section from benefitted wastewater treatment plant owners, sanitation districts, and other benefitted parties. Projects constructed, funded, or partially funded by the Agency under this section shall not be part of the Transmission System, and the operation and maintenance cost of such projects shall be the responsibility of the Water Contractors or other parties carrying out, sponsoring, or participating in such projects. The benefits from any Recycled Water Project shall be apportioned equitably based upon the respective financial contributions to the Recycled Water Project by the parties funding such project. The Capital Costs (including Revenue Bond Obligations, if any) of Local Supply Projects or Recycled Water Projects or of acquiring Recycled Water or the rights thereto shall be paid or partially paid from the Recycled Water and Local Supply Fund.

2.7 Water Management Planning

The Agency shall periodically prepare a draft regional Urban Water Management Plan pursuant to the Water Code for consideration by the Water Contractors. Each Water Contractor shall provide the Agency with all information and data the Agency reasonably determines to be necessary to allow the Agency to prepare the draft regional Urban Water Management Plan. The Agency shall use its best efforts to prepare a draft regional Urban Water Management Plan that meets the requirements of the Water Code. Each Water Contractor shall either adopt the draft regional Urban Water Management Plan prepared by the Agency as its Urban Water Management Plan, or prepare and adopt its own Urban Water Management Plan pursuant to the Water Code. Before adopting the Urban Water Management Plan prepared by the Agency, a Water Contractor shall evaluate the Plan, and adoption of the Plan by a Water

Contractor shall constitute a determination by that Water Contractor that the Plan meets the requirements of the Water Code as to that Water Contractor.

2.8 Watershed Planning and Restoration

(a) The Agency may undertake any action, study, or project approved by the Water Advisory Committee related to (1) the development or implementation of watershed restoration and maintenance plans and projects (including, but not limited to, stream restoration projects, water quality monitoring studies and projects, public education and outreach activities, and funding of third-party studies and projects) or (2) groundwater studies and investigations. Before undertaking any such action, study or project: (1) the Agency shall consider suggestions received from the public, Water Contractors, and interested parties and organizations such as the Russian River Watershed Association as to the actions, studies, and projects to be undertaken by the Agency hereunder; and (2) the Agency and the Water Contractors shall identify and use their best efforts to obtain funding contributions from other parties that would benefit from the actions, studies, or projects authorized hereunder, including but not limited to federal and state loans and grants, municipalities (including Russian River Customers, county and special district governments), and urban and industrial development, gravel mining, agriculture, forest harvesting, recreation, and sport and commercial fishing interests.

(b) The authority granted to the Agency under this Section 2.8 is permissive and not mandatory, and that nothing in this Section 2.8 shall (1) require the Agency to undertake any action or project unless such action or project is approved by the Agency, (2) impair or affect the Agency's right to undertake any action or project not funded under this Agreement, or (3) require the Agency to engage in any regulatory activity.

(c) The Agency may carry out projects and activities within the scope of subsection (a) above that primarily or exclusively benefit one or more Water Contractors, provided (1) each such project and activity is approved by the Water Advisory Committee and the benefitted Water Contractors, and (2) some or all benefitted Water Contractors enter into an agreement with the Agency for such project or activity and agree to pay supplemental charges as approved by the Agency and the Water Advisory Committee to defray all or a portion of the cost of the project or activities.

2.9 Planning Coordination

(a) The parties to this Agreement shall consult with agencies that have planning and zoning powers within their water service territories in the manner set forth in California Government Code Section 65352.5 in order to promote close coordination and consultation between water supply agencies and land use approval agencies to ensure that proper water supply planning occurs in order to accommodate projects that will result in increased demands on water supplies.

(b) The parties to this Agreement shall consult with agencies that have building regulatory powers pursuant to the Government Code and Health and Safety Code to promote use of water conservation equipment, fixtures, appliances, devices and techniques.

2.10 Operation and Maintenance

The Agency shall operate and maintain the Transmission System in a good state of repair.

PART 3 - WATER SUPPLY

3.1 Delivery Entitlements of Water Contractors

Subject to Section 3.5, the Agency shall deliver to each Water Contractor at the points of delivery hereinafter set forth such quantities of water as the Water Contractor shall from time to time require at such rates of flow as are necessary to meet its peak day's demand, subject to the following:

(a) The Agency shall not be obligated to deliver water in excess of the following:

Water Contractor/Aqueduct	Average Daily Rate of Flow During Any Month	Annual Amount During Fiscal Year (excluding Surplus Water)
Santa Rosa		
From Reach 1, 2, and 3a of the Intertie Aqueduct	40.0 mgd	
From the Santa Rosa Aqueduct	40.0 mgd	
From the Sonoma Aqueduct	4.0 mgd	
Maximum combined total from all aqueducts	56.6 mgd	29,100 AF
North Marin		
From Petaluma Aqueduct	19.9 mgd	14,100 AF
Petaluma		
From Petaluma Aqueduct	21.8 mgd	13,400 AF
Rohnert Park		
From Petaluma Aqueduct or Reach 3 of Intertie Aqueduct	15.0 mgd	7,500 AF

Valley of the Moon		
From Sonoma Aqueduct	8.5 mgd	3,200 AF
Sonoma		
From Sonoma Aqueduct	6.3 mgd	3,000 AF
Cotati		
From Petaluma Aqueduct or Reach 3 of Intertie Aqueduct	3.8 mgd	1,520 AF
Windsor		
From Santa Rosa Aqueduct	1.5 mgd	900 AF
From Russian River Diversions	7.2 mgd	4,725 AF

The delivery limits for Windsor include both water delivered by the Agency through the Transmission System and water diverted by Windsor through facilities owned by Windsor under its own water rights and under the Agency's water rights pursuant to the agreement between the Agency and Windsor dated January 8, 1991. Windsor shall not divert any water under the Agency's water rights through its own facilities except and to the extent that water is unavailable for diversion under any of Windsor's available water rights, as such rights currently exist or may exist in the future. Windsor shall act with diligence to take all actions necessary to obtain and retain any water rights to which Windsor may be entitled. For purposes of allocations pursuant to Section 3.5(a), (1) Windsor shall be considered to be a "Russian River Customer" with respect to its direct Russian River diversions, and (2) in determining the amount of water available for allocation under Section 3.5(a), the Agency shall include the amount of water available for diversion by Windsor under Windsor's water rights in addition to the amount available to the Agency under its own water rights. For purposes of allocations pursuant to Section 3.5(b), Windsor's average daily rate of flow during any month Entitlement Limit shall be 1.5 mgd.

(b) North Marin shall not take delivery of water at an instantaneous delivery rate greater than its average delivery rate for such day, if such instantaneous delivery rate would increase the Agency's cost of electrical energy. North Marin shall not take delivery of water at a rate of more than 19.9 mgd during more than 14 days of any month, nor at a rate of more than 20.9 mgd during any day of any month. Irrespective of its delivery Entitlement, North Marin shall nevertheless have the right to a flow rate of 14.8 mgd in the Petaluma Aqueduct.

(c) No Water Contractor shall take delivery of water at an average rate during any month that is greater than 2.0 times the average rate of delivery to that contractor during the preceding 12 months. The Agency also shall adopt this requirement as a service rule applicable to Other Agency Customers. However, if any Regular Customer was during the preceding 12 months subject to a curtailment in deliveries pursuant to Section 3.5, then the limit prescribed by this subsection shall be 2.0 times the average rate of delivery that such customer would have received in the absence of such curtailment. This rule shall not apply to Water Contractors who utilize local sources of supply to reduce demand on the Transmission System during the peak summer period of June 1 through September 30, and whose average production rate for said period from all of the contractor's local sources is equal to at least 2.0 times the average production rate of all of that contractor's local sources during the eight months immediately preceding the peak summer period.

(d) No Water Contractor shall take delivery of water during any month at an average rate that is greater than 1.3 times the average rate of delivery to that contractor during the peak month of the prior three calendar years without the written consent of the Agency. The Agency also shall adopt this requirement as a service rule applicable to Other Agency Customers. Such consent shall be given by the Agency if and only if sufficient transmission capacity exists to make such increased deliveries and the deliveries to the other Water Contractors required to be made pursuant to this section. However, if any Water Contractor was during the preceding three calendar years subject to a curtailment in deliveries pursuant to Section 3.5, then the limit prescribed by this subsection shall be 1.3 times the average rate of delivery that such contractor would have received during the peak month of the prior three calendar years in the absence of such curtailment.

(e) For purposes of determining Santa Rosa's average daily rate of flow during any month Entitlement Limit under this subsection, all water delivered to Santa Rosa from the Kawana Pipeline or from the pipeline connecting the Kawana Springs and Ralphine reservoirs shall be deemed delivered from Reach 3a of the Intertie Aqueduct.

3.2 Conditions on Other Agency Customer Deliveries

The Agency may furnish water from the Transmission System to Other Agency Customers subject, however, to the following conditions:

(a) The total quantity of water delivered to all the Other Agency Customers shall not exceed an average of 2.7 million gallons per day during any month.

(b) The Agency shall not enter into contracts to furnish water to any Other Agency Customer except itself or the County of Sonoma for use on land within two miles of the Corporate Territory of a Water Contractor or Forestville except with the prior written consent of such Water Contractor or Forestville, which consent will be subject to the condition that the Agency shall cease delivering water to such customer whenever a Water Contractor or Forestville is willing and able to furnish water to such customer. Water delivered by the Agency from the Transmission System to the Agency or the County of Sonoma shall not be used for residential, commercial, or private industrial purposes.

(c) The Agency shall not deliver more than an average of 0.5 million gallons per day during any month from the south part of the Petaluma Aqueduct to Other Agency Customers.

(d) The Agency shall not deliver more than an average of 1.5 million gallons per day during any month from Reach 1 of the Intertie Aqueduct to Forestville.

(e) The Agency shall not sell water from the Transmission System except as expressly authorized by this Agreement.

3.3 Deliveries in Excess of Entitlement Limits

(a) No Regular Customer may take delivery of water in excess of its average daily rate of flow during any month Entitlement Limit as set forth in Sections 3.1 or 3.2, except upon the following conditions:

first, that such excess delivery does not impair or delay the delivery to any other Regular Customer of its Entitlements; and

second, that the Regular Customer taking the excess delivery is then proceeding in good faith, with plans and funding to develop a reliable water supply, sufficient to supply its needs in excess of its Entitlement Limits; and

third, that either

(1) all the Water Contractors approve such excess delivery; or

(2) such excess delivery is made during a period when deliveries to another Water Contractor are less than its Entitlement Limits, such excess delivery does not exceed the unused amounts of said contractor's Entitlement Limits, and said contractor has notified the Agency in writing of its consent to said delivery.

(b) Any Water Contractor may transfer any portion of its annual amount during any fiscal year Entitlement Limit to any other Water Contractor for such periods of time and pursuant to such terms as agreed to by the transferor Water Contractor and the transferee Water Contractor, subject to the following:

(1) Such transfer shall not impair or delay the delivery to any other Regular Customer of its Entitlements.

(2) Notice of a proposed transfer, including adequate information to identify any impacts to deliveries of water to other Water Contractors, shall be provided to all the other Water Contractors individually, to the Water Advisory Committee, and to the Agency. Upon request of any other Water Contractor, the transferor and transferee Water Contractors shall promptly meet to identify and resolve any potential impacts of the proposed transfer. If any Water Contractor determines that the proposed transfer will impair or delay the delivery of its Entitlements, such Water Contractor may file a written objection to the proposed transfer with the Water Advisory Committee, with a copy to the Agency. Such objection must be filed no later than 45 days after the Water Contractor receives notice of the proposed transfer. Thereafter, the Water Advisory Committee shall determine whether the proposed transfer will impair or delay the delivery of the objecting Water Contractor's Entitlements, and whether there are measures that will eliminate such impairment or delay. In the absence of an objection to a proposed transfer by any Water Contractor, the approval of the Water Advisory Committee is not required.

(3) The average daily rate of flow during any month Entitlement Limit of the transferee Water Contractor as set forth in Sections 3.1 or 3.2 and the other delivery limitations applicable to the transferee Water Contractor shall not be affected by, and shall remain applicable notwithstanding, any transfer under this subsection.

(4) Payments to the Agency for delivery of the transferred water to the transferee Water Contractor shall be based upon the Aqueduct rate applicable to the transferee Water Contractor pursuant to this Agreement.

(5) The transferor and transferee Water Contractors shall be responsible for all regulatory compliance relating to the transfer, including compliance with the provisions of the California Environmental Quality Act. To the greatest extent permitted by law, the transferor and transferee Water Contractors shall indemnify and defend each of the other Water Contractors and the Agency from any claims, damages, or judicial or administrative proceedings arising out of any actions related to this Subsection 3.3(b), whether or not there is concurrent negligence on the part of the other Water Contractors or the Agency or each of them, but excluding liability due to the sole active negligence or willful misconduct of any of the other Water Contractors, the Agency, or each of them. The latter exclusion shall operate only as to the particular Water Contractor or Agency whose sole active negligence or willful misconduct caused the exclusion.

3.4 Surplus Water

(a) Surplus Water is water that from time to time may be available for delivery from the Transmission System in excess of the amounts required to meet the Agency's contractual obligations and the requirements of all the Agency's Regular Customers for uses other than those described in subdivision (b) of this section.

(b) Surplus Water may be used only for the following purposes:

(1) replenishment of surface water supply reservoirs or recreational lakes, including but not limited to Ralphine, Spring, and Stafford Lakes, or

(2) replenishment of groundwater basins;

provided, however, that Surplus Water also may be provided for use for irrigation of land used for commercial production of food or fiber if such provision of water is required by any agreement in existence on the effective date of this Agreement.

(c) The Agency shall deliver Surplus Water only from separate metered turnouts on the Transmission System or the North Marin Aqueduct.

(d) The Water Contractors shall have first priority on deliveries of Surplus Water.

(e) The Agency desires to transfer all of its Surplus Customers to the Water Contractors. The parties to this Agreement shall cooperate in the voluntary permanent transfer of Surplus Customers from the Agency to the party whose corporate territory encompasses the site of a given Surplus Customer or whose corporate territory boundary is within two miles of the turnout(s) serving said customer. Should a given Surplus Customer lie within two miles of more than one party, the parties shall meet and confer with the Agency and by mutual agreement determine who is best suited to take over said Surplus Customer. Nothing in this subsection shall require a Water Contractor to take over service of any Agency Surplus Customer. Should a given party opt not to take over Surplus Customers who lie within their corporate territory or within two miles of the boundary of same, then any other party to this Agreement whose corporate territory lies within Sonoma County may apply to the Agency to take over said Surplus Customers. Parties who agree to take on such service shall be known as Surplus Water providers.

(f) Surplus Water providers agree to interrupt delivery of Surplus Water upon notification by Agency if Agency determines, in its sole discretion, that there exists an immediate or pending problem involving loss of Transmission System storage, inadequate pumping capacity, a valid complaint from any Regular Customer that they are not receiving their appropriate Entitlement as a result of Surplus Water deliveries, or any other problem impacting the delivery capability of the Transmission System. Surplus Water providers shall notify their customers of Agency's right to require such delivery interruptions. Notwithstanding the right of the Agency to notify and cause the interruption of delivery of Surplus Water, a Surplus Water provider may also interrupt delivery of Surplus Water at any time it determines it is necessary or prudent to do so in order to satisfy the demands of its non-Surplus Customers; or for water system maintenance, repair, or planned or unplanned outage of any nature whatsoever, including but not limited to a perceived, threatened or actual water shortage. Deliveries of Surplus Water shall not be deemed to be included as part of any Regular Customer's Entitlement or Entitlement Limit.

3.5 Shortage of Water and Apportionment

- (a) (1) The Agency shall use its best efforts to obtain, perfect, and maintain appropriative water rights in amounts sufficient to be able to make the water deliveries provided for in this Agreement. In its operation of the Russian River Project, the Agency shall use all reasonable means to prevent a deficiency in the

quantity of water that is available to the Agency for diversion and rediversion under the Agency's water rights. However, nothing in the preceding two sentences shall be construed to limit the Agency's discretion to take appropriate actions in good faith to resolve any issue that may arise under the federal Endangered Species Act or any other federal or state law affecting the Agency's water rights or operation of the Russian River Project.

(2) If by reason of drought, environmental laws or regulations, other causes beyond the control of the Agency, or any change in the amounts of water imported by the Potter Valley Project into the Russian River watershed (whether or not such change is caused by any action or inaction of the Agency) a deficiency does occur, the Agency shall not be liable to any of its customers for any damage arising therefrom.

(3) In the event of a deficiency pursuant to subsection 3.5(a)(2), the Agency first shall cease all deliveries of Surplus Water to other than the Water Contractors; second, shall cease deliveries of all Surplus Water; third, shall cease deliveries to Regular Customers in excess of their respective annual Entitlement Limits; and fourth, shall apportion the available supply of water as follows:

(i) first, deliver to each of its Regular Customers, not in excess of their respective Entitlement Limits, 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 Municipal not in excess of the amounts, if any, that are required to be delivered pursuant to the Third Amended Offpeak Water Supply Agreement dated January 25, 1996, the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and the Marin Municipal Water District dated January 25, 1996, amendments to these agreements that have been approved by the Water Advisory Committee, or subsequent agreements between the Agency and Marin Municipal that have been approved by the Water Advisory Committee, the quantities of water required by each such customer 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, including, for Russian River Customers, water available under their own water rights;

(ii) second, to the extent additional water is available to the Agency, allocate that water proportionately as follows: deliver such water to Agency's Regular Customers based upon their respective average daily rate of flow during any month Entitlement Limits, authorize the Agency's Russian River Customers to divert or redivert such water based upon the delivery limits set forth in the agreements between the Agency and its Russian River Customers, and deliver such water to Marin Municipal pursuant to and to the extent required by the Third Amended Offpeak Water Supply Agreement dated January 25, 1996, the Amended Agreement for the sale of Water between the Sonoma County Water Agency and the Marin Municipal Water District dated January 25, 1996, amendments to these agreements that have been approved by the Water Advisory Committee, or subsequent agreements between the Agency and Marin Municipal that have been approved by the Water Advisory Committee;

(iii) provided, however, that no Customer shall receive under subsections 3.5(a)(3)(i) and 3.5 (a)(3)(ii) a total quantity of water in excess of its reasonable requirements or its said Entitlement Limits or contracted amount, whichever is less.

(b) (1) In the event of a temporary impairment of the capacity of the Transmission System by reason of natural disaster, sabotage or other causes beyond the control of the Agency, the Agency shall not be liable to any of its customers for any damage arising therefrom.

(2) In the event of a Section 3.5(b)(1) impairment, the Agency shall:

(i) first, deliver to each of its Regular Customers the quantity of water, not in excess of the respective average daily rate of flow during any month Entitlement Limit, 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;

(ii) 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 average daily rate of flow during any month Entitlement Limits, provided, however, that no Regular

Customer shall receive under subsections 3.5 (b)(2)(i) and (b)(2)(ii) a total quantity of water in excess of its reasonable requirements or its average daily rate of flow Entitlement Limit, whichever is less;

(iii) third, to the extent additional Transmission System capacity is available, deliver water to Regular Customers in excess of their average daily rate of flow Entitlement Limits pursuant to Section 3.3;

(iv) fourth, to the extent additional Transmission System capacity is available, deliver water to Marin Municipal not in excess of the delivery limitations in Section 3.12;

(v) fifth, to the extent additional Transmission System capacity is available, deliver Surplus Water to the Water Contractors;

(vi) sixth, to the extent additional Transmission System capacity is available, deliver Surplus Water to other than the Water Contractors.

(3) However, deliveries to Marin Municipal shall not be reduced or curtailed under this Section 3.5(b) because of inadequate capacity in the new aqueduct to be constructed generally paralleling the portion of the Petaluma Aqueduct that extends from the Ely Pumping Plant to Kastania Reservoir, if such new aqueduct is paid for and dedicated to the Agency pursuant to Section 13 of the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and the Marin Municipal Water District dated January 25, 1996.

- (c) (1) In determining "human consumption, sanitation, and fire protection" amounts pursuant to this Section 3.5, the Agency shall take into account the level of water conservation achieved by the Customer and the resulting decrease in end user ability to reduce water use (the hardening of demand) resulting from such conservation. The allocations pursuant to subsection 3.5(a)(3)(i) shall be determined using a methodology which rewards and encourages water conservation; avoids cutbacks based upon a percentage of historic consumption, and, among other things, bases the amounts necessary for "human consumption, sanitation, and fire protection" upon no greater than average indoor per capita water use determined from recent retail billing records for winter water use by all of the Water Contractors; and, if necessary or appropriate for equitable purposes, considers commercial, industrial and institutional water uses separately and determines that element of the subsection 3.5(a)(3)(i) allocation

based on winter water use from recent retail billing records for commercial, industrial, and institutional uses.

(2) The fundamental purpose of the "reasonable requirements" limitation is to ensure that no Customer receives more water during a shortage than that Customer reasonably needs. In determining "reasonable requirements" pursuant to this Section 3.5, the Agency may take into account the hardening of demand resulting from the level of conservation achieved by the Customer; the extent to which the Customer has developed Recycled Water Projects and Local Supply Projects; and the extent to which the Customer has implemented water conservation programs (including conservation required pursuant to the provisions of Section 1.12 of this Agreement). It is the intention of the parties to this Agreement that the Agency make its "reasonable requirements" determinations so as to encourage Customers to implement water conservation, Recycled Water, and Local Supply Projects.

(d) The Agency shall at all times have an adopted water shortage allocation methodology sufficient to inform each Customer of the water that would be available to it pursuant to Section 3.5(a) in the event of reasonably anticipated shortages, which methodology shall be consistent with this Section 3.5 and shall be included in the Urban Water Management Plan prepared pursuant to Section 2.7.

(e) The parties agree that it is extremely difficult and impractical to determine the damage caused to the Agency or other Customers as a result of the taking of water by any Customers in excess of the limitations contained in this Section 3.5. If any Customer takes delivery of water from the Transmission System or otherwise from the Russian River system in violation of this Section 3.5, then it shall pay the Agency, in addition to all other applicable charges, liquidated damages in an amount equal to 50 percent of the applicable Operation and Maintenance Charge (including all sub-charges) times the amount of water taken in violation of the provisions of this Section 3.5. The Agency shall use its best efforts to incorporate this liquidated damages provision into its agreements with Other Agency Customers, Russian River Customers, Marin Municipal Water District, and into the Agency's rules and regulations for the provision of water service, and impose liquidated damages pursuant to this Section 3.5(e). The existence of this liquidated damage provision shall not limit or restrict the Agency from physically limiting the quantity of water taken to the amounts authorized by this Section 3.5 or from pursuing all other available legal and equitable remedies applicable to such violations. By affirmative vote, the Water Advisory Committee may request that the Agency physically limit the quantity of water taken by a Regular

Customer to the amounts authorized by this Section 3.5 or that the Agency pursue all other available legal and equitable remedies applicable to such violations. The proceeds of any liquidated damages assessed pursuant to this subsection shall be deposited and paid out in the same manner as the proceeds of the Operation and Maintenance Charge.

(f) Notwithstanding subsections (a) and (b) above, as an alternative method for allocation under this Section 3.5 during a period of water deficiency or temporary Transmission System impairment, the Water Advisory Committee (or, in the event of a Transmission System temporary impairment affecting fewer than all of the Water Contractors, the Water Advisory Committee representatives of the Water Contractors affected by the temporary impairment) may, by unanimous vote, determine how water shall be allocated among the affected Water Contractors. The Agency shall provide a calculation methodology or other information adequate to enable the determination, in a manner consistent with this Section 3.5, of the volume of water to which (i) the Water Contractors as a group, and (ii) all other Customers would be respectively entitled. Any alternative method for allocation determined by the Water Advisory Committee pursuant to this subsection shall apply only to the volume of water to which the Water Contractors are entitled as a group.

(g) In the event that Transmission System capacity is expanded by the construction of facilities other than those authorized by this Agreement, then notwithstanding anything in this Section 3.5 to the contrary, any allocations made pursuant to this section to Forestville that are based upon the average daily rate of flow during any month Entitlement Limits shall not use a denominator greater than 133.4 mgd.

3.6 Fire Fighting Service

Anything herein to the contrary notwithstanding, the Agency may furnish water for fire fighting from hydrants or standpipes on the Transmission System, provided, however, that such service within two miles of the Corporate Territory of a Water Contractor may be furnished only if and during the period of time said Water Contractor consents thereto in writing. The Agency shall set fees sufficient to recover the full cost of installing and maintaining and supplying water to fire hydrants. All revenue from such fees shall be treated the same as money received from the Operation and Maintenance Charge and shall be deposited and paid out as set forth in Section 1.7 and subdivision (b) of Section 4.1. Agency shall adopt service rules limiting hydrant water usage to fire suppression, fire training and limited temporary uses such as providing metered construction water.

3.7 Quality of Water

(a) The Agency warrants that it will use its best efforts to insure that all water delivered hereunder shall be of such purity and quality required to meet minimum standards for human domestic consumption from time to time established by the state and federal governments. The Agency shall not be liable to any of its Customers for any damage arising from the quality of water that it delivers under this Agreement, except for damages based on any breach of the warranty described in the preceding sentence.

(b) The payment obligations of the Water Contractors set forth in Part 4 shall not be affected in any manner by the quality of the water delivered by the Agency hereunder.

3.8 Points of Delivery

All water furnished to each Water Contractor hereunder shall be delivered at the discharge flange of meters at turnouts owned and maintained by the Agency. Turnouts in addition to those now existing shall be constructed from time to time at such locations as shall be agreed upon by the Agency and the Water Contractors involved. Water delivered to Petaluma and North Marin at the McNear meter station shall be delivered at a hydraulic gradient of not less than 175 feet mean sea level. Turnouts installed for Regular Customers shall be not less than 8 inches in diameter. Turnout installation charges shall be determined from time to time by resolution of the Board of Directors of the Agency and shall be payable by the Customer prior to turnout installation by Agency.

3.9 Risk of Loss and Responsibility

Title and risk of loss with respect to all water delivered hereunder shall pass from the Agency to the Water Contractor at the point of delivery thereof as set forth in Section 3.8. The Agency shall not be responsible for the control, transmission, distribution, handling or use of water beyond the point of delivery thereof. Each Water Contractor shall be responsible for installing and maintaining any device it deems necessary to reduce or regulate the pressure under which the water may be delivered hereunder.

3.10 Place of Use of Water Delivered to North Marin

(a) North Marin may exchange water delivered under this Agreement for an equal amount of water delivered to it by Marin Municipal.

(b) Except as provided in subdivision (a) of this section, North Marin shall not permit any water delivered under this Agreement to be used outside of its own distribution system service areas.

3.11 Measurement

All water delivered by the Agency from the Transmission System shall be measured by meters installed and maintained by the Agency. The Agency shall test the accuracy of each meter not less frequently than annually and provide each Water Contractor with a report of such test. Each Water Contractor shall have the right at any time and at its expense to make additional tests of any meter. If a meter is found to be reading 2 percent or more fast or slow, it shall immediately be repaired to bring it within 2 percent accuracy or be replaced by the Agency.

3.12 Marin Municipal Water Deliveries

The Agency, pursuant to the Third Amended Offpeak Water Supply Agreement dated January 25, 1996 and the Amended Agreement For The Sale Of Water Between The Sonoma County Water Agency and the Marin Municipal Water District dated January 25, 1996, amendments to these agreements that have been approved by the Water Advisory Committee, or subsequent agreements between the Agency and Marin Municipal that have been approved by the Water Advisory Committee, 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 Entitlements set forth in Sections 3.1 and 3.2. However, deliveries to Marin Municipal shall not be reduced or curtailed because of inadequate capacity in the new aqueduct to be constructed generally paralleling the portion of the Petaluma Aqueduct that extends from the Ely Pumping Plant to Kastania Reservoir, if such new aqueduct is paid for by Marin Municipal and dedicated to the Agency pursuant to Section 13 of the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and the Marin Municipal Water District dated January 25, 1996.

The maximum delivery rate to Marin Municipal between May 1 and October 31 shall not exceed 12.8 mgd. The total quantity of water delivered to Marin Municipal in any Fiscal Year shall not exceed 14,300 Acre Feet. Deliveries of water to Marin Municipal shall be made either through a separately metered turnout or through North Marin's metered turnout(s). If water is delivered through North Marin's metered turnout(s), then North Marin shall maintain in good repair and calibration metered turnouts at points of delivery from its system into Marin Municipal's system and shall

read such meters on or about the end of each month and provide to Agency an accounting of water delivered during the preceding month to Marin Municipal. In making such accounting, North Marin shall deduct from the total of water delivered to Marin Municipal any exchange water as provided in Section 3.10 of this Agreement and any water produced by North Marin and delivered to Marin Municipal.

3.13 Damages for Peaking on the Transmission System or Taking Water in Excess of Average Daily Rate of Flow Entitlement Limits in Violation of Section 3.3

The parties to this Agreement recognize that the Agency will have increased costs, in amounts that will be difficult to determine, if any Regular Customer takes water in violation of subsection (b), (c) or (d) of Section 3.1 or subsection (a) of Section 3.3. Accordingly, if any Regular Customer takes delivery of water from the Transmission System in violation of subsection (b), (c) or (d) of Section 3.1 or subsection (a) of Section 3.3, then it shall pay the Agency, in addition to all other applicable charges, liquidated damages in an amount equal to twenty-five percent (25%) of the applicable Operation and Maintenance Charge (including all sub-charges) times the amount of water taken in violation of these provisions. The assessment of liquidated damages pursuant to this section for a violation by a Regular Customer of subsection (b), (c) or (d) of Section 3.1 or subsection (a) of Section 3.1 may be waived by the Agency upon a showing by the contractor that the taking of delivery of water in violation thereof resulted from an act of God or other unforeseeable circumstances over which the Regular Customer had no control. The existence of this liquidated-damage provision shall not limit or restrict the Agency from physically limiting the quantity of water taken to the amounts authorized by this Agreement or from pursuing all other available legal and equitable remedies applicable to such violations. The proceeds of any liquidated damages assessed pursuant to this subsection shall be deposited and paid out in the same manner as the proceeds of the Operation and Maintenance Charge.

PART 4 - CHARGES AND PAYMENTS

4.1 Separate Charges and Funds

(a) On or before April 30 preceding each Fiscal Year during which any of the following charges are payable, the Agency will establish the amount of the following charges for the ensuing Fiscal Year:

- (1) the Operation and Maintenance Charge, including
 - (a) the Water Management Planning Sub-Charge,
 - (b) the Watershed Planning and Restoration Sub-Charge,
 - (c) the Recycled Water and Local Supply Sub-Charge,
 - (d) the Water Conservation Sub-Charge,
- (2) the Aqueduct Facilities Capital Charges, including
 - (a) the Santa Rosa Aqueduct Capital Sub-Charge,
 - (b) the Sonoma Aqueduct Capital Sub-Charge,
 - (c) the Petaluma Aqueduct Capital Sub-Charge,
- (3) the Storage Facilities Capital Charge,
- (4) the Common Facilities Capital Charge, and
- (5) the North Marin Capital Charge.

In determining the amount of these charges, the Agency shall include a reasonable allowance for usual contingencies and errors in estimation, and to maintain a prudent reserve in an amount determined from time to time by the Water Advisory Committee.

(b) All monies received in payment of said charges shall be received, allocated, and paid out consistent with the obligations and covenants of the Agency with respect to Revenue Bonds.

(c) In establishing each of said charges, the Agency shall assume that the quantity of water (other than Surplus Water) to be delivered from each aqueduct of the Transmission System shall be the same as the amount of water delivered from said aqueduct during the twelve months preceding such establishment, or the average annual amount of water delivered during the preceding 36 months, whichever is less.

If because of drought or other water-supply reduction, state or federal order, or other similar condition, the Agency anticipates that any such quantities will not be predictive of future usage, the Agency may use a different amount with the prior approval of the Water Advisory Committee.

4.2 Operation and Maintenance Charge

(a) The Operation and Maintenance Charge shall be a uniform annual charge per acre foot and shall be paid by all Regular Customers for all water delivered from the Transmission System.

(b) The aggregate amount of money to be received by the Agency from the Operation and Maintenance Charge for each Fiscal Year shall be sufficient to produce water sale revenues to cover the Agency's estimate of its Operation and Maintenance Costs for such Fiscal Year, to produce water sale revenues as required by Sections 4.13, 4.14, 4.15, and 4.16, and to produce additional revenues in amounts determined from time to time by the Water Advisory Committee to pay the Capital Costs of Common Facilities and Storage Facilities pursuant to subdivision (c) of this section.

(c) All money received by the Agency in payment of the Operation and Maintenance Charge shall be deposited and paid out as set forth in Section 1.7, and subdivision (b) of Section 4.1. After making the payments required by Section 1.7, remaining money received from the Operation and Maintenance Charge may be used to pay the Agency's operation and maintenance expenses, to make the deposits required by Sections 4.13, 4.14(g), 4.15, and 4.16(a), and to fund a prudent reserve for those expenses. Money received from the Operation and Maintenance Charge in excess of that necessary for operation and maintenance expenses, to make the deposits required by Sections 4.13, 4.14(g), 4.15, and 4.16(a), and to maintain a prudent reserve may from time to time be disbursed as provided in Section 4.5 to pay Capital Costs of Common Facilities and Storage Facilities. If money received from the Operation and Maintenance Charge is appropriated for expenditure for Storage Facilities, the funds shall be transferred to the Storage Facilities capital fund referred to in subsection (c) of Section 4.7. At the time of the transfer, an amount shall also be transferred to North Marin's account established pursuant to subsection (c) of Section 4.4, which amount shall bear the same proportion to the amount transferred to the Storage Facilities capital fund that the total amount payable by North Marin for the Operation and Maintenance Charge, exclusive of sub-charges, in the prior Fiscal Year bears to the total operation and maintenance revenue, exclusive of revenue from sub-charges, received by the Agency from sources other than North Marin during the prior Fiscal Year.

4.3 Allocation of Capital Costs to North Marin

(a) The Capital Costs of Remaining Facilities shall be allocated to North Marin in proportion to the following ratios:

	<u>Facility</u>	<u>Ratio</u>
1.	Storage Facilities	-0-
2.	Common Facilities	11.2/90.4

(b) The portions of the Capital Costs of the Additional Facilities, replacement facilities, and the Potter Valley Project, or the portion thereof that is to be acquired pursuant to Section 2.4 hereof, shall be allocated to North Marin are as follows:

	<u>Facility</u>	<u>Ratio</u>
1.	2nd pipeline, generally paralleling Intertie Aqueduct Reach 1	8.7/55.8
2.	2nd pipeline, generally paralleling Intertie Aqueduct Reach 2	8.7/55.8
3.	2nd pipeline, generally paralleling Intertie Aqueduct Reach 3a	8.7/55.8
4.	2nd pipeline, generally paralleling Intertie Aqueduct Reach 3b and 3c	8.7/42.4
5.	2nd pipeline, generally paralleling Petaluma Aqueduct from its junction with Intertie Aqueduct to Kastania Reservoir	5.1/38.8
6.	2nd pipeline, generally paralleling Sonoma Aqueduct	-0-
7.	Storage Facilities	-0-
8.	Russian River Water Production Facilities	8.7/55.8

9. All Common Facilities except Russian
River Water Production Facilities, but
including the Potter Valley Project 19.9/146.2

4.4 Remaining Facility, Additional Facility and Replacement Facility Capital Cost Payments by North Marin

The portion of the Capital Costs of the facilities allocated to North Marin pursuant to Section 4.3 shall be recovered by the Agency as follows:

- (a) Each time the Agency decides to issue further series or issues of Revenue Bonds to finance the Capital Costs of constructing or acquiring any Remaining Facilities, Additional Facilities, or replacement facilities, or acquiring all or part of the Potter Valley Project, the Agency shall, prior to initiating the procedures for the issuance of such Revenue Bonds, notify North Marin of the Agency's estimate of the total cost of the Remaining Facilities, replacement facilities, Additional Facilities, or Potter Valley Project acquisition proposed to be financed by said series or issues of Revenue Bonds and of North Marin's portion of the cost allocated in accordance with Section 4.3. North Marin shall have the right, at its election, to pay North Marin's portion, or any part or parts thereof, of the cost of such Remaining Facilities, replacement facilities, Additional Facilities, or Potter Valley Project acquisition in cash, provided, however, that North Marin shall make its election on or before such date as the Agency shall specify, which date will give the Agency sufficient time to determine the amount of Revenue Bonds to be sold, but shall not be earlier than 30 days after said notification. If North Marin elects to make a cash payment, it shall do so on the date the Revenue Bonds are sold or on such later date as the Agency may agree upon and which will nevertheless enable the Agency to meet its obligations for said construction or acquisition. If North Marin elects to make a cash payment, the amount payable shall exclude interest during construction and financing charges.
- (b) Upon completion of the construction or acquisition referred to in subdivision (a) of this section, any deficiency in the amount theretofore paid or credited and the actual amount of North Marin's portion thereof shall be paid by North Marin to the Agency.
- (c) All payments made by North Marin pursuant to subdivisions (a) and (b) of this section shall be deposited in a separate account from which the Agency will make disbursements only to make payments that otherwise must be made by revenues received from the North Marin Capital Charge, or for the Agency's expenses in constructing the Remaining Facilities, Additional Facilities, and replacement facilities or

in acquiring all or part of the Potter Valley Project, up to the proportionate amounts allocated to North Marin utilizing the ratios contained in Section 4.3. The balance of the account shall earn interest at the Sonoma County Treasurer's pooled investment fund rate, which interest income shall be credited to the account on June 30 of each year. Any surplus funds in the account shall be paid to North Marin within 30 days of receipt of a written request therefor.

(d) If the Agency decides to levy one or more Aqueduct Capital Charges to produce revenue to fund, without issuing Revenue Bonds, (a) major replacements of portions or all of any aqueduct facility pursuant to Section 4.6(e) of this Agreement or (b) capital improvements to existing Aqueduct Facilities, then North Marin shall pay its portion of the Capital Costs of such replacements or improvements to the Agency in cash at the time such Capital Costs are incurred by the Agency. The Capital Costs of major replacements to the facilities specified in Subsection 4.3(b) shall be allocated to North Marin based upon the ratios set forth in Subsections 4.3(b). The Capital Costs of major replacements to the Intertie Aqueduct shall be allocated to North Marin based on the following cost distribution ratios:

Intertie Aqueduct Reach 1	11.2/70.4
Intertie Aqueduct Reach 2	11.2/68.9
Intertie Aqueduct Reach 3	11.2/58.9

4.5 Payment of Remaining Facilities, Additional Facilities, Replacement Facilities, and Potter Valley Project Capital Costs

(a) The Capital Costs of Remaining Facilities, Additional Facilities, replacement facilities and Potter Valley Project, except the portions thereof paid by North Marin pursuant to Section 4.4, shall be paid by the Agency with cash available pursuant to Sections 4.2, 4.6, 4.7 and 4.8, subdivision (b) of Section 4.11, and, if the Board of Directors of the Agency decides to issue Revenue Bonds, with the proceeds from the sale of Revenue Bonds. The Agency may sell Revenue Bonds to the extent necessary to pay for said Capital Costs, to establish bond reserves and to pay all expenses incurred in the issuance of such bonds.

(b) From time to time the Agency shall determine the percentage of the Revenue Bonds that are attributable to Aqueduct Facilities, Storage Facilities, Common Facilities, and North Marin's Capital Costs. In making these calculations, the Agency shall not include in the portions of the Revenue Bonds that are attributable to Aqueduct Facilities, Storage Facilities and Common Facilities, the portions of the Revenue Bonds, if any, that

are attributable to North Marin's Capital Costs. The Agency shall not include in these calculations any Capital Costs for which North Marin paid cash pursuant to Section 4.4, or the costs of any major replacement facilities financed by the imposition of Aqueduct Facilities Capital Charges without the issuance of Revenue Bonds pursuant to subdivision (e) of Section 4.6.

4.6 Aqueduct Facilities Capital Charges

(a) Aqueduct Facilities Capital Charges consist of the Santa Rosa Aqueduct Capital Sub-Charge, the Sonoma Aqueduct Capital Sub-Charge, and the Petaluma Aqueduct Capital Sub-Charge. The Aqueduct Facilities Capital Charges shall be annual charges per acre foot set for each aqueduct as provided in subdivision (b) of this section and shall be paid by all Regular Customers of the Agency except North Marin for all water delivered from the Transmission System except Surplus Water. All water delivered to Santa Rosa and Windsor shall be deemed to be delivered from the Santa Rosa Aqueduct, all water delivered to Rohnert Park, Cotati, and Petaluma shall be deemed to be delivered from the Petaluma Aqueduct, and all water delivered to Sonoma and Valley of the Moon shall be deemed to be delivered from the Sonoma Aqueduct.

(b) The aggregate amount to be received by the Agency from the various Aqueduct Facilities Capital Charges for each Fiscal Year shall be sufficient to produce water sale revenues to pay the Agency's Revenue Bond Obligations (after crediting any projected payments to be made pursuant to subdivision (e) of Section 4.6) for such Fiscal Year times the percentage for Aqueduct Facilities determined pursuant to subdivision (b) of Section 4.5, and to produce additional revenues in amounts determined from time to time by the Water Advisory Committee to pay the Capital Costs of Aqueduct Facilities pursuant to subdivision (c) of this section. The aggregate amount shall be allocated to the respective aqueducts based on the following cost distribution ratios applied to the estimated, or when known, actual Capital Costs for the various Aqueduct Facilities:

<u>Facility</u>	<u>Ratio</u>
2nd pipeline, generally paralleling Intertie Aqueduct, Reach 1, Reach 2 and Reach 3a	
Santa Rosa Aqueduct	6.6/55.8
Petaluma Aqueduct	20.9/55.8
Sonoma Aqueduct	6.8/55.8

2nd pipeline, generally paralleling Intertie Aqueduct,
Reach 3b and 3c

Santa Rosa Aqueduct	-0-
Petaluma Aqueduct	20.9/42.4
Sonoma Aqueduct	-0-

2nd pipeline, generally paralleling Petaluma Aqueduct from its junction with the
Intertie Aqueduct to Kastania Reservoir

Santa Rosa Aqueduct	-0-
Petaluma Aqueduct	20.9/38.8
Sonoma Aqueduct	-0-

2nd pipeline, generally paralleling Sonoma Aqueduct

Santa Rosa Aqueduct	-0-
Petaluma Aqueduct	-0-
Sonoma Aqueduct	6.8/6.8

(These ratios are determined with the allocations in Sections 4.3 and 4.4 of Capital Costs
to North Marin, and with the following allocations to Common Facilities:

2nd pipeline generally paralleling Reaches 1, 2 and 3a of
the Intertie Aqueduct: 12.8/55.8

2nd pipeline generally paralleling Reach 3b and 3c of the Intertie Aqueduct:
12.8/42.4

2nd pipeline generally paralleling the Petaluma Aqueduct from its junction with
the Intertie Aqueduct to Kastania Reservoir: 12.8/38.8)

(c) All money received by the Agency in payment of Aqueduct Facilities Capital
Charges shall be deposited and paid out as set forth in Section 1.7 and subdivision (b) of
Section 4.1. After making the payments required to satisfy the Agency obligations and
covenants with respect to the Revenue Bonds used to finance the Capital Cost of the
Aqueduct Facilities, remaining money received from the Aqueduct Facilities Capital

Charges may be disbursed from time to time to pay pursuant to subdivision (a) of Section 4.5 the portions of the Capital Costs of the Remaining Facilities and Additional Facilities which are also Aqueduct Facilities that are not allocated to North Marin in Section 4.3.

(d) If at the end of any Fiscal Year the balance in the Aqueduct Facilities Capital Charge fund is insufficient to meet said Revenue Bond Obligations for the ensuing Fiscal Year attributed to the Aqueduct Facilities, Agency will determine the deficits in the payment received by it for deliveries from the Santa Rosa, Petaluma, and Sonoma Aqueducts respectively. Before August 1 of the following Fiscal Year:

(1) Additional charges for water delivered in amounts equal to the deficits with respect to the Santa Rosa Aqueduct shall be paid by Santa Rosa and Windsor in the following manner: The share of such additional charge to be paid by each of said Water Contractors shall be proportionate to the difference between the base share component and the sum of the Aqueduct Facilities Capital Charge payments made by said Water Contractor during said Fiscal Year. The base share component allocated to a Water Contractor is the number obtained by multiplying the said total principal and interest payment for said Fiscal Year by said Water Contractor's average daily rate of flow during any month Entitlement Limit set forth in subdivision (a) of Section 3.1 and by dividing by the total of said average daily rate of flow during any month Entitlement Limits for all Water Contractors being served from the Santa Rosa Aqueduct.

(2) Additional charges for water delivered in an amount equal to the deficit with respect to the Sonoma Aqueduct shall be paid by Sonoma and Valley of the Moon in the following manner: The share of such additional charge to be paid by each of said Water Contractors shall be proportionate to the difference between the base share component and the sum of the Aqueduct Facilities Capital Charge payments made by said Water Contractor during said Fiscal Year. The base share component allocated to a Water Contractor is the number obtained by multiplying the said total principal and interest payment for said Fiscal Year by said Water Contractor's average daily rate of flow during any month Entitlement Limit set forth in subdivision (a) of Section 3.1 and by dividing by the total of said average daily rate of flow during any month Entitlement Limits for all Water Contractors being served from the Sonoma Aqueduct.

(3) Additional charges for water delivered in an amount equal to the deficit with respect to the Petaluma Aqueduct shall be paid by Rohnert Park, Cotati and Petaluma in the following manner excluding North Marin and Marin Municipal: The share of such additional charge to be paid by each of said Water Contractors shall be

proportionate to the difference between the base share component and the sum of the Aqueduct Facilities Capital Charge payments made by said Water Contractor during said Fiscal Year. The base share component allocated to a Water Contractor is the number obtained by multiplying said total principal and interest payment for said Fiscal Year by said Water Contractor's average daily rate of flow during any month Entitlement Limit set forth in subdivision (a) of Section 3.1 and by dividing by the total of all said average daily rate of flow during any month Entitlement Limits for all Water Contractors being served from the Petaluma Aqueduct.

(e) If the Agency decides to issue a new series or issue of Revenue Bonds to finance major replacements of portions or all of any aqueduct facility or if, with the approval of the Water Advisory Committee, the Agency decides to levy one or more Aqueduct Facilities Capital Charges to produce revenue to finance major replacements of portions or all of any aqueduct facility, then the aggregate amount to be received by the Agency from the respective Aqueduct Facilities Capital Charges for each Fiscal Year shall be sufficient to produce water sales revenues, in addition to those required by subdivision (b) of this section, in amounts determined from time to time by the Water Advisory Committee to pay the Capital Costs of such major replacements. The Capital Costs of major replacements to the facilities specified in Subsection 4.6(b) above shall be allocated based upon the ratios set forth in Subsection 4.6(b). The Capital Costs of major replacements to the Intertie Aqueduct shall be allocated to the respective aqueducts based on the following cost distribution ratios:

Intertie Aqueduct Reach 1:

Santa Rosa Aqueduct	31.5/70.4
Petaluma Aqueduct	19.7/70.4
Sonoma Aqueduct	8.0/70.4

Intertie Aqueduct Reach 2:

Santa Rosa Aqueduct	30.0/68.9
Petaluma Aqueduct	19.7/68.9
Sonoma Aqueduct	8.0/68.9

Intertie Aqueduct Reach 3:

Santa Rosa Aqueduct	20.0/58.9
Petaluma Aqueduct	19.7/58.9
Sonoma Aqueduct	8.0/58.9

4.7 Storage Facilities Capital Charge

(a) The Storage Facilities Capital Charge shall be a uniform annual charge per acre foot and shall be paid by all Regular Customers of the Agency for all water delivered from the Transmission System except Surplus Water, provided however, that North Marin shall not be obligated to pay any Storage Facilities Capital Charge if North Marin maintains potable storage reservoirs within its system with a total capacity equal to or greater than one and one-half times the average daily volume of water delivered by the Agency to North Marin during the previous July with the highest water delivery to North Marin.

(b) The aggregate amount to be received by the Agency from the Storage Facilities Capital Charge for each Fiscal Year shall be sufficient to produce water sale revenues to pay the Agency's Revenue Bond Obligations for such Fiscal Year (after crediting any projected payments to be made pursuant to subdivision (e) of Section 4.6) times the percentage for Storage Facilities determined pursuant to subdivision (b) of Section 4.5, and to produce additional revenues in amounts determined from time to time by the Water Advisory Committee to pay the Capital Costs of Storage Facilities pursuant to subdivision (c) of this section.

(c) All money received by the Agency in payment of the Storage Facilities Capital Charge shall be deposited and paid out as set forth in Section 1.7, and subdivision (b) of Section 4.1. After making the payments from the Storage Facilities capital fund required by Section 1.7, remaining money in said fund may be disbursed from time to time to pay Capital Costs of Remaining Facilities, Additional Facilities and replacement facilities that also are Storage Facilities, pursuant to Section 4.5.

(d) If at the end of any Fiscal Year the balance in the Storage Facilities capital fund is insufficient to meet said Revenue Bond Obligations for such Fiscal Year attributed to the Storage Facilities, each Water Contractor except North Marin will, before August 1, pay to the Agency an additional charge per acre foot for all water delivered to it during the Fiscal Year which additional charge when multiplied by all Acre Feet sold to Regular Customers except North Marin shall be equal to said deficit.

4.8 Common Facilities Capital Charge

- (a) The Common Facilities Capital Charge shall be a uniform annual charge per acre foot and shall be paid by all Regular Customers of the Agency except North Marin for all water delivered from the Transmission System except Surplus Water.
- (b) The aggregate amount to be received by the Agency from the Common Facilities Capital Charge for each Fiscal Year shall be sufficient to produce water sale revenues to pay the Agency's Revenue Bond Obligations for such Fiscal Year (after crediting any projected payments to be made pursuant to subdivision (e) of Section 4.6) times the percentage for Common Facilities determined pursuant to subdivision (b) of Section 4.5.
- (c) All money received by the Agency in payment of the Common Facilities Capital Charge shall be deposited and paid out as set forth in Section 1.7 and subdivision (b) of Section 4.1. After making the payments required by Section 1.7, additional money received from the Common Facilities Capital Charge may be disbursed from time to time pursuant to subdivision (a) of Section 4.5 to pay the portions of the Capital Costs of Remaining Facilities, Additional Facilities, replacement facilities and the Potter Valley Project that also are Common Facilities and that are not allocated to North Marin in Section 4.3, and to satisfy the requirements of Section 6.04 of Ordinance No. 1 if the amount of money received from the charge established by Section 4.2 is insufficient in any Fiscal Year.
- (d) If at the end of any Fiscal Year the balance in the Common Facilities capital fund is insufficient to meet the Agency's Revenue Bond Obligations for such Fiscal Year on the Revenue Bonds attributed to Common Facilities, each Water Contractor except North Marin shall, before August 1, pay to the Agency an additional charge per acre foot for water delivered to it during the Fiscal Year, which additional charge when multiplied by all Acre Feet sold to the Water Contractors shall be equal to said deficit.

4.9 North Marin Capital Charge

- (a) The North Marin Capital Charge shall be a uniform annual charge per acre foot and shall be paid by North Marin for all water delivered to it from the Transmission System except Surplus Water.
- (b) The aggregate amount to be received by the Agency from the North Marin Capital Charge for each Fiscal Year shall be sufficient to produce water sale revenues to pay the Agency's Revenue Bond Obligations for such Fiscal Year (after crediting any projected

payments to be made pursuant to subdivision (e) of Section 4.6) times the percentage for North Marin's Capital Costs determined pursuant to subdivision (b) of Section 4.5.

(c) All money received by the Agency in payment of North Marin Capital Charge shall be deposited and paid out as set forth in Section 1.7 and subdivision (b) of Section 4.1. After making any payments required by Section 1.7, additional money received from the North Marin Capital Charge shall be deposited in the separate account described in subdivision (c) of Section 4.4.

(d) If at the end of any Fiscal Year the balance in the separate fund described in subdivision (c) of Section 4.4 is insufficient to meet the portion of the Agency's Revenue Bond Obligations for such Fiscal Year on the Revenue Bonds attributed to North Marin's Capital Costs, North Marin will, before August 1, pay to the Agency an additional charge per acre foot for water delivered to it during the Fiscal Year, which additional charge when multiplied by all Acre Feet sold to North Marin shall be equal to said deficit.

(e) If any money received pursuant to the Common Facilities Capital Charge is used pursuant to subdivision (c) of Section 4.8 to satisfy the requirements of Section 6.04 of Ordinance No. 1, then the North Marin Capital Charge shall be increased by the appropriate amount so that North Marin pays its appropriate share of such requirements.

(f) If North Marin has not maintained storage reservoirs within its system with at least the capacity required by subdivision (a) of Section 4.7, and if, as a result, the Agency constructs additional storage, then the North Marin Capital Charge shall be increased by an amount sufficient to pay for the Capital Costs or Revenue Bonds costs of such additional storage.

4.10 Power; Revenues

All power from the Warm Springs Hydroelectric Project and the Potter Valley Project shall be applied to the operation of the Transmission System or shall be sold, as the Agency shall from time to time determine. All revenues arising from the operation of these projects shall be treated the same as money received from the Operation and Maintenance Charge and shall be deposited and paid out as set forth in Section 1.7 and subdivision (b) of Section 4.1.

4.11 Payment for Surplus Water and Water Sold To Marin Municipal

(a) The Agency will sell Surplus Water at a price per acre foot of not less than 120% of the then current Operation and Maintenance Charge. All revenue from the sale of Surplus Water shall be treated the same as money received from the Operation and Maintenance Charge and shall be deposited and paid out as set forth in Section 1.7 and subdivision (b) of Section 4.1.

(b) Water delivered to Marin Municipal shall be sold at a per acre foot price that shall not be less than the sum of the Operation and Maintenance Charge determined pursuant to Section 4.2, the Russian River Conservation and Russian River Projects Charges determined pursuant to Section 4.18, and a capital charge. For the Third Amended Offpeak Water Supply Agreement dated January 25, 1996, or any amendment to that agreement that has been approved by the Water Advisory Committee, the capital charge shall be the total of all charges paid to Agency by Marin Municipal minus the sum of the Operation and Maintenance Charge and the Russian River Conservation and Russian River Projects Charges. For the Amended Agreement For The Sale of Water Between the Sonoma County Water Agency and Marin Municipal Water District dated January 25, 1996, or any amendment to that agreement that has been approved by the Water Advisory Committee, the capital charge shall be the charge established by paragraph b. of Section 10 of that agreement. Any subsequent agreement between the Agency and Marin Municipal for the sale of water to be transported through the Transmission System pursuant to Section 3.12 shall specify the capital charge that applies to this section of this Agreement. All money received by the Agency from the Operation and Maintenance Charge on water sold to Marin Municipal shall be credited to the operation and maintenance fund. All money received by the Agency from the Russian River Conservation and Russian River Projects Charges on water sold to Marin Municipal shall be credited to the Russian River Projects Fund and shall be used only for the purposes set forth in subsection (jj) of Section 1.2. The balance of the money received by the Agency from water sold to Marin Municipal shall be deposited and paid out as set forth in Section 1.7, and subdivision (b) of Section 4.1. After making the payments required by Section 1.7 and Ordinance No. 1, additional money received may be disbursed from time to time to pay the Capital Costs of Storage Facilities or Common Facilities authorized to be constructed in Section 2.2, provided, however, that only the money received from \$31.50 per acre foot of the capital charge (which rate is based on the Agency's past and projected future capital investment in Storage Facilities) may be used to pay the Capital Costs of new Storage Facilities.

4.12 Minimum Payments by Other Agency Customers

Anything herein to the contrary notwithstanding, the Agency will not sell any water to be delivered through the Transmission System (other than Surplus Water) to any Other Agency Customer at a total price per acre foot that is less than 120% of the highest price per acre foot then currently being paid by any Water Contractor; provided, however, that this limitation shall not apply to water sold to Forestville. The respective components of said price shall be credited to the appropriate fund referred to in subdivision (a) of Section 4.1 and the excess shall be credited to the aqueduct capital fund for the aqueduct from which service is taken. Forestville's charge shall be the same as the total charge for Water Contractors for water delivered from the Santa Rosa Aqueduct, except that during the first ten (10) full Fiscal Years following execution of this Agreement, Forestville shall not pay the Santa Rosa Aqueduct Capital Sub-Charge.

4.13 Operations and Maintenance Charge – Water Management Planning

The Agency shall calculate and collect as a part of the Operations and Maintenance Charge a Water Management Planning Sub-Charge. The aggregate amount of money to be received by the Agency from the Water Management Planning Sub-Charge in each Fiscal Year shall be sufficient to produce water sale revenues to cover the Agency's reasonable estimate of its costs for such Fiscal Year to carry out the provisions of Section 2.7. All money received by the Agency in payment of the Water Management Planning Sub-Charge shall be deposited by the Agency into a Water Management Planning Fund and used to pay the Agency's costs in carrying out the provisions of Section 2.7.

4.14 Operations and Maintenance Charge – Watershed Planning and Restoration

(a) The Agency shall calculate and collect as a part of the Operations and Maintenance Charge a Watershed Planning and Restoration Sub-Charge.

(b) The aggregate amount of money to be received by the Agency from the Watershed Planning and Restoration Sub-Charge in each Fiscal Year shall be sufficient to produce water sale revenues to cover the Agency's reasonable estimate of costs for such Fiscal Year (net of funding provided by other sources, including the Russian River Projects Fund and the Agency's General Fund) of carrying out: (1) fishery mitigation, enhancement, and environmental compliance activities and projects undertaken by the Agency, including the Agency's costs of complying with the Endangered Species Act or any other applicable federal, state, or local environmental statute or regulation, if such

activities, projects, and costs are reasonably necessary, to enable the Agency to provide water to Regular Customers under this Agreement; (2) the evaluations undertaken pursuant to Section 2.4(b); and (3) actions, studies or projects authorized pursuant to Section 2.8 of this Agreement that are not covered by other funding sources and contributions. The Agency shall not use proceeds from the Watershed Planning and Restoration Sub-Charge to pay for the capital cost or operation and maintenance cost of recreation facilities.

(c) Notwithstanding Subsection 4.14(b) above, during the first five full Fiscal Years following the effective date of this Agreement, the Watershed Planning and Restoration Sub-Charge shall not exceed \$35.00 per acre-foot.

(d) To assist in determining the appropriate share of fishery mitigation, enhancement, and environmental compliance activities and projects undertaken by the Agency to be paid by the Water Contractors under the Watershed Planning and Restoration Sub-Charge, the Agency shall, from time to time as reasonably necessary, prepare an analysis that (1) identifies planned fishery mitigation, enhancement, and environmental compliance activities and projects, (2) identifies the costs and beneficiaries of such activities and projects, (3) proposes an allocation of costs among all benefitted parties, and (4) recommends sources of funding for such activities and projects.

(e) The Agency shall use its best efforts to amend its existing contracts with Russian River Customers to require Russian River Customers to pay the Watershed Planning and Restoration Sub-Charge or fund or implement watershed planning and restoration projects at a level equivalent to that funded by the Agency under this Agreement.

(f) In addition to the Watershed Planning and Restoration Sub-Charge, the Agency may assess against the Water Contractors such supplemental charges as are authorized and agreed to under Section 2.8(c). Supplemental charges under this subsection shall not be included in determining the minimum payments by Other Agency Customers pursuant to Section 4.12 or by Windsor pursuant to Section 4.17.

(g) All money received by the Agency in payment of the Watershed Planning and Restoration Sub-Charge shall be deposited by the Agency into a Watershed Planning and Restoration Fund and used for the purposes set forth in Section 4.14(b). All money received by the Agency in payment of any supplemental charges pursuant to Section 4.14(d) shall be deposited into separate account(s) and used to pay the costs of projects authorized and agreed to pursuant to Section 2.8(c).

4.15 Operations and Maintenance Charge – Recycled Water and Local Supply

The Agency shall calculate and collect as a part of the Operations and Maintenance Charge a Recycled Water and Local Supply Sub-Charge. The Recycled Water and Local Supply Sub-Charge shall be a uniform charge per acre-foot and shall be paid by all Regular Customers and Russian River Customers for all water taken from the Transmission System or under the Agency's water rights. The aggregate amount of money to be received by the Agency from the Recycled Water and Local Supply Sub-Charge in each Fiscal Year shall be sufficient to produce water sale revenues to cover the Agency's estimate of its costs for such Fiscal Year to carry out the provisions of Section 2.6; provided, however, that during the first five full Fiscal Years following the effective date of this Agreement, the Recycled Water and Local Supply Sub-Charge shall not exceed \$35.00 per acre-foot. The Agency shall use its best efforts to amend its existing contracts with Russian River Customers to require Russian River Customers to pay the Recycled Water and Local Supply Sub-Charge. Monies collected from the Recycled Water and Local Supply Sub-Charge shall be deposited in a Recycled Water and Local Supply Fund created by the Agency. The Recycled Water and Local Supply Fund shall be used only to pay or partially pay for the costs of Recycled Water Projects or the acquisition of Recycled Water or the rights thereto pursuant to Section 2.6 of this Agreement. Notwithstanding the foregoing sentence, revenue from the Recycled Water and Local Supply Sub-Charge collected by the Agency from Windsor pursuant to Section 4.17(b) shall be placed in a separate account and made available to Windsor for funding Windsor's local or regional Recycled Water Projects.

4.16 Operations and Maintenance Charge – Water Conservation

(a) The Agency shall calculate and collect as a part of the Operations and Maintenance Charge a Water Conservation Sub-Charge. Monies collected from the Water Conservation Sub-Charge shall be deposited in a Water Conservation Fund created by the Agency. The Water Conservation Fund shall be used only to pay or partially pay for the cost of Water Conservation Projects. The aggregate amount of money to be received by the Agency from the Water Conservation Sub-Charge for each Fiscal Year shall be sufficient to cover the Agency's estimate of the total cost of all Water Conservation Projects for such Fiscal Year. From and after July 1, 1998, a total of fifteen million dollars (\$15,000,000) shall be expended to implement Water Conservation Projects pursuant to the Water Conservation Plan dated June 29, 1998. The \$15,000,000 shall be allocated as follows: Cotati 2.10%, Petaluma 18.53%, Rohnert Park 10.37%, Santa Rosa 40.25%, Sonoma 4.15%, Forestville 0.66%, North Marin 19.50%, Valley of the Moon 4.43%. Until the total of \$15,000,000 has been expended as set forth above, the

Agency shall not fund Water Conservation Projects for or on behalf of Windsor. The Water Conservation Projects for which said \$15,000,000 is to be expended, have been approved by the Water Advisory Committee.

(b) The Agency shall use its best efforts to amend its existing contracts with Russian River Customers to require Russian River Customers to fund or implement Water Conservation Projects at a level equivalent to that funded by the Agency under this Agreement. Notwithstanding the penultimate sentence in Section 4.16(a), revenue from the Water Conservation Sub-Charge collected by the Agency from Windsor pursuant to Section 4.17(b) shall be placed in a separate account and made available to Windsor for funding Windsor's Water Conservation Projects.

4.17 Payments by Town of Windsor

(a) Notwithstanding anything in this Agreement to the contrary, for the first fifteen (15) full Fiscal Years following execution of this Agreement, the amount payable by Windsor for water delivered by the Agency through the Transmission System shall be 120% of the highest price per acre foot then currently being paid by any Water Contractor receiving water from the Santa Rosa Aqueduct. The respective components of said price shall be credited to the appropriate fund referred to in subdivision (a) of Section 4.1 and the excess shall be credited to the aqueduct capital fund for the aqueduct from which service is taken. Beginning with the sixteenth (16th) full Fiscal Year following execution of this Agreement and thereafter, all water delivered to Windsor by Agency through the Transmission System will be deemed delivered from the Santa Rosa Aqueduct and the amount payable by Windsor for said water determined accordingly.

(b) For all water diverted directly by Windsor from the Russian River using its own facilities, whether under the Agency's water rights or Windsor's water rights, Windsor shall pay only the charges set forth in the Agreement for Sale of Water between the Agency and Windsor dated January 8, 1991, as amended, including the sub-charges set forth in Sections 4.13, 4.14, 4.15, and 4.16.

4.18 Payment of Russian River Conservation Charge and Russian River Projects Charge by North Marin

In addition to the other charges provided for in this Part, North Marin shall pay the following additional per-acre-foot charges:

(a) A Russian River Conservation Charge 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 a charge per acre foot of water delivered to North Marin hereunder, except Surplus Water. The charge shall be determined annually on or before April 30 preceding each Fiscal Year and shall be payable by North Marin during the ensuing Fiscal Year. 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 Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Forestville and Valley of the Moon and dividing the product by the total number of Acre Feet of water delivered to Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Forestville and Valley of the Moon pursuant to Section 3.1 and 3.3 during the twelve month period ending on March 31. All money received by the Agency from the Russian River Conservation Charge on water sold to North Marin shall be credited to the Russian River Projects Fund and shall be used only for the purposes set forth in subsection (jj) of Section 1.2.

(b) A Russian River Projects Charge 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 (jj) of Section 1.2. The Russian River Projects Charge shall be effective on the first day of the first month following the effective date of this Agreement and shall thereafter be determined annually on or before April 30 preceding each Fiscal Year and shall be payable by North Marin during the ensuing Fiscal Year. 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 North Marin and Marin Municipal Water District, and interest earnings attributable to funds contributed by North Marin and Marin Municipal Water District, by the sum of the total acre-feet of water delivered by the Agency to Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Forestville and Valley of the Moon pursuant to Sections 3.1 and 3.3 of this Agreement during the preceding ten Fiscal Years and multiplying the quotient by the ratio that the assessed value of secured and unsecured property situated within Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Forestville and Valley of the Moon 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. The 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 set forth in subsection (jj) of Section 1.2. The Agency shall maintain a separate account within the Russian River Projects Fund for Russian River Projects Charges paid by North Marin and Marin Municipal Water District. Monies expended from the Russian River Projects Fund shall be deemed to have been expended from the North Marin and Marin Municipal 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. All money received by the Agency from the Russian River Projects Charge on water sold to North Marin shall be credited to the Russian River Projects Fund and shall be used only for the purposes set forth in subsection (jj) of Section 1.2.

4.19 Billing and Time of Payment

Except as otherwise expressly provided herein, all charges payable to the Agency shall be billed each month and paid within 30 days after receipt of bill. Notwithstanding any dispute between the Agency and a Water Contractor, such Water Contractor will pay all its bills when due and shall not withhold all or any part of any payment pending the final resolution of such dispute. If the resolution of the dispute results in a refund to the Water Contractor, the Agency shall make such refund plus any interest earned by investment of the disputed funds as promptly as it is able to do so, consistent with its meeting its Revenue Bond Obligations.

PART 5 - Water Advisory Committee/Technical Advisory Committee

5.1 Purpose

- (a) There is hereby created the Water Advisory Committee and the Technical Advisory Committee.
- (b) The purpose of the Water Advisory Committee is to perform the functions specified herein and to review all proposals set forth by the Agency which involve a significant capital outlay for the Transmission System or any other project which would significantly change the level of service or add significantly to the operations and maintenance expense of the Transmission System or other expense to be borne by the Water Contractors. The purpose of the Technical Advisory Committee is to advise the Water Advisory Committee.

5.2 Powers

Except as provided herein to the contrary, the power of the Water Advisory Committee is limited to that of collective spokesperson for the Water Contractors and shall be advisory only in nature. Nothing shall preclude a Water Contractor from setting forth a view contrary to that of the majority of the Committee. No action of the Committee limits or impairs any right or power of any Water Contractor. The Technical Advisory Committee shall have no powers other than the power to make recommendations to the Water Advisory Committee.

5.3 Composition and Voting

- (a) The Water Advisory Committee shall be composed of one representative and one alternate who shall serve in absence of the representative, to be selected by each Water Contractor. The representative and alternate shall be elected members of and appointed by the governing board of the Water Contractor. The Water Advisory Committee shall generally meet quarterly as it determines necessary, which shall include at least one meeting per calendar year with a liaison from the Board of Directors of the Agency who is a member of and appointed by said Board. Each Water Contractor's representative will be allocated a weighted vote proportional to the average daily rate of flow during any month Entitlement Limit from the Transmission System applicable to such Water Contractor. An affirmative vote of said Committee shall be recorded and require both of the following: (1) the affirmative vote of more than fifty percent (50%) of the total weighted votes as defined above; and (2) the

affirmative vote of at least five (5) representatives. If the Water Advisory Committee does not affirmatively vote to approve any matter before it for a decision, then the matter shall be deemed not approved. A representative or alternate appointed by the Board of Directors of the Marin Municipal Water District, each of which must be members of said board, may attend and participate, debate, express opinions and present information at meetings of the Water Advisory Committee but shall not have a vote. If the approval, determination, or consent of the Water Advisory Committee is authorized or required on any non-advisory matter pursuant to this Agreement, the vote of the Water Advisory Committee on such matter shall be evidenced by a writing, executed by the chairperson or secretary, evidencing (a) the vote of each member, (b) whether the vote of the Committee was in the affirmative, and (c) if the vote was in the affirmative, a description of the approval, determination, or consent given by the Committee.

(b) The Technical Advisory Committee shall be composed of one non-elected representative selected by each Water Contractor. The Technical Advisory Committee shall generally meet monthly as it determines necessary. Each Water Contractor's representative will be allocated the same weighted vote applicable to that Water Contractor under Section 5.3(a). An affirmative vote of said Committee shall require both of the following: (1) the affirmative vote of more than fifty percent (50%) of the total weighted votes as defined above; and (2) the affirmative vote of at least five (5) representatives. A representative or alternate appointed by the Marin Municipal Water District Board of Directors may attend and participate, debate, express opinions and present information at meetings of the Water Advisory Committee but shall not have a vote. The Water Advisory Committee may require the Technical Advisory Committee to create subcommittees and ad hoc committees. Persons serving on such committees shall be elected officials, staff or contract staff of the Water Contractor they represent.

(c) The Technical Advisory Committee shall create a standing Water Conservation Subcommittee. The Water Conservation Subcommittee shall make recommendations to the Technical Advisory Committee with respect to any determination of the Water Advisory Committee contemplated under Section 1.12 of this Agreement, and shall perform other such duties with respect to Water Conservation Projects as may be requested by the Technical Advisory Committee.

(d) Once every two years, on a date selected by the Water Advisory Committee, the Water Advisory Committee shall elect from among its members two officers: a chairperson and vice chairperson. Officers shall serve for the ensuing two Fiscal Years. An officer may serve a second or subsequent consecutive two-year terms only if each

such term is approved by a unanimous vote of the Water Contractors. Furthermore, an officer can be removed and replaced at any meeting called by five Water Advisory Committee members provided all Water Advisory Committee members are notified in writing a minimum of five working days prior to the meeting. In the event an officer either: (1) loses his/her status as a duly elected local official serving on the governing board of the Water Contractor they represent or (2) loses his/her appointment as representative of the Water Contractor on the Water Advisory Committee, the officer position held shall be vacated. The Water Advisory Committee shall elect a new officer who shall fill out the balance of the vacated term. Voting for officers shall be as provided in subsection (a) of this section.

(e) By November of each year, subject to the limitations in Section 4.16(a), the Water Advisory Committee shall review proposed Water Conservation Projects, Recycled Water Projects, and Local Supply Projects and approve and report to the Agency those projects that are to receive funding in the next or later fiscal years. It is the intent of the parties to this Agreement that over the term of the Agreement, Regular Customers shall receive funding support for Water Conservation Projects, Recycled Water Projects, and Local Supply Projects in proportion to the amounts paid by Regular Customers under Sections 4.15 and 4.16.

(f) Commencing with the first Fiscal Year following the effective date of this Agreement, the Agency shall include in its operating budget the amount of \$30,000 which the Agency shall expend as the Water Advisory Committee directs for purposes associated with the orderly implementation and operation of the provisions of this Agreement and other associated purposes deemed appropriate by the Committee. The annual amount may be fixed at a higher or lower amount in subsequent Fiscal Years as determined by vote of the Committee pursuant to subsection (a) of this section. The Water Advisory Committee shall decide which, if any, consultant or consultants, firm or firms shall be hired to carry out this work.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

SONOMA COUNTY WATER AGENCY

By: Paul L. Kelley

Date: 6/23/06

ATTEST:

Eve T. Lewis

CITY OF COTATI

By: Steve Orchard
Mayor

Date: 5.9.06

ATTEST:

Janet L. Stubbins
City Clerk

Date: 5-10-06

CITY OF PETALUMA

By: Dan L. Shoss
Mayor

Date: 5-15-06

ATTEST:

Kate Cunniff
Deputy City Clerk

CITY OF ROHNERT PARK

By: Tim Smith
Mayor

Date: 6/06-05-06

RESTRUCTURED AGREEMENT FOR WATER SUPPLY

ATTEST:

Judy Hauff
City Clerk

CITY OF SANTA ROSA

By: Jim Bender
Mayor

Date: 5/31/06

ATTEST:

Dennis Anderson
Deputy City Clerk

CITY OF SONOMA

By: Don Meyer
Mayor

Date: 4-19-06

ATTEST:

Gay Rainsbarger
City Clerk

FORESTVILLE COUNTY WATER
DISTRICT

Date: 5/12/06

By: C. W. Rasmussen
President

ATTEST:

[Signature]
Secretary

NORTH MARIN WATER
DISTRICT

Date: 5/22/06

By: [Signature]
President

ATTEST:

[Signature]

Acting Secretary

TOWN OF WINDSOR

Date: 5-17-06

[Signature]
Mayor

ATTEST:

[Signature]
Deputy Town Clerk

VALLEY OF THE MOON WATER
DISTRICT

Date: 5-25-06

By: [Signature]
President

ATTEST:

[Signature]
Deputy Secretary

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Supporting a Water Supplier's Common Interest Statement on Local Groundwater Sustainability Agency Funding

Discussion and Background:

As the Board is aware, the District has been instrumental in the formation and governance of the local Groundwater Sustainability Agency (GSA). Now that the GSA is beginning to charge fees and implement projects, it will be critical to have a clear understanding of the District's position, and to ensure that it is a good representative of its customers. The attached Common Interest Statement was drafted from the perspective of municipal water suppliers and vetted for accuracy by the staff of the agencies listed (the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Town of Windsor, and the Valley of the Moon Water District).

When a final draft is approved, the intention is to share the Common Interest Statement with the three GSAs in Sonoma County, which will help inform future policy and rate setting in the GSAs. The proposed process for approval is as follows: Boards and Councils of water suppliers will review, discuss, and approve the attached draft language at meetings in March and April. After each has reviewed and approved the language, a resolution of support will be approved at a following meeting by each water supplier (likely April or May).

Recommendation:

- Review and approve the attached Draft Common Interest Statement
- Direct staff to bring a resolution supporting the statement to the next regular meeting

Attached:

Water Suppliers' Common Interest Statement Re: Groundwater Sustainability Agency Funding

Water Suppliers' Common Interest Statement Re: Groundwater Sustainability Agency Funding

The municipal water suppliers located in central and southern Sonoma County which receive wholesale water supply from Sonoma Water's Russian River System and also belong to Groundwater Sustainability Agencies (GSAs) in Sonoma County include the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Town of Windsor, and the Valley of the Moon Water District (GSA Agencies). The GSA Agencies are committed to sustainable groundwater management and to the regional benefits that are a result of that sustainability. So much so, that the GSA Agencies were instrumental in the inception and startup of the GSAs, providing both funding and in-kind services to ensure GSA success alongside their partners. Funding the GSAs will be critical in the coming months and years as the deadline for basin sustainability looms ever closer. Financing of the GSA must implement the model of proportional demand and payment (cost benefit) to be fair to the public at large.

The GSA Agencies support the following Statement of Interests regarding groundwater fees and charges in Sonoma County:

1. Any water imported for municipal water customers from the Russian River directly offsets groundwater use in GSA basins.
 - For over half a century, municipal water customers have paid higher water rates (many times that of the cost of groundwater extraction) to purchase water from Sonoma Water, offsetting the need to extract groundwater to meet the needs of the community. This has directly led to the groundwater basins of Sonoma County being available for use by those not using Russian River Water.
2. GSA Agencies supplement the Russian River water provided to their municipal water customers with groundwater from GSA basins. Those water customers are already paying the full GSA fee for the groundwater through their water bills.
 - Municipal water users that receive their water from GSA Agencies should not have to pay a disproportionately high rate by paying the GSA fees both through their water rates and through additional taxes or fees applied only to parcels within the GSA boundary. If the County determines that some portion of the costs to operate the GSAs has County-wide benefits, then only Sonoma County taxpayers that are not served by GSA Agencies should bear those costs.
3. Households and businesses using municipal water pay higher rates for water, which more closely reflects the true value of water and encourages water conservation. Groundwater users need to pay proportionate rates for the demand they place on the basin, otherwise, there is little incentive to conserve groundwater.
 - It will be critical over the coming years to educate households and businesses about the value of the groundwater they are using, and for them to pay proportional fees for needed projects and to encourage conservation if the basins are to reach a sustainable yield, which is required by 2040 under the Sustainable Groundwater Management Act of 2014.

4. Warm Springs Dam (Lake Sonoma) provides many benefits to Sonoma County. The services it provides include: flood control, water storage, and recreation.
- The above functions benefit all of Sonoma County. Controlling flood releases increases property values and reduces the need for flood recovery and associated costs. Storing water for water supply provides a sustainable, renewable water source for residents of Sonoma County to use instead of overtaxing the groundwater basins. Recreation provides a destination for locals and visitors and supports the vibrant tourist industry which is key to a healthy Sonoma County economy. All residents of Sonoma County benefit from having a sustainable groundwater basin and the County of Sonoma should provide funding for critical projects and conservation measures, commensurate with that benefit, to achieve basin sustainability.