



Posting Date: 05-28-2021

NOTICE OF REGULAR BI-MONTHLY MEETING BOARD OF DIRECTORS

MEETING DATE: 06-01-2021
TIME: 7:30 p.m.
LOCATION: This meeting will be held virtually, pursuant to the Governor’s Executive Order N-29-20.

To participate online, go to <https://zoom.us/j/95135857086> . You can also participate by phone by calling 1-669-900-6833 and entering the webinar ID#: 951 3585 7086.

PARTICIPATION DURING MEETINGS: During the public comment periods, the public may comment by clicking the “raise hand” button on the bottom of the Zoom screen; if you are joining by phone and would like to comment, press *9 and we will call on you as appropriate.

EMAILED PUBLIC COMMENTS: You may submit your comments in advance of the meeting by emailing them to BoardComment@MarinWater.org. All emailed comments received by 3 p.m. on the day of the meeting will be provided to the Board of Directors prior to the meeting. Those emailed comments on approval items received by 3 p.m. will also be summarized by the board secretary at the board meeting. All emails will be posted on our website. (Please do not include personal information in your comment that you do not want published on our website such as phone numbers and home addresses.)

AGENDA ITEMS	RECOMMENDATIONS
Call to Order and Roll Call	
Adopt Agenda	<i>Approve</i>

Public Comment

Members of the public may comment on any items not listed on the agenda during this time. Comments will be limited to three (3) minutes per speaker, and time limits may be reduced by the board president to accommodate the number of speakers and ensure that the meeting is conducted in an efficient manner.

Directors’ and General Manager’s Announcements	
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AGENDA ITEMS**RECOMMENDATIONS****Consent Calendar**

All matters listed on the consent calendar are considered to be routine and will be enacted by a single action of the Board, unless specific items are removed from the consent calendar by the Board during adoption of the agenda for separate discussion and action.

1. Minutes of the Board of Directors' Special Meeting of May 13, 2021 and Regular Bi-Monthly Meeting of May 18, 2021	<i>Approve</i>
2. First Amendment to Contract No. 1875 with West Coast Arborists, Inc. for Tree Maintenance	<i>Approve</i>
3. Civil Air Patrol Request for Co-Location of Communications Equipment - (APN 197-120-21)	<i>Approve</i>
4. Ordinance No. 451 - Continuing Collection of Capital Maintenance Fee on Customer Bills	<i>Approve</i>
Regular Calendar	
5. Renewal of Annual Insurance Policies for All Risk Property, Excess Liability, Automobile Physical Damage, Excess Workers Compensation, Pollution, Cyber, Drone and Crime and Fidelity for Fiscal Year 2021/22	<i>Approve</i>
6. Drought Update	<i>Information</i>
Public Hearing	
7. Adopt Ordinance No. 452 - Setting Forth Prohibitions and Restrictions on New Water Service Connections	<i>Approve</i>
Regular Calendar	
8. To fill Mechanical & Electrical Maintenance Worker position in the Operations Division	<i>Approve</i>
9. Future Meeting Schedule and Agenda Items	<i>Information</i>
Adjournment	

ADA NOTICE AND HEARING IMPAIRED PROVISIONS:

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

INFORMATION PACKETS ARE AVAILABLE FOR REVIEW AT THE CIVIC CENTER LIBRARY, CORTE MADERA LIBRARY, FAIRFAX LIBRARY, MILL VALLEY LIBRARY, MARIN WATER OFFICE, AND ON THE MARIN WATER WEBSITE (MARINWATER.ORG)

FUTURE BOARD MEETINGS:

- ❖ Tuesday, June 15, 2021
Board of Directors’ Regular Bi-Monthly Meeting
7:30 p.m.

- ❖ Thursday, June 17, 2021
Watershed Committee/Board of Directors (Watershed) Meeting
1:30 p.m.

- ❖ Friday, June 18, 2021
Operations Committee/Board of Directors (Operations) Meeting
9:30 a.m.



Board Secretary



Approval Item

TITLE

Minutes of the Board of Directors' Special Meeting of May 13, 2021 and Regular Bi-Monthly Meeting of May 18, 2021

RECOMMENDATION

Approve the adoption of the minutes.

SUMMARY

On May 13, 2021, the board held a special meeting, 10-Year Financial Plan Workshop 3. Then, the board held its regular bi-monthly meeting on May 18, 2021. The minutes of these meetings are attached.

DISCUSSION

None

FISCAL IMPACT

None

ATTACHMENT(S)

1. Minutes of the Board Directors' Special Meeting of May 13, 2021
2. Minutes of the Board of Directors' Regular Bi-Monthly Meeting of May 18, 2021

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

**MARIN MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS**

SPECIAL MEETING MINUTES

Tuesday, May 13, 2021

Via teleconference

(In accordance with Governor Gavin Newsom's Executive Order N-29-20)

DIRECTORS PRESENT: Larry Bragman, John C. Gibson, Monty Schmitt, Larry L. Russell, and Cynthia Koehler

DIRECTORS ABSENT: None.

CALL TO ORDER AND ROLL CALL

Board President Koehler called the meeting to order at 10:02 a.m.

ADOPT AGENDA

There was no public comment received under this agenda item.

On motion made by Director Bragman and seconded by Director Gibson, the board adopted the agenda by the following roll call vote:

Ayes: Directors Bragman, Gibson, Russell, Schmitt, and Koehler

Noes: None

REGULAR CALENDAR

Item 1 Support for adding Marin County to the Governor's Proclamation of a State of Emergency due to Drought and Authorizing the President of the Board to Sign a Letter of Request

President Koehler and General Manager Ben Horenstein brought forth this item. Discussion ensued. There was consensus among the board to support adding Marin County to the Governor's Emergency Proclamation and to authorize the board President to sign a letter of request. It was agreed that there may be changes to the letter including pointing out the negative consequences to the District's drought message from the omission of Marin County from the Governor's Proclamation.

There were two public comments.

On motion made by Director Gibson and seconded by Director Schmitt, the board supported adding the County of Marin to the Governor's Proclamation and authorizing the Board President

to sign a letter of request by the following roll call vote:

Ayes: Directors Bragman, Gibson, Russell, Schmitt, and Koehler

Noes: None

Item 2 10-Year Financial Plan (Workshop 3)

General Manager Horenstein introduced this item. Next, Melissa Elliott, with Raftelis, began to facilitate the workshop. The board were presented information from Senior Engineer 1 Manager Elysha Irish, and Legislative & Grant Program Coordinator Matt Sagues. Much discussion occurred between the board and staff throughout this portion of the meeting.

Chair Koehler and Director Schmitt had to leave at noon.

The board did not take formal action.

PUBLIC EXPRESSION

There were four public comments relating to the Workshop 3 discussion.

ADJOURNMENT

There being no further business, the Board of Directors' special meeting of May 13, 2021, adjourned at 12:13 p.m.

Board Secretary

**MARIN MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS**

MEETING MINUTES

Tuesday, May 18, 2021

Via teleconference

(In accordance with Governor Gavin Newsom's Executive Order N-29-20)

DIRECTORS PRESENT: Larry Bragman, John C. Gibson, Monty Schmitt, and Cynthia Koehler

DIRECTORS ABSENT: Larry Russell

CALL TO ORDER AND ROLL CALL

Board President Koehler called the meeting to order at 7:30 p.m.

Vice President Russell joined the meeting.

ADOPT AGENDA

There was no public comment on the adoption of the agenda.

On motion made by Director Bragman and seconded by Director Gibson, the board adopted the agenda. The following roll call vote was made.

Ayes: Directors Bragman, Gibson, Russell, Schmitt, and Koehler

Noes: None

PUBLIC COMMENT

There were no public comments made during this portion of the meeting.

DIRECTORS' AND GENERAL MANAGER'S ANNOUNCEMENTS

Both President Koehler and General Manager Ben Horenstein made announcements.

CONSENT CALENDAR (ITEMS 1-6)

Item 1 Resolution of Appreciation for Jeff Ohmart

Item 2 Minutes of the Board of Directors' Regular Bi-Monthly Meeting of May 4, 2021

Item 3 General Manager's Report for April 2021

- Item 4 A Resolution Authorizing the Award of Contract No. 1946, Non-Structural Spillway Repair Project (D21013) to Maggiora & Ghilotti in the amount of \$325,555**

- Item 5 A Resolution Implementing Fiscal Year (FY) 2022 Cost of Living Adjustment for District Employees**

- Item 6 Authorizing the General Manager to Negotiate and Execute Agreements for the Purchase of Water Treatment Chemicals in an amount not to exceed \$1,411,477**

Director Bragman stated that he had to abstain from Item 6. With guidance from General Counsel Molly MacLean, the board took the following actions.

On motion made by Director Gibson and seconded by Director Schmitt, the board approved Consent Calendar Items 1-5. The following roll call vote was made.

Ayes: Directors Bragman, Gibson, Russell, Schmitt, and Koehler
 Noes: None

On motion made by Director Gibson and seconded by Director Russell, the board approved Consent Calendar Item 6. The following roll call vote was made.

Ayes: Directors Gibson, Russell, Schmitt, and Koehler
 Noes: None
 Abstain: Director Bragman

There were no public comments for the Consent Calendar.

REGULAR CALENDAR (ITEMS 7-11)

Item 7 Drought Update

Water Quality Manager Lucy Croy, Water Conservation Manager Carrie Pollard, and General Manager Ben Horenstein provided a presentation to the board. Much conversation occurred during the meeting between the Directors and staff.

There were seven (7) public comments.

This item was an informational item, so no formal action was taken by the board.

Item 8 Options for New Connections during Drought Conditions

Engineering Manager Mike Ban brought this item forward. Discussion followed.

There were five (5) public comments.

The board provided direction to staff, but didn't take formal action.

Item 9 A Resolution Approving the Kastania Pump Station Rehabilitation Project, Authorizing the General Manager to Execute a Professional Services Agreement with Carollo Engineers, Finding that the Project is Categorically Exempt from CEQA, and Directing Staff to File a Notice of Exemption with the Sonoma County Clerk

Mr. Ban also presented this item, along with Eric McGrath and Kristine Gasper, with Carollo Engineers. The staff and Mr. McGrath answered the board's inquiries.

There was one public comment.

On motion made by Director Russell and seconded by Director Gibson, the board approved Resolution 8635. The following roll call vote was made.

Ayes: Directors Bragman, Gibson, Russell, Schmitt, and Koehler
Noes: None

Item 10 Proposed Operating and Capital Budget for FY 2022 and FY 2023

Administrative Services Division Manager/Treasurer Chuck McBride presented this item. Afterwards, the board concurred to table this item to a future meeting until the matter regarding funding for conservation/water efficiency efforts were addressed in the budget.

There were no public comments.

Item 11 Future Meeting Schedule and Agenda Items

The board secretary brought forth this item. There was no discussion nor public comment. This was an information item, so no action was taken by the board.

The open session ended at 10:37 p.m.

CONVENE TO CLOSED SESSION (Only the Board of Directors and Staff will Participate)

CLOSED SESSION (ITEMS 12-13)

**Item 12 Conference with Real Property Negotiators
(Government Code §54956.8)**

Agency Negotiator: Bennett Horenstein, General Manager
Negotiating Party: Lt. Col. Jim Kapphahn, Transportation Officer, Pacific Region,
Civil Air Patrol

Property: APN 197-120-21
Under Negotiation: Price and Terms

Item 13 Conference with Legal Counsel – Existing Litigation
(Government Code §54956.9)

*Case: Marin Municipal Water District v. Kamman Hydrology and Engineering,
Inc., et al.,*
Marin Superior Court
Case No. CIV 2002013

The board and staff discussed all the closed session items. Joining the board was attorney Tom Bertrand to provide legal counsel.

CONVENE TO OPEN SESSION

CLOSED SESSION REPORT OUT

General Counsel MacLean stated that board discussed the items, but that there was nothing to report out to the public.

ADJOURNMENT

There being no further business, the regular bi-monthly Board of Directors' meeting of May 18, 2021, adjourned at approximately 11:05 p.m.

Board Secretary

Approval Item

TITLE

First Amendment to Contract No. 1875 with West Coast Arborists, Inc. for Tree Maintenance

RECOMMENDATION

Approval by the Board of Directors authorizing the General Manager to execute the First Amendment to Contract No. 1875 exercising an option to extend the contract term for one additional year, not to exceed \$243,756.

SUMMARY

The Operations Committee reviewed this item on May 21, 2021, and referred it to a future Bi-Monthly Meeting of the Board of Directors with the Operations Committee's recommendation for approval.

On May 1, 2018, the Board of Directors approved a three-year contract with West Coast Arborists for tree maintenance at various District sites and on watershed lands. The contract included options to extend the term of the contract in one (1) year increments for up to an additional two years.

DISCUSSION

In October of 2019, the District adopted the Biodiversity, Fire, and Fuels Integrated Plan (BFFIP) which outlines the actions the District will implement to reduce wildfire hazards and to maintain and enhance ecosystem function. Under the BFFIP there are 27 management actions that are being implemented to fulfill the goals and approach described in the BFFIP. Vegetation management under the BFFIP aims to reduce fuel loads, maintain fuelbreak infrastructure, preserve defensible space, reduce invasive weed species, manage hazardous trees and enhance biodiversity. Vegetation management is conducted continuously throughout the year with the primary goal of reducing fuel loads and maintaining the watershed's biological diversity. This contract will support the scaling up of fuel reduction work, forestry restoration, and hazardous tree management, which is necessary to reduce wildfire fuel issues and enhance native plants.

The Facilities Maintenance Department coordinates tree maintenance work at all tank and pump sites on an as-needed basis. A District arborist continually visits sites and assesses trees for disease and safety risk factors. The arborist is responsible for prioritizing pruning and removals of trees when needed. The District's goal is to remove all dead, diseased and hazardous trees as soon as they are identified to ensure public safety and reduce potential fire risks. Hazardous trees are also regularly inventoried by Watershed Maintenance Staff and prioritized based on proximity to critical facilities and the immediacy of the potential risk. The probability of a hazard tree impacting a target such as a building, power or communication line, visitor use facility or road is evaluated during each inventory. Identified trees are most often structurally unsound and may be pest infested diseased, storm damaged, pose a fire risk or are

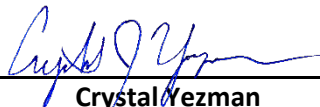

otherwise in decline. These are often large diameter trees that require climbing, boom trucks and cranes to address.

FISCAL IMPACT

Recognizing the risk of fire hazards from invasive species, forest disease, and climate change, the Board approved additional funding for vegetation management beginning in fiscal year 2018/2019. Funding for the work under this contract is budgeted in the preliminary FY 2022 budget as an operating expenditure under the Facilities Maintenance Department (6230-6410). For vegetation management occurring on the watershed under the BFFIP for FY 2022 there is currently \$1,125,000 in the Capital Budget A1E07 to cover contractor costs.

ATTACHMENT(S)

1. First Amendment to Contract No. 1875

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Facilities & Watershed	 Crystal Yezman Director of System Maintenance & Natural Resources	 Ben Horenstein General Manager

**AMENDMENT NO. 1 TO TREE MAINTENANCE
CONTRACT BETWEEN MARIN MUNICIPAL WATER
DISTRICT and WEST COAST ARBORISTS, INC.
(CONTRACT NO. 1875)**

This Contract Amendment ("Amendment No. 1") is entered into by and between Marin Municipal Water District ("District") and West Coast Arborists, Inc. ("Contractor"). For good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Recitals:

- A. On May 1, 2018, the District and the Contractor entered into Contract No. 1875 for Tree Maintenance Services ("Contract") for a period of three years.
- B. The Contract contains an option for the District to extend the term in one year increments for up to an additional two years. On June 30, 2021, the current Contract will expire.
- C. At this time, the Parties desire to execute an amendment ("Amendment No. 1") to the Contract to extend the services of Contractor for a term of one additional year, until June 30, 2022, with a District option to extend the term of the Contract for one subsequent year.
- D. The Contract and this Amendment No. 1 shall be referred to herein as "Agreement" and shall constitute the complete agreement of the Parties.

Section 2. Terms:

- A. Amendment to Contract: This Amendment No. 1 modifies the Contract. Except for the modifications contained herein, all the terms of the Contract shall apply.
- B. Terms:
 - 1. Special Provisions Part 1-General-Paragraph 1.5 entitled "CONTRACT COMPLETION DATE" is amended to read as follows:

This Agreement shall commence on July 1, 2021 and terminate on June 30, 2022 unless otherwise terminated pursuant to Article 46 of the standard specifications.
 - 2. The unit pricing for the term of this Agreement shall be that set forth in Attachment A which is hereby incorporated by this reference. The total amount payable to Contractor under this Agreement shall not exceed \$243,756.

Continues on following page

Executed by the parties as follows:

West Coast Arborists, Inc.

Dated: _____

By: _____

_____, President

Marin Municipal Water District

Dated: _____

By: _____

Bennett Horenstein, General Manager

Approval Item

TITLE

Civil Air Patrol Request for Co-Location of Communications Equipment- (APN 197-120-21)

RECOMMENDATION

Approve Consent to Co-Location Agreement (MA 5905) between the District and the Civil Air Patrol (CAP).

SUMMARY

In September 2020, the District received a request from the Civil Air Patrol to co-locate its communications equipment at the Federal Aviation Administration's (FAA) lease site on the West Peak of Mt. Tamalpais. Staff has worked with CAP to develop a Consent to Co-Location Agreement (Agreement). The terms and price of this Agreement were discussed with the Board during closed session at the May 18, 2021 Board of Directors meeting. Staff recommends that the Board approve the Agreement, which is consistent with the parameters discussed with the Board on May 18th.

DISCUSSION

The Civil Air Patrol (CAP) is a congressionally chartered non-profit corporation under the umbrella of the United States Air Force (USAF). The CAP provides an estimated ninety percent (90%) of aerial inland search and rescue missions nationwide. Over sixty-five thousand volunteers perform this work. The California Office of Emergency Services and other state agencies also rely on CAP for hyperspectral photography of disasters, long-range communications support, equipment relocation, and other activities that benefit the general public.

On September 1, 2020, the District received a written request from CAP to co-locate their telecommunications equipment on the premises of the West Peak of Mount Tamalpais, which the District leases to the FAA. At this time, the FAA has agreed to provide CAP a no-cost co-location of the CAP telecommunications equipment at the FAA's Mount Tamalpais communication site, and CAP has agreed to compensate the District for administrative costs directly through the attached Agreement.

The notable terms of the Agreement are as follows:

- The term of the Agreement would run concurrently with the term of the FAA lease and would expire on September 30, 2038.



- The Agreement includes a \$1,500 annual administrative fee, with a 1.5% annual escalator.

Staff believes this Agreement is beneficial to the District and its ratepayers as the installation of CAP's telecommunications equipment will help support critical emergency response and search and rescue missions. Additionally, the annual administrative fee will help fund the District's non-rate revenue programs (i.e., low-income discount and medical waiver programs) and cover the costs of administering the Agreement.

Staff recommends that the Board of Directors approve the Agreement (MA 5905) with CAP to permit co-location of their telecommunications equipment at the FAA lease site.

ATTACHMENT(S)

1. Consent to Co-Location Agreement (MA 5905)

DEPARTMENT OR DIVISION	GENERAL COUNSEL	APPROVED
General Counsel's Office	 Molly MacLean General Counsel	 Ben Horenstein General Manager

MA 5905

CONSENT TO CO-LOCATION

This agreement ("Agreement") is made and entered into by the Marin Municipal Water District ("District") and the Civil Air Patrol ("CAP") (collectively referred to herein as "Parties") to consent to the CAP entry onto District property, located at the West Peak of Mount Tamalpais, in the County of Marin, Assessor's Parcel No. 197-120-21 to co-locate its communication facilities at the Federal Aviation Administration ("FAA") site.

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

Section 1: Recitals.

a. District is the owner of the certain parcel of land described in the Final Order of Condemnation, Book of Deeds 184 Page 4, Marin County Records from the Lagunitas Water Company, a Corporation, et. al., to the Marin Municipal Water District, a Public Corporation, recorded October 17, 1916 ("District Property") (APN 197-120-21).

b. District entered into a Land Lease, District Lease No. 9, (the "Lease"), on District Property, with the FAA to operate an aircraft radar communication facility known as the Air Route Surveillance Radar ("ARSR") system, the "Premises", as described in the Lease.

c. CAP has received preliminary approval from the FAA to install, operate, and maintain CAP radio equipment on the Premises as part of a tentative co-location agreement between CAP and FAA.

d. CAP requests consent from the District to allow CAP to enter the Premises, consistent with FAA approval, for the limited purposes described in Section 1 (c) above.

Section 2: Conditions.

a. The District hereby consents to CAP and its contractors entry onto District Property to install, operate, and maintain CAP radio equipment on the Premises as agreed upon between the FAA and CAP. However, prior to installing any equipment on the Premises, CAP shall provide District plans and specifications detailing any and all equipment that will be installed on the Premises. District shall approve of all equipment plans and specifications in writing prior to installation.

b. District approval of plans and specifications described in Section 2 (a) above shall not relieve CAP of any obligations that it may have pursuant to its independent agreements with the FAA to which the District is not a party.

c. Before entering District Property, CAP shall deliver to the District those certificates of insurance and endorsements for its contractors, as required by Section 5 of this Agreement.

d. CAP and its contractors will make no changes to District Property, including the storage of debris, materials, and soils, when entering the District Property, except for the changes described in Section 2(a) which are necessary for the installation, operation and maintenance of the CAP radio equipment and have received prior written approval from District.

e. Under normal circumstances, CAP and/or its contractors shall provide at least twenty-four hours advance notice of their entry onto District Property to Watershed Permit line at 415-945-1180 or Watershed Resources Manager at 415-945-1190. In an emergency situation, CAP and/or its contractors shall reasonably and promptly notify the aforementioned District staff.

f. CAP and/or its contractors shall not transport, dispose of, store, treat, recycle or handle any hazardous or contaminated soils or fluids on District Property.

g. Should any discharge, leakage, spillage, emission, or pollution of any type occur upon District Property caused in any way by CAP and/or its contractors' use of District Property, CAP, at CAP's sole expense, shall clean all affected District Property to the satisfaction of the District and any other governmental entity having jurisdiction over such an incident.

h. CAP acknowledges that the District assumes no responsibility or liability whatsoever for any claim, damage, or injury from any person, party or entity, including CAP and its contractors', arising out of or resulting from CAP and its contractors' access and use of District Property, pursuant to the terms of this Agreement. If CAP and its contractors disrupt utilities or facilities or damage underground structures on District Property, then CAP shall pay for all costs associated with repairing those utilities, facilities, or structures to the District's reasonable satisfaction.

Section 3: Term and Compensation.

The term of this Agreement shall run concurrently with the remaining term of the Lease, and shall automatically terminate upon expiration of the Lease on September 30, 2038. However, this Agreement may be terminated at any time by CAP or District pursuant to Section 6 of this Agreement.

CAP agrees to pay District at 220 Nellen Avenue, Corte Madera, California, or such other place as District shall from time to time in writing designate, as an annual

administrative fee for oversight of the Premises and associated staff time, the annual sum beginning at one thousand five hundred and 00/100 Dollars per year (\$1,500.00) payable on June 1st, 2021 and due on the (“Anniversary Date”) of June 1st of each year. Beginning June 1, 2022 and on each subsequent Anniversary Date, the existing annual administrative fee shall be increased by 1.5%. District shall provide CAP written notice of the annual administrative fee amount at least 30 days prior to June 1st of each year during the term of this Agreement. CAP and District agree that this annual administrative fee bears a reasonable and fair estimate of the District’s actual costs associated with providing oversight of the Premises and associated staff time. The administrative fee for any period during the term of this Agreement, which is less than one year, shall be prorated.

Section 4: Indemnification.

CAP shall hold harmless, indemnify and defend the District, its directors, officers, agents, employees, and volunteers from any and all claims, lawsuits, liabilities, losses, and damages of every kind including, but not limited to, contamination, pollution, facility damages, personal injuries, arising from, resulting from or in any way related to this Agreement and CAP’s installation, operation, and maintenance of CAP radio equipment on the Premises.

Section 5. Insurance Requirements for Contractors.

CAP may use contractors to perform any or all of the uses described in Section 2(a) of this Agreement. Before performing any such work those contractors shall provide the District with the insurance requirements listed below:

a. Contractors shall maintain (i) general liability insurance, including personal injury and property damage coverage, in an amount not less than one million dollars, and (ii) workers’ compensation insurance as required by California law. Each contractor and its subcontractors accessing District Property shall have and maintain worker's compensation insurance in an amount not less than one million dollars. The District may require contractor and its contractors/ subcontractors to provide certificates of workers’ compensation insurance.

b. Contractors shall provide the District with an endorsement on an ISO Additional Insured Endorsement Form CG 20 10 04 13 that contains the following language:

(i) The District, its officers, directors, employees, agents, and volunteers are covered as additional insureds with respect to liability arising out of contractor’s entry on

District Property, as described in that Consent to Co-Location Agreement executed by District and CAP on the date shown below.

(ii) This policy shall be considered primary insurance with respect to the District, its officers, directors, employees, agents, and volunteers. Any insurance maintained by the District, including any self-insured retention the District may have, shall be considered excess insurance only and shall not contribute to that policy.

(iii) This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability for the insuring company.

(iv) The insurer waives all rights of subrogation against the District, its officers, directors, agents, employees, and volunteers.

(v) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the District, its officers, directors, employees, agents, and volunteers.

Section 6: Termination.

Either party to this Agreement may, at any time and without cause terminate this Agreement by providing the other Party with a written notice of termination. If the this Agreement is terminated by either party, CAP shall have a reasonable time, not to exceed thirty (30) calendar days, to remove its radio equipment from the Premises.

Section 7: Notices.

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

District: Marin Municipal Water District
Attn: Real Property Group
220 Nellen Avenue
Corte Madera CA 94925

CAP: Civil Air Patrol
PO Box 7688
Van Nuys, CA 91409-7688
Attn: Legal Officer

And when so addressed, shall be deposited in the United States Mail, postage prepaid. Notices shall be deemed given pursuant to this section upon the day of personal service,

or (2) consecutive calendar days following the deposit of the same in the custody of the United States Postal Service.

Section 8. Dispute Resolution.

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

At the sole election of the District, any dispute or claim in law or equity arising out of this Agreement which is not settled through mediation shall be decided by neutral binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of Judicial Arbitration Mediation Services, Inc. (JAMS). The parties to an arbitration may agree in writing to use different rules and/or arbitrators.

Section 9: Assignment.

CAP shall not assign any portion of this Agreement.

Section 10. Controlling Venue.

This Agreement and all matters relating to it shall be governed by the laws of the State of California. Any action brought relating to this Agreement shall be brought exclusively in the County of Marin.

Section 11. Expiration of Agreement.

If this Agreement is not earlier terminated pursuant to Section 6 above, then it shall expire and be of no further force and effect upon the expiration of the term, as defined in Section 3.

Section 12. Section Headings.

The section headings contained in this Agreement are for convenience and identification only and shall not be deemed to limit or define the contents of the section to which they relate.

Section 13. No Presumption Re: Drafter.

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

Section 14. Modification.

This Agreement shall not be modified except by written agreement of the Parties.

Section 15. Effective Date.

The effective date of this Agreement shall be the date that the last party has signed this Agreement.

Section 16. Severability.

If any term, condition or covenant of this Agreement, or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, condition or covenant to persons or circumstances other than those as to whom which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Representations and Warranties.

Each party hereby represents and warrants to the other Party that it has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder. The execution of this Agreement by the individual whose signature is set forth at the end of this Agreement on behalf of such party, and the delivery of this Agreement by such party, have been duly authorized by all necessary corporate and/or other action(s) on the part of such party. This Agreement has been executed and delivered by such party and (assuming due authorization, execution and delivery by the other Parties hereto) constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

_____ Dated: _____
Bennett Horenstein, General Manager
Marin Municipal Water District

John A. Salvador _____ Dated: 23 Apr 2021
John Salvador, COO
Civil Air Patrol, a federally chartered corporation

Approval Item

TITLE

Ordinance No. 451 - Continuing Collection of Capital Maintenance Fee on Customer Bills

RECOMMENDATION

Staff recommends that the Board of Directors adopt Ordinance No. 451 to continue collection of the Capital Maintenance Fee (CMF) on customers' bi-monthly bills.

SUMMARY

On May 28, 2019, the Board adopted Ordinance No. 442, which established the CMF. Ordinance No. 442 indicated that the CMF would be collected on customers' bi-monthly bills from July 1, 2019 to June 30, 2021. Ordinance No. 451 would maintain collection of the CMF on customers' bills, instead of transitioning collection to the annual property tax statements.

DISCUSSION

On May 28, 2019, the Board adopted Ordinance No. 442, which established the CMF. Section 6.01.023(c) of Ordinance No. 442 prescribed the collection method for the CMF. That Section indicated that the CMF would be collected on customers' bi-monthly bills from July 1, 2019 to June 30, 2021. Thereafter, the CMF would be collected in full on the annual property tax statement.

Ordinance No. 451 would maintain the collection of the CMF on customers' bi-monthly bills rather than transitioning collection of the CMF to the annual property tax statements. Staff recommends maintaining collection of CMF on the bi-monthly bills for multiple reasons.

Due to the financial impacts experienced by many customers during the COVID-19 pandemic, maintaining collection of the CMF on bi-monthly bills allows customers to make six installment payments of a lower amount over the course of a year. The Board can consider placing the CMF on the property tax bill as part of the next rate-setting process in 2024.

Staff recommends that the Board of Directors adopt Ordinance No. 451 to continue collection of the Capital Maintenance Fee (CMF) on customers' bi-monthly bills.

FISCAL IMPACT

Adoption of Ordinance No. 451 would not change, adjust or modify the amount or methodology of the CMF. Therefore, the District will not receive any additional revenues by maintaining collection of the CMF on customers' bills. However, maintaining collection of the

CMF on customers' bill will eliminate the need for the District to reimburse the County Tax Collector's Office for administrative costs associated with collecting the CMF on the annual property tax statement. It is estimated that these savings to the District will amount to approximately \$200,000 per fiscal year.

ATTACHMENT(S)

- 1. Ordinance No. 451

DEPARTMENT OR DIVISION	GENERAL COUNSEL	APPROVED
General Counsel's Office	 Molly MacLean General Counsel	 Ben Horenstein General Manager

MARIN MUNICIPAL WATER DISTRICT

ORDINANCE NO. 451

AN ORDINANCE AMENDING SECTION 6.01.023 OF THE MARIN MUNICIPAL WATER DISTRICT CODE ENTITLED CAPITAL MAINTENANCE FEE

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT AS FOLLOWS:

SECTION 1. Purpose: Pursuant to Ordinance No. 442, the District’s Capital Maintenance Fee (CMF) was scheduled to be collected on consumers’ bi-monthly bills until June 30, 2021. Thereafter, the CMF would be collected in full on annual property tax statements. The purpose of this ordinance is to maintain collection of the CMF on consumers’ bi-monthly bills. This will assist consumers facing financial difficulties related to COVID-19 by allowing them to continue to spread out payment of the CMF over six bi-monthly billing periods, rather than being required to make larger lump sum payments on their annual property tax statement.

SECTION 2. Section 6.01.023 of the Marin Municipal Water District Code entitled “Capital Maintenance Fee” is amended to read as follows:

(c) Collection. The Capital Maintenance Fee will be collected on the consumer’s bi-monthly bill.

SECTION 3. Findings: The Board of Directors, after considering all of the information, documentation, protests and testimony presented at its June 1, 2021 meeting and all of the comments and protests lodged in relation thereto, finds as follows:

1. The findings set forth and adopted by the Board pursuant to Ordinance No. 442, Section 12 are hereby incorporated by this reference as if fully set forth herein.
2. In accordance with Article XIII D, section 6 of the California Constitution, 78,229 notices were mailed to property owners and ratepayers on April 8 & 9, 2019 informing them of the proposed implementation of the CMF.
3. The aforementioned notices stated that the CMF “...may be collected on customer property tax bills, similar to the District’s current Fire Flow Fee, or placed on the bimonthly customer water bill.”
4. A majority protest regarding the adoption of the CMF and Ordinance No. 442 was not received prior to the Board’s conclusion of their May 28, 2019 public hearing and adoption of Ordinance No. 442, which included the CMF.
5. Ordinance No. 442, adopted by the Board of Directors on May 28, 2019, stated that after June 30, 2021, “...the Capital Maintenance Fee Base Rate will be collected in full on the annual property tax statement. The District will bill the Capital Maintenance Fee directly for tax exempt property owners who do not receive an annual property tax bill and/or

property owners who do not remit annual property taxes to Marin County for the metered property.”

- 6. The Board of Directors finds that it is prudent and desired at this time to maintain collection of the CMF on consumers’ bi-monthly bills, while consumers continue to recover from financial difficulties resulting from COVID-19, as this will allow consumers to make six bi-monthly payments rather than one lump sum payment on their annual property tax bill.
- 7. Collection of the CMF on consumers’ bi-monthly bills is an efficient and cost effective manner of collecting the fee that can be carried out by District staff. This will alleviate the District from incurring fees associated with having the Marin County Tax Collector place the CMF on the property tax statements.
- 8. Receiving CMF payments in six bi-monthly installments from consumers will ensure a consistent and reliable revenue stream to carry out the District’s critical capital improvement plan and ensure clean, affordable and high quality water is available to the District’s customers.

SECTION 4. Severability: If any section, subsection, sentence, clause, phrase, portion or part of this ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such section shall not affect the validity of the remaining portions of this code. The Board of Directors hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections subsections, sentences, clauses, phrases, parts or portions be declared invalid or unconstitutional and, to that end, declares the provisions of this ordinance severable from one another.

SECTION 5. Effective Date: This ordinance shall take effect 30 days following its adoption.

PASSED AND ADOPTED this 1st day of June, 2021, by the following vote of the Board:

- AYES:**
- NOES:**
- ABSENT:**

President, Board of Directors

ATTEST:

Secretary

Approval Item

TITLE

Renewal of Annual Insurance Policies for All Risk Property, Excess Liability, Automobile Physical Damage, Excess Workers Compensation, Pollution, Cyber, Drone and Crime and Fidelity for Fiscal Year 2021/22

RECOMMENDATION

Approve the insurance renewal proposal prepared by Alliant Insurance Service Inc. for insurance coverage for fiscal year 2021/22 at an overall premium of not to exceed \$1,271,000 for All Risk Property, Excess Liability (including Employment Practices Liability), Automobile Physical Damage, Aviation Insurance for Drone Operation, Excess Workers Compensation, Crime and Fidelity, and Cyber and Privacy Liability Policies.

SUMMARY

The annual overall cost for 2021/22 policies is estimated not to exceed \$1,271,000, with Excess Liability Coverage of \$25 million limit and All Property Flood Coverage of \$10 million limit.

The premium for the Property Insurance is expected to be \$353,700, an increase of \$148,558, or 72.4 percent, as California continues to face an unprecedented increase in wildfire losses and increasing exposures at risk of loss. Additionally, the value of treatment plants has been trued up to the market value for insurance purpose.

For liability, the current incumbent, Argonaut Insurance Company, is not renewing the District's first layer excess liability policy of \$5 million with the SIR of \$500,000 as the company has decided to exit the California market due to the dramatic risk increases over the past 3 to 5 years. Alliant, the District's insurance broker approached several carriers and found that obtaining reasonable terms from the insurance market is difficult. The District received only one quote and the premium is \$375,698.32. The second layer excess liability policy of \$10 million and the third layer excess liability policy of \$10 million both expected to significantly increase and estimated to be \$233,054 and \$131,300 respectively due to the increasing risk in the market.

DISCUSSION

All of the District's existing insurance policies are due for renewal on July 1, 2021.

The recommended coverage was developed with staff utilizing the expertise of the District's insurance broker, Alliant Insurance Services Inc. (Alliant). Alliant obtained quotes from underwriters and negotiated the premium and coverage on behalf of the District. For the brokerage services provided by Alliant, the District will pay an annual fee of \$65,000. Our contract with Alliant requires that they fully disclose and rebate to the District on any commissions they may earn from purchased policies.

Due to the unexpected rising claims in the insurance market, Alliant faced significant challenges in obtaining coverages for Property, Liability and Cyber Liability Policies. The driving force behind the state of the market is claims experience. For Property, California has faced an unprecedented increase in wildfire losses and for Liability, the current incumbent is exiting the California market due to the increasing exposures at risk of loss and the rising claims expenses.

Due to the current market situation, Alliant has found that obtaining reasonable terms from the insurance market is difficult. In addition, underwriters are overwhelmed with submissions and has delayed the process of securing formal proposals for each line of insurance. The draft summary comparison of the premium and coverage from FY2020/21 to FY2021/22 is attached to the report and some terms and conditions are to be determined once the District receives formal quotes.

All Risk Property

The types of losses covered under this policy are for physical loss or damage to real and personal property from fire, theft, vandalism, and equipment breakdowns. The policy provides coverage for replacement cost for insured events. Due to the nature of the District facilities this type of insurance is limited in the number of underwriters who will offer coverage.

The recommended premium for FY2021/22 is \$353,700, which is an increase of \$148,558, or 72.4 percent, from the prior year. The policy provides All-risk limit of \$200 million and a flood limit of \$10 million. The policy does not provide earthquake coverage, and has limits on flood losses based on flood zones. The proposed premium is from the current incumbent, Alliant Property Insurance Program (APIP) a licensed but non-admitted California carrier.

Excess Liability

The recommended insurance policies include Terrorism Risk Insurance Act (TRIA) coverage which covers foreign and domestic terrorist acts, and coverage for liabilities related to dam failure, inverse condemnation, employment practices, automobile accidents, public officials and law enforcement.

The proposed 2021/22 premium for a \$5 million policy limit with SIR amount of \$500,000 is from Safety National Casualty Corporation. The current incumbent carrier, Argonaut Insurance Company is not renewing. Safety National Casualty Corporation is A.M. Best A++ rated. The proposed premium is \$375,698.32 with the SIR amount of \$500,000. This is an increase of \$165,935.32, or 79.1 percent, in premium cost.

The 2nd layer \$10 million in Excess Liability limit is expected to be from the current incumbent, Allied World Insurance Company and proposed premium is \$233,054, which is an increase of \$116,527.13 or 100.0% from the previous year. The 3rd layer \$10 million in Excess Liability limit

is from the current incumbent, Berkeley National Insurance Company and the proposed premium is \$131,300, which is an increase of \$65,650, or 100 percent, from the previous year.

The premium costs are significantly increasing as the market has been experiencing a dramatic increase in claims over the past 3 to 5 years, and some of carriers are no longer doing businesses in California.

Automobile Physical Damage

This coverage is for physical damage to automobiles and equipment owned and or used for District operations. The 2021/22 proposed premium is \$29,000 from Hanover Insurance, which is an increase of \$8,113, or 38.8 percent, over the policy cost last year. The current incumbent is not renewing. Alliant is negotiating to keep the same total coverage limit of \$9.7 million for automobile physical damage with the same deductible amount of \$25,000. The policy is to provide for replacement cost of a like kind and quality automobile or equipment.

Excess Workers' Compensation

This policy provides workers' compensation insurance up to \$1 million for the employer's liability and coverage per State of California statutory limits. The proposed coverage is from the current incumbent, Arch Insurance Company and the quoted premium is \$103,375, which is an increase of \$5,261, or 5.4 percent, from the previous year. This policy has a self-insured retention (SIR) of \$750,000 for workers compensation claims for all employees except claims related to District rangers and the vanpool program. The SIR for claims for District rangers and the vanpool program is \$1.5 million and \$2.5 million (per vanpool accident), respectively.

Pollution Policy

The proposed premium is \$19,159 and is from the current incumbent, Indian Harbor Insurance Company with the same deductible amount of \$25,000 and \$1 million coverage. The premium increased minimally by \$796, or 4.3 percent.

Cyber and Privacy Liability

The proposed coverage for the 2021/22 is from the current incumbent, ACE American Insurance Company and the quoted premium is \$20,225, which is an increase of \$9,133, or 82.3 percent, from the prior year. The expiring policy coverage is \$3 million with a deductible amount of \$15,000. However, the current incumbent is not renewing additional cyber incident coverage of \$1 million and reduced the total policy coverage to \$2 million with a higher deductible amount of \$50,000 per claim. During the past year, with the pandemic and people working remotely, the market experienced increased cyber incidents. Due to the increased cyber risk, the carrier is no longer offering the additional coverage of \$1 million.

The policy covers losses due to privacy or security breaches, privacy regulatory claims related to customer and employee confidential information, cyber threats and or extortion, digital asset restoration, and business income loss. The policy would pay claims and recovery costs after the self-retention amount of \$50,000 per covered event.

Aviation Insurance Policy

The policy is for the District owned two drone operations. The coverage is up to \$1 million with 5 percent deductible. The proposed annual premium is \$1,116.

FISCAL IMPACT

The 2021/22 cost for the annual insurance premiums is estimated to be \$1,271,000. The budgeted amount for insurance premiums for FY2022 is \$875,500. Staff recommend that the budget shortfall be funded from the operating reserve from FY2021.

ATTACHMENT(S)

- 1. Summary Comparison of Premium and Coverage FY2020/21 to FY2021/22
- 2. Draft Insurance Proposal for FY2021/22

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Administrative Services Division	 _____ Chuck McBride Finance Director/Treasurer	 _____ Ben Horenstein General Manager

MARIN MUNICIPAL WATER DISTRICT for FY2021/22 INSURANCE PROGRAM RENEWAL SUMMARY

LINE OF COVERAGE / LIMITS	LIMITS		SIR / DEDUCTIBLE	INSURANCE COMPANY		EXPIRING PREMIUM	ESTIMATED RENEWAL PREMIUM	NOTES
Liability \$5M	\$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000	General Liability Auto Liability Law Enforcement Liability Public Officials Liability Employment Practices Liability	\$500,000 SIR	Argonaut Ins. Co. Safety National	Incumbent	\$ 209,763.00 N/A	N/A \$ 375,698.32	Not Renewing Quoted Exploring options @ \$1M SIR Exploring alternative markets
Excess Liability \$10M xs \$5M Underlying	\$10,000,000	Excess Liability	\$10M Underlying	Allied World Ins. Co.	Incumbent	\$ 116,526.88	\$ 233,054.00	Renewal Carrier(s) TBD
Excess Liability \$10M xs \$15M Underlying	\$10,000,000	Excess Liability	\$15M Underlying	Berkley National Ins. Co.	Incumbent	\$ 65,650.00	\$ 131,300.00	Renewal Carrier(s) TBD
Excess Workers' Compensation	Statutory Workers Compensation Limits \$1,000,000	Workers Compensation - California Employers Liability Insurance	\$750,000 Each Accident \$750,000 Disease, Each Employee \$1,500,000 Vanpooling \$1,500,000 Presumptive Claims	Arch Insurance Company	Incumbent	\$ 98,114.00	\$ 103,375.00	Quoted
Property	Fully Appraised Values Full Total Insured Value (TIV) = \$454,008,009	Property excluding Flood & EQ	\$1M	Alliant Property Ins. Program (APIP)	Incumbent	\$ 205,142.00	\$ 353,700.00	Full TIV: \$455,804,560 See Property Tab for Summary of Anticipated Coverage Changes
Inland Marine - Equipment and Auto Physical Damage	Per Scheduled Values Current Limit = \$13,136,097	Scheduled Property Scheduled Property	\$25,000 Ded TBD	Travelers Excess & Surplus Lines Company Hanover	Incumbent	\$20,887.48 N/A	N/A \$29,000	Travelers not renewing Estimated
Aviation Unmanned Aircraft Systems (UAS) Drone Liability and Physical Damage	\$1,000,000 Per Schedule - \$3,780 Total	Liability Physical Damage	5% In Motion 5% Not in Motion (Expiring 10% Not in Motion)	American Alternative Ins National Indemnity Co Tokio Marine America Ins Co	Incumbent	\$ 1,230.00	\$1,116	Quoted
Cyber (expiring) Cyber (renewal)	\$1,000,000 \$1,000,000 \$1,000,000 \$250,000 \$1,000,000 Not Included \$1,000,000 \$250,000	Maximum Policy Aggregate Additional Sidecar Limit - Cyber Incident Business Interruption Sublimit Payment Card Loss No Contingent Business Interruption Maximum Policy Aggregate Additional Sidecar Limit - Cyber Incident Business Interruption Sublimit Payment Card Loss No Contingent Business Interruption	\$15,000 Each Claim 10 Hours Waiting Period \$50,000 Each Claim 18 Hours Waiting Period	Chubb	Incumbent	\$11,092	\$20,225	Quoted Subject to: - Details of implemented cyber security training - Plans to implement Multi Factor Authentication? - Details on patching procedures
Pollution	\$1,000,000 \$500,000	Each Pollution Condition/Aggregate Emergency Remediation Expense	\$25,000 Ded	Indian Harbor Insurance Company	Incumbent	\$ 18,363.01	\$19,159	Quoted Subject to: - Recent (2020) water quality testing data - Copy of current Aquatic Pesticide Plan
Crime	\$3,000,000	Includes: Employee Theft, Forgery or Alteration, Theft of Money & Securities - Inside/ Outside Premises, Computer Fraud, Funds Transfer Fraud, Money Orders & Counterfeit Money	\$2,500 Ded	National Union Fire Insurance Co	Incumbent	\$ 3,365.00	\$3,534	Firm Indication

* Premium includes SL Taxes & Fees

** Premium includes coverage for Terrorism (TRIA)

\$ 1,270,161.32

Marin Municipal Water District

Property and Liability Insurance Proposal 2021 -2022

Presented on May 20, 2021 by:

Seth Cole, Senior Vice President
Matt McManus, First Vice President
Fred Godfrey, Account Executive

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
O 415 403 1400
F 415 402 0773

CA License No. 0C36861

www.alliant.com



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Property including Boiler & Machinery

Alliant Property Insurance Program (APIP) Premium Summary

	<i>Current Coverage</i>	<i>Non-Binding Indication</i>
Policy Period:	July 1, 2020 - July 1, 2021	July 1, 2021 - July 1, 2022
TIV:	359,741,443	455,804,560
All Risk Limit:	\$200,000,000	\$200,000,000
Boiler & Machinery Limit:	\$100,000,000	\$100,000,000
Flood Limit:	\$10,000,000	\$10,000,000
All Risk Deductible:	\$1,000,000	\$1,000,000
Boiler & Machinery Deductible:	\$25,000	\$25,000
Flood Deductible:	\$1,000,000	\$1,000,000
TOTAL COST:	\$205,142	\$353,700

Summary of Anticipated Changes

Money & Securities

- \$500,000 Sub-limit
- Added exclusion for fraudulent impersonation, fraudulent instruction or similar events

Course of Construction

- \$50 million Sub-limit
- No additional premium for projects <\$15M

Automatic Acquisition Sub-limit

- \$25M for TIV ≥ \$500M
- \$10M for TIV ≤ \$500M

Property including Boiler & Machinery

- \$5M for Vacant Buildings Sub-limit

Misc. Unnamed Location Sub-limit

- \$25M for TIV \geq \$500M
- \$10M for TIV \leq \$500M
- \$5M for Vacant Buildings Sub-limit

Impending Collapse – New Exclusion for:

- Building or any part of a building that is in danger of falling down or caving in, or
- Any part of a building that has separated from another part of the building
- For newly acquired locations with the above conditions existing at the time of acquisition

Transit

- PD coverage only, no BI/Business Interruption

Cyber Exclusion

TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)

See Disclaimer Page for Important Notices and Acknowledgement

Auto Physical Damage and Equipment Coverage

	Present Coverage	<i>Premium Indication</i>
INSURANCE COMPANY:	Travelers Excess and Surplus Lines Company	Hanover
A.M. BEST RATING:	A++; XV	A; XV
STANDARD & POOR'S RATING:	AA	AA
CA STATUS:	Non-Admitted	TBD
COVERAGE TERM:	July 1, 2020 to July 1, 2021	July 1, 2021 to July 1, 2022
Coverage Form:	Inland Marine	Inland Marine
Limits:		
Covered Items (per schedule)	\$13,746,644*	\$11,519,824
Earth Movement	\$13,746,644	TBD
Earth Movement Annual Aggregate	\$13,746,644	TBD
Flood	\$13,746,644	TBD
Flood Annual Aggregate	\$13,746,644	TBD
Windstorm	Included	TBD
Newly Acquired Property	Up to \$500,000	TBD
Fire Protective Systems	Up to \$75,000	TBD
Valuable Papers and Records	Up to \$50,000	TBD
Debris Removal	Up to 25%/\$75,000	TBD
Fire Department Service Charge	Up to \$25,000	TBD
Pollutant Clean Up and Removal	Up to \$25,000	TBD
Inventory, Appraisals, and Loss Adjustment Expenses	Up to \$5,000	TBD
Reward Coverage	Up to 25%/\$2,500	TBD
Deductible:		
Covered Items (per schedule)	\$25,000	TBD
Earth Movement	\$25,000	
Flood	\$25,000	
Windstorm	\$25,000	
Coinsurance:	None	TBD

Auto Physical Damage and Equipment Coverage

	Present Coverage	<i>Premium Indication</i>
Valuation:	Replacement Cost	Replacement Cost/ TBD
Policy Premium	\$ 20,230.00	<i>Non-binding Indication Only</i> \$ 29,000
CA Surplus Lines Tax	\$ 606.90	
CA Surplus Lines Fee	\$ 50.58	
Total Annual Premium:	\$ 20,887.48	
Minimum Earned Premium:	No longer applicable	TBD
Endorsement & Exclusions: (including but not limited to)	<ul style="list-style-type: none"> • Minimum Earned Premium • Programming Error F • Replacement Cost – Scheduled Property @ No Coinsurance • Exclusions of Loss Due to Virus or Bacteria • Amendment of Common Policy Conditions – Prohibited Coverage – Unlicensed Insurance And Trade Or Economic Sanctions • Cap On Losses From Certified Acts of Terrorism • Reporting Provisions 	<ul style="list-style-type: none"> • TBD
Terrorism Option:	TRIA Included	TRIA TBD
Quote Valid Until:	No longer applicable	TBD
Policy Auditable:	Annual Audit	TBD
Binding Conditions:	No longer applicable	TBD

See Disclaimer Page for Important Notices and Acknowledgement

Crime Coverage

	Present Coverage		Premium Indication	
INSURANCE COMPANY:	<i>National Union Fire Insurance Co. of Pittsburg, PA (AIG)</i>		<i>National Union Fire Insurance Co. of Pittsburg, PA (AIG)</i>	
AM BEST RATING:	A; XV		A; XV	
S&P RATING:	A+		A+	
CA STATUS:	Admitted		Admitted	
COVERAGE TERM:	July 1, 2020 to July 1, 2021		July 1, 2021 to July 1, 2022	
Coverage Form:	Occurrence		Occurrence	
Limits / Deductible:	Limit	Retention	Limit	Retention
Employee Theft Per Loss Coverage – including Faithful Performance of Duty:	\$3,000,000	\$2,500	\$3,000,000	\$2,500
Forgery or Alteration including Credit, Debit, or Charge Card Forgery:	Included	\$2,500	Included	\$2,500
Inside the Premises Theft of Money and Securities:	Included	\$2,500	Included	\$2,500
Outside the Premises Theft of Money and Securities:	Included	\$2,500	Included	\$2,500
Computer Fraud:	Included	\$2,500	Included	\$2,500
Funds Transfer Fraud:	Included	\$2,500	Included	\$2,500
Money Orders & Counterfeit Money:	Included	\$2,500	Included	\$2,500

Crime Coverage

	Present Coverage	Premium Indication
Annual Premium:	\$3,365	\$3,534
Minimum Earned Premium:	No longer applicable	TBD
Endorsement & Exclusions: (including but not limited to)	<ul style="list-style-type: none"> • California Changes • Additional Named Insured – Identifies individual member limit and deductible • Add Faithful Performance of Duty Coverage for Government Employees – Employee Theft Per Loss Limit • Revision of Discovery and Prior Theft or Dishonesty \$25,000 Sub-Limit, Risk Management Department or other department designated to handle insurance matters for the named insured. • Cancellation of Policy Amended – 120 Days • Bonded Employees Exclusion Deleted endorsement • Add Credit, Debit or Charge Card Forgery • Include Specified Non-Compensated Officers as Employees - ALL • Include Chairperson and Members of Specified Committees – ALL • Include Designated Persons or Classes of Persons as Employees – Any Directors or Trustees of any of those named as insured; Any board members of any of those named as insured, Any elected or appointed officials • Include Volunteer Workers as Employees • Include Treasurers or Tax Collectors as Employees • Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000 Sub-limit • Employee Post Termination Coverage – 90 Days • Cancellation Amendatory (Return Pro-Rata) • Include Leased Workers as Employees Endorsement • Notice of Claim Reporting by Email • Economic Sanctions (excludes loss payments in violation of economic or trade sanctions) 	<ul style="list-style-type: none"> • California Changes • Additional Named Insured – Identifies individual member limit and deductible • Add Faithful Performance of Duty Coverage for Government Employees – Employee Theft Per Loss Limit • Revision of Discovery and Prior Theft or Dishonesty \$25,000 Sub-Limit, Risk Management Department or other department designated to handle insurance matters for the named insured. • Cancellation of Policy Amended – 120 Days • Bonded Employees Exclusion Deleted endorsement • Add Credit, Debit or Charge Card Forgery • Include Specified Non-Compensated Officers as Employees - ALL • Include Chairperson and Members of Specified Committees – ALL • Include Designated Persons or Classes of Persons as Employees – Any Directors or Trustees of any of those named as insured; Any board members of any of those named as insured, Any elected or appointed officials • Include Volunteer Workers as Employees • Include Treasurers or Tax Collectors as Employees • Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000 Sub-limit • Employee Post Termination Coverage – 90 Days • Cancellation Amendatory (Return Pro-Rata) • Include Leased Workers as Employees Endorsement • Notice of Claim Reporting by Email • Economic Sanctions (excludes loss payments in violation of economic or trade sanctions)

Crime Coverage

	Present Coverage	Premium Indication
Quote Valid Until:	No longer applicable	TBD
Binding Conditions:	No longer applicable	TBD

Optional Coverage for 2021-2022 Policy Year: Ability to increase the Impersonation Fraud Limit to \$500,000 with a \$25,000 deductible. The additional premium charge will be 25% of the annual premium, subject to a \$10,000 minimum premium. Coverage is subject to underwriter approval based on a completed Impersonation Fraud Supplemental Questionnaire.

See Disclaimer Page for Important Notices and Acknowledgement

Liability Coverage – \$5M Layer

	Present Coverage	Proposed Coverage
INSURANCE COMPANY:	<i>ARGONAUT INSURANCE COMPANY</i>	<i>SAFETY NATIONAL CASUALTY CORPORATION SAFETY SPECIALTY INSURANCE COMPANY</i>
A.M. BEST RATING:	A-; XIV	A++; XV
S & P RATING:	A-	A+
CA STATUS:	Admitted	Admitted / Non-Admitted
COVERAGE TERM:	July 1, 2020 to July 1, 2021	July 1, 2021 to July 1, 2022
Coverage Form:	Occurrence	Occurrence and Claims-Made
Limits:		
General Liability:		
Each Occurrence Limit	\$ 5,000,000	\$ 2,000,000 Combined BI & PD
Personal & Advertising Injury Limit	\$ 5,000,000	\$ 2,000,000 Any One Person Or Organization
Damages to Premises Rented to You:	\$ Included	\$ 500,000 Including Fire Damage Legal
General Aggregate Limit:	\$ 5,000,000	\$ 4,000,000 Other than Prod/Comp Ops
Products/Completed Operations Agg:	\$ 5,000,000	\$ 4,000,000
Employee Benefits Liability:	\$ Included	\$ 2,000,000 Each Employee Limit \$ 4,000,000 Aggregate Limit <i>Retroactive Date: 07/01/2021</i>
Auto Liability:	\$ 5,000,000 Per Accident	\$ 2,000,000 CSL Any One Accident
Public Officials & Employment Practices:	\$ 5,000,000 Each Wrongful Act \$ 5,000,000 Annual Aggregate Limit	\$ 2,000,000 Each Wrongful Act \$ 2,000,000 Annual Aggregate Limit

Liability Coverage – \$5M Layer

	Present Coverage	Proposed Coverage
Law Enforcement Liability:	\$ 5,000,000 Each Occurrence Limit \$ 5,000,000 Annual Aggregate Limit	\$ 2,000,000 Each Occurrence Limit \$ 2,000,000 Annual Aggregate Limit
Excess Liability:	Not applicable	\$ 3,000,000 Each Occurrence Limit \$ 3,000,000 General Aggregate Limit
Self-Insured Retention:	\$ 500,000	\$ 500,000
Defense Inside/Outside the Limit:	Outside Limit/Inside Retention	Outside Limit/Inside Retention
Annual Premium:	\$209,763.00	\$375,698.32
Terrorism Option:	\$2,535 Included in premium above	\$2,794 Included in premium above
Minimum Earned Premium:	No longer applicable	25%
Audit:	Non-auditable	Non-auditable
Quote Valid Until:	No longer applicable	June 30, 2021
Binding Conditions:	No longer applicable	<ul style="list-style-type: none"> • Written Request to Bind Coverage • Completed, signed and dated state auto forms upon binding • Signed Terrorism (TRIA) Form • Contingent on binding the Excess Workers' Compensation program with Safety National

Liability Coverage – \$5M Layer

Present Coverage

Proposed Coverage

Endorsement & Exclusions: (including but not limited to)

General Exclusions

- Asbestos
- Lead
- Silica
- Nuclear
- Nuclear Hazard
- Pollution
- Fungi/Bacteria
- Electromagnetic Radiation
- Contamination and Disease
- War and Military Action
- Nuclear Device Detonation
- Pathogenic or Poisonous Biological or Chemical Materials
- Cyber

General Liability Exclusions / Endorsements

- All exclusions as state on the GL coverage form and endorsements including but not limited to: Aircraft, Electronic Data and Vandalism, Eminent Domain / Inverse Condemnation, Underground Storage Tanks, Employers Liability, Land Subsidence PD, Property Damage
- Blanket Additional Insured
- Insured Contracts are covered as defined
- Limited Liquor Liability
- Limited Failure to Supply
- Waiver of Transfer of Rights of Recovery Against Others

General Liability Coverage Endorsements

- Nuclear Energy Liability Exclusion
- Fungi or Bacteria Exclusion
- Silica Exclusion
- Asbestos Exclusion
- Lead Exclusion
- Employment Related Practices Exclusion
- Law Enforcement Exclusion
- ERISA Exclusion
- Amended Definition of Bodily Injury
- Unintentional Failure to Disclose Hazards or Occurrences
- Co-Employee Exclusion Deleted
- Failure to Supply Exclusion
- Injury to Volunteer Firefighters Exclusion
- Deletion of Premium Audit Condition
- Designated Additional Insured (Broad Form)
- Governmental Subdivisions Endorsement
- Access or Disclosure of Confidential or Personal Information and Data-Related Liability Exclusion
- Employee Benefits Liability Coverage with Self-Insured Retention
- Sexual Abuse or Molestation Coverage
- Total Pollution Exclusion with Exception for Named Perils – Hostile Fire, sudden and accidental injury, chemicals used in the treatment of water
- TRIA Policyholder Disclosure Notice

Liability Coverage – \$5M Layer

Present Coverage	Proposed Coverage
<ul style="list-style-type: none"> • Health Care Services are covered for your licensed nurse, psychologist, physical therapist, hearing, language or speech therapist, EMT, paramedic, or athletic trainer • Watercraft less than 51 feet and 100 horsepower or less • Pollution Exceptions for: Hostile Fire, Emergency Operations, Heating/Air Conditioning, Mobile Equipment, Road Treatment Chemicals, Pesticides / Herbicides, Water Treatment, Above Ground Tanks, Water/Sewage Operations • Water Plus 360 endorsement to be added: <ul style="list-style-type: none"> • Pollution exceptions for water operations • Insured contract definition adds sidetrack agreement • Watercraft extended for non-owned to under 100ft and owned up to 300hp • Dams are scheduled by endorsement – if any <p>Auto Liability Exclusions / Endorsements</p> <ul style="list-style-type: none"> • Exclusions as state on the Auto coverage form including racing, uninsured motorist, undersinsured motorist, and personal injury protection • Pollution Clean Up and Removal • Covered Autos includes owned, leased, rented, non-owned and borrowed autos and autos commandeered in emergency situations • Waiver of Subrogation 	<p>Auto Liability Coverage Endorsements</p> <ul style="list-style-type: none"> • Self-Insured Retention Endorsement • Public Entity Endorsement • Broad Form Named Insured • Unintentional Failure to Disclose Material Facts • Unintentional Failure to Provide Notice of Accident or Loss • Exclusion of Federal Employees Using Autos in Government Business • Audio, Visual, & Data Electronic Equipment Coverage – Fire, Police, & Emergency Vehicles • Emergency Services – volunteer Firefighters’ and Workers’ Injuries Excluded • Silica Exclusion • Amphibious Vehicles • Public Transportation Autos • Hired Autos Specified as Covered Autos You Own • Waiver of Premium Audit Condition • Nuclear Energy Liability Exclusion • UM/UIM, PIP, and/or Med Pay Coverage <p>Public Officials and Employment Practices Liability</p> <p>Law Enforcement Liability</p> <ul style="list-style-type: none"> • Mandatory State Forms • Non-Stacking of Limits Endorsement <p>Excess Liability</p> <ul style="list-style-type: none"> • All endorsements/exclusions per underlying • Terrorism (CX 21 33)

Liability Coverage – \$5M Layer

Present Coverage	Proposed Coverage
<p>Law Enforcement Liability Exclusions / Endorsements</p> <ul style="list-style-type: none"> • Exclusions as stated on the Law Enforcement Coverage Form including Care, Custody, and Control (not applicable to property on persons at time of arrest), Injury to Auxiliary or Volunteer officers, and Prior or Pending Legal Action or Litigation • Liability assumed in a Mutual Aid Agreement • Pollution coverage exception for Law Enforcement Activities • Animal Mortality up to \$10,000 per occurrence annually • Aircraft Exclusion – Revised with exception for drones <p>Public Officials Liability Exclusions / Endorsements</p> <ul style="list-style-type: none"> • All exclusions as stated on the Public Officials Liability Coverage form and endorsements including but not limited to: Contractual Liability, Distribution of Information, Electronic Data, Eminent Domain / Inverse Condemnation, Employment Practices, Fiduciary, Labor Disputes, Law Enforcement, Non-Monetary • Identity Theft Expense - \$5,000 • Key Individual Replacement - \$25,000 • Emergency Travel Reimbursement - \$5,000 <p>Employment Practices Liability Exclusions</p> <ul style="list-style-type: none"> • All exclusions as stated on the Employment Practices Liability Coverage Form and endorsements including but not limited to: Failure to Maintain Insurance, 	

Liability Coverage – \$5M Layer

Present Coverage	Proposed Coverage
Violation of Laws, Non-Monetary (exception for defense)	

Name Insureds are covered for all operations. Additional Insureds are only covered with respect to their interest in your operations. See each individual policy for details.

See Disclaimer Page for Important Notices and Acknowledgement

Excess Liability Coverage - \$10M xs \$5M

	Present Coverage	Quote Pending
INSURANCE COMPANY:	Allied World Assurance Company	TBD
A.M. BEST RATING:	A (Excellent); XV (\$2 Billion or greater)	TBD
STANDARD & POOR'S RATING:	A- Positive	TBD
CA STATUS:	Admitted	TBD
POLICY/COVERAGE TERM:	July 1, 2020 – July 1, 2021	July 1, 2021 – July 1, 2022
Coverage Form:	Occurrence	TBD
Limits:		
Each Occurrence	\$10,000,000	\$10,000,000
Products-Completed Operations Aggregate	\$10,000,000	\$10,000,000
Other Aggregate Limit	\$10,000,000	\$10,000,000
Defense Inside/Outside the Limit:	Defense Outside the Limit	TBD
Underlying Coverages & Limits:		
EXCESS		
Each Occurrence	\$5,000,000	\$5,000,000
Products-Completed Operations Aggregate	\$5,000,000	\$5,000,000
Other Aggregate Limit	\$5,000,000	\$5,000,000
FOLLOWED POLICY <i>GL, AL, EPL, Employers Liability, Law Enforcement Liability, Public Officials Liability</i>		
Each Occurrence	\$1,000,000	\$1,000,000
Products-Completed Operations Aggregate	\$1,000,000	\$1,000,000
Other Aggregate Limit	\$1,000,000	\$1,000,000
Self-Insured Retention:	\$500,000 Underlying	\$500,000 Underlying

Excess Liability Coverage - \$10M xs \$5M

Endorsement & Exclusions:
(including but not limited to)

- Excess – Auto Exclusion
- Access to or Disclosure of Confidential or Personal Information
- Aircraft Ownership, Maintenance, Use or entrustment Exclusion

- TBD

Premium:

\$116,526.99

\$233,054.00 ESTIMATED

Terrorism (TRIA) Option:

\$2,078 Included in premium above

TBD

Quote Valid Until:

No longer applicable

TBD

Policy Auditable:

Non-Auditable

TBD

Binding Conditions:

No longer applicable

- TBD

Name Insureds are covered for all operations. Additional Insureds are only covered with respect to their interest in your operations. See each individual policy for details.

See Disclaimer Page for Important Notices and Acknowledgement

Excess Liability Coverage - \$10M xs \$15M

	Present Coverage	Quote Pending
INSURANCE COMPANY:	Berkley National Insurance Company	TBD
A.M. BEST RATING:	A+ (Superior); XV (\$2 Billion or greater)	TBD
STANDARD & POOR'S RATING:	A+ Stable	TBD
CA STATUS:	Admitted	TBD
POLICY/COVERAGE TERM:	July 1, 2020 – July 1, 2021	TBD
Coverage Form:	Occurrence	TBD
Limits:		
Each Occurrence	\$10,000,000	\$10,000,000
Aggregate Limit	\$10,000,000	\$10,000,000
Defense Inside/Outside the Limit:	Outside the Limit	TBD
Underlying Coverages & Limits:		
ALLIED WORLD ASSURANCE COMPANY		
Excess Liability	\$10,000,000	
ARGONAUT INSURANCE COMPANY		
Auto Liability	\$5,000,000	
General Liability	\$5,000,000	
Law Enforcement	\$5,000,000	
Public Officials	\$5,000,000	
Employment Practices	\$5,000,000	
Excess	Included	
Self-Insured Retention:	\$500,000 Underlying	

Excess Liability Coverage - \$10M xs \$15M

Endorsement & Exclusions:
(including but not limited to)

- Asbestos Exclusion
- War Exclusion
- Restrictive as Underlying Endorsement
- Lead Exclusion
- Sub-Limited Coverage Exclusion
- Exclusion-Violation of Information Statutes
- Cyber Liability Exclusion
- Financial Services Exclusion
- Nuclear Energy Liability Exclusion
- Exclusion – Fungi or Bacteria
- Exclusion – Silica or Silica Related Dust
- TRIA Premium Disclosure Notice
- Exclusion of Other Acts of Terrorism Committed Outside US
- Exclusion of Punitive Damages Related to a Certified Act of Terrorism
- California Changes – Cancellation and Nonrenewal
- U.S. Treasury Department’s Office of Foreign Assets Control
- Issuance of Excess Liability Policy Prior to Receipt of Controlling
- Exclusion – Communicable Disease

• TBD

Premium:

\$65,650

\$131,300.00 ESTIMATED

Terrorism Option:

\$650 Included in premium above

TBD

Quote Valid Until:

No longer applicable

TBD

Excess Liability Coverage - \$10M xs \$15M

Policy Auditable:

Non-Auditable

TBD

Binding Conditions:

No longer applicable

• TBD

Name Insureds are covered for all operations. Additional Insureds are only covered with respect to their interest in your operations. See each individual policy for details.

See Disclaimer Page for Important Notices and Acknowledgement

Pollution Liability Coverage

	Present Coverage	Non-Binding Indication
INSURANCE COMPANY:	<i>Indian Harbor Insurance Co.</i>	<i>Indian Harbor Insurance Co.</i>
A.M. BEST RATING:	A+; XV	A+; XV
S & P RATING:	AA-	AA-
CA STATUS:	Non-Admitted	Non-Admitted
COVERAGE TERM:	July 1, 2020 to July 1, 2021	July 1, 2021 to July 1, 2022
Coverage Form:	Claims Made and Reported	Claims Made and Reported
Limits:		
Policy Aggregate Limit of Liability	\$ 1,000,000	\$ 1,000,000
Your Location Coverage		
Limit of Liability	\$ 1,000,000	\$ 1,000,000
Aggregate Limit of Liability	\$ 1,000,000	\$ 1,000,000
Emergency Remediation Expense Coverage		
Limit of Liability	\$ 500,000	\$ 500,000
Aggregate Limit of Liability	\$ 500,000	\$ 500,000
Contingent Transportation Coverage		
Limit of Liability	\$ 1,000,000	\$ 1,000,000
Aggregate Limit of Liability	\$ 1,000,000	\$ 1,000,000
Retroactive Date:	7/1/2018	7/1/2018
Retention:	\$25,000 except \$50,000 for Legionella	\$25,000 except \$50,000 for Legionella
Non-Binding Annual Premium		
Policy Premium:	\$ 17,785.00	\$ 18,556.00
CA Surplus Lines Tax:	\$ 533.55	\$ 556.68
CA Surplus Lines Fee:	\$ 44.46	\$ 46.39
Total Annual Premium:	\$ 18,363.01	\$ 19,159.07

Pollution Liability Coverage

	Present Coverage	Non-Binding Indication
Non-Binding Terrorism Option	\$ 355.70	\$ 371.12
Premium	\$ 10.67	\$ 11.13
CA Surplus Lines Tax	\$ <u>0.89</u>	\$ <u>0.93</u>
CA Surplus Lines Fee	\$ 367.26	\$ 383.18
Total Additional Premium:		
Minimum Earned Premium:	25%	25%
Endorsement & Exclusions: (including but not limited to)	<ul style="list-style-type: none"> • Covered Location Schedule • Legionella Coverage Amendatory Endorsement • Material Change In Use Or Operations Exclusion Modification Endorsement • Containment Exclusion – Multiple Covered Locations • Nine (90) Day Notice of Cancellation • Coverage for Certified Acts of Terrorism, Subject to Cap and Coverage For other Acts of Terrorism Committed Within The United States (if accepted) • Exclusion of Certified Acts of Terrorism and Terrorism Committed Outside of the United States (if rejected) • Municipality Endorsement 	<ul style="list-style-type: none"> • Covered Location Schedule • Legionella Coverage Amendatory Endorsement • Material Change In Use Or Operations Exclusion Modification Endorsement • Containment Exclusion – Multiple Covered Locations • Nine (90) Day Notice of Cancellation • Coverage for Certified Acts of Terrorism, Subject to Cap and Coverage For other Acts of Terrorism Committed Within The United States (if accepted) • Exclusion of Certified Acts of Terrorism and Terrorism Committed Outside of the United States (if rejected) • Municipality Endorsement
Quote Valid Until:	No longer applicable	June 30, 2021
Subjectivities:	No longer applicable	<ul style="list-style-type: none"> • Completed, Signed and Dated Application • Recent water quality data • Updated Aquatic Pesticide Plan

CLAIMS REPORTING NOTICE: PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES.

**Please make sure you understand these obligations.
Contact your Alliant Service Team with any questions.**

See Disclaimer Page for Important Notices and Acknowledgement

Cyber Liability Coverage

	Present Coverage	Proposed Coverage
INSURANCE COMPANY:	<i>ACE American Insurance Company</i>	<i>ACE American Insurance Company</i>
A.M. BEST RATING:	A++, XV	A++, XV
S & P RATING:	AA	AA
CA STATUS:	Admitted	Admitted
COVERAGE TERM:	July 1, 2020 to July 1, 2021	July 1, 2021 to July 1, 2022
Coverage Form:	Chubb Cyber Enterprise Risk Management Policy Policy Form PF-48169 (02/19) Claims Made and Reported	Chubb Cyber Enterprise Risk Management Policy Policy Form PF-48169 (02/19) Claims Made and Reported
1st Party Coverage:		
	Limit/Aggregate	Retention
Cyber Incident Response Fund:	Sidecar	No coverage
Cyber Incident Response Team:	\$1,000,000/\$1,000,000	\$15,000
Non-Panel Response Provider:	\$250,000/\$250,000	\$15,000
Business Interruption Loss and Extra Expense:	\$1,000,000/\$1,000,000	\$15,000 / 10 hours
Digital Data Recovery:	\$1,000,000/\$1,000,000	\$15,000
Network Extortion:	\$1,000,000/\$1,000,000	\$15,000
	Limit/Aggregate	Retention
Cyber Incident Response Fund:	No coverage	No coverage
Cyber Incident Response Team:	\$1,000,000/\$1,000,000	\$50,000
Non-Panel Response Provider:	\$250,000/\$250,000	\$50,000
Business Interruption Loss and Extra Expense:	\$1,000,000/\$1,000,000	\$50,000 / 18 hours
Digital Data Recovery:	\$1,000,000/\$1,000,000	\$50,000
Network Extortion:	\$1,000,000/\$1,000,000	\$50,000
3rd Party Coverage		
	Limit/Aggregate	Retention
Cyber, Privacy And Network Security Liability:	\$1,000,000/\$1,000,000	\$15,000
Payment Card Loss:	\$250,000/\$250,000	\$15,000
Regulatory Proceeding:	\$250,000/\$250,000	\$15,000
Electronic, Social And Printed Media:	\$1,000,000/\$1,000,000	\$15,000
	Limit/Aggregate	Retention
Cyber, Privacy And Network Security Liability:	\$1,000,000/\$1,000,000	\$50,000
Payment Card Loss:	\$250,000/\$250,000	\$50,000
Regulatory Proceeding:	\$250,000/\$250,000	\$50,000
Electronic, Social And Printed Media:	\$1,000,000/\$1,000,000	\$50,000
Retroactive Date:	Full Prior Acts; Pending or Prior: 7/1/2016	Full Prior Acts; Pending or Prior: 7/1/2016
Retention:	\$ 15,000	\$50,000

Cyber Liability Coverage

	Present Coverage	Proposed Coverage
Premium:	\$11,092.00	\$20,225.00
Minimum Earned Premium:	No longer applicable	None
Optional Extended Reporting Period:	12 months	12 months
Endorsement & Exclusions: (including but not limited to)	<ul style="list-style-type: none"> • Chubb Producer Compensation Practices & Policies • Policyholder Notice Cyber Services for Loss Mitigation • Policyholder Notice Cyber Services for Incident Response • US Foreign Account Tax Compliance Act (FATCA) • OFAC Advisory notice • Trade or Economic Sanctions Endorsement • Cap on Losses from Certified Acts of Terrorism • Disclosure Pursuant to Terrorism Risk Insurance Act • Signatures • Cyber Incident Response Fund Side-Car • Amendatory Endorsement - California 	<ul style="list-style-type: none"> • Chubb Producer Compensation Practices & Policies • Policyholder Notice Cyber Services for Loss Mitigation • Policyholder Notice Cyber Services for Incident Response • OFAC Advisory Notice • Trade or Economic Sanctions Endorsement • Policyholder Disclosure Notice of Terrorism Insurance Coverage • Cap on Losses From Certified Acts of Terrorism • Disclosure Pursuant to Terrorism Risk Insurance Act • Signatures • Specified Incident Exclusion – Govt Shutdown • Loss of Technical Support Exclusion • Specified Incident Exclusion – Microsoft Exchange • Failure to Supply Exclusion • Amendatory Endorsement - California
Terrorism Risk Insurance Act (TRIA):	Included in coverage, \$0 premium.	Included in proposed coverage, \$0 premium.
Quote Valid Until:	No longer applicable	June 30, 2021

Cyber Liability Coverage

	Present Coverage	Proposed Coverage
Subjectivities:	No longer applicable	<ul style="list-style-type: none">• Details of implemented cyber security training• Plans to implement Multi Factor Authentication?• Details on patching procedures
Binding Conditions:	No longer applicable	Written Request to bind coverage

See Disclaimer Page for Important Notices and Acknowledgement

Excess Workers' Compensation & Employers Liability Coverage

	Present Coverage	Proposed Coverage
INSURANCE COMPANY:	<i>Arch Insurance Company</i>	<i>Arch Insurance Company</i>
A.M. BEST RATING:	A+; XV	A+; XV
STANDARD & POOR'S RATING:	A+	A+
STATE COVERED STATUS:	Admitted	Admitted
POLICY/COVERAGE TERM:	July 1, 2020 to July 2021	July 1, 2021 to July 1, 2022
Limits:		
Excess Workers' Compensation		
Each Accident	Statutory	Statutory
Disease, Each Employee	Statutory	Statutory
Employers Liability		
Each Accident	\$ 1,000,000	\$ 1,000,000
Disease, Each Employee	\$ 1,000,000	\$ 1,000,000
Aggregate	\$ 1,000,000	\$ 1,000,000
Estimated Payroll:	\$ 26,734,000	\$ 27,218,190
Self-Insured Retention:		
Presumptive Losses	\$ 1,500,000	\$ 1,500,000
Vanpooling exposures	\$ 1,500,000	\$ 2,500,000
All Other	\$ 750,000	\$ 750,000
Rate per \$100 Payroll:	0.3670	0.3798
Annual Premium:	\$ 98,114	\$ 103,375
Minimum Earned Premium:	No longer applicable	100% Minimum and Deposit
Terrorism Option:	TRIA Included (\$2,943)	TRIA Included (\$3,101)



Excess Workers' Compensation & Employers Liability Coverage

	Present Coverage	Proposed Coverage
Endorsement & Exclusions: (including but not limited to)	<ul style="list-style-type: none"> • Split Retained Limit Endorsement • Losses Redefined to Include Allocated Loss Adjustment Expenses Endorsement • California Volunteer Coverage – Excess Voluntary Compensation and Employers Liability Coverage Endorsement • California Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement • California Amendatory Endorsement 	<ul style="list-style-type: none"> • Split Retained Limit Endorsement • Losses Redefined to Include Allocated Loss Adjustment Expenses Endorsement • California Volunteer Coverage – Excess Voluntary Compensation and Employers Liability Coverage Endorsement • Waiver of Our Right to Recover From Others Endorsement • California Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement • California Amendatory Endorsement
Policy Auditable:	Voluntary	Voluntary
Quote Valid Until:	No longer applicable	July 1, 2021
Binding Conditions:	No longer applicable	Written Request to Bind

See Disclaimer Page for Important Notices and Acknowledgement

Drone & Hull Liability Coverage

	Present Coverage	Proposed Coverage
INSURANCE COMPANY:	<i>Various – See end of proposal for details</i>	<i>Various – See end of proposal for details</i>
COVERAGE TERM:	July 1, 2020 to July 1, 2021	July 1, 2021 to July 1, 2022
Coverage Form:	Unmanned Aircraft Systems (UAS Policy Form)	Unmanned Aircraft Systems (UAS Policy Form)
Limits:		
Liability:	\$ 1,000,000	\$ 1,000,000
Personal Injury:	\$ 1,000,000	\$ 1,000,000
Medical:	\$ 5,000	\$ 5,000
Hull (Physical Damage)	\$ 3,780 Total	\$ 3,780 Total
Deductible:		
In Motion:	5%	5%
Not in Motion:	5%	5%
Premium:	\$1,230	\$1,116
Minimum Earned Premium:	None	None
Endorsement & Exclusions: (including but not limited to)	<ul style="list-style-type: none"> Additional Insured Amendment of Defined Terms Electronic Date Recognition Exclusion Limited Coverages Liability for Sale of Aircraft, Aircraft Parts or Services Terrorism Risk Insurance Act of 2002 Coverage Premises Coverage Fire Legal Liability - \$100,000 each occurrence Expanded Contractual Liability Endorsement TRIA Disclosure California Changes 	<ul style="list-style-type: none"> Additional Insured Amendment of Defined Terms Electronic Date Recognition Exclusion Limited Coverages Liability for Sale of Aircraft, Aircraft Parts or Services Terrorism Risk Insurance Act of 2002 Coverage Premises Coverage Fire Legal Liability - \$100,000 each occurrence Expanded Contractual Liability Endorsement TRIA Disclosure California Changes

Drone & Hull Liability Coverage

	Present Coverage	Proposed Coverage
Terrorism:	TRIA Included	TRIA Included
Quote Valid Until:	No longer applicable	July 1, 2021
Binding Conditions:	No longer applicable	Written request to bind coverage. 100% of the Annual Premium Due on Inception

INSURANCE COMPANY	A.M. BEST RATING	S&P RATING	CA STATE STATUS
American Alternative Insurance Corporation - 69.24%	A+ XV	AA-	Admitted
National Indemnity Company - 18.39%	A++ XV	AA+	Admitted
Tokio Marine America Insurance Company - 12.37%	A++ XV	A+	Admitted

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Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

New York Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures/Disclaimers

FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

NRRA

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. *If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.*

Other Disclosures/Disclaimers (continued)

Claims Reporting

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures/Disclaimers (continued)

Certificates / Evidence of Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy, nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evident of Insurance, you may be required to name your landlord, client or customer on your policy as a loss payee on property insurance or as an additional insured on liability insurance. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides coverage automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.



Informational Item

TO: Board of Directors

FROM: Ben Horenstein, General Manager

ITEM: Drought Update

SUMMARY

The District's total reservoir storage volume as of May 27th is 53.9% of the historical average or 47.8% of total storage. Rainfall to date is 20.62-inches which is lower than the 35.0-inches received last year by this time, and just 39.8% of the average 51.8-inches for this time of year. In response to drought conditions and historically low reservoir storage levels, the Board declared a water shortage emergency on April 20, 2021 and adopted mandatory water use restrictions targeting an overall 40% reduction in water use to extend current water supplies. Recognizing that the District's typical water use nearly doubles during the summer months as compared to the winter largely due to outdoor irrigation, conservation measures limiting sprinkler irrigation to two days per week were adopted by the Board. At the June 1st meeting, the Board will be considering adoption of prohibitions and restrictions of new water service connections in response to the drought and water supply projections. Staff is prioritizing conservation actions and public messaging to educate and engage with our customers while also making efforts to optimize supply. Staff will provide a presentation to update the Board on all drought-related activities at this meeting.

DISCUSSION

Water Supply and Production:

- As of May 27th, 2021, the District had 38,000 acre-feet of reservoir water storage, which is 47.8% of capacity and 46% below average for this date. This is the lowest total reservoir storage for this date since 1983 when Kent Dam was enlarged and capacity of the District's local water supply was increased to 79,566 acre-feet.
- As of May 24th, 2021, Lake Sonoma had 142,590 acre-feet of water which is 58.2% of capacity and approximately 62% of historical average for this time of year.
- As a result of this drought, the district reservoirs are projected to be as low as 25,000 acre-feet on December 1, 2021 in the absence of above average rainfall and runoff. With conservation efforts achieving a 40% reduction in demand, reservoir storage is projected to be near 30,000 acre-feet.

Drought Response:

A Drought Task Force was instituted consisting of staff throughout the organization to work collaboratively to develop and implement key initiatives to optimize our existing water supply and implement conservation actions.

Operational Initiatives and Water Supply Projects:

- Utilize Soulajule Reservoir - Soulajule reservoir is a reserve reservoir and not used during normal water supply conditions. In February, the Board approved rental of a temporary generator to pump water from Soulajule to Nicasio Reservoir. Pumping initiated in early May, and approximately 172 AF of water from Soulajule Reservoir has been conveyed to Nicasio.
- Optimize the Use of Supplemental Water - Water imported from the Sonoma County Water Agency has been an important part of the District's water supply since the 1970s, and under normal conditions accounts for approximately 25 percent of our water supply. The District has been and continues to use this supply source to its fullest availability. As of mid-May the District has purchased 125% or 6,650 acre-feet of the 5,300 acre-feet that is typically received by end of June. Due to the dry conditions and lower than normal reservoir levels Sonoma Water will reduce allocations to their retail customers, including MMWD beginning in July. From July through September MMWD will be restricted to 4-MGD and a slight increase in October to 4.6-MGD. Staff expects that reduced allocation may continue if rainfall is below average in the fall.
- Kastania Pump Station Rehabilitation Design – On May 18th, the Board approved the Kastania Pump Station Rehabilitation Project to improve the operational efficiency of the District's imported supply through the North Marin Aqueduct. The District will be proceeding with a consulting contract for a detailed design of the rehabilitation and engineering services during construction. The immediate recommission of this existing facility is expected to occur over the next 7 months with construction completion date of November 2021.
- Las Gallinas Valley Sanitary District Recycled Water Treatment Plant Update - Distribution of recycled water is proceeding as planned as LGVSD completes the upgrade of the Recycled Water Treatment facility. Las Gallinas have consistently provided recycled water for the past two weeks and while we do expect the occasional shutdown for testing and corrective work the recycled water is a welcome addition to the water supply.
- Recycled Water Truck Hauling - Staff has confirmed with CMSA that their treated effluent water is available for sewer flushing and construction dust control and is communicating with potential users. Staff is working to increase the access to recycled

water by working with CMSA to increase their truck hauling capacity, installing additional hydrant meters on the purple hydrants in the Las Gallinas recycled water service area, working with the County of Marin to identify a location for a residential pick up station for recycled water to allow members of the public to collect recycled water for irrigating their plants during this drought period.

- Environmental Releases - Staff is continuing to explore the potential for modifications in environmental releases from Kent Lake. A technical study has been kicked off to evaluate if the required flow releases are functioning as intended while also reviewing potential options for temporarily reducing the releases without significantly affecting the aquatic species residing in Lagunitas Creek. Over the past few weeks, staff has been meeting with various resource agency and stakeholders to continue discussions on the drought. Efforts supporting Stakeholder engagement will continue to be an integral part of study moving forward.

Water Efficiency:

- Customer calls have increased significantly over the past few months of implementing water use restrictions. In April 2021, Water Efficiency received 907 customer calls as compared to 128 calls in February and 373 calls in March. In addition, water waste reports have increased as well, with 104 reports received in April 2021 as compared to 5 reports received in February and 13 received in March.
- At the May 4th Board meeting, the Board approved enhancing Drought Response programs for customers by increasing existing conservation incentives or approving new incentive programs, including:
 - Increased Smart Irrigation Controller Program Rachio Rebates
 - Increased Turf Conversion Incentive from \$1/sq-ft to \$3/sq-ft
 - New Sheet Mulch Delivery Program
 - New Flume Flowmeter Incentive
 - New Pool Cover Incentive
 - New Hot Water On-Demand Rebate
- Kicked off landscape area measurement project to develop parcel specific land use classifications (lawn, shrubs, pools, etc.) and ultimately parcel specific water use targets

Drought Public Outreach:

- Drought Drive-Through Event in collaboration with Sonoma-Marin Saving Water Partnership is planned for June 12th to distribute free water savings kits and resources to customers. There will be three locations in the service area from 9 AM until 1 PM available for pick-up:
 - Marin Water Main Office, 220 Nellen Ave, Corte Madera
 - Mill Valley Community Center, 180 Camino Alto, Mill Valley

- San Rafael Community Center, 618 B Street, San Rafael
- A drought-specific postcard mailer detailing the water use restrictions, conservation tips, and customer programs has been sent out to all residents in the service area separately from the billing
- Bill inserts detailing the new water rules and additional water conservation tips for both indoor and outdoor water use are included in bills mailed out in May and June billing
- Partnering with Belvedere, Corte Madera, Mill Valley, Ross to put up signage regarding the drought and large banners in the downtown areas in San Rafael, San Anselmo and Tiburon.
- More than 500 yard signs have been distributed to customers as well as larger kiosk signs installed on watershed lands discussing the drought and dry conditions.
- Staff also continued to schedule presentations with cities, towns, and community groups providing outreach and education on the drought and mandatory water use restrictions.
- Upcoming community group, city or town council presentations:
 - Annual Dominican/Black Canyon Neighborhood Association Meeting – June 5
 - Town Hall with Assembly Member Levine – June 9
 - Ross Town Council – June 10
 - Federation of San Rafael Neighborhoods Board – June 10

FISCAL IMPACT

As previously shared with the Board, the combined loss in revenue and unbudgeted expenses due to the drought is projected at \$12.5M over the next eight months due to voluntary conservation efforts. An additional \$8M of revenue loss is projected over the same period if mandatory conservation efforts are implemented, bringing the net projected fiscal impact to \$20.5M over 8 months. The District's reserves, along with tight expenditure controls, is anticipated to address the deficit.

ATTACHMENT(S)

None

Public Hearing - Approval Item

TITLE

Prohibitions and Restrictions on New Water Service Connections

RECOMMENDATION

Adopt Ordinance No. 452 setting forth prohibitions and restrictions on new water service connections.

SUMMARY

At the Operations Committee meeting on April 16th and at the Board meeting on May 18th, staff presented an overview of options for addressing new connections to the District's water system during the current drought conditions. At the May 18th meeting, the Board directed staff to return to the June 1st board meeting with an action to adopt prohibitions and restrictions on new water service connections and to proceed with development of a water offset program to be discussed at a future Board meeting. District staff recommends the Board adopt Ordinance No. 452 setting forth prohibitions and restrictions on new water service connections.

DISCUSSION

The District's total reservoir storage volume as of May 27th is 53.9% of the historical average or 47.8% of total storage. Rainfall to date is 20.62-inches which is lower than the 35.0-inches received last year by this time, and just 39.8% of the average 51.8-inches for this time of year. As of May 27th, 2021, the District had 38,000 acre-feet of reservoir water storage, which is 47.8% of capacity and 46% below average for this date. This is the lowest total reservoir storage for this date since 1983, when Kent Dam was enlarged and capacity of the District's local water supply was increased to 79,566 acre-feet. As a result of this drought, the district reservoirs are projected to be as low as 25,000 acre-feet on December 1, 2021 in the absence of above average rainfall and runoff. With conservation efforts achieving a 40% reduction in demand, reservoir storage is projected to be near 30,000 acre-feet.

In order to preserve the District's limited water supply, the Board adopted Resolution No. 8624 on February 16, 2021, establishing initial drought water conservation restrictions for District customers and requesting voluntarily reduction of their water usage. Due to continued dry conditions and historically low storage levels, on April 20, 2021, the Board held a public hearing and adopted Resolution No. 8630 declaring a water shortage emergency and enacted Ordinance No. 449 implementing mandatory water use reduction measures. Subsequently, on May 4, 2021, the Board held another public hearing and adopted Ordinance No. 450, implementing additional mandatory conservation measures regarding outdoor irrigation and requiring recreational pool and spa covers.

At the Operations Committee meeting on April 16th and at the Board meeting on May 18th, staff presented an overview of options for addressing new water service connections to the District's water system during the current drought conditions, including additional landscape restrictions, water demand offsets for new water service connections, and a temporary prohibition on new water service connections. At the May 18th meeting, the Board directed staff to return to the June 1st Board meeting with an ordinance to enact prohibitions and restrictions on new water service connections and to proceed with development of a water demand offset program to be discussed at a future Board meeting. Subsequent to the May 18th meeting, District staff met with and solicited feedback and input from representatives of the local municipal planning agencies within the District's service area regarding prohibitions and restrictions on new water service connections.

Prohibitions and Restrictions on New Water Service Connections

The purpose of the prohibitions and restrictions on new water service connections as set forth in proposed Ordinance No. 452 is to prohibit an increase in the water demand on the District's available water supplies by limiting additions to the District's water system while current drought conditions exist. There are approximately 60,500 active services connected to the District's water system. In its history, the District has twice enacted temporary prohibitions on new service connections during drought periods. The first occurred in the early 1970s and was in place for over five years from June 1973 to November 1978. The second prohibition was in place for over four years from February 1989 to March 1993.

Prohibitions and restrictions on new water service connections are proposed to be adopted by Ordinance No. 452 (see Attachment 1) and are generally summarized below:

- General Prohibition:
 - No new, additional, expanded or increased-in-size water service connections, meters, service lines, pipeline extensions, mains or other water service facilities of any kind, shall be made, allowed, approved or installed as of the effective date of this chapter, except as expressly provided herein.
- Exemptions:
 - Fire hydrants.
 - An expansion or increased-in-size meter connection for an existing water service that does not require the payment of any additional connection fees.
 - New water service connection required solely for the purpose of providing adequate fire flow, fire sprinklers or other fire suppression systems.
 - Public agency projects to repair, remodel, expand or improve the facilities of that public agency, but shall defer installation of new landscaping.
 - Accessory dwelling units (ADUs) that meet the criteria set forth in Section 11.56.040(h) of the District Code, but shall defer installation of new landscaping.

- Any project for which a completed application for new water service, pursuant to District requirements, has been received by the District prior to 4:00 PM on June 30, 2021. For the purposes of this exception, a “completed application for new water service” means a fully complete application packet, including some or all of the following items, depending on the project: water service application, building permit where required, payment of fees, graywater sign-off form, documentation from public works department confirming status of road moratorium, meter sizing confirmation letter from sprinkler contractor (3/4” upgrades only) and master meter plumbing plan, in accordance with the District’s procedures, but shall defer installation of new landscaping.
- Board approved Pipeline Extension Agreements.
- Completed Pipeline Extension Agreement applications on file with the District as of 4:00 PM on June 30, 2021, provided the applicant agrees to defer installation of landscape until such time as the prohibitions and restrictions on new service connections are repealed by the Board.
- Variances:
 - The restrictions would cause an undue hardship upon the applicant or the public. (Financial hardship alone would not constitute an appropriate reason for a variance.)
 - The restrictions would create an emergency condition affecting the health, sanitation, fire protection or safety of the applicant or the public.
 - Appeals:
 - Applicants shall submit a written appeal within thirty calendar days of the variance denial to the District’s Hearing Officer.
 - If the applicant disputes the Hearing Officer’s determination, the applicant may request a further appeal to the Board of Directors.
- Effective date: The prohibitions and restrictions on new water service connections listed above and outlined in Ordinance No. 452 will become effective upon adoption by the Board.

District staff requests the Board of Directors adopt Ordinance No. 452 at the public hearing on June 1, 2021.

FISCAL IMPACT

The loss in connection fee revenue is estimated at approximately \$700,000 to \$2M per year based on annual connection revenue received over the last three years.

ATTACHMENT(S)

1. Ordinance No. 452

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Engineering	 Michael Ban Director of Engineering	 Ben Horenstein General Manager

DRAFT**MARIN MUNICIPAL WATER DISTRICT****ORDINANCE NO. 452****AN ORDINANCE ADDING CHAPTER 13.01 ENTITLED “PROHIBITIONS AND RESTRICTIONS ON NEW WATER SERVICE CONNECTIONS” TO TITLE 13 OF THE MARIN MUNICIPAL WATER DISTRICT CODE ENTITLED “WATER SERVICE CONDITIONS AND WATER CONSERVATION MEASURES” ADOPTING NEW PROHIBITIONS AND RESTRICTIONS ON WATER SERVICE CONNECTIONS PURSUANT TO WATER CODE SECTION 356**

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT AS FOLLOWS:

SECTION 1. Purpose: Due to the current drought conditions and low storage reservoir levels existing in the service area of the Marin Municipal Water District (District), the Board of Directors declared a water shortage emergency on April 20, 2021 pursuant to Water Code sections 350, et seq. and 71640, et seq. as set forth in Board Resolution No. 8630 and subsequently adopted Ordinance Nos. 449 and 450 instituting mandatory water conservation measures for all District customers. The purpose of this ordinance is to implement prohibitions and restrictions for new water service connections within the District’s service area. The adoption of these additional measures is aimed at reducing increased water demand to preserve the District’s limited water supply due to the current drought. This action is necessary to preserve remaining water supply given the uncertainty of future supply conditions due to drought.

SECTION 2. Chapter 13.01 entitled “Prohibitions and Restrictions on New Water Service Connections” is hereby added to the Marin Municipal Water District Code.

13.01.010 Declaration of purpose and application.

The purpose of this chapter is to curtail an increase in the water demand on the District’s available water supplies to preserve the District’s remaining water supply during the current drought conditions by adopting provisions that will limit additions to the District’s distribution system, except as expressly authorized, thereby preserving and extending the available water supply for the District’s customers while reducing the hardship on the general public to the greatest extent possible. Notwithstanding any other existing provision in the District Code this chapter shall, unless otherwise expressly stated, take precedent over any other inconsistent section of the District Code and shall apply uniformly across the District to all existing and future customers until such time as the District Board of Directors shall act to rescind these restrictions.

13.01.020 General Prohibitions on New Water Service Connections.

No new, additional, expanded or increased-in-size potable water service connections, meters, service lines, pipeline extensions, mains or other water service facilities of any kind, shall be made, allowed, approved or installed as of the effective date of this chapter, except as expressly provided herein. For purposes of this chapter, “new water service connection” shall mean and include all of the above described facilities and connections.

13.01.030 Exemptions to Prohibitions on New Water Service Connections.

The following projects and applications are exempted from the prohibition on new water service connections.

- (1) Connections of fire hydrants;
- (2) An expansion or increased-in-size meter connection for an existing water service that does not require the payment of any additional connection fees;
- (3) Any new water service connection required solely for the purpose of providing adequate fire flow, fire suppression or fire sprinkler systems;
- (4) Projects undertaken by a public agency to repair, remodel, expand or improve the facilities of that public agency;
- (5) Connections for an accessory dwelling units that meet the criteria set forth in section 11.56.040(h) of this code; and
- (6) Any project for which a completed application for new water service, pursuant to section 11.08.040 of this code, has been received by the District prior to 4:00 PM on June 30, 2021. For purposes of this chapter, a “completed application for new water service” shall mean a fully complete application packet, including building permit where required, in accordance with the District’s procedures.

Notwithstanding the foregoing, projects described under subsections (4) through (6) above shall defer the installation of potable water irrigated landscape until such time as the prohibitions and restrictions in this chapter have been repealed by the Board of Directors.

Section 13.01.040. Exceptions for Certain Pipeline Extensions.

Any applicant for a Pipeline Extension Agreement who, as of 4:00 PM on June 30, 2021, (1) has obtained a fully executed Pipeline Extension Agreement that was approved by the Board of Directors, or (2) has on file with the District a completed Pipeline Extension Agreement application in accordance with the District’s applicable pipeline extension procedures, including but not limited documentation of receipt of all discretionary approvals from the lead agency, which is subsequently approved by the Board of Directors, shall be entitled to proceed with construction and installation of said pipeline extension and other new water service facilities as are reasonably necessary to accompany such pipeline extension, and to have water service supplied there through to any necessary new water service connections providing water service to said parcel(s) but only to the extent set forth in the Pipeline Extension Agreement based on the payment of system capacity charges, subject to the following conditions:

(1) The applicant makes all deposits and payments and does all other things required by the Pipeline Extension Agreement within the time frames set forth in the Pipeline Extension Agreement; and

(2) With respect to completed Pipeline Extension Applications, the applicant agrees to defer the installation of potable water irrigated landscape until such time as the prohibitions and restrictions in this chapter have been repealed by the Board of Directors.

Section 13.01.050. Temporary Water Service.

Notwithstanding any other provision of this chapter, the following shall apply to temporary water service connections:

(1) No restriction or prohibition is imposed upon the issuance of a water meter for temporary uses requiring potable water service in accordance with sections 11.32.070 and 13.04.020(1)(M) or on temporary uses accessing recycled water.

(2) No temporary water service facilities shall be approved or installed for fairs, bazaars, temporary restaurants, or other temporary uses, except upon written application to the District, which may in its discretion, allow such use if it finds that the quantity of water to be consumed by such temporary use will not significantly adversely affect water supply or service to other existing customers.

Section 13.01.060. Replacement and Repair of Existing Facilities.

Notwithstanding any other provisions of this chapter, no restriction or prohibition is imposed upon the repair of existing water service facilities or the replacement of existing water service facilities with new water service facilities, or new water service facilities installed by the District, which do not increase the consumption of water.

Section 13.01.070. Requirement for Information.

Applicants for new water service connections shall be responsible for providing all information and documentation reasonably requested by the District for use in processing, verifying, or enforcing any matter provided for herein, and the applicants shall do so at their sole cost and expense. Any failure to provide the requested information or documentation shall be grounds for denial of any application or relief.

Section 13.01.080. Continued Processing of Applications.

(1) Notwithstanding any other provision of this chapter, District staff may continue processing applications for new water service connections, provide engineering design, collect fees for services performed, and render advice and assistance to applicants, provided that staff shall not approve any such applications or plans, shall not fix or accept any bonds, guarantees or deposits for materials or labor for installation, and shall not prepare any Pipeline Extension Agreements, except as otherwise expressly provided in this chapter. Any applicant who has paid the District a fee for engineering service may, upon written request to the District, have refunded any portion of said fee for which said engineering services have not yet been performed.

(2) In filing any application for a new water service connection and paying fees pursuant to this section, the applicant will be required to acknowledge in writing that the acts of staff described herein do not constitute an acceptance or approval of the application and that the applicant proceeds at his/her own cost, expense and risk of loss, and agrees to and does waive and release any claim or demand against the District, its officers, directors, employees, and facilities, and does waive and release any claim of right to have said water service connection application finally accepted, approved, connected or supplied of water by reason of such processing activities.

(3) When the Board of Directors declares that the conditions requiring the adoption of this chapter have ceased, the District will establish procedures for the processing of applications filed during the term of this chapter and any applications filed thereafter which, in its discretion, are fair, equitable and compatible with the requirements of the District, provided that no priority or preference is necessarily conferred on the basis of the date of filing such application.

Section 13.01.090. Future Restrictions.

All applicants for new water service connections are hereby put on notice that further restrictions or prohibitions on water use and service may hereinafter become necessary and nothing herein, no application, permit or approval of water service or water service connection granted pursuant to these rules shall vest in any applicant any right to a particular use or quantity of water. All applicants shall be subject to all existing and further prohibitions, restrictions, rules, and regulations in the same manner and extent as any other existing customer, future customer, or class of customer similarly situated and existing at the time any such further prohibitions and restrictions are imposed.

13.01.100 Variances.

The District, in its discretion, may grant a variance for a new water service connection that does not otherwise meet an exception expressly provided in this chapter, if it is found and determined that one or more of the following conditions exist:

(1) The restrictions herein would cause an unnecessary and undue hardship upon the applicant or the public. Examples of circumstances which may constitute unnecessary and undue hardship include, but are not limited to, (i) the destruction of a water-using structure or facility due to fire, flood, or other disaster or act of God; (ii) prior loss, destruction or removal of a water meter without the knowledge or fault of the applicant; (iii) to correct or substitute for an illegal, unsafe or unsound water service facility not caused by the fault of the applicant. Financial hardship alone shall not constitute grounds for a variance; or

(2) The restrictions herein would create an emergency condition affecting the health, sanitation, fire protection or safety of the applicant or the public.

Any request for a variance shall be submitted to the District in writing providing sufficient detail regarding the request and the reasons therefore to Marin Water Engineering Services at 220 Nellen Avenue, Corte Madera, CA 94925. After consideration of the variance request, a written decision shall be provided to the applicant. The District may, in its discretion, impose additional reasonable conditions in granting any variance. If an applicant disagrees with the District's determination, the applicant may avail themselves of the appeals process set forth in section 13.01.110.

Section 13.01.110 Appeals.

Applicants may appeal a decision regarding a variance or other decision regarding the application of this chapter to the District's Hearing Officer by following the procedures set forth below:

(A) Within thirty (30) calendar days of the variance denial or partial denial or other decision hereunder, the applicant shall mail a written appeal containing all applicable evidence supporting their position to Marin Water Engineering Services at 220 Nellen Avenue, Corte Madera, CA 94925. For purposes of this section an appeal shall be deemed received by the District on the day of post-mark by the U.S. Postal Service.

(B) If the applicant disputes the determination of the District's Hearing Officer, then the applicant may request a further appeal to the Board of Directors by submitting a further writing to the District within fifteen (15) calendar days from the date of the Hearing Officer's determination.

- (C) Upon receipt of a timely further appeal, a hearing on the appeal will be scheduled and the District will mail notice of this date to the customer at least ten (10) calendar days before the hearing.

Section 13.01.120. Chapter controlling.

The provisions of this chapter shall prevail and control in the event of any inconsistency between this chapter and any other rule, regulation, ordinance or code of this District.

SECTION 3. Findings of Necessity: The Board of Directors, after considering all of the information and testimony presented at its June 1, 2021 meeting regarding this ordinance, finds as follows:

I. Historic and Current Water Supply Overview

A. Water is a finite and precious resource.

B. The District's water supply currently remains limited to water captured in its seven reservoirs; water transported from the Russian River via the North Marin aqueduct; and recycled water produced at the Las Gallinas Valley Sanitary District Plant (for a variety of non-potable purposes). About 73% of the District's water supply comes from its reservoirs, 25% from the Russian River through the North Marin aqueduct and 2% from recycled water. Although options to increase the District's water supply are being evaluated, the implementation of any preferred alternative will not be immediate.

C. Based upon rainfall patterns for the District, very little rainfall occurs from May to October each year. In recent years, the overall summer peak-period has found water use averages about twice winter use.

D. As of May 24, 2021, the District's water storage level is 38,168 acre feet, which is 53.97% of average for this time of year. As a result of this drought, the District reservoirs are projected to be as low as 25,000 acre-feet on December 1, 2021 in the absence of above average rainfall and runoff, which is less than one-year of water supply based on recent demand.

E. The water conservation program already adopted by this Board is necessary to conserve additional water for beneficial use and to preserve the District's water supply.

II. New Water Service Connections.

A. On April 20, 2021, pursuant to Board of Directors' Resolution No. 8630, the District declared a water shortage emergency in accordance with Water Code section 350, et seq. and 71460, et seq.

B. Based upon projected demand and current storage levels, it is anticipated that the ordinary demand and requirements on the District current water supply must be preserved to assure sufficient supply in the coming months given the uncertainty of future weather and water storage.

- C. Article X Section 2 of the California Constitution declares that the general welfare requires that water resources be put to beneficial use to the fullest extent of which they are capable and that the waste, unreasonable use or unreasonable method of use of water be prevented, and that conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and the public welfare.
- D. California Water Code section 356 authorizes water suppliers, and the Board finds it necessary, to deny applications for new or additional service connections during a water shortage emergency to conserve supplies for the greatest public benefit.
- E. The Board finds this ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 21080(b)(4) of the Public Resources Code.

SECTION 4. Environmental Determination: This project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and based upon the above findings and purposes of this ordinance, qualifies for an exemption pursuant to section 21080(b)(4) in that the Board of Directors find that these measure are necessary to preserve water supply to prevent or mitigate a water supply emergency.

SECTION 5. Severability: If any section, subsection, sentence, clause, phrase, portion or part of this ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such section shall not affect the validity of the remaining portions of this code. The Board of Directors hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections subsections, clauses, phrases, parts or portions be declared invalid or unconstitutional.

SECTION 6. Effective Date: Pursuant to Water Code section 376, this ordinance shall be effective on the day of its adoption. Within 10 days of adoption, this ordinance, or a summary hereof, shall be published in the Marin Independent Journal pursuant to Section 6061 of the Government Code.

PASSED AND ADOPTED this 1st day of June, 2021, by the following vote of the Board of Directors:

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors



Approval Item

TITLE

Approval to fill Mechanical & Electrical Maintenance Worker position

RECOMMENDATION

Authorize the General Manager to recruit and hire one Mechanical & Electrical Maintenance Worker in the Operations Division.

SUMMARY

The District has a Mechanical & Electrical Maintenance worker vacancy due to an early retirement in the department. The Mechanical & Electrical Maintenance department maintains and repairs electrical and mechanical equipment to ensure continuous water delivery throughout our distribution system to meet customer demands.

The Mechanical & Electrical group consists of nine positions that include the Mechanical & Electrical Maintenance Supervisor who provides supervision for eight Mechanical & Electrical Maintenance Workers. The group is responsible for maintenance and replacement of equipment at the district’s 3 water treatment plants, 95 pump stations, 141 storage tanks, 7 automated valve stations, and 7 reservoirs and the group also maintains the HVAC and electrical at District facilities.



In summary, staff requests the Board authorize the General Manager to recruit and fill the vacant Mechanical & Electrical Maintenance Worker position.

FISCAL IMPACT

Salary and benefits for the position are included in the Operations Division’s budget for FY 2021. The total annual salary with benefits for the Mechanical & Electrical Maintenance Worker position ranges from \$115,474 to \$146,691. Filling this position will not increase the total number of FTEs in the Operations Division.

ATTACHMENT(S)

None

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



Item Number: 09
Meeting Date: 06-01-2021
Meeting: Board of Directors

Informational Item

TO: Board of Directors

FROM: Terrie Gillen, Board Secretary

THROUGH: Ben Horenstein, General Manager

DIVISION NAME: Communications & Public Affairs Department

ITEM: Future Meeting Schedule and Agenda Items

SUMMARY

Review of the upcoming Board of Directors and Committee meetings.

DISCUSSION

Below are the upcoming meetings of the Board of Directors and/or Committees:

- Tuesday, June 15, 2021
Board of Directors' Regular Bi-Monthly Meeting
- Thursday, June 17, 2021
Watershed Committee/Board of Directors (Watershed) Meeting
1:30 p.m.
- Friday, June 18, 2021
Operations Committee/Board of Directors (Operations) Meeting
9:30 a.m.
- Thursday, June 24, 2021
Finance & Administration Committee/Board of Directors (Finance & Administration)
Meeting
9:30 a.m.

FISCAL IMPACT

None

ATTACHMENT(S)

None