



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 January 20, 2015 – 7:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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Est. Time	Item	Subject
7:00 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , January 6, 2015
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit)
		This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	STAFF/DIRECTORS REPORTS
	5.	QUARTERLY FINANCIAL REPORT
	6.	MONTHLY PROGRESS REPORT w/Customer Service Questionnaire
7:30 p.m.	CONSENT CALENDAR <p>The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.</p>	
	7.	Consent – Approve Response to Marin Civil Grand Jury of Oceana Marin Collection Facilities
	8.	Consent – Approve Forklift Replacement Purchase
	ACTION CALENDAR	
	9.	Approve: NFPD Station 64 – Temporary Water Service Extension Resolution
	INFORMATION ITEMS	
	10.	Novato Potable Water System Financial Plan Update
	11.	Novato Recycled Water System Financial Plan Update
	12.	West Marin Water System Financial Plan Update
	13.	Oceana Marin Sewer System Financial Plan Update
	14.	Increase in Directors' Compensation

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
	15.	City of Novato Paving Moratorium- Measure A, Group 7
	16.	MISCELLANEOUS Disbursements Renewal of Oceana Marin Liability Insurance Reimbursement Program 2014 Recycled Water Cost Countywide Water Municipal Service Review: Public Review on Draft Profiles on West Marin Agencies <u>News Articles:</u> LAFCO study looks at population growth and water supply demand in Marin's districts water use LAFCO Olema Water Bond paid off after four decades Notice to Bidders: 12-Cast Iron Pipe Bursting Project
	17.	CLOSED SESSION: Conference with Real Property Negotiator (David Bentley) regarding 15 Gustafson Ct, Novato, CA (Government Code Section 54956.8)
8:30 p.m.	18.	ADJOURNMENT

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 6, 2015

CALL TO ORDER

President Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 7:00 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Stephen Petterle, Dennis Rodoni and John Schoonover. Also present were District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre. General Manager Chris DeGabriele was absent

District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

On motion of Director Fraites, seconded by Director Petterle and unanimously carried the Board approved the minutes from the previous meeting as presented.

GENERAL MANAGER'S REPORT

Acting General Manager David Bentley advised the Board that he spoke with General Manager Chris DeGabriele this morning regarding his knee replacement and stated that surgery went as expected and that he has physical therapy three times a week and is planning to return to work in the beginning of February.

Mr. Bentley informed the Board that all of the reservoirs in Marin County are full and Lake Sonoma is at 78% capacity and Lake Mendocino is at 82% capacity.

Mr. Bentley advised the Board about a potential water damage claim against the District. He stated that on the day after Christmas, a resident had turned off the water at the meter to fix their faucets upstairs and one of the District employees turned the meter back on and the water soaked the ceiling inside. He noted that the homeowner called the HOA. Mr. Bentley stated that when investigating the damage, asbestos was found on the roof and the District will have to pay for that as well. He stated that there could be charges up to \$15K and that the District is working with a risk consultant regarding this claim.

Director Schoonover asked if the District had to cover cost of asbestos removal. Mr. Bentley stated that since the water damage was caused by the District, the District must cover the damage. He noted that on this week's disbursements that there was a \$500 check written to the homeowner for a deductible.

1 Director Rodoni asked if it was a normal procedure to turn on a meter that is off. Mr. Bentley
2 stated that normally the employee knocks on the door before touching the meter. President Baker
3 asked that Mr. Bentley keep the Board updated on the outcome.

4 Mr. Bentley advised the Board that the District employees who have been renting 15
5 Gustafson Court will be moving out at the end of January. He informed the Board that he will be
6 bringing recommendations to the Board at the next meeting.

7 Mr. Bentley informed the Board that the LAFCO representatives will be up for reelection and
8 will be nominated as representatives at the February 2nd meeting.

9 Director Rodoni stated that he does not wish to be on the LAFCO Board again this year.

10 Mr. Bentley advised the Board that the storm damage claims were minimal with the materials
11 costing less than \$2,000 and employee overtime costing \$1,000. He stated that some of the storm
12 damage repair was regular erosion repair, tree removal, and sandbagging. He noted that a tree had
13 fallen across Leveroni Creek and staff is working on removing the tree.

14 **OPEN TIME**

15 President Baker asked if anyone in the audience wished to bring up an item not on the
16 agenda and there was no response.

17 **STAFF / DIRECTORS' REPORTS**

18 President Baker asked if staff or Directors wished to bring up an item not on the agenda and
19 the following items were discussed:

20 Mr. McIntyre advised the Board that the staff received three proposals from consultants for
21 the update of the Stafford Dam Emergency Action Plan. He stated that the project consists of
22 updating the emergency action plan along with the dam flood inundation map. He stated that the
23 Emergency Action Plan is similar to the District's Emergency Operations Plan but is more focused
24 on the dam. He noted that staff is reviewing the proposals and will come back to the Board in the
25 future with a recommendation.

26 Mr. McIntyre informed the Board that a Request for Proposal was sent out to update the
27 Oceana Marin Master Plan, which is done every 10 years. He stated that Bracewell Engineering
28 completed the last plan and staff is hopeful to expand the pool of potential consultants.

29 Mrs. Young advised the Board that they will be receiving the Fair Political Practice
30 Commission Form 700 at the next Board meeting and must return it completed by April 1, 2015.

1 Director Rodoni informed the Board that he had lunch with newly elected State Senator
2 McGuire who wanted feedback on the opportunities to better serve the West Marin constituency. He
3 stated that he emphasized the road work maintenance on Highway 1, the state parks being fully
4 funded and that the water bond money flow to the constituents. Director Rodoni stated that Senator
5 McGuire asked that the Directors help the Marin elected officials understand the high priority of the
6 water supply projects in Sonoma County.

7 President Baker advised the Board and staff that the committee assignments will remain the
8 same, expect that Director Baker will now be the representative at the North Bay Water Association
9 meetings and Director Fraites will be the alternate.

10 **CONSENT CALENDAR**

11 On the motion of Director Petterle, seconded by Director Fraites and unanimously carried,
12 the following item was approved on the consent calendar:

13 **GALLAGHER WELL AND PIPELINE – STREAMBED ALTERATION NOTIFICATION**

14 In February 2014, the Board accepted the PES Environmental Inc. Hydrologic Design Plan
15 for the Gallagher Well and Pipeline Project and authorized staff to transmit the plan to the California
16 Department of Fish and Wildlife (CDFW). The Hydrologic Design Plan prepared by PES concluded
17 that the USGS Pt. Reyes Gauge (the Gallagher Gauge) is well located to evaluate and monitor
18 potential influences to Lagunitas Creek stream flow as result of ground water withdrawal from the
19 Gallagher well.

20 At the April 2014 meeting, CDFW staff did not object to the approach proposed and
21 requested a Streambed Alteration Agreement be prepared to formally document the operational
22 measures to monitor stream flow and Gallagher Well operation.

23 PES Environmental, Inc. prepared the CDFW Streambed Alteration Notification which was
24 transmitted to CDFW on November 26, 2014. NMWD staff delayed the transmittal until the majority
25 of the pipeline construction was completed.

26 The General Manager authorized PES to prepare the notification at a cost of \$4,750 with an
27 additional \$500 contingency (\$5,250). Due to the submittal delay and additional document review by
28 NMWD staff, the actual PES invoice amount totals \$5,557. Thus an additional \$307 is needed and
29 staff recommends that authority be increased to \$1,500 to cover additional PES costs for future staff
30 consultation and meetings with CDFW.

31 The Board authorized an additional \$1,500 funding for PES Environmental, Inc. to support
32 the Gallagher Well and Pipeline Project CDFW Streambed Alteration Notification.

1 **ACTION CALENDAR**

2 **ADDITIONAL BILL ADJUSTMENT REQUEST – PALACE MARKET**

3 Mr. Bentley introduced Mr. Michael Cohen, Director of Palace Market, who had a large leak
4 in August using 1.1 million gallon of water, generating a \$12,525 water bill. He noted that a normal
5 bill for the same period of the prior year was \$658. He stated that the leak was fixed promptly and an
6 adjustment credit of \$5,919 was granted under the District's policy. Mr. Bentley advised the Board
7 that the meter was read in September and another major leak was found generating a bill of
8 \$14,361. He stated that per District policy a bill adjustment is allowed only once in any consecutive
9 24 month period. Mr. Bentley provided the Board with four options for consideration: 1) deny any
10 further adjustment; 2) grant an additional adjustment of \$3,462, which is half of the calculated
11 adjustment for the second leak; 3) Grant an additional adjust of \$5,354, thereby reducing the bill
12 amount to the normal charge plus the cost of water for the excess use; or 4) Grant an additional
13 adjustment of \$6,923, as though there had not been a previous bill adjustment. He stated that, due
14 to the magnitude of the leak, staff recommended option 2, grant an additional adjust of \$3,462 and
15 allow payment of the amount due in bimonthly installments over the next 12 months.

16 Director Rodoni asked that if the Board approves any of the options, would Mr. Cohen be
17 allowed to make installment payments. Mr. Bentley stated yes. Director Rodoni stated that he
18 believes granting option 3, an additional adjustment of \$5,354, thereby reducing the bill amount of
19 the normal charge plus the cost of water for the excess use would be fair.

20 President Baker asked if all the leaks have been repaired. Mr. Cohen stated yes and that he
21 is asking for as much leniency as possible. He informed the Board that one of the leaks took a leak
22 detection company 5 hours to locate due to the dryness of the land and that once found both leaks
23 were fixed very promptly.

24 Director Rodoni suggested to Mr. Cohen that he check his meter every couple of days in
25 order to make sure there are no leaks. Mr. Cohen stated that he has been checking it regularly ever
26 since the leaks have been repaired.

27 Director Schoonover advised the Board that he does not believe that the Board should
28 approve option 3 and that he would lean more towards option 2 because of the District's policy.

29 President Baker stated that he wasn't comfortable with option 3 and stated that option 2
30 seemed fair. He stated that he did not believe he could support Director Rodoni's motion.

31 Director Fraites stated that he thought it was very ironic that there were two large leaks back
32 to back and that he is conflicted because it is a huge water bill but the District does have a policy.

1 On motion of Director Rodoni, seconded by Director Petterle and carried by the following
2 vote, the Board granted option 3 an additional adjustment of \$5,354, thereby reducing the bill
3 amount of the normal charge plus the cost of water for the excess use:

4 AYES: Directors Fraites, Petterle, Rodoni

5 NOES: Directors Baker, Schoonover

6 ABSENT: None

7 ABSTAIN: None

8 Mr. Cohen expressed his gratitude to the Board and Mr. Bentley stated that he would speak
9 with him later about payment arrangements. Mr. Cohen left the meeting.

10 **INFORMATION ITEMS**

11 **RECYCLED WATER SUBCOMMITTEE MEETING UPDATE – DECEMBER 17, 2014**

12 Mr. McIntyre provided an update on the December 17th Recycled Water Subcommittee
13 meeting held at Novato Sanitary District (NSD). He stated that Directors Baker and Schoonover, Mr.
14 DeGabriele and he attended the meeting. He advised the Board that the North Bay Water Reuse
15 Authority (NBWRA) Phase 1 Project status was reviewed stating that the District and NSD will be
16 submitting an application for Title XVI Grant monies around this time next year in anticipation of the
17 final grant award in 2016 in order to complete the Central Service Area Expansion.

18 Mr. McIntyre advised the Board that the subcommittee agreed that it is prudent to move
19 forward with hiring a consultant to prepare an evaluation at both the Deer Island and Davidson
20 Recycled Water Treatment Facilities as it relates to expansion to serve the Central Service Area's
21 increased demand.

22 Mr. McIntyre stated that NSD subcommittee members were provided an overview of the
23 current Central Service Area Expansion pipeline alignment and recent discussions with Marin
24 County Club regarding an extension from the Central Service Area south to Ignacio Blvd.

25 Mr. McIntyre stated that NSD Manager Sandeep Karkel provided an overview of NSD's
26 planned NBWRA Phase 2 projects.

27 President Baker stated that it was a good meeting and was good to discuss projects and
28 future plans for the District and NSD. He asked if the City of Novato or IVC would need recycled
29 water in the future.

30 Mr. McIntyre stated that a future extension to San Jose Middle School or to the fields at IVC
31 is possible but would require additional pumping.

1 **OLEMA GENERAL OBLIGATION BOND RETIREMENT**

2 Mr. Bentley passed around the Olema General Obligation Bond that was issued in the early
3 70's in order for Olema to join the District. He advised the Board that the bond is officially paid off.

4 Director Rodoni stated that the whole concept was a tremendous benefit to business' in
5 Olema and suggested staff draft a press release for the West Marin papers.

6 **TECHNICAL ADVISORY COMMITTEE MEETING – JANUARY 5, 2015**

7 Mr. McIntyre provided a summary of the Technical Advisory Committee (TAC) Meeting held
8 on January 5, 2015. He stated that the budget is being reviewed and the TAC Financial
9 Subcommittee will meet on January 20th to review the draft budget.

10 Mr. McIntyre informed the Board that Sonoma County Water Agency is trying to work closely
11 with PG&E to keep informed on the status of PG&E's temporary shutdown of their Potter Valley
12 powerhouse for repairs. He also stated that the annual report for the Sonoma Marin Saving Water
13 Partnership is completed and SCWA should be distributing hard copies in the next couple weeks.
14 He reminded the Board that if any of the Directors have not attended the SCWA Dry Creek Habitat
15 Enhancement project there will be two more tours, one on February 5th in the afternoon and one on
16 February 28th in the morning.

17 **NBWA MEETING – JANUARY 9, 2015**

18 President Baker stated that he will be attending the meeting on January 9, 2015.

19 **MISCELLANEOUS**

20 The Board received the following miscellaneous information: Disbursements, Meter Reading
21 Accuracy, and Salinity Notice (12/16).

22 The Board received the following news articles: PD Editorial: Bring better science to dam
23 management, Protection Sought for Scenic California Region, Coastal protection, open space
24 advocacy made Bill Kortum dean of local movement, Myths about coho and Marin County's
25 watershed, and Editor's note (Pt. Reyes Light).

26 The Board also received the following miscellaneous item at the meeting: TAC Meeting
27 Update – January 5, 2015 and the following news article: Editorial: Rain shouldn't dampen Marin's
28 resolve to conserve.

29 **ADJOURNMENT**

30 President Baker adjourned the meeting at 7:50 p.m.

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Submitted by

Katie Young
District Secretary

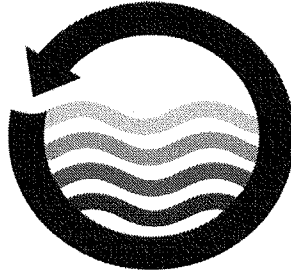
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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2014-15

December 2014

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
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MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Information – FY14/15 December Financial Statement
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January 16, 2015

FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY

Actual vs. Budget	Dec-14	FY14/15 YTD Actual	FY14/15 Budget	FYTD / Budget %
Operating Revenue	\$1,160,572	\$10,002,171	\$19,298,000	52%
Operating Expense	\$1,254,317	\$8,625,462	\$16,918,000	51%
Non-Operating Revenue / (Expense)	(\$20,545)	(\$245,470)	(\$598,000)	41%
Net Income / (Loss)	(\$114,289)	\$1,131,239	\$1,782,000	63%
Other Sources / (Uses)*	(\$680,560)	(\$2,698,052)	(\$6,135,000)	44%
Cash Increase / (Decrease)	(\$794,849)	(\$1,566,814)	(\$4,353,000)	36%

* See Page 8.

For the first half of the fiscal year (50%) the District generated a net income of \$1,131,239 and saw a net cash decrease of \$1,566,814. On a seasonally adjusted basis, Operating Revenue came in 6% under budget and Operating Expense came in 2% under budget. Fifty-four percent of the Capital Improvement Projects Budget was expended this fiscal year-to-date. The District's cash balance decreased \$794,849 during the month. The cash decrease is due primarily to payments for the AEEP project (\$997,849) and SRF loans (\$846,831) offset by a decrease in customer receivables (\$957,740).

SUMMARY INCOME STATEMENTS BY SERVICE AREA PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS

NOVATO WATER

Year over Year Comparison	Dec-14	FYTD 14/15	FYTD 13/14	FY15 vs 14 Up/(Down)
Operating Revenue	\$1,091,094	\$9,077,170	\$10,524,847	(14%)
Operating Expense	\$1,124,492	\$7,788,722	\$8,112,453	(4%)
Other Income / (Expense)	(\$43,321)	(\$163,931)	(\$151,378)	8%
Net Income / (Loss)	(\$76,719)	\$1,124,517	\$2,261,016	(50%)
Active Accounts	20,498	20,498	20,480	0%
Consumption (MG)	149	1,381	1,729	(20%)
Average Commodity Rate / 1,000 gal (net)	\$4.81	\$4.94	\$4.72	5%
Income / (Loss) / Active Account	(\$3.74)	\$54.86	\$110.40	(50%)
Income / (Loss) / 1,000 Gal	(\$0.51)	\$0.81	\$1.31	(38%)
Connection Fee Revenue	\$0	\$753,600	\$0	-
Caltrans Capital Contributions	\$1,032,498	\$7,519,184	\$0	-
MMWD AEEP Capital Contribution	\$0	\$245,000	\$0	-
Developer 'In-Kind' Contributions	\$22,310	\$160,411	\$223,751	(28%)

Consumption for the period was 20% less than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, decreased 14% (\$1,447,676) due to the consumption decrease offset by the 5% rate increase effective June 1, 2014. Total operating expense was 4% (\$323,731) less than last year same period, due primarily to a decrease in the volume of purchased water.

The Stafford Treatment Plant produced 178 MG this fiscal year-to-date at a cost of \$4,656/MG¹ versus \$2,276/MG³ from SCWA. The budget for Stafford is 750 MG at a cost of \$2,780/MG.

Salary and benefit cost charged to Novato operations was 1% more than the same period last year. Staff time (hours) charged to Novato operations was 5% more than last year same period. Salary and benefit cost was \$2,677,933, which was 47% of the \$5,702,000 budget for Novato operations.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$1,124,517 compares to a budgeted net income for the year of \$1,919,000 and to a net income of \$2,261,016 for the prior year same period. \$9,028,433 (52%) of the Novato Water Capital Improvement Project Budget was spent versus \$1,151,464 (15%) for the prior year same period. \$753,600 in connection fees were collected (\$1,281,000 is budgeted). The Novato cash balance decreased \$1,039,435 in December, and stood at \$11,275,309 at month-end, compared to a budgeted projection of \$10,067,000 at June 30, 2015.

NOVATO RECYCLED		FYTD	FYTD	FY15 vs 14
Year over Year Comparison	Dec-14	14/15	13/14	Up/(Down)
Operating Revenue	\$7,792	\$422,034	\$434,610	(3%)
Operating Expense	\$65,245	\$418,321	\$292,446	43%
Other Income / (Expense)	(\$19,681)	(\$117,999)	(\$152,419)	(23%)
Net Income / (Loss)	(\$77,133)	(\$114,002)	(\$10,254)	1012%
Active Accounts	44	44	44	0%
Consumption (MG)	1.2	85.7	95.0	(10%)
Average Commodity Rate / 1,000 gal (net)	\$4.73	\$4.73	\$4.44	7%
Deer Island Production (MG)	0.0	1.0	1.6	(39%)
Novato Sanitary Production (MG)	0.8	49.7	55.8	(11%)
Las Gallinas Production (MG)	0.8	31.2	35.1	(11%)
Potable Water Input (MG)	0.1	5.9	5.3	11%

85.7 MG was delivered to RW customers this period, down 10% from the prior year same period. Operating revenue was down 3% as the the consumption decrease was offset by the June 1, 2014 6.5% commodity rate increase. Total operating expense was \$125,875 (43%) more than the prior year same period due primarily to an increase in depreciation expense pertaining to the South Transmission System expansion which was completed and capitalized late last fiscal year, and clearing debris in the line at Fireman's Fund (\$12,330). The recycled water was produced at a cost of \$2,178/MG² versus \$2,276/MG³ from SCWA. The budgeted production cost of recycled water is \$3,682/MG.

The fiscal year-to-date net loss of \$114,002 compares to a budgeted net loss for the year of \$303,000 and a net loss of \$10,254 for the prior year same period. \$93,849 (75%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date. Novato Recycled ended the period with a cash balance of \$1,570,546 compared to a budgeted projection of \$1,242,000 at June 30, 2015.

¹ Stafford production cost = op expense (\$391,610) + SRF loan interest (\$157,848) + plant depreciation (\$279,374) / 178 MG produced

² Recycled Water production cost = op expense (\$92,117) + Deer Island RW Facility SRF loan interest (\$36,599) + Deer Island plant depreciation (\$57,960) / 85.7 MG produced

³ SCWA production cost per MG = O&M charge (\$1,897) + debt service charge (\$156) + Russian River conservation charge (\$196) + Russian River projects charge (\$27)

WEST MARIN WATER

Year over Year Comparison

	<u>Dec-14</u>	<u>FYTD 14/15</u>	<u>FYTD 13/14</u>	<u>FY15 vs 14 Up/(Down)</u>
Operating Revenue	\$46,114	\$409,395	\$461,218	(11%)
Operating Expense	\$50,962	\$318,814	\$327,321	(3%)
Other Income / (Expense)	\$18,936	\$10,091	(\$18,224)	-
Net Income / (Loss)	<u>\$14,087</u>	<u>\$100,672</u>	<u>\$115,672</u>	(13%)
Active Accounts	777	777	776	0%
Consumption (MG)	3.9	34.7	44.2	(22%)
Average Commodity Rate / 1,000 gal (net)	\$8.15	\$9.30	\$8.47	10%
Income/ (Loss) / Active Account	\$18.13	\$129.57	\$149.06	(13%)
Income / (Loss) / 1,000 Gal	\$3.61	\$2.90	\$2.62	11%
Connection Fee Revenue	\$0	\$22,800	\$0	-
Developer 'In-Kind' Contributions	\$0	\$0	\$5,051	-

Consumption for the period was 34.7 MG, 22% less than the previous year same period. Operating revenue of \$409,395 was \$51,823 (11%) less than last year same period due primarily to the consumption decrease offset by the 5% rate increase and the Drought Surcharge effective July 1 through October 31, 2014.

Operating expenditures were \$318,814, down 3% (\$8,508) from the previous year same period. The fiscal year-to-date net income of \$100,672 compares to a budgeted annual net income of \$196,000 and to a net income of \$115,672 for the prior year same period. \$1,209,324 (76%) of the Capital Improvement Project Budget has been spent this fiscal year-to-date, and \$22,800 in connection fees were collected (\$23,000 is budgeted). West Marin Water ended the period with a cash balance of \$45,963, compared to a budgeted projection of \$791,000 at June 30, 2015. At month end \$1,177,945 in Prop 50 Grant Funds was owed to the District for installation of the Gallagher Well Pipeline.

OCEANA MARIN SEWER

Year over Year Comparison

	<u>Dec-14</u>	<u>FYTD 14/15</u>	<u>FYTD 13/14</u>	<u>FY15 vs 14 Up/(Down)</u>
Operating Revenue	\$15,572	\$93,572	\$88,800	5%
Operating Expense	\$12,357	\$99,606	\$106,494	(6%)
Other Income / (Expense)	\$23,522	\$26,086	\$24,112	8%
Net Income / (Loss)	<u>\$26,737</u>	<u>\$20,052</u>	<u>\$6,417</u>	212%
Active Accounts	229	229	229	0%
Monthly Sewer Service Charge	\$68	\$68	\$65	5%
Income / (Loss) / Active Account	\$116.76	\$87.56	\$28.02	-
Connection Fee Revenue	\$0	\$15,200	\$30,400	(50%)

Operating revenue of \$93,572 was 5% higher than the previous year same period due to the 5% rate increase effective July 1, 2014. Operating expenditures were 6% (\$6,888) lower than the previous year same period. The fiscal year-to-date net income of \$20,052 compares to a budgeted annual loss of \$30,000 and to a net income of \$6,417 for the prior year same period. \$18,447 (26%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date.

\$15,200 in connection fees have been collected (\$15,000 is budgeted). Oceana Marin ended the month with a cash balance of \$337,378, compared to a budgeted projection of \$228,000 at June 30, 2015.

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING DECEMBER 31, 2014**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$308,520	\$0	\$36,793	\$0	\$271,727
Restricted Cash (Note 1)					
Connection Fee Fund	\$0	\$0	\$0	\$0	\$0
Wohler Pipeline Financing Fund	396,551	396,551	0	0	0
Collector #6 Financing Fund	1,559,142	1,559,142	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	2,775,952	2,775,952	0	0	0
Deer Island RWF Replacement Fund	643,860	0	643,860	0	0
Capital Replacement & Expansion Fund	267,400	0	267,400	0	0
Tax Receipts Held in Marin Co Treasury	3,605	0	0	3,604	1
STP SRF Loan Fund-Marlin Co Treasury	576,855	576,855	0	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
Designated Cash (Note 2)					
Liability Contingency Fund	315,815	315,815	0	0	0
Self-Insured Workers' Compensation Fund	493,297	479,453	8,194	0	5,650
Retiree Medical Benefits Fund	3,359,896	3,359,896	0	0	0
Maintenance Accrual Fund	1,808,913	1,808,913	0	0	0
Conservation Incentive Rate Fund	12,359	0	0	12,359	0
Operating Reserve Fund	60,000	0	0	0	60,000
Total Cash	\$13,226,462	\$11,272,576	\$1,570,546	\$45,963	\$337,378
Gain/(Loss) on MV of Investments	2,733	2,733	0	0	0
Market Value of Cash & Investments	\$13,229,195	\$11,275,309	\$1,570,546	\$45,963	\$337,378
Current Assets					
Net Receivables - Consumers	\$1,694,650	\$1,480,589	\$103,752	\$119,653	(\$9,343)
Accounts Receivable - Other	4,665,646	3,292,747	101,522	1,177,945	93,432
Prepaid Expense	68,256	66,129	0	0	2,127
Reimbursable Small Jobs	9,107	9,107	0	0	0
Interest Receivable	16,843	16,843	0	0	0
Inventories	581,198	581,198	0	0	0
Deposits Receivable	24,000	24,000	0	0	0
Total Current Assets	\$7,059,701	\$5,470,613	\$205,274	\$1,297,598	\$86,216

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING DECEMBER 31, 2014**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$1,249,195	\$1,249,195	\$0	\$0	\$0
Other Long Term Receivables	1,936,194	0	1,936,194	0	0
Loans Receivable	\$3,185,389	\$1,249,195	\$1,936,194	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,632,131	5,139,718	0	492,412	0
Treatment Facilities	21,060,233	17,561,535	2,666,198	319,913	512,587
Storage Facilities	18,872,517	16,466,506	519,014	1,886,996	0
Transmission Facilities	5,489,830	5,367,506	0	122,324	0
Distribution Facilities	79,101,608	57,641,873	17,248,670	4,211,065	0
Sewer Mains, Pumps, & Laterals	1,154,525	0	0	0	1,154,525
Sub-Total	\$132,783,935	\$103,546,010	\$20,433,881	\$7,136,122	\$1,667,921
Less Accumulated Depreciation (Note 4)	(42,638,610)	(37,064,184)	(1,628,516)	(3,089,889)	(856,021)
Net Property and Plant	\$90,145,325	\$66,481,827	\$18,805,366	\$4,046,233	\$811,900
Buildings and Equipment (Note 5)					
Buildings	\$2,485,107	\$2,485,107	\$0	\$0	\$0
Office Equipment	689,230	689,230	0	0	0
Laboratory Equipment	299,383	299,383	0	0	0
Trucks & Automobiles	1,164,761	1,164,761	0	0	0
Construction Equipment	724,356	724,356	0	0	0
Tools, Shop Equipment	209,060	209,060	0	0	0
Sub-Total	\$5,571,897	\$5,571,897	\$0	\$0	\$0
Less Accumulated Depreciation (Note 4)	(3,554,824)	(3,554,824)	0	0	0
Net Buildings and Equipment	\$2,017,074	\$2,017,074	\$0	\$0	\$0
Construction In Progress					
Developer	\$310,683	\$305,444	\$0	\$5,239	\$0
District	15,152,109	13,308,815	97,874	1,707,318	38,101
Total Construction in Progress	\$15,462,792	\$13,614,260	\$97,874	\$1,712,557	\$38,101
Net Utility Plant	\$107,625,191	\$82,113,160	\$18,903,239	\$5,758,790	\$850,001
TOTAL ASSETS	\$131,099,477	\$100,108,278	\$22,615,254	\$7,102,350	\$1,273,594

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING DECEMBER 31, 2014**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$2,785,005	\$2,699,133	\$40,138	\$45,783	(\$49)
Reimbursement Prog. Unclaimed Funds	19,955	16,055	0	3,900	0
Bond Debt Principal Payable-Current	23,916	0	0	23,916	0
Loan Debt Principal Payable-Current	1,365,587	760,433	602,789	2,364	0
Bank of Marin Principal Payable-Current	315,002	274,487	0	40,515	0
Bond/Loan Debt Interest Payable-Current	2,519	1,252	0	1,267	0
Accrued Interest Payable-SRF Loan	78,722	1,287	77,436	0	0
Deposits/Performance Bonds	136,272	115,772	0	18,500	2,000
Unemployment Insurance Reserve (Note 7)	24,883	24,883	0	0	0
Workers' Comp Future Claims Payable	36,641	34,193	918	1,113	417
Payroll Benefits (Note 8)	820,787	763,552	20,542	26,687	10,005
Deferred Revenue	93,886	454	0	0	93,432
Total Current Liabilities	\$5,703,174	\$4,691,500	\$741,823	\$164,045	\$105,806
Restricted Liabilities					
Construction Advances	\$267,834	\$243,262	\$0	\$24,572	\$0
Total Restricted Liabilities	\$267,834	\$243,262	\$0	\$24,572	\$0
Long Term Liabilities (Note 6)					
Bonds Outstanding - PR6 (FmHA)	\$66,000	\$0	\$0	\$66,000	\$0
Bonds Outstanding - PRE1 (FmHA)	61,000	0	0	61,000	0
Drought Loan (EDA)	38,816	34,373	0	4,443	0
STP Rehab SRF Loan	11,991,187	11,991,187	0	0	0
RWF SRF Loan	2,821,188	0	2,821,188	0	0
RWS North/South Expansion SRF Loan	8,528,836	0	8,528,836	0	0
Bank of Marin Loan	6,752,485	5,888,295	0	864,191	0
Retiree Health Benefits Payable	732,397	732,397	0	0	0
Total Long Term Liabilities	\$30,991,910	\$18,646,252	\$11,350,024	\$995,634	\$0
TOTAL LIABILITIES	\$36,962,918	\$23,581,014	\$12,091,847	\$1,184,251	\$105,806

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING DECEMBER 31, 2014**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$71,135,442	\$64,254,190	\$4,104,370	\$2,102,206	\$674,676
Grants in Aid of Construction	6,934,714	180,524	3,926,970	2,827,220	0
Connection Fees (Note 14)	30,778,093	24,869,910	4,262,529	1,168,758	476,895
Total Investment	\$108,848,248	\$89,304,624	\$12,293,870	\$6,098,184	\$1,151,570
Restricted Reserves					
Connection Fee Fund	(\$2,576,852)	(\$2,743,182)	\$0	\$184,445	(\$18,115)
Wohler Pipeline Financing Fund	396,551	396,551	0	0	0
Collector #6 Financing Fund	1,559,142	1,559,142	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	3,421,018	2,775,952	0	645,066	0
Deer Island RWF Replacement Fund	643,860	0	643,860	0	0
Capital Replacement & Expansion Fund	267,400	0	267,400	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
Designated Reserves					
Liability Contingency Fund	414,700	315,815	0	98,885	0
Maintenance Accrual Fund	4,065,681	4,065,681	0	0	0
Self-Insured Workers' Compensation Fund	473,150	445,261	7,276	15,381	5,232
Retiree Medical Benefits Fund	2,627,490	2,627,490	0	0	0
Conservation Incentive Rate Fund	41,734	0	0	41,734	0
Operating Reserve Fund	60,000	0	0	0	60,000
Earned Surplus - Prior Yrs	(30,850,639)	(26,630,908)	(2,861,804)	(1,307,521)	(50,407)
Net Income/(Loss)	1,131,239	1,124,517	(114,002)	100,672	20,052
Transfer (To)/From Reserves (see below)	2,969,539	3,286,322	(327,493)	11,253	(544)
Total Restricted & Designated	(\$14,711,690)	(\$12,777,360)	(\$1,770,463)	(\$180,084)	\$16,218
TOTAL NET POSITION	\$94,136,558	\$76,527,264	\$10,523,406	\$5,918,100	\$1,167,788
Transfer (To)/From Reserves					
Connection Fee	1,543,620	1,544,098	0	(478)	0
MMWD Wheeling Charge Capital Contribution	0	0	0	0	0
Maintenance Reserve	(50,000)	(50,000)	0	0	0
RWF Replacement Fund	(58,912)	0	(58,912)	0	0
Capital Replacement & Expansion Fund	(267,400)	0	(267,400)	0	0
Retiree Medical Insurance Fund	(10,421)	(10,421)	0	0	0
(Gain)/Loss Self-Insured WC Fund	(47,758)	(44,628)	(1,181)	(1,406)	(544)
Bank of Marin Project Fund	1,654,116	1,654,687	0	(571)	0
Conservation Incentive Rate Fund	13,708	0	0	13,708	0
Total Transfer	\$2,969,538.50	\$3,286,321.63	(\$327,492.65)	\$11,253.42	(\$543.90)

NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
FOR PERIOD ENDING DECEMBER 31, 2014

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$7,553,576	\$14,410,000	52%	\$8,958,358
Bimonthly Service Charge	2,156,191	4,316,000	50%	2,152,943
Sewer Service Charge	93,432	187,000	50%	88,660
Wheeling & Misc Service Charges	198,973	385,000	52%	309,527
TOTAL OPERATING REVENUE	\$10,002,171	\$19,298,000	52%	\$11,509,487
OPERATING EXPENDITURES				
Source of Supply	\$2,973,941	\$4,879,000	61%	\$3,333,273
Pumping	180,190	411,000	44%	202,711
Operations	360,541	620,000	58%	355,666
Water Treatment	801,667	2,042,000	39%	1,113,762
Sewer Service	62,871	149,000	42%	69,041
Transmission & Distribution	1,337,604	2,816,000	48%	1,200,215
Consumer Accounting	289,112	589,000	49%	286,984
Water Conservation	199,740	467,000	43%	157,531
General & Administrative	811,369	1,799,000	45%	653,276
Depreciation Expense	1,608,428	3,146,000	51%	1,466,255
TOTAL OPERATING EXPENDITURES	\$8,625,462	\$16,918,000	51%	\$8,838,714
NET OPERATING INCOME (LOSS)	\$1,376,709	\$2,380,000	58%	\$2,670,773
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$49,124	\$85,000	58%	\$47,169
Interest Revenue	58,835	98,000	60%	59,579
Miscellaneous Revenue	88,100	144,000	61%	83,081
Bond & Loan Interest Expense	(430,412)	(867,000)	50%	(455,430)
Miscellaneous Expense	(11,117)	(58,000)	19%	(32,307)
TOTAL NON-OP REVENUE/(EXPENSE)	(\$245,470)	(\$598,000)	41%	(\$297,908)
NET INCOME/(LOSS)	\$1,131,239	\$1,782,000	63%	\$2,372,865
OTHER SOURCES/(USES) OF FUNDS				
Add Depreciation Expense	\$1,608,428	\$3,146,000	51%	\$1,466,255
Connection Fees	791,600	1,319,000	60%	30,400
Loan Proceeds	0	0	-	2,911,791
Grant Proceeds	1,185,250	1,286,000	92%	140,044
Caltrans AEEP Capital Contribution	7,519,184	8,840,000	85%	0
Stone Tree RWF Loan Principal	100,035	201,000	50%	97,668
MMWD AEEP Capital Contribution	245,000	245,000	100%	0
Capital Acquisition (15 Gustafson)	0	0	-	(580,649)
Capital Equipment Expenditures	(26,329)	(198,000)	13%	(6,075)
Capital Improvement Projects	(10,350,052)	(19,304,000)	54%	(1,712,886)
Bond & Loan Principal Payments	(883,290)	(1,670,000)	53%	(894,993)
Change in Working Capital	(2,887,878)	0	-	2,300,652
TOTAL OTHER SOURCES/(USES)	(\$2,698,052)	(\$6,135,000)	44%	\$3,752,207
CASH INCREASE/(DECREASE)	(\$1,566,814)	(\$4,353,000)	36%	\$6,125,072

**NORTH MARIN WATER DISTRICT
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA
FOR PERIOD ENDING DECEMBER 31, 2014**

SUMMARY INCOME STATEMENT	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$10,002,171	\$9,077,170	\$422,034	\$409,395	\$93,572
Operating Expense	8,625,462	7,788,722	418,321	318,814	99,606
OPERATING INCOME/(LOSS)	\$1,376,709	\$1,288,448	\$3,713	\$90,582	(\$6,034)
Non-Operating Revenue/(Expense)	(\$245,470)	(\$163,931)	(\$117,715)	\$10,091	\$26,086
NET INCOME/(LOSS)	\$1,131,239	\$1,124,517	(\$114,002)	\$100,672	\$20,052

CAPITAL CONTRIBUTIONS

SCWA UFR Water Conservation Grant	\$7,305	\$7,305	\$0	\$0	\$0
Developer In-Kind Contributions	160,411	160,411	0	0	0
Caltrans AEEP Capital Contribution	7,519,184	7,519,184	0	0	0
MMWD Capital Contribution	245,000	245,000	0	0	0
Connection Fees	791,600	753,600	0	22,800	15,200
FRC Transfer	0	(608,270)	608,270	0	0
Prop 50 Gallagher Well Pipeline Grant	1,177,945	0	0	1,177,945	0
CAPITAL CONTRIBUTIONS	\$9,901,445	\$8,077,230	\$608,270	\$1,200,745	\$15,200
CHANGE IN NET POSITION	\$11,032,684	\$9,201,747	\$494,267	\$1,301,418	\$35,252
Net Position July 1, 2014	83,103,874	67,325,517	10,029,139	4,616,682	1,132,537
Net Position December 31, 2014	<u>\$94,136,558</u>	<u>\$76,527,264</u>	<u>\$10,523,406</u>	<u>\$5,918,100</u>	<u>\$1,167,788</u>

CASH FLOW STATEMENT

Net Income/(Loss)	\$1,131,239	\$1,124,517	(\$114,002)	\$100,672	\$20,052
Add Depreciation	1,608,428	1,268,646	235,837	78,295	25,650
Cash Generated From Operations	\$2,739,666	\$2,393,162	\$121,834	\$178,968	\$45,702
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$791,600	\$753,600	\$0	\$22,800	\$15,200
Loan Proceeds	0	0	0	0	0
Grant Proceeds	1,185,250	7,305	0	1,177,945	0
Capital Assets Acquisition	(10,376,381)	(9,054,761)	(93,849)	(1,209,324)	(18,447)
Caltrans AEEP Capital Contribution	7,519,184	7,519,184	0	0	0
Stone Tree RWF Loan Principal Pmts	100,035	0	100,035	0	0
MMWD AEEP Capital Contribution	245,000	245,000	0	0	0
Principal Paid on Debt	(883,290)	(515,135)	(337,190)	(30,965)	0
Consumer Receivables Decr (Incr)	1,531,167	1,319,581	164,348	35,068	12,170
Construction Advances (Decr) Incr	(1,040,816)	(1,065,388)	0	24,572	0
Other Assets/Liabilities Decr (Incr)	(3,837,331)	(2,698,700)	(27,871)	(1,111,413)	653
Trade Accounts Payable (Decr) Incr	459,102	431,497	(17,383)	45,783	(795)
Connection Fee Transfer	0	(608,270)	608,270	0	0
Interdistrict Loan Due To (From)	0	0	0	0	0
Total Other Sources (Uses)	(\$4,306,480)	(\$3,666,087)	\$396,359	(\$1,045,533)	\$8,781
Net Cash Provided (Used)	(\$1,566,813)	(\$1,272,924)	\$518,194	(\$866,566)	\$54,483
MV Cash & Investments July 1, 2014	14,796,009	12,548,234	1,052,352	912,528	282,895
MV Cash & Investments Dec 31, 2014	<u>\$13,229,195</u>	<u>\$11,275,309</u>	<u>\$1,570,546</u>	<u>\$45,963</u>	<u>\$337,378</u>

NOVATO WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$719,474	\$6,870,315	52%	\$8,213,255
Bill Adjustments	(3,439)	(44,443)	39%	(50,772)
Bimonthly Service Charges	343,047	2,058,280	50%	2,056,272
Account Turn-on Charges	4,263	28,170	38%	36,249
New Account Charges	565	4,471	50%	4,965
Returned Check Charges	153	612	61%	618
Hydrant Meter Up/Down Charges	300	600	12%	2,320
Backflow Service Charges	10,393	63,494	51%	61,230
Lab Service-Outside Clients	3,645	25,982	59%	27,900
Wheeling Charges - MMWD	12,695	69,690	58%	172,810
Water Sales - MMWD	0	0	0%	0
Regulation 15 Forfeiture	0	0	0%	0
TOTAL OPERATING REVENUE	\$1,091,094	\$9,077,170	52%	\$10,524,847
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$1,108	\$5,030	28%	\$3,944
Operating Expense - Source	940	5,839	53%	6,750
Maint/Monitoring of Dam	1,170	2,409	7%	10,296
Maint of Lake & Intakes	0	71	0%	0
Maint of Structures	0	0	0%	15
Maint of Watershed	107	6,682	28%	2,480
Water Quality Surveillance	739	4,730	36%	8,518
Fishery Maint	0	213	5%	0
Erosion Control	0	0	0%	13,939
Purchased Water	332,528	2,843,057	63%	3,165,008
SOURCE OF SUPPLY	\$336,592	\$2,868,030	62%	\$3,210,952
PUMPING				
Operating Expense - Pumping	\$231	\$237	8%	\$0
Maint of Structures & Grounds	9,640	26,803	79%	19,931
Maint of Pumping Equipment	3,046	13,502	19%	17,440
Electric Power	10,444	123,656	48%	146,850
PUMPING	\$23,360	\$164,198	45%	\$184,222
OPERATIONS				
Supervision & Engineering	\$22,446	\$112,898	70%	\$101,763
Operating Expense - Operations	20,724	133,686	62%	129,695
Maintenance Expense	616	8,533	10%	48,370
Telemetry Equipment/Controls Maint	7,000	25,860	40%	19,142
Leased Lines	186	7,323	41%	8,853
OPERATIONS	\$50,971	\$288,300	53%	\$307,823

NOVATO WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$7,416	\$68,948	73%	\$62,706
Operating Expense - Water Treatment	13,351	114,316	43%	171,333
Purification Chemicals	844	49,238	12%	260,350
Sludge Disposal	1,574	32,044	38%	46,359
Maint of Structures & Grounds	2,776	24,066	29%	31,371
Maint of Purification Equipment	3,392	54,782	42%	84,106
Electric Power	13	48,215	37%	62,577
Water Quality Programs	9,386	53,727	58%	51,256
Laboratory Direct Labor	33,253	172,724	51%	163,789
Lab Service-Outside Clients	3,517	25,376	40%	25,565
Water Quality Supervision	5,650	34,322	49%	36,332
Laboratory Supplies & Expense	4,874	36,655	52%	32,815
Customer Water Quality	2,227	22,135	36%	24,889
Lab Cost Distributed	(1,673)	(12,625)	60%	(10,302)
WATER TREATMENT	\$86,600	\$723,924	38%	\$1,043,144
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$46,054	\$270,307	46%	\$230,322
Maps & Records	8,347	45,190	36%	35,387
Operation of T&D System	11,669	36,836	21%	82,976
Facilities Location	4,383	52,411	86%	53,602
Safety: Construction & Engineering	3,522	17,490	30%	15,536
Customer Service Expense	10,641	69,290	43%	79,308
Flushing	244	2,025	4%	502
Storage Facilities Expense	12,837	78,299	66%	48,453
Cathodic Protection	0	1,355	6%	6,709
Maint of Valves/Regulators	14,451	76,099	37%	50,558
Maint of Mains	12,741	87,465	80%	32,262
Leak Detection - Mains	4,516	4,516	-	0
Backflow Prevention Program	12,959	77,227	74%	55,068
Maint of Copper Services	3,883	80,811	42%	86,849
Maint of PB Service Lines	26,907	226,298	52%	245,247
Single Service Installations	0	8,126	-	766
Maint of Meters	4,285	47,897	37%	47,149
Detector Check Assembly Maint	6,412	63,101	147%	17,296
Maint of Hydrants	1,829	10,852	10%	15,496
TRANSMISSION & DISTRIBUTION	\$185,679	\$1,255,597	47%	\$1,103,486
CONSUMER ACCOUNTING				
Meter Reading	\$15,714	\$69,769	43%	\$76,087
Collection Expense - Labor	2,462	10,516	33%	13,508
Collection Expense - Agency	109	1,109	37%	1,053
Billing & Consumer Accounting	22,636	130,031	52%	126,542
Contract Billing	1,473	8,542	45%	8,928
Stationery, Supplies & Postage	4,853	29,800	55%	29,286
Credit Card Fees	1,714	11,918	79%	6,619
Lock Box Service	912	4,560	51%	0
Uncollectable Accounts	1,111	7,805	43%	9,097
Office Equipment Expense	3,771	8,722	58%	10,386
Distributed to West Marin (4.1%)	(1,473)	(8,061)	50%	(7,383)
CONSUMER ACCOUNTING	\$53,283	\$274,711	49%	\$274,123

NOVATO WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER CONSERVATION				
Residential	\$31,473	\$160,759	48%	\$121,034
Commercial	479	2,763	11%	494
Public Outreach/Information	1,307	16,712	32%	23,401
Large Landscape	1,491	5,599	19%	8,902
TOTAL WATER CONSERVATION	\$34,751	\$185,833	42%	\$153,831
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$2,600	\$14,000	47%	\$6,900
Legal Fees	1,068	5,643	47%	12,688
Human Resources	2,429	12,368	40%	15,092
Auditing Fees	0	18,380	102%	17,990
Consulting Services/Studies	738	6,914	4%	0
General Office Salaries	89,875	577,748	47%	579,442
Safety: General District Wide	483	3,825	22%	6,492
Office Supplies	1,810	12,371	24%	15,758
Employee Events	3,594	5,423	45%	6,447
Other Administrative Expense	961	6,326	40%	6,127
Dues & Subscriptions	1,642	30,522	57%	42,022
Vehicle Expense	676	4,056	51%	4,105
Meetings, Conferences & Training	18,419	73,321	42%	58,355
Recruitment Expense	0	126	6%	201
Gas & Electricity	1,668	15,705	56%	14,670
Telephone	448	2,846	57%	1,399
Water	287	993	50%	1,055
Buildings & Grounds Maint	3,759	25,150	50%	12,829
Office Equipment Expense	5,761	42,230	41%	36,840
Insurance Premiums & Claims	7,296	43,448	41%	35,939
Retiree Medical Benefits	13,678	76,546	49%	76,978
(Gain)/Loss on Overhead Charges	22,238	13,514	-11%	(109,612)
G&A Applied to Other Operations (5.9%)	(7,651)	(50,643)	42%	(38,201)
G&A Applied to Construction	(27,753)	(181,329)	50%	(189,457)
GENERAL & ADMINISTRATIVE	\$144,024	\$759,483	45%	\$614,058
Depreciation (Note 4)	209,232	1,268,646	51%	1,220,814
TOTAL OPERATING EXPENSE	\$1,124,492	\$7,788,722	51%	\$8,112,453
OPERATING INCOME/(LOSS)	(\$33,398)	\$1,288,448	56%	\$2,412,394

**NOVATO WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014**

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	0%	\$0
Wohler Pipeline Financing Fund	161	1,237	124%	1,107
Collector #6 Financing Fund	632	4,866	97%	4,345
Retiree Medical Insurance Fund	1,359	10,421	87%	8,960
Self-Insured Workers' Comp Fund	193	1,433	143%	589
Aqueduct Energy Efficiency Proj Fund	1,291	10,802	154%	14,410
Funds Held in County Treasury	0	96	5%	0
Recycled Water Advance (Note 10)	0	0	-	24,856
Total Interest Revenue	\$3,636	\$28,855	70%	\$54,266
Rents & Leases	8,647	59,506	61%	48,912
Other Non-Operating Revenue	1,100	30,378	71%	10,018
Gain/(Loss) on MV of Investments	(8,789)	(6,584)	-	19,595
NON-OPERATING REVENUE	\$4,595	\$112,154	62%	\$132,791
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$17,626	\$106,713	48%	\$111,222
STP SRF Loan Interest Expense	26,594	157,848	50%	166,504
Drought Loan Interest Expense	209	1,252	42%	1,631
Other Non-Operating Expense	3,487	10,273	51%	4,812
NON-OPERATING EXPENSE	\$47,916	\$276,086	49%	\$284,169
NET INCOME/(LOSS)	(\$76,719)	\$1,124,517	59%	\$2,261,016
BEGINNING FUND EQUITY				
NET INCOME/(LOSS)	(76,719)	1,124,517		2,261,016
CONTRIBUTED CAPITAL				
SCWA UFR Water Conservation Grant	0	7,305	-	0
Developer 'In-Kind' Contributions	22,310	160,411	-	223,751
Caltrans AEEP Capital Contribution	1,032,498	7,519,184	-	0
MMWD AEEP Capital Contribution	0	245,000	100%	0
Connection Fees	0	753,600	88%	0
FRC Transfer to Recycled Water	(207,869)	(608,270)	113%	(1,453,134)
ENDING FUND EQUITY		\$76,527,264		\$66,376,463

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014**

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$5,638	\$405,189	59%	\$421,688
Bimonthly Service Charges	2,154	14,331	51%	12,670
Returned Check Charges	0	9	1%	0
Water Load Permits	0	2,505	-	0
Backflow Service Charges	0	0	-	252
TOTAL OPERATING REVENUE	\$7,792	\$422,034	59%	\$434,610
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$6,553	\$45,007	36%	\$53,943
Purchased Water - LGVSD	1,145	45,066	59%	48,334
SOURCE OF SUPPLY	\$7,698	\$90,072	44%	\$102,277
PUMPING				
Maint of Structures & Grounds	\$0	\$91	9%	\$0
Maint of Pumping Equipment	0	895	30%	399
Electric Power	149	1,601	53%	1,352
PUMPING	\$149	\$2,588	37%	\$1,751
OPERATIONS				
Supervision & Engineering	\$388	\$3,307	30%	\$4,104
Operating Expense - Operations	12	3,971	99%	6
Potable Water Consumed	6,696	29,546	295%	20,327
Maintenance Expense	0	0	0%	0
Telemetry Equipment/Controls Maint	2,673	3,610	40%	494
OPERATIONS	\$9,769	\$40,434	104%	\$24,930
WATER TREATMENT				
Purification Chemicals	\$0	\$0	0%	\$1,132
Maint of Structures & Grounds	0	297	-	0
Maint of Purification Equipment	0	1,748	29%	2,121
Electric Power	0	0	0%	0
Laboratory Direct Labor	431	711	14%	106
Lab Expense Distributed from Novato	259	435	15%	67
WATER TREATMENT	\$689	\$3,191	16%	\$3,426
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$545	\$2,175	18%	\$1,578
Operation of T&D System	0	64	6%	178
Cathodic Protection	0	0	0%	0
Storage Facilities Expense	3,009	4,510	150%	2,380
Maint of Valves/Regulators	0	801	40%	2,238
Backflow Prevention Program	0	0	0%	0
Maint of Meters	0	537	54%	39
Maint of Mains	1,140	18,736	-	2,576
TRANSMISSION & DISTRIBUTION	\$4,694	\$26,822	89%	\$8,989

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014**

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Distributed from Novato (3.6%)	\$70	\$386	39%	\$0
CONSUMER ACCOUNTING	\$70	\$386	39%	\$0
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.6%)	2,869	18,991	42%	\$10,731
GENERAL & ADMINISTRATIVE	\$2,869	\$18,991	42%	\$10,731
Depreciation (Note 4)	39,306	235,837	55%	140,341
TOTAL OPERATING EXPENSE	\$65,245	\$418,321	54%	\$292,446
OPERATING INCOME/(LOSS)	<u>(\$57,452)</u>	<u>\$3,713</u>	(6%)	<u>\$142,165</u>
NON-OPERATING REVENUE				
Interest:				
General Funds	\$58	\$309	8%	\$0
RWF Replacement Fund	257	1,412	-	0
Self-Insured Workers' Comp Fund	3	20	-	0
Stone Tree RWF Loan	4,142	25,251	52%	27,618
Total Interest Revenue	\$4,461	\$26,992	51%	\$27,618
Other Non-Operating Revenue	0	284	-	0
NON-OPERATING REVENUE	\$4,461	\$27,276	51%	\$27,618
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$6,166	\$36,599	50%	\$38,972
Expansion SRF Loan Interest Expense	17,976	108,393	50%	116,209
Other Non-Operating Expense	0	0	0%	0
Interest-Advance from Novato (Note 10)	0	0	-	24,856
NON-OPERATING EXPENSE	\$24,142	\$144,991	49%	\$180,037
NET INCOME/(LOSS)	<u>(\$77,133)</u>	<u>(\$114,002)</u>	38%	<u>(\$10,254)</u>
BEGINNING FUND EQUITY		\$10,029,139		\$9,707,718
NET INCOME/(LOSS)	(77,133)	(114,002)		(10,254)
State Prop 50 Grant	0	0	-	1,971
Water Smart Grant	0	0	-	138,073
FRC Transfer from Novato	207,869	608,270	83%	1,453,134
ENDING FUND EQUITY		<u>\$10,523,406</u>		<u>\$11,290,642</u>

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014**

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$33,437	\$334,474	51%	\$385,679
Bill Adjustments	(1,636)	(11,959)	-	(11,493)
Bimonthly Service Charges	13,148	83,580	50%	84,000
Account Turn-on Charges	231	529	59%	509
New Account Charges	20	115	58%	110
Returned Check Charges	0	36	-	27
Backflow Service Charges	914	2,621	53%	2,385
TOTAL OPERATING REVENUE	\$46,114	\$409,395	49%	\$461,218
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Operating Expense	\$429	\$1,662	15%	\$5,726
Operating Supplies & Expense	0	0	-	111
Maint of Structures	0	7,525	84%	14,208
Water Quality Surveillance	0	0	0%	0
Purchased Water - MMWD	0	6,651	18%	0
SOURCE OF SUPPLY	\$429	\$15,838	27%	\$20,045
PUMPING				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	163	5,925	54%	933
Maint of Pumping Equip	169	455	4%	6,256
Electric Power	697	7,024	47%	9,549
PUMPING	\$1,030	\$13,404	34%	\$16,738
OPERATIONS				
Supervision & Engineering	\$194	\$2,643	44%	\$1,874
Operating Expense	3,246	14,301	119%	13,757
Maint of Telemetry Equipment	9,302	12,594	84%	4,378
Leased Lines	124	2,269	38%	2,905
OPERATIONS	\$12,865	\$31,808	82%	\$22,913
WATER TREATMENT				
Supervision & Engineering	\$97	\$485	7%	\$3,633
Operating Expense	894	14,135	88%	4,632
Purification Chemicals	359	1,454	29%	1,342
Maint of Structures & Grounds	0	2,350	235%	0
Maint of Purification Equipment	0	4,496	26%	11,100
Water Quality Programs	0	0	-	46
Electric Power	1,325	13,350	49%	14,813
Laboratory Direct Labor	2,811	18,435	64%	16,037
Laboratory Services	0	3,233	81%	1,629
Water Quality Supervision	0	3,610	90%	1,671
Customer Water Quality	51	1,848	37%	2,109
Lab Expense Distributed from Novato	1,445	11,155	70%	10,179
WATER TREATMENT	\$6,981	\$74,552	57%	\$67,192

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014**

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$580	\$6,891	49%	\$4,778
Maps & Records	0	2,756	92%	3,945
Operating Expense	0	0	-	21
Facilities Location - USA	0	1,185	39%	647
Customer Service Expense	1,093	8,761	55%	8,040
Flushing	0	0	0%	6,547
Storage Facilities Expense	4,802	9,477	47%	13,047
Cathodic Protection	0	0	0%	1,459
Maint of Valves	169	829	17%	6,990
Valve Operation Program	0	0	0%	3,083
Maint of Mains	0	483	10%	5,808
Water Quality Maintenance	0	0	-	85
Maint of Backflow Devices	0	484	48%	209
Backflow Dev Inspection/Survey	0	0	0%	1,525
Maint of Copper Services	382	3,471	87%	5,477
Maint of PB Service Lines	3,857	14,318	130%	17,602
Maint of Meters	0	235	12%	1,169
Detector Check Assembly Maint	0	2,290	229%	191
Maint of Hydrants	0	0	0%	4,503
Hydrant Operation	0	0	0%	2,616
Single Service Installation	0	4,005	-	0
TRANSMISSION & DISTRIBUTION	\$10,884	\$55,184	50%	\$87,740
CONSUMER ACCOUNTING				
Meter Reading	\$389	\$4,753	40%	\$4,257
Collection Expense - Labor	105	570	28%	633
Uncollectable Accounts	0	676	-	247
Distributed from Novato (3.6%)	1,241	6,807	52%	6,523
CONSUMER ACCOUNTING	\$1,735	\$12,805	47%	\$11,661
WATER CONSERVATION				
Water Conservation Program	\$515	\$13,907	63%	\$3,700
TOTAL WATER CONSERVATION	\$515	\$13,907	63%	\$3,700
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (3.2%)	\$3,478	\$23,020	42%	\$20,743
GENERAL & ADMINISTRATIVE	\$3,478	\$23,020	42%	\$20,743
Depreciation (Note 4)	13,044	78,295	49%	76,591
TOTAL OPERATING EXPENSE	\$50,962	\$318,814	50%	\$327,321
OPERATING INCOME/(LOSS)	(\$4,849)	\$90,582	48%	\$133,897

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014**

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest - General Funds	\$12	\$94	-	\$84
Interest - FRC	(2)	478	48%	453
Interest - Bank of Marin Project Fund	(7)	1,464	73%	1,464
Interest - CIR Fund	17	162	-	0
Rents & Leases	0	3,941	99%	4,035
Tax Proceeds - OL-2 G.O. Bond	0	44	-	1,532
Tax Proceeds - PR-2 Tax Allocation	22,479	23,759	58%	22,092
Other Non-Operating Revenue	0	75	-	20
NON-OPERATING REVENUE	\$22,500	\$30,018	63%	\$29,681
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$2,587	\$15,664	49%	\$16,326
OL-2 G.O. Bond Interest Expense	17	99	-	191
PRE-1 Revenue Bond Interest Exp	300	1,800	50%	2,050
PR-6 Revenue Bond Interest Exp	313	1,875	48%	2,100
Drought Loan Interest Expense	28	170	42%	225
Master Plan Update	0	0	-	12,049
Other Non-Operating Expense	320	320	-	14,964
NON-OPERATING EXPENSE	\$3,564	\$19,927	50%	\$47,905
NET INCOME/(LOSS)	\$14,087	\$100,672	51%	\$115,672
BEGINNING FUND EQUITY		\$4,616,682		\$4,591,845
NET INCOME/(LOSS)	14,087	100,672		115,672
CONTRIBUTED CAPITAL				
Prop 50 Gallagher Well Pipeline Grant	63,724	1,177,945	-	0
Developer 'In-Kind' Contributions	0	0	-	5,051
Connection Fees	0	22,800	99%	0
ENDING FUND EQUITY		\$5,918,100		\$4,712,569

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014**

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$15,572	\$93,432	50%	\$88,660
Inspection Fees	0	140	-	140
TOTAL OPERATING REVENUE	\$15,572	\$93,572	50%	\$88,800
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$485	\$5,614	30%	\$5,826
Inspection	244	244	-	988
Maps & Records	0	14	-	77
Operating Expense	228	3,173	79%	631
Facilities Location	340	1,007	101%	453
Maint of Telemetry Equipment	1,059	4,002	-	0
Sewer Service Installation	0	95	-	0
Maint of Lift Stations	0	281	2%	419
Maint of Manholes	0	0	0%	0
Maint of Sewer Mains	0	0	0%	0
Electric Power	763	4,675	52%	4,414
SEWAGE COLLECTION	\$3,119	\$19,106	35%	\$12,808
SEWAGE TREATMENT				
Operating Expense	\$964	\$25,740	129%	\$15,815
Treatment Supplies & Expense	(70)	0	0%	0
Maint of Structures	0	9	0%	0
Maint of Equipment	11	1,034	5%	1,176
Laboratory Direct Labor	0	1,689	34%	89
Lab Expense Distributed from Novato	(30)	1,034	52%	56
Electric Power	484	3,424	49%	5,926
SEWAGE TREATMENT	\$1,358	\$32,930	52%	\$23,063
SEWAGE DISPOSAL				
Operating Expense	\$1,830	\$8,081	269%	\$0
Maint of Pump Stations	0	594	7%	1,302
Maint of Storage Ponds	0	244	2%	0
Maint of Irrigation Field	0	1,916	32%	0
SEWAGE DISPOSAL	\$1,830	\$10,835	35%	\$1,302
CONTRACT OPERATIONS				
Contract Operations	\$0	\$0	-	\$31,869
CONTRACT OPERATIONS	\$0	\$0	-	\$31,869
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$342	\$342	-	\$341
Distributed from Novato (0.5%)	\$161	\$868	43%	\$860
CONSUMER ACCOUNTING	\$503	\$1,210	60%	\$1,200
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.0%)	\$1,304	\$8,632	43%	\$6,726
Liability Insurance	207	1,242	41%	1,017
GENERAL AND ADMINISTRATIVE	\$1,511	\$9,875	43%	\$7,743
Depreciation (Note 4)	4,035	25,650	44%	28,510
TOTAL OPERATING EXPENSE	\$12,357	\$99,606	43%	\$106,494
OPERATING INCOME/(LOSS)	\$3,215	(\$6,034)	13%	(\$17,694)

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING DECEMBER 31, 2014**

	DECEMBER 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Rents & Leases	\$0	\$500	-	\$500
Interest - General Funds	88	772	77%	541
Interest - Self Insured WC Fund	2	17	-	9
Tax Proceeds - OM-1/OM-3 Tax Alloc	23,956	25,321	58%	23,544
NON-OPERATING REVENUE	\$24,046	\$26,610	59%	\$24,594
NON-OPERATING EXPENSE				
Master Plan Update	\$182	\$182	1%	\$0
Other Non-Operating Expense	\$343	\$343	-	\$483
NON-OPERATING EXPENSE	\$524	\$524	2%	\$483
NET INCOME/(LOSS)	\$26,737	\$20,052	(67%)	\$6,417
BEGINNING FUND EQUITY		\$1,132,537		\$1,101,988
NET INCOME/(LOSS)	26,737	20,052		6,417
CONTRIBUTED CAPITAL				
Contribution in Aid of Construction	0	0	-	63
Connection Fees	0	15,200	101%	30,400
ENDING FUND EQUITY		\$1,167,788		\$1,138,868

**NORTH MARIN WATER DISTRICT
ANALYSIS OF WORKER'S COMP, CONNECTION FEE AND CIR FUNDS
FOR PERIOD ENDING DECEMBER 31, 2014**

		NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
<u>WORKERS' COMPENSATION FUND</u>	TOTAL				
WC Cash Balance 7/1/14	\$450,347	\$424,124	\$14,770	\$4,946	\$6,507
Less: Projected Prior FY Claims Liability	24,956	23,492	795	258	411
Add: Funds borrowed to subsidize operations	0	0	0	0	0
WC Reserve Balance 7/1/14	\$425,391	\$400,632	\$13,975	\$4,688	\$6,096
Add: WC Expense Charged to Operations FYTD	101,861	95,054	3,095	1,160	2,553
Interest Earned	1,470	1,433	0	17	20
Subtotal	\$528,722	\$497,119	\$17,070	\$5,865	\$8,669
Less: Claims Expense Paid	31,271	29,181	950	356	784
Excess Insurance Premium	26,402	24,638	802	301	662
Administration Fees	6,000	5,599	182	68	150
Correction to Prior Year Balance	(8,100)	(7,559)	(246)	(92)	(203)
WC Reserve Balance 12/31/14	\$473,149	\$445,260	\$15,381	\$5,232	\$7,276
Add: Projected Claims Liability	36,641	34,193	1,113	417	918
Funds borrowed to subsidize operations	(16,494)	0	(16,494)	0	0
WC CASH BALANCE 12/31/14	\$493,297	\$479,453	\$0	\$5,650	\$8,194
<u>CONNECTION FEE FUND</u>					
Connection Fee Cash Balance 7/1/14	\$170,309	\$0	\$170,309	\$0	
Add: funds borrowed to subsidize operations	(2,576,836)	(2,554,488)	0	(22,348)	
Connection Fee Reserve Balance 7/1/14	(\$2,406,527)	(\$2,554,488)	\$170,309	(\$22,348)	
Add: Connection Fees Collected FYTD	791,600	753,600	22,800	15,200	
Interest Earned	478	0	478	0	
Subtotal	(\$1,614,449)	(\$1,800,888)	\$193,587	(\$7,148)	
Less: Fees Expended FYTD	354,135	334,025	9,142	10,967	
Fees transferred to RWS FYTD (Note 15)	604,753	604,753	0	0	
Connection Fee Reserve Balance 12/31/14	(\$2,573,337)	(\$2,739,667)	\$184,445	(\$18,115)	
Less: Funds borrowed to subsidize operations	(2,573,337)	(2,739,667)	184,445	(18,115)	
CONNECTION FEE CASH BALANCE 12/31/14	\$0	\$0	\$0	\$0	
<u>CONSERVATION INCENTIVE RATE FUND</u>					
CIR Cash Balance 7/1/14	\$55,442	\$0	\$55,442		
Add funds borrowed to subsidize operations	39,958	0	0		
CIR Reserve Balance 7/1/14	\$95,400	\$0	\$55,442		
Add: CIR Charges Billed FYTD	50,017	46,406	3,611		
Regulation 15 Forfeitures	0	0	0		
Interest Earned	162	0	162		
Subtotal	\$145,579	\$46,406	\$59,215		
Less: CIR Funds Expended FYTD ¹	45,707	31,800	13,907		
Bill Adjustments	18,181	14,606	3,575		
CIR Reserve Balance 12/31/14	\$41,734	\$0	\$41,734		
Less funds borrowed to subsidize operations	29,375	0	29,375		
CIR CASH BALANCE 12/31/14	\$12,359	\$0	\$12,359		

¹ On September 1, 2009 the Board authorized water conservation expenditures to be charged against the Conservation Incentive Rate Fund

EQUIPMENT EXPENDITURES

PERIOD ENDING DECEMBER 31, 2014

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	DECEMBER 2014	FYTD TOTAL	FY 14/15 BUDGET	(OVER) UNDER	Notes
1 CONSTRUCTION					
a. 2" Mole for Services		\$0	\$6,000	\$6,000	1,2
b. Leak Calculator with 12 Data Loggers		17,143	12,000	(5,143)	
c. Hydraulic Power Grit Utility Saw		6,088	5,000	(1,088)	1
	\$0	\$23,231	\$23,000	(\$231)	
2 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. 4 X 4 Loader (Used)		\$0	\$89,000	\$89,000	1
b. Forklift		0	30,000	30,000	1
c. Replacement Car		0	28,000	28,000	1
d. Replacement Car		0	28,000	28,000	1
e. Radios for 3 New Trucks Purchased in FY14		3,098	0	(3,098)	1
	\$0	\$3,098	\$175,000	\$171,902	
TOTAL EQUIPMENT EXPENDITURES	\$0	\$26,329	\$198,000	\$171,671	

Notes:

(1) Replacement item.

(2) Purchased for \$3,710, which is below the capitalization threshold, and expensed to the Small Tools Budget.

**NORTH MARIN WATER DISTRICT
OVERHEAD ACCOUNT ANALYSIS
FOR PERIOD ENDING DECEMBER 31, 2014**

	YEAR TO DATE ACTUAL	ANNUAL BUDGET	YTD/ BUDGET%	PRIOR YTD ACTUAL
<u>Material Handling</u>				
Material Overhead Recovered (15%)	\$27,688	\$112,000	25%	\$28,869
Labor	\$31,660	\$99,000	32%	\$34,088
Materials, Supplies & Expense	7,396	9,000	82%	1,707
Correction to Inventory Counts	(421)	0	-	(2,229)
Depreciation	1,561	4,000	39%	2,259
	<u>\$40,196</u>	<u>\$112,000</u>	36%	<u>\$35,825</u>
Net Material Handling Gain / (Loss)	<u>(\$12,508)</u>	<u>\$0</u>	-	<u>(\$6,956)</u>
<u>Construction Supplies</u>				
Const Supplies Overhead Recovered (10%)	\$117,977	\$310,000	38%	\$113,719
Labor	\$52,027	\$72,000	72%	\$32,806
Materials, Supplies & Expense	53,925	86,000	63%	44,502
Small Tools	12,609	19,000	66%	7,121
Depreciation	1,784	4,000	45%	2,238
	<u>\$120,345</u>	<u>\$181,000</u>	66%	<u>\$86,667</u>
Net Constr Supplies Gain / (Loss)	<u>(\$2,368)</u>	<u>\$129,000</u>	-2%	<u>\$27,052</u>
<u>Vehicle & Equipment</u>				
Vehicle & Equipment Recovered ¹	\$196,393	\$340,000	58%	\$176,860
Labor	\$32,174	\$100,000	32%	\$33,681
Materials, Supplies & Expense	34,995	57,000	61%	24,109
Fuel	55,399	110,000	50%	56,342
Depreciation	59,928	153,000	39%	49,978
	<u>\$182,496</u>	<u>\$420,000</u>	43%	<u>\$164,110</u>
Net Vehicle & Equip Gain / (Loss)	<u>\$13,897</u>	<u>(\$80,000)</u>	-17%	<u>\$12,750</u>
<u>Payroll</u>				
Overheaded Payroll Recovered	\$3,445,392	\$7,177,000	48%	\$3,423,143
Salary Including Leave Time	\$2,282,871	\$4,699,000	49%	\$2,174,709
Employer FICA & Medicare Tax	169,684	350,000	48%	160,182
Insurance ²	522,755	1,107,000	47%	444,292
Retiree Medical	38,750	78,000	50%	37,628
CalPERS Retirement	420,610	840,000	50%	533,625
Unreconciled Difference	23,256			(3,853)
	<u>\$3,457,927</u>	<u>\$7,074,000</u>	49%	<u>\$3,346,583</u>
Net Payroll Gain / (Loss)	<u>(\$12,535)</u>	<u>\$103,000</u>	³	<u>\$76,560</u>
Total Overhead Gain / (Loss)	<u>(\$13,514)</u>	<u>\$152,000</u>	-9%	<u>\$109,406</u>

¹ Vehicle & Equipment Recovered is the amount charged to projects and operations to recover the expense of owning and operating the asset. The recovery rate is \$6/hr for vehicles 3/4-ton and under \$11/hr for larger vehicles. An additional 50% is charged to developer projects to reflect the fair market value of the asset used.

² Insurance Includes Medical, Dental, Vision, Cafeteria, Life, & Workers' Compensation

³ Projected gain on self-insured worker's compensation gives rise to the budgeted payroll gain.

**NORTH MARIN WATER DISTRICT
EXPENDITURES BY CATEGORY
FOR PERIOD ENDING DECEMBER 31, 2014**

		Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
OPERATING EXPENSE										
1	Salaries & Benefits	\$2,677,933	\$25,673	\$111,201	\$30,019	\$2,844,826	\$6,012,000	47%	\$2,897,106	-2%
2	Water Purchases	2,843,057	90,072	0	0	2,933,129	4,721,000	62%	3,267,285	-10%
3	Depreciation	1,268,646	235,837	78,295	25,650	1,608,428	3,146,000	51%	1,466,255	10%
4	Materials, Services & Supplies	643,530	41,543	51,694	21,460	758,228	1,762,000	43%	607,048	25%
5	Chemicals	49,238	0	1,454	0	50,692	436,000	12%	262,824	-81%
6	Electric Power	171,871	1,601	20,375	8,100	201,946	449,000	45%	245,483	-18%
7	Tools & Supplies (Distrib)	88,943	1,685	6,226	2,034	98,887	172,000	62%	100,378	-1%
8	Vehicles and Equipment (Distrib)	122,482	2,098	8,587	1,600	134,767	242,000	56%	119,610	13%
9	Retiree Medical Expenses	76,546	0	0	0	76,546	156,000	49%	76,978	-1%
10	Office Supplies & Postage	42,171	0	0	0	42,171	115,000	37%	51,663	-18%
11	Insurance & Claims	43,448	0	0	1,242	44,691	109,000	41%	36,955	21%
12	Water Conservation Rebates	47,242	0	0	0	47,242	94,000	50%	31,653	49%
13	Overhead Charges (Gain)/Loss	13,514	0	0	0	13,514	(128,000)	-11%	(109,612)	-112%
14	Distributed Costs (Lab,G&A,ConsAcctg)	(252,657)	19,812	40,982	9,500	(182,362)	(368,000)	50%	(189,514)	-4%
15	Total Operating Expense	\$7,788,722	\$418,321	\$318,814	\$99,606	\$8,625,462	\$16,918,000	51%	\$8,838,714	-2%
16	Interest Expense & Other*	276,086	144,991	19,927	343	441,347	925,000	48%	499,975	-12%
17	Total Expense	\$8,064,808	\$563,312	\$338,741	\$99,949	\$9,066,810	\$17,843,000	51%	\$9,338,689	-3%
Warehouse, Shop & Yard										
18	Salaries & Benefits	\$110,228	\$0	\$0	\$0	\$110,228	\$267,000	41%	\$100,529	10%
19	Materials, Services & Supplies	225,944	0	0	0	225,944	292,000	77%	140,004	61%
20	Distributed Costs	(336,172)	0	0	0	(336,172)	(559,000)	60%	(240,533)	40%
21	Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
District Capital Outlay										
22	Salaries & Benefits	\$256,980	\$38,504	\$110,814	\$6,344	\$412,641	\$785,000	53%	\$397,368	4%
23	Equipment	26,329	0	0	0	26,329	198,000	13%	14,139	86%
24	Debt Principal Payments	515,135	337,190	30,965	0	883,290	1,670,000	53%	894,993	-1%
25	Materials, Services & Supplies	8,775,744	55,345	1,098,510	12,103	9,941,702	18,519,000	54%	1,300,339	665%
26	Total District Capital Outlay	\$9,574,187	\$431,039	\$1,240,289	\$18,447	\$11,263,961	\$21,172,000	53%	\$2,606,839	332%
Developer Funded Projects										
27	Salaries & Benefits	\$60,875	\$0	\$1,138	\$0	\$62,013	\$203,000	31%	\$101,711	-39%
28	Materials, Services & Supplies	78,643	0	(1,138)	0	77,506	119,000	65%	140,906	-45%
29	Total Developer Projects	\$139,519	\$0	\$0	\$0	\$139,519	\$322,000	43%	\$242,617	-42%
30	Total	\$17,778,513	\$994,351	\$1,579,030	\$118,395	\$20,470,290	\$39,337,000	52%	\$12,188,145	68%

*Includes Interfund Interest

**NORTH MARIN WATER DISTRICT
VEHICLE FLEET ANALYSIS
FOR PERIOD ENDING DECEMBER 31, 2014**

Fiscal Year to Date								Vehicle Cost per Mile				
Year	Description	Veh#	Assigned	Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Mileage	Life to Date	FYTD	FY14	FY13
1	1999 Dodge Ram 1500	32	Engineering	830	\$218	\$122	(\$97)	75,732	\$0.44	\$0.26	\$0.66	\$0.54
2	2000 Dodge Dakota	40	Pool	1,566	\$675	\$1,076	\$401	113,849	\$0.47	\$0.43	\$0.63	\$0.41
3	2001 Dodge Ram 1500	41	LeBrun	2,361	\$824	\$1,068	\$244	124,041	\$0.54	\$0.35	\$0.76	\$0.49
4	2002 Chev K1500 4x4	47	Engineering	3,336	\$1,937	\$1,697	(\$240)	110,588	\$0.36	\$0.58	\$0.71	\$0.54
5	2003 Dodge Dakota 4x4	49	Stompe	2,680	\$1,001	\$1,108	\$107	85,009	\$0.42	\$0.37	\$0.60	\$3.08
6	2003 Chev C1500	51	Pool	2,915	\$1,246	\$2,372	\$1,126	116,021	\$0.39	\$0.43	\$0.51	\$0.69
7	2004 Chev C1500	53	Kurfirst	4,950	\$1,830	\$5,217	\$3,387	111,399	\$0.45	\$0.37	\$1.52	\$0.69
8	2004 Chev C1500 Xtra Cab	54	Mello	6,846	\$3,003	\$2,925	(\$78)	88,484	\$0.40	\$0.44	\$0.62	\$0.42
9	2005 Honda Civic Hybrid	56	Lab	4,446	\$1,290	\$2,423	\$1,133	71,562	\$0.24	\$0.29	\$0.42	\$0.16
10	2005 Honda Civic Hybrid	57	Engineering	2,196	\$572	\$1,093	\$521	48,950	\$0.20	\$0.26	\$0.16	\$0.13
11	2005 Ford Ranger	58	Roberto	6,459	\$2,852	\$4,892	\$2,040	109,783	\$0.45	\$0.44	\$0.64	\$0.37
12	2005 Ford Ranger	59	Venegas	4,677	\$2,582	\$5,226	\$2,644	103,860	\$0.45	\$0.55	\$0.34	\$0.76
13	2006 Chev Colorado	501	Arendell	6,476	\$2,755	\$5,317	\$2,562	121,260	\$0.37	\$0.43	\$0.41	\$0.40
14	2007 Chev K2500 4x4	502	Corda, Joe	5,343	\$3,048	\$8,085	\$5,038	74,006	\$0.53	\$0.57	\$0.52	\$0.51
15	2007 Chev Colorado	504	Bynum	1,909	\$1,611	\$3,746	\$2,134	34,134	\$0.46	\$0.84	\$0.72	\$0.35
16	2008 Ford F250 4x4	505	Cilia	3,652	\$2,410	\$5,450	\$3,040	73,816	\$0.72	\$0.66	\$0.91	\$0.82
17	2008 Ford F250 4x4	506	STP	3,033	\$2,579	\$2,013	(\$566)	44,609	\$0.82	\$0.85	\$0.52	\$0.85
18	2008 Chev Colorado 4x4	509	Lemos	6,928	\$2,298	\$3,224	\$926	80,413	\$0.34	\$0.33	\$0.41	\$0.31
19	2009 Toyota Prius Hybrid	510	Clark	6,918	\$2,259	\$2,607	\$347	86,597	\$0.19	\$0.33	\$0.15	\$0.21
20	2010 Ford F150 4x4	511	STP	6,005	\$2,555	\$4,466	\$1,911	48,164	\$0.47	\$0.43	\$0.68	\$0.37
21	2010 Ford F150	512	Ortiz	7,539	\$2,805	\$3,936	\$1,131	70,324	\$0.47	\$0.37	\$0.59	\$0.41
22	2010 Ford F150	513	On-Call	4,582	\$1,502	\$1,634	\$132	37,727	\$0.49	\$0.33	\$0.61	\$0.45
23	2012 Ford F250	515	Reed	5,571	\$3,009	\$11,187	\$8,178	20,530	\$0.64	\$0.54	\$0.65	\$0.75
24	2012 Ford F250	516	Castellucci	5,103	\$2,503	\$6,798	\$4,295	19,166	\$0.62	\$0.49	\$0.64	\$0.71
25	2014 Ford F150	517	Grisso	1,668	\$520	\$2,585	\$2,065	1,942	\$0.30	\$0.31	\$0.26	-
26	2015 Ford F250 4x4	518	Kehoe	9,005	\$2,988	\$11,651	\$8,663	9,545	\$0.36	\$0.33	\$0.91	-
Total 3/4 Ton & Under				116,994	\$50,871	\$101,914	\$51,044	1,881,511	\$0.44	\$0.43	\$0.56	\$0.51
1	1999 Ford F350 W/Svc Body	19	Pool	785	\$962	\$440	(\$522)	129,834	\$0.76	\$1.23	\$2.97	\$1.40
2	2002 Int'l 5 Yd Dump	44	Pool	2,947	\$3,326	\$8,877	\$5,551	87,138	\$1.60	\$1.13	\$2.21	\$2.02
3	1999 Ford F550 3-Yd Dump ³	52	Crew	2,127	\$3,483	\$6,419	\$2,936	79,685	\$0.96	\$1.64	\$1.34	\$5.46
4	2006 Int'l 4300 Crew	503	Briet	2,240	\$5,062	\$9,573	\$4,510	28,899	\$2.57	\$2.26	\$2.20	\$1.82
5	2008 Ford F350 4x4	507	Latanyszyn	6,786	\$4,414	\$7,612	\$3,199	80,382	\$0.82	\$0.65	\$0.73	\$1.15
6	2009 Peterbilt 335 Crew	508	Kane	1,493	\$3,568	\$10,819	\$7,251	21,031	\$2.03	\$2.39	\$2.20	\$2.81
7	2012 Int'l 5 Yd Dump	514	Rupp	2,413	\$4,060	\$8,140	\$4,080	16,175	\$1.69	\$1.68	\$1.45	\$2.50
8	2015 Int'l 5 Yd Dump	519	Sjoblom	3,824	\$4,523	\$8,184	\$3,661	4,953	\$1.06	\$1.18	\$0.64	-
Total 1 Ton & Over				22,615	\$29,397	\$60,063	\$30,666	448,097	\$1.18	\$1.30	\$1.53	\$1.84

¹ Expense amount shown excludes depreciation (approximately \$77,000 for FY15).

² Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/07 the recovery rate for vehicles 3/4-ton and under is \$6/hr and the recovery rate for vehicles 1-ton and over is \$11/hr. An additional 50% is charged to developer projects to reflect the fair market value of the vehicle being used.

³ Purchased used in 2004 with 33,500 miles. Mileage shown is total incurred since District purchase.

**NORTH MARIN WATER DISTRICT
WATER CONSERVATION PROGRAM DETAIL
FOR PERIOD ENDING DECEMBER 31, 2014**

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Description		COST THRU JUNE 2014	DECEMBER 2014	FYTD TOTAL	FY 13/14 BUDGET	(OVER) UNDER	TOTAL COST
NOVATO							
a. Residential							
1-7700-01	1 Cash for Grass	\$255,240	\$3,826	\$29,356	\$50,000	\$20,644	\$284,596
1-7700-02	2 Landscape Efficiency Rebates	19,855	51	236	7,500	7,264	20,091
1-7700-03	3 Fixtures Purchases	37,905	0	0	5,000	5,000	37,905
1-7700-06	4 Washing Machine Rebates	325,825	953	5,974	20,000	14,026	331,799
1-7700-07	5 Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11	6 Toilet Rebate SF	901,752	2,823	17,380	34,000	16,620	919,132
1-7700-12	7 Toilet Rebate MF	18,173	0	0	4,000	4,000	18,173
1-7700-13	8 Residential Audits	256,068	5,840	18,913	50,000	31,087	274,981
1-7700-15	9 High Efficiency Toilet Distribution	221,913	0	999	0	(999)	222,912
1-7700-16	10 Water Waste Ordinance Monitoring	35,046	852	15,300	10,000	(5,300)	50,345
1-7700-17	11 Swimming Pool Cover Rebate	226	0	488	2,000	1,512	714
1-7700-19	12 ET Controller Rebate	25,150	0	1,348	8,000	6,652	26,498
1-7700-08	13 Administration	1,053,000	16,300	63,900	131,000	67,100	1,116,900
1-7700-20	14 New Development Wtr Cons Program	48,060	735	5,391	8,000	2,609	53,451
1-7700-21	15 Demand Offset Rebate Program	1,811	0	450	2,000	1,550	2,260
1-7700-23	16 Grant Administration	1,292	0	546	1,000	454	1,838
1-7700-24	17 Hot Water Recirculation Rebate	0	92	479	4,000	3,522	479
b. Commercial							
1-7701-02	1 Toilet Rebate Program	65,027	0	800	10,000	9,200	65,827
1-7701-03	2 Commercial Audits	8,761	479	1,963	15,000	13,037	10,724
c. Public Outreach/Information							
1-8672-16	1 Fall Newsletter	39,107	186	3,725	8,000	4,275	42,832
1-8672-17	2 Spring Newsletter	63,693	0	0	12,000	12,000	63,693
1-8672-18	3 Summer Newsletter	12,533	0	7,756	7,000	(756)	20,290
1-7700-04	4 Public Outreach / H ₂ O Fair	100,945	367	846	10,000	9,154	101,791
1-7700-05	5 Marketing	128,964	754	4,384	16,000	11,616	133,347
1-7700-22	6 Public Outreach/Leadership Novato	11,098	0	0	0	0	11,098
d. Large Landscape							
1-8653-02	1 Large Landscape Audits	78,901	405	2,401	10,000	7,599	81,302
1-7702-01	2 Large Landscape Budgets	29,441	86	2,198	3,000	802	31,639
1-7702-02	3 Large Landscape Irrig Efficiency Rebates	13,460	1,000	1,000	8,000	7,000	14,460
1-8653-01	4 CIMIS Station Maintenance	18,653	0	0	2,000	2,000	18,653
1-7702-03	6 Administration-Large Landscape	23,625	0	0	7,000	7,000	23,625
TOTAL NOVATO WATER CONSERVATION		\$3,849,899	\$34,751	\$185,833	\$445,000	\$259,167	\$4,035,731
WEST MARIN WATER							
2-5166-00	a. Water Conservation Program	\$53,039	\$515	\$13,907	\$22,000	\$8,093	\$66,946
TOTAL WATER CONSERVATION EXPENDITURES¹		\$53,039	\$515	\$13,907	\$22,000	\$8,093	\$66,946

¹FY15 total excludes \$258,000 (\$39.35/AF) paid to SCWA for water conservation services provided to NMWD.

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING DECEMBER 31, 2014**

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Description		COST THRU JUNE 2014	DECEMBER 2014	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS							
a. Main/Pipeline Replacements							
1-7067-20	1 So Novato Blvd-Rowland to Sunset (12"CI @ 1,000')	\$25,136	\$6,596	\$29,468	\$350,000	\$320,532	\$54,604
1-7130-00	2 STP 18" Transmission Line Evaluation (13,200')	34,426	27,556	197,843	130,000	(67,843)	232,270
1-7142-00	3 Shields Ln 6" Cast Iron (6" @ 1,120')	144,724	1,306	97,739	105,000	7,261	242,463
1-7144-00	4 Grant/4th 1" Galvanized Steel (6" @ 400')	11,030	107	107	0	(107)	11,137
b. Main/Pipeline Additions							
1-7145-00	1 Zone A Pressure Improvements - Ignacio	35,915	1,171	19,416	200,000	180,585	55,331
1-7150-00	2 San Mateo 24" Inlet/Outlet	0	4,425	10,084	30,000	19,916	10,084
c. PB Service Line Replacements							
1-7123-11	1 Pacheco Valle (42 Svcs)	3,449	(4,291)	(3,449)	125,000	128,449	0
1-7123-15	2 Atherton Oaks/Summit Lane (20 Svcs)	2,068	0	707	0	(707)	2,775
	3 Replace PB in Sync w/City Paving (30 Svcs)	0	0	0	90,000	90,000	0
1-7139-10	4 Measure A ,Group 7 (33 Svcs)	10,073	321	10,254	0	(10,254)	20,327
d. Relocations to Sync w/City & County CIP							
	1 Other Relocations	0	0	0	80,000		
TOTAL PIPELINE REPLACEMENTS/ADDITIONS		\$266,823	\$37,192	\$362,168	\$1,110,000	\$667,833	\$628,991
e. Aqueduct Replacements & Enhancements							
1-7118-01	1 MSN B1-Utility Agreement Costs	\$205,639	\$1,921	\$13,336	\$13,000,000	\$12,986,664	\$218,975
1-7118-02	2 MSN B2-Utility Agreement Costs	33,875	0	280	0	(280)	34,155
1-7118-03	3 MSN B3-Utility Agreement Costs	994,557	1,027,744	5,851,448	0	(5,851,448)	6,846,005
1-7118-04	4 AEEP Permitting & Design	1,184,422	460,041	2,656,032	0	(2,656,032)	3,840,454
1-7118-05	5 AEEP Legal Challenge/Litigation	10,679	0	0	0	0	10,679
1-7118-07	6 AEEP- B1 Construction	454,553	2,833	(34,329)	0	34,329	420,224
1-7118-10	7 MSN Aq Caltrans Reimb - Seg B2 Gunn Dr ⁵	40,958	0	0	0	0	40,958
1-7118-17	8 AEEP B1 Betterment & Depreciation Cost	381,578	0	29,586	0	(29,586)	411,164
1-7118-18	9 AEEP B2 Betterment & Depreciation Cost	765	0	0	0	0	765
1-7118-20	10 AEEP-B3 Advance Tree Removal	296,424	0	(296,424)	0	296,424	0
1-7118-21	11 AEEP-B3 Tree Removal-NMWD Cost ⁷	19,689	0	0	0	0	19,689
TOTAL AQUEDUCT REPLACEMENTS AND ENHANCEMENTS		\$3,623,137	\$1,492,539	\$8,219,930	\$13,000,000	\$4,780,070	\$11,843,067

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING DECEMBER 31, 2014**

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Description	COST THRU JUNE 2014	DECEMBER 2014	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
2 SYSTEM IMPROVEMENTS						
1-7008-11 a. RTU Upgrades	\$0	\$4,925	\$6,201	\$10,000	\$3,799	\$6,201
1-7007-09 b. Detector Check Assembly Repair/Repl (~14/yr)	0	15,722	56,071	150,000	93,929	56,071
1-7090-02 c. Anode Installations (150/yr)	9,002	0	6,264	30,000	23,736	15,266
1-7132-01 d. Radio Expansion Telemetry Upgrades	14,675	7,977	14,874	25,000	10,126	29,549
1-7054-05 e. Inaccurate Meter Replacement	0	0	0	10,000	10,000	0
1-7137-00 f. Backflow Device Upgrade-BMK (15 Svcs)	15,732	0	0	30,000	30,000	15,732
1-7146-00 g. Tank Access Hatch/Level Alarms (10 sites)	32,137	0	14,614	35,000	20,386	46,752
1-8650-20 h. Sampling Stations (6 biennially)	736	0	0	50,000	50,000	736
1-7136-00 i. Facilities Security Enhancements	0	0	0	25,000	25,000	0
1-7151-00 j. Emergency Generator Connections	0	784	9,119	15,000	5,881	9,119
TOTAL SYSTEM IMPROVEMENTS	\$72,283	\$29,407	\$107,143	\$380,000	\$272,857	\$179,426
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
a. Administration Building						
1-6501-41 1 Admin Office/Lab/Yard Remodel Plan	\$0	\$0	\$0	\$50,000	\$50,000	\$0
1-6501-45 2 Office HVAC	0	0	0	200,000	200,000	0
1-6501-46 3 Office Emergency Generator	0	0	0	150,000	150,000	0
b. Corp Yard/Warehouse/Construction Office						
1-8738-01 1 SMART Crossing Rework (@ Golden Gate Pl)	379	0	0	0	0	379
1-8738-02 2 SMART Crossing Rework (@ Roblar Rd)	4,657	0	37,149	0	(37,149)	41,806
1-8738-03 3 SMART Crossing Rework (@ Hanna Ranch)	182,599	367	35,656	0	(35,656)	218,255
c. Stafford Treatment Plant						
1-6600-54 1 Start-Up Flushing Connection	14,428	0	6,970	50,000	43,030	21,398
1-6600-82 2 STP Emergency Power Generator	0	0	0	150,000	150,000	0
TOTAL BUILDING, YARD, & STP IMPROVEMENTS	\$202,064	\$367	\$79,775	\$600,000	\$470,225	\$281,839
4 STORAGE TANKS & PUMP STATIONS						
1-6201-21 a. Atherton Recoat/Mixing System	\$116,960	\$69,677	\$219,157	\$2,200,000	\$1,980,843	\$336,117
1-6112-24 b. Lynwood Pump Station Motor Control Center	58,761	2,750	31,296	90,000	58,704	90,057
1-6222-23 c. Sunset Tank Cl2 Mixing System	0	2,082	2,082	100,000	97,918	2,082
1-6141-00 d. Crest P.S.(Design/Const)/Reloc School Rd P.S.	19,133	0	6,880	30,000	23,120	26,013
TOTAL STORAGE TANKS & PUMP STATIONS	\$194,854	\$74,509	\$259,416	\$2,420,000	\$2,160,584	\$454,270
5 RECYCLED WATER						
5-7127-00 a. NBWRA Grant Program Administration	\$933,115	(\$27,822)	\$34,817	\$100,000	\$65,183	\$967,932
5-6056-11 b. Expansion to South Svc Area-Phase 1A ^{1,2}	1,457,095	2,081	15,326	0	(15,326)	1,472,422
5-6056-15 c. Expansion to South Svc Area-Phase 1B-Claims	33,063	0	0	0	0	33,063
5-6056-16 d. RW Expansion S Svc Area-PH1A Post Mitigation Monitoring	18,696	0	0	0	0	18,696
5-6058-10 e. RW Exp-Central Area-Pre Design	4,024	1,436	39,981	0	(39,981)	44,006
5-7155-00 f. Deer Island Wet Well Drain	0	0	0	19,000	19,000	0
5-7156-00 g. Deer Island SCADA/Reporting Move to STP	0	0	3,725	6,000	2,275	3,725
TOTAL RECYCLED WATER	\$2,445,994	(\$24,305)	\$93,849	\$125,000	\$31,151	\$2,539,843

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING DECEMBER 31, 2014**

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Description	COST THRU JUNE 2014	DECEMBER 2014	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
6 WEST MARIN WATER SYSTEM						
System Improvements:						
2-6130-21 a. Olema PS Flood Protection & RTU Upgrade	\$19,057	\$4,060	\$10,767	\$100,000	\$89,233	\$29,824
2-7147-00 b. Emergency Generator Connections	14,405	6,261	6,261	15,000	8,739	20,666
2-7087-03 c. Gallagher Pipeline ⁶	56,959	63,750	1,173,930	1,286,000	112,070	1,230,889
2-7152-00 d. THM Spray Systems (3 Tanks)	0	0	0	10,000	10,000	0
2-7153-00 e. Upsize 4" Pipe from Bear Valley Tanks	0	10866	13,458	120,000	106,542	13,458
2-6602-23 f. Replace Pump in Well #2	0	0	0	18,000	18,000	0
2-6605-23 g. Abandon Downey Well	0	0	0	50,000	50,000	0
2-6601-32 h. TP Solids Handling & Land Acquisition ⁵	190,026	0	892	0	(892)	190,918
2-7087-00 i. Gallagher Well Pipeline CEQA ⁶	29,845	0	0	0	0	29,845
2-7087-01 j. Gallagher Well Pipeline Design ⁶	107,687	(26)	0	0	0	107,687
2-7087-02 k. Gallagher Auxiliary Stream Gauge ⁶	71,570	0	4,016	0	(4,016)	75,585
TOTAL WEST MARIN WATER SYSTEM	\$489,549	\$84,911	\$1,209,324	\$1,599,000	\$389,676	\$1,698,873
7 OCEANA MARIN SEWER SYSTEM						
8-8672-28 a. Infiltration Repair-FY15	\$0	\$0	\$0	\$15,000	\$15,000	\$0
8-7154-00 b. Pond Power Relocation	0	75	5,543	15,000	9,457	5,543
8-6606-23 c. Disposal Field Fencing Upgrade	0	326	326	40,000	39,674	326
8-7148-00 d. SCADA RTU Upgrade and Install	9,356	0	12,578	0	(12,578)	21,934
TOTAL OCEANA MARIN SEWER SYSTEM	\$9,356	\$402	\$18,447	\$70,000	\$51,553	\$27,803
TOTAL PROJECT EXPENDITURES	\$7,304,059	\$1,695,021	\$10,350,053	\$19,304,000	\$8,823,949	\$17,654,112
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
(Accrued)/Deferred						
a. RW Expansion - South Service Area Grant ¹	(\$12,187)	\$0	\$12,187	\$0	(\$12,187)	\$0
b. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ²	(640,152)	(937,537)	(2,494,815)	0	2,494,815	(3,134,967)
c. AEEP Segment B1-B3 ²	5,804,801	(460,041)	(2,656,032)	(4,436,000)	(1,779,968)	3,148,769
d. AEEP- B1 Construction ²	(30,641)	(2,833)	34,329	0	(34,329)	3,688
e. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr ²	(334)	0	334	0	(334)	0
f. AEEP-B3 Tree Removal-CT Reimb ³	(296,424)	0	296,424	0	(296,424)	0
g. TP Solids Handling & Land Acquisition ⁵	639,044	0	(669)	0	669	638,375
h. Gallagher Well Pipeline & Stream Gauge ⁶	(65,160)	(63,724)	(1,112,786)	0	1,112,786	(1,177,946)
FUNDING BY OTHERS (ACCRUED)/DEFERRED	\$5,398,948	(\$1,464,134)	(\$5,921,029)	(\$4,436,000)	\$1,485,029	(\$522,081)
Received						
a. RW Expansion - South Service Area Grant ¹	(\$2,117,562)	\$0	(\$12,187)	\$0	\$12,187	(\$2,129,749)
b. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ²	(359,723)	(92,128)	(3,370,249)	(8,564,000)	(5,193,751)	(3,729,972)
c. AEEP Segment B1-B3 ²	(7,123,441)	0	0	0	0	(7,123,441)
d. AEEP- B1 Construction ²	(420,458)	0	0	0	0	(420,458)
e. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr ²	(40,624)	0	(334)	0	334	(40,958)
f. AEEP-B3 Tree Removal-CT Reimb ³	0	0	0	0	0	0
g. TP Solids Handling & Land Acquisition ⁵	(781,564)	0	0	0	0	(781,564)
h. Gallagher Well Pipeline & Stream Gauge ⁶	(200,901)	0	(65,159)	(1,286,000)	(1,220,841)	(266,060)
FUNDING BY OTHERS RECEIVED	(\$11,044,273)	(\$92,128)	(\$3,447,929)	(\$9,850,000)	(\$6,402,071)	(\$14,492,202)
NET PROJECT EXPENDITURES	\$1,658,734	\$138,758	\$981,095	\$5,018,000	\$3,906,907	\$2,639,829

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING DECEMBER 31, 2014**

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Description	COST THRU JUNE 2014	DECEMBER 2014	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
CIP SUMMARY-GROSS EXPENDITURES:						
		Current Month	FYTD Total	FY 14/15 Budget	FYTD/ Budget%	
Novato Water Capital Projects		\$1,634,014	\$9,028,433	\$17,510,000	52%	
Novato Recycled Water Capital Projects		(24,305)	93,849	125,000	75%	
West Marin Water Capital Projects		84,911	1,209,324	1,599,000	76%	
Oceana Marin Sewer Capital Projects		402	18,447	70,000	26%	
Gross Capital Improvement Project Outlays		\$1,695,022	\$10,350,052	\$19,304,000	54%	
CIP SUMMARY-NET EXPENDITURES:						
		Current Month	FYTD Total	FY 14/15 Budget	FYTD/ Budget%	
Novato Water Capital Projects		\$141,475	\$838,089	\$4,510,000	19%	
Novato Recycled Water Capital Projects		(24,305)	93,849	125,000	75%	
West Marin Water Capital Projects		21,187	30,710	313,000	10%	
Oceana Marin Sewer Capital Projects		402	18,447	70,000	26%	
Net Capital Improvement Project Outlays		\$138,758	\$981,095	\$5,018,000	20%	

Notes to Capital Improvement Projects Schedule:

- (1) The District will receive State Prop 84 Grant Funding equal to project cost less overhead.
- (2) Funding includes a \$7M Bank Loan plus reimbursement from Caltrans for 100% of costs charged to jobs 1.7118.01-1.7118.03, & 1.7118.10.
- (3) Funding provided 100% by Caltrans.
- (4) Funding provided 100% by NMWD.
- (5) Funding provided 75% by Bank of Marin Loan & 25% by connection fees.
- (6) Funding provided 100% by State Dept of Public Health Prop 50 Grant up to \$1,486,000.

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

Connection Fee Fund: Cash available from collection of Connection Fees. The fee is charged to developers based upon the estimate of cost necessary to construct capacity to serve the new development. These funds are restricted by law for expansion of the water or sewer facilities within the service area where the development occurs. Funds are disbursed from the Connection Fee Reserve as expenditures are incurred to increase system capacity to serve new development. The fund balance accrues interest monthly.

Wohler Pipeline Financing Fund: In December 2002 the Sonoma County Water Agency sold \$6.8 million (par) of 30-year revenue bonds to finance the Wohler to Forestville Pipeline. NMWD's share of the debt is \$844,050 ($\$6,800,000 \times 11.2 / 90.4$). In January 2003 the District established this designated cash and corresponding reserve account and transferred \$844,050 of FRC money into the fund. The Wohler Pipeline Financing Fund is credited with interest monthly.

Collector #6 Financing Fund: The Sonoma County Water Agency received a \$15.8 million State Revolving Fund loan commitment at an interest rate of 2.8% repayable over 20 years for construction of Collector #6. NMWD's share of Collector #6 is \$1,950,000 ($\$15,800,000 \times 11.2 / 90.4$). In January 2003 the District established this designated cash and corresponding reserve account and transferred \$1,950,000 of FRC money into the fund. The Collector #6 Financing Fund is credited with interest monthly.

Revenue Bond Redemption Fund: Comprised of one year of debt service as required by West Marin revenue bond covenants. These funds are restricted for payment of bond principal, interest and administration fees. The fund balance does not accrue interest.

Bank of Marin Project Fund: The District received an \$8 million loan from the Bank of Marin in October 2011 to fund the Aqueduct Energy Efficiency Project. The 20-year, 3.54% annual percentage rate loan requires monthly payments of \$46,067 and will be fully amortized on 10/27/31. In June 2012 the Board authorized reallocating \$1 million of this loan to West Marin Water to repay Novato Water \$223,000 owed for previous loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. The unexpended fund balance accrues interest monthly.

Deer Island RWF Replacement Fund: The State Revolving Fund (SRF) loan agreement required the District to agree to establish and maintain a Water Recycling Capital Reserve Fund (WRCRF) for the expansion, major repair, or replacement of the Deer Island Recycled Water Treatment Plant. The WRCRF is maintained in compliance with the "Policy for Implementing the State Revolving fund for Construction of Wastewater Treatment Facilities" in effect at the time the agreement was signed by the District. The September 2003 Recycled Water Master Plan prepared by Nute Engineering recommended limiting the reserve to fund replacement of the RWF electrical and mechanical equipment (including transmission pumps) as they wear out. The cost of said equipment was \$1,483,000 which, at Nute's recommended 6% interest rate factor and 25-year life, renders an annual funding requirement \$115,000. The fund balance accrues interest monthly.

Recycled Water Capital Replacement and Expansion Fund: The 2011 Interagency Agreements for Recycled Water between NSD, LGVSD & NMWD require that any payments to the Distributor (NMWD) by the End User (Consumers) in excess of actual costs (marginal payments) shall be deposited in this fund. Operation and Maintenance Costs are defined as the actual cost of: labor (including general and administrative overhead plus tools and supplies normally applied), equipment and vehicle charges, consumables (such as chemicals and electrical power), and spare parts and/or replaced components necessary to reliably treat and deliver recycled water to the End Users. Operation and Maintenance Costs do not include costs for major capital replacement or process changes.

Tax Receipts held in Marin County Treasury: Balance of tax proceeds collected and disbursed by the County of Marin for repayment of the Olema (OL-2) general obligation bond debt. The County credits interest to these funds quarterly.

STP SRF Loan Fund – Marin County Treasury: The 2004 Stafford Treatment Plant State Revolving Fund (SRF) loan agreement requires the District to build a Reserve Fund equal to one year of payments (\$1,044,474) in the Marin County Treasury during the first ten years of the 20-year repayment period. Every January 1 and July 1, commencing January 1, 2010, the District deposits with the County 10% of the semi-annual SRF payment. The County credits the fund with interest quarterly, and will use the Reserve to pay the last 2 semi-annual SRF loan payments.

RWS North/South SRF Payment Fund: The State Water Resource Control Board Agreements for the seven Clean Water State Revolving Fund Loans made for expansion of the Recycled Water System distribution system require that the District establish a reserve fund equal to one year's debt service (\$614,299) prior to the construction completion date.

Note 2 - Designated Cash

Liability Contingency Fund: Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. In FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In August 2008, \$500,000 was transferred into this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. Currently there are \$1,249,200 in Employer Assisted Housing Loans outstanding (see Note 3). In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is rented to an employee who provides after-hours presence in the community to respond to emergencies. In 2006, \$8,885 was added from the sale of surplus property in West Marin. In October 2013, the District acquired ownership of the home at 15 Gustafson Court in Novato to protect its interest in a \$192,585 Employer Assisted Housing loan. The fund balance does not accrue interest.

Self-Insured Workers' Compensation Fund: Commencing July 2011, the District began self-insuring its workers' compensation liability. The savings accrued through self-insuring the liability is reserved in this fund for possible future claims expense. The District carries a workers' compensation excess policy for claims that exceed \$750,000. See schedule on page 21.

Retiree Medical Benefits Fund: NMWD pays the cost of health insurance for retirees between the ages of 55 and 65 and spouse under any group plan offered by CalPERS. The retiree must be at least 55 and have a minimum of 12 years of NMWD service at the date of retirement. NMWD's contribution toward the chosen plan is capped in the same manner as all other NMWD employees in the same class. Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare. When the retiree or spouse becomes eligible for Medicare, NMWD pays up to the couple annuitant rate, which is capped at \$3,830 per year (\$319/month). In August 2003, NMWD transferred \$2.55 million (\$2.3 million for current retirees plus \$250,000 for future retirees) from unrestricted cash into a reserve to fund this obligation. In 2010 the Board directed staff to add \$1,500 per employee annually as a payroll overhead to accrue and accelerate amortization of this liability. In 2013 an Actuarial Analysis calculated NMWD's total actuarial liability at \$4.2 million. This reserve fund earns interest monthly, and currently has a balance of \$3.3 million. Accounting Standards require that the \$4.2M reserve be fully funded in 20 years.

Drought Contingency (Rate Stabilization) Fund: In August 2008, the Board directed staff to establish this reserve with \$135,000 from the Self-Insured Workers' Compensation Fund for the Novato district to draw upon during dry years. A threshold of 3.2 billion gallons of potable consumption was established as a benchmark for 'normal' years. During any fiscal year that water sales volume exceeds 3.2BG, the

incremental revenue generated is deposited into the Drought Contingency Reserve. In those years when sales volume falls below the benchmark, funds are withdrawn from the reserve to maintain the budgeted revenue forecast. The goal is to build a reserve equal to 20% (currently \$2,500,000) of budgeted annual water commodity sales. In FY09 \$50,335 was added to the reserve. The fund was fully depleted in FY10. The fund balance accrues interest monthly.

Maintenance Accrual Fund: Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY93. In FY94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$7.0M. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

Conservation Incentive Rate Fund: In 2004 and 2005, a Conservation Incentive Tier Rate was enacted in Novato and West Marin respectively. Monies derived from this tier-rate charge are set aside in the Conservation Incentive Rate Reserve, and used for conservation programs designated by the Board. The fund balance accrues interest monthly.

Operating Reserve Fund: This reserve, comprised of four months of budgeted operating expenditures (less depreciation) as recommended by the District's financial advisors, serves to ensure adequate working capital for operating, capital, and unanticipated cash flow needs that arise during the year. The fund balance does not accrue interest.

Note 3 – Employee Loans

Housing Loans: The District's Employer Assisted Housing Program allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District. Repayment is due upon sale, termination of employment, or other event as described in the Program. Interest on the loan is contingent upon and directly proportional to the appreciation in value occurring on the purchased property. There are seven employee-housing loans currently outstanding totaling \$1,249,200: a \$250,000 loan dated August 2004, a \$39,200 loan dated September 2004, a \$300,000 loan dated October 2006, a \$140,000 loan dated September 2007, a \$150,000 loan dated November 2007, a \$125,000 loan dated July 2008, and a \$245,000 loan dated June 2010.

Personal Computer Loans: Up to \$3,500 may be loaned to an employee for a period of up to 36 months under the District's Personal Computer Loan Program. Loans are repaid with interest at the rate earned on the District's investment portfolio at the time of the loan plus one percent. Currently there are no employee loans outstanding.

Note 4 – Depreciation

Assets are assigned a useful life based on consultations with the District Chief Engineer and a survey of other water agencies. Depreciation is computed on a straight-line basis over the estimated useful life of the various classes of property as follows:

<u>Facility</u>	<u>Life (Years)</u>
Aqueduct.....	150
Dam.....	100
STP & RWS Structures.....	40
STP & RWS Mains.....	50
STP & RWS Pumping Equipment.....	25
STP & RWS Water Treatment Equipment.....	20
Storage & Transmission Facilities.....	50
Distribution Facilities.....	50
Buildings.....	35

Office, Laboratory, Construction & Shop Tools & Equipment.....	10
Vehicles 1 ton or greater.....	10
All other vehicles.....	5
Sewer Mains.....	40
Sewer Pumps.....	10

Note 5 - Capitalization Policy

The Government Finance Officers Association *Guide for State and Local Governments* recommends that a capitalization policy incorporate a minimum threshold of \$5,000 and an estimated useful life of at least two years. It also cautions that federal grant and loan requirements prevent the use of capitalization thresholds in excess of \$5,000. Thus NMWD's capitalization threshold is \$5,000.

Note 6 – Bond & Loan Servicing Schedule for Fiscal Year 2014-2015

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY15		6/30/15 Outstanding Balance
							Interest	Principal	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$3,272	\$15,152	\$50,293
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$308,753	\$735,721	\$12,365,655
3 Novato	Bank Marin Loan	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$211,114	\$270,928	\$5,983,301
Novato Total Payment							\$523,139	\$1,021,801	\$18,399,249
4 RW TP	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$72,529	\$200,838	\$2,821,188
5 RW North	SRF Loans (4)	2013	2.6%	\$4,375,605	Varies	Varies	\$106,151	\$175,741	\$3,907,002
6 RW South	SRF Loans (3)	2013	2.2%	\$5,359,858	Varies	Varies	\$110,380	\$222,026	\$4,961,115
Recycled Water Total Payment							\$289,060	\$598,605	\$11,689,305
7 Olema	OL-2 GO Bond	1975	5.0%	\$70,000	1/1	1/1/15	\$99	\$ 3,921	\$0
8 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$339	\$2,250	\$6,807
9 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$3,463	\$11,000	\$62,000
10 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$3,750	\$9,000	\$66,000
11 WM Water	Bank Marin Loan	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$30,989	\$39,769	\$884,653
West Marin Water Total Payment							\$38,640	\$65,940	\$1,019,460
Total FY15 Payment							\$850,839	\$1,686,346	\$31,108,014

1. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$351,770 to assist in the funding emergency Novato Water system projects in response to the drought.
2. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges. The first payment was made in December 2009.

3. In October 2011 Bank of Marin made a 20-year 3.54% (APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 16, and note to loan 10 below.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. With the addition of \$38,015 in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.
5. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project. The projects were completed on October 31, 2012, and the first payment was made in November of 2012.
6. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$5,361,952 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment was made in December of 2013.
7. In June 1973, after petition and creation of an improvement district (OL-1) for the investigation of water service to Olema and the Point Reyes National Seashore Headquarters, Olema voters, by a 92% "yes" vote, approved formation of an improvement district (OL-2) and a bonded debt of \$70,000 to acquire and improve the Olema Water Company owned by W. Robert Phillips and others and to service that area. The Farmers Home Administration purchased the 1975 bond issue in its entirety. On 6/1/91, at the demand of the FHA, the Novato Water District repurchased the remaining \$56,760 balance in the Olema bond debt. The interest rate paid to Novato Water on the OL-2 bond was thereafter reset to the higher of the rate earned by the District treasury or the stated rate of 5%. The bond will be paid off in December of 2014.
8. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$46,000 to assist in the funding emergency West Marin Water system projects, including temporary diversions from Bear Valley Creek and Lagunitas Creek in response to the drought.
9. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
10. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.
11. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 3 above.

Note 7 – Unemployment Insurance Reserve

NMWD uses the “Reimbursable Method” of paying for Unemployment Costs. Under this method, the District reimburses the State Employment Development Department for all unemployment benefits paid on our behalf. The reserve is maintained at an amount equal to the higher of the average claim amount paid over the last 5 years or 52 times the maximum weekly benefit amount (currently $\$450 \times 52 = \$23,400$).

Note 8 – Payroll Benefits

Payroll Benefits payable includes payroll taxes; vacation, sick, and holiday leave; Section 125 payments; cancer, long term care and disability insurance premiums; union dues; and employee benefit fund.

Note 9 - Interest Policy on Inter-District Loans

In the event an improvement district expends all of its Undesignated Funds, it shall borrow funds from that improvement district's Board Designated Fund reserves to meet ongoing requirements. In the event an improvement district expends all of its Board Designated Fund reserves, it may receive a loan from the Novato Improvement District in an amount sufficient to meet its ongoing requirements. Restricted Funds shall not be used to finance ongoing normal operating expenses.

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the higher of: 1. The weighted average interest rate of Novato improvement district debt (2.75% at 6/30/14); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

Note 10 – Budget Augmentations

Note 11 – Prior Period Adjustment

The threshold for prior period adjustments is determined using the guidelines from the *GCX-8 Planning Materiality Worksheet for Governmental Engagements*. The limits for FY2015 are: Novato \$77,000; Recycled Water \$25,000, West Marin Water \$13,000, and Oceana Marin Sewer \$5,000.

Note 12 – Provision for Pension Related Debt and Side Fund

NMWD participates in the CalPERS 2.5% at age 55 retirement plan. Per CalPERS Actuarial Valuation as of June 30, 2013 (most recent data available) NMWD had an accrued liability of \$36.2 million and assets with a market value of \$25.9 million, rendering an unfunded liability of \$10.3 million ($\$36.2 - \25.9), and a funded ratio of 71.7% ($\$25.9 / \36.2), up 4.4% from June 30, 2012.

In 2003 when NMWD was included in a CalPERS pool of agencies with less than 100 employees, a “side fund” was created by CalPERS to account for the difference between the funded status of the pool and the funded status of NMWD's plan. NMWD paid off the CalPERS side fund (\$2,073,701) as of June 30, 2014.

Note 13 – Explanation of Financial Statement Components

The District's financial statement is comprised of four components: 1) Statement of Net Position, 2) Sources and Uses of Funds Statement – All Service Areas Combined, 3) Income Statement and Cash Flow by Service Area, and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position (page 4) reports the District's assets and liabilities and provides information about the nature and amount of investments in resources (assets) and the obligations to the District's creditors (liabilities). The difference between assets and liabilities is reported as *net position*. Over time, increases or decreases in the fund balance may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Sources and Uses of Funds Statement – All Service Areas Combined (page 8) compares fiscal year-to-date performance against the Board approved annual budget – presented in the adopted budget format. This Sources and Uses of Funds Statement varies from the income statement in that it includes capital expenditures, debt principal repayment, connection fee revenue, and cash infusions from debt issuance.

The Income Statement and Cash Flow by Service Area (page 9) presents the net income (loss) for the fiscal year-to-date (FYTD) period for each of the District's four service areas. The income and expenses on this report are presented in conformity with Generally Accepted Accounting Principles (GAAP) and comply with Governmental Accounting Standards Board pronouncements. Accordingly, all income and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement measures the success of each service area's operations and can be used to determine whether the service area has successfully recovered all costs through user fees and other charges.

Also included at the bottom of page 9 is a statement of Cash Flow by Service Area. The primary purpose of this statement is to reconcile in an informative manner the difference between the net income/(loss) for the period of each service area with the resultant change in cash balance that occurred over the same period.

Notes to the Financial Statements (page 31) provide a summary of significant accounting policies and assumptions and other information of value to the financial statement reader.

Other Supplementary Information includes Detail Income Statements presented in accordance with GAAP for each of the four service areas (pages 10, 14, 16, 19). These statements present income and expenditures in close detail for further analysis. Other supplementary schedules of note include the Vehicle Fleet Analysis (page 25), Equipment Expenditures (page 22) and Capital Improvement Project Expenditures (page 27), which show outlays to date, compared with budget authority.

Note 14 –Connection Fee Transfers from Novato Water To Recycled Water

The following Connection Fee (FRC) reserve amounts have been transferred to the Recycled Water fund:

	Expansion Local Share			NBWRA	SRF RWF Expansion		Total	Transfer Executed
	North	South	Central		Loan	SRF Loan		
FY07				\$29,725			\$29,725	
FY08				\$50,478	\$22,795		\$73,273	
FY09				\$150,455	\$22,795		\$173,250	
FY10	\$133,659			\$75,198	\$22,795		\$231,652	\$133,659
FY11				\$133,319	\$22,795		\$156,114	
FY12	\$233,478	\$265,500		\$115,883	\$22,795		\$637,656	
FY13				\$315,023	\$22,795	\$464,572	\$802,390	\$1,970,400
FY14	\$236,291	\$723,525	\$4,024	\$63,035	\$22,795	\$500,529	\$1,550,200	\$1,550,200
FY15		\$15,326	\$39,981	\$34,817		\$518,146	\$608,270	\$608,270
	\$603,428	\$1,004,352	\$44,006	\$967,933	\$159,564	\$1,483,247	\$4,262,531	\$4,262,531

Note 15 –Debt Service Coverage Ratio

Debt Service Coverage Ratio is the ratio of net income/(loss) plus interest expense, depreciation, and connection fee revenue for the fiscal year to the sum of the fiscal year's principal and interest payments on the District's total debt.

	FY11	FY12	FY13	FY14	FY15 Budgeted
Net Income/(Loss)	(\$1,156,582)	(\$217,163)	\$2,036,943	\$488,288	\$1,782,000
Depreciation	\$2,660,418	\$2,726,598	\$2,784,648	\$3,128,302	\$3,146,000
Interest Expense	\$710,416	\$654,484	\$778,762	\$830,830	\$867,000
Connection Fees	\$387,610	\$1,005,680	\$876,350	\$152,800	\$1,319,000
Total Available For Debt Service	\$2,601,862	\$4,169,599	\$6,476,703	\$4,600,219	\$7,114,000
Annual Debt Service	\$1,385,156	\$1,770,894	\$2,118,314	\$2,425,585	\$2,537,000
Debt Service Coverage Ratio	1.88	2.35	3.06	1.90	2.80

Bank of Marin Debt Service Coverage Calculation¹	FYTD15 Actual	FY15 Budgeted
Change in Net Assets ²	\$11,031,485	\$13,472,000
Interest Expense	\$430,412	\$867,000
Depreciation & Amortization	\$1,608,428	\$3,146,000
Total Available for Debt Service	\$14,257,174	\$17,485,000
Bank of Marin Annual Debt Service	\$552,800	\$552,800
Bank of Marin Coverage Ratio	25.79	31.63

¹ Per the October 27, 2011 Bank of Marin loan agreement, each June 30, beginning June 30, 2012, the Debt Service Coverage Ratio shall not be less than 1.2 to 1. "Debt Service Coverage Ratio" shall mean the ratio of (i) Borrower's change in net assets plus interest, depreciation, and amortization during the fiscal-year period ending on the Determination Date to the sum of the scheduled principal and interest payments on the Loan during the twelve-month period following the Determination Date.

² See page 9

6

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR December 2014
January 20, 2015

1.

Novato Potable Water Prod - RR & STP Combined - in Million Gallons - FYTD

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	319	385	389	371	379	-17%
August	301	360	396	373	368	-16%
September	276	332	346	347	358	-17%
October	221	313	283	249	278	-29%
November	173	229	166	183	164	-24%
December	129	182	146	156	141	-29%
FYTD Total	1,418	1,800	1,726	1,679	1,689	-21%

West Marin Potable Water Production - in Million Gallons - FY to Date

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	8.6	9.3	9.8	9.2	9.9	-7%
August	8.5	9.3	9.7	9.4	9.9	-8%
September	7.8	8.5	8.3	8.7	9.2	-9%
October	5.4	8.0	7.4	6.5	7.8	-33%
November	4.6	6.8	5.2	5.1	4.9	-33%
December	4.7	6.4	4.5	4.9	4.8	-26%
FYTD Total	39.5	48.3	44.9	44.0	46.5	-18%

* The Aug/Sept 2014 billing was down 24% from 2013. The variance with production is presumably due to NMWD distribution system leaks.

Stafford Treatment Plant Production - in Million Gallons - FY to Date

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	83	98	49	115	109	-15%
August	61	83	83	126	108	-26%
September	26	56	72	77	112	-53%
October	0	82	88	113	111	-
November	8	5	64	106	95	64%
December	0	2	0	49	0	-
FYTD Total	178	326	355	586	536	-45%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	21.8	27.6	11.2	11.0	11.9	-21%
August	26.0	26.2	10.5	12.2	11.2	-1%
September	19.2	18.6	8.5	9.6	9.5	3%
October	9.4	15.8	0.0	0.0	2.6	-41%
November	4.0	6.4	0.0	0.0	0.0	-37%
December	1.6	1.6	0.0	0.0	0.0	0%
FYTD Total*	81.9	96.1	30.2	32.8	35.2	-15%

*Excludes potable water input into the RW system: FY15=5.9MG; FY14=5.3MG.

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2. Stafford Lake Data

	December Average		December 2013		December 2014	
Rainfall this month	5.33	Inches	0.81	Inches	17.03	Inches
Rainfall this FY to date	10.17	Inches	2.35	Inches	20.87	Inches
Lake elevation*	184.09	Feet	178.8	Feet	196.2	Feet
Lake storage**	1,980	MG	1,292	MG	4,322	MG

* Spillway elevation is 196.0 feet

** Lake storage less 390 MG = quantity available for delivery

Temperature (in degrees)

	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
December 2013 (Novato)	24	82	51
December 2014 (Novato)	29	75	56

3. Number of Services

December 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY15	FY14	Incr %	FY15	FY14	Incr %	FY15	FY14	Incr %	FY15	FY14	Incr %
Total meters	20,748	20,730	0.1%	48	47	2%	821	820	0.1%	-	-	-
Total meters active	20,498	20,480	0.1%	44	44	0%	777	776	0.1%	-	-	-
Active dwelling units	23,948	23,930	0.0%	0	0	-	823	812	0.2%	229	229	0.9%

4. Oceana Marin Monthly Status Report (December)

Description	December 2013	December 2014
Effluent Flow Volume (MG)	0.24	1.04
Irrigation Field Discharge (MG)	0	0
Treatment Pond Freeboard (ft)	3.2	2.4
Storage Pond Freeboard (ft)	8.9	4.7

5. Developer Projects Status Report (December)

Job No.	Project	% Complete	% This month
1.2777.00	Walnut Meadows	80	0
1.2768.00	OMA Village Water Facilities	60	0
1.2776.00	Shell Gas Station	90	80

District Projects Status Report - Const Dept (December)

Job No.	Project	% Complete	% This month
6112.24	Lynwood P.S. Motor Control	10	0
7007.09	DCA Repair/Replacement	65	5
7130.00	STP 18" Transmission Line Evaluation	95	5
7087.03	Gallagher Well Pipeline	99	10

Employee Hours to Date, FY 14/15

As of Pay Period Ending December 31, 2014

Percent of Fiscal Year Passed = 50 %

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	642	1,400	46	Construction	2,120	4,979	43
Engineering	178	1,480	12	Engineering	2,527	3,546	71

6. Safety/Liability

	Industrial Injury with Lost Time				Liability Claims Paid	
	Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
FY through December 14	126	63,504	1	0	2	2,174
FY through December 13	60	24,960	1	0	1	557

Days without a lost time accident through December 31, 2014= 215 days

7. Energy Cost

FYE		December			Fiscal Year-to-Date thru December		
		Kwh	¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2015	Stafford TP	23,430	18.1¢	\$137	337,165	15.6¢	\$285
	Pumping	67,508	15.7¢	\$342	752,631	16.6¢	\$688
	Other*	35,482	18.1¢	\$214	242,881	22.2¢	\$296
		126,420	16.8¢	\$708	1,332,677	17.4¢	\$1,272
2014	Stafford TP	47,065	17.1¢	\$259	366,491	17.1¢	\$340
	Pumping	94,036	14.4¢	\$424	944,458	15.7¢	\$814
	Other*	42,735	16.4¢	\$220	278,958	20.6¢	\$315
		183,836	15.6¢	\$868	1,589,907	16.9¢	\$1,465
2013	Stafford TP	n/a	n/a	n/a	n/a	n/a	n/a
	Pumping	n/a	n/a	n/a	n/a	n/a	n/a
	Other*	n/a	n/a	n/a	n/a	n/a	n/a
		n/a	n/a	n/a	n/a	n/a	n/a

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of December 2014	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$100 each)	24	163	3,106
Retrofit Certificates Filed	14	117	5,146
Cash for Grass Rebates Paid Out	7	75	636
Washing Machine Rebates	8	84	6,528
Water Smart Home Survey	13	181	1,937

9. Utility Performance Metric

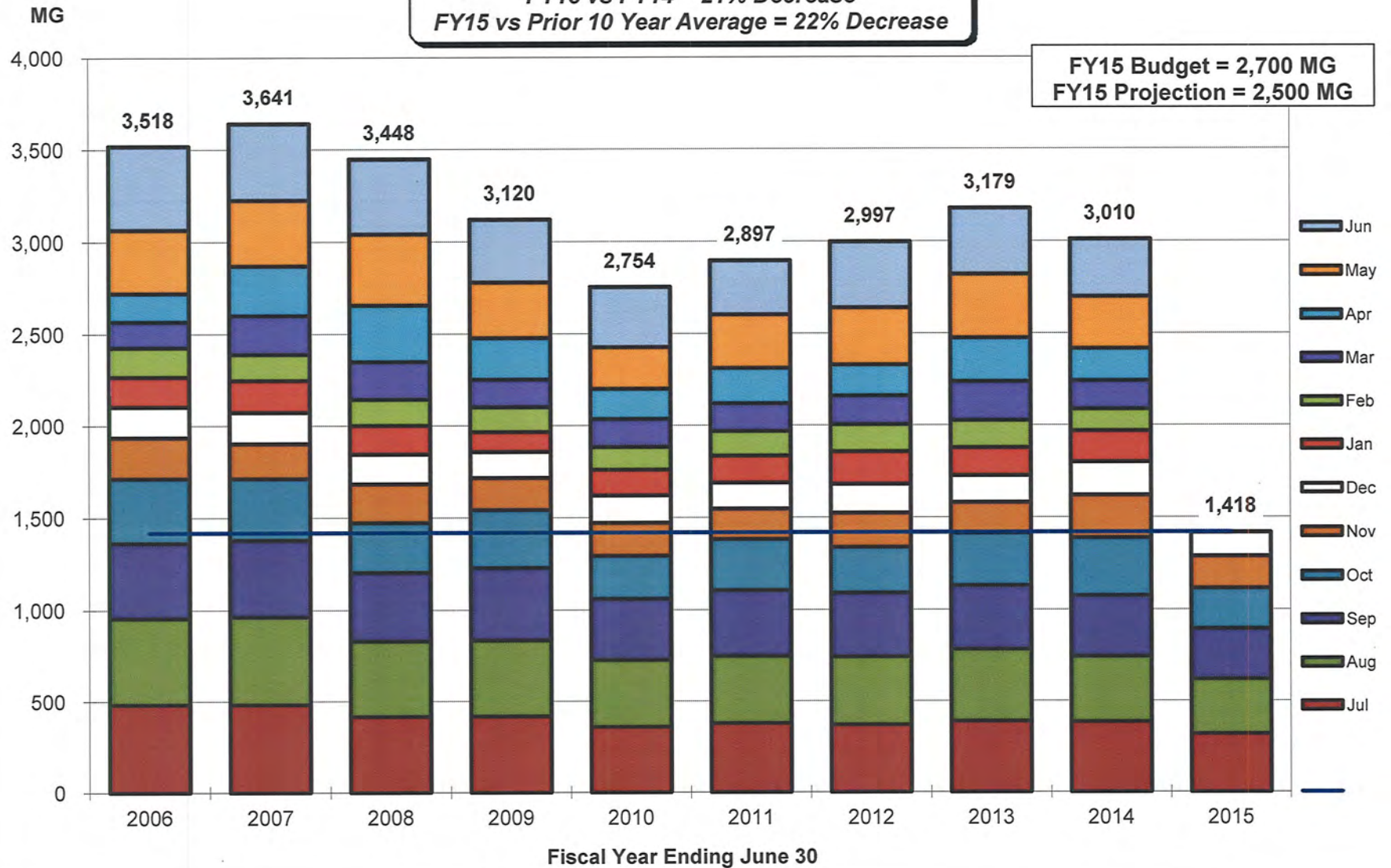
SERVICE DISRUPTIONS	December No. of Customers Impacted
PLANNED	
Duration Between 0.5 and 4 hours	8
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	
UNPLANNED	
Duration Between 0.5 and 4 hours	9
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	

SERVICE LINES REPLACED	December
Polybutylene	8
Copper (Replaced or Repaired)	1

Novato Potable Water Production

FY15 vs FY14 = 21% Decrease
FY15 vs Prior 10 Year Average = 22% Decrease

FY15 Budget = 2,700 MG
FY15 Projection = 2,500 MG



NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders December 2014

1/12/2015

Type	Dec-14	Dec-13	Action Taken December 2014
<u>Consumers' System Problems</u>			
Service Line Leaks	0	0	~
Meter Leak Consumer's Side	13	15	Notified Consumer
House Plumbing	0	0	~
Noisy Plumbing	0	0	~
Seepage or Other	0	0	~
House Valve / Meter Off	5	7	Notified Consumer
Nothing Found	14	10	Notified Consumer
Low Pressure	0	0	~
High Pressure	0	0	~
Water Waster Complaints	0	0	~
Total	32	32	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	5	0	Replaced
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	1	2	Replaced
Water Off/On Due To Repairs	7	0	Notified Consumer
Misc. Field Investigation	1	0	Notified Consumer
Total	14	2	
<u>Leak NMWD Facilities</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	13	7	Repaired
Services-Nothing Found	8	3	Notified Consumer
Service-Damaged	0	3	~
Fire Hydrant-Leak	0	0	~
Fire Hydrants-Nothing Found	0	0	~
Fire Hydrants-Damaged	0	0	~
Meter Replacement	0	0	~
Meters-Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	3	5	Replaced
Total	24	18	
<u>High Bill Complaints</u>			
Consumer Leaks	2	11	Notified Consumer
Meter Testing	0	0	~
Meter Misread	4	2	Notified Consumer
Nothing Found	12	18	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	0	0	~
Total	18	31	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders December 2014

1/12/2015

Type	Dec-14	Dec-13	Action Taken December 2014
<u>Low Bill Reports</u>			
Meter Misread	0	0	~
Stuck Meter	1	0	Notified Consumer
Nothing Found	1	0	Notified Consumer
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	2	0	

Water Quality Complaints

Taste and Odor	0	0	~
Color	0	0	~
Turbidity	0	0	~
Suspended Solids	0	0	~
Other	0	0	~

Total	0	0	
<u>TOTAL FOR MONTH:</u>	<u>90</u>	<u>83</u>	<u>8%</u>

Fiscal YTD Summary

Consumer's System Problems	178	166	7%	<u>Change Primarily Due To</u>
Service Repair Report	63	60	5%	Increase In Nothing Found
Leak Complaints	188	140	34%	Increase Water On/Off Due To Repairs
High Bill Complaints	205	233	-12%	Increase in Service Leak
Low Bills	7	0	0%	Decrease In Consumer Leaks
Water Quality Complaints	22	46	-52%	~
Total	<u>663</u>	<u>645</u>	<u>3%</u>	Decrease In Taste & Odor

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders December 2014

1/12/2015

Type	Dec-14	Dec-13	Action Taken December 2014
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	193	211	
<u>Change Meter:</u> leaks, hard to read	2	17	
<u>Possible Stuck Meter</u>	2	0	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	3	1	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	9	20	
<u>Dig Outs</u>	69	101	
<u>Letters to Consumer:</u> meter obstruction, trims, bees, gate access, etc.	0	0	
<u>Misc:</u> locate meter, get meter number, cross connection follow ups, kill service, etc.	0	0	
	278	350	

Bill Adjustments Under Board Policy:

December 14 vs. December 13

Dec-14	16	\$5,075
Dec-13	25	\$15,454

Fiscal Year to Date vs. Prior FYTD

14/15 FYTD	138	\$56,401
13/14 FYTD	185	\$61,981

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Customer Service Questionnaire Quarterly Report

Quarter Ending 12/31/14



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Response				Response			
Water Quality	Agree	Neutral	Disagree	Pressure	Agree	Neutral	Disagree
Courteous & Helpful	1			Courteous & Helpful	1		
Accurate Information			1	Accurate Information	1		
Prompt Service	1			Prompt Service	1		
Satisfactorily Resolved		1		Satisfactorily Resolved	1		
Overall Experience	1			Overall Experience	1		
	3	1	1		5	0	0
Leak	Agree	Neutral	Disagree	Noisy Pipes	Agree	Neutral	Disagree
Courteous & Helpful	11			Courteous & Helpful			
Accurate Information	11			Accurate Information			
Prompt Service	11			Prompt Service			
Satisfactorily Resolved	11			Satisfactorily Resolved			
Overall Experience	11			Overall Experience			
	55	0	0		0	0	0
Billing	Agree	Neutral	Disagree	Other	Agree	Neutral	Disagree
Courteous & Helpful	17	1		Courteous & Helpful			
Accurate Information	17	1		Accurate Information			
Prompt Service	18			Prompt Service			
Satisfactorily Resolved	15	3		Satisfactorily Resolved			
Overall Experience	16	2		Overall Experience			
	83	7	0		0	0	0
Grand Total				Grand Total			
					146	8	1
					94%	5%	1%
				Questionnaires Sent Out	102	100%	
				Questionnaires Returned	31	30%	

Customer Service Questionnaire Quarterly Report

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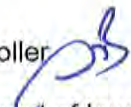
Quarter Ending 12/31/14

Customer Comments	Staff Response to Negative Comments	Issues NMWD Should Address In The Future
Water Quality They were testing the water sample to determine what caused the reddish brown color, but never received the results identifying the initial source of iron manganese. Leaks My neighbor reported the leak. Technician came out and was very helpful. Great people Darrell was kind and helpful. Phone people always courteous and helpful too. Very positive experience. Darrell was very pleasant. Billing Water bill had zero water use. FSR determined the meter was stuck. Called in for high bill. FSR came out quickly & determined a misread. Service was prompt. Thanks Darrell was helpful & answered all my questions. FSR was very helpful. Very professional & courteous. Thank You. Employee came with in scheduled time frame. FSR was kind & helpful. I always have a positive experience when calling the water district. Pressure Very helpful & pleasant. Noisy Pipes Other	Initial color was due to iron manganese. After flushing lines, metals were non detectible. Bacteriological were absent. Results were given to customer. Also advised customer to call back if colored water returns. Staff was unable to determine initial source of iron manganese.	

MEMORANDUM

To: Board of Directors

January 16, 2015

From: David L. Bentley, Auditor-Controller 

Subj: Auditor-Controller's Monthly Report of Investments for December 2014

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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$13,226,462 and a market value of \$13,229,217. During December the cash balance decreased by \$794,616. The market value of securities held decreased by \$8,789 during the month. The ratio of total cash to budgeted annual operating expense, excluding the \$2,775,952 unexpended balance of the Bank of Marin loan, stood at 76%, down 2% from the prior month. At month-end outstanding invoices to Caltrans totaled \$2,214,814.

At December 31, 2014, 26% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 30% in Time Certificate of Deposits, 15% in Corporate Medium Term Notes, 15% in US Treasury Notes, and 8% in Federal Agency Securities. The weighted average maturity of the portfolio was 315 days, compared to 292 days at the end of November. The LAIF interest rate for the month was 0.27%, compared to 0.26% the previous month. The weighted average Portfolio rate was 0.52%, the same as the previous month. Including interest paid by The Bay Club Company on the StoneTree Golf Club Recycled Water Facilities Loan, the District earned \$8,207 in interest revenue during December, with 44% earned by Novato Water, 54% earned by Recycled Water (by virtue of the StoneTree Golf Course Loan) and the balance distributed to the other improvement districts.

Given that 26% of the District's Investment Portfolio is invested in LAIF, it is important to monitor the financial health of the State Treasury. State Controller Betty Yee's December report on California's financial position stated:

"Exceeding expectations when it comes to having cash to pay the state's bills is good news. Our strong cash position will be a welcome boon to schools and other local agencies that depend on timely state disbursements."

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
December 31, 2014**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	12/31/2014 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	A	Various	Open	\$3,434,195	\$3,434,817	0.27% ³	26%
Time Certificate of Deposit								
TCD	GE Capital Retail Bank	n/a	10/11/13	4/13/15	\$248,000	\$248,000	0.80%	2%
TCD	Discover Bank	n/a	5/1/13	5/1/15	248,000	248,000	0.50%	2%
TCD	GE Capital Bank	n/a	6/10/13	6/8/15	248,000	248,000	0.50%	2%
TCD	American Express	n/a	8/1/13	8/3/15	248,000	248,000	0.70%	2%
TCD	Compass Bank	n/a	9/4/13	9/4/15	248,000	248,000	0.65%	2%
TCD	Sallie Mae Bank	n/a	10/23/13	10/23/15	248,000	248,000	0.80%	2%
TCD	BMW Bank	n/a	12/11/13	12/11/15	248,000	248,000	0.70%	2%
TCD	Key Bank	n/a	3/19/14	3/21/16	248,000	248,000	0.45%	2%
TCD	Barclays Bank	n/a	4/15/14	4/15/16	248,000	248,000	0.55%	2%
TCD	Americanwest Bank	n/a	5/30/14	5/31/16	249,000	249,000	0.50%	2%
TCD	Enerbank	n/a	6/30/14	6/30/16	249,000	249,000	0.65%	2%
TCD	Investors Bank	n/a	7/21/14	7/21/16	249,000	249,000	0.70%	2%
TCD	Comenity Capital Bank	n/a	8/18/14	8/18/16	249,000	249,000	0.80%	2%
TCD	Ally Bank	n/a	10/2/14	10/3/16	248,000	248,000	0.95%	2%
TCD	Cardinal Bank	n/a	11/12/14	11/14/16	249,000	249,000	0.80%	2%
TCD	Goldman Sachs	n/a	12/10/14	12/12/16	248,000	248,000	1.00%	2%
					\$3,973,000	\$3,973,000	0.62%	30%
US Treasury Notes								
Treas	1,000 - 0.50%	n/a	3/26/14	6/15/16	\$999,260	\$1,000,234	0.55%	8%
Treas	1,000 - 1.0%	n/a	8/4/14	9/30/16	1,006,236	1,006,953	0.64%	8%
					\$2,005,496	\$2,007,187	0.60%	15%
Federal Agency Securities								
FFCB	1.70% MTN	n/a	9/15/14	10/28/16	\$509,367	\$507,922	0.68%	4%
FHLB	0.58% MTN	n/a	11/7/14	11/14/16	499,393	498,920	0.64%	4%
					\$1,008,760	\$1,006,842	0.66%	8%
Corporate Medium Term Notes								
MTN	Toyota Motor Credit	AA-	5/14/13	7/17/15	\$1,002,020	\$1,002,729	0.51%	8%
MTN	General Electric	AA+	1/29/13	10/9/15	1,001,145	1,002,600	0.70%	8%
					\$2,003,165	\$2,005,329	0.60%	15%
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$580,459	\$580,459	0.22%	4%
Bond	Olema G.O. Bond	A+	5/31/91	1/1/15	3,916	4,113	5.00%	0%
Other	Various	n/a	Various	Open	217,470	217,470	0.50%	2%
TOTAL IN PORTFOLIO					\$13,226,462	\$13,229,217	0.52%	100%
Weighted Average Maturity =					315 Days			

LAIF: State of California Local Agency Investment Fund.

MTN: Medium Term Note - Maturity of 5 years or less.

TCD: Time Certificate of Deposit, Treas: US Treasury Notes with maturity of 5 years or less.

FFCB: Federal Farm Credit Bank, FHLB: Federal Home Loan Bank

Agency: West Marin General Obligation Bond Fund tax receipts & STP State Revolving Fund Loan Reserve.

Bond: Annual \$4,113 payment is paid by tax levy on Olema residents.

Other: Comprised of 4 accounts used for operating purposes. US Bank Operating Account, US Bank STP SRF Loan

Account, Bank of Marin AEEP Checking Account & NMWD Petty Cash Fund.

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

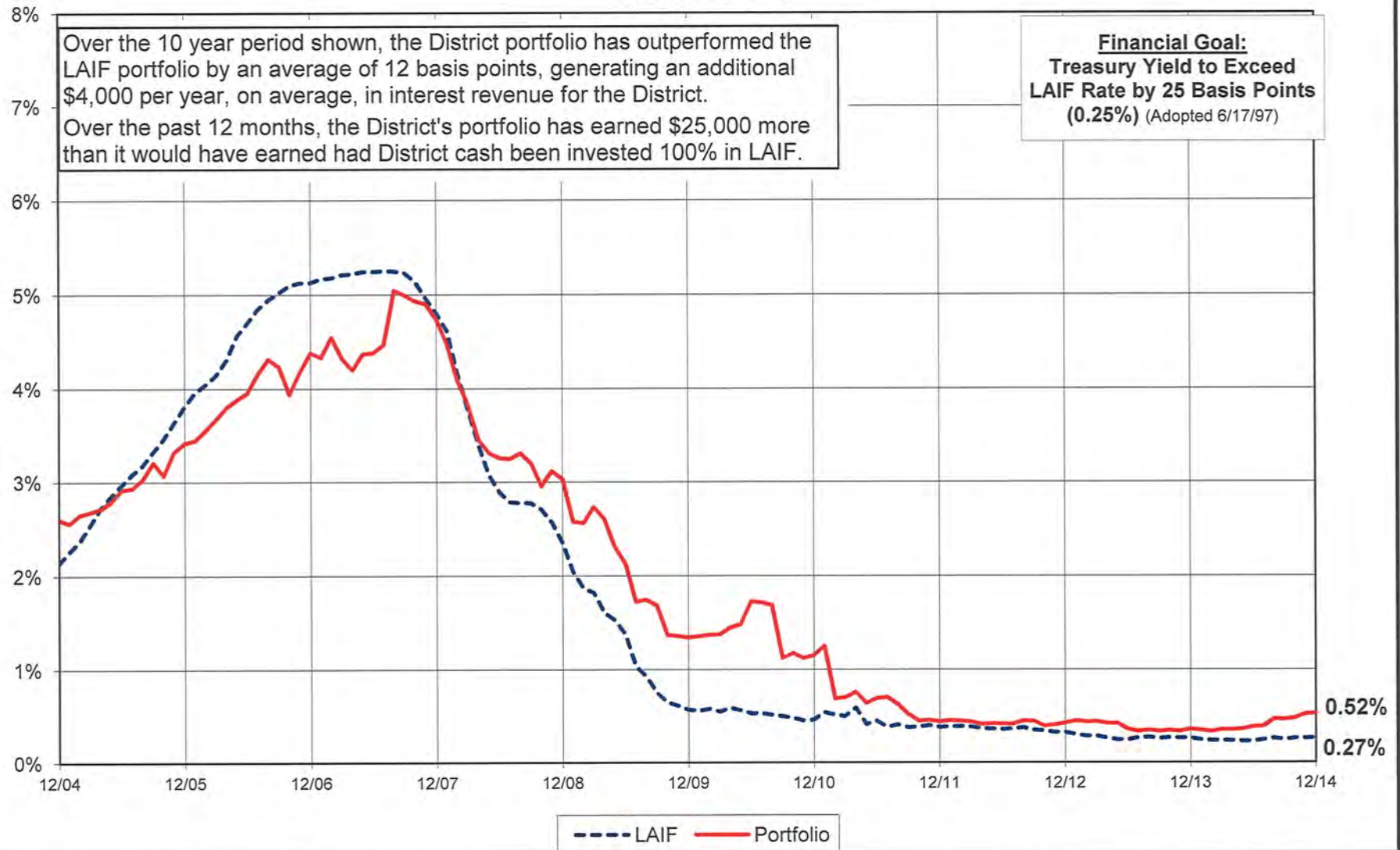
2 Yield defined to be annualized interest earnings to maturity as a percentage of invested funds.

3 Earnings are calculated daily - this represents the average yield for the month ending December 31, 2014.

Interest Bearing Loans		Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
	StoneTree Golf Course Loan	6/30/06	2/28/24	\$3,612,640	\$2,037,437	2.40%
	Employee Housing Loans (7)	Various	Various	1,249,200	1,249,200	Contingent
TOTAL INTEREST BEARING LOANS				\$4,861,840	\$3,286,637	

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

NMWD Portfolio Rate of Return State of CA Local Agency Investment Fund vs District Portfolio 10-Year History

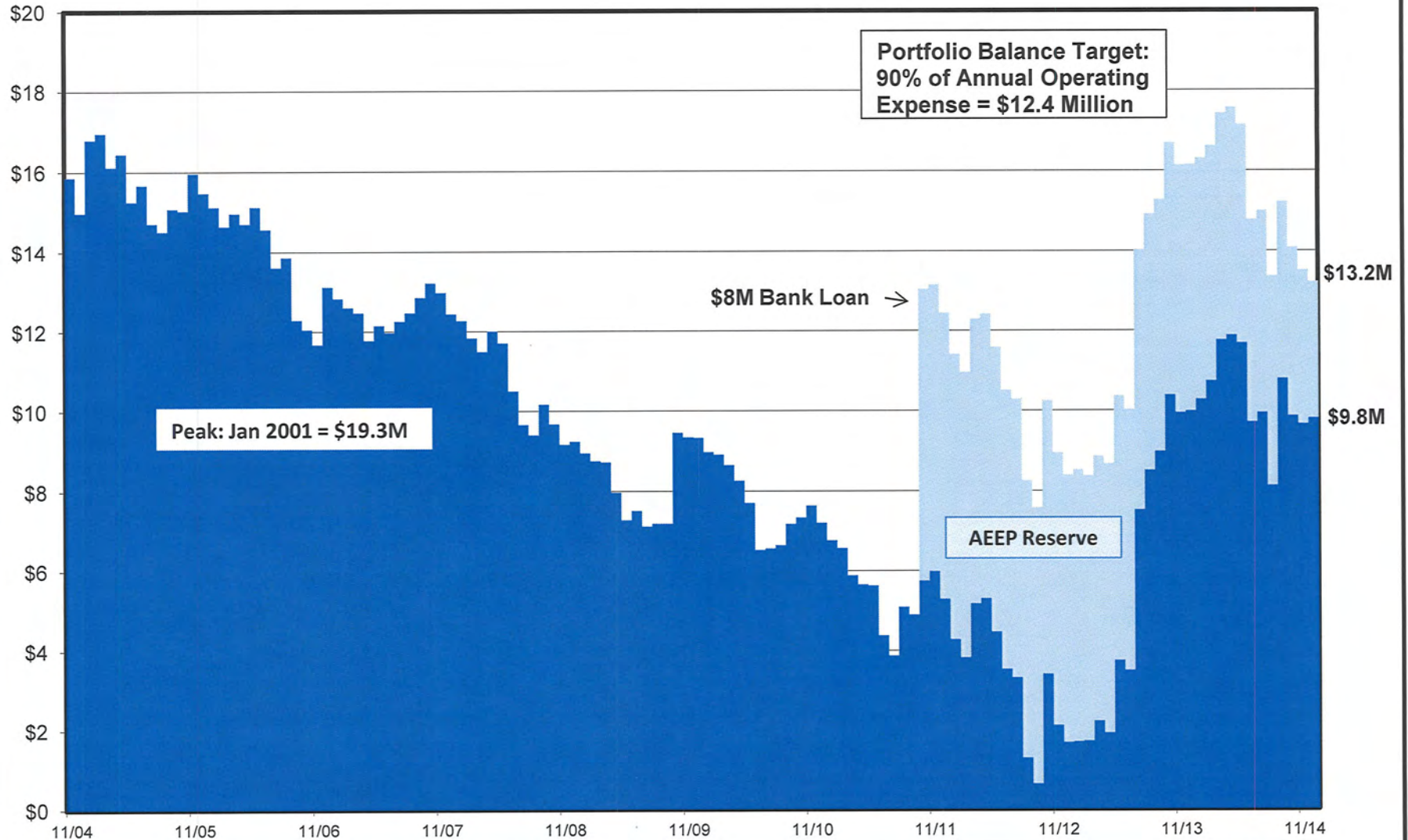


1/13/15

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NMWD Portfolio Balance 10-Year History

Million



7

MEMORANDUM

To: Board of Directors
From: Robert Clark, Operations / Maintenance Superintendent *RC*
Subj: Response to Marin Civil Grand Jury of Oceana Marin Collection Facilities
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January 16, 2015

RECOMMENDED ACTION: Approve attached letter**FINANCIAL IMPACT:** None

At the July 15, 2014 Board of Directors Meeting, General Manager Chris DeGabriele reviewed and the Board approved the District's response to the Marin County Grand Jury Report – The Scoop on Marin County Sewer Systems: Part II and Part III. In that response, District staff agreed to follow up on two items: 1) consider adoption of an ordinance that will require private laterals to be inspected routinely and repaired as necessary, and 2) analyze and consider the feasibility of using treated wastewater for flushing pipes in routine maintenance work.

Sewer Lateral Ordinance

As part of our review of the request to adopt an ordinance for inspecting, testing and repair of sewer laterals, staff reviewed District Regulations 103, 104, 105, 106, 107 and 109; the 2007 North Bay Watershed Association Marin Lateral Program Report; and the Novato Sanitary District, Las Gallinas Valley Sanitary District and Bolinas Public Utility District Regulations / Ordinances. In order to be consistent with peer sewer agency requirements for private sewer lateral inspection, testing and repairs, staff believes that the District's existing sewer system regulations contain sufficient detail to comply with the Grand Jury request.

Use of Treated Wastewater for Flushing

The primary and secondary treatment performed at OM does allow the water to be reused for flushing. The only process in which potable water is used in the OM sewer collection system is the annual clean-out of the grit chamber. This process uses less than 200 gallons and is vacuumed out in the removal process. Due to the location and minimal use, it is unreasonable for the District to develop a collection point for this reuse purpose.

Attached is a response letter to the Marin County Grand Jury Report describing these two follow-up items.

RECOMMENDATION:

Approved attached letter.

Approved by GM *CD*Date: *1/16/15*

January 23, 2015

Helene Marsh
Member, Implementation Review Committee
Director, Marin Chapter of the California Grand Jurors' Association
Tel: 415-789-5454
marsh.helene@gmail.com

Re: The Scoop on Marin County Sewer Systems, Part I, June 16, 2014

Dear Director Marsh:

North Marin Water District has further analyzed Recommendation R3: **'All agencies adopt an ordinance that will require private laterals to be inspected routinely and repaired as necessary,'** and has determined that the District's existing Regulations 103, 104, 105, 106, 107 and 109 cover the key points outlined in the North Bay Watershed Association private lateral inspection/replacement sample ordinance (http://www.nbwatershed.org/PDF/Lateral_Program_Report_120709.pdf) sections 1 through 9. In addition, after meetings with other Marin sewer agencies, NMWD has found that its existing regulations are also consistent with the regulations and ordinances of these other agencies.

With respect to Recommendation R4: **'All agencies conduct an analysis to determine the feasibility of using treated waste water for flushing pipes and routine maintenance work:'** during the normal operation and maintenance activities for the Oceana Marin Sewer facilities, the only process in which additional water is used in the collection system is the annual clean-out of the grit chamber. This process uses less than 200 gallons of potable water, which is vacuumed out in the removal process. The remote location and access to the point of discharge is cost-prohibitive for the District to develop a connection point for reuse at this time.

Sincerely,

Chris DeGabriele
General Manager

Enclosures

CC: Steve Kinsey, Supervisor Marin County Board of Supervisor

CD/kly

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8

MEMORANDUM

ITEM #8

To: Board of Directors
From: Robert Clark, Operations/Maintenance Superintendent *RC*
Subject: Authorize Forklift Replacement Purchase
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January 16, 2015

RECOMMENDED ACTION: Authorize staff to award the contract for purchase of the new forklift to Accurate Forklift, Inc.

FINANCIAL IMPACT: \$31,302.25

At the November 4, 2014 Board of Directors meeting, the Board authorized staff to solicit bids for a replacement forklift (Item #10, attached for your information). Staff has received three bids and has reviewed them for the replacement equipment. The bidders were requested to submit their proposals based on a list of 28 minimum specifications, and all of the proposals met the minimum specifications. Staff's decision was based on safety performance, drivability, service and training.

The Accurate Nissan model has a shorter turning radius which allows better movement in the warehouse and between the storage racks in the yard. The Hyster equipment from Papé and the Komatsu equipment hydraulic lift systems block the operators' forward field of vision while driving and throughout the lifting process. In addition, the Hyster also requires foot pedal control during the lifting operation, which tends to be safety concern with some of our drivers.

After comparing the bid proposals, staff has chosen Accurate Nissan equipment based on the driver ergonomics, operators' hand use of the lifting controls, and parts and service being readily available in Santa Rosa. The operational and safety training programs offered by each of the vendors was provided as requested; however, the Accurate Nissan vendor has also offered to train three of our staff as trainers with OSHA forklift trainer certification.

The approved 2014-15 Budget for this purchase is \$30,000. Adding the \$4,300 savings from the recent Loader purchase, the equipment budget will have enough funding remaining to cover the \$1,302.25 extra cost of the forklift. The bid pricing is as follows:

Manufacturer	Min. Spec Items Met	Quote
Accurate Forklift	28 out of 28	\$31,302.25
Papé Material Handling	28 out of 28	\$30,505.83
Komatsu	28 out of 28	\$30,227.88

Accurate Forklift, Santa Rosa, Nissan Brand
Papé Material Handling, Santa Rosa, Hyster Brand
Komatsu Forklift, Oakland, Komatsu Brand

RECOMMENDATION

Authorize staff to award the purchase contract for the new Forklift to Accurate Forklift, Inc. at a total cost of \$31,302.25.

Approved by GM *CP*

Date: *1/16/15*

MEMORANDUM

To: Board of Directors October 31, 2014
 From: Robert Clark, Operations / Maintenance Superintendent *RC*
 Subject: Authorize Forklift Replacement
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Features

RECOMMENDED ACTION: Authorize staff to solicit bids for the purchase of a new Forklift

FINANCIAL IMPACT: None at this time (\$30,000 included in FY14/15 Budget)

In 1989, the District purchased the 5,000 lb. capacity forklift to move equipment and materials in the corporation yard and warehouse. The forklift has served that purpose well; however, it has over 4,480 hours of use and the estimated future repair costs will not be cost effective for this old equipment.

In the current FY14/15 budget, staff recommended replacement of forklift and budgeted \$30,000, with the preliminary cost estimates between \$25,000 and \$35,000. There are three vendors with whom staff has spoken with that have equipment which meet our general requirements.

These vendors have been contacted over the past few months to provide staff with information on their Tier 4i equipment (Tier 4i refers to the EPA emission requirements). District staff has developed a specification for proposal, and is therefore recommending that a Request for Proposal be sent to the dealers listed below for competitive bids on this equipment.

Pape Material Handling, Santa Rosa, Hyster Brand
 Accurate Forklift, Santa Rosa, Nissan Brand
 Peterson Cat, Oakland, Komatsu Brand

RECOMMENDATION

Authorize staff to solicit bids for the purchase of a new Forklift.

9

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, Chief Engineer 
Subject: Temporary Water Service Request-NFPD Sta. 64 Temporary Structure-
APN 157-400-14)
Request For Temporary Service Extension
r:\jobapp\referrals\apn 157\157-400-14\fire district extension board memo.doc

January 16, 2015

RECOMMENDED ACTION: Approve Request for Temporary Service Extension**FINANCIAL IMPACT: None**

The temporary water service agreement with the Novato Fire Protection District for a temporary fire station will expire on April 3, 2015. The Novato Fire Protection District would like to renew the agreement for another three years (Attachment 1). Since 2012, the District has been providing temporary water service to Fire Station 64 located at 105 Roblar Drive –(see vicinity map in Attachment 2). The temporary fire station consists of a mobile trailer providing living quarters for the on-duty fire firefighters and a pre-fabricated garage to secure one fire engine. The station is accessed via Roblar Drive, with a small portion of the stations' parking lot located on an unimproved portion of this roadway. The Fire District needs to use the temporary facility while it completes reconstruction of Station 64 located at 319 Enfrente Drive. The property is owned by Sonoma Marin Area Rail Transit (SMART) and NFPD has obtained approval from SMART to use the site. A new Temporary Water Service Agreement is provided as Attachment 3.

Environmental Document Review

This project is categorically exempt from CEQA review.

RECOMMENDATION:

That the Board approve authorization of this temporary three (3) year water service pursuant to the attached agreement.



NOVATO FIRE DISTRICT

95 Rowland Way, Novato, CA 94945 • 415.878.2690 • Fax 415.878.2660 • www.novatofire.org

December 8, 2014

RECEIVED

DEC 11 2014

North Marin Water District
PO Box 146
Novato, CA 94948

North Marin Water District

RE: Temporary Water Service Extension – Temporary Fire Station 64 (105 Roblar Dr.)

To Whom This May Concern:

The current temporary water service agreement in place for Temporary Fire Station 64, located at 105 Roblar Dr., is scheduled to expire April 3, 2015. The new Station 64 is currently under construction and will not be complete prior to the April 3, 2015 expiration date. Please consider this letter as a request to extend the current temporary water service agreement for the Temporary Fire Station at 105 Roblar Dr. through September 2015.

Please advise should you have any comments and/or concerns. Thank you for your cooperation regarding this matter.

Sincerely,

Mark Heine
Fire Chief



NO.	DATE	REVISION	BY	APP.
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA				
TEMPORARY NOVATO FIRE STATION 105 ROBLAR DRIVE				
DES	DR	CH	SCALE	: 1"=20'-0"
DM	AC	DM	DATE	: 3/29/12
APPROVED: CHIEF ENGINEER			SHEET NO.	: 1 OF 1 SHEETS
R.E. C40936			SERVICE AREA	1
			JOB.NO.	2000
			NO	001

AGREEMENT FOR TEMPORARY DOMESTIC SERVICE
TO NOVATO FIRE PROTECTION DISTRICT
(NFPD STA. 64 TEMPORARY STRUCTURE), MARIN COUNTY, CALIFORNIA
ASSESSOR'S PARCEL NUMBER 157-400-14

THIS AGREEMENT, made and entered into this date _____, 2015, by and between NORTH MARIN WATER DISTRICT, herein called "District", and NOVATO FIRE PROTECTION DISTRICT, herein called "Applicant".

The parties hereto agree as follows:

1. The purpose of this agreement is to set forth the terms and conditions under which the District will furnish a temporary domestic service for use by the Novato Fire Protection District at 105 Roblar Drive, (APN 157-400-14), Marin County, California.

2. All the water furnished by the District hereunder shall be used solely for domestic water to support Novato Fire Protection District Sta. 64 Temporary Structure at 105 Roblar Drive, Marin County, California.

3. All water furnished hereunder shall be delivered, received, used and paid for in accordance with the District's regulations from time to time in effect. The Applicant shall comply with all applicable regulations.

4. All water furnished hereunder shall be metered and delivered to the Applicant at a metered service connection to the District's existing 12-inch main located along Roblar Drive, Novato, Marin County, California. The Applicant shall pay for metered service installation costs including backflow protection device installation and maintenance, if applicable. If the meter requires future relocation for any reason, the Applicant shall pay the District for actual meter relocation costs. The Applicant shall pay for all water delivered at the District's rates from time to time in effect for water service within the Novato Service Area.

5. The District reserves the right to curtail, interrupt or suspend deliveries of water hereunder to the extent necessary to meet the reasonable needs of water users within the territory of the District in the event of a water shortage as determined by the District.

6. This agreement shall terminate on January 20, 2018.

7. Should the Applicant default in the performance of, or breach any provision, term or condition of this agreement, and fail to cure such default or breach within 30 days after notice thereof, the District, in addition to all other remedies available to it, may forthwith terminate delivery of water to the Applicant.

IN WITNESS WHEREOF, the parties hereto have subscribed their names the day and year first above written.

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

Jack Baker, President

Katie Young, Secretary

(SEAL)

NOVATO FIRE PROTECTION DISTRICT
"Applicant"

(SEAL)

Mark Heine, Fire Chief

NOTES: *If the Applicant executing this agreement is a corporation, a certified copy of the bylaws or resolutions of the Board of Directors of said corporation authorizing designated officers to execute this agreement shall be provided.*

This agreement must be executed by the Applicant and delivered to the District within thirty (30) days after it is authorized by the District's Board of Directors. If this agreement is not signed and returned within thirty days, it shall automatically be withdrawn and void.

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

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RESOLUTION NO. 15-
AUTHORIZATION OF EXECUTION
OF
TEMPORARY WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
NOVATO FIRE PROTECTION DISTRICT

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Novato Fire Protection District, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 105 Roblar Drive, Marin County Assessor's Parcel Number 157-400-14, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 20th day of January, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

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10

MEMORANDUM

To: Board of Directors

January 16, 2015

From: David L. Bentley, Auditor-Controller

Subj: Novato Potable Water System Financial Plan Update

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RECOMMENDED ACTION: Information**FINANCIAL IMPACT: None at this time**

Attached is the "dashboard" which summarizes the District's financial plan for the next five years, through fiscal year 2020. Given the assumptions incorporated, the rate increase plan herein recommended will provide a cash reserve balance of 89%¹ of annual operating expense at the close of fiscal year 2020. This is consistent with the District's goal of building a Cash Reserve Balance equal to 90% of Annual Operating Expense.

A review and discussion of the District's financial plan assumptions for fiscal years 2016 through 2020 follows:

1. Water Rate Increase

Assumption: A 3% water rate increase is proposed effective June 1, 2015, followed by a 5% increase each year thereafter through fiscal year 2020.

Sensitivity: A 1% change in the rate increase assumption results in a \$160,000 change in the FY16 ending cash reserve balance.

Comment: During last year's Financial Plan Review, the Board directed staff to remove connection fee revenue from the financial plan projection as development fees have proven challenging to forecast and have a significant impact on the District's reserve balance. Accordingly, last year the forecast for New Equivalent Dwelling Units was set at zero each year going forward, resulting in a rate increase assumption of 5% annually to attain the reserve balance goal. The concept is to consider connection fee revenue retrospectively, and then to adjust the prospective rate increase based upon actual connection fee revenue received rather than projected revenue.

Accordingly, over the past 12 months, the District has collected \$853,000 in connection fee revenue (30 equivalent dwelling units). A 5% water rate increase in 2016 would add \$840,000 to the District's June 30, 2016 reserve balance. Thus the connection fee revenue collected offsets the revenue derived from a 5% rate increase. However, the April 1, 2014 call for voluntary water use reduction of 20% will decrease this fiscal year's consumption to 2.5 billion gallons, compared to 2.7 BG budgeted. The 200 MG difference will reduce the

¹ The 89% cash reserve factor includes the \$2.1 million paid to CalPERS in June 2014 to pay-off the Side-Fund.

June 30, 2015 reserve balance by \$464,000. To recover the income lost due to the lower consumption, staff recommends a 3% increase effective June 1, 2015.

2. Water Sales Volume

Assumption: Sales volume is projected to remain flat at 2.7 billion gallons annually.

Sensitivity: A 100 MG (0.1 BG) change in the FY16 projected sales volume assumption results in a \$228,000 change in the fiscal year-end cash reserve balance.

Comment: The 2.7 BG assumption is consistent with prior projections. While sales volume is projected to come in about 2.5 BG this fiscal year due to the call for voluntary water use reduction, it is projected to increase next fiscal year as there has been a significant increase in rainfall this winter compared to last. Sales volume has averaged close to 3.0 billion gallons over the past five years.

3. Russian River Water Cost

Assumption: Cost is projected to increase 4.5% in FY16, and 5% annually thereafter.

Sensitivity: A 1% change in the FY16 projected cost increase assumption results in a \$44,000 change in the fiscal year-end cash reserve balance.

Comment: Sonoma County Water Agency staff advise that they will propose a rate increase in the range of 4.5% for FY16, which is factored into the financial plan. Going forward, a projected increase of 5% annually is forecasted. The purchased water cost increase has averaged 3.4% over the past 5 years. This 5% projection is down from 7% forecasted previously, and reflects the Agency's success in providing predictable, moderate increases;

4. Labor Cost

Assumption: Labor cost is projected to increase 3% annually.

Sensitivity: A 1% change in the FY16 projected cost increase assumption results in a \$55,000 change in the fiscal year-end cash reserve balance.

Comment: The 3% forecast is consistent with prior projections. The MOU with employees links an annual cost-of-living adjustment to the change in the consumer price index. The overheaded cost of labor charged to Novato operations has increased by 1.5% annually on average over the past 5 years. A 3% increase is staff's best projection at this time;

5. Capital Improvement Projects

Assumption: CIP to average \$2.5 million per year funded on a "pay-go" basis, i.e., expenditures excluding grant and debt funded projects.

Sensitivity: A dollar for dollar change in the year-end cash reserve.

Comment: Two years ago the Novato potable water master plan update demonstrated the need to increase the \$2.0 million annual average outlay in response to the need to accelerate the replacement of aging pipelines. The Capital Improvement Project Plan prepared in conjunction with this financial plan stays within the \$2.5 million average even with several major pay-go projects, including the \$2.2 million Atherton Tank recoat now underway, the \$900,000 San Mateo Tank 2,000' 24" pipeline to be completed in FY16 and FY17, and a \$440,000 contribution from reserves toward the Aqueduct Energy Efficiency Project (\$440,000 is the projected District cost exceeding the \$7 million bank loan);

6. Equivalent Dwelling Units (FRC)

Assumption: As discussed under the Water Rate Increase section above, connection fee revenue is projected to be zero going forward.

Sensitivity: The Connection Fee for each equivalent dwelling unit is \$28,600, which goes straight to the year-end cash reserve balance.

Comment: Prior projections assumed an increase of 50 EDUs annually commencing in FY15. We anticipate 45 EDUs this fiscal year, which includes 19 EDU's not yet received for the Hamilton 48-unit senior apartment project anticipated to break ground in July. Over the past 4 years the average has been 20 EDUs. Staff agrees that, given the erratic nature of this revenue source, projecting zero EDU's going forward and then revising future water rate increases based on connection fee revenue actually received eliminates the risk of faulty forecasts in setting water rates;

7. Stafford Water Treatment Plant Production

Assumption: Production is projected at 750 MG (2,300 AF) this fiscal year and each year in the forecast.

Sensitivity: A 100 MG change in FY16 production results in a \$168,000 change in the fiscal year-end cash reserve balance.

Comment: Average annual production over the past 5 years was 700 MG.

Staff will present the dashboard model at the meeting for further discussion and analysis.

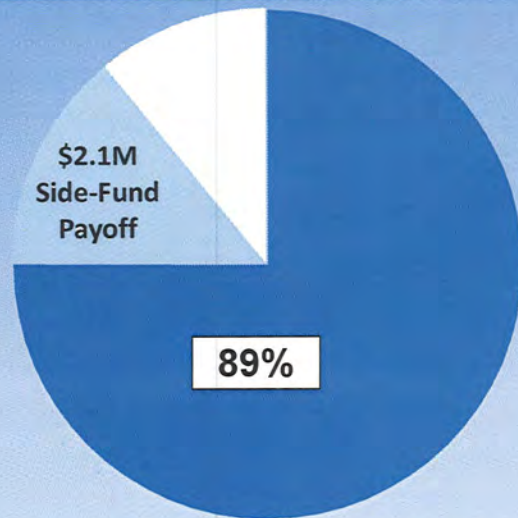


Financial Plan Summary - Novato Potable Water System

Inputs - Major Assumptions

	FY16	FY17-20
Water Rate Increase	3.0%	5.0%
Water Sales (BG)	2.7	2.7
RR Water Cost Increase	4.5%	5.0%
Labor Cost Increase	3.0%	3.0%
CIP (M)	\$2.9	\$2.0
Equiv Dwelling Units (FRC)	0	0
STP Production (BG)	750	750

FY20 Cash as a % of Operating Expense



Reserve Balance Goal = 90% of Operating Expense

Typical Customer Annual Water Cost Zone A Home Consuming 107,600 Gallons Annually

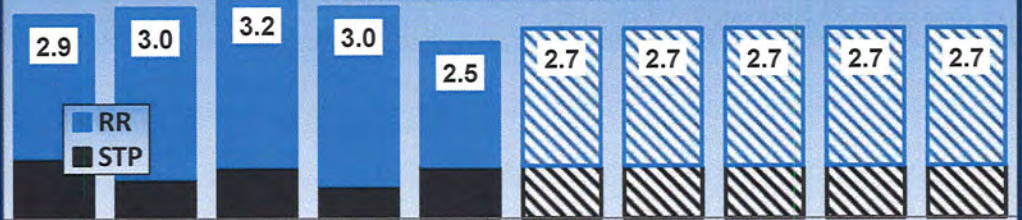


Reserve Goal

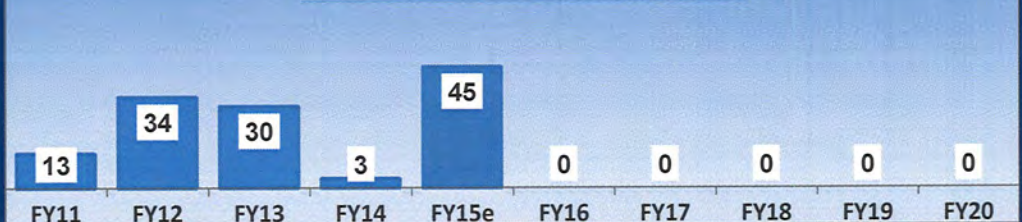
Cash Balance (millions)



Water Production (BG)




New Equivalent Dwelling Units



11

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: Novato Recycled Water System Financial Plan Update
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January 16, 2015

RECOMMENDED ACTION: Information**FINANCIAL IMPACT: None at this time**

Attached is an update of the District's Recycled Water System financial plan for the next five years. The North and South Service Area Expansion is complete. Forty-four meters will provide 140 MG of recycled water this fiscal year. The financial plan includes the \$11 million Central Service Area expansion for which design work is now underway, and which will add 37 new services and offset an additional 60 MG of potable water demand.

Significant assumptions include:

- 1) A 3% water rate increase in FY16 consistent with the increase for potable water. Annual increases thereafter are projected at 5%, again consistent with projected Novato potable water rate increases;
- 2) Water purchases from Novato Sanitary District and Las Gallinas Valley Sanitary District are forecasted at \$1.50 per 1,000 gallons. The agreements with NSD and LGVSD obligate NMWD to pay actual O&M costs for providing recycled water. Actual charges are running about \$1.25/1,000 gallons from NSD and \$1.40/1,000 from LGVSD;
- 3) With the addition of the Ignacio expansion to Marin Country Club, the cost of the Central Area Expansion is now projected at \$11.0 million, to be funded 25% by grants and 75% by 1% SRF loan funds. Marin Country Club will make an annual contribution of approximately \$100,000¹ to offset its negotiated share of the SRF loan debt service;
- 4) Once the Central Area expansion is complete, debt service on the North, South and Central expansion loans is projected at \$1,067,000 annually. Marin Country Club will contribute \$100,000 annually, with the balance of the debt service funded from FRC charges collected for connection to the potable water system, requiring 34 new potable connections annually to fund the recycled water system expansion debt service;
- 5) Given these assumptions, the financial plan projects that, once the Central Service Area expansion is complete, the operation will generate about \$700,000 in cash annually, covering 75% of the annual depreciation expense. In other words, on a pure accounting basis, the system will show a loss of about \$100,000 annually, but will be able to set-aside significant funds to replace the infrastructure as it ages. The reserve accumulated will be shared between NSD, LGVSD and NMWD.

¹ MCC will be responsible for 60% of the \$3.75M Ignacio extension cost, 25% of which will be grant funded, with the \$1.8M balance funded by a 1% SRF loan, annual debt service on which will total \$100,000 annually for 20 years.

NOVATO RECYCLED WATER SYSTEM**5-Year Financial Plan**

1/16/15

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	Actual 2012/13	Actual 2013/14	Estimated 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
1 Active Services	17	44	44	44	44	55	81	81
2 Commodity Rate/1,000 Gal	\$4.11	\$4.49	\$4.73	\$4.87	\$5.12	\$5.37	\$5.64	\$5.92
3 Consumption (MG)	82	159	140	147	149	167	209	209
OPERATING INCOME								
4 Recycled Water Sales	\$334,435	\$715,711	\$662,000	\$716,000	\$762,000	\$897,000	\$1,179,000	\$1,238,000
5 Bimonthly Service Charge	\$8,011	\$27,713	\$27,000	\$27,000	\$28,000	\$33,000	\$44,000	\$46,000
6 Total Operating Income	\$342,446	\$743,424	\$689,000	\$743,000	\$790,000	\$930,000	\$1,223,000	\$1,284,000
OPERATING EXPENDITURES								
7 Overhead Operating Labor	\$57,112	\$45,581	\$54,000	\$56,000	\$57,000	\$59,000	\$61,000	\$63,000
8 Electric Power	\$8,160	\$3,827	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
9 Other Operating Expenses	\$98,745	\$92,573	\$79,000	\$81,000	\$82,000	\$84,000	\$86,000	\$88,000
10 Purchased Water - NSD - \$1,500/MG	\$43,942	\$90,082	\$135,000	\$140,000	\$142,000	\$169,000	\$232,000	\$232,000
11 Purchased Water - LGVSD - \$1,500/M	\$36,676	\$81,203	\$75,000	\$80,000	\$82,000	\$82,000	\$82,000	\$82,000
12 Total Operating Expenditures	\$244,635	\$313,266	\$345,000	\$359,000	\$365,000	\$396,000	\$463,000	\$467,000
13 NET OPERATING INCOME (LOSS)	\$97,811	\$430,158	\$344,000	\$384,000	\$425,000	\$534,000	\$760,000	\$817,000
OTHER SOURCES OF FUNDS								
14 IRWMP Prop 84 Grant - North & South	\$528,750	\$15,000						
15 IRWMP Prop 50 Grant - NFPD #2		\$1,971						
16 Water Smart Grant - South	\$1,206,682	\$138,073						
17 ARRA Grant - North	\$127,341							
18 ARRA Grant - South	\$118,720							
19 Grant Central (25%)				\$125,000	\$1,125,000	\$1,475,000		
20 Loan Central (75%)				\$375,000	\$3,375,000	\$4,425,000		
21 SRF Loan - North	\$2,259,294							
22 SRF Loan - South	\$2,005,890	\$3,351,997						
23 FRC Trsf for Expansion Local Share		\$963,840						
24 Interest Revenue	\$0	\$1,149	\$4,000	\$6,000	\$8,000	\$10,000	\$12,000	\$15,000
25 StoneTree Golf Debt Service	\$250,572	\$250,572	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000
26 Marin Country Club Golf Debt Service					\$100,000	\$100,000	\$100,000	\$100,000
27 FRC Trsf RWF SRF Loan	\$22,795	\$22,795	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
28 FRC Trsf for NBWRA	\$315,023	\$63,035	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0
29 FRC Trsf for SRF Expansion Loan	\$464,572	\$500,529	\$614,000	\$614,000	\$967,000	\$967,000	\$967,000	\$967,000
30 Loan from/(repaid to) Novato	\$1,468,352	(\$4,755,421)	\$0	\$0	\$0	\$0	\$0	\$0
31 Total Other Sources of Funds	\$8,767,991	\$553,540	\$992,000	\$1,494,000	\$5,949,000	\$7,351,000	\$1,353,000	\$1,356,000
OTHER USES OF FUNDS								
32 RW Expansion North	\$1,172,700	\$15,633						
33 RW Expansion Central		\$4,024	\$100,000	\$500,000	\$4,500,000	\$5,900,000	\$0	\$0
34 RW Expansion South	\$5,371,199	\$399,156	\$0					
35 NBWRA	\$313,422	\$63,035	\$80,000	\$100,000	\$100,000	\$100,000	\$0	\$0
36 Other Capital Improvement Projects			\$37,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
37 Interest on Interfund Loan	\$176,340	\$24,963	\$0	\$0	\$0	\$0	\$0	\$0
38 Other Non-Operating Expense	\$38,047	\$2,111	\$8,000					
39 RWF SRF Loan Debt Service	\$273,367	\$273,367	\$273,000	\$273,000	\$273,000	\$273,000	\$273,000	\$273,000
40 RW Exp SRF Loan Debt Service	\$189,883	\$569,208	\$614,000	\$614,000	\$1,067,000	\$1,067,000	\$1,067,000	\$1,067,000
41 Net Working Capital (Incr) Decr	\$708,109	(\$797,415)						
42 Total Other Uses of Funds	\$8,243,067	\$554,082	\$1,112,000	\$1,587,000	\$6,040,000	\$7,440,000	\$1,440,000	\$1,440,000
43 Total Cash Generated	\$622,735	\$429,616	\$224,000	\$291,000	\$334,000	\$445,000	\$673,000	\$733,000
44 Cash Balance/(Amount Due Novato) (\$4,132,687)	\$1,052,350	\$1,276,350	\$1,567,350	\$1,901,350	\$2,346,350	\$3,019,350	\$3,752,350	
45 Depreciation Expense	\$174,242	\$470,894	\$479,000	\$483,000	\$503,000	\$683,000	\$919,000	\$919,000


NOVATO RECYCLED WATER SYSTEM NOTES

KEY

- 1 Assumes 37 new services coming online with the Central Service Area Expansion.
- 2 Commodity rate is tied to the Novato potable water off-season rate.
- 3 FY16 consumption projected to increase 5% from FY15. Central Service Area Expansion projected to add 60MG of consumption annually.
- 4 Recycled Water Sales based on projected consumption multiplied by the commodity rate.
- 5 Bimonthly Service Charge revenue to increase with the 37 new services coming online with the Central Service Area Expansion.
- 7 Overheaded Operating Labor projected to increase 3% annually after FY15.
- 8 Electric Power cost for annual startup and testing of the Deer Island plant plus two booster pumps in Hamilton.
- 9 Other Operating Expenses includes materials, services and supplies and distributed Consumer Accounting and General Administration. Projected to increase 2% annually.
- 10 Purchased Water - NSD - projected at \$1500/AF. NSD provides water to the North and Central Areas.
- 11 Purchased Water - LGVSD - projected at \$1,500/AF. LGVSD provide water to the South Service Area.
- 12 Total Operating Expenditures excludes depreciation expense.
- 14 Integrated Regional Water Management Plan Prop 84 Grant Funding for the North and South Expansion totaled \$532,000.
- 15 Integrated Regional Water Management Plan Prop 50 Grant Funding for the NFPD Station 2 Expansion totaled \$244,000.
- 16 Water Smart Grant for the South Service Area Expansion totaled \$1,345,000.
- 17 American Recovery and Reinvestment Act Grant for the North Service Area totaled \$1,253,000.
- 18 American Recovery and Reinvestment Act Grant for the South Service Area totaled \$541,000.
- 19 Grant Funding for the Central Service Area is projected at 25% of the \$11 million project cost.
- 20 A State Revolving Fund Loan with a 1% interest rate is projected to pay for 75% of the \$11 million Central Service Area Expansion cost.
- 21 A \$4.4 million State Revolving Fund Loan at 2.6% helped to pay for the North Service Area Expansion.
- 22 A \$5.4 million State Revolving Fund Loan at 2.2% helped to pay for the North Service Area Expansion.
- 23 \$964,000 in Novato potable water system Facility Reserve Charge (connection fee) revenue was used to fund the local share of the North & South expansion projects.
- 24 Interest Revenue based on projected available funds invested at 0.5%.
- 25 StoneTree Golf pays \$251,000 annually as its agreed share of the debt service for the \$4.3 million SRF Loan used to help construct the Deer Island Recycled Water Facility.
- 26 Marin Country Club Golf is projected to pay \$100,000 annually as its share of the debt service on the \$3.75M SRF loan to help finance the Ignacio area expansion.
- 27 Facilities Reserve Charge transfer from the Novato potable water system to fund part of the debt service of the Deer Island Recycled Water Treatment Plant.
- 28 Facilities Reserve Charge transfer from the Novato potable water system to fund the cost of the North Bay Water Reuse Association charges incurred to secure grant funding.
- 29 Facilities Reserve Charge transfer from the Novato potable water system to fund the debt service of the North & South Service Area expansion.
- 30 Loan from and (repayment to) the Novato potable system for funds borrowed pending grant and SRF loan funding. The Novato potable system was fully repaid with interest.
- 32 Total cost of the Recycled Water Expansion to the North Service Area came in at \$6.5 million.
- 33 Total cost of the Recycled Water Expansion to the Central Service Area is projected at \$11.0 million.
- 34 Total cost of the Recycled Water Expansion to the South Service Area came in at \$8.5 million.
- 35 North Bay Water Reuse Association is a consortium of local agencies organized to solicit grant funding for North Bay recycled water projects.
- 36 Capital Improvements to the existing system unrelated to the expansion.
- 37 Interest on Interfund Loan is the interest paid by the Recycled Water fund to the Novato potable water system for funds advanced during the course of construction.
- 38 Other Non-Operating Expense - Miscellaneous expenses incurred.
- 39 Annual State Revolving Fund Loan debt service obligation on the Deer Island Recycled Water Facility.
- 40 Annual State Revolving Fund Loan debt service obligation on the North, South and Central distribution system expansion.
- 41 Working Capital is comprised of payables and receivables.

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MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: West Marin Water System Financial Plan Update
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January 16, 2015

RECOMMENDED ACTION: Information**FINANCIAL IMPACT: None at this time**

Attached is an update of the West Marin Water System financial plan for the next five years. With the grant-funded Gallagher Pipeline now complete, the next major project is the Point Reyes Treatment Plant Solids Handling Facility, estimated at \$1,245,000. Acquisition of expanded easements from the federal government in conjunction with the closure of the Point Reyes Coast Guard housing facility station could reduce the project cost by up to 20%. The District will need to borrow approximately \$600,000 in FY16 to fund completion of the Solids Handling Facility.

Significant assumptions include:

- 1) 5% water rate increases annually. This is consistent with prior forecasts. Distribution of the increase between the commodity charge and the bimonthly service charge remains open for discussion.
- 2) Water sales volume is projected conservatively at 74 MG annually, up from the 63MG projected for the current year, but down 4% from the average over the prior 5 years;
- 3) One new connection per year is forecast, compared to an average of 2 per year over the past 5 years;
- 4) A \$2.8 million rehabilitation of the treatment plant is included to commence in FY20. This would be funded by a 20-year loan.

WEST MARIN WATER

5-Year Financial Forecast

	Actual 2012/13	Actual 2013/14	Estimated 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
# BASIC DATA								
1 Active Meters	776	776	777	778	779	780	781	782
2 Avg Commodity Rate/1,000 Gal	\$7.61	\$8.12	\$9.06	\$9.17	\$9.63	\$10.11	\$10.62	\$11.15
3 Potable Consumption (MG)	81	79	63	74	74	74	74	74
INCOME								
4 Commodity Charge	\$614,880	\$633,904	\$574,000	\$581,000	\$714,000	\$750,000	\$788,000	\$827,000
5 Bimonthly Service Charge	138,684	169,038	167,000	175,000	184,000	193,000	203,000	213,000
6 Connection Fee	4,900	22,800	23,000	23,000	23,000	23,000	23,000	23,000
7 PR-2 County Tax Allocation	40,443	42,119	45,000	46,000	47,000	48,000	49,000	50,000
8 OL-2 G.O. Bond Tax	4,205	3,064	0	0	0	0	0	0
9 Interest	3,251	3,292	5,000	4,000	4,000	0	2,000	2,000
10 Miscellaneous	11,321	10,453	8,000	8,000	8,000	8,000	8,000	8,000
11 TOTAL INCOME	\$817,684	\$884,670	\$822,000	\$837,000	\$980,000	\$1,022,000	\$1,073,000	\$1,123,000
EXPENDITURES								
12 Operating Expenditures	\$396,828	\$474,270	\$469,000	\$483,000	\$497,000	\$512,000	\$527,000	\$543,000
13 Water Purchased from MMWD		0	7,000	0	0	0	0	0
14 Miscellaneous	11,964	35,525	0	0	0	0	0	0
15 Bond & Loan Debt Service	110,799	103,222	105,000	100,000	101,000	145,000	144,000	143,000
16 TOTAL EXPENDITURES	\$519,591	\$613,017	\$581,000	\$583,000	\$598,000	\$657,000	\$671,000	\$686,000
NET INCOME	\$298,093	\$271,653	\$241,000	\$254,000	\$382,000	\$365,000	\$402,000	\$437,000
OTHER SOURCES/(USES)								
17 Capital Improvement Projects	(380,323)	(277,492)	(1,499,000)	(285,000)	(1,745,000)	(50,000)	(275,000)	(3,150,000)
18 Grant/Loan Proceeds	0	266,060	1,192,000	0	600,000	0	0	3,000,000
19 Net Change in Working Capital	(51,956)	(46,404)	0	0	0	0	0	0
20 INCREASE (DECREASE) IN CASH	(\$134,186)	\$213,817	(\$66,000)	(\$31,000)	(\$763,000)	\$315,000	\$127,000	\$287,000
CASH BALANCE								
21 Operating Reserve	\$0	\$0	\$99,000	\$330,000	\$0	\$239,000	\$366,000	\$653,000
22 System Expansion Reserve	556,710	808,832	619,000	357,000	0	0	0	0
23 Liability Contingency Reserve	99,000	73,696	99,000	99,000	23,000	99,000	99,000	99,000
24 Bond Redemption Reserve	33,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
25 TOTAL CASH BALANCE	\$698,710	\$912,528	\$847,000	\$816,000	\$53,000	\$368,000	\$495,000	\$782,000
26 Depreciation Expense	\$148,654	\$154,749	\$159,000	\$184,000	\$189,000	\$218,000	\$219,000	\$224,000


WEST MARIN WATER NOTES**# KEY**

West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).

- 1 Assumes annual increase of 1 connection per year.
- 2 Rate increase of 5% is proposed effective 7/1/15. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 74MG annually in FY16 and thereafter and no water use restrictions.
- 4 FY15 commodity charge revenue includes \$37,000 in drought surcharge revenue generated from the temporary drought surcharge.
- 5 Bimonthly service charge shown to increase 5% annually. Details of the proposed rate increase structure to be determined at budget hearings.
- 6 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. PR-2 County Tax allocation is projected to increase 3% per year.
- 8 Olema GO Bond Tax terminated with payoff of Olema Bond January 1, 2015.
- 9 Projected available funds invested at 0.50%
- 10 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 12 3% annual increase in Operating Expenditures assumed after FY15.
- 13 Purchase of 33.66AF from MMWD for release into Lagunitas Creek in October 2014 \$197.60/AF to address salinity intrusion.
- 14 FY14 includes \$20K for Master Plan update & \$13K in prior year work on Well #3 Rehab abandoned in FY14.
- 15 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond due 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. On June 30, 2012, WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility, with repayment commencing FY13. FY18 includes debt service on \$600K loan to finance completion of Solids Handling Facility.
- 16 Total Expenditures excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 18 FY14 & FY15 Gallagher Pipeline grant of \$1.45 million; FY17 \$600,000 loan to complete the Solids Handling and PRE Storage projects.
- 21 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 22 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 23 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. \$8,885 was added in Dec 2006 from sale of 2 surplus parcels in Inverness Park.
- 24 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service (\$30K) for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury.

13

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: Oceana Marin Sewer System Financial Plan Update
t:\aclword\cashflow\15\om swr update 011615.docx

January 16, 2015

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None at this time

Attached is an update of the Oceana Marin Water System financial plan for the next five years.

Significant assumptions include:

- 1) 5% sewer service rate increases annually. This is consistent with prior forecasts, and is designed to build a reserve to fund a \$400,000 pond relining project in FY19;
- 2) One new connection per year, which is the average over the past 5 years;
- 3) A \$700,000 parallel force main is not included in the budget. Depending upon the condition of the ponds in FY19, commencement of the redundant force main project may be substituted for the pond relining project.

OCEANA MARIN SEWER

5-Year Financial Forecast

	Actual 2012/13	Actual 2013/14	Estimated 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
# BASIC DATA								
1 Number of Connections	227	229	230	231	232	233	234	235
2 Monthly Service Charge	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00	\$83.00	\$87.00
INCOME								
3 Monthly Service Charge	\$157,992	\$177,970	\$187,000	\$196,000	\$208,000	\$220,000	\$233,000	\$245,000
4 OM-1/OM-3 Tax Allocation	43,101	44,887	48,000	49,000	50,000	52,000	54,000	56,000
5 Connection Fees	0	30,400	15,000	15,000	15,000	15,000	15,000	15,000
6 Interest Revenue	724	1,051	2,000	1,000	1,000	1,000	2,000	0
7 Miscellaneous Revenue/(Expense)	19,127	(248)	1,000	1,000	1,000	1,000	1,000	1,000
8 TOTAL INCOME	\$220,944	\$254,060	\$253,000	\$262,000	\$275,000	\$289,000	\$305,000	\$317,000
9 OPERATING EXPENDITURES	\$148,164	\$138,518	\$174,000	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
OTHER EXPENDITURES								
10 Capital Improvement Projects/Other	\$221,835	\$19,655	\$100,000	\$90,000	\$160,000	\$60,000	\$390,000	\$40,000
11 TOTAL EXPENDITURES	\$369,999	\$158,173	\$274,000	\$240,000	\$315,000	\$220,000	\$555,000	\$210,000
12 Net Change in Working Capital	(\$2,275)	(5,035)						
13 INCREASE (DECREASE) IN CASH	(\$151,330)	\$90,852	(\$21,000)	\$22,000	(\$40,000)	\$69,000	(\$250,000)	\$107,000
CASH BALANCE								
14 Operating Reserve	\$192,042	\$282,894	\$262,000	\$284,000	\$244,000	\$313,000	\$63,000	\$170,000
15 Connection Fee Reserve	0	0	0	0	0	0	0	0
16 TOTAL CASH BALANCE	\$192,042	\$282,894	\$262,000	\$284,000	\$244,000	\$313,000	\$63,000	\$170,000
17 Depreciation Expense	\$44,720	\$57,024	\$50,000	\$53,000	\$55,000	\$59,000	\$61,000	\$71,000


OCEANA MARIN SEWER**NOTES**

KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Proposed 5% annual increases to build cash to fund the FY19 \$350,000 Pond Relining Project. A \$700K parallel force main is also projected outside the 5-year window.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Assumes new connections occur in OM-3 (Units 1 or 5) which are subject to the \$15,200 connection fee.
- 6 Projected available funds invested at 0.50%
- 9 Operating expenditures return to normal after FY15 deferred maintenance projects completed, then increase 3% annually thereafter.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 11 Total Expenditures excludes depreciation.
- 14 Cash available for operation, maintenance and improvements

14

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: Increase in Directors' Compensation
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January 16, 2015

RECOMMENDED ACTION: None - Information Only**FINANCIAL IMPACT: \$800 Annually**



In accordance with Ordinance No. 27 pertaining to Director's Compensation, said compensation amount shall be escalated annually on each January 1st based upon the change in the San Francisco Bay Area Consumer Price Index for the prior 12 month period, but by no greater than 5% per year, pursuant to California Water Code section 20200 et seq. The change in the SF Bay Area CPI in 2014 was 2.67%. Therefore, effective January 1, 2015, each director shall receive compensation of two hundred and five dollars (\$205) per day for each day's attendance at meetings of the Board, or for each day's service rendered as a director with prior approval of the Board.

Director's compensation for the five-member Board is budgeted at \$30,000 annually, thus a 2.67% increase will add approximately \$800 in cost to the District annually.

15

MEMORANDUM

To: Board of Directors

From: Terrie Kehoe, Engineering Services Representative 
Drew McIntyre, Chief Engineer 

Subject: City of Novato Paving Moratorium, Measure A Group 7
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January 16, 2015

RECOMMENDED ACTION: Information Only**FINANCIAL IMPACT: None**

Standard practice by the City of Novato is to adopt a five year street cut (excavation) prohibition immediately following a street pavement rehabilitation project. These excavation prohibitions (also known as paving moratoriums) can have a negative impact on NMWD customers undergoing major remodels due to the need to upsize water service for fire sprinkling. The City of Novato's 2015 pavement rehabilitation projects include streets from Measure A Group 7 (Attachment 1). This information is made available from the City of Novato's website and also by mail (via public notice). When I receive paving moratorium updates I first transfer the information to NMWD's facility maps located at the NMWD Engineering Department counter. This allows both staff and customers the opportunity to see the actual areas affected by the moratorium as well at the date in which the moratorium remains in effect.

Annually, NMWD sends a direct mailing to all those consumers who will be under the current paving moratorium. This year I again used the parcel database program (Parcel Quest) that allows properties to be searched by parcel number, street address or owner name. This program also has the capabilities to print out mailing labels. In doing so I was able to search each street on the Measure A Group 7 listing, print it by parcel number, service number and mailing address. In this way I have a quick reference of what was sent out and know that everyone on that street was contacted. At the first of this year we sent out 503 notices. The paving moratorium has an approximate start date of July 2015 and will last five years.



**NORTH MARIN
WATER DISTRICT**

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948

PHONE
415.897.4133

FAX
415.892.8043

EMAIL
info@nmwd.com

WEB
www.nmwd.com

January 5, 2015

Dear Property Owner:

Re: City Prohibition of Excavation in the Traveled Way of the Referenced Street
Measure A Group 7 (CIP15-001)
Chapter XV, Section 15-2.54 of the City Municipal Code

The City of Novato is implementing a pavement rehabilitation program for your street in Novato per attached Exhibit "A" tentatively scheduled to commence **summer 2015**.

In order to control unwarranted excavation of newly paved streets, the City Council adopted a prohibition of excavation within the newly paved streets for the specified five (5) year period following completion of the project. This excavation prohibition will apply to North Marin Water District, other public utilities and abutting property owners. Therefore, all planned street excavation must be completed prior to the new paving.

The North Marin Water District is notifying you that this excavation prohibition could impact plans you may have for a new house construction or a substantial remodel. New residential construction (or a substantial remodel) will need installation of an automatic fire sprinkler system pursuant to Novato Fire Protection District's requirements and may need a larger size water service extension from the main water line in the street to your property.

If you plan to upsize your existing water service during the specified excavation prohibition period, please contact our Engineering Services Representative, Terrie Kehoe, at 761-8935, to discuss your particular requirements and schedule the work prior to placement of the new paving.

Sincerely,

Drew McIntyre
Chief Engineer

r:\chief eng\eng serv rep\paving\paving moratorium ltr city 2015.docx

EXHIBIT 'A'
PROHIBITION OF EXCAVATION FOR FIVE
(5) YEARS

	Road Name	Begin	End
1	CERRO CREST DRIVE	BAHIA DR	LAGUNA VISTA DR
2	LAGUNA VISTA DRIVE	#2204 LAGUNA VISTA	#2024 LAGUNA VISTA
3	SAN MARIN DRIVE	925 FT W/O SAN RAMON WAY	NOVATO BLVD.
4	SAN FLIPE WAY	SAN MARCOS CT.	SAN RAMON N
5	SAN ALESO COURT	SAN FELIPE WY	END
6	SAN MARCOS COURT	SAN FELIPE WY	END
7	SAN RAMON WAY	SAN CARLOS WY	SAN MARIN DR
8	RAMONA WAY	SAN LUIS WAY	SAN CARLOS WAY
9	SAN LUIS WAY	SAN CARLOS WAY	ROMERO CT
10	SAN LUIS WAY	ROMERO CT	SAN CARLOS WAY
11	SAN MARIN DRIVE	SERENO WAY	SIMMONS LN
12	TAMALPAIS AVENUE	CENTER RD	NOVATO BLVD
13	CENTER ROAD	TAMALPAIS AVE	DIABLO AVE
14	FIRST STREET	VALLEJO AVE	OLIVE AVE
15	SECOND STREET	VALLEJO AVE	OLIVE AVE
16	FIRST STREET	ELM ST.	MIRABLLA AVE.
17	OLIVE AVENUE	#626	ROSALIA DR.
18	OLIVE AVENUE	ROSALIA DR.	SAMROSE DR.
19	DEL MAR AVENUE	HILL RD	HOTCHKIN DR
20	CANYON ROAD	HILL RD.	979 FT WEST OF HILL RD
21	CANYON ROAD	979 FT WEST OF HILL RD.	WEST END
22	LYNWOOD DRIVE	1000 FT NORTH OF MIDWAY	MIDWAY BLVD
23	SUNSET PARKWAY	CAMBRIDGE ST.	S. NOVATO BLVD.
24	MIDWAY BOULEVARD	SO NOVATO BLVD	EAST END
25	MIDWAY COURT	MIDWAY BLVD	N END MIDWAY BLVD
26	KAVON COURT	LYNWOOD	EAST END
27	KRISTY COURT	CENTER RD	NORTH END INTERSECTION
28	OLIVE AVENUE	SAMROSE DR.	CITY LIMIT

16

DISBURSEMENTS - DATED JANUARY 15, 2015

Date Prepared: 1/12/15

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 12/31/14	\$120,469.50
EFT*	US Bank	Federal & FICA Taxes PPE 12/31/14	53,353.19
EFT*	State of California	State & SDI Taxes PPE 12/31/14	9,133.70
EFT*	US Bank	December Credit Card Fees Incurred for Customer Online Payments	2,721.98
1	Able Tire & Brake	Tires (11) ('04 JD Backhoe - \$1,507, '09 Peterbilt - \$1,609 & '02 Chevy P/U - \$773)	3,890.06
2	Ackerman, Gerald	Retiree Exp Reimb (2015 Health Ins)	1,088.28
3	ASDSO	Annual Dues (10/14-9/15) (McIntyre) (Budget \$50)	50.00
4	A.S.T.I.	Fire Service Testing (16) (Balance Remaining on Contract \$5,135)	1,380.00
5	Athens Administrators	Replenish Workers' Comp Account Costs (Venegas, Bynum)	5,164.23
6	AT&T	December Internet Service @ PRTP	75.00
7	Bakalar, Michael	Retiree Exp Reimb (2015 Health Ins)	547.80
8	BATS	Traffic Plan for Street Cut at Eucalyptus & Novato Blvd	300.00
9	Bino, Gene	Retiree Exp Reimb (2015 Health Ins)	400.92
10		Cafeteria Plan: Uninsured Medical Reimbursement	728.50
11	Boyett, Rebecca	Novato "Washer Rebate" Program	50.00
12	Bradbery, Ronald	Retiree Exp Reimb (2015 Health Ins)	594.48
13	Building Supply Center	Clamp-on Umbrella & Jig Saw Blades	31.97
14	California State Disbursement	Wage Assignment Order	1,018.50

Seq	Payable To	For	Amount
15	CalPERS Retirement System	Pension Contribution PPE 12/31/14	43,701.91
16	Capasso, Jon	Novato "Toilet Rebate" Program	100.00
17	Cascade Fire Equipment	2" Nipple	91.13
18	CDW-Government	RTU Battery Back-ups (4)	378.80
19	CED of Santa Rosa	PLC Modem - Hanna Ranch (2)	2,527.64
20		Cafeteria Plan: Uninsured Medical Reimbursement	200.00
21	CA Sanitation Risk Mgmt.	2015 Oceana Marin Liability Insurance	2,126.87
22	Cummings Trucking	Sand (\$3,330) (65 yds) & Rock (\$3,592) (96 yds)	6,922.01
23	Dell Computers	Replacement PC Monitors (2) (Mulliner & Arendell)	443.98
24	Derby, Richard	Retiree Exp Reimb (2015 Health Ins)	1,088.28
25	Diggs, James	Retiree Exp Reimb (Jan Health Ins)	966.79
26	Environmental Express	Phosphate Buffer (Lab)	186.12
27	Environmental Science Assoc	Recycled Water Expansion Project, South Service Area (Balance Remaining on Contract \$14,930)	1,701.49
28	Estero Mutual Water	Electricity Used by NMWD from Estero Mutual Water's PG&E Meter (2014)	1,542.36
29	Eyler, John	Retiree Exp Reimb (2015 Health Ins)	1,088.28
30		Cafeteria Plan: Uninsured Medical Reimbursement	60.00
31	Gauci, Kenneth	Novato "Toilet Rebate" Program	100.00
32	GHD	Engineering Services for AEEP Project (Balance Remaining on Contract \$39,998)	3,458.00
33	Giari, John	Retiree Exp Reimb (2015 Health Ins)	400.92
34	Grainger	High Pressure Nozzles (2)	197.32
35	Hale, Larry	Retiree Exp Reimb (2015 Health Ins)	547.80

Seq	Payable To	For	Amount
36	Hatch, Michael	Novato "Toilet Rebate" Program (\$200) & Refund Alternative Compliance Reg 15 Deposit (\$630)	830.00
37	International Dioxide	pH Probe (STP)	428.43
38	John's Dairy Equip. & Supply	Hog Ring Pliers	15.19
39	Johnstone, Daniel	Retiree Exp Reimb (2015 Health Ins)	1,088.28
40	Kain, Kate	Refund Deposit - New Development Water Conservation Restriction	1,000.00
41		Vision Reimbursement	368.00
42		Cafeteria Plan: Uninsured Medical Reimbursement	2,500.00
43	Liner, Norma	Novato "Toilet Rebate" Program (\$200) & Refund Alternative Compliance Reg 15 Deposit (\$630)	830.00
44	Maltby Electric	Elbows (12)	33.12
45	Marin Landscape Materials	Soil (10 yds) (\$382) & Concrete (42 bags) (\$210)	592.43
46	Marin County Ford	Motor Oil (13 qts) (\$63), Air Filters (2), Oil Filters (2), Wiper Blades, Turn Signal Switch & Relay (05 Ford Ranger) (\$137) & Starter & Relay ('99 F350) (\$351)	563.25
47	Matchette, Tim	Retiree Exp Reimb (Jan Health Ins)	323.79
48	McAghon, Andrew	Lawn-Be-Gone Mulching Program	877.50
49	Moore, Doug	Retiree Exp Reimb (Jan Health Ins)	895.35
50	Moretti, Linda	Retiree Exp Reimb (2015 Health Ins)	400.92
51	Mutual of Omaha	Jan Group Life Ins Premium	782.51
52	National Notary Association	Notary Insurance Renewal (3 yrs) (Young) (2/15-2/18) (Budget \$30)	78.00
53	Nelson, John O.	Retiree Exp Reimb (2015 Health Ins)	1,088.28

Seq	Payable To	For	Amount
54	North Marin Auto Parts	Diesel Engine Oil (22 gal) (\$311), Power Outlet, Oil Filters (3), Trailer Light Kits (3) (\$192), Motor Oil (13 qts) (\$68), Thread Lock, Silicone Sealer, Nitrile Gloves (600) (\$117), Trailer Light Plug, V-Belt, Sand Pump Belts (3) (\$60), Automotive Wire (241') (\$98), Circuit Breaker, Air Filter, Wiper Blades (3), 2 - Cycle Oil (12-3oz bottles), Tail Light Lamp, Grommet, Clearance Light, Stop Light Switch, Battery (\$104) ('05 Ford Ranger) & Shop Rags (11 lbs) (\$120)	1,395.68
55	North Bay Gas	Welding Shop Supplies (\$358), Nitrogen (\$49) & Dec Cylinder Rental	450.74
56	Novato Builders Supply	Hardware, 1" Staples (1 lb), 2" Roof Flashing, Visqueen (20' x 100') (2) (\$265) & Rebar	311.47
57	Novato, City of	Street Excavation Moratorium Fee (1256 Cambridge & 18 Shields Lane)	1,000.00
58	Novato Disposal Service	December Trash Removal	419.94
59	Novato Sanitary District	Recycled Water Oct 2014	5,461.26
60	Novato Horse & Pet Supply	Erosion Control Supplies	61.01
61	O'Reilly Auto Parts	Wiper Fluid (6 gal), Anti-Freeze (6 gal) (\$91), Glass Cleaner (6 cans), All Purpose Cleaner (2 gal), Degreaser & Brake Cleaner (\$35)	183.62
62	Pace Supply	4" Adaptors (2) (\$388), 8" Elbow (\$136), Nuts (68), Gaskets (4), 4" PVC Pipe (100') (\$289) & 12" Flanged Adaptors (2) (\$1,350)	2,257.32
63	PG&E	Power Bldgs/Yard (\$2,636), Rectifier/Controls (\$397), Pumping (\$13,758), Treatment (\$137) & Other (\$93)	17,019.18
64	Pini Hardware	8' Fluorescent Light Tubes (2), Ant & Rat Bait (\$58), Caulk, Roof Sealant (2), Weather Stripping for Front Office Doors, Door Handle Assembly (Warehouse Bathroom), Outlets, Screws, Super Glue, Motion Sensor Light, Hose Repair, Spray Paint (2) & Propane Cylinder (2-14oz)	234.94
65	Protection Engineering	Polyguard Primer (16 qts)	345.31
66	Reliable Hardware & Steel	12' Threaded Rods (12)	254.48

Seq	Payable To	For	Amount
67	Roberts, Renee	Retiree Exp Reimb (Jan Health Ins)	966.79
68		Cafeteria Plan: Uninsured Medical Reimbursement	1,492.00
69	Sequoia Safety Supply	Jacket (\$62) & Overalls (5) (\$191)	253.70
70	Shirrell Consulting Services	Dec Dental Expense	5,351.60
71	Sierra Chemical	Chlorine (2 tons)	494.16
72	Silva, Cathy	Novato "Cash for Grass" Program	310.00
73	Smalley, Gayle	Retiree Exp Reimb (2015 Health Ins)	547.80
74	Smith, Donald	Novato "Toilet Rebate" Program	100.00
75	Sonoma County Water Agency	Conservation Program Support (7/1/14-9/30/14)	10,998.35
76	Sonosky, Norma	Retiree Exp Reimb (2015 Health Ins)	594.48
77	Steger, Eric	Novato "Washer Rebate" Program	50.00
78	Streakwave Wireless	Warehouse Hand-held Scanner Routers (2) (\$188) & RTU Radios (2) (\$68) (Less Credit of \$247 for Returned Parts)	8.37
79	Syar Industries	Asphalt (6 tons)	769.41
80	Ultra Scientific	Reference Samples for Quality Control (Lab)	279.65
81	United Parcel Service	Delivery Services: Sent RW Central Serv Area Encroachment Permit Application, Sent Back Trial Products (Lab), Tank Transmitter Repairs, Meter Reading Device for Repair & Return Wrong Headset	70.18
82	UPS Store	Delivery Service: Warranty Repair on Gas Monitor Docking Station	239.28
83	US Postal Service	Meter Postage	1,000.00
84	Vasconcellos, Joan	Retiree Exp Reimb (2015 Health Ins)	547.80
85	Verizon California	Leased Lines (\$1,173), Emerg Listing (\$28) & DSL Line (\$51)	1,252.39
86	Verizon Wireless	Cellular Charges Data (\$106) & Airtime (\$120) (19)	226.08

Seq	Payable To	For	Amount
87		Cafeteria Plan: Uninsured Medical & Vision Reimbursement	2,510.94
88	Wilson, Roena	Retiree Exp Reimb (2015 Health Ins)	243.00
		TOTAL DISBURSEMENTS	<u>\$339,223.79</u>

The foregoing payroll and accounts payable vouchers totaling \$339,223.79 are hereby approved and authorized for payment.


Auditor-Controller

1/13/15
Date


FOR General Manager

1/13/15
Date

DISBURSEMENTS - DATED JANUARY 8, 2015

Date Prepared: 1/6/15

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


Seq	Payable To	For	Amount
1	All Star Rents	Sewer Snake Rental (15 Gustafson Ct) & Generator Rental for Office (Precautionary - 1 Day) (\$230)	\$292.71
2	Alpha Analytical Labs	Lab Testing	278.00
3	Athens Administrators	Jan Workers' Comp Admin Fee	1,000.00
4	Battery Systems	Batteries for Reservoir Hill Solar Power System	441.14
5	Bay Area Barricade Service	66" Fiberglass Posts for Marking Facilities (25) (\$500) & 3' x 12' Reflective Sheeting	527.29
6	Bay Alarm	Quarterly Fire Alarm Monitoring Fee (1/1/15-4/1/15)	338.19
7	Calpico	Anodes (8) (\$1,230) & Flange Insulation Kit (2)	1,461.54
8	CalPERS	Health Insurance Premium (Employees \$57,092, Retirees \$10,188 & Employee Contrib \$10,135)	77,414.63
9	Cinquini & Passarino	Surveying Services: Upsize Bear Valley Tanks Pipeline (Balance Remaining on Contract \$13,800)	10,000.00
10	Clark, Daniel	Novato "Washer Rebate" Program	50.00
11	Coast Counties Peterbilt	Heater Control Panel ('09 Peterbilt 335)	371.00
12	DeGabriele, Chris	Employee Computer Purchase Loan	892.70
13	Evoqua Water Technologies	Service on Deionization System	223.80
14	Fisher Scientific	Buffers (3) (\$117), Reagents (3) (\$203) & Pipettes (400) (\$78)	398.36
15	Garaventa, Steven	Novato "Cash for Grass" Program	200.00
16	Garthwaite, Josh	Novato "Toilet Rebate" Program	100.00


Seq	Payable To	For	Amount
17	Ghilotti Construction	Construct AEEP Reaches A-D/MSN B3 Pipeline Project - Project Payment #8 (Balance Remaining on Contract \$3,966,446)	1,337,875.98
18	Ghiraldini, Marco & Angie	Homeowner Insurance Deductible-Water Damage Claim	500.00
19	Golden Gate Petroleum	Gas (\$2.55/gal) & Diesel (\$2.77/gal)	2,646.56
20	Grainger	Knee Boots (2) (\$81), Hip Boots (2) (\$200) & Storage Bins (75)	299.90
21	Gutfeld, Stacey	Novato "Washer Rebate" Program	50.00
22	Hertz Equipment Rentals	Excavator Rental - Gallagher Well Pipeline (1 week)	824.04
23	Idexx Laboratories	Media to Test Coliforms (Lab)	1,688.29
24	ITRON Service Center	Hardware Maintenance Contract on Meter Reading Devices (1/1/15-12/31/15) (Budget \$1,460)	1,475.13
25	Locke, Marianne	Novato "Toilet Rebate" Program	100.00
26	Maltby Electric	Generator Transfer Switch (\$1,456), Generator Transfer Switch Plugs (2) (\$1,299) & Electrical Wire for Transfer Switch (\$238)	2,993.11
27	McLellan, WK	Misc Paving (164 S.F.)	1,105.31
28	Monti, Ray	Novato "Toilet Rebate" Program	100.00
29	Noonan, Kathleen	Novato "Washer Rebate" Program	50.00
30	Northern Safety	Safety Glasses (4) & Lab Coat (\$30)	64.77
31	Novato Lock	Keys (2)	10.88
32	Pace Supply	Couplings (12) (\$190), 12" Flange (\$240) & 16" Reducer (\$561)	991.15
33	Pape Material Handling	Fuel Leak Inspection ('00 Steer Loader)	258.00
34	Patocchi, Robert	Novato "Toilet Rebate" Program	300.00
35	Peterson Trucks	Dome Light (\$40) & Heater Hose	49.03

Seq	Payable To	For	Amount
36	Quail Hollow Meadow HOA	Novato "Water Smart Landscaping Efficiency" Program (\$1,000) & "Cash for Grass" Program (\$588)	1,587.50
37	Ramudo, Pablo	Exp Reimb: ACWA Conference in San Diego on 12/2/14. Mileage (\$48), Parking (\$36) & Meals (\$63)	146.71
38		Cafeteria Plan: Uninsured Medical Reimbursement	295.00
39	Rokeach, Michael	Novato "Washer Rebate" Program	50.00
40	Royle, Scott	Novato "Toilet Rebate" Program	200.00
41	Schuler's Welding	Custom Screens for Aqueduct (7)	2,509.36
42	Department of Industrial Relations Self-Insurance Plans	Self-Insured Workers' Comp Annual Assessment	1,048.44
43	Sequoia Safety Supply	Overalls (2) (\$43), Safety Gloves (300) & Safety Vests (6) (\$140)	242.40
44	Team Ghilotti	Replacement Check (Less Retention) Construct Gallagher Well Pipeline Project	90,495.13
45	Thomas Scientific	Pipet Tips (2,000) (Lab)	52.96
46	The Transmitter Shop	Tank Transmitter Amp Boards (4)	412.00
47	U.S. Bank Card	Expenses for ACWA Conf: (Airfare \$150, Registration \$355, Meals \$20 & Shuttle \$22) (DeGabriele), Replacement Christmas Tree for Lobby (\$108), Holiday Party Decorations (\$63), Facebook Advertising for Water Cons (\$10), Desserts for Holiday Party (\$31), Business Lunch (\$41) (DeGabriele), Airfare for ACWA Conference (\$384) (Ramudo), Replacement Laser Printer (\$106) (Landeros)	1,290.00
48	Usner, David	Novato "Toilet Rebate" Program	300.00
49	Vali Cooper & Associates	Construction Management Services: NMWD Aqueduct Relocation AEEP Reaches A-D/MSN B2 (Balance Remaining on Contract \$698,448)	66,816.02
50	Verizon Wireless	November CIMIS Station Data Transfer Fee	30.39

Seq	Payable To	For	Amount
51	Vorris, Peter	Novato "Hot Water Recirculation System" Rebate Program	75.00
52	Walker, Toni	Novato "Cash for Grass" Program	400.00
53	Wheelwright, Betty	West Marin "Washer Rebate" Program	50.00
54	White Cap Construction	Sand Bags (200)	129.90
55	Winzer	Nuts, Bolts, Washers for Auto Shop	332.43
		TOTAL DISBURSEMENTS	<u>\$1,611,834.75</u>

The foregoing payroll and accounts payable vouchers totaling \$1,611,834.75 are hereby approved and authorized for payment.

 1/7/15
 Auditor-Controller Date

 1/7/15
 For General Manager Date

1/7/15 Added Subsequent to Schedule Submitted for Board Review Due to Staff Oversight

56	Baker, Jack	December Director's Fees (\$400) & Recycled Water Subcommittee Meeting on 12/17/14 (\$200)	600.00
57	Doyle, Sheriff Robert	Wage Assignment Order	473.61
58	Fraites, Rick	December Director's Fees (\$400) & North Bay Watershed Association Meeting on 12/17/14 (\$200)	600.00
59	Petterle, Stephen	December Director's Fees	400.00
60	Rodoni, Dennis	December Director's Fees	400.00
61	Schoonover, John	December Director's Fees (350) & Recycled Water Subcommittee Meeting on 12/17/14 (\$200)	550.00
		TOTAL	<u>\$3,023.61</u>
		REVISED TOTAL	<u>\$1,614,858.36</u>

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE JOHN SCHOONOVER	DATE <u>12/17/14</u> (TODAY'S DATE)
1160 Rosalia Drive	
Novato, CA 94947	
AMOUNT: \$200.00	

I attended the RECYCLED WATER SUB COMMITTEE on 12/17/14
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

and wish to be compensated as provided under the Board Compensation Policy.

SIGNATURE

CHARGE TO: 56001-01-11

DISPOSITION OF CHECK

X MAIL TO PAYEE

☐ HOLD FOR _____

☐ OTHER _____

APPROVED TO PAY BY _____

T:\FORMS\CHECK REQUEST FOR BOARD.DOC
REV. 0213

Prepared By	Accounting Review	POST DATE	Vendor No.
			SCHO01



Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount
CKRQ		\$200.00

NMWD Comment

Job Number	GL Account	Amount
	56001-01-11	\$200.00
TOTAL		\$200.00

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE RICK FRAITES	
50 Forrest Rd	DATE <u>12/16/2014</u> (TODAY'S DATE)
Novato, CA 94947	AMOUNT: \$200.00

I attended the North Bay Watershed Association on 12/05/14
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

and wish to be compensated as provided under the Board Compensation Policy.

Rick Fraites
SIGNATURE

CHARGE TO: 56001-01-11

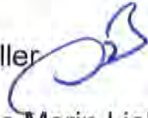
DISPOSITION OF CHECK X MAIL TO PAYEE <input type="checkbox"/> HOLD FOR _____ <input type="checkbox"/> OTHER _____ <hr/> APPROVED TO PAY BY <small>T:\FORMS\CHECK REQUEST FOR BOARD.DOC REV. 0213</small>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; padding: 2px;">Prepared By</td> <td style="width: 20%; padding: 2px;">Accounting Review</td> <td style="width: 20%; padding: 2px;">POST DATE</td> <td style="width: 40%; padding: 2px;">Vendor No.</td> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td>FRAI02</td> </tr> </table> <div style="text-align: right; padding-top: 10px;"> </div> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <th style="width: 40%; padding: 2px;">Invoice Number (CK Req ID)</th> <th style="width: 20%; padding: 2px;">Invoice (CK Req) Date</th> <th style="width: 40%; padding: 2px;">Invoice (CK Req) Amount</th> </tr> <tr> <td style="padding: 2px;">CKRQ</td> <td></td> <td style="text-align: right; padding: 2px;">\$200.00</td> </tr> </table> <div style="margin-top: 10px;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 100%; padding: 2px;">NMWD Comment</th> </tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <th style="width: 33%; padding: 2px;">Job Number</th> <th style="width: 33%; padding: 2px;">GL Account</th> <th style="width: 34%; padding: 2px;">Amount</th> </tr> <tr> <td></td> <td style="text-align: center;">56001-01-11</td> <td style="text-align: right;">\$200.00</td> </tr> <tr><td style="height: 20px;"></td><td></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td><td></td></tr> <tr> <td colspan="2" style="text-align: right; padding: 2px;">TOTAL</td> <td style="text-align: right; padding: 2px;">\$200.00</td> </tr> </table> </div>	Prepared By	Accounting Review	POST DATE	Vendor No.				FRAI02	Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount	CKRQ		\$200.00	NMWD Comment						Job Number	GL Account	Amount		56001-01-11	\$200.00													TOTAL		\$200.00
Prepared By	Accounting Review	POST DATE	Vendor No.																																							
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TOTAL		\$200.00																																								

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Rev. 0510

MEMORANDUM

To: Board of Directors

January 16, 2015

From: David L. Bentley, Auditor-Controller 

Subj: Information – Renewal of Oceana Marin Liability Insurance

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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: \$2,127 Expense for Oceana Marin Sewer

The 2015 premium for Oceana Marin sewer improvement district's \$1 million liability insurance policy is down 14% (\$358) from 2014. This coverage is provided via the California Sanitation Risk Management Authority (CSRMA), a Joint Powers Authority that also provides coverage for the sanitary districts in Novato, Central Marin, Las Gallinas, San District's 1&5, Sausalito-Marin City, San Rafael, and the Sewerage Agency of Southern Marin. \$3,000 was budgeted for this purchase.

Note from the attached chart that Oceana Marin's insurance premium decreased significantly in 2010, and continues at a moderate level. CSRMA changed carriers last year to Allied World Assurance Company based on their more competitive proposal than the prior carrier. The Allied policy retains the limit of \$1 million per occurrence and \$3 million aggregate, but includes a \$1,000 deductible, compared to zero deductible with the previous policy.

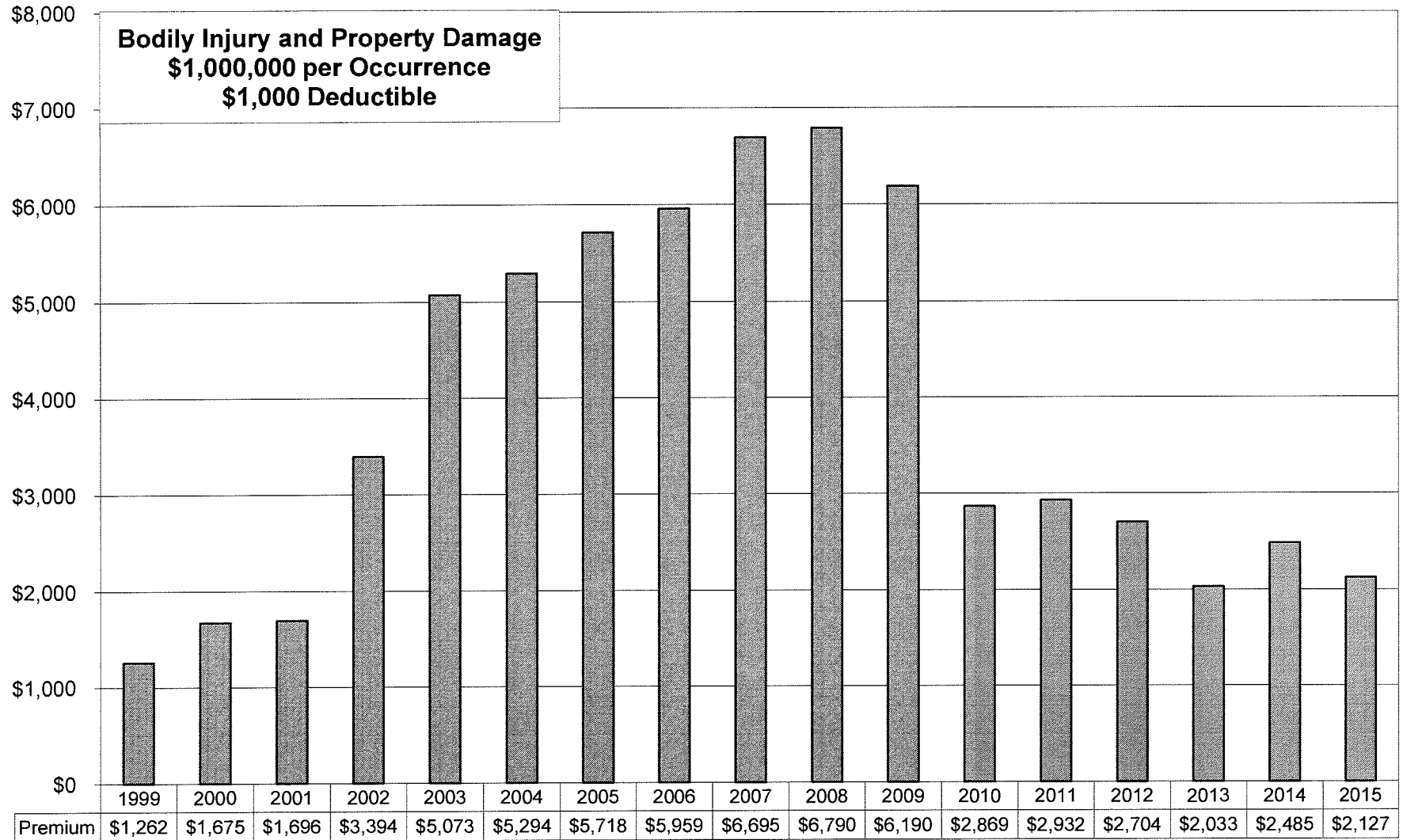
Allied World Assurance Company carries an A.M. Best Rating of A XV. The A indicates excellent financial strength, and the XV indicates financial size is the largest rated (>\$2 billion statutory surplus).

The premium cost for each of Oceana Marin's 229 dwelling units is \$9 per year. CSRMA reports that the average cost of the 560 sewer overflow claims incurred over the first decade of this century was \$20,048¹ [DLB1], which equates to \$88 per Oceana Marin customer absent insurance. In February 2008 a sewer main Oceana Marin ruptured, and CSRMA reimbursed the Oceana Marin district \$50,370 for clean-up costs. Since 1999, when the District initially purchased liability insurance for Oceana Marin, and including the 2015 premium, annual premium payments total \$64,894.

¹ CSRMA 2010/2011 Long Range Action Plan, page 29 - <http://www.csrma.org/docs/agenda-eb-100429.pdf>

Oceana Marin Liability Insurance Premium

Renews January 1



MEMORANDUM

To: Board of Directors 
From: Nancy Williamson – Sr. Accountant
Subj: Reimbursement Program 2014
t:\finance\reimb program\reimbmemo2014.doc

January 16, 2015

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$19,955 Reimbursement Payment to Developers

Regulation 30 (attached), Reimbursement for Extension of Pipelines that Benefit Others, allows developers to receive reimbursement for pipelines they are required to install which are not within the developers property. Reimbursement eligibility is determined by the District prior to execution of the Water Service Agreement, and is based upon the benefit to be derived from other potential users of the extended pipeline. The reimbursement entitlement is available only for installation of six-inch diameter pipeline and larger, and the first one hundred feet of said pipeline and fittings are not eligible for reimbursement.

Regulation 30 provides that each year following the first full year after completion of the extension, the District pays to each developer having a reimbursement entitlement a pro-rata share of all Reimbursement Fund Charges held by the District in its Reimbursement Fund Account. Reimbursement fund charges in Novato are \$420 for a 5/8" residential meter and \$1,055 for a 1" residential meter. Reimbursement fund charges in West Marin are \$1,950 for a 5/8" residential meter and \$4,950 for a 1" residential meter. Reimbursement Fund Charges received and reimbursement entitlements are accounted for separately for the Novato and West Marin Service Areas (the current year schedule is attached). A developer's reimbursement entitlement expires upon payment thereof by the District in full without interest, or on the tenth year of payment, whichever occurs first.

There were twelve participants in the Novato Reimbursement Program in 2014 representing \$1,534,742 in original reimbursement entitlements. We collected \$16,055 in Reimbursement Fund Charges during calendar year 2014 (versus \$14,210 in 2013) and that total was applied against the remaining reimbursement obligation of \$994,625 leaving a zero balance in the Reimbursement Fund Account. After this year's payment remains an entitlement balance of \$978,570 in Novato.

There were two participants in the Reimbursement Program for West Marin in 2014 representing \$216,183 in original reimbursement entitlements. We collected \$3,900 in Reimbursement Fund Charges during calendar year 2014 (versus zero in 2013) and that total was applied against the remaining reimbursement obligation of \$158,871 leaving a zero balance in the Reimbursement Fund Account. After this year's payment remains an entitlement balance of \$154,971 in West Marin.

NORTH MARIN WATER DISTRICT

REGULATION 30

REIMBURSEMENT FOR EXTENSION OF PIPELINES THAT BENEFIT OTHERS

a. Reimbursement Entitlement for Off Tract Pipelines

The Reimbursement Entitlement for pipelines paid for by the Applicant but not within the Applicant's property shall be based upon the benefit to be derived by other potential users of said pipelines as estimated and determined by the District in its sole discretion. Reimbursement Entitlement will be considered only for pipelines and fittings of six-inch diameter and larger. The first one hundred feet of said pipelines and fittings except for the oversized portion are not eligible for Reimbursement Entitlement. In determining the Reimbursement Entitlement any pipeline footage traversing land in other water service zones or paralleling an existing water main shall not be considered eligible for reimbursement unless the District determines that such footage can reasonably be expected to be of benefit to abutting lands. The maximum Reimbursement Entitlement shall not exceed the maximum potential benefit to be derived by other users of the facilities paid for by the Applicant as determined by the District in its sole discretion.

b. Reimbursement Payments

In January of each year following the first full year after completion of the extension, the District will pay to each Applicant having a Reimbursement Entitlement, a portion of the total amount of Reimbursement Fund Charges established by Regulation 1.c. and received by the District from Applicants located within the same service area during the previous calendar year. Said portion shall be determined by multiplying said total amount of Reimbursement Fund Charges received by the quotient obtained by dividing the Applicant's unexpired reimbursement entitlement by the total of all unexpired reimbursement entitlements within the same service area. For the purpose of this Regulation, the Point Reyes and Paradise Ranch Estates Service Areas shall be considered one service area called the West Marin Service Area. Reimbursement Fund Charges received and unexpired Reimbursement Entitlements shall be accounted for separately for the Novato and West Marin Service Areas.

c. Expiration of Reimbursement Entitlement

The Applicant's unexpired Reimbursement Entitlement for a given year shall be determined by subtracting all prior reimbursement payments made to said Applicant from said Applicants' Reimbursement Entitlement. An Applicant's Reimbursement Entitlement shall expire and become invalid upon payment thereof by the District in full without interest, or on December 31 of the tenth year of payment on account thereof pursuant to Regulation 30.b. whichever shall first occur.

d. Acknowledgment of Necessity

Anyone who pays, deposits or agrees to pay all or part of the cost of any extension or improvement of the District's Water Distribution system hereby acknowledges that such extension or improvement is necessary and reasonable and releases the District from any liability based on a claim that a determination made by the District pursuant to Regulation 21 is or was unnecessary or unreasonable.

e. Assignment of Reimbursement Entitlement

The District will not recognize any assignment or attempted assignment of a Reimbursement Entitlement unless the assignment is in a form satisfactory to and approved in writing by the District and is signed and

acknowledged by the assignor. The District will furnish forms of assignment on request. Except with the prior written approval of the District, no assignment of a Reimbursement Entitlement shall be effective until the first payment thereon from the reimbursement fund is paid or payable.

f. Liens of Reimbursement Entitlement

The District shall have a lien upon all money payable as a Reimbursement Entitlement for any indebtedness to the District of the holder of said entitlement. The District may exercise said lien without notice by transferring the appropriate amount from Reimbursement Fund Charges paid to the District at the time annual reimbursement payments are made.

g. Non-Applicability

This Regulation 30 shall not apply to extension or construction of recycled water facilities. The District may, however, enter into reimbursement arrangements for recycled water systems it deems reasonable and fair on a case by base basis.

NORTH MARIN WATER DISTRICT
REIMBURSEMENT PROGRAM - 2014
Allocation Calculations
GL Acct 22700-01

1/7/2015

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Job Number	PROJECT	FIRST YEAR	FINAL YEAR	ORIGINAL ENTITLEMENT	- TOTAL PRIOR REIMB PAID	= ENTITLEMENT REMAINING 12/31/2014	REIMB PAID THIS YEAR	GRAND TOTAL REIMB PAID	ENTITLEMENT REMAINING 12/31/2015	% REIMB TO DATE
NOVATO:										
1.2546.00	Point Marin (aka Rafael Village)- Phase 1	2006	2015	\$11,395.00	\$4,880.22	\$6,514.78	\$105.16	\$4,985.38	\$6,409.62	43.75%
1.2574.00	Tamalpais Hill Subdivision	2006	2015	\$218,250.00	\$93,471.46	\$124,778.54	\$2,014.16	\$95,485.62	\$122,764.38	43.75%
1.2576.00	Cherryhill Pipeline Extension	2006	2015	\$642,542.00	\$275,185.97	\$367,356.03	\$5,929.81	\$281,115.78	\$361,426.22	43.75%
1.2597.00	Point Marin Phases 2 & 3	2006	2015	\$233,170.00	\$99,861.35	\$133,308.65	\$2,151.85	\$102,013.20	\$131,156.80	43.75%
1.2598.00	Atherton Estates	2006	2015	\$91,820.00	\$39,324.40	\$52,495.60	\$847.38	\$40,171.78	\$51,648.22	43.75%
1.2659.00	Lehman Land Division	2007	2016	\$24,492.00	\$2,466.64	\$22,025.36	\$355.53	\$2,822.17	\$21,669.83	11.52%
1.2635.00	Channel Drive Water Main Extension	2007	2016	\$18,486.00	\$1,861.77	\$16,624.23	\$268.35	\$2,130.11	\$16,355.89	11.52%
1.2617.00	Marion Heights	2007	2016	\$88,322.00	\$8,895.09	\$79,426.91	\$1,282.10	\$10,177.18	\$78,144.82	11.52%
1.2282.00	Oak Park Estates	2008	2017	\$16,319.00	\$1,298.66	\$15,020.34	\$242.46	\$1,541.12	\$14,777.88	9.44%
1.2576.01	Cherryhill Pipeline - Phase 2	2008	2017	\$143,341.00	\$11,407.05	\$131,933.95	\$2,129.66	\$13,536.71	\$129,804.29	9.44%
1.2692.00	Whole Foods	2010	2019	\$42,368.00	\$1,337.66	\$41,030.34	\$662.31	\$1,999.96	\$40,368.04	4.72%
1.2614.00	Somerston Park	2011	2020	\$4,237.00	\$126.49	\$4,110.51	\$66.35	\$192.84	\$4,044.16	4.55%
				\$1,534,742.00	\$540,116.76	\$994,625.24	\$16,055.09	\$556,171.85	\$978,570.15	36.24%
	Total Invested			\$1,534,742.00	\$540,116.76	\$994,625.24	\$16,055.09	\$556,171.85	\$978,570.15	36.24%
	% Earned			1.05%						

Amt Remaining in Reimb Acct from 2013	\$0.00
Reimb collected 1/1/14 - 12/31/14 (22700-01)	16,055.09
Balance in Reimb Fund at 12/31/14	16,055.09
Paid out this year	(16,055.09)
Remaining in Reimb Acct after payments	\$0.00

WEST MARIN:

2.2530.00	Vallejo Avenue Extension	2007	2016	\$51,183.88	\$13,569.34	\$37,614.54	\$923.37	\$14,492.71	\$36,691.17	28.31%
2.2529.00	Pt. Reyes Affordable Housing	2007	2016	\$165,000.00	\$43,743.09	\$121,256.91	\$2,976.63	\$46,719.72	\$118,280.28	28.31%
	Total Invested			\$216,183.88	\$57,312.43	\$158,871.45	\$3,900.00	\$61,212.43	\$154,971.45	
	% Earned			1.80%						

Amt Remaining in Reimb Acct from 2013	\$0.00
Reimb collected 1/1/14 - 12/31/14 (22700-02)	3,900.00
Balance in Reimb Fund at 12/31/14	3,900.00
Paid out this year	(3,900.00)
Remining amount in reimbursement account	\$0.00

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Recycled Water Cost
L:\acword\recycled water\avg cost.docx

January 16, 2015

RECOMMENDED ACTION: None - Information

FINANCIAL IMPACT: Average Cost of Recycled Water = \$1,287/MG

Over the 15 month period from July 2013 through September 2014 the Novato Sanitary District has produced 136 million gallons of recycled water at an average cost of \$872/MG. Over the same period Las Gallinas Valley Sanitary District has produced 80.4 MG at an average cost of \$1,363/MG.

Note that while NSD was able to produce the recycled water at a lower rate, they also required a supplement of 14.2 MG of potable water to meet recycled water demand during periods when their treatment plant was unable to operate. Adding the value of the potable water to the recycled water cost renders a cost of \$1,236¹ per million gallons delivered to customers (recycled plus potable), a 42% increase. In comparison, LGVSD required only 0.5 MG of potable water during the period, increasing their total cost to \$1,382/MG, a 1% increase. The consolidated total cost of water delivered averaged \$1,287/MG, as shown in the table below.

As a reference, NMWD budgeted \$1,500/MG for purchase of recycled water, and pays the Sonoma County Water Agency \$2,276/MG for treated potable water.

	Novato San		LGVSD		Combined	
	MG	\$/MG	MG	\$/MG	MG	\$/MG
Recycled Water Produced	136.0	\$872	80.4	\$1,363	216.4	\$1,055
Potable Water Supplement	14.2	\$4,729	0.5	\$4,590	14.7	\$4,708
Total	150.2	\$1,236	80.9	\$1,382	231.0	\$1,287

¹ [3.7MG @ \$4,770/MG (FY14 seasonal) + 6.0MG @ \$4,440/MG (FY14 off-season) + 4.5MG @ \$5,080/MG (FY15 seasonal)] / 150.2 MG (recycled + potable) = \$1,236/MG.

MARIN LAFCO

Political Subdivision of the State of California

NOTICE OF PUBLIC REVIEW

January 12, 2015

TO: Interested Parties

FROM: Keene Simonds, Executive Officer

**SUBJECT: Countywide Water Municipal Service Review:
Public Review on Draft Profiles on West Marin Agencies**

The Marin Local Agency Formation Commission (LAFCO) welcomes interested parties' review and comment on the first phase of its scheduled municipal service review on countywide water provision as part of the agency's prescribed growth management responsibilities. This first phase involves the preparation of agency profiles covering the four West Marin agencies under LAFCO oversight serving the unincorporated communities of Bolinas, Inverness, Muir Beach, and Stinson Beach. These profiles are in draft form and ultimately are intended to inform the subsequent development of preparing and adopting subsequent written determinations on the capacity, adequacy, and governance of the special districts as part of the municipal service review mandate.

Copies of the draft profiles on the West Marin agencies along with associated documents are available for viewing by visiting www.marinlafco.org and clicking on the "special studies" tab. Hard copies are also available by contacting LAFCO staff.

All interested parties – affected agencies and the general public – are invited to review the draft profiles on the West Marin agencies and provide written comments to LAFCO either by regular or electronic mail with the latter direct to Keene Simonds at ksimonds@mainlafco.org. Written comments will be accepted for inclusion into final profiles for the next 45 days through **Thursday, February 26th**, although LAFCO will consider the agencies' request to extend the deadline by a minimum of 15 additional days at its next regular meeting scheduled for February 12, 2015. Any approved extension to the comment period will be noticed and posted on LAFCO's website.

Chairperson: Jeffry Blanchfield / *Vice Chairperson:* Dennis J. Rodoni
Regulars: Susan Adams, Judy Arnold, Carla Condon, Craig K. Murray, Gary Phillips
Alternates: Jack Baker, Christopher Burdick, Kathrin Sears, Herb Weiner
Executive Officer: Keene Simonds

Marin Local Agency Formation Commission

555 Northgate Drive, Suite 230 • San Rafael, California 94903
Telephone (415) 446-4409 • Facsimile (415) 446-4410 • General E-Mail: staff@marinlafco.org
<http://lafco.marin.org/>

Upfront: Troubled water?

Jan 9, 2015

LAFCO study looks at population growth and water supply demand in Marin's districts water use LAFCO

by Peter Seidman

The Marin Local Agency Formation Commission (LAFCO), perhaps the least understood government agency in the county, is unveiling the first half of a study that looks at water supply issues—and whether water districts will be able to meet demand in the coming decades.

The study is a closer look at development potential and its consequences that started when the Association of Bay Area Governments (ABAG) first released its estimates of population growth in the Bay Area as part of a new statewide mandate to tie transportation and housing into a single planning tool. The numbers ABAG issued triggered a barrage of criticism that continues to this day from opponents who object to regional government agencies predicting growth for Marin and the number of new housing units the county should provide.

One avenue of criticism from opponents of what they view as a move to urbanize Marin along the Highway 101 corridor focuses on the ability of water agencies to deliver adequate supply to current customers as well as new customers that would be added to the county population.

While the ABAG population projections can be seen as a macro take on potential population growth, the LAFCO study takes a micro-investigative approach, as it focuses on whether the water agencies actually will have supply capacity for projected growth. The results of the LAFCO study could either support or disprove the contention among development critics that Marin has an inadequate water supply for new development.

The first half of the LAFCO study goes before LAFCO commissioners this week for review. The first half deals with water agencies in West Marin. "For the purposes of getting some momentum and being able to have some regional discussion, we have divided a countywide review in two," says Keene Simonds, general manager at LAFCO. The first half of the study looks at four agencies that supply water to the large majority of West Marin residents. Those areas are the Muir Beach Community Services District, the Stinson Beach County Water District, the Bolinas Community Public Utility District and the Inverness Public Utility District.

In the second half of the study, which LAFCO staff currently is conducting, the agency will look at the Marin Municipal Water District and the North Marin Water District, which supply water to residents in East Marin and relatively small parts of West Marin. This part of the study also will assess the capabilities of the Las Gallinas Valley Sanitary District and the Novato Sanitary District. Those two districts provide recycled water.

Results contained in the staff report on West Marin, presented this week to the commission, will go through a 45-day public review period, after which staff will include comments and suggestions from the public as well as any additional information and adjustments LAFCO commissioners request. The results of the LAFCO staff estimates for the East Marin water agencies will go before LAFCO commissioners in draft form in April if all goes according to schedule. Simonds says that he thinks a final report on both western Marin and eastern Marin will be ready by the commission's June meeting.

According to the California Association of Local Agency Formation Commissions, "From 1963-1985, LAFCOs administered a complicated series of statutory laws and three enabling acts, the Knox-Nisbet Act, the Municipal Organization Act and the District Reorganization Act. Confusion over the application of the laws led to a reform movement that produced the first consolidated LAFCO Act, the Cortese-Knox Local Government Reorganization Act of 1985. In 1997, a new call for reform in local government resulted in legislation that called for forming the Commission on Local Governance in the 21st century."

The goal of local LAFCOs focuses in part on determining spheres of influence for government agencies. Which town, city or agency should control what geographic area is within the LAFCO realm of investigation. Local LAFCOs play an integral part in the process that determines whether a geographical area can be annexed to a town or a city and fall under its jurisdiction.

A LAFCO also can look at government agencies to determine whether they operate at peak efficiency as separate agencies or would be better in a consolidated organizational structure. That may sound like a dry description, but the practical implications were far from dry when the Marin LAFCO took a crack at suggesting that myriad sewerage agencies in Southern Marin would be better off in a consolidated structure. The suggestion brought strong criticism from opponents who said a consolidation would reduce local control over their individual agencies. Other opponents questioned the financial implications of consolidating agencies. Who would cover the costs, after a consolidation, of a sewerage district that needed more infrastructure work than a neighboring district? Consolidation proponents remained firm that having numerous small agencies performing essentially the same tasks was inefficient and possibly harmful to the environment. Sewage spills in 2008 at the Mill Valley treatment plant led

to that charge, which was called unfair by those who said the treatment plant essentially was safe. Consolidation would be safer for Richardson Bay and would save money for ratepayers, said proponents.

In 2013, voters rejected a plan that called for consolidating four Southern Marin sewerage districts into one large agency.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs LAFCO agencies to “regularly prepare municipal service reviews in conjunction with updating each local agency’s sphere of influence,” according to a Marin LAFCO staff report. LAFCO agencies also may investigate service reviews independently of any sphere of influence study “for the purposes of informing future planning and/or regulatory actions,” the report states.

The Marin LAFCO assessment of the county’s water agencies looks at three broad areas: population and demographics, water use and demand and supply capacity, and financial standing. The final assessment for West Marin will come in the finished draft after the public review process, but Simonds says that some preliminary information included in initial assessments show that the four water agencies in West Marin are on relatively sound financial footing.

The information LAFCO compiled regarding demographics and water use provide a micro insight into the four communities.

The population within the four West Marin districts is about 5,337 people, according to the staff report. The increase in population collectively during the last five years is nine-tenths of a percent. That’s a relatively small number, but it’s more than one-fourth the corresponding countywide growth rate. And the Muir Beach District has seen a 2.13 percent increase in population. That’s “nearly four times greater than the overall countywide growth” during the last five years.

The job of delivering a steady supply of water in three of the four agencies is complicated by the fact that they serve mostly seasonal residents. Full-time residents in the Bolinas, Inverness and Stinson Beach Districts account for “no more than 42 percent of any one agency’s service population,” the staff report states. In the Muir Beach District, on the other hand, 70 percent of the people in its service area are full-time residents. That makes the job of supplying steady water delivery easier in the Muir Beach District.

The demographic information contained in the study offers another snapshot of residents on the coastal side of Mount Tam. The median household income in the Muir Beach District is \$169,063—well above the median for the county. The median in the Stinson Beach District is close to the countywide median at \$88,750. (The county median in 2013 was \$90,839, according to the U.S. Census Bureau.) The Bolinas District

is well below the countywide median at \$54,636. The median in the Inverness District is even lower at \$52,135.

The primary source of water in the Muir Beach District is groundwater. The other three districts rely on surface water for their supply. The LAFCO report takes a look at population projections and annual water demand and estimates that in 2023, two of the four districts, Stinson Beach and Inverness, will have adequate supply in a drought year. But in drought conditions, Muir Beach will have a 2.1 percent water deficit and Bolinas will have a 13.9 percent deficit. Bolinas already has an 11.9 percent supply deficit in a drought year, according to the report.

In looking at current peak day demand in drought, LAFCO found that Muir Beach has a 12.8 percent deficit. Stinson Beach is close to capacity at 93 percent of demand. Bolinas is at capacity with 100 percent of demand. Inverness, the outlier, is only at 34.4 percent of demand during a peak day demand in drought.

As important as water supply, the capacity to treat water affects the ability of water districts to deliver clean supply to residents. LAFCO finds that currently all four districts have adequate treatment capacity, but Bolinas is close to reaching capacity. Bolinas District treatment is working at 97 percent of demand. In 2023, the Bolinas District is the only district that will exceed treatment capacity. Demand will exceed by 17.5 percent the ability to treat water there, according to the report. Inverness will be close to capacity at 94 percent of demand.

Residents—and visitors—in three of the four West Marin districts have bucked the trend of reducing consumption. Eastern Marin has posted impressive conservation numbers, beating the statewide mandate. But average daily water consumption in the Muir Beach District has increased 6.3 percent during the last five years. Bolinas residents and visitors have increased their consumption by 11.5 percent. Inverness water users have increased their consumption by 6.9 percent. Only Stinson Beach water customers have reduced their average daily consumption, by 2.3 percent.

“It’s an interesting dynamic,” Simonds says. “When you think about West Marin, you think about [people being] more cognizant of the tap. Water use in the three districts “has gone up more than their parallel [population] growth projections have gone up over the five years. That tells you there’s an intensification occurring. We don’t know why. Maybe their lawns are nicer now than they were five years ago. But something’s going on there. The use is going up.”

LAFCO serves two functions. It provides information on which planners can base decisions. It also can lower a regulatory hammer on how agencies govern and deliver services. In the case of West Marin, the focus is on providing information for planning.

The question of whether planners can use water that agencies provide to control growth is a complicated legal conundrum. Generally experts say water districts are forbidden to use supply directly to control development.

In a 1976 case—Swanson versus the Marin Municipal Water District—a state appellate court made reference to an earlier case in 1921 in Butte County: “Our Supreme Court stated that ‘a water company supplying water for irrigation has not the power to take on new consumers without limit. Its power to supply water is, of course, limited by the amount of its supply, and when the demands of its consumers upon it have reached this limit, it has no right to take on new consumers to the necessary injury of those it has. But it isn’t always easy to determine just when the limit of supply is reached, and the factor of safety, which should be allowed against exceptional seasons, may vary from locality to locality. ... The matter is one of judgment, a judgment which it may [very] well be [and] should be exercised conservatively, but a matter of judgment nevertheless.’”

Marin Municipal Water District officials have declared adamantly that the agency can provide supply to current and projected future residents, with reasonable conservation efforts in normal drought conditions. Critics disagree and call for using the water supply and demand balance as a reason to halt or slow growth. The LAFCO study of the water districts should provide new information from an ostensibly objective source outside the water-agency realm.



POINT REYES LIGHT

Olema water bond paid off after four decades

By Beau Evans
01/15/2015

Olema residents have finally paid off a 40-year, \$70,000 water bond, the North Marin Water District announced last week. The bond was issued in 1975 when voters decided to switch their water-service provider from the Olema Water Company—a private group—to the water district. The Farmers Home Administration agreed to purchase the bond at a 5 percent interest rate and, until this year, property owners in Olema paid an average annual assessment of \$120 on their water bills to satisfy the bond. “Forty years paid off here,” said David Bentley, the water district’s auditor-controller. “That’s something to celebrate.” Still, it may be a minor celebration: the bond assessment charge accounted for only around 5 percent of residents’ total annual bill. “It’s more symbolic than anything else,” said Dennis Rodoni, a longtime Olema resident who also serves on the water district’s board of directors. Prior to the bond’s issuance, the private water system in Olema was “broken,” Mr. Rodoni said. Not only did the facilities suffer from infrastructure problems, the system’s owners had no intention of investing in future improvements. Meanwhile, similarly poor maintenance and management problems were afflicting the private water system in Point Reyes—that is, until N.M.W.D. stepped in to purchase and rehabilitate Point Reyes Station’s system in 1970. Olema residents took note, and asked the district to annex their water system. The resulting bond helped finance the construction of several Olema water facilities, including a storage tank and a pump station, and the extension of a four-inch pipeline that carries water to Olema from a primary storage and treatment system in Point Reyes. “It’s a honeycomb distribution center system,” said Robert Clark, the district’s maintenance and operations superintendent. Improvements have since been made to upgrade the pump station and replace the storage tank, but the original pipeline funded with the bond is still in service today.

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