



**NORTH MARIN WATER DISTRICT**  
**AGENDA - REGULAR MEETING**  
 February 6, 2018 – 6:00 p.m.  
 District Headquarters  
 999 Rush Creek Place  
 Novato, California

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| Est.<br>Time | Item  | Subject           |
|--------------|---|-------------------|
| 6:00 p.m.    | <b>CALL TO ORDER</b>  |                   |
|              | 1. <b>APPROVE MINUTES FROM REGULAR MEETING</b> , January 16, 2018   |                   |
|              | 2. <b>GENERAL MANAGER'S REPORT</b>  |                   |
|              | 3. <b>OPEN TIME: (Please observe a three-minute time limit)</b>   |                   |
|              | 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. <b>STAFF/DIRECTORS REPORTS</b>   |                   |
|              | 5. <b>QUARTERLY FINANCIAL STATEMENT</b>   |                   |
|              | <b>CONSENT CALENDAR</b><br>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.  |                   |
|              | 6. <b>Consent - Approve</b> Proposed FY18/19 Budget Review Schedule   |                   |
|              | 7. <b>Consent – Approve</b> Proposed FY18/19 Rate Hearing Schedule  |                   |
|              | <b>ACTION CALENDAR</b>  |                   |
|              | 8. <b>Approve:</b> SCWA FY19 Proposed Budget Debt Issuance – Cash-Out Option  |                   |
|              | 9. <b>Approve:</b> Resolution of Appreciation – Katie Young   | <b>Resolution</b> |
|              | <b>INFORMATION ITEMS</b>  |                   |
|              | 10. Water Meter Disconnection – 20 Tamarin Lane   |                   |
|              | 11. Mid-Year Operations/Maintenance 17/18 Update  |                   |
|              | 12. 2018 Strategic (Long Range) Plan Development – Status Update  |                   |
|              | 13. North Bay Water Workshop No. 1 Meeting – January 22, 2018   |                   |
|              | 14. NBWA Meeting – February 2, 2018   |                   |

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)

15. **MISCELLANEOUS**

Disbursements

2<sup>ND</sup> Quarter Labor Cost Report

Reimbursement Program 2017

News Articles:

Diverted River Sustains California Wine Country, but It's Killing Salmon

Marin January wetter, but behind average; no rain in sight

Editorial: Clear process needed to determine conflicts

Water contamination plagues surviving homes in Santa Rosa's Fountaingrove neighborhood

New Novato fire Chief Bill Tyler takes the reins

Watershed council out of dormancy

16. **CLOSED SESSION:** In accordance with California Government Code Section 54957 for Public Employment, Title: Auditor-Controller

7:00 p.m.

17. **ADJOURNMENT**

1

DRAFT  
NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
January 16, 2018

**CALL TO ORDER**

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, Stephen Petterle, and James Grossi. Also present were General Manager Drew McIntyre, District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Rocky Vogler.

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

**MINUTES**

On motion of Director Baker, seconded by Director Petterle the Board approved the minutes from the previous meeting as presented by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly, and Petterle

NOES: None

**GENERAL MANAGER'S REPORT**

**Holiday Party**

Mr. McIntyre thanked the Board members for attending the District Holiday Party and stated that it was a good time and very well attended.

**Oceana Marin Homeowners Association Meeting**

Mr. McIntyre informed the Board he attended the Oceana Marin Homeowners Association meeting on Saturday and there were over 40 homeowners present. He stated that he reviewed the current operations budget, advised of the cash on hand and reviewed the five-year capital improvement projects. He noted that Supervisor Rodoni also attended and discussed county issues.

**NorthBay Water**

Mr. McIntyre and Director Baker attended a meeting for NorthBay Water. He advised the Board that there will be five workshops to make presentations about the development of a new organization called NorthBay Water that will encompass surface water, storm water and ground water management.

1 Fire Chief Retirement

2 Mr. McIntyre advised that he will be attending the Novato Fire Protection District's  
3 Retirement party for Chief Mark Heine on January 26<sup>th</sup>.

4 OPEN TIME

5 President Fraites asked if anyone in the audience wished to bring up an item not on the  
6 agenda and there was no response.

7 STAFF/DIRECTORS REPORTS

8 President Fraites asked if staff or Directors wished to bring up an item not on the agenda  
9 and the following items were discussed:

10 Mrs. Young advised the Board that the Fair Political Practice Commission Form 700 is due  
11 by April 1<sup>st</sup> for the 2017 year.

12 Mr. Bentley advised that he received a proposed budget increase from Sonoma County  
13 Water Agency of 4.8%. He noted that tomorrow would be the first meeting to review the SCWA  
14 budget.

15 MONTHLY PROGRESS REPORT

16 Mr. McIntyre provided the Board with the Monthly Progress Report for December. He  
17 updated the Board with a summary of the current water supply conditions. He stated that Lake  
18 Mendocino is at 91% of the targeted water supply pool and Lake Sonoma is at 80%. He noted that  
19 Stafford Lake is at 37% capacity. Mr. McIntyre stated that overall water production is up with Novato  
20 potable water up 8% compared to one year ago, West Marin up 24% and Recycled Water up 17%.

21 Mr. Bentley provided the Board with the Monthly Report of Investments advising that at the  
22 end of the month the District had \$13.5M in the bank and the weighted average portfolio was 1.2%.

23 There was a discussion about backfilling Stafford Lake and Mr. McIntyre stated that he  
24 would bring more information to the Board at the 2<sup>nd</sup> Board meeting in February.

25 CONSENT CALENDAR

26 Director Petterle stated that he would like to abstain from Item #9 – San Mateo Tank  
27 Inlet/Outlet Project – Notice of Exemption.

28 On the motion of Director Petterle, seconded by Director Baker the Board approved items 6-  
29 8 on the consent calendar by the following vote:

30 AYES: Director Baker, Fraites, Grossi, Joly, and Petterle

31 NOES: None

1     **CHASE BANK WATER AGREEMENT**

2             The Board approved a water agreement for Chase Bank. New water facilities required  
3 include 180 feet of 6-inch PVC main, 5 feet of steel main, one 6-inch fire service and one  
4 commercial fire hydrant. The Board approved Resolution No. 18-02 entitled: "Authorization of Water  
5 Service Facilities Construction Agreement with Pacheco Plaza Center, LLC."

6     **RESOLUTION OF APPRECIATION FOR NFPD FIRE CHIEF MARK HEINE**

7             The Board approved Resolution 18-01 entitled: "North Marin Water District Resolution of  
8 Appreciation to Mark Heine."

9     **NOTICE OF COMPLETION FOR THE RECYCLED WATER EXPANSION CENTRAL SERVICE**  
10 **AREA – EAST PIPELINE PROJECT**

11            The Board authorized the General Manager to execute and file a Notice of Completion for  
12 the Recycled Water Expansion Central Service Area – East Pipeline Project.

13    **SAN MATEO TANK INLET/OUTLET PROJECT – NOTICE OF EXEMPTION**

14            The Board approved a Notice of Exemption with the County of Marin for the San Mateo  
15 Tank Inlet/Outlet Project.

16            On motion of Director Baker, seconded by Director Joly, the Board approved the San Mateo  
17 Tank Inlet/Outlet Project – Notice of Exemption by the following vote:

18            AYES: Director Baker, Fraites, Grossi, and Joly

19            NOES: None

20            ABSTAIN: Director Petterle

21    **INFORMATION ITEMS**

22    **UPDATE ON POLYBUTYLENE SERVICE LATERAL POPULATION**

23            The Board received an update and history of polybutylene service lateral population. Mr.  
24 Bentley advised the Board that the District currently has approximately 100 PB failures a year and  
25 that maintaining the planned replacement program is worthwhile.

26    **ETHICS TRAINING FOR BOARD OF DIRECTORS AND DISTRICT OFFICERS**

27            Mrs. Young advised the Board and elected officers (General Manager, Auditor-Controller,  
28 District Secretary and Chief Engineer) that they needed to complete a 2-hour course by April 1, 2018  
29 on Ethics Training required by State legislation AB1234. She advised that ethics training needs to be  
30 completed every two years.

1 **2018 STRATEGIC (LONG RANGE) PLAN DEVELOPMENT MEETINGS WITH MARTIN RAUCH**

2 Mr. McIntyre reminded the Board and Sr. Staff that one-on-one interviews with consultant  
3 Martin Rauch will be held on January 23<sup>rd</sup> as part of the 2018 Strategic Planning. He noted that two  
4 strategic planning workshops will be held from 9am-3pm on February 13<sup>th</sup> and February 27<sup>th</sup> at  
5 NFPD Administration Building, 95 Rowland Way.

6 **NBWA MEETING – JANUARY 5, 2018**

7 Director Fraites provided an overview of the North Bay Water Association meeting held on  
8 January 5<sup>th</sup>. He stated that it was very informative about climate change and contained a lecture on  
9 smart climate carbon farming.

10 **TAC MEETING- JANUARY 8, 2018**

11 Mr. McIntyre provided a summary of the Technical Advisory Committee Meeting that was  
12 held on January 8<sup>th</sup>. He stated that the water supply conditions were reviewed and advised the  
13 Board of the annual Public Policy Facilitating Committee meeting is scheduled for February 22<sup>nd</sup>. He  
14 reminded the Board that Mark Millan will now be Chair.

15 **MISCELLANEOUS**

16 The Board received the following miscellaneous items: Disbursements, NMWD Board  
17 Committee Assignments 2018, Increase in Directors' Compensation, Self-Insured Workers' Comp -  
18 2nd Quarter Status Report, Renewal of Oceana Marin Liability Insurance, City of Novato Paving  
19 Moratorium, and Water Agency Board of Directors Appoints Grant Davis as General Manager.

20 The Board also received the following news articles: Fire Chief succession on agenda for  
21 board, California population growth while Marin's shrinks, and Novato's next fire chief will be internal  
22 hire.

23 **CLOSED SESSION**

24 President Fraites adjourned the Board into closed session at 6:40 p.m. in accordance with  
25 Government Code Section 54957 for Public Employment, Title: Auditor-Controller.

26 **OPEN SESSION**

27 Upon returning to regular session at 6:59 p.m., President Fraites stated that during the  
28 closed session the Board had discussed the issue and no reportable action had been taken.

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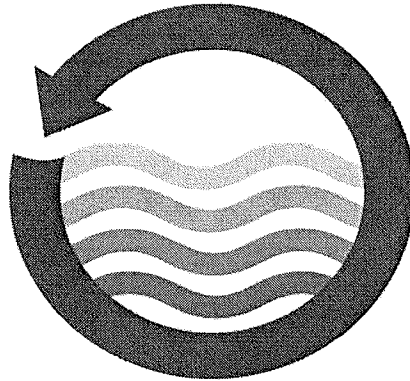
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# **NORTH MARIN WATER DISTRICT**



## **FINANCIAL STATEMENT FISCAL YEAR 2017-18**

**December 31, 2017**

**NORTH MARIN WATER DISTRICT  
FINANCIAL STATEMENTS  
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# MEMORANDUM

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: Information – FY17/18 December Financial Statement  
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January 23, 2018

## FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

| <b>CONSOLIDATED SUMMARY</b>       | <b>Dec-17</b> | <b>FY17/18</b>    | <b>FY17/18</b> | <b>FYTD /</b>   |
|-----------------------------------|---------------|-------------------|----------------|-----------------|
| <b>Actual vs. Budget</b>          | <b>Actual</b> | <b>Actual YTD</b> | <b>Budget</b>  | <b>Budget %</b> |
| Operating Revenue                 | \$1,647,941   | \$12,310,986      | \$19,692,000   | 63%             |
| Operating Expense                 | 1,374,624     | 9,665,493         | 19,150,000     | 50%             |
| Non-Operating Revenue / (Expense) | 24,210        | (132,571)         | (345,000)      | 38%             |
| Net Income / (Loss)               | \$297,527     | \$2,512,923       | \$197,000      | 1276%           |
| Other Sources / (Uses)*           | (801,007)     | 854,155           | (833,000)      | -               |
| Cash Increase / (Decrease)        | (\$503,480)   | \$3,367,077       | (\$636,000)    | -               |

\* See Page 8.

For the first six months of the fiscal year the District generated a net income of \$2,512,923 and saw a net cash increase of \$3,367,077. On a seasonally adjusted basis, Operating Revenue came in at 12% over budget and Operating Expense came in at 3% under budget. \$4,914,583 (28%) of the Capital Improvement Projects Budget has been expended this fiscal year-to-date. At December 31, 2017 \$4,477,374 in loan and grant funds was owed the District for the Recycled Water Distribution System expansion to Central Novato. In December the District's cash balance decreased \$503,480. At month end the ratio of total cash to budgeted annual operating expense (sans depreciation) stood at 87%.

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

| <b>NOVATO WATER</b>                      | <b>Dec-17</b> | <b>FY17/18</b>    | <b>FY16/17</b>    | <b>FY18 vs 17</b> |
|--|---------------|-------------------|-------------------|-------------------|
| <b>Year over Year Comparison</b>         | <b>Actual</b> | <b>Actual YTD</b> | <b>Actual YTD</b> | <b>Up/(Down)</b>  |
| Operating Revenue                        | \$1,558,945   | \$11,144,482      | \$9,321,006       | 20%               |
| Operating Expense                        | 1,225,565     | 8,784,117         | 8,503,185         | 3%                |
| Other Income / (Expense)                 | (49,583)      | (77,738)          | (102,398)         | (24%)             |
| Net Income / (Loss)                      | \$283,797     | \$2,282,627       | \$715,424         | 219%              |
| Active Accounts                          | 20,555        | 20,555            | 20,536            | 0%                |
| Consumption (MG)                         | 163           | 1,485             | 1,309             | 13%               |
| Average Commodity Rate / 1,000 gal (net) | \$6.65        | \$5.92            | \$5.42            | 9%                |
| Income / (Loss) / Active Account         | \$13.81       | \$111.05          | \$34.84           | 219%              |
| Income / (Loss) / 1,000 Gal              | \$1.74        | \$1.54            | \$0.55            | 181%              |
| Connection Fee Revenue                   | \$0           | \$709,200         | \$201,185         | 253%              |
| FRC Transfer to Recycled Water           | (\$6,545,591) | (\$7,122,418)     | \$0               | 0%                |
| Caltrans Capital Contribution            | \$0           | \$339             | \$16,744          | (98%)             |
| MMWD AEEP Capital Contribution           | \$0           | \$245,000         | \$245,000         | 0%                |
| Developer 'In-Kind' Contributions        | \$8,281       | \$50,401          | \$266,747         | (81%)             |

Consumption for the fiscal year-to-date was 13% more than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 20% (\$1,823,476) from the prior year same period due to the consumption increase and the 5% rate

increase effective June 1, 2017. Total operating expense was 3% (\$280,932) more than last year same period. The Stafford Treatment Plant produced 473 MG this fiscal year-to-date at a cost of \$2,738/MG<sup>1</sup> versus \$2,721/MG<sup>3</sup> from SCWA. The budget for Stafford is 750 MG at a cost of \$2,944/MG.

Staff time (hours) charged to Novato operations was about the same as last year same period. Salary and benefit cost was \$3,230,378, which was 49% of the \$6,572,000 budget for Novato operations.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$2,282,627 compares to a budgeted net income for the year of \$213,000 and to a net income of \$715,424 for the prior year same period. \$1,842,588 (18%) of the Novato Water Capital Improvement Project Budget was spent versus \$415,221 (5%) for the prior year same period. \$709,200 in connection fees have been collected (\$780,000 is budgeted). Connection Fee reserves totaling \$7,122,418 were transferred this fiscal year-to-date to the Recycled Water Fund to cover the debt service and working capital requirements for expansion of the RW distribution system. The Novato Connection Fee Reserve has a deficit of \$12,991,135 arising from transfers to the RW Fund in advance of Connection Fee receipts. That deficit will be reimbursed by future Connection Fee revenue. The Novato cash balance decreased \$3,997,670 in December due primarily to transfer of connection fees to finance the recycled water expansion, and stood at \$7,303,026 at month end, compared to a budgeted projection of \$7,000,000 at fiscal year-end.

| <b><u>NOVATO RECYCLED</u></b>            | <b><u>Dec-17</u></b> | <b><u>FY17/18</u></b>    | <b><u>FY16/17</u></b>    | <b><u>FY18 vs 17</u></b> |
|--|----------------------|--------------------------|--------------------------|--------------------------|
| <b>Year over Year Comparison</b>         | <b><u>Actual</u></b> | <b><u>Actual YTD</u></b> | <b><u>Actual YTD</u></b> | <b><u>Up/(Down)</u></b>  |
| Operating Revenue                        | \$8,388              | \$558,656                | \$462,480                | 21%                      |
| Operating Expense                        | 50,219               | 407,997                  | 426,570                  | (4%)                     |
| Other Income / (Expense)                 | 26,253               | (105,828)                | (97,708)                 | 8%                       |
| Net Income / (Loss)                      | (\$15,577)           | \$44,831                 | (\$61,798)               | -                        |
| Active Accounts                          | 53                   | 53                       | 44                       | 20%                      |
| Consumption (MG)                         | 2.2                  | 99.1                     | 84.5                     | 17%                      |
| Average Commodity Rate / 1,000 gal (net) | \$5.52               | \$5.52                   | \$5.26                   | 5%                       |
| Deer Island Production (MG)              | 0.0                  | 7.0                      | 6.2                      | 13%                      |
| Novato Sanitary Production (MG)          | 0.6                  | 60.8                     | 51.4                     | 18%                      |
| Las Gallinas Production (MG)             | 0.2                  | 33.4                     | 28.9                     | 16%                      |

99.1 MG was delivered to RW customers this fiscal year-to-date, 17% more than the prior year same period. Operating revenue was 21% more than last year same period due to the June 1, 2017 5% rate increase and the consumption increase. Total operating expense was \$18,573 (4%) less than the prior year same period. The recycled water was produced at a cost of \$1,937/MG<sup>2</sup> versus \$2,721/MG<sup>3</sup> from SCWA. The budgeted production cost of recycled water is \$2,725/MG.

The fiscal year-to-date net income of \$44,831 compares to a budgeted net loss for the year of \$209,000 and a net loss of \$61,798 for the prior year same period. \$2,958,482 (45%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date. The Novato Recycled cash balance stood at \$4,226,914 at month end, \$3.4M of which amount resides in restricted reserves for debt service, the Deer Island Facility Replacement Fund and the Recycled Water Capital Replacement and Expansion Fund. During December, \$6.5M in connection fees were transferred from Novato potable water to offset all Recycled Water expansion expenditures not yet reimbursed by SRF loan and grant funds. As loan and

<sup>1</sup> Stafford production cost = TP op expense (\$883,691) + SRF loan interest (\$130,611) + plant depreciation (\$280,612) / 473 MG produced

<sup>2</sup> Recycled Water production cost = purchase water cost (\$97,594) + treatment expense (\$11,304) + Deer Island RW Facility SRF loan interest (\$29,133) + Deer Island plant depreciation (\$57,960) / 101.2 MG produced

<sup>3</sup> SCWA production cost per MG = O&M charge (\$2,202) + debt service charge (\$154) + Russian River conservation charge (\$325) + Russian River projects charge (\$40)



grant funds for the expansion are received, the connection fee money will be returned to the Novato potable fund.

| <b><u>WEST MARIN WATER</u></b>           | <b>Dec-17</b>        | <b>FY17/18</b>           | <b>FY16/17</b>           | <b>FY18 vs 17</b>       |
|--|----------------------|--------------------------|--------------------------|-------------------------|
| <b>Year over Year Comparison</b>         | <b><u>Actual</u></b> | <b><u>Actual YTD</u></b> | <b><u>Actual YTD</u></b> | <b><u>Up/(Down)</u></b> |
| Operating Revenue                        | \$60,742             | \$488,230                | \$407,488                | 20%                     |
| Operating Expense                        | 69,271               | 375,389                  | 339,109                  | 11%                     |
| Other Income / (Expense)                 | 18,661               | 18,466                   | 21,599                   | (15%)                   |
| Net Income / (Loss)                      | <u>\$10,132</u>      | <u>\$131,308</u>         | <u>\$89,978</u>          | 46%                     |
| Active Accounts                          | 781                  | 781                      | 781                      | 0%                      |
| Consumption (MG)                         | 3.6                  | 37.7                     | 34.2                     | 10%                     |
| Average Commodity Rate / 1,000 gal (net) | \$11.87              | \$10.54                  | \$9.36                   | 13%                     |
| Income/ (Loss) / Active Account          | \$12.97              | \$168.13                 | \$115.21                 | 46%                     |
| Income / (Loss) / 1,000 Gal              | \$2.85               | \$3.49                   | \$2.63                   | 33%                     |
| Connection Fee Revenue                   | \$45,600             | \$45,600                 | \$8,000                  | 470%                    |

Consumption for the fiscal year-to-date was 37.7 MG, 10% more than prior year same period. Operating revenue of \$488,230 was \$80,742 (20%) more than last year due to consumption increase and the 5% rate increase effective July 1, 2017.

Operating expenditures were \$375,389, 11% more than the previous year same period. The expenditure increase is due in part to the unanticipated \$11,175 rehab cost of the Gallagher Well. The fiscal year-to-date net income of \$131,308 compares to a budgeted annual net income of \$138,000 and to a net income of \$89,978 for the prior year same period. \$68,241 (10%) of the Capital Improvement Project Budget was expended this fiscal year-to-date, and \$45,600 in connection fees were collected (\$23,000 is budgeted). The West Marin Water cash balance increased \$65,472 in December, and stood at \$1,475,193 at month end, compared to a budgeted projection of \$942,000 at June 30, 2018.

| <b><u>OCEANA MARIN SEWER</u></b> | <b>Dec-17</b>        | <b>FY17/18</b>           | <b>FY16/17</b>           | <b>FY18 vs 17</b>       |
|----------------------------------|----------------------|--------------------------|--------------------------|-------------------------|
| <b>Year over Year Comparison</b> | <b><u>Actual</u></b> | <b><u>Actual YTD</u></b> | <b><u>Actual YTD</u></b> | <b><u>Up/(Down)</u></b> |
| Operating Revenue                | \$19,866             | \$119,618                | \$108,482                | 10%                     |
| Operating Expense                | 29,569               | 97,991                   | 104,803                  | (7%)                    |
| Other Income / (Expense)         | 28,878               | 32,530                   | 31,619                   | 3%                      |
| Net Income / (Loss)              | <u>\$19,175</u>      | <u>\$54,157</u>          | <u>\$35,297</u>          | 53%                     |
| Active Accounts                  | 232                  | 232                      | 231                      | 0%                      |
| Monthly Sewer Service Charge     | \$86                 | \$86                     | \$78                     | 10%                     |
| Income / (Loss) / Active Account | \$82.65              | \$233.44                 | \$152.80                 | -                       |

Operating revenue of \$119,618 was 10% more than the previous year same period due to the 10% rate increase effective July 1, 2017 and an additional account. Operating expenditures were 7% (\$6,813) less than the previous year same period. The fiscal year-to-date net income of \$54,157 compares to a budgeted annual income of \$49,000 and to a net income of \$35,297 for the prior year same period. 22% of the Capital Improvement Project Budget has been expended this fiscal year-to-date.

No connection fees have been collected (\$30,000 is budgeted). The Oceana Marin cash balance increased \$99,774 in December due to collection of \$19,866 in sewer service charges and \$28,772 from the OM1/OM2 tax allocation with the first half of property tax payments, and stood at \$456,795 at month end, compared to a budgeted projection of \$342,000 at June 30, 2018.

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET POSITION  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|   | TOTAL               | NOVATO<br>WATER    | NOVATO<br>RECYCLED | WEST MARIN<br>WATER | OCEANA<br>MARIN<br>SEWER |
|---|---------------------|--------------------|--------------------|---------------------|--------------------------|
| <b>ASSETS</b>                                 |                     |                    |                    |                     |                          |
| <b>Cash &amp; Investments</b>                 |                     |                    |                    |                     |                          |
| Unrestricted/Undesignated Cash                | \$1,636,905         | \$0                | \$808,069          | \$457,402           | \$371,434                |
| <b>Restricted Cash</b> (Note 1)               |                     |                    |                    |                     |                          |
| Connection Fee Fund                           | (\$5,386,937)       | (\$5,480,174)      | \$0                | \$73,883            | \$19,355                 |
| Wohler Pipeline Financing Fund                | 410,531             | 410,531            | 0                  | 0                   | 0                        |
| Collector #6 Financing Fund                   | 1,612,021           | 1,612,021          | 0                  | 0                   | 0                        |
| Revenue Bond Redemption Fund                  | 30,000              | 0                  | 0                  | 30,000              | 0                        |
| Bank of Marin Project Fund                    | 635,087             | 37,284             | 0                  | 597,803             | 0                        |
| Deer Island RWF Replacement Fund              | 1,209,323           | 0                  | 1,209,323          | 0                   | 0                        |
| Capital Replacement & Expansion Fund          | 1,311,551           | 0                  | 1,311,551          | 0                   | 0                        |
| Tax Receipts Held in Marin Co Treasury        | 516                 | 0                  | 0                  | 509                 | 7                        |
| STP SRF Reserve-Marín Co Treasury             | 897,991             | 897,991            | 0                  | 0                   | 0                        |
| RWS North/South SRF Reserve Fund              | 614,299             | 0                  | 614,299            | 0                   | 0                        |
| RW Central Area SRF Reserve Fund              | 255,373             |                    | 255,373            | 0                   | 0                        |
| <b>Designated Cash</b> (Note 2)               |                     |                    |                    |                     |                          |
| Liability Contingency Fund                    | 922,285             | 823,400            | 0                  | 98,885              | 0                        |
| Self-Insured Workers' Compensation Fund       | 565,595             | 565,595            | 0                  | 0                   | 0                        |
| Retiree Medical Benefits Fund                 | 4,207,449           | 4,207,449          | 0                  | 0                   | 0                        |
| Maintenance Accrual Fund                      | 4,257,113           | 4,257,113          | 0                  | 0                   | 0                        |
| Conservation Incentive Rate Fund              | 42,711              | 0                  | 0                  | 42,711              | 0                        |
| Operating Reserve Fund                        | 268,300             | 0                  | 28,300             | 174,000             | 66,000                   |
| <b>Total Cash</b>                             | <b>\$13,490,112</b> | <b>\$7,331,210</b> | <b>\$4,226,914</b> | <b>\$1,475,193</b>  | <b>\$456,795</b>         |
| Gain/(Loss) on MV of Investments              | (28,183)            | (28,183)           | 0                  | 0                   | 0                        |
| <b>Market Value of Cash &amp; Investments</b> | <b>\$13,461,929</b> | <b>\$7,303,026</b> | <b>\$4,226,914</b> | <b>\$1,475,193</b>  | <b>\$456,795</b>         |
| <b>Current Assets</b>                         |                     |                    |                    |                     |                          |
| Net Receivables - Consumers                   | \$1,271,811         | \$1,072,270        | \$116,650          | \$93,312            | (\$10,422)               |
| Accrued Water Sales                           | 1,529,802           | 1,481,285          | 8,847              | 39,670              | 0                        |
| Accounts Receivable-Other                     | 349,820             | 105,012            | 108,783            | 0                   | 136,025                  |
| RWS Central Expansion SRF Loan Rec            | 1,352,463           | 0                  | 1,352,463          | 0                   | 0                        |
| RWS Central Expansion Grant Rec               | 3,124,911           | 0                  | 3,124,911          | 0                   | 0                        |
| Prepaid Expense                               | 358,920             | 345,842            | 0                  | 11,400              | 1,678                    |
| Reimbursable Small Jobs                       | 17,311              | 13,865             | 0                  | 211                 | 3,235                    |
| Interest Receivable                           | 49,238              | 49,238             | 0                  | 0                   | 0                        |
| Inventories                                   | 510,134             | 510,134            | 0                  | 0                   | 0                        |
| Deposits Receivable                           | 34,068              | 34,068             | 0                  | 0                   | 0                        |
| <b>Total Current Assets</b>                   | <b>\$8,598,492</b>  | <b>\$3,611,727</b> | <b>\$4,711,655</b> | <b>\$144,593</b>    | <b>\$130,517</b>         |

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET POSITION  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|   | <b>TOTAL</b>         | <b>NOVATO<br/>WATER</b> | <b>NOVATO<br/>RECYCLED</b> | <b>WEST MARIN<br/>WATER</b> | <b>OCEANA<br/>MARIN<br/>SEWER</b> |
|---|----------------------|-------------------------|----------------------------|-----------------------------|-----------------------------------|
| <b>Loans Receivable</b>                 |                      |                         |                            |                             |                                   |
| Employee Loans (Note 3)                 | \$934,200            | \$934,200               | \$0                        | \$0                         | \$0                               |
| Due From Other Funds (Note 9)           | 0                    | 0                       | 0                          | 0                           | 0                                 |
| Other Long Term Receivables (Note 4)    | 1,302,617            | 0                       | 1,302,617                  | 0                           | 0                                 |
| <b>Loans Receivable</b>                 | <b>\$2,236,817</b>   | <b>\$934,200</b>        | <b>\$1,302,617</b>         | <b>\$0</b>                  | <b>\$0</b>                        |
| <b>Property and Plant</b>               |                      |                         |                            |                             |                                   |
| Land & Land Rights                      | \$1,473,091          | \$1,368,872             | \$0                        | \$103,411                   | \$808                             |
| Dam, Lake, & Source Facilities          | 5,596,066            | 5,103,654               | 0                          | 492,412                     | 0                                 |
| Treatment Facilities                    | 21,184,413           | 17,603,974              | 2,666,198                  | 319,913                     | 594,328                           |
| Storage Facilities                      | 20,903,086           | 18,278,500              | 519,014                    | 2,105,572                   | 0                                 |
| Transmission Facilities (16"+)          | 28,896,399           | 28,774,076              | 0                          | 122,324                     | 0                                 |
| Distribution and Pumping Facilities     | 83,899,203           | 60,793,097              | 17,301,217                 | 5,804,890                   | 0                                 |
| Sewer Mains, Pumps, & Laterals          | 1,193,077            | 0                       | 0                          | 0                           | 1,193,077                         |
| <b>Sub-Total</b>                        | <b>\$163,145,335</b> | <b>\$131,922,172</b>    | <b>\$20,486,428</b>        | <b>\$8,948,522</b>          | <b>\$1,788,214</b>                |
| Less Accumulated Depreciation (Note 5)  | (51,864,612)         | (44,186,165)            | (3,045,470)                | (3,644,241)                 | (988,736)                         |
| <b>Net Property and Plant</b>           | <b>\$111,280,724</b> | <b>\$87,736,007</b>     | <b>\$17,440,958</b>        | <b>\$5,304,280</b>          | <b>\$799,478</b>                  |
| <b>Buildings and Equipment (Note 6)</b> |                      |                         |                            |                             |                                   |
| Buildings                               | \$1,902,893          | \$1,902,893             | \$0                        | \$0                         | \$0                               |
| Office Equipment                        | 697,537              | 697,537                 | 0                          | 0                           | 0                                 |
| Laboratory Equipment                    | 317,047              | 317,047                 | 0                          | 0                           | 0                                 |
| Trucks & Automobiles                    | 1,232,465            | 1,232,465               | 0                          | 0                           | 0                                 |
| Construction Equipment                  | 843,914              | 843,914                 | 0                          | 0                           | 0                                 |
| Tools, Shop Equipment                   | 224,977              | 224,977                 | 0                          | 0                           | 0                                 |
| <b>Sub-Total</b>                        | <b>\$5,218,832</b>   | <b>\$5,218,832</b>      | <b>\$0</b>                 | <b>\$0</b>                  | <b>\$0</b>                        |
| Less Accumulated Depreciation (Note 5)  | (4,055,694)          | (4,055,694)             | 0                          | 0                           | 0                                 |
| <b>Net Buildings and Equipment</b>      | <b>\$1,163,139</b>   | <b>\$1,163,139</b>      | <b>\$0</b>                 | <b>\$0</b>                  | <b>\$0</b>                        |
| <b>Construction In Progress</b>         |                      |                         |                            |                             |                                   |
| Developer                               | \$320,329            | \$312,253               | \$0                        | \$3,430                     | \$4,646                           |
| District                                | 19,047,549           | 3,871,514               | 14,676,895                 | 356,922                     | 142,219                           |
| <b>Total Construction in Progress</b>   | <b>\$19,367,879</b>  | <b>\$4,183,767</b>      | <b>\$14,676,895</b>        | <b>\$360,353</b>            | <b>\$146,865</b>                  |
| <b>Net Utility Plant</b>                | <b>\$131,811,741</b> | <b>\$93,082,913</b>     | <b>\$32,117,853</b>        | <b>\$5,664,633</b>          | <b>\$946,342</b>                  |
| <b>Deferred Outflow of Resources</b>    | <b>\$2,931,861</b>   | <b>\$2,931,861</b>      | <b>\$0</b>                 | <b>\$0</b>                  | <b>\$0</b>                        |
| <b>TOTAL ASSETS</b>                     | <b>\$159,040,840</b> | <b>\$107,863,727</b>    | <b>\$42,359,039</b>        | <b>\$7,284,419</b>          | <b>\$1,533,655</b>                |

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET POSITION  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|   | TOTAL                | NOVATO<br>WATER      | NOVATO<br>RECYCLED  | WEST MARIN<br>WATER | OCEANA<br>MARIN<br>SEWER |
|---|----------------------|----------------------|---------------------|---------------------|--------------------------|
| <b>LIABILITIES AND NET ASSETS</b>         |                      |                      |                     |                     |                          |
| <b>Current Liabilities</b>                |                      |                      |                     |                     |                          |
| Trade Accounts Payable                    | \$2,686,463          | \$2,073,187          | \$611,862           | \$0                 | \$1,414                  |
| Reimbursement Prog. Unclaimed Funds       | 16,922               | 7,772                | 0                   | 9,150               | 0                        |
| Bond Debt Principal Payable-Current       | 33,000               | 0                    | 0                   | 33,000              | 0                        |
| Loan Debt Principal Payable-Current       | 1,180,143            | 799,515              | 380,628             | 0                   | 0                        |
| Bank of Marin Principal Payable-Current   | 350,094              | 305,282              | 0                   | 44,812              | 0                        |
| Bond/Loan Debt Interest Payable-Current   | 1,875                | 0                    | 0                   | 1,875               | 0                        |
| Accrued Interest Payable-SRF Loan         | 67,858               | 1,065                | 66,793              | 0                   | 0                        |
| Deposits/Performance Bonds                | 377,054              | 351,787              | 0                   | 22,267              | 3,000                    |
| Unemployment Insurance Reserve (Note 8)   | 24,894               | 24,894               | 0                   | 0                   | 0                        |
| Workers' Comp Future Claims Payable       | 127,749              | 127,749              | 0                   | 0                   | 0                        |
| Payroll Benefits (Note 9)                 | 834,475              | 757,819              | 28,472              | 36,138              | 12,046                   |
| Due To Other Funds (Note 10)              | 0                    | 0                    | 0                   | 0                   | 0                        |
| Deferred Revenue                          | 120,572              | 0                    | 0                   | 0                   | 120,572                  |
| <b>Total Current Liabilities</b>          | <b>\$5,821,100</b>   | <b>\$4,449,070</b>   | <b>\$1,087,756</b>  | <b>\$147,242</b>    | <b>\$137,032</b>         |
| <b>Restricted Liabilities</b>             |                      |                      |                     |                     |                          |
| Construction Advances                     | \$357,807            | \$340,606            | \$10,000            | \$5,880             | \$1,321                  |
| <b>Total Restricted Liabilities</b>       | <b>\$357,807</b>     | <b>\$340,606</b>     | <b>\$10,000</b>     | <b>\$5,880</b>      | <b>\$1,321</b>           |
| <b>Long Term Liabilities (Note 7)</b>     |                      |                      |                     |                     |                          |
| Bonds Outstanding - PR6 (FmHA)            | \$35,000             | \$0                  | \$0                 | \$35,000            | \$0                      |
| Bonds Outstanding - PRE1 (FmHA)           | 26,000               | 0                    | 0                   | 26,000              | 0                        |
| STP Rehab SRF Loan                        | 9,648,515            | 9,648,515            | 0                   | 0                   | 0                        |
| RWF SRF Loan                              | 2,189,287            | 0                    | 2,189,287           | 0                   | 0                        |
| RWS North/South Expansion SRF Loan        | 7,531,052            | 0                    | 7,531,052           | 0                   | 0                        |
| RWS Central Expansion SRF Loan            | 5,669,165            | 0                    | 5,669,165           | 0                   | 0                        |
| Bank of Marin Loan                        | 5,736,052            | 5,001,838            | 0                   | 734,215             | 0                        |
| Net Pension Liability @ 6/30/16 (Note 17) | 11,040,789           | 11,040,789           | 0                   | 0                   | 0                        |
| Retiree Health Benefits Payable (Note 2)  | 1,250,994            | 1,250,994            | 0                   | 0                   | 0                        |
| <b>Total Long Term Liabilities</b>        | <b>\$43,126,854</b>  | <b>\$26,942,136</b>  | <b>\$15,389,503</b> | <b>\$795,215</b>    | <b>\$0</b>               |
| <b>Deferred Inflow of Resources</b>       | <b>655,355</b>       | <b>655,355</b>       | <b>0</b>            | <b>0</b>            | <b>0</b>                 |
| <b>TOTAL LIABILITIES</b>                  | <b>\$49,961,116</b>  | <b>\$32,387,167</b>  | <b>\$16,487,259</b> | <b>\$948,337</b>    | <b>\$138,353</b>         |
| <b>Net Assets</b>                         |                      |                      |                     |                     |                          |
| <b>Invested in Capital Assets</b>         |                      |                      |                     |                     |                          |
| Contributions in Aid of Construction      | \$81,765,589         | \$74,839,685         | \$4,104,370         | \$2,141,779         | \$679,755                |
| Grants in Aid of Construction             | 14,216,292           | 401,207              | 10,987,899          | 2,827,187           | 0                        |
| Connection Fees                           | 40,487,916           | 25,098,259           | 13,503,198          | 1,316,342           | 570,118                  |
| <b>Total Investment</b>                   | <b>\$136,469,798</b> | <b>\$100,339,151</b> | <b>\$28,595,467</b> | <b>\$6,285,307</b>  | <b>\$1,249,872</b>       |

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET POSITION  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|  | TOTAL                 | NOVATO<br>WATER       | NOVATO<br>RECYCLED   | WEST MARIN<br>WATER | OCEANA<br>MARIN<br>SEWER |
|--|-----------------------|-----------------------|----------------------|---------------------|--------------------------|
| <b>Restricted Reserves</b>               |                       |                       |                      |                     |                          |
| Connection Fee Fund                      | (\$12,909,446)        | (\$12,991,135)        | \$0                  | \$119,483           | (\$37,794)               |
| Wohler Pipeline Financing Fund           | 410,531               | 410,531               | 0                    | 0                   | 0                        |
| Collector #6 Financing Fund              | 1,612,021             | 1,612,021             | 0                    | 0                   | 0                        |
| Revenue Bond Redemption Fund             | 30,000                | 0                     | 0                    | 30,000              | 0                        |
| Bank of Marin Project Fund               | 635,087               | 37,284                | 0                    | 597,803             | 0                        |
| Deer Island RWF Replacement Fund         | 1,209,323             | 0                     | 1,209,323            | 0                   | 0                        |
| Capital Replacement & Expansion Fund     | 1,311,551             | 0                     | 1,311,551            | 0                   | 0                        |
| RWS North/South SRF Reserve Fund         | 614,299               | 0                     | 614,299              | 0                   | 0                        |
| RW Central Area SRF Reserve Fund         | 255,373               | 0                     | 255,373              | 0                   | 0                        |
| <b>Designated Reserves</b>               |                       |                       |                      |                     |                          |
| Liability Contingency Fund               | 922,285               | 823,400               | 0                    | 98,885              | 0                        |
| Maintenance Accrual Fund                 | 4,364,493             | 4,407,348             | (42,855)             | 0                   | 0                        |
| Self-Insured Workers' Compensation Fund  | 447,330               | 447,330               | 0                    | 0                   | 0                        |
| Retiree Medical Benefits Fund            | 2,714,341             | 2,714,341             | 0                    | 0                   | 0                        |
| Conservation Incentive Rate Fund         | 42,712                | 0                     | 0                    | 42,712              | 0                        |
| Operating Reserve Fund                   | 240,000               | 0                     | 0                    | 174,000             | 66,000                   |
| Earned Surplus - Prior Yrs               | (33,038,424)          | (25,824,067)          | (6,067,860)          | (1,228,763)         | 82,266                   |
| Net Income/(Loss)                        | 2,512,923             | 2,282,627             | 44,831               | 131,308             | 54,157                   |
| Transfer (To)/From Reserves (see below)  | 1,235,528             | 1,217,729             | (48,348)             | 85,347              | (19,200)                 |
| <b>Total Restricted &amp; Designated</b> | <b>(\$27,390,075)</b> | <b>(\$24,862,591)</b> | <b>(\$2,723,687)</b> | <b>\$50,774</b>     | <b>\$145,430</b>         |
| <b>TOTAL NET POSITION</b>                | <b>\$109,079,723</b>  | <b>\$75,476,560</b>   | <b>\$25,871,780</b>  | <b>\$6,336,082</b>  | <b>\$1,395,302</b>       |
| <b>Transfer (To)/From Reserves</b>       |                       |                       |                      |                     |                          |
| Connection Fee                           | 1,198,249             | 1,220,354             | 0                    | (2,751)             | (19,355)                 |
| Maintenance Reserve                      | (50,000)              | (50,000)              | 0                    | 0                   | 0                        |
| RWF Replacement Fund                     | (57,500)              | 0                     | (57,500)             | 0                   | 0                        |
| Retiree Medical Insurance Fund           | (26,514)              | (26,514)              | 0                    | 0                   | 0                        |
| (Gain)/Loss Self-Insured WC Fund         | 108,268               | 75,033                | 9,152                | 17,928              | 6,155                    |
| Bank of Marin Project Fund               | 63,359                | (1,144)               | 0                    | 64,503              | 0                        |
| Operating Reserve Fund                   | (333)                 | 0                     | 0                    | 5,667               | (6,000)                  |
| <b>Total Transfer</b>                    | <b>\$1,235,528</b>    | <b>\$1,217,729</b>    | <b>(\$48,348)</b>    | <b>\$85,347</b>     | <b>(\$19,200)</b>        |

**NORTH MARIN WATER DISTRICT**  
**SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED**  
**FOR THE PERIOD ENDING DECEMBER 31, 2017**

|  | YTD<br>Actual       | Annual<br>Budget    | YTD/<br>Budget % | Prior YTD<br>Actual |
|--|---------------------|---------------------|------------------|---------------------|
| <b>OPERATING REVENUE</b>               |                     |                     |                  |                     |
| Water Sales                            | \$9,730,984         | \$14,532,000        | 67%              | \$7,860,360         |
| Bimonthly Service Charge               | 2,280,784           | 4,562,000           | 50%              | 2,167,268           |
| Sewer Service Charge                   | 119,318             | 239,000             | 50%              | 107,882             |
| Wheeling & Misc Service Charges        | 179,900             | 359,000             | 50%              | 160,213             |
| <b>TOTAL OPERATING REVENUE</b>         | <b>\$12,310,986</b> | <b>\$19,692,000</b> | <b>63%</b>       | <b>\$10,295,723</b> |
| <b>OPERATING EXPENDITURES</b>          |                     |                     |                  |                     |
| Source of Supply                       | \$2,810,040         | \$5,065,000         | 55%              | \$3,023,564         |
| Pumping                                | 236,115             | 401,000             | 59%              | 195,227             |
| Operations                             | 453,081             | 810,000             | 56%              | 418,216             |
| Water Treatment                        | 1,349,367           | 2,340,000           | 58%              | 1,120,567           |
| Sewer Service                          | 64,660              | 143,000             | 45%              | 69,392              |
| Transmission & Distribution            | 1,531,771           | 3,260,000           | 47%              | 1,495,117           |
| Consumer Accounting                    | 319,032             | 677,000             | 47%              | 308,075             |
| Water Conservation                     | 143,985             | 450,000             | 32%              | 164,747             |
| General & Administrative               | 1,036,004           | 2,478,000           | 42%              | 866,676             |
| Depreciation                           | 1,721,438           | 3,526,000           | 49%              | 1,712,087           |
| <b>TOTAL OPERATING EXPENDITURES</b>    | <b>\$9,665,493</b>  | <b>\$19,150,000</b> | <b>50%</b>       | <b>\$9,373,668</b>  |
| <b>NET OPERATING INCOME (LOSS)</b>     | <b>\$2,645,493</b>  | <b>\$542,000</b>    | <b>488%</b>      | <b>\$922,055</b>    |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b> |                     |                     |                  |                     |
| Tax Proceeds                           | \$56,791            | \$109,000           | 52%              | \$55,887            |
| Interest Revenue                       | 87,392              | 161,000             | 54%              | 78,530              |
| Miscellaneous Revenue                  | 87,022              | 137,000             | 64%              | 106,390             |
| Bond & Loan Interest Expense           | (362,101)           | (732,000)           | 49%              | (385,599)           |
| Miscellaneous Expense                  | (1,675)             | (20,000)            | 8%               | (2,094)             |
| <b>TOTAL NON-OP REVENUE/(EXPENSE)</b>  | <b>(\$132,571)</b>  | <b>(\$345,000)</b>  | <b>38%</b>       | <b>(\$146,888)</b>  |
| <b>NET INCOME/(LOSS)</b>               | <b>\$2,512,923</b>  | <b>\$197,000</b>    | <b>1276%</b>     | <b>\$775,168</b>    |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>   |                     |                     |                  |                     |
| Add Depreciation Expense               | \$1,721,438         | \$3,526,000         | 49%              | \$1,712,087         |
| Connection Fees                        | 754,800             | 833,000             | 91%              | 239,585             |
| Loan Proceeds                          | 2,033,836           | 6,200,000           | 33%              | 0                   |
| Grant Proceeds                         | 1,613,852           | 5,333,000           | 30%              | 185,655             |
| Caltrans AEEP Capital Contribution     | 339                 | 0                   | -                | 11,144              |
| StoneTree RWF Loan Principal           | 107,488             | 217,000             | 50%              | 69,823              |
| MMWD AEEP Capital Contribution         | 245,000             | 245,000             | 100%             | 245,000             |
| Capital Equipment Expenditures         | 0                   | (210,000)           | 0%               | (7,135)             |
| Capital Improvement Projects           | (4,914,583)         | (17,745,000)        | 28%              | (872,182)           |
| Bond & Loan Principal Payments         | (940,497)           | (1,802,000)         | 52%              | (355,391)           |
| Change in Working Capital              | 232,482             | 2,570,000           | 9%               | (720,362)           |
| <b>TOTAL OTHER SOURCES/(USES)</b>      | <b>\$854,155</b>    | <b>(\$833,000)</b>  | <b>-</b>         | <b>\$508,224</b>    |
| <b>CASH INCREASE/(DECREASE)</b>        | <b>\$3,367,077</b>  | <b>(\$636,000)</b>  | <b>-</b>         | <b>\$1,283,391</b>  |

**NORTH MARIN WATER DISTRICT  
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

| <b>SUMMARY INCOME STATEMENT</b>                |                            | <b>NOVATO<br/>WATER</b>   | <b>NOVATO<br/>RECYCLED</b> | <b>WEST MARIN<br/>WATER</b> | <b>OCEANA<br/>MARIN<br/>SEWER</b> |
|--|----------------------------|---------------------------|----------------------------|-----------------------------|-----------------------------------|
|  | <b>TOTAL</b>               |                           |                            |                             |                                   |
| Operating Revenue                              | \$12,310,986               | \$11,144,482              | \$558,656                  | \$488,230                   | \$119,618                         |
| Operating Expense                              | 9,665,493                  | 8,784,117                 | 407,997                    | 375,389                     | 97,991                            |
| <b>OPERATING INCOME/(LOSS)</b>                 | <b>\$2,645,493</b>         | <b>\$2,360,365</b>        | <b>\$150,659</b>           | <b>\$112,841</b>            | <b>\$21,627</b>                   |
| Non-Operating Revenue/(Expense)                | (132,571)                  | (77,738)                  | (105,828)                  | 18,466                      | 32,530                            |
| <b>NET INCOME/(LOSS)</b>                       | <b>\$2,512,923</b>         | <b>\$2,282,627</b>        | <b>\$44,831</b>            | <b>\$131,308</b>            | <b>\$54,157</b>                   |
| <b>CAPITAL CONTRIBUTIONS</b>                   |                            |                           |                            |                             |                                   |
| SCWA Prop 84 Water Conserv Grant               | \$42,567                   | \$42,567                  | \$0                        | \$0                         | \$0                               |
| RW Central Area Expansion Grant                | 1,571,285                  | 0                         | 1,571,285                  | 0                           | 0                                 |
| Developer In-Kind Contributions                | 40,838                     | 50,401                    | (13,237)                   | 3,430                       | 244                               |
| Caltrans AEEP Capital Contributions            | 339                        | 339                       | 0                          | 0                           | 0                                 |
| MMWD Capital Contribution                      | 245,000                    | 245,000                   | 0                          | 0                           | 0                                 |
| Connection Fees                                | 754,800                    | 709,200                   | 0                          | 45,600                      | 0                                 |
| FRC Transfer                                   | 0                          | (7,122,418)               | 7,122,418                  | 0                           | 0                                 |
| <b>CAPITAL CONTRIBUTIONS</b>                   | <b>\$2,654,829</b>         | <b>(\$6,074,911)</b>      | <b>\$8,680,466</b>         | <b>\$49,030</b>             | <b>\$244</b>                      |
| <b>CHANGE IN NET POSITION</b>                  | <b>\$5,167,751</b>         | <b>(\$3,792,284)</b>      | <b>\$8,725,297</b>         | <b>\$180,338</b>            | <b>\$54,401</b>                   |
| Net Position June 30, 2017                     | 103,911,972                | 79,268,844                | 17,146,483                 | 6,155,744                   | 1,340,901                         |
| Net Position December 31, 2017                 | <u>\$109,079,723</u>       | <u>\$75,476,560</u>       | <u>\$25,871,780</u>        | <u>\$6,336,082</u>          | <u>\$1,395,302</u>                |
| <b>CASH FLOW STATEMENT</b>                     |                            |                           |                            |                             |                                   |
| Net Income/(Loss)                              | \$2,512,923                | \$2,282,627               | \$44,831                   | \$131,308                   | \$54,157                          |
| Add back Depreciation                          | 1,721,438                  | 1,369,293                 | 237,060                    | 96,390                      | 18,695                            |
| <b>Cash Generated From Operations</b>          | <b>\$4,234,361</b>         | <b>\$3,651,919</b>        | <b>\$281,891</b>           | <b>\$227,698</b>            | <b>\$72,852</b>                   |
| <b>Other Sources (Uses) of Funds</b>           |                            |                           |                            |                             |                                   |
| Connection Fee Revenue                         | 754,800                    | \$709,200                 | \$0                        | \$45,600                    | \$0                               |
| Loan Proceeds                                  | 2,033,836                  | 0                         | 2,033,836                  | 0                           | 0                                 |
| Grant Proceeds                                 | 1,613,852                  | 42,567                    | 1,571,285                  | 0                           | 0                                 |
| Capital Assets Acquisition                     | (4,914,584)                | (1,842,588)               | (2,958,482)                | (68,241)                    | (45,272)                          |
| Caltrans AEEP Capital Contribution             | 339                        | 339                       | 0                          | 0                           | 0                                 |
| StoneTree RWF Loan Principal Pmts              | 107,488                    |                           | 107,487.70                 | 0                           | 0                                 |
| MMWD AEEP Capital Contribution                 | 245,000                    | 245,000                   | 0                          | 0                           | 0                                 |
| Principal Paid on Debt                         | (940,497)                  | (559,165)                 | (357,527)                  | (23,805)                    | 0                                 |
| Consumer Receivables Decr (Incr)               | 734,587                    | 602,659                   | 134,430                    | (14,968)                    | 12,465                            |
| Construction Advances (Decr) Incr              | 122,130                    | 116,250                   | 0                          | 5,880                       | 0                                 |
| Other Assets Decr (Incr)                       | (986,518)                  | (403,407)                 | (459,335)                  | 1,838                       | (125,615)                         |
| Other Liabilities (Decr) Incr                  | 1,196,903                  | (199,263)                 | 1,279,804                  | (1,822)                     | 118,183                           |
| Trade Accounts Payable (Decr) Incr             | (834,620)                  | (993,163)                 | 158,543                    | 0                           | 0                                 |
| Connection Fee Transfer                        | 0                          | (7,122,418)               | 7,122,418                  | 0                           | 0                                 |
| Interdistrict Loan Due To (From)               | 0                          | 5,557,108                 | (5,557,108)                | 0                           | 0                                 |
| <b>Total Other Sources (Uses)</b>              | <b>(\$867,284)</b>         | <b>(\$3,846,880)</b>      | <b>\$3,075,352</b>         | <b>(\$55,517)</b>           | <b>(\$40,238)</b>                 |
| <b>Net Cash Provided (Used)</b>                | <b>\$3,367,077</b>         | <b>(\$194,961)</b>        | <b>\$3,357,243</b>         | <b>\$172,181</b>            | <b>\$32,614</b>                   |
| <b>MV Cash &amp; Investments June 30, 2017</b> | <b>10,094,852</b>          | <b>7,497,987</b>          | <b>869,672</b>             | <b>1,303,012</b>            | <b>424,181</b>                    |
| <b>MV Cash &amp; Investments Dec 31, 2017</b>  | <u><b>\$13,461,929</b></u> | <u><b>\$7,303,026</b></u> | <u><b>\$4,226,914</b></u>  | <u><b>\$1,475,193</b></u>   | <u><b>\$456,795</b></u>           |

**NOVATO WATER**  
**DETAIL INCOME STATEMENT**  
**FOR THE PERIOD ENDING DECEMBER 31, 2017**

|                                    | DECEMBER<br>2017   | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|------------------------------------|--------------------|------------------------|-----------------|---------------------|
| <b>OPERATING REVENUE</b>           |                    |                        |                 |                     |
| Water Sales                        | \$1,093,337        | \$8,878,123            | 69%             | \$7,186,469         |
| Bill Adjustments                   | (8,817)            | (86,075)               | -100%           | (90,206)            |
| Bimonthly Service Charges          | 452,868            | 2,176,584              | 50%             | 2,068,459           |
| Account Turn-on Charges            | 5,466              | 39,168                 | 54%             | 32,431              |
| New Account Charges                | 625                | 4,030                  | 58%             | 3,890               |
| Returned Check Charges             | 27                 | 351                    | 35%             | 1,087               |
| Hydrant Meter Up/Down Charges      | 100                | 2,860                  | 286%            | 1,000               |
| Backflow Service Charges           | 11,105             | 69,618                 | 50%             | 66,451              |
| Lab Service-Outside Clients        | 1,010              | 15,465                 | 62%             | 14,334              |
| Wheeling Charges - MMWD            | 3,223              | 44,357                 | 49%             | 37,092              |
| <b>TOTAL OPERATING REVENUE</b>     | <b>\$1,558,945</b> | <b>\$11,144,482</b>    | <b>63%</b>      | <b>\$9,321,006</b>  |
| <b>TOTAL EXPENDITURES</b>          |                    |                        |                 |                     |
| <b>SOURCE OF SUPPLY</b>            |                    |                        |                 |                     |
| Supervision & Engineering          | \$1,008            | \$5,183                | 26%             | \$5,440             |
| Operating Expense - Source         | 226                | 1,982                  | 20%             | 5,908               |
| Maint/Monitoring of Dam            | 2,787              | 15,650                 | 25%             | 19,997              |
| Maint of Lake & Intakes            | 0                  | 566                    | 3%              | 5,186               |
| Maint of Watershed                 | 0                  | 21,841                 | 45%             | 29,737              |
| Water Quality Surveillance         | 956                | 4,410                  | 18%             | 442                 |
| Erosion Control                    | 0                  | 0                      | -               | 550                 |
| Purchased Water                    | 385,130            | 2,651,558              | 57%             | 2,866,569           |
| <b>SOURCE OF SUPPLY</b>            | <b>\$390,108</b>   | <b>\$2,701,190</b>     | <b>56%</b>      | <b>\$2,933,830</b>  |
| <b>PUMPING</b>                     |                    |                        |                 |                     |
| Maint of Structures & Grounds      | \$135              | \$12,497               | 46%             | \$18,090            |
| Maint of Pumping Equipment         | 0                  | 17,613                 | 26%             | 9,456               |
| Electric Power                     | 15,150             | 171,712                | 68%             | 142,501             |
| <b>PUMPING</b>                     | <b>\$15,285</b>    | <b>\$201,823</b>       | <b>58%</b>      | <b>\$170,047</b>    |
| <b>OPERATIONS</b>                  |                    |                        |                 |                     |
| Supervision & Engineering          | \$23,650           | \$124,079              | 73%             | \$121,345           |
| Operating Expense - Operations     | 31,474             | 200,864                | 56%             | 157,580             |
| Maintenance Expense                | 4,427              | 23,951                 | 41%             | 18,366              |
| Telemetry Equipment/Controls Maint | 10,907             | 43,047                 | 46%             | 50,746              |
| Leased Lines                       | 1,437              | 8,589                  | 51%             | 9,232               |
| <b>OPERATIONS</b>                  | <b>\$71,895</b>    | <b>\$400,529</b>       | <b>58%</b>      | <b>\$357,269</b>    |



**NOVATO WATER**  
**DETAIL INCOME STATEMENT**  
**FOR THE PERIOD ENDING DECEMBER 31, 2017**

|  | DECEMBER<br>2017 | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|--|------------------|------------------------|-----------------|---------------------|
| <b>WATER TREATMENT</b>                 |                  |                        |                 |                     |
| Supervision & Engineering              | \$58,827         | \$110,838              | 106%            | \$70,297            |
| Operating Expense - Water Treatment    | 1,831            | 186,535                | 50%             | 211,145             |
| Purification Chemicals                 | 0                | 338,928                | 80%             | 127,128             |
| Sludge Disposal                        | 8,676            | 54,772                 | 54%             | 65,619              |
| Maint of Structures & Grounds          | 7,509            | 14,323                 | 19%             | 35,221              |
| Maint of Purification Equipment        | 25,510           | 79,878                 | 45%             | 93,026              |
| Electric Power                         | 8,139            | 98,419                 | 71%             | 63,990              |
| Water Quality Programs                 | 12,484           | 64,111                 | 60%             | 63,538              |
| Laboratory Direct Labor                | 36,109           | 192,210                | 49%             | 204,647             |
| Lab Service-Outside Clients            | 1,077            | 21,562                 | 31%             | 19,582              |
| Water Quality Supervision              | 6,826            | 42,490                 | 54%             | 47,175              |
| Laboratory Supplies & Expense          | 2,808            | 33,065                 | 39%             | 37,592              |
| Customer Water Quality                 | 3,099            | 23,883                 | 35%             | 25,600              |
| Lab Cost Distributed                   | (2,862)          | (16,136)               | 65%             | (15,082)            |
| <b>WATER TREATMENT</b>                 | <b>\$170,034</b> | <b>\$1,244,875</b>     | <b>57%</b>      | <b>\$1,049,478</b>  |
| <b>TRANSMISSION &amp; DISTRIBUTION</b> |                  |                        |                 |                     |
| Supervision & Engineering              | \$53,198         | \$323,751              | 55%             | \$283,877           |
| Maps & Records                         | 13,510           | 81,162                 | 47%             | 83,041              |
| Operation of T&D System                | 12,520           | 70,910                 | 38%             | 78,233              |
| Facilities Location                    | 11,938           | 74,872                 | 76%             | 77,762              |
| Safety: Construction & Engineering     | 3,172            | 17,184                 | 26%             | 23,104              |
| Customer Service Expense               | 16,589           | 104,488                | 52%             | 78,109              |
| Flushing                               | 1,130            | 7,220                  | 15%             | 2,144               |
| Storage Facilities Expense             | 3,464            | 46,050                 | 31%             | 68,611              |
| Cathodic Protection                    | 1,320            | 7,311                  | 28%             | 6,280               |
| Maint of Valves/Regulators             | 17,497           | 101,891                | 48%             | 73,701              |
| Maint of Mains                         | 15,374           | 113,517                | 92%             | 70,208              |
| Leak Detection - Mains                 | 0                | 2,217                  | 32%             | 5,161               |
| Backflow Prevention Program            | 12,941           | 98,109                 | 32%             | 98,472              |
| Maint of Copper Services               | 21,144           | 72,452                 | 41%             | 67,387              |
| Maint of PB Service Lines              | 31,481           | 232,920                | 51%             | 267,670             |
| Single Service Installations           | (8,783)          | (3,024)                | -               | 7,780               |
| Maint of Meters                        | 13,788           | 58,034                 | 55%             | 30,689              |
| Detector Check Assembly Maint          | 699              | 36,897                 | 56%             | 41,337              |
| Maint of Hydrants                      | 1,075            | 17,024                 | 23%             | 28,530              |
| <b>TRANSMISSION &amp; DISTRIBUTION</b> | <b>\$222,056</b> | <b>\$1,462,985</b>     | <b>48%</b>      | <b>\$1,392,096</b>  |
| <b>CONSUMER ACCOUNTING</b>             |                  |                        |                 |                     |
| Meter Reading                          | \$13,623         | \$74,761               | 37%             | \$78,951            |
| Collection Expense - Labor             | 1,256            | 12,233                 | 31%             | 9,412               |
| Collection Expense - Agency            | 0                | 1,260                  | 42%             | 1,118               |
| Billing & Consumer Accounting          | 22,535           | 141,376                | 52%             | 142,602             |
| Contract Billing                       | 2,540            | 9,624                  | 53%             | 8,431               |
| Stationery, Supplies & Postage         | 7,317            | 30,416                 | 55%             | 29,411              |
| Online Payment Processing Fees         | 2,363            | 23,786                 | 77%             | 15,316              |
| Lock Box Service                       | 912              | 5,472                  | 50%             | 5,472               |
| Uncollectable Accounts                 | 0                | 4,916                  | 35%             | 5,212               |
| Office Equipment Expense               | (533)            | 10,748                 | 72%             | 4,795               |
| Distributed to West Marin (4.1%)       | (1,281)          | (9,093)                | 57%             | (8,524)             |
| <b>CONSUMER ACCOUNTING</b>             | <b>\$48,732</b>  | <b>\$305,498</b>       | <b>47%</b>      | <b>\$292,195</b>    |

**NOVATO WATER**  
**DETAIL INCOME STATEMENT**  
**FOR THE PERIOD ENDING DECEMBER 31, 2017**

|  | DECEMBER<br>2017   | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|--|--------------------|------------------------|-----------------|---------------------|
| <b>WATER CONSERVATION</b>              |                    |                        |                 |                     |
| Residential                            | \$15,623           | \$110,663              | 31%             | \$134,590           |
| Commercial                             | 686                | 3,486                  | 18%             | 766                 |
| Public Outreach/Information            | 448                | 13,352                 | 33%             | 11,665              |
| Large Landscape                        | 1,226              | 13,396                 | 50%             | 13,795              |
| <b>TOTAL WATER CONSERVATION</b>        | <b>\$17,984</b>    | <b>\$140,897</b>       | <b>32%</b>      | <b>\$160,817</b>    |
| <b>GENERAL AND ADMINISTRATIVE</b>      |                    |                        |                 |                     |
| Directors Fees                         | \$3,092            | \$16,099               | 39%             | \$34,068            |
| Legal Fees                             | 2,644              | 11,574                 | 68%             | 10,223              |
| Human Resources                        | 2,172              | 14,036                 | 24%             | 16,496              |
| Auditing Fees                          | 0                  | 19,196                 | 113%            | 17,020              |
| Consulting Services/Studies            | (465)              | 63,675                 | 15%             | 6,543               |
| General Office Salaries                | 100,387            | 695,577                | 52%             | 681,495             |
| Safety: General District Wide          | 1,697              | 17,996                 | 28%             | 16,830              |
| Office Supplies                        | (505)              | 11,509                 | 24%             | 9,046               |
| Employee Events                        | 577                | 3,401                  | 28%             | 5,080               |
| Other Administrative Expense           | 1,106              | 6,689                  | 39%             | 7,796               |
| Dues & Subscriptions                   | 194                | 51,428                 | 75%             | 33,424              |
| Vehicle Expense                        | 676                | 4,056                  | 51%             | 4,056               |
| Meetings, Conferences & Training       | 11,345             | 75,657                 | 32%             | 98,254              |
| Recruitment Expense                    | 0                  | 1,052                  | 35%             | 1,030               |
| Gas & Electricity                      | 1,358              | 18,848                 | 48%             | 21,640              |
| Telephone                              | 500                | 3,400                  | 42%             | 3,549               |
| Water                                  | 0                  | 653                    | 33%             | 952                 |
| Buildings & Grounds Maint              | 3,704              | 23,679                 | 43%             | 27,201              |
| Office Equipment Expense               | 4,310              | 53,327                 | 45%             | 56,766              |
| Insurance Premiums & Claims            | 7,737              | 45,521                 | 39%             | 43,567              |
| Retiree Medical Benefits               | 13,006             | 78,272                 | 46%             | 79,128              |
| (Gain)/Loss on Overhead Charges        | (61,618)           | (20,629)               | 53%             | (167,683)           |
| G&A Applied to Other Operations (5.9%) | (9,396)            | (78,025)               | 46%             | (66,091)            |
| G&A Applied to Construction            | (20,537)           | (159,964)              | 42%             | (150,354)           |
| <b>GENERAL &amp; ADMINISTRATIVE</b>    | <b>\$61,983</b>    | <b>\$957,027</b>       | <b>42%</b>      | <b>\$790,036</b>    |
| <b>Depreciation (Note 5)</b>           | <b>227,488</b>     | <b>1,369,293</b>       | <b>49%</b>      | <b>1,357,417</b>    |
| <b>TOTAL OPERATING EXPENSE</b>         | <b>\$1,225,565</b> | <b>\$8,784,117</b>     | <b>51%</b>      | <b>\$8,503,185</b>  |
| <b>OPERATING INCOME/(LOSS)</b>         | <b>\$333,380</b>   | <b>\$2,360,365</b>     | <b>536%</b>     | <b>\$817,822</b>    |

**NOVATO WATER**  
**DETAIL INCOME STATEMENT**  
**FOR THE PERIOD ENDING DECEMBER 31, 2017**

|                                      | DECEMBER<br>2017  | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|--------------------------------------|-------------------|------------------------|-----------------|---------------------|
| <b>NON-OPERATING REVENUE</b>         |                   |                        |                 |                     |
| Interest:                            |                   |                        |                 |                     |
| General Funds                        | \$0               | \$0                    | 0%              | \$0                 |
| Wohler Pipeline Financing Fund       | 1,376             | 4,028                  | 101%            | 2,789               |
| Collector #6 Financing Fund          | 3,975             | 14,402                 | 96%             | 10,967              |
| Retiree Medical Insurance Fund       | 13,152            | 30,673                 | 81%             | 25,632              |
| Self-Insured Workers' Comp Fund      | 1,374             | 5,478                  | 78%             | 4,100               |
| Conservation Incentive Rate Fund     | 0                 | 6,908                  | -               | 0                   |
| Aqueduct Energy Efficiency Proj Fund | 66                | 298                    | -               | 262                 |
| Funds Held in County Treasury        | 1,596             | 2,678                  | 33%             | 1,434               |
| Recycled Water Advance (Note 10)     | (43,875)          | 0                      | -               | 0                   |
| <b>Total Interest Revenue</b>        | <b>(\$22,336)</b> | <b>\$64,466</b>        | <b>64%</b>      | <b>\$45,185</b>     |
| Rents & Leases                       | 11,388            | 71,525                 | 86%             | 51,457              |
| Other Non-Operating Revenue          | 342               | 19,810                 | 40%             | 59,884              |
| Gain/(Loss) on MV of Investments     | (1,777)           | (9,814)                | -               | (20,352)            |
| <b>NON-OPERATING REVENUE</b>         | <b>(\$12,384)</b> | <b>\$145,987</b>       | <b>63%</b>      | <b>\$136,174</b>    |
| <b>NON-OPERATING EXPENSE</b>         |                   |                        |                 |                     |
| Bank of Marin AEEP Loan Interest Exp | \$15,194          | \$92,225               | 48%             | \$97,220            |
| STP SRF Loan Interest Expense        | 22,005            | 130,611                | 50%             | 139,858             |
| Drought Loan Interest Expense        | 0                 | 0                      | 0%              | 436                 |
| Other Non-Operating Expense          | 0                 | 888                    | 4%              | 1,057               |
| <b>NON-OPERATING EXPENSE</b>         | <b>\$37,199</b>   | <b>\$223,725</b>       | <b>47%</b>      | <b>\$238,572</b>    |
| <b>NET INCOME/(LOSS)</b>             | <b>\$283,797</b>  | <b>\$2,282,627</b>     | <b>1136%</b>    | <b>\$715,424</b>    |
| <b>BEGINNING FUND EQUITY</b>         |                   |                        |                 |                     |
|                                      |                   | \$79,268,844           |                 | \$74,118,378        |
| NET INCOME/(LOSS)                    | 283,797           | 2,282,627              |                 | 715,424             |
| SCWA 84 Water Conservation Grant     | 0                 | 42,567                 | -               | 16,156              |
| Developer 'In-Kind' Contributions    | 8,281             | 50,401                 | -               | 266,747             |
| Caltrans AEEP Capital Contribution   | 0                 | 339                    | -               | 16,744              |
| MMWD AEEP Capital Contribution       | 0                 | 245,000                | 100%            | 245,000             |
| Connection Fees                      | 0                 | 709,200                | 91%             | 201,185             |
| FRC Transfer to Recycled Water       | (6,545,591)       | (7,122,418)            | 407%            | (644,251)           |
| <b>ENDING FUND EQUITY</b>            |                   | <b>\$75,476,560</b>    |                 | <b>\$74,688,305</b> |

**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|  | DECEMBER<br>2017 | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|--|------------------|------------------------|-----------------|---------------------|
| <b>OPERATING REVENUE</b>               |                  |                        |                 |                     |
| Recycled Water Sales                   | \$5,592          | \$540,818              | 61%             | \$444,314           |
| Bimonthly Service Charges              | 2,697            | 16,747                 | 49%             | 14,421              |
| Water Loads                            | 100              | 1,085                  | -               | 3,733               |
| Account Turn-on Charges                | 0                | 6                      | -               | 12                  |
| <b>TOTAL OPERATING REVENUE</b>         | <b>\$8,388</b>   | <b>\$558,656</b>       | <b>61%</b>      | <b>\$462,480</b>    |
| <b>OPERATING EXPENSE</b>               |                  |                        |                 |                     |
| <b>SOURCE OF SUPPLY</b>                |                  |                        |                 |                     |
| Purchased Water - NSD                  | \$2,316          | \$72,165               | 47%             | \$59,233            |
| Purchased Water - LGVSD                | 1,056            | 25,429                 | 40%             | 20,160              |
| <b>SOURCE OF SUPPLY</b>                | <b>\$3,372</b>   | <b>\$97,594</b>        | <b>45%</b>      | <b>\$79,392</b>     |
| <b>PUMPING</b>                         |                  |                        |                 |                     |
| Maint of Pumping Equipment             | 0                | 0                      | 0%              | 145                 |
| Electric Power                         | 137              | 2,032                  | 68%             | 1,837               |
| <b>PUMPING</b>                         | <b>\$137</b>     | <b>\$2,032</b>         | <b>41%</b>      | <b>\$1,981</b>      |
| <b>OPERATIONS</b>                      |                  |                        |                 |                     |
| Supervision & Engineering              | \$235            | \$5,008                | 42%             | \$5,739             |
| Operating Expense - Operations         | 0                | 3,931                  | 19%             | 8,059               |
| Potable Water Consumed                 | 30               | 5,122                  | 47%             | 1,242               |
| Maintenance Expense                    | 940              | 9,624                  | 192%            | 4,573               |
| Telemetry Equipment/Controls Maint     | 594              | 3,540                  | 27%             | 9,900               |
| <b>OPERATIONS</b>                      | <b>\$1,799</b>   | <b>\$27,225</b>        | <b>44%</b>      | <b>\$29,513</b>     |
| <b>WATER TREATMENT</b>                 |                  |                        |                 |                     |
| Purification Chemicals                 | \$0              | \$842                  | 21%             | \$809               |
| Maint of Purification Equipment        | 0                | 8,989                  | 100%            | 906                 |
| Laboratory Direct Labor                | 0                | 923                    | 15%             | 1,531               |
| Lab Expense Distributed from Novato    | (16)             | 551                    | 18%             | 918                 |
| <b>WATER TREATMENT</b>                 | <b>(\$16)</b>    | <b>\$11,304</b>        | <b>51%</b>      | <b>\$6,271</b>      |
| <b>TRANSMISSION &amp; DISTRIBUTION</b> |                  |                        |                 |                     |
| Supervision & Engineering              | (\$74)           | \$707                  | 4%              | \$4,100             |
| Maps & Records                         | 0                | 0                      | 0%              | 72                  |
| Operation of T&D System                | 2,229            | 2,229                  | 223%            | 631                 |
| Facilities Location                    | 0                | 112                    | -               | 0                   |
| Customer Service Expense               | 0                | 0                      | 0%              | 2,965               |
| Storage Facilities Expense             | 21               | 590                    | 6%              | 9,885               |
| Maint of Valves/Regulators             | 0                | 488                    | 49%             | 22                  |
| Maint of Meters                        | 0                | 717                    | 72%             | 0                   |
| Maint of Mains                         | 0                | 887                    | -               | 24,486              |
| <b>TRANSMISSION &amp; DISTRIBUTION</b> | <b>\$2,176</b>   | <b>\$5,730</b>         | <b>9%</b>       | <b>\$42,160</b>     |

**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|  | DECEMBER<br>2017  | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|--|-------------------|------------------------|-----------------|---------------------|
| <b>CONSUMER ACCOUNTING</b>             |                   |                        |                 |                     |
| Distributed from Novato (0.2%)         | \$62              | \$440                  | 44%             | \$409               |
| <b>CONSUMER ACCOUNTING</b>             | \$62              | \$440                  | 44%             | \$409               |
| <b>GENERAL AND ADMINISTRATIVE</b>      |                   |                        |                 |                     |
| Consulting Services/Studies            | \$0               | \$0                    | -               | \$6,786             |
| Distributed from Novato (2.4%)         | \$3,205           | \$26,613               | 46%             | \$24,051            |
| <b>GENERAL &amp; ADMINISTRATIVE</b>    | \$3,205           | \$26,613               | 46%             | \$30,836            |
| Depreciation (Note 5)                  | 39,485            | 237,060                | 49%             | 236,007             |
| <b>TOTAL OPERATING EXPENSE</b>         | \$50,219          | \$407,997              | 45%             | \$426,570           |
| <b>OPERATING INCOME/(LOSS)</b>         | <u>(\$41,831)</u> | <u>\$150,659</u>       | 2511%           | <u>\$35,910</u>     |
| <b>NON-OPERATING REVENUE</b>           |                   |                        |                 |                     |
| Interest:                              |                   |                        |                 |                     |
| RWF Replacement Fund                   | \$0               | \$0                    | -               | \$2,543             |
| Capital Repl & Exp Fund                | 0                 | 0                      | -               | 0                   |
| Self-Insured Workers' Comp Fund        | 0                 | 0                      | -               | 78                  |
| StoneTree RWF Loan                     | 2,895             | 17,798                 | 52%             | 20,342              |
| <b>Total Interest Revenue</b>          | \$2,895           | \$17,798               | 52%             | \$22,963            |
| Other Non-Operating Revenue            | 0                 | 0                      | -               | 10,557              |
| <b>NON-OPERATING REVENUE</b>           | \$2,895           | \$17,798               | 52%             | \$33,520            |
| <b>NON-OPERATING EXPENSE</b>           |                   |                        |                 |                     |
| RWF SRF Loan Interest Expense          | \$4,908           | \$29,133               | 50%             | \$31,681            |
| Expansion SRF Loan Interest Expense    | 15,608            | 94,494                 | 49%             | 99,436              |
| Other Non-Operating Expense            | 0                 | 0                      | -               | 111                 |
| Interest-Advance from Novato (Note 10) | (43,875)          | 0                      | -               | 0                   |
| <b>NON-OPERATING EXPENSE</b>           | <u>(\$23,359)</u> | <u>\$123,627</u>       | 50%             | <u>\$131,227</u>    |
| <b>NET INCOME/(LOSS)</b>               | <u>(\$15,577)</u> | <u>\$44,831</u>        | (21%)           | <u>(\$61,798)</u>   |
| <b>BEGINNING FUND EQUITY</b>           |                   | \$17,146,483           |                 | \$11,252,112        |
| NET INCOME/(LOSS)                      | (15,577)          | 44,831                 |                 | (61,798)            |
| Developer 'In-Kind' Contributions      | 0                 | (13,237)               |                 | 0                   |
| FRC Transfer from Novato               | 6,545,591         | 7,122,418              | 407%            | 644,251             |
| RW Central Area Expansion Grant        | 113,005           | 1,571,285              | 29%             | 661,032             |
| <b>ENDING FUND EQUITY</b>              |                   | <u>\$25,871,780</u>    |                 | <u>\$12,527,645</u> |

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|                                     | DECEMBER<br>2017 | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|-------------------------------------|------------------|------------------------|-----------------|---------------------|
| <b>OPERATING REVENUE</b>            |                  |                        |                 |                     |
| Water Sales                         | \$42,234         | \$411,530              | 65%             | \$335,660           |
| Bill Adjustments                    | 0                | (14,497)               | -               | (15,877)            |
| Bimonthly Service Charges           | 17,131           | 87,453                 | 49%             | 84,387              |
| Account Turn-on Charges             | 328              | 590                    | 59%             | 386                 |
| New Account Charges                 | 35               | 100                    | 10%             | 80                  |
| Returned Check Charges              | 0                | 9                      | -               | 63                  |
| Backflow Service Charges            | 1,015            | 3,045                  | 61%             | 2,788               |
| <b>TOTAL OPERATING REVENUE</b>      | <b>\$60,742</b>  | <b>\$488,230</b>       | <b>60%</b>      | <b>\$407,488</b>    |
| <b>OPERATING EXPENSE</b>            |                  |                        |                 |                     |
| <b>SOURCE OF SUPPLY</b>             |                  |                        |                 |                     |
| Supervision & Engineering           | \$0              | \$424                  | -               | \$44                |
| Operating Expense                   | 622              | 2,097                  | 35%             | 2,112               |
| Maint of Structures                 | 0                | 8,200                  | 103%            | 7,925               |
| Water Quality Surveillance          | 535              | 535                    | 53%             | 261                 |
| <b>SOURCE OF SUPPLY</b>             | <b>\$1,156</b>   | <b>\$11,256</b>        | <b>75%</b>      | <b>\$10,342</b>     |
| <b>PUMPING</b>                      |                  |                        |                 |                     |
| Maint of Structures and Grounds     | \$14             | \$397                  | 6%              | \$6,710             |
| Maint of Pumping Equip              | 189              | 17,999                 | 180%            | 1,442               |
| Electric Power                      | 1,991            | 13,865                 | 50%             | 15,047              |
| <b>PUMPING</b>                      | <b>\$2,194</b>   | <b>\$32,261</b>        | <b>72%</b>      | <b>\$23,199</b>     |
| <b>OPERATIONS</b>                   |                  |                        |                 |                     |
| Supervision & Engineering           | \$705            | \$8,158                | 82%             | \$5,517             |
| Operating Expense                   | 1,452            | 4,319                  | 27%             | 5,412               |
| Maint of Telemetry Equipment        | 8,265            | 10,465                 | 50%             | 18,079              |
| Leased Lines                        | 398              | 2,385                  | 40%             | 2,425               |
| <b>OPERATIONS</b>                   | <b>\$10,820</b>  | <b>\$25,327</b>        | <b>48%</b>      | <b>\$31,435</b>     |
| <b>WATER TREATMENT</b>              |                  |                        |                 |                     |
| Supervision & Engineering           | \$324            | \$2,532                | 36%             | \$2,244             |
| Operating Expense                   | (2,561)          | 16,011                 | 76%             | 7,995               |
| Purification Chemicals              | 6,300            | 11,623                 | 232%            | 4,595               |
| Maint of Structures & Grounds       | 0                | 242                    | 24%             | 0                   |
| Maint of Purification Equipment     | 4,343            | 8,237                  | 34%             | 1,882               |
| Electric Power                      | 622              | 13,738                 | 65%             | 9,324               |
| Laboratory Direct Labor             | 4,541            | 22,820                 | 69%             | 21,636              |
| Laboratory Services                 | 0                | 1,515                  | 38%             | 608                 |
| Water Quality Supervision           | 0                | 1,272                  | 16%             | 791                 |
| Customer Water Quality              | 257              | 1,585                  | 40%             | 2,763               |
| Lab Expense Distributed from Novato | 2,385            | 13,613                 | 72%             | 12,979              |
| <b>WATER TREATMENT</b>              | <b>\$16,211</b>  | <b>\$93,188</b>        | <b>63%</b>      | <b>\$64,818</b>     |

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|  | DECEMBER<br>2017 | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|--|------------------|------------------------|-----------------|---------------------|
| <b>TRANSMISSION &amp; DISTRIBUTION</b> |                  |                        |                 |                     |
| Supervision & Engineering              | \$92             | \$3,185                | 23%             | \$3,305             |
| Maps & Records                         | 0                | 0                      | 0%              | 218                 |
| Facilities Location - USA              | 2,338            | 9,744                  | 139%            | 4,527               |
| Customer Service Expense               | 1,007            | 7,751                  | 129%            | 4,020               |
| Storage Facilities Expense             | 517              | 6,171                  | 21%             | 9,721               |
| Cathodic Protection                    | 0                | 942                    | 13%             | 795                 |
| Maint of Valves                        | 0                | 378                    | 6%              | 768                 |
| Maint of Mains                         | 0                | 5,915                  | 148%            | 1,743               |
| Maint of Backflow Devices              | 0                | 0                      | 0%              | 510                 |
| Backflow Dev Inspection/Survey         | 1,856            | 3,152                  | 105%            | 2,408               |
| Maint of Copper Services               | 0                | 665                    | 13%             | 6,615               |
| Maint of PB Service Lines              | 4,578            | 19,027                 | 95%             | 18,984              |
| Maint of Meters                        | 244              | 2,025                  | 41%             | 5,924               |
| Detector Check Assembly Maint          | 0                | 1,654                  | 83%             | 304                 |
| Single Service Installation            | 5,065            | 2,448                  | -               | 1,018               |
| <b>TRANSMISSION &amp; DISTRIBUTION</b> | <b>\$15,697</b>  | <b>\$63,057</b>        | <b>52%</b>      | <b>\$60,861</b>     |
| <b>CONSUMER ACCOUNTING</b>             |                  |                        |                 |                     |
| Meter Reading                          | \$1,028          | \$3,939                | 33%             | \$6,393             |
| Collection Expense - Labor             | 0                | 156                    | 16%             | 210                 |
| Uncollectable Accounts                 | 0                | 0                      | 0%              | 409                 |
| Distributed from Novato (3.6%)         | 1,070            | 7,641                  | 59%             | 7,231               |
| <b>CONSUMER ACCOUNTING</b>             | <b>\$2,098</b>   | <b>\$11,736</b>        | <b>43%</b>      | <b>\$14,243</b>     |
| <b>WATER CONSERVATION</b>              |                  |                        |                 |                     |
| Water Conservation Program             | \$336            | \$3,088                | 31%             | \$3,930             |
| <b>TOTAL WATER CONSERVATION</b>        | <b>\$336</b>     | <b>\$3,088</b>         | <b>31%</b>      | <b>\$3,930</b>      |
| <b>GENERAL AND ADMINISTRATIVE</b>      |                  |                        |                 |                     |
| Consulting Services/Studies            | \$0              | \$0                    | 0%              | \$2,700             |
| Distributed from Novato (3.6%)         | 4,707            | 39,085                 | 46%             | 31,259              |
| <b>GENERAL &amp; ADMINISTRATIVE</b>    | <b>\$4,707</b>   | <b>\$39,085</b>        | <b>41%</b>      | <b>\$33,959</b>     |
| Depreciation (Note 5)                  | 16,052           | 96,390                 | 49%             | 96,323              |
| <b>TOTAL OPERATING EXPENSE</b>         | <b>\$69,271</b>  | <b>\$375,389</b>       | <b>53%</b>      | <b>\$339,109</b>    |
| <b>OPERATING INCOME/(LOSS)</b>         | <b>(\$8,529)</b> | <b>\$112,841</b>       | <b>104%</b>     | <b>\$68,378</b>     |

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|   | DECEMBER<br>2017 | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|---|------------------|------------------------|-----------------|---------------------|
| <b>NON-OPERATING REVENUE</b>              |                  |                        |                 |                     |
| Interest - General Funds                  | \$1,665          | \$3,982                | -               | \$1,926             |
| Interest - FRC                            | (8,546)          | (7,953)                | -265%           | 656                 |
| Interest - Self-Insured WC Fund           | 0                | 115                    | -               | 141                 |
| Interest - Bank of Marin Project Fund     | 1,505            | 5,614                  | 56%             | 4,529               |
| Interest - CIR Fund                       | 0                | 234                    | -               | 288                 |
| Rents & Leases                            | 0                | 5,000                  | 125%            | 4,344               |
| Tax Proceeds - OL-2 G.O. Bond             | 1                | 1                      | -               | 1                   |
| Tax Proceeds - PR-2 Tax Allocation        | 26,997           | 27,492                 | 52%             | 27,054              |
| Annexation Fees                           | 0                | 0                      | -               | 0                   |
| Sale of Surplus Property                  | 0                | 0                      | -               | 0                   |
| Wildland Urban Interface Initiative Grant | 0                | 0                      | -               | 0                   |
| Other Non-Operating Revenue               | 0                | 0                      | -               | 0                   |
| <b>NON-OPERATING REVENUE</b>              | <b>\$21,622</b>  | <b>\$34,485</b>        | <b>49%</b>      | <b>\$38,938</b>     |
| <b>NON-OPERATING EXPENSE</b>              |                  |                        |                 |                     |
| Bank of Marin Loan Interest Expense       | \$2,230          | \$13,538               | 55%             | \$14,271            |
| PRE-1 Revenue Bond Interest Exp           | 158              | 950                    | 32%             | 1,250               |
| PR-6 Revenue Bond Interest Exp            | 192              | 1,150                  | 38%             | 1,400               |
| Drought Loan Interest Expense             | 0                | 0                      | 0%              | 48                  |
| Other Non-Operating Expense               | 381              | 381                    | -               | 370                 |
| <b>NON-OPERATING EXPENSE</b>              | <b>\$2,961</b>   | <b>\$16,019</b>        | <b>52%</b>      | <b>\$17,339</b>     |
| <b>NET INCOME/(LOSS)</b>                  | <b>\$10,132</b>  | <b>\$131,308</b>       | <b>89%</b>      | <b>\$89,978</b>     |
| <b>BEGINNING FUND EQUITY</b>              |                  | <b>\$6,155,744</b>     |                 | <b>\$6,045,738</b>  |
| NET INCOME/(LOSS)                         | 10,132           | 131,308                |                 | 89,978              |
| Developer 'In-Kind' Contributions         | 0                | 3,430                  | -               | 0                   |
| Connection Fees                           | 45,600           | 45,600                 | 198%            | 8,000               |
| <b>ENDING FUND EQUITY</b>                 |                  | <b>\$6,336,082</b>     |                 | <b>\$6,143,716</b>  |



**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|                                      | DECEMBER<br>2017 | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|--------------------------------------|------------------|------------------------|-----------------|---------------------|
| <b>OPERATING REVENUE</b>             |                  |                        |                 |                     |
| Sewer Service Charges                | \$19,866         | \$119,318              | 50%             | \$107,882           |
| Inspection Fees                      | 0                | 300                    | -               | 600                 |
| <b>TOTAL OPERATING REVENUE</b>       | <b>\$19,866</b>  | <b>\$119,618</b>       | <b>50%</b>      | <b>\$108,482</b>    |
| <b>OPERATING EXPENSE</b>             |                  |                        |                 |                     |
| <b>SEWAGE COLLECTION</b>             |                  |                        |                 |                     |
| Supervision & Engineering            | \$598            | \$6,282                | 35%             | \$6,262             |
| Inspection                           | 0                | 384                    | 38%             | 558                 |
| Operating Expense                    | 791              | 4,627                  | 66%             | 2,984               |
| Facilities Location                  | 0                | 1,044                  | 104%            | 1,472               |
| Maint of Telemetry Equipment         | 20               | 918                    | 23%             | 3,494               |
| Maint of Lift Stations               | 1,170            | 3,414                  | 68%             | 2,639               |
| Electric Power                       | 903              | 7,143                  | 60%             | 6,057               |
| <b>SEWAGE COLLECTION</b>             | <b>\$3,482</b>   | <b>\$23,812</b>        | <b>50%</b>      | <b>\$23,465</b>     |
| <b>SEWAGE TREATMENT</b>              |                  |                        |                 |                     |
| Operating Expense                    | \$18,038         | \$21,268               | 64%             | \$26,011            |
| Maint of Equipment                   | 28               | 211                    | 3%              | 1,323               |
| Laboratory Direct Labor              | 898              | 3,307                  | 55%             | 1,975               |
| Lab Expense Distributed from Novato  | 493              | 1,972                  | 99%             | 1,185               |
| Electric Power                       | 854              | 5,164                  | 86%             | 3,089               |
| <b>SEWAGE TREATMENT</b>              | <b>\$20,311</b>  | <b>\$31,922</b>        | <b>58%</b>      | <b>\$33,582</b>     |
| <b>SEWAGE DISPOSAL</b>               |                  |                        |                 |                     |
| Operating Expense                    | \$548            | \$2,434                | 20%             | \$7,191             |
| Maint of Pump Stations               | 0                | 1,442                  | 18%             | 1,425               |
| Maint of Storage Ponds               | 0                | 2,966                  | 74%             | 1,818               |
| Maint of Irrigation Field            | 0                | 2,084                  | 26%             | 1,911               |
| <b>SEWAGE DISPOSAL</b>               | <b>\$548</b>     | <b>\$8,927</b>         | <b>28%</b>      | <b>\$12,345</b>     |
| <b>CONSUMER ACCOUNTING</b>           |                  |                        |                 |                     |
| Collection Expense - County of Marin | \$345            | \$345                  | -               | \$344               |
| Distributed from Novato (0.6%)       | 149              | 1,012                  | 51%             | 884                 |
| <b>CONSUMER ACCOUNTING</b>           | <b>\$494</b>     | <b>\$1,357</b>         | <b>68%</b>      | <b>\$1,227</b>      |

**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|                                     | DECEMBER<br>2017 | YEAR TO DATE<br>ACTUAL | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL |
|-------------------------------------|------------------|------------------------|-----------------|---------------------|
| <b>GENERAL AND ADMINISTRATIVE</b>   |                  |                        |                 |                     |
| Distributed from Novato (1.1%)      | \$1,485          | \$12,327               | 46%             | \$10,781            |
| Liability Insurance                 | 159              | 952                    | 48%             | 1,063               |
| <b>GENERAL AND ADMINISTRATIVE</b>   | <b>\$1,643</b>   | <b>\$13,279</b>        | <b>46%</b>      | <b>\$11,845</b>     |
| Depreciation (Note 5)               | 3,091            | 18,695                 | 37%             | 22,339              |
| <b>TOTAL OPERATING EXPENSE</b>      | <b>\$29,569</b>  | <b>\$97,991</b>        | <b>45%</b>      | <b>\$104,803</b>    |
| <b>OPERATING INCOME/(LOSS)</b>      | <b>(\$9,703)</b> | <b>\$21,627</b>        | <b>98%</b>      | <b>\$3,678</b>      |
| <b>NON-OPERATING REVENUE</b>        |                  |                        |                 |                     |
| Rents & Leases                      | \$0              | \$500                  | -               | \$500               |
| Interest - Connection Fee Reserve   | 0                | 0                      | -               | 69                  |
| Interest - General Funds            | 513              | 3,098                  | 77%             | 2,726               |
| Interest - Self Insured WC Fund     | 0                | 39                     | -               | 48                  |
| Tax Proceeds - OM-1/OM-3 Tax Alloc  | 28,772           | 29,299                 | 52%             | 28,832              |
| Other Non-Operating Revenue         | 0                | 1                      | -               | 0                   |
| <b>NON-OPERATING REVENUE</b>        | <b>\$29,284</b>  | <b>\$32,936</b>        | <b>55%</b>      | <b>\$32,175</b>     |
| <b>NON-OPERATING EXPENSE</b>        |                  |                        |                 |                     |
| Other Non-Operating Expense         | \$406            | \$406                  | -               | \$556               |
| <b>NON-OPERATING EXPENSE</b>        | <b>\$406</b>     | <b>\$406</b>           | <b>-</b>        | <b>\$556</b>        |
| <b>NET INCOME/(LOSS)</b>            | <b>\$19,175</b>  | <b>\$54,157</b>        | <b>66%</b>      | <b>\$35,297</b>     |
| <b>BEGINNING FUND EQUITY</b>        |                  | <b>\$1,340,901</b>     |                 | <b>\$1,256,555</b>  |
| NET INCOME/(LOSS)                   | 19,175           | 54,157                 |                 | 35,297              |
| <b>CONTRIBUTED CAPITAL</b>          |                  |                        |                 |                     |
| Contribution in Aid of Construction | 0                | 244                    | -               | 0                   |
| Connection Fees                     | 0                | 0                      | 0%              | 30,400              |
| <b>ENDING FUND EQUITY</b>           |                  | <b>\$1,395,302</b>     |                 | <b>\$1,322,252</b>  |

**NORTH MARIN WATER DISTRICT  
ANALYSIS OF WORKERS' COMP AND CONNECTION FEE FUNDS  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

|   |                  | NOVATO<br>WATER  | WEST MARIN<br>WATER | OCEANA<br>MARIN<br>SEWER | RECYCLED<br>WATER |
|---|------------------|------------------|---------------------|--------------------------|-------------------|
| <b>WORKERS' COMPENSATION FUND</b>           | <b>TOTAL</b>     |                  |                     |                          |                   |
| <b>WC Cash Balance 6/30/17</b>              | \$733,571        | \$701,035        | \$24,268            | \$8,268                  | \$0               |
| Less: Projected Prior FY Claims Liability   | 192,121          | 178,673          | 6,340               | 2,113                    | 4,995             |
| Add: Funds borrowed to subsidize operations | 14,147           | 0                | 0                   | 0                        | 14,147            |
| <b>WC Reserve Balance 6/30/17</b>           | \$555,597        | \$522,362        | \$17,928            | \$6,155                  | \$9,152           |
| Add: WC Expense Charged to Operations FYTD  | 54,937           | 51,037           | 1,978               | 604                      | 1,318             |
| Interest Earned                             | 5,632            | 5,478            | 115                 | 39                       | 0                 |
| Subtotal                                    | \$616,167        | \$578,878        | \$20,021            | \$6,798                  | \$10,470          |
| Less: Claims Expense Paid                   | 131,185          | 121,871          | 4,723               | 1,443                    | 3,148             |
| Excess Insurance Premium                    | 31,652           | 29,405           | 1,139               | 348                      | 760               |
| Administration Fees                         | 6,000            | 5,574            | 216                 | 66                       | 144               |
| <b>WC Reserve Balance 12/31/17</b>          | \$447,330        | \$422,028        | \$13,942            | \$4,941                  | \$6,418           |
| Add: Projected Claims Liability             | 127,749          | 118,679          | 4,599               | 1,405                    | 3,066             |
| Funds borrowed to subsidize operations      | (9,484)          | 0                | 0                   | 0                        | (9,484)           |
| <b>WC CASH BALANCE 12/31/17</b>             | <b>\$565,595</b> | <b>\$540,707</b> | <b>\$18,541</b>     | <b>\$6,346</b>           | <b>\$0</b>        |

**CONNECTION FEE FUND**

|  |                  |                |                  |            |
|--|------------------|----------------|------------------|------------|
| <b>Connection Fee Cash Balance 6/30/17</b>     | \$98,780         | \$0            | \$98,780         | \$0        |
| Add: funds borrowed to subsidize operations    | (5,693,040)      | (5,655,246)    | 0                | (37,794)   |
| <b>Connection Fee Reserve Balance 6/30/17</b>  | (\$5,594,260)    | (\$5,655,246)  | \$98,780         | (\$37,794) |
| Add: Connection Fees Collected FYTD            | 754,800          | 709,200        | 45,600           | 0          |
| Interest Earned                                | (7,953)          | 0              | (7,953)          | 0          |
| Subtotal                                       | (\$4,847,413)    | (\$4,946,046)  | \$136,427        | (\$37,794) |
| Less: Fees Expended FYTD                       | 1,018,426        | 973,701        | 25,371           | 19,355     |
| Fees transferred to RWS FYTD (Note 14)         | 7,122,418        | 7,122,418      | 0                | 0          |
| <b>Connection Fee Reserve Balance 12/31/17</b> | (\$12,988,257)   | (\$13,042,165) | \$111,056        | (\$57,149) |
| Less: Funds borrowed to subsidize operations   | (13,099,314)     | (13,042,165)   | 0                | (57,149)   |
| <b>CONNECTION FEE CASH BALANCE 12/31/17</b>    | <b>\$111,056</b> | <b>(\$0)</b>   | <b>\$111,056</b> | <b>\$0</b> |

**NORTH MARIN WATER DISTRICT  
CONNECTION FEE ANALYSIS  
FOR THE PERIOD ENDING DECEMBER 31, 2017**

The Connection Fee (FRC) Fund is comprised of cash available from collection of Facility Reserve Charge Fees. The FRC 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 facilities within the service area where the new development occurs. Funds are disbursed from the Connection Fee Reserve as expenditures to increase system capacity to serve new development are incurred.

| <b>FY17 CONNECTION FEE EXPENDITURES</b> | <b>TOTAL<br/>EXPENDITURE</b> | <b>% FUNDED BY<br/>CONNECTION<br/>FEES</b> | <b>TOTAL FROM<br/>CONNECTION<br/>FEES<sup>1</sup></b> |
|---|------------------------------|--|---|
| <b>Novato Water</b>                     |                              |  |   |
| Bank of Marin AEEP Debt Service         | \$241,021                    | 25%  | \$60,255  |
| STP Rehab SRF Loan Debt Service         | 523,302                      | 25%  | 130,825   |
| Water Conservation Expenditures         | 140,897                      | 100%                                       | 140,897   |
| San Marin Pump Station Can Rehab        | 29,077                       | 25%  | 7,269   |
| Center Rd 6" CIP                        | 546,787                      | 50%  | 273,394   |
| Grant Ave Bridge Pipeline Replacement   | 158,352                      | 50%  | 79,176  |
| Detector Check Assembly Upgrades        | 42,333                       | 25%  | 10,583  |
| San Mateo Tank Recoat                   | 910,156                      | 25%  | 227,539   |
| Ridge Road 6" ACP                       | 76,128                       | 50%  | 38,064  |
| San Mateo 24" Inlet/Outlet              | 39,218                       | 50%  | 5,698   |
|   | <u>\$2,707,272</u>           |  | <u>\$973,701</u>                                      |
| <b>Recycled Water</b>                   |                              |  |   |
| NBWRA Grant Program Administration      | \$18,508                     | 100%                                       | 18,508  |
| RW Expansion Central Area Local Share   | 6,585,764                    | 100%                                       | 6,585,764   |
| RW Expansion North Area Debt Service    | 185,739                      | 100%                                       | 185,739   |
| RW Expansion South Area Debt Service    | 332,407                      | 100%                                       | 332,407   |
|   | <u>\$7,122,418</u>           |  | <u>\$7,122,418</u>                                    |
| <b>West Marin Water</b>                 |                              |  |   |
| Bank of Marin Debt Service              | \$35,379                     | 25%  | \$8,845   |
| Water Conservation Expenditures         | 3,088                        | 100%                                       | 3,088   |
| Repl PRE Tank #4A                       | 106,742                      | 25%  | 7,274   |
| Green Sand Filter Media Replace         | 46,634                       | 25%  | 6,164   |
|   | <u>\$191,843</u>             |  | <u>\$25,371</u>                                       |
| <b>Oceana Marin Sewer</b>               |                              |  |   |
| OM Wastewater Treatment Pond            | <u>\$38,709</u>              | 50%  | <u>19,355</u>   |
|   | <u>\$10,060,242</u>          |  | <u>\$8,140,844</u>                                    |

<sup>1</sup> The Percentage Funded by Connection Fees is the percentage of total project cost paid by FRC funds, which are allocated to new growth based on historic NMWD practice. The Total From Connection Fees amounts shown are FRC (connection fee) expenditures only, and do not include operations funding, which is also used to pay for these projects.

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**NORTH MARIN WATER DISTRICT  
EQUIPMENT EXPENDITURES  
PERIOD ENDING DECEMBER 31, 2017**

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|   | DECEMBER<br>2017 | FYTD<br>TOTAL | FY 17/18<br>BUDGET | (OVER)<br>UNDER | Notes |
|---|------------------|---------------|--------------------|-----------------|-------|
| <b>1 ADMINISTRATION</b>                               |                  |               |                    |                 |       |
| a. Virtual Server                                     |                  | \$0           | \$6,000            | \$6,000         |       |
|   | \$0              | \$0           | \$6,000            | \$6,000         |       |
| <b>2 CONSTRUCTION</b>                                 |                  |               |                    |                 |       |
| a. Fittings & Hose for Emergency Hose Trailer         |                  | \$0           | \$6,000            | \$6,000         | 1     |
|   | \$0              | \$0           | \$6,000            | \$6,000         |       |
| <b>3 OPERATIONS/MAINTENANCE</b>                       |                  |               |                    |                 |       |
| a. Replacement Closed Circuit TV System               |                  | \$0           | \$15,000           | \$15,000        | 1     |
| b. Replacement Incubator                              |                  | 0             | 15,000             | 15,000          | 1     |
| c. Metals Analyzer                                    |                  | 0             | 105,000            | 105,000         | 1     |
|   | \$0              | \$0           | \$135,000          | \$135,000       |       |
| <b>3 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b> |                  |               |                    |                 |       |
| a. Hybrid 4x4 SUV                                     |                  | \$0           | \$35,000           | \$35,000        | 1     |
| b. 1/2 Ton Pickup w/Tool Box & Radio                  |                  | 0             | 28,000             | 28,000          | 1     |
|   | \$0              | \$0           | \$63,000           | \$63,000        |       |
| <b>TOTAL EQUIPMENT EXPENDITURES</b>                   | \$0              | \$0           | \$210,000          | \$204,000       |       |

Notes:

(1) Replacement item.

**NORTH MARIN WATER DISTRICT  
OVERHEAD ACCOUNT ANALYSIS  
FOR PERIOD ENDING DECEMBER 31, 2017**

|  | YEAR TO DATE<br>ACTUAL | ANNUAL<br>BUDGET            | YTD/<br>BUDGET% | PRIOR YTD<br>ACTUAL     |
|--|------------------------|-----------------------------|-----------------|-------------------------|
| <b><u>Material Handling</u></b>            |                        |                             |                 |                         |
| Material Overhead Recovered (15%)          | \$29,696               | \$130,000                   | 23%             | \$22,701                |
| Labor                                      | \$32,516               | \$110,000                   | 30%             | \$33,031                |
| Materials, Supplies & Expense              | 2,732                  | 10,000                      | 27%             | 1,706                   |
| Correction to Inventory Counts             | 2,281                  | 0                           | -               | (2,494)                 |
| Depreciation                               | 3,345                  | 10,000                      | 33%             | 5,018                   |
|  | <u>\$40,874</u>        | <u>\$130,000</u>            | 31%             | <u>\$37,261</u>         |
| Net Material Handling Gain / (Loss)        | <u>(\$11,179)</u>      | <u>\$0</u>                  | -               | <u>(\$14,560)</u>       |
| <b><u>Construction Supplies</u></b>        |                        |                             |                 |                         |
| Const Supplies Overhead Recovered (10%)    | \$127,522              | \$260,000                   | 49%             | \$134,122               |
| Labor                                      | \$34,730               | \$95,000                    | 37%             | \$32,838                |
| Materials, Supplies & Expense              | 46,417                 | 94,000                      | 49%             | 36,798                  |
| Small Tools                                | 11,345                 | 24,000                      | 47%             | 5,897                   |
| Depreciation                               | 498                    | 2,000                       | 25%             | 1,579                   |
|  | <u>\$92,990</u>        | <u>\$215,000</u>            | 43%             | <u>\$77,112</u>         |
| Net Constr Supplies Gain / (Loss)          | <u>\$34,532</u>        | <u>\$45,000</u>             | 77%             | <u>\$57,010</u>         |
| <b><u>Vehicle &amp; Equipment</u></b>      |                        |                             |                 |                         |
| Vehicle & Equipment Recovered <sup>1</sup> | \$182,774              | \$388,000                   | 47%             | \$153,805               |
| Labor                                      | \$27,971               | \$98,000                    | 29%             | \$32,465                |
| Materials, Supplies & Expense              | 35,189                 | 84,000                      | 42%             | 41,364                  |
| Fuel                                       | 33,439                 | 83,000                      | 40%             | 32,238                  |
| Depreciation                               | 61,935                 | 132,000                     | 47%             | 64,224                  |
|  | <u>\$158,534</u>       | <u>\$397,000</u>            | 40%             | <u>\$170,290</u>        |
| Net Vehicle & Equip Gain / (Loss)          | <u>\$24,240</u>        | <u>(\$9,000)</u>            | -269%           | <u>(\$16,485)</u>       |
| <b><u>Payroll</u></b>                      |                        |                             |                 |                         |
| Overheaded Payroll Recovered               | \$3,918,542            | \$8,155,000                 | 48%             | \$3,934,323             |
| Salary Including Leave Time                | \$2,636,137            | \$5,473,000                 | 48%             | \$2,483,378             |
| Employer FICA & Medicare Tax               | 201,143                | 408,000                     | 49%             | 184,879                 |
| Insurance <sup>2</sup>                     | 448,795                | 1,007,000                   | 45%             | 459,775                 |
| Worker's Compensation                      | 85,040                 | 115,000                     | 74%             | 30,441                  |
| Retiree Medical Accrual                    | 40,563                 | 83,000                      | 49%             | 39,563                  |
| CalPERS Retirement                         | 465,903                | 1,066,000                   | 44%             | 476,186                 |
| Unreconciled Difference                    | 67,926                 | 0                           | -               | 118,384                 |
|  | <u>\$3,945,507</u>     | <u>\$8,152,000</u>          | 48%             | <u>\$3,792,605</u>      |
| Net Payroll Gain / (Loss)                  | <u>(\$26,965)</u>      | <u>\$3,000</u> <sup>3</sup> |                 | <u>\$141,718</u>        |
| <b>Total Overhead Gain / (Loss)</b>        | <b><u>\$20,628</u></b> | <b><u>\$39,000</u></b>      | <b>53%</b>      | <b><u>\$167,683</u></b> |

<sup>1</sup> 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 \$7/hr for vehicles 3/4-ton and under and \$14/hr for larger vehicles. An additional 50% is charged to developer projects to reflect the fair market value of the asset used.

<sup>2</sup> Insurance Includes Medical, Dental, Vision, Cafeteria, Life & Unemployment.

<sup>3</sup> 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, 2017**

| OPERATING EXPENSE                 |  | Novato               | Recycled            | West Marin        | Oceana<br>Marin   | YTD Total            | Annual<br>Budget     | YTD<br>Budget<br>% | Prior YTD<br>Actual  | %<br>Change |
|-----------------------------------|--|----------------------|---------------------|-------------------|-------------------|----------------------|----------------------|--------------------|----------------------|-------------|
| 1                                 | Salaries & Benefits                    | \$ 3,230,378         | \$ 26,785           | \$ 117,511        | \$ 26,262         | \$ 3,400,936         | \$6,978,000          | 49%                | \$ 3,405,380         | 0%          |
| 2                                 | Water Purchases                        | 2,651,558            | 97,594              | -                 | -                 | 2,749,152            | 4,867,000            | 56%                | 2,945,961            | -7%         |
| 3                                 | Depreciation                           | 1,369,293            | 237,060             | 96,390            | 18,695            | 1,721,438            | 3,526,000            | 49%                | 1,712,087            | 1%          |
| 4                                 | Materials, Services & Supplies         | 741,729              | 12,865              | 44,658            | 23,746            | 822,998              | 1,933,000            | 43%                | 785,031              | 5%          |
| 5                                 | Consulting Services/Studies            | 63,675               | -                   | -                 | -                 | 63,675               | 382,000              | 17%                | 16,029               | 297%        |
| 6                                 | Chemicals                              | 338,928              | 842                 | 11,623            | -                 | 351,393              | 434,000              | 81%                | 132,533              | 165%        |
| 7                                 | Electric Power                         | 270,131              | 2,032               | 27,603            | 12,307            | 312,073              | 459,000              | 68%                | 243,951              | 28%         |
| 8                                 | Vehicles and Equipment (Distrib.)      | 118,189              | 1,305               | 9,916             | 1,400             | 130,810              | 287,000              | 46%                | 117,513              | 11%         |
| 9                                 | Tools & Supplies (Distrib.)            | 103,936              | 1,912               | 6,849             | 1,290             | 113,987              | 185,000              | 62%                | 123,952              | -8%         |
| 10                                | Retiree Medical Expenses               | 78,272               | -                   | -                 | -                 | 78,272               | 172,000              | 46%                | 79,128               | -1%         |
| 11                                | Water Conservation Rebates             | 14,429               | -                   | 500               | -                 | 14,929               | 104,000              | 14%                | 32,921               | -55%        |
| 12                                | Insurance & Claims                     | 45,521               | -                   | -                 | 952               | 46,473               | 144,000              | 32%                | 44,630               | 4%          |
| 13                                | Offices Supplies & Postage             | 41,926               | -                   | -                 | -                 | 41,926               | 102,000              | 41%                | 53,773               | -22%        |
| 14                                | GASB 68 Adjustments                    | -                    | -                   | -                 | -                 | -                    | -                    | -                  | -                    | -           |
| 15                                | Overhead Charges (Gain)/Loss           | (20,629)             | -                   | -                 | -                 | (20,629)             | (39,000)             | 53%                | (167,683)            | -88%        |
| 16                                | Distrubted Costs (Lab, G&A, ConsAcctg) | (263,219)            | 27,604              | 60,339            | 13,339            | (161,941)            | (384,000)            | 42%                | (151,538)            | 7%          |
| 17                                | <b>Total Operating Expense</b>         | <b>8,784,117</b>     | <b>407,999</b>      | <b>375,389</b>    | <b>97,991</b>     | <b>9,665,493</b>     | <b>19,150,000</b>    | <b>50%</b>         | <b>9,373,668</b>     | <b>3%</b>   |
| 18                                | Interest Expense & Other               | 223,725              | 123,627             | 16,019            | 406               | 363,777              | 752,000              | 48%                | 386,929              | -6%         |
| 19                                | <b>Total Expenses</b>                  | <b>\$ 9,007,842</b>  | <b>\$ 531,626</b>   | <b>\$ 391,408</b> | <b>\$ 98,397</b>  | <b>\$ 10,029,270</b> | <b>\$ 19,902,000</b> | <b>50%</b>         | <b>\$ 9,760,597</b>  | <b>3%</b>   |
| <b>Warehouse, Shop &amp; Yard</b> |  |                      |                     |                   |                   |                      |                      |                    |                      |             |
| 20                                | Salaries & Benefits                    | 95,217               | -                   | -                 | -                 | 95,217               | 299,000              | 32%                | 98,334               | -3%         |
| 21                                | Materials, Services & Supplies         | 129,483              | -                   | -                 | -                 | 129,483              | 307,000              | 42%                | 115,509              | 12%         |
| 22                                | Depreciation                           | 67,699               | -                   | -                 | -                 | 67,699               | -                    | 0%                 | 70,821               | -4%         |
| 23                                | Distrubted Costs                       | (292,400)            | -                   | -                 | -                 | (292,400)            | (606,000)            | 48%                | (284,663)            | 3%          |
| 24                                | <b>Total W/H, Shop &amp; Yard</b>      | <b>0</b>             | <b>-</b>            | <b>-</b>          | <b>-</b>          | <b>0</b>             | <b>-</b>             |                    | <b>0</b>             |             |
| <b>District Capital Outlay</b>    |  |                      |                     |                   |                   |                      |                      |                    |                      |             |
| 25                                | Salaries & Benefits                    | 265,770              | 85,623              | 13,720            | 8,575             | 373,688              | 817,000              | 46%                | 302,733              | 23%         |
| 26                                | Equipment Expenditures                 | -                    | -                   | -                 | -                 | -                    | 210,000              | 0%                 | 7,135                | -100%       |
| 27                                | Debt Principal Payments                | 559,165              | 357,527             | 23,805            | -                 | 940,497              | 1,799,000            | 52%                | 926,922              | 1%          |
| 28                                | Materials, Services & Supplies         | 1,576,818            | 2,872,860           | 54,521            | 36,697            | 4,540,896            | 16,928,000           | 27%                | 1,766,483            | 157%        |
| 29                                | <b>Total District Capital Outlay</b>   | <b>2,401,753</b>     | <b>3,316,010</b>    | <b>92,046</b>     | <b>45,272</b>     | <b>5,855,081</b>     | <b>19,754,000</b>    | <b>30%</b>         | <b>3,003,273</b>     | <b>95%</b>  |
| <b>Developer Funded Projects</b>  |  |                      |                     |                   |                   |                      |                      |                    |                      |             |
| 30                                | Salaries & Benefits                    | 39,851               | 132                 | 48                | 6,670             | 46,701               | 222,000              | 21%                | 87,364               | -47%        |
| 31                                | Materials, Services & Supplies         | 90,653               | 49                  | (3,258)           | 2,707             | 90,151               | 130,000              | 69%                | 113,472              | -21%        |
| 32                                | <b>Total Developer Projects</b>        | <b>130,504</b>       | <b>181</b>          | <b>(3,210)</b>    | <b>9,377</b>      | <b>136,852</b>       | <b>352,000</b>       | <b>39%</b>         | <b>200,836</b>       | <b>-32%</b> |
| 33                                | <b>Total</b>                           | <b>\$ 11,540,099</b> | <b>\$ 3,847,817</b> | <b>\$ 480,244</b> | <b>\$ 153,046</b> | <b>\$ 16,021,203</b> | <b>\$ 40,008,000</b> | <b>40%</b>         | <b>\$ 12,964,706</b> | <b>24%</b>  |

**NORTH MARIN WATER DISTRICT  
VEHICLE FLEET ANALYSIS  
FOR PERIOD ENDING DECEMBER 31, 2017**

| Fiscal Year to Date   |                           |      |                       |         |                      |                       |             | Vehicle Cost per Mile |              |        |        |        |
|-----------------------|---------------------------|------|-----------------------|---------|----------------------|-----------------------|-------------|-----------------------|--------------|--------|--------|--------|
| Year                  | Description               | Veh# | Assigned              | Mileage | Expense <sup>1</sup> | Recovery <sup>2</sup> | Gain/(Loss) | Mileage               | Life to Date | FYTD18 | FY17   | FY16   |
| 1                     | 1999 Dodge Ram 1500       | 32   | STP                   | 733     | \$612                | \$1,089               | \$476       | 85,254                | \$0.44       | \$0.84 | \$0.29 | \$1.21 |
| 2                     | 2002 Chev K1500 4x4       | 47   | Latnyszyn             | 5,302   | \$1,351              | \$1,883               | \$532       | 134,988               | \$0.36       | \$0.25 | \$0.38 | \$0.42 |
| 3                     | 2003 Dodge Dakota 4x4     | 49   | Stompe                | 2,653   | \$2,182              | \$1,623               | (\$559)     | 101,592               | \$0.43       | \$0.82 | \$0.46 | \$0.33 |
| 4                     | 2004 Chev C1500           | 53   | STP                   | 2,407   | \$1,028              | \$1,029               | \$1         | 125,956               | \$0.46       | \$0.43 | \$0.46 | \$0.67 |
| 5                     | 2004 Chev C1500 Xtra Cab  | 54   | Pool                  | 1,427   | \$992                | \$694                 | (\$298)     | 98,764                | \$0.46       | \$0.70 | \$0.79 | \$3.67 |
| 6                     | 2005 Honda Civic Hybrid   | 56   | Engineering           | 784     | \$712                | \$793                 | \$81        | 78,716                | \$0.29       | \$0.91 | \$1.81 | \$0.44 |
| 7                     | 2005 Honda Civic Hybrid   | 57   | Wtr Cons/Pool         | 1,657   | \$640                | \$894                 | \$254       | 76,098                | \$0.24       | \$0.39 | \$0.15 | \$0.20 |
| 8                     | 2005 Ford Ranger          | 58   | FSR/Pool              | 726     | \$428                | \$777                 | \$349       | 128,890               | \$0.45       | \$0.59 | \$1.07 | \$0.33 |
| 9                     | 2006 Chev Colorado        | 501  | LeBrun                | 2,451   | \$970                | \$1,952               | \$982       | 140,439               | \$0.37       | \$0.40 | \$0.20 | \$0.40 |
| 10                    | 2007 Chev K2500 4x4       | 502  | Corda, Joe            | 3,447   | \$3,155              | \$5,281               | \$2,126     | 100,472               | \$0.57       | \$0.92 | \$0.77 | \$0.67 |
| 11                    | 2007 Chev Colorado        | 504  | Rodriguez             | 6,358   | \$1,481              | \$5,502               | \$4,021     | 65,792                | \$0.41       | \$0.23 | \$0.36 | \$0.35 |
| 12                    | 2008 Ford F250 4x4        | 505  | Maintenance           | 1,646   | \$3,824              | \$1,960               | (\$1,864)   | 92,276                | \$0.76       | \$2.32 | \$1.80 | \$0.56 |
| 13                    | 2008 Ford F250 4x4        | 506  | STP                   | 3,502   | \$1,137              | \$1,337               | \$200       | 68,943                | \$0.75       | \$0.32 | \$0.63 | \$0.57 |
| 14                    | 2008 Chev Colorado 4x4    | 509  | Engineering           | 2,175   | \$720                | \$1,733               | \$1,012     | 98,507                | \$0.34       | \$0.33 | \$0.29 | \$0.41 |
| 15                    | 2009 Toyota Prius Hybrid  | 510  | Clark                 | 7,556   | \$1,093              | \$3,192               | \$2,098     | 112,551               | \$0.19       | \$0.14 | \$0.13 | \$0.40 |
| 16                    | 2010 Ford F150 4x4        | 511  | STP                   | 3,376   | \$1,058              | \$1,764               | \$706       | 75,167                | \$0.50       | \$0.31 | \$0.69 | \$0.54 |
| 17                    | 2010 Ford F150            | 512  | Kurfirsr              | 4,149   | \$1,961              | \$5,793               | \$3,831     | 98,646                | \$0.49       | \$0.47 | \$0.44 | \$0.74 |
| 18                    | 2010 Ford F150            | 513  | On-Call               | 5,723   | \$2,379              | \$3,947               | \$1,568     | 72,081                | \$0.46       | \$0.42 | \$0.54 | \$0.69 |
| 19                    | 2012 Ford F250            | 515  | Reed                  | 4,794   | \$1,991              | \$5,985               | \$3,994     | 45,984                | \$0.62       | \$0.42 | \$0.84 | \$0.47 |
| 20                    | 2012 Ford F250            | 516  | Castellucci           | 4,434   | \$2,539              | \$4,771               | \$2,231     | 52,570                | \$0.52       | \$0.57 | \$0.47 | \$2.44 |
| 21                    | 2014 Ford F150            | 517  | Grisso                | 1,146   | \$505                | \$1,610               | \$1,105     | 9,858                 | \$0.39       | \$0.44 | \$0.21 | \$0.66 |
| 22                    | 2015 Ford F250 4x4        | 518  | Kehoe, Chris          | 7,292   | \$3,908              | \$8,592               | \$4,684     | 59,015                | \$0.42       | \$0.54 | \$0.41 | \$0.38 |
| 23                    | 2015 Ford Escape 4X4      | 520  | Arendell              | 7,993   | \$2,041              | \$4,866               | \$2,824     | 39,059                | \$0.24       | \$0.26 | \$0.18 | \$0.31 |
| 24                    | 2015 Ford F150 4X4        | 521  | Lemos                 | 5,229   | \$1,785              | \$2,099               | \$314       | 28,225                | \$0.29       | \$0.34 | \$0.17 | \$0.36 |
| 25                    | 2016 Nissan Frontier      | 522  | Roberto               | 7,457   | \$2,248              | \$6,501               | \$4,253     | 22,234                | \$0.36       | \$0.30 | \$0.38 | -      |
| 26                    | 2017 Ford Escape 4X4      | 523  | Lab                   | 3,565   | \$930                | \$2,021               | \$1,091     | 10,865                | \$0.28       | \$0.26 | \$0.30 | -      |
| 27                    | 2016 Nissan Frontier      | 524  | Bynum                 | 4,444   | \$1,834              | \$4,659               | \$2,825     | 6,844                 | \$0.32       | \$0.41 | -      | -      |
| Total 3/4 Ton & Under |                           |      |                       | 102,426 | \$43,506             | \$82,344              | \$38,838    | 2,029,786             | \$0.43       | \$0.42 | \$0.47 | \$0.48 |
| 1                     | 1999 Ford F350 W/Svc Body | 19   | Pool                  | 618     | \$1,264              | \$1,820               | \$556       | 134,275               | \$0.80       | \$2.05 | \$2.08 | \$2.42 |
| 2                     | 2002 Int'l 5 Yd Dump      | 44   | Construction          | 1,906   | \$4,001              | \$7,672               | \$3,671     | 98,322                | \$1.76       | \$2.10 | \$6.81 | \$1.51 |
| 3                     | 1999 Ford F550 3-Yd Dump  | 52   | Construction          | 1,299   | \$2,604              | \$3,601               | \$997       | 89,884                | \$1.00       | \$2.00 | \$1.68 | \$1.15 |
| 4                     | 2006 Int'l 4300 Crew      | 503  | Bergstrom/Barrilleaux | 1,443   | \$1,595              | \$11,088              | \$9,493     | 39,330                | \$2.60       | \$1.11 | \$3.75 | \$2.19 |
| 5                     | 2009 Peterbilt 335 Crew   | 508  | Breit/Crew            | 1,523   | \$2,283              | \$12,558              | \$10,275    | 30,681                | \$2.14       | \$1.50 | \$4.04 | \$1.35 |
| 6                     | 2012 Int'l 5 Yd Dump      | 514  | Rupp                  | 2,896   | \$4,610              | \$8,162               | \$3,552     | 32,912                | \$1.43       | \$1.59 | \$1.14 | \$1.15 |
| 7                     | 2015 Int'l 5 Yd Dump      | 519  | Sjoblom               | 2,887   | \$3,908              | \$8,592               | \$4,684     | 24,331                | \$1.03       | \$1.35 | \$1.10 | \$0.78 |
| 8                     | 2017 Ford F350 4x4        | 525  | Ielmorini/Davenport   | 4,989   | \$2,182              | \$10,514              | \$8,332     | 5,872                 | \$0.45       | \$0.44 | \$0.52 | \$0.78 |
| Total 1 Ton & Over    |                           |      |                       | 17,561  | \$22,448             | \$64,007              | \$41,559    | 455,607               | \$1.35       | \$1.28 | \$2.50 | \$1.14 |

<sup>1</sup> Expense amount shown excludes depreciation (approximately \$85,000 for FY18).

<sup>2</sup> Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/17 the recovery rate for vehicles 3/4-ton and under is \$7/hr and the recovery rate for vehicles 1-ton and over is \$14/hr. An additional 50% is charged to developer projects to reflect the fair market value of the vehicle being used.

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

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**NORTH MARIN WATER DISTRICT  
WATER CONSERVATION PROGRAM DETAIL  
FOR PERIOD ENDING DECEMBER 31, 2017**

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| Description  |           |  | COST THRU<br>JUNE 2017 | DECEMBER<br>2017 | FYTD<br>TOTAL | FY 17/18<br>BUDGET | (OVER)<br>UNDER | TOTAL<br>COST |
|--|-----------|--|------------------------|------------------|---------------|--------------------|-----------------|---------------|
| NOVATO   |           |  |                        |                  |               |                    |                 |               |
| a. Residential                                     |           |  |                        |                  |               |                    |                 |               |
| 1-7700-01  | 1-7700-26 | 1 Cash for Grass                           | \$378,476              | \$1,535          | \$11,356      | \$65,000           | \$53,644        | \$389,833     |
| 1-7700-02  | 1-7700-27 | 2 Landscape Efficiency Rebates             | 22,667                 | 0                | 655           | 5,000              | 4,345           | 23,322        |
| 1-7700-03  |           | 3 Fixtures Purchases                       | 44,652                 | 502              | 502           | 5,000              | 4,498           | 45,155        |
| 1-7700-06  | 1-7700-28 | 4 Washing Machine Rebates                  | 343,746                | 482              | 1,853         | 10,000             | 8,147           | 345,599       |
| 1-7700-07  |           | 5 Demonstration Garden Improvements        | 54,416                 | 0                | 0             | 1,000              | 1,000           | 54,416        |
| 1-7700-11  | 1-7700-29 | 6 Toilet Rebate SF                         | 964,946                | 2,295            | 8,798         | 30,000             | 21,202          | 973,743       |
| 1-7700-12  | 1-7700-30 | 7 Toilet Rebate MF                         | 18,173                 | 0                | 0             | 2,000              | 2,000           | 18,173        |
| 1-7700-13  |           | 8 Residential Audits                       | 328,236                | 1,456            | 21,670        | 67,000             | 45,330          | 349,906       |
| 1-7700-15  |           | 9 High Efficiency Toilet Distribution      | 242,177                | 0                | 0             | 0                  | 0               | 242,177       |
| 1-7700-16  |           | 10 Water Waste Ordinance Monitoring        | 85,576                 | 581              | 4,219         | 10,000             | 5,782           | 89,795        |
| 1-7700-17  | 1-7700-31 | 11 Swimming Pool Cover Rebate              | 2,997                  | 89               | 220           | 1,000              | 781             | 3,216         |
| 1-7700-19  | 1-7700-32 | 12 ET Controller Rebate                    | 30,385                 | 0                | 1,851         | 5,000              | 3,149           | 32,236        |
| 1-7700-08  |           | 13 Administration                          | 1,312,551              | 7,471            | 50,814        | 140,000            | 89,186          | 1,363,365     |
| 1-7700-20  |           | 14 New Development Wtr Cons Program        | 73,519                 | 1,194            | 7,401         | 15,000             | 7,599           | 80,920        |
| 1-7700-21  | 1-7700-33 | 15 Demand Offset Rebate Program            | 2,797                  | 0                | 19            | 2,000              | 1,981           | 2,816         |
| 1-7700-23  |           | 16 Grant Administration                    | 2,314                  | 0                | 760           | 1,000              | 240             | 3,074         |
| 1-7700-24  | 1-7700-34 | 17 Hot Water Recirculation Rebate          | 1,927                  | 19               | 189           | 2,000              | 1,812           | 2,116         |
| 1-7700-25  |           | 18 Residential Fill Station                | 66,064                 | 0                | 357           | 0                  | (357)           | 66,421        |
| b. Commercial                                      |           |  |                        |                  |               |                    |                 |               |
| 1-7701-02  | 1-7701-05 | 1 Toilet Rebate Program                    | 66,961                 | 0                | 100           | 10,000             | 9,900           | 67,061        |
| 1-7701-03  | 1-7701-04 | 2 Commercial Audits                        | 15,890                 | 686              | 3,386         | 9,000              | 5,614           | 19,276        |
| c. Public Outreach/Information                     |           |  |                        |                  |               |                    |                 |               |
| 1-8672-16  |           | 1 Fall Newsletter                          | 56,769                 | 0                | 10,599        | 8,000              | (2,599)         | 67,368        |
| 1-8672-17  |           | 2 Spring Newsletter                        | 74,879                 | 0                | 0             | 9,000              | 9,000           | 74,879        |
| 1-8672-18  |           | 3 Summer Newsletter                        | 20,290                 | 0                | 0             | 0                  | 0               | 20,290        |
| 1-7700-04  |           | 4 Public Outreach / H <sub>2</sub> O Fair  | 110,892                | 448              | 2,561         | 7,000              | 4,439           | 113,453       |
| 1-7700-05  |           | 5 Marketing                                | 149,846                | 0                | 192           | 16,000             | 15,808          | 150,038       |
| 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                   | 89,427                 | 0                | 0             | 3,000              | 3,000           | 89,427        |
| 1-7702-01  |           | 2 Large Landscape Budgets                  | 36,181                 | 168              | 1,153         | 1,000              | (153)           | 37,334        |
| 1-7702-02  | 1-7702-04 | 3 Large Landscape Irrig Efficiency Rebates | 14,460                 | 0                | 0             | 4,000              | 4,000           | 14,460        |
| 1-8653-01  |           | 4 CIMIS Station Maintenance                | 18,653                 | 15               | 123           | 2,000              | 1,877           | 18,776        |
| 1-7702-03  |           | 5 Administration-Large Landscape           | 40,984                 | 1,043            | 12,120        | 10,000             | (2,120)         | 53,104        |
| TOTAL NOVATO WATER CONSERVATION                    |           |  | \$4,681,949            | \$17,984         | \$140,897     | \$440,000          | \$299,103       | \$4,822,845   |
| WEST MARIN WATER                                   |           |  |                        |                  |               |                    |                 |               |
| 2-5166-00  |           | a. Water Conservation Program              | \$81,581               | \$336            | \$3,088       | \$10,000           | \$6,912         | \$84,669      |
| TOTAL WATER CONSERVATION EXPENDITURES <sup>1</sup> |           |  | \$81,581               | \$336            | \$3,088       | \$10,000           | \$6,912         | \$84,669      |

<sup>1</sup>FY18 total excludes \$254,457 (5,813.5 AF x \$43.77) paid to SCWA for water conservation services provided to NMWD.

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING DECEMBER 31, 2017**

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| Description   | COST THRU<br>JUNE 2017 | DECEMBER<br>2017 | FYTD<br>TOTAL    | FY 17/18<br>BUDGET | (OVER)/UNDER<br>BUDGET | TOTAL<br>COST      |
|---|------------------------|------------------|------------------|--------------------|------------------------|--------------------|
| <b>1 PIPELINE REPLACEMENTS/ADDITIONS</b>                      |                        |                  |                  |                    |                        |                    |
| a. Main/Pipeline Replacements                                 |                        |                  |                  |                    |                        |                    |
| 1-7161-00 1 Ridge Road 6" ACP (8" @ 1,400')                   | \$52,152               | \$3,729          | \$23,976         | \$325,000          | \$301,024              | \$76,128           |
| 1-7168-00 2 Center Rd 6" CIP (8"@1,200')                      | 30,329                 | 52,360           | 516,458          | 175,000            | (341,458)              | 546,787            |
| b. Main/Pipeline Additions                                    |                        |                  |                  |                    |                        |                    |
| 1-7150-00 1 San Mateo 24" Inlet/Outlet Pipe (2,200')          | 27,824                 | 1,154            | 11,395           | 50,000             | 38,605                 | 39,218             |
| 1-7145-00 2 Zone A Pressure Improvements - Ignacio            | 388,145                | 448              | 896              | 0                  | (896)                  | 389,041            |
| c. PB Service Line Replacements                               |                        |                  |                  |                    |                        |                    |
| 1-7139-21 1 Replace PB in Sync w/City Paving (30 Svcs)        | 0                      | 244              | 322              | 70,000             | 69,678                 | 322                |
| 1-7123-20 2 Other PB Replacements (85 Services)               | 0                      | 904              | 5,553            | 180,000            | 174,447                | 5,553              |
| 1-7169-00 3 Country Lane 2" Plastic                           | 5,997                  | 0                | 120              | 0                  | (120)                  | 6,117              |
| 1-7174-00 4 Grant Ave Bridge Pipe Replacement                 | 0                      | 891              | 158,352          | 0                  | (158,352)              | 158,352            |
| 1-7175-00 5 Crest Road Main Replacement                       | 0                      | (2,921)          | 68,713           | 0                  | (68,713)               | 68,713             |
| d. Relocations to Sync w/City & County CIP                    |                        |                  |                  |                    |                        |                    |
| 1-8737-xx 1 Other Relocations                                 | 0                      | 0                | 0                | 80,000             | 80,000                 | 0                  |
| <b>TOTAL PIPELINE REPLACEMENTS/ADDITIONS</b>                  | <b>\$504,447</b>       | <b>\$56,809</b>  | <b>\$785,786</b> | <b>\$880,000</b>   | <b>\$94,215</b>        | <b>\$1,290,233</b> |
| e. Aqueduct Replacements & Enhancements                       |                        |                  |                  |                    |                        |                    |
| 1-7118-02 1 MSN B2-Utility Agreement Costs <sup>4</sup>       | \$74,192               | \$0              | \$339            | \$0                | \$0                    | \$74,531           |
| 1-7118-11 2 AEEP Post Construction Costs                      | 816                    | 622              | 1,426            | 0                  | (1,426)                | 2,242              |
|   | <b>\$75,008</b>        | <b>\$622</b>     | <b>\$1,765</b>   | <b>\$0</b>         | <b>(\$1,426)</b>       | <b>\$76,773</b>    |
| <b>2 SYSTEM IMPROVEMENTS</b>                                  |                        |                  |                  |                    |                        |                    |
| 1-8677-21 a. Flushing Taps at Dead-Ends (12 biennially)       | \$0                    | \$0              | \$0              | \$50,000           | \$50,000               | \$0                |
| 1-7007-11 b. Detector Check Assembly Repair/Repl (~14/yr)     | 0                      | 9,449            | 42,333           | 190,000            | 147,667                | 42,333             |
| 1-7090-04 c. Anode Installations (150/yr)                     | 0                      | 0                | 0                | 30,000             | 30,000                 | 0                  |
| 1-7132-04 d. Radio Telemetry                                  | 0                      | 0                | 1,922            | 25,000             | 23,078                 | 1,922              |
| 1-7157-00 e. Automate Zone Valve-Slowdown Ct                  | 1,112                  | 0                | 0                | 100,000            | 100,000                | 1,112              |
| 1-7158-00 f. Advanced Meter Information Retrofit <sup>1</sup> | 860,747                | 105              | 6,935            | 4,700,000          | 4,693,066              | 867,682            |
| 1-7136-00 g. Facilities Security Enhancements                 | 50,091                 | 0                | 1,598            | 0                  | (1,598)                | 51,689             |
| <b>TOTAL SYSTEM IMPROVEMENTS</b>                              | <b>\$911,951</b>       | <b>\$9,554</b>   | <b>\$52,788</b>  | <b>\$5,095,000</b> | <b>\$4,992,212</b>     | <b>\$964,739</b>   |
| <b>3 BUILDINGS, YARD, &amp; S.T.P. IMPROVEMENTS</b>           |                        |                  |                  |                    |                        |                    |
| a. Administration Building                                    |                        |                  |                  |                    |                        |                    |
| 1-6501-43 1 Electronic Document Management System             | \$0                    | \$0              | \$0              | \$150,000          | \$150,000              | \$0                |
| 1-6501-44 2 Office/Yard Building Renovation <sup>2</sup>      | 51,870                 | 0                | 727              | 1,500,000          | 1,499,273              | 52,598             |
| b. Corp Yard/Warehouse/Construction Office                    |                        |                  |                  |                    |                        |                    |
| 1-6502-47 1 Other Yard Improvements                           | 0                      | 0                | 0                | 30,000             | 30,000                 | 0                  |
| c. Stafford Treatment Plant                                   |                        |                  |                  |                    |                        |                    |
| 1-6600-69 1 Stafford Dam Concrete Repair                      | 142,844                | 119              | 3,270            | 50,000             | 46,730                 | 146,113            |
| 1-6600-89 2 Coat Concrete Clearwells (Both Units)             | 0                      | 0                | 0                | 490,000            | 490,000                | 0                  |
| 1-6600-70 3 Watershed Erosion Control                         | 0                      | 0                | 3,534            | 0                  | (3,534)                | 3,534              |
| 1-6600-90 4 Stafford Dam Armoring Retrofit                    | 0                      | 0                | 236              | 0                  | (236)                  | 236                |
| 1-6600-91 5 Stafford Spillway Repairs                         | 0                      | 85,509           | 107,799          | 0                  | (107,799)              | 107,799            |
| <b>TOTAL BUILDING, YARD, &amp; STP IMPROVEMENTS</b>           | <b>\$194,714</b>       | <b>\$85,628</b>  | <b>\$115,566</b> | <b>\$2,220,000</b> | <b>\$2,104,434</b>     | <b>\$310,280</b>   |
| <b>4 STORAGE TANKS &amp; PUMP STATIONS</b>                    |                        |                  |                  |                    |                        |                    |
| 1-6221-21 a. San Mateo Tank Recoat (5 MG)                     | \$39,156               | \$600,370        | \$871,000        | \$1,900,000        | \$1,029,000            | \$910,156          |
| 1-7170-00 b. Hydro pneumatic Tank Repairs                     | 0                      | 158              | 14,255           | 30,000             | 15,745                 | 14,255             |
| 1-6112-24 c. Lynwood Pump Station Motor Control Center        | 102,499                | 303              | 303              | 100,000            | 99,697                 | 102,802            |

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING DECEMBER 31, 2017**

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| Description  | COST THRU<br>JUNE 2017 | DECEMBER<br>2017   | FYTD<br>TOTAL      | FY 17/18<br>BUDGET  | (OVER)/UNDER<br>BUDGET | TOTAL<br>COST        |
|--|------------------------|--------------------|--------------------|---------------------|------------------------|----------------------|
| 1-6112-25 d. Lynwood Pump Station Can Rehab                  | 0                      | 0                  | 0                  | 15,000              | 15,000                 | 0                    |
| 1-6117-27 e. San Marin Pump Station Can Rehab                | 29,077                 | 0                  | 0                  | 15,000              | 15,000                 | 29,077               |
| 1-6141-00 f. Crest P.S.(Design/Const)/Reloc School Rd P.S.   | 43,169                 | 149                | 1,125              | 60,000              | 58,875                 | 44,294               |
| <b>TOTAL STORAGE TANKS &amp; PUMP STATIONS</b>               | <b>\$213,901</b>       | <b>\$600,980</b>   | <b>\$886,683</b>   | <b>\$2,120,000</b>  | <b>\$1,233,317</b>     | <b>\$1,100,585</b>   |
| <b>5 RECYCLED WATER</b>                                      |                        |                    |                    |                     |                        |                      |
| 5-7127-00 a. NBWRA Grant Program Administration              | \$1,268,876            | \$0                | \$18,508           | \$80,000            | \$61,492               | \$1,287,384          |
| 5-6058-10 b. Expansion to Central Area <sup>3</sup>          | 1,118,933              | 0                  | 3,044              | 6,365,000           | 6,361,956              | 1,121,976            |
| 5-6058-15 c. RW Central Right of Way Costs <sup>3</sup>      | 86,978                 | 0                  | 360                | 0                   | (360)                  | 87,338               |
| 5-6058-20 d. RW Central Private Onsite Retrofit <sup>3</sup> | 154,940                | 5,855              | 27,186             | 0                   | (27,186)               | 182,125              |
| 5-6058-25 e. RW Central Public Onsite Retrofit <sup>3</sup>  | 29,038                 | 107                | 420                | 0                   | (420)                  | 29,458               |
| 5-6058-30 f. RW Exp-Central-East Side Const <sup>3</sup>     | 3,230,293              | 172,833            | 775,400            | 0                   | (775,400)              | 4,005,692            |
| 5-6058-35 g. RW-Central East-Rowland Way <sup>3</sup>        | 346,919                | 0                  | 6,743              | 0                   | (6,743)                | 353,662              |
| 5-6058-40 h. RW Exp-Central-West Side Const <sup>3</sup>     | 6,334,951              | 12,952             | 499,863            | 0                   | (499,863)              | 6,834,814            |
| 5-6058-50 i. RW Central-Norman Tank Rehab/Const <sup>3</sup> | 141,522                | 10,091             | 755,841            | 0                   | (755,841)              | 897,363              |
| 5-6058-60 j. RW Central-Highway101 Crossing                  | 9,252                  | 39,445             | 871,118            | 0                   | (871,118)              | 880,370              |
| 5-6234-20 k. Upgrade Auto-Fill Valve at Reservoir Tank       | 0                      | 0                  | 0                  | 50,000              | 50,000                 | 0                    |
| l. Other Recycled Water Expenditures                         | 0                      | 0                  | 0                  | 50,000              | 50,000                 | 0                    |
| <b>TOTAL RECYCLED WATER</b>                                  | <b>\$12,721,702</b>    | <b>\$241,282</b>   | <b>\$2,958,482</b> | <b>\$6,545,000</b>  | <b>\$3,586,518</b>     | <b>\$15,680,184</b>  |
| <b>6 WEST MARIN WATER SYSTEM</b>                             |                        |                    |                    |                     |                        |                      |
| 2-6263-20 a. Replace PRE Tank #4A (25K Gal w/82K Gal)        | \$77,648               | \$7,432            | \$29,093           | \$550,000           | \$520,907              | \$106,742            |
| 2-7160-00 b. Green Sand Filter Media Replace                 | 21,977                 | 0                  | 24,657             | 75,000              | 50,343                 | 46,634               |
| 2-8829-00 c. PB Replace in Sync w/County Paving              | 0                      | 0                  | 0                  | 50,000              | 50,000                 | 0                    |
| 2-6604-21 d. Gallagher Well Motor Operated Valve             | 0                      | 0                  | 14,490             | 0                   | (14,490)               | 14,490               |
| <b>TOTAL WEST MARIN WATER SYSTEM</b>                         | <b>\$99,625</b>        | <b>\$7,432</b>     | <b>\$68,241</b>    | <b>\$675,000</b>    | <b>\$606,759</b>       | <b>\$167,866</b>     |
| <b>7 OCEANA MARIN SEWER SYSTEM</b>                           |                        |                    |                    |                     |                        |                      |
| 8-8672-28 a. Infiltration Repair                             | \$39,195               | \$0                | \$0                | \$40,000            | \$40,000               | \$39,195             |
| 8-7163-00 b. Design/Install 8th Disposal Trench (300')       | 15,674                 | 0                  | 595                | 80,000              | 79,405                 | 16,269               |
| 8-7085-02 c. Tahiti Way Lift Pumps Rebuild (2)               | 33,114                 | 0                  | 0                  | 20,000              | 20,000                 | 33,114               |
| 8-7164-00 d. Tahiti Way Power Relocation                     | 0                      | 0                  | 0                  | 20,000              | 20,000                 | 0                    |
| 8-7171-00 e. Pond Dredging & Relining                        | 0                      | 0                  | 387                | 50,000              | 49,613                 | 387                  |
| 8-6607-22 f. OM Treatment Pond-Storm Damage-FEMA             | 3,964                  | 31,982             | 34,745             | 0                   | (34,745)               | 38,709               |
| 8-7173-00 g. OM Treatment Pond Rehab-404 Grant-FEMA          | 0                      | 0                  | 5,597              | 0                   | (5,597)                | 5,597                |
| 8-7172-00 h. OM Force Main & Lift Station Upgrade            | 0                      | 0                  | 3,947              | 0                   | (3,947)                | 3,947                |
| <b>TOTAL OCEANA MARIN SEWER SYSTEM</b>                       | <b>\$91,946</b>        | <b>\$31,982</b>    | <b>\$45,272</b>    | <b>\$210,000</b>    | <b>\$164,728</b>       | <b>\$137,218</b>     |
| <b>TOTAL PROJECT EXPENDITURES</b>                            | <b>\$14,813,293</b>    | <b>\$1,034,289</b> | <b>\$4,914,583</b> | <b>\$17,745,000</b> | <b>\$12,780,757</b>    | <b>\$19,727,877</b>  |
| <b>8 LESS FUNDED BY GRANTS, LOANS &amp; REIMBURSEMENTS</b>   |                        |                    |                    |                     |                        |                      |
| <b>(Accrued)/Deferred</b>                                    |                        |                    |                    |                     |                        |                      |
| a. RW Expansion - Central Service Area SRF Loan <sup>3</sup> | (\$2,796,097)          | \$261,032.08       | \$1,443,760.83     | \$0                 | (\$1,443,761)          | (\$1,352,336)        |
| b. RW Expansion - Central Service Area Grant <sup>3</sup>    | (3,664,767)            | \$195,728          | 540,024            | 0                   | (540,024)              | (3,124,743)          |
| c. MSN Aqueduct Caltrans Reimb-Segment B2 <sup>4</sup>       | (270)                  | 0                  | (339)              | 0                   | 339                    | (609)                |
| d. Advanced Meter Information Retrofit <sup>1</sup>          | (860,747)              | (105)              | (6,935)            | 0                   | 6,935                  | (867,682)            |
| e. Office/Yard Building Renovation <sup>2</sup>              | (51,870)               | 0                  | (727)              | 0                   | 727                    | (52,597)             |
| <b>FUNDING BY OTHERS (ACCRUED)/DEFERRED</b>                  | <b>(\$7,373,751)</b>   | <b>\$456,655</b>   | <b>\$1,975,783</b> | <b>\$0</b>          | <b>(\$1,975,783)</b>   | <b>(\$5,397,968)</b> |
| <b>Received</b>  |                        |                    |                    |                     |                        |                      |
| a. RW Expansion - Central Service Area SRF Loan <sup>3</sup> | (\$1,899,538)          | (\$383,328)        | (\$2,417,164)      | (\$2,773,160)       | (\$355,996)            | (\$4,316,702)        |
| b. RW Expansion - Central Service Area Grant <sup>3</sup>    | (1,881,701)            | (308,733)          | (2,050,488)        | (\$2,559,840)       | (509,352)              | (3,932,189)          |

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING DECEMBER 31, 2017**

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| Description  | COST THRU<br>JUNE 2017 | DECEMBER<br>2017   | FYTD<br>TOTAL        | FY 17/18<br>BUDGET    | (OVER)/UNDER<br>BUDGET | TOTAL<br>COST        |
|--|------------------------|--------------------|----------------------|-----------------------|------------------------|----------------------|
| c. MSN Aqueduct Caltrans Reimb-Segment B2 <sup>4</sup> | (59,974)               | 0                  | 0                    | 0                     | 0                      | (59,974)             |
| d. Advanced Meter Information Retrofit <sup>1</sup>    | 0                      | 0                  | 0                    | (4,700,000)           | (4,700,000)            | 0                    |
| e. Office/Yard Building Renovation <sup>2</sup>        | 0                      | 0                  | 0                    | (1,500,000)           | (1,500,000)            | 0                    |
| <b>FUNDING BY OTHERS RECEIVED</b>                      | <b>(\$3,841,213)</b>   | <b>(\$692,061)</b> | <b>(\$4,467,652)</b> | <b>(\$11,533,000)</b> | <b>(\$7,065,348)</b>   | <b>(\$8,308,865)</b> |
| <b>NET PROJECT EXPENDITURES</b>                        | <b>\$3,598,329</b>     | <b>\$798,882</b>   | <b>\$2,422,715</b>   | <b>\$6,212,000</b>    | <b>\$3,739,626</b>     | <b>\$6,021,044</b>   |

| CIP SUMMARY-GROSS EXPENDITURES:                  | Current Month      | FYTD Total         | FY 17/18<br>Budget  | FYTD/<br>Budget% |
|--|--------------------|--------------------|---------------------|------------------|
| Novato Water Capital Projects                    | \$753,592          | \$1,842,588        | \$10,315,000        | 18%              |
| Novato Recycled Water Capital Projects           | 241,282            | 2,958,482          | 6,545,000           | 45%              |
| West Marin Water Capital Projects                | 7,432              | 68,241             | 675,000             | 10%              |
| Oceana Marin Sewer Capital Projects              | 31,982             | 45,272             | 210,000             | 22%              |
| <b>Gross Capital Improvement Project Outlays</b> | <b>\$1,034,288</b> | <b>\$4,914,583</b> | <b>\$17,745,000</b> | <b>28%</b>       |

| CIP SUMMARY-NET EXPENDITURES:                  | Current Month    | FYTD Total         | FY 17/18<br>Budget | FYTD/<br>Budget% |
|--|------------------|--------------------|--------------------|------------------|
| Novato Water Capital Projects                  | \$753,488        | \$1,834,587        | \$4,115,000        | 45%              |
| Novato Recycled Water Capital Projects         | 5,981            | 474,614            | 1,212,000          | 39%              |
| West Marin Water Capital Projects              | 7,432            | 68,241             | 675,000            | 10%              |
| Oceana Marin Sewer Capital Projects            | 31,982           | 45,272             | 210,000            | 22%              |
| <b>Net Capital Improvement Project Outlays</b> | <b>\$798,882</b> | <b>\$2,422,715</b> | <b>\$6,212,000</b> | <b>39%</b>       |

**Notes to Capital Improvement Projects Schedule:**

- (1) Radio Read Meter Retrofit to be funded by SRF or Bank Loan.
- (2) Office/Yard Refurbish to be funded by Bank Loan.
- (3) \$11.7M RW Central Expansion funded by Federal Grants, SRF Loan, local contribution & Marin Country Club contribution. Debt service paid from FRC Funds.
- (4) Funding provided 100% by Caltrans.

| CONSULTING SERVICES/STUDIES |  |                 |              |                 |                  |                  |
|-----------------------------|--|-----------------|--------------|-----------------|------------------|------------------|
| 1-4055-00                   | a. Stafford Lake Sanitary Survey                             | \$12,068        | \$0          | \$440           | \$0              | \$12,508         |
| 1-4056-00                   | b. Novato Creek Steelhead Recovery                           | 33,482          | 0            | 8,001           | 0                | 41,483           |
| 1-4057-00                   | c. Local Water Supply Enhancement Study                      | 0               | 0            | 0               | 150,000          | 0                |
| 1-7039-02                   | d. Novato Water Master Plan Update                           | 458             | 323          | 5,945           | 45,000           | 6,403            |
| 1-4058-00                   | e. Cost of Service Study Peer Review                         | 0               | 0            | 0               | 30,000           | 0                |
| 1-4059-00                   | f. Stafford Lake Water Rights Update                         | 0               | 0            | 0               | 50,000           | 0                |
| 1-4060-00                   | g. STP Efficiency Improvements                               | 0               | 0            | 0               | 75,000           | 0                |
| 1-4063-00                   | h. Novato Asset Management Study                             | 0               | 0            | 13,702          | 75,000           | 13,702           |
| 1-4064-00                   | i. Pipe Crossing Repairs-Novato & Rush Creek & Leveroni Bank | 11,506          | 0            | 35,587          | 0                | 47,093           |
| 1-4069-00                   | j. Strategic Long Range Plan                                 | 0               | 0            | 0               | 0                | 0                |
| 2-4061-00                   | k. Digitize West Marin Water Facility Maps                   | 10,200          | 0            | 0               | 10,000           | 10,200           |
| 5-4045-00                   | l. RW Engineering Report Update                              | 31,589          | 0            | 0               | 0                | 31,589           |
| 8-4062-00                   | m. Oceana Marin Vulnerability Study                          | 0               | 0            | 0               | 25,000           | 0                |
|                             |  | <b>\$99,303</b> | <b>\$323</b> | <b>\$63,675</b> | <b>\$460,000</b> | <b>\$162,978</b> |

## 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 10/27/2031. 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 Reserve 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 Reserve 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.

**RWS Central SRF Reserve Fund:** The State Water Resource Control Board Agreement for the Clean Water State Revolving Fund Loan made for expansion of the Recycled Water System distribution system requires that the District establish a reserve fund equal to one year's debt service (\$255,373) 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 \$1,234,200 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 currently rented. In 2006, \$8,885 was added from the sale of surplus property in West Marin. 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. The accrual is maintained as a Long-Term Liability entitled Retiree Health Benefits Payable. The Retiree Health Benefits Payable plus the Retiree Medical Benefits Reserve Fund currently has a balance of \$3.9M. In 2015 an Actuarial Analysis calculated NMWD's total actuarial liability at \$5.6 million. The Retiree Medical Benefits cash fund earns interest monthly. Accounting Standards require that the \$5.6M 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.

**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 five employee-housing loans currently outstanding totaling \$934,200: a \$250,000 loan dated August 2004, a \$39,200 loan dated September 2004, a \$150,000 loan dated November 2007, a \$245,000 loan dated June 2010, and a \$250,000 loan dated March 2015.

### **Note 4 – Other Long Term Receivables**

The District entered into a temporary water service agreement with Black Point Golf Links in 1999 to provide potable water for StoneTree Golf Course until recycled water was available. In 2006 the District received a \$4.3 million 20-year 2.4% SRF loan to finance the Deer Island Recycled Water project, and Black Point Partners agreed to pay the District \$3,612,640 in bimonthly payments of \$41,762 at 2.4% coinciding with StoneTree's water service payments. The final payment from StoneTree is due in February 2024.

### **Note 5 – 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                 |
| Buildings & Structures.....                                    | 40                  |
| Mains.....   | 50                  |
| Pumping Equipment.....   | 25                  |
| Water Treatment Equipment.....                                 | 20                  |
| Storage & Transmission (16"+) Facilities.....                  | 50                  |
| Distribution Facilities (includes Pump Stations).....          | 50                  |
| Office, Laboratory, Construction & Shop Tools & Equipment..... | 10                  |
| Vehicles 1 ton or greater.....                                 | 10                  |
| All other vehicles.....  | 5                   |
| Sewer Mains.....   | 40                  |
| Sewer Pumps.....   | 10                  |

### **Note 6 - 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 7 – Bond & Loan**

#### **Servicing Schedule for Fiscal Year 2017-2018**

| Service Area           | Description     | Issue Date | Rate  | Original Amount | Payment Due          | Final Pmt | FY18             |                | 6/30/18 Outstanding Balance |
|------------------------|-----------------|------------|-------|-----------------|----------------------|-----------|------------------|----------------|-----------------------------|
|                        |                 |            |       |                 |                      |           | Interest Expense | Principal Paid |                             |
| 1 Novato               | SRF Loan - STP  | 2004       | 2.39% | \$16,528,850    | 7/1 & 1/1            | 7/1/29    | \$254,401        | \$790,074      | \$10,050,647                |
| 2 Novato               | Bank Loan Marin | 2011       | 3.54% | \$7,000,000     | 27 <sup>th</sup> /mo | 10/27/31  | \$181,888        | \$300,153      | \$5,155,896                 |
| Novato Total           |                 |            |       |                 |                      |           | \$436,289        | \$1,090,227    | \$15,206,543                |
| 3 RW TP                | SRF Loan        | 2006       | 2.4%  | \$4,302,560     | 6/19                 | 6/19/27   | \$57,718         | \$215,648      | \$2,189,287                 |
| 4 RW North             | SRF Loans (4)   | 2013       | 2.6%  | \$4,375,605     | Varies               | Varies    | \$89,924         | \$189,808      | \$3,351,885                 |
| 5 RW South             | SRF Loans (3)   | 2013       | 2.2%  | \$5,359,858     | Varies               | Varies    | \$96,062         | \$233,145      | \$4,278,721                 |
| 6 RW Central           | SRF Loan        | 2016       | 1.0%  | \$4,610,852     | 12/18                | 12/31/47  | \$0              | \$0            | \$4,610,852                 |
| Recycled Water Total   |                 |            |       |                 |                      |           | \$243,704        | \$638,601      | \$14,430,745                |
| 7 PRE                  | PRE-1 Revenue   | 1980       | 5.0%  | \$240,000       | 10/1 & 4/1           | 4/1/20    | \$1,900          | \$12,000       | \$26,000                    |
| 8 Point Reyes          | PR-6 Revenue    | 1981       | 5.0%  | \$217,800       | 7/1 & 1/1            | 7/1/21    | \$2,300          | \$11,000       | \$45,000                    |
| 9 WM Water             | Bank Loan Marin | 2012       | 3.54% | \$1,000,000     | 27 <sup>th</sup> /mo | 10/27/31  | \$26,699         | \$44,059       | \$756,524                   |
| West Marin Water Total |                 |            |       |                 |                      |           | \$30,899         | \$67,059       | \$827,524                   |
| FY18 Total             |                 |            |       |                 |                      |           | \$710,892        | \$1,795,887    | \$30,464,812                |

1. 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.
2. 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 15 below, and note to loan 9 above.
3. 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.



4. 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.
5. 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.
6. In May 2016 the California State Department of Water Resources approved a 1.0% 30-year loan of \$6,592,295 for the Recycled Water Central Service Area Expansion. The project will be completed in December 2017, and the first payment will be made December 31, 2018.
7. 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.
8. 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.
9. 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 2 above.

#### **Note 8 – 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 x 52 = \$23,400).

#### **Note 9 – 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 10 - 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 (2.78% at 6/30/17); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

#### **Note 11 – Budget Augmentations**

- 1) At the last Board Meeting on October 3, 2017, the Board approved the budget augmentation to the Human Resources account (56004.01.11) by \$30,000.00 for the retention of the consulting firm Ralph Andersen & Associates to recruit a successor Auditor-Controller; and
- 2) At the same Board Meeting noted above, the Board approved the budget augmentation to the General Office Salaries account (56102.01.11) by \$40,000.00 for the additional salaries for the overlap of the successor Auditor-Controller with the retiring Auditor-Controller.

#### **Note 12 – Prior Period Adjustment**

#### **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<br>Loan  | Expansion          |                 | Total               | Transfer<br>Executed |
|------|-----------------------|--------------------|------------------|--------------------|------------------|--------------------|-----------------|---------------------|----------------------|
|      | North                 | South              | Central          |                    |                  | SRF Loan           | CIP             |                     |                      |
| 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 |                       | \$17,563           | (\$4,024)        | \$38,283           | \$22,795         | \$614,299          |                 | \$688,916           | \$688,916            |
| FY16 | \$0                   | \$0                | \$66,729         | \$102,842          | \$22,795         | \$614,299          |                 | \$806,665           | \$806,665            |
| FY17 |                       |                    | \$362,524        | \$194,636          | \$22,795         | \$614,299          | \$36,687        | \$1,230,941         | \$1,230,941          |
| FY18 | \$0                   |                    | \$31,566         | \$18,508           |                  | \$7,072,344        |                 | \$7,122,418         | \$7,122,418          |
|      | <b>\$603,428</b>      | <b>\$1,006,588</b> | <b>\$460,819</b> | <b>\$1,287,385</b> | <b>\$227,950</b> | <b>\$9,880,342</b> | <b>\$36,687</b> | <b>\$13,503,199</b> | <b>\$13,503,199</b>  |

# **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.

|                                    | FY14        | FY15        | FY16        | FY17        | Budget FY18 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Net Income/(Loss)                  | \$3,815,820 | \$1,050,523 | \$378,468   | (\$117,451) | \$267,000   |
| Depreciation                       | \$3,128,302 | \$3,183,725 | \$3,286,353 | \$3,416,411 | \$3,526,000 |
| Interest Expense                   | \$830,830   | \$847,951   | \$807,035   | \$757,781   | \$732,000   |
| Connection Fees                    | \$152,800   | \$801,600   | \$278,690   | \$1,034,585 | \$833,000   |
| Total Available For Debt Service   | \$7,927,751 | \$5,883,799 | \$4,750,546 | \$5,091,326 | \$5,358,000 |
| Annual Debt Service                | \$2,448,968 | \$2,534,473 | \$2,528,938 | \$2,527,022 | \$2,534,000 |
| <b>Debt Service Coverage Ratio</b> | <b>3.24</b> | <b>2.32</b> | <b>1.88</b> | <b>2.01</b> | <b>2.11</b> |

| Bank of Marin Debt Service Coverage Calculation <sup>1</sup> |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
|  | FY14         | FY15         | FY16         | FY17         | FY18         |
| Change in Net Position <sup>2</sup>                          | \$1,999,996  | \$5,051,394  | \$4,517,516  | \$11,525,937 | \$4,850,000  |
| Interest Expense   | \$830,830    | \$847,951    | \$807,035    | \$757,781    | \$732,000    |
| Depreciation & Amortization                                  | \$3,128,302  | \$3,183,725  | \$3,286,353  | \$3,416,411  | \$3,526,000  |
| Total Available for Debt Service                             | \$5,959,128  | \$10,269,919 | \$8,610,903  | \$15,700,129 | \$9,108,000  |
| Bank of Marin Annual Debt Service                            | \$552,800    | \$552,800    | \$552,800    | \$552,800    | \$552,800    |
| <b>Bank of Marin Coverage Ratio</b>                          | <b>10.78</b> | <b>18.58</b> | <b>15.58</b> | <b>28.40</b> | <b>16.48</b> |

<sup>1</sup> 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.

<sup>2</sup> FY18 Budgeted Net Income (\$267,000) + FRC (\$833,000) + Grants (\$3,750,000) = \$4,850,000. See page 9 for YTD.

### **Note 16 – Deferred Inflow and Deferred Outflow of Resources**

*Deferred Inflow of Resources* is the changes in actuarial assumptions and the differences between the actual contribution & proportionate share of contribution, which for FY16 was \$655,355 and is recognized in FY17. *Deferred Outflow of Resources* is the fiscal year 2017 pension contribution (\$926,447) adjusted by the difference in actual & expected experience, difference between projected and actual earnings on investments, and the differences in proportions of net pension liability share of contributions from the CalPERS Actuarial Report (\$2,005,413) for a total of \$2,931,860 at June 30, 2017

|   | <b>Deferred<br/>Outflow</b> | <b>Deferred<br/>Inflow</b> |
|---|-----------------------------|----------------------------|
| FY17 Pension Contributions  | \$926,447                   |                            |
| Differences between actual & expected experience                      | \$22,831                    |                            |
| Changes in actuarial assumptions                                      |                             | (\$280,202)                |
| Net difference between projected & actual earnings on investments     | \$1,458,356                 |                            |
| Differences between actual contribution & proportionate share of      |                             | (\$375,153)                |
| Adjustment due to differences in proportions of net pension liability | \$524,226                   |                            |
| Total at June 30, 2017  | \$2,931,860                 | (\$655,355)                |

### **Note 17 – Net Pension Liability**

The net pension liability<sup>1</sup> is required by GASB68 for accounting purposes and is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries.

|  | <b>FY17 Entries</b> | <b>PY Deferral<br/>Amortization</b> | <b>Net Pension<br/>Adjustment</b> |
|--|---------------------|-------------------------------------|-----------------------------------|
| Net Pension Liability 6/30/2016  | \$8,619,837         |                                     | \$8,619,837                       |
| Reclassify FY16 Contributions to FY17                                      | (\$828,792)         |                                     | (\$828,792)                       |
| Defer FY17 Contributions   | \$926,447           |                                     | \$926,447                         |
| Difference between Expected & Actual Experience <sup>2</sup>               | (\$6,490)           | (\$13,561)                          | (\$20,051)                        |
| Change in Proportion <sup>3</sup>  | \$308,659           | (\$267,014)                         | \$41,645                          |
| Pension Expense <sup>4</sup>   | \$544,527           | \$147,431                           | \$691,958                         |
| Change in Actuarial Assumptions <sup>5</sup>                               | (\$26,574)          | \$152,076                           | \$125,502                         |
| Difference in Actual Contrib & Proportionate Share of Contrib <sup>6</sup> | (\$339,974)         | \$162,477                           | (\$177,497)                       |
| Difference between Projected & Actual Earnings on Investments              | \$1,843,149         | (\$181,409)                         | \$1,661,740                       |
| Net Pension Liability 6/30/2017  | \$11,040,789        | \$0                                 | \$11,040,789                      |

<sup>1</sup> *Net Pension Liability (NPL)* = Total Pension Liability (TPL) – fiduciary net position (market value of assets)

<sup>2</sup> The *Difference between the Expected and Actual Experience* measures the difference between what the projected actuarial factors for retirement age, salary increases, and mortality rates were assumed to be with what NMWD's factors actually turned out to be.

<sup>3</sup> *Change in Proportion* reflects the difference from the prior year of NMWD's net pension liability as a percentage of the CalPERS Miscellaneous Pool aggregate net pension liability

<sup>4</sup> *Pension Expense* = service cost + interest on TPL + current period benefit changes – member contributions – expected earnings on plan investments + administrative expenses + recognition of deferred outflows – recognition of deferred inflows

<sup>5</sup> Actuarial Assumptions include projections of retirement age, discount and inflation rates, salary increases, return on investment, mortality rates, and retiree cost-of-living adjustments.

<sup>6</sup> The Difference in Actual Contribution and Proportionate Share of Contributions identifies the difference between NMWD's actual pension contribution compared to its proportionate share of the actuarially required cumulative contribution of all employers in the CalPERS Miscellaneous Pool based on NMWD's net pension liability relative to the CalPERS Miscellaneous Pool aggregate net pension liability.

Unfunded Accrued Liability (UAL) is the Actuarial Valuation which relates to funding and is a calculation of Entry Age Normal Accrued Liability and Plan's Market Value of Assets. This District's UAL at June 30, 2016 (latest available) is \$12,242,255.

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## MEMORANDUM

To: Board of Directors

February 2, 2018

From: David L. Bentley, Auditor-Controller

Subj: Proposed FY18/19 Budget Review Schedule

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**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** None***PROPOSED BUDGET REVIEW SCHEDULE FY 2018-19***

| Date     | Novato Potable<br>and Recycled Water Budgets |  |                 | West Marin Budgets <sup>1</sup> |                          |
|----------|--|--|-----------------|---------------------------------|--------------------------|
|          | Location                                     | Equipment &<br>Improvement<br>Projects | Operations      | West Marin<br>Water             | Oceana<br>Marin<br>Sewer |
| April 17 | Novato                                       | IR                                     |                 |                                 |                          |
| May 1    | Novato                                       |  | IR              |                                 |                          |
| May 15   | Novato                                       | AR <sup>2</sup>                        | AR <sup>2</sup> |                                 |                          |
| June 5   | Novato                                       |  |                 | IR                              | IR                       |
| June 19  | Novato                                       | H/A                                    | H/A             | AR <sup>2</sup>                 | AR <sup>2</sup>          |
| June 26  | Pt Reyes                                     |  |                 | H/A                             | H/A                      |

ACTIVITY CODE

IR - Initial Review

AR - Additional Review

H/A - Hearing, final changes and approval

<sup>1</sup> Capital Improvement Projects and Operations<sup>2</sup> Department Heads present

Approved by GM

Date 2.2.18


**7**



## MEMORANDUM

To: Board of Directors

February 2, 2018

From: David L. Bentley, Auditor-Controller 


Subj: Proposed FY18/19 Rate Hearing Schedule

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**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** None***PROPOSED RATE HEARING SCHEDULE FY 2018-19***

| <b>Action</b>                                  | <b>Novato Potable<br/>&amp; Recycled<br/>Water</b> | <b>West Marin<br/>Water &amp; Oceana<br/>Marin Sewer</b> |
|--|--|--|
| Consider Proposed Rates                        | March 6, 2018                                      | April 17, 2018   |
| Approve Letter to Customers                    | March 20, 2018                                     | May 1, 2018  |
| Customer Letter Postmark Deadline <sup>1</sup> | March 31, 2018                                     | May 13, 2018   |
| Rate Hearing                                   | May 15, 2018                                       | June 26, 2018  |
| Rate Effective                                 | June 1, 2018                                       | July 1, 2018   |

<sup>1</sup> To meet minimum 45-day hearing notice requirement letters must be postmarked on or before the date shown.

Approved by GM Date 2.2.18

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## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: SCWA FY19 Proposed Budget Debt Issuance – Cash-Out Option  
\\aclword\scwa\fy19 proposed budget.docx

February 2, 2018

**RECOMMENDED ACTION: Approve Cash-Out Option****FINANCIAL IMPACT: 5.8% Return on Investment**

The Sonoma County Water Agency TAC Ad Hoc Budget Subcommittee, comprised of representatives from SCWA, Santa Rosa, Cotati, Valley of the Moon, Windsor, NMWD and MMWD, have met twice and refined the FY19 wholesale water rate originally proposed by the Agency. The first draft of the budget included a 4.8% increase for NMWD. The current iteration now proposes a 4.0% increase for NMWD, which is at the low end of the 4-6% goal the Subcommittee set for the Agency several years ago. SCWA staff are scheduled to make a budget presentation to the District at the Board's March 20 meeting.

Of the 4% increase, 2.1% is premised on SCWA issuing a \$13.1M revenue bond with a 3.4% interest rate to finance completion of a series of 22 Agency capital projects. NMWD's share of the new debt service would be paid annually over the next 25 years, and would total \$2.46M.

The Restructured Agreement for Water Supply, which delineates the agreement between the Agency and its eight major retail contractors, includes a provision unique to NMWD pertaining to financing of capital projects. The provision entitles NMWD to pay its portion of the proposed capital improvements in cash, rather than participate in the bond issue. North Marin last elected the cash option in 1975, and it worked out well. As it turned out, the Agency took 17 years to complete the projects financed with the 1975 bond issue. During the construction period NMWD not only avoided paying interest on the bond issue, it earned \$435,000 in interest on the cash sitting idly waiting for completion of the work.

Staff recommends North Marin again avail itself of the provision allowing cash-out of the proposed 2019 SCWA Revenue Bond. NMWD's cash-out option is \$1,279,480. Nothing would be paid until the Agency issues the bond. North Marin would then be obligated to provide funds to the Agency in a timely manner to pay for the capital project expenditures as incurred. Funds sitting idly would earn interest at the rate earned by Sonoma County's \$2.2B Treasury, which has recently been just slightly higher (18 basis points) than the NMWD portfolio rate of return.

Assuming the Agency was to complete the 22 capital projects within one year (highly unlikely), the District's annual rate of return on the series of 25 annual payments avoided would be 5.8%<sup>1</sup>. The rate of return would increase as the capital construction period extends.

With the Recycled Water Expansion Project on the verge of completion, and \$6M in recycled water grant and loan funds coming in soon, the District will have adequate reserves to finance the Agency's proposed capital improvements with cash. If North Marin elects to opt-out of the SCWA 2019 debt issue, it is appropriate to advise the Agency now, as their budget is being finalized, allowing them sufficient time to determine the amount of Revenue Bonds to be sold.

**STAFF RECOMMENDATION:**

Authorize the General Manager to advise SCWA that NMWD will elect to pay its portion of the capital projects to be financed by the SCWA 2019 Revenue Bond Issue in cash, as authorized under Section 4.4 of the Restructured Agreement for Water Supply.

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<sup>1</sup> A payment of \$1,279,480 to avoid 25 annual payments of \$98,425 provides a return on investment of 5.82%.

9

MEMORANDUM

To: Board of Directors

From: Drew McIntyre, General Manager



January 2, 2018

Subj: Resolution of Appreciation for Katie Young

t:\gm\bod misc 2018\Young memo resolution.docx

**RECOMMENDED ACTION:** Board Approve the Resolution of Appreciation to Katie Young

**FINANCIAL IMPACT:** None

Katie Young is leaving after 12+ years of employment with the North Marin Water District. As an officer of the Board it is appropriate to convey appreciation for Katie's years of dedicated service to the District and adopt the attached resolution of appreciation.

**RECOMMENDED ACTION:**

Board adopt the resolution of appreciation to Katie Young after many years of employment with the North Marin Water District.

**RESOLUTION 18-XX  
NORTH MARIN WATER DISTRICT  
RESOLUTION OF APPRECIATION  
TO  
*Katherine (Katie) L. Young***

---

**WHEREAS:**

- Katherine (Katie) L. Young was employed by the District on December 27, 2005, assuming the role of Cashier/Receptionist at the "front counter";
- On September 1, 2008 Katie was promoted to Administrative Assistant;
- On December 1, 2012 Katie was appointed as Secretary to the Board of Directors, an Officer of the District pursuant to the California Water Code, and served as the District's Administrative Secretary to the General Manager, in which capacity she has competently performed for the past 5+ years;
- Katie has faithfully, and with great expertise and goodwill, performed the duties of District Secretary, earning the confidence and admiration of the General Manager, District Directors and District Staff alike;
- Katie has consistently demonstrated initiative, confidence and pride in her work as her job duties transformed from position to position, and she has always been exemplary in the professional execution of her duties;
- Katie has undertaken many special projects, including the following:
  - Planning and carrying out special District events such as the Aqueduct Energy Efficiency Project Dedication (2015) and Open House (2017); and
  - Completing the Novato Leadership Program; and
  - Completing review and revision of District Board Policy Manual; and
  - Developing a program to cost-effectively use digital agendas/Board packets in lieu of multiple paper copies; and
  - Outlining and coordinating ethics training for the Board of Directors as mandated by state statute; and
  - Updating and maintaining the NMWD website, and social media outreach (Facebook).
- Katie has pursued her work in a businesslike fashion and has excelled in fast and efficient multi-tasking duties, ever mindful of the next deadline for Board agenda preparation; and
- Katie has successfully completed many projects during her tenure at NMWD with a "slam dunk" mentality, a testament to her many years of athletic sports playing basketball, including at the collegiate level.

**THEREFORE BE IT RESOLVED:**

That the Board of Directors of North Marin Water District hereby commends and expresses its appreciation to Katie Young for her many years of dedicated and loyal service and valuable contributions to the District.

**BE IT FURTHER RESOLVED:**

That the Board of Directors, on behalf of the staff, officers and Directors of the North Marin Water District, extend to Katie its sincere good wishes for many happy and productive years filled with all the good things of life.

Dated at Novato, California  
February 6, 2018

---

Rick Fraites, President  
North Marin Water District

\* \* \* \* \*

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 Tuesday, February 6<sup>th</sup> by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

---

Terrie Kehoe, Secretary  
North Marin Water District

(SEAL)



10

## MEMORANDUM

To: Board of Directors  
From: Rocky Vogler, Chief Engineer *RV*  
Subject: Water Meter Disconnection – 20 Tamarin Lane (143-190-31)  
R:\jobapp\Referrals\APN\_143\143-190-31\BOD Memo 2-6-18\_20 Tamarin Lane.doc

Date: February 2, 2018

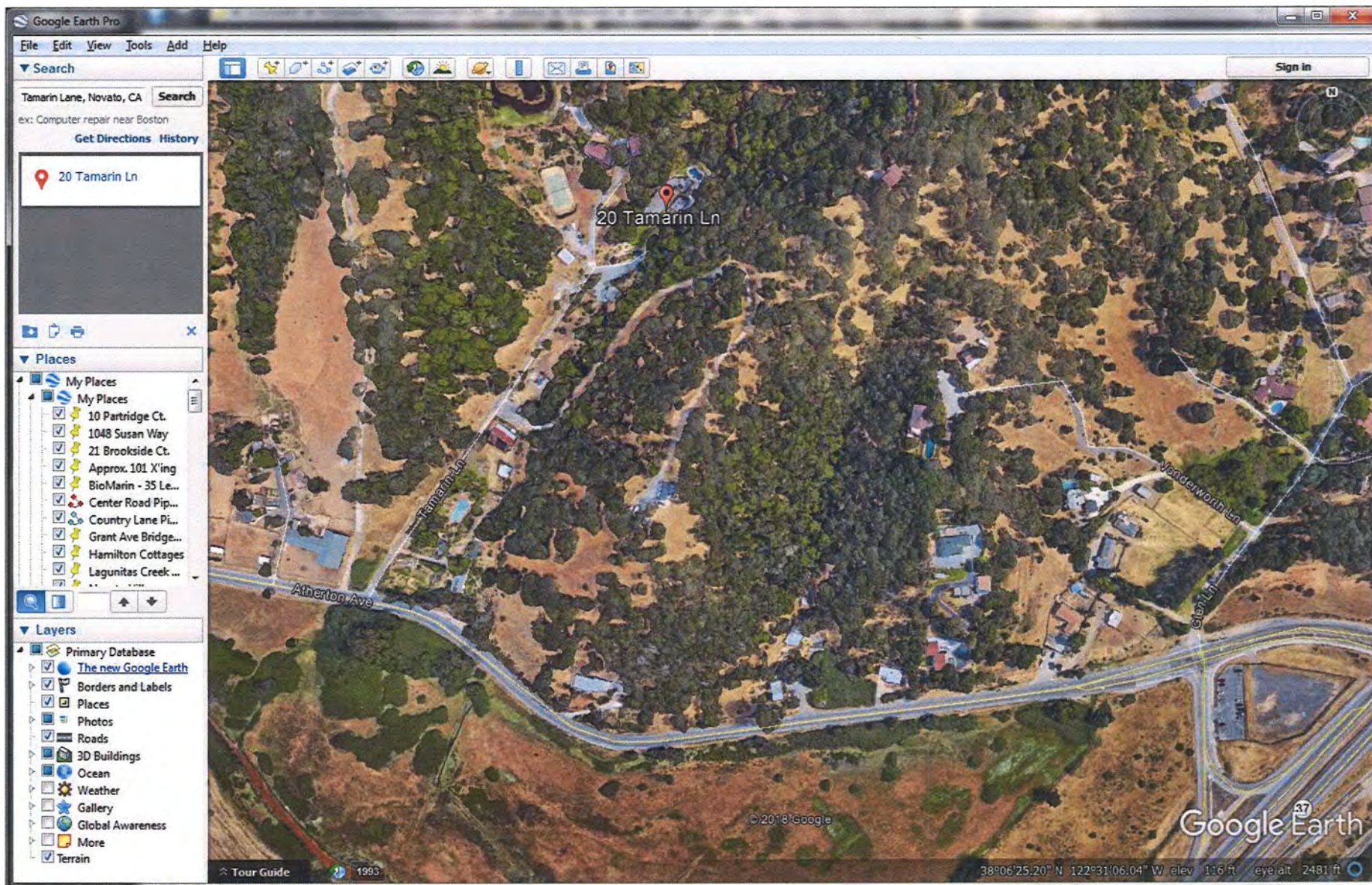
**RECOMMENDED ACTION:** None, information only**FINANCIAL IMPACT:** None.

The purpose of this memo is to provide the Board with information regarding an illegal water service connection involving Mr. Elliot Hayne (a current District customer) located at 20 Tamarin Lane in Novato (map attached). On October 11, 2017, Mr. Hayne called the District to inquire about the high water use on his billing statement. A District Field Representative (Field Rep) was dispatched to the customer's address on October 17, 2017 to verify the meter was working correctly and if any leaks could be detected that would help explain the customer's contention that high water use was the result of water loss occurring from leaks. The Field Rep shut Mr. Hayne's water off at the meter to begin the investigation. A short time later, an adjacent property owner (located at APN 143-190-12) appeared at 20 Tamarin Lane to inquire why water service to their residence had been disconnected. The Field Rep indicated only 20 Tamarin Lane had been shut off, at which point Mr. Hayne stated that the adjacent property owner had previously connected a pipe to Mr. Hayne's water service so that the neighbor could receive water to their parcel. The Field Rep indicated that there was the possibility of a very small leak downstream of the meter at 20 Tamarin Lane, but not large enough to explain the high water use. It should be noted that Mr. Hayne maintains a large orchard on his 2-acre parcel and he has a previous history of high water use. The Field Rep subsequently installed an AMI-meter at 20 Tamarin Lane, and reported his findings to the Engineering Department.

On October 27, 2017, the Chief Engineer sent a letter to Mr. Hayne indicating that unauthorized use of water is a misdemeanor per Sections 449, 624, and 625 of the Penal code of California (per District Regulation 2). In addition, the letter also referenced Regulation 4 which stipulates that a single service connection shall serve no more than one separate dwelling unit, except as otherwise expressly authorized by this regulation. The letter also required the customer to disconnect the illegal service by November 30, 2017. Mr. Hayne (who is elderly) contacted the Chief Engineer to request an extension. On December 12, 2017, the Chief Engineer sent Mr. Hayne follow up correspondence indicating that deadline would be extended to January 15, 2018, and that 72-hour advance notice of the disconnection procedure must be provided to the District so that District staff could witness the work. Marin County Code Enforcement and the Novato Fire District were also copied on this correspondence since the County had no record of a permitted dwelling at APN 143-190-12.

On January 11, 2018, Mr. Hayne met with the Chief Engineer at the District office to discuss the matter of the illegal connection. Mr. Hayne indicated that the work was progressing, but it was likely not to be completed by January 15, 2018. The Chief Engineer advised Mr. Hayne that an information item would be prepared to notify the Board at the February 6, 2018 meeting that staff will provide 48-hour advance notice (via door hanger) to Mr. Hayne advising that the District will proceed with disconnecting Mr. Hayne's service on February 12, 2018, until such time as the issue concerning the illegal connection has been resolved to the District's satisfaction.





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## MEMORANDUM

To: Board of Directors  
 From: Robert Clark, Operations / Maintenance Superintendent *RC*  
 Subject: Mid Year Operations / Maintenance, 2017/18 Update  
X:\MAINT SUP\2018\BOD\Q2 17-18 O&M update.docx

February 2, 2018

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

### **Safety Committee**

The Safety Committee reviewed five (5) safety incidents, 2 of which were recordable incidents and 154 lost work days. Calendar year 2017 ended with 65 consecutive days without a lost day incident. Staff participated in five (5) safety training events as well as other activities that included Construction tailgate meetings, pre-employment skills testing, hearing tests, CPR First Aid, and North Bay Safety Managers' meetings.

### **Operations and Maintenance Summary**

Stafford Treatment Plant treated 473 MG between July and December 2017 and shut down production activities on November 22<sup>nd</sup>. Staff expects to reach 100% of the annual target of 750 MG by the end of June provided Stafford Lake fills to at least 188 feet. The 2017 calendar year annual rainfall was 34.6 inches vs. 27.4 inches in 2016. The Operations staff also completed the interview process for six new employees, including a Maintenance Supervisor, two Apprentice Electrical Mechanical Technicians, two Distribution and Treatment Plant Operators and a Building and Ground Technician. All interviews have been completed and offers and start dates have been arranged with two awaiting pre-employment physicals.

Point Reyes Treatment Plant treated 45.0 MG for the period July 1<sup>st</sup> – December 31<sup>st</sup> 2017, tracking 23% higher from last year's 34.8 MG. While consumption is up there is a discrepancy between production and consumption. Staff has not been able to identify the location of a leak nor found any illegal connections to account for the difference between production and consumption. Staff also performed rehabilitation work on the Gallagher well and replaced the green sand filter media for the treatment plant filter #2.

In Oceana Marin normal maintenance work was completed on time. Staff has continued to work with FEMA on storm damage reimbursement and grant projects. We have been approved for \$2,747.92 for debris removal and are awaiting final approval for an additional \$62,375 funding for the other OM pond storm damage repair and road work projects. We are also waiting for final response for a \$1.1M OM pond restoration grant funding request.

Recycled water customers once again continued to use recycled water through the period and the two treatment facilities, Las Gallinas Valley Sanitary District and Novato Sanitary District, continued to produce water. The production volumes for the period July 1<sup>st</sup> – December 31<sup>st</sup> were 101.9 MG for this year compared to 86.1 MG last year and 88.1 MG in 2015. We were able to perform tank inspections on both the North and South systems with a single day recycled water shutdown in each of the service areas.

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## MEMORANDUM

To: Board of Directors  
 From: Drew McIntyre, General Manager   
 Subject: 2018 Strategic (Long-Range) Plan Development –Status Update  
t:\gm\bod misc 2018\strategic plan update memo 2.2.2018.doc

February 2, 2018

**Recommended Action:** Information Only  
**Financial Impact:** None

The purpose of this memo is to provide a status update on development of the 2018 Strategic (Long-Range) Plan. A contract with Martin Rauch of Rauch Communications Consultants was approved by the Board at the November 21<sup>st</sup> meeting.


The work plan includes the following key milestones:

| MILESTONE ACTIVITY  | DATE/TIME  | LOCATION | STATUS     |
|---|--|----------|------------|
| 1. Board Interviews   | Tuesday, January 23 6pm                          | NMWD     | Complete   |
| 2. Strategic Planning Workshop<br>#1: Identify Strategic Issue Areas  | Tuesday, February 13, Special Meeting<br>9am-3pm | NFPD     | Incomplete |
| 3. Strategic Planning Workshop<br>#2: Complete Board Policy Direction | Tuesday, February 27, Special Meeting<br>9am-3pm | NFPD     | Incomplete |
| 4. Final Draft Strategic Plan Presentation                            | Tuesday, April 3, Regular Meeting 6pm            | NMWD     | Incomplete |

The Strategic Planning Workshop dates have already been approved and scheduled as part of the 2018 Board Meeting Schedule. As noted above, the two workshops will be from 9-3pm and located at the Novato Fire Protection District's Administrative office at 95 Rowland Way. Lunch and coffee will be provided. Workshop attendees will include Board Members, Senior Staff (Drew McIntyre, David Bentley, Rocky Vogler, Robert Clark and Tony Arendell) and Martin Rauch as facilitator.

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## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, General Manager   
Subject: NorthBay Water Workshop No. 1 Meeting – January 22, 2018  
t:\gm\northbay water\northbay water update 02\_02\_18.doc

February 2, 2018

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

Supplemental information is provided as follows using item numbers referenced in the attached meeting agenda. A copy of the Powerpoint presentation is also attached and more background information is available via [www.northbaywater.org](http://www.northbaywater.org).

**1. Welcome and Introductions**

NMWD Board was represented by Director Baker.

**2. About the Workshop Process**

At the completion of the five workshops, a decision will be made whether there is enough local interest to move forward with NorthBay Water.

**3. Core Parts of Every Workshop**

Each workshop will feature the following discussion topics:

- Building Organizational Capacity
- A Guest Speaker from other Regional Initiatives, State and Federal Policy and
- Studies to Support Project Funding

The consulting team also discussed initial tasks related to development of a North Bay Drought Contingency Plan (DCP). The initial steps are to (1) establish a task force, (2) develop the workplan and (3) develop the communication and outreach plan.



**NorthBayWATER**  
Regional Water Supply Reliability

**WORKSHOP #1**  
**Monday, January 22, 2018**  
**9:30 AM**

**Novato City Hall Council Chambers**  
**901 Sherman Avenue, Novato, CA 94945**

**AGENDA**

1. Welcome and Introductions – David Rabbitt, Supervisor, Sonoma Co 2nd District
2. About the Workshop Process – Ginger Bryant, Bryant & Associates,  
Workshop Consultant
3. Core Parts of Every Workshop
  - Part 1: Building NorthBay WATER – Ginger Bryant
  - Part 2: Regional Initiatives, State and Federal Policy – John Woodling,  
Executive Director, Regional Water Authority
  - Part 3: North Bay Drought Contingency Plan – Mike Savage, Brown and Caldwell,  
Workshop Consultant
4. Next Workshop – Monday, February 26, 2017 at 10:45 (after the NBWRA meeting)
5. Questions or Comments
6. Adjournment

# Welcome to NorthBay WATER

## **Workshop #1**

January 22, 2018

# Welcome

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- We are here to launch a new organization – based on the success of the NBWRA – expanding beyond recycled water to fully utilize all waters in the North Bay
- We've named this new organization ***NorthBay WATER*** to encompass surface water, stormwater, and groundwater management



# Introduction

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- Sonoma County Water Agency is hosting these workshops
- Build on the success of the North Bay Water Reuse Authority (NBWRA)
- We've demonstrated that by working together you can:
  - Speak with a strong, united voice for North Bay Water resource issues
  - Effectively secure substantial funding assistance for regional projects
  - Build a resilient, secure water future to support the region's economy and quality of life



# NorthBay WATER Team

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- Project Manager
  - Brad Sherwood, Sonoma County Water Agency Community & Government Affairs Manager
- Consulting Team\*
  - Ginger Bryant, Bryant & Associates
  - Mark Millan, Data Instincts
  - Mike Savage, Brown and Caldwell

\*Consulting Team who developed the NBWRA





## About the Workshop Process

# Collective Knowledge through Workshops

- How Innovation Actually Happens and Ideas Become Reality:
  - **Connect humanities and science**; what does the community want and how can we use science and policy to get there
  - **Creativity comes from collaboration**; learn from other's ideas and experiences to define what comes next
  - **Collaboration works best in person**; we can conceive ideas on our own but it takes working together to transform them into innovation
  - **Vision without execution is hallucination**; history rewards those who produce results
  - **Man is a social animal**; we have lots of data and tools, they need to be used to facilitate and support collective decision-making

Paraphrased from *The Innovators* by Walter Isaacson



# Workshop Format

- 5-workshops that will each feature discussions on:
  1. **Building Organizational Capacity** – what does the new organization need to do, tasks it needs to support, costs and how to best serve its members
  2. **A Guest Speaker from other Regional Initiatives, State and Federal Policy** – how have others done it and current political issues
  3. **Studies to Support Project Funding** – our first task is to conduct a Drought Contingency Plan



# Workshop Results

- At the end of the 5-workshops we will have:
  - Near-term, interim MOU that provide structure for **NorthBay WATER** to operate
  - 2-year workplan, budget and membership costs
  - Process to undertake preparation of the Drought Contingency Plan
- Started investigating organizational models:
  - Long-term organizational structure needs to be responsive and efficient
  - Facilitate implementation of water resource management projects contributing toward regional supply reliability
- ***A solid understanding that this initiative is worth your time and will result in tangible benefits to your community***



## Today's Workshop

Part 1: Building NorthBay WATER

Part 2: Regional Initiatives, State and Federal Policy

Guest Speaker; John Woodling, Executive Director  
Regional Water Authority, Sacramento

Part: 3 North Bay Drought Contingency Plan

## Part 1: Building NorthBay Water

# Leadership, Experience and New Initiatives

- Our opportunity is to build on the success of the NBWRA
- The workshop process we've developed acknowledges these issues:
  - We have enough interest and information to proceed with a new organization
  - We have a process to bring in perspectives to help make informed decisions
  - If we don't act, the regional profile and momentum we've built will be lost
- We know these issues and have successfully navigated similar territory; lets gets started



- Lessons from the NBWRA:
  - Need a Board of committed elected representatives to work on regional policy issues and secure state and federal funding assistance
  - The Budget must be affordable, provide value and be accessible to all
  - Services must be equitable, non-duplicative and fit hand-in-glove with members priorities
  - Regional studies and political advocacy are incredibly valuable in positioning for funding but without ***ownership of a regional entity*** they are not fully utilized or implemented





# NorthBay WATER

- Marin, Sonoma and Napa Counties
- Represent the entire region; respect sub-regional activities
- Economies of Scale; leverage resources to deliver benefits to all
- Support both region-wide and sub-regional initiatives through policy, planning and funding



# Workshop Process

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- Workshops are designed to address 3-concurrent tasks:
  - Near-term (2-year) organizational MOU, budget and schedule
  - Investigations supporting development of a long-term organization such as a JPA
  - Structure to support conducting the Drought Contingency Plan



# Workshop Process and Schedule

|   | January 22, 2018  | February 26, 2018   | March 26, 2018  | April 23, 2018   | May 21, 2018                                      |
|---|---|---|---|--|---|
| <b>Part 1:<br/>Building NorthBay<br/>WATER</b>                              | Workshop process and content, consulting team                                     | Goals and objectives, interim MOU and Board                     | 2-year workplan, schedule and budget                                      | MOU, 2-year workplan, budget and member costs  | Approve: MOU, workplan and budget                 |
| <b>Part 2:<br/>Regional Initiatives, State and Federal Policy</b>           | Regional Initiatives: John Woodling, Ex. Dir. Regional Water Authority            | State Advocacy: Pilar Onate-Quintana, Principal The Onate Group | Federal Advocacy: Roger Gwinn, CEO The Ferguson Group                     | Organizations and Project Financing: Dave Stoldt, GM Monterey Peninsula Water Management District  | Speaker TBA                                       |
| <b>Part 3:<br/>Preliminary Tasks for North Bay Drought Contingency Plan</b> | Intro to DCP, overview of workshops, initiate discussions regarding participation | DCP workplan, budget, schedule and cost to participate in study | Continue: DCP workplan, budget, schedule and cost to participate in study | Agency commitment: point of contact, data contributions/needs, stakeholder and communications plan | USBR review and approval before July start of DCP |



## Part 2 : Regional Initiatives, State and Federal Policy

Guest Speaker:

John Woodling, Executive Director  
Regional Water Authority

# Regional Initiatives

- Hear from other regional organizations as to how they meet the needs of their members
  - How organizations are; structured and staffed, issues they address, studies and projects are financed, grants are secured and managed, advocacy and, interface with other agencies, districts, NGO's and P3's
- Hear about state and federal policy issues and funding opportunities in support of surface water, stormwater and groundwater management projects
- Leverage this information to shape the structure of ***NorthBay WATER*** so that it performs for you and your constituents



# State and Federal Policy

- Building on a results-driven program to make it even better
  - Expand to encompass surface water, stormwater, and groundwater management issues
  - Agility and capacity for you to compete in the current political climate
- State and federal policy and funding are in a ‘fluid’ environment
  - The Interior Department Scrubs Climate Change From Its Strategic Plan

*A leaked draft of a five-year plan reveals how the DOI will prioritize “energy dominance” over conservation.*
  - SB 5: California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 contains \$3.5B for projects (June 2018)
  - Meral initiative: State Water Supply Infrastructure, Water Storage and Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018 has \$8.9B for projects (gathering signatures for Nov 2018)



# Water Planning and Implementation in the Sacramento Region



John Woodling  
Executive Director

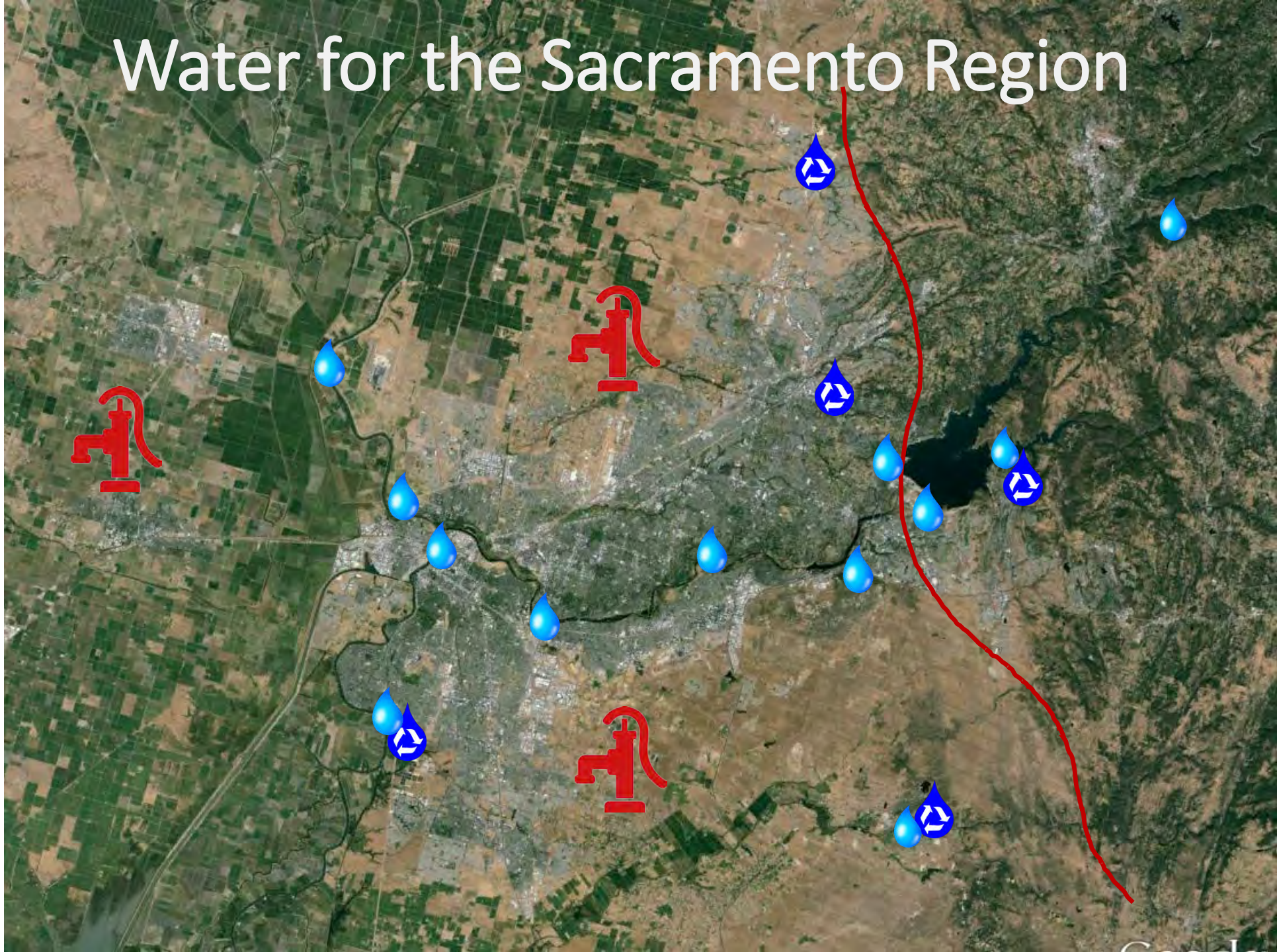
# Presentation Overview

- Water in the Sacramento Region
- The Water Forum Agreement
- Regional Water Authority Formation
- RWA Institutional Details
- RWA Activities
- Lessons Learned/Challenges



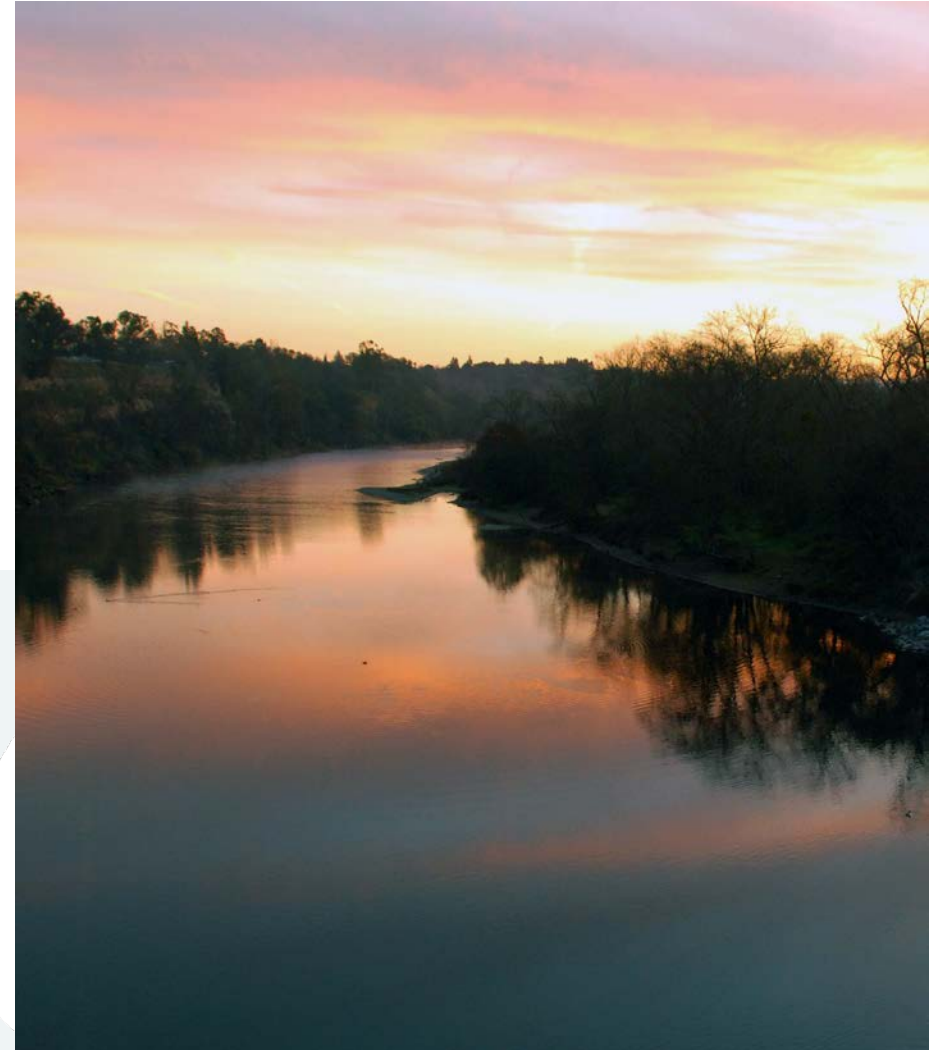


# Water for the Sacramento Region





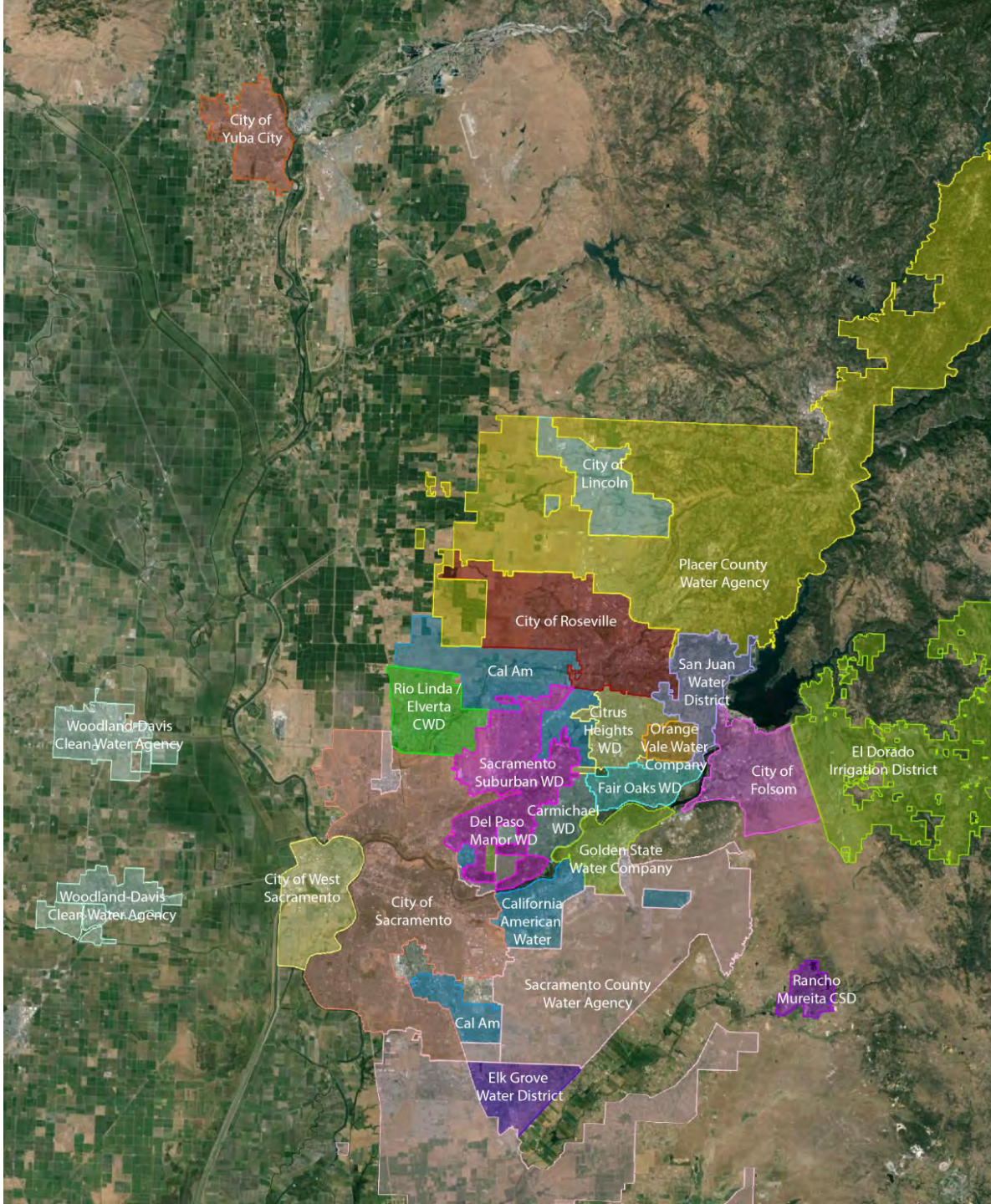
# Water Forum Agreement



# Regional Water Authority

- 21 water providers
- 2 million people
- 5 counties

*“To serve and represent regional water supply interests and assist RWA members with protecting and enhancing the reliability, availability, affordability, and quality of water resources”*

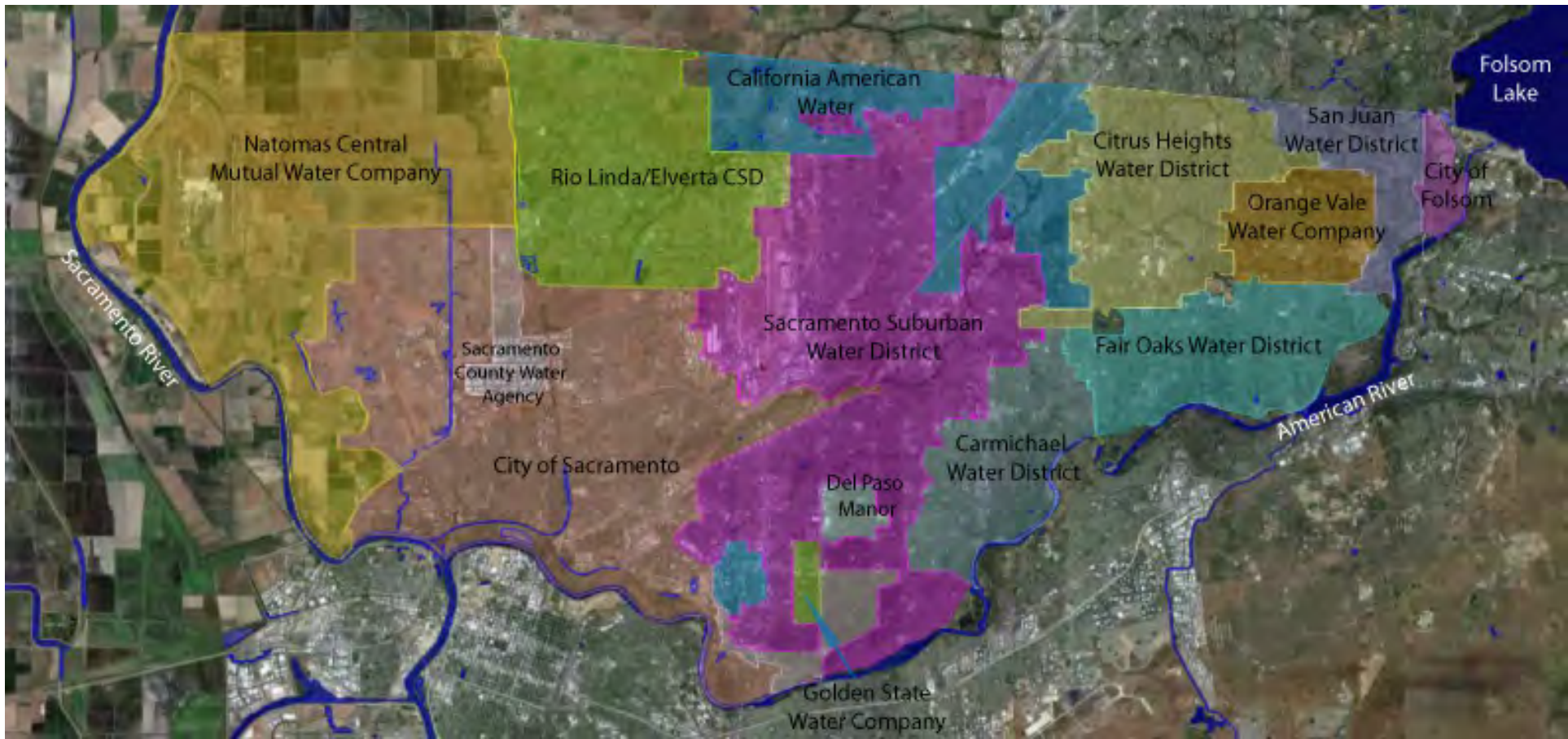




# The Sacramento Groundwater Authority



- Joint powers authority by cities of Citrus Heights, Folsom, and Sacramento and Sacramento County using common police powers to manage basin.



- Joint Powers Agency of Public Agency Municipal Water Suppliers
  - Cities, Counties, Water & Irrigation Districts, Mutual Water Companies, CSDs
- IOU's are Contracting Entities
- Each Member and Contracting Entity has two Board Representatives – Generally 1 elected, 1 management staff
- Members range from 1,700 to 135,000 water connections
- Some members have wastewater, stormwater, flood, power generation authorities/responsibilities
- Associate Members
- Affiliates

# RWA Staffing



Executive  
Director

Executive  
Assistant

Manager of  
Technical  
Services

Advocacy  
Program  
Manager

Finance and  
Administrative  
Services Manager

Senior Project  
Manager

Project  
Research  
Assistant

Contractors

- General Counsel
- Accountant/CPA
- Communications/Public Relations

RWA = 4.7 FTE

SGA = 2.3 FTE

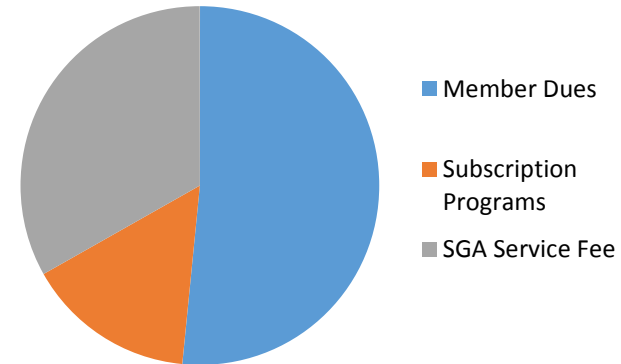
# RWA Budget



- 2017-18 Budget - \$13 million
- 2017-18 Operations - \$1.8 million

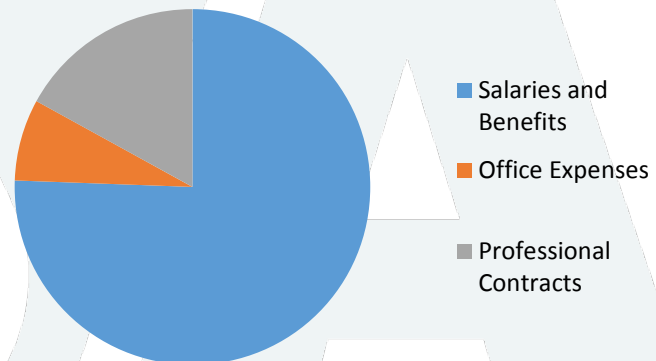
- Revenues

- Member Dues – \$924,000
- Subscription Programs - \$273,000
- SGA Service Fee - \$595,000



- Expenses

- Salaries and Benefits - \$1,334,000
- Office - \$131,000
- Professional Contracts - \$300,000







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## RWA ACTIVITIES

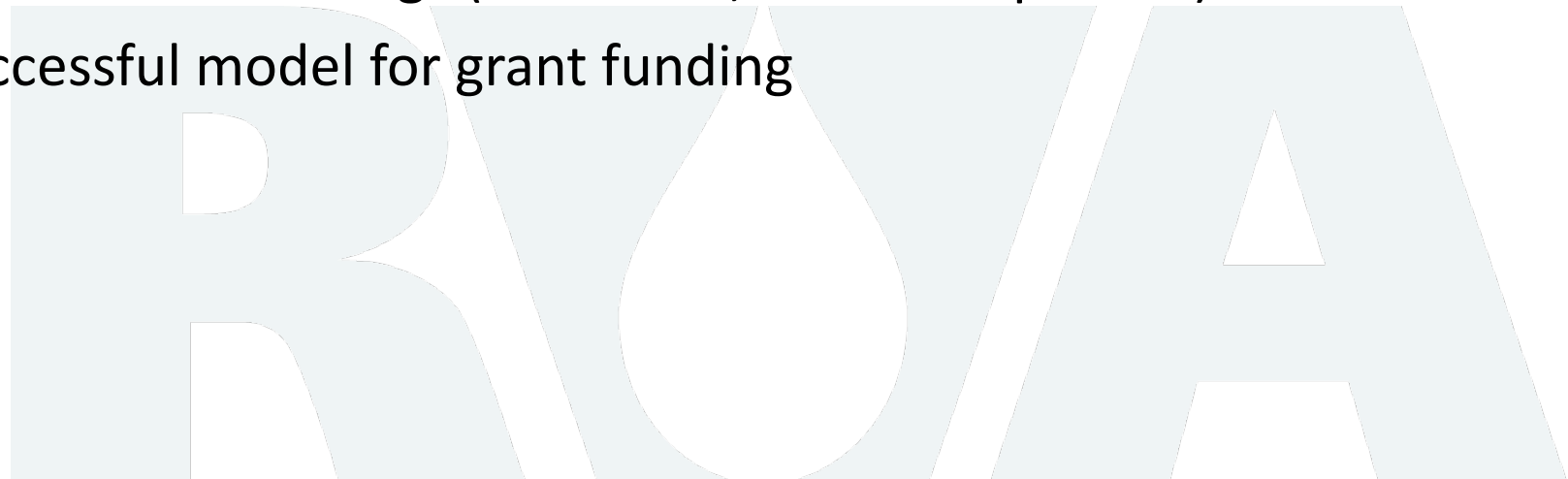




# Benefits of RWA Membership



- Forum for Regional Collaboration on Water Policy and Projects
- Venue for Information Sharing
- Regional Voice/Presence on Statewide Issues
- Legislative/Regulatory Representation
- Facilitate Regional Planning
- Collaborative savings (chemicals, labor compliance)
- Successful model for grant funding



# RWA Strategic Plan



RWA established four Integrated Goals that represent a comprehensive approach to pursuing RWA's mission.



## INFORMATION/EDUCATION GOAL

Inform and Educate Members and Interested Parties by Providing a Forum for Discussion of Issues, Outreach to Stakeholders, and a Clearinghouse for Sharing Information

## ADVOCACY GOAL

Represent Regional Needs and Concerns to Positively Influence Legislative and Regulatory Policies and Actions - This includes Working to Preserve the Water Rights and Entitlements of Members, Maintain Area of Origin Protections, and Protect and Ensure Water Supply Reliability

## PLANNING GOAL

Continuously Improve an Integrated Regional Water Management Plan that is Comprehensive in Scope and Guides Effective Water Resources Management in the Region

## IMPLEMENTATION GOAL

Assist Members with Implementing Successful Water Resources Management Strategies and Related Programs - This includes Identifying, Acquiring and Administering External Sources of Funding

- American River Basin IRWM Plan
- USBR Drought Contingency Plan
- Regional Water Reliability Plan
- American River Basin Study – with USBR



- Regional Water Efficiency Program
  - Public Outreach
  - School Education
  - Rebate Programs
  - Direct Install
- Grants - \$87.6 million to date
  - Proposition 13 Groundwater Storage
  - Proposition 50 and 84 IRWM
  - USBR ARRA
  - USBR CalFed Water Efficiency
- Powerhouse Science Center Sponsorship

# RWA Grant Returns



## RWA Fiscal Years 2002-2017 Grant Awards

|   | Total RWA Dues<br>through FY17 | Grant<br>Reimbursements | Pending Grant<br>Awards | Total Grant Award   |
|---|--------------------------------|-------------------------|-------------------------|---------------------|
| California American Water               | \$578,524                      | \$284,609               | \$177,000               | \$461,609           |
| Carmichael Water District               | \$214,388                      | \$1,797,723             | \$38,063                | \$1,835,785         |
| Citrus Heights Water District           | \$367,502                      | \$1,905,841             | \$10,000                | \$1,915,841         |
| City of Folsom                          | \$345,279                      | \$739,101               | \$2,600,937             | \$3,340,038         |
| City of Lincoln                         | \$194,703                      | \$819,924               | \$462,000               | \$1,281,924         |
| City of Roseville                       | \$578,524                      | \$12,786,573            | \$389,732               | \$13,176,305        |
| City of Sacramento                      | \$578,524                      | \$10,330,975            | \$3,057,551             | \$13,388,526        |
| City of West Sacramento                 | \$185,247                      | \$867,078               | \$215,080               | \$1,082,158         |
| City of Yuba City                       | \$95,611                       | \$0                     | \$0                     | \$0                 |
| Del Paso Manor Water District           | \$52,707                       | \$0                     | \$0                     | \$0                 |
| El Dorado Irrigation District           | \$519,922                      | \$651,253               | \$1,159,500             | \$1,810,753         |
| Elk Grove Water District                | \$112,659                      | \$387,006               | \$0                     | \$387,006           |
| Fair Oaks Water District                | \$253,619                      | \$1,569,544             | \$670,438               | \$2,239,982         |
| Golden State Water Company              | \$282,294                      | \$92,008                | \$0                     | \$92,008            |
| Orange Vale Water Company               | \$74,170                       | \$430,085               | \$18,320                | \$448,405           |
| Placer County Water Agency              | \$578,524                      | \$2,310,419             | \$659,557               | \$2,969,975         |
| Rancho Murrieta CSD                     | \$73,496                       | \$5,298                 | \$524,687               | \$529,985           |
| Rio Linda/Elverta Water District        | \$74,170                       | \$17,708                | \$565,000               | \$582,708           |
| Sacramento Area Flood Control Agency    | \$18,700                       | \$1,753,659             | \$140,818               | \$1,894,478         |
| Sacramento County Water Agency          | \$313,138                      | \$931,543               | \$696,750               | \$1,628,293         |
| Sacramento Regional County San District | \$133,200                      | \$2,133,714             | \$1,547,519             | \$3,681,233         |
| Sacramento Suburban Water District      | \$578,224                      | \$10,123,662            | \$2,134,493             | \$12,258,156        |
| San Juan Water District                 | \$578,524                      | \$7,101,597             | \$76,500                | \$7,178,097         |
| Woodland-Davis Clean Water Agency       | \$31,070                       | \$21,705                | \$0                     | \$21,705            |
|   | <b>\$6,812,720</b>             | <b>\$57,061,027</b>     | <b>\$15,143,942</b>     | <b>\$72,204,969</b> |
| California Association of RCD           |                                | \$49,606                | \$13,074                | \$62,680            |
| City of Elk Grove                       |                                | \$0                     | \$222,345               | \$222,345           |
| Ducks Unlimited                         |                                | \$117,595               | \$297,446               | \$415,041           |
| Freeport Regional Water Authority       |                                | \$10,728,629            | \$0                     | \$10,728,629        |
| Nature Conservancy                      |                                | \$399,993               | \$0                     | \$399,993           |
| Omochochumne-Hartnell                   |                                | \$0                     | \$986,668               | \$986,668           |
| Placer County Flood Control WCD         |                                | \$226,574               | \$514,575               | \$741,149           |
| San Juan Unified School District        |                                | \$50,581                | \$0                     | \$50,581            |
|   |                                | <b>\$11,572,978</b>     | <b>\$2,034,108</b>      | <b>\$13,607,086</b> |
| <b>Grand Totals</b>                     |                                | <b>\$68,634,005</b>     | <b>\$17,178,051</b>     | <b>\$85,812,056</b> |

\*includes grant awards managed on behalf of SSWD

information compiled in February 2017 - reimbursement column includes payments through January 2017

- Media
- Public
- Members
- Water Industry



- State Legislative and Regulatory Advocacy
  - 2009 – Recognized need for Capitol representation
  - 2013 – Amended JPA to promote regional advocacy
  - 2014 – Part-time staffing approved
  - 2015 – Contract lobbyist procured
  - 2016 – Full time staffing approved
  - 2017 – Sponsored legislation on drought planning and water efficiency and led statewide coalition







*LESSONS LEARNED - CHALLENGES*





# Things to Think About



- Balancing Interests of Electeds and Managers
- Overcoming the Lowest Common Denominator
- Avoid Mission Creep...do the important things well
- Attendance/Membership  $\neq$  Ownership
- Think Long-Term
- Tangible ROI Sells
- Achieving Sustainable Funding
- Federal Recognition
- Managing Employee/Retiree Benefits
- Succession Planning in a Small Organization

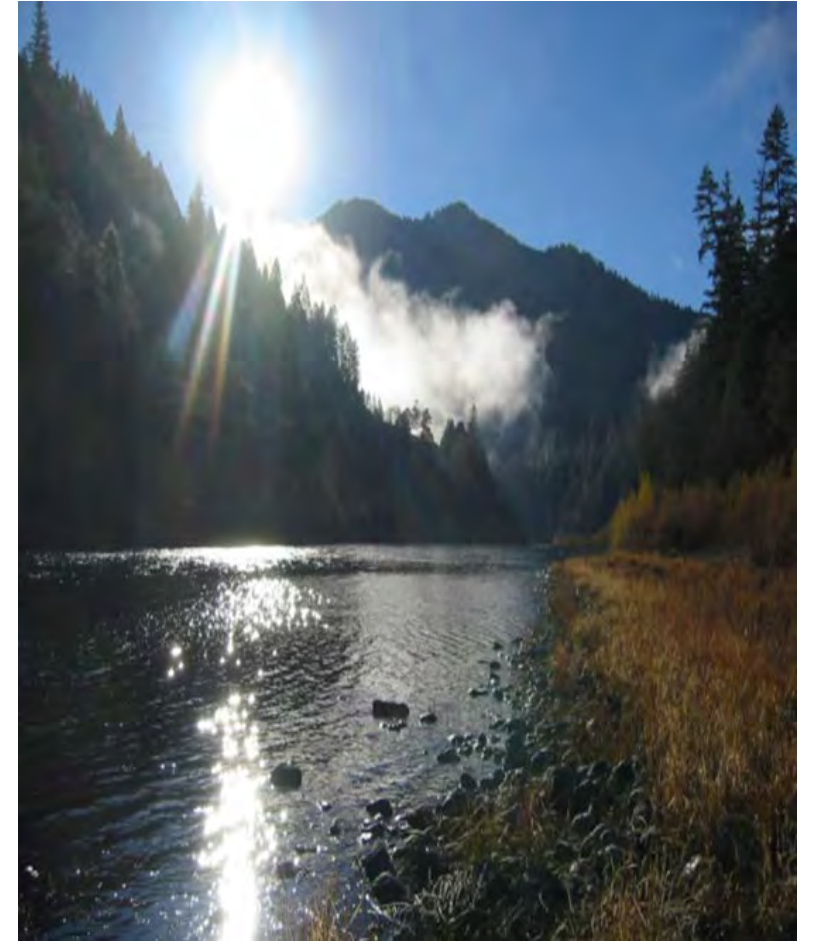
# QUESTIONS?



## Part 3: North Bay Drought Contingency Plan

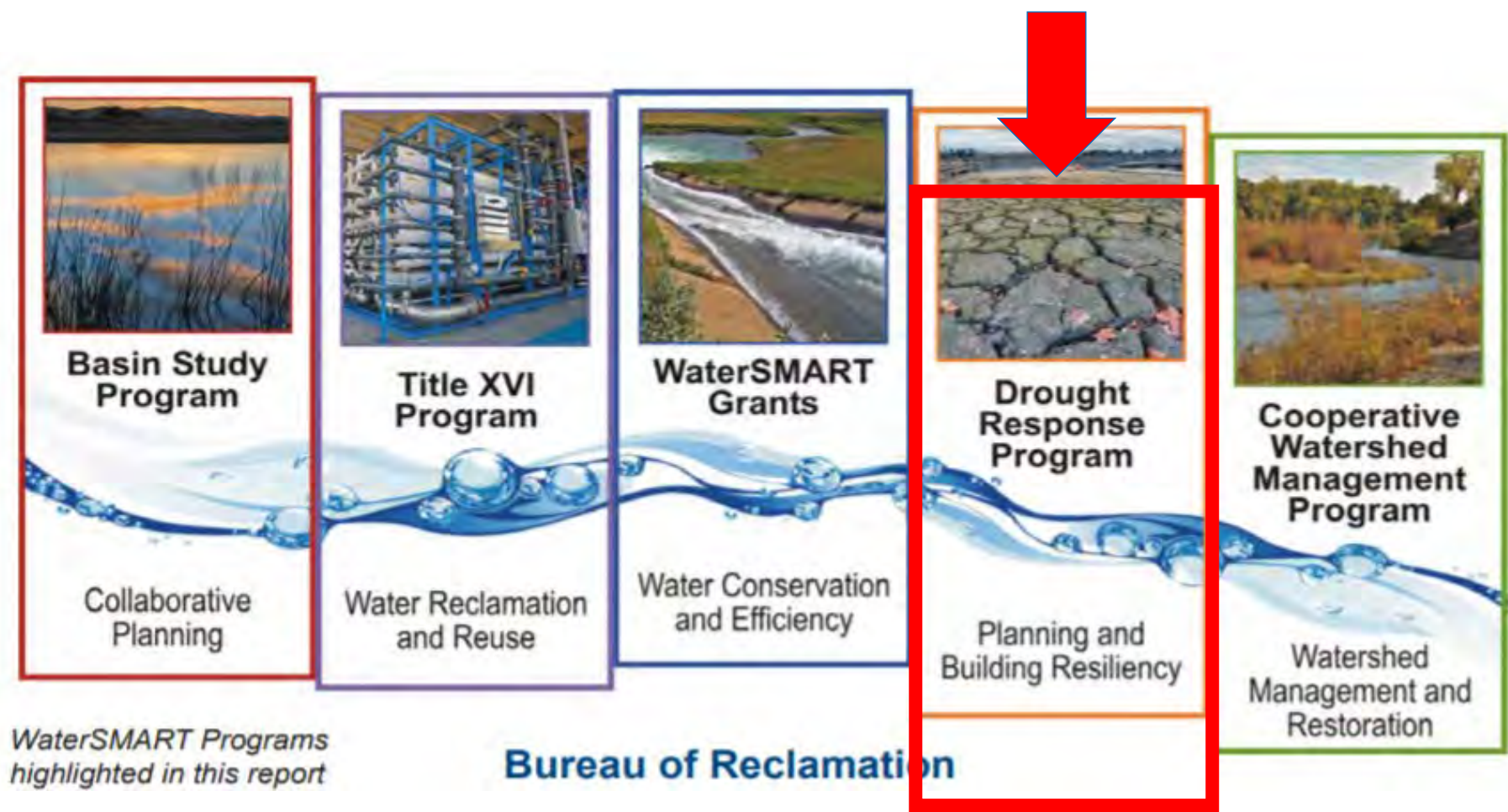
# What is WaterSMART

- WaterSMART implements SECURE Water Act, Public Law 111-11
- Established in 2010 to...
  - Help water resource managers make sound decisions about water use
  - Develop strategies to ensure sufficient supply for projected future conditions
  - Develop adaptive strategies to address impacts of changes in future climate
  - Improve water conservation
  - Promote long-term sustainability





# Drought Response is part of WaterSMART



# Drought Contingency Planning and Projects

- Drought Contingency Planning
  - How will we recognize the next drought in the early stages?
  - How will drought affect us?
  - How can we protect ourselves from the next drought?
- Drought Resiliency Projects
  - Defined as the “capacity to cope with and respond to drought”
  - Reclamation will fund drought resiliency projects
  - Projects are referred to as "mitigation actions" in a Drought Contingency Plan



# What is a Drought Contingency Plan (DCP)

- Collaborative planning to build long-term resiliency to drought
- Requires stakeholders process
- Stakeholder Process:
  - Addresses agricultural, municipal, and environmental issues
  - Develops broad support for ***mitigation and response actions***
- Includes consideration of climate change impacts to water supplies to support long term resiliency
- ***Mitigation and Response*** actions are projects to be funded under WaterSMART



# The Six Required Elements of a DCP

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- Drought Monitoring
- Vulnerability Assessment
- Mitigation Actions
- Response Actions
- Operational and Administrative Framework
- Plan Update Process





# Why Do a DCP?

- Provides informed coordinated local responses to drought
- New State drought planning requirements are anticipated
- Potential funding for drought mitigation projects
  - Stormwater capture and treatment
  - Recycled water
  - Groundwater banking and management
  - Facility re-operation programs
  - Surface storage, stream flow management and habitat restoration
- Cooperative regional, watershed programs are more likely to be funded



# Required Steps to Start a DCP

- Establish a Task Force:  
“.. must have diverse membership representing multiple interests in the planning area.”
- Develop a Detailed Work Plan:  
“... describe in detail how the various tasks included in developing or updating the plan will be accomplished, along with a detailed work schedule, and the responsibilities of Reclamation, the planning lead, the Task Force, and other interested stakeholders”
- Develop a Communication and Outreach Plan:  
“Explanation of how stakeholders and the public will be involved in the planning process, including providing input on the drafting of the Drought Contingency Plan and providing feedback to the Task Force.”



# Summary

- As part of the ***NorthBay WATER*** workshops, the initial DCP steps will be undertaken:
  - Establish a Task Force
  - Develop the Workplan
  - Develop the Communication and Outreach Plan
- Designed to provide a fast start to and timely completion of the DCP
  - Initiate the study in July 2018
  - Requires participating agency cost-share in FY 17/18 and FY 18/19



## Next Workshop:

1. Monday January 22    NorthBay WATER 9:30-11:00
2. **Monday February 26    NorthBay WATER 10:45-12:00**  
**(after the NBWRA meeting)**
3. Monday March 26    NorthBay WATER 9:30-11:00
4. Monday April 23    NorthBay WATER 9:30-11:00
5. Monday May 21    NorthBay WATER 10:45-12:00  
(after the NBWRA meeting)

# Workshop Process and Schedule

|   | January 22, 2018  | February 26, 2018   | March 26, 2018  | April 23, 2018   | May 21, 2018                                      |
|---|---|---|---|--|---|
| <b>Part 1:<br/>Building NorthBay<br/>WATER</b>                              | Workshop process and content, consulting team                                     | Goals and objectives, interim MOU and Board                     | 2-year workplan, schedule and budget                                      | MOU, 2-year workplan, budget and member costs  | Approve: MOU, workplan and budget                 |
| <b>Part 2:<br/>Regional Initiatives, State and Federal Policy</b>           | Regional Initiatives: John Woodling, Ex. Dir. Regional Water Authority            | State Advocacy: Pilar Onate-Quintana, Principal The Onate Group | Federal Advocacy: Roger Gwinn, CEO The Ferguson Group                     | Organizations and Project Financing: Dave Stoldt, GM Monterey Peninsula Water Management District  | Speaker TBA                                       |
| <b>Part 3:<br/>Preliminary Tasks for North Bay Drought Contingency Plan</b> | Intro to DCP, overview of workshops, initiate discussions regarding participation | DCP workplan, budget, schedule and cost to participate in study | Continue: DCP workplan, budget, schedule and cost to participate in study | Agency commitment: point of contact, data contributions/needs, stakeholder and communications plan | USBR review and approval before July start of DCP |



## Questions or Comments

We'd like to thank you for your time today and look forward to working with you on the future of ***NorthBay WATER***

**14**



## North Bay Watershed Association

Board Meeting Notice

### February 2<sup>nd</sup>, 2018

9:30 a.m. – 11:30 a.m.

Novato Sanitary District

500 Davidson Street

Novato, CA 94945

## Board Meeting Agenda

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- |  |        |
|--|--------|
| <b>1. Call to Order</b>  | 9:30   |
| <i>Jack Gibson, Chair</i>  |        |
| <b>2. Public Comment</b>   |        |
| <b>3. Approval of Agenda</b>   | 1 min. |
| <i>Approve</i>   |        |
| <b>4. Approval of Minutes</b>  | 5 min. |
| <i>Approve</i>   |        |
| <b>5. Treasurer's Report</b>   | 1 min. |
| <i>Accept</i>  |        |
| <b>6. Director's Report</b>  |        |
| <i>Information and Questions</i>   |        |
| <b>7. 2018 NBWA Conference Preview</b>   | 9:45   |
| <i>Information</i>   |        |
| Judy Kelly, Executive Director, NBWA   |        |
| <b>8. Marin County's Sea Level Rise</b>  | 10:00  |
| <b>Adaptation Planning</b>   |        |
| Chris Choo, Principal Planner, Marin County  |        |
| <b>9. Overview and What's New at Novato</b>  | 10:40  |
| <b>Sanitary District</b>   |        |
| Sandeep Karkal, General Manager, Novato Sanitary District  |        |
| <b>10. Items of Interest</b>   | 11:15  |
| <b>11. Items for the Next Agenda</b>   | 11:25  |
| <ul style="list-style-type: none"> <li>○ IRWMP Funding Recommendations for the North Bay – <i>Nahal Ghoghaie, Environmental Justice Coalition for Water</i></li> <li>○ Lagunitas: new fish and less sediment – <i>Greg Andrew, Fisheries Program Manager</i></li> <li>○ Reducing non-point source pollutants in the North Bay: agricultural, vineyard waivers and expected results – <i>Jim Ponton, Non-Point Source Regional Coordinator, Regional Board (2)</i></li> </ul> |        |

### Next Meeting

March 2<sup>nd</sup>, 2018

9:30 a.m. – 11:30 a.m.

Marin Municipal Water District

220 Nellen Ave

Corte Madera, CA 94925



## North Bay Watershed Association

Summary of the meeting of the North Bay Watershed Association (NBWA) Board of Directors.

Date: Friday, January 5th, 2018 – 9:30 a.m.

Location: Petaluma Community Center, 320 N McDowell Blvd, Petaluma, CA

### Directors Present Included:

| <b>Board Member</b> | <b>Organization</b>             | <b>Board Member</b> | <b>Organization</b>                   |
|---------------------|---------------------------------|---------------------|---------------------------------------|
| Diane Furst         | Central Marin Sanitation Agency | Damon Connolly      | County of Marin                       |
| Steve Hartwig       | City of American Canyon         | Megan Clark         | Las Gallinas Valley Sanitary District |
| Leon Garcia         | Napa County FC&WCD              | Jack Gibson         | Marin Municipal Water District        |
| Ryan Gregory        | Napa Sanitation District        | Rick Fraites        | North Marin Water District            |
| Mike Healy          | City of Petaluma                | Brant Miller        | Novato Sanitary District              |
| Paul Jenson         | City of San Rafael              | Pamela Meigs        | Ross Valley Sanitary District         |

Directors present represented 12 of the 19 agencies signatory to the Association MOU.

### Board Actions:

1. Call to Order – Jack Gibson, chair, called the meeting to order at 9:35 a.m.
2. Public Comment – There was no public comment.
3. Approval of Agenda (see materials) – The agenda was unanimously approved.
4. Approval of Minutes (see materials) – The minutes from the previous meeting were approved with two abstentions.
5. Treasurer's Report (see materials) – Judy Kelly, executive director, on behalf of Cheryl Howlett, treasure, reported that the NBWA is in good financial standing.
6. Director's Report– Judy Kelly presented a short verbal Director's Report, reminding member agencies that in April the NBWA will hold its next Conference at the Sheraton Petaluma. Members were alerted about the pending workshop on Changing Channels of the Russian River to be held in Cloverdale on January 26<sup>th</sup>, see [napawatershed.org/events](http://napawatershed.org/events) for more information. She also noted that the 3-day Biennial Bay Delta Conference would be held in Sacramento in October.
7. From Bonn to the North Bay – Ellie Cohen of Point Blue Conservation Science provided the Board with a summary of her experiences in Bonn Germany at the recent international conference of climate scientists and policy makers hosted this year by the country of Fiji and held in Germany. The meetings were a follow-up to the 2015 Paris climate accords. Ellie represented Point Blue and her hometown in the two-week series of meetings and conference presentations. While the current federal administration has backed away from the Paris agreements, Ellie reported that the US was strongly represented by state and local government officials [including Gov. Brown] and many NGO's and who came with a message that efforts across the United States are still supporting the

accords. She briefly summarized global climate conditions noting that we must remove 18% of CO<sub>2</sub> currently in the atmosphere to keep global temperature rise to less than 2 degrees C by 2100. She was excited about the many opportunities in nature-based climate solutions being piloted worldwide and sees many options for the North Bay to participate in such solutions.

Q: Which is the most destructive green house gas and where does it come from? Ellie stated that current research suggests that the process of oil and gas fracking is releasing the greatest amounts of methane which is much more harmful to the atmosphere than carbon. See her presentation on the NBWA website Board Meeting page . ([http://nbwatershed.org/board\\_meeting/](http://nbwatershed.org/board_meeting/)).

8. Napa RCD's Carbon Smart Farming

Napa County RCD's Charles Schembre brought the climate conversation home with a review of the District's current work to better understand ways to improve soil conditions in vineyards, orchards and grazing lands while also making it possible to store and sequester more carbon emissions. He explained the many attributes of healthy soil and how those are measured. Charles noted the new effort to start up a North Coast soil health hub to better track and understand local soil health and mentioned the RCD's work with the Oregon State University soil lab to do detailed analysis on soil characteristics. He provided an overview of the work the RCD is doing on their Huichica Creek Demo vineyard where early practices are already showing positive results in increased carbon sequestration. His full presentation is available on the NBWA website here ([http://nbwatershed.org/board\\_meeting/](http://nbwatershed.org/board_meeting/)).

9. Items of Interest None

10. Items for the next agenda - Susan Keach, Sonoma Co drug take-back program

**Next meeting information:**

February 2<sup>nd</sup>, 2017 – Novato Sanitary District, 500 Davidson, Novato, CA

SUBMITTED BY:  
Judy Kelly  
Executive Director, NBWA  
[Judy.NBWA@gmail.com](mailto:Judy.NBWA@gmail.com)

**Northbay Watershed Association  
Treasurer's Report  
January 1 - January 31, 2018**

**Revenues:**

|  |                          |
|--|--------------------------|
| Billings-Stewardship - General Benefits - 2018 | 185,289.91               |
| NBWA 2018 Conference Sponsorships              | 8,000.00                 |
| MNBWA 2018 Conference Registrations            | 190.00                   |
| Misc Revenue                                   |                          |
| <b>Total Revenues</b>                          | <b><u>193,479.91</u></b> |

**Expenses:**

|  |                             |
|--|-----------------------------|
| Executive Director Professional Services:            | 56,400.00                   |
| <u>Admin Professional Fees &amp; Expenses:</u>       |                             |
| Administrative Support - SCWA                        |                             |
| Operating Expense - General Benefit - website, etc.. | 600.00                      |
| Sonoma Ecology Ctr - Climate Readiness               |                             |
| EOA - BASMAA Trash Project                           |                             |
| ABAG - Water Trail Mapping Project                   | 8,700.00                    |
| County of Marin - Game of Floods                     |                             |
| Marin RCD - CEQA Compliance                          | 15,370.07                   |
| Sheraton Petaluma - NBWA 2018 Conference             |                             |
| Napa RCD - NBWA 2018 Conference Support              | 607.30                      |
| <b>Total Expenses</b>                                | <b><u>81,677.37</u></b>     |
| Change this period                                   | 111,802.54                  |
| Fund Balance as of July 1, 2017                      | <u>\$ 108,711.50</u>        |
| Fund Balance as of January 31, 2018                  | <u><u>\$ 220,514.04</u></u> |

15

**DISBURSEMENTS - DATED FEBRUARY 1, 2018**

Date Prepared 1/30/18

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   | Allied Electronics       | PLC Cabinet Lock for San Mateo Tank   | \$139.65 |
| 2   | Amazon                   | Service Award-Laser Rangerfinder (\$130) (K. Lemos), Resolution & Minute Books (\$319) (Young), Printer Drum Replacement (\$93) (Accountants), Laptop Adaptors (2) (\$62) (STP), Torque Wrench (\$105) (Arendell) | 710.03   |
| 3   | American Family Life Ins | January Employer Accident, Disability & Cancer Insurance  | 2,935.71 |
| 4   |                          | Vision Reimbursement  | 368.00   |
| 5   | Arrow Benefits Group     | January Dental Admin Fee  | 293.80   |
| 6   | A.S.T.I.                 | Annual Fire Service Testing   | 398.00   |
| 7   | Athens Administrators    | Bill Review Fees (\$1,064) & February Workers' Comp Admin Fee   | 2,064.38 |
| 8   | AT&T                     | January Internet Service @ PRTP   | 94.00    |
| 9   | AT&T                     | Leased Lines  | 65.90    |
| 10  | AWWA CA-NV SEC           | Registration for Operator Symposium in San Francisco 3/27-3/28 (Jeff Corda, Miranda, Foster & Garrett)  | 780.00   |
| 11  | Badger Meter             | Cellular Meters (18)  | 15.84    |
| 12  | Black Box                | Cable Ends (3)  | 102.34   |
| 13  | Bold & Polisner          | December Potter Valley Relicensing  | 1,110.90 |
| 14  | Bostrom, Suzanne         | Refund Overpayment on Closed Account  | 26.89    |
| 15  | Campos, Gilberto         | Refund Overpayment on Closed Account  | 72.72    |
| 16  | Comcast                  | January Internet Connection   | 151.12   |

| Seq | Payable To                | For  | Amount    |
|-----|---------------------------|--|-----------|
| 17  | Core Utilities            | Consulting Fee: December IT Support (\$5,000), SCADA/Wonderware Clean-up (\$3,075), Programming for STP Communication Upgrade (\$700), PRTP PLC Upgrades (\$1,399), SCADA Prog (\$1,250), Modify Water Bill Prior Period Comparison (\$425), Modify Bill Adjustment Form (\$300) & Website Modifications (\$250)   | 12,399.00 |
| 18  | Cummings Trucking         | Rock (132 yds) (\$5,315) & Sand (32 yds)   | 7,379.71  |
| 19  | Dell Computers            | Replacement Laptop PC for Maintenance  | 2,557.15  |
| 20  | Farwest Corrosion Control | Reference Cell for Cathodic Protection Testing & Cathodic Protection Wire (250') (\$132)   | 213.33    |
| 21  | Fedak & Brown, CPA        | FY17 State Controller's Report   | 510.00    |
| 22  | FedEx Freight West        | Delivery Service: Sent Out Lab Samples   | 94.53     |
| 23  | Ferguson Waterworks       | Flanges (2) & Caps (2)   | 20.18     |
| 24  | Fisher Scientific         | pH Electrode Storage Solution  | 74.76     |
| 25  | Gaya, DB                  | Prog Pymt #4: San Mateo Tank Rehab (Balance Remaining on Contract \$1,948)   | 8,414.40  |
| 26  | Genterra Consultants      | Prog Pymt#10: Stafford Dam Maintenance Plan (Balance Remaining on Contract \$4,461)  | 3,188.75  |
| 27  | Grainger                  | Electrical Enclosure for Norman Tank Level Sensor (\$297), Ball Valve Unions (3) (\$386), "9V" Batteries (48), "AA" Batteries (144), Red Warning Light for Shop Grinder, 5 gal Beverage Cooler, Crimper for Telemetry Cable Splices, Grinding Wire Brush (\$93), Pedestal Grinder Wheel (\$111), Battery Adapter & STP Backwash Blower Drive Couplings (2) (\$233) | 1,395.74  |
| 28  |                           | Cafeteria Plan: Uninsured Medical Reimbursement  | 150.00    |
| 29  | Lehmann, Teri             | Refund Overpayment on Closed Account   | 23.20     |
| 30  | Marin, County of          | Permit Fees for PRE Tank 4A Project: Planning & Technology (\$5,845) & Design Review (\$2,241)   | 8,086.00  |

| Seq | Payable To                     | For   | Amount     |
|-----|--------------------------------|---|------------|
| 31  | Marin County Fair              | Sponsorship of Award in Professional Garden Department  | 100.00     |
| 32  | McLellan, WK                   | Misc Paving   | 2,124.35   |
| 33  | McMaster-Carr Supply           | Wire Mesh for Buck Tank Vent Screen Replacement (32 sq ft)  | 448.05     |
| 34  | Mejia, Edgar                   | Refund Overpayment on Closed Account  | 34.00      |
| 35  | Mountain Cascade               | Prog Pymt#10: RW Central Service Area Phase B (Balance Remaining on Contract \$105,885)   | 159,099.73 |
| 36  | Mutual of Omaha                | February Group Life Insurance Premium   | 854.64     |
| 37  | Novato, City of                | Street Excavation Moratorium Fee  | 500.00     |
| 38  | NSI Solutions                  | QC Sample (Lab)   | 51.25      |
| 39  | Office Depot                   | Quarterly Office Supply Order: Toner Cartridges (7) (\$433), Disposable Cups (1,200) (\$91), Post-it Notes (\$86), Folders w/Fasteners (75) (\$228), Chairs (2) (LeBrun & Ielmorino) (\$574) & Magnetic Planner (\$125), Hand Held Labeler & Clock (STP)  | 3,363.95   |
| 40  | On Line Resource               | Return Payment - Water Account Not Found  | 87.71      |
| 41  | Pace Supply                    | Drill Bit for Tapping Machine (\$345), Flange Adaptor (3) (\$2,125), Gaskets (4), Nuts (207), Bushings (15), Caps (10), Coupling (6) (\$1,507), Nipples (2) & Valves (7) (\$1,284), Electrical Splice Box w/Bolt Down Lid for Amaroli Hill Tank Telemetry Cable (\$94), Garlock Gaskets (34) (\$235), Meter Gaskets (20) & Tees (2) | 5,213.61   |
| 42  | Pacific Surfacing              | Refund Overpayment on Closed Account  | 243.87     |
| 43  | Prunuske Chatham               | Leveroni Creek Bank Stabilization Project Monitoring (Balance Remaining on Contract \$867)  | 3,132.95   |
| 44  | SCP Science                    | Tubing & Standard (Lab)   | 108.31     |
| 45  | Sebastopol Bearing & Hydraulic | Hydraulic Hose Adaptor for STP Outlet Tower Gate & Tie Downs (4) (\$97)   | 133.98     |

| Seq                        | Payable To                 | For  | Amount                     |
|----------------------------|----------------------------|--|----------------------------|
| 46                         | Sequoia Safety Supply      | Jacket (\$63) (Miranda), Overalls, Safety Glasses (12) & Brief Relief Urine Bags (100) (\$259)     | 387.83                     |
| 47                         | SoftResources              | Progress Billing for Enterprise Asset Management Software (Balance Remaining on Contract \$37,166) | 4,316.66                   |
| 48                         | Sonoma County Water Agency | December Contract Water  | 373,130.36                 |
| 49                         | SPG Solar Facility         | December Energy Delivered Under Solar Services Agreement   | 8,061.39                   |
| 50                         | St James Napa Development  | Annual Reimbursement Program-Somerson Park   | 163.27                     |
| 51                         | Stremme, A                 | Refund Overpayment on Closed Account   | 77.66                      |
| 52                         | Tamagno Green Products     | Sludge Removal @ STP (40 yds)  | 1,000.00                   |
| 53                         | Team Ghilotti              | Refund RW Load Security Deposit Less Charge for 6 RW Loads   | 70.00                      |
| 54                         | Thatcher of California     | Ferric Chloride (10 tons) (STP)  | 866.96                     |
| 55                         | Thomas Scientific          | Spore Ampoule (30) (Lab)   | 68.61                      |
| 56                         | USA BlueBook               | Repair Kit for Griffco Valves (2)  | 771.39                     |
| 57                         | Van Bebber Bros            | Steel Plate  | 21.05                      |
| 58                         | Wells Fargo Bank           | Annual Reimbursement Program-Whole Foods   | 1,629.72                   |
| 59                         | White Cap Construction     | Sealant (44 oz)  | 168.78                     |
| 60                         | Winzer                     | Metal Storage Boxes for Auto Shop (13)   | 1,403.13                   |
| <b>TOTAL DISBURSEMENTS</b> |                            |  | <b><u>\$621,469.24</u></b> |

The foregoing payroll and accounts payable vouchers totaling \$621,469.24 are hereby approved and authorized for payment.

  
Auditor-Controller

1/30/18  
Date

  
General Manager

1/30/18  
Date



## DISBURSEMENTS - DATED JANUARY 25, 2018

Date Prepared 1/23/18


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 1/15/18   | \$130,417.39 |
| EFT*   | US Bank                                       | Federal & FICA Taxes PPE 1/15/18  | 61,419.69    |
| EFT*   | State of California                           | State Taxes & SDI PPE 1/15/18   | 11,429.26    |
| EFT*   | CalPERS                                       | Pension Contribution PPE 1/15/18  | 34,340.32    |
| EFT*   | CalPERS                                       | January Health Insurance Premium (Employees \$48,778, Retirees \$10,593 & Employee Contribution \$9,778)          | 67,148.82    |
| EFT*   | US Bank                                       | December Bank Analysis Charge (Lockbox \$912, Credit Card Processing \$150 & Other \$358 (Less Interest of \$188) | 1,232.36     |
| *54153 | Environmental Resource                        | Reference Samples (Lab)   | 196.96       |
| 1      | Alpha Analytical Labs                         | Lab Testing   | 140.00       |
| 2      | Arrow Benefits Group                          | December Dental Expense   | 7,418.60     |
| 3      | Asbury Environmental Services                 | Used Oil & Paper Filter Disposal  | 269.91       |
| 4      | Automation Direct                             | PLC Parts for Plum Tank Upgrade   | 478.00       |
| 5      | AWWA CA-NV SEC                                | Registration for AWWA Operator Symposium (Stompe)   | 195.00       |
| 6      | California Dept of Tax and Fee Administration | State Sales & Use Tax- Filing Period January 2017-December 2017   | 6,704.00     |
| 7      | Caltest Analytical Laboratory                 | Lab Testing   | 35.00        |
| 8      | Campos, Edward                                | Novato "Washer Rebate" Program  | 50.00        |
| 9      |   | Vision Reimbursement  | 97.30        |
| 10     | California Sanitation Risk Mgm                | 2018 O.M. Liability Insurance (12/31/17-12/31/18) (Budget \$2,000)  | 1,917.71     |
| 11     | Dell Computers                                | Replacement Laptop PC (Stompe)  | 1,989.38     |
| 12     | Del Toro, Leonardo                            | Novato "Toilet Rebate" Program  | 100.00       |
| 13     | Farr Construction                             | Prog Pymt #3: San Mateo Tank Recoat Project (Balance Remaining on Contract \$924,622)                             | 179,291.13   |

| Seq | Payable To                     | For   | Amount    |
|-----|--------------------------------|---|-----------|
| 14  | Franz, Daniel                  | Novato "Washer Rebate" Program  | 50.00     |
| 15  | GHD Engineering                | Prog Pymt#5: Engineering Services PRE Water Tank 4A Replacement (Balance Remaining on Contract \$68,391) (\$6,551) & Prog Pymt#8: Engineering Services: FEMA Grant Applications (Balance Remaining on Contract \$12,087) (\$31,982)               | 38,532.51 |
| 16  | Golden Gate Petroleum          | Gasoline (\$2.50/gal) & Diesel (\$2.96/gal)   | 1,810.00  |
| 17  | Goodpaster, Stacie             | Exp Reimb: Good Laboratory Practice Class   | 60.00     |
| 18  | Grainger                       | HVAC Boiler Air Vent (\$172), Swing Check Valves (4), Jigsaw Blades (10) & Reciprocating Saw Blades (85) (\$351) (Less Credit of \$386 for Returned Parts)  | 223.59    |
| 19  | InfoSend                       | Programming Fee: Revise Comparison with Prior Year Data on Water Bill   | 150.00    |
| 20  | Lincoln Life                   | Deferred Comp PPE 1/15/18   | 12,372.89 |
| 21  | Maltby Electric                | Electrical Supplies (\$303) & Conduit for Norman & San Mateo Tank Recoating   | 515.96    |
| 22  | Marinovich, Mishela            | Novato "Washer Rebate" Program  | 50.00     |
| 23  | McLellan, WK                   | Center Road Paving  | 24,058.03 |
| 24  | McMaster-Carr Supply           | Grinder Rests (2) (\$94), Shop Creepers (2) (\$214), Deburring Tool, Lock Handles, Water Strainer Filter, Housing Electronic & Equipment Air Filter (3)   | 502.55    |
| 25  | Nationwide Retirement Solution | Deferred Comp 1/15/18 PPE   | 2,150.00  |
| 26  | North Marin Auto Parts         | Transmission Fluid (12 qts), Shop Rags (50 lbs) (\$106), Transmission Fluid for Hydraulic System (\$64), Scraper, Rear Axle Gear Oil (5 gal) (\$273), Bucket Pump, Tire Valve Extensions (8) (\$141), Metric Helicoil Set & Throttle Body Cleaner | 778.98    |
| 27  | Opperman & Son                 | Solenoid Valves & Air Line Fittings (9)   | 348.23    |
| 28  | Pace Supply                    | Meter Pit Pump  | 116.96    |
| 29  | Pape Machinery                 | Water Pump (\$304), Gasket & Fan Belt ('12 Compressor)  | 406.03    |
| 30  | PG&E                           | Power: Bldgs/Yard (\$2,292), Rect/Controls (\$757), Pumping (\$19,669), Treatment (\$138) & Other (\$96)  | 22,952.90 |

| Seq | Payable To                 | For   | Amount                     |
|-----|----------------------------|---|----------------------------|
| 31  | Pini Hardware              | Cut-off Wheels (5), Drain Cleaner, Bleach, Hillman Hardware (\$64), Denatured Alcohol (1 gal), Spray Paint, Flat Bar, Plumbing Supplies (STP), Light bulbs, Liquid Tape, Trash Cans (4) (\$87), Thermometer, Condiment Dispensers, Mixer Paint, Conduit Fittings, Light Switch Cover Plate, Conduits (3) & Clamps (6) | 491.90                     |
| 32  | Recology                   | January Trash Removal   | 442.76                     |
| 33  | RGM and Associates         | Prog Pymt #3: Third Party Labor Compliance Monitoring for San Mateo Tank Recoating Project (Balance Remaining on Contract \$9,180)  | 1,287.50                   |
| 34  | Soiland                    | Asphalt Recycling (5 tons)  | 15.00                      |
| 35  | Streakwave Wireless        | Backhaul (\$374) (STP) & PC Radios for Norman Tank (2)  | 468.88                     |
| 36  | Township Building Services | December Janitorial Service   | 1,822.84                   |
| 37  | United Parcel Service      | Delivery Services: Sent Backflow for Calibration, Transmitter for Repair & Returned Wrong Reference Cell  | 66.97                      |
| 38  | U.S. Bank Card             | Bridge Toll (\$25), Tax Forms (\$232), Fire Hydrant Hose Fitting (\$113), Job Postings for Field Serv Rep & Laborer (\$150) & Sympathy Flowers for Employee (\$60)  | 580.61                     |
| 39  |                            | Vision Reimbursement  | 368.00                     |
| 40  | White Cap Construction     | Epoxy Crack Sealer (18 gal) (\$2,133) & Bulk Caulk Gun  | 2,236.50                   |
|     |                            | <b>TOTAL DISBURSEMENTS</b>  | <b><u>\$617,730.42</u></b> |

The foregoing payroll and accounts payable vouchers totaling \$617,730.42 are hereby approved and authorized for payment.

 1/23/18  
 Auditor-Controller Date

 1/23/18  
 General Manager Date

## ***DISBURSEMENTS - DATED JANUARY 18, 2018***

Date Prepared 1/16/18

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:

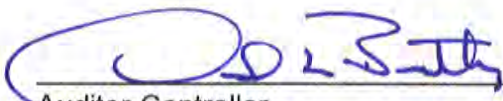
| <u>Seq</u> | <u>Payable To</u>         | <u>For</u>  | <u>Amount</u> |
|------------|---------------------------|---|---------------|
| 54141      | Sanderson Ford, W.C.      | 2018 Ford Transit Connect (Budget \$27,000)                                   | \$25,632.20   |
| 1          | Able Tire & Brake         | Tires (2) (\$268), Alignment & Tire Repair (\$425)<br>(2015 J.D. Skip Loader) | 890.17        |
| 2          | Ackerman, Dorothea        | Retiree Exp Reimb (2018 Health Ins)   | 138.48        |
| 3          | All Star Rents            | Propane (21 gals)   | 68.13         |
| 4          | American Pavement Systems | Refund Overpayment on Closed Account  | 238.00        |
| 5          | Anvil Builders            | Refund Security Deposit on Hydrant Meter Less<br>Final Bill                   | 757.16        |
| 6          | Backflow Distributors     | Backflow Tester Calibration   | 99.99         |
| 7          | Bakalar, Michael          | Retiree Exp Reimb (2018 Health Ins)   | 547.80        |
| 8          | Bank of Marin             | Bank of Marin Loan Principal & Interest (Pynt<br>75 of 240)                   | 46,066.67     |
| 9          | Bay Alarm                 | Quarterly STP Fire Alarm Monitoring (1/18-4/18)                               | 338.19        |
| 10         | Bino, Gene                | Retiree Exp Reimb (2018 Health Ins)   | 138.48        |
| 11         | California Water Service  | Oceana Marin - Oct 2017-Dec 2017 (0 ccf)                                      | 49.15         |
| 12         | CDW-Government            | PLC Battery Backups for Lynwood & Black Point<br>Tanks (2)                    | 169.67        |
| 13         | Cilia, Joseph             | Retiree Exp Reimb (Jan Health Ins)  | 343.66        |
| 14         | Clipper Direct            | Commuter Benefit Program (3)  | 479.00        |
| 15         | DataTree                  | December Subscription to Parcel Data<br>Information                           | 100.00        |
| 16         | DeGabriele, Chris         | Retiree Exp Reimb (Jan Health Ins)  | 1,006.54      |
| 17         | Derby, Richard            | Retiree Exp Reimb (2018 Health Ins)   | 1,088.28      |
| 18         | Diggs, James              | Retiree Exp Reimb (Jan Health Ins)  | 342.23        |
| 19         | Direct Line               | December Telephone Answering Service  | 243.50        |

| Seq | Payable To                      | For   | Amount   |
|-----|---------------------------------|---|----------|
| 20  | Elder, Eymad                    | Refund Overpayment on Closed Account  | 265.93   |
| 22  | Eurofins Eaton Analytical       | Lab Testing   | 200.00   |
| 23  | Evoqua Water Technologies       | December Service on Deionization System   | 219.77   |
| 24  | Eyler, John                     | Retiree Exp Reimb (2018 Health Ins)   | 1,088.28 |
| 25  | Ferguson Waterworks             | Caps (6), Couplings (6) (\$904), Flanges (2), Box Lids (10), Ells (8), Box Covers (2), Bushings (2), Hyd Ext (2) (\$234), Nipples (17), Reducers (12) & Tape (100') (\$347) | 2,266.63 |
| 26  | Fritz, James                    | Retiree Exp Reimb (2018 Health Ins)   | 1,088.28 |
| 27  | Frontier Communications         | Leased Lines  | 1,436.42 |
| 28  | Geide, Lena                     | Refund Overpayment on Closed Account  | 98.99    |
| 29  | Grainger                        | 3" Painters Tool (6), Reciprocating Saw Blades (4) (\$98) & Wire Cutter   | 161.29   |
| 30  | Graybar                         | Network Extenders for STP Radio Communications  | 274.09   |
| 31  | Hale, Larry                     | Retiree Exp Reimb (2018 Health Ins)   | 547.80   |
| 32  | Hamann, Thomas/Jelliffe, Norene | Refund Excess Advance for Const Over Actual Job Cost (1 Mesa Rd)  | 2,834.51 |
| 33  | HERC Rentals                    | John Deer Excavator Rental (2 weeks) (\$2,242) Trencher Rental for Pt Reyes Well Level Sensor Conduit   | 2,817.33 |
| 34  | HUB International Insurance     | Insurance for District Holiday Party  | 109.46   |
| 35  | International Fire              | Replacement Fire Extinguishers for Lab & STP (6)  | 1,328.90 |
| 36  | ITRON Service Center            | Annual Software (\$874) & Hardware Maintenance for Hand-Held Meter Reading Devices  | 2,532.93 |
| 37  | Johnstone, Daniel               | Retiree Exp Reimb (2018 Health Ins)   | 1,088.28 |
| 38  |                                 | Vision Reimbursement  | 294.41   |
| 39  | Mallory Properties              | Refund Excess Advance for Const Over Actual Job Cost (7 Mesa Rd)  | 2,834.51 |

| Seq | Payable To                       | For   | Amount   |
|-----|----------------------------------|---|----------|
| 40  | Maltby Electric                  | Conduit, Conduit Fillings & Wire Splices for Pt Reyes Well Level Sensors                        | 130.83   |
| 41  | Marin Landscape Materials        | Concrete (42 sacks) (\$257) & Crushed Rock (1 yd)   | 314.98   |
| 42  | McIntyre, Drew                   | Exp Reimb: Cost for Food @ District Holiday Party   | 6,188.02 |
| 43  | Montgomery, Rosemary & Alexander | Refund Overpayment on Closed Account  | 224.53   |
| 44  | Moore, Doug                      | Retiree Exp Reimb (Jan Health Ins)  | 1,006.54 |
| 45  | Moretti, Linda                   | Retiree Exp Reimb (2018 Health Ins)   | 138.48   |
| 46  | Nelson, John O.                  | Retiree Exp Reimb (2018 Health Ins)   | 1,088.28 |
| 47  | North Bay Gas                    | Wire Wheels for Welding Shop & December Cylinder Rental (\$106)                                 | 201.08   |
| 48  | Novato Builders Supply           | Spreaders (6), Concrete (1 yd), Gravel & Sand (1 yd) (\$140) & Sheet Rock for Const Locker Room | 181.77   |
| 49  | Pace Supply                      | Couplings (2)   | 80.81    |
| 50  | Piazza Construction              | Refund Security Deposit on Hydrant Meter Less Final Bill  | 695.30   |
| 51  | Point Reyes Prop Mgmt Assn       | January HOA Fee (25 Giacomini Rd)   | 75.05    |
| 52  | Ramudo, Pablo                    | Cafeteria Plan Reimbursement  | 120.00   |
| 53  | Rumsey, John                     | Novato "Water Smart Landscape Efficiency" Program   | 21.01    |
| 54  | Sequoia Safety Supply            | Nitrile Gloves (24), Lime Green Vests (2), Ibuprofen (1,000) (\$75) & Lens Wipes (200)          | 165.38   |
| 55  | Sierra Chemical                  | Chlorine (6,000 lbs) (STP)  | 1,303.45 |
| 56  | Smalley, Gayle                   | Retiree Exp Reimb (2018 Health Ins)   | 547.80   |
| 57  | Soiland                          | Asphalt Recycling (4 tons)  | 15.00    |
| 58  | Sonosky, Norma                   | Retiree Exp Reimb (2018 Health Ins)   | 756.96   |
| 59  | Stafford, Vernon                 | Retiree Exp Reimb (Jan Health Ins)  | 343.66   |
| 60  | SWRCB Accounting Office          | Treatment Plant Operator Certification Renewal (Clark) (7/18-7/21) (Budget \$0)                 | 60.00    |

| Seq                        | Payable To         | For   | Amount                     |
|----------------------------|--------------------|---|----------------------------|
| 61                         | S & Z Construction | Refund of Deposit/New Development/WC Restriction Novato                 | 1,000.00                   |
| 62                         | Thomas Scientific  | Flip Top Bottles (66) (Lab)   | 74.91                      |
| 63                         | US Bank            | December Safekeeping Fee (Treasury Securities)                          | 122.00                     |
| 64                         | Vasconcellos, Joan | Retiree Exp Reimb (2018 Health Ins)                                     | 547.80                     |
| 65                         | Velloza, May       | Retiree Exp Reimb (2018 Health Ins)                                     | 321.00                     |
| 66                         | Verizon Wireless   | Cellular Charges: Data (\$411) & Airtime (\$20) (21)                    | 430.99                     |
| 67                         | Verizon Wireless   | AMI Gateway (26), O.M. SCADA, Novato (2) & CIMIS Station                | 638.24                     |
| 68                         | Walera, Ed         | Refund Excess Advance for Const Over Actual Job Cost (1735 Center Road) | 360.89                     |
| 69                         | Weber, Henry       | Refund Overpayment on Closed Account                                    | 54.42                      |
| 70                         | Wilson, Roena      | Retiree Exp Reimb (2018 Health Ins)                                     | 321.00                     |
| <b>TOTAL DISBURSEMENTS</b> |                    |   | <b><u>\$117,755.29</u></b> |

The foregoing payroll and accounts payable vouchers totaling \$117,755.29 are hereby approved and authorized for payment.



Auditor-Controller

1/16/18

Date



General Manager

1/16/18

Date

## MEMORANDUM

To: Board of Directors  
From: Nancy Williamson, Senior Accountant *NW*  
Subj: Information – FY18 2nd Quarter Labor Cost Report  
t:\acl\word\memo\18\2nd qtr labor cost rpt.doc

February 2, 2018

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** None

Total labor cost increased \$35,380 (0.9%) from the prior fiscal year. Attached in graphical format is a five-year comparative summary of total labor cost (Attachment A), overtime cost (Attachment B) and temporary employee cost (Attachment C) expended during the first 6 months of each fiscal year. Also attached is a summary of total labor cost vs. budget (Attachment D), which shows that labor cost came in 6.2% under budget for the fiscal year.

| Department              | Increase / (Decrease) in Labor Cost vs prior FY | % Change |
|-------------------------|---|----------|
| Administration          | \$395   | 0.0%     |
| Engineering             | \$16,086  | 2.5%     |
| Operations/Maint        | ( \$12,599)                                     | (0.9%)   |
| Construction/Maint      | \$31,498  | 4.4%     |
| Net Increase/(Decrease) | \$35,380  | 0.9%     |

### Comment on Change from Prior Year

**Administration:** Labor Cost increased \$395, or 0.0%. General Manager Drew McIntyre was employed at a lower salary than his predecessor on May 3, 2017, and a FSR, who had been out on medical leave since January, exhausted his Paid Leave Bank and went unpaid from September 12, 2017 until his return to work on October 20, 2017. The decrease was offset by an overlap in the Accounting/HR Supervisor position due to a retirement on November 30, 2017 and Luisa Fonseca being hired for that position on October 10, 2017. There were also 5 step/spot adjustment increases, and the 2.7% labor cost increase effective October 1 of 2017.

**Engineering:** Labor Cost increased \$16,086, or 2.5%. The increase is primarily due to overlapping salaries arising from the addition of Susan Dove on August 16, 2017 to the Engineering Tech IV position to replace an employee who retired on September 30, 2017, 1 spot adjustment, more Water Conservation temporary hours worked and the aforesaid 2.7% labor cost increase.

**Operations/Maintenance:** Labor Cost decreased \$12,599, or 0.9%. The decrease was primarily due the resignation of a Senior TP Operator on October 6, 2017, the resignation of an Assistant Distribution/TP Operator on December 8, 2017 and to an employee's unpaid family leave from September 11, 2017 through September 30, 2017. This was offset by the promotion of Roy Foster to Distribution/TP Operator on December 1, 2017, the addition of Silas Miranda as an Assistant Distribution/TP Operator on December 4, 2017, the addition of Collin Davenport (October



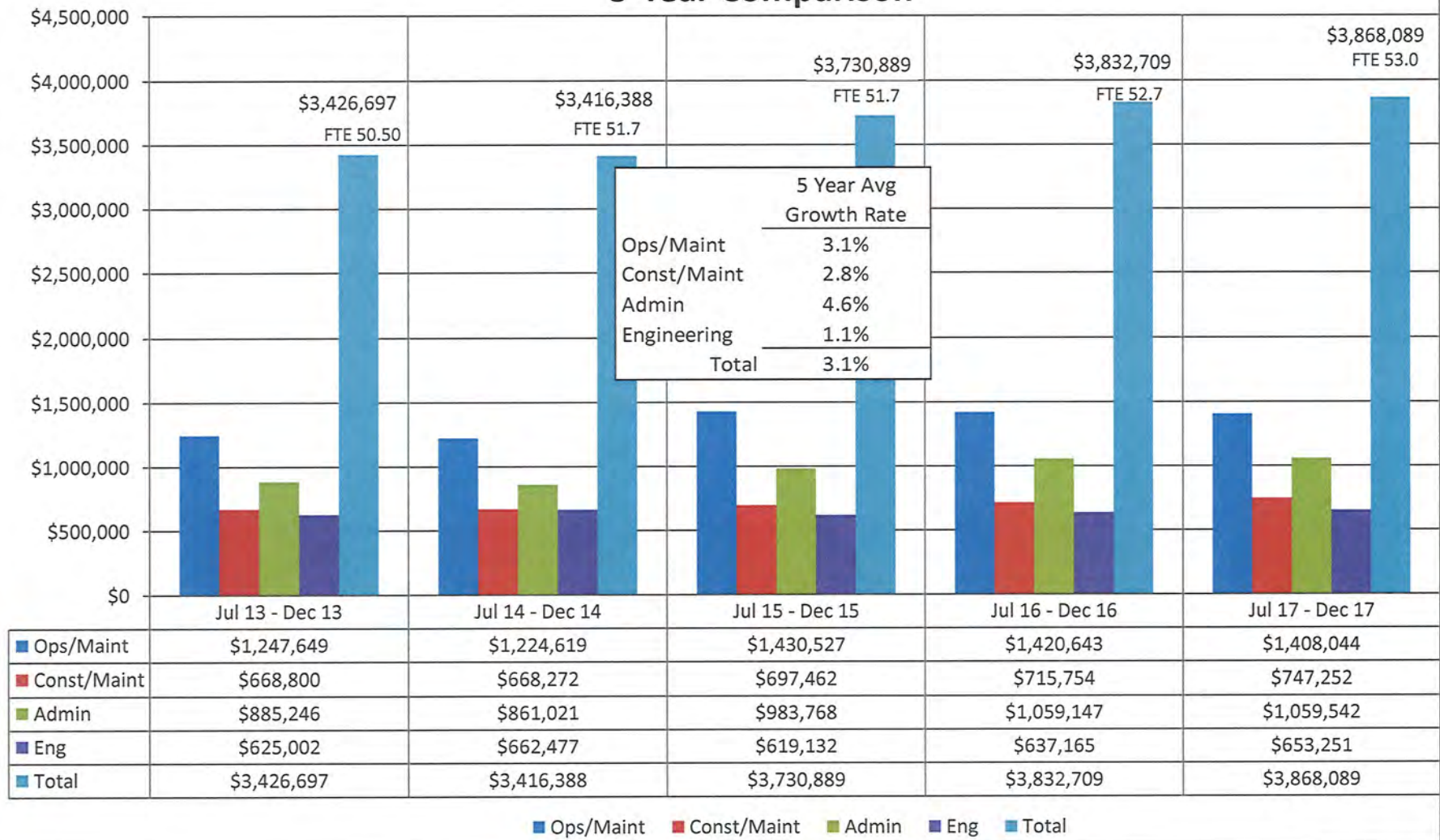
16, 2017) and James Lemos (November 16, 2017) from the Construction department to Apprentice E/M Techs, to 14 step/spot adjustment increases, and the 2.7% labor cost increase.

**Construction/Maintenance:** Labor Cost increased \$31,498, or 4.4%. The increase was due to more temporary hours worked and to 7 step-increases and the 2.7% labor cost increase.

1/25/18

t:\finance\hrs\pt\fy18 2nd qtr labor cost report\all hrs \$ chart.xls

## Total Labor Cost NMWD Fiscal Year through December 5-Year Comparison



1/25/18

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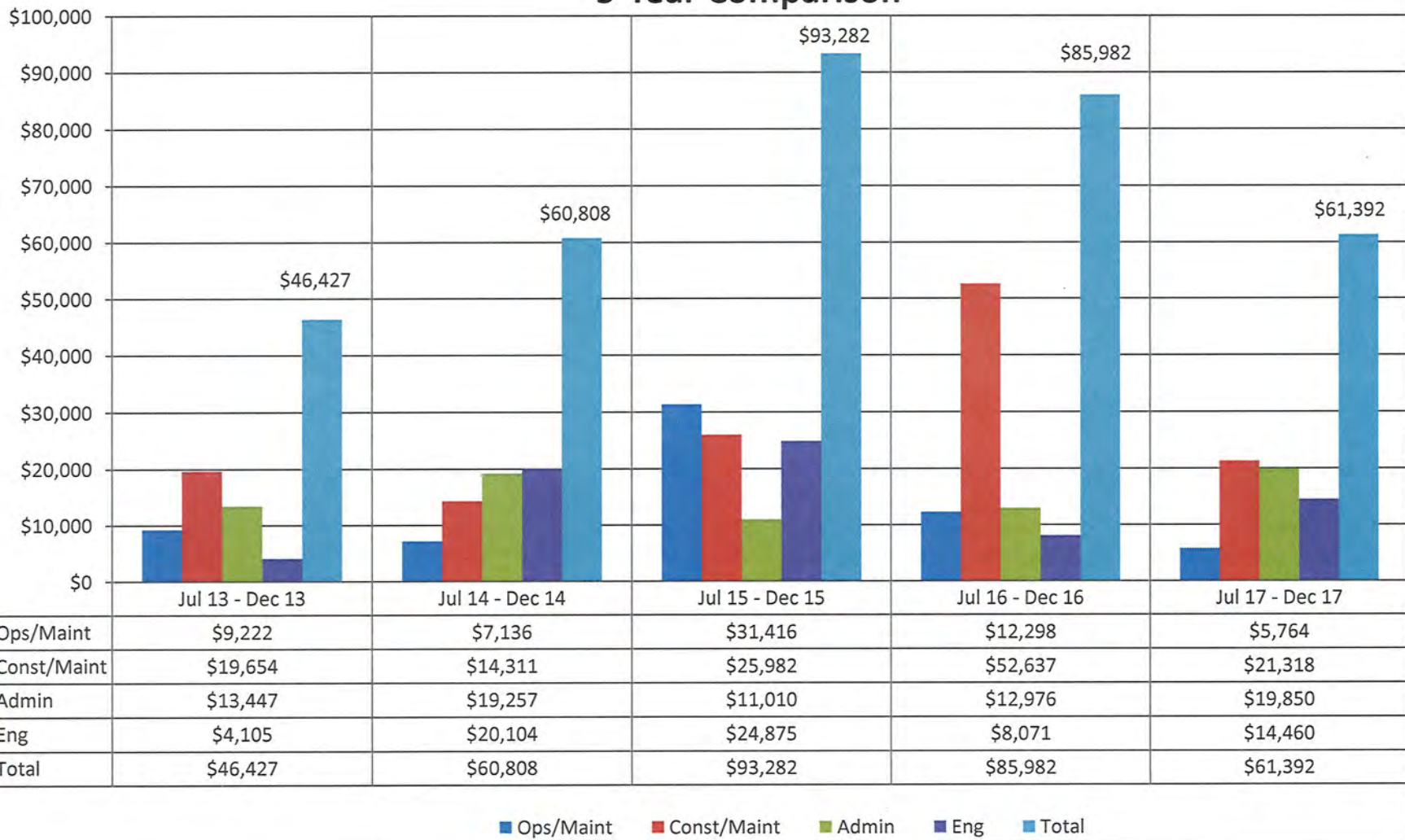
## Overtime Cost NMWD Fiscal Year through December 5-Year Comparison



1/25/18

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## Temporary Employee Cost NMWD Fiscal Year through December 5-Year Comparison

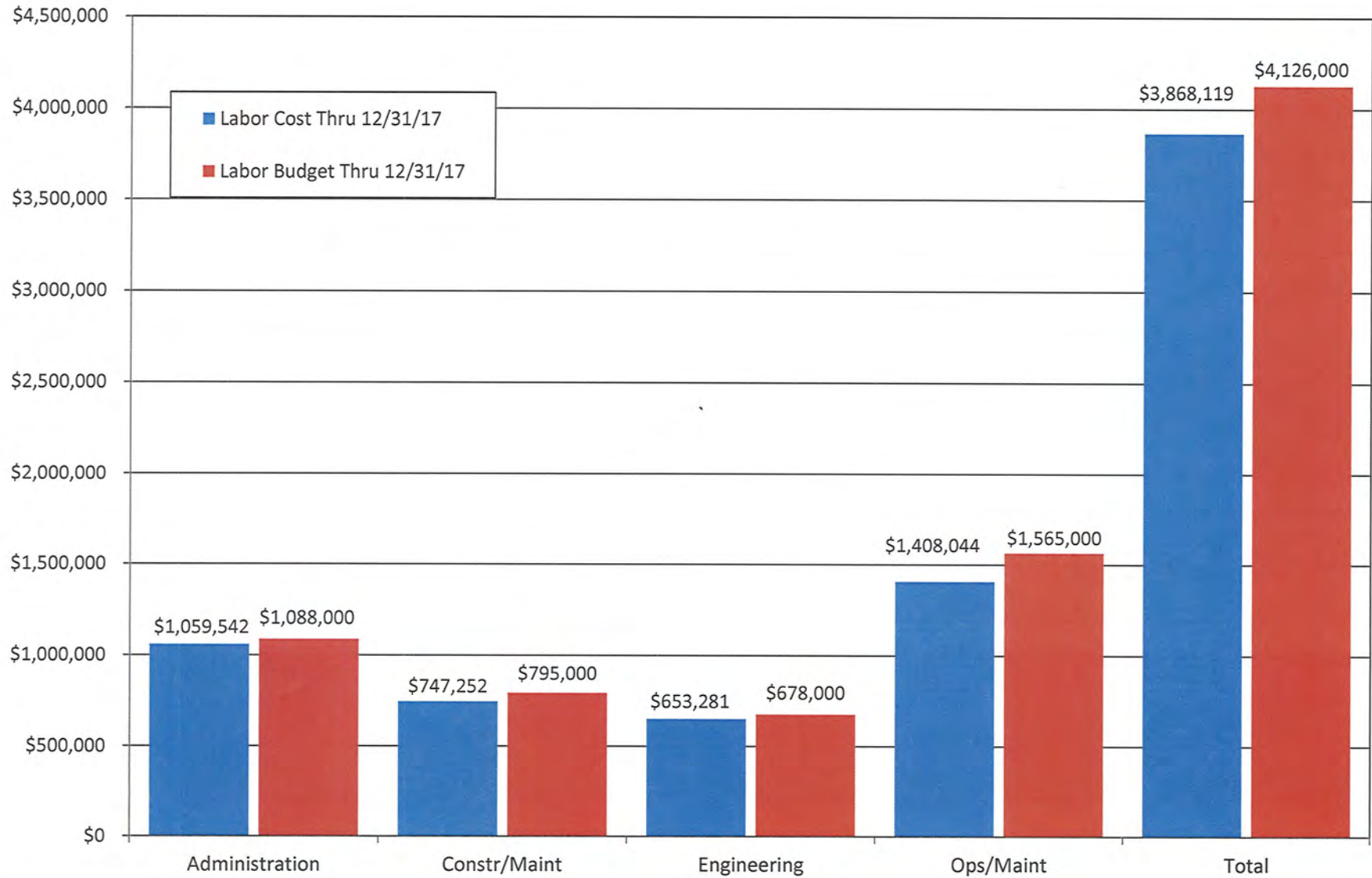




1/25/18

t:\finance\hrspt\labor cost compared to budget fy18\salary chart.xls

## Total Labor Cost vs. Budget NMWD Fiscal Year through December



## MEMORANDUM

To: Board of Directors  
From: Nancy Williamson – Sr. Accountant   
Subj: Reimbursement Program 2017  
t:\finance\reimb program\reimbmemo2017.doc

February 2, 2018

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** \$7,630 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 four participants in the Novato Reimbursement Program in 2017 representing \$206,265 in original reimbursement entitlements. We collected \$7,630 in Reimbursement Fund Charges during calendar year 2017 (versus \$2,940 in 2016) and that total was applied against the remaining reimbursement obligation of \$186,160, leaving a zero balance in the Reimbursement Fund Account. After this year's payment there remains an entitlement balance of \$41,953 in Novato due to 2 of the entitlements with a total remaining balance of \$136,577 expiring after being in the program for 10 years.

There were no participants in the Reimbursement Program for West Marin in 2017. The District collected \$9,150 in West Marin Reimbursement Fund Charges during calendar year 2017. That balance will be carried over to next year's Reimbursement Program.

## 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 case basis.



# Diverted River Sustains California Wine Country, but It's Killing Salmon

Utility PG&E's Potter Valley Project includes two dams on the Eel River that are up for relicensing. Water diversions into the Russian River for power generation are in jeopardy as salmon and steelhead remain at risk of extinction.

WRITTEN BY  
Matt Weiser

PUBLISHED ON  
□ Jan. 29, 2018



The 130ft-tall Scott Dam on the Eel River, which stores water for year-round power production and irrigation. Photo Courtesy Potter Valley Irrigation District

**FEW PEOPLE OUTSIDE** Northern California have heard of the Eel River. But if you're a wine lover, there's a good chance you've enjoyed its water in the form of a golden chardonnay or a rich red merlot.

The Eel River was once home to one of the largest salmon populations on the West Coast. But for nearly a century, a large share of its flow has been diverted for hydroelectric power and irrigation, helping build Northern California into a world powerhouse of winemaking. Much of the wine

produced in Mendocino and Sonoma counties would not exist without that diverted Eel River water.

So it should come as no surprise that the prospect of ending those water diversions is stirring concern across the region.

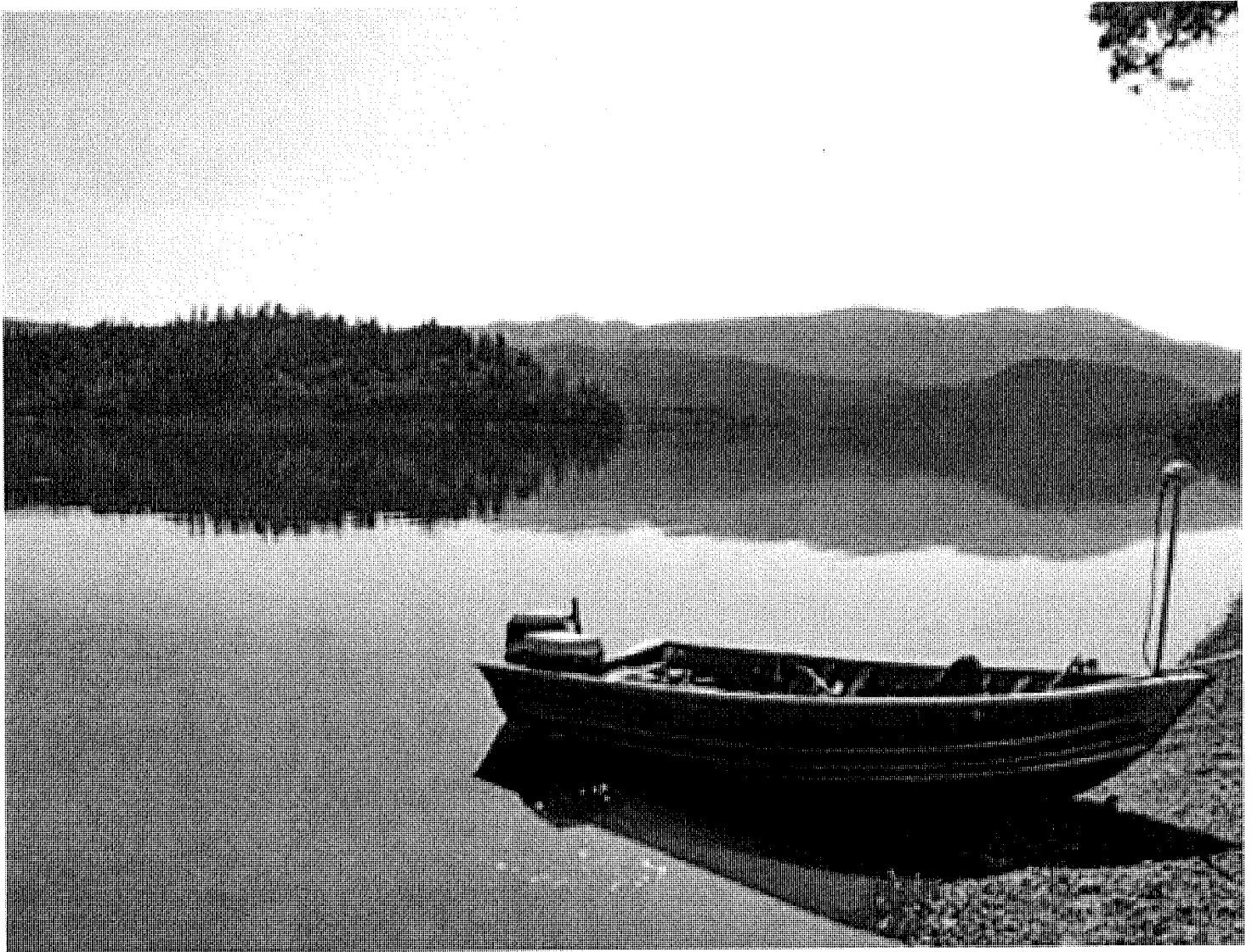
The water diversions are part of the Potter Valley Project, a 9.2-megawatt hydroelectric facility owned by utility Pacific Gas & Electric Co. (PG&E). It includes two dams on the Eel River and a hydroelectric powerhouse in the headwaters of the Russian River.

In a quirk of geography, the two rivers flow past each other only about a mile apart, separated by a ridge. A mile-long tunnel built through the ridge in 1908 diverts Eel River water into the Russian River, which then flows south into Mendocino and Sonoma counties. The Eel turns north and flows through Humboldt County.

The powerhouse was originally built to provide electricity for the town of Ukiah. For about 80 years, it's been part of PG&E's vast Northern California energy portfolio.

The Potter Valley Project is up for relicensing with the Federal Energy Regulatory Commission (FERC), a once-in-50-years process that is prompting a hard look at whether the dams still make sense.

A key issue is fish passage. Like so many hydroelectric facilities of its era, the Potter Valley Project was built with no regard for migratory fish. Scott Dam, the largest of the two dams, is a 130ft-high concrete monolith with no fish ladders to allow fish to get around the structure. It was built on the Eel River in 1922, forming Lake Pillsbury about 12 miles upstream from the diversion tunnel.



Lake Pillsbury, the reservoir created by Scott Dam. It's an important recreational asset in Lake County, which opposes dam removal. (Photo Courtesy Lake County)

Scott Dam has cut off salmon and steelhead from more than 280 miles of habitat for nearly a century. Logging, erosion and other land disturbances, such as vineyard development, have contributed to habitat loss for the fish as well.

The Eel River once spawned as many as 1 million salmon annually, making it the third-largest producer among California rivers, after the Sacramento and Klamath, said Scott Greacen, executive director of Friends of the Eel River. Today, salmon returning to spawn in the Eel number fewer than 1,000 fish.

Greacen's group is campaigning to remove the Eel River dams. A key reason is that most of the habitat upstream of Scott Dam is on U.S. Forest Service land and remains

relatively undisturbed. It still offers cool water temperatures that could serve as a refuge for salmon and steelhead as downstream temperatures warm amid climate change.

“One of the things we really, really treasure about the Eel is that our fish seem to be wild fish,” said Greacen. “There’s a real possibility of recovering them as wild fish and not depending on hatcheries. It could be the Eel is a fairly significant chunk of the wild fish left on the West Coast.”

The prospect of losing the dams is terrifying to farmers who depend on the Russian River. The diverted water has created a thriving agricultural economy. The Eel River, in reality, is the lifeblood for hundreds of wineries, artisanal fruit and vegetable growers, and livestock producers along the upper reaches of the Russian River.

In much of this region, the Russian would go dry in summer and fall without Eel River water. This is particularly true in Potter Valley itself, the farming region closest to the powerhouse, which has no viable groundwater available.

“The Potter Valley Project provides the only source of water we have,” said Janet Pauli, a board member of the Potter Valley Irrigation District. Pauli’s farm, a sixth-generation family operation, grows wine grapes, pears, hay and cattle – all thanks to diverted Eel River water.

“It changed the economy, it changed the crops we grow and the livestock we raise. It has been a boon,” Pauli said. “We are completely dependent on this water supply for our quality of life and for our economy. It is critically important.”

PG&E last year filed a formal notice with FERC that it intends to proceed with relicensing, a complicated process that takes at least five years. This triggered initial comments from other federal agencies that have a regulatory role.

One is the National Marine Fisheries Service, which hinted it may require PG&E to build some type of fish passage at Scott Dam. Similar requirements have been imposed on many dams up for relicensing over the past decade.

Fish passage could take many forms – from a basic concrete fish ladder to a new-fangled “salmon cannon,” which sucks fish through a tube and shoots them back out. Another option is a trap-and-haul program, in which fish are collected in tanker trucks and driven around the dam. All are expensive, raising the possibility that PG&E may not want to continue operating the dams.

Rep. Jared Huffman, D-San Rafael, recently convened regular meetings with the players to discuss the future of the Eel River dams. In a recent video posted by the group CalTrout, Huffman said PG&E has “indicated they no longer want to operate that as a hydroelectric project going forward.”

PG&E officials would not confirm that position. But David Moller, PG&E’s director of portfolio strategies in power generation, said decommissioning the dams is one of many options on the table. He emphasized the relicensing process is at a very early stage, and no decision has been made.

“We always are continually evaluating our power generation facilities as to their economics, how they fit in with our forecasted future power demands,” said Moller. “Certainly, potentially not continuing on with the project would be an option. But it’s certainly not the exclusive option.”

The economics of the Potter Valley Project are not what they once were. In 2007, PG&E was required by the National Marine Fisheries Service to divert less water through the tunnel and powerhouse to leave more water in the Eel River for migratory fish. This reduced power generation by around 50 percent.

It also slashed diversions to the Russian River from 160,000 acre-feet per year to around 77,000.

“That was a huge, huge change in the project,” Moller said. “It significantly reduced the power generation.”

This could shift the economics of the issue. Friends of the Eel River recently hired a consultant who found that just 5 acres

of solar panels could generate more electricity than the Potter Valley Project now produces.



The original sluice serving the Potter Valley powerhouse, shown here, was built of redwood and completed in 1908. (Photo Courtesy Potter Valley Irrigation District)

So it could work out that the water diverted for Russian River agriculture is the primary economic benefit of the Potter Valley Project. One solution, therefore, is to find a way to continue those diversions while also removing the dams.

An option is to raise Coyote Valley Dam to increase the capacity of Lake Mendocino, a 122,000 acre-foot reservoir on the Russian River about 5 miles downstream from Potter Valley, at the intersections of Highways 101 and 20. Owned by the United States Army Corps of Engineers, it was originally designed with a 36ft rise in mind. This would

increase the water storage by about 75,000 acre-feet – roughly equaling today's diversions from the Eel River.

The Potter Valley tunnel could remain in operation to divert excess winter flows into the Russian River, helping to fill that additional capacity at Lake Mendocino.

All that could satisfy demand downstream of Lake Mendocino, which includes the vast majority of the Russian River's agricultural water users. But it would leave Potter Valley – the original beneficiaries of Eel River diversions – high and dry in the summer.

The Potter Valley Irrigation District has studied the idea of building its own new reservoir somewhere in the surrounding watershed, Pauli said. Several possibilities were investigated, but none was big enough to make economic sense.

Still, Pauli is optimistic that some compromise can be reached to protect both the water supply and the fisheries.

With a PhD in zoology, Pauli also has a deep concern for the salmon, steelhead and other wildlife in the two rivers. She notes, for instance, that the Russian River is home to western pond turtles and foothill yellow-legged frogs. Both are endangered species that depend, to some degree, on the same Eel River water diversions that built Potter Valley's farm economy.

"We will have to be very, very wise about how we protect this shared resource," Pauli said. "We're on a ride, and nobody knows exactly what the destination is."

# Marin January wetter, but behind average; no rain in sight



Mud on the edge of Stafford Lake is exposed as the lake level drops in Novato on Tuesday. Alan Dep — Marin Independent Journal

By **Mark Prado**, *Marin Independent Journal*

POSTED: 01/30/18, 6:06 PM PST | UPDATED: 7 HRS AGO0 COMMENTS

January was a better rain month for Marin than December, but totals are still lagging behind averages and the National Weather Service sees no storms in the offing.

“Unfortunately, it’s looking high and dry with no real chances for precipitation in the first part of the month,” said Scott Rowe, meteorologist with the weather service. “There is a high-pressure ridge sitting off the Pacific that is sending storm tracks to the north.”

ADVERTISING



As of the last day of the month, 11.31 inches had fallen during January at Lake Lagunitas. That's where the Marin Municipal Water District measures rainfall.

Marin was virtually dry in December, with only 0.32 of an inch of rain. That was Marin's third-driest December since the water district records began in 1880. Only December 1989, which had no rain, and December 2011, which saw 0.24 inches, were drier.

"What we are seeing now looks like December," Rowe said of current dry conditions, which are expected to last through at least Feb 7.

While the January rainfall was welcomed, the county is still well below averages.

But water managers are not worried — yet.

"We are doing OK with rainfall so far this year," said Emma Detwiler, water district spokeswoman, noting 19.60 inches have fallen since July 1. "This is below our average of 29.50 inches, but we are not in any kind of drought watch or water use restriction territory. Compared to last year's 55.90 inches, it feels like a dry year. Thanks to last year's heavy rains, our reservoirs are still in good shape."

The agency's seven reservoirs are 76 percent full; the average for this date is 83 percent.

"We always encourage our customers to make water conservation a way of life," Detwiler said. "As we've seen this year, rainfall is variable. MMWD has a two-year supply of water, and the less we use, the better equipped we are to manage drier years."

Those reservoirs were filled during the record-setting storms last February and March that ended California's historic five-year drought. With all that water stored, and groundwater tables boosted back in some areas, the chances of water shortages next summer are low, water officials said.

But is Marin and the state heading into another period of drought?

"It's a little too early to talk about drought," Rowe said.

That said, California is planning on doling out smaller amounts of water to cities and farms after a dry start to the winter.

The Department of Water Resources said Monday it expects to provide customers of the State Water Project with just 20 percent of their requested amounts.

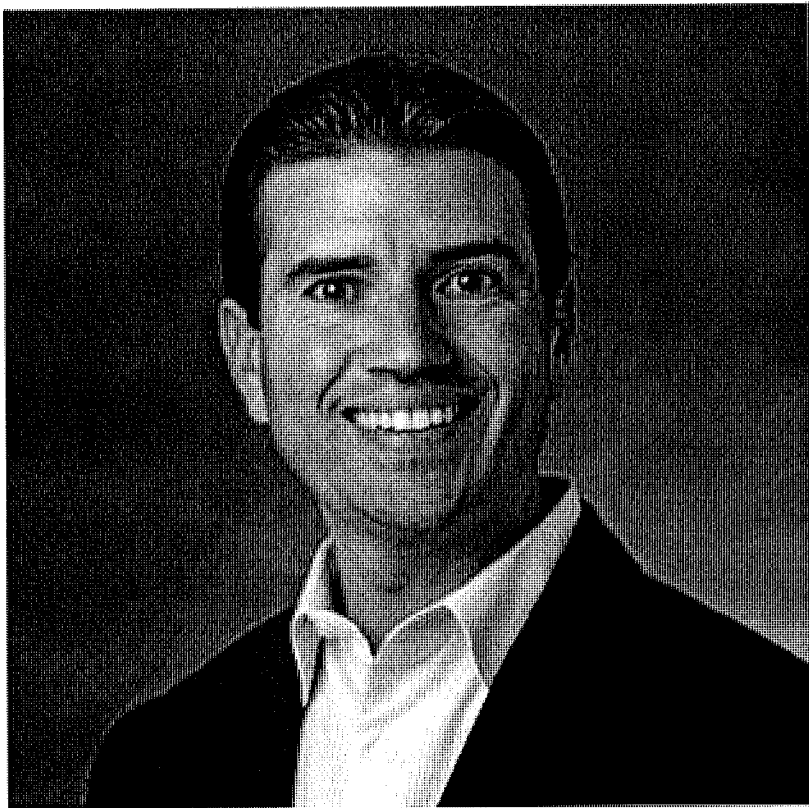
California has had a disappointing winter, with just a quarter of the normal snowpack in the Sierra Nevada by earlier this month.

The State Water Project provides drinking water to more than half of California's nearly 40 million people, as well as to farms. Allocations from the water system dropped as low as 5 percent in 2014, at the peak of California's five-year drought.

Water officials say this year's allocation could go up if more rain and snow falls.

*The Associated Press contributed to this report.*

# Editorial: Clear process needed to determine conflicts



Eric Lucan, Novato City Council candidate. (Robert Tong/Marin Independent Journal) 2015

POSTED: 01/21/18, 1:54 PM PST | 3 COMMENTS

Novato Councilman Eric Lucan has raised a valid point about the length of time it takes the state Fair Political Practices Commission to rule on a complaint.

The FPPC, the state's political watchdog agency, recently investigated complaints lodged by two Novato residents that because Lucan owns residential property so close to the under-construction downtown Novato train stop he should recuse himself from the City Council's hearings, debates and votes on approving the stop.

ADVERTISING

The complaints said that Lucan should have recused himself from the January 2016 council deliberations and vote on city approval of the downtown stop. They argued that the train stop could potentially enhance the value of his property.

Lucan had been a deciding vote in the council's 3-2 decision in support of moving forward with a downtown stop. He's also Novato's representative on the Sonoma-Marín Area Rail Transit District board.

The FPPC's investigation, which took 15 months to complete, left Lucan sidelined from being involved in the city's decisionmaking process.

Eventually, the state agency issued what staff called a "no action" letter regarding the complaints. Lucan says he would rather have the FPPC state, in writing, that allegations were wrong.

But his big beef with the FPPC was that it took 15 months for the agency to rule on the complaints and that the agency's process sets the stage for complaints to be filed and decisionmakers left in a legal limbo for months, awaiting a ruling.

The FPPC should be concerned when its powers and deliberations can be used to game the decisionmaking process.

In Lucan's case, without his participation, the council's deliberations over the SMART stop involved only four council members and was left mired in a 2-2 division.

Lucan urged the FPPC to return to its old rule that established a distance standard — 500 feet — in determining whether a decisionmaker had a conflict because they could possibly benefit or be harmed economically from their vote.

His letter led several commissioners to suggest that the agency should take a fresh look at its 2015 regulation to base its rulings on a broader look, not just by a yardstick.

The 500-foot rule wasn't perfect, either. It was arbitrary, but it was a legal measurement that was clear to decisionmakers, citizens and the agency.

Even if property was farther away than 500 feet, it should be up to the decisionmaker to make a judgment call whether he or she has a financial interest in the decision. Voters can make up their own minds and will express those opinions at meetings and at the next election.

In Lucan's case, the duplex he owns at Machin Avenue is actually 800 feet away from the train stop's property line. Some might say it's a convenient walk to the train stop and could be a plus for the property's value. Others can make the case that the noise from the train might drive potential tenants away.

The FPPC's investigation took a lot of time, agency staff said, because it opened the door to not only the proximity of the SMART stop to Lucan's duplex, but to the ramifications of future zoning and planning decisions.

The distance rule was much easier and quicker to determine. It certainly didn't take 15 months — a length of time that was unfair to Lucan and to Novato residents who are better served to have a full compliment of the council making important decisions.

Lucan's other beef is that the FPPC ruling was issued after the council's deliberations, not before. The state agency felt no obligation to expedite its investigation and decision as a result of its timely importance to Novato.

The FPPC plays an important role in upholding the public's trust in the state and the political decisionmaking process.

Lucan was right to remain on the sidelines awaiting clearance from the FPPC. That the matter took 15 months raises serious questions about the fairness of the process, questions that the commission should address.

# Water contamination plagues surviving homes in Santa Rosa's Fountaingrove neighborhood

KEVIN MCCALLUM

THE PRESS DEMOCRAT | January 26, 2018, 7:59PM

Santa Rosa officials are scrambling to figure out why the drinking water in a wildfire-ravaged section of Fountaingrove is contaminated with a chemical commonly found in plastics and gasoline.

A team of local water quality officials, regulators and experts has been working for 2½ months to understand how the volatile hydrocarbon benzene is getting into the water system and how to fix the problem.

They suspect the heat of the Tubbs fire, which incinerated 1,400 homes in the area, may have damaged parts of the water delivery system, such as plastic water pipes or meters, and caused the dangerous carcinogen to leach into the neighborhood's water supply.

But despite hundreds of water tests, detailed mapping of the results and targeted equipment replacement, the problem still persists, leaving officials confounded and a \$20 million replacement of the water system a real possibility.

"This is the top priority of the water department and we are putting every resource on this and we are committed to resolving it," Ben Horenstein, director of Santa Rosa Water, said this week.

It's the third fire-related infrastructure crisis to hit the upscale neighborhood since the Tubbs fire laid waste to 3,000 homes in the city, about half of them in the exclusive enclave of hillside homes in the northeast corner of the city.

The first came immediately after the fire when low water pressure in the area made officials worry that contamination might seep into the system. That resulted in warnings to residents in Fountaingrove and Oakmont to boil their water until the problem was fixed. No contamination was discovered at that point and the warning was lifted a week later.

Then in early November, the city realized that many of its plastic storm drains had melted during the fire, burning holes in the pipes and causing sinkholes to open up in several places following rainy weather. Those damaged pipes have all been repaired.


Both of those issues received significant media attention at the time.

But less publicized was an advisory that went out Nov. 10 alerting residents of 13 homes of "slightly elevated levels of contaminants" in "two isolated areas" of Fountaingrove. The advisory did not name the contaminants or describe the area further.







# Fountaingrove Do Not Drink and Do Not Boil Advisory Area

## Legend

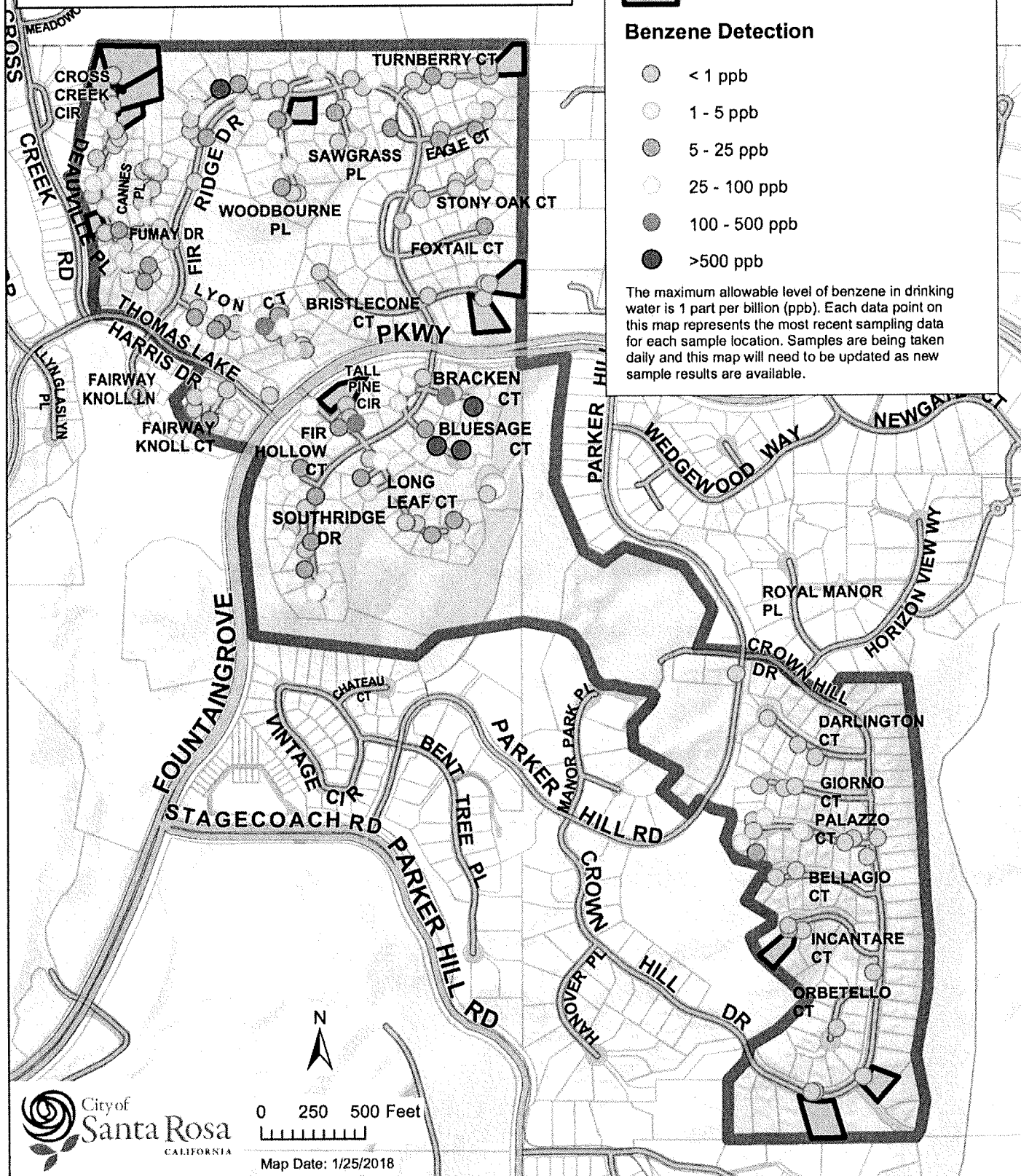
 Do Not Drink / Do Not Boil Advisory Area

 Existing home

## Benzene Detection

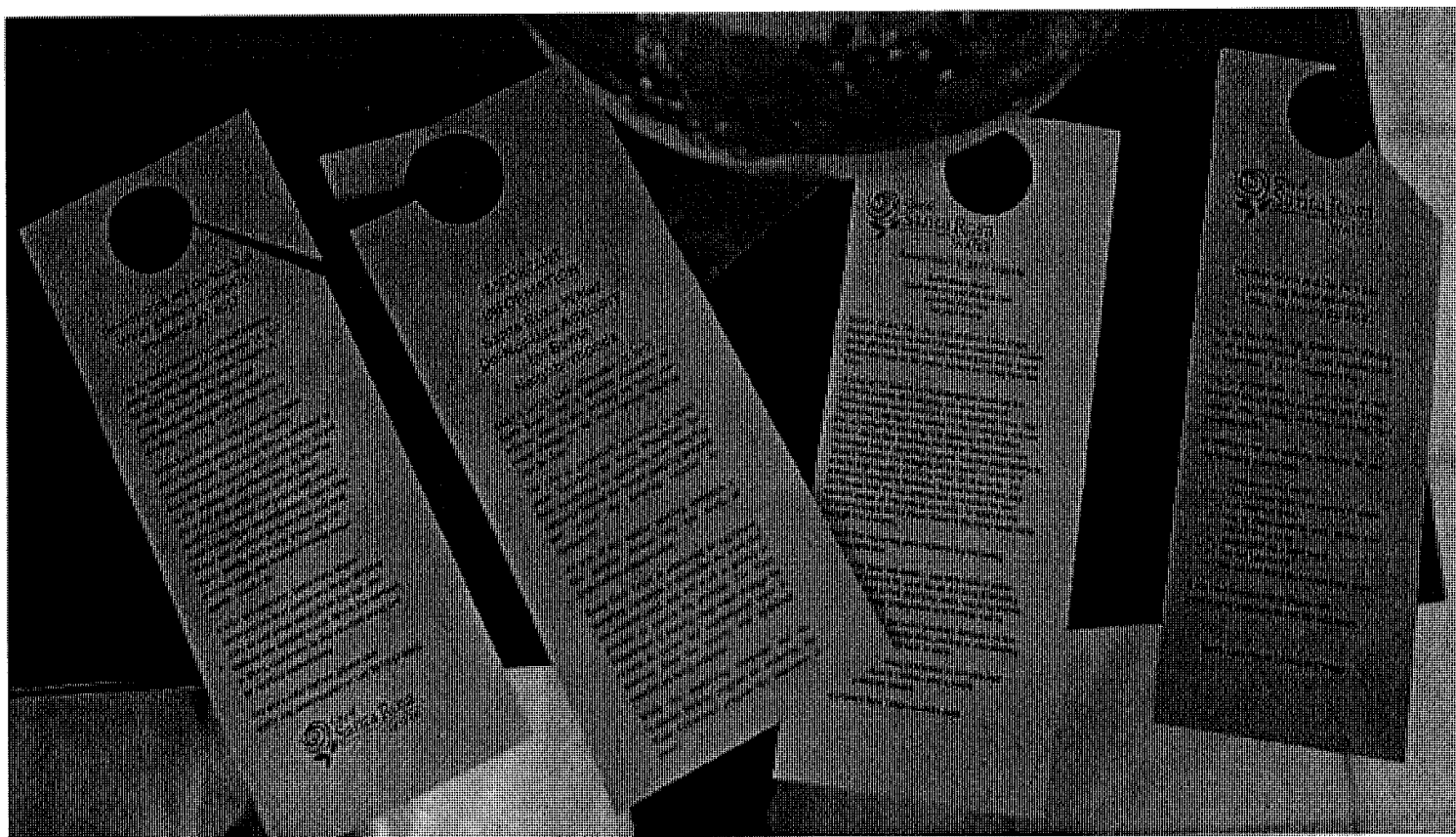
-  < 1 ppb
-  1 - 5 ppb
-  5 - 25 ppb
-  25 - 100 ppb
-  100 - 500 ppb
-  >500 ppb

The maximum allowable level of benzene in drinking water is 1 part per billion (ppb). Each data point on this map represents the most recent sampling data for each sample location. Samples are being taken daily and this map will need to be updated as new sample results are available.



*A map prepared by the City of Santa Rosa shows tests results for benzene in an area of Fountaingrove where residents are instructed to refrain from drinking or boiling water. (CITY OF SANTA ROSA)*

The city advised residents of the area not to drink the water until further notice, including for brushing teeth and cooking, and, unlike the boil notice issued in October, not to boil the water or try to treat it in any way. Residents of the homes were directly notified in person or with door-hangers.



*Several notices about the condition of drinking water have been given out in areas of Fountaingrove, Wednesday Jan. 24, 2018 where homes survived the October firestorm. The contaminant benzene has been found in the drinking water. (Kent Porter / Press Democrat) 2018*

The city was alerted to the problem after a resident returned to their home and on Nov. 8 reported an unusual odor, said Jennifer Burke, the city's deputy director of water and engineering resources.

Tests confirmed the contamination and the advisory was issued for 184 acres on both sides of Fountaingrove Parkway, including approximately 350 homesites, mostly off Fir Ridge Drive, South Ridge Drive and parts of Crown Hill Drive.

The city immediately began providing bottled water to all 13 homes, about 10 of which are presently occupied, and continues to do so.

Andrea Cromphout and her family have been back in their home on East Bristlecone Court since around Thanksgiving. It has been a challenge for her to cook the family's meals, and her husband, a home brewer, to create his cask-aged ales using the bottled water, but they're not complaining.

"Our neighbors lost their homes," Cromphout said. "We have no reason to whine whatsoever."

To help, the city initially gave the family of four an orange water jug, which they keep on the counter in their kitchen. Water department workers have been showing up about twice a week, either in the blue “Hydration Station” truck used at special events, or a larger tanker truck, to fill up the jug and other water containers.

More recently, however, the city has paid for a water service to install and replenish as necessary an Alhambra water dispenser. While she’s grateful to have a home at all, Cromphout said she’s nevertheless concerned about how long the problem is taking to sort out.

“It’s an unseen disaster,” Cromphout said. “It’s going to take a long time and a lot of money to fix this problem.”

*Jan Verspecht's Fountaingrove home survived the October firestorm, but a new problem has arisen after tests found benzene in the drinking water. On Friday Jan. 26, 2018 Santa Rosa city worker Marcial Gonzalez trucked in potable water to fill containers for the family to use in cooking and drinking. (Kent Porter / Press Democrat) 2018*

After two months of abiding by the prohibition on drinking the water, the family learned this week that they’re now not supposed to take baths or hot showers in it. It’s a bitter pill to swallow because they just got their Pacific Gas & Electric service restored on Dec. 15, she said.

Before that they spent three weeks huddled around space heaters and showering at a neighbor’s house, the only other home standing in their immediate neighborhood. Now the city tells them only to take short, lukewarm showers, and ventilate the area immediately afterward. No baths or hot tub use is recommended.

“For me that’s horrible,” Cromphout said of not being able to take a hot bath, “especially in this kind of weather.”

*Jan Verspecht's Fountaingrove home survived the October firestorm, but a new problem has arisen after tests found benzene in the drinking water. On Friday Jan. 26, 2018, Verspecht filled his home brewing containers with potable water supplied by the City of Santa Rosa. (Kent Porter / Press Democrat) 2018*

Recent test results are the reason for the new restrictions. While initial tests showed “slightly elevated” levels of benzene contamination, the city has been finding far higher contamination levels in isolated locations as it expanded its testing efforts.

California water regulations limit the amount of benzene in drinking water to 1 part per billion. But some of the more recent test results in the area have returned with levels as high as 918 parts per billion.

Since Dec. 12, there have been 87 test results in the area that confirmed the presence of benzene at levels higher than 1 part per billion, which is the maximum containment level (or MLC) for benzene in drinking water in the state.

There were four results over 500 parts per billion, three between 100 and 500, 13 between 25 and 100, 28 between 5 and 25, and 39 between 1 and 5, and dozens more that detected levels below 1 or nothing at all.

The city did not provide the dates of the tests, but said the highest four test results had come in recent weeks, triggering the additional precautions against bathing and hot water.

Three of the four highest readings came from water service lines to lots very close to one another off Southridge Drive. One was on Braken Court and two were on Bluesage Court.

*Mark Shipman, a principal laboratory analyst for the City of Santa Rosa, looks over data of Fountaingrove water samples, Thursday Jan. 25, 2018, as part of a five step process evaluates and identifies the amount of chemicals in drinking water. (Kent Porter / Press Democrat) 2018*

The city did not provide the exact addresses of its test locations, but Bluesage only has a half-dozen or so homes. One used to be owned by Santa Rosa school board member Bill Carle.

"It certainly gives you cause for concern," Carle said of the contamination.

If the water system is compromised, it makes Carle wonder what else is wrong with the lots. If burned system components really are to blame, why aren't other parts of the city that were equally devastated having the same issues, he asks.

"It doesn't make any sense," he said.

Carle, an attorney, said he wonders whether different materials were used in the construction of the infrastructure of Coffey Park, Wikiup and Fountaingrove. He urged the city to be completely transparent about the problem going forward.

"I think all of us want to be tracking this, and if we feel some level of concern, we'd potentially want to bring our own experts," Carle said.

Real estate agent Tammra Borrall is listing a burned property on West Bristlecone Court for \$299,000. She said she had not been told by the property owner about any issues with the water quality, which would be something that would have to be disclosed to future buyers. She said her client said she was unaware of the issue.

Burke said the city has been focused on the health of the people living in the homes, and hasn't sent letters to owners of destroyed properties, though she said some of the information is on the recovery website.

City officials say they are confident the contamination is limited to the 184 acres in Fountaingrove.

*Andrea Cromphout unwraps water filters for their exterior spigots, Wednesday Jan. 14, 2018 at her Fountaingrove home in Santa Rosa. Benzene has been found in their's and other Fountaingrove neighborhoods, facilitating the City of Santa Rosa to deliver potable water for residents who's homes survived the October firestorm. (Kent Porter / Press Democrat) 2018*

Hundreds of samples from the area immediately surrounding the advisory areas and other parts of the city, such as Coffey Park, have found no issues. A single slightly elevated result was found east of the advisory area but did not return after that section of the system was flushed out, Burke said.

To ensure this remains the case, the city has isolated the contaminated area with a series of valves that allow water to flow in but not flow back out, Horenstein said. Water pressure in the area, which is about 600 hundred feet above the valley floor, is currently strong, but has had issues in the past.



The water actually going to the homes left standing contains levels below 1 part per billion, and that has been the case since the crisis began, with a single exception that was resolved with a component replacement, she said.

Lower contamination at homes left standing makes some sense, Horenstein said.

Existing homes, and likely the immediate area and ground around them, would have been exposed to lower heat levels than those that burned, lending support to the idea that the heat from the fire is at fault, he said.

The problem is that test results don't fully support the theory that burned components are solely to blame for the contamination, Horenstein said.

"The data is really still too uncertain and confusing to make those conclusions," he said.

That's because in some cases, the city has isolated an individual court, removed all the meters and replaced plastic service lines, flushed the system with fresh water, waited a while, retested, and found that benzene levels eventually crept back up again after an initial drop.

That would suggest something else is at play, he said.

Benzene is an organic compound that is formed from both human activities, such as gasoline production, and natural processes, such as forest fires.

It could be that the water mains, which are typically made of high-strength cement, or the service laterals, which are usually made of a high-density polyethylene, have somehow absorbed the benzene and are releasing it back into the water, he said.

It could also be that there are underground storage tanks in proximity to the compromised lines, Horenstein said, though he acknowledged that this seems less likely given the number of different hot spots identified by the tests. This area of Fountaingrove was largely pristine hillside until it was developed as homes in the 1980s and 1990s.

It's also possible that the low water pressure the area experienced during and immediately after the fire drew in contaminants, but nothing is conclusive.

"We know the cause of the contamination is the fire, but exactly how is what we're trying to figure out," Burke said.

*Jan Verspecht's Fountaingrove home survived the October firestorm, but a new problem has arisen after tests found benzene in the drinking water. On Friday Jan. 26, 2018, Verspecht filled containers with potable water supplied by the City of Santa Rosa. (Kent Porter / Press Democrat) 2018*

The longer the problem persists and the longer the investigation fails to conclusively pinpoint a cause, the more likely it is that a full replacement of the water system in the area will be needed, Horenstein said.

"At this point, it seems possible if not likely that we may have to do a wholesale replacement of the majority of the infrastructure in that area," he said.

# New Novato fire Chief Bill Tyler takes the reins



Novato Fire District Chief Bill Tyler. (Provided by Bill Tyler)

*By Stephanie Weldy, Marin Independent Journal*

POSTED: 01/26/18, 5:16 PM PST | UPDATED: 18 HRS AGO 4 COMMENTS

Novato's new Fire Chief Bill Tyler stepped into his role Friday afternoon, a day after the board unanimously appointed him to the position.

"He's been groomed, he's been properly vetted — he's got the support of the rank and file, and he was clearly ready to step forward after the interview, in my opinion," Novato Fire District board President William Davis said of one of many reasons he voted to appoint Tyler.

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Tyler, 52, of Novato, will earn a base annual salary of \$212,000 and \$162,000 in benefits. He said he is happy to serve as the district's chief.

"I'm excited and ready to get to work," he said.

Tyler started his fire service career in 1994 as a firefighter trainee with the Tamalpais Fire District, which ultimately merged with other organizations to become Southern Marin Fire Protection District.

He began working for Novato Fire District in 1996, starting as a firefighter-paramedic. He rose through the ranks serving as fire inspector and captain-deputy fire marshal. In his last role, he served as battalion chief-fire marshal.

Tyler takes over for former chief Mark Heine, 54, who retired Friday. The Petaluma resident accepted a new job as chief of Sonoma County's Rincon Valley and Windsor fire protection districts.

Tyler serves as Novato's Emergency Operations Center coordinator and is on the Marin County Board of Supervisors' Disaster Citizens' Corps Council. He is co-chair of the county's Public Disaster Education and Preparedness Subcommittee.

When asked if there are any changes he would like to make to the fire district, he said he wants to review the district's programs and services to ensure everything is running at its most efficient.

"It's incumbent on us as leaders to review programs and processes in place to make sure we're doing our best to manage the money available to us in an effective and meaningful way," he said.

Tyler said he will get the opportunity to do so as the district updates its strategic plan and creates its budget for the next fiscal year within the next six months.

He said it is also important the community review the lessons learned from the North Bay fires. He said he is part of a county working group being led by supervisors Judy Arnold and Dennis Rodoni that is tasked with gathering and reviewing information about the fires that devastated the county's northern neighbors.

Heine said he has turned over the role to someone he knows will do a fantastic job.

"He's grown up in this community, he lives in the community," Heine said. "He's very invested in the community and is an exceptional leader. He'll do a great job carrying the organization forward."

# Watershed council out of dormancy

By Silas Valentino  
01/11/2018

Members of the Tomales Bay Watershed Council, which has been largely dormant for the past five years, have revived the organization with a new operating structure.

The council, founded in 1999 and originally focused on writing guidance documents for stakeholder agencies, lost funding for its coordinator, Neysa King, in 2012.

It didn't meet until this summer, when 40 members gathered at the Red Barn to reconstitute and begin developing agendas for future activities.

"In the past, we did more paper projects," said Tom Gaman, the council's chair. "That was a huge part of what the council did in its early days." The council completed a stewardship plan in 2003 and an integrated coastal watershed management plan in 2007.

During the five-year hiatus, it also continued its water quality monitoring program, wherein monthly water samples are gathered across 14 locations.

"We have a lot of people in the community who want data trends in the water, and that's the role we've been primarily playing," Mr. Gaman said.

Now the council has created a 501(c)(3) nonprofit to undertake the projects designated by the council, a body of experts, stakeholders and business owners. The council has established a working relationship with the University of California, Berkeley to collaborate on research in the bay, and is in the process of restoring a contaminated wetland behind Chicken Ranch Beach in Inverness.

For the Chicken Ranch project, the council partnered with neighboring landowners, Marin County Parks, the California Coastal Conservancy, the State Lands Commission, Supervisor Dennis Rodoni and the Inverness Foundation. It is currently preparing for a California Environmental Quality Act review. "We want to eliminate contamination that's flowing onto Chicken Ranch Beach from an unknown source upstream," Mr. Gaman said. "The county has done some work and concluded that it's not coming from somebody's leaking septic system."

To begin developing other projects, the council has five new committees, including one that focuses on education and outreach and another on water quality monitoring.

A smaller project the foundation recently completed was the installation of six new road signs welcoming drivers into the Tomales Bay watershed. Mr. Gaman said Stan Gillmar, the former council chair who passed away last year, left a bequest to fund the signs.

"This was one of his dreams," Mr. Gaman said. "Stan was an understated type of person, so that would sort of reflect his sentiment of how to educate people."

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