



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 April 15, 2014 – 7:30 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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Est. Time	Item	Subject
7:30 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , April 1, 2014
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit)
		This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	STAFF/DIRECTORS REPORTS
	5.	QUARTERLY FINANCIAL STATEMENT
	6.	MONTHLY PROGRESS REPORT w/Customer Service Questionnaire
8:00 p.m.	ACTION CALENDAR	
	7.	Approve: Novato Spring <i>WaterLine</i> , Volume 16, Issue 32
	8.	Approve: Draft Rate Increases for letters to West Marin Water and Oceana Marin Sewer Customers
	9.	Approve: Stafford Lake Water Quality Evaluation Consultant Services
	10.	Approve: Gallagher Well Pipeline Project: Award Contract to Team Ghilotti Inc.
	11.	Approve: San Francisco Bay Area Integrated Regional Water Management Plan Update Resolution
	12.	Approve: CSW/ST2 Contract Amendment Marin Sonoma Narrows/AEEP
	13.	Approve: Miller Pacific Engineering Group – Consulting Services Agreement
	INFORMATION ITEMS	
	14.	Initial Review - FY 15 & FY 16 Capital Improvement Project Budget
	15.	Initial Review - Proposed FY 14/15 Equipment Budget
	16.	WAC/TAC – April 7, 2014

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
	17.	MISCELLANEOUS Disbursements Self-Insured Workers' Comp – 3 rd Quarter Status Report Copy of Rate Increase Letter Source – Baywork's Workshop on Wheels Public Notice- Novato Emergency Water Conservation Ordinance 28 Legal Notice – West Marin Emergency Water Conservation Ordinance 29 <u>News Articles:</u> Voluntary 20% cutback adopted for Novato North Marin Water District Customers County honors Giacomini Dairy New groundwater rules needed now Movers & Shakers: San Rafael engineering firm wins state excellence award Letter to the Editor: Wasteful with water Michael DiGiorgio, former Novato mayor, dies of leukemia Marin Clean Energy raises rates Water and schools show up as top voter concerns Novato remembers Mike DiGiorgio Stafford Lake bike park receives another \$25K City manager unveils \$32.7M budget NMWD starts voluntary rations Marin water crunch was eased by late winter, spring rains
9:30 p.m.	18.	ADJOURNMENT

1

1 Novato resident, Harry Brophy from Kendon Lane, expressed his concern about suspension
2 of work by Sonoma County Water Agency on the expanded transmission system project and the
3 parallel Petaluma Aqueduct will make Novato's water supply more vulnerable in the even of
4 earthquakes. He asked about the possibilities of breakage, loss of water and an additional pipeline.

5 President Rodoni stated that the parallel aqueduct has not been forgotten about and that is
6 has been delayed by Sonoma County Water Agency and agreed that earthquakes are a big issue.

7 Mr. DeGabriele informed the Board and Mr. Brophy that there is always a chance for a new
8 line and that the District and SCWA are working together to figure out the best way for the future.

9 Mr. DeGabriele advised the Board that the SMART crossing work will be done this weekend
10 and next weekend. He informed the Board that Rush Creek work will be the weekend of April 4 – 6
11 and Golden Gate Place work will take place on April 11-13.

12 **STAFF / DIRECTORS' REPORTS**

13 President Rodoni asked if staff or Directors wished to bring up an item not on the agenda
14 and there was no response.

15 **PUBLIC HEARING/ADOPT EMERGENCY WATER CONSERVATION ORDINANCE – NOVATO** 16 **SERVICE AREA**

17 Mr. DeGabriele informed the Board that since early January the Board has been keeping
18 kept apprised of the water supply conditions in Novato and on the Russian River. He stated that at
19 the March 4th meeting, a public hearing was scheduled for the meeting tonight to declare a Water
20 Shortage Emergency in Novato and consider enactment of the Water Shortage Contingency Plan.
21 He noted that at that meeting the Board also endorsed the Water Advisory Committee Resolution
22 supporting the Sonoma Marin Saving Water Partnership Efforts and Governor Brown's Emergency
23 Drought Declaration, which includes seeking 20% voluntary conservation. Mr. DeGabriele stated
24 that current rainfall is 11.84" in Novato, which is about the same as was received in 1976 and 1977
25 water years. He advised the Board that at the end of January 2014 Novato had received only 2.35",
26 so in February and March this year the District has received nearly 9.5" of additional rainfall. Mr.
27 DeGabriele passed out charts that included previous year's rainfall data compared to March 2014.
28 He informed the Board that currently Stafford Lake is at 62% capacity, holding 2,600AF (acre feet),
29 Lake Sonoma is at 75% of capacity, with 182,000AF and Lake Mendocino is just under 50%
30 capacity with 43,000AF. He noted that Lake Pillsbury was at 11% capacity in early February and
31 now is at 93% capacity with 70,000AF of water. Mr. DeGabriele reminded the Board that the District
32 was in a similar drought situation back although in 2009, the storage levels in lakes Mendocino and
33 Sonoma were higher and there were mandatory cutbacks. He noted that the District is fortunate

1 enough to be going into the Water Shortage Emergency situation without having to ask for
2 mandatory cutbacks. He believes there is enough water in Lake Sonoma to get the District through
3 this dry year. Mr. DeGabriele informed the Board that some of the other water contractors receiving
4 Russian River water are not going to declare a Water Shortage Emergency. He stated that he
5 believes if the District is going to ask for voluntary conservation that a plan should be enacted. He
6 expressed his disappointment in the lack of attendance at the public meeting and advised the Board
7 that the public hearing was noticed in the Marin Independent Journal, the Novato Advance and
8 posted on the District website. He noted that the District website included the Draft Water Shortage
9 Contingency Plan and the Draft Emergency Water Conservation Ordinance. Mr. DeGabriele
10 informed the Board that staff did not receive any phone calls but consumption has gone down
11 considerably since February. He stated that staff is working on more public outreach going forward
12 to urge customers to reduce water usage and help them achieve that end.

13 Mr. DeGabriele advised the Board that he asked legal counsel to review the Water Shortage
14 Contingency Plan and the Ordinance. He provided the Board and staff with the updated changes
15 legal counsel suggested and advised the Board how the District can determine what stage it is in
16 and how it goes from one stage to the next. He advised the Board that there are specific triggers
17 that vary based on water supply conditions on the Russian River and Lake Sonoma. Mr. DeGabriele
18 advised the Board of the changes in the Water Shortage Contingency Plan and stated that he
19 doesn't believe the Novato Area will be required to implement Stage 2 mandatory requirements and
20 believes customers can accomplish the 20% voluntary water use reduction.

21 Mr. DeGabriele stated that staff is preparing a *WaterLine* newsletter issue directing
22 customers to the website to view their past usage and target water use reduction goals. Mr.
23 DeGabriele informed the Board that staff has provided a chart on the District website to show
24 customers bi-monthly history so they can determine their individual requested 20% reduction target.
25 He noted that Sonoma Marin Saving Water Partnership's website has a water savings calculator
26 and a list of measures to save water. Mr. DeGabriele advised the Board that should the District need
27 to implement mandatory restrictions he recommends another public hearing be held.

28 President Rodoni asked why there would be a need for another public hearing. Mr.
29 DeGabriele stated that the Board is able to adopt the whole plan but believes with no public
30 attendance there will be criticism and an additional public hearing should be held should mandatory
31 requirements be needed.

32 President Rodoni expressed his concern about holding another public hearing to declare
33 mandatory restrictions with the time constraints. Mr. DeGabriele stated that he does not believe we

1 will need to have mandatory restrictions as the lakes have ample storage to get the District through
2 the year.

3 Director Schoonover asked if the District will be in the same position next year. Mr.
4 DeGabriele responded that it could happen and that Novato has now experienced three years in a
5 row of below average rainfall.

6 President Rodoni opened the public hearing at 8:02 p.m., hearing no public comment; he
7 closed the public hearing at 8:03 p.m.

8 On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the
9 Board enacted the Novato Water Shortage Contingency Plan and adopted the Emergency Water
10 Conservation Ordinance 28 stating: An Ordinance of North Marin Water District Declaring the
11 Existence of a Water Shortage Emergency Condition within the Novato Service Area of the District,
12 Prohibiting the Waste and Non-Essential Use of Water, and Providing for the Conservation of the
13 Water Supply of the District.

14 **PUBLIC HEARING/ADOPT EMERGENCY WATER CONSERVATION ORDINANCE – WEST**
15 **MARIN SERVICE**

16 Mr. DeGabriele informed the Board that Kent Lake rainfall was at 27.64", just shy of the 28"
17 needed by April 1st for normal year Lagunitas Creek stream flow. He stated that the Board
18 scheduled a public hearing for tonight to declare a Water Shortage Emergency and enact the
19 Emergency Water Conservation Ordinance. Mr. DeGabriele advised the Board that this is the first
20 dry year since Water Right Order 95-17 was adopted in 1995. He noted that Lagunitas Creek flows
21 are scheduled to be 14cfs (cubic feet per second) as of today and will drop to 10cfs on May 1st and
22 6cfs on June 16th pursuant to Water Right Order 95-17. Mr. DeGabriele stated that the District may
23 have to purchase water from Marin Municipal Water District specifically to address the salinity
24 intrusion problems during the summer.

25 Mr. DeGabriele reminded the Board that the Water Shortage Contingency Plan for West
26 Marin was included in the agenda packet. He stated that similar changes to the document to that
27 made to the Novato plan had been recommended by District legal counsel.

28 Mr. DeGabriele informed the Board that staff issued a bill message in West Marin in
29 February and a press release in the Point Reyes Light and West Marin Citizen was issued. He noted
30 that the West Marin *WaterLine* newsletter will be sent out as well describing the Water Shortage
31 Contingency Plan as well as the Ordinance. Mr. DeGabriele stated that staff is proposing a 15%
32 reduction until June 30th, followed by a 25% mandatory reduction from July 1st to November 1st. He
33 noted that the only difference in the West Marin Water Shortage Contingency Plan and Emergency

1 Water Conservation Ordinance is the drought surcharge. He stated that staff is required to hold a
2 separate public hearing regarding the rate changes. Mr. DeGabriele reminded the Board that the
3 public hearing on rate changes is scheduled for June 24th in Point Reyes and pursuant to
4 Proposition 218, the District is required to provide customer notice 45 days in advance of the
5 meeting.

6 President Rodoni asked how the District can convince customers to conserve 25%. Mr.
7 DeGabriele stated that the District will have the same program for West Marin as it does in Novato.
8 He stated that all customers will have the target and staff will rely on the Sonoma Marin Saving
9 Water Partnership calculator. Mr. DeGabriele informed the Board that Ryan Grisso, Water
10 Conservation Coordinator, has been exploring outreach methods for West Marin.

11 Director Baker asked if the water use is higher due to the demographics and President
12 Rodoni stated that he believes its weather related.

13 President Rodoni opened the public hearing at 8:17 p.m., and hearing no public comment,
14 he closed the public hearing at 8:18 p.m.

15 On motion of Director Schoonover, seconded by Director Baker and unanimously carried the
16 Board enacted the West Marin Water Shortage Contingency Plan and adopted the Emergency
17 Water Conservation Ordinance 29 stating: An Ordinance of North Marin Water District Declaring the
18 Existence of a Water Shortage Emergency Condition within the West Marin Service Area of the
19 District, Prohibiting the Waste and Non-Essential Use of Water, and Providing for the Conservation
20 of the Water Supply of the District.

21 **CONSENT CALENDAR**

22 On the motion of Director Petterle, seconded by Director Schoonover and unanimously
23 carried, the following items were approved on the consent calendar:

24 **DESTRUCTION OF RECORDS**

25 The District's Policy for the Retention of Documents and Destruction of Specified
26 Documents stated that once a year, on or about April 21st, the documents designated as eligible will
27 be destroyed in an appropriate manner. This year, destruction of records is scheduled for April 25,
28 2014. Board and staff are invited to bring in personal records for shredding at a cost of \$7 per box.

29 The Board approved Resolution 14-05 stating: "Resolution of the Board of Directors of North
30 Marin Water District to Approve Destruction of Certain Records."

1 **WEST MARIN SPRING WATERLINE**

2 Board received text for the West Marin Spring *WaterLine*. This issue has an expanded
3 message to include information regarding dry year conditions on Lagunitas Creek and the
4 Emergency Water Conservation Ordinance requirements. The Board authorized the General
5 Manager to approve text and design of West Marin's Spring 2014 *WaterLine*, Volume 11.

6 **ACTION CALENDAR**

7 **RATE INCREASE LETTER TO NOVATO CUSTOMERS**

8 Mr. Bentley advised the Board that staff has drafted a letter to notify customers of the public
9 hearing scheduled for Tuesday, May 20, 2014 at 7:30 p.m. at the District office regarding the
10 proposed Novato water rate increase. He noted that the proposed commodity rate increase for
11 Novato customers is 6.5%. Mr. Bentley informed the Board that in addition to the rate increase the
12 letter includes information on the drought surcharge that will be considered at the meeting. He
13 advised the Board that District legal counsel has reviewed the letter and is at the meeting to answer
14 any additional questions the Board may have. Mr. Bentley informed the Board that the surcharge
15 would add \$1.00 per 1,000 gallons per day on top of the current rates. He noted that for residential
16 customers, the proposed surcharge would apply only to use over 300 gallons per day. Mr. Bentley
17 stated that once the letter is finalized it will go to the printer and be sent out no later than 45 days
18 prior to the meeting in order to be in compliance with Proposition 218.

19 President Rodoni asked about the repercussions from SCWA and the drought surcharge.
20 Mr. DeGabriele stated that the drought surcharge would be enacted only if the District requires
21 mandatory restrictions.

22 President Rodoni was concerned about tying the surcharge to liquidated damaged costs
23 associated with Russian River water purchases.

24 Doug Coty, District legal counsel, stated that there is always some element of projection with
25 regards to drought surcharges and fees from SCWA for liquidated damages. He noted that the
26 surcharge can always be reduced.

27 President Rodoni stated that he would feel more comfortable if the letter stated a "possible
28 surcharge." Mr. DeGabriele agreed that would be a good change.

29 On motion of Director Schoonover, seconded by Director Baker and unanimously carried,
30 the Board approved mailing the rate increase letter to customers with the requested changes.

1 **INFORMATION ITEMS**

2 **OCEANA MARIN CONTRACT SERVICES WITH PHILLIPS & ASSOCIATES**

3 Robert Clark, provided the Board with a recap of the District contract with Phillips &
4 Associates over the last five years for operation and maintenance of the Oceana Marin sewer
5 system. He stated that staff does not believe that Phillips & Associates is doing a good job of
6 maintaining the Oceana Marin Sewer facilities or responding to emergencies in a timely manner. Mr.
7 Clark advised the Board that staff and Phillips & Associates had a meeting to discuss a scope of
8 work and decided that District staff was more than capable of handling the maintenance of the
9 facilities. He informed the Board that Phillips & Associates had been working on a month-to-month
10 basis since the contract expired in June 2013 and a letter to acknowledge the termination would be
11 sufficient notice.

12 Director Baker expressed his disappointment in Phillips & Associates and asked if there
13 were any other companies that are capable of doing the maintenance and responding to
14 emergencies.

15 Mr. Clark stated that the District is capable of handling the maintenance and will have a
16 faster response time when emergencies occur than Phillips & Associates.

17 Director Schoonover asked how there was no financial impact although it would be
18 increasing employees time expended.

19 Mr. Clark stated that there would be no additional financial impact. He stated that the District
20 is going to increase cost in the next fiscal year budget and that staff is going to defer some minor
21 maintenance until the next fiscal year.

22 President Rodoni suggested noticing Oceana Marin's Homeowners' Association. Mr.
23 DeGabriele agreed and stated that the District was going to do so and send letters to customers.

24 **WAC/TAC – APRIL 7, 2014**

25 Mr. DeGabriele advised the Board that he will not be attending the WAC/TAC meeting on
26 April 7th, but Drew McIntyre and President Rodoni will be in attendance.

27 **MISCELLANEOUS**

28 The Board received the following miscellaneous information: Disbursements, New Phone
29 Numbers, Lock Box Service Operational 3/20/14, Press Release – Vandalism at Air Base Tank, and
30 Retirement Celebration honoring Ed Hulme.

31 The Board received the following news articles: Tomales services district to bid jobs, Mike
32 McGuire, his election assured, remains little known in Marin, Parks superintendent faces ALS in

1 retirement, Experts call for long view on drought, Dick Spotswood – III, and Corporate donors boost
2 \$1 million bike park at Novato Stafford Lake.

3 The Board also received the following miscellaneous items at the meeting: SMART
4 Construction News Advisory Railroad Crossing Closures.

5 **ADJOURNMENT**

6 On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the
7 Board added an item to the agenda to adjourn the meeting in memory of RJ Kauwe.

8 On motion of Director Petterle, seconded by Director Baker and unanimously carried,
9 President Rodoni adjourned the meeting at 8:40 p.m. in memory of RJ Kauwe.

10 Submitted by

11
12
13 Katie Young
14 District Secretary
15

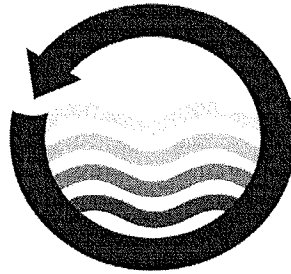
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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2013-14

March 2014

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
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MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Information – FY13/14 March Financial Statement

April 11, 2014

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FISCAL YEAR-TO-DATE PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY

Actual vs. Budget	Mar-14	FY13/14 YTD Actual	FY13/14 Budget	FYTD / Budget %
Operating Revenue	\$1,222,932	\$15,475,068	\$18,585,000	83%
Operating Expense	\$1,259,181	\$12,836,499	\$16,046,000	80%
Non-Operating Revenue / (Expense)	(\$61,686)	(\$480,846)	(\$618,000)	78%
Net Income / (Loss)	(\$97,935)	\$2,157,724	\$1,921,000	112%
Other Sources / (Uses)*	\$906,294	\$5,239,563	\$545,000	961%
Cash Increase / (Decrease)	\$808,359	\$7,397,287	\$2,466,000	300%

* See Page 8.

For the first nine months (75%) of the fiscal year the District generated a net income of \$2,157,724 and saw a net cash increase of \$7,397,287. The cash increase is largely attributable to the receipt of \$4.7 million in Recycled Water grant and loan funds. On a seasonally adjusted basis, Operating Revenue came in 10% over budget and Operating Expense came in 6% over budget. Twenty-nine percent of the Capital Improvement Projects Budget was expended this fiscal year-to-date. The District's cash balance increased \$808,359 during the month, due primarily to receipt of \$267,000 from MMWD as payment for water backfed into Stafford Lake and the \$480,000 initial payment required of MMWD upon execution of the Interconnection Agreement.

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

NOVATO WATER

Year over Year Comparison	Mar-14	FYTD 13/14	FYTD 12/13	FY14 vs 13 Up/(Down)
Operating Revenue	\$1,152,466	\$14,265,879	\$11,799,641	21%
Operating Expense	\$1,147,713	\$11,755,236	\$11,028,693	7%
Other Income / (Expense)	(\$37,641)	(\$264,008)	(\$159,148)	66%
Net Income / (Loss)	(\$32,888)	\$2,246,635	\$611,800	267%
Active Accounts	20,486	20,486	20,491	(0%)
Consumption (MG)	176	2,234	2,081	7%
Average Commodity Rate / 1,000 gal (net)	\$4.40	\$4.64	\$4.28	8%
Income / (Loss) / Active Account	(\$1.61)	\$109.67	\$29.86	267%
Income / (Loss) / 1,000 Gal	(\$0.19)	\$1.01	\$0.29	242%
Connection Fee Revenue	\$0	\$354,462	\$223,439	59%
Developer 'In-Kind' Contributions	\$8,159	\$49,362	\$0	-

Consumption for the period was 7% more than the prior year. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 21% (\$2,466,238) due to the 11% rate increase commencing June 1, 2013 combined with the consumption increase, plus \$267,000 in revenue from Marin Municipal Water as reimbursement for water backfed into Stafford Lake. Total operating expense was 7% (\$726,543) more than last year same period, due primarily to an increase in water treatment expense, coupled with an increase in the volume of purchased water, including 117 MG purchased and backfed into Stafford Lake for MMWD.

The Stafford Treatment Plant produced 326 MG this fiscal year-to-date at a cost of \$4,778/MG¹ versus \$2,201/MG³ from SCWA. The budget for Stafford is 750 MG at a cost of \$2,811/MG.

Salary and benefit cost charged to Novato operations was 4% more than the same period last year. Staff time (hours) charged to Novato operations was 4% less than last year same period. Salary and benefit cost was \$4,045,192, which was 72% of the \$5,648,000 budget for Novato operations.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$2,246,635 compares to a budgeted net income for the year of \$2,021,000 and to a net income of \$611,800 for the prior year same period. \$1,858,245 (24%) of the Novato Water Capital Improvement Project Budget was spent versus \$840,712 (27%) for the prior year same period. No connection fees were collected (\$860,000 is budgeted). The Novato cash balance increased \$803,065 in March, and stood at \$15,254,095 at month end, compared to a budgeted projection of \$12,833,000 at June 30, 2014.

<u>NOVATO RECYCLED</u>		FYTD	FYTD	FY14 vs 13
Year over Year Comparison	Mar-14	13/14	12/13	Up/(Down)
Operating Revenue	\$17,735	\$467,407	\$157,911	196%
Operating Expense	\$49,547	\$436,041	\$257,164	70%
Other Income / (Expense)	<u>(\$22,041)</u>	<u>(\$214,877)</u>	<u>(\$239,838)</u>	(10%)
Net Income / (Loss)	<u><u>(\$53,852)</u></u>	<u><u>(\$183,511)</u></u>	<u><u>(\$339,091)</u></u>	(46%)
Active Accounts	44	44	15	193%
Consumption (MG)	3.4	100.9	37.7	168%
Average Commodity Rate / 1,000 gal (net)	\$4.44	\$4.44	\$4.11	8%
Deer Island Production (MG)	0.0	1.6	31.5	(95%)
Novato Sanitary Production (MG)	0.0	59.4	4.5	1208%
Las Gallinas Production (MG)	1.2	39.3	0.0	-
Potable Water Input (MG)	0.9	9.6	0.0	-

100.9 MG was delivered to RW customers this fiscal year-to-date. Operating revenue was up 196% due primarily to the 168% consumption increase coupled with the June 1, 2013 8% commodity rate increase. Total operating expense was \$178,877 (70%) more than last year same period, due primarily to the addition of purchased water cost from NSD and LGVSD. The recycled water was produced at a cost of \$3,670/MG² versus \$2,201/MG³ from SCWA. The budgeted production cost of recycled water is \$4,692/MG.

The fiscal year-to-date net loss of \$183,511 compares to a budgeted net loss for the year of \$339,000 and a net loss of \$339,091 for the prior year same period. \$435,969 (218%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date.

To date, \$15,718,104 has been expended on the North/South Area Expansion Projects, and \$3,656,062 in Grant funds and \$9,722,222 in SRF Loan funds have been received. The final \$12,187 in grant funding is anticipated to be received this Spring. Grant and loan proceeds enabled the Recycled Water System to fully repay the money borrowed from the Novato potable water system, and fund its reserves. Novato Recycled ended the month with a cash balance of \$1,223,051 compared to a budgeted projection of \$945,000 at June 30, 2014.

¹ Stafford production cost = op expense (\$890,679) + SRF loan interest (\$247,947) + plant depreciation (\$419,061) / 326 MG produced

² Recycled Water production cost = op expense before depreciation (\$225,323) + Deer Island RW Facility SRF loan interest (\$58,034) + Deer Island plant depreciation (\$86,939) / 100.9 MG produced

³ SCWA production cost per MG = O&M charge (\$1,808) + debt service charge (\$154) + Russian River conservation charge (\$194) + Russian River projects charge (\$45)

WEST MARIN WATER

Year over Year Comparison	Mar-14	FYTD 13/14	FYTD 12/13	FY14 vs 13 Up/(Down)
Operating Revenue	\$37,846	\$608,327	\$526,470	16%
Operating Expense	\$49,919	\$488,396	\$399,350	22%
Other Income / (Expense)	(\$2,227)	(\$28,203)	\$658	-
Net Income / (Loss)	<u>(\$14,300)</u>	<u>\$91,728</u>	<u>\$127,779</u>	(28%)
Active Accounts	776	776	776	0%
Consumption (MG)	3.4	58.6	55.9	5%
Average Commodity Rate / 1,000 gal (net)	\$7.01	\$8.16	\$7.51	9%
Income/ (Loss) / Active Account	(\$18.43)	\$118.21	\$164.66	(28%)
Income / (Loss) / 1,000 Gal	(\$4.21)	\$1.57	\$2.29	(32%)
Connection Fee Revenue	\$0	\$0	\$4,900	(100%)
Developer 'In-Kind' Contributions	(\$1,970)	\$5,239	(\$1,451)	-

Consumption for the period was 58.6 MG, 5% more than the previous year same period. Operating revenue of \$608,327 was \$81,857 (16%) more than last year due primarily to the 8% rate increase effective 7/1/13, combined with the consumption increase.

Operating expenditures were \$488,396, up 22% (\$89,047) from the previous year same period, in part due to testing of the Gallagher Well (\$14,207), valve and hydrant operation programs (which were not done last year) (\$18,564), replacement of a chemical feed pump (\$4,888), replacement of a hydrant bury on Sir Francis Drake (\$5,328), and paving the Point Reyes Tank Road (\$2,700). The fiscal year-to-date net income of \$91,728 compares to a budgeted annual net income of \$212,000 and to a net income of \$127,779 for the prior year same period. \$188,921 (35%) of the Capital Improvement Project Budget was spent this fiscal year-to-date, and no connection fees were collected (\$46,000 is budgeted). The Solids Handling Facility project (\$189,727 expended to-date) has been put on hold pending a coastal development permit from Marin County. West Marin Water ended the month with a cash balance of \$720,425, compared to a budgeted projection of \$555,000 at June 30, 2014.

OCEANA MARIN SEWER

Year over Year Comparison	Mar-14	FYTD 13/14	FYTD 12/13	FY14 vs 13 Up/(Down)
Operating Revenue	\$14,885	\$133,455	\$118,494	13%
Operating Expense	\$15,225	\$156,825	\$145,161	8%
Other Income / (Expense)	\$223	\$26,241	\$25,326	4%
Net Income / (Loss)	<u>(\$117)</u>	<u>\$2,872</u>	<u>(\$1,341)</u>	-
Active Accounts	229	229	227	1%
Monthly Sewer Service Charge	\$65	\$65	\$58	12%
Income / (Loss) / Active Account	(\$0.51)	\$12.54	(\$5.91)	-
Connection Fee Revenue	\$0	\$30,400	\$0	-

Operating revenue of \$133,455 was 13% higher than the previous year same period due to a 12% rate increase effective July 1, 2013, plus two new dwelling units connecting to the system on December 1. Operating expenditures were 8% (\$11,664) higher than last year same period due in part to a \$3,421 increase in the State discharge permit fee, and \$2,247 for piping & materials to install a new 500 gallon chlorine tank. The fiscal year-to-date net income of \$2,872 compares to a budgeted annual income of \$27,000 and to a net loss of \$1,341 for the prior year same period. None of the Capital Improvement Project Budget was expended.

\$30,400 in connection fees were collected (\$30,000 is budgeted). Oceana Marin ended the month with a cash balance of \$228,208, compared to a budgeted projection of \$238,000 at June 30, 2014.

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$536,229	\$0	\$372,278	\$0	\$163,951
Restricted Cash (Note 1)					
Connection Fee Fund	\$134,324	\$0	\$0	\$134,324	\$0
Wohler Pipeline Financing Fund	395,167	395,167	0	0	0
Collector #6 Financing Fund	1,553,694	1,553,694	0	0	0
MMWD Capital Contribution Fund	6,316	6,316	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	5,835,028	5,293,688	0	541,340	0
RWF Replacement Fund	161,788	0	161,788	0	0
Tax Receipts Held in Marin Co Treasury	2,131	0	0	2,130	1
STP SRF Loan Fund-Marin Co Treasury	472,055	472,055	0	0	0
RWS North/South SRF Payment Fund	623,580	0	623,580	0	0
Designated Cash (Note 2)					
Liability Contingency Fund	315,815	315,815	0	0	0
Self-Insured Workers' Compensation Fund	383,552	361,260	5,405	12,630	4,256
Retiree Medical Benefits Fund	3,258,504	3,258,504	0	0	0
Drought Contingency Fund	0	0	0	0	0
Maintenance Accrual Fund	3,597,597	3,597,597	0	0	0
Conservation Incentive Rate Fund	0	0	0	0	0
Operating Reserve Fund	120,000	0	60,000	0	60,000
Total Cash	\$17,425,779	\$15,254,095	\$1,223,051	\$720,425	\$228,208
Gain/(Loss) on MV of Investments	7,299	7,299	0	0	0
Market Value of Cash & Investments	\$17,433,078	\$15,261,394	\$1,223,051	\$720,425	\$228,208
Current Assets					
Net Receivables - Consumers	\$1,759,183	\$1,598,021	\$16,057	\$109,172	\$35,932
Accounts Receivable - Other	439,426	101,639	87,742	205,391	44,655
State Revolving Fund Receivable	0	0	0	0	0
Provision for Pension Related Debt (Note 13)	2,153,624	2,153,624	0	0	0
Prepaid Expense	32,152	30,288	0	0	1,863
Reimbursable Small Jobs	11,034	7,774	0	3,260	0
Interest Receivable	29,935	25,528	4,407	0	0
Inventories	565,822	565,822	0	0	0
Deposits Receivable	24,000	24,000	0	0	0
Total Current Assets	\$5,015,176	\$4,506,697	\$108,206	\$317,823	\$82,450

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$1,250,165	\$1,250,165	\$0	\$0	\$0
Housing Loan Impairment (Note 3)	(110,000)	(110,000)	0	0	0
Due From Other Funds	0	0	0	0	0
Other Long Term Receivables	2,137,470	0	2,137,470	0	0
Loans Receivable	\$3,277,635	\$1,140,165	\$2,137,470	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,021	\$1,368,802	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,557,888	5,065,476	0	492,412	0
Treatment Facilities	21,060,233	17,561,535	2,666,198	319,913	512,587
Storage Facilities	18,396,517	16,466,506	43,014	1,886,996	0
Transmission Facilities	5,567,990	5,445,667	0	122,324	0
Distribution Facilities	68,647,049	56,223,461	8,232,655	4,190,934	0
Sewer Mains, Pumps, & Laterals	1,154,525	0	0	0	1,154,525
Sub-Total	\$121,857,224	\$102,131,446	\$10,941,866	\$7,115,991	\$1,667,921
Less Accumulated Depreciation (Note 5)	(40,308,623)	(35,387,493)	(1,132,503)	(2,972,522)	(816,105)
Net Property and Plant	\$81,548,601	\$66,743,954	\$9,809,363	\$4,143,468	\$851,816
Buildings and Equipment					
Buildings	\$2,485,107	\$2,485,107	\$0	\$0	\$0
Office Equipment	683,753	683,753	0	0	0
Laboratory Equipment	300,004	300,004	0	0	0
Trucks & Automobiles	1,151,035	1,151,035	0	0	0
Construction Equipment	734,817	734,817	0	0	0
Tools, Shop Equipment	196,436	196,436	0	0	0
Sub-Total	\$5,551,152	\$5,551,152	\$0	\$0	\$0
Less Accumulated Depreciation	(3,538,906)	(3,532,082)	(6,824)	0	0
Net Buildings and Equipment	\$2,012,246	\$2,019,070	(\$6,824)	\$0	\$0
Construction In Progress					
Developer	\$763,677	\$758,438	\$0	\$5,239	\$0
District	13,103,218	3,223,378	9,450,159	429,555	125
Total Construction in Progress	\$13,866,895	\$3,981,817	\$9,450,159	\$434,794	\$125
Net Utility Plant	\$97,427,741	\$72,744,841	\$19,252,698	\$4,578,262	\$851,941
TOTAL ASSETS	\$123,153,631	\$93,653,097	\$22,721,425	\$5,616,510	\$1,162,599

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$738,479	\$711,672	\$26,434	\$0	\$373
Reimbursement Prog. Unclaimed Funds	2,745	2,745	0	0	0
Bond Debt Principal Payable-Current	23,923	0	0	23,923	0
Loan Debt Principal Payable-Current	1,259,561	742,375	514,933	2,252	0
Bank of Marin Principal Payable-Current	308,240	268,785	0	39,455	0
Bond/Loan Debt Interest Payable-Current	3,871	2,437	0	1,434	0
Accrued Interest Payable-SRF Loan	279,208	82,800	196,409	0	0
Deposits/Performance Bonds	131,759	110,501	0	19,758	1,500
Unemployment Insurance Reserve (Note 8)	24,539	24,539	0	0	0
Deferred Compensation	0	0	0	0	0
Workers' Comp Future Claims Payable	19,784	18,624	326	630	204
Payroll Benefits (Note 9)	793,782	745,884	12,879	26,443	8,576
Due To Other Funds	0	0	0	0	0
Deferred Revenue	44,655	0	0	0	44,655
Total Current Liabilities	\$3,630,546	\$2,710,362	\$750,981	\$113,894	\$55,309
Restricted Liabilities					
Construction Advances	\$748,086	\$748,086	\$0	\$0	\$0
Total Restricted Liabilities	\$748,086	\$748,086	\$0	\$0	\$0
Long Term Liabilities (Note 7)					
Bonds Outstanding - PR6 (FmHA)	\$75,000	\$0	\$0	\$75,000	\$0
Bonds Outstanding - OL2 (NMWD)	0	0	0	0	0
Bonds Outstanding - PRE1 (FmHA)	61,000	0	0	61,000	0
Drought Loan (EDA)	57,088	50,283	0	6,806	0
STP Rehab SRF Loan	12,735,521	12,735,521	0	0	0
RWF SRF Loan	3,022,026	0	3,022,026	0	0
RWS North/South Expansion SRF Loan	8,987,088	0	8,987,088	0	0
Bank of Marin Loan	6,989,484	6,094,763	0	894,721	0
Pension Related Debt (Note 13)	2,153,624	2,153,624	0	0	0
Retiree Health Benefits Payable	642,709	642,709	0	0	0
Total Long Term Liabilities	\$34,723,539	\$21,676,899	\$12,009,114	\$1,037,527	\$0
TOTAL LIABILITIES	\$39,102,171	\$25,135,346	\$12,760,095	\$1,151,421	\$55,309

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$62,684,942	\$55,803,690	\$4,104,370	\$2,102,206	\$674,676
Grants in Aid of Construction	5,675,919	163,782	3,926,970	1,585,167	0
Connection Fees (Note 15)	30,590,077	25,475,665	3,475,712	1,172,772	465,928
Total Investment	\$98,950,938	\$81,443,136	\$11,507,053	\$4,860,145	\$1,140,604
Restricted Reserves					
Connection Fee Fund	(\$1,753,143)	(\$1,865,119)	\$0	\$134,324	(\$22,348)
Wohler Pipeline Financing Fund	395,167	395,167	0	0	0
Collector #6 Financing Fund	1,553,694	1,553,694	0	0	0
MMWD Capital Contribution Fund	6,316	6,316	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	5,937,980	5,293,688	0	644,293	0
RWF Replacement Fund	161,788	0	161,788	0	0
RWS North/South SRF Payment Fund	623,580	0	623,580	0	0
Designated Reserves					
Liability Contingency Fund	414,700	315,815	0	98,885	0
Maintenance Accrual Fund	3,990,681	3,990,681	0	0	0
Self-Insured Workers' Compensation Fund	363,768	342,637	5,079	12,000	4,052
Retiree Medical Benefits Fund	2,615,795	2,615,795	0	0	0
Conservation Incentive Rate Fund	79,441	0	0	79,441	0
Operating Reserve Fund	120,000	0	60,000	0	60,000
Earned Surplus - Prior Yrs	(32,673,507)	(28,989,679)	(2,148,895)	(1,458,806)	(76,126)
Net Income/(Loss)	2,157,724	2,246,635	(183,511)	91,728	2,872
FRC Transfer Prior Year	0	0	0	0	0
Transfer (To)/From Reserves (see below)	1,076,537	1,168,985	(63,763)	(26,921)	(1,763)
Total Restricted & Designated	(\$14,899,477)	(\$12,925,386)	(\$1,545,723)	(\$395,056)	(\$33,314)
TOTAL NET POSITION	\$84,051,461	\$68,517,751	\$9,961,331	\$4,465,089	\$1,107,290
Transfer (To)/From Reserves					
Wohler Pipeline Financing	\$10,216	\$10,216	\$0	\$0	\$0
Collector #6 Financing	26,863	26,863	0	0	0
Connection Fee	793,606	794,249	0	(644)	0
MMWD Wheeling Charge Capital Contribution	(6,316)	(6,316)	0	0	0
Liability Reserve	0	0	0	0	0
Maintenance Reserve	(75,000)	(75,000)	0	0	0
Retiree Medical Insurance Fund	(12,970)	(12,970)	0	0	0
(Gain)/Loss Self-Insured WC Fund	(170,182)	(160,242)	(2,791)	(5,386)	(1,763)
Bank of Marin Project Fund	594,823	592,185	0	2,638	0
RWS North/South SRF Payment Fund	(845)	0	(845)	0	0
Conservation Incentive Rate Fund	(23,529)	0	0	(23,529)	0
Total Transfer	\$1,076,537	\$1,168,985	(\$63,763)	(\$26,921)	(\$1,763)

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

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$11,289,192	\$13,539,000	83%	\$9,479,695
Bimonthly Service Charge	3,230,479	4,298,000	75%	2,678,292
Sewer Service Charge	133,315	178,000	75%	118,494
Wheeling & Misc Service Charges	822,082	570,000	144%	326,036
TOTAL OPERATING REVENUE	\$15,475,068	\$18,585,000	83%	\$12,602,517
OPERATING EXPENDITURES				
Source of Supply	\$4,671,894	\$4,696,000	99%	\$3,948,717
Pumping	277,395	375,000	74%	266,866
Operations	580,822	669,000	87%	528,345
Water Treatment	1,510,700	1,994,000	76%	1,411,659
Sewer Service	100,603	129,000	78%	97,495
Transmission & Distribution	1,804,751	2,751,000	66%	1,753,566
Consumer Accounting	429,750	566,000	76%	414,019
Water Conservation	266,121	404,000	66%	185,426
General & Administrative	993,932	1,583,000	63%	1,194,731
Depreciation Expense	2,200,530	2,879,000	76%	2,029,553
TOTAL OPERATING EXPENDITURES	\$12,836,499	\$16,046,000	80%	\$11,830,377
NET OPERATING INCOME (LOSS)	\$2,638,570	\$2,539,000	104%	\$772,139
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$50,785	\$93,000	55%	\$50,869
Interest Revenue	89,754	\$96,000	93%	71,837
Miscellaneous Revenue	92,671	135,000	69%	128,701
Bond & Loan Interest Expense	(678,832)	(912,000)	74%	(579,622)
Miscellaneous Expense	(35,225)	(30,000)	117%	(45,171)
TOTAL NON-OP REVENUE/(EXPENSE)	(\$480,846)	(\$618,000)	78%	(\$373,385)
NET INCOME/(LOSS)	\$2,157,724	\$1,921,000	112%	\$398,754
OTHER SOURCES/(USES) OF FUNDS				
Connection Fees	\$30,400	\$936,000	3%	\$618,950
Loan Proceeds	3,351,997	3,472,000	97%	1,910,449
Grant Proceeds	406,358	138,000	294%	1,510,024
Grants Proceeds Receivable	948,704	961,000	99%	377,574
Caltrans Reimbursement	565,483	2,200,000	26%	0
Stone Tree RWF Loan Principal	130,485	197,000	66%	127,396
Add Depreciation Expense	2,200,530	2,879,000	76%	2,029,553
Capital Acquisition (15 Gustafson)	(579,767)	0	-	0
Capital Equipment Expenditures	(18,056)	(231,000)	8%	(106,835)
Capital Improvement Projects	(2,483,260)	(8,478,000)	29%	(7,265,504)
Bond & Loan Principal Payments	(923,133)	(1,529,000)	60%	(657,346)
Change in Working Capital	1,609,822	0	-	(584,356)
TOTAL OTHER SOURCES/(USES)	\$5,239,563	\$545,000	961%	(\$2,040,095)
CASH INCREASE/(DECREASE)	\$7,397,286	\$2,466,000	300%	(\$1,641,341)

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

<u>SUMMARY INCOME STATEMENT</u>	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$15,475,068	\$14,265,879	\$467,407	\$608,327	\$133,455
Operating Expense	12,836,499	11,755,236	436,041	488,396	156,825
OPERATING INCOME/(LOSS)	\$2,638,570	\$2,510,643	\$31,366	\$119,931	(\$23,370)
Non-Operating Revenue/(Expense)	(\$480,846)	(\$264,008)	(\$214,877)	(\$28,203)	\$26,241
NET INCOME/(LOSS)	\$2,157,724	\$2,246,635	(\$183,511)	\$91,728	\$2,872
CAPITAL CONTRIBUTIONS					
Developer In-Kind Contributions	\$359,700	\$354,462	\$0	\$5,239	\$0
Connection Fees	30,400	0	0	0	30,400
FRC Transfer	0	(1,371,653)	1,371,653	0	0
Capital Grants	155,044	0	155,044	0	0
CAPITAL CONTRIBUTIONS	\$545,145	(\$1,017,192)	\$1,526,698	\$5,239	\$30,400
CHANGE IN NET ASSETS	\$2,702,868	\$1,229,443	\$1,343,186	\$96,967	\$33,272
Net Assets July 1, 2013	81,097,278	67,238,945	8,618,144	4,166,171	1,074,018
Net Assets March 31, 2014	<u><u>\$83,800,146</u></u>	<u><u>\$68,468,388</u></u>	<u><u>\$9,961,331</u></u>	<u><u>\$4,263,138</u></u>	<u><u>\$1,107,290</u></u>
CASH FLOW STATEMENT					
Net Income/(Loss)	\$2,157,724	\$2,246,635	(\$183,511)	\$91,728	\$2,872
Add Depreciation	2,200,530	1,831,376	210,718	115,677	42,759
Cash Generated From Operations	\$4,358,254	\$4,078,011	\$27,207	\$207,406	\$45,630
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$30,400	0	0	0	30,400
Loan Proceeds	3,351,997	0	3,351,997	0	0
Grant Proceeds	406,358	49,362	155,044	201,952	0
Capital Assets Acquisition	(3,081,083)	(2,456,068)	(435,969)	(188,921)	(125)
Stone Tree RWF Loan Principal Pmts	130,485	0	130,485	0	0
Principal Paid on Debt	(923,133)	(567,055)	(303,504)	(52,574)	0
Consumer Receivables Decr (Incr)	1,674,193	1,493,278	173,505	41,605	(34,194)
Construction Advances (Decr) Incr	444,645	444,645	0	0	0
Other Assets/Liabilities Decr (Incr)	1,767,736	870,938	1,084,957	(187,752)	(407)
Trade Accounts Payable (Decr) Incr	(762,565)	(557,789)	(199,638)	0	(5,138)
Connection Fee Transfer	0	(1,371,653)	1,371,653	0	0
Interdistrict Loan Due To (From)	(0)	4,755,421	(4,755,421)	0	0
Total Other Sources (Uses)	\$3,039,033	\$2,661,078	\$573,109	(\$185,691)	(\$9,464)
Net Cash Provided (Used)	\$7,397,286	\$6,739,089	\$600,316	\$21,715	\$36,166
Cash Balance July 1, 2013	10,028,493	8,515,006	622,735	698,710	192,042
Cash Balance March 31, 2014	<u><u>\$17,425,779</u></u>	<u><u>\$15,254,095</u></u>	<u><u>\$1,223,051</u></u>	<u><u>\$720,425</u></u>	<u><u>\$228,208</u></u>

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

	MARCH 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$782,298	\$10,445,033	83%	\$9,002,867
Bill Adjustments	(8,501)	(80,954)	53%	(95,906)
Bimonthly Service Charges	342,712	3,084,408	75%	2,570,342
Account Turn-on Charges	8,229	57,228	77%	56,450
New Account Charges	710	6,840	68%	6,925
Returned Check Charges	99	951	95%	1,080
Hydrant Meter Up/Down Charges	300	3,220	81%	2,400
Backflow Service Charges	10,643	92,065	74%	76,724
Lab Service-Outside Clients	3,110	37,071	148%	20,523
Wheeling Charges - MMWD	12,867	352,748	110%	158,237
Water Sales - MMWD	0	267,269	0%	0
Regulation 15 Forfeiture	0	0	0%	0
TOTAL OPERATING REVENUE	\$1,152,466	\$14,265,879	84%	\$11,799,641
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$1,117	\$6,526	44%	\$5,809
Operating Expense - Source	512	8,161	117%	4,036
Maint/Monitoring of Dam	0	10,468	31%	25,703
Maint of Lake & Intakes	8,692	8,692	72%	13,804
Maint of Structures	0	15	0%	0
Maint of Watershed	0	2,480	10%	2,880
Water Quality Surveillance	2,488	12,181	94%	10,328
Fishery Maint	110	110	3%	100
Erosion Control	0	13,939	232%	17,525
Purchased Water (Note 4)	354,022	4,211,972	96%	3,849,337
Purchased Water-Resale MMWD	0	253,539	-	0
SOURCE OF SUPPLY	\$366,942	\$4,528,085	101%	\$3,929,522
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	6,108	34,908	97%	22,077
Maint of Pumping Equipment	1,920	23,855	35%	31,960
Electric Power	14,328	193,707	86%	192,805
PUMPING	\$22,356	\$252,469	76%	\$246,842
OPERATIONS				
Supervision & Engineering	\$21,595	\$161,379	68%	\$141,813
Operating Expense - Operations	24,937	195,124	102%	203,197
Maintenance Expense	8,057	71,456	88%	72,177
Telemetry Equipment/Controls Maint	4,160	44,189	63%	28,901
Leased Lines	1,460	13,179	63%	13,357
OPERATIONS	\$60,208	\$485,326	81%	\$459,446

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

	MARCH 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$8,290	\$86,877	63%	\$84,493
Operating Expense - Water Treatment	10,687	210,586	84%	213,549
Purification Chemicals	28,561	286,911	68%	256,416
Sludge Disposal	161	53,012	59%	76,702
Maint of Structures & Grounds	9,571	51,558	66%	36,632
Maint of Purification Equipment	11,960	117,690	96%	111,421
Electric Power	12	84,714	78%	74,030
Water Quality Programs	7,792	80,399	86%	69,047
Laboratory Direct Labor	31,725	256,200	80%	238,341
Lab Service-Outside Clients	4,788	38,046	115%	24,189
Water Quality Supervision	7,486	57,394	94%	45,444
Laboratory Supplies & Expense	1,943	44,648	70%	47,170
Customer Water Quality	2,436	33,964	55%	31,605
Lab Cost Distributed	(1,542)	(15,347)	59%	(19,389)
WATER TREATMENT	\$123,870	\$1,386,652	76%	\$1,289,650
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$41,759	\$355,625	61%	\$312,133
Maps & Records	4,971	52,333	42%	78,973
Operation of T&D System	8,840	112,565	67%	111,395
Facilities Location	9,842	80,247	136%	58,261
Safety: Construction & Engineering	5,894	36,129	63%	32,718
Customer Service Expense	13,390	118,623	71%	125,844
Flushing	686	53,098	279%	17,805
Storage Facilities Expense	13,877	76,729	69%	54,356
Cathodic Protection	254	11,937	52%	10,024
Maint of Valves/Regulators	9,456	77,383	48%	97,659
Maint of Mains	4,207	44,216	38%	64,309
Backflow Prevention Program	12,037	87,897	73%	75,112
Maint of Copper Services	8,247	114,295	57%	114,219
Maint of PB Service Lines	36,776	328,445	73%	382,603
Single Service Installations	(8,453)	(22,990)	-	(4,012)
Maint of Meters	9,875	72,743	51%	62,371
Detector Check Assembly Maint	286	47,877	90%	6,346
Maint of Hydrants	438	17,514	32%	25,329
TRANSMISSION & DISTRIBUTION	\$172,383	\$1,664,666	64%	\$1,625,445
CONSUMER ACCOUNTING				
Meter Reading	\$13,462	\$113,778	77%	\$111,599
Collection Expense - Labor	2,836	21,216	66%	21,697
Collection Expense - Agency	407	2,046	102%	1,304
Billing & Consumer Accounting	17,032	186,054	75%	187,626
Contract Billing	1,359	13,205	69%	13,467
Stationery, Supplies & Postage	3,957	44,488	75%	40,088
Credit Card Fees	1,044	10,572	132%	6,814
Uncollectable Accounts	(411)	13,431	58%	17,436
Office Equipment Expense	1,603	18,371	122%	6,834
Distributed to West Marin (4.1%)	(954)	(11,068)	74%	(10,501)
CONSUMER ACCOUNTING	\$40,335	\$412,094	77%	\$396,364

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

	MARCH 2014	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER CONSERVATION				
Residential	\$21,886	\$210,588	71%	\$159,697
Commercial	857	1,351	5%	769
Public Outreach/Information	5,033	37,385	75%	14,405
Large Landscape	350	10,870	40%	10,033
TOTAL WATER CONSERVATION	\$28,126	\$260,194	65%	\$184,904
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$2,600	\$16,300	109%	\$10,100
Legal Fees	1,134	16,016	146%	5,086
Human Resources	1,302	21,716	72%	24,260
Auditing Fees	0	20,490	98%	20,600
Consultants	0	0	0%	41,215
General Office Salaries	97,704	870,701	72%	906,041
Safety: General District Wide	2,584	11,771	91%	11,094
Office Supplies	4,635	23,834	42%	20,270
Employee Events	0	6,799	68%	5,682
Other Administrative Expense	1,329	9,732	54%	14,717
Election Cost	0	250	0%	0
Dues & Subscriptions	1,019	47,827	92%	45,402
Vehicle Expense	676	6,084	76%	6,084
Meetings, Conferences & Training	19,478	95,109	56%	83,907
Recruitment Expense	42	243	12%	718
Gas & Electricity	2,127	22,845	109%	21,316
Telephone	183	1,827	61%	2,397
Water	0	1,280	64%	1,103
Buildings & Grounds Maint	6,590	25,098	57%	34,056
Office Equipment Expense	12,580	66,684	67%	62,892
Insurance Premiums & Claims	6,305	54,223	55%	58,099
Retiree Medical Benefits	13,393	122,925	78%	134,405
(Gain)/Loss on Overhead Charges	(10,080)	(176,022)	66%	(43,122)
G&A Applied to Other Operations (5.9%)	(8,256)	(57,919)	63%	(59,372)
G&A Applied to Construction	(25,402)	(273,437)	76%	(273,473)
GENERAL & ADMINISTRATIVE	\$129,942	\$934,375	63%	\$1,133,476
Depreciation (Note 5)	203,552	1,831,376	76%	1,763,044
TOTAL OPERATING EXPENSE	\$1,147,713	\$11,755,236	80%	\$11,028,693
OPERATING INCOME/(LOSS)	\$4,753	\$2,510,643	106%	\$770,948

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

	<u>MARCH 2014</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
NON-OPERATING REVENUE				
Interest:				
General Funds	(\$2,058)	\$0	0%	\$0
Facility Reserve Charge Fund	0	0	-	1,198
Wohler Pipeline Financing Fund	240	1,652	165%	1,166
Collector #6 Financing Fund	942	6,489	108%	5,225
MMWD Capital Contribution Fund	2	2	-	0
Retiree Medical Insurance Fund	1,988	13,456	104%	9,815
Self-Insured Workers' Comp Fund	221	1,053	-	0
Aqueduct Energy Efficiency Proj Fund	3,177	21,838	136%	6,864
Recycled Water Advance (Note 10)	0	24,963	51%	135,351
Total Interest Revenue	<u>\$4,512</u>	<u>\$69,453</u>	80%	<u>\$159,619</u>
Rents & Leases	4,892	65,314	95%	55,802
Other Non-Operating Revenue	1,570	13,064	22%	67,718
Gain/(Loss) on MV of Investments	(1,776)	9,737	-	(1,224)
NON-OPERATING REVENUE	<u>\$9,198</u>	<u>\$157,569</u>	73%	<u>\$281,915</u>
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$18,196	\$165,997	75%	\$173,079
STP SRF Loan Interest Expense	28,052	247,947	76%	258,479
Drought Loan Interest Expense	272	2,446	61%	2,988
Other Non-Operating Expense	319	5,187	26%	6,517
NON-OPERATING EXPENSE	<u>\$46,839</u>	<u>\$421,577</u>	74%	<u>\$441,063</u>
NET INCOME/(LOSS)	<u>(\$32,888)</u>	<u>\$2,246,635</u>	111%	<u>\$611,800</u>
BEGINNING FUND EQUITY		\$67,238,946		\$66,963,785
NET INCOME/(LOSS)	(32,888)	2,246,635		611,800
CONTRIBUTED CAPITAL				
SCWA Water Conservation Grant	6,549	49,362	-	0
Developer 'In-Kind' Contributions	8,159	354,462	-	223,439
Connection Fees	0	0	0%	614,050
FRC Transfer to Recycled Water	6,358	(1,371,653)	256%	(377,855)
FRC Transfer to Recycled Water Prior Yr	0	0	0%	(1,168,010)
ENDING FUND EQUITY		<u>\$68,517,751</u>		<u>\$66,867,209</u>

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

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$15,112	\$446,884	77%	\$154,870
Bill Adjustments	0	0	-	(1,752)
Bimonthly Service Charges	2,623	20,070	201%	4,457
Account Turn-on Charges	0	12	-	0
Water Load Permits	0	105	-	0
Backflow Service Charges	0	336	-	336
TOTAL OPERATING REVENUE	\$17,735	\$467,407	80%	\$157,911
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$9,104	\$68,350	60%	\$0
Purchased Water - LGVSD	1,737	55,129	81%	0
SOURCE OF SUPPLY	\$10,841	\$123,479	68%	\$0
PUMPING				
Maint of Pumping Equipment	\$348	\$747	37%	\$99
Electric Power	(21)	1,488	-	0
PUMPING	\$327	\$2,235	112%	\$99
OPERATIONS				
Supervision & Engineering	\$642	\$6,236	57%	\$14,209
Operating Expense - Operations	2,918	5,288	132%	7,081
Potable Water Consumed	0	38,551	386%	23,958
Maintenance Expense	55	55	1%	0
Telemetry Equipment/Controls Maint	1,500	6,154	68%	1,716
OPERATIONS	\$5,115	\$56,284	148%	\$46,964
WATER TREATMENT				
Purification Chemicals	\$1,528	\$2,660	18%	\$19,862
Maint of Purification Equipment	4,521	6,867	172%	1,856
Electric Power	0	0	0%	4,625
Laboratory Direct Labor	0	106	1%	12,722
Lab Expense Distributed from Novato	(2)	66	1%	7,061
WATER TREATMENT	\$6,047	\$9,698	19%	\$46,126
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$711	\$4,149	26%	\$5,042
Maps & Records	0	0	-	9
Operation of T&D System	187	365	37%	6,304
Storage Facilities Expense	87	5,089	170%	17,327
Maint of Valves/Regulators	0	2,640	264%	148
Backflow Prevention Program	0	0	0%	0
Maint of Meters	453	1,162	116%	0
Maint of Mains	0	3,952	-	0
TRANSMISSION & DISTRIBUTION	\$1,438	\$17,357	54%	\$28,831
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.6%)	\$2,319	\$16,270	63%	\$12,153
GENERAL & ADMINISTRATIVE	\$2,319	\$16,270	63%	\$12,153
Depreciation (Note 5)	23,459	210,718	75%	122,993
TOTAL OPERATING EXPENSE	\$49,547	\$436,041	71%	\$257,164
OPERATING INCOME/(LOSS)	(\$31,811)	\$31,366	(136%)	(\$99,253)

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

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	\$243	\$256	-	\$0
RWF Replacement Fund	98	127	-	0
Self-Insured Workers' Comp Fund	3	4	-	0
Stone Tree RWF Loan	4,407	40,970	76%	44,449
Total Interest Revenue	\$4,752	\$41,357	77%	\$44,449
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$6,566	\$58,034	79%	\$61,485
Expansion SRF Loan Interest Expense	20,227	173,238	70%	49,404
Other Non-Operating Expense	0	0	-	38,047
Interest-Advance from Novato (Note 10)	0	24,963	51%	135,351
NON-OPERATING EXPENSE	\$26,792	\$256,235	69%	\$284,287
NET INCOME/(LOSS)	(\$53,852)	(\$183,511)	54%	(\$339,091)
BEGINNING FUND EQUITY		\$8,618,144		
NET INCOME/(LOSS)	(53,852)	(183,511)		8,534,827
State Prop 50 Grant	0	1,971	-	0
IRWMP Prop 84 Grant	0	15,000	6%	529,432
Water Smart Grant	0	138,073	16%	955,255
Federal ARRA Grant	0	0	0%	25,337
FRC Transfer from Novato	(6,358)	1,371,653	256%	377,855
FRC Transfer from Novato Prior Yr	0	0		1,168,010
ENDING FUND EQUITY		\$9,961,331		\$11,590,715

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

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$24,932	\$493,449	84%	\$430,796
Bill Adjustments	(1,086)	(15,220)	-	(11,179)
Bimonthly Service Charges	14,000	126,000	75%	103,493
Account Turn-on Charges	0	697	70%	662
New Account Charges	0	140	70%	145
Returned Check Charges	0	27	-	54
Backflow Service Charges	0	3,234	67%	2,500
TOTAL OPERATING REVENUE	\$37,846	\$608,327	80%	\$526,470
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Operating Expense	\$88	\$6,012	50%	\$11,652
Operating Supplies & Expense	0	111	-	0
Maint of Structures	0	14,208	178%	7,543
Water Quality Surveillance	0	0	0%	0
SOURCE OF SUPPLY	\$88	\$20,331	97%	\$19,195
PUMPING				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	14	3,212	29%	4,636
Maint of Pumping Equip	0	7,191	60%	3,524
Electric Power	(2,021)	12,287	82%	11,764
PUMPING	(\$2,007)	\$22,691	58%	\$19,925
OPERATIONS				
Supervision & Engineering	\$960	\$3,568	119%	\$3,292
Operating Expense	2,430	22,758	253%	10,062
Maint of Telemetry Equipment	2,075	8,574	57%	4,952
Leased Lines	532	4,313	86%	3,651
OPERATIONS	\$5,997	\$39,212	123%	\$21,957
WATER TREATMENT				
Supervision & Engineering	\$830	\$5,381	77%	\$3,660
Operating Expense	2,256	17,503	125%	6,345
Purification Chemicals	0	1,342	27%	150
Maint of Structures & Grounds	163	2,071	207%	0
Maint of Purification Equipment	6,757	21,843	156%	5,202
Electric Power	2,672	19,048	73%	18,956
Laboratory Direct Labor	3,188	24,542	85%	22,401
Laboratory Services	0	2,279	57%	1,981
Water Quality Supervision	0	2,385	60%	2,587
Customer Water Quality	451	2,729	55%	2,273
Lab Expense Distributed from Novato	1,546	15,226	95%	12,328
WATER TREATMENT	\$17,862	\$114,350	91%	\$75,883

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

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$1,434	\$9,018	100%	\$14,569
Maps & Records	0	3,945	132%	3,314
Operating Expense	0	21	-	113
Facilities Location - USA	0	1,395	35%	1,847
Customer Service Expense	449	10,762	60%	9,984
Flushing	0	8,274	276%	5,639
Storage Facilities Expense	1,558	17,692	80%	11,447
Cathodic Protection	0	1,752	-	1,020
Maint of Valves	2,325	10,687	178%	6,206
Valve Operation Program	0	3,083	103%	115
Maint of Mains	0	5,808	116%	434
Water Quality Maintenance	0	85	-	725
Maint of Backflow Devices	0	531	53%	0
Backflow Dev Inspection/Survey	0	2,021	34%	1,157
Maint of Copper Services	1,011	9,091	182%	6,931
Maint of PB Service Lines	1,203	28,091	255%	33,117
Maint of Meters	378	3,095	155%	1,002
Detector Check Assembly Maint	0	260	13%	0
Maint of Hydrants	0	4,503	225%	0
Hydrant Operation	0	2,616	262%	0
Single Service Installation	0	0	-	1,660
TRANSMISSION & DISTRIBUTION	\$8,357	\$122,728	119%	\$99,282
CONSUMER ACCOUNTING				
Meter Reading	\$231	\$5,151	47%	\$5,549
Collection Expense - Labor	0	851	43%	839
Uncollectable Accounts	0	247	-	424
Distributed from Novato (3.6%)	845	9,781	75%	9,216
CONSUMER ACCOUNTING	\$1,076	\$16,030	62%	\$16,029
WATER CONSERVATION				
Water Conservation Program	\$1,033	\$5,927	148%	\$522
TOTAL WATER CONSERVATION	\$1,033	\$5,927	148%	\$522
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (3.2%)	\$4,483	\$31,450	63%	\$35,160
GENERAL & ADMINISTRATIVE	\$4,483	\$31,450	63%	\$35,182
Depreciation (Note 5)	13,029	115,677	77%	111,375
TOTAL OPERATING EXPENSE	\$49,919	\$488,396	89%	\$399,350
OPERATING INCOME/(LOSS)	(\$12,073)	\$119,931	58%	\$127,121

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

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest - General Funds	\$47	\$154	-	\$0
Interest - FRC	83	644	21%	221
Interest - Bank of Marin Project Fund	306	2,212	-	2,346
Rents & Leases	0	4,035	101%	3,917
Tax Proceeds - OL-2 G.O. Bond	0	1,691	42%	2,929
Tax Proceeds - PR-2 Tax Allocation	74	23,766	55%	23,067
Conservation Incentive Rate Fund	0	0	-	1
Other Non-Operating Revenue	0	20	2%	2,274
NON-OPERATING REVENUE	\$510	\$32,522	59%	\$34,755
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$2,671	\$24,367	76%	\$25,771
PR-3 G.O. Bond Interest Expense	0	0	-	339
OL-2 G.O. Bond Interest Expense	16	240	80%	376
PRE-1 Revenue Bond Interest Exp	342	3,075	77%	3,449
PR-6 Revenue Bond Interest Exp	350	3,150	75%	3,450
Drought Loan Interest Expense	38	338	68%	419
Master Plan Update	(680)	14,592	146%	0
Other Non-Operating Expense *	0	14,964	-	294
NON-OPERATING EXPENSE	\$2,737	\$60,725	119%	\$34,097
NET INCOME/(LOSS)	(\$14,300)	\$91,728	43%	\$127,779
BEGINNING FUND EQUITY				
NET INCOME/(LOSS)	(14,300)	91,728		127,779
CONTRIBUTED CAPITAL				
Gallagher Well Pipeline Grant	76,620	201,952	-	0
Developer 'In-Kind' Contributions	(1,970)	5,239		(1,451)
Connection Fees	0	0	0%	4,900
ENDING FUND EQUITY		\$4,465,089		\$4,269,680

* FY14 amount includes \$13,046 in work done in prior years on Rehabilitation of Point Reyes Well #3, which project was abandoned in FY14.

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

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$14,885	\$133,315	75%	\$118,494
Inspection Fees	0	140	-	0
TOTAL OPERATING REVENUE	\$14,885	\$133,455	75%	\$118,494
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$1,099	\$8,502	121%	\$8,261
Inspection	0	988	-	72
Maps & Records	0	77	-	0
Operating Expense	195	2,161	108%	1,180
Facilities Location	0	1,031	103%	756
Maint of Lift Stations	862	5,450	61%	4,595
Electric Power	456	6,291	63%	6,807
SEWAGE COLLECTION	\$2,611	\$24,498	84%	\$21,670
SEWAGE TREATMENT				
Operating Expense	\$0	\$15,815	105%	\$13,823
Maint of Structures	9	9	0%	277
Maint of Equipment	0	1,568	157%	2,294
Laboratory Direct Labor	0	89	-	0
Lab Expense Distributed from Novato	(2)	55	-	0
Electric Power	307	7,291	122%	5,844
SEWAGE TREATMENT	\$315	\$24,827	95%	\$22,238
SEWAGE DISPOSAL				
Operating Expense	\$462	\$1,940	-	\$495
Maint of Pump Stations	0	1,535	51%	5,435
Maint of Storage Ponds	0	0	0%	966
SEWAGE DISPOSAL	\$462	\$3,475	50%	\$6,895
CONTRACT OPERATIONS				
Contract Operations	\$5,311	\$47,803	72%	\$46,692
Equipment Replacements/Upgrades	0	0	0%	0
CONTRACT OPERATIONS	\$5,311	\$47,803	71%	\$46,692
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$0	\$341	-	\$341
Distributed from Novato (0.5%)	109	1,287	64%	1,285
CONSUMER ACCOUNTING	\$109	\$1,627	81%	\$1,626
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.0%)	\$1,454	\$10,198	64%	\$12,060
Liability Insurance	207	1,638	55%	1,860
GENERAL AND ADMINISTRATIVE	\$1,661	\$11,836	62%	\$13,920
Depreciation (Note 5)	4,755	42,759	87%	32,120
TOTAL OPERATING EXPENSE	\$15,225	\$156,825	79%	\$145,161
OPERATING INCOME/(LOSS)	(\$340)	(\$23,370)	111%	(\$26,667)

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

	<u>MARCH 2013</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<u>NON-OPERATING REVENUE</u>				
Rents & Leases	\$0	\$500	50%	\$500
Interest - Connection Fee Reserve	0	0	-	71
Interest - General Funds	143	883	88%	476
Interest - Self Insured WC Fund	2	14	-	6
Tax Proceeds - OM-1/OM-3 Tax Alloc	78	25,328	55%	24,583
Other Non-Operating Revenue	0	0	-	4
NON-OPERATING REVENUE	\$223	\$26,724	56%	\$25,639
<u>NON-OPERATING EXPENSE</u>				
Other Non-Operating Expense	\$0	\$483	-	\$313
NON-OPERATING EXPENSE	\$0	\$483	-	\$313
NET INCOME/(LOSS)	(\$117)	\$2,872	11%	(\$1,341)
BEGINNING FUND EQUITY		\$1,074,018		\$1,075,231
NET INCOME/(LOSS)	(117)	2,872		(1,341)
CONTRIBUTED CAPITAL				
Contribution in Aid of Construction	(63)	0	-	1,471
Connection Fees	0	30,400	101%	0
ENDING FUND EQUITY		\$1,107,290		\$1,075,362

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

	TOTAL	NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
<u>WORKERS' COMPENSATION FUND</u>					
WC Cash Balance 7/1/13	\$2,537	\$0	\$0	\$2,537	\$0
Less: Projected Prior FY Claims Liability	22,476	21,285	697	247	247
Add: Funds borrowed to subsidize operations	213,524	203,678	7,311	0	2,535
WC Reserve Balance 7/1/13	\$193,585	\$182,393	\$6,614	\$2,290	\$2,288
Add: WC Expense Charged to Operations FYTD	234,134	220,400	7,457	2,419	3,859
Interest Earned	1,071	1,053	0	14	4
Subtotal	\$428,791	\$403,846	\$14,071	\$4,723	\$6,151
Less: Claims Expense Paid	19,067	17,948	607	197	314
Excess Insurance Premium	36,957	34,789	1,177	382	609
Administration Fees	9,000	8,472	287	93	148
WC Reserve Balance 3/31/14	\$363,768	\$342,637	\$12,000	\$4,052	\$5,079
Add: Projected Claims Liability	19,784	18,624	630	204	326
Funds borrowed to subsidize operations	0	0	0	0	0
WC CASH BALANCE 3/31/14	<u>\$383,552</u>	<u>\$361,260</u>	<u>\$12,630</u>	<u>\$4,256</u>	<u>\$5,405</u>
<u>CONNECTION FEE FUND</u>					
Connection Fee Cash Balance 7/1/13	\$166,157	\$13	\$166,144	\$0	
Add: funds borrowed to subsidize operations	(52,748)	0	0	(52,748)	
Connection Fee Reserve Balance 7/1/13	\$113,409	\$13	\$166,144	(52,748)	
Add: Connection Fees Collected FYTD	30,400	0	0	30,400	
Interest Earned	644	0	644	0	
Subtotal	\$144,453	\$13	\$166,788	(22,348)	
Less: Fees Expended FYTD	525,941	493,479	32,463	0	
Fees transferred to RWS FYTD (Note 15)	1,371,654	1,371,654	0	0	
Connection Fee Reserve Balance 3/31/14	(\$1,753,143)	(\$1,865,119)	\$134,325	(22,348)	
Less: Funds borrowed to subsidize operations	(1,887,468)	(1,865,120)	0	(22,348)	
CONNECTION FEE CASH BALANCE 3/31/14	<u>\$134,325</u>	<u>\$0</u>	<u>\$134,325</u>	<u>\$0</u>	
<u>CONSERVATION INCENTIVE RATE FUND</u>					
CIR Cash Balance 7/1/13	\$0	\$0	\$0		
Add funds borrowed to subsidize operations	55,912	0	55,912		
CIR Reserve Balance 7/1/13	\$55,912	\$0	\$55,912		
Add: CIR Charges Billed FYTD	80,935	64,343	16,592		
Regulation 15 Forfeitures	0	0	0		
Interest Earned	0	0	0		
Subtotal	\$136,847	\$64,343	\$72,504		
Less: CIR Funds Expended FYTD ¹	86,441	80,513	5,928		
Bill Adjustments	(9,325)	(16,170)	6,844		
CIR Reserve Balance 3/31/14	\$59,732	\$0	\$59,732		
Less funds borrowed to subsidize operations	59,732	0	59,732		
CIR CASH BALANCE 3/31/14	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		

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

**NORTH MARIN WATER DISTRICT
EQUIPMENT EXPENDITURES
PERIOD ENDING MARCH 31, 2014**

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	MARCH 2014	FYTD TOTAL	FY 13/14 BUDGET	(OVER) UNDER	Notes
1 INFORMATION SYSTEMS					
Administration					
a. Server Software Upgrade		\$8,050	\$9,000	\$950	c,1
	\$0	\$8,050	\$9,000	\$950	
2 ADMINISTRATION					
a. Phone System		\$0	\$35,000	\$35,000	c,1
	\$0	\$0	\$35,000	\$35,000	
3 ENGINEERING					
a. Multi-Function Wide-Carriage Copier (Used)	\$10,006	\$10,006	\$12,000	\$1,994	c,1
	\$10,006	\$10,006	\$12,000	\$1,994	
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body		\$0	\$30,000	\$30,000	c,1,2
b. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body		0	30,000	30,000	c,1,2
c. Propane Powered 5,000 lb Capacity Forklift		0	35,000	35,000	c,1,2
d. Hybrid 2WD Pickup		0	40,000	40,000	c,1
e. Hybrid 2WD Pickup		0	40,000	40,000	c,1
	\$0	\$0	\$175,000	\$175,000	
TOTAL EQUIPMENT EXPENDITURES	\$10,006	\$18,056	\$231,000	\$212,944	

Notes:

- (c) Capitalized
 (1) Replacement item.
 (2) The Board of Directors approved purchase of an International Dump Truck (\$107,328), in lieu of the purchase of two budgeted hybrid pickups (\$80K) and a propane powered forklift (\$35K) at it's 2/4/14 meeting.

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

	<u>YEAR-TO-DATE ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>YTD/ BUDGET %</u>
<u>Material Handling</u>			
Material Overhead Recovered (15%)	\$37,532	\$112,000	34%
Labor	\$47,072	\$101,000	47%
Materials, Supplies & Expense	2,029	6,000	34%
Correction to Inventory Counts	(2,738)	0	-
Depreciation	3,457	5,000	69%
	<u>\$49,819</u>	<u>\$112,000</u>	44%
Net Material Handling Gain / (Loss)	<u>(\$12,287)</u>	<u>\$0</u>	-
<u>Construction Supplies</u>			
Const Supplies Overhead Recovered (10%)	\$170,744	\$238,000	72%
Labor	\$55,958	\$74,000	76%
Materials, Supplies & Expense	55,412	78,000	71%
Small Tools	11,674	19,000	61%
Depreciation	3,357	5,000	67%
	<u>\$126,402</u>	<u>\$176,000</u>	72%
Net Constr Supplies Gain / (Loss)	<u>\$44,343</u>	<u>\$62,000</u>	72%
<u>Vehicle & Equipment</u>			
Vehicle & Equipment Recovered ¹	\$252,519	\$415,000	61%
Labor	\$58,225	\$102,000	57%
Materials, Supplies & Expense	45,270	57,000	79%
Fuel	83,297	110,000	76%
Depreciation	74,319	108,000	69%
	<u>\$261,111</u>	<u>\$377,000</u>	69%
Net Vehicle & Equip Gain / (Loss)	<u>(\$8,592)</u>	<u>\$38,000</u>	-23%
<u>Payroll</u>			
Overheaded Payroll Recovered	\$5,151,123	\$7,203,000	72%
Salary Including Leave Time	\$3,263,065	\$4,555,000	72%
Employer FICA & Medicare Tax	245,335	342,000	72%
Insurance ²	686,295	985,000	70%
Retiree Medical	56,563	77,000	73%
CalPERS Retirement	791,169	1,063,000	74%
Unreconciled Difference	(43,861)		
	<u>\$4,998,565</u>	<u>\$7,022,000</u>	71%
Net Payroll Gain / (Loss)	<u>\$152,558</u>	<u>\$181,000</u> ³	
Total Overhead Gain / (Loss)	<u>\$176,022</u>	<u>\$281,000</u>	63%

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

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

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

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

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OPERATING EXPENSE	Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
1 Salaries & Benefits	\$4,045,036	\$28,354	\$185,594	\$17,132	\$4,276,116	\$5,906,000	72%	\$4,111,142	4%
2 Water Purchases	4,465,511	123,479	0	0	4,588,990	4,552,000	101%	3,849,337	19%
3 Depreciation	1,831,376	210,718	115,677	42,759	2,200,530	2,879,000	76%	2,029,553	8%
4 Materials, Services & Supplies	829,623	49,499	70,540	69,095	1,018,757	1,628,000	63%	989,608	3%
5 Chemicals	286,911	2,660	1,342	0	290,913	445,000	65%	276,428	5%
6 Electric Power	278,421	1,488	31,335	13,582	324,826	391,000	83%	314,831	3%
7 Tools & Supplies (Distrib)	135,946	1,473	10,921	647	148,987	173,000	93%	126,289	18%
8 Vehicles and Equipment (Distrib)	160,163	2,034	16,529	488	179,213	236,000	76%	177,886	1%
9 Retiree Medical Expenses	122,925	0	0	0	122,925	157,000	78%	134,405	-9%
10 Office Supplies & Postage	78,894	0	0	0	78,894	116,000	68%	67,171	17%
11 Insurance & Claims	54,223	0	0	1,638	55,861	101,000	55%	59,959	-7%
12 Water Conservation Rebates	51,280	0	0	0	51,280	90,000	57%	44,118	16%
13 Overhead Charges (Gain)/Loss	(176,022)	0	0	0	(176,022)	(265,000)	66%	(43,122)	-
14 Distributed Costs	(357,771)	16,336	56,458	11,485	(273,492)	(363,000)	75%	(273,473)	0%
15 Total Operating Expense	\$11,755,236	\$436,041	\$488,396	\$156,825	\$12,836,499	\$16,046,000	80%	\$11,830,368	9%
16 Interest Expense & Other*	421,577	256,235	46,133	483	724,428	991,000	73%	759,153	-5%
17 Total Expense	\$12,176,813	\$692,276	\$534,530	\$157,308	\$13,560,926	\$17,037,000	80%	\$12,589,521	8%
<u>Warehouse, Shop & Yard</u>									
18 Salaries & Benefits	\$107,321	\$0	\$0	\$0	\$107,321	\$314,000	34%	\$174,609	-39%
19 Materials, Services & Supplies	272,192	0	0	0	272,192	284,000	96%	312,590	-13%
20 Distributed Costs	(379,513)	0	0	0	(379,513)	(598,000)	63%	(487,199)	-22%
21 Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
<u>District Capital Outlay</u>									
22 Salaries & Benefits	\$493,111	\$62,171	\$68,762	\$0	\$624,044	\$767,000	81%	\$642,560	-3%
23 Equipment	18,056	0	0	0	18,056	231,000	8%	108,283	-83%
24 Debt Principal Payments	567,055	305,756	52,574	0	925,385	1,529,000	61%	573,052	61%
25 Materials, Services & Supplies	1,365,369	373,798	104,744	125	1,844,035	7,611,000	24%	6,605,805	-72%
26 Total District Capital Outlay	\$2,443,591	\$741,725	\$226,080	\$125	\$3,411,521	\$10,138,000	34%	\$7,929,700	-57%
<u>Developer Funded Projects</u>									
27 Salaries & Benefits	\$106,954	\$0	\$3,811	\$0	\$110,765	\$212,000	52%	\$95,021	17%
28 Materials, Services & Supplies	141,776	0	(3,143)	0	138,632	276,000	50%	101,308	37%
29 Total Developer Projects	\$248,730	\$0	\$667	\$0	\$249,397	\$488,000	51%	\$196,329	27%
30 Total	\$14,869,134	\$1,434,001	\$761,277	\$157,433	\$17,221,844	\$27,663,000	62%	\$20,715,550	-17%

*Includes Interfund Interest

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

Year	Description	Veh#	Assigned	Fiscal Year to Date				Vehicle Cost per Mile				
				Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Mileage	Life to Date	FYTD	FY13	FY12
1	1993 Ford F250 4x4	29	Pool	390	\$721	\$480	(\$241)	139,370	\$0.58	\$1.85	\$1.19	\$0.79
2	1994 GMC C1500	30	STP	384	\$629	\$12	(\$617)	135,544	\$0.31	\$1.64	\$0.72	\$0.94
3	1999 Dodge Ram 1500	32	Engineering	3,393	\$2,488	\$1,185	(\$1,303)	73,881	\$0.45	\$0.73	\$0.54	\$0.54
4	2000 Dodge Dakota	40	Pool	4,697	\$2,569	\$3,509	\$939	109,664	\$0.47	\$0.55	\$0.41	\$0.98
5	2001 Dodge Ram 1500	41	On-Call	5,461	\$4,648	\$2,047	(\$2,601)	120,276	\$0.54	\$0.85	\$0.49	\$0.55
6	2001 Dodge Dakota	42	Bynum	3,556	\$3,107	\$3,618	\$511	123,206	\$0.36	\$0.87	\$0.69	\$0.45
7	2002 Chev K1500 4x4	47	Engineering	1,312	\$909	\$734	(\$175)	105,633	\$0.35	\$0.69	\$0.54	\$0.56
8	2003 Dodge Dakota 4x4	49	Stompe	4,614	\$2,056	\$2,016	(\$40)	80,880	\$0.41	\$0.45	\$3.08	\$0.74
9	2003 Chev C1500	51	Kehoe	7,260	\$4,522	\$6,648	\$2,126	108,363	\$0.39	\$0.62	\$0.69	\$0.56
10	2004 Chev C1500	53	Kurfirist	2,600	\$5,082	\$7,031	\$1,950	104,270	\$0.44	\$1.95	\$0.69	\$0.69
11	2004 Chev C1500 Xtra Cab	54	Mello	4,920	\$1,999	\$1,992	(\$7)	79,762	\$0.38	\$0.41	\$0.42	\$0.80
12	2005 Honda Civic Hybrid	56	Engineering	4,776	\$2,536	\$2,390	(\$147)	64,230	\$0.23	\$0.53	\$0.16	\$0.30
13	2005 Honda Civic Hybrid	57	Clark	6,874	\$1,166	\$2,358	\$1,192	45,429	\$0.20	\$0.17	\$0.13	\$0.36
14	2005 Ford Ranger	58	Roberto	8,437	\$4,858	\$6,998	\$2,139	100,721	\$0.44	\$0.58	\$0.37	\$0.64
15	2005 Ford Ranger	59	Venegas	10,096	\$2,360	\$6,678	\$4,318	97,006	\$0.43	\$0.23	\$0.76	\$0.49
16	2006 Chev Colorado	501	Arendell	10,635	\$3,549	\$9,182	\$5,633	111,732	\$0.36	\$0.33	\$0.40	\$0.39
17	2007 Chev K2500 4x4	502	Corda, Joe	6,546	\$3,288	\$11,685	\$8,397	66,568	\$0.53	\$0.50	\$0.51	\$0.85
18	2007 Chev Colorado	504	Grisso	2,885	\$2,360	\$3,355	\$995	31,303	\$0.44	\$0.82	\$0.35	\$0.39
19	2008 Ford F250 4x4	505	Cilia	7,988	\$6,981	\$13,773	\$6,792	68,839	\$0.72	\$0.87	\$0.82	\$0.69
20	2008 Ford F250 4x4	506	STP	4,605	\$2,722	\$4,620	\$1,898	39,055	\$0.84	\$0.59	\$0.85	\$0.90
21	2008 Chev Colorado 4x4	509	Lemos	9,723	\$4,561	\$5,025	\$464	70,227	\$0.34	\$0.47	\$0.31	\$0.30
22	2009 Toyota Prius Hybrid	510	Lab	8,515	\$1,555	\$3,821	\$2,267	75,669	\$0.18	\$0.18	\$0.21	\$0.18
23	2010 Ford F150 4x4	511	STP	5,699	\$3,221	\$4,708	\$1,487	40,658	\$0.45	\$0.57	\$0.37	\$0.40
24	2010 Ford F150	512	Ortiz	10,359	\$6,665	\$5,532	(\$1,133)	60,243	\$0.48	\$0.64	\$0.41	\$0.58
25	2010 Ford F150	513	LeBrun	6,031	\$4,210	\$4,614	\$404	29,345	\$0.51	\$0.70	\$0.45	\$0.46
26	2012 Ford F250	515	Reed	7,588	\$4,176	\$15,793	\$11,616	12,159	\$0.63	\$0.55	\$0.75	-
27	2012 Ford F250	516	Castellucci	7,698	\$4,291	\$12,194	\$7,903	12,879	\$0.62	\$0.56	\$0.71	-
Total 3/4 Ton & Under				157,042	87,230	141,995	54,766	2,106,912	\$0.43	\$0.56	\$0.51	\$0.55
1	1999 Ford F350 W/Svc Body	19	Pool	874	\$1,737	\$891	(\$846)	128,747	\$0.74	\$1.99	\$1.40	\$1.40
2	2002 Int'l 5 Yd Dump	44	Rupp	7,067	\$16,511	\$13,738	(\$2,774)	82,090	\$1.61	\$2.34	\$2.02	\$2.02
3	1999 Ford F550 3-Yd Dump ³	52	Crew	2,015	\$3,228	\$5,327	\$2,099	76,787	\$0.94	\$1.60	\$5.46	\$5.46
4	1999 Int'l 5 Yd Dump ⁴	55	Crew	989	\$2,937	\$3,358	\$421	67,588	\$1.37	\$2.97	\$2.20	\$2.20
5	2006 Int'l 4300 Crew	503	Reed	2,510	\$6,625	\$11,765	\$5,140	25,887	\$2.65	\$2.64	\$1.82	\$1.82
6	2008 Ford F350 4x4	507	Latanyszyn	9,599	\$8,033	\$12,585	\$4,553	70,615	\$0.86	\$0.84	\$1.15	\$1.15
7	2009 Peterbilt 335 Crew	508	Kehoe	2,087	\$4,607	\$14,069	\$9,462	18,821	\$2.00	\$2.21	\$2.81	\$2.81
8	2012 Int'l 5 Yd Dump	514	Sjoblom	4,586	\$6,847	\$11,636	\$4,789	12,451	\$1.73	\$1.49	\$2.50	\$2.50
Total 1 Ton & Over				29,727	\$50,524	\$73,367	\$22,843	482,986	\$1.20	\$1.70	\$1.84	\$1.84

¹ Expense amount shown excludes depreciation (approximately \$60,000 for FY14).

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

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

⁴ Purchased used in 2008 with 30,708 miles. Mileage shown is total incurred since District purchase.

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

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Description		COST THRU JUNE 2013	MARCH 2014	FYTD TOTAL	FY 13/14 BUDGET	(OVER) UNDER	TOTAL COST
NOVATO							
a. Residential							
1-7700-01	1 Cash for Grass	\$227,131	\$2,490	\$18,086	\$24,000	\$5,915	\$245,217
1-7700-02	2 Landscape Efficiency Rebates	28,396	0	308	7,500	7,192	28,704
1-7700-03	3 Fixtures Purchases	32,581	0	0	5,000	5,000	32,581
1-7700-06	4 Washing Machine Rebates	306,143	654	15,953	20,000	4,047	322,097
1-7700-07	5 Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11	6 Toilet Rebate SF	864,964	2,942	26,181	34,000	7,819	891,145
1-7700-12	7 Toilet Rebate MF	18,081	0	92	4,000	3,908	18,173
1-7700-13	8 Residential Audits	214,879	754	30,261	50,000	19,739	245,140
1-7700-15	9 High Efficiency Toilet Distribution ²	134,591	4,113	20,391	0	(20,391)	154,982
1-7700-16	10 Water Waste Ordinance Monitoring	29,922	409	1,343	10,000	8,657	31,265
1-7700-17	11 Swimming Pool Cover Rebate	226	0	0	0	0	226
1-7700-19	12 ET Controller Rebate	21,375	0	2,914	8,000	5,086	24,289
1-7700-08	13 Administration	932,763	9,466	91,161	125,000	33,839	1,023,924
1-7700-20	14 New Development Wtr Cons Program	39,228	857	5,726	8,000	2,274	44,954
1-7700-21	15 Demand Offset Rebate Program	1,195	167	449	2,000	1,551	1,644
1-7700-23	16 Grant Administration	637	376	655	0	(655)	1,292
	17 Admin Exp Distrib to WM Water (3.6%)	(3,997)	(341)	(3,295)	0	3,295	(7,292)
b. Commercial							
1-7701-02	1 Toilet Rebate Program	64,927	0	100	10,000	9,900	65,027
1-7701-03	2 Commercial Audits	6,256	857	1,251	15,000	13,749	7,507
c. Public Outreach/Information							
1-8672-16	1 Fall Newsletter	38,084	0	1,023	8,000	6,977	39,107
1-8672-17	2 Spring Newsletter	50,469	2,985	9,392	12,000	2,608	59,861
1-8672-18	3 Summer Newsletter	5,139	0	6,831	4,000	(2,831)	11,969
1-7700-04	4 Public Outreach / H ₂ O Fair	84,932	1,328	8,492	10,000	1,508	93,424
1-7700-05	5 Marketing	116,667	720	9,959	16,000	6,041	126,626
1-7700-22	6 Public Outreach/Leadership Novato	9,409	0	1,689	0	(1,689)	11,098
d. Large Landscape							
1-8653-02	1 Large Landscape Audits	73,127	0	4,667	10,000	5,333	77,794
1-7702-01	2 Large Landscape Budgets	25,617	350	3,100	3,000	(100)	28,717
1-7702-02	3 Large Landscape Irrig Efficiency Rebates	11,376	0	2,084	5,000	2,916	13,460
1-8653-01	4 CIMIS Station Maintenance	18,653	0	0	2,000	2,000	18,653
1-7702-03	6 Administration-Large Landscape	22,607	0	1,019	7,000	5,981	23,626
TOTAL NOVATO WATER CONSERVATION		\$3,429,755	\$28,126	\$259,830	\$400,000	\$140,170	\$3,689,585
WEST MARIN WATER							
2-5166-00	a. Water Conservation Program	\$39,250	\$693	\$2,633	\$2,000	(\$633)	\$41,883
	b. Administrative Exp distributed from Novato (3.6%)	3,997	341	3,295	2,000	(1,295)	7,292
		\$43,247	\$1,033	\$5,928	\$4,000	(\$1,928)	\$49,175
TOTAL WATER CONSERVATION EXPENDITURES¹		\$3,473,002	\$29,159	\$265,758	\$404,000	\$138,242	\$3,738,760

¹Excludes \$267,000 (\$33.53/AF) paid to SCWA for water conservation services provided to NMWD.

² \$47,221 received from SCWA to offset High Efficiency Toilet Giveaway Cost.

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

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Description		COST THRU JUNE 2013	MARCH 2014	FYTD TOTAL	FY 13/14 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS							
a. Main/Pipeline Replacements							
1-7067-20	1 So Novato Blvd-Rowland to Sunset (12"CI @ 1,500')	\$0	\$260	\$11,091	\$100,000	\$88,909	\$11,091
1-7130-00	2 STP 18" Transmission Line Assess/Repair (13,200')	10,358	0	17,442	0	(17,441)	27,799
1-7134-00	3 Digital to Leveroni Looping (8"@600')	18,535	160	89,283	0	(89,282)	107,818
1-7135-00	4 Delong to Cain Looping (8"@400')	0	459	112,368	0	(112,368)	112,368
1-7139-00	5 PB Repl-City Measure A, Group 5	37,364	825	86,275	0	(86,275)	123,639
1-7142-00	6 Shields Ln 6" Cast Iron (6" @ 120')	0	4,125	25,709	225,000	199,292	25,709
1-7143-00	7 Ashley Ct 2" Thinwall Plastic (6" @ 200')	0	0	2,395	40,000	37,606	2,395
1-7144-00	8 Grant/4th 1" Galvanized Steel (6" @ 400')	0	716	8,165	100,000	91,835	8,165
	9 Other Pipeline Replacements (60+ years old)	0	0	0	35,000	35,000	0
b. Main/Pipeline Additions							
1-7145-00	1 Zone A Pressure Improvements - Ignacio	0	2,236	22,839	250,000	227,161	22,839
c. PB Service Line Replacements							
1-7123-11	1 Pacheco Valle (42 Svcs)	2,833	0	0	125,000	125,000	2,833
	2 Replace PB in Sync w/City Paving (45 Svcs)	0	0	0	135,000	135,000	0
1-7123-14	3 Clay Ct PB Repl (9 Svcs)	0	12,209	23,211	33,000	9,789	23,211
1-7123-15	4 Atherton Oaks/Summit Lane (20 Svcs)	0	0	2,068	60,000	57,932	2,068
	5 Other PB Replacements	0	0	0	47,000	47,000	0
1-7123-16	6 County PB Repl (19 Svcs) (2 Streets)	0	5,512	5,512	0	(5,512)	5,512
1-7123-17	7 City PB Repl (47 Svcs) (9 Streets)	0	3,778	3,778	0	(3,778)	3,778
d. Relocations to Sync w/City & County CIP							
	1 Other Relocations	0	0	0	80,000		
1-8737-04	2 Redwood Blvd & Olive Ave Traffic Lights	25,794	912	912	0	(912)	26,706
TOTAL PIPELINE REPLACEMENTS/ADDITIONS		\$94,884	\$31,193	\$411,048	\$1,230,000	\$738,956	\$505,931
e. Aqueduct Replacements & Enhancements							
1-7118-01	1 MSN B1-Utility Agreement Costs	\$170,766	\$34,191	\$41,917	\$0	(\$41,917)	\$212,683
1-7118-02	2 MSN B2-Utility Agreement Costs	28,462	0	4,939	0	(4,939)	33,401
1-7118-03	3 MSN B3-Utility Agreement Costs	131,137	12,763	151,614	0	(151,614)	282,751
1-7118-04	4 AEEP Permit/Desn/Constr	680,441	12,484	186,148	4,600,000	4,413,852	866,589
1-7118-05	5 AEEP Legal Challenge/Litigation	10,679	0	0	0	0	10,679
1-7118-07	6 AEEP- B1 Construction	67,347	4,450	306,497	0	(306,497)	373,844
1-7118-10	7 MSN Aq Caltrans Reimb - Seg B2 Gunn Dr ⁵	7,597	0	33,026	0	(33,026)	40,624
1-7118-17	8 AEEP B1 Betterment & Depreciation Cost	103,188	0	225,637	0	(225,637)	328,825
1-7118-18	9 AEEP B3 Betterment & Depreciation Cost	0	494	765	0	(765)	765
1-7118-20	10 AEEP-B3 Tree Removal-CT Reimb ⁶	0	9,011	203,544	0	(203,544)	203,544
1-7118-21	11 AEEP-B3 Tree Removal-NMWD Cost ⁷	0	14,643	14,643	0	(14,643)	14,643
TOTAL AQUEDUCT REPLACEMENTS AND ENHANCEMENTS		\$1,199,617	\$88,036	\$1,168,730	\$4,600,000	\$3,431,270	\$2,368,347

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

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Description	COST THRU JUNE 2013	MARCH 2014	FYTD TOTAL	FY 13/14 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
2 SYSTEM IMPROVEMENTS						
1-7008-10 a. RTU Upgrades	\$0	\$642	\$9,668	\$10,000	\$332	\$9,668
1-8677-19 b. Flushing taps at Dead-Ends (12 biennially)	0	658	21,450	50,000	28,550	21,450
1-7007-08 c. Detector Check Assembly Repair/Repl (~14/yr)	0	56,371	87,597	150,000	62,403	87,597
1-7090-02 d. Anode Installations (150/yr)	1,618	3,420	3,878	30,000	26,122	5,496
1-7132-01 e. Radio Expansion Telemetry Upgrades	0	375	8,252	25,000	16,748	8,252
1-7054-04 f. Inaccurate Meter Replacement	0	459	6,943	10,000	3,057	6,943
1-7137-00 g. Backflow Device Upgrade-BMK (15 Svcs)	15,732	0	0	30,000	30,000	15,732
1-7146-00 h. Tank Access Hatch/Level Alarms (10 sites)	0	7,481	12,662	35,000	22,338	12,662
TOTAL SYSTEM IMPROVEMENTS	\$17,350	\$69,406	\$150,450	\$340,000	\$189,550	\$167,800
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
a. Administration Building						
1-6501-43 1 Electronic Document Management System	\$0	\$0	\$0	\$150,000	\$150,000	\$0
1-6501-41 2 Admin Office/Lab/Yard Remodel Plan	0	0	0	50,000	50,000	0
b. Corp Yard/Warehouse/Construction Office						
1-8738-01 1 SMART Crossing Rework (@ Golden Gate Pl)	0	0	0	58,000	58,000	0
1-8738-02 2 SMART Crossing Rework (@ Roblar Rd)	0	2,242	3,807	0	(3,807)	3,807
1-8738-03 3 SMART Crossing Rework (@ Hanna Ranch)	0	6,444	8,655	0	(8,655)	8,655
c. Stafford Treatment Plant						
1-6600-70 1 Watershed Erosion Control	34,154	0	12,000	25,000	13,000	46,154
1-6600-54 2 Start-Up Flushing Connection	8,539	2,868	4,912	225,000	220,088	13,452
1-6600-80 3 Lake Aeration Upgrade	28,088	0	0	25,000	25,000	28,088
TOTAL BUILDING, YARD, & STP IMPROVEMENTS	\$70,782	\$11,554	\$29,375	\$533,000	\$503,625	\$100,156
4 STORAGE TANKS & PUMP STATIONS						
1-6201-21 a. Atherton Recoat/Mixing System	\$4,324	\$4,100	\$84,351	\$700,000	\$615,650	\$88,675
1-6112-24 b. Lynwood Pump Station Motor Control Center	36,722	1,334	4,124	190,000	185,876	40,845
1-6141-00 c. Relocate School Rd/Crest P.S.	6,903	395	10,168	100,000	89,832	17,071
TOTAL STORAGE TANKS & PUMP STATIONS	\$47,949	\$5,828	\$98,643	\$990,000	\$891,357	\$146,591
5 RECYCLED WATER						
5-7127-00 a. NBWRA Grant Program Administration	\$870,080	\$501	\$62,499	\$100,000	\$37,501	\$932,579
5-6055-20 b. RW Expansion N Svc Area-Retrofit-Private Property ²	160,192	0	1,125	0	(1,125)	161,317
5-6055-22 d. RW Expansion N Svc Area-Onsite Retrofit-Const	248,322	0	(13,358)	0	13,358	234,964
5-6055-23 e. RW Expansion N Svc Area-Group 2 Site Retrofit	42,819	0	27,866	0	(27,866)	70,685
5-6056-01 f. Expansion to South Svc Area-Non ARRA	1,920	0	0	0	0	1,920
5-6056-11 g. Expansion to South Svc Area-Phase 1A ^{1,2}	1,439,878	263	3,065	100,000	96,935	1,442,943
5-6056-12 h. Expansion to South Svc Area-Phase 1B ^{1,2}	3,863,789	4,888	54,996	0	(54,996)	3,918,785
5-6056-13 i. Expansion to South Svc Area-Phase 2 ^{1,3}	1,963,783	(1,333)	186,737	0	(186,737)	2,150,520
5-6056-14 j. Expansion to South Svc Area-Bolling Circle PS	102,794	0	4,518	0	(4,518)	107,313
5-6056-15 k. Expansion to South Svc Area-Phase 1B-Claims	9,816	2,053	22,319	0	(22,319)	32,135
5-6056-16 l. RW Expansion S Svc Area-PH1A Post Mitigation Monitoring	0	988	13,257	0	(13,257)	13,257
5-6056-20 m. RW Expansion S Svc Area-Retrofit-Private Property ^{2,4}	349,653	0	181	0	(181)	349,834
5-6056-21 n. RW Expansion S Svc Area-Retrofit-Govt Property ²	138,542	0	1,000	0	(1,000)	139,543
5-6056-23 o. RW Expansion S Svc Area-Group 2 Site Retrofit	128,457	0	71,708	0	(71,708)	200,165
5-6058-10 p. RW Exp-Central Area-Pre Design	0	0	56	0	(56)	56

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

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Description	COST THRU JUNE 2013	MARCH 2014	FYTD TOTAL	FY 13/14 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
TOTAL RECYCLED WATER	\$9,320,046	\$7,359	\$435,969	\$200,000	(\$235,969)	\$9,756,015
6 WEST MARIN WATER SYSTEM						
<u>System Improvements:</u>						
2-6601-32 a. TP Solids Handling & Land Acquisition ⁸	\$183,261	\$0	\$6,466	\$200,000	\$193,534	\$189,727
2-6601-35 b. Treatment Plant Control Valve Replacement	6,104	0	0	25,000	25,000	6,104
2-6604-20 c. Gallagher Auxiliary Stream Gauge ⁹	299	4,201	70,018	30,000	(40,018)	70,317
2-6130-21 d. Olema PS Flood Protection & RTU Upgrade	0	3,397	8,671	100,000	91,329	8,671
2-7147-00 e. Emergency Generator Connections	0	0	14,405	15,000	595	14,405
2-6257-20 f. Pt Reyes Tank #2 & #3 Seismic Piping Upgrade	38,928	0	1,895	65,000	63,105	40,823
2-7087-01 g. Gallagher Well & Pipeline Design ⁹	14,631	6,303	87,217	100,000	12,784	101,847
2-7123-18 h. County PB Repl (7 Svcs) (1 Street)	0	250	250	0	(250)	250
2-7087-00 i. Gallagher Well & Pipeline CEQA ⁹	29,788	0	0	0	0	29,788
TOTAL WEST MARIN WATER SYSTEM	\$273,010	\$14,152	\$188,921	\$535,000	\$346,079	\$461,931
7 OCEANA MARIN SEWER SYSTEM						
8-8672-27 a. Infiltration Repair-FY14	\$0	\$0	\$0	\$15,000	\$15,000	\$0
8-7148-00 b. SCADA RTU Upgrade and Install	0	125	125	35,000	34,875	125
TOTAL OCEANA MARIN SEWER SYSTEM	\$0	\$125	\$125	\$50,000	\$49,875	\$125
TOTAL PROJECT EXPENDITURES	\$11,023,637	\$227,653	\$2,483,260	\$8,478,000	\$5,914,744	\$13,506,897
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
<u>(Accrued)/Deferred</u>						
a. RW Expansion - South Service Area Grant ^{2,3,4}	(\$960,891)	\$0	\$948,704	\$1,099,000	\$150,296	(\$12,187)
b. RW - South Service Area Loan ¹	(3,330,590)	437,540	3,329,759	3,472,000	142,241	(831)
c. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ⁵	(206,924)	13,902	(18,251)	0	18,251	(225,175)
d. AEEP Segment B1-B3 ⁵	6,308,782	(12,484)	(186,148)	(2,400,000)	(2,213,852)	6,122,634
e. AEEP- B1 Construction ⁵	(40,665)	44,785	38,143	0	(38,143)	(2,522)
f. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr ⁵	(7,597)	27,717	7,597	0	(7,597)	0
g. AEEP-B3 Tree Removal-CT Reimb ⁶	0	(9,011)	(203,544)	0	0	0
h. TP Solids Handling & Land Acquisition ⁷	644,118	0	(4,850)	(200,000)	(195,150)	639,268
i. Gallagher Well Pipeline ⁹	(44,717)	(10,505)	(157,235)	(1,486,000)	(1,328,765)	(201,952)
FUNDING BY OTHERS (ACCRUED)/DEFERRED	\$2,361,515	\$491,945	\$3,754,176	\$485,000	(\$3,472,720)	\$6,319,235
<u>Received</u>						
a. RW Expansion - South Service Area Grant ^{2,3,4}	(\$1,030,785)	\$0	(\$1,086,777)	(\$1,099,000)	(\$12,223)	(\$2,117,562)
b. RW - South Service Area Loan ¹	(2,005,890)	(440,206)	(3,351,997)	(3,472,000)	(120,003)	(5,357,887)
c. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ⁵	(4,079)	(60,856)	(180,219)	(2,200,000)	(2,019,781)	(184,298)
d. AEEP Segment B1-B3 ⁵	(7,123,441)	0	0	0	0	(7,123,441)
e. AEEP- B1 Construction ⁵	(26,584)	(49,234)	(344,640)	0	344,640	(371,224)
f. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr ⁵	0	(27,717)	(40,624)	0	40,624	(40,624)
g. AEEP-B3 Tree Removal-CT Reimb ⁶	0	0	0	0	0	0
h. TP Solids Handling & Land Acquisition ⁷	(781,564)	0	0	0	0	(781,564)
i. Gallagher Well Pipeline ⁹	0	0	0	0	0	0
FUNDING BY OTHERS RECEIVED	(\$10,972,343)	(\$578,014)	(\$5,004,256)	(\$6,771,000)	(\$1,766,744)	(\$15,976,600)
NET PROJECT EXPENDITURES	\$2,412,809	\$141,584	\$1,233,179	\$2,192,000	\$675,280	\$3,849,532

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

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Description	COST THRU JUNE 2013	MARCH 2014	FYTD TOTAL	FY 13/14 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
		Current Month	FYTD Total	FY 13/14 Budget	FYTD/ Budget%	
CIP SUMMARY-GROSS EXPENDITURES:						
Novato Water Capital Projects		\$206,018	\$1,858,245	\$7,693,000	24%	
Novato Recycled Water Capital Projects		7,359	435,969	200,000	218%	
West Marin Water Capital Projects		14,152	188,921	535,000	35%	
Oceana Marin Sewer Capital Projects		125	125	50,000	0%	
Gross Capital Improvement Project Outlays		\$227,653	\$2,483,260	\$8,478,000	29%	
CIP SUMMARY-NET EXPENDITURES:						
Novato Water Capital Projects		\$142,129	\$1,134,104	\$3,093,000	37%	
Novato Recycled Water Capital Projects		4,694	275,658	200,000	138%	
West Marin Water Capital Projects		14,152	184,072	335,000	55%	
Oceana Marin Sewer Capital Projects		125	125	50,000	0%	
Net Capital Improvement Project Outlays		\$161,099	\$1,593,958	\$3,678,000	43%	

Notes to Capital Improvement Projects Schedule:

- (1) Non-Grant Funded RWS Expansion Costs will be funded by a low-interest rate State Revolving Fund Loan equal to 75% of the project cost, less 25% of the overhead.
- (2) The District will receive ARRA Federal Grant Funding equal to 25% of the project cost less overhead.
- (3) The District will receive Watersmart Federal Grant Funding equal to 25% of the project cost, less overhead.
- (4) The District will receive State Prop 84 Grant Funding equal to project cost less overhead.
- (5) Funding includes a \$7M Bank Loan plus reimbursement from Caltrans for 100% of costs charged to jobs 1.7118.01-1.7118.03, & 1.7118.10.
- (6) Funding provided 100% by Caltrans.
- (7) Funding provided 100% by NMWD.
- (8) Funding provided 75% by Bank of Marin Loan & 25% by connection fees.
- (9) Funding provided 100% by State Dept of Public Health Prop 50 Grant up to \$1,486,000. FY14 Budget was augmented by \$100,000 by BOD on 1/21/14.

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, and is used to pay the revenue bond debt component of the monthly SCWA invoice for water delivery commencing July 2003.

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, and is used to pay the revenue bond debt component of the monthly SCWA invoice for water delivery commencing July 2003.

MMWD Capital Contribution Fund: Beginning February 5, 2014, Marin Municipal Water District (MMWD) shall pay the District a wheeling charge of \$12.00/acre-foot for all MMWD's Russian River water delivered, plus an additional \$4.00/acre-foot set aside charge. The set aside charge is credited to this fund for MMWD's share of the future replacement costs of the North Marin Aqueduct. The set aside charge shall be increased on July 1 of each subsequent year, beginning July 1, 2014, to reflect the change in the Engineering News Record Construction Cost Index for the San Francisco Bay Area for the preceding 12 months, but shall be no greater than 4% per year and no less than 2% per year. The fund balance accrues interest monthly.

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

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

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 water recycling facilities. 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.

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

STP SRF Loan Fund – Marin County Treasury: The 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 the District deposits with the County 10% of the semi-annual SRF payment. The County credits the fund with interest quarterly, and will use the Reserve to pay the last 2 semi-annual SRF loan payments.

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

Note 2 - Designated Cash

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

Self-Insured Workers' Compensation Fund: Commencing July 2011, the District began self-insuring its workers' compensation liability. The savings accrued through self-insuring the liability is reserved in this fund for possible future claims expense. The District carries a workers' compensation excess policy for claims that exceed \$750,000. See schedule on page 22.

Retiree Medical Benefits Fund: NMWD pays the cost of health insurance for retirees between the ages of 55 and 65 and spouse under any group plan offered by CalPERS. The retiree must be at least 55 and have a minimum of 12 years of NMWD service at the date of retirement. NMWD's contribution toward the chosen plan is capped in the same manner as all other NMWD employees in the same class. Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare. When the retiree or spouse becomes eligible for Medicare, NMWD pays up to the couple annuitant rate, which is capped at \$3,830 per year (\$319/month). In August 2003, NMWD transferred \$2.55 million (\$2.3 million for current retirees plus \$250,000 for future retirees) from unrestricted cash into a reserve to fund this obligation. In 2010 the Board directed staff to add \$1,500 per employee annually as a payroll overhead to accrue and accelerate amortization of this liability. In 2013 an Actuarial Analysis calculated NMWD's total actuarial liability at \$4.2 million. This reserve fund earns interest monthly, and currently has a balance of \$3.2 million. Accounting Standards require that the \$4.2M reserve be fully funded in 20 years.

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

revenue forecast. The goal is to build a reserve equal to 20% (currently \$2,500,000) of budgeted annual water commodity sales. In FY09 \$50,335 was added to the reserve. The fund was fully depleted in FY10. The fund balance accrues interest monthly.

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

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

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

Note 3 – Employee Loans

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

Housing Loan Impairment: The Employer Assisted Housing Loans outstanding were written down by \$110,000 at June 30, 2013, representing the impairment in value of the second deeds of trust due to the decline in market value of the homes financed since the purchase date.

Personal Computer Loans: Up to \$3,500 may be loaned to an employee for a period of up to 36 months under the District's Personal Computer Loan Program. Loans are repaid with interest at the rate earned on the District's investment portfolio at the time of the loan plus one percent. Currently there are 2 employee loans outstanding totaling \$970.

Note 4 – Purchased Water Capital Component

In 2003 the Sonoma County Water Agency issued \$6.8 million in 30-year 4.75% revenue bonds to finance the Wohler to Forestville pipeline. That same year the Agency received a \$15.8 million 2.8% 20-year State Revolving Fund loan to finance construction of Collector #6. For these two projects the District pays the Agency a debt amortization surcharge incorporated into its purchased water cost. The FY13 Purchased Water Capital Cost Component is \$225,000, which is the District's share of the annual debt service for these projects, and is paid as a \$114.83/MG surcharge, based on budgeted water deliveries. The Purchased Water Capital Component is funded from Restricted Cash Reserves established to amortize this debt (see Note 1 - Wohler Pipeline and Collector #6 Financing Funds).

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:

Facility	Life (Years)
Aqueduct.....	150
Dam.....	100
STP & RWS Structures.....	40
STP & RWS Mains.....	50
STP & RWS Pumping Equipment.....	25
STP & RWS Water Treatment Equipment.....	20
Storage & Transmission Facilities.....	50
Distribution Facilities.....	50
Buildings.....	35
Office, Laboratory, Construction & Shop Tools & Equipment.....	10
Vehicles 1 ton or greater.....	10
All other vehicles.....	5
Sewer Mains.....	40
Sewer Pumps.....	10

Note 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 2013-2014

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY14		6/30/14 Outstanding Balance
							Interest	Principal	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$3,262	\$15,162	\$65,445
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$326,027	\$718,448	\$13,101,376
3 Novato	Bank Marin Loan	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$220,209	\$261,833	\$6,254,229
Novato Total							\$549,498	\$995,443	\$19,421,040
4 RW TP	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$77,236	\$196,131	\$3,022,026
5 RW North	SRF Loans (4)	2013	2.6%	\$4,375,605	Varies	Varies	\$93,811	\$188,081	\$4,082,743
6 RW South	SRF Loans (3)	2013	2.2%	\$4,917,681	Varies	Varies	\$41,920	\$176,717	\$4,742,934
Recycled Water Total							\$212,967	\$560,929	\$11,847,703
7 Olema	OL-2 GO Bond	1975	5.0%	\$70,000	1/1	1/1/15	\$382	\$3,731	\$3,921
8 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$451	\$2,252	\$9,057
9 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$4,100	\$10,000	\$73,000
10 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$4,200	\$9,000	\$75,000
11 WM Water	Bank Marin Loan	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$32,324	\$38,434	\$924,422
West Marin Water Total							\$41,457	\$63,417	\$1,085,400
Total							\$803,922	\$1,619,789	\$32,354,143

1. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$351,770 to assist in the funding emergency Novato Water system projects in response to the drought.
2. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges.
3. In October 2011 Bank of Marin made a 20-year 3.54% (APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 16, and note to loan 10 below.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. With the addition of \$38,015 in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.
5. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project.

The projects were completed on October 31, 2012, and the first payment was made in November of 2012.

6. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$4,552,077 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment will be made in December 2013.
7. In June 1973, after petition and creation of an improvement district (OL-1) for the investigation of water service to Olema and the Point Reyes National Seashore Headquarters, Olema voters, by a 92% "yes" vote, approved formation of an improvement district (OL-2) and a bonded debt of \$70,000 to acquire and improve the Olema Water Company owned by W. Robert Phillips and others and to service that area. The Farmers Home Administration purchased the 1975 bond issue in its entirety. On 6/1/91, at the demand of the FHA, the Novato Water District repurchased the remaining \$56,760 balance in the Olema bond debt. The interest rate paid to Novato Water on the OL-2 bond was thereafter reset to the higher of the rate earned by the District treasury or the stated rate of 5%.
8. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$46,000 to assist in the funding emergency West Marin Water system projects, including temporary diversions from Bear Valley Creek and Lagunitas Creek in response to the drought.
9. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
10. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.
11. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 3 above.

Note 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 (2.75% at 6/30/13); 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

The Board augmented this year's West Marin Capital Improvement Project Budget by \$100,000 on 1/21/14 (with the remaining \$1.386M to be budgeted for FY15) for the Gallagher Pipeline project and adopted a resolution authorizing execution of the California Department of Public Health (CDPH) Funding Agreement. CDPH has authorized a grant in the amount of \$1.486M for construction of the 12-inch pipeline connecting the Gallagher Well to the West Marin's existing water system.

Note 12 – Prior Period Adjustment

Note 13 – Provision for Pension Related Debt and Side Fund

NMWD participates in the CalPERS 2.5% at age 55 retirement plan. Per CalPERS Actuarial Valuation as of June 30, 2012 (most recent data available) NMWD had an accrued liability of \$34.6 million and assets valued on an actuarial basis at \$27.7 million, rendering an unfunded liability of \$6.9 million (\$34.6 - \$27.7), and a funded ratio of 80.1% ($\$27.7 / \34.6). Using the market value of assets at June 30, 2012, the funded ratio was 67.3%.

In 2003 when NMWD was included in a CalPERS pool of agencies with less than 100 employees, a "side fund" was created by CalPERS to account for the difference between the funded status of the pool and the funded status of NMWD's plan. NMWD is amortizing the CalPERS side fund (\$2.2 M of the \$6.9M unfunded liability at June 30, 2012) on a schedule to be paid off in 2025.

Note 14 – 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 15 –Connection Fee Transfers from Novato Water To Recycled Water

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

	<u>Expansion Local Share</u>			NBWRA	SRF RWF Expansion		Total	Transfer Executed
	North	South	Central		Loan	SRF Loan		
FY07				\$29,725			\$29,725	
FY08				\$50,478	\$22,795		\$73,273	
FY09				\$150,455	\$22,795		\$173,250	
FY10	\$133,659			\$75,198	\$22,795		\$231,652	\$133,659
FY11				\$133,319	\$22,795		\$156,114	
FY12	\$233,478	\$265,500		\$115,883	\$22,795		\$637,656	
FY13				\$315,023	\$22,795	\$464,572	\$802,390	\$1,970,400
FY14	\$236,291	\$668,431	\$56	\$62,499		\$404,376	\$1,371,653	\$1,371,653
	\$603,428	\$933,931	\$56	\$932,580	\$136,769	\$868,949	\$3,475,712	\$3,475,712

Note 16 –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.

	FY10	FY11	FY12	FY13	FY14 Budgeted
Net Income/(Loss)	(\$3,616,979)	(\$1,156,582)	(\$217,163)	\$2,036,943	\$1,921,000
Depreciation	\$2,659,884	\$2,660,418	\$2,726,598	\$2,784,648	\$2,879,000
Interest Expense	\$694,044	\$710,416	\$654,484	\$778,762	\$912,000
Connection Fees	\$1,796,028	\$387,610	\$1,005,680	\$876,350	\$936,000
Total Available For Debt Service	\$1,532,977	\$2,601,862	\$4,169,599	\$6,476,703	\$6,648,000
Annual Debt Service	\$1,384,506	\$1,385,156	\$1,770,894	\$2,118,314	\$2,441,000
Debt Service Coverage Ratio	1.11	1.88	2.35	3.06	2.72

Bank of Marin Debt Service Coverage Calculation¹	FYTD14	FY14 Budgeted
Change in Net Assets ²	\$2,710,063	\$3,956,000
Interest Expense	\$678,832	\$912,000
Depreciation & Amortization	\$2,200,530	\$2,879,000
Total Available for Debt Service	\$6,134,570	\$7,747,000
Bank of Marin Annual Debt Service	\$552,800	\$552,800
Bank of Marin Coverage Ratio	11.10	14.01

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

² See page 9

6

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR March 2014
 April 15, 2014

1.

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

Month	FY13/14	FY12/13	FY11/12	FY10/11	FY09/10	14 vs 13 %
July	385	389	371	379	360	-1%
August	360	396	373	368	367	-9%
September	332	346	347	358	335	-4%
October	313	283	249	278	233	10%
November	229	166	183	164	176	38%
December	182	146	156	141	149	25%
January	168	151	178	146	140	11%
February	119	148	147	134	124	-20%
March	158	211	156	151	152	-25%
FYTD Total	2,245	2,237	2,160	2,119	2,036	0%

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

Month	FY13/14	FY12/13	FY11/12	FY10/11	FY09/10	14 vs 13 %
July	9.3	9.8	9.2	9.9	10.0	-5%
August	9.3	9.7	9.4	9.9	10.6	-5%
September	8.5	8.3	8.7	9.2	9.6	3%
October	8.0	7.4	6.5	7.8	6.9	8%
November	6.8	5.2	5.1	4.9	5.6	31%
December	6.4	4.5	4.9	4.8	4.5	43%
January	5.9	5.0	4.8	4.3	4.2	18%
February	4.4	4.4	4.5	3.9	3.9	2%
March	5.0	5.4	4.4	5.6	5.7	-9%
FYTD Total	63.5	59.7	57.6	60.4	60.8	6%

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

Month	FY13/14	FY12/13	FY11/12	FY10/11	FY09/10	14 vs 13 %
July	98	49	115	109	152	101%
August	83	83	126	108	150	0%
September	56	72	77	112	155	-22%
October	82	88	113	111	80	-7%
November	5	64	106	95	0	-93%
December	2	0	49	0	0	-
January	0	21	0	0	0	-
February	0	57	0	0	0	-
March	0	61	0	52	32	-
FYTD Total	326	493	586	588	569	-34%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY13/14	FY12/13	FY11/12	FY10/11	FY09/10	14 vs 13 %
July	27.6	11.2	11.0	11.9	12.0	147%
August	26.2	10.5	12.2	11.2	12.9	149%
September	18.6	8.5	9.6	9.5	10.2	119%
October	15.8	0.0	0.0	2.6	2.6	-
November	6.4	0.0	0.0	0.0	0.0	-
December	1.6	0.0	0.0	0.0	0.0	-
January	1.2	0.0	0.0	0.0	0.0	-
February	1.8	0.0	0.0	0.0	0.0	-
March	1.2	1.4	0.0	0.0	0.0	-9%
FYTD Total	100.4	31.5	32.8	35.2	37.7	218%

2. Stafford Lake Data

	March Average	March 2013	March 2014
Rainfall this month	3.5 Inches	0.9 Inches	2.8 Inches
Rainfall this FY to date	24.3 Inches	18.3 Inches	11.8 Inches
Lake elevation*	193.5 Feet	194.6 Feet	187.8 Feet
Lake storage**	1,213 MG	1,290 MG	847 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
March 2013 (Novato)	38	90	62
March 2014 (Novato)	41	96	65

3. Number of Services

March 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY14	FY13	Incr %	FY14	FY13	Incr %	FY14	FY13	Incr %	FY14	FY13	Incr %
Total meters	20,730	20,756	-0.1%	47	19	147%	820	819	0.1%	-	-	-
Total meters active	20,486	20,491	0.0%	44	15	193%	776	776	0.0%	-	-	-
Active dwelling units	23,940	23,942	0.0%	0	0	-	813	811	0.2%	229	227	0.9%

4. Oceana Marin Monthly Status Report (March)

Description	March 2013	March 2014
Effluent Flow Volume (MG)	0.415	0.650
Irrigation Field Discharge (MG)	0.770	0.387
Treatment Pond Freeboard (ft)	4.4	3.4
Storage Pond Freeboard (ft)	6.2	4.4

5. Developer Projects Status Report (March)

Job No.	Project	% Complete	% This month
2763	City Administration Office	95	5
2759	Novato High School	100	1
2772	35 Rowland Way (Chick-Fil-A)	95	5

District Projects Status Report - Const Dept (March)

Job No.	Project	% Complete	% This month
1723.14	Clay Ct. PB Replacement	90	10

Employee Hours to Date, FY 13/14

As of Pay Period Ending March 31, 2014
Percent of Fiscal Year Passed = 75%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	677	1,400	48	Construction	3,827	5,607	68
Engineering	611	1,480	41	Engineering	3,959	3,698	107

6. Safety/Liability

Industrial Injury with Lost Time				Liability Claims Paid		
Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)	
FY through March 14	60	24,960	1	0	2	872
FY through March 13	0	0	0	0	2	4,430

FY through March 14
FY through March 13

Days without a lost time accident through March 31, 2014= 294 days

7. Energy Cost

FYE	Kwh	March		Fiscal Year-to-Date thru March		
		¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2014 Stafford TP	57,552	17.1¢	\$317	506,473	17.1¢	\$315
Pumping	80,727	14.7¢	\$410	1,270,938	15.4¢	\$712
Other*	32,867	17.5¢	\$198	388,988	19.6¢	\$278
	171,146	16.0¢	\$914	2,166,399	16.5¢	\$1,306
2013 Stafford TP	60,341	17.1¢	\$332	481,969	15.9¢	\$276
Pumping	104,965	13.7¢	\$449	1,012,840	15.3¢	\$595
Other*	46,394	15.6¢	\$201	336,681	19.8¢	\$254
	211,700	15.1¢	\$966	1,831,491	16.3¢	\$1,135
2012 Stafford TP	26,125	14.0¢	\$62	622,338	15.9¢	\$327
Pumping	53,409	16.3¢	\$299	1,064,262	14.7¢	\$565
Other*	32,212	17.3¢	\$185	345,222	18.9¢	\$229
	111,746	16.0¢	\$526	2,031,822	15.8¢	\$1,110

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of March 2014	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$100 each)	28	249	2,8713
Retrofit Certificates Filed	31	215	4,984
Cash for Grass Rebates Paid Out	4	33	555
Washing Machine Rebates	12	250	6,401
Water Smart Home Survey	33	302	1,719

9. Utility Performance Metric

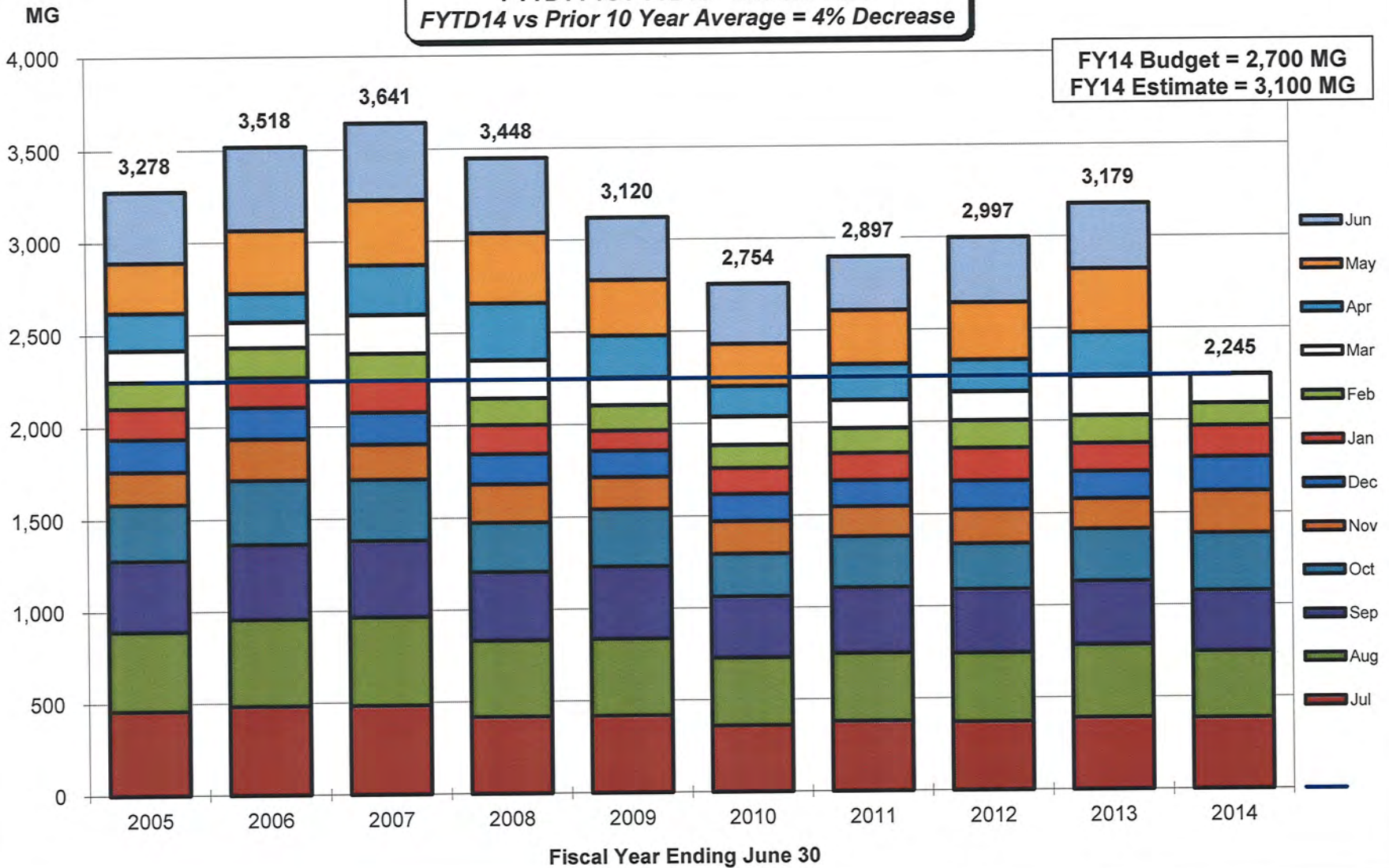
SERVICE DISRUPTIONS	March No. of Customers Impacted
PLANNED	
Duration Between 0.5 and 4 hours	33
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	
UNPLANNED	
Duration Between 0.5 and 4 hours	11
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	

SERVICE LINES REPLACED	March
Polybutylene	31
Copper (Replaced or Repaired)	2

Novato Potable Water Production

FYTD14 vs FYTD13 = 0% Increase
FYTD14 vs Prior 10 Year Average = 4% Decrease

FY14 Budget = 2,700 MG
FY14 Estimate = 3,100 MG



NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2014

4/8/2014

<u>Type</u>	<u>Mar-14</u>	<u>Mar-13</u>	<u>Action Taken March 2014</u>
<u>Consumers' System Problems</u>			
Service Line Leaks	0	0	~
Meter Leak Consumer's Side	13	16	Notified Consumer
House Plumbing	0	0	~
Noisy Plumbing	0	1	~
Seepage or Other	0	0	~
House Valve / Meter Off	6	6	Turned Back On
Nothing Found	8	3	Notified Consumer
Low Pressure	0	1	~
High Pressure	0	0	~
Water Waster Complaints	0	0	~
Total	27	27	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	1	6	Notified Customer
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	0	1	~
Water Off/On Due To Repairs	10	0	Notified Customer
Misc. Field Investigation	0	5	~
Total	11	12	
<u>Leak NMWD Facilities</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	10	6	Repaired
Services-Nothing Found	2	2	Notified Consumer
Service-Damaged	0	0	~
Fire Hydrant-Leak	1	8	Repaired
Fire Hydrants-Nothing Found	0	0	~
Fire Hydrants-Damaged	0	0	~
Meter Replacement	0	0	~
Meters-Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	9	4	Replaced
Total	22	20	
<u>High Bill Complaints</u>			
Consumer Leaks	7	9	Notified Consumer
Meter Testing	0	0	~
Meter Misread	4	2	Notified Consumer
Nothing Found	21	12	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	0	0	~
Total	32	23	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2014

4/8/2014

Type	Mar-14	Mar-13	Action Taken March 2014	
<u>Low Bill Reports</u>				
Meter Misread	0	0	~	
Stuck Meter	0	0	~	
Nothing Found	0	0	~	
Projected Consumption	0	0	~	
Minimum Charge Only	0	0	~	
Total	<u>0</u>	<u>0</u>		
<u>Water Quality Complaints</u>				
Taste and Odor	0	1	~	
Color	0	1	~	
Turbidity	0	0	~	
Suspended Solids	0	1	~	
Other	0	0	~	
Total	<u>0</u>	<u>3</u>		
<u>TOTAL FOR MONTH:</u>	<u><u>92</u></u>	<u><u>85</u></u>	<u>8%</u>	
<u>Fiscal YTD Summary</u>				
Consumer's System Problems	259	320	-19%	<u>Change Primarily Due To</u> Decrease In Service Line Leaks
Service Repair Report	90	107	-16%	Decrease In Meter Replacement
Leak Complaints	207	202	2%	Increase In Srve Lk/Nothing Found
High Bill Complaints	329	413	-20%	Decrease In Nothing Found
Low Bills	0	3	0%	~
Water Quality Complaints	52	32	63%	Increase In Taste & Odor
Total	<u><u>937</u></u>	<u><u>1,077</u></u>	<u>-13%</u>	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2014

4/8/2014

<u>Type</u>	<u>Mar-14</u>	<u>Mar-13</u>	<u>Action Taken March 2014</u>
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	218	205	
<u>Change Meter:</u> leaks, hard to read	15	10	
<u>Possible Stuck Meter</u>	0	3	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	8	2	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	29	27	
<u>Dig Outs</u>	66	29	
<u>Letters to Consumer:</u> meter obstruction, trims, bees, gate access, etc.	0	0	
<u>Misc:</u> locate meter, get meter number, cross connection follow ups, kill service, etc.	0	0	
	<u>336</u>	<u>276</u>	

Bill Adjustments Under Board Policy:

March 14 vs. March 13

Mar-14	27	\$9,587
Mar-13	16	\$4,987

Fiscal Year to Date vs. Prior FYTD

13/14 FYTD	285	\$99,522
12/13 FYTD	302	\$108,747

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Customer Service Questionnaire Quarterly Report

Quarter Ending 03/31/14



NMWD

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3/31/2014

	Response				Response		
	Agree	Neutral	Disagree		Agree	Neutral	Disagree
Water Quality				Pressure			
Courteous & Helpful				Courteous & Helpful	1		
Accurate Information				Accurate Information	1		
Prompt Service				Prompt Service	1		
Satisfactorily Resolved				Satisfactorily Resolved	1		
Overall Experience				Overall Experience	1		
	0	0	0		5	0	0
Leak	Agree	Neutral	Disagree	Noisy Pipes	Agree	Neutral	Disagree
Courteous & Helpful	7	1		Courteous & Helpful	2		
Accurate Information	7	1		Accurate Information	2		
Prompt Service	8			Prompt Service	2		
Satisfactorily Resolved	6	2		Satisfactorily Resolved	2		
Overall Experience	7	1		Overall Experience	2		
	35	5	0		10	0	0
Billing	Agree	Neutral	Disagree	Other	Agree	Neutral	Disagree
Courteous & Helpful	4			Courteous & Helpful			
Accurate Information	4			Accurate Information			
Prompt Service	4			Prompt Service			
Satisfactorily Resolved	4			Satisfactorily Resolved			
Overall Experience	4			Overall Experience			
	20	0	0		0	0	0
				Grand Total	70	5	0
					93%	7%	0%
				Questionnaires Sent Out	113	100%	
				Questionnaires Returned	15	13%	

Customer Service Questionnaire Quarterly Report
Quarter Ending 03/31/14

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Customer Comments	Staff Response to Negative Comments	Issues NMWD Should Address In The Future
<p>Water Quality ~</p> <p>Leaks Darrell was very helpful. Great Job. The young man was very professional. The service was the best. I appreciated the quick & helpful response.</p> <p>Billing The gentleman was great, very helpful.</p> <p>Pressure Good service!</p> <p>Noisy Pipes The technician was helpful. Great job. Thank you.</p>		

MEMORANDUM

To: Board of Directors

April 11, 2014

From: David L. Bentley, Auditor-Controller

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

t:\acl\word\invest\14\investment report 0314.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$17,425,779 and a market value of \$17,432,682. During March the cash balance increased by \$808,358. The market value of securities held decreased by \$1,776 during the month. The ratio of total cash to budgeted annual operating expense, excluding the \$5,659,804 unexpended balance of the Bank of Marin loan, stood at 89%, up 6% from the prior month. This compares to the District's target ratio of 90% of annual operating expense, or \$11.9 million.

At March 31, 2014, 65% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 14% in Time Certificate of Deposits, 12% in Corporate Medium Term Notes, and 6% in US Treasury Notes. The weighted average maturity for the portfolio was 171 days, compared to 128 days at the end of February. The LAIF interest rate for the month was 0.24%, the same as the previous month. The weighted average Portfolio rate was 0.35%, compared to 0.33% the previous month. Including interest paid by Black Point Partners on the StoneTree Golf Club Recycled Water Facilities Loan, the District earned \$9,845 in interest revenue during March, with 46% earned by Novato Water, 48% earned by Recycled Water (by virtue of the Black Point Partners loan) and the balance distributed to the other improvement districts.

State Controller John Chiang's March report on California's financial position stated:

"As employment nears its pre-recession peak, the State is seeing positive gains in many of its primary revenue sources. As we enter the important month of April, all eyes will be on the State's income tax receipts – and whether they size up against budget estimates."

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

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	3/31/2014 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	A	Various	Open	\$11,259,848	\$11,263,087	0.24% ³	65%
Time Certificate of Deposit								
TCD	Ally Bank	n/a	9/28/12	10/1/14	\$248,000	\$248,000	0.85%	1%
TCD	Goldman Sachs	n/a	12/5/12	12/5/14	248,000	248,000	0.75%	1%
TCD	GE Capital Retail Bank	n/a	10/11/13	4/13/15	248,000	248,000	0.80%	1%
TCD	Discover Bank	n/a	5/1/13	5/1/15	248,000	248,000	0.50%	1%
TCD	GE Capital Bank	n/a	6/10/13	6/8/15	248,000	248,000	0.50%	1%
TCD	American Express	n/a	8/1/13	8/3/15	248,000	248,000	0.70%	1%
TCD	Compass Bank	n/a	9/4/13	9/4/15	248,000	248,000	0.65%	1%
TCD	Sallie Mae Bank	n/a	10/23/13	10/23/15	248,000	248,000	0.80%	1%
TCD	BMW Bank	n/a	12/11/13	12/11/15	248,000	248,000	0.70%	1%
TCD	Key Bank	n/a	3/19/14	3/21/16	248,000	248,000	0.45%	1%
					\$2,480,000	\$2,480,000	0.65%	14%
US Treasury Notes								
Treas	1,000 - 3.13%	n/a	3/26/14	\$41,074	\$998,877	\$998,984	0.55%	6%
Corporate Medium Term Notes								
MTN	General Electric	AA+	1/29/13	10/9/15	\$1,002,261	\$1,004,551	0.70%	6%
MTN	Toyota Motor Credit	AA-	5/14/13	7/17/15	1,004,825	1,005,932	0.51%	6%
					\$2,007,086	\$2,010,483	0.60%	12%
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$474,186	\$474,186	0.22%	3%
Bond	Olema G.O. Bond	A+	5/31/91	1/1/15	3,933	4,093	5.00%	0%
Other	Various	n/a	Various	Open	201,849	201,849	0.00%	1%
TOTAL IN PORTFOLIO					\$17,425,779	\$17,432,682	0.35%	100%

Weighted Average Maturity = 171 Days

LAIF: State of California Local Agency Investment Fund.

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

TCD: Time Certificate of Deposit

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

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

Other: Comprised of 4 accounts used for operating purposes. US Bank Operating Account, US Bank STP SRF Loan Account, Bank of Marin AEEP Checking Account & NMWD Petty Cash Fund.

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

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

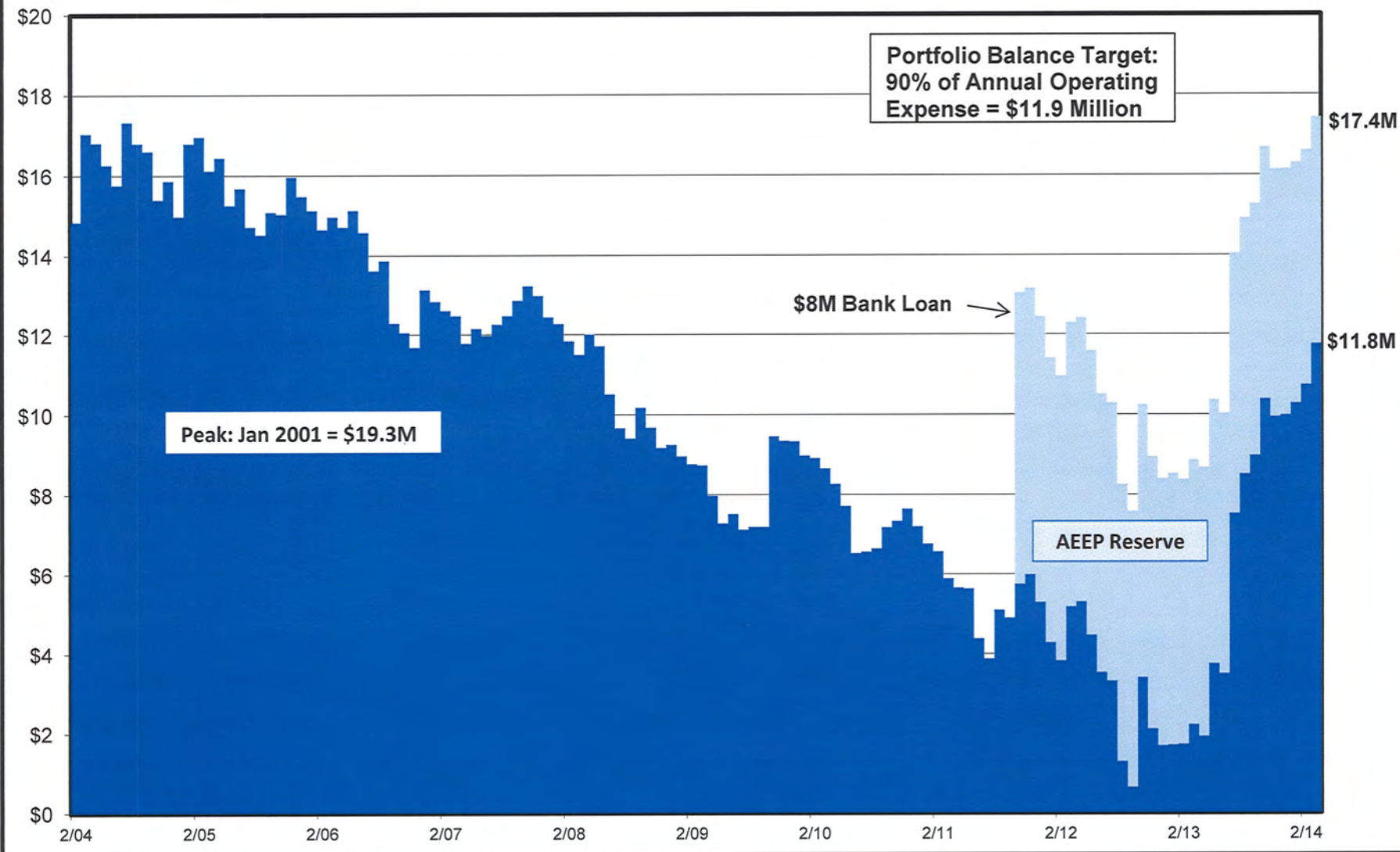
3 Earnings are calculated daily - this represents the average yield for the month ending March 31, 2014.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Black Point Partners-BPGL	6/30/06	2/28/24	\$3,612,640	\$2,203,500	2.40%
Employee Housing Loans (7)	Various	Various	1,249,200	1,249,200	Contingent
Employee Computer Loans (2)	Various	Various	4,464	970	1.51% (avg)
TOTAL INTEREST BEARING LOANS			\$4,866,304	\$3,453,670	

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

NMWD Portfolio Balance 10-Year History

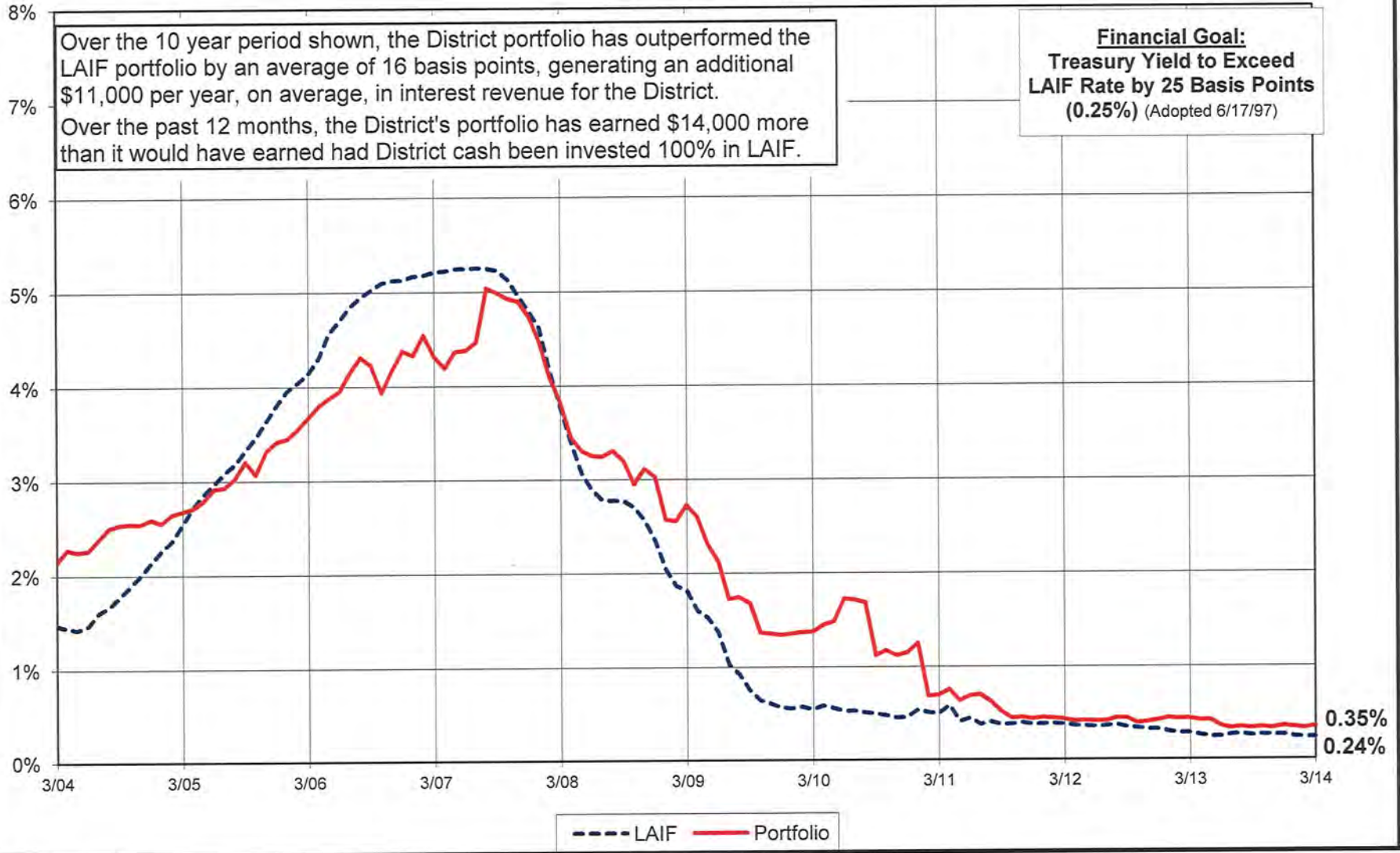
Million



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

Over the 10 year period shown, the District portfolio has outperformed the LAIF portfolio by an average of 16 basis points, generating an additional \$11,000 per year, on average, in interest revenue for the District.
Over the past 12 months, the District's portfolio has earned \$14,000 more than it would have earned had District cash been invested 100% in LAIF.

Financial Goal:
Treasury Yield to Exceed
LAIF Rate by 25 Basis Points
(0.25%) (Adopted 6/17/97)



7

MEMORANDUM

To: Board of Directors

April 11, 2014

From: Ryan Grisso, Water Conservation Coordinator RB

Subject: Approve Text for Novato "*Water Line*", Volume 16, Issue 32
W:\Memos to Board\Spring 2014 WaterLine Text 0414.doc

RECOMMENDED ACTION: Approve Spring 2014 Novato "*Water Line*" Text

FINANCIAL IMPACT: \$7,000 (Included in FY 2013/2014 Budget)

Draft text and design for the Spring 2014 Novato "*Water Line*", Volume 16, Issue 32 is attached for your review. This issue focuses on water supply and the drought and summarizes the Novato Emergency Water Conservation Ordinance approved on April 1, 2014. The "*Water Line*" message directs customers to the www.nmwd.com website feature, allowing customers to log in and see a graph of their water use, rather than print the water use graphs on the letter. The online graphs have been modified to add an 80% water use reduction target bar for each past billing period in 2012 and 2013.

Should any Board member have individual comments please provide them to the General Manager at the Board meeting on April 15, 2014. It is expected the "*Water Line*" will be mailed in late April 2014.

RECOMMENDATION

Board authorize General Manager to approve final text and design of Spring 2014 Novato "*Water Line*", Volume 16, Issue 32.



**NORTH MARIN
WATER DISTRICT**

THE WATER LINE

NOVATO'S WATER CONSERVATION NEWSLETTER • VOLUME 16 ISSUE 32 SPRING 2014

It's A Drought – Save Water!

Reduce Water Use by 20%

The extremely dry conditions through January 2014 have been tempered with rainfall in February and March. Novato rainfall this water year is less than 12 inches, 44% of average Novato rainfall. This follows low water years in 2012 (16.3") and 2013 (20.3"). Stafford Lake currently is at 62% of capacity. On the Russian River there are no mandatory restrictions on delivery of Russian River water this year, even though both Lake Sonoma and Lake Mendocino are substantially lower than this time in 2009 when Russian River water deliveries were reduced by 25%.

Lake Mendocino, which collects runoff from the upper Russian River watershed and water diverted from the Eel River through the Potter Valley Hydroelectric Project (PVP), is part of a system that makes up 80% of NMWD's Novato water supply. Water stored in Lake Mendocino is released into the Russian River to support recreation, urban and agricultural water supply and fisheries. Currently Lake Mendocino is at 50% of capacity. Communities on the upper Russian River are under mandatory water use restrictions, while water users downstream of Lake Sonoma, including NMWD, are being asked to voluntarily conserve.

Chinook salmon, listed as threatened under the Endangered Species Act (ESA), migrate up the Russian River in the fall of the year and spawn in the upper Russian River. Cold water releases from Lake Mendocino are

needed in the fall of the year to support the Chinook salmon migration and spawning. The water level in Lake Mendocino is low this year due to below normal rainfall during the last three winters and reduced water diversions through the PVP ordered by the Federal Regulatory Energy Commission



**There's a Drought On.
Turn the Water Off.**

and National Marine Fisheries Service to protect fisheries in the Eel River.

On April 1, the NMWD Board of Directors declared a Water Shortage Emergency, enacted the Novato Water Shortage Contingency Plan and adopted an Emergency Water Conservation Ordinance calling for customers to reduce water use by 20% compared to the same period last year through voluntary measures.

This can be achieved by eliminating water waste and non-essential uses of water and reducing water applied to your landscaped areas. NMWD hopes to avoid any individual customer water rationing this year. Below contains a summary of the water use restrictions now in effect. The 20% voluntary conservation request is consistent with Governor Brown's January request when all California was declared in drought conditions.

You can see your water use history and voluntary water use reduction target for your account at www.nmwd.com. Select the YOUR ACCOUNT tab and click on Account Balance & Consumption. Once you determine your voluntary water use reduction target, visit www.wateroff.org and access the WATER SAVINGS CALCULATOR link under the TIPS button to explore water saving measures that you can undertake to reach your target. This voluntary water use reduction target is for your information and individual customer rationing is not projected at this time. Customers using less than 143 gallons per person per day have already met the conservation target.

In the past Novato customers have done their share to aid the Russian River system in low water years and we are hopeful you will participate again. Working together we can do our part with all Russian River users to preserve water for fishery protection.

Emergency Water Conservation Ordinance Summary

North Marin Water District has adopted an Emergency Water Conservation Ordinance, prohibiting waste of water and non-essential uses to meet the 20% voluntary water use reduction target.

THE PROHIBITIONS INCLUDE:

Effective April 1, 2014 until the Ordinance is rescinded

- 1) Gutter flooding (unreasonable irrigation overspray or irrigation run-off onto pavement, down a gutter, ditch or other surface drain).
- 2) Failure to repair a leak within a reasonable amount of time.
- 3) Washing down exterior paved areas.
- 4) Washing privately owned motor vehicles, trailers and boats except from a bucket and hose equipped with a shut-off nozzle.
- 5) Refilling a pool drained after July 1, 2014 or initial filling of a pool.

The full Emergency Conservation Ordinance can be viewed at www.nmwd.com.

Call today to schedule your **Free Water Smart Home Survey:** 707-547-1909



High-Efficiency Toilet Rebate

Don't flush money away. Now you can get a rebate when you replace your non-water-conserving toilet with a High-Efficiency Toilet (HET). HETs use 20% less water than standard ultra-low flush toilets, so not only will you save water, but you'll save money, too. HETs eligible for rebate must be EPA WaterSense approved models. Call for rebate values and participation details or visit www.nmwd.com.

Water Smart Home Survey

NMWD offers free *Water Smart Home Surveys* as the cornerstone of the *Water Smart Savings Program*. This **free** service includes indoor and outdoor water efficiency checks, a landscape irrigation system efficiency test and a leak detection test.

Our friendly, knowledgeable survey technicians can show how you can easily conserve more water and save money. Best of all, your appointment can be scheduled at a time that is convenient for you. **How to Participate?** Call (707) 547-1909 to set up your free appointment.



High-Efficiency Clothes Washer Rebate Program

High Efficiency clothes washers can save up to 50% of the water used and 65% of the energy used compared to conventional top-loading clothes washers. NMWD currently offers a rebate to customers when they purchase a qualifying high-efficiency clothes washer. Call for rebate value and participation details, or visit www.nmwd.com.

Cash for Grass

As part of the Water Smart Savings Program, you can get cash back when you remove your regularly mowed and irrigated lawn and re-landscape with District approved low-water use plants or District approved synthetic turf. Pre-inspection and re-landscaping plan approval required. Call for rebate values and complete program participation details or visit www.nmwd.com.



999 Rush Creek Place
PO Box 146
Novato, CA 94948
(415) 897-4133

**NORTH MARIN
WATER DISTRICT**

www.nmwd.com

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Like Us On
facebook

Go Green With Graywater Workshop Laundry-To-Landscape and other Graywater Systems:

Free and Open to the Public (seating is limited)

Saturday, June 28 ♦ 9:30 – 12:00

Tamalpais Community Center, Mill Valley

Saturday, September 13 ♦ 9:30 – 12:00

Marin Humane Society, Novato

Lose Your Lawn Workshops Coming in June



Sheet Mulching and Home Composting
Day, Month 00 ♦ 00:00 pm

Gardening with Nature: Drought Tolerant Habitat for
Bees, Butterflies and Birds: Day, Month 00 ♦ 00:00 pm

Location: 999 Rush Creek Place

Sign up: Send an email to waterconserve@nmwd.com

Eco-Friendly Garden Tour

Saturday May 17 - 10am – 4pm

Visit beautiful gardens in Novato and learn about sustainable practices such as lawn conversions; native gardens to attract birds, butterflies and bees; and saving water with drought resistant plants.

Native plant sale all day

Seminars:

11am: Creating a Low Water and Low Maintenance Garden

1pm: Sheet-mulching demo

2pm: Top 5 Natives for Your Garden



SIGN UP for the tour at:

<http://www.savingwaterpartnership.org>



**There's a Drought On.
Turn the Water Off.**


WaterOff.org

8

MEMORANDUM

To: Board of Directors

April 11, 2014

From: David L. Bentley, Auditor-Controller 

Subj: Draft Rate Increase Letters for West Marin Water and Oceana Marin Sewer Customers

t:\aclword\budget\wm\15\proposed rate increases for wm wtr & om swr.docx

RECOMMENDED ACTION: Authorize Staff to Draft Rate Increase Letters to West Marin Water and Oceana Marin Sewer Customers

FINANCIAL IMPACT: None at this time - \$43,000 Additional FY15 Revenue for West Marin Water and \$8,000 Additional FY15 Revenue for Oceana Marin Sewer Proposed for June 24 Public Hearing

At the January 10 Board workshop, staff presented an update of the five-year financial plan for both West Marin Water and Oceana Marin Sewer. Annual rate increases of 5% were included in the assumptions for both systems, consistent with prior forecasts. Accordingly, a 5% increase is recommended and proposed to become effective July 1, 2014 for both systems. Staff will incorporate the 5% increase into the rate increase letters to be reviewed and approved by the Board at its May 6 meeting. The letters will be mailed to each customer, and must be postmarked on or before May 10 to meet the minimum 45-day notice deadline. A public hearing to consider the proposed increases is scheduled for Tuesday, June 24, in Point Reyes Station.

West Marin Water

Consistent with Novato Water, staff proposes that the bimonthly Service Charge remain unchanged (\$30 for the typical 5/8" meter) and that the commodity rate be increased by 7%¹, rendering a 5% increase in water cost for the typical (median) single-family residential customer. In addition, as approved by the Board at its March 17 meeting, the rate increase letter will include consideration of a proposed drought surcharge of \$2.50 per 1,000 gallons, with a provision to exempt the first 200 gallons per day for residential customers. In 2013, 43% of West Marin Water residential customers used less than 200 gallons per day all year long, and thus would not be impacted by the proposed drought surcharge.

Attachment A is an update of the West Marin Water System 5-Year Financial Plan. Most significant is the \$1.5 million Gallagher Pipeline Project that will be fully funded by a Proposition 50 Grant, which requires that the project be completed in by the close of 2014. Previously the District had planned to borrow money for this project. An offsetting factor is the late 2013 update

¹ Note that for Novato Water a 6.5% Commodity Rate increase generates a 5% increase in revenue, while a 7% Commodity Rate increase is required to generate a 5% increase in West Marin Water revenue, as the Service Charge represents a larger percentage of the total water revenue in West Marin than in Novato.

of the construction cost estimate for the Solids Handling Facility, increasing the estimated future cost by \$550,000, to \$1,245,000. The District will need to borrow approximately \$500,000 in FY16 to fund completion of the Solids Handling Facility. This cost may be reduced if more readily accessible property at the Coast Guard Housing Site becomes available.

Significant assumptions include:

- 1) A 5% water rate increase annually, consistent with prior forecasts;
- 2) Water sales volume is projected conservatively at 70 MG in FY15, a 12.5% reduction from calendar 2013 actual, based on the assumption that a 25% mandatory water use restriction will be in effect from July 1 through October 31. Thereafter water sales volume is projected conservatively at 75 MG annually, down about 5% from the current fiscal year estimated actual;
- 3) Two new connections per year, which is the average over the past 3 years;
- 4) The financial plan includes purchase of 250 acre-feet from Marin Municipal Water District between June 16 and November 1, 2014, to address salinity intrusion due to drought related low-flows in Lagunitas Creek. The cost is \$190 per acre-foot (\$47,500);
- 5) The proposed drought surcharge is projected to be in effect from July 1 through October 31, 2014, and to generate an additional \$43,000 in commodity revenue, partially mitigating the cost of purchasing water from MMWD and the reduced water sales volume.

Oceana Marin Sewer System

Staff proposes that the monthly Sewer Service Charge be increased 5%, to \$68 per month. Recall that the Sewer Service Charge is levied by the County Assessor and collected with the annual property tax payment.

Attachment B is an update of the Oceana Marin Water System 5-Year Financial Plan.

Significant assumptions include:

- 1) A 5% water rate increase annually. This is consistent with prior forecasts, and is designed to build a reserve to fund a \$350,000 pond relining project in FY18;
- 2) One new connection per year, which is the average over the past 5 years;
- 3) A \$30,000 Master Plan update (done every 10 years) will be included in the FY15 budget;
- 4) A \$700,000 parallel force main is not included in the budget. Depending upon the condition of the pond lining in FY18, commencement of the redundant force main project may be substituted for the pond relining project.

RECOMMENDATION:

Authorize Staff to draft rate increase letters to West Marin Water and Oceana Marin Sewer customers, inviting them to the June 24 public hearing, and advising them of the proposal to enact a 5% rate increase, and to consider incorporation of a drought surcharge applicable to West Marin Water customers as herein proposed.

WEST MARIN WATER

5-Year Financial Forecast

#	BASIC DATA	Actual 2011/12	Actual 2012/13	Estimated 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19
1	Active Meters	777	776	777	779	781	783	785	787
2	Avg Commodity Rate/1,000 Gal	\$6.97	\$7.61	\$8.10	\$8.77	\$9.20	\$9.66	\$10.15	\$10.66
3	Potable Consumption (MG)	74	81	79	70	75	75	75	75
INCOME									
4	Commodity Charge	\$518,217	\$614,880	\$640,000	\$657,000	\$690,000	\$725,000	\$761,000	\$799,000
5	Minimum Service Charge	115,584	138,684	168,000	168,000	180,000	189,000	199,000	209,000
6	Connection Fee	36,600	4,900	23,000	46,000	46,000	46,000	46,000	46,000
7	PR-2 County Tax Allocation	40,598	40,443	42,000	43,000	44,000	45,000	46,000	47,000
8	PR-3 G.O. Bond Tax	13,938	338	0	0	0	0	0	0
9	OL-2 G.O. Bond Tax	3,757	4,205	4,000	0	0	0	0	0
10	Interest	0	3,251	3,000	4,000	4,000	5,000	1,000	2,000
11	Miscellaneous	8,218	10,983	4,000	4,000	4,000	4,000	4,000	4,000
12	TOTAL INCOME	\$736,912	\$817,684	\$884,000	\$922,000	\$968,000	\$1,014,000	\$1,057,000	\$1,107,000
EXPENDITURES									
13	Operating Expenditures	\$382,948	\$396,828	\$497,000	\$512,000	\$527,000	\$543,000	\$559,000	\$576,000
14	Water Purchased from MMWD			\$10,000	\$38,000				
15	Miscellaneous	\$3,297	\$11,964	\$30,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
16	Bond & Loan Debt Service	55,597	110,799	105,000	105,000	100,000	101,000	99,000	314,000
17	Interdistrict Loan Interest	5,918	0	0	0	0	0	0	0
18	TOTAL EXPENDITURES	\$447,760	\$519,591	\$642,000	\$673,000	\$645,000	\$662,000	\$676,000	\$908,000
	NET INCOME	\$289,152	\$298,093	\$242,000	\$249,000	\$323,000	\$352,000	\$381,000	\$199,000
OTHER SOURCES/(USES)									
19	Capital Improvement Projects	(145,027)	(380,323)	(285,000)	(1,656,000)	(100,000)	(1,695,000)	(50,000)	(275,000)
20	Grant/Loan Proceeds	1,000,000	0	100,000	1,386,000	0	500,000	0	0
21	Loan from (Repayment to) Novato	(356,968)	0	0	0	0	0	0	0
22	Net Change in Working Capital	(4,574)	(51,956)	0	0	0	0	0	0
23	INCREASE (DECREASE) IN CASH	\$782,583	(\$134,186)	\$57,000	(\$21,000)	\$223,000	(\$843,000)	\$331,000	(\$76,000)
CASH BALANCE									
24	Operating Reserve	\$0	\$0	\$225,000	\$606,000	\$829,000	\$0	\$317,000	\$241,000
25	System Expansion Reserve	700,681	566,710	402,000	0	0	0	0	0
26	Liability Contingency Reserve	98,885	99,000	99,000	99,000	99,000	85,000	99,000	99,000
27	Bond Redemption Reserve	33,330	33,000	30,000	30,000	30,000	30,000	30,000	30,000
28	TOTAL CASH BALANCE	\$832,896	\$698,710	\$756,000	\$735,000	\$958,000	\$115,000	\$446,000	\$370,000
29	Amount Due to Novato Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Depreciation Expense	\$150,169	\$148,654	\$154,000	\$159,000	\$187,000	\$189,000	\$217,000	\$218,000

WEST MARIN WATER NOTES

KEY

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

- 1 Assumes annual increase of 2 connections per year.
- 2 Commodity rate increase of 7% is proposed effective 7/1/14. Annual 5% Commodity and Service Charge increases shown thereafter.
- 3 Consumption projection assumes 25% reduction in water demand from July 1 through October 31, 2014 due to mandatory 25% water use restrictions. Annual consumption thereafter conservatively projected at 75MG due to continue focus on conservation.
- 4 FY15 includes proposed 7% commodity rate increase, along with projected \$43,000 in drought surcharge revenue generated between July 1 and October 31 due to anticipated 25% mandatory water use restriction.
- 5 No increase proposed in FY15, 5% increase annually thereafter.
- 6 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. PR-2 County Tax allocation is increase 3% per year.
- 8, 9 GO Bond Taxes are Proposition 13 Exempt property tax levies that fund general obligation bond debt service.
- 10 Projected available funds invested at 0.50%
- 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 13 3% annual increase assumed after FY14.
- 14 Includes purchase of 250AF from MMWD for release to Lagunitas Creek between June 16 and November 1 at \$190/AF to address salinity intrusion.
- 15 FY14 Includes \$15K for an update of the Master Plan.
- 16 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond due 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. On 6/1/91 the OL-2 bond was repurchased by Novato Water upon demand by FmHA. In July 2012 WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility. Commencing FY13 includes repayment of the \$1 million Bank of Marin loan.
- 17 Interest on interdistrict Loan to fund the LRIPP. Debt was fully repaid in June 2012 with Bank of Marin loan.
- 18 Excludes depreciation.
- 19 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 20 FY12 \$1 million Bank loan; FY14&FY15 Gallagher Pipeline grant of \$1.46 million; FY17 \$500,000 loan to complete the Solids Handling Project.
- 24 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 25 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 26 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. \$8,885 was added in Dec 2006 from sale of 2 surplus parcels in Inverness Park.
- 27 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service (\$30K) for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury. The PR-3 GO Bond was fully repaid in January 2013, eliminating the need for its reserve.
- 29 Amount Due to Novato Water at fiscal year end.

OCEANA MARIN SEWER

5-Year Financial Forecast

#	BASIC DATA	Actual 2011/12	Actual 2012/13	Estimated 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19
1	Number of Connections	227	227	229	230	231	232	233	234
2	Monthly Service Charge	\$58.00	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00	\$83.00
INCOME									
3	Monthly Service Charge	\$157,311	\$157,992	\$178,000	\$187,000	\$196,000	\$208,000	\$220,000	\$233,000
4	OM-1/OM-3 Tax Allocation	43,266	43,101	44,000	45,000	46,000	47,000	48,000	49,000
5	Connection Fees	0	0	30,000	15,000	15,000	15,000	15,000	15,000
6	Interest Revenue	1,387	724	1,000	1,000	1,000	1,000	1,000	0
7	Miscellaneous Revenue/(Expense)	10	19,127	1,000	1,000	1,000	1,000	1,000	1,000
8	TOTAL INCOME	\$201,974	\$220,944	\$254,000	\$249,000	\$259,000	\$272,000	\$285,000	\$298,000
9	OPERATING EXPENDITURES	\$137,490	\$148,164	\$152,000	\$157,000	\$162,000	\$167,000	\$172,000	\$177,000
OTHER EXPENDITURES									
10	Capital Improvement Projects/Other	\$58,694	\$221,835	\$50,000	\$100,000	\$65,000	\$85,000	\$385,000	\$15,000
11	TOTAL EXPENDITURES	\$196,184	\$369,999	\$202,000	\$257,000	\$227,000	\$252,000	\$557,000	\$192,000
12	Net Change in Working Capital	\$21,639	(\$2,275)						
13	INCREASE (DECREASE) IN CASH	\$27,429	(\$151,330)	\$52,000	(\$8,000)	\$32,000	\$20,000	(\$272,000)	\$106,000
CASH BALANCE									
14	Operating Reserve	\$293,416	\$192,042	\$244,000	\$236,000	\$268,000	\$288,000	\$16,000	\$122,000
15	Connection Fee Reserve	49,956	0	0	0	0	0	0	0
16	TOTAL CASH BALANCE	\$343,372	\$192,042	\$244,000	\$236,000	\$268,000	\$288,000	\$16,000	\$122,000
17	Depreciation Expense	\$41,084	\$44,720	\$57,000	\$58,000	\$61,000	\$63,000	\$65,000	\$75,000

OCEANA MARIN SEWER

NOTES

KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years.
Capacity is estimated at 308 dwelling units.
- 2 Proposed 5% annual increases to build cash to fund the FY18 \$350,000 Pond Relining Project. A \$700K parallel force main is also projected outside 5-year window.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Assumes new connections occur in OM-3 (Units 1 or 5) which are subject to the connection fee.
- 6 Projected available funds invested at 0.50%
- 9 3% annual increase assumed after FY14.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 11 Excludes depreciation.
- 16 Cash available for operation, maintenance and improvements

9

MEMORANDUM

To: Board of Directors
From: Robert Clark, Operations / Maintenance Superintendent *RCC*
Subject: Stafford Lake Water Quality Evaluation Consultant Services
X:\MAINT SUP\2014\BOD\MJ MCGuire 414.doc

April 11, 2014

RECOMMENDED ACTION: That the Board authorize the General Manager to execute a Consulting Contract with Michael J. McGuire, Inc. for an amount not to exceed \$40,500.

FINANCIAL IMPACT: No budget augmentation required, \$50,000 included as an amended mid year capitol improvement project.

After the various taste and odor issues we experienced at the Stafford Lake Treatment Plant during the 2014 summer and fall production season staff put together a project scope of work plan for a consultant to develop a comprehensive strategy for eliminating these taste and odor compounds in the Districts finished water produced from Stafford Lake. At the February 4, 2014 Board of Directors meeting within the mid year Engineering Progress Report, The Chief Engineer gave a brief explanation of the Lake Water Quality study for this effort. The consultant would begin with a review of the District's existing record of data on lake water quality, treatment methods and efforts to mitigate the taste and odors. Then use their expertise to assess control and treatment alternatives, including a cost analysis review with District staff, and provide a final report. As part of this effort, the consultant will conduct site visits sufficient to meet the needs of the project.

Staff requested proposals from two consulting firms Michael J. McGuire, Inc. and SRT Consultants, which have the demonstrated experience to perform this study. We received the proposals and have determined that both firms understand the request with the firm of Michael J. McGuire, Inc. providing a more comprehensive deliverable report at a cost \$5,120 less then SRT Consultants. The attached proposal out lines the scope of work to be performed for a cost of \$35,600. Staff is including an additional two days of work at \$4,900 as contingency for a total not to exceed project cost of \$40,500.

Recommendation

That the Board authorize the General Manager to execute a Consulting Contract with Michael J. McGuire, Inc. for an amount not to exceed \$40,500.

Michael J. McGuire, Inc.
469 25th Street
Santa Monica, CA 90402

January 6, 2013

Mr. Pablo Ramudo
Laboratory Director
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

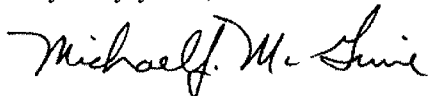
Dear Mr. Ramudo:

I am pleased to submit the enclosed proposal entitled "Development of a Taste and Odor Control Plan for the North Marin Water District." Michael J. McGuire, Inc. is recognized internationally as expert in the control of tastes and odors in drinking water, and I am very interested in working with your utility to resolve these issues.

I believe that our proposed scope of work will address your taste and odor problems in a systematic and cost-effective manner. Key to the success of this project will be the involvement of the North Marin Water District staff. I will ensure that the District's resources will be efficiently used during this effort.

I look forward to working with you on this interesting project. If you have any questions on this proposal, please contact me directly by phone at 310-560-0257 or by email at mike@michaeljmcguire.com.

Very truly yours,



Michael J. McGuire, PhD, PE
President and CEO

Narrative of Consulting Services and Qualifications

Development of a Taste and Odor Control Plan for the North Marin Water District

Michael J. McGuire, Inc.

BACKGROUND

For a number of years, the North Marin Water District (District) has experienced significant taste and odor problems in one of its sources of supply—Stafford Lake. The District has explored a number of control methodologies. A more in-depth investigation has been suggested to understand the sources of the problem and the potential control options.

The District has established three goals related to taste and odor issues:

- Maintain the ability to produce taste and odor free water throughout the year
- Use as little algaecide in the lake as possible (preferably none)
- Low capital cost for possible improvements

Part of the proposed work is to determine if these goals are realistic and to establish best management practices for taste and odor control methodologies.

PROPOSED SCOPE OF WORK

The purpose of this project is for Michael J. McGuire, Inc. (MJM, Inc.) to assist the District in determining the root causes of the taste and odor problems and to identify ways to mitigate this problem through source control, treatment and other means. The product of this effort will be a Taste and Odor Control Plan.

Task 0.0. Project Management

Task 0 will ensure that the program tasks are accomplished on schedule and within the approved budget while ensuring that the designated District Project Manager is kept fully informed. Management of this program and focus on the attainment of program goals will be accomplished by close communication between the MJM, Inc. Project Manager, Dr. Michael J. McGuire, and the District Project Manager. Communications will be facilitated through telephone contacts, conference calls, facsimile transmission of documents, and use of e-mail.

Task 1.0. Collect Information and Review of Taste and Odor Incidents

The District will collect the information available on the taste and odor problems and transmit that information to MJM, Inc. Water quality data will be reviewed by MJM, Inc. including

analytical data on the levels of off-flavor compounds found in the supply and treated water. Complaints will be reviewed to determine if they give additional information about the taste and odor problems. Staff will be interviewed as part of the data collection effort.

The existing source of supply (Stafford Lake) will be physically inspected to determine the factors impacting the taste and odor problems resulting from the watershed and reservoir conditions. Water quality data from the reservoir monitoring program from the past 3 years will be evaluated. The District's treatment plant will be inspected and the effectiveness of treatment options will be assessed. Specifically, the performance of the granular activated carbon (GAC) treatment process will be determined. Specifications for the GAC material and frequency of replacement will be reviewed.

Task 2.0. Assess Control and Treatment Alternatives

Based on observations and information gathered from Task 1, MJM, Inc. will develop possible control and treatment alternatives. Active reservoir control strategies will be considered including watershed contamination control, outlet manipulation, the existing aeration systems and destratification, and chemical addition. Advanced treatment control processes such as powdered and advanced oxidation processes will be examined for their efficacy and adaptability.

Task 3.0. Establish Cost Estimates

The available control and treatment methods will be evaluated to assign feasibility-level cost estimates to the more likely choices. Accepted techniques will be used to estimate the costs of source water control, reservoir control and retrofit costs for the existing treatment plant.

Task 4.0. Attend Meetings with District Staff

Dr. McGuire will be available to attend three meetings with the District staff to understand District operations and ultimately to explain the findings from this work.

Task 5.0. Prepare Final Report

A draft report containing all relevant information will be prepared and submitted to the District for review. The final report will consolidate and formalize the findings from Tasks 1 through 3. In addition to the findings, the document will evaluate alternatives to control the problems, cost estimates and a recommended approach. Adjustments to the existing water quality monitoring program may be recommended in the final report. In essence, the final report will embody a plan for meeting the taste and odor goals established by the District. After receipt of comments on the draft report, one electronic copy and 5 paper copies of a final report will be prepared and submitted to the District.

Flavor Profile Analyses--Optional

If advisable, flavor profile analyses (FPAs) will be suggested on source water, treatment effluent, and distribution system samples. I have access to a Flavor Profile Panel that performs the FPA test. The cost of these analyses is not included in the budget estimate.

PROJECT TEAM

Michael J. McGuire

Michael J. McGuire is President and founder of Michael J. McGuire, Inc. The firm was founded in 2008 to provide consulting services to water utilities particularly in the areas of drinking water quality enhancement, Safe Drinking Water Act Compliance and water treatment optimization.

Between 1979 and 1992, Dr. McGuire was Director of Water Quality for the Metropolitan Water District of Southern California (Metropolitan) as well as holding several other positions at the utility. During the period 1980 to 1990, he instituted the most comprehensive taste and odor control program of any water utility in the U.S. Elements of the program included:

- Managed the design of an innovative analytical methodology to determine earthy-musty odorants at part-per-trillion levels—the closed-loop stripping method.
- Adapted the Flavor Profile Analysis method for use in drinking water taste and odor evaluations.
- Designed a comprehensive research program to determine the cause of earthy-musty odor problems in six Southern California reservoirs. Once the causes were determined, an effective taste and odor source control strategy was implemented.
- Managed the research that led to the installation of the Ozone/PEROXONE processes for taste and odor and disinfection byproduct control at the water treatment plants for Metropolitan. At the completion of the capital project in 2016, the total installed capacity for these processes will be 2,640 mgd.

Dr. McGuire is an internationally recognized expert in the identification and control of tastes and odors in drinking water. Dr. McGuire has helped more than 100 water utilities meet current and future drinking water regulations as well as improve the aesthetic quality of their product.

CITY OF SANTA BARBARA, CALIFORNIA

Dr. McGuire evaluated the control of earthy-musty and sulfide odors at the Cater Water Treatment Plant in Santa Barbara. The sources of the odors were a surface water reservoir and infiltration of sulfide-containing groundwaters during transport of the raw water through a delivery tunnel.

TUCSON WATER, TUCSON, ARIZONA

Dr. McGuire was involved in studies for Tucson Water from 1993 to 2007. He investigated the impact of corrosion on the production of taste and odor problems in the distribution system. In 1998, Dr. McGuire organized comprehensive expert consumer panel evaluations of the taste and odor characteristics of water supplies available to the City.

FORT COLLINS, COLORADO

Dr. McGuire evaluated the taste and odor problems on the Poudre River and Horsetooth Reservoir and he prepared a taste and odor control research program for this utility.

SAN DIEGO COUNTY WATER AUTHORITY, CALIFORNIA

As part of a large investigation on the acceptability of repurified water delivery to consumers, Dr. McGuire evaluated the potential for taste and odor development in a large surface water reservoir—San Vicente Reservoir.

SEATTLE WATER DEPARTMENT, SEATTLE, WASHINGTON

Lake Youngs is a critical component of the water supply system for the City of Seattle. Dr. McGuire investigated the taste and odor problems that occurred in the reservoir and recommended strategies for reservoir destratification.

GULF COAST WATER AUTHORITY, TEXAS CITY, TEXAS

Dr. McGuire provided a comprehensive review of the taste and odor control program for the Gulf Coast Water Authority. The review included control methods in the source water reservoirs and treatment process assessments.

EAST BAY MUNICIPAL UTILITIES DISTRICT, CALIFORNIA

Dr. McGuire assisted this large utility in its evaluation of the taste and odor potential of alternative surface water supplies.

SALEM, OREGON

Dr. McGuire worked with another consultant to help solve a swampy/earthy odor problem that developed in the Aquifer Storage and Recovery system operated by Salem, Oregon. Samples were collected and analyzed for a variety of constituents including the Flavor Profile Analysis method. Treatment and operational recommendations were made to the client.

CENTRAL COAST WATER AUTHORITY

During 1999 and 2000 the Central Coast Water Authority experienced significant earthy-musty taste and odor events. MJM, Inc. was asked to investigate the possible sources of the odor problem, evaluate treatment options and develop feasibility-level costs for treatment alternatives to control the odorous compounds. The problem was assessed, a report was written and recommendations were made to staff and the Board.

PUBLICATIONS AND PRESENTATIONS

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Hwang, C.J., Krasner, S.W., McGuire, M.J., Moylan, M.S., and Dale, M.S., "Determination of Subnanogram Per Liter Levels of Earthy- Musty Odorants in Water by the Salted, Closed-Loop Stripping Method," Environmental Science & Technology, vol. 18, pp. 535-539, July 1984.

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010613

North Marin Water District Proposed Scope of Work and Cost Estimate



Cost Estimate			
Development of a Taste and Odor Control Plan for the North Marin Water District			
Michael J. McGuire, Inc.		1/4/14	
		Est Hrs	Estimated
		McGuire	Task Cost
Tasks	Task Description	\$300	
0.0	Project Management	4	\$1,200
1.0	Collect information and review T&O incidents	10	\$3,000
2.0	Assess control and treatment alternatives	15	\$4,500
3.0	Establish cost estimates	20	\$6,000
4.0	Attend meetings with District staff	24	\$7,200
5.0	Prepare Final Report	30	\$9,000
	Total Professional Hours & Fees	103.0	\$30,900
	Total Direct Costs		\$4,700
	Estimated Total Project Cost		\$35,600
Budget for Direct Costs			
Item	Assumptions	Est. Cost	
Travel	Airfare, Meals and Hotel	\$4,500	
Fed Express		\$100	
Copying		\$100	
	Total Direct Costs	\$4,700	
Note: The hours per task are estimates. Some tasks may take more or less time.			
In no case will the overall limit be exceeded.			

10

MEMORANDUM

To: Board of Directors

April 11, 2014

From: Drew McIntyre, Chief Engineer 
Carmela Chandrasekera, Associate Engineer Subject: Gallagher Well Pipeline Project: Award Contract to Team Ghilotti Inc.
R:\Folders by Job No\7000 jobs\7087\7087.01\BOD memos\7087.01 Contract Award to Team Ghilotti BOD Memo 4-11-14.docx**RECOMMENDED ACTION:** Approve award of the contract to Team Ghilotti Inc. and authorize the General Manager to execute an agreement with same**FINANCIAL IMPACT:** \$1,039,858 plus \$52,000 contingency (5%) Prop 50 Grant fundedBackground

The proposed Gallagher Well Pipeline project will install approximately 1-mile of 12-inch pipeline connecting the existing Gallagher well to the NMWD West Marin water system (see Attachment 1 for the project area). The project will be funded by a Prop 50 grant administered by California Department of Public Health (CDPH) up to a maximum of \$1,486,000.

The Board authorized bid advertisement for the project on February 4, 2014. The advertised date for this project was February 14, 2014 with a bid opening on March 28, 2014. The District advertised the project in the Marin IJ and mailed contract documents to nineteen (19) interested contractors and builders exchanges in the greater bay area. Ten (10) prime contractors attended the pre-bid meeting on March 5, 2014. The bid period was for six (6) weeks and included one (1) addendum. Six bids were received ranging from a low of \$1,039,858 to a high of \$1,747,000. The lower three bids are listed below.

	CONTRACTOR	BID
1.	Team Ghilotti, Inc. (Petaluma, CA)	\$1,039,858
2.	Maggiora & Ghilotti, Inc. (San Rafael, CA)	\$1,132,130
3.	J & M, Inc. (Livermore, CA)	\$1,196,680

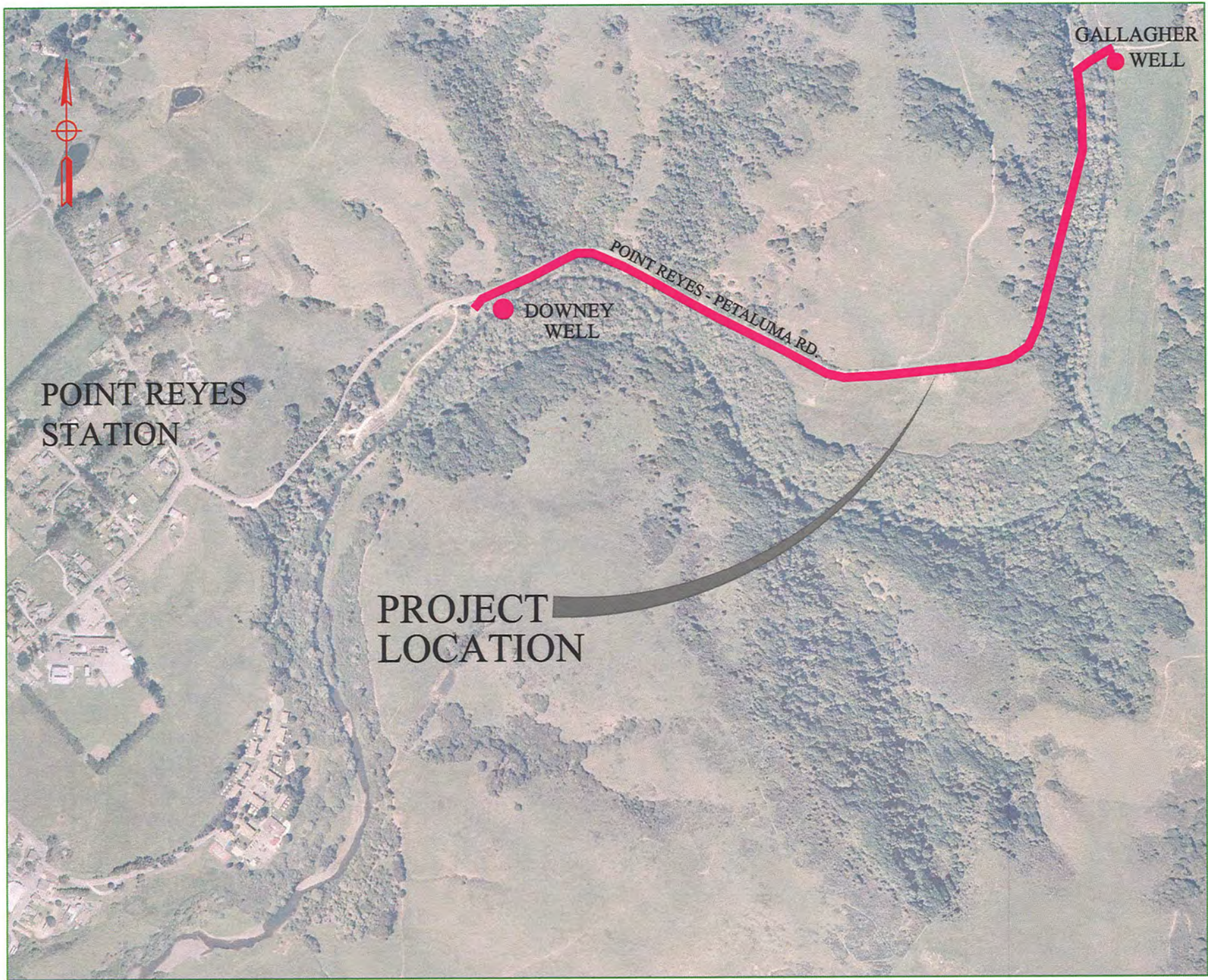
The Engineer's Estimate was \$1,040,000. The bid span between the Number 1 and Number 2 low bidders was \$92,272 (for a variance of 8.9%).

Bid Evaluation

Team Ghilotti, Inc. (TGI) of Petaluma, California, submitted the lowest responsive bid of \$1,039,858 which is \$142 (0%) below the Engineer's construction cost estimate of \$1,040,000. TGI's bid is 8.9% below the next lowest bidder (Maggiora & Ghilotti, Inc.). A bid evaluation was performed and is summarized in Attachment 2. The attached analysis shows that TGI's bid is both responsive and responsible. References were checked by staff and confirmed that TGI has the relevant experience to perform the work.

RECOMMENDATION

That the Board approve award of the contract to Team Ghilotti, Inc. and authorize the General Manager to execute an agreement with Team Ghilotti, Inc. for \$1,039,858 and a contingency of \$52,000.



POINT REYES
STATION

● DOWNEY
WELL

POINT REYES - PETALUMA RD.

● GALLAGHER
WELL

PROJECT
LOCATION

LOCATION MAP

NTS

North Marin Water District Project No. 2. 7087.01
Gallagher Well Pipeline Project

Bid Items From Bid Schedule				Engineer's Estimate	Team Ghilotti, Inc.		Magiora & Ghilotti, Inc.		J & M, Inc.	
Item No.	Qty.	Unit	Description of Items	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1		LS	Mobilization/demobilization allowance (not to exceed 5% of total bid amount)		\$NA	\$45,000	\$NA	\$50,000	\$NA	\$30,000
2		LS	Trenching, sheeting, shoring, ...		\$NA	\$3,500	\$NA	\$1,130	\$NA	\$30,200
3		LS	All work to construct the 12-inch PVC pipeline, and appurtenances from approximately STA 0+00 to STA 52+12 as shown on drawings C-1 through C-10, CD-01 and CD-02 except work related to Bid Items 1, 2, 4, 5, 6, 7 & 8.		\$NA	\$858,858	\$NA	\$920,000	\$NA	\$910,380
4		LS	All work to construct the 12-inch steel pipeline for bridge crossing as shown on drawings S-1 and S-2 except work related to Bid Items 1, 2, 3, 5, 6, 7 & 8.		\$NA	\$97,500	\$NA	\$125,000	\$NA	\$168,000
5		LS	All work to construct 4-inch pipeline and other miscellaneous installations from approximately STA 52+12 to STA 52+24 except work related to Bid Items 1, 2, 3, 4, 6, 7 & 8 as shown in drawing CD-01 & CD-02.		\$NA	\$15,000	\$NA	\$17,000	\$NA	\$27,500
6	100	CY	Excavation of hard rock together with proper disposal of rock as defined in spec section 02223.3.14. The unit price set forth herein shall remain fixed regardless of the actual quantity of hard rock excavated compared to the estimated bid volume.		\$70/cy	\$7,000	\$112/cy	\$11,200	\$156/cy	\$15,600
7		LS	Encroachment and environmental permitting compliance		\$NA	\$10,000	\$NA	\$4,800	\$NA	\$12,000
8	1	LS	Record Drawings.		\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Total Base Bid :				\$1,040,000		\$1,039,858		\$1,132,130		\$1,196,680

Bid Forms:			
"IN" Stamped before bid closing		yes	yes
Bid multiplies out and sums correctly		yes	yes
License - Possesses valid class A license		yes	yes
Bid Form - Addendums 1 acknowledged		yes**	yes
Bid Form - Signed by Authorized Individual		yes	No
Bid Form - Contractor's Experience Statement		yes	yes
Bid Form - Bidder's Reference		yes	yes
Bid Form - Contractor's Equipment Available		yes	yes
Bid Form - Bidder's Financial Reference		complete	incomplete
Bid Form - Designation of Subcontractors		yes	yes
Bid Bond		yes	yes
Bidders Experience and Qualifications		checked MMWD project reference (satisfactory)***	submitted- not checked

.. Addendum Acknowledgement signed in attached e-mail submitted with bid
 ... claims against 2 agencies

Sub Contractors

Team Ghilotti Bruce Enterprises (striping)
 MG Bruce Enterprises (striping), MPEG (testing), Delta Grinding (AC Grind), Bennet Marine (Chlorination)
 J&M Advanced Boring Specialists (HDD)

11

MEMORANDUM

To: Board of Directors Date: April 11, 2014
From: Drew McIntyre, Chief Engineer 
Subject: Approve: San Francisco Bay Area Integrated Regional Water Management Plan Update
R:\Folders by Job No\6000 jobs\6900.20\IRWMP Grant\Adopt IRWMP\lrwmp Adopt Resolution BOD Memo 4-14.docx

RECOMMENDED ACTION: Adopt resolution evidencing approval of San Francisco Bay Area Integrated Regional Water Management Plan Update

FINANCIAL IMPACT: None

Background

The voters of California passed two propositions to provide funding for water resource management programs. In 2002, Proposition 50 was passed and in 2006 Propositions 84 and 1E were passed. Current funding for grant projects is under Prop 84.

The Bay Area adopted an Integrated Regional Water Management Plan (BAIRWMP) in 2006. The BAIRWMP is a nine-county effort to coordinate and improve water supply reliability, protect water quality, manage flood protection, maintain public health standards, protect habitat and watershed resources, and enhance the overall health of the bay. The 2006 plan was approved by the NMWD Board at the November 4, 2008 meeting. The California Department of Water Resources (DWR) acts as an intermediary between the legislature which approves release of the voter approved grant funds and the public agencies seeking funding. Agencies seeking funding under Prop 84 must have their projects included in the BAIRWMP. The District received \$531,562 in Round 1 funding of the Prop 84 grant for its recycled water expansion in both the North and South Service Areas.

In 2012, it was decided that the BAIRWMP should be updated in 2013. The District participated in the update process through the North Bay Water Reuse Authority. The 2013 update of the plan may be found at <http://bairwmp.org/docs/2013-bairwm-plan-update/2013-final-plan/San%20Francisco%20Bay%20Area%20IRWMP%20Final%20September%202013.pdf>

As part of receiving the Round 1 grant, the District is required to adopt the updated BAIRWMP. In addition, the District will seek Recycled Water Central Service Area expansion grant funding in the future from Round 3 of the Prop 84 grant funds. A resolution to adopt the San Francisco Bay Area Integrated Regional Water Management Plan Update is attached.

Staff Recommendation

Adopt resolution evidencing approval of San Francisco Bay Area Integrated Regional Water Management Plan Update.

RESOLUTION NO. 14-

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NORTH MARIN WATER DISTRICT
ADOPTING THE SAN FRANCISCO BAY AREA
INTEGRATED REGIONAL WATER MANAGEMENT PLAN UPDATE**

WHEREAS, the State electorate approved multiple statewide bond measures since 2000, including Propositions 50 and 84, to fund water and natural resource projects and programs, including Integrated Regional Water Management (IRWM); and

WHEREAS, the benefits of integrated planning for water resources management activities include increased efficiency or effectiveness, enhanced collaboration across agencies and stakeholders, and improved responsiveness to regional needs and priorities; and

WHEREAS, state statute and guidelines required that an IRWM Plan be adopted by the governing boards of participating agencies before IRWM grant funds would be provided for water resources management projects that are part of the IRWM Plan; and

WHEREAS, several of the participating agencies in the Bay Area jointly submitted an IRWM grant application for state consideration where a condition for funding required the Bay Area IRWM Plan to be adopted by January 1, 2007; and

WHEREAS, the Bay Area agencies that received funding in previous grant rounds did adopt the Bay Area IRWM Plan before such funds were received; and

WHEREAS, more recent state statutes and guidelines require that the Bay Area IRWM Plan be updated before agencies may receive future IRWM grant funding; and

WHEREAS, a grant was received to update the Bay Area IRWM Plan, that Plan having been completed in the fall of 2013 and approved by the Department of Water Resources in January 2014; and

WHEREAS, a series of workshops were held on the initial Bay Area IRWM Plan and recently the Plan Update to provide stakeholders, including Bay Area local governments, an opportunity to ask questions, provide comments and make recommendations; and

WHEREAS, the Draft Bay Area IRWM Plan Update was posted on the internet and made available for public comment; and

WHEREAS, the Bay Area IRWM Plan Update before the Board for consideration incorporates changes based on comments received during the public review period in the areas of environmental justice, technical project data, and other elements of the Plan; and

WHEREAS, the Bay Area IRWM Plan Update provides an implementation framework that calls for tracking accomplishments, developing lists of prioritized projects and periodically updating the Bay Area IRWM Plan as conditions warrant, providing funding and resources are available to carry out these activities; and

WHEREAS, adoption of the Bay Area IRWM Plan Update does not entail a direct commitment of resources and implementation of each project, as such will be the responsibility of the project proponent and any applicable project partners, and there is no joint commitment or responsibility by the Bay Area IRWM Plan Update participants to implement any or all of the projects; and

WHEREAS, the Bay Area IRWM Plan Update is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines §15262 and §15306 because the IRWM Plan Update consists of basic data collection that would not result in the disturbance of any environmental resource and involves planning studies for possible actions that the participating agencies have not yet approved; and

WHEREAS, the IRWM Plan Update is meant to be complementary to participating agencies' individual plans and programs and does not supersede such plans and programs, and adoption of the IRWM does not prohibit or effect in any way a participating agencies' planning efforts separate from the IRWM Plan; and

NOW THEREFORE, BE IT RESOLVED that the North Marin Water District Board of Directors does hereby adopt the Bay Area IRWM Plan Update.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 15th day of April, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)


Katie Young, Secretary
North Marin Water District

12

MEMORANDUM

To: Board of Directors

Date: April 11, 2014

From: Drew McIntyre, Chief Engineer 

Subject: Approve CSW/ST² Contract Amendment
Marin Sonoma Narrows/Aqueduct Energy Efficiency Project

R:\Folders by Job No\7000 jobs\7118\Consultants Folder\CSW\7118 CSW Contract Amendment 4 for Aqueduct Upsizing BOD Memo 4-15-14.docx

RECOMMENDED ACTION: Board authorize General Manager to execute a contract amendment with CSW/Stuber-Stroeh for additional design services related to the Aqueduct Energy Efficiency Project (AEEP).

FINANCIAL IMPACT: \$132,048 (included in FY14 and FY15 CIP Budgets and ~\$90,000 reimbursed by Caltrans)

Background

The most recent overview of the Caltrans Marin Sonoma Narrows (MSN) and Aqueduct Energy Efficiency Projects (AEEP) was provided to the Board at the December 3, 2013 meeting. Construction is substantially complete for the MSN B1 – AEEP Reach E project and construction work on the MSN B3-AEEP Reach A-D segments is scheduled to begin in May (map included as Attachment 1).

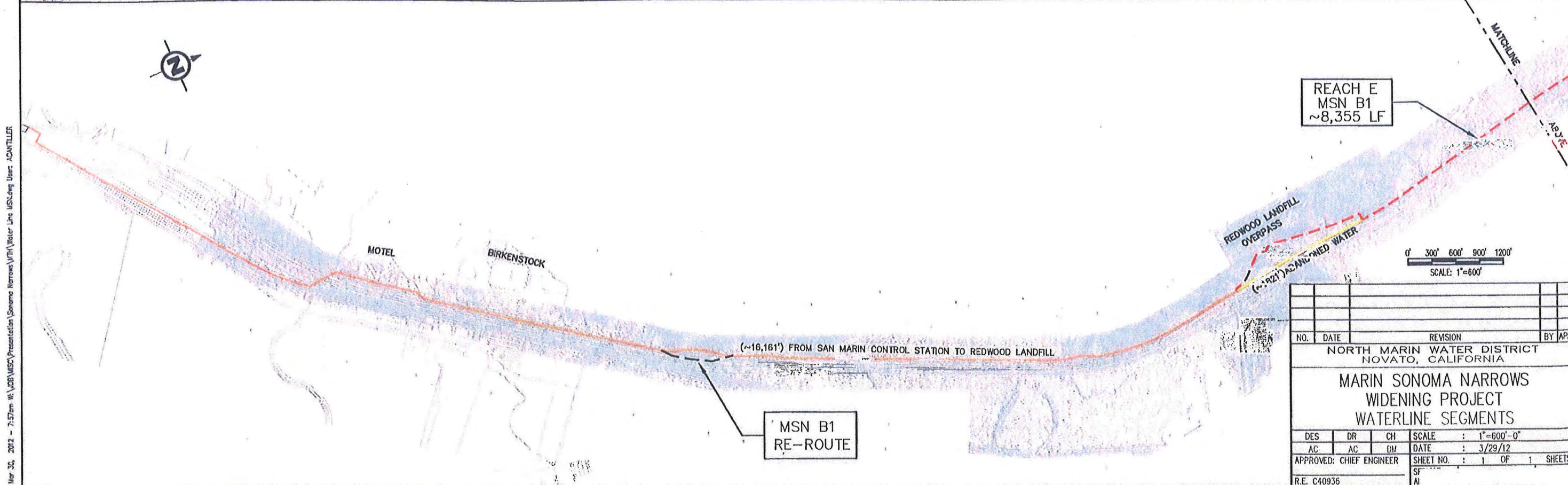
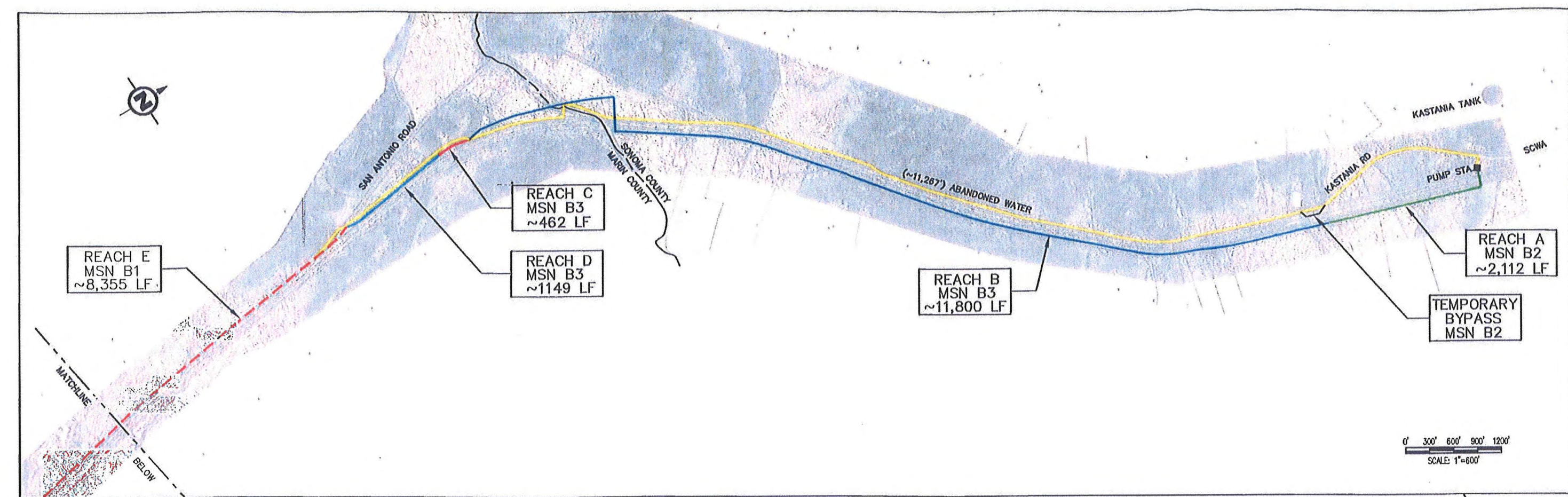
CSW/ST² Consulting Services Contract

The Board approved Contract Amendment No. 3 with CSW/ST² for design work on the MSN/AEEP project at the November 5, 2013 meeting for \$121,200 in out of scope services. In the attached proposal (Attachment 2) CSW/ST² requests \$51,704 for work performed in previously authorized services and \$80,344 in new out of scope services. Accordingly, the total requested fee is \$132,048. Approximately 66% of the total \$132,048 will be billed to Caltrans for reimbursement. A summary of CSW/ST²'s contract modifications since initial approval in January 2011 is provided below.

<i>Amendment No.</i>	<i>Date</i>	<i>Description</i>	<i>Fee Amount</i>	<i>Cumulative Total</i>	<i>Approved Contingency Balance</i>
	January 2011	Award Consulting Services Agreement to CSW	\$236,540	\$236,540	\$24,000
1	August 2011	Additional services for Aqueduct Energy Efficiency Project	\$17,160	\$253,700	\$6,840
2	May 2013	Additional services for Aqueduct Energy Efficiency Project	\$80,600	\$334,300	
3	November 2013	Additional design support services for MSN and Aqueduct Energy Efficiency Project	\$121,200	\$455,500	
4	April 2014	Additional design support services for MSN and Aqueduct Energy Efficiency Project	\$132,048	\$587,548	

RECOMMENDATION

Authorize the General Manager to execute a contract amendment with CSW/Stuber-Stroeh in the amount of \$132,048 for additional design engineering services related to the MSN and Aqueduct Energy Efficiency Projects.



Mar 30, 2012 - 7:57am W:\JOB\MSC\Presentations\Sonoma Narrows\Water Line MSN.dwg User: ACANTILLER

NO.	DATE	REVISION	BY	APP.
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA				
MARIN SONOMA NARROWS WIDENING PROJECT WATERLINE SEGMENTS				
DES	DR	CH	SCALE	1"=600'-0"
AC	AC	DM	DATE	3/29/12
APPROVED: CHIEF ENGINEER			SHEET NO.	1 OF 1 SHEETS
R.E. C40936			SF	AI

Date: March 6, 2014
Rev.: April 10, 2014
File: 4.1131.02

Drew McIntyre
North Marin Water District
P.O. Box 146
Novato, CA 94948

RE: ADDITIONAL SERVICES FOR THE AEEP PROJECT (ADDENDUM #4)

Dear Drew:

Since November 6, 2013 a number of additional tasks have been required in order to finish the Narrows project. In addition, while we continually updated the budget spread sheet with each monthly invoice, we have never recognized the changes to individual line item budgets for the project for the tasks previously approved. We have divided the following analysis into two parts: first, the portion which reconciles the previously approved changes; and second, the additional services requested since November 6, 2013

PREVIOUSLY BUDGETED TASKS

101 - Gap Closure:

This work required much less effort than originally anticipated.

Credit \$8,762

102 - Kastania:

Segment Reach A. This work went beyond that originally anticipated. This was due to the complexity of the tie-in, moving the crossing and combining the projects between the B-2 project and the B-3 Project. Additional time was taken to coordinate with the B-2 project, including the work on the 8" distribution line in Kastania Road. Additional work was also required for the tie-ins to the pump stations. Coordination with URS and the B-2 team. This effort included converting Reach A to a standalone document that was listed separately but the fee was never billed separately (\$6,400) (107) and additional work on the Telemetry line (\$360) (108).

Additional \$37,459.25 requested to bring budget in line with effort.

103 - B-3:

The project extended much longer than anticipated and required substantial additional effort including grading the water line area to accommodate the trench since the project was not concurrent with the B-3 project as originally anticipated. In addition to grading for the trench area, significant effort was necessary to analyze options through

CSW | ST 2

Drew McIntyre
North Marin Water District
April 10, 2014
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the slide area on the east side of the highway. Other items of additional work included the ADL contamination, wetlands analysis, liquefaction, reliability and other unforeseen details. Further additional modifications were required to stay with the Caltrans schedule and the push to have a contract in place by March, 2014.

Additional \$45,049.25 requested to bring budget in line with effort.

104 - B-1:

This work required less effort than originally anticipated partially due to its short time duration and uninterrupted design process.

Credit \$30,351.50

105 - Project Management:

On November 6, 2013 we requested an additional \$4,400, at that time we had fees \$22,400 over budget and an additional 21 month duration, at an average fee of \$2,000 per month. For some reason, Addendum #3 only provided for additional \$42000.

Additional \$22,578 requested to bring budget in line with effort.

106 - Environmental Review Coordination with CT:

This included working with the environmental consultants, reviewing special habitats, implications of construction schedule, methods, pipeline location, and sequencing. Also included were reviews of permits, roles and responsibilities, attendance at Caltrans meetings and agency conditions and requirements.

Additional \$7,338 requested to bring budget in line with effort.

107 - Convert Reach A to Standalone:

Invoiced under 102 above. Not used.

Credit \$6,400

108 - Additional Work along the Telemetry line for Kastania Pump Station (subconsultant work only):

No additional work is contemplated.

Credit \$360

109 - Landscaping, Tree Location, and Coordination with the Korean Church (Reaches C/D):

This budget was anticipated to work with the property owner through parts of reaches C/D. The work was anticipated to include tree location, replacement, irrigation and

CSW | ST 2

Drew McIntyre
North Marin Water District
April 10, 2014
Page 3

coordination. To date the minimal amount of work that has occurred, including the tree location and coordination, was invoiced under section 101 above and the only fee incurred against this line item is our landscaping consultant, Rod Scacalosi. If no improvements to the Korean Church property are anticipated this item will not be used.

Credit: \$4,990.50

110 - Majauskas and Korean Church Cross Sections:

A number of cross sections were developed to determine the precise location of the additional water line which paralleled the existing line to be left in place, maintain proper clearances and determine if additional area for NMWD easement would be required. This work was occurring simultaneously with the work on the Gap closure and difficult to separate and some of the time was posted against 101 Gap Closure, above. The work should be complete and no additional fees should be incurred against this item.

Credit: \$5,628.

111 - Explore One Contract for Reaches A-D:

The first effort to combine the contracts was made between the 30% and 60% completion level of the project plans. Analysis of cost and scheduling implications was considered as well as differentiating between CT and NMWD responsibilities. This also overlapped with work done under 101-103 and 105 above and as a result just slightly over half of the budget was used.

Credit \$4,515.

112 - Misc. Survey to Establish Precise Locations of Existing Facilities:

This budget was only partly used. This will remain open to assist Dale White with easement at San Antonio Road.

No change.

113 - Potholing Existing Utilities:

This work was completed by Mark Thomas and Caltrans and not required.

Credit: \$6,000

114 - Utility Pole Conflicts through B1:

The original concept for the B1 construction sequencing anticipated having the utility poles removed before the water line work began. This did not occur and effort to

Drew McIntyre
North Marin Water District
April 10, 2014
Page 4

coordinate with the AT&T representatives on the placement of the waterline prior to removal and the final location of the relocated poles and guys required significant coordination to keep the project on schedule.

The original budget for this item was exceeded and an additional \$243.50 of effort was accrued against this item.

Additional \$243.50 is requested to bring the budget in line with effort.

115 - Kastania Easements:

This item should remain open. The final disposition of the Kastania Pump Station property is unknown. In the event SCWA transfers the property to NMWD, it is unlikely additional fees will be incurred. However, if SCWA continues to hold the land, four easements will need to be surveyed, described and platted for execution by SCWA. This would require an additional effort of \$2,456. The remaining budget for the item is \$256.00.

Additional \$2,200 is requested to cover the new easements should they be required.

116 - Construction Administration B1:

This work is on-going, although nearing completion. Currently approximately \$18,000 remains in the budget and it is not anticipated that this will be totally depleted. We suggest leaving \$4,500 in the item to complete the As Built coordination and credit the remainder.

Credit \$13,734.50

117 - Explore Cost Allocation between Caltrans and NMWD:

This was an on-going protracted effort to allocate costs fairly between NMWD and Caltrans. It required unanticipated effort and collaboration with Caltrans and the District. The effort expended on this continued through the bidding process and Utility agreement. More recent efforts have been allocated to the Utility Agreement see 124 below.

Additional \$2,020.50 requested to bring budget in line with effort.

118 - Add Alternate A, 30" Pipe to Bid Documents:

To fairly allocate the costs between Caltrans and NMWD, the decision was made to develop a complete set of plans for the 30" pipe only without the AEEP. See Addendum #3.

Credit \$102

CSW | ST 2

Drew McIntyre
North Marin Water District
April 10, 2014
Page 5

Subconsultants:

Corpro - Corrosion Engineering: The original Corpro allocation for Reach B and Reaches A, C/D was \$15,000. The Corpro contract for upsizing B3 and Reaches A and C/D was \$19,800. This was modified when the projects were combined by \$4,950 in July, 2013, but never formalized.

Additional \$9,750 is requested to bring budget in line with effort.

Reimbursables:

The original budget for reimbursables was \$1,014. Through February 9, we have incurred \$6,172.92 for reimbursables. This was due to the significant numbers of copies required to have the NMWD be the lead on the entire pipeline instead of having it as part of the overall B3 highway project. This also included the payment of fees to the Regional Water Board.

Additional \$5,909 requested to bring budget in line with effort.

The total additional services for the project and the reimbursables is \$51,704.

NEW TASKS SINCE NOVEMBER 6, 2013

119 - Construction Administration for Reaches A-D, B-3 Project:

See Addendum #3. This work has not yet started. However, NMWD has asked for CSW|ST2 to add the CA work for Mark Thomas Company to this budget to cover the changes to the highway. This increased the budget by \$22,000.

Additional \$22,000 is requested to provide CA funds for the relocated highway.

120 - Tree Removal Contract:

As an accommodation to Caltrans and the overall project schedule, a separate tree removal contract was developed to meet the window of opportunity to remove trees before the nesting season. This work covered trees within the water line and power and telephone corridors. We had indicated that this work should be budgeted at \$25,000. However, through February 9, we have incurred \$25,797.50 and have the project punch list, coordination with agencies, and project close-out remaining.

We suggest a total budget of \$28,297.50 to cover this cost.

121 - FCA modifications for B-1:

This will be provided at no cost to the District.

CSW | ST 2

Drew McIntyre
North Marin Water District
April 10, 2014
Page 6

122 - Modifications to the Line through Majauskas:

During the bidding process, and to accommodate the Majauskas' request, the District relocated the pipe westwardly to allow the Majauskas room to plant trees directly along the new Caltrans Right-of-Way. In January, we had allowed \$1,000 for the effort required to re-do the plans for both the 30" alternate A as well as the 42" base bid, however, the actual fees incurred through February is \$2,763.50.

The work has been completed and the effort through February 9 is \$2,763.50 for which we are requesting additional fees.

123 - SWPPP for Tree Removal Project:

In order to complete the work in the winter for the tree removal contract, a full SWPPP was required and an allowance for storm inspections was generated.

The total budget for this is anticipated to be \$7,250. Through February 9, 2014, \$2,299 has been used.

124 - Bid Analysis and Utility Agreement:

The Bid analysis of the proposals received from the four contractors and the Utility Agreement between Caltrans and NMWD required extensive review and documentation to fairly allocate the financial responsibilities of the two agencies and future obligations during construction.

Through February 9, 2014, this effort required \$5,853. We have anticipated \$1,800 in additional effort.

We are requesting \$7,653 for this effort

125 - Additional Work to Relocate B-1 (RFI 42): Not Used

126 - Field Survey, Box Locations and Subsequent Easements Preparation and Consultation:

Task 1: Box Locations

Provide 20 hours of field survey time to locate (39) at-ground boxes, and valve covers along the length of the pipe. The box locations will be based on the control which Caltrans is using for this segment of the work and will be surveyed within 0.1 feet. Man ways will be opened by NMWD personnel and the surveyors will locate the actual top of pipe.

Task 2: Base Map

Compile the field information into a base map which will depict the relationship of the new data on the Caltrans and County R/W, as shown on the contract drawings.

Task 3: Easements

CSW | ST 2

Drew McIntyre
North Marin Water District
April 10, 2014
Page 7

Provide support to NMWD in their discussions and negotiations with TAM and Caltrans regarding modifications to the easements to satisfy NMWD's requirements.

We are requesting an additional \$12,380 to cover this work.

The total Additional Fees requested for the work identified since November 6, 2013 is \$80,344.

The attached table summarizes the budget status and our request that the project budget be modified and increased to cover our additional services and reflect the unused budgets previously allocated to the work.

We appreciate working with you and NMWD and will continue to be responsive and conscious of the project budgets, trying to minimize NMWD exposure.

Sincerely,

CSW/STUBER-STROEH ENGINEERING GROUP, INC.



Al Cornwell
R.C.E. #27577

AGC:gmp

Enclosure

Additional Services Recap			4.1131.02						Addendum No. 4	
Description	Utility Agreement B1	Utility Agreement B3	Initial Contract Values (date)	Budget Increases through Nov. 6, 2014	Total Contract Value Nov. 6, 2014	Add Services Request April 4, 2014	Total Contract Values through April 4, 2014	Billing through February 9, 2014	comments	subtotals
101 Gap Closure (Reach C/D)			56,130		56,130.00	-8,762.00	47,368.00	47,368.11	Issue Credit for \$8,762	
102 Kastania (Reach A)			49,980		49,980.00	37,459.25	87,439.25	87,439.25	request additional funds	
103 B-3 (Reach B)			47,010		47,010.00	45,049.25	92,059.25	92,059.25	request additional funds	
104 B-1 (Reach E)			47,406		47,406.00	-30,351.50	17,054.50	17,054.50	Issue Credit for \$30,352	
105 Project Management (Reaches A-E)	x	x(p)	20,000	42,000	62,000.00	22,578.00	84,578.00	56,578.00	This should have be increased to a total of \$84,400; request additional funds	
CAS 1 106 Environmental Review (Reaches A-D)		x		17,160	17,160.00	7,338.00	24,498.00	24,097.86	request additional funds	
Additional Services Recap										
CAS 2 107 Convert Reach A to Stand Alone (Reach A)				6,400	6,400.00	-6,400.00	0.00		Issue Credit for \$6,400	
CAS 3 108 Telemetry Line at Kastania Pump (Reach A)				3,000	3,000.00	-360.00	2,640.00	2,640.00	Issue Credit for \$360	
CAS 4 109 Landscape at Korean Church (Reach C/D)				5,700	5,700.00	-4,990.50	709.50	709.50	Issue Credit for \$4,991	
110 Alignment and x sections at Korean and Majauskas (Reach C/D)				8,000	8,000.00	-5,628.00	2,372.00	2,372.00	Issue Credit for \$5,628	
111 Explore one or two contracts for Reaches A-D		x(p)		9,500	9,500.00	-4,515.00	4,985.00	4,985.00	Issue Credit for \$4,515	
112 Misc Survey for locations and supplemental design requirements (Reaches A and B)				5,000	5,000.00		5,000.00	2,160.00		
113 Potholing exposed utilities (Reaches A-D)				6,000	6,000.00	-6,000.00	0.00		Issue Credit for \$6,000	
114 Utility Poles along B-1 ATT (Reach E)	x			3,400	3,400.00	243.50	3,643.50	3,643.50	request additional funds	
115 Kastania Easements (Reach A)				1,200	1,200.00	2,200.00	3,400.00	944.00	request additional funds	
116 Construction Administration B-1 (Reach E)	x			30,000	30,000.00	-13,734.50	16,265.50	11,765.50	Issue Credit for \$13,735	
117 Explore cost contribution for B-3 between Caltrans and NMWD (Reach B)		x(p)		2,400	2,400.00	2,020.50	4,420.50	4,420.50	request additional funds	
118 Add alternate sheets to reach B for 30" pipe (Reach B)		x		31,200	31,200.00	-102.00	31,098.00	31,098.00	Issue Credit for \$102	
119 Construction Administration Reaches A, B, C/D		x(p)		48,000	48,000.00	22,000.00	70,000.00	0.00	request additional funds	36,045.00
120 Tree Removal bid documents and coordination (Reaches B and C/D)		x(p)				28,297.50	28,297.50	25,797.50	request additional funds	
121 FCA Revision (no cost) (Reach E)							0.00	4,715.50		
122 Change to Majauskas Line (Reach B)		x				2,763.50	2,763.50	2,763.50	request additional funds	
123 SWPPP Monitoring for Tree Contract and SWPPP preparation(\$1000) Reaches B and C/D)		x(p)				7,250.00	7,250.00	2,299.00	request additional funds	
124 Work on Utility Agreement and Bid analysis (Reaches A-D)		x(p)				7,653.00	7,653.00	5,853.00	request additional funds	
125 NOT USED							0.00			
126 As Build Field survey and related easement work B1 (Reach E)	x					12,380.00	12,380.00	0.00	request additional funds	80,344.00
Subtotals			220,526	218,960	439,486.00	116,389.00	555,875.00	430,763		116,389.00
Consultant Corpro			15,000		15,000.00	9,750.00	24,750.00	24,750.00	request additional funds	
Reimburse Copies etc	x(p)	x(p)	1,014		1,014.00	5,909.00	6,923.00	6,172.92	request additional funds	15,659.00
Total Project Fees (including consultants)			236,540	218,960	455,500.00	132,048.00	599,928.00	461,686 **		132,048.00

Notes:

* Assume \$1,750 per month for 16 months(February, 2014 through June 2015)

** Note Actual Feb. 9 billing will not exceed authorized amount in Total Contract Value Column

13

MEMORANDUM

To: Board of Directors

Date: April 11, 2014

From: Drew McIntyre, Chief Engineer 

Subject: Miller Pacific Engineering Group – Consulting Services Agreement

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RECOMMENDED ACTION: Authorize the General Manager to execute a new General Engineering Services agreement for Consulting Geotechnical Services between NMWD and Miller Pacific Engineering Group with a not-to-exceed limit of \$60,000.

FINANCIAL IMPACT: \$60,000

Attached is an agreement for Miller Pacific Engineering Group (MPEG) to provide continuing FY14 and FY15 outsourcing support. MPEG has a long and proven track record with the District of providing high quality and responsive services at reasonable cost. To best meet project demands, a General Engineering Services Agreement is desired with individual task orders on a job-by-job basis.

A summation of contract billings for MPEG general engineering services (exclusive of Recycled Water Facility & Pipeline services) for the last five years is provided as follows:

Contract Issuance Year	Billing Year	Total Billings
FY13	FY12 & 13	\$18,032
FY11	FY11 & 12	\$30,118
FY10	FY10 & 11	\$16,904
FY09	FY10	\$19,052
FY08	FY08 & 09	\$16,120

A cost breakdown for the \$20,000 FY13 contract by task is summarized as follows:

Starting Contract Amount	
Carryover balance from FY12 Contract	\$3,193
Amended Balance	\$23,193
Projects (billings to date)	
Gallagher Well Pipeline	<\$9,900>
Misc. Backfill Testing	<\$8,132>
Remaining Balance on Contract	\$5,161

The total billings under the FY12 contract are \$18,032 leaving a balance of \$5,161 on the contract.

One of the first task orders to be funded through this Agreement will be for the Gallagher Well Pipeline project construction phase geotechnical services (including compaction testing). This first task order will be approximately \$30,000. In addition, a new task order will be issued to MPEG for ongoing miscellaneous backfill testing in the amount of \$7,500.

RECOMMENDATION

Authorize the General Manager to execute a new General Engineering Services agreement for Consulting Geotechnical Services between NMWD and Miller Pacific Engineering Group with a not-to-exceed limit of \$60,000.

14

MEMORANDUM

To: Board of Directors

April 11, 2014

From: David L. Bentley, Auditor-Controller 

Subj: Initial Review – FY15 & FY16 Capital Improvement Project Budget

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RECOMMENDED ACTION: Initial Review and Provide Direction to Staff**FINANCIAL IMPACT:** None at this time - \$19.3 million FY15 & \$5.5 million FY16
Gross Expenditure Budget Proposed for Consideration

Attached for your initial review is the proposed Fiscal Year 2014-15 (FY15) and FY2015-16 (FY16) Capital Improvement Project (CIP) expenditure budget for consideration. As in prior years, a comprehensive 2-year plan is presented, which includes the projects recommended for Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. The comprehensive plan is developed to verify that adequate staffing exists to accomplish the 39 budgeted projects planned for FY15. Future presentations will segregate the budget into component parts for each of the individual enterprise funds.

Below is a summary identifying the significant projects (\$500,000 or more) proposed to be undertaken over the next two fiscal years. An explanation of each FY15 project is incorporated into the detail listing attached.

Project	FY15	FY16
Aqueduct Energy Efficiency Project - Hwy 101 ¹	\$13,000,000	\$2,000,000
Atherton Recoat & Mixing System (5 MG)	2,200,000	0
Crest Pump Station Design/Construct	15,000	635,000
Recycled Water Expansion to Central Novato ²	0	500,000
Gallagher Pipeline ³	1,386,000	0
Other Projects	2,710,000	2,515,000
Gross Project Outlay	\$19,311,000	\$5,500,000
Less Loan/Grant Funding ¹	(14,386,000)	(2,500,000)
Net Project Outlay (internally funded)	\$4,925,000	\$3,000,000

The proposed two-year combined total project outlay, net of outside funding, comes in at

¹ The Aqueduct Energy Efficiency Project is funded with a 3.5% Bank of Marin loan and Caltrans reimbursement.

² The RW Expansion to Central Area is funded by Federal and State Grants and SRF loans with debt service paid from Novato potable water FRC funds.

³ The Gallagher Pipeline is 100% funded by a California Department of Public Health Prop 50 grant.

\$7.9 million, up \$300,000 from the \$7.6 million combined two-year budget adopted last year. The proposed FY15 CIP budget includes 39 projects, down from 40 approved for FY14.

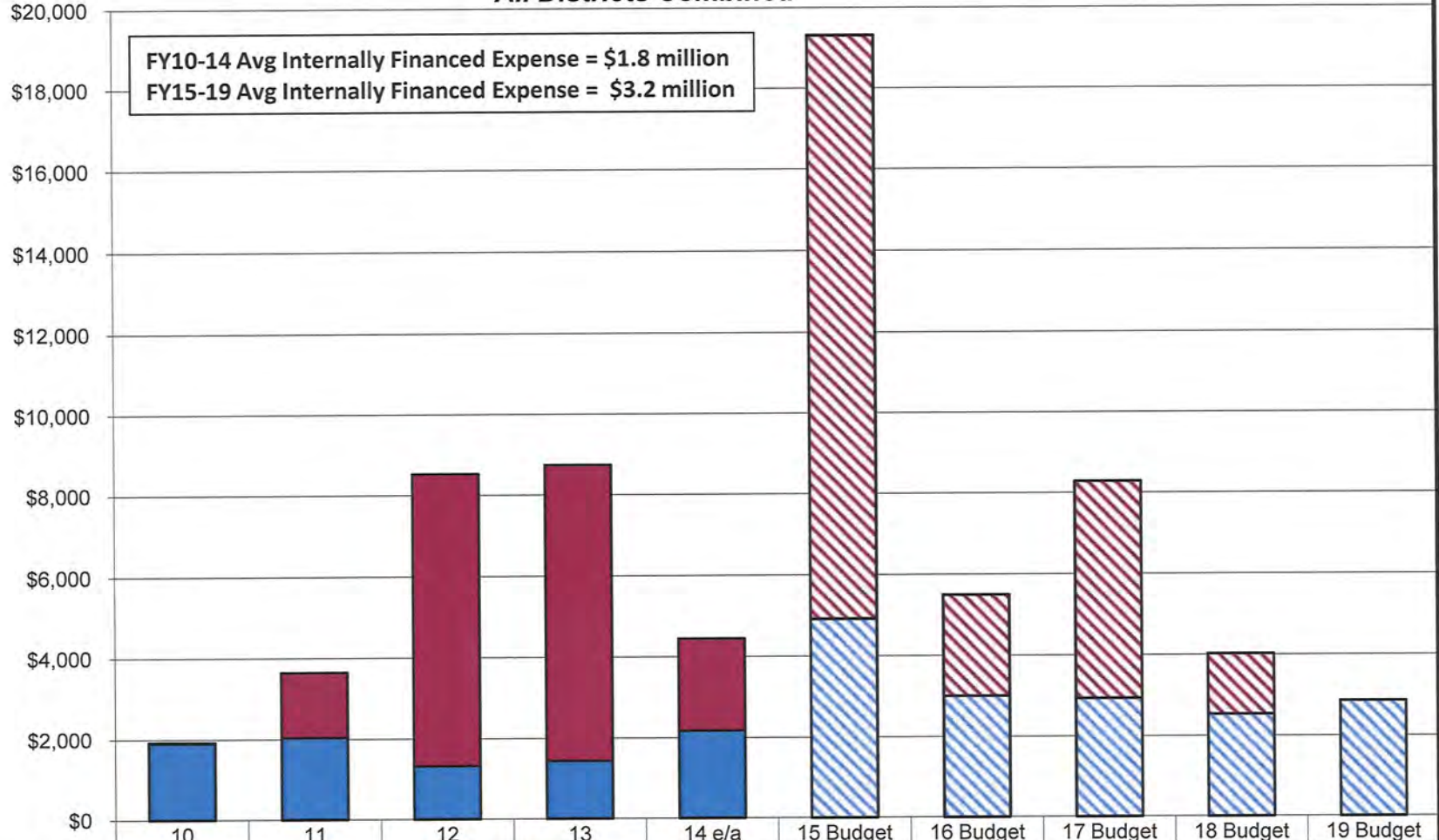
<u>District</u>	Net Outlay		Increase (Decrease)
	Proposed FY15 & FY16	Adopted FY14 & FY15	
Novato Water	\$7,095,000	\$6,763,000	\$332,000
Recycled Water	325,000	400,000	(75,000)
WM Water	370,000	355,000	15,000
OM Sewer	135,000	115,000	20,000
Total	<u>\$7,925,000</u>	<u>\$7,633,000</u>	<u>\$292,000</u>

Novato Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$2.5 million annually in internally funded projects, which is the cap approved by the Board in February 2013 in response to the updated 2012 Novato Water Master Plan. However, as discussed previously, Novato Water's proposed CIP plan is front-loaded with the \$2.3 million Atherton Tank Recoating project, which pushes the average to \$3.5 million over the next two years, and which will require budgetary discipline to maintain a \$2.5 million average over the next five years.

An additional review of the Novato Water & Recycled Water CIP budgets is scheduled for May 20, and a public hearing and approval of the Budgets is scheduled for June 17, 2014. An additional review of the West Marin Water and Oceana Marin Sewer CIP budgets is scheduled for June 3, with a public hearing planned for June 24 in Point Reyes Station. Expression of Board comments and concerns earlier in the process, rather than later, is appreciated.

NMWD Capital Improvement Project Expenditures All Districts Combined

Thousands



	10	11	12	13	14 e/a	15 Budget	16 Budget	17 Budget	18 Budget	19 Budget
■ Debt/Grant Financed	\$28	\$1,606	\$7,203	\$7,308	\$2,270	\$14,386	\$2,500	\$5,350	\$1,500	\$0
■ Internally Financed	\$1,891	\$2,037	\$1,317	\$1,429	\$2,173	\$4,925	\$3,000	\$2,934	\$2,525	\$2,855
Total	\$1,919	\$3,643	\$8,520	\$8,736	\$4,443	\$19,311	\$5,500	\$8,284	\$4,025	\$2,855

2-Year Capital Improvement Project Plan

4/10/14

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		FY15	FY16	FY15 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS				
a.	Main/Pipeline Replacements			
1	STP Trans Line Repair (13,200')	\$100,000		Assess condition & spot repair 18-inch concrete cylinder pipe
2	So Novato Blvd - Rowland to Sunset (12"CI@1,000')	\$350,000		2nd year of 2-year project to replace Cast Iron Pipe at the end of its useful life.
3	Shields Ln 6" Cast Iron (6"@1,120')	\$150,000		Replace Cast Iron Pipe at end of its useful life.
4	Other Pipeline Replacements (60+ years old)		\$300,000	
		\$600,000	\$300,000	
b.	Main/Pipeline Additions			
1	Zone A Pressure Improvements - Ignacio Area	\$200,000		Upsize Bel Marin Keys Intertie to enhance water delivery to the south service area.
2	San Mateo 24" Inlet/Outlet	\$30,000	\$440,000	1st year of a multiyear project to install a new 24-inch, 2,000 foot long pipeline from San Mateo Tank to the end of Palermo Court to improve fire flow in the northern most part of Zone 2
		\$230,000	\$440,000	
c.	Polybutylene Service Line Replacements			
1	Pacheco Valle (42 Services)	\$125,000		Ongoing Polybutylene service line replacement program
2	Replace PB in Sync w/City Paving (30 Srvcs)	\$90,000	\$90,000	PB service replacement coordinated with City Overlay Program
3	Other PB Replacements (60 Services)		\$250,000	
		\$215,000	\$340,000	
d.	Relocations to Sync w/City & County CIP			
1	Other Relocations	\$80,000	\$80,000	Relocate facilities for as yet unidentified City/County Projects
		\$80,000	\$80,000	
e.	Aqueduct Replacements/Enhancements (Note 1)			
1	Energy Efficiency Proj-Hwy 101 Widening	\$13,000,000	\$2,000,000	North Marin Aqueduct upsizing/relocation
		<u>\$14,125,000</u>	<u>\$3,160,000</u>	

2-Year Capital Improvement Project Plan

	FY15	FY16	FY15 Project Description
2. SYSTEM IMPROVEMENTS			
a.	\$10,000	\$10,000	Replace aging and unreliable RTUs
b.		\$50,000	Flushing Taps at Dead-Ends (12 biennially)
c.	\$150,000	\$150,000	DCA Repair/Replace (~14/yr) Detector Check Assembly replacements
d.	\$30,000	\$30,000	Anode Installations (150/yr) Place anodes on copper laterals for corrosion protection
e.	\$25,000	\$25,000	Radio Telemetry Install radio transmitters to replace leased lines
f.	\$10,000	\$10,000	Inaccurate Meter Replacement Replacement of inaccurate meters based on recommendations in the FY06 meter testing study.
g.	\$30,000		Backflow Device Upgrade - BMK (15 Srvcs/yr) Replace DCVs with above grade RPP devices
h.	\$35,000	\$35,000	Tank Access Hatch/Level Alarms (10 Sites) Enhance tank security by adding remote alarm notification of unauthorized entry.
i.	\$50,000		Sampling Stations (6 biennially) Install the final 7 water quality sampling stations. There are now 64 permanent stations installed & only 7 more locations to go.
j.	\$25,000		Facilities Security Enhancements Ongoing program. This year will focus on installation of a security camera monitoring system in the Corp Yard.
k.	\$15,000		Emergency Generator Connections Installation of quick plug connections at Winged Foot, Woodland Heights and Ponti Pump Stations
l.		\$50,000	Automate Zone Valve (Slowdown Ct)
	<u>\$380,000</u>	<u>\$360,000</u>	

2-Year Capital Improvement Project Plan

4/10/14

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	FY15	FY16	FY15 Project Description
3. BUILDING, YARD, STP. IMPROVEMENTS			
a. Administration Building			
1	\$50,000		Admin Office/Lab/Yard Remodel Plan
2		\$150,000	Electronic Document Management System
3	\$200,000		Office HVAC
4	\$150,000		Office Emergency Generator
	\$350,000	\$150,000	
b. Corp. Yard/Warehouse/Construction Office			
1		\$30,000	Other Yard Improvements
	\$0	\$30,000	
c. Stafford Treatment Plant			
1	\$50,000		Start-up Flushing Connection
2		\$50,000	Dam Concrete Apron Repair
3	\$150,000		STP Emergency Power Generator
4		\$75,000	Other Treatment Plant Improvements
	\$200,000	\$125,000	
	\$550,000	\$305,000	

2-Year Capital Improvement Project Plan

	FY15	FY16	FY15 Project Description
4. STORAGE TANKS/PUMP STATIONS			
a. Clear Tank Sites			
1 Woodland Hts (120,000 gal, 1974)		\$60,000	
	\$0	\$60,000	
b. Tank Rehabilitation			
1 Atherton Recoat & Mixing System (5 MG)	\$2,200,000		Tank recoat & chlorine mixing system
2 Lynwood Recoat/Seismic Upgrade (0.85MG & 0.5MG)			
3 San Mateo Recoat (5 MG)			
	\$2,200,000	\$0	
c. Lynwood P.S. Motor Control Center	\$90,000		Move motor controls above-ground.
d. Sunset Tank Cl2 Mixing System	\$100,000		Chlorine Mixing System to enhance water quality.
e. Crest P.S. (Design/Construct)	\$15,000	\$635,000	Design phase of Crest zone pump station.
f. Davies PS Upgrade		\$115,000	
	\$2,405,000	\$810,000	
5. RECYCLED WATER			
a. NBWRA Grant Program Administration	\$100,000	\$100,000	Continued support of North Bay Water Reuse Authority to obtain/administer recycled water project Federal/State grants for the central Novato project.
b. Expansion to South Area			
c. Expansion to Central Area (Note 2)		\$500,000	
d. Deer Island Wet Well Drain	\$25,000		The wet well floods when Novato Sanitary District is discharging to the disposal fields and not the bay. This drain will re-direct the overflow water into an adjacent storage pond.
e. Other Recycled Water Expenditures		\$100,000	
	\$125,000	\$700,000	

2-Year Capital Improvement Project Plan

	FY15	FY16	FY15 Project Description	
6. WEST MARIN WATER SYSTEM				
a.	Olema PS Flood Protection & RTU Upgrade	\$75,000	Modify existing structure to prevent flooding of facilities by Olema Creek.	
b.	Emergency Generator Connections	\$15,000	For PRE & Olema Pump Stations	
c.	Gallagher Pipeline (Note 4)	\$1,386,000	Installation of 5,200 feet of 12-inch pipeline along Pt. Reyes-Petaluma Road between NMWD's Gallagher Well and the existing transmission line near Downer Well. This project will help address periodic salinity intrusion at the Coast Guard wells.	
d.	THM Spray Systems (3 tanks)	\$10,000	Replace the temporary aeration systems at Inverness Park and PRE 2 tank sites with a permanent system to reduce formation of Trihalomethane (THMs). The temporary systems have proven effective and need to be made permanent.	
e.	Upsize 4" Pipe from Bear Valley Tanks (8"@900')	\$120,000	Upsize 900 feet of 4-inch pipeline to 8-inch (from Bear Valley Tanks to Fox Dr/McCarthy Ct) to improved water delivery and fire flow to the Bear Valley Service Area	
f.	Abandon Downey Well	\$50,000	The Downey Well is no longer functional and needs to be properly sealed & abandoned per Marin Co & State standards.	
g.	Replace PRE Tank #4A (25,000 gal w/82,000 gal Tank)		\$50,000	
h.	PB Replace in Sync w/ County Paving		\$50,000	
		<u>\$1,656,000</u>	<u>\$100,000</u>	
7. OCEANA MARIN SEWER SYSTEM				
a.	Infiltration Repair	\$15,000	\$15,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system
b.	Pond Power Relocation	\$15,000		Estero Mutual (Oceana Marin Water Company) has requested that NMWD's power feed be removed from their service box.
c.	Disposal Field Fencing Upgrade	\$40,000		Rebuild the fence that has been damaged by cattle. Project also includes replacement of damaged valve boxes.
		<u>\$70,000</u>	<u>\$65,000</u>	

2-Year Capital Improvement Project Plan

4/10/14

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	FY15	FY16	FY15 Project Description
SUMMARY - GROSS PROJECT OUTLAY			
GROSS PROJECT OUTLAY	\$19,311,000	\$5,500,000	
Novato Water	\$17,460,000	\$4,635,000	
Recycled Water	\$125,000	\$700,000	
West Marin Water	\$1,656,000	\$100,000	
Oceana Marin Sewer	\$70,000	\$65,000	
GROSS PROJECT OUTLAY	\$19,311,000	\$5,500,000	
8. LESS FUNDED BY LOANS/GRANTS/OTHER			
a. AEEP - Hwy 101 Widening (Note 1)	(\$13,000,000)	(\$2,000,000)	Funded by Bank Loan & Caltrans Reimbursement
b. RW Sys Expansion (Note 2)	\$0	(\$500,000)	Funded by 1% SRF Loan
c. Gallagher Pipeline (Note 4)	(\$1,386,000)	\$0	100% Funded from Prop 50 Grant
	(\$14,386,000)	(\$2,500,000)	
SUMMARY - NET PROJECT OUTLAY			
NET PROJECT OUTLAY	\$4,925,000	\$3,000,000	
Novato Water	\$4,460,000	\$2,635,000	
Recycled Water	\$125,000	\$200,000	
West Marin Water	\$270,000	\$100,000	
Oceana Marin Sewer	\$70,000	\$65,000	
NET (INTERNALLY FUNDED) PROJECT OUTLAY	\$4,925,000	\$3,000,000	
Total Number of Projects	39	27	

15

MEMORANDUM

To: Board of Directors

April 11, 2014

From: David L. Bentley, Auditor-Controller



Subj: Initial Review – Proposed FY14/15 Equipment Budget

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RECOMMENDED ACTION: Initial Review and Provide Direction to Staff

FINANCIAL IMPACT: None at this time - \$198,000 proposed for June 17 Public Hearing

Presented for your initial review is the proposed FY 2014/15 (FY15) Equipment Budget. The proposed budget totals \$198,000, down 14% from the adopted FY14 Equipment Budget (\$231,000). FY14 estimated actual expenditures are forecast at \$205,000. The 5-Year Financial Plan includes \$260,000 for FY15 Equipment purchases.

Purchase of rolling stock (two hybrid cars, a forklift for the yard, and a used 4x4 loader) comprise 90% of the Proposed FY15 Equipment Budget.

Accompanying this memo is a chart showing ten years of equipment purchases history (Attachment A). Following the Proposed Equipment Expenditure Budget is the 5-Year Vehicle and Equipment Replacement Plan (Attachment B).

An additional Equipment Budget review is scheduled for May 20, and a public hearing and approval of the Equipment Budget is scheduled for June 17, 2014. Expression of Board comments and concerns earlier in the process, rather than later, is appreciated.

**Proposed
Equipment Expenditures
Fiscal Year 2014/2015 Budget**

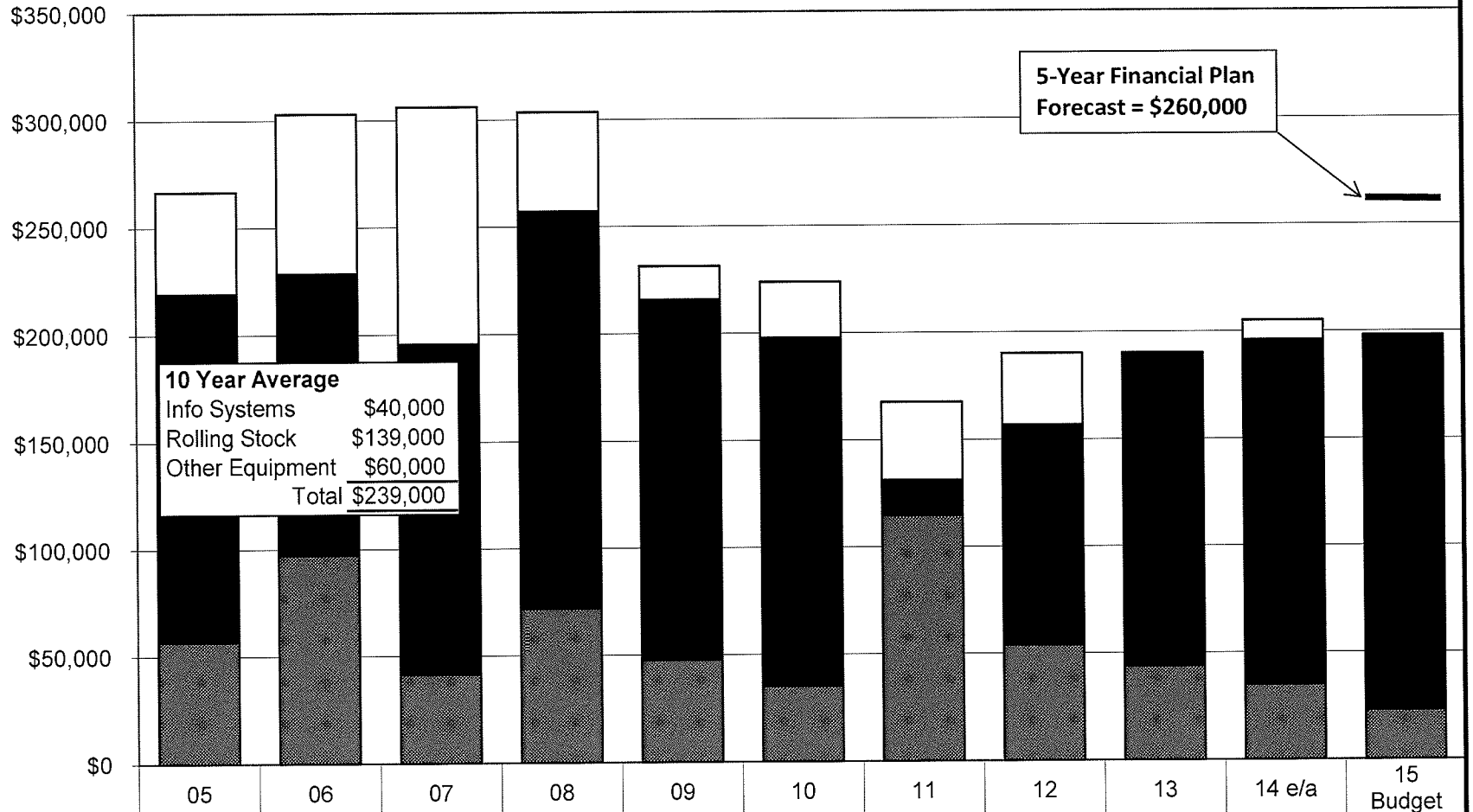
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		Approved	Description
1 CONSTRUCTION			
12102.01.00	a.	2" Mole for Services	\$6,000 Replacement piercing tool (mole), hose, oiler and launch pad used to install or replace service lines without trenching.
12102.01.00	b.	Leak Calculator with 3 Data Loggers	\$12,000 Used to locate or triangulate small leaks in mains and services where the water does not surface.
12102.01.00	c.	Hydraulic Power Grit Utility Saw	\$5,000 For cutting large diameter pipe in close quarters, and replaces use of gas powered saw in confined space.
			\$23,000
2 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12104.01.00	a.	4x4 Loader (Used)	\$89,000 Replace '93 Case 4x4 Loader. Will be auctioned
12104.01.00	b.	Forklift	\$30,000 Replace '89 Kalmar. Will be auctioned
12104.01.00	c.	Hybrid Car	\$28,000 Replace '05 Honda Civic Hybrid with 64K miles due to cost of battery replacement and electronic control repairs. Will be auctioned.
12104.01.00	d.	Hybrid Car	\$28,000 Replace '05 Honda Civic Hybrid with 46K miles due to cost of battery replacement and electronic control repairs. Will be auctioned.
			\$175,000
		Total	\$198,000

	Adopted Budget 2013/14	Estimated Actual 2013/14	Proposed Budget 2014/15
RECAP			
Equipment	\$56,000	\$44,000	\$23,000
Rolling Stock	\$175,000	\$161,000	\$175,000
	\$231,000	\$205,000	\$198,000

History of Equipment Purchases



	05	06	07	08	09	10	11	12	13	14 e/a	15 Budget
□ Info Systems	\$47,650	\$74,666	\$110,726	\$46,572	\$15,761	\$25,925	\$36,375	\$33,346	\$0	\$9,000	\$0
■ Rolling Stock	\$162,234	\$131,185	\$154,281	\$185,181	\$168,055	\$162,696	\$16,671	\$103,057	\$146,305	\$161,000	\$175,000
▒ Other Equipment	\$56,715	\$97,287	\$41,238	\$71,888	\$47,520	\$35,082	\$114,612	\$53,724	\$43,764	\$35,000	\$23,000
Total	\$266,599	\$303,138	\$306,245	\$303,641	\$231,336	\$223,703	\$167,658	\$190,127	\$190,069	\$205,000e	\$198,000

5-Year Vehicle and Equipment Replacement Plan

Updated 4/11/2014

FY14/15 New Item Description		Replacement Item Description	Cost
1	Forklift	#902B 1989 Kalmar	\$30,000
2	4X4 Loader (used)	#62 1993 Case 4X4 Loader	\$89,000
3	Hybrid Car w/Radio	#56 2005 Honda Civic Hybrid	\$28,000
4	Hybrid car w/Radio	#57 2005 Honda Civic Hybrid	\$28,000
Total			\$175,000

Note: 56, 57, 62 & 902B will be auctioned. Hondas replaced due to the expected high cost of battery & electronic control repairs.

FY15/16 New Item Description		Replacement Item Description	Cost
1	Backhoe 4X4 Diesel	#77 2004 John Deere 310 SG	\$115,000
2	1/2 Ton 4X4, alt fuel w/Tool Box & Radio	#501 2006 Chevy Colorado 4X4	\$25,000
3	3/4 Ton 4x4 pickup, Alt fuel, Radio, Light Bar	#506 2008 Ford F250 4x4, bad fuel/engine	\$30,000
Total			\$170,000

Note: 77, 501, & 505 will be auctioned.

FY16/17 New Item Description		Replacement Item Description	Cost
1	5 Yard Diesel Dump truck	#44 2002 International Dump	\$120,000
2	1/2 Ton 4x4 Pickup w/Tool Box and Radio	#47 2002 Chevy 4x4	\$28,000
3	1/2 Ton Pickup w/Tool Box and Radio	#53 2004 Chevy Pick Up	\$25,000
Total			\$173,000

Note: 57, 55 & 53 will be auctioned.

FY17/18 New Item Description		Replacement Item Description	Cost
1	5 Yard Diesel Dump truck	#52 1996 Ford Super Duty Dump	\$125,000
2	3/4 Ton 4x4 Service Body & Radio	#507 2008 F350 w/Service Body	\$45,000
Total			\$170,000

Note: Truck 19 & 52 be auctioned.

FY18/19 New Item Description		Replacement Item Description	Cost
1	1/2 Ton 4x4 with camper shell, Radio	#49 2003 Dodge Dakota 4X4	\$35,000
2	Hybrid 4X4 SUV	#47 2002 Chevy 4x4	\$65,000
3	Hybrid Car w/ Radio	#510 2009 Toyota Prius	\$30,000
4	1/2 ton V6 2WD w/Tool Box and Radio	#41 2001 Dodge Ram	\$25,000
Total			\$155,000

Note: 32, 41, 40, 510 will be auctioned

16

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, Chief Engineer 
Subject: Water Advisory Committee Meeting – April 7, 2014
t:\gm\scwa\wac agenda and minutes\2014\wac dm notes 040714.doc

April 11, 2014

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Agenda and items included in your April 1, 2014 Board Packet

3. Recap from the February 3, 2014 WAC/TAC Meeting and Approval of Minutes

Minutes were approved as mailed.

4. Recap from the March 3, 2014 TAC Meeting and Approval of Minutes

The TAC meeting minutes were approved as mailed.

5. Water Supply Coordination Council

SCWA Board member Efren Carrillo, who is also a member of the Water Supply Coordination Council (WSCC), distributed a summary of the March 27, 2014 and commented that the meetings between Agency staff and WAC/TAC members have been productive to date.

6. Water Supply Conditions and Temporary Urgency Change Order

Pam Jeane advised the WAC that current respective storage levels in Lake Mendocino and Lake Sonoma are 52% and 76%. She stated that inflows into both reservoirs peaked approximately a week ago and have been declining significantly since that time. Ms. Jeane also stated that Lake Pillsbury is now spilling and PG&E has begun diverting water through the Potter Valley Project (which ultimately flows into Lake Mendocino). A reminder was provided of the series of the town hall meetings scheduled throughout the month of April (see attached). The purpose of the town hall meetings is to provide interested parties the opportunity to learn about current drought and water supply conditions as well as local water conservation rebate programs. The first meeting was held in Sonoma Valley on March 31st and there are four additional meetings scheduled towards the latter part of April.

7. Approve FY 2014/15 SCWA Budget

Lynn Rosselli with SCWA reviewed the proposed budget and mentioned that the overall rate increase has been dampened through use of \$6.6M in reserve funds. The proposed budget also takes into account a reduction in estimated water sales from 51,000AF to 46,000AF.

The proposed budget was unanimously approved by the WAC and will be taken to the SCWA Board of Directors for their approval on April 22nd.

8. Accept SCWA Water Shortage Allocation Methodology Update

David Guhin, City of Santa Rosa, referred to Chris DeGabriele, TAC Chairman's cover memo, and stated that TAC members have been working on the Allocation Methodology since 2012. He reiterated that the Allocation Methodology would be approved for a period of 7 months with an automatic extension through June 2016, with the understanding that in the interim, the City of Petaluma's concerns would be investigated further.

The Allocation Methodology was unanimously approved by the WAC consistent with the TAC recommendation.

9. Biological Opinion Status Update

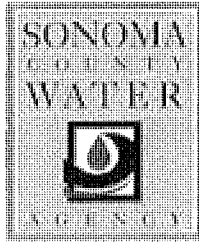
Pam Jeane advised the WAC that discussions with the Army Corps of Engineers regarding Dry Creek funding continues to look positive. She also stated that since the inflatable dam was up much longer over this last winter season that they were able obtain a more accurate fish count. To date they have recorded over 3,000 Chinook and approximately 200 Coho Salmon swimming upriver. She also stated that bids will be open for the Fish Ladder construction project on April 29th.

Efren Carrillo also mentioned that there have been discussions with stakeholders in the upper Russian River region regarding expansion of some of SCWA's water conservation programs into the upper reach communities. This effort includes possible Integrated Regional Water Management Plan (IRWP) grant funding. It was recommended that an agenda item be placed for the May WAC meeting to support this effort.

10. Integrated Regional Water Management Plan(s) Update

Jake Mackenzie, Chair of the North Coast Resource Partnership, summarized the expedited drought grant funding relief program that is being discussed as part of IRWMP funding. It is anticipated that expedited drought grant funds could be available as soon as September 2014 and the North Coast IRWMP is currently having a discussion on which programs to submit for possible funding.

Brad Sherwood also reported similar comments related to activities with the North Bay IRWMP (which includes the southern part of Sonoma County as well as Marin County).



Sonoma County Water Agency Press Release

For Immediate Release

April 1, 2014

CONTACT:

Brad Sherwood
Community & Governmental Affairs Manager
707.547.1927 (Office)
707.322.8192 (Cell)
sherwood@scwa.ca.gov

Drought Town Hall Meetings Scheduled

(Santa Rosa, CA) Sonoma county residents, agriculture and businesses are encouraged to attend one of four upcoming drought town hall meetings scheduled this month to learn about the drought, receive an update on water supply conditions and hear from local organizations about water conservation rebate programs. A similar meeting was held in Sonoma Valley on March 31. Several dry years combined with the driest year of record in 2013 have culminated in drought conditions across the region. The meetings are co-hosted by the Sonoma County Water Agency, Sonoma Resource Conservation District, County of Sonoma, City of Cloverdale, City of Healdsburg, members of the Sonoma-Marin Saving Water Partnership, including the City of Santa Rosa, City of Rohnert Park, City of Petaluma, and the Town of Windsor. Meeting participants can expect to meet water supply, conservation and regulatory officials to discuss the drought and ongoing efforts to provide relief to our community. Informational tables will provide conservation materials, such as water wise gardening brochures, applications for water use efficiency rebate programs and much more.

“Despite the rain, our region still faces a drought due to the lack of rainfall over the past several years,” said Water Agency General Manager Grant Davis. “We encourage all residents, businesses and the agricultural community to attend a town hall meeting closest to you to learn more about the drought and how to beat it. Local agencies will be at each meeting to provide critical drought relief assistance and conservation rebate program information. There are tools available to help our community beat this drought that will be made available at these meetings.”

While the recent rain has helped increase storage levels in local reservoirs, Lake Mendocino remains below 50% of water supply capacity and Lake Sonoma’s water supply capacity is holding steady at around 74%; both well below average storage levels for this time of the year. Below is current rainfall data to date:

Ukiah region (July to March 30):
Average (1894-2013) 33.3”
Current year: 13.9” which is 41.7% of average

Santa Rosa (July to March 30):
Average (1952-2013) 27.8”
Current Year: 15.7” which is 56.4% of average

Below is a listing of the town hall meetings:

Date: Wednesday, April 23
Time: 6:00 pm – 8:00 pm
Location: Santa Rosa Finley Center, 2060 W College Ave, Santa Rosa

Date: Wednesday, April 23
Time: 6:00 pm – 8:00 pm
Location: City of Rohnert Park Council Chambers, 130 Avram Avenue, Rohnert Park

Date: Tuesday, April 29
Time: 6:00 pm – 8:00 pm
Location: Town of Windsor Council Chambers, 9291 Old Redwood Hwy, Windsor

Date: Wednesday, April 30
Time: 6:00 pm – 8:00 pm
Location: Lucchesi Community Center, 320 N. McDowell Blvd., Petaluma

For more information about the meetings, please visit www.sonomacountywater.org or contact Brad Sherwood at 707-547-1927 or sherwood@scwa.ca.gov.

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The Sonoma County Water Agency is working to secure our future by investing in our water resources, community and environment. The Water Agency provides water supply, flood protection and sanitation services for portions of Sonoma and Marin counties. Visit us on the Web at www.sonomacountywater.org.

17

DISBURSEMENTS - DATED APRIL 3, 2014

Date Prepared: 4/1/14

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:

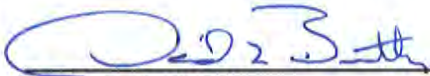
<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
1	101 Office Products	Toner Cartridge	\$93.52
2	Athens Administrators	April Workers' Comp Admin Fee	1,000.00
3	Automation Direct	Spare & Project Parts for RTU Upgrades	2,947.00
4	Backflow Distributors	DCDA Bypass Freeze Bag	72.70
5	Baker, Jack	April Director's Fee (\$400) & Attendance of NBWRA Meeting with State Legislature on 3/12/14 (\$200)	600.00
6	Baker, Holly	Refund on Closed Account	56.70
7	Bay Area Barricade Service	Spray Chalk (48-17 oz cans) (\$194) & Marking Paint (84-17oz cans) (\$317)	510.67
8	San Jose Water FBO Baywork	Annual Membership Fee Prorated for FY14	135.00
9	Bear Paw Magnetic Tools	Payment of Discount Taken Erroneously on Previous Invoice	17.40
10	Business Card	ACWA 2014 Spring Conference (Bentley) (5/6/14 in Monterey) & Late Fee (To Be Reimbursed)	782.31
11	Calif Public Health Services	Large Water System Fees FY15 (7/1/13-12/31/13)	1,126.40
12	California State Disbursement	Wage Assignment Order	1,018.50
13	CalPERS Health Benefits	April Health Insurance Premium (Employees \$52,176, Retires \$10,734 & Employee Contribution \$9,949)	72,858.95
14	Caltrans	December - January 2014 AEEP Betterments (Progress Payment #5)	26,715.78
15	Century Group	Precast Concrete Markers (19) for MSN B1 Utility Agreement	6,245.00

Seq	Payable To	For	Amount
16	Core Utilities	Consulting Services: February IT Support (\$5,000), Program Modifications to PRTP RTU (\$1,700) (Balance Remaining on Contract (\$700), Lockbox Testing (\$450) & Install Accounting Server (\$1,275)	9,125.00
17	Cummings Trucking	Sand (64 yds) & Rock (64 yds)	5,569.87
18	Digital Prints & Imaging	Plans & Specs (12 Sets) (Aqueduct Relocation)	1,555.17
19	Eveland, Wilma	Refund Overpayment on Closed Account	134.92
20	Fraites, Rick	April Director's Fee (\$400) & North Bay Watershed Association on 3/7/14 (\$200)	600.00
21	Golden Gate Petroleum	Gasoline (\$3.83/gal) & Diesel (\$3.87/gal)	4,000.71
22	Grainger	Blast Cabinet Media (\$88), Absorbent Drain Pads (2) (\$161), Battery Pack (2) (\$324), Adjustable Hydrant Wrench (\$81), 6-in-1 Tool (2) & Hand Saw	694.23
23	Hach	Calibration Solution (STP)	149.94
24	Harrington Industrial Plastics	2" Ball Valve	287.67
25	Harris and Associates	Pipeline Inspection Testing Services for MSN B-1 Reach E Project (Balance Remaining on Contract \$42,412)	3,970.50
26	Hunter, Mary	Novato "Toilet Rebate" Program	100.00
27	Kaiser Foundation Health Plan	Pre-Employment Physical (Freeman)	65.00
28		Vision Reimbursement	180.53
29	Lemos, Kerry	Expense Reimb: Safety Boots	147.95
30	Lincoln Life	Deferred Compensation PPE 3/31/14	12,508.74
31		Childcare Reimbursement	416.66
32	Maltby Electric	Electrical Cord Connectors (54)	118.61
33	Marin Reprographics	Bond Paper (4) (36" x 150')	82.63
34	McCloskey, Carmel	Novato "Washer Rebate" Program	50.00

Seq	Payable To	For	Amount
35	McMaster-Carr Supply	Tank Intrusion Alarm Wires (2) (\$128) & Conduit Adaptors (2) (STP)	152.00
36	Medora	Recurring Maintenance on SolarBee Units @ Stafford Lake	8,692.00
37	Mutual of Omaha	April Group Life Insurance Premium	677.62
38	Nationwide Retirement Solution	Deferred Compensation PPE 3/31/14	1,025.00
39	Pace Supply	Silent Check Valves (2) (\$235), Double Check Detector (\$1,692), Insulated Bypass Blanket (\$523), Meter Stops (87) (\$3,903) & Couplings (2) (\$102)	6,455.96
40	Pappas, Warren	Novato "Toilet Rebate" Program	100.00
41	Petterle, Stephen	April Director's Fee	400.00
42	PG&E	Replacement Payment for December "Check Lost in Mail"	21,091.50
43	Ridge, Russell	West Marin "Toilet Rebate" Program	98.00
44	Robins, Joan	Novato "Toilet Rebate" Program	100.00
45	Rodoni, Dennis	April Director's Fee (\$400) & TAC Meeting in Santa Rosa on 3/3/14 (\$200)	600.00
46	Schoonover, John	April Director's Fee Less Deferred	350.00
47	Sebastopol Bearing & Hydraulic	Axle Spring & Bolts ('07 Big Tex Trailer)	113.71
48	Strahm Communications	Postage for Novato Rate Increase Letter	3,019.68
49	Streakwave Wireless	RTU Radio Equipment	913.13
50	TEE VAX	Replacement Washing Machine for Shop	848.20
51	Thompson, Andrew	Novato "Toilet Rebate" Program	100.00
52	T & T Valve & Instrument	Valve Replacement Parts (STP)	856.88
53	US Postal Service	Postage for Postal Meter	1,000.00

Seq	Payable To	For	Amount
54	Verizon California	Telephone Charges: Leased Lines, DSL Line & Phone Book Listing	363.22
55	Verizon Wireless	February CIMIS Station Data Transfer Fee	25.78
TOTAL DISBURSEMENTS			<u><u>\$200,920.74</u></u>

The foregoing payroll and accounts payable vouchers totaling \$200,920.74 are hereby approved and authorized for payment.



Auditor-Controller

4/1/14

Date



General Manager

4/1/2014

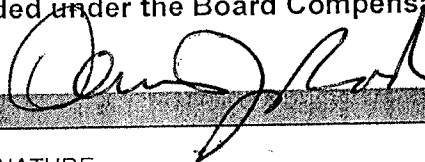
Date

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE DENNIS RODONI	DATE <u>3/4/14</u>
P.O. Box 872	(TODAY'S DATE)
Pt. Reyes Station, CA 94956	AMOUNT: \$200.00


I attended the TAC meeting in Santa Rosa on 3/3/14
As WAC Chair
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

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



 SIGNATURE

CHARGE TO: 56001-01-11

DISPOSITION OF CHECK <input type="checkbox"/> MAIL TO PAYEE <input type="checkbox"/> HOLD FOR _____ <input checked="" type="checkbox"/> OTHER: <u>ACH PAYMENT</u>	Prepared By	Accounting Review	POST DATE	Vendor No.	 NORTH MARIN WATER DISTRICT																		
				RODO01																			
	Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount																				
	CKRQ		\$200.00																				
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APPROVED TO PAY BY _____																							
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REV. 0213

NORTH MARIN WATER DISTRICT CHECK REQUEST




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

I attended the North Bay Watershed Association on 03/07/14
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

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


 SIGNATURE

CHARGE TO: 56001-01-11

DISPOSITION OF CHECK <input checked="" type="checkbox"/> MAIL TO PAYEE <input type="checkbox"/> HOLD FOR _____ <input type="checkbox"/> OTHER _____ <hr/> APPROVED TO PAY BY <small>T:\FORMS\CHECK REQUEST FOR BOARD.DOC REV. 0213</small>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; padding: 2px;">Prepared By</td> <td style="width: 15%; padding: 2px;">Accounting Review</td> <td style="width: 15%; padding: 2px;">POST DATE</td> <td style="width: 15%; padding: 2px;">Vendor No.</td> <td rowspan="2" style="width: 40%; text-align: center; padding: 5px;">  NORTH MARIN WATER DISTRICT </td> </tr> <tr> <td style="height: 20px;"></td> <td style="height: 20px;"></td> <td style="height: 20px;"></td> <td style="padding: 2px;">FRAI02</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <th style="width: 35%; padding: 2px;">Invoice Number (CK Req ID)</th> <th style="width: 20%; padding: 2px;">Invoice (CK Req) Date</th> <th style="width: 45%; padding: 2px;">Invoice (CK Req) Amount</th> </tr> <tr> <td style="padding: 2px;">CKRQ</td> <td style="padding: 2px;"></td> <td style="text-align: right; padding: 2px;">\$200.00</td> </tr> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <small>NMWD Comment</small> <hr/><hr/><hr/><hr/><hr/> </div> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 35%; padding: 2px;">Job Number</th> <th style="width: 35%; padding: 2px;">GL Account</th> <th style="width: 30%; padding: 2px;">Amount</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;"></td> <td style="text-align: center; padding: 2px;">56001-01-11</td> <td style="text-align: right; padding: 2px;">\$200.00</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> </tr> <tr> <td colspan="2" style="text-align: right; padding: 2px;">TOTAL</td> <td style="text-align: right; padding: 2px;">\$200.00</td> </tr> </tbody> </table>	Prepared By	Accounting Review	POST DATE	Vendor No.	 NORTH MARIN WATER DISTRICT				FRAI02	Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount	CKRQ		\$200.00	Job Number	GL Account	Amount		56001-01-11	\$200.00										TOTAL		\$200.00
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	56001-01-11	\$200.00																																
TOTAL		\$200.00																																

DISBURSEMENTS - DATED APRIL 10, 2014

Date Prepared:4/8/14

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 3/31/14	\$114,790.09
EFT*	US Bank	Federal & FICA Taxes PPE 3/31/14	49,236.56
EFT*	State of California	State Taxes & SDI PPE 3/31/14	8,572.74
EFT*	US Bank	March Credit Card Fees	1,757.56
1	Alliquip Universal	4" Gate Valve (\$202) & 4" Coupling Set	326.38
2	Alpha Analytical Labs	Lab Testing (Novato Area)	260.00
3	AT&T	March Internet Service @ PRTP	70.00
4	AT&T	Telephone Charges: Leased Lines	744.52
5	Bay Alarm	Quarterly Fire Alarm Monitoring Fee (STP) (4/1/14-7/1/14)	322.08
6	Bold & Polisner	AEEP Caltrans Reimb B3 (\$434), MMWD Interconnection Agreement (\$117), OM Contract Operator (\$271), Prop 218 Letter (\$52), Public Records Act (\$56), RW South Ph1b Claims (\$2,053), SCWA (\$359), UHET District (\$192) & Misc (\$345)	3,877.50
7	Buck's Saw Service	Chainsaw Gasket & Screws, Replacement Backpack Blower & Hedge Trimmer (\$942) & Weed Wacker Parts (\$120)	1,063.42
8	Building Supply Center	Electrical Conduit & Boxes for PRTP (\$35), Bolts, Screws, Compression Sleeve, Tubing (STP) & Parts for Chemical Pumps @ PRTP	66.96
9	Byers, Mark	Novato "Toilet Rebate" Program	100.00
10	Calif Public Health Services	T2 Certificate Renewal (Lucchesi) (2/14-2/15) (Budget \$0)	60.00
11	CalPERS Retirement System	Pension Contribution PPE 3/31/14	48,338.66

Seq	Payable To	For	Amount
12	CCI Pipeline Systems	Casing Spacers (3) (\$168) & End Seals (2) (\$74)	241.58
13	Chelini, Harry	Novato "Toilet Rebate" Program	100.00
14	Corrpro	Reference Cells (3) & Freight	775.75
15	DeGabriele, Chris	Exp Reimb: March Mileage	196.00
16	Dixon, Martha	Novato "Cash for Grass" Program	400.00
17	Dominy, Ylva	Novato "Toilet Rebate" Program	100.00
18	Evoqua Water Technologies	Service on Deionization System (Lab)	235.35
19	Grainger	Wire Marking Sleeves	93.17
20	Hertz Equipment Rental	Dump Truck Rental (2/11/14-3/13/14)	1,362.50
21	Intellaprint Systems	Replacement Wide Carriage Copier (Eng) (Budget \$12,000)	10,006.20
22	King, B. F.	Novato "Toilet Rebate" Program	300.00
23	Maltby Electric	Electrical Supplies (\$420) & Wire (500')	467.33
24	Marin Landscape Materials	Quik Mix (\$211) (42 sacks) & Soil (1 yd)	246.56
25	Marin County Recorder	Copy of Official Records (Feb) (5)	46.00
26	Drew McIntyre	Exp Reimb: CA-NV AWWA Conference in Anaheim, CA (3/23-26). Mileage (\$202), Lodging (\$569), Food (\$130) & Parking (\$36)	936.72
27	Molloy, Marsha	Novato "Toilet Rebate" Program	200.00
28	Naser, Hattem	Novato "Washer Rebate" Program	50.00
29	National Notary Association	Annual Dues (Young) (9/1/14-8/31/15) (Budget \$0)	59.00
30	New Pig	Disp Gloves (1,550) (STP)	350.76
31	Northern Tool & Equipment	Retractable Extension Cord (40')	80.64

Seq	Payable To	For	Amount
32	North Marin Auto Parts	Steel Pipe for Vacuum Trailer (20) (10' x 4") (\$148), Oil Filters (6) (\$33), Motor Oil (10 qts) (\$49), Wiper Blades (6) (\$86), Trailer Plug, Hydraulic Fluid (4 qts), Woodruff Key Stock, Fuel Pump Assembly (\$184) ('94 GMC C1500), 3/4" Fuel Lines (12) (\$71), Mud Flap, Hose Clamps (7), Rags (50 lbs) (\$100), Stop Leak Liquid (2), Spray Paint (2-12oz, 6-14 oz cans) (\$42), Tape & Sealant	944.39
33	North Bay Gas	Welding Wire (2 lbs) & March Cylinder Rental (\$117)	138.29
34	Novato Builders Supply	Trim Board (4), Concrete (4 yds) (\$689) & Flag Tape (5 rolls)	705.60
35	Novato, City of	Encroachment Permit (\$1,282), Surcharge (\$128) & Inspections (\$1,794) (Shields Ln)	3,204.00
36	Novato Sanitary District	Recycled Water for December 2013	5,282.56
37	Nute Engineering	Engineering Services: Marin County Club Recycled Water Service Study (Balance Remaining on Contract \$6,262)	2,400.00
38	PDM Steel Service Centers	Steel Plate ('07 Trailer)	485.85
39	Peterson Trucks	Turn Signal Switch (\$111), Filters (3) & Transmission Fluid (3 gal) (\$119)	452.09
40	PG&E	Engineering Advance for Design of Windhaven & 21 Gunn Drive Pump Station (\$2,000) & Power: Bldgs/Yard (\$2,578), Rectifier/Controls (\$361), Pumping (\$14,843), Treatment (\$114) & Other (\$89)	19,985.04
41		Cafeteria Plan: Childcare Reimbursement & Uninsured Medical Reimbursement	413.54
42	Sabaca, Joann M.	Novato "Toilet Rebate" Program	100.00
43	Sebastopol Bearing & Hydraulic	Vacuum Hose (11' x 5") (\$243), Relief Valve, Filling Adaptor & Gas Powered Pressure Washer (\$85)	335.60
44	Sequoia Safety Supply	Safety Vests (2) (\$47), Respirator Masks (3), Safety Glasses (12), Ibuprofen (100) & Ear Plugs (400) (\$59)	179.97

Seq	Payable To	For	Amount
45	Shirrell Consulting Services	March Dental Expense	5,768.00
46	SMART Real Estate	General Easement Access @ Golden Gate Transit Crossing (4/1/14-3/31/15)	692.39
47	Syar Industries	Asphalt (6 tons)	672.78
48	USA BlueBook	Check Valve (2) (STP)	158.08
49	Verizon California	Telephone Charges: Leased Lines	830.00
50	Verizon Wireless	Cellular Charges: Data (\$111), Airtime (\$106) & Replacement iPhones (2) (\$94)	310.71
51	Welch, William	Novato "Cash for Grass" Program	225.00
52	West Marin Citizen	Public Hearing Notice on Proposal to Adopt an Emergency Water Conservation Ordinance in West Marin (3/27/14)	72.00
53	Wine Country Balance	Clean & Calibrate Balances	499.00
		TOTAL DISBURSEMENTS	<u>\$289,688.92</u>

The foregoing payroll and accounts payable vouchers totaling \$289,688.92 are hereby approved and authorized for payment.


Auditor-Controller

4/8/14
Date


General Manager

4/8/14
Date

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Self-Insured Workers' Comp – 3rd Quarter Status Report
t:\aclword\personnel\wclself ins status 0314.docx

April 11, 2014

RECOMMENDED ACTION: None

FINANCIAL IMPACT: Cumulative Cash Outlay Avoided of \$370,005

The District returned to self-insuring its workers compensation liability effective July 1, 2011, after the low-cost proposal for first-dollar workers' compensation coverage increased 20% over the prior year, to \$159,331. The avoided-cost in FY12 and FY13 from self-insuring is calculated at \$189,074. The proposed premium for FY14 came in at an astounding \$311,764¹. Through the third quarter of FY14, the District incurred three minor claims. The District has accumulated an additional \$185,667 in avoided cost during the first three quarters of FY14.

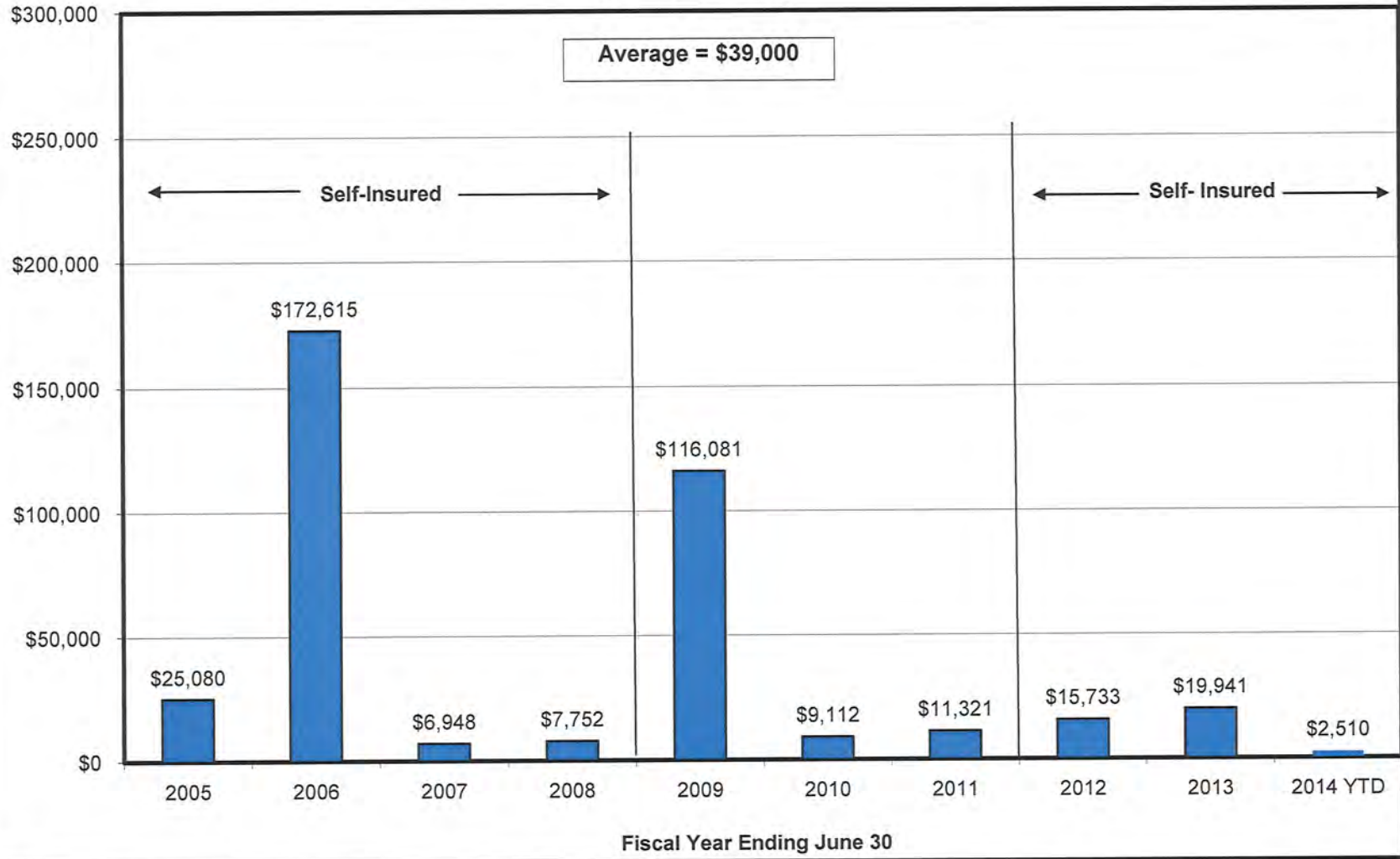
Cumulative cost avoided for the first eleven quarters of self-insurance total \$362,590. When the Reserve for Future Medical (which is money not yet paid out) is added, the total cash outlay avoided to date is \$370,005. This money is set-aside in a reserve for future claims.

Attached are charts showing a 10-year history of annual claims cost (average \$39,000 per year) and 10-year history of claims frequency (average 10 claims per year).

	FY12	FY13	FY14 thru 3/31/14	Cumulative
Premium Avoided	\$159,331	\$170,574	\$234,134	\$564,039
Self-Insurance Cost				
Medical/Indemnity Cost	(15,733)	(19,941)	(2,510)	(38,184)
Third Party Administration	(12,000)	(12,000)	(9,000)	(33,000)
Excess Insurance Premium	(45,546)	(47,762)	(36,957)	(130,265)
Legal/Miscellaneous	0	0	0	0
Net Cost Avoided	\$86,052	\$90,871	\$185,667	\$362,590
Reserve for Future Medical	5,496	0	1,919	7,415
Total Cash Outlay Avoided	\$91,548	\$90,871	\$187,586	\$370,005

¹ Chartis Insurance proposed \$311,764. State Compensation Insurance Fund proposed \$317,190.

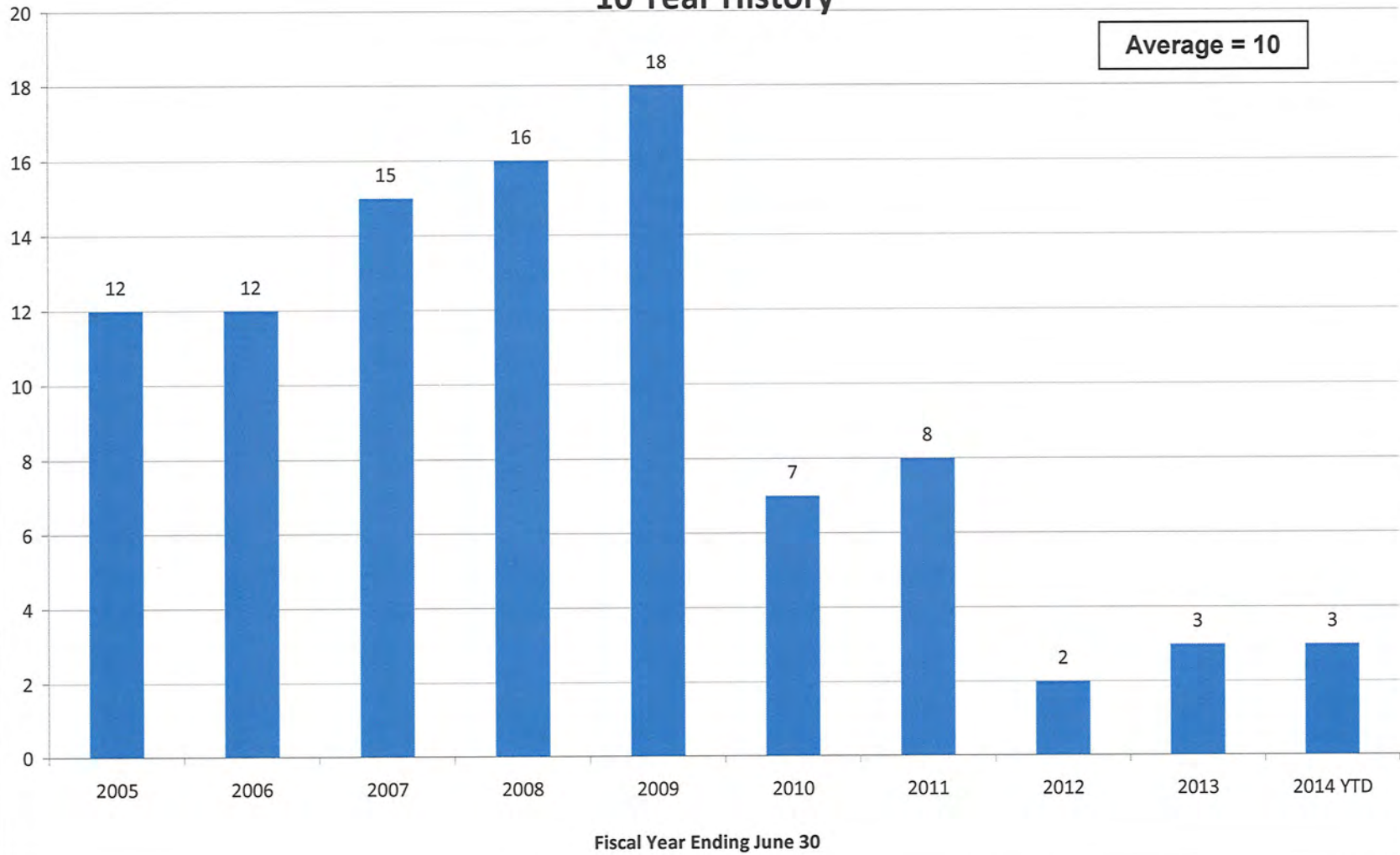
Workers' Compensation Claim Cost by Year Injury Incurred 10 Year History



Workers' Compensation Claims Filed - Frequency

10 Year History

Average = 10





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

PHONE

415.897.4133

FAX

415.892.8043

EMAIL

info@nmwd.com

WEB

www.nmwd.com

April 4, 2014

Re: Notice of Proposed Water Rate Increase

Dear Customer:

The North Marin Water District's mission is to provide an adequate supply of safe, reliable and high-quality water to our customers at reasonable cost consistent with good conservation practices and minimum environmental impact. To fulfill this mission, NMWD must generate revenue sufficient to cover its cost of operations.

Accordingly, the North Marin Water District is proposing an increase in the cost of water which averages 5% for the typical Novato residential customer and 6% for the typical non-residential customer, effective June 1 of 2014. This letter provides details on the need for the increase and information about the public hearing where public comment will be taken prior to a vote on the proposed water rate increase by the District Board of Directors.

REASON FOR THE PROPOSED INCREASE

Higher Water Cost: The Sonoma County Water Agency (SCWA), which provides 80% of Novato's water supply, is increasing the rate it charges NMWD for Russian River water by 3.4% effective July 1, 2014. In addition, chemical and power costs to operate the Stafford Water Treatment Plant, which supplies 20% of Novato's water supply, continue to rise.

Water System Infrastructure Maintenance: The Novato water system includes 315 miles of pipeline, 37 million gallons of finished water storage distributed across 31 tanks, 27 pump stations, 16 pressure regulating stations, over 2,600 fire hydrants and a multitude of valves, all of which require ongoing maintenance. The District is now 66 years old, and much of the pipeline installed in the early years is nearing the end of its useful life and must be replaced. To maintain our finished water storage facilities, a \$2.3 million project to recoat the 5-million gallon Atherton Tank, constructed in 1973, is planned for the coming fiscal year.

RATE COMPARISON

NMWD's rates remain reasonable. You can assess this for yourself by comparing NMWD's cost of water service to 16 counterpart Bay Area water agencies (see Urban Area Water Cost Comparison on page 5 of this letter). The comparison shows that the typical cost of service for a Novato single-family residence remains below the median of our counterpart agencies.

DIRECTORS: JACK BAKER • RICK FRATTS • STEPHEN PETERIE • DENNIS RODONI • JOHN C. SCHOONOVER

OFFICERS: CHRIS DeGABRIELE, General Manager • KATIE YOUNG, Secretary • DAVID L. BENTLEY, Auditor/Controller • DREW McINTYRE, Chief Engineer

PROPOSED RATE INCREASE

A table showing the existing rates and charges, and the amounts proposed, is included on page 4 of this letter.

Residential Accounts: It is proposed that a commodity rate increase of 6.5% for all water used be implemented effective June 1, 2014. No increase in the bimonthly service charge is proposed. For the typical Novato single-family residence, the proposed increase in the total cost of water (commodity charge plus bimonthly service charge) is 5%. The proposed increase would add \$2.50 per month (\$5 per bimonthly bill) to the cost of water for a typical single-family residence beginning June 2014.

You can determine the increase in your annual water cost based on your personal water use over the past year from our website. Insert your NMWD account number and the name on your account into the Rate-Increase Model on NMWD's website at <http://www.nmwd.com/accountbalance.php>.

Non-Residential Accounts (Commercial, Institutional & Irrigation): It is proposed that an increase in the commodity rate of 6.5% for all water used be implemented effective June 1, 2014. No increase in the bimonthly service charge is proposed. The increase for non-residential customers will vary based upon water use. In Novato the median non-residential account uses more water than the median residential account, and would therefore see an increase in the total cost of water (commodity charge plus bimonthly service charge) of 6%. You can determine the increase in your annual water cost based on your consumption over the past year from our website. Insert your NMWD account number and name on your account into the Rate-Increase Model on NMWD's website at <http://www.nmwd.com/accountbalance.php>.

PROPOSED DROUGHT SURCHARGE

At the Water Rate Hearing the Board will consider, as a separate matter, the adoption of a Drought Surcharge to be implemented only in the event of mandatory water use restrictions. **MANDATORY WATER USE RESTRICTIONS ARE NOT ANTICIPATED IN 2014.** The NMWD Water Shortage Contingency Plan includes provisions for a Drought Surcharge which would serve to mitigate both the revenue loss incurred during a drought, as well as a possible surcharge required for summer purchases of Russian River water during declared shortages pursuant to the Restructured Agreement for Water Supply between SCWA and NMWD.

The proposed Drought Surcharge would be temporary and would be implemented concurrent with mandatory water use restrictions, and terminated when mandatory use restrictions end. The Drought Surcharge is proposed to be adopted in 2014 to avoid delay when a drought occurs in a future year. The concern is that adding future procedural delay to the District's existing 2-month billing cycle could defer the intended conservation signal beyond the summer peak demand period.

The proposal is to add a surcharge of \$1.00 per thousand gallons for all water use by non-residential customers. For residential customers, the \$1.00 per thousand gallon surcharge would apply only to the amount of water use in excess of 300 gallons per day.

Assuming the mandatory use restriction remained in effect for an entire year, for the typical single-family residence, the proposed surcharge would add \$16 annually to the water bill, assuming no reduction in water use. If the typical single-family residence reduced water use by 20%, there would be no increase in cost. For the median non-residential customer, the proposed surcharge would add \$163 annually, or, if the non-residential customer reduced water use by 20%, the increase in cost would be \$130 annually.

WATER RATE PUBLIC HEARING

A public hearing will be held at the NMWD office (999 Rush Creek Place, Novato) at 7:30 p.m. on Tuesday, May 20, 2014, to consider enactment of an increase averaging 5% effective June 1, 2014, and, in addition, to consider adoption of a Drought Surcharge to be implemented in the event a mandatory reduction in water use is declared.

HOW TO PARTICIPATE

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners or customers, the proposed increases will not be imposed.

Your written protest must be received prior to the close of the May 20, 2014 public hearing. Written protests must be signed by the property owner or customer of record and must include a description of the parcel (parcel number) or NMWD account number. Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,



Chris DeGabriele
General Manager

NOVATO WATER CHARGES

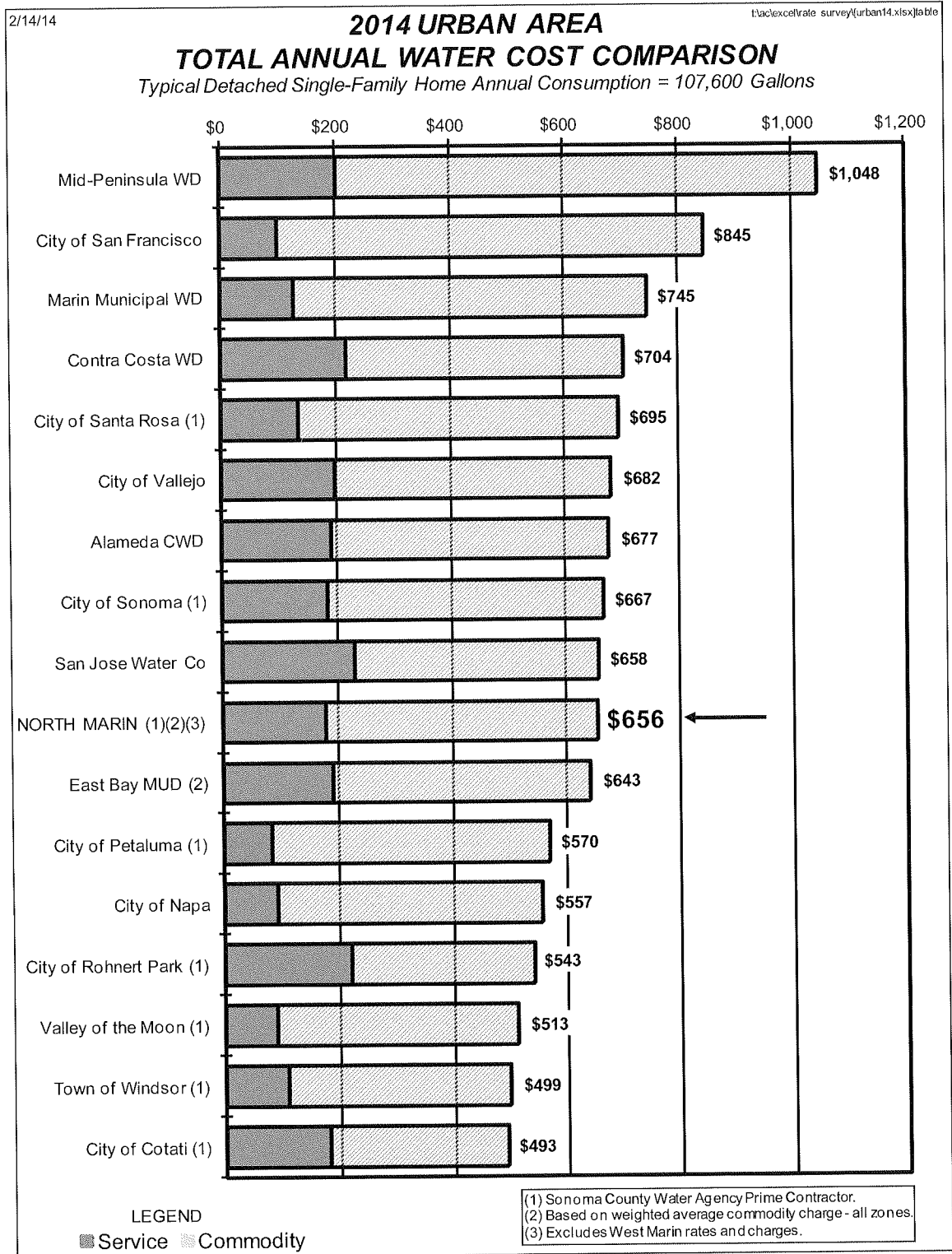
	Existing	Proposed	%
	6/1/13	6/1/14	Increase
A BI-MONTHLY SERVICE CHARGE OF:			
STANDARD 5/8-INCH METER	\$30.00	\$30.00	0.0%
1 -inch residential meter for fire sprinklers	\$34.00	\$34.00	0.0%
1 -inch meter	\$60.00	\$60.00	0.0%
1.5 -inch meter	\$73.00	\$73.00	0.0%
2 -inch meter	\$114.00	\$114.00	0.0%
3 -inch meter	\$227.00	\$227.00	0.0%
4 -inch meter	\$364.00	\$364.00	0.0%
6 -inch meter	\$761.00	\$761.00	0.0%
8 -inch meter	\$1,134.00	\$1,134.00	0.0%
 PLUS A QUANTITY RATE OF:			
<u>Residential rate for each 1,000 gallons</u>			
	<u>Rate</u>	<u>Rate</u>	
First 615 gallons per day	\$4.03	\$4.29	6.5%
616 - 1,845 gallons per day	\$6.42	\$6.84	6.5%
Use in excess of 1,845 gallons per day.....	\$11.17	\$11.90	6.5%
 <u>Rate for each 1,000 gallons for all other potable water accounts</u>			
Commercial, institutional & irrigation accounts - 11/1-5/31.....	\$4.44	\$4.73	6.5%
Commercial, institutional & irrigation accounts - 6/1-10/31.....	\$4.77	\$5.08	6.5%
 <u>Rate for each 1,000 gallons for non-potable water</u>			
Recycled Water	\$4.44	\$4.73	6.5%
Raw (Untreated) Water	\$1.83	\$1.95	6.5%
 PLUS AN ELEVATION ZONE RATE FOR EACH 1,000 GALLONS OF:			
<u>Zone</u> <u>Elevation</u>	<u>Rate</u>	<u>Rate</u>	
A 0 through 60 feet.....	\$0.00	\$0.00	-
B 60 feet - 200 feet.....	\$0.48	\$0.51	6.5%
C 200 feet +.....	\$1.54	\$1.64	6.5%
 d. Hydrants or Temporary Service	 \$6.31	 \$6.72	 6.5%

DROUGHT SURCHARGE

In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the Greater Novato Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the liquidated damages assessed by the Sonoma County Water Agency pursuant to the Water Shortage and Apportionment Provision of the Restructured Agreement for Water Supply.

The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:

Residential Accounts: Use in excess of 300 gallons per day.....	\$1.00
Commercial, Institutional and Irrigation Accounts: All Use.....	\$1.00





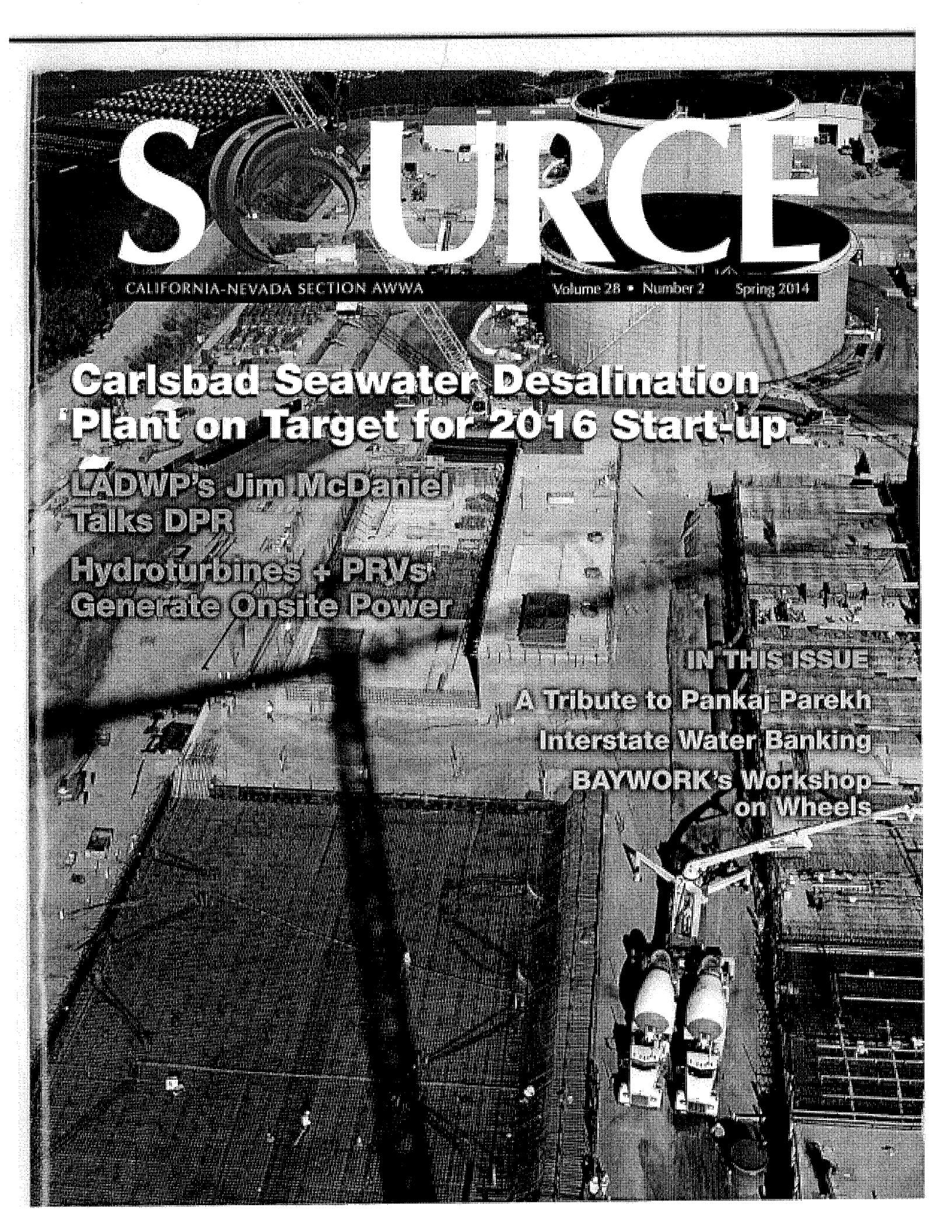
**NORTH MARIN
WATER DISTRICT**
999 Rush Creek Place / Post Office Box 146
Novato, CA 94948

Notice of Proposed Rate Increase

*****SCH 5-DIGIT 94945

North Marin Water Dist
PO Box 146
Novato CA 94948-0146





SOURCE

CALIFORNIA-NEVADA SECTION AWWA

Volume 28 • Number 2

Spring 2014

Carlsbad Seawater Desalination Plant on Target for 2016 Start-up

LADWP's Jim McDaniel Talks DPR

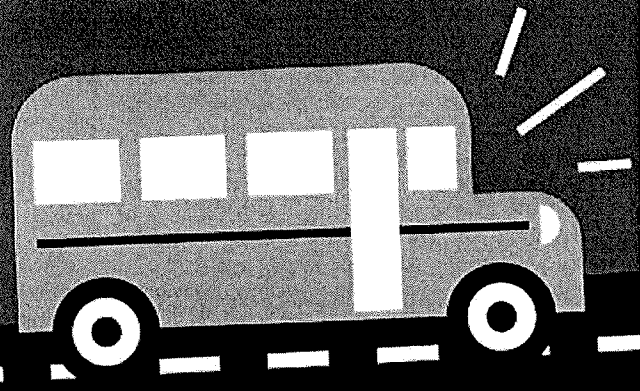
Hydroturbines + PRVs Generate Onsite Power

IN THIS ISSUE

A Tribute to Pankaj Parekh
Interstate Water Banking

BAYWORK's Workshop on Wheels

North Bay Workshop on Wheels



BAYWORK's Workshop on Wheels: A New Approach to Technical Training

By Cheryl Davis

One of the greatest challenges facing water and wastewater treatment operators today is that the facilities, technologies, equipment and regulations they work with are in a state of continuous change. Experienced operators may be fully qualified yet unprepared to maintain and complete familiar tasks such as disinfection in a different way or complete entirely new tasks as utilities move into new areas such as recycled water and waste-to-energy conversion.

BAYWORK is a consortium of Bay Area water and wastewater utilities working together in the area of workforce reliability. Our training and education philosophy is to package training in a form that is appealing to the audience we want to reach. We supplement this commitment by encouraging additional communication and information-sharing among people performing mission-critical jobs in the water industry. Combining these

An advertisement for American Flow Control featuring a historical illustration of men with a large industrial valve. The text "Revolutionary Flow Control. That's the American Way." is written in a cursive font across the top. The bottom left contains a QR code, the website "american-usa.com", and the phone number "1-800-326-8051". The bottom center says "Made in America by AMERICAN". The bottom right features the American Flow Control logo and the slogan "THE RIGHT WAY".

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That's the American Way.

american-usa.com
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Made in America by AMERICAN

AMERICAN
FLOW CONTROL
THE RIGHT WAY

North Bay Workshop on Wheels



BAYWORK's Workshop on Wheels: A New Approach to Technical Training

By Cheryl Davis

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An advertisement for American Flow Control featuring a historical illustration of men with a large valve. The text reads: "Revolutionary Flow Control. That's the American Way." and "Made in America by AMERICAN FLOW CONTROL THE RIGHT WAY".

Revolutionary Flow Control.
That's the American Way.

Made in America by AMERICAN

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american-usa.com
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goals, we have initiated a new approach to help water and wastewater operators learn about innovations in water and wastewater treatment consistent with our commitment to assure staff in mission-critical job categories have the information they need to do quality work.

Every year BAYWORK completes a strategic planning process to develop initiatives and performance measures for the coming year. The BAYWORK Executive Committee selects a menu of proposed options and the managers of signatory agencies review them, select the ones they consider will be the most productive and make their own suggestions. One idea that evolved during the strategic planning process for FY 2013-2014 was to offer training sessions geared to water and wastewater treatment operators, and do it in a way that recognizes staff in these jobs would generally prefer to learn about something in person and up close rather than hear about it in a classroom setting. We combined this idea with one of BAYWORK's funda-

mental strategies, which is to foster procedural innovation so that staffing resources can be used more efficiently, then researched innovations at Bay Area water and wastewater utilities and then developed a program that provided an opportunity for operators to see these innovations in action.

The resulting *Workshop on Wheels* model includes the following components

- Research on innovations at Bay Area water and wastewater treatment agencies.
- Tours to observe these innovations in action with visits to multiple sites in a single day.
- Support for ongoing information-sharing.

To date, BAYWORK has sponsored two traveling workshops, a North Bay Workshop on Wheels in November 2013 and an East Bay Workshop on Wheels in March 2014. A South Bay Workshop on Wheels is planned for late spring 2014. Participants in the November 2013 were able to observe a

wide range of cutting-edge water use, water treatment and energy creation technologies, including:

- Treating Wastewater for Non-Potable Use (Las Gallinas Valley Water District)
- Serving Recycled Water for Innovative Uses (Marin Municipal Water District)
- Dechlorination of Effluent Using Engineered Wetland (City of Petaluma)
- Actiflo Process and Chlorine Dioxide (North Marin Water District)
- Food Waste to Energy (Central Marin Sanitation Agency)

The 2013 tour also included presentations on management aspects of water and wastewater treatment, including asset management planning (Ross Valley Sanitation District) and the use of BAYWORK's On-Line Forum.

The fast-paced tour was open to staff of any water or wastewater utility at no cost. The tours of the facilities held participants' interest, while time on the bus allowed opportunities

Continued on page 26

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WESTERN STATES CORROSION SEMINAR
Fundamentals Session
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Advanced Session

CATHODIC PROTECTION RECTIFIER COURSE

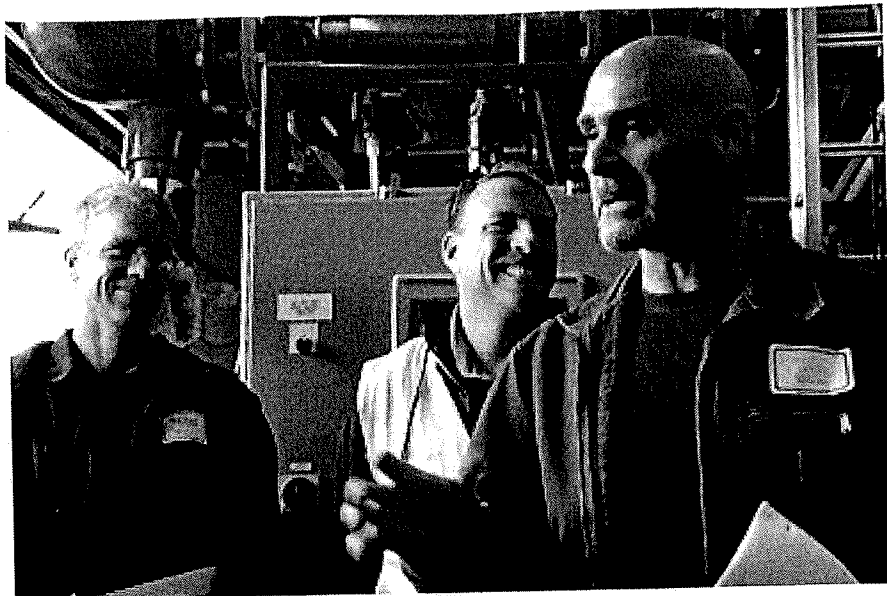
CATHODIC PROTECTION TESTER RECOGNITION COURSE

Western States Corrosion Seminar was founded in 1966 as a non-profit educational program. It has included some of the foremost experts in the field of corrosion control. Whether your field is pipelines, cables or tanks, underground or aboveground, internal or external, there is a presentation by an expert that could benefit you and your organization. Instructors are available for one-on-one discussions and are happy to discuss your problems. The seminar is held in a relaxed atmosphere that encourages discussion. Don't miss this opportunity to network with professionals, develop helpful contacts, and exchange ideas and experiences with your counterparts in the world of corrosion control. Up to 14.5 Contact Hours are available.

Register by April 28th

Kellogg West Conference Center and Lodge
California State Polytechnic University, Pomona

Visit our website at
www.westernstatescorrosion.org
or contact us at
949-326-3051



Matt Pierce, City of Petaluma, and Chris Finton, Central Marin Sanitation Agency, listen as Water Treatment Operator Gary Weitslein talks about as Gallinas Valley Sanitary District's wastewater treatment process for non-potable reuse on the BAYWORK North Bay Workshop on Wheels North.

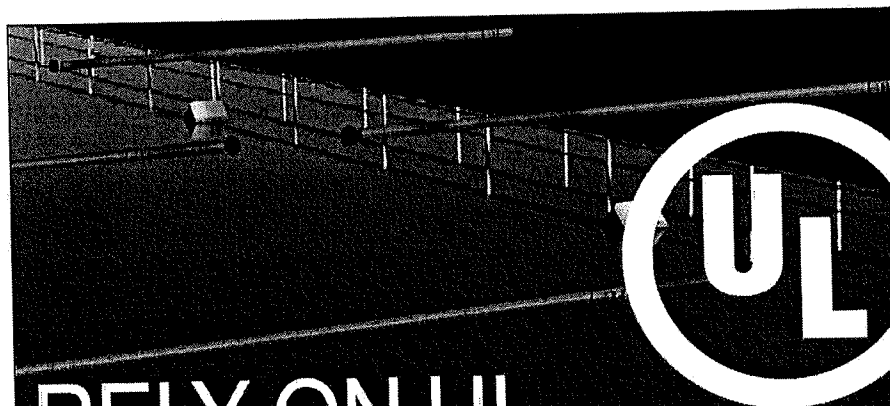
Baywork, continued from page 25

for networking. Participants included water and wastewater managers, supervisors, operators and community college students. Since one purpose of the program is to encourage ongoing information-sharing, participants were encouraged to identify facilities they would like to visit again for further information and recommend prospective tour guides they would like to have speak at their own facilities. Some follow-up interactions have already occurred based on the North Bay tour.

Participants were encouraged to identify facilities they would like to visit again for further information and recommend prospective tour guides they would like to have speak at their own facilities.

Many workshop participants were surprised that it was possible to get useful information from so many agencies in a single day. Alexandre Miot, an engineer from San Francisco Public Utilities Commission, observed that the people

Continued on page 33



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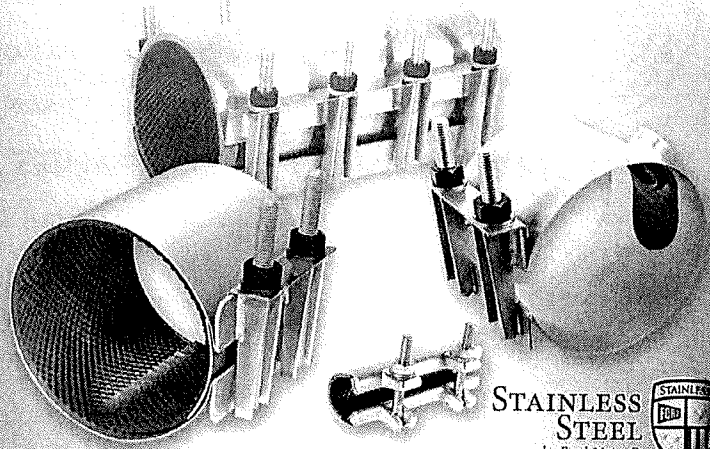
Baywork, continued from page 26

hosting the North Bay tour were very well-prepared and professional and that it had benefited him to learn from the experience of other agencies.

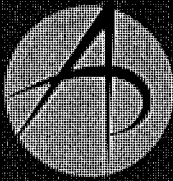
Once all three planned *Workshop on Wheels* tours have been completed, BAY-WORK will evaluate the project and publish a report on its website, including information on water and wastewater treatment innovations and an assessment of the effectiveness of this technical training approach. Presentations, photographs and videos from the North Bay Workshop on Wheels have already been posted to the website and can be viewed from the Resources page at <http://baywork.org/resources>. Staff from water or wastewater agencies who would like to be invited to the South Bay Workshop on Wheels should contact me at ckd@sfwater.org. And please check out our resource rich website: www.baywork.org ♦

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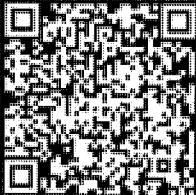
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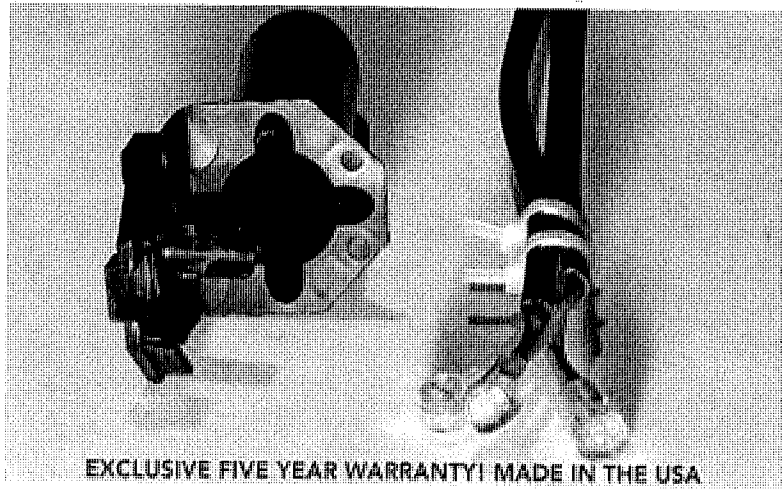
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**EMERGENCY WATER CONSERVATION ORDINANCE
ORDINANCE NO. 23**

AN ORDINANCE OF NORTH MARIN WATER DISTRICT DECLARING THE EXISTENCE OF A WATER SHORTAGE EMERGENCY CONDITION WITHIN THE NOVATO SERVICE AREA OF THE DISTRICT, PROHIBITING THE WASTE AND NON-ESSENTIAL USE OF WATER, AND PROVIDING FOR THE CONSERVATION OF THE WATER SUPPLY OF THE DISTRICT

BE IT ORDAINED by the Board of Directors of North Marin Water District as follows:

Section 1. Declaration of a Water Shortage Emergency

This Board of Directors does hereby find and declare as follows:
(a) A public hearing was held on April 1, 2014, on the matter of whether this Board of Directors should declare a water shortage emergency condition exists within the water service area of this District which is served by Stafford Lake and the North Marin Aqueduct.
(b) Notice of said hearing was published in the Novato Advance and Marin Independent Journal, newspapers of general circulation printed and published within said water service area of the District.
(c) At said hearing, all persons present at said hearing were given an opportunity to be heard and all persons desiring to be heard were heard.
(d) Said hearing was called, noticed and held in all respects as required by law.

(e) This Board heard and has considered each protest against the declaration and all evidence presented at said hearing.

(f) A water shortage emergency condition exists and prevails within the portion of the territory of this District served by Stafford Lake and the North Marin Aqueduct. Said portion of this District is hereinafter referred to as the Novato Service Area and consists of all the territory of this District except the portions here and consists of all the territory of this District designated as A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, AB, AC, AD, AE, AF, AG, AH, AI, AJ, AK, AL, AM, AN, AO, AP, AQ, AR, AS, AT, AU, AV, AW, AX, AY, AZ, BA, BB, BC, BD, BE, BF, BG, BH, BI, BJ, BK, BL, BM, BN, BO, BP, BQ, BR, BS, BT, BU, BV, BW, BX, BY, BZ, CA, CB, CC, CD, CE, CF, CG, CH, CI, CJ, CK, CL, CM, CN, CO, CP, CQ, CR, CS, CT, CU, CV, CW, CX, CY, CZ, DA, DB, DC, DD, DE, DF, DG, DH, DI, DJ, DK, DL, DM, DN, DO, DP, DQ, DR, DS, DT, DU, DV, DW, DX, DY, DZ, EA, EB, EC, ED, EE, EF, EG, EH, EI, EJ, EK, EL, EM, EN, EO, EP, EQ, ER, ES, ET, EU, EV, EW, EX, EY, EZ, FA, FB, FC, FD, FE, FF, FG, FH, FI, FJ, FK, FL, FM, FN, FO, FP, FQ, FR, FS, FT, FU, FV, FW, FX, FY, FZ, GA, GB, GC, GD, GE, GF, GG, GH, GI, GJ, GK, GL, GM, GN, GO, GP, GQ, GR, GS, GT, GU, GV, GW, GX, GY, GZ, HA, HB, HC, HD, HE, HF, HG, HH, HI, HJ, HK, HL, HM, HN, HO, HP, HQ, HR, HS, HT, HU, HV, HW, HX, HY, HZ, IA, IB, IC, ID, IE, IF, IG, IH, II, IJ, IK, IL, IM, IN, IO, IP, IQ, IR, IS, IT, IU, IV, IW, IX, IY, IZ, JA, JB, JC, JD, JE, JF, JG, JH, JI, JJ, JK, JL, JM, JN, JO, JP, JQ, JR, JS, JT, JU, JV, JW, JX, JY, JZ, KA, KB, KC, KD, KE, KF, KG, KH, KI, KJ, KK, KL, KM, KN, KO, KP, KQ, KR, KS, KT, KU, KV, KW, KX, KY, KZ, LA, LB, LC, LD, LE, LF, LG, LH, LI, LJ, LK, LL, LM, LN, LO, LP, LQ, LR, LS, LT, LU, LV, LW, LX, LY, LZ, MA, MB, MC, MD, ME, MF, MG, MH, MI, MJ, MK, ML, MM, MN, MO, MP, MQ, MR, MS, MT, MU, MV, MW, MX, MY, MZ, NA, NB, NC, ND, NE, NF, NG, NH, NI, NJ, NK, NL, NM, NN, NO, NP, NQ, NR, NS, NT, NU, NV, NW, NX, NY, NZ, OA, OB, OC, OD, OE, OF, OG, OH, OI, OJ, OK, OL, OM, ON, OO, OP, OQ, OR, OS, OT, OU, OV, OW, OX, OY, OZ, PA, PB, PC, PD, PE, PF, PG, PH, PI, PJ, PK, PL, PM, PN, PO, PP, PQ, PR, PS, PT, PU, PV, PW, PX, PY, PZ, QA, QB, QC, QD, QE, QF, QG, QH, QI, QJ, QK, QL, QM, QN, QO, QP, QQ, QR, QS, QT, QU, QV, QW, QX, QY, QZ, RA, RB, RC, RD, RE, RF, RG, RH, RI, RJ, RK, RL, RM, RN, RO, RP, RQ, RR, RS, RT, RU, RV, RW, RX, RY, RZ, SA, SB, SC, SD, SE, SF, SG, SH, SI, SJ, SK, SL, SM, SN, SO, SP, SQ, SR, SS, ST, SU, SV, SW, SX, SY, SZ, TA, TB, TC, TD, TE, TF, TG, TH, TI, TJ, TK, TL, TM, TN, TO, TP, TQ, TR, TS, TT, TU, TV, TW, TX, TY, TZ, UA, UB, UC, UD, UE, UF, UG, UH, UI, UJ, UK, UL, UM, UN, UO, UP, UQ, UR, US, UT, UY, UZ, VA, VB, VC, VD, VE, VF, VG, VH, VI, VJ, VK, VL, VM, VN, VO, VP, VQ, VR, VS, VT, VU, VV, VW, VX, VY, VZ, WA, WB, WC, WD, WE, WF, WG, WH, WI, WJ, WK, WL, WM, WN, WO, WP, WQ, WR, WS, WT, WU, WV, WW, WX, WY, WZ, XA, XB, XC, XD, XE, XF, XG, XH, XI, XJ, XK, XL, XM, XN, XO, XP, XQ, XR, XS, XT, XU, XV, XW, XX, XY, XZ, YA, YB, YC, YD, YE, YF, YG, YH, YI, YJ, YK, YL, YM, YN, YO, YP, YQ, YR, YS, YT, YU, YV, YW, YX, YY, YZ, ZA, ZB, ZC, ZD, ZE, ZF, ZG, ZH, ZI, ZJ, ZK, ZL, ZM, ZN, ZO, ZP, ZQ, ZR, ZS, ZT, ZU, ZV, ZW, ZX, ZY, ZZ.

(g) On April 1, 2014 the Board of Directors enacted the North Marin Water District Water Shortage Contingency Plan for the Greater Novato Area (Plan) and said Plan defines specific triggers for stages of action applicable to District customers, and pursuant to this ordinance. The specific triggers for stages of action vary and are determined based on advice and action of Sonoma County Water Agency regarding water supply conditions on the Russian River and in Lake Sonoma from which approximately eighty percent of the District's water supply for the Novato Service Area is delivered through the North Marin Aqueduct.

Section 2. Purpose and Authority

The purpose of this ordinance is to conserve the water supply of the District for the greatest public benefit with particular regard to public health, fire protection and domestic use; to conserve the water by reducing waste; and to the extent necessary by reason of drought and the existing water shortage emergency condition to reduce water use fairly and equitably. This ordinance is adopted pursuant to Water Code Section 350 to and including 358, and Sections 31025 to and including 31029.

Section 3. Effect of Ordinance

This ordinance shall take effect on April 1, 2014, and be effective only in the Novato Service Area, shall supersede and control over any other ordinance or regulation of the District in conflict herewith, and shall remain in effect until the Board of Directors declares that the water shortage emergency has ended.

Section 4. Suspension of New Connections to the District's Water System

(a) From the date the Board of Directors, by resolution, determines that Stage 2, Moderate Mandatory actions are to be implemented, until the Board of Directors by resolution declares that the water shortage has ended, which period is hereinafter referred to as the suspension period, no new or enlarged connection shall be made to the District's water system except the following:

- (1) Connection pursuant to the terms of connection agreements which prior to the date Stage 2, mandatory actions are implemented, had been executed or had been authorized by the Board of Directors to be executed.
- (2) Connections of fire hydrants.
- (3) Connections of property previously supplied with water from a well which runs dry.
- (4) Connection of property for which the Applicant agrees to defer landscape installation until after the suspension period.
- (5) Recycled Water connections.

(b) During the suspension period applications for water service will be processed only if the Applicant acknowledges in writing that such processing shall be at the risk and expense of the Applicant and that if the application is approved in accordance with the District's regulations, such approval shall confer no right upon the Applicant or anyone else until the suspension period has expired, and that the Applicant releases the District from all claims of damage arising out of or in any manner connected with the suspension of connections.

(c) Upon the expiration of the suspension period, the District will make connections to its water system in accordance with its regulations and the terms of connection agreements for all said applications approved during the suspension period. The water supply then available to the District will be apportioned equitably among all the customers then being served by the District without discrimination against services approved during the suspension period.

(d) Nothing herein shall prohibit or restrict any modification, relocation or replacement of a connection to the District's system if the General Manager determines that the demand upon the District's water supply will not be increased thereby.

Section 5. Waste of Water Prohibited

No water furnished by the District shall be wasted. Waste of water includes, but is not limited to, the following:
(1) Permitting water to escape down a gutter, ditch or other surface drain.
(2) Failure to repair a controllable leak of water.
(3) Failure to put to reasonable beneficial use any water withdrawn from the District's system.

Section 6. Prohibition of Non-Essential Use of Water

No water furnished by the District shall be used for any purpose declared to be non-essential by this ordinance for the following stages of action as determined by the Board of Directors after considering specific triggers consistent with the Water Shortage Contingency Plan for the Greater Novato Service Area.

Stage 1. Voluntary Stage (up to 20% reduction): Achieve up to 20% reduction in water usage compared to the corresponding billing period in 2013 by encouraging voluntary rationing, enforcers of water wasting regulations and water conservation Regulation 15, requesting customers to make conscientious efforts to conserve water, request restaurants to serve water only upon request, encourage private sector to use alternate source and encourage night irrigation.

The following uses are declared to be non-essential from and after April 1, 2014:

- (1) Washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by the Novato Fire Protection District or other public agency for the purpose of public safety;
- (2) Draining a swimming pool drained after July 1, 2014;
- (3) Non-commercial washing of privately-owned motor vehicles, trailers and boats except from a bucket and sponges that have been used to

determine that the following additional uses are declared to be non-essential:

- (1) Any use of water from a fire hydrant except for fighting fires, human consumption, essential construction needs or use in connection with animals;
- (2) Watering of any lawn, garden, landscaped area, tree, shrub or other plant except from a handheld hose equipped with an automatic shut-off nozzle, container or drip irrigation system except overhead sprinkler irrigation can be used if customer maintains an overall 30% reduction in water use compared to the corresponding billing period in 2013. Customers using less than 300 gallons per day are permitted to water their landscapes without a required 30% reduction, and properly operate the irrigation system in a non-wasteful manner between the hours of 7:00 p.m. and 2:00 a.m. the next day. If sprinkler water is used in a wasteful manner, the General Manager may prohibit sprinkling by that customer.
- (3) Watering any portion of a golf course except the tees and greens except as provided in Section 10 hereof or where private well or recycled water supply is used;
- (4) Use of water for dust control at construction sites;
- (5) Initial filling of any swimming pool for which application for a building permit was made after April 1, 2014;
- (6) Use by a vehicle washing facility in excess of up to 30% less than the amount used by it during the corresponding billing period in 2013. If the facility was not operating in 2013, an assumed amount shall be computed by the District from its records. This subsection shall not apply to any facility that recycles water in a manner satisfactory to the District;
- (7) Any non-residential use in excess of up to 30% less than the amount used by the customer during the corresponding billing period in 2013. If connection to the District system was not in existence or use in 2013, an assumed amount will be computed from the District's records.

Stage 3 - Severe Mandatory Rationing (up to 50% reduction)

From and after the date that the Board of Directors, by resolution, determines that the water shortage emergency requires severe rationing, the following additional uses are declared to be non-essential:

- (1) Watering any residential lawn, or any commercial or industrial area lawn maintained for aesthetic purposes, at any time of the day or night during the period of March 1, through September 30, when a Stage 3 is in progress;
- (2) Planting any new landscaping, except for designated drought resistant landscaping prescribed by the District;
- (3) All day and nighttime sprinkling will be discontinued. Any and all outdoor watering will be done only with a hand held nozzle. An exception will be made for carefully timed drip irrigation for established perennial plants and trees. Only sufficient water for assured plant survival may be applied;
- (4) No new annual plants, vegetables, flowers or vines may be planted during the Stage 3 emergency period. An exception will be made for customers who are eliminating existing thirsty landscaping and replacing same with drought resistant landscaping prescribed by the District, as in (2) above.

The combined rationing including Stage 1, 2, and 3 is designed to achieve a minimum reduction of 50% or more in Novato service territory water consumption as compared with normal annual usage.

(b) The percentages stipulated in Stage 2 and Stage 3 may be increased by the General Manager for any class of customer if the General Manager determines that such increase is necessary to protect the public health, safety and welfare or to spread equitably among the water users of the District the burdens imposed by the drought and the shortage in the District's water supply.

Section 7. Variances

Applications for a variance from the provisions of Section 5 of this ordinance may be made to the General Manager. The General Manager may grant a variance to permit a use of water otherwise prohibited by Section 5 if the General Manager determines that the variance is reasonably necessary to protect the public health and safety and/or economic viability of commercial operation. Any decision of the General Manager under this section may be appealed to the Board of Directors.

Section 8. Violations

(a) If and when the District becomes aware of any violation of any provision of Section 5 or 6 of this ordinance, a verbal warning will be given. If the violation continues or is repeated, a written notice shall be placed on the property where the violation occurred and mailed to the person who is regularly billed for the service where the violation occurs and to any other person known to the District who is responsible for the violation or its correction. Said notice shall describe the violation and order that if the corrected, cured and abated immediately or within such specified time as the General Manager determines is reasonable under the circumstances. If said order is not complied with, the District may forthwith disconnect the service where the violation occurs.

(b) For the first offense, a fee of \$50 shall be paid for the reconnection of any service disconnected pursuant to subsection (a) during the suspension period. For each subsequent violation of Section 5 (a), the fee for reconnection shall be \$75.

(c) Any service which is disconnected twice because of a violation of Section 5 or 6 of this ordinance during the suspension period, shall be reconnected unless a device supplied by the District which will restrict the flow of water to said service is installed. Furthermore, the fee for reconnection of such a service during the suspension period shall be \$100 in lieu of the fee required by subsection (b) hereof.

(d) In the event the District determines that water furnished by the District has been used to fill a swimming pool in violation of Section 5 or 6 hereof, service shall be disconnected and shall be reconnected pursuant to Section 8 (b) hereof, as applicable, except that the reconnection fee shall be \$300 for each subsequent offense.

Section 9. Signs on Lands Supplied from Private Wells or Recycled Water

The owner or occupant of any land within the Novato water service area that is supplied with water from a private well or with recycled water shall post and maintain in a conspicuous place thereon a sign furnished by the District giving public notice of such supply.

Section 10. Drought Surcharge

If the event a mandatory reduction in water use is triggered (Stage 2 or Stage 3 herein), a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the associated damages assessed by the Sonoma County Water Agency pursuant to the water shortage and apportionment provisions of the Restructured Agreement for Water Supply. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as specified in District Regulation 54.

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of North Marin Water District at a regular meeting thereof held on April 1, 2014 by the following vote:

AYES: Directors Baker, Frazer, Petterre, Rodden, Schoonover
NAYS: None
ABSENT: None
ABSTAINED: None

(SEAL)
/s/ Katie Young
District Secretary
North Marin Water District

*Marin
15
04/08/14*

Point Reyes Light
4/11/14

7

Legal Notice

EMERGENCY WATER CONSERVATION ORDINANCE ORDINANCE NO. 29

AN ORDINANCE OF NORTH MARIN WATER DISTRICT DECLARING THE EXISTENCE OF A WATER SHORTAGE EMERGENCY CONDITION WITHIN THE WEST MARIN SERVICE AREA OF THE DISTRICT, PROHIBITING THE WASTE AND NON-ESSENTIAL USE OF WATER, AND PROVIDING FOR THE CONSERVATION OF THE WATER SUPPLY OF THE DISTRICT
BE IT ORDAINED by the Board of Directors of North Marin Water District as follows:

Section 1. Declaration of a Water Shortage Emergency

This Board of Directors does hereby find and declare as follows:

- A public hearing was held on April 1, 2014, on the matter of whether this Board of Directors should declare a water shortage emergency condition exists within the West Marin water service area of this District which is served by wells adjacent to Lagunitas Creek.
- Notice of said hearing was published in the Point Reyes Light and West Marin Citizen, newspapers of general circulation printed and published within said West Marin water service area of the District.
- At said hearing all persons present were given an opportunity to be heard and all persons desiring to be heard were heard.
- Said hearing was called, noticed and held in all respects as required by law.
- This Board heard and has considered each protest against the declaration and all evidence presented at said hearing.
- A water shortage emergency condition exists and prevails within the portion of the territory of this District served by wells adjacent to Lagunitas Creek. Said portion of this District is hereinafter referred to as the West Marin area and consists in all the territory of this District generally known as Point Reyes Station, Inverness Park, Olema, Bear Valley and Paradise Ranch Estates. Said water shortage exists by reason of the fact that the ordinary demands and requirements of the water consumers in the West Marin area cannot be met and satisfied by the water supplies available to this District in the West Marin Service Area without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation and fire protection.
- On April 1, 2014 the Board of Directors enacted the North Marin Water District Water Shortage Contingency Plan for the West Marin Service Area (Plan) and said Plan defines specific triggers for stages of action applicable to District customers, and pursuant to this ordinance. The specific triggers for stages of action vary and are determined based on rainfall measured at the Marin Municipal Water District Kent precipitation gage, calendar period and water demands in the West Marin Service Area.

Section 2. Purpose and Authority

The purpose of this ordinance is to conserve the water supply of the District for the greatest public benefit with particular regard to public health, fire protection and domestic use, to conserve water by reducing waste, and to the extent necessary by reason of drought and the existing water shortage emergency condition to reduce water use fairly and equitably. This ordinance is adopted pursuant to Water Code Section 350 to and including 358, and Sections 31026 to and including 31029.

Section 3. Effect of Ordinance

This ordinance shall take effect on April 1, 2014, shall be effective only in the West Marin service area, shall supersede and control over any other ordinance or regulation of the District in conflict herewith, and shall remain in effect until the Board of Directors declares that the water shortage emergency has ended.

Section 4. Suspension of New Connections to the District's Water System

From July 1, 2014 until, the Board of Directors by resolution declares that the water shortage has ended, which period is hereinafter referred to as the suspension period, no new or enlarged connection shall be made to the District's water system except the following:

- connection pursuant to the terms of connection agreements which prior to July 1, 2014, had been executed or had been authorized by the Board of Directors to be executed;
 - connections of fire hydrants;
 - connections of property previously supplied with water from a well which runs dry;
 - connection of property for which the Applicant agrees to defer landscape installation until after the suspension period.
- (b) During the suspension period applications for water service will be processed only if the Applicant acknowledges in writing that such processing shall be at the risk and expense of the Applicant and that if the application is approved in accordance with the District's regulations, such approval shall confer no right upon the Applicant or anyone else until the suspension period has expired, and that the Applicant releases the District from all claims of damage arising out of or in any manner connected with the suspension of connections.
- (c) Upon the expiration of the suspension period, the District will make connections to its water system in accordance with its regulations and the terms of connection agreements for all said applications approved during the suspension period. The water supply then available to the District will be apportioned equitably among all the customers then being served by the District without discrimination against services approved during the suspension period.
- (d) Nothing herein shall prohibit or restrict any modification, relocation or replacement of a connection to the District's system if the General Manager determines that the demand upon the District's water supply will not be increased thereby.

Section 5. Waste of Water Prohibited

No water furnished by the District shall be wasted. Waste of water includes, but is not limited to, the following:

- permitting water to escape down a gutter, ditch or other surface drain;
- failure to repair a controllable leak of water;
- failure to put to reasonable beneficial use any water withdrawn from the District's system.

Section 6. Prohibition of Non-Essential Use of Water

No water furnished by the District shall be used for any purpose declared to be non-essential by this ordinance for the following stages of action as determined by the Board of Directors after considering specific triggers consistent with the Water Shortage Contingency Plan for the West Marin Service Area.

Stage 1 - Voluntary Stage (15% reduction). Achieve 15% reduction in water usage compared to the corresponding billing period in 2013 by encouraging voluntary rationing, enforcement of water wasting regulations and water conservation Regulation 17, requesting customers to make conscious efforts to conserve water, request restaurants to serve water only upon request, encourage private sector to use alternate source and encourage night irrigation.

Stage 2 - Mandatory Stage (25% reduction)

- The following uses are declared to be non-essential from and after July 1, 2014:
 - washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by the Marin County Fire Department or other public agency for the purpose of public safety;
 - refilling a swimming pool drained after July 1, 2014;

non-commercial washing of privately-owned motor vehicles, trailers and boats except from a bucket and except that a hose equipped with a shut-off nozzle may be used for a quick rinse.

Request restaurants to serve water only upon request.

- The following additional uses are declared to be non-essential from and after July 1, 2014:
 - any use of water from a fire hydrant except for fighting fires, human consumption, essential construction needs or use in connection with animals;
 - watering of any lawn, garden, landscaped area, tree, shrub or other plant except from a handheld hose equipped with an automatic shut-off nozzle, container or drip irrigation system except overhead sprinkler irrigation can be used if customer maintains an overall 25% reduction in water use compared to the corresponding billing period in 2013, (customers using less than 200 gallons per day are permitted to water their landscape without a 25% reduction) and properly operates the irrigation system in a non-wasteful manner between the hours of 7:00 p.m. and 9:00 a.m. the next day. If sprinkler water is used in a wasteful manner, the General Manager may prohibit sprinkling by that customer.
 - use of water for dust control at construction sites;
 - initial filling of any swimming pool for which application for a building permit was made after April 1, 2014;
 - use by a vehicle washing facility in excess of 25% less than the amount used by it during the corresponding billing period in 2013. If the facility was not operating in 2013, an assumed amount shall be computed by the District from its records.
 - any non-residential use in excess of 25% less than the amount used by the customer during the corresponding billing period in 2013. If connection to the District system was not in existence or use in 2013, an assumed amount will be computed from the District's records.

- Inertie deliveries to Inverness Public Utilities District (IPUD), except for critical needs as determined by the General Manager
- Deliveries to customers outside the service area except as needed for human consumption, sanitation and public safety or as stipulated in outside service agreements.

Stage 3 - Severe Mandatory Rationing (50% reduction)

- From and after the date that the Board of Directors, by resolution, determines that the water shortage emergency requires severe rationing, the following additional uses are declared to be non-essential:
 - Watering any residential lawn, or any commercial or industrial area lawn maintained for aesthetic purposes, at any time of the day or night during the period of August 1, through October 31, when a Stage 3 is in progress.
 - Planting any new landscaping, except for designated drought resistant landscaping prescribed by the District.
 - All day and nighttime sprinkling will be discontinued. Any and all outside watering will be done only with a hand held nozzle. An exception will be made for carefully timed drip irrigation for established perennial plants and trees. Only sufficient water for assured plant survival may be applied.
 - No new annual plants, vegetables, flowers or vines may be planted during the Stage 3 emergency period. An exception will be made for customers who are eliminating existing thirsty landscaping and replacing same with drought resisting landscaping prescribed by the District, as in (2) above.
- The combined rationing including Stage 1, 2, and 3 is designed to achieve a minimum reduction of 50% or more in West Marin service territory water consumption as compared with normal year annual usage.
- (e) The percentages stipulated in Stage 2 and Stage 3 may be increased by the General Manager for any class of customer if the General Manager determines that such increase is necessary to protect the public health, safety and welfare or to spread equitably among the water users of the District the burdens imposed by the drought and the shortage in the District's water supply.

Section 7. Variances

Applications for a variance from the provisions of Section 6 of this ordinance may be made to the General Manager. The General Manager may grant a variance to permit a use of water otherwise prohibited by Section 6 if the General Manager determines that the variance is reasonably necessary to protect the public health and safety and/or economic viability of a commercial operation. Any decision of the General Manager under this section may be appealed to the Board of Directors.

Section 8. Violations

- If and when the District becomes aware of any violation of any provision of Section 5 or 6 of this ordinance, a verbal warning will be given, then if the violation continues or is repeated, a written notice shall be placed on the property where the violation occurred and mailed to the person who is regularly billed for the service where the violation occurs and to any other person known to the District who is responsible for the violation or its correction. Said notice shall describe the violation and order that it be corrected, cured and abated immediately or within such specified time as the General Manager determines is reasonable under the circumstances. If said order is not complied with, the District may forthwith disconnect the service where the violation occurs.
- For the first offense, a fee of \$50 shall be paid for the reconnection of any service disconnected pursuant to subsection (a) during the suspension period. For each subsequent violation of Section 8 (a), the fee for reconnection shall be \$75.
- No service which is disconnected twice because of a violation of Section 5 or 6 of this ordinance during the suspension period, shall be reconnected unless a device supplied by the District which will restrict the flow of water to said service is installed. Furthermore, the fee for reconnection of such a service during the suspension period shall be \$100 in lieu of the fee required by subsection (b) hereof.

Section 9. Signs on Lands Supplied from Private Wells

The owner or occupant of any land within the West Marin water service area that is supplied with water from a private well shall post and maintain in a conspicuous place thereon a sign furnished by the District giving public notice of such supply.

Section 10. Drought Surcharge

In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as to offset the cost for water purchased from Marin Municipal Water District (MMWD) under the Interconnection Agreement between North Marin Water District and MMWD triggered by dry year conditions. The Drought Surcharge shall be a quantity charge for each 1,000 gallons as specified in District Regulation 54.

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of North Marin Water District at a regular meeting thereof held on April 1, 2014 by the following vote:

AYES: Directors Baker, Fraites, Petterle, Rodoni, Schoonover
NOES: None
ABSENT: None
ABSTAINED: None

Katie Young
District Secretary
North Marin Water District

Voluntary 20% cutback adopted for Novato North Marin Water District customers

Posted:

marinij.com

About 61,000 Novato residents will soon be urged to cut back water usage 20 percent and guided to tools to help them do so under an emergency water shortage ordinance adopted Tuesday night by the North Marin Water District.

The water cutbacks in Novato are voluntary, at least at this point, under the ordinance adopted by the district's board of directors. If drought conditions should worsen, the ordinance also has allowances for mandatory water usage cutbacks, though this would require further action by the board.

"I am hopeful that we will not have to ask for mandatory cutbacks," Chris DeGabriele, the district's general manager, told the board.

The same was not true for west Marin, which is also served by the district. During the meeting, the board adopted a separate ordinance affecting the district's approximately 1,700 west Marin customers. These residents face voluntary 15 percent cutbacks beginning immediately and a mandatory 25 percent reduction beginning July 1, expected to last through October.

The west Marin area encompasses Point Reyes Station, Olema, Bear Valley, Inverness Park and Paradise Ranch Estates.

Both ordinances, the one for west Marin and the one for Novato, passed unanimously.

Speaking of the 20 percent voluntary reduction in Novato, "This is the same amount the governor is asking everyone in California to cut back. We waited to see what the rain would do before formally declaring a shortage," said DeGabriele.

"The recent rain has not been enough to end the drought. Stafford Lake is now at 62 percent of capacity and the Russian River, where most of the water for Novato comes from, is also low, with Lake Sonoma at 75 percent of capacity and Lake Mendocino at 40 percent capacity," DeGabriele said.

"We are launching a big public outreach campaign to help customers reduce their usage," the general manager said.

"Customers in the two districts will be notified in their bills and in a special newsletter and directed to websites where they can figure out how much they need to cut back and how to do it," DeGabriele said.

Customers can now visit www.wateroff.org for water-saving tips and a calculator showing how much water each tactic would save, DeGabriele said. By the end of April, the district's

website, www.nmwd.com, will feature charts showing each customer how much they need to save, he said.

Since January, in the interests of helping customers save water, the water district has added another water conservation staff member and a new program, an ultra-high-efficiency toilet giveaway.

"This toilet uses only .8 gallons per flush," DeGabriele said. "Most low-flush toilets use 1.6 gallons per flush."

In addition to the toilet giveaway, "We will be distributing water-saving kits with faucet aerators, dye tabs to check for toilet leaks, shower timers and buckets," DeGabriele said. The first giveaway will be at Vintage Oaks on April 23, he said.

"We are also requesting restaurants not to serve water unless it is requested," DeGabriele said.

Contact Janis Mara via email at jmara@marinij.com. Follow her at [Twitter.com/jmara](https://twitter.com/jmara).

In your town

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THE COUNTY

Computer consultant will help with system

Another consultant will step in to help deal with the county's troubled SAP computer system.

County supervisors hired SancroSoft USA of Fair Oaks for \$166,400 for financial module "production support of the SAP software in Marin until its replacement."

The county bought a \$30 million system that never worked right and is so expensive to maintain it will be junked as soon as another can be selected.

County honors Giacomini Dairy

Rancher Robert Giacomini and his family, operators of West Marin's Giacomini Dairy, got a salute and a round of applause from county officials the other day for winning a prestigious conservation award.

County supervisors noted the dairy family won the California Leopold Conservation Award honoring landowners for stewardship of natural resources.

The award is given by the Sand County Foundation, California Farm Bureau Federation and Sustainable Conservation. Supervisor Steve Kinsey said the Giacominis are the first in Marin to get the award.

Robert Giacomini said that, in effect, what goes around comes around, as his family launched the Point Reyes Farmstead Cheese Co, making award-winning cheeses, much like early Marin ranchers who lacked refrigeration and turned their milk into cheese and butter.

FAIRFAX

Artists' work to be shown at Pavilion

The paintings and drawings of five Marin artists will be showcased at the Fairfax Pavilion from 7 p.m. to 10 p.m. April 11.

Work by Jack Scott, Ezra Katz, Bac Hoang, Richard Weinberger and Anna Noelle Rockwell will be on display. Matt Tasley, Fairfax's artist-in-residence is hosting the show. The free event includes refreshments.

KENTFIELD

Supervisor Rice to meet with community

Supervisor Katie Rice will host a community meeting at the Bacich Community Center at 699 Sir Francis Drake Blvd., in Kentfield from 10 a.m. to 11:30 a.m. April 26.

Rice will answer questions and take comments from the public.

For more information, call 473-7351 or email nvernon@marincounty.org.

MILL VALLEY

Nonprofit plans to host fundraiser

Walking Point Foundation, a Mill Valley-based organization that helps heal combat veterans through the arts, is presenting the second Gambling Night from 6 to 10 p.m. April 22 at the Elks Lodge at 450 Post St., San Francisco.

The evening will feature a silent auction with prizes from local sports teams, wineries and restaurants, complimentary appetizers and a cash

bar. Participants can purchase chips for \$25, \$50 or \$100 at www.walkingpointfoundation.org or at the door. For more information, visit www.walkingpoint.org/event.

NOVATO

Library offers talk on issues with aging

Friends of the Novato Libraries present Dr. Lori Selleck, manager of health education at Kaiser Marin, at 11 a.m. Saturday with a talk on how to avoid aging problems and feel better and healthier.

The public is invited and the talk is free. The talk will take place at the Novato library at 1720 Novato Blvd.

For more information, call Marilyn Boatright, 473-2050.

SAN ANSELMO

Council OKs skate plaza, leash citations

The San Anselmo Town Council has approved plans for a skate plaza on a portion of the basketball area next to Field 1 at Memorial Park at 1000 Sir Francis Drake Blvd.

The council also reviewed park rules regarding dogs, on and off leash, and directed staff to draft an ordinance that will allow for citations to be given to dog owners who don't follow the park rules regarding dogs.

The council took the actions at its meeting Tuesday.

SAN RAFAEL

Entrepreneurship Center plans event

The Renaissance Entrepreneurship Center will hold a free youth inspiration event from 6 to 8 p.m. Wednesday at the center at 1115 Third St.

Young adults ages 18 to 25 will talk about how they've found success by following their passions. Attendees will meet business and agency representatives with opportunities and services to support young entrepreneurs.

Pizza and sodas will be served. Registration is required at <http://conta.cc/02JDWh>.

For more information, call 755-1115.

BOB MISC

MARIN
I.J.

macare exchanges. Problem: The law kicked close to 5 mil-

just re-enrolling their old customers at higher rates." Call it

for the highly popular but utterly nonsensical provision

insurance. The private market has had

Twitter: @DebraJSaunders

OPEN FORUM *On California Drought*

New groundwater rules needed now

By Lester Snow

Mother Nature's last-ditch effort to make a dent in the drought with last week's rain and snow won't make any real difference for California's water supply in 2014. The state will conduct its final measurement of snowpack in the Sierra Nevada today — an indicator of how much snow will melt and flow into our rivers, ultimately making its way to cities and farms throughout California. We don't need that measurement to know that the drought persists and water supplies remain scarce.

What's more, we need to recognize that this drought

may not be over any time soon. Geological records show that California has had droughts lasting not just years but decades. We would be foolish to assume that modern-day California is sheltered from the same fate — and we are far from prepared to deal with decadelong droughts. This drought serves to reveal fundamental weaknesses in our water management system. It highlights our collective failure to adequately invest and adapt to our 21st century reality of higher demand and greater volatility of annual water supply. Approaches that worked in the 1950s are not sufficient for a reliable water future in California.

To learn more, go to www.sfgate.com/drought.

California faces a new set of challenges, including aging water infrastructure, more extreme droughts and floods, declining ecosystems and increasing demand. In addition, many groundwater basins throughout California are contaminated and overdrawn. Eighty-five percent of Californians rely on groundwater, but water levels are dropping at alarming rates. These groundwater supplies, the equivalent of water savings accounts, are essential for drought protection but today are in jeopardy.

Whether this drought continues or we start preparing for the next one, there's no option but to reinvent and refocus our state's approach to water management and respond to a new, more volatile reality. We can't limp from drought to drought making incremental changes with the assumption that things will get better.

As we are looking for every extra gallon of water to soften the effects of drought this summer, we still annually discharge 1.7 million acre-feet — more than 500 billion gallons — of wastewater into the ocean. This is water that could be reclaimed, stored and reused. Every storm results in urban runoff that must be captured and used, rather than polluting our coastal waters.

While California has done well in conserving water, so much more can be done in both agricultural and urban use.

Groundwater, when properly managed, can provide the most effective buffer against drought. In wet years, as we had in 2006 and 2011, water could be stored in groundwater banks for use during dry times. To make this work, we must empower local water managers with the authority necessary to sustainably manage groundwater basins and protect stored water. No one wants to invest in groundwater storage if rules

aren't in place to keep someone from taking more than their fair share.

In order to adequately meet California's water supply needs for decades to come, we must invest in more diverse water supplies, state-of-the-art conservation and effective storage in our groundwater basins to offset times of drought.

Whether it flows from a faucet, irrigates farmland or supports a migrating salmon, we only have one, finite water supply. We need to work together to protect that water supply, our economy and unique environment.

Lester Snow is executive director of the California Water Foundation, www.california-waterfoundation.org. He previously was secretary for the California Natural Resources Agency and director of the California Department of Water Resources, presiding over the last official drought declaration in California in 2009.

BOD MISC

Movers & Shakers: San Rafael engineering firm wins state excellence award

Marin Independent Journal

Posted:

marinij.com

The American Council of Engineering Companies of California has given Nute Engineering, of San Rafael, an engineering excellence award for its work on the Locust Street pump station improvement project in Sausalito.

Engineers

Ed Nute, Mark Wilson and

Steve Moore worked on the project with Novato architect

Martin Wilson, San Rafael structural engineer

Roy Andrewson, and

Diep Nguyen, of DTN Electrical Engineering in Oakland.

After lunch Hodge Podge of Novato will be presenting a fashion show with models. All proceeds from the sale of clothing items will be donated to Hospice by the Bay. Signups started at the Center, located at 1560 Hill Rd. in Novato, on April 1.

Novato Garden Club meeting

The Novato Garden Club will meet on Wednesday, April 9 for their monthly gathering at the Margaret Todd Senior Center, located at 1560 Hill Rd. in Novato. The meeting starts at 11

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LETTERS TO T

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Wasteful with water

The dumping of the 900,000 gallons of precious water when there is no data to support any contamination is a complete waste of our county's resources, time and money, particularly when water is in such short demand.

The facility responsible for testing our potable water could have performed a routine check as they would normally do periodically for a variety of toxins to confirm the safety and efficacy of the contents of the tank. Dumping the water as a "precautionary action" is a "dumbed" down version of what we as curators of our natural resources should expect.

If the water district cannot or will not perform simple infrared spectroscopy to determine what is in our water they are not performing their jobs. The people who authorized the dumping of the water in this time of need should be fired.

Robert L. Wynne
Novato

BOD MISC

Michael DiGiorgio, former Novato mayor, dies of leukemia

Posted:

marinij.com

Michael DiGiorgio, a Novato Sanitary District director, former mayor of Novato and one of the driving forces behind the early Hamilton Air Force Base projects, died of leukemia Sunday afternoon, his family said. He was 73.

"He was a gem," said Novato City Councilwoman Jeanne Mac-Leamy Sunday evening, her voice trembling with emotion. "(Marin County Supervisor) Judy Arnold and I ran against him for Novato City Council in 2003 and he was never anything but gracious and helpful. We have been friends ever since."

"He was passionate about politics and politics being local," Alexa Vuksich, his sister-in-law, said Sunday.

Mr. DiGiorgio was immediate past president of the Novato Chamber of Commerce, active with Rotary and a real estate agent with Novato's Athas and Associates, in addition to his many other accomplishments with the city.

Mr. DiGiorgio was born in New York and his family moved to California in 1942. He attended Menlo High School and the University of Arizona before a three-year stint in the United States Army. After returning, he got a bachelor's degree in international trade at San Francisco State University and an MBA at Pepperdine University.

Before entering politics, Mr. DiGiorgio held a number of jobs including working as a stockbroker, working for the family business at DiGiorgio Corp. and working for an airline company before moving to Novato in 1989 and purchasing a video store.

"We traveled a lot. He did so many things," said Mr. DiGiorgio's wife of 37 years, Gordonna Vuksich. "We lived in London, Sacramento, El Paso, Palm Springs."

"He loved airplanes. One of the jobs he had was a small commuter airline flying out of Palm Springs. When he joined the company in the 1980s it had two planes. He took that little airline to 14 planes.

"Sun Aire was the company's name. When our son was born — I had designed the company logo, orange and red circles depicting a desert sunset. The employees made a stained glass ornament reading, "Son Aire," with my son's birth date on it," Ms. Vuksich said.

"He gave 120 percent. He worked diligently on Hamilton and Homeward Bound and getting the skateboard park put in. There were so many things he was proud of that got accomplished during his stint," Ms. Vuksich said.

Mr. DiGiorgio was well-known for his humor, and Ms. Vuksich commented tongue in cheek, "I was so angry with him because he went before he finished doing the taxes."

"Mike was a pillar of the community," said Michael Frank, Novato's city manager. "He was very involved in Leadership Novato and acted as a friend and mentor to many. He was always respectful and friendly, even when you disagreed. He was a true public servant."

"He had a dry sense of humor and could occasionally be irreverent. That's one of the things we are going to miss about him. He had that wonderful sense of humor. When things were dark and gloomy he could always crack a joke and make us smile, then get back to the problem at hand in a lighter frame of mind," said Sandeep Karkal, manager-engineer of Novato Sanitary.

"He has left a great foundation and we will continue to build on it. Under his leadership and direction the board set a good forward-looking strategic vision and plan and we are going to put our heads down and implement it," Karkal said.

"It's a huge loss," said Coy Smith, chief executive of the Novato Chamber of Commerce. "He put the community first. He dedicated his life to service to whatever boards he was on and whatever groups he was involved in.

"Whether he had to go clean up a street for Rotary or give a speech to 500 people, he considered the one just as important as the other. Everything mattered. Everything had a meaning and was important to him, Smith said.

"Mike's passing has created a huge void in Novato, but that void is being filled with the amazing legacy he has left," said City Councilwoman Denise Athas.

A real estate agent, Mr. DiGiorgio was an associate at the councilwoman's firm.

"He was all things Novato — from his elected positions on the City Council and sanitary district to his lengthy real estate career," Athas said. "He loved Novato. I will miss him every day, but my life has been enriched by knowing him, working with him and being able to call him my friend."

A memorial service for Mr. DiGiorgio is planned for May 5 at City Hall.

Mr. DiGiorgio is survived by his wife of 37 years, Gordonna Vuksich, an addiction counselor, and his son Anthony, a neurosurgery resident at Louisiana State University Health Sciences Center New Orleans.

Contact Janis Mara via email at jmara@marinij.com. Follow her at [Twitter.com/jmara](https://twitter.com/jmara).

Marin Clean Energy raises rates 7 percent, considers expansion

Posted:

marinij.com

Marin Clean Energy customers began paying 7 percent more this week.

The rate hike that took effect Sunday comes as the public energy authority continues to attract new members. The county of Napa and the cities of Albany and San Pablo have all requested permission to join.

"The rate change this year lines up with power supply costs that we're seeing in the market, and the same power supply costs have affected PG&E rates as well," said Dawn Weisz, Marin Clean Energy's executive director.

Weisz said customers of Pacific Gas and Electric Co. will still be paying more for electricity when that company's next scheduled rate hike goes into effect on May 1.

PG&E spokeswoman Brittany McKannay said, "I cannot speculate what would be accurate in May because those numbers have not been finalized."

Weisz said with Marin Clean Energy's rate increase, an average MCE residential customer will be paying \$82.28 per month, about 72 cents less per month than a similar PG&E customer when that company's next rate hike takes effect a few weeks from now. She said an average commercial customer of MCE will be paying \$13.96 a month less than a comparable PG&E commercial customer.

McKannay said an average residential customer of PG&E currently pays \$79.41 per month.

Weisz said the California Public Utilities Commission has directed PG&E to begin passing along to customers costs that the company has been deferring for over a year. These costs, which MCE is already including in its rates, reflect the added expense of energy production that creates greenhouse gases. Because of new cap and trade laws, greenhouse emitters must purchase pollution credits.

Weisz said a state requirement that retailers of electricity obtain an increasing amount of their energy from renewable sources — 33 percent by 2020 — is partially responsible for the increased power supply costs of both MCE and PG&E. She said MCE continues to exceed the state mandated levels, while PG&E is lagging behind them.

"Also, market prices are up slightly from the prior year, just for standard, conventional power," Weisz said.

MCE, which consists of the county of Marin, all 11 of Marin's municipalities and the city of Richmond, is the first successful attempt in California to launch a new, public model for providing electricity to residents. It serves as the retail electricity provider for its 124,000 customers, who continue to also pay PG&E for transmission and distribution of their electricity.

Weisz said MCE's rates will be lower despite the fact that the California Public Utilities Commission requires MCE to pay PG&E a special fee to compensate it for energy contracts it entered into before customers opted to switch energy suppliers. For example, she said of the \$82.28 that an average MCE customer will pay each month, \$5.89 will be added PG&E fees.

"Our customers are paying \$13 million this year alone to PG&E in departing load charges," Weisz said. "It's really an onerous charge. It's not tied to the real needs that PG&E has for buying power."

She said MCE will appeal to the utilities commission this year to reduce the fee.

Many MCE customers, however, are more interested in cutting their greenhouse gases than trimming costs. MCE was formed primarily because critics of PG&E felt the investor-owned utility was moving too slowly to boost its use of renewable energy sources.

Currently, 50 percent of the MCE's energy comes from renewable sources, while renewable sources account for only 20 percent of PG&E's energy. MCE also estimates — using data supplied by third-party organizations such as the Climate Registry — the emission factor of its portfolio in 2012 was 19 percent lower than PG&E's reported emission factor for the same year. 2012 is the most recent year for which PG&E numbers are available. Emission factors express the rate at which greenhouse gases are produced.

McKannay noted, however, that if the energy PG&E gets from large hydroelectric projects and nuclear plants were counted as renewable, then nearly half of the company's energy would come from renewable sources.

MCE is currently studying the potential customer bases in the county of Napa and the cities of Albany and San Pablo to determine if it can absorb these jurisdictions economically. Weisz said the evaluation will take three to four weeks. She estimates the addition of all three jurisdictions could add another 27,000 customers to the MCE.

In his letter requesting admission into MCE, San Pablo Mayor Paul Morris said that his city has a goal of reducing its greenhouse gas production 18 percent below 2005 levels by the year 2020.

Morris wrote, "We believe membership in a Community Choice Aggregation program such as MCE would go far in helping the City reach these goals, as well as provide our residents with greater choice in the energy marketplace."

Contact Richard Halstead via e-mail at rhalstead@marinij.com. Follow him at twitter.com/halsteadrichard

Dick Spotswood: Water and schools show up as top Marin voter concerns

Posted:

marinij.com

QUESTIONS propounded in campaign-commissioned public opinion polls have multiple purposes. Some are tracking questions designed to inform campaign managers how their candidate is doing compared with others in the race.

Others are designed to test campaign themes or dry-run negative comments about opposing candidates.

Another type of question is formulated so that the sponsoring candidate gains insight into voters' thoughts.

The survey commissioned by Assemblyman Marc Levine, D-San Rafael, reported last week incorporated a question seeking poll respondents' highest priority of statewide issues.

It's no surprise that the No. 2 issue described by 84 percent of respondents as a high priority was "improving the quality of education in public schools."

Perhaps it's the lack of rain this winter, but the No. 1 priority emanating from surveyed Marin and Southern Sonoma residents was "ensuring a reliable, long-term water supply." Fully 86 percent made water their highest priority.

The third priority, a three-way tie at 81 percent, was for "creating jobs," "ensuring that state finances are balanced and secure in the event of another economic downturn" and "reducing the role of money in state politics."

The lowest ranking of the 16 issues surveyed at 41 percent was "using current state budget surpluses to increase funding for social services."

III

EVERYONE is for "public involvement." Theoretically, the term implies that government communicate with ordinary people, e.g. you and me, when formulating policies and making decisions.

The concept works best when the inquiring public officials are directly elected. Then they ignore public opinion at their own risk. If elected officials decide to go in another direction because of ego, agency culture or pressure from special-interest groups, they take their chances on Election Day.

The dilemma is that the unelected bureaucrats who really run Bay Area regional agencies didn't consult with average citizens when it came to creating Plan Bay Area and the landslide of so-called incentives designed to urbanize Marin.

Instead of talking to affected residents, their public involvement was aimed at what's called "stakeholders" who tell them what they want to hear.

County supervisors, planning staff and regional agencies are infatuated with stakeholders. Not so much city council members who live and die with grassroots contact.

One reader said the stakeholder term usually includes "housing activists, bankers, builders, architects, bureaucrats, developers but no homeowners or regular constituents." I'd also include the Marin Community Foundation.

Marin's elected officials should understand that the first stakeholders they need to consult are their constituents. Anything less is not "public involvement."

III

THERE'S ALWAYS BEEN anecdotal comments about who uses the Golden Gate Bridge. It's an important question because bridge travelers fund the intercounty buses and ferries on which many Marinites depend.

On an average day, Golden Gate Bridge auto drivers are composed of residents from the following counties: Marin, 38.8 percent; San Francisco, 23.3 percent; Sonoma, 10.8 percent; San Mateo, 6.6 percent; Alameda, 2.7 percent; Santa Clara, 2.4 percent; Contra Costa, 1.7 percent; Napa, 0.8 percent; Solano, 0.7 percent; other, 11.9 percent.

It's curious that bridge crossers from two counties, Mendocino and Del Norte, are statistically invisible despite that these two counties each select a director to sit on the Golden Gate Bridge District's 19-member board.

The bridge itself generates surplus cash that's used to support its transit services. Understand that no transit agency in North America breaks even. Transit, just like streets and highways, needs tax or, in this case, toll dollars to operate.

Marinites should know that more than half of Golden Gate toll-payers come from outside Marin. Be grateful. Without their tolls to subsidize our transbay buses and ferries we'd face a much higher local tax burden.

Columnist Dick Spotswood of Mill Valley now shares his views on local politics twice weekly in the IJ. His email address is spotswood@comcast.net.

Novato remembers Mike DiGiorgio

By Joe Wolfcale | Posted: Wednesday, April 9, 2014 12:07 pm

Last Wednesday, the entire staff of Athas and Associates closed up shop early and headed to Mike DiGiorgio's Novato home, hell-bent on throwing one special birthday party.

DiGiorgio, who had worked as an associate and real estate agent, had a birthday on the horizon and Athas and her staff knew time was of the essence. DiGiorgio had been recently diagnosed with Acute Myeloid Leukemia and hospice care was being arranged.

"We got a birthday cake and balloons and he greeted us at the door with this huge smile," said Denise Athas, who like DiGiorgio, also served the city as mayor.

"It was an absolutely wonderful time," Athas said. "He was thrilled that we closed the office in his honor. It was the best office meeting we've ever had."

Happiness turned to sadness over the weekend as the former city councilmember and Novato Sanitary District director succumbed to his illness at home Sunday. He was 73. This Friday is his birthday.

"It's an amazing special memory I'll always have of Mike," said Athas, who hired DiGiorgio to work as an agent several years ago. "He was so full of life. He had more passion for this town than anyone I've ever met. In a lot of ways, Mike was my mentor."

In an email to the Novato City Council Monday morning, City Manager Michael Frank delivered the news.

"It is with sadness that I let you know that Mike DiGiorgio passed away yesterday at his home," Frank said in his email. A memorial is being planned for May 5 at City Hall.

DiGiorgio served eight years on the city council and was one of the leaders behind the Hamilton Air Force Base Re-use Plan where a closed military institution was converted to a bustling community with million dollar homes and thriving businesses.

He twice served as mayor and as president of the Novato Chamber of Commerce. DiGiorgio re-entered the world of politics in 2005 when he ran unopposed for a seat on the Novato Sanitary Board. His opinions were sometimes controversial, but he always stuck to his guns.

"He had this amazing conviction and courage about it," Athas said. "He lived with his decision and I respect him tremendously for that. He didn't always take the easy answer. He showed a lot of courage in the way he lived."

Athas said DiGiorgio was healthy up until a few weeks ago when he came down with a severe infection. “He knew it was terminal but we had no idea he’d go with the rapid speed he did. We had so many special moments. I’m going to miss.”

Novato Councilmember Pat Eklund said she first met DiGiorgio working on the Hamilton Reuse Project.

“I really admired his commitment to Novato,” Eklund said. “He also worked hard for the sanitary board and committed a lot of his time to the community and the city.”

Born April 12, 1940 in New York, DiGiorgio’s family moved to California in 1942. He attended Menlo High School and the University of Arizona before serving a three-year stint in the U.S. Army.

He earned an undergraduate degree in international trade from San Francisco State University and got an MBA from Pepperdine University.

DiGiorgio had a number of jobs in his early years, working on BART with Kaiser Sand & Gravel, the family business, Sun Aire, a commuter airline, as an aircraft speculator and stockbroker before finally moving to Novato in 1989.

Survivors include his wife, Gordonna Vuksich, an addiction counselor and a son, Anthony, a neurosurgeon at Louisiana State University Health Center in New Orleans.

Contact Joe Wolfcale at jwolfcale@marinscope.com.

Novato bike park scores another \$25,000 donation

Posted:

marinij.com

Another \$25,000 corporate donation rolled in for the Stafford Lake bike park Tuesday, bringing fundraising to near the halfway mark.

In return for the contribution, Bike Monkey Inc. of Santa Rosa will get its name emblazoned on a "kids learn to ride" zone at the park for seven years, as well as advertising and other perks.

"It makes perfect sense for us to support something like that," Carlos Perez, head of Bike Monkey, told county supervisors. "It's a new cool thing for the area."

The sponsorship follows a \$75,000 pledge from Santa Cruz Bicycles, a firm that won a "fastest-growing" bike business award last year from Bicycle Retailer and Industry News.

Officials said construction of the first phase of the park will begin this summer following the success of the public-private funding partnership that has generated \$392,000, or 46 percent of the project's \$850,000 goal. About 82 percent of the \$480,000 needed for the first phase of construction is in hand.

Stephen Petterle, the county's principal landscape architect, said other corporate sponsors are being lined up. In addition, the Stafford Lake Bike Park is one of four finalists for a \$100,000 Bell grant from Bell Helmets of Champaign, Ill. The winner will be selected following public voting that ends April 20 at www.bellhelmets.com/bellbuilt.

A new nonprofit, Friends of Stafford Lake Bike Park, is helping to raise funds. The group includes Julia Violich, Mark Weir and Al Bauman, a former county parks commissioner.

Other donors include the Violich Family Foundation, which has pledged \$50,000, and Mike's Bikes, which also pledged \$50,000. A \$25,000 pledge came from WTB of Mill Valley, a firm that supplied parts to local bike pioneers decades ago.

The bike fund includes a \$50,000 challenge grant from county supervisors. The county also provided \$182,000 for design and construction drawing work by consultants Hilride Progression Development Group.

The master plan calls for a sophisticated network of trails, configurations, challenges, riding zones and stations that can accommodate cyclists of all skill levels.

The facility is planned on a 17-acre northwestern segment of the 139-acre Stafford Lake Park.

Those interested in becoming a donor may call 473-6394.

Contact Nels Johnson via email at njohnson@marinij.com. Follow him at twitter.com/nelsjohnsonnews

Proposed \$32.7 million budget unveiled for Novato

Posted:

marinij.com

Novato's city manager has unveiled a proposed \$32.7 million operating budget for the city that includes no cuts and adds staff positions in a number of key areas.

In recent years, the city slashed millions of dollars from the budget and cut more than 20 percent of its workforce, but the proposed 2014-15 budget represents the third year the city has been able to avoid cuts. The council took no action Tuesday, as this was the first hearing of the budget.

The proposed 2014-2015 budget represents a 6.5 percent increase over last year's budget.

"The key message is that after many years, I think seven, the city is moving forward," said City Manager Michael Frank in his presentation.

"We are investing in Novato in a number of areas," Frank said. "First and foremost we are investing in the community's infrastructure."

Part of the reason the city has avoided cuts is Measure F, the city's temporary sales tax extension forecast to generate \$22 million over five years. Frank proposed to use Measure F to fill in budget deficits — \$1.6 million in 2014-15 — and fund investment in the maintenance of city-owned facilities and assets such as buildings and pavement.

Staff positions would be added. "The economic development manager position is recommended to be moved from Measure F funding into the general fund" as a core position, said Brian Cochran, Novato's finance manager.

In addition, a senior information technology analyst and several front-office workers for the police department were created in the proposed budget, among other positions.

Other areas for investment included funding for "some quality-of-life items such as maybe continuing with the Redwood Corridor planning process with some additional charettes," Cochran said. The finance manager was referring to a series of public meetings that were held in 2013 to give Novato residents a chance to say how they would like the corridor to be developed.

"We are investing in technology. In most of our administrative infrastructure, we have a long way to go," Frank said. "We believe by investing now we can reap long-term benefits and customer service improvement."

Cochran said, "We are looking at a multi-year plan to invest in technology and expand online access. Community Development is looking at rolling out e-permitting to a broader base in the community. On the internal side, we'll have a variety of projects for our public works department including imaging files so staff can track orders for service."

"This is just the first of several meetings we're going to have on this, but council felt encouraged by the whole tone of the evening," Councilwoman Denise Athas said. "We felt so much more encouraged than in past budget times. I feel excited about what our future will be."

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POINT REYES LIGHT

NMWD starts voluntary rations

By Samantha Kimmey

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The failure of a rain gauge at Kent Lake to meet a key threshold has triggered voluntary rationing for North Marin Water District customers in West Marin, with mandatory rationing set to begin on July 1. The district's water rights to Lagunitas Creek stipulate that the gauge needs to receive at least 28 inches of rain or more by April 1 to avoid rationing. This year it narrowly missed the requirement, with 27.6 inches. Even if the area receives more rainfall, the ordinance will remain in place. That water right "took into account... that even if there were subsequent rainfall, the aggregate would be a dry-year condition," said Drew McIntyre, the chief water engineer for the district. This is the first time since the water right was adopted in 1995 that fewer than 28 inches of rain were measured at the gauge. The voluntary stage asks its customers in Point Reyes Station, Inverness Park, Olema, Bear Valley and Paradise Ranch Estates for a 15 percent reduction from April to June, compared to the same billing period last year. Starting July 1, and until the board passes a resolution ending the conservation ordinance, the district will require a 25 percent reduction compared to last year's use. Non-essential uses of water, such as washing driveways and patios, refilling a swimming pool and car-washing, will be prohibited, even for those meeting the mandatory reduction. Still, any residential connection using less than 200 gallons a day—about 40 percent of West Marin's 777 connections—will be considered in compliance with the ordinance. "We encourage them to do what they can and take additional measures where possible, but we recognize that they are doing a lot already," Mr. McIntyre said. By the end of April, customers will be able to log into their accounts at nmwd.com and view a graph of their water use, as well as their reduction target.

Marin water crunch was eased by late winter, spring rains

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The topsy-turvy rainy season in Marin is ending on an up note, meaning water supplies for most of the county are in good shape as summer approaches.

"We are in a lot better shape than we were a few months ago," said Libby Pischel, spokeswoman for the county's largest water agency, the Marin Municipal Water District. "The reservoirs have come up nicely."

The year 2013 saw the smallest amount of rainfall recorded for a calendar year in Marin: 10.68 inches at Lake Lagunitas, where the water district — which has data dating to 1879 — keeps its official weather gauge. The previous record low was set in 1929 when 19.06 inches of rain fell.

January only had .01 of an inch of rain, another all-time low. And as February began, Marin was in the grips of a full-on drought. There were rumblings of mandated conservation as the district's reservoirs appeared to be heading below 40,000 acre feet, which would have triggered the action on April 1. A 25 percent voluntary cut was implemented by the district.

But on Feb. 2 the rains came. And they kept on coming.

On Feb. 1 the rainfall since July 1, 2013, was stuck at 3.80 inches. Since then an astounding 28.79 inches of rain has been recorded, bringing the total to 32.59 inches.

While not enough to completely wipe out the deficit brought on by the dry early winter — average rainfall for this time of year is a touch beyond 47 inches — it has provided breathing room for the county.

This week the district's reservoirs have 64,578 acre-feet of water, which is 81 percent of capacity. One acre foot is 325,851 gallons. The average for this time of year is 91 percent.

"And people are doing a great job of conserving," Pischel noted.

This year people are using an average of 83.60 gallons of water per day. A year ago it was 102.32 gallons. The district has 190,000 customers between Sausalito and San Rafael.

The district has not lifted its call for a 25 percent voluntary cutback, but that will be looked at in the coming months if more rain arrives.

"Historically, we get 5 to 6 inches from now to July 1," Pischel noted.

In response to the drought, the district started pumping water out of Phoenix Lake, a reserve reservoir. But the practice stopped as rains filled reservoirs, including Phoenix.

In Novato, the North Marin Water District has not implemented mandatory water use restrictions, although it is asking for a voluntary reductions. It has recorded 12.49 inches at

its Stafford Lake reservoir since July 1. On average 19.46 inches would have fallen by this time of year.

Some rural water districts in West Marin, which rely largely on groundwater, were set to implement mandatory conservation measures this spring. But plans in one district have been put on hold because of the recent rains. The Stinson Beach County Water District was ready to begin in April and had a communitywide plan in place, but that has been pushed back to May, and might not be implemented then.

"It could be moved back further," said Ed Schmidt, general manager of the Stinson Beach district, which has 726 water hookups. "The board will decide."

The district has logged 25 inches of rain, which is about 80 percent of normal.

"We have caught up a bit and there could be more rain," Schmidt said. "We will have to see."

Diane Henderson of the National Weather Service said more rain before summer is a possibility, but not over the next 10 days.

"We may get some coastal drizzle, but that's about it," said she said. "The spring rains were a pleasant surprise though."

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